



## PORT OF BROWNSVILLE

9790 Ogle Rd • NE Bremerton, WA 98311  
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**Commissioners:**  
Mathew Messing  
Shaun Nye  
Kenneth McEwan

October 4, 2022

Special Meeting Minutes

### CALL TO ORDER

Commissioner Messing called the special meeting to order at 4:00 PM. In attendance were Commissioner Shaun Nye, Commissioner Kenneth McEwan, Executive Director Jerry Williams, CPA Jan Fancher, Auditor Joseph DaBell, and Administrative Assistant Heidi Cross.

### APPROVAL OF AGENDA

Commissioner Nye motioned to approve the agenda as written. Commissioner Messing seconded the motion. The motion passed.

### BUDGET WORK SESSION

CPA Fancher presents highlights from the Capital Assets. Port labor budget was changed from \$10,000 to \$20,000 at the previous meeting on September 28<sup>th</sup>, 2022.

Commissioner McEwan asks for an explanation for why the construction funds are in red in the Main Pier Walkway row, construction funds column (POB Capital Assets Budget – Draft – V2 2023, attached). CPA Fancher explains the funds are left over from 2017 Revenue Bond and are required to be kept separate from other funds. The Port is going to use the \$39,000 that was held in reserve to complete the Main Pier Walkway project.

Comprehensive Spending Plan: Commissioner McEwan's concern is if the funds can be reallocated if needed. CPA Fancher says the spending plan isn't set in stone. If there were other projects that came up the Port could use those funds and the budget can be modified, as needed.

Commissioner McEwan asks if the Commission will have the opportunity to approve individual items. Executive Director Williams asks if the funds can be used for any project. CPA Fancher responds that they must be used in the Marina. She adds they might be used for other expenditures.

Commissioner Messing asks if these are leftover funds. CPA Fancher says if it doesn't get used up in this year, it will have to be used later.

Commissioner Messing asks if the Whaler Boards fall under the Construction Fund. ED Williams says it could fall under that fund. CPA Fancher says the Port is allocating funds towards priority projects.

Commissioner McEwan wants the chance to decide on these items, later, as they arise.

Operating and Non-operating Budget: CPA Fancher discusses the possibility for raises for Port staff. She is asking the Commission to decide if there will be a 0, 3, 5 or 7.5% increase in wages for the staff. The increased wages affect the bottom line (profits) differently (see chart, attached). CPA Fancher says most other ports try to equally increase wages. Last year, the increase was 6%. The CPI was expected to



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increase but it actually decreased. The Commission is to discuss further before finalizing the budget. Commissioner Messing asks about wages in the previous years. ED Williams says he thinks it was increased by 3.5% two years ago (2020).

Commissioner McEwan states he wants to be able to see the employees' evaluations. Commissioner Nye asks ED Williams to present the evaluations to the Commission. ED Williams states that that is not typical. Commissioner Nye states that he thinks the request is reasonable.

CPA Fancher says 2 weeks ago they attended another port's meeting, they presented CPI and ranges of raises. One port did 10% to all – across the board. Commissioner McEwan wonders if they were merit-based raises. He wants to be able to monitor evaluations.

CPA Fancher points out that the cost of living has increased and it's not easy to include merit as a variable to giving raises. Commissioner McEwan states that wage increases don't usually get handed out in his experience. He wants the Commission to monitor performance.

Commissioner Messing says this conversation isn't about merit but settling it for the budget. Commissioner McEwan understands the CPI is increasing and the current state of the economy.

Commissioner Messing asks if the Commission approves the budget, can the Executive Director then increase it later. CPA Fancher says that that isn't recommended. She explains, as an example, that if an employee is getting lured away to another job, the Executive Director could issue a special raise to retain them.

CPA Fancher states they want to bring different options, 0, 3, 5, 7.5% for the Commission to consider. She wants them to be able to decide on a single number and bring the final budget draft to the next meeting, on October 12<sup>th</sup>.

Executive Director Williams says the Port's job is to create good-paying, long-term jobs. Part of that is offering benefits and good wages. Commissioner Messing states that he would like to see staff promoted from within. ED Williams doesn't want to have to reeducate people regularly.

Commissioner Nye motions to accept a 3 – 5% raise. Commissioner Messing seconds. CPA Fancher says she needs a definitive number; she would present it at 5%. At 5%, all approved, none opposed. The raise amount will be presented at 5% on the Budget.

CPA Fancher asks Commission to keep in mind the cash reserves and the Budget. She states that the Audit has officially begun.

Commissioner McEwan asks if there was any consideration given to losing the Brownsville Yacht Club account; does it impact the Budget, as it is? CPA Fancher says it's a small number that the Port receives from the Yacht Club so she doesn't anticipate any issues.

Commissioner McEwan asks about the cost of having the State Audit and CPA. CPA Fancher says the Audit has driven up the current cost of having a CPA as it has taken more time than usual to prepare for



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the Audit. Having a CPA in-house could cost more than one whose on contract due to benefits being offered to staff. It could be reassessed, going forward.

Commissioner Nye thanks Auditor DaBell and Executive Director Williams for the work they have done to prepare for the Budget, Tariff and Audit. He says Auditor DaBell has taken responsibility and initiative to improve things for the Port. Commissioner McEwan seconds.

Commissioner McEwan asks if there are structural protections in place to work within the law. Commissioner Nye states this is the first time in a long time that the Port is on solid ground.

CPA Fancher states the Auditors are budgeted for 240 hours to conduct the Audit. There will be another Audit in one year and the Port wants to be able to check all the boxes. That will give the indication that the systems the Port has in place are working properly.

CPA Fancher says at the October 12, 2022 Budget Hearing, the Budget will be presented, the people can comment, and the Commissioners will vote.

### CLOSE MEETING / ADJOURN

Meeting was adjourned at 6:01 PM.

A handwritten signature in black ink, appearing to be 'Mathew Messing', written over a horizontal line.

President / Commissioner

A handwritten signature in black ink, appearing to be 'Kenneth McEwan', written over a horizontal line.

Secretary / Commissioner

A handwritten signature in black ink, appearing to be 'Shaun Nye', written over a horizontal line.

Treasurer / Commissioner

A handwritten signature in black ink, appearing to be 'Shaun Nye', written over a horizontal line.

Recording Secretary