



PO Box 1180 • Port Townsend, WA 98368

Administration: (360) 385-0656

Operations: (360) 385-2355

Fax: (360) 385-3988

**Port of Port Townsend  
1<sup>st</sup> Monthly Meeting Agenda – *Special Meeting*  
Wednesday, January 9, 2019, ~~1:00 p.m.~~ 2:00 pm  
Port Commission Building  
333 Benedict Street  
Port Townsend, WA**

- I. Call to Order / Pledge of Allegiance
- II. Approval of Agenda
- III. Public Comments
- IV. Election of Year 2019 Officers
- V. Consent Agenda
  - A. Approval of Public Workshop – December 12, 2018.....1-2
  - Approval of Regular Business Meeting Minutes – December 12, 2018.....3-6
  - Approval of Special Meeting Minutes – December 18, 2018.....7
  - Approval of Special Meeting Minutes – January 2, 2019.....8
  - B. Approval of Warrants
- VI. Recess to a Meeting of the Industrial Development Corporation of the Port of Port Townsend
  - A. Agenda.....9
  - B. Election of Year 2019 IDC Officers.....10
  - C. Approval of January 10, 2018 IDC Minutes.....11
- VII. Second Reading
  - A. Resolution No. 692-19, Establishing an Operating Reserve Fund.....12-14
  - B. Resolution No. 693-19, Establishing a Port-wide Capital Reserve Fund.....15-17
- VIII. First Reading
  - A. Resolution No. 694-19, Delegation of Management Authority to the Executive Director.....18-31
  - B. Resolution No. 695-19, Meeting Procedures Resolution.....32-39
- IX. Regular Business
  - A. USCG Supplemental Lease Agreement.....40-43
  - B. Citizen Complaint-Billing Adjustments.....44-45
  - C. 2019 Committee Assignments.....46-48

	D. Revision to Staff Organizational Chart.....	49-50
	E. Conversion to Cash Reporting.....	51-52
	F. November 2018 Financials.....	53-55
X.	Staff Comments	
XI.	Commissioner Comments	
XII.	Next Commission Regular Business Meeting: Wednesday, January 23, 2019 at 5:30 p.m. in the Port Commission Building, 333 Benedict Street, Port Townsend, WA.  Commission Retreat: Wednesday & Thursday, January 16 & 17, 8:30 am – 4:30 pm, Bayview Meeting Room Old Alcohol Plant, 310 Hadlock Bay Road, Port Hadlock	
XIII.	Executive Session (if called)	
XIV.	Adjournment	

**PORT COMMISSION PUBLIC WORKSHOP – December 12, 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  
Interim Executive Director Pivarnik  
Port Auditor Berg  
Deputy Director Toews  
Recorder Nelson

Guest Presenter: Brian Kuh, Executive Director, Team Jefferson

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.

IV. ADJOURNMENT:

The Workshop adjourned at 11:07 a.m.

ATTEST:

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

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

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

**Port of Port Townsend  
Public Workshop  
Wednesday, December 12, 2018, 9:30 am  
Port Commission Building  
333 Benedict Street  
Port Townsend, WA**

**AGENDA**

- EDC/Team Jefferson Update  
Team Jefferson Executive Director Brian Kuh will present
- Capital Budget Discussions
- 2019 Commission Retreat

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 BUSINESS MEETING – December 12, 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  
Interim Executive Director Pivarnik  
Auditor Berg  
Deputy Director Toews  
Minutes – Nelson  
Attorney Chmelik (via Skype audio/visual)

### **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 (00:00:58):**

Jeff Kelety commented on nightly rates for 2019.

### **IV. CONSENT AGENDA (00:04:25):**

A. Approval of Regular Business Meeting Minutes – November 28, 2018  
B. Approval of Warrants  
Warrant #059899 through #059906 in the amount of \$62,829.09 for Payroll & Benefits  
Electronic Payment in the amount of \$108,849.91 for Payroll & Benefits  
Warrant #059907 through #059968 in the amount of \$85,738.57 for Accounts Payable  
**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. Establishment of Reserve Funds (00:04:36):  
Ms. Berg reminded that in August of 2016 the commission moved to terminate the Boat Haven Reserve and instead, replace it with a Port-wide capital reserve. Ms. Berg stated that today, staff is planning to develop a resolution that would combine the Port-wide Capital Reserve and a new Operating Reserve. She explained the reasoning for an Operating Reserve and stated the annual funding goals are dependent on operations and expenditures.

### **VII. REGULAR BUSINESS:**

A. Lease – Dave's Mobile Welding (00:15:54):

Mr. Toews briefed on the lease for David Fletcher, a former Craftsmen United employee who has been renting the space for his business since spring on a month-to-month basis. Mr. Toews stated the lease includes the building space and the land situated directly to the north of the building. He discussed the lease rate, the terms, the deposit and maintenance work.

Commissioner Tucker commented on the land portion of the lease and what it will be used for. He stated he would like to see common areas addressed in leases and to discuss this at the commission retreat. After discussing further, it was suggested by Mr. Pivarnik to remove the land portion from the lease and to negotiate the land portion separately with Mr. Fletcher.

**Commissioner Hanke moved to approve the lease with the correction to the land portion as discussed.**

**Commissioner Putney seconded the motion.**

**Motion carried by unanimous vote.**

B. Lease Assignment Cunningham / Fishery Point (00:28:59):

Mr. Toews stated that since the passing of Bob Cunningham, his partner, Mary Cunningham decided not to continue the business. Mark Burn, owner of adjacent property, hopes for approval of the lease assignment to his company for the balance of the term. Mr. Toews stated at the end of the term in 2019 this would be revisited to potentially negotiate a new lease with Mark Burn/Fishery Point.

**Commissioner Putney moved to approve the Cunningham/Fishery Point Lease Assignment as presented.**

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

C. Point Hudson Jetty Historical Designation (00:32:18):

Mr. Pivarnik explained there has been increasing dialogue on proposed construction of the jetty since rejection of the high dollar amount of the project bid. He stated there is a committed group of individuals who have been coming up with options, including Ashlyn Brown who gathered photos and history of the jetty. Mr. Pivarnik stated that Commissioner Tucker requested this on the meeting agenda for a discussion on the next steps for the jetty; whether to look at historical designation of the jetty or to move forward with plans for funding a combi wall.

Commissioner Tucker stated from the beginning he wanted to replace the jetty using the same foot print, mainly to save the wildlife and for permitting issues. He has since learned from citizens who are concerned about wave reflection off the back.

Commissioner Tucker stated individuals have come forward with the idea of possible historical designation of the jetty. He stated a historical designation would ease up permitting requirements and open up funding and construction options. He asked Robert D'Arcy, who has been researching the designation to speak.

Mr. D'Arcy briefed on issues that were discussed in his meetings with Artifacts Consulting, WA State Preservation and John McDonagh of the City including rules, costs, zoning codes, historic designation, etc.

Mr. Pivarnik suggests an MOU with the City prior to historical designation application. Mr. Toews discussed funding, time scale, re-permitting for a different construction design if one is chosen. He stated staff would assess further and bring information to the commission. Mr. Toews suggested retaining a neutral third party to evaluate the jetty and develop a list of alternatives, provide an assessment, investigate permitting, funding, etc.

Commissioner Hanke suggested the option of a long-term repair plan until ready to rebuild. Mr. Pivarnik explained succession repairs are not allowed in permit.

Attorney Chmelik advised to be cautious with a historical designation and explained reasons.

Commissioner Tucker stated he would like to authorize staff to discuss this with the City. Commissioner Hanke commented that he does not believe another consulting/engineering firm should be hired.

Commissioner Tucker believes it would be foolhardy to not bring on another consultant. He would like to see a firm hired to see if a historic designation is even viable.

Mr. Pivarnik discussed the Jefferson County PIF, stating the deadline for PIF applications is February 1 and recommends submitting applications for two jetty studies – to determine technical feasibility and to determine if historical designation is the route to take.

Emergency repairs, federal funding and more was discussed.

Commissioner Putney thanked Ashlyn Russell and Robert D'Arcy for their work and Commissioner Tucker stated he appreciates the community's involvement.

