

PORT OF BREMERTON
BOARD OF COMMISSIONERS
REGULAR BUSINESS MEETING

A G E N D A

November 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 of November 13, 2018.
- B. Payment of checks #103602 through #103632 and #78614 through #78617 and #78625 through #78679 from the General Fund for \$178,120.15; #78618 through #78624 from the Construction Fund for \$148,074.58 and the payment of payroll taxes for \$18,445.95.

Information Items

- 1. Update on signage project for airport and industrial properties – Fred Salisbury, COO, and Victoria Peters, Marketing & Communications Coordinator

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. Final Budget for Calendar Year 2019

1.1 Budget Presentation

1.2 Public Hearing

1.3 Action Items

- a. Resolution 2018-06 providing for a regular property tax levy and all allowable levies for calendar year 2019.
- b. Resolution 2018-07 providing a limit factor for the regular levy for the 2019 calendar year to determine future years' levies and to enable the Port to bank excess levy capacity.
- c. Resolution 2018-08 adopting the final budget for calendar year 2019.
- d. Resolution 2018-09 filing the final budget and submitting request for tax levies for calendar year 2019 with the Clerk of the Board of County Commissioners.

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>
11/27	12:30 pm	*Kitsap Aerospace & Defense Alliance (KADA) Steering Committee
11/27	6:00 pm	*Commission Regular Meeting – Bill Mahan Conference Rm
11/29	5:00 pm	Kitsap Regional Coordinating Council (KRCC) Legislative Reception
12/04	10:15 am	KRCC Executive Board
12/5- 12/7		Washington Public Ports Assn (WPPA) Annual Meeting – Bellevue
12/5	1:00 pm	Puget Sound Regional Council (PSRC) Economic Development Board
12/6	9:15 am	PSRC Operations Committee
12/6	10:00 am	PSRC Executive Board
12/11	10:00 am	*Commission Regular Meeting – Bill Mahan Conference Rm

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

November 13, 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 via phone

Staff Members

Jim Rothlin	James Weaver
Fred Salisbury	Tim Mensonides
Sherman Hu	Ginger Waye
Arne Bakker	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 BOZEMAN, seconded by STOKES to:

Approve the Agenda as presented.

MOTION CARRIES, 3-0

Consent Items

- A. Minutes of the regular business meeting and executive session of October 30, 2018.
- B. Payment of checks #103569 through #103601 and #78519 through #78523 and #78524 through #78527 and #78528 through #78530 and #78535 through #78613 from the General Fund for \$381,187.52; #78531 through #78534 from the Construction Fund for \$97,339.88 and the payment of payroll taxes for \$18,766.63.

It was moved by BOZEMAN, seconded by STOKES to:

Approve the Consent Items as presented.

MOTION CARRIES, 3-0

Information Items

1. Airport/Industrial Park Assets Condition Assessment – Jonathan Wilson, KPG

Mr. Wilson provided background on KPG and himself stating he was project manager on the Equipment Replacement Schedule and Building Condition Assessments Project. He described the project origin as “how can the Port better plan for the next 20 years of vehicle and building expenses?” He provided individual overviews of the two components of the project: 1) equipment replacement schedule; and 2) the building condition assessments including examples of the schedules and databases found within the project report. He responded to questions from the Board and conveyed the project outcome of staff receiving information and tools to more efficiently manage fleet equipment replacements and to prioritize and budget for building maintenance projects over the next ten years.

CEO Rothlin commented that the report will enhance the budgeting process as staff will be able to better forecast money needing to be set aside for upcoming projects.

2. 2019 Legislative Strategy Update – Dylan Doty, Doty & Associates, Inc.

Mr. Doty has been working with CEO Rothlin and staff to determine what projects might be ready for “prime-time” and what is coming down the road for future years. He discussed the Port’s split legislative districts of the 26th and 35th and the determination that it would make sense to have an “ask” for both delegations. He provided a political breakdown related to the recent election and described the potential for a supermajority and its impact. With a goal of having an ask for both delegations and the Port Orchard Marina breakwater project not quite ready for a second ask, the current determinations for the 35th legislative district are boilers at Avian hangar or sewer lift station pump and panel upgrades, and in the 26th legislative district, Bremerton Marina environmental and safety upgrades. He emphasized that these asks are very fluid at this point and the plan is to come back before session with a final recommendation.

