

*The Port*  
OF PORT TOWNSEND  
SERVING ALL OF JEFFERSON COUNTY

**Port of Port Townsend  
2<sup>nd</sup> Monthly Meeting Agenda  
Wednesday, June 27, 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. Public Comments
- IV. Consent Agenda
  - A. Approval of Public Workshop Minutes – June 13, 2018.....1-2
  - Approval of Regular Meeting Minutes – June 13, 2018.....3-6
  - Approval of Public Workshop Minutes – June 20, 2018.....7-8
  - B. Resolution No. 681-18 – Authorizing Warrant Cancellations.....9-10
  - C. Resolution No. 682-18 – Authorizing Certain Items Surplus.....11-12
  - D. Approval of Warrants
- V. Second Reading
  - A. Alternative Fuels Resolution No. 683-18.....13-14
- VI. First Reading
- VII. Regular Business
  - A. EDC/Team Jefferson Update.....15-16
  - B. 2018 Capital Budget Amendment.....17-28
  - C. Northwest School of Wooden Boat Building Grant.....29-32
  - D. May 2018 Financials.....33-42
- VIII. Staff Comments
- IX. Commissioner Comments
- X. Next Public Workshop & Regular Meeting:  
Wednesday, July 11, 2018. Workshop at 9:30 am, Meeting at 1:00 pm  
Port Commission Building, 333 Benedict Street, Port Townsend, WA
- XI. Executive Session
  - A. To consider the minimum price at which real estate will be offered for sale or lease,  
pursuant to RCW 42.30.110 (c)
- XII. Adjournment

**PORT COMMISSION PUBLIC WORKSHOP – June 13, 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  
Director of Planning/In-house Counsel Toews  
Communications Coordinator Matej  
Recorder Nelson  
Attorneys Frank Chmelik, Katherine Deets

Excused: Commissioner Hanke

I. CALL TO ORDER:

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

II. AGENDA:

Refer to attached workshop agenda for items discussed.

Public Comments from: Ron Hayes, Ernie Baird, Bill Curtsinger and Chris Sanok.

IV. ADJOURNMENT:

The Workshop adjourned at 11:39 a.m.

ATTEST:

\_\_\_\_\_  
Stephen R. Tucker, President

\_\_\_\_\_  
William W. Putney III, Secretary

\_\_\_\_\_  
Peter W. Hanke, Vice President

**Port of Port Townsend  
Public Workshop  
Wednesday, June 13, 2018, 9:30 am  
Port Commission Building  
333 Benedict Street  
Port Townsend, WA**

**AGENDA**

- **Leasing Practices**

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– June 13, 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, In-house Counsel Toews  
Communications Coordinator Matej  
Minutes – Nelson  
Attorneys Frank Chmelik and Katherine Deets

### I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

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

### II. APPROVAL OF AGENDA:

**Commissioner Hanke moved to approve the Agenda as presented.**

**Commissioner Putney seconded the motion.**

**Motion carried by unanimous vote.**

### III. PUBLIC COMMENTS (00:00:59):

George Yount expressed thanks to the commission for the productive morning workshop. He also commented that the situation with the John Wayne Marina in Sequim is similar to the Point Hudson situation, based on articles in the Peninsula Daily News.

### IV. CONSENT AGENDA (00:02:05):

A. Approval of Public Workshop Minutes – May 23, 2018

Approval of Regular Meeting Minutes – May 23, 2018

B. Approval of Warrants

Warrant #059157 through #059166 in the amount of \$60,034.82 for Payroll & Benefits

Electronic Payment in the amount of \$114,574.82 for Payroll & Benefits

Warrant #059167 through #059215 in the amount of \$117,212.90 for Accounts Payable

C. Resolution No. 680-18 – Declaring Certain Items Surplus

**Commissioner Putney moved to approve the Consent Agenda as presented.**

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

### V. SECOND READING (Action Items):

### VI. FIRST READING (Discussion Only):

#### A. Alternative Fuels – Draft Resolution (00:02:22):

Attorney Chmelik explained the State Legislature in 2015, passed a law for State and local agencies, that consume more than 200,000 gallons of fuel/year, to convert their fleets to alternative fuels (electric and biofuels) by June 1, 2018. He added the

Department of Commerce recognizes the practicality with small governments. Mr. Chmelik explained the resolution calls for Port consideration of the use of biofuels in all future vehicle, vessel and/or construction equipment purchases, making decisions on practicality.

VII. REGULAR BUSINESS:

A. Funding Alternatives/Opportunities for Point Hudson Jetty (00:09:00):

Director Gibboney explained the next step in the Jetty's future is how the commissioners wish to proceed.

Commissioner Tucker stated he has spoken with Governor Inslee and Representative Chapman, and with the City (LTAC) and the County (Public Infrastructure Fund - PIF). He stated Rep. Chapman advised to get all players together and come to the State Legislature as a unified body. Commissioner Tucker envisions a checklist listing contacts made for possible Jetty funding participation to present to the Legislature. He will start working on this list.

Commissioner Putney stated he had a similar conversation with Representative Tharinger, to consider local and private money, bonds, LTAC and PIF money. He stated he has spoken with Mayor Stinson, and with County Commissioners Dean and Sullivan who advised the Port to put together a request for the PIF.

Ms. Gibboney stated staff would come back with a strategy for various funding sources. She added the project would most likely be delayed until 2020/21, due to funding cycles. She stated staff is working on efforts to lower the project cost. She would like the commission to be realistic about the time frame.

Commissioner Tucker suggested funding planning for the entire jetty (north and south) to cut costs.

Commissioner Putney stated if the project happens later, it would allow more time for mitigation issue planning with the NW Maritime Center for Wooden Boat Festival and other affected businesses.

Commissioner Hanke asked what the engineer's direction is now. Director Gibboney explained the design is at 100% and staff would like to have another engineering firm analyze the design, constructability and come up with construction alternatives. Mr. Toews reported he has done some initial outreach to two of the original bidders and asked how we might realize some cost savings on the project. He said there are two ways to save: 1) tweaks to the design, including possible changes or down scoping of the project, and 2) increase the work hours and time frame for project completion; go with the early start date, and few to no restrictions on construction hours, keeping within City code.

Commissioner Hanke would like to see comments from the contractors using a September 15 start date with complete closure of the marina.

Mr. Toews reported he has not yet submitted a formal grant extension request, but has been communicating with RCO and the recommendation is to provide greater clarity on the project in order for extension consideration.

After hearing further questions from the commission and staff, Mr. Toews asked to have questions and ideas submitted to him prior to a conversation with engineers, Mott

MacDonald. Mr. Toews added that the funding agencies are unlikely to fund the project with major variations to the design. Minor tweaks to the project may pass.

Ms. Berg asked the status of the bond. Director Gibboney answered it is still on hold.

B. Commission Workshops & Meetings Calendar (32:33):

Ms. Gibboney discussed the presented calendar, pointing out the additional workshops. After comments from Commissioner Hanke, a decision was made to change the June 20 workshop agenda to the 2018 Capital Plan, only. Later in September or October, add the five-year Capital Plan to the workshop schedule. Discussion included the Comp Scheme Update, and leasing and business practices, to be presented in a policy discussion at the July 25 workshop, with first reading scheduled for the August 8 regular meeting. Other workshops agendas were discussed. Director Gibboney emphasized this is a draft document and Ms. Berg will bring a budget schedule later for adoption.

VIII. STAFF COMMENTS (49:16):

Mr. Englin expressed thanks to the yard crew for their hard work. He stated year-to-date, the 300 and 75-ton lifts are ahead in numbers compared to the past five years. He also expressed his appreciation to Shawn Wiles and Terry Khile for their response to a power outage at the Point Hudson docks last week.

Mr. Toews reminded of the airport runway closure on Tuesday, June 19 from 8 am to 5 pm for stormwater site investigative work by Landau and Seton for the Phase I runway project.

IX. COMMISSIONER COMMENTS (51:35):

Commissioner Putney stated he attended the WPPA Spring Meeting in Vancouver. He will provide his meeting calendar at each commission meeting.

