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**Port of Port Townsend
1st Monthly Meeting Agenda, *VERSION 2*
Wednesday, January 10, 2018, 1:00 p.m.
Port Commission Building
333 Benedict Street
Port Townsend, WA**

- I. Call to Order / Pledge of Allegiance
- II. Approval of Agenda
- III. Election of Year 2018 Officers
- IV. Consent Agenda
 - A. Approval of Public Workshop – December 13, 2017.....1-2
 - Approval of Regular Meeting Minutes – December 13, 2017.....3-7
 - Approval of Special Meeting Minutes – January 3, 2018.....8
 - B. Approval of Warrants
- V. Public Comments (not related to Agenda)
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- VII. Second Reading
- VIII. First Reading
 - A. Resolution No. 673-18, Delegation of Management Authority to the Executive Director.....12-27
 - B. Meeting Procedures Resolution.....28-34
- IX. Regular Business
 - A. Authorization to Engage NW Municipal Advisors & Bond Counsel (K&L Gates) to Prepare a Point Hudson South Jetty Bond Package.....35
 - B. WA Public Ports Association Annual “Port Day”36
 - C. November 2017 Financials.....37-41
 - D. 2018 Committee Assignments.....42-44
 - E. ***Acceptance of the Workyard Resurfacing Project***.....45
- X. Staff Comments
- XI. Public Comments
- XII. Commissioner Comments

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- XIII. Next Public Workshop / Regular Meeting
 Wednesday, January 24, 2018: Workshop time TBD, Meeting at 5:30 p.m. in the Port Commission Building, 333 Benedict Street, Port Townsend, WA.
- XIV. Executive Session (if called)
- XV. Adjournment

PORT COMMISSION PUBLIC WORKSHOP – December 13, 2017

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

Present: Commissioners Hanke, Clinefelter & Tucker
Executive Director Gibboney
Auditor Berg
Director of Operations & Business Development Englin
Director of Planning Toews
Communications Coordinator Matej
Recorder Nelson

Guest Speaker: Scott Bauer, Northwest Municipal Advisors

I. CALL TO ORDER:

Commissioner Hanke called the Workshop to order at 9:30 a.m.

II. AGENDA:

Refer to attached workshop agenda for items discussed.

IV. ADJOURNMENT:

The Workshop adjourned at 11:03 a.m.

ATTEST:

Peter W. Hanke, President

Stephen R. Tucker, Secretary

Brad A. Clinefelter, Vice President

**Port of Port Townsend
Public Workshop
Wednesday, December 13, 2017, 9:30 a.m.
Port Commission Building
333 Benedict Street
Port Townsend, WA**

AGENDA

- **BOND COUNSEL PRESENTATION**

Financial Advisor, Scott Bauer of Northwest Municipal Advisors, will present the information on the current bonding market, bonding options, the Port's bonding capacity, etc. This presentation is information only that will assist the Commission in their decision regarding the construction funding of the South Jetty at Point Hudson.

- **POINT HUDSON JETTY – WORK STATUS UPDATE & ESTIMATE OF PROBABLE CONSTRUCTION COST AT 70% DESIGN**

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

PORT COMMISSION REGULAR MEETING— December 13, 2017

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

Present: Commissioners – Hanke, Clinefelter and Tucker
Executive Director Gibboney
Auditor Berg
Director of Operations & Business Development Englin
Director of Planning Toews
Communications Coordinator Matej
Attorney Goodstein
Minutes – Nelson

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

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

Commissioner Hanke asked for a moment of silence in remembrance of former Port Yard employee, James “Malachi” Gay, who recently passed away.

II. APPROVAL OF AGENDA:

Commissioner Tucker proposed an addition to Regular Business, Item E – the Western Washington University Rate Study. Mr. Toews proposed an addition to Regular Business, Item F – Open Letter to the Community on Community Discourse.

Commissioner Clinefelter moved to approve the Agenda as amended.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

III. CONSENT AGENDA (2:38):

- A. Approval of Meeting Minutes – November 21, 2017
Approval of Special Meeting Minutes, December 6, 2017
- B. Resolution No. 672-17 – Modifying the Amount of the Auditor’s Revolving Fund
- C. Write-off Register
- D. Approval of Warrants

Warrant #058504 through #058516 in the amount of \$61,788.94 for Payroll & Benefits
Electronic Payment in the Amount of \$110,417.31 for Payroll & Benefits

Warrant #058517 through #058580 in the amount of \$244,659.50 for Accounts Payable

Commissioner Clinefelter moved to approve the Consent Agenda as presented.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

IV. PUBLIC COMMENTS (Not related to agenda) (3:00):

Ernie Baird thanked Commissioner Clinefelter for his service to the community, and for work accomplished towards the Capital assets inventory and plan.

Bertram Levy complimented Commissioner Clinefelter for taking a strong stand. He also discussed the budget and ramp fees.

Pam Petranek discussed the Governor's "Washington Maritime Blue" meetings. She said one is coming up in Port Hadlock Thursday. She also commented on a "quote" from the Executive Director she read in an article.

V. SECOND READING (Action Items):

VI. FIRST READING (Discussion Only):

VII. REGULAR BUSINESS:

A. Labor Agreement (11:46):

Director Gibboney presented the agreement with Teamsters Local 589, the bargaining unit that represents a portion of the Port employees, effective January 1, 2018.

Commissioner Hanke moved to adopt the contract with Teamsters Local 589 as written.

Commissioner Clinefelter seconded the motion.

Motion carried by unanimous vote.

B. Organizational Chart (13:13):

Commissioner Hanke expressed his appreciation on the nice job negotiating the agreement. Director Gibboney gave recognition to Port staff bargaining unit members: David Johnson, Sean Smith and Chuck Fauls. She stated the presented Organizational Chart is related to the approved contract. She discussed changes made to the chart, adding there is no change to the number of full time employees. She then asked for Commission approval.

Commissioner Clinefelter moved to adopt the Organizational Chart as presented.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

C. Moorage and RV Rates (16:32):

Mr. Englin presented the rates, CPI + 1%, to the Commission. Discussion ensued.

Commissioner Hanke asked to see a comparison with 2017 rates. Director Gibboney reminded the Commission the rate increase was approved in the budget, with plans to implement on January 1, 2018, unless directed otherwise. She noted customers were sent a 30-day notice on the increase. After much discussion, Director Gibboney recommended keeping the rates as adopted in the budget, and the Commission can always re-examine and adjust if they feel necessary. Commissioner Hanke noted his displeasure with the extra 1%. Commissioner Tucker stated he believes the additional 1% may give the Port a chance to eventually get ahead.

D. October 2017 Financials (29:14):

Ms. Berg provided an update to the Commission on the October Financials.

E. Western Washington University (WWU) Rate Study:

Commissioner Tucker reminded that at the previous meeting Director Gibboney discussed the possibility of hiring WWU to perform a market study on rates and leases and would bring a scope of work to this meeting. He asked Director Gibboney to move

forward with a draft scope, especially now, with the concerns, questions and uncertainty from tenants on lease rates.

Commissioner Clinefelter asked about the expense of a study. Director Gibboney explained she reached out to both WWU and Kidder Matthews (KM). KM estimated \$12,500 to update their 2006 survey, depending on the scope of work. The Center for Economic and Business Research at WWU estimated \$15-20,000. Discussion ensued. Commissioner Hanke voiced that he does not believe a study is necessary and discussed his reasons for that.

Commissioner Tucker stated he believes delaying a rate study prolongs a "slow death", and explained his reasons.

Further discussion ensued.

Commissioner Clinefelter added that he sides with Commissioner Tucker and stated it is the Port's fiduciary responsibility, long-term.

Ms. Gibboney asked if the Commission would like her to proceed with developing a scope of work with one or both. She explained the differences in the surveys that each firm would conduct. Commissioner Clinefelter suggested implementing the matrix developed by Mr. Toews, compare the two, and see which scores highest. Ms. Gibboney stated she could present the information at the next meeting.

Bob Frank and Ernie Baird provided public comment.

(Commissioner Hanke changed order of the agenda.)

XII. EXECUTIVE SESSION:

At 2:04 p.m., the Regular Session recessed for a thirty-minute Executive Session to discuss Potential Litigation, pursuant to RCW 42.30.110 (i), with possible action.

RECONVENING OF REGULAR MEETING:

The Regular Meeting reconvened at 1:35 pm.

Commissioner Clinefelter moved to evict a Port tenant from the moorage facility at Boat Haven.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

VII. REGULAR BUSINESS (cont.):

F. Open Letter to Community (1:35):

Mr. Toews announced that staff spoke with each commissioner individually, and the consensus was to draft an open letter from the Commission to the community requesting a higher standard of behavior, and for the Commission to choose one Commissioner to take on that task. Commissioner Hanke agreed to that role.

VIII. STAFF COMMENTS:

Director Gibboney reported that work on the stormwater project was substantially complete and that the contractor has finished. She expressed her gratitude towards Maintenance Manager Larry Aase, Yard Manager Terry Khile and Project Manager Marc Horton for their work and said that without their efforts, the project could not have been done. She discussed the very sizeable cost savings on this project. Director

Gibboney stated once all paper work is completed, the final closeout would be presented to the Commission for approval. Commissioner Hanke added that the current stormwater project has saved the Port \$1M.