Mr. Doty discussed the importance of having the legislators invested in what the Port is doing. He suggested that in lieu of the annual Port “Day on the Hill,” a site visit be scheduled after session to familiarize the legislators with the Port. He also suggested inviting the new member of the 26th district senate out here before session.

Mr. Doty emphasized that this process has provided him the opportunity to get a better sense of priority projects over the next few years so he will know when to strike when an opportunity presents itself.

There was further discussion with the Board on the fluid recommendations, the process and timing for the “asks” to be submitted to the delegations, and the importance of never being afraid to have an ask at each session.

Work Study Session

1. 2019 Preliminary Budget

Chief Financial Officer Sherman Hu presented the final 2018 preliminary budget stating there were no financial modifications from the draft preliminary budget presented at the October 30, 2018, commission meeting.

Chief Operations Officer Fred Salisbury noted that the only text modification was the renaming of a single piece of capital equipment to a skid steer loader.

There was discussion with the Board on maintaining a prudent use of reserves noting that reserves are used for capital projects only not maintenance and operations.

Citizen Comments

Roger Gay, South Kitsap

- Announced the annual “Kitsap Shop with a Cop” event for kids is being held Saturday, December 1, 4:00 PM, at the Poulsbo Walmart. He invited everyone to attend and described the program including all the volunteer and fundraising efforts involved.

Jerry McDonald, Bremerton

- Expressed his disappointment that an Interlocal Agreement (ILA) between Kitsap Public Facilities District (KPFD) and the Port has not been finalized regarding the Circuit of the Northwest project and encouraged the Board to work hard to complete the ILA. There was discussion with the Board and CEO on the Circuit of the Northwest project noting that the Port has been working diligently on this for some time; it is important to make a sound decision.

Action Items - None

Commission New Business - None

Staff Reports

Jim Rothlin, Chief Executive Officer

- In response to a citizen concern, the Federal Aviation Administration (FAA) has scheduled the install of a baffling system on the approach lights at the north end of the airport. The white light flashers can be disorienting for drivers on southbound Highway 3.
- Airport maintenance crew, specifically Mike Lozier, designed and built an emergency incident response tool which can be towed behind a truck or used as an independent dolly to quickly move disabled aircraft.
- An event was recently held at the Water Street Boat Launch parking lot for a young boy, Jedi Minters, who has been fighting leukemia and had a wish to see all types of service vehicles. Port tenants SAFE Boats and Defiance Boats participated in the amazingly

successful event. A thank you to Port staff who got involved and helped to put this event together.

Commission Reports

Commissioner Stokes

- At the recent Port Orchard Chamber of Commerce meeting, the Port Orchard Independent presented him with a certificate for the Port of Bremerton Marina Park in Port Orchard being named the “Best Place to Take Visitors” for the 2018 Best of South Kitsap awards. He provided the certificate to Director of Marine Facilities James Weaver for display at the marina.

Executive Session - None

Adjournment

There being no further business before the Board, the meeting was adjourned at 11:10 a.m.

Submitted,

Approved,

Jim Rothlin
Chief Executive Officer
November 21, 2018

Axel Strakeljahn
Commission Secretary
November 27, 2018

AGENDA SUMMARY

Agenda Item No: Action Item #1
Subject: 2019 Final Budget Adoption
Exhibits: 2019 Final Budget
Resolutions 2018-06; 2018-07; 2018-08; and 2018-09
Prepared By: Sherman Hu, Chief Financial Officer
Meeting Date: November 27, 2018

Summary:

The 2nd 2019 preliminary budget was presented on November 13, 2018.

The Public Hearing is being held during the November 27, 2018 meeting. The Port of Bremerton's 2019 Final Budget as presented to you today is \$16,083,657. The final budget documents and all related resolutions are presented herein for adoption as follows:

- 2019 Final Budget.
- Resolution 2018-06: General tax levy for 2019 with no tax increase
- Resolution 2018-07: Providing a limit factor for the regular levy for the 2019 calendar year to determine future years' levies and to enable the Port of Bremerton to bank excess levy capacity. This resolution works together with Resolution 2018-06 and is important to the Port in preserving its ability to bank the levy capacity. It is not known what the future holds or what projects may come before future Port Commissions. The Port has banked its previous levy capacity and should preserve the same ability to bank the excess capacity in 2019.
- Resolution 2018-08: Providing for acceptance, approval and adoption of the Final Budget for Calendar Year 2019.
- Resolution 2018-09: Filing the Final Budget and submitting a request for tax levies for the 2019 calendar year with the Clerk of the Board of County Commissioners and the Kitsap County Tax Assessor's Office. This resolution also includes the official Levy Certification signed by the Chief Financial Officer of the Port.

