



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

Commissioners:
Bob Kalmbach
Jack Bailey
Fred Perkins

December 13, 2017

CALL TO ORDER

Commissioner Fred Perkins called the regular session of the meeting to order at 6:02 PM. In attendance were Commissioner Jack Bailey, Commissioner Bob Kalmbach, Interim Port Manager Matt Appleton, Port Attorney representative Carrie Eastman and Port Accountant Dennis Bryan.

PLEDGE OF ALLEGIANCE

Commissioners led pledge of allegiance.

APPROVAL OF AGENDA

Commissioner Jack Bailey made a motion to approve the agenda as written. Commissioner Bob Kalmbach seconded the motion and motion passed unanimously.

EXECUTIVE SESSION – Commissioner Fred Perkins recessed the regular session of the meeting at 6:15 PM and convened the Executive Session which would be 20 minutes long with no decisions to be made.

- | | | |
|----------------|------|------------------------|
| a. Legal | None | RCW 42/3-/11-(1) (I) |
| b. Real Estate | None | RCW 42.30.110(1) (b-c) |
| c. Personnel | Yes | RCW 42.30.110(1) (f-h) |

Executive session was extended an additional ten minutes.

Executive session was adjourned at 6:45 PM with no decisions made and regular session was reconvened.

RESOLUTION 17-11 Industrial Development District – Commissioner Bob Kalmbach made a motion to open this resolution for vote. This resolution had been tabled at the last commissioner’s meeting. Jack Bailey seconded the motion. During discussion Jack Bailey stated he initially opposed this resolution but after listening to financial experts he was for it. Now after the interest rates have gone up twice he is again opposed to this resolution. Fred Perkins called for the vote. All Commissioners voted nay and resolution was disapproved, not passed.

RESOLUTION 17-21 – Switch from GAAP Accounting to Cash Accounting – Commissioner Fred Perkins explained that this resolution was created from the current audit and the one performed 2 years ago. Commissioner Bob Kalmbach made a motion to approve Resolution 17-21 and Commissioner Jack Bailey seconded the motion. Fred Perkins read the RCW that allowed the Port to switch to Cash Accounting, adding that the auditor strongly suggested this switch. Dennis Bryan explained the history of the accounting system used at the Port and said it has been recommended in the last 4 audits to change to Cash Accounting. Commissioner Jack Bailey asked Dennis Bryan how fast the Port could change from GAAP Accounting and Cash Accounting. Dennis Bryan stated it would take about 30 seconds. Jack then asked how it would affect the QuickBooks accounting process. Dennis Bryan said that the Port already receives monthly reports in Cash Accounting basis and the QuickBooks accounting process would not be



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affected. Depreciation would no longer be captured, only purchases and sales. Bob Kalmbach added that the auditor stated the Port could go back years to make the switch. Commissioner Bob Kalmbach added to the motion to waive the second reading of the motion. Commissioner Jack Bailey seconded the addition and motion passed unanimously.

APPROVAL OF CONSENT AGENDA

Consent agenda includes the 8 November 2017 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: September 2017 General Fund voucher numbers 41311 through 41376 for a total amount of \$67,574.36. Also approved for payment was November 2017 Electronic Transfer voucher numbers 2017-91 through 2017-100 for a total amount of \$16,564.92.

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

PUBLIC COMMENT FOR ITEMS NOT LISTED ON AGENDA

Fred Perkins discussed the boat ramp that is next to the old Fire Hall building and said the commission had done some research and there are things but the Port needs to take care of. He was informed there was a group of volunteers that were willing to do some things but the Port will take care of this since there would be liability issues to consider. This item is not currently on the Comprehensive Scheme so he stated that there would be a Public Meeting scheduled to discuss this in more detail. Recording Secretary Marjie Rowland suggested a committee might be a better venue. Fred Perkins agreed but he wanted a Public meeting to discuss it further and set up the committee. Recording Secretary Marjie Rowland stated that when a committee is established, a commissioner is lead of that committee. Fred Perkins stated that would be him.

