



Port of Brownsville

Minutes of Meeting

12 March 2014

CALL TO ORDER

Commissioner Fred Perkins called the regular session of the meeting to order at 7:01 PM. In attendance were, Commissioner Bob Kalmbach, Commissioner Jack Bailey, 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

Bob Kalmbach made a motion to approve the agenda as written. Motion seconded by Jack Bailey and motion was approved unanimously.

APPROVAL OF CONSENT AGENDA

Consent agenda includes the 12 February 2014 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 have been made available to the public. Those vouchers approved for payment are included in the audited and certified list and further described as follows: March General Fund voucher, numbers 28849 through 28916 for a total amount of \$301,448.75. Also approved for payment was March 2014 Electronic Transfer Voucher, numbers 2014-16 through 2014-23 for a total amount of \$13,061.84. Commissioner Kalmbach asked for clarification on the total amount of the vouchers. Claudia Sharpe explained that the total included the two times that vouchers were signed between meetings. Motion made by Bob Kalmbach to approve the Consent Agenda. Motion was seconded by Jack Bailey and motion was approved unanimously.

PUBLIC COMMENT FOR ITEMS NOT LISTED ON AGENDA

Jonathon Thomas gave updated on Kitsap Maritime Association. They attended the business expo on February 20, 2014. He met with other Kitsap County members from the Port of Bremerton who tried to encourage him to move the boat to the Bremerton marina but he made it clear their home was at the Port of Brownsville. The association is currently working on getting two new masts and is in the process of getting estimates for the cost. Replacement of the masts will require a special type of lifting mechanism or a crane. There will be a volunteer meeting coming up soon to try to raise the amount of volunteers to 108 which is what was previously in the membership. Jack Bailey asked when the ship would be ready to sail. Jonathon explained that the insurance company required them to replace the masts first because they were laminated masts and due to neglect have deteriorated. They can still use the motor to transport to other areas. Jack asked if other materials can be used for the masts. Jonathon stated that they were trying to stay with the original design and they had to consider the weight of the masts. Bob Kalmbach asked if they are still going to be able to have the current masts in place until



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the new masts are ready for replacement. Jonathon replied that the current masts will stay in place and the boat will still look like its original design.

PRESENTATION TO OR BY THE BOARD

None

FINANCIAL REPORTS

Port Accountant Dennis Bryan gave the financial report. There are two reports for this meeting. One is for the end of year 2013 and the other is end of January 2014. At the end of the year 2013 the balance was \$2,694,125.19. The renovation of the piers and docks shows an outstanding amount of \$450,651.00. There was some end of the year adjustments made which is normal practice. Net loss for the year was \$18,136.32. The main reason for this was wages, maintenance and personnel insurance. If a budget modification is needed the Port Manager can do that but he did not think it was necessary at this time.

	With fuel	Without fuel
Operating Revenue	11.3% Under Budget	13.1% Over Budget
Non-operating Revenue	3.7% Under Budget	3.7% Under Budget
Operating Expense	13.6% Under Budget	4.8% Over Budget
Administrative Expense	10.3 % Over Budget	10.3% Over Budget
Non-operating Expense	Even to Budget	Even to Budget
Capital Improvements	Even to Budget	Even to Budget
Bond Principal Payments	Even to Budget	Even to Budget

Administrative expense was over budget because of various items including commissioner salary, legal fees, bond costs and accounting fees. Jack Bailey asked how much health insurance had increased the costs. Dennis replied that it was over by 6% to 7% which can be accounted for because when the budget is established the rates are not known.

Dennis said this report will be the one presented to the county for end of year reports.

The next was the January 31, 2014 report. The end of the month balance is \$2,557,290.99. This is close to the amount in the December report. More purchases for the dock replacements are in the month of February. There was a loss of income of \$22,918.09 which is not unusual.



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With fuel		Without Fuel
Operating Revenue	3.5% under budget	Even to Budget
Non-operating Revenue	Even to Budget	Even to Budget
Operating Expense	3.3% Under budget	Even to Budget
Administrative Expense	2.3 % Over Budget	2.3% Over Budget
Non-operating Expense	Even to Budget	Even to Budget
Capital Improvements	Even to Budget	Even to Budget
Bond Principal Payments	Even to Budget	Even to Budget

Most of the Capital Improvement costs are due to the marina dock replacements.

