



Port of Brownsville
Minutes of Meeting
13 January 2010

CALL TO ORDER

Commissioner Bob Kalmbach called the regular session of the meeting to order at 7:00 PM. In attendance were Commissioner Jack Bailey, Commissioner Allen Miller, Port Manager Jerry Rowland, Assistant Port Manager Gregg Faulkner and Port Attorney John Mitchell.

PLEDGE OF ALLEGIANCE

Commissioners led pledge of allegiance.

APPROVAL OF AGENDA

Motion made to move agenda item 11b, Fire Hall Proposals to item 6. Motion seconded and approved 2 for 1 against.

Motion made to strike Fire Hall Proposals from agenda. Motion died for lack of a second.

Motion made to accept agenda as modified. Motion seconded and approved 2 for 1 against.

OATH OF OFFICE

Commissioner Bailey swore in Commissioner Kalmbach for a six year term of office.

ELECTION OF BOARD OFFICERS

Motion made to elect Commissioner Bailey as Board President. Motion seconded and passed unanimously.

Motion made to elect Commissioner Miller as Board Secretary. Motion seconded and passed unanimously.

FIRE HALL PROPOSALS

Port Manager read an email from Navy Yacht Club Everett that was in favor of a restaurant. He also showed an article from Business News that now was a good time to open a small family restaurant. Port Manager received a letter from the Reeves and he paraphrased what the content of the letter stated. They were in favor of a business but not a brew pub.

Port Manager reviewed the proposals received to date; two for brew pubs, one for audio / video and art studio, and one for a mobile mechanic.

Commissioner Bailey stated he been reviewing meeting minutes with many including asking for ideas. He stated that the majority of the attendees at those meetings were against a restaurant type business. Issues were brought up if the building was permittable as a restaurant in particular the fire system and HVAC system would be expensive and he was unsure about bringing the building up to seismic requirements. Jack Bailey felt that the restaurant would be too big an undertaking for the Port and the community of Brownsville. The general feeling was that the fire hall should be used for civic



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activities. He stated that it would not be in the best interest of the Port financially to convert the building to a restaurant, pointing out that once it was converted to a restaurant it would have to stay a restaurant. He noted that the Port of Bremerton had to support the restaurant at the airport for many years and the chance of the Port of Brownsville doing the same and losing money.

Commissioner Miller stated that the building is costing the Port money by just sitting there, not being used. He also stated he wasn't excited about putting a brew pub in the building but it was the only viable proposal in front of the Port now. He added that the Port has waited long enough to do something with the building.

Commissioner Kalmbach stated he had also been reviewing meeting minutes and notes in the last 2 weeks that had been written since the Fire Hall had been purchased 2 years ago, and he had been giving the building use a lot of thought. He understood the communities concerns of traffic and the effect on the local existing business of the deli. He stated that he thought the increase in business will increase the business at the deli. Growing is part of the whole country, growth is inevitable. He reviewed how the area had changed since he first came to the area. He said that growth would happen in the area no matter if the was a restaurant in the building or not. As far as the financial costs, they are undetermined at this time. He pointed out that one proposal was willing to invest a lot of money for upgrades to the building and input into the business. He then made a motion to accept the proposal from Donald Smithhisler and Karen Pierce for the brew pub and get a more firm offer from them.

Allen Miller seconded the motion.

Under questions, Jack Bailey stated that this particular was the one that was objected to the most at previous meetings. He stated that he felt this was not what was wanted by the constituents of the Port of Brownsville and the tenants of the marina. He stated that before the Port accepts this proposal from these prospective tenants, the Port has in writing from Kitsap County that the building could be permitted for a restaurant of the size proposed. He also wanted in writing that the IAC will permit the Port parking lot to be used for the restaurant business since the parking lot was built with IAC grant money. He also wanted a notice from the fire marshal as to what would be required for the building upgrades to meet fire code, and he wanted a firm cost of the HVAC system that would be needed. He wanted all of those things before the Port commissioners pursue this proposal. He also pointed out that the commissioners never received a business plan and financial statements from the people proposing this restaurant, even though the commissioners had requested these on at least 3 previous occasions.

Bob Kalmbach stated that the Port could not request a business plan and financials until the proposal had been accepted. At that time the Port could ask for more details such as a business plan. He noted that the costs would not be known until the commissioners moved forward with accepting a proposal no matter what that was. He stated his motion stood as requested.

Jack Bailey asked Bob Kalmbach what would be the next step if his motion was approved. Bob stated that the next step would be to ask for a complete business plan and other financial information as well those things that would be required of the Port of the Brownsville to upgrade the building.

Jack Bailey asked Bob Kalmbach if part of his proposal was to commit any financial outlay from the Port at this time for this proposal. Bob stated that was not part of the proposal and he was not ready to



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commit any Port funds to this proposal at this time. He stated again that it was time to move forward with accepting a proposal and he favored the proposal from Karen Pierce and Donald Smithhisler. Then there could be more negotiations.

