

**PORT DISTRICT OF SOUTH WHIDBEY ISLAND**

Minutes of the Regular Meeting

September 14, 2010

Langley, Washington

**Commissioners Present:** Geoff Tapert (Freeland), Chris Jerome (Langley) and Curt Gordon (Clinton)

**Others Present:**

**Port Staff:** Ed Field (Port Manager), Dane Anderson (Port Financial Manager), and Molly MacLeod-Roberts (Port Clerk); **Clinton Residents:** Pete Anderson, Clyde Monma, Debbie Webster, Dough & Michiko Struthers, Bruce Buls, Beth Wyatt, Richard Engstrom, Marcia Monma, Vivian & Michael Smith, Nancy Wiechmann, Michael Farrens and Jiemin Farrens; and Sandey Brandon (Island County Fair Association), Jan VanMuyden (Island County Parks Department) and Michael Muzos (Whidbey Island Arts Council).

**MEETING CALL TO ORDER:** The Regular Meeting of the Port District of South Whidbey Island's Board of Commissioners convened on Tuesday, September 14, 2010, at the South Whidbey Parks & Recreation District Meeting Room at 5475 Maxwellton Rd., Langley, WA. Commissioner Geoff Tapert, President, called the Regular Meeting to order at 7:30 p.m., followed by the Pledge of Allegiance.

**BUSINESS MEETING:**

**1. Consent Agenda:**

**A. Minutes:** Minutes from the Regular Meetings of May 11, June 8 and July 13 and the Special Meetings of May 25 and July 13, 2010.

**B. 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. The vouchers so listed and presented are summarized on the attached Voucher Listing (**EXHIBIT A**).

**ACTION:** A Motion was made by Commissioner Gordon and seconded by Commissioner Jerome to approve the Consent Agenda as submitted, including the acceptance and authorization of Vouchers #4486 through #4507 for a total amount of \$58,590.64. The Motion passed unanimously.

Gordon added that he expected that all of the pending Minutes (through this meeting) would be prepared by the October meeting, and staff concurred.

**2. Resolution No. 10-06 (EXHIBIT B): Appointment of Finance Manager Dane Anderson as Auditing Officer and Selection of Alternate Auditing Officer:** Gordon said he agreed with appointing Anderson as Auditing Officer, but would prefer to appoint one of the Commissioners as the Alternate Auditing Officer rather than Port Accountant Chuck Edwards. He explained that since the Port has moved out of the offices of Edwards & Associates, Edwards no longer has the "awareness of the Port's funds." In response to Tapert's question regarding whether they would have to continually update the resolution if a Commissioner was named, Field suggested that the Port Commission could annually appoint the Alternate Auditing Officer at the same first-of-the-year Commission meeting as the Election of Officers. Tapert asked Gordon if he would be willing to serve as Alternate Auditing Officer and Gordon said he would, if his fellow Commissioners agreed. Jerome and Tapert had no objections.

**A Motion was made by Tapert and seconded by Jerome to approve and adopt Resolution No. 10-06, appointing Finance Manager Dane Anderson as Auditing Officer and Commissioner Curt Gordon as Alternate Auditing Officer, following the conclusion of this meeting. The Motion passed unanimously.**

**3. Resolution No. 10-07 (EXHIBIT C): Revision of ByLaw “Article VIII – Order of Business”:** Field explained that the Order of Business needed to be adjusted and updated to include all necessary agenda items without specifying the order that they must be addressed to allow for flexibility with the Agenda as needed. He also noted that since the Commission adopted the Blanket Voucher process, they didn’t have to spend the workshop time signing individual vouchers. The Commission therefore had three options: 1) The Workshop could be eliminated and the Regular meeting time moved up to 7:00 p.m., 2) The Workshop could be eliminated and the Regular meeting time would remain at 7:30 p.m., or 3) The schedule could remain unchanged, with a Workshop beginning at 7:00 p.m. and the Regular meeting starting at 7:30 p.m. The Commission agreed that holding a Workshop prior to the Regular meeting each month was useful and a good idea.

**A Motion was made by Jerome and seconded by Gordon to approve and adopt Resolution No. 10-07, revising Port Bylaw “Article VIII – Order of Business” and retaining a general workshop session prior to the Regular Meetings. The Motion passed unanimously.**

**PUBLIC COMMENT – Including Items not on Agenda:** There was no public comment except as noted below.

**1. Commission Review of Applications for Funds**

**A. Whidbey Island Arts Council, Application for Advertising Funds (EXHIBIT D):** Michael Muzos, Treasurer of the Whidbey Island Arts Council (WIAC), was on hand to discuss their application requesting \$902.25 for funding of off-island advertising for the 14<sup>th</sup> Annual Open Studio Tour. He explained that they have made 2 major changes to the Open Studio Tour: 1) they no longer charge admission (last year it was the only tour in the Northwest that still charged admission), 2) in response to the complaint that there were too many stops (one for each of the 80-90 artists), this year there has been great emphasis on “group studios” and this year there will only be 44 stops for the 84 participating artists. Muzos added that this year WIAC had started a really aggressive advertising program, and Sound Publishing agreed to match their \$5,000 budget – Sound Publishing will give \$1 in advertising for every \$1 spent by the Tour. That means if the Port approves the \$902.25 request, they would be able to purchase twice that amount of advertising off-island, with online ads in the Bellevue and Mercer Island newspapers and the Seattle Post-Intelligencer. Muzos said the Tour provides economic benefit to the community - the artists’ gross sales from last year’s Tour were about \$85,000. The average attendance has been about 1,000, but that number will hopefully increase with the elimination of the admission fee and the more intensive advertising. The State says for every \$1 spent, there is roughly a \$2 economic impact – this means if artists sell \$100,000, we should get an economic benefit of \$200,000 - \$225,000.

