

**PORT OF POULSBO
MEETING AGENDA OF
April 7, 2011**

1. OPEN MEETING

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

3. COMMISSIONER COMMENTS

4. CONSENT AGENDA ITEMS

(Next Res. 2011-08)

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 17, 2011
- B. Warrants: 10705, 10706-10716, 10717-10720, 10721-10737, P10335-P10346, ACH 04/01/11 in the amount of \$45,207.22.
- C. Resolutions 2011-07- West Poulsbo Trust Land Transfer Lease

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
APRIL 7, 2011
7:05PM

ATTENDEES: COMMISSIONER BOCKUS; COMMISSIONER DECARLO;
COMMISSIONER GILBERT; PORT MAINTENANCE TECHNICIAN, BRAD MILLER;
PORT ACCOUNTANT AND AUDITOR, CAROL TRIPP; PORT SECRETARY, ANDREA
NIX.

PUBLIC ATTENDEE: DAVE MUSGROVE.

1. Meeting Chairman, Commissioner Bockus called the meeting to order at 7:05pm, and:
2. Opened the discussion for Public Comments. There were no Public Comments.
3. Commissioner Bockus opened the floor for Commissioner Comments.

Commissioner Gilbert: The high dock looks good, really good.

Commissioner DeCarlo: I went to the City Council meeting, and they were very happy about us looking at bringing the Farmers Market onto our parking lot and also, possibly bringing the Lavengro here and the possibility of bringing the Farmers Market onto that. They thanked the Port for doing that.

Commissioner Bockus: I had heard comments like, "How can they do that?" and "They need permits", from staff of the City.

Commissioner DeCarlo: I didn't speak on it. They were discussing what they had gotten from the Economic Development meeting with you, and possibly from the newspaper article, and from talking to Kirk.

Commissioner Bockus: I guess that's where the staff got a lot of that information was from the newspaper article in The Sun. It's the first article she's written about us, I think, since she's been a reporter for The Sun, so we should welcome that.

Commissioner Bockus: I should start my comments by saying I have issue with amount that the City is charging us for permits for the parking lot. It comes to a total of 4,090.00. That seems a little exorbitant to me, especially from one agency to another; and where we had gone to them at the beginning trying to expedite, and trying to get around some of the red tape so that we could expedite it. We knew what the permit qualifications were before we started. Kirk and I, both, went to the Planning Department, and sat down with him, and we had a lengthy discussion about the permitting process. In all of those conversations, it was never mentioned that we would be charged this amount.

Commissioner DeCarlo: I think we should check with the City. Have we paid that yet?

Carol Tripp: Yes we have. I can request that the funds be withdrawn, but that will stop the permitting process.

Commissioner DeCarlo asked David Musgrove: Do you have any idea how they base their fees?

David Musgrove: No, I don't. I think there's a general guideline they use. So I can certainly go and look those up, and see what the books say. I'm not educated on what's been going on in this particular case, but a lot of these are deposits for potential. So, it's a possibility that this is like a couple of other cases with contractors, where a lot of these came back to them later as deposits on surveying, legal etc. That might be the case here.

Commissioner Gilbert: It seems that the City has been trying to provide parking for so many years, and here we are providing parking. We've bent over backwards trying to go through this entire process with the Armory, the land clearing, etc. and they have asked us to give up footage where other properties didn't have to.

David Musgrove: If you can email a copy of the permits they are requiring, I can use that to go see what the guidelines are for those particular items.

Commissioner DeCarlo: We can make a copy of this attachment and give it to you.

4. Commissioner Bockus opened discussion on the Consent Agenda Items.

Commissioner DeCarlo: I move that we accept items A and B, with C being brought up under Old Business in this meeting.

Commissioner Gilbert: I second the motion.

All Commissioners: Approved the Consent Agenda Items A and B, and moved Item C to Old Business of this meeting.

5. Commissioner Bockus opened the discussion of the Old Business Items.

A. Armory Parking Lot -

Carol Tripp: The engineer has delivered all the plans to the City. I called yesterday for an update, but Cheryl Lynn hasn't been able to get back to me yet.

B. West (DNR) Poulsbo Property -

Commissioner Gilbert: I'm for the purchase of the property, and have been all along. I know there's some opposition to it, other than monetarily, and it's the problem of the road. I think the State gets by with their roads by posting them as a "private unimproved road to use at your own risk". I think that would work for us, and give us time to work something out with the other landowners up there.

