

The Port
OF PORT TOWNSEND
SERVING ALL OF JEFFERSON COUNTY

**Port of Port Townsend
2nd Monthly Meeting Agenda
Wednesday, March 14, 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. Public Comments (related to/not related to the agenda)
- IV. Consent Agenda
 - A. Approval of Public Workshop Minutes – February 28, 2018.....1-2
 - Approval of Regular Meeting Minutes – February 28, 2018.....3-5
 - B. Approval of Warrants
- V. Second Reading
- VI. First Reading
 - A. Commercial Passenger Fees.....6-7
- VII. Regular Business
 - A. Northwest Municipal Advisors Bond Scenarios Presentation.....8-16
 - B. Authorization to Contract with Reid Middleton, Inc. for Preparation of a
Development Strategy for the Quilcene Marina & Industrial Site.....17-31
 - C. Rescheduling of May 9, 2018 Commission Meeting.....32-33
 - D. 2018 Policy Calendar – 2nd Draft.....34-36
- VIII. Staff Comments
- IX. Commissioner Comments
- X. Next Public Workshop / Regular Meeting:
Wednesday, March 28, 2018: Workshop at 1:00 pm, Meeting at 5:30 pm
Port Commission Building, 333 Benedict Street, Port Townsend, WA
- XI. Executive Session
- XII. Adjournment

PORT COMMISSION PUBLIC WORKSHOP – February 28, 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 & Putney
Executive Director Gibboney
Auditor Berg
Director of Operations & Business Development Englin
Director of Planning/In-house Counsel Toews
Communications Coordinator Matej
Recorder Nelson

Present by Telephone: Commissioner Hanke

Guest Speaker: Frank Chmelik of Chmelik Sitkin & Davis, P.S.

I. CALL TO ORDER:

Commissioner Tucker called the Workshop to order at 1:00 p.m.

II. AGENDA:

Refer to attached workshop agenda for items discussed.

IV. ADJOURNMENT:

The Workshop adjourned at 3:14 p.m.

ATTEST:

Stephen R. Tucker, President

William W. Putney III, Secretary

Peter W. Hanke, Vice President

**Port of Port Townsend
Public Workshop
Wednesday, February 28, 2018, 1:00 p.m.
Port Commission Building
333 Benedict Street
Port Townsend, WA**

AGENDA

- **LEASING PRACTICES & POLICIES**

Guest speaker Frank Chmelik of Chmelik Sitkin & Davis, P.S. will lead a discussion of leasing practices and policies.

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– February 28, 2018

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

Present: Commissioners – Tucker and Putney. Hanke present via telephone.
Executive Director Gibboney
Auditor Berg
Communications Coordinator Matej
Attorney Lake
Minutes – Nelson

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Tucker called the meeting to order at 5:30 p.m.

II. APPROVAL OF AGENDA:

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

III. PUBLIC COMMENTS (Not related to agenda) (1:14):

Anne Ricker read a letter to the Commission requesting action on certain items from the Linger Longer Committee of Quilcene.

Alan Katz expressed his thoughts on the Kawahara eviction.

Melinda Bryden thanked Ms. Berg for the financial statements she put together.

IV. CONSENT AGENDA (6:38):

A. Approval of Public Workshop Minutes – February 14, 2018

Approval of Regular Meeting Minutes – February 14, 2018

B. Resolution No. 676-18 – Authorizing Sale of Abandoned Vessels

C. Approval of Warrants

Warrant #058722 through #058733 in the amount of \$65,545.01 for Payroll & Benefits

Electronic Payment in the amount of \$111,862.50 for Payroll & Benefits

Warrant #058734 through #058802 in the amount of \$172,163.93 for Accounts Payable

Electronic Debit in the amount of \$3,614.33 for WA State Dept. of Revenue Combined

Excise Tax Return for January 2018

Commissioner Tucker moved to approve the Consent Agenda as presented.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

V. SECOND READING (Action Items):

A. Meeting Procedures Resolution No. 675-18 and Policy (6:56):

Commissioner Tucker highlighted the changes made at the last meeting, which include returning to two meetings a month and Public Workshops to be called as needed. He discussed the change of only one Public Comment period on the agenda, which allows for comments on any subject and the new time limitation allowed for public comments.

Bertram Levy talked about emails he has sent to commissioners and the lack of response to those, and stated he disagrees with the elimination of the second public comment period at the end of the regular business meetings.

Commissioner Putney moved to adopt Resolution No. 675-17 Meeting Procedures and Policy as presented.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

VI. FIRST READING (Discussion Only):

VII. REGULAR BUSINESS:

A. Proposed Policy Calendar for 2018 (17:21):

Director Gibboney discussed the Commission's direction to adopt a series of policies. She explained during second quarter, staff time will be consumed with the transition in March to the new FSM software program and preparations for the Point Hudson Jetty bid, award, and hiring of a project manager; thus the reason for policy production to begin third quarter, rather than in quarter two.

Commissioner Putney discussed the criticality of these policies to operations. He stated he is not happy with the delay.

Director Gibboney pointed out the subject of the first March workshop is the 2018 Capital Projects and the second workshop is the 5-year Capital Plan.

Commissioner Tucker stated he tends to agree with Commissioner Putney, but understands staff's workload. He suggested moving forward with the Operating Rates and Operating Budget policies, rather than delaying these.

Commissioner Hanke stated the policies that jump out at him are the Operating Rates and Business Practices and added these are urgent to accomplish. He also mentioned the upcoming Kidder Mathews rate study.

Director Gibboney informed that staff entered into an agreement with Kidder Mathews and anticipates a six-week period for completion of the study. She added this would lend to the process of rate setting. She reminded the commission of the lease policy in existence, which needs updating. Discussion ensued.

Director Gibboney stated she would look at applying resources to make changes to the calendar and would bring a revised calendar to the next meeting.

B. January 2018 Financials (33:36):

Ms. Berg discussed details of the Financials, highlighting the fact of an overall increase of 12% in Operating Revenues as compared to 2017. She stated this is a reflection of staff's efforts in the field. Ms. Berg added she hopes to include Cash Flow in the next report.

Director Gibboney commended Mr. Englin and the yard, moorage and maintenance staffs for their efforts.

C. WA Department of Fish and Wildlife (WDFW) Lease (49:00):

Director Gibboney described the storage area at Point Hudson leased to WDFW for their boat and trailer. She stated she signed the lease but would like the Commission to ratify and approve of her signature.

Commissioner Tucker moved to approve the lease, as presented, with WA Dept. of Fish and Wildlife.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

VIII. STAFF COMMENTS (52:42):

Ms. Gibboney asked the Commission if they had any questions on the weekly Status Reports. She reported on the letter of engagement with Kidder Mathews and stated she would learn of their schedule via a phone call tomorrow.

Ms. Matej complimented Director Gibboney on her presentation earlier this morning at a Main Street meeting in town.

IX. PUBLIC COMMENTS (54:23):

X. COMMISSIONER COMMENTS (54:33):

Commissioner Putney spoke about the NW Aviation Conference in Puyallup, where he staffed a Port booth along with about ten of his "aviation buddies". He discussed the need for transportation between the airport and town, and that some pilots would like to see some type of concierge service from the Port.

