

Edit Referral

H-24-240 Referral Information

Hotline ID: H-24-240

Date of Submission: 5/29/2024

Entity Type: Local

Entity Category Type: County

Entity: Pend Oreille County

Sub Entity Name:

Category:

1-2 sentence description of concern: Citizen has concerns that there is conflict of interests between Pend Oreille County (POC) Commissioner John Gentle and his wife POC Port Commissioner Kimberly Gentle have been going on for several years

Report Issued: No

Reporting Type: Hotline Letter

Report Number:

Investigation Contracted: No

Contract Number:

Contract Name:

Billing Time Code:

Costs:

Public Records Request: Yes

Flag For Annual Report: No

Substantiated: No

ARRA: No

Action: Referred to Audit Team - Consider Next Audit

Audit Team: Spokane

Audit Team Contact: whitebd@sao.wa.gov

cc:

Referral Date: 5/29/2024

Action Taken: No

Response Date:

Report Date:

Follow Up Date:

Date Closed: 12/5/2024

Edit Referral

H-24-240 Contact Information

Hotline ID:	H-24-240	Date of Submission:	5/29/2024
Submission Method:	Letter	Date of Letter:	5/23/2024
Submission Type:	Citizen	Staff:	gillisj
Author(Last, First):	Wells , Gloria (Jean)		
Address:	94 Trask Rd.		
City:	Newport	State:	WA Zip: 99156
Home Phone:			
Work Phone:			
Mobile Phone:			
Email:	wellsgj@hotmail.com		
Can Contact:	Yes		
Contact	Email		
Preference:	Regular Mail		
Anonymous:	No		
Waived Confidentiality:	No		

Edit Referral

H-24-240 Referral Details

Hotline ID: H-24-240

What state or local organization is involved?

Pend Oreille County

Please identify the specific concerns you are hoping the audit will address.

Citizen has concerns that there is conflict of interests between Pend Oreille County (POC) Commissioner John Gentle and his wife POC Port Commissioner Kimberly Gentle have been going on for several years

Please provide a detailed description of the assertion or outstanding achievement, including who, when, where, what, how and how much.

How did this issue come to your attention?

**What employee(s), contractors, etc., were involved in the assertion or achievement?
Please include employee titles if possible.**

Please provide the names of any witnesses to the assertion or achievement, if possible.

Please provide any additional details or comments that would help us understand your assertion or achievement.

Edit Referral

H-24-240
Activity
Log

Hotline ID: H-24-240

Entry Date ▼	Log Entry
12/05/2024	Referral updated by 'JEANA Gillis (gillisj)'.
12/04/2024	Referral updated by 'BRADLEY White (whitebd)'.
12/04/2024	I emailed the final letter to the citizen and attached to supporting documents. This hotline can now be closed. --whitebd
12/03/2024	Referral updated by 'JEANA Gillis (gillisj)'.
05/30/2024	Referral updated by 'BRADLEY White (whitebd)'.
05/30/2024	Referral updated by 'BRADLEY White (whitebd)'.
05/30/2024	Emailed citizen to let them know we would consider the risk during our upcoming audits this summer and fall, added email to supporting documents. --whitebd
05/29/2024	Referral updated by 'JEANA Gillis (gillisj)'.
05/29/2024	Task assigned to 'whitebd@sao.wa.gov'. Team notification email sent to: whitebd@sao.wa.gov
05/29/2024	Referral updated by 'JEANA Gillis (gillisj)'. Action changed from (not set) to Referred to Audit Team - Consider Next Audit.
05/29/2024	Referral updated by 'JEANA Gillis (gillisj)'.
05/29/2024	Referral updated by 'JEANA Gillis (gillisj)'.

From: Jean Wells
To: White, Bradley (SAO)
Cc: McCarthy, Pat (SAO); Jean Wells
Subject: Another exampleFw: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?
Date: Monday, November 18, 2024 12:01:42 PM
Attachments: Outlook-Logo_The.png
Letter for Jean Wells.docx

External Email

Here's another example of POC Apprentice-in-Training John Gentle used in raising property valuations for assessment year 2020 for tax payable in year 2021, which was supported by POC BOE and Assessor.

Pend Oreille County BOE 2020-24 & 2020-25 McMann, Dennis at 161 Finnilla Dr., Newport, WA:

John Gentle, appraiser in training and candidate for POC Commissioner, changed Appellant Dennis McMann's basement valuation from unfinished to finish without looking in the windows.

In September 2020 I met with Mr. McMann at his home. He shared that his wife of 58 years, Janice McMann, had passed away April 1, 2020, which was a couple of months before receiving his new property assessment. They never could afford to finish the basement as it has only a toilet and no inner walls. The basement was built for the contractor and employees to access while they were building the McMann home in 2004.

As I was sitting in Mr. McMann's living room I noticed his home was in need of repair. Gentle did return and agreed the basement was unfinished. At the BOE Hearing, Gentle admitted the basement was unfinished but upgraded the structure code from 1.5-4 to 1.5-5 thereby erroneously increasing the property value. However, Gentle changed the classification code BDMF Daylight Basement Minimal Finish BDMF-3 to BAUF Basement Unfinished BAUF-2.

Mr. McMann attempted to explain in detail to BOE members and Gentle the property was fractional ownership (i.e., 1/12th), but they didn't understand divided shares.

I offered to help Mr. McMann in filing an appeal to WSBTA, but he was too exhausted and depressed to continue dealing with Gentle.

Following is link to BOE's decisions
[Property ID 11069 & ID 11072](#)

BOE 2020-24 (NOTE: In this BOE decision it is noted "...Petitioner was sent a stipulation form."):

161 Finnilla Drive, Newport 11069/443130569003

BOE Decision <https://www.pendoreille.gov/media/15441>

POC Assessor's website http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=11069

BOE 2020-25:

161 Finnilla Drive, Newport 11072/443130569006 <https://www.pendoreille.gov/media/15446>

POC Assessor's website http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=11072

Thank you,
Gloria (Jean) Wells
94 Trask Rd
Newport, WA 99156
Cell: (509) 879-1935

From: Jean Wells <wellsgj@hotmail.com>
Sent: Tuesday, November 12, 2024 1:13 PM

To: White, Bradley (SAO) <whitebd@sao.wa.gov>; Pat.McCarthy@sao.wa.gov <Pat.McCarthy@sao.wa.gov>

Cc: Jean Wells <wellsgj@hotmail.com>

Subject: Re: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

Dear Bradley,

You have no idea how grateful POC businesses and residents are to have SAO and DOR respond to our concerns regarding unfair property valuations, and conflicts of interest.

Following is new information:

YouTube Selkirk Sun Candidate Debate discussion included Norm Smith's Lake property valuation on Diamond Lake, and Kimberly and John Gentle's conflict of interest.

Direct Dialogue Debates | 10/3/2024

Integrity and appearance of conflict-of-interest discussion start 11:30 to 17:30; Budget - Staffing levels high ("infection") & Weed Board 20:00 - 22:30

Gentle's property valuation not at same rate (anything can be done) 32:00 - 34:00; Norm Smith property taxes 36:00 - 39:30
Wage Commission - 40:00

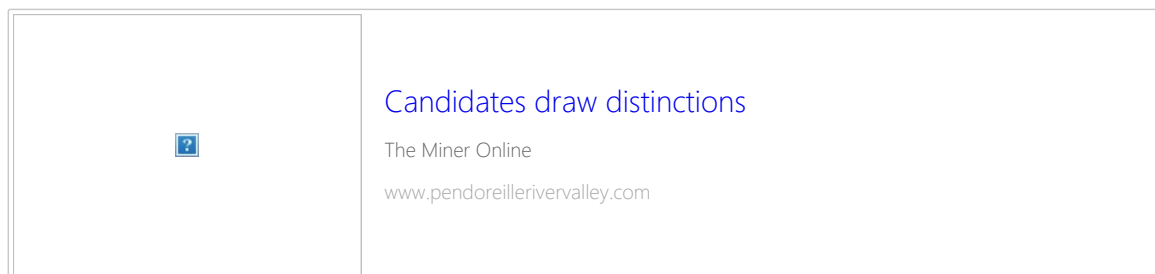
<https://youtu.be/EfR4tOxRg3o?si=H1Z3X7oQvdfnOxMF>

I was shocked to discover **Norm Smith's Diamond Lake property valuation at 205 Woodland Dr., Newport, WA 99156** has been valued at a significantly lower sum total percentage compared to other lake property owners. **His property is .8 miles from my property.**

Smith has two residential buildings on a lot size with beach front 50 feet x 155.20. The sum total valuations are: 2024 3.97% increase; 2023 .93% increase; 2022 13.27% increase; 2021 2.25% increase; 2020 7.95% increase; 2020 1.62% increase; 2019 0% increase; 2018 .043% increase; 2017 0% increase; 2016 0% increase; 2015 0% increase; 2014 3.34% increase; 2013 -6.29 decrease; 2012 .79% increase; 2011 0% increase; 2010 0%; 2009 0% Following is link to POC Assessor's website
http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8721

Candidates draw distinctions by Don Gronning with Newport Miner article dated 9/25/2024

<https://www.pendoreillerivervalley.com/article/1456,candidates-draw-distinctions>



Why I voted against the county contract with the port BY ROBERT ROSENCRANTZ, CHAIRMAN PEND OREILLE COUNTY COMMISSIONERS

05/01/2024 06:00 AM GUEST OPINION <https://www.pendoreillerivervalley.com/article/161,why-i-voted-against-the-county-contract-with-the-port>

Oct 16, 2024, The Newport Miner, Newport, WA (NOTE: mentions he is running for POC Commissioner because of conflicts of interest, unfair property valuations, etc.)

Pend Oreille County Commissioner: Steve Haroldson Minnich
District 1

Age: 71 Occupation: Retired (2007) Teacher (30 years); Retired (2012) Military Reserve (WA ANG, E8, 26 years)
<https://www.pendoreillerivervalley.com/article/1648,pend-oreille-county-commissioner-steve-haroldson-minnich>

There are a few more unfair tactics that POC Assessor's Office have used in countering Appellants' statements.

POC Assessor's Office submitting evidence to WSBTA **omitted 71 documents in packet sent to Appellants** Phyllis and Ted Kardos (see attached copy of Kardos letter dated February 7, 2021, to WSTBA).

2020 valuations for 2021 tax year:

First highest was - Timothy L. Merriman (78 y/o disabled veteran who stated he is visually impaired) and Ruth A Merriman property owners of 62 Trask Rd: Marshall Swift Code changed from 2 to 4, increase improvements from \$45,793 to \$118,083 is a 157.86% increase, and land increase from \$117,900 to \$162,440 is a 37.77% increase (= \$280,523 equals sum increase of 71.34%). Mr. Merriman said he was going to wait until he receives his 2021 property tax statement to complain and request POC Assessor's Office reduced the valuation. We tried to explain to Mr. Merriman that isn't how it works, but he didn't understand the appeal process. POC website http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=11364

Second highest — my property - Gloria Jean Wells at 94 Trask Rd: Marshall Swift Code changed from 2- 3 to 2-4, increase improvements from \$117,298 to \$210,677 is a 79.60% increase, and land increase from \$104,000 to \$124,000 is a 19.32% increase (= \$334,677 equals sum increase of 51.23%). POC

link http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8673

Third highest was Loretta Rhodes (89 y/o widow retired nurse) at 92 Trask Rd: Marshall Swift Code changed from 2-3 to 2-4, increase improvements from \$88,048 to \$186,678 is a 112.01% increase, and land increase from \$153,675 to \$177,580 is a 15.55% increase (= \$364,258 equals sum increase of 50.69%). Mrs. Rhodes appealed to WSBTA, with the assistance of her daughter - Lana and son-in-law Jay Whitver. POC link http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8674

2020 valuation for 2021 tax year 2021: Two examples of Marshall Swift code change downward are:

Paul E. Haa (76 y/o South POC Fire Rescue volunteer) and Randi Haa addresss **95 Trask Rd** : Parcel/Account Number 8650/443001559034, 7/4/20 POC Haa initial property value at \$349,945; 7/16/20 value at \$490,630; 10/10/20 reduced value at \$413,664. POC property summaries show Marshall Swift changed downward from 1.5-5 to 1.5-4 and 5 to 4, improvement \$255,705 to \$319,424 increase of 24.91%, land remained same at \$94,240 = \$413,664 (sum total of 18.208% increase) **Please note these two properties were sold 8/15/2023 for \$995,000, but 2025 valuation is \$670,187. Following are links to both properties.**

http://taweb.pendoreille.org/propertyaccess/Property.aspx?cid=0&year=2025&prop_id=8649

http://taweb.pendoreille.org/propertyaccess/Property.aspx?cid=0&year=2025&prop_id=8650

Gregory E. Krein (65 y/o) and Sheila R. Krein at **171 Trask Rd.**: Marshall Code changed downward from 3 to 2, initial improvements value from \$89,094 to \$92,992 increase 4.37%, land from \$213,280 to \$248,540 increase 16.53% = \$341,532 (sum total 12.95%increase). http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8659

Please consider including my neighbor, Loretta Rhodes, at 92 Trask Rd, Newport, WA 99156: 2024 valuation for 2025 property tax. Assessor James McCroskey increased her property valuation without a physical inspection. The Structures/Improvements valuation increased from \$198,830 to \$255,524 (28.51% increase) and Land from \$232,220 to \$254,050 (10.4% increase). The structure is in very poor condition. The Assessor continues to list a garage, which was demolished years ago due to a windstorm. They continue to request that the garage be removed from POC Assessor website because it may be part of the erroneous assessment. Assessor has removed structure information for other property owners; for example, **property owned by Deputy Assessor Nathan Longly had square footage removed from tax rolls because of damage during windstorm.** (Mrs. Rhodes' property is mentioned in the above comments regarding 2020 valuations for 2021 tax year as her property was third highest). POC link http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8674

Many POC property owners stay silent because of possible retribution, public embarrassment and/or condemnation of their property. Some have told me that they only purchase liability insurance, if their home burns down so be it and if they get in an accident at least the other party will be compensated.

I know you know this, but I feel better expressing the following: new taxable value should be based on completion of new construction, improvements, change in ownership, depreciation, condition, etc. Assessments that are inequitable and have errors result in property owners paying more in property taxes than other owners of comparable property and create future overvalued/undervalued assessments. All property owner's property valuations must be fair and accurate assessments, so everyone is paying their fair share of property taxes.

Assessor James McCroskey has a lot of power and influence over property assessments (and possibly in other POC departments) so it's important to have a mechanism in place to make sure he doesn't abuse it by unfairly assessing properties knowing that the burden is on the Appellants to prove him wrong. It's an unfair burden for Appellants to have to prove. Recently a neighbor shared that the McCroskey's own several properties in Montana. Link to Montana DORV property website:
<https://svc.mt.gov/dor/property/prc#/search/McCroskey/200/1/all>

Thank you,
Gloria (Jean) Wells
94 Trask Rd
Newport, WA 99156
(509)879-1935 (NOTE: I block unknown callers. I'm sending to myself to make sure links work.)

From: White, Bradley (SAO) <whitebd@sao.wa.gov>
Sent: Friday, November 8, 2024 3:48 PM
To: Jean Wells <wellsgj@hotmail.com>; McCarthy, Pat (SAO) <mccarthyp@sao.wa.gov>
Subject: RE: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

Hi Jean,

We are close to completing the field work on this audit, and hope to have this wrapped up in the next few weeks. As soon as the audit is concluded, I will send you a letter with the conclusions from the work we did related to your concerns.

Thank you,



Brad White, CPA
Team Spokane Audit Manager, County Program Manager
[Office of the Washington State Auditor](#)
(509) 919-0240 | www.sao.wa.gov
Keeping Washington rooted in #GoodGovernment since 1889: sao.wa.gov/rooted

From: Jean Wells <wellsgj@hotmail.com>
Sent: Friday, November 8, 2024 11:06 AM
To: White, Bradley (SAO) <whitebd@sao.wa.gov>; McCarthy, Pat (SAO) <mccarthyp@sao.wa.gov>
Cc: Jean Wells <wellsgj@hotmail.com>
Subject: Re: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

External Email

Please provide an update. Thank you.

From: White, Bradley (SAO) <whitebd@sao.wa.gov>
Sent: Thursday, September 19, 2024 10:31 AM
To: Jean Wells <wellsgj@hotmail.com>; McCarthy, Pat (SAO) <mccarthyp@sao.wa.gov>
Subject: RE: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

Hi Jean,

Yes we did receive your email and we are currently working on that audit. We will respond to your concerns once we have had a chance to evaluate the risks related to that audit.

Thank you,



Brad White, CPA
Team Spokane Audit Manager, County Program Manager
[Office of the Washington State Auditor](#)
(509) 919-0240 | www.sao.wa.gov
Keeping Washington rooted in #GoodGovernment since 1889: sao.wa.gov/rooted

From: Jean Wells <wellsgj@hotmail.com>
Sent: Thursday, September 19, 2024 9:36 AM
To: White, Bradley (SAO) <whitebd@sao.wa.gov>; McCarthy, Pat (SAO) <mccarthyp@sao.wa.gov>
Subject: Fw: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

External Email

State Auditor Pat McCarthy and Senior Financial Analyst Bradley White,

This is to confirm that you received my previous email regarding upcoming audit for Pend Oreille Couty.

Thank you,
Gloria (Jean) Wells
94 Trask Rd
Newport, WA 99156
Cell: (509) 879-1935
Landline: (509) 448-0789

From: Jean Wells <wellsgj@hotmail.com>
Sent: Wednesday, September 4, 2024 10:39 AM
To: amelia.lamb@commerce.wa.gov <amelia.lamb@commerce.wa.gov>; emily.blume@commerce.wa.gov <emily.blume@commerce.wa.gov>; Thomas, Penny (COM) <Penny.Thomas@Commerce.wa.gov>; White, Bradley (SAO) <whitebd@sao.wa.gov>; Pat.McCarthy@sao.wa.gov <Pat.McCarthy@sao.wa.gov>
Cc: Jean Wells <wellsgj@hotmail.com>
Subject: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

Please consider a comprehensive audit of the Assessor's entire operation to determine whether assessments are being made in accordance with Washington property tax law. Pend Oreille County Assessor McCroskey's methodology of appraising property assessments appears unfair and unequal. Include a review of the Assessor's administrative policies and procedures that affect both real property and business property assessment programs and the Assessor's program for assessing personal property and furnishings. Is the Assessor and/or appraisers required to recuse themselves from appraising properties of political allies, family

members, friends, alumni, businesses' that they do business with, etc.?

In 2020, I discovered my property valuation was 2nd highest on Trask Rd with structure increasing significantly and land value unfair compared to other properties on Trask Rd.

My 2019-2020 property assessment increased from \$221,298 to \$334,677.

2019 improvement value was \$117,298 - 2020 \$210,677 (**79.61% increase**); 2019 land value was \$104,000 in 2020 \$124,000 (**19% increase**) Property tax in 2020 was \$2,338.11, in 2021 \$3,336.20 (**\$998.09 - 42% increase**). The trainee appraiser had not passed the Uniform Standards of Profession Appraisal course, which is required by DOR, and lacked credentials.

2024-2025 proposed property assessment is \$483,565 currently assessed at \$381,004 (improvement increase from \$225,004 to \$308,565 an **increase of 37%** and land value increase from \$156,000 to \$175,000 **an increase of 12%**).

1. Following is a sampling of properties sold in 2022 for tax area 0005 - 1 -56 F3 S2 that have 2025 assessments at less than purchase price: for example,
2. December 1, 2022 - 21 Lakeside Dr sold for \$550,00 the 2025 assessment is \$364,411, that's **\$185,589 less than purchase price** http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9047

September 2, 2022 - 5706 Northshore Diamond Lake Rd sold for \$660,000 - 2025 assessment is \$490,000, **\$170,000 less than purchase price** http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=11351

August 5, 2022, - 443 Bayview Blvd sold for \$909,000 - 2025 assessment is \$626,116 that **\$282,884 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9010

July 29, 2022 - 353 Southshore Diamond Lake sold for \$500,000 - 2025 assessment is \$240,034, that's **\$259,966 less than purchase (Realtor Bockermuehl sold it to a neighbor)**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8879

June 9, 2022, 781 Southshore Diamond Lake sold for \$851,000 - 2025 assessment set at \$606,603 that's **\$244,397 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8909

May 27, 2022, 441 Bayview Blvd sold for \$825,000 - 2025 assessment at \$574,532, that's **\$250,468 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9011

January 19, 2022 325453 Highway 2 purchase price \$750,000 - 2025 assessment \$548,606, that's **\$201,394 less than purchase price** http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9169

July 27, 2022, 352 Southshore Diamond Lake sold for \$110,000 - 2025 assessment is \$72,000 that's **\$38,000 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8904

March 8, 2022, 1402 Southshore Diamond Lake Rd sold for \$517,000, 2025 assessment \$434,884 that's **\$82,116 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8508

April 20, 2022, 123 Rockwood Rd., sold 2 properties for \$475,000 - 2025 assessment is \$422,189, that's **\$52,811 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8776

November 10, 2022, - 684 Southshore sold for \$275,000 - 2025 assessment is \$236,291, **that's \$38,709 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8800

3. I found properties sold in 2023 with values for 2025 tax rolls less than purchase price too. I did not research 2020-2021 or 2019-2020.

3. Washington standard practice is to value structure with classifications Condition 1-6 and Quality 1-6.

- Condition 1 new homes and Condition 6 is a home in very poor condition or needs substantial rehab.

- Quality 1 is for very high-end homes and Quality 6 is for the lowest quality of materials used.

4. Does POC have an Ethics Policy, is our Assessor removed from amending values? This is a standard practice for assessors in Washington

5. Are appraisers accredited and required to sign a certified document that property value to be true and accurate? This is a standard practice in Washington.

6. What is the POC average valuation rate increase for the 2025 tax year? Spokesman Review article dated June 18, 2024, Spokane County assessor reported property values decreased.

7. Review a representative sampling of the assessments; for example, Assessor James McCroskey, Deputy Appraiser Nathan Longley, and County Commissioner John Gentle (former appraiser in training), as all benefit from "unfinished and minimal finished areas." My opinion, public has a right to compare their property with theirs because McCroskey, Longly, and Gentle were trained to assess structure class code and land values. You may want to include other elected officials that own multiple properties in POC.

Assessor McCroskey submitted a graph displaying properties owned by elected officials and Deputy Assessor Nathan Longley (who is currently serving on Newport Council). Some of the property owners have multiple properties in POC, including me, but are omitted.

According to the graph, Commissioner John Gentle's property for 2025 is assessed at \$460,209. According to POC 2025 total taxable amount is \$369,419 with structure at \$320,814, which is significantly less than the graph reports. Commissioner Gentle purchased the property Nov 18, 2013, for \$369,419 with **3100 sq foot living area home** He receives government benefits for Designated Forrest Land and productivity loss.

According to the graph, Auditor Marianne Nichols' property is assessed at \$330,000. POC website reports Nichols' property for 2025 taxable value is \$213,123 with structure value of \$161,740, Land Homesite value \$50,500, and **productivity loss of \$118,350**. Her property is situated on 23.07 acres. POC website also records that her husband transferred the property to her on July 23, 2021. She receives government benefits for Designated Forrest Land and undeveloped & unused land area.

I haven't researched DESIGNATED FOREST LAND RCW 84.33 land that is valued for forestry use or restrictions on undeveloped and unused land area WAC 458-53-030.

Following three property owners benefit with **living area discounted for "minimal and/or unfinished living area:**

1) Assessor James McCroskey: split entry residence purchased in 1/28/2002 with **2,600 square feet living area**, has daylight basement **1,300 sq ft valued at "minimal finished + 576 sq ft attached double car garage at "minimal finished, etc."**

103 E CIRCLE DR
NEWPORT, WA 99156

Here's link to POC property assessment http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=16984

2) Commissioner John Gentle (former appraiser in training): purchased 11/18/2013 for \$379,200, with 2025 taxable value \$369,419 and **benefits from minimal finished daylight basement 1,225 sq ft + minimal finished attached garage 816 sq ft., etc.**

1512 DIAMOND CREEK RD
NEWPORT, WA 99156

According to Zillow/Redfin at time Gentle purchased property "Overlooking Pend Oreille County WA. This **3100 sq foot living area**

home affords privacy and scenic territorial views. The property includes 21 forested acres approx. 1.5 miles off the main road sitting at the top of a mountain. 3bdr/3.5 bath large master bath /walk in double shower. 2 story/full basement finished. 3 living room areas. 3 car attached garage. Private Well 1000 gal holding tank. Gas fireplace/ security system/sprinkler system/Hot tub/gas fireplace. 220 electrics. 30x40 shop/20x20 2 story barn..."

<https://www.redfin.com/WA/Newport/1512-Diamond-Creek-Rd-99156/home/115477350>

POC link to Gentle property

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9381

3) Deputy Assessor Nathan Longly (7/22/2013 purchase price \$170,000; has 2025 assessed value \$317,213 with **benefit of 957 sq ft "basement unfished, etc."**). Is currently for sale, see below current Zillow ad.

813 W 2ND ST
NEWPORT, WA 99156
\$317,213

https://www.zillow.com/homedetails/813-W-2nd-St-Newport-WA-99156/113772633_zpid/

	<p>813 W 2nd St, Newport, WA 99156 MLS #202413561 Zillow</p> <p>This 3035 square feet Single Family home has 4 bedrooms and 2 bathrooms. It is located at 813 W 2nd St, Newport, WA.</p> <p>www.zillow.com</p>
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http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=16903

FYI:

Assessor McCroskey has stated "State law requires that county assessors appraise all property at **100 percent** of its true and fair market value in money, according to the highest and best use of the property.

Following was published 8/28/24 The Miner - Letter to Editor- Home values in Pend Oreille County dropped last year, so what explains this year's massive increase in assessed values?

In a recent statement to the Board of Equalization, the assessor's office claimed the Washington State Housing Market Report showed that property values have increased 55% from 2019-2022. However, that report also shows that median home prices dropped last year. The average price of four-bedroom homes declined by \$57,000. Furthermore, state law requires the assessor to fairly assess the true value of every property each year, not every five years.

Deputy Assessor Nathan Longly blamed assessor Jim McCroskey. He told the Board that the assessor had not done his job for the last five years, so they needed to apply a massive increase this year. "[D]ue to staffing shortages and tremendous movement in the real estate market, the Assessor's office has not been able to keep up.... due to the number of properties affected by the office's inability to make proper adjustments... the total needed adjustment has been applied for these missed years in this year's valuation."

Three problems:

1. The assessor has increased property values in each of the last property five years based on market data.
2. According to data reported by McCroskey to the State DOR, the Assessor's office has been fully staffed with its authorized 5 full-time employees every year except in 2021, when it had 4.45.
3. The county assessors have one of the smallest workloads in the State. According to DOR, their workload is 25% smaller than the average county assessor and 40% lower than the average in Spokane, Stevens, and Ferry counties.

The Assessor's excuses do not hold water. Property values are dropping. He has a full staff and one of the lowest workloads in the state. The Assessor owes us an honest answer.

-by Ben Richards, Usk

Thank you so much for scheduling the DOR audit of Pend Oreille County for this month. I would be happy to meet with the auditor and present evidence and suggestions for improvement.

Gloria Jean Wells

94 Trask Rd

Newport, WA 99156

Cell: (509) 879-1935

Landline: (509) 448-0789

From: Jean Wells <wellsgj@hotmail.com>

Sent: Thursday, May 23, 2024 4:36 PM

To: amelia.lamb@commerce.wa.gov <amelia.lamb@commerce.wa.gov>; emily.blume@commerce.wa.gov <emily.blume@commerce.wa.gov>; Thomas, Penny (COM) <Penny.Thomas@Commerce.wa.gov>; Pat.McCarthy@sao.wa.gov <Pat.McCarthy@sao.wa.gov>

Cc: Jean Wells <wellsgj@hotmail.com>

Subject: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

TO: Pat McCarthy, Washington State Auditor

Penny Thomas, Media Relations Manager

Amelia Lamb, amelia.lamb@commerce.wa.gov mobile text (360) 995-3386 (Olympia)

Emily Blume, emily.blume@commerce.wa.gov, mobile text (360) 628-0419 (Spokane)

FROM: Gloria (Jean) Wells, 94 Trask Rd., Newport, WA 99156

SUBJECT: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

The conflict of interests between Pend Oreille County (POC) Commissioner John Gentle and his wife POC Port Commissioner Kimberly Gentle have been going on for several years. According to Washington State Secretary of Corporations and Charities, POC Commissioner John Gentle continues to serve as Governor of the POC Economic Development Council (see attached current online nonprofit report dated 1/10/2023, and DOR business information).

According to POC Port Meeting Minutes dated 4/9/24: Port Commissioner Kimberly Gentle reported "she believes the Port Commissioners will be the overall decision makers as the ADO moves to an advisory board ...

Link to Port of Pend Oreille Board of Commissioners Meeting Minutes dated April 9, 2024,
<http://povarr.com/wp-content/uploads/2024/05/April-9-2024-Approved.pdf>

I am including State Auditor Pat McCarthy to request consideration to conduct audits of the Port of Pend Oreille County, and POC Economic Development Council including but not limited to:

1. compliance with State, and Commerce contract policies and procedures (conflict of interest, reporting, etc..),
2. Transparency (i.e., use of public funds, etc.)
3. accountability (i.e., State Department of Commerce's request for repayment of \$300,000 funds that POC EDC received from the Governor's Strategic Reserve Fund ("SRF"). Following link: October 17, 2022 letter from Dept of Commerce to Jamie Wyrobek regarding "... Washington State is requesting Pend Oreille EDC, repay the \$300,000 from the investment of SRF to HiTest Sand Inc., within 30 days of receipt of this letter...."
https://protectpendoreille.org/uploads/1/4/1/5/141595600/commerce_letter_to_edc_oct_17_2022.pdf
4. Compliance with RCW 39.84.030 **Public corporations—Creation, dissolution** - POC EDC will be dissolved, and Port will create an Economic Development Advisory Council (see Port minutes dated 4/9/24 <http://povarr.com/wp-content/uploads/2024/05/April-9-2024-Approved.pdf>

Please consider my request for audits of the POC Port, POC EDC, and monitoring of the creation of the POC Economic Development Advisory Council. Below are source materials supporting my concerns.

Thank you,

Gloria (Jean) Wells

94 Trask Rd

Newport, WA 99156

Link to following article below copy/paste

News

The Miner, Newport, WA

Economic development group gets grant

May 22, 2024

NEWPORT – The Port of Pend Oreille was awarded a grant from the state Department of Commerce for \$75,000 to be used for project feasibility studies. The Port, newly designated ADO for Pend Oreille County will use the money to facilitate the studies for three separate properties, identified as developable for business recruitment and economic development. The Port of Pend Oreille is responsible to provide \$6,298 in total matching funds to perform the work.

“We are excited to move forward with actionable steps towards improving what has been a stagnant situation,” said Jessica Garza, the Port’s Economic Development Director. “This grant speeds up our projected timeline and is infusing integral funding towards large goals that we have identified.”

The three properties were identified as the Port-owned Newport Site and Wolfred land and Pend Oreille County’s new Wolfred Park. The timing is conducive towards applying for larger grants to facilitate building and infrastructure, Garza said.

At its May 15 EDAC meeting in Newport, EDAC board chair Abby Gribi reported for treasurer Russ Pelleberg, who was called for jury duty. Gribi said the EDAC had \$117,891 in its STCU account and \$7,047 in its Mt. West account.

The EDAC also passed updated bylaws. There is still no conflict of interest provision in the new bylaws. Gribi said as an advisory body, no conflict of interest policy was needed.

“This is an advisory committee, similar to how a planning commission would be structured,” Gribi said.

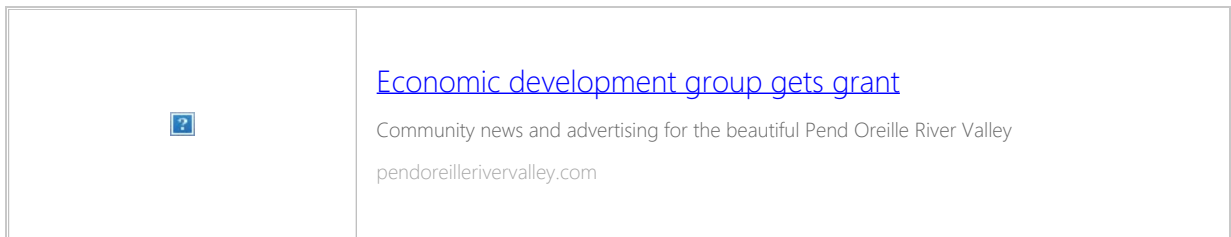
Brian Smiley, who represents the county on the EDAC, agreed a conflict of interest policy was not needed because the EDAC is advising the Port.

“The Port is the final authority and the Port has their own conflict of interest policy,” Smiley said. “They’re required to, it’s state law.”

The EDAC passed the draft bylaws.

The EDAC elected officers at April meeting, with Gribi elected chair, Mark Zorica was elected vice-chair and Tara Leininger was elected secretary.

<https://pendoreillerivervalley.com/economic-development-group-gets-grant-p88449-71.htm>



Opinion

Gentle poses conflict of interest

May 15, 2024

To the editor,

What do you call it when a politician fixes a competition for a public contract and then diverts excessive amounts of public money from more critical public services to benefit a small group of their biggest campaign contributors potentially financially? It sounds like something you would expect in Chicago or Olympia.

Whatever you want to call it, that is what County Commissioner John Gentle is doing here in Pend Oreille County. After the county commissioners agreed that the County’s Economic Development Council, which has cost taxpayers over a million dollars for little benefit, was no longer beneficial for our county, Gentle fixed the competition for replacing the EDC by allowing the EDC to choose its own replacement. The EDC chose the Port of Pend Oreille, which then immediately reestablished the EDC under its superintendence. Then, after Gentle approved the plan, he participated in a bait-and-switch in which the Port demanded twice the amount of money for its services (Commissioner Rosencrantz whittled it down a little).

The fact that Gentle’s spouse is both a Port Commissioner and a member of the EDC is an apparent conflict of interest. But even more concerning is that the leadership of the Port is Gentle’s biggest campaign contributor. 78 percent of Gentle’s donations have come from the leaders of the Port, the EDC, or Crypto companies. This is especially odorous when you consider that the publicly funded salary and compensation of the Port Manager, who is one of Gentle’s biggest individual donors, is set by Gentle’s spouse.

-Ben Richards

Usk

From: Jean Wells <wellsgj@hotmail.com>
Sent: Friday, February 9, 2024 11:40 AM
To: Penny.Thomas@Commerce.wa.gov <Penny.Thomas@Commerce.wa.gov>
Subject: YouTube videos (2) edited, and The Miner, Newport, WA (3 articles) by Don Gronning, Journalist

TO: Penny Thomas, Media Relations Manager
FROM: Gloria Jean Wells, 94 Trask Rd., Newport, WA 99156


I have concerns with Pend Oreille County(POC) Port of Pend Oreille County being designated ADO for POC, please read Don Gronning's articles and if you have time watch the edited YouTube videos to get a complete understanding of my concerns.

YouTube 1/2/2024 Pend Oreille County Board of Commissioners' Meeting, which was edited by Norm Smith with Pend Oreille Political Circus to include attached pictures.


The POC EDC have conflicts of interest and it is unknown if a policy is in place to avoid potential conflicts, including POC Commissioner John Gentle and his wife POC Port Commissioner Kimberly Gentle. Port Commissioner Kimberly Gentle currently serves on POC EDC, and both Gentles served during EDC's \$300,000 debt to Commerce. EDC has not commented on if they have submitted amended IRS form 990s, "...EDC also submitted incorrect IRS form 990s...." see Don Gronning's article dated Jan 24, 2024, below.

Thank you.
This link is "2023 EDC Strategic Work Plan Deliverables Approved January 18th, 2023 Amended March 15, 2023...."
<https://pocedc.org/wp-content/uploads/2023/03/2023-Strategic-Workplan.pdf>

<https://www.youtube.com/watch?v=r6LX9AKbpGF&t=2926s>

	<p>Pend Oreille County Commissioners discuss EDC ADO 01/02/24</p> <p>Pend Oreille County Commissioners discuss Economic Development ADO. 01/02/24.</p> <p>www.youtube.com</p>
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POC Commissioners' Board Meeting 1/29/2024 **edited** video
https://www.youtube.com/watch?v=ql9M6w_Jpa4

	<p>The Politicization Of The POVA-ADO Contract. 1/29/24</p> <p>The Politicization of the County's ADO Contract with the Port District. Board of County Commissioners. 1/29/24.</p> <p>www.youtube.com</p>
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T
Jan 17, 2024

Don Gronning
of The Miner

NEWPORT – Pend Oreille County commissioners, on a 2-1 vote, agreed to have the Port of Pend Oreille be the economic development agency, or Associated Development Organization, for the county. The designation comes with some money from the state Department of Commerce.

Three entities responded to a request for proposal to be the ADO. The Port, Tri County Economic Development District and Better City US all submitted proposals.

County commission chair Robert Rosencrantz voted for the TEDD to be the ADO. Rosencrantz was chairman of the board of directors of TEDD in 2023, but that will change following the board meeting Jan. 24, when a new TEDD board chair will be named.

Rosencrantz said all three proposals had strengths but said he voted for TEDD because TEDD is a regional organization. He said a representative from Sen. Patty Murray's office said at an economic development summit that economic success will depend on a regional approach.

Rosencrantz said he preferred TEDD's structure, with a horizontal structure with paid staff. The Port would be relying on one person.

"Many times that one person can be just fine," he said. "But in this case, we have demonstrated results from TEDD with that horizontal structure."

Rosencrantz said he found TEDD far more transparent than the Port. He said with TEDD, if you send an email requesting something, you get an answer and they don't charge anything. He said that is a pretty open spirit, which he said is a key component of building trust and having the kind of representative government that shares information willingly.

He said the Port requires that public records requests not be made by email.

"With the Port, you have to go to their office in Usk to review documents," he said. "I find the Port's approach to not be what I want in terms of a relationship and in terms of representing the people of Pend Oreille County."

Transparency is a key factor, he said. He said he checked with a number of other ports that function as ADOs and all but one accepted emailed records requests. The Port of Walla Walla didn't get back to him.

Commissioner Brian Smiley represented the county on the Pend Oreille County Economic Development Council. He said he voted with the rest of the EDC

subcommittee to recommend the Port.

