

**PORT OF ALLYN
PUBLIC HEARING/REGULAR MEETING
November 7, 2016
MINUTES
6:00 p.m.**

The Regular Meeting was called to order at 6:00 pm with the Pledge of Allegiance. Present were Commissioners Scott Cooper, Chair; Jean Farmer and Judy Scott; Lary Coppola, Executive Director; LeAnn Dennis, Operations Manager; Kaye Massie, and Jeff Carey, Public; and Brianna Loper, Press.

PUBLIC HEARINGS

The Board reviewed the preliminary 2017 budget including the breakout detail the Board asked for in regards to payroll. Commissioner Cooper asked for public input. Jeff Carey asked about the future of renewing membership with the Economic Development Council (EDC) and Commissioner Cooper replied that the EDC is responding to the Port's request to be more relevant in North Mason, noting they are having more meetings here and it's expected that we will continue if they continue being present. Mr. Carey also asked about the repayment of the IDD loan (\$30,000) and it was explained that it was borrowed in Q1 of 2016 to cover unexpected operating expenses and is being paid back into the IDD from the General Fund.

The Public Hearing for budget closed at 6:18 p.m. to go into a Public Hearing for water rates.

The Executive Director reviewed the rate comparison and explained that the Water Fund can operate in the black with the new rates, noting that there has never been a rate increase since the expansion of the system in the early 2000s. It was agreed by the Board that the proposed rates are reasonable. Commissioner Cooper asked for public testimony. Mr. Carey stated that the rates are comparable to his system, and asked about policy to review rates in the future. The Commissioners agreed that the Port should review rates annually to account for changes and increased costs, stating they believed it's better to have gradual small increases than a large one every 5 years. Kaye Massie thanked the staff and Board for being so transparent about both the water rates and the 2017 budget in general.

The Public Hearings adjourned at 6:31 p.m. and the Regular Meeting was called to order 6:31 p.m.

CONSENT ITEMS

- a. Minutes of Regular Meeting October 3, 2016
- b. Minutes of Special Meeting October 10, 2016
- c. Minutes of Special Meeting November 2, 2016
- d. Financial Reports

Commissioner Scott made a MOTION to accept consent items a, b, c & d. Commissioner Farmer SECONDED. MOTION CARRIED.

ACTION

- a. General Fund Vouchers #16-393 to 16-421 for \$12,547.10
- b. Payroll Vouchers #16-422 to 16-433 for \$15,020.27
- c. Water Fund Vouchers #1636 to 1638 for \$225.33
- d. General Fund Vouchers #16-434 & 16-435 for \$419.70

Commissioner Scott made a MOTION to approve action items a, b, c & d. Commissioner Farmer SECONDED. MOTION CARRIED.

COMMISSIONER REPORTS

Tabled until November 10th meeting.

EXECUTIVE DIRECTOR'S REPORT

*See attached

SECURITY REPORT

Security Officer Travis Merrill discussed his report, stating that it appears that the owner of the 50-foot boat at the North Shore Marina has been possibly living on his vessel which is not allowed per Recreation and Conservation Organization (RCO) grant rules. He said he will be looking into this further and will report his findings.

OLD BUSINESS

Commissioner Scott gave a Sargent Oyster House update, and discussed the required permit for asbestos abatement. The Executive Director said he will follow up on this. She also reported that Taylor shellfish has donated \$5,000, and other donation funds are becoming available also.

NEW BUSINESS

2017 Resolution number 360 to accept the 2017 Budget as presented. Commissioner SCOTT made the MOTION TO ACCEPT. It was SECONDED by Commissioner FARMER. MOTION PASSED.

Commissioner SCOTT made the MOTION TO ACCEPT the one percent (1%) increase in levy amount Levy Certification. It was SECONDED by Commissioner FARMER. Motion PASSED.

First Reading and Public Comment for Resolution Number 361 – The 2017 Comprehensive Scheme of Harbor Improvements. (To be approved at the November 10 meeting).

