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**Port of Port Townsend
2nd Monthly Meeting Agenda
Wednesday, January 24, 2018, 5:30 p.m.
Port Commission Building
333 Benedict Street
Port Townsend, WA**

- I. Call to Order / Pledge of Allegiance
- II. Approval of Agenda
- III. Consent Agenda
 - A. Approval of Public Workshop Minutes – January 10, 2018.....1-2
 - Approval of Regular Meeting Minutes – January 10, 2018.....3-7
 - B. Approval of Warrants
- IV. Public Comments (not related to Agenda)
- V. Second Reading
 - A. Delegation of Authority Resolution No. 673-18 and Policy.....8-25
 - B. Meeting Procedures Resolution No. 674-18 and Policy.....26-31
- VI. First Reading
- VII. Regular Business
 - A. December 2017 Financials - Preliminary.....32-41
 - B. BIG Tier II Phase I Grant – Request for Extension.....42-44
 - C. Commission Authorization to Solicit Bids for Point Hudson South Jetty
Demolition & Replacement.....45-49
 - D. Commission Authorization to Submit M-II(B) Zoning Code Text Amendment
(Point Hudson) to the City of Port Townsend.....50-52
- VIII. Staff Comments
- IX. Public Comments
- X. Commissioner Comments
- XI. Next Public Workshop / Regular Meeting:
Wednesday, February 14, 2018: Workshop at 9:30 am, Meeting at 1:00 pm
Port Commission Building, 333 Benedict Street, Port Townsend, WA
- XII. Executive Session
- XIII. Adjournment

PORT COMMISSION PUBLIC WORKSHOP – January 10, 2018

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

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

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 11:34 a.m.

ATTEST:

Stephen R. Tucker, President

William W. Putney III, Secretary

Peter W. Hanke, Vice President

**Port of Port Townsend
Public Workshop
Wednesday, January 10, 2018, 9:30 a.m.
Port Commission Building
333 Benedict Street
Port Townsend, WA**

AGENDA

- **FINANCIAL AND STATUS REPORTS**

Staff will present options to the Commission with regards to financial reporting and status reports.

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– January 10, 2018

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

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

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

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

II. APPROVAL OF AGENDA:

Added to agenda – XIV-Executive Session, Item A – Potential Litigation, pursuant to RCW 42.30.110(i) thirty minute duration with no action.

Commissioner Tucker moved to approve the Agenda as amended.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

III. ELECTION OF YEAR 2018 OFFICERS (01:23):

After discussion, the following motion was presented:

Commissioner Tucker moved to appoint Commissioner Tucker as President, Commissioner Hanke as Vice President, and Commissioner Putney as Secretary.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

IV. CONSENT AGENDA (04:00):

A. Approval of Public Workshop Minutes – December 13, 2017

Approval of Regular Meeting Minutes – December 13, 2017

Approval of Special Meeting Minutes – January 3, 2018

B. Approval of Warrants

Warrant #058640 through #058675 in the amount of \$123,291.59 for Accounts Payable

Warrant #058676 in the amount of \$10,109.23 for Accounts Payable

Electronic Debit in the amount of \$16,939.59 for WA State Dept. of Labor & Industries

4th Quarter Tax Return for October – December 2017

Commissioner Putney moved to approve the Consent Agenda as presented.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

V. PUBLIC COMMENTS (Not related to agenda) (04:13):

Ernie Baird presented a letter to each Commissioner, and in summary, asked how the Port plans to pay the debt incurred in 2018.

Mark Burn commented on leases, appraisals, basic trust and the need for advisory groups.

George Yount suggested the Commission obtain as much information from staff as they can (to help give the Commission direction).

John Lockwood discussed forming a Public Development Authority (PDA), debt issues and future planning of Point Hudson.

Carol Hasse agreed with Mr. Lockwood's comments. She argued against developing Point Hudson to pay off the bond.

VI. RECESS TO A MEETING OF THE INDUSTRIAL DEVELOPMENT CORPORATION (IDC) OF THE PORT OF PORT TOWNSEND (29:22):

At 1:29 pm, the Regular Meeting recessed into the IDC Meeting.

The IDC Meeting adjourned at 1:31 pm, and reconvened to the Regular Meeting.

VI. SECOND READING (Discussion Only):

VIII. FIRST READING:

A. Resolution No. 673-18, Delegation of Management Authority to the Executive Director (32:06):

Mr. Toews informed an annual update is required to the delegation resolution and policy. He pointed out changes made to the policy in sections IV-E and XIV.

The Commission requested a change to Section I-A Performance of Work by Port Crews delegated authority not to exceed \$40,000. Attorney Lake will research if this is an allowable amount.

Also, correction needed to a typing error in Section XIV –A2 and A3, to change amounts from \$50,000,000 to \$50,000.

B. Meeting Procedures Resolution (45:00):

After discussion, the Commission requested to switch Items III and IV to the following: Item III - Public Comments (not related to the agenda), and Item IV - Consent Agenda.

Commissioner Hanke proposed changing the regular meeting to once monthly instead of twice monthly and to hold more public workshops.

Commissioner Tucker agreed and proposed two workshops a month.

Director Gibboney explained the need to approve warrants twice monthly. She added staff would develop a policy and procedures for approval of warrants for the first half of the month.

Commissioner Hanke proposed the new schedule to begin the first of March 2018.

Consensus of the Commission is to hold one regular meeting on the fourth Wednesday of each month at 3:30 pm and to schedule two workshops a month – the first workshop on the second Wednesday of the month at 9:30 am and the second workshop on the fourth Wednesday of each month from 1:00-3:00 pm.

IX. REGULAR BUSINESS:

A. Authorization to Engage NW Municipal Advisors & Bond Counsel (K&L Gates) to Prepare a Point Hudson South Jetty Bond Package (1:19:19):

Mr. Toews reported the bond for the south jetty was discussed at least twice in open sessions. He stated construction would begin spring of 2018. Mr. Toews stated he anticipates receiving 90% design from the engineers and a draft bid package the first week in February; then noticing an invitation to bid first week in March with bid opening first week in April. He noted that the bid would ask for cost options to include a start date of July 15, 2018 and a start date of mid-September 2018 (to accommodate the Wooden Boat Festival). Mr. Toews stated once the bond is developed, a resolution would be presented to the commission.

When questioned about the cost of bonding services, Ms. Berg answered it would be about a 2% fee (approximately \$64,000).

Commissioner Tucker asked if the decision was made to delay the project after or during the bonding process, would the Port lose the 2% fee paid.

Commissioner Putney believes it is important to move forward with the bonding process.

Discussion ensued on possibility and consequences of delaying the project.

Mr. Toews reported WA State RCO raised the question to USDFW about a time extension on the BIG grant award. There is a possibility of extending 18-24 months, but there is no certainty that it would be approved. He reminded the Commission the Port was granted an extension earlier, splitting the Jetty project into two (north and south jetties). Mr. Toews stated it would take approximately three + months to receive approval from USDFWL.

Commissioner Tucker asked the question, "how to pay for the project?"

Director Gibboney briefed on progress with the Point Hudson planning consultant and reported options for Point Hudson are not yet completed. She added further discussions will be held with the NW Maritime Center.

Ms. Berg informed that the LTGO Bond capacity would be supported primarily by the local tax levy. She discussed the potential variance in years 2018, '19 and '20.

Commissioner Tucker stated we should know more from the NW Maritime Center by early next week.

Lengthy discussion ensued on the subject of delaying the project and grant extension. Public comments received from Ernie Baird and Gordon Neilson.

Commissioner Hanke moved to direct staff to proceed with the Bond (as presented).

John Lockwood offered comment.

Commissioner Tucker confirmed the motion was still on the table.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

Commissioner Hanke moved to authorize Mr. Toews to pursue a letter to WA State RCO, to forward to USDFW, for an extension of the BIG Tier II grant.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

B. WA Public Ports Association (WPPA) Annual "Port Day" (1:56:14):

Director Gibboney reminded she and Commissioner Tucker attended the event in Olympia last year. She informed this allows Ports the opportunity to meet and foster relationships with legislators and stated that WPPA lists items where legislative support is needed. She reported she and Ms. Matej would attend and asked if any Commissioners would like to. All three Commissioners announced they would attend.

C. November 2017 Financials (2:00:10):

Ms. Berg explained revenues and expenses are up slightly, with a decrease in yard revenue-primarily shipyard revenue. She stated Work in Progress (capital projects) expenses included the runway, the Point Hudson Jetty, stormwater RX and debt service paid in November, with one more debt service in December. Ms. Berg discussed cash and reserve balances. She discussed the new month-to-month activity format and pointed out depreciation is not included.

Commissioner Tucker added that considering that a lot happened in 2017, the Port is doing pretty good.

Director Gibboney expressed her appreciation for his comment and added that we are seeing the fruits of Mr. Englin and his team promoting business.

D. 2018 Committee Assignments (2:07:35):

2018 Committee Assignments were discussed and assigned.

E. Acceptance of the Workyard Resurfacing Project (2:22:27):

Ms. Berg reported she has received all closeout documents from required agencies (ESD, Dept. of Revenue, and L&I) for the resurfacing project, which was completed in October 2017. This allows the Port to release retainage to contractor, once the project is approved as completed, by the commission.

