

PORT OF ALLYN
Regular Meeting/Public Hearing
November 5, 2018
MINUTES

Meeting was called to order at 6 p.m.

Present were Commissioners Judy Scott (Chair); Scott Cooper and Ted Jackson. Staff present were LeAnn Dennis, Operations Manager; Lary Coppola, Executive Director; Travis Merrill, Security Officer. Also present were Jennifer Baria, Executive Director of the Mason County EDC, Linnie Griffin, Kaye Massie, and Jeff Carey, public

CONSENT ITEMS

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

- a. Minutes of Regular Meeting October 1, 2018
- b. Minutes of Special Meeting October 10, 2018
- c. Minutes of Special Meeting October 23, 2018

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

ACTION

- a. Payment of GF Vouchers #181102001 to 181102027 for \$21,516.35
- b. Payment of Payroll Vouchers #181101001 to 181101013 for \$16,991.37
- c. Payment of Water Fund Vouchers #181103001 to 181103003 for \$73.62

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

COMMISSIONER REPORTS

Commissioner Scott Cooper – Attended the Port meetings, and the WPPA Small Ports Conference in Leavenworth.

Commissioner Ted Jackson – Attended the Port meetings, and the WPPA Small Ports Conference in Leavenworth.

Commissioner Judy Scott – Attended several Oyster House meetings; the North Mason Community Voice meeting concerning local water districts; a DNR focus group that is seeking local letters of support for grants, and asked that the Port write a letter of support for the upgrades to parking and trails at Green Mountain. She noted there is a Fundraiser for the Oyster House on November 17.

SECURITY REPORT

Security Officer Travis Merrill reported that the storage door at Kayak Park was vandalized, and that he received a call from the Coast Guard about the boat that broke loose from its anchor, and that the Mason County Sherriff assisted with securing the vessel.

EXECUTIVE DIRECTOR REPORT

*SEE ATTACHED

Commissioner Cooper questioned the possibility of using a civil infraction as part of the enforcement of our Marina Rules, noting that this has been an ongoing, tail chasing, issue. The Port of Kingston writes its own tickets, and the Executive Director noted in his report that this was mentioned in the minutes of the Kitsap All Ports meeting, but he wasn't there as he was at the North Mason Community Voice meeting which took place at the same time. He said that he would check with Kingston Commissioner Mary McClure and try to learn more about how they are doing that.

Commissioner Jackson stated that civilly the Port would have to have a collection agency, but working through the Sheriff's Office would be a stronger position. He said he'd talk to Sherriff Salisbury after the elections. He suggested we check with other Ports – and that his research found everyone seems to do it differently. For example, in Port Orchard, the Parking Enforcement Officer – which is an employee of the Police Department – handles it.

Presentation by Jennifer Baria, Executive Director, Mason County EDC

New Executive Director Jennifer Baria discussed a partnership and how the Port can help them, and they can help us. She hears constantly that other partners (and us) would like more updates so she has pledged to attend a Port meeting quarterly and give a report.

She discussed proposals for business recruitment, and those looking to purchase and build and/or open businesses in the north end, noting that 23 out of the 15 referrals they've received from the state have been replied to by EDC. She noted that the entrepreneurship program the Port has provided space for in the past is doing well, with 140 enrollees, of which 40 have graduated and 18 of those going into business.

Ms. Baria said they are also working on getting grant funding for the next two years to keep the organization funded. She added that Workforce is working in the EDC office and they working together on outreach and marketing. The business spotlight event - Choose Mason – was held here. The first one wasn't attended as well as the EDC had hoped, because of the smoke in the air at the time. However, participants liked the business to business exposure at the event.

She remarked that they are moving forward on a hotel market analysis that will cover the entire county, and have talked with a number of developers. They have some funding partners such as developers, and are looking for more.

The big project for 2019 is building an inventory of available industrial properties. They have compiled a database, but some properties don't have sewer, water access etc., which they need to be viable. The EDC will look at what properties are marketable now and which ones need what, and complications that come from that.

She discussed the upcoming Board election, which has nine positions open - five are returning and four are new next year. She also stated they are going to split their leadership meeting locations. The meetings have always been held in Shelton, and they would like to have half of them somewhere on the north end, but a location for breakfast meetings is the challenge. She also mentioned the annual joint EDC Expo meeting, which will be held at Little Creek in December.

