



## Port of Illahee – Minutes of Regular Meeting on August 14, 2019

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Minutes of Regular Meeting  
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### CALL TO ORDER

Commission Chairman James Aho called the meeting to order at 6:30 PM at Seeds of Grace/Lichen Hollow, 8050 Illahee Road, Bremerton. Also present were Commissioner Jonathan Buesch; Commissioner John Burton; Administrator, Theresa Haaland; Illahee residents: Roy Barton, Cathy Johnson, and Debbie Smith.

### CONSENT AGENDA

*Commissioner Buesch moved to approve the consent agenda items: August Meeting Agenda; July 10, 2019 Regular Meeting minutes; July 29, 2019 Kitsap All Ports Meeting minutes; August 14, 2019 checks numbering 4478 through 4489 totaling \$4,167.15 as outlined in the attached voucher approval; second by Commissioner Burton; approved unanimously.*

**PUBLIC COMMENT** – Debbie Smith explained that she lives two houses south of the Illahee Dock. She has concerns about the individuals that seem to be living on the boat that is anchored out off of the shores of Illahee. The boat is periodically tied up to the docks. She has witnessed the individuals on the boat use the sea waters as their toilet and she is disgusted by it. She hoped the Port could do something about it.

Commissioner Aho provided a “What is Happening in Illahee?” flyer dated 8/10/19. He explained that the majority of items listed on the flyer are related to the Port so he felt it was appropriate to hand it out at tonight’s meeting.

Roy Barton is a member of the Illahee Community Facebook page and he saw a message from Steve Vargas, another member on the page, that was posted on August 12<sup>th</sup>. Mr. Vargas questioned how to get the cleats on the Illahee dock repaired. Mr. Barton replied to Mr. Vargas’ message and suggested he attend tonight’s meeting. Mr. Vargas informed Mr. Barton that he was unable to attend tonight’s meeting. Mr. Barton is hoping to get an update to relay back to Mr. Vargas. It was explained that items related to the Port facility will be discussed later in the meeting under Item 4.2.c. Reports/Unfinished Business: Dock/Pier.

### REPORTS/UNFINISHED BUSINESS

#### Treasurer’s Report

As of July 31, 2019; the General Fund totaled \$90,104.09, Investments totaled \$319,835.43 and the Balance of the Good Property Management account totaled \$200.15.

#### Commissioners’ Reports

Website - Commissioner Aho explained that the website is updated regularly with Port information. He recently added the draft Facility Use and Moorage Rules and Regulations resolution. He has yet to obtain a link to the Surface Water Management Plan (SWMP), but will continue his efforts.

#### Rental Properties

5560 Ocean View Boulevard – Commissioner Buesch reported that he has a call into Brad Gitch of Kitsap Bank to discuss the details of a possible new loan for the property since the current loan matures at the end of 2019. Commissioner Buesch said that he doesn’t see the point in selling the property until the Port actually owns the Illahee Store and a renovation plan is in place.



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5500 Illahee Road – Commissioner Buesch reported that approximately two-thirds of the deck has been replaced and he is happy with the work. He plans to use the Port's credit card to purchase paint accessories and five gallons of deck paint to protect the new wood. He believes the costs will add up to no more than \$250. There is a small water leak on the outside faucet from a valve that doesn't completely shut off. He hooked up a hose to the faucet, which stopped the leaking. He doesn't see spending money to repair it since the building will eventually be demoed.

