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**Port of Port Townsend
2nd Monthly Special Meeting Agenda
Tuesday, September 27, 2016, 5:30 PM
Port Commission Building
333 Benedict Street
Port Townsend, WA**

- I. Call to Order / Pledge of Allegiance
- II. Approval of Agenda
- III. Consent Agenda
 - A. Approval of Public Workshop Minutes –September 14, 2016.....1-2
 - Approval of Meeting Minutes – September 14, 2016.....3-5
 - C. Approval of Warrants
- IV. Public Comments (not related to Agenda)
- V. Second Reading (action items)
- VI. First Reading (discussion only)
 - A. Shanghai Lease.....6
- VII. Potential Immediate Action Items (unanimous Commission approval required)
 - A. US Coast Guard Lease.....7-13
 - B. Revised Budget Schedule.....14-15
- VIII. Other Business
 - A. Draft 2017 Budget.....16
- IX. Staff Comments
- X. Public Comments
- XI. Commissioner Comments
- XII. Next Public Workshop/ Meeting: Date:
Wednesday, October 12, 2016 – workshop at 9:30 AM, meeting at 1:00 PM, Port Commission Building, 333 Benedict Street, Port Townsend, WA.
- XIII. Executive Session:
 - A. Potential Litigation, pursuant to RCW 42.30.110 (i)
- XIV. Adjournment

PORT COMMISSION PUBLIC WORKSHOP – September 14, 2016

The Port of Port Townsend Commission met for the Public Workshop session in the Port Commission Building, 333 Benedict Street, Port Townsend, WA.

Present: Commissioners Tucker, Clinefelter and Hanke
Executive Director – Gibboney
Auditor – Berg
Director of Planning, Properties & Environmental - Toews
Minutes – Nelson

Director of Planning, Properties & Environmental - Toews

I. CALL TO ORDER:

The Workshop was called to order at 9:30 a.m.

II. AGENDA:

Refer to attached workshop agenda for items discussed. The IDD Discussions were moved to the second reading on the agenda.

IV. ADJOURNMENT:

The Workshop adjourned at 11:39 a.m.

ATTEST:

Peter W. Hanke, President

Brad A. Clinefelter, Secretary

Stephen R. Tucker, Vice President

**Port of Port Townsend
Public Workshop
Wednesday, September 14, 2016, 9:30 a.m.
Commission Building
333 Benedict Street, Port Townsend, WA**

AGENDA

Briefing from Jefferson County Assessor, Jeff Chapman

- Mr. Chapman will provide the annual briefing to the Port Commission regarding the assessed value of the district.

Budget: Revenue Projecting Discussions

IDD (Industrial Development District) Discussions with EDC/Team Jefferson

Note: This is a Public Port Commission Workshop. Workshops are for information sharing only and no decisions will be made during the session. Public input may be taken at the Commissions' discretion.

PORT COMMISSION REGULAR MEETING– September 14, 2016

The Port of Port Townsend Commission met in regular session at the Commission Building, 333 Benedict Street, Port Townsend, WA

Present: Commissioners – Tucker, Clinefelter and Hanke
Executive Director – Gibboney
Auditor – Berg
Director of Planning, Properties & Environmental – Toews
Attorney – Goodstein
Minutes – Nelson

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Hanke called the meeting to order at 1:00 PM.

II. APPROVAL OF AGENDA:

Attorney Goodstein added an Executive Session on Litigation, pursuant to RCW 42.20.110 (i), five minute duration, no action.

Commissioner Clinefelter moved to approve the Agenda as amended.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

III. CONSENT AGENDA:

A. Approval of Public Workshop Minutes – August 24, 2016

Approval of Special Meeting Minutes – August 24, 2016

B. Operations Reports – August 2016

C. Approval of Warrants

Warrant #056573 through #056577 in the amount of \$44,794.70 for Payroll & Benefits

Electronic Payment in the amount of \$109,716.42 for Payroll & Benefits

Warrant #056578 through #056670 in the amount of \$190,626.40 for Accounts Payable

Commissioner Tucker moved to approve the Consent Agenda as presented.