Commissioner Scott asked about their outreach to existing businesses. She answered that the EDC focuses on one-on-one efforts and building individual relationships.

Commissioner Cooper asked about contracts the EDC has with their investors and what the deliverables are. The answer was that the deliverables are often different, and that they provide quarterly reports to the investors, but expect Board members to bring information back to the groups they represent. He then asked about the Zoom Prospector. Ms. Baria explained how the software works and what the options are for using it. He also asked about how established businesses looking to move can check with the EDC and be able to see what's available. She explained that often, landlords want to handle all those types of negotiations directly with potential clients.

Yerac Community Utilities

Jeff Carey briefed the Board what he's proposing. The Executive Director stated he has the actual proposal document at the attorney to read through and make recommendations on, as well as draft a potential agreement if the Commissioners elect to move forward.

Mr. Carey discussed the fact that his water system is at its legally allowable limit, and that he has additional, ongoing demand. He mentioned discussions about the Port purchasing Yerac and some of the pros and cons that come with different ideas surrounding that possibility.

He also discussed the different usage volumes between the two systems. His system can't legally extract over 5,000 gallons a day from the aquifer – but his customer demand is greater – which is why he made this proposal. He noted it could benefit the Port from a revenue standpoint if he buys water or water rights from the Port. He stated that his water system wasn't ever intended to be considered a profit center, but does allow for development in Allyn to occur.

Commissioner Scott asked about how the road maintenance got tied to the water. Mr. Carey responded that he believes from experience that separate road maintenance agreements don't usually work out. And while people won't pay road maintenance, they do pay for water, so if they tie the road maintenance to the water then people will pay.

The Commissioners took no action because they don't have the recommendation from the attorney at this time.

NEW BUSINESS

The Regular Meeting was recessed at 6:58 p.m. to go into a Public Hearing about the 2019 Levy Increase.

Linnie Griffin asked about when the Levy increase would go to a ballot. It was explained that it isn't required to, as all taxing districts are allowed to increase their annual Levy by one percent with a simple Board vote. Anything over one percent requires a vote of the public.

There were no other public comments. The hearing was closed at 6:59 p.m., and the Regular Meeting reopened.

Commissioner Cooper made a MOTION to approve Resolution 396, approving the one percent levy, SECONDED by Commissioner JACKSON. MOTION CARRIED

The Regular Meeting was again closed and the Public Hearing for the 2019 Budget opened at 7:01 p.m.

Jeff Carey asked about the Timber Tax item in the budget. He was told the revenue comes from harvested timber from each year, and that it's a moving target, hard to budget for. Therefore, the Port always budgets this item extremely conservatively.

Linnie Griffin stated she appreciates the breakdown (detail) of the budget.

There were no other public comments. The hearing was closed at 7:02 p.m., and the Regular Meeting reopened.

Commissioner Jackson read Resolution 397 approving the 2019 Final Budget. Commissioner COOPER made a MOTION to approve the Final Budget as presented. SECONDED by Commissioner JACKSON. MOTION CARRIED.

A brief discussion ensued about approval of the Executive Director's employment contract until it was pointed out it had been approved at the previous meeting, with the approval of the Final Budget, ratifying the amount of compensation.

Election of 2019 Chair and Vice Chair

Commissioner Jackson discussed his issues with being Chair for 2019 and said he won't have confirmation if he can leave his work early enough until sometime before the next meeting. The board decided to table the issue until the December meeting.

WPPA Annual Meeting – Commissioner Scott and the Executive Director will attend. Commissioners Cooper and Jackson will not be able to.

Commissioner Cooper said he'd like to attend WPPA Administrative and Finance seminar at Alderbrook next year, the Spring meeting in Spokane, and Small Ports in Leavenworth in 2019.

PUBLIC COMMENT

The Executive Director asked to attend an RCO seminar in Kalama about grants, and the board supported that.

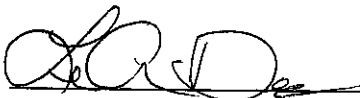
Jeff Carey discussed the activities of TipCap regarding the proposed North Shore trail. Commissioner Scott said she may discuss it with PRTPO. He also said TipCap is looking at a number of intersection and line of sight issues on the North Shore.

