PORT OF CENTRALIA
Established 1986

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Minutes
Regular Meeting of the
PORT OF CENTRALIA
July 21, 2021
3:00 PM

Attendees: Commissioners: Julie Shaffley, Peter Lahmann, Kyle Markstrom
Executive Director: Kyle Heaton
Press: Susan Delaire, Business to Business
Public: Alicia Fox, Centralia-Chehalis Chamber of Commerce; Adam Warren, Centralia-Chehalis Chamber of Commerce; Matthias Smith, Laborers Local 252; Linda Greenwood; John Elmore; Gary Odegaard; Paul Crowner; Jared Ross, Laborers Local 252; Bob Jackins; Jan Banevich

1) **Call Meeting to Order/Introductions:** Commissioner Shaffley called the meeting to order at 3:00 p.m.

2) **Approval of Minutes:** Commissioner Markstrom made a motion to approve the July 7, 2021, regular meeting minutes with amendments. Commissioner Lahmann seconded the motion. The motion carried. .

3) **Approval of Warrants:** Commissioner Markstrom made a motion to approve warrants 21962 through 21984 with an aggregate amount of $111,070.17. Commissioner Lahmann seconded the motion. The motion carried.

4) **New Business:**

   a) **Executive Director Report:** Kyle Heaton reported that the maintenance crew has been working on the Port's irrigation wells. They are struggling with the well pump on South Park Drive, which is about eight years old. He said that sand wears on the pumps every year and part of the landscape fee charged to tenants helps to pay for their periodic replacement. Unfortunately, during a drought everybody has a well problem, so the repair company can probably be here to look at it first of next month. He said that there will be some brown lawns around, but that they will green up as the well comes back online. Kyle commended the Port's maintenance crew for their work with limited parts available due to COVID.

   Kyle stated that the Yew Street extension project is now out to bid with the bid opening to be held on August 10. He said that the engineer's estimate is between $4.2 and $5 million dollars. Provided that bids are within the engineer's estimate, the Port will be looking at moving on the project somewhere in September after Labor Day. Kyle said that the timing was not ideal, but the Port will get as much done as possible.

   Kyle said that the Port's forestry consultant has been delayed due to equipment breakdowns, but that he will be working down there next week to remove the trees that remain in the right-of-way, as well as removing the stumps completely from the property so they're not in the roadbed.

Kyle reviewed a budget status report through June 30, 2021, with the Commissioners. He reported that the operating revenue should be at 50% but is currently at 43% due to an extended vacancy at 3802 Galvin Road. He stated that the Port continues to negotiate and, hopefully, will start seeing revenue from that building in the next couple of months. Expenses are currently at 22%, which is well below where the Port should be. Kyle stated that everything looks good moving towards year-end and that the Port is in position to execute the construction project.

b) **Lease Agreement – 1710 Midway Court:** Commissioner Lahmann made a motion to approve the Lease Agreement with the Puget Sound & Pacific Railroad for the building located at 1710 Midway Court. Commissioner Markstrom seconded the motion. The motion carried.

c) **Lease Agreement – 1714 & 1718 Midway Court:** Commissioner Lahmann made a motion to approve the Lease Agreement with Qwest Corporation for the buildings located at 1714 & 1718 Midway Court. Commissioner Markstrom seconded the motion. The motion carried.

Commissioner Lahmann asked if the scope of work for the Yew Street extension project went from Alder Street to the foot of the I-5 off ramp or if it went on clear from Mellen Street. Kyle Heaton replied that it is a little more complicated than that. He said that the improvements have to go past the on ramp and taper on beyond that another 500 feet. He stated that the Mellen Street/Yew Street intersection improvements have been approved by the City of Centralia and the Washington State Department of Transportation, including putting in a turn pocket and changing the signalization. The Port is not rebuilding the road in that section. Commissioner Lahmann asked if the project includes the utility extension from Alder Street to Long Road where the Port is going to tie back in there. Kyle Heaton replied that that was correct.

d) **Committee Reports:** There were no committee reports made.

e) **Good of the Order:** Commissioner Lahmann made a motion for the Port Commissioners to draft a document publicly supporting the efforts by Lewis County, WSDOT, and the Federal Highway Administration to construct the North Lewis County Industrial Access project. Commissioner Shaffley and Commissioner Markstrom opposed the motion. The motion failed.