Smiley said he isn't committed to the idea that the county should spend county money in the county. He said the county should spend the money with the entity that brings the greatest efficiency and service to the county. Having said that, he said the spokesman for the Utah based Better City US should learn how to pronounce Chewelah.

"Those kinds of things effect how you interact when you're doing work like economic development," he said. Familiarity with area and issues is important.

County commission vice chair John Gentle said he had checked with Prosecutor Dolly Hunt about whether he had a conflict of interest because his wife, Kimberly Gentle, was a Port commissioner.

Gentle said the EDC board members were the subject matter experts.

Gentle said Ports were designed for economic development. He said he put a lot of weight on Smiley's and the EDC recommendation.

Gentle said nobody had economic development and infrastructure authority like the ports, by design and by RCW.

"For me, there isn't much of a decision here, when you weigh all the things," he said

EDC Continues: Economic Development Council To Advise Port

by Don Gronning with Newport Miner, Newport, WA

Jan 24, 2024

NEWPORT – The Pend Oreille County Economic Development Council will continue as an advisory body to the Port of Pend Oreille. Pend Oreille County designated the Port as its Associated Development Organization. Each county names an ADO and the state Department of Commerce contracts with that organization for economic development service.

The county formerly had the EDC as ADO, but after director Jamie Wyrobek quit last May, county commissioners decided to seek a new ADO.

After paying the bulk of its advertising costs, the EDC had \$8,797 in a Mountain West bank account and \$117,483 in a STCU account, EDC treasurer Russ Pelleberg reported at the Jan. 17 EDC meeting.

“So we’re in pretty good shape still,” he said. “We’ll be working with the new group up there. Once there’s an official change of the ADO, we’ll probably, I imagine, close these bank accounts and the Port will probably start something new and fresh.”

Pelleberg said the only ongoing bills were the rent on the office and utilities. The EDC board voted to give notice to move out of the office that has sat mostly vacant since Wyrobek re-signed.

According to the Port ADO proposal, the EDC will continue as an advisor to the Port. It included proposed updated EDC bylaws, which now allow for remote voting.

Pend Oreille County Commissioner Brian Smiley answered questions from The Miner for the executive board of the EDC. Smiley is secretary for the EDC.

Newly elected EDC chair Abby Gribi referred to Smiley for answers, vice chair Laura Verity said she would like others to answer, as she was new to the executive board, and Pelleberg didn’t respond.

Smiley said the EDC board has broad community representation and will advise the Port on economic development.

“For the most part the work of the board will continue except for direct oversight of an employ-ee (director) and financial and regulatory oversight and compliance, as that work will undertak-en by the staff and elected Commissioners of the Port,” Smiley said.

He said that as one board member, his understanding is that the EDC as an entity will be dis-solving and closing out its financial and regulatory responsibilities. Part of that process would be to resolve any remaining unresolved regulatory and liability issues, including amending any tax returns with the guidance of a tax professional and perhaps even legal counsel, he said.

One of those obligations is a \$300,000 debt to the state Department of Commerce for a \$300,000 Strategic Reserve Fund grant the state supplied HiTest Sands, which later became PacWest Silicon and is now Senova Global. One of the conditions was that HiTest would provide 200 new jobs within five years of the grant by building a silicon smelter. Those five years ex-pired last June.

Since the smelter wasn’t built, the EDC is on the hook to collect the money from PacWest, a Canadian firm, to repay Commerce. Commerce sent a demand letter to the EDC for the money, which eventually made its way to the county commissioners.

Commerce hasn’t forgotten about the money, says spokesperson Penny Thomas.

“The grant funds from Commerce are not considered forgiven, and we are working with the EDC regarding their efforts with PacWest to recover funds,” Thomas said. “Also, Commerce is currently engaged with the Attorney General’s Office to consider our options for pursuing legal remedies.”

The EDC also submitted incorrect IRS form 990s for several years. For at least the years

2016-2020, on IRS Form 990, the EDC answered no to the question, "Did any officer, director, trustee or key employee have a family relationship or a business relationship with any other officer, trustee or key employee?" Former county commissioner Mike Manus and his daughter Jenny Smith were on the executive board each of those years, Manus as secretary and Smith as vice-chair.

Form 990 also asks if the EDC has a written conflict of interest policy. According to the EDC's 2016-2020 990s, it does. The EDC board specifically rejected a conflict of interest clause in its bylaws when they were rewritten in 2019.

The EDC's 990s also say the organization provided a complete copy of the Form 990 to all members of its governing body before filing the form. Smith and former chair Ray Pierre said they hadn't seen the forms.

It is unclear whether the EDC has amended the forms or not.

Smiley and county commissioner John Gentle voted to accept the Port as the new ADO, while commission chair Robert Rosencrantz voted for the Tri County Economic Development District (TEDD) to be the ADO.

Smiley stands by the decision.

"In my way of thinking this is the best possible outcome given the situation as it removes the burden of hiring and supervising an employee and regulatory and fiscal responsibilities from an already overburdened and busy all volunteer board, while at the same time retaining the pre-sent boards' excellent representation and understanding of the county and vision for economic development," he said.

Port Asks For \$200,000 County Funding; Also Wants Economic Development Contract Through June 30, 2027 by Don Gronning

Jan 31, 2024

NEWPORT – At its Monday meeting, Pend Oreille County commissioners heard that the Port of Pend Oreille, which was recently selected as the county's Associate Development Organization, is seeking \$200,000 annually from the county and would like a contract that runs through June 30, 2027.

Commissioner Brian Smiley represents the county on the Economic Development Council, serving as EDC secretary on its executive board. The EDC is an advisory board to the port. Smiley said the longer contract will give the port time to set up its economic development branch and could help in attracting quality candidates to its director position.

The \$200,000 is more than the county was giving the EDC. Former EDC director Jamie Wyrobek was a county employee and the county paid her wages and benefits, in addition to the rent on the office where the EDC was located.

Port Executive Director Kelly Driver said the port planned to fund some of the economic development work.

“We don’t have an exact amount,” she said.

Driver said the Port is considering hiring a part time worker to take up some of Port auditor Susan Bluff’s work. In addition to auditing, Bluff does some reception work and train documentation that can be shifted to a new part time worker, Driver said. Bluff will be able to do some economic development related work, Driver said.

The Port, which doesn’t collect any taxes, has \$5.3 million in reserves, Driver said. Some of that came from a \$1.9 payment the Port received for the sale of management of its right of ways to TerraPact. TerraPact gets 75% of right of way payments it negotiates “in perpetuity.” The port doesn’t collect any taxes.

County commission chairman Robert Rosencrantz was also interested in transparency. He wanted the Port to report monthly to county commissioners, preferably in person, on what economic development work was going on. He said when he was the director of a state-wide housing program, he expected to make such reports. Smiley said quarterly reports were enough, as the Port has monthly meetings and would be regularly updating its commissioners. The EDC will continue to meet monthly and as the county representative, he said he would report to the county commissioners on EDC activity. Commissioner John Gentle was willing to require every other month reports.

The port isn’t willing to make in person reports to the county commissioners, Smiley said and he doesn’t think they should have to.

Smiley said that he wants to speak further with port commissioners before taking action on the funding. In addition to a longer contract helping to attract quality candidates, port officials are also concerned about the ADO selection becoming a political issue. County commission chairman Robert Rosencrantz will be up for election in 2026.

Rosencrantz has made no secret that he thinks the EDC is ineffective. He cast the sole vote for the Tri County Economic Development District to serve as ADO instead of the port. TEDD is Stevens and Ferry counties’ ADO.

Rosencrantz, who sits on the board of TEDD, isn’t in favor of the length of the proposed county contract or the amount the port wants from the county. He is also insistent that the ADO report monthly to the county commissioners.

Rosencrantz said if the port would agree to a monthly in person meeting, he was willing to consider the other elements. To have the port come up with the contract terms they propose doesn’t address any of his concerns.

“They’ve expanded considerably beyond the original agreement; longer term, more money and nothing on the quarterly reporting, nothing to show (the port is) going to make a good faith effort,” Rosencrantz said in an edited video posted to Norm Smith’s Pend Oreille Political Circus Facebook group page.

Gentle said Rosencrantz has been against the EDC since before he was elected. Gentle’s wife, Kimberly Gentle, serves as an elected port commissioner.

“Speaking frankly, Robert, I feel you’ve lacked objectivity in pieces of this,” he said in Smith’s Facebook video of Monday’s meeting.

Gentle said that Rosencrantz had made the elimination of the EDC a campaign promise.

Every county in the state appoints an ADO which contracts with the state for economic development work. The county

also contracts separately for economic development, this time with the Port.

The EDC used to be the county's ADO for years prior to Wyrobek abruptly resigning last year. That threw the ADO contract with the state department of Commerce into limbo. The county decided to choose a new ADO.

Commissioners were initially talking about a year-long contract with the Port. The state's contract is for the state's fiscal year, from July 1 to June 30.

Driver said the port has nine applicants for the director's position. She said the port will conduct first interviews with candidates at its Feb. 13 meeting.

February 7, 2021

RE: Evidence support for BTA Docket # 97623, Respondent - Wells

Submitted by Theodore S. Kardos
2843 Scotia Road
Newport, WA 99156

To Whom It May Concern:

Ms. Wells is making the complaint that she did not receive all of the documents that the Pend Oreille County Assessor's Office sent to the Board of Tax Appeal in regards to BTA Docket #97623, which is required, thereby, lacking much needed information and making it very difficult to complete her BTA Appeal in a timely manner.

I can attest to the fact the POC Assessor's Office has been lackadaisical in the same regards with our BTA appeal docket #97644, which is now dismissed at my request due to frustration and lack of cooperation at the County Assessor's level.

For example, on January 15, 2021, we received via USPS the Evidence of Submission packet sent to the Board of Appeals (cover letter attached) from the Assessor's Office. In the cover letter pages 22-41 and pages 29-35 were noted, but omitted from our packet. We had little reference as to what these pages entailed as there were no pages with these numbers in our packet. There were a total of nine (9) pages in our packet. The Assessor's Office shouldn't be making assumptions that we have those documents with those specific page numbers. We should have received exactly the same documents as the BTA.

On January 25th we contacted POC Court House and spoke with Christine Rahoun about being sent a copy of all the documents that were sent to BTA. That same day Crystal Zieske, Commissioners' administrative assistant e-mailed us the packet she sent BTA.

"Jan 25, 2021 Electronic File 10:39 a.m.

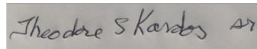
Phyllis, I received a msg from Christine that Ted called and wanted your BOE info. Because I'm in session with the Commissioners all day, I won't be able to return his call, but I've attached the electronic file that I had sent to Board of Tax Appeals.

*Crystal Zieske, Clerk of the Board/Office Manager
Pend Oreille County Commissioners
PO Box 5025
625 W. 4th Street
Newport, WA 99156
509-447-4119
czieske@pendoreille.org"*

The electronic files sent to BTA had 80 pages. This is not the first time I have had to request documents from the Assessor's Office that should have been sent to us in order for me to address my appeal in a timely and adequate manner. This is the same situation Ms. Wells has encountered throughout her appeal.

In my dealings with the POC Assessor's Office over several years I have encountered inefficacy and a total lack of cooperation, plus a hostile environment.

Thank you,

A handwritten signature in black ink on a light gray background. The signature reads "Theodore S. Kardos" followed by a small, stylized mark that appears to be "SK".

Theodore S. Kardos
pkardos_jean@yahoo.com
1.509.447.7958

At the request of Ms. Wells I will make myself available to be a witness in her appeal as will my wife, Phyllis J. Kardos.

From: [White, Bradley \(SAO\)](#)
To: [Jean Wells](#)
Subject: Follow Up On Hotline Referral To The Office of The Washington State Auditor's Office
Date: Wednesday, December 4, 2024 12:32:00 PM
Attachments: [image001.png](#)
[Hotline Response H-24-240.docx](#)

Dear Ms. Wells,

I have attached our official response to your concerns.

Thank you,



Brad White, CPA
Team Spokane Audit Manager, County Program Manager
[Office of the Washington State Auditor](#)
(509) 919-0240 | www.sao.wa.gov
Keeping Washington rooted in #GoodGovernment since 1889:
sao.wa.gov/rooted



Office of the Washington State Auditor
Pat McCarthy

December 4, 2024

Gloria (Jean) Wells
94 Trask Rd.
Newport, WA 99156

Dear Ms. Wells:

Thank you for contacting the State Auditor's Office Citizen Hotline with your concerns regarding Pend Oreille County. We recently examined your concerns as part of our audit of the County, and we would like to share the results with you. In your referral, you expressed the following concerns:

- 1) Concern:** You said you were concerned about a conflict of interest between Pend Oreille County Commissioner John Gentle and Port of Pend Oreille Commissioner Kimberly Gentle.

We reviewed state law to determine what constitutes a conflict of interest per the RCW, both generally and specifically between spouses of different local governments/jurisdictions. We also reviewed official minutes for the Board of County Commissioner meetings during the audit period and inquired with County officials about this concern.

RCW 42.23.030 states that "No municipal officer shall be beneficially interested, directly or indirectly, in any contract which may be made by, through, or under the supervision of such officer, in whole or in part, or which may be made for the benefit of his office, or accept, directly or indirectly, any compensation, gratuity or reward in connection with such contract from any other person beneficially interested therein..." However, RCW 42.23.040 permits a municipal officer to have a "remote" interest in municipal contracts under certain circumstances. This includes the interest of "a non-salaried officer." As both Commissioners are non-salaried officers of their respective jurisdictions, we determined that this situation qualifies as a "remote interest" per the RCW.

Additionally, per AGO 1978 No. 22, there is no conflict when both spouses serve as officers, since officers receive their compensation by reason of their office and not by a contract. As the

compensation for both the Commissioner of the County and the Commissioner of the Port of Pend Oreille are not dependent upon a contract between the two jurisdictions, we found that there is not a conflict of interest between Pend Oreille County Commissioner John Gentle and Port of Pend Oreille Commissioner Kimberly Gentle in regard to the contract between the County and the Port for the Associate Development Organization (ADO).

During our review, our audit found no conflict of interest between Commissioners of the County and the Port. However, our audit did find that in the case where an official with voting power has a “remote interest” in a contract, RCW 42.23.040 requires that remote interest be clearly documented in official meeting minutes. Based on our review, we determined that all three commissioners had a remote interest in the potential contracts for a new ADO and only one of the remote interests was clearly documented in official minutes before awarding the contract.

We recommended that the County ensure that future possible remote interests of officials are clearly documented in official minutes before voting or ratifying any contracts to ensure that no perceived conflict of interest occurs.

We also received your email dated September 4, 2024, that included additional concerns regarding Pend Oreille County. We examined these additional concerns detailed in your email to our Office as part of our audit of the County. In your email, you expressed the following concerns:

- 2) **Concern:** You said you were concerned that the Pend Oreille County Assessor’s Office was unfairly and unequally appraising properties and requested a review of the County Assessor’s administrative policies and procedures regarding the fair evaluation of properties.

It is important to note that the Washington State Department of Revenue (DOR) also conducts regular audits of all assessor’s offices in the state of Washington, which are available on its website.

We completed a full review of the Assessor’s Office as part of our fiscal year 2022 accountability audit of the County. During our audit, we reviewed the Assessor’s Office’s written policies and procedures, inquired with County officials and staff, and performed a detailed review of the processes for property valuation and real property revaluation.

During our audit, we completed a detailed review of the County’s overall assessment ratio for property taxes. The area of property valuation requires specialized technical knowledge, and the DOR re-performs a sample of property assessments and conducts extensive statistical analysis of county assessments. The DOR performs ratio studies each year that measure the accuracy of appraised property values as compared to true market values, or sale prices. The International Association of Assessing Officers (IAAO) states that property tax ratios within 0.90 and 1.10 indicate that the appraised values are within a reasonable range of the true market value. The Assessor’s Office combined real and personal property ratio was 0.93 in 2021 and 0.87 in 2022.

Additionally, during our audit we also reviewed a selection of appraisals in the County's system to determine if the Assessor's Office followed its own policies regarding independent appraisal of personal property.

Based on our testing, review of documented policies and inquiries with County staff, we determined that the Assessor's Office uses the most current edition of the DOR's *County Assessor's Manual*, which the DOR updates annually. We also determined that the Assessor's Office's processes and controls were sufficient to meet the requirements of an independent party review of appraisals.

Our audit found no indication of issues of independence or conflicts of interest of assessments or valuations of real or personal properties. However, because the ratios of appraisal values were slightly outside the IAAO standards, we did recommend that the Assessor's Office continue its efforts to implement controls and processes to perform accurate and timely property assessments.

Thank you for taking the time to submit your concerns. If you have any questions, please contact me at (509) 919-0240.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad White". The signature is fluid and cursive, with the first name "Brad" and last name "White" clearly distinguishable.

Brad White, CPA, Audit Manager

Team Spokane

H-24-240

From: [Jean Wells](#)
To: [Lamb, Amelia \(COM\)](#); [Blume, Emily \(COM\)](#); [Thomas, Penny \(COM\)](#); [White, Bradley \(SAO\)](#); [McCarthy, Pat \(SAO\)](#)
Cc: [Jean Wells](#)
Subject: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?
Date: Wednesday, September 4, 2024 10:42:31 AM

External Email

Please consider a comprehensive audit of the Assessor's entire operation to determine whether assessments are being made in accordance with Washington property tax law. Pend Oreille County Assessor McCroskey's methodology of appraising property assessments appears unfair and unequal. Include a review of the Assessor's administrative policies and procedures that affect both real property and business property assessment programs and the Assessor's program for assessing personal property and furnishings. Is the Assessor and/or appraisers required to recuse themselves from appraising properties of political allies, family members, friends, alumni, businesses' that they do business with, etc.?

In 2020, I discovered my property valuation was 2nd highest on Trask Rd with structure increasing significantly and land value unfair compared to other properties on Trask Rd.

My 2019-2020 property assessment increased from \$221,298 to \$334,677.

2019 improvement value was \$117,298 - 2020 \$210,677 (**79.61% increase**); 2019 land value was \$104,000 in 2020 \$124,000 (**19% increase**) Property tax in 2020 was \$2,338.11, in 2021 \$3,336.20 (**\$998.09 - 42% increase**). The trainee appraiser had not passed the Uniform Standards of Profession Appraisal course, which is required by DOR, and lacked credentials.

2024-2025 proposed property assessment is \$483,565 currently assessed at \$381,004 (improvement increase from \$225,004 to \$308,565 an **increase of 37%** and land value increase from \$156,000 to \$175,000 an **increase of 12%**).

1. Following is a sampling of properties sold in 2022 for tax area 0005 - 1 -56 F3 S2 that have 2025 assessments at less than purchase price: for example,

December 1, 2022 - 21 Lakeside Dr sold for \$550,00 the 2025 assessment is \$364,411, that's **\$185,589 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9047

September 2, 2022 - 5706 Northshore Diamond Lake Rd sold for \$660,000 - 2025 assessment is \$490,000, **\$170,000 less than purchase price** http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=11351

August 5, 2022, - 443 Bayview Blvd sold for \$909,000 - 2025 assessment is \$626,116 that **\$282,884 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9010

July 29, 2022 - 353 Southshore Diamond Lake sold for \$500,000 - 2025 assessment is \$240,034, that's **\$259,966 less than purchase (Realtor Bockermuehl sold it to a neighbor)**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8879

June 9, 2022, 781 Southshore Diamond Lake sold for \$851,000 - 2025 assessment set at \$606,603 that's **\$244,397 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8909

May 27, 2022, 441 Bayview Blvd sold for \$825,000 - 2025 assessment at \$574,532, that's **\$250,468 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9011

January 19, 2022 325453 Highway 2 purchase price \$750,000 - 2025 assessment \$548,606, that's **\$201,394 less than purchase price** http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9169

July 27, 2022, 352 Southshore Diamond Lake sold for \$110,000 - 2025 assessment is \$72,000 that's **\$38,000 less than**

purchase price. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8904

March 8, 2022, 1402 Southshore Diamond Lake Rd sold for \$517,000, 2025 assessment \$434,884 that's **\$82,116 less than purchase price.** http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8508

April 20, 2022, 123 Rockwood Rd., sold 2 properties for \$475,000 - 2025 assessment is \$422,189, that's **\$52,811 less than purchase price.**
http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8776

November 10, 2022, - 684 Southshore sold for \$275,000 - 2025 assessment is \$236,291, **that's \$38,709 less than purchase price.** http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8800

2. I found properties sold in 2023 with values for 2025 tax rolls less than purchase price too. I did not research 2020-2021 or 2019-2020.

3. Washington standard practice is to value structure with classifications Condition 1-6 and Quality 1-6.

- Condition 1 new homes and Condition 6 is a home in very poor condition or needs substantial rehab.

- Quality 1 is for very high-end homes and Quality 6 is for the lowest quality of materials used.

4. Does POC have an Ethics Policy, is our Assessor removed from amending values? This is a standard practice for assessors in Washington

5. Are appraisers accredited and required to sign a certified document that property value to be true and accurate? This is a standard practice in Washington.

6. What is the POC average valuation rate increase for the 2025 tax year? Spokesman Review article dated June 18, 2024, Spokane County assessor reported property values decreased.

7. Review a representative sampling of the assessments; for example, Assessor James McCroskey, Deputy Appraiser Nathan Longley, and County Commissioner John Gentle (former appraiser in training), as all benefit from "unfinished and minimal finished areas." My opinion, public has a right to compare their property with theirs because McCroskey, Longly, and Gentle were trained to assess structure class code and land values. You may want to include other elected officials that own multiple properties in POC.

Assessor McCroskey submitted a graph displaying properties owned by elected officials and Deputy Assessor Nathan Longley (who is currently serving on Newport Council). Some of the property owners have multiple properties in POC, including me, but are omitted.

According to the graph, Commissioner John Gentle's property for 2025 is assessed at \$460,209. According to POC 2025 total taxable amount is \$369,419 with structure at \$320,814, which is significantly less than the graph reports. Commissioner Gentle purchased the property Nov 18, 2013, for \$369,419. He receives government benefits for Designated Forrest Land and productivity loss.

According to the graph, Auditor Marianne Nichols' property is assessed at \$330,000. POC website reports Nichols' property for 2025 taxable value is \$213,123 with structure value of \$161,740, Land Homesite value \$50,500, and **productivity loss of \$118,350.** Her property is situated on 23.07 acres. POC website also records that her husband transferred the property to her on July 23, 2021. She receives government benefits for Designated Forrest Land and undeveloped & unused land area.

I haven't researched DESIGNATED FOREST LAND RCW 84.33 land that is valued for forestry use or restrictions on undeveloped and unused land area WAC 458-53-030.

Following three property owners benefit with living area discounted for "minimal and/or unfinished living area:

1) Assessor James McCroskey: split entry residence purchased in 1/28/2002 with 2,600 square feet living area, has daylight basement **1,300 sq ft valued at "minimal finished + 576 sq ft attached double car garage at "minimal finished, etc."**

103 E CIRCLE DR

NEWPORT, WA 99156

Here's link to POC property assessment http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=16984

2) Commissioner John Gentle (former appraiser in training): purchased 11/18/2013 for \$379,200, with 2025 taxable value \$369,419 and **benefits from minimal finished daylight basement 1,225 sq ft + minimal finished attached garage 816 sq ft., etc.**

1512 DIAMOND CREEK RD

NEWPORT, WA 99156

According to Zillow/Redfin at time Gentle purchased property "Overlooking Pend Oreille County WA. This **3100 sq foot home** affords privacy and scenic territorial views. The property includes 21 forested acres approx. 1.5 miles off the main road sitting at the top of a mountain. 3bdr/3.5 bath large master bath /walk in double shower. 2 story/full basement finished. 3 living room areas. 3 car attached garage. Private Well 1000 gal holding tank. Gas fireplace/ security system/sprinkler system/Hot tub/gas fireplace. 220 electrics. 30x40 shop/20x20 2 story barn..."

<https://www.redfin.com/WA/Newport/1512-Diamond-Creek-Rd-99156/home/115477350>

POC link to Gentle property http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=16984

3) Deputy Assessor Nathan Longly (7/22/2013 purchase price \$170,000; has 2025 assessed value \$317,213 with **benefit of 957 sq ft "basement unfished, etc."**). Is currently for sale, see below current Zillow ad.

813 W 2ND ST

NEWPORT, WA 99156

\$317,213

https://www.zillow.com/homedetails/813-W-2nd-St-Newport-WA-99156/113772633_zpid/



813 W 2nd St, Newport, WA 99156 | MLS #202413561 | Zillow

This 3035 square feet Single Family home has 4 bedrooms and 2 bathrooms. It is located at 813 W 2nd St, Newport, WA.

www.zillow.com

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=16903

FYI:

Assessor McCroskey has stated "State law requires that county assessors appraise all property at **100 percent** of its true and fair market value in money, according to the highest and best use of the property.

Following was published 8/28/24 The Miner - Letter to Editor- Home values in Pend Oreille County dropped last year, so what explains this year's massive increase in assessed values?

In a recent statement to the Board of Equalization, the assessor's office claimed the Washington State Housing Market Report showed that property values have increased 55% from 2019-2022. However, that report also shows that median home prices dropped last year. The average price of four-bedroom homes declined by \$57,000. Furthermore, state law requires the assessor to fairly assess the true value of every property each year, not every five years.

Deputy Assessor Nathan Longly blamed assessor Jim McCroskey. He told the Board that the assessor had not done his job for the

last five years, so they needed to apply a massive increase this year. "[D]ue to staffing shortages and tremendous movement in the real estate market, the Assessor's office has not been able to keep up.... due to the number of properties affected by the office's inability to make proper adjustments... the total needed adjustment has been applied for these missed years in this year's valuation."

Three problems:

1. The assessor has increased property values in each of the last property five years based on market data.
2. According to data reported by McCroskey to the State DOR, the Assessor's office has been fully staffed with its authorized 5 full-time employees every year except in 2021, when it had 4.45.
3. The county assessors have one of the smallest workloads in the State. According to DOR, their workload is 25% smaller than the average county assessor and 40% lower than the average in Spo- kane, Stevens, and Ferry counties.

The Assessor's excuses do not hold water. Property values are dropping. He has a full staff and one of the lowest workloads in the state. The Assessor owes us an honest answer.

-by Ben Richards, Usk

Thank you so much for scheduling the DOR audit of Pend Oreille County for this month. I would be happy to meet with the auditor and present evidence and suggestions for improvement.

Gloria Jean Wells

94 Trask Rd

Newport, WA 99156

Cell: (509) 879-1935

Landline: (509) 448-0789

From: Jean Wells <wellsgj@hotmail.com>

Sent: Thursday, May 23, 2024 4:36 PM

To: amelia.lamb@commerce.wa.gov <amelia.lamb@commerce.wa.gov>; emily.blume@commerce.wa.gov <emily.blume@commerce.wa.gov>; Thomas, Penny (COM) <Penny.Thomas@Commerce.wa.gov>; Pat.McCarthy@sao.wa.gov <Pat.McCarthy@sao.wa.gov>

Cc: Jean Wells <wellsgj@hotmail.com>

Subject: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

TO: Pat McCarthy, Washington State Auditor

Penny Thomas, Media Relations Manager

Amelia Lamb, amelia.lamb@commerce.wa.gov mobile text (360) 995-3386 (Olympia)

Emily Blume, emily.blume@commerce.wa.gov, mobile text (360) 628-0419 (Spokane)

FROM: Gloria (Jean) Wells, 94 Trask Rd., Newport, WA 99156

SUBJECT: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

The conflict of interests between Pend Oreille County (POC) Commissioner John Gentle and his wife POC Port Commissioner Kimberly Gentle have been going on for several years. According to Washington State Secretary of Corporations and Charities, POC Commissioner John Gentle continues to serve as Governor of the POC Economic Development Council (see attached current online nonprofit report dated 1/10/2023, and DOR business information).

According to POC Port Meeting Minutes dated 4/9/24: Port Commissioner Kimberly Gentle reported "she believes the Port Commissioners will be the overall decision makers as the ADO moves to an advisory board ..: Link to Port of Pend Oreille Board of Commissioners Meeting Minutes dated April 9, 2024, <http://povarr.com/wp-content/uploads/2024/05/April-9-2024-Approved.pdf>

I am including State Auditor Pat McCarthy to request consideration to conduct audits of the Port of Pend Oreille County, and POC Economic Development Council including but not limited to:

1. compliance with State, and Commerce contract policies and procedures (conflict of interest, reporting, etc..),
2. Transparency (i.e., use of public funds, etc.)
3. accountability (i.e., State Department of Commerce's request for repayment of \$300,000 funds that POC EDC received from the Governor's Strategic Reserve Fund ("SRF"). Following link: October 17, 2022 letter from Dept of Commerce to Jamie Wyrobek regarding "... Washington State is requesting Pend Oreille EDC, repay the \$300,000 from the investment of SRF to HiTest Sand Inc., within 30 days of receipt of this letter...." https://protectpendoreille.org/uploads/1/4/1/5/141595600/commerce_letter_to_edc_oct_17_2022.pdf
4. Compliance with RCW 39.84.030 **Public corporations—Creation, dissolution** - POC EDC will be dissolved, and Port will create an Economic Development Advisory Council (see Port minutes dated 4/9/24 <http://povarr.com/wp-content/uploads/2024/05/April-9-2024-Approved.pdf>

Please consider my request for audits of the POC Port, POC EDC, and monitoring of the creation of the POC Economic Development Advisory Council. Below are source materials supporting my concerns.

Thank you,

Gloria (Jean) Wells

94 Trask Rd

Newport, WA 99156

Link to following article below copy/paste

News

The Miner, Newport, WA

Economic development group gets grant

May 22, 2024

NEWPORT – The Port of Pend Oreille was awarded a grant from the state Department of Commerce for \$75,000 to be used for project feasibility studies. The Port, newly designated ADO for Pend Oreille County will use the money to facilitate the studies for three separate properties, identified as developable for business recruitment and economic development. The Port of Pend Oreille is responsible to provide \$6,298 in total matching funds to perform the work.

“We are excited to move forward with actionable steps towards improving what has been a stagnant situation,” said Jessica Garza, the Port’s Economic Development Director. “This grant speeds up our projected timeline and is infusing integral funding towards large goals that we have identified.”

The three properties were identified as the Port-owned Newport Site and Wolfred land and Pend Oreille County’s new Wolfred Park. The timing is conducive towards applying for larger grants to facilitate building and infrastructure, Garza said.

At its May 15 EDAC meeting in Newport, EDAC board chair Abby Gribi reported for treasurer Russ Pelleberg, who was called for jury duty. Gribi said the EDAC had \$117,891 in its STCU account and \$7,047 in its Mt. West account.

The EDAC also passed updated bylaws. There is still no conflict of interest provision in the new bylaws. Gribi said as an advisory body, no conflict of interest policy was needed.

“This is an advisory committee, similar to how a planning commission would be structured,” Gribi said.

Brian Smiley, who represents the county on the EDAC, agreed a conflict of interest policy was not needed because the EDAC is advising the Port.

“The Port is the final authority and the Port has their own conflict of interest policy,” Smiley said. “They’re required to, it’s state law.”

The EDAC passed the draft bylaws.

The EDAC elected officers at April meeting, with Gribi elected chair, Mark Zorica was elected vice-chair and Tara Leininger was elected secretary.

<https://pendoreillerivervalley.com/economic-development-group-gets-grant-p88449-71.htm>

	<h3>Economic development group gets grant</h3> <p>Community news and advertising for the beautiful Pend Oreille River Valley</p> <p>pendoreillerivervalley.com</p>
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Opinion

Gentle poses conflict of interest

May 15, 2024

To the editor,

What do you call it when a politician fixes a competition for a public contract and then diverts excessive amounts of public money

from more critical public services to benefit a small group of their biggest campaign contributors potentially financially? It sounds like something you would expect in Chicago or Olympia.

Whatever you want to call it, that is what County Commissioner John Gentle is doing here in Pend Oreille County. After the county commissioners agreed that the County's Economic Development Council, which has cost taxpayers over a million dollars for little benefit, was no longer beneficial for our county, Gentle fixed the competition for replacing the EDC by allowing the EDC to choose its own replacement. The EDC chose the Port of Pend Oreille, which then immediately reestablished the EDC under its superintendence. Then, after Gentle approved the plan, he participated in a bait-and-switch in which the Port demanded twice the amount of money for its services (Commissioner Rosencrantz whittled it down a little).

The fact that Gentle's spouse is both a Port Commissioner and a member of the EDC is an apparent conflict of interest. But even more concerning is that the leadership of the Port is Gentle's biggest campaign contributor. 78 percent of Gentle's donations have come from the leaders of the Port, the EDC, or Crypto companies. This is especially odorous when you consider that the publicly funded salary and compensation of the Port Manager, who is one of Gentle's biggest individual donors, is set by Gentle's spouse.

-Ben Richards

Usk

From: Jean Wells <wellsgj@hotmail.com>

Sent: Friday, February 9, 2024 11:40 AM

To: Penny.Thomas@Commerce.wa.gov <Penny.Thomas@Commerce.wa.gov>

Subject: YouTube videos (2) edited, and The Miner, Newport, WA (3 articles) by Don Gronning, Journalist

TO: Penny Thomas, Media Relations Manager

FROM: Gloria Jean Wells, 94 Trask Rd., Newport, WA 99156

I have concerns with Pend Oreille County(POC) Port of Pend Oreille County being designated ADO for POC, please read Don Gronning's articles and if you have time watch the edited YouTube videos to get a complete understanding of my concerns.

YouTube 1/2/2024 Pend Oreille County Board of Commissioners' Meeting, which was edited by Norm Smith with Pend Oreille Political Circus to include attached pictures.

The POC EDC have conflicts of interest and it is unknown if a policy is in place to avoid potential conflicts, including POC Commissioner John Gentle and his wife POC Port Commissioner Kimberly Gentle. Port Commissioner Kimberly Gentle currently serves on POC EDC, and both Gentles served during EDC's \$300,000 debt to Commerce. EDC has not commented on if they have submitted amended IRS form 990s, "...EDC also submitted incorrect IRS form 990s...." see Don Gronning's article dated Jan 24, 2024, below.

Thank you.

This link is "2023 EDC Strategic Work Plan Deliverables Approved January 18th, 2023 Amended March 15, 2023...."

<https://pocedc.org/wp-content/uploads/2023/03/2023-Strategic-Workplan.pdf>

<https://www.youtube.com/watch?v=r6LX9AKbpGE&t=2926s>



Pend Oreille County Commissioners discuss EDC ADO 01/02/24

Pend Oreille County Commissioners discuss Economic Development ADO. 01/02/24.
[www.youtube.com](https://www.youtube.com/watch?v=qI9M6w_Jpa4)

POC Commissioners' Board Meeting 1/29/2024 **edited** video

https://www.youtube.com/watch?v=qI9M6w_Jpa4



The Politicization Of The POVA-ADO Contract. 1/29/24

The Politicization of the County's ADO Contract with the Port District. Board of County Commissioners. 1/29/24.
www.youtube.com

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Jan 17, 2024

Don Gronning
of The Miner

NEWPORT – Pend Oreille County commissioners, on a 2-1 vote, agreed to have the Port of Pend Oreille be the economic development agency, or Associated Development Organization, for the county. The designation comes with some money from the state Department of Commerce.

Three entities responded to a request for proposal to be the ADO. The Port, Tri County Economic Development District and Better City US all submitted proposals.

County commission chair Robert Rosencrantz voted for the TEDD to be the ADO. Rosencrantz was chairman of the board of directors of TEDD in 2023, but that will change following the board meeting Jan. 24, when a new TEDD board chair will be named.

Rosencrantz said all three proposals had strengths but said he voted for TEDD because TEDD is a regional organization. He said a representative from Sen. Patty Murray's office said at an economic development summit that economic success will depend on a regional approach.

Rosencrantz said he preferred TEDD's structure, with a horizontal structure with paid staff. The Port would be relying on one person.

"Many times that one person can be just fine," he said. "But in this case, we

have demonstrated results from TEDD with that horizontal structure.”

Rosencrantz said he found TEDD far more transparent than the Port. He said with TEDD, if you send an email requesting something, you get an answer and they don’t charge anything. He said that is a pretty open spirit, which he said is a key component of building trust and having the kind of representative government that shares information willingly.

He said the Port requires that public records requests not be made by email.

“With the Port, you have to go to their office in Usk to review documents,” he said. “I find the Port’s approach to not be what I want in terms of a relationship and in terms of representing the people of Pend Oreille County.”

Transparency is a key factor, he said. He said he checked with a number of other ports that function as ADOs and all but one accepted emailed records requests. The Port of Walla Walla didn’t get back to him.

Commissioner Brian Smiley represented the county on the Pend Oreille County Economic Development Council. He said he voted with the rest of the EDC subcommittee to recommend the Port.

Smiley said he isn’t committed to the idea that the county should spend county money in the county. He said the county should spend the money with the entity that brings the greatest efficiency and service to the county. Having said that, he said the spokesman for the Utah based Better City US should learn how to pronounce Chewelah.

“Those kinds of things effect how you interact when you’re doing work like economic development,” he said. Familiarity with area and issues is important.

County commission vice chair John Gentle said he had checked with Prosecutor Dolly Hunt about whether he had a conflict of interest because his wife, Kimberly Gentle, was a Port commissioner.

Gentle said the EDC board members were the subject matter experts.

Gentle said Ports were designed for economic development. He said he put a lot of weight on Smiley’s and the EDC recommendation.

Gentle said nobody had economic development and infrastructure authority like the ports, by design and by RCW.

“For me, there isn’t much of a decision here, when you weigh all the things,” he said

EDC Continues: Economic Development Council To Advise Port

by Don Gronning with Newport Miner, Newport, WA

Jan 24, 2024

NEWPORT – The Pend Oreille County Economic Development Council will continue as an advisory body to the Port of Pend Oreille. Pend Oreille County designated the Port as its Associated Development Organization. Each county names an ADO and the state Department of Commerce contracts with that organization for economic development service.

The county formerly had the EDC as ADO, but after director Jamie Wyrobek quit last May, county commissioners decided to seek a new ADO.

After paying the bulk of its advertising costs, the EDC had \$8,797 in a Mountain West bank account and \$117,483 in a STCU account, EDC treasurer Russ Pelleberg reported at the Jan. 17 EDC meeting.