Commissioner Clinefelter seconded the motion.

Motion carried by unanimous vote.

IV. PUBLIC COMMENTS (Not related to agenda) (1:29):

Bill Putney commented on moving the development of the PSAC (Port Strategic Advisory Committee) forward.

Anne Ricker of Quilcene asked for assurance that the Quilcene Marina would not be offered for sale.

Bertram Levy questioned boat ramp costs and referred to a letter he sent to the commission.

V. SECOND READING (Action Items):

VI. FIRST READING (Discussion Only):

A. Proposed Moorage Rate (14:13):

Ms. Gibboney stated the commission had requested staff to look into a 2% moorage rate increase for the remainder of the year and to include projected revenues for 2016/17. Ms. Berg provided an update to page 11 of the packet (Estimated Increased Revenue for 2016-Qtr 4 Rate Increase & 2017 Projections). Ms. Gibboney explained the \$75K for Boat Haven breakwater emergency repairs is a very rough estimate, but there is an immediate need to increase revenues.

Commissioner Clinefelter asked if staff has any other recommendations on increasing revenues and Ms. Gibboney responded more recommendations would be presented in the 2017 Draft Budget at the September 27, 2016 commission meeting.

Commissioner Tucker believes that a mid-year rate increase suggests the commission went light when setting 2016 rates.

Commissioner Clinefelter stated he did not vote for the additional 2% rate increase for 2016 rates, but now with more information he sees the obvious need to increase rates.

Ms. Gibboney reported that if rates are increased mid-year, staff asked how this news could be communicated to the public.

Commissioner Hanke asked counsel if he should recuse himself from a future vote on this. He then stated that since the mid-year rate increase would only bring in an additional \$7K, he feels it would be better to hold off on that increase until the next budget cycle.

Commissioner Clinefelter concurred and thought it might be better to add the 2% rate increase in 2017.

Mr. Levy (from audience) asked about the eliminated Boat Haven Reserve Fund and said those fund should be used for the Boat Haven breakwater repair.

Gordon Neilson (from audience) suggested the Port should get collaboration from the City and the County on breakwater repairs and replacement (referring to Point Hudson).

Commissioner Hanke reported he and Ms. Gibboney already met with the County on collaborations and will be meeting with the City next week.

Commissioner Tucker stated he would like to have developed, a plan with a five-year rate structure increase to provide stability to the rate structure.

Commissioner Clinefelter agreed and suggested tabling the 2016 Quarter 4 rate increase and begin to develop a long-range rate plan.

(Attorney Goodstein reported Commissioner Hanke does not need to recuse himself from a vote on this.)

Commissioner Hanke moved to table the 2016 Quarter 4 rate increase.

Commissioner Clinefelter seconded the motion.

Commissioner Tucker amended the motion to table the 2016 Quarter 4 rate increase and to work on a multi-year, predictable rate plan.

Commissioner Clinefelter seconded the amended motion.

Motion carried by unanimous vote.

VII. POTENTIAL IMMEDIATE ACTION ITEMS:

VIII. OTHER BUSINESS:

A. Presentation of 2015 Annual Report (32:52):

Ms. Berg explained the Port is required yearly to submit the Annual Report to the State Auditor's Office and bondholders. Ms. Berg briefed on highlights of the report, which include revenues, expenses, assets, liabilities and net position.

IX. STAFF COMMENTS (41:18):

Ms. Gibboney explained interviews were conducted for the Director of Operations and Business Development position and she hopes to inform the commission of her selection at the next commission meeting.

She reported on a meeting yesterday with a rep from Department of Natural Resources, where they discussed the possibilities of a demolition facility. She stated DNR would supply her with a pre-feasibility study on such a facility.

