



Port of Illahee – Minutes of Regular Meeting on September 11, 2019

Port of Illahee
Minutes of Regular Meeting
September 11, 2019

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; John Piccone of Soundwest Engineering Associates; Illahee residents: Roy Barton, Don Jahaske, James Jones, Judith and Irwin Krigsman, and John Parvis.

CONSENT AGENDA

Commissioner Buesch moved to approve the consent agenda items: September Meeting Agenda; August 14, 2019 Regular Meeting minutes; September 6, 2019 Special Meeting minutes; September 11, 2019 checks numbering 4490 through 4502 totaling \$3,674.19 as outlined in the attached voucher approval; second by Commissioner Burton; approved unanimously.

PUBLIC COMMENT – Commissioner Aho explained that Kitsap Sun reporter Jessie Darland was invited to attend tonight's meeting as she is preparing an article about the Illahee Store, but is not in attendance.

Commissioner Aho introduced John Piccone of Soundwest Engineering Associates. Mr. Piccone is a grant writer and comes highly recommended by the Port's Recreation Conservation Office (RCO) grant manager, Kim Sellars. Mr. Piccone has written grants for the Ports of Brownsville and Keyport both of which ranked first place. He explained that he has a small firm located in Old

Town Silverdale. He takes a comprehensive approach to the grant process working with his clients through all the phases from permitting, grant writing, engineering, public outreach and construction administration. He said that he is an avid boater and is passionate about helping to improve the local ports and marinas. Besides Brownsville and Keyport, he has also worked with the Ports of Bremerton and Poulsbo. He has helped all of these ports secure grant funding. Mr. Piccone provided a grant funding strategy handout specifically for Illahee. He explained that he is familiar with the floats and pier issues and is aware that the Commissioners are interested in creating a marine park. He said that there are four primary grants that could be used to improve the pier and floats and create a marine park. He realizes the Port would need to pursue two grants one of which would be used as matching funds, but the Port would still be required to contribute at least ten percent of the total project. Commissioner Aho explained that prior to the purchase of the Illahee Store property he had informed the Port's RCO grant manager, Ms. Sellars, that the Port is hoping to use the \$60,000 that was spent on the purchase towards matching funds to a future grant. At which time, the RCO agreed to issue the Port a Waiver of Retroactivity, which would allow that to happen as long as the funded project includes the store property. Mr. Piccone explained that the first step he would take, if the Port hires his services, is to review the current comprehensive scheme/comp plan and make updates in reference to the available RCO grants. From there the updated plan would need to be adopted, which needs to happen by the end of this year. There is a process to adopt the comprehensive plan including announcing it to the public and inviting them to a



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public meeting for input, so this would need to begin immediately. Then the budget needs to be updated to correspond with the updated comp plan and a Master Design Plan would be generated. He explained that at a minimum thirty percent of the conceptual design should be generated prior to the grant funding process. The grant process consists of a letter of intent, which includes the comp plan submitted to the RCO; applying for the grant; meetings where RCO personnel provide feedback; and the final presentation. The RCO looks favorably on applicants that are farther along in the process and for this reason Mr. Piccone recommended that the Port strive for sixty percent completion of the conceptual design and to have begun the permit process prior to the final presentation. This is somewhat of a gamble for the Port as there is no guarantee of funding at this point and it will take quite a bit of money to get to sixty percent along with the cost of permits, but according to Mr. Piccone this will better the chances to receive funding. Commissioner Aho asked if these costs are reimbursable. Mr. Piccone said that twenty percent of the project is attributed to architecture and engineering (A&E) costs, so yes if the Port were to receive funding the majority of the upfront costs would be reimbursed. The gamble is if the Port was not awarded a grant. Commissioner Aho said that he had heard that the majority of the grants were approved last round. Mr. Piccone said that yes, they were and he thinks there are just not as many entities applying. Commissioner Aho informed Mr. Piccone of his efforts during the last round for an ALEA grant and how RCO personnel suggested the Port apply for a matching water access grant, but later changed their mind because it was past the application deadline and felt it wasn't fair to the other

