

Port of Illahee Minutes of Regular Meeting October 13, 2021

The Regular Port of Illahee meeting was held virtually through the ZOOM app (meeting id# 71509975823 / Password: Illahee). Notice of the virtual meeting was posted near the kiosk at the head of the pier and on the Port's website – portofillahee.com.

CALL TO ORDER

Commission Chairman James Aho called the meeting to order at 6:30 PM. Also, in attendance were Commissioner Jonathan Buesch; Commissioner John Burton; Administrator Theresa Haaland; John Piccone of SoundWest Engineering; Richard Martinez of Kitsap Bank; Roy Barton; Amber Bartz; Don Jahaske; Cathy Johnson; John Parvis; Ed Seal.

CONSENT AGENDA

Commissioner Buesch moved to approve the consent agenda items: October Meeting Agenda; September 8, 2021 Regular Meeting minutes; October 13, 2021 checks numbering 4796 through 4808 totaling \$13,063.95 as outlined in the attached Voucher Approval; second by Commissioner Burton; approved unanimously.

PUBLIC COMMENT - None.

REPORTS/UNFINISHED BUSINESS

Loan/Line of Credit – Commissioner Buesch introduced Richard Martinez with Kitsap Bank and explained that Mr. Martinez was invited to attend tonight's meeting to discuss financing options for the Port. Originally it was thought the Port would ask for a \$450,000 loan or lineof-credit, but according to the 2022 Preliminary

Budget that is due to be approved later within the meeting, the amount has increased significantly to \$700,000. Commissioner Buesch explained that the Port will not need the entire amount at one time, but maybe apply for a construction-type loan where you borrow money as needed instead of receiving it all upfront. Mr. Martinez explained the process and criteria for loans. Commissioner Aho explained that the Port has a lot going on and after discussion with John Piccone it was decided to include all of the Port's projects, including the Piling Replacement and Store renovations, into the 2022 Budget although it leaves an approximate \$700,000 shortfall. The expenses are not anticipated to be paid next year, but over the next couple of years. For planning purposed it was decided to put all the costs down in case everything did come due next year. It is better to have the finances available and not need them, rather than needing them and not having them available. John Piccone explained that the Waterfront Facilities is the big-ticket item on the budget and as he helped with the project component aspect of the budget it was decided to separate the Waterfront Access Improvements into two categories – Upland Work and Marina Work, as they include different permitting requirements. His concern is that the marine work may be delayed and didn't want that to stall the upland work. He is hopeful that the site development with the store renovation/site development and the pier/piling replacement will take place in 2022 because the permits should be ready. Ideally having this as a singular project would be of benefit saving on costs. Mr. Martinez said that he can see there is a cascading affect and combining projects would be beneficial. He questioned when the



funding would be needed. Mr. Piccone said possibly as soon as the third or fourth quarter of 2022. Mr. Martinez confirmed that it's the Port's intention to have attorney, Ken Bagwell, draft up the bond resolutions and documents in the second guarter of 2022. Commissioner Aho said that if that is what Mr. Martinez recommends, then yes. The Port's revenue stream and Recreational Conservation Office (RCO) grants were discussed. Mr. Piccone explained that the big variable with receiving the grants is the permitting work, within the second quarter of 2022 there should be a better understanding of dates and capital expenditures. He added that the grant reimbursements happen pretty rapidly. basically the Port makes payment to contractors and can anticipate seventy-five percent reimbursement within sixty days. Mr. Martinez said that he is somewhat familiar with other Ports that basically have used the line-ofcredit as a tool to complete the construction with payments being made on the line-of-credit until all projects are complete, at which time they roll the balance over into a bond. He said that a project like this probably having a twoyear window would allow ample time to complete all the work, making sure any variables related to permitting and/or other timing issues are covered. Mr. Martinez said that they just want to know the grants that may come into play. They don't manage that process, but would want the information so that they can in turn provide a commitment letter outlining the term and structure of the loan, so that the Port knows from day one what is expected. Commissioner Burton said that from what he has heard that this a feasible tool for the Port to use with the repayment to begin after the construction is complete. Mr. Martinez

said that they would match up the repayment structure to the Port's revenue stream. Roy Barton asked what if the Port had a bump in the road later with repayment. Mr. Martinez explained that they would look at the Port's revenue and if for example it looks as though it could be paid within a nine-year period the term would probably be extended to ten years, allowing for some flexibility in repayment. Mr. Martinez asked if the Port may qualify for additional grants. Mr. Piccone answered no, all of the eligible grants have been pursued for the work that is being completed. Mr. Martinez explained that they will want to make sure it is a revenue-based repayment and questioned if the Port may be adding more revenue streams such as moorage fees. Commissioner Burton said that the Port doesn't plan to charge moorage fees. It was asked if the Port would need to provide collateral for the loan. Mr. Martinez explained that it would ultimately be rolled over into a bond, which is the bonding and/or crediting of the entity as a whole, so no collateral is necessary. Commissioner Buesch said that it is the same with the bond the Port acquired for the balance due on the 5560 Ocean View property. The house can be sold with the bond remaining owing. Mr. Martinez agreed. Commissioner Buesch asked Mr. Martinez if there would be a pre-payment penalty if the Port decided to sell the 5560 Ocean View property and pay off the bond related to it. Mr. Martinez said there would be a couple of options. A yield maintenance will probably be the best for the Port due to the rising rate environment. Commissioner Aho said that Cathy Johnson and Roy Barton have been provided the 2022 Preliminary Budget in advance as they had requested during last month's meeting. He asked if either Ms.



Johnson or Mr. Barton had any further questions. Ms. Johnson said that it sounds like the Port isn't seriously considering selling the 5560 Ocean View property. If it was sold, the proceeds of the sale would decrease the need for a bond and reduce the annual interest costs overall. In regards to operating revenues, she said that she is not sure, as outlined in the Port's budget, it could be handled. With the demolition of the 5500 Illahee Road property, there is an immediate loss in revenue. Commissioner Buesch explained that the Port is moving forward with separating the reserve drainfield lot from the 5560 Ocean View property, which originally it was thought the lot would be sold, but in talking with a Dave of Dave's Septic Service it has been decided to hold off until the septic requirements for the Illahee store property are known, as the lot along Illahee Road may prove to be beneficial for that. Commissioner Buesch explained that the rental property is bringing in money to the Port. Ms. Johnson said that the Port's net revenue will be shrinking if a new bond is necessary. Commissioner Aho agreed this needs to be looked into and monitored. Mr. Barton asked if there is a figure of how much profit the 5560 Ocean View property is providing to the Port. Commissioner Buesch said that he will take a look at the figures and provide Mr. Barton with the details. He said that the roof of that house is in good condition. The dryer went out a couple of years ago and the Port replaced it with a refurbished dryer for less than \$300. Commissioner Buesch said that he will also provide the net income from the 5500 Illahee Road property. Mr. Barton explained that he is concerned about the payments and the cash flow. Mr. Martinez said that he will run information through Port staff

and if questions between now and the next meeting and/or the next year he will be available. Mr. Martinez was thanked for his time.

Grants/Waterfront Access Improvements John Piccone explained that he was attending the meeting to provide an update on where we are with the project. He said that the design remains at sixty percent completion and recommended proceeding with final design on the waterfront access project in combination with the store site development and pier piling repair/replacement. The Port is now able to submit seventy-five percent reimbursement requests to the RCO for final design and permitting of the waterfront access project. Recent correspondence from the Pollution Liability Insurance Agency (PLIA) suggests cleanup may begin in 2022. Mr. Piccone explained as previously discussed, that he worked with Commissioner Aho and Theresa on the 2022 Budget and proposed separating the upland and tideland portion of the waterfront access project in the budget as there are different permitting agencies involved with the two and the upland work goes hand in hand with the Illahee store project. He would like to have the store site fully designed and permitted prior to PLIA beginning the cleanup. He hopes the Port can capitalize on the PLIA's work such as when the holes are dug and contamination removed, possibly installing a septic system at that time to save on costs. Also, with regard to the grading and slopes to accommodate parking, we don't want to have to come back later and dig things back up again. With regard to the piling replacement and float replacements. It would save money if it was all done at the same time as one project



as it will require a barge being mobilized. Mr. Piccone explained that the final design will need to be completed to apply for the phase two permits. The phase one permits were the long lead permits, the United States Army Corps of Engineers (USACE) permit and the Kitsap County Substantial Shoreline Development permit (SSD), and were submitted in the summer and are currently under initial review. To begin the phase two permits the final design is necessary. We are at sixty percent at this point and need to begin the final design to move forward. Mr. Piccone said that he anticipates the County will have the preliminary comments back on the SSD permit after their preliminary review and that is when the Kitsap County Site Development Activity Permit (KCSDAP) will be submitted. The final design should be complete for submitting the KCSDAP permit sooner rather than later as delays at the County level have been more common these days. There will be a lot of involvement with the County moving forward and things will kick into high gear once those initial comments are received. He said that another important item is the Department of Natural Resources (DNR) lease, which is currently expired. This needs to be completed prior to requesting RCO construction money. It will also be a barrier to the final stages of the SSD permit and the USACE permit, if not complete. Some line adjustments to the leased area will be made before applying for a new lease. He explained that getting the aquatic lands lease in place is high on his radar. Mr. Piccone went on to explain that SoundWest began making the reimbursement requests from the RCO for the engineering costs the Port has paid thus far for the project. The Port should be receiving a check in the amount of

\$83,789 any day, if it hasn't already. Mr. Piccone recommended that the Port Commissioners authorize the final design of the project so that some of the specific questions can be answered, such as how will the store septic be handled; how can we capitalize on the PLIA work; which piles need to be replaced and how much is it going to cost: what are the impacts of the pile replacements on the pier itself; what enhancements can be afforded in the waterfront access project such as viewing area; what type of restroom; etc. All of these questions need to be determined during the final permitting process. In the meantime, Mr. Piccone plans to reach out to the DNR about the aquatic land lease. He reminded everyone that there has been some preliminary work done with the DNR for the lease and a portion of the physical survey has been completed, so there is a start on that, but it needs to be finished, which will include following the DNR's guidelines to get the lease back in place with some changes. Mr. Piccone said that the ACE permits are holding up projects all throughout our region. Once a permit is applied the ACE is required to consult with the National Marine Fisheries Service (NMFS) and there is a big national dispute that has been bubbling up for several years now, causing delays in the issuance of permits. It is hoped that getting the permits submitted early will help in a timely issuance. Mr. Piccone plans to reach out to the Suguamish Tribe once again and provide them with a progress update of the project and answer any questions they may have. Commissioner Burton asked if we are at the point that we will add the Port of Illahee's name to the growing list of other Ports that hare having their projects delayed due to the ACE



and NMFS issues. Mr. Piccone said that it's basically a guess. Historically an entity would plan for one year to be issued the ACE permit, but recently it's been longer. He said that he has a number of other projects he has worked on, so he has been engaged with the drama of the ACE/NMFS. It has only been a couple of months since the permit application was submitted, so at this point we should just plan to be issued the permit anywhere between one and two years. Mr. Piccone said if there are issues with getting the permit, there is an alternate process to the standard process that he can suggest at that time, if it gets to that point. Mr. Piccone said his primary recommendation for the Commissioners now is to forge ahead on the final design. He said that he wasn't looking for a formal decision until maybe next meeting, but was hoping for more of a head nod so that he can begin moving in that direction. Commissioner Aho said that once the Port decided to apply for the grants and now being successful in two of the three grants, it was known we must continue this project until completion. He said that unless he hears an objection from the other Commissioners, he would assume none of the Commissioners want to delay SoundWest's efforts in moving forward with the final design. Commissioner Buesch agreed that it needs to move forward promptly. Commissioner Burton also agreed it needs to move forward. He said that he hoped to see more frequent updates about the design as it evolves and for all three Commissioners to be informed and to be able to provide input. It was agreed that it's not easy with the Open Public Meetings Act as the Commissioners are not allowed to talk about Port business outside of a public meeting. Commissioner Burton asked Mr. Piccone to

include all of the Commissioners with the updates of the design. Mr. Piccone said that we have been in a little bit of a waiting period with word on the grants, then processing all the environmental reports. Up until now it's all been pretty routine, but yes, as we move into the final design phase, he will be sure to include all Commissioners with updates. He said that he would think he would have an update available for at least every other meeting. He will try to put a sequence together because there will probably be six months of talks about things that need to be decided upon. Commissioner Buesch guestioned if Mr. Piccone had been in contact with Dave of Dave's Septic Service regarding the future septic system design at the Illahee store building. Mr. Piccone said that he hadn't contacted Dave, but had heard from Commissioner Aho about the possibilities he had mentioned to Commissioner Buesch regarding the septic system. He guestioned the idea of putting a drainfield in the lower and upper parking lots of the new waterfront access project. With the steep slope and retaining walls, he just doesn't see that as a possibility. He said that he can look at it, but his first thought is that he doesn't believe that will be the best option for the Port. Commissioner Buesch said that Dave had also mentioned a vault system on the lower end of the east side in the berm. He said that he wasn't sure of all the details, but Dave made it sound very doable. Mr. Piccone said that this discussion is a good example of needing to dig deeper and determine the details on these items. He said he will double check the engineering requirements and probably create a straight forward costs analysis. He will consider all options and the costs verses the ultimate



service benefits. Commissioner Burton said that another option would be the style of septic systems being used by new construction. Commissioner Aho agreed and said that he has been looking at some of those new septic systems along Illahee Road and they are definitely something to consider. Mr. Piccone assured no stone will be left unturned. He thanked the Commissioners for their time.

Treasurer's Report

As of September 30, 2021 the General Fund totaled \$2,743.47, Investments totaled \$287,076.99 and the balance of the Good Property Management account totaled \$200.00.

Commissioners' Reports Website -

Commissioner Aho is aware of the need to add a link to the Surface Water Management Plan (SWMP) as well as the mussel sampling results.

Rental Properties

<u>5560 Ocean View Boulevard/Rental Property</u> – Commissioner Buesch reported that there is still no word regarding the separation of the two lots. It has been confirmed and now it's just a matter of getting the paperwork from the County.

5500 Illahee Road/Rental Property -

Commissioner Buesch noted nothing new to report on this property.

5507 Illahee Road/Illahee Store Property -

the County continues to show that taxes are owing on the property. Last month Mr. Barton was authorized to help resolved the issue. Mr. Barton explained that he determined the taxes owing were accrued during the redemption period, which was after the sheriff sale, but prior to the Port officially owning the property. Mr. Barton explained that he called the Washington State Department of Revenue (DOR) in Olympia, and spoke to an individual who told him that for the period of redemption the Port was sold the property and although the original owners could have claimed it back the Port was allowed to complete maintenance on it. During this time the Port did re-roof the building and remove all the items within it. She said, so technically it was in the Port's hands, but she didn't have a definitive answer regarding he taxes owing. This led Mr. Barton to contact the County Treasurer's office and Assessor's office. He talked to front office staff, who basically provided him with base answers and nothing much got figured out other than it is believed the taxes are owing from September 6, 2018 through October 20, 2019, which is basically the redemption period. One individual at the County told Mr. Barton that the title company should have taken care of it. Mr. Barton explained that the amount owing is roughly \$1,750 and it is accruing a few dollars of interest every day. He said that the Port can either pay it or write a letter to the Kitsap County Treasurer, Meredith Green, and ask her if the Port has to pay it since the Port is a governmental entity and is exempt from paying property taxes. Mr. Barton said that he is planning to go to the courthouse tomorrow and may try to talk with Ms. Green herself or even a second person in command, rather than front office staff. If that doesn't work, he may draft a letter for Commissioner Aho's review. unless the Commissioners would rather have the Port's attorney Ken Bagwell draft a letter. Mr. Barton suggested that if the Port is



required to pay the taxes that a request be made asking that the interest and fees be waived. Ms. Johnson asked if the final paperwork was reviewed. She suggested that Mr. Barton go to the title company with the paperwork he has and explain the situation to them. Commissioner Buesch said that the County should have all the paperwork including the signed document by Kitsap County Sheriff Gary Simpson. Mr. Barton said that he will plan to attempt to meet with Ms. Green or someone else within her office and discuss the situation. If he is not able to meet with anyone, he will draft a letter and send it to Port staff to have it printed on Port letterhead for Commissioner Aho's signature.

There was nothing new to report on PLIA.

Commissioner Buesch suggested that the surveillance cameras either be taken off the agenda or agree to hire an electrician to get the electrical on at the store, although since contractors are so busy at this time, he thought it would be hard to get a bid. Commissioner Aho said that it could just be tabled and used as a placeholder for the future. Commissioner Burton said that he disagrees with taking it off of the agenda. He doesn't want it to be forgotten. He said that he would be in favor of getting the cameras up now if it were possible. Commissioner Buesch said that without the power on at the Illahee store it is not possible. but maybe mock battery-operated cameras could be installed. It was agreed for now to keep the Installation of Surveillance Cameras as a tabled agenda item.

<u>Dock/Pier</u> – Commissioner Burton reported that no maintenance has been completed

within the month. He is still awaiting TIKAR to install the last couple of signs, repair one of the motion sensor lights and add the polyethylene material on the pole to keep people from climbing on it. TIKAR is just too busy at the moment, but Commissioner Burton will try to get more action out of them before the next meeting. Last week at dawn Commissioner Burton saw three individuals on the dock. He thought they were setting up to fish, but then Commissioner Burton saw an open flame, so he guickly went down to the dock and confronted the group and asked about the fire. Two of the individuals called the one that tried to set the fire "Jordan" and said something to the affect that he likes to play with fire. Commissioner Burton asked them all to leave and not return. They did comply and headed up to the store parking lot, where two of their vehicles were parked. Commissioner Burton was informed by a neighbor that it is believed individuals in one of the cars were selling drugs while parked at the store property. Several days later Commissioner Burton saw one of the vehicles back at the store parking lot. The car engine was on and the individual "Jordan" was sleeping inside the car. A sheriff deputy was in the area, so Commissioner Burton talked to the deputy and explained it is believed this individual is dealing drugs from his car on Port property. The sheriff informed Commissioner Burton that there is little the sheriff can do about drug activity as the County has been told to back off of those issues. He offered to tap on the car window and wake the man up and ask him to move along. Commissioner Burton agreed that should be done and the sheriff did and the individual complied. Commissioner Burton said that there are various times of the day that the store



property is used by drug dealers. The only impact the Port might have on this issue is to put up cameras and start collecting evidence and/or at least make it uncomfortable for drug dealers. That is why he does not want the surveillance cameras removed from the agenda. He said that even if cameras could be placed on the garage at 5500 Illahee Road, pointing towards the store would be a good start. Costco has reasonably priced surveillance cameras for sale. Commissioner Buesch said that the inexpensive cameras will not pick up a license plate at the store from the garage. Commissioner Burton said that there is currently a neighborhood watch group being formed and this would be a good way to support the Illahee community. Commissioner Buesch suggested installation of fake cameras be installed as a deterrent. Commissioner Burton wasn't sure that would be of much benefit. Commissioner Buesch said that they wouldn't even know they are fake. It's not about trying to catch the drug activity because the sheriff isn't going to do anything anyway, but rather make it an uncomfortable area and deter them from preferring to use it. He suggested purchasing an \$80 fake camera and see if it deters the activity and if it doesn't a real camera won't either because they won't be able to tell the difference. Amber Bartz suggested motion activated cameras and offered to check with someone she knows who purchased some. She said that personally she uses Ring although it runs off of Wi-Fi, but there are cameras that run on battery that do fairly well. Commissioner Aho agreed and said that personally he uses several different systems to view the wildlife on and around his property. He said that we have some time to further discuss surveillance and this will be

kept on the agenda. Any information about surveillance cameras/systems is welcomed.

Commissioner Burton said that in regards to the properties, the 5500 Illahee Road tenant should be given ample notice about having to move out of the house so the Port can move forward with the waterfront access project. Commissioner Buesch said that at this point the Port won't know until the construction timeline is prepared. The tenant is on a monthto-month agreement for now. She is aware that the building will be coming down eventually. Commissioner Buesch agreed that the more time the Port can give her the better, but we need to have bids. Commissioner Burton lives adjacent to the tenant and they talk from time to time. She has asked Commissioner Burton for a ballpark timeframe. Commissioner Buesch said that at this point the Port doesn't have enough information to venture when that would be and doesn't believe Mr. Piccone would have a definite timeline at this point either. He said that the Port could give her a date, but if it is inaccurate and construction doesn't begin for an additional six months then the Port is out the additional six months of rental income and at this point the Port needs every penny. Commissioner Aho said that she probably won't have to move until the third or even fourth guarter of next year. Commissioner Buesch agreed that it would probably be anytime after next July. Commissioner Aho said that it really all just depends on permits, so it's really anyone's guess. Commissioner Burton said that if/when the tenant asks him again, he will pass on that information of third or fourth guarter 2022. Commissioner Aho said that the tenant has known for a long time that this is going to be



happening so it won't come as a surprise. Everyone agreed the tenant should be given as much notice as possible, but that isn't possible until a definite timeline is in place.

Illahee Day was held on September 11, 2021. Approximately seventy-five people attended. The Central Kitsap Fire and Rescue (CKFR) Station 45 – North Perry drove a fire engine to the event and handed out some fire fighter hats to children. The Port provided Costco sandwiches, chips, candy and water. Commissioner Aho estimated the total costs of the event to be under \$400. Commissioner Burton said that he thought that it went well. He talked with guite a few people weeks prior to event, so thought it might be a little better attended, but it was a good community event nonetheless. Commissioner Aho said that CKFR also provided drawings of the proposed new North Perry station and Mr. Piccone provided a schematic of the dock and floats portion of the waterfront access project. So, there were some very informative items for the people that attended.

<u>Administrative</u> – it was explained that the Port of Silverdale has okayed the Interlocal Agreement. Commissioner Buesch asked if the termination portion of the contract could be changed from thirty-day to sixty-day written notice. This will be brought up at the next Port of Silverdale meeting. Commissioner Buesch said that with the Port only meeting once a month the thirty-day termination notice could be problematic to the Port and having a little more leeway would be beneficial.

Commissioner Aho said that in looking at all of the things the interlocal agreement covers he is thankful to have the support because besides the administrative work, everything else is split up between the Commissioners with Commissioner Aho being responsible for the website, notices, etc.; Commissioner Buesch responsible for the properties, tenants, etc.; and Commissioner Burton responsible for the dock and boats moored at the facility, etc. In the past, Commissioners took on the administrative responsibilities as well, but contracting that out has proved beneficial.

WPPA Small Ports Seminar is scheduled for October 21st through the 22nd. Commissioners will be traveling to Leavenworth on October 20th. They were reminded to keep the receipts and track their mileage for reimbursement next month.

NEW BUSINESS

2022 Preliminary Budget - Commissioner Aho said that there were a couple of questions early on in the meeting with Mr. Barton asking about the costs associated with the rentals. Commissioner Buesch explained that the rentals both provide the Port with a positive cashflow and it seems foolish to sell the 5560 Ocean View property and put the money in the bank, earning very little interest. If the reserve drainfield is not necessary to be used for the Illahee store septic, the Port may decide to sell the lot along Illahee Road estimated to be valued at \$70,000. Commissioner Burton said that he thinks it is a good working budget and agreed with Commissioner Buesch that it is premature to sell the house, but thought that it shouldn't be totally taken off the table. As the project progresses the possibility of selling the house should be considered. He doesn't want the Port to be in debt for a long time.

Commissioner Buesch said that we still have to



come up with funds for the Waterfront Access project, but to him the Ocean View house is money in the bank. He said that he thinks the budget is as close as it can be at this point with everything being arbitrary. Commissioner Aho said that at this point in time, since we don't have the final drawings and are just at the sixty percent design, the estimates are a ballpark figure. We will know a whole lot more as the design phase moves along. He said that this budget is good and needs to be approved with notice being placed in the newspaper and the public hearing on the final budget during next month's meeting. Either it is approved as is or amended and approved as amended. Ms. Johnson had emailed the Port on October 7. 2021. She explained that she is concerned that the Port's operating expenses will not exceed the operating costs and with the store and any unforeseen repairs to the dock outside of the scope of the grant will not be covered. There are no contingencies for cost overruns and with a \$30,000 ending balance doesn't leave many options, if costs overruns happen. Ms. Johnson said that when you get down to that low of an amount you have to be careful in order to continue to make monthly payments. Commissioner Aho explained that there is a little fluff in some of the other line items. Ms. Johnson said that it needs to be considered that the monthly rental income will be decreased as well, since the 5500 Illahee Road house is going to be demoed. Commissioner Aho said that one of the main purposes of a Port is economic development. With the Illahee store being converted to a community center to include a coffee shop, that will create a revenue stream, which could help with maintenance, etc. Ms. Johnson said that she doesn't agree as the net equity that the Port

would be receiving from the house will no longer be in place and the Commissioners need to consider the future debt services moving forward because it will be significant. Commissioner Aho explained that the piling costs at this point are unknown. Mr. Barton said that Mr. Piccone throws numbers out there, but there is still no real estimates on what it's all going to cost and just like Commissioner Aho just said with the pilings, the actual costs are unknown and inflation continues to rise. The real estate market is at the top right now, although it's going down a bit the last few months. He suggested the Commissioners pursue selling the Ocean View property now, while it is a sellers-market. Sell it now and keep the money in reserve. There is a chance it could be listed and not sell for another six months because the economy has gone to pieces. Mr. Barton voiced his concerns about the Port still not having true figures, rather just pie-in-the-sky figures provided by Mr. Piccone. He said that personally, when he begins a project, he wants to know the costs upfront and then he decides if it is a feasible project to continue. Commissioner Buesch said that at this point he doesn't think selling the Ocean View property is the right move, but it's just a difference of opinion. Mr. Barton said that he is just a constituent and wants his views to be known. It was agreed to accept the 2022 Preliminary Budget as submitted (motion by Buesch; second by Burton; unanimous).

PUBLIC COMMENT – Ed Seal said that there are lots of unknowns and what to do with the properties. He likes numbers and when he looks at the 2022 Preliminary Budget, he questions the amount the Port is netting from



the Ocean View property. He questioned the amount of interest the Port is paying on the bond. He said that although Mr. Piccone said that there are no other grants available for the Port's project, he plans to look further into grants using a wider lens. Mr. Seal said that he is just a taxpayer and constituent. He didn't move here and recently refinance his home just to have the savings be eaten up by taxes. Commissioner Aho agreed that there may be other grants available and other sources of revenue.

EXECUTIVE SESSION -- None.

Commissioner Buesch thanked Mr. Barton for taking time to look into the taxes owing on the store property and for Mr. Seal to be willing to look into other grants that can help the Port continue to move forward with all the anticipated improvements to the area.

ADJOURN

At 8:31PM Commissioner Buesch moved to adjourn the meeting; second by Commissioner Burton; approved unanimously.

Approved:

mmissioner Commissioner

Commissioner

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 \$13,063.95

and from the General Fund, this ______ day of October, 2021.

Port-Auditor

Port Commissioner

Commissioner

Number	Name	Amount
4796	JAMES AHO	256.00
4797	JONATHAN BUESCH	256.00
4798	JOHN BURTON	256.00
4799	CASCADE NATURAL GAS	5.00
4800	HONEY BUCKET	93.00
4801	NORTH PERRY AVENUE WATER DISTRICT	52.18
4802	PUGET SOUND ENERGY	201.73
4803	WASTE MANAGEMENT	22.97
4804	BANK OF AMERICA	5,624.93
4805	WASHINGTON STATE DEPARTMENT OF REVENUE	1,213.38
4806	US BANK	170.00
4807	SOUNDWEST ENGINEERING ASSOCIATES	4,256.25
4808	THERESA HAALAND	656.51