Commissioner Bockus: I think we are putting the cart before the horse. According to this letter from Charles at the DNR, where he said, "Kirk, I wanted to update you on our schedule. We are approaching the end of our funding cycle and will need an original, signed lease from the Port by May 2 to allow time for our signature process. Earlier would be better as we have a heavy last-minute workload. If the Port decided not to sign the lease, we would appreciate hearing about that also. As I mentioned in an earlier email, we are unable to resolve the cloud on access over the stretch of road south of Rude Road. The lease will need to be accepted with the access as it exists", we are going to purchase this piece of property where there is no access for those owners down there, other than that old logging road that they've been using for years, and even the State can't resolve this issue. There's a possibility of a problem of getting into that piece of property, and I think it should be resolved before we sign. We will be able to go up and down that road, and we are going to be responsible for that road. But if something happens there, involving the other landowners, they can potentially come after us to resolve it, for whatever reason.

Commissioner Gilbert: The worse thing that could happen is if somebody wrecked and sued. What we could do is sign it over to them as a community property with access to us when we wanted it. We still have 167 acres, so we can give away an acre and a half.

Commissioner DeCarlo: I was thinking the same thing. What we could do is give them an easement, and have the attorney draw it up. We could assign all responsibility of maintenance of that road to them, and wash our hands of it completely. Or we could deed that property to them. We should talk to our attorney and see which is the best way to go. Perhaps we should talk to a Real Estate Attorney.

Commissioner Bockus: The timber rights have been settled.

Commissioner Gilbert: I called and talked to a gentleman on Whidbey Island involved in the purchase of a similar DNR property, and he said it was only a matter of weeks from the time they signed the lease to the time they could buy it.

Commissioner DeCarlo: Well, I think we ought to go with it. If it appears that we are going to own the property within a few month, then we should wait until we own it and then talk to the homeowners and tell them whatever we are going to do. I don't think we can give it away, so we are probably going to have to sell it, even for a nominal fee.

Commissioner Bockus: Well, this has been thoroughly discussed.

Commissioner Gilbert: I think, with the price of timber going up, in thirty years it's going to bring a lot of profit to the Port.

Commissioner Gilbert: I make the motion we sign Item C.

Commissioner DeCarlo: I second it.

Commissioner Bockus: I will stay with my vote of "No".

6. Commissioner Bockus opened discussion of the New Business Items.

A. No Public Comments.

B. Lavengro - Floating Farmers Market -

Carol Tripp: I got a letter back from the auditors' office, and I had given them a copy of the minutes so that they would be familiar with what was being requested. They replied, "You will need to run this through your attorney, since I am not providing legal guidance, and I haven't done a thorough examination to see if there is some specific RCW out there that might prevent the Port from covering the leasehold tax portion." My question to him had to do with whether we could provide them with free moorage; and if we could, there still would be the issue if leasehold tax which would be approximately \$400 per year, so would the Port be responsible for paying that?

Commissioner Bockus: We discussed the leasehold tax while they were at the last meeting. We also discussed the commercial aspect of it. There were legalities that needed to be ironed out for both the Port and the Lavengro. They have some issues that they need to iron out with their attorneys regarding becoming a commercial operation as a non-profit.

Carol Tripp: The title of 501C3 has to do with Federal taxation. They are not exempt from property taxes, which is essentially leasehold tax. There are only certain taxes they are exempt from. The auditor is saying that we would have to have a very thorough agreement with them. I forwarded that email to Greg.

Commissioner DeCarlo: With the 501C3, they can charge a fee appropriate to the cost of operating the vessel. It's not a profit, but a fee to cover their costs.

Commissioner Gilbert: If they are selling produce, they are making profit.

Commissioner DeCarlo: They may not accept any profit on that produce. The vendors may be the only ones who are making the profit.

Commissioner Bockus: There are two things that they are trying to do. At the last meeting they talked about the Lavengro being an educational boat, and that their decision to join with Farmboats.org was still undecided. Their primary purpose is the educational part of it. The way I understand it is that there are two separate corporations. One is the Kitsap Schooner Committee, who manages the Lavengro, and the other is Farmboats, who may or may not use the Lavengro for their floating Farmers Market.

Commissioner DeCarlo: We can decide whether we can allow the commercial part of it, or not, once the Lavengro is here.

Commissioner Bockus: I think that by having the Lavengro here, visible from the dock, with it's full sails, it's going to draw people downtown. It will benefit us, simply by them being here. If we can work out free or limited moorage, we should.

Commissioner DeCarlo: Or find local businesses willing to sponsor their moorage.

Commissioner Gilbert: I think that if they are making a profit on tours and produce sales, we should charge them the leasehold tax, if otherwise, we would have to pay the tax.