**D. Resolution No. 691-18 Surplus of 75-ton Travelift & Sentry Safe (01:27:03):**

Mr. Pivarnik reported the old Travelift is disassembled and rusting in the yard. Maintenance staff has stripped it for parts. The lift needs to be surplussed for scrap metal.

**Commissioner Tucker moved to adopt Resolution No. 691-18 as presented.**

**Commissioner Putney seconded the motion.**

**Motion carried by unanimous vote.**

**VIII. STAFF COMMENTS (01:37:33):**

Ms. Nelson stated that she was able to confirm the Old Alcohol Plant in Port Hadlock for the Commission Retreat, two days – January 16 & 17, 2019.

Ms. Berg is working to convert the Port's annual reporting to cash basis (currently on an accrual basis). She reported she has discussed this with the State Auditor's Office and will contact other Ports who have chosen this method. She stated a cash basis will make the annual report much shorter and simpler and will cut staff time in the preparation of the report.

She discussed the FSM software program and stated she expects it to be implemented in March. Last, Ms. Berg reported the Port received a clean 2-year Financial Statements and Accountability audit from the State.

Mr. Toews reported he will meet next week with Dept. of Ecology and Parametrix staff to discuss details of the Port's response to the 2016 Level 3 Engineering Report. They

will determine if infiltration is a long-term response for stormwater compliance for the Boat Haven.

Mr. Toews announced the JCIA Runway Rehab Update meeting on December 18 from 5:30-7:30 pm.

Mr. Pivarnik stated the Jefferson County PIF applications are due February 5, 2019 and the Port has many properties on their list.

IX. COMMISSIONER COMMENTS (39:44):

Commissioner Putney reported he attend a meeting regarding the search for a new City Manager. He attended a Linger Longer Committee meeting and they discussed the need for dredging of the Quilcene marina. He said the WPPA conference he attended was a good one.

X. NEXT SPECIAL MEETING/PUBLIC WORKSHOP/REGULAR BUSINESS MEETING:

Wednesday, January 2, 2019: Special Meeting, 9:00 am (warrant approval only)

Wednesday, January 9, 2019: Public Workshop, 9:30 am, Regular Business Meeting 1:00 pm

Port Commission Building, 333 Benedict Street, Port Townsend, WA

XI. EXECUTIVE SESSION:

None

XII. ADJOURNMENT:

The meeting reconvened at 2:39 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 COMMISSION SPECIAL BUSINESS MEETING– December 18, 2018**

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

Present: Commissioners – Tucker, Hanke and Putney  
Interim Executive Director Pivarnik  
Auditor Berg  
Deputy Director Toews  
Minutes – Nelson  
Attorney Seth Goodstein, Goodstein Law Group

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

Commissioner Tucker called the meeting to order at 4:30 pm

**II. EXECUTIVE SESSION:**

Litigation, pursuant to RCW 42.30.110 (1) (i). Duration 45 (forty-five) minutes with expected action.

**III. RECONVENING OF (OPEN SESSION) SPECIAL MEETING:**

At 5:15 p.m., Commissioner Tucker reconvened the open session.

**Commissioner Tucker moved to authorize Commissioner Putney to settle the Port vs SMA.**

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

For the record, Attorney Goodstein noted that no straw polls, bracketing, or consensus occurred during Executive Session.

**IV. NEXT SPECIAL MEETING:**

Wednesday, January 2, 2019, 1:00 pm (for warrant approval only), Port Commission Building, 333 Benedict Street, Port Townsend, WA

**V. ADJOURNMENT:**

The meeting adjourned at 5:15 pm.

ATTEST:

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

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

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

**PORT COMMISSION SPECIAL BUSINESS MEETING– January 2, 2019**

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

Present: Commissioners – Tucker and Putney  
Interim Executive Director Pivarnik  
Auditor Berg  
Minutes – Nelson  
Excused: Commissioner Hanke

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

Commissioner Tucker called the meeting to order at 1:00 pm

**II. APPROVAL OF AGENDA:**

**III. APPROVAL OF WARRANTS:**

Warrant #059969 through #059976 in the amount of \$12,567.90 for Payroll & Benefits

Electronic Payment in the amount of \$64,125.50 for Payroll & Benefits

Warrant #059977 through #060018 in the amount of \$77,345.22 for Accounts Payable

Electronic Debit in the amount of \$5,862.85 for WA State Dept. of Revenue Combined Excise

Tax Return for November 2018

Commissioner Tucker spoke about garbage costs at the airport and the garbage enclosure, asking if it could be locked up and possibly have the Pilot's Association or the FBO control it.

**Commissioner Tucker moved to approve the warrants as presented.**

**Commissioner Putney seconded the motion.**

**Motion carried by unanimous vote.**

**IV. NEXT REGULAR BUSINESS MEETING:**

Wednesday, January 9, 2019, 1:00 pm

Port Commission Building, 333 Benedict Street, Port Townsend, WA

**V. ADJOURNMENT:**

The meeting adjourned at 1:05 pm.

ATTEST:

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

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

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

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

January 9, 2019  
2:00 PM

---

- I. Call to Order
- II. Election of Officers
- III. Approval of Minutes – January 10, 2018
- IV. New Business
- V. Next Meeting – Called as needed
- VI. Adjournment

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

**MEETING OF:** January 9, 2019

**AGENDA ITEM:** Annual Election of Year 2019 Officers

**BACKGROUND:**

**2018 IDC Officers:**

President:	Peter W. Hanke
Vice-President:	William W. Putney III
Secretary:	Stephen R. Tucker

**RECOMMENDATION:**

Elect Officers for the year 2019.

**MINUTES OF THE  
INDUSTRIAL DEVELOPMENT CORPORATION OF  
THE PORT OF PORT TOWNSEND  
Wednesday – January 10, 2018**

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

Present: 2017 Directors: Stephen R. Tucker, President  
Peter W. Hanke, Secretary

Port of Port Townsend Staff:

Executive Director Gibboney  
Auditor Berg  
Director of Operations & Business Development Englin  
Director of Planning Toews  
Communications Coordinator Matej  
Attorney Lake  
Minutes Nelson

Not Present: Vice President Clinefelter (term ended 12/31/17)

I. CALL TO ORDER

Commissioner Tucker called the meeting to order at 1:29 p.m.

II. ELECTION OF OFFICERS:

**Commissioner Tucker moved to approve the 2018 slate of officers as follows:**

**Commissioner Hanke – President, Commissioner Putney – Vice President and Commissioner Tucker – Secretary.**

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

III. APPROVAL OF MINUTES – January 11, 2017:

**Commissioner Hanke moved for approval of the January 11, 2017 IDC meeting minutes as presented.**

**Commissioner Putney seconded the motion.**

**Motion carried by unanimous vote.**

IV. NEW BUSINESS:

Commissioner Tucker stated the only new business he has is that he received a note from a constituent who asked to keep the IDC going.

V. NEXT MEETING:

The next scheduled meeting of the IDC will be on January 9, 2019, unless otherwise scheduled.

VI. ADJOURNMENT:

There being no further business to come before the Directors, the meeting adjourned at 1:31 p.m.