Vic Peters stated he was prepared to discuss the Industrial Development District (IDD) but since the commission voted to disapprove that, he would not address it. He thanked the commission for disapproving the IDD and said they did the right thing. He then said he had questions about the role of Mr. Rowland since May 1, 2017. He said he also wanted to address the proposed replacement of the boat launch although he understood that it was a done deal. He added that he would like to discuss the proposed Nature Trail also. He stated that at the January 11, 2017 Port Meeting, that the current Port Manager said his goal was to rebuild the marina before he retired. To that end engineering contracts were awarded by the Port to prepare detail plans and develop cost estimates to replace Port structures. These estimates in turn generated the IDD issue. That's why it came up. Port resolution 17-08 was prepared and presented to the commissioners by Mr. Rowland when he was Port Manager. Commissioners passed that resolution at a special meeting on April 25, 2017. Resolution 17-08 created the new positions of Interim Port Manager and Contract Specialist. At that meeting Commissioner Jack Bailey requested that reading of the resolution to be considered the second reading for expediency because the subject was time sensitive. The role of Contract Specialist as described in Resolution 17-08 is a new independent position of the Port, one in which the Interim Port Manager had no authority. At the same April meeting Mr. Rowland also presented Resolution 17-09 which named Mr. Matt Appleton as Interim Port Manager and



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again Commissioner proposed that this be considered the second reading of this resolution for reasons of expediency. The Commissioner Board passed Resolution 17-09. However, the minutes do not reflect that anyone was hired as Contract Specialist. There is no record in those minutes or any subsequent minutes concerning the hiring of Contract Specialist. Minutes of the July 19, 2017 meeting and subsequent meetings refer to Mr. Rowland as the Contract Manager. Was Mr. Rowland hired to fill the role of Contract Specialist at the special meeting on April 25? Was the position title changed to Contract Manager? Can the Commission clarify this? Commissioners responded that they could not remember at this moment as it was almost 6 months ago. Fred Perkins asked what the issue was. Vic Peters said the issue was RCW 42.030.110(g) which states discussion of a governing body salaries and other conditions of employment to be generally applied within the agency shall occur in an open meeting open to the public and when a governing body takes final action of hiring, setting the salary of an individual employee or class of employees or disciplining an employee that action shall be taken in a meeting open to the public. There's no such record of that having occurred. He stated he was concerned with what really happened and what the official record says and he requested that the commissioners correct those minutes of those meeting to reflect what really happened. Fred Perkins replied that it was a good request. Vic Peters asked if the commissioners could tell the salaries of those 2 positions. Fred Perkins replied that everything was in the budget and public. Vic responded he could get that from Matt Appleton. Vic Peters went on to say that the purpose is because Mr. Rowland is the sponsor of the major projects at issue. No one else has the knowledge of details and the behind the scenes maneuvering in dealings with the contractors. He prepared and issued engineering contracts. Those contracts asked for proposals to replace Port structures, not repair. There was no open and inspect report, which he attributes to Mr. Rowland's goal of rebuilding the marina. Decisions to repair or replace should not be made until actual conditions are clearly defined using effective and accepted methods. As an example, Mr. Rowland stated at the meeting January 11, 2017, that 50% of the main dock pilings needed replacement. Recent inspections indicate that only 4 pilings are defective and they only need repair, not replacement. Replacement can be deferred indefinitely. He went on to discuss the boat launch ramp. He stated it was a prime example of what can happen when cost is not a design constraint and when actual users are not involved. He said replacing the launch ramp at an angle was as he understands part of the permitting negotiations. Fred Perkins questioned his understanding of the permitting process and agreements that were made. He requested Vic Peters to get to the point. Vic stated the point is that a launch ramp has to have an area for backing up straight. Fred Perkins asked what his recommendation was and he replied to throw the replacement of the launch ramp away. Vic Peters continued with a discussion on the Nature Trail. He noted that an informal survey was conducted during Brownsville Appreciation Days and the statement was that all the people who took the survey were all for it. He said that it was not a valid justification for this project. He said if you want an honest survey you should ask the question 'would you pledge \$25 a year for the next 20 years so there can be a Nature Trail'. He stated he thought that no one would agree to this. He went on to say that knowing actual conditions and rates of change are essential for proper maintenance and from that probable structural life can be projected and available options can then be considered such as do nothing, perform minor repairs, revise integral maintenance procedure, monitor integral conditions and determine rates of deterioration and develop feasible correction and action plan. This plan would also identify resources to complete the action plan, in house or contractor, etc. Then he added that a schedule would show when the action needs to occur, consistent with available resources, money being the primary resource. He then stated the Port could issue contracts if needed due to the conditions that have been monitored and this should never be a sole source company. He stated none of the options he has stated seems to have been considered for the projects on the table to rebuild the



