

PORT OF BREMERTON
BOARD OF COMMISSIONERS
REGULAR BUSINESS MEETING

A G E N D A

October 30, 2018
6:00 PM

Bill Mahan Conference Room
Port Administration Offices
Bremerton Nat'l Airport Terminal Bldg
8850 SW State Hwy 3, Bremerton

Call to Order

Pledge of Allegiance

Approval of Agenda

Consent Items

All matters listed under Consent Items have been distributed to each member of the Commission for reading and study, are considered to be routine, and will be enacted by one motion of the Commission with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Items and placed under Action Items by request.

- A. Minutes of the regular business meeting of October 9, 2018.
- B. Payment of checks #103538 through #103568 and #78423 through #78426 and #78428 through #78518 from the General Fund for \$313,934.38; and the payment of payroll taxes for \$17,504.33.
- C. Fund Transfer Resolution:
 - Resolution 2018-05 transferring \$50,000 into Seabeck Business Opportunities fund

Work Study Session

- 1. 2019 Preliminary Budget

Citizen Comments: *Open to the public for comment. Speakers are asked to keep their comments to less than 3 minutes. A Commissioner may request to waive the 3 minute time limit. Please feel free to submit further comments in writing to the Clerk of the Board.*

Action Items

1. Olympic View Industrial Park (OVIP) Building #5 Painting Project Final Acceptance with Sabelhaus West, Inc.

Commission New Business

Staff Reports

Commission Reports

Executive Session *(if necessary)*

Adjournment

Regular business and other meetings that may be attended by members of the Board

<u><i>Date</i></u>	<u><i>Time</i></u>	<u><i>Meeting</i></u>
<i>10/30</i>	<i>6 pm</i>	<i>DATE CHANGE *Commission Regular Meeting – Bill Mahan Conf. Rm</i>
<i>11/06</i>		<i>ELECTION DAY</i>
<i>11/06</i>	<i>10:15 am</i>	<i>Kitsap Regional Coordinating Council Executive Board</i>
<i>11/12</i>		<i>Veteran’s Day observed – All Port offices closed</i>
<i>11/13</i>	<i>10:00 am</i>	<i>*Commission Regular Meeting – Bill Mahan Conference Rm</i>

Meetings are subject to change or cancellation

**Denotes events in which two (2) or more Commissioners may attend*

PORT OF BREMERTON
BOARD OF COMMISSIONERS
REGULAR BUSINESS MEETING

MINUTES

October 9, 2018
10:00 AM

Bill Mahan Conference Room
Port Administration Offices
Bremerton Nat'l Airport Terminal Bldg
8850 SW State Hwy 3, Bremerton

Commissioners and Staff Present

Commissioners

Larry Stokes
Cary Bozeman
Axel Strakeljahn

Staff Members

Jim Rothlin
Fred Salisbury
Sherman Hu
Arne Bakker
Tim Mensonides
Victoria Peters
Ginger Waye
Anne Montgomery, Atty

Call to Order

President Stokes called the meeting to order at 10:00 a.m. and led the Pledge of Allegiance.

Approval of Agenda

It was moved by STRAKELJAHN, seconded by BOZEMAN to:

Approve the Agenda as presented.

MOTION CARRIES, 3-0

Consent Items

- A. Minutes of the regular business meeting and executive session of September 25, 2018.
- B. Payment of checks #103506 through #103537 and #78354 and #78355 through #78359 and #78360 through #78422 from the General Fund for \$182,548.28; and the payment of payroll taxes for \$18,999.00.

It was moved by BOZEMAN, seconded by STRAKELJAHN to:

Approve the Consent Items as presented.

MOTION CARRIES, 3-0

Information Items

1. Public Outreach Update – Victoria Peters, Marketing & Communications Coordinator

Ms. Peters provided background on previous e-blasts that have been beneficial in getting the word out and described current efforts to be more consistent with quarterly newsletters. She outlined the process for producing online newsletters describing the benefits of being able to track the open rate; click rate, and audience (mobile-friendly or desktop). She responded to questions from the Board and discussed how the Port will be reaching out to increase participation. She discussed positive outcomes of the recent newsletter which included the Bremerton Pilots Association scholarship article being picked up by Kitsap Sun and being the foundation for a full-blown article in that newspaper.

There was discussion related to each Commissioner contributing a Port Commission message for upcoming newsletters and, as President Stokes will be out of town, Vice-President Bozeman will write the message for the upcoming newsletter. There was conversation on direct mail vs. using Kitsap Sun for any print media and the current use of social media. Ms. Peters closed by providing the steps to be used moving forward in providing relevant content, building the distribution list, and engaging more community members.

Work Study Session

1. 2019 Legislative Strategy – J. Dylan Doty, Doty & Associates, Inc.