Director Gibboney noted she and Commissioner Tucker attended a two-day meeting with the NW Maritime Center and the City on Point Hudson planning.

She announced she attended an LTAC meeting and reached out to business owners on mitigation and the jetty project.

Ms. Gibboney is involved with planning of the January 3 & 4 Commission retreat.

She announced she met with Betsy Davis of the NW School of Wooden Boat Building, who explained to her that the School is planning to build a pump-out boat for the Port's operations. Later, they will request a partnership with the Port.

Mr. Englin reported he has been working on the lease and moorage agreement with WA Dept. of Fish & Wildlife.

He handed out a sample Operations & Occupancy Report. He discussed the reporting is by percentages on this report.

Kimberly Matej stated the comment period closed on November 30 for the online Open House. Results will be forwarded to consultant Maul Foster and then to the Commission.

Soon, she will be looking into revamping the Port's website, as outlined in the 2018 budget.

Ms. Matej has met with Marc Burn and David Griswold on marketing collaboration with the Marine Trades Association.

She is working on advertising with NW Boat Travel on the 2018 Boat Travel magazine.

Ms. Matej reported she has been talking with The Leader on ad structure for 2018, been working on the Seattle Boat Show and an ad partnership with the Port Townsend Foundry.

Mr. Toews reported 30% design work on the (shed) runway rehab project was received from the engineer.

He reported he has received the Quilcene Feasibility Study report. He will forward the report and cover letter to the County Administrator next week or so.

70% design for the Point Hudson Jetty project has been received. He is providing feedback to Mott Mac Donald, and is working on the project schedule.

Mr. Toews also is working on the development of a lease policy, an RFQ for the Quilcene planning strategy, and is following up on a Public Records Request.

Ms. Nelson announced Port Security Officer Pete Parrish is retiring from the Port and a public Open House is scheduled for Thursday, Dec. 21 in the Port Administration Building from 2:00-4:00 p.m.

Ms. Gibboney expressed gratitude for Mr. Parrish and stated he has been an exemplary employee with over ten years at the Port. She announced his last day will be December 30, 2017.

Commissioner Hanke expressed his gratitude for Mr. Parrish and said we all owe him our gratitude.

Ms. Matej announced the Port's first annual Dock Lights is scheduled from 4:00-6:00 pm, following the Open House.

IX. PUBLIC COMMENTS (22:42):

In-coming Port Commissioner Bill Putney expressed his appreciation to staff and the commission for putting up with him the past four years as a member of the public.

Bertram Levy commented there should be a moratorium on spending.

Chris Sanok commented on leases and the survey, which he favors doing with the University.

Bob Frank asked the capacity of the shipyard.

X. COMMISSIONER COMMENTS (27:23):

Commissioner Tucker explained he has been very busy talking with constituents, working on the budget, and with the NW Maritime Center on Point Hudson planning, therefore, he missed this month's NODC and MRC meetings. He was able to attend an interesting Energy Lunch meeting.

Commissioner Hanke stated he has enjoyed working with Commissioner Clinefelter. He added that Commissioner Clinefelter has made "wonderful contributions" over the past four years.

Commissioner Clinefelter replied that it has been a pleasure working with staff and the commission and it has been an honor.

XI. NEXT SPECIAL/PUBLIC WORKSHOP & REGULAR MEETING:

- Special Meeting: Wednesday, January 3, 2018, 9 a.m. at the Old Alcohol Plant, 310 Hadlock Bay Road, Port Hadlock. Subject: Warrant Approval Only.
- Public Workshop: Wednesday, January 10, 2018, 9:30 a.m., Port Commission Bldg.
- Regular Meeting: Wednesday, January 10, 2018, 1:00 p.m., Port Commission Bldg.

XIII. OATHS OF OFFICE:

Brenda Huntingford, from the Jefferson County Auditor's Office, read the Oath of Office to 2018 incoming Port Commissioners:

Returning Commissioner Pete Hanke, and incoming Commissioner Bill Putney.

XIV. ADJOURNMENT:

The meeting adjourned at 3:05 p.m. there being no further business to come before the Commission.

ATTEST:

Peter W. Hanke, President

Stephen R. Tucker, Secretary

Brad A. Clinefelter, Vice President

PORT COMMISSION SPECIAL MEETING– January 3, 2018

The Port of Port Townsend Commission met in special session at the Old Alcohol Plant, 310 Hadlock Bay Road, Port Hadlock, WA.

Present: Commissioners – Hanke, Tucker and Putney
Executive Director Gibboney
Director of Operations & Business Development Englin
Director of Planning/In-house Counsel Toews
Communications & Marketing Coordinator Matej
Yard/Hoist Manager Khile
Business Manager Quandt
Minutes – Nelson

Excused: Director of Finance/Port Auditor Berg

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Hanke called the meeting to order at 9:00 a.m.

II. APPROVAL OF AGENDA:

Commissioner Putney moved to approve the agenda as presented.
Commissioner Tucker seconded the motion.
Motion carried by unanimous vote.

III. APPROVAL OF WARRANTS:

Commissioner Tucker moved to approve the warrants as presented.
Commissioner Putney seconded the motion.
Motion carried by unanimous vote.

IV. NEXT PUBLIC WORKSHOP / REGULAR MEETING:

Wednesday, January 10, 2018: Workshop at 9:30 a.m., meeting at 1:00 p.m. in the Port Commission Building, 333 Benedict Street, Port Townsend, WA.

XIV. ADJOURNMENT:

The meeting adjourned at 9:01 a.m. there being no further business to come before the Commission.

ATTEST:

Stephen R. Tucker, Secretary

Peter W. Hanke, President

William W. Putney III

INDUSTRIAL DEVELOPMENT CORPORATION OF
THE PORT OF PORT TOWNSEND
Port Commission Building
333 Benedict Street, Port Townsend

January 10, 2018
1:00 PM

- I. Call to Order
- II. Election of Officers
- III. Approval of Minutes – January 11, 2017
- IV. New Business
- V. Next Meeting – Called as needed
- VI. Adjournment

**INDUSTRIAL DEVELOPMENT CORPORATION OF
THE PORT OF PORT TOWNSEND**

MEETING OF: **January 10, 2018**

AGENDA ITEM: **Annual Election of Year 2018 Officers**

BACKGROUND:

2017 IDC Officers:

President:	Stephen R. Tucker
Vice-President:	Brad A. Clinefelter
Secretary:	Peter W. Hanke

RECOMMENDATION:

Elect Officers for the year 2018.

**MINUTES OF THE
INDUSTRIAL DEVELOPMENT CORPORATION OF
THE PORT OF PORT TOWNSEND
Wednesday – January 11, 2017**

The meeting of the Industrial Development Corporation of the Port of Port Townsend was held in the Port Commission Building, 333 Benedict Street, Port Townsend, WA

Present: 2016 Directors: Stephen R. Tucker, President
 Brad A. Clinefelter, Vice President
 Peter W. Hanke, Secretary

Port of Port Townsend Staff:
 Executive Director - Gibboney
 Auditor – Berg
 Director of Operations & Business Development - Englin
 Attorney – Seth Goodstein
 Minutes – Nelson

I. CALL TO ORDER

Commissioner Tucker called the meeting to order at 1:15 p.m.

II. ELECTION OF OFFICERS:

**Commissioner Tucker moved to approve the 2017 slate of officers the same as in 2016:
Commissioner Tucker – President, Commissioner Clinefelter – Vice President and
Commissioner Hanke – Secretary.
Commissioner Clinefelter seconded the motion.
Motion carried by unanimous vote.**

III. APPROVAL OF MINUTES – January 13, 2016:

**Commissioner Clinefelter moved for approval of the January 13, 2016 IDC meeting minutes as presented.
Commissioner Hanke seconded the motion.
Motion carried by unanimous vote.**

IV. NEW BUSINESS:

Ms. Berg reported the current balance in the IDC account is \$5,011.32.
Commissioner Tucker asked the other commissioners if they wanted to “promote” the IDC this year. After further discussion, the commissioners agreed there was nothing to promote at this time.

V. NEXT MEETING:

The next meeting of the IDC called as needed.

VI. ADJOURNMENT:

There being no further business to come before the Directors, the meeting adjourned at 1:18 p.m.

Stephen R. Tucker, President DATE

Peter W. Hanke, Secretary DATE

Brad A. Clinefelter, Vice President DATE

PORT OF PORT TOWNSEND

MEETING OF: JANUARY 10, 2017

AGENDA ITEM: VIII. First Reading
A. Resolution No. 673-18, Delegation of Management Authority to the Executive Director

BACKGROUND:

On an annual basis, the Port Commission is required to review and readopt its policy delegating authority to the Executive Director (ED) to manage the day-to-day operations and business of the Port District. The relevant statutory enabling language is found at RCW 53.12.270(1), and states as follows:

"The commission may delegate to the managing official of a port district such administrative powers and duties of the commission as it may deem proper for the efficient and proper management of port district operations. Any such delegation shall be authorized by appropriate resolution of the commission, which resolution must also establish guidelines and procedures for the managing official to follow."