“So we’re in pretty good shape still,” he said. “We’ll be working with the new group up there. Once there’s an official change of the ADO, we’ll probably, I imagine, close these bank accounts and the Port will probably start something new and fresh.”

Pelleberg said the only ongoing bills were the rent on the office and utilities. The EDC board voted to give notice to move out of the office that has sat mostly vacant since Wyrobek re-signed.

According to the Port ADO proposal, the EDC will continue as an advisor to the Port. It included proposed updated EDC bylaws, which now allow for remote voting.

Pend Oreille County Commissioner Brian Smiley answered questions from The Miner for the executive board of the EDC. Smiley is secretary for the EDC.

Newly elected EDC chair Abby Gribi referred to Smiley for answers, vice chair Laura Verity said she would like others to answer, as she was new to the executive board, and Pelleberg didn’t respond.

Smiley said the EDC board has broad community representation and will advise the Port on economic development.

“For the most part the work of the board will continue except for direct oversight of an employ-ee (director) and financial and regulatory oversight and compliance, as that work will undertak-en by the staff and elected Commissioners of the Port,” Smiley said.

He said that as one board member, his understanding is that the EDC as an entity will be dis-solving and closing out its financial and regulatory responsibilities. Part of that process would be to resolve any remaining unresolved regulatory and liability issues, including amending any tax returns with the guidance of a tax professional and perhaps even legal counsel, he said.

One of those obligations is a \$300,000 debt to the state Department of Commerce for a \$300,000 Strategic Reserve Fund grant the state supplied HiTest Sands, which later became PacWest Silicon and is now Senova Global. One of the conditions was that HiTest would provide 200 new jobs within five years of the grant by building a silicon smelter. Those five years ex-pired last June.

Since the smelter wasn’t built, the EDC is on the hook to collect the money from PacWest, a Canadian firm, to repay Commerce. Commerce sent a demand letter to the EDC for the money, which eventually made its way to the county commissioners.

Commerce hasn’t forgotten about the money, says spokesperson Penny Thomas.

“The grant funds from Commerce are not considered forgiven, and we are working with the EDC regarding their efforts with PacWest to recover funds,” Thomas said. “Also, Commerce is currently engaged with the Attorney General’s Office to consider our options for pursuing legal remedies.”

The EDC also submitted incorrect IRS form 990s for several years. For at least the years 2016-2020, on IRS Form 990, the EDC answered no to the question, "Did any officer, director, trustee or key employee have a family relationship or a business relationship with any other officer, trustee or key employee?" Former county commissioner Mike Manus and his daughter Jenny Smith were on the executive board each of those years, Manus as secretary and Smith as vice-chair.

Form 990 also asks if the EDC has a written conflict of interest policy. According to the EDC’s 2016-2020 990s, it does. The EDC board specifically rejected a conflict of interest clause in its bylaws when they were rewritten in 2019.

The EDC’s 990s also say the organization provided a complete copy of the Form 990 to all members of its governing body before filing the form. Smith and former chair Ray Pierre said they hadn’t seen the forms.

It is unclear whether the EDC has amended the forms or not.

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Port Asks For \$200,000 County Funding; Also Wants Economic Development Contract Through June 30, 2027 **by Don Gronning**

Jan 31, 2024

NEWPORT – At its Monday meeting, Pend Oreille County commissioners heard that the Port of Pend Oreille, which was recently selected as the county’s Associate Development Organization, is seeking \$200,000 annually from the county and would like a contract that runs through June 30, 2027.

Commissioner Brian Smiley represents the county on the Economic Development Council, serving as EDC secretary on its executive board. The EDC is an advisory board to the port. Smiley said the longer contract will give the port time to set up its economic development branch and could help in attracting quality candidates to its director position.

The \$200,000 is more than the county was giving the EDC. Former EDC director Jamie Wyrobek was a county employee and the county paid her wages and benefits, in addition to the rent on the office where the EDC was located.

Port Executive Director Kelly Driver said the port planned to fund some of the economic development work.

“We don’t have an exact amount,” she said.

Driver said the Port is considering hiring a part time worker to take up some of Port auditor Susan Bluff’s work. In addition to auditing, Bluff does some reception work and train documentation that can be shifted to a new part time worker, Driver said. Bluff will be able to do some economic development related work, Driver said.

The Port, which doesn’t collect any taxes, has \$5.3 million in reserves, Driver said. Some of that came from a \$1.9 payment the Port received for the sale of management of its right of ways to TerraPact. TerraPact gets 75% of right of way payments it negotiates “in perpetuity.” The port doesn’t collect any taxes.

County commission chairman Robert Rosencrantz was also interested in transparency. He wanted the Port to report monthly to county commissioners, preferably in person, on what economic development work was going on. He said when he was the director of a

state-wide housing program, he expected to make such reports. Smiley said quarterly reports were enough, as the Port has monthly meetings and would be regularly updating its commissioners. The EDC will continue to meet monthly and as the county representative, he said he would report to the county commissioners on EDC activity. Commissioner John Gentle was willing to require every other month reports.

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Smiley said that he wants to speak further with port commissioners before taking action on the funding. In addition to a longer contract helping to attract quality candidates, port officials are also concerned about the ADO selection becoming a political issue. County commission chairman Robert Rosencrantz will be up for election in 2026.

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Commissioners were initially talking about a year-long contract with the Port. The state's contract is for the state's fiscal year, from July 1 to June 30.

Driver said the port has nine applicants for the director's position. She said the port will conduct first interviews with candidates at its Feb. 13 meeting.

From: [Jean Wells](#)
To: [White, Bradley \(SAO\)](#)
Subject: Fw: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?
Date: Tuesday, June 4, 2024 6:54:40 PM
Attachments: [0017848404_OnlineReport.pdf](#)
[PEND OREILLE COUNTY ECONOMIC DEVELOPMENT COUNCIL.pdf](#)

External Email

Dear Brad White, CPA, Team Spokane Audit Manager, County Program Manager,

This is in response to your email dated 5/30/2024 that is in response to my concerns regarding:

1. The **conflict of interests between Pend Oreille County (POC) Commissioner John Gentle and his wife POC Port Commissioner Kimberly Gentle** have been going on for several years. According to Washington State Secretary of Corporations and Charities, POC Commissioner John Gentle continues to serve as Governor of the POC Economic Development Council (see attached current online nonprofit report dated 1/10/2023, and DOR business information).
2. According to POC Port Meeting Minutes dated 4/9/24: **Port Commissioner Kimberly Gentle reported "she believes the Port Commissioners will be the overall decision makers as the ADO moves to an advisory board ...** Link to Port of Pend Oreille Board of Commissioners Meeting Minutes dated April 9, 2024, <http://povarr.com/wp-content/uploads/2024/05/April-9-2024-Approved.pdf>
3. Compliance with State, and Commerce contract policies and procedures (conflict of interest, reporting, etc..),
4. Transparency (i.e., use of public funds, etc.)
5. Accountability (i.e., State Department of Commerce's request for repayment of \$300,000 funds that POC EDC received from the Governor's Strategic Reserve Fund ("SRF"). Following link: October 17, 2022 letter from Dept of Commerce to Jamie Wyrobek regarding "... Washington State is requesting Pend Oreille EDC, repay the \$300,000 from the investment of SRF to HiTest Sand Inc., within 30 days of receipt of this letter...." https://protectpendoreille.org/uploads/1/4/1/5/141595600/commerce_letter_to_edc_oct_17_2022.pdf

Please consider my request for **audits of the POC Port, POC EDC, and monitoring of the creation of the POC Economic Development Advisory Council.** Below your cop/past email are source materials supporting my concerns.

Thank you,

Gloria (Jean) Wells

94 Trask Rd

Newport, WA 99156

Following is copy/paste of your email to me.

Hotline Referral to the Office of the Washington State Auditor's Office

White, Bradley (SAO) <whitebd@sao.wa.gov>

Thu 5/30/2024 11:07 AM

wellsgj@hotmail.com <wellsgj@hotmail.com>

Hello,

Thank you for submitting your concerns related to **Pend Oreille County** and the **Pend Oreille PUD**. We will review your concerns as part of our upcoming audits happening this summer and fall. We may contact you with questions throughout our audit and will let you know the results at the end of our audit.

Thank you,



Brad White, CPA
Team Spokane Audit Manager, County Program Manager
[Office of the Washington State Auditor](#)
(509) 919-0240 | www.sao.wa.gov

From: Jean Wells <wellsgj@hotmail.com>

Sent: Thursday, May 23, 2024 4:36 PM

To: amelia.lamb@commerce.wa.gov <amelia.lamb@commerce.wa.gov>; emily.blume@commerce.wa.gov <emily.blume@commerce.wa.gov>; Thomas, Penny (COM) <Penny.Thomas@Commerce.wa.gov>; Pat.McCarthy@sao.wa.gov <Pat.McCarthy@sao.wa.gov>

Cc: Jean Wells <wellsgj@hotmail.com>

Subject: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

TO: Pat McCarthy, Washington State Auditor

Penny Thomas, Media Relations Manager

Amelia Lamb, amelia.lamb@commerce.wa.gov mobile text (360) 995-3386 (Olympia)

Emily Blume, emily.blume@commerce.wa.gov, mobile text (360) 628-0419 (Spokane)

FROM: Gloria (Jean) Wells, 94 Trask Rd., Newport, WA 99156

SUBJECT: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

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I am including State Auditor Pat McCarthy to request consideration to conduct audits of the Port of Pend Oreille County, and POC Economic Development Council including but not limited to:

1. compliance with State, and Commerce contract policies and procedures (conflict of interest, reporting, etc.),
2. Transparency (i.e., use of public funds, etc.)
3. accountability (i.e., State Department of Commerce's request for repayment of \$300,000 funds that POC EDC received from the Governor's Strategic Reserve Fund ("SRF"). Following link: October 17, 2022 letter from Dept of Commerce to Jamie Wyrobek regarding "... Washington State is requesting Pend Oreille EDC, repay the \$300,000 from the investment of SRF to HiTest Sand Inc., within 30 days of receipt of this letter...." https://protectpendoreille.org/uploads/1/4/1/5/141595600/commerce_letter_to_edc_oct_17_2022.pdf
4. Compliance with RCW 39.84.030 **Public corporations—Creation, dissolution** - POC EDC will be

dissolved, and Port will create an Economic Development Advisory Council (see Port minutes dated 4/9/24 <http://povarr.com/wp-content/uploads/2024/05/April-9-2024-Approved.pdf>)

Please consider my request for audits of the POC Port, POC EDC, and monitoring of the creation of the POC Economic Development Advisory Council. Below are source materials supporting my concerns.

Thank you,

Gloria (Jean) Wells

94 Trask Rd

Newport, WA 99156

Link to following article below copy/paste

News

The Miner, Newport, WA

Economic development group gets grant

May 22, 2024

NEWPORT – The Port of Pend Oreille was awarded a grant from the state Department of Commerce for \$75,000 to be used for project feasibility studies. The Port, newly designated ADO for Pend Oreille County will use the money to facilitate the studies for three separate properties, identified as developable for business recruitment and economic development. The Port of Pend Oreille is responsible to provide \$6,298 in total matching funds to perform the work.

“We are excited to move forward with actionable steps towards improving what has been a stagnant situation,” said Jessica Garza, the Port’s Economic Development Director. “This grant speeds up our projected timeline and is infusing integral funding towards large goals that we have identified.”

The three properties were identified as the Port-owned Newport Site and Wolfred land and Pend Oreille County’s new Wolfred Park. The timing is conducive towards applying for larger grants to facilitate building and infrastructure, Garza said.

At its May 15 EDAC meeting in Newport, EDAC board chair Abby Gribi reported for treasurer Russ Pelleberg, who was called for jury duty. Gribi said the EDAC had \$117,891 in its STCU account and \$7,047 in its Mt. West account.

The EDAC also passed updated bylaws. There is still no conflict of interest provision in the new bylaws. Gribi said as an advisory body, no conflict of interest policy was needed.

“This is an advisory committee, similar to how a planning commission would be structured,” Gribi said.

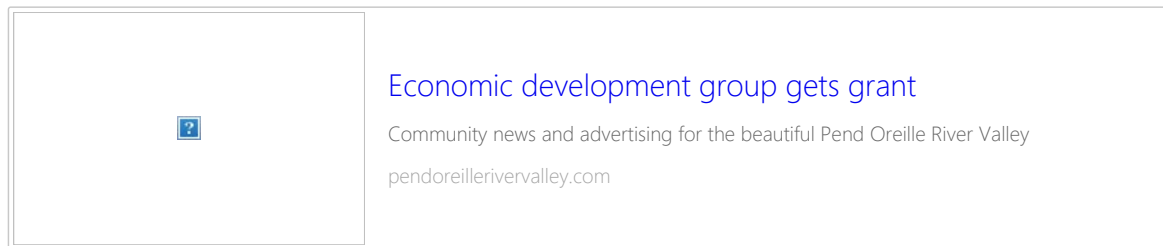
Brian Smiley, who represents the county on the EDAC, agreed a conflict of interest policy was not needed because the EDAC is advising the Port.

“The Port is the final authority and the Port has their own conflict of interest policy,” Smiley said. “They’re required to, it’s state law.”

The EDAC passed the draft bylaws.

The EDAC elected officers at April meeting, with Gribi elected chair, Mark Zorica was elected vice-chair and Tara Leininger was elected secretary.

<https://pendoreillerivervalley.com/economic-development-group-gets-grant-p88449-71.htm>



Opinion

Gentle poses conflict of interest

May 15, 2024

To the editor,

What do you call it when a politician fixes a competition for a public contract and then diverts excessive amounts of public money from more critical public services to benefit a small group of their biggest campaign contributors potentially financially? It sounds like something you would expect in Chicago or Olympia.

Whatever you want to call it, that is what County Commissioner John Gentle is doing here in Pend Oreille County. After the county commissioners agreed that the County's Economic Development Council, which has cost taxpayers over a million dollars for little benefit, was no longer beneficial for our county, Gentle fixed the competition for replacing the EDC by allowing the EDC to choose its own replacement. The EDC chose the Port of Pend Oreille, which then immediately reestablished the EDC under its superintendence. Then, after Gentle approved the plan, he participated in a bait-and-switch in which the Port demanded twice the amount of money for its services (Commissioner Rosencrantz whittled it down a little).

The fact that Gentle's spouse is both a Port Commissioner and a member of the EDC is an apparent conflict of interest. But even more concerning is that the leadership of the Port is Gentle's biggest campaign contributor. 78 percent of Gentle's donations have come from the leaders of the Port, the EDC, or Crypto companies. This is especially odorous when you consider that the publicly funded salary and compensation of the Port Manager, who is one of Gentle's biggest individual donors, is set by Gentle's spouse.

-Ben Richards

Usk

From: Jean Wells <wellsgj@hotmail.com>

Sent: Friday, February 9, 2024 11:40 AM

To: Penny.Thomas@Commerce.wa.gov <Penny.Thomas@Commerce.wa.gov>

Subject: YouTube videos (2) edited, and The Miner, Newport, WA (3 articles) by Don Gronning, Journalist

TO: Penny Thomas, Media Relations Manager

FROM: Gloria Jean Wells, 94 Trask Rd., Newport, WA 99156

I have concerns with Pend Oreille County(POC) Port of Pend Oreille County being

designated ADO for POC, please read Don Gronning's articles and if you have time watch the edited YouTube videos to get a complete understanding of my concerns.

YouTube 1/2/2024 Pend Oreille County Board of Commissioners' Meeting, which was edited by Norm Smith with Pend Oreille Political Circus to include attached pictures.

The POC EDC have conflicts of interest and it is unknown if a policy is in place to avoid potential conflicts, including POC Commissioner John Gentle and his wife POC Port Commissioner Kimberly Gentle. Port Commissioner Kimberly Gentle currently serves on POC EDC, and both Gentles served during EDC's \$300,000 debt to Commerce. EDC has not commented on if they have submitted amended IRS form 990s, "...EDC also submitted incorrect IRS form 990s...." see Don Gronning's article dated Jan 24, 2024, below.

Thank you.

This link is "2023 EDC Strategic Work Plan Deliverables Approved January 18th, 2023 Amended March 15, 2023...."


<https://pocedc.org/wp-content/uploads/2023/03/2023-Strategic-Workplan.pdf>

<https://www.youtube.com/watch?v=r6LX9AKbpGE&t=2926s>

	<p>Pend Oreille County Commissioners discuss EDC ADO 01/02/24</p> <p>Pend Oreille County Commissioners discuss Economic Development ADO. 01/02/24.</p> <p>www.youtube.com</p>
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POC Commissioners' Board Meeting 1/29/2024 **edited** video

https://www.youtube.com/watch?v=ql9M6w_Jpa4

	<p>The Politicization Of The POVA-ADO Contract. 1/29/24</p> <p>The Politicization of the County's ADO Contract with the Port District. Board of County Commissioners. 1/29/24.</p> <p>www.youtube.com</p>
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T

Jan 17, 2024

Don Gronning
of The Miner

NEWPORT – Pend Oreille County commissioners, on a 2-1 vote, agreed to have the Port of Pend Oreille be the economic development agency, or

Associated Development Organization, for the county. The designation comes with some money from the state Department of Commerce.

Three entities responded to a request for proposal to be the ADO. The Port, Tri County Economic Development District and Better City US all submitted proposals.

County commission chair Robert Rosencrantz voted for the TEDD to be the ADO. Rosencrantz was chairman of the board of directors of TEDD in 2023, but that will change following the board meeting Jan. 24, when a new TEDD board chair will be named.

Rosencrantz said all three proposals had strengths but said he voted for TEDD because TEDD is a regional organization. He said a representative from Sen. Patty Murray's office said at an economic development summit that economic success will depend on a regional approach.

Rosencrantz said he preferred TEDD's structure, with a horizontal structure with paid staff. The Port would be relying on one person.

"Many times that one person can be just fine," he said. "But in this case, we have demonstrated results from TEDD with that horizontal structure."

Rosencrantz said he found TEDD far more transparent than the Port. He said with TEDD, if you send an email requesting something, you get an answer and they don't charge anything. He said that is a pretty open spirit, which he said is a key component of building trust and having the kind of representative government that shares information willingly.

He said the Port requires that public records requests not be made by email.

"With the Port, you have to go to their office in Ustick to review documents," he said. "I find the Port's approach to not be what I want in terms of a relationship and in terms of representing the people of Pend Oreille County."

Transparency is a key factor, he said. He said he checked with a number of other ports that function as ADOs and all but one accepted emailed records requests. The Port of Walla Walla didn't get back to him.

Commissioner Brian Smiley represented the county on the Pend Oreille County Economic Development Council. He said he voted with the rest of the EDC subcommittee to recommend the Port.

Smiley said he isn't committed to the idea that the county should spend county money in the county. He said the county should spend the money with the

entity that brings the greatest efficiency and service to the county. Having said that, he said the spokesman for the Utah based Better City US should learn how to pronounce Chewelah.

“Those kinds of things effect how you interact when you’re doing work like economic development,” he said. Familiarity with area and issues is important.

County commission vice chair John Gentle said he had checked with Prosecutor Dolly Hunt about whether he had a conflict of interest because his wife, Kimberly Gentle, was a Port commissioner.

Gentle said the EDC board members were the subject matter experts.

Gentle said Ports were designed for economic development. He said he put a lot of weight on Smiley’s and the EDC recommendation.

Gentle said nobody had economic development and infrastructure authority like the ports, by design and by RCW.

“For me, there isn’t much of a decision here, when you weigh all the things,” he said

EDC Continues: Economic Development Council To Advise Port

by Don Gronning with Newport Miner, Newport, WA

Jan 24, 2024

NEWPORT – The Pend Oreille County Economic Development Council will continue as an advisory body to the Port of Pend Oreille. Pend Oreille County designated the Port as its Associated Development Organization. Each county names an ADO and the state Department of Commerce contracts with that organization for economic development service.

The county formerly had the EDC as ADO, but after director Jamie Wyrobek quit last May, county commissioners decided to seek a new ADO.

After paying the bulk of its advertising costs, the EDC had \$8,797 in a Mountain West bank account and \$117,483 in a STCU account, EDC treasurer Russ Pelleberg reported at the Jan. 17 EDC meeting.

“So we’re in pretty good shape still,” he said. “We’ll be working with the new group up there. Once there’s an official change of the ADO, we’ll probably, I imagine, close these bank accounts and the Port will probably start something new and fresh.”

Pelleberg said the only ongoing bills were the rent on the office and utilities. The EDC board voted to give notice to move out of the office that has sat mostly vacant since Wyrobek re-signed.

According to the Port ADO proposal, the EDC will continue as an advisor to the Port. It included proposed updated EDC bylaws, which now allow for remote voting.

Pend Oreille County Commissioner Brian Smiley answered questions from The Miner for the executive board of the EDC. Smiley is secretary for the EDC.

Newly elected EDC chair Abby Gribi referred to Smiley for answers, vice chair Laura Verity said she would like others to answer, as she was new to the executive board, and Pelleberg didn’t respond.

Smiley said the EDC board has broad community representation and will advise the Port on economic development.

“For the most part the work of the board will continue except for direct oversight of an employ-ee (director) and financial and regulatory oversight and compliance, as that work will undertak-en by the staff and elected Commissioners of the Port,” Smiley said.

He said that as one board member, his understanding is that the EDC as an entity will be dis-solving and closing out its financial and regulatory responsibilities. Part of that process would be to resolve any remaining unresolved regulatory and liability issues, including amending any tax returns with the guidance of a tax professional and perhaps even legal counsel, he said.

One of those obligations is a \$300,000 debt to the state Department of Commerce for a \$300,000 Strategic Reserve Fund grant the state supplied HiTest Sands, which later became PacWest Silicon and is now Senova Global. One of the conditions was that HiTest would provide 200 new jobs within five years of the grant by building a silicon smelter. Those five years ex-pired last June.

Since the smelter wasn’t built, the EDC is on the hook to collect the money from PacWest, a Canadian firm, to repay Commerce. Commerce sent a demand letter to the EDC for the money, which eventually made its way to the county commissioners.

Commerce hasn’t forgotten about the money, says spokesperson Penny Thomas.

“The grant funds from Commerce are not considered forgiven, and we are working with the EDC regarding their efforts with PacWest to recover funds,” Thomas said. “Also, Commerce is currently engaged with the Attorney General’s Office to consider our options for pursuing legal remedies.”

The EDC also submitted incorrect IRS form 990s for several years. For at least the years 2016-2020, on IRS Form 990, the EDC answered no to the question, "Did any officer, director, trustee or key employee have a family relationship or a business relationship with any other officer, trustee or key employee?" Former county commissioner Mike Manus and his daughter Jenny Smith were on the executive board each of those years, Manus as secretary and Smith as vice-chair.

Form 990 also asks if the EDC has a written conflict of interest policy. According to the EDC's 2016-2020 990s, it does. The EDC board specifically rejected a conflict of interest clause in its bylaws when they were rewritten in 2019.

The EDC's 990s also say the organization provided a complete copy of the Form 990 to all members of its governing body before filing the form. Smith and former chair Ray Pierre said they hadn't seen the forms.

It is unclear whether the EDC has amended the forms or not.

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WASHINGTON
Secretary of State
Corporations & Charities Division

Filed
Secretary of State
State of Washington
Date Filed: 01/10/2023
Effective Date: 01/10/2023
UBI #: 601 032 038

Annual Report

BUSINESS INFORMATION

Business Name:

PEND OREILLE COUNTY ECONOMIC DEVELOPMENT COUNCIL

UBI Number:

601 032 038

Business Type:

WA NONPROFIT CORPORATION

Business Status:

ACTIVE

Principal Office Street Address:

301 W SPRUCE ST STE E, NEWPORT, WA, 99156-9000, UNITED STATES

Principal Office Mailing Address:

PO BOX 1616, NEWPORT, WA, 99156-1616, UNITED STATES

Expiration Date:

06/30/2024

Jurisdiction:

UNITED STATES, WASHINGTON

Formation/Registration Date:

06/22/1987

Period of Duration:

PERPETUAL

Inactive Date:

Nature of Business:

PROFESSIONAL ASSOCIATION

NONPROFIT GROSS REVENUE CERTIFICATION

Per [RCW 24.03A.960](#) does the Nonprofit certify that its total gross revenue in the most recent fiscal year was less than \$500,000?

- Yes

NONPROFIT CORPORATION'S EIN

Nonprofit EIN: **91-1379405**

REGISTERED AGENT [RCW 23.95.410](#)

Registered Agent Name	Street Address	Mailing Address
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PEND OREILLE ECONOMIC
DEVELOPMENT COUNCIL

301 SPRUCE ST, NEWPORT, WA,
99156-0000, UNITED STATES

PO BOX 1616, NEWPORT, WA,
99156-1616, UNITED STATES

PRINCIPAL OFFICE

Phone:

5096715186

Email:

JWYROBEK@PENDOREILLE.ORG

Street Address:

301 W SPRUCE ST STE E, NEWPORT, WA, 99156-9000, USA

Mailing Address:

PO BOX 1616, NEWPORT, WA, 99156-1616, USA

GOVERNORS

Title	Type	Entity Name	First Name	Last Name
GOVERNOR	INDIVIDUAL		JENNY	SMITH
GOVERNOR	INDIVIDUAL		RAY	PIERRE
GOVERNOR	INDIVIDUAL		RUSS	PELLEBERG
GOVERNOR	INDIVIDUAL		JOHN	GENTLE

NATURE OF BUSINESS

1 PROFESSIONAL ASSOCIATION

CHARITABLE NONPROFIT CORPORATION

Is the Nonprofit Corporation a Charitable Nonprofit as defined by [RCW 24.03A.010\(6\)](#)? - **Yes**

REPORTING CHANGES FOR THE CHARITABLE NONPROFIT CORPORATION

Does the Nonprofit Corporation meet exemptions of reporting as outlined in [RCW 24.03A.075](#)? - **No**

REPORTING QUESTIONS

Has the Nonprofit Corporation filed an Amendment in the last year that changed one or more purposes of the corporation recorded in its initial Articles of Incorporation?

- **No**

Has the Nonprofit Corporation operated a significant program or activity that is different from:

a. A program or activity that the Nonprofit has previously operated; and

b. A program or activity described in the most recent application for recognition of exemption from federal tax income?

- **No**

PUBLIC BENEFIT NONPROFIT CORPORATION

Does the Nonprofit Corporation still meet the requirements to maintain its Public Benefit designation?

- **Yes**

Does the Nonprofit Corporation still elect to have the Public Benefit Designation?

- **Yes**

CONTROLLING INTEREST

1. Does this entity own (hold title) real property in Washington, such as land or buildings, including leasehold improvements?

- **No**

2. In the **past 12 months**, has there been a transfer of at least 16-2/3 percent of the ownership, stock, or other financial interest in the entity?

- **No**

a. If "Yes", in the **past 36 months**, has there been a transfer of controlling interest (50 percent or greater) of the ownership, stock, or other financial interest in the entity?

- **No**

3. If you answered "Yes" to question 2a, has a controlling interest transfer return been filed with the Department of Revenue?

- **No**

You **must** submit a Controlling Interest Transfer Return form if you answered "yes" to questions 1 **and** 2a.

Failure to report a Controlling Interest Transfer is subject to penalty provisions of [RCW 82.45.220](#).

For more information on **Controlling Interest**, visit www.dor.wa.gov/REET.

RETURN ADDRESS FOR THIS FILING

Attention:

PEND OREILLE EDC

Email:

JWYROBEK@PENDOREILLE.ORG

Address:

PO BOX 1616, NEWPORT, WA, 99156-1616, USA

UPLOAD ADDITIONAL DOCUMENTS

Do you have additional documents to upload? - **No**

AUTHORIZED PERSON

☒ I am an authorized person.

Person Type:

ENTITY

First Name:

JAMIE

Last Name:

WYROBEK

Entity Name:

PEND OREILLE ECONOMIC DEVELOPMENT COUNCIL

Title:

DIRECTOR

☒ This document is hereby executed under penalty of law and is to the best of my knowledge, true and correct.

BUSINESS INFORMATION

Business Name:

PEND OREILLE COUNTY ECONOMIC DEVELOPMENT COUNCIL

UBI Number:

601 032 038

Business Type:

WA NONPROFIT CORPORATION

Business Status:

ACTIVE

Principal Office Street Address:

301 W SPRUCE ST STE E, NEWPORT, WA, 99156-9000, UNITED STATES

Principal Office Mailing Address:

PO BOX 1616, NEWPORT, WA, 99156-1616, UNITED STATES

Expiration Date:

06/30/2024

Jurisdiction:

UNITED STATES, WASHINGTON

Formation/ Registration Date:

06/22/1987

Period of Duration:

PERPETUAL

Inactive Date:

Nature of Business:

PROFESSIONAL ASSOCIATION

Charitable Corporation:



Nonprofit EIN:

91-1379405

Most Recent Gross Revenue is less than \$500,000:



Has Members:



Public Benefit Designation:



Host Home:



REGISTERED AGENT INFORMATION

Registered Agent Name:

PEND OREILLE ECONOMIC DEVELOPMENT COUNCIL

Street Address:

301 SPRUCE ST, NEWPORT, WA, 99156-0000, UNITED STATES

Mailing Address:

PO BOX 1616, NEWPORT, WA, 99156-1616, UNITED STATES

GOVERNORS

Title	Governors Type	Entity Name	First Name	Last Name
GOVERNOR	INDIVIDUAL		JENNY	SMITH
GOVERNOR	INDIVIDUAL		RAY	PIERRE
GOVERNOR	INDIVIDUAL		RUSS	PELLEBERG
GOVERNOR	INDIVIDUAL		JOHN	GENTLE

From: [Jean Wells](#)
To: [White, Bradley \(SAO\)](#); [McCarthy, Pat \(SAO\)](#)
Subject: Fw: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?
Date: Thursday, September 19, 2024 9:40:23 AM

External Email

State Auditor Pat McCarthy and Senior Financial Analyst Bradley White,

This is to confirm that you received my previous email regarding upcoming audit for Pend Oreille Couty.

Thank you,
Gloria (Jean) Wells
94 Trask Rd
Newport, WA 99156
Cell: (509) 879-1935
Landline: (509) 448-0789

From: Jean Wells <wellsgj@hotmail.com>
Sent: Wednesday, September 4, 2024 10:39 AM
To: amelia.lamb@commerce.wa.gov <amelia.lamb@commerce.wa.gov>; emily.blume@commerce.wa.gov <emily.blume@commerce.wa.gov>; Thomas, Penny (COM) <Penny.Thomas@Commerce.wa.gov>; White, Bradley (SAO) <whitebd@sao.wa.gov>; Pat.McCarthy@sao.wa.gov <Pat.McCarthy@sao.wa.gov>
Cc: Jean Wells <wellsgj@hotmail.com>
Subject: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

Please consider a comprehensive audit of the Assessor's entire operation to determine whether assessments are being made in accordance with Washington property tax law. Pend Oreille County Assessor McCroskey's methodology of appraising property assessments appears unfair and unequal. Include a review of the Assessor's administrative policies and procedures that affect both real property and business property assessment programs and the Assessor's program for assessing personal property and furnishings. Is the Assessor and/or appraisers required to recuse themselves from appraising properties of political allies, family members, friends, alumni, businesses' that they do business with, etc.?

In 2020, I discovered my property valuation was 2nd highest on Trask Rd with structure increasing significantly and land value unfair compared to other properties on Trask Rd.

My 2019-2020 property assessment increased from \$221,298 to \$334,677.

2019 improvement value was \$117,298 - 2020 \$210,677(**79.61% increase**); 2019 land value was \$104,000 in 2020 \$124,000 (**19% increase**) Property tax in 2020 was \$2,338.11, in 2021 \$3,336.20 (**\$998.09 - 42% increase**). The trainee appraiser had not passed the Uniform Standards of Profession Appraisal course, which is required by DOR, and lacked credentials.

2024-2025 proposed property assessment is \$483,565 currently assessed at \$381,004 (improvement increase from \$225,004 to \$308,565 an **increase of 37%** and land value increase from \$156,000 to \$175,000 **an increase of 12%**).

1. Following is a sampling of properties sold in 2022 for tax area 0005 - 1 -56 F3 S2 that have 2025 assessments at less than purchase price: for example,

December 1, 2022 - 21 Lakeside Dr sold for \$550,00 the 2025 assessment is \$364,411, that's **\$185,589 less than purchase price**.http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9047

September 2, 2022 - 5706 Northshore Diamond Lake Rd sold for \$660,000 - 2025 assessment is \$490,000, **\$170,000 less than purchase price** http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=11351

August 5, 2022, - 443 Bayview Blvd sold for \$909,000 - 2025 assessment is \$626,116 that **\$282,884 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9010

July 29, 2022 - 353 Southshore Diamond Lake sold for \$500,000 - 2025 assessment is \$240,034, that's **\$259,966 less than purchase (Realtor Bockermuehl sold it to a neighbor)**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8879

June 9, 2022, 781 Southshore Diamond Lake sold for \$851,000 - 2025 assessment set at \$606,603 that's **\$244,397 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8909

May 27, 2022, 441 Bayview Blvd sold for \$825,000 - 2025 assessment at \$574,532, that's **\$250,468 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9011

January 19, 2022 325453 Highway 2 purchase price \$750,000 - 2025 assessment \$548,606, that's **\$201,394 less than purchase price** http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9169

July 27, 2022, 352 Southshore Diamond Lake sold for \$110,000 - 2025 assessment is \$72,000 that's **\$38,000 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8904

March 8, 2022, 1402 Southshore Diamond Lake Rd sold for \$517,000, 2025 assessment \$434,884 that's **\$82,116 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8508

April 20, 2022, 123 Rockwood Rd., sold 2 properties for \$475,000 - 2025 assessment is \$422,189, that's **\$52,811 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8776

November 10, 2022, - 684 Southshore sold for \$275,000 - 2025 assessment is \$236,291, **that's \$38,709 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8800

2. I found properties sold in 2023 with values for 2025 tax rolls less than purchase price too. I did not research 2020-2021 or 2019-2020.
3. Washington standard practice is to value structure with classifications Condition 1-6 and Quality 1-6.
 - Condition 1 new homes and Condition 6 is a home in very poor condition or needs substantial rehab.
 - Quality 1 is for very high-end homes and Quality 6 is for the lowest quality of materials used.
4. Does POC have an Ethics Policy, is our Assessor removed from amending values? This is a standard practice for assessors in Washington
5. Are appraisers accredited and required to sign a certified document that property value to be true and accurate? This is a standard practice in Washington.
6. What is the POC average valuation rate increase for the 2025 tax year? Spokesman Review article dated June 18, 2024, Spokane County assessor reported property values decreased.
7. Review a representative sampling of the assessments; for example, Assessor James McCroskey, Deputy Appraiser Nathan Longley, and County Commissioner John Gentle (former appraiser in training), as all benefit from "unfinished and minimal

finished areas." My opinion, public has a right to compare their property with theirs because McCroskey, Longly, and Gentle were trained to assess structure class code and land values. You may want to include other elected officials that own multiple properties in POC.

Assessor McCroskey submitted a graph displaying properties owned by elected officials and Deputy Assessor Nathan Longley (who is currently serving on Newport Council). Some of the property owners have multiple properties in POC, including me, but are omitted.

According to the graph, Commissioner John Gentle's property for 2025 is assessed at \$460,209. According to POC 2025 total taxable amount is \$369,419 with structure at \$320,814, which is significantly less than the graph reports. Commissioner Gentle purchased the property Nov 18, 2013, for \$369,419 with **3100 sq foot living area home** He receives government benefits for Designated Forrest Land and productivity loss.

According to the graph, Auditor Marianne Nichols' property is assessed at \$330,000. POC website reports Nichols' property for 2025 taxable value is \$213,123 with structure value of \$161,740, Land Homesite value \$50,500, and **productivity loss of \$118,350**. Her property is situated on 23.07 acres. POC website also records that her husband transferred the property to her on July 23, 2021. She receives government benefits for Designated Forrest Land and undeveloped & unused land area.

I haven't researched DESIGNATED FOREST LAND RCW 84.33 land that is valued for forestry use or restrictions on undeveloped and unused land area WAC 458-53-030.

Following three property owners benefit with **living area discounted for "minimal and/or unfinished living area:**

1) Assessor James McCroskey: split entry residence purchased in 1/28/2002 with **2,600 square feet living area**, has daylight basement **1,300 sq ft valued at "minimal finished + 576 sq ft attached double car garage at "minimal finished, etc."**

103 E CIRCLE DR

NEWPORT, WA 99156

Here's link to POC property assessment http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=16984

2) Commissioner John Gentle (former appraiser in training): purchased 11/18/2013 for \$379,200, with 2025 taxable value \$369,419 and **benefits from minimal finished daylight basement 1,225 sq ft + minimal finished attached garage 816 sq ft., etc.**

1512 DIAMOND CREEK RD

NEWPORT, WA 99156

According to Zillow/Redfin at time Gentle purchased property "Overlooking Pend Oreille County WA. This **3100 sq foot living area home** affords privacy and scenic territorial views. The property includes 21 forested acres approx. 1.5 miles off the main road sitting at the top of a mountain. 3bdr/3.5 bath large master bath /walk in double shower. 2 story/full basement finished. 3 living room areas. 3 car attached garage. Private Well 1000 gal holding tank. Gas fireplace/ security system/sprinkler system/Hot tub/gas fireplace. 220 electrics. 30x40 shop/20x20 2 story barn..."

<https://www.redfin.com/WA/Newport/1512-Diamond-Creek-Rd-99156/home/115477350>

POC link to Gentle property

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9381

3) Deputy Assessor Nathan Longly (7/22/2013 purchase price \$170,000; has 2025 assessed value \$317,213 with **benefit of 957 sq ft "basement unfished, etc."**). Is currently for sale, see below current Zillow ad.

813 W 2ND ST

NEWPORT, WA 99156

\$317,213

https://www.zillow.com/homedetails/813-W-2nd-St-Newport-WA-99156/113772633_zpid/

813 W 2nd St, Newport, WA 99156 | MLS #202413561 |
Zillow



This 3035 square feet Single Family home has 4 bedrooms and 2 bathrooms. It is located at 813 W 2nd St, Newport, WA.

www.zillow.com

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=16903

FYI:

Assessor McCroskey has stated "State law requires that county assessors appraise all property at **100 percent** of its true and fair market value in money, according to the highest and best use of the property.