Dennis added that the report for 2013 did reflect revenue percentage was greater than expenditure percentages which is always a positive report.

INFORMATION, STAFF AND COMMITTEE REPORTS

- a. Manager Report – Attached.
- b. Commissioners Report –

Jack Bailey reported that he went to the WPPA Port Day in Olympia on February 26, 2014. There are still some issues to be resolved concerning derelict boats. The boat fee will be raised another \$1.00. The collection of commercial boat fees was revised so that the Port is not the tax collectors for these fees. Other topics were revenue and transportation budgets. Bob Kalmbach asked if there was discussion on the fuel tax that is dedicated to the marinas as in grants. Jack Bailey said that he did not get a full discussion but there was a statement from a politician that the process of politicians taking this fund for other expenditures could not happen again. There are organizations that are lobbying for stopping this practice and possibly getting the funds that were taken replaced.

Jack Bailey said he went to the Storm Water Management meeting in Tacoma, Washington. It was noted that the industrial pollution was the major cause of concern. For the Port of Brownsville the concern is the drain from the parking lot. It would be important to know what material is being drained from the parking lot for future permitting. He added that the Port should review the Best Management Practices that are in place and make sure we are following those.

Bob Kalmbach stated he recently visited Puerto Rico and went to the Port of San Juan and the docks for industrial purposes have deteriorated. They have recently renovated the cruise ship pier and are upgrading the areas for various sizes of boats. The area is concentrating on encouragement of tourism which ports for boats are a major part of that. Jack Bailey asked if they had industrial facilities such as hangars. Bob replied that they have eliminated all of that.



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Fred Perkins reported that he also attended the WPPA Port Day in Olympia and he got a chance to see Representative Appleton. He added that the local representatives will be a Town Hall Meeting at the Bremerton senior center on Saturday March 15, 2014 from 1000 to 1130 and then in the Poulsbo City Hall from 1330 to 1500 on the same day.

- c. Standing Committee Report – None

OLD BUSINESS

- a. Modify Port Tariff Resolution 14-03 - What was changed was discussed at the last meeting and this is the second reading. The method to get a dock box was modified to rent, lease or buy. Motion made by Jack Bailey to approve resolution 14-03, motion seconded by Bob Kalmbach. Motion approved unanimously.
- b. Office Server – Gregg Faulkner reported that the server is being installed. At the last meeting there was discussion about off-site back up. This can be accomplished by the Port staff with this server so this will be saving. There was also discussion of how much time should be backed up. The recommendation is 90 days. Also, this server is in archive mode and it will archive whatever is needed. The archiving to the state will have to be set up when this is server installation is complete. Jack Bailey stated the report Gregg wrote on archiving and back-up was very informative and he has been asked by other Ports to share this report. He also requested that the State representative for archiving be requested to attend an All Ports Meeting so all Ports can get the information. Gregg said he would ask this representative if she if available for this.
- c. Security Camera – The overall budget estimated for this was under what the actual cost is by such an amount that now the Port is looking at installing one camera instead of six. Gregg along with Jack Bailey, who talked to one, did talk to some of the companies that came to estimate installation and they are still interested in giving an estimate for one camera. The estimates are provided to the commissioners. This estimate does not cover cable and conduit installation. The first quote is optical cable. The other quote came in too late to research for accuracy. Bob Kalmbach asked on the Stanley estimate if there was any camera amount. Gregg said this quote is not complete. He would like to have more time to meet with this company and see the camera capabilities.

A motion sensor system has been installed for the Fire Hall. Jack Bailey has requested an alarm such as a bell. This is still being investigated for installation. Bob Kalmbach requested to make this a priority. Matt Appleton said the cameras are operational now. Gregg said there have been security issues recently in areas around the Port including the parking lot and bathrooms.

Carolyn Thomas asked if the restrooms can be used by the deli in a more secure manner. The deli has given the code out to many customers. She suggested more of a key type of entry that can be controlled by the deli. Gregg stated that this was brought up before and the deli owner was not interested in having this type of system. He added that it can be addressed again. Ned Cook



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added that one of the issues is the Port is open until 5 PM while the deli is open until 8 PM. This creates a time period where the Port staff cannot monitor the entry. Fred Perkins said Gregg had this for action to discuss with the deli.