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

\_\_\_\_\_  
DATE

\_\_\_\_\_  
Stephen R. Tucker, Secretary

\_\_\_\_\_  
DATE

\_\_\_\_\_  
William W. Putney III, Vice President

\_\_\_\_\_  
DATE

# PORT OF PORT TOWNSEND

## AGENDA COVER SHEET

<b>MEETING DATE</b>	January 9, 2019
<b>AGENDA ITEM</b>	<input type="checkbox"/> First Reading <input checked="" type="checkbox"/> Second Reading <input type="checkbox"/> Regular Business
<b>AGENDA TITLE</b>	VII. A) Resolution NO. 692-19, Establishing an Operating Reserve Fund
<b>STAFF LEAD</b>	Abigail Berg, Director of Finance & Administration
<b>REQUESTED</b>	<input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion
<b>ATTACHMENTS</b>	A. Resolution No. 692-19

## **RESOLUTION NO. 692-19**

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

#### **ESTABLISHING AN OPERATING RESERVE FUND**

**WHEREAS**, in order to mitigate current and potential future revenue shortfalls, to be prepared for unanticipated expenses, and to maintain the Port's credit rating, the Commission of the Port of Port Townsend would like to establish and maintain an Operating Reserve Fund on the Port's balance sheet; and

**WHEREAS**, the Commission desires that the target fund balance for the Operating Reserves Fund be established at an amount equivalent to three (3) months of operating and general administrative expenses, and therefore equivalent to approximately twenty-five percent (25%) of the total budgeted operating expenses in its cash reserves;

**NOW, THEREFORE, BE IT RESOLVED** as follows:

1. The Port of Port Townsend shall maintain a separate fund for an Operating Reserve Fund as a separate line item in the Port's financial statement.
2. The Operating Reserve Fund will be held in the general fund account and may be invested in the Port's general fund investments directed by the Port's Director of Finance.
3. To establish the Operating Reserve Fund, a funding target of \$180,000 is budgeted for 2019 (approximately \$15,000 per month). For the period from 2020 through 2022, the funding target will be increased by 1.75% annually, and by 1.5% in 2023, at which point it is anticipated that the 25% funding target will have been achieved.
4. In the event that the funding targets are not achieved, the Port's Executive Director may undertake steps necessary to increase the funding in the Operating Reserve Fund to the target level(s) by any reasonable combination of changes to Port operations (i.e., increasing business activity and performance and/or reducing expenses).

**ADOPTED** this 9<sup>th</sup> day of January 2019, 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

**APPROVED AS TO FORM:**

---

Peter W. Hanke, Vice President

---

Port Attorney



# PORT OF PORT TOWNSEND

## AGENDA COVER SHEET

<b>MEETING DATE</b>	January 9, 2019
<b>AGENDA ITEM</b>	<input type="checkbox"/> First Reading <input checked="" type="checkbox"/> Second Reading <input type="checkbox"/> Regular Business
<b>AGENDA TITLE</b>	VII. B) Resolution NO. 693-19, Establishing a Port-wide Capital Reserve Fund
<b>STAFF LEAD</b>	Abigail Berg, Director of Finance & Administration
<b>REQUESTED</b>	<input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion
<b>ATTACHMENTS</b>	A. Resolution No. 693-19

## **RESOLUTION NO. 693-19**

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

#### **ESTABLISHING A PORT-WIDE CAPITAL RESERVE FUND**

**WHEREAS**, on August 10, 2016 the Port Commission authorized staff to immediately cease funding the Boat Haven Capital Reserve Fund and to redirect those monthly reserve payments into a Port-Wide Capital Reserve Fund; and

**WHEREAS**, to fund capital projects, equipment and capital maintenance work throughout the Port of Port Townsend's facilities, the Port Commission of the Port of Port Townsend wishes to establish and maintain a Port-Wide Capital Reserve Fund in the Port's accounts; and

**WHEREAS**, the Commission desires that the Port-Wide Capital Reserves Fund be funded annually in the amount of \$120,000 for the period 2019 through 2020, and funded annually in the amount of \$250,000 for the period 2021 through 2023; and

**WHEREAS**, the Commission expects that this fund will be utilized throughout the time period 2019 to 2023 to fund capital projects identified in the Commission approved Capital Budget,

**NOW, THEREFORE, BE IT RESOLVED** as follows:

1. The Port of Port Townsend shall maintain a separate fund for a Port-Wide Capital Reserve Fund as a separate line item in the Port's financial statements.
2. The Port-Wide Capital Reserve Fund will be held in the general fund account and may be invested in the Port's general fund investments directed by the Port's Director of Finance.
3. The Port-Wide Capital Reserve Fund shall be funded at the level of \$120,000 per annum for 2019 and 2020, increasing thereafter to \$250,000 per annum for the period 2021 through 2023.
4. Monies in the fund may be used to fund any capital expense identified within the Commission approved Capital Budget, new capital projects, capital maintenance projects, capital equipment purchases and grant match for capital project.

**ADOPTED** this 9<sup>th</sup> day of January 2019, 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

**APPROVED AS TO FORM:**

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

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

# PORT OF PORT TOWNSEND

## AGENDA COVER SHEET

<b>MEETING DATE</b>	January 9, 2019
<b>AGENDA ITEM</b>	<input checked="" type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input type="checkbox"/> Regular Business
<b>AGENDA TITLE</b>	VIII. A) Resolution No. 694-19, Delegation of Management Authority to the Executive Director
<b>STAFF LEAD</b>	Jim Pivarnik, Executive Director
<b>REQUESTED</b>	<input type="checkbox"/> Motion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
<b>ATTACHMENTS</b>	A. Resolution No. 694-19 & Policy Attachment

**RESOLUTION NO. ~~673-18~~694-19**

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

**RESOLUTION DELEGATING AUTHORITY TO PORT MANAGEMENT**

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

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

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

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

Approve for the calendar year of ~~2018-2019~~ the master policy directive of the Port Commission of the Port of Port Townsend dated January ~~24, 2018~~23, 2019, which is attached hereto and incorporated herein as Attachment "A", for the purpose of establishing the administrative authority for the Port District Executive Director.

**ADOPTED** this ~~24<sup>th</sup>~~23<sup>rd</sup> day of January ~~2018~~2019, 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~~xxx xxx, Secretary  
~~Tucker~~xxx xxx, President

~~Stephen R.~~

~~Peter W. Hanke~~xxx xxx, Vice President

**APPROVED AS TO FORM:**

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

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

**January 24, ~~2018~~23, 2019**

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

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

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

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

6. Application for and acceptance of grants or other funds from federal, state, or local governments, subject to the approval of Commission if required per Section XIV herein;
7. Delivery of services essential to the Port's mission: financial and accounting related matters; legal matters; and all other administrative matters.

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

## **I. UTILIZATION OF PORT CREWS**

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

### **A. Performance of Work by Port Crews**

Prior Commission approval shall not be required where individual capital or maintenance projects are to be carried out by Port crews or day labor (when deemed appropriate) and do not exceed ~~Fifty-Two~~Fifty-Two-five Thousand Dollars (\$~~50~~25,000.00) exclusive of applicable taxes. The ED may inform the Commission at the next scheduled meeting of all actions under this section.

## **II. RULES AND / OR PROCEDURES**

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

and are reported to the Commission in a timely manner,

The ED may delegate to appropriate Port staff such administrative authority or reporting requirements herein established as is necessary and advisable in the efficient exercise of the ED's authority. In the event the Executive Director is unavailable, due to absence, temporary leave, and/or due to conflict of interest and/or appearance of fairness reasons, the authority of the ED shall be delegated as follows: (a) operations matters to the Port's ~~Director of Operations & Business Development~~ Deputy Director, (b) internal administrative matters (Finance and Human Resources) to the Director of Finance and (c) all other matters delegated first to the ~~Director of Planning/In-house Legal Counsel~~ Deputy Director, second to the Director of Finance. In the event of questions, dispute or disagreement with the delegation, the staff named hereinabove shall consult with the Port's Attorney for a final determination. To implement delegations or authority to Port staff, the ED shall promulgate policy and procedure manuals, monetary delegations authority and employee position descriptions, affirmative action plans and office manuals which shall include such delegations as appropriate. The responsibility for all administration and day-to-day operations of the Port rests with the ED.

### **III. SALE OF PERSONAL PROPERTY**

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

- A. That the value of such personal property does not exceed the dollar limits authorized under RCW 53.08.090-092 (as amended or succeeded).
- B. Prior to any such sale or conveyance, the ED shall itemize and list the property to be sold and make written certification to the Commission that the listed property is no longer needed for district purposes.
- C. Any large block of such property having a value in excess of the limits authorized under RCW



53.08.090 (as amended or succeeded) shall not be broken down into components of a lesser value and sold unless done so by public competitive bid.

- D. That offers for purchase are solicited from at least three (3) parties when no bids are received from the public competitive bidding process; unless waived by the Commission on a case-by-case basis.
- E. No real property or facility which is part of the comprehensive plan of improvement or modification thereof shall be disposed of until the comprehensive plan has been modified pursuant to RCW 53.20.010 and such real property or facility is found to be surplus to Port needs.