Commissioner Markstrom asked if there is an active group right now, because he understood that the group that was exploring the project is somewhat disbanded. Commissioner Lahmann said that it was stated in the previous meeting that it's been three years since the group met, but he thought they met on January 20, 2020. Commissioner Shaffley asked if they had met with all the stakeholders. Commissioner Lahmann replied that it had been with all of the stakeholders, and that they have had meetings with the Federal Highway Administration and WSDOT. Commissioner Markstrom asked who "they" were. Commissioner Lahman responded it was Josh Metcalf with the Lewis County Public Works Department and that they've had meetings with WSDOT and the Federal Highway Administration since that time, but not with stakeholders. He said that they're currently working on it, and that is all he knows. Commissioner Shaffley stated that the Port had a meeting years ago and she had spoken to the engineers and with the stakeholders. She had told them that the Port was not not in favor of it but would need to see the designs. She said that as it is right now, there are no designs on the on the table. Commissoner Lahmann said that she was right. Commissioner Shaffley asked why the Port would need to have a letter when the Commission is one of the stakeholders. She said that she would be the

representative and she has not been receiving any information as to when the meetings are. Commissioner Lahmann said that he thought the Port needs to be on board just to say that it does support it. Commissioner Shaffley said that the Port has never said that it doesn't. Commissioner Markstrom said that, for him, it's not clear at this point with the lack of activity in the last year to two years what the Port would be supporting. He said that if there was an active group that had a plan or an idea that they were proposing, it would make sense for the Port to weigh in on that. He said that until the stakeholders get together again and decide which direction it is headed, it doesn't make sense for the Port to really weigh in at this time. Commissioner Lahmann stated that there is $1,000,000 that the County has right now to work on engineering for that project. Kyle Heaton asked what they are doing with that and what are they designing. Commissioner Lahmann stated that he didn't know. Kyle Heaton asked if they said where the money was going when they talked to Commissioner Lahmann about the project at the meeting. Commissioner Lahmann stated that the project has changed since that meeting, because SCJ Alliance was there and the staff member in charge of the project is no longer with that firm. The County had to let them go as the engineer on the project. Kyle Heaton said that they must be getting an RFP to get an engineering group together if they're following the law.

f) **Port Signage:** Commissioner Lahmann made a motion to direct Port staff to seek bids to modify the current kiosk or erect an additional kiosk at Kuper Road to accommodate signage for current and future businesses. The motion was not seconded. The motion failed.

5) **Public Comment:** Jan Banevich asked why Commissioner Markstrom was assigned to two committees in the 2021 committee assignments when he is a temporary commissioner and very likely to it be gone in November. She asked why Commissioner Lahmann was assigned to only one committee when he has been a Commissioner for two or three years and was elected by the voters to represent them, and why Kyle Heaton, an employee, was being used as an alternate instead of a Commissioner. Commissioner Shaffley stated that she wanted to make a correction in that Commissioner Markstrom is a Commissioner and he will be a Commissioner until his term is done, which is December 31, 2021, and that he is not a temporary Commissioner. She said that he was appointed and he was sworn in as a Commissioner. Jan Banevich replied that Commissioner Markstrom could very likely be gone in November if somebody else is elected. She said that they will take over in November, not January. Commissioner Shaffley replied that that was not correct and that it would be in January. Kyle Heaton stated that it would be November, but it's semantics and that they were discussing hypotheticals. Jan Banevitch stated that it was not hypothetical. Commissioner Markstrom was going to finish out the term and was not elected. Commissioner Shaffley said that he was appointed. Jan Banevitch said to finish out the term. Commissioner Shaffley said that was correct, so he is a Commissioner. Jan Banevitch said that the County told her that he would be gone soon as the election is in November if somebody else was elected. Kyle Heaton said that she was not correct because it would not be until the election is certified. He said that no one present was the County Auditor and, rather that stating election law, if Commissioner Shaffley would rather answer questions about why she made the appointment she made. Jared Ross interjected that he thought Jan Banevich was talking to the Commissioners. Kyle Heaton replied that Jared Ross didn't have the floor either. Jan Banevich said that she was asking Commissioner Shaffley because it was her decision to make the assignments and not Kyle Heaton's. Commissioner Shaffley said that she did. Jan Banevich asked why she chose Commissioner Markstrom over someone who had experience. Commissioner Shaffley said that she felt Commissioner Markstrom was the best candidate at that time and that it was her prerogative. Jan Banevich said that she thought it was interesting that Commissioner Shaffley thought it was best to appoint Commissioner

Markstrom, who not long ago she had said had a blatant conflict of interest and would not want to sell your reputation by putting him on the Commission. Commissioner Shaffley said that she did not "sell my reputation." Kyle Heaton said that Commissioner Shaffley did not need to respond. Jan Banevich said that she had the recording, and they could get it out in the light. Commissioner Shaffley thanked her and again stated she exercised her prerogative and she felt that Commissioner Markstrom was the best person for that position. Jan Banevich asked for different positions over another Commissioner. Commissioner Shaffley thanked her and said yes.