Commissioner Hanke moved to release the retainage and accept the Workyard Resurfacing Project as complete.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

X. STAFF COMMENTS (2:24:50):

Director Gibboney reported to the Commission that they would receive the new staff report format on Monday.

IX. PUBLIC COMMENTS (2:25:02):

Chris Bakken of Sea Marine asked why a meeting with only two commissioners is considered a Public Meeting. He also commented on the jetty project.

Bob Frank of Admiral Ship Supply commented on the Meeting Procedures Resolution.

Melanya Nordstrom asked for clarification on the Delegation of Authority policy and appreciated the discussion on the meeting agenda order.

X. COMMISSIONER COMMENTS (2:35:32):

Commissioner Putney stated he's having a great time (as a newly elected) so far.

Commissioner Tucker commented that he thought the recent retreat was good.

XI. NEXT PUBLIC WORKSHOP/REGULAR MEETING:

Wednesday, January 24, 2018. Workshop at 3:00 pm, meeting at 5:30 pm, in the Port Commission Building, 333 Benedict St, Port Townsend.

XII. EXECUTIVE SESSION:

A. Potential Litigation

The regular session recessed into Executive Session at 3:36 pm (actual start time of 3:41 pm) to discuss potential litigation, pursuant to RCW 42.30.110 (i), duration of thirty minutes with no action. At 4:11 pm, Attorney Lake announced an extension of five minutes.

XIII. ADJOURNMENT:

The meeting reconvened and adjourned at 4:16 pm there being no further business to come before the Commission.

ATTEST:

Stephen R. Tucker, President

William W. Putney III, Secretary

Peter W. Hanke, Vice President

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	January 24, 2018
AGENDA ITEM	<input type="checkbox"/> First Reading <input checked="" type="checkbox"/> Second Reading <input type="checkbox"/> Regular Business
AGENDA TITLE	V. (A) Delegation of Authority Resolution and Policy
STAFF LEAD	Eric Toews, Director of Planning/In-House Counsel
REQUESTED	<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Action <input type="checkbox"/> Discussion
ATTACHMENTS	A. Informational Staff Report; B. Resolution No. 673-18, Delegation of Authority to Port Management Authority to the Executive Director; and C. Attachment "A" to Resolution No. 673-18, Port of Port Townsend Specific Policy Directives of Administrative Authority to the Port District Executive Director

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 1/18/2018
TO: Port Townsend Port Commission
FROM: Eric Toews, Director of Planning/In-House Counsel
CC: Executive Staff
SUBJECT: Delegation of Management Authority Resolution & Policy

ISSUE: Port staff seeks Commission reauthorization of the Delegation of Management Authority to the Executive Director, subject to specific limitations and conditions.

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 10, 2018, proposed Resolution No. 673-18 and its accompanying policy (Attachment "A") came before the Commission for a first reading. The draft resolution and policy proposed to largely retain the language of the 2017 delegation of authority, with few changes (outlined under "Discussion" below).

DISCUSSION: Proposed changes to the current Administrative Authority Policy are set forth below.

Changes Presented by Staff at the First Reading: As presented during the Commission's first reading of Resolution No. 673-18 on January 10, two (2) new provisions were proposed within policy Attachment "A", 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. This new subsection would also delineate 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 \$50,000 be subject to prior Commission approval.

Changes Directed by the Commission at the First Reading: In addition to the changes outlined above, the Commission directed the following additions and corrections to policy Attachment "A" be incorporated prior to second reading and adoption:

- 1. Performance of Work by Port Crews:** The Commission discussed revising §I(A), "Performance of Work by Port Crews" to adjust the "do not exceed" limit upward from the current \$25,000. Two alternatives were suggested, \$40,000 by Port Attorney, Carolyn Lake, and \$50,000, by Planning Director, Eric Toews. Port staff favored a \$50,000 threshold so as to provide consistency with §§IV(A)(1), IV(C), and IV(D). Discussion ensued regarding a potential legal limitation that could restrict the use of Port crews on projects exceeding \$40,000. Further investigation reveals no legal impediment to establishing a \$50,000 threshold, and accordingly, the revised policy Attachment "A" incorporates this limit.
- 2. Real & Personal Property Rentals or Leases:** The Commission discussed changing §VI to require Commission review and approval of all leases greater than one-year in duration. This was the limitation placed on the ED's authority prior to the passage of Commission Resolution No. 668-17 on August 8, 2017. Accordingly, the language has been modified to redefine "short term leases" within the ED's authority to be agreements of one-year or less in duration, with all longer-term agreements requiring Commission review and approval.
- 3. Corrections to New §XIV – Grants & Appropriations:** An error was noted in proposed new §XIV(A)(2) and has been corrected. Specifically, that the ED's authority to accept grants on behalf of the Port should be limited to circumstances where the match requirement did not exceed \$50,000, rather than \$50,000,000. Additionally, it was noted that the \$300,000 referenced in §XIV(A)(3) should also be changed to \$50,000. Both of these changes have been made.

Changes Recommended by Port Attorney & Staff Following First Reading: Following the first reading on January 10, 2018, the Port's Attorney in concert with staff, have identified two additional provisions of the Administrative Authority Policy requiring revision:

- 1. Introductory Language Clarifying the Executive Director's Responsibilities:** The proposed new language has been incorporated into the second introductory paragraph to better define and delineate the scope of the Executive Director's (ED's) duties and responsibilities. Most of these responsibilities are straightforward and require no explanation. Item #5, however, warrants clarification. This proposed provision charges the ED with the responsibility to apply for development permits and land/shoreline use entitlements associated with Port projects and facilities. This would include applications to the County and City for land/shoreline use code text amendments of limited scope (e.g., an application to change the use table in Title 17 of the Port Townsend Municipal Code to permit RVs and open storage in the City's M-II(B) zoning district at Point Hudson). Note, however, that applications to the County and City for fundamental legislative changes to the land and shoreline use designations applicable to Port properties would continue to require prior Commission review and approval.
- 2. Clarifying Language in §II Regarding Sub-Delegations of Authority:** Recommended new language has been incorporated into the second paragraph of §II to address situations where

the ED is unavailable, absent, on leave, or where a conflict of interest or appearance of fairness issue would disqualify the ED from acting effectively. In such situations, matters within the scope of duties and responsibilities of each of the three directors (i.e., Operations, Finance, Planning/In-House Counsel) would be “sub-delegated” to permit uninterrupted and normal day-to-day Port operations. In situations where the appropriate “sub-delegation” is unclear, executive staff would consult with the Port’s Attorney for a final determination.

FISCAL IMPACT: None.

RECOMMENDATION: Adopt Resolution No. 673-18 as presented, together with Attachment “A”, the Master Policy Directive, incorporating the changes outlined in this memorandum.

ATTACHMENTS:

- Draft Commission Resolution No. 673-18, A Resolution of the Commission of the Port of Port Townsend Delegating Authority to Port Management; and
- Attachment “A” to Resolution No. 673-18, Specific Policy Directives of Administrative Authority to the Port District Executive Director

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:

William W. Putney III, Secretary

Stephen R. Tucker, President

Peter W. Hanke, Vice President

APPROVED AS TO FORM:

Port Attorney

RESOLUTION NO. 673-18

A Resolution of the Commission of the Port of Port Townsend

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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:

William W. Putney III, Secretary

Stephen R. Tucker, President

Peter W. Hanke, Vice President

APPROVED AS TO FORM:

Port Attorney

Port of Port Townsend
1/24/18 Commission Meeting

Res. No 673-18 Delegation of Authority

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.

Subject to the limitations identified in this Delegation of Authority Resolution, the ED shall be responsible for:

1. Operation, maintenance, administration, and use of the Port’s boat yard, airport, marina and properties, and facilities;
2. Implementation of construction work and alterations, repairs and improvements to real estate and physical facilities controlled and operated by the Port;
3. Administration of day-to-day normal Port operations which may include personnel administration, task and project assignments, hiring, firing, discipline, and training;
4. Execution of contracts and other documents related to normal Port operations that are related to or pursuant to a project or matter authorized by the Commission, or otherwise authorized in this Administrative Authority Policy;
5. Applications to relevant jurisdictions for development permits, land and shoreline use entitlements, and land

and shoreline use text amendments of any kind associated with Port facilities or projects, provided that all applications for area-wide land or shoreline use designation changes shall require prior Commission approval;

6. Application for and acceptance of grants or other funds from federal, state, or local governments, subject to the approval of Commission if required per Section XIV herein;

7. Delivery of services essential to the Port's mission: financial and accounting related matters; legal matters; and all other administrative matters.

