

PORT OF ALLYN
Regular Meeting
August 6, 2018
MINUTES

The Regular Meeting was called to order at 6 p.m. with the Flag Salute.

Present were Commissioners Judy Scott (Chair); Scott Cooper and Commissioner Ted Jackson. Staff present were LeAnn Dennis, Operations Manager; Lary Coppola, Executive Director; and Travis Merrill, Security Officer. Members of the public present were Del Griffey, Jeff Carey, Ken VanBuskirk, Richard and Bonnie Knight.

CONSENT ITEMS

All matters listed under Consent Items have been distributed to each member of the Commissioner for reading.

- a. Minutes of Regular Meeting July 2, 2018
- b. Minutes of Special Meeting July 10, 2018

Commissioner COOPER made a MOTION to accept the Consent items. SECONDED by Commissioner JACKSON. MOTION CARRIED.

ACTION

- a. Payment of GF Vouchers #180803001 to 180803026 for \$11,043.31
- b. Payment of Payroll Vouchers #707 to 718 for \$17,210.40
- c. Payment of Water Fund Vouchers #180804001 to 180804002 for \$69.71

Commissioner JACKSON made a MOTION to accept Action items a, b, & c. SECONDED by Commissioner COOPER. MOTION CARRIED.

COMMISSIONER REPORTS

Commissioner Scott Cooper — Attended an Economic Development Council meeting and the two Port meetings

Commissioner Ted Jackson — Attended the WPPA Commissioner Seminar, Allyn Days and spoke with the Sheriff about the criminalization of our rules.

Commissioner Judy Scott — Attended Allyn Days, the Port meetings, and the WPPA Commissioner Seminar. She also attended the July 25 Permit meeting for Oyster House. She reported that Mike Ross agreed to work on the Oyster House at no cost until the end of this year. She also noted that at a Genealogy group meeting she attended, the group expressed an interest in the Oyster House project.

SECURITY OFFICER REPORT

Security Officer Travis Merrill reported that the 4th of July holiday went well, with no reportable incidents. He did report a boat parking at the launch ramp, and not the moorage dock. The Operations Manager looked up boater that didn't pay moorage by using the boarding float to park, and sent a bill. He also noted that Commissioner Scott notified him that someone had called her about swimmers off the floating dock in Allyn, but this wasn't really an issue, as kids have been swimming there for years and they were on the lower float area.

EXECUTIVE DIRECTOR REPORT

*SEE ATTACHED

The Executive Director asked for a head count of people attending the Small Ports Seminar in Leavenworth, October 18 and 19. It was agreed that all three Commissioners, the Executive Director and the Operations Manager would all attend.

OLD BUSINESS

Marina Project: The attorney has signed off on the engineer's contract and they are working with the Executive Director. He met with the PUD, and with Bill Rehe, who is working the permitting application. Mr. Rehe suggested obtaining what's called a Programatic Permit, which would cover all work we may do on the water for the next five years. The Squaxin Island Tribe has responded to their notice after the deadline, while the Skokomish Tribe did not reply. The Squaxins asked about trenching, and the Executive Director replied, but hasn't heard back.

Sweetwater Park: The property transfer letter has been forwarded to the attorney for a final draft. There is some concern from the NMSD in regard to the Salmon Center doing the original cleanup – not the school District, which is why the original letter was unacceptable to them. The Salmon Center agreed to help get grant funding if any contamination that wasn't addressed in the original cleanup is found on the property.

Oyster House: A meeting took place between Commissioner Scott, the Executive Director, Bill Rehe, Mike Ross, and Walter Galitski to discuss challenges and solutions with concern to the structural viability. The Executive Director is working on costs to move it, take out the old boat pros and cons of the Port being the lead agency versus the North Bay Historical Society (NBHS). The Port has the ability to obtain grants the NBHS isn't eligible for, but must pay prevailing wage for any and all work that isn't done by volunteers. The NBHS can use volunteers, but is also subject to prevailing wage for any work funded by any government money as well. It can however, do donation-funded projects and those not funded by government dollars at a much lower cost, but are not eligible for the kinds and amounts of grants the Port qualifies for.