First Reading and Public Comment for Resolution Number 362 – To join the Municipal Research and Services Center (MRSC) for the purpose of utilizing its statewide Small Works Roster, Architect and Engineer Roster and Vendor Roster (To be approved at the November 10 meeting).

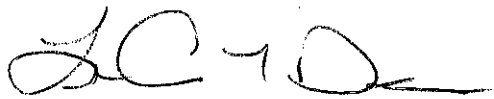
Commissioner Cooper brought the meeting back out of public comment in order to address the water system rate increases. Commissioner SCOTT made a MOTION to accept the recommendations for, and implement the recommended water rate Increases. The MOTION was SECONDED by Commissioner FARMER. MOTION PASSED.

PUBLIC COMMENT

Commission Chair Cooper read the list of Comprehensive Scheme of Harbor Improvements projects into the record, and for the public in attendance.

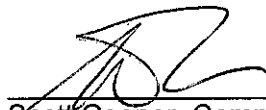
The meeting was adjourned at 7:30 pm

Respectfully submitted,



LeAnn Dennis, Operations Manager

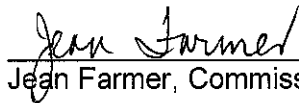
COMMISSIONERS:



Scott Cooper, Commission Chair



Judy Scott, Vice Chair



Jean Farmer, Commissioner

**Port of Allyn
Executive Director's Report
November 7, 2016**

Report Items:

2017 Budget: It is set up like last year, with separate budgets for the water system, IDD fund, and a Capital Projects budget. In last year's Capital Projects budget we included a lighting project for Belfair. I have eliminated that for this year, as lighting is part of the overall Highway 3 project now underway. Also, our cost for supplying power to the 12 streetlights here in Allyn exceeds \$3,600 per year, and we previously made a 10-year commitment to pay for this. The original project we looked at for Highway 3 would have between 24 and 36 fixtures depending upon where the project began and ended. With 24 streetlights, this would add over \$7,500 a year to our ongoing cost for streetlight power, putting it in the range of \$10,000 a year for 10 years. I believe we can make more productive community investments for that money.

As you can see, the budget is exceptionally tight, but we forecasted revenues low and expenses high based upon what we learned from 2016. This budget does include paying back the \$30,000 we borrowed for operations from the IDD Fund as well as a \$42,500 for capital projects – both of which add up to \$72,500 and come directly off the bottom line.

State Audit: As you know, we recently went through our every 3-year State Accountability Audit covering the period from January 1, 2013 through December 31, 2015, with the Exit Conference taking place on November 2. I'm happy to say there were no official "findings" or Management Letters issued. The Audit Report stated, "In the areas we audited, Port operations complied with applicable requirements and provided adequate safeguarding of public resources. The Port also complied with state laws and regulations and its own policies and procedures in the areas we examined."

The Auditor did suggest some procedural changes, but nothing of major significance. We have begun moving forward with implementing those changes.

Water System Issue: We're making slow but steady headway on this. Todd Krause from NW Water Systems is on vacation for a couple of weeks, but we have the letter from the attorney we were missing, and according to both Steve Holloway and Bonnie Knight, we have located all of the documentation that was originally needed to submit this when it was originally due. As I've said in previous reports, NW Water Systems says they never finished the plan because the Port never supplied information they had requested numerous times, and their position is that they had no responsibility to continue prompting us for that documentation. We have found that to not be true. We supplied everything they asked for – more than once - and as late as September, 2014. I have been adamant about the fact that I've been here over a year and half and the first I even heard about the water system plan was getting the letter from DOH, and that no one from NW Water Systems has contacted me during all the time I've been here.

He claims that DOH is now requiring additional items to be combined into the plan, although he wasn't specific as to what those items are, but says it will require an additional 60-80 hours of their time to meet those requirements. I have calls into both Marie Peters from DOH and Susan Clark from Ecology to clarify this, and get a list of what more is supposedly required now. What I want is a list of any updated requirements so we can complete those.