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)~~ Fifty Thousand Dollars (\$50,000.00) 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. In the event the Executive Director is unavailable, due to absence, temporary leave, and/or due to conflict of interest and/or appearance of fairness reasons, the authority of the ED shall be delegated as follows: (a) operations matters to the Port's Director of Operations & Business Development, (b) internal administrative matters (Finance and Human Resources) to the Director of Finance and (c) all other matters to the Director of Planning/In-house Legal Counsel. In the event of questions, dispute or disagreement with the delegation, the staff named hereinabove shall consult with the Port's Attorney for a final determination. 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 E.~~ 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~~ one (1) year 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 A. 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 B. 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 C. 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 D. The lease may not be renewed or otherwise extended beyond ~~five (5) years~~ one (1) year 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 Fifty Thousand Dollars (\$50,000.00).
3. In cases where the grant award obligates or has the potential to obligate the Port to provide

a cash match greater than Fifty Thousand Dollars (\$50,000.00), 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

AGENDA COVER SHEET

MEETING DATE	January 24, 2018
AGENDA ITEM	<input type="checkbox"/> First Reading <input checked="" type="checkbox"/> Second Reading <input type="checkbox"/> Regular Business
AGENDA TITLE	V. (B) Meeting Procedures Resolution No. 674-18 and Policy
STAFF LEAD	Eric Toews
REQUESTED	<input type="checkbox"/> Motion <input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion
ATTACHMENTS	A. Resolution No. 674-18 B. Attachment "A" to Resolution No. 674-18

RESOLUTION NO. 674-18
A Resolution of the Commission of the Port of Port Townsend

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; Resolution No. 639-16 on January 27, 2016, and by Resolution No. 654-17 on January 11, 2017, and;

WHEREAS, the Port Commission wishes to affirm the meeting procedures established on January 11, 2017 via Resolution No. 654-17.

NOW, THEREFORE BE IT HEREBY RESOLVED by the Port Commission of the Port of Port Townsend, that Resolution No. 674-18 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 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:

William W. Putney III, Secretary

Stephen R. Tucker, President

Peter W. Hanke, Vice President

APPROVED AS TO FORM:

Port Attorney

Port of Port Townsend
1/24/18 Commission Meeting

Res. No. 674-18

APPENDIX A

The Policy and Procedures on pages 1-4 have been adopted by Resolution 674-18, 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, 639-16, and 654-17. Any changes or deletions will require an amendment to the Resolution.

COMMISSION MEETINGS

TIME AND LOCATION OF MEETINGS

1. Effective March 1, 2018, with the exception of the December schedule outlined in paragraph 2 immediately below, regular meetings of the Port of Port Townsend will occur once a month - on the fourth Wednesday of each month at 3:30 p.m. in the Port Commission Building, 333 Benedict Street, Port Townsend, Washington. Two workshops will occur each month - the first workshop on the second Wednesday of the month at 9:30 am, and the second workshop on the fourth Wednesday of the month at 1:00 p.m.
2. To accommodate the December holiday schedule, the regular meeting is moved to the second Wednesday of the month, December 12, 2018, time to be determined. One workshop in December, also scheduled for December 12, 2018, time to be determined.

RULES OF TRANSACTION OF BUSINESS

1. Order of Business shall be as follows:
 - I Call to Order
 - II Approval of Agenda
 - III Public Comments (Not related to Agenda items and or Guest Presentations)
 - IV Consent Agenda
 - 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 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**.

PORT OF PORT TOWNSEND

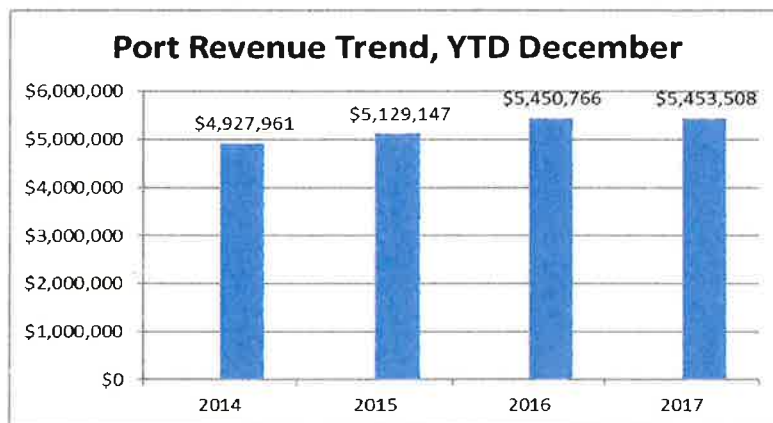
AGENDA COVER SHEET

MEETING DATE	January 24, 2018
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. (A) December 2017 Financials - Preliminary
STAFF LEAD	Abigail Berg
REQUESTED	<input type="checkbox"/> Motion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	A. December 2017 Financials

DATE: January 19, 2018
TO: Commissioners and Directors
FROM: Abigail Berg, Director of Finance & Administration
SUBJECT: Port Operating Results as of December 31, 2017 - PRELIMINARY

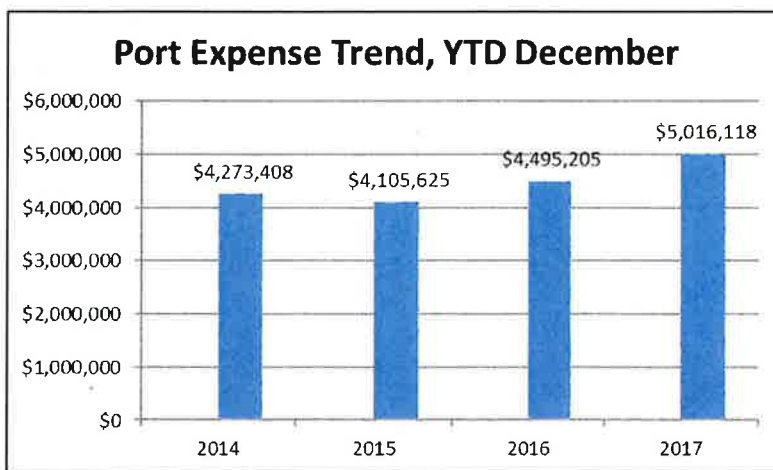
NOTE: A new Port-wide month to month actual activity with remaining budget report is included in this package to replace the prior current month YTD comparison to prior year and budget. In addition, this package includes a Major Port Operations Revenue 3 Year Trend with graphs, a Facilities & Operations Expense 3 Year Trend with graphs and the Port's current Debt Service Analysis as of January 1, 2018.

This is a preliminary report. It is preliminary because we have not completed the Annual Report which will be completed on or before May 31, 2018. For the purposes of reviewing the performance of Operations, this preliminary report is substantially accurate, however, there may be additional expenses for which we've not received invoices and are applicable to 2017 activity. I'm confident most revenues have been captured, though there will be a small amount of WSDOT grant revenues recorded to 2017 once that grant billing is complete.



Revenue Highlights:

- ✓ We ended 2017 \$80,982 below budget and more than year end 2016 by \$2,742.
- ✓ Yard Revenues were below budget by \$78,716.
- ✓ Utilities Revenue was below budget by \$7,891.
- ✓ Fuel Sales & Leases were below budget by \$4,944.
- ✓ Marinas & RV Parks exceeded budget by \$4,888.



Expense Highlights:

- ✓ We ended 2017 \$83,315 below budget and more than year end 2016 by \$520,913.

- ✓ Though Operating Expenses increased markedly over 2016, these were substantially budgeted.
- ✓ Personnel was over budget by \$6,963.
- ✓ Cost of Goods – Fuel was over budget by \$4,730.
- ✓ Outside Services was over budget by \$1,456.
- ✓ Whereas Facilities and Operations was under budget by \$60,055, the write off of Bad Debt effected this line item by being over budget by approximately \$60,000. Most of the Bad Debt write off in December, that totaled \$97,075, is attributable to prior years (93% or \$89,966).

Net Operating Income is \$437,389. When including Non-Operating Revenues and Expenses, there is a Net Profit of \$1,503,858 (*Note: The November report included Depreciation in this analysis, whereas starting with this month, it is not being reported in that manner.*)

Non-Operating Highlights:

- ✓ Total Non-Operating Revenue exceeded budget by \$73,713.
- ✓ Of that total, Capital Contributions/Grants exceeded budget by \$59,297 and Property & Other Taxes exceeded budget by \$18,038.
- ✓ Total Non-Operating Expenses were below budget by \$67,388.
- ✓ Of that total, Bond Management, Issuance, Investment was below budget since the bond for the Point Hudson South Jetty project did not get issued in 2017, nor was a decision made in time to include it in the 2018 budget.
- ✓ In addition, Election Expense came in under budget by \$5,389.

This month, the Port expended \$223,806 in WIP (capital project "Work in Progress"). 68% of these expenses are for the Stormwater Rx, 20% is related to JCIA Runway Rehab Project, while 12% is related to the Point Hudson South Jetty Project.

In December, a debt service payment of \$368,819 (principle and interest) was made for the 2010 LTGO Bond.

End of month, the cash and investment balances were \$1,825,582. Reserve balances totaled \$872,234 and Unreserved Cash & Investments totaled \$953,348. Total 2017 ending Cash & Investments for the Port exceeded the 2018 Budget beginning Cash & Investments by \$95,656.