**B. Island County Fair Association, Application for Capital Funds (EXHIBIT E):** Sandey Brandon, Administrator of Island County Fair Association, was on hand to discuss the Fair’s application for \$4,500-\$9,000 to upgrade the electrical system in the Turner Building, where the Uniquely South Whidbey Trade Fair has been held for the last two years. Gordon asked if the Fair was able to get multiple bids for the bid, and Brandon said they were not, because the prevailing wage issue makes it difficult to find people who will bid on public projects. Jerome asked if the Turner Building is also used at the Island County Fair and Brandon said, “Yes, it’s the Commercial Building.” She added, “The electrical upgrade will benefit everyone and hopefully attract more events there.”

C. Island County Parks, Application for Capital Funds (EXHIBIT F): Jan VanMuyden, Island County Parks Technician, was on hand to discuss the \$1,000 requested to provide timed, electromagnetic locks for the Freeland Park bathrooms to reduce or curtail vandalism. The Parks Department would like the Port to partner with them and with the South Whidbey Lions Club. Island County will provide \$2,000 from next year's capital improvement funds and the Lions Club has promised \$500, but they still need an additional \$1,000 from the Port. VanMuyden provided additional details regarding the vandalism problem at the Freeland Park bathrooms and how the new locks could help resolve it. He summed up with, "I think it would be well worth the money, time and effort spent to put these locks in."

Field reminded the Commission that the 2010 budget has a total of \$15,000 allocated for Tourism & Economic Development Funding, with \$7,500 for Admin. Expenditures (sponsorships, etc.) and \$7,500 for Capital Funding. The WIAC Open Studio Tour application for funds would fall under the Admin. Expenditures and the Fair and County Parks would fall under the Capital Funding. Tapert suggested they approve all 3 applications for the following amounts:

Whidbey Island Arts Council/Open Studio Tour:	\$902.25
Island County Fair Association:	\$5,500.00
Island County Parks Department:	<u>\$1,000.00</u>
Total:	<u>\$7,402.25</u>

**ACTION:** A Motion was made by Gordon and seconded by Jerome to approve the requests as allocated above. The Motion passed unanimously.

**ACCOUNTANT REPORT:**

**1. Financial Statement:** The Commissioners acknowledged receipt of the July 2010 Financial Statement, which had been mailed to them previously (**EXHIBIT G**).

**PROJECT ACTION ISSUES:**

**1. Possession Beach Waterfront Park:**

A. Commission Direction on Possession Properties:

1. Property Boundary & Survey Issues: Field referred the Commission to their copies of the new parcel map from the unregulated segregation of the Port's Possession properties (**EXHIBIT H**), as recorded with the Assessor's Office. The upper parcel (Parcel A) is 14.04 acres and the lower parcel (Parcel B) is 13.94 acres. Field noted that the property had not been staked or surveyed, pending Commission direction to proceed.

- Possession Uplands issues related to Comp Scheme: Previously, the Commission had planned to discuss the issue of declaring the uplands portion surplus. In reviewing the Port's Comprehensive Scheme, Staff noted that one of the Potential Project Initiatives is to: "Enhance access to the upper trailhead of the Dorothy Cleveland Trail; include provisions for parking and/or water for hikers." Field explained that since the property in question is mentioned in the Comp Scheme, the Port Attorney has noted the following from RCW 53.08.090(1): "However, if the property is a part of the comprehensive plan of improvement or modification, then the comprehensive plan must be modified to show that the property is surplus to the port's needs." Field said that the Comp Scheme would therefore have to be amended prior to any declaration of surplus. Tapert asked if the Port could address both the amendment to the Comp Scheme and the declaration of surplus at the same special public hearing. Field thought it was possible, but said he would contact the Port Attorney to confirm. Gordon asked to table further discussion on this item until later in the meeting and the Commission agreed.

- Appraisal Proposal – Commission Direction: Anderson referred the Commission to their copy of the Appraisal Proposal submitted by CB Richard Ellis (CBRE) (**EXHIBIT I**). The proposed appraisal fee is \$8,500. Anderson said there were some issues about this particular scope of work for the appraisal worth noting: 1) they were asked to give the Port a determination of how a cell tower would affect the value of the property, and 2) they were asked to give some indication of how a trail easement would affect the value of the property. Anderson explained that they had also discussed different proscribed easement options. One option would be to identify a specific trail and that would be the trail easement. Another option would be to simply say “there has to be a trail on the property” and the new property owner can then decide where that trail would be. Anderson had requested CBRE to submit their proposal based on the latter option; the more flexible of the two easement options.

Gordon asked if the Port is legally required to do an appraisal. Anderson replied, “The RCWs don’t specify what type of appraisal we need to get. I did not ask the question whether or not we have to get an appraisal, I just assumed we would want to because we’re not real estate experts.” Gordon said he has found that appraisals aren’t really holding up in today’s market, and the only way to really determine market value is a sale. Tapert thought getting an appraisal would be “doing our due diligence” but thought it could be done for less than \$8,500. Jerome said they should first determine if an appraisal is required. Anderson said they could have a market analysis done for \$0. He agreed they should first find out if an appraisal is required. If an appraisal is required, but there are no rules or regulations about how to get it done, they could use market analysis. If an appraisal is not required, the Port could just not get one and put the property up for auction. Jerome summarized the Commission’s direction to Staff as: “Find out what we’re required to do and then figure out the cheapest way to get from here to there.” Tapert added they should also try to get a broker to provide a market analysis and maybe some “comps” of similar sized properties. Anderson asked if the information about the value impact of the tower and the value impact of the trail easement should be considered. Gordon said they don’t need to go there yet. Jerome agreed, saying they would need to wait until after the public hearing.

- Sale Process and Public Hearing Issues: Per the earlier discussion, Staff would look into scheduling the public hearing for amending the Comp Scheme and the hearing for declaration of surplus at the same meeting, pending confirmation from the Port Attorney that both could be scheduled for the same date.

