



Serving what matters today, with a view for tomorrow.

**Port of Kingston Board of Commissioners
Regular Meeting Minutes**

November 17, 2021, at 1:00 pm

Meeting called by: Port of Kingston Commissioners
Type of meeting: Regular Meeting
Location: Hybrid (Zoom/Village Green Community Center)

Commission in attendance

Laura Gronnvoll
 Steve Heacock
 Mary McClure

Staff in attendance

Greg Englin
 Audra Trainer
 Ray Carpenter
 Tarrah Dofelmier
 Torey Grandt

Public in attendance

Ron Karzmar
 Marc Horton

1. CALL TO ORDER: Commissioner Gronnvoll called the meeting to order at 1:01 p.m.

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF AGENDA

Motion: Approval of Agenda as written
 Moved: Commissioner McClure
 Second: Commissioner Heacock
 Vote: Pass 3-0

4. PUBLIC COMMENT

None

5. CONSENT AGENDA

- A. Approve October 25, 2021 All Ports Meeting Minutes
- B. Approve October 26, 2021 Special Meeting Minutes

- C. Approve October 27, 2021 Regular Meeting Minutes
- D. Approve October 2021 Warrants
 Motion: Approve Consent Agenda as written

Motion: Approve Consent Agenda as written
 Moved: Commissioner Heacock
 Second: Commissioner McClure
 Vote: Pass 3-0



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6. FINANCIAL REPORT

Controller, Audra Trainer reported year to date total income is 2.71 million. Total expenses are 1.76 million resulting in a Net Ordinary income of 410k. We still owe 790k on a limited Tax obligation bond. Next payment will bring that down based on our amortization schedule. Total cash reserves for October are 2.2 million.

7. ACTION ITEMS

A. Adopt Resolution 11-01-2021 - 2022 Budget

Staff is asking for commission approval for the budget of 2022. The Port is projecting Operating Revenues of \$3.34M and staff is budgeting Operating Expenses of \$2.7M. Net Ordinary Income under this draft version of the budget would be \$423K. We have seen a reduction in parking revenue this year due to the pandemic. When the effects from the pandemic subside, we would expect parking to rebound. Given the uncertainty we are not budgeting significant increases, however. The pandemic has strengthened boating since people can recreate and socially distance at the same time. We believe this trend will continue. So guest and transient moorage continue to strengthen.

Revenues

- Permanent moorage revenues should increase with the rate increases. We have a Wait list that continues to remain strong even though we have taken customers from the wait list, and they now have moorage but have been backfilled with new demand.
- Transient Moorage should remain strong, and we are steadily building seasonal demand from yacht clubs especially.
- Seasonal moorage has been grown steadily and we see this trend continuing through the next 2-3 years before it will likely plateau.
- Utilities are going to be closely monitored so we can recover these costs.
- Real estate and lease revenue should stay relatively flat except for CPI adjustments where applicable.
- Property taxes increase 1%.
- Parking is challenging to predict. The pandemic has affected commuters and we are way down from previous revenue levels. We are keeping rates flat and expect maybe a slight uptick as we surface from the effects of the pandemic.

Fuel

- Fuel assumptions are a challenge also.
- Fuel prices have increased significantly so the revenues have been increased – but so have the costs of goods sold for fuel. However, we expect revenue over Cost of Goods Sold to remain the same.

Expenses

- Budget reflects a CPI adjustment only across the board for all employees.



