

**PORT OF POULSBO
MEETING AGENDA OF
October 20, 2011**

1. OPEN MEETING

2. OPEN MEETING TO PUBLIC COMMENTS (LIMIT 3 MINUTES)

3. COMMISSIONER COMMENTS

4. CONSENT AGENDA ITEMS

(Next Res. 2011-15)

All matters listed within the Consent Agenda have been distributed to each member of the commission for reading and study, are considered to be routine and will be enacted by one motion of the commission with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Agenda and placed on the Regular Agenda by a Commission member or by citizen request.

A. Approve meeting minutes of October 6, 2011.

B. Warrants: 11034-11057, P10474-P10481, ACH 10/14/11 in the amount of \$87,014.64

5. OLD BUSINESS ITEMS

A. Armory Parking Lot Project – Update - Port Manager

B. Award Bid for Armory Project

C. "C" Dock Project – Update - Port Manager

D. Shoreline Master Plan – Port Manager

6. NEW BUSINESS ITEMS

A. Items for public comments/motions/discussions

B. Carol Tripp/ Accountant/ Staff Auditor

D. Port Attorney – Greg Norbut

E. Managers/Maintenance Report – Port Manager

7. OPEN TO PUBLIC COMMENTS: (LIMIT 3 MINUTES EACH)

8. COMMISSIONER COMMENTS

9. EXECUTIVE SESSION

10. ADJOURN MEETING

PORT OF POULSBO
BOARD MEETING MINUTES
OCTOBER 20, 2011
7:00PM

ATTENDEES: CHAIRMAN BOCKUS; COMMISSIONER DECARLO; PORT MANAGER, KIRK STICKELS; PORT ACCOUNTANT AND AUDITOR, CAROL TRIPP; PORT ATTORNEY, GREG NORBUT; PORT SECRETARY, ANDREA NIX.

PUBLIC ATTENDEES: HOWARD HONSEY, SOUND EXCAVATION INC.; SUE AND JOE DAZEY.

1. Chairman Bockus called the meeting to order at 7:00pm.

2. Public Comments -

Howard Honsey: I'm from Sound Excavation. I turned in a bid for the Armory Parking lot construction project this morning. I just wanted to come here tonight and see how you go through the process.

3. Commissioner Comments -

Chairman Bockus: I got a call from Commissioner Gilbert, and he was going to try and make the meeting tonight but he just got released from Martha and Mary this morning. He's home recuperating. The staff and I went up to Martha & Mary yesterday and had a meeting with him, so he has been kept abreast of everything going on at the Port. I went to the Council meeting last week, and listened in last night. Last night was a budgeting meeting.

4. Consent Agenda:

Commissioners approved Consent Agenda Items A, B, & C.

5. Old Business -

A. Armory Parking Lot - Port Manager -

Kirk Stickels: As was said at the last meeting, the project is moving forward on a couple of fronts. We have sent out for bids from the companies on our Small Works Roster. We have one that has been submitted. We did have two, but after the staff went out to inspect them further only one rebid. I recommend that we award the bid to Sound Excavation Inc. The total bid price, barring any unforeseen changes, is \$236,175, excluding tax. There are exclusions in it, which may require additional funds, such as disposal of contaminated soil. It is in your packet. We bring it forward for the board to make a formal acceptance of it.

Chairman Bockus: An inspection was done to look for contaminated soil and nothing was found.

Kirk Stickels: That is the case only where we did the inspection hole.

Commissioner DeCarlo: My concern is about the pervious asphalt. When we get rain and then a freeze, and the asphalt is saturated, will it break apart?

Howard Honsey: Pervious asphalt has been around for about eight years and so far no one has had a problem, as far as I am aware. Water goes right through the pervious asphalt. The water does build up in the reservoir rock. It will spill over into the catch basin and migrate out gradually through the rock. Typically asphalt will last 20 to 30 years in a parking lot. The alternative, convention asphalt, was explored, but the storm collection and filtration system required for it is extremely expensive.

Commissioner DeCarlo: What kind of water system for landscaping and irrigation are we going with?

Kirk Stickels: We are abandoning the old water meter hookup that was in there and we are going with one that meets today's standards. We will have an irrigation meter that is not like your typical commercial grade meter, where we would pay for the meter plus a sewage fee. This will be a meter that is set up only for irrigation. There will be a credit given back to us for the old meter. The City does not allow staff to water the landscaping; they require an irrigation system in the landscaping.

Chairman Bockus: Once the parking lot is completed, if we were to decide to rent that space to someone, like the Farmer's Market, where they would require electrical outlets and water would that be possible?

Kirk Stickels; No, we would have to readdress the type of water service that we put in. Power would be available for lights.

Chairman Bockus: With the weather changing as it is right now, is there an estimate as to when this could be complete?

Kirk Stickels: On the second page you'll see the contractor is calling for 45 working days.

Commissioner DeCarlo: Who does pervious asphalt around here?

Howard Honsey: Ace Paving.

Kirk Stickels: I make a recommendation to the Board that you make a resolution to accept the bid and allot \$260,000. The total including tax would be \$256,486. If we

round it up to \$260,000 we would have a small amount to work with if there was a need for contingency.

B. Award Bid for Armory Project -

Commissioners passed a motion to accept the bid from Sound Excavation Inc. and allot \$260,000 to the Armory Parking Lot project.

Howard Honsey: The start time will be hopefully within a couple of weeks.

C. "C" Dock Project -

Kirk Stickels: We have the JARPA permit that the Department of Fish and Wildlife asked for in hand. We have finished the documents to go out to the agencies on our Small Works Roster who would be interested in bidding on it. Monday is my target date for sending them out. There will be multiple contractors involved on the project, with some of the work being done by Port staff. We will give the prospective bidders a couple weeks to pull together their bids. A couple of the contractors are already familiar with the site.

Chairman Bockus: How far along on the project do you expect that you will be when you go on your leave of absence?

Kirk Stickels: We would hope to be finished. We would have the utilities established, the new gangway and floats in place, and be working toward having the new gate erected in the new position. There may be some finish up pieces to do such as placement of the pump-out and shed for it.