On January 25, 2017, the Commission adopted Resolution No. 655-17. This resolution and its accompanying policy attachment delegated administrative management authority to the ED, within specific limits and conditions. On August 8, 2017, the Commission adopted Resolution 668-17, which amended the delegation of authority policy concerning real and personal property rentals or leases.

PROPOSED NEW LANGUAGE:

Proposed Resolution No. 673-18 and its accompanying policy (Attachment "A") largely retains the existing delegation of authority unchanged, but does propose to incorporate two (2) new provisions, as follows:

- 1. Declarations of Emergency:** A new §IV(E) would be added incorporating the statutory definition of an "emergency", and detailing the conditions and limitations upon the ED's authority in responding such emergencies. The new subsection also delineates how the exercise of such authority will be reported to the Commission.
- 2. Authority to Apply For & Accept Grants:** Proposed changes to §XIV, Grants and Appropriations, would authorize the ED to apply for grants, to accept grants where the Port's match obligations do not exceed \$50,000, and to manage grant funding secured for projects previously authorized by the Commission. The new language would also

require that all grants with match requirements of greater than \$300,000 not be accepted by the Port without prior Commission approval.

KEY PROVISIONS RETAINED FROM 2017:

Key provisions that would be retained unchanged from the 2017 delegation of authority include the following:

- 1. Construction Contracts up to \$50,000:** Authority to execute construction contracts of up to \$50,000 without prior Commission approval, provided that all statutory procedures are followed, and provided further, that contracts awarded under this authority are reported to the Commission at the next regularly scheduled meeting. Note also that all such projects will have been previously discussed and approved by the Commission via adoption of the annual capital budget.
- 2. Professional Services/Consulting Services up to \$50,000:** Authority to obtain professional or consultant services when needed to carry out normal Port operations, consistent with relevant statutory procedures. As with construction contracts, the ED must inform the Commission of all such contracts at the next regularly scheduled Commission meeting.
- 3. Architectural/Engineering/Technical Services up to \$50,000:** Authority to contract for architectural, engineering, technical testing and inspection firms for maintenance and preliminary engineering work on small projects, provided all statutory procedures are followed, and provided further that closely related projects which, cumulatively, would exceed \$50,000, require prior Commission approval. Again, all such contracts must be reported to the Commission at the next regularly scheduled meeting.
- 4. Leases of up to 5 Years:** Authority to execute leases of up to five (5) years, subject to the following:
 - a. The estimated cost of improvements precedent to the lease will not exceed \$25,000;
 - b. Appropriate surety is in place consistent with RCW 53.08.085;
 - c. The Port's standard form lease is employed;
 - d. The use is clearly identified and consistent with all applicable local land and shoreline use policy and law; and
 - e. The lease may not be renewed or extended without prior Commission approval.

The Executive Director and the Port's Management Team believe that the proposed delegation of authority (with recommended revisions) is critical to effectively conducting business and efficiently operating the Port.

Action Requested: This is a first reading – discussion only. Resolution 673-18 will again come before the Commission for a second reading and adoption at the January 24, 2018 regular meeting.

RESOLUTION NO. 673-18

A Resolution of the Commission of the Port of Port Townsend

RESOLUTION DELEGATING AUTHORITY TO PORT MANAGEMENT

WHEREAS: section 53.12.270 of the Revised Code of Washington provides authority to the Port Commission for delegation of powers to Port Management, and;

WHEREAS: the Port Commission has developed a delegation of authority policy requiring annual re-adoption, and;

WHEREAS: the Port Commission has reviewed and discussed the policy in prior public session;

NOW, THEREFORE, BE IT RESOLVED by the Port Commission of the Port of Port Townsend, as follows:

Approve for the calendar year of 2018 the master policy directive of the Port Commission of the Port of Port Townsend dated January 24, 2018, which is attached hereto and incorporated herein as Attachment "A", for the purpose of establishing the administrative authority for the Port District Executive Director.

ADOPTED this 24th day of January 2018, by the Commission of the Port of Port Townsend and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission duly affixed.

ATTEST:

Stephen R. Tucker, President

Peter W. Hanke

William W. Putney III

APPROVED AS TO FORM:

Port Attorney

PORT OF PORT TOWNSEND
SPECIFIC POLICY DIRECTIVES OF
ADMINISTRATIVE AUTHORITY TO THE
PORT DISTRICT EXECUTIVE DIRECTOR

January 24, 2018

The Commission of the Port of Port Townsend adopts the following policy for the purpose of establishing the Administrative Authority of the Executive Director (ED) who is responsible for normal Port operations. The phrase “normal Port operations” as used herein, means regular day-to-day business transactions involving personnel, materials and funds. The Commission shall retain an ED to implement the objectives of the Port, which shall be established by the Commission. The ED derives authority from the Commission acting as the governing body. The ED shall regularly inform and consult with the Commission regarding significant information and business transactions by a method mutually agreeable to the Commission and the ED. Commission directives or initiatives shall be made through the ED and shall be made only by the Commission acting as a body. The ED shall serve as the primary spokesperson for management.

Certain elements of this policy require annual approval per RCW. Therefore, this Administrative Authority Policy shall be reviewed and readopted annually.

I. UTILIZATION OF PORT CREWS

The Port District ED shall retain professional staff, which shall operate and manage according to directives from the ED. The ED is authorized to administer day-to-day operations which include personnel administration (task & project assignments, hiring, firing, setting salary & benefits, training, grievance procedures, employee enrichment & improvement, Union negotiations, etc.) within positions created and approved by the Commission.

A. Performance of Work by Port Crews

Prior Commission approval shall not be required where individual capital or maintenance projects are to be carried out by Port crews or day labor (when deemed appropriate) and do not exceed Twenty-Five Thousand Dollars (\$25,000.00), exclusive of applicable taxes. The ED may inform the Commission at the next scheduled meeting of all actions under this section.

II. RULES AND / OR PROCEDURES

The ED is authorized to adopt administrative rules and regulations necessary for the efficient operation of the Port so long as such rules and regulations are reported to the Commission and are consistent with Commission policy. All amendments to the rules and regulations established therein may hereafter be made by the ED, so long as such amendments do not exceed the authority of the ED, as granted elsewhere herein, and are reported to the Commission in a timely manner.

The ED may delegate to appropriate Port staff such administrative authority or reporting requirements herein established as is necessary and advisable in the efficient exercise of the ED's authority. To implement delegations or authority to Port staff, the ED shall promulgate policy and procedure manuals, monetary delegations authority and employee position descriptions, affirmative action plans and office manuals which shall include such delegations as appropriate. The responsibility for all administration and day-to-day operations of the Port rests with the ED.

III. SALE OF PERSONAL PROPERTY

The Port District ED, with prior Commission approval, is authorized pursuant to RCW 53.08.090 to sell and convey surplus personal property of the Port pursuant to the requirements of RCW 53.08.090.092 (as amended or succeeded). The ED is authorized to sell and convey surplus personal property of the Port of Port Townsend subject to the following conditions:

- A.** That the value of such personal property does not exceed the dollar limits authorized under RCW 53.08.090-092 (as amended or succeeded).

- B. Prior to any such sale or conveyance, the ED shall itemize and list the property to be sold and make written certification to the Commission that the listed property is no longer needed for district purposes.
- C. Any large block of such property having a value in excess of the limits authorized under RCW 53.08.090 (as amended or succeeded) shall not be broken down into components of a lesser value and sold unless done so by public competitive bid.
- D. That offers for purchase are solicited from at least three (3) parties when no bids are received from the public competitive bidding process; unless waived by the Commission on a case-by-case basis.
- E. No real property or facility which is part of the comprehensive plan of improvement or modification thereof shall be disposed of until the comprehensive plan has been modified pursuant to RCW 53.20.010 and such real property or facility is found to be surplus to Port needs.

IV. CONTRACTS FOR PERFORMANCE OF WORK

- A. Contract Awards for Construction and Maintenance:
 - 1. The Port District ED may, without prior Commission approval, execute on its behalf contracts where the total estimated contract price does not exceed Fifty Thousand Dollars (\$50,000.00) exclusive of applicable taxes, and so long as all statutory procedures are followed, including bid and performance surety requirements. All contracts awarded under this section will be reported to the Commission at the next scheduled meeting. Public discussions with the Commission regarding all projects will take place with the adoption of the annual capital budget unless an emergency exists.
 - 2. The Port District ED may, execute on behalf of the Port contracts for large projects that have been properly approved including costs at a public Port meeting, and all statutory procedures must be followed. Upon proper approval from the Commission, the Port District ED may publish a notice calling for bids, award of contract or rejections of all bids will be done by vote of the Commission at a public meeting.
 - 3. When any emergency shall require the immediate execution of a contract for work the Port

District ED, pursuant to the procedures of RCW 39.04.020 (as it may be amended or succeeded), is authorized to make a finding of the existence of such emergency and execute any contracts necessary to respond to the existing emergency, provided that the Port District ED shall, at the first opportunity contact a Commissioner, and at the first Port Commission meeting following the finding of the existence of an emergency, request the Port Commission ratification of the finding of emergency and any contracts awarded and or executed pursuant to that finding.