NEW BUSINESS

Lobbyists: Commissioner Scott Cooper discussed his concerns about hiring lobbyists, which were mainly budgetary in nature. Commissioner Ted Jackson stated he believes that in the long run the Port could re-coup the \$2,000 per month cost if the lobbyists can help us obtain grants. He would like to clarify what grants we need and what Gordon Thomas Honeywell (GTH) could do to get those – and that it could be money well spent

The Executive Director noted that his past experience with GTH at the City of Port Orchard was that was that they secured \$700,000 the first year and over \$400,000 the second year on a total investment of \$50,000 over the two year period. He considered that and excellent ROI (return on investment).

Commissioner Cooper asked what would they be working on if we hired them. The Executive Director answered the Oyster House to begin with, and funding for the sports complex later. Commissioner Cooper said he would like to have a meeting with them to discuss more details and let them inform us about what they can do for our current projects.

Commissioner Jackson stated he would like a work session so we are clear about our projects and priorities, so the Executive Director can invite them back for another presentation that specifically discusses current projects. The Board agreed that if the Port does hire lobbyists, they will hire Gordon Thomas Honeywell. The discussion and decision was tabled until next meeting, while Commissioner Cooper reminded the Board he will be on vacation when the next regular meeting (Sept 5) is scheduled.

Resolution 395: Commissioner Jackson read the resolution about hiring a lobbying firm to further the Port's interests. The Board has to give permission as the contract amount exceeds the Executive Director's spending authority. Commissioner Cooper would like to have a workshop before approving a resolution to hire the firm – Tabled.

Ken VanBuskirk: Stated that he had sent documents concerning the proposed gravel pit project on the North Shore, and that he would like the Port to include them in their formal record. He said the documents were from other public agencies and staff. (The Port will scan these and include them on the website with the meeting minutes) He added that he knows that the project is cancelled but thinks it may resurface at some point, so he'd like to have the comments and letters on file for future reference. The Executive Director will gather all of the public comments the Port received about the project to add to those documents.

Budget Process: The first discussion of the 2019 budget will take place at the September meeting. Commissioner Cooper would like to make sure any lobbyist fees are included in the budget. The Board would like a work session prior to the regular meeting. Commissioner Cooper wants any anticipated big ticket items included in the budget. He also discussed possible North Shore work to expand the parking. The Executive Director wants to get the property surveyed and he expects it to be a \$5,000 project. Former Commissioner Del Griffey stated there is remnant of a fence out there along the property line.

PUBLIC COMMENT

Richard Knight spoke that his family worked at the Sargent Oyster House, noting there is a lifetime of history there — not just the last couple years as a lot of people seem to think. He supports his wife Bonnie, who has been working on this project for several years, and stated she has missed some meetings because of health challenges, but they are ready to get back into work. Bonnie Knight stated that the Oyster House project has moved forward even though the Knights have only had minimal involvement over the last year or so. She would like to get together with Commissioner Scott and the other people working on it to get re-involved and help with decision making. She also commented on the issue of lobbyists' vs. a grant writer.

Jeff Carey discussed the work of TIPCAP, noting it is finalizing a list for one year and six year planning cycles. He noted that they are discussing both small and large projects like the Belfair bypass (2020), and that the county is starting to put money toward those. That includes local access projects like the SJC review of Belfair. The County has set aside money for UGA planning and new roads also. The Allyn review included the right of ways for Wheelright and Blackwell, as well as Trails End Road repair (slide area) with the County spending quite a bit of money.

He also noted an error in last month's minutes, which named the Department of Natural Resources and should have been the Department of Community Development. The Operations Manager has since corrected the error.

Commissioner Jackson asked Mr. Carey if anything is getting close to being finalized on any of the other issues — especially the intersection by the High School. He answered that they are focusing on County roads but when state highways intersect, then they can become part of TIPCAP's work, noting that Trails End Road is being prioritized.

GOOD OF THE ORDER:

Commissioner Scott said that the NMCV will be having North Mason Chamber Executive Director Dana Rosenbach as the speaker at its next meeting.