D. Shoreline Master Plan -

Kirk Stickels: We have continued in our endeavors with the City's Planning Department. They haven't yet announced the date for the next meeting that will be for the redraft of the draft they have been working on. They had sent out a call for responses to their Determination of Non-significance. I had sent a response to them. Included in your packets is the Planning Department's response back to the Port. As far as I know we were the only ones who responded to the City's request for comments. I feel we have stayed on point as far as the Port's objection to the overregulation of permitted and non-permitted uses. We also received back a response to the Port's first comments. I think in both cases, where they have been over-prescriptive in their requirements, the Port has stayed true to its response. On the last couple of pages you see that they make note of all the steps they have taken to accommodate us. I don't know if they realize that a lot of their meetings coincide with our meetings or are inconveniently scheduled on the weekends.

Attorney Norbut: I was asked about subcommittees to the Planning Commission. The Planning Commission relates to the city in an advisory capacity. Many other

jurisdictions have utilized sub-committees. One that I'm aware of, that really encourages these subcommittees and doesn't necessarily require citizen participation unless the Planning Commission goes to the City and suggests it, is New Castle. The Planning Commission appoints sub-committees that may include citizens as well as Planning Commission members. Mayor Erickson, when asked about a possible subcommittee, said that it couldn't be done. This is an ordinance for the Planning Commission that is also an enabling statute: "The Commission shall be advisory and shall advise the Council for the Council's final approval. The Commission is further authorized and empowered to cooperate with other Commissions, the State Council and other Agencies, the City, State and United States, in planning." The City's position that we cannot be included as a Committee Member in the review process of the Shoreline Master Plan is not well founded because this enabling statute gives them permission to include the Port. I think we should continue doing what we have been doing, making it clear that we want to participate. I think a response to their correspondence would be appropriate. They should also be made fully aware that their passing of the Shoreline Master Plan, as lead agency, is subject to appeal. We have standing to bring an appeal if we don't feel that there is an appropriate plan put together. We have to exhaust our administrative remedies before we can petition the court. The best way to deal with it right now is by making a good record of documentation, which the Port Manager has done a great job of. Ultimately, if they aren't going to be willing to listen, our remedy is to appeal to the Shoreline Management Board and the Department of Ecology.

Kirk Stickels: I think there are two avenues for us to take. They have asked for written comment to the DNS a second time. I think what they didn't regard in my response the first time is that with as many people as will be affected by the SMP, I can't believe that the Port is the only one who has produced comments or asked questions. I don't think there has been sufficient time. This affects residents all the way to Lemolo, and anyone within 200 feet of shore. I think we start working on that for our next round of meetings with the City Council. The Planning Commission is hearing comments and drafting it, and then it will go to the Council.

Chairman Bockus: We discussed a news release for those residents at our last meeting.

Attorney Norbut: Perhaps the paper would be interested in doing a story on it.

Commissioner DeCarlo: We could hold a special meeting and invite the reporters from The Sun and The Herald here, offering them a list of the facts we want addressed.

Chairman Bockus: I think that's a good idea, and the meeting will be open to the public and we will post bulletins in the newspaper and on our boards.

Kirk Stickels: We will schedule it so that Shane and Attorney Norbut can attend.

6. New Business –

A. Items for public comments/motions/discussions

Chairman Bockus: We had public comments about the acceptance of the bid for the Armory Parking Lot, and there were no other public comments.

B. Accountant's Report –

Carol Tripp: I didn't have sufficient time to complete the detailed report for the third quarter. I have some general information. First, a resolution will need to be drafted to accept the bid for the parking lot since it was not a budgeted item. Also, in the resolution you'll need to stipulate where the money is to be pulled from, which will probably be the investment account. I'll draft that resolution. Second, we did have substantial expenses for the month of September. We paid our annual insurance payment and we matched the funds with the City. We have a YTD net loss. \$50,000 was transferred yesterday, which we had to sell some investments to do, to cover the warrants that were approved this evening. I'm hoping that with the addition of the second quarter real estate taxes, which we should be receiving a portion of at the end of this month and another in the first week of next month, it will help us financially so that we will not need to transfer funds again.

C. Port Attorney -

Chairman Bockus: I spoke with Andre. He is willing to start the annexation process in his neighborhood. He was asking whether we would want that or not. He would solicit the 10% that is necessary.

Attorney Norbut: There is a petition method. I can provide you with that information.

Attorney Norbut: We received a quick claim deed for the four-foot strip next to the Viking House from the City without a cover letter about two weeks ago. It also did not include a boundary line adjustment. The deed was not the one provided to the City nor did it include the legal description provided by the ADA. The deed was defective in terms of the legal description and had numerous errors in format. I prepared a new deed in proper format, following the deed that they had drafted on their own. I contacted the City Engineer, and said that we had received their deed. I asked about the boundary line adjustment and he said that it was no longer going to be required. The law says that the City can transfer property on terms that it deems most beneficial to the City. If it is not required at this point, it means that we spent a substantial amount of money on the boundary line adjustment for no reason. I said that on June 7 he told me that they would require a boundary line adjustment. He said that if there were errors in the deed the City would fix them. After not hearing back from him within the week, I drafted a letter to the Mayor stating that after

months we finally get a deed without a cover letter, it is defective with multiple errors, and now we are informed that the boundary line adjustment that we spent over \$1000 on is not required. I stated that these conditions don't seem appropriate. Also, I said that we would expect the City to make their remittance to the Port for the cost of the boundary line adjustment. I also included the new quick claim deed that I drafted and asked her to sign it with a notarized signature.

Chairman Bockus: We anticipate a response from the Mayor and we will add this item to the agenda for the next meeting.

D. Managers/Maintenance Report –

Kirk Stickels, Maintenance Report: The crew has been working on the beginning of our Fall/Winter maintenance program. We have been testing the fire lines and we found a couple of places that needed repair. We discovered the problems in the course of pressure testing. The preventative maintenance program includes checking lights and making sure all back up equipment, such as batteries in automatic door locks, are stocked and up to standard. We have almost completed the repairs to the cross-float between E and F that occurred from the boat accident. We will be submitting our final costs to the insurance carrier for time and materials.