Following was published 8/28/24 The Miner - Letter to Editor- Home values in Pend Oreille County dropped last year, so what explains this year's massive increase in assessed values?

In a recent statement to the Board of Equalization, the assessor's office claimed the Washington State Housing Market Report showed that property values have increased 55% from 2019-2022. However, that report also shows that median home prices dropped last year. The average price of four-bedroom homes declined by \$57,000. Furthermore, state law requires the assessor to fairly assess the true value of every property each year, not every five years.

Deputy Assessor Nathan Longly blamed assessor Jim McCroskey. He told the Board that the assessor had not done his job for the last five years, so they needed to apply a massive increase this year. "[D]ue to staffing shortages and tremendous movement in the real estate market, the Assessor's office has not been able to keep up.... due to the number of properties affected by the office's inability to make proper adjustments... the total needed adjustment has been applied for these missed years in this year's valuation."

Three problems:

1. The assessor has increased property values in each of the last property five years based on market data.
2. According to data reported by McCroskey to the State DOR, the Assessor's office has been fully staffed with its authorized 5 full-time employees every year except in 2021, when it had 4.45.
3. The county assessors have one of the smallest workloads in the State. According to DOR, their workload is 25% smaller than the average county assessor and 40% lower than the average in Spokane, Stevens, and Ferry counties.

The Assessor's excuses do not hold water. Property values are dropping. He has a full staff and one of the lowest workloads in the state. The Assessor owes us an honest answer.

-by Ben Richards, Usk

Thank you so much for scheduling the DOR audit of Pend Oreille County for this month. I would be happy to meet with the auditor and present evidence and suggestions for improvement.

Gloria Jean Wells

94 Trask Rd

Newport, WA 99156

Cell: (509) 879-1935

Landline: (509) 448-0789

From: Jean Wells <wellsgj@hotmail.com>

Sent: Thursday, May 23, 2024 4:36 PM

To: amelia.lamb@commerce.wa.gov <amelia.lamb@commerce.wa.gov>; emily.blume@commerce.wa.gov <emily.blume@commerce.wa.gov>; Thomas, Penny (COM) <Penny.Thomas@Commerce.wa.gov>; Pat.McCarthy@sao.wa.gov <Pat.McCarthy@sao.wa.gov>

Cc: Jean Wells <wellsgj@hotmail.com>

Subject: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

TO: Pat McCarthy, Washington State Auditor

Penny Thomas, Media Relations Manager

Amelia Lamb, amelia.lamb@commerce.wa.gov mobile text (360) 995-3386 (Olympia)

Emily Blume, emily.blume@commerce.wa.gov, mobile text (360) 628-0419 (Spokane)

FROM: Gloria (Jean) Wells, 94 Trask Rd., Newport, WA 99156

SUBJECT: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

The conflict of interests between Pend Oreille County (POC) Commissioner John Gentle and his wife POC Port Commissioner Kimberly Gentle have been going on for several years. According to Washington State Secretary of Corporations and Charities, POC Commissioner John Gentle continues to serve as Governor of the POC Economic Development Council (see attached current online nonprofit report dated 1/10/2023, and DOR business information).

According to POC Port Meeting Minutes dated 4/9/24: Port Commissioner Kimberly Gentle reported "she believes the Port Commissioners will be the overall decision makers as the ADO moves to an advisory board ...: Link to Port of Pend Oreille Board of Commissioners Meeting Minutes dated April 9, 2024, <http://povarr.com/wp-content/uploads/2024/05/April-9-2024-Approved.pdf>

I am including State Auditor Pat McCarthy to request consideration to conduct audits of the Port of Pend Oreille County, and POC Economic Development Council including but not limited to:

1. compliance with State, and Commerce contract policies and procedures (conflict of interest, reporting, etc.),
2. Transparency (i.e., use of public funds, etc.)
3. accountability (i.e., State Department of Commerce's request for repayment of \$300,000 funds that POC EDC received from the Governor's Strategic Reserve Fund ("SRF"). Following link: October 17, 2022 letter from Dept of Commerce to Jamie Wyrobek regarding "... Washington State is requesting Pend Oreille EDC, repay the \$300,000 from the investment of SRF to HiTest Sand Inc., within 30 days of receipt of this letter...." https://protectpendoreille.org/uploads/1/4/1/5/141595600/commerce_letter_to_edc_oct_17_2022.pdf
4. Compliance with RCW 39.84.030 **Public corporations—Creation, dissolution** - POC EDC will be dissolved, and Port will create an Economic Development Advisory Council (see Port minutes dated

4/9/24 <http://povarr.com/wp-content/uploads/2024/05/April-9-2024-Approved.pdf>

Please consider my request for audits of the POC Port, POC EDC, and monitoring of the creation of the POC Economic Development Advisory Council. Below are source materials supporting my concerns.

Thank you,

Gloria (Jean) Wells

94 Trask Rd

Newport, WA 99156

Link to following article below copy/paste

News

The Miner, Newport, WA

Economic development group gets grant

May 22, 2024

NEWPORT – The Port of Pend Oreille was awarded a grant from the state Department of Commerce for \$75,000 to be used for project feasibility studies. The Port, newly designated ADO for Pend Oreille County will use the money to facilitate the studies for three separate properties, identified as developable for business recruitment and economic development. The Port of Pend Oreille is responsible to provide \$6,298 in total matching funds to perform the work.

“We are excited to move forward with actionable steps towards improving what has been a stagnant situation,” said Jessica Garza, the Port’s Economic Development Director. “This grant speeds up our projected timeline and is infusing integral funding towards large goals that we have identified.”

The three properties were identified as the Port-owned Newport Site and Wolfred land and Pend Oreille County’s new Wolfred Park. The timing is conducive towards applying for larger grants to facilitate building and infrastructure, Garza said.

At its May 15 EDAC meeting in Newport, EDAC board chair Abby Gribi reported for treasurer Russ Pelleberg, who was called for jury duty. Gribi said the EDAC had \$117,891 in its STCU account and \$7,047 in its Mt. West account.

The EDAC also passed updated bylaws. There is still no conflict of interest provision in the new bylaws. Gribi said as an advisory body, no conflict of interest policy was needed.

“This is an advisory committee, similar to how a planning commission would be structured,” Gribi said.

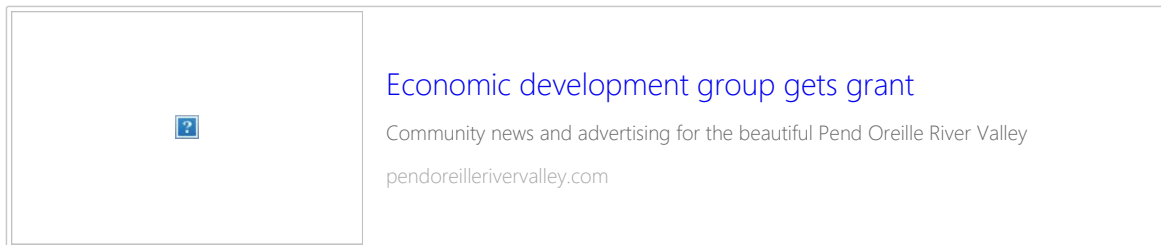
Brian Smiley, who represents the county on the EDAC, agreed a conflict of interest policy was not needed because the EDAC is advising the Port.

“The Port is the final authority and the Port has their own conflict of interest policy,” Smiley said. “They’re required to, it’s state law.”

The EDAC passed the draft bylaws.

The EDAC elected officers at April meeting, with Gribi elected chair, Mark Zorica was elected vice-chair and Tara Leininger was elected secretary.

<https://pendoreillerivervalley.com/economic-development-group-gets-grant-p88449-71.htm>



Opinion

Gentle poses conflict of interest

May 15, 2024

To the editor,

What do you call it when a politician fixes a competition for a public contract and then diverts excessive amounts of public money from more critical public services to benefit a small group of their biggest campaign contributors potentially financially? It sounds like something you would expect in Chicago or Olympia.

Whatever you want to call it, that is what County Commissioner John Gentle is doing here in Pend Oreille County. After the county commissioners agreed that the County's Economic Development Council, which has cost taxpayers over a million dollars for little benefit, was no longer beneficial for our county, Gentle fixed the competition for replacing the EDC by allowing the EDC to choose its own replacement. The EDC chose the Port of Pend Oreille, which then immediately reestablished the EDC under its superintendence. Then, after Gentle approved the plan, he participated in a bait-and-switch in which the Port demanded twice the amount of money for its services (Commissioner Rosencrantz whittled it down a little).

The fact that Gentle's spouse is both a Port Commissioner and a member of the EDC is an apparent conflict of interest. But even more concerning is that the leadership of the Port is Gentle's biggest campaign contributor. 78 percent of Gentle's donations have come from the leaders of the Port, the EDC, or Crypto companies. This is especially odorous when you consider that the publicly funded salary and compensation of the Port Manager, who is one of Gentle's biggest individual donors, is set by Gentle's spouse.

-Ben Richards

Usk

From: Jean Wells <wellsgj@hotmail.com>

Sent: Friday, February 9, 2024 11:40 AM

To: Penny.Thomas@Commerce.wa.gov <Penny.Thomas@Commerce.wa.gov>

Subject: YouTube videos (2) edited, and The Miner, Newport, WA (3 articles) by Don Gronning, Journalist

TO: Penny Thomas, Media Relations Manager

FROM: Gloria Jean Wells, 94 Trask Rd., Newport, WA 99156

I have concerns with Pend Oreille County(POC) Port of Pend Oreille County being designated ADO for POC, please read Don Gronning's articles and if you have time watch

the edited YouTube videos to get a complete understanding of my concerns.

YouTube 1/2/2024 Pend Oreille County Board of Commissioners' Meeting, which was edited by Norm Smith with Pend Oreille Political Circus to include attached pictures.

The POC EDC have conflicts of interest and it is unknown if a policy is in place to avoid potential conflicts, including POC Commissioner John Gentle and his wife POC Port Commissioner Kimberly Gentle. Port Commissioner Kimberly Gentle currently serves on POC EDC, and both Gentles served during EDC's \$300,000 debt to Commerce. EDC has not commented on if they have submitted amended IRS form 990s, "...EDC also submitted incorrect IRS form 990s...." see Don Gronning's article dated Jan 24, 2024, below.

Thank you.

This link is "2023 EDC Strategic Work Plan Deliverables Approved January 18th, 2023 Amended March 15, 2023...."


<https://pocedc.org/wp-content/uploads/2023/03/2023-Strategic-Workplan.pdf>

<https://www.youtube.com/watch?v=r6LX9AKbpGE&t=2926s>

	<p>Pend Oreille County Commissioners discuss EDC ADO 01/02/24</p>
<p>Pend Oreille County Commissioners discuss Economic Development ADO. 01/02/24. www.youtube.com</p>	

POC Commissioners' Board Meeting 1/29/2024 **edited** video

https://www.youtube.com/watch?v=ql9M6w_lpa4

	<p>The Politicization Of The POVA-ADO Contract. 1/29/24</p>
<p>The Politicization of the County's ADO Contract with the Port District. Board of County Commissioners. 1/29/24. www.youtube.com</p>	

T

Jan 17, 2024

Don Gronning
of The Miner

NEWPORT – Pend Oreille County commissioners, on a 2-1 vote, agreed to have the Port of Pend Oreille be the economic development agency, or Associated Development Organization, for the county. The designation comes

with some money from the state Department of Commerce.

Three entities responded to a request for proposal to be the ADO. The Port, Tri County Economic Development District and Better City US all submitted proposals.

County commission chair Robert Rosencrantz voted for the TEDD to be the ADO. Rosencrantz was chairman of the board of directors of TEDD in 2023, but that will change following the board meeting Jan. 24, when a new TEDD board chair will be named.

Rosencrantz said all three proposals had strengths but said he voted for TEDD because TEDD is a regional organization. He said a representative from Sen. Patty Murray's office said at an economic development summit that economic success will depend on a regional approach.

Rosencrantz said he preferred TEDD's structure, with a horizontal structure with paid staff. The Port would be relying on one person.

"Many times that one person can be just fine," he said. "But in this case, we have demonstrated results from TEDD with that horizontal structure."

Rosencrantz said he found TEDD far more transparent than the Port. He said with TEDD, if you send an email requesting something, you get an answer and they don't charge anything. He said that is a pretty open spirit, which he said is a key component of building trust and having the kind of representative government that shares information willingly.

He said the Port requires that public records requests not be made by email.

"With the Port, you have to go to their office in Skamania to review documents," he said. "I find the Port's approach to not be what I want in terms of a relationship and in terms of representing the people of Pend Oreille County."

Transparency is a key factor, he said. He said he checked with a number of other ports that function as ADOs and all but one accepted emailed records requests. The Port of Walla Walla didn't get back to him.

Commissioner Brian Smiley represented the county on the Pend Oreille County Economic Development Council. He said he voted with the rest of the EDC subcommittee to recommend the Port.

Smiley said he isn't committed to the idea that the county should spend county money in the county. He said the county should spend the money with the entity that brings the greatest efficiency and service to the county. Having said

that, he said the spokesman for the Utah based Better City US should learn how to pronounce Chewelah.

“Those kinds of things effect how you interact when you’re doing work like economic development,” he said. Familiarity with area and issues is important.

County commission vice chair John Gentle said he had checked with Prosecutor Dolly Hunt about whether he had a conflict of interest because his wife, Kimberly Gentle, was a Port commissioner.

Gentle said the EDC board members were the subject matter experts.

Gentle said Ports were designed for economic development. He said he put a lot of weight on Smiley’s and the EDC recommendation.

Gentle said nobody had economic development and infrastructure authority like the ports, by design and by RCW.

“For me, there isn’t much of a decision here, when you weigh all the things,” he said

EDC Continues: Economic Development Council To Advise Port

by Don Gronning with Newport Miner, Newport, WA

Jan 24, 2024

NEWPORT – The Pend Oreille County Economic Development Council will continue as an advisory body to the Port of Pend Oreille. Pend Oreille County designated the Port as its Associated Development Organization. Each county names an ADO and the state Department of Commerce contracts with that organization for economic development service.

The county formerly had the EDC as ADO, but after director Jamie Wyrobek quit last May, county commissioners decided to seek a new ADO.

After paying the bulk of its advertising costs, the EDC had \$8,797 in a Mountain West bank account and \$117,483 in a STCU account, EDC treasurer Russ Pelleberg reported at the Jan. 17 EDC meeting.

“So we’re in pretty good shape still,” he said. “We’ll be working with the new group up there. Once there’s an official change of the ADO, we’ll probably, I imagine, close these bank accounts and the Port will probably start something new and fresh.”

Pelleberg said the only ongoing bills were the rent on the office and utilities. The EDC board voted to give notice to move out of the office that has sat mostly vacant since Wyrobek re-signed.

According to the Port ADO proposal, the EDC will continue as an advisor to the Port. It included proposed updated EDC bylaws, which now allow for remote voting.

Pend Oreille County Commissioner Brian Smiley answered questions from The Miner for the executive board of the EDC. Smiley is secretary for the EDC.

Newly elected EDC chair Abby Gribi referred to Smiley for answers, vice chair Laura Verity said she would like others to answer, as she was new to the executive board, and Pelleberg didn’t respond.

Smiley said the EDC board has broad community representation and will advise the Port on economic development.

“For the most part the work of the board will continue except for direct oversight of an employ-ee (director) and financial and regulatory oversight and compliance, as that work will undertak-en by the staff and elected Commissioners of the Port,” Smiley said.

He said that as one board member, his understanding is that the EDC as an entity will be dis-solving and closing out its financial and regulatory responsibilities. Part of that process would be to resolve any remaining unresolved regulatory and liability issues, including amending any tax returns with the guidance of a tax professional and perhaps even legal counsel, he said.

One of those obligations is a \$300,000 debt to the state Department of Commerce for a \$300,000 Strategic Reserve Fund grant the state supplied HiTest Sands, which later became PacWest Silicon and is now Senova Global. One of the conditions was that HiTest would provide 200 new jobs within five years of the grant by building a silicon smelter. Those five years ex-pired last June.

Since the smelter wasn’t built, the EDC is on the hook to collect the money from PacWest, a Canadian firm, to repay Commerce. Commerce sent a demand letter to the EDC for the money, which eventually made its way to the county commissioners.

Commerce hasn’t forgotten about the money, says spokesperson Penny Thomas.

“The grant funds from Commerce are not considered forgiven, and we are working with the EDC regarding their efforts with PacWest to recover funds,” Thomas said. “Also, Commerce is currently engaged with the Attorney General’s Office to consider our options for pursuing legal remedies.”

The EDC also submitted incorrect IRS form 990s for several years. For at least the years 2016-2020, on IRS Form 990, the EDC answered no to the question, "Did any officer, director, trustee or key employee have a family relationship or a business relationship with any other officer, trustee or key employee?" Former county commissioner Mike Manus and his daughter Jenny Smith were on the executive board each of those years, Manus as secretary and Smith as vice-chair.

Form 990 also asks if the EDC has a written conflict of interest policy. According to the EDC's 2016-2020 990s, it does. The EDC board specifically rejected a conflict of interest clause in its bylaws when they were rewritten in 2019.

The EDC's 990s also say the organization provided a complete copy of the Form 990 to all members of its governing body before filing the form. Smith and former chair Ray Pierre said they hadn't seen the forms.

It is unclear whether the EDC has amended the forms or not.

Smiley and county commissioner John Gentle voted to accept the Port as the new ADO, while commission chair Robert Rosencrantz voted for the Tri County Economic Development District (TEDD) to be the ADO.

Smiley stands by the decision.

"In my way of thinking this is the best possible outcome given the situation as it removes the burden of hiring and supervising an employee and regulatory and fiscal responsibilities from an already overburdened and busy all volunteer board, while at the same time retaining the pre-sent boards' excellent representation and understanding of the county and vision for economic development," he said.

Port Asks For \$200,000 County Funding; Also Wants Economic Development Contract Through June 30, 2027 by Don Gronning

Jan 31, 2024

NEWPORT – At its Monday meeting, Pend Oreille County commissioners heard that the Port of Pend Oreille, which was recently selected as the county's Associate Development Organization, is seeking \$200,000 annually from the county and would like a contract that runs through June 30, 2027.

Commissioner Brian Smiley represents the county on the Economic Development Council, serving as EDC secretary on its executive board. The EDC is an advisory board to the port. Smiley said the longer contract will give the port time to set up its economic development branch and could help in attracting quality candidates to its director position.

The \$200,000 is more than the county was giving the EDC. Former EDC director Jamie

Wyrobek was a county employee and the county paid her wages and benefits, in addition to the rent on the office where the EDC was located.

Port Executive Director Kelly Driver said the port planned to fund some of the economic development work.

“We don’t have an exact amount,” she said.

Driver said the Port is considering hiring a part time worker to take up some of Port auditor Susan Bluff’s work. In addition to auditing, Bluff does some reception work and train documentation that can be shifted to a new part time worker, Driver said. Bluff will be able to do some economic development related work, Driver said.

The Port, which doesn’t collect any taxes, has \$5.3 million in reserves, Driver said. Some of that came from a \$1.9 payment the Port received for the sale of management of its right of ways to TerraPact. TerraPact gets 75% of right of way payments it negotiates “in perpetuity.” The port doesn’t collect any taxes.

County commission chairman Robert Rosencrantz was also interested in transparency. He wanted the Port to report monthly to county commissioners, preferably in person, on what economic development work was going on. He said when he was the director of a state-wide housing program, he expected to make such reports. Smiley said quarterly reports were enough, as the Port has monthly meetings and would be regularly updating its commissioners. The EDC will continue to meet monthly and as the county representative, he said he would report to the county commissioners on EDC activity. Commissioner John Gentle was willing to require every other month reports.

The port isn’t willing to make in person reports to the county commissioners, Smiley said and he doesn’t think they should have to.

Smiley said that he wants to speak further with port commissioners before taking action on the funding. In addition to a longer contract helping to attract quality candidates, port officials are also concerned about the ADO selection becoming a political issue. County commission chairman Robert Rosencrantz will be up for election in 2026.

Rosencrantz has made no secret that he thinks the EDC is ineffective. He cast the sole vote for the Tri County Economic Development District to serve as ADO instead of the port. TEDD is Stevens and Ferry counties’ ADO.

Rosencrantz, who sits on the board of TEDD, isn’t in favor of the length of the proposed county contract or the amount the port wants from the county. He is also insistent that the ADO report monthly to the county commissioners.

Rosencrantz said if the port would agree to a monthly in person meeting, he was willing to consider the other elements. To have the port come up with the contract terms they propose doesn’t address any of his concerns.

“They’ve expanded considerably beyond the original agreement; longer term, more money and nothing on the quarterly reporting, nothing to show (the port is) going to make a good faith effort,” Rosencrantz said in an edited video posted to Norm Smith’s Pend Oreille Political Circus Facebook group page.

Gentle said Rosencrantz has been against the EDC since before he was elected. Gentle’s wife, Kimberly Gentle, serves as an elected port commissioner.

“Speaking frankly, Robert, I feel you’ve lacked objectivity in pieces of this,” he said in Smith’s Facebook video of Monday’s meeting.

Gentle said that Rosencrantz had made the elimination of the EDC a campaign promise.

Every county in the state appoints an ADO which contracts with the state for economic development work. The county also contracts separately for economic development, this time with the Port.

The EDC used to be the county's ADO for years prior to Wyrobek abruptly resigning last year. That threw the ADO contract with the state department of Commerce into limbo. The county decided to choose a new ADO.

Commissioners were initially talking about a year-long contract with the Port. The state's contract is for the state's fiscal year, from July 1 to June 30.

Driver said the port has nine applicants for the director's position. She said the port will conduct first interviews with candidates at its Feb. 13 meeting.

[illegible]

Form 990 also asks if the EDC has a written conflict of interest policy. According to the EDC's 2016-2020 990s, it does. The EDC board specifically rejected a conflict of interest clause in its bylaws when they were rewritten in 2015.

The EDC's 990s also say the organization provided a complete copy of the Form 990 to all members of its governing body before filing the form. Smith and former chair Ray Porter said they both's own the forms.

It is unclear whether the EDC has controlled the director's seat.

Smiley and county commissioner John Gault said to accept the Port as the new ADO, while commissioner chair Robert Rounsaville voted for the Tri County Economic Development District (TEDD) to be the ADO.

Smiley stands by the decision.

"In my way of thinking this is the best possible outcome given the situation as it concerns the burden of hiring and supervising an employee and regulatory and fiscal responsibilities from an already overburdened and busy all-volunteer board, while at the same time retaining the pro-ven board's excellent representation and understanding of the county and vision for economic development," he said.

Port Aids For \$300,000 County Funding, Also Wants Economic Development Contract Through June 30, 2027 by Dan Greening

Jun 11, 2024

NEWSWEEK As its Monday meeting, Paul Orville County commissioner heard that the Port of Paul Orville, which was recently selected as the county's Economic Development Organization, is working \$300,000 annually from the county and would like a contract that runs through June 30, 2027.

Commissioner Brian Smiley represents the county on the Economic Development Council, serving as EDC secretary on an advisory board. The EDC is an advisory board to the port. Smiley said the longer contract will give the port time to set up its economic development branch and could help in attaining quality conditions to its director position.

The \$300,000 is more than the county was giving the EDC. Former EDC director Janice Wysocki was a county employee and the county paid her wages and benefits, in addition to the seat on the office where the EDC was housed.

Port Executive Director Kelly Devore said the port planned to find some of the economic development work.

"We don't have an exact estimate," she said.

Devore said the Port is considering hiring a part-time worker to take up some of Port and/or Susan Bluff's work. In addition to auditing, Bluff does some reception work and train documentation that can be shifted to a new part-time worker. Devore said, Bluff will be able to do some economic development related work. Devore said.

The Port, which doesn't collect any taxes, has \$0.2 million in reserves, Devore said. Some of that came from a \$1.9 payment the Port received for the sale of management of its right of way to TerraPet. TerraPet gave 75% of right of way payments to taxpayers "as property." The port doesn't collect any taxes.

County commissioner chairman Robert Rounsaville was also interested in transparency. He wanted the Port to report monthly to county commissioners, preferably in person, on what economic development work was going on. He said when he was the director of a state-wide housing program, he expected to make such reports. Smiley said quarterly reports were enough, as the Port has monthly meetings and would be regularly updating its commission. The EDC will continue to meet monthly and as the county representative, he said he would report to the county commissioners on EDC activity. Commissioner John Gault was willing to accept any other monthly reports.

The port isn't willing to make in-person reports to the county commissioners. Smiley said and he doesn't think they should have to.

Smiley said that he wants to speak further with port commissioners before taking action on the funding. In addition to a longer contract, helping to attract quality conditions, port officials are also concerned about the ADO selection becoming a political issue. County commissioner chairman Robert Rounsaville will be up for election in 2026.

Rounsaville has made no secret that he thinks the EDC is ineffective. He said the vote vote for the Tri County Economic Development District to serve as ADO instead of the port, TEDD to become and carry counter ADO.

Rounsaville, who sits on the board of TEDD, isn't in favor of the length of the proposed county contract or the amount the port wants from the county. He is also uncertain that the ADO report monthly to the county commissioners.

Rounsaville said if the port would agree to a monthly in-person meeting, he was willing to consider the other elements. To have the port come up with the contract terms they propose doesn't address any of his concerns.

"They've expanded considerably beyond the original agreement, longer term, more money and nothing on the quarterly reporting, nothing to show (the port is) going to make a good faith effort," Rounsaville said in an edited video posted to Susan Smith's Paul Orville Political Circle Facebook group page.

Gault and Rounsaville have been against the EDC since before he was elected. Gault's wife, Kimberly Gault, serves as an elected port commissioner.

"Speaking frankly, Robert, I find you've lacked objectivity in process of this," he said in Smith's Facebook video of Monday's meeting.

Gault said that Rounsaville had made the elimination of the EDC a campaign promise.

Every county in the state appoints an ADO which contracts with the state for economic development work. The county also contracts separately for economic development, this time with the Port.

The EDC said to be the county's ADO for years prior to Wysocki abruptly resigning last year. That drove the ADO contract with the state Department of Commerce into limbo. The county decided to choose a new ADO.

Commissioners were initially talking about a year-long contract with the Port. The state's contract for the state's fiscal year, which runs July 1 to June 30.

Devore said the port has nine applicants for the director's position. She said the port will conduct four interviews with candidates at its Feb. 12 meeting.

From: [White, Bradley \(SAO\)](#)
To: wellsqj@hotmail.com
Subject: Hotline Referral to the Office of the Washington State Auditor's Office
Date: Thursday, May 30, 2024 11:07:00 AM
Attachments: [image001.png](#)

Hello,

Thank you for submitting your concerns related to Pend Oreille County and the Pend Oreille PUD. We will review your concerns as part of our upcoming audits happening this summer and fall. We may contact you with questions throughout our audit and will let you know the results at the end of our audit.

Thank you,



Brad White, CPA
Team Spokane Audit Manager, County Program Manager
[Office of the Washington State Auditor](#)
(509) 919-0240 | www.sao.wa.gov
Keeping Washington rooted in #GoodGovernment since 1889:
sao.wa.gov/rooted

From: [Jean Wells](#)
To: [White, Bradley \(SAO\); McCarthy, Pat \(SAO\)](#)
Cc: [Jean Wells](#)
Subject: Re: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?
Date: Tuesday, November 12, 2024 1:13:46 PM
Attachments: [image001.png](#)
[Letter for Jean Wells.docx](#)

External Email

Dear Bradley,

You have no idea how grateful POC businesses and residents are to have SAO and DOR respond to our concerns regarding unfair property valuations, and conflicts of interest.

Following is new information:

YouTube Selkirk Sun Candidate Debate discussion included Norm Smith's Lake property valuation on Diamond Lake, and Kimberly and John Gentle's conflict of interest.

Direct Dialogue Debates | 10/3/2024

Integrity and appearance of conflict-of-interest discussion start 11:30 to 17:30; Budget - Staffing levels high ("infection") & Weed Board 20:00 - 22:30

Gentle's property valuation not at same rate (anything can be done) 32:00 - 34:00; Norm Smith property taxes 36:00 - 39:30
Wage Commission - 40:00

<https://youtu.be/EfR4tOxRg3o?si=H1Z3X7oQvdfnOxMF>

I was shocked to discover **Norm Smith's Diamond Lake property valuation at 205 Woodland Dr., Newport, WA 99156** has been valued at a significantly lower sum total percentage compared to other lake property owners. **His property is .8 miles from my property.**

Smith has two residential buildings on a lot size with beach front 50 feet x 155.20. The sum total valuations are: 2024 3.97% increase; 2023 .93% increase; 2022 13.27% increase; 2021 2.25% increase; 2020 7.95% increase; 2020 1.62% increase; 2019 0% increase; 2018 .043% increase; 2017 0% increase; 2016 0% increase; 2015 0% increase; 2014 3.34% increase; 2013 -6.29 decrease; 2012 .79% increase; 2011 0% increase; 2010 0%; 2009 0% Following is link to POC Assessor's website
http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8721

Candidates draw distinctions by Don Gronning with Newport Miner article dated 9/25/2024

<https://www.pendoreillerivervalley.com/article/1456,candidates-draw-distinctions>



Candidates draw distinctions

The Miner Online
www.pendoreillerivervalley.com

Why I voted against the county contract with the port BY ROBERT ROSENCRANTZ, CHAIRMAN PEND OREILLE COUNTY COMMISSIONERS

05/01/2024 06:00 AM GUEST OPINION <https://www.pendoreillerivervalley.com/article/161,why-i-voted-against-the-county-contract-with-the-port>

Oct 16, 2024, The Newport Miner, Newport, WA (NOTE: mentions he is running for POC Commissioner because of conflicts of interest, unfair property valuations, etc.)

**Pend Oreille County Commissioner: Steve Haroldson Minnich
District 1**

Age: 71 Occupation: Retired (2007) Teacher (30 years); Retired (2012) Military Reserve (WA ANG, E8, 26 years)

<https://www.pendoreillerivervalley.com/article/1648,pend-oreille-county-commissioner-steve-haroldson-minnich>

There are a few more unfair tactics that POC Assessor's Office have used in countering Appellants' statements.

POC Assessor's Office submitting evidence to WSBTA **omitted 71 documents in packet sent to Appellants** Phyllis and Ted Kardos (see attached copy of Kardos letter dated February 7, 2021, to WSTBA).

2020 valuations for 2021 tax year:

First highest was - Timothy L. Merriman (78 y/o disabled veteran who stated he is visually impaired) and Ruth A Merriman property owners of 62 Trask Rd: Marshall Swift Code changed from 2 to 4, increase improvements from \$45,793 to \$118,083 is a 157.86% increase, and land increase from \$117,900 to \$162,440 is a 37.77% increase (= \$280,523 equals sum increase of 71.34%). Mr. Merriman said he was going to wait until he receives his 2021 property tax statement to complain and request POC Assessor's Office reduced the valuation. We tried to explain to Mr. Merriman that isn't how it works, but he didn't understand the appeal process. POC website http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=11364

Second highest — my property - Gloria Jean Wells at 94 Trask Rd: Marshall Swift Code changed from 2- 3 to 2-4, increase improvements from \$117,298 to \$210,677 is a 79.60% increase, and land increase from \$104,000 to \$124,000 is a 19.32% increase (= \$334,677 equals sum increase of 51.23%). POC

link http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8673

Third highest was Loretta Rhodes (89 y/o widow retired nurse) at 92 Trask Rd: Marshall Swift Code changed from 2-3 to 2-4, increase improvements from \$88,048 to \$186,678 is a 112.01% increase, and land increase from \$153,675 to \$177,580 is a 15.55% increase (= \$364,258 equals sum increase of 50.69%). Mrs. Rhodes appealed to WSBTA, with the assistance of her daughter - Lana and son-in-law Jay Whitver. POC link http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8674

2020 valuation for 2021 tax year 2021: Two examples of Marshall Swift code change downward are:

Paul E. Haa (76 y/o South POC Fire Rescue volunteer) and Randi Haa addresss **95 Trask Rd** : Parcel/Account Number 8650/443001559034, 7/4/20 POC Haa initial property value at \$349,945; 7/16/20 value at \$490,630; 10/10/20 reduced value at \$413,664. POC property summaries show Marshall Swift changed downward from 1.5-5 to 1.5-4 and 5 to 4, improvement \$255,705 to \$319,424 increase of 24.91%, land remained same at \$94,240 = \$413,664 (sum total of 18.208% increase) **Please note these two properties were sold 8/15/2023 for \$995,000, but 2025 valuation is \$670,187. Following are links to both properties.**

http://taweb.pendoreille.org/propertyaccess/Property.aspx?cid=0&year=2025&prop_id=8649

http://taweb.pendoreille.org/propertyaccess/Property.aspx?cid=0&year=2025&prop_id=8650

Gregory E. Krein (65 y/o) and Sheila R. Krein at **171 Trask Rd.**: Marshall Code changed downward from 3 to 2, initial improvements value from \$89,094 to \$92,992 increase 4.37%, land from \$213,280 to \$248,540 increase 16.53% = \$341,532 (sum total 12.95%increase). http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8659

Please consider including my neighbor, Loretta Rhodes, at 92 Trask Rd, Newport, WA 99156: 2024 valuation for 2025 property tax. Assessor James McCroskey increased her property valuation without a physical inspection. The Structures/Improvements valuation increased from \$198,830 to \$255,524 (28.51% increase) and Land from \$232,220 to \$254,050 (10.4% increase). The structure is in very poor condition. The Assessor continues to list a garage, which was demolished years ago due to a windstorm. They continue to request that the garage be removed from POC Assessor website because it may be part of the erroneous assessment. Assessor has removed structure information for other property owners; for example, **property owned by Deputy Assessor Nathan Longly had square footage removed from tax rolls because of damage during windstorm.** (Mrs. Rhodes' property is mentioned in the above comments regarding 2020 valuations for 2021 tax year as her property was third highest). POC link http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8674

Many POC property owners stay silent because of possible retribution, public embarrassment and/or condemnation of their property. Some have told me that they only purchase liability insurance, if their home burns down so be it and if they get in an accident at least the other party will be compensated.

I know you know this, but I feel better expressing the following: new taxable value should be based on completion of new construction, improvements, change in ownership, depreciation, condition, etc. Assessments that are inequitable and have errors

result in property owners paying more in property taxes than other owners of comparable property and create future overvalued/undervalued assessments. All property owner's property valuations must be fair and accurate assessments, so everyone is paying their fair share of property taxes.

Assessor James McCroskey has a lot of power and influence over property assessments (and possibly in other POC departments) so it's important to have a mechanism in place to make sure he doesn't abuse it by unfairly assessing properties knowing that the burden is on the Appellants to prove him wrong. It's an unfair burden for Appellants to have to prove. Recently a neighbor shared that the McCroskey's own several properties in Montana. Link to Montana DORV property website:

<https://svc.mt.gov/dor/property/prc#/search/McCroskey/200/1/all>

Thank you,
Gloria (Jean) Wells
94 Trask Rd
Newport, WA 99156
(509)879-1935 (NOTE: I block unknown callers. I'm sending to myself to make sure links work.)

From: White, Bradley (SAO) <whitebd@sao.wa.gov>

Sent: Friday, November 8, 2024 3:48 PM

To: Jean Wells <wellsgj@hotmail.com>; McCarthy, Pat (SAO) <mccarthyp@sao.wa.gov>

Subject: RE: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

Hi Jean,

We are close to completing the field work on this audit, and hope to have this wrapped up in the next few weeks. As soon as the audit is concluded, I will send you a letter with the conclusions from the work we did related to your concerns.

Thank you,



Brad White, CPA

Team Spokane Audit Manager, County Program Manager

[Office of the Washington State Auditor](#)

(509) 919-0240 | www.sao.wa.gov

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From: Jean Wells <wellsgj@hotmail.com>

Sent: Friday, November 8, 2024 11:06 AM

To: White, Bradley (SAO) <whitebd@sao.wa.gov>; McCarthy, Pat (SAO) <mccarthyp@sao.wa.gov>

Cc: Jean Wells <wellsgj@hotmail.com>

Subject: Re: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

External Email

Please provide an update. Thank you.

From: White, Bradley (SAO) <whitebd@sao.wa.gov>

Sent: Thursday, September 19, 2024 10:31 AM

To: Jean Wells <wellsgj@hotmail.com>; McCarthy, Pat (SAO) <mccarthyp@sao.wa.gov>

Subject: RE: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON

STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

Hi Jean,

Yes we did receive your email and we are currently working on that audit. We will respond to your concerns once we have had a chance to evaluate the risks related to that audit.

Thank you,



Brad White, CPA
Team Spokane Audit Manager, County Program Manager
[Office of the Washington State Auditor](#)
(509) 919-0240 | www.sao.wa.gov
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From: Jean Wells <wellsgj@hotmail.com>

Sent: Thursday, September 19, 2024 9:36 AM

To: White, Bradley (SAO) <whitebd@sao.wa.gov>; McCarthy, Pat (SAO) <mccarthyp@sao.wa.gov>

Subject: Fw: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

External Email

State Auditor Pat McCarthy and Senior Financial Analyst Bradley White,

This is to confirm that you received my previous email regarding upcoming audit for Pend Oreille Couty.

Thank you,
Gloria (Jean) Wells
94 Trask Rd
Newport, WA 99156
Cell: (509) 879-1935
Landline: (509) 448-0789

From: Jean Wells <wellsgj@hotmail.com>

Sent: Wednesday, September 4, 2024 10:39 AM

To: amelia.lamb@commerce.wa.gov <amelia.lamb@commerce.wa.gov>; emily.blume@commerce.wa.gov <emily.blume@commerce.wa.gov>; Thomas, Penny (COM) <Penny.Thomas@Commerce.wa.gov>; White, Bradley (SAO) <whitebd@sao.wa.gov>; Pat.McCarthy@sao.wa.gov <Pat.McCarthy@sao.wa.gov>

Cc: Jean Wells <wellsgj@hotmail.com>

Subject: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

Please consider a comprehensive audit of the Assessor's entire operation to determine whether assessments are being made in

accordance with Washington property tax law. Pend Oreille County Assessor McCroskey's methodology of appraising property assessments appears unfair and unequal. Include a review of the Assessor's administrative policies and procedures that affect both real property and business property assessment programs and the Assessor's program for assessing personal property and furnishings. Is the Assessor and/or appraisers required to recuse themselves from appraising properties of political allies, family members, friends, alumni, businesses' that they do business with, etc.?