Carol Tripp: Again, from the auditor, "the Port needs to have an agreement which outlines specifically what the Lavengro will receive from the Port, such as free moorage, and what the Port will receive in return." It may be beneficial to ask the Port of Brownsville to see their agreement with the Lavengro since the Port of Poulsbo will be making a similar agreement. I will call them to see.

Commissioner DeCarlo: I agree that it is a good idea to call Brownsville for that reason.

Commissioner Bockus: So, as we've said, we will need to talk to our attorney and they will need to talk to theirs, and we need to set a date for completion on this. For now we will table this until the next meeting.

C. Accountant's Report –

Carol Tripp: You have a detailed report for the first quarter of this year, as well as a summary report for the month of February, in your paperwork.

D. Managers/Maintenance Report –

Commissioner Bockus: I was walking by yesterday and saw Brad and Richard using an old piece of equipment to cut some metal. They were having a hard time, and I think we should go ahead and invest in the replacement of some of these older tools. I was very pleased to come in today and see that that particular old tool had been replaced.

Brad Miller: We needed a new metal cut-off saw. The one we were using was here before Richard. It was taking a very long time to cut with that one. The motor was weak, and it was the problem.

Commissioner Bockus: You can't do a job without the proper tools, and I think our staff does an outstanding job.

Brad Miller: Aside from the general maintenance, the broken things we find here and there, currently we are gathering all the remaining materials that we need to finish fixing all the water stanchions that broke over the winter. There are less than a dozen left to do. Secondly, Kirk had gone through with the insurance representative, and they found all the trip hazards on the docks. Now we have gone through those with Kirk, and identified the worst of them, and have come up with a plan for fixing them, which involves building these brackets that Richard and I are working on. The trip hazards are primarily on the airplane float. We'll be doing this work over the next week. Also, there is some talk about redoing some electrical on D dock. We are waiting to hear back from Joe Daisy of Diamond Lil about whether he will be able to contribute to these modifications.

Commissioner Bockus: Because those will primarily enhance his freezer?

Brad Miller: There are two parts to that. One is so that he can plug into a three-prong outlet so that he can keep a freezer with his catch onboard, as opposed to taking it off, and also so he can sell more fish on the dock. Secondly, there is an empty slip between Joe and the next vessel, and someone has already signed the lease to move in there. He will need power, and there is no pedestal available to him because of the current configuration. Either we'll have to add a new pedestal or modify an existing one.

Commissioner Gilbert: Do we have all the power pedestals out of storage now, and are they installed?

Brad Miller: No, we have four more to do on C dock, and then we'll be picking up the new brackets for A dock that we have just purchased, probably when we go to Seattle to get the welding, that we've built, galvanized. We have all the power heads, so we're just waiting on those brackets. I think this summer, Kirk said, we start replacing all of the power pedestals on the north and south sides of A dock, and some on X dock between A and B docks. That's what all the new pedestals are for.

Commissioner Gilbert: How many people actually use power on X dock? If we don't need them there, could we just take those pedestals and put them where we actually need them?

Brad Miller: About half the people that rent slips on X dock actually use power. That is something that you could talk to Kirk about as to whether we actually need them

on X dock. Those are aging pedestals, just like the ones on A dock. Regarding the slip next to Joe's without a power pedestal, we had basically taken one slip and divided it into two slips, and that is why there was not a pedestal for the new boat coming in. If Joe decides to take the three-phase outlet, and is able to run his whole boat off that, then we would not need to install a whole other pedestal. All we would need to do is install this three-phase connection for him, which he was actually willing to pay for.

Commissioner DeCarlo: Would you have to run additional wiring?

Brad Miller: We actually have it out there already, we just need to reroute it. Also, we are supposed to fix some leaks in the walls in this multi-purpose building we are using tonight. Kirk said there are a couple places that need rotten wood replaced and patches made.

Commissioner Bockus: There were two Capitol Project over on C dock. Why have those been put on hold?

Carol Tripp: Well, I know that the ramp has been bought and paid for.

Commissioner Bockus: So we still need some of the other materials. With our manager gone, I think we have capable staff that can at least order these materials so that we can get rolling. I think the delay of these projects presents a problem to the Port getting past a state of just putting band-aids on problems instead of really getting them done.

7. Commissioner Bockus called for further Public Comments. There were no further Public Comments.

8. Commissioner Bockus called for further Commissioner Comments. There were no further Commissioner Comments.

9. Commissioner Bockus led the board meeting into Executive Session at 8:10PM, to last approximately fifteen minutes.

10. 8:25PM: The meeting resumed after Executive Session.

Commissioner Bockus: The results of our Executive Session are that we are going to follow up with our attorney on the issue of the Xenos property, and whether the owner of that property is John Xenos or the City. Also, on the issue of the lease agreement with the city, we are not accepting t this map, outlining ownership of the waterfront, which the City clerk forwarded.

