PORT OF CENTRALIA
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Minutes
Regular Meeting & Public Hearing of the
PORT OF CENTRALIA
November 16, 2022
Port of Centralia Administrative Office & Via Teleconference
3:00 PM

Attendees: Commissioners: Kyle Markstrom, Peter Lahmann, and Julie Shaffley
Executive Director: Kyle Heaton
Director of Finance & Administration: Amy Graber
Port Counsel: Ray Liaw, Van Ness Feldman LLP
Public: Jan Banevich; Brian Dow; Cynthia Mudge, Centralia-Chehalis Chamber of Commerce; Paul Crowner; Harry Lutz; and Bob Jackins
Teleconference: Six unknown callers

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

2) **Public Hearing – 2023 Budget:** Commissioner Markstrom called the public hearing to order at 3:00 p.m.

3) **Review of 2023 Budget:** Kyle Heaton began a brief description of the 2023 budget. He said that Amy Graber has done a tremendous amount of work on it and extended his thanks to Dianne Dorey's office, adding that this is one of the earliest years that the Port has received its final tax numbers. He stated that Dianne Dorey's program of annual assessments versus four-year assessments is beginning to bear fruit and the Port is getting the numbers a lot faster, so it is very helpful for a more accurate budget.

   Regarding tax revenue, Kyle Heaton reported that Port staff has proposed a 0% increase as well as taking zero additional bank capacity. The ad valorem taxes for the 2023 regular levy will be about $0.29 per $1,000, which will bring in a little over $1.1 million. IDD #3 will be at the same millage rate of $0.29 cents per $1,000. He said that this is the last year of the IDD tax. The forest board and private harvest taxes are based on what was received the previous year and appropriately discounted; while there is no way to predict what the forest board yield or private harvest tax will be, the Port does expect a decrease in 2023 but was happy for the revenue that was received this year from the people that were able to log in the healthy market.

   Kyle Heaton stated that the rents that are in the 2023 budget are all contract and the Port does not foresee any issues. He said that there will be a couple of small renewals next year, but the following years are when the renewals start hitting more.

   Kyle Heaton said that the Port is dealing with inflation like everyone else, so expenses will increase across the board. Port staff applied a 10% CPI increase on expenses outside of salaries and benefits. He said the Port is under no obligation to spend all of that. Some expenses may run a little higher and some a little lower, but as a rule of thumb, that seems to be where most agencies seem to have

gone. He said that all of the expenses are pretty straightforward and he is happy to answer any questions.

Moving to long-term liabilities, Kyle Heaton said that the Port will retire more debt. Over the last 14 years, the Port has retired close to just over $1 million in debt a year. The Port is in a tremendous financial position and continues along those lines. The Port looks to retire another $1 million in debt in 2023. He reminded the Commissioners that the Port has a line of credit that will fluctuate up and down, which largely has to do with pay estimates and the delay between pay estimates from Midway Underground on a several-million-dollar project and the reimbursement time from the Washington State Department of Transportation. The Port is required to pay and then seek reimbursement, so waiting for the WSDOT money first is not an option.

Kyle Heaton said that Centralia Station is taking the bulk of the capital expenditures in 2023. He said the Port will continue on with miscellaneous land improvements, largely putting in the yard for Linden Comansa, which the Port is still working through permitting and SEPA on that with the hope of construction in spring. He said that some of the miscellaneous building improvements are being undertaken now so which year's budget it comes out of depends on if they are billed before December 31.

Commissioner Shaffley asked for more information on outside services, such as "marketing Port" and "community relations." Kyle Heaton explained that "marketing Port" is direct marketing of Port properties, as well as professional commissions, brokers, and that type of thing. He said that "community relations" are things like the Centralia-Chehalis Chamber of Commerce contract and the Economic Alliance of Lewis County membership. He said that at various times the Port is asked to sponsor job fairs and those types of things. As the Commissioners make those decisions, that is the fund that is pulled from. He reiterated that the Port is under no obligation to spend the money but it is there if needed.

