



MEETING MINUTES

Land Bank Commission Meeting October 15, 2021 Virtual ZOOM Meeting

Commission Members in Attendance:

Jim Skoog, District 1, position 1	Brian Wiese, at large, position 4
Sandi Friel, District 2, position 2	David Meiland, at large, position 6
Miles Becker, District 3, position 3	Christa Campbell, at large, position 7

Commission Members Absent: None

Land Bank Staff in Attendance: Shauna Barrows, Lincoln Bormann, Peter Guillozet, Eliza Habegger, Erin Halcomb, Doug McCutchen, Aaron Rock, Amanda Wedow, Tanja Williamson

Land Bank Staff Absent: Charlie Behnke, Kayla Seaforth

County Council Liaison: Christine Minney

County Manager: Absent

Public in Attendance: 6 individuals over the course of the meeting.

Topic	Key Discussion Points & Agreements
Call to Order 8:31 am	Sandi Friel, chair, called the meeting to order.
Public Comment 8:32 am	None
Adoption of Minutes 8:33 am	The draft September 17, 2021 minutes were reviewed. There were corrections. Minutes were approved.

Chair and Commissioner's Report 8:37 am	<p>Miles reported the annual docket process reached the end stage. County Council held a public hearing and approved amendments to code in upcoming changes for the planning department. Miles and Land Bank staff had worked and commented on the tree protection amendment which focuses on trees outside the shoreline and critical areas. Miles noted these include big trees and groves of trees which give the islands their characteristic look and function and felt it's a good move and complimentary to the Land Bank's work.</p> <p>Sandi announced that the term for two commission seats expires at the end of the year - at large, position 4, currently held by Brian Wiese and at large, position 5, currently held by Doug Strandberg. Brian noted he will re-apply. Doug does not intend to re-apply. There was discussion about breadth of make-up and diversity. Christa asked Lincoln to share how vacancies are filled. Lincoln said normally County Council advertises the position(s) and received applications, but now there that there is no clerk, the Land Bank will take on the process. A question came up that if a sitting commissioner re-applies for the position, does that commissioner have priority and then advertising is moot? There was discussion. Sandi noted the topic warrants more follow-up, and to get through today's agenda, asked the topic be included on November's agenda.</p>
	<p><u>ACTION:</u> Tanja and Aaron will work on advertisements for commission vacancies.</p>
Council Liaison 8:47 am	<p>Christine Minney reported Brandon Cadwell accepted the position of San Juan County Parks and Fair Director. The interview and hiring process is underway for the County Community and Development Director and the search for the County Manager has begun. Christine noted a small pool of qualified candidates, accompanied by the challenges for someone to move to San Juan County, is making this a slow process. Council committed \$270k from the American Plan Rescue Funds to emergent childcare needs to Lopez, Orcas and San Juan Islands as well as \$20k to each island's family resource center. She noted redistricting is underway – every ten years, the state draws new legislative district boundaries based on the results of the latest U.S. census. Currently there are four proposed maps, two of which move the 40th legislative district east, which moves SJC into the 10th legislative district. This move would mean the loss of current legislators, Ramel, Lekanoff and Lovelett. Council has sent a letter to the redistricting commission which supports the proposed two map's and asked to keep SJC in the 40th District. Council awarded \$2.6M from the County's Home Fund to several local affordable housing projects on Lopez, Orcas and San Juan Islands. Lastly, Christine gave an update on the County's Covid-19 vaccination requirement. Individuals both staff and volunteers must be fully a vaccinated by October 31st. There are accommodations for qualified exemptions. Christine asked if there were any questions. Sandi asked if Christine had any insight in the earlier discussion regarding advisory committee seat vacancies and priority to returning volunteer commissioners. Christine did not.</p>
Financial Update 9:05 am	<p>Aaron reported the budget figures on these reports reflect the Revised 2021 Budget, approved by the LBC 7/16/21 and approved by the SJC Council on 7/13/2021. Other items to note.</p>

