

PORT OF BREMERTON
BOARD OF COMMISSIONERS
REGULAR BUSINESS MEETING

A G E N D A

November 12, 2019
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

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 October 15, 2019.
- B. Payment of checks #80133 through #80175 and #80176 through #80177 and #80180 through #80181 and #901072 through #901073 and #901074 and #80184 through #80219 and #80222 through #80223 from the General Fund for \$309,636.44; #80130 through #80132 and #80178 through #80179 and #80182 through #80183 from the Construction Fund for \$49,949.98. Void Check #78503.
- C. Fund Transfer Resolution:
 - Resolution 2019-14 transferring \$50,000 into Seabeck Business Opportunities fund

Information Items

- 1. 2020 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

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>11/12</i>	<i>10:00 am</i>	<i>*Commission Regular Meeting – Bill Mahan Conference Rm</i>
<i>11/14</i>	<i>5:00 pm</i>	<i>Kitsap Regional Coordinating Council Legislative Reception</i>
<i>11/15</i>	<i>10:00 am</i>	<i>Peninsula Regional Transportation Planning Organization (PRTPO)</i>
<i>11/18</i>	<i>1:00 pm</i>	<i>Puget Sound Regional Council (PSRC) EDDB Executive Committee</i>
<i>11/19</i>	<i>7:30 am</i>	<i>Annual Community Meeting</i>
<i>11/19</i>	<i>11:00 am</i>	<i>Kitsap Regional Coordinating Council (KRCC) Executive Committee</i>
<i>11/20-22</i>		<i>Washington Public Ports Association Annual Meeting</i>
<i>11/26</i>	<i>12:30 pm</i>	<i>Kitsap Aerospace & Defense Alliance Steering Committee</i>
<i>11/26</i>	<i>6:00 pm</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 15, 2019
6:00 PM

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
James Weaver
Ginger Waye
Anne Montgomery, Atty

Call to Order

President Stokes called the meeting to order at 5:00 p.m. and immediately recessed into executive session for approximately 30 minutes regarding: real estate issues [RCW 42.30.110(1)(c)]. At 5:30 p.m. executive session was extended 25 minutes and recessed at 5:55 p.m. At 6:00 p.m. the regular meeting was reconvened and President Stokes led the Pledge of Allegiance.

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 September 24, 2019.
- B. Payment of checks #80041 and #901066 through #901067 and #901068 and #80048 through #80125 and #901069 through #901071 from the General Fund for \$211,258.24; #80042 through #80047 and #80128 from the Construction Fund for \$78,559.87.

It was moved by STRAKELJAHN, seconded by BOZEMAN to:

Approve the Consent Items as presented.

MOTION CARRIES, 3-0

Information Items

1. Bremerton Pilots Association (BPA) Youth Aviation Scholarship Award

Kevin Hurley, BPA Youth Aviation Scholarship Liaison, provided background on the scholarship program and explained the award process.

Mr. Hurley presented Mary Krebs a scholarship award check of \$3,500 upon her successful completion of her Federal Aviation Administration (FAA) checkride and receipt of her pilot certification. He explained that along with receiving her pilot's certificate she also recently graduated from the RN program at Olympic College. Ms. Krebs thanked BPA and the Port for the scholarship and stated she would like to combine nursing and flying in the future. She also thanked her father for pushing her to obtain this goal. She responded to questions and comments from the board sharing her joy of flight and her excitement in being able to take her husband flying.

Work Study Session

1. 2019 Preliminary Budget

CEO Jim Rothlin provided opening comments on the budget process and discussed the budget priorities and development of the capital budget which includes reconstruction of the airport restaurant as its biggest project in 2020.

COO Fred Salisbury described the line item projects at each facility (airport, industrial park, and marinas) which were divided into the following project categories: continue into 2020; priority for 2020; very useful for 2020; and wanted but can wait for a year.

Mr. Salisbury and Directors/Managers responded to questions and comments from the Board on individual line items.

CFO Sherman Hu addressed the maintenance and operations portion of the budget discussing Port directives and best budget practices. He provided a summary of revenues and expenditures for facilities and general/administrative and discussed variances between the 2019 and 2020 budgets responding to questions from the Board. There was discussion regarding Kitsap Transit's repayment of their debt being used to add to the reserves for the Port Orchard Marina breakwater.

The Board was in agreement with the budget as presented; the final 2020 preliminary budget will be presented at the November 12 meeting.