applicants. After which the Commissioners decided to wait and apply for both a grant and matching grant during the 2020 round. Roy Barton explained to Mr. Piccone that Illahee has limited funds and now with the purchase of the store even more so than ever. He asked how much Mr. Piccone's services would cost the Port. Mr. Piccone explained that he charges \$165 an hour. He said that when he worked for a larger firm in Bremerton the rate was \$230. He added that with a smaller firm the clients are sure to receive more hands-on service detailed to their needs at a lower rate. He reminded that if the grant is awarded twenty percent of the A&E costs are covered and generally his costs have run well below the twenty percent. Updating the comp plan was discussed. It was agreed that an update is necessary as the current plan doesn't include improving the floats and pier. Commissioner Burton informed Mr. Piccone about the facility survey that was conducted in 2014. The survey concluded that there were immediate items that needed attention, yet at this point nothing has been done. Needless to say, regular maintenance is behind schedule as well as some major components that were at the end of life in 2014. Commissioner Burton agreed that the comp plan needs to be updated to include complete replacement of the floats and pilings. Commissioner Burton questioned a few of the items Mr. Piccone had listed on the grant funding strategy handout. Mr. Piccone explained that they were just for the presentation and aimed at Illahee as a whole not necessarily the Port. Commissioner Burton informed Mr. Piccone that the core charter from the Illahee Port District taxpayers is for the Port to take care of the pier, floats and public water access. It was explained that the Port has obtained a couple of estimates to repair items at



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the facility, but the repair is just to buy the Port more time before major improvements are imperative. Mr. Piccone explained that it is best to just keep it as is for now. The chances of receiving funding are better with the possibility of water access being lost. Completing the project in phases was discussed. Mr. Piccone said that without a plan and cost estimate it is unknown if the project will have to be phased. He said that no matter what the Port will want to present the entire project to the RCO. Mr. Piccone recapped the steps. First the updated comp plan needs to be adopted by the end of the year. He explained that it takes about a year for the necessary permits to be issued, so the permitting process should begin as soon as possible. He would also want to review the Port Management Agreement (PMA) or lease between the Port and the Department of Natural Resources. Commissioner Aho said that he would like to see the comp plan updated by the end of the year. He said that there were fifteen people down on the docks the opening day of crabbing season and that number is only going to increase. He suggested the floats be redesigned so that they can handle a larger amount of people. Mr. Piccone said that when several people are gathered on the docks or pier, snap some pictures as it is good to show RCO representatives the need. Mr. Burton asked Mr. Piccone if he would require the Port to pay a retainer. Mr. Piccone said that he does not require a retainer when working with public agencies. He tracks his time and bills his hourly rate. The Port would incur the costs and then once an award letter from the RCO is received, assuming the Port ranks highly, a request for reimbursement can be made to the RCO. Mr. Piccone explained that he would be the go between for the Port and contractors, ensuring the work that is being billed

is adequate and complete prior to sending invoices to the Port for payment. If cashflow issues come up he would also be the go between and keep the contractors informed. Judith Kringsman said there must be massive amounts of coordination between the Port and Mr. Piccone when updating the comp plan to ensure the Port is applying for the appropriate grants. Mr. Piccone agreed and said that he would craft the comp plan around the requirements of the grant. James Jones asked if it was possible that Mr. Piccone would be representing other Ports during the same grant cycle. Mr. Piccone said that yes there is a possibility of that and if he felt there was a conflict of interest, he would address it at that time. He said that he doesn't anticipate there being any issues because his job is to just gather and provide all of the necessary information; ultimately the RCO representatives are the ones that decide the outcome. The Commissioners thanked Mr. Piccone for his time.

Mr. Barton said that he read in the minutes that the final cost for the Illahee Store property came to \$109,023.71 and asked if the Port had to write a check for the additional \$49,023.71. Commissioner Aho explained that the Port paid \$60,000 last year towards the purchase of the store. In doing so, the Port was granted a \$40,000 credit, which showed the Port as paying a total of \$100,000. The additional \$9,023.71 was attributed to interest on the \$60,000 from the time it was paid until the date of the sheriff's sale. The day prior to the sheriff's sale attorney Bagwell on behalf of the Port made an offer of \$109,023.71, which became the opening bid. Since there were no other bids, that was the final purchase price and the Port spent no additional money.



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Don Jahaske provided a website address (<https://www.awrco.com/sellequipment.asp>) of a company that might be interested in removing the coolers from the Illahee Store building.

REPORTS/UNFINISHED BUSINESS

Treasurer's Report

As of August 31, 2019 the General Fund totaled \$289,042.25, Investments totaled \$120,402.57 and the Balance of the Good Property Management account totaled \$200.15.

Commissioners' Reports

Website - Commissioner Aho reported that he has yet to obtain a link to the Surface Water Management Plan (SWMP), but will continue his efforts. The size of the file is making it difficult.

Rental Properties

5560 Ocean View Boulevard – Commissioner Buesch reported that he has been talking with Brad Gitch of Kitsap Bank about the loan for the property which is due to mature at the end of the year. Since the Port hasn't officially decided to refinance the loan Commissioner Buesch has yet to have anything formalized. The lease on the property is through the end of the year. Good Property Management (GPM) has recently asked if the Port intends to renew the lease. Commissioner Buesch said that he is in favor of renewing it, but thinks it should include a clause allowing the Port to terminate the lease with a ninety-day notice to the tenants. Commissioner Buesch added that he doesn't see the Port needing the cash immediately and since the rental is creating a positive cashflow he is in favor of renewing the lease with the clause and allowing GPM to increase the rent if they deem it reasonable. Commissioner Aho agreed and said

that since the rental covers the loan payment and is creating equity, he is in favor of refinancing the loan for five years and continue as is until the money is needed. Commissioner Burton said that a two-year refinance would correspond well with the grant cycle. Commissioner Buesch explained that the banks seem to like five-year increments on commercial loans, but he will insure there is no pre-payment penalty. ***Commissioner Buesch made a motion to pursue a new five-year loan on the 5560 Ocean View Boulevard property and authorizing himself to negotiate the loan origination fee and rate. Commissioner Burton seconded the motion. It passed unanimously.***

Commissioner Buesch plans to contact GPM and discuss adding the ninety-day notice clause within the 2020 lease and a possible rent increase.

5500 Illahee Road – Commissioner Buesch reported that the tenants supplied and installed all of the wood for the deck repair. Now it is time to stain it. He purchased the stain and supplies from Lowes and has submitted a receipt in the amount of \$249.50, as it was charged to his Port issued Visa card. The tenants plan to stain the deck.

Dock/Pier – Commissioner Burton reported that he recently determined that the Port of Brownsville personnel will not be able to conduct work at Illahee until after Brownsville Appreciation Day (BAD) scheduled for September 28th. Commissioner Burton has talked to former Brownsville Port Manager Jerry Rowland who is temporarily filling in for Matt Appleton. Mr. Rowland plans to meet with Commissioner Burton to discuss the gangway and float estimate and general maintenance, but with tonight's discussion



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with Mr. Piccone it seems it might be beneficial to hold off on things. Commissioner Burton is working on new sign wordage and trying to determine the best place to post the signs to ensure visibility. He will be working with Into the Blue Designs, the business that created and installed other Port signs in the past.

Commissioner Burton did notice on one of the old signs that it referred to rules that were adopted via resolution back in 2000. He questioned when the Port began scanning documents and linking them to the website. It was unknown. It was agreed there is bound to be more information in the filing cabinets that are located in the garage of the 5500 Illahee Road property.

Illahae Store Property/5507 Illahee Road – An e-mail dated September 9, 2019 from Commissioner Aho to Jamie Hays of the Pollution Liability Insurance Agency (PLIA) was reviewed. The e-mail informed PLIA of the Port's success in acquiring the property and that once it is final sometime in October 2019 the final documents will be sent to them. Commissioner Aho hasn't yet received a response, but is confident that since the Port was on the 2016-2017 award list it is just a matter of time.

Commissioner Buesch provided estimates from several roofing companies (A1 Roofing, Cloise and Mike Roofing and Hanley's Roofing). Hanley's Roofing estimate was from 2018. They have been contacted and agreed to resubmit a fresh estimate. Mr. Barton has suggested Commissioner Buesch contact Kitsap Roofing, which is owned by an Illahee resident. Ms. Kringsman questioned if all of the estimates were for the same material. It was agreed that not all of the estimates were for the

same material or even the same work as there was suggestions of replacing just a few pieces of the roof sheeting and on another it was suggested more than a few pieces. Mr. Barton said that he read within the inspection report, that was in the agenda packet, that all of the roof sheeting should be replaced and the report was from 2016. Prevailing wage was discussed. It was believed the estimates did not include paying the prevailing wage. There was a question if public agencies can contract to companies that don't pay prevailing wage. It was agreed this needs to be determined before moving forward. ***Commissioner Aho authorized Commissioner Buesch to hire a roofing company to replace the roof on the 5507 Illahee Road building at his discretion; second by Commissioner Burton; unanimous.***

Commissioner Aho explained that there was another incident of vandalism at the Illahee Store and that a sheriff report is attached to the agenda packet. It will be good to get the roof repaired as that is apparently how the vandals are gaining access.

Recreation Conservation Office (RCO) funding – Commissioner Aho said that the Port needs to apply for two grants; one of which will be used as matching funds to the other. He would like to begin the process by hiring John Piccone to assist the Port in applying for grants. In order to be ready for this coming grant cycle the Port needs to update the comp plan as soon as possible with a public meeting held hopefully in November. ***Commissioner Aho made a motion to proceed with hiring John Piccone of Soundwest Engineering Associates to begin the grant application process with the updating of the Port's comp plan; second by Buesch.*** Discussion: Commissioner Burton said



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that he was impressed with Mr. Piccone’s thorough presentation and he appreciates Mr. Piconne’s comprehensive approach. *The motion passed unanimously.*

NEW BUSINESS

2019 Budget Review report was discussed.

2020 Budget Discussion – next month the Port’s 2020 Preliminary Budget will need to be adopted. Line items were discussed. A draft budget will be sent out to the Commissioners individually prior to next month’s meeting.

Commissioner Aho reported that tables and chairs that were stored in the Illahee Store building were moved to the 5500 Illahee Road garage. Commissioner Burton mentioned that the electrical to the garage should be upgraded and could be part of the Marine Park costs since the garage will not be demoed and used for storage.

WPPA – Small Ports Seminar in Leavenworth is scheduled for October 24th and 25th.

Commissioners Aho and Buesch have made reservations at the Enzian Inn. Commissioner Burton plans to attend and will also be making reservations. Commissioners will use Port issued Visa cards to pay for their rooms and food. They were asked to submit receipts.

PUBLIC COMMENT

John Parvis congratulated the Commissioners on the purchase of the Illahee Store property.

Mr. Jones said that he noticed Illahee Day was not listed within the budget. The costs of Illahee Day is part of the 780.00 General and Administrative:

Operations. It was suggested it be a listed separately.

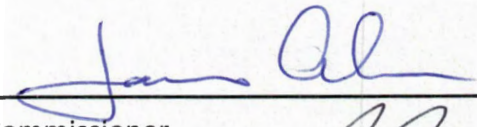
EXECUTIVE SESSION

None

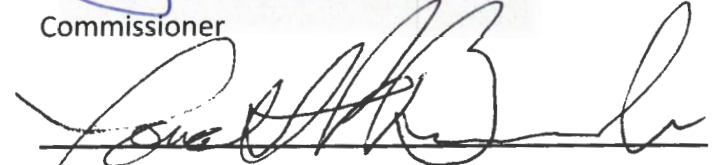
ADJOURN

At 8:57PM Commissioner Aho moved to adjourn; second by Commissioner Buesch; approved unanimously.

Approved:



Commissioner

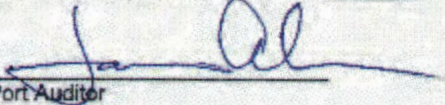




Commissioner

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>\$3,674.19</u> and from the General Fund, this <u>11th</u> day of <u>September, 2019</u> .		
 Port Auditor	 Port Commissioner	
	 Port Commissioner	
Number	Name	Amount
4490	JAMES AHO	384.00
4491	JONATHAN BUESCH	384.00
4492	JOHN BURTON	384.00
4493	CASCADE NATURAL GAS	5.00
4494	HONEY BUCKET	87.00
4495	PUGET SOUND ENERGY	105.75
4496	WASTE MANAGEMENT	22.11
4497	KITSAP BANK	1,236.34
4498	BANK OF AMERICA	17.99
4499	POSTMASTER	308.00
4500	KENNETH W. BAGWELL, INC., P.S.	60.00
4501	SEEDS OF GRACE	35.00
4502	THERESA HAALAND	645.00