Commissioner Shaffley said that she saw under "legal outside services" that there is $40,000 for public records requests. She said that she did not see that on the 2022 budget. Kyle Heaton replied that that was correct as it is a new line item for 2023. He said that the Port has also had to increase the Port staff budget due to public records requests. The Port has processed over 3,500 pages of public records requests over the last year, costing over $17,000 in staff time and an additional $17,000 in legal fees, with the Port receiving back in copying fees $176. He said that as long as that is going to continue on, the Port will continue to make budget adjustments so that nothing within that impairs the Port's mission moving forward.

Commissioner Shaffley asked if there were 3,500 pages, what was paid on each page or if the requestors were not paying for copying the pages. Amy Graber replied that during COVID, a lot of it was electronic. She said that there was one requestor who requested over 15 large documents that were sent electronically and said that they never received them, so she printed them off and sent them without charging them the copying fees.

Commissioner Lahmann asked if the $6,000 for "accounting" was the annual report. Kyle Heaton said that that was correct. Commissioner Lahmann said that on the first page of the final budget, the total revenue is $20,668,129, the preliminary budget said $20,439,949, and on the last page of the final budget was $20,467,746. He said that he was wondering which one was actually the final budget. Amy Graber replied that the preliminary budget is based on estimates and in the final budget

that Commissioner Lahmann is referring to, one number includes the beginning balance and one does not. If the beginning fund balance is subtracted, it evens out. Commissioner Lahmann asked if that carries over. Amy Graber replied that it did and that the preliminary budget is based on estimated numbers from the Lewis County Assessor and that has been updated in the final budget along with looking further into detail with certain expense line items and updating those. She said that is where Commissioner Lahmann will find the difference between the preliminary and the final budgets is that between the two documents that he has, one has the beginning fund balance. Commissioner Lahmann asked if that was the $200,000. Amy Graber replied that it was.

Commissioner Lahmann said that maybe Kyle Heaton had already answered his next question with the 10% increase, but the salaries on the preliminary budget were $403,969 and the final was $440,000. Kyle Heaton replied that he had said that the Port applied a 10% increase on non-salary expenses across the board. He said that when it comes to salary issues, the Port looks at staff time that has been required for public records requests and at construction budgets, and has allotted extra staff to them.

Commissioner Lahmann said that is difficult for him to reconcile this when he gets it 24 hours and 30 minutes before the meeting to go through it. He said that he was trying to be a good steward for the Port's funds. He said that there were several things like that, but it can probably be explained by the preliminary budget and adjusted amounts. He said that he was trying to figure out what the difference in the adjusted amount was. He said that he appreciated that there was a little bit of breakdown in the final budget. He said that he was not so worried about the operating budget, but he is interested on what the Port is spending it on. He said like the promotion that Commissioner Shaffley spoke about. He asked where the Port's advertising budget goes. He said that it goes to The Chronicle, the radio, and to different ways. He said he was curious how the Port is spending that to get the best bang for the buck. He said that he heard the one radio ad for long time stating how wonderful the Port is and how the Port knows it is wonderful, but he does not know if the Port has to say that it is unique. He said that the Port has changed the commercial and he thinks it is really good right now. Commissioner Shaffley said that she begs to differ on that point and that, as an advertiser, she tells everyone that she is good. Commissioner Lahmann said that she does and she is.

Commissioner Markstrom said that he thinks that the nice thing about how the Port is structured as a public organization, the three Commissioners vote on every warrant so they get to see every dollar that is being spent. When the Port spends money on advertising, the Commissioners see exactly where that goes and what the money is being spent on. Commissioner Lahmann disagreed. He said that one of his questions for today was on the Port's political lobbyists. He said that the Port spent $40,500 a year for the last four years yet he has never met the lobbyist and has never seen a report, which he has asked for in the past. He asked what the Port is spending $40,500 on. He said that he is sure the person is wonderful, but he would like them to tell the Commissioners that.

4) Public Testimony:

Jan Banevich, of Centralia, commented that it would have been nice for the public to have the budget prior to the meeting so they would know what to make testimony about.

Brian Dow, of Centralia, commented that public records request budget probably would not be anywhere near $40,00 if questions were answered more clearly, was better stated on paper, or things like getting the budget ahead of time like Jan Banevich just mentioned. He said that his perception is

that the public does not really get things answered that they would like to. He said that he does not know who likes to do public records requests and he certainly does not and would rather not. He said that he would rather have a question be answered and not have to go through any of that. He said that Commissioner Lahmann got his budget 24 hours ahead of time and he does not know if there is any way to put them out, but the public that is interested, whether at the meeting or not, could see it ahead of time so they have a chance to comprehend what is in there and decipher what needs to be asked or not asked.

