

**PORT OF ALLYN  
Special Meeting/Public Hearing  
October 21, 2019  
MINUTES**

**The purpose of the Special Meeting was to discuss the 2020 Draft Budget, approve vouchers and sign bond paperwork.**

The Special Meeting was called to order at 6:00 pm with the flag salute.

Present were Commissioners Scott Cooper (Chair), Commissioner Judy Scott and Commissioner Ted Jackson; Executive Director Lary Coppola and Operations Manager LeAnn Dennis, staff.

**ACTION ITEMS**

Payment of General Fund Vouchers #191004001 to #191004005 in the amount of \$4,745.07

Commissioner JACKSON made a MOTION to APPROVE. Commissioner SCOTT SECONDED. MOTION Carried.

**EXECUTIVE DIRECTOR'S REPORT \*See Attached**

Commissioner Cooper asked about the condition of Allyn Dock after the oyster barge hit it. The Executive Director said it has been fixed and we don't know exactly who fixed it but most likely it was Taylor Shellfish.

**Old Business**

None

**New Business**

Set times for the retreat. It was decided to schedule it for Noon to 5 p.m. Commissioner SCOTT made a MOTION to APPROVE. Commissioner JACKSON SECONDED. MOTION Carried.

**Discussion of 2020 budget.**

Commissioner Cooper asked about the Operations Managers total time. He also asked for an explanation of the proposed transfer from Water Fund to the General Fund to cover the IDD loan. The Executive Director went through the numbers and explained. When do we get financials from county was asked and answered. A discussion about the Timber Tax ensued and the Board tasked the Executive Director with calling to see if we can learn why we had money last year and not this year.

Commissioner Scott asked about the Capital Budget, and said it was good see the Oyster House there but wondered what is anticipated for Sweetwater Park?

The Special Meeting was recessed to go into the Public Hearing about 2020 Draft Budget at 6:24 p.m..

The Public Hearing was opened at 6:24 p.m.

**Public Comment.**

Bonnie Knight stated she is glad we have a water system and have elected to keep it.

The Public Hearing was closed at 6:25 p.m. The Special Meeting was re-opened at 6:25 p.m.

**NEW BUSINESS**

A discussion ensued about the proposed Bremerton Motorsports Track The Executive Director attended the ground-breaking and said he had been contacted by a former Port of Bremerton Commissioner – who is also a supporter of the facility - asking for our support. He stated that at some time in early 2007 the Port of Bremerton and the Port of Allyn had signed an Interlocal agreement to support each other’s projects. Commissioner Jackson said he would like to see more public process before officially supporting this. It was agreed to discuss this further at another meeting.

The Executive Director said we need a date for an official ribbon cutting for the dock upgrades, and plan to invite our 35<sup>th</sup> District legislators along with the County Commissioners and other VIPS. We also have Representative Steve Tharinger doing a tour of our facilities on November 18, and the lobbyists have suggested that as a good potential date.

WPPA asked Commissioner Scott to join its nominating committee. The Board supports her doing so. Commissioner Jackson asked if she can advocate for more small Ports to be on the board.

All of the final documents for the Line of Credit were then signed.

There was no other new business

**Public Comment**

Bonnie Knight updated the Board about the Sargent Oyster House, saying there were three bidders on the stabilization work and that they were shooting for finish in March. She also got the permits extended, and said no more engineering is necessary on the building.

**Nothing was presented under Good of the Order**

Meeting Adjourned at 6:37 p.m.

Respectfully Submitted

\_\_\_\_\_  
LeAnn Dennis, Operations Manager

**COMMISSIONERS:**

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Commissioner Cooper, Chair

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Commissioner Scott, Vice Chair

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Commissioner Jackson, Commissioner

**Port of Allyn  
Executive Director's Report  
October 21, 2019**

**Report Items:**

**2020 Budget:** We have the draft Budget on the agenda tonight as well as a Public Hearing for the 2020 Budget. We should have one more Public Hearing at our November 4 meeting and adopt it then.