**Clyde Monma** asked to see the map (previously identified as Exhibit H) and noted that the Dorothy Cleveland Trail was cut in half between Parcel A and Parcel B. He asked that the Board “...show their support for the existing trail by putting an easement on the trail plus whatever buffer it needs outside the Trail.” Gordon asked, “So who would maintain that easement of the Trail?” Monma said it remained to be seen – it depended on what kind of easement it is. If it is a conservancy easement, then he thought that was something that somebody like the Whidbey-Camano Land Trust (WCLT) could negotiate. Monma said WCLT could then turn the property over to the State or the County or the South Whidbey Parks & Recreation Department (SWPRD) to maintain it. Gordon noted that Island County is giving away their responsibilities for their parks because they can’t afford to maintain them. Recalling that Monma previously went to the SWPRD Board, Gordon asked him, “Is anybody interested in managing or taking over this portion?” Monma said, “I asked them at their last meeting to look at it seriously and to start discussions with the Port by their next meeting regarding whether they were interested in purchasing the property, etc.” He asked if the SWPRD had contacted the Port and was told they had not.

Regarding the discussion of the different easement options, Monma said, "It should be THAT trail." He added that he would like the access portion at the top of the trail to NOT be considered part of the trail and therefore excluded from the easement.

Monma said he had attended the Island County Commissioners' meeting that addressed AT&T's pre-application. He said AT&T "...asked for relief for the distance to the property line (which they can't get without permission, so that's fine). They also asked to get relief to go into this unstable area (which they can do if they get a geologist report, etc.). They also reduced the size of the tower to 145' to squeeze it into that space, but they specifically asked for relief from the height of the tower, which is kind of a game they are playing. I don't see how they can put a tower in here and meet all of those constraints."

Monma said the main thing is that he would like to see an easement placed on the Trail, with a reasonable buffer (25-30 ft. on each side). As for the access trail at the top, he said he was open to suggestions as to whether that should have an easement on it, too. He added, "If by easement you mean it can only be used as a trail, that has certain advantages. But if by easement you mean people truck things in and build cell towers then I don't support that." He said the Port has the responsibility to protect the Trail the way it is and put an easement on it.

**Richard Engstrom** said he also lives in that neighborhood and said he was concerned about the "more flexible type of easement" that was discussed. He said he heartily opposed such a "watered down" easement. He asked them to be very careful to preserve the Trail as it is.

Tapert noted that historically the access or "connector" trail has been considered separate from the Dorothy Cleveland Trail, and was used for maintenance of the Trail and not for public access due to the lack of parking, etc. Jerome interjected that although that might be stated in the Minutes, the Comp Scheme includes the potential project initiative to enhance access to that upper trailhead of the Dorothy Cleveland Trail. Field explained that the previous Port Commissioners really wanted to have access to the upper part of the Trail, but they were rebuffed by the neighbors. Both the Commission and the Comp Scheme Committee believed it was appropriate to have access up there. Gordon said, "What I'm seeing is that a group of people want to save the Trail, but they don't want anyone to use it from the top." **Marcia Monma** said it's not a problem for people to use the Trail from the top as long as they walk to it, but there is no place to park. The neighborhood was afraid that if the Port created parking spaces, there would be "rabble rousers" that would come and park there at night and no enforcements. They were also concerned that if the available parking spaces were filled and there were more people arriving with cars, they would end up "basically parking in our yards." Attendees agreed those were the stated reasons for the neighborhood's opposition.

**Marcia Monma** said the issue arose when Possession Shores wanted to buy a portion of the Port's property to put their water tower but the Port chose not to sell it to them. She said Possession Shores then made a deal with the Port in exchange for that land – they made a choice to put in a drinking fountain. The fountain was originally planned for off of Lupine Lane, but the distance didn't make sense, so it is actually very close to the top of the trail.

Gordon asked **Vivian Smith**, "You guys traded property with the Port, too, didn't you? Was that also for access?" Smith explained that it was a trade accomplished with a Boundary Line Adjustment. She explained that the Port wanted access to that upper property and she wanted a building plot with an east/west view.

**Nancy Wiechmann** said, "I don't know how appropriate it is to consider Nation Drive as the gateway to the public parking area. It's a very small, narrow road and I don't think it's appropriate

to designate it as an access for the public to get to the Trail. It's a small neighborhood up there and having public access with people going up and down on it...it's a difficult road to maintain – it's not even really paved. I don't think it's appropriate to have people driving on it to have access to the Trail.” She said that when the Trail was originally put in, the Port promised the neighborhood that public access/parking at the top was not going to happen. Jerome explained that the reason he brought it up wasn't because anyone is proposing putting parking up there – it's that the Port Commission is bound by the Comprehensive Scheme, which includes the initiative to enhance access to the upper trailhead of the Dorothy Cleveland Trail and include provisions for parking and/or water for hikers.

Gordon read aloud the following from RCW 53.08.260, Park and recreation facilities: *A port district may construct, improve, maintain and operate public park and recreation facilities when such facilities are necessary to more fully utilize boat landings, harbors, wharves and piers, air, land, and water passenger and transfer terminals, waterways and other port facilities authorized by law pursuant to the port's comprehensive plan of harbor improvements and industrial development.*” He said, “It's a very limiting RCW and had the prior Commissioners been following it, they wouldn't have built that Trail, and I believe that maintaining it is inappropriate use of the Port's dollars. He said he is not as in favor of putting an easement on the property as Tapert is, and reiterated his belief that the group of neighbors should find a way for someone to acquire the property. Gordon added, “The Port has expressed interest in maintaining the lower portion of the Trail, and if a good steward steps up and takes over the top portion, they could be combined. But I don't think it's in the best interest of the Port District to surplus a property to make good use of your tax dollars and put a bunch of constraints on it that lower the value. I'm not as much in favor of an easement as Tapert is.” He noted that on Camano Island, there is a very strong, independent group (Friends of Camano Island Parks) that is not County-organized. The Conservation Futures Board has purchased property that is then owned by Island County but maintained by the Friends of Camano Island Parks group: “They are such great stewards.” He suggested the Possession neighbors get something like that going.

