



Port of Brownsville

Minutes of Meeting

18 April 2012

CALL TO ORDER

Commissioner Bob Kalmbach called the regular session of the meeting to order at 7:00PM. In attendance were Commissioner Jack Bailey, Commissioner Allen Miller, 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 by Jack Bailey to modify agenda. Added item 8c for awarding the "F" dock contract and added item 10b for the Kitsap Peninsula Visitor and Convention Bureau report. Motion was seconded by Allen Miller and approved unanimously.

Motion made to approve agenda as modified. Motion seconded and approved unanimously.

APPROVAL OF CONSENT AGENDA

Motion made by Jack Bailey to approve consent agenda. Consent agenda includes the 14 March 2012 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: April 2012 General Fund voucher, numbers 27438 through 27487 for a total amount of \$113,999.21. Also approved for payment was April Electronic Voucher, numbers 2012-30 through 2012-39 for a total amount of \$13,681.09.

Motion seconded by Allen Miller and approved unanimously.

PUBLIC COMMENT FOR ITEMS NOT LISTED ON AGENDA

None

PRESENTATION TO OR BY THE BOARD

Jonathan Thomas, as the secretary of Kitsap Maritime Heritage Foundation, introduced the chair of the board of this organization, Skip Nordal. He announced that they are collaborating with the Kitsap Memorial Museum on restoring the model of the Lady Washington. They will be operating under the judiciary maritime agreement which will be completed soon. They are also conversing with the Peninsular Sailing Club and the Kitsap Rowing and Sailing Association and he said they are interested in using the Fire Hall as a place for training, education, and work area to work on boats. This would include sailing lessons and other education of maritime subjects. When the group has a more solid



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proposal, they will bring it to the commissioners for review. He added that they now have a facebook sight.

Jonathon Thomas then switched to the Kitsap Historical Society and discussed the upcoming Tall Ships visit to the Port of Brownsville. He said the Title I (one) program was successful and he thanked the Bremerton Rotary and John Mitchell and also Jerry Rowland who have sponsored some of the children to ride these tall ships during their visit. The Parent and Teachers Association in the Central Kitsap school district will be taking the lead to get their schedule for what students will be going at what time.

He then reported on the Confederation of Ports meeting which happened on March 5. There were organizations represented from various areas including Victoria and Redmond. The next meeting will be May 11. The USCG will be there from the marine permits department to ensure the permits will be in place for the 2014 Tall Ships celebration. An envoy of 3 people are going to Japan to encourage them to come to the 2014 Tall Ships event, which will be centered on the tsunami that occurred in Japan in 2011. The debris from this tsunami will be on this coast by that time.

Jerry Rowland reported that the Resolution 12-04 that was voted on at the last meeting did not get signed. He routed it for signature.

Cheryl Estep from the Brownsville Deli gave a presentation on the improvements to the deli. She started with the vent hood that had been proposed before. She said they are committed to going from a deli to a café but there are storage and expansion issues that need to be discussed. She said there will be 2 contractors submitting bids for the installation of the Class 1 vent hood. She then commented on the patio, stating that the current concrete slab has an unsafe entrance to the building. She presented a design for a new concrete patio which would be the next step to expanding the deli. She presented the phases of development that will be over a long period of time. Phase 1 would be the ventilation hood, phase 2 would be the concrete slab, phase 3 would be expanding the storage and phase 4 would be to improve the exterior so it looks more like a café. She said she would continue to report progress of each phase to the commissioners. She thanked the people who helped her put the proposal package together. Jack Bailey commented that the deli proposed to enclose the area that is now considered open air. Cheryl replied yes but it would be later in the phased development. She expounded this whole plan would require a lot more conversation since this has never been done before. She also said that this plan was put together by her customers and friends who collectively want to see this business expand and provide more service to the Brownsville marina in regards to prepared food. Bob Kalmbach asked if they had any idea how much a Class 1 hood would cost. Steve Neuhauser reported that there are bids being put together but he estimated that going from a Class 2 vent hood to a Class 1 would probably cost an additional \$3,000 to \$4,000. Bob then stated that the last time this was discussed the commissioners stated that they wanted to discuss renegotiating the lease for the deli to justify spending the money for these upgrades. Cheryl stated that she did agree to that at the time but until the bids are presented the discussion will have to happen as this phased improvement develops. Bob asked when the deli would like to see this completed. Cheryl replied by Memorial Day for phase 1. Bob noted that this improvement was not approved for this year's budget. He added that when the bids were presented this would have to be part of the discussion. Cheryl stated that the deli has been