Paul Crowner, of Centralia, commented that there was a great article about Commissioner Lahmann in The Chronicle. Commissioner Markstrom reminded the constituents that this was the time for comments regarding the budget and that there would be a time for public comment in the regular meeting. Paul Crowner asked who determines how much money and where it goes for advertising. He assumed that the money must be part of the marketing and advertising but there are no details given, just a lump sum. He said that about a year ago, a local man named Paul Beatty posted a diatribe on Facebook about Commissioner Lahmann and himself. He said that Paul Beatty wrote that Commissioner Lahmann was going to be a savior and blow the Commission up to show how bad it is and clean up the transparency. He had written that Commissioner Lahmann had been at the Port for three years and was like a version of the cyber ninjas. He also wrote that the Port needed a new direction and that should be with the resignation of Commissioner Lahmann, who was a spectacular failure. Paul Crowner said that Paul Beatty concluded that voters should ask for Commissioner Lahmann to quit. In response to comments made in regard to his statements, Paul Beatty went on to say that he did not like Kyle Heaton, has no use for him, and has not spoken to him in over a year. Paul Crowner declined to read the next sentence but said that he would provide a written copy. He said that Paul Beatty is the founder and owner of Eli Sports Network and the Port has an ad on their website. Paul Crowner assumed that the Port paid for the advertising and the ad is still live. He provided a screenshot of the ad from November 9, 2022. He asked, in regard to the budget, why is the Port spending money on a private business that openly supports the beliefs of the owner and founder that borders almost on slander and libel of one of the Commissioners of the Port. He said that he understands that Paul Beatty has a right to express his opinion, but it seemed to him that the Port should distance itself from the business that denigrates and disparages one of the Commissioners and Port staff as well. He asked who was accountable for those decisions and how much money is actually spent there. He said that a rationale should be made to the taxpayers of Centralia.

5) **Adjourn:** Commissioner Lahmann made a motion to adjourn the public hearing at 3:19 p.m. Commissioner Shaffley seconded the motion. The motion carried.

6) **Reconvene:** Commissioner Markstrom reconvened the regular meeting at 3:19 p.m.

7) **Approval of Agenda:** Commissioner Lahmann made a motion to add a discussion on the Commissioner Code of Ethics to the November 16, 2022. Commissioner Markstrom said that it would be added as item d) and the original item d) would be moved to e). Commissioner Shaffley made a motion to approve the November 16, 2022, agenda as stated. Commissioner Lahmann seconded the motion. The motion carried.

8) **Good of the Order/Public Comment:** Commissioner Markstrom stated that this time during the Port Commission's meetings is for the public to provide their comments. The Port Commission

welcomes and encourages their comments and participation. He said that the public is welcome to comment on items on the agenda or items not on the agenda; however, this is not time for the Commission to answer questions. He said that if the public asks a question and would like a follow-up, to please provide contact information and the Port will do its best to follow up at a later date. He said that those attending remotely via teleconference or others who are unable to attend can submit written comments to agraber@portofcentralia.com before 2:00 p.m. the day of the meetings. Those written comments will be attached to the meeting minutes. He added that everyone is lucky to live in a great community where they are all passionate about making the community a great place to live. While everyone might not always agree on how to achieve that, it is important that everyone recognizes that they can all be passionate about their ideas while also respecting each other. He reminded everyone that they have three minutes for their comments and if the time limit is reached, he will ask them to wrap up their comments.

Jan Banevich, of Centralia, did not provide public comment.

Brian Dow, of Centralia, said that unfortunately the only way they were able to get questions answered was to send an email in, which he said they were trying to work with the Port on that. He said that he sent one in approximately a week prior with questions in the email and that it hopefully went to all three Commissioners. He said that he had not checked his inbox that day but so far he did not think that he had received a response. Commissioner Markstrom replied that the email had been sent the previous Friday and that Brian Dow did have a response. Brian Dow asked if the response was from one Commissioner or all three. Commissioner Markstrom said that he could say from one. Brian Dow asked if it was sent that day. Commissioner Markstrom confirmed that it was.