<p>3rd Quarter 2021 Financial Report</p>	<p>CONSERVATION AREA FUND FINANCIAL STATEMENT</p> <p>Total Current Assets increased by \$669,770 in the 3rd quarter of the year, bringing the total to just over \$6.5M. LGIP interest rate has dropped to 0.0929%, compared to 0.2118% at the end of September 2020. 1% REET received is 164.9% of the budgeted amount of \$3M, and 145.72% higher than YTD for 2020. 3rd Quarter Transfer to Stewardship was made in September according to the budget. The \$565,000 Interfund loan from Stewardship has been repaid in full including the \$6,450 interest based on the 3% rate for the loan. Administration expenditures are 2.97 % of revenue.</p> <p>STEWARDSHIP & MANAGEMENT FUND FINANCIAL STATEMENT</p> <p>Cash in the Stewardship & Management Fund increased by \$665,334. Federal indirect grant EPA fund were received from the San Juan's Conservation District Cost Share project on Coffelt Farm. The quarterly transfer was made in September from the Conservation Area Fund based on the Revised 2021 budget. Sale of Surplus funds in the amount of \$637 come from the auction sale of an old gangway at the Fisherman Bay Spit on Lopez</p>
<p>Proposed 2022-2023 Biennium Expenditure and Acquisition Plan</p> <p>Conservation Area Fund (CAF) Budget</p> <p>Discussion</p> <p>Stewardship and Management Fund Budget</p>	<p>Lincoln Bormann highlighted the Conservation Area Fund proposed 2022-23 Biennium Expenditure and Acquisition Plan budget. He noted the 2021 REET is projected for \$5.5M but will probably end up above that. 2022-23 are conservative estimates. He noted revenues from San Juan Preservation Trust (SJPT) for Conservation Easement (CE) purchases at Lopez Hill (\$356k) and Cady Mountain (\$428k). There is a placeholder for grants, which is for water rights purchase at Cascade Creek. Lincoln noted it looks like the sale of Rosario is going through and he's been in contact with the potential buyers. Other than that, no other state grants included; he anticipates applying for some in the future, but at this point nothing real enough to include in the budget. Restricted acquisition reserves – they are large numbers, but what's not included are the potential acquisitions the Commission has been talking about but do not have under contract. The number will be knocked down quite a bit if the projects that have been discussed come to fruition.</p> <p>Lincoln asked if there were questions about the CAF. Doug S. said he asked Aaron about expenditures and bond repayment. Doug noted the \$1,302,202 jumped out to him and Aaron explained it's not just bond repayment, but the loan from stewardship. Christa asked about the administrative expenses. She noted the topic came up during the Pol.is discussion and wanted to clarify that administrative expenses do not come from the CAF. Lincoln confirmed they do not come from the CAF. He also noted it has averaged 6.01% over the lifetime of the program.</p> <p>Lincoln commented there were some questions last time about the expenditures. He highlighted two things – the transfer to endowment and covering actual operations costs. Lincoln explained the increase in expenditures and noted the expenses are broken down with much more detail to show where funds are being spent. For 2022 there are big differences between districts, as well as big differences of the type of</p>

