

**PORT OF POULSBO
MEETING AGENDA OF
March 17, 2011**

1. OPEN MEETING

2. OPEN MEETING TO PUBLIC COMMENTS (LIMIT 3 MINUTES)

3. COMMISSIONER COMMENTS

4. CONSENT AGENDA ITEMS

(Next Res. 2011-07)

All matters listed within the Consent Agenda 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 Agenda and placed on the Regular Agenda by a Commission member or by citizen request.

- A. Approve meeting minutes of March 3, 2011
- B. Warrants: 10679-10704, P10327-P10334, ACH 03/18/11 in the amount of \$60,395.12.
- C. Resolutions 2011-06- Auction

5. OLD BUSINESS ITEMS

- A. Armory Parking Lot Project – Port Manager
- B. West Poulsbo (DNR) property – Port Manager

6. NEW BUSINESS ITEMS

- A. Items for public comments/motions/discussions
- B. Lavengro Floating Farmers Market – Port Manager
- C. Accountants Report – Carol Tripp/ Accountant/ Staff Auditor
- D. Managers/Maintenance Report – Port Manager

7. OPEN TO PUBLIC COMMENTS: (LIMIT 3 MINUTES EACH)

8. COMMISSIONER COMMENTS

9. ADJOURN MEETING

PORT OF POULSBO
BOARD MEETING MINUTES
MARCH 17, 2011
7:05PM

ATTENDEES: COMMISSIONER BOCKUS; COMMISSIONER DECARLO;
COMMISSIONER GILBERT (VIA WEBCAM); PORT MANAGER, KIRK STICKELS; PORT
ACCOUNTANT AND AUDITOR, CAROL TRIPP; PORT SECRETARY, ANDREA NIX.

PUBLIC ATTENDEES WITH COMMENTS: RANDY KUPUCK, STAN WIEGMAN.

1. Meeting Chairman, Commissioner Bockus called the meeting to order at 7:05pm, and:
2. Invited Public Comments.

PUBLIC COMMENTS:

Kirk Stickels: Stan Wiegman and Randy Kupuck are here to talk about the tall ship Lavengro, which is on the Agenda under New Business for this meeting. Would like to introduce them now under Public Comments.

Randy Kupuck: I'm serving on part of the management team for the Kitsap Schooner Committee, which is the management group that's operating the schooner, Lavengro. Stan Wiegman, is the Chairman of the committee. He's asked me to talk tonight. We've talked about possibly coming over here to moor Lavengro in the Port of Poulsbo. We'd like to give you some more information about Lavengro and talk about some of the programs that we do. The background on Lavengro is that it is a wooden gaff-rigged schooner that was launched in 1927. It was built as a pleasure boat, but is designed along the lines of a Biloxi Shrimper. It served in World War II, and was a cruise boat in Hawaii, for many years, before it ended up in the Northwest, and was donated to the Northwest Schooner Society. It was docked on Lake Union at the Gasworks dock, but when the city took that back over, it moved over to Brownsville, which has been the base of Lavengro operations for the past year. In the past few months the Northwest Schooner Society has created the Kitsap Schooner Committee to watch over Lavengro, because they have dedicated Lavengro to be in Kitsap for as long as we have activities for the ship and maintain it. Northwest Schooner Society is a 501C nonprofit organization. The goals of the Kitsap Schooner Committee are to provide educational experiences to school children and families, increase the preservation of sailing heritage in Kitsap County, develop training and character building experiences for volunteers, the community and at-risk young adults, and to specifically manage the schooner Lavengro. Some of the things that we do are to work with classrooms; especially junior high science classes come down and spend some time on the boat. There are usually too many kids for us to actually take them out. We'd like to expand some of these activities. One of the nice things about being here is we'd like to, hopefully, work with the Marine Science Center and do some joint activities with them once they get back up

running again. We are also working with the Boy Scouts. It's a new program. With smaller groups we'll be able to take them out sailing. To explain our part in the sailing heritage of Kitsap County, we attend a lot of festivals around the county and Puget Sound, the Kitsap Harvest Festival, the Viking Festival, the Wooden Boat Festival in Port Townsend, Keyport and Bremerton. We try to go where there is going to be a crowd of people who want to tour the boat. At those festivals we give free tours all day. Usually in the afternoon we take it out for a cruise, and we ask for donations for those cruises to help defray the costs of the boat. At least once a month we plan a free cruise for the community. One of the drawbacks of being in Brownsville is that few people ever saw it. So we feel that one of the advantages of being here is that we can get more people involved and get the boat out on the free cruises. We usually do them on Sunday nights. If we are not at festivals, we can offer cruises more than once a month. Right now we are allowed to carry six paying passengers, more passengers if they are not paying. We also do special cruises and charters, such as Mother's and Father's Day Cruises and charters with local restaurants. Lastly we have training. Everyone who works on the boat is a volunteer. If you work on the boat you are eligible to go sailing with us. One of the things we really want to do this year is advance the training we have ongoing. The Lavengro is going to the dry dock in Anacortes for a significant refitting so it will pass the Certificate of Inspection from the Coast Guard (COI) at the end of this month or early next month. There are a total of nine ribs that need to be replaced on it. We don't know yet if we'll replace all nine this year, or do three each year over the next three years, which is a plan that has been agreed to by the Coast Guard. We've done the work on the engine and electrical system that was necessary for the COI. We have paperwork for that left to do, and charts and logs need updates. With all that we'll have the COI, and at that point we could carry up to 24 paying passengers. Lavengro is only 50ft on deck, so we figure twelve people is the most that will be comfortable. This all brings us to why we would like to be in Poulsbo. WE feel that this would allow us to really expand our programs. Here there is a lot more activity, and we would like to work with local merchants. We are going to have to do some fundraisers, such as charters, to pay for the boat, insurance, etc. which would bring people into the Port area. Our volunteer training and free cruises are community services that benefit the entire community and help further the goals of the Port by improving the quality of life of everyone in the County.

Commissioner Bockus: Part of what we were led to understand is that Lavengro would be part of the Farmboats.org floating farmer's market.

