



*Port Of Brownsville*  
9790 Ogle Rd • NE Bremerton, WA 98311  
Office: 360-692-5498 • FAX 360-698-8023  
[pob@portofbrownsville.org](mailto:pob@portofbrownsville.org)

**Commissioners:**  
Fred Perkins  
Bob Kalmbach  
Jack Bailey

January 11, 2017

## **CALL TO ORDER**

Commissioner Jack Bailey called the regular session of the meeting to order at 6:04 PM. In attendance were Commissioner Fred Perkins, Commissioner Bob Kalmbach, Port Manager Jerry Rowland, Maintenance Supervisor Matt Appleton, Port Attorney John Mitchell and Port Accountant Dennis Bryan.

## **PLEDGE OF ALLEGIANCE**

Commissioners led pledge of allegiance.

## **APPROVAL OF AGENDA**

Commissioner Bob Kalmbach made a motion to approve the agenda as written. Motion seconded by Commissioner Fred Perkins, motion was approved unanimously.

## **ELECTION OF BOARD OFFICERS**

Commissioner Bailey made a motion nominating Commissioner Fred Perkins as President of the Board and Commissioner Bob Kalmbach as Secretary of the Board. Motion Seconded by Commissioner Bob Kalmbach, motion approved unanimously. Commissioners assumed their new positions. Fred Perkins thanked Jack Bailey for his leadership during the last year. Jack Bailey stated the last year had challenges but made a lot of progress. He also thanked the staff for making it happen.

## **APPROVAL OF CONSENT AGENDA**

Consent agenda includes the 14 December 2016 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: January 2017 voucher numbers 40636 through 40686 for a total amount of \$77,419.62. Also approved for payment was January 2017 Electronic Transfer voucher numbers 2017-01 through 2017-08 for a total amount of \$23,542.15.

Motion made by Commissioner Jack Bailey to approve consent agenda. Motion was seconded by Commissioner Bob Kalmbach, motion was approved unanimously.

## **FINANCIAL REPORTS**

Port Accountant Dennis Bryan provided the November 2016 end of month financial report. The balance as of November 31, 2016, was \$1,077,582.72. He stated the bond level had increased in preparation for the payment to be made in December.



*Port Of Brownsville*  
 9790 Ogle Rd • NE Bremerton, WA 98311  
 Office: 360-692-5498 • FAX 360-698-8023  
[pob@portofbrownsville.org](mailto:pob@portofbrownsville.org)

**Commissioners:**  
 Fred Perkins  
 Bob Kalmbach  
 Jack Bailey

	With Fuel	Without Fuel
Operating Revenue	Under Budget 10.4%	Over Budget 7.1%
Non-Operating Revenue	Over Budget 9.0%	Over Budget 9.0%
Operating Expenses	Under Budget 17.0%	Even
Administrative Expenses	Under Budget 4.6%	Under Budget 4.6%
Non-Operating Expenses	Even to Budget	Even to Budget
Capital Improvements	Even to Budget	Even to Budget
Bond Principal	Even to Budget	Even to Budget

Sally Hass asked why the revenue was down compared to 2015 and 2014 year. Dennis Byran explained that most of that is due to the gas and diesel fluctuations. For this reason he shows one page without gas and diesel which shows the revenue is up in this case. She asked if Dennis Bryan was concerned and he said no, there is an increase in revenue.

**PUBLIC COMMENT FOR ITEMS NOT LISTED ON AGENDA**

None

**PRESENTATIONS TO OR BY THE BOARD**

None

**INFORMATION, STAFF AND COMMITTEE REPORT**

- a. Manager Report – Attached.
- b. Maintenance Report – Attached. Matt Appleton added to his report about the hinge that broke between the North and East Breakwaters in the storm last night. The bridge was lifted up and replaced by the crew that came in last night. Fred Perkins asked if there was a plan to permanently repair or replace this. Matt replied yes. Fred asked if there was a concern about the cost since this was not in the budget. Matt Appleton stated no concern on the cost. Sally Hass thanked the crew for keeping the deicer on the piers. Bob Kalmbach asked if the tenants were happy with the new finger piers on B dock. Ned Cook answered that the new piers were wonderful and he was very happy. He added that he was not expecting the crew to install the piers in the weather they did and he appreciated that. Jack Bailey asked if the crew had checked the moorage of the boats and boat houses since the storm last night. Matt answered yes and the new piers with the pilings are very stable. Ned Cook added that he had concerns during the storm but the new finger piers were solid as a rock. Fred Perkins asked if there was any requests from the Port of Illahee. Matt replied no. Fred Perkins reminded everyone that the All Ports meeting was coming the Monday after next.

- c. Commissioners Report –

Jack Bailey reported that the Port of Allen has stiffened their rules concerning parking and other areas. They now write tickets and the fines are high. It was done simply and he will be pushing for the same for Kitsap County. He stated on December 31, 2016, marina day is being celebrated in Olympia and



*Port Of Brownsville*  
9790 Ogle Rd • NE Bremerton, WA 98311  
Office: 360-692-5498 • FAX 360-698-8023  
[pob@portofbrownsville.org](mailto:pob@portofbrownsville.org)

**Commissioners:**  
Fred Perkins  
Bob Kalmbach  
Jack Bailey

he will be attending. Fred Perkins asked if there was a gathering in the morning at this event and Jack replied yes.

