

PORT OF ALLYN
Regular Meeting/Public Hearing
October 1, 2018
MINUTES

Meeting was called to order at 6 p.m. with the flag salute.

Present were Commissioners Judy Scott (Chair); and Scott Cooper, Commissioner Ted Jackson was excused absent. Staff present were LeAnn Dennis, Operations Manager; Lary Coppola, Executive Director; Travis Merrill, Security Officer; Dana Kampa, press.

CONSENT ITEMS

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

- a. Minutes of Regular Meeting September 5, 2018
- b. Minutes of Special Meeting/Public Hearing September 27, 2018

Commissioner COOPER made a MOTION to accept Consent item a. SECONDED by Commissioner SCOTT. MOTION CARRIED.

ACTION

- a. Payment of GF Vouchers #181002001 to 181002023 for \$27,386.64
- b. Payment of Payroll Vouchers #180901002 to 180901013 for \$15,267.39
- c. Payment of Water Fund Vouchers #181003001 to 181003003 for \$69.38

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

COMMISSIONER REPORT

Commissioner Scott Cooper - Attended the EDC and Port meetings. He also met with an insurance agent to see if the Port can afford to provide medical insurance for Executive Director. He also stated that he will attend the Small Ports meeting in Leavenworth.

Commissioner Judy Scott – Attended the Port Meetings, Oyster House meetings, and PRTPO. She reported that PRPTO is reorganizing its structure, and summarized the meeting information (handouts available). She also offered to have someone from PRTPO come and give a presentation sometime. She also mentioned the Candidates Forum, on September 24, which was a joint program between the Chamber and the North Mason Community Voice.

Commissioner Ted Jackson – Excused Absence

SECURITY REPORT

Report of a park patron breaking glass every night, Security Officer Travis Merrill spoke with the people in the park and it has stopped. Andy Pease hasn't paid his outstanding moorage fees as of yet. He has been notified that his vessel will be locked for non-payment and the Port will begin taking the required legal steps to take possession of the vessel and sell it to collect its outstanding moorage fees. Mr. Merrill also reported that the door was broken at the Kayak Park restroom. He also gave notice that he will miss next month's meeting as he will be out of town.

EXECUTIVE DIRECTOR REPORT

*SEE ATTACHED

OLD BUSINESS

Transient Moorage Expansion Project: Art Anderson has delivered the preliminary design documents so we should be ready to send this out to bid shortly. The Director has an application

for the PUD that he had planned on having completed by now, but he still needs some questions answered before he can finish it. He said that quite frankly, working on the budget, and him having been in a somewhat serious auto accident slowed that down. However, that isn't the only delay we're dealing with.

As he reported last month, 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. The Squaxin responded after the deadline, but the state Department of Archeology and Historic Preservation (DAHP) has decided they want an Archeological Survey done on the area where we are going to be digging the trench for the power and water conduits. The Executive Director stated that he tried convincing them that particular 30 square feet of ground has been dug up, recovered, and paved over at least twice over the years, but to no avail. They still want the survey done. He has engaged a consultant from Olympia that Bill Rehe suggested, and she has already gotten started. Depending on a number of different variables, this hopefully may not take too long. Bill Rehe also suggested the survey done on the entire park, so if we have additional projects – like the Oyster House - which in all likelihood will require one as well – it's already done. This won't cost a lot more in the overall scheme of things, and like the Programmatic Shorelines Permit that will cover all our facilities for the next five years, this works the same way. There is some minimal additional cost for this, but it will save us money and time in the long run.

We will also have to do a one-time SEPA report for the old launch ramp removal, but it too will cover the entire park and all our facilities. He reported that there is money allocated in the project for permitting, and this approach may actually cost slightly less than I originally estimated, so in the end, over time we will save some money doing it this way. Also, the electrical and plumbing contractors will be pulling their own permits for their portion of the job, not us.

Sweetwater Park: The Executive Director stated that he talked with Mendy Harlow on the previous Friday, and she told him the results of the grant scoring were released last week. Sweetwater Park scored in the middle of the pack, but they called her and asked some additional questions. The answers moved the project up the latter a little, but as of Friday Mendy didn't have any concrete information to share. From what we've been led to believe, the property transfer has been completed, and all we are waiting on is the confirmation letter, a copy of the transfer paperwork, and the deed at this point.