In 2020, I discovered my property valuation was 2nd highest on Trask Rd with structure increasing significantly and land value unfair compared to other properties on Trask Rd.

My 2019-2020 property assessment increased from \$221,298 to \$334,677.

2019 improvement value was \$117,298 - 2020 \$210,677 (**79.61% increase**); 2019 land value was \$104,000 in 2020 \$124,000 (**19% increase**) Property tax in 2020 was \$2,338.11, in 2021 \$3,336.20 (**\$998.09 - 42% increase**). The trainee appraiser had not passed the Uniform Standards of Profession Appraisal course, which is required by DOR, and lacked credentials.

2024-2025 proposed property assessment is \$483,565 currently assessed at \$381,004 (improvement increase from \$225,004 to \$308,565 an **increase of 37%** and land value increase from \$156,000 to \$175,000 **an increase of 12%**).

1. Following is a sampling of properties sold in 2022 for tax area 0005 - 1 -56 F3 S2 that have 2025 assessments at less than purchase price: for example,

- 2.

December 1, 2022 - 21 Lakeside Dr sold for \$550,00 the 2025 assessment is \$364,411, that's **\$185,589 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9047

September 2, 2022 - 5706 Northshore Diamond Lake Rd sold for \$660,000 - 2025 assessment is \$490,000, **\$170,000 less than purchase price** http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=11351

August 5, 2022, - 443 Bayview Blvd sold for \$909,000 - 2025 assessment is \$626,116 that **\$282,884 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9010

July 29, 2022 - 353 Southshore Diamond Lake sold for \$500,000 - 2025 assessment is \$240,034, that's **\$259,966 less than purchase (Realtor Bockermuehl sold it to a neighbor)**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8879

June 9, 2022, 781 Southshore Diamond Lake sold for \$851,000 - 2025 assessment set at \$606,603 that's **\$244,397 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8909

May 27, 2022, 441 Bayview Blvd sold for \$825,000 - 2025 assessment at \$574,532, that's **\$250,468 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9011

January 19, 2022 325453 Highway 2 purchase price \$750,000 - 2025 assessment \$548,606, that's **\$201,394 less than purchase price** http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9169

July 27, 2022, 352 Southshore Diamond Lake sold for \$110,000 - 2025 assessment is \$72,000 that's **\$38,000 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8904

March 8, 2022, 1402 Southshore Diamond Lake Rd sold for \$517,000, 2025 assessment \$434,884 that's **\$82,116 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8508

April 20, 2022, 123 Rockwood Rd., sold 2 properties for \$475,000 - 2025 assessment is \$422,189, that's **\$52,811 less than purchase price**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8776

November 10, 2022, - 684 Southshore sold for \$275,000 - 2025 assessment is \$236,291, **that's \$38,709 less than purchase price.** http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8800

3. I found properties sold in 2023 with values for 2025 tax rolls less than purchase price too. I did not research 2020-2021 or 2019-2020.

3. Washington standard practice is to value structure with classifications Condition 1-6 and Quality 1-6.

- Condition 1 new homes and Condition 6 is a home in very poor condition or needs substantial rehab.

- Quality 1 is for very high-end homes and Quality 6 is for the lowest quality of materials used.

4. Does POC have an Ethics Policy, is our Assessor removed from amending values? This is a standard practice for assessors in Washington

5. Are appraisers accredited and required to sign a certified document that property value to be true and accurate? This is a standard practice in Washington.

6. What is the POC average valuation rate increase for the 2025 tax year? Spokesman Review article dated June 18, 2024, Spokane County assessor reported property values decreased.

7. Review a representative sampling of the assessments; for example, Assessor James McCroskey, Deputy Appraiser Nathan Longley, and County Commissioner John Gentle (former appraiser in training), as all benefit from "unfinished and minimal finished areas." My opinion, public has a right to compare their property with theirs because McCroskey, Longley, and Gentle were trained to assess structure class code and land values. You may want to include other elected officials that own multiple properties in POC.

Assessor McCroskey submitted a graph displaying properties owned by elected officials and Deputy Assessor Nathan Longley (who is currently serving on Newport Council). Some of the property owners have multiple properties in POC, including me, but are omitted.

According to the graph, Commissioner John Gentle's property for 2025 is assessed at \$460,209. According to POC 2025 total taxable amount is \$369,419 with structure at \$320,814, which is significantly less than the graph reports. Commissioner Gentle purchased the property Nov 18, 2013, for \$369,419 with **3100 sq foot living area home** He receives government benefits for Designated Forrest Land and productivity loss.

According to the graph, Auditor Marianne Nichols' property is assessed at \$330,000. POC website reports Nichols' property for 2025 taxable value is \$213,123 with structure value of \$161,740, Land Homesite value \$50,500, and **productivity loss of \$118,350.** Her property is situated on 23.07 acres. POC website also records that her husband transferred the property to her on July 23, 2021. She receives government benefits for Designated Forrest Land and undeveloped & unused land area.

I haven't researched DESIGNATED FOREST LAND RCW 84.33 land that is valued for forestry use or restrictions on undeveloped and unused land area WAC 458-53-030.

Following three property owners benefit with **living area discounted for "minimal and/or unfinished living area:**

1) Assessor James McCroskey: split entry residence purchased in 1/28/2002 with **2,600 square feet living area**, has daylight basement **1,300 sq ft valued at "minimal finished + 576 sq ft attached double car garage at "minimal finished, etc."**

103 E CIRCLE DR
NEWPORT, WA 99156

Here's link to POC property assessment http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=16984

2) Commissioner John Gentle (former appraiser in training): purchased 11/18/2013 for \$379,200, with 2025 taxable value \$369,419 and **benefits from minimal finished daylight basement 1,225 sq ft + minimal finished attached garage 816 sq ft., etc.**

1512 DIAMOND CREEK RD
NEWPORT, WA 99156

According to Zillow/Redfin at time Gentle purchased property "Overlooking Pend Oreille County WA. This **3100 sq foot living area home** affords privacy and scenic territorial views. The property includes 21 forested acres approx. 1.5 miles off the main road sitting at the top of a mountain. 3bdr/3.5 bath large master bath /walk in double shower. 2 story/full basement finished. 3 living room areas. 3 car attached garage. Private Well 1000 gal holding tank. Gas fireplace/ security system/sprinkler system/Hot tub/gas fireplace. 220 electrics. 30x40 shop/20x20 2 story barn..."

<https://www.redfin.com/WA/Newport/1512-Diamond-Creek-Rd-99156/home/115477350>


POC link to Gentle property

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9381

3) Deputy Assessor Nathan Longly (7/22/2013 purchase price \$170,000; has 2025 assessed value \$317,213 with **benefit of 957 sq ft "basement unfished, etc."**). Is currently for sale, see below current Zillow ad.

813 W 2ND ST
NEWPORT, WA 99156
\$317,213

https://www.zillow.com/homedetails/813-W-2nd-St-Newport-WA-99156/113772633_zpid/

	<p>813 W 2nd St, Newport, WA 99156 MLS #202413561 Zillow</p> <p>This 3035 square feet Single Family home has 4 bedrooms and 2 bathrooms. It is located at 813 W 2nd St, Newport, WA.</p> <p>www.zillow.com</p>
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http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=16903

FYI:

Assessor McCroskey has stated "State law requires that county assessors appraise all property at **100 percent** of its true and fair market value in money, according to the highest and best use of the property.

Following was published 8/28/24 The Miner - Letter to Editor- Home values in Pend Oreille County dropped last year, so what explains this year's massive increase in assessed values?

In a recent statement to the Board of Equalization, the assessor's office claimed the Washington State Housing Market Report showed that property values have increased 55% from 2019-2022. However, that report also shows that median home prices dropped last year. The average price of four-bedroom homes declined by \$57,000. Furthermore, state law requires the assessor to fairly assess the true value of every property each year, not every five years.

Deputy Assessor Nathan Longly blamed assessor Jim McCroskey. He told the Board that the assessor had not done his job for the last five years, so they needed to apply a massive increase this year. "[D]ue to staffing shortages and tremendous movement in the real estate market, the Assessor's office has not been able to keep up.... due to the number of properties affected by the office's inability to make proper adjustments... the total needed adjustment has been applied for these missed years in this year's valuation."

Three problems:

1. The assessor has increased property values in each of the last property five years based on market data.
2. According to data reported by McCroskey to the State DOR, the Assessor's office has been fully staffed with its authorized 5

full-time employees every year except in 2021, when it had 4.45.

3. The county assessors have one of the smallest workloads in the State. According to DOR, their workload is 25% smaller than the average county assessor and 40% lower than the average in Spokane, Stevens, and Ferry counties.

The Assessor's excuses do not hold water. Property values are dropping. He has a full staff and one of the lowest workloads in the state. The Assessor owes us an honest answer.

-by Ben Richards, Usk

Thank you so much for scheduling the DOR audit of Pend Oreille County for this month. I would be happy to meet with the auditor and present evidence and suggestions for improvement.

Gloria Jean Wells

94 Trask Rd

Newport, WA 99156

Cell: (509) 879-1935

Landline: (509) 448-0789

From: Jean Wells <wellsgj@hotmail.com>

Sent: Thursday, May 23, 2024 4:36 PM

To: amelia.lamb@commerce.wa.gov <amelia.lamb@commerce.wa.gov>; emily.blume@commerce.wa.gov <emily.blume@commerce.wa.gov>; Thomas, Penny (COM) <Penny.Thomas@Commerce.wa.gov>; Pat.McCarthy@sao.wa.gov <Pat.McCarthy@sao.wa.gov>

Cc: Jean Wells <wellsgj@hotmail.com>

Subject: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

TO: Pat McCarthy, Washington State Auditor

Penny Thomas, Media Relations Manager

Amelia Lamb, amelia.lamb@commerce.wa.gov mobile text (360) 995-3386 (Olympia)

Emily Blume, emily.blume@commerce.wa.gov, mobile text (360) 628-0419 (Spokane)

FROM: Gloria (Jean) Wells, 94 Trask Rd., Newport, WA 99156

SUBJECT: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

The conflict of interests between Pend Oreille County (POC) Commissioner John Gentle and his wife POC Port Commissioner Kimberly Gentle have been going on for several years. According to Washington State Secretary of Corporations and Charities, POC Commissioner John Gentle continues to serve as Governor of the POC Economic Development Council (see attached current online nonprofit report dated 1/10/2023, and DOR business information).

According to POC Port Meeting Minutes dated 4/9/24: Port Commissioner Kimberly Gentle reported "she believes the Port Commissioners will be the overall decision makers as the ADO moves to an advisory board ...: Link to Port of Pend Oreille Board of Commissioners Meeting Minutes dated April 9, 2024,

<http://povarr.com/wp-content/uploads/2024/05/April-9-2024-Approved.pdf>

I am including State Auditor Pat McCarthy to request consideration to conduct audits of the Port of Pend Oreille County, and POC Economic Development Council including but not limited to:

1. compliance with State, and Commerce contract policies and procedures (conflict of interest, reporting, etc.),
2. Transparency (i.e., use of public funds, etc.)
3. accountability (i.e., State Department of Commerce's request for repayment of \$300,000 funds that POC EDC received from the Governor's Strategic Reserve Fund ("SRF"). Following link: October 17, 2022 letter from Dept of Commerce to Jamie Wyrobek regarding "... Washington State is requesting Pend Oreille EDC, repay the \$300,000 from the investment of SRF to HiTest Sand Inc., within 30 days of receipt of this letter...."
https://protectpendoreille.org/uploads/1/4/1/5/141595600/commerce_letter_to_edc_oct_17_2022.pdf
4. Compliance with RCW 39.84.030 **Public corporations—Creation, dissolution** - POC EDC will be dissolved, and Port will create an Economic Development Advisory Council (see Port minutes dated 4/9/24 <http://povarr.com/wp-content/uploads/2024/05/April-9-2024-Approved.pdf>)

Please consider my request for audits of the POC Port, POC EDC, and monitoring of the creation of the POC Economic Development Advisory Council. Below are source materials supporting my concerns.

Thank you,

Gloria (Jean) Wells

94 Trask Rd

Newport, WA 99156

Link to following article below copy/paste

News

The Miner, Newport, WA

Economic development group gets grant

May 22, 2024

NEWPORT – The Port of Pend Oreille was awarded a grant from the state Department of Commerce for \$75,000 to be used for project feasibility studies. The Port, newly designated ADO for Pend Oreille County will use the money to facilitate the studies for three separate properties, identified as developable for business recruitment and economic development. The Port of Pend Oreille is responsible to provide \$6,298 in total matching funds to perform the work.

“We are excited to move forward with actionable steps towards improving what has been a stagnant situation,” said Jessica Garza, the Port’s Economic Development Director. “This grant speeds up our projected timeline and is infusing integral funding towards large goals that we have identified.”

The three properties were identified as the Port-owned Newport Site and Wolfred land and Pend Oreille County’s new Wolfred Park. The timing is conducive towards applying for larger grants to facilitate building and infrastructure, Garza said.

At its May 15 EDAC meeting in Newport, EDAC board chair Abby Gribi reported for treasurer Russ Pelleberg, who was called for jury duty. Gribi said the EDAC had \$117,891 in its STCU account and \$7,047 in its Mt. West account.

The EDAC also passed updated bylaws. There is still no conflict of interest provision in the new bylaws. Gribi said as an advisory body, no conflict of interest policy was needed.

"This is an advisory committee, similar to how a planning commission would be structured," Gribi said.


Brian Smiley, who represents the county on the EDAC, agreed a conflict of interest policy was not needed because the EDAC is advising the Port.

"The Port is the final authority and the Port has their own conflict of interest policy," Smiley said. "They're required to, it's state law."

The EDAC passed the draft bylaws.

The EDAC elected officers at April meeting, with Gribi elected chair, Mark Zorica was elected vice-chair and Tara Leininger was elected secretary.

<https://pendoreillerivervalley.com/economic-development-group-gets-grant-p88449-71.htm>

	<p>Economic development group gets grant</p> <p>Community news and advertising for the beautiful Pend Oreille River Valley</p> <p>pendoreillerivervalley.com</p>
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Opinion

Gentle poses conflict of interest

May 15, 2024

To the editor,

What do you call it when a politician fixes a competition for a public contract and then diverts excessive amounts of public money from more critical public services to benefit a small group of their biggest campaign contributors potentially financially? It sounds like something you would expect in Chicago or Olympia.

Whatever you want to call it, that is what County Commissioner John Gentle is doing here in Pend Oreille County. After the county commissioners agreed that the County's Economic Development Council, which has cost taxpayers over a million dollars for little benefit, was no longer beneficial for our county, Gentle fixed the competition for replacing the EDC by allowing the EDC to choose its own replacement. The EDC chose the Port of Pend Oreille, which then immediately reestablished the EDC under its superintendence. Then, after Gentle approved the plan, he participated in a bait-and-switch in which the Port demanded twice the amount of money for its services (Commissioner Rosencrantz whittled it down a little).

The fact that Gentle's spouse is both a Port Commissioner and a member of the EDC is an apparent conflict of interest. But even more concerning is that the leadership of the Port is Gentle's biggest campaign contributor. 78 percent of Gentle's donations have come from the leaders of the Port, the EDC, or Crypto companies. This is especially odorous when you consider that the publicly funded salary and compensation of the Port Manager, who is one of Gentle's biggest individual donors, is set by Gentle's spouse.

-Ben Richards

Usk

From: Jean Wells <wellsgj@hotmail.com>

Sent: Friday, February 9, 2024 11:40 AM

To: Penny.Thomas@Commerce.wa.gov <Penny.Thomas@Commerce.wa.gov>

Subject: YouTube videos (2) edited, and The Miner, Newport, WA (3 articles) by Don Gronning, Journalist

TO: Penny Thomas, Media Relations Manager

FROM: Gloria Jean Wells, 94 Trask Rd., Newport, WA 99156

I have concerns with Pend Oreille County(POC) Port of Pend Oreille County being designated ADO for POC, please read Don Gronning's articles and if you have time watch the edited YouTube videos to get a complete understanding of my concerns.

YouTube 1/2/2024 Pend Oreille County Board of Commissioners' Meeting, which was edited by Norm Smith with Pend Oreille Political Circus to include attached pictures.

The POC EDC have conflicts of interest and it is unknown if a policy is in place to avoid potential conflicts, including POC Commissioner John Gentle and his wife POC Port Commissioner Kimberly Gentle. Port Commissioner Kimberly Gentle currently serves on POC EDC, and both Gentles served during EDC's \$300,000 debt to Commerce. EDC has not commented on if they have submitted amended IRS form 990s, "...EDC also submitted incorrect IRS form 990s...." see Don Gronning's article dated Jan 24, 2024, below.


Thank you.

This link is "2023 EDC Strategic Work Plan Deliverables Approved January 18th, 2023

Amended March 15, 2023...."


<https://pocedc.org/wp-content/uploads/2023/03/2023-Strategic-Workplan.pdf>

<https://www.youtube.com/watch?v=r6LX9AKbpGE&t=2926s>

	<p>Pend Oreille County Commissioners discuss EDC ADO 01/02/24</p> <p>Pend Oreille County Commissioners discuss Economic Development ADO. 01/02/24.</p> <p>www.youtube.com</p>
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POC Commissioners' Board Meeting 1/29/2024 **edited** video

https://www.youtube.com/watch?v=ql9M6w_Jpa4

	<p>The Politicization Of The POVA-ADO Contract. 1/29/24</p> <p>The Politicization of the County's ADO Contract with the Port District. Board of County Commissioners. 1/29/24.</p> <p>www.youtube.com</p>
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Jan 17, 2024

Don Gronning
of The Miner

NEWPORT – Pend Oreille County commissioners, on a 2-1 vote, agreed to have the Port of Pend Oreille be the economic development agency, or Associated Development Organization, for the county. The designation comes with some money from the state Department of Commerce.

Three entities responded to a request for proposal to be the ADO. The Port, Tri County Economic Development District and Better City US all submitted proposals.

County commission chair Robert Rosencrantz voted for the TEDD to be the ADO. Rosencrantz was chairman of the board of directors of TEDD in 2023, but that will change following the board meeting Jan. 24, when a new TEDD board chair will be named.

Rosencrantz said all three proposals had strengths but said he voted for TEDD because TEDD is a regional organization. He said a representative from Sen. Patty Murray's office said at an economic development summit that economic success will depend on a regional approach.

Rosencrantz said he preferred TEDD's structure, with a horizontal structure with paid staff. The Port would be relying on one person.

"Many times that one person can be just fine," he said. "But in this case, we have demonstrated results from TEDD with that horizontal structure."

Rosencrantz said he found TEDD far more transparent than the Port. He said with TEDD, if you send an email requesting something, you get an answer and they don't charge anything. He said that is a pretty open spirit, which he said is a key component of building trust and having the kind of representative government that shares information willingly.

He said the Port requires that public records requests not be made by email.

"With the Port, you have to go to their office in Usk to review documents," he said. "I find the Port's approach to not be what I want in terms of a relationship and in terms of representing the people of Pend Oreille County."

Transparency is a key factor, he said. He said he checked with a number of other ports that function as ADOs and all but one accepted emailed records requests. The Port of Walla Walla didn't get back to him.

Commissioner Brian Smiley represented the county on the Pend Oreille County Economic Development Council. He said he voted with the rest of the EDC subcommittee to recommend the Port.

Smiley said he isn't committed to the idea that the county should spend county money in the county. He said the county should spend the money with the entity that brings the greatest efficiency and service to the county. Having said that, he said the spokesman for the Utah based Better City US should learn how to pronounce Chewelah.

"Those kinds of things effect how you interact when you're doing work like economic development," he said. Familiarity with area and issues is important.

County commission vice chair John Gentle said he had checked with Prosecutor Dolly Hunt about whether he had a conflict of interest because his wife, Kimberly Gentle, was a Port commissioner.

Gentle said the EDC board members were the subject matter experts.

Gentle said Ports were designed for economic development. He said he put a lot of weight on Smiley's and the EDC recommendation.

Gentle said nobody had economic development and infrastructure authority like the ports, by design and by RCW.

"For me, there isn't much of a decision here, when you weigh all the things," he said

EDC Continues: Economic Development Council To Advise Port

by Don Gronning with Newport Miner, Newport, WA

Jan 24, 2024

NEWPORT – The Pend Oreille County Economic Development Council will continue as an advisory body to the Port of Pend Oreille. Pend Oreille County designated the Port as its Associated Development Organization. Each county names an ADO and the state Department of Commerce contracts with that organization for economic development service.

The county formerly had the EDC as ADO, but after director Jamie Wyrobek quit last May, county commissioners decided to seek a new ADO. After paying the bulk of its advertising costs, the EDC had \$8,797 in a Mountain West bank

account and \$117,483 in a STCU account, EDC treasurer Russ Pelleberg reported at the Jan. 17 EDC meeting.

“So we’re in pretty good shape still,” he said. “We’ll be working with the new group up there. Once there’s an official change of the ADO, we’ll probably, I imagine, close these bank accounts and the Port will probably start something new and fresh.”

Pelleberg said the only ongoing bills were the rent on the office and utilities. The EDC board voted to give notice to move out of the office that has sat mostly vacant since Wyrobek re-signed.

According to the Port ADO proposal, the EDC will continue as an advisor to the Port. It included proposed updated EDC bylaws, which now allow for remote voting.

Pend Oreille County Commissioner Brian Smiley answered questions from The Miner for the executive board of the EDC. Smiley is secretary for the EDC.

Newly elected EDC chair Abby Gribi referred to Smiley for answers, vice chair Laura Verity said she would like others to answer, as she was new to the executive board, and Pelleberg didn’t respond.

Smiley said the EDC board has broad community representation and will advise the Port on economic development.

“For the most part the work of the board will continue except for direct oversight of an employ-ee (director) and financial and regulatory oversight and compliance, as that work will undertak-en by the staff and elected Commissioners of the Port,” Smiley said.

He said that as one board member, his understanding is that the EDC as an entity will be dis-solving and closing out its financial and regulatory responsibilities. Part of that process would be to resolve any remaining unresolved regulatory and liability issues, including amending any tax returns with the guidance of a tax professional and perhaps even legal counsel, he said.

One of those obligations is a \$300,000 debt to the state Department of Commerce for a \$300,000 Strategic Reserve Fund grant the state supplied HiTest Sands, which later became PacWest Silicon and is now Senova Global. One of the conditions was that HiTest would provide 200 new jobs within five years of the grant by building a silicon smelter. Those five years ex-pired last June.

Since the smelter wasn’t built, the EDC is on the hook to collect the money from PacWest, a Canadian firm, to repay Commerce. Commerce sent a demand letter to the EDC for the money, which eventually made its way to the county commissioners.

Commerce hasn’t forgotten about the money, says spokesperson Penny Thomas.

“The grant funds from Commerce are not considered forgiven, and we are working with the EDC regarding their efforts with PacWest to recover funds,” Thomas said. “Also,

Commerce is currently engaged with the Attorney General's Office to consider our options for pursuing legal remedies."

The EDC also submitted incorrect IRS form 990s for several years. For at least the years 2016-2020, on IRS Form 990, the EDC answered no to the question, "Did any officer, director, trustee or key employee have a family relationship or a business relationship with any other officer, trustee or key employee?" Former county commissioner Mike Manus and his daughter Jenny Smith were on the executive board each of those years, Manus as secretary and Smith as vice-chair.

Form 990 also asks if the EDC has a written conflict of interest policy. According to the EDC's 2016-2020 990s, it does. The EDC board specifically rejected a conflict of interest clause in its bylaws when they were rewritten in 2019.

The EDC's 990s also say the organization provided a complete copy of the Form 990 to all members of its governing body before filing the form. Smith and former chair Ray Pierre said they hadn't seen the forms.

It is unclear whether the EDC has amended the forms or not.

Smiley and county commissioner John Gentle voted to accept the Port as the new ADO, while commission chair Robert Rosencrantz voted for the Tri County Economic Development District (TEDD) to be the ADO.

Smiley stands by the decision.

"In my way of thinking this is the best possible outcome given the situation as it removes the burden of hiring and supervising an employee and regulatory and fiscal responsibilities from an already overburdened and busy all volunteer board, while at the same time retaining the pre-sent boards' excellent representation and understanding of the county and vision for economic development," he said.

Port Asks For \$200,000 County Funding; Also Wants Economic Development Contract Through June 30, 2027 by Don Gronning

Jan 31, 2024

NEWPORT – At its Monday meeting, Pend Oreille County commissioners heard that the Port of Pend Oreille, which was recently selected as the county's Associate Development Organization, is seeking \$200,000 annually from the county and would like a contract that runs through June 30, 2027.

Commissioner Brian Smiley represents the county on the Economic Development Council, serving as EDC secretary on its executive board. The EDC is an advisory board to the port. Smiley said the longer contract will give the port time to set up its economic development branch and could help in attracting quality candidates to its director position.

The \$200,000 is more than the county was giving the EDC. Former EDC director Jamie Wyrobek was a county employee and the county paid her wages and benefits, in addition to the rent on the office where the EDC was located.

Port Executive Director Kelly Driver said the port planned to fund some of the economic development work.

“We don’t have an exact amount,” she said.

Driver said the Port is considering hiring a part time worker to take up some of Port auditor Susan Bluff’s work. In addition to auditing, Bluff does some reception work and train documentation that can be shifted to a new part time worker, Driver said. Bluff will be able to do some economic development related work, Driver said.

The Port, which doesn’t collect any taxes, has \$5.3 million in reserves, Driver said. Some of that came from a \$1.9 payment the Port received for the sale of management of its right of ways to TerraPact. TerraPact gets 75% of right of way payments it negotiates “in perpetuity.” The port doesn’t collect any taxes.

County commission chairman Robert Rosencrantz was also interested in transparency. He wanted the Port to report monthly to county commissioners, preferably in person, on what economic development work was going on. He said when he was the director of a state-wide housing program, he expected to make such reports. Smiley said quarterly reports were enough, as the Port has monthly meetings and would be regularly updating its commissioners. The EDC will continue to meet monthly and as the county representative, he said he would report to the county commissioners on EDC activity. Commissioner John Gentle was willing to require every other month reports.

The port isn’t willing to make in person reports to the county commissioners, Smiley said and he doesn’t think they should have to.

Smiley said that he wants to speak further with port commissioners before taking action on the funding. In addition to a longer contract helping to attract quality candidates, port officials are also concerned about the ADO selection becoming a political issue. County commission chairman Robert Rosencrantz will be up for election in 2026.

Rosencrantz has made no secret that he thinks the EDC is ineffective. He cast the sole vote for the Tri County Economic Development District to serve as ADO instead of the port. TEDD is Stevens and Ferry counties’ ADO.

Rosencrantz, who sits on the board of TEDD, isn’t in favor of the length of the proposed county contract or the amount the port wants from the county. He is also insistent that the ADO report monthly to the county commissioners.

Rosencrantz said if the port would agree to a monthly in person meeting, he was willing to consider the other elements. To have the port come up with the contract terms they propose doesn’t address any of his concerns.

“They’ve expanded considerably beyond the original agreement; longer term, more money and nothing on the quarterly reporting, nothing to show (the port is) going to make a good faith effort,” Rosencrantz said in an edited video posted to Norm Smith’s Pend Oreille Political Circus Facebook group page.

Gentle said Rosencrantz has been against the EDC since before he was elected. Gentle’s wife, Kimberly Gentle, serves as an elected port commissioner.

“Speaking frankly, Robert, I feel you’ve lacked objectivity in pieces of this,” he said in Smith’s Facebook video of

Monday's meeting.

Gentle said that Rosencrantz had made the elimination of the EDC a campaign promise.

Every county in the state appoints an ADO which contracts with the state for economic development work. The county also contracts separately for economic development, this time with the Port.

The EDC used to be the county's ADO for years prior to Wyrobek abruptly resigning last year. That threw the ADO contract with the state department of Commerce into limbo. The county decided to choose a new ADO.

Commissioners were initially talking about a year-long contract with the Port. The state's contract is for the state's fiscal year, from July 1 to June 30.

Driver said the port has nine applicants for the director's position. She said the port will conduct first interviews with candidates at its Feb. 13 meeting.

From: [White, Bradley \(SAO\)](#)
To: wellsqj@hotmail.com
Subject: Hotline Referral to the Office of the Washington State Auditor's Office
Date: Thursday, May 30, 2024 11:07:00 AM
Attachments: [image001.png](#)

Hello,

Thank you for submitting your concerns related to Pend Oreille County and the Pend Oreille PUD. We will review your concerns as part of our upcoming audits happening this summer and fall. We may contact you with questions throughout our audit and will let you know the results at the end of our audit.

Thank you,



Brad White, CPA
Team Spokane Audit Manager, County Program Manager
[Office of the Washington State Auditor](#)
(509) 919-0240 | www.sao.wa.gov
Keeping Washington rooted in #GoodGovernment since 1889:
sao.wa.gov/rooted

From: [Jean Wells](#)
To: [White, Bradley \(SAO\)](#); [McCarthy, Pat \(SAO\)](#)
Cc: [Jean Wells](#)
Subject: Re: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?
Date: Friday, November 8, 2024 11:06:40 AM
Attachments: [image001.png](#)

External Email

Please provide an update. Thank you.

From: White, Bradley (SAO) <whitebd@sao.wa.gov>
Sent: Thursday, September 19, 2024 10:31 AM
To: Jean Wells <wellsgj@hotmail.com>; McCarthy, Pat (SAO) <mccarthyp@sao.wa.gov>
Subject: RE: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

Hi Jean,

Yes we did receive your email and we are currently working on that audit. We will respond to your concerns once we have had a chance to evaluate the risks related to that audit.

Thank you,



Brad White, CPA
Team Spokane Audit Manager, County Program Manager
[Office of the Washington State Auditor](#)
(509) 919-0240 | www.sao.wa.gov
Keeping Washington rooted in #GoodGovernment since 1889:
sao.wa.gov/rooted

From: Jean Wells <wellsgj@hotmail.com>
Sent: Thursday, September 19, 2024 9:36 AM
To: White, Bradley (SAO) <whitebd@sao.wa.gov>; McCarthy, Pat (SAO) <mccarthyp@sao.wa.gov>
Subject: Fw: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO

PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

External Email

State Auditor Pat McCarthy and Senior Financial Analyst Bradley White,

This is to confirm that you received my previous email regarding upcoming audit for Pend Oreille Couty.

Thank you,
Gloria (Jean) Wells
94 Trask Rd
Newport, WA 99156
Cell: (509) 879-1935
Landline: (509) 448-0789

From: Jean Wells <wellsgj@hotmail.com>

Sent: Wednesday, September 4, 2024 10:39 AM

To: amelia.lamb@commerce.wa.gov <amelia.lamb@commerce.wa.gov>;
emily.blume@commerce.wa.gov <emily.blume@commerce.wa.gov>; Thomas, Penny (COM)
<Penny.Thomas@Commerce.wa.gov>; White, Bradley (SAO) <whitebd@sao.wa.gov>;
Pat.McCarthy@sao.wa.gov <Pat.McCarthy@sao.wa.gov>

Cc: Jean Wells <wellsgj@hotmail.com>

Subject: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

Please consider a comprehensive audit of the Assessor's entire operation to determine whether assessments are being made in accordance with Washington property tax law. Pend Oreille County Assessor McCroskey's methodology of appraising property assessments appears unfair and unequal. Include a review of the Assessor's administrative policies and procedures that affect both real property and business property assessment programs and the Assessor's program for assessing personal property and furnishings. Is the Assessor and/or appraisers required to recuse themselves from appraising properties of political allies, family members, friends, alumni, businesses' that they do business with, etc.?

In 2020, I discovered my property valuation was 2nd highest on Trask Rd with structure increasing significantly and land value unfair compared to other properties on Trask Rd.

My 2019-2020 property assessment increased from \$221,298 to \$334,677.

2019 improvement value was \$117,298 - 2020 \$210,677(**79.61% increase**); 2019 land value was \$104,000 in 2020 \$124,000 (**19% increase**) Property tax in 2020 was \$2,338.11, in 2021 \$3,336.20 (**\$998.09 - 42% increase**). The trainee appraiser had not passed the Uniform Standards of Profession Appraisal course, which is required by DOR, and lacked credentials.

2024-2025 proposed property assessment is \$483,565 currently assessed at \$381,004 (improvement increase from \$225,004 to \$308,565 an **increase of 37%** and land value increase from \$156,000 to \$175,000 **an increase of 12%**).

1. Following is a sampling of properties sold in 2022 for tax area 0005 - 1 -56 F3 S2 that have 2025 assessments at less than purchase price: for example,
2.
December 1, 2022 - 21 Lakeside Dr sold for \$550,00 the 2025 assessment is \$364,411, that's **\$185,589 less than purchase price**.
http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9047

September 2, 2022 - 5706 Northshore Diamond Lake Rd sold for \$660,000 - 2025 assessment is \$490,000, **\$170,000 less than purchase price**
http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=11351

August 5, 2022, - 443 Bayview Blvd sold for \$909,000 - 2025 assessment is \$626,116 that **\$282,884 less than purchase price**.
http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9010

July 29, 2022 - 353 Southshore Diamond Lake sold for \$500,000 - 2025 assessment is \$240,034, that's **\$259,966 less than purchase (Realtor Bockermuehl sold it to a neighbor)**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8879

June 9, 2022, 781 Southshore Diamond Lake sold for \$851,000 - 2025 assessment set at \$606,603 that's **\$244,397 less than purchase price**.
<http://taweb.pendoreille.org/PropertyAccess/Property.aspx?>

[cid=0&year=2024&prop_id=8909](http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8909)

May 27, 2022, 441 Bayview Blvd sold for \$825,000 - 2025 assessment at \$574,532, that's **\$250,468 less than purchase price.**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9011

January 19, 2022 325453 Highway 2 purchase price \$750,000 - 2025 assessment \$548,606, that's **\$201,394 less than purchase price**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9169

July 27, 2022, 352 Southshore Diamond Lake sold for \$110,000 - 2025 assessment is \$72,000 that's **\$38,000 less than purchase price.**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8904

March 8, 2022, 1402 Southshore Diamond Lake Rd sold for \$517,000, 2025 assessment \$434,884 that's **\$82,116 less than purchase price.**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8508

April 20, 2022, 123 Rockwood Rd., sold 2 properties for \$475,000 - 2025 assessment is \$422,189, that's **\$52,811 less than purchase price.**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8776

November 10, 2022, - 684 Southshore sold for \$275,000 - 2025 assessment is \$236,291, **that's \$38,709 less than purchase price.**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8800

3. I found properties sold in 2023 with values for 2025 tax rolls less than purchase price too. I did not research 2020-2021 or 2019-2020.

3. Washington standard practice is to value structure with classifications Condition 1-6 and Quality 1-6.

- Condition 1 new homes and Condition 6 is a home in very poor condition or needs

substantial rehab.

- Quality 1 is for very high-end homes and Quality 6 is for the lowest quality of materials used.

4. Does POC have an Ethics Policy, is our Assessor removed from amending values? This is a standard practice for assessors in Washington

5. Are appraisers accredited and required to sign a certified document that property value to be true and accurate? This is a standard practice in Washington.

6. What is the POC average valuation rate increase for the 2025 tax year? Spokesman Review article dated June 18, 2024, Spokane County assessor reported property values decreased.

7. Review a representative sampling of the assessments; for example, Assessor James McCroskey, Deputy Appraiser Nathan Longley, and County Commissioner John Gentle (former appraiser in training), as all benefit from "unfinished and minimal finished areas." My opinion, public has a right to compare their property with theirs because McCroskey, Longly, and Gentle were trained to assess structure class code and land values. You may want to include other elected officials that own multiple properties in POC.

Assessor McCroskey submitted a graph displaying properties owned by elected officials and Deputy Assessor Nathan Longley (who is currently serving on Newport Council). Some of the property owners have multiple properties in POC, including me, but are omitted.

According to the graph, Commissioner John Gentle's property for 2025 is assessed at \$460,209. According to POC 2025 total taxable amount is \$369,419 with structure at \$320,814, which is significantly less than the graph reports. Commissioner Gentle purchased the property Nov 18, 2013, for \$369,419 with **3100 sq foot living area home** He receives government benefits for Designated Forrest Land and productivity loss.

According to the graph, Auditor Marianne Nichols' property is assessed at \$330,000. POC website reports Nichols' property for 2025 taxable value is \$213,123 with structure value of \$161,740, Land Homesite value \$50,500, and **productivity loss of \$118,350**. Her property is situated on 23.07 acres. POC website also records that her husband transferred the property to her on July 23, 2021. She receives government benefits for Designated Forrest Land and undeveloped & unused land area.

I haven't researched DESIGNATED FOREST LAND RCW 84.33 land that is valued for forestry

use or restrictions on undeveloped and unused land area WAC 458-53-030.

Following three property owners benefit with **living area discounted for "minimal and/or unfinished living area:**

1) Assessor James McCroskey: split entry residence purchased in 1/28/2002 with **2,600 square feet living area**, has daylight basement **1,300 sq ft valued at "minimal finished + 576 sq ft attached double car garage at "minimal finished, etc."**

103 E CIRCLE DR

NEWPORT, WA 99156

Here's link to POC property assessment

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=16984

2) Commissioner John Gentle (former appraiser in training): purchased 11/18/2013 for \$379,200, with 2025 taxable value \$369,419 and **benefits from minimal finished daylight basement 1,225 sq ft + minimal finished attached garage 816 sq ft., etc.**

1512 DIAMOND CREEK RD

NEWPORT, WA 99156

According to Zillow/Redfin at time Gentle purchased property "Overlooking Pend Oreille County WA. This **3100 sq foot living area home** affords privacy and scenic territorial views. The property includes 21 forested acres approx. 1.5 miles off the main road sitting at the top of a mountain. 3bdr/3.5 bath large master bath /walk in double shower. 2 story/full basement finished. 3 living room areas. 3 car attached garage. Private Well 1000 gal holding tank. Gas fireplace/ security system/sprinkler system/Hot tub/gas fireplace. 220 electrics. 30x40 shop/20x20 2 story barn..."

<https://www.redfin.com/WA/Newport/1512-Diamond-Creek-Rd-99156/home/115477350>

POC link to Gentle property

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9381

3) Deputy Assessor Nathan Longly (7/22/2013 purchase price \$170,000; has 2025 assessed value \$317,213 with **benefit of 957 sq ft "basement unfished, etc."**). Is currently for sale, see below current Zillow ad.