Bob Kalmbach had nothing to report.

Fred Perkins had nothing to report.

d. Standing Committee Report – None

## **OLD BUSINESS**

- a. Boathouse Compliance – Matt Appleton reported that he sent out a few letters and there has been one response and they are working on their boathouse. He said progress is slow due to the cold weather. Bob Kalmbach asked if only 4 of the boathouses were owned by people in the Port district. Matt said he would check on this and report on it next month.
- b. Boat Launch – Site Develop Permit - Hearing Examiner scheduled 26 January at 10 AM. RCO final presentation 1 February 9:45 AM which is in Olympia. The application has been certified complete. Port will not know the results until June 2017. Jack Bailey stated that of the 10 ports listed that have the new ArmorFlex revetment that we are looking at only one had wave action similar to the Port of Brownsville. Jerry Rowland said the list was ports that were required to install the material that is being proposed for this port. Jack Bailey suggested having a study session to go to the different locations for all the commissioners to review. Jerry Rowland agreed with this idea. He added that there is time to do this. Fred Perkins gave Jerry an action to find locations. Jerry Rowland said there is one at Pleasant Harbor and Long Beach. Sally Hass said she had some suggestions on boat launches that do have a lot of wave action. Marjie Rowland verified that the purpose for looking at these ports was due to material Armor Flex that would be installed at these ports, which is being proposed for the Port of Brownsville. Bob Kalmbach said that they wanted to look at how the material looks aesthetically and how it wears. Jack Bailey said this material is installed at other ports in the area. Jerry Rowland will continue with this action.
- c. Revenue Bond – Fred Perkins used a white board to identify all projects that remain to rebuild the marina. He wrote down Boat Launch, ‘B’ Dock, ‘A’ Dock, Main Pier, and Dredging. The estimated values for each is 240K, 500K, 600K, 450, and 750K respectively. The total was 2.5 million. He added that the dredging estimate was dependent on where the dredging material could be deposited. Jerry Rowland said that a marina that he recently visited is dredging and putting the material back on the beach. Bob Kalmbach reminded everyone that these were all guesses based on past experience. Jerry Rowland said the in water work window is 15 June through 15 August. There can be a 2 week extension if the Port meets the requirements. If the Port waits for the approval of the grant in June, it will be too late for any work to be accomplished this year. He said if the commissioners approve a 1 million dollar revenue bond then the pilings can be replaced and installed for the ‘B’ dock and ‘Main Pier’. He added that an IDD bond will ensure that all of the projects listed could be done including Kayak ramp, playground equipment and a walking trail with fitness stops. He said he is working to find grants for some of this expense. All of the projects will cost about 2.9 million dollars. He did



*Port Of Brownsville*  
9790 Ogle Rd • NE Bremerton, WA 98311  
Office: 360-692-5498 • FAX 360-698-8023  
[pob@portofbrownsville.org](mailto:pob@portofbrownsville.org)

**Commissioners:**  
Fred Perkins  
Bob Kalmbach  
Jack Bailey

say that if nothing else but the revenue bond is approved it would take care of 2 of the projects without the dredging. Fred Perkins asked if there is a priority. Jerry Rowland stated 'B' dock is the next pier that needs to be replaced. 'A' dock has new finger piers and the concrete is good enough condition to last awhile. Bob Kalmbach said he has not heard what the alternative if there is no bonds received. He asked for life expectancy of the remaining projects of the marina. Jerry Rowland said that the main pier can be wrapped but it would cost 250K which half the cost of replacing it. Bob Kalmbach asked if it needs to be done. Jerry replied that there is approximately 50% of the pilings need replacement now. He felt that there would be more effort in repairing it than replacing it. For 'B' dock is to install wood on top of the old but that is not ideal. Only the top wood was replaced on 'B' dock previously. Also, the current lumber lasts only about 10 years due to the quality of the accelerated growth lumber. Bob Kalmbach wanted to make sure that the commissioners have done their duty of making sure which way is the right way to proceed. He knows that all people pay taxes on things they don't use such as schools and libraries but he felt this was a luxury item more than those. He asked if there was another source of revenue. Jerry Rowland there is only 3 ways that the Port receives revenue. Property taxes, fuel sales and moorage rates. He said that eventually you will get to the point where you will be losing money because people will stop using the Port. He said that the moorage rates are almost maxed out compared to what is offered at the Port. In order to raise the money to pay for this by the port tenants it would have to be \$10 a foot or \$7 a foot which is comparable to Seattle rates. The Port will lose tenants if this happens so it may not increase revenue as much as needed. Jerry Rowland said he thought the Port could repair existing structures for the next 10 years but it would not be optimal. He added that he would like to see this marina rebuilt before he retires. He said it may be tough for taxpayers in the next 20 years but in 20 years new bonds could be applied for. Bob Kalmbach discussed the amount taxpayers would have to pay for the IDD proposed. He asked if the taxes could be dropped if the property values increased so the overall tax would remain the same. Jerry Rowland said that is what is allowed today. Jerry Rowland said he would verify that this is the case. Jack Bailey asked if the standard IDD was 7 years and Jerry said it was 6 years. Jack stated there were some changes which allowed some leeway on tax payments for an IDD. Bob Kalmbach asked what the payback was for the revenue bond of 1 million. Jerry Rowland said first payment would be \$75,000, second payment would be \$100,000 and last payment would be \$125,000 through the next years. Bob Kalmbach said he would support the Revenue Bond. Bob continued that he thought the priority should be 'B' dock and the Main Pier. Jack Bailey said he shared Bob's statements. He has major concern over the Main Pier because if anything happened to that pier the Port would be out of business. He has looked at possibly putting pilings with a steel bar but it definitely needs repair. He agrees with Bob's priorities. He added that WPPA has stated that playgrounds are a liability and cost more for maintenance and staff time. He said that he thought boaters don't have that many children. Jerry Rowland said the reason for the playground and walking trail is to give the taxpayers something to use out of the tax money they are paying. Jerry Rowland asked for a motion to go under into contract with Martin & Nelson to pursue a 1 million dollar revenue bond. Bob Kalmbach made a motion to authorize the Port Manager to contract with Marin, Nelson & Co. for a 1 million dollar revenue bond to be used for the Main Pier and 'B' dock replacement. Jack Bailey asked if the Main Pier was in the permit. Jerry Rowland stated yes. Jack Bailey said he is not comfortable with not knowing the exact cost and the permitting needed. He stated that the Port can back out of it at any time. Bob Kalmbach stated that he designated the 2 projects but the motion really was to get the money and then start the process of designing and building. Jerry Rowland said if he contact Martin Nelson and Company tomorrow the money would



*Port Of Brownsville*  
9790 Ogle Rd • NE Bremerton, WA 98311  
Office: 360-692-5498 • FAX 360-698-8023  
[pob@portofbrownsville.org](mailto:pob@portofbrownsville.org)

**Commissioners:**  
Fred Perkins  
Bob Kalmbach  
Jack Bailey

not be received until April. Jack Bailey said he is concerned that the Port may not be ready. Jack Bailey said he seconded the motion with concerns. Motion passed unanimously.

## **NEW BUSINESS**

- a. Resolution 17-01 Kitsap County Treasurer's Summary Report Reconciliation Policy. This is the last of the policies required from the audit. It just outlines what the CPA's office accomplishes to balance the Port's accounts with the County's. Bob Kalmbach stated he heard that there is a program that takes Quick Book entries into a format for Marinas, with reports going directly to the state. Jerry Rowland said he would check on it in more detail. Jack Bailey made a motion to waive the second reading and approve Resolution 17-01. Bob Kalmbach seconded the motion and it passed unanimously.

## **PUBLIC COMMENT**

Jack Bailey addressed the letter from John Mitchell on the video conference at commissioner meetings to achieve a quorum. The WPPA said that the Port should come up with their own rules on how they are going to handle teleconferences and video conferences. The question he asked was can there be a meeting held with only 2 commissioners physically present. John Mitchell said the meeting can be held and Port business such as Resolutions and other motions. Signing documents is a different issue. Jerry Rowland said the only concern with video conferencing is the inability to sign documents. If 2 commissioners are physically absent then the payroll checks can't be signed. He wanted to present a proposal to allow one other individual to sign payroll checks. Bob Kalmbach stated that if needed checks can be overnighted and they can be returned the same way. So if needed this is an alternative. Jerry Rowland said he would change the by-laws to allow the teleconference or video conference. Jack Bailey said there is the alternative to move the meetings.

Jack Bailey suggested that the Port contact the elementary schools in the Port district now to promote the Art Show that is at Brownsville Appreciation Day. Last year there was no participation from these schools. Sally Hass said that she helped with the Art Show and there was no more room for any additional art. Jack felt it was still worth the effort to get the elementary grade schools involved. It also the right time to approach sponsors as well since they are setting their budgets now.

Ned Cook said that he likes the idea of the walking trail and it has been in the Comp Scheme for many years. Jerry Rowland stated that the Comp Scheme is due this year for review. He will be setting this committee up in the near future.

It was discussed to move the February meeting from February 8 to February 15, and March 8 meeting to March 15. Commissioners agreed to move the meetings.



*Port Of Brownsville*  
9790 Ogle Rd • NE Bremerton, WA 98311  
Office: 360-692-5498 • FAX 360-698-8023  
[pob@portofbrownsville.org](mailto:pob@portofbrownsville.org)

**Commissioners:**  
Fred Perkins  
Bob Kalmbach  
Jack Bailey

**EXECUTIVE SESSION**

None

**CLOSE MEETING / ADJOURN**

Commissioner Fred Perkins adjourned the meeting at 7:46 PM

---

President / Commissioner

---

Secretary / Commissioner

---

Commissioner

---

Recording Secretary