Kirk Stickels, Manager's Report: The last couple of weeks I have spent a significant amount of time on the SMP. I have met with the Poulsbo Yacht Club and Liberty Bay Marinas to see if they have comments and concerns. I've sat down with a couple of private property owners who will be impacted. One of those is Mr. Xenos. Also, over the last couple of weeks we finalized the bid process on the Armory Parking Lot. At the last meeting we discussed placing an ad for the unexpired Commissioner's term. How long do you want to allow people to submit resumes and letters of interest? Staff will put together a list of questions so you have a basis of an interview.

Commissioner DeCarlo: We would want the applicants before the second meeting in November. We would have to have the applications by the 16th. We should put the advertisement in the paper next week.

Carol Tripp: Kirk and I will compile a list of questions and email them to the Commissioners for review.

E. Dream Girl –

Chairman Bockus: Our attorney made contact with the bank in Rhode Island. The bank released the boat to us. We advertised it on Craigslist at auction. We got four bids. They were for \$549, \$1010, \$2205, and \$2,657.30.

Commissioners moved to accept the bid for \$2,657.30, and Chairman Bockus signed the Bill of Sale.

7. Public Comments –

Sue Dazey: Considering your press meeting for waterfront residence, I would say that a comprehensive fact sheet would be very important so that all the press people get uniform information.

Kirk Stickels: When will you begin selling fish on the dock?

Sue Dazey: October 29th.

Kirk Stickels: In the SMP there is significant language that will impact sales on the dock. Anyone in water commerce will have to have a conditional use permit to operate. The City Planner said the Port would be the one, in this case, who would have to get the permit. He said that everyone who is operating now would be grandfathered in.

Attorney Norbut: About ten years ago Denny Kimmel was prohibited from selling fish and there was such public outcry about it that the City allowed the use. I don't think there has been a problem since then.

Carol Tripp: It would impact fish sellers financially because our cost of the conditional use permit would have to be recovered.

Andrea Nix: I would be willing to help. I don't know if you want to put staff time into alerting residents, but I would be happy to go door to door or write a letter to the editor, or articles, if reporters from the paper don't write them.

Sue Dazey: Also, you can utilize the Calendar section of the paper. I think most people glance over that.

Commissioner DeCarlo: You could also talk to some of your customers to have them add their comments regarding purchasing fish on the dock and how that could be impacted by the SMP.

8. Commissioner Comments –

Commissioner DeCarlo – Where are we on the draft of our Comprehensive Plan?

Kirk Stickels: I am about two thirds of the way through drafting it, and I will complete it for the next meeting.

9. No Executive Session.

10. PORT OF POULSBO BOARD MEETING FOR OCTOBER 20, 2011 ADJOURNED
AT 8:45PM



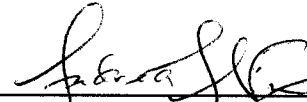
CHAIRMAN BOCKUS



COMMISSIONER GILBERT



COMMISSIONER DECARLO



PORT SECRETARY ANDREA NIX

PORT OF POULSBO
SPECIAL MEETING MINUTES
October 25, 2011
1 PM

ATTENDEES: CHAIRMAN BOCKUS; COMMISSIONER GILBERT; PORT MANAGER, KIRK STICKELS; PORT ATTORNEY, GREG NORBUT; SHANE PHILLIPS, COAST AND HARBOR ENGINEERING; MEGAN STEPHENSON, NORTH KITSAP HERALD; BOARD OF COMMISSIONER'S SECRETARY, ANDREA NIX.

1. Chairman Bockus opened the meeting at 1:10PM.

Chairman Bockus: The purpose of today's meeting is to talk about the Shoreline Management Plan (SMP), and the ramifications of it on shoreline property owners, the Port, and the City.

Kirk Stickels: The SMP Planning Commission has a meeting scheduled for this evening that was rescheduled from Monday night. I anticipate that they will have the second round of drafts to the SMP, prepared by Planning Department staff. You have the first round of drafts before you. Some changes, though minor, have been included. They are the result of Planning Commission discussions. More changes will likely come out of tonight's meeting, with additional information and comments.

Attorney Norbut: There has been little interest in the Planning Commission meetings, and we thought this was of paramount concern and wanted to generate interest in the planning process. The notices that were sent out haven't caught the attention of local shoreline residents and most of them don't seem aware of how much impact the SMP will have. It not only impacts the shoreline residents, but also any development 200 feet from the shoreline. The concern many of them should have is with regard to the use of their own property. It's going to be burdensome with the draft that the Planning Department is circulating at this point, because there is a preference for conditional use permits even with regard to repairs. While the Port certainly has issues with the SMP that differ from the general public, permitting issues is probably the common ground that we see. The concern that they should have would be projects like repairing stairs to the beach. As the draft is now, they would have to obtain a conditional use permit to do that.

Chairman Bockus: We have a couple of rafts in Liberty Bay that are used in the summer for swimming, and those are the type of things that would be affected.

Attorney Norbut: Those are clearly objects of value to people who live on the water. If you have mooring buoy or a raft, you're fortunate, but the use could become prohibited.

Chairman Bockus: At the Port part of our plan for the future is to expand, making it a more inviting place for visiting boaters. This SMP, as it is, may cause those plans to be more expensive, and difficult or impossible, to accomplish.

Attorney Norbut: Many of the things that people do to maintain their properties wouldn't be permissible if you look at the strict terms of the proposed SMP. Interestingly, the SMP is a part of the City's Comprehensive Plan. It hasn't been amended or reviewed since the 1970's. The City is looking at jurisdiction that includes much of Liberty Bay. The Port of Poulsbo has been participating in the planning. We tried to be an even more active participant, but the City denied us the opportunity to join the Planning Commission or become a member of a subcommittee.

Chairman Bockus: The SMP is a directive from the State. The State issues guidelines as to what the SMP should be, and the Cities may modify it to make it more restrictive.