Fiscal Impact:

N/A

Recommendation:

Adopt the 2019 Final Budget and approve all related resolutions as presented.

Motions for Consideration:

- a. Move to approve Resolution 2018-06 with no tax increase in the general tax levy.**
- b. Move to approve Resolution 2018-07 providing a limit factor for the regular levy for the 2019 calendar year to determine future years' levies and to enable the Port to bank excess levy capacity.**
- c. Move to approve Resolution 2018-08 approving and adopting the Final 2019 Budget.**
- d. Move to approve Resolution 2018-09 filing the final 2019 budget documents and submitting request for tax levies in the amounts indicated with the County Clerk of the Board of County Commissioners and the Kitsap County Assessor's Office.**

**PORT OF BREMERTON
KITSAP COUNTY, WASHINGTON
RESOLUTION NO. 2018-06
DATED: November 27, 2018**

A RESOLUTION of the Board of Commissioners, Port of Bremerton, providing for a 0% increase in the total regular property tax levy excluding any amount resulting from the addition of new construction and improvements to property, any increase in state-owned property and all allowable levies, for calendar year 2019.

WHEREAS, the Board of Commissioners, Port of Bremerton, has properly given notice of the public hearing held on November 27, 2018 to consider the Port of Bremerton's current expense budget for the calendar year 2019, pursuant to RCW 53.35.010, 53.35.020, 53.35.030 and 53.35.045; and

WHEREAS, the Board of Commissioners, Port of Bremerton, after hearing, and after duly considering all relevant evidence and testimony presented, has determined that the Port of Bremerton does not require the 1% increase in property tax revenue from the previous year, excluding the increase resulting from the addition of new construction and improvements to property, newly constructed wind turbines, annexation, any increases in the values of state-assessed property, state-assessed utilities, refunds, and all allowable levies, in order to discharge the expected expenses and obligations of the Port of Bremerton and in its best interest; and

WHEREAS, the population of this district is more than 10,000, and

WHEREAS the Board of Commissioners, Port of Bremerton, has determined that it is in the best interest of the Port of Bremerton and not necessary to meet the expenses and obligations in 2019 while still maintaining all future levy capabilities, for the property tax revenue not to be increased by 1% in 2019.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners, Port of Bremerton, that a zero percent 0.0% increase \$-0- in the total property tax levy from the previous year \$4,021,923 is hereby authorized. The 0.0% increase is exclusive of additional revenue resulting from new construction, improvements to property, any increase in the value of state assessed property, any annexations that have occurred and refunds made.

ADOPTED by the Board of Commissioners of the Port of Bremerton at the regular public meeting thereof held this 27th day of November, 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

Commission Vice President

ATTEST:

Commission Secretary

(SEAL)

**PORT OF BREMERTON
KITSAP COUNTY, WASHINGTON
RESOLUTION NO. 2018-07
DATED: November 27, 2018**

A RESOLUTION of the Board of Commissioners, Port of Bremerton, providing a limit factor for the regular levy for the 2019 calendar year to determine future years' levies and to enable the Port of Bremerton to bank excess levy capacity.

WHEREAS, the Board of Commissioners, Port of Bremerton, has met and considered its budget for the calendar year 2019; and

WHEREAS, the Board of Commissioners, Port of Bremerton, in the course of considering the budget for 2019, has reviewed all sources of revenue and examined all anticipated expenses and obligations; and

WHEREAS, the Board of Commissioners of the Port of Bremerton Taxing District, has determined that due to future committed obligations in the 2018-2021 Teamsters Local Union 589 Agreement with respect to future wage increases and medical and other benefit levels, and in consideration of future capital and infrastructure improvements, finds that there is a substantial need to set the levy limit at 101% in the event this levy capacity is needed in the future years.

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners, Port of Bremerton that the limit factor for the regular levy for the calendar year 2019 be set at 101% in the event this levy capacity is needed in future years.