**Port of Port Townsend Port-Wide
Monthly Actual Activity 2017 - YEAR END PRELIMINARY**

	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	Actual Nov-17	Budget Dec-17	Actual Dec-17	Total Budget 2017	ACTUAL YTD total	Bdgt to Actual Variance
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	171,786	143,342	174,849	2,545,000	2,549,888	4,888
Yard Operations	78,933	98,866	138,350	126,487	153,294	141,390	130,648	121,164	126,737	137,261	79,024	82,219	89,555	1,500,424	1,421,708	(78,716)
Property Leases & Use	91,556	91,567	90,785	97,382	95,026	94,826	94,386	100,135	118,635	93,935	92,896	94,050	93,218	1,153,990	1,154,349	359
Fuel Sales & Leases	2,857	1,828	2,996	2,847	2,833	4,244	7,155	6,206	5,273	4,463	2,787	3,348	1,568	50,000	45,056	(4,944)
Ramp Use	2,955	3,560	5,318	3,368	7,346	11,535	11,272	4,046	5,713	1,480	360	250	3,370	55,000	60,322	5,322
Utilities	21,846	20,893	21,166	19,575	19,801	16,178	17,169	18,010	17,027	17,614	13,991	20,199	18,915	230,076	222,185	(7,891)
Total Operating Revenues	350,929	368,830	429,661	435,248	506,179	520,463	560,769	548,221	533,864	457,024	360,844	343,408	381,476	5,534,490	5,453,508	(80,982)
Operating Expenses																
Personnel	129,076	345,834	297,012	237,114	233,293	250,774	253,464	262,495	254,539	257,059	253,935	251,336	246,107	3,013,738	3,020,701	6,963
Outside Services	8,172	51,540	42,769	17,632	83,238	43,865	24,866	60,080	60,619	62,526	60,608	66,368	70,798	585,256	586,712	1,456
Facilities & Operations	36,397	51,607	64,959	72,566	29,450	61,584	53,492	60,565	69,786	37,229	49,229	61,255	158,891	805,809	745,755	(60,055)
Utilities	4,104	55,118	49,447	48,035	41,749	43,817	39,539	38,911	39,304	46,005	46,081	45,887	98,800	554,180	550,909	(3,271)
Marketing	2,237	1,929	5,292	771	1,600	5,668	633	2,117	5,828	3,277	2,099	4,345	1,287	54,450	32,737	(21,713)
Economic Development	-	-	-	-	-	-	15,000	-	-	15,000	-	12,500	-	40,000	30,000	(10,000)
Travel & Training	20	3,914	531	1,062	1,087	6,302	549	2,380	1,556	251	4,706	2,508	7,606	30,000	29,964	(36)
Cost of Goods - Fuel	1,310	494	1,364	1,065	454	1,860	2,904	1,817	2,143	1,757	1,155	1,000	405	12,000	16,730	4,730
Community Relations	35	175	100	-	-	304	-	1,500	-	116	58	333	321	4,000	2,610	(1,390)
Total Operating Expenses	181,351	510,613	461,474	378,243	390,871	414,175	390,447	429,865	433,774	423,220	417,869	445,531	584,216	5,099,433	5,016,118	(83,315)
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	(57,025)	(102,123)	(202,740)	435,057	437,389	2,333
Non-Operating Revenue																
Capital Contributions/Grants	-	4,767	3,716	-	471	-	8,678	-	22,161	46,654	73,831	43,535	197,294	298,274	357,571	59,297
Interest	17,640	1,299	1,470	(14,753)	1,376	17,882	1,772	1,833	1,800	1,928	16,318	1,000	(4,727)	41,000	43,840	2,840
Property & other taxes	80,402	90,799	79,731	80,741	90,186	83,039	80,393	108,160	80,058	88,923	92,355	82,413	82,252	1,019,000	1,037,038	18,038
Miscellaneous Non-Operating Revenue	2,571	9,287	2,261	2,607	5,103	2,639	1,496	4,038	2,185	1,975	2,363	1,400	16,711	59,700	53,238	(6,462)
Total Non-Operating Revenues	100,614	106,151	87,178	68,596	97,137	103,560	92,339	114,032	106,204	139,480	184,867	128,348	291,530	1,417,974	1,491,687	73,713
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	28,261	28,425	26,477	343,877	341,943	(1,934)
Bond Mgmt, Issuance, Investment	110	50	5,609	3,782	164	1,312	7,739	368	21,103	611	10,739	79,020	19,738	131,390	71,325	(60,065)
Election Expense	-	-	-	-	-	-	-	-	-	-	-	17,340	11,951	17,340	11,951	(5,389)
Total Non-Operating Expenses	29,832	29,772	34,702	33,436	29,326	30,473	35,354	27,754	49,864	27,539	39,000	124,785	58,166	492,607	425,219	(67,388)
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	145,867	3,563	233,364	925,367	1,066,468	141,101
Net Income (Loss)	240,359	(65,403)	20,663	92,164	183,119	179,374	227,307	204,633	156,430	145,746	88,841	(98,560)	30,624	1,360,424	1,503,858	143,434
Debt Service Principle	-	-	-	-	(197,267)	-	(417,000)	-	-	-	(200,226)	(260,000)	(260,000)	(1,074,493)	(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	(111,385)	(358,560)	(229,376)	285,931	429,365	143,434

Major Port Operations Revenue
Monthly as of December 31, 2017 - PRELIMINARY

MARINAS & RV PARKS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
2015	147,223	147,807	157,043	167,880	208,212	216,181	255,773	247,654	229,114	179,008	153,353	141,406	2,250,653
2016	157,265	158,331	163,963	203,332	220,872	244,026	277,638	273,082	261,784	183,088	181,166	150,375	2,474,924
2017	152,782	152,116	171,046	185,589	227,879	252,290	300,140	298,660	260,479	202,271	171,786	174,849	2,549,888

YARD OPERATIONS

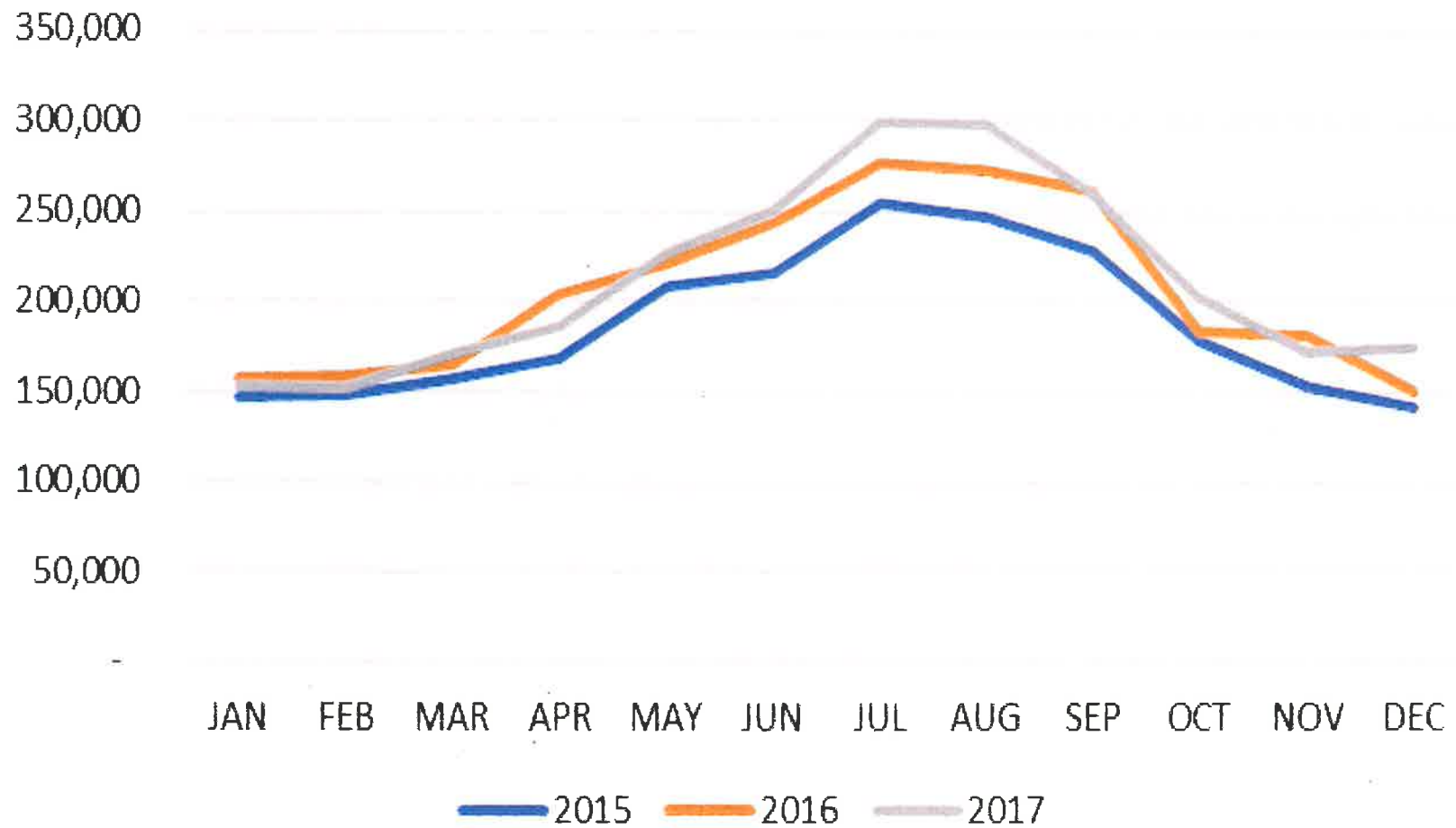
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
2015	127,251	117,863	152,896	143,637	165,218	159,055	127,153	113,746	146,730	111,944	106,145	101,239	1,572,877
2016	90,417	99,886	145,797	189,397	153,684	168,270	117,066	119,277	162,539	140,141	87,340	105,067	1,578,880
2017	78,933	98,866	138,350	126,487	153,294	141,390	130,648	121,164	126,737	137,261	79,024	89,555	1,421,708