Allen Miller stated that it was time to take the step to let these people know they are the ones that we choose to consider their proposal and move forward from there.

Jack Bailey stated at this time the commissioners would take public comment on this subject. He asked each person to give their name and their address in the community.

John Zaratian stated it would be really exciting to have a pub and restaurant. He stated he couldn't imagine anyone being against it and he and his wife are strong supporters of the Brew Pub Restaurant.

Mark Sweeney of Sweeney's Meats stated he and his wife were supporters of bringing in business traffic and wanted to see the Brew Pub Restaurant pursued.

Frank Reed stated that he would like to see the county or state look at the traffic and location of that building because he felt it was not conducive to traffic flow and business deliveries. He pointed out that the U-Haul business causes traffic problems and he doesn't want to see the same problems in front of the building. He requested to fix the roads first and then whatever business was put there would do well.

Ron Ross stated he felt that it would be a good thing to move forward with the motion on the floor. As far as the traffic, the occupants will have to get an occupancy permit. The county will then look at the safety issues including the road department. He felt the Port of Brownsville with a deli and a restaurant, that both businesses would survive nicely. He pointed out that the small marina of Seabeck has a store and a café and other local businesses with one small street where cars back up into the street. Those things can happen in a small community and Brownsville is the same. He felt that the Brownsville community would handle the traffic and the growth. He apologized to those people who don't like growth but he remembers when the marina wasn't even in Brownsville. There has been a lot of growth and it isn't bad.

Cindy Ashton and her husband stated they would like to see the restaurant proceed and she felt the deli would prosper as well. She likes the idea of having a place to walk to and enjoy a meal.

Steve Neuhauser requested that the Port commissioners bring someone from the county to give an assessment of what needs to be done to the building before any business can be in there. He felt that if the upgrades would cost \$100,000.00 that it wasn't a good idea right now. The people who have boats at the marina would like to see the Port money spent on improvement to the docks and the marina buildings. He requested that the county give that type of assessment before the commissioners pursue and proposal.

Ed Wurden stated he felt that it was time for the commissioners to move forward with putting the building to use and accepting a proposal. He asked Jack Bailey if he lived next to the Fire Hall building. Jack replied he did. Ed Wurden then asked if Jack Bailey delayed the sewer installation that cost the taxpayers \$27,000.00. Jack Bailey stated he did not delay that.



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Bob Kalmbach replied to Steve Neuhauser's comments. He stated that before the county can be requested to get involved with the building there has to be a proposal for its use. At that time the people who propose the business have to the county for a pre application meeting and then there will be an assessment. The county no longer comes out upon request without some type of application for occupancy or business permit.

Steve Neuhauser asked if the commissioners had a limit of what they would spend on the building for upgrades. Was it \$100,000.00 or where was it that they would not go any further with approving the expenses to the Port.

Bob Kalmbach replied that the last proposal that required the Port to put in \$150,000.00 was refused for that reason. However, there has been no decision made of a limit. It would depend on the proposal for the expenses. The commissioners won't know that until the proposal is pursued further.

Steve Neuhauser again asked if the county would send someone out here to give an assessment unless a permit was submitted. The answer from the Bob Kalmbach and the Port Manager, Jerry Rowland, was no, they will not make any assessments just upon a request.

John Zaratian pointed out that the commissioners would not be wasting any money invested in the building. They would be investing that money for future income from it and in the long run would get a return on their investment.

John Thomas stated he remembered when the Port was considering what would go into the building over the last 2 years. He was asked by someone if he would not go to the deli if there was a restaurant in that building. He replied that he would always go to the deli. His only change would to not go to restaurants in town but he would frequent the restaurant that was closer. He encouraged the deli that his business would be there for them no matter what and he felt that a restaurant in the building would enhance the area and the local businesses.

Jack Bailey asked if there were any more comments from the public. None were made.

Jack Bailey then called for a vote on the motion. Motion carried 2 for and 1 against. The negative vote was from Jack Bailey.

Commissioner Kalmbach stated he had family emergency and needed to leave. Commissioner Bailey excused Commissioner Kalmbach from the meeting and he left at 7:35 PM.

At this point most of the public left the meeting.

APPROVAL OF CONSENT AGENDA

Motion made to accept consent agenda as written. Consent agenda includes the minutes for the December 9, 2009 regular meeting minutes; vouchers audited and certified by the auditing officer as required by RCW 42.24.080 and those expense reimbursement claims certified as required by RCW 42.24.090, which have been recorded on a listing and has been made available to the public. Those



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vouchers approved for payment are included in the audited and certified list and further described as follows: December 2009 Special voucher, number 25894 for a total amount of \$456.65, January 2010 Special voucher, numbers 25895 through 25897 for a total amount of \$4,279.03, January 2010 General Fund voucher numbers 25898 through 25948 for a total amount of \$74,793.64. Also approved for payment was January 2010 Electronic Transfer voucher numbers 2010-04 through 2010-10 for a total amount of \$12,277.77.