B. Change Orders:

Where a contract for the performance of work has been awarded and under which the work is in progress, and individual changes in plans or specifications are necessitated in order to properly accomplish the work, the ED is authorized, without prior Commission approval, to execute on its behalf individual change orders to the contract if all of the following conditions are met:

1. The estimated cost of the aggregate changes in plans or specifications, exclusive of applicable taxes, will not exceed Twenty-Five Thousand Dollars (\$25,000.00).
2. For contracts of \$1 million dollars or more, the change order shall not exceed Fifty Thousand Dollars (\$50,000.00).
3. The contract provides for the issuance of change orders.
4. The individual change order has been approved and certified by the project architect or engineer as being necessary to the proper accomplishment of the work called for in the basic contract.
5. The ED shall inform the Commission at the next scheduled meeting of all actions undertaken under this section.

C. Professional Services / Consulting Services:

The ED shall be responsible for the initiation of appropriate procedures to obtain professional or consultant services where deemed necessary in carrying out normal Port operations. When necessary, Port Legal Counsel shall be consulted with respect to statutory procedures in connection with these services. The ED may arrange for these services, without prior Commission approval,

when the cost of the proposed service for any single project will not exceed Fifty Thousand Dollars (\$50,000). If the fee for such services is estimated to exceed Fifty Thousand Dollars (\$50,000), prior Commission approval shall be required. The ED shall inform the Commission at the next scheduled meeting of all actions undertaken under this section.

D. Architectural, Engineering & Technical Services:

The ED is authorized to contract with qualified architectural, engineering and technical testing & inspection firms licensed in the State of Washington to provide such services as required for maintenance, preliminary engineering work or small projects of the Port. Arrangements for obtaining such services shall follow all required statutory procedures and shall be consistent with normal established fees paid for such services. If the fee on any single project or closely related work is estimated to exceed Fifty Thousand Dollars (\$50,000), Commission approval shall be required. The ED shall inform the Commission at the next scheduled meeting of actions undertaken under this section.

E. Declarations of Emergency:

1. An emergency is defined as an unforeseen circumstances beyond the control of the Port that either present a real, immediate threat to the proper performance of essential functions; or may result in a material loss or damage to property, bodily injury, or loss of life if immediate action is not taken (see RCWs 39.04.020, 39.04.280 and 53.19.010(04). Emergencies allow for the waiver of state procurement requirements.
2. The Executive Director is authorized to make a finding of the existence of an emergency, to authorize spending of Port resources and funds, to waive competitive bidding requirements and to execute any contracts necessary to respond to the emergency in accordance with RCW 39.04.020, 39.04.280, 53.19.010 and 53.19.010.
 - a. The Commission shall be notified within 24 hours of the declaration of the emergency.
 - b. If a public works or purchased goods or services contract is awarded without competitive bidding due to an emergency, a written finding of the existence of an

emergency shall be filed with the Commission and made public on the Port's website no later than two weeks following the award of the contract.

c. If a personal services contract is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency shall be filed with the Commission and made public on the Port's website within seven working days following the commencement of a work or execution of the contract, whichever occurs first. Documented justification for emergency contracts shall be provided to the Commission when the contract is filed.

d. As used herein, "filed with the Commission" means any of the following:

i. Delivery to the Executive Assistant to the Commission for distribution to each Commissioner; or

(ii) Noting the matter for Consent or Action on the Meeting Agenda for the next scheduled meeting of the Commission.

E F. Reports:

Notwithstanding the authorities granted in the preceding sections A – ~~D E~~, the ED shall keep the Commission advised of all contracts, reports and activities. ~~In the event of an emergency or other situation requiring immediate action to execute a contract, the ED shall inform Commissioners individually of such action as soon as possible, and then again at the next regularly scheduled meeting.~~

V. ACQUISITION OF UTILITIES, MATERIALS, EQUIPMENT, SUPPLIES, AND SERVICES.

The ED shall have the responsibility for following all statutory requirements and procedures in connection with all acquisition of utilities, materials, equipment, supplies and services. Utilities, materials, equipment, supplies and services may be acquired on the open market, or by competitive bidding when necessary for the normal maintenance and operations of the Port, and no prior Port Commission approval shall be required but shall, where appropriate, be approved as part of normal monthly expenses and shall be within authorized budgets. The Port District ED may acquire utilities, materials, equipment, supplies and services subject to

the following conditions:

- A. The purchase price does not exceed Twenty-Five Thousand (\$25,000.00) Dollars or has been pre-approved by Commission, or if specifically identified while developing the annual budget and does not exceed the budgeted amount.
- B. In the event of competitive bidding all statutory regulations must be followed.
- C. The Ed is authorized to establish a system to control purchase of materials, supplies and services. Such system should take into consideration the nature of the purchases, and that the invoices have been properly processed and approved in accordance with Port Policies and Procedures.

VI. REAL & PERSONAL PROPERTY RENTALS OR LEASES

All real & personal property belonging to the Port, when available for rent or lease, shall, except as otherwise provided herein below, be leased only under an appropriate written lease instrument, approved by the Commission, and accompanied by a lease bond or other form of security in accordance with RCW 53.08.085. The term lease as used herein may refer to rental agreements, operating agreements or use agreements. However, the Executive Director, or two management level Directors authorized in writing by the ED, may execute short-term leases (i.e., terms of five (5) years or less) subject to the following conditions:

- A. The estimated cost of real property improvements to be undertaken by the Port precedent to lease, exclusive of applicable taxes, will not exceed Twenty-Five Thousand Dollars (\$25,000.00).
- B. The appropriate lease surety must be in place consistent with statutory requirements and the Port's standard form lease, with the exception of State and Federal leases that require use of the tenant's lease form, as long as the content of the lease form does not materially change the intent expressed in the Port's standard lease form.
- C. The arrangements for the short-term occupancy shall be evidenced by the Port's standard form lease (except that any clearly inapplicable provision or provisions inconsistent with the policy set forth herein may be deleted from the standard form).
- D. The use to which the property may be put by the tenant shall be expressly stated and shall be in

accordance with applicable land and shoreline use regulations and any standards of use adopted by the Commission for the same or similar Port property or properties.

- E. The lease may not be renewed or otherwise extended beyond five (5) years without prior Commission approval.

VII. LITIGATION

The ED, in coordination with Port Counsel (appointed by the Commission), shall be responsible for the procedures necessary for management and supervision of litigation in which the Port has an interest, directly or indirectly. For purposes of this section, "litigation" shall mean the assertion of any position, right or responsibility by or against the Port that has been filed in any court of general jurisdiction, be it State or Federal, or any quasi-judicial or administrative forum. The ED shall inform the Commission at the next regular meeting of all actions undertaken under this section.

VIII. ADJUSTMENT TO ACCOUNTS RECEIVABLE OR UNCOLLECTIBLE ACCOUNTS

The Port District ED is authorized to establish procedures to:

- 1) Make adjustments to accounts receivable for valid business reasons which do not constitute a gift of public funds, or
- 2) Remove from the general ledger uncollectible accounts with prior approval from the Commission.

Prior to classifying any account receivable as a "doubtful account", the ED shall be satisfied that every reasonable effort has been made by the staff to resolve or accomplish the collection of the account. For those accounts that fail to make payment, the ED shall authorize Port Legal Counsel to bring action in courts of law, or appropriate steps for possible collection. The Ports accounting records shall reflect that any account more than one hundred twenty (120) days past due is a "doubtful account". The ED shall review the doubtful accounts periodically (at least annually); recommend to the Commission which accounts should be deemed as "uncollectible" and removed from the Port's General Ledger. The Port may take collection action more quickly than set forth in the doubtful accounts collection procedure, or may exercise other remedies if available. The classification of an account as "doubtful" or "uncollectible" shall not waive any rights or

release any claim against the Account Debtor. The ED shall inform the Commission at the next regular meeting of all actions undertaken under this section.

IX. PROPERTY ACQUISITION AND SALE OF REAL PROPERTY

When the Commission authorizes the acquisition of real property by purchase or condemnation, the ED shall take all necessary steps including, but not limited to obtaining appraisals / market analyses, to secure title of such property for the Port. The acquisition price shall be established based on appraisals, market analyses and negotiations and shall be approved by the Commission prior to any finalization of the purchase, ED shall sign all necessary documents.

When the Commission authorizes the sale of real property, the ED shall take all necessary steps to complete the transaction including, but not limited to obtaining appraisals, accepting deposits and opening escrow accounts for the Port. The sale price shall be established based upon factors including, without limitation, negotiations, appraisals/market analyses, special benefits to the Port and community, employment generated by the project, and shall be approved by the Commission prior to any finalization of the sale, ED shall sign all necessary documents.

X. INSURANCE PROGRAMS

The ED shall be authorized to work with an insurance broker, pre-approved by the Commission, to negotiate and obtain appropriate policies of insurance to cover Port property, liability, Commissioner and employee coverage, vehicle and other areas appropriately included within a comprehensive insurance program. The ED is authorized to approve from time to time changes or modifications within the insurance policies, these changes shall be promptly reported to the Commission at the next scheduled meeting so as to keep Commission informed of basic changes in the overall insurance program of the Port.