Commissioner Tucker announced he attended the recent PRTPO meeting as the alternate to Commissioner Hanke.

XI. NEXT PUBLIC WORKSHOP / MEETING:

Wednesday, March 14, 2018. Public Workshop at 9:30 am, Regular Meeting at 1:00 pm in the Port Commission Building, 333 Benedict St, Port Townsend.

XII. EXECUTIVE SESSION:

XIII. ADJOURNMENT:

The meeting adjourned at 6:29 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	March 14, 2018
AGENDA ITEM	<input checked="" type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input type="checkbox"/> Regular Business
AGENDA TITLE	VI. A. Commercial Passenger Fees
STAFF LEAD	Sam Gibboney / Greg Englin
REQUESTED	<input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	A. Infor Memo

PORT OF PORT TOWNSEND INFORMATIONAL MEMO

DATE: 3/14/2018
TO: Port Commission
FROM: Sam Gibboney / Greg Englin
SUBJECT: Commercial Passenger Fees

ISSUE

Staff will introduce a draft plan for commercial passenger fees for loading/off-loading of passengers at Port facilities.

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	March 14, 2018
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. A. NW Municipal Advisors Bond Scenarios Presentation
STAFF LEAD	Abigail Berg, Director of Finance & Administration
REQUESTED	<input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	A. Informational Memo B. Bond Scenarios

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 3/14/2018
TO: Commission
FROM: Abigail Berg, Director of Finance & Administration
SUBJECT: Bond Scenarios for funding Point Hudson South Jetty

ISSUE

Funding reconstruction of Point Hudson South Jetty. Options are presented on how many years to bond as well as the timing of starting principle payments on the new bond.

BACKGROUND

The Point Hudson South Jetty project has been in the planning process since 2014. Permits have been obtained and design and engineering is complete for both the north and south jetties; the south jetty is Phase I of the overall project. A BIG Tier 2 grant was awarded in the amount of \$1,059,173 to the Port in 2015. Grant funds spent thus far are \$157,347 leaving a balance of \$901,826. Total project construction costs are estimated by the engineer to be \$3,665,000 and the preliminary estimate for construction management is \$150,000. The Port plans to bond \$3,200,000 to fund the difference. Any remaining funds from bonding after paying for the south jetty project will be used to reimburse Port cash for the Stormwater project, per Resolution #669-17.

DISCUSSION

Presented are six (6) bonding scenarios; each scenario wraps current Port LTGO bond debt into the new issue. (*Note: In this presentation, 2018 does not include the Port's remaining 2013 Revenue Bond. This bond will be paid off in 2018 in the amount of \$418,744.*) The first three (3) scenarios are for term years of 20, 25 and 30 with principal payments for the new debt starting in year 2030, which is the first year following the payoff of ALL the Port's current LTGO debt. The second three (3) scenarios are for term years of 20, 25 and 30 with principal payments for the new debt starting in year 2026, which is the first year following the payoff of the 2015 LTGO Refunding Bond. In all cases, the current market interest rates are included with a 0.5% market cushion with a standard ten (10) year call date.

FISCAL IMPACT

Dependent on scenario selection, as detailed in attachments.

RECOMMENDATIONS

We recommend the Commission bond for scenario 4, which is for a 20-year term commencing principal payments on the new bond issuance in the year 2026. This provides the shortest debt term with the best interest savings cost to the Port.

**Port of Port Townsend
Scenario Summary**

	Term (Years)	Principal Starts in (Year)	All-In Interest Cost	Total Debt Service (2018 Bonds)	Average Annual Debt Service		
					2019-2025	2026-2029	2030 and After
Scenario 1	20	2030	4.26%	\$ 5,396,768	\$ 140,175	\$ 140,175	\$ 472,316
Scenario 2	25	2030	4.35%	\$ 5,863,982	\$ 139,800	\$ 139,800	\$ 326,928
Scenario 3	30	2030	4.40%	\$ 6,336,660	\$ 140,206	\$ 140,206	\$ 262,114
Scenario 4	20	2026	4.14%	\$ 5,099,685	\$ 138,600	\$ 337,206	\$ 338,150
Scenario 5	25	2026	4.27%	\$ 5,593,214	\$ 139,031	\$ 267,531	\$ 267,244
Scenario 6	30	2026	4.35%	\$ 6,088,643	\$ 139,613	\$ 230,813	\$ 228,450

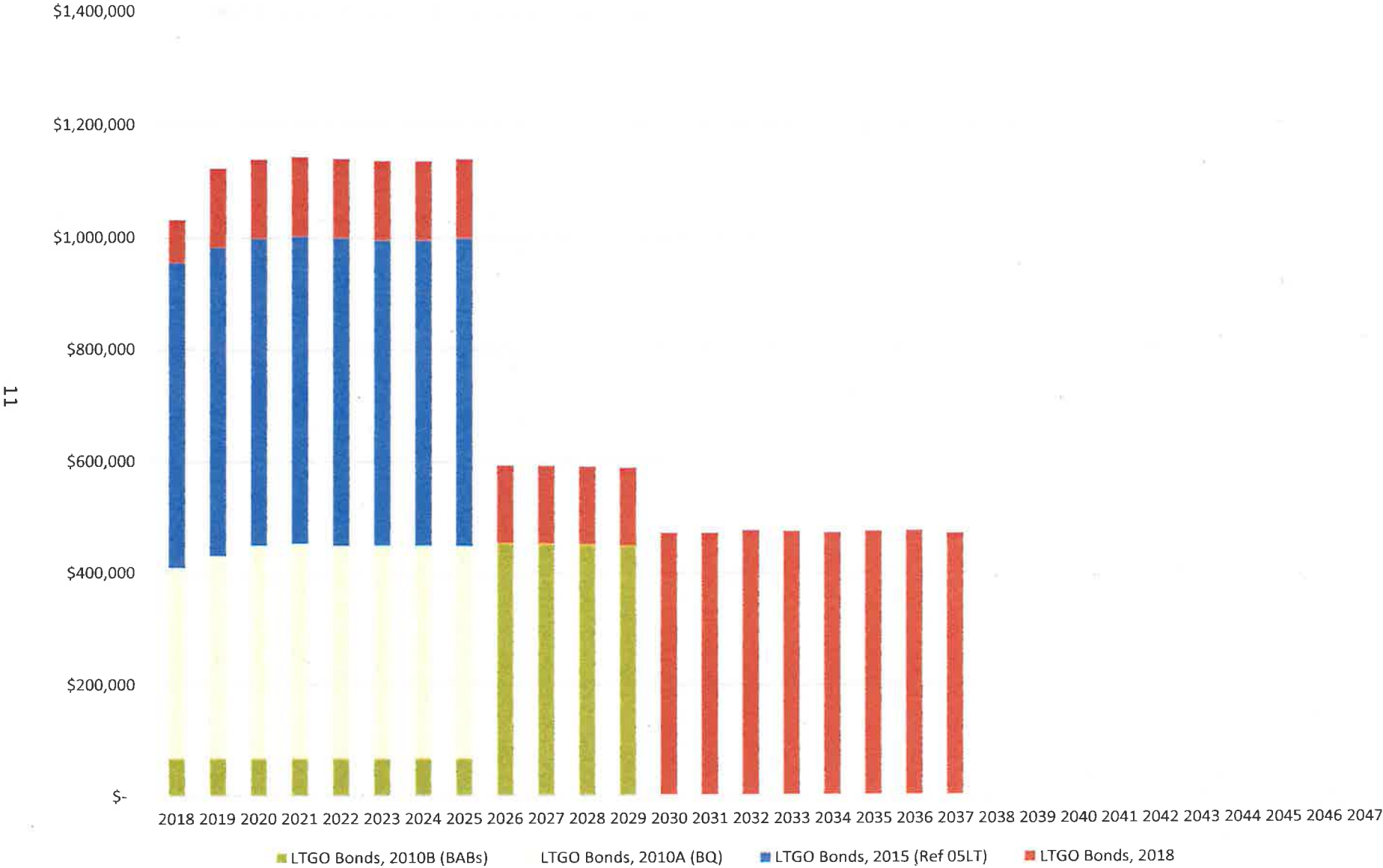
Interest Only
Principal and Interest

Note:

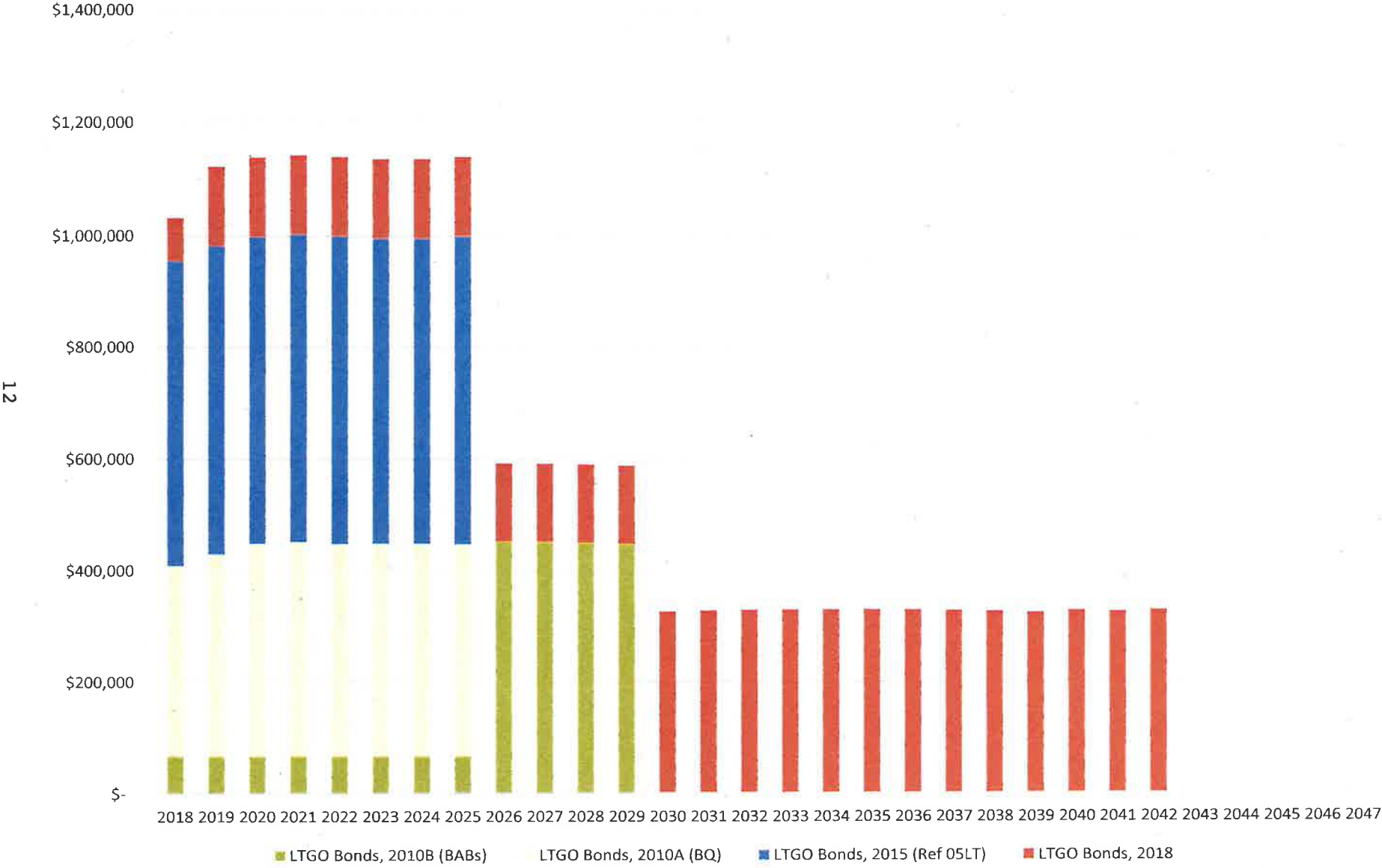
All-in Interest Cost and Debt Service are based on current interest rates plus 0.50%.

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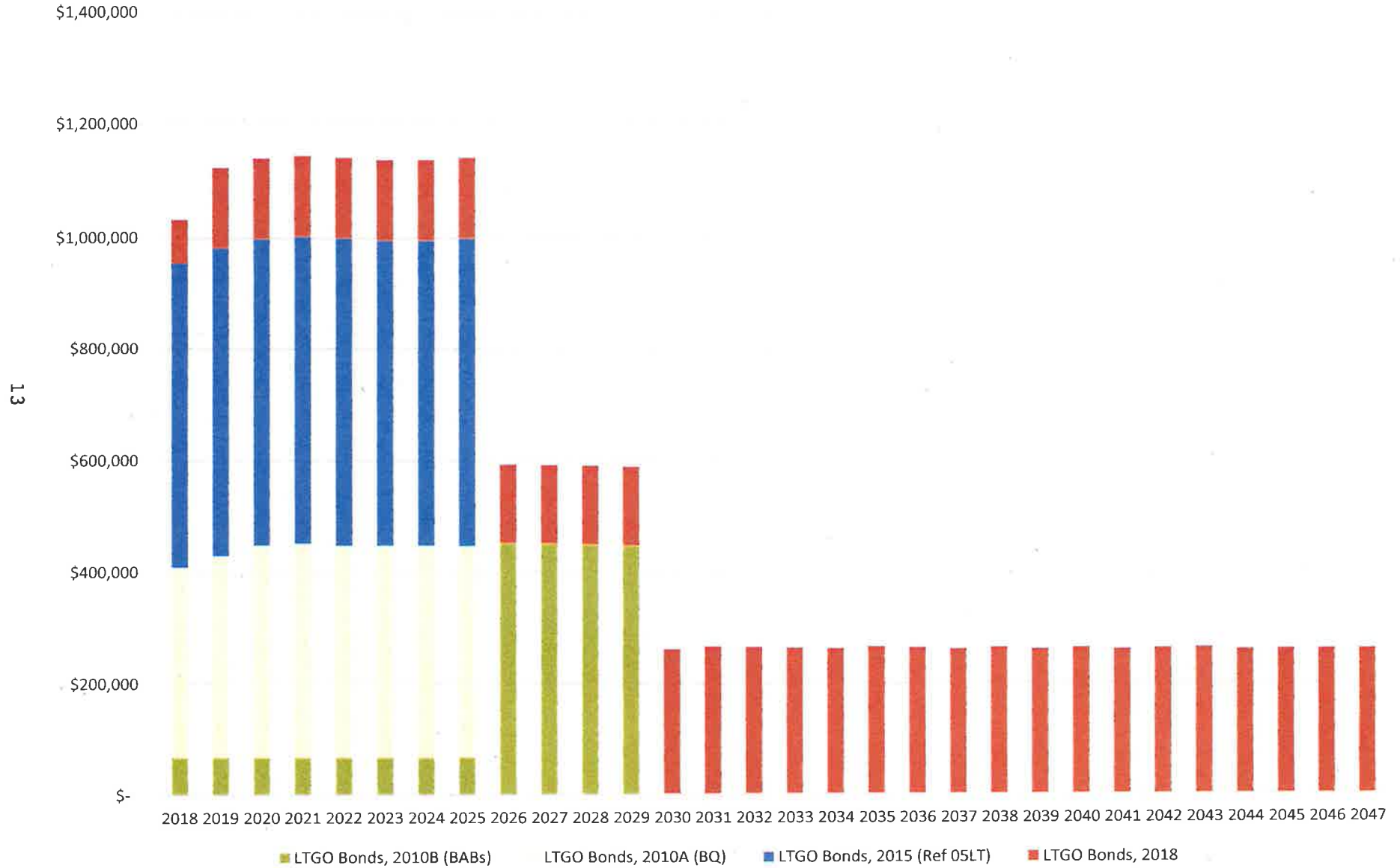
Port of Port Townsend Scenario 1: \$3.2 Million, 20 Year, Principal Starting in 2030