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- We are adding one FTE in accounting and finance. Some of this cost will be offset by a reduction in consulting fees.
- We base compensation on Market Data and Performance.
- We want to retain staff and compensate them competitively.
- Cost of living has gone up and CPI adjustment will help wages keep up with these costs.
- Competition for qualified staff has become even more challenging in the public sector as well as private.
- Employee medical is staying pretty much flat. We are just receiving the actual quotes for the same benefits plan we have.
- The Pension contribution requirements issued by the State of Washington were reduced in July from 7.9% to 6.36% for the individual employee contribution and from 12.97% to 10.25%.
- We are increasing our Training & Education budget here to invest in our staff. COVID prevented some of the training we had hoped staff would pursue. Again, we hope that these training and educational opportunities will open up.
- Staff has put in a lot of effort to track our utility costs. We are not putting in place measures to ensure we maximize cost recovery.
- Another place that helps with cost recovery because of adding another employee in accounting and finance is the accurate charging and recovery of exercise tax. We are currently looking at recovering about \$20K.
- We have been paying hefty fees. Our Controller Audra Trainer identified this as an area of concern. We believe we can likely reduce credit card charges by nearly \$30K annually. We have also converted payments over to ACH transactions for our perm moorage customers and away from credit cards to avoid these fees.
- Automated Clearing House – bank to bank transactions

Reserves and Financial Policies

Our reserves currently stand at \$2.21M. This includes a payment of over \$122K for insurance already in September. We will have an LTGO debt payment of \$85,514.10 for 2021 (including both interest and principal). We need to develop the financial policies regarding reserves and codify them with the commission this coming year. I have a spreadsheet with some of the proposed assumptions and we are developing a cash flow projection that will capture the complete life cycle for the assets as well.

The commission discussed prior conversations regarding lowering the rate on the 24 ft vessel slip. Executive director Englin stated per commission direction those rates have been adjusted.

Motion: Adopt Resolution 11-01-2021 - 2022 Budget

Moved: Commissioner McClure

Second: Commission Heacock

Vote: Pass 3-0

A. Adopt Resolution 11-02-2021 - 2022 Capital Budget



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Staff is requesting commission approval of 2022 Capital Budget. Executive Director Englin presented the Capital Projects Schedule for 2022 which includes including repair and maintenance of the marina, piling replacement, tent pad development, dock repair, middle restroom replacement and bulkhead repair.

First and foremost, we always want to promote safety of life and property. Secondly, we strive to maintain continuity of operations. And third we want to create new opportunities.

We are trying to stay around \$200K annually as a cap for our repair and replacement of existing assets. The primary lines of business where we are spending funds are the marina, economic development and projects that support our responsibility as a transportation hub. For new construction we have budgeted about \$500K for development of the Tent Pad. This effort would be followed up by a multimillion-dollar investment in construction of buildings for commercial use.

Motion: Adopt Resolution 11-02-2021 - 2022 Approve Capital Budget
Moved: Commissioner Heacock
Second: Commission McClure
Vote: Pass 3-0

A. Adopt Resolution 11-03-2021 - 2022 Marina Rate Schedule

Primary changes permanent rates are being adjusted are performance and market data. We have to look forward to the replacement and preservation of marina and infrastructure. A market rate study was conducted which was the basis for a three-year approach to get the Port of Kingston close to the Market Average Rate. Commissioner McClure commented she appreciated the public comments regarding the budget at the recent public hearing and added the marina is an important part of economic development for Kingston. The group discussed the factors that will decide future rate increases.

Motion: Adopt Resolution 11-03-2021 - 2022 Marina Rate Schedule
Moved: Commissioner McClure
Second: Commission Heacock
Vote: Pass 3-0

B. Adopt Resolution 11-04-2021 - 2022 Tax Levy Certification

This is a yearly collection of property tax revenue 14 cents per one thousand dollars of assessed value. This amount is capped by law at 1%. The total tax levy is \$222,291.

Motion: Adopt Resolution 11-04-2021 - 2022 Tax Levy Certification
Moved: Commissioner Heacock
Second: Commission McClure
Vote: Pass 3-0



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C. Adopt Resolution 11-05-2021 - Port of Kingston Rules and Regulations

Primary changes include cancellation policy, modification of sign map, overboard discharge, accessory equipment, holding tank, wait list procedures, berthage charges, fuel dock payment options, motorized and non-motorized transportation. Summary of changes document provided to the Commission.