Ms. Gibboney reported she continues meeting with staff on budget projections. She will have a draft to present at the next meeting.

She added the Port completed another year in Wooden Boat Festival participation. Ms. Gibboney wanted to recognize publicly, Port Maintenance Manager, Larry Aase and his staff for fixing the Boat Haven fuel pump during Wooden Boat Festival weekend. She also thanked Port staff for their work towards the festival.

She stated at the next commission meeting, the Capital Budget will be presented along with potential funding sources, which will include the Corps of Engineers, the Coast Guard and the Department of Commerce, to name a few.

Mr. Toews provided updates on both the Quilcene wastewater feasibility study and the Boat Haven stormwater feasibility study.

He reported Mott MacDonald is under contract to perform a feasibility assessment on the Boat Haven breakwater. He expects to have their report by the second commission meeting in October. Mr. Toews added he has applied for the BH breakwater permits.

Mr. Toews provided an update on the vessel, the John Cobb, discussing the pumpout schedule, surveying and then contacting potential buyers.

Last, Mr. Toews briefed on the Point Hudson Jetty permitting process.

Ms. Berg provided a copy of the July 2016 year-to-date financials. She detailed expense trends, WIP costs, debt service and cash & investment balances.

Ms. Gibboney reported the Port has secured dismissal of the last Landry lawsuit. She added the Court awarded the Port all attorney fees.

X. PUBLIC COMMENTS (1:07:57):

Gordon Neilson, Port Townsend, discussed rate increases and handed out a Port of Bellingham rate study, which he thought might be helpful to the commissioners.

Port Townsend commercial fisherman, Rick Oltman discussed the Bellingham rate study and commercial fishing vessels.

Bertram Levy, Port Townsend, suggested surveying Port customers.

Ms. Gibboney added staff is making an effort to collect customer email addresses for a Port database, which will provide ease in communicating with our customers for surveys, announcements, etc.

George Yount, Port Townsend, thanked the commission for today's "informative and complex" workshop. He expressed his appreciation for the conversation on Point Hudson. Last, he commented on the boat ramp costs and how the Port has had clean audits for the past twenty years.

XI. COMMISSIONER COMMENTS (1:16:39):

Commissioner Tucker reported he worked two booths at the Wooden Boat Festival and was amazed at the number of people who came from across the country.

He also reported on a talk he gave last night to the Yacht Club on what Ports can do.

Commissioner Clinefelter discussed the waitlist and its relationship to commercial moorage tenants. He discussed the lack of slips available for boats coming out of the yard that need a slip for a short period to finish their boat project.

Commissioner Tucker said he believes the buoy test would be an effective way to reduce the size of the waitlist. He agreed with Commissioner Clinefelter that the unavailability of slips to customers definitely hinders their projects.

Ms. Gibboney added that the buoy test is in the plans for the first quarter of 2017, as well as an in-house audit on insurance compliance with our customers.

After further discussion on the waitlist policy, Commissioner Tucker would like to re-examine it.

Commissioner Clinefelter asked for an update on the wage increase for staff. Ms. Gibboney replied that will be a part of the budget process.

Commissioner Hanke asked for an update on the search for microphones for the commission building and stated there needs to be a solution soon.

He provided an update on a meeting he attended along with Ms. Gibboney, and Kathleen Kler and Philip Morley of the County. They spoke on a number of issues, including Point Hudson, restroom issues, and IDD potential. He said the County looks forward to monthly meetings with the Port. Commissioner Hanke informed that he and Ms. Gibboney are meeting with the City next week on these same subjects.

XII. NEXT PUBLIC WORKSHOP/SPECIAL MEETING:

Tuesday, September 27, 2016: Workshop at 3:00 p.m., Meeting at 5:30 p.m. in the Port Commission Building, 333 Benedict St, Port Townsend.

XIII. EXECUTIVE SESSION:

The regular session recessed into Executive Session at 2:33 p.m. to discuss litigation, pursuant to RCW 42.30.110 (i), duration of five minutes with no action.

At 2:33 p.m., Ms. Nelson announced to the outside public the session is extended fifteen minutes. At 2:50 p.m., Ms. Nelson announced the meeting is extended another ten minutes.

XIV. RECONVENING AND ADJOURNMENT OF REGULAR MEETING:

The meeting reconvened and adjourned at 2:59 p.m. there being no further business to come before the Commission.

ATTEST:

Peter W. Hanke, President

Brad A. Clinefelter, Secretary

Stephen R. Tucker, Vice President

PORT OF PORT TOWNSEND

MEETING OF: September 27, 2016

AGENDA ITEM: VI. First Reading
A. Shanghai Lease

BACKGROUND:

New lease for Shanghai Restaurant to be presented.

Executive Director's Recommendation:

For discussion.

PORT OF PORT TOWNSEND

MEETING OF: September 27, 2016

**AGENDA ITEM: VII. Potential Immediate Action
A. US Coast Guard Lease**

BACKGROUND:

The US Coast Guard's lease of the Boat Haven spit expires September 30, 2017. Their annual rent is \$22,625.95 (\$1885.50/month). The Coast Guard has requested a new one-year lease with nineteen one-year options.

Executive Director's Recommendation:

For discussion and approval of new lease.

U. S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE 1 October 2016	LEASE NO. HSCG89-16-1-0107
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PURPOSE. Pursuant to specific Congressional appropriations and 14 U.S.C. § 92, the statutory authority to render aid to distressed persons, vessels, and aircraft on and under the high seas and on and under the waters over which the United States has jurisdiction, the U. S. Coast Guard operates vessels strategically placed at various moorings to render timely response. The vicinity of is The Port of Port Townsend is one such location needed for mooring one or more Coast Guard vessels or alternate vessels as required.

THEREFORE THIS LEASE, made and entered into this date by and between **THE PORT OF PORT TOWNSEND**, whose address is **P.O. Box 1180, Port Townsend, WA 98368** and whose interest in the property hereinafter described is that of owner ("LESSOR"), and the Commanding Officer, U.S. Coast Guard SILC, Product Line Division, Portfolio Management Branch, Oakland, California, 94612-5203 on behalf of the **UNITED STATES OF AMERICA**, hereinafter called the ("Government:") for the consideration hereinafter mentioned.

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agrees as follows:

- a. Exclusive use of both the South and North sides of the finger pier
- b. An approximately 20 foot by 70 foot building
- c. An approximately 16 foot by 28 foot garage

1. Lessor hereby leases to the Government the following described premises:

To be used for: Mooring & Support Facility for Government Vessel

2. **TO HAVE AND TO HOLD** the said premises with their appurtenances for the term beginning on October 1, 2016 through September 30, 2017 subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of **\$22,625.95** at the rate of **\$1,885.50** per month in arrears, with a 2% annual increase, provided appropriations are granted by Congress. Rent for a lesser period shall be prorated.

4. The Government may terminate this lease, at any time without cause, by giving at least thirty (30) days' written notification to the Lessor. Said notice shall be computed commencing with the day after the date of mailing.

5. This lease may be extended at the option of the Government for **19 (nineteen) 1 (one)** year options periods with the same conditions and payment formula listed in article #3 (three) above provided adequate funds are appropriated annually by Congress.

6. The Lessor shall furnish to the Government the following:

a. The right of ingress and egress over the adjacent property of the Lessor for the Government, its contractors or other duly authorized representatives, necessary or convenient for the maintenance, repair operation and replacement of Government equipment located on its leased premises.

b. The right to maintain the range lines of sight for navigation free from obstruction and debris.

c. The Lessor shall notify the Government, in writing, within thirty (30) days of any:

- 1) Transfer of ownership of the described premises.
- 2) Change of payment or mailing address for ACH payments

7. The following are attached and made a part hereof:

- a. The General Clauses (GSA form 3517A as amended) – Article #27
- b. Area Map Exhibit "A"

8. **SUCCESSORS BOUND:** The Lease shall bind, and inure to the benefit of, the parties and their respective heirs, executors, administrators, successors, and assigns.

9. **SUBLETTING/ASSIGNMENT:** Government may not sublet or assign lease premises to without the prior written consent of the Lessor, which consent shall not be unreasonably withheld.

10. **ENVIRONMENTAL PROTECTION:** The Government is limited by Federal Law as to the assumption of liability for its acts or omissions. Within its legal limitations and appropriations, the Government agrees to the following: Government may not unlawfully pollute the air, ground or water, nor create a public nuisance. Lessee shall, at no cost to the Lessor, promptly comply with all applicable Federal, state, and local laws, regulations, and directives regulating the quality of the environment. This does not affect the Government's right to contest the validity of such laws, regulations or directives or to try to enjoin their applicability. Government shall use all required means to protect the environment and natural resources from any damage arising from Lessee's use of the facility and activities incident to its use. If any damage results to the environment or natural resources, Government shall restore the environment or damaged resources. Government agrees to comply with all applicable federal, state and local environmental laws and regulations, including, but not limited, to those laws concerning any petroleum products, toxic substances, medical wastes and hazardous materials, substances or wastes.

11. **ANTI-DEFICIENCY ACT:** (31 USC §1341 as amended). Nothing in this Lease shall constitute an obligation of funds of the United States in advance of appropriation thereof.

12. **INDEMFICATION:** The Government, in the manner and to the extent provided by the Federal Tort Claims Act (28 USC Sections 2671-2680) shall be liable for claims for damages or cost and expenses, including but not limited to fire damage, loss of property, personal injury or death caused by the acts or omissions of the Government, its officers, invites, employees and agents in the use of the property.

13. **INSURANCE:** Government is a self-insured entity and as such is not required to provide Lessor with any certificate of insurance or notice of renewal, termination, cancellation, expiration or alteration of insurance policy.

14. **OWNERSHIP OF IMPROVEMENTS:**
It is understood and agreed that any improvements added by the Government belong to the Government.

15. **EQUIPMENT INSTALLATION AND OPERATION.** The Government shall have the right during the term of this Lease to install, operate, maintain, repair, and replace upon the Premises, including but not limited to any other improvement presently existing or to be constructed upon the Premises, or related or ancillary to, the operation, performance, and maintenance of the equipment and infrastructure. Upon termination of this Lease, the Lessor shall permit the Government all reasonable access to the Premises for the purpose of removing or otherwise disposing of the equipment or any part thereof, and the Government shall conduct its removal of the equipment or any part thereof in a reasonable and safe manner and within a reasonable period of time, in accordance with all Federal, state, and local law.

16. **IMPROVEMENTS AND ALTERATIONS.** The Government shall have the right during the term of this lease, as long as the prior written consent of Lessor is received by the Government, which consent shall not be unreasonably withheld or delayed by Lessor, to make improvements and alterations, erect structures, and attach fixtures and signs upon the Premises. Government acknowledges that Lessor's consent to the installation of any such improvements may be conditioned upon a reasonable increase in the Rental Amount payable by Government to Lessor pursuant to condition 3 of this Agreement. If Lessor consents to the installation of such improvements, Lessor shall deliver to Government an amendment to this Agreement and any other documents required to evidence such a modification. The Government shall have the right to tie into or make any physical connection with any structure located on the property as is reasonably necessary for appropriate utilization of the Premises. Any improvements, structures, fixtures or signs attached to or otherwise erected upon the Premises shall remain the property of the Government and may be removed or otherwise disposed of by the Government. Such disposition by the Government may include abandoning the improvement, structure, fixture, or sign in place. The Government shall be under no obligation to restore the Premises, or any part thereof, upon termination of this Lease.

17. **OFFICIALS NOT TO BENEFIT:** No member or delegate to Congress or Resident Commissioner shall

be admitted to any share or part of this Lease or any benefit to arise there from, but this provision shall not be construed to extend to this Lease if made with a corporation whose membership, includes a member or delegate to Congress or Resident Commissioner, who indirectly receives a general benefit from this Lease.

18. AMENDMENT OR MODIFICATION: No amendment or modification shall be valid unless evidenced by an agreement in writing signed by both parties.

19. GOVERNING LAW: The parties shall construe the Lease to be in accordance with and governed by the laws of the State of Washington, insofar as those laws are consistent with applicable federal laws and regulations.

20. SEVERABILITY: If any term or provision of this Lease is held invalid or unenforceable, the remainder of this Lease shall not be affected thereby and each term and provision hereof shall be valid and enforced to the fullest extent permitted by law.

21. PAYMENTS OF TAXES AND ASSESSMENTS:
The Government is not responsible for or liable for the payment of any real property taxes, personal taxes or assessments levied or assessed upon or against the leased premises.

22. ENTIRE AGREEMENT: This Lease, with attachment, constitutes the only agreement between Lessor and Government. Any prior understanding or representation of any kind, which proceeded the date of this Lease, are not binding on either party, except to the extent the understandings are incorporated into this Lease.

23. MUTUAL AUTHORITY: Lessor and Government represent and warrant to each other that they have full right, power and authority to enter into this Lease without the consent or approval of any other entity or person and make these representations knowing that the other party will rely thereon. Furthermore, the signatories on behalf of Lessor and Government further represent and warrant that they have full right, power and authority to act for and on behalf of Lessor and Government in entering into this lease.

24. LEASE ADMINISTRATION:
The following office shall administer this Lease:
Commanding Officer
Civil Engineering Office Oakland
1301 Clay Street, Suite 700N
Oakland, CA 94612-5203

25. TAX IDENTIFICATION: Government regulations require a Lessor tax identification number (TIN/SSN). Lessor hereby certifies that the following TIN/SSN and telephone number are correct:

TIN/SSN: _____
Telephone Number: _____
DUNS: _____
Registered in SAM: Yes No

Date

Signature

26. PAYMENT BY ELECTRONIC FUNDS TRANSFER- SYSTEM FOR AWARD MANAGMENT:

a. Method of Payment:

1) All payments by the Government under this contract shall be made by electronic transfer (EFT), except as provided in paragraph (a)(2) of this clause. As used in this clause, the term "EFT" refers to the funds transfer and may also include the payment information transfer.

2) In the event the Government is unable to release one or more payments by EFT, the Lessor agrees to either accept payment by check or some other mutually agreeable method of payment or request the Government extend the payment due date until such time as the Government can make payment by EFT (see paragraph (d) of this clause).

b. Lessor EFT information. The Government shall make payment to the Lessor using the EFT information contained in the System for Award Management (SAM) database. In the event that the EFT information changes, the Lessor shall be responsible for providing the updated SAM database.

c. Mechanisms for EFT payment. The Government may make payments by EFT through either the Automated Clearing House (ACH) network, subject to the rules of the National Automated Clearing House Association, or Fedwire Transfer System. The rules governing Federal payments through the ACH are contained in 31 CFR part 210.

d. Suspension of payment. If the Lessor EFT information in the SAM database is incorrect, then the Government need not make payment to the Lessor under this contract until correct EFT information is entered into the SAM database; and any invoice or contract financing request shall be deemed not to be proper invoice for the purpose of prompt payment under this contract. The prompt payment terms of the contract regarding notice of an improper invoice and delays in accrual of interest penalties apply.

e. Lessor EFT arrangements. If the Lessor has identified multiple payment receiving points (i.e., more than one remittance address and/or EFT information set) in the SAM database, and the Lessor has not notified the Government of the payment receiving point applicable to this contract, the Government shall make payment to the first payment receiving point (EFT information set or remittance address is applicable) listed in the SAM database.

f. Liability for incomplete or erroneous transfer:

1) If an incomplete or erroneous transfer occurs because of Government used the Lessor's EFT information incorrectly, the Government remains responsible for making a correct payment, paying any prompt payment penalty due and recovering any erroneously directed funds.