Jerome said if an easement is to be considered, “...at the very least, we need to know the impact it would have on the value.” He added, “Having this property as a park does not appear to fit what the ports are legally allowed to do – never mind if it's a good idea for ports to do.” From the point of view of what is the Port's mission, Jerome said, “I think our interest is best served by getting the maximum value out of the property, and if putting an easement on the property has a substantial impact on value, we need to know that and take it into consideration.

Clyde Monma said that the Port built the Dorothy Cleveland Trail and has been maintaining it. He added, “*It's there, it's been bought, it's been paid for, it's been maintained, and if you now say: We're abandoning the Trail, and we're going to leave it up to the highest bidder to decide whether there is a Trail – then I think you are abdicating your responsibility.*” Gordon said port districts are set up to “...buy, to help acquire, to facilitate mostly commercial-type operations, but they can also build park-type operations and then sell them or hand them off. We have the ability - we could build another park in Clinton and sell it, if we thought that's what we needed to do. I don't think we have some long-term requirement to maintain a park that the people on the top don't even want the public to access from the top.” Clyde and Marcia Monma said that was not what they were saying. Gordon said somebody else – the Parks District, a stewardship group, etc. could maintain the property, but to him, the Port needs to get out of the parks business. He added, “We have a couple of other parks that are also using up resources that we should be using for other things like commercial kitchens and some of the things that are really in our scope.”

Clyde Monma asked, "So are you saying that if we agree to maintain the Trail, that you'll put in an easement?" Gordon replied, "No, what I said was that would give you a better opportunity to get grant funding from Conservation Futures or from some other source, because the fear at almost every level is the ongoing maintenance.

Tapert said they would discuss the matter further at the public hearing, but he thinks the Port is obligated to preserve the Trail at least up to the loop, based on the past history and the naming of the Trail after a past Port Commissioner. He said, "In my opinion, it seems relatively benign to the value of the property up at the top." The connector trail is the one he thinks could cause the most problem, but it sounds like it's not that big of a deal to delete it. As for the remainder of the Dorothy Cleveland Trail, he said, "At this time I do not think it would be a good idea to abandon that Trail." Tapert asked Jerome if had anything further to add, and Jerome said he did not. Clyde Monma said he would like to hear Jerome's opinion, and Jerome replied, "I thought I stated it – the key issue is the impact of an easement for the trail on the value of the property." Clyde Monma then asked, "So I can quote you as saying that if someone comes in and wants to buy it for enough money to satisfy you, it's fine if you close the trail?" Jerome said, "If that's the only way to get the value out of the property, I think as a port district that's what we need to do."

**Bruce Buls** said, *"There is one trail, and you're talking about cutting it in half, but you're not going to abandon the lower half. I guess you could abandon it as well if the upper part was sold to someone who didn't maintain it. You are setting up to destroy one of the nicest trails on the Island – I just don't get it. There aren't that many nice trails around. Are you that desperate for money? You're operating on a \$5 million budget and you have to have that money – you're going to destroy one of the nicest trails on the Island? It just dumbfounds me that you guys are so cavalierly just getting ready to get rid of the trail."* Jerome explained that the Port's budget is actually only about \$500,000 – the \$4 million that Buls referred to on the draft preliminary budget is anticipated grant money for the expansion of the South Whidbey Harbor. He invited everyone to stay for the budget discussion, but said the Port doesn't have a lot of money to throw around, and he pointed out that a lot of the grants are on a reimbursement basis. That means the Port spends the money and might have to wait a year to get it back, which creates a serious cash flow issue. The money from the sale of this property would have a very material impact on things that the Port can do that contribute to its mission of economic development. Jerome concluded, "If we ranked all the things the Port can do for economic development – maintaining the Dorothy Cleveland Trail is way at the bottom. A lot of people on this Island are much more concerned about economic development and jobs (including me) than they are about maintaining this particular trail."

Marcia Monma asked, "Would the Port be open to something like a Dorothy Cleveland Trail Membership with the Port getting monthly income from membership dues, and then you wouldn't have to have AT&T come in and put the tower there?" Tapert guessed they would have to see a formal proposal, but he said, "At this point, it's all on the table, we're working through the process, we'll have the public hearing and we can discuss that."

**Sandey Brandon** spoke as someone who "was unaware of this issue" but was aware of the Island County Parks reduction to one Parks employee and the fact that Friends of Camano Parks has taken on the maintenance of the parks as a result. She went on to say that the Island County Fair Association maintains the Fairgrounds property, which is owned by the County but not supported by the County. Brandon said, "I hear a lot of outrage in this room, and I think it is misdirected. I think you would be much better advised to take what Gordon said to heart and figure out a way to steward that land yourself because it doesn't meet the Port's mission."

**Beth Wyatt** said she was very concerned about Whidbey Island maintaining its rural atmosphere, and she was concerned about property becoming privatized and not having access to the public. She added, *“This Trail right now is beautiful green space – it’s a beautiful forested area. It is accessible to the public now, and what the Port is doing in selling the property is opening up the chance of privatizing it – of making it a privately owned piece of property that the public can’t access, that is not going to be green space. I think there is a broader picture here, and I think all of the people on Whidbey Island need to put green space as a priority, because once it’s gone, it’s gone. This is a beautiful Island, and it should be kept as natural as possible and we should have as much public access as we possibly can.”*

Tapert encouraged everyone to attend the public hearing (when it is scheduled). He asked if anyone else wished to speak at this time, and no one responded.