PROPERTY LEASES & USE

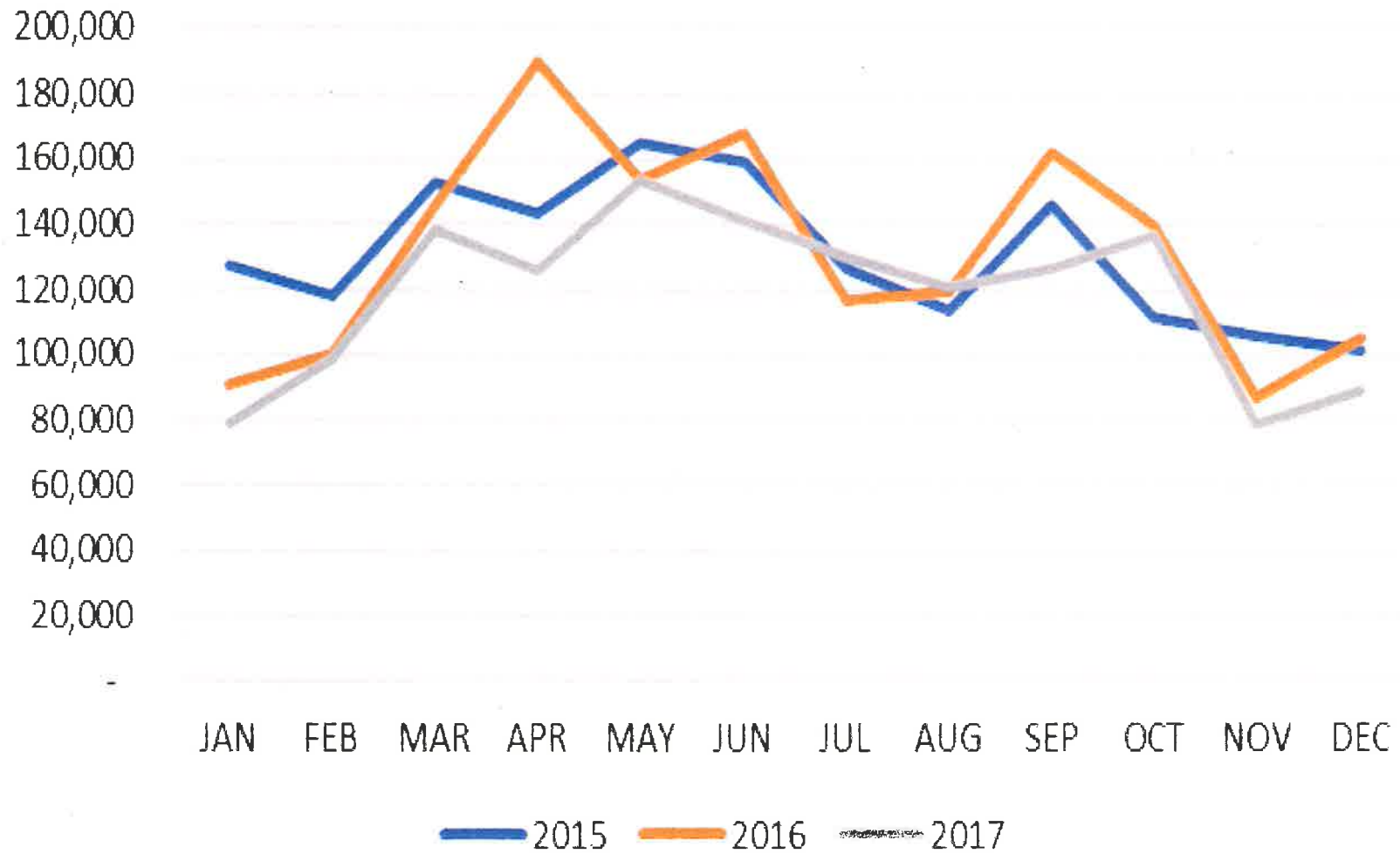
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
2015	89,711	89,635	90,229	90,033	92,443	91,418	91,229	90,283	91,269	90,832	92,128	108,091	1,107,302
2016	87,810	88,194	88,643	89,442	91,186	88,736	99,242	89,007	89,305	90,179	90,171	69,730	1,061,642
2017	91,556	91,567	90,785	97,382	95,026	94,826	94,386	100,135	118,635	93,935	92,896	93,218	1,154,349