Oyster House: The Executive Director didn't have a lot to report on this. There were some meetings which took place when he was out of town, and recovering from the auto accident, so he suggested perhaps Commissioner Scott can elaborate on what progress has been made. He did meet with Mike Ross who expressed some serious concern about the condition of the building and how he is concerned about safety. The Executive Director double-checked with Enduris to make sure our insurance coverage for it is in place in case anything serious happens to it. We are insured for a replacement value of \$300,000.

Criminalization of Marina Rules: Commissioner Jackson had a conversation with Sheriff Salisbury about this, and hopefully, we will soon be able to put this to rest once and for all.

Kitsap All-Ports Association: The next meeting is the 22nd of this month. However, Commissioner Scott has asked me to be part of a presentation on water systems at the North Mason Community Voice which takes place at the same time, so he will miss that.

Sargent Oyster House

Commissioner Scott gave an update on progress with the Oyster House. The wall that was in danger of collapsing has been stabilized, and residual concrete removed.

Public Hearing on the 2019 Budget

Commissioner Scott opened the public hearing for the 2019 Budget. Ken Van Buskirk asked about the lobbyist line item and asked how much it cost. It's listed under professional fees. He also asked if there was any previous public comment. Commissioner Scott explained that this was discussed at the Special meeting on the 27th and that Commissioner Jackson was in favor. Mr. Van Buskirk said he thought it's a lot of money and he thinks that constituents may be better lobbyists. Commissioner Scott agreed that it is a lot of money and it is a leap of faith for her also, but they can help with projects like the Oyster House. Mr. Van Buskirk also asked about the proposed raise for the Executive Director, it is 4.4% and in answering his question about other

Port Directors, Commissioner Scott stated that the Port has looked at what other Ports pay, and Executive Director is the low end of pay scale. The Executive Director also spoke about the lobbyists and informed Mr. Van Buskirk that both the Executive Director and Commissioner Jackson have worked with this organization in the past, highly recommends them. They did great work for Port Orchard when the Executive Director was there, and brought in over \$700,000 the first year at a cost of only \$25,000. He said he believed that was a great return on investment.

Commissioner Scott asked if there is any other further comments. There were none. The Public Hearing was then closed at 6:45 p.m, and the Regular Meeting reopened at 6:45 p.m.

NEW BUSINESS

The Board decided to wait to approve the budget until the November 5, meeting as there is still the one percent levy amount and the question of the Executive Director's pay to be resolved.

Resolution 396 about the one percent increase was tabled until the November 5, meeting.

Commissioner Cooper found that the totem pole was actually carved by George Kenny in 1992, and reported he has some people interested in helping restore it.

An Oyster House meetings set for October 9.

PUBLIC COMMENT None

Meeting Adjourned at 6:50 p.m.

Respectfully Submitted,



LeAnn Dennis, Operations Manager

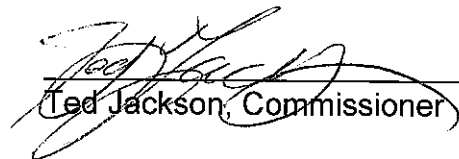
COMMISSIONERS:



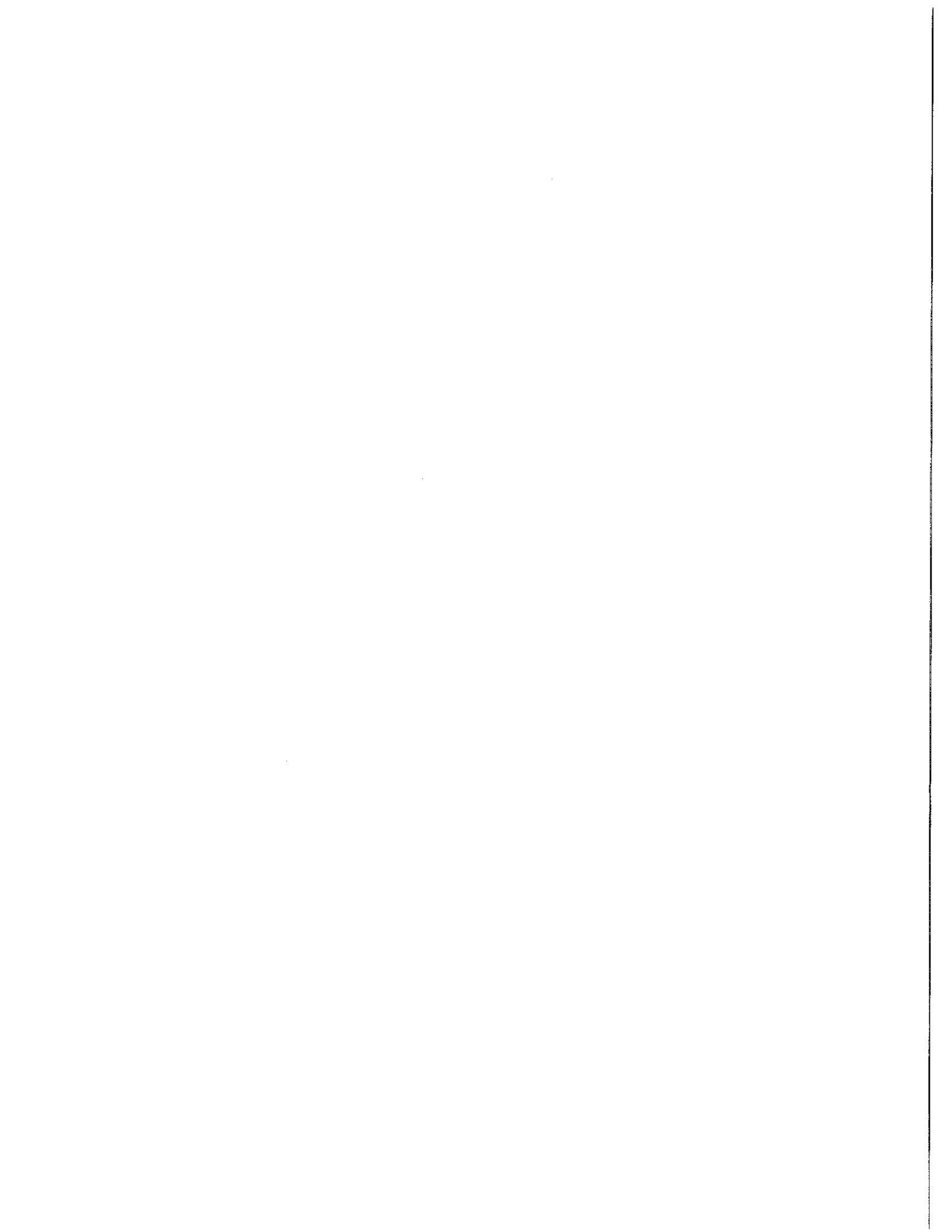
Judy Scott, Chair



Scott Cooper, Vice Chair



Ted Jackson, Commissioner



**Port of Allyn
Executive Director's Report
October 1, 2018**

Report Items:

Water System Issues: At this point, we are still waiting to receive the approval letter from the State. That will make our plan good for 10 years. There's nothing more to report on this until we receive the letter – other than I'm looking forward to getting this off my plate..

Creating and Signing Our Own Warrants: At the request of the County Treasurer, this change will 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 that process.

We need to set up a separate bank account to handle this, get checks printed, and some other things. Kitsap Bank has sent me all the required paperwork and I will need for you all to decide who will be the eligible signer on the account besides myself and LeAnn. Since this won't take effect until January 1 of next year, you may want to decide who will be next year's Board Chair and designate that person as the signer.

We also need a Resolution for the change and a policy and procedure written, which will be on next month's agenda for approval.

Ogren Property: As reported last month, we received a letter from Denise Ogren responding to our August 16, 2016 letter requesting the first right of refusal should they decide to sell their property. They have offered it to us for \$500,000, and the offer is good until November 1. The property is assessed at \$116,890.

State law requires that we pay fair market value, which would be determined by a licensed appraiser. In some instances, both buyer and seller engage separate appraisers, and if there is a substantial difference of opinion between them of what constitutes fair market value, a negotiated settlement is possible.

We have engaged a local appraiser – James Dunn, who is a Lakeland Village resident. The cost is \$550 – which the BFP Grant I submitted today will reimburse us for if we get it.

I spoke with Mrs. Ogren last week and told her we would like to purchase the property, but it wasn't going to happen by November 1. I explained about the grant funding we were seeking and that if that didn't happen, we would look at other options. I also told her the appraiser will be in contact with her shortly. Overall, it was a very cordial conversation.

I'd also like to point out that should we negotiate directly with Ogrens, that they would not be subject to paying a real estate commission, which is usually seven (7) percent of the sale price.

2019 Budget Process: On tonight's agenda is the final copy of the 2019 Budget for your review and the public hearing. I think we vetted it pretty well at the meeting last week, and the only unresolved issue is my pay – which we will settle on the tenth.

We have to submit this by the end of the month, so our options are:

- 1) We can approve this tonight as is and amend it later if necessary by either convening another brief Special Meeting if the amount in the budget changes after our meeting on the tenth, or;
- 2) Approve it tonight and then approve an amended budget at the Regular November meeting if necessary.