#### **IV. CONTRACTS FOR PERFORMANCE OF WORK**

##### **A. Contract Awards for Construction and Maintenance:**

1. The Port District ED may, without prior Commission approval, execute on its behalf contracts where the total estimated contract price does not exceed ~~Fifty-Twenty-five~~ Thousand Dollars (\$5025,000.00) exclusive of applicable taxes, and so long as all statutory procedures are followed, including bid and performance surety requirements. All contracts awarded under this section will be reported to the Commission at the next scheduled meeting. Public discussions with the Commission regarding all projects will take place with the adoption of the annual capital budget unless an emergency exists.
2. The Port District ED may, execute on behalf of the Port contracts for large projects that have been properly approved including costs at a public Port meeting, and all statutory procedures must be followed. Upon proper approval from the Commission, the Port District ED may publish a notice calling for bids, award of contract or rejections of all bids will be done by vote of the Commission at a public meeting.
3. When any emergency shall require the immediate execution of a contract for work the Port District ED, pursuant to the procedures of RCW 39.04.020 (as it may be amended or succeeded), is authorized to make a finding of the existence of such emergency and execute any contracts necessary to respond to the existing emergency, provided that the Port District ED shall, at the first opportunity contact a Commissioner, and at the first Port

Commission meeting following the finding of the existence of an emergency, request the Port Commission ratification of the finding of emergency and any contracts awarded and or executed pursuant to that finding.

B. Change Orders:

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

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

C. Professional Services / Consulting Services:

The ED shall be responsible for the initiation of appropriate procedures to obtain professional or consultant services where deemed necessary in carrying out normal Port operations. When necessary, Port Legal Counsel shall be consulted with respect to statutory procedures in connection with these services. The ED may arrange for these services, without prior Commission approval, when the cost of the proposed service for any single project will not exceed ~~Fifty~~ Twenty-five Thousand Dollars (~~\$50~~25,000). If the fee for such services is estimated to exceed ~~Fifty~~ Twenty-five Thousand Dollars (~~\$50~~25,000), prior Commission approval shall be required. The ED shall inform the Commission at the next scheduled meeting of all actions undertaken under this section.

D. Architectural, Engineering & Technical Services:

The ED is authorized to contract with qualified architectural, engineering and technical testing & inspection firms licensed in the State of Washington to provide such services as required for maintenance, preliminary engineering work or small projects of the Port. Arrangements for obtaining such services shall follow all required statutory procedures and shall be consistent with normal established fees paid for such services. If the fee on any single project or closely related work is estimated to exceed ~~Fifty-Twenty-five~~ Thousand Dollars (\$~~50~~25,000), Commission approval shall be required. The ED shall inform the Commission at the next scheduled meeting of actions undertaken under this section.

E. Declarations of Emergency:

1. An emergency is defined as an unforeseen circumstances beyond the control of the Port that either present a real, immediate threat to the proper performance of essential functions; or may result in a material loss or damage to property, bodily injury, or loss of life if immediate action is not taken (see RCWs 39.04.020, 39.04.280 and 53.19.010(04). Emergencies allow for the waiver of state procurement requirements.
2. The Executive Director is authorized to make a finding of the existence of an emergency, to authorize spending of Port resources and funds, to waive competitive bidding requirements and to execute any contracts necessary to respond to the emergency in accordance with RCW 39.04.020, 39.04.280, 53.19.010 and 53.19.010.
  - a. As soon as possible following a declaration of emergency, and in no case more than 24 hours following such declaration, the Executive Director shall individually inform each Commissioner of the action taken. The Executive Director shall also notify the Commission of having made such emergency declaration at its next regularly scheduled meeting.
  - b. If a public works or purchased goods or services contract is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency shall be filed with the Commission and made public on the Port's

website no later than two weeks following the award of the contract.

- c. If a personal services contract is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency shall be filed with the Commission and made public on the Port's website within seven working days following the commencement of a work or execution of the contract, whichever occurs first. Documented justification for emergency contracts shall be provided to the Commission when the contract is filed.
- d. As used herein, "filed with the Commission" means any of the following:
  - i. Delivery to the Executive Assistant to the Commission for distribution to each Commissioner; or
  - (ii) Noting the matter for Consent or Action on the Meeting Agenda for the next scheduled meeting of the Commission.

**F. Reports:**

Notwithstanding the authorities granted in the preceding sections A –E, the ED shall keep the Commission advised of all contracts, reports and activities.

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

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

- A. The purchase price does not exceed Twenty-Five Thousand (\$25,000.00) Dollars or has been pre-approved by Commission, or if specifically identified while developing the annual budget and does not exceed the budgeted amount.

- B. In the event of competitive bidding all statutory regulations must be followed.
- C. The Ed is authorized to establish a system to control purchase of materials, supplies and services. Such system should take into consideration the nature of the purchases, and that the invoices have been properly processed and approved in accordance with Port Policies and Procedures.

## **VI. REAL & PERSONAL PROPERTY RENTALS OR LEASES**

All real & personal property belonging to the Port, when available for rent or lease, shall, except as otherwise provided herein below, be leased only under an appropriate written lease instrument, approved by the Commission, and accompanied by a lease bond or other form of security in accordance with RCW 53.08.085. The term lease as used herein may refer to rental agreements, operating agreements or use agreements. However, the Executive Director, or two management level Directors authorized in writing by the ED, may execute short-term leases (i.e., terms of one (1) year or less) subject to the following conditions:

- A. The appropriate lease surety must be in place consistent with statutory requirements and the Port's standard form lease, with the exception of State and Federal leases that require use of the tenant's lease form, as long as the content of the lease form does not materially change the intent expressed in the Port's standard lease form.
- B. The arrangements for the short-term occupancy shall be evidenced by the Port's standard form lease (except that any clearly inapplicable provision or provisions inconsistent with the policy set forth herein may be deleted from the standard form).
- C. The use to which the property may be put by the tenant shall be expressly stated and shall be in accordance with applicable land and shoreline use regulations and any standards of use adopted by the Commission for the same or similar Port property or properties.
- D. The lease may not be renewed or otherwise extended beyond one (1) year without prior Commission approval.

## **VII. LITIGATION**

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

## **VIII. ADJUSTMENT TO ACCOUNTS RECEIVABLE OR UNCOLLECTIBLE ACCOUNTS**

The Port District ED is authorized to establish procedures to:

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

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

## **IX. PROPERTY ACQUISITION AND SALE OF REAL PROPERTY**

When the Commission authorizes the acquisition of real property by purchase or condemnation, the ED shall take all necessary steps including, but not limited to obtaining appraisals / market analyses, to secure title of

such property for the Port. The acquisition price shall be established based on appraisals, market analyses and negotiations and shall be approved by the Commission prior to any finalization of the purchase, ED shall sign all necessary documents.

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

#### **X. INSURANCE PROGRAMS**

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

#### **XI. EMPLOYEE TRAVEL, EDUCATION & CONFERENCE ATTENDANCE**

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

## **XII. BANKING SERVICES AND INVESTMENT OF TEMPORARILY IDLE PORT FUNDS**

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

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

## **XIII. TRADE DEVELOPMENT PROGRAMS**

The ED is authorized, consistent with budget and statutory limitations, to develop and carry out programs of trade development (which may include tourism and tourism promotion), advertising, and promotion of the Port, including its properties, facilities and services. Such programs shall be reviewed by the Commission from time to time.

## **XIV. GRANTS AND APPROPRIATIONS**

### **A. Grants:**

1. The Executive Director is authorized to apply for grant funds for the Port.
2. The Executive Director is authorized to accept grants where the grant award obligates the Port to provide a cash match of no more than ~~Fifty-Twenty-five~~ Fifty Thousand Dollars (\$~~50~~25,000.00).



3. In cases where the grant award obligates or has the potential to obligate the Port to provide a cash match greater than ~~Fifty-Twenty-five~~ Fifty Thousand Dollars (\$~~50~~25,000.00), Commission authorization is required prior to grant acceptance.

4. The Executive Director is authorized to accept and manage any grant funding that is secured for projects that have previously been authorized by the Commission.

