



PORT OF COUPEVILLE

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REGULAR MEETING OF THE BOARD OF COMMISSIONERS

Wednesday, June 13, 2018 at 10 a.m. at Masonic Lodge, 804 North Main Street, Coupeville, WA 98239

Per Port of Coupeville Resolution 224, the regular meeting of the Board of Commissioners will be preceded by a work session at 9:45 a.m.

MINUTES

1. **WORK SESSION (9:45 – 10:00 a.m.):** Commission review of vouchers, payroll, and minutes.
2. **CALL TO ORDER and PLEDGE OF ALLEGIANCE**
3. **ROLL CALL-** Commissioner William Bell, Commissioner John Mishasek, Commissioner Mohammad Mostafavinassab, Executive Director Chris Michalopoulos, and Accountant Donna Carter were all present.
4. **CHANGES TO AGENDA-** None requested.
5. **COMMISSIONER ACTION**

5.1 Approval of minutes, payroll, and vouchers.

A. Commissioner Mostafavinassab moved to approve the Meeting Minutes of May 9, 2018, with the corrected spelling of 'Bechard.' Commissioner Bell seconded and the motion was approved unanimously.

B. Commissioner Mishasek moved to approve the following vouchers, warrants, and electronic payment from May for payment. Commissioner Mostafavinassab seconded and the motion was approved unanimously:

Voucher (warrant) numbers: 6-1 through 6-30	<u>\$20,510.29</u>
Payroll warrants:	<u>\$13,422.25</u>

Electronic payments dates: (No voucher numbers needed)

\$ 3,646.94

Total: \$37,579.48

6. PUBLIC COMMENT

Commissioner Mishasek called for public comments. Linda Eccles, director of the Coupeville Chamber of Commerce offered remarks about the potential levy lid lift. She said she was speaking for the Chamber, as well as a citizen. She said the historic wharf is irreplaceable, and a successful levy lift should be methodical and well thought out. She said a committee needs to be formed and a plan created. She said that if we run a levy this year, we likely won't have time to overcome objections through community education. If the levy fails, it would be an uphill battle to run it a second time. She respectfully requests that the commissioners give Port staff adequate time to conduct a strategic plan.

Vicki Chambers from the Coupeville Historic Waterfront Association said she concurs with Ms. Eccles. She stated she hears a lot of public feedback and people aren't ready yet to sign on the dotted line. There are signs of positive change at the Port, but local memory is long. People want the Port to look for additional ways to fund the wharf improvements and there are a lot of unknowns. She agrees with Ms. Eccles that more time is needed to get questions answered.

Gwen, a Coupeville volunteer, said she helped raise ten thousand dollars for preservation of the wharf stairs project. She has spoken with a lot of people, and they are insecure about the levy because of past Port history and perception. Now that the Greenbank Farm mortgage is ending, the Port should look at using mortgage payment funds to help with wharf improvements. She said the Port should not run a levy until 2019.

The public comment section was closed.

7. FINANCIAL UPDATE

7.1 Financial Statement through May 2018

Port Accountant Donna Carter reported the financial update looks strong because property tax levy income, generated twice yearly, is included. She said the Port is anticipating a future expense to repair the septic pump at Greenbank Farm. Commissioner Mishasek asked what percentage of tax levy dollars come in during April. Ms. Carter said the amount is usually higher in April because some people pay their full tax amount during the first cycle. She said typically property taxes rise in the new year and that increase is reflected in the first payment.

Ms. Carter said she is working with Executive Director Michalopoulos to review some documentation for event deposits that were collected prior to Mr. Michalopoulos coming on board. She said prior deposit record keeping procedures were not always consistent.

7.2 Annual Report for 2017 Update

Ms. Carter has completed the annual report. The annual report was received and accepted by the State Auditor.

8. EXECUTIVE DIRECTOR REPORT

8.1 Executive Director Michalopoulos invited questions. He said the past month has been a very busy one for the Port.

Commissioner Mishasek asked about the septic system in Barn A at Greenbank Farm. Executive Director Michalopoulos said the system is located next to the barn and serves the main barn and attached annex. He said the system includes two pumps. One pump failed and had to be replaced. The other pump is failing and the Port will attempt to find a grant opportunity to help fund future replacement of the pump as well as a new septic tank for commercial use. Current tank is a residential unit.