Randy Kupuck: It is our intent to. It is a huge commitment because they want us to commit to doing it each week for the whole season. It is an all-volunteer effort, but it is still our intent to commit to it. Dave Petrich will be at our next meeting the first Wednesday of April. He's going to present to us. We have a Captain who is very much in favor of it and her schedule allows her to participate each week, so it looks like everything will fall into place for it. We would really like to be here, whether we participate in Farmboats, or not. We feel there are enough other things that go on with Lavengro that we could benefit each other by being here. It would be an

excellent way for us to get more exposure for Lavengro, and to help raise funds for it.

Commissioner Bockus: I tend to agree that, yes, you would have a lot more exposure here than tucked away in Brownsville. This is a destination port and there is a lot of activity here.

Randy Kupuck: Our relationship with Brownsville has been excellent. They have been very supportive. In order to do a lot of the activities we feel we need a lot more visibility.

Commissioner Bockus: We also attend the Poulsbo City meetings, and I attend the Economic Development Meetings. I mentioned the Farmboats and Lavengro, and they are very excited about it. They think something like this could really take off and help, not only Poulsbo, but all of Puget Sound. They have asked that we attend the next meeting, March 23. They've set aside some time to listen to us, and hopefully representative from Lavengro, who could make a presentation to the City Council by way of the Economic Development Committee.

Randy Kupuck: We'd love to.

Commissioner Bockus: It starts at 3:30PM. It's in the new City Hall, and it's a chance for your staff to come and see the inside. I would greatly encourage you to attend that meeting. It will be strictly about the Farmboats and farmer's market. I think it would be great for our community. I like the tours idea. We had a presentation a couple of years ago about Lavengro, and we were encouraged and excited about it. Even without the farmers' market connection, I think it would be beneficial to the Port and the City of Poulsbo.

Kirk Stickels: I've got a call into to Dave Petrich to invite him. Also, we want to address the Farmboats activities through the Economic Development Committee so that they are not in conflict with the local farmers' markets but operating cooperatively, on different days of the week, for instance.

Commissioner DeCarlo: How does it work, will they put the stands on the boat?

Kirk Stickels: The exact how is uncertain, but the question now is can they come here. The Lavengro is a 501C, but obviously the Farboats is commerce, so we have to work out where the lines are, keep ourselves clear of RCWs.

Commissioner DeCarlo: They would have to pay the Lavengro the maintenance costs, at least, for that day.

Commissioner Bockus: I am sure that Lavengro has legal staff that can handle this?

Randy Kupuck: Yes.

Kirk Stickels: We are also looking at the utilization of D dock, because it would probably be most appropriate since the Fishermen are there, and so as not to interfere with the grant status of E and F docks. That is not to say that they couldn't be on docks E and F, so they would be visible from the park, but their slip would be on D dock so that they are not displacing transiting boaters. After talking to the ROC office, I think there is a way we can work through this.

Commissioner DeCarlo: Maybe we should talk to them about buying on slip at the end of the dock?

Kirk Stickels: They have already said no to that. But we are trying to extend the season of the local farmers market, to lead into the returning fishing fleet that sells fish off of the dock. We have to address the fairness, free moorage and all the other factors.

Commissioner Bockus: With a connection between the two, the local farmers market and the Lavengro and Farmboats, the utilization of our new dock, and a connection with the fish from the fishing fleets, I think it would make a lot of sense and has a lot of possibility. We welcome it.

Randy Kupuck: What is the process that we need to go through to get something in place with the Port? How do we make an official request for moorage here? Are we doing this now? Is there something else we need to do?

Kirk Stickels: I am taking this a positive response from the board, so, yes, we will be looking at a place to put you. There is a fishing vessel that is not coming back at the end of the season. It is a little further out the dock, but when the boats go fishing this year, we would be able to put you into that space.

Commissioner Bockus: There is a certain amount of legality that we have to contend with. Being a public port we can't just give moorage away. We have to show a reason as to why would do such a thing. Education is one of those things. Economic development is something we, as a public port, are mandated by legislation of the State to conduct.

Commissioner Gilbert: It sounds all well and good to me, but we can't give our moorage away. So, are they looking for just moorage, or are they looking for free moorage. Free moorage is something we cannot do because they are a commercial operation.

Randy Kupuck: That's why we are specifically not talking about any of our commercial operations. Our relationship with Brownsville has been based upon the fact that we do draw people into the marina, we provide the free sails and the educational activities. Those are the reasons Brownsville has provided us with the hosted moorage. So, that's one of the reasons we weren't sure about the Farboats

activity. It does bring in this commercial activity, which helps us cover some of our costs, but at the same time we don't want to be viewed as a commercial activity. We are here to benefit the public.

Commissioner Bockus: I would think there would be ways of working around those RCWs and the mandate that is issued to us. Maybe not even have it as a commercial venture, but a drawing card to the other commercial ventures. I think it could be an in-kind type of operation.

Commissioner Gilbert: I don't see how you're getting an in-kind operation there. I think the state would view anything that they're selling as a commercial operation.

Commissioner Bockus: If they are not selling anything, and only operating as a drawing card, and the selling is being done by someone else up on the dock, and they fee schedule is worked out up on the dock, I don't see how that be afoul of RCWs.

Randy Kupuck: That's why we want to arrange this apart from Farmboats, and let whatever arrangements are made with Farmboats be totally separate. It may involve us, but we would prefer that we just look at our educational and community activities. If we all agree to go ahead with Farmboats then that would be separate agreement, something paid by the Port relating to the Farmboats activity would be a separate discussion. We are specifically not a commercial operation. We are a 501C, and we have no paid staff. Last year we did give our full-time Captain a stipend just because we need a full-time captain, but this year we are looking to build a staff of volunteer captains. So, everyone is a volunteer and we charge only by donation at very low rates. It's not to make a profit, just to cover costs.

Commissioner Brockus: And you're doing it within the confines of your nonprofit status. I think there's a big difference between a volunteer, non-profit organization and a commercial organization, such as our fisherman.

Commissioner Gilbert: How can fees charged to six passengers be enough to run the maintenance of that boat?

Commissioner DeCarlo: That's why they have all volunteers.

