

PORT OF BREMERTON
BOARD OF COMMISSIONERS
REGULAR BUSINESS MEETING

A G E N D A

February 27, 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 and executive session of February 13, 2018.
- B. Payment of checks #103026 through #103057 and #77314 through #77318 and #77323 through #77380 from the General Fund for \$127,878.66; #77319 through #77322 from the Construction Fund for \$32,446.50 and the payment of payroll taxes for \$18,841.31.

Information Items

- 1. Girl Scouts of Western Washington Discover Aviation Program – Dave Cisneros

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.*

- 1. Consideration of Port marina options
- 2. Other comments

Action Items

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>02/27/18</i>	<i>12:30 pm</i>	<i>Kitsap Aerospace & Defense Alliance Steering Committee</i>
<i>02/27/18</i>	<i>3 pm</i>	<i>PSRC VISION 2050 Listening Session – Gov't Center</i>
<i>02/27/18</i>	<i>6 pm</i>	<i>*Commission Regular Meeting – Bill Mahan Conference Rm</i>
<i>03/06/18</i>	<i>10:15 am</i>	<i>Kitsap Regional Coordinating Council (KRCC) Executive Board</i>
<i>03/13/18</i>	<i>10 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

February 13, 2018
10:00 AM

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

Call to Order

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

Commissioners and Staff Present

Commissioners

Larry Stokes
Cary Bozeman
Axel Strakeljahn

Staff Members

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

Approval of Agenda

It was moved by BOZEMAN, seconded by STRAKELJAHN to:

Approve the Agenda as presented.

MOTION CARRIES, 3-0

Consent Items

- A. Minutes of the regular business meeting of January 23, 2018.
- B. Payment of checks #102998 through #103025 and #77227 through #77230 and #77233 through #77313 from the General Fund for \$197,290.97; #77231 through #77232 from the Construction Fund for \$19,905.99 and the payment of payroll taxes for \$16,213.21.

It was moved by STRAKELJAHN, seconded by BOZEMAN to:

Approve the Consent Items as presented.

MOTION CARRIES, 3-0

Information Items

1. Circuit of the Northwest (CNW) LLC Annual Report – Brian Nilsen, Partner

Mr. Nilsen provided a recap of the 2017 race season with over 120 dates booked. He described the diverse disciplines hosted by CNW at the facility stating the goal of using it to the best of its ability. He discussed the planned events for 2018 and the intent to expand the Motowest track due to the appeal of the motocross events. He confirmed with the Board that the facility consists of 119 acres of asphalt with an additional 12 acres of motocross track. He also confirmed that, although there are no televised activities, they are big on social media with YouTube videos, etc. for marketing purposes. He concluded by stating the CNW looks forward to another year of successful operation and will continue to search out new events and activities.

2. Dominion Historical Workboat Association – Dave Clark, Captain

Captain Clark provided an overview of the Association which has been operating out of the Bremerton Marina with a non-profit status and City of Bremerton license for 3 ½ years. He discussed in detail their outreach efforts which are designed to bring people to the boat and to Bremerton. He also discussed progress since he purchased the boat 5 years ago and plans for the future. He introduced unpaid intern, 9-yr old Lochlan Swanson, who provided some background on his previous efforts to save two historic buildings and discussed the history and what he likes about the Dominion and what he thinks about when he is on it. He stated he loves the Dominion and everyone should “remember – history matters.” The Board presented a Port of Bremerton lapel pin to Mr. Swanson and thanked him and Captain Clark for their presentations.

Work Study Session - None

Citizen Comments

1. Consideration of Port marina options

CEO Jim Rothlin reviewed the information provided at the last meeting regarding interest received from private entities to lease marina operations. He provided history on a previous 2013 Request for Proposal (RFP) process in which the evaluation of proposals showed it unclear whether it would present a better financial situation for the Port and a recommendation could not be made at that time. He stated his responsibility is to figure out what is best for the Port and the community even though it is not a fun project as it affects a lot of people including employees who wonder how it will affect them. He provided a list of key objectives that would need to be met and discussed each item. The next couple of weeks will determine whether we move forward with the effort to go out for proposals and we want to hear from the public.