Commissioner Putney attended a CERB Broadband meeting on June 4, where the State wants rural counties to have Broadband services. He briefed on some of the many grants available and added the Port and PUD should collaborate.

He stated he attended the County Comp Plan hearing and questioned a warrant payment.

Commissioner Tucker reported he recently returned from vacation, where he observed other Ports and commented on their facilities.

Commissioner Hanke stated he would like to see more time for discussion on the Leasing Policy before the first reading on August 8. Commissioner Putney suggested bringing a list of ideas to a workshop.

Commissioner Hanke reported he attended a passenger only ferry meeting in Seattle, where many communities were represented, and noted the City of Port Townsend's absence. He would like to see our Port consider a place for a possible passenger ferry dock.

X. NEXT PUBLIC WORKSHOP / REGULAR MEETING:

Workshop: Wednesday, June 20, 2018 at **1:00 pm**

Workshop: Wednesday, June 27, 2018 at **3:00 pm**

Regular Meeting, June 27, 2018 at 5:30 pm

Port Commission Building, 333 Benedict St, Port Townsend.

XI. EXECUTIVE SESSION:

The regular session recessed into Executive Session at 2:08 pm to Review the Performance of a Public Employee, pursuant to RCW 42.30.110 (g), duration of thirty minutes with no action. The session was extended twenty minutes,

XII. ADJOURNMENT:

The meeting reconvened and adjourned at 2:58 pm there being no further business to come before the Commission.

ATTEST:

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William W. Putney, III, Secretary

\_\_\_\_\_  
Stephen R. Tucker, President

\_\_\_\_\_  
Peter W. Hanke, Vice President

**PORT COMMISSION PUBLIC WORKSHOP – June 20, 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  
Director of Planning/In-house Counsel Toews  
Recorder Nelson

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.  
Public Comments from: Ron Hayes

IV. ADJOURNMENT:

The Workshop adjourned at 2:49 p.m.

ATTEST:

\_\_\_\_\_  
Stephen R. Tucker, President

\_\_\_\_\_  
William W. Putney III, Secretary

\_\_\_\_\_  
Peter W. Hanke, Vice President



**Port of Port Townsend  
Public Workshop  
Wednesday, June 20, 2018, 1:00 pm  
Port Commission Building  
333 Benedict Street  
Port Townsend, WA**

**AGENDA**

- **2018 Capital Projects and Preview of 5-year Capital Improvement Plan**

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.

**RESOLUTION NO. 681-18**

**A Resolution of the Commission of the Port of Port Townsend**

**CANCELLING WARRANT NUMBERS 54968, 56582, 57180, 56409, 56816, & 57332**

**WHEREAS:** under RCW 36.22.100 registered or interest bearing warrants not presented within one year of the date of their call must be cancelled by the legislative authority to leave the funds as if such warrants had never been drawn;

**NOW, THEREFORE BE IT HEREBY RESOLVED** by the Port of Port Townsend Commission that the warrants identified below are hereby cancelled:

<b>Warrant Number</b>	<b>Issue Date</b>	<b>Amount</b>	<b>Claimant</b>
54968	8/12/2015	40.00	Bill & Margaret Taylor
56582	9/14/2016	6.00	Kenneth Anderson
57180	1/25/2017	55.00	Daniel Wiehler
56409	7/13/2016	47.50	David Hawker
56816	10/26/2016	40.00	Patricia Filler
57332	2/22/2017	197.85	Max Rogovy

**ADOPTED** this 27<sup>th</sup> day of June, 2018, by the Commission of the Port of Port Townsend and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission duly affixed.

**ATTEST:**

\_\_\_\_\_  
Stephen R. Tucker, President

\_\_\_\_\_  
Peter W. Hanke, Vice-President

\_\_\_\_\_  
William W. Putney III, Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Port Attorney

## JEFFERSON COUNTY TREASURER

P.O. Box 571 - Port Townsend, Washington 98368

Email: [ttosland@co.jefferson.wa.us](mailto:ttosland@co.jefferson.wa.us)

[www.co.jefferson.wa.us](http://www.co.jefferson.wa.us)



TO: Port of Port Townsend  
FROM: Jefferson County Treasurer  
Terra Tosland, Investment Officer/Accountant  
DATE: June 20, 2018  
RE: Resolution to cancel warrants

Warrants of any municipal corporation not presented within one year of their issue shall be cancelled by the passage of a resolution of the governing body. (Ref: RCW 36.22.100)

In order to comply with the referenced RCW, I am requesting a resolution from you to cancel the outstanding warrants listed below.

### General

Warrant No.	Issue Date	Amount	Warrant No.	Issue Date	Amount
54968	8/12/2015	40.00	56409	7/13/2016	47.50
56582	9/14/2016	6.00	56816	10/26/2016	40.00
57180	1/25/2017	55.00	57332	2/22/2017	197.85

## **RESOLUTION NO. 682-18**

### **A Resolution of the Commission of the Port of Port Townsend**

#### **RESOLUTION DECLARING CERTAIN ITEMS SURPLUS AND AUTHORIZING THEIR SALE AND/OR DISPOSAL**

**WHEREAS:** The Port of Port Townsend has in its possession an old and outdated copier, as described in Exhibit A and attached to this resolution; and

**WHEREAS:** due to continual usage and age, this equipment is of little or no value to the Port and is therefore no longer needed for Port purposes; and

**WHEREAS:** such property having been certified in writing as not needed for Port purposes by the Executive Director, its managing official, a copy of said certification is marked Exhibit A and attached to this Resolution,

**NOW, THEREFORE BE IT HEREBY RESOLVED** by the Port Commission of the Port of Port Townsend that the said property be declared surplus, and that the Executive Director is authorized to sell or dispose of the property in the best manner which she, in her discretion, shall determine, including by negotiation or informal bidding from members of the public, or direct disposal.

**ADOPTED this 27<sup>th</sup> day of June 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:**

**EXHIBIT "A"**

**CERTIFICATE**

**THAT CERTAIN PORT DISTRICT PROPERTY IS SURPLUS**

The undersigned, Sam Gibboney, Executive Director, the managing official of the Port District of the Port of Port Townsend, hereby certifies that the following property is surplus and is not needed for Port District purposes.

**EQUIPMENT TO SURPLUS:**

<b>LOCATION:</b>	<b>TYPE:</b>	<b>BRAND:</b>	<b>MODEL:</b>	<b>SERIAL #</b>
Administration Bldg.	Copier	Canon	IR3570	SKV52443

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Sam Gibboney, Executive Director

# PORT OF PORT TOWNSEND

## AGENDA COVER SHEET

MEETING DATE	June 27, 2018
AGENDA ITEM	<input type="checkbox"/> First Reading <input checked="" type="checkbox"/> Second Reading <input type="checkbox"/> Regular Business
AGENDA TITLE	V. A) Alternative Fuels Resolution
STAFF LEAD	Sam Gibboney
REQUESTED	<input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	A. Resolution 683-18

**RESOLUTION NO. 683-18**

**A RESOLUTION, PURSUANT TO RCW 43.19.648 AND CHAPTER 194-29 WAC, OF THE COMMISSION OF THE PORT OF PORT TOWNSEND DETERMINING THE PRACTICALITY OF USING BIOFUELS AND ELECTRICITY FOR THE PORT'S VESSELS, VEHICLES, AND CONSTRUCTION EQUIPMENT.**

**WHEREAS**, RCW 43.19.648 mandates a goal that, to the extent practicable, 100% of local governments fuel usage for operating publicly owned vessels, vehicles, and construction equipment be from electricity or biofuel.

**WHEREAS**, WAC 194-29-070 notes that while local governments are responsible for determining the most effective means of displacing their gasoline and diesel consumption through vehicle electrification and biofuel use, procurement decisions should be guided primarily through a comparison of alternatives on a lifecycle cost.