Shane Phillips: My experience, relating to the SMP, comes from confronting the plan regulations at the time of a project. It is after it has been adopted. We have to determine if a proposed project is an allowed use, permitted use or conditional use, and we find out what the process is for permitting. We have worked with a variety of Ports around Puget Sound. Some of them have been within a City or County and many of them have gone through their updates to the SMP within the last five years. When the State mandated the updates they spread it out over a ten or twenty year period, requiring different counties to comply at a time. Now it is time for Kitsap County to review and update their SMP. A lot of the comments that I provided were reflective of what we've seen in other jurisdictions. The Department of Ecology has laid out what their goals are with regard to the minimum requirements, but they set the process up knowing that the actual requirements that would be written up would depend on the local needs. For example, the City of Seattle is completely different in terms of needs than the City of Poulsbo. There is some flexibility, and the City may even deviate from some of the items that the Department of Ecology has included. An analogy that is often related to shoreline management is the "three-legged stool". If you pull one of the legs out then the stool falls over. The legs are environmental protection, public access, and water dependent use. When reading through a document like this it is really important that there is a balance of those three elements as the regulations are written. If it is too heavily weighted on one of them, then it is not meeting the original goals that the Department of Ecology had established when the Shoreline Management Act was originally enacted, and all along as it has been updated. There are different endangered species now as compared to forty years ago, but there is still supposed to be a balance between those three elements. The State knows the shorelines are important, and there is an interest in trying to keep public access and use within existing areas to the greatest extent as is possible, and to minimize new developments. If development is limited to existing areas it reduces the chance of having an environmental impact. When we looked through this the portion that we found we were concern about was on page

sixteen, the Shoreline Use Table. There are some different ways this can be done, but typically what we have seen, that makes it very clear, is what are the requirements associated with uses and/or development. A good example of a use within this marina would be the kayak rental business. That is a commercial activity. They are within the Port boundary providing a service to the public for recreation. That should be a permitted use. It is not clear within this table as to whether that is a permitted use or a conditional use. That was one of our questions to the City. They said it was an existing use, so it is fine. The question then becomes, if demand increases and someone else wants to come to the Port and open a kayak rental business, will they be allowed to or would they have to go through a lengthy permit process? Typically, if something is within the goals of the Department of Ecology, and this three-legged stool, then it should be a permitted use. For example, the marina should be a permitted use. If the Port wanted to add a new transient float then it may qualify as requiring a conditional use permit for the development, but the intended use of the float should be permitted. There are a lot of concerns and issues through the document on the finer details, but it really comes down to this first section of the Shoreline Use Table and the Shoreline Environmental uses, and clarity on what those tables mean, so that there is more predictability on how those uses would be applied in the future. One of the other things the Port suggested is going through some test cases to see how these regulations would apply. An example of a problem that might arise was in Snohomish County, where there was a marina development proposed, but it turned out that in the SMP there was very little consideration given to marinas. The response came back that the language didn't support the proposed activity. It is really important, since this will become a law when implemented, and someone down the road, who may not know anything about the conversations we are having today, will have to comply with the SMP.

Kirk Stickels: The Port has identified several projects for the future, both in the Comprehensive Plan, and in some of our long-range planning discussions. In response to our questions, the Planning Director came back with answers that asked for specific examples. The Port may want to replace the breakwater. In this document, as it is drafted now, it would be very restrictive. We may find that there is a design being used somewhere else that is excellent, but if it doesn't fit in this set of tables we could not use it. There is also a concern by the Port, which I have expressed, and that is, if the last review was done in 1976, are we going to have to wait that long again before another review? I don't see anywhere that there is a possibility for a review, how often it would come up, who would possibly be on the review committee, or what threshold has to be tripped before a review process begins, also what is the appeals process and procedure?

Attorney Norbut: When I'm looking at the Shoreline Use Table on page eighteen, I see public services, transportation and utilities. If we were to be contacted by Argosy, this does not cover it.

Kirk Stickels: In the planning commission discussion there was a lot of discussion about floatplanes. There was no distinction made between a floatplane and a boat.

When a floatplane lands on the water it is guided by the Coast Guard's mandates. There was quite a bit of discussion about limiting times going in and out, and that regards the FAA's landing strip. There is a landing strip in Liberty Bay that is designated on all the navigational charts, and I don't see how the SMP will dictate landing on that strip.

Commissioner Gilbert: Are we the only port where the city has written the SMP to include that port? For instance, does Port of Bremerton have a say in the Bremerton SMP?

Attorney Norbut: The City is the lead agency on the SMPs. Whether other Cities have invited their Ports to comment on their SMP, I don't know. I would have to contact them.

Commissioner Gilbert: Can the Port write its own SMP?

Attorney Norbut: Not according to the Act. The city is the lead agency in most cases. Many activities within the Port District cannot be prohibited by the SMP. It comes down to whether it is an essential public facility. A good example of that would be the airport. They wanted to put an additional runway at SeaTac. The City of Des Moines would not allow the expansion and denied the permits. The Port District appealed that ruling. The courts upheld that it is an essential public facility. This room we are in is also a good example. The Port does not have another place to hold Port meetings, so this would be an essential public facility.

Shane Phillips: To elaborate on Commissioner Gilbert's first question, the WAC is specific about participation. It says, "Invite and encourage participation by all agencies of federal, state and local government, including municipal corporations having interest or responsibilities related to the shorelines of Washington State... State and local agencies are directed to participate to ensure that their interests are fully considered... If the jurisdiction for the SMP update includes a designated harbor area or urban waterfront with intensive uses or significant redevelopment issues, they need to work with the DNR and Port authorities to ensure consistency with harbor area statues and regulations and to address Port plans." It comes back to the three-legged stool. They recognize that it is not only environmental uses.

Commissioner Gilbert: If the Port wants to do something that he City says it won't allow, yet we feel it is something we really want to do, is our only alternative to file a suit against the City?

