



Port of Brownsville
Minutes of Meeting
18 August 2010

CALL TO ORDER

Commissioner Jack Bailey called the regular session of the meeting to order at 7:04 PM. In attendance were Commissioner Allen Miller, Port Manager Jerry Rowland, Assistant Port Manager Gregg Faulkner, Port Attorney John Mitchell and Port Accountant Dennis Bryan. Commissioner Kalmbach is on vacation and is excused.

PLEDGE OF ALLEGIANCE

Commissioners led pledge of allegiance.

APPROVAL OF AGENDA

Motion made to approve agenda as written. Motion seconded and approved two for one absent.

APPROVAL OF CONSENT AGENDA

Motion made to accept consent agenda. Consent agenda includes the minutes for the July 14, 2010 regular meeting, 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: August special voucher numbers 26262 through 26292 for a total amount of \$33,205.59, August 2010 General Fund voucher numbers 26293 through 26321 for a total amount of \$43,430.68. Also approved for payment was August special Electronic Transfer voucher numbers 2010-57 through 2010-62 for a total amount of \$9,160.87 and August Electronic Transfer voucher numbers 2010-63 through 2010-67 for a total amount of \$8,117.39

Motion seconded and approved two for one absent.

The breakdown of the major expenses was read by Commissioner Bailey.

PUBLIC COMMENT FOR ITEMS NOT LISTED ON AGENDA

None

PRESENTATION TO OR BY THE BOARD

Jonathon Thomas provided an update on the Lavengro. The stability test was tried in July but the Coast Guard inspector and the Naval Architect did not agree with the sail plan. A halt was called to the test and it will now be rescheduled with a new mathematical calculation. This is a difficult task with the all the people who give up their free time to be there. There was a public sail on 8/15/10 with 5 passengers. Currently there are Washington Tall ships Lady Washington and Hawaiian Chieftain at the Brownsville Marina with dock tours and guest sails including battle sails. The crew of these boats extended their thanks for the welcome they get from the Port of Brownsville. It is the best port they visit for making them feel welcome. The Lavengro will be at the Blackberry Festival in Bremerton on Labor Day weekend and the wooden boat festival in Port Townsend and Brownsville Appreciation Day, September

25, 2010. Jack Bailey asked when the wooden boat festival is and Jonathon replied it is September 10, and 11.

Jack Bailey asked about the confusion on the mathematical calculations. Jonathon Thomas said the paperwork the Coast Guard had was different than what the Naval Architect had. They have now agreed on the calculations. Jack asked if it required any changes to the boat. Jonathon replied no, only the amount of weight that has to be added for the test. Jack Bailey suggested having a video camera of the event and Jonathon said this is already planned. He added that they also need a day without wind. Jack Bailey asked what shipyard they were in and Jonathon replied it is Northway Shipyard which is the shipyard one of the volunteers is involved with. It is planned to put the video on You Tube when the test is completed.

FINANCIAL REPORTS

Port Accountant Dennis Bryan provided the finalized end of month reports for June and the end of month reports for July.

For the June Report the balance at the end of the month was \$1,374,539.90.

At the end of July the balance was \$1,400,487.92.

With gas in the figures, Operating Revenue is under by 3.8%, Non-Operating Revenue is under by 4.5%, Operating Expenses is under by 7.5%, Administrative Expenses is under by 2.1%, and Non-Operating Expenses is even to budget.

Without gas the only difference is for Operating Revenue which is over by 5.6% and Operating Expense is over by 2.1%.

Jerry Rowland stated that there will be some major purchases coming up so there may have to be a budget modification. Jack Bailey stated there was discussion at the Commissioners Seminar on the financial reporting and he noted that the Port of Brownsville had exactly what was required and had good information. He stated he felt good that the Port's financial reports were exactly what is required. Jack stated there was an All Ports meeting that Dennis Bryan could present how the financial reports of Brownsville were prepared. Dennis agreed to go if Jack Bailey would contact him and let him know when.

