



P.O Box 1180 • Port Townsend, Washington 98368-4624

Administration: (360) 385-0656

Operations: (360) 385-2355

Fax: (360) 385-3988

**Port of Port Townsend Public Workshop
Wednesday, June 12, 2013, 9:30 AM
Port Commission Building
333 Benedict Street
Port Townsend, WA**

AGENDA

➤ **Personnel Handbook**

Commission and Staff will review the completed draft of the handbook for final edits.

➤ **Port Strategic Advisory Committee (PSAC)**

Staff will present results of recent PSAC meetings and their recommendations.

Note: This is a Public Commission Workshop. The public is invited to attend but no formal comment period is scheduled. The workshop will be followed by the regular Port Commission meeting, which will have a formal public comment period where any topic may be addressed.

PORT OF PORT TOWNSEND

PERSONNEL HANDBOOK

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TELEPHONE/INTERNET POLICY

Port Owned Cellular Telephones: The Port has purchased cellular phones for key maintenance and security positions. Port owned cellular telephone usage is limited to official business only and are not to be used for personal or private business.

The Finance Director shall review monthly cellular billing to insure compliance with the provisions of this Policy.

Employee-Owned Cellular Telephones: Employee owned cellular telephones are the sole responsibility of the Employee and any Port business calls are not chargeable to the Port.

If the Employee elects to use his/her cellular telephone for Port business, the cost for such use shall be the sole responsibility of the Employee and not reimbursable by the Port.

INTERNET CODE OF CONDUCT

Acceptable Uses of the Internet - Use of Port provided Internet access is intended to be for business related purposes. Internet access is monitored, and actual web-site connections are recorded. Employees accessing the Internet are representing the Port. All communications should be for professional reasons. Employees are responsible for seeing that the Internet is used in an effective, ethical and lawful manner. Internet Relay Chat channels may be used to conduct official Port business, or to gain technical or analytical advice. Databases may be accessed for information as needed. E-mail may be used for business contacts.

Unacceptable Use of the Internet - The Internet should not be used for personal gain or advancement of individual views. Solicitation of non-Port business, or any use of the Internet for personal gain or entertainment is strictly prohibited. Use of the Internet must not disrupt the operation of the Port network or the networks of other users. It must not interfere with your productivity. Use of Port provided internet access for non-business related purposes will result in loss of access privileges or discipline.

Harassment - Harassment of any kind is prohibited. No messages with derogatory or inflammatory remarks are permitted. Remarks about an individual or group's race, religion, national origin, physical attributes, sex, or sexual preference will not be transmitted.

Violations - Violations of any guidelines listed above may result in disciplinary action up to

and including termination. If necessary, the company will advise appropriate legal officials (police) of any illegal violations.

E-mail Consent Form - Each employee shall agree to and execute the terms and conditions in the Information Security Policy found in Exhibit E.

PERSONNEL POLICY

The following are guidelines, which are set up as examples and a general listing of employment requirements of the Port of Port Townsend. They are not all inclusive nor a complete statement of policy. Employees may leave the Port for any reason without legal obligations. Except as otherwise provided, the Port also reserves the right to terminate employees for any reason it deems necessary and each person's employment is for no specific term. Nothing contained in these guidelines shall in any way create a contract or quasi-contract of employment or establish any term of employment, nor in any way be construed as a waiver of the relationship of "employment at will." Except as otherwise provided, the Port retains and shall always have the complete, absolute and unequivocal right to set wages, terms of employment and to hire and discharge all employees at its sole will and discretion with or without cause.

Overview

The intent of these guidelines is to recognize that the Port will employ the most suitably qualified people available; that the tenure of the employee will depend upon the needs of the Port, effective performance, good conduct and continuing fitness for the position; and that each employee will be prepared and expected to perform at optimum level.

Further, the purpose of these guidelines is to facilitate efficient service to the Port of Port Townsend, and hence to the general public; provide a system of equitable personnel management; and provide the employees of the Port a reasonably consistent, clearly defined set of rules.

It is recognized however that these guidelines will be considered broad in scope and that a reasonable approach will be taken on a case-by-case basis by the appropriate authority to equitable solve specific problems or situations.

This policy recognizes that the Executive Director or other employees may also operate under an employment contract. If there is a conflict of provisions between this policy manual and the employment contract, the most favorable provision shall apply to the Executive Director or employee.

Appointments

It is recognized that the Board of Commissioners is the governing body of the Port of Port Townsend. The Board of Commissioners, under the provisions of RCW 53.08.170, appoints a full-time Executive Director answerable to the Board. All staff members will be under the direction of the Executive Director.

The Executive Director may authorize the establishment of full-time and part-time staff positions as deemed necessary and shall have the authority to fill such positions. Only the Executive Director is authorized to modify employees' at-will status.

Only the Board of Commissioners, by taking action, is authorized to modify the Executive Director's at-will status, subject to contractual rights and obligations set forth in applicable employment agreements.

Types of Employees

Exempt Employees: Employees classified as Executive, Administrative, and Professional are "exempt" and are not eligible for overtime compensation.

Full-time Employees: Full-Time employees are scheduled to work at least forty (40) hours per week on a regular basis.

Non-Exempt Employees: Employees classified as "non-exempt": are paid on an hourly basis and are eligible for overtime. The Fair Labor Standards Act defines overtime as all hours worked beyond forty (40) in a work week.

Part-Time Employees: An employee who works more than twenty-four (24) hours per week but less than forty (40) hours per week.

Temporary Employees: An employee employed to meet short-term needs or seasonal workloads. Temporary positions will not exceed employment of five (5) months in any calendar year and will never be converted to a longer employment. Temporary employees may become regular employees in a regular position upon completing the hiring process.

Intern Employee: An employee who is a student and who intends to continue as a student at a high school, college, or vocational school. The Port position shall relate to the school program and work hours are to be compatible with school schedule. Interns may be paid or volunteers.

Classifications/Titles

Administrative Positions: Administrative positions have the primary responsibility of managing a recognized department. The Deputy Director and Director of Finance & Administration/Auditor are administrative. Administrative positions are normally exempt.

Executive Position: The Executive position has the primary responsibility of managing the operation and administration of the Port. The Executive Director is the Executive. The Executive Director position is exempt.

Professional Positions: Professional positions require specialized training and/or a college degree. They perform specialized, intellectual, or varied work in professions.

Staff Positions: Staff positions provide a variety of support functions. Staff positions are normally non-exempt.

Hours of Work, Overtime and Compensatory Time

The normal hours of work at the Port of Port Townsend are from 8:00 a.m. to 4:30 p.m., with a 30 minute lunch break from 12:00 p.m. to 12:30 p.m., Monday through Friday. Flexible working schedules can be adopted to accommodate the requirements of the individual employee and/or the Port, but require prior approval of the Executive Director or the Deputy Director.

Part-Time employees will work a schedule designated by the Executive Director or his designee.

Non-Exempt employees receive a fifteen (15) minute break for each four (4) hours of work as near as possible to the midpoint of the four (4) hour period.

All overtime requires prior approval of the Executive Director or the Director of Finance & Administration/Auditor. All Non-Exempt employees are eligible for overtime.

Hourly employees shall be compensated for additional hours worked with a pay rate of time and one-half for each worked. Employees working in excess of 40 hours per week will receive overtime.

Call-out Pay: Non-Exempt employees who are called to work after they have left Port property will be paid at least two (2) hours at the overtime rate beginning as of the time they return to the work site and ending at the time of leaving Port property.

Compensatory (Comp) Time: Employees may take paid comp-time off at the rate of one and one-half hours per hour of overtime worked in lieu of overtime pay. Comp-time will not be allowed to accrue beyond the forty (40) hours maximum. Comp-time can be carried over from month-to-month. All comp-time must be used by the end of the calendar year in which it was earned.

Exempt Exchange Time – Exchange time is reasonable and necessary to provide flexibility in work hours for exempt staff working additional hours to facilitate Port business, including but not limited to community involvement, attending meetings after normally established work hours or other responsibilities as assigned. With approval of the Executive Director or designee, Exempt employees may request exchange time at the rate of one hour for each hour worked in excess of forty (40) in a week. The sum of exchange time accrued and available to an exempt employee may not exceed 120 hours at any time. Employees are expected to track exchange time. Exchange time can be used like other leave types, however, carries no cash or payout value to an employee at any time.

Compensation

Salary

Salary grades and levels are fixed by the Port Commission in accordance with the Union Contract for union staff. The Executive Director may, in his sole discretion, review and adjust the salary of both exempt and non-exempt employees annually, or as deemed necessary, based upon efficient service, continued improvement, special merit and/or changes in the general cost of living. Salary increases for non-management non-union employees are set by the Executive Director.

Pay Period

All employees shall be compensated on a regular basis on the 2nd and the 17th. In the event that the payday falls on a Saturday, payday will be the preceding Friday. In the event that the payday falls on a Sunday, payday will be the following Monday.

Holidays

The Port of Port Townsend follows the schedule noted below:

January 1st, New Year's Day
3rd Monday in January, Martin Luther King
3rd Monday in February, President's Day
Last Monday in May, Memorial Day
July 4, Independence Day
1st Monday in September, Labor Day
November 11th, Veteran's Day
4th Thursday of November, Thanksgiving Day
The Friday following Thanksgiving
December 25th, Christmas Day
Day adjacent to Christmas, Set by Staff
One Day, Employee's Choice

Any legal holiday falling on a Saturday will be observed on the preceding Friday. Any legal holiday falling on a Sunday will be observed on the following Monday, unless otherwise directed, in advance, by the Executive Director.

Employees who work on a designated holiday shall be paid for the hours worked on such holiday at one and one-half (1 1/2) times their regular rate of pay per hour.

Regular part-time employees will be paid for holidays if the holiday would be part of the regular work schedule.

Leave

Sick Leave:

Illness, or injury leave is provided at the rate of eight (8) hours for each month of employment for regular employees with an assignment of forty (40) hours per week. Regular employees with an assignment of less than (40) hours per week shall be granted credits pro rata. Credits may be accumulated and carried over to succeeding calendar years with no limit to hours.

The rate of eight (8) hours for each month of employment shall be ten (10) hours for regular employees hired before March 1, 1993.

Employees shall be allowed "First Day" sick leave with compensation for eligible absences up to the amount of their earned sick leave credits under the following conditions:

- A. During an illness or injury which has incapacitated the employee from performing their duties.
- B. During the infectious period following the exposure of an employee to a contagious disease during which their attendance on duty would jeopardize the health of fellow employees or the public.
- C. During periods of maternity, a female employee may use accrued sick leave before delivery and six (6) weeks after delivery or two weeks for adoption or as medically necessary. For male employees up to two (2) weeks may be taken in conjunction with birth or adoption of infant child. Additional leave or leave with pay may be granted by the Executive Director.
- D. Medical appointments for employees and employee's children under 18 years of age.
- E. Illness of child under 18 years of age.

When an employee applies for use of sick leave credits of one (1) day or more, on vacation leave or otherwise, the Port may request documentation from a physician stating the medical reason requiring absence from work. When possible, employees will be advised to obtain documentation before they return to work.

If an employee has been seriously ill or has had a severe injury, before the employee returns to work, the Port may request confirmation from a physician that the employee is physically able to return to their normal work. Sick leave shall continue until physician confirmation of ability to return to work is obtained. For sick leave in excess of three (3) days, the Port may require proof of illness from the employee's physician.

No provision in this policy shall restrict the Employer's ability to cooperate with a workman compensation program for an employee's return to work when such program is in the interest of the Employer and approved by the workman's compensation program.

At the time of separation of employment by the employee, sick leave which the employee has accrued shall be paid out to him or her, per the following schedule:

Months of Continuous Employment	Amount Paid
1-60	25% of current sick leave balance
61-120	35% of current sick leave balance
Over 121	50% of current sick leave balance

All payments are subject to 500 hour maximum accrual.

Sick leave compensation will not be paid to employees that are terminated for cause.

Vacation Leave:

Vacation leave credits will be allowed each regular employee in proportion to the hours compensated on the following basis:

Years of Service	Hours Accrued Per Month
During 1 st Year	3.33 Hours
Years 2-5	6.666 Hours
Years 6-10	10 Hours
Years 11 and over	13.338 Hours

Prorata credits will be based on employee hours compensated per month divided by 173, times the listed credits.

Regular employees on the payroll before March 1, 1993 shall earn vacation leave credits on the following basis:

Years of Service	Hours Accrued Per Month
During 1 st Year	10 Hours
Years 2-3	11 Hours
Years 4-5	14 Hours
Years 6-10	16 Hours
Years 11 and over	18 Hours

Employees shall accrue vacation leave credits on a monthly basis based on compensable hours. The accrual rates shall change (according to the above schedule) on the employee's anniversary date of employment.

When eligible under this Agreement, employees may accrue vacation leave credits up to 320 hours. All hours in excess of 320 hours on the employee's anniversary date will be forfeited. Employees, with over 80 hours of accrued vacation leave, may cash in accrued leave at their regular pay rate if they have taken the required minimum vacations and have at least 40 hours of leave remaining. (Minimum vacation is five (5) days per year for years two (2) through five (5) and ten (10) days per year after year five (5).

Vacations shall be scheduled at times mutually agreed to between the employee and the supervisor within the scheduling requirements of the Port. Employees will submit vacation request forms for approval at least two (2) weeks prior to the desired date and the Port will reply within 4 working days of the request.

Regular employees upon separation from employment with the Port after six (6) months of continuous service will be paid the value of vacation leave credits earned.

In the event of the employee's death, all accrued and unused vacation leave credits shall be paid to the employee's beneficiary.

Supervisors must encourage employees to take their regular leave, but should arrange vacation schedule to ensure that important Port services are not interrupted.

Leaves of Absence

Bereavement Leave:

Bereavement leave shall be authorized to permanent employees for a maximum of five (5) days per calendar year on the death of a member of the employee's immediate family, which is defined as follows: husband, wife, grandparent, parent, child, grandchild, brother, sister, mother in law, father in law, and step relations of the same degree.

Bereavement leave shall be non-accumulative and shall not be deducted from the employee's accumulated sick or regular leave.

Emergency Leave:

Emergency leave may be used by an employee under the following general conditions:

- A. The problem must have been suddenly precipitated; or must be of such a nature that preplanning is not possible or that preplanning could not relieve the necessity for the employee's absence.
- B. The problem cannot be one of minor importance or mere inconvenience, but must be serious.

Leave for emergency will be charged against regular leave credits accumulated by the employee. If conditions (a) and (b) exist and employee does not have sufficient leave credits, employee may take advance leave if approved by the Executive Director or leave without pay

Jury Duty:

Employees are expected to fulfill civic responsibilities by serving as jury members when called. Employees shall receive regular salary with the provisions that any monies received for jury duty shall accrue to the Port, with the exception of actual expenses.

Leave of Absence:

A leave of absence may be requested by any regular employee. The decision as to whether or not such leave of absence will be granted is with the Executive Director. No leave of absence shall exceed a period of thirteen (13) months.

Any request for leave of absence shall be in writing, and that writing shall state the time period for which the request is made. The granting of any such request for leave of absence shall also be in writing and signed by the Executive Director.

Any leave of absence shall be without pay and all Port benefits of the employee shall cease during the period of the leave of absence. The employee may, if satisfactory arrangements can be made, continue insurance plans in effect by prepayment of the insurance premiums. Where the leave of absence does not exceed fifteen (15) days, the Executive Director may authorize payment of fringe benefits.

An employee returning from a Leave of Absence will be reinstated to a position that is generally equivalent in content and compensation, if one is available.

Military Leave:

Any employee who is a member of the Washington National Guard, Army, Navy, Air Force, Coast Guard, or Marine Corps Reserve of the United States or of any organized reserve or Armed Forces of the United States shall be entitled to military leave with pay for a period not to exceed fifteen (15) days during any calendar year in order that the employee may take part in required active duty training. Such military leave shall be granted pursuant to the provisions of Revised Code of Washington 38.40.

Any employee who enters upon active duty service or training in Washington National Guard, the Armed Forces of the United States, or the United States Public Health Service may seek leave of absence for a period not to exceed the actual tour of duty, service or training, and upon return shall be entitled to re-employment providing the individual complies with the provisions of the Revised Code of Washington 73.16, or as hereafter amended. For purposes of this Section fifteen (15) days shall mean fifteen (15) calendar days beginning with the first (1st) day of absence from employment.

Family and Medical Leave Policy:

The federal Family and Medical Leave Act of 1993 (FMLA) provides up to twelve (12) weeks of unpaid leave every twelve (12) months to eligible employees, both men and women, for certain family and medical reasons. To be eligible an employee must have worked for the Port for at least one (1) year, and for 1,250 hours over the previous twelve (12) months. There also must be at least fifty (50) employees working for the Port within seventy-five (75) miles of the place where an employee works. Because the Port currently does not employ fifty (50) people, it has no employees who are eligible for FMLA leave. Similarly, the Washington State Family Leave Act regarding family and medical leave does not apply to the Port because it also requires at least fifty (50) employees before compliance is mandatory.

Benefits

Medical/Life Insurance:

The Port offers medical and associated health insurance coverage for all regular employees and eligible dependents. Coverage becomes effective on the first day of the month following inception of regular employment, with the Port paying the insurance premiums.

Retirement:

When hired by the Port in an eligible position, each employee becomes a member of the Washington Public Employees Retirement System. Employees may join the Washington State Deferred Compensation Plan at their expense by payroll deduction.

State Industrial Insurance:

Employees suffering illness or injury compensable under the State industrial insurance shall be allowed to use illness, injury, or emergency leave until the disability becomes permanent or to the amount of their earned credit less any industrial insurance payments for which they are eligible. The Port may satisfy this Section by paying from the Sick Leave bank of an employee only the difference between the amount of L&I compensation and the employee's regular compensation. In such case, employees will retain their L&I check and present a copy to the Port to insure proper payment of the difference.

Deferred Compensation Program:

All employees may apply to enroll in the Washington State Department of Retirement Systems Deferred Compensation Program at the inception of their employment with the Port of Port Townsend. Employees may dedicate contributions up to the maximum allowable amount of their pre-tax income to be paid into the fund on each pay date.

Staff Uniforms:

The Port shall purchase or reimburse staff based on the table below for necessary clothing to perform their duties. This includes, but is not limited, to work boots, work pants and work shirts, coats and rain gear. All clothing purchased shall have the Port logo where possible.

Department	Annual Allotment
Yard, Maintenance	\$435
Security	\$350
Moorage	\$300

STANDARDS OF CONDUCT

General Rules

All employees should act professionally and in the best interests of the Port at all times. Violations of the Port’s standards of conduct are unacceptable and may result in discipline, including immediate termination.

The following are examples of violations of the Port’s standards of conduct. They merely illustrate, and do not limit, the types of conduct the Port may consider unacceptable.

- Abusive language or unprofessional conduct toward another person
- Covert recording
- Falsifying or inaccurately completing records, including employment applications or time sheets
- Harassment or discrimination of any nature
- Inappropriate dress or poor grooming
- Insubordination or failure to carry out instructions
- Misusing, destroying, or purposely damaging Port property or property of an employee
- Performance that does not meet Port requirements
- Tardiness or absenteeism
- Misuse of sick leave
- Theft of Port property or property of an employee

- Unauthorized use or release of confidential information
- Unprofessional conduct
- Using work time for personal activities
- Using, possessing, manufacturing, distributing, being under the influence of any controlled substance or alcohol in the workplace, or smelling of alcohol, during working hours, while on Port premises, or while engaging in Port business

The Port hereby reserves the right to the exclusive discretion to discharge any person in the Port's employ during the probation period with or without cause.

The Port will attempt at all times to operate its business in the most efficient, economical and orderly manner consistent with established rules and regulations. Disciplinary action is not primarily intended to be punitive but rather to maintain the efficiency of day-to-day operations and in keeping with sound business principles of human relations in the Port service.

The degree of discipline administered must depend on the severity of the infraction.

It is the responsibility of the supervisor to evaluate thoroughly the circumstances and facts as objectively as possible. The supervisor will then recommend the most suitable form of discipline, to be applied by the Executive Director.

The Executive Director's door is always open if there is a problem employees need to discuss. However employees should start the process following the proper chain of command. An organizational chart is attached as **Exhibit F**.

There are several types of disciplinary action which may be applied to encourage employee behavior modification or employee termination:

- A. Oral Warning: Talk to the employee in private.

This should be applied for infractions of a relatively minor degree. Supervisors should inform the employee that he or she is administering an oral warning and that the employee is being given an opportunity to correct the condition. If the condition is not corrected, the person will be subject to more severe disciplinary measures.

A notation that an oral warning was given shall be made for the employee's personnel file including name, date, date of incident requiring the oral warning, and all relevant facts.

- B. Written Warning: This notice will be issued by the Executive Director in the event the employee continues to disregard an oral warning, or if the infraction is severe enough to warrant a written warning.

The Executive Director will set forth in the warning notice form the nature of the infraction in detail and will sign the notice. The Executive Director will discuss the warning with the employee's supervisor, then with the employee, to be certain that the employee and the supervisor understand the reasons for the disciplinary action.

The employee will receive a copy of the warning notice at the time of the discussion. The original signed copy warning is to be placed in the employee's personnel file.

- C. Suspension: This form of discipline is administered as a result of a severe infraction of rules, standards, or for excessive violations after the employee has received a written warning and has not improved performance. This is the most severe form of discipline given by the Executive Director short of discharge.

All facts leading to the reason for the disciplinary suspension and the duration of suspension will be set forth on a disciplinary form. The employee will be informed of the disciplinary action and provided an original copy of completed disciplinary action form. The maximum period of suspension shall be 15 working days.

- D. Demotion: Demotion is to be used in rare instances where an employee has been employed for or promoted to a position but fails or is unable to perform the duties and responsibilities of that position. Demotion should be made only after a thorough evaluation by the supervisor and written warning by the Executive Director.

Demotion of an employee will be made by the Executive Director.

- E. Discharge: To assure the continuous, successful operation of Port business, Port rules and policies may not be violated by its employees. Infraction of basic rules by an employee may be considered just cause for discharge. The decision as to whether or not the employee should be discharged shall depend upon, among other things, the severity of the infraction, the previous efforts to counsel the employee, the potential danger to other employees, and the effect on the Port's operations.