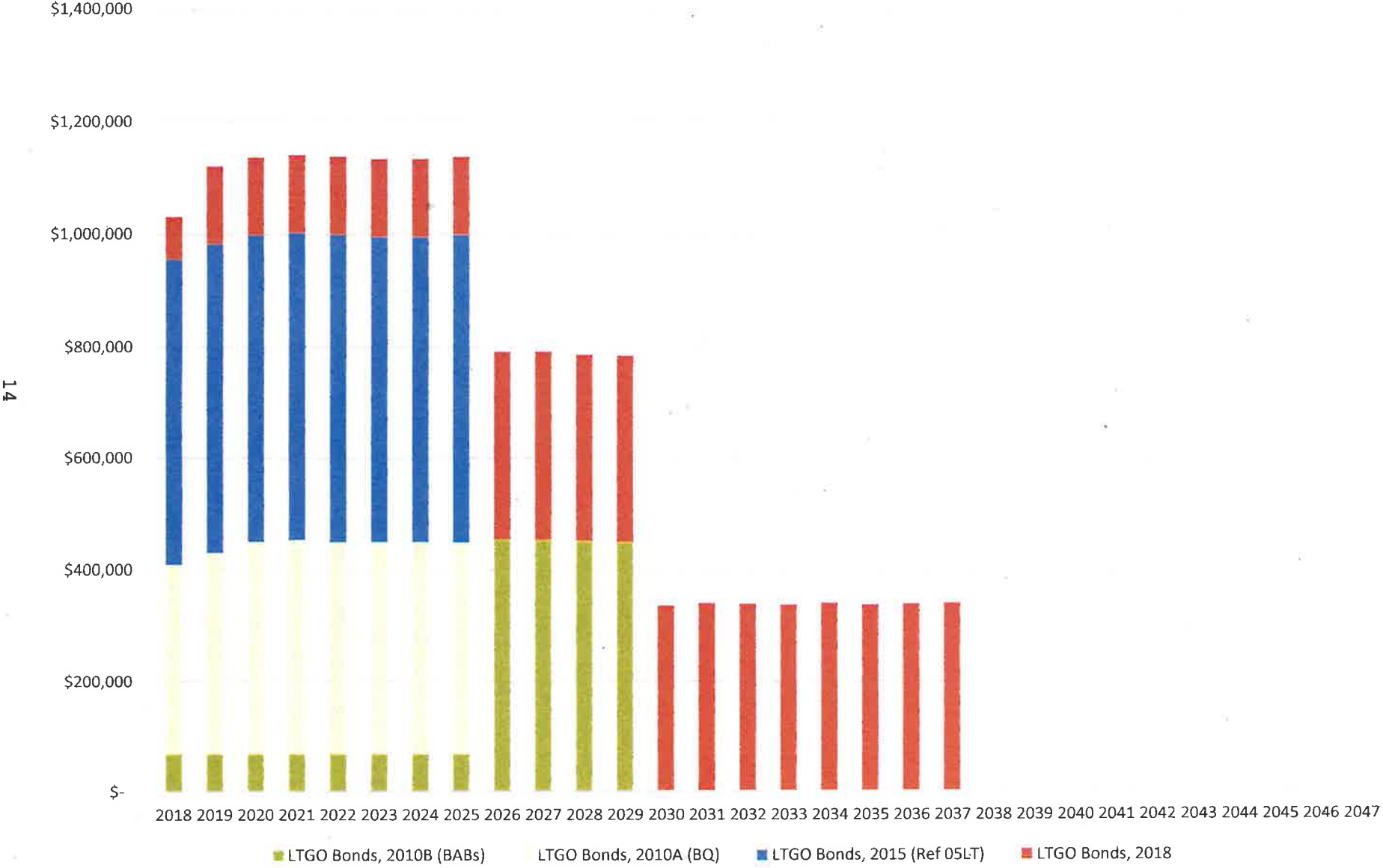
Port of Port Townsend
Scenario 2: \$3.2 Million, 25 Year, Principal Starting in 2030