Meeting Adjourned at 7:08 p.m.

Respectfully Submitted,



LeAnn Dennis, Operations Manager

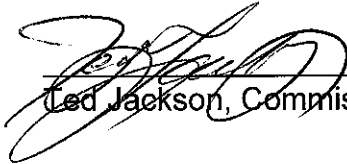
COMMISSIONERS:



Judy Scott, Chair

Absent

Scott Cooper, Vice Chair



Ted Jackson, Commissioner

**Port of Allyn
Executive Director's Report
August 6, 2018**

Report Items:

Water System Issues: NWWS resubmitted our updated water system plan to the State after responding to the letters from the Department of Ecology and the Department of Health and addressing what they wanted to see modified in the plan.

I spoke with Doug Piehl from NWWS recently, and he said he spoke with the person he's been dealing with at the State and they didn't have any additional comments or requirements at that time, but they were still waiting for Mason County to do their review and sign off on the plan so it could be finalized. Commissioner Neatherlin looked into this for us and we got what we needed from the County, which I submitted to Doug.

Doug then told me he had changed the plan so it would be good for 10 years instead of six. We got the OK for that in writing from the County, and Doug has submitted everything. So it's my understanding that all we are waiting on now is final approval from the state.

We also received our annual operating permit renewal from the State and were given a "green" rating – which is their highest.

Creating and Signing Our Own Warrants: I had a meeting with the Mason County Treasurer last week, and she told me it's not a problem with them for us to write our own checks as long as we adhere to certain procedures they require.

For starters, we need a Resolution for the change and a policy and procedure written. I will have these for you by the next meeting. Getting the language for these has been problematic at best. I've asked the Treasurer, State Auditor, and MRSC for boilerplate samples, but no one has any actual language we can use, so I'll just have to write it myself.

We need to set up a separate bank account to handle this, get checks printed, and some other things, and I've reached out to Kitsap Bank to try and get a handle on those costs.

At the Treasurer's request, the change should take place on January 1, 2019. That will also work well with BIAS, and give us time to get all the inevitable kinks worked out of the process.

Also, Financial Services have been given their part-time employee back, and will begin running warrants weekly beginning in October. They are also hopeful to be able to provide some level of ACH by the first of the year which would make this process for us doing it ourselves even smoother. However, they also told me not to hold my breath on that, but it still may be able to happen – it all depends upon funding.

DRS Audit Findings: The Department of Retirement Services recently audited us. I'm proud to say they had no findings and didn't issue a management letter of any kind. Their letter stating the results and a copy of the report are in your meeting packet.

Gravel Pit Comments: As you know, there was an application filed with Mason County for expansion of a gravel pit operation on property directly adjoining our upland piece across North Shore Road from the marina.

Because the public notice was posted on our property, many local residents thought this was our project. I posted two things on Facebook stating it wasn't and shared them in all the Mason County Facebook groups. I also posted a comment on the Kitsap Sun website about the story they ran, and personally responded to over 35 individual emails, as well as dealing with people calling, and coming into the office, as well as talking to me at Allyn Days.

Additionally, a fair number of folks thought this was Commissioner Scott's personal project because the applicant's name is also Scott, so I had to correct that perception as well. The bottom line is because of all the misunderstanding about this, I spent the best part of a week doing little more than responding to citizen inquiries. As you know, the applicant has rescinded the application because of the pressure from the local citizens. However, I did receive an email from Mr. Van Buskirk, with letters from a number of state agencies attached. He wants that document entered into our official meeting record. The attachment is part of your meeting documents, and it is on the agenda for action.

Security Upgrades: Intellisystems installed the camera system upstairs last week and it is up and running now.

Presentation Upgrades: As you can see, after Commissioner Cooper asked me to look into setting up a permanent presentation system in this room, we now have this large flat screen monitor/TV with Bluetooth capabilities. The total cost of the system was slightly under \$1,000, which is significantly less than a high-quality projection system would have been.