Linda Greenwood of 1108 Mellen Street asked if they are going to take the lights out and do the roundabout. Kyle Heaton responded that no, the light standard will change because it'll have a left turn lane in it that it doesn't have now, so they need to add a light to it. A light cannot be added to the existing standard that's there, so a new pole will go up. He said that that will be the main difference that she will see. Linda Greenwood said that she had received a letter about it. Kyle Heaton stated that the light pole bases will stay here right where they are, and it will just be a different standard that goes across the upright. Linda Greenwood thanked him for his response.

Brian Dow of Port District 3 in Centralia said that he was kind of amazed that they can't get a second on a motion made, but that was just an observation, so things can be discussed a little further. He said that it kind of surprised him that a second can't be made. He said that the Port of Chehalis puts out an agenda a week or so ahead of their meetings. They notify people that have signed up on a mailing list and email list, even if they live in Centralia. He said that they include the agenda and the financial report, and that it is really convenient. He asked the Commissioners if that is something that they have considered or are thinking, because it seems like the agendas come out pretty close to the meeting time and it doesn't give people a chance to really ascertain just what's going to go on at the meetings. He was curious if that was something that the Commissioners could think about doing. He said that it's just a convenience to the taxpayers and the people that belong in the the port areas. He said that it was a real handy tool that they use and that the Port of Chehalis seems to do it without any problem at all. Commissioner Shaffley thanked him for his suggestion. Brian Dow said that it was a neat, neat setup. Commissioner Markstrom stated that one thing that he has noticed since he has been a Commissioner with the Port of Centralia is that they're really focused on taking care of their tenants. Like Brian Dow could see today, the Port renewed two leases. He said that a lot of times, those things are ongoing negotiations that Port staff was working on and the Port sometimes has a small window to execute those leases. He said that if the Port were to lock in an agenda way prior to moving, it could affect the work that staff may or may not be doing with tenants. He said that it allows flexibility to make sure that they capture all of the things that need approved by the Commissioners that Port staff are working on. Brian Dow said that they don't seem to have that problem in Chehalis with it. He said that he imagines that the Port could amend the agenda. Commissioner Markstrom replied that he doesn't know that Chehalis has the volume of leases that the Port of Centralia does. Kyle Heaton laughed. Commissioner Markstrom said that, to be quite honest, he doesn't think that the Port of Chehalis has the number of tenants. Brian Dow said that he doesn't appreciate that either and that you're not really being very professional when you laugh at somebody's comment. Kyle Heaton stated that he wasn't not laughing at his comment. Brian Dow thanked him. Kyle Heaton said that he was welcome. Brian Dow asked him if he just happened to be laughing. Kyle Heaton said that he did and asked Brian Dow if he scared him. Commissioner Shaffley thanked Brian Dow and Commissioner Markstrom.

Bob Jackins commented that because he hasn't been able to attend a meeting since the pandemic started and that when they're online it's one good way to get information, but it's hard to make

comments that he thought needed to be made. He said that he appreciated everything Commissioner Markstrom has done since being appointed. He noted that appointing was a difficult thing to get through with all of the candidates running for it. He said that with Commissioner Markstrom's work that he has done with current committees, it is really a breath of fresh air to have that reported back to the Commission where the public can hear about it. He thanked Commissioner Markstrom and told him it was a job well done. Commissioner Shaffley thanked him for his comments.

Jared Ross of Chehalis, not Centralia but Chehalis, asked how the public gets answers to the written questions that were submitted during the COVID virtual meetings. Commissioner Shaffley stated that they have been attached to the minutes and if he would like to present the questions during the meetings. Jared Ross said that he did submit them during the meetings and then, as per everything has to be to Amy prior to, so they were submitted prior to the meeting. He is just waiting for answers for them. Commissioner Shaffley said that if he would like to submit them in voice now, that would be fine, because those questions have all been submitted and those have all been attached to the minutes of the meeting that they were submitted. Jared Ross asked if a written request is submitted it gets no response. Kyle Heaton said that this is the submission process called public comment and if he reads the statute, the Commission is under no obligation to have a back-and-forth. They're under no obligation to answer the questions, and they're under no obligation to accept the comment, but they do. He said that one of the things the Commissioners wanted to do during the pandemic was so that, even though they had no obligation to attach comments to the minutes, they did it so everyone could see it on the Internet. He said that he thought that's going above and beyond that they did that, and the auditor agreed. He said that if Jared Ross wants to ask a question here that the Commissioners may or may not answer it, but they're under no requirement to, and he thinks that is a huge misunderstanding some people have.