Motion: Adopt Resolution 11-05-2021 - Port of Kingston Rules and Regulations

Moved: Commissioner McClure

Second: Commission Heacock

Vote: Pass 3-0

D. Adopt Resolution 11-06-2021 – Delegation of Authority Policy

Controller, Audra Trainer reported that we will be adopting a Procurement Manual and this updated policy will be reflected in the new manual.

Motion: Adopt Resolution 11-06-2021 – Delegation of Authority Policy

Moved: Commissioner Heacock

Second: Commission McClure

Vote: Pass 3-0

8. PUBLIC COMMENT

None

9. COMMISSIONER REPORTS

Commissioner Heacock reported he attended an encouraging presentation made by the Superintendent of Public Schools at the Kingston Community Advisory Council (KCAC) formally known as Kingston Citizens Advisory Council. Presentation highlights included COVID operations and safety and welfare of employees and students. Commissioner Heacock has also been working on the Port's Master Plan process.

Commissioner McClure reported on changes to leadership in KCAC. She reported there have been good conversations on structuring the committee processes. Commissioner McClure gave a Presentation on the Master Plan process to the Rotary, and it was well received. She will be presenting to other organizations and community members including to KCAC and Kingston Stakeholders.

Commissioner Gronnvoll gave heartfelt condolence to the family of Tom Waggoner. She gave thanks to Marc Horton for his work on the restroom replacement project. She reported Commissioner McClure did a fabulous job on her Master Plan presentation.

10. STAFF REPORTS



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Maintenance Manager, Torey Grandt reported staff are in the process of preparing for winter including conducting lighting inspections, testing equipment, keeping walkways clear of ice and snow. He reported that electric vehicles will be put away for the winter. Upcoming projects include venting the server room at the Port Office.

Harbormaster Ray Carpenter thanked staff for their work on the budget and rules and regulations. He reported that several volunteer groups will be helping with Kingston Cove Christmas. The tree will be going up soon. We are looking forward to a great event this year, yacht clubs will be participating by decorating vessels and hosting a dinghy parade.

Executive Director Englin thanked staff gave special thanks to Ashley Ferguson and Rose Orcutt for their work on the Marina Rate Survey. He thanked the Yacht Club and staff for their work on the Kingston Cove Christmas. He thanked Marc Horton for his instrumental work on the capital program, risk assessment and procurement. He thanked Austin Goff for training the new employees and sharing his knowledge.

Controller, Audra Trainer expressed her excitement for the budget adoption and bringing new staff on board to assist with financial duties. She will be developing financial policies and working with the marina office to develop procedures. She will be attending Training with the State Auditors Office and Washington Public Ports.

Administrative Services Manager, Tarrah Dofelmier thanked staff and commission for their hard work and input. She reported the quarterly newsletter recently went out and the next newsletter will go out in January. We've purchased some new A/V equipment to handle Hybrid Meetings. She created a new sign-up form on the Port's website which allows subscriptions to Port newsletters and upcoming events. There is also a new page on the Port's website regarding the Master Plan where visitors can make comments and review documents.

Marc Horton stated he appreciates the opportunity and focus time to work on Port projects.

Commissioner Heacock asked for a future discussion regarding a dedication to honor Tom Waggoner for his years of community service.

11. NEXT REGULAR MEETING: Wednesday December 15, 2021, at 6:30 p.m. Hybrid (Zoom & Village Greens Community Center)

12. ADJOURN

Motion: Adjourn meeting at 2:23 p.m.

Moved: Commissioner McClure

Second: Commissioner Heacock

Vote: 3-0



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DocuSigned by:
Laura Gronnvoll
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Laura Gronnvoll, Commissioner

DocuSigned by:
Steve Heacock
9790F1E429B44CD...
Steve Heacock, Commissioner

DocuSigned by:
Mary McClure
6F7F071EE8D14EF...
Mary McClure, Commissioner

Attest:

DocuSigned by:
Greg Englin
012B2052DBC849D...
Greg Englin, Executive Director