Randy Kupuck: The Northwest Schooner Society has been running these operations for a long time. They also operate the schooner, Zodiac, which is a 150 ft schooner, and it does a lot of charters. It's a bigger boat and it's a lot more expensive. We get a lot of things donated to us. Our haul-out in Anacortes is free. We get cans of paint and most of our maintenance supplies donated to us, all the labor for repair on the ribs is being donated. When we go to festivals we have a donation can on board. That's one of the reasons we need some more visibility for the boat. It's about \$30,000 a year to support the boat. We are also looking to the Suquamish tribe, and working with them on some of their youth programs. They've offered to give

significant contributions to the boat. All these donations enable us to do the free sails and bring classes out for education, and so on.

Commissioner Bockus: When JC made that presentation to us he was asking us for support of a grant at that time, right?

Kirk Stickels: That was when they were approaching the County Council about being designated as the Official Tall Ship of Kitsap County.

Randy Kupuck: We are now the Official Tall Ship of Kitsap County.

Carol Tripp: There is also the bed tax.

Randy Kupuck: We are looking at the application for the bed tax. We missed the application date last year due to some changes in the organization, but this year we will apply. So there are a lot of different ways that we support the boat.

Commissioner DeCarlo: Like Glen's saying, we have to look at whether the State Auditor is going to agree with what we do.

Kirk Stickels: And I think that staff is going to need a few days to answer questions that we may have, and that we know the auditor is going to have. We'll also look at what kind of arrangement Brownsville made.

Randy Kupuck: Port of Brownsville has offered to continue hosting us. They want us to have our COI by the end of April, and that's been touch and go because we are dealing with the Coast Guard, but we're pushing very hard to have done by the end of April. Right now, as an uninspected vessel, we can carry six paying passengers. We can carry more if they don't pay. With the COI we would be able to carry up to 24v paying passengers. We think that is too many to be comfortable, and also our insurance rates would go up if we carried that many passengers.

Commissioner Bockus: Is a paying passenger different from one who makes a donation?

Randy Kupuck: For example, last spring The Poulsbo Art League asked us to come over here and we took them out on two cruises. If they had asked and said they would pay us \$400 dollars to do it, then technically that would be them paying us to do it. At that point, we'd be limited to six at a time. When we are at festivals, and do a sunset cruise in the evening, we ask for twenty-five or forty dollars, depending on the length of the cruise, for people to come on board. Right now, we can do only six people. With the COI we could increase that. We don't feel we would ever go over ten or twelve because of the size of the boat and the comfort of passengers.

Commissioner Bockus: So it's more than just a suggestion of a donation, it's a specific cost?

Randy Kupuck: It depends on the cruise. For some cruises we go out strictly on donations. For some we say, this is the fee, but if people can't pay, we're not hard and fast about it.

Commissioner Gilbert: That constitutes a commercial operation. And our RCWs don't allow that.

Commissioner DeCarlo: Unless the fee is for cost and operation of the boat.

Kirk Stickels: I think that what the Port would have to do is satisfy that there is sufficient public benefit to offset the cost of moorage, which would be calculated based on the overall length just like for anyone else.

Randy Kupuck: Those special cruises are very different. We do the public cruises, usually once a month, and they are free. Whenever we have Scouts or classrooms on those are free. Tours of the boat are also free. When we have someone who requests a special tour, and wants to take the boat, that's when we charge specific fees for cost to take the boat off the dock.

3. Commissioner Bockus invited Commissioner Comments.

COMMISSIONER COMMENTS:

Commissioner DeCarlo: I went to the Council meeting last night. We were discussing their agenda. They are going to do what we do, and hold executive session at the end instead of in the middle. Someone also brought up public comments, and why they do not respond. I said that after we have citizen comments we respond to each question that was brought up. I thought they should do something similar, and they thought that was a good idea. Also, Dave said he was not going to be here tonight, and that he also was not going to be at the meeting on the 23rd.

Kirk Stickels: He did mention that in the office the other day.

4. Commissioner Bockus opened discussion of the Consent Agenda Items A,B,C.

CONSENT AGENDA ITEMS: Motion made and passed to accept Consent Agenda Items.

5. Commissioner Bockus opened discussion of Old Business Items.

OLD BUSINESS ITEMS:

A. Armory Parking Lot Project -

Kirk Stickels: We are almost to the point of finalizing the design work. I haven't seen the first draft of the landscaping, but that's coming along also. We continue to meet

all of the items that the City requested in their preliminary application meeting. I still have not gotten a definitive answer from the Planning Department about the setback requirements. The engineer and I have been looking at that requirement and how it applies over the site line. I think it would be beneficial to the Port if we had a smaller setback. We may have to allow the ten feet across the frontage and treat the slope behind, at Martha and Mary, slightly differently. So, what we are trying to do is go as far forward as we can to lessen the degree of the slope in the back because there may be some sort of retention wall back there. I will see the Planning Department tomorrow, and discuss where that requirement is. Parking lots seem to be mandated a little differently than when there is a building on the site, so we want to see what is the interpretation there. Maybe we increase the landscaping in other areas to lessen that setback off of the front. We lose one parking spot with the ten foot setback, but it's not clear what other costs we incur shifting things around on the site. We should have a drawing done and ready for permit submittal within the next week.

Commissioner Bockus: To bring Glen up to date, please explain what the Planning Committee submitted to us and where we are at now.

Kirk Stickels: Explained so that Commissioner Gilbert understood that during a preliminary planning meeting the city planner who was assigned to the Port's application had called for a ten-foot setback off Jensen, which was different from the five-foot setback the engineer had been working on plans for. At the time, we did not have enough information to know whether that was going to affect us or not, other than that it seems unusual. Looking at the rest of Jensen there seems to be no standardization. If it's a structure, it's right out to the edge of the sidewalk. There are no other parking lots. The setback in front of the Post Office is quite a bit less than the setback across the street in front of the Bank of America. Consistency was difficult to confirm there. We've gone ahead and designed the parking lot format and fit it inside the footprint of our site, but for that back corner where the slope comes down from Martha and Mary, next to Dr. Mumford's office, it would be beneficial to us, or less cost to us, if we could pull the parking lot closer to the street, thus reducing that ten-foot setback to five feet.

Commissioner Gilbert: I think we'd be the only one in town with a ten-foot setback. I don't think they have a very good argument for making us go to ten.