PORT OF POULSBO BOARD MEETING FOR APRIL 7, 2011 ADJOURNED AT 8:35PM

X _____
com
Y _____
X _____
com

A. Bockus

Commissioner Bockus

Tom Gilbert

Commissioner Gilbert

Commissioner DeCarlo

Secretary, Andrew Dix

Secretary, Andrew Dix



PORT OF POULSBO

PAYMENT VOUCHER

Post Office Box 732
Poulsbo, WA 98370


Kitsap County, WA

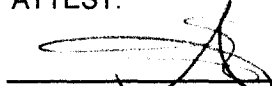
April 22, 2011

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 \$46,890.08 and from the General Fund, this 22nd day of April 2011.

Antonio DeCarlo, Commissioner

ATTEST:

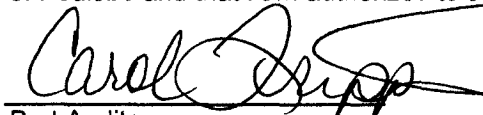

Glenn E. Gilbert, Commissioner


Andrea Nix, Recording Secretary


Arnold Bockus, Commissioner

Voucher #	Claimant	Amount
10738	CenturyLink	514.50
10739	Puget Sound Energy	5,524.37
10740	WA State Dept of Revenue	1,902.97
10741	WA State Dept of Revenue	16,017.99
10742	Dept of Retirement Systems	25.00
10743	Arnold Bockus	55.99
10744	Associated Petroleum	9,908.09
10745	Bank of America	761.58
10746	Cass/Cade Distributing, Inc.	41.70
10747	Coast to Coast Hardware	41.44
10748	Ferguson Enterprises, Inc.	39.29
10749	Home Depot	67.00
10750	Kitsap County Dept of Public Works	32.16
10751	Navy City Metals	73.34
10752	Office Depot Credit Plan	93.22
10753	Regence Blueshield	10,470.26
10754	The Electrical Shop, Inc	98.83
10755	Verizon Wireless	45.44
10756	Emerald Galvanizing, Inc	1,176.91
TOTAL		\$46,890.08

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 15, 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 \$8,578.42 and from the General Fund, this 15th day of April 2011.

Antonio DeCarlo, Commissioner


Glenn E. Gilbert, Commissioner



Arnold Bockus, Commissioner

ATTEST:


Andrea Nix, Recording Secretary

Voucher #	Claimant	Amount
P10347	Kirk Stickels	\$1,394.82
P10348	Richard Stice	\$1,483.54
P10349	Brady Miller	\$1,192.30
P10350	Jannese Petersen	\$1,044.45
P10351	Carol Tripp	\$1,638.70
P10352	Melanie Winnett	\$1,106.31
P10353	Charles Schmidt	\$401.58
P10354	Jonathan Davis	\$316.72
	TOTAL	\$8,578.42

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 15, 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 \$2,664.03 and from the General Fund, this 15th day of "April 2011".

Antonio DeCarlo, Commissioner



Glenn E. Gilbert, Commissioner



Arnold Bockus, Commissioner

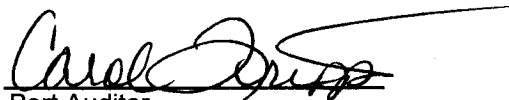
ATTEST:



Andrea Nix, Recording Secretary

| Voucher #    | Claimant                    | Amount            |
|--------------|-----------------------------|-------------------|
| ACH 04/15/11 | US Treasury/Financial Agent | \$2,664.03        |
|              | TOTAL                       | <b>\$2,664.03</b> |

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
Revenue & Expenditure Report
For the Three Months Ending March 31, 2011