He also said he is concerned with the change in cost to the Port for the Oyster House. He also mentioned putting it on park property, however Commissioner Scott reminded him then it wouldn't qualify as historic, which would restrict funding opportunities.

The Executive Director let the Board know that we ordered a steel door for the Kayak Park restroom so it won't be kicked in again. He also said he is looking for a way for the Port to acquire the 3D building in Belfair for a co-working facility. Linnie Griffin asked what that is and Mr. Coppola described the concept.

Meeting Adjourned at 7:30 pm.

Respectfully Submitted,



LeAnn Dennis, Operations Manager

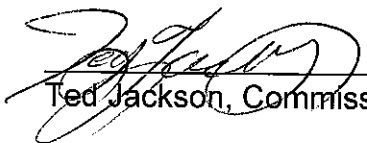
COMMISSIONERS:



Judy Scott, Chair



Scott Cooper, Vice Chair



Ted Jackson, Commissioner

**Port of Allyn
Executive Director's Report
November 5, 2018**

Report Items:

Water System Issues: I'm happy to report that after more than two years, we have finally received the approval letter for our water system from the State. This will make our plan valid for 10 years. The approval letter is in your meeting packet. There's nothing more to report on this – other than I'm relieved to finally get this off my plate.

Yerac Community Utilities Proposal: We received a proposal from Yerac Community Utilities to purchase water from our system, since as a Class B water system, they are only allowed to draw 5,000 gallons a day from the same aquifer as we do. I sent the proposal to Joe Brogan to be vetted and the document I enclosed with your meeting packets was Joe's analysis and a proposed agreement. This is on tonight's agenda for discussion, and possible action.

2019 Budget Process: On tonight's agenda is the final copy of the 2019 Budget for your review and approval. There is also a copy of my employment agreement. What I have done – to avoid any future confusion like we have had over the past couple of years – is provided each of you with a printed copy, as well as one for myself, an office file copy, and one to go in our safe deposit box. That is six copies total for all of us to sign. That way, each of you, as well as myself, have signed copies, as well as one for my employee file, and a default copy in the safe deposit box.

I'd also like to point out that our cash carryover from this year to next is \$122,962 - or 22 percent of our total budget for 2018. And that doesn't count the unbudgeted Timber Tax revenue we've received. YTD we have received more than \$79,000 in Timber Tax revenue, and only budgeted \$11,000, which creates an additional \$68,000+ surplus.

BIAS and our 2019 Budget: When we began entering the final 2019 Budget into BIAS last week, we found what we believe are the rest of the anomalies in our BIAS programming. I anticipate we'll have them all corrected and re-programmed the way we need to by the time the entry process is finished. This budget process has been a good thing for us as it's helped us discover what and where exactly those anomalies are, so they can be corrected, and help us be fully operational in BIAS.

Creating and Signing Our Own Warrants: Last year, when the County had changed its schedule of running warrants, this created problems for us in several areas, and prompted us to look into what it was going to take for us to be able to do this ourselves. One of the big attractions was the ability to be able to pay our bills using ACH instead of mailing out warrants. The amount of additional work for this was offset by the time and labor costs of dealing with the problems created by the County's schedule change. However, now that the County has restored its original warrant processing schedule, it's eliminated the main reasons we wanted to make the change. While we won't be able to use ACH, it seems that perhaps we should just leave well enough alone - at least for now. This seems to be a case of if it's not broke, let's not fix it.

Property Purchase: As reported previously, State law requires that we pay fair market value, which would be determined by a licensed appraiser. We had engaged a local residential appraiser – James Dunn, who is a Lakeland Village resident. After researching the property, he reported back to me that he is not licensed to appraise it, because it is zoned Village Commercial, not residential – although it's assessed for tax purposes as residential. I called a couple of other appraisers, and they each told me the same thing when I told them about the zoning. It appears we need to hire a commercial appraiser – which will cost somewhere around \$5,000. So I wanted to see what you all thought before making a commitment to spend that kind of money. I have included that amount, plus another \$3,500 for the appraisal review in the BFP grant I will submit tomorrow, but there is no guarantee we will get the grant, which means we'll be out of pocket on the appraisal if we don't.

