



PORT OF BROWNSVILLE

9790 Ogle Rd • NE Bremerton, WA 98311
Office: 360-692-5498 • FAX 360-698-8023
pob@portofbrownsville.org

Commissioners:

Shaun Nye
Jack Bailey
Fred Perkins

September 18, 2019

CALL TO ORDER

Commissioner Shaun Nye called the regular session of the meeting to order at 6:03 PM. In attendance were Commissioner Jack Bailey, Commissioner Fred Perkins, Interim Port Manager Jerry Rowland, Port CPA Jan Fancher, and Port Attorney Neil Wachter.

PLEDGE OF ALLEGIANCE

Commissioners led pledge of allegiance.

APPROVAL OF AGENDA

Commissioner Fred Perkins made a motion to approve the agenda. Commissioner Jack Bailey seconded the motion. The motion passed unanimously.

APPROVAL OF CONSENT AGENDA

Consent agenda includes the Meeting Minutes for August 14, 2019, Special Meeting Minutes for August 16, 2019, and Special Meeting Minutes for August 20, 2019, and 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: September 2019 General Fund voucher numbers 42499 through 42568 for a total amount of \$180,577.03. Also approved for payment was September 2019 Electronic Transfer voucher numbers 2019-69 through 2019-80 for a total amount of \$26,815.63.

Motion made by Commissioner Jack Bailey to approve consent agenda as written. Motion was seconded by Commissioner Fred Perkins. Motion was approved unanimously.

PUBLIC COMMENT FOR ITEMS NOT LISTED ON AGENDA

Ed Wurden said he would like to save his comments until the end of the meeting.

PRESENTATIONS TO OR BY THE BOARD

Carol Ehlinger of the State Auditor's Office (SAO) gave an overview of the upcoming audit for the Port of Brownsville. In 2018, the 2017 fiscal year financial statements were incomplete due to changing accounting basis from GAAP to Cash basis. Rather than wait for documents to be completed, Carol Ehlinger decided to stop the audit at that point and inform the Port that they will be back the following year. While the Port's CPA Jan Fancher will be compiling the reports it is the Port's responsibility to look over the reports and assure that they are correct. The SAO plans to begin work in October this year and perform audits for the fiscal years 2017 and 2018. They will be doing a financial statement audit and an



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accountability audit. They have received a report of a suspected misappropriation and will follow up on that claim. The Port may hire an independent investigator to research the claims, but the SAO will review their findings and follow up as they deem necessary. The SAO then reports their discoveries at different reporting levels based on the seriousness of the information. The most serious is "Findings" which the Port has had over the past several years. These are published and sent to the public along with a written response by the Port. Management letters are provided in writing to the Port with control issues that will be reviewed next year. Exit Items are minor issues that could become larger problems in the future. Carol Ehlinger anticipates that it will take a couple months to complete the audit. Shaun Nye asked how large of a team and what resources they would require. Carol responded that normally 2 to 3 members come out that just need a place to work. SAO provides their own computers. They require staff that can answer their questions and the Port CPA Jan Fancher to be available.

Commissioner Bailey commented that it was the SAO directed the Port to switch to Cash basis. When the Auditor's office tried to schedule an appointment, former Port CPA Dennis Bryan made it clear he would be unavailable until after October 31, 2017. Dennis then changed 2017 fiscal year to Cash basis, but later when he went to check that information through the Auditor's office he was told he does not represent the Port. Dennis Bryan was able to contact someone at the SAO and sent the information to him. Dennis was told that the information "Looked good to me" and then proceeded to use as the basis for his submissions. Carol rebutted saying that the SAO only recommended the Port switch to Cash basis as the reporting requirements for GAAP are resource intensive and the expertise required to meet the requirements is continuing to increase. It was the Port's decision to accept that advice.

Commissioner Fred Perkins stated that there were issues with the prior two audits while using GAAP basis and that the commission decided to switch to Cash basis after doing plenty of research.

FINANCIAL REPORTS

Port CPA Jan Francher discussed the Cash Flow Statement that was presented to the Commissioners. As of July 31, 2019, the balance was \$1,590,701.45. As of the end of August 31, 2019, the balance was \$1,579,660.69. Jan then went on to explain her billing. Jan completed reconciling all of the Port's Quickbooks files from 2003 to present. Report is available upon request.

