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**Port of Port Townsend
2nd Monthly Meeting Agenda
Wednesday, April 24, 2019, 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 Regular Meeting Minutes – April 10, 2019.....1-4
 - B. Approval of Warrants
- V. Second Reading
- VI. First Reading
 - A. Moorage & Yard Background Check Form and Fee.....5-7
- VII. Regular Business
 - A. LPAC Presentation.....8
 - B. 2019 Quarterly Project Report.....9
 - C. 2019 Quarterly Financials.....10-16
 - D. Integrated Planning Grant (IPG) – Decision to Proceed or Withdraw.....17-19
 - E. 2018 Workyard Resurfacing Project Acceptance.....20-21
- VIII. Staff Comments
- IX. Commissioner Comments
- X. Next Public Workshop and Regular Business Meeting:
Wednesday, May 8, 2019: Workshop at 9:30 am, Meeting at 1:00 pm
Port Commission Building, 333 Benedict Street, Port Townsend, WA
- XI. Executive Session
- XII. Adjournment

PORT COMMISSION REGULAR BUSINESS MEETING – April 10, 2019

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

Present: Commissioners –Putney & Tucker. Hanke via phone call.
Interim Executive Director Pivarnik
Auditor Berg
Deputy Director Toews
Minutes – Nelson
Attorney Chmelik (via Skype audio/visual)
Attorney Goodstein (Executive Session)

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Putney called the meeting to order at 1:01 p.m.

II. APPROVAL OF AGENDA:

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

III. PUBLIC COMMENTS:

Bertram Levy provided his comments on the IDD.

Shawn Rankins commented on the negative effects to marina tenants of the new paid parking lot at Point Hudson.

Carl Berger commented on adding another staffing position.

Matt Mortensen agreed with Mr. Rankins comments-parking problem a hardship on marina tenants.

Peter Leach asked whether the former Landfall site parking lot was owned by the Port or City.

Ricki Ellen Brook voiced the opinions of Mr. Rankins and Mr. Mortensen.

IV. CONSENT AGENDA:

Commissioner Tucker asked questions about the write-off register. Discussion ensued. Commissioner Putney asked if it could be compiled more frequently, possibly semi-annually, as he noticed some debts occurred back in 2017.

A. Approval of Regular Business Meeting Minutes – March 27, 2019

B. Approval of Write-off Register

C. Approval of Warrants

Warrant #060378 through #060391 in the amount of \$65,585.81 for Payroll & Benefits

Electronic Payment in the amount of \$92,922.59 for Payroll & Benefits

Warrant #060392 through #060435 in the amount of \$110,490.89 for Accounts Payable

Electronic Debit in the amount of \$19,717.90 for WA State Dept. of Labor & Industries

1st Quarter Tax Return for January-March 2019

Commissioner Tucker 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):

VII. REGULAR BUSINESS:

A. PUD Transformer Easement (00:04:28):

Mr. Pivarnik stated the Port has worked with PUD on several issues. PUD is working to underground all downtown utilities and has requested an easement with the Port to locate two transformers. This area is located off Washington Street at the back corner of the dive shop location. In exchange, PUD has committed to re-start the 3-phase project in the shipyard, which they started five or so years ago, at no cost, after the transformer project is completed.

Commissioner Tucker moved to approve the easement for PUD for the location of two transformers, in exchange for the 3-phase power in the shipyard, as described.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

B. Christie Living Trust/PT Aero Museum Lease Assumption, Hangar M (00:08:15):

Mr. Pivarnik explained the PT Aero Museum purchased the box hangar from Knox Christie back in 2017 and a lease assumption was never created. The presented assumption codifies PT Aero Museum's responsibility of the hangar lease and includes full market rate on the new lease.

Commissioner Hanke informed that the Concrete Aero Museum donated artifacts to the PT Aero Museum and those are currently being stored in Hangar M.

Commissioner Tucker moved to approve the Christie/PT Aero Museum Lease Assumption, as presented.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

C. WSDOT Airport Aid Grant Authorizing Resolution No. 699-19 (00:10:15):

Mr. Toews reported we are moving towards completion of Phase II for final engineering and the bid for the airport runway project. Staff anticipates 100% design completion and the project out to bid the end of May, with contract selection in June, and field work to begin in 2020. He stated WSDOT Aviation recommended applying for grant match money (5%, or \$219K, for Phase III of the project) for this cycle. Projects need to be completed by June 30, 2020, which may be a concern due to weather dependency. Therefore, WSDOT Aviation recommends applying again in 2020 if the project has not been completed by that date.