Attorney Norbut: You would have to exhaust your administrative remedies first. It would depend on the use. If it had to do with transportation, it would be separate from a land use issue. If the Port wanted to expand the breakwater, it would be our position that the City cannot prohibit the construction of an additional breakwater, because that is an essential public service. Essential public facilities are usually projects that are unpopular. Legislature realized that there are certain times when

they couldn't relegate authority to the City and look after the best interests of society in general, at the same time. In the case of the airport, the Port of Seattle took it administratively, at first, to the Transportation Committee.

Kirk Stickels: For instance, if we wanted to bring in the Mosquito Fleet again, or become a stop for them, we would like to think that the Port, invested in economic development, would be able to take advantage of that business opportunity.

Commissioner Gilbert: We wanted to replace ten pilings out here, because within the next ten or twelve years they might go bad. Are we going to be restricted by the ordinances to do so?

Shane Phillips: My interpretation was, and it needs to be made clear, for replacement of a pile it would be a permitted use. As another scenario, there is a lot of discussion about covered moorage in the SMP, and if a storm damages a boathouse, it is not clear whether they would issue a conditional use permit to replace it or whether they would not allow it to be replaced. There's language about percentage of repair. This is a good example to run through the process to see what the outcome would be. I think there is an intention is to limit expansion, but not prohibit existing use.

Kirk Stickels: If you were a boathouse owner, and your boathouse got damaged, and the repairs exceeded 50% of the value, it may make more sense to replace rather than repair it. Reading this as it is drafted now, it does not look like you would be able to do that. It would have to be converted back to traditional moorage. We would have to put in a finger pier to accommodate the moorage.

Commissioner Gilbert: A few years ago the Port expanded to twenty-nine acres from twelve. The extra acres are not being utilized at this point, but we intend to expand in the future. Under this plan the City would have the authority to say we cannot expand into that acreage. There would only be 25% of the tourism in downtown Poulsbo without the Port.

Shane Phillips: Going back to the table, there are different levels of permits that they would issue based on dollar amounts. If it is substantial development permit it is issued at the administrative level, or by the Planning Department. If it is a conditional use permit, it has to go through the City Council and Department of Ecology. In this SMP draft, almost everything requires a conditional use permit, whereas in other SMPs that I have seen, items will be excluded to allow for flexibility, with provisions – you can do these things as long as you do X, Y, Z. I think that is a place where the Port could focus comments back to the City, asking why there are so many conditional uses and not more permitted uses. It would make it easier for the Port, other users of the waterfront, and the City, because everything that requires a permit will require time and expense for all the parties.

Kirk Stickels: They were discussing a continuation of the trail around the head of the bay to Fish Park. The SMP draft has language addressing the toe of the slope, the hard or soft armoring, and the embankment. If they want to drive pile for the trail project, they will also have to follow this SMP. The time and extra expense for permitting processes will impede or delay the project.

Shane Phillips: Regarding the interaction between the City and the Port, from what I've read the City is required to include other parties who's interests will be affected. In other jurisdictions that I have seen, the cities will see the needs, and also the benefit of the ports, and they will try to accommodate their input, and give them consideration. In some areas, where there is no port, economic development may not be considered. It really depends on the needs of the specific area. So, you are exactly right to promote inclusion of the Port in this process, and, also, property owners in the community.

Chairman Bockus: Historically, the waterfront has been the mainstay of Poulsbo. From the very beginning this has been the place for the ships to come in and unload their cargos. The other impact we haven't talked about for landowners is the devaluation of their real estate. The real estate companies should be interested in this, also.

Attorney Norbut: What we are suggesting is that the governmental involvement should be minimized. If they keep imposing on these properties it will make them less desirable.

Kirk Stickels: The conditional use permit doesn't just impact those of us who want to do construction on the waterfront. We have users who have traditionally, and for many, many years, sold fish across the dock. This SMP draft will require the Port to have a conditional use permit for those commercial operations, or the individual boats will have to try to obtain one. I've already had feedback from a couple of people in those positions, and they want to know all they can about this SMP, since it may have impact on their businesses.

Shane Phillips: For non-existing uses, if an additional fisherman wants to sell fish on the docks, who hasn't in the past, then that would trigger this conditional use permit. This is where it comes to the flexibility on the local level, rather than mandated by the state. We've seen it broken down, where the local jurisdiction recognizes the importance of having some of those activities, but want to limit where they will occur. They may say that it is a permitted use, but only within certain boundaries, such as within the port boundaries where it should occur. This is why it is important for users of the waterfront to take example uses and developments to the City to see how they may be affected.

Commissioner Gilbert: Where are we at in this process now? Are we going to present something to the City with our questions about our ability to use, or not use, this?

Kirk Stickels: According to the agenda for the meeting with the Planning Commission tonight, it looks like they will be addressing the additional comments that the Planning Commission and the Port have made. They will have formatted their own questions in response to the existing comments. They have two choices, to finalize their review of the draft this evening, or look for additional comments. Either way, when the Planning Commission completes this it will go to the City Council, and they will hold a series of meetings and ask for additional comments. Finally, the City will approve it. Once it has been approved it becomes part of the City's municipal code. That is why weeks ago we asked to sit on a subcommittee to look at only the SMP. The Planning Commission has several things it is working on, but we wanted to focus only on the SMP within a subcommittee. I think what we need to do is format those projects we have talked about this afternoon, so that when this goes to the City Council we can see how we would work through these projects. The City Council is going to want to know how the projects benefit Pousbo, and the best thing that the Port can do is to take individual projects, analyze them under the SMP, and see if the projects will be prohibitive according to the tables that are in here.

Attorney Norbut: We will need to be hands-on with the City Council in addressing our concerns.

Kirk Stickels: The Planning Commission has been well aware of the Port's concerns so far, and Shane and I have been providing alternate language, and other alternatives, so that they would have something to work with. I think the Commission has appreciated that. I think we may have affected some change so far.

Shane Phillips: In the response from the City to the Port's comments, in the September 21st letter, it says, " We hope you find this information to be helpful. We look forward to the Port's participation during the rest of the process." Was there any dialogue, or an invitation extended from the City, to sit down and talk in more detail about the specific comments so they could get a better understanding of where the Port is coming from?

