

# VIRTUAL MEETING VIA ZOOM

Poulsbo Port District – Port Commission

~~Poulsbo Marina – 18809 Front Street~~

~~Multi-Purpose Building on 'E' Dock~~

Subject	*REMOTE* Special Meeting Agenda	Date	January 14, 2021
Recorder	Cassidy Conners	Start Time	1:00 PM
Commission Chair	Thomas Rose	End Time	2:30 PM
Commission Members	Jamie Green, Mark Singer		
Staff Present	Carol Tripp, Port Accountant & Mgr. - Melanie Winnett, Harbormaster		

AGENDA		
No.	Topic	Action/Recommendation/Discussion
1.	CALL TO ORDER	
2.	DISCUSS OPTIONS FOR BREAKWATER FUNDING	
3.	COMMISSIONER COMMENTS	
	ADJOURN	

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The Port of Poulsbo provides a time for citizen input during, 'Public Comments.' Please limit yourself to three (3) minutes per person. If you wish to address the Commission, please speak clearly. The Commission is committed to maintaining a meeting atmosphere of mutual respect and speakers are encouraged to honor this principle. The Board will address public comments during 'New Business Items – public comments.' If you wish to attend the Commission meeting and require physical accommodations in order to do so, please call (360) 779-9905 by 9 a.m. the day of the meeting.

PORT OF POULSBO  
\*REMOTE\* SPECIAL MEETING MINUTES  
JANUARY 14, 2021  
1:00 PM

**Present:** Commissioner Singer, Commissioner Green, Commissioner Rose, Port Accountant Carol Tripp, Melanie Winnett – Harbormaster, Peter Horner & Pam Benson – PBA, Councilman David Musgrove

**Call to Order 1:00pm**

**Discussing Options for Breakwater Funding**

Port Accountant Tripp started by providing historical information about annexation. The Port has tried to attempt annexation twice within the last 7-8 years, and neither time has passed. She shared an excel spreadsheet of the history of rates and made clear money has been put in a reserve account since 1998. There has been talk of replacing the breakwater since at least 1998 and money has continually been put away for the project. The time has now come where the Port is forced to make a hard decision on how to come up with additional monies.

When it comes to annexation, Port Accountant Tripp will need to prepare a resolution, a statement for the resolution, and a ballot title for the resolution. That would then go for a vote and would require a 60% majority vote. It is much more costly to run the vote during a special election. During an election in September, the board can expect it to cost \$4,000-\$6,000.

Regarding the bonds/loans, there are a few options. The limited tax general obligation bond (GO bond) requires a majority vote by the taxpayers and would result in 23 cents per \$1000 of the assessed value of the home of the taxpayer. The limited tax obligation bond is taking what is already had in the budget. The revenue bond is unknown because it isn't clear what kind of money the breakwater will generate. The construction during the breakwater will not generate any income. The Port would be required to have a separate account securing 1-2 years of bond payments. It's more difficult to get a revenue bond given there won't be guaranteed income during the construction of the breakwater. Based on the 2021 assessed value of the Port, we could get a statutory limit of \$3.5 million bonded out, but we wouldn't be able to take out any other loans at that point. The Port would need to figure out how to generate that income. Raising the rates is the way to generate that income. It's difficult for people to handle a large increase of 9%, so splitting it up might be a good idea (4.5% at one time, and another 4.5% 6-9 months down the road). That 9% would reach everybody within the Port and would be required to do so because of the statutory requirements to have the revenue coverage to repay the loan. The current debt service is \$246,000. There is a balance of \$227,160. Right now, the difference to make up if we continue to go the way things are now, we will be short \$20,000.

Commissioner Green has been looking at various options. She doesn't believe the unlimited tax general obligation bond is likely to pass as it hasn't been successful in the previous attempts over the last five years. The special revenue bond she doesn't believe the Port will qualify for. That leads down to the limited tax general obligation bond and the net revenue bond. The net revenue bond doesn't sit too well with her and feels it is too vague and much is unknown. This

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leaves the limited tax general obligation bond. We would have to increase rates and find a strategy to do so. She has spoken with a few who have given a thumbs up to imposing a levy, even though she doesn't think it would generate too much as far as revenue goes.