INFORMATION, STAFF AND COMMITTEE REPORTS

- a. Manager Report – Attached. BAD XIV is coming up shortly. The staff has been working hard to get ready. Port of Poulsbo asked if the Port would be interested in entering into an interlocal agreement.
- b. Maintenance Report – Attached. Brownsville – Routine maintenance including broken faucets and some electrical issues. Keyport – no report. Illahee – The Port has been given a list of tasks that the Port of Illahee would like completed. Waterman – Would like the Port to perform some maintenance and power washing.
- c. Commissioners Report – no reports.
- d. Committee Reports – Event Coordinator Marjorie Rowland gave the report on Brownsville Appreciation Day 2019. Merry Makers is set to help, Classic Yachts will only have 5 boats, Sally Hass has volunteered to be the coordinator for the Car show, Art Slam is doing the face painting, dinghy rides and sailboat rides are set, Shameless will be performing, and the kite-maker will be here. The schools have all be contacted for the Art Show and the art will be picked up from the schools on September 20th. The school performances are being organized by another volunteer. T & C Diving



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will be handling the treasure chest event. They have received the trailer for the hayrides. 9 vendors are currently registered. T-shirts and soda are ordered, and food will be ordered shortly. Health permits are ready for all cooking areas. Sea Scouts will be here to handle parking and there will be about 25 cadets from the Youth Academy.

OLD BUSINESS

- a. Boat Compliance list – Jerry reported he was unable to access the information to prepare the Boat Compliance list.
- b. Resolution 19-05 – Tabled pending further review.
- c. Budget– Jerry reworked all of the numbers and presented copies for the commissioners. The commission began to discuss whether October 9 was too early for the next Port Meeting. Jan Fancher suggested they hold a Budget Workshop on October 9th. The commission agreed unanimously to hold a Special Meeting including a Budget Workshop on October 9th at 6:00 PM and move the Port Meeting to October 16th.
- d. Resolution 19-07 Tariff – tabled for the October 9th meeting.
- e. Deli Lease – tabled for the October 9th meeting.
- f. Trident Sea School Lease – Jerry Rowland rewrote the lease and is awaiting attorney review. Jerry Rowland’s understanding is that a contract was approved but was never presented for signature. Commissioner Bailey commented that they had previously figured that \$50 per day was a better deal than signing a lease. Marjie Rowland commented that the \$50 per day was agreed upon at a previous meeting and there was a motion made that Shaun Nye would sign the contract as is that night. The contract from that night appears to be missing. Commissioner Bailey suggested adding this to the October 9th meeting agenda.

NEW BUSINESS

- a. Attorney’s Contract – The letter included allowed for 90 days. This will be tabled until the October 16th meeting.
- b. IT Issues and Estimates – The Port’s IT provider sent an estimate for a new firewall and Wi-Fi system totaling \$5,351.90. Commissioner Bailey suggested they get a second opinion.

PUBLIC COMMENT

Commissioner Fred Perkins began the public comment by stating there is a lot of tension currently and lawyers are involved. Things are coming to fruition. The budget looks like it’s in good shape and thanked everyone for their patience.

Ed Wurden made a presentation regarding maintenance at the Port. He said most important part of maintenance is documentation. He asked the managers of two other ports what their most important spending priority was, and the answer from both was “maintenance.” He also commented that there is no avenue for the public to provide information to the commission regarding maintenance matters.

Commissioner Fred Perkins volunteered to chair a special committee to go over the maintenance plan with the first meeting on October 14th at 5:00 PM.



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Matthew Gardner-Brown mentioned that this is his second meeting, and while the commission receives comments the public doesn't receive comments back to the public. He also asked about what happens in the executive meetings that the public doesn't know about. Commissioner Fred Perkins said that any decision made must be made in public. Commissioner Jack Bailey pointed out that the RCW's explain why Executive Session is closed from the public.

Carolyn Thomas announced the upcoming Haunted Harbor event at the Port on October 25th from 6:00 PM to 8:30 PM. They are expecting a small turnout from the Hearst group. Navy Yacht Club Everett is expecting to bring in 25 boats. Jingle Bell Dock is also being planned for this year.

Commissioner Shaun Nye said there would be a 15 minute recess and then the executive session would begin for one hour discussing legal, personnel and real estate and there will not be a decision made from the executive session. Regular session was adjourned at 7:45 PM. At 9:00 PM Commissioner Shaun Nye said the executive session will be in session for another 10 minutes. At 9:10 PM Commissioner Shaun Nye said the executive session will be in session for another 10 minutes.

EXECUTIVE SESSION –

| | | |
|----------------|-----|------------------------|
| a. Legal | Yes | RCW 42/3-/11-(1) (I) |
| b. Real Estate | Yes | RCW 42.30.110(1) (b-c) |
| c. Personnel | Yes | RCW 42.30.110(1) (f-h) |

The executive session was adjourned at 9:20 PM and regular session was reconvened

CLOSE MEETING / ADJOURN

Next Meeting October 16, 2019, as was scheduled earlier in the meeting.

Meeting was adjourned at 9:20 PM.

President / Commissioner

Secretary / Commissioner

Commissioner



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Recording Secretary