Kirk Stickels: I don't think they do either, and that's why we're trying to figure out whether this was an interpretation by the one planner, and if not, I can't find it in the planning code. So we're just trying to get that straightened out.

Commissioner Gilbert: Can you get her to make a decision on it, yes or no? Yes, she requires it or no, she doesn't?

Kirk Stickels: That's right where we are. We're finishing the drawings and we'll submit those. At this point the submittal will show a five-foot setback, with perhaps

enhancements to the landscaping to the south side. If that becomes an issue, we'll take it up with the Planning Commission for a ruling on it.

Commissioner Gilbert: What enhancements are you talking about?

Kirk Stickels: Maybe more trees, or different kinds of trees. We think we can get the slope addressed more cost effectively and easily if we don't have to crowd that back corner. The landscaping plan will have more on the south side and that adjacent property.

Commissioner Bockus: One thing we can also mention to the Planning Committee is our concern for security back there.

B. West Poulsbo (DNR) Property -

Commissioner DeCarlo: I read the letter you forwarded to us, and I see that we do have the timber rights. I would definitely keep a copy of that letter safe in our ticket file. That quick claim deed that we received does not actually mention the timber rights. It just says they would retain all the mineral rights. So the only thing we have is this guy's letter saying that we would have the timber rights. If we're going to have access to the timber than I would be all for buying it, but like I said, we want to keep the original letter with the deed.

Kirk Stickels: The quick claim deed that was with that packet is an example of what the state would like to see. It is a form that the State used. I'm sure it can be added to or filed with another instrument at the same time. Greg got us this information early this week, and I haven't yet had an opportunity to speak to him yet, but this is the information we were seeking.

Commissioner Bockus: I think the Commission has already voiced its concern. We voted to proceed with the DNR property up to the point that we had the question on the timber rights, and then we turned that over to our attorney. So, I think the vote is already there, except that we are waiting on word from our attorney. The vote was 2-1.

Kirk Stickels: The other question, in my mind, is that we want a definitive process as to what Greg sees as a way to show access to the property. He did discuss that with us. He said filing for road access couldn't be done by the Port prior to the Port being the owners of the property. I'll get Greg to address a letter to the board showing the steps we take for that. There is a question of the Rude Rd up to the property, and to the road that's across the property.

Commissioner DeCarlo: No bank will finance a property without access, so those other homeowner must have had some access. We won't know unless we actually go look at those properties.

Kirk Stickels: We gathered a lot of the title information, and then Greg reviewed it and did his own research, and that's when he came back with the information that it's unclear. It's unclear how it was recorded for how access was ever granted to the area. The road that gives access was recorded as a logging road.

Commissioner DeCarlo: Go look at what road it declares they use to get to their properties.

Kirk Stickels: I'll go back and check with Greg on that tomorrow.

6. Commissioner Bockus opened discussion of New Business Items.

NEW BUSINESS ITEMS:

Commissioner Bockus: We did have our presentation about the Lavengro, and I think we made all of our comments on that. So, We can move on to the Manager's Report.

C. ACCOUNTANT'S REPORT:

Carol Tripp: 1.) There are a couple of things that I wanted to address regarding the Lavengro presentation, so you have some additional information. The monthly moorage on that vessel would be approximately \$301/mo., which would be roughly a little over \$3600 annually. If you offered to host that boat you would still have the issue of a lease/hold tax, and that would total \$399.60/yr. Either the Port or Lavengro would have to pay that. I would like to draft a letter to the State Auditor's office so that we could get a written response from them, rather than get something verbal over the phone. 2.) We have received a response from Mr. Xenos regarding the invoice he received for the wood wharf. All of the commissioners were sent a copy of it. 3.) This will tie in with what Kirk it going to go over, there will be a small amendments to the capitol projects given the additional expense that we had for the wood wharf repairs. We are not going to be doing the C dock end rebuild. Part of that money is going to into the wood wharf repairs overage, and to the C dock landing and utility relocate. It will leaves us the following: \$30,000 for the DNR property, \$101,000 for the Armory Parking Lot development, and \$25,000 for the Shoreline Restoration, Phases 1 & 2. Also, there is a request to move the C dock landing and utility relocate to the month of June.

Commissioner Bockus: What about the sewer-connect, which was scheduled for the end of this month?

Carol Tripp: It's going to be tied in with the work on the C dock. We're hoping that we can get the paperwork completed for the State, and get a bid from the company that will do that. We're hoping to get a 75% reimbursement from the State. So, \$18,000 will be added for the sewer-connect, which we are hoping to get

reimbursed for. Also, \$53,000 is going to be moved up to the C dock landing and utility relocate.

Kirk Stickels: If that project doesn't take up all of the funds, and we do get reimbursed by the State for the sewer connections, that will free up additional funds, but we won't know that until we get into the project, which is the second quarter of the year. The dates coincide with the quarters of the year. We had hoped to have that project completed by the end of the first quarter, but unfortunately with the additional expense and time incurred with the wood wharf, that program was pushed back. In view of our capitol projects, and funds for those, we've got the approximate \$101,000 for the parking lot, which is underway, and \$30,000 for the DNR property. We have a \$131,000 there to deal with. I think it would be more prudent for us to wait until the second quarter, after the first flush of taxes come in, so we don't use reserve account or other parts of the budget to fund these projects. Sliding this timeframe further into the year allows for the influx of April property taxes, which are our primary funding source for capitol projects anyway. By next week we'll have something back from the contractor, Bensen Drawing, for the sewer connections. Once we have that we can submit it to the State, and see if it qualitative. We would be reimbursed on that once we started the project. So what we're looking for is to bring the board up to date with our Capitol Projects. We had talked about having the landing place by the end of this month but we still have to mobilize a barge and a crane. When we begin that I'd like to have everything else already in order: the sewer connect, the new pump-out station, the float in place, which involves some utility relocates.

Carol Tripp: It was funded mainly through the allocation of funds from the Liberty Park fund, the one we completed last meeting. It was enough money, approximately \$190,00, and about half of it was used for the Wood Wharf, which came in at a total cost of over \$92,000, and we also paid the outstanding portion for the Armory demolition. Between those, we did not have to dip into reserves. We were also able to use it, combined with the contingency fund, where we spent about \$28,000 while we only budgeted \$20,000. So, all that money came out of the Liberty Park Allocation, and we have not had to pull anything out of reserves at this point to do these. I'm hoping that, out of that contingency fund, we will get reimbursed for 90% of the Palmer boat that was removed and demolished.

Commissioner DeCarlo: Do we need to talk about Mr. Xenos's letter?

Carol Tripp: I just need to know if you want me to proceed like we normally do with accounts, which is if that if they are not paid in thirty days they go to collections.

Commissioner Gilbert: We need to get some kind of discussion going first.

Commissioner DeCarlo: Yes. Did we not talk to him at about the repairs that were going to be made? And say that he would be responsible for his share?

Kirk Stickels: Not in writing. The conversation took place when we were out there notifying businesses of the work to be done. We didn't formally notify him. We closed the use of the wharf, and were trying to get it reopened again for the tenants to use on a regular basis. We didn't declare it an emergency, but it was an urgent situation where we needed to get the correction made. We anticipated this to be a much smaller project. Once we opened that up, John Xenos was there at the dock. We discussed that it was rotten all the way through. Manny Xenos came down one time when I was there and I made the comment that if they'd done it right the first time, as far as materials, we would be back here in such a short period of time. But as for holding them responsible for the cost, there was no formal, in-writing notice. We went ahead and did it. I felt that it jeopardized the Port enough, from a liability standpoint, that we needed to do the repair in order to maintain the functionality of the dock. We did not go to other property owners and ask them to submit ideas or contractors.

Commissioner Bockus: I think it was brought up at the very beginning of this project that we should approach Mr. Xenos. Whether we approached him at the proper time, or not, is the question now.

Commissioner DeCarlo: I can see his point of view. If someone started making repairs to my property, and I hadn't consented to it and I don't have anything writing that says that those repairs will be made and that I will be responsible for paying for them, and then the repairs are made.

Commissioner Gilbert: I think once they opened the dock up it created, not an emergency, but in immediate response from him, which he didn't give. We couldn't close the dock back up with the damages that were in there. I think there is an argument in both directions. We need a little dialogue, either between us or between the lawyers.

Commissioner Bockus: I agree.

Commissioner DeCarlo: We ought to invite him to our meeting.

Kirk Stickels: Staff has not seen a copy of Mr. Xenos' letter.
[Reading a part of Mr. Xenos's letter sent to the Commissioners]: "The pier is solely under the Port's jurisdiction. I've had no input into its use or maintenance and no say into the scope of the repairs or how and by whom they were being done. I would certainly have used Trident, a local Bremerton company specializing in this type of work, and I would have looked at a more efficient method of repair. The Port has Capitol Projects funds for this type of project, which is supported by my and every other property owners tax dollars..."

Commissioner Gilbert: I don't have the letter with me now. Did it say in the first portion, that the dock was *ours*?

Kirk Stickels: He said, "solely under the Port's jurisdiction...", and that he, "had no input as to its use and maintenance."

Commissioner Bockus: He called me at home, and he mentioned at that point that he would turn it over to his attorney, and I said go ahead and do it and we'll let the attorney's argue it out. I think that's what we should do. Let's turn this whole thing over to Greg, and let him do the investigation.

Commissioner DeCarlo: Before we do that, we should notify Mr. Xenos, telling him that is what we will do, if he does not pay the invoice. He may end up paying our attorney fees, too, if we win the case.

Carol Tripp: Mr. Xenos has already contacted Greg. So Greg is familiar with it.

Commissioner Bockus: Then I think we should approach him, as the Port, to ask him to investigate.

Kirk Stickels: Reading on, he says, "prior repairs were done with one year's lead notice."

Commissioner Bockus: So we will turn this all over to Greg, and put copy of the letter in our file and also put a copy into the minutes of tonight's meeting.

Commissioner DeCarlo: Like I said, we may be stuck with the bill. The only thing we have going for us is that we repaired his property, but we didn't approach him about him sharing the cost beforehand.

Kirk Stickels: Although from a practical sense, The Port needed to repair his portion to repair the Port's.

Commissioner DeCarlo: But you have to look at it both ways. Also, if he had had to do it himself it would have been more than the \$16,000, as there would have been set-up and labor fees. I agree, we should let the attorney look at it and go from here.

D. MANAGER'S/MAINTNENANCE REPORT

Kirk Stickels: We've covered several of the items I would have reported on: the Capital Programs, the parking lot. The one other item of note is that we had a visit from our insurance pool. I requested an on-site inspection from Endurus. I wanted them to look at the Port's present coverage and also to take a look at the Port in general. They were most interested in several aspects, some we have under general maintenance, and some that are areas we had not put on the program yet. They are going to report back with observations and recommendations. We did look at the coverage and there are some areas we may want to increase some value in. One area is the marina construction, itself, should we need to repair it. One item was relative

to the old armory parking lot, where we let them know that that should have been dropped. So they were cleaning up their records and we cleaned up ours.


Commissioner DeCarlo: If we're going to turn that into a parking lot, don't we need liability coverage on that.

Kirk Stickels: Yes, when it becomes a parking lot. Then it will be a change of use. Another place we spent quite a bit of time on was the boathouses. The danger and damage in covered slips has been significant, so he wanted to take a look at those. The construction of our boathouses is better, with the burn out panels included, the lighter construction, and they don't have common walls or a common roof. One last thing that came up in the discussion, and I'm not recommending that we take action at this time, but that we'll put this into our work program, is trip hazards on the docks.


7. Commissioner Bockus entertained a motion to adjourn the meeting.

Commissioner DeCarlo made the motion to adjourn the meeting.


PORT OF POULSBO BOARD MEETING FOR MARCH 17, 2011 ADJOURNED AT 9:20PM.




Commissioner Bockus



Commissioner DeCarlo



Secretary Andrea Nix



Commissioner Gilbert

PORT OF POULSBO


PAYMENT VOUCHER

Post Office Box 732
Poulsbo, WA 98370

Kitsap County, WA March 21, 2011

We, the undersigned Board of Commissioners of the Port of Poulsbo, Kitsap County, Washington do hereby certify that the merchandise or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of \$4,090.00 and from the General Fund, this 21st day of March 2011.


Antonio DeCarlo, Commissioner


Glenn E. Gilbert, Commissioner


Arnold Bockus, Commissioner

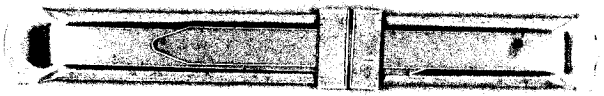
ATTEST:


Andrea Nix, Recording Secretary

Voucher #	Claimant	Amount
10705	City of Poulsbo	4,090.00
	TOTAL	\$4,090.00

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, the labor performed, or the expense incurred as described herein and that the claim is a just, due and unpaid obligation against the Port of Poulsbo and that I am authorized to authenticate and certify to said claim.


Port Auditor



PORT OF POULSBO

PAYMENT VOUCHER

Post Office Box 732
Poulsbo, WA 98370

Kitsap County, WA

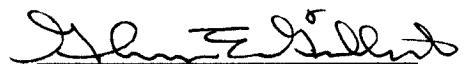
April 1, 2011

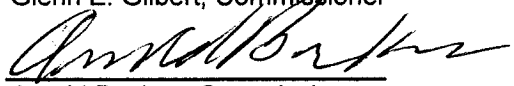
We, the undersigned Board of Commissioners of the Port of Poulsbo, Kitsap County, Washington do hereby certify that the merchandise or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of \$9,481.53 and from the General Fund, this 1st day of April 2011.


Antonio DeCarlo, Commissioner

ATTEST:

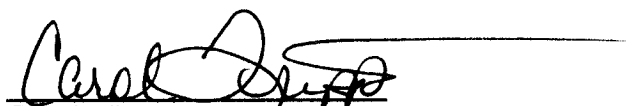

Andrea Nix, Recording Secretary


Glenn E. Gilbert, Commissioner


Arnold Bockus, Commissioner

Voucher #	Claimant	Amount
10706	Advanced Rentals	25.15
10707	Associated Petroleum	8,710.88
10708	Associated Petroleum	212.46
10709	Bank of America	34.95
10710	Cass/Cade Distributing, Inc	74.55
10711	CHS, Inc/Cenex	86.15
10712	Coast to Coast Hardware	62.42
10713	Home Depot	115.38
10714	Kitsap County Dept of Public Works	49.75
10715	Tacoma Screw Products, Inc.	79.54
10716	The Electrical Shop, Inc.	30.30
TOTAL		\$9,481.53

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, the labor performed, or the expense incurred as described herein and that the claim is a just, due and unpaid obligation against the Port of Poulsbo and that I am authorized to authenticate and certify to said claim.


Port Auditor

PORT OF POULSBO

PAYMENT VOUCHER


Post Office Box 732
Poulsbo, WA 98370

Kitsap County, WA

April 1, 2011

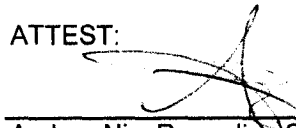
We, the undersigned Board of Commissioners of the Port of Poulsbo, Kitsap County, Washington do hereby certify that the merchandise or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of \$6,679.97 and from the General Fund, this 1st day of April 2011.


Antonio DeCarlo, Commissioner


Glenn E. Gilbert, Commissioner

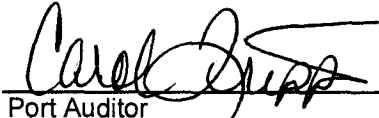

Arnold Bockus, Commissioner

ATTEST:


Andrea Nix, Recording Secretary

Voucher #	Claimant	Amount
10717	Dept of Labor & Industries	2,626.14
10718	Employment Security Department	1,044.96
10719	The Norbut Law Firm	1,402.50
10720	Edward Jones	1,606.37
TOTAL		\$6,679.97

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, the labor performed, or the expense incurred as described herein and that the claim is a just, due and unpaid obligation against the Port of Poulsbo and that I am authorized to authenticate and certify to said claim.


Port Auditor



PORT OF POULSBO


PAYMENT VOUCHER

Post Office Box 732
Poulsbo, WA 98370

Kitsap County, WA

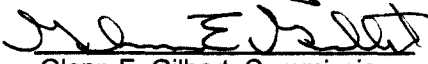
April 8, 2011

We, the undersigned Board of Commissioners of the Port of Poulsbo, Kitsap County, Washington do hereby certify that the merchandise or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of \$11,353.69 and from the General Fund, this 8th day of April 2011.


Antonio DeCarlo, Commissioner

ATTEST:

Andrea Nix, Recording Secretary


Glenn E. Gilbert, Commissioner


Arnold Bockus, Commissioner

Voucher #	Claimant	Amount
10721	Advanced Rentals	221.47
10722	Airgas - Nor Pac, Inc	189.56
10723	AT & T	60.65
10724	Bainbridge Disposal Inc.	109.76
10725	Bank of America	225.94
10726	Coast & Harbor Engineering	1,024.99
10727	Coast to Coast Hardware	70.84
10728	DSC, Inc	28.58
10729	Home Depot	313.01
10730	Mascott Equipment	186.13
10731	Navy City Metals	220.71
10732	Olympic Springs, Inc	33.31
10733	Port Supply	107.62
10734	Michael F. Wnek, PE PS	6,750.00
10735	Robert Fermanis	240.00
10736	City of Poulsbo	1,346.12
10737	Curtis Loftfield	225.00
TOTAL		\$11,353.69

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, the labor performed, or the expense incurred as described herein and that the claim is a just, due and unpaid obligation against the Port of Poulsbo and that I am authorized to authenticate and certify to said claim.


Port Auditor

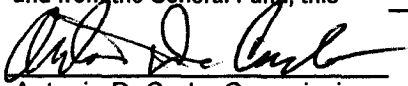
PORT OF POULSBO

PAYMENT VOUCHER

Post Office Box 732
Poulsbo, WA 98370

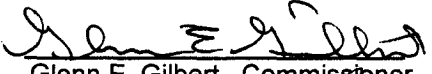

Kitsap County, WA April 1, 2011

We, the undersigned Board of Commissioners of the Port of Poulsbo, Kitsap County, Washington do hereby certify that the merchandise or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of \$10,298.53 and from the General Fund, this 1st day of April 2011.