If in the opinion of the Executive Director or a Supervisor the infraction is so

severe as to require immediate removal of the employee from his or her employment situation, the supervisor may immediately suspend the employee. Within five (5) working days following any such suspension, the Executive Director will review the circumstances concerning the incident and determine whether or not discharge of the employee is appropriate.

Discharge of an employee shall be by the Executive Director.

Prior to any employee being discharged the Executive Director will conduct a hearing. The employee will be given written notice of the complaint(s) against him/her twenty four (24) hours before the scheduled hearing. The employee may respond to the listed complaints in writing or verbally at the hearing. After detailing the Port's complaints against the employee, and receiving the employee's explanation of such events the Executive Director will render a final written decision regarding the termination and shall cause same to be delivered to the affected employee and placed in the appropriate personnel file.

Workplace Violence

The Port and its employees share responsibility for the provision of a safe and secure work environment for all employees. In order to ensure workplace safety and provide for each employee's dignity, the Port has established a policy of zero tolerance for violence and will take appropriate action, up to and including, immediate termination, against anyone who engages in threatening or violent behavior.

Drug and Alcohol-Free Workplace

The Port maintains a drug and alcohol-free workplace. The possession, manufacture, distribution, dispensation, use or trafficking of alcohol or controlled substances or smelling of alcohol in the workplace, while on Port premises, while engaging in Port business, or during working hours, poses unacceptable risks to the safe, secure, and efficient operation of the Port and are strictly prohibited. Employees violating the Port's Drug and Alcohol-Free Workplace Policy will be subject to discipline, up to and including, immediate termination. As a condition of employment all Port employees must read and sign the Drug and Alcohol-Free Workplace Policy, a copy of which is attached at **Exhibit B**.

No Smoking Policy

The purpose of this policy of the Port of Port Townsend is to establish a smoking policy for all Port of Port Townsend public buildings and vehicles whether owned, leased or rented, in conformity with the Washington Clean Indoor Air Act.

1. Definitions

"Smoke" or "smoking" means the carrying or smoking of any kind of lighted pipe, cigar, cigarette, or any other lighted smoking equipment regardless of substance burned to produce "smoke".

Vehicle means every vehicle which is designed for human occupancy and is an enclosed space or cabin designed for human occupation.

Building means all enclosed structures operated by the Port for the purpose of conducting Port business, but excluding structures leased to or operated by organizations other than the Port.

2. Exceptions to the Smoking Policy

There shall be designated smoking areas. No person may smoke in a Port of Port Townsend office, hallway, rest room, meeting room, or any other area inside any Port of Port Townsend building, whether the building is owned, leased, rented or otherwise under the control of the Port.

No person, ~~unless alone,~~ may smoke in any Port vehicle whether the vehicle is owned, leased, rented or otherwise under the control of the Port.

3. Designated Smoking and Non-Smoking Areas

The Executive Director or his designee shall post and maintain signs prohibiting smoking conspicuous at each entrance of every building housing any office of the Port of Port Townsend. Further, signs will be posted conspicuously in each vehicle.

Additional designated smoking areas may be established in the future by the Executive Director as physical alterations are made to Port buildings to accommodate such smoking areas. Designated smoking areas may be eliminated in the future by the Executive Director as the need arises.

4. Violation of the Smoking Policy

Any person intentionally violating the provisions of the Washington Clean Indoor Air Act by intentionally smoking where smoking is prohibited and any person removing, defacing, or destroying a no-smoking sign shall be subject to a civil fine of up to one hundred dollars (\$100) as set forth in RCW 70.160.070 or other disciplinary action.

Workplace Safety

The Port is committed to providing a safe and healthy work environment for all employees, vendors, and customers, as well as the general public. To assist in providing a safe and healthy work environment, the Port has established a workplace safety program. This program is a high priority for the Port. Its success depends on the alertness and personal commitment of all. It is each employee's responsibility to be familiar with, and observe all

safety and health rules and procedures as outlined in the Port's Accident Prevention Program and Safety Policy. Safety procedures are managed currently by the Deputy Director at the Port. The Port provides information to employees about workplace safety and health issues through supervisor-employee meetings, bulletin board postings, or other written communications. Additionally, employees and supervisors receive periodic workplace safety training. The training covers potential safety and health hazards and safe work practices and procedures to eliminate or minimize hazards. Each employee is expected to obey safety rules and to exercise caution in all work activities. Employees must immediately report any unsafe condition or suspicious activity to the appropriate supervisor. Employees who violate safety standards, who cause hazardous or dangerous situations, or who fail to report or, where appropriate, remedy such situations, may be subject to disciplinary action, up to and including termination of employment. If an accident does occur, it must be reported to the immediate supervisor as soon as possible, regardless of severity or injury.

Injury Reporting Procedures:

Washington Industrial Safety Health Act (WISHA) requires that the Port maintain records of all occupational illness and accidents which occur on Port property, or while conducting Port business. WISHA also requires that you report any illness or injury that occurs on the job, no matter how slight. Such reports are necessary to comply with laws and initiate insurance and Workers' Compensation benefits procedures. In the event of a workplace injury or near-miss accident, no matter how minor the injury or the near-miss accident may seem, the injured employee and/or employee witness must report the injury or near-miss accident to his/her supervisor immediately. Employees must complete a Port of Port Townsend Accident/Injury Report and forward it to the designated Safety official of the Port, which is currently the Deputy Director. Forms are available from the accounting department. In the event an injury requires medical attention, the injured employee must inform the attending physician that the injury is work-related. The physician will then complete the required Labor and Industries form, which will be forwarded to the Port for further processing. Hospitalizations must be reported to L & I within 8 hours for in-patients.

Emergency Situations: Whenever emergency situation occur, all necessary efforts should be made to protect human life, then property, in that order, without endangering employees or the general public. As soon as possible after the emergency measures have been taken, the employee in charge is to complete an Incident Report and notify his/her immediate supervisor with the most complete details available concerning the incident. Incident Reports shall be forwarded to the Deputy Director and the Director of Finance & Administration/Auditor for purposes of processing insurance claims.

Attendance

In order to successfully function, the Port depends upon all employees to report to work regularly and on time. Failure to report unexcused absences from assigned work areas, chronic or excessive absences, tardiness or excessive rest breaks are unacceptable. Employees are required to obtain authorization from their Supervisor in order to be absent

from work. Failure to do so prior to an absence may result in disciplinary action.

Anti-Harassment

The Port of Port Townsend is committed to maintaining a work environment that is free of discrimination. In keeping with this commitment, the Port will not tolerate harassment of employees by anyone, including any supervisor, co-worker, vendor, client, or customer of the Port. Harassment consists of unwelcome conduct, whether verbal, physical, or visual, that is based on a person's protected status, such as sex, color, race, ancestry, religion, national origin, age, physical or mental disability, medical condition, marital status, sexual orientation, veteran status, citizenship status, or other protected group status. The Port will not tolerate harassing conduct that affects tangible job benefits, that interferes unreasonably with an individual's work performance, or that creates an intimidating, hostile, or offensive working environment.

The Port's policy is to investigate all such complaints thoroughly and promptly. To the fullest extent practicable, the Port will attempt to keep the complaints and the terms of their resolution confidential. If an investigation confirms that harassment has occurred, the Port will take corrective action, including such discipline up to and including immediate termination of employment, as is appropriate.

Gratuities

No employee shall accept a fee, gift or any other item of value in the course of performing the employee's official duties, which is given and/or received with the hope or expectation of receiving personal favored treatment or other special consideration.

Outside Employment

Outside employment by Port employees may be allowed except under the following conditions:

- Constitutes a conflict of interest with assigned duties
- Is inconsistent or incompatible with assigned duties
- Conflict with employee's working hours, performance, assignments, or duties

No employee shall receive sick leave benefits or use vacation time as a result of an illness or injury incurred while employed by another company.

Use of Port Property

In the event it is necessary for an employee to remove Port property from Port premises for use at another location for the performance of his/her duties, management may so authorize. Unauthorized use of Port equipment, supplies, etc. is not allowed.

Confidentiality

Although the Port District is a public body, some portions of Port business are required by law to be confidential. No employee shall reveal in any manner any confidential information, which may become available to him/her as a part of his/her employment with the Port.

Nepotism

Relatives will not be hired if such employment would immediately result in one relative supervising or auditing another. If one employee becomes related to another employee through marriage and a supervisory or audit relationship exists, one of the affected employees may terminate or transfer. If it is not possible to prevent a direct supervisory or auditing role from existing, then the relationship will terminate through transfer or resignation of one of the affected employees.

"Relative" is defined as any family relationship resulting from birth, marriage, adoption or co-habitation.

GRIEVANCE AND ARBITRATION PROCEDURES

A grievance means a claim or dispute by an employee with respect to the interpretation, meaning, or application of the provisions of this handbook. An employee may resort to these grievance procedures for any decision or action which he/she feels may effect his/her employment adversely.

The following grievance procedures apply unless other procedures are provided by State law, as in the case of the uniformed services:

- A. If an employee feels he/she has a justified complaint or problem, the employee shall discuss the matter with his or her supervisor. If the complaint relates to a specific incident, the discussion shall take place within fifteen (15) days from the date of the incident.
- B. If the employee feels that his/her complaint is not fairly resolved by the supervisor, he/she may then within five (5) days submit a written complaint to the Executive Director. If the grievance continues to exist, the Director may agree to any recourse or other legal means available for resolving the employee's grievance, including arbitration.

Arbitration Procedures shall be as follows:

- A. If an employee after completing the grievance procedure outlined in 6.2 above, still believes that his/her grievance has not been dealt with justly, the employee may request, from the Port Commissioners, independent arbitration of this matter. Any grievance involving a dispute with respect to the

application, meaning, or interpretation of this policy may be submitted to arbitration in the following manner:

If arbitration is desired by the aggrieved employee and the Port Commissioners, the Arbitration Committee shall consist of three (3) persons; one appointed by the Port Commissioners, one appointed by the aggrieved employee, and one appointed by agreement between the arbitrating members. If the two appointed members are unable to agree upon the third member for the committee within five (5) days after they meet to determine such an appointee, they may jointly request the Washington State Department of Labor and Industries to provide a list of nine (9) arbitrators from which the parties may select one person. The representatives of the employer and the employee shall alternately eliminate the name of one person on the list until only one remains. The person whose name was not eliminated shall be the third member of the committee. The third member of the committee shall be the Arbitration Committee Chairman.

- B. It shall be the duty of the Arbitration Committee to represent the public interest in reviewing employee appeals, only after all other grievance procedures have been exhausted, resulting from alleged adverse employer action including violations of these procedures or the rules and regulations promulgated thereunder, unwarranted demotion, discharge, or suspension. During such review, both the appealing employee and the Port Commissioners or other person whose action is being reviewed shall have the right to be heard, be represented by a person of his or her choice, and to present evidentiary facts. At the hearing of such appeals or grievances, technical rules of evidence shall not apply.
- C. It shall be the duty of the Committee Chairman, within three (3) days of the conclusion of the hearing, to forward his/her recommendation concerning the appeal to the Port Commissioners for appropriate action.
- D. The recommendation of the committee shall be reviewed by the Port Commissioners and within fifteen (15) days following receipt the Board shall advise the employee as to its decision regarding the grievance. It is the intention of the Port Commissioners to follow the committee recommendation except where that recommendation does not appear to the Port Commissioners to be in the best interest of the Port of Port Townsend.

No punitive action shall be carried out against any employee for utilizing the grievance procedures contained herein.

SEPARATION

Termination: If an employee leaves the Port for any reason, pay is to be granted in lieu of any vacation leave for which the employee is eligible but which has not been taken. The employee is to provide the Port with at least two (2) weeks written notice of voluntary termination. Temporary employees may be terminated with less than two (2) weeks notice.

Layoff: When in the sole opinion of management it is necessary or advisable to reduce the workforce, the affected employees shall be notified and the following procedure shall be implemented. Long-term layoffs (over 2 weeks) will be proceeded with a two week notice or pay therefore, unless the employee is on short term layoff.

The Executive Director shall select the positions or classifications that will be laid off. If the position of a regular employee is laid off and the employee occupying the position has within the past two (2) years successfully performed the functions of another positions which is not subject to the Reduction In Force (RIF) and the employee in the RIF position has greater seniority then the person occupying the non-RIF positions then the person occupying the position or classification to be RIF'ed shall bump down to a lower position chosen by the employee, which that employee previously held within the department. A laid off employee may bump to a formerly held, equal or lower paid position which is outside the department and within the bargaining unit, provided that the employee's performance was previously satisfactory in that position, the employee is qualified to perform all the duties of the bumped position (ie: possesses required licenses and certifications) and performed the job within the prior five (5) years. The foregoing process shall also apply to persons bumped out of their positions by a senior employee. The last person(s) bumped shall have the lest seniority and shall be the person(s) laid off. There shall be no bumping to a higher paid position. Employees bumped into a lower paid classified positions shall be paid at the wage rate appropriate to the employees resulting classification.

For up to thirteen (13) months after layoff, employees shall be informed, by mail to the address on file, of openings in positions or classifications for which the employee is qualified. The employee shall keep the Administration Office informed of their current address. During this thirteen (13) month period, laid off employees shall fill openings for which the employee is qualified.

Whistleblower Act

It is the policy of the Port to encourage reporting by its employees of improper governmental action taken by officers or employees and to protect employees who have reported improper governmental actions in accordance with the laws of the State of Washington. As per RCW 42.41.030, Port of Port Townsend employees who become aware of improper governmental

actions should report with the local government to the Executive Director. In the event the Executive Director is the subject of the Whistleblower claim, then employee should submit the report to the Port Auditor. However, if the Executive Director and Port Auditor are subjects in the whistleblower claim then the employee can submit claim to the Port Commissioner(s).

The following government agencies and labor organizations may assist employees in dealing with personnel issues:

Agency	Issues
Washington State Human Rights Commission Olympia 1-800-233-3247 Spokane 1-509-456-4473 Seattle 1-206-464-6500 TTY 1-800-300-7525 http://www.hum.wa.gov	Discrimination because of race, creed, color, national origin, sex, marital status, age or disability. Sexual harassment. Whistleblower workplace reprisal or retaliatory action.
Public Employment Relations Commission Olympia (360)753-3444 http://www.perc.wa.gov	Unfair labor practices. Interference with rights to form or join employee labor organizations and rights to bargain collectively.
Jefferson County Prosecuting Attorney 1820 Jefferson St Port Townsend, WA 98368 (360)385-9180	Alleged improper governmental action.

Reports of improper governmental action(s) must be filed in writing with the Port of Port Townsend. They can be reported using the Whistleblower Reporting Form, attached to this summary, or in a separate letter. In either case, the report should include:

- A detailed description of the improper governmental action(s).
- The name of the employee(s) involved.
- The agency, division, and location where the action(s) occurred.
- Date(s) of the improper governmental action must be provided to the Port within one year after the occurrence of the action.
- Details that may be important for our investigation – witnesses, documents and evidence.
- If you know it, the specific law or regulation that has been violated.
- Your name, home address and phone number. (Optional)

Each improper governmental action should be noted separately and supported with as much specific information as possible. Proving allegations can often be difficult. Supplying detailed information contributes to a thorough and efficient investigation. The Whistleblower

reporting Form is designed to help you supply the needed information. Please use a separate Whistleblower Reporting Form for each improper governmental action. **Whistleblower Reporting Form is described as Exhibit A of this manual.**

Avoid generalization such as “Bob is always wasting public resources.” Providing specific details about how and when “Bob” is wasting public resources will help focus the investigation, e.g., “Bob used his state computer to keep accounting records for his home business during working hours. This has been going on for a year.”

Under state law, anyone who conducts a state employee whistleblower investigation must keep the whistleblower’s name confidential. In addition, the law provides remedies for individuals subjected to retaliation as a result of their whistleblower activities and penalties for those who retaliate.

Send your Whistleblower Reporting Form or letter attention to the Executive Director, Auditor or Commission as described above and to:

Port of Port Townsend
Attention: Employee Whistleblower Program
P.O. Box 1180
Port Townsend, WA 98368

TRAVEL POLICY

Overview

The purpose of this policy is to establish or update the basic rules and regulations governing the reimbursement and payment of travel and other business expenses incurred by the Port Commissioners, officer, employees and other authorized representatives. It shall be the policy of the Port of Port Townsend that all Port officials and employees shall receive their reasonable and necessary expenses when engaged in official Port business within or outside the district. This policy is adopted pursuant to the authority of RCW 42.24.080 through 42.24.160 and 53.08.175 and 53.08.176. The term "authorized representative," as used throughout this policy, shall include all Commissioners, officers, employees, or agents whether elected or appointed.

Expenses

Travel expenses shall be defined to include the following items:

Lodging

Lodging includes hotels, motels or similar accommodations as may be required. A receipt verifying such expense shall be submitted for any request for reimbursement.

Lodging expenses shall include all necessary and reasonable expenses such as room charges, parking fees, tips and tax. Lodging reservations may be made directly by the Port or the authorized representative.

Discretionary lodging expenditures such as video rentals, bar charges unless considered an appropriate promotional hosting expenditure and more than one personal phone call of reasonable length per day are not reimbursable by the Port.

Reimbursement will be at a single room rate with justified exceptions approved by the Executive Director for additional costs incurred for lodging of spouses or others that may be accompanying the authorized representative.

Meeting/Conference Registration

When attending meetings, conferences or training activities where lodging and meals are included in the registration, authorized representatives shall utilize the lodging and meal plan provided when feasible. If the lodging and/or meals are optional and not selected at the time of registration, the Port will reimburse up to the actual cost of the respective options.

Miscellaneous

Miscellaneous and general expenses connected with traveling may include but are not limited to, telephone and fax charges, baggage and luggage handling charges, parking fees, promotional hosting expenses, and other charges permitted by law. Receipts must be

attached.

Promotional Hosting

Promotional hosting is covered in the Port of Port Townsend Resolutions 467-06.

Subsistence

Includes charges for all meals, including payment of reasonable tips, when traveling outside the district, or attending port related meetings or functions that include meals within the district. Expenses shall be reimbursed at the actual cost of the meal with the support of an itemized receipt.

Transportation

Transportation via official motor vehicle, private automobiles, public transportation (airline, railroad, bus line, or ferry) taxicab, limousine, rented vehicle, or other appropriate means of transportation.

When private vehicles are used the authorized representative shall be reimbursed at the current *IRS* rate. The Port will only reimburse employees for mileage in excess of the employee's normal daily round-trip commute mileage. An employee leaving their official residence to travel on Port business will be reimbursed for the lesser of (1) mileage from the employee's official residence to the destination or (2) mileage from the employee's official work station to the destination.

Ordinarily, rail, air, or bus tickets shall be purchased directly by the Port under a regular purchase order procedure. If, however, an employee purchases a ticket on his/her own behalf a receipt shall be submitted with the voucher seeking reimbursement. No first class travel will be allowed.

Forms

In filing claims for reimbursement for travel and other business expenses authorized representatives shall use an official Claim for Expenses form consistent with statute. This form shall contain, at a minimum, details by date showing expenses for transportation, lodging, subsistence and other miscellaneous and general expenses as defined above. Such receipts, documents and other evidence as may hereinafter be required shall support such forms.

Official Travel Defined

Port Commissioners, employees and agents shall be engaged in official travel on behalf of the Port district when engaged in the following activities:

Travel connected with calling upon customers or potential customers of the port district for the purpose of promoting and selling the services and use of facilities of the port district.

Travel required for the purpose of meeting, negotiating or consulting with others for the

purpose of carrying out official functions, duties or projects of the port district. Examples of travel include, but are not limited to, meetings or conferences on matters related to:

- Navigation, harbor and waterway improvement;
- Planning, engineering or development of Port facilities;
- Employee relations;
- Port rates and tariffs;
- Inspection of facilities or equipment of tenants or potential tenants;
- Public relations and information;
- Industrial development;
- Other similar activities necessary to Port development, construction, maintenance or operation;

Travel connected with training and with attendance at meetings of organizations in which the port district holds memberships, or with which it is officially affiliated for purposes of education, research, development, promotion or joint action.

Travel for attendance at regular and special meetings of the Port Commission by Port Commissioners from their place of residence to the place of meeting of the Commission.

No reimbursement shall be made to employees for the normal cost of commuting from a permanent or temporary home or residence to their regular place of work.

Travel Authorization

All travel shall have a specific purpose and have a benefit to the Port. Travel for Port Commissioners may be approved in advance by the Port Commission either through the approved budget or through a motion passed by the Port Commission.

The Commissioners must approve all international travel by anyone. The Port Executive Director shall approve all domestic employee travel.

When Port business and personal travel are combined in one trip, the Port will pay the cost associated with the Port's portion of the travel.

Other Business Expenses

When properly authorized, Port commissioners, officials, or employees, shall be entitled to their necessary and reasonable business expenses incurred on behalf of the Port district. Such business expenses shall include the cost of attending regular meetings of official groups in which the Port district holds membership or is otherwise affiliated for the purposes of promotion, education, research or joint action. Such expense shall include charges for registration, meals, printed matter, or such other items as may be necessary in order for the commissioner, official or employee to participate in the official proceedings of such properly authorized promotional, educational, research or joint action group. In order that such business expenses may be allowed, however it must be shown that the meeting was a

business meeting and the commissioner, official, or employee, was an appropriate representative of the Port. Charges reimbursed or paid shall be a necessary part of the participation in the organization or on behalf of the Port.

When an employee is meeting with a business associate of the Port during normal meal times, the Port may pay the cost of the meal for both the employee and the business associate(s).

Advance Travel Funds

The Port will maintain an Advance Travel Fund, to be used for advancing money for travel purposes. It will be used to defray costs incurred while performing official duties when such costs would be a hardship on the involved Port Commissioner, official, or employee. The fund will be administered by the Port Auditor.

This fund will be used solely for travel advances, not direct payments to vendors. It will not be used for personal loans, pre-registration fees, or reimbursements to commissioners, officials, or employees, for travel already incurred. Requests for travel advances must be submitted on approved Advance Travel request form and approved by the employee's supervisor. Funds will be released only in the three (3) business day period preceding travel.