9. OLD BUSINESS

9.1 Action: Update on Tax Levy Lid Lift for November 2018

Commissioner Mishasek said he is open-minded on the issue of when to conduct a levy and the Port should consider the options carefully. Ms. Carter said the Port is currently involved in litigation, which could be a negative factor in relation to the levy.

Executive Director Michalopoulos said Port staff conducted research with other ports and community stakeholders. He said the Port is not fully prepared to make a successful levy run. He does not believe the Port should jeopardize a \$1.6 million investment and it will take time for a citizen's group to form. The Port needs to develop a master plan with project improvement phases. He said the repair study is two and a half years-old and should be updated.

Commissioner Bell said there is a lack of information in the community about the project and the condition of the wharf. He said the project study could be updated. He agreed with Ms. Eccles and Ms. Chambers about public perception and that a hard budget should be created. He said he would like the commissioners to postpone making a decision on rescinding the tax levy lid lift until the July meeting. Commissioner Mostafavinassab said time is very short to run a levy in 2018. Commissioner Bell said he'd like to review campaign restrictions. He made a motion to postpone the action item on the tax levy lid lift until the July meeting. Commissioner Mishasek seconded the motion, and it passed unanimously.

Kellie Tormey, Port staff, added the Port has submitted several grant applications for improvement projects, and should funding be approved, Port staff will be obligated to begin execution of the projects during a 2018 levy campaign timeframe. She suggested these projects could stretch the capacity of Port staff to execute the projects, while preparing for a levy.

9.2 Action: Commissioner Approval to Receive Donations

Executive Director Michalopoulos said the attorney for the Washington Public Ports Association advised the Port of Coupeville it can receive donations from the public. He spoke with Donna Carter about the Internal Revenue Service implications and the commissioners must approve a motion to allow the Port to accept donations. He said Port staff are creating a donor database. Ms. Carter said the Port can accept tax exempt donations under the category of a 170c organization and she has spoken with Island County about how to accept donations online. She said donors must specify what project they want funded.

Commissioner Bell asked if the Port can have materials available on specific projects for funding by the July meeting. Port staff agreed. Commissioner Mishasek invited a motion to allow the Port of Coupeville Executive Director to accept public donations for specified projects. Commissioner Bell seconded the motion and it passed unanimously.

9.3 Discussion: SailFest 2018 Update

Executive Director Michalopoulos said the first SailFest event was successful for all organizations involved. He said Caitlyn Stanton, a key organizer, was thrilled with the outcome and discussions are underway to repeat the event in 2019. He added organizers would like to increase educational outreach with historical narrators in period costume talking about sailing history. He said they may lengthen the weekend hours and bring in long boats, barges or floats to accommodate more boats and sailings.

9.4 Discussion: Boater Welcome Bag

Executive Director Michalopoulos said the welcome bag will be a backpack distributed from the wharf to incoming boaters who pay an overnight rate. The pack will contain incentives and coupons for local businesses. Commissioner Bell asked how the backpacks would be provided to incoming boaters. Executive Director Michalopoulos said likely wharf dock hands. Commissioner Bell responded that Port staff are not able to distribute materials for other businesses. Executive Director Michalopoulos thanked Commissioner Bell and said he will work with the Coupeville Chamber and Waterfront Association to develop another distribution method.

9.5 Action: Executive Director Performance Review/Compensation Change

Commissioner Mostafavinassab said he wanted this topic to be discussion only rather than an action item. Commissioner Bell said the commissioners previously discussed raising the executive director salary to \$80,000 per year with an added increase of \$10,000 for health benefits. This meant a proposed annual compensation increase to \$90,000. The increase is reasonable he said given the executive director's efforts over the past year to cut budget expenses.

Commissioner Mostafavinassab asked if the increase proposed was from \$60,000 or from \$72,000. Commissioner Bell said the salary increase proposed is from \$72,000 to \$80,000 with an added \$10,000 for health benefits. He added the position has expanded to include managing Greenbank Farm as well as the wharf. Ms. Carter said the actual increase would be slightly over \$90,000 with the health benefit included and public perception of the increase could be an issue in light of the proposed levy lid lift.

Commissioner Bell made a motion to pass a total compensation package of \$90,000. Commissioner Mishasek seconded the motion. Commissioner Mostafavinassab said there is insufficient decision criteria to justify the increase because he couldn't find any studies to support it. He said he recalled the Executive Director sought an increase in paid vacation time and he would support providing more paid time off rather than the full salary increase. He added he did not agree with the motion, because it would be a concern for tax payers. He said the executive director does a good job but the proposed increase is too high.