Marinas & RV Parks Revenue

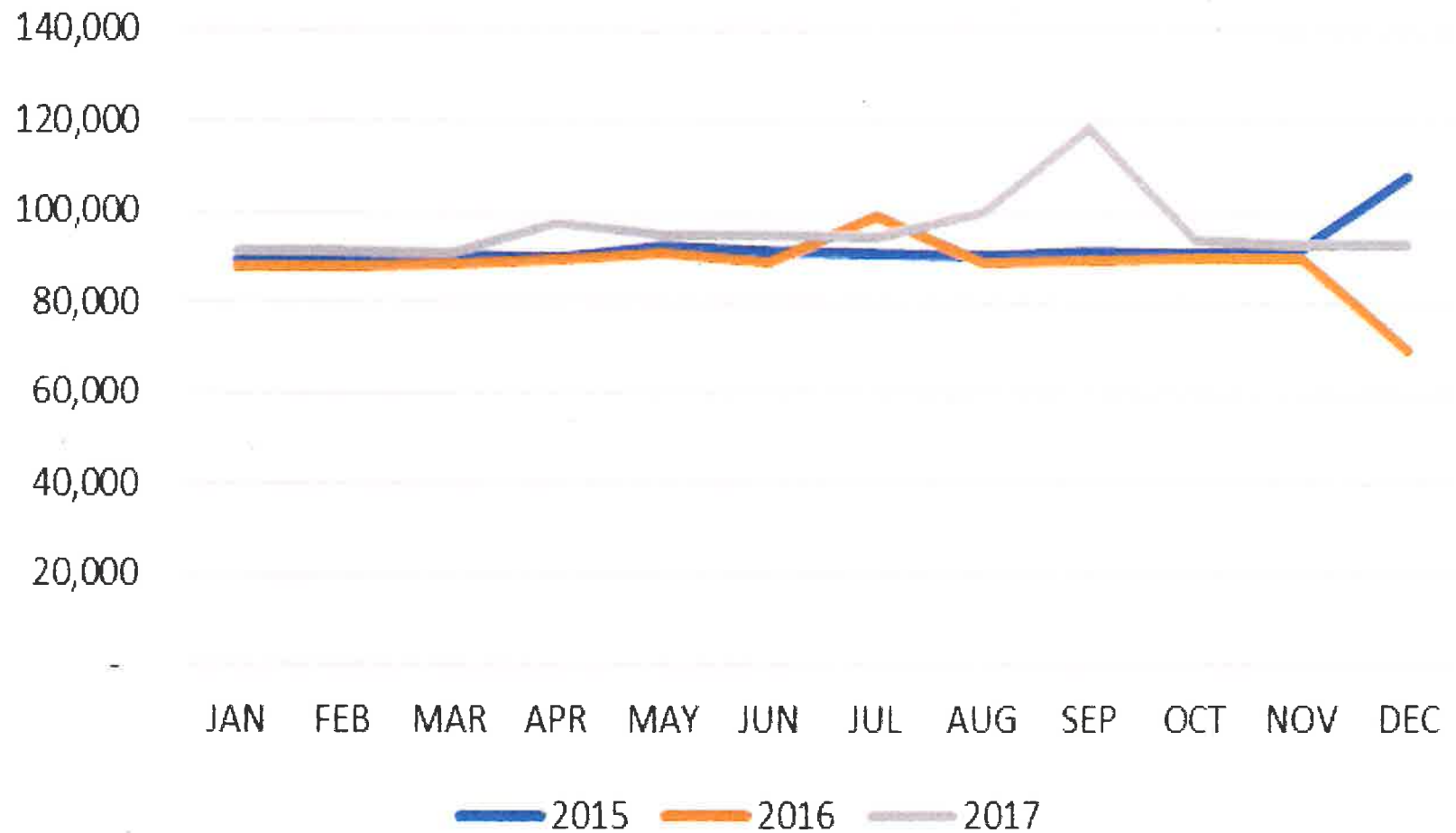
37



Yard Operating Revenue



Property Leases & Use Revenue

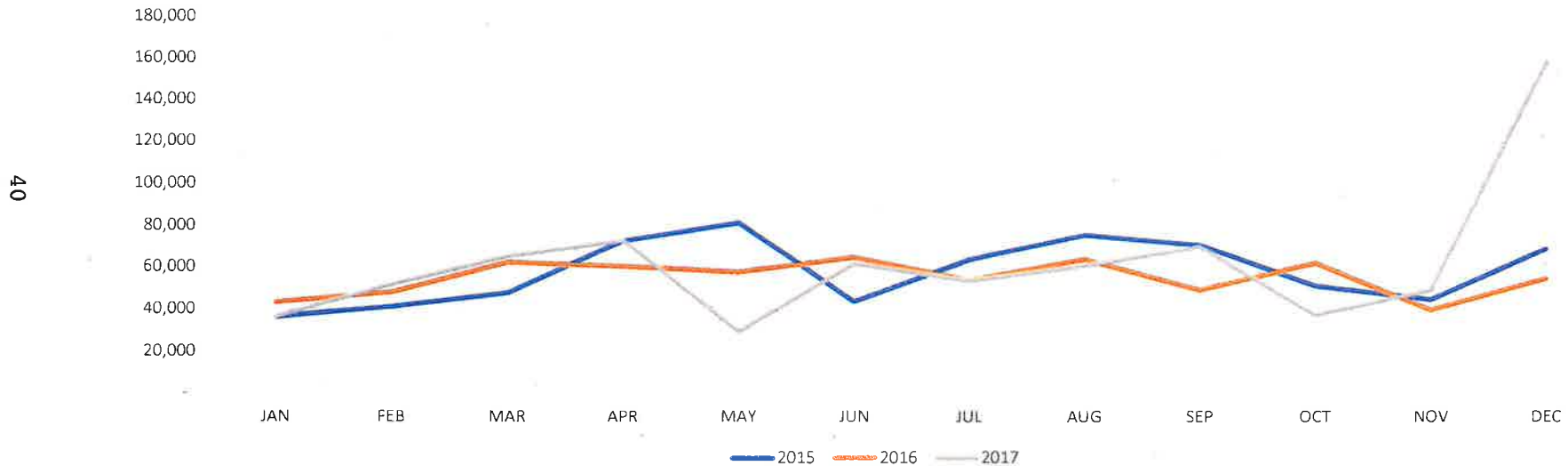


Facilities and Operations Expenses
Monthly as of December 31, 2017 - PRELIMINARY

FACILITIES & OPERATIONS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
2015	36,245	41,069	47,666	72,576	81,413	43,890	63,676	75,664	70,823	51,195	44,727	68,942	697,886
2016	43,158	47,960	61,900	60,036	57,397	64,456	53,711	63,541	49,065	61,925	39,658	54,646	657,453
2017	36,397	51,607	64,959	72,566	29,450	61,584	53,492	60,565	69,786	37,229	49,229	158,891	745,755
2017 w/o Bad Debt write off													648,680

Facilities & Operations Expense Trends

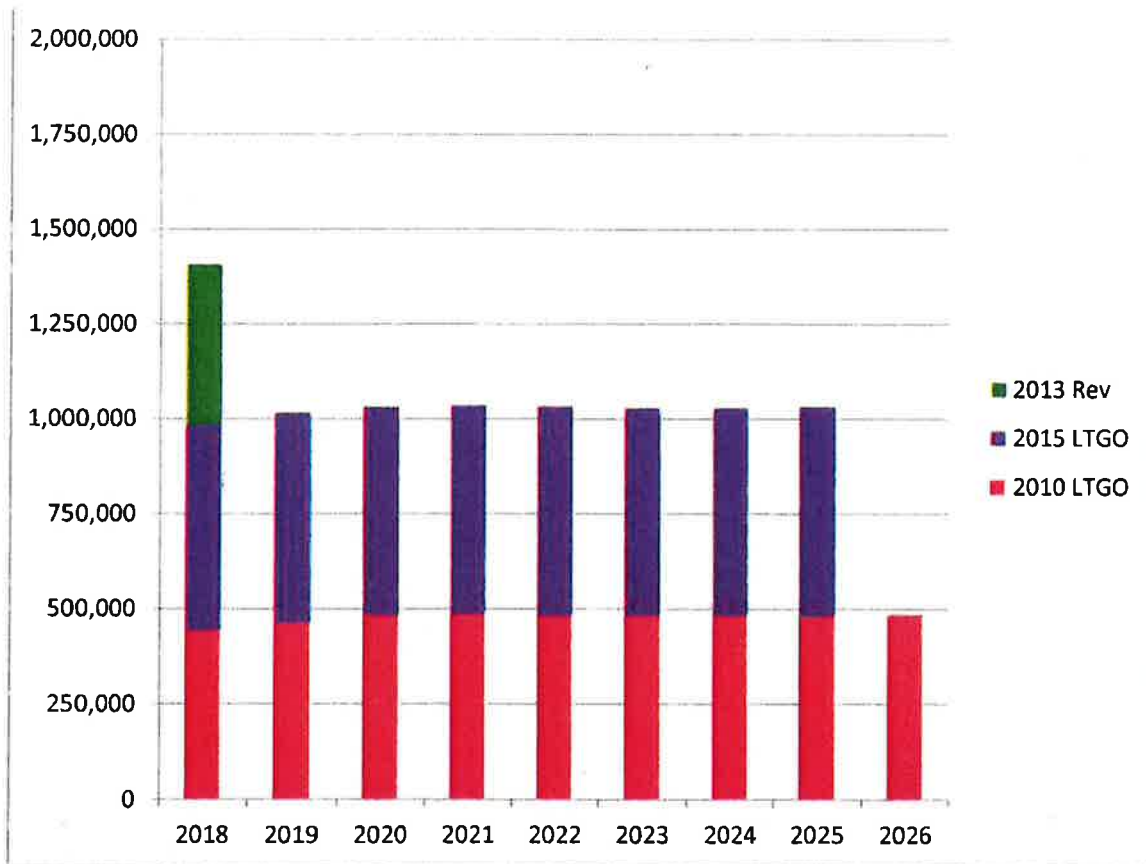


NOTE: December 2017 has a sharp increase in this expense line item as the result of the Bad Debt written off by the Commission in December in the amount of \$97,075. This line item relates to Revenues recognized in previous years that was identified as uncollectible. The breakdown by year is as follows:

2014 \$ 16,568
 2015 \$ 67,315
 2016 \$ 6,083
 2017 \$ 7,109
\$ 97,075

Port of Port Townsend Debt Service Analysis As of January 1, 2018

Debt	Principal Balance	Interest Balance	Pay-Off Date
2013 Revenue Bond (2.2 - 3%)	\$ 409,507	\$ 9,237	November 2018
2015 LTGO Refunding Bond (3%)	\$3,855,000	\$ 538,350	December 2025
2010 LTGO Bond (0.85 – 6.125%)	<u>\$4,105,000</u>	<u>\$1,578,788</u>	December 2029
Total	\$8,369,507	<u>\$2,126,375</u> \$10,495,882	



Legend:

2013 Revenue Bond – construction of current Administrative building

2015 LTGO Refunding Bond – refunded 2005 LTGO bonds used for Point Hudson Marina Reconstruction

2010 LTGO Bond – reconstruction of A/B dock (83%) and 75 Ton Travelift pier (17%)

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	January 24, 2018
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. (B) BIG Tier II Phase I Grant – Request for Extension
STAFF LEAD	Sam Gibboney
REQUESTED	<input type="checkbox"/> Motion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	A. Informational Staff Report

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 1/24/2018
TO: Commission
FROM: Sam Gibboney, Executive Director
SUBJECT: BIG Tier II Phase 1 Grant - Request for Extension

ISSUE

The Commission gave staff direction to prepare a letter regarding a request to extend the deadline for the Boating Infrastructure Grant (BIG) Tier II grant received for Phase 1 of the Point Hudson jetty construction.

This memo (and subsequent discussion) seeks to update the Commission and staff seeks to gain further direction from the Commission.

BACKGROUND

The U.S. Fish and Wildlife Service (USFWS) Boating Infrastructure Grant (BIG) Tier II is a nationally competitive program for transient moorage facilities. This national grant program is managed locally by the Washington State Recreation and Conservation Office (RCO).

The Port of Port Townsend applied for this funding for the replacement of the Point Hudson jetty (both north and south legs) in summer of 2014. The Port received notice of award in spring of 2015 for approximately \$1.1 million.

The initial deadline for completion of the project (both north and south) was March 2018. This past year (2017), staff successfully put forth a two-part request:

- a. extend the current grant deadline to March of 2019; and
- b. segment the project into two phases.

This request was approved and the existing award can be applied entirely to the design and permitting of both jetties and the construction of the south jetty, or Phase 1. The construction of the north jetty is now Phase 2.

Port staff has applied for an additional award of up to approximately \$1.4 million for the north jetty project. Port staff expects information regarding this grant application in spring of this year.

The Commission authorized Port staff at the January 10, 2018 meeting to work with Northwest Municipal Advisors and bond counsel to prepare a bond package of \$3.2 million to fund the south jetty construction.

At the same January 24th meeting, the Commission also authorized staff to prepare a request for an additional extension to the existing grant.

Mr. Toews has discussed the issue with RCO staff who then posed the question to USFWS Region X staff. He was informed that a request of an additional extension is possible. However, both agencies indicated that they could not give any clear indication of a timeline for a response. They did indicate that receipt of a response in less than three months would be unlikely.

Bond proceeds are needed by mid-April, at the latest, to be able to award the construction contract. It is almost certain that the Port would not know of the response to a request for an additional extension before this time.

DISCUSSION

Scott Bauer, Northwest Municipal Advisors, has reiterated his observation that bond interest rates are favorable and likely only to move in an upward direction.

It is important to note that the BIG Tier II grant program is highly competitive. The USFWS typically awards between \$10 million to \$12 million annually.

FISCAL IMPACT

Should the Commission forgo proceeding with the bond and the request for an extension is approved, the project could be delayed for one to two years. A delay would likely result in higher construction costs, likely a higher interest rate on a future bond, and additional staff and consultant time.

Should the Commission forgo proceeding with the bond and the request for an extension is denied, the Port will not be able to complete the project on time. Possible consequences include loss of the existing funding and a requirement to pay back funds already reimbursed (in excess of \$200,000).

