



Port of Brownsville
Minutes of Meeting
10 March 2010

CALL TO ORDER

Commissioner Jack Bailey called the regular session of the meeting to order at 7:03 PM. In attendance were Commissioner Bob Kalmbach, 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 to accept agenda as written. Motion seconded and approved unanimously.

APPROVAL OF CONSENT AGENDA

Motion made to accept consent agenda as written. Consent agenda includes the minutes for the February 10, 2010 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 has been made available to the public. Those vouchers approved for payment are included in the audited and certified list and further described as follows: March 2010 General Fund voucher numbers 25995 through 26043 for a total amount of \$57,771.29. Also approved for payment was March 2010 Electronic Transfer voucher numbers 2010-19 through 2010-28 for a total amount of \$12,683.43.

Motion seconded and approved unanimously.

PUBLIC COMMENT FOR ITEMS NOT LISTED ON AGENDA

Jack Bailey commented on his statement he made at the last meeting concerning conduct of the commissioner meetings. He apologized to anyone who may have interpreted his statement as infringing on their freedom of speech. He stated he was only trying to instill some decorum into the meetings. He added that it is sometimes hard for the tape recorder to record people and having them come to the podium does help.

Frank Reed thanked the commissioners for keeping the Port financially solvent. He wanted to remind the commissioners that there was a still a road hazard concern by the Fire Hall, no matter what the commissioners decided to do with the property. He also felt the commissioners had every right to ask questions of any prospective tenant.

Allen Miller stated he agreed with having the people come to the podium and he requested that the people also state their name.

Mark Morton commented that good came out of the process of getting the Fire Hall occupied. He reminded everyone that the meeting that was at the Paulson Road Grange held by concerned Brownsville residents was well advertised and 3 out of the 4 prospective renters showed up without invite. The proposers of the Brew Pub did not show up. He stated that the Port of Brownsville is a small community and not like the Port of Bremerton with an airport. He thanked the commissioners for keeping the Port financially sound but he asked them to remember that this is a neighborhood community, not a fiscal business development area.

Skip Nordal stated that the Port of Brownsville area was more than just the marina and its immediate surroundings. He requested that all of the Ports residents be heard on issues such as the Fire Hall rental.

Ann Reed asked why the rental sign had not gone back up on the Fire Hall when the Port was notified that the Brew Pub people were withdrawing their offer. Jerry Rowland stated he had to have direction from the commissioners at a public meeting on how to proceed with the Fire Hall. The commissioners were the ones to decide if the Fire Hall was to be put up for rent again or if they wanted to pursue using it in a different manner.

Jack Bailey noted that the Kitsap Newspaper article stated that the people who had proposed to put in a Brew Pub had decided in December not to go ahead with the lease. He stated it would have been nice if the commissioners had known that at that time.

PRESENTATION TO OR BY THE BOARD

Jonathon Thomas gave a presentation to the Commissioners on the Schooner Levensgro. He is Captain of this sailing ship and described how many hours it had logged, the volunteers that kept it ship shape, the public sails that have been offered and are still being offered, and the fact that the Washington Youth Academy uses the vessel for team building events. He added that they are looking to provide local schools with the opportunity to go sailing on the ship. He announced that he would be making a presentation to the Kitsap County Commissioners at their meeting on March 22, 2010, representing the Northwest Schooner Society. He introduced the President of the Northwest Schooner Society, Dave Savage. He noted that they have many volunteers in the organization and they are always looking for more. It is a good way to be involved with the community.

Jack Bailey thanked Jonathon for the presentation and for the outreach to the community. The Levensgro was developing good public relations with the community.

Jonathon Thomas replied that there were a lot of people that made it successful. Jack Bailey responded that every engine has its spark plug and Jonathon was it for the Northwest Schooner Society.

Ed Wurden stated he appreciated the fact that Jack Bailey apologized for his statement at the previous meeting. He reminded everyone that freedom of speech is very important.

Jack Bailey stated he appreciated the feedback that Ed Wurden and others give.

FINANCIAL REPORTS

Port Accountant Dennis Bryan presented the 28 February 2010 financial reports. With gas added into the statement, operating revenue is under budget and non-operating revenue is under budget. Operating expenses are under budget and Admin expenses are over budget. Non-operating expenses are even to budget as well as Capital improvement is even to budget.

Without gas in the statement, operating revenue is even to budget, operating expenses are even to budget. The rest is the same as with gas.

Ned Cook asked what the \$20,000 was in the capital improvement line. Jerry Rowland replied it was the new items purchased for the office renovation.

Dennis Bryan stated there was an out brief of the state audit held last week. He stated there were no findings, just some suggestions on how to record capital improvements. Jerry Rowland noted that this audit marked 30 plus years of audits performed on the Port of Brownsville with no findings.