Ms. Carter said the executive director salary began at \$60,000 in May 2017, and it was increased to \$72,000 last July. Commissioner Mostafavinassab requested the item remain a discussion item, not an action item. Commissioner Bell asked Ms. Carter to confirm that the proposal would increase the compensation package from \$72,000 to \$90,000 which she affirmed.

Commissioner Mishasek asked how much time off should be included in the package. Executive Director Michalopoulos said in previous positions he had a month of paid leave. Commissioner Bell made a motion to include three weeks paid leave. The motion was seconded by Commissioner Mishasek and passed unanimously.

Commissioner Bell made a motion to increase the executive directory compensation package to \$90,000, which was seconded by Commissioner Mishasek. Commissioner Mostafavinassab opposed the motion. The motion passed. Ms. Carter asked when the increase would take effect. Commissioner Bell said it should be retroactive to June 1, 2018.

10. NEW BUSINESS

10.1 Introduction: Farming Progress for Greenbank Farm

Ms. Tormey said the Port is exploring farm and garden pilot projects at Greenbank Farm. She recently met with partners about a veteran's farm program. Participants included WSU Extension staff and a staff person from NASWI involved with vocational training. An educational event for active duty personnel will be held on July 7 and will include volunteer work on the farm. She said she had also recently met with a small livestock farmer who may be interested in the farm's pasture areas. A third project could include leasing a greenhouse to the Greenbank Garden Club for native plant propagation. Commissioner Mishasek asked about the economic potential of the projects. Ms. Tormey said the Port is attempting to generate community interest in the farm. Commissioner Bell asked if the Port will attempt to develop programs with a goal of sustainability. Ms. Tormey said yes. Commissioner Mishasek said he would like the commissioners to have input in potential programs.

10.2 24 Front Street Building Evaluation

Commissioner Bell said that he is looking into the current use and potential for the Port-owned property at 24 Front Street in downtown Coupeville. It is currently occupied by a retail tenant. Commissioner Mishasek asked if the building could be sold. Executive Director Michalopoulos said the Port's Comprehensive Scheme allows the Port to liquidate assets. Ms. Carter said the building is historic. Commissioner Bell said he plans to look into the condition of the building and will share more information at the July meeting.

11. PRESIDING OFFICER'S REPORT

Commissioner Mishasek asked for an update on the powder post beetle infestation in Barn B. Executive Director Michalopoulos said the Port had missed the opportunity this spring to treat the barn, but the Port intends to address it next spring when the treatment can be applied.

12. COMMITTEE REPORTS

Commissioner Mostafavinassab said that Island Transit meetings have recently included discussion of special needs transportation services and Mayor Callison of Langley is exploring the opportunity for a walk-on ferry service to Everett.

Commissioner Mishasek said a new director for the Island County Rural Economic Development Council has been hired. He is assisting her with orientation and community introductions.

Commissioner Mostafavinassab requested to see a copy of the project agreement for the solar Farm at Greenbank Farm. Executive Director Michalopoulos asked Ms. Carter to please provide a copy.

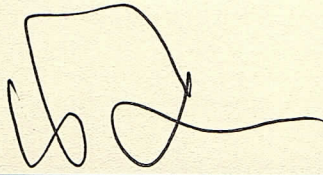
Executive Director Michalopoulos asked the commissioners to review the meeting agendas in advance of the meetings in order to request any changes prior to the meeting.

13. EXECUTIVE SESSION

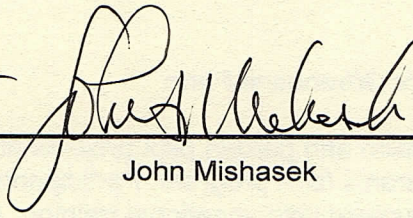
Option for an executive session was not exercised.

14. ADJOURN – The Meeting was adjourned at 12:08 p.m.

The Board of Commissioners approved the foregoing Minutes on July 11, 2018.



William Bell



John Mishasek



Mohammad Mostafavinassab

Next regular meeting: Wednesday, July 11, 2018, 10 a.m. at the Jim Davis House, Greenbank Farm, 765 Wonn Road, Greenbank, WA 98253. Per Port of Coupeville Resolution 224, the meeting will be preceded by a work session at 9:45 a.m.

6.18.2018/V4