813 W 2ND ST

NEWPORT, WA 99156

\$317,213

https://www.zillow.com/homedetails/813-W-2nd-St-Newport-WA-99156/113772633_zpid/

	<p>813 W 2nd St, Newport, WA 99156 MLS #202413561 Zillow</p> <p>This 3035 square feet Single Family home has 4 bedrooms and 2 bathrooms. It is located at 813 W 2nd St, Newport, WA.</p> <p>www.zillow.com</p>
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http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=16903

FYI:

Assessor McCroskey has stated “State law requires that county assessors appraise all property at **100 percent** of its true and fair market value in money, according to the highest and best use of the property.

Following was published 8/28/24 The Miner - Letter to Editor- Home values in Pend Oreille County dropped last year, so what explains this year’s massive increase in assessed values?

In a recent statement to the Board of Equalization, the assessor’s office claimed the Washington State Housing Market Report showed that property values have increased 55% from 2019-2022. However, that report also shows that median home prices dropped last year. The average price of four-bedroom homes declined by \$57,000. Furthermore, state law requires the assessor to fairly assess the true value of every property each year, not every five years.

Deputy Assessor Nathan Longly blamed assessor Jim McCroskey. He told the Board that the assessor had not done his job for the last five years, so they needed to apply a massive increase this year. “[D]ue to staffing shortages and tremendous movement in the real estate market, the Assessor’s office has not been able to keep up.... due to the number of properties affected by the office’s inability to make proper adjustments... the total needed adjustment has been applied for these missed years in this year’s valuation.”

Three problems:

1. The assessor has increased property values in each of the last property five years based on market data.

2. According to data reported by McCroskey to the State DOR, the Assessor's office has been fully staffed with its authorized 5 full- time employees every year except in 2021, when it had 4.45.
3. The county assessors have one of the smallest workloads in the State. According to DOR, their workload is 25% smaller than the average county assessor and 40% lower than the average in Spo- kane, Stevens, and Ferry counties.

The Assessor's excuses do not hold water. Property values are dropping. He has a full staff and one of the lowest workloads in the state. The Assessor owes us an honest answer.

-by Ben Richards, Usk

Thank you so much for scheduling the DOR audit of Pend Oreille County for this month. I would be happy to meet with the auditor and present evidence and suggestions for improvement.

Gloria Jean Wells

94 Trask Rd

Newport, WA 99156

Cell: (509) 879-1935

Landline: (509) 448-0789

From: Jean Wells <wellsgj@hotmail.com>

Sent: Thursday, May 23, 2024 4:36 PM

To: amelia.lamb@commerce.wa.gov <amelia.lamb@commerce.wa.gov>; emily.blume@commerce.wa.gov <emily.blume@commerce.wa.gov>; Thomas, Penny (COM) <Penny.Thomas@Commerce.wa.gov>; Pat.McCarthy@sao.wa.gov <Pat.McCarthy@sao.wa.gov>

Cc: Jean Wells <wellsgj@hotmail.com>

Subject: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

TO: Pat McCarthy, Washington State Auditor

Penny Thomas, Media Relations Manager

Amelia Lamb, amelia.lamb@commerce.wa.gov mobile text (360) 995-3386 (Olympia)

Emily Blume, emily.blume@commerce.wa.gov, mobile text (360) 628-0419 (Spokane)

FROM: Gloria (Jean) Wells, 94 Trask Rd., Newport, WA 99156

SUBJECT: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

The conflict of interests between Pend Oreille County (POC) Commissioner John Gentle and his wife POC Port Commissioner Kimberly Gentle have been going on for several years. According to Washington State Secretary of Corporations and Charities, POC Commissioner John Gentle continues to serve as Governor of the POC Economic Development Council (see attached current online nonprofit report dated 1/10/2023, and DOR business information).

According to POC Port Meeting Minutes dated 4/9/24: Port Commissioner Kimberly Gentle reported "she believes the Port Commissioners will be the overall decision makers as the ADO moves to an advisory board ..: Link to Port of Pend Oreille Board of Commissioners Meeting Minutes dated April 9, 2024, <http://povarr.com/wp-content/uploads/2024/05/April-9-2024-Approved.pdf>

I am including State Auditor Pat McCarthy to request consideration to conduct audits of the Port of Pend Oreille County, and POC Economic Development Council including but not limited to:

1. compliance with State, and Commerce contract policies and procedures (conflict of interest, reporting, etc.),
2. Transparency (i.e., use of public funds, etc.)
3. accountability (i.e., State Department of Commerce's request for repayment of \$300,000 funds that POC EDC received from the Governor's Strategic Reserve Fund ("SRF"). Following link: October 17, 2022 letter from Dept of Commerce to Jamie Wyrobek regarding "...)

Washington State is requesting Pend Oreille EDC, repay the \$300,000 from the investment of SRF to HiTest Sand Inc., within 30 days of receipt of this letter...."

https://protectpendoreille.org/uploads/1/4/1/5/141595600/commerce_letter_to_edc_oct_17_2022.pdf

4. Compliance with RCW 39.84.030 **Public corporations—Creation, dissolution** - POC EDC will be dissolved, and Port will create an Economic Development Advisory Council (see Port minutes dated 4/9/24 <http://povarr.com/wp-content/uploads/2024/05/April-9-2024-Approved.pdf>

Please consider my request for audits of the POC Port, POC EDC, and monitoring of the creation of the POC Economic Development Advisory Council. Below are source materials supporting my concerns.

Thank you,

Gloria (Jean) Wells

94 Trask Rd

Newport, WA 99156

Link to following article below copy/paste

News

The Miner, Newport, WA

Economic development group gets grant

May 22, 2024

NEWPORT – The Port of Pend Oreille was awarded a grant from the state Department of Commerce for \$75,000 to be used for project feasibility studies. The Port, newly designated ADO for Pend Oreille County will use the money to facilitate the studies for three separate

properties, identified as developable for business recruitment and economic development. The Port of Pend Oreille is responsible to provide \$6,298 in total matching funds to perform the work.

“We are excited to move forward with actionable steps towards improving what has been a stagnant situation,” said Jessica Garza, the Port’s Economic Development Director. “This grant speeds up our projected timeline and is infusing integral funding towards large goals that we have identified.”

The three properties were identified as the Port-owned Newport Site and Wolfred land and Pend Oreille County’s new Wolfred Park. The timing is conducive towards applying for larger grants to facilitate building and infrastructure, Garza said.

At its May 15 EDAC meeting in Newport, EDAC board chair Abby Gribi reported for treasurer Russ Pelleberg, who was called for jury duty. Gribi said the EDAC had \$117,891 in its STCU account and \$7,047 in its Mt. West account.

The EDAC also passed updated bylaws. There is still no conflict of interest provision in the new bylaws. Gribi said as an advisory body, no conflict of interest policy was needed.

“This is an advisory committee, similar to how a planning commission would be structured,” Gribi said.

Brian Smiley, who represents the county on the EDAC, agreed a conflict of interest policy was not needed because the EDAC is advising the Port.

“The Port is the final authority and the Port has their own conflict of interest policy,” Smiley said. “They’re required to, it’s state law.”

The EDAC passed the draft bylaws.

The EDAC elected officers at April meeting, with Gribi elected chair, Mark Zorica was elected vice-chair and Tara Leininger was elected secretary.

<https://pendoreillerivervalley.com/economic-development-group-gets-grant-p88449-71.htm>

[Economic development group gets grant](https://pendoreillerivervalley.com/economic-development-group-gets-grant-p88449-71.htm)

Community news and advertising for the beautiful Pend Oreille River Valley



pendoreillerivervalley.com

Opinion

Gentle poses conflict of interest

May 15, 2024

To the editor,

What do you call it when a politician fixes a competition for a public contract and then diverts excessive amounts of public money from more critical public services to benefit a small group of their biggest campaign contributors potentially financially? It sounds like something you would expect in Chicago or Olympia.

Whatever you want to call it, that is what County Commissioner John Gentle is doing here in Pend Oreille County. After the county commissioners agreed that the County's Economic Development Council, which has cost taxpayers over a million dollars for little benefit, was no longer beneficial for our county, Gentle fixed the competition for replacing the EDC by allowing the EDC to choose its own replacement. The EDC chose the Port of Pend Oreille, which then immediately reestablished the EDC under its superintendence. Then, after Gentle approved the plan, he participated in a bait-and-switch in which the Port demanded twice the amount of money for its services (Commissioner Rosencrantz whittled it down a little).

The fact that Gentle's spouse is both a Port Commissioner and a member of the EDC is an apparent conflict of interest. But even more concerning is that the leadership of the Port is Gentle's biggest campaign contributor. 78 percent of Gentle's donations have come from the leaders of the Port, the EDC, or Crypto companies. This is especially odorous when you consider that the publicly funded salary and compensation of the Port Manager, who is one of Gentle's biggest individual donors, is set by Gentle's spouse.

-Ben Richards

Usk

From: Jean Wells <wellsgj@hotmail.com>

Sent: Friday, February 9, 2024 11:40 AM

To: Penny.Thomas@Commerce.wa.gov <Penny.Thomas@Commerce.wa.gov>

Subject: YouTube videos (2) edited, and The Miner, Newport, WA (3 articles) by Don Gronning, Journalist

TO: Penny Thomas, Media Relations Manager
FROM: Gloria Jean Wells, 94 Trask Rd., Newport, WA 99156

I have concerns with Pend Oreille County(POC) Port of Pend Oreille County being designated ADO for POC, please read Don Gronning's articles and if you have time watch the edited YouTube videos to get a complete understanding of my concerns.

YouTube 1/2/2024 Pend Oreille County Board of Commissioners' Meeting, which was edited by Norm Smith with Pend Oreille Political Circus to include attached pictures.

The POC EDC have conflicts of interest and it is unknown if a policy is in place to avoid potential conflicts, including POC Commissioner John Gentle and his wife POC Port Commissioner Kimberly Gentle. Port Commissioner Kimberly Gentle currently serves on POC EDC, and both Gentles served during EDC's \$300,000 debt to Commerce. EDC has not commented on if they have submitted amended IRS form 990s, "...EDC also submitted incorrect IRS form 990s...." see Don Gronning's article dated Jan 24, 2024, below.

Thank you.

This link is "2023 EDC Strategic Work Plan Deliverables Approved January 18th, 2023 Amended March 15, 2023...."

<https://pocedc.org/wp-content/uploads/2023/03/2023-Strategic-Workplan.pdf>

<https://www.youtube.com/watch?v=r6LX9AKbpGE&t=2926s>

	<p>Pend Oreille County Commissioners discuss EDC ADO 01/02/24</p>
	<p>Pend Oreille County Commissioners discuss Economic Development ADO. 01/02/24.</p>
	<p>www.youtube.com</p>

POC Commissioners' Board Meeting 1/29/2024 **edited** video

https://www.youtube.com/watch?v=ql9M6w_Jpa4

	<p>The Politicization Of The POVA-ADO Contract. 1/29/24</p>
	<p>The Politicization of the County's ADO Contract with the Port District. Board of County Commissioners. 1/29/24.</p>
	<p>www.youtube.com</p>

T

Jan 17, 2024

Don Gronning
of The Miner

NEWPORT – Pend Oreille County commissioners, on a 2-1 vote, agreed to have the Port of Pend Oreille be the economic development agency, or Associated Development Organization, for the county. The designation comes with some money from the state

Department of Commerce.

Three entities responded to a request for proposal to be the ADO. The Port, Tri County Economic Development District and Better City US all submitted proposals.

County commission chair Robert Rosencrantz voted for the TEDD to be the ADO. Rosencrantz was chairman of the board of directors of TEDD in 2023, but that will change following the board meeting Jan. 24, when a new TEDD board chair will be named.

Rosencrantz said all three proposals had strengths but said he voted for TEDD because TEDD is a regional organization. He said a representative from Sen. Patty Murray's office said at an economic development summit that economic success will depend on a regional approach.

Rosencrantz said he preferred TEDD's structure, with a horizontal structure with paid staff. The Port would be relying on one person.

"Many times that one person can be just fine," he said. "But in this case, we have demonstrated results from TEDD with that horizontal structure."

Rosencrantz said he found TEDD far more transparent than the Port. He said with TEDD, if you send an email requesting something, you get an answer and they don't charge anything. He said that is a pretty open spirit, which he said is a key component of building trust and having the kind of representative government that shares

information willingly.

He said the Port requires that public records requests not be made by email.

“With the Port, you have to go to their office in Usk to review documents,” he said. “I find the Port’s approach to not be what I want in terms of a relationship and in terms of representing the people of Pend Oreille County.”

Transparency is a key factor, he said. He said he checked with a number of other ports that function as ADOs and all but one accepted emailed records requests. The Port of Walla Walla didn’t get back to him.

Commissioner Brian Smiley represented the county on the Pend Oreille County Economic Development Council. He said he voted with the rest of the EDC subcommittee to recommend the Port.

Smiley said he isn’t committed to the idea that the county should spend county money in the county. He said the county should spend the money with the entity that brings the greatest efficiency and service to the county. Having said that, he said the spokesman for the Utah based Better City US should learn how to pronounce Chewelah.

“Those kinds of things effect how you interact when you’re doing work like economic development,” he said. Familiarity with area and issues is important.

County commission vice chair John Gentle said he had checked with Prosecutor Dolly Hunt about whether he had a conflict of interest because his wife, Kimberly Gentle, was a Port commissioner.

Gentle said the EDC board members were the subject matter experts.

Gentle said Ports were designed for economic development. He said he put a lot of weight on Smiley's and the EDC recommendation.

Gentle said nobody had economic development and infrastructure authority like the ports, by design and by RCW.

“For me, there isn't much of a decision here, when you weigh all the things,” he said

EDC Continues: Economic Development Council To Advise Port

by Don Gronning with Newport Miner, Newport, WA

Jan 24, 2024

NEWPORT – The Pend Oreille County Economic Development Council will continue as an advisory body to the Port of Pend Oreille. Pend Oreille County designated the Port as its Associated Development Organization. Each county names an ADO and the

state Department of Commerce contracts with that organization for economic development service.

The county formerly had the EDC as ADO, but after director Jamie Wyrobek quit last May, county commissioners decided to seek a new ADO.

After paying the bulk of its advertising costs, the EDC had \$8,797 in a Mountain West bank account and \$117,483 in a STCU account, EDC treasurer Russ Pelleberg reported at the Jan. 17 EDC meeting.

“So we’re in pretty good shape still,” he said. “We’ll be working with the new group up there. Once there’s an official change of the ADO, we’ll probably, I imagine, close these bank accounts and the Port will probably start something new and fresh.”

Pelleberg said the only ongoing bills were the rent on the office and utilities. The EDC board voted to give notice to move out of the office that has sat mostly vacant since Wyrobek re-signed.

According to the Port ADO proposal, the EDC will continue as an advisor to the Port. It included proposed updated EDC bylaws, which now allow for remote voting.

Pend Oreille County Commissioner Brian Smiley answered questions from The Miner for the executive board of the EDC. Smiley is secretary for the EDC.

Newly elected EDC chair Abby Gribi referred to Smiley for answers, vice chair Laura Verity said she would like others to answer, as she was new to the executive board, and Pelleberg didn’t respond.

Smiley said the EDC board has broad community representation and will advise the Port on economic development.

“For the most part the work of the board will continue except for direct oversight of an employee (director) and financial and regulatory oversight and compliance, as that work will undertaken by the staff and elected Commissioners of the Port,” Smiley said.

He said that as one board member, his understanding is that the EDC as an entity will be dis-solving and closing out its financial and regulatory responsibilities. Part of that process would be to resolve any remaining unresolved regulatory and liability issues, including amending any tax returns with the guidance of a tax professional and perhaps even legal counsel, he said.

One of those obligations is a \$300,000 debt to the state Department of Commerce for a \$300,000 Strategic Reserve Fund grant the state supplied HiTest Sands, which later became PacWest Silicon and is now Senova Global. One of the conditions was that HiTest would provide 200 new jobs within five years of the grant by building a silicon smelter. Those five years expired last June.

Since the smelter wasn’t built, the EDC is on the hook to collect the money from PacWest, a Canadian firm, to repay Commerce. Commerce sent a demand letter to the EDC for the money, which eventually made its way to the county commissioners.

Commerce hasn’t forgotten about the money, says spokesperson Penny Thomas.

“The grant funds from Commerce are not considered forgiven, and we are working with the EDC regarding their efforts with PacWest to recover funds,” Thomas said. “Also, Commerce is currently engaged with the Attorney General’s Office to consider our options for pursuing legal remedies.”

The EDC also submitted incorrect IRS form 990s for several years. For at least the years 2016-2020, on IRS Form 990, the EDC answered no to the question, "Did any officer, director, trustee or key employee have a family relationship or a business relationship with any other officer, trustee or key employee?" Former county commissioner Mike Manus and his daughter Jenny Smith were on the executive board each of those years, Manus as secretary and Smith as vice-chair.

Form 990 also asks if the EDC has a written conflict of interest policy. According to the EDC's 2016-2020 990s, it does. The EDC board specifically rejected a conflict of interest clause in its bylaws when they were rewritten in 2019.

The EDC's 990s also say the organization provided a complete copy of the Form 990 to all members of its governing body before filing the form. Smith and former chair Ray Pierre said they hadn't seen the forms.

It is unclear whether the EDC has amended the forms or not.

Smiley and county commissioner John Gentle voted to accept the Port as the new ADO, while commission chair Robert Rosencrantz voted for the Tri County Economic Development District (TEDD) to be the ADO.

Smiley stands by the decision.

"In my way of thinking this is the best possible outcome given the situation as it removes the burden of hiring and supervising an employee and regulatory and fiscal responsibilities from an already overburdened and busy all volunteer board, while at the same time retaining the pre-sent boards' excellent representation and understanding of the county and vision for economic

development,” he said.

Port Asks For \$200,000 County Funding; Also Wants Economic Development Contract Through June 30, 2027 by Don Gronning

Jan 31, 2024

NEWPORT – At its Monday meeting, Pend Oreille County commissioners heard that the Port of Pend Oreille, which was recently selected as the county’s Associate Development Organization, is seeking \$200,000 annually from the county and would like a contract that runs through June 30, 2027.

Commissioner Brian Smiley represents the county on the Economic Development Council, serving as EDC secretary on its executive board. The EDC is an advisory board to the port. Smiley said the longer contract will give the port time to set up its economic development branch and could help in attracting quality candidates to its director position.

The \$200,000 is more than the county was giving the EDC. Former EDC director Jamie Wyrobek was a county employee and the county paid her wages and benefits, in addition to the rent on the office where the EDC was located.

Port Executive Director Kelly Driver said the port planned to fund some of the economic development work.

“We don’t have an exact amount,” she said.

Driver said the Port is considering hiring a part time worker to take up some of Port auditor Susan Bluff’s work. In addition to

auditing, Bluff does some reception work and train documentation that can be shifted to a new part time worker, Driver said. Bluff will be able to do some economic development related work, Driver said.

The Port, which doesn't collect any taxes, has \$5.3 million in reserves, Driver said. Some of that came from a \$1.9 payment the Port received for the sale of management of its right of ways to TerraPact. TerraPact gets 75% of right of way payments it negotiates "in perpetuity." The port doesn't collect any taxes.

County commission chairman Robert Rosencrantz was also interested in transparency. He wanted the Port to report monthly to county commissioners, preferably in person, on what economic development work was going on. He said when he was the director of a state-wide housing program, he expected to make such reports. Smiley said quarterly reports were enough, as the Port has monthly meetings and would be regularly updating its commissioners. The EDC will continue to meet monthly and as the county representative, he said he would report to the county commissioners on EDC activity. Commissioner John Gentle was willing to require every other month reports.

The port isn't willing to make in person reports to the county commissioners, Smiley said and he doesn't think they should have to.

Smiley said that he wants to speak further with port commissioners before taking action on the funding. In addition to a longer contract helping to attract quality candidates, port officials are also concerned about the ADO selection becoming a political issue. County commission chairman Robert Rosencrantz will be up for election in 2026.

Rosencrantz has made no secret that he thinks the EDC is ineffective. He cast the sole vote for the Tri County Economic Development District to serve as ADO instead of the

port. TEDD is Stevens and Ferry counties' ADO.

Rosencrantz, who sits on the board of TEDD, isn't in favor of the length of the proposed county contract or the amount the port wants from the county. He is also insistent that the ADO report monthly to the county commissioners.

Rosencrantz said if the port would agree to a monthly in person meeting, he was willing to consider the other elements. To have the port come up with the contract terms they propose doesn't address any of his concerns.

"They've expanded considerably beyond the original agreement; longer term, more money and nothing on the quarterly reporting, nothing to show (the port is) going to make a good faith effort," Rosencrantz said in an edited video posted to Norm Smith's Pend Oreille Political Circus Facebook group page.

Gentle said Rosencrantz has been against the EDC since before he was elected. Gentle's wife, Kimberly Gentle, serves as an elected port commissioner.

"Speaking frankly, Robert, I feel you've lacked objectivity in pieces of this," he said in Smith's Facebook video of Monday's meeting.

Gentle said that Rosencrantz had made the elimination of the EDC a campaign promise.

Every county in the state appoints an ADO which contracts with the state for economic development work. The county also contracts separately for economic development, this time with the Port.

The EDC used to be the county's ADO for years prior to Wyrobek abruptly resigning last year. That threw the ADO contract with the state department of Commerce into limbo. The county decided to choose a new ADO.

Commissioners were initially talking about a year-long contract with the Port. The state's contract is for the state's fiscal year, from July 1 to June 30.

Driver said the port has nine applicants for the director's position. She said the port will conduct first interviews with candidates at its Feb. 13 meeting.

From: [Jean Wells](#)
To: [White, Bradley \(SAO\)](#); [McCarthy, Pat \(SAO\)](#)
Subject: Re: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?
Date: Thursday, September 19, 2024 10:40:55 AM
Attachments: [image001.png](#)

External Email

Thank you!

From: White, Bradley (SAO) <whitebd@sao.wa.gov>
Sent: Thursday, September 19, 2024 10:31 AM
To: Jean Wells <wellsgj@hotmail.com>; McCarthy, Pat (SAO) <mccarthyp@sao.wa.gov>
Subject: RE: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

Hi Jean,

Yes we did receive your email and we are currently working on that audit. We will respond to your concerns once we have had a chance to evaluate the risks related to that audit.

Thank you,



Brad White, CPA
Team Spokane Audit Manager, County Program Manager
[Office of the Washington State Auditor](#)
(509) 919-0240 | www.sao.wa.gov
Keeping Washington rooted in #GoodGovernment since 1889:
sao.wa.gov/rooted

From: Jean Wells <wellsgj@hotmail.com>
Sent: Thursday, September 19, 2024 9:36 AM
To: White, Bradley (SAO) <whitebd@sao.wa.gov>; McCarthy, Pat (SAO) <mccarthyp@sao.wa.gov>
Subject: Fw: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

External Email

State Auditor Pat McCarthy and Senior Financial Analyst Bradley White,

This is to confirm that you received my previous email regarding upcoming audit for Pend Oreille Couty.

Thank you,
Gloria (Jean) Wells
94 Trask Rd
Newport, WA 99156
Cell: (509) 879-1935
Landline: (509) 448-0789

From: Jean Wells <wellsgj@hotmail.com>

Sent: Wednesday, September 4, 2024 10:39 AM

To: amelia.lamb@commerce.wa.gov <amelia.lamb@commerce.wa.gov>;
emily.blume@commerce.wa.gov <emily.blume@commerce.wa.gov>; Thomas, Penny (COM)
<Penny.Thomas@Commerce.wa.gov>; White, Bradley (SAO) <whitebd@sao.wa.gov>;
Pat.McCarthy@sao.wa.gov <Pat.McCarthy@sao.wa.gov>

Cc: Jean Wells <wellsgj@hotmail.com>

Subject: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

Please consider a comprehensive audit of the Assessor's entire operation to determine whether assessments are being made in accordance with Washington property tax law. Pend Oreille County Assessor McCroskey's methodology of appraising property assessments appears unfair and unequal. Include a review of the Assessor's administrative policies and procedures that affect both real property and business property assessment programs and the Assessor's program for assessing personal property and furnishings. Is the Assessor and/or appraisers required to recuse themselves from appraising properties of political allies, family members, friends, alumni, businesses' that they do business with, etc.?

In 2020, I discovered my property valuation was 2nd highest on Trask Rd with structure increasing significantly and land value unfair compared to other properties on Trask Rd.

My 2019-2020 property assessment increased from \$221,298 to \$334,677.

2019 improvement value was \$117,298 - 2020 \$210,677(**79.61% increase**); 2019 land value was \$104,000 in 2020 \$124,000 (**19% increase**) Property tax in 2020 was \$2,338.11, in 2021 \$3,336.20 (**\$998.09 - 42% increase**). The trainee appraiser had not passed the Uniform Standards of Profession Appraisal course, which is required by DOR, and lacked credentials.

2024-2025 proposed property assessment is \$483,565 currently assessed at \$381,004 (improvement increase from \$225,004 to \$308,565 an **increase of 37%** and land value increase from \$156,000 to \$175,000 **an increase of 12%**).

1. Following is a sampling of properties sold in 2022 for tax area 0005 - 1 -56 F3 S2 that have 2025 assessments at less than purchase price: for example,
2.
December 1, 2022 - 21 Lakeside Dr sold for \$550,00 the 2025 assessment is \$364,411, that's **\$185,589 less than purchase price**.
http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9047

September 2, 2022 - 5706 Northshore Diamond Lake Rd sold for \$660,000 - 2025 assessment is \$490,000, **\$170,000 less than purchase price**
http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=11351

August 5, 2022, - 443 Bayview Blvd sold for \$909,000 - 2025 assessment is \$626,116 that **\$282,884 less than purchase price**.
http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9010

July 29, 2022 - 353 Southshore Diamond Lake sold for \$500,000 - 2025 assessment is \$240,034, that's **\$259,966 less than purchase (Realtor Bockermuehl sold it to a neighbor)**. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8879

June 9, 2022, 781 Southshore Diamond Lake sold for \$851,000 - 2025 assessment set at \$606,603 that's **\$244,397 less than purchase price**.
<http://taweb.pendoreille.org/PropertyAccess/Property.aspx?>

[cid=0&year=2024&prop_id=8909](http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8909)

May 27, 2022, 441 Bayview Blvd sold for \$825,000 - 2025 assessment at \$574,532, that's **\$250,468 less than purchase price.**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9011

January 19, 2022 325453 Highway 2 purchase price \$750,000 - 2025 assessment \$548,606, that's **\$201,394 less than purchase price**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9169

July 27, 2022, 352 Southshore Diamond Lake sold for \$110,000 - 2025 assessment is \$72,000 that's **\$38,000 less than purchase price.**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8904

March 8, 2022, 1402 Southshore Diamond Lake Rd sold for \$517,000, 2025 assessment \$434,884 that's **\$82,116 less than purchase price.**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8508

April 20, 2022, 123 Rockwood Rd., sold 2 properties for \$475,000 - 2025 assessment is \$422,189, that's **\$52,811 less than purchase price.**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8776

November 10, 2022, - 684 Southshore sold for \$275,000 - 2025 assessment is \$236,291, **that's \$38,709 less than purchase price.**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8800

3. I found properties sold in 2023 with values for 2025 tax rolls less than purchase price too. I did not research 2020-2021 or 2019-2020.

3. Washington standard practice is to value structure with classifications Condition 1-6 and Quality 1-6.

- Condition 1 new homes and Condition 6 is a home in very poor condition or needs

substantial rehab.

- Quality 1 is for very high-end homes and Quality 6 is for the lowest quality of materials used.

4. Does POC have an Ethics Policy, is our Assessor removed from amending values? This is a standard practice for assessors in Washington

5. Are appraisers accredited and required to sign a certified document that property value to be true and accurate? This is a standard practice in Washington.

6. What is the POC average valuation rate increase for the 2025 tax year? Spokesman Review article dated June 18, 2024, Spokane County assessor reported property values decreased.

7. Review a representative sampling of the assessments; for example, Assessor James McCroskey, Deputy Appraiser Nathan Longley, and County Commissioner John Gentle (former appraiser in training), as all benefit from "unfinished and minimal finished areas." My opinion, public has a right to compare their property with theirs because McCroskey, Longly, and Gentle were trained to assess structure class code and land values. You may want to include other elected officials that own multiple properties in POC.

Assessor McCroskey submitted a graph displaying properties owned by elected officials and Deputy Assessor Nathan Longley (who is currently serving on Newport Council). Some of the property owners have multiple properties in POC, including me, but are omitted.

According to the graph, Commissioner John Gentle's property for 2025 is assessed at \$460,209. According to POC 2025 total taxable amount is \$369,419 with structure at \$320,814, which is significantly less than the graph reports. Commissioner Gentle purchased the property Nov 18, 2013, for \$369,419 with **3100 sq foot living area home** He receives government benefits for Designated Forrest Land and productivity loss.

According to the graph, Auditor Marianne Nichols' property is assessed at \$330,000. POC website reports Nichols' property for 2025 taxable value is \$213,123 with structure value of \$161,740, Land Homesite value \$50,500, and **productivity loss of \$118,350**. Her property is situated on 23.07 acres. POC website also records that her husband transferred the property to her on July 23, 2021. She receives government benefits for Designated Forrest Land and undeveloped & unused land area.

I haven't researched DESIGNATED FOREST LAND RCW 84.33 land that is valued for forestry

use or restrictions on undeveloped and unused land area WAC 458-53-030.

Following three property owners benefit with **living area discounted for "minimal and/or unfinished living area:**

1) Assessor James McCroskey: split entry residence purchased in 1/28/2002 with **2,600 square feet living area**, has daylight basement **1,300 sq ft valued at "minimal finished + 576 sq ft attached double car garage at "minimal finished, etc."**

103 E CIRCLE DR

NEWPORT, WA 99156

Here's link to POC property assessment

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=16984

2) Commissioner John Gentle (former appraiser in training): purchased 11/18/2013 for \$379,200, with 2025 taxable value \$369,419 and **benefits from minimal finished daylight basement 1,225 sq ft + minimal finished attached garage 816 sq ft., etc.**

1512 DIAMOND CREEK RD

NEWPORT, WA 99156

According to Zillow/Redfin at time Gentle purchased property "Overlooking Pend Oreille County WA. This **3100 sq foot living area home** affords privacy and scenic territorial views. The property includes 21 forested acres approx. 1.5 miles off the main road sitting at the top of a mountain. 3bdr/3.5 bath large master bath /walk in double shower. 2 story/full basement finished. 3 living room areas. 3 car attached garage. Private Well 1000 gal holding tank. Gas fireplace/ security system/sprinkler system/Hot tub/gas fireplace. 220 electrics. 30x40 shop/20x20 2 story barn..."

<https://www.redfin.com/WA/Newport/1512-Diamond-Creek-Rd-99156/home/115477350>

POC link to Gentle property

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9381

3) Deputy Assessor Nathan Longly (7/22/2013 purchase price \$170,000; has 2025 assessed value \$317,213 with **benefit of 957 sq ft "basement unfished, etc."**). Is currently for sale, see below current Zillow ad.

813 W 2ND ST

NEWPORT, WA 99156

\$317,213

https://www.zillow.com/homedetails/813-W-2nd-St-Newport-WA-99156/113772633_zpid/

	813 W 2nd St, Newport, WA 99156 MLS #202413561 Zillow
	<p>This 3035 square feet Single Family home has 4 bedrooms and 2 bathrooms. It is located at 813 W 2nd St, Newport, WA.</p> <p>www.zillow.com</p>

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=16903

FYI:

Assessor McCroskey has stated “State law requires that county assessors appraise all property at **100 percent** of its true and fair market value in money, according to the highest and best use of the property.

Following was published 8/28/24 The Miner - Letter to Editor- Home values in Pend Oreille County dropped last year, so what explains this year’s massive increase in assessed values?

In a recent statement to the Board of Equalization, the assessor’s office claimed the Washington State Housing Market Report showed that property values have increased 55% from 2019-2022. However, that report also shows that median home prices dropped last year. The average price of four-bedroom homes declined by \$57,000. Furthermore, state law requires the assessor to fairly assess the true value of every property each year, not every five years.

Deputy Assessor Nathan Longly blamed assessor Jim McCroskey. He told the Board that the assessor had not done his job for the last five years, so they needed to apply a massive increase this year. “[D]ue to staffing shortages and tremendous movement in the real estate market, the Assessor’s office has not been able to keep up.... due to the number of properties affected by the office’s inability to make proper adjustments... the total needed adjustment has been applied for these missed years in this year’s valuation.”

Three problems:

1. The assessor has increased property values in each of the last property five years based on market data.

2. According to data reported by McCroskey to the State DOR, the Assessor's office has been fully staffed with its authorized 5 full- time employees every year except in 2021, when it had 4.45.
3. The county assessors have one of the smallest workloads in the State. According to DOR, their workload is 25% smaller than the average county assessor and 40% lower than the average in Spo- kane, Stevens, and Ferry counties.

The Assessor's excuses do not hold water. Property values are dropping. He has a full staff and one of the lowest workloads in the state. The Assessor owes us an honest answer.

-by Ben Richards, Usk

Thank you so much for scheduling the DOR audit of Pend Oreille County for this month. I would be happy to meet with the auditor and present evidence and suggestions for improvement.

Gloria Jean Wells

94 Trask Rd

Newport, WA 99156

Cell: (509) 879-1935

Landline: (509) 448-0789

From: Jean Wells <wellsgj@hotmail.com>

Sent: Thursday, May 23, 2024 4:36 PM

To: amelia.lamb@commerce.wa.gov <amelia.lamb@commerce.wa.gov>; emily.blume@commerce.wa.gov <emily.blume@commerce.wa.gov>; Thomas, Penny (COM) <Penny.Thomas@Commerce.wa.gov>; Pat.McCarthy@sao.wa.gov <Pat.McCarthy@sao.wa.gov>

Cc: Jean Wells <wellsgj@hotmail.com>

Subject: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

TO: Pat McCarthy, Washington State Auditor

Penny Thomas, Media Relations Manager

Amelia Lamb, amelia.lamb@commerce.wa.gov mobile text (360)
995-3386 (Olympia)

Emily Blume, emily.blume@commerce.wa.gov, mobile text (360)
628-0419 (Spokane)

FROM: Gloria (Jean) Wells, 94 Trask Rd., Newport, WA 99156

SUBJECT: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM
REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

The conflict of interests between Pend Oreille County (POC) Commissioner John Gentle and his wife POC Port Commissioner Kimberly Gentle have been going on for several years. According to Washington State Secretary of Corporations and Charities, POC Commissioner John Gentle continues to serve as Governor of the POC Economic Development Council (see attached current online nonprofit report dated 1/10/2023, and DOR business information).

According to POC Port Meeting Minutes dated 4/9/24: Port Commissioner Kimberly Gentle reported "she believes the Port Commissioners will be the overall decision makers as the ADO moves to an advisory board ..: Link to Port of Pend Oreille Board of Commissioners Meeting Minutes dated April 9, 2024, <http://povarr.com/wp-content/uploads/2024/05/April-9-2024-Approved.pdf>

I am including State Auditor Pat McCarthy to request consideration to conduct audits of the Port of Pend Oreille County, and POC Economic Development Council including but not limited to:

1. compliance with State, and Commerce contract policies and procedures (conflict of interest, reporting, etc.),
2. Transparency (i.e., use of public funds, etc.)
3. accountability (i.e., State Department of Commerce's request for repayment of \$300,000 funds that POC EDC received from the Governor's Strategic Reserve Fund ("SRF"). Following link: October 17, 2022 letter from Dept of Commerce to Jamie Wyrobek regarding "...

Washington State is requesting Pend Oreille EDC, repay the \$300,000 from the investment of SRF to HiTest Sand Inc., within 30 days of receipt of this letter...."

https://protectpendoreille.org/uploads/1/4/1/5/141595600/commerce_letter_to_edc_oct_17_2022.pdf

4. Compliance with RCW 39.84.030 **Public corporations—Creation, dissolution** - POC EDC will be dissolved, and Port will create an Economic Development Advisory Council (see Port minutes dated 4/9/24 <http://povarr.com/wp-content/uploads/2024/05/April-9-2024-Approved.pdf>

Please consider my request for audits of the POC Port, POC EDC, and monitoring of the creation of the POC Economic Development Advisory Council. Below are source materials supporting my concerns.

Thank you,

Gloria (Jean) Wells

94 Trask Rd

Newport, WA 99156

Link to following article below copy/paste

News

The Miner, Newport, WA

Economic development group gets grant

May 22, 2024

NEWPORT – The Port of Pend Oreille was awarded a grant from the state Department of Commerce for \$75,000 to be used for project feasibility studies. The Port, newly designated ADO for Pend Oreille County will use the money to facilitate the studies for three separate

properties, identified as developable for business recruitment and economic development. The Port of Pend Oreille is responsible to provide \$6,298 in total matching funds to perform the work.

“We are excited to move forward with actionable steps towards improving what has been a stagnant situation,” said Jessica Garza, the Port’s Economic Development Director. “This grant speeds up our projected timeline and is infusing integral funding towards large goals that we have identified.”

The three properties were identified as the Port-owned Newport Site and Wolfred land and Pend Oreille County’s new Wolfred Park. The timing is conducive towards applying for larger grants to facilitate building and infrastructure, Garza said.

At its May 15 EDAC meeting in Newport, EDAC board chair Abby Gribi reported for treasurer Russ Pelleberg, who was called for jury duty. Gribi said the EDAC had \$117,891 in its STCU account and \$7,047 in its Mt. West account.

The EDAC also passed updated bylaws. There is still no conflict of interest provision in the new bylaws. Gribi said as an advisory body, no conflict of interest policy was needed.

“This is an advisory committee, similar to how a planning commission would be structured,” Gribi said.

Brian Smiley, who represents the county on the EDAC, agreed a conflict of interest policy was not needed because the EDAC is advising the Port.

“The Port is the final authority and the Port has their own conflict of interest policy,” Smiley said. “They’re required to, it’s state law.”

The EDAC passed the draft bylaws.

The EDAC elected officers at April meeting, with Gribi elected chair, Mark Zorica was elected vice-chair and Tara Leininger was elected secretary.