**WHEREAS**, the Port has considered the practicality of implementation of the requirements of RCW 43.19.648.

**NOW THEREFORE**, the Commission of the Port of Port Townsend hereby resolves as follows.

1. Given the cost, it is not practicable to comply with RCW 43.19.648 by converting the Port's vehicles to biofuels or electricity.
2. The Port shall consider the use of biofuels and electrification in all future procurement decisions for Port vehicles, vessels and construction equipment. This consideration shall include lifecycle costing comparing not only the procurement costs but the lifecycle operational costs.

**ADOPTED** by the Commission of the Port of Port Townsend in an open public meeting on June 27, 2018.

**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  
6/27/18 Commission Meeting

Res683-18Fuels

# PORT OF PORT TOWNSEND

## AGENDA COVER SHEET

<b>MEETING DATE</b>	June 27, 2018
<b>AGENDA ITEM</b>	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
<b>AGENDA TITLE</b>	VII. A) EDC/Team Jefferson Update
<b>STAFF LEAD</b>	Sam Gibboney
<b>REQUESTED</b>	<input type="checkbox"/> Motion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
<b>ATTACHMENTS</b>	Info Memo



# PORT OF PORT TOWNSEND

## INFORMATIONAL MEMO

**DATE:** 6/27/2018  
**TO:** Commissioners  
**FROM:** Sue Nelson for Sam Gibboney  
**SUBJECT:** EDC/Team Jefferson Update

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Team Jefferson Executive Director, Brian Kuh, will present a progress report/update on Team Jefferson.

# PORT OF PORT TOWNSEND

## AGENDA COVER SHEET

<b>MEETING DATE</b>	June 27, 2018
<b>AGENDA ITEM</b>	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
<b>AGENDA TITLE</b>	VII. B) Amendment of 2018 Capital Budget
<b>STAFF LEAD</b>	Sam Gibboney
<b>REQUESTED</b>	<input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion
<b>ATTACHMENTS</b>	A. 2018 Adopted Capital Budget B. Project descriptions for additional recommended projects C. DRAFT 2018 Amended Capital Budget D. DRAFT Amended Cash Flow

# PORT OF PORT TOWNSEND

## INFORMATIONAL MEMO

**DATE:** 6/27/2018  
**TO:** Port Commission  
**FROM:** Sam Gibboney, Executive Director  
**SUBJECT:** Amendment of 2018 Capital Budget

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### ISSUE

The Commission adopted the 2018 Operating and Capital Budget on November 21, 2017. Staff recommends amending the 2018 Capital Budget to reflect the decision to not proceed with the Point Hudson South Jetty project as well as to authorize staff to carry out other priority projects.

### BACKGROUND

The Commission adopted the 2018 Operating and Capital Budget on November 21, 2017, which is attached. On May 23, 2018 the Commission decided not to proceed with the Point Hudson South Jetty Project and as the construction bids exceeded the funding resources available.

In addition, staff has identified additional capital projects and recommends that they be accomplished in this 2018 calendar year. The project descriptions are attached.

An Amended 2018 Capital Budget is attached for Commission consideration. The Amended 2018 Capital Budget shows the variance on projects included in the Adopted 2018 Capital Budget as well as the additional recommended projects and their funding sources.

An amended cashflow is also attached.

### DISCUSSION

All of the additional projects are necessary to maintain the structural integrity of Port assets, retain tenants and sustain revenue, or to comply with regulatory mandates.

### RECOMMENDATION

Staff recommends that the Commission approve the Amended 2018 Capital Budget and authorize staff to proceed with the identified projects.

### ATTACHMENTS

- A. 2018 Adopted Capital Budget
- B. Project descriptions for additional recommended projects
- C. DRAFT 2018 Amended Capital Budget
- D. DRAFT Amended Cash Flow

# 2018 Final Capital Budget

CAPITAL BUDGET 2018		PLANNED FUNDING SOURCES						Total
		Operating REVENUE	Boat Haven RESERVES	Capital RESERVES	GRANTS	GO BOND	Revenue BOND	
Point Hudson Jetty South								
Engineering, design, permitting, administration	\$91,327				\$91,327			\$91,327
Construction	\$3,512,500				\$797,500	\$2,715,000		\$3,512,500
Jefferson County International Airport Runway								
Engineering, Permitting, Administration	\$262,000			\$13,100	\$248,900			\$262,000
Construction								
Equipment	\$150,000	\$150,000						\$150,000
	2018	Operating REVENUE	Boat Haven RESERVES	Capital RESERVES	GRANTS	GO BOND	Revenue BOND	Total
TOTALS	\$4,015,827	\$150,000	\$0	\$13,100	\$1,137,727	\$2,715,000	\$0	\$4,015,827



**2018 CAPITAL BUDGET AMENDMENT  
PROJECT DESCRIPTIONS**

**JUNE 27, 2018**

**PORT OF PORT TOWNSEND  
2018 CAPITAL BUDGET AMENDMENT  
PROJECT DESCRIPTIONS**

<b>PROJECT NO.:</b>	IA 2015-5
<b>PROJECT NAME:</b>	JCIA RUNWAY IMPROVEMENTS
<b>DESCRIPTION:</b>	This project involves re-surfacing (re-construction) of the airport's runway. The 2018 portion of the project will provide the design detail and permitting for implementation of the project in 2019.
<b>NEED:</b>	This work (runway resurfacing) was identified in the Port's airport planning documents. This planning and identified upgrades are mandated by the FAA to keep the airport in operation.
<b>RANKING:</b>	This is a non-discretionary project if the Port intends to continue seeking/applying for FAA funding for rehabilitation and repair. It is necessary to keep this asset in operation, and the project has been given a high priority.
<b>BUDGET:</b>	For 2018, to complete Phase I the engineering and permitting are targeted to cost \$262,000 (Phase I. The Federal Government will fund 90% with the State paying 5% and the Port 5%.
<b>STATUS:</b>	A contract is in place, and the project is on schedule for permitting and design.
<b>SCHEDULE:</b>	This effort will be complete in 2018.

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**Jefferson County International Airport**

**PORT OF PORT TOWNSEND  
2018 CAPITAL BUDGET AMENDMENT  
PROJECT DESCRIPTIONS**

<b>PROJECT NO.:</b>	PH 2015-17A
<b>PROJECT NAME:</b>	POINT HUDSON ADMIN – WDFW AIR SYSTEM IMPROVEMENTS
<b>DESCRIPTION:</b>	This project involves design and construction of a supplemental heat supply to this building as part of a creosote odor abatement effort. This heating system will introduce fresh air into the building which the existing heating system does not do.
<b>NEED:</b>	This building has been remodeled at a cost of approximately \$1.3 million. The current tenants, WDFW and US Customs, experience creosote odors sufficient to threaten the continuation of lease(s). While levels of creosote which exist have not been considered a threat to health, they are the subject of complaints from the worker who states "they have to change clothes before entering their home after a day in the building."
<b>RANKING:</b>	This project is considered important to sustain income from the existing investment in the building and therefore a critical project to meet Port business objectives.
<b>BUDGET:</b>	An estimated budget for this project is \$95,000 with low confidence given its status (engineering specifications have not been completed).
<b>STATUS:</b>	While considerable effort has been given to solutions to the creosote problem, no funding has been authorized. Design of the heating system has not been started, and final selection of a coating material has not been made.
<b>SCHEDULE:</b>	This project should be done in the summer of 2018.

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**WDFW Administrative Office at Point Hudson**

# **PORT OF PORT TOWNSEND 2018 CAPITAL BUDGET AMENDMENT PROJECT DESCRIPTIONS**

<b>PROJECT NO.:</b>	BH 2017-1
<b>PROJECT NAME:</b>	WORKYARD RESURFACING
<b>DESCRIPTION:</b>	This project is a continuation of the gravel project for 2017. It will remove gravel around physical structures and build grade and gravel interface with sub-surface in several areas in the yard. The exact project will depend on the dollars approved in the capital budget.
<b>NEED:</b>	This is necessary to provide a road/workyard surface that is a buffer between the sediment laden "mud" of the base of the workyard and the traveling and working surface. This will assist in meeting stormwater standards, and preserve the life of the multiple stormwater filters.
<b>RANKING:</b>	This project is considered a regulatory requirement, and is part of meeting stormwater requirements.
<b>BUDGET:</b>	Expect cost of \$100,000.
<b>STATUS:</b>	No design/bid specifications have been initiated.
<b>SCHEDULE:</b>	To be developed, but work should occur in July - September.