XI. EMPLOYEE TRAVEL, EDUCATION & CONFERENCE ATTENDANCE

The ED is authorized to approve travel and attendance of conferences or education opportunities by employees, without prior Commission approval. The limits of such authorization shall be for travel within the continental United States and the total costs shall not exceed \$1,000.00. Estimated costs in excess of \$1,000.00 shall require Commission approval prior to travel. Travel costs must be within the current budget. The ED will review all requests for travel to conferences or education to assure that it is applicable to the Port or Port operations.

XII. BANKING SERVICES AND INVESTMENT OF TEMPORARILY IDLE PORT FUNDS

The ED is authorized to negotiate for banking services and enter into agreements for such services; provided, however, unless approved in advance by the Commission, such agreements shall be terminable by the Port, without penalty. Procedures shall be established for the deposit / disbursement of Port funds recognizing the requirements cited in RCW 53.36.010 and that such procedures shall provide for an adequate system of internal control. Such banking service agreements shall be reported to the Commission at the next regular meeting.

For purposes of this section, "Temporarily Idle Funds" shall mean those funds which are not required for immediate expenditure. The Port District ED is authorized to develop procedures to direct the Port Treasurer, in accordance with applicable law relating to the investment of public funds, in the investments of temporarily idle Port funds. These directives include, but shall not be limited to, investments in public fund approved vehicles of investment, sale of such investments, and necessary inter-fund transfers. A summary of all financial activities shall be provided at Port Commission meetings.

XIII. TRADE DEVELOPMENT PROGRAMS

The ED is authorized, consistent with budget and statutory limitations, to develop and carry out programs of trade development (which may include tourism and tourism promotion), advertising, and promotion of the

Port, including its properties, facilities and services. Such programs shall be reviewed by the Commission from time to time.

XIV. GRANTS AND APPROPRIATIONS

A. Grants:

1. The Executive Director is authorized to apply for grant funds for the Port.
2. The Executive Director is authorized to accept grants where the grant award obligates the Port to provide a cash match of no more than \$50,000,000.
3. In cases where the grant award obligates or has the potential to obligate the Port to provide a cash match greater than \$300,000, Commission authorization is required prior to grant acceptance.
4. The Executive Director is authorized to accept and manage any grant funding that is secured for projects that have previously been authorized by the Commission.

B. All ~~grant and~~ appropriation requests (regardless of value) will come before the Commission for approval prior to submission.

XV. AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT

It is the basic policy of the Port to provide equal opportunity to the users of all Port services and facilities, all contracting entities, Port employees and applicants for employment, and to assure that there be absolutely no discrimination against any person on the grounds of race, creed, color, national origin, sex, sexual orientation, marital status, age or the presence of any sensory, mental or physical handicap. This policy is to be implemented by the Executive Director.

XVI. ADMINISTERIAL CHECKS AND WARRANTS

The Executive Director is authorized to approve checks and warrants issued in the nature of administerial expenses for the efficient and proper management of port district operations as delegated in this resolution or reasonably implied from the same. The Executive Director is not authorized to approve checks and warrants

in the nature of claims or non-administerial obligations. The Executive Director shall cause the checks and warrants issued under this section to come before the commission for review and approval as to the nature and amount of administerial checks and warrants issued at the next regular meeting following issuance. The Port shall provide for bonding required for faithful discharge of the Executive Director's duties.

PORT OF PORT TOWNSEND

MEETING OF: January 10, 2018

AGENDA ITEM: VIII. First Reading
B. Meeting Procedures Resolution

BACKGROUND:

Attached are the current Meeting Procedures and Resolution, as well as an example of 2018 workshop and meeting dates if there are no changes.

Known 2018 conferences are highlighted in red.

Discussion to include number of meetings and workshops per month, dates and times, locations, any changes to dates based on conference schedules, and agenda format.

Another item to consider - does the Commission wish to hold any meetings in Districts 2 and 3, and if so, do they wish to set those dates and times in the 2018 adopted policy.

Executive Director's Recommendation:

For review and discussion.

RESOLUTION NO. 654-17
A Resolution of the Commission of the Port of Port Townsend

RESOLUTION AFFIRMING RESOLUTION No. 639-16,
READOPTING COMMISSION MEETING PROCEDURES

WHEREAS, The Port of Port Townsend did establish and approve, in public session, "Commission Meeting Procedures" by Resolution No. 42-87 dated November 18, 1987, and;

WHEREAS, The Port of Port Townsend did rescind Resolution No.42-87, and adopted new Commission Meeting Procedures which were more efficient and beneficial for both the Commission and participating public, by Resolution No. 326-00 on July 26, 2000, and which was subsequently amended by Resolution No 344-01 on March 14, 2001, by Resolution No. 363-02 on February 27, 2002, by Resolution No. 367-02 on March 27, 2002, by Resolution No. 390-03 on January 22, 2003, Resolution No. 392-03 on April 9, 2003, by Resolution No. 471-06 on July 26, 2006, by Resolution No. 487-07 on April 25, 2007, by Resolution No. 532-10 on January 27, 2010, by Resolution No. 553-11 on January 12, 2011, by Resolution No. 558-11 on March 23, 2011, by Resolution No. 561-11 on June 8, 2011; by Resolution No. 594-13 on May 8, 2013; Resolution No. 604-14 on January 22, 2014; by Resolution 624-15 on January 14, 2015; and by Resolution No. 639-16 on January 27, 2016, and

WHEREAS, the Port Commission wishes to affirm the meeting procedures established on January 27, 2016 via Resolution No. 639-16.

NOW, THEREFORE BE IT HEREBY RESOLVED by the Port Commission of the Port of Port Townsend, that Resolution No. 654-17 shall be affirmed, and the Commission Meeting Procedures, as shown in the attached "Appendix A", shall be readopted, with minor amendments concerning meeting times, order of business, and voucher approval.

ADOPTED this 11th day of January 2017, by the Commission of the Port of Port Townsend and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission duly affixed.

ATTEST:

Stephen R. Tucker, Secretary

Peter W. Hanke, President

Brad A. Clinefelter, Vice President

APPROVED AS TO FORM:

Port Attorney

APPENDIX A

The Policy and Procedures on pages 1-4 have been adopted by Resolution 654-17, amending Resolutions 326-00, 344-01, 363-02, 367-02, 390-03, 392-03, 471-06, 487-07, 532-10, 553-11, 558-11, 561-11, 594-13, 604-14, 624-15, and 639-16. Any changes or deletions will require an amendment to the Resolution.

COMMISSION MEETINGS

TIME AND LOCATION OF MEETINGS

1. With the exception of the dates and meetings times specifically outlined in paragraph 2 immediately below, regular meetings of the Port of Port Townsend will be held on the second Wednesday of each month at 1:00 p.m. and the fourth Wednesday of each month at 5:30 p.m. in the Port Commission Building, 333 Benedict Street, Port Townsend, Washington. The workshop, will precede the first regular meeting on the second Wednesday of each month at 9:30 a.m.
2.
 - a. The June 14 & 28 meetings will be held at sites to be determined in District 2.
 - b. The October 11 & 25 meetings will be held at sites to be determined in District 3.
 - c.. The second regular meeting in November will be held on Tuesday, the 21st at 5:30 p.m.
 - d. Regularly scheduled meetings and workshops may be changed at the discretion of the Chair.

RULES OF TRANSACTION OF BUSINESS

1. Order of Business shall be as follows:
 - I Call to Order
 - II Approval of Agenda
 - III Consent Agenda
 - IV Public Comments (Not related to Agenda items and or Guest Presentations.
If applicable)
 - V Second Reading (Action Items)
 - VI First Reading (Discussion Only)
 - VII Regular Business
 - VIII Staff Comments
 - IX Public Comments
 - X Commissioner Comments
 - XI Next Meeting
 - XII Executive Session, (If called)
 - XIII Adjournment
2. All matters which, in the judgment of the Commission, are of a legislative character and shall be embodied in the form of Resolutions. Resolutions shall be numbered consecutively, and the original copy shall be signed by the President and Vice President and attested by the

Secretary in open session. Resolutions shall be filed by the Executive Assistant and shall be recorded in a book or books kept for such purpose, which shall be public records.

3. Organization of Workshops:

- a. Shall have an agenda approved at the beginning of the workshop.
- b. Will have minutes recording topics discussed either in written and/or audio format.
- c. Will be used for discussion only, with no binding decisions made by the Commissioners.
- d. Rules governing written and spoken input from members of the public for business meetings will not apply to workshops.

4. Organization of Regular Business Meetings:

- a. Shall have an agenda approved at the beginning of the meeting.
- b. Will begin with the Pledge of Allegiance.
- c. Will have minutes recording topics discussed and actions taken either in written and/or audio format.
- d. Will allow presentations by each member of the public indicating a desire to address the Commission, of no more than 3 minutes, on any topic not related to the agenda.
- e. Will allow presentations by each member of the public indicating a desire to address the Commission on any agenda item. Such presentations shall be heard during discussion of the subject agenda item, at a point in the discussion determined by the presiding officer, for a uniform maximum length of time announced by the presiding officer, at his or her discretion, to make additional presentations once all who want to be heard have made their presentation.
- f. Public presentations shall adhere to common norms of civility and may be cut off by the presiding officer if in his or her judgment these norms are violated.