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marina. He said that the situation would not exist if the Port had an ongoing and effective maintenance program. An effective program should enumerate all the Ports properties and substructures, specify periodic inspection requirements for each enumeration, maintain inspection reports and records, track and trend inspection findings. His example was if a dock was sinking, how much and over what time period. Fred Perkins asked where Vic was going with this statement. Vic said he was giving the Port some ideas that the marina constituents would like to see. Fred Perkins said the commissioners heard this at the last two meetings and they are listening to what the public is saying. From those meetings some things have already changed and happened and there are great recommendations and the commissioners have taken action on a lot of those things. Vic continued to recommend that the Port contract landscaping since the Port employees could be using their skills doing Port maintenance rather than ride around on a mowing machine, and the cost of maintaining and storing this type of equipment. Vic continued to give examples of maintenance life cycle through inspection and life expectancy and new technology. He recommended spreading out the work and the cost and avoiding peaks and valleys. Vic stated that the Port is in the condition it is today by not doing what he is recommending. Fred Perkins reminded Vic that the commissioners are listening and are taking the suggestions and recommendations into consideration.

John Green stated some of his statement has already been covered. He asked what the current boat house rate was and what it would be in 2018. Fred Perkins said all of that information is available in the budget and the new rates were sent out in the current billings. Matt Appleton stated he could come to the office to get that information, but it is in the minutes and discussed at the Commissioner meetings. He noted that a Brownsville Yacht Club member was present when the 2018 rates were presented. John Green wanted clarification on what other entities had input on the planned projects and what the urgency was on these projects. Fred Perkins explained the Comprehensive Scheme and how the projects are placed in there every two years and public input is welcome. John Green asked for clarification on the statements that moorage rates would be increased. Fred Perkins explained that it was only an option on how to pay for the planned projects. It has not been approved. Fred reminded everyone that if you have a question go talk to Matt Appleton in the office. Matt reinforced that statement and said the information is in the office but he does not have it at the meeting so come see him in the office.

Chris Kelly said she had an observation that she wanted to express. The commissioners encourage the public to come to the meeting and the public does not read everything they receive so they get more information at the Port meeting. She said she doesn't like the hostility that she perceives the commissioners are projecting. She said that everyone is on the same team and the public is just throwing in ideas for all to share for the betterment of the Port. Fred Perkins apologized for his action at the meeting but he has heard the same thing over and over. He said he would be better at accepting input from the public.

Ken McKuen commented on the launch ramp and he expressed concern over the orientation of the ramp and the interaction with the pedestrians. He was concerned over the angle. Fred Perkins said to look at the plan in the office; the angle is not that great.

Steve Neuhauser stated that this is the fourth increase in moorage in 4 years. He said the new docks require almost zero maintenance so he wanted to understand why the increase. He requested a breakdown of the price increases. Fred Perkins reminded the public that when the dock replacement plan was presented years ago it was stated there would be an increase in the moorage rates every year. In addition



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the Ports costs have increased for insurance and employee costs. Steve continued to request information on understanding the breakdown in the moorage rates. He asked if other Ports were doing rate increases. Fred Perkins said the commission takes that into account every year when they set up the tariff which goes with the budget to the county every year. He added the explanation of the increase for those marina tenants that do not live in the Port district. He recommended that Steve do the comparison to other Ports. Steve then said the huge percentage of money that operates the marina is from the tenants and they have an increase but the taxpayers do not. Bob Kalmbach explained that the taxpayers pay whatever is allowed by law. It is all controlled by county on how much the Port gets from the taxpayers. Steve asked how much the taxpayers were going to pay in 2018. Bob Kalmbach replied he thought it was going to be 25 cents per \$1,000 value of the property. That was a decrease in rate because of new construction in the district but the total amount collected for the Port has only increased by 1% from last year. Bob Kalmbach went on to explain that in the past the marina was operated using tenant income and other income but not the taxpayer income. This year, because of the improvements in the marina, \$286,000 of taxpayer income is going toward paying for the new docks and will continue to do so for the next 20 years. Steve asked what the percentage was between tenant income and taxpayer income to operate the Port. Dennis Bryan stated it was 67% tenant income and 33% taxpayer income. Bob Kalmbach read the moorage rates for boats and boat houses without the costs of security and other costs. Steve said he would like to see the moorage rates level out. Bob Kalmbach said the Port is fiscally responsible and some of the ideas that others present cost staff and money. Staffing has been cut and is the lowest it has been in years. Chris Kelly asked if the moorage rates go up if other fees will be increased such as rentals. Fred Perkins responded no one gets a free ride.