Gregg stated that in the past Jack Bailey had asked what would be required to tie into the fiber optical system already in place. Gregg said that Kitsap Public Utilities sent an engineer and the first quote for a 50MB internet is for \$900 a month and 10MB is for \$260 a month. Fred Perkins asked what that would do for the Port and Gregg said it would give a faster internet connection. Gregg said at this time this is for information only. Jack Bailey stated that this installation was to allow other users and the Port could charge for the use. This would help enhance local businesses and economic development. Gregg said that he asked PUD if other users can tie into this and they said no. However, there is more research to be done on this.

- d. Delegation of Authority – This is a review of the existing document. Jack Bailey said he was the one that requested the original document but it is time to review it. This will be discussed further at the next meeting.
- e. Boathouse Compliance – Matt Appleton reported that there has been good progress in this inspection. There are 12 boathouses that are in full compliance with current requirements. 26 boathouses have had complete inspections performed and are in the process of complying. Matt expressed thanks for the cooperative attitude of the boathouse owners. Jack Bailey discussed the burn out panel requirements and said that he was at the Port Orchard marina looking at their boathouses. He stated that just a requiring a number of burn-out panels is not meeting the requirements of the fire code of one panel for every 16 square foot. Matt asked if that code was for boathouses. Jack Bailey stated he wasn't sure. Matt said he would investigate. Bob Kalmbach stated using the math the 4 burn-out panels exceeds the burn-out code but further investigation is warranted. Jack Bailey thanked Matt for his work in doing these inspections since this is an area that could cause a catastrophic event in the marina.

NEW BUSINESS

- a. Port Rental House - The existing tenant will be out of the house by this Saturday. Repairs and renovations will commence immediately. The new tenants will move in as of May 1, 2014. Gregg reported that the pump out system failed for draining the basement. Matt added that the floats installed did not have enough room inside the drain tube to operate properly. Inspections did not indicate that there was a problem. Also the battery has deteriorated over time and needs replacement. This will require a change to the maintenance plan. Also, new types of float switches (electronic) are being investigated for installation which will not require a mechanical movement. The commissioners requested to perform a walk-through of the house prior to the new tenants moving in. Gregg said he would arrange this. Jack Bailey said he would like to adjust the rent to what is currently being charged in Kitsap County. Bob Kalmbach asked what the current rent rate was. Gregg said the base fee was \$720 but with additional fees and taxes it amounted to about \$875. He added that the new contract has not been signed and this can be discussed further. It was



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decided any further discussion on this item should be in executive session or special meeting. The next regular meeting is scheduled for April 19 and this subject should be on the executive session portion of the agenda. Bob Kalmbach asked for a preliminary copy of the rental agreement.

PUBLIC COMMENT

Kyle from Northwest Docks gave update on progress of dock building and stated that D dock was in the process of changing due to the change order and space constraints. Bob Kalmbach asked how the fire at the Shelter Bay marina affected their installation of docks there. Kyle stated it affected 2 of the docks they installed, one is still floating and the one that was underwater was tested for structural integrity of the aluminum and it was at 95% which is very good news. Cause of the fire has not been officially been determined but they did eliminate arson.

Jack Bailey showed a breaker that seemed to be in good working order but the box it was in had a hole burned in it. He said this could be caused by the heaters that are not suited for use in the marina power system.

EXECUTIVE SESSION

Commissioner Perkins recessed the regular meeting at 8:43 PM. He announced that the board would be in executive session to discuss real estate for approximately 20 minutes and no decisions would be made. Commissioner Perkins announced at the end of 20 minutes that they would be in executive session for an additional 30 minutes.

Commissioner Perkins resumed the regular meeting at 9:35 PM.

CLOSE MEETING / ADJOURN

Commissioner Jack Bailey made a motion to adjourn, Commissioner Bob Kalmbach seconded. The motion passed unanimously. Meeting adjourned at 9:36 P.M.

President/Commissioner

Secretary/Commissioner

Commissioner

Recording Secretary