Kirk Stickels: There has not been any verbal communication from Planning. I had a brief conversation with Barry, and he said he had drafted a response to our comments, but that in many cases, without more communication, he was unable to provide feedback.


Chairman Bockus: We are going to be in attendance at the Planning Commission meeting this evening.

Shane Phillips: Is there any opportunity to have a joint or special meeting between the Port and the Planning Commission?

Kirk Stickels: I can certainly ask them tonight.

Shane Phillips: We have documented in writing what the Port's concerns are, but I think some verbal dialogue would help them better understand the Port's comments, and the Port could better understand where the Planning Commission is coming from.

2. PORT OF POULSBO SPECIAL BOARD MEETING FOR OCTOBER 25, 2011
ADJOURNED AT 2:35PM.




CHAIRMAN BOCKUS



COMMISSIONER GILBERT



COMMISSIONER DECARLO



SECRETARY ANDREA NIX

PORT OF POULSBO

PAYMENT VOUCHER

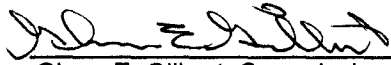
Post Office Box 732
Poulsbo, WA 98370

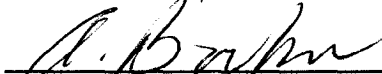
Kitsap County, WA

November 4, 2011

We, the undersigned Board of Commissioners of the Port of Poulsbo, Kitsap County, Washington do hereby certify that the merchandise or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of \$9,886.63 and from the General Fund, this 4th day of November 2011.


Antonio DeCarlo, Commissioner


Glenn E. Gilbert, Commissioner


Arnold Bockus, Commissioner

ATTEST:


Andrea Nix, Recording Secretary

Voucher #	Claimant	Amount
11070	Edward Jones	1,427.47
11071	Arne Uhlen	110.72
11072	Richard Bradshaw	5.75
11073	Associated Petroleum	6,667.94
11074	Associated Petroleum Products	410.14
11075	Bank of America	309.50
11076	Cass/Cade Distributing	58.80
11077	Coast to Coast Hardware	18.01
11078	Home Depot	161.21
11079	NAPA/Westbay Auto Parts	8.11
11080	Novak's Gutters	668.98
11081	Kevin Cook	20.00
11082	Shawn Stanley	20.00
TOTAL		\$9,886.63

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, the labor performed, or the expense incurred as described herein and that the claim is a just, due and unpaid obligation against the Port of Poulsbo and that I am authorized to authenticate and certify to said claim.


Port Auditor

PORT OF POULSBO

PAYMENT VOUCHER


Post Office Box 732
Poulsbo, WA 98370

Kitsap County, WA

October 28, 2011


We, the undersigned Board of Commissioners of the Port of Poulsbo, Kitsap County, Washington do hereby certify that the merchandise or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of \$9,877.53 and from the General Fund, this 28th day of October 2011.


Antonio DeCarlo, Commissioner


Glenn E. Gilbert, Commissioner



Arnold Bockus, Commissioner

ATTEST:


Andrea Nix, Recording Secretary

Voucher #	Claimant	Amount
P10482	Kirk Stickels	\$1,367.53
P10483	Richard Stice	\$1,476.28
P10484	Brady Miller	\$1,177.61
P10485	Jannese Petersen	\$1,039.79
P10486	Carol Tripp	\$1,636.14
P10487	Melanie Winnett	\$1,102.78
P10488	Charles Schmidt	\$488.71
P10489	Jonathan Davis	\$56.68
P10490	Arnold Bockus	\$574.78
P10491	Antonio DeCarlo	\$608.54
P10492	Andrea Nix	\$196.24
P10493	Glenn Gilbert	\$152.45
TOTAL		\$9,877.53

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, the labor performed, or the expense incurred as described herein and that the claim is a just, due and unpaid obligation against the Port of Poulsbo and that I am authorized to authenticate and certify to said claim.


Port Auditor

~~~DIRECT DEPOSIT ADVICES~~~

PORT OF POULSBO

PAYMENT VOUCHER


Post Office Box 732  
Poulsbo, WA 98370

Kitsap County, WA October 28, 2011

We, the undersigned Board of Commissioners of the Port of Poulsbo, Kitsap County, Washington do hereby certify that the merchandise or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of \$3,224.65 and from the General Fund, this 28th day of October 2011.

  
Antonio DeCarlo, Commissioner


  
Glenn E. Gilbert, Commissioner

  
Arnold Bockus, Commissioner

ATTEST:  
  
Andrea Nix, Recording Secretary

| Voucher #    | Claimant                    | Amount     |
|--------------|-----------------------------|------------|
| ACH 10/28/11 | US Treasury/Financial Agent | \$3,224.65 |
|              | TOTAL                       | \$3,224.65 |

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, the labor performed, or the expense incurred as described herein and that the claim is a just, due and unpaid obligation against the Port of Poulsbo and that I am authorized to authenticate and certify to said claim.

  
Port Auditor

~~~ ACH ~~~

PORT OF POULSBO

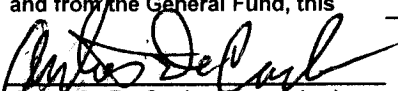
PAYMENT VOUCHER

Post Office Box 732
Poulsbo, WA 98370

Kitsap County, WA

October 28, 2011

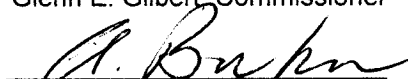
We, the undersigned Board of Commissioners of the Port of Poulsbo, Kitsap County, Washington do hereby certify that the merchandise or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of \$20,862.22 and from the General Fund, this 28th day of October 2011.