| Description | YTD
Rev/Exp | | Appropriated
(Budgeted) | |
|---------------------------|-------------------|------------------|----------------------------|-------------------|
| | General | Liberty Park | General | Liberty Park |
| REVENUES | | | | |
| General Fund Taxes | 16,214.21 | | 260,237.00 | |
| Permanet Moorage | 110,372.00 | | 440,638.00 | |
| Winter Moorage | | 11,356.40 | | 36,735.00 |
| Transient Moorage | 101.30 | | 11,500.00 | |
| Guest Moorage | | 23,154.32 | | 222,811.00 |
| Leasehold Tax | 205.36 | | 1,000.00 | |
| Finance Charges | 1,109.26 | | 3,000.00 | |
| Miscellaneous Inc | 5,075.00 | 1,606.50 | 4,000.00 | 8,000.00 |
| Liveaboard Fee | 2,133.01 | | 7,250.00 | |
| Net Fuel Revenue | 655.41 | | 60,000.00 | |
| Electricity Inc | 6,978.23 | 9,541.24 | 35,000.00 | 16,500.00 |
| Reservation Fees | | 970.00 | | 6,500.00 |
| Utility Fees | 5,504.78 | | 18,000.00 | |
| Investment Interest | 4,989.79 | 306.13 | 28,000.00 | 2,000.00 |
| GROSS PROFIT | 153,338.35 | 46,934.59 | 868,625.00 | 292,546.00 |
| EXPENSES | | | | |
| Commissioner Compensation | 4,938.00 | 1,646.00 | 30,600.00 | 10,200.00 |
| Salaries & Payroll | 47,974.92 | 16,528.89 | 236,250.00 | 78,750.00 |
| Payroll Taxes | 7,762.67 | 930.09 | 44,625.00 | 14,875.00 |
| Employee Benefit Programs | 913.09 | 304.36 | 6,375.00 | 2,125.00 |
| Insurance - Health | 22,857.08 | 7,619.03 | 91,125.00 | 30,375.00 |
| Uniforms | 0.00 | 0.00 | 2,000.00 | 500.00 |
| Accounting | 0.00 | | 1,250.00 | |
| Legal | 2,417.00 | | 8,500.00 | |
| Office Expenses | 1,640.91 | 0.00 | 8,500.00 | 4,500.00 |
| Janitorial Supplies | 0.00 | 267.85 | 1,000.00 | 2,000.00 |
| Supplies | 0.00 | 371.82 | 2,000.00 | 3,000.00 |
| Storage Rent | 0.00 | 0.00 | 250.00 | |
| Visa Fees | 2,563.34 | 243.15 | 15,500.00 | 4,500.00 |
| Insurance - General | 0.00 | 0.00 | 23,505.00 | 7,835.00 |
| Advertising | 660.63 | 935.00 | 4,500.00 | 4,500.00 |
| Dues | 2,530.00 | | 3,800.00 | |
| Electricity | 11,012.09 | 9,755.18 | 39,000.00 | 38,000.00 |
| Garbage, Sewer & Water | 2,560.35 | 2,662.94 | 18,000.00 | 16,000.00 |
| Telephone | 1,220.90 | 406.97 | 5,000.00 | 4,500.00 |
| Short & Over | -2.30 | | 300.00 | |
| Refunds (Deposits) | 226.11 | 0.00 | 1,000.00 | |
| Bad Debt Expense | 10,872.30 | | 1,000.00 | |
| Maintenance | 189,529.88 | 40.60 | 205,581.46 | 5,000.00 |
| Outside Services | 1,950.53 | 175.00 | 7,500.00 | 0.00 |
| Training (inc travel) | 550.00 | 0.00 | 6,000.00 | |
| Consultants/Audit Fees | 808.89 | 0.00 | 20,000.00 | 5,000.00 |

| | | | | |
|-----------------------------------|--------------------|--------------------|-------------------|-------------------|
| Lease - DNR | 0.00 | 0.00 | 19,500.00 | |
| Miscellaneous | 4,108.00 | | 1,000.00 | |
| Taxes - Excise | 5,461.32 | 630.42 | 60,000.00 | 6,000.00 |
| Election Expense | 0.00 | | 4,500.00 | |
| Contingency Reserve | 0.00 | | 20,000.00 | |
| Matching Funds to City of Poulsbo | | | 18,500.00 | |
| EXPENSES | <u>322,555.70</u> | <u>42,517.29</u> | <u>906,661.46</u> | <u>237,660.00</u> |
| NET INCOME/LOSS | <u>-169,217.35</u> | <u>4,417.30</u> | | |
| CAPTIAL IMPROVEMENTS | 16,290.00 | | 189,447.00 | |
| Revenues Budgeted | 868,625.00 | 292,546.00 | | |
| Revenues Actual | 153,338.35 | 46,934.59 | | |
| Short/Over Revenues | <u>-715,286.65</u> | <u>-245,611.41</u> | | |
| Expenditures Budgeted | 906,661.46 | 237,660.00 | | |
| Expenditures Actual | 322,555.70 | 42,517.29 | | |
| Short/Over Revenues | <u>-584,105.76</u> | <u>-195,142.71</u> | | |
| Capital Improvements Budgeted | 189,447.00 | 0.00 | | |
| Capital Improvements Actual | 16,290.00 | 0.00 | | |
| Short/Over Capital Improvements | <u>-173,157.00</u> | <u>0.00</u> | | |

Fill In this Amount Manually