5. Conduct of Regular Business Meetings:

- a. The Port Commission, as a governing body, is charged with making decisions that advances the mission of the Port and which are based on sound information and analysis, respect for views of the public, and each Commissioner's best disinterested judgment.
- b. With only 3 elected Commissioners, the Commission can operate with a high degree of informality and need not be bound to all the provisions spelled out in standard codes of parliamentary procedure. However, some formal procedures need to be followed to respect the rights of all 3 Commissioners to participate equally and fully in all Commission business.

- c. Some fundamental principles for conducting Commission meetings include (taken from The Standard Code of Parliamentary Procedure, by Alice Sturgis):
- i. All Commissioners have equal rights, privileges, and obligations.
 - ii. The majority vote decides.
 - iii. The rights of the minority must be protected.
 - iv. Full and free discussion of every proposition presented for decision is an established right of the members.
 - v. Every member has the right to know the meaning of the question before the Commission and what its effect will be.
 - vi. All meetings must be characterized by fairness and by good faith.
- d. Routine and ordinary business may be approved and/or rejected by the Commission by placing it on either the Consent Agenda, or as an item of "Regular Business". Examples of items typically placed on the consent agenda are approval of warrants and meeting minutes.

Examples of items considered as "Regular Business" include lease agreements, contracts, and grant agreements.

Matters of routine and ordinary business may be voted on at the same meeting at which they are introduced. Any one Commissioner may delay the vote on a specific item and request additional information before completing its consideration.

- e. To facilitate sufficient time for reflective consideration of proposals by Commissioners and members of the public and staff, all proposals for policies* which impact members of the public shall be voted on no sooner than the immediate next regular business meeting following introduction of the proposal in the form of a motion moved by a Commissioner. The introduction of a proposal is the "first reading" and the vote is the "second reading". This requirement may be waived by a unanimous vote of the Commission.
- i. A policy proposal, once moved as a motion, may be discussed at subsequent Commission meetings without a vote required and may be amended at subsequent meetings.
 - ii. At any subsequent Commission meeting, and Commissioner may move "To vote immediately" on the policy proposal. This motion is not debatable and requires a two-thirds affirmative vote.
 - iii. The chair may call for a vote on the policy proposal at any subsequent Commission meeting and may proceed with a vote in the absence of any objections by other Commissioners.

*Examples of policy actions include adoption of the budget, adoption of strategic and/or comprehensive plans.

- f. All motions require a second. In the absence of a second, the motion is declared dead.
- g. Minor amendments to a motion may be accepted as a "friendly amendment" by the maker of the original motion without a vote on the amendment.

- h. The presiding officer of the Commission meeting shall have the right to participate fully in the discussion and shall cast a vote on all motions.
 - i. The standard priorities and requirements for main, subsidiary, and privileged motions shall be used.
- 6. The draft agenda may be available by Friday of the week previous.
 - 7. The Executive Director or his designee would be responsible for keeping track of each issue.
 - 8. All public comments and questions should be directed to the Commissioners. If the Commissioners so desire, they may refer the question to the Executive Director, Port Attorney, and/or other Port Staff in attendance.

SMOKING

Smoking is prohibited during the Commission meetings.

MINUTES

- 1. Additions and or corrections to the Minutes will be recorded and become a part of the revised and approved consent agenda. Minutes are to be available to the Commissioners prior to the meetings.
- 2. Minutes are recorded according to **RCW 42.32.030**

VOUCHER APPROVAL

It shall be the policy of the Port of Port Townsend Commissioners to approve vouchers for payment and authorize the issuance of warrants by signing a list which will indicate the voucher number, to whom paid, amount and purpose of the payment. Voucher approval is incorporated under "Consent Agenda".

COMMISSIONER'S COMPENSATION

Each Commissioner shall be reimbursed or compensated for actual attendance at general meetings and for performance of other services in behalf of the Commission up to the maximum rate allowed in accordance with **RCW 53.12.260**.

2018 Commission Workshop / Meeting Schedule

January 3: 9:00 am Special Meeting (warrant approval only), Old Alcohol Plant, 310 Hadlock Bay Road, Port Hadlock

January 3 & 4: Commission/Staff Retreat, 9 am – 4 pm, Old Alcohol Plant, 310 Hadlock Bay Road, Port Hadlock

January 10: 9:30 am Public Workshop, 1:00 pm Regular Meeting

January 23, 2018 is all-day WPPA “Port Day – ED & Commissioner(s)”

January 24: 5:30 pm Regular Meeting

February 14: 9:30 am Public Workshop, 1:00 pm Regular Meeting

February 28: 5:30 pm Regular Meeting

March 14: 9:30 am Public Workshop, 1:00 pm Regular Meeting

March 28: 5:30 pm Regular Meeting

April 11: 9:30 am Public Workshop, 1:00 pm Regular Meeting

April 25: 5:30 pm Regular Meeting

May 9: 9:30 am Public Workshop, 1:00 pm Regular Meeting

May 9-11, WPPA Spring Meeting, Vancouver, WA

May 23: 5:30 pm Regular Meeting

June 13: 9:30 am Public Workshop, 1:00 pm Regular Meeting

June 13-15, WPPA Finance & Admin Seminar, Leavenworth

June 27: 5:30 pm Regular Meeting

July 11: 9:30 am Public Workshop, 1:00 pm Regular Meeting

July 22-24, WPPA Commissioner’s Seminar, Cle Elum

July 25: 5:30 pm Regular Meeting

August 8: 9:30 am Public Workshop, 1:00 pm Regular Meeting

August 22: 5:30 pm Regular Meeting

September 12: 9:30 am Public Workshop, 1:00 pm Regular Meeting

September 26: 5:30 pm Regular Meeting

October 10: 9:30 am Public Workshop, 1:00 pm Regular Meeting

October 24: 5:30 pm Regular Meeting

October 25-26, WPPA Small Ports Seminar, Leavenworth

October 25-26, NMTA Marina & Boatyard Conference, Blaine (may be a date change since scheduled for same time as Small Ports)

November 14: 9:30 am Public Workshop, 1:00 pm Regular Meeting

November 28: 5:30 pm Regular Meeting

December 5-7, WPPA Annual Meeting, Bellevue

December 12: 9:30 am Public Workshop, 1:00 pm Regular Meeting

December 26: 5:30 pm Regular Meeting

PORT OF PORT TOWNSEND

MEETING OF: **JANUARY 10, 2018**

AGENDA ITEM: **IX. Regular Business**

A. Authorization to Engage Northwest Municipal Advisors & Bond Counsel (K&L Gates) to Prepare a Point Hudson South Jetty Bond Package

BACKGROUND: As discussed at the Commission's September 13, 2017 regular meeting, and again at the December 13, 2017 Commission Workshop, the Port must bond to complete the Point Hudson South Breakwater Project. The project is anticipated to commence as early as mid-July of 2018. Staff expects to go to bid on the project in early March, with a bid award occurring in early to mid-April. Prior to the project start, certain components of the replacement breakwater will need to be sourced by the contractor selected for the work. Some of these pre-fabricated components (e.g., large steel pipe piles) are custom made, and will require lead times of weeks to months to fabricate and deliver to the site. Accordingly, the proceeds from the bond sale must be available by mid-April in order to ensure a timely project start.

As previously discussed with the Commission, Mott MacDonald is currently finalizing the engineering design and draft bid documents for staff review. The probable construction cost estimate at the 70% design mark stands at **\$3,665,000**. A conservative estimate for the total bond proceeds required to complete the project (South Jetty only) is \$3,200,000. This amount would be supplemented with the remaining Boating Infrastructure Grant (BIG) monies (\$919,227) available to complete the project.

As presented by Scott Bauer of Northwest Municipal Advisors at the Commission's December 13, 2017 Workshop, the Port's updated Limited-Tax General Obligation (LTGO) debt capacity now stands at approximately \$4,700,000. Thus, issuance of bonds in the amount of \$3,200,000 would leave the Port with approximately \$1,500,000 in non-voted debt capacity to address other emerging capital needs.

In order to have bond proceeds available when needed (i.e., mid-April), we must engage both Northwest Municipal Advisors (Scott Bauer and Alan Dashen) and bond counsel (K&L Gates, Cynthia Weed) to prepare the bond package. The bonding process will take from 10-12 weeks to complete. Prior to sale of the bonds, the proposed bond package (including authorizing Resolution) would come before the Commission for final approval.

Action Requested: Authorize the Executive Director and staff to engage Northwest Municipal Advisors and K&L Gates to prepare a bond package in the amount of \$3,200,000.

PORT OF PORT TOWNSEND

MEETING OF: January 10, 2018

AGENDA ITEM: IX. Regular Business
B. WA Public Ports Association Annual "Port Day"

BACKGROUND:

Designate a Commissioner to attend with the Executive Director WPPA's Annual "Port Day" in Olympia on January 23, 2018.

Executive Director's Recommendation:

Designate Commissioner to attend "Port Day" in Olympia.

PORT OF PORT TOWNSEND

MEETING OF: January 10, 2018

AGENDA ITEM: IX. Regular Business
B. November 2017 Financials

BACKGROUND:

In the Commission meeting packet for their review, is the year-to-date operating results of the Port. This is measured against the same period of the prior year and compares the budget to actual percentage of activity. The highlights of activity results are included in the narrative.