Mr. Doty provided an overview of the legislative cycle and where it is headed in 2019. Highlights included:

- Elections this fall – democrats are likely to be in control of both houses in 2019.
- Biennial budget scheduled to take effect July 1 – discussion on operational, transportation, and capital budgets.
- Received 2018 capital budget funds of just over \$1M for Port Orchard Marina breakwater refurbishment. Discussion on following a project through and being able to show what has been done with funding already provided.
- A capital project listing as ranked by staff was presented with discussion on the need for identifying an outline of upcoming capital projects that the Port needs help on and then prioritizing so we can be ready with a budget ask when applicable funding becomes available.
- Full discussion on projects and potential asks – Mr. Doty will work with CEO Rothlin on refining the list and will return for Board approval on a more concise legislative agenda with a goal of having it in place by the end of the year.

Citizen Comments

Doug Haughton, President, Bremerton Pilots Association

- Thanked Port staff and Commissioners for support of BPA's scholarship efforts and reported that as a result of having the scholarship article in the Kitsap Sun, BPA will be receiving funds from the estate of an individual whose intention was to give money back to general aviation. There was discussion with the Board on the scholarship program and its administration with Commissioner Bozeman suggesting BPA contact Kitsap Foundation for assistance in administering the scholarships.

Roger Gay – South Kitsap

- Recommended changing language from “join” our newsletter to “quarterly” newsletter so individuals realize they do not have to join anything.
- Urged the Port to have a work study to look at every piece of Port-owned property to confirm zoning, etc.

Scott Shoemaker – Attorney with Ryan Montgomery & Armstrong, Inc., P.S.

- After an introduction by Port Attorney Anne Montgomery, Mr. Shoemaker provided his background stating he has been with RMA for a year. He thanked the Board and Ms. Montgomery for the opportunity to observe the meeting.

Action Items

1. Right of First Refusal Agreement with Waterman Investment Partners LLC
Presented by Jim Rothlin, Chief Executive Officer

It was moved by STRAKELJAHN, seconded by BOZEMAN to:

Approve the right of first refusal agreement between the Port of Bremerton and Waterman Investment Partners, LLC for parcels as stated in the agreement (tax parcel number 4055-010-005-0000)

Following discussion;

MOTION CARRIES, 3-0

Commission New Business - None

Staff Reports

Jim Rothlin, Chief Executive Officer

- Announced that Port of Grays Harbor Commissioner Jack Thompson passed away suddenly while on a Port business trip in Chile. He was a very welcoming man and great commissioner - he will be missed.
- The Port has applied for additional FAA funding through the 2018 Consolidated Appropriates Act for the Airfield Lighting project design which FAA is already funding at 90% - the additional funding would cover the remaining 10% of the project cost.

- Described the work being done on the demo of the civil air patrol building at the north end of the airport.
- The marinas passed their annual Department of Ecology inspection.
- Provided background on Martin Muhoro who was recently hired as a regular full-time Port Attendant at the airport after being a valued seasonal employee throughout the summer.
- Provided a reminder that the American Constellation cruise ship returns for a second visit to Bremerton Marina on Wednesday, October 10 for an overnight stay.

Commission Reports

Commissioner Strakeljahn

- Commended staff on the recent award of a Washington State Archives digital imaging grant.
- Reported on the recent Puget Sound Regional Council (PSRC) Economic Development District Board meeting.
- Provided background on a memorandum of understanding created during the Farnborough 2016 visit with a United Kingdom economic development company, Dorset Local Enterprise Partnership (LEP). He reported on a recent facility, tenant, and aerial tour provided to an individual visiting from Dorset LEP.

Commissioner Bozeman

- Discussed his frustration with trying to locate businesses in the industrial park due to poor, inconsistent signage and reiterated his top priority is the upgrade of the park. He also relayed a tenant's concern regarding internet service so would like to look at improving that if it is an issue.

Commissioner Stokes

- Aired his frustration that, after attending the Kitsap Aerospace & Defense Alliance (KADA) annual meeting, he feels KADA only talks about creating relationships and has not brought any business to the Port in the six years he has been supporting them. Unless that changes, he does not intend to support KADA next year.

Executive Session - None

Adjournment

There being no further business before the Board, the meeting was adjourned at 11:40 a.m.

Submitted,

Approved,

Jim Rothlin
Chief Executive Officer
October 25, 2018

Axel Strakeljahn
Commission Secretary
October 30, 2018

PORT OF BREMERTON
KITSAP COUNTY, WASHINGTON
RESOLUTION NO. 2018-05
DATED: October 30, 2018

A RESOLUTION of the Board of Commissioners, Port of Bremerton, transferring funds into Seabeck Business Opportunities assigned fund as identified in the 2018 budget.

WHEREAS, the Port recognizes the need to maintain cash balances for unanticipated expenditures, emergency repairs, new capital projects, capital replacement projects and specifically designated fund uses, and

WHEREAS, the Commission of the Port of Bremerton is committed to establishing a Seabeck Business Opportunities assigned fund for the Port, and

WHEREAS, the 2018 budget contained a line item of \$50,000 for Seabeck Business Opportunities in order to continue building an assigned fund.

WHEREAS, the 2018 operations of the Port has provided sufficient funds to make the transfer into a Seabeck Business Opportunities assigned fund.

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners, Port of Bremerton, that:

In accordance with the 2018 budget, funds in the amount of \$50,000 be transferred into a separately designated Seabeck Business Opportunities assigned fund.