Settlement of advances must be made within three (3) business days following the close of the travel, by filing a detailed and approved Claim For Expenses form with the Port Auditor. If the traveler's actual expense is less than the amount of the advance received, the claim must be accompanied by the unexpended portion of the advance in the form of a personal check. If the actual expenses are in excess of the amount advanced, the excess will be reimbursed by means of a Port warrant, during the next payables process.

Any default in accounting for or repaying the advance within ten (10) calendar days shall render the full amount which is unpaid immediately due and payable with interest of 10% per annum, from the date of default until repaid. (Resolution 232-97 and Resolution 236-97 Rescind Resolution 187-96 - 2/28/96).

Miscellaneous

Port representatives traveling together shall submit separate vouchers and verification. However, on occasions when Port Commissioners or staff is attending activities together, one Port Commissioner or staff member may pay for authorized expenses for the Port Commissioners or staff and request reimbursement for his/her authorized expenses and those of the other Port commissioners or staff. Claims for reimbursement of travel and business expenses shall be submitted on forms approved by the Port Auditor.

ACCIDENT PREVENTION/SAFETY AND HEALTH POLICY

The Port of Port Townsend believes in the dignity and importance of the individual employee and his or her right to derive personal satisfaction from the job. The prevention of occupational injuries and illnesses is of such a consequence to this belief that it will be given a top priority at all times.

We will establish and require an accident prevention program that emphasizes the integration of safety and health measures into each job task so that safety/health and job performance become inseparable. This will be accomplished through the cooperative efforts of managers, supervisors, and employees who will seek to obtain the lowest possible industrial accident rates.

Safety orientation for new and transferred employees, timely and appropriate training, a management/employee safety committee, an active self-inspection program, proper mechanical guards, and personal protective equipment will be some of the tools used to reduce work hazards.

By accepting mutual responsibility to operate safely, we will all contribute to the well-being of personnel and subsequently the Port of Port Townsend.

SAFETY ORIENTATION

Purpose: Orientation of new employees, rehires, part-time employees and those transferred from another department within the Port will begin the first day of employment on the new job. This program will provide an introduction of department policies and rules and will include a thorough safety briefing. The orientation should include a tour of the facilities to acquaint the employee with the entire operation. The employee should also be advised how his/her job is important to the Port.

Procedure: The immediate supervisor of the employee will thoroughly instruct him or her in job safety requirements. A Safety Orientation check list is provided for this purpose (see Part X Forms). The checklist must be completed by checking each item as it is covered, signing by the supervisor and employee, and returning it to the office for placement into the employee's file. The employee responsibility list contained in Part X of this document will also be reviewed with the employee by the supervisor.

EDUCATION AND TRAINING

Purpose: On-going safety education programs will be provided for all employees in an effort to increase awareness of accident cause factors; to improve team spirit by demonstrating management's concern for the individual worker; to promote acceptance of safety rules by presenting accident prevention as a positive, desirable and integral part of all activities.

Procedure: The Safety Officer will provide a systematic accident prevention program for the

employee. This program will provide on-the-job training in his/her work area and will familiarize each person with Port safety requirements.

Types of Training: Specific training will be provided for certain jobs and kinds of equipment. First aid training and certification will be required for all supervisors, or persons in direct charge of crews in order to assure that all employees can be afforded quick and effective first aid in the event that an injury occurs on the job.

GENERAL SAFETY TRAINING

(Examples: back injury prevention, prevention of slips and falls, ladder, ladder safety, eye safety)

- 1.
- 2.
- 3.
- 4.

SPECIFIC SAFETY TRAINING

(Examples: Operation of specific machinery, how to use a specific chemical, etc.)

- 1.
- 2.
- 3.
- 4.

SUPERVISOR-CREW MEETINGS

Purpose: To assist in the detection and elimination of unsafe conditions and work procedures.

Procedure: The following guidelines will be followed:

- A. Supervisor-crew safety meetings shall be held at least once a month, or if conditions require, weekly or biweekly meetings shall be held to discuss safety problems as they arise.
- B. The attendance and subjects discussed shall be documented and maintained on file for a period of one year. Copies of the minutes must be provided to: (1) top management, (2) the safety office, and (3) employees by posting on the bulletin board and placing in break areas.

Scope of Activities:

- A. Conduct in-house safety inspections with supervisor concerned.
- B. Assist in accident investigation to uncover trends.
- C. Review accident reports to determine means for elimination.
- D. Accept and evaluate employee suggestions.
- E. Review job procedures and recommend improvements.
- F. Monitor the safety program effectiveness.
- G. Promote and publicize safety.

Documentation: The following form is available to assist in documenting activities of supervisor-crew meetings:

- A. Supervisor-Crew Discussion Form

SAFETY COMMITTEE

Purpose: To assist in the detection and elimination of unsafe conditions and work procedures. A safety and health committee will be established with representation from employees and management.

Procedure: The following guidelines will be followed:

- A. Employees shall elect fellow workers to represent them on the committee. Method of voting shall be optional.
- B. The terms of employee-elected members shall be maximum of one (1) year. Should a

vacancy occur on the committee, a new member shall be elected.

- C. The chairperson shall be elected by all employees.
- D. The frequency of meetings shall be determined by the committee.
- E. The date, hour, and location of meetings shall be determined by the safety committee.
- F. The length of each meeting shall not exceed one hour except by majority vote of the safety committee.
- G. The attendance and subjects discussed shall be documented and maintained on file for a period of one year. Copies of the minutes must be provided to (1) top management, (2) the safety office, and (3) employees by posting on the bulletin board and placing in break areas.

Scope of Activities:

- A. Conduct in-house safety inspections with supervisor concerned.
- B. Assist in accident investigation to uncover trends.
- C. Review accident reports to determine means or elimination.
- D. Accept and evaluate employee suggestions.
- E. Review job procedures and recommend improvements.
- F. Monitor the safety program effectiveness.
- G. Promote and publicize safety.

SAFETY COMMITTEE (SUB-PART) SELF-INSPECTION

Purpose: Accident prevention activities need to be reinforced by a systematic way of minimizing physical hazards within the workplace. This Port feels that the best way to eliminate exposure to these hazards is through a plan of self-inspection.

Procedure: The following guidelines will be followed:

- A. Members of the safety committee will, prior to the regularly scheduled committee meeting, assist the appropriate supervisor in conducting a self inspection of their respective work areas to determine what hazardous conditions and/or practices exist. An inspection check list should be utilized (see Part X Forms). Other sources which can be consulted or utilized in conducting inspections include:
 - 1. General Safety and Health Standards
 - 2. Employee suggestions

3. Previous accident experience of this company
- B. Findings of the self-inspection will be reviewed and discussed at the next scheduled safety committee meeting. Unresolved problems resulting from this inspection will be forwarded through the safety committee organizational process.
- C. Follow-up to committee recommendations may be accomplished by one of the following options:
 1. Carrying out the recommendations
 2. Explaining why no action can be taken
 3. Proposing an alternative

SAFETY BULLETIN BOARD

Purpose: In addition to the methods heretofore defined, the bulletin board is another method to increase employee's awareness of safety and health and communicate management's safety message.

Procedure: The following consideration should be made for bulletin board effectiveness:

- A. Placed in a spot where there is greatest employee exposure (lunchroom, breakroom, central part of the plant, near time clock, etc.).
- B. Posting should be attractively arranged.
- C. Posters, safety committee minutes and other information that becomes dated or worn should be changed periodically.
- D. A specific safety bulletin board or portion of an existing board should be designated and that spot reserved EXCLUSIVELY for safety material.
- E. The Finance Department will be designated to maintain the bulletin board as recommended above.

The following items are required to be posted;

1. WISHA poster, LI-416081
2. Industrial Insurance Poster LI-210-191
3. NOTICE (to report all injuries) LI-416-80 (recommended only)
4. Citation and Notice (as appropriate)
5. OSHA 200 Summary (specifically during month of February)

FIRST AID, TRAINING, KITS, POSTER

Purpose: To afford the employee immediate and effective attention should and injury result. The Deputy Director will ensure that a certified first aid person will be available.

A. To meet the above objectives, the following procedures will be followed:

1. All supervisors or persons in charge of crews will be first aid trained unless their duties require them to be away from the job-site, whereby other persons will be designated to be the recognized first aid person.

2. Other persons will be trained as designated by management to surpass or augment the standard requirements.

3. Valid first aid certificates are recognized as ones which are less than three years old.

NOTE: Cardiopulmonary Resuscitation (CPR) is required in addition to the regular first aid training, if a first aid course does not combine the two subjects.

B. First aid kits will be in accordance with the requirements of the General Safety and Health Standards.

1. First aid kit locations at this Port include:

a. Maintenance shop

b. Executive office

c. Marina office

d. Airport office

2. The Deputy Director or his/her designated appointee is designated to ensure the first aid kit(s) is/are properly maintained and stocked.

C. Posters listing emergency numbers, procedures, etc., will be strategically located, such as on the first aid kit, beside the telephone, etc.

ACCIDENT INVESTIGATION AND REPORTING

Definition and Purpose: ALL ACCIDENTS, no matter how minor, shall be reported PROMPTLY to the immediate supervisor for evaluation/investigation. Since every accident includes a sequence of contributing causes, it is possible to avoid a repeat performance of the first event by recognizing and eliminating these causes. The removal of just a single cause can prevent a recurrence. During the supervisor's evaluation, he/she must determine the possible consequences that could take place if the situation is not corrected and take appropriate action based upon those findings (i.e., investigate, report, correct, etc.).

Medical Emergency Procedure: An aid car will be called in the case where the employee needs immediate medical attention. The telephone number is 911. A Port official will accompany the employee to the doctor or hospital.

Documentation Procedures:

A. MINOR INJURIES - (Requiring doctor/outpatient care) After the emergency actions following an accident, an investigation of the accident will be conducted by the immediate supervisor in conjunction with any witnesses to the accident, to determine the causes. The findings of the investigation shall be documented on a Incident Report Form. Distribution of the completed form will be as follows:

1. Copy to Deputy Director
2. Copy to office files
3. Copy to safety committee chairperson

B. MAJOR INJURIES - (Fatality of multiple hospitalization)

1. The Executive Director, Deputy Director, supervisor, and safety committee chairperson are to be notified immediately by the person in charge and an investigation under the direction of the Deputy Director will be conducted. In addition to the management official, the inspection party will include the manager or supervisor of the injured person(s) and a representative from the safety committee.

2. In the case of a fatality or if two or more employees are hospitalized, the supervisor will report the accident to the nearest office of the Department of Labor and Industries, phone 753-6502, within 24 hours after the occurrence of the accident. The report shall relate the circumstances, the number of fatalities, and the extent of any injuries. NOTE: Any equipment involved in an accident resulting in the immediate fatality is not to be moved until a representative of the Department of Labor and Industries investigates the accident and authorizes its removal. If, however, it is necessary to move the equipment to prevent further accidents or to remove the victim, the equipment may be moved as required.

C. NEAR MISSES - (Likelihood of personal injury or property damage.) To the greatest extent possible, all "near-miss" accidents shall be investigated by the Deputy Director (if situation warrants), supervisor or safety committee representative. Documentation will be made on the Port's accident investigation form. A near-miss accident is defined as an unplanned event where damage resulted to equipment but there was no personal injury to employees or where damage did not result but the likelihood of personal injury to the employee was great. If the conditions which permitted the near-miss or "close call" to exist are not eliminated, they will continue to be available to cause additional accidents which could eventually result in personal injury to the employee.

OCCUPATIONAL INJURY AND ILLNESS RECORDKEEPING

Purpose: In accordance with applicable requirements of the WISHA standards, the Port of

Port Townsend will ensure the appropriate records are kept as follows:

A. Maintain a Log and Summary of Occupational Injuries and Illness on OSHA Form 200.

Recordable cases include:

1. Every occupational death
2. Every occupational illness
3. Every occupational injury that involves:
 - a. Unconsciousness
 - b. Inability to perform all phases of the regular job
 - c. Inability to work full time on a regular basis
 - d. Temporary assignments to another job
 - e. Medical treatment OTHER than first aid

B. Keep copies of all reports generated when an employee is injured on the job.

C. During the month of February, post the completed summary portion of the OSHA Form 200 for the previous year.

D. Maintain records for five years following the year to which they relate.

E. Enter each recordable injury and illness on the log as early as practicable, but no later than six working days after receiving the information that a recordable case has occurred.

F. In addition to the OSHA Form 200, a supplementary record for each occupational injury or illness (OSHA 101) will be maintained. Other reports, such as worker compensation forms, are acceptable alternatives for the OSHA 101 if they contain the information required by the OSHA 101.

Responsibility: The Finance Department is responsible for maintaining records and ensuring proper posting.

Exhibit A

WHISTLEBLOWER FORM

Before filling out this form, please read the following:

- You cannot be the subject of retaliatory action for submitting this form.
- In order to protect your identity, we do not recommend sending this form to our office via electronic mail.

If you have any questions, please contact the Port Auditor or Executive Director.

Your contact information:

You are not required to provide your name. However, if you choose not to provide your name, we are unable to keep you updated on the progress of our investigation, or to consult with you regarding the details of your complaint. If you choose to provide your name, we will keep it confidential.

Name	Agency	Date
Home or mailing address	Division	Day phone
	Address	Night phone
	Current position	Best time and number to call

Subject's contact information:

Please file a separate form for each Port employee or officer who you believe has engaged in improper governmental action.

Name	Agency	Division
Position	Location	Phone
Subject's Supervisor(s)	Supervisors Position(s)	Supervisor's Phone

How do you know about the information you are disclosing here? If you do not choose to provide your name, please take care in providing this information, to prevent inadvertent disclosure.

What type of improper governmental action are you reporting?

Violation of state law or regulation
If so which RCW(s) or WAC(s)?

Substantial and specific danger to the public health and safety

Gross waste of public funds

Is there any evidence that supports your assertions that can be reviewed?
If so, where is the information and can you provide it?

Please describe the improper governmental action in detail

The more detailed information you provide for us, the better we will be able to assess your concerns. Attach additional pages if needed. If available, please provide us with copies of documents which support your assertion.

Improper governmental action **cannot** be personnel related.

When did the event(s) take place?

Where did the event(s) occur?

Are there other witnesses? If so, please provide their names, telephone numbers, positions, agencies, divisions, contact information, and relation to the improper governmental action.

Have you reported this information to another agency? _____ Yes _____ No

If so, which one(s)?

If you have disclosed the information reported here, what is the current status of the matter?

Please mail this form to:
Port of Port Townsend
Attn: Whistleblower Program
P.O. Box 1180
Port Townsend, WA 98368

EXHIBIT B

DRUG AND ALCOHOL-FREE WORKPLACE POLICY

PURPOSE AND GOAL

The Port of Port Townsend (the "Port") recognizes that the state of an employee's health affects his or her job performance. Use of alcohol or other controlled substances can cause decreased efficiency and increased risk of injury to the employee who is using or to the employee's coworkers and the public. The purpose of this statement is to identify the Port's policies on the use of controlled substances, alcohol, and medicines in order to maintain a healthy and drug and alcohol-free workplace for all employees. The goal is to ensure that employees report to work in condition to perform their duties safely, satisfactorily, and efficiently in the interest of their fellow workers, the public and themselves.

This notice supplements, and does not replace the Port's Personnel Policies and Procedures Handbook applicable to employees of the Port.

1. COVERAGE AND APPLICABILITY

- 1.1 Any individual who conducts business for the Port is covered by this Drug and Alcohol-Free Workplace Policy. Coverage of this policy includes but is not limited to, executive management, managers, supervisors, full-time employees, part time employees, off-site employees, contractors, volunteers, and interns.
- 1.2 All Port employees must, as a condition of employment with the Port, abide by the items of this policy.
- 1.3 The Port's Drug and Alcohol-Free Workplace Policy is intended to apply whenever a covered individual is conducting business for or representing the Port. Therefore, this policy applies during all working hours, when covered individuals are conducting business or representing the Port, while covered individuals are on-call or while on paid stand-by, while covered individuals are on Port-owned premises or premises operated by the Port, and at Port-sanctioned events (see 2.4 for exception). If the employee is on the list of emergency contact(s) and cannot perform their duties due to potential violation in this policy, the employee is responsible for calling the next employee listed on the emergency contact list.
- 1.4 Port-sanctioned wine or beer-tasting or Port-sanctioned social events on or off Port premises to promote economic development are not a violation of this policy. However, wine or any other alcohol, should not be consumed during work hours, while conducting business or representing the Port, on Port premises, or at Port-sanctioned events unless the consumption of

alcohol has been approved in advance of the event by the Executive Director. Covered individuals should also keep in mind that they are expected to conduct themselves in a manner appropriate to the event.

2. PROHIBITED BEHAVIOR

- 2.1 All covered individuals are prohibited from using, possessing, manufacturing, distributing, dispensing, or being under the influence of any controlled substances in the workplace, during working hours, while on Port premises or while engaging in Port business.
- 2.2 All covered individuals are prohibited from manufacturing, distributing or being under the influence of alcohol in the workplace, during working hours, while on Port premises or while engaging in Port business.
- 2.3 All covered individuals are prohibited from using, possessing, smelling of, or dispensing alcohol in the workplace, during working hours, while on Port premises or while engaging in Port business.
- 2.4 Any covered individual who is taking a drug or medication, whether or not prescribed by the covered individual's healthcare provider, which may adversely affect that covered individual's ability to perform work in a safe or productive manner, is required to report such use of medication to his or her supervisor. This includes drugs and medications that are known or advertised as possibly affecting judgment, coordination, or any of the senses, including those that may cause drowsiness or dizziness.

3. TESTING

- 3.1 To enforce this policy, the Port **could** conduct the following types of testing:

A) Pre-Employment Testing. Final offers of employment to applicants for safety sensitive positions will be contingent on passing a drug screening test. Prospective new hires will receive information concerning the drug testing procedures with their conditional employment offer.

B) Post-Accident Testing. If a covered individual is involved in an on-the-job accident that results in injury or property damage, the covered individual will be required to submit to immediate drug and/or alcohol testing, as the Port determines.

C) Reasonable-Suspicion Testing. If, at any time, the Port suspects a covered individual is at work under the influence of alcohol or drugs or smelling of alcohol, the covered individual will be required to submit to immediate drug and/or alcohol testing, as the Port determines. When there is reasonable suspicion, the covered individual is placed on an unpaid leave of absence and is not to return to work until fitness for duty is established. If the test result is negative, the Port will reimburse the covered individual for the regular work time he or she was scheduled for, but could not work while waiting for the test results.

- 3.2 Consent to Testing. As a condition of employment, covered individuals are

required to consent to the tests described in this policy. Refusal to submit to testing is grounds for immediate termination. Covered individuals referred for testing will be required to sign additional consent forms provided by the testing facility and/or the Port.

- 3.3 Retesting. The Port allows for one (1) confirmatory test of positive drug testing samples. If the covered individual requests a retest, the retest will take place immediately following the first test.
- 3.4 Confidentiality. All information relating to drug or alcohol testing will be stored in each covered individual's Medical File, which is maintained separately from the covered individual's Personnel File. Medical Files are secured and access is limited to those with a work-related need to know.

4. VIOLATION OF POLICY

- 4.1 If the Port has reasonable grounds to believe that a covered individual has violated any of the statements of this policy, the Port may take any of the following actions:
 - A) Disciplinary action including, but not limited to, suspension and/or immediate termination; or
 - B) Require the covered individual to submit to drug and/or alcohol testing on Port time and expense at a laboratory or medical facility prescribed by the Port; or
- 4.2 Report of test results will be on controlled substances and alcohol referred to in this policy only.
- 4.3 Any covered individual who tests positive will be subject to immediate termination.
- 4.4 A covered individual will be immediately terminated if he or she refuses the screening or the test, adulterates, or dilutes the specimen, substitutes the specimen with that from another person or sends an imposter, will not sign the required forms, or refuses to cooperate in the testing process in such a way that prevents completion of the test.
- 4.5 If covered individual is suspected of violating this policy, he or she may be asked to submit to a search or inspection at any time. Searches can be conducted of lockers, desks, cabinets, work stations, Port-owned vehicles, and Port-owned equipment. The Port may release to any law enforcement agency any information it may have regarding criminal activities.

5. NOTIFICATION OF CONVICTION

- 5.1 Any covered individual convicted of any criminal drug statute violation occurring in the workplace, during working hours, or while engaged in Port business, must notify the Executive Director or his designee no later than

five (5) working days after such conviction.

Within thirty (30) calendar days after receiving notice of the conviction, the Port will:

- A) Take appropriate disciplinary action against such covered individual, up to and including dismissal; and/or
- B) Require such covered individual to satisfactorily participate in drug abuse assistance or rehabilitation program approved for such purpose by a federal, state, or local health, law enforcement, or other appropriate agency.

6. POSITION ON ALCOHOL AND DRUG PROBLEMS

It is the intent of this policy that a covered individual suffering from chemical dependency not have his or her job security and promotional opportunities jeopardized by a request for help. However, satisfactory job performance is still mandatory, and a covered individual has the primary responsibility for seeking help and maintaining a treatment program as prescribed by qualified professionals. A covered individual's entry into treatment does not negate or diminish the Port's right to discipline him or her for unsatisfactory performance or failure to meet conditions of employment including compliance with this statement.

7. INFORMATION AND REFERRAL

- 7.1 Information will be available on public or private drug counseling, rehabilitation, and covered individual assistance programs upon the request of any covered individual. The Executive Director will from time to time designate the covered individual who will be able to provide such information.
- 7.2 The Executive Director or Designee will establish an education drug-free awareness program to educate covered individual on substance abuse. Such program will include:
 - A) Management and supervisory training;
 - B) Dangers of workplace substance abuse;
 - C) Information concerning available drug counseling or rehabilitative counseling alternatives;
 - D) Penalties for drug abuse violations.

8. NOTIFICATION TO COVERED INDIVIDUALS

This policy will be distributed to all new covered individuals during

orientation.

