

**Port of Allyn  
Executive Director's Report  
October 5, 2020**

**Report Items:**

**Budget and Financial Issues:** We have developed the 2021 Budget completely using BIAS – now known as Springbrook Express – for the first time, and exported it into Excel to make it easy for you all to read. We have gone through this line by line and have fixed a multitude of things that were put in wrong during the original setup - which I attribute to the unqualified and difficult to understand instructor LeAnn had when we first adopted BIAS. That is also why there are some line items with zero as the 2020 line item and YTD numbers. We were able to break these out into separate line items for 2021 so we can now track specific expenses more accurately going forward – which was one of the main reasons we switched to BIAS to begin with.

While LeAnn was in the hospital, Jan Lusignan - who has helped us previously - came in and helped us get the budget done, and clean up numerous issues in BIAS as well.

There are a few pleasantly surprising things on the revenue side. The pay machine in Allyn has kicked up our launch revenue significantly – by over \$400 YTD over 2019 year end. Parking in Allyn was also up by about a like amount. Revenue from the Marina is also way up compared to last year. We budgeted \$500 for the entire year, but are at \$4,560 YTD.

As expected, revenue from the Gazebo and meeting room is way down due to Covid, but we budgeted for 2021 as if the state will be open by the time we get into our busy time of the year.

North Shore Launch revenue is up over \$2,000 from what we budgeted, and daily moorage at the Marina is up as well, but that figure, and the figure for parking, may both be skewed somewhat by the parties that were held there during August, as they brought us both daily moorage customers and parkers we may not have had otherwise.

At the time we prepared the budget, we didn't have estimated figures for property tax revenue or new construction, so we have used last year's figures for the purpose of this budget, knowing we will see an increase, coupled with the one percent above that, so we will actually have a small cushion. We also reduced the Timber Tax number to \$1,000 not knowing what to expect.

We have included a two percent pay raise for staff. This reflects the current CPI.

Our Capital Budget reflects our grant-funded projects. They are shown in BIAS as both Revenue and Expenses so the numbers wash against each other. For example, we show a \$126,328.50 line item in the 2020 Revenue Budget, under the heading, "Grant/Reimbursement - Allyn Dock Upgrade Project". This is what was left in the Grant for the Allyn Dock Upgrades on January 1. We have charged YTD expenses of \$41,243.40 against that, leaving a total of \$82,593.26 remaining. This is not money we have, but money that is available to us for that specific project. That's why we are only showing a \$1,000 projection for revenue from that grant, which will come in the form of reimbursements for any of the grant money we may spend in 2021. Under that same grant in Expenses, we show a projected \$1,000 expense. So they wash.

The full amount of that grant was originally setup in the General Fund as a revenue line item when we switched over to BIAS instead of setting it up as a separate Capital Budget fund item. Consequently, the other grants we have were set up the same way, so they too offset each other as well. Meanwhile, the real numbers - what we have available, what we've spent, and how much is left - are reflected in the Capital Budget document and now have their own BARS numbers in BIAS. This is one of those issues that the instructor got wrong in the initial set-up back in 2018, and because it has entries over multiple years, we can't change it mid-stream in BIAS. Jan has fixed that going forward, which also makes it easier for the State Auditor, plus, when BIAS is exported to Excel, it updates these running totals for the grants without showing the grant amounts as revenue. As we complete these grants, they will zero out of the General Fund budget. We will need to use the Capital Budget fund in BIAS – like we've done with the Water Fund - for future grant-funded projects.

As an aside, the Dock upgrade grant expires on June 30, so whatever isn't spent will revert back to the State Capital Budget, which is another reason not to count money we never actually received as revenue the way it had been set up previously.

The Water Fund Budget is also a pleasant surprise due to the hook-up fees we've collected, and the additional monthly billings. We currently have 32 customers and anticipate an additional 42 by year end 2021.

One other issue – we haven't done the final totals of all the funds, because the County Treasurer hasn't yet posted September revenue reports. The latest on their website is from August. This impacts our cash carryover number for beginning 2021. We should have those next week in time for the meeting and final approval.