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**Boat Haven Workyard Resurfacing 2017**



**PORT OF PORT TOWNSEND  
2018 CAPITAL BUDGET AMENDMENT  
PROJECT DESCRIPTIONS**

<b>PROJECT NO.:</b>	BH 2018-1
<b>PROJECT NAME:</b>	BOAT HAVEN – AO COMPLIANCE
<b>DESCRIPTION:</b>	<p>This project involves continuing efforts to meet Stormwater Permit Requirements through continuing stormwater treatment improvements. For 2018, this means consultant and staff time, obtaining Ecology approval(s) for treatment adjustments, treatment testing, materials, and supplies.</p> <p>Data show that fine particulate soil particles are passing the filters. Anticipated efforts by consultants and staff will focus on the potential addition of a coagulating polymer (Chitosan) to the system ahead of the filters – thus making the particles larger and improving the filter removal efficiency (particulates and metals).</p> <p>This will require some laboratory analysis (pilot efforts) before deployment of the chemical. Also, the chemical addition will require formal Ecology approval as a treatment technique. Final expenses before the fall rainy season, will be deployment of the polymer. Plans now call for use of suspended “sacks” of a form of the polymer.</p>
<b>NEED:</b>	<p>Compliance with Stormwater Permit requirements continues to be an issue for the Port. An Administrative Order continues to be in place requiring treatment changes. Despite treatment improvements in 2016 and 2017, water quality benchmarks are not being met at this time in one of the sub-basins. Staff and consultants continue to communicate with Ecology on past performance and future actions. Port staff and consultants continue to analyze system data, understand system issues, and improve treatment performance.</p>
<b>RANKING:</b>	<p>This project is considered critical because of the regulatory requirements and boatyard/shipyard dependence this system’s performance.</p>
<b>BUDGET:</b>	<p>Budget for this effort is estimated at \$82,000.</p>
<b>STATUS:</b>	<p>This project is a continuation of efforts of 2017 and is ready for implementation.</p>
<b>SCHEDULE:</b>	<p>Summer and Fall of 2018.</p>

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**PORT OF PORT TOWNSEND  
2018 CAPITAL BUDGET AMENDMENT  
PROJECT DESCRIPTIONS**

**PROJECT NO.:** QM 2017-14

**PROJECT NAME:** COAST OYSTER ROOF REPAIR

**DESCRIPTION:** The Coast Seafoods building located in Quilcene is a two-story, 60' wide by 68' long building. The re-roofing project is for the entire building. This building is a steel frame structure. The work includes installing new roofing over existing roofing, a ridge cap and ventilator flashing.

**NEED:** This improvement is needed to maintain business conditions for the tenant and to protect the asset.

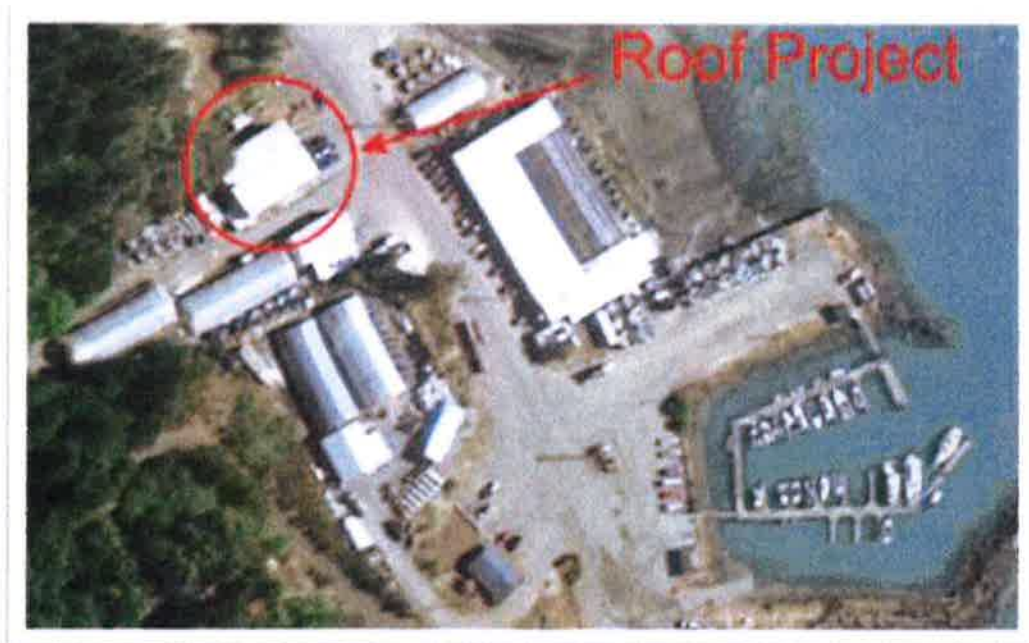
**RANKING:** This project is considered critical maintenance and within return on investment expectations of the existing lease.

**BUDGET:** \$48,000 with a relatively high confidence given the project status.

**STATUS:** The project has been evaluated, estimated, and contract bid documents have been developed.

**SCHEDULE:** May – September 2018

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**Coast Seafoods Building at Quilcene**

DRAFT 2018 AMENDED CAPITAL BUDGET				PLANNED FUNDING SOURCES						Total
	Adopted Budget	Mid Year Amendments	Mid Year Budget Amended	Operating REVENUE	Boat Haven RESERVES	Capital RESERVES	GRANTS	GO BOND	Revenue BOND	
<b>Point Hudson Jetty South</b>										
Engineering, design, permitting, administration	91,327	75,287	166,614	132,803			33,811			166,614
Construction	3,512,500	(3,512,500)	-							-
<b>Jefferson County International Airport Runway</b>										
Engineering, Permitting, Administration	262,000		262,000			13,100	248,900			262,000
Construction										
<b>Equipment</b>	150,000	(75,000)	75,000	75,000						75,000
<b>WDFW Air system</b>		95,000	95,000	95,000						95,000
<b>Boat Haven Workyard Surface</b>		100,000	100,000	100,000						100,000
<b>Boat Haven Stormwater (AO Compliance)</b>		82,000	82,000	82,000						82,000
<b>Coast Seafood Roof (est. \$48k)</b>		48,000	48,000	48,000						48,000
<b>TOTALS</b>	<b>\$4,015,827</b>	<b>(\$3,187,213)</b>	<b>828,614</b>	<b>532,803</b>	<b>\$0</b>	<b>\$13,100</b>	<b>\$282,711</b>	<b>\$0</b>	<b>\$0</b>	<b>828,614</b>

## Projected Cashflow for 2018 through 2021

### MID YEAR BUDGET AMENDMENT

The Commission will be asked to approved a 5 year capital plan during the 2019 budget process and the subsequent cashflow will change at that time.