9. DEFINITIONS

- 9.1 "Alcohol" means any liquid that may be legally sold and consumed and has an alcoholic content in excess of one-half of one percent by volume.
- 9.2 "Controlled Substance" means a substance listed in Schedules I through V of Section 202 of the Controlled Substances Act (21 U.S.C. 812). This list includes, but is not limited to, marijuana, heroin, PCP, cocaine and amphetamines.
- 9.3 "Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the federal, state, or local criminal drug statutes.
- 9.4 "Covered individual" means any individual who conducts business for the Port. Coverage of this policy includes, but is not limited to, executive management, managers, supervisors, full-time employees, part-time employees, off-site employees, contractors, volunteers, and interns.
- 9.5 "Criminal drug statute" means a criminal statute involving manufacture, distribution, dispensation, use, or possession of any controlled substance.
- 9.6 "Being under influence of controlled substance" means being perceptibly affected by a controlled substance and/or having within one's body any amounts of a controlled substance.
- 9.7 "Being under influence of alcohol" means being perceptibly affected by alcohol in the conduct or performance of one's job responsibilities.
- 9.8 "While engaging in Port business" means while a covered individual is being paid by the Port, is representing the Port, is presenting himself or herself as an agent of the Port (whether or not authorized to do so), or is attending or participating in any activities organized or sponsored by the Port.
- 9.9 "In the workplace" includes all Port premises or vehicles, including those owned, leased, used, or controlled by the Port.
- 9.10 "In the workplace" includes all Port premises or vehicles, including those owned, leased, used, or controlled by the Port.

**AGREEMENT TO COMPLY WITH DRUG AND ALCOHOL
FREE WORKPLACE POLICY**

Name of Covered Individual

Furthermore, Covered Individual (Employee/Commissioner) acknowledges that they have read the manual, understand its contents and will abide by the contents.

THIS _____ DAY OF _____, 20_____.

Signature of Covered Individual

EXHIBIT C

POLICY MANUAL ACKNOWLEDGMENT

I _____ have received a copy of the Personnel Manual, have read it, understand it and will abide by the contents. Furthermore, I recognize that the employment relationship is at-will, just as I may leave at any time without legal obligation and there is no guarantee of continued employment. Any questions regarding this entire Personnel Manual and exhibits were asked and clarified to my satisfaction.

EXHIBIT D

DECLARATION OF CUSTOMER SERVICE

I, as member of the staff of the Port of Port Townsend believe that the relationship between staff and our customers is of such importance in contributing to a positive Port image that it will be given top priority at all times.

I promise to provide friendly, courteous, and helpful customer service.

I promise to provide quality service in a timely manner.

I promise to resolve any problems fairly, promptly and cheerfully.

I promise to work at continuously improving customer satisfaction.

I recognize that serving the customer is my priority.

By accepting mutual responsibility for customer satisfaction, we will all contribute to the new positive Port image.

Date

Signature

EXHIBIT E

PORT OF PORT TOWNSEND AGREEMENT TO COMPLY WITH INFORMATION SECURITY POLICIES

Employee Name _____

I agree to take all reasonable precautions to assure that Port of Port Townsend sensitive data or information, that has been entrusted to the Port of Port Townsend by third parties such as tenants and customers, will not be disclosed to unauthorized persons. At the termination of my employment with the Port of Port Townsend, I agree to return all information to which I have had access as a result of my position. I understand that I am not authorized to use sensitive information for my own purposes, nor am I at liberty to provide this information to third parties without the express written consent of the Executive Director or Deputy Director.

I have access to a copy of the Information Security Policies. I have read and understand these policies, and I understand how it impacts my job. As a condition of continued employment, I agree to abide by these policies and other requirements found in the Port's Information Security Policy. I understand that non-compliance may be cause for disciplinary action up to and including dismissal, and perhaps criminal and/or civil penalties.

I agree to promptly report all violations or suspected violations of the Information Security Policy to the designated Information Security Officer.

I understand that all electronic communication systems as well as all information transmitted, received, or stored in systems used by the undersigned is the property of the Port of Port Townsend. I also understand that such systems are to be used solely for job-related purposes and not for personal purposes and that I have no expectation of privacy in connection with the use of this equipment, of the transmission, receipt, or information stored in such equipment.

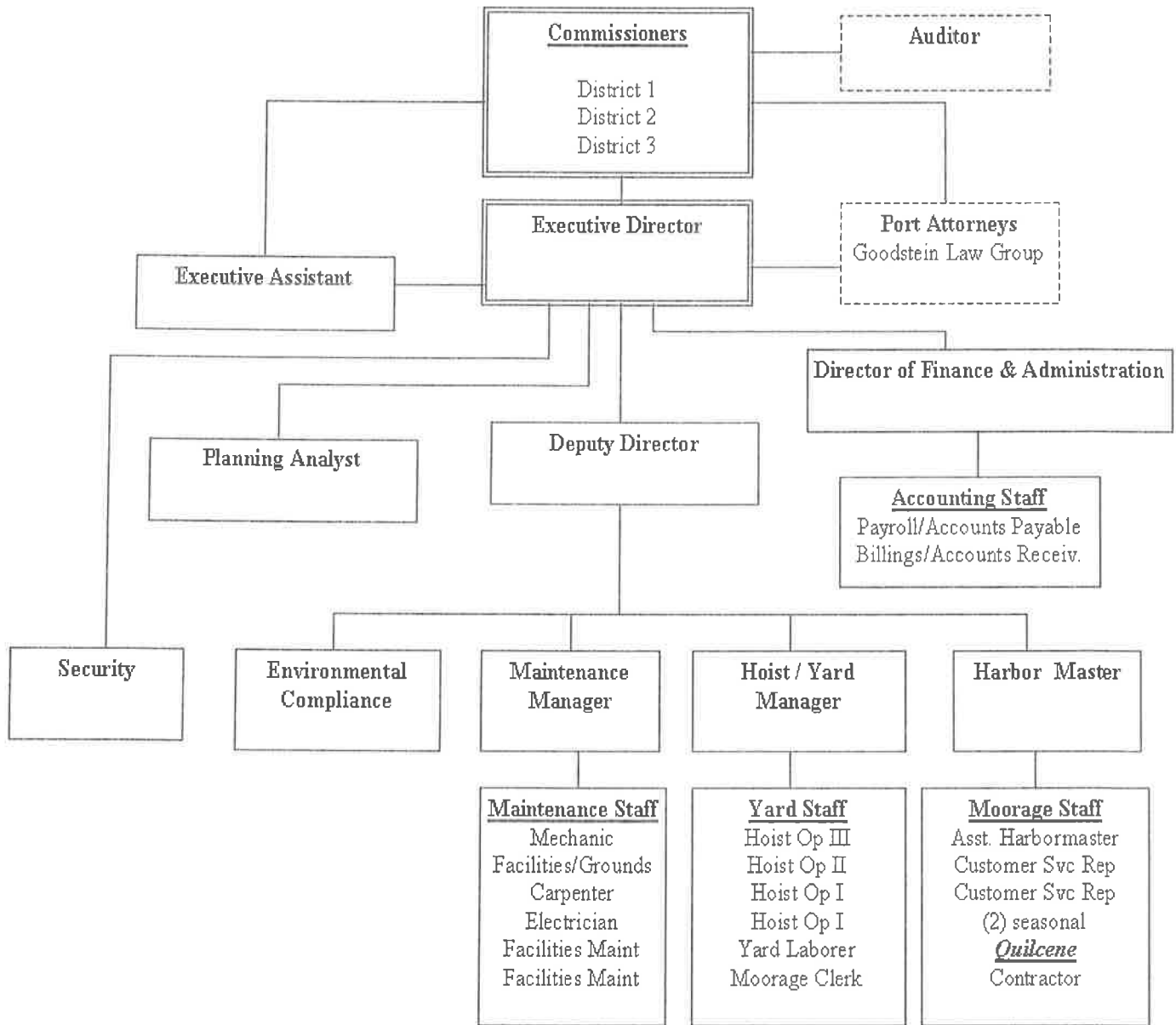
I further understand and agree not to use a code, access a file, or retrieve any stored communication unless authorized; and I acknowledge and consent to the Port's monitoring my use of this equipment at any time at its discretion. Such monitoring may include printing up and reading all E-mail entering, leaving, or stored in these systems.

Employee Signature _____

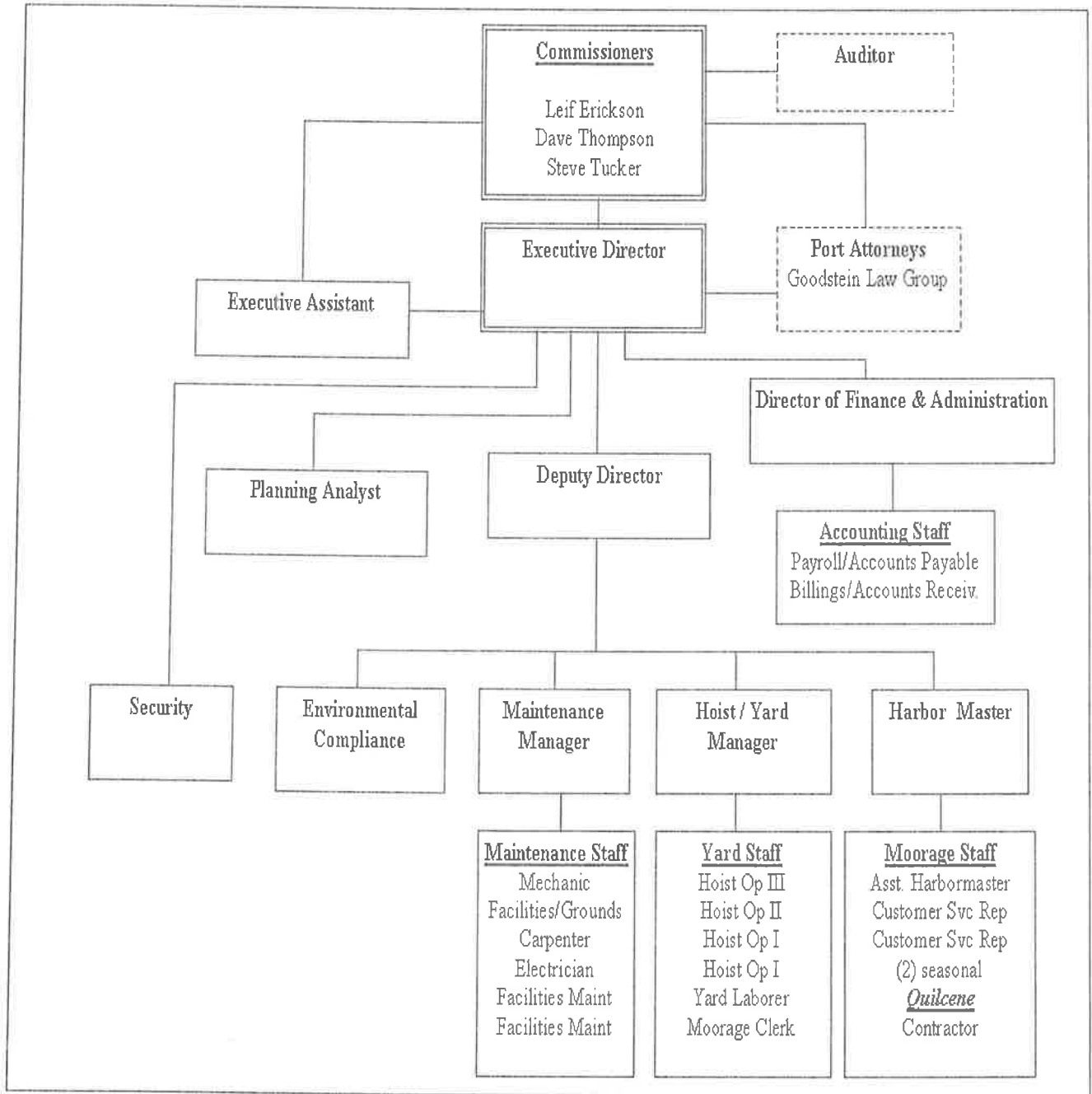
Date _____

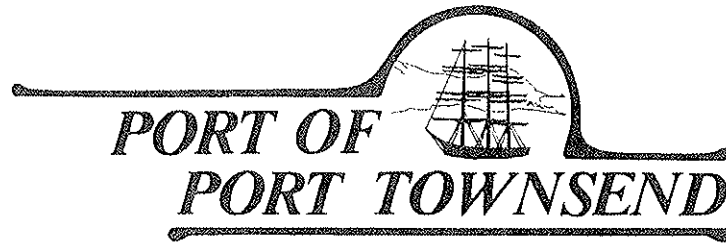
EXHIBIT F

PORT OF PORT TOWNSEND



PORT OF PORT TOWNSEND





PO Box 1180 • Port Townsend, Washington 98368 • Phone (360) 385-0656 • Fax (360) 385-3988

MEMORANDUM

To: Port of Port Townsend Port Commission
From: Port Strategic Advisory Committee (PSAC)
Date: June 6, 2013
RE: Report & Recommendations Concerning Implementation Efforts, Strategic Plan Amendments, & 2014 Capital Budget Priorities

OVERVIEW

We the members of the Port Strategic Advisory Committee (PSAC) are pleased to forward this memorandum report to the Port Commission. This transmittal reviews the PSAC's authority and responsibility, provides an assessment of the Port's Strategic Plan Implementation efforts to date, and highlights several recommendations for minor Plan amendments. We have also provided our strategic recommendations for the 2014 Capital Budget. We are confident that the Commission and staff will thoughtfully consider and meaningfully engage with the issues and concerns we have raised, even on issues where the Commission chooses a path at variance from that recommended by the PSAC. Accordingly, we respectfully request your written responses to the concerns we have raised.

PSAC Role & Responsibility

The Port of Port Townsend developed and adopted its Strategic Plan on March 24, 2010 by way of Port Resolution 535-10. The Plan, which was the product of over a year of citizen, stakeholder and advisory committee involvement, outlines the Port's values, vision, mission and strategic goals and objectives. The Plan provides a roadmap that helps to direct Port priorities and decision-making, so the community can achieve its long-term vision for the future.

The Port Strategic Advisory Committee (PSAC), established by Port Resolution 538-10, on April 28, 2010, is charged with providing input and assistance to Port management staff and the Port Commission in implementing, and if necessary revising, the Strategic Plan. Specifically, the PSAC is responsible for the following:

1. Annually reviewing the progress made in implementing the Plan and making recommendations concerning potential Plan amendments;
2. Serving as a sounding board on an ad hoc basis to review and provide input concerning potential new Port initiatives and business ventures not anticipated in the Strategic Plan or adopted capital budget; and

3. Providing strategic level guidance concerning annual capital budget priorities (see finding #5 of Resolution No. 538-10).

To these ends, the PSAC is to conduct meetings and coordinate with Port management staff to prepare findings and recommendations to be transmitted to the Port Commission.

Public Process Summary

Following adoption of Port Resolutions #535-10 and #538-10, nearly two years lapsed before the Commission formally appointed citizens to the PSAC. In late autumn of 2012, two unsuccessful attempts were made to assemble a quorum (i.e., a simple majority of 5 of 9 voting members) to conduct the annual review outlined above. In response, the Commission made a number of new PSAC appointments on January 23rd, 2013 to ensure its ability to successfully function.

On March 21, 2013, and after timely and effective public notice, the Port conducted a Public Open House and Workshop meeting. The purpose of the meeting was to provide members of the PSAC with an opportunity to hear from interested members of the public and stakeholder groups before initiating its annual review of the Strategic Plan. The meeting was also convened to fulfill Objective 4.2 of the Strategic Plan, which directs the Port to hold an annual stakeholder meeting prior to the budget process. Approximately 30 people attended the meeting, which was held in the Port Townsend Yacht Club.

On May 9th and June 6th, 2013 the PSAC met to formulate its report and recommendations to the Port Commission. In doing so, the committee reviewed and discussed the following materials:

- The draft *Strategic Plan Implementation Report – 2013* prepared by staff (see Attachment “A”);
- A *2014 Budget Briefing Memorandum* prepared by staff describing projects being considered for inclusion in next year’s budget, anticipated funding challenges, and timeline (see Attachment “B”); and,
- The input received at the March 21st Public Open House and Workshop (see the *Meeting Summary*, Attachment “C”).

Key Conclusions

After reviewing the 2010 Strategic Plan, carefully considering the Port’s implementation efforts over the past three years, and deliberating upon public input from the March 21st meeting, we have reached the following conclusions:

1. While a few minor amendments are necessary and recommended by the PSAC, the basic guidance provided by the Strategic Plan remains sound, and it should continue to serve as the policy framework guiding the actions of the Port Commission and staff.
2. The Commission and staff have made significant progress towards implementing many of the specific objectives of the Plan, as outlined in Attachment “B”, and should be commended for their efforts.
3. However, despite the progress made in implementing the Plan, its promise has not been fully realized. To this end, we have identified a number of areas where we believe the guidance of the Plan has not been adhered to, or where implementation of the Plan has fallen short of expectations.

4. Finally, we have reviewed the *2014 Budget Briefing Memo* prepared by staff (Attachment “B”), and have concluded that the Port should redouble its efforts with regard to capital maintenance and replacement projects, rather than investing in the development of new capital infrastructure.

Our specific recommendations and identified areas of concern are detailed below.

SPECIFIC PSAC CONCERNS & RECOMMENDATIONS

Plan Implementation – Issues & Areas for Improvement

The Port has made progress towards fulfilling the seven (7) “Strategic Directions” and Objectives of the Plan. This progress suggests that the Plan is coming to be understood by both the Commission and staff as a useful and capable tool to direct the Port’s future. In this regard, the PSAC hereby adopts and incorporates by reference the *Strategic Plan Implementation Report – 2013* prepared by staff (Attachment “A”).

However, despite the progress made towards achieving the promise of the Plan, there are a number of areas where improvement is necessary (note: a number of these implementation concerns surfaced during public comments at the March 21st Open House and Workshop). Specifically, we have concluded that improvement is necessary in five (5) areas, as follows:

- Ensuring that Port decision-making processes are transparent, procedurally sound, and follow “triple bottom line” (TBL) principles;
- Ensuring that the Port’s principal budgetary focus remains upon “Fixing Aging Infrastructure First”;
- Establishing Port rates and fees that sustain community character – particularly wooden boat culture;
- Improving the Port’s marketing efforts; and
- Being more creative and exploring new approaches to funding necessary improvements.

Our specific concerns are discussed in more detail, below.

Procedurally Flawed Port Decision-Making: The PSAC is deeply concerned about the process by which the Port decided to move ahead with demolition of the Marine Exchange Building and construction of a new Port Administration Building. In our view, the process was rushed through in an almost unprecedented fashion, did not benefit from any meaningful public review or input, and perhaps most critically, did not conform to the Port’s own adopted policies with regard to Triple Bottom Line (TBL) decision-making and review and recommendation by the PSAC.

A review of the record preceding the decision to construct the Administration Building reveals that the matter did not appear on a Commission Meeting Agenda until January 9, 2013, the date upon which the Commission voted unanimously to move forward with permitting and design. Thereafter, the project only surfaces four times during staff comments and old business before the contract was awarded on March 13th. The record shows that the Port never actively sought public input. This is not a model of decision-making likely to engender broad stakeholder and community support, even if the final action is substantively sound and otherwise consistent with the Plan.

The vision statement contained in the Strategic Plan makes plain that the Port is committed to applying a “triple bottom line’ approach in all its activities – where economic, environmental and social consequences are factored into decision-making.” (Strategic Plan, page 15). Moreover, objectives 2.6, 4.1, and 6.4 of the Plan all make unambiguous reference to the Port’s commitment to employing TBL principles. In an effort to partially implement the direction of the Plan, staff prepared a very useful “Strategic Plan Consistency – Decision-Evaluation Process & Checklist” to be used to assess Port projects and programs likely to exceed a fair market value of \$100,000.00. An example of this checklist, prepared to evaluate the Commercial Basin Project, is attached for your information (Attachment “D”). The checklist seeks to assess the degree to which individual Port actions are consistent with the Strategic Plan and principles of TBL decision-making. However, the record in this instance shows that the Port did not complete the checklist and evaluate the proposal against the policies of the Plan or TBL principles. Moreover, the matter was never referred to the PSAC for its review and recommendation.

Objective 4.1 of the Strategic Plan clearly indicates that the PSAC should serve “as a sounding board on an ad hoc basis to review and provide input concerning potential new Port initiatives and business ventures not anticipated in the Plan.” Section 2 of Commission Resolution No. 538-10, the resolution that established the PSAC, echoes this Plan directive. Clearly, a new Port Administration Building was not specifically anticipated at the time of Plan adoption, nor was the project included in the Port’s 2013 Capital Budget. Despite this, the Port pressed ahead with this \$1,000,000+ project with little in the way of public outreach or notice.

Unquestionably, the timeline for moving ahead with a lease to WDFW and a decision to build a new Administration Building was necessarily constrained. However, such exigencies are no defense for not abiding by adopted Port policy and meaningfully engaging stakeholders and the public in decision-making through the PSAC. If the Commission and staff are genuinely interested in building community support for major projects and programs, then it must take its own policies – and the public involvement process – seriously.

A Need to Refocus Upon “Fixing Aging Infrastructure First”: The Port’s chief focus should consistently be upon reinvesting in existing facilities, especially those that are profit centers (e.g., C&D Docks), to keep them in good condition and to optimize their safety, efficiency and compliance with environmental standards. With a large backlog of unfunded capital maintenance needs and deferred projects, repairing and replacing existing infrastructure must be the Port’s primary focus, consistent with Plan Objective# 3.1. This does not necessarily preclude moving ahead with new capital infrastructure projects (e.g., Administration Building), but it does underscore the need to properly evaluate such projects against TBL principles, and to meaningfully engage the public, before undertaking such actions. While the Port, overall, has done a good job of focusing scarce resources on critical maintenance needs – there is room for improvement.

We would also note that the acquisition of the City Dock and Union Wharf facilities from the City of Port Townsend as part of the Kah Tai litigation Settlement Agreement only adds to the Port’s backlog of maintenance issues. The PSAC acknowledges that the Kah Tai was a nonperforming asset, and that the docks come to the Port as part of a larger settlement package that includes changes in zoning that

benefit the Boat Haven, as well as the waiver of City stormwater fees for the Boat Haven. Nevertheless, we remain concerned about the Port's long-term ability to maintain these facilities.