Gary Odegaard of District 1 stated that he thought it seemed odd because he hears around the community that it would just be good for better public relations, even if the Commissioners are not required to. He said that he doesn't understand why they do it. He said that he has 12 years in the legislature so strange things may happen there, but not this kind of thing that happened this way. Commissioner Shaffley thanked him for his comments.

Jan Banevich stated to the comment section and the fact that things don't get answered. She said that she believes it was at the last remote meeting that Kyle Heaton stated that he checked with all the other agencies, the Port of Chehalis, the City of Centralia, different places, and how they are handling the questions during the remote period. She said that he said that they're all handling them same way as the Commissioners are, and that was absolutely 100% not true. She said that she contacted every single one of them and they all answered questions. She said that, yes, they can't answer them at the meetings. She said that they call the person afterwards and answer them. They all get answered, every single one. She said that why Kyle Heaton decided to say something that was not true is beyond her. Commissioner Shaffley thanked her for her comments.

John Elmore said that he wanted to talk about Dolly Parton, but he wanted to make sure that everyone else was all done with the inquisition. He said that he would like to bring some positive aspects. He said that he is the former two-term president of the Centralia Rotary Club and is happy to be there with another Rotarian, Commissioner Shaffley, as well as Rick Schnatterly. He said that what he wanted to talk about was the Dolly Parton Imagination Library Project. He said that some of those present are aware of it, some are not, but they're going into their second year. He brought some information for the Commissioners and Kyle Heaton, that is a monthly progress report that

shows money raised and each school district's enrollment. He said that when they started this process, it was very clear to everybody that they were going to do this as a county or they weren't going to do it at all. He also brought some information on the fundraising part of things, including a business sponsorship as well as an individual sponsorship. They actually simplified things down to a business card, so if you're really, really busy, you can set up through text a one-time donation or a sustaining membership. website. He said that they are educating individuals on the process, about the benefits of it, as well as some of the opportunities. He said that he wanted to share some statistics that are not conveyed on that report as to why is this the program is so important. He said that in his experience as an elected official, the thing that he saw the most opportunity in this whole community was whether we get good jobs. The opportunity with that is there has to be to an education system, but the problem with that opportunity is what are the children being prepared for? A child brain will grow to 80% of its adult capacity in the first three years of life. By age 5, 90%. But 95% of public education dollars are spent from kindergarten through high school. He said that they're really missing the boat. The children that are enrolled just in this program, which is $25 a year per child... They negotiate a really good contract and United Way administers the program for the entire county. They have a monthly board and he is the president. He said that they do oversight, they review all the statistics and data, and they come up with some new ways to get the community involved because it's community-driven process. But of the children currently enrolled in this program, 50% of them were less likely to need special-ed requirements or opportunities when they get enrolled in school. Currently the Centralia School District spends in excess of $6 to $7 million a year for special-ed requirements. Just that department. 40% will be less likely to be held back a grade. 28% will be less likely to participate in drug use. 70% will be less likely to be involved in a violent crime or in the justice system. When he first got involved in the City Council, he said that he thought the County was spending about $0.60 per dollar on law and justice; last year, it was over $0.80. It's headed in this trajectory that is unsustainable and is out of control. So, what they see as the society today is they are paying for bad choices, and there's no real way to reverse that effect other than re-educate our children and give them a great foundation for life. 46% are less likely to be involved in the criminal justice system. 40% are less likely to be a teen parent in high school, and of the ones that do get pregnant on average, they wait an additional two years. So, having a child at 16 versus 18 is a huge difference in that maturity level, psychologically, emotionally, and then the overall reliance on the public support system dramatically reduces. A child's IQ can be influenced up to 25 points, plus or minus, just with the exposure of this book program. Nothing else. The best part about it is it's delivered through the mail so it's very non-invasive, and it's COVID proof. If anything, they found out how important education continuation is through a pandemic. They are three times more likely to graduate high school, which means they are more apt to go to college, which means they're more apt to get a home and become a contributor to your tax base. The individual that did the presentation to the Rotary Group in Arkansas, she was a professor of early childhood education. She did a quick matrix on how the success of a program is measured. There was an Arkansas area she did that was very compatible to Lewis County. Over a 10-year period, they had about 11,400 kids drop out of high school, which is kind of what Lewis County has. That equated to almost $1 billion lost revenue to that area for life. We know today that if somebody doesn't have a high school diploma, to get a GED is very hard, to get a driver's license even harder, and it's very, very hard to attract quality employment if there's not a quality education. He said that he was a union member, retired as a Teamsters, and he's seen a lot of emphasis on Teamsters jobs, Teamsters jobs, Teamsters jobs. He asked where are they going to come from and where are they going to live and go to school? He said that if it was an easy problem, it would have fixed itself, so it's not. He said that they see the challenges just with the workforce that we have here and asked how they are going to fill that. He said that if you're a major employer and you want to bring 1,000 jobs to this area, when your