2019 Budget Process: I intend to begin work on the 2019 Budget this month, and have it ready for Public Hearing and adoption at the October meeting. We will need a Special Meeting and a second Public Hearing sometime in September for this as well. My timeline is for us to have a preliminary draft at the September Regular Meeting, along with a Public Hearing. A second draft, based upon your input and any citizen input at the first Public Hearing, will be at the Special Meeting, along with a second Public Hearing. And finally, a third Public Hearing and approval at the Regular October meeting.

As part of our budgeting process, I am going to look at a moderate rate increase for the water system - which as you know is an enterprise fund - beginning in January. Currently, while the Water Fund is in the black - which we were not before the increase last year - any unexpected repairs will have to come from our General Fund because we have almost no reserves in the Water Fund itself. I'd like us to start building a reserve for those eventualities. Those kind of things aren't "ifs" but "whens" and we need to be prepared.

I am also planning to have our pay station on the North Shore reprogrammed to include the credit card discounts we pay - which average about 3.5 percent per transaction. We have absorbed these costs, but since we've obtained public acceptance of the pay station, I see no reason to continue doing that.

I will analyze this year's budget vs. actual and adjust accordingly. I expect increases in our travel budget for WPPA events, but would like to know if there are particular things you all want to see added or cut.

BIAS and our 2019 Budget: I'm planning to go back to Spokane tomorrow for a one-day session with Chad to straighten out our budget and the other kinks we have. LeAnn will log on from here so all of us will be looking at the same information, at the same time and getting the setup 100 percent correct. From there, I can do the budget vs. actual adjustments, I've been talking about for the past several months - which I'm going to ask Chad to help with - and have confidence that our numbers will be correct.

BIAS is also doing a series of webinars for the 2019 budget that began last Thursday, so we'd like to have all this squared away for the rest of them as well. The next one is on the 16th.

Truck Payoff: I have transferred \$25,000 from the General Fund to the IDD. This repays the loan for buying the truck. At this point, we still have right at \$125,000 in our general fund and slightly over \$10,000 in the Holding Account. We also expect to take in additional revenues from launch fees and the Gazebo through about the middle of September. Our expenses average about \$25,000 a month, so that will get us through November, when we will receive another property tax payment, and like last year, still leave us with enough money left over to get us through April of next year, when we once again receive property tax revenue.

Lobbyist: After meeting with Brihana Murray from Gordon Thomas Honeywell about lobbying services. I negotiated a tentative agreement with them if you all decide to move forward. A copy of it is in your meeting packets.

It's basically a three-year agreement. The first year would be at \$2,000 per month, the second at \$2,500 and the final year at \$3,000. It is cancellable at any time. The bottom line is that a grant writer working on the Oyster House - depending on who it is and what grants are applied for - could cost us the same amount or more as the lobbyist's annual amount for just one grant application.

I also talked to Kathleen Barrantes, and she is sending me a fee schedule for searching for grants, developing funding strategies, and writing grants, but I haven't received it yet. In our conversation, she did mention she's pretty busy working for the tribes, some fire districts, a couple

of other Ports, and three cities. We talked about the Oyster House, and she asked me to send her some information we don't yet have relating to specific costs. I'm just not sure how interested she is in doing this, but will stay in touch with her.

WPPA also recommended two people they suggested we talk to – both tenants in WPPA's office building. I spoke with both people. One said he wasn't interested in taking on any new clients, but did recommend someone else. The second person, Brian Enslow of Arbutus Consulting said he would send a proposal for me to include in your packet, however, I hadn't received it when I sent your packets. which is why I forwarded it to you on Saturday. His specialty is session-only Capital Budget appropriations, not year-round engagement, or grant writing.

The third guy, Dave Arbaugh of Arbaugh & Associates, sent me his proposal Sunday night, and I forwarded that to you all then as well. He is actually from Mason County, but said he doesn't do grant writing. His proposal did include the services of a contract grant writer, at \$25 per hour. His also asked for expenses to be reimbursed up to \$500 annually, which neither of the other two did.

If you decide to move forward, what I will need is approval to sign a contract – no matter who it is with - as the annual amount will exceed my spending authority. There is a Resolution on your agenda to cover that.