Bob Kalmbach thanked Jerry Rowland and the staff and Dennis Bryan for all they did to make this a successful audit.

INFORMATION, STAFF AND COMMITTEE REPORTS

- a. Managers Report – Attached.
 1. Bob Kalmbach noted that diesel sales were down and asked why. Jerry Rowland replied it was due to the fact that the Geoduck farmers were not at the marina much this year due to where they are directed to harvest. Ed Wurden asked when the Port was going to have emergency response training again. Jerry Rowland replied that it would be sometime in August, noting that it had been about 3 years since the last training.
- b. Commissioners Report – Jack Bailey reported that there had been a meeting with the Suquamish tribe on the proposed lease line movement. He stated the tribe biologist was present at that meeting.
- c. Standing Committee Report – None

OLD BUSINESS

- a. Deli Lease – Jerry Rowland stated the lease has been reviewed by Port Attorney, Mr. Mitchell, the tenants and the Commissioners. Deli manager Cheryl Estep requested that since the carpet has not been replaced since Ron and Marry Ann owned the deli, she would like the Commissioners to consider having new carpet installed. Jerry told her it probably would not be this year but it could be added to the budget for next year. However, if at the end of the year there is additional money available in the building maintenance account the Port might be able to do it then. Jack Bailey asked how much the carpet would cost. Jerry Rowland replied it would be between 1,000 and 3,000 dollars. Commissioners gave consent to the Port Manager to proceed with signing the contract.

- b. Modify Lease Lines – Inca Inc. has been contracted to redraw the lease line showing the proposed changes to the north and east. As soon as those drawings are finalized the Port Manager will submit the proposal to DNR along with the Joint Aquatic Resources Permit Application (JARPA) and State Environmental Permit Application (SEPA) to move the north breakwater.

Ned Cook asked how the Port could proceed with the permits without acquiring the triangle piece that has been under negotiation. John Mitchell replied that the area in these permits did not include the triangle piece.

- c. Fire Hall Proposal – Jerry Rowland announced that the Brew Pub proposal submitted by Karen Pierce and Donald Smithhisler has been withdrawn. As directed he had invited the other three interested parties; Michael Norman, Bob and Linda Hoard, and Anthony Drouin to this meeting. Jerry Rowland also added a note from one of the tenants suggesting that the Commissioners consider revisiting a proposal to use the fire hall as the Port shop.

Vic Peters asked why the Brew Pub people withdrew their proposal. Jack Bailey replied it was because of him, as stated in the Kitsap Sun News article and in the letter from Karen Pierce.

Jim Richmond asked how much revenue was lost to the Port. Bob Kalmbach stated he thought it was about \$400,000.00 for a ten year lease. He asked a question of what was the purpose of the Port to which Jack Bailey stated it was to promote use of the water and economic development and also to be prudent with the taxpayer's money.

Mark Morton stated the potential earnings were not in concrete as there was no signed contract.

Jack Bailey stated he would like to see the Port shop move to the upper floor of the Fire Hall and use the Lower Level for Commissioner Meetings.

It was brought up that the Brownsville Yacht Club was offered the lower level but refused to move. Ned Cook clarified that the Yacht Club did not refuse. They did not reply to the proposal and soon there were other offers for the Fire Hall use.

Bob Kalmbach stated he felt that this was not in the best interest of the public. That it should be something that the public can use.

Allen Miller stated it was not fiscally responsible to let the building sit there not being used.

Someone asked how much the Fire Hall was purchased for and Jack Bailey replied \$675,000.00.

Allen Miller stated that there would have to be some improvements to the Fire Hall no matter what or who moved in there.

If the existing shop was turned in to rental storage space for tenants, that would be steady income for the Port.

Bob Kalmbach stated the Port Commissioners were at a stalemate as to what to do with the Fire Hall. However, somehow they need to move forward with a plan to use it.

Ed Wurden stated moving the Port shop to the Fire Hall would make a non-functional shop for maintenance since it would be so far from the marina area. Jack Bailey responded that it would be safer than where the shop was located now.

Jack Bailey stated that the sign for renting the Fire Hall should be put back up on the building.

Mike Ashton stated before the sign goes up, the commissioners need to come to agreement on what type of business should be in the building.

Jack Bailey stated they are in agreement that it should be something good for the community in business and in assets. He felt a restaurant was a risky venture.

Frank Reed stated the commissioners were going around in circles on the use of the Fire Hall and he recommended hiring a consultant or land developer to give a recommendation to the commissioners.

Jack Bailey directed the Port Manager to put the rental sign back on the building and follow up with contacting the people who presented previous proposals.

