



Port of Brownsville

Minutes of Meeting

7 September 2011

CALL TO ORDER

Commissioner Allen Miller called the regular session of the meeting to order at 7:03 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 written. Motion seconded and approved unanimously.

APPROVAL OF CONSENT AGENDA

Motion made to accept consent agenda. Consent agenda includes the 17 August 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: September Special Voucher numbers 27013 and 27014 for a total amount of \$1,475.00, September 2011 General Fund voucher numbers 27015 through 27052 for a total amount of \$54,595.74. Also approved for payment was September Electronic Transfer voucher numbers 2011-69 through 2011-71 for a total amount of \$4,132.80

Motion seconded and approved unanimously.

PUBLIC COMMENT FOR ITEMS NOT LISTED ON AGENDA

None

PRESENTATION TO OR BY THE BOARD

None

FINANCIAL REPORTS

Port Accountant Dennis Bryan reported that since the regular port meeting was so early this month the county reports he uses to compile the port reports were not available.

As Dennis stated at the last meeting, he has moved back to Silverdale and is now part of Parker Mooers & Cena PS.

Jerry Rowland brought up the question of the contract with Bryan & Bryan, LLC. The current contract is in effect until December 31, 2011. Dennis Bryan stated that the original issue of the contract in place was incorporated into his current employer's contracts and is still in effect. Jerry stated he just wanted to make sure the Port would be okay if audited. Dennis explained the relationship he has with his new employer. He stated he has control over this contract and no one else can be assigned to it. John Mitchell stated that a modification to the contract would be the best solution. Jerry stated the modification would be complete by the end of next month, before the next Port meeting.

Dennis stated he would have a presentation for a new contract at the next Port meeting.

INFORMATION, STAFF AND COMMITTEE REPORTS

a. Managers Report – Attached.

b. Commissioner Report – Jack Bailey stated he would like to go to the WPPA Environmental Seminar in October but his calendar will not allow him to do that. He will make sure that he gets the information from the seminar.

Bob Kalmbach stated he had nothing to report.

Allen miller said he would also like to attend the environmental seminar but his calendar would not support either.

Jerry Rowland stated he also cannot go to the environmental seminar. Bob Kalmbach said he would look at his calendar and get back with the Port Manager as to his availability to attend this seminar. He will contact Jerry Rowland to let him know. Jerry noted that whenever Jack Bailey has attended in the past he has always brought back good information for the Port.

c. Standing Committee Report –

1) The final Comp Scheme Committee meeting was held 23 August. Under new business there is a resolution on the agenda to approve the 2012 Comp Scheme. There will be more about this at that time.

2) BAD - The third and final BAD meeting was 10 August. Things are coming together and the Port should have another successful event. Jack Bailey asked if there has been any information on the added motorcycles to the car show. Jerry Rowland said that most of the major motorcycle distributors had been contacted. Harley Davidson said they may be here. The car show is going along well. There will be a batting cage this year. Jack Bailey said the Brownsville Methodist Church is looking forward to participating in BAD. Jerry stated the local Cub Scout group will be at BAD. The local elementary schools will be participating as well. As to the art show, the committee is looking for a judge for the art show. Last year's judge will not be available and others contacted so far have not agreed to do that. Skip thanked the staff, Mike, for helping with the inventory of the cooking equipment and supplies.

PUBLIC HEARING

The regular meeting was recessed at 7:24 PM and the Public Hearing was called to order. This is the first public hearing on the 2012 Budget.

Jerry Rowland presented a power point presentation. It had no Cost Of Living Allowance (COLA) for the staff in 2012. He presented the planned income sources, planned maintenance budget and planned capital improvement items. Ned Cook asked where the storage units would be located. Jerry Rowland said they would be by the upper shop. Jerry said that the fuel dock pumps would have to be replaced in 2012.

Bob Kalmbach asked what the proposed expenses for the Brownsville Hwy property were. Jerry said it is about \$70,000. Bob asked if there was projected income from the Brownsville Hwy Property. Jerry Rowland said it would be five to five and half years before there would be any income from that property. The capital improvements for the property proposed for 2012 is in preparation for that income. Bob then asked about the zoning of that property. Jerry replied Neighborhood Commercial. Jack Bailey corrected him that it was Rural Residential and Jerry agreed. Jack also noted that the Port itself had been rezoned but he was not sure what the new rezoning classification was. Jerry Rowland said he would look into this.

John Mitchell asked about the conex boxes, what their installation requirements were and if it was a permanent or temporary storage solution. Jerry replied that they were a temporary solution and only needed a concrete pad to install. They are 40 foot long and 8 foot wide and 8 ½ tall. Bob noted that modification for a garage type door would cost more. Jerry stated that he was going to go for 4 used units that have been modified already, but the budget shows the cost of new units that need modification. Olympia Marina acquired used ones and they recouped their cost in one and one-half years.