	2018 Budgeted Cashflow - ORIGINAL	notes	Mid Year Budget Amendments	2018 Amended Budgeted Cashflow	2019 Budgeted Cashflow	2020 Budgeted Cashflow	2021 Budgeted Cashflow
<b>Estimated Beginning Year Cash</b>							
<b>Unreserved Cash</b>	<b>847,692</b>	<b>1</b>	<b>105,656</b>	<b>953,348</b>	<b>707,655</b>	<b>1,146,848</b>	<b>1,683,109</b>
<b>Reserved Cash</b>	<b>882,234</b>	<b>1</b>	<b>(10,000)</b>	<b>872,234</b>	<b>979,134</b>	<b>1,000,152</b>	<b>1,120,152</b>
Operating Revenues	5,875,075		-	5,875,075	6,051,327	6,232,867	6,419,853
Operating Expenses (w/o depreciation)	(5,260,645)		-	(5,260,645)	(5,418,464)	(5,581,018)	(5,748,449)
Non-Operating Revenues	2,304,727	2	(821,205)	1,483,522	4,922,180	1,065,900	1,065,900
Non-Operating Expenses	(447,307)	3	113,680	(333,627)	(300,588)	(276,488)	(250,888)
Debt service - principle	(1,074,504)		-	(1,074,504)	(715,000)	(755,000)	(785,000)
Issuance of Bond Debt	3,200,000	4	(3,200,000)	-	-	-	-
Capital expenses (from Grants)	(1,137,727)	5	855,016	(282,711)	(3,856,280)	-	-
Capital expenses (from Operating Revenue)	(150,000)	6	(382,803)	(532,803)	(123,982)	(30,000)	(60,000)
Capital expenses (from Bonds)	(2,715,000)	7	2,715,000	-	-	-	-
Capital expenses (from Reserves)	(13,100)		-	(13,100)	(98,982)	-	-
Increase/(Decrease) in cash	581,519		(720,312)	(138,793)	460,211	656,261	641,416
<b>Total Estimated Ending Cash</b>	<b>2,311,445</b>		<b>(624,656)</b>	<b>1,686,789</b>	<b>2,147,000</b>	<b>2,803,261</b>	<b>3,444,677</b>
<b>Unreserved Cash</b>	<b>1,332,311</b>		<b>(624,656)</b>	<b>707,655</b>	<b>1,146,848</b>	<b>1,683,109</b>	<b>2,204,525</b>
<b>Reserved Cash</b>	<b>979,134</b>		<b>-</b>	<b>979,134</b>	<b>1,000,152</b>	<b>1,120,152</b>	<b>1,240,152</b>
<b>TOTAL</b>	<b>2,311,445</b>		<b>(624,656)</b>	<b>1,686,789</b>	<b>2,147,000</b>	<b>2,803,261</b>	<b>3,444,677</b>

#### Notes & Assumptions:

- Adjustments to beginning cash balances were made to actuals at year end.
- Non-Operating Revenues were reduced by the budgeted RCO grant for the PH South Jetty (\$855,016) and the recognized grant reimbursement received through February (\$33,811) and paid in April.

3. Non-Operating Expenses were reduced by the amount estimated for the interest portion of the wrapped debt to pay for the PH South Jetty project that was under consideration during the budget process last fall. At that time, only interest was estimated to be due in that scenario until 2025 and is reduced here in 2018, 2019, 2020 and 2021.
4. Reduction for the bond that was indefinitely post-poned by the Commission in the April 23, 2018 regular business meeting.
5. The reduction in capital expenses funded by grants is for the PH South Jetty project.
6. These are the changes in proposed capital work, per the Capital Budget. In addition, this line item originally stated "from Unreserved Cash" and here has been changed to "from Operating Revenue", which is essentially the same.
7. This removes the cost of the PH South Jetty that was estimated to be paid for with the bond.

# PORT OF PORT TOWNSEND

## AGENDA COVER SHEET

<b>MEETING DATE</b>	June 27, 2018
<b>AGENDA ITEM</b>	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
<b>AGENDA TITLE</b>	VII. C) Northwest School of Wooden Boat Building Grant- Public-Private Partnership for Development & Operation of Pumpout Boat
<b>STAFF LEAD</b>	
<b>REQUESTED</b>	<input type="checkbox"/> Motion <input type="checkbox"/> Action <input type="checkbox"/> Discussion
<b>ATTACHMENTS</b>	A. Info Memo B. Collaborative Grant Proposal C. Draft Budget – Pumpout Vessel

# PORT OF PORT TOWNSEND

## INFORMATIONAL MEMO

**DATE:** 6/27/2018  
**TO:** Commission  
**FROM:** Greg Englin, Director of Operations and Business Development  
**SUBJECT:** Public-Private Partnership for Development and Operation of Pumpout Boat

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### ISSUE

The Northwest School for Wooden Boat Building (NWSBB) along with University of Washington / Washington Sea Grant have approached the Port to collaborate on a program to design, construct, and operate a pumpout vessel for Port Townsend. The NWSBB would construct the vessel and then the vessel would be turned over to the Port of Port Townsend to operate the vessel.

### BACKGROUND

The program comes from the Clean Vessel Act, which the U.S. Congress passed in 1992 to help reduce pollution from vessel sewage discharges. The act established a federal pumpout grant program administered by the U.S. Fish & Wildlife Service and the Sport Fish Restoration Act, which authorizes funds for use by states.

The program is administered at the state level by the Washington State Department of Parks and Recreation, which funds 75 percent of operating costs for private pumpout companies, with local communities or marinas responsible for the remaining 25 percent.

### DISCUSSION

Betsy Davis of the NWSWBB and Aaron Barnett of Washington Sea Grant will present the background for this proposed project. *Refer to attachments.*

### FISCAL IMPACT

The State would cover 75% of the construction costs and the NWSBB will cover the remaining 25% of costs. The Port would need to cover and budget operational expenses when the vessel is due for delivery (beginning in 2020) and through the useful life of the asset. Total estimated operating expenses would range between \$20,000- \$30,000 per year. The State of Washington would cover 75% and the Port would cover the remaining 25% of costs. *Refer to attached spreadsheet with estimated budget.*

### RECOMMENDATIONS

We recommend the Commission vote to partner with the Northwest School of Wooden Boat Building and the State of Washington to manage the operation of a pumpout vessel for the Port of Port Townsend.

**To: Port of Port Townsend**  
**From: Betsy Davis, Executive Director, Northwest School of Wooden Boatbuilding**  
**Date: June 19, 2018**  
**Re: Proposed Collaborative Grant Proposal re: Pumpout Boat**

The Northwest School of Wooden Boatbuilding proposes a collaborative project including the Port of Port Townsend. The pumpout grant program managed by Washington State Parks provides matching money for a community to acquire and operate a pumpout vessel to provide free pumpouts to recreational boaters. The boat school would submit a grant to Washington State Parks requesting a grant to fund the school's construction of a state-of-the-art pump out vessel in the school's educational programs. The completed vessel would then go to the Port to operate the pumpout program.

### High Level Concept



### Locally Designed, Locally Engineered, Locally Built

- Up to 26' long (see hull shape in photo at right)
- Built from wood, using contemporary methods (e.g. cold-molded hull)
- Custom- designed locally to meet both educational and usage requirements
- State-of-the-art -- the vessel will incorporate sustainable, environmentally friendly appropriate hybrid electric and solar technology for both propulsion and systems power needs



### How this Supports Northwest School of Wooden Boatbuilding

- Will be designed to provide a wide range of building techniques, benefitting students that include:
  - Cold molded construction
  - Vacuum infusion
  - Finishing
  - Working with a designer
  - Working with new propulsion technology
  - State of the art contemporary boatbuilding
  - Introduction to CNC production
- Sharpens connections between school and local marine businesses
- Enables a pilot project – it may become the catalyst for commissions from other communities in the future
- Builds visibility for the school which helps promote enrollment and employment opportunities for graduates

### How this Supports Community

- Provides free pumpout services for recreational boats
- Promotes environmental stewardship by making pumpouts easy
- Supports local marine trades through purchases of services and equipment
- Promotes visibility for maritime innovation happening in Jefferson County

### Logistics

- The Northwest School of Wooden Boatbuilding would submit the grant, then a three-way agreement would be signed between the two organizations and State Parks.
- State Parks would reimburse the school for up to 75% of the cost to design and build the boat. The school's 25% match can include in-kind work, such as the instructor's time overseeing the project.
- State Parks would reimburse the Port for up to 75% of the costs of operating the boat as a pumpout boat (for the time it is being operated). The Port could consider moorage and maintenance as a portion of their 25% portion. The commitment would be to operate the boat for usable life of the equipment – that based on the state's depreciation schedule for workboats – perhaps around 10 years.
- Once completed, the Port of Port Townsend could make the vessel available for people learning about innovation in marine technology.
- <https://parks.state.wa.us/758/Pumpout-Grant-Program>



[illegible]

1 Pumpout charges is limited to \$5 fee per pumpout by state law  
2 Assume number of pumpouts starts at 1,200 per year and increases by only 10% annually. POFH pumped out 2,650 vessels in 2017. Maybe too conservative. Marinas see > 6,000 vessels visits annually.  
3 Total pumpouts needed to break even annually is about 3,000 if we exclude moorage costs. Unlikely but saves environment.  
4 Assumes 20 year life of asset. POFH had major rebuild on pumpout system at 12 years.  
5 Labor 600 hours = \$11,500 reimbursed for 75% leaves ~\$3,600 labor costs for 25% matching.  
6 POGH had estimated OpExp of \$30K annually from private operator.  
7 Start saving for capital expenses from Day 1. POFH had major refit for \$14K at 12 years. \$18K fund would be available at 12 years.  
8 Based on POFH actuals.  
9 Moorage was not included as an opportunity cost (about \$300 per month).