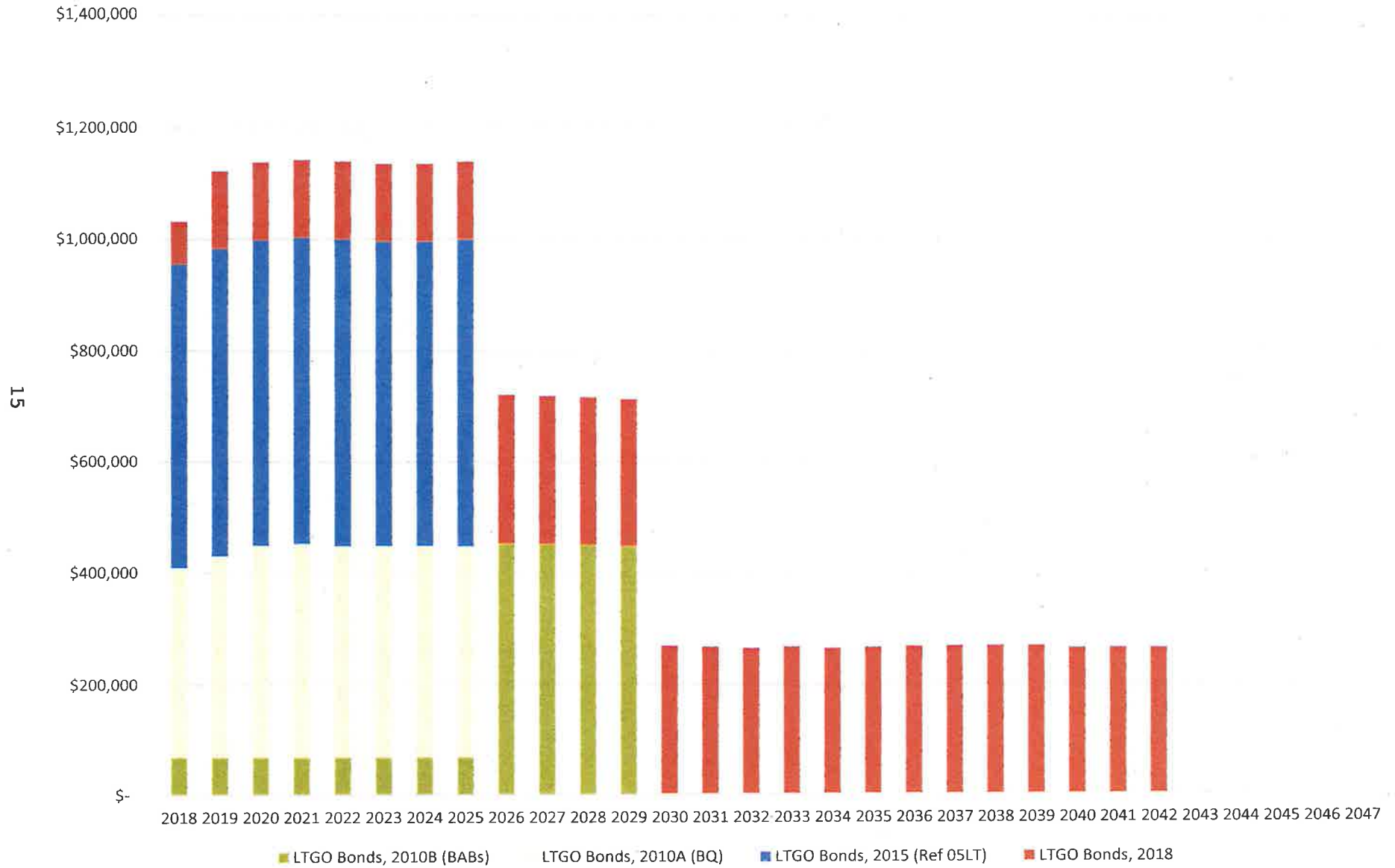
Port of Port Townsend
Scenario 3: \$3.2 Million, 30 Year, Principal Starting in 2030



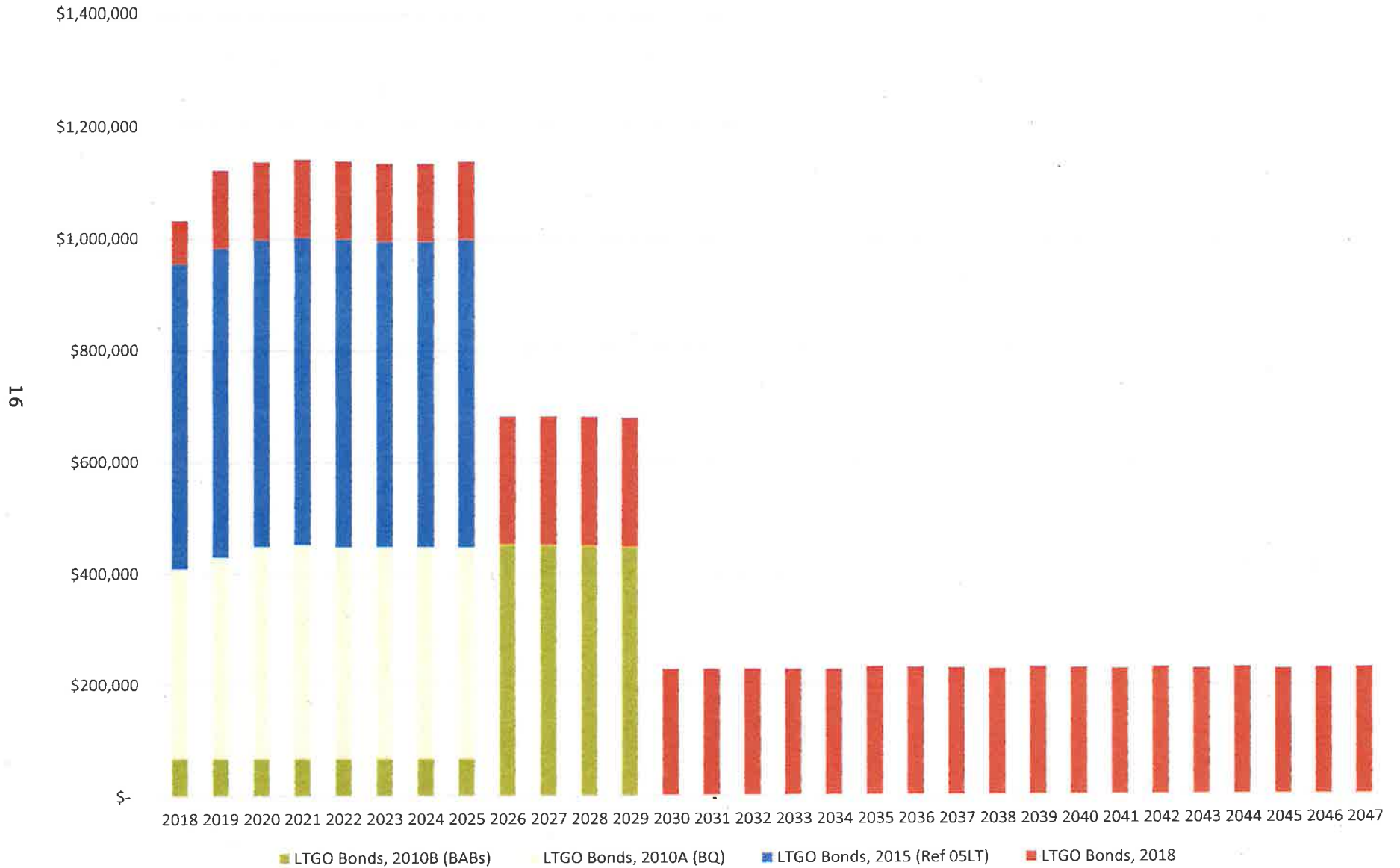
Port of Port Townsend
Scenario 4: \$3.2 Million, 20 Year, Principal Starting in 2026



Port of Port Townsend
Scenario 5: \$3.2 Million, 25 Year, Principal Starting in 2026



Port of Port Townsend
Scenario 6: \$3.2 Million, 30 Year, Principal Starting in 2026



PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	March 14, 2018
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. B. Authorization to Contract with Reid Middleton, Inc. for Preparation of a Development Strategy for the Quilcene Marina & Industrial Site
STAFF LEAD	Eric Toews, Director of Planning/In-House Counsel
REQUESTED	<input type="checkbox"/> Motion <input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion
ATTACHMENTS	A. Informational Staff Report B. Proposed Personal Services Contract (including Attachment "A" – Scope of Services; and Attachment "B" – Insurance Requirements)

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 3/9/2018
TO: Port Townsend Port Commission
FROM: Eric Toews, Director of Planning/In-House Counsel
CC: Executive Staff
SUBJECT: Commission Authorization to Execute Personal Services Contract – Quilcene CERB Study

ISSUE: Staff seeks authorization from the Commission to execute a Personal Services Contract with Reid Middleton, Inc., to prepare a Development Strategy for the Quilcene Marina and Industrial Site.