INFORMATION, STAFF AND COMMITTEE REPORTS

- a. Managers Report – Attached.
 1. Ned Cook asked if the electrical work on the Fire Hall was complete and Jerry Rowland replied yes. Ned also asked what the total cost was for the renovations to the Fire Hall. Jerry Rowland stated he would put those figures together in the future.
- b. Commissioners Report –
 1. Allen Miller said he attended the WPPA Commissioners Seminar at Leavenworth. In general the meetings were good and informational. There was a Sunday night hay ride with horses and singing that was fun. There was a good meeting on the proper procedure of meetings and how to control the Port Manager.
 2. Jack Bailey reported that he also attended the WPPA Commissioners Seminar at Leavenworth. The Port Manager's evaluations were discussed. 15% of the Ports give Port Manager Evaluations on a regular basis. 50% of the Ports would like to have them. The

advice at the meeting was to work up some performance objectives and give annual appraisals. He said it was reported that other marinas were low in guest moorage. The strategic plan was discussed at one of the meetings and the Port should look into this for a sustainable plan. The discussion on how to run a Port meeting discussed Jurassic Parliament which is Roberts Rules of Order streamlined for a 3 panel board. It regulates speaking time and eliminates redundancy. He considered this one of the best seminars he attended; he scored it a 9 on a 10 scale.

3. Jack Bailey reported that he attended the Kitsap All Port meeting. The Northwest Marine Trade Association had a speaker that discussed the need to stand up to the state so they don't use the boating tax this year to supplement the state budget. This tax money should go back to the boaters but they won't get it if they don't ask for it.
- c. Standing Committee Report – BAD VI – Marjie Rowland reported on the event and committee meetings. The musical groups will be Whiskey Creek Jazz Band and the Farragut Brass. The Brownsville Elementary chorus will sing. This year there will be an Art Show and Jerry Rowland has already spoken to the Central Kitsap Superintendent. Details are being decided soon. T-shirts have been ordered with a student art design. Dinghy and sail boat rides will return and this year there will be kayaks and paddle boards to try. The raffle items for the car show are a \$200 gift certificate from the Suquamish Casino and 2 nights stay at the Point No Point Lighthouse which is worth \$390. The cost of this year's event is barely under the allotted amount of \$7,000.00. The committee is hoping nothing else will come up that will put the event over the allotted amount. Jack Bailey stated that he had been contacted by Jerry Faxton about the Woodlands Jazz Band and Chorus requesting to play at the BAD. This will be put on the BAD agenda. The next meeting will be next Wednesday, August 25, 2010, at 6 PM.

OLD BUSINESS

- a. Modify Lease Lines – There is nothing new to report on the permit that is now at DNR. The person reviewing the lease is on vacation and when he returns the review will continue. More to follow on this.
- b. Rental House – Jerry Rowland reported that the curtain drain is finished. There are new contracts coming up for various repairs to floors, windows and miscellaneous repairs which is about \$12,000.00. The painting is also a new contract but not awarded yet so can't discuss the price. Jerry reported that his research showed that houses similar to the rental house were going for \$700 to \$900. He stated there was a person who was ready to rent the house as soon as the repairs were done.

Jack Bailey asked again what the proposed rental price was. Jerry replied the base price was \$720.00 and with Leasehold Excise Tax it is total rental price of approximately \$850.00. Jack Bailey stated he was not comfortable renting the house for the same price as it was previously. He thought the house could get more for the rent and the CPI should be evaluated in the price. Jerry Rowland stated if you use the CPI the cost will be too high and the house will not rent. Jerry said that the person renting this house would have to put up with traffic and noise from the marina.

Allen Miller questioned putting the Leasehold Excise Tax as part of the rental price. Jerry Rowland explained that in the lease agreement it does delineate between the base price and the Leasehold Excise Tax amount.

Ned Cook asked if the rental maintenance cost of the house was within the budget set. Jack Bailey stated there was no budget set. Jerry Rowland said at the last meeting that there was mention that the cost of this maintenance should be about \$25,000.00 to \$30,000. To date the repairs are estimated to be about \$22,000.

Jack Bailey asked if the curtain drain project showed anything new about the water going into the basement. Jerry Rowland reported nothing new was discovered. Jerry Rowland stated that they also took the opportunity to run a new water line to the house.

Jack Bailey said that there should be more discussion on the rent price before any agreements are signed. Jerry Rowland replied there was time to do that since the repairs would not be done for another month.