I have spoken with the owner, and she understands we would like to purchase the property, but it wasn't going to happen by her November 1 deadline. I explained about the grant funding we were seeking and told her that if that didn't happen, we would be looking at other options.

Dock Issues: I previously reported that we had a small electrical fire on the dock. While there wasn't any major damage, I believe the pump-out vendor is responsible to replace the wiring.

There is also some other damage that took place during Allyn Days that needs to be addressed as well – a piece of PVC conduit along the dock was smashed and now has exposed wires. Thankfully, it's all low voltage to operate the pump, but it is shut off until this is fixed. Unfortunately, the cost of that repair will fall on us since it isn't a failure of their system, but damage done by a boater.

I have insisted the vendor get a permit for the repairs – which they are reluctant to do because the entire installation will have to be brought up to current code. I'm also insisting they put a junction box on the top of the dock itself, with a disconnect switch. When I told him that, he started saying none of this is their responsibility, and they didn't do the initial low voltage installation, we had it done. We've done some research on this, and found an invoice from 2012 for the cost of the system, but there is no detail or documentation at all about the installation we can find. I spoke with him again on Friday and he admits they did the 120-volt electrical installation to the main unit – which is still okay – but that our maintenance guy – whoever it was in 2012 – did the low voltage installation from the main unit to the dock. We are meeting on Wednesday to go over it all, but it appears we may have to fund the cost of the repair if we can't negotiate something with them.

I have contacted Enduris to see if this might be covered, but it could very well fall within our deductible when it's all said and done.

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. There appears to be quite a bit of marketable timber on the back of the property that could potentially be logged and generate enough money to pay for the project. I will contact some loggers and get an idea of how much money we are talking about and report back.

WPPA Meeting Schedules: The Annual Meeting is December 5th through the 7th at the Hyatt Regency in Bellevue. We need to know who is planning on going so we can get reservations made.

Old Business:

Transient Moorage Expansion Project: Art Anderson has delivered the preliminary design documents but we needed a bid on the power pedestals before they could write the specs for this to go out to bid. We got that bid on Friday and I forwarded it to Art Anderson & Associates. They will have the specs and bid package hopefully done by the end of the week.

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 slowed that down, but I'm on it this week.

As I reported previously, 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. Bill Rehe had suggested we have the survey done on the entire park because additional projects – like the Oyster House – will require one as well. This way, we'll already have it 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.

I have contracted with a consulting firm for the survey, and they were out here last week and walked the entire park with myself and Don. They will have a team here to begin the actual work on the 21st

Sweetwater Park: Not much to report on this. We did receive an email from Ken Van Buskirk about some squatters on the property. In talking with Dana Rosenbach from the school district on Friday, she told me they had called the Sheriff to have them removed. She was also going to follow up with RCO on Friday about the property transfer confirmation letter and will let me know what she finds out.

Oyster House: I talked to both a potential contractor and Art Anderson and Associates. The main focus right now is getting an accurate engineer's estimate together for the Lobbyists. I am trying to set up a meeting for this week to nail that down and get everyone in the same place at the same time.

Time is of the essence because the lobbyists will need to get our legislators up to speed on the project as quickly as possible. While our current legislators are well aware of the project, with the election tomorrow that could change. There will be a ramping up process if any of our representatives are replaced. If that happens, the lobbyists will need as much time as possible to work with and educate the new legislator(s), because they will be drinking from a fire hose initially - not only about our project - but about all of other things they need to know as well. For the most part, new legislators don't know what they don't know, so that learning curve is time-critical.

Perhaps Commissioner Scott has some additional information to share...

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: I missed the meeting on October 22 because I was with Commissioner Scott at the NMCV doing a presentation on our Water System, along with several other water purveyors. However, in the meeting minutes, the Port of Kingston reported they have authority to ticket vehicles that don't comply with their rules. Commissioner Ed Scholfield from the Port of Silverdale questioned how Kingston determined they have the authority to issue tickets, as they are dealing with a similar problem. Kingston Commissioner Mary McClure offered to provide more information at the next All Ports meeting in January. However, I'm going to give her a call and see what I can learn before then in hopes it will help us with our situation.