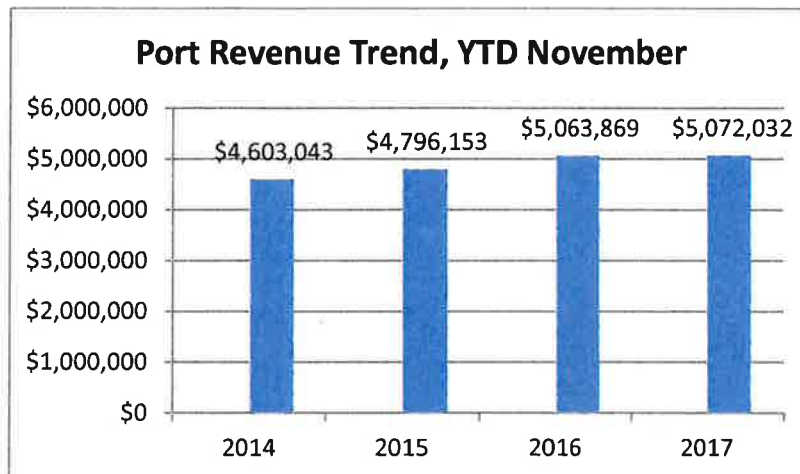
For this month's presentation, we've included a potential alternative report that shows the Port's financial activity month-to-month through the year.

Executive Director's Recommendation:

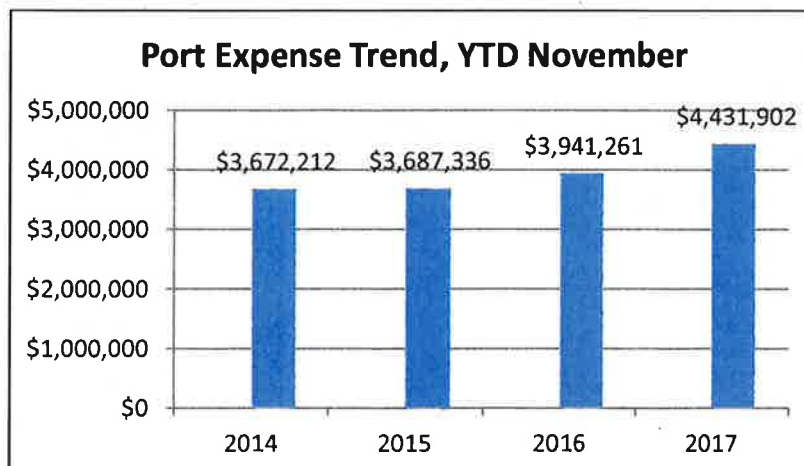
For review.

DATE: January 2, 2018
TO: Commissioners and Directors
FROM: Abigail Berg, Director of Finance & Administration
SUBJECT: Port Operating Results as of November 30, 2017

NOTE: A new Port-wide month to month actual activity with remaining budget report is included in this package for consideration by the Commission for future reporting.



YTD Operating Revenues are \$8,163 more than the previous year, and right on budget at 92% of the year (rounding from 91.6%). All revenue line items increased when compared to 2016, except the Yard which continues to be down (\$141,660). The Yard revenue decline is primarily Ship Yard Revenues (\$69,277), the 3% Marine Trades Contribution Revenue (\$46,325 – agreement ceased July 2017), Miscellaneous Revenue (\$31,974 – in 2016 the bulk of this “revenue” was due to a Port tenant issue), and Environmental Clean-up Revenue (\$18,250 – again, in 2016 there was one or two incidents that make up this total, and in 2017 we’d only had one very minor incident totaling \$140). The two latter revenues are not the type of revenue the Port can plan for or would like to rely upon and the 3% Marine Trade Revenue agreement has expired. Marina & RV Parks revenue exceeded the YTD budget by \$33,639 and Ramp Use revenues exceeded the annual budget by \$1,952.



Through November 2017, Operating Expenses are at 86.9% of total budget while we are through 92% of the year (this includes some budget adjustments made at the Mid-Year Review in July). Compared to the previous year, total Operating Expenses are up by \$490,501. Of this amount, Personnel is right on

budget by 0.6% and Fuel is over the annual budget by 36%. Some of the increase in Fuel cost is related to increased fuel sales in Quilcene. All other expense line items are below budget to date.

Before depreciation, Net Operating Income is \$640,129. After depreciation, there is a loss of \$694,661. When including Non-Operating Revenues and Expenses, there is a Net Profit of \$138,444, an increase of \$88,842 over YTD October.

This month, the Port expended \$161,465 in WIP (capital project "Work in Progress"). 74% of these expenses were for the Point Hudson Breakwater, 14% were related to JCIA Runway Rehab Project, while 12% was related to the Stormwater Rx Project.

In November, a debt service payment of \$209,372 (principle and interest) was made for the 2013 Jr. Lien Revenue Bond. In 2018, the 2013 Jr. Lien Revenue Bond debt service will be completed (with May and November payments). For the remainder of 2017, the following Debt Service payment is due:

- December 1st - \$368,819 principle and interest on the 2010 LTGO Bond.

End of month, the cash and investment balances were \$2,332,977. Reserve balances totaled \$862,234 and Unreserved Cash & Investments totaled \$1,470,743.

Port of Port Townsend
Summary of Operating & Non-Operating Revenues & Expenses
2017 Activity with Comparison to Prior Year and Budget

	Actual thru Nov. 30, 2016	Actual thru Nov. 30, 2017	Variance year to year	Revised 2017 Budget	% Actual to Budget at 92% of year
REVENUES					
Marinas and RV Parks	2,324,549	2,375,039	50,490	2,545,000	93.3%
Yard Operations	1,473,813	1,332,153	(141,660)	1,500,424	88.8%
Property Leases & Use	999,212	1,061,131	61,919	1,153,990	92.0%
Fuel Sales & Leases	37,285	43,488	6,203	50,000	87.0%
Ramp Use	38,150	56,952	18,802	55,000	103.5%
Utilities	190,860	203,269	12,409	230,076	88.3%
Total Operating Revenues	5,063,869	5,072,032	8,163	5,534,490	91.6%
OPERATING EXPENSES					
Personnel	2,414,885	2,774,595	359,709	3,013,738	92.1%
Outside Services	360,047	515,914	155,867	585,256	88.2%
Facilities & Operations	602,806	586,863	(15,943)	805,809	72.8%
Utilities	445,503	452,109	6,606	554,180	81.6%
Marketing	55,150	31,450	(23,700)	54,450	57.8%
Economic Development	25,000	30,000	5,000	40,000	75.0%
Travel & Training	23,730	22,358	(1,372)	30,000	74.5%
Cost of Goods - Fuel	14,280	16,325	2,044	12,000	136.0%
Community Relations	-	2,289	2,289	4,000	57.2%
Total Operating Expenses	3,941,402	4,431,903	490,501	5,099,433	86.9%
Income from Operations w/o Depr	1,122,467	640,129	(482,338)	435,057	147.1%
Depreciation Expense	1,278,409	1,334,790	56,381	1,585,632	84.2%
Income (Loss) from Operations w/Depr	(155,942)	(694,661)	(538,719)	(1,150,575)	60.4%
Non-Operating Revenue					
Capital Contributions/Grants	139,251	160,277	21,026	298,274	53.7% CERB, Quil WW, RCO, FAA
Interest	23,155	48,567	25,412	41,000	118.5%
Property & other taxes	929,774	954,786	25,012	1,019,000	93.7%
Miscellaneous Non-Operating Revenue	29,763	36,527	6,764	59,700	61.2%
Total Non-Operating Revenues	1,121,943	1,200,157	78,214	1,417,974	84.6%
Non-Operating Expenses					
Bond Interest	339,552	315,465	(24,087)	343,877	91.7%
Bond Mgmt, Issuance & Misc. Exp.	27,244	51,587	24,344	131,390	39.3% Quil WW expense
Election Expense	-	-	-	17,340	0.0%
Total Non-Operating Expenses	366,796	367,053	257	492,607	74.5%
Net Non-Operating Income(Expense)	755,147	833,105	77,957	925,367	90.0%
Net Income (Loss)	599,206	138,444	(460,762)	(225,208)	-61.5%