Dock/Pier – Commissioner Burton reported that Brownsville has not yet begun the gangway repair project for Illahee. Brownsville charges a low rate, but it can be frustrating not getting the work done in a timely fashion. Commissioner Burton agreed that the cleats are nearly all unusable at this point, but he feels the gangway repair is the top priority. Commissioner Aho said that he worked the numbers and the vertical separation on the gangway should be good for up to 24,000 pounds. So, he doesn't see the repair of the gangway as urgent as first thought. Commissioner Burton said that he would take Commissioner Aho's determination under advisement, but the gangway needs to be repaired soon. Commissioner Burton said that if it's not possible to get on Brownsville's short-term schedule, the Port may have to spend more money to get it done by a private business. The big tug boat that tied up to the Illahee dock a couple months ago has apparently left the immediate area. Ms. Smith said that she saw it off the shores of Poulsbo. Commissioner Burton said that he did tell the owners of the tug boat that they couldn't stay at the Port, he is glad that the resolution will be adopted so that the Port has

some leverage. Signage may need to be ordered to list the rules outlined within the resolution. He explained that at the All Ports meeting other Commissioners from other Ports suggested that Illahee implement a maximum moorage time limit of 3 days within any 30-day period. Commissioner Burton felt that was reasonable since it is a common rule with some of the smaller Ports. He has since updated the Facility Use and Moorage Rules and Regulations resolution with that verbiage. According to Matt Appleton of the Port of Brownsville it's against the law to anchor or moor, within a five-mile radius longer than thirty consecutive days. If the law isn't being followed the Coast Guard should be contacted.

Commissioner Burton is aware of the boat that Ms. Smith discussed although he hadn't witnessed the activity Ms. Smith reported. He has talked to the individuals from that boat, as they do come and go tying up to the dock. At one point they were barbecuing on the dock and Commissioner Burton informed them that it is not prohibited. They complied without incident. Commissioner Burton suggested that if such distasteful behavior is seen in the future a call to the Sheriff and/or the Kitsap County Health Department would be warranted.

The draft resolution regarding the facility use and moorage rules was reviewed. Ms. Smith asked if the rule regarding mooring no more than 72 hours within any 30-day period pertains to everyone. Commissioner Burton explained to Ms. Smith that yes it applies to everyone; otherwise, it is unfair. Cathy Johnson suggested that a sentence be added to the resolution that states the Port Dock manager makes the rules and the designee can enforce those rules. Commissioner Buesch explained that the Port Dock Manager doesn't make the rules the



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Board does. It was agreed that a sentence clarifying the Port Dock Manger designating a representative should be included in the resolution. ***Commissioner Burton moved to adopt Resolution 2019-02 Illahee Port Facility Use and Moorage Rules and Regulations as amended; second by Commissioner Buesch; unanimous.***

Commissioner Burton plans to order new signage outlining the rules. Commissioner Buesch asked if the outer float should be stenciled load and unload. It was agreed that could be something to consider when the facility is rebuilt.

### Illahae Store Property/5507 Illahee Road –

Commissioner Aho reported that the Sheriff sale is scheduled for Friday, September 6, 2019 on the courthouse steps. This will be considered a Special Meeting of the Illhaee Port Commission as at least two Commissioners need to be present because if the Port is deemed the high bidder a check will need to be authorized at that time. Commissioners Aho and Buesch are planning to attend.

Commissioner Burton will try but may have work constraints. Mr. Barton asked if the other entities that are included within the judgement have been segregated. Commissioner Aho explained that yes everything is separate as they are totally separate items. Commissioner Aho asked that a new topic be added under New Business – the next steps for the Illahee Store building if the Port purchases it.

### Recreation Conservation Office (RCO) funding –

Commissioner Aho explained that when he talked to Kim Sellars, the Port's RCO grant manager, she told him that the grant writers recently used by the Ports of Brownsville and Kingston were both very good. It is thought she meant Keyport not Kingston because Soundwest Engineering Associates of

Bremerton was the grant writer for both Brownsville and Keyport and both those projects ranked first and second for RCO funding. Commissioner Aho asked Port of Keyport Commissioner Brian Watne and Port of Brownsville Commissioner Jack Baily their thoughts of Soundwest Engineering and they both highly recommended John Piccone, the civil engineer and senior project manager who formed the company. Commissioner Aho has since contacted Mr. Piccone, who is currently out of the country. Mr. Piccone sent a brochure about his company, which was reviewed. He is interested in working with the Port of Illahee and will be contacting Commissioner Aho after his return on August 20<sup>th</sup>. Commissioner Aho said that he thinks Mr. Piccone would be a good fit for the Port to use as a grant writer and he would like to discuss that possibility with Mr. Piccone soon. ***Commissioner Aho motioned to be authorized to talk with John Piccone of Soundwest Engineering Associates about working for the Port for the 2020 grant cycle; second by Commissioner Buesch; unanimous.*** Mr. Piccone will be invited to attend the September meeting.