Cynthia Mudge, Executive Director of the Centralia-Chehalis Chamber of Commerce, invited everyone to the Chamber's holiday activities that were coming up. She said that the first event, on November 23, 2022, was the Black Friday giveaway bags where people drive up to Lewis County Mall and grab their bag of good things from Chamber businesses. She said the next event was the 72nd Santa Parade on December 3, 2022, in Chehalis, followed by the tractor parade in Centralia on December 10, 2022. She said that she hopes everyone comes out.

Harry Lutz, of Centralia, thanked the Commissioners for the chance to come talk to everybody knowing how busy they are. He said that he had the sad circumstance of living on Galvin Road and has for quite a while when they did not have traffic going 50 miles-per-hour down the street. He said they did not have loud vehicles with no mufflers going down the street or the hundreds and hundreds of trucks. He said that he goes walking around his property in the morning at about 7:00 a.m. and almost gag on the diesel fumes. He thought that everyone at the meeting needed to know that there is a problem and he believes that somebody is going to get killed on that road. He said that the trucks go much faster than they should. He asked if they knew that, since they are there watching the traffic going by. He said that he should not have to tell them that. He added that it is not just the trucks but the employees that work there as well. He asked why no one was enforcing the traffic laws and asked if everyone knew what the speed limit was. He stated that it was 25 miles-per-hour, which is a speed he never sees anyone going anymore. It concerns him to see the trucks barreling down here when people are parked along the road by Judy's restaurant, there are school buses, and people are walking up and down the street. He said that he sees truck drivers go by texting on their phones. He said that something needs to be done and because the Port is bringing in the businesses, 50-60% of the traffic is going by because of the Port. He said that he did not know if that was true or not but an awful lot of it was and it just seemed to continue. He said that he has called the police but they do

not do anything about it, which he does not understand. He said that it says 25 miles-per-hour and asked why anyone else was not complaining besides himself. He asked if anyone else had made reference to it. Kyle Heaton replied that there had been. Harry Lutz recommended that the Port take some action on it before there is a fatal accident and said that maybe there has been and he did not know about it. He said that before there is a fatal accident he thought the Port should take some responsibility since so much of the traffic is dependent on the Port. He said the Port should let the police know there is a problem or do its own enforcement. He said he was getting pretty tired of it.

9) **Approval of Minutes:** Commissioner Lahmann made a motion to approve the November 2, 2022, regular meeting minutes. Commissioner Shaffley seconded the motion. The motion carried.

10) **Approval of Warrants:** Commissioner Shaffley made a motion to approve warrants 22767 through 22790 with an aggregate amount of $66,905.62. Commissioner Lahmann seconded the motion. The motion carried.

11) **New Business:**

a) **Executive Director Report:** Kyle Heaton reported that the Port had a house fire on Alder Street that was started by a transient. He said the person had been arrested and charged with reckless burning. He said the Port received a notice from the Lewis County Prosecutor's Office requesting whether the Port wanted retribution, which he declined. He said that the house is being demolished and the person was just trying to get warm. He reported that Puget Sound Energy was onsite the day before the meeting removing the gas lines, so time has started ticking with the Southwest Clean Air Agency. He expected the Port should have a demolition permit issued next week and will be able to get the demolition underway.

Kyle Heaton stated that the Brotherson Road Apartments continue to clean out. He said that in regular discussions with the property manager, the complex is expected to be vacant by the end of the month as per the contract. He said that the property manager has been doing a great job getting abandoned cars out of there and there are only two remaining. He said that the Port appreciates everything that LauraLee Zuber-Titus has done on that and said it has been a ride down there.

Kyle Heaton said that the previous week's rain event inundated the Kuper Road catchbasins on the east side of the road. He said that the Port placed bags inside the catchbasins to catch sawdust from the chip trucks. The bags enable the Port to not have to jet every year and usually can extend it out to every three years, but the bags were overrun as were the catchbasins. He said that he appreciated Janke Trucking for getting to the catchbasins quickly with a vacuum truck, getting the work done, and at a very reasonable price. He reported that the site has been jetted, vactored, and is ready to go for the rest of the year.

Kyle Heaton said that the Yew Street extension construction is underway and is going fine. He said that he had a construction meeting the previous week with the contractor and there are no issues at this time, but it is just the beginning. He said that they are working on clearing and grubbing and moving their way south.