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

#### **XV. AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT**

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

#### **XVI. ADMINISTERIAL CHECKS AND WARRANTS**

The Executive Director is authorized to approve checks and warrants issued in the nature of administerial expenses for the efficient and proper management of port district operations as delegated in this resolution or reasonably implied from the same. The Executive Director is not authorized to approve checks and warrants in the nature of claims or non-administerial obligations. The Executive Director shall cause the checks and warrants issued under this section to come before the commission for review and approval as to the nature and amount of administerial checks and warrants issued at the next regular meeting following issuance. The Port shall provide for bonding required for faithful discharge of the Executive Director's duties.

# PORT OF PORT TOWNSEND

## AGENDA COVER SHEET

MEETING DATE	January 9, 2019
AGENDA ITEM	<input checked="" type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input type="checkbox"/> Regular Business
AGENDA TITLE	VIII. B) Resolution No. 695-19, Meeting Procedures
STAFF LEAD	Jim Pivarnik, Executive Director
REQUESTED	<input type="checkbox"/> Motion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	A. Resolution No. 695-19 & Procedures Attachment B. Proposed Meeting & Workshop Schedule for 2019

**RESOLUTION NO. ~~675-18~~695-19**  
**A Resolution of the Commission of the Port of Port Townsend**

**READOPTING COMMISSION MEETING PROCEDURES**

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

**WHEREAS**, The Port of Port Townsend did rescind Resolution No.42-87, and adopted new Commission Meeting Procedures which were more efficient and beneficial for both the Commission and participating public, by Resolution No. 326-00 on July 26, 2000, and which was subsequently amended by Resolution No 344-01 on March 14, 2001, by Resolution No. 363-02 on February 27, 2002, by Resolution No. 367-02 on March 27, 2002, by Resolution No. 390-03 on January 22, 2003, Resolution No. 392-03 on April 9, 2003, by Resolution No. 471-06 on July 26, 2006, by Resolution No. 487-07 on April 25, 2007, by Resolution No. 532-10 on January 27, 2010, by Resolution No. 553-11 on January 12, 2011, by Resolution No. 558-11 on March 23, 2011, by Resolution No. 561-11 on June 8, 2011, by Resolution No. 594-13 on May 8, 2013, Resolution No. 604-14 on January 22, 2014, by Resolution 624-15 on January 14, 2015, Resolution No. 639-16 on January 27, 2016, by Resolution No. 654-17 on January 11, 2017, ~~and by~~ Resolution No. 674-18 on January 24, 2018, and by Resolution No. 675-18 on February 28, 2018; and

**WHEREAS**, the Port Commission wishes to modify the meeting procedures as noted in Appendix A, established on ~~January 24~~February 28, 2018 via Resolution No. ~~674~~675-18.

**NOW, THEREFORE BE IT HEREBY RESOLVED** by the Port Commission of the Port of Port Townsend, that Resolution No. ~~674~~675-18 shall be rescinded, and the Commission Meeting Procedures, as shown in the attached "Appendix A", shall be adopted in their place.

**ADOPTED** this ~~28<sup>th</sup> day of February 2018~~23<sup>rd</sup> day of January 2019, 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~~xxx xxx, Secretary  
~~Tucker~~xxx xxx, President

\_\_\_\_\_  
~~Stephen R.~~

\_\_\_\_\_  
~~Peter W. Hank~~xxx xxx, Vice President

**APPROVED AS TO FORM:**

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

## APPENDIX A

The Policy and Procedures on pages 1-4 have been adopted by Resolution ~~675-18694-19~~, amending Resolutions 326-00, 344-01, 363-02, 367-02, 390-03, 392-03, 471-06, 487-07, 532-10, 553-11, 558-11, 561-11, 594-13, 604-14, 624-15, 639-16, 654-17, ~~and 674-18~~, and 675-18. Any changes or deletions will require an amendment to the Resolution.

## COMMISSION MEETINGS

### TIME AND LOCATION OF MEETINGS

1. Effective ~~March 1, 2018~~January 24, 2019, with the exception of the December schedule outlined in paragraph 2 immediately below, regular business meetings of the Port of Port Townsend will occur twice a month - on the second Wednesday of each month at 1:00 p.m. and on the fourth Wednesday of each month at 5:30 p.m. in the Port Commission Building, 333 Benedict Street, Port Townsend, Washington. Public Workshops ~~to be called as needed~~will occur on the second Wednesday of each month at 9:30 a.m. Meeting and workshop schedules and locations are subject to change with a minimum 24-hour notice to the local newspaper and the Port's website.
2. To accommodate the December holiday schedule, only one regular business meeting will be held in December on the second Wednesday of the month, December ~~12, 2018~~11, 2019 at 1:00 p.m.

### RULES OF TRANSACTION OF BUSINESS

1. Order of Business shall be as follows:
  - I Call to Order
  - II Approval of Agenda
  - III Public Comments Related to/not related to the agenda (limited to total of thirty (30) minutes; three (3) minutes per person)
  - IV Consent Agenda
  - V Second Reading (Action Items)
  - VI First Reading (Discussion Only)
  - VII Regular Business
  - VIII Staff Comments
  - IX Commissioner Comments
  - X Next Meeting
  - XI Executive Session, (If called)
  - XII Adjournment
2. All matters which, in the judgment of the Commission, are of a legislative character and shall be embodied in the form of Resolutions. Resolutions shall be numbered consecutively, and

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

3. Organization of Workshops:

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

4. Organization of Regular Business Meetings:

- a. Shall have an agenda approved at the beginning of the meeting.
- b. Will begin with the Pledge of Allegiance.
- c. Will have minutes recording topics discussed and actions taken either in written and/or audio format.
- d. Will make any information to be presented before the Commission for consideration to the public in advance of the meeting. This information will be part of the agenda and meeting packet posted on the Port's website pursuant to RCW 42.30.077.
- e. Will allow presentations by each member of the public indicating a desire to address the Commission, of no more than three (3) minutes, (maximum of thirty minutes per meeting) for Public Comment period on any appropriate topic. Each speaker must state their name and the subject of their comment before beginning. Written comments are encouraged.
- f. When, in the opinion of the Commission's presiding officer, significant information has been presented to the Commission which was not made available to the public in advance, the presiding officer may allow additional public comment at a time and limited in a fashion the presiding officer will make clear.
- g. No public comment will be entertained once a motion for action has been called and the Commission's deliberation has begun.
- h. Public comments and presentations shall adhere to common norms of civility and may be cut off by the presiding officer if in his or her judgment these norms of civility are

violated. Disruptions of Port Commission meetings are prohibited. Disruptions include, but are not limited to the following:

- i. Failure of a speaker to comply with the allotted time established for the individual speaker's comment;
- ii. Addressing the audience, rather than the commission, by a member of the public who has been recognized by the presiding officer for public comment;
- iii. Outbursts (e.g., clapping, shouting, cheering) from members of the public who have not been recognized by the presiding officer for public comment;
- iv. Holding or placing a banner or sign in the Commission Room in a way that endangers others or obstructs the free flow of meeting attendees or the view of others attending the meeting; or
- v. Behavior that intentionally disrupts or otherwise impedes the orderly conduct of Commission business.

5. Conduct of Regular Business Meetings:

- a. The Port Commission, as a governing body, is charged with making decisions that advances the mission of the Port and which are based on sound information and analysis, respect for views of the public, and each Commissioner's best disinterested judgment.
- b. With only 3 elected Commissioners, the Commission can operate with a high degree of informality and need not be bound to all the provisions spelled out in standard codes of parliamentary procedure. However, some formal procedures need to be followed to respect the rights of all 3 Commissioners to participate equally and fully in all Commission business.
- c. Some fundamental principles for conducting Commission meetings include (taken from The Standard Code of Parliamentary Procedure, by Alice Sturgis):
  - i. All Commissioners have equal rights, privileges, and obligations.
  - ii. The majority vote decides.
  - iii. The rights of the minority must be protected.
  - iv. Full and free discussion of every proposition presented for decision is an established right of the members.
  - v. Every member has the right to know the meaning of the question before the Commission and what its effect will be.
  - vi. All meetings must be characterized by fairness and by good faith.
- d. Routine and ordinary business may be approved and/or rejected by the Commission by placing it on either the Consent Agenda, or as an item of "Regular Business". Examples of items typically placed on the consent agenda are approval of warrants and meeting minutes.