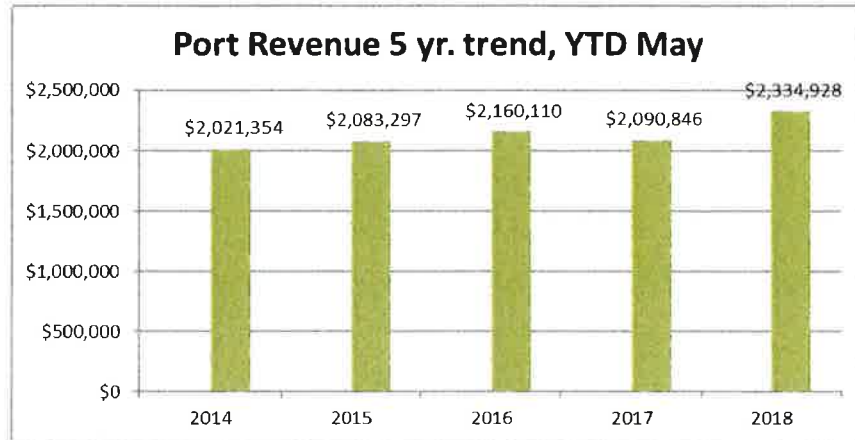
# PORT OF PORT TOWNSEND

## AGENDA COVER SHEET

MEETING DATE	June 27, 2018
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. D) May 2018 Financials
STAFF LEAD	Abigail Berg, Director of Finance & Administration
REQUESTED	<input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	A. Port Operating Results as of May 31, 2018

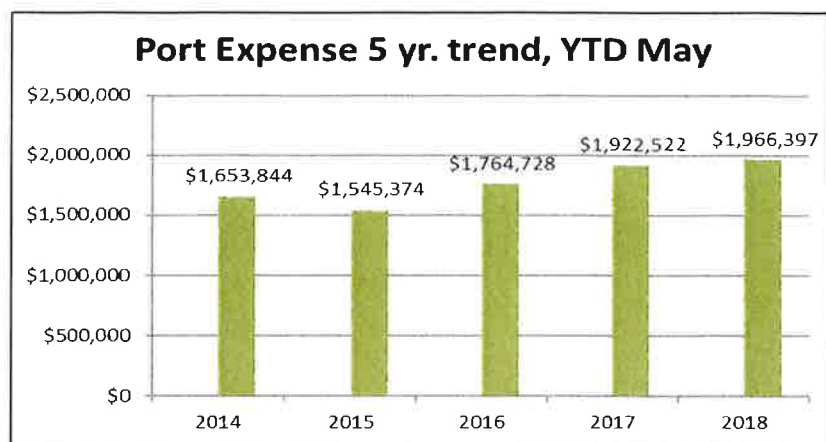
**DATE:** June 21, 2018  
**TO:** Commissioners and Directors  
**FROM:** Abigail Berg, Director of Finance & Administration  
**SUBJECT:** Port Operating Results as of May 31, 2018

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**Revenue Highlights:**

- ✓ May YTD is still very strong with 2018 Operating Revenues ahead of 2017 by \$244,082 or 12%.
- ✓ Total Operating Revenues are ahead of YTD Budget by \$51,647.
- ✓ Marinas & RV Parks revenue lead prior year by \$148,577 and are ahead of budget by \$79,762.
- ✓ Yard revenues are ahead of the prior year by \$93,385, but short of budget by \$28,476.
- ✓ Ship Yard Hoist revenues are ahead of last year by \$20,674, and ahead of budget by \$8,221.
- ✓ Ship Yard revenues are ahead of last year by \$19,975, and below budget by \$34,282.
- ✓ Ship Yard Hoist revenue shows the Port 300 Ton lift activity is solid, and the Ship Yard revenue continues to be ahead of 2017, though still below 2018 budget (by almost the same amount as in April -- ~\$34,000).
- ✓ Work Yard Hoist revenues continue to be ahead of last year (by \$19,639) and ahead of budget by \$18,508.
- ✓ Work Yard revenues also continue to be ahead of 2017 at \$5,325, though short of budget by \$18,030.
- ✓ In aggregate, the Yard continues to be ahead of 2017 (by \$93,385), with the largest increases from the prior year noted in the Ship Yard Hoist (\$20,674), Ship Yard Revenue (\$19,975), Work Yard Hoist (\$19,639), LT Storage (\$13,056) and Washdown Revenue (\$10,042), while narrowing the gap between YTD actual and YTD budget (improved over YTD April by \$4,596). It appears the discounts advertised for the Work Yard and staff actively seeking Ship Yard customers is positively effecting Yard revenues.
- ✓ Property Leases & Use Revenues continue to be less than the prior year (\$11,259). Even though PTBH Properties are up by \$11,444 when compared to 2017, this increase is offset by the decrease in PH Properties (\$24,590) which is primarily due to tenant vacancies at Point Hudson (Cupola House and Armory Building).
- ✓ Fuel Sales & Leases made a strong increase compared to April with less than \$1,000 short of YTD 2017 and are just ahead of budget.
- ✓ Ramp revenues continue to be strong by leading 2017 by \$2,913 and ahead of budget by slightly less than that.
- ✓ Utilities Revenue are ahead of last year by \$11,323 and ahead of budget by \$8,006.



#### **Expense Highlights:**

- ✓ Total YTD 2018 Operating Expenses are less than 2017 by \$43,845, and below budget by \$172,045.
- ✓ Most of this budget variance is related to the timing of Contract Services (\$49,277), unfilled staff positions (CSR II wasn't filled until March 16<sup>th</sup>, and Security shifted from Personnel to Contract Services). The projected use of Contract Services, Consulting Services, Legal & Auditing, Utilities and Facilities & Operations are expenses whose timing isn't always predictable.
- ✓ It should be noted that \$68,680 in total Personnel expenses were budgeted for capital work in 2018 based on historical annual averages and planned capital work. YTD May 38% (\$26,140) has been expensed for capital work.
- ✓ The consultant with whom the Port contracted, in part, for capital work was budgeted at 100% in Operations (\$90,000), however, YTD May 18% of those expenses (\$4,418) have been charged to capital work with the remainder in Operations. YTD May, 27% of the total contract has been used.
- ✓ Facilities & Operations expenses is more than 2017 by \$15,845, and compared to budget is less by \$28,716. The bulk of this budget variance is less in Repair & Maintenance Materials/Supplies than budgeted.
- ✓ Utilities continue to be higher in 2018 than 2017 (\$26,991) and more than projected budget (\$23,043).
- ✓ Marketing expenses are slightly more than in 2017 (\$5,050), though below projected budget by \$18,394.
- ✓ Cost of Goods – Fuel is less in 2018 than 2017 by \$1,693.

YTD Net Operating Income is \$368,532. When including Non-Operating Revenues and Expenses, there is a Net Profit of \$798,295.

#### **Non-Operating Revenues:**

- ✓ Capital Contributions / Grants revenue are up from last year due to the increased activity on the Point Hudson South Jetty project and the JCIA Runway Rehabilitation project. The actual timing of grant reimbursement receipts are not in alignment with budget, however this isn't unusual.

#### **Non-Operating Expenses:**

- ✓ It should be noted that the 2018 budget line item titled "Bond Management, Issuance & Misc. Expense" did not include the bond issuance cost since the decision to bond for the Point Hudson South Jetty project got pushed forward into 2018 and was too late to include in the budget in November.
- ✓ In addition, the Miscellaneous Non-Operating expense for 2017 includes Quilcene Feasibility Study expenses.