The bottom line is that I told Todd our inflexible position is that we paid them to produce a plan which they haven't done. If DOH is requiring more than the original plan called for, that's on them, because if the plan had been produced on time, none of this would even be an issue. I've also copied Joe Brogan on all of our communications with NW Water Systems so he is in the loop as well, because before this is all over, we may need to involve our attorney, as we may have a claim for damages of some sort.

This has pushed my December 1, deadline back, but I'm still hopeful we can still be finished before year-end.

Kitsap Bank Cash Management: One of the suggestions made by the State Auditor was for us to sweep our Holding Account weekly and transfer the money to the County. I checked with Kitsap Bank and we have the ability to do this electronically online. However, it is an additional \$20 per month, and 12 cents per transaction. Personally, I think \$20 per month is a bit steep, but the bottom line is it will cost us more in terms of labor and mileage to simply write a check out of the holding account and drive it down there every week. We can mail it, but we may not meet the weekly requirement depending upon the mail.

Credit Card Fraud Issue: Last Wednesday we were notified that the Port's main credit card had been compromised. We have taken the necessary steps to have it cancelled and another issued as well as dispute any and all charges that aren't ours.

The main problem is that Kitsap Bank will no longer issue generic cards like we had, but insist that they have someone's name on them. We can do that for LeAnn, but since Don often uses the card for buying supplies, are you all comfortable with giving him one in his name, with perhaps a \$500 limit on it?

Public Records Issues: The plan to make all our documents available on the Port's website so we can refer Public Records Requests to the website and eliminate the substantial redundant cost of researching and producing those documents multiple times is still in process, but to be honest, has taken a back seat to getting the budget and Comprehensive Scheme completed.

The problem as you know, is that we don't have the bandwidth to archive all the documents, but we can upload them to a cloud server of a vendor that specializes in managing this process, and just have a link on our site for anyone who wants to make a Public records request.

Our primary cost above the annual fee for one of the vendors that specialize in this would be the one-time cost for labor to find, scan, and upload as many documents as possible to the vendor's server, and that would be about it. We could actually bring in a minimum wage temp to do the scanning and uploading, while our staff would have to locate the actual documents.

The one place we need to be especially diligent about is email. One option several of the other smaller Ports are using is specialized email archiving software. I'm looking for providers and costs for this as well as talking to other Port Directors for recommendations about how they manage this and what they use. I think we should hold off on any decision until we have more information.

Entrepreneurial Classes: One of the items you all said you wanted to move forward with as part of the Comprehensive Scheme are the entrepreneurial classes we discussed. I met with Lynn Longan and try to secure some of the grant funding the EDC has received for this kind of program, and said last month I'd report back after she and I talked. The grant has a contractor attached to it that the state is paying to conduct the classes. Lynn has assured me some of the classes will be held here. Once she has more information to pass on to me about actually getting this organized, I'll report back.

2017 Comprehensive Scheme of Harbor Improvements: This is on your agenda for approval tonight. I'm happy to answer any and all questions you may have. Also, I'm developing the final draft of the Strategic Plan – which will be based upon the Comprehensive Scheme as well as our goals and objectives and will have this on next month's agenda.

New Computer: The new, 15" Dell Laptop that I ordered has arrived. After much ado in getting the information off my old machine and on to it, it's finally up and running smoothly – although because of the power issues with my old Gateway computer, it took an extraordinary amount of time to transition all of the data and be able to access it. I also bought a large monitor along with a new keyboard and mouse since we didn't have any

spares. I will use this in the office as my primary computer, but will be able to use it remotely if needed.

It has all the latest versions of the software we use, works with Office 365 in the cloud, and has everything else we'll need for the foreseeable future. The total delivered cost was \$940.98. We got a 40 percent discount on it for being members of the Homebuilders Association. The monitor, plus keyboard and mouse came to another \$250.