2. Proposed Cell Tower – AT&T Lease or Tower Fall Easement Requests: Tapert suggested tabling the discussion, and Gordon agreed since it seemed AT&T was awaiting responses from the County. Jerome said, “Is AT&T asking for us to respond to their requests??” Field said AT&T would still like to proceed with the lease or get a tower fall easement from the Port if they pursue the property to the south. Jerome thought they should tell AT&T that the Port is considering declaring the property surplus and selling it, so the Port cannot make a decision on their requests at this time. The Commission agreed and Staff was directed to prepare the response as discussed. Further discussion was tabled.

3. Alternate Possibilities or Proposals: None received. Jerome noted that this item has been on the agenda for months, and said, “We cannot consider alternate possibilities unless there are some presented to the Commission.” Clyde Monma said, “We have – we asked to have an easement put on the trail. So I don’t think it’s fair to say we haven’t proposed anything.” Marcia Monma said, “One of the biggest helpers on the Island for acquiring property like this is Whidbey-Camano Land Trust (WCLT), but they’ve been wrapped up with the Trillium property, so we’ve been waiting because we didn’t think it was fair to go to them with the Dorothy Cleveland Trail while they were dealing with Trillium.” Now that WCLT has acquired the Trillium property, Monma said they will ask WCLT to help with the Trail.

**B. Estuary Restoration: Report from Aundrea McBride (EXHIBIT J) and Commission Response:** Field explained that the Skagit River System Cooperative (SRSC) approached the Port three years ago about evaluating the feasibility of reconnecting the marsh to Puget Sound. There is no action needed, unless the Commission would like to have McBride do a presentation on her findings. Tapert said that since the conclusions indicate the estuary restoration is really not feasible, there is no need for a presentation and we can respectfully say, “No, thank you.” Gordon suggested that McBride could perhaps hold an educational seminar at Possession if she wanted to, and Field said he would ask if she was interested.

## **2. South Whidbey Harbor:**

### A. Expansion Project:

#### 1. Design & Permit Prep:

- SEPA (State Environmental Protection Act) and Substantial Shoreline Development c/o City of Langley: Additional Information submitted 8/24/10. Jerome said he spoke with City Planning Director Larry Cort earlier today, and there are just a few details that need clarification. They want to meet next week, so Jerome said, “It should hopefully be done deal next week.”
- Boat Ramp Boarding Float Design & Permit: Re-permitting underway.

- Design & Engineering thru Bid Documents: Underway, with initial Site Inspection completed. Field said they would need to schedule the design review meeting with Reid Middleton to discuss the design criteria soon.

Field noted that GeoEngineers (permit specialist) has now exceeded the Original Authorized Budget of \$74,000 in their proposal approved in 2008. They have submitted Change Order No. 1 (**EXHIBIT K**) requesting approval for an additional \$7,500 in estimated fees for additional effort related to agency coordination and meetings for the Langley Marina Expansion project (total revised budget = \$81,500).

**ACTION:** A Motion was made by Gordon and seconded by Jerome to approve and authorize GeoEngineers' Change Order No. 1 as submitted, increasing the Authorized Budget by \$7,500 for a Total Revised Budget of \$81,500. The Motion passed unanimously.

2. Property Issues:

- Coordination with Adjacent Properties and Tribes: Field, Gordon and Anderson had “a good, productive meeting” with Ice Floe. Anderson said the outcome of the meeting was that the Ice Floe operations personnel are looking at the profile of the section view of the anchoring plan to determine if there are any issues regarding navigation hazards with their operations. The underlying issue is the DNR requirement that there are no objections to the Expansion project anchoring plan from affected property owners, but the initial input is that they don't expect there will be. Gordon said Ice Floe reported they are applying for a Department of Natural Resources (DNR) lease enlargement, and one of the conditions imposed by DNR on Ice Floe is having a conversation with the Port about that same issue. The meeting was also very productive in opening a door to a potential Phase 2 or later expansion that might include Ice Floe's dock. Anderson noted that the Port has opportunities that can be made available to Ice Floe on the economic development side that are unique to port districts, vis-à-vis their leased area offshore of their property. If the Port obtained some uplands ownership on Ice Floe's property, the Port could put the whole offshore area into a Port Management Agreement which could eliminate lease payments to DNR.

3. Funding Issues:

- Boating Infrastructure Grant (BIG) Application – Status Update: Anderson said that initially there was no limit on the amount of money that could be requested in the Application, but U.S. Fish & Wildlife came back early this week and limited the BIG Application amount to \$1.5 million. Anderson explained that was good news because it makes some of the projects that we would be in competition with on our \$1.8 million request – it makes some of those competitors “go away.” The bad news is that we have up to come up with another \$300,000, which is okay, but it does dip into our bonding capacity.
- Port Security Grant – Status Update: Anderson reported that after more last minute machinations, the application is final. The decision from the Area Marine Security Committee (AMSC) on our application is expected by Friday. He explained that it is one of three levels of decisions on it, but in his view, it is the most important because the people at the Department of Homeland Security and the Federal Emergency Management Agency (FEMA) rely on the determinations of the local marine security committees. Anderson said if the Port gets approval from the AMSC, the remaining steps in the approval process fall under the “Can you really do what you say you can do” category, examining not the project but things like “where are your matches, are they really legitimate matches, can you deal with the General Service Administration audit,” etc.

B. Harbor Operations:

1. Phil Simon Park Sign and Dockstock 2010: Very Successfully Completed on August 27-28. Field said the Park was rededicated on August 27<sup>th</sup> and Dockstock took place on August 28<sup>th</sup>. Parking problems were avoided by using an active parking management plan. Tapert said he had read the positive feedback that Field had forwarded to the Commission, and asked if any negative feedback had been received (if anyone had complained about the noise, etc.) Field reported they had not received any complaints to date.
2. Island County Fire District #3 (ICFD#3) Cooperation: Equipment being evaluated.
3. Proposed Month-to-Month Moorage Rate - \$8.50/ft. for 30-89 days (Oct. – Apr.), with Fee Schedule and Regulations revised accordingly (**EXHIBIT L**). Field explained that Harbormaster Rick Brewer’s proposed month-to-month moorage rate for 30-89 days would reduce the paperwork requirements for the lessees (insurance and documentation, etc.), would require prepayment and therefore eliminate invoicing, and would give Brewer more flexibility as he juggles boats for special events, etc. Previously, the Port’s Fee Schedule and Regulations were in effect from April 1 through March 31, but Field said it actually makes more sense for them to be in effect from October 1 through September 30 so it fits into the budget cycle.