Bob Kalmbach gave some rates on items on electricity which is decreasing, sewer rate is increasing, and water rate is decreasing. Overall the change in total billing will be a minor increase.

John Green requested all the rates be posted in the next newsletter. Matt Appleton said he would put the moorage rates in the next newsletter.

Jack Bailey reminded all that the Port costs for insurance has increased significantly and the employee medical insurance also has increased. Bob Kalmbach stated that part time employees will now get medical as mandated by the State. Cost of operation has increased due to mandates by government agencies.

Tammy Cox asked a question if the Port used a Health Insurance Broker to get rates for the health insurance. Dennis Bryan said the Port has to use the State Health Plan system.

Jack Bailey also added that tariff goes up by cost of living every year. It is in the budget process as approved by the Commissioners.

PRESENTATIONS TO OR BY THE BOARD

None



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FINANCIAL REPORTS

Port Accountant Dennis Bryan provided the October 31, 2017 end of month financial report. As of October 31, 2017 the balance was \$1,682,437.54. He stated the Port received the semiannual property tax income from the county in the month of October. He reviewed commissioner's report. Financial report is available upon request.

Dennis Bryan said that changing to Cash Accounting from GAAP Accounting would reduce the cost of annual reports and audits. The current audit will be completed in January. Dennis will give more details on the result in the January port meeting.

INFORMATION, STAFF AND COMMITTEE REPORTS

- a. Manager Report – Attached.
- b. Maintenance Report – Attached. Commissioner Jack Bailey asked how long it takes to get a vacuum on the in-port sewer system. Matt Appleton said 2 to 3 minutes. He added it will shut off after 5 minutes. Jack asked if there was any danger of the pump house freezing. Matt Appleton said there is always sewage in the lines and any water is salt water so it doesn't freeze. Fred Perkins said if it gets down to ten degrees it may be something to consider. Matt said he would look at a heater to be added to the pump in cold winter conditions. No Keypoint report.
- c. Commissioners Report –
Jack Bailey said he attended the WPPA Annual Conference meeting, Marinas Committee meeting and the Environmental Committee meeting. The Environmental meeting was concerned with the entire Puget Sound being a no discharge zone which is inflicting a high price on many people due to the cost of having on board sewage which some boats just aren't designed for. Storm water drain is also a concern. This Port has an old system and the state may institute new requirements. Bob Kalmbach stated that currently the Port meets all the storm water requirements. The money for cleanup for sites that are contaminated will be funded. Jack Bailey did a presentation to the environmental committee on the Port of Brownsville new docks. As a result there have been 2 other ports visit the Port of Brownsville. The ports were impressed with the in dock sewer system and with the amount of light penetration through the docks; also, the viability and the longevity of the aluminum structures. They were also impressed with the cost which is not much more than a standard replacement cost of wood and concrete. Matt Appleton added that they were very interested in the fact that the Port staff did the work instead of hiring a contractor, which saved money. They wanted to know tools used and any training. Jack Bailey said people were asking him all the time about the docks. He added that other Ports gave reports of interest. The enhancement of storm water was emphasized and all projects will now have to include a storm water drain plan.

Bob Kalmbach stated he attended Central Kitsap School District School Board Meeting and presented the 4 Elementary schools in the Port district with a check for \$1,961.46. This is the money from the Port's festival, Brownsville Appreciation Day (BAD). So far the following schools have reported what they are going to do with the money:

Brownsville Elementary – robotics kits
Cottonwood Elementary – Unicycle Club equipment



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Esquire Hills – Music Program

Bob Kalmbach read a letter from Cottonwood Elementary about the appreciation of the donation from the Port of Brownsville. They thanked the Port for their efforts.