<p>Stewardship and Management Fund Budget continued</p>	<p>proposed projects. District 1 is mainly large public access infrastructure projects. Staff is working to get Beaverton Marsh and Cady Mountain Preserves open. Cady has never been open to the public, and Beaverton only seasonally. A boardwalk, which is a high dollar project, will connect Town across the marsh to Beaverton. Lincoln thinks there will probably be more expenditures at Zylstra – unfortunately will have to come back to the dam issue – the state program he’d hope to defray costs for water rights and dam maintenance didn’t work out. Also plans to move trailhead at Mount Grant Preserve. Lastly doesn’t anticipate any changes for Mount Ben Preserve. District 2 funds are not big projects but focus on forest management and assessments. 2022 budgeting is for assessments and 2023 numbers to do the work detailed from the assessments. Lincoln believes there will be opportunities for grants to offset costs.</p>
<p>Discussion</p>	<p>Lincoln asked for questions. Christa said she really appreciated the new breakdown format. She would like to keep this template and go back and fill in the true cost for comparison later. There was discussion regarding better value in spending money and seeing return value on the ground versus small interest rate from LGIP. Sandi noted great discussion and asked for Jim and David to work with Aaron. Lincoln and Sandi confirmed that Coffelt Reserve Study will be November agenda. David requested expenditure detail based on individual projects; he does not know how we track our spending. He thinks seeing an expenditure detail would help prioritize future projects. Sandi would like something similar maybe in a chart or graph form. Brian agreed and thought could be useful for annual report as well.</p> <p>Lastly, the Auditor’s Office informed Lincoln on Tuesday, 10/12, of a new decision packet, noting they were making a unilateral decision to increase the contribution to the endowment from \$500k to \$1M, for both years. Jim believed the decision inappropriate and overreaching; it should fall solely on the Commission. Jim noted he’d spoken with Councilwoman Minney and County Administrator, Mike Thomas. Doug S. said projects are a key component and was disturbed by the process and this being forced upon the Commission. He feels the Commission has always been fiscally conservative. Miles agreed. He also felt the amount was arbitrary and short-sighted. Miles asked if this is long-term because, yes, this was a big year for REET, but not necessarily happening every year. David asked who makes up the budget committee. Lincoln replied County Auditor, Milene Henley; County Administrator, Mike Thomas; Director of Health and Community Services, Mark Tompkins; and a few other employees from the Auditor’s Office. Christa agreed with Jim, Doug S., and Miles; she also noted that she has never seen this before. She stated the Commission has always had a great relationship with Council and the budget process. She emphasized that the budget the Commission has worked on is not the budget going to Council and that the equipment that was removed from the budget is not a call for the Auditor’s Office; it is a Commission decision. Christa encouraged Commissioners to attend the County Council meeting on Tuesday to express their displeasure. Brian asked if this effects the County’s general fund. Lincoln answered no – the Land Bank funding source is separate and restricted to the Land Bank. The Commission oversees the funding/budget. David added it felt like they are sending a message to the Commissioners to slow down spending. He said he found this</p>

<p>Discussion continued</p>	<p>decision surprising and asked if the Commissioners would like to send a letter to Council expressing their opinion. There was discussion regarding whether the County would have access to Land Bank funding if the Land Bank sunsets? Doug S. asked for Lincoln's recommendation regarding next steps. Lincoln suggested the Commission talk to Council members; the Land Bank Commission exists as an advisory board to the Council. Christa asked to confirm that the commissioners are voting, today, on the budget that the Commission came up with. Lincoln confirmed, yes, the Land Bank Commission submits the budget, and it should be included in the decision packet summary. The County Council will see the budget that the Land Bank Commission passed, and the additional budget included in the decision packet from the Auditor. Miles asked if the Commissioners should include a letter stating their stance. Lincoln suggested speaking one on one with Council. Sandi also agreed with everything that had been said and as an expenditure decision it lies with the Land Bank Commissioners only. She plans to attend the Tuesday Council meeting and will reach out to her Council member.</p>
<p>Open Public Hearing 10:21 am</p> <p>Closed Public Comment 10:22 am</p>	<p>There were no public comments.</p>
	<p>ACTION: Doug moved to approve the proposed 4th amendment to the 2021 Expenditure and Acquisition Plan (EAP), the proposed 2022 EAP and proposed 2023 EAP. Brian Wiese seconded the motion. There was no further discussion. Motion passed.</p>
<p>Break 10:24 am – 10:33 am</p>	
<p>Director's Report 10:33 am</p> <p>Lopez Island</p> <p>San Juan Island</p>	<p>Higgins Property - Background: The last unprotected parcel on Watmough Bay, this 11.5-acre tract has over 2,000 feet of shoreline on the Bay and Rosario Strait, and is a high priority salmon recovery area. The upland area features the oldest house on Lopez dating back to the 1870's and a remnant homestead. This is also likely a significant cultural heritage site for the Coast Salish. The property will be going on the market with an asking price likely to be \$2.5 million. Current: Lincoln said a purchase price has been negotiated and the Conservation Fund has verbally agreed to terms to move forward with the acquisition and later resell to the Bureau of Land Management (BLM) after they get funding from the Federal Land and Water Conservation Fund.</p> <p>Lincoln showed a map and gave an overview of a few properties for sale on San Juan Island, highlighting the Hauschka properties and Lawson Pond. He noted he's had a request from a landowner for a 10-acre piece adjoined on two sides by Cady Mountain Preserve. It also has a road through it. Lincoln has been talking to the owners about a potential forever wild CE. Lincoln estimated the CE would be valued around \$200k. Doug S. didn't feel it was a high priority property at this time and felt</p>