**ACTION: A Motion was made by Jerome and seconded by Tapert to revise the South Whidbey Harbor Fee Schedule and Regulations as presented and change the effective dates for the Fee Schedule to be in effect from October 1 through September 30 each year as discussed. The Motion passed unanimously.**

4. Dock Lighting – Initial discussions with Puget Sound Energy (PSE) regarding Energy Audit and Dock Light Replacement: The normal process is to go in to PSE with a contractor proposal to change out the lights and PSE then calculates the energy savings and gives a rebate for the work. Field said, “Unfortunately, it is nowhere near that cut & dried on the dock.” He explained to the PSE representative that the Port would like to switch out the pole lights with pedestal lights, but we don’t know what the electrical circuitry condition is and the life cycle of the dock is also a factor for consideration. At this point, it is not clear if PSE has any design-type expertise to put into it or if it is purely a rebate-type situation. Field said the Port might have to hire someone with marine electrical background to do an evaluation of the electrical circuitry and come up with a technically feasible proposal that can be presented to PSE. He noted that a number for that is included in the preliminary 2011 Budget as a placeholder.

**3. Staff & Operations:**

A. Management Structure Re-organization – Staff Proposal: Field referred the Commission to the Proposed Staff Function and Responsibilities for the Port Finance Manager (FM) and Port Operations Manager (OM) positions (**EXHIBIT M**) previously submitted to them. Gordon noted that both positions list the functional responsibility of pursuing grant funding, and he asked if that overlap was intentional. Field said it was, and explained that both he and Anderson are really frustrated that they didn’t get to make a presentation for the BIG application and instead had to rely on RCO (Recreation & Conservation Office) to sell it for us. Field has the technical background and Anderson has the financial background and both have a good history of making successful presentations. Anderson explained that the intent is that the Finance Manager and Operations Manager have primary and secondary roles in many of the responsibilities, but they work together.

Tapert referred to the last 2 bullets listed under “Specific Duties and Responsibilities: 2. Administration” on page 2 of the OM duties & responsibilities:

- Seeks and pursues opportunities for funding from state, federal and other sources to implement projects as per Commission direction, including assistance with grant development, preparation and application aspects.
- Monitors expenses to assure compliance with established budgets and Commission policy.

He said those bullets should also be included with the FM responsibilities and not just with the OM responsibilities. The Commission agreed, and Staff said they would revise accordingly.

Tapert referred to the 1<sup>st</sup> bullet on page 2 of the FM description “Specific Duties and Responsibilities: 3. Administration”:

- Represent the Port at Island County EDC, Langley City Council, Wa. Dept. of Commerce, and others as assigned by Commission, and coordinate with Federal and State elected and appointed officials.

He thought it should also be included in the OM’s list of duties and responsibilities. Gordon said it should be simplified to leave out the specifics, and suggested it should just read: “Represent the Port at any and all organizations as assigned by Commission.” The Commission agreed.

Staff was directed to make the changes as discussed and have a final draft ready for Commission approval at the regular October meeting.

***B. 2011 Preliminary Budget – Review and Discussion of Draft Preliminary Budget for 2011***

**(EXHIBIT N):** Anderson asked the Commission if they had any questions after their first review. Jerome noted that the \$200,000 anticipated from the sale of the Possession uplands property is mostly spent in the budget. He thought it should be added to the cash balance at the end of the budget as opposed to being spent since it is a one-time input. Field realized that the \$200,000 was inadvertently omitted from the total in **Line 17 TOTAL RECEIPTS**. By correctly including that money in the total, the revised amount for **Estimated Ending Cash December 31, 2011** is \$854,432 (instead of \$654,432).

Gordon noted that Staff has recommended pay increases of 5% for the Harbormaster, 10% for the Assistant Harbormaster and 10% for the Bush Pt./Clinton Manager (BP/CB Mgr.). Considering today’s economy and that many people have actually had to take reductions in pay he said, “I don’t like the message that sends unless you can clearly define the need for that kind of exceptional raise or show the pay for the positions was temporary and to be increased at the end of a probationary period.” Field said all three positions are different, as follows.

He said the BP/CB Mgr. has been on board for 1.5 years and he’s been doing an increasingly good job, especially with recent repairs at Bush Pt.. His predecessor and the Possession Managers received a 10% increase after their 1<sup>st</sup> year. Field said that of the three proposed raises, he would make the strongest recommendation for the BP/CB Mgr., and he noted that the impact of that 10% raise on the budget is only \$1,000 per year.

Regarding the proposed raise for the Assistant Harbormaster (Asst. HM), Field noted that he has been here for nearly a year and has also done a good job. Field noted that the Harbormaster (HM) has requested a 16% raise this year, and was not pleased that Staff recommended only 5%. Last year, the HM requested a 25% pay increase and was given a 10% increase. Staff has also talked to the HM about the importance of the South Whidbey Harbor facility operating at breakeven at a minimum.