### **NEW BUSINESS**

Commissioner Aho said he would like to add a New Business item: 5507 Illahee Road cleanup plan pending its purchase. He has six items related to the cleanup plan as follows: notify Pollution Liability Insurance Agency (PLIA) of the purchase; notify the Recreation Conservation Office (RCO) of the purchase and insure the Waiver of Retroactivity is in place; new roof; clean out the coolers and shelving within the building; removal of drywall and asbestos; and cleanup the outside of the property. Commissioner Aho explained that at the September meeting the renovation of the building



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will be an agenda item. The Port will probably need to hire someone to prepare a design and look into permitting, but it first needs to be cleaned up. Commissioner Aho said he thinks Mr. Piccone of Soundwest Engineering has experience with permitting, so the Port may want to consider utilizing his experience to help with that as well. Commissioner Aho requested that the cleanup plan be authorized at tonight's meeting so that if the Port purchases the property at the Sheriff sale, work can begin immediately to clean it up. Commissioner Burton said that he could agree to putting a new roof on it and cleaning out the coolers and shelves, but until the due diligence is completed on the Port's pier and docks, he is not in favor of moving forward with removing the asbestos. He feels that can wait. Commissioner Aho said that the asbestos needs to be cleaned up. Commissioner Burton said that he doesn't see it as an immediate hazard and it can wait, at this point, until it is decided to begin renovation efforts. He doesn't agree to begin upgrading the building as the major charge by the public, the pier and docks, continue to deteriorate. Commissioner Buesch said that he agreed with Commissioner Burton although he doesn't see the removal of the asbestos and drywall as an upgrade to the building but rather a cleanup effort since new material will not be installed. Ms. Johnson said that the roof is significant but questioned if the Commissioners have determined exactly what needs to be done to the building and also if they are aware of the costs associated with maintaining the building. She said that they should be well aware of what they are getting into, especially as public servants and obviously there are a lot of upfront costs associated with the purchase, but the ongoing maintenance costs need to be considered. She

added that a coffee shop is a nice thought for the area but it won't cover the costs to maintain the building. She's concerned that the Commissioners are spending taxpayer money without actually knowing what it all will entail, which negates their fiduciary responsibility as public servants. Mr. Barton agreed with Ms. Johnson and said that even with the roof it is really unknown how much it will actually cost because the estimate from Hanley Roofing is about year old now. He said that he has been asking for years for the Commissioners to obtain firm bids on upgrades to the building. He is concerned because there is no firm bid on what it is going to cost to bring the building up to code and get it rentable and the dock needs major attention and as a taxpayer, he looks for the Port's facility to be maintained and have first priority.

Commissioner Aho said that in 2017 the Port updated the Comp Plan to include the purchase of the Illhaee Store property. Some of the preliminary work was completed early on when architect Dave Grellier and longtime local building inspector Ron Perkowitz were asked to view/inspect the building. It was found to be a well-built sound structure and just mainly in need of a roof. Mr. Perkowitz waived his fees for the inspection because he was so glad that the Port might purchase it, turning it from a derelict building into a useable space. Mr. Barton asked if a building inspection report had ever been received from Mr. Perkowitz. Commissioner Aho thought he had submitted a report. He explained that the six items are just to clean up the property not spend money on renovation at this point. Commissioner Buesch agreed that the estimate for the roof is nearly a year stale and the costs are more than likely higher now, but it shouldn't be significantly higher and the roof is a must. Mr. Barton cautioned Commissioners to remember the



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recession back in 2008 as that could happen again soon. Commissioner Aho said that if the Port gets the store a new roof needs to be put on it as soon as possible. He understands Commissioner Burton wanting the floats and other items completed on the docks first, but he thinks these items and the store can be completed in parallel. At this point he is just asking for agreement to cleanup the property, if the Port becomes the owner.