Citizen Comments

Roger Gay, South Kitsap

- Spoke to his concern about the discrepancy in the bid amount from the engineer's estimate on the pole building project that is being brought up as an action item tonight.

Action Items

1. Bid Award to AMNW Construction Partners LLC for Airport Maintenance Operations Facility Pole Building

Presented by Warren Hendrickson, Airport Manager

Following presentation and full discussion on the reasons for the difference in the engineer's estimate and actual bid;

It was moved by BOZEMAN, seconded by STRAKELJAHN to:

Approve the bid award to AMNW Construction Partners LLC and authorize the CEO to execute the contract and issue the Notice to Proceed.

MOTION CARRIES, 3-0

2. Bid Authorization for State Highway 3 Frontage Development

Presented by Arne Bakker, Director of Business Development

Following presentation and discussion;

It was moved by STRAKELJAHN, seconded by BOZEMAN to:

Authorize staff to call for bids for the SR3 frontage development project.

MOTION CARRIES, 3-0

Commission New Business - None

Staff Reports

Jim Rothlin, Chief Executive Officer

- American Cruise Lines very much enjoyed their final 2019 visit to Bremerton Marina and has expressed interest in continuing through 2023.
- The Economic Impact Study is complete and will be provided to the Board. The study will be part of a presentation during the Port's 2019 annual community meeting. He discussed the event program which will include honoring Commissioner Stokes.

Commission Reports

Commissioner Strakeljahn

- Attended Olympic College luncheon which included Congressman Derek Kilmer as speaker.
- Reported on recent Kitsap Regional Coordinating Council meetings.
- Will be a Leaders Panel member during the Aerospace Futures Alliance (AFA) annual Aerospace Summit

Commissioner Stokes

- Thanked District 2 Commissioner candidates Jack Edwards and Gary Anderson for attending the meeting noting that when the next meeting is held, one of them will be Commissioner-Elect.

Executive Session

President Stokes recessed the meeting at 7:20 p.m. and reconvened back into executive session at 7:30 p.m. for approximately 10 minutes. At 7:40 p.m. executive session was extended five minutes and adjourned at 7:45 p.m.

At 7:45 p.m. the regular meeting was reconvened.

Adjournment

There being no further business before the Board, the meeting was adjourned at 7:45 p.m.

Submitted,

Approved,

Jim Rothlin
Chief Executive Officer
November 7, 2019

Axel Strakeljahn
Commission Secretary
November 12, 2019

PORT OF BREMERTON
BOARD OF COMMISSIONERS
EXECUTIVE SESSION

MINUTES

October 15, 2019
5:00 PM

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 5:00 p.m., October 15, 2019.

Commissioners and Staff Present

Commissioners
Larry Stokes
Cary Bozeman
Axel Strakeljahn

Staff Members
Jim Rothlin
Fred Salisbury
Anne Montgomery, Atty

Item #1: Legal issues related to potential litigation were discussed [RCW 42.30.110(1)(i)].

Item #2: Real estate issues were discussed [RCW 42.30.110(1)(b or c)].

Item #3: Personnel issues were discussed [RCW 42.30.110(1)(g)].

Executive session was recessed at 5:55 p.m. and reconvened at 7:30 p.m. With no further business to come before the Board, the meeting was adjourned into regular session at 7:45 p.m.

Submitted,

Approved,

Jim Rothlin
Chief Executive Officer
November 7, 2019

Axel Strakeljahn
Commission Secretary
November 12, 2019

PORT OF BREMERTON
KITSAP COUNTY, WASHINGTON
RESOLUTION NO. 2019-14
DATED: November 12, 2019

A RESOLUTION of the Board of Commissioners, Port of Bremerton, transferring funds into Seabeck Business Opportunities assigned fund as identified in the 2019 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 2019 budget contained a line item of \$50,000 for Seabeck Business Opportunities in order to continue building an assigned fund.

WHEREAS, the 2019 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 2019 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 12th day of November, 2019 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 2020 2nd Preliminary Budget

Operating and Capital Budgets

November 12, 2019



MISSION

“Prepare For The Future”

2020 Port Directives

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

Best Budget Practice

Ü Fiscal Management Belief:

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

Best Budget Practice

Ü Budget Development Process:

Commissioners, CEO, COO, CFO, Directors/Managers have participated in the 2020 Budget Process.

Have had the opportunity to address on how to use the Port's resources more efficiently and effectively.