Should the Commission decide not to proceed with the project at all, the Port will forfeit the existing grant award and be required to pay back funds already reimbursed (the same in excess of \$200,000 as above).

RECOMMENDATION

Staff recommends not submitting a request to extend the deadline for the existing BIG Tier II grant.

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	January 24, 2018
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. (C) Commission Authorization to Solicit Bids for Point Hudson South Jetty Demolition & Replacement
STAFF LEAD	Eric Toews, Director of Planning/In-House Counsel
REQUESTED	<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Action <input type="checkbox"/> Discussion
ATTACHMENTS	A. Informational Staff Report; B. Estimate of Probable Construction Cost at 70% Design (Mott MacDonald, 11/28/17); and C. South Jetty (Replacement) Plan View (highlighted in yellow).

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 1/18/2018
TO: Port Townsend Port Commission
FROM: Eric Toews, Director of Planning/In-House Counsel
CC: Executive Staff
SUBJECT: Commission Authorization to Solicit Bids for Point Hudson South Jetty Demolition & Replacement Project

ISSUE: Port staff is seeking authorization to solicit public works bids for the demolition and replacement of the Point Hudson South Jetty. This is "Phase I" of the overall project that, pending funding availability, will include the replacement of North Jetty ("Phase II") during the 2019/2020 construction season.

BACKGROUND: During the Commission's regular meeting of January 10, 2018, the Commission authorized staff to engage Northwest Municipal Advisors & Bond Counsel (K&L Gates) to begin preparation of a bond package to fund the demolition and replacement of the South Jetty at Point Hudson. As discussed on January 10th, it is anticipated that the project will commence as soon as mid-July of 2018. Under the current Boating Infrastructure Grant (BIG) that is partially funding the project, the Port is obligated to complete the demolition and replacement of the South Jetty by the end of March 2019.

DISCUSSION: To facilitate a timely project start and completion within the "fish window" (i.e., July 15, 2018 to February 15, 2019), it will be necessary to bid the project in March, with a bid award occurring approximately one-month later in April. This aggressive timeline is required for two principal reasons: 1) to ensure that bids are obtained during the most favorable time of the year (i.e., before contractors' work schedules are filled for the summer in-water construction season); and 2) to ensure that the contractor selected for the work has sufficient time to order custom/pre-fabricated jetty components and ensure their timely production and delivery on-site to minimize the potential for project interruptions and delays.

As previously discussed with the Commission, Mott MacDonald (the engineers of record for the project) is finalizing the design work and preparing a draft bid package for review by Port staff and legal counsel. The probable construction cost estimate for the project currently stands at **\$3,665,000**. This number may be modestly revised as the project design is finalized, although no substantial adjustments are anticipated.

Commission Actions related to this matter which precede this request include, but are not necessarily limited to, the following:

- Authorization to seek Boating Infrastructure Grant funding for the project (2014);
- Authorization to apply for and obtain all necessary permits for the project (2014);
- Authorization to retain engineering services to complete 30% design (needed for permit applications) (2014);
- Authorization to retain engineering services to complete 100% engineering design and bid package for the project (2017);

- Authorization to engage Northwest Municipal Advisors and K&L Gates (Bond Counsel) to commence preparation of a bid package to fund Phase I of the Jetty Replacement Project (2018).

FISCAL IMPACT: No expenditure is required at this time. As noted above, the present project cost estimate is \$3,665,000. Northwest Municipal Advisors and K&L Gates (Bond Counsel) are initiating preparation of a LTGO bond package in the amount of \$3,200,000 to substantially fund the project. Once prepared, the bond package and resolution will require further Commission review and approval (March or April). The LTGO bond proceeds would be supplemented with the remaining Boating Infrastructure Grant (BIG) monies (\$919,227) available to complete the project. Together, these would provide funding approximately \$454,000 in excess of the present project cost estimate in order to: 1) hedge against potentially unfavorable changes in the 2018 bid environment that could result in project cost escalations; and 2) to replenish Port cash depleted as a result of the recently completed Boat Haven stormwater improvements, consistent with Commission Resolution 669-17 (October 11, 2017).

RECOMMENDATION: Authorize staff to solicit bids for the Point Hudson South Jetty Demolition and Replacement Project.

ATTACHMENTS:

- Estimate of Probable Construction Cost at 70% Design (Mott MacDonald, 11/28/17); and
- South Jetty (Replacement) Plan View (highlighted in yellow).



Port of Port Townsend
Point Hudson Breakwater Replacement



Construction Cost for Phase I and II Breakwater Replacement

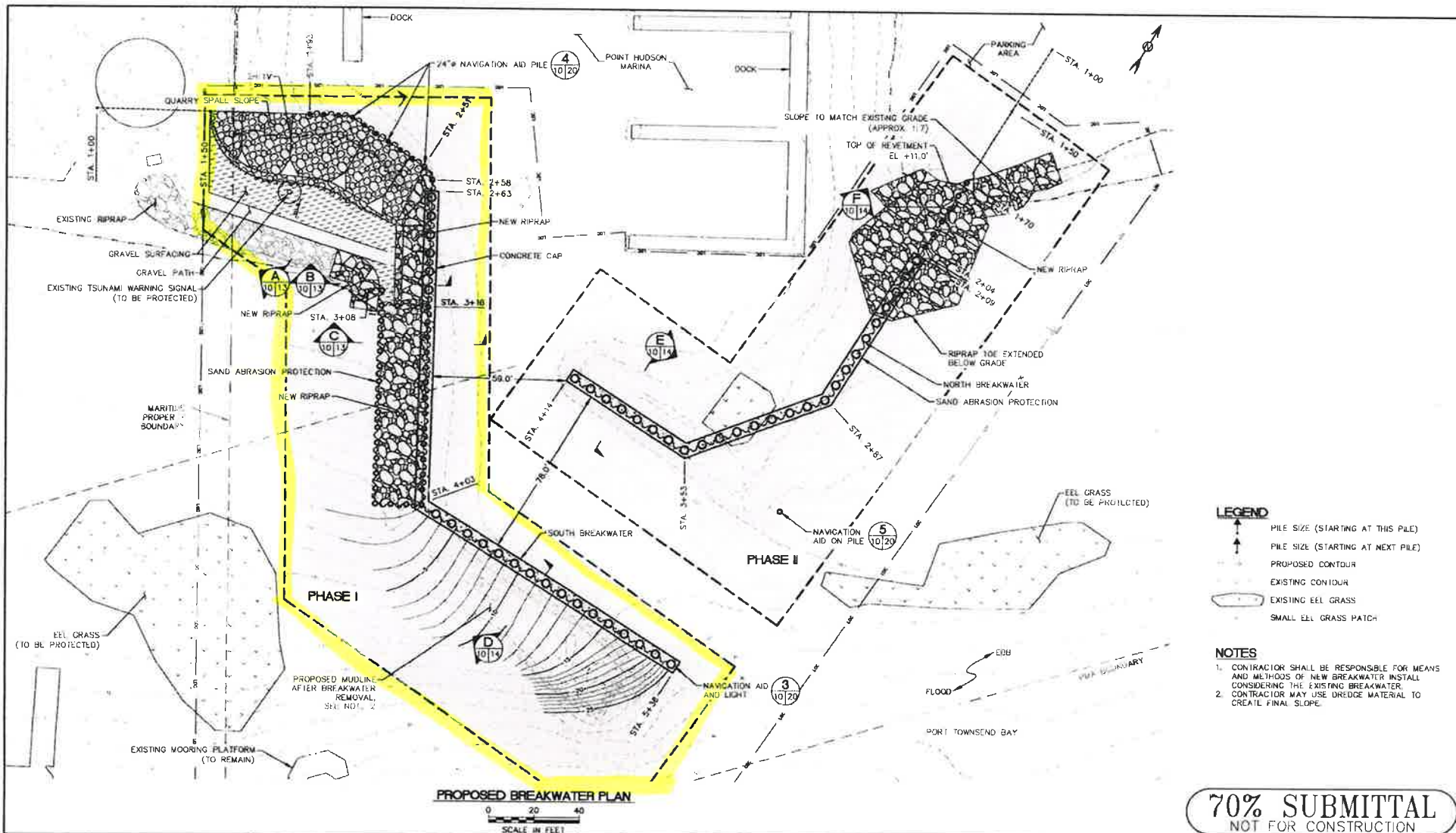
Estimate of Probable Construction Cost 70% Design