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developed as far as it can be in the last 7 years. All agreed that the deli and the Port commissioners have invested money into the deli during that time period. Bob stated he thought the proposal of expansion is a wonderful idea but the funding has to be considered. He asked if this proposal was a 1 year plan, 2 year plan or how long. Cheryl stated she would like it completed in 1 year. However, she knows it all has to be discussed as phases are developed. The first phase of a ventilation hood has to be done as soon as possible. Bob Kalmbach stated the next step is to get the phase 1 final proposal with all costs presented. Cheryl stated she would give a progress report every month to the commissioners. Jack Bailey stated that permitting would have to be a consideration in moving forward with any improvements but it would be best to discuss one phase at a time. Steve Neuhauser stated he did ask the county about permits and they stated it could happen very quickly for small project permits. Bob added that the county is advertising that small project permits will be easier to obtain for projects that will cost under a certain dollar amount. Allen Miller asked if there should be some consideration for the vent hood installation concerning the final phase of this plan. Will it need to be moved in the future and if so shouldn't it be considered now for correct future installation needs. Cheryl stated that the kitchen will not be moving. This type of modification would cost thousands more in cost and is not proposed in the presentation. There will be more to follow when the bids are received on the vent hood installation.

FINANCIAL REPORTS

Port Accountant Dennis Bryan presented the March 2012 end of month reports. As of March 31, 2012, the balance was \$1,418,988.87.

With fuel costs:

Operating Revenue	Under budget by 10.2%
Non-operating Revenue	Even to Budget
Operating Expense	Under budget by 9.5%
Administrative Expense	Under budget by 1.7%
Non-Operating Expense	Even to budget
Capital Improvements	Even to Budget

Without fuel costs:

Even to Budget
Even to Budget
Over budget by 3.6%
Under by 1.7%
Even to Budget
Even to Budget

It was noted that there was a large purchase of fuel by the Port during the month of March which did affect the budget for this month and was not anticipated.

Dennis also presented the results from the State Audit and there were no findings. There were some suggestions. Jerry Rowland stated the official out brief is for the next day, April 19, 2012. This was a full audit and it will not have to occur again for 3 years.

INFORMATION, STAFF AND COMMITTEE REPORTS

- a. Manager Report – Attached. Ned Cook said in previous reports there was discussion on a boat that sank in the marina. He asked if the cost of getting the rid of this boat was going to be recoverable by the Port. Jerry Rowland stated that it will be and it will be almost at 100% of the cost due to the



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derelict boat program. Bob Kalmbach asked if there was any update on the large sewer bill for February which was a result of the major water main leak. Jerry Rowland reported there has been discussion with the North Perry water district and the sewer district but no resolution at this time. Bob asked for an update in the next month's managers' report.

- b. Commissioners Report – Allen Miller stated he would be attending the Spring WPPA Meeting May 16 -18, 2012, in Spokane. Jack Bailey reported on the Kitsap All Ports Meeting and there were Kingston Marina representatives present. He asked them about their wash down area for boats. They stated all they had was a water/oil separator. Bob Kalmbach said that at the Environmental meeting in Lake Chelan there was a report that the regulations will be changing and will require a filtering system. He advised to wait on doing anything on this until the new regulations are in place. Allen Miller asked if the Port should put in a wash down system now and get it grandfathered in when the new regulations come out. John Mitchell noted that there will be no grandfather clause and all systems will have to be built or modified to the new requirements. Jonathon Thomas said that the EPA has issued final approval of the wash down chemicals and those boats less than 73 feet do not have the restrictions on what chemicals can be used. Jack Bailey continued with his report stating that the Port of Bremerton is looking at what they can do to improve their occupancy of slips. He noted that they were stating they should do what the Port of Brownsville is doing. Carolyn Thomas asked if the Port's water hose area is considered a wash down area. Commissioners replied that it is not a wash down but just a rinse area at this time. Bob Kalmbach said in the future the Port would be required to put in a wash down area where certain chemicals can be used.
- c. Standing Committee Report –None

OLD BUSINESS

- a. James Blumenthal presented new information on Bonds that the Port will pursue for the rebuild of the marina. He opened by congratulating the Port on achieving a favorable audit and keeping a good income for the last 3 years. He stated his organization was ready to pursue on the Port's behalf a bond for rebuilding the marina. He reviewed the interest rates for the last 3 months and noted there has not been a significant change. He said that declaration is prepared for the Port to sign allowing his organization to proceed with the bonding. Jerry Rowland suggested signing this declaration before the resolution was voted on under new business to award the first rebuild contract and Bob Kalmbach agreed. Jim Blumenthal stated that was not necessary since the Port only needs to declare before the money is actually spent. Jack Bailey noted that there was a AAA rating on the report and asked if that was true for the Port. Jim Blumenthal stated he thought that it was likely that the Port would maintain their AA rating. Jack Bailey asked if some of the business to authorize the bonding could be accomplished telephonically. Jim stated he would confer with his company. Jerry Rowland stated there needs to be a motion to retain Jim Blumenthal's company Martin, Nelson and Company and then there needs to be a consensus to pursue the bonding. Jack Bailey made a motion to retain Martin, Nelson and Company to provide bonding service for the Port. Allen Miller seconded and the motion passed unanimously.