#### **Capital Projects:**

This month, the Port expended \$40,673 in WIP (capital project "Work in Progress"). 97% of these expenses are for the Point Hudson South Jetty Project. The remainder was spent on the JCIA Runway Rehab Project and the Yard Office Remodel. The Stormwater Rx Project is completed in the field by the contractor and staff has notified the relevant state agencies to obtain retainage release prior to the Commission approval. The Yard Office Remodel was finished in April and capitalized (WIP closed) in May.

#### **Capital Purchases:**

There were no capital purchases made during May.

**Debt Service Obligations:**

On May 1<sup>st</sup>, the Port paid \$209,372 in principal and interest on the 2013 Revenue Bond. For the remainder of 2018, the following debt service obligations must be met:

- ✓ June 1<sup>st</sup> - \$103,619 in interest only for the 2010 LTGO Bond
- ✓ July 1<sup>st</sup> - \$487,825 in principal and interest for the 2015 LTGO Bond
- ✓ November 1<sup>st</sup> - \$209,372 for principal and interest on the 2013 Revenue Bond (*final payment*)
- ✓ December 1<sup>st</sup> - \$338,619 for principal and interest on the 2010 LTGO Bond

Together the remaining debt service payments for 2018 total \$1,139,435 (\$871,278 of this amount is principal).

**Cash & Investment balances:**

End of month, the cash and investment balances were \$2,192,857. Reserve balances totaled \$922,234 and Unreserved Cash & Investments totaled \$1,270,623.

**Port of Port Townsend**  
**Summary of Operating & Non-Operating Revenues & Expenses**  
**2018 Activity with Comparison to Prior Year and Budget**

	YTD May 2017	YTD May 2018	Variance to prior year - 2017 v 2018	notes	YTD Budget 2018	Variance to Budget YTD
<b>REVENUES</b>						
Marinas and RV Parks	889,412	1,037,989	148,577		958,227	79,762
Yard Operations	595,929	689,314	93,385		717,790	(28,476)
Property Leases & Use	466,316	455,057	(11,259)		465,617	(10,560)
Fuel Sales & Leases	13,361	12,505	(856)		11,850	655
Ramp Use	22,547	25,459	2,913		23,200	2,259
Utilities	103,281	114,604	11,323		106,598	8,006
<b>Total Operating Revenues</b>	<b>2,090,846</b>	<b>2,334,928</b>	<b>244,082</b>		<b>2,283,282</b>	<b>51,647</b>
<b>OPERATING EXPENSES</b>						
Salaries & Wages	864,350	839,745	(24,605)		882,095	(42,350)
Payroll Taxes	89,382	87,617	(1,765)		123,635	(36,018)
Employee Benefits	285,445	313,959	28,514		323,403	(9,444)
Uniform Expense	3,152	855	(2,297)		3,956	(3,101)
Contract Services	140,859	91,582	(49,277)		116,120	(24,538)
Consulting Services	14,245	29,513	15,268		68,750	(39,238)
Legal & Auditing	48,247	77,258	29,011		54,000	23,258
Facilities & Operations	254,979	270,824	15,845		299,540	(28,716)
Utilities	198,452	225,444	26,991		202,401	23,043
Marketing	11,828	16,878	5,050		35,272	(18,394)
Economic Development	-	-	-		15,000	(15,000)
Travel & Training	6,614	9,728	3,114		9,470	257
Cost of Goods - Fuel	4,688	2,995	(1,693)		4,800	(1,805)
Community Relations	310	-	(310)		-	-
<b>Total Operating Expenses</b>	<b>1,922,552</b>	<b>1,966,397</b>	<b>43,845</b>		<b>2,138,442</b>	<b>(172,045)</b>
<b>Income from Operations w/o Depr</b>	<b>168,294</b>	<b>368,532</b>	<b>200,237</b>		<b>144,840</b>	<b>223,692</b>
<b>Non-Operating Revenue</b>						
Capital Contributions/Grants	10,681	73,287	62,605		121,436	(48,149)
Interest	7,033	24,529	17,496		2,500	22,029
Property & other taxes	421,859	446,581	24,722		435,668	10,912
Misc Non-Operating Revenue	21,830	17,211	(4,620)		11,265	5,946
<b>Total Non-Operating Revenues</b>	<b>461,403</b>	<b>561,607</b>	<b>100,204</b>		<b>570,869</b>	<b>(9,262)</b>
<b>Non-Operating Expenses</b>						
Bond Interest	147,352	131,594	(15,758)		138,390	(6,796)
Bond Mgmt, Issuance & Misc Exp	9,716	250	(9,466)		460	(210)
Election Expense	-	-	-		-	-
<b>Total Non-Operating Expenses</b>	<b>157,068</b>	<b>131,844</b>	<b>(25,224)</b>		<b>138,850</b>	<b>(7,006)</b>
<b>Net Non-Operating Income (Expense)</b>	<b>304,336</b>	<b>429,763</b>	<b>125,428</b>		<b>432,019</b>	<b>(2,256)</b>
<b>Net Income (Loss)</b>	<b>472,630</b>	<b>798,295</b>	<b>325,665</b>		<b>576,859</b>	<b>221,436</b>

**Notes: none**

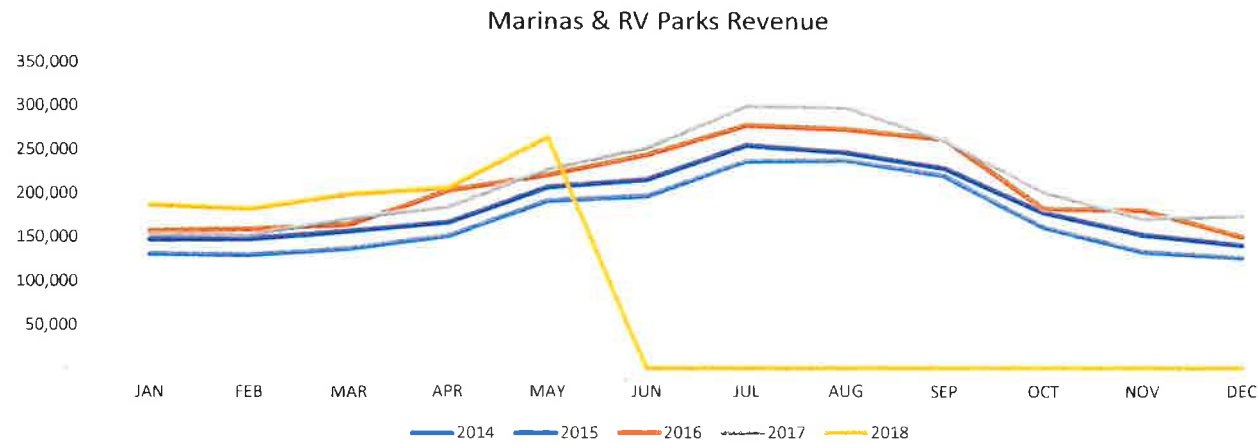
# Port of Port Townsend Cash Management Report

	<u>YTD May</u>
<b>Net Income w/out Depreciation</b>	<b>798,295</b>
<b>Net Change in Accruals from Balance Sheet*</b>	<b><u>85,791</u></b>
<b>Less: Capital Expenses:</b>	
Storm-water Rx project	(46,126)
Point Hudson South Jetty project	(149,618)
JCIA Runway project	(56,311)
Yard/Moorage Office Remodel project	-
PTBH Restroom	-
PTBH Water Meters project	(1,900)
Land	-
Buildings	-
Improvements	(25,485)
Equipment replacement	(31,092)
<b>Total Capital Expenses</b>	<b><u>(310,533)</u></b>
<b>Less: Principal Payments on Debt:</b>	
Point Hudson Marina Refunding Bond (2015 LTGO Bond )	-
PTBH Marina Bond (2010 LTGO Bond )	-
Administrative Building Bond (2013 Revenue Bond )	(206,278)
<b>Total Principal Payments</b>	<b><u>(206,278)</u></b>
<b>Increase (Decrease) in Cash Y-T-D</b>	<b>367,275</b>
<b>Beginning Cash at 1/1/2018</b>	<b>1,825,582</b>
<b>Ending Cash at 5/31/18</b>	<b><u><u>2,192,857</u></u></b>