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

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

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

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

- f. All motions require a second. In the absence of a second, the motion is declared dead.
  - g. Minor amendments to a motion may be accepted as a “friendly amendment” by the maker of the original motion without a vote on the amendment.
  - h. The presiding officer of the Commission meeting shall have the right to participate fully in the discussion and shall cast a vote on all motions.
  - i. The standard priorities and requirements for main, subsidiary, and privileged motions shall be used.
- 6. The draft agenda may be available by Friday of the week previous.
  - 7. The Executive Director or his designee would be responsible for keeping track of each issue.
  - 8. All public comments and questions should be directed to the Commissioners. If the Commissioners so desire, they may refer the question to the Executive Director, Port Attorney, and/or other Port Staff in attendance.

## **SMOKING**

Smoking is prohibited during the Commission meetings.

## **MINUTES**

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

## **VOUCHER APPROVAL**

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

## **COMMISSIONER'S COMPENSATION**

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



2019 Proposed Regular Business Meetings & Public Workshops for

Port of Port Townsend Commission

Jan 9\*

Jan 23

Feb 13\*

Feb 27

Mar 13\*

Mar 27

Apr 10\*

Apr 24

May 8\*

May 22

Jun 12\* - WPPA Finance & Admin Conference, Alderbrook-starts on June 12

Jun 26

Jul 10\* - WPPA Directors Conference, Skamania-starts on Jul 11, ED will have to leave on the 10<sup>th</sup>- ***does this work?***

Jul 24

Aug 14\*

Aug 28

Sep 11\*

Sep 25

Oct 9\*

Oct 23

Nov 13\*

Nov 27 (day before Thanksgiving) ***Do we want to hold a day time meeting/different day?***

Dec 11\*

***Hold only 1 meeting in December?***

# PORT OF PORT TOWNSEND

## AGENDA COVER SHEET

<b>MEETING DATE</b>	January 9, 2019
<b>AGENDA ITEM</b>	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
<b>AGENDA TITLE</b>	IX. A) US Coast Guard Supplemental Lease Agreement
<b>STAFF LEAD</b>	Eric Toews, Deputy Director
<b>REQUESTED</b>	<input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion
<b>ATTACHMENTS</b>	A. Info Memo B. Supplemental Lease Agreement

# PORT OF PORT TOWNSEND

## INFORMATIONAL MEMO

**DATE:** 1/9/2019  
**TO:** Port Commission  
**FROM:** Eric Toews, Deputy Director  
**SUBJECT:** United States Coast Guard – Supplemental Lease Agreement

---

**BACKGROUND:** In 2016, the Commission authorized staff to enter into a new lease for the United States Coast Guard (USCG) at Boat Haven Marina. The lease was one (1) year in duration (October 1, 2016 to September 30, 2017).

In 2017, the Commission authorized staff to enter into Supplemental Lease Agreement No. 0001 (SLA No. 0001). SLA No. 0001 amended provision #5 of the Original Lease by including three (3) consecutive one (1) year options to renew (i.e., through September 30, 2020). SLA No. 0001 also incorporated a 3% increase in rent for each of the option years, if exercised.

**DISCUSSION:** Coast Guard staff has indicated that certain missions require that the remaining lease term be for longer than a year for planning and budgeting reasons. We are currently in federal fiscal year 2019 (i.e., 10/1/18 – 9/30/19), which puts Coast Guard staff uncomfortably close to the September 30, 2020 termination date of the Original Lease as modified by SLA No. 0001. Accordingly, the Coast Guard now requests that the parties enter into Supplemental Lease Agreement No. 0002 (see attached) to extend the lease to September 30, 2023 (if all options are exercised).

SLA #2 would authorize payment for fiscal years (FY) 2020 through 2023 with a 1.5% increase (rather than a 3% increase) in annual rent as follows:

FY 2020 - \$63,924.53

FY 2021 - \$64,883.40

FY 2022 - \$65,856.65

FY 2023 - \$66,884.50

A 1.5% increase for the option years is requested by the Coast Guard because, in their estimation, a 3% increase would cross an accounting standards threshold which would cause the lease to be considered a Capital, rather than an Operating Lease. Coast Guard policy prohibits approval of Capital Leases.

The Commission may recall that the lease rate paid by the Coast Guard was substantially increased in 2016. SLA No. 0001, with its 3% escalator, increased this further. Given these recent significant rent increases, staff believes that a 1.5% increase for the option years in SLA No. 0002 is reasonable, appropriate, and ensures that this highly valued tenant is retained at Boat Haven.

**RECOMMENDATION:** Authorize the Executive Director to execute Supplemental Lease Agreement No. 0002.

**ATTACHMENTS:**

- Draft Supplemental Lease Agreement No. 0002

<b>SUPPLEMENTAL LEASE AGREEMENT</b>	<b>SUPPLEMENTAL AGREEMENT</b> <b>NO: 0002</b> <b>TO LEASE NO.</b> <b>HSCG89-16-1-0107</b>	<b>Date:</b> <b>December 22, 2018</b>
<b>PREMISES</b> Port Townsend Mooring and Support Facility, Port Townsend, WA		
<b>THIS AGREEMENT, made and entered into this date by and between</b>  <div style="text-align: center;">Port of Port Townsend</div> <b>Whose address, is</b> P.O. Box 1180 PORT Townsend, WA 09368		
<b>Hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:</b>		
<b>WHEREAS, the parties hereto desire to amend the above Lease.</b>		
<b>NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective February 1, 2019 as follows:</b>		
<p>Supplemental Lease Agreement 0001 modified Provision #5 of the original lease by extending the lease, at the option of the Government, for 3 consecutive 1-year options with a 3% increase of rent over the immediate preceding year. Although Provision #5 of the original lease provided for no rental increase for a three month extension, the Government required definite extension options of three consecutive 1- year terms. In exchange for the longer term options, the Government agreed to a 3% annual increase for each of the three years, if the options were exercised. Therefore extension # 0001 nullified the no rent increase as provided in Provision #5 of the original lease.</p> <p>This Supplemental Lease Agreement No. 0002 provides the Government with an additional 3 consecutive 1-year options. If the option for FY21 is exercised, the Coast Guard will make payment of this Lease for FY2021 (October 1, 2020 thru 30 September 2021) at \$64,883.40 per annum but paid at \$5,406.95 per month in arrears, and with rent for option years two and three subject to a 1.5% annual escalator of the preceding years annual rent. If the options are exercised, rent for FY2022 will be \$65,856.65 (\$5,488.05 per month); and rent for FY2023 will be \$66,844.50 (\$5,570.38 per month – rounded).</p> <p>All payments are subject to annual appropriation being provided by Congress.</p> <p><b>All other terms and conditions of the lease, dated 1 October 2016, shall remain in force and effect.</b></p>		
<b>IN WITNESS WHEREOF, the parties subscribed their names as of the above date.</b>		
<b>LESSOR:</b>		
<b>BY</b> _____ <div style="display: flex; justify-content: space-between; width: 80%; margin: 0 auto;"> <span>(Signature)</span> <span>(Title)</span> </div>		
<b>IN PRESENCE OF</b>		
<div style="display: flex; justify-content: space-between; width: 80%; margin: 0 auto;"> _____       <span>(Signature)</span> <span>(Title)</span> </div>		
<b>UNITED STATES OF AMERICA</b>		
<div style="display: flex; justify-content: space-between; width: 80%; margin: 0 auto;"> <div style="width: 45%;"> <b>BY</b> _____            (Signature)         </div> <div style="width: 45%; text-align: right;"> <b>David E. Brumley</b>  <b>Real Estate Contracting Officer</b>  <b>U.S. Coast Guard</b>            _____            (Title)         </div> </div>		

# PORT OF PORT TOWNSEND

## AGENDA COVER SHEET

<b>MEETING DATE</b>	January 9, 2019
<b>AGENDA ITEM</b>	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input type="checkbox"/> Regular Business
<b>AGENDA TITLE</b>	IX. B) Citizen Complaint – Billing Adjustments
<b>STAFF LEAD</b>	Jim Pivarnik, Executive Director
<b>REQUESTED</b>	<input type="checkbox"/> Motion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
<b>ATTACHMENTS</b>	A. Info Memo

# PORT OF PORT TOWNSEND INFORMATIONAL MEMO

**DATE:** 1/9/2019  
**TO:** Port Commission  
**FROM:** Jim Pivarnik, Interim Executive Director  
**SUBJECT:** Citizen Complaint – Billing Adjustments

---

## ISSUE

The Port has received a complaint from a citizen regarding billing adjustments made involving a Commissioner's family business by Director Pivarnik. Attorney Chmelik and the Port Auditor will brief the Commission on the outcome of their investigation.