Commissioner Bozeman stated sending out a Request for Qualifications/Proposals (RFQ or RFP) is not risky and is a way to gather information to help better understand our

operation. He provided examples of the City of Bremerton successfully leasing out management of properties stating it makes good business sense and he supports it.

Commissioners Strakeljahn and Stokes spoke to their appreciation of the public's interest and emphasized no decisions have been made and the intent is to do what is best for the taxpayers and the Port.

Citizen Comments

Dana Normandy

- Questioned whether liveaboard status would be eliminated and the Board confirmed it would not.

Clifford LaBelle

- Spoke to his experiences in the past where a private interest has come in to manage a company and has turned it back over within five years in worse shape than it started. Thinks it does not make sense to turn it over and expect to retain control.

Chris Sharp

- He is concerned about what it would mean for liveaboards and parking. The Board reiterated that there is no intention of reducing or eliminating liveaboard status. CEO Rothlin stated that maintaining parking was good input and will be included in the key objectives.

Carlos Jara, downtown business owner

- Discussed local events the Port currently partners in and would like a key parameter to be the expectation to continue the involvement and engage with the Downtown Business Association, Chamber, City, etc.

Jim McDonald, former City of Bremerton council member

- Spoke to proceeding with the RFQ process; it makes sense and can be a good partnership. He described partnerships that were successful for the City and one at the Winslow Wharf Marina where he owned a slip. It can be cost effective and efficient and he thinks the Port should go forward with an RFQ.

Chris Bieker

- Spoke to the high level of quality service currently provided at the marinas and would not want to see that diminished.

Laura McKerrow

- Questioned whether the \$84,000 Bremerton Marina deficit as listed in the newspaper along with the comment that the marina continues to leak money is an ongoing trend the RFQ is intended to address or if the loss is due to an extraordinary event such as the Eventide sinking. There was discussion by the Board on return on investment (ROI) and operating efficiently.

Sean Mason, Masco Petroleum

- His company manages Port Angeles marina and boatyard and is looking forward to answering the questions that come out in the RFQ.

Larry Leggett

- Spoke to statements made today being of great benefit to help alleviate some concerns but still have concern related to not only be efficient but to be effective. He discussed ideas for being effective such as charging a “landing fee” to guest boaters. Would like to talk about ways to generate more income. The Board suggested he meet with staff to discuss.

Christian Lint

- Discussed his major concerns with charging “landing fees” and complimented staff for watching the raising of the recent sunken vessel which should be reviewed in the future to prevent high costs such as those incurred with the previous sinking of the Eventide.

Roger Gay, South Kitsap

- Putting out a lot of terms such as RFP and RFQ – suggested defining those terms and what the Port is looking to gain from them.

Matt Murphy, Port Orchard Chamber of Commerce

- Spoke to previous comments that outside management has been successful; the public may not see it the same way. He discussed how difficult it would be to put together a scope of work and that the Port would not be a priority of any contractor – it might be better to look at “going lean” to become more efficient. He thinks it a waste of time and that what the Port has now is about as good as it can get.

Clifford LaBelle

- Questioned whether the Port has tried to elicit revenue from city, state, or federal. The Board replied “absolutely, yes” – the Port recently received \$1.25M in State capital funding for the Port Orchard Marina breakwater renovation.

Laura McKerrow

- Questioned the status of the sale of the Washington Avenue property. CEO Rothlin replied it is still in the due diligence phase but is moving forward.

Chris Bieker

- “Going lean” was previously mentioned and he stated he has been in that business and questioned whether the Port would look at that. CEO Rothlin stated it would be looked at during this process.

Chris Sharp

- Spoke to the far reaching positive effects liveboards have on the community and their contributions to the local economy; they should be an important factor in the Port's considerations.