Commissioner Singer believes moving forward with rate increases and annexation. The taxes may be lower for some people or some groups when it comes to annexation. He recognizes annexation has failed in the past, but the possible success of annexation depends on what the amount being asked for. That figure would not be very high for homeowners in the area. Plus, there is a chance to get \$16,000 back in the budget for the City's seawall, depending on the Mayor's response to the seawall project.

Pam Benson, from the PBA, provided some feedback on annexation. She has spoken with homeowners in her area and they have shared that they cannot see at this point any benefit for themselves with annexation. There's animosity that has to do with the City, and while that doesn't involve the Port, it's created a general sense of distrust in government in general. Homeowner's more upland are more likely to drive to Silverdale for shopping because of the downtown parking situation in Poulsbo. Peter Horner, from the PBA, said there's potential for growth and trust in the community but it depends on the relationship between the City and the Port. He said the surest as a form of revenue are rate increases, and the talk on the docks suggests that people don't like it, but they aren't afraid of it. The question is how to get there, not whether you do it. Commissioner Rose reflected the Port's rates are just a little lower or on par with other ports. He recognized there's a lot to offer at the Port of Poulsbo as far as function of presentation and effort and marketing. A lot of people know that, and it's seen in the numbers of people coming in guest moorage or the droves of people anchoring out. The increased awareness of revenue streams will help motivate support in the project. We need to focus on what appears to be the only choice.

Port Accountant Tripp said that until we hear something regarding permitting with fisheries, the Corps, and the tribe, we're shooting to have permits in hand by July and start construction in the summer. She's unsure whether or not they'll have permits in hand by then. We will need to show the lending agencies that we have implemented rate increases, assuming everything goes well, by the end of June 30<sup>th</sup>. After brief discussion with Council Musgrove about rate increases, Port Accountant Tripp reiterated that we just need to have 9% more than we do right now. Councilman Musgrove emphasized the importance of perception of value within the Port when it comes to annexation. Impose the 23-cent increase and put in front of the public and take the opportunity to explain why the increase is coming, how wonderful it is, the direction the Port is taking, how the Port will continue to serve them, and this can all be done through such a tiny increase. A house assessed at \$400,000 would be paying \$92 in taxes. That's an easy sell if the opportunity is taken to demonstrate the perception of value, provide context on annexation and current district of tax payers sharing the load, and explaining why they shouldn't be the only one sharing the load.

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Port Accountant Tripp briefly touched on the IDD (industrial development tax levy). An entity can have two out of its lifetime and the Port has never had one. It is a possible income stream. It doesn't go to the voters. The Port of Bremerton did it maybe 10-15 years ago and it did not go over very well. She summated that it sounds like the board doesn't want to annex, doesn't want to pursue the IDD levy, but does want to try phasing in a rate increase. We will make up that 9% some how in the income. She will provide suggestions to the board, but she cannot do that before February due to time constraints with end of the year reports to the Department of Revenue. Commissioner Rose said the Commission can work independently on the topic as well.

**Final Adjournment 2:15pm**

**Motion:** Move to adjourn

**Moved by:** Commissioner Singer **Seconded by:** Commissioner Green

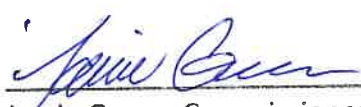
Motion passed unanimously.

**Final Adjournment 2:15pm**



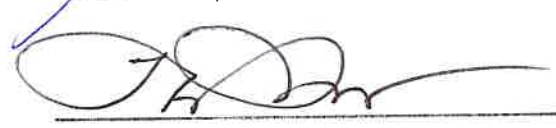
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Mark Singer, Commissioner



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Jamie Green, Commissioner



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Thomas Rose, Commissioner

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Cassidy Conners, Recording Secretary (Not in Attendance)