# PORT OF PORT TOWNSEND

## AGENDA COVER SHEET

<b>MEETING DATE</b>	January 9, 2019
<b>AGENDA ITEM</b>	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
<b>AGENDA TITLE</b>	IX. C) 2019 Committee Assignments
<b>STAFF LEAD</b>	Jim Pivarnik, Executive Director
<b>REQUESTED</b>	<input type="checkbox"/> Motion <input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion
<b>ATTACHMENTS</b>	A. 2018 Committee Assignments List



## PORT OF PORT TOWNSEND 2018 COMMITTEE ASSIGNMENTS

COMMITTEE NAME	REPS	FREQUENCY
CEO Breakfast Group	Sam Gibboney	Monthly
Climate Action Committee	Eric Toews Steve Tucker	Quarterly
Chamber of Commerce – Jefferson County		Mon, bi-weekly
Chamber of Commerce – North Hood Canal		3 <sup>rd</sup> Mon/mo 5:30 PM
East Jefferson Underground Coordinating Council	Larry Aase	As called
Fort Worden Advisory Committee	Pete Hanke	3 <sup>rd</sup> Thur/mo Noon-2:00
Jefferson County Food Council	Bill Putney	4 <sup>th</sup> Thur/mo evening
Jefferson Co. Joint Growth Management Steering Committee	Eric Toews	As called
Jefferson Co. Solid Waste Advisory Council	Terry Khile	As called
Jefferson Peninsula Regional Emergency Planning Committee	Sam Gibboney Greg Englin - alt	Bi-monthly
Jefferson Co. Public Infrastructure Fund Committee (PIF)	Steve Tucker	As called
MRC (Marine Resources Committee)	Steve Tucker	1 <sup>st</sup> Tues/mo 6-8:00
North Olympic Development Council (NODC)	Bill Putney	4 <sup>th</sup> Thurs/mo 1:30-3:30
Pacific Coast Congress of Port Managers & Harbormasters Board	Greg Englin	As called
Port Townsend Marine Trades Association	Pete Hanke	TBD
Port Townsend Moorage Tenants Union		
Peninsula Regional Transportation & Planning Organization (PRTPO)	Pete Hanke-EB Steve Tucker-alt-EB Sam Gibboney, TAC	EB:bi-monthly TAC:bi-mnthly
WAMA – WA Airport Management Association	Bill Putney	As called

Washington Finance Officers Association	Abigail Berg	As called
WPPA Aviation Committee	Bill Putney	As called
WPPA – 2018 Board of Trustees	Bill Putney Pete Hanke	Spring & Annual Conf
WPPA - Economic Development Committee		As called
WPPA - Environmental Committee		As called
WPPA - Finance & Administration Committee	Abigail Berg	As called
WPPA - Legislative Committee	Sam Gibboney	As called
WPPA - Marina Committee	Pete Hanke	As called
WPPA – Public Relations Committee	Kimberly Matej	As called

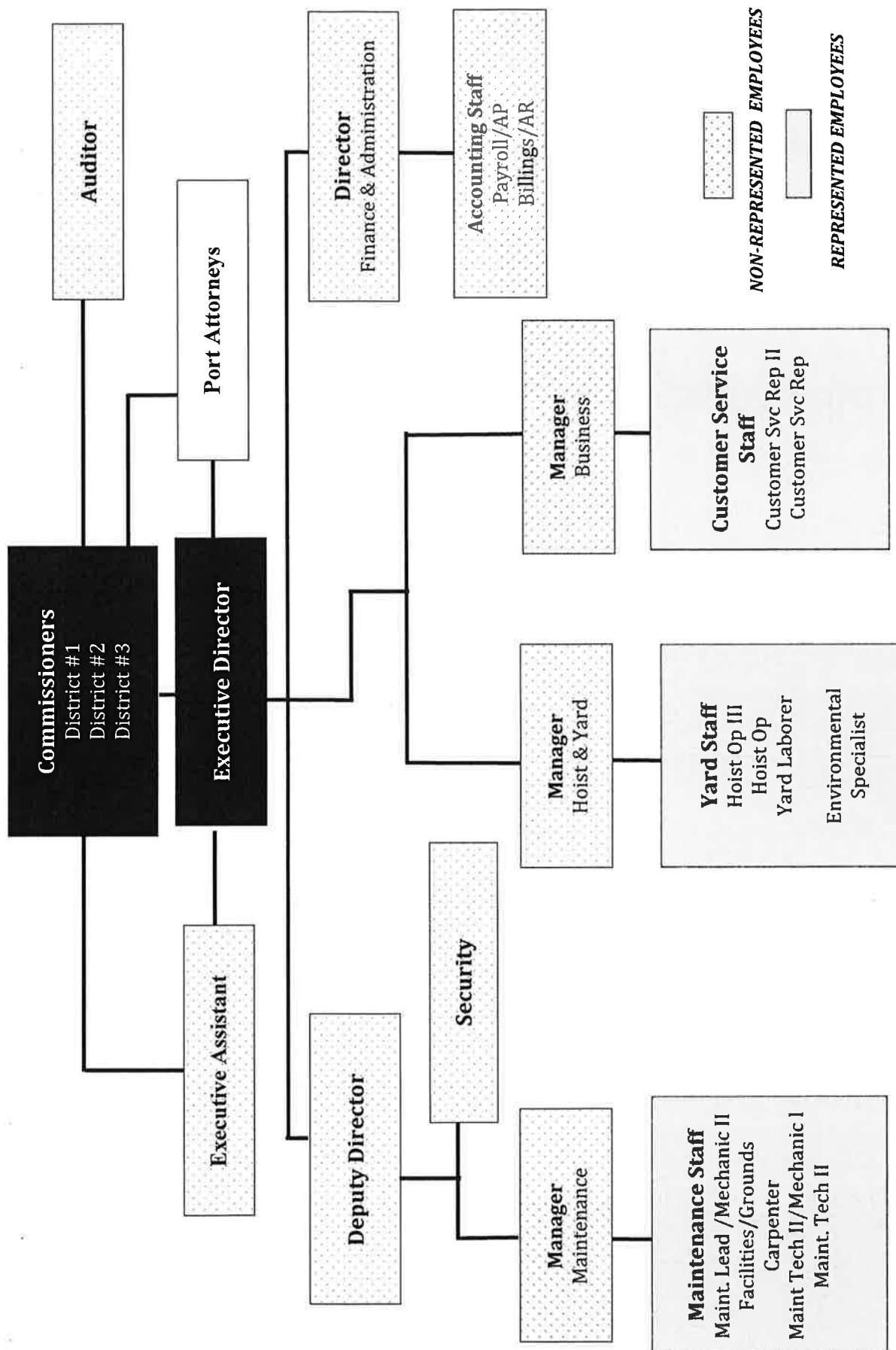
# PORT OF PORT TOWNSEND

## AGENDA COVER SHEET

<b>MEETING DATE</b>	January 9, 2019
<b>AGENDA ITEM</b>	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
<b>AGENDA TITLE</b>	IX. D) Revision to Staff Organizational Chart
<b>STAFF LEAD</b>	Jim Pivarnik, Interim Executive Director
<b>REQUESTED</b>	<input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion
<b>ATTACHMENTS</b>	A. Proposed Staff Organizational Chart

# PORT OF PORT TOWNSEND

## Organizational Chart



# PORT OF PORT TOWNSEND

## AGENDA COVER SHEET

<b>MEETING DATE</b>	January 9, 2019
<b>AGENDA ITEM</b>	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
<b>AGENDA TITLE</b>	IX. E) Conversion to Cash Reporting
<b>STAFF LEAD</b>	Abigail Berg, Director of Finance & Administration
<b>REQUESTED</b>	<input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion
<b>ATTACHMENTS</b>	A. Info Memo

# PORT OF PORT TOWNSEND

## INFORMATIONAL MEMO

**DATE:** 1/9/2019  
**TO:** Commission  
**FROM:** Abigail Berg, Director of Finance & Administration  
**SUBJECT:** Conversion to Cash Reporting

---

### **ISSUE**

Port staff would like to change the annual reporting basis from GAAP to Cash.