*\*These are current assets and current liabilities.*

**5 Year Trend of Marinas & RV Parks Revenue**  
**Monthly as of May 31, 2018**

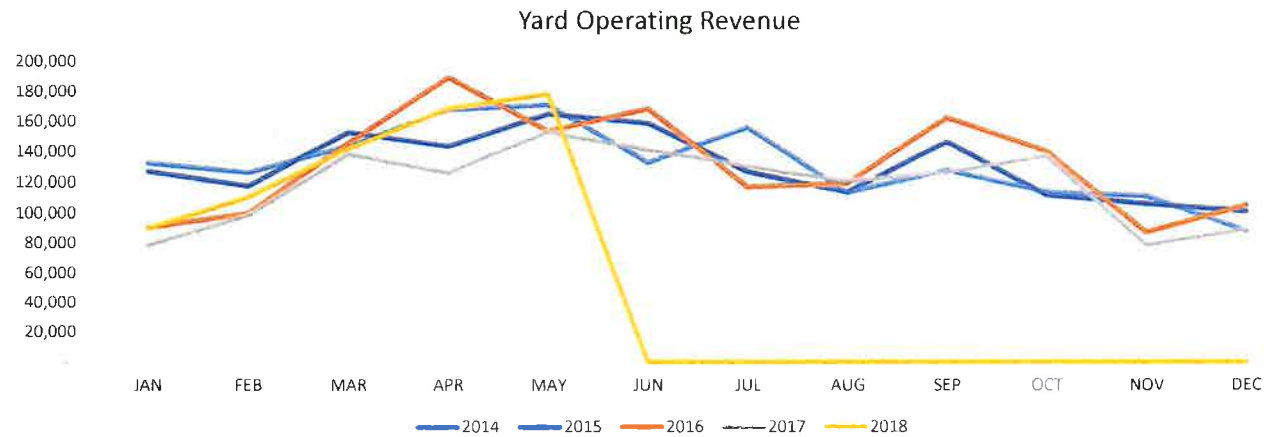
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
2014	131,442	130,010	137,478	152,463	192,635	197,895	237,634	238,748	220,935	161,991	134,187	127,526	2,062,944
2015	147,223	147,807	157,043	167,880	208,212	216,181	255,773	247,654	229,114	179,008	153,353	141,406	2,250,653
2016	157,265	158,331	163,963	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
2018	186,647	182,326	198,837	205,993	264,186	-	-	-	-	-	-	-	1,037,989





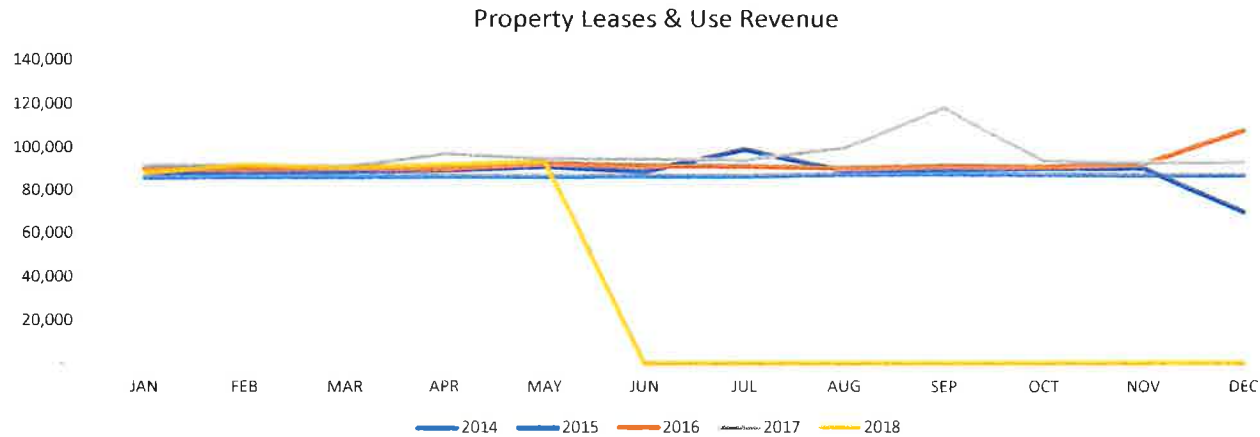
**5 Year Trend of Yard Operations Revenue**  
**Monthly as of May 31, 2018**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
2014	132,619	126,635	143,522	168,012	171,379	133,169	156,301	113,562	128,294	113,904	111,279	88,565	1,587,241
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
2018	89,837	110,536	141,804	168,726	178,411	-	-	-	-	-	-	-	689,314



**5 Year Trend of Property Lease & Use Revenue**  
**Monthly as of May 31, 2018**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
2014	85,890	86,326	86,320	86,669	86,472	86,789	86,766	87,365	87,686	87,270	86,928	87,055	1,041,536
2015	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
2016	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
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
2018	88,048	91,706	90,256	91,831	93,216	-	-	-	-	-	-	-	455,057



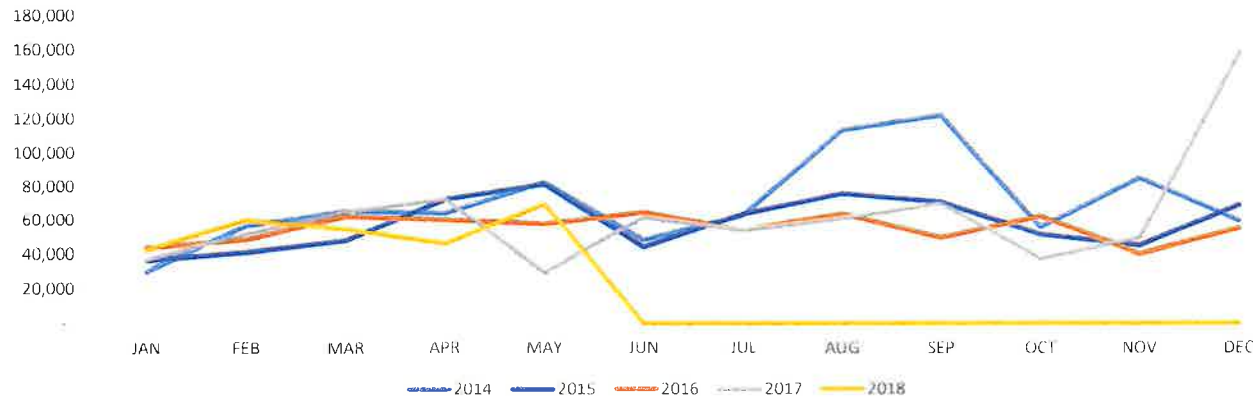
**Notes:**

1. The spike in September 2017 is related to use of Port property for the Wooden Boat Festival.
2. The December decrease in 2015 is related to the bankruptcy of Goldstar Marine.
3. The December Increase in 2016 is related to the signing of the US Coast Guard lease renewal (three months were accrued in Dec.)

**5 Year Trend of Facilities & Operations Expenses**  
**Monthly as of May 31, 2018**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
2014	29,839	56,517	65,559	64,363	82,858	48,211	62,921	113,527	122,041	55,721	84,978	59,474	846,009
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
2018	41,842	59,782	54,138	45,869	69,193	-	-	-	-	-	-	-	270,824

Facilities & Operations Expense Trends



**Notes:**

1. 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. Without this write off, the total line item would be \$648,680 for 2017. The 2017 Bad Debt write-off relates to Revenues recognized in previous years that was identified as uncollectible. The breakdown by year is as follows:

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

2. Spike in August 2014 was the settlement payment to Caicos Construction.

3. Spike in September 2014 was an adjustment for expenses erroneously charged to the Point Hudson Breakwater project. These were minor repairs to the breakwater as the result of an accident (paid to Orion Marine Group).