Antonio DeCarlo, Commissioner

ATTEST:

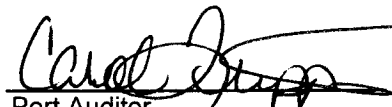
Andrea Nix, Recording Secretary


Glenn E. Gilbert, Commissioner


Arnold Bockus, Commissioner

| Voucher # | Claimant | Amount |
|-----------|-------------------------------------|--------------------|
| 11058 | Department of Labor & Industries | 3,449.47 |
| 11059 | Employment Security Department | 1,134.02 |
| 11060 | The Norbut Law Firm | 1,707.50 |
| 11061 | Reliable Storage | 970.20 |
| 11062 | Associated Petroleum Products, Inc. | 8,701.58 |
| 11063 | Cass/Cade Distributing, Inc | 40.95 |
| 11064 | Reliable Dive Services | 814.50 |
| 11065 | Thompson Pile Driving Co, Inc. | 4,044.00 |
| 11066 | VOID | |
| 11067 | VOID | |
| 11068 | VOID | |
| 11069 | VOID | |
| TOTAL | | \$20,862.22 |

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, the labor performed, or the expense incurred as described herein and that the claim is a just, due and unpaid obligation against the Port of Poulsbo and that I am authorized to authenticate and certify to said claim.


Port Auditor

PORT OF POULSBO
Kitsap County, Washington

RESOLUTION 2011-15

WHEREAS, the budget of 2011 does not include any funds to develop the Armory parking lot;

WHEREAS, the Board of Commissioners of the Port of Poulsbo wish to pursue the immediate completion of the parking lot;

WHEREAS, the cost to develop the old Armory site into a parking lot is estimated to be \$260,000.00;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Port of Poulsbo, Kitsap County, Washington that the 2011 Budget is hereby amended to authorize an expenditure of up to \$260,000.00 from the General Fund for costs associated with the development of the Armory site into a parking lot.

ADOPTED, by the Board of Commissioners of the Port of Poulsbo at the regular public meeting thereof held this 3rd day of November 2011, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof.

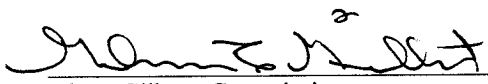
PORT OF POULSBO
Kitsap County, Washington



Arnold Bockus, President/Commissioner



Antonio DeCarlo, Commissioner



Glenn Gilbert, Commissioner

ATTEST:

Andrea Nix, Recording Secretary

Accounting Summary – Mtg November 3rd, 2011

Attached is the Summary of Financial Statements for the Eight Months Ending August 31, 2011 and the Nine Months Ending September 30, 2011. There was a net gain for the month of August in the amount of \$25,595.38 and a net gain for the year of \$39,593.16. For the month of September there was net loss of <\$28,390.16> and a net gain for the year of \$11,203.00.

A detailed Revenue & Expenditure Report for the 3rd quarter ending September 30, 2011 is included.

The following revenue accounts are below expected amounts:

- Permanent Moorage
- Winter Moorage

The following expense accounts are above expected amounts:

- Miscellaneous (over due to parking lot permit \$4,090.00)
- Consultants (over due to parking lot design, SMP research, C-Dock Engineering & Permitting)
- Maintenance (over due to Wood Wharf Repair & Demo of Armory)
- Bad Debt (over due to Luddington & Palmer Accts. Will increase again next month due to Greenway vessel.
- Legal (over due to Kretschmar vessel, attendance at mtgs & increase in legal work).

Respectfully Submitted,
Carol Tripp

**Port of Poulsbo
Summary of Financial Statements
For the Nine Months Ending September 30, 2011**

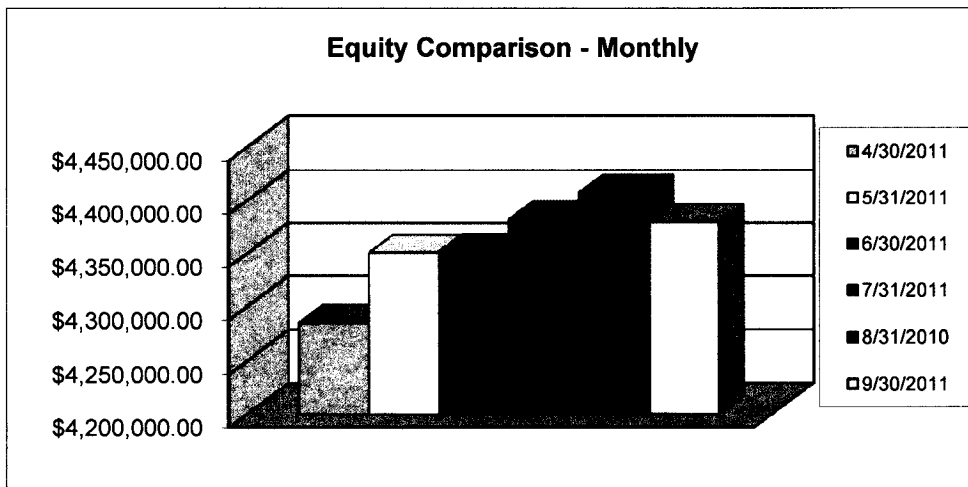
ASSETS, LIABILITIES, EQUITY

| | |
|--------------------------|-------------------------------|
| Cost of Capital Assets | \$ 2,226,342.18 |
| Current Assets | <u>2,207,717.25</u> |
| TOTAL ASSETS | <u>\$ 4,434,059.43</u> |
| Current Liabilities | <u>\$ 54,183.22</u> |
| TOTAL LIABILITIES | <u>\$ 54,183.22</u> |
| TOTAL EQUITY | <u>\$ 4,379,876.21</u> |

| | September | Year To
Date |
|------------------------------|-----------------------|----------------------|
| INCOME & EXPENSES | | |
| Moorage & Other Receipts | 78,013.18 | 759,656.16 |
| Net Fuel Sales | 13,296.97 | 71,097.61 |
| TOTAL RECEIPTS | <u>\$ 91,310.15</u> | <u>\$ 830,753.77</u> |
| Operating Expenses | 119,700.31 | 819,550.77 |
| NET GAIN/LOSS | <u>\$ (28,390.16)</u> | <u>\$ 11,203.00</u> |
| CAPITAL IMPROVEMENTS | <u>\$ 433.32</u> | <u>\$ 433.32</u> |

Balances of Assets Accts
September 30, 2011

| | |
|---|------------------------|
| General Fund | \$ 45,066.81 |
| General Investment Fund | 1,936,666.28 |
| Liberty Park Fund | 11,152.68 |
| Park Investment Fund | 183,395.95 |
| Remaining Fund Balances
and other current assets | 31,435.53 |
| | <u>\$ 2,207,717.25</u> |



CAPITAL ASSETS ARE BASED ON HISTORICAL COSTS AND DO NOT REPRESENT THE CURRENT FAIR MARKET VALUE OR REPLACEMENT COST.