NEW BUSINESS

- a. Purchase of test Aluminum Finger Piers – Jerry Rowland stated that the Commissioners and a lot of the marina tenants had the opportunity to look at and walk on the aluminum finger pier that was attached to “A” dock for a few days prior to the last Port Meeting. He stated that everyone he had talked to has stated it appears to be a very good way for the Port to proceed when it is time to replace the docks and piers in the marina. With that in mind, Jerry Rowland presented to the Commissioners a scope of work requesting bids for three test finger piers. Jerry requested the Commissioners approval and authorization to enter into a contract not to exceed \$12,000.00 to purchase these finger piers.

Jim Guy who manufactures aluminum piers was present to discuss these type of piers. He stated that the DNR regulations will soon require a bond for removal of docks if decayed. This would be expensive for the port since wood docks decay quickly. Aluminum docks last a lot longer and they are resalable for scrap metal.

Jerry Rowland added that the initial cost is more expensive than wood but they last about 100 years compared to 8 to 12 years for a wooden pier.

Bob Kalmbach made a motion to authorize the Port Manager to purchase aluminum piers per the proposed scope of work and move forward with ordering the piers.

Allen Miller asked what size the pier was that was on A dock. Jerry Rowland stated it was 3 feet X 24 feet.

Allen Miller seconded the motion. Motion passed unanimously.

- b. Security Contract – With the legislation in place passing RCW 53.19.005 establishing a policy of open competition for all personal services including purchased services contracts which is the category the Ports security contract falls under, it became necessary when the existing contract with Northwest Protective expired to solicit bids. The Commissioners have a copy of the bids for the next three year period. After a thorough review of the bids received, looking at them from all aspects including qualifications, Blue Knights Inc. came in as the low bidder. A “notice to proceed” letter has been prepared for Blue Knights, Inc. informing them they have the contract which will become effective 1 April. Jerry noted that this is not going to be a very popular decision due to the tenants liking the guards that are on duty now. He is hoping that Blue Knights Inc. will at least talk to the current security staff to see if they would like to continue here at the Port. He requested authorization to enter into a contract with Blue Knights Inc. for the next three years.

Ed Wurden suggested that maybe the Port should experiment in not having a security service at all.

Ned Cook asked what type of reputation the Blue Knights, Inc. Company had. Was it going to be the same quality of service? Jerry Rowland stated they are now performing security duty at the Port of Bremerton and the Port of Allyn and those Ports are pleased with their service.

Jodi Fitchett asked if the guards would walk her to her car at night like the ones on duty now. Ron Smith stated that not having a security company would not be a good idea. Ed Wurden agreed it was an added protection from theft.

Jack Bailey made a motion to enter into contract with Blue Knights, Inc. for a security guard system. Allen Miller seconded the motion and it passed unanimously.

- c. Derelict Vessel – Jerry Rowland announced that the Ferro-cement sailboat on the outside of the breakwater is now considered a derelict vessel, with the owners consent. Gregg Faulkner has done all the paperwork to send it to the derelict vessel program. The unfortunate part of this is the initial estimate the Port received to remove the boat and get rid of it is \$14,810.00 and some change. This could increase as time goes on. The Port will be required to pay this charge up front and with any kind of luck the Port will get 75% of it back, but it will still end up costing the Port over \$3,000.00. Jerry stated the Port will send this to collections but chances are, knowing the circumstances behind this boat, the Port will not see any money.

PUBLIC COMMENT

Ed Wurden asked what the Port could do to prevent people from leaving their boats at the marina and the Port having to pay to get rid of them as a derelict. Jerry Rowland replied that the Port cannot refuse people from tying up to the docks since it is a public port.

EXECUTIVE SESSION

Commissioner Bailey recessed the regular meeting to go into executive session per RCW 42.30.110 (1) (b-c) (i). He recessed at 9:06 PM stating that they would be in executive session on real estate and legal matters for approximately fifteen minutes and there was a possibility that some action could be taken.

Commissioner Bailey recessed the executive session at 9:21 PM and reopened the regular meeting.

Commissioner Bailey explained that the Port had been contacted in August 2009 by the owners of some property adjacent to Port property wanting to know if the Port would be interested in purchasing their property.

The Port Manager was directed in November to have an appraisal done of the two pieces and to provide the appraisal to the property owners. This was done and copies provided. The owners then submitted a proposed asking price to the Port.

Commissioner Kalmbach made a motion that unless the owners of the property revised their asking price to be closer to the appraisal amount, the Port would not be interested in purchasing the property at this time. Motion seconded and passed unanimously.

Port Manager was directed to draft a letter to the property owners stating the Ports position. The Commissioners further requested that they be able to review the letter prior to it being sent to the property owners.

CLOSE MEETING / ADJOURN

Motion made to adjourn. Motion seconded and passed unanimously.

Meeting adjourned 9:35 PM.

President/Commissioner

Secretary/Commissioner

Commissioner

Recording Secretary