<https://pendoreillerivervalley.com/economic-development-group-gets-grant-p88449-71.htm>

[Economic development group gets grant](https://pendoreillerivervalley.com/economic-development-group-gets-grant-p88449-71.htm)

Community news and advertising for the beautiful Pend Oreille River Valley



pendoreillerivervalley.com

Opinion

Gentle poses conflict of interest

May 15, 2024

To the editor,

What do you call it when a politician fixes a competition for a public contract and then diverts excessive amounts of public money from more critical public services to benefit a small group of their biggest campaign contributors potentially financially? It sounds like something you would expect in Chicago or Olympia.

Whatever you want to call it, that is what County Commissioner John Gentle is doing here in Pend Oreille County. After the county commissioners agreed that the County's Economic Development Council, which has cost taxpayers over a million dollars for little benefit, was no longer beneficial for our county, Gentle fixed the competition for replacing the EDC by allowing the EDC to choose its own replacement. The EDC chose the Port of Pend Oreille, which then immediately reestablished the EDC under its superintendence. Then, after Gentle approved the plan, he participated in a bait-and-switch in which the Port demanded twice the amount of money for its services (Commissioner Rosencrantz whittled it down a little).

The fact that Gentle's spouse is both a Port Commissioner and a member of the EDC is an apparent conflict of interest. But even more concerning is that the leadership of the Port is Gentle's biggest campaign contributor. 78 percent of Gentle's donations have come from the leaders of the Port, the EDC, or Crypto companies. This is especially odorous when you consider that the publicly funded salary and compensation of the Port Manager, who is one of Gentle's biggest individual donors, is set by Gentle's spouse.

-Ben Richards

Usk

From: Jean Wells <wellsgj@hotmail.com>

Sent: Friday, February 9, 2024 11:40 AM

To: Penny.Thomas@Commerce.wa.gov <Penny.Thomas@Commerce.wa.gov>

Subject: YouTube videos (2) edited, and The Miner, Newport, WA (3 articles) by Don Gronning, Journalist

TO: Penny Thomas, Media Relations Manager
FROM: Gloria Jean Wells, 94 Trask Rd., Newport, WA 99156

I have concerns with Pend Oreille County(POC) Port of Pend Oreille County being designated ADO for POC, please read Don Gronning's articles and if you have time watch the edited YouTube videos to get a complete understanding of my concerns.

YouTube 1/2/2024 Pend Oreille County Board of Commissioners' Meeting, which was edited by Norm Smith with Pend Oreille Political Circus to include attached pictures.

The POC EDC have conflicts of interest and it is unknown if a policy is in place to avoid potential conflicts, including POC Commissioner John Gentle and his wife POC Port Commissioner Kimberly Gentle. Port Commissioner Kimberly Gentle currently serves on POC EDC, and both Gentles served during EDC's \$300,000 debt to Commerce. EDC has not commented on if they have submitted amended IRS form 990s, "...EDC also submitted incorrect IRS form 990s...." see Don Gronning's article dated Jan 24, 2024, below.

Thank you.

This link is "2023 EDC Strategic Work Plan Deliverables Approved January 18th, 2023 Amended March 15, 2023...."

<https://pocedc.org/wp-content/uploads/2023/03/2023-Strategic-Workplan.pdf>

<https://www.youtube.com/watch?v=r6LX9AKbpGE&t=2926s>

	<p>Pend Oreille County Commissioners discuss EDC ADO 01/02/24</p>
	<p>Pend Oreille County Commissioners discuss Economic Development ADO. 01/02/24.</p>
	<p>www.youtube.com</p>

POC Commissioners' Board Meeting 1/29/2024 **edited** video

https://www.youtube.com/watch?v=ql9M6w_Jpa4

	<p>The Politicization Of The POVA-ADO Contract. 1/29/24</p>
	<p>The Politicization of the County's ADO Contract with the Port District. Board of County Commissioners. 1/29/24.</p>
	<p>www.youtube.com</p>

T

Jan 17, 2024

Don Gronning
of The Miner

NEWPORT – Pend Oreille County commissioners, on a 2-1 vote, agreed to have the Port of Pend Oreille be the economic development agency, or Associated Development Organization, for the county. The designation comes with some money from the state

Department of Commerce.

Three entities responded to a request for proposal to be the ADO. The Port, Tri County Economic Development District and Better City US all submitted proposals.

County commission chair Robert Rosencrantz voted for the TEDD to be the ADO. Rosencrantz was chairman of the board of directors of TEDD in 2023, but that will change following the board meeting Jan. 24, when a new TEDD board chair will be named.

Rosencrantz said all three proposals had strengths but said he voted for TEDD because TEDD is a regional organization. He said a representative from Sen. Patty Murray's office said at an economic development summit that economic success will depend on a regional approach.

Rosencrantz said he preferred TEDD's structure, with a horizontal structure with paid staff. The Port would be relying on one person.

"Many times that one person can be just fine," he said. "But in this case, we have demonstrated results from TEDD with that horizontal structure."

Rosencrantz said he found TEDD far more transparent than the Port. He said with TEDD, if you send an email requesting something, you get an answer and they don't charge anything. He said that is a pretty open spirit, which he said is a key component of building trust and having the kind of representative government that shares

information willingly.

He said the Port requires that public records requests not be made by email.

“With the Port, you have to go to their office in Usk to review documents,” he said. “I find the Port’s approach to not be what I want in terms of a relationship and in terms of representing the people of Pend Oreille County.”

Transparency is a key factor, he said. He said he checked with a number of other ports that function as ADOs and all but one accepted emailed records requests. The Port of Walla Walla didn’t get back to him.

Commissioner Brian Smiley represented the county on the Pend Oreille County Economic Development Council. He said he voted with the rest of the EDC subcommittee to recommend the Port.

Smiley said he isn’t committed to the idea that the county should spend county money in the county. He said the county should spend the money with the entity that brings the greatest efficiency and service to the county. Having said that, he said the spokesman for the Utah based Better City US should learn how to pronounce Chewelah.

“Those kinds of things effect how you interact when you’re doing work like economic development,” he said. Familiarity with area and issues is important.

County commission vice chair John Gentle said he had checked with Prosecutor Dolly Hunt about whether he had a conflict of interest because his wife, Kimberly Gentle, was a Port commissioner.

Gentle said the EDC board members were the subject matter experts.

Gentle said Ports were designed for economic development. He said he put a lot of weight on Smiley's and the EDC recommendation.

Gentle said nobody had economic development and infrastructure authority like the ports, by design and by RCW.

“For me, there isn't much of a decision here, when you weigh all the things,” he said

EDC Continues: Economic Development Council To Advise Port

by Don Gronning with Newport Miner, Newport, WA

Jan 24, 2024

NEWPORT – The Pend Oreille County Economic Development Council will continue as an advisory body to the Port of Pend Oreille. Pend Oreille County designated the Port as its Associated Development Organization. Each county names an ADO and the

state Department of Commerce contracts with that organization for economic development service.

The county formerly had the EDC as ADO, but after director Jamie Wyrobek quit last May, county commissioners decided to seek a new ADO.

After paying the bulk of its advertising costs, the EDC had \$8,797 in a Mountain West bank account and \$117,483 in a STCU account, EDC treasurer Russ Pelleberg reported at the Jan. 17 EDC meeting.

“So we’re in pretty good shape still,” he said. “We’ll be working with the new group up there. Once there’s an official change of the ADO, we’ll probably, I imagine, close these bank accounts and the Port will probably start something new and fresh.”

Pelleberg said the only ongoing bills were the rent on the office and utilities. The EDC board voted to give notice to move out of the office that has sat mostly vacant since Wyrobek re-signed.

According to the Port ADO proposal, the EDC will continue as an advisor to the Port. It included proposed updated EDC bylaws, which now allow for remote voting.

Pend Oreille County Commissioner Brian Smiley answered questions from The Miner for the executive board of the EDC. Smiley is secretary for the EDC.

Newly elected EDC chair Abby Gribi referred to Smiley for answers, vice chair Laura Verity said she would like others to answer, as she was new to the executive board, and Pelleberg didn’t respond.

Smiley said the EDC board has broad community representation and will advise the Port on economic development.

“For the most part the work of the board will continue except for direct oversight of an employee (director) and financial and regulatory oversight and compliance, as that work will undertaken by the staff and elected Commissioners of the Port,” Smiley said.

He said that as one board member, his understanding is that the EDC as an entity will be dis-solving and closing out its financial and regulatory responsibilities. Part of that process would be to resolve any remaining unresolved regulatory and liability issues, including amending any tax returns with the guidance of a tax professional and perhaps even legal counsel, he said.

One of those obligations is a \$300,000 debt to the state Department of Commerce for a \$300,000 Strategic Reserve Fund grant the state supplied HiTest Sands, which later became PacWest Silicon and is now Senova Global. One of the conditions was that HiTest would provide 200 new jobs within five years of the grant by building a silicon smelter. Those five years expired last June.

Since the smelter wasn’t built, the EDC is on the hook to collect the money from PacWest, a Canadian firm, to repay Commerce. Commerce sent a demand letter to the EDC for the money, which eventually made its way to the county commissioners.

Commerce hasn’t forgotten about the money, says spokesperson Penny Thomas.

“The grant funds from Commerce are not considered forgiven, and we are working with the EDC regarding their efforts with PacWest to recover funds,” Thomas said. “Also, Commerce is currently engaged with the Attorney General’s Office to consider our options for pursuing legal remedies.”

The EDC also submitted incorrect IRS form 990s for several years. For at least the years 2016-2020, on IRS Form 990, the EDC answered no to the question, "Did any officer, director, trustee or key employee have a family relationship or a business relationship with any other officer, trustee or key employee?" Former county commissioner Mike Manus and his daughter Jenny Smith were on the executive board each of those years, Manus as secretary and Smith as vice-chair.

Form 990 also asks if the EDC has a written conflict of interest policy. According to the EDC's 2016-2020 990s, it does. The EDC board specifically rejected a conflict of interest clause in its bylaws when they were rewritten in 2019.

The EDC's 990s also say the organization provided a complete copy of the Form 990 to all members of its governing body before filing the form. Smith and former chair Ray Pierre said they hadn't seen the forms.

It is unclear whether the EDC has amended the forms or not.

Smiley and county commissioner John Gentle voted to accept the Port as the new ADO, while commission chair Robert Rosencrantz voted for the Tri County Economic Development District (TEDD) to be the ADO.

Smiley stands by the decision.

"In my way of thinking this is the best possible outcome given the situation as it removes the burden of hiring and supervising an employee and regulatory and fiscal responsibilities from an already overburdened and busy all volunteer board, while at the same time retaining the pre-sent boards' excellent representation and understanding of the county and vision for economic

development,” he said.

Port Asks For \$200,000 County Funding; Also Wants Economic Development Contract Through June 30, 2027 by Don Gronning

Jan 31, 2024

NEWPORT – At its Monday meeting, Pend Oreille County commissioners heard that the Port of Pend Oreille, which was recently selected as the county’s Associate Development Organization, is seeking \$200,000 annually from the county and would like a contract that runs through June 30, 2027.

Commissioner Brian Smiley represents the county on the Economic Development Council, serving as EDC secretary on its executive board. The EDC is an advisory board to the port. Smiley said the longer contract will give the port time to set up its economic development branch and could help in attracting quality candidates to its director position.

The \$200,000 is more than the county was giving the EDC. Former EDC director Jamie Wyrobek was a county employee and the county paid her wages and benefits, in addition to the rent on the office where the EDC was located.

Port Executive Director Kelly Driver said the port planned to fund some of the economic development work.

“We don’t have an exact amount,” she said.

Driver said the Port is considering hiring a part time worker to take up some of Port auditor Susan Bluff’s work. In addition to

auditing, Bluff does some reception work and train documentation that can be shifted to a new part time worker, Driver said. Bluff will be able to do some economic development related work, Driver said.

The Port, which doesn't collect any taxes, has \$5.3 million in reserves, Driver said. Some of that came from a \$1.9 payment the Port received for the sale of management of its right of ways to TerraPact. TerraPact gets 75% of right of way payments it negotiates "in perpetuity." The port doesn't collect any taxes.

County commission chairman Robert Rosencrantz was also interested in transparency. He wanted the Port to report monthly to county commissioners, preferably in person, on what economic development work was going on. He said when he was the director of a state-wide housing program, he expected to make such reports. Smiley said quarterly reports were enough, as the Port has monthly meetings and would be regularly updating its commissioners. The EDC will continue to meet monthly and as the county representative, he said he would report to the county commissioners on EDC activity. Commissioner John Gentle was willing to require every other month reports.

The port isn't willing to make in person reports to the county commissioners, Smiley said and he doesn't think they should have to.

Smiley said that he wants to speak further with port commissioners before taking action on the funding. In addition to a longer contract helping to attract quality candidates, port officials are also concerned about the ADO selection becoming a political issue. County commission chairman Robert Rosencrantz will be up for election in 2026.

Rosencrantz has made no secret that he thinks the EDC is ineffective. He cast the sole vote for the Tri County Economic Development District to serve as ADO instead of the

port. TEDD is Stevens and Ferry counties' ADO.

Rosencrantz, who sits on the board of TEDD, isn't in favor of the length of the proposed county contract or the amount the port wants from the county. He is also insistent that the ADO report monthly to the county commissioners.

Rosencrantz said if the port would agree to a monthly in person meeting, he was willing to consider the other elements. To have the port come up with the contract terms they propose doesn't address any of his concerns.

"They've expanded considerably beyond the original agreement; longer term, more money and nothing on the quarterly reporting, nothing to show (the port is) going to make a good faith effort," Rosencrantz said in an edited video posted to Norm Smith's Pend Oreille Political Circus Facebook group page.

Gentle said Rosencrantz has been against the EDC since before he was elected. Gentle's wife, Kimberly Gentle, serves as an elected port commissioner.

"Speaking frankly, Robert, I feel you've lacked objectivity in pieces of this," he said in Smith's Facebook video of Monday's meeting.

Gentle said that Rosencrantz had made the elimination of the EDC a campaign promise.

Every county in the state appoints an ADO which contracts with the state for economic development work. The county also contracts separately for economic development, this time with the Port.

The EDC used to be the county's ADO for years prior to Wyrobek abruptly resigning last year. That threw the ADO contract with the state department of Commerce into limbo. The county decided to choose a new ADO.

Commissioners were initially talking about a year-long contract with the Port. The state's contract is for the state's fiscal year, from July 1 to June 30.

Driver said the port has nine applicants for the director's position. She said the port will conduct first interviews with candidates at its Feb. 13 meeting.

From: [White, Bradley \(SAO\)](#)
To: [Jean Wells](#); [McCarthy, Pat \(SAO\)](#)
Subject: RE: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?
Date: Friday, November 8, 2024 3:48:00 PM
Attachments: [image001.png](#)

Hi Jean,

We are close to completing the field work on this audit, and hope to have this wrapped up in the next few weeks. As soon as the audit is concluded, I will send you a letter with the conclusions from the work we did related to your concerns.

Thank you,



Brad White, CPA
Team Spokane Audit Manager, County Program Manager
[Office of the Washington State Auditor](#)
(509) 919-0240 | www.sao.wa.gov
Keeping Washington rooted in #GoodGovernment since 1889:
sao.wa.gov/rooted

From: Jean Wells <wellsgj@hotmail.com>
Sent: Friday, November 8, 2024 11:06 AM
To: White, Bradley (SAO) <whitebd@sao.wa.gov>; McCarthy, Pat (SAO) <mccarthyp@sao.wa.gov>
Cc: Jean Wells <wellsgj@hotmail.com>
Subject: Re: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

External Email

Please provide an update. Thank you.

From: White, Bradley (SAO) <whitebd@sao.wa.gov>
Sent: Thursday, September 19, 2024 10:31 AM
To: Jean Wells <wellsgj@hotmail.com>; McCarthy, Pat (SAO) <mccarthyp@sao.wa.gov>

Subject: RE: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

Hi Jean,

Yes we did receive your email and we are currently working on that audit. We will respond to your concerns once we have had a chance to evaluate the risks related to that audit.

Thank you,



Brad White, CPA
Team Spokane Audit Manager, County Program Manager
[Office of the Washington State Auditor](#)
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Keeping Washington rooted in #GoodGovernment since 1889:
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From: Jean Wells <wellsgj@hotmail.com>

Sent: Thursday, September 19, 2024 9:36 AM

To: White, Bradley (SAO) <whitebd@sao.wa.gov>; McCarthy, Pat (SAO) <mccarthyp@sao.wa.gov>

Subject: Fw: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

External Email

State Auditor Pat McCarthy and Senior Financial Analyst Bradley White,

This is to confirm that you received my previous email regarding upcoming audit for Pend Oreille Couty.

Thank you,
Gloria (Jean) Wells

94 Trask Rd
Newport, WA 99156
Cell: (509) 879-1935
Landline: (509) 448-0789

From: Jean Wells <wellsgj@hotmail.com>

Sent: Wednesday, September 4, 2024 10:39 AM

To: amelia.lamb@commerce.wa.gov <amelia.lamb@commerce.wa.gov>;
emily.blume@commerce.wa.gov <emily.blume@commerce.wa.gov>; Thomas, Penny (COM)
<Penny.Thomas@Commerce.wa.gov>; White, Bradley (SAO) <whitebd@sao.wa.gov>;
Pat.McCarthy@sao.wa.gov <Pat.McCarthy@sao.wa.gov>

Cc: Jean Wells <wellsgj@hotmail.com>

Subject: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

Please consider a comprehensive audit of the Assessor's entire operation to determine whether assessments are being made in accordance with Washington property tax law. Pend Oreille County Assessor McCroskey's methodology of appraising property assessments appears unfair and unequal. Include a review of the Assessor's administrative policies and procedures that affect both real property and business property assessment programs and the Assessor's program for assessing personal property and furnishings. Is the Assessor and/or appraisers required to recuse themselves from appraising properties of political allies, family members, friends, alumni, businesses' that they do business with, etc.?

In 2020, I discovered my property valuation was 2nd highest on Trask Rd with structure increasing significantly and land value unfair compared to other properties on Trask Rd.

My 2019-2020 property assessment increased from \$221,298 to \$334,677.

2019 improvement value was \$117,298 - 2020 \$210,677(**79.61% increase**); 2019 land value was \$104,000 in 2020 \$124,000 (**19% increase**) Property tax in 2020 was \$2,338.11, in 2021 \$3,336.20 (**\$998.09 - 42% increase**). The trainee appraiser had not passed the Uniform Standards of Profession Appraisal course, which is required by DOR, and lacked credentials.

2024-2025 proposed property assessment is \$483,565 currently assessed at \$381,004 (improvement increase from \$225,004 to \$308,565 an **increase of 37%** and land value increase from \$156,000 to \$175,000 **an increase of 12%**).

1. Following is a sampling of properties sold in 2022 for tax area 0005 - 1 -56 F3 S2 that have 2025 assessments at less than purchase price: for example,

2.

December 1, 2022 - 21 Lakeside Dr sold for \$550,00 the 2025 assessment is \$364,411, that's **\$185,589 less than purchase**

price. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9047

September 2, 2022 - 5706 Northshore Diamond Lake Rd sold for \$660,000 - 2025 assessment is \$490,000, **\$170,000 less than purchase price**

price. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=11351

August 5, 2022, - 443 Bayview Blvd sold for \$909,000 - 2025 assessment is \$626,116 that **\$282,884 less than purchase price.**

price. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9010

July 29, 2022 - 353 Southshore Diamond Lake sold for \$500,000 - 2025 assessment is \$240,034, that's **\$259,966 less than purchase (Realtor Bockermuehl sold it to a**

neighbor. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8879

June 9, 2022, 781 Southshore Diamond Lake sold for \$851,000 - 2025 assessment set at \$606,603 that's **\$244,397 less than purchase price.**

price. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8909

May 27, 2022, 441 Bayview Blvd sold for \$825,000 - 2025 assessment at \$574,532, that's **\$250,468 less than purchase price.**

price. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9011

January 19, 2022 325453 Highway 2 purchase price \$750,000 - 2025 assessment \$548,606, that's **\$201,394 less than purchase price**

price. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9169

July 27, 2022, 352 Southshore Diamond Lake sold for \$110,000 - 2025 assessment is \$72,000 that's **\$38,000 less than purchase price.**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8904

March 8, 2022, 1402 Southshore Diamond Lake Rd sold for \$517,000, 2025 assessment \$434,884 that's **\$82,116 less than purchase price.**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8508

April 20, 2022, 123 Rockwood Rd., sold 2 properties for \$475,000 - 2025 assessment is \$422,189, that's **\$52,811 less than purchase price.**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8776

November 10, 2022, - 684 Southshore sold for \$275,000 - 2025 assessment is \$236,291, **that's \$38,709 less than purchase price.**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8800

3. I found properties sold in 2023 with values for 2025 tax rolls less than purchase price too. I did not research 2020-2021 or 2019-2020.

3. Washington standard practice is to value structure with classifications Condition 1-6 and Quality 1-6.

- Condition 1 new homes and Condition 6 is a home in very poor condition or needs substantial rehab.

- Quality 1 is for very high-end homes and Quality 6 is for the lowest quality of materials used.

4. Does POC have an Ethics Policy, is our Assessor removed from amending values? This is a standard practice for assessors in Washington

5. Are appraisers accredited and required to sign a certified document that property value to be true and accurate? This is a standard practice in Washington.

6. What is the POC average valuation rate increase for the 2025 tax year? Spokesman Review article dated June 18, 2024, Spokane County assessor reported property values

decreased.

7. Review a representative sampling of the assessments; for example, Assessor James McCroskey, Deputy Appraiser Nathan Longley, and County Commissioner John Gentle (former appraiser in training), as all benefit from "unfinished and minimal finished areas." My opinion, public has a right to compare their property with theirs because McCroskey, Longly, and Gentle were trained to assess structure class code and land values. You may want to include other elected officials that own multiple properties in POC.

Assessor McCroskey submitted a graph displaying properties owned by elected officials and Deputy Assessor Nathan Longley (who is currently serving on Newport Council). Some of the property owners have multiple properties in POC, including me, but are omitted.

According to the graph, Commissioner John Gentle's property for 2025 is assessed at \$460,209. According to POC 2025 total taxable amount is \$369,419 with structure at \$320,814, which is significantly less than the graph reports. Commissioner Gentle purchased the property Nov 18, 2013, for \$369,419 with **3100 sq foot living area home** He receives government benefits for Designated Forrest Land and productivity loss.

According to the graph, Auditor Marianne Nichols' property is assessed at \$330,000. POC website reports Nichols' property for 2025 taxable value is \$213,123 with structure value of \$161,740, Land Homesite value \$50,500, and **productivity loss of \$118,350**. Her property is situated on 23.07 acres. POC website also records that her husband transferred the property to her on July 23, 2021. She receives government benefits for Designated Forrest Land and undeveloped & unused land area.

I haven't researched DESIGNATED FOREST LAND RCW 84.33 land that is valued for forestry use or restrictions on undeveloped and unused land area WAC 458-53-030.

Following three property owners benefit with **living area discounted for "minimal and/or unfinished living area:**

1)Assessor James McCroskey: split entry residence purchased in 1/28/2002 with **2,600 square feet living area**, has daylight basement **1,300 sq ft valued at "minimal finished + 576 sq ft attached double car garage at "minimal finished, etc."**

103 E CIRCLE DR

NEWPORT, WA 99156

Here's link to POC property assessment

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=16984

2) Commissioner John Gentle (former appraiser in training): purchased 11/18/2013 for \$379,200, with 2025 taxable value \$369,419 and **benefits from minimal finished daylight basement 1,225 sq ft + minimal finished attached garage 816 sq ft., etc.**

1512 DIAMOND CREEK RD
NEWPORT, WA 99156

According to Zillow/Redfin at time Gentle purchased property "Overlooking Pend Oreille County WA. This **3100 sq foot living area home** affords privacy and scenic territorial views. The property includes 21 forested acres approx. 1.5 miles off the main road sitting at the top of a mountain. 3bdr/3.5 bath large master bath /walk in double shower. 2 story/full basement finished. 3 living room areas. 3 car attached garage. Private Well 1000 gal holding tank. Gas fireplace/ security system/sprinkler system/Hot tub/gas fireplace. 220 electrics. 30x40 shop/20x20 2 story barn..."

<https://www.redfin.com/WA/Newport/1512-Diamond-Creek-Rd-99156/home/115477350>


POC link to Gentle property

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9381

3) Deputy Assessor Nathan Longly (7/22/2013 purchase price \$170,000; has 2025 assessed value \$317,213 with **benefit of 957 sq ft "basement unfished, etc."**). Is currently for sale, see below current Zillow ad.

813 W 2ND ST
NEWPORT, WA 99156
\$317,213

https://www.zillow.com/homedetails/813-W-2nd-St-Newport-WA-99156/113772633_zpid/

	<p>813 W 2nd St, Newport, WA 99156 MLS #202413561 Zillow</p> <p>This 3035 square feet Single Family home has 4 bedrooms and 2 bathrooms. It is located at 813 W 2nd St, Newport, WA.</p> <p>www.zillow.com</p>
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http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=16903

FYI:

Assessor McCroskey has stated "State law requires that county assessors appraise all property at **100 percent** of its true and fair market value in money, according to the highest and best use of the property.

Following was published 8/28/24 The Miner - Letter to Editor- Home values in Pend Oreille County dropped last year, so what explains this year's massive increase in assessed values?

In a recent statement to the Board of Equalization, the assessor's office claimed the Washington State Housing Market Report showed that property values have increased 55% from 2019-2022. However, that report also shows that median home prices dropped last year. The average price of four-bedroom homes declined by \$57,000. Furthermore, state law requires the assessor to fairly assess the true value of every property each year, not every five years.

Deputy Assessor Nathan Longly blamed assessor Jim McCroskey. He told the Board that the assessor had not done his job for the last five years, so they needed to apply a massive increase this year. "[D]ue to staffing shortages and tremendous movement in the real estate market, the Assessor's office has not been able to keep up.... due to the number of properties affected by the office's inability to make proper adjustments... the total needed adjustment has been applied for these missed years in this year's valuation."

Three problems:

1. The assessor has increased property values in each of the last property five years based on market data.
2. According to data reported by McCroskey to the State DOR, the Assessor's office has been fully staffed with its authorized 5 full-time employees every year except in 2021, when it had 4.45.
3. The county assessors have one of the smallest workloads in the State. According to DOR, their workload is 25% smaller than the average county assessor and 40% lower than the average in Spokane, Stevens, and Ferry counties.

The Assessor's excuses do not hold water. Property values are dropping. He has a full staff and one of the lowest workloads in the state. The Assessor owes us an honest answer.

-by Ben Richards, Usk

Thank you so much for scheduling the DOR audit of Pend Oreille County for this month. I

would be happy to meet with the auditor and present evidence and suggestions for improvement.

Gloria Jean Wells

94 Trask Rd

Newport, WA 99156

Cell: (509) 879-1935

Landline: (509) 448-0789

From: Jean Wells <wellsgj@hotmail.com>

Sent: Thursday, May 23, 2024 4:36 PM

To: amelia.lamb@commerce.wa.gov <amelia.lamb@commerce.wa.gov>;
emily.blume@commerce.wa.gov <emily.blume@commerce.wa.gov>; Thomas, Penny (COM)
<Penny.Thomas@Commerce.wa.gov>; Pat.McCarthy@sao.wa.gov <Pat.McCarthy@sao.wa.gov>

Cc: Jean Wells <wellsgj@hotmail.com>

Subject: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

TO: Pat McCarthy, Washington State Auditor

Penny Thomas, Media Relations Manager

Amelia Lamb, amelia.lamb@commerce.wa.gov mobile text (360)
995-3386 (Olympia)

Emily Blume, emily.blume@commerce.wa.gov, mobile text (360)
628-0419 (Spokane)

FROM: Gloria (Jean) Wells, 94 Trask Rd., Newport, WA 99156

SUBJECT: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

The conflict of interests between Pend Oreille County (POC) Commissioner John Gentle and his wife POC Port Commissioner Kimberly Gentle have been going on for several years. According to Washington State Secretary of

Corporations and Charities, POC Commissioner John Gentle continues to serve as Governor of the POC Economic Development Council (see attached current online nonprofit report dated 1/10/2023, and DOR business information).

According to POC Port Meeting Minutes dated 4/9/24: Port Commissioner Kimberly Gentle reported "she believes the Port Commissioners will be the overall decision makers as the ADO moves to an advisory board ..: Link to Port of Pend Oreille Board of Commissioners Meeting Minutes dated April 9, 2024, <http://povarr.com/wp-content/uploads/2024/05/April-9-2024-Approved.pdf>

I am including State Auditor Pat McCarthy to request consideration to conduct audits of the Port of Pend Oreille County, and POC Economic Development Council including but not limited to:

1. compliance with State, and Commerce contract policies and procedures (conflict of interest, reporting, etc.),
2. Transparency (i.e., use of public funds, etc.)
3. accountability (i.e., State Department of Commerce's request for repayment of \$300,000 funds that POC EDC received from the Governor's Strategic Reserve Fund ("SRF"). Following link: October 17, 2022 letter from Dept of Commerce to Jamie Wyrobek regarding "... Washington State is requesting Pend Oreille EDC, repay the \$300,000 from the investment of SRF to HiTest Sand Inc., within 30 days of receipt of this letter...."
https://protectpendoreille.org/uploads/1/4/1/5/141595600/commerce_letter_to_edc_oct_17_2022.pdf
4. Compliance with RCW 39.84.030 **Public corporations—Creation, dissolution** - POC EDC will be dissolved, and Port will create an Economic Development Advisory Council (see Port minutes dated 4/9/24
<http://povarr.com/wp-content/uploads/2024/05/April-9-2024-Approved.pdf>

Please consider my request for audits of the POC Port, POC EDC, and monitoring of the creation of the POC Economic Development Advisory

Council. Below are source materials supporting my concerns.

Thank you,

Gloria (Jean) Wells

94 Trask Rd

Newport, WA 99156

Link to following article below copy/paste

News

The Miner, Newport, WA

Economic development group gets grant

May 22, 2024

NEWPORT – The Port of Pend Oreille was awarded a grant from the state Department of Commerce for \$75,000 to be used for project feasibility studies. The Port, newly designated ADO for Pend Oreille County will use the money to facilitate the studies for three separate properties, identified as developable for business recruitment and economic development. The Port of Pend Oreille is responsible to provide \$6,298 in total matching funds to perform the work.

“We are excited to move forward with actionable steps towards improving what has been a stagnant situation,” said Jessica Garza, the Port’s Economic Development Director. “This grant speeds up our projected timeline and is infusing integral funding towards large goals that we have identified.”

The three properties were identified as the Port-owned Newport Site and Wolfred land and Pend Oreille County’s new Wolfred Park. The timing is conducive towards applying for larger grants to facilitate building and infrastructure, Garza said.

At its May 15 EDAC meeting in Newport, EDAC board chair Abby Gribi reported for treasurer Russ Pelleberg, who was called for jury duty. Gribi said the EDAC had \$117,891 in its STCU

account and \$7,047 in its Mt. West account.

The EDAC also passed updated bylaws. There is still no conflict of interest provision in the new bylaws. Gribi said as an advisory body, no conflict of interest policy was needed.

“This is an advisory committee, similar to how a planning commission would be structured,” Gribi said.


Brian Smiley, who represents the county on the EDAC, agreed a conflict of interest policy was not needed because the EDAC is advising the Port.

“The Port is the final authority and the Port has their own conflict of interest policy,” Smiley said. “They’re required to, it’s state law.”

The EDAC passed the draft bylaws.

The EDAC elected officers at April meeting, with Gribi elected chair, Mark Zorica was elected vice-chair and Tara Leininger was elected secretary.

<https://pendoreillerivervalley.com/economic-development-group-gets-grant-p88449-71.htm>

	<p>Economic development group gets grant</p> <p>Community news and advertising for the beautiful Pend Oreille River Valley</p> <p>pendoreillerivervalley.com</p>
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Opinion

Gentle poses conflict of interest

May 15, 2024

To the editor,

What do you call it when a politician fixes a competition for a public contract and then diverts excessive amounts of public money from more critical public services to benefit a small group

of their biggest campaign contributors potentially financially? It sounds like something you would expect in Chicago or Olympia.

Whatever you want to call it, that is what County Commissioner John Gentle is doing here in Pend Oreille County. After the county commissioners agreed that the County's Economic Development Council, which has cost taxpayers over a million dollars for little benefit, was no longer beneficial for our county, Gentle fixed the competition for replacing the EDC by allowing the EDC to choose its own replacement. The EDC chose the Port of Pend Oreille, which then immediately reestablished the EDC under its superintendence. Then, after Gentle approved the plan, he participated in a bait-and-switch in which the Port demanded twice the amount of money for its services (Commissioner Rosencrantz whittled it down a little).

The fact that Gentle's spouse is both a Port Commissioner and a member of the EDC is an apparent conflict of interest. But even more concerning is that the leadership of the Port is Gentle's biggest campaign contributor. 78 percent of Gentle's donations have come from the leaders of the Port, the EDC, or Crypto companies. This is especially odorous when you consider that the publicly funded salary and compensation of the Port Manager, who is one of Gentle's biggest individual donors, is set by Gentle's spouse.

-Ben Richards

Usk

From: Jean Wells <wellsgj@hotmail.com>

Sent: Friday, February 9, 2024 11:40 AM

To: Penny.Thomas@Commerce.wa.gov <Penny.Thomas@Commerce.wa.gov>

Subject: YouTube videos (2) edited, and The Miner, Newport, WA (3 articles) by Don Gronning, Journalist

TO: Penny Thomas, Media Relations Manager

FROM: Gloria Jean Wells, 94 Trask Rd., Newport, WA 99156

I have concerns with Pend Oreille County(POC) Port of Pend Oreille County being designated ADO for POC, please read Don Gronning's articles and if you have time watch the edited YouTube videos to get a complete understanding of my concerns.

YouTube 1/2/2024 Pend Oreille County Board of Commissioners'

Meeting, which was edited by Norm Smith with Pend Oreille Political Circus to include attached pictures.

The POC EDC have conflicts of interest and it is unknown if a policy is in place to avoid potential conflicts, including POC Commissioner John Gentle and his wife POC Port Commissioner Kimberly Gentle.

Port Commissioner Kimberly Gentle currently serves on POC EDC, and both Gentles served during EDC's \$300,000 debt to Commerce. EDC has not commented on if they have submitted amended IRS form 990s, "...EDC also submitted incorrect IRS form 990s...." see Don Gronning's article dated Jan 24, 2024, below.

Thank you.

This link is "2023 EDC Strategic Work Plan Deliverables Approved January 18th, 2023

Amended March 15, 2023...."

<https://pocedc.org/wp-content/uploads/2023/03/2023-Strategic-Workplan.pdf>

<https://www.youtube.com/watch?v=r6LX9AKbpGE&t=2926s>

	<u>Pend Oreille County Commissioners discuss EDC ADO 01/02/24</u>
	Pend Oreille County Commissioners discuss Economic Development ADO. 01/02/24.
	<u>www.youtube.com</u>

POC Commissioners' Board Meeting 1/29/2024 **edited** video

https://www.youtube.com/watch?v=ql9M6w_Jpa4

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	<p>The Politicization Of The POVA-ADO Contract. 1/29/24</p> <p>The Politicization of the County's ADO Contract with the Port District. Board of County Commissioners. 1/29/24.</p> <p>www.youtube.com</p>
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Jan 17, 2024

Don Gronning
of The Miner

NEWPORT – Pend Oreille County commissioners, on a 2-1 vote, agreed to have the Port of Pend Oreille be the economic development agency, or Associated Development Organization, for the county. The designation comes with some money from the state Department of Commerce.

Three entities responded to a request for proposal to be the ADO. The Port, Tri County Economic Development District and Better City US all submitted proposals.

County commission chair Robert Rosencrantz voted for the TEDD to be the ADO. Rosencrantz was chairman of the board of directors of TEDD in 2023, but that will change following the board meeting Jan. 24, when a new TEDD board chair will be named.

Rosencrantz said all three proposals had strengths but said he voted for TEDD because TEDD is a regional organization. He said a representative from Sen. Patty Murray's office said at an economic development summit

that economic success will depend on a regional approach.

Rosencrantz said he preferred TEDD's structure, with a horizontal structure with paid staff. The Port would be relying on one person.

"Many times that one person can be just fine," he said. "But in this case, we have demonstrated results from TEDD with that horizontal structure."

Rosencrantz said he found TEDD far more transparent than the Port. He said with TEDD, if you send an email requesting something, you get an answer and they don't charge anything. He said that is a pretty open spirit, which he said is a key component of building trust and having the kind of representative government that shares information willingly.

He said the Port requires that public records requests not be made by email.

"With the Port, you have to go to their office in Usk to review documents," he said. "I find the Port's approach to not be what I want in terms of a relationship and in terms of representing the people of Pend Oreille County."

Transparency is a key factor, he said. He said he checked with a number of other ports that function as ADOs and all but one accepted emailed records requests. The Port of Walla Walla didn't get back to him.

Commissioner Brian Smiley represented the county on the Pend Oreille County Economic Development Council. He said he voted with the rest of the EDC subcommittee to recommend the Port.

Smiley said he isn't committed to the idea that the county should spend county money in the county. He said the county should spend the money with the entity that brings the greatest efficiency and service to the county. Having said that, he said the spokesman for the Utah based Better City US should learn how to pronounce Chewelah.

"Those kinds of things effect how you interact when you're doing work like economic development," he said. Familiarity with area and issues is important.

County commission vice chair John Gentle said he had checked with Prosecutor Dolly Hunt about whether he had a conflict of interest because his wife, Kimberly Gentle, was a Port commissioner.

Gentle said the EDC board members were the subject matter experts.

Gentle said Ports were designed for economic development. He said he put a lot of weight on Smiley's and the EDC recommendation.

Gentle said nobody had economic development and infrastructure authority like the ports, by design and by RCW.

“For me, there isn’t much of a decision here, when you weigh all the things,” he said

EDC Continues: Economic Development Council To Advise Port

by Don Gronning with Newport Miner, Newport, WA

Jan 24, 2024

NEWPORT – The Pend Oreille County Economic Development Council will continue as an advisory body to the Port of Pend Oreille. Pend Oreille County designated the Port as its Associated Development Organization. Each county names an ADO and the state Department of Commerce contracts with that organization for economic development service.

The county formerly had the EDC as ADO, but after director Jamie Wyrobek quit last May, county commissioners decided to seek a new ADO.

After paying the bulk of its advertising costs, the EDC had \$8,797 in a Mountain West bank account and \$117,483 in a STCU account, EDC treasurer Russ Pelleberg reported at the Jan. 17 EDC meeting.