Rates & Fees that Sustain Community Character: The PSAC understands and appreciates the need to establish rates and fees that help to ensure the long-term maintenance of critical Port facilities, particularly in an era of creeping austerity and razor thin budgets. At the same time, however, we believe that the Port must factor a broader range of concerns than simply the economic bottom line in its decisions. Port rates and fees should be established with a view towards maintaining our community of marine trades businesses and moorage tenants, and attracting new businesses that are consistent with the community's character. Accordingly, simply establishing rates that are "comparable" to other ports within the Puget Sound Region is too narrow an approach.

A rate structure that incrementally erodes the wooden boat culture of the community is counterproductive overall. It is the wooden boat culture that has resulted in attracting the Wooden Boat Festival, the Wooden Boat School, the Northwest Maritime Center and many of the businesses in the shipyard to this community. The economic benefits of a healthy wooden boat community cannot be over-emphasized. It is the major branding of this town, with national and international recognition. Without it, a vital aspect of community identity will be lost, as well as a key economic driver. We believe the Port should carefully factor both the tangible and intangible impacts of its rate-setting decisions, and more directly engage the community and stakeholders in a conversation about what steps should be taken to support and enhance the wooden boat culture of our community.

Improved Marketing Efforts: The Port's decision to cease attendance at the Seattle Boat Show was seen by a number of attendees to the March 21st workshop and open house as shortsighted and a substantial missed opportunity. The PSAC agrees that the Port can do a better job of consistently defining and reinforcing the Port of Port Townsend brand. Consistent with Plan Objectives #2.1 and #2.2, doing so may entail more than the production of brochures and updating the Port's website. A broader and more integrated marketing effort is necessary. As part of this effort, and if possible within the Port's already stretched budget, the Commission should reconsider the value and potential benefits of having a presence at the Seattle Boat Show. Specifically, we would suggest that further deliberation be given to establishing a Port of Port Townsend "pavilion" at the Boat Show that collaboratively involves and showcases the broad array of marine service providers and facilities available at the Boat Haven.

Customer Service: Customer service is an area where improvement can always be achieved. Consistent with Plan Objective #5.1, the PSAC recommends two straightforward steps to provide better service:

- Ensuring that management staff regularly (i.e., on a scheduled basis (e.g., Tuesdays, 9-12)) visits key Port facilities and tenants (e.g., the Boat Haven); and
- Regularly and actively engaging with Port tenants to proactively identify issues and concerns, and work cooperatively to resolve them.

Exploring New Approaches to Funding Improvements: There is no question that prior capital investments, coupled with a weak economy have largely exhausted the Port's bonding capacity for new projects. As a result, the Port needs to change its role from that of a developer to one of facilitator. Opportunities exist for the Port to play a constructive role in supporting and assisting the private sector in gaining access to needed capital. For instance, the Port could work with tenants (e.g., the Gathering Place, WSU Extension) to seek private foundation monies to rehabilitate historic structures at Point Hudson, potentially avoiding the need for a local grant match. Similarly, the Port could play a role as a facilitator and advocate for private sector enterprises seeking venture capital investment to fund facility upgrades (e.g., funding to construct a shellfish processing and flash freezing facility that could be located on land leased from the Port). In sum, the era of a largely static economy demands that the Port become more creative about infrastructure and facility funding strategies.

Recommended Plan Amendments

Overall, the Strategic Directions and Objectives of the Plan continue to provide useful guidance, and the Plan broadly reflects stakeholder and community values. Nevertheless, two amendments are recommended, as follows:

Elimination of Kah Tai References: Following closing and the transfer of deeds associated with the Kah Tai litigation Settlement Agreement, the PSAC recommends eliminating all language within the Plan relating to Kah Tai.

Changing the Focus from "Growth" & "Development" to Promoting a Vital & Healthy Local Economy: The Strategic Plan contains a number of references to the Port's role in supporting economic growth and continued development. The PSAC believes this focus is somewhat misplaced. A larger local economy and more development will not necessarily lead to community wellbeing, and may even impede it. Accordingly, we recommend that this language be modestly revised and clarified throughout the Plan. Instead of focusing on more economic growth, the Plan should focus on promoting the economic wellbeing of our community, and on sustaining a vibrant and healthy local economy. This change in focus would, in turn, help the Port to prioritize its capital investments, with a focus on maintaining what we have, rather than growing.

2014 Capital Budget Priorities

As has been noted previously, the Port faces a large backlog of unfunded capital maintenance needs. Deferred maintenance leads to more costly repairs in the long run, and the Port is in a very real sense conducting "triage" for infrastructure repair and replacement. As the Port looks ahead, the PSAC recommends that the primary capital spending focus remain on maintenance and rehabilitation of existing facilities and infrastructure, rather than new capital projects.

"Big Picture" Priorities: A roadmap to preparing a budget that is consistent with identified community priorities is provided by the Port's Strategic Plan. The role of the Port is neatly summarized by the Port's mission statement set forth in the Plan:

“The Mission of the Port of Port Townsend is to serve the citizens of Jefferson County by responsibly maintaining and developing property and facilities to promote sustainable economic growth, to provide community access to Port facilities and services, and to protect and maintain our community resources and maritime heritage.”

Our review of the Plan suggests that the Port should focus on two core principles in establishing its 2014 Capital Budget:

1. Focus on the Basics: Maintaining, protecting, preserving and enhancing existing Port capital infrastructure and services should be our priority; and
2. Consider the Overall Well-Being of the Community: Supporting a sustainable and healthy local economy should be our emphasis, factoring the economic, environmental and social consequences of our decisions, thus providing community access to Port facilities as well as a great place for businesses to flourish.

The PSAC understands that a number of factors can influence the Port’s project and funding decisions, not the Strategic Plan alone. These can include regulatory requirements, state and federal law (e.g., Department of Ecology stormwater standards) and construction seasons. Opportunities to leverage the Port’s limited project funding capacity with grants or coordinated projects with other entities (e.g., Port/WSU Extension renovation of the Cupola House at Point Hudson) can also affect the Port’s budget decisions. In every case, however, the Port must strive to implement the policy direction laid out in the Strategic Plan.

Project Selection Considerations: While the Port has not formalized any criteria to identify capital maintenance and replacement projects, the PSAC recommends that the following factors be considered by the Port Commission in identifying the highest priority projects:

- Project supports a core Port function in the community or maintains a critical, high value asset;
- Condition of the capital asset;
- Cost and cost effectiveness of project (i.e., using life cycle costs to weigh preservation opportunities against full capital asset replacement cost);
- Volume of public and/or tenant use of facility;
- Citizen and tenant complaints;
- Grant funding opportunities; and
- Geographic balance across east Jefferson County.

Overall, the Port’s focus should be upon delivering, over time, maintenance and improvement projects that serve the largest number and widest array of facility users.

2014 Budget – Specific Recommendations: The PSAC recommends that the Commission focus primarily in 2014 on capital maintenance and rehabilitation projects, rather than new capital projects (e.g., Airport Industrial Park). The PSAC recommends that the four (4) potential capital maintenance projects identified in the staff memorandum of May 1st (see Attachment “B”) be prioritized as follows:

1. C/D Dock Renovation: The poor and deteriorating condition of C&D docks is well documented and widely known. As the Boat Haven Marina is not only a critical core facility, but also a profit center, the PSAC believes it should be the top priority for the 2014 Capital Budget.

2. Jetty Walkway at Point Hudson: At this juncture, maintaining pedestrian access atop the jetty is a secondary concern of the PSAC. The paramount concern is ensuring that the breakwater that protects the entrance to the Point Hudson Marina, another critical piece of Port infrastructure, remains sound. While it is understood that this would be a complex and costly multi-year project, the PSAC recommends moving forward with preparation of an engineer's assessment of the stability of the structure, preparation of engineering drawings, detailed cost estimates, and permitting of the rehabilitation needed to ensure the long-term structural stability of the jetty.
3. Quilcene Docks: The PSAC appreciates the importance of this facility to the Quilcene community. However, given the anticipated cost of this project, and factoring the higher priority projects outlined above (both of which involve critical infrastructure at facilities that are Port profit centers), this project should be deferred for now.
4. Point Hudson Cupola House/Duplex Renovation: The PSAC strongly advises against using tightly constrained resources to create a renovated "campus" at the north end of Point Hudson. While the PSAC would support normal and routine maintenance of these structures through the Port's regular Maintenance Budget for 2014, monies should not be set-aside in the Capital Budget for full-scale renovation. Nevertheless, the PSAC would support working with both WSU and the Gathering Place to seeking public grant funding and/or private foundation monies for building improvements, provided no Port matching funds are required.

The PSAC recommends further that one (1) new capital infrastructure project, not identified in the staff memorandum of May 1st (see Attachment "B"), be considered for the 2014 budget as follows:

Expansion of Boat Ramp Access at Boat Haven: In 2011, the Port formed an advisory committee to assist with the design of an expanded boat ramp at Boat Haven, which is currently in the permitting stage. Consistent with Strategic Plan Objective 1.2, the PSAC concludes that maintaining and seeking to expand opportunities for recreational boaters should be a Port budgetary priority. Accordingly, we recommend that expanding the Boat Haven launch ramp be included in the capital budget for 2014. This modest project holds the potential to expand community access to the water, while also helping to attract sport fisherman and derbies to Port Townsend which can provide indirect benefits to the local economy.

ADOPTION

The Port Strategic Advisory Committee hereby adopts these recommendations for the advice of the Port Commission and Port management staff. We look forward to meeting with you at your workshop session on June 12th to review and discuss our concerns and recommendations.

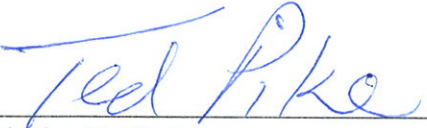
Adopted this 6th day of June, 2013.

Signed:

(ABSENT)

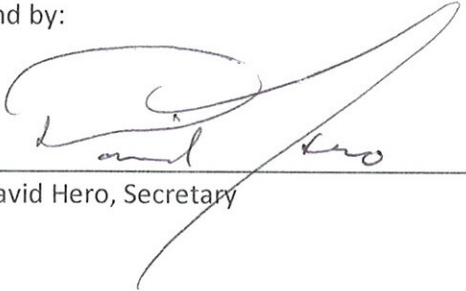
Scott Erickson, Chair

and by:



Ted Pike, Co-Chair

and by:



David Hero, Secretary

Attachment “A”

PORT OF PORT TOWNSEND: STRATEGIC PLAN IMPLEMENTATION REPORT – 2013

Port of Port Townsend Strategic Plan: 2010-2015

The Port of Port Townsend Strategic Plan was adopted on March 24th, 2010 after significant input and participation from Port stakeholders and community. The Plan is a living document, and should be revisited at least every five years or so to ensure that the guidance it provides is still relevant.

Each year, the Port Strategic Advisory Committee (PSAC) is charged with reviewing the progress made in implementing the Strategic Plan and, if necessary, making recommendations concerning potential plan amendments. It is anticipated that the PSAC will prepare an Annual Report and Recommendation for the advice of the Port Commission and staff. This year marks the first year in which the PSAC will undertake this responsibility. In reviewing and assessing the Port’s progress, it is important for the PSAC to carefully assess the successes and shortcomings over the past year before producing its Annual Report and Recommendation. To assist the PSAC in its review, Port staff has prepared this document to help outline what we believe to be the Port’s accomplishments, and opportunities missed, over the previous year.

The Economic Context for Plan Implementation

Because the port districts have a unique responsibility under Washington law to foster healthy local economies, the starting point for this report is to briefly review the local and national economic setting. Tables 1 and 2, on the pages that follow, provide summary information on local employment and economic prospects.

ECONOMIC SUMMARY		
	2011	2012
Civilian Labor Force	12,410	12,260
Unemployment Rate	9.8%	10%

In Jefferson County, the nonfarm sector has still not rebounded from losses resulting from the Great Recession. In 2006, total nonfarm jobs within the county totaled approximately 9,610. A sharp drop to 8,540 occurred in 2009, and has continued ever since, but at a slower pace.

- Goods-producing was down 10 jobs over the year ending in May 2012, with manufacturing showing the loss. Natural resources and mining remained flat between May 2011 and May 2012.
- Service-providing lost 200 jobs from May 2011 to May 2012. Government dropped 30 jobs over the period.

(Source: Washington State Employment Security Department)

ECONOMIC OUTLOOK

In spite of very slow growth in the labor market and little rebound from the job losses experienced in 2009 and 2010, pockets of activity were underway in the county in 2012. Economic movement was manifesting itself in new business development and industry investment. Jobs connected to sectors of the forest-products industry are projected to grow according to State analysts. At the other end of the technology spectrum, county residents are anticipating faster internet speeds in the near future. Broadband connections are a top priority of county leaders with a goal of bringing enhanced high-speed internet access to many areas of the county by the summer of 2013.

Along the waterfront, there are signs of activity. The construction of a new lift pier for the Port of Port Townsend work yard and Boat Haven has been completed. The Port also recently completed study of the feasibility of developing an eco-industrial park at its 24-acre site located adjacent to the Jefferson County International Airport. If constructed, businesses that could be located there include light manufacturing or food processing. The Port's goal is to support economic development that is sustainable. However, funding for the 2.5 to 3.5 million dollar project is uncertain.

The outlook for local tourism appears to be improving somewhat, especially at the Port's facilities. Transient boaters and RV visitors increased by nearly 40% at the Port between 2011 and 2012. Occupational projections by the Employment Security Department note jobs related to tourism may also enjoy a slight increase in the months ahead. This year will also bring a gas station to Quilcene for the first time in a number of years.

Despite these signs of limited recovery, the medium to long-term outlook at the national and global level remains murky. Many economic projections now suggest that the "recovery" is "L" shaped, with substantial economic rebound occurring in an undefined, indefinite future. Moreover, the likelihood that State and Federal funding will return to levels resembling the period prior to the "great recession" has substantially diminished, and obtaining funding for significant new capital projects is likely to be increasingly difficult.

While the ability of State and local government to fund new infrastructure and services has decreased, many in the community continue to look to government to help solve economic problems. In this context of economic uncertainty and creeping austerity, legislative gridlock in Washington D.C. over a long-term budget compromise threatens the initiation of automatic across the board federal spending cuts through the so-called "sequester". In sum, the sources of and prospects for sustained and significant economic growth have not been identified.

(Sources: Washington State Employment Security Department; E.D. Hovee & Associates)

A Summary Review of Plan Implementation Efforts & Areas for Improvement

The Port of Port Townsend Strategic Plan contains seven (7) "Strategic Directions" and associated "Objectives". On the following pages is a summary of the Strategic Directions and Objectives from the Plan, and staff's assessment of the Port's associated accomplishments, and where applicable, missed opportunities.

Community Access

Strategic Direction #1: *To ensure that Port facilities, services and the shoreline environment are accessible to the community and visitors alike.*

Objective 1.1: Provide a range of services at Port facilities and properties that are accessible to the community as a whole.

Objective 1.2: Maintain and expand opportunities for recreational boat owners and pedestrian shoreline access.

- Maintain existing and seek to expand boat ramp access points for recreational boaters.
- Work with private and public entities to encourage maintenance, repair, and environmentally sensitive retrofitting of existing boat ramps.
- Seek to provide access points with equipment and nearby storage for small trailer-able boats, kayaks and rowing shells that cannot be ramp launched.
- Investigate, together with the NWMC, the feasibility, cost, revenue stream, environmental and safety benefits of installing transient mooring buoys as an alternative to anchoring in areas near Port Townsend's waterfront.
- Maintain and expand trails and pedestrian points of access to shoreline areas.
- Maintain moorage fees at rates that seek to sustain the community's boating culture.
- To the extent consistent with maintaining public safety and limiting Port liability, maintain an open boat yard at the Boat Haven and open marinas at both the Boat Haven and Point Hudson. If access control becomes necessary, restrict access incrementally in relationship to risk.

Objective 1.1 Accomplishments: The accomplishments for this objective overlap with those identified for Objective#1.2, please refer to the responses set forth below.

Objective 1.2 Accomplishments:

- In late 2011, the Port formed an advisory committee to assist with the design of an expanded boat ramp at Boat Haven; this ramp expansion is currently in the permitting stage.
- The Commission adopted a 2013 Capital Budget that includes \$100,000 for construction of a jib arm at the northwest corner of the Point Hudson Boat Basin, which will allow trailer-able vessels of up to 30' in length and 5,000 lbs. to be launched.
- The long-awaited replacement of the 45 year-old A/B Dock moorage system at Boat Haven – a \$4 million project – was completed in February of 2011, maintaining a key opportunity for recreational boat owners in our community.
- In an historic agreement with the City of Port Townsend, the Port is acquiring both City Dock and Union Wharf; under Port management, these facilities will provide expanded opportunities to the community and visitors for marine outdoor recreation and pedestrian shoreline access.
- In 2011, a new swim float was provided at the Port's Quilcene Marina facility, maintaining a cherished south community recreational opportunity for families and kids – at one of the only warm water swimming beaches in the county.
- As part of the Kah Tai Settlement Agreement, the Port has formally committed to explore potential permitting of a mooring buoy field adjacent to the Quincy Street Dock.
- The Commission adopted moorage rate and fee increases in November of 2012 which are modest, reasonable, and seek to sustain the community's boating culture.
- The Boat Haven boat yard remains the only open access yard in the State of Washington, and both marinas remain open access as well.
- The Port is in the process of developing a small "pocket park" at the head of the recently demolished 75-ton haul-out pier at Boat Haven.
- Monthly storage for boat trailers at Boat Haven has been provided behind the "Mahina Yachts" building now rented by Team Jefferson/EDC.
- A mechanism has been created to allow trailer-able boats to be stored on the "back 40" at the northwestern corner of the Port's Point Hudson property.

STRATEGIC DIRECTION & OBJECTIVES**ACCOMPLISHMENTS****Community Access, continued****Strategic Direction #1 – Missed Opportunities - Areas for Improvement:**

- Overall, the Port has made substantial progress in implementing Strategic Direction #1 and Objectives 1.1 and 1.2. In the coming year, the Port must ensure that its Comprehensive Scheme is updated and current so that the Port remains eligible to seek Boating Facility Grant moneys from the Recreation and Conservation Office (RCO).
- Specifically, the Port should seek to fund improvements to boat ramps and the refurbishment of floats associated with the newly acquired Union Wharf and City Dock facilities.

Sustainable Economic Development**Strategic Direction #2: To promote, develop and manage the Port's properties and facilities to stimulate countrywide economic vitality.**

Objective 2.1: Promote sustainable economic development opportunities that create family wage jobs.

- Collaborate with Jefferson County in the designation of the Tri-Area UGA:
 - Provide technical assistance (as appropriate);
 - Advocate that adequate acreage be zoned for industrial use; and
 - Encourage Jefferson County to provide urban water and wastewater service necessary to adequately serve industrial land.
- Work with private and public interest groups on workforce housing issues to retain and expand family-wage jobs.
- Prepare and maintain updated promotional brochures for Port properties and facilities highlighting business opportunities consistent with community needs.
- Increase market opportunities through collaboration with maritime non-profits, Port tenants and businesses.
- Target economic development opportunities that support the retention and growth of interconnected businesses, suppliers and associated trades (i.e., marine trades; manufacturing; non-retail service sectors). Seek to develop businesses that support the creation of family wage jobs for current county residents.
- Promote general aviation-related and air freight businesses at the Jefferson County International Airport (JCIA).

Objective 2.1 Accomplishments:

- The Port continues to work w/ the Northwest Maritime Center to coordinate marketing opportunities for symposiums and festivals.
- Throughout the Tri-Area UGA designation process, the Port has cooperated with Jefferson County regarding land use designations and zoning and the provision of appropriate urban public services. In particular, the Port helped to spearhead the development of a draft Joint Economic Development Strategy in 2010 and 2011 to ensure that the Port, City and County were mutually supporting major infrastructure projects, like the Tri-Area wastewater treatment project.
- Port staff has been participating in the "Collective Impact" process initiated by the Jefferson County YMCA. The process – which is focused on economic development and workforce issues including housing - seeks to bring community leaders together to develop a common agenda, a shared approach to data collection and measurement, differentiated but mutually reinforcing action steps and continuous communication between participating entities (e.g., City, County, Port, etc.).
- Over the past several years the Port has expanded taxiways and hangar pads at the JCIA - both of which serve to promote aviation-related businesses.
- The Port is pursuing a non-precision approach and an all-weather observation system (AWOS) at the JCIA, both of which increase the ability to fly in and out of JCIA in inclement weather, making it easier for general aviation businesses to be based at the JCIA.

Sustainable Economic Development, continued

Strategic Direction #2, continued

Objective 2.2: Collaborate with stakeholder groups to provide an integrated, countywide approach to economic development.

- Coordinate the Port's visitor service strategy with the marketing efforts of the City and County Lodging Tax Advisory Committee (LTAC) programs.
- Collaborate with maritime non-profits, yacht clubs and downtown Port Townsend businesses to attract boating regattas and maritime educational activities on Port properties.
- Work with Jefferson County's economic development organizations to retain and expand existing, and attract new, private sector businesses at Port properties, Jefferson County and the North Olympic Region.
- Convene an annual economic development summit for elected officials, private sector businesses, public agencies, and other groups interested in assessing and recommending solutions to economic development challenges facing the community.

Objective 2.3: Serve both residents and visitors by providing accessible Port properties, recreational opportunities, and by protecting historic and community resources.

- Aggressively pursue the development of new and expanded infrastructure and public services at Port properties.
- As appropriate, evaluate the potential for acquiring and managing public lands being transferred or sold by government entities.
- Seek public and private funding to rehabilitate historic buildings at Point Hudson.

Objective 2.4: Ensure that all new development of Port properties is compatible with existing uses, well planned, fiscally prudent, and consistent with City and County Comprehensive Plans.

- Actively participate in the periodic updates of the land use plans of Jefferson County and the City of Port Townsend. Advocate the inclusion of policies and implementation steps that support sustainable economic development.