San Juan Island continued	the CE price was high. David agreed. Christa and Sandi deferred to San Juan Commissioners. Lincoln will speak with the landowner to the south regarding donation and report back.
Stewardship Report 10:44 am Turtleback forest assessment update	Peter noted the assessment was done in 2020 by Rainshadow Consulting using funds from the SJPT Turtleback Preserve endowment funds. This assessment included revisiting plots from 2010 and added Turtlehead. He noted the main goal was to address climate resiliency and fire control. Rainshadow came up with a number of recommendations, including expanding fire break that currently exist to some extent on roads and trails; pushing back encroaching conifers from high priority Garry oak and rocky bald habitats; and more conventional foresting. Peter remarked it's an ambitious plan, tiered in planning and implementation. Peter said next steps will be to implement small scale forest projects with lots of outreach beforehand and provide visitors with first-hand experience. He hopes to complete the work over the next decade as funds and capacity allow. Jim noted he has been doing similar work on property he manages and offered to take a small group to show examples. Peter pointed out Turtleback is enrolled in the Forest Stewardship Council (FSC) Program and is required to have an up-to-date forest management plan. He said this is all work that needs to be done and it will be a slow and thoughtful process. Sandi said she liked the outreach component and asked if it would be possible to do any education for homeowners around the topic of what makes a healthy forest. Peter said the Conservation District is a great resource for homeowners.
Outreach/Volunteer Report 10:55 am	Tanja said she'll be brief as she was on vacation the last half of September. She is working with the San Juan Island Library to host a Story Walk at Zylstra Lake Preserve. The communication sub-committee has been working on the upcoming fall Community Conversation, which is confirmed for November 10 th . The topic will be around the Land Bank acquisition matrix and share clarity on how the Land Bank makes decisions. It will be a countywide meeting and will try breakout rooms for more personal communication. She requested everyone share the event with their networks. Sandi asked about the status of the Pol.is press release that Kaj was planning to write. Tanja said she'd received an email from Kaj and he was putting finishing touches on the press release and she expected it within the week.
Executive Session 10:58 am – 11:30 am	The Land Bank Commission met in executive session in accordance with RCW 42.30.110 (1)(b) to consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price.
Future Agenda Items 11:20am Discussion	Agricultural goals and policy document Rent and Reserve Study for Coffelt Farm Preserve Requirements for new commissioners How we can look stewardship as an overall picture Miles asked if there would be a special meeting for Coffelt Farm and a lease. Lincoln noted yes but hasn't been scheduled. Brian thought it may be too early – still haven't seen Reserve study. Sandi said commissioners has talked about having a facilitated discussion and probably in the evening. She doesn't think it would fit in a regular

Discussion continued	<p>meeting. There was discussion. Christa asked if a retreat had been scheduled? Lincoln said not yet. There was discussion regarding retreat date and dependent upon when Coffelt Reserve Study is discussed. Christa clarified, not two meetings in December; just one which includes a retreat. Lincoln will check availability with the facilitator. Logistics were discussed.</p> <p>Christa asked who would be responsible for managing the Higgins property after the Conservation Fund owns it and before the BLM buys it. Lincoln said the family suggested the current family living there could remain as caretakers, but the Conservation Fund would be responsible for management.</p>
Meeting Adjourned 11:50 pm	Chair, Sandi Friel, adjourned the meeting.
NEXT MEETING	The next LBC meeting is scheduled to take place November 19, 2021.