We used BIAS to track our 2019 revenue and costs, however, the initial setup BIAS did for us had some kinks in it for tracking both costs and specific sources of revenue. As reported at the October 7, meeting, we discovered this when we started setting up the Excel template for this budget. We found a number of duplicate revenue categories for the same items – with money posted in each one of them – but have since figured out where and how all that revenue needs to be properly allocated and will adjust the Chart of Accounts accordingly. The updated budget document you received today reflects those corrections.

That was all money we actually have, and the good news is that our total revenue does exceed expenses. The difference is shown on the Totals sheet as "Cash Carryover." Plus, the revenue we show in BIAS does match the latest Treasurer's report from the County.

Notable on the expense side, we have budgeted \$7,000 for our state audit and \$6,000 for election costs – neither of which we had last year. Also, our Enduris premium has increased significantly – over 18 percent. Our 2018-2019 premium was a little over \$17,000 while our 2019-2020 premium went up to over \$19,500. We have budgeted \$21,000 for 2020-2021.

Our basic methodology was to take our YTD costs, divide by the nine months covered in BIAS to get a monthly average, then multiply by 12 for our projected 2020 costs. This is the same method we've used for the past four years, and it's been pretty accurate.

The only real question marks are revenue – not costs. As you know, we budget revenue very conservatively, and costs liberally.

The main issues, as we noted in our October 7 report, are how much Property Tax and Timber Tax revenue we'll receive. In 2018 we budgeted \$11,000 for Timber Tax, but received over \$70,000. We budgeted \$25,000 in 2019, and have received nothing so far. We're not sure what to expect in 2020, so we've only budgeted for \$10,000. We budgeted the same amount of Property Tax revenue for 2020 as we received in 2019, plus one percent, knowing that will be low, as assessed valuations have increased, and that does provide a small cushion. We also expect additional revenue from the new marina via the new pay station, but have only budgeted the same amounts as we did as we did in 2019.

For budgeting purposes we allocated a 3 percent across the board cost of living increase for staff.

We have also amended the Water Budget. Originally we budgeted for 10 new water hookups due to the 15 Water Availability Letters we issued to two different contractors. While three of the homes are under construction now, the one builder – Cedarland Homes – has done 10 water system taps, and we have billed them \$54,625 for 10 connection fees last week, plus another \$1,011.70 for 10 water meters. That's why we amended the budget to only include 5 connections and meters next year. However, that does give us enough cash reserve to pay \$23,775 back to the General Fund for five years of loans it has made to the Water Fund to repay the IDD fund, and still leaves profit for 2019 and 2020.

Other than that, I'm happy to answer any questions you have.

**State Audit:** The State Auditor started here this past Thursday. She expects to be here about 2 weeks.

**Yerac Community Utilities Proposal:** Nothing new on this.

**Property Purchase:** You approved Resolution 405 last month to move this process forward. We have also received a Milestone Report form from Kim Sellers at RCO. It basically outlines what steps we have to take from here, and in what order. They originally wanted the property acquisition to close by September 30, but due to cash flow issues having to do with our other

current projects, I had some concerns about meeting that deadline, and was able to secure an extension to December 31.

The sellers are pushing us to close, and in talking with Kim Sellers, I found out that RCO will fund 75 percent of this up front once we have a purchase and sale agreement in hand – which we do in the form of Resolution 405 – and submit it to them along with the closing documents. There is a somewhat convoluted process we have to go through, and Kim was going to walk me through it this week, but she was out sick so this week so hopefully we can do it this week.

Also, according to RCO, we needed to have an appraisal review done. I contacted the person our appraiser recommended and got it back last week. We should be able to close on this, hopefully by the end of the month.

**Copier Lease:** The lease on our copier is up. We need to either buy it at market value, or get a new one on a new lease – which is our preferred option. Our goal was to try and find a machine that fits our needs, includes the technology advances that have taken place between the time when we got this machine five years ago, and what's now available, and does it for the least cost. We narrowed it down to a couple of the proposals we've finally received, and made a choice. Cost is relatively the same.

**Security Issues:** We're looking into what it will take to install some kind of high-resolution wireless, remote camera system here at the park as well as the Hood Canal boat launch and marina. There are systems available that will transmit images from multiple cameras in multiple locations and store them in the cloud for any necessary law enforcement documentation.