Objective 2.2 Accomplishments:

- As noted previously, the Port co-facilitated a Joint Economic Development Planning process during late 2010 and throughout 2011 involving Jefferson County, the City of Port Townsend and EDC Team Jefferson; the product of this process was the preparation of a Draft Joint Economic Development Strategy to help coordinate and prioritize major infrastructure projects and policy initiatives needed to boost our community's economic vitality; Port staff played a leading role in helping to craft this document, which has yet to be refined and adopted by the three jurisdictions.
- The Port Commission contracted with EDC Team Jefferson to provide economic development services in Jefferson County as an "Associate Development Organization" under RCW 43.330.080 and 53.08.245, and provided a total of nearly \$60,000 in direct cash and in-kind support for Team Jefferson's Direct Business Assistance and Economic Development Planning Support Services in 2011 and 2012.
- The Port continues to coordinate closely with the City marketing director and LTAC to coordinate marketing opportunities on a community-wide basis.
- The Port serves on the board of the Convention and Visitor's Bureau for the City of Port Townsend, encouraging small group and convention business in our community.

Objective 2.3 Accomplishments: The Port continues to improve the buildings and facilities at Point Hudson, and is currently in the planning stage with Washington State University Extension to seek and obtain grant funding to rehabilitate the iconic Cupola House.

Objective 2.4 Accomplishments: The Port was deeply involved in the City of Port Townsend's 2010-11 Plan Update, especially as it related to proposed amendments concerning the Port's Kah Tai property; as a result of this involvement, the Port and City have agreed to engage in an asset transfer (i.e., Kah Tai properties for City Dock and Union Wharf) as well as Code amendments that protect the long-term viability of the Boat Haven, while ensuring the protection of Kah Tai Lagoon for passive recreational use.

Sustainable Economic Development, continued

Strategic Direction #2, continued

Objective 2.5: Employ a “triple bottom line” approach that factors economic, environmental and social consequences in Port decision-making.

Objective 2.5 Accomplishments:

- Port staff has developed a “Decision-Evaluation Process and Checklist to be used in assessing larger projects and programs (i.e., those exceeding \$100,000) to ensure that they are consistent with the Strategic Directions and Objectives of the Strategic Plan and the principles of “triple bottom line” (TBL) decision-making.
- The Decision-Evaluation Process and Checklist was used by Port staff in evaluation both the Passenger Only Ferry Project as well as the Commercial Boat Basin Project.

Strategic Direction #2 – Missed Opportunities - Areas for Improvement:

- *The Port has not yet prepared promotional brochures for Port properties and facilities highlighting available business opportunities consistent with Objective 2.1; developing these brochures, with assistance from Team Jefferson/EDC, should be a priority in 2013.*
- *Port participation in efforts to address local workforce housing issues (as called for in Objective 2.1) should be increased. By undertaking capital maintenance and improvement projects, and through effective management of the Port’s Boat Haven Shipyard, hundreds of decent jobs are supported by the Port directly and indirectly. Nevertheless, Port involvement in a community-wide conversation about how to increase availability of decent housing options for workers could prove beneficial, and might positively shape City and County policies and regulations affecting the provision of affordable housing.*
- *The protracted economic downturn has meant that the Port has been focused on maintaining current operations and retaining current businesses, rather than specifically targeting and recruiting new interconnected businesses to Port properties (see Objective 2.2); given the “L” shaped “recovery”, and limited Port staff resources, it is not clear that the recruitment of new businesses is, or should be, a significant focus over the coming year.*
- *The Port has not yet convened an economic development summit as called for in Objective 2.2; in collaboration with Team Jefferson/EDC, the City and County, this should be a priority for 2013.*
- *Development of new and expanded infrastructure envisioned in Objective 2.3 has been hampered by the economic downturn, the Port’s available debt capacity, and grant match requirements; it may be appropriate to consider moderating the “aggressive” tone of the objective.*

STRATEGIC DIRECTION & OBJECTIVES**ACCOMPLISHMENTS****Infrastructure Maintenance & Development****Strategic Direction #3: To develop and maintain sound, safe and self-supporting infrastructure at all Port properties.**

Objective 3.1: Maintenance of infrastructure is a top Port budgetary priority.

Objective 3.2: Identify public funding opportunities for specific high priority infrastructure maintenance projects.

- Lobby to secure funding for public infrastructure projects at Port facilities.
- Work to ensure that the community and local government decision-makers broadly support funding requests.

Objective 3.3: Pursue opportunities for new development and redevelopment of Port properties.

Objective 3.1 Accomplishments:

- Maintenance of the Port’s existing capital infrastructure has been the Port’s top budgetary priority, with more than \$750,000 spent on capital maintenance in 2012, and a \$700,000 budgeted for maintenance projects in 2013.
- The Commercial Basin refurbishment project is on track for 2013, ensuring that a key component of infrastructure supporting the commercial fishing fleet is safe and in good working order for the coming decade.
- Overall, completed and planned capital maintenance projects are anticipated to expand the useful life of existing facilities at the Boat Haven for at least another 10 years.

Objective 3.2 Accomplishments: Grant funding for Boat Haven re-gravelling was sought from the State Department of Ecology as part of overall stormwater improvements; unfortunately, public funding was not obtained.

Objective 3.3 Accomplishments:

- Port staff has worked diligently with the prospective developer of the “Landfall” site over the past year to examine options for future development that will create jobs and generate revenue. Unfortunately, current economic conditions resulted in the developer withdrawing its option in late fall of 2012.
- Long-term (5-year) leases have been negotiated with the Washington State Department of Fish & Wildlife and the U.S. Department of Customs & Border Control, creating a significant revenue stream allowing the Port to redevelop the Marine Exchange site at the Boat Haven for a new Port Administration Building in the heart of Port operations.

Strategic Direction #3 – Missed Opportunities - Areas for Improvement:

- *The Port should continue to seek public funding opportunities for high priority maintenance projects, including funding for additional stormwater improvements (i.e., stormwater “RX” systems) and capital maintenance (e.g., re- gravelling the shipyard at Boat Haven).*
- *The Port should continue to explore opportunities to develop and redevelop Port properties in 2013, especially the Landfall Site.*

Public Involvement & Responsiveness to Community Needs

Strategic Direction #4: To sustain a high level of community involvement, that informs Port decision-making and builds public support.

Objective 4.1: Appoint an advisory committee as a broadly representative standing advisory body to provide input and assistance to Port management staff and the Port Commission in implementing this Strategic Plan.

- Adopt a resolution establishing an advisory committee, defining membership composition and terms, and duties and responsibilities, which should include the following:
 - Annually reviewing the progress made in implementing this Strategic Plan and making recommendations concerning potential Plan amendments; and
 - Serving as a sounding board on an ad hoc basis to review and provide input concerning potential new Port initiatives and business ventures not anticipated in this Plan.
- Upon formation, immediately task the advisory committee to collaborate with Port staff to develop a “Decision Support Matrix” (DSM) to help inform and guide Port Commission and management staff decision-making. Staff and the advisory committee should consider the guidance provided in Appendix “B” to this Plan, and ensure that the DSM addresses the following:
 - Clear thresholds to identify which types of major projects and decisions require assessment;
 - Direct, indirect and intangible economic costs and benefits of decisions;
 - Environmental consequences of decisions;
 - Community-wide social impacts, costs and benefits of decisions; and
 - Consequences of new Port investments on existing customers.

Objective 4.1 Accomplishments:

- Consistent with the Strategic Plan, the Commission created the Port Strategic Advisory Committee (PSAC) in April of 2010 via Port Resolution 538-10.
- Resolution 538-10 defined membership composition and terms, as well as the duties and responsibilities of the PSAC.
- The Commission appointed the members of the PSAC via a voice vote during the meeting of March 14, 2012.
- Port staff developed a “Decision-Evaluation Process and Checklist” in 2011 which is intended to serve as the “Decision Support Matrix” noted in Objective #4.1; the PSAC has yet to review and provide recommendations on the process and checklist prepared by staff; however, the draft:
 - Contains clear thresholds;
 - Has questions that seek to address the direct, indirect and intangible economic costs and benefits of decisions;
 - Environmental impacts;
 - Community-wide social impacts, costs and benefits; and
 - Consequences of new investments on existing customers.

Public Involvement & Responsiveness to Community Needs

Strategic Direction #4, Continued

Objective 4.2: Create and sustain positive relationships with stakeholders and the wider Jefferson County community.

- Conduct an annual stakeholder meeting to identify key concerns prior to the initiation of the budget process.
- Continue to conduct quarterly meeting involving community leaders from both the public and private sectors.
- Continue to conduct periodic bus/walking tours of Port properties and provide countywide briefings to educate and inform community members and elected officials about the economic, social and environmental benefits of Port properties and operations.

Objective 4.3: Maintain public outreach and education of the Port's mission and activities through a variety of media.

- Continue to inform and include key stakeholders in Port planning and development activities.
- As appropriate, establish advisory committees for specific Port projects.
- Continue publication of the Port's Quarterly Newsletter and Annual Community Report (i.e., for customers/tenants & community).

Objective 4.2 & 4.3 Accomplishments:

- Port Executive Staff continue to host monthly "CEO Breakfasts" to identify key concerns and issues of local business leaders.
- The Port continues to participate in the quarterly meetings with the Marine Trades' Union to understand and address the issues and concerns of the industry.
- Port staff continues to participate in monthly meetings of the Moorage Tenants' Union to identify, understand and address the concerns of recreational boat owners.
- Port staff has provided presentations to local service clubs (e.g., Rotary International) to educate and inform the community about the Port's core mission and purpose in the community.
- Port staff met with the Young Professionals of the Chamber of Commerce to present the Passenger Only Ferry concept and obtain community feedback.
- Port staff has conducted four (4) independent group tours of Port facilities this year to education community members about our properties and operations.
- The Port continues to publish a newsletter on a quarterly basis (distributed to all Port tenants) along with an annual report which is published in the Port Townsend-Jefferson County Leader.

Strategic Direction #4 – Missed Opportunities - Areas for Improvement: Although scheduled for March 21st, 2013, the Port has yet to conduct its first "Annual Stakeholder Meeting" as called for in Objective 4.2. The Port has advertised the meeting in the Leader and has mailed post card invitations to all Port tenants in an attempt to encourage attendance and participation. Depending on turnout for, and input received at the meeting, it will be possible to determine whether or not this objective should be retained or revised.

STRATEGIC DIRECTION & OBJECTIVES**ACCOMPLISHMENTS****Customer Service****Strategic Direction #5: *To improve service to Port tenants, customers and the public.*****Objective 5.1:** Identify and implement methods to improve customer service.

- Conduct periodic customer satisfaction surveys (e.g., moorage tenants, RV users, pilots, leaseholders, etc.).
- Maintain a log of customer complaints and Port staff responses.
- Ensure that all communications received by the Port are acknowledged or responded to in a prompt and courteous manner.
- Port management staff should continue to visit Port properties on an impromptu basis to meet with tenants and business owners to better understand their issues and concerns.
- Port management staff should continue to maintain an “open door” policy to members of the public.

Objective 5.2: Encourage an internal Port culture of learning and growth.

- Continue to provide training opportunities in customer and community relations to Port staff.

Objective 5.1 & 5.2 Accomplishments:

- An online transient moorage reservation system has been established to provide better customer service.
- Port staff maintains a log/file of customer comments, complaints, and staff responses.
- Moorage Office hours have been extended to provide better customer service.
- Management staff continues to maintain an “open door” policy – frequently meeting with tenants, prospective business owners, and interested members of the public.

Strategic Direction #5 – Missed Opportunities - Areas for Improvement:

- *The Port has not yet established a consistent protocol and schedule for conducting customer satisfaction surveys. Doing so, conducting the surveys, and faithfully reporting results to decision-makers and the public should be an implementation priority for 2013.*
- *Management should prioritize and emphasize the need to promptly and courteously respond to all communications received by the Port.*
- *Providing appropriate training opportunities for staff should be a point of management emphasis in 2013, within available budgetary limitations.*

Fiscal Comprehensibility, Transparency & Accountability

Strategic Direction #6: To strengthen the Port's financial performance and provide user-friendly financial and budgetary information to the public.

Objective 6.1: Maintain a financially solvent Port.

Objective 6.2: Maintain a financial plan that balances funds for capital maintenance, operations, and replacement of existing capital facilities with new capital projects, and which provides for prudent levels of financial reserves.

- Develop and adopt Financial Guidelines that clearly identify the accounts to be maintained within the Port's budget, the minimum funding level for each, the procedures for adding or eliminating accounts, as well as the process for changing minimum funding levels.
- Distinguish between new capital projects, capital replacement projects, capital maintenance projects and operations in the annual budgetary information prepared for each Port facility.
- Establish the necessary reserve funds to meet financial contingencies and maintain the financial solvency of the Port of Port Townsend.

Objective 6.3:

- In addition to the reserve fund(s) already maintained by the Port, consider establishing the following reserve accounts:
 - *New Capital Projects Account* – to provide for installation, development and/or purchase of major equipment (e.g., travel lifts), facilities and infrastructure (e.g., docks and marinas) necessary for new or expanded operations; and
 - *Capital Replacement Account* – to provide for major repairs to, and replacement of, existing capital infrastructure owned by the Port (e.g., replacement of existing docks, major renovations to existing structures (e.g., the Port Administration building)).

Objective 6.1, 6.2, 6.3 & 6.4 Accomplishments:

- The Port remains on a solid financial footing for 2013, with total operating revenues of \$4.609 million, and \$3.624 million in expenses (before depreciation).
- The Port's adopted budget for 2013 is conservative, projecting a modest growth in revenues based on 2012 actuals.
- To the extent practicable given the state of the economy and Port finances, reserve funds to meet foreseeable contingencies are being established as directed by Objectives 6.2 and 6.3; for instance, a Boat Haven Reserve Account has been established, and was funded in 2011 at \$939,000.
- The Port's Budget is now available online for ease of review by interested members of the public.
- The Port's presentation of budgetary information has been simplified and clarified, and distinguishes between new capital projects, replacement projects, and maintenance and operations as called for in Objective 6.2.
- Port management continues to support the establishment of the reserve accounts called for in Objective 6.3; however, without available monies to place into these accounts, their creation remains unrealized at present.
- As noted under Objective 1.2, and as consistent with Objective 6.3, the Commission adopted moorage rate and fee increases in November of 2012 which are modest, reasonable, and seek to sustain the community's boating culture.
- Other than programmed CPI adjustments, the Port has not increased the base rental or lease rate(s) since adoption of the Strategic Plan.
- The Port has leased out the provision of fuel at the Boat Haven Marina, consistent with Objective 6.4.
- In 2011, the Port undertook a comprehensive feasibility study to determine whether or not establishment of an Eco-Industrial Park (to accommodate rural-scale light industrial uses) adjacent to the JCIA was a prudent investment; the study, which factored triple-bottom line considerations, sets the stage for potential future diversification of the Port's revenue base, consistent with Objective 6.4.

Fiscal Comprehensibility, Transparency & Accountability, continued

Strategic Direction #6, continued

- Ensure that all rents, leases, rates and fees are fair and reasonable, factoring local social and economic conditions, cost and market demand.
- Conduct periodic surveys to inform Port rent, lease and moorage rates, as well as user fees.
- In establishing rent and lease rates and user fees for 501(c)(3) non-profit organizations, consider the demonstrated public benefit provided by the organization, and the degree to which those public benefits further the mission of the Port of Port Townsend.
- Develop and implement a system of user charges that fairly distributes the burden of capital projects, capital replacement projects, and operations and maintenance costs between direct users and indirect beneficiaries of the system.

Objective 6.4: Diversify the Port's revenue base in a manner consistent with the "triple bottom line" approach to decision-making.

- Assess options to lease out certain Port operations.
- Seek to identify, acquire and rezone/develop appropriate lands for light industrial use within the Port District.

Strategic Direction #6 – Missed Opportunities - Areas for Improvement: *Of all the Strategic Directions, #6 has perhaps been the most challenging for Port staff. In substantial part, this is due not to a lack of attention or intent on the part of the Port, but rather, changed economic circumstances since the onset of the Great Recession. For instance:*

- *Implementation of Strategic Direction #6 has been problematic in the wake of the protracted and persistent economic downturn. Direction #6 and the Objectives thereunder appear to be largely predicated on the assumption of an expanding economy, increased Port revenues, and rising or stable (rather than declining) property tax assessments (i.e., contributing to the Port's available bonding capacity). For instance, establishing unfunded reserve accounts for each cost center (see Objective 6.3) would accomplish little in the present circumstance.*
- *Similarly, conducting periodic rent and rate surveys in the context of a static or contracting economy where base rents and rates have remained unchanged (except for programmed CPI increases) is not a wise expenditure of limited staff resources and budget.*
- *Similarly a number of the Port's cost centers are, inherently, nonperforming assets (see Objective 6.3, final bullet); for instance, the Quilcene Marina and the JCIA are anticipated to remain net revenue negative for the indefinite future. Nevertheless, these facilities require ongoing capital maintenance and capital replacement investments, the cost of which will be largely borne by revenues generated by other Port facilities. This is, and will remain, the necessary and appropriate management practice for assets held for the benefit of all the citizens of Jefferson County.*

Community Stewardship

Strategic Direction #7: *To become a recognized leader in environmental stewardship and the protection of community assets.*

Objective 7.1: Continue to preserve and enhance important environmental resources on Port properties.

Objective 7.2: Provide innovative and proactive management and control programs to address specific environmental issues.

Objective 7.3: Build partnerships with non-profit organizations, schools and other governmental agencies to offer education and training in environmental stewardship and best management practices.

- Partner with non-profits and educational institutions to seek funding to expand marine trades training opportunities, particularly those associated with environmental best management practices (BMPs) and innovative technologies.
- Collaborate with the Jefferson County Marine Resources Committee (MRC) and other non-profits to educate boaters on wash-down techniques to avoid cross-contamination of water bodies by invasive species (e.g., “tunicates”).
- Support non-profit educational initiatives to enhance marine trades and expand on-the-water maritime experience programs, particularly introductory and youth-oriented programs.
- Work with Jefferson County and the City of Port Townsend to apply green building standards and obtain certification for new structures on Port properties (e.g., Leadership in Energy and Environmental Design (LEED) or other similar or equivalent certification).
- Champion the environmental stewardship efforts of local businesses, non-profits and the Jefferson Marine Resources Committee (e.g., local businesses certified through the “EnviroStars Program” for reducing, recycling, and properly managing hazardous waste).
- Collaborate with ongoing efforts to maintain Port Townsend interpretive signs and maker buoys that foster better education.

Objective 7.1 & 7.2 Accomplishments:

- The Port has hired a full-time environmental compliance officer to monitor facility operations ensuring that they meet state and federal environmental and water quality standards, and maintaining the continued viability of operations.
- The Port has continued to seek (thus far with limited success) grant funding for new and replacement stormwater infrastructure at Boat Haven.
- Rain gardens have been in use along Jackson Street to filter stormwater runoff.
- The Port has continued to work with the Marine Resources Committee (MRC) to identify suitable locations for additional rain garden stormwater improvements on industrial properties.

Objective 7.3 Accomplishments:

- The Port has continued to work with the MRC to deploy and maintain buoys marking sensitive and protected eel grass beds.
- Environmental interpretive signage at Point Hudson has been maintained to increase the environmental awareness and understanding of the visiting public.
- Environmental signs have been posted at all entrances to the Port’s marinas, helping to inform facility users as to proper environmental stewardship practices.
- The Port recently replaced all five of its marina vessel pump-out stations (2 each at Boat Haven and Point Hudson and 1 at Quilcene).
- Port management has participated in state-wide legislative efforts involving derelict vessels as well as copper bottom paint regulations.
- The Port has been in conversations with the Northwest Maritime Center (NWMC) about obtaining funding for maritime education program funding, which would also address environmental stewardship and best management practices.

STRATEGIC DIRECTION & OBJECTIVES**ACCOMPLISHMENTS****Community Stewardship, continued****Strategic Direction #7, continued**

Objective 7.4: Pursue option for the long-term reasonable use and habitat preservation of the Port’s Kah Tai properties.

Objective 7.4 Accomplishments: As noted previously, the Port is in the process of completing an asset transfer with the City of Port Townsend. The deal, which would convey the Port’s Kah Tai properties to the City and exchange for Union Wharf, City Dock, and regulatory changes which ensure the long-term viability of the Boat Haven, assures the long-term protection of the Kah Tai property for habitat and passive recreational use.

Strategic Direction #7 – Missed Opportunities - Areas for Improvement:

- *The Port must continue to assertively seek DOE funding for stormwater improvements at key facilities in 2013; without this funding, successful plan implementation will prove illusory.*
- *Implementation of Objective 7.3 has thus far been incomplete. Efforts to obtain funding for environmental stewardship training should be emphasized in 2013, as should efforts to collaborate with the Marine Resources Committee (MRC) to educate boaters on effective vessel wash-down techniques.*
- *In constructing its new Administration Facility, the Port should incorporate as many environmentally sustainable building techniques as are possible within budget constraints.*

Overall Strategic Plan Implementation Summary

The Port has made considerable strides in successfully implementing the 2010 Strategic Plan, although substantial work remains unfinished. Despite a weak and uncertain economy, the Port has attempted to conduct its day to day activities in a fashion that is consistent with, and helps to fulfill, the promise of the Plan.

- **Fix Aging Infrastructure:** The Port’s central focus has been on maintaining and fixing aging infrastructure, rather than expansion – for instance:
 - A/B Dock replacement;
 - Travel Lift Pier replacement;
 - Commercial Basin refurbishment.
- **Fair & Transparent Budgetary Practices:** Budgetary information has become more transparent, accessible and understandable – for example:
 - A combined Operating/Capital Budget organized by cost center; and
 - All budget information is now available online.

- **Pro-Active Environmental Stewardship:** Port environmental stewardship of its properties and facilities has become more pro-active – and the Port is emerging as a leader in environmental and stewardship issues:
 - Port participation in state-wide legislative efforts involving derelict vessels;
 - Hiring of a full-time environmental compliance officer;
 - Funding for stormwater infrastructure at Boat Haven
 - Replacement of all five marina pump-out stations.