Jerry showed some capital improvement items that are not in the budget but if the budget allows they will be pursued based on remaining budget amount. Some of the marina improvements would be dependent on bonds acquired and permitting allowances. Jerry showed the proposed plan of how the marina would be modified and improved. With the different phases of improving the marina, the slips would increase in size and amount but at the end of all phases the marina slips should be about the same amount as there are currently. But even if the marina does not get the permitting approved for dredging, the F dock can be moved and other docks can be anchored to it. Bob Kalmbach asked about the fairway measurement and Jerry said that the fairway would decrease slightly. Bob asked about the location of the boat houses in the new plan. Gregg Faulkner stated he measured all of the boat houses and put the smaller ones together so it appears there are not as many as there are now but the numbers of boat houses are the same. Jack asked how wide the section was from the north breakwater to the east breakwater. Jerry Rowland said approximately 150 feet. Jerry noted that all of these plans would have to be engineered and approved before any changes can be made. Allen Miller asked if there was a cost estimate yet for this change. Jerry Rowland said he had a guess of about 3 ½ million dollars. Bob Kalmbach asked if the electric would have to be modified and Gregg Faulkner said he was advised that the transformers would have to be replaced. An electrical contractor would have to be contacted for final determination.

Jerry continued with personnel costs and as stated before there is no COLA at this time and even though one employee is entitled to a step increase, it is not shown in this budget and not planned. There budget accounts for hiring a new employee to replace Kelly Cody. All of the personnel costs (medical insurance, etc.) are increasing. Ned Cook asked if there will be a tax break for payroll if the bill passes. Jerry said if it passes the Port should be able to claim that tax break. Bob Kalmbach noted that the Port is still paying full benefit payments for the employees. This has been discussed in previous year and it was discussed to have the employees slowly pay for a portion of the benefits. Jerry Rowland said he would like to plan

for the first year that the employee benefits are raised, that the employee gets an equal pay raise so that their net pay will not change. After that any benefit raises in cost will be paid by the employee. Bob noted that the wages for Port of Brownsville are at the same level of other Ports but the other Ports are not paying full benefits. Bob asked for an incremental increase in the employees paying for benefits. He asked for comments from the other commissioners. Allen Miller asked what the reaction was from the employees about not getting a COLA. Jerry Rowland said they were okay with their wages not increasing as long as they are not decreasing and they still have a job. Jack Bailey asked what the cost was for full benefit coverage. Jerry Rowland said total it is about \$48,000.00 a year. Jack asked what it was per person and he replied it depended on the plan, single or married/family. He went on to discuss what each employee benefit costs were dependent on their benefit plan. Jerry noted that the benefit plans are offered through the State Plan. There was more discussion on the benefit plans and how they have changed in cost and copay amounts. More discussion will be at the next month's meeting.

Utility expenses have increased dramatically. This is based on the latest request from PSE. Sewer rates were discussed and have increased as well. Jerry Rowland stated again that he had a meeting with the sewer managers and there may be a decrease in the Port's rates. John Mitchell asked how much it would cost to have a sewer meter on the building. Jerry stated he thought it would cost about \$2,000.00. Jack Bailey said that the sewer lift station that is by the Port is only for the Port's use and the county should know exactly how much is discharged into the sewer.

During the fuel expense discussion it was noted by Marjie Rowland that some businesses are now charging a credit card swipe fee. This is based on the increased fee charges to the businesses for accepting credit cards. Ned Cook stated that debit card fee charges are a lot less than credit card fees. Jerry Rowland agreed but the increase in these fees to the Port has doubled in the last few years.

Allen Miller asked if there were any plans to make a change to decrease expenses on the items that are showing a deficit. Jerry replied that there is always a focus on decreasing expenses and they have decreased every year.

Jack Bailey stated he would like to see the Port consider a swipe fee for credit cards. It may help with compensating for employee raises for health care plan costs.

Bob Kalmbach stated he likes Jerry's last statement of decreasing expenses. That is the way to make up for budget losses.

Skip Nordal asked what the marina moorage rates were compared to area marinas. Jerry Rowland replied they were lower than most area marinas. Skip suggested that the marina is still attractive to boaters even if the moorage rates increase. Jerry replied that the Port of Brownsville is for the average person and the cost of moorage should be kept low for them. Allen Miller said if the Port is losing money, then an increase in the moorage rate may be what is needed. Jack Bailey said that the moorage rates are low but occupancy is full, therefore the Port income is stable.

Ned Cook asked if there will be more discussion on cutting expenses. Jerry Rowland stated there will be no more discussion until the expenses are known for sure. If those expenses don't match the budget then there will be additional discussion. Ned stated that he thought the travel

expenses should be reduced. Jerry said the travel budget has been cut by 75%. The remaining budget is essential to attend the WPPA meetings that provide additional information that is beneficial to the Port. Ned asked if there were travel reports available. The governing rules do not require a report, only a verbal report which is usually given at Port meetings. However, if there are written reports, Jerry Rowland will share them with the public when requested.

Public meeting was adjourned at 8:43 PM and the regular session was continued.

OLD BUSINESS –

- a. Ramp Grating – The ramp surface is coming off which makes the ramps slick. The investigation for replacement revealed that many companies are using different ramp materials. Topper industries said they buy their grating from Pacific Grating. Mantle said they purchased their aluminum grating from McNichols Co. Neither company would commit to a specific brand or style. Gregg Faulkner did price the aluminum grating that Mantle uses and came up with a price tag of over \$10,000.00. There is also the fact that this material only comes in 1 inch thick sheets. The Port needs 2 inches to match what is there so there would have to be a 1 inch frame built first to support it.

Jerry Rowland said that John Mitchell just informed the Port of the ramp material the Bremerton Yacht Club installed. Gregg and Jerry have it on their agenda to take a look at it but have not done so prior to this meeting.

Jerry Rowland requested this item be tabled until the October meeting. It was agreed to table this until the October meeting.

Jack Bailey asked if the concrete repair that was done to the boat ramp has held up. Jerry Rowland replied it has held up and maintained its height through many tides.

NEW BUSINESS

- a. Resolution 11-05 - 2012 Comprehensive Scheme - This is the first reading of this resolution. Jerry Rowland noted that it has been one of easiest and cleanest updates to the scheme that he has been involved in. He thanked the Comp Scheme members for giving up their time and for providing a lot of insight and expertise to this process. The vote to adopt the Comprehensive Scheme as submitted will be at the October meeting.

- b. Deli Vent Hood. - The best proposal the deli has received to install a Class II hood to code is from All Trades Mechanical for \$6,671.20 plus tax (approximately \$7,200.00). The framing through the Yacht Club and electrical hook up will be done as an in house project by Deli volunteers.

The Deli has requested that the Port pick up the cost of the unit and installation. If the Port does this it will belong to the Port and not the Deli. It will also require a lease change to designate it as Port equipment but the responsibility for maintenance and upkeep will fall on the Deli. Allen Miller asked why there was such a difference in cost from last meeting, going from \$16,000.00 to this current bid. Jerry Rowland stated this current bid is from someone who will use prefabricated material vice being built from scratch. Bob Kalmbach noted that the exclusions on the bid were many and would the installation pass a fire code. Jerry Rowland said this Class II hood would satisfy the requirements needed for the planned menu the Deli has. Bob Kalmbach stated that previously the Deli was going to pay for all of the costs related to this item. Each year the Port has spent money to improve the Deli. Jerry Rowland replied that the more the Deli increases business, the more appeal the Port has for visitors and users. In order to increase their business further, the Deli needs a vent hood. Jack Bailey noted that the air/heat system installed

is not vented so a vent hood is needed. John Mitchell asked if the Port has considered an increase in the lease for these improvements. Bob Kalmbach agreed with this suggestion. Jack Bailey asked when the present lease expired. Jerry Rowland replied that the lease was just renewed but the rent is negotiable every month. Dennis Bryan asked if the Deli has ever supplied business data on how their business is increasing. Jerry Rowland replied no. Dennis suggested that the Port should have that information especially during lease negotiations. Bob Kalmbach questioned if the current bid should be for a Class I vice a Class II hood. He added that a Class I hood should be installed so there will not be costs for upgrades later. Ned Cook asked who would do the fire suppression system. Jack Bailey said that the work the Deli said they would do by volunteers could not be done for the electrical. Jerry Rowland said that the volunteers can do the electrical if they are certified electricians. Jack also asked about where the vent would exit the building. Jerry replied that the Yacht Club and Deli agreed that the vent would go straight up and exit the roof. Bob stated that the only way to agree to this current proposal is if the Deli helps pay for the cost such as a lease change. All commissioners concurred with Bob Kalmbach's statement. Jerry Rowland said he will submit this proposal to the Deli.

PUBLIC COMMENT

Ned Cook asked what was happening on the triangle piece. The reply was that the triangle litigation has been settled and the Port paid for the piece. It belongs to the Port of Brownsville. The parcel number is assigned for the piece of property. Allen Miller asked what the county recorded as the cost to the Port. Jerry Rowland replied \$7,500.00 which is what the Port paid for it.

Jerry Rowland reported that he received a note that was unsigned but addressed to the commissioners. It reported that there were multiple cars in the parking lot that have expired tabs. He said the note bothered him in the fact that the person said they had a hard time finding a parking spot, which would only happen on a busy weekend. The rules are that every live aboard can have two cars or one per licensed person. But the cars have to be running and have a current license. Jerry said he is looking into this for all cars parked in the lot, which he does frequently. Bob Kalmbach noted that since the note wasn't signed it wasn't worth commenting on. Jerry Rowland agreed.

Jack Bailey reported that he attended the Blackberry Festival and he was on the Bremerton marina docks when the ferry came in. He said the docks rolled severely and the strips between the dock sections had screws that have popped off. He said he like the facilities at the Port of Brownsville better and it is a friendlier Port.

Ned Cook asked what affect the expansion to the underwater range by Keyport had on the Port of Brownsville. Jerry Rowland that there have been many meetings on this and there will be zero affect to the Port.

EXECUTIVE SESSION

None

CLOSE MEETING / ADJOURN

Next meeting will be October 12, 2011.

Bob Kalmbach made a motion to adjourn and Jack Bailey seconded. Motion passed unanimously. Meeting adjourned at 9:17 PM.

President/Commissioner

Secretary/Commissioner

Commissioner

Recording Secretary