2) If any incomplete or erroneous transfer occurs because the Lessor's EFT information was incorrect, or was revised within 30 days of Government release of the EFT payment transaction instruction to the Federal Reserve System, and if funds are no longer under the control of the payment office, the Government is deemed to have made payment and the Lessor is responsible for recovery of an erroneously directed funds or if the funds remain under the control of payment office, the Government shall not make payment, and the provisions of paragraph (d) of this clause shall apply.

g. EFT and prompt payment. A payment shall be deemed to have been made in a timely manner in accordance with the prompt payment terms of this contract if, in the EFT payment transaction instruction released to the Federal Reserve System, the date specified for settlement of the payment is on or before the prompt payment due date, provided the specified payment date is a valid date under the rules of the Federal Reserve System.

h. EFT and assignment claims. If the Lessor assigns the proceeds of this contract as provided for in the assignment of claims terms of this contract, the Lessor shall require as a condition of any such assignment, that the assignee shall register in the SAM database and shall be paid by EFT in accordance with the terms of this clause. In all respects, the requirements of this clause shall apply to the assignee as if it were the Lessor. EFT information that shows the ultimate recipient of the transfer to be other than the Lessor, in the absence of proper assignment of claims acceptable to the Government, is incorrect EFT information within the meaning of paragraph (d) of this clause.

i. Liability for change to EFT information by financial agent. The Government is not liable for errors resulting from changes to EFT information made by the Lessor's financial agent.

j. Payment information. The payment or disbursing office shall forward to the Lessor available payment information that is suitable for transmission as of the date of release of EFT instruction to the Federal Reserve System. The Government may request the Lessor to designate a desired format and method(s) for delivery of payment information from a list of formats and methods the payment office is capable of executing. However, the Government does not guarantee that any particular format or method of delivery is available at any particular payment office and retains the latitude to use the format and delivery method most convenient to the Government. If the Government makes payment by check in accordance with paragraph (a) of this clause, the Government shall mail the payment information to the remittance address contained in the SAM database.

27. CLAUSES INCORPORATED BY REFERENCE. This lease incorporates one or more clauses by reference with the same force and effect as if they were given in full text. The full text may be found in GSA Form 3517B (Rev. 4/2015), which is attached to this Lease as Exhibit "B." The following clauses are incorporated by reference:

GSA Form 3517A

<u>Clause Number</u>	<u>48 CFR Reference</u>	<u>Clause Title</u>
3	552.270-23	SUBORDINATION, NON-DISTURBANCE AND

4	552.270-24	ATTORNTMENT
5	552.270-25	STATEMENT OF LEASE
6	552.270-26	SUBSTITUTION OF TENANT AGENCY
8	552.270-28	NO WAIVER
9	--	MUTUALITY OF OBLIGATION
10	--	DELIVERY AND CONDITION
14	--	DEFAULT BY LESSOR
17	52.204-7	COMPLIANCE WITH APPLICABLE LAW
18	52.204-13	SYSTEM FOR AWARD MANAGEMENT
19	552.270-31	SYSTEM FOR AWARD MANAGEMENT MAINTENANCE
20	552.232-23	PROMPT PAYMENT
21	552.270-20	ASSIGNMENT OF CLAIMS
22	52.232-33	PAYMENT
24	552.270-32	PAYMENT BY ELECTRONIC FUNDS TRANSFER --
28	552.270-30	SYSTEM FOR AWARD MANAGEMENT
30	552.270-13	COVENANT AGAINST CONTINGENT FEES
31	--	PRICE ADJUSTMENT FOR ILLEGAL OR IMPROPER
32	552.215-70	ACTIVITY
34	52.233-1	PROPOSALS FOR ADJUSTMENT
35	52.222-26	CHANGES
36	52.222-21	EXAMINATION OF RECORDS BY GSA
38	52.222-35	DISPUTES
39	52.222-36	EQUAL OPPORTUNITY
40	52.222-37	PROHIBITION OF SEGREGATED FACILITIES
		EQUAL OPPORTUNITY FOR VETERANS
		AFFIRMATIVE ACTION FOR WORKERS WITH
		DISABILITIES
		EMPLOYMENT REPORTS VETERANS