Commissioner Tucker asked the status of the 100% FAA grant. Mr. Toews stated he has heard no definitive word from the FAA to date.

Commissioner Tucker moved to adopt Resolution No. 699-19 as presented.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

D. Organizational Chart Update (00:17:24):

Mr. Pivarnik explained just after he came on board, Mr. Englin departed, and the communications position was eliminated. Mr. Pivarnik wanted to evaluate staff needs before making any staff changes. Although he concurs with Mr. Berger's comment on not over-staffing, he stated the Port is seriously under-staffed and a help in the leasing department is critical. Mr. Pivarnik stated this new position is not executive level but is an administrative position to manage leases so that leases such as the Aero Museum assumption do not fall through the cracks. Mr. Pivarnik explained the salaries for the Environmental position and this position equal about what Mr. Englin's salary was. Commissioner Putney stated he had recommended this position be implemented to the previous Executive Director. He sees this move as a positive, where the employee would spend more time with tenants to learn their issues, track leases, etc. Commissioner Tucker concurred.

Commissioner Tucker moved to adopt the revised Organizational Chart, as presented.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

VIII. STAFF COMMENTS (00:20:30):

Ms. Berg provided the Commission with a draft template for the Quarterly Update Progress report, as requested by the Commission. Ms. Berg will make a few minor changes to the form as requested by Commissioners Putney and Tucker.

Mr. Toews stated the rehab of the Point Hudson Jetty is among the highest priorities. Using the qualified-based selection process from the MRSC Small Works Roster, Mott MacDonald was again selected to prepare engineering and design work. He stated permits are to be completed around the time of the Wooden Boat Festival, with construction to begin late summer/early fall.

Attorney Chmelik explained the "task order" agreement for the jetty contract, to which Mr. Toews had referenced.

Mr. Pivarnik informed he would attend the monthly CEO breakfast meeting tomorrow and tomorrow evening the Boat School Curriculum Advisory Committee meeting.

IX. COMMISSIONER COMMENTS (00:32:59):

Commissioner Hanke addressed the comments heard earlier on Point Hudson parking issues. He invited the public to come and discuss with, or email, the Commission or administrative staff when they have an issue about an item they see on the meeting agenda.

Commissioner Tucker informed he heard the Rhody Fest has hit a hitch again on a carnival location.

Commissioner Putney stated he joined a new organization last week – the Jefferson County Broadband Action Team and discussed further.

X. NEXT REGULAR BUSINESS MEETING:

Next regular meeting will be held Wednesday, April 24, 2019 at 5:30 PM in the Port Commission Building, 333 Benedict St, Port Townsend.

XI. EXECUTIVE SESSION:

(Commissioner Hanke was unable to attend the Executive Session by phone, so was not present.)

A. Litigation, pursuant to RCW 42.30.110 (1) (i) (i):

The regular session recessed into Executive Session at 1:57 p.m. to discuss litigation, duration of thirty minutes with potential action. At 2:27 p.m., Commissioner Putney notified the public waiting outside the Executive Session was extended ten minutes.

XII. RECONVENE & ADJOURNMENT:

The meeting reconvened at 2:37 p.m.

Commissioner Tucker moved to settle the case and authorize the Executive Director to execute the necessary documents to settle the Seattle Maritime Academy litigation.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

There being no further business to come before the Commission the meeting adjourned at 2:39 p.m.

ATTEST:

William W. Putney III, President

Stephen R. Tucker, Secretary

Peter W. Hanke, Vice President

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	April 24, 2019
AGENDA ITEM	<input checked="" type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input type="checkbox"/> Regular Business
AGENDA TITLE	VI. A) Moorage & Yard Background Check Form and Fee
STAFF LEAD	Abigail Berg, Director of Finance & Administration
REQUESTED	<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Action <input type="checkbox"/> Discussion
ATTACHMENTS	A. Memo B. Draft Liveaboard Moorage Application

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 4/19/2019
TO: Commission
FROM: Abigail Berg, Director of Finance & Administration
SUBJECT: Moorage & Yard Background Check Form and Fee

ISSUE

Port staff would like to increase customer service and safety, while reducing Port operating costs by performing background checks on liveaboards.

BACKGROUND

There has been no method used previously to ensure that liveaboards will be responsible tenants. As a result, there's been increases in criminal activity as well as abandoned, or derelict vessels which increases operating costs. The safety of Port customers is of paramount importance and this tool would assist in preventing "bad actors" from becoming Port customers. In addition, the cost of abandoned and/or derelict vessels (from the increased staