

Port of Silverdale – Minutes of Regular Meeting on December 19, 2019

Port of Silverdale

Minutes of Regular Meeting
December 19, 2019

1. CALL TO ORDER

Commission Chairman Ed Scholfield called the meeting to order at 7:00 PM in the Port office. Also present were Commissioner Henry Aus; Commissioner Caleb Reese; Attorney Phil Best; Administrator Theresa Haaland; Mike Vasquez of MTV Home Repair; Tim Knapp of TIKAR Services; John Bouck of Kitsap Sailing and Rowing Foundation (KSRF); Bridget Burke of Clam Island Rowing (CIR); Ron Easterday of Rice Fergus Miller (RFM); Roy Sahali of Sahali Farms; Sabyasachi and Sarmila Basu; Ruth Harris; David Holman; Marvel Hunt; Carla Larson; and Jack West.

2. PLEDGE OF ALLEGIANCE

Everyone stood for the pledge.

3. CONSENT AGENDA

The December 19, 2019 meeting agenda and the November 21, 2019 Regular meeting minutes were approved as submitted (motion by Reese; second by Aus; unanimous).

4. PUBLIC COMMENT

4.1. Waterfront Center & Pump Station #3 Predesign – Ron Easterday provided an update on RFM's predesign efforts. He explained that the budget is being determined and wanted to make sure everyone understood that when they are discussing the project's "hard" costs, they are primarily referring to the construction costs. The "soft" costs refer to multiple items such as, but not limited to, permitting fees, independent inspection fees, architectural and engineering fees, attorney fees if needed, and sales tax on the construction costs. He provided a picture of a white board exercise RFM performed regarding the project. It included a rough timeline showing the completion of the predesign in May of 2020. He explained that they would like to hold four public/stakeholder workshops

between now and May and also plan to continue to meet with Kitsap County Public Works. It was agreed that all of the Community Advisory Committee members, Port tenants, Central Kitsap School District (CKSD), as well as the Silverdale Chamber of Commerce will be invited to attend the predesign planning workshops. It was decided that the meetings would be held monthly on the Tuesday a week prior to the Port meeting at 6:00PM. Mr. Easterday offered to find an adequate space since more room will be needed. Once the meeting space is secured an invitation will be sent via email. Roy Sahali and Marvel Hunt voiced their concerns of an uninformed public. It was suggested the invitation be advertised in the newspaper. This was discussed. It was decided to ask the Silverdale Chamber to pass the invitation along to members. RFM will contact the Central Kitsap Community Council (CKCC) and ask them to also pass along the invitation. Commissioner Scholfield said that he will update the Port's website and Facebook page. It was thought these efforts should stir up adequate interest.

The Bainbridge Island Rowing Center was discussed. Mr. Easterday explained that it is partially below grade similar to a daylight basement and is really an extraordinary facility. Bridget Burke said that she would love to take the Commissioners on a field trip up to view it. Mr. Easterday along with Commissioner Scholfield and Phil attended a meeting with the County regarding pump station 3 earlier in the day. Mr. Easterday said it was a good meeting as RFM was able to determine more of the details the County will require to house the pump station equipment. The County's timeline for design is in 2021 with construction to follow in 2022. A drawing the County had prepared was reviewed. David Holman asked if this project is related to the Bayshore/Washington County project. It was explained that it is not as that is a separate project. Carla Larson

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reported that the County is supposed to be going out for bid on that project this spring with construction to start sometime in the summer, probably August. Roy Sahali asked if this will include the Clear Creek trail end or connection. Mr. Easterday said that's what they have been discussing. He thanked the Commissioners for their time.

It was decided to discuss Item 5.2.h. Eagle Scout Life Jacket Loaner Station Project on Pier since Jack West was in attendance. Mr. West explained that the project took longer than he had anticipated but he was happy to report it is complete. An e-mail dated December 14, 2019 from Mr. West was included in the agenda packet. A picture of the station was attached to the email. Mr. West explained that there are five hooks for life jackets with two jackets are currently available. He provided final paperwork for signature. Commissioner Scholfield explained that the life jackets will probably be pulled out during the winter months. Mr. West was thanked for his work on the project.

4.2. 3295 NW Lowell Street/Abeel Studios – David Holman the tenant explained that he and his wife, Tina Abeel, were notified about the ten percent rental increase. He said there was an error in communication because when the rent was increased last year, they were under the impression that it would not be raised again in the near future. So, when they received notice of the ten percent increase, they were surprised. He explained that if they had known the rent was going to be increased again so soon, they would have requested a longer lease last year. They have been interested in entering into a longer lease with the Port ever since they began renting, but were verbally told early on that a longer lease would not be possible. When they found out that other Port tenants, such as the DRC and Elizabeth's House of Wax, have longer leases with the Port they were a bit confused. He explained

that they too would like a longer lease and requested it to be three years and hoped it could be set at the current lease amount. He explained that they do have a small list of maintenance-type items that they would like to have fixed. The back outdoor light has been non-functioning for quite a while now, the hot water to the front restroom takes about four minutes before it gets warm, some of the linoleum in the back restroom is pulling away from the floor. Mr. Holman explained that he had purchased flooring to replace the linoleum, but hasn't installed it. He had hoped the side door could be converted to a push-bar door, similar to the back door. Mike explained that the side door pushes into the building, so that would not be possible. Mr. Holman said a while back one of the toilets was constantly running, the Port was informed and it was fixed or so they thought. The Silverdale Water Department showed up at the building after the toilet had be fixed and informed the tenants that there was a major leak. At that point Mr. Holman and his wife decided to just replace both of the toilets in the back. They later received an \$800 water bill, which they paid. Mr. Holman said that they would also like the toilet in the front restroom be replaced, since the other two are new and they don't want to chance another large water bill. He said that they were so surprised to receive two rental increases within two consecutive years. A spreadsheet that showed the rental amounts for each of the Port's properties was reviewed. Commissioner Aus explained that they are and have been paying a lower square footage amount than the other properties and that is why there has been two minimal increases and there will be more until the rent is equivalent to the others. The other alternative was for the Port to significantly increase their rent last year, but it was decided to take a more gradual approach. Commissioner Scholfield explained that the long-term lease basically ensures the tenants will be there long enough to pay back for some of the improvements. He said that if

Mr. Holman and Ms. Abeel want new paint and new carpet/flooring, doors, toilets, etc. then they will need to enter into a five-year lease at the \$.90 per square foot like the other tenants, but that will increase the rent quite a bit. Mr. Holman said that he would have to talk this over with his wife. He said that in the meantime, they will pay the increase and asked that the lease continue to be renewable annually. It was explained that the outdoor light will be fixed and it was requested that any other maintenance-type issues be reported to the Port office via e-mail. Mr. Holman concurred.

4.3. 3425 NW Byron Street/Kitsap Art – Ruth Harris explained that she has owned Kitsap Art for the past twenty-one years and operated it out of Silverdale for twenty of those years. She had been considering retirement when one of her students, Sarmila Basu, approached her about the possibility of purchasing the business. They have since come to an agreement and Ms. Basu will be the new owner as of February 1, 2020. Ms. Harris explained that she recently entered into a new one-year lease with the Port and was hoping the Commissioners would agree to allowing her to transfer the lease to Ms. Basu as of February 1, 2020. Ms. Basu introduced herself and explained that she has lived in Kingston for the past two years. She currently works at Microsoft and plans to retire in a couple years which will free up her time to focus on the art school. She was involved with the Kirkland Art Center for over seven years and she has always been very interested in art. She would like to eventually turn the Kitsap Art School into the Kitsap Art Center, which would require much more room. She asked that the Commissioners keep her and her business in mind as other Port rentals become available and also with future development plans. She envisions the Art Center as a place that brings people with different backgrounds and interests together through art. She would also like to

reach out to the elderly and get them involved as well as the youth via the school district. Phil explained that the current lease has a provision that it cannot be assigned without an agreement by the Port. *It was agreed to allow the assignment of Ruth Harris' lease for the 3425 NW Byron Street property be transferred to Sarmila Basu and authorize the Port Chairman, Commissioner Scholfield, to sign it* (motion by Reese; second by Aus; unanimous). Ms. Harris explained that not many people are yet aware of this transaction. There should be very little changes to the business including no change in personnel and Ms. Harris plans to volunteer as needed to insure a smooth transition. Ms. Harris and Ms. Basu thanked the Commissioners.

5. UNFINISHED BUSINESS

5.1. Port Programs

a. Sailing – John Bouck reported that they plan to take the motorized boats to Aqua Tech sometime in January. If the Port cannot be billed, Commissioner Scholfield will pay for the services via his Port-issued credit card. Mr. Bouck provided the signed 2019-2020 Sail Boat and Equipment Use Agreement. It was accepted and signed by the Commissioners. Mr. Bouck also provided a check in the amount of \$1,497.50 for reimbursement of the 2014 – 2018 Leasehold Excise taxes that the Port had paid on KSRF's behalf. He explained that they plan to make the 2019 tax payment by the end of January.

b. Rowing – Bridget Burke explained that she will have to send in payment of the Leasehold Excise tax reimbursement. She reported that there is one shell that is in really bad shape and is no longer usable. It was gifted to the program from the Bainbridge Island Rowing Club several years ago and wasn't in the best of shape at that time. She questioned how they can get rid of it. Phil explained that they will need to determine the value and then it should be sold for that

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amount and payment issued to the Port. A clear history of how the worth was determined needs to be provided with the payment to the Port. Ms. Burke explained that they will be renewing their insurance at the first of the year and will be sure to include the Port as additionally insured. She provided CIR's 2019 Annual Report. It was reviewed. She said that there are now eighteen rowing participants in the high school team, which is very exciting. They may be getting a third coach for that team, which will be a total of five coaches. Saturday rowing will start back up at the end of January/early February with the official rowing season beginning in March. They are planning to make the move from rowing alley to the boatyard, behind the Old Town Pub, on January 25th. Ms. Burke apologized for the chase boat being tied up to the floating moorage facility for nearly the entire summer. She explained that she was out of town a lot for personal reasons and had thought other members would be removing the boat periodically.

c. New lease – KSRF's agreement was signed. Ms. Burke plans on submitting CIR's agreement by the end of the month.

5.2. Port Facilities

a. Department of Natural Resources (DNR) – Nothing to report.

b. Dredge – Mail from the Washington State Department of Fish and Wildlife (WDFW) dated December 6, 2019 was reviewed. It was regarding the decision on the informal appeal submitted by Sound Action. WDFW did not believe that the proposed dredging would cause net loss of fish life. They did require modification to the Hydraulic Project Approval (HPA) permit which changes the window of opportunity for the deep water dredging around and under the floating moorage facility from September 1st through February 15th and the intertidal dredging around the boat ramp from

September 1st through October 15th. Commissioner Aus questioned if the Port will have a problem hiring a contractor to complete the work within the required timeframe. Phil said that dredging contractors generally work within similar timelines, so wouldn't anticipate any issues. Commissioner Scholfield asked if Kathleen Byrne-Barrantes is aware of this. Phil explained that there is a thirty-day appeal period, so once that has passed, he will inform Ms. Byrne-Barrantes.

c. Sailboat (WN6823JF) – Commissioner Scholfield said that he was going to look into the necessary steps to get the boat sold. *It was agreed that the sailboat "Wren" WN6823JF, which is Port of Silverdale property, be sold* (motion by Reese; second by Aus; unanimous).

d. Benches – Tim reported that he received the delivery of all the materials last week, so they plan to begin working on the benches the first of the year.

e. Port Rules and Regulations Policy – Nothing to report

f. Electrical Repair – e-mails were sent to Bainbridge Island Electric asking to get on their schedule. They responded stating that they needed to talk to Commissioner Scholfield and were provided his cell number.

g. Sea Plane Crash Expenses – Phil prepared a set of facts of the events surrounding the incident and has asked Tim to review them. Phil explained that before moving forward he needs more information, a bigger description of what actually transpired. Commissioner Scholfield said that he sent Phil an e-mail regarding the incident. Phil plans to review it do further research. The first step is to have all the facts laid out before proceeding.

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h. Eagle Scout Life Jacket Loaner Station Project on Pier – already discussed under Public Comment.

i. Oil separator lid – Tim explained that the material to replace the lid is about six to eight weeks out, so he plans to cone off the area around the lid.

j. Bonfire – Monica Downen of Monica's Bakery is planning to use the Port's fire pit to hold a bonfire near the boat launch during the lighted boat parade this coming Saturday. Commissioner Scholfield questioned if a Use of Port Property Application had been submitted and asked who from the Port was planning to man the event. It was explained that an application had not been received and no one from the Port was able to attend the event. Tim explained that Ms. Downen had approached him about it and he told her he could set it up, but he was under the impression that she had approval from the Port. Phil said that he talked to Ms. Downen just in passing when he was at the bakery, but nothing official. Ms. Downen will be contacted and asked to submit the application and also provide proof of insurance listing the Port as additionally insured. She will also be reminded that she is responsible to man the fire for the entire event and insure it is extinguished afterwards. Tim said that he plans to move the pit from the boat launch area the following morning.

5.3. Port Properties

a. 9020 Washington Avenue/Elizabeth's House of Wax – the sewer line connection to the existing outlet is tabled until the County's Bayshore/Washington Improvement Project is underway. Commissioner Aus reported that

the County is planning to micro-tunnel the Bayshore Drive/Washington Avenue project. They are supposed to go out for bid in the Spring.

b. 9004 Washington Avenue/DRC – Mary Hancock was informed of the rent increase to \$1,408. She said it seemed fair. Mike plans to contact Ms. Hancock within the next couple weeks to discuss the installation of the new flooring and restroom ventilation.

c. 3215 Lowell Street Suite 161/Sefton Enterprises – notice of past due rent for October, November and now December was sent via e-mail. The lease will not be renewed. They have been asked to drop the keys off at the Port office along with payment. Bob Guardino, the upstairs Suite 231 tenant, is interested in moving to a larger office within the building. He has been notified that suite 161 will be available soon. Commissioner Scholfield plans to access suite 161 after the 1st.

3215 Lowell Street, Suite 191/Deborah Lyons – notice of past due rent for November and December was sent via e-mail. Ms. Lyons responded explaining that she plans to set up bill pay through her bank.

Lawn repaired – Commissioner Scholfield will verify tomorrow.

5.4. Easement – Phil reported that the last he had heard the easement was being processed.

5.5. Paving of the alley – Phil reported that he spoke to Lakeside Industries personnel and explained the situation with having to reduce the asphalted area. It was agreed that the contract will be renegotiated after the first of

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the year. Commissioner Reese reported that he received a call from Lakeside requesting that at the appropriate time to meet with someone from the Port on site to discuss.

5.6. Comprehensive Plan – Commissioner Reese made the presentation during the Central Kitsap Community Council (CKCC) meeting on December 4th at the Silverdale Beach Hotel. It seemed to be well received. Ms. Downen, who besides being an Old Town Small business owner is also a CKCC board member, requested that the Port find an offsite storage area for the sailboat floats and boat launch handling pier. Commissioner Scholfield said that for the past few years the handling pier has been spread out throughout the overflow vehicle boat trailer lot to help alleviate erratic driving/racing in that area. This year the handling pier has been stacked off to the side because a sailing regatta was held a week after it had been removed from the water. Just last week Kitsap Art personnel asked Commissioner Scholfield if the handling pier was going to be spread out in the parking lot this season as she was hoping it would be because she nearly was hit by a vehicle that was being driven erratically in the parking area.

5.7. Grant Funding – the final comprehensive plan is due to the Recreation Conservation Office (RCO) by March 1st, but prior to that Ms. Byrne-Barrantes should be providing it to them for pre-approval.

5.8. Benefits – Commissioner Aus said that his insurance covers medical transport. *It was agreed to pay for the supplemental medical transport insurance from Airlift Northwest of Washington for Port Commissioners and staff that*

are in need of it (motion by Reese; second by Aus; unanimous).

5.9. Purchased Services contract – (Dreaney's, MTV Home Repair, Safe Security and TIKAR) during the 2017 audit it was recommended that the the purchased services contracts be sent out for bid every three to five years. TIKAR had prepared a draft invitation to bid form that was thought could be used in general. Phil plans to work on the invite and have notice published in the newspaper. The bid packages will be sent to anyone that requests it and also will be sent to all potential vendors listed on the Small Works Roster.

5.10. County Commissioner – Commissioner Reese was recently invited to meet with County Commissioner Wolfe. Commissioner Reese explained that it was a good meeting and Commissioner Wolfe just wanted to meet with him since he was newly elected. The County has \$402,000 budgeted for the planning and permitting of a new bulkhead at the Waterfront Park. Commissioner Reese told Commissioner Wolfe that he was sure the Port would want to work with the County on that project.

6. NEW BUSINESS

6.1. Resolution 2019-04 the County Treasurer's office contacted the Port office and explained that the Port has a Donation Fund that has had no balance and/or activity in over twenty years. They requested the fund be closed. *It was agreed to adopt Resolution 2019-04 Closure of Fund No. 88746* (motion by Reese; second by Aus; unanimous).

6.2. Special Meeting – Commissioner Reese recently attended the New Commissioner

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Seminar hosted by the Washington Public Ports Association (WPPA). He learned a lot from the seminar and it was thought maybe it should be shared with everyone.

Commissioner Reese said that at this point he plans to sit down with Port staff to further discuss and determine the best avenue to take in informing all three Commissioners, possibly via a Special Meeting.

6.3. Proposed Sewer Rate Increase letter dated November 26, 2019 from Kitsap County Public Works was reviewed.

6.4. Oath of Office – Commissioner Reese’s Oath was administered by Phil

7. SAFETY/SECURITY – Nothing to report.

8. APPROVE EXPENDITURES & ELECTRONIC TRANSFER

The attached voucher approval totaling \$27,337.41, checks numbering 12278 through 12305 and Electronic Funds Transfer 2019-12 to the U.S. Treasury in the amount of \$1,998.98, were approved (motion by Aus; second by Reese; unanimous).

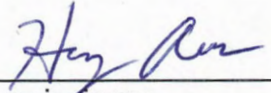
9. EXECUTIVE SESSION – At 9:58PM it was announced the meeting would be going into Executive Session for approximately twenty minutes to discuss litigation.

At 10:15PM the meeting returned to Regular Session. No one from the public was waiting to attend Regular Session.

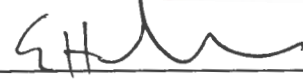
10. ADJOURN

At 10:17PM the meeting adjourned (motion by Aus; second by Reese; unanimous).

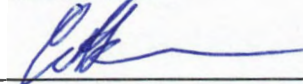
Approved:



Commissioner



Commissioner



Commissioner