My recommendation is to approve it tonight and, if it changes on the tenth, approve it at the November 5, meeting.

BIAS and our 2019 Budget: We are still finding anomalies in our BIAS programming. I anticipate we'll have them all corrected and programmed the way we need before year's end. This budget process has been a good thing as it's helping us discover what and where exactly those anomalies are, so we know what was either hidden, mis-categorized or we simply didn't understand how or why BIAS set them up like they did — so they can be corrected for 2019.

Department of Revenue Audit: We had a Department of Revenue audit last week specifically looking at Leasehold Excise Tax. Because of the way BIAS loaded our data from QB,

some items were mis-categorized – which is exactly the kind of anomaly I was talking about above. The bottom line is we will have to submit an additional three to four hundred dollars to DOR. However, the auditor recognized the situation for exactly what it is, and we aren't going to receive any kind of finding or management letter.

Dock Issues: Last month I reported that we had a small electrical fire on the dock. It seems that the flexible conduit feeding the pump-out unit was held in place by a piece of tie wire under the gangway – and had been like that for a number of years. Over the years, the constant tidal action caused the tie wire to eventually wear through the flexible conduit and then wear through the insulation of the wire inside the flex, which then caused it to short out. That caused the fire.

There wasn't any major damage, and the pump-out vendor will replace the wiring. There was some other damage they were scheduled to come and fix that took place at Allyn Days, smashing a PVC conduit along the dock. I am insisting they get a permit – which they are reluctant to do because they will have to bring the entire installation up to current code. I'm also insisting they put a junction box on the top of the dock itself, with a disconnect switch.

Parking at the North Shore: We had previously discussed the potential of widening the space across from the North Shore Boat Launch for trailer parking. Olsen & Associates has surveyed it and marked the property corners. However, I went out there twice, and didn't see any stakes. Olson insisted they marked them, but it appears someone took them. I met with them this morning and they have been re-staked. The plan is for us to get some idea of how much room we have to work with, how much dirt we'll need to move to create additional trailer parking, and to figure out if this is a feasible idea or not. There is some marketable timber on the back of the property that could potentially be logged and generate enough money to pay for the project. I should know more about that shortly.

Wedding Shows: Rather than run the ad in the wedding magazine as we have for the past three years – at a cost of approximately \$1,200 – to try and market the Gazebo, we have elected not to do that this year, but to have a booth in a couple of wedding shows instead.

The shows we're considering are in January and February in either Olympia or Puyallup. We're also looking to see if there are any in Kitsap County we can be a part of. Cost of booth space runs between \$250 to \$700, depending upon the size and location in the show.

IT Issues: We've some serious IT issues in the last month – the top one being that we were hacked. We didn't lose any data, and weren't compromised as we discovered it within 24 hours, while the hacker was still in the process of setting up an elaborate online theft scheme. It involved spoofing our domain and creating an email address here, then hacking into a software company in North Carolina that primarily sells online sales leads and sales training products, by using a Virtual Private Network (VPN) in Virginia, which it paid for with a stolen credit card from someone in Wisconsin.

The hacker came in via a voice mail. Our phone system records voice mails, saves them, and sends them as email to us. Opening one of these emails is how the hacker initially got in, as it appeared to be legitimate.

When I discovered it, I called Charles, he tracked this down within hours, notified the other affected parties along with the authorities. But the fact the hacker was hiding behind a stolen domain by utilizing a VPN makes catching them pretty difficult.

I have however, signed us up with a VPN, which I will need to install on all your iPads, as well as do the system update Apple released last week. The one I chose was recommended by the Port of Vancouver's IT guy who did a presentation at the recent WPPA Executive Director's seminar. I've already set both our Laptops and the Port phone up as well. What a VPN does is make your devices invisible to hackers – which is a very real problem in places with public Wi-Fi and/or open networks – places like hotels and coffee shops.

WPPA Meeting Schedules: 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:

Marina Expansion Project: Art Anderson has delivered the preliminary design documents so we should be ready to send this out to bid shortly.

I have an application for the PUD that I had planned on having completed by now, but I still need some questions answered before I can finish it. And quite frankly, working on the budget, and me being in a somewhat serious auto accident slowed that down.

However, that isn't the only delay we're dealing with. As I reported last month, 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. The Squaxin responded after the deadline, but the state Department of Archeology and Historic Preservation (DAHP) has decided they want an Archeological Survey done on the area where we are going to be digging the trench for the power and water conduits.

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