On the expense side, some of the additional hook-up money will have to be used to expand our infrastructure to accommodate those and other anticipated customers. Also, at 25 hook ups we are supposed to have a certified Water System Manager – which will become an additional, ongoing expense. Steve Holloway, our current manager says before we hit the 25 threshold his qualifications were fine, but now that we're over that number, he doesn't have the required certifications needed. He did tell me there are companies – like NW Water – who we already have a relationship with, that contract to provide this service. I have a call into them to try and get an idea of costs, but allotted \$25,000 in the Water System Budget for this.

We have also used \$35,000 of the Water System revenue to pay back some of the money the General Fund loaned the Water Company to pay the IDD loan, and it is reflected as a revenue item in the General Fund. We also itemized \$25,000 of water system revenue to pay back what we borrowed from the IDD fund to buy the Ogren property, but it will need to pass through the General Fund first for audit purposes.

The County has \$3.5 million in CARE funds, and will be distributing them sometime soon. We applied for a little over \$18,000 but were denied because lost revenue for things like the Gazebo being closed due to the Governor's dictates, aren't allowable. We sent an amended request for a little over \$5,000 for things we can document that are allowed, and are waiting for an answer. We have included \$5,000 under "Local Grants, Entitlements, Other" in the revenue projections.

Of note, we saved over \$10,000 on travel and lodging due to Covid. However, Enduris was over \$3,000 more than we budgeted, as was our State Audit and our election costs. The only other significant expense that was unplanned for was legal expenses fighting Enduris over the dock, and resolving the title and Public records Request issues for the Sweetwater Park property. The rest of our expenses for 2020 were pretty much in line with what we forecasted.

One issue I'd like to discuss at the review meeting tonight is the idea of a year-round monthly moorage fee for the North Shore.

Finally, we have \$43,735.24 of reimbursements in the pipeline. We are just waiting for that money to get here.

#### **North Shore Electrical Issue:**

The PUD has taken down the overhead wires across the boat launch and pulled it through the conduit we installed. We also installed an extra conduit in the ditch if needed to accommodate new security cameras when the time comes. They also installed the lighting for the parking lot across the street from the boat launch. They set a pole there with two lights aimed towards the back of the lot. They also took

**Water System Issues:** As noted above, we will need to hire or contract with a certified Water System Manager. As you know, we have requested a three-year extension on the new well installation deadline, and Ecology has expressed a willingness to grant that if we can address and satisfy the concerns of the Squaxin Tribe in relation to impacts on Sherwood Creek.

Aspect Consulting, who we have contracted with to deal with the tribal concerns because they were the firm that originally addressed them at the time the original well was drilled, says everything the tribe has expressed concern about was dealt with in the original water right application. We are working with the same person who handled the original application, and I'm trying to put together a meeting with him and the tribe so we can move forward and get the extension approved.

I also met with Joe Cedarland, and we took a field trip to his project site off of Wheelwright so I could get an idea of where he is planning on building next, and to figure out where we have infrastructure in the ground and where we need to expand. I talked to him about him possibly expanding our infrastructure and trading him some connections for the cost. He was very open to that and we have budgeted \$15,000 for infrastructure construction – which we can pay out or trade with Cedarland for.

Housing Kitsap has purchased 12 lots off Wheelwright for a self-help housing project and they want us to provide infrastructure for their project as well. I have connected them with Cedarland so

hopefully, we can get all the infrastructure we will need in place by the time both are ready to build.

**Security Issues:** I think I may have found a camera system that will do what we need. However, there isn't one single system that we can tie together via Bluetooth in all three locations, so we will need three of these. It is a Lorex 4K Ultra HD 8-Channel DVR Security System with 6, 4K Active Deterrence Cameras with Color Night Vision, Smart Motion Detection and Smart Home Voice Control. They feature true 4K Ultra HD (8MP) Resolution, Smart Person & Vehicle Motion Detection, Long Range Night Vision Up to 135ft with Ambient Lighting and 90ft in total darkness, and the images are stored locally on a 2 TB hard drive system for retrieval, and int's my understanding the systems can be monitored remotely. Also, there's no monthly monitoring fees.