Port of Port Townsend Port-Wide

Monthly Actual Activity through November 2017 with December 2017 Budget

	Actual Jan-17	Actual Feb-17	Actual Mar-17	Actual Apr-17	Actual May-17	Actual Jun-17	Actual Jul-17	Actual Aug-17	Actual Sep-17	Actual Oct-17	Budget Nov-17	Actual Nov-17	Budget Dec-17	total 2017 Budget	ACTUAL YTD total	total Actual YTD + remaining Budget	% of budget
Revenues																	
Marinas and RV Parks	152,782	152,116	171,046	185,589	227,879	252,290	300,140	298,660	260,479	202,271	167,224	171,786	143,342	2,545,000	2,375,039	2,518,381	99%
Yard Operations	78,933	98,866	138,350	126,487	153,294	141,390	130,648	121,164	126,737	137,261	96,638	79,024	82,219	1,500,424	1,332,153	1,414,372	94%
Property Leases & Use	91,556	91,567	90,785	97,382	95,026	94,826	94,386	100,135	118,635	93,935	93,685	97,896	94,050	1,153,990	1,061,131	1,155,181	100%
Fuel Sales & Leases	2,857	1,828	2,996	2,847	2,833	4,244	7,155	6,206	5,273	4,463	3,492	2,787	3,348	50,000	43,488	46,836	94%
Ramp Use	2,955	3,560	5,318	3,368	7,346	11,535	11,272	4,046	5,713	1,480	300	360	250	55,000	56,952	57,202	104%
Utilities	21,846	20,893	21,166	19,575	19,801	16,178	17,169	18,010	17,027	17,614	19,315	13,991	20,199	230,076	203,269	223,468	97%
Total Operating Revenues	350,929	368,830	429,661	435,248	506,179	520,463	560,769	548,221	533,864	457,024	380,654	360,844	343,408	5,534,490	5,072,032	5,415,440	98%
Operating Expenses																	
Personnel	129,076	345,834	297,012	237,114	233,293	250,774	253,464	262,495	254,539	257,059	251,353	253,935	251,336	3,013,738	2,774,595	3,025,930	100%
Outside Services	8,172	51,540	42,769	17,632	83,238	43,865	24,866	60,080	60,619	62,526	63,398	60,608	66,368	585,256	515,914	582,282	99%
Facilities & Operations	36,397	51,607	64,959	72,566	29,450	61,584	53,482	60,555	69,786	37,229	60,887	49,229	61,255	805,809	586,863	648,118	80%
Utilities	4,104	55,118	49,447	48,035	41,749	43,817	39,539	38,911	39,304	46,005	46,882	46,081	45,887	554,180	452,109	497,997	90%
Marketing	2,237	1,929	5,292	771	1,600	5,668	633	2,117	5,828	3,277	4,345	2,099	4,345	54,450	31,450	35,795	66%
Economic Development	-	-	-	-	-	-	15,000	-	-	15,000	-	-	12,500	40,000	30,000	42,500	106%
Travel & Training	20	3,914	531	1,062	1,087	6,302	549	2,380	1,556	251	2,558	4,706	2,508	30,000	22,358	24,865	83%
Cost of Goods - Fuel	1,310	494	1,364	1,065	454	1,860	2,904	1,817	2,143	1,757	1,000	1,155	1,000	12,000	16,325	17,325	144%
Community Relations	35	175	100	-	-	304	-	1,500	-	116	333	58	333	4,000	2,289	2,622	66%
Total Operating Expenses	181,351	510,613	461,474	378,243	390,871	414,175	390,447	429,865	433,774	423,220	430,696	417,869	445,531	5,099,433	4,431,903	4,877,434	96%
Income (Loss) from Oper w/o Depr	169,577	(141,783)	(31,813)	57,005	115,308	106,288	170,322	118,356	100,090	33,805	(50,042)	(57,025)	(102,123)	435,057	640,129	538,006	
Non-Operating Revenue																	
Capital Contributions/Grants	-	4,767	3,716	-	471	-	8,678	-	22,161	46,654	80,511	73,831	43,535	298,274	160,277	203,812	68%
Interest	17,640	1,299	1,470	(14,753)	1,376	17,882	1,772	1,833	1,800	1,928	17,000	16,318	1,000	41,000	48,567	49,567	121%
Property & other taxes	80,402	90,799	79,731	80,741	90,186	83,039	80,393	108,160	80,058	88,923	88,917	92,355	82,413	1,019,000	954,786	1,037,199	102%
Miscellaneous Non-Operating Revenue	2,571	9,287	2,261	2,607	5,103	2,639	1,496	4,038	2,185	1,975	39,400	2,363	1,400	59,700	36,527	37,927	64%
Total Non-Operating Revenues	100,614	106,151	87,178	68,596	97,137	103,560	92,339	114,032	106,204	139,480	225,828	184,867	128,348	1,417,974	1,200,157	1,328,505	94%
Non-Operating Expenses																	
Bond Interest	29,722	29,722	29,092	29,655	29,161	29,161	27,615	27,386	28,761	26,928	28,425	28,261	28,425	343,877	315,465	343,890	100%
Bond Mgmt, Issuance, Investment	110	50	5,609	3,782	164	1,312	7,739	368	21,103	611	10,020	10,739	79,020	131,390	51,587	130,607	99%
Election Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	17,340	-	17,340	100%
Total Non-Operating Expenses	29,832	29,772	34,702	33,436	29,326	30,473	35,354	27,754	49,864	27,539	38,445	39,000	124,785	492,607	367,053	491,838	100%
Net Non-Operating Income(Expense)	70,781	76,380	52,477	35,159	67,811	73,087	56,985	86,278	56,340	111,941	187,383	145,867	3,563	925,367	833,105	836,668	90%
Net Income (Loss)	240,359	(65,403)	20,663	92,164	183,119	179,374	227,307	204,633	156,430	145,746	137,341	88,841	(98,560)	1,360,424	1,473,234	1,374,673	
Debt Service Principle	-	-	-	-	(197,267)	-	(417,000)	-	-	-	(200,226)	(200,226)	(260,000)	(1,074,493)	(814,493)	(1,074,493)	
Available for Capital	240,359	(65,403)	20,663	92,164	(14,148)	179,374	(189,693)	204,633	156,430	145,746	(62,885)	(111,385)	(358,560)	285,931	658,741	300,180	

PORT OF PORT TOWNSEND

MEETING OF: January 10, 2018

AGENDA ITEM: IX. Regular Business
D. 2018 Committee Assignments

BACKGROUND:

Attached is the 2017 Committee Assignment list. Discuss and assign Port representatives for 2018 committees.

Executive Director's Recommendation:

Designate Committee Representative Assignments.

PORT OF PORT TOWNSEND 2017 COMMITTEE ASSIGNMENTS

COMMITTEE NAME	REPS	FREQUENCY
CEO Breakfast Group	Sam Gibboney	Monthly
Climate Action Committee	Eric Toews Steve Tucker	Quarterly
Chamber of Commerce – Jefferson County		Mon, bi-weekly
Chamber of Commerce – North Hood Canal		3 rd Mon/mo 5:30 PM
East Jefferson Underground Coordinating Council	Larry Aase	As called
Fort Worden Advisory Committee	Pete Hanke	3 rd Thur/mo Noon-2:00
Hood Canal Coordinating Council	Pete Hanke Sam Gibboney-alt	As called
Jefferson County Energy Lunch Meeting Committee	Steve Tucker Eric Toews-Steering Comm	3 rd Thur/mo 12:30 SC-as called
Jefferson Co. Joint Growth Management Steering Committee	Steve Tucker Brad Clinefelter, alt	As called
Jefferson Co. Solid Waste Advisory Council	Al Cairns Terry Khile – alt	As called
Jefferson Peninsula Regional Emergency Planning Committee	Sam Gibboney Greg Englin - alt	Bi-monthly
Jefferson Co. Public Infrastructure Fund Committee (PIF)	Steve Tucker Pete Hanke, alt	As called
MRC (Marine Resources Committee)	Steve Tucker Sam Gibboney-alt	1 st Tues/mo 6-8:00
NMTA Boatyard Committee	Terry Khile Greg Englin - alt	1 st Wed/mo 10 AM
NMTA – Marina Committee	Tami Ruby Greg Englin	Annually
North Olympic Development Council (NODC)	Steve Tucker Sam Gibboney - alt	4 th Thurs/mo 1-3:00
Pacific Coast Congress of Port Managers & Harbormasters Board	Greg Englin	As called
Port Townsend Marine Trades Association	Brad Clinefelter	

Port Townsend Moorage Tenants Union	Brad Clinefelter	
Peninsula Regional Transportation & Planning Organization (PRTPO)	Pete Hanke-EB Brad Clinefelter-alt-EB Sam Gibboney, TAC	EB:bi-monthly TAC:bi-mnthly
WAMA – WA Airport Management Association	Sam Gibboney	As called
Washington Finance Officers Association	Abigail Berg	As called
WPPA Aviation Committee	Pete Hanke	As called
WPPA – 2017Board of Trustees	Steve Tucker Pete Hanke	Spring & Annual Conf
WPPA - Economic Development Committee	Sam Gibboney	As called
WPPA - Environmental Committee	Steve Tucker	As called
WPPA - Finance & Administration Committee	Abigail Berg	As called
WPPA - Legislative Committee	Sam Gibboney	As called
WPPA - Marina Committee	Greg Englin Brad Clinefelter	As called
WPPA – Public Relations Committee	Pete Hanke	As called

PORT OF PORT TOWNSEND

MEETING OF: January 10, 2018

AGENDA ITEM: IX. Regular Business
E. Acceptance of the Workyard Resurfacing Project

BACKGROUND:

In accordance with RCW 60.28.051 – Duties of disbursing officer upon completion of contract, the Port Auditor notified the Department of Revenue, Employment Security Department and the Department of Labor and Industries in October 2017 that this project has been completed and requested a release from those state agencies. The final of such releases was received by the Port on Monday, January 8th.

With these Washington State agency releases, the Port Commission is now authorized to release contract retainage to the contractor. Official acceptance of the project completion by the Port Commission is required in accordance with RCW 39.08.030 Conditions of Bond – Notice of Claim – Action on Bond – Attorney's fees.

Executive Director's Recommendation:

We are requesting the Commission officials accept the completed work of the Workyard Resurfacing project.