While we budgeted \$3,200 for computer hardware this year and will still have more than half of that left, we have more than exhausted our budget for software and repair keeping my 10-year old Gateway running. I've also budgeted for a new machine for LeAnn in 2017, as hers isn't too far behind my Gateway in age or condition, and is currently having to use a remote hard drive as its primary hard drive.

2017 Calendar: I have sent this out to be printed. We should have them back next week sometime.

Voice Mail: We now have a voice mailbox set up for each of you. Judy has set hers up, but Scott and Jean still need to record your personal greeting, so it can be activated and you can be located in the directory. It also records the messages in your mailbox and emails you the voice file.

ROI: The Building Industry Association of Washington underwriter successfully submitted our application for enrollment, and told me last month that all we are waiting for is the final approval from L&I. However, I also found out I will have to attend a mandatory safety class L&I requires. I haven't scheduled this as of yet, because between the budget, Comp Scheme, and computer issues, I haven't had the time. I also got a phone call from BIAW's program auditor requesting some additional documentation. We should be set to go with this in January.

Power and Water at Allyn Marina: Where we are at with this is that I will have the RFP written and posted on our Small Works Roster this week. I'd also like to post it on the MRSC Small Works Roster, but we need to join MRSC to do so. The cost is \$120 per year. This was on your agenda last year and you all decided not to do it, but I believe it will be beneficial – especially for the small amount of cost. There is a resolution for this on your agenda tonight.

We're going to do is put it out to bid as a design/build contract. I also got some quotes for the power/water kiosks. They are about \$3,500 each – and we need 6 of them – so I'll be looking for grant money as well.

Gazebo Bricks: As you know, we have 33 bricks in the Gazebo with no etching to sell. We have commitments for about half of them at this point. The cost of etching all of them would be around \$900. We missed the weather window of opportunity for this year, so we will postpone this until Spring and market this a lot harder over the winter than we had time for this summer.

Sweetwater Park Project: As things stand today, nothing new has yet happened since our last meeting. However, at the Small Ports meeting in Leavenworth last week, a representative from the Port of Shelton approached one of the presenters – a lady from DOE in charge of dealing with problems and delays. She said she would look into this, as she didn't understand why DOE was involved at all since this was an EPA funded project and she didn't believe DOE has any jurisdiction over it. She is going to coordinate directly with Mendy and the NMSD on it. Since we are not the property owners, and have no official stake in this project, we are out of that particular loop.

EDC Administrator's Meeting: Last week I attended a meeting sponsored by the EDC, which was intended to be similar in scope to the Administrator's Meeting that takes place once a month in Shelton - which I attend as our representative. It includes the

administrators, department heads, Executive Directors, CEO's etc. from many of the government and non-profit organizations in the county.

The idea behind the meeting is so everyone can exchange information about what their organization is doing, and find synergy between them. For example, the county's public works department recently said they would be doing some underground work and then repaving a street. The City of Shelton said they intended to do some work in the same right-of-way. This led to them being able to coordinate their efforts and only tear up the street once, saving the taxpayers money. It's that kind of information exchange that the group strives to create and promote.

The one caveat is that no elected officials are allowed to attend. The reason for this is because it is firmly believed by all involved that the exchange of ideas, information and opinions shared is much less inhibited and much more honest if the electeds aren't there to intimidate anyone, and politics don't play a role in that exchange.

With us prompting the EDC to be more active in North Mason, they attempted to do something similar here. Unfortunately, myself and Mendy Harlow of the Salmon Center were the only Executive Directors there, along with Jerry Hauth of Mason County Public Works, Rob Drexler and Commissioner Neatherlin – who both sit on the EDC board. The other attendees, while considered "community Leaders," weren't there representing any specific groups or organizations. Quite frankly, given our past experience with cooperation in North Mason County, I have reservations about how successful this effort will be.

Surgery Schedule: Finally, I am having my hip replacement surgery on November 14. I expect to be out of the office for 2 weeks, but will take my new laptop home with me and work from there when I am able. I will also be available via phone and email.