Action Items - None

New Business - None

Staff Reports

Jim Rothlin, Chief Executive Officer

- Staff met with Puget Sound and Pacific Railroad (PSPR) to discuss opportunities for future rail access with potential for new spurs and transload facility.
- Discussed progress of constructing a new Port building.
- Staff met with Saints Car Club – car show will be held on Wednesday evenings at the airport beginning in April.
- Bremerton Aviation Center for Education (BACE) has scheduled their grand opening for Saturday, April 28. They will have a fundraising pancake breakfast and fly-in.
- The Port recently received two awards from the City of Port Orchard – the Holiday Good Neighbor Award and a Participation Award for Chimes & Lights.
- Seattle Boat Show recently ended – he feels the Port's booth is the most interactive there. Once the final numbers from the show are compiled, a report will be provided to the Board.
- Kathy Garcia, Marina Operations Manager, has been selected to represent the Port as a judge at the Fathoms O' Fun Royalty Scholarship Pageant.

Commission Reports

Commissioner Strakeljahn

- Reported on topics discussed at the Puget Sound Regional Council Economic Development Board quarterly meeting he recently attended.

Commissioner Bozeman

- Discussed recent meetings he has attended on the growth that is coming to the Puget Sound region and the impact it will have on Kitsap County in the next 20 years. We need to get ahead of it and put infrastructure in place to support the growth; building a spec building now is a must.

Commissioner Stokes

- Suggested the spec building be engineered so a second could be built using the same engineering.

Executive Session

President Stokes recessed the meeting at 11:25 a.m. and reconvened into executive session at 11:35 a.m. for approximately 30 minutes regarding: real estate issues [RCW 42.30.110(1)(b and c)].

At 12:05 p.m. the regular meeting was reconvened.

Adjournment

There being no further business before the Board, the meeting was adjourned at 12:05 p.m.

Submitted,

Jim Rothlin
Chief Executive Officer
February 22, 2018

Approved,

Axel Strakeljahn
Commission Secretary
February 27, 2018

Draft

PORT OF BREMERTON
BOARD OF COMMISSIONERS
EXECUTIVE SESSION

MINUTES

February 13, 2018
11:35 AM

CEO Office
Port Administration Offices
Bremerton Nat'l Airport Terminal Bldg
8850 SW State Hwy 3, Bremerton

Call to Order

President Stokes called the executive session to order at 11:35 a.m., February 13, 2018.

Commissioners and Staff Present

Commissioners

Larry Stokes
Cary Bozeman
Axel Strakeljahn

Staff Members

Jim Rothlin
Fred Salisbury
Anne Montgomery, Atty

Item #1: Real estate issues were discussed [RCW 42.30.110(1)(b and c)].

With no further business to come before the Board, the meeting was adjourned into regular session at 12:05 p.m.

Submitted,

Jim Rothlin
Chief Executive Officer
February 22, 2018

Approved,

Axel Strakeljahn
Commission Secretary
February 27, 2018

2013 BST Marina Proposal

Evaluation of Proposals

- Key Question: What is Best for the Port of Bremerton?
 - Both firms provided a one year pro forma, but initial contract term is for five years.
 - Marinas International is a highly qualified firm but the pro forma indicates higher losses than the Port currently experiences.
 - Marsh Andersen is also a qualified bidder but the pro forma suggests a reduction of costs by shifting them back to the Port. It is unclear whether this represents a better financial situation for the Port.
 - Under these circumstances, **BST cannot make a recommendation.**

Key Objectives

- Marinas continue as an asset that provides a public service – Community responsibility
- Stay true to mission to run Port operations in efficient manner – Taxpayer responsibility
- Increased ROI to taxpayers
- Jobs objective – Zero job reduction
- Mandatory high level of customer service
- Maintain Port identity
- Port Control of moorage rates
- Continued support of events and agencies that support community activities on the waterfront