Port of Poulsbo
Revenue & Expenditure Report
For the Nine Months Ending September 30, 2011

| Description | YTD
Rev/Exp | | Appropriated
(Budgeted) | |
|---------------------------|-------------------|-------------------|----------------------------|-------------------|
| | General | Liberty Park | General | Liberty Park |
| REVENUES | | | | |
| General Fund Taxes | 141,166.43 | | 260,237.00 | |
| Permanet Moorage | 319,313.95 | | 440,638.00 | |
| Winter Moorage | | 16,078.52 | | 36,735.00 |
| Transient Moorage | 10,340.56 | | 11,500.00 | |
| Guest Moorage | | 174,850.13 | | 222,811.00 |
| Leasehold Tax | 609.52 | | 1,000.00 | |
| Finance Charges | 3,414.68 | | 3,000.00 | |
| Miscellaneous Inc | 6,633.36 | 6,980.25 | 4,000.00 | 8,000.00 |
| Liveaboard Fee | 5,286.94 | | 7,250.00 | |
| Net Fuel Revenue | 71,097.61 | | 60,000.00 | |
| Electricity Inc | 27,275.95 | 13,697.21 | 35,000.00 | 16,500.00 |
| Reservation Fees | | 3,295.00 | | 6,500.00 |
| Utility Fees | 14,959.58 | | 18,000.00 | |
| Investment Interest | 15,031.63 | 722.45 | 28,000.00 | 2,000.00 |
| GROSS PROFIT | 615,130.21 | 215,623.56 | 868,625.00 | 292,546.00 |
| EXPENSES | | | | |
| Commissioner Compensation | 16,635.00 | 5,545.00 | 30,600.00 | 10,200.00 |
| Salaries & Payroll | 161,761.77 | 55,728.30 | 236,250.00 | 78,750.00 |
| Payroll Taxes | 25,647.47 | 2,985.74 | 44,625.00 | 14,875.00 |
| Employee Benefit Programs | 3,818.00 | 1,272.67 | 6,375.00 | 2,125.00 |
| Insurance - Health | 68,364.47 | 22,788.16 | 91,125.00 | 30,375.00 |
| Uniforms | 1,805.09 | 0.00 | 2,000.00 | 500.00 |
| Accounting | 675.00 | | 1,250.00 | |
| Legal | 15,917.54 | | 8,500.00 | |
| Office Expenses | 6,295.71 | 65.15 | 8,500.00 | 4,500.00 |
| Janitorial Supplies | 0.00 | 267.85 | 1,000.00 | 2,000.00 |
| Supplies | 0.00 | 2,191.47 | 2,000.00 | 3,000.00 |
| Storage Rent | 0.00 | 0.00 | 250.00 | |
| Visa Fees | 13,463.69 | 2,114.19 | 15,500.00 | 4,500.00 |
| Insurance - General | 17,026.71 | 8,386.29 | 23,505.00 | 7,835.00 |
| Advertising | 1,308.40 | 1,435.00 | 4,500.00 | 4,500.00 |
| Dues | 2,530.00 | | 3,800.00 | |
| Electricity | 23,237.41 | 19,123.85 | 39,000.00 | 38,000.00 |
| Garbage, Sewer & Water | 7,288.39 | 10,155.65 | 18,000.00 | 16,000.00 |
| Telephone | 4,345.91 | 1,448.64 | 5,000.00 | 4,500.00 |
| Short & Over | 77.43 | | 300.00 | |
| Refunds (Deposits) | 355.16 | 0.00 | 1,000.00 | |
| Bad Debt Expense | 12,871.10 | | 1,000.00 | |
| Maintenance | 185,891.00 | 7,790.65 | 205,581.46 | 5,000.00 |
| Outside Services | 4,035.74 | 2,367.00 | 7,500.00 | 0.00 |
| Training (inc travel) | 785.89 | 0.00 | 6,000.00 | |
| Consultants/Audit Fees | 36,416.30 | 0.00 | 20,000.00 | 5,000.00 |

| | | | | |
|-----------------------------------|--------------------|-------------------|-------------------|-------------------|
| Lease - DNR | 16,410.67 | 0.00 | 19,500.00 | |
| Miscellaneous | 4,179.00 | | 1,000.00 | |
| Taxes - Excise | 41,820.16 | 2,922.18 | 60,000.00 | 6,000.00 |
| Election Expense | 0.00 | | 4,500.00 | |
| Contingency Reserve | 0.00 | | 20,000.00 | |
| Matching Funds to City of Poulsbo | | | 18,500.00 | |
| EXPENSES | <u>672,963.00</u> | <u>146,587.78</u> | <u>906,661.46</u> | <u>237,660.00</u> |
| NET INCOME/LOSS | <u>-57,832.79</u> | <u>69,035.79</u> | | |
| CAPTIAL IMPROVEMENTS | <u>16,290.00</u> | | 189,447.00 | |
| Revenues Budgeted | 868,625.00 | 292,546.00 | | |
| Revenues Actual | <u>615,130.21</u> | <u>215,623.56</u> | | |
| Short/Over Revenues | <u>-253,494.79</u> | <u>-76,922.44</u> | | |
| Expenditures Budgeted | 906,661.46 | 237,660.00 | | |
| Expenditures Actual | <u>672,963.00</u> | <u>146,587.78</u> | | |
| Short/Over Revenues | <u>-233,698.47</u> | <u>-91,072.23</u> | | |
| Capital Improvements Budgeted | 189,447.00 | 0.00 | | |
| Capital Improvements Actual | <u>16,290.00</u> | <u>0.00</u> | | |
| Short/Over Capital Improvements | <u>-173,157.00</u> | <u>0.00</u> | | |