I met with a representative from Intellisystems and did a tour of our facilities so they could evaluate our needs and give us a bid. I'm still waiting for that. I called them to follow up last week and was told they would try and find it, and get it to us in time for this meeting – which didn't happen, so I am researching other options.

**3D Building Acquisition:** It appears the building has been sold by WSDOT. I saw work going on there, so out of curiosity, I stopped by to see if I could find out who bought it. None of the workers knew who the new owner is, but they were doing some interior structural work as well as cosmetic work, so maybe we are lucky WSDOT didn't give it to us.

**WPPA Meeting Schedules:** Next up is Small Ports Meeting in Leavenworth, October 24<sup>th</sup> and 25<sup>th</sup>. We have made reservations for everyone, so we can do the retreat there as well. However, the hotel is booked solid for Friday night, so our options are to move to another hotel in town and all stay the night, or just leave when we're done and face the Friday night Seattle traffic. We need a decision on what you want to do so we can make reservations or not. .

I will be attending an MRSC workshop on contracting and purchasing in Spokane on October 28 & 29, which considering all the projects we have going on and others we expect to pursue, I think will be valuable. Rather than come back here on Friday or Saturday, I'm going to head directly to Spokane from Leavenworth. The cost of a hotel night is cheaper than the mileage back here from Leavenworth and then from here to Spokane.

The last meeting of the year is the Annual Meeting, which is November 20 to 22, at the Hotel Murano in Tacoma. As usual, we will make reservations for everyone.

**Retreat:** I have provided you all with a proposed agenda. We will need to discuss future projects, and the update to our Comprehensive Scheme, and I'd like to know if any of you have any other specific subjects you'd like to discuss so we can add them to the agenda.

**Renting Our Small Office:** I have a meeting with Heather Reese this coming week to sign an agreement for use of that space.

**Totem Pole Issue:** Nothing new to report on this yet.

**Old Business:**

**Transient Moorage Expansion Project:** I spoke with the electrician last week and he expects to be completely finished by the end of this week. Don still needs to build the kiosk, and we need to have some signs made, but it should be substantially wrapped up before the end of the month.

The electrician will have an invoice to me in time for the next Regular Meeting, and I will turn it – and all the other reimbursable expenses in, previous to that, so perhaps we can collect either before or shortly after we have to pay them. Other than that, we'll only have one small set of reimbursements after that.

However, Scott has informed me we may have an issue with the fire code and have to upgrade our system there. I don't have any costs on that yet, but did talk to our grant manager at Commerce to see if we can use any of our leftover money for that. She told me it would be an expansion of the scope of the grant, but since it was a code issue there was a possibility we could. She told me to get costs, write it up for her and submit it and she'd see what she could do to help.

**Sweetwater Park:** Nothing new to report on this. NMSD Superintendent Dana Rosenbach told me that NMSD's lawyer was preparing a transfer agreement we can use to secure a deed to the property, but I haven't heard anything more. Hopefully, I can finally get this off my plate shortly.

**Oyster House:** Our current part of the project is to get the launch ramp removed and the pilings driven. I met with Pat McCullough, and a guy who will be doing the Geotechnical Survey last week. Pat has also given us a proposal, but some negotiating is in order. I spoke with Bill Rehe about permitting and we are going to connect at Small Ports.

Once the permits are clarified, we can begin the demolition. We have until the end of February to get that done. Otherwise we have to wait until July.

Pat McCullough has suggested we expand the deck to accommodate community gatherings like they did for the Net Shed 9 restoration project in Gig Harbor.. I told him we'd have to check with the historic folks, as that wasn't our decision. I did send an email to Nicholas Vann on Friday, asking about this, but haven't heard back.

**Criminalization of Marina Rules:** Nothing new has happened, although Commissioner Jackson has continued to work on this, and has some ideas on how to proceed.

**All-Ports Meetings:** The next Kitsap All-Ports has been scheduled for the 28<sup>th</sup>. Since I'll be in Spokane, I will miss this one.

I was thinking about approaching Jack Bailey from the Kitsap All-Ports Association and broaching the idea of including not only us, but Grapeview and Dewatto as well if they're interested, and making it a Westsound All-Ports Association, but wanted to get your thoughts on that before I did.