ADOPTED by the Board of Commissioners of the Port of Bremerton at the regular public meeting thereof held this 27th day of November, 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

Commission Vice President

ATTEST:

Commission Secretary

(SEAL)

**PORT OF BREMERTON
KITSAP COUNTY, WASHINGTON
RESOLUTION NO. 2018-08
DATED: November 27, 2018**

A RESOLUTION of the Board of Commissioners, Port of Bremerton, providing for acceptance, approval and adoption of the Final Budget for the Calendar Year 2019.

WHEREAS, a preliminary 2019 budget was prepared and analyzed on November 13, 2018, and

WHEREAS, public notices were published on November 14 and November 21, 2018, in the newspaper of general circulation in the Port District proclaiming the availability of the preliminary budget to taxpayers at the Port office and announcing the public hearing for November 27, 2018, all in accordance with RCW 53.35.030 and 53.35.045, and

WHEREAS, a public hearing was held on the 27th day of November, 2018 at 6:00 p.m. in the Bill Mahan Conference Room, 8850 SW State Hwy 3, Bremerton, WA after the above-stated due and proper notices were published in the daily newspaper of general circulation in the Port District and the Commission heard from all persons desiring to be heard on the matter of the final budget all in accordance with RCW 53.35.030 and 53.35.045.

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

The Final Budget for calendar year 2019, fixed at fund levels as listed below and appended hereto as part of this Resolution is accepted, approved and adopted.

Airport	\$1,228,589
Industrial Park	978,448
Port Orchard Marina	1,880,954
Bremerton Marina	1,225,712
Other Marinas	76,705
General & Administrative	1,035,942
Capital Project Airport	3,631,826
Capital Project Industrial Parks	3,235,000
Capital Project Port Orchard Marina	81,000
Capital Project Bremerton Marina	2,279,000
Capital Project General & Administrative	<u>430,481</u>
TOTAL BUDGET	\$16,083,657

ADOPTED by the Board of Commissioners of the Port of Bremerton at the regular public meeting thereof held this 27th day of November, 2018 and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission.

ATTEST:

Commission President

Commission Secretary

Commission Vice-President

**PORT OF BREMERTON
KITSAP COUNTY, WASHINGTON
RESOLUTION NO. 2018-09
DATED: November 27, 2018**

A RESOLUTION of the Board of Commissioners, Port of Bremerton, filing the final budget and submitting a request for tax levies for calendar year 2019 with the Clerk of the Board of County Commissioners.

WHEREAS, the Board of Commissioners, Port of Bremerton, Kitsap County, by Resolution 2018-08 dated November 27, 2018 approved and adopted the Final Budget for Calendar Year 2019 in the amount of \$16,083,657 in accordance with RCW 53.35.010, 53.35.020, 53.35.030 and 53.35.045.

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners, Port of Bremerton, in accordance with RCW 53.35.040, that:

1. A copy of the Final Budget of the Port of Bremerton for Calendar Year 2019, as approved by Resolution 2018-08 be filed with the Clerk of the Board of County Commissioners.
2. As required under Referendum 47, Section 209, Resolution 2018-06 is hereby submitted (copy attached) to the Board of County Commissioners to provide for levies against taxable property located within Kitsap County to raise funds in the amount indicated in the Final Budget as follows, plus new construction and improvements to property, newly constructed wind turbines, annexation, any increases in the values of state-assessed property, state-assessed utilities, refunds, and all allowable levies:

A.	General Purpose Levy	\$3,685,007
	Plus: New Construction	53,615
	Refunds	14,527
	Utilities	<u>4,161</u>
		3,757,310
B.	Special Tax (General Obligation Indebtedness) Levy	0

ADOPTED by the Board of Commissioners of the Port of Bremerton at the regular public meeting thereof held this 27th day of November, 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

Commission Vice President

ATTEST:

(SEAL)

Commission Secretary

LEVY CERTIFICATION

In accordance with RCW 84.52.020, I, Sherman Hu, Chief Financial Officer, for the Port of Bremerton, do hereby certify to the Kitsap County legislative authority that the Commissioners of said district requests that the following levy amounts be collected in 2019 as provided in the district's budget, which was adopted on November 27, 2018, following a public hearing held on November 27, 2018.

Regular Levy:	\$3,685,007
Plus: New Construction	53,615
Refunds	14,527
Utilities	<u>4,161</u>
Total Regular Levy	\$3,757,310
Excess Levy:	\$ 0

Signature: _____ Date: _____