ADOPTED by the Board of Commissioners of the Port of Bremerton at the regular public meeting thereof held this 30th day of October, 2018 and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission.

Commission President

ATTEST:

Commission Vice-President

Commission Secretary

Port of Bremerton 2019 Budget Draft

Operating and Capital Budgets

October 30, 2018



MISSION

“Prepare For The Future”

2019 Port Directives

- ➔ Responsible spending that looks after tax payer's interests through operating efficiencies.
- ➔ Take good care of what we own (asset management).
- ➔ Actively make ready to lease and then market the developed property we own.
- ➔ Look for property and/or facilities improvements that will generate good jobs and positive ROI.
- ➔ Look for opportunities to partner on quality of life enhancements that will benefit the community.

Best Budget Practice

➔ Fiscal Management Belief:

The Port can meet the public requirements through continual systems improvement, automation and innovation.

Best Budget Practice

➔ Budget Development Process:

All stakeholders, CEO, COO, CFO, Directors and Commissioners have participated the 2019 Budget Process.

Each stakeholder has the opportunity and responsibility to address on how to use the Port's resources more efficiently and effectively.

Best Budget Practice

➔ Budget Oversight/Monitoring:

Every month, Finance meets with Directors and Managers, and working together to review the spending activities to ensure staying within the budget limits.

Budget Summary	2018 Final Budget	2019 1st Budget	Changes
Revenue	8,258,094	11,445,301	3,187,207
Use of Net Position (Reserves)	3,558,447	5,955,819	2,397,372
Total Sources	\$ 11,816,540	\$ 17,401,120	\$ 5,584,579
Operating Expense	6,118,789	6,360,825	242,035
Capital Expense	5,697,751	11,040,295	5,342,544
Total Uses	\$ 11,816,540	\$ 17,401,120	\$ 5,584,579

Revenues	2018 Final Budget	2019 1st Budget	Changes
Airport	464,757	493,782	29,025
Industrial Parks	1,039,960	1,194,660	154,700
Port Orchard Marina	1,626,107	1,544,730	(81,377)
Bremerton Marina	1,065,551	1,055,811	(9,739)
Tax and Grants	4,061,719	7,156,317	3,094,598
Total Revenues	\$ 8,258,094	11,445,301	3,187,207

Operation and Maintenance	2018 Final Budget	2019 1st Budget	Changes
Airport	1,264,440	1,245,361	(19,079)
Industrial Parks	991,917	991,585	(332)
Port Orchard Marina	1,966,537	1,874,573	(91,965)
Bremerton Marina	1,360,739	1,157,817	(202,921)
Other Marinas	85,367	76,705	(8,662)
General & Administrative	449,789	1,014,784	564,995
Sub-total O & M Expenses	\$ 6,118,789	6,360,825	242,035

Capital Projects	2018 Final Budget	2019 1st Budget	Changes
Airport	1,493,155	2,487,614	994,459
Industrial Parks	3,368,500	5,786,000	2,417,500
Port Orchard Marina	354,095	67,200	(286,895)
Bremerton Marina	119,100	2,269,000	2,149,900
Other Marinas	5,800	-	(5,800)
General & Administrative	357,101	430,481	73,380
Sub-total Capital Expenses	\$ 5,697,751	11,040,295	5,342,544
Total Operating & Capital	\$ 11,816,540	17,401,120	5,584,579

2019 1st Budget

Q & A

PORT OF BREMERTON **AGENDA SUMMARY**

Agenda Item No: Action Item #1
Subject: OVIP 5 Exterior Painting Project – Final Acceptance
Exhibits: Before and After Pictures
Prepared By: Tim Mensonides, Airport Manager
Meeting Date: October 30, 2018

Summary:

OVIP 5 is a Port owned steel frame 60,000 sqft metal building built in 1972 and is currently occupied by SAFE Boats International. Future planned projects for the building include installing a new roof (2019) and upgrading portions of the HVAC. The building was previously painted in 2006. The paint on the building was faded, worn and in need of repainting so the Port solicited bids to repaint the building in May. On June 12, 2018 the Commission awarded the project to Sabelhaus West Inc., in the amount of \$54,439.64. (incl. WSST). The project involved painting the exterior in the original base color in a lead-free paint with a five year warranty provided by Rodda Paint Company. Per the contractor, on average the paint will last seven-ten years. A one-year warranty on workmanship was also provided by Sabelhaus West. On October 10, 2018 a final acceptance inspection was conducted by the Port. The final amount for the project came in at \$54,439.63; there were no change orders for the project.

Fiscal Impact:

The project was completed within the commission amended budgeted amount of \$54,439.64. The original 2018 budget for the project was \$50,000, the outstanding \$4,439.64 was taken from Industrial Park Capital Budget: Asset Management System Project as the project came in \$20,000 under budget.

Recommendation:

Accept as final the contract with Sabelhaus West Inc., in the amount of \$54,439.63. The Port will release retainage once all applicable documentation is received.

Motion for Consideration:

Move to accept as final the OVIP 5 Exterior Painting Project contract with Sabelhaus West Inc., in the amount of \$54,439.63

Before



After