Antonio DeCarlo, Commissioner

ATTEST:

Andrea Nix, Recording Secretary


Glenn E. Gilbert, Commissioner

Arnold Bockus, Commissioner

Voucher #	Claimant	Amount
P10335	Arnold Bockus	\$657.30
P10336	Antonio DeCarlo	\$433.10
P10337	Glenn Gilbert	\$327.89
P10338	Andrea Nix	\$196.24
P10339	Kirk Stickels	\$1,394.82
P10340	Richard Stice	\$1,482.74
P10341	Brady Miller	\$1,139.30
P10342	Jannese Petersen	\$1,048.66
P10343	Carol Tripp	\$1,644.41
P10344	Melanie Winnett	\$1,106.59
P10345	Charles Schmidt	\$589.08
P10346	Jonathan Davis	\$278.40
TOTAL		\$10,298.53

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, the labor performed, or the expense incurred as described herein and that the claim is a just, due and unpaid obligation against the Port of Poulsbo and that I am authorized to authenticate and certify to said claim.


Port Auditor

~~~DIRECT DEPOSIT ADVICES~~~


PORT OF POULSBO

PAYMENT VOUCHER

Post Office Box 732  
Poulsbo, WA 98370

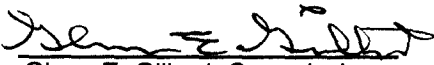
Kitsap County, WA April 1, 2011

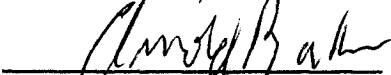
We, the undersigned Board of Commissioners of the Port of Poulsbo, Kitsap County, Washington do hereby certify that the merchandise or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of \$3,303.50 and from the General Fund, this 1st day of April 2011.

  
Antonio DeCarlo, Commissioner

ATTEST:

  
Andrea Nix, Recording Secretary

  
Glenn E. Gilbert, Commissioner

  
Arnold Bockus, Commissioner

| Voucher #    | Claimant                    | Amount     |
|--------------|-----------------------------|------------|
| ACH 04/01/11 | US Treasury/Financial Agent | \$3,303.50 |
|              | TOTAL                       | \$3,303.50 |

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, the labor performed, or the expense incurred as described herein and that the claim is a just, due and unpaid obligation against the Port of Poulsbo and that I am authorized to authenticate and certify to said claim.

  
Port Auditor

--- ACH ---

PORT OF POULSBO  
KITSAP COUNTY, WASHINGTON  
RESOLUTION 2011-07  
April 7, 2011


A RESOLUTION of the Board of Commissioners, Port of Poulsbo, in Washington State, RESOLVED that the Commissioners of the Port of Poulsbo deeming it advisable that the Port enter into that certain proposed lease agreement with the Washington State Department of Natural Resources entitled "West Poulsbo Trust Land Transfer Lease"


WHEREAS, the Port of Poulsbo RESOLVED that the Commissioners of the Port of Poulsbo deeming it advisable that the Port enter into that certain proposed lease agreement with the Washington State Department of Natural Resources entitled "West Poulsbo Trust Land Transfer Lease"

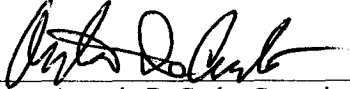
NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners, Port of Poulsbo, are hereby authorized and directed to execute all documents necessary in order to consummate the aforesaid lease.

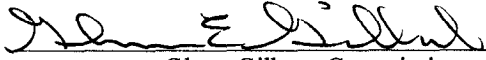
ADOPTED by the Board of Commissioners, of the Port of Poulsbo at the regular scheduled meeting there of held this 7th day of April 2011, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof.

Attest:

  
\_\_\_\_\_  
Andrea Nix  
Recording Secretary

  
\_\_\_\_\_  
Arnold Bockus Commissioner/Chairman

  
\_\_\_\_\_  
Antonio DeCarlo, Commissioner

  
\_\_\_\_\_  
Glenn Gilbert, Commissioner

**Port of Poulsbo**  
**Revenue & Expenditure Report**  
**For the Twelve Months Ending December 31, 2010**

| Description                 | YTD<br>Rev/Exp    |                   | Appropriated<br>(Budgeted) |                   |
|-----------------------------|-------------------|-------------------|----------------------------|-------------------|
|                             | General           | Liberty Park      | General                    | Liberty Park      |
| <b>REVENUES</b>             |                   |                   |                            |                   |
| General Fund Taxes          | 247,677.35        |                   | 258,155.00                 |                   |
| Permanet Moorage            | 429,077.76        |                   | 427,988.00                 |                   |
| Winter Moorage              |                   | 26,232.74         |                            | 36,735.00         |
| Transient Moorage           | 9,729.36          |                   | 11,500.00                  |                   |
| Guest Moorage               |                   | 204,026.14        |                            | 208,569.00        |
| Leasehold Tax               | 808.67            |                   |                            |                   |
| Finance Charges             | 6,161.64          |                   | 3,000.00                   |                   |
| Miscellaneous Inc           | 3,857.51          | 7,883.75          | 4,000.00                   | 8,000.00          |
| Liveaboard Fee              | 8,035.56          |                   | 7,250.00                   |                   |
| Net Fuel Revenue            | 63,812.16         |                   | 60,000.00                  |                   |
| Electricity Inc             | 30,735.87         | 19,552.15         | 30,000.00                  | 15,000.00         |
| Reservation Fees            |                   | 5,245.00          |                            | 6,500.00          |
| Utility Fees                | 19,448.25         |                   | 18,000.00                  |                   |
| Investment Interest         | 24,809.74         | 2,030.94          | 35,000.00                  | 1,000.00          |
| Gain/Loss on Sale of Assets |                   |                   | 2,902.60                   |                   |
| <b>GROSS PROFIT</b>         | <b>844,153.87</b> | <b>264,970.72</b> | <b>857,795.60</b>          | <b>275,804.00</b> |
| <b>EXPENSES</b>             |                   |                   |                            |                   |
| Commissioner Compensation   | 21,858.00         | 7,286.00          | 31,500.00                  | 10,500.00         |
| Salaries & Payroll          | 196,275.71        | 67,085.16         | 215,000.00                 | 75,000.00         |
| Payroll Taxes               | 31,299.65         | 5,088.05          | 34,500.00                  | 11,500.00         |
| Employee Benefit Programs   | 5,147.91          | 1,715.97          | 5,250.00                   | 1,750.00          |