Dock Issues: While walking the floating dock with the engineer, I noticed some of the planking and bull rails need replacing. Also there is no water connection for the firehose box, no hose in it, nor is it permanently attached to the dock. The bull rails are the most pressing issue and Don is going to work on that this coming week. The firehose issue is one we'll resolve as part of the other project, as well as the planks. Several of the planks need to be taken up to run electrical conduit and water lines, so it makes sense to wait on the plank replacement until the project is underway.

IT Issues: We have had an ongoing problem scanning from our copier to our computers. We have worked with Charles and with Kelly Imaging trying to solve it, but it seems to be somewhat intermittent, which makes it hard to track down. It originated with a Windows 10 update, but has continued for a couple of months now.

We also were forced to purchase a copy of QuickBooks 2018 to be able to access files from 2015 that Dave Myers needed. Kind of felt like dealing with Ransomware...

Taste of Hood Canal: That is this coming weekend. Unfortunately, I will not be available to work our booth, as we had made plans long before knowing the dates. Neither will LeAnn or Don. So we have cancelled our booth and have arranged a credit for a booth for next year.

Vacation Schedules: LeAnn is also planning a vacation from September 13 to 22. I still have 5 days left of vacation time, and will use it later in the year.

WPPA Meeting Schedules: The Fall Environmental Meeting is September 27 & 28 at Skamania Lodge. The Small Ports Seminar is October 18 & 19 in Leavenworth, and the Annual Meeting is December 5th through the 7th at the Hyatt Regency in Bellevue. We need to know who is planning on going to what meetings so we can get reservations made.

Old Business:

Sweetwater Park: We received the property transfer letter from the NMSD and I forwarded it to Joe Brogan to write our response. I wanted to be sure we didn't assume any responsibility for any previous contamination issues. You all approved the draft last month and he sent it to the NMSD. They have some concerns about it, because the Salmon Center was the lead agency for the cleanup – not the NMSD. They didn't own the property when the cleanup was done, so they understandably don't want the responsibility for any unfound contamination either – which is simply prudent on their part.

I told everyone we are committed to the project, and after speaking with both the Salmon Center and the NMSD, have come to the conclusion we would not have very much risk at all in taking ownership of the property. Also speaking with Mendy Harlow from the Salmon Center, she said that if some additional contamination was found, she would be willing to help us write a grant for any mandated cleanup. With that in mind, I have told Joe Brogan to delete that part of the

acceptance letter and resend it to the NMSD so we can begin moving forward. I have also told Dana Rosenbach to expect that letter sometime this week.

I had also previously forwarded you all a letter from RCO acknowledging the grant the Salmon Center was working on for Sweetwater Park has been deemed as complete. Mendy Harlow told me the presentation for this is scheduled for August 14, at 10:10 a.m. in Olympia, and we are invited if we want to go. I told I would attend.

Criminalization of Marina Rules: Commissioner Jackson and I have been trying to set up a meeting with the Sheriff's Office about this for some time now. I did have the opportunity to have a long conversation with Sheriff Salisbury at Allyn Days over this. He said to put our request together in written form and he would review it. Commissioner Jackson and myself plan to get together some time this month to do just that and then set up a meeting with the Sheriff, so we can hopefully put this to rest once and for all.

Marina Expansion Project: I had forwarded the Art Anderson contract to Joe Brogan to review before I sent it to them, and he has signed off on it, so I sent it to them and they've signed it. I should have the final copy with Joe's signature tomorrow.

I met with Denny Klein, the engineer from Art Anderson and Associates that is writing the engineering drawings for this project, and another engineer from their office who he is working with on this. We looked at the physical obstacles and came to some conclusions on exactly how to do this, so he can complete the drawings. I also met with Denny, the PUD, and Bill Rehe on Friday to figure out exactly what they need to do for permitting, and to get some cost estimates on what the PUD needs to do, as well as schedule the work. I have to fill out an application for the PUD – which I will have completed this week. So hopefully the final drawings will be ready within the next two weeks and we will be able to put the electrical and plumbing work out to bid.