Gordon said, “I’m not comfortable with approving this budget with those kinds of increases unless Staff can present clear, written justification.” Tapert thought the raises could be justified. He went on to say, “As long as the receipts for the marina continue to come in as they have (substantially increased), if you look at the South Whidbey Harbor as a whole separate department, it seems to be operating in the black.” Gordon said it actually is not, and Anderson agreed and explained that right now, the Harbor has virtually no overhead assigned to it, even though some of the overhead (like the insurance) is directly assignable to the Harbor but is carried under Administration. Tapert said, “But receipts are increasing.” Anderson agreed, and noted that they are projected to be 4% higher this year than last year (\$143,000 vs \$138,841). Brewer believes the maximum revenue for the existing facility is \$150,000 and Anderson agrees, but based on the

occupancy rates of the last year we're not going to get that in 2011. The 2011 budget projects the marina revenue at \$145,000. Gordon said, "I'm not stuck on having the Harbor break even; obviously we're projecting to lose \$40,000 at Possession, \$26,000 at Clinton... we can lose money down there, I don't want to, but that doesn't have to be what is driving this. Fair pay must be what is driving this." He concluded that he didn't think it was responsible to give a 10% raise unless it was exceptional. Jerome agreed in principle with the idea that the Harbor should breakeven, but didn't think there was any expectation that it was possible with a marina of this size. Field said if the Port did not receive any grants and therefore could not do any of the expansion, he would expect to direct the Harbor personnel to staff and manage the facility to breakeven at an absolute minimum. Jerome added, "I think it's okay to invest in the Harbor because there's a very clear economic return on South Whidbey, which is what we're about."

Jerome asked about the proposed increase in time for the Asst. HM (from ¾ time to full-time as of July 1, 2011). Field explained that if we are in active construction at the Harbor it's going to be busier and additional assistance will be needed for the boaters, and the Port is also obligated to provide active parking management in the Harbor area. If construction has not begun, the Asst. HM will remain a ¾ time employee.

Staff agreed to provide written justification for the recommended increases for the HM, Asst. H/M and BP/CB Manager prior to the Preliminary Budget Hearing on October 12<sup>th</sup>.

C. Overnight Parking – Proposed by Tapert for Possession and Bush Pt.: Tapert noted that the issue was brought forward before but the past Commission let it die mostly due to strong objections from some neighbors, and he recalled that there was even some discussion about overnight camping. Field explained that the issues were very specific to each facility. Overnight camping is not allowed at Possession – it is day-use only. Overnight parking is viable, but the issues are: when do the vehicles have to be in and when can they leave (to comply with the dusk to dawn required closure of the Park); no one can stay in their car because that would constitute overnight camping; how to manage the parking and fee collection, security and access for the managers, etc. Bush Point doesn't have those restrictions, but the concern is that if overnight parking is allowed there will be some people who show up at 11:00 p.m. and basically camp in their cars. Tapert said the Port of Edmonds allows overnight parking for drivers that sign up in advance, pay for their stay and are issued a parking permit that they display in their window. He suggested that the Port could follow that same process, allowing kayakers and boaters to pre-arrange and pre-pay to park their vehicles overnight after launching their kayaks or boats. Tapert stressed that overnight parking would be by permit only. Field asked if the permits would be purchased at the home office or at the facilities, and Tapert thought the permits and payments should be controlled at the home office. Jerome said he was in favor of implementing overnight parking in a very limited way: allow people to leave their car overnight, but without access to that vehicle. Gordon said the process for getting an overnight parking permit needs to be difficult enough that only legitimate people do it, and the fees should be enough to cover any administrative costs incurred. Gordon said he was in favor of implementing an overnight parking program at Possession because it is contained, but not necessarily at Bush Pt. where it would be difficult to enforce and prevent people from camping out in their cars after dark. Tapert said he would like to have overnight parking at both Possession and Bush Pt. After additional discussion, the Commission agreed and directed Staff to draft a trial program for overnight parking at Possession only, for discussion at the regular October meeting.

D. Maintenance & Operational Wrap-up: Underway.

E. Boat Ramp Boarding Float Removals: October 8 for Bush Pt.; October 9 for Possession Beach.

#### **4. New Project Opportunities:**

A. Sustainable Economic Development and Innovative Partnership Zone (IPZ) Issues: (Tapert)

1. Potential Langley area “Green” Business Park and “Impact Washington” opportunities: Tapert explained that Representative Norma Smith had told him about the non-profit group “Impact Washington” and he had contacted them and received their brochure (**EXHIBIT O**). Tapert described the group as one that oftentimes works with Economic Development Councils (EDCs) and ports. Because they are non-profit, they work with state and federal agencies and are able to leverage EDC and port money to do studies regarding anything that promotes manufacturing, energy conservation, sustainability, etc. He said, “We have budgeted in the 2010 budget \$10,000 for an IPZ and we haven’t touched it. I wanted to float the idea of having an interview with Impact Washington to see if there is an opportunity there.” Anderson asked for clarification of his comment regarding the \$10,000 and where it was budgeted, and Tapert recalled it was budgeted under Consulting Services. Field said that has been used for the initial payment on the Maintenance & Operational Wrap-up. Tapert said Impact Washington has a 2:1 multiplier so with the port’s \$10,000, they would have \$30,000 for a feasibility study, and we could “look at some serious proposal for manufacturing opportunities here on the south end and get a scope of work going with them and see what comes out of it.”

Tapert said he also met with PSE on the same issue, but more specifically with respect to a waste energy project. PSE Customer Service Supervisor Walt Blackford submitted a letter today (**EXHIBIT P**) expressing interest in receiving additional information about the IPZ concept adjacent to the City of Langley’s waste treatment facility. Blackford acknowledged that the Port is in the early stages of project planning and feasibility analysis, but reported that “PSE is interested in receiving additional information about the project as it becomes available so that we can determine if there is an ongoing role for PSE to play when/if the IPZ is created.” He also said PSE will provide \$2,000 to apply toward the cost of the feasibility study.

Tapert asked if the Commission was interested in scheduling an interview with Impact Washington sometime over the next few months to discuss the issue, and Jerome and Gordon said they were in favor of meeting with them.

B. Ferry/Commuter Issues: (Gordon) Gordon said he had not heard anything back from David Moseley of Washington State Ferries, and he is still working on trying to get temporary queue parking for the ferry behind the Clinton post office.