BACKGROUND: In July of 2017, the Port received a \$50,000 grant from the Washington State Community Economic Revitalization Board (CERB) to develop a financially driven land use plan, property strategy, and long-term approach for maintenance and capital improvements at its Quilcene facility. Upon completion, the Plan is intended to support tenant growth, and promote the financial sustainability of the facility in a manner consistent with the community's values. The Plan will be based on financial and economic analyses, existing physical conditions, and local, state, and federal regulatory frameworks.

DISCUSSION: The original notice of CERB funding award required satisfaction of a number of "pre-contract conditions" by November 16, 2017 in order to secure the funding. On October 20, 2017, staff submitted an extension request to CERB seeking additional time to fulfill the pre-contract conditions (i.e., to complete the consultant selection process, develop a scope of work, and obtain Commission authorization to execute the contract). On November 20, 2017, CERB approved the request, allowing until March 15, 2018 to provide evidence of having fulfilled the pre-contract conditions.

In early February of this year, staff conducted a search of the Municipal Research and Services Center (MRSC) Consultant Roster to identify firms qualified in facilities and land use planning, public engagement, and financial and economic analyses to complete the work. Staff short-listed three (3) firms to contact and interview: Jones & Jones, Reid Middleton, and Tetra Tech. Jones & Jones declined the invitation to interview. On February 22nd and 26th interviews were conducted with Reid Middleton and Tetra Tech, respectively. Staff identified Reid Middleton, in collaboration with Paul Sorenson of BST Associates, as the consulting team most qualified and best-suited to complete the study.

Reid Middleton prepared a draft scope of work that has subsequently been revised in collaboration with Port staff. The proposed scope of work will include an assessment of Quilcene facility that meets both CERB planning grant requirements and which includes a sustainable business plan that meets the Port's needs for the facility. Key elements of the Scope include the following:

1. **Collecting Background Information/Site Investigation** – The consultant will gather existing conditions information about the facility (base mapping, prior plan documents, economic studies) to describe and define relevant trends and opportunities.
2. **Conducting a Community Open House & Stakeholder Interviews** – The consultant will conduct at least one (1) open house style community meeting to solicit comments and input from the

community and stakeholders on the future of the facility. Additionally, stakeholder interviews will be conducted (either via phone or on same day as the open house with existing and prospective tenants, community organizations, and other stakeholder organizations). The consultant will coordinate with Port staff to clarify the information to be obtained from the community outreach effort and outreach roles and responsibilities. This task will also include a review of zoning, environmental, and other regulatory requirements that apply to the site, as well as potential development strategies.

3. **Performing a Market Assessment & Location Analysis** – The consultant will perform a study of local and regional market trends to identify potential unmet demand and economic development opportunities for the facility. This will include:
 - Site characteristics assessment based on existing conditions information;
 - Documentation of long-term trends and forecasts; and
 - Site location and capacity analysis in comparison with other adequately served vacant land.
4. **Distilling Interview Findings & Discussing them with Port Staff** – The consultant will meet with Port staff to discuss preliminary findings and review potential future development options.
5. **Preparing a Draft Business Plan** – The consultant will prepare a business plan evaluating long-term trends and forecasts for the Quilcene Marina & Industrial Site. The draft will summarize the results of the background review and site visit, stakeholder open house and interview results, and market assessment. Detailed information from the site visit, stakeholder process, and market assessment will be included as appendices.
6. **Presenting & Discussing the Draft Business Plan** – The consultant will conduct a second open house or commission meeting to solicit feedback and undertake revisions to the draft business plan.
7. **Completing the Economic/Financial Impact Assessment** – The consultant will complete development of a plan document meeting the requirements of CERB. The document will also incorporate a plan for the long-term financial sustainability of the Quilcene facility that describes:
 - Financing options;
 - Financial projections (long-term revenues, expenses and net revenues);
 - Funding opportunities (including anticipated private investment); and
 - A funding plan for the facility.
8. **Preparation of Final Business Plan and Presentation at Port Commission** – The consultant will prepare and present the Final Business Plan which sets forth the recommended business and development strategy to the Port Commission and public.

FISCAL IMPACT: The Washington State Community Economic Development Revitalization Board (CERB) will provide \$50,000 in funding for the project; and the Port is required to provide a \$17,000 match. Accordingly, the attached draft contract is for \$67,000. Both grant revenue and the project expenses are included in the 2018 budget. Because the proposed contract exceeds the Executive Director's

\$50,000 spending limit established under Article IV, Section C of the Delegation of Authority, Commission approval is required.

RECOMMENDATION: Authorize the Executive Director to execute the attached Personal Services Contract with Reid Middleton for preparation of a Development Strategy for the Quilcene Marina and Industrial Site. Please note: although staff seeks authorization to contract with Reid Middleton at this time, the contact will not be fully executed until after the CERB grant contract has been finalized later this spring.

ATTACHMENTS: Proposed Personal Services Contract (including Attachment "A" – Scope of Services; Attachment "B" – Schedule of Charges; and Attachment "C" - Insurance Requirements)

Port of Port Townsend

Personal Services Agreement for Preparation of a Development Strategy for the Quilcene Marina & Industrial Site

THIS AGREEMENT is entered into between the Port of Port Townsend, hereinafter referred to as the "PORT," and REID MIDDLETON, INC., hereinafter referred to as "CONSULTANT", in consideration of the mutual benefits, terms, and conditions hereinafter specified.

1. Project Designation. The CONSULTANT is retained by the PORT to conduct a planning process and prepare a long-term use and development strategy for the Port's Quilcene Marina & Industrial facility.
2. Consultant Qualification. The CONSULTANT warrants that it possesses the required skills to perform the work specified in this Agreement.
3. Scope of Services. The CONSULTANT shall provide the services agreed upon with PORT management and outlined in Attachment "A" to this Agreement.
4. Time and Duration of Agreement. This Agreement shall remain in effect until completion of the services described in Attachment "A" and final payment has occurred, unless otherwise terminated in accordance with this Agreement (see section 13 below). Work shall not commence until the PORT provides CONSULTANT with written notice to proceed. The PORT will not issue a notice to proceed until CONSULTANT has provided insurance as required by this Agreement. All work shall be completed by December 31, 2019.
5. Reimbursement. CONSULTANT shall be reimbursed an amount not to exceed \$67,000.00 for the work performed hereunder, consistent with the Schedule of Charges detailed in Attachments "B" and "B-1" to this Agreement. The PORT shall make no payments in advance or in anticipation of services or supplies to be provided under this agreement.
 - a. Invoices shall contain a description of the work completed, days and hours worked, billing rate, and fees, and shall be submitted on a monthly basis;
 - b. The reimbursement amount set forth above is the total amount due to the CONSULTANT for all services performed and expenses incurred under this Agreement;
 - c. The reimbursement amount includes all direct labor costs, overhead costs, and direct (expense) costs, including materials, supplies,

