



Port of Brownsville

Minutes of Meeting

9 February 2011

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

Commissioners led pledge of allegiance.

APPROVAL OF AGENDA

Motion made to approve agenda as amended. Under executive session there is a deletion regarding the personnel discussion, resulting in no executive session during this meeting. Motion seconded and approved unanimously.

APPROVAL OF CONSENT AGENDA

Motion made to accept consent agenda. Consent agenda includes the 12 January 2011 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 vouchers approved for payment are included in the audited and certified list and further described as follows: February 2011 General Fund voucher numbers 26605 through 26667 for a total amount of \$60,019.92. Also approved for payment was February Electronic Transfer voucher numbers 2011-10 through 2011-16 for a total amount of \$10,792.75.

Motion seconded and approved unanimously. Commissioner Miller read the list of high dollar amount expenditures.

PUBLIC COMMENT FOR ITEMS NOT LISTED ON AGENDA

None

PRESENTATION TO OR BY THE BOARD

Stan Wiedman of the Northwest Schooner Society gave a brief on the Schooner Lavengro. Since the last meeting Jonathon Thomas has resigned from the organization and someone from the Northwest Schooner Society will keep the commissioners updated on the Official Tall Ship of Kitsap County, Lavengro, moored at the Port of Brownsville. Stan thanked the commissioners for their support in the past and hoped it would continue. He introduced the volunteer staff and Dave Savage, president of Northwest Schooner Society. He reported that in the past year the

Lavengro had performed many sails including educational for school children and Boy Scout Troops. At the present time the Lavengro is undergoing repairs; engine repairs and sail upgrade. The sails are on board and just need to be installed. For the future plans of the Lavengro; there will be more Boy Scout sails including one in the summer to Blake Island; there will be a continuation of community outreach offering sails and dock tours. There also is a plan to support farm boats that would moor at the Port and sell their produce from their boats. He stated the Sunset Magazine would be reporting on the farm boats in their May or June issue. Stan requested support from the Port to have the farm boats at the marina.

Bob Kalmbach asked if the Lavengro had its Coast Guard certification. One of the staff reported that there was a dry-docking scheduled for March to refasten the ribs of the Lavengro and this had to be done before the Coast Guard certification. The expected certification time is in March or April. Bob Kalmbach asked if this certification would be for 6 or 22 passengers to sail at one time. The answer was 22. Bob Kalmbach asked if there was a specific timeline for the certification and the reply was that the dry-dock time was committed and a written plan will be completed for its use. After dry-docking this would be submitted to the Coast Guard for certification and this process should take no longer than the end of April. The engine is running and ready for Coast Guard inspection. There is a benefit that one of the skippers of the Lavengro had experience as a Coast Guard inspector. They are looking for more skippers as it requires 4 or 5 skippers to keep up with the scheduled sails and tours.

Jack Bailey noted that there is a whole in their organization without those skippers. The Public Sails was what was the most benefit to the Port. He asked when the Public Sails would resume and the answer was it may be as soon as February 20th. The organization will provide a sailing date list. Jack Bailey emphasized the need for such a list because at this time it is the only benefit to the Port and the public. Stan noted that the education to the local schools and the Boy Scouts was also a benefit to the public.

There was some discussion as to what would be the location of the organization that is handling the Lavengro, Seattle or Kitsap County. Stan stated they are hoping to get a skipper in the Kitsap area that will be willing to run the business from Kitsap County and that is their intent.

Bob Kalmbach asked if the organization has thought of offering educational sails to the local Youth Academy. Stan replied he didn't know of this organization but it would be investigated.

Jerry Rowland stated that the Farm Boats may be an issue at the Port of Brownsville as the Port cannot support an enterprise that is gaining profit from its use. Bob Kalmbach asked Stan to explain the Farm Boats in more detail. Stan said the boats go from Port to Port buying produce in one Port and selling it in another. Bob Kalmbach asked if it was for profit to an individual. Stan stated he understood it to be more of raising money for non-profit organizations but he would get more details and set up a meeting with the Port Manager, Jerry Rowland.

FINANCIAL REPORTS

Port Accountant Dennis Bryan distributed the financial reports for December 2010 and January 2011. At the end of December 2010 the balance was \$1,333,194.17, resulting in a net income of

\$63,217.71 for the year. He noted that at the end of the year depreciation is calculated so there is some losses of assets in the report for the year and the bond adjustments show negative.