Best Budget Practice

Ü Budget Oversight/Monitoring:

Finance meets with Directors and Managers to review the spending activities to ensure staying within the budget limits.

Budget Summary	2019 Final Budget	2020 1st Budget	2020 2nd Budget	Changes
Revenue	11,445,301	11,754,712	11,754,712	-
2019 Carry Forward	4,642,090	11,186,473	11,298,578	112,105
Total Sources	\$ 16,087,391	\$ 22,941,185	\$ 23,053,290	\$ 112,105
Operating Expense	6,430,084	6,519,731	6,519,731	-
Capital Expense	9,657,307	16,421,454	16,533,559	112,105
Total Uses	\$ 16,087,391	\$ 22,941,185	\$ 23,053,290	\$ 112,105

Revenues	2019 Final Budget	2020 1st Budget	2020 2nd Budget	Changes
Airport	493,782	475,809	475,809	-
Industrial Parks	1,194,660	1,359,700	1,359,700	-
Port Orchard Marina	1,544,730	1,657,348	1,657,348	-
Bremerton Marina	1,055,811	977,700	977,700	-
Tax and Grants	7,156,317	7,284,155	7,284,155	-
Total Revenues	\$ 11,445,301	\$ 11,754,712	11,754,712	\$ -

Operating Expenses	2019 Final Budget	2020 1st Budget	2020 2nd Budget	Changes
Airport	1,228,589	735,910	735,910	-
Industrial Parks	978,448	972,003	972,003	-
Port Orchard Marina	1,880,954	1,383,279	1,383,279	-
Bremerton Marina	1,225,712	1,071,529	1,071,529	-
Other Marinas	76,705	79,626	79,626	-
General & Administrative	1,039,676	2,277,384	2,277,384	-
Sub-total Operating Expenses	\$ 6,430,084	\$ 6,519,731	6,519,731	\$ -

2020 Operating Budget Details								
	Airport	Industrial Park	Port Orchard Marina	Bremerton Marina	Other Marinas	General Admin	Non-Operating	Totals
OPERATING REVENUES								
Hangars & Tie Downs	\$ 248,585							\$ 248,585
Ground & Space Leases	213,124	1,359,700						1,572,824
Moorage & Others			1,179,018	977,700				2,156,718
Fuel	10,810		478,330					489,140
Licenses, Concessions, Misc Fees	3,290							3,290
TOTAL OPERATING REVENUES	475,809	1,359,700	1,657,348	977,700				4,470,557
OPERATING EXPENSES								
Salaries & Benefits	389,255	365,855	678,121	678,121		1,122,438		3,233,789
General & Administrative	240,594	142,213	50,314	50,993		1,154,946		1,639,060
Fuel			358,747					358,747
Facilities & Operations	106,061	463,935	296,097	342,415	79,626			1,288,134
TOTAL OPERATING EXPENSES	735,910	972,003	1,383,279	1,071,529	79,626	2,277,384		6,519,731
NON-OPERATING								
Taxes							3,756,225	3,756,225
Grants							3,425,930	3,425,930
Misc. Interest Income							102,000	102,000
TOTAL NON-OPERATING							7,284,155	7,284,155
PROFIT or LOSS	\$ (260,101)	\$ 387,697	\$ 274,069	\$ (93,829)	\$ (79,626)	\$ 2,277,384	\$ 7,284,155	\$ 5,234,981

Capital Projects	2019 Final Budget	2020 1st Budget	2020 2nd Budget	Changes
Airport	3,631,826	8,954,283	9,029,783	75,500
Industrial Parks	3,235,000	3,589,640	3,626,245	36,605
Port Orchard Marina	81,000	1,073,430	1,073,430	-
Bremerton Marina	2,279,000	2,402,000	2,402,000	-
General & Administrative	430,481	402,101	402,101	-
Sub-total Capital Expenses	\$ 9,657,307	\$ 16,421,454	16,533,559	\$ 112,105
Total Operating & Capital	\$ 16,087,391	\$ 22,941,185	23,053,290	\$ 112,105