### **BACKGROUND**

Throughout the history of the Port of Port Townsend, the basis of accounting used for the Port's annual reports has been generally accepted accounting principles, often referred to as GAAP. In addition, as a special taxing district, a type of local government in Washington State, the Port is required to follow the Government Accounting Standards Board (GASB) pronouncements. The GASBs inception was in 1984 and to date there have been 90 pronouncements, and 21% of those (or 19) have been issued in the last five (5) years. The standards are increasing in number and complexity each year, however, the GAAP adherence to GASB requirements are more complex and time consuming in their preparation than the Cash adherence to GASB requirements. The cost benefit of preparing the annual report on a GAAP basis, with its ever-increasing standards, is questionable for an entity this size having its own complexity (number, locations and types of facilities).

The Washington State Auditor's Office (SAO) has the authority to allow local governments to choose whether to issue their annual reports on a GAAP or Cash basis. Across the state, 60% of port districts have chosen to report on a Cash basis.

The Port's financial advisor reached out to our bond rating agency, Moody's Corporation, who indicated they do not see this change as having any effect on the Port's bond rating. This will require a one-time notification of a year's comparison of Port financial statements to the Electronic Municipal Market Access (EMMA) website. K&L Gates will assist with this preparation at no charge.

### **DISCUSSION**

Should Port staff resources be used to prepare the Port annual report on a GAAP basis, which entails more staff time in its preparation than if reported on a Cash basis? The SAO is the recognized authority by bond rating agencies for making this change, so it is not seen as an issue regarding debt issuance. In addition, for a majority of Port stakeholders, reporting on a Cash basis is easier to understand.

### **FISCAL IMPACT**

Save valuable Port staff time in preparation of the Port's required annual report.

### **RECOMMENDATIONS**

We recommend the Commission agree that staff make this change from GAAP to Cash for annual reporting.

# PORT OF PORT TOWNSEND

## AGENDA COVER SHEET

<b>MEETING DATE</b>	January 9, 2019
<b>AGENDA ITEM</b>	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
<b>AGENDA TITLE</b>	IX. F) November 2018 Financials
<b>STAFF LEAD</b>	Abigail Berg, Director of Finance & Administration
<b>REQUESTED</b>	<input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
<b>ATTACHMENTS</b>	A. November 2018 Financials

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

	YTD Nov 2017	YTD Nov 2018	Variance to prior year - 2017 v 2018	notes	YTD Budget 2018	Variance to Budget YTD
<b>REVENUES</b>						
Marinas and RV Parks	2,375,039	2,633,909	258,870		2,427,432	206,477
Yard Operations	1,332,153	1,522,662	190,509		1,634,871	(112,209)
Property Leases & Use	1,061,131	1,068,454	7,323		1,068,928	(474)
Fuel Sales & Leases	43,488	37,845	(5,643)		44,100	(6,255)
Ramp Use	56,952	53,400	(3,552)		60,650	(7,250)
Utilities	203,269	235,351	32,082		208,435	26,916
<b>Total Operating Revenues</b>	<b>5,072,032</b>	<b>5,551,620</b>	<b>479,588</b>		<b>5,444,416</b>	<b>107,204</b>
<b>OPERATING EXPENSES</b>						
Salaries & Wages	1,908,741	2,006,120	97,378		1,953,211	52,909
Payroll Taxes	192,066	200,988	8,923		273,570	(72,582)
Employee Benefits	668,690	686,566	17,876		712,368	(25,802)
Uniform Expense	5,098	5,767	669		8,546	(2,779)
Contract Services	253,179	268,451	15,273		262,106	6,345
Consulting Services	153,900	59,756	(94,144)		151,250	(91,494)
Legal & Auditing	108,835	193,396	84,561		119,000	74,396
Facilities & Operations	586,863	665,591	78,728		698,129	(32,538)
Utilities	452,109	500,752	48,643		434,982	65,770
Marketing	31,450	52,000	20,550		78,569	(26,569)
Economic Development	30,000	30,000	-		15,000	15,000
Travel & Training	22,358	25,623	3,265		28,675	(3,053)
Cost of Goods - Fuel	16,325	11,143	(5,182)		17,100	(5,957)
Community Relations	2,289	-	(2,289)		4,000	(4,000)
<b>Total Operating Expenses</b>	<b>4,431,903</b>	<b>4,706,152</b>	<b>274,250</b>		<b>4,756,506</b>	<b>(50,354)</b>
<b>Income from Operations w/o Depr</b>	<b>640,129</b>	<b>845,468</b>	<b>205,338</b>		<b>687,909</b>	<b>157,558</b>
<b>Non-Operating Revenue</b>						
Capital Contributions/Grants	160,277	113,713	(46,564)		919,989	(806,276)
Interest	48,567	69,900	21,333		40,000	29,900
Property & other taxes	954,786	1,000,220	45,434		956,670	43,550
Misc Non-Operating Revenue	36,527	59,150	22,623		28,645	30,505
<b>Total Non-Operating Revenues</b>	<b>1,200,157</b>	<b>1,242,984</b>	<b>42,827</b>		<b>1,945,304</b>	<b>(702,320)</b>
<b>Non-Operating Expenses</b>						
Bond Interest	315,465	280,664	(34,801)		304,452	(23,788)
Bond Mgmt, Issuance & Misc Exp	51,587	1,508	(50,080)		1,215	293
Election Expense	-	-	-		-	-
<b>Total Non-Operating Expenses</b>	<b>367,053</b>	<b>282,172</b>	<b>(84,881)</b>		<b>305,667</b>	<b>(23,495)</b>
<b>Net Non-Operating Income (Expense)</b>	<b>833,105</b>	<b>960,812</b>	<b>127,708</b>		<b>1,639,637</b>	<b>(678,825)</b>
<b>Net Income (Loss)</b>	<b>1,473,234</b>	<b>1,806,280</b>	<b>333,046</b>		<b>2,327,546</b>	<b>(521,266)</b>

**Notes: none**



# Port of Port Townsend Cashflow Report

	<u>YTD November</u>
<b>Net Income w/out Depreciation</b>	<b>1,806,280</b>
<b>Net Change in Accruals from Balance Sheet*</b>	<b><u>27,026</u></b>
<b>Less: Capital Expenses:</b>	
Storm-water Rx project	(46,126)
Point Hudson South Jetty project	(177,919)
JCIA Runway Replacement project	(180,023)
Yard/Moorage Office Remodel project	-
PTBH Restroom - HVAC	-
PTBH Water Meters project	(1,900)
2018 Workyard Resurfacing	(82,811)
Land	-
Buildings	-
Improvements	(25,485)
Equipment replacement	(134,647)
<b>Total Capital Expenses</b>	<b><u>(648,911)</u></b>
<b>Less: Principal Payments on Debt:</b>	
Point Hudson Marina Refunding Bond (2015 LTGO Bond )	(430,000)
PTBH Marina Bond (2010 LTGO Bond )	-
Administrative Building Bond (2013 Revenue Bond )	(409,507)
<b>Total Principal Payments</b>	<b><u>(839,507)</u></b>
<b>Increase (Decrease) in Cash Y-T-D</b>	<b>344,888</b>
<b>Beginning Cash at 1/1/2018</b>	<b>1,825,582</b>
<b>Ending Cash at 11/30/18</b>	<b><u><u>2,170,470</u></u></b>

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