These are hard-wired systems, so we wouldn't be looking at Bluetooth connectivity issues, but we will need to run the wiring. We have conduit at the North Shore Launch in the ground already and will have one here for the staging area. We can use the six cameras here with two on the dock, two on the light poles in staging area looking at the staging area with one and the launch with the other, and one at the pay machine and the other perhaps at the Gazebo or the office.

At the North Shore, we can use two at the Marina, and one across the street in the parking lot, which may mean we can use a four-camera system instead of a 6-unit system. At the boat launch we would use one on the pay machine, one each on the light pole at the launch ramp looking in both directions to cover the parking lot and another on the parking lot across the street.

The cost is \$400 each, plus installation costs. This isn't in the budget we just sent you but could be added. I think the total cost wouldn't exceed \$5000, with us doing some of the installation work. We could also look for grants, and I may be able to add this to the scope of work for the marina, so that park could be paid for.

**WPPA Meeting Schedules:** WPPA has set the Small Ports meeting for Thu, Oct 22, starting at 7 a.m. and Friday, Oct 23, from 7 a.m. to noon.

The Annual Meeting is set for Wednesday, December 2, starting at 8 a.m. and running until Friday, December 4 at noon. This was changed just this morning from an in-person meeting to a virtual meeting. We are waiting on registration and agenda items from WPPA

Since these are both Zoom meetings, but we could watch them downstairs on the big screen and still be able to social distance. We could also have breakfast and lunch brought in if you wanted to do that. I have registered all of us for Small Ports, and need to know your availability for the Annual Meeting.that.

Port Day in Olympia is set for Tuesday, February 2 at the Capital.

**Renting Our Small Office:** Nothing new to report on this.

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

**Old Business:**

**Oyster House:** We have both the Geotech Report and Survey complete and received the draft engineering drawings on Friday so we should be able to apply for the Army Corp permit and go out to bid for construction of the platform pretty quickly.

**Sweetwater Park:** Myself and Mendy Harlow walked the property with County Commissioner Sharon Trask last month. She was impressed and asked a lot of questions. In the end said she would support the project.

Mendy and I also did the grant presentation to RCO on the 24<sup>th</sup> and found out on Thursday it has been approved for \$486,436. However, it was Number 60 out of 80 projects listed, so whether or not it gets funded will depend on at what level the legislature funds RCO's projects. For Sweetwater Park to get funded they would need to fund RCO at about \$32 million. However in the last round they funded all the approved projects, but with the state's financial picture up in the air, it's going to be probably April before we get a final answer. At any rate, this is the first time it has made the cut, so that's good news at least.

**Staging Area Development:**

We are almost finished with this project. The demolition of the house is complete, the utilities

capped, site leveled, and pit run and rock have been put down. The PUD is supposed to set the light pole shortly, and we will run a water line and conduit for security cameras to what will become the median. After that, all we need is the signage – which has been ordered – and another layer of rock for the staging lanes. There is no real rush on this as we're not busy at the ramp at all right now and won't be until spring. Boating season opens the first Saturday in May, so as long as we're ready by then, we'll be good.

I've turned in all the invoices I have for reimbursement for this project. However, PRISM was locked – again - and I couldn't get in until Friday. But they've been accepted, and as soon as they're approved we'll see the money.

**All-Ports Meetings:** As of now, with the Governor's latest dictate, things are up in the air, with nothing scheduled.

**Transient Moorage Expansion Project:** This project is complete, except for the potential of expanding the fire flow capacity - which we are not going to move forward on at this time. However, the grant closes on June 30, but I'm going to keep it open until a final decision is made on how we're going to proceed with that – if at all.

**Criminalization of Marina Rules:** Once we get the cameras in place, we can move forward on this. Until then, we are running conduit where we think it may be needed.