| Insurance - Health          | 76,792.07         | 25,597.36         | 82,255.00                  | 24,085.00         |
| Uniforms                    | 1,364.89          | 0.00              | 1,000.00                   | 1,000.00          |
| Accounting                  | 578.00            |                   | 1,000.00                   |                   |
| Legal                       | 7,508.50          |                   | 5,000.00                   | 2,500.00          |
| Office Expenses             | 9,482.90          | 312.74            | 8,000.00                   | 4,000.00          |
| Janitorial Supplies         | 0.00              | 1,185.95          | 1,000.00                   | 2,000.00          |
| Supplies                    | 444.49            | 1,640.90          | 2,000.00                   | 2,000.00          |
| Storage Rent                | 966.11            |                   | 1,000.00                   |                   |
| Visa Fees                   | 13,816.77         | 3,305.20          | 14,200.00                  | 3,000.00          |
| Insurance - General         | 20,699.65         | 10,195.35         | 23,500.00                  | 7,500.00          |
| Advertising                 | 4,659.30          | 961.50            | 3,000.00                   | 4,000.00          |
| Dues                        | 1,934.00          |                   | 3,500.00                   |                   |
| Electricity                 | 29,820.74         | 27,706.78         | 32,800.00                  | 35,000.00         |
| Garbage, Sewer & Water      | 11,786.98         | 11,608.78         | 18,000.00                  | 16,000.00         |
| Telephone                   | 4,174.18          | 1,391.39          | 4,500.00                   | 4,500.00          |
| Short & Over                | -30.30            |                   | 300.00                     |                   |
| Refunds (Deposits)          | 348.83            | 0.00              | 1,000.00                   |                   |
| Bad Debt Expense            | 0.00              |                   | 1,000.00                   |                   |
| Maintenance                 | 94,813.06         | 9,292.32          | 149,096.00                 | 10,000.00         |
| Outside Services            | 4,090.75          | 0.00              | 2,500.00                   | 2,500.00          |
| Training (inc travel)       | 451.10            | 0.00              | 6,000.00                   |                   |

|                                   |           |           |           |           |
|-----------------------------------|-----------|-----------|-----------|-----------|
| Consultants/Audit Fees            | 27,433.11 | 0.00      | 25,000.00 | 5,000.00  |
| Lease - DNR                       | 15,362.20 | 0.00      | 16,000.00 |           |
| Miscellaneous                     | 2,142.55  |           | 2,200.00  |           |
| Taxes - Excise                    | 38,033.61 | 3,929.31  | 60,000.00 | 6,000.00  |
| Election Expense                  | 0.00      |           | 3,300.00  |           |
| Contingency Reserve               | 0.00      |           | 15,000.00 | 5,000.00  |
| Matching Funds to City of Poulsbo |           | 23,974.46 |           | 25,000.00 |

|          |                   |                   |                   |                   |
|----------|-------------------|-------------------|-------------------|-------------------|
| EXPENSES | <u>621,254.75</u> | <u>202,277.22</u> | <u>768,401.00</u> | <u>257,835.00</u> |
|----------|-------------------|-------------------|-------------------|-------------------|

|                 |                   |                  |  |  |
|-----------------|-------------------|------------------|--|--|
| NET INCOME/LOSS | <u>222,899.12</u> | <u>62,693.50</u> |  |  |
|-----------------|-------------------|------------------|--|--|

|                      |            |  |           |  |
|----------------------|------------|--|-----------|--|
| CAPTIAL IMPROVEMENTS | 546,480.00 |  | 52,852.00 |  |
|----------------------|------------|--|-----------|--|

|                     |                   |                   |  |  |
|---------------------|-------------------|-------------------|--|--|
| Revenues Budgeted   | 857,795.60        | 275,804.00        |  |  |
| Revenues Actual     | <u>844,153.87</u> | <u>264,970.72</u> |  |  |
| Short/Over Revenues | <u>-13,641.73</u> | <u>-10,833.28</u> |  |  |

|                       |                    |                   |  |  |
|-----------------------|--------------------|-------------------|--|--|
| Expenditures Budgeted | 768,401.00         | 257,835.00        |  |  |
| Expenditures Actual   | <u>621,254.75</u>  | <u>202,277.22</u> |  |  |
| Short/Over Revenues   | <u>-147,146.25</u> | <u>-55,557.78</u> |  |  |

|                                 |                   |             |  |  |
|---------------------------------|-------------------|-------------|--|--|
| Capital Improvements Budgeted   | 52,852.00         | 0.00        |  |  |
| Capital Improvements Actual     | <u>546,480.00</u> | <u>0.00</u> |  |  |
| Short/Over Capital Improvements | <u>493,628.00</u> | <u>0.00</u> |  |  |



ALL COMMISSIONERS AND CAROL TRIPP

Tuesday, April 5<sup>th</sup>

This is a current update of projects and action items that are currently underway.

**West Poulsbo Trust Land:**

D.N.R. & Greg Norbut

**Port/City Lease Agreement:**

Jill Boltz the City Clerk has the most recent draft I have contacted her and let her know it would be on your agenda.

**Armory Parking Lot:**

The plans are under review with the city and we are waiting on the permit. This project is funded and ready to start.

**S/V Lavangro:**

This vessel is getting ready for its haul out and will be in service in May. The Port has space for it, this summer and possibly on a permanent basis. We are still waiting on information from the State Auditor and Dept. of Revenue in regards to reduced moorage rate.

**Liability Insurance:**

At this time the Port is waiting on our coverage review by Endures; our carrier, Port tenants are very interested and anticipate additional Board discussion at its June meeting.

I will be in contact with the office both by Skype and email the office has my contact schedule and my email address is [janstickels@yahoo.com](mailto:janstickels@yahoo.com).

See everyone when we get back.