For December 2010 with fuel costs and sales:

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|-------------------------|--|
| Operating Revenue | Under Budget by 4.7% |
| Non-operating Revenue | Under Budget by 7.5% |
| Operating Expenses | Under Budget by 10.3% |
| Administrative Expenses | Over Budget by 1.5% |
| Non-operating Expenses | Under Budget by 121.9% (due to loss calculations and depreciation) |

Without fuel costs and sales:

| | |
|--------------------|---------------|
| Operating Revenue | Over by 12.5% |
| Operating Expenses | Over by 2.5% |

There will be no changes from the end of month report for December 2010 and the end of year report for 2010.

For January 2011 with fuel costs and sales:

| | |
|-------------------------|----------------------|
| Operating Revenue | Under Budget by 2.0% |
| Non-operating Revenue | Even to Budget |
| Operating Expenses | Even to Budget |
| Non-operating Expenses | Even to Budget |
| Administrative Expenses | Even to Budget |

Without fuel costs and sales:

| | |
|--------------------|---------------------|
| Operating Revenue | Even to Budget |
| Operating Expenses | Over Budget by 3.0% |

Bob Kalmbach asked if it would be possible to get bonds with incremental draws. Dennis replied a bond expert would have to answer that question. There was some discussion on how that would be advantageous to the Port and the taxpayer.

INFORMATION, STAFF AND COMMITTEE REPORTS

- a. Managers Report – Attached. Pictures of the Port Boat, Ms. Nug, at work were provided. Bob Kalmbach stated that due to the last minute cancelations of visiting yacht clubs, he recommended that it be mandatory for those yacht clubs to pay at least one week in advance. Ned Cook stated that in most organizations when a reservation is made the fee is paid ahead of time, at the time of reservation, and unless there is adequate advance notification of cancelation the organization keeps the reservation fee. He suggested the same policy at the Port of Brownsville. Bob Kalmbach stated that this needed to be

discussed more in June when the tariff is discussed. Jerry Rowland said he would put it on the agenda for that discussion and added that he has made notification to the yachts clubs that the Port needs advance notification of cancelation or changes.

- b. Commissioners Report – Jack Bailey announced that he attended the All Ports meeting on January 24, 2011. Most of the Ports are having the same problems as the Port of Brownsville with freezing pipe lines and parking problems. Jack Bailey attended the meeting with the legislators in Olympia on January 21, 2011. He said he asked about the boater tax and how it would be handled in the future but there was no direct answer. Nobody mentioned tax reform and there seemed to be a feeling that nothing could be done about it. The best part about the meeting was having the people and the politicians face to face. The legislators said that the legislature will continue to cut programs and funding. They identified some of the programs that need to be sustained. The Port of Bremerton stated they needed 1.5 million dollars for expansion of the Industrial Park to support the Safe Boats expansion.

Allen Miller stated he planned on going to the spring WPPA meeting in Semiahmoo with his wife.

- c. Standing Committee Report – Jerry Rowland announced that it was time to start the Comprehensive Scheme Committee. He requested a commissioner to be part of that committee. Jack Bailey volunteered.

OLD BUSINESS –

- a. Jerry Rowland reminded the commissioners that it was time to sign their salary waiver if they intended to do so.

NEW BUSINESS

- a. Public Records Act RCW 42.56 - this act states that any information about the Port of Brownsville business is public information and the public can demand to see any of that information. That includes anything on a personal computer or cell phone. For this reason, Jerry Rowland proposed purchasing for the commissioners and Port Managers notebook computers and cell phones that would be used strictly for Port business. This would eliminate the necessity for them to use their personal equipment which would be subject to seizure if requested. Bob Kalmbach asked why notebooks instead of laptop computers. He felt the monthly charge for notebooks would end up costing more than the purchase of laptops. Jerry Rowland said he would do more research on the costs and report at the next meeting. Topic tabled until the March meeting.
- b. A Dock Finger Piers – Jerry Rowland reported that the finger piers on A Dock needed replacement. His research has shown that aluminum piers will be the longest lasting piers and requested permission to enter into requesting bids for a contract to replace the finger piers on A Dock with aluminum piers. There was minimal discussion on other materials to use but the commissioners felt aluminum was the best and the ones in the Port already have proven to meet the needs of a marina. Commissioners gave permission for Jerry to pursue bids to award a contract.

PUBLIC COMMENT

Ned Cook asked how the litigation was proceeding concerning the triangle piece of property that the Port acquired under eminent domain. John Mitchell replied that he and the Port Manager were going to court on March 4, 2011. This would start the process of legal debates and judgments.

EXECUTIVE SESSION

None

CLOSE MEETING / ADJOURN

Motion made to adjourn. Motion seconded and passed unanimously.

Meeting adjourned 9:15 PM.

President/Commissioner

Secretary/Commissioner

Commissioner

Recording Secretary