Kyle Heaton reported that there was a motorhome incident that morning on Steelhammer Drive, which is a City street. He said that Gorham Printing contacted the Port and the City and he

believed the person involved was arrested. The driver was discharging their septic onto the sidewalk and was moved out of the area. Kyle said that he appreciated the neighbors on Fords Prairie. He said that the Port has not been able to get much movement as far as the trucks that have been parking on Steelhammer Lane, including working with the City Engineer and offering to pay for and put up "no parking" signs. He said that the Port has offered to do whatever it takes to get no parking in that area because the street was not designed for on-street parking. Port road design calls for interior parking all the way around. He said that some of the neighbors have become fed up with the trucks and started calling the City and the Port has noticed that they are thinning out. He said that Thursday seems to be the worst day of the week and thought that was due to drivers being ahead of their drop-off appointments and they are sitting there when they should find a truck stop to sit at. He reported that UNFI has been very stringent with their drivers as far as if they report more than an hour early they will not be loaded that day. He said that they are doing what they can on their end. UNFI has close to 1,000 jobs and most of the groceries in southwest Washington flowing through it and it is a handful. He said that he appreciated UNFI working with the Port and he appreciated the neighbors working with the Port and eventually it will be all calmed down. He said that there will always be truck drivers until it goes autonomous, so there will always be that one person who pulls down Midway Court and runs over one of the Port's fence, which happens on a regular basis. The Port takes damage from it. He said that the Port continues to work with UNFI on that and reiterated that the Port appreciates the neighbors for helping out.

b) **Resolution No. 2022-05 – Adopting the Final Budget and Setting the Property Tax Levy for 2023:** Kyle Heaton stated that the taxes were covered during the public hearing. The millage that the Port will be assessing is $0.29150541208, or $0.29 per $1,000 on the regular levy. He said that this is a 0% increase over the last year and it is also taking 0% of the bank capacity.

Commissioner Shaffley made a motion to approve Resolution No. 2022-05 Adopting the Final Budget and Setting the Property Tax Levy for 2023. Commissioner Lahmann seconded the motion.

Commissioner Markstrom and Commissioner Shaffley were in favor of the motion. Commissioner Lahmann abstained from the motion. The motion carried.

c) **Resolution No. 2022-06 – Setting the Industrial Development District Property Tax Levy for 2023:** Kyle Heaton stated that this is final year of the IDD tax. He said that the millage rate would be $0.29122448665, which represents a 0% increase over the previous year and 0% from the bank capacity.

Commissioner Lahmann made a motion to approve Resolution No. 2022-6 Setting the Industrial Development District Property Tax Levy for 2023. Commissioner Shaffley seconded the motion. The motion carried.

Commissioner Shaffley asked Kyle Heaton to explain what it means to have 0% of the banking capacity. Kyle Heaton replied that the Port has not been taking its full banking capacity for a few years. Commissioner Shaffley asked what full capacity meant. Kyle Heaton replied that with the construction that has occurred at the Port with UNFI and now with Ryerson, which is not online and will not hit tax rolls until next year, but with The Truss Company, STIHL, and all of the other expansions, the assessed value has climbed markedly even with TransAlta's decline. He

added that there has also been commercial development that has occurred around town as well, as well as some residential development. All of that counts into new construction. He said that Amy Graber is going to explain the rest of it since he has not been a finance director for 20 years.

Amy Graber explained that as the assessed value increases and they revalue your home, that increases assessed value as well. What is levied is the difference between that. She said there is a highest lawful levy, as an organization, that the Port can levy, and you can take 1% above that. She said that the Port has not been levying at its highest lawful levy amount that is allowed. She said the difference between what the Port takes and the highest lawful levy amount, plus that 1%, is the Port's bank capacity. Every year that the Port does not take a 1% increase, that highest lawful levy amount continues to increase every year. She said if the Port were to take its bank capacity, the Port could actually take an increase of 4%, even though they have that restriction of 1%. She said the Port could go right back up to its highest lawful levy amount, plus 1%. If the Port was levying at maximum capacity, the highest amount would say 1%, but if the Port decided to take the bank capacity and everything else, it would probably be at around 4%.