Motion seconded and approved 2 for 1 excused.

PUBLIC COMMENT FOR ITEMS NOT LISTED ON AGENDA

Jonathan Thomas asked for the outcome of the bond refinancing. Jack Bailey stated that the Port got the refinancing at a good and reduces interest rate and the Port got a AA rating.

Frank Reed thanked the commissioner for keeping the Port fiscally sound. Jack Bailey stated he hoped this next year would be

Ann Reed asked if the commissioners had considered putting a crosswalk from the parking lot. Jack Bailey stated the county had been contacted to evaluate a location for a crosswalk but a good location could not be given without putting the crosswalk in the middle of the boat traffic area. Jerry Rowland stated the county required 300 feet of clear sight and the only place that could happen was right at the corner between the parking lot and the boat ramp traffic area. Ann Reed stated that if more traffic was going to come to the area it should be considered. Jack Bailey stated he agreed but wasn't sure how it could happen.

Caroline Thomas asked if a speed bump should be installed in the road. Jack Bailey stated emergency vehicles would have to be considered and enforcement is the right answer. He also stated that a round about might be the answer.

PRESENTATION TO OR BY THE BOARD

None

FINANCIAL REPORTS

Jerry Rowland announced that Dennis Bryan is at training. He will present at the end of Month Reports for December and January at the February Port meeting. He did want to relay to the Commissioners that even though he did not agree with all the changes the auditor wanted, he did complete them and submitted the revised end of year reports to him on the 6th of January. Most of the changes dealt with contributed capital. He also wanted to assure the Commissioners that the modifications did not change the bottom line. Gross and net income figures remained the same.



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INFORMATION, STAFF AND COMMITTEE REPORTS

- a. Managers Report – Attached (Report on the damages from the freezing temperatures)
- b. Commissioners Report – None, Jack Bailey explained he had been gone for most of the month of December. He stated he does intend to go to Port's Day in Olympia on Feb. 1. He stated he would take some flyers if a display was not available.
- c. Standing Committee Report –

OLD BUSINESS

- a. Modify Lease Lines – Port Attorney John Mitchell stated the owners of the property had an attorney file a notice of appearance on the owner's behalf. He replied to the attorney that the Port's offer would be open until the end of January. The owners do have until the end of February to respond to the court action. Jack Bailey asked where the information came for the article that was in the Kitsap Sun. Jerry Rowland stated it came from the county records that a law suit was filed. Then the reporter called him for his viewpoint and the article was written from that. The article in Kitsap Sun was about the Port condemning the triangle piece of land with a **dock** on it. There were many blog comments on the article. Jerry Rowland stated he wanted to clear up and clarify some of the things that were in error in that article. Clarifications are:
 - 1. The land in question is underwater except at a minus 4 tide.
 - 2. There is no dock. The area has two pilings with a float in between.
 - 3. These pilings and floats have been used by the Port for over 30 years to stage deadheads and other debris that the Port staff pulls from Port Orchard Water Way until it can be disposed of. As a side note, the Port of Brownsville is the only Port that will venture out past its lease lines to clear debris in an effort to help keep the water clear for the safety of the boaters. As an example on Wednesday 6 January 2010 the Port received a call from a neighbor south of the marina that a deadhead was floating in the water off University Point. Instead of passing this information on to the Coast Guard, the staff took the Port boat and retrieved a log approximately 30 feet long and 2 feet in diameter. This would have put a nice hole in a boat if it had been hit.
 - 4. Also just so there is a clear reference to size; this piece of property is part of an 8.42 acre parcel. To put that in perspective one acre equals 43,560 square feet so the total land area is 366,775.2 square feet. The total area of this triangle piece is 5,905.052 square feet or roughly 1/8 of an acre.
 - 5. Also just so everyone knows, the owners of the property also own the adjacent 6.8- acres.

Jack Bailey stated he was disappointed in the article and the way the Kitsap Sun handled the information.

NEW BUSINESS

- a. a. Resolution 10-01 Bad Debt Write Off. This is an administrative resolution required to clear the books.
Since this is an administrative resolution only motion made to suspend the second reading and approve resolution 10-01 as written. Motion seconded and approved 2 for 1 excused.



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PUBLIC COMMENT

EXECUTIVE SESSION

Commissioner Bailey recessed the regular meeting to go into executive session per RCW. He recessed at 8:05 PM stating that they would be in executive session on real estate matters for approximately ten minutes and there no action was expected to be taken.

Commissioner Bailey recessed the executive session at 8:15 PM stating that no action was taken at the executive session. He reconvened the regular meeting.

CLOSE MEETING / ADJOURN

Motion made to adjourn. Motion passed unanimously.

Meeting adjourned 8:18 PM.

President/Commissioner

Secretary/Commissioner

Commissioner

Recording Secretary