- equipment, costs for travel, reproduction costs and telephone, facsimile and computer use incurred during the term of the Agreement;
- d. The CONSULTANT shall maintain time and expense records and provide them not more frequently than monthly to the PORT, along with invoices in a format acceptable to the PORT for work performed to the date of invoice. The CONSULTANT shall provide progress reports, scheduling and completion information upon request by the PORT;
 - e. CONSULTANT shall keep cost records and accounts pertaining to this Agreement available for inspection by the PORT's representative for three (3) years after final payment;
 - f. If the services rendered do not meet the requirements of this Agreement, the CONSULTANT will correct or modify the work to comply with this Agreement. The PORT may withhold payment for such work until the work meets the requirements of the Agreement.
6. Insurance Requirements. The CONSULTANT shall take out and maintain insurance as set forth in Attachment "C" to this Agreement.
7. Compliance with Laws. CONSULTANT shall, in performing the services contemplated by this Agreement, faithfully observe and comply with all federal, state, and local laws, ordinances and regulations applicable to the services to be rendered under this Agreement.
8. Indemnification and Hold Harmless. CONSULTANT shall indemnify and hold the PORT, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits, including attorney fees, arising out of or resulting from the acts, errors or omissions of the CONSULTANT in the performance of this Agreement, except for injuries and damages caused by the sole negligence of the PORT. CONSULTANT specifically assumes potential liability for actions brought by CONSULTANT's own employees against the PORT and solely for the purpose of this indemnification and defense CONSULTANT specifically waives any immunity under the state industrial insurance law, Title 51 RCW. CONSULTANT recognizes that this waiver was the subject of mutual negotiation. The provisions of this section shall survive the expiration or termination of this Agreement.
9. Independent Contractor. The CONSULTANT is, and shall be at all times during the term of this Agreement, an independent contractor and not an employee of the PORT. The parties fully understand the nature of independent contractor status and intend to create an independent contractor relationship. The CONSULTANT, and not the PORT, shall have the right to control the manner and means by which the work or services is accomplished. The PORT shall retain the right, however, to ensure that the work under Attachment "A" is being performed according to agreed-upon requirements. Consistent with this relationship,

CONSULTANT shall not be covered by any PORT benefit programs, such as health and welfare benefit plans, social security, workers compensation or unemployment compensation, and shall not be treated as an employee for federal or state tax purposes or any other purpose. CONSULTANT shall be responsible for paying all taxes related to payments PORT makes to CONSULTANT, including federal income taxes, self-employment (Social Security and Medicaid) taxes, local and state business and occupation taxes, and the PORT is not responsible for withholding for or paying any of those taxes or for contributing to the State Industrial Insurance Program.

10. Subconsultants. CONSULTANT shall have the right to retain subconsultants to perform portions of the services under this agreement. If the PORT objects in writing to a particular subconsultant, CONSULTANT shall replace the subconsultant if it is mutually agreed by the parties to be in the best interests of the project.
11. Assignment. Subject to the right to retain subconsultants set forth in paragraph 10, above, CONSULTANT shall not assign any of the services covered by this agreement without the expressed written consent of the PORT, which consent may be withheld for any reason.
12. Drug-Free Workplace Policy. The PORT has adopted a Drug-Free Workplace Policy that the workplace will be a drug free environment conducive to conducting the PORT's business free from unlawful manufacture, distribution, dispensing, possession or use of controlled substances. This policy applies to PORT Commissioners, PORT employees, and independent contractors conducting business on PORT property.
13. Equal Opportunity Policy. All persons or entities performing work for the PORT shall provide equal opportunity to all of its employees and applicants for employment and assure that there is no discrimination on the basis of race, color, region, national origin, sex, age, marital status, or physical disability unless based upon a bona fide occupational qualification. All persons or entities performing services for the PORT must insure that the foregoing extend to all areas of employment and to all relations with employees including recruitment, selection, placement, compensation, promotion and transfer, training, daily working conditions, awards and benefits, and all other terms and conditions of employment as provided for in state and national laws. CONSULTANT hereby agrees to abide by applicable regulations during the course of this Agreement.
14. Termination. The PORT may terminate this Agreement for cause after notifying the Consultant of its default and giving the CONSULTANT 10 days to cure the default. CONSULTANT will be paid just and equitable compensation as provided

in sections 4 and 5, above, for any satisfactory work completed prior to the date of termination.

15. No Partnership. The parties agree that nothing contained in this Agreement shall be considered as in any way constituting a partnership between the PORT and CONSULTANT.
16. Notices. All notices hereunder may be delivered or mailed. If mailed, they shall be sent by certified or registered mail to the following respective addresses:

TO THE PORT:

Eric Toews, Director of Planning/In-House Counsel
Port of Port Townsend
P.O. Box 1180
Port Townsend, Washington 98368
Phone: (360) 385-0656

and to:

S. Abigail Berg, Director of Finance & Administration
Port of Port Townsend
P.O. Box 1180
Port Townsend, Washington 98368
Phone: (360) 385-0656

TO THE CONSULTANT:

Reid Middleton, Inc.,
c/o Shannon M. Kinsella, P.E.
Principal
728 134th Street SW
Everett, WA 98204
Phone: (425) 741-3800

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices sent by mail shall be deemed to have been given when properly mailed, and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

17. Ownership of Documents. All work products, papers, notes, memoranda, correspondence, drawings, specifications, reports, and other documents and records of any sort produced, received, held or maintained in conjunction with the performance of this Agreement by the CONSULTANT shall be and is the

exclusive property of the PORT, except that the CONSULTANT may use such materials to assist other public agencies. Upon request of the PORT, or upon completion of any of the services provided for in this Agreement, or upon termination of this Agreement for any reason, the CONSULTANT shall deliver to the PORT, machine-reproducible in format acceptable to the PORT copies of any and all such materials. Once accepted by the PORT, CONSULTANT shall have no responsibility for subsequent use by other persons.

18. Non-Waiver. Any failure by the PORT to enforce strict performance of any proviso of this Agreement will not constitute a waiver of the PORT's right to subsequently enforce such provision or any other provision of this Agreement.
19. Severability. If any term or provision of this Agreement is held invalid, the remainder of such terms or provision of this Agreement shall not be affected, if such remainder would then continue to conform to the terms and requirements of applicable law.
20. Legal Fees. In any lawsuit between the parties with respect to matters covered by this Agreement, the prevailing party will be entitled to receive its reasonable attorney fees and costs in the lawsuit, in addition to any other relief that may be awarded.
21. Applicable Law and Venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington. The venue for any action shall be in the Superior Court of Jefferson County.
22. Amendment. This agreement may be amended only by written instrument signed by both PORT and CONSULTANT.
23. Complete Agreement. This Agreement together with the Attachments reflects the entire agreement of the parties relating to the subject matter thereof, supersedes all prior or contemporaneous oral or written agreements, or any understandings, statements, representation or promises, and is intended fully to integrate the agreement between the parties with respect to the matters described in this Agreement.
24. Other Terms. Additional Terms (if any) are set forth in an Attachment that will be numbered Attachment "D", and initialed and dated by the parties.

DATED this ____ day of _____ 2018.

CONSULTANT, REID MIDDLETON, INC.