- **Pursuit of Sustainable Economic Development Opportunities:** To the extent possible with available funding, the Port has pursued sustainable economic development opportunities that seek to safeguard the community’s existing character and unique quality of life, rather than recruiting outside business interests to the area:
 - Feasibility Study for the Eco-Industrial Park at the JCIA, focused on attracting environmentally friendly, rural scale light industrial uses; and
 - Capital refurbishment and replacement projects at the Boat Haven to maintain the viability of existing marine trades businesses.

- **Improved Communications, Public Relations & Service:** Increased efforts to improve and maintain communications, public relations and customer service include:
 - Establishment of the Port Strategic Advisory Committee to provide an effective communication bridge between the community, stakeholders and decision-makers;
 - Community workshops in Quilcene to better understand the concerns of south county constituents;
 - Regular appearances before service clubs and community groups to explain the Port’s role and purpose, answer questions, and obtain critical feedback;
 - Making all Commissioner meetings available in audio format online, as well as written minutes;
 - Maintaining the Quarterly Port Newsletter; and
 - Instituting a new online reservation system for the Point Hudson facility to provide better customer service.

On balance, these represent important steps towards successful implementation of the Strategic Plan. However, there are a number of aspects in which specific direction set forth in the Plan has yet to be undertaken. These areas for improvement are outlined below.

Key Suggestions for Improved Performance in the Year Ahead

- **Community Access:** Although the Port continues to maintain facilities that are completely open to the public (e.g., Airport, Shipyard, etc.) as well as a rate and fee structure that attempts to support the community’s boating culture and marine trades businesses, greater emphasis should be placed on seeking grant funding to renovate and improve boating facilities. A critical need for 2013 is to update the Comprehensive Scheme of Harbor Improvements so that the Port remains eligible to seek RCO grant moneys to fund facility upgrades.

- **Sustainable Economic Development:** The persistent economic downturn has hampered implementation of this Strategic Direction. The slowdown, comparative lack of resources (both financial and staff) have caused the Port to focus on maintaining current levels of service and retaining current businesses, rather than recruitment of new businesses. Development of new and expanded infrastructure has been limited by the Port’s available debt capacity and grant match requirements. Nevertheless, there are a number of low cost steps that the Port should attempt to undertake in 2013 to implement the Plan, including:

 - With the help of Team Jefferson/EDC, preparation of promotional brochures for Port properties and facilities highlighting available business opportunities;
 - More dedicated efforts to address workforce housing issues by participating in the “Collective Impact” process initiated by the YMCA and advocating changes in local land use policies and regulations to increase the supply of decent housing options for workers;
 - The economic health of our community is most effectively pursued in partnership. To this end, the Port, in collaboration with Team Jefferson/EDC, the City and County, should convene an Economic Development Summit to identify steps to maximize the economic health of our community.

- **Infrastructure Maintenance & Development:** Obtaining public funding for infrastructure development has been problematic, and is likely to remain so. Nevertheless, the Port should continue to focus on maintaining its core functions in 2013 by:

 - Seeking public funding for high priority capital maintenance projects, including funding for the installation/replacement of stormwater “RX” systems at the Boat Haven and capital maintenance projects (e.g., re-gravelling the Shipyard); and
 - With help from Team Jefferson/EDC, the Port should aggressively seek to identify a long-term lessee willing to redevelop the Landfall site in 2013.

- **Public Involvement & Responsiveness to Community Needs:** The Port should continue its efforts to meaningfully engage stakeholders and the public in conversations about Port projects and operations, and how the Port can better serve the community, its tenants and facility users. Continuation and completion of the Port Strategic Advisory Committee (PSAC) process to evaluate Port performance in implementing the Strategic Plan should also be a priority for 2013. Conducting an Annual Stakeholder Meeting (scheduled for 3/21/13), will also help to inform Port staff as well as the PSAC. Finally, continuing to provide presentations to local service clubs and community organizations should be a point of emphasis in 2013.

- **Customer Service:** Three areas should be focused on in 2013 to more fully implement the Strategic Plan:

 - Developing and conducting customer satisfaction surveys for key Port user groups (e.g., moorage tenants, marine trades, airport users, etc.) and reporting the results to the Commission and public;
 - Emphasizing at a management level the need for staff to always respond promptly and courteously to all communications received by the Port; and
 - Ensuring that staff is provided with appropriate customer service training opportunities (within budget limitations).

- **Fiscal Comprehensibility, Transparency & Accountability:** As noted above, implementation of a number of the objectives under this Strategic Direction has been problematic in the wake of the economic downturn. Consideration should be given to carefully reviewing and revising these policies so that they comport with the reality of a largely “steady state” economy.

- **Community Stewardship:** Three implementation emphases are recommended for 2013, as follows:
 - Funding for stormwater improvements at the Port’s Boat Haven facility;
 - Collaborating with the NWMC to obtain funding for maritime educational programs, particularly those with an environmental stewardship emphasis; and
 - Working with the MRC to prepare and provide materials educating boaters on proper vessel wash-down techniques to avoid the spread of invasive marine species.



PO Box 1180 • Port Townsend, Washington 98368 • Phone (360) 385-0656 • Fax (360) 385-3988

Attachment "B"

MEMORANDUM

To: Port Strategic Advisory Committee (PSAC)
From: Amy Khile, Director of Finance; and Eric Toews, Planning Analyst
Date: May 1, 2013
RE: 2014 Budget Process – Potential Projects, Funding Challenges & Timeline

Introduction

The Port of Port Townsend is undertaking a process to provide more clarity, transparency and citizen involvement in its budget decisions. This effort is intended to help ensure that the capital improvements and major policy initiatives pursued by the Port are consistent with the Port's Strategic Plan and the community's vision for its future.

One way to accomplish this is by involving the Port Strategic Advisory Committee (PSAC) early in the annual budget process in order to clearly identify capital investment priorities and help inform Port Commission decision-making. Port Commission Resolution No. 538-10, which established the PSAC, does not identify annual budget recommendations among the committee's specific duties and responsibilities. However, finding #5 of that resolution does appear to anticipate that the recommendations of the PSAC will influence the budget process.

In order to help inform your annual review and assessment, this memorandum seeks to describe potential capital priorities that might be included in the 2014 budget, anticipated funding challenges, and decision-making tools. The ultimate goal is to communicate clearly to the public and PSAC about what projects are being considered for inclusion in the budget, why they are being contemplated, and what the tradeoffs might be in selecting some projects over others. It is expected that the PSAC will use this information to provide strategic level advice to staff and the Port Commission regarding budgetary priorities.

Overview

With twenty-seven (27) employees and revenues of approximately \$5.8 million, the Port of Port Townsend owns and operates a diversity of facilities, including:

- Three marinas (Boat Haven, Point Hudson, Quilcene);
- A marine trades industrial area at the Boat Haven;
- Jefferson County International Airport;
- A RV park at Point Hudson;
- Boat launches and ramps at several sites around east Jefferson County; and
- Two large recreational docks along the Port Townsend waterfront.

The Port is authorized by its enabling legislation to levy property taxes within Jefferson County. These taxes, along with revenues from the Port's income generating properties and facilities (e.g., Boat Haven Marina moorage fees) have generally been sufficient to support Port operations, service bond indebtedness, and to fund capital improvements. Revenue is received by the Port in the form of rents from tenants and fees from users of the marinas, RV park, airport, and other facilities. Figures #1 and #2 below show the sources and uses of funds in the Port's adopted budget for 2013.

Figure #1: Sources of Funds – 2013 Adopted Budget

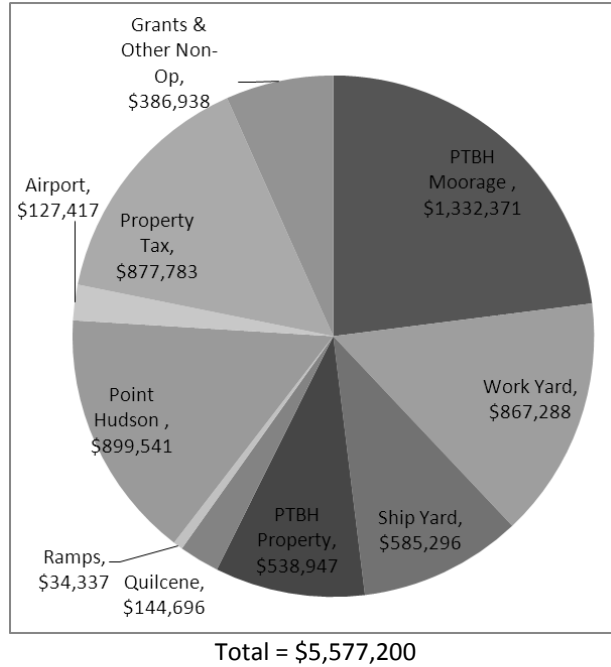
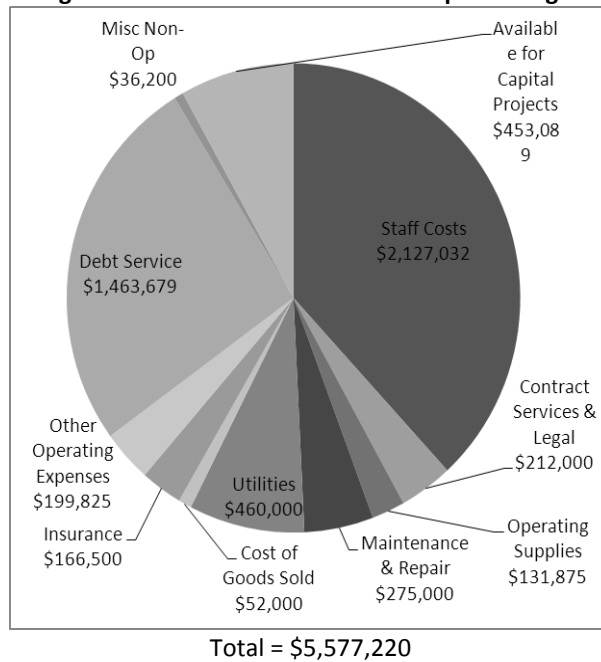


Figure #2: Uses of Funds – 2013 Adopted Budget



The projects and activities being undertaken by the Port of Port Townsend reflect its role as a mature port district serving to support core elements of the local economy and community character. As a mature port district, the Port of Port Townsend does not often develop major new capital facilities. Instead, the Port most often reinvests and redevelops existing facilities to optimize their safety, efficiency and to ensure compliance with environmental standards.

The Port of Port Townsend's budget encompasses two broad categories of capital investment, as follows:

- Capital Maintenance and Rehabilitation Projects: These are projects that optimize existing facilities by keeping facilities and equipment in good condition and good operating order; and
- New Capital Projects: Individual new projects that stand out among the Port's needs because of their size or complexity, potential community impact, large cost, and the need for coordination with the City and/or County.

The 2014 Budget process is only now beginning. At this formative stage, staff has yet to formulate its budget recommendations for the advice of the Port Commission. Nevertheless, the 2014 Budget could include investments in both of these areas. However, it must be noted that considerable funding uncertainties confront the Port moving forward. As Figure #2, Uses of Funds, shows, the Port has \$453,000 for new capital projects in 2013, a figure that is likely to remain roughly the same from year to year. This figure, coupled with amounts available in reserve accounts plus the Port's limited additional bonding capacity (discussed more fully below under "Operating Budget"), suggests that the Port's ability to fund new capital projects and major capital replacement projects is likely to be severely constrained for the foreseeable future.

Upcoming Budget Issues & Challenges

As noted in the Strategic Plan Implementation Report prepared by Port staff earlier this year, the medium to long-term economic outlook at the national and global level remains murky, with substantial economic rebound occurring in an undefined, indefinite future. Moreover with economic stagnation, the likelihood that State and Federal funding will return to levels resembling the period prior to the "great recession" of 2008 has substantially diminished, suggesting that funding for significant new capital projects is likely to remain problematic. Nevertheless, even as the ability of government to fund infrastructure improvements has decreased, many in the community continue to look to government, including the Port, to undertake new projects and programs and to help solve economic problems.

To add to the uncertainty: legislative gridlock in Washington D.C. over a long-term budget compromise has resulted in automatic across the board federal spending cuts through the so-called "sequester". These indiscriminate cuts threaten additional creeping austerity and economic weakness.

However, the Port's revenue forecast is modestly improving, and there have been no significant cuts in services or staffing. Despite this apparently good news, the Port faces another challenging budget process for 2014. Port revenues, while up, are not growing fast enough to pay for the rising cost of existing services and to respond to emerging capital maintenance and replacement issues.

Looking to the future, the Port faces a large backlog of unfunded capital maintenance needs. Deferred maintenance leads to more costly repairs in the long run, and the Port is in a very real sense conducting "triage" for infrastructure repair and replacement. At the same time, there are significant capital improvements that could be made to support key sectors of the Jefferson County economy and build community well-being and resilience (e.g., Airport Rural Light Industrial Park to support local agricultural uses). In essence, this is the problem confronting the Port as we move ahead: *Should the Port focus solely upon addressing the growing*

maintenance backlog? Or, should the Port attempt to balance capital maintenance and replacement projects with new capital projects intended to provide for the long-term economic health of the community? It is imperative for the public, policy advisors, and policy makers to have a meaningful conversation about how to adequately support core infrastructure and services while also supporting the needs of the Jefferson County community in the years to come.

“Big Picture” Priorities

A roadmap to preparing a budget that is consistent with identified community priorities is provided by the Port’s Strategic Plan. The role of the Port is neatly summarized by the Port’s mission statement set forth in the Plan:

“The Mission of the Port of Port Townsend is to serve the citizens of Jefferson County by responsibly maintaining and developing property and facilities to promote sustainable economic growth, to provide community access to Port facilities and services, and to protect and maintain our community resources and maritime heritage.”

To accomplish this mission, the Plan outlines strategic directions and objectives intended to guide decision-making. Several core principles emerge from a review of the Plan:

- **Focus on the Basics:** Maintaining, protecting, preserving and enhancing existing Port capital infrastructure and services should be our priority;
- **Consider the Overall Well-Being of the Community:** Supporting a sustainable and healthy local economy should be our emphasis, factoring the economic, environmental and social consequences of our decisions, while providing a great place for businesses to flourish;
- **Provide Great Service:** Helping people access Port facilities, services and shoreline areas with staff that are prompt, responsive and courteous, is essential.

In addition to the direction provided by the Strategic Plan, a number of other factors can influence the Port’s project and funding decisions. These can include regulatory requirements, state and federal law (e.g., Department of Ecology stormwater standards) and construction seasons. Opportunities to leverage the Port’s limited project funding capacity with grants or coordinated projects with other entities (e.g., Port/WSU Extension renovation of the Cupola House at Point Hudson) can also affect the Port’s budget decisions. In every case, however, the Port must strive to implement the policy direction laid out in the Strategic Plan.

Project Selection Considerations

Capital Maintenance & Rehabilitation Projects: The Port has not formalized any criteria to identify capital maintenance and replacement projects. That said, a number of considerations typically factor into deciding which projects should be the highest priority, as follows:

- Project supports a core Port function in the community or maintains a critical, high value asset;
- Condition of the capital asset;
- Cost and cost effectiveness of project (i.e., using life cycle costs to weigh preservation opportunities against full capital asset replacement cost);
- Volume of public and/or tenant use of facility;
- Citizen and tenant complaints;
- Grant funding opportunities; and
- Geographic balance across east Jefferson County.

In general, the object is to deliver, over time, maintenance and improvement projects that serve the largest number and widest array of Port facility users.

New Capital Projects: New capital projects typically stand out among the community’s potential infrastructure needs because of their high cost, need for coordination with other public or private sector partners, community impact, size and complexity. As was true for capital maintenance and rehabilitation projects, the Port has not formalized any criteria for selecting new capital projects. However, potential project selection considerations might include the following:

- Project supports a key component of the local economy, or a sector likely to expand, thereby supporting family wage jobs, overall community well-being, and long-term resilience;
- Project supports environmental stewardship by advancing low-impact and more sustainable development principles;
- Project leverages available funding opportunities (e.g., is eligible for a specific and substantial grant award or offers other significant cost savings opportunities);
- Community support – projects that have the support of a substantial cross-section of the Jefferson County community as reflected in adopted Comprehensive Plans, or which feature public/private partnerships; and
- Geographic balance across east Jefferson County, in an effort to obtain a fair distribution of investments, functional benefits/impacts and community access to Port facilities.

The 2014 Budget – A Look Ahead

Operating Budget: No major changes within the operating budget are expected for 2014. As of March 31, 2013 the Port’s overall revenues are \$46,000 over budget as well as last year’s actual revenues. The Port’s overall operating expenses are \$29,000 under budget but \$64,098 over last year at this time. No staffing changes are currently anticipated for 2014. In consequence, a “status quo” operating budget is projected for 2014.

The Port’s overall cash and investment balance at March 31st is \$3,495,123. Of this amount \$939,214 is in Boat Haven Reserve, \$25,000 in Hazardous Waste Reserve, \$75,000 in Contingency Reserve and \$1,533,764 in Operating Reserve.

The Port is moving forward with financing of the new Administration Building. The funding is going to come in the form of a Junior Lien Revenue Bond. The bond is being structured with interest only payments each May and November until November 2016. From May 2017 until November 2018 we would have semi-annual Principal and Interest payments with the bonds fully paid off in November 2018. This was structured to, in essence, extend our current revenue bond an additional two years while at the same time leaving the Port’s bonding capacity intact at \$885,000.

Capital Budget: Four (4) significant capital maintenance and rehabilitation projects are being weighed for inclusion in the 2014 budget, as set forth below:

1. **C/D Dock Renovation:** The poor and deteriorating condition of C&D docks is well-documented and widely known.
 - a. Cost Estimate: Although a preliminary engineering estimate has not yet been obtained, it is estimated that approximately \$300,000-\$500,000 would be required to rehabilitate the docks to a standard similar to that being accomplished for the Commercial Basin project now underway.
 - b. Potential Funding Source: Boat Haven Reserve.
2. **Jetty Walkway at Point Hudson:** An engineer has been brought in to assess the stability of the jetty at Point Hudson. There appears to be considerable movement of the pilings, and the decking on the pedestrian public access portion of the facility from the “jog” waterward is severely compromised,

presenting a public safety issue. The Port is presently building a gate on the facility to restrict public access until the jetty walkway is stabilized.

- a. Cost Estimate: It is anticipated that approximately \$250,000 - \$500,000 would be required to repair the facility, depending on the engineer's estimate (pending).
- b. Potential Funding Source: Port Reserves.

3. **Point Hudson Cupola House/Duplex Renovation**: The Port has initiated conversations with both WSU Extension and The Gathering Place about the need to look for public grant agencies and/or private foundations for revenues necessary to begin the renovation of these historic structures. Although an engineer's evaluation and cost estimate has not yet been obtained, both buildings are clearly in need of significant rehabilitation, including the following: replacement of windows; sealing creosote impregnated subflooring from interior spaces; asbestos abatement; insulation; electrical upgrades; plumbing improvements; and exterior painting.

- a. Cost Estimate: Depending on the final scope of work, the total cost of this project could range anywhere from \$250,000 to \$750,000, with the Port likely responsible for meeting any grant match requirement. The final mix of public agency/private foundation monies would determine the Port's match obligations, which are initially estimated to range from at least \$25,000 - \$150,000.
- b. Potential Funding Source: Port Reserves.

4. **Quilcene Docks**: The docks at the Quilcene Marina are likely beyond the point of repair. Accordingly, this project would entail completely replacing the existing docks in their current configuration, but would not include maintenance dredging, modification or improvements to the boat ramp, or repairs to the rip-rap breakwater.

- a. Cost Estimate: Anticipated cost to replace the current docks, retaining their current configuration, is \$350,000 - \$400,000.
- b. Potential Funding Source: Port Reserves.

Only one (1) new capital project is being contemplated for inclusion in the Port's 2014 Budget:

Airport Industrial Park: The Port completed an Airport Rural Industrial Park Feasibility Analysis in 2011. That report concluded that approximately \$2.5 million would be required to install "phase 1" infrastructure and have spaces available for ground leases (i.e., with tenant-constructed buildings). Final build-out of infrastructure ("phase 2") at the Industrial Park would require an additional \$1.0 million. It is not recommended that the full range of phase 1 infrastructure be undertaken at this time. However, the Port could begin a process of incremental installation of water and fire flow infrastructure, with a view towards additional step-wise provision of infrastructure over time. The objective, ultimately, is to create a place where the local agricultural sector can centralize food processing, cold storage, and distribution activities.

- a. Cost Estimate: The estimate for extending water and fire flow to the site is approximately \$100,000.
- b. Potential Funding Source: Port Reserves.

2014 Budget Process & Timeline

The tentative schedule for developing the Port's 2014 Budget is set forth in Figure #3, on the following page. Please note that any recommendations the PSAC may have regarding capital priorities for should be provided to the Port Commission in time for presentation at the Commission's June 12th Workshop Session.

Figure #3: 2014 Budget – Preliminary Schedule & Timeline

Date	Time	Activity
June 12, 2013	9:30 a.m.	Commission Workshop – PSAC presentation of Strategic Plan Report & Recommendations, including 2014 Budget priorities.
July 10, 2013	9:30 a.m.	Commission Workshop – discussion of preliminary 2014 budget issues, goals, and assumptions, and review of June “year to date” operating results.
August 1-9, 2013	TBD	Individual work sessions with department managers and Executive Director.
August 14, 2013	9:30 a.m.	Commission Workshop – discussion of preliminary 2014 budget issues; discussion of June “year to date” operating results.
August 20, 2013	9:00 a.m.	Group work session with department managers and Executive Director – if necessary.
August 28, 2013	6:30 p.m.	Commission Regular Meeting – continued budget discussions.
September 11, 2013	9:30 a.m.	Commission Regular Meeting – continued discussion of 2014 Budget issues, review of revenue projections; proposed rate adjustments (if any) forwarded to Commission.
September 25, 2013	6:30 p.m.	Commission Regular Meeting - First draft of Operating Budget, Capital Improvements Program (CIP) and cash flow projections presented to Commission and public.
September 25, 2013	N/A	First draft of Operating Budget, CIP and cash flow projections posted on Port’s website for public review and comment.
October 9, 2013	1:00 p.m.	Commission Regular Meeting – Second draft of Operating Budget, Capital Improvements Program (CIP) and cash flow projections presented to Commission and public.
October 7 – 23, 2013	N/A	Upcoming Public Hearings on Budget advertised in the Port Townsend-Jefferson County <u>Leader</u> and Peninsula <u>Daily News</u> .
October 23, 2013	6:30 p.m.	Commission Regular Meeting – First public hearing and formal public comment on Operating Budget and CIP.
November 8, 2013	1:00 p.m.	Commission Regular Meeting – Second public hearing and formal public comment on Operating Budget and CIP; adoption of 2014 Budget.
November 30, 2013	N/A	Statutory Deadline for filing adopted Operating Budget and Tax Levy Request.