C. Langley Middle School (LMS) Tech Center: (Gordon) Gordon said the item should be removed from the agenda due to potential duplication of facilities.

D. United States Department of Agriculture (USDA) Rural Business Enterprise Grant (RBEG): (Gordon)

1. Commercial Kitchen, including possible partnership with Island County Fair;
2. Revolving Loan Program:

Anderson presented the first draft of the Project Narrative for the South Whidbey Island Commercial Kitchen and Micro Loan Project (**EXHIBIT Q**). Part of the grant criteria is obtaining third party endorsements of the project from persons of significance. He spoke with Island County Commissioner Helen Price-Johnson, and she really likes the project and will ask the other County Commissioners to join her sign-off on the endorsement. Anderson has also talked with Island County Fair Board Chair Leandra Reuble regarding the potential partnership with the Port and about contacting small business owners that would utilize the commercial kitchen. He explained that the application requires letters from small business owners making commitments for jobs either saved or created, with the scoring criteria of 10 points given if the ratio of jobs to federal dollars invested is greater than 1 to \$10,000. The targeted date for submittal of the RBEG application is late September/early October.

Gordon asked if it is a dual application – one application that will apply for both the commercial kitchen and the loan program funding, and Anderson said, “Yes, it’s all rolled up in there.” Gordon asked, “So we’re

asking for \$100,000?" Anderson explained that the Port is actually asking for \$49,999, with the required matching funds provided by the Rural County Economic Development Funds (.09 funds). The estimated cost for improvements at the Fairgrounds for the commercial kitchen is \$65,000, so approximately \$35,000 would be used for the micro loan portion of the project (for loans to small businesses that use the commercial kitchen).

**ACTIVITIES/INVOLVEMENT REPORTS:**

**1. Economic Development Council (EDC):** (Jerome) Jerome said he would attend the meeting scheduled for tomorrow morning (September 15, 2010).

**2. Council of Governments (COG):** (Gordon) Gordon reported COG had discussed .09 Funds and the mayor of Oak Harbor discussed his desire that the Pioneer Way project go forward. The COG would like to invite one or two of our legislators to a COG meeting and asked all the members to come up with ideas/suggestions for ways for the state to help them. Gordon thanked Anderson for reminding him that all the funds from the Boating Facilities Program had been swept into the General Fund. Subsequently, Gordon recommended they ask the legislators to get back to using the marine fuel taxes for funding the Boating Facilities Program and the grants.

**3. Skagit-Island Regional Transportation Planning Organization (RTPO):** (Gordon) Gordon said the Technical Advisory Committee segregated \$2.3 million of state RTPO funds that will now move on to the regional RTPOs. There are some good projects, including \$450,000 for planning of a trail between Bush Pt. Road and Fish Road. Gordon said there is also talk about Island Transit putting in a Park & Ride in that area. The Committee also recommended \$250,000 to the City of Langley for planning and engineering for Second Street improvements.

**4. Marine Resources Committee (MRC):** (Tapert) Tapert did not attend. Minutes are available on their website at <http://www.islandcountymrc.org>.

**5. Washington Public Ports Association (WPPA):** (Jerome) Nothing to report. Their website is <http://www.washingtonports.org>. Anderson and Field noted that Ginger Eagle (Assistant Director of WPPA) visited the Port last month. She discussed the proposal WPPA is developing regarding IDD (Industrial Development District). Currently, the regulations allow port districts to do an IDD at \$0.45/\$1,000 for 6 years. Port districts have the option of doing an IDD for less than \$0.45/\$1,000 for 6 years, but they give up the remaining capacity if they do. Since \$0.45/\$1,000 equates to \$2.70 for that timeframe, WPPA's proposal is to make that constraint more flexible without increasing the potential for the tax burden on the taxpayer, without forcing districts to give up any remaining capacity. Anderson explained that a port district could then do an IDD for \$0.27/\$1,000 over 12 years, or \$0.30/\$1,000 for 6 years and still have \$0.15/\$1,000 remaining for another timeframe – as long as the total amount of \$2.70 is not exceeded for the whole period. WPPA will be looking for sponsors on their proposal, and the Commission directed Anderson to discuss the issue with Representative Norma Smith.

**6. Holmes Harbor Shellfish Protection District (HHSPD):** (Tapert) Nothing to report.

**OLD BUSINESS:**

**1. Recreation & Conservation Office (RCO) Assistance:** Field participated in Project Evaluations on August 17 at 9 a.m. in Olympia.

**NEW BUSINESS:** No new business.


**ADJOURNMENT:** The meeting was adjourned at 10:38 p.m.

Approved:

  
\_\_\_\_\_  
Commissioner Geoff Tapert, Freeland

Minutes prepared by:

  
\_\_\_\_\_  
Edwin S. Field, Port Manager

  
\_\_\_\_\_  
Commissioner Chris Jerome, Langley

  
\_\_\_\_\_  
Commissioner Curt Gordon, Clinton

- Exhibit A: Voucher Listing
- Exhibit B: Resolution No. 10-06
- Exhibit C: Resolution No. 10-07
- Exhibit D: Whidbey Island Arts Council's Application for Funds
- Exhibit E: Island County Fair Association's Application for Funds
- Exhibit F: Island County Parks' Application for Funds
- Exhibit G: July Financial Statement
- Exhibit H: Possession Parcel Map after Unregulated Segregation
- Exhibit I: CBRE Proposal for Appraisal
- Exhibit J: Conclusions from SRSC Report on Possession estuary restoration feasibility
- Exhibit K: GeoEngineers Change Order No. 1
- Exhibit L: SWH Fee Schedule and Revised Regulations
- Exhibit M: Proposed Staff Functions & Responsibilities for Port Operations Manager and Port Finance Manager
- Exhibit N: Draft Preliminary Budget for 2011
- Exhibit O: Brochure from Impact Washington
- Exhibit P: 9/14/10 Letter from PSE
- Exhibit Q: Draft Narrative for RBEG Application