“So we’re in pretty good shape still,” he said. “We’ll be working with the new group up there. Once there’s an official change of the ADO, we’ll probably, I imagine, close these bank accounts and the Port will probably start something new and fresh.”

Pelleberg said the only ongoing bills were the rent on the office and utilities. The EDC board voted to give notice to move out of

the office that has sat mostly vacant since Wyrobek re-signed.

According to the Port ADO proposal, the EDC will continue as an advisor to the Port. It included proposed updated EDC bylaws, which now allow for remote voting.

Pend Oreille County Commissioner Brian Smiley answered questions from The Miner for the executive board of the EDC. Smiley is secretary for the EDC.

Newly elected EDC chair Abby Gribi referred to Smiley for answers, vice chair Laura Verity said she would like others to answer, as she was new to the executive board, and Pelleberg didn't respond.

Smiley said the EDC board has broad community representation and will advise the Port on economic development.

"For the most part the work of the board will continue except for direct oversight of an employee (director) and financial and regulatory oversight and compliance, as that work will undertaken by the staff and elected Commissioners of the Port," Smiley said.

He said that as one board member, his understanding is that the EDC as an entity will be dissolving and closing out its financial and regulatory responsibilities. Part of that process would be to resolve any remaining unresolved regulatory and liability issues, including amending any tax returns with the guidance of a tax professional and perhaps even legal counsel, he said.

One of those obligations is a \$300,000 debt to the state Department of Commerce for a \$300,000 Strategic Reserve Fund grant the state supplied HiTest Sands, which later became PacWest Silicon and is now Senova Global. One of the conditions

was that HiTest would provide 200 new jobs within five years of the grant by building a silicon smelter. Those five years expired last June.

Since the smelter wasn't built, the EDC is on the hook to collect the money from PacWest, a Canadian firm, to repay Commerce. Commerce sent a demand letter to the EDC for the money, which eventually made its way to the county commissioners.

Commerce hasn't forgotten about the money, says spokesperson Penny Thomas.

"The grant funds from Commerce are not considered forgiven, and we are working with the EDC regarding their efforts with PacWest to recover funds," Thomas said. "Also, Commerce is currently engaged with the Attorney General's Office to consider our options for pursuing legal remedies."

The EDC also submitted incorrect IRS form 990s for several years. For at least the years 2016-2020, on IRS Form 990, the EDC answered no to the question, "Did any officer, director, trustee or key employee have a family relationship or a business relationship with any other officer, trustee or key employee?" Former county commissioner Mike Manus and his daughter Jenny Smith were on the executive board each of those years, Manus as secretary and Smith as vice-chair.

Form 990 also asks if the EDC has a written conflict of interest policy. According to the EDC's 2016-2020 990s, it does. The EDC board specifically rejected a conflict of interest clause in its bylaws when they were rewritten in 2019.

The EDC's 990s also say the organization provided a complete copy of the Form 990 to all members of its governing body before filing the form. Smith and former chair Ray Pierre said they

hadn't seen the forms.

It is unclear whether the EDC has amended the forms or not.

Smiley and county commissioner John Gentle voted to accept the Port as the new ADO, while commission chair Robert Rosencrantz voted for the Tri County Economic Development District (TEDD) to be the ADO.

Smiley stands by the decision.

“In my way of thinking this is the best possible outcome given the situation as it removes the burden of hiring and supervising an employee and regulatory and fiscal responsibilities from an already overburdened and busy all volunteer board, while at the same time retaining the pre-sent boards' excellent representation and understanding of the county and vision for economic development,” he said.

Port Asks For \$200,000 County Funding; Also Wants Economic Development Contract Through June 30, 2027 by Don Gronning

Jan 31, 2024

NEWPORT – At its Monday meeting, Pend Oreille County commissioners heard that the Port of Pend Oreille, which was recently selected as the county's Associate Development Organization, is seeking \$200,000 annually from the county and would like a contract that runs through June 30, 2027.

Commissioner Brian Smiley represents the county on the Economic Development Council, serving as EDC secretary on its

executive board. The EDC is an advisory board to the port. Smiley said the longer contract will give the port time to set up its economic development branch and could help in attracting quality candidates to its director position.

The \$200,000 is more than the county was giving the EDC. Former EDC director Jamie Wyrobek was a county employee and the county paid her wages and benefits, in addition to the rent on the office where the EDC was located.

Port Executive Director Kelly Driver said the port planned to fund some of the economic development work.

“We don’t have an exact amount,” she said.

Driver said the Port is considering hiring a part time worker to take up some of Port auditor Susan Bluff’s work. In addition to auditing, Bluff does some reception work and train documentation that can be shifted to a new part time worker, Driver said. Bluff will be able to do some economic development related work, Driver said.

The Port, which doesn’t collect any taxes, has \$5.3 million in reserves, Driver said. Some of that came from a \$1.9 payment the Port received for the sale of management of its right of ways to TerraPact. TerraPact gets 75% of right of way payments it negotiates “in perpetuity.” The port doesn’t collect any taxes.

County commission chairman Robert Rosencrantz was also interested in transparency. He wanted the Port to report monthly to county commissioners, preferably in person, on what economic development work was going on. He said when he was the director of a state-wide housing program, he expected to make such reports. Smiley said quarterly reports were enough, as the Port has monthly meetings and would be regularly updating

its commissioners. The EDC will continue to meet monthly and as the county representative, he said he would report to the county commissioners on EDC activity. Commissioner John Gentle was willing to require every other month reports.

The port isn't willing to make in person reports to the county commissioners, Smiley said and he doesn't think they should have to.

Smiley said that he wants to speak further with port commissioners before taking action on the funding. In addition to a longer contract helping to attract quality candidates, port officials are also concerned about the ADO selection becoming a political issue. County commission chairman Robert Rosencrantz will be up for election in 2026.

Rosencrantz has made no secret that he thinks the EDC is ineffective. He cast the sole vote for the Tri County Economic Development District to serve as ADO instead of the port. TEDD is Stevens and Ferry counties' ADO.

Rosencrantz, who sits on the board of TEDD, isn't in favor of the length of the proposed county contract or the amount the port wants from the county. He is also insistent that the ADO report monthly to the county commissioners.

Rosencrantz said if the port would agree to a monthly in person meeting, he was willing to consider the other elements. To have the port come up with the contract terms they propose doesn't address any of his concerns.

"They've expanded considerably beyond the original agreement; longer term, more money and nothing on the quarterly reporting, nothing to show (the port is) going to make a good faith effort," Rosencrantz said in an edited video posted to Norm Smith's Pend Oreille Political Circus Facebook group page.

Gentle said Rosencrantz has been against the EDC since before he was elected. Gentle's wife, Kimberly Gentle, serves as an elected port commissioner.

"Speaking frankly, Robert, I feel you've lacked objectivity in pieces of this," he said in Smith's Facebook video of Monday's meeting.

Gentle said that Rosencrantz had made the elimination of the EDC a campaign promise.

Every county in the state appoints an ADO which contracts with the state for economic development work. The county also contracts separately for economic development, this time with the Port.

The EDC used to be the county's ADO for years prior to Wyrobek abruptly resigning last year. That threw the ADO contract with the state department of Commerce into limbo. The county decided to choose a new ADO.

Commissioners were initially talking about a year-long contract with the Port. The state's contract is for the state's fiscal year, from July 1 to June 30.

Driver said the port has nine applicants for the director's position. She said the port will conduct first interviews with candidates at its Feb. 13 meeting.

From: [White, Bradley \(SAO\)](#)
To: [Jean Wells](#); [McCarthy, Pat \(SAO\)](#)
Subject: RE: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?
Date: Thursday, September 19, 2024 10:31:00 AM
Attachments: [image001.png](#)

Hi Jean,

Yes we did receive your email and we are currently working on that audit. We will respond to your concerns once we have had a chance to evaluate the risks related to that audit.

Thank you,



Brad White, CPA
Team Spokane Audit Manager, County Program Manager
[Office of the Washington State Auditor](#)
(509) 919-0240 | www.sao.wa.gov
Keeping Washington rooted in #GoodGovernment since 1889:
sao.wa.gov/rooted

From: Jean Wells <wellsgj@hotmail.com>
Sent: Thursday, September 19, 2024 9:36 AM
To: White, Bradley (SAO) <whitebd@sao.wa.gov>; McCarthy, Pat (SAO) <mccarthyp@sao.wa.gov>
Subject: Fw: Please consider auditing Pend Oreille County Assessor's Office in with this month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

External Email

State Auditor Pat McCarthy and Senior Financial Analyst Bradley White,

This is to confirm that you received my previous email regarding upcoming audit for Pend Oreille Couty.

Thank you,
Gloria (Jean) Wells
94 Trask Rd
Newport, WA 99156
Cell: (509) 879-1935
Landline: (509) 448-0789

From: Jean Wells <wellsgj@hotmail.com>
Sent: Wednesday, September 4, 2024 10:39 AM
To: amelia.lamb@commerce.wa.gov <amelia.lamb@commerce.wa.gov>;
emily.blume@commerce.wa.gov <emily.blume@commerce.wa.gov>; Thomas, Penny (COM)
<Penny.Thomas@Commerce.wa.gov>; White, Bradley (SAO) <whitebd@sao.wa.gov>;
Pat.McCarthy@sao.wa.gov <Pat.McCarthy@sao.wa.gov>
Cc: Jean Wells <wellsgj@hotmail.com>
Subject: Please consider auditing Pend Oreille County Assessor's Office in with this
month's/September audit- Re: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO
PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

Please consider a comprehensive audit of the Assessor's entire operation to determine whether assessments are being made in accordance with Washington property tax law. Pend Oreille County Assessor McCroskey's methodology of appraising property assessments appears unfair and unequal. Include a review of the Assessor's administrative policies and procedures that affect both real property and business property assessment programs and the Assessor's program for assessing personal property and furnishings. Is the Assessor and/or appraisers required to recuse themselves from appraising properties of political allies, family members, friends, alumni, businesses' that they do business with, etc.?

In 2020, I discovered my property valuation was 2nd highest on Trask Rd with structure increasing significantly and land value unfair compared to other properties on Trask Rd.

My 2019-2020 property assessment increased from \$221,298 to \$334,677.

2019 improvement value was \$117,298 - 2020 \$210,677(**79.61% increase**); 2019 land value was \$104,000 in 2020 \$124,000 (**19% increase**) Property tax in 2020 was \$2,338.11, in 2021 \$3,336.20 (**\$998.09 - 42% increase**). The trainee appraiser had not passed the Uniform Standards of Profession Appraisal course, which is required by DOR, and lacked credentials.

2024-2025 proposed property assessment is \$483,565 currently assessed at \$381,004 (improvement increase from \$225,004 to \$308,565 an **increase of 37%** and land value

increase from \$156,000 to \$175,000 **an increase of 12%.**

1. Following is a sampling of properties sold in 2022 for tax area 0005 - 1 -56 F3 S2 that have 2025 assessments at less than purchase price: for example,

2.

December 1, 2022 - 21 Lakeside Dr sold for \$550,00 the 2025 assessment is \$364,411, that's **\$185,589 less than purchase**

price. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9047

September 2, 2022 - 5706 Northshore Diamond Lake Rd sold for \$660,000 - 2025 assessment is \$490,000, **\$170,000 less than purchase price**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=11351

August 5, 2022, - 443 Bayview Blvd sold for \$909,000 - 2025 assessment is \$626,116 that **\$282,884 less than purchase price.**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9010

July 29, 2022 - 353 Southshore Diamond Lake sold for \$500,000 - 2025 assessment is \$240,034, that's **\$259,966 less than purchase (Realtor Bockermuehl sold it to a**

neighbor. http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8879

June 9, 2022, 781 Southshore Diamond Lake sold for \$851,000 - 2025 assessment set at \$606,603 that's **\$244,397 less than purchase price.**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8909

May 27, 2022, 441 Bayview Blvd sold for \$825,000 - 2025 assessment at \$574,532, that's **\$250,468 less than purchase price.**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9011

January 19, 2022 325453 Highway 2 purchase price \$750,000 - 2025 assessment \$548,606, that's **\$201,394 less than purchase price**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?

[cid=0&year=2024&prop_id=9169](http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9169)

July 27, 2022, 352 Southshore Diamond Lake sold for \$110,000 - 2025 assessment is \$72,000 that's **\$38,000 less than purchase price.**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8904

March 8, 2022, 1402 Southshore Diamond Lake Rd sold for \$517,000, 2025 assessment \$434,884 that's **\$82,116 less than purchase price.**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8508

April 20, 2022, 123 Rockwood Rd., sold 2 properties for \$475,000 - 2025 assessment is \$422,189, that's **\$52,811 less than purchase price.**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8776

November 10, 2022, - 684 Southshore sold for \$275,000 - 2025 assessment is \$236,291, **that's \$38,709 less than purchase price.**

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=8800

3. I found properties sold in 2023 with values for 2025 tax rolls less than purchase price too. I did not research 2020-2021 or 2019-2020.

3. Washington standard practice is to value structure with classifications Condition 1-6 and Quality 1-6.

- Condition 1 new homes and Condition 6 is a home in very poor condition or needs substantial rehab.

- Quality 1 is for very high-end homes and Quality 6 is for the lowest quality of materials used.

4. Does POC have an Ethics Policy, is our Assessor removed from amending values? This is a standard practice for assessors in Washington

5. Are appraisers accredited and required to sign a certified document that property

value to be true and accurate? This is a standard practice in Washington.

6. What is the POC average valuation rate increase for the 2025 tax year? Spokesman Review article dated June 18, 2024, Spokane County assessor reported property values decreased.

7. Review a representative sampling of the assessments; for example, Assessor James McCroskey, Deputy Appraiser Nathan Longley, and County Commissioner John Gentle (former appraiser in training), as all benefit from "unfinished and minimal finished areas." My opinion, public has a right to compare their property with theirs because McCroskey, Longly, and Gentle were trained to assess structure class code and land values. You may want to include other elected officials that own multiple properties in POC.

Assessor McCroskey submitted a graph displaying properties owned by elected officials and Deputy Assessor Nathan Longley (who is currently serving on Newport Council). Some of the property owners have multiple properties in POC, including me, but are omitted.

According to the graph, Commissioner John Gentle's property for 2025 is assessed at \$460,209. According to POC 2025 total taxable amount is \$369,419 with structure at \$320,814, which is significantly less than the graph reports. Commissioner Gentle purchased the property Nov 18, 2013, for \$369,419 with **3100 sq foot living area home** He receives government benefits for Designated Forrest Land and productivity loss.

According to the graph, Auditor Marianne Nichols' property is assessed at \$330,000. POC website reports Nichols' property for 2025 taxable value is \$213,123 with structure value of \$161,740, Land Homesite value \$50,500, and **productivity loss of \$118,350**. Her property is situated on 23.07 acres. POC website also records that her husband transferred the property to her on July 23, 2021. She receives government benefits for Designated Forrest Land and undeveloped & unused land area.

I haven't researched DESIGNATED FOREST LAND RCW 84.33 land that is valued for forestry use or restrictions on undeveloped and unused land area WAC 458-53-030.

Following three property owners benefit with **living area discounted for "minimal and/or unfinished living area:**

1) Assessor James McCroskey: split entry residence purchased in 1/28/2002 with **2,600 square feet living area**, has daylight basement **1,300 sq ft valued at "minimal finished + 576 sq ft attached double car garage at "minimal finished, etc."**

103 E CIRCLE DR
NEWPORT, WA 99156

Here's link to POC property assessment

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=16984

2) Commissioner John Gentle (former appraiser in training): purchased 11/18/2013 for \$379,200, with 2025 taxable value \$369,419 and **benefits from minimal finished daylight basement 1,225 sq ft + minimal finished attached garage 816 sq ft., etc.**

1512 DIAMOND CREEK RD
NEWPORT, WA 99156

According to Zillow/Redfin at time Gentle purchased property "Overlooking Pend Oreille County WA. This **3100 sq foot living area home** affords privacy and scenic territorial views. The property includes 21 forested acres approx. 1.5 miles off the main road sitting at the top of a mountain. 3bdr/3.5 bath large master bath /walk in double shower. 2 story/full basement finished. 3 living room areas. 3 car attached garage. Private Well 1000 gal holding tank. Gas fireplace/ security system/sprinkler system/Hot tub/gas fireplace. 220 electrics. 30x40 shop/20x20 2 story barn..."

<https://www.redfin.com/WA/Newport/1512-Diamond-Creek-Rd-99156/home/115477350>


POC link to Gentle property

http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=9381

3) Deputy Assessor Nathan Longly (7/22/2013 purchase price \$170,000; has 2025 assessed value \$317,213 with **benefit of 957 sq ft "basement unfished, etc."**). Is currently for sale, see below current Zillow ad.

813 W 2ND ST
NEWPORT, WA 99156
\$317,213

https://www.zillow.com/homedetails/813-W-2nd-St-Newport-WA-99156/113772633_zpid/

	<p>813 W 2nd St, Newport, WA 99156 MLS #202413561 Zillow</p> <p>This 3035 square feet Single Family home has 4 bedrooms and 2 bathrooms. It is located at 813 W 2nd St, Newport, WA.</p> <p>www.zillow.com</p>
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http://taweb.pendoreille.org/PropertyAccess/Property.aspx?cid=0&year=2024&prop_id=16903

FYI:

Assessor McCroskey has stated "State law requires that county assessors appraise all property at **100 percent** of its true and fair market value in money, according to the highest and best use of the property.

Following was published 8/28/24 The Miner - Letter to Editor- Home values in Pend Oreille County dropped last year, so what explains this year's massive increase in assessed values?

In a recent statement to the Board of Equalization, the assessor's office claimed the Washington State Housing Market Report showed that property values have increased 55% from 2019-2022. However, that report also shows that median home prices dropped last year. The average price of four-bedroom homes declined by \$57,000. Furthermore, state law requires the assessor to fairly assess the true value of every property each year, not every five years.

Deputy Assessor Nathan Longly blamed assessor Jim McCroskey. He told the Board that the assessor had not done his job for the last five years, so they needed to apply a massive increase this year. "[D]ue to staffing shortages and tremendous movement in the real estate market, the Assessor's office has not been able to keep up.... due to the number of properties affected by the office's inability to make proper adjustments... the total needed adjustment has been applied for these missed years in this year's valuation."

Three problems:

1. The assessor has increased property values in each of the last property five years based on market data.
2. According to data reported by McCroskey to the State DOR, the Assessor's office has been fully staffed with its authorized 5 full- time employees every year except in 2021, when it had 4.45.
3. The county assessors have one of the smallest workloads in the State. According to DOR, their workload is 25% smaller than the average county assessor and 40% lower than the average in Spokane, Stevens, and Ferry counties.

The Assessor's excuses do not hold water. Property values are dropping. He has a full staff and one of the lowest workloads in the state. The Assessor owes us an honest answer.

-by Ben Richards, Usk

Thank you so much for scheduling the DOR audit of Pend Oreille County for this month. I would be happy to meet with the auditor and present evidence and suggestions for improvement.

Gloria Jean Wells

94 Trask Rd

Newport, WA 99156

Cell: (509) 879-1935

Landline: (509) 448-0789

From: Jean Wells <wellsgj@hotmail.com>

Sent: Thursday, May 23, 2024 4:36 PM

To: amelia.lamb@commerce.wa.gov <amelia.lamb@commerce.wa.gov>; emily.blume@commerce.wa.gov <emily.blume@commerce.wa.gov>; Thomas, Penny (COM) <Penny.Thomas@Commerce.wa.gov>; Pat.McCarthy@sao.wa.gov <Pat.McCarthy@sao.wa.gov>

Cc: Jean Wells <wellsgj@hotmail.com>

Subject: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

TO: Pat McCarthy, Washington State Auditor

Penny Thomas, Media Relations Manager

Amelia Lamb, amelia.lamb@commerce.wa.gov mobile text (360) 995-3386 (Olympia)

Emily Blume, emily.blume@commerce.wa.gov, mobile text (360) 628-0419 (Spokane)

FROM: Gloria (Jean) Wells, 94 Trask Rd., Newport, WA 99156

SUBJECT: DOES WASHINGTON STATE DEPARTMENT OF COMMERCE ADO PROGRAM REQUIRE CONFLICT OF INTEREST POLICY, AND HOW OFTEN ARE AUDITS CONDUCTED ?

The conflict of interests between Pend Oreille County (POC) Commissioner John Gentle and his wife POC Port Commissioner Kimberly Gentle have been going on for several years. According to Washington State Secretary of Corporations and Charities, POC Commissioner John Gentle continues to serve as Governor of the POC Economic Development Council (see attached current online nonprofit report dated 1/10/2023, and DOR business information).

According to POC Port Meeting Minutes dated 4/9/24: Port Commissioner Kimberly Gentle reported "she believes the Port Commissioners will be the overall decision makers as the ADO moves to an advisory board ..: Link to Port of Pend Oreille Board of Commissioners Meeting Minutes dated April 9, 2024, <http://povarr.com/wp-content/uploads/2024/05/April-9-2024-Approved.pdf>

I am including State Auditor Pat McCarthy to request consideration to conduct audits of the Port of Pend Oreille County, and POC Economic Development Council including but not limited to:

1. compliance with State, and Commerce contract policies and procedures (conflict of interest, reporting, etc.),
2. Transparency (i.e., use of public funds, etc.)
3. accountability (i.e., State Department of Commerce's request for repayment of \$300,000 funds that POC EDC received from the Governor's Strategic Reserve Fund ("SRF"). Following link: October 17, 2022 letter from Dept of Commerce to Jamie Wyrobek regarding "... Washington State is requesting Pend Oreille EDC, repay the \$300,000 from the investment of SRF to HiTest Sand Inc., within 30 days of receipt of this letter...."
https://protectpendoreille.org/uploads/1/4/1/5/141595600/commerce_letter_to_edc_oct_17_2022.pdf
4. Compliance with RCW 39.84.030 **Public corporations—Creation, dissolution** - POC EDC will be dissolved, and Port will create an Economic Development Advisory Council (see Port minutes dated 4/9/24
<http://povarr.com/wp-content/uploads/2024/05/April-9-2024->

[Approved.pdf](#)

Please consider my request for audits of the POC Port, POC EDC, and monitoring of the creation of the POC Economic Development Advisory Council. Below are source materials supporting my concerns.

Thank you,

Gloria (Jean) Wells

94 Trask Rd

Newport, WA 99156

Link to following article below copy/paste

News

The Miner, Newport, WA

Economic development group gets grant

May 22, 2024

NEWPORT – The Port of Pend Oreille was awarded a grant from the state Department of Commerce for \$75,000 to be used for project feasibility studies. The Port, newly designated ADO for Pend Oreille County will use the money to facilitate the studies for three separate properties, identified as developable for business recruitment and economic development. The Port of Pend Oreille is responsible to provide \$6,298 in total matching funds to perform the work.

“We are excited to move forward with actionable steps towards improving what has been a stagnant situation,” said Jessica Garza, the Port’s Economic Development Director. “This grant speeds up our projected timeline and is infusing integral funding towards large goals that we have identified.”

The three properties were identified as the Port-owned Newport Site and Wolfred land and Pend Oreille County’s new Wolfred Park. The timing is conducive towards applying for larger

grants to facilitate building and infrastructure, Garza said.

At its May 15 EDAC meeting in Newport, EDAC board chair Abby Gribi reported for treasurer Russ Pelleberg, who was called for jury duty. Gribi said the EDAC had \$117,891 in its STCU account and \$7,047 in its Mt. West account.

The EDAC also passed updated bylaws. There is still no conflict of interest provision in the new bylaws. Gribi said as an advisory body, no conflict of interest policy was needed.

“This is an advisory committee, similar to how a planning commission would be structured,” Gribi said.

Brian Smiley, who represents the county on the EDAC, agreed a conflict of interest policy was not needed because the EDAC is advising the Port.

“The Port is the final authority and the Port has their own conflict of interest policy,” Smiley said. “They’re required to, it’s state law.”

The EDAC passed the draft bylaws.

The EDAC elected officers at April meeting, with Gribi elected chair, Mark Zorica was elected vice-chair and Tara Leininger was elected secretary.

<https://pendoreillerivervalley.com/economic-development-group-gets-grant-p88449-71.htm>

	<p>Economic development group gets grant</p> <p>Community news and advertising for the beautiful Pend Oreille River Valley</p> <p>pendoreillerivervalley.com</p>
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Opinion

Gentle poses conflict of interest

May 15, 2024

To the editor,

What do you call it when a politician fixes a competition for a public contract and then diverts excessive amounts of public money from more critical public services to benefit a small group of their biggest campaign contributors potentially financially? It sounds like something you would expect in Chicago or Olympia.

Whatever you want to call it, that is what County Commissioner John Gentle is doing here in Pend Oreille County. After the county commissioners agreed that the County's Economic Development Council, which has cost taxpayers over a million dollars for little benefit, was no longer beneficial for our county, Gentle fixed the competition for replacing the EDC by allowing the EDC to choose its own replacement. The EDC chose the Port of Pend Oreille, which then immediately reestablished the EDC under its superintendence. Then, after Gentle approved the plan, he participated in a bait-and-switch in which the Port demanded twice the amount of money for its services (Commissioner Rosencrantz whittled it down a little).

The fact that Gentle's spouse is both a Port Commissioner and a member of the EDC is an apparent conflict of interest. But even more concerning is that the leadership of the Port is Gentle's biggest campaign contributor. 78 percent of Gentle's donations have come from the leaders of the Port, the EDC, or Crypto companies. This is especially odorous when you consider that the publicly funded salary and compensation of the Port Manager, who is one of Gentle's biggest individual donors, is set by Gentle's spouse.

-Ben Richards

Usk

From: Jean Wells <wellsgj@hotmail.com>

Sent: Friday, February 9, 2024 11:40 AM

To: Penny.Thomas@Commerce.wa.gov <Penny.Thomas@Commerce.wa.gov>

Subject: YouTube videos (2) edited, and The Miner, Newport, WA (3 articles) by Don Gronning, Journalist

TO: Penny Thomas, Media Relations Manager
FROM: Gloria Jean Wells, 94 Trask Rd., Newport, WA 99156

I have concerns with Pend Oreille County(POC) Port of Pend Oreille County being designated ADO for POC, please read Don Gronning's articles and if you have time watch the edited YouTube videos to get a complete understanding of my

concerns.

YouTube 1/2/2024 Pend Oreille County Board of Commissioners' Meeting, which was edited by Norm Smith with Pend Oreille Political Circus to include attached pictures.

The POC EDC have conflicts of interest and it is unknown if a policy is in place to avoid potential conflicts, including POC Commissioner John Gentle and his wife POC Port Commissioner Kimberly Gentle.

Port Commissioner Kimberly Gentle currently serves on POC EDC, and both Gentles served during EDC's \$300,000 debt to Commerce. EDC has not commented on if they have submitted amended IRS form 990s, "...EDC also submitted incorrect IRS form 990s...." see Don Gronning's article dated Jan 24, 2024, below.

Thank you.

This link is "2023 EDC Strategic Work Plan Deliverables Approved January 18th, 2023

Amended March 15, 2023...."

<https://pocedc.org/wp-content/uploads/2023/03/2023-Strategic-Workplan.pdf>

<https://www.youtube.com/watch?v=r6LX9AKbpGE&t=2926s>



[Pend Oreille County Commissioners discuss EDC ADO 01/02/24](#)

Pend Oreille County Commissioners discuss Economic Development ADO. 01/02/24.

www.youtube.com

POC Commissioners' Board Meeting 1/29/2024 edited video

https://www.youtube.com/watch?v=ql9M6w_Jpa4

	<p>The Politicization Of The POVA-ADO Contract. 1/29/24</p> <p>The Politicization of the County's ADO Contract with the Port District. Board of County Commissioners. 1/29/24.</p> <p>www.youtube.com</p>
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Jan 17, 2024

Don Gronning
of The Miner

NEWPORT – Pend Oreille County commissioners, on a 2-1 vote, agreed to have the Port of Pend Oreille be the economic development agency, or Associated Development Organization, for the county. The designation comes with some money from the state Department of Commerce.

Three entities responded to a request for proposal to be the ADO. The Port, Tri County Economic Development District and Better City US all submitted proposals.

County commission chair Robert Rosencrantz voted for the TEDD to be the ADO. Rosencrantz was chairman of the board of directors of TEDD in 2023, but that will change following the board meeting Jan. 24, when a new TEDD board chair will be named.

Rosencrantz said all three proposals had strengths but said he voted for TEDD because TEDD is a regional

organization. He said a representative from Sen. Patty Murray's office said at an economic development summit that economic success will depend on a regional approach.

Rosencrantz said he preferred TEDD's structure, with a horizontal structure with paid staff. The Port would be relying on one person.

"Many times that one person can be just fine," he said. "But in this case, we have demonstrated results from TEDD with that horizontal structure."

Rosencrantz said he found TEDD far more transparent than the Port. He said with TEDD, if you send an email requesting something, you get an answer and they don't charge anything. He said that is a pretty open spirit, which he said is a key component of building trust and having the kind of representative government that shares information willingly.

He said the Port requires that public records requests not be made by email.

"With the Port, you have to go to their office in Usk to review documents," he said. "I find the Port's approach to not be what I want in terms of a relationship and in terms of representing the people of Pend Oreille County."

Transparency is a key factor, he said. He said he checked with a number of other ports that function as ADOs and all but one accepted emailed records requests. The Port

of Walla Walla didn't get back to him.

Commissioner Brian Smiley represented the county on the Pend Oreille County Economic Development Council. He said he voted with the rest of the EDC subcommittee to recommend the Port.

Smiley said he isn't committed to the idea that the county should spend county money in the county. He said the county should spend the money with the entity that brings the greatest efficiency and service to the county. Having said that, he said the spokesman for the Utah based Better City US should learn how to pronounce Chewelah.

"Those kinds of things effect how you interact when you're doing work like economic development," he said. Familiarity with area and issues is important.

County commission vice chair John Gentle said he had checked with Prosecutor Dolly Hunt about whether he had a conflict of interest because his wife, Kimberly Gentle, was a Port commissioner.

Gentle said the EDC board members were the subject matter experts.

Gentle said Ports were designed for economic development. He said he put a lot of weight on Smiley's and the EDC recommendation.

Gentle said nobody had economic development and

infrastructure authority like the ports, by design and by RCW.

“For me, there isn’t much of a decision here, when you weigh all the things,” he said

EDC Continues: Economic Development Council To Advise Port

by Don Gronning with Newport Miner, Newport, WA

Jan 24, 2024

NEWPORT – The Pend Oreille County Economic Development Council will continue as an advisory body to the Port of Pend Oreille. Pend Oreille County designated the Port as its Associated Development Organization. Each county names an ADO and the state Department of Commerce contracts with that organization for economic development service.

The county formerly had the EDC as ADO, but after director Jamie Wyrobek quit last May, county commissioners decided to seek a new ADO.

After paying the bulk of its advertising costs, the EDC had \$8,797 in a Mountain West bank account and \$117,483 in a STCU account, EDC treasurer Russ Pelleberg reported at the Jan. 17 EDC meeting.

“So we’re in pretty good shape still,” he said. “We’ll be working with the new group up there. Once there’s an official change of the ADO, we’ll probably, I imagine, close these bank accounts and the Port will probably start something new and fresh.”

Pelleberg said the only ongoing bills were the rent on the office and utilities. The EDC board voted to give notice to move out of the office that has sat mostly vacant since Wyrobek re-signed.

According to the Port ADO proposal, the EDC will continue as an advisor to the Port. It included proposed updated EDC bylaws, which now allow for remote voting.

Pend Oreille County Commissioner Brian Smiley answered questions from The Miner for the executive board of the EDC. Smiley is secretary for the EDC.

Newly elected EDC chair Abby Gribi referred to Smiley for answers, vice chair Laura Verity said she would like others to answer, as she was new to the executive board, and Pelleberg didn't respond.

Smiley said the EDC board has broad community representation and will advise the Port on economic development.

“For the most part the work of the board will continue except for direct oversight of an employ-ee (director) and financial and regulatory oversight and compliance, as that work will undertaken by the staff and elected Commissioners of the Port,” Smiley said.

He said that as one board member, his understanding is that the EDC as an entity will be dis-solving and closing out its financial and regulatory responsibilities. Part of that process would be to resolve any remaining unresolved regulatory and liability issues, including amending any tax returns with the guidance of a tax professional and perhaps even legal counsel, he said.

One of those obligations is a \$300,000 debt to the state Department of Commerce for a \$300,000 Strategic Reserve Fund

grant the state supplied HiTest Sands, which later became PacWest Silicon and is now Senova Global. One of the conditions was that HiTest would provide 200 new jobs within five years of the grant by building a silicon smelter. Those five years expired last June.

Since the smelter wasn't built, the EDC is on the hook to collect the money from PacWest, a Canadian firm, to repay Commerce. Commerce sent a demand letter to the EDC for the money, which eventually made its way to the county commissioners.

Commerce hasn't forgotten about the money, says spokesperson Penny Thomas.

"The grant funds from Commerce are not considered forgiven, and we are working with the EDC regarding their efforts with PacWest to recover funds," Thomas said. "Also, Commerce is currently engaged with the Attorney General's Office to consider our options for pursuing legal remedies."

The EDC also submitted incorrect IRS form 990s for several years. For at least the years 2016-2020, on IRS Form 990, the EDC answered no to the question, "Did any officer, director, trustee or key employee have a family relationship or a business relationship with any other officer, trustee or key employee?" Former county commissioner Mike Manus and his daughter Jenny Smith were on the executive board each of those years, Manus as secretary and Smith as vice-chair.

Form 990 also asks if the EDC has a written conflict of interest policy. According to the EDC's 2016-2020 990s, it does. The EDC board specifically rejected a conflict of interest clause in its bylaws when they were rewritten in 2019.

The EDC's 990s also say the organization provided a complete

copy of the Form 990 to all members of its governing body before filing the form. Smith and former chair Ray Pierre said they hadn't seen the forms.

It is unclear whether the EDC has amended the forms or not.

Smiley and county commissioner John Gentle voted to accept the Port as the new ADO, while commission chair Robert Rosencrantz voted for the Tri County Economic Development District (TEDD) to be the ADO.

Smiley stands by the decision.

“In my way of thinking this is the best possible outcome given the situation as it removes the burden of hiring and supervising an employee and regulatory and fiscal responsibilities from an already overburdened and busy all volunteer board, while at the same time retaining the pre-sent boards' excellent representation and understanding of the county and vision for economic development,” he said.

Port Asks For \$200,000 County Funding; Also Wants Economic Development Contract Through June 30, 2027 by Don Gronning

Jan 31, 2024

NEWPORT – At its Monday meeting, Pend Oreille County commissioners heard that the Port of Pend Oreille, which was recently selected as the county's Associate Development Organization, is seeking \$200,000 annually from the county and would like a contract that runs through June 30, 2027.

Commissioner Brian Smiley represents the county on the Economic Development Council, serving as EDC secretary on its executive board. The EDC is an advisory board to the port. Smiley said the longer contract will give the port time to set up its economic development branch and could help in attracting quality candidates to its director position.

The \$200,000 is more than the county was giving the EDC. Former EDC director Jamie Wyrobek was a county employee and the county paid her wages and benefits, in addition to the rent on the office where the EDC was located.

Port Executive Director Kelly Driver said the port planned to fund some of the economic development work.

“We don’t have an exact amount,” she said.

Driver said the Port is considering hiring a part time worker to take up some of Port auditor Susan Bluff’s work. In addition to auditing, Bluff does some reception work and train documentation that can be shifted to a new part time worker, Driver said. Bluff will be able to do some economic development related work, Driver said.

The Port, which doesn’t collect any taxes, has \$5.3 million in reserves, Driver said. Some of that came from a \$1.9 payment the Port received for the sale of management of its right of ways to TerraPact. TerraPact gets 75% of right of way payments it negotiates “in perpetuity.” The port doesn’t collect any taxes.

County commission chairman Robert Rosencrantz was also interested in transparency. He wanted the Port to report monthly to county commissioners, preferably in person, on what economic development work was going on. He said when he was the director of a state-wide housing program, he expected to

make such reports. Smiley said quarterly reports were enough, as the Port has monthly meetings and would be regularly updating its commissioners. The EDC will continue to meet monthly and as the county representative, he said he would report to the county commissioners on EDC activity. Commissioner John Gentle was willing to require every other month reports.

The port isn't willing to make in person reports to the county commissioners, Smiley said and he doesn't think they should have to.

Smiley said that he wants to speak further with port commissioners before taking action on the funding. In addition to a longer contract helping to attract quality candidates, port officials are also concerned about the ADO selection becoming a political issue. County commission chairman Robert Rosencrantz will be up for election in 2026.

Rosencrantz has made no secret that he thinks the EDC is ineffective. He cast the sole vote for the Tri County Economic Development District to serve as ADO instead of the port. TEDD is Stevens and Ferry counties' ADO.

Rosencrantz, who sits on the board of TEDD, isn't in favor of the length of the proposed county contract or the amount the port wants from the county. He is also insistent that the ADO report monthly to the county commissioners.

Rosencrantz said if the port would agree to a monthly in person meeting, he was willing to consider the other elements. To have the port come up with the contract terms they propose doesn't address any of his concerns.

"They've expanded considerably beyond the original agreement; longer term, more money and nothing on the quarterly reporting, nothing to show (the port is) going to make a good faith effort," Rosencrantz said in an edited video posted to Norm Smith's Pend Oreille Political Circus Facebook group page.

Gentle said Rosencrantz has been against the EDC since before he was elected. Gentle's wife, Kimberly Gentle, serves as an elected port commissioner.

"Speaking frankly, Robert, I feel you've lacked objectivity in pieces of this," he said in Smith's Facebook video of Monday's meeting.

Gentle said that Rosencrantz had made the elimination of the EDC a campaign promise.

Every county in the state appoints an ADO which contracts with the state for economic development work. The county also contracts separately for economic development, this time with the Port.

The EDC used to be the county's ADO for years prior to Wyrobek abruptly resigning last year. That threw the ADO contract with the state department of Commerce into limbo. The county decided to choose a new ADO.

Commissioners were initially talking about a year-long contract with the Port. The state's contract is for the state's fiscal year, from July 1 to June 30.

Driver said the port has nine applicants for the director's position. She said the port will conduct first interviews with candidates at its Feb. 13 meeting.