Action Requested of PSAC

Please provide recommendations to Port staff and the Commission regarding 2014 Budget priorities, as you feel appropriate.

Attachment “C”
Port of Port Townsend
Community Open House/Workshop – Meeting Summary
March 21, 2013

Meeting Overview:

More than 400 post card invitations were mailed to Port Tenants in advance of the Public Open House and Workshop, a quarter-page display ad was published in the Port Townsend/Jefferson County Leader newspaper on March 13, and notices were also posted at a number of prominent locations around Port facilities, including the Boat Haven. In response, approximately 30 people attended the meeting, which was held in the Port Townsend Yacht Club.

In attendance were eight (8) of the ten (10) members of the Port Strategic Advisory Committee (PSAC), as follows: Bill Curtsinger; Tony Petrillo; David Hero; Scott Erickson; Diana Talley; Bertram Levy; Ron Hayes; and ex officio staff member Larry Aase. Also in attendance were Port Commissioners Leif Erickson and Steve Tucker, Port Executive Director, Larry Crockett, Deputy Director, Jim Pivarnik, Director of Finance, Amy Khile, and Planning Analyst, Eric Toews.

The meeting was convened to fulfill Objective 4.2 of the Strategic Plan, which states in pertinent part:

“Create and sustain positive relationships with stakeholders and the wider Jefferson County community.

- *Conduct an annual stakeholder meeting to identify key concerns prior to the initiation of the budget process.”*

The intent of the meeting was to provide PSAC members with an opportunity to hear from interested members of the public and stakeholder groups before initiating its annual review of the Port Strategic Plan. A majority of the comments received during the meeting were voiced by PSAC members, with only four (4) comments provided by members of the invited public.

Staff Presentation:

The meeting began at 6:30 p.m. with brief welcome and introductions Port Planning Analyst, Eric Toews.

Mr. Toews provided a 20 minute PowerPoint presentation that addressed the following:

- The role of the Port;
- Why and how the Strategic Plan was developed;
- Issues and concerns that shaped the Plan;
- Overview of key Plan concepts;

- Summary of implementation efforts; and
- Areas for improvement/unfinished work.

Public Comments:

Following the presentation, Mr. Toews opened the floor up to public questions and comments, encouraging attendees to identify the three (3) changes they would most like to see at the Port of Port Townsend and suggestions as to how the Port could improve its service to the community.

Diana Tally a member of the Port Strategic Advisory Committee (PSAC), and co-owner of Taku Marine, expressed deep concern over the Port's decision to move ahead with the construction of a new Port Administration Building. Was at least somewhat heartened to learn that a local contractor had been selected to perform the work, and urged the Port to develop a bidding protocol that favored the selection of local contractors if their bids came within a certain defined percentage margin (e.g., 5%) of the lowest bid. She indicated that other jurisdictions had managed to adopt such standards, and wondered why the Port of Port Townsend had not also done so.

Port Executive Director, Larry Crockett, responded that State bidding laws precluded affording such favorable treatment to local contractors, although a local contractor had been awarded the contract for the new building. Port Planning Analyst, Eric Toews, added that an alternative process – unsolicited bids – was at least in concept a means for local contractors to seek local projects, but that most jurisdictions were unfamiliar with the process and reluctant to use it because of potential legal risks associated with a contracting procedure that was unfamiliar and untested.

Larry Aase, Port Maintenance Manager and ex officio staff member of the PSAC, commented that local vendors provide many of the materials and services required by the Port “off the roster,” and that the total amount paid to local vendors was quite a substantial amount annually. He stated that projects requiring a formal bidding process (i.e., those exceeding \$250,000) represented a relatively small number of the projects undertaken by the Port.

Ms. Talley also urged the Port to consider adopting a rate structure that was designed to attract businesses to the Port, not merely to be “comparable” to other Ports in the region. She indicated that other Ports aggressively seek to lower their rates to successfully compete for business activity, and the Port of Port Townsend should do likewise.

She also commented that Port customer service was still in need of improvement, and that Port management staff should: 1) visit Port properties and businesses more regularly; and 2) actively seek out the opinions and concerns of Port tenants on an impromptu basis, rather than merely responding to tenant problems/issues when they arose.

Dan Kulin, co-owner of Port Townsend Rigging, asked for clarification on what constituted “local” in the context of hiring contractors, and expressed his opinion that certainly Clallam County and other areas in Western Washington could and should be considered so.

An unidentified man interested in the Jefferson County International Airport (JCIA) expressed his opinion that the new Administration Building was another example of misplaced Port priorities, particularly in view of the comparative lack of investment at the JCIA. He asked why it was that the Port could afford such a structure when it could not fund new public restrooms at the Airport, which necessitated public use of a Sani-Can instead.

Liza Vizzini, co-owner of Port Townsend Rigging, voiced her shock and displeasure with the Port’s 2010 decision to cease its attendance of the Seattle Boat Show. She stated that Port Townsend was considered “Egypt” (in apparent reference to an ancient and faraway land) to boaters and marine trades on the east side of Puget Sound. Ms. Vizzini expressed her strong opinion that the Port must do much better if it is at all serious about marketing itself and Port Townsend marine trades, and that “showing up” and repeating a consistent message was job #1 in this regard.

Port Commissioner Leif Erickson commented that the Port Commission needed input like that offered by Ms. Vizzini, and encouraged people to attend and participate in Port Commission meetings to better inform Port decision-making.

Scott Erickson, a member of the PSAC and owner of Aurora Aircraft Maintenance and Restoration, expressed his opinion that increased and improved marketing was also necessary for the Airport. In this vein, he stated that having a booth at the annual Arlington Airshow would be a good start for JCIA business promotion.

Peter Downey, owner of Discovery Bay Shellfish, prefaced his comments by noting that, given the size of Jefferson County (approximately 28,000) and available resources, that the Port of Port Townsend does a very good job. He commented that federal and state grant funding for capital maintenance and improvements was drying up, and that the Port and community needed to get creative and think “outside the box” about avenues to fund necessary improvements. He suggested that gaining access to new sources of capital was critical to the Port in general and to the local shellfish industry in particular. He stated that the shellfish industry was “in crisis” and that there was a need to develop new lines of value added products. An example of this is Horse Clams, which are locally abundant, however have a very short shelf-life for consumption fresh. A processing plant that would allow such a product to be flash-frozen and packaged for shipment to a wider market would be of tremendous benefit to the industry. This would not necessarily require the Port to seek grant funding for a facility, but rather, to collaborate with the industry to seek venture capital investment and ensure a location at a favorable long-term lease rate for its construction.

Scott Erickson stated his opinion that the setting of the Jefferson County International Airport was unique and beautiful, and that many pilots from around the region fly into Port Townsend

simply because of this natural beauty. He said that it was important for the Port to be mindful of this visual setting as it undertook improvements at the JCIA – taking care, for instance, not to ruin the views of the Olympic Mountains from the Spruce Goose Restaurant.

PSAC member Bertram Levy raised a number of issues and concerns, including the following:

- There is an ongoing need to improve the Port’s emphasis on fixing aging infrastructure first. He stated that C/D Docks at the Boat Haven were seriously deteriorating and in urgent need of renovation.
- He took issue with Mr. Toews’ statement in the staff presentation that the economic downturn of 2008 had largely eliminated what remained of the Port’s ability to bond for further improvements. Mr. Levy stated that the chief reason the Port could not bond for additional improvements was not falling tax assessments and associated revenues, but the debt load from prior projects that would be with the Port until 2025. He expressed the concern that the Port would be cash poor for the foreseeable future.
- While the construction of the Heavy Haul-Out Lift has paid dividends recently, as evidenced by the number of hauls for vessel refits, this activity has been driven principally by recently favorable fishing seasons – which will not necessarily be expected consistently in the future. Meanwhile, C & D Docks are seriously deteriorating and need to be prioritized for capital maintenance/replacement.
- The moorage rates at the Port of Port Townsend remain somewhat high, and consideration should be given to linking rates to the median household income of the community to ensure a fair structure that supports the local boating culture.
- Although the Port adopted a Strategic Plan that requires adherence to “triple bottom line decision-making” principles (i.e., which factors the environmental, economic and social consequences of decisions), this process was not followed by the Port in the case of the Marine Exchange/Port Administration Building. The Marine Exchange provided great service to boaters over the years, and was a real asset to the character of the Boat Haven – these intangible (social) benefits were not weighed in deciding to evict the tenant, demolish the structure, and replace it with a new Port Administration Building.

Some of the concerns raised by Mr. Levy were echoed by PSAC member Diana Talley, who reiterated specifically that the decision-making process for the Port Administration Building was flawed and inadequate.

Ron Hayes, also a member of the PSAC, suggested that the Port could take some creative steps to attract sport fishermen and fishing derbies to Port Townsend. He stated that access to the water needed to be expanded by providing more and larger boat ramps, and that protected moorage for events also needed to be considered and provided for. Mr. Hayes suggested rafting of boats could be one solution to providing moorage. He noted the indirect economic benefits to the community of attracting recreational fishing events to the area, stressing the lift that such events could bring to local restaurants, innkeepers and retail shops. Mr. Hayes also raised the issue of the lack of available parking for vehicles with boat trailers, and the strict enforcement of parking regulations by the Port Townsend Police Department, as current obstacles to successfully attracting fishermen.

Hearing no further comments, Mr. Toews thanked those in attendance for their participation and described how the public could remain involved in the conversation:

- By sending written comments to the Port by May 8th, to be forwarded to the PSAC;
- By speaking directly with members of the PSAC;
- By attending the May 9th PSAC meeting and the June Port Commission meeting when the PSAC's Report and Recommendation will be considered; and finally,
- By calling or dropping by the Port Administration Office to speak directly with staff.

The meeting adjourned at approximately 8:00 p.m.

Attachment “D”

STRATEGIC PLAN CONSISTENCY Decision-Evaluation Process & Checklist:

Port Townsend Commercial Boat Basin Repair & Maintenance Project

I. Introduction

The Purpose, Mission, Values and Strategic Directions set forth in the Port of Port Townsend’s 2010 Strategic Plan were used to develop this Decision-Evaluation Process and Checklist. Formal review and preparation of a project evaluation checklist is intended only to apply to larger Port projects and programs (i.e., those exceeding \$100,000.00).

It is important to recognize that there are no “right” or “wrong” checklist responses per se. Instead, the evaluation checklist responses are intended to provide a more systematic approach to evaluating and understanding proposed projects and programs. Checklist responses will help Port staff, the Port Commission, and public consider the degree to which individual actions are consistent with the Strategic Plan, and the principles of “triple bottom line” (TBL) decision-making.

For many projects documenting the general consistency of a proposal with the Plan will be fairly straightforward. Other projects and programs may clearly fail to advance multiple core values and/or strategic directions. Such actions should be viewed with great caution, and when possible, avoided. Finally, it is likely that some proposals will be neither clearly consistent, nor inconsistent, with the Strategic Plan as a whole, even though they may possess characteristics desired by the community. In such cases, the challenge will be to fairly and objectively determine whether or not a project broadly conforms to the composite guidance provided by the Plan.

II. Projects & Programs Exempt from Formal Review

Any project or programmatic action undertaken by the Port of Port Townsend that is anticipated to cost, or has a fair market value equal to or less than \$100,000.00 is exempt from the requirement to prepare a Decision-Evaluation Checklist and obtain an advisory recommendation from the Port Strategic Advisory Committee (PSAC).

However, at the sole discretion of the Port Commission or Port’s Executive Director, Decision-Evaluation Checklists may be prepared, and PSAC review and recommendation obtained, for any project falling below the exemption threshold.

III. Decision-Evaluation Checklist

This Decision-Evaluation Checklist asks you to describe some basic information about major project and program proposals not exempted under section II, above. Port staff should use this checklist to assess whether a proposal is broadly consistent with the direction of the Port of Port Townsend Strategic Plan. Please answer the questions briefly with the most precise information known, or give the best description you can. You should answer each question accurately and carefully to the best of your knowledge. If a question does not apply to the proposed action, write "do not know" or "does not apply." Attach any additional information that will help describe the proposal and its consistency with the Strategic Plan.

Background

Project Information

1. **Name of proposed project:** *Port of Port Townsend Commercial Basin Repair & Maintenance Project*
2. **Port of Port Townsend contact person:** *Eric Toews, Planning Analyst*
3. **Date checklist prepared:** *November 5, 2012*
4. **Proposed timing or schedule:** *July 15 – September 1, 2013.*
5. **Are there plans for future additions, expansion, or further activity related to or connected with this proposal? If yes, explain.** *No. The proposal is to repair and rehabilitate the existing commercial basin only.*
6. **List any background information that has been prepared, or will be prepared, directly related to this proposal.** *No background information has been prepared at the time of this writing. The permit applications identified in question #7, below, will be prepared prior to the commencement of repair and maintenance work.*
7. **List any government approvals or permits that will be needed for the proposal, if known.** *Port Townsend Municipal Code review for shorelines and critical areas compliance (i.e., issuance of a Shorelines Substantial Development Permit Exemption); SEPA review and approval; Department of Fish and Wildlife Hydraulic Permit Approval; and US Army Corps of Engineers Section 404 individual permit.*
8. **Give a brief, complete description of the proposal.** *The Port of Port Townsend is proposing to repair the commercial, or northeast, basin at its Boat Haven facility. The commercial basin is approximately 4-acres in size, and is separated from the main basin by the Benedict Street Spit. The commercial basin serves the commercial fishing industry, and has moorage for approximately 50 vessels. In the mid-80s, the northeast basin was home to approximately 50 commercial fishing vessels. Market conditions caused that number to dwindle in the intervening decades, resulting in increased recreational vessel use. However, the number of commercial vessels using the facility has increased in recent years.*

The proposed work would consist of the following: the removal and replacement of 8 creosote piles with galvanized steel piles; the removal and replacement of all walers and rub boards with ACZA treated material including new rods, cleats and HUMW rub blocks for the pile guides. Fire, water and electrical systems are being maintained and re-installed with new galvanized brackets.

9. **Location of the proposal. Give sufficient information for a person to understand the precise location of the proposal.** *As noted above, the 4-acre commercial basin lies to the northeast of the Benedict Street Spit, within the Port's Boat Haven property.*

Consistency with Strategic Plan Objectives

Community Access

10. **Please describe how the proposed action makes Port facilities, services, and/or the shoreline environment more accessible to the community or visitors:** *The principal purpose of the proposed repairs and upgrades is to ensure the continued usefulness of this important Port facility to the commercial fishing industry, as well as recreational boaters.*
11. **Does the proposed action increase the range of services accessible to the community as a whole? Please explain:** *No. The proposed repairs and upgrades would maintain, rather than expand, the range of services accessible to the community.*
12. **Does the proposed action expand opportunities for recreational boaters or shoreline pedestrian access? Please explain:** *No, not per se. The proposal does not directly affect recreational boaters. However, because the basin is used for recreational moorage at times when the economic climate is not favorable to commercial fishing, it can provide an opportunity for recreational boaters to access the shoreline environment at the Boat Haven.*

Sustainable Economic Development

13. **Would the proposed action help to stimulate countywide economic activity and vitality? How? Please explain:** *Yes. Properly repairing and maintaining the commercial boat basin is important for retaining existing jobs in the commercial fishing industry based in Port Townsend. Presently, 25 commercial fishing vessels are based here, providing jobs for approximately 100 workers, many of whom live and have families here contributing both directly and indirectly to the local economy.*
14. **Would "family-wage" jobs be created as a result of the proposed action? If yes, how many? Please explain:** *As noted above, this repair and maintenance project would allow the commercial basin to serve as a base for up to fifty commercial fishing vessels and the well-paid jobs provided by this industry. While the project may not directly result in the provision of new jobs, it does help to maintain the opportunity for private sector fishing businesses to maintain and expand living wage jobs in the community.*
15. **Has the proposal been assessed for consistency with the adopted Countywide Economic Development Strategy as well as the relevant GMA Comprehensive Plan? Have the County, City and Associated Economic Development Organization (e.g., "Team Jefferson") been consulted? Please explain:** *The Countywide Economic Development Strategy has not yet been adopted, and it is unclear when (or if) the jurisdictions will do so. However, the proposed action has been reviewed and assessed for consistency*

against the “working draft” of the Economic Development Strategy (dated December 9, 2011). The proposal appears to directly advance a number of the goal and policy directives of the draft, including the following:

- 1.1.2** Focus economic planning efforts and public investments in existing economic areas.
 - 1.7:** Focus economic development energies towards retaining existing businesses over the next five years, rather than recruiting new businesses.
 - 2.4:** Provide critical pieces of infrastructure that enable us to more fully participate in larger economic markets without compromising our special community character.
- Finally, because the proposal is to repair and maintain an existing facility, rather than undertake a significant new capital facility project, the Port has not directly consulted with the County, City or Team Jefferson.

- 16. Would the proposal preserve, protect or enhance historic, environmental or other community resources? If yes, please describe how:** *The proposed project would have no direct impact upon historic or environmental resources, although the facility itself can justifiably be considered a community resource which is being maintained and protected. Moreover, to the extent that maintaining the facility encourages the long-term vitality and viability of commercial fishing operations based in Port Townsend, it helps to maintain and preserve Port Townsend’s working waterfront heritage and maritime character.*
- 17. For new development projects:**
- a. Is the proposal compatible with existing uses? Explain how:** *Inapplicable – this is a maintenance, rather than new development, project.*
 - b. Is the proposal fiscally prudent? Describe:** *Inapplicable – this is a maintenance, rather than new development, project.*

Infrastructure Maintenance & Development

- 18. Does the proposed action help to further the development or maintenance of safe, sound and self-supporting infrastructure at Port facilities? Please describe:** *Yes. This capital repair and maintenance project is critically necessary to ensure that the commercial basin is safe, sound and of continued usefulness to the fishing industry. Boat Haven Reserves are the proposed source of funding for this \$500,000 project. The Port employs a “cost-center” approach to facility management and budgeting, helping to ensure that revenues generated by the Boat Haven facility as a whole serve as the source for capital project funding.*
- 19. Does the proposed action seek to maintain existing Port infrastructure, or develop new infrastructure? If proposal involves the development or construction of new infrastructure, would it compromise the budget available for the maintenance of existing facilities and infrastructure? Please explain:** *The commercial basin project is focused solely upon repairing and maintaining existing Port capital infrastructure – and is being funded through the reserve fund set aside for the Boat Haven facility, of which the commercial basin is a part.*
- 20. For high priority infrastructure or facility maintenance projects, have all potential public funding sources been identified and pursued? Port staff examined all potential funding sources this project, including the availability of grant funding sources; no grant opportunities were available.**

Public Involvement & Responsiveness to Community Needs

21. **Has the proposal been subject to review and recommendation by the Port Strategic Advisory Committee (PSAC)?** *The proposal is scheduled to be reviewed and considered by the PSAC on Thursday, December 6th, 2012.*
22. **Have other stakeholder groups and the community been informed about the proposal and provided with an opportunity to provide input?** *There has been no direct public outreach effort, although this project has been noted in the Port's newsletter to its tenants, and has been included in draft versions of the Port's 2013 Budget, which has been subject to public comment in meetings of the Port Commission. Projects that seek to repair and maintain existing capital assets have not historically been subject to public outreach, unless they propose significant modifications or expansions of existing facilities.*

Fiscal Comprehensibility, Transparency & Accountability

23. **How would the proposal impact the short-term and long-term financial stability and solvency of the Port? Please describe:** *The proposal is unlikely to have any discernible impact on the financial stability and solvency of the Port. However, this capital maintenance project protects and preserves an existing facility that is centrally important to the long-term financial stability and solvency of the Port.*
24. **Is the proposal consistent with the Port's Financial Plan and Budget?** *Yes. This capital maintenance project is included in the most current draft of the Port's 2013 Budget, which is slated for adoption by the Port Commission on Tuesday, November 13, 2012.*
25. **Would the proposal help to diversify the Port's revenue base in a manner consistent with the Strategic Plan and "triple bottom line" principles?** *The proposal would help to protect and maintain, rather than diversify, the Port's existing revenue base.*

Consistency with Community Stewardship Objectives

26. **How does the proposal seek to preserve or enhance important environmental resources, if applicable?** *The question is inapplicable. The proposal would not materially impact environmental features.*
27. **Does the proposal incorporate best management practices (BMPs) or principles of low impact development (LID)? Please describe:** *Yes. Compliance with local, state and federal permitting requirements will ensure that the proposed project is conditioned to mitigate adverse environmental impacts.*

Additional "Triple-Bottom Line" (TBL) Considerations

28. **Please describe the direct, indirect and intangible economic costs and benefits of the proposed action:** *The direct economic cost to the Port and community is the use of \$500,000 in Boat Haven reserve monies to fund the project. Longer-term, indirect and intangible economic costs are not foreseen, although the economic benefits of proper maintenance of this important capital asset are obvious: doing so allows the commercial fishing industry to use Port Townsend as a base of operations, providing jobs for local residents and indirect and intangible benefits to the community as a whole.*

29. **Have the long-term environmental consequences of the proposed action been assessed under the State Environmental Policy Act (SEPA)?** *At the time of checklist preparation, SEPA review has not been conducted, although it will be required prior to permit issuance. As a capital facility maintenance project, no short or long-term significant adverse environmental impacts are anticipated.*
30. **Have the community-wide social impacts, costs and benefits of the proposal been factored? Please explain how:** *Yes. Maintaining the commercial basin helps to preserve the community's working waterfront heritage, and ensure its continued vitality, directly supporting workers who live in the community, and indirectly benefitting the local economy at minimal and transitory (i.e., during repair work) to no environmental impact.*