PORT OF PORT TOWNSEND

Shannon M. Kineslla, P.E., Principal

Sam Gibboney, Executive Director

Approved as to Form:

Port Attorney

ATTACHMENT "A": SCOPE OF SERVICES

**DEVELOPMENT STRATEGY
FOR THE QUILCENE MARINA & INDUSTRIAL SITE**

INTRODUCTION [RESERVED]

SCOPE OF WORK [RESERVED]

BUDGET [RESERVED]

Reid Middleton, Inc.
Attachment "B" Schedule of Charges
Effective July 1, 2017 through June 30, 2018

I. Personnel	Hourly Rate
Principal	\$ 205.00 - \$ 250.00
Principal Engineer/Principal Planner/Principal Surveyor	\$ 205.00 - \$ 245.00
Senior Engineer/Senior Planner/Senior Surveyor	\$ 180.00 - \$ 200.00
Project Engineer/Project Designer/Project Surveyor/Project Planner	\$ 140.00 - \$ 170.00
Design Engineer/Designer II/Design Technician/Survey Crew Chief/ Technical Writer II/ Graphic Designer II	\$ 115.00 - \$ 135.00
Designer I/Planner/CAD Technician II	\$ 105.00 - \$ 120.00
Project Administrator	\$ 100.00 - \$ 115.00
CAD Technician I/Survey Technician/Technician/Technical Writer I	\$ 75.00 - \$ 105.00
Survey Crew (2 Person/RTK/Robotic/Scanning)	\$ 170.00
Survey Crew (3 Person/GPS)	\$ 260.00
Expert Witness/Forensic Engineering	1.5 times usual hourly rate (4 hour minimum)
Individuals not in the regular employ of Reid Middleton may occasionally be engaged to meet specific project requirements. Charges for such personnel will be comparable to charges for regular Reid Middleton personnel.	
A premium may be charged if project requirements make overtime work necessary.	
II. Equipment	Rate
Design Software/Computer Aided Drafting	\$ 12.00/hour
III. Reimbursable Expenses	
Local Mileage - Automobile	\$ 0.65/mile
Local Mileage - Survey Truck	\$ 0.65/mile
Expenses that are directly attributable to the project are invoiced at cost plus 15%. These expenses include, but are not limited to, subconsultant or subcontractor services, travel and subsistence, communications, couriers, postage, fees and permits, document reproduction, special instrumentation and field equipment rental, premiums for additional insurance where required, special supplies, and other costs directly applicable to the project.	
A new schedule of charges is issued and becomes effective July 1 each year. Charges for all work, including continuing projects initiated in prior years, will be based on the latest schedule of charges.	
IV. Client Advances	
Unless the parties agree otherwise in writing, charges for the following items shall be paid by the client directly, shall not be the responsibility of Reid Middleton, and shall be in addition to any fee stipulated in the agreement: government fees, including permit and review fees; soils testing fees and costs; charges for aerial photography; and charges for monuments. If Reid Middleton determines, in its discretion, to advance any of these costs in the interest of the project, the amount of the advance, plus a fifteen percent administrative fee, shall be paid by the client upon presentation of an invoice therefore.	

**Attachment B-1 Rate Schedule
for
BST**

<u>Discipline or Job Title</u>	<u>Hourly Rate</u>	
Principal / Economist	\$ 175.00	Paul Sorensen
Economist	\$ 165.00	Brian Winningham

ATTACHMENT "C":

INSURANCE REQUIREMENTS

Insurance

The CONSULTANT shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the CONSULTANT, its agents, representatives, or employees.

No Limitation

Consultant's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the PORT's recourse to any remedy available at law or in equity.

A. Minimum Scope of Insurance

Consultant shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.
2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors and personal injury and advertising injury. The PORT shall be named as an insured under the CONSULTANT's Commercial General Liability insurance policy with respect to the work performed for the PORT.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
4. Professional Liability insurance appropriate to the Consultant's profession.

B. Minimum Amounts of Insurance

CONSULTANT shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.

3. Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

C. Other Insurance Provision

The CONSULTANT's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the PORT. Any Insurance, self-insurance, or insurance pool coverage maintained by the PORT shall be excess of the CONSULTANT's insurance and shall not contribute with it.

D. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A: VII.

E. Verification of Coverage

CONSULTANT shall furnish the PORT with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the CONSULTANT before commencement of the work.

F. Notice of Cancellation

The CONSULTANT shall provide the PORT with written notice of any policy cancellation, within two business days of their receipt of such notice.

G. Failure to Maintain Insurance

Failure on the part of the CONSULTANT to maintain the insurance as required shall constitute a material breach of contract, upon which the PORT may, after giving five (5) business days notice to the CONSULTANT to correct the breach, immediately terminate the agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the PORT on demand, or at the sole discretion of the PORT, offset against funds due the CONSULTANT from the PORT.

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	March 14, 2018
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. C. Rescheduling of May 9, 2018 Commission Meeting
STAFF LEAD	Sue Nelson
REQUESTED	<input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	A. None

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 3/14/2018
TO: Port Commissioners
FROM: Sue Nelson
SUBJECT: Rescheduling of May 9, 2018 Commission Meeting

ISSUE

The May 9 meeting needs to be rescheduled due to the conflicting WPPA Annual Spring Conference in Vancouver, WA. The conference runs May 9 -11 and the commissioners will need to leave sometime on the 8th.

RECOMMENDATIONS

Suggesting to reschedule the meeting to the first half of the day on Tuesday, May 8, or ?

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	March 14, 2018
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. D. 2018 Policy Calendar – 2 nd Draft
STAFF LEAD	Sam Gibboney
REQUESTED	<input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion
ATTACHMENTS	A. Info Memo B. 1 st Draft 2018 Policy Calendar

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 3/14/2018
TO: Port Commission
FROM: Executive Director Sam Gibboney
SUBJECT: 2018 Policy Calendar – 2nd Draft

ISSUE

At the February 28, 2018 regular meeting, the Commission asked the ED to revise the 2018 Policy Calendar so that some of the policies could come in to place during second quarter, rather than third.

At the time of this writing, Director Gibboney is out of the office, so a second draft of the 2018 Policy Calendar will be presented at the meeting, at the latest.

COMMISSION MEETING	DATE	ISSUES/DECISIONS
Workshop	7/11/2018	POLICY DISCUSSION <ul style="list-style-type: none"> • CASH RESERVES • CASH MANAGEMENT & INVESTMENT • DEBT
Regular Meeting	7/11/2018	
Workshop	7/25/2018	POLICY DISCUSSION <ul style="list-style-type: none"> • OPERATING RATES • REVENUE • BUSINESS PRACTICES
Regular Meeting	7/25/2018	
36	Workshop	8/8/2018
		POLICY DISCUSSION <ul style="list-style-type: none"> • CAPITAL IMPROVEMENT BUDGET • OPERATING BUDGET
	Regular Meeting	8/8/2018
	Workshop	8/22/2018
	Regular Meeting	8/22/2018
		<ul style="list-style-type: none"> • FIRST READING OF POLICIES
	Workshop	9/12/2018
	Regular Meeting	9/26/2018
		<ul style="list-style-type: none"> • SECOND READING OF POLICIES • DELIBERATION & ADOPTION

DRAFT