Renovation efforts will become an ongoing agenda item, if the Port purchases it. Commissioner Buesch said that the possible coffee shop/meeting space the Port would like to turn the store into is not designed to stand on its own. The

Commissioners are aware that the proceeds from a coffee shop will not pay for the maintenance of the building, but it might cover the utilities. The pier and docks don't bring in any money, but are a benefit to the community and turning a contaminated property with a derelict building that has been an eyesore for years into a coffee shop/meeting space will also be of benefit to the community. Ms. Johnson asked if proposals are required to be approved by the Board. It was explained that the laws have recently changed and projects under \$40,000 do not require proposals.

Commissioner Buesch said that although receiving several proposals would be prudent. Ms. Smith said that maybe the Commissioners could wait and remove the asbestos with the contractor that will be performing the drywall as sometimes they will give a good deal on the combined work.

Commissioners Burton and Buesch both agreed that the asbestos removal can wait a couple of months; whereas, the roof needs to be replaced immediately. ***Commissioner Aho moved to authorize the five items of the cleanup plan (notify Pollution Liability Insurance Agency (PLIA) of***

***the purchase; notify the Recreation Conservation Office (RCO) of the purchase and insure the Waiver of Retroactivity is in place; installation of a new roof; clean out the coolers and shelving within the building; and cleanup the outside of the property) pending the Port's purchase of the 5507 Illahee Road NE (Illahee Store) property; second by Commissioner Buesch; unanimous.***

Commissioner Buesch said he will attempt to get at least three bids for the roof.

### **PUBLIC COMMENT**

Commissioner Aho thanked the public for their input.

Ms. Smith asked the rental amount on the 5500 Illahee Road property. It was explained it rents for \$850 per month and it is for just the main floor and upstairs. She asked if the downstairs of the 5560 Ocean View Boulevard property was a separate living space. It was explained that no, there is not a separate kitchenette in the basement.

### **EXECUTIVE SESSION**

At 8:05PM it was announced that the meeting would be going into Executive Session for approximately five minutes to discuss Real Estate.

At 8:13PM the meeting returned to Regular Session.

### **ADJOURN**

***At 8:14PM Commissioner Aho moved to adjourn; second by Commissioner Buesch; approved unanimously.***



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Approved:

A handwritten signature in black ink, appearing to be "C. B. ...", written over a horizontal line.

Commissioner

A handwritten signature in black ink, appearing to be "J. B. ...", written over a horizontal line.




Commissioner

A handwritten signature in blue ink, appearing to be "J. O. ...", written over a horizontal line.

Commissioner



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VOUCHER APPROVAL		
We, the undersigned Board of Commissioners of the Port of Illahee, Kitsap County, Washington, do hereby certify that the merchandise and/or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of <u>\$4,167.36</u> and from the General Fund, this <u>14th</u> day of <u>August, 2019</u>		
 Port Auditor		 Port Commissioner
		 Port Commissioner
Number	Name	Amount
4478	JAMES AHO	\$384.00
4479	JONATHAN BUESCH	\$384.00
4480	JOHN BURTON	\$384.00
4481	CASCADE NATURAL GAS	\$5.00
4482	HONEY BUCKET	\$87.00
4483	NORTH PERRY AVENUE WATER DISTRICT	\$45.58
4484	PUGET SOUND ENERGY	\$161.12
4485	WASTE MANAGEMENT	\$22.11
4486	KITSAP BANK	\$1,236.34
4487	KENNETH W. BAGWELL, INC., P.S.	\$918.00
4488	SEEDS OF GRACE	\$35.00
4489	THERESA HAALAND	\$505.00