General Bid Items							
Item #	Bid Item Description	Quantity	Unit	Unit Price	Phase I	Phase II	Total
1	Mobilization/Demobilization	1	LS		\$ 156,000	\$ 84,000	\$ 240,000
2	Construction Surveying	1	LS		\$ 20,000	\$ 15,000	\$ 35,000
3	Environmental Protection	1	LS		\$ 10,000	\$ 10,000	\$ 20,000
4	Site Restoration	1	LS		\$ 15,000	\$ 10,000	\$ 25,000
5	Temporary Shoring	1	LS		\$ 10,000	\$ 10,000	\$ 20,000
6	Beach Abrasion Protection	1	LS		\$ 10,000	\$ 10,000	\$ 20,000
7	Upland Excavation	1	LS		\$ 34,000	\$ 9,000	\$ 43,000
8	Demolition	1	LS		\$ 184,000	\$ 149,000	\$ 333,000
9	In Water Rock Removal & Disposal	1	LS		\$ 45,000	\$ 40,000	\$ 85,000
Phase I South Wall Bid Items							
10	Furnish and Install Pipe Pile 42x1.0	4	EA	\$ 49,000	\$ 196,000		\$ 196,000
11	Furnish and Install Pipe Pile 42x0.75	6	EA	\$ 36,000	\$ 216,000		\$ 216,000
12	Furnish and Install Pipe Pile 42x0.5	12	EA	\$ 27,000	\$ 324,000		\$ 324,000
13	Furnish and Install Pipe Pile 24x0.75 (70')	8	EA	\$ 20,000	\$ 160,000		\$ 160,000
14	Furnish and Install Pipe Pile 24x0.75 (53')	6	EA	\$ 17,000	\$ 102,000		\$ 102,000
15	Furnish and Install Pipe Pile 24x0.75 (60')	19	EA	\$ 18,000	\$ 342,000		\$ 342,000
16	Furnish and Install Pipe Pile 18x0.5	9	EA	\$ 10,000	\$ 90,000		\$ 90,000
17	Furnish Galvanized Sheetpiles	1677	LF	\$ 178	\$ 298,000		\$ 298,000
18	Install Sheetpile Pairs	66	EA	\$ 1,500	\$ 99,000		\$ 99,000
19	Furnish and Install Wave Screen	1	LS	\$ 67,000	\$ 67,000		\$ 67,000
20	Furnish and Install Concrete Cap	275	LF	\$ 1,000	\$ 275,000		\$ 275,000
21	Furnish and Install Riprap	766	TON	\$ 80	\$ 62,000		\$ 62,000
22	Furnish and Install Quarry Spalls	508	CY	\$ 35	\$ 18,000		\$ 18,000
23	Furnish and Install Geotextile	254	SY	\$ 8	\$ 3,000		\$ 3,000
24	Dredging	1500	CY	\$ 40	\$ 60,000		\$ 60,000
Phase II North Wall Bid Items							
25	Furnish and Install Pipe Pile 42x0.5	25	EA	\$ 27,000		\$ 675,000	\$ 675,000
26	Furnish and Install Pipe Pile 24x0.5	6	EA	\$ 14,000		\$ 84,000	\$ 84,000
27	Furnish Galvanized Sheetpiles	903	LF	\$ 178		\$ 161,000	\$ 161,000
28	Install Sheetpile Pairs	30	EA	\$ 1,500		\$ 45,000	\$ 45,000
29	Furnish and Install Concrete Cap	210	LF	\$ 1,000		\$ 210,000	\$ 210,000
30	Furnish and Install Riprap	1575	TON	\$ 80		\$ 126,000	\$ 126,000
31	Furnish and Install Quarry Spalls	371	CY	\$ 35		\$ 13,000	\$ 13,000
32	Furnish and Install Geotextile	185	SY	\$ 8		\$ 2,000	\$ 2,000
33	Dredging	3000	CY	\$ 40		\$ 120,000	\$ 120,000
Subtotal Estimated Construction Cost					\$ 2,796,000	\$ 1,773,000	\$ 4,569,000
Contingency ⁴					\$ 279,600	\$ 265,950	\$ 545,550
Marina Access Restrictions ⁵					\$ 220,000	\$ 110,000	\$ 330,000
Cost Escalation ⁶					\$ 66,000	\$ 129,000	\$ 195,000
Sales Tax (9%)					\$ 302,544	\$ 205,016	\$ 507,560
Total Estimated Construction Cost ³					\$ 3,665,000	\$ 2,483,000	\$ 6,148,000

Notes:

- Phase I is assumed to start construction in mid July 2018.
- Phase II is assumed to start construction in 2019/2020 timeframe.
- Costs for Phase I and II are projected for years they will be bid.
- Contingency is 10% for Phase I and 15% for Phase II.
- Marina Access Restriction includes costs for restricting construction access in the marina entrance channel from 6pm to 7am Mon-Thu and all day Fri-Sun.
- Cost Escalation is assumed to be 2% for Phase I and 6% for Phase II.
- No short term repair of the North breakwater is included in Phase I.
- Costs do not include engineering/permitting.

11/28/2017

**LEGEND**

- ↑ PILE SIZE (STARTING AT THIS PILE)
- ↑ PILE SIZE (STARTING AT NEXT PILE)
- PROPOSED CONTOUR
- - - EXISTING CONTOUR
- EXISTING EEL GRASS
- SMALL EEL GRASS PATCH

NOTES

1. CONTRACTOR SHALL BE RESPONSIBLE FOR MEANS AND METHODS OF NEW BREAKWATER INSTALL CONSIDERING THE EXISTING BREAKWATER.
2. CONTRACTOR MAY USE DREDGE MATERIAL TO CREATE FINAL SLOPE.

70% SUBMITTAL
NOT FOR CONSTRUCTION

M M
MOTT
MACDONALD

1000 James Street
Suite 100
Edmonds, Washington 98026

T: (425) 776-0345
F: (425) 776-0345
info@mottmacdonald.com



Rev	Date	By	Checked	Description

344092

10

20

Designed	A. Latham	Checked	E. Latham
Drawn	G. Taylor	Checked	E. Latham
Scale as SHOWN	As Shown	Scale	Scale
Drawing Number			

Point Hudson Marina
Breakwater Replacement

Proposed Breakwater Plan

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	January 24, 2018
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. (D) Commission Authorization to Submit M-II(B) Zoning Code Text Amendment (Point Hudson) to the City of Port Townsend
STAFF LEAD	Eric Toews, Director of Planning/In-House Counsel
REQUESTED	<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Action <input type="checkbox"/> Discussion
ATTACHMENTS	A. Informational Staff Report

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 1/18/2018
TO: Port Townsend Port Commission
FROM: Eric Toews, Director of Planning/In-House Counsel
CC: Executive Staff
SUBJECT: Commission Authorization to Prepare & Submit an Application for Limited Amendments to the Text of the City of Port Townsend Zoning Code Affecting Point Hudson

ISSUE: Port staff is seeking authorization to prepare and submit an application to the City of Port Townsend for narrow and **limited** text amendments to the City's Zoning Code (Title 17 PTMC). Specifically, staff seeks authorization to submit an application that would (if approved by the City Council), expand the range of permitted uses within the M-II(B) Marine Related Manufacturing District applied to Point Hudson to include "recreational vehicle parks" and "storage, outside" and "outdoor storage".

BACKGROUND: Staff has previously apprised the Commission of the need to improve the financial performance of Point Hudson as a cost center. In part, this is driven by the need to generate additional net operating income to help service the LTGO bond debt necessary to fund the South Jetty replacement project.

As the Commission is aware, the M-II(B) zoning district applied to Point Hudson significantly constrains the range of permissible uses within the zone, and impedes the Port's objective of improving Point Hudson's financial performance. The City's code states in pertinent part as follows:

"Uses not specifically identified within Table 17.22.020 are deemed to be contrary to the interests of the public health safety and welfare of the citizens of Port Townsend and shall be prohibited." (PTMC 17.22.010(B)(4)).

Because neither recreational vehicle parks nor open or outdoor storage are listed in the table of permitted, conditional and prohibited uses at Table PTMC 17.22.020, they are prohibited.

DISCUSSION: To facilitate productive use of the vacant and undeveloped northwest corner of the Port's Point Hudson property, staff proposes to submit an application for zoning code text amendments in order to specifically list and classify as permitted uses, both recreational vehicle parks and outdoor storage.

Such use of the "back forty" would not fundamentally alter the character of this maritime-related zoning district, and would not commit the area to structural site improvements that would preclude other future use of the area. The City's Shoreline Management Master Program (SMP), which applies to areas situated within 200 feet of the ordinary high-water mark (OHWM), presently permits RVs, subject to limitations. Thus, the City's code ironically permits RVs in the sensitive shoreline environment, while prohibiting them in upland areas of the M-II(B) zone located outside the shoreline jurisdiction. Moreover, the code expressly permits boat storage within the M-II(B) district, but prohibits "outdoor storage" and "storage, outside" – both uses that would appear to entirely consonant and necessary

within a manufacturing district, marine-related or otherwise. In this regard, it is worth observing that the City is currently using the “back forty” at Point Hudson as a materials and equipment lay-down area (i.e., as “outdoor storage”) in support of the Water Street improvement project currently underway.

Finally, these proposed amendments should in no way be confused with the development scenarios being developed through the Point Hudson Development Strategy process. Some of those scenarios are likely to require a much wider set of amendments to the City’s Comprehensive Plan or Shoreline Management Master Program. By contrast, these limited, targeted and narrow amendments are intended to facilitate beneficial and more profitable use of the Port’s Point Hudson property while maintaining the fundamentally marine-related character of the M-II(B) zoning district overall.

FISCAL IMPACT: The City of Port Townsend’s fee schedule (available online) indicates that amendment applications of this type must be accompanied by a fee of less than \$1,000.00.

RECOMMENDATION: Authorize staff to prepare and submit an application for limited amendments to the text of the City of Port Townsend Zoning Code affecting Point Hudson to classify and permit “recreational vehicle parks”, “open storage” and “storage, outside” within the M-II(B) Zoning District.

ATTACHMENTS: None.