Commissioner Lahmann asked if there was part of the formula that the highest the Port can tax is 42.5%. Amy Graber replied that it was $0.45 per $1,000 assessed value, but you get capped depending on where the assessed value is. She said that as assessed values increase from the construction of UNFI and these other new construction projects, it drops levy rates. She said that the Port's levy rates for both the Industrial Development District and the general levy have dropped $0.05 each, whereas last year they were around $0.35 and now they are at $0.30. She said that it helps everyone as a whole.

Commissioner Lahmann said that he was supporting it because he knows the Port needs the money for the project that it is working on. He said that he was kind of nervous because he does not know where the money is coming from and where it is going, and what the Port is doing. He said the IDD money is supposed to go to the Industrial Development District and he is sure it is, but he would like to see more detail on the budget. Amy Graber replied that Centralia Station is Industrial Development District #3. Commissioner Lahmann asked if the whole thing was. Amy Graber confirmed that it was. Commissioner Lahmann said that he thought it was just part of it. Amy Graber reiterated that Centralia Station was Industrial Development District #3. Commissioner Lahmann said that the money goes to engineering fees and building costs and everything, so that answers that. He asked what the Port's game plan was when it runs out at the end of the year. He asked if the Port was going to put it up for the second six-year term or if it will be all paid off by the end of the year. Kyle Heaton replied that it should be all paid off.

d) **Discussion of the Commissioner Code of Ethics:** Commissioner Markstrom rovided the other Commissioners with copies of the Commissioner Code of Ethics. Commissioner Lahmann asked if there were copies of the Commissioner Code of Ethics available for the public so they can see what was being discussed. Commissioner Markstrom replied that he did.

Commissioner Markstrom stated that Commissioner Lahmann had had some concerns in relationship to a previous warrant and said that he has that information.

Commissioner Lahmann said that his question had been back at the August 24, 2022, Port meeting, which he had not been able to attend except for by teleconference, he had a question

about Warrant #22637, which was a reimbursement to the Washington Public Ports Association for registration. Commissioner Markstrom said that it was to the Commissioners conference and seminar and provided the other Commissioners with copies of Warrant #22637.

Commissioner Lahmann said that on the last page of Resolution 2005-05 at number seven, it says that no Port Commissioner shall attend a meeting as a representative to the Port without prior approval of the other Commissioners. He said that he did not recall ever giving approval for that.

Commissioner Markstrom said that he was the appointed trustee for the WPPA so the Commission is aware that he is the trustee and he will be attending those meetings. He provided the other Commissioners with a copy of the approved July 6, 2022, minutes, and said that in the Section C on the last page he had stated in his committee report that he would be attending the WPPA meeting at the end of that month in the Tri-Cities. He said that maybe Commissioner Lahmann had forgotten about that.

Commissioner Lahmann replied that he did not recall Commissioner Markstrom having asked permission to do that. He said that he understood that Commissioner Markstrom is a representative of that. He said that three years prior he had been disallowed on the same type of thing. Commissioner Markstrom replied that he thought the circumstances were different. Commissioner Lahmann replied that Commissioner Markstrom was the representative and he went to an officially appointed meeting, and the circumstances were not different. Commissioner Markstrom replied that he thought Commissioner Lahmann was recalling a denial of reimbursement for travel expenses. Commissioner Lahmann said that it was also the registration.

Commissioner Lahmann said that he thought all of the Commissioners should go to some training every year, even if it is just one conference. He said that you learn from other people and you learn things the way other businesses do business. Commissioner Shaffley said that they were not stopping that. She said that Commissioner Markstrom was the trustee. She said that she remembered when Commissioner Lahmann had presented for the billing, it was for per diem, travel expenses, hotel, food, and for all of that. Commissioner Lahmann said that it was normal expenses for something like that. Commissioner Shaffley continued that former Commissioner Keahey and herself had not known that Commissioner Lahmann was going to attend, there was no approval, and that is why they denied his compensation on the per diem and that type of thing. Commissioner Lahmann said that he would not go back and ask for that back, but he is saying that for in the future it would be nice if the Commissioners followed the rules that they have.

Commissioner Markstrom said that he neglected to see how the rules were not followed. He said that he did not ask permission to have capital expenses reimbursed, nor did he bill for mileage, meals, or his time. He attended the conference on his own expense.