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR	
SIGNATURE	SIGNATURE
NAME OF SIGNER	NAME OF SIGNER
IN PRESENCE OF	
SIGNATURE	SIGNATURE
NAME OF SIGNER	NAME OF SIGNER
UNITED STATES OF AMERICA	

SIGNATURE

NAME OF SIGNER
David E. Brumley

OFFICIAL TITLE OF SIGNER
Realty Specialist Contracting Officer
United States Coast Guard

PORT OF PORT TOWNSEND

MEETING OF: **September 27, 2016**

AGENDA ITEM: **VII. Potential Immediate Action**
 B. Revised Budget Schedule

BACKGROUND:

There has been a change to the proposed date of budget adoption, from November 9 to November 22, 2016.

Executive Director's Recommendation:

For discussion and adoption.

Port of Port Townsend 2017 Operating & Capital Budget Development Schedule

*	July 13, 2016	1:00	Draft 2017 Budget Schedule and process discussed at Commission workshop.
*	July 27, 2016	5:30	Revised Budget Schedule reviewed & approved by Commission.
*	August 10, 2016	9:30	Workshop session - discuss issues, goals & assumptions, with review of preliminary 2016 mid-year operating results. Presentation by Cynthia Weed, Bond Counsel, with County Assessor and Treasurer in attendance.
	August 15-18, 2016	TBD	Individual work sessions with Department Managers and Port Directors.
	August 17, 2016	10:00	Public tour of Tier I projects, open to public, not a Commission meeting
*	August 24, 2016	3:00	Workshop session - budget for possible discussion
	August 30, 2016	9:00	Group work session with Department Managers and Port Directors to discuss budget - as needed.
*	September 14, 2016	9:30	Workshop session - continue discussion of 2017 Budget issues, and review revenue projections. County Assessor will be in attendance to provide presentation of budgeted tax levy.
5*	September 27, 2016	5:30	1st draft of budget and cash flow presented to Commissioners and public.
	September 27, 2016		1st draft of budget posted on Port website, for public comment.
*	October 12, 2016	1:00	2nd review of draft 2017 Budget and Cash Flow projection.
	October 12-26, 2016		Advertise budget hearings in Leader & PDN per RCW 53.35.020
*	October 26, 2016	5:30	1st public hearing and public comment period on 2017 Budget
*	November 9, 2016	1:00	2nd public hearing and public comment period on 2017 Budget - if needed.
*	November 22, 2016	5:30	Adopt budget
	November 30, 2016		Tax levy resolutions due to Jefferson County, per RCW.

* Commission Meetings

All workshops & meetings will be held in the Commission Room, except August 24th which will be held at the Timber House Restaurant meeting room (295534 Hwy. 101, Quilcene, WA).

PORT OF PORT TOWNSEND

MEETING OF: **September 27, 2016**

AGENDA ITEM: **VIII. Other Business**
 A. 1st Draft 2017 Budget

BACKGROUND:

This is the first draft of the 2017 Port Budget, both operating and capital. Included are assumptions that were made when developing this.

Executive Director's Recommendation:

For discussion.