Permitting is a question that needs some expertise I don't have, so I had asked Bill Rehe to handle that part of it. He is applying for a Programmatic Permit that will cover all our facilities for the next five years. There is some minimal additional cost for this, but Bill says it will save us money in the long run. We will have to do a one-time SEPA report, but it too will cover all our facilities. We do have money allocated in the project for permitting, and this approach may actually cost slightly less than I originally estimated, so in the end, we will save money having Bill do all this. Also, the electrical and plumbing contractors will be pulling the permits for their portion of the job, not us.

Included in the funding request was money for a pay station here in Allyn like we have at the North Shore. If there is enough left over, I would like to allocate that to paying off the lease on the North Shore machine as well.

Our grant manager from the Department of Commerce informed me that according to an Executive Order issued by the Governor, we had to send the tribes a letter telling them they have a 30-day window to comment on the project and specify if there are any cultural artifacts at the site. I sent those letters to the Squaxin and Skokomish tribes, and received an inquiry from the Squaxins about the amount of trenching needed. I responded to that, and have not heard anything else. I've heard nothing at all from the Skokomish Tribe. The 30-day window for responses expires tomorrow.

As an aside to this, while I had the attention of someone from the cultural heritage part of the Squaxin Tribe, I asked about our totem pole. She told me to go ahead and do whatever we needed to do to fix it and make it safe.

Oyster House: Commissioner Scott, myself, Mike Ross and the Contractor, Walter Galitski, all met with the planner at the County to figure out the next steps forward in attaining the building permit for the structural work that needs to be done. Overall, it was a pretty positive meeting. We'd had some past issues with that planner and had asked for different planner. However, while we didn't get one, this time, she was much more receptive and cooperative than previously, so all we can surmise is that our request must have made a difference.

Commissioner Scott and myself met with Mike Ross and Bill Rehe on Friday. Mike has some grave concerns about the structural integrity of the building and how we need to approach the repair work so we can retain all the cultural heritage designations we need for the various funding sources. I have proposed getting Judy, myself, Mike, Bill, and Walter the contractor together with

the state historic funding person and detail to him what our challenges are and explore solutions that help us keep the historic designation, and get us where we want to go with this.

Questions have arisen about cantilevering the decking as part of the floor structure and some other major cost issues that need to be resolved before moving forward with funding requests. I have also contacted Nickel Brothers – the firm that moved the building the first time – to get an estimate of the cost of moving it to its final location. We also need costs for removing the launch ramp, driving the pilings, as well as a total permitting cost for those items. And none of that encompasses the cost of the interior and exterior renovation work that remains to be done.

One issue concerns who exactly is going to manage this project. If the Port does it, all work must be done at prevailing wage. I asked for, and got, an opinion from the State Auditor on this. If the Historical Society manages the project, they can use volunteers, in-kind donations, and the lowest bidder - except on work funded with government money. The problem is, the Port is eligible for grants the Historical Society isn't, so raising the money could be faster and easier. But with the Port managing it, doing the work will also cost significantly more.

At this point, we are working to try and get some solid figures together so we know how much money this project is going to need – assuming prevailing wage rates - so we can begin looking for grants and submit a capital budget request.

With all this in mind, we are working on putting together a detailed work plan and gathering cost estimates. I will coordinate all that with Commissioner Scott, the contractor, Bill Rehe, and Mike Ross so we can do the capital budget ask. Both Representative Griffey and Senator Sheldon have said they will advocate for this in the Capital Budget once we have some solid numbers.

Kitsap All-Ports Association: The last meeting was July 30. There was a presentation from VisitKitsap – the tourism agency for the County – on the water trails. She passed out maps and noted that Allyn and Hood Canal are included on the map, and gave recognition to the Port for making sure they were. One interesting item of note... Several of those Ports have had to deal with derelict vessel situations. The Port of Manchester came up with a unique idea that they said has worked well for them. Instead of auctioning off the vessels after they take possession of them, they have successfully put them up for sale on Craigslist. That might be worth looking at the next time we have to deal with that.