Commissioner Lahmann said that as a policy matter, whether it is Port staff or Commissioners, it is common practice when you attend a conference that you pay for these things with normal expenses involved, which is his point.

Commissioner Markstrom said that he thought if the Commissioners brings it before the Commission and the Commission agrees that those expenses should be paid, they should be paid.

He said that he did not ask for those expenses and he did not want to burden the taxpayers with that, so he covered it himself. He said that it was not an issue.

Commissioner Lahmann replied that he appreciated that and said that he did not think it should have come out of Commissioner Markstrom's pocket. He said that he thought he should be reimbursed for that because he is doing the business of the Port.

Commissioner Lahmann said that the other thing he wanted to discuss was that a Port Commissioner that has a special interest or relation to a warrant or voucher being approved shall abstain from voting on the warrant. He said it was number four. He had asked at the time for this to be brought out and discussed, but he had been overridden, and Commissioner Markstrom had a special relationship to that warrant and went ahead when he had asked for it to be pulled. Commissioner Markstrom replied that special interest is when somebody stands to benefit from something and that is entirely different. Commissioner Lahmann asked Commissioner Markstrom that if he did something and it was reimbursed, he had not benefitted from it. Commissioner Markstrom said that he did not understand the question. Kyle Heaton said that he was not tracking. Commissioner Lahmann said that if Commissioner Markstrom attended an event and his registration was paid, he had no benefit from that. Commissioner Markstrom replied that personally he did not.

Ray Liaw, Van Ness Feldman LLP, said that in the traditional sense and as cited in the Commissioner Code of Ethics number three, and RCW 42.23, that is a conflict of interest standard. She said that typically a special interest or relationship has to be your personal interests. She said that if you were asking for a warrant to be approved for work that benefitted you, such as your own personal business and there was payment going to that business, then you would need to disclose that special interest and abstain from voting. She said that because this is related to Port business, the Port is a member of the WPPA, it is a different context and there is not a special benefit to you outside of your role as a Port Commissioner. Commissioner Lahmann said that he understood what Ray Liaw was saying and had read that. He said that he would drop it.

Commissioner Shaffley said that Commissioner Lahmann had brought up a nameless constituent had concerns about herself being the Chamber treasurer and her voting on the contract between the Port and the Chamber and that it was a conflict of interest of hers and that she should have abstained.

Ray Liaw replied that also falls under RCW 42.23 that if you have a role on a board of nonprofit organization, and it is a non-paid role, that falls under an exception and is not considered a special interest. She said that if it was a private organization that Commissioner Shaffley was on the board and had a paid role, that would have been a different classification.

Commissioner Shaffley thanked Ray Liaw for her explanation. Commissioner Lahmann said that had not been his question and had just brought it up. He thanked Ray Liaw for clarifying. Kyle Heaton thanked Ray Liaw for clearing the air. Commissioner Lahmann said that Ray Liaw had made it good for going forward.

e) **Committee Reports:** Commissioner Shaffley reported that she had attended the Centralia-Chehalis Chamber of Commerce retreat and that they were planning out the next year. She said that there will be exciting news and the Chamber has lots of things going on. She said that it will be a good year.

Commissioner Lahmann reported that he attended the mayors' meeting and one thing that came out of it was the Plan Growth Committee. He said that in 2025, all jurisdictions are mandated to update their comprehensive plans. Funding has become available for the Department of Commerce. He said that the Plan Growth Committee is an opportunity to coordinate between the jurisdictions on population and housing allocation, commerce brand applications, scoping, periodic update, and community engagement, and there will be efficiencies of cross-sharing information. He said that they are looking at what Lewis County is going to do with the population that is coming and to work together to see that there is an efficient plan. He had said at the meeting that there were a couple of ports that have issues with housing for employees and that maybe the Port should be involved in that, though he did not volunteer.

Commissioner Markstrom said that he did not have any committee reports. He stated that there is a WPPA annual conference in December, but he will not be attending due to a work commitment, but he will be following up and will report back on what was discussed.

12) **Adjourn:** Commissioner Lahmann made a motion to adjourn the meeting at 3:50 p.m. Commissioner Shaffley seconded the motion. The motion carried.

COMMISSIONER **COMMISSIONER**