Allen Miller stated that the cost of the maintenance now being done was approximately \$25,000. At \$850 a month rental price (which he didn't agree with) it would take over 3 years to recoup that cost. Jerry Rowland responded by explaining for the last 22 years the home had been rented and the income from that rent was \$150,000.00. This was pure profit to the port and there was only \$12,000.00 in improvements. So the income from the past more than paid for these recent improvements. Mr. Miller said that he did not agree with that thinking and that the commissioners need to really evaluate how much is being put into that house compared with what the use of it is.

Jack Bailey stated he would like to list the house at \$1,000.00 and he felt that it would get that price. Jerry Rowland stated he had been looking at houses for rent and the price he is proposing is about middle price of what is being advertised. Mr. Bailey said he has been looking too and he thinks it should be higher. Jerry Rowland stated he would advertise the house to rent for \$1,000.00 if that's what the commissioners want but in his opinion it will sit there empty for 6 months or more. Jack Bailey replied that there needs to be more discussion on the price of the rental fee for the house.

NEW BUSINESS

- a. Preliminary 2011 Budget – This was presented to the commissioners at this meeting and the next meeting on September 8, 2010 will be a public meeting for the budget. There are 3 proposals for the budget, one with bonds and no COLA or pay increases, one with no bonds and no COLA and pay increases, and one with bonds and with COLA and pay increases. It is for the commissioners to review and next meeting there will be a power point demonstrations. No questions at this time.

Jack Bailey proposed rescheduling the next meeting to September 15, 2010 to be in line with check signing and for financial reports. Allen Miller was agreeable with this proposal. Jerry Rowland was tasked to contact Bob Kalmbach to make sure this was acceptable.

Jerry Rowland stated that he and the recording secretary will not be at the October 8 meeting.

Jack Bailey recommended having a study session on September 8, 2010 to discuss the rental house and any thing on the budget that may need to be discussed. Jerry Rowland was tasked to contact Bob Kalmbach to ensure that date is agreeable with him.

PUBLIC COMMENT

Carolyn Thomas wanted to thank the Port for the Fire Safety Training and she is recommending it to everyone. The knowledge gained was worthwhile and the Port and the people involved did a great job. Jack Bailey thanked her for the comment and added that the Port is in conflict with the policy of the Fire Department which doesn't want the public to touch fire fighting equipment. The Fire Department would rather have someone call 911 and wait for them to arrive.

Jerry Rowland reported that the heaters in the Yacht Club have quit working. Replacements cannot be obtained and new ones with similar design would cost about the same as installing a heat pump unit. A local company will install a heat pump unit for approximately \$10,000.00. There is a grant/rebate available from Kitsap County for about \$3,000.00. This would put the total price at about \$7,000.00. This would be a great bargain.

Jerry asked the commissioners for permission to proceed with the contracts for the rental house and the heat pump unit.

Jack Bailey said he would like to have more information on the ductless system. He needs to understand how they work.

Allen Miller stated that what he knows about heat pumps is at certain temperature they quit working.

Jack Bailey said that is the information he has as well. He added that they need a supplemental heat system. Marjie Rowland said that the heat pump at her house works well and has no supplemental heating.

Jack Bailey and Allen Miller agreed they needed more information on the heat pump before agreeing to the installation. Jerry proposed to bring the installer and engineering expert on heat pumps to the study session. They agreed.

Gregg Faulkner asked about the contracts for the rental house. Jack Bailey said he thought the interior of the house didn't need painting. Marjie Rowland said that it was in last month's meeting minutes that the interior painting was required.

Jack Bailey asked about the condition of the roof. Jerry Rowland replied it was put on about 15 years ago and will need replacement in the next few years. Now it just needs cleaning. Jack said that type of repair could be done while there were tenants in the house.

Jack Bailey made a motion to proceed with the contracts to complete the repairs to the rental house. Allen Miller seconded the motion and it passed 2 for and 1 absent.

EXECUTIVE SESSION

None

CLOSE MEETING / ADJOURN

Motion made to adjourn. Motion seconded and passed 2 for and 1 absent.

Meeting adjourned 8:38 PM.

President/Commissioner

Secretary/Commissioner

Commissioner

Recording Secretary