relocation costs are $100,000 per employee, is it really cost-benefit-analysis positive for you to spend a billion dollars to get a workforce here before even opening the doors? He said that these are some of the things that they're really working on. He said that when he was on the Council, he heard a lot of these things, he took that information, and after a large study and hard work, they got this program enrolled in Lewis County. He told everybody that their ultimate goal should be legislative funding. He's happy to say that OSPI has slated $2.3 million to roll this out state-wide on a 50/50 grant basis. So, $0.50 on the dollar the community pays, and the state will pay some others. They're going through some final details that's not been completely wrapped up, but it's looking like this will mirror the Governor's workforce initiative that he presented about six or seven years with apprenticeships on one hand and children being prepared for those apprenticeships on the other. He said that he is very excited about this and they're reaching out to the businesses, associations, and others to educate them about their opportunity to invest in their community directly, which can be done with this program. He said that he has some great information of the Commissioners would be interested in becoming a sustaining member or whether they can make a donation as a supporting entity within their budget. He said that they have raised about $140,000 currently, with reoccurring donations approaching about $700.00 a month. If they hit about $3,000 a month, that will pay for the program county-wide for perpetuity at the current row rate. He said that the idea is how do they keep up with growth and that's really what they're trying to do right now. They have a really good budget committee with reserve funding at about 10 months to one-year operational reserve. United Way is very excited about this partnership, as is the Rotary. They're all businesspeople and businesses need a good workforce to succeed. He thanked the Commissioners for their time and asked if they had any questions. Commissioner Shaffley asked how long has the Dolly Parton Imagination Library Program been in existence. John Elmore said that he thought it was around 1988-89. He said that currently, if the books were purchased they would be about $16 per book, but she has negotiated with the publishers, USPS, and some others for approximately $1.40. Currently worldwide, because now there are six countries that have adopted this program, about 1.6 million books a month get mailed. He said that they all come in English, with two per year in Spanish. One of the biggest costs for a lot of school districts is ESL and if you can mitigate that cost, then those school districts can take those dollars and put them into STEM apprenticeship programs and other things to accelerate workforce development. He said that's really what the program was, just to realign priorities so that they actually have the money to do what's necessary. The program has sent out approximately 165 million books so far today. Commissioner Markstrom thanked John Elmore for the debriefing and said it was appreciated. He said that he follows a lot of what goes on in the local school district and is really passionate about that and the kids in the community, so that's really exciting. He said that one of the big reasons that he was excited to be involved at the Port is the contribution that all of the tenants in the Port make to our local schools. He said that he thought in 2020 alone, without the levee, just the bond that's in place because they had the levee failure, the contribution of Port properties was l$420,000 to Centralia School District. Next year that will more than double with the levy once it goes in. He and Commissioner Shaffley thanked John Elmore for his comments. That's really nice. Thank you, thank you.

6) **Adjourn:** Commissioner Lahmann made a motion to adjourn the meeting into executive session to discuss personnel matters pursuant to RCW 42.30.110(1)(g) at 3:18 p.m. Commissioner Shaffley seconded the motion. The motion carried. Commissioner Lahmann stated that the executive session will last approximately 15 minutes with no decisions.

7) **Reconvene:** Commissioner Shaffley reconvened the meeting at 3:55 p.m.

8) **Adjourn:** Commissioner Markstrom made a motion to adjourn the meeting at 3:55 p.m. Commissioner Lahmann seconded the motion. The motion carried.

Patty Lahmann
COMMISSIONER

COMMISSIONER