The Port of Brownsville received a certificate of appreciation from the Central Kitsap School District Board.

Bob Kalmbach said he did attend the initial meeting with the auditors and he always looks at the auditors as people who are there to help the Port.

Bob Kalmbach reminded everyone that the next meeting in January will be his last meeting as commissioner.

Someone asked why the Port waited so many years to switch from GAAP Accounting to Cash Accounting when it has been recommended for so many years. Dennis Bryan said that the RCW's did have an income limit that when you reached \$2,000,000 you had to use GAAP Accounting. Now the RCW has changed and now there is no dollar amount and it is the Port's choice. He said in the past he preferred GAAP Accounting but with the latest changes he recommends Cash accounting.

Jack Bailey added to his report that there was a round table discussion that stated there is grant money available for any Nature Trails for the public.

d. Standing Committee Report – None

OLD BUSINESS

- a. Boathouse Compliance – Matt Appleton said there has been no change since last report. Fred Perkins shared with the public the progress that has been made over the past few years by Port staff and boathouse owners in coming into compliance with rules and regulations.
- b. Boat Compliance list – Matt Appleton reported on boats that did not have current registration and those that were behind in payment. It is the same six people as last months.

NEW BUSINESS

- a. None



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PUBLIC COMMENT

Fred Perkins said with all of the comments on improving communication, the Port found a newsletter that was sent to every individual in the Port district in 2009. There were requests in there for comments and other inputs but there was none. Jack Bailey stated that when this one was issued it was decided to do this twice a year but with no response from the district residents it was decided that it wasn't cost effective. But with recent comments this is being considered again. Fred added that the Port will be sending post cards to the residents in district 3 looking for a replacement for Commissioner Bob Kalmbach.

John Morrison added for the record that he is volunteering with Jenna Mathews to help with communication and he has been live streaming this meeting and it will be posted on the Facebook page titled Port of Brownsville community. He will supply the URL to the recording secretary to post.
<https://www.facebook.com/BrownsvilleWA/>

Fred Perkins stated there would be corrections to the October meeting minutes changing a statement from Fred Perkins "Julie Jablonski asked if this engineer evaluation did pile by pile and if the Port had a copy of that available and Fred answered yes." to "Julie Jablonski asked if this engineer evaluation did pile by pile and if the Port had a copy of that available and Fred answered **no.**", changing yes to no. The other correction was in the statement made by Julie Jablonski "She did want to see the good reputation of the Port to be squandered by lack of communication." to "She did **not** want to see the good reputation of the Port to be squandered by lack of communication." The word "not" was added to the sentence.

Wes Parsons asked if there was any action on getting electronic mailings to save postage cost for the Port. Fred Perkins stated the commissioners are looking at that.

Tammy Cox asked about the boat compliance report and how long the boat is in arears before action is taken. Matt Appleton stated 90 days and there is a process written with several steps that are followed for anyone that stops paying for their moorage. It can take six months for the whole procedure and the Port does not take partial payment. She asked if the Port still has a waiting list. Matt Appleton said yes. He added that if a boat is chained for non-payment three times then that boat has to leave the marina.

Vic Peters asked if there was still a requirement for boats being able to get underway. Bob Kalmbach said it is still in the rules and regulations but underway can be interpreted differently. Vic said a boat near him sunk in the marina. Jack Bailey asked how long that boat was and Vic Peters replied about 50 feet.

Ned Cook asked if there was a report of derelict boats and Matt Appleton stated it was on the boat compliance report. Currently there are two on the boat compliance list.

Marjie Rowland, recording secretary, stated that in the last 2 months in a row she has heard Mr. Rowland's name brought up in a negative connotation. She said she wanted to remind everyone that he worked at the Port for 20 years and he dedicated his life to making the marina a better place. It was always on the Port's Comprehensive Scheme for the marina to be rebuilt because it was decaying and that



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was his mission to help with getting those projects done. So he was not the enemy, he was always a friend to this Port. He has retired and there has been no recognition to him for his service from this Port.

CLOSE MEETING / ADJOURN

Meeting was adjourned at 8:22 PM.

President / Commissioner

Secretary / Commissioner

Commissioner

Recording Secretary