2020 Capital Budget Details				
Project has to happen	Airport 2020 Capital Budget			
Replace HIRL Runway 02/20, MITL, & Taxiway Signs	\$ 2,499,335.00			
South Apron Site Pad Ready Development	\$ 2,067,526.00			
Airport Diner (Engineering)	\$ 157,805.00			
New Airport Monument Plus Upgrades	\$ 138,186.00			
100LL Fuel Truck	\$ 30,000.00			
TOTAL:	\$ 4,892,852.00			
Project - priority for 2020	Airport 2020 Capital Budget			
Airport Diner (Construction)	\$ 2,763,861.00			
North Corporate Hangar Site (Design + Construction)	\$ 900,000.00			
FBO Roof Repair	\$ 50,000.00			
Sky Park Final Design (Engineering)	\$ 183,570.00			
TOTAL	\$ 3,897,431.00			
Project useful for 2020	Airport 2020 Capital Budget	1st Budget		Increase
Skid Steer Accessories (50 ~ 50 split AP & OVIP)	\$ 60,000.00	Skid Steer Accessories (50 ~ 50 split AP & OVIP)	60,000.00	-
Hangar Building Upgrades	\$ 50,000.00			50,000.00
Security Gates 1 & 12 Upgrade	\$ 48,500.00	Security Gates 1 & 12 Upgrade	48,500.00	-
New Airport Monument - SOUTH	\$ 81,000.00	New Airport Monument - SOUTH	55,500.00	25,500.00
TOTAL	\$ 239,500.00		164,000.00	75,500.00
Airport Grand Total	\$ 9,029,783.00			

2020 Capital Budget Details				
Project has to happen	Industrial Park 2020 Capital Budget			
New Port Industrial Bldg	\$ 817,230.00			
SR3 Frontage Development	\$ 1,788,990.00			
SR3 Frontage Starter Building	\$ 719,025.00			
TOTAL:	\$ 3,325,245.00			
Project - priority for 2020	Industrial Park 2020 Capital Budget	1st Budget		Increase
OVIP Sewer Lift Station 3-Phase Conversion	\$ 196,500.00	OVIP Sewer Lift Station 3-Phase Conversion	123,845.00	72,655.00
Paint Port Buildings (OVIP 1, 2 or 6)	\$ 29,500.00	Paint Port Buildings (OVIP 1, 2)	65,550.00	(36,050.00)
Industrial Park Master Plan	\$ 75,000.00	Industrial Park Master Plan	75,000.00	-
TOTAL	\$ 301,000.00		264,395.00	36,605.00
Industrial Park Grand Total	\$ 3,626,245.00			

2020 Capital Budget Details	
Project has to happen	Bremerton Marina 2020 Capital Budget
Washington Ave Parking Lot	\$ 2,200,000.00
TOTAL:	\$ 2,200,000.00
Project - priority for 2020	Bremerton Marina 2020 Capital Budget
Pile Coatings Splash Zone Repairs (40 piles/Year)	\$ 150,000.00
Vehicle Replacement (1/2 Ton Pickup) 50 % share w/PO	\$ 25,000.00
Electric Automated Meter Upgrades	\$ 15,000.00
TOTAL	\$ 190,000.00
Project useful for 2020	Bremerton Marina 2020 Capital Budget
Fish Cleaning Station (RCO Grant)	\$ 3,000.00
Portable Pump Out Pump (RCO Grant)	\$ 9,000.00
TOTAL	\$ 12,000.00
Bremerton Marina Grand Total	\$ 2,402,000.00

2020 Capital Budget Details	
Project has to happen	Port Orchard 2020 Capital Budget
North & East Breakwater (Design)(DOC Grant) *	\$ 808,430.00
TOTAL:	\$ 808,430.00
Project - priority for 2020	Port Orchard 2020 Capital Budget
Pile Coatings Splash Zone Repairs (20 piles/Year)	\$ 40,000.00
Electric Automated Meter Upgrades	\$ 20,000.00
TOTAL	\$ 60,000.00
Project useful for 2020	Port Orchard 2020 Capital Budget
Resurface/Upgrades A-Dock/Misc Interior Floatation (Eng) *	\$ 30,000.00
North Breakwater (Crack seal/floatation) *	\$ 100,000.00
East Breakwater (crack seal/floatation) *	\$ 50,000.00
Small Craft Activity Float/Program	\$ 25,000.00
TOTAL	\$ 205,000.00
Port Orchard Marina Grand Total	\$ 1,073,430.00

2020 Capital Budget Details	
Project - priority for 2020	General Admin 2020 Capital Budget
Site, Utility, Building Improvements	\$ 127,101.00
Business Development Opportunities	\$ 75,000.00
Software Upgrades, System Expansion	\$ 200,000.00
TOTAL	\$ 402,101.00

2020 2nd Preliminary Budget

Q & A