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Jerry Rowland stated there now needs to be a consensus by the commissioners. Commissioners were in agreement for Jim Blumenthal's company to pursue the bonding.

- b. Resolution 12-02 Revise Personnel Policy Manual Section IV. Motion made to approve resolution 12-02. Motion seconded. Jerry Rowland presented 3 pay scales, one was the current pay scale, one was for a change that was presented previously and the third was just a comparison to other Ports. Jerry Rowland recommended staying with the current pay scale but if there was going to be a change he thought the third option was the best. He noted that the current manual states that pay scale raises are not automatic. Jack Bailey stated that he prefers the pay scale in place and likes the way the current policy allows the Port Manager flexibility in pay scale incentives. Also, staying with the current pay scale will help with retaining the current staff. Jack Bailey made a motion to keep the current pay scale system. Allen Miller seconded the motion. Jack added in discussion that the Port is not in a dire financial situation and can pay the wages as they are now. Bob Kalmbach said he has reviewed all the pay scales and he thinks the current system is outdated. He prefers the 3rd option which gives the commissioners a lot more flexibility in hiring and starting wages. Jack Bailey pointed out that the pay for a new employee is decided on by the Port Manager. Motion carried 2 for and 1 against.
- c. Resolution 12-03 Revised Personnel Policy Manual which is the medical benefits portion. Jerry Rowland noted that the proposal in front of the commissioners has been modified for a 5 year plan instead of the original 10 year plan. He added that he would like to propose a new idea; that the employee continue with 100% medical benefits being paid by the Port, but the medical benefit costs for spouses and dependents would be paid for by the employee. This would ensure the employees that are being paid lower wages would not see a significant decrease in their pay, and it would make sure employees would seek medical attention which would get them back to work sooner. Increase for adding a spouse on average was about \$500 a month. He also proposed a phased approach for the employee to pay for the dependents medical benefits. Bob asked if the phased approach was based on when the employee changed status (married, etc.) or on the actual year the employee changed status (2012 vice 2017). Jerry Rowland stated it would be the actual year. Bob Kalmbach asked John Mitchell if the Port can do this legally. John Mitchell stated he thought there was nothing illegal about it. Bob Kalmbach stated he thought this proposal was the best solution that has been presented so far. This resolution was tabled until May meeting when Jerry Rowland will present more details of the new proposal. Allen Miller expressed concern over this new proposal dividing up the employee medical benefits and penalizing for being married. Jack Bailey stated that most married employees have a second income and possible medical benefits from the other income. Ned Cook asked if this included children. Bob Kalmbach stated it should say not just say spouse but dependents or family. Skip Nordal stated that all Washington State Employees are paying for the medical costs for the dependents.
- d. Acceptance of Bid for renovation of F Dock – Jack Bailey made a motion to accept the bid from Northwest Docks with the 3 change orders that have been discussed. Motions seconded and passed unanimously.



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NEW BUSINESS

- a. Resolution 12-05 Intent to Reimburse Capital Expenditure – This resolution states that the Port will be paid back from the bond for any money that was paid for the marina upgrade. Motion made by Jack Bailey to approve resolution 12-05. Motion seconded by Allen Miller, motion approved unanimously.

- b. Kitsap Visitor and Convention Bureau – Jack Bailey stated at the All Ports meeting it was brought up to share the cost of a website and brochure with information about the Kitsap ports. This is for promoting Ports in Kitsap County as a destination point. Total cost from all the Ports would be \$10,000.00 including web site costs and brochures. Jack Bailey suggested at the All Ports meeting that the WPPA pro rate method per income of each Port should be used and that was what was decided on. Jack guessed the Port of Brownsville portion would be around \$2,500.00. Jonathon Thomas said he thought this was a wonderful idea. Bob Kalmbach stated he would need more information on the subject before agreeing to pay possibly \$2,500.00 of the Ports money. Jack Bailey said there was not much information at the time of the meeting but in a few weeks there will be more. Jack Bailey stated that the point of contact is on the website and more information can be obtained there. Allen Miller moved to table this subject until more information is available. Skip Nordal brought up that a subject matter expert should attend a Port meeting and explain what benefit the Port of Brownsville would get for the money they gave. Ned Cook brought up that the Port has been part of the water trail for a long time and saw no benefit from this.

PUBLIC COMMENT

Bob Kalmbach brought up the Sea Scouts centennial which will have a celebration on either 4 May or 1 June. It will include music and other events. It will be held at the Foss docks in Tacoma Washington and tickets are \$15.00. Bob said he will give out the information to those who are interested.

EXECUTIVE SESSION

None



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CLOSE MEETING / ADJOURN

Commissioner Allen Miller made a motion to adjourn, Commissioner Jack Bailey seconded. Motion passed unanimously. Meeting adjourned at 9:06 p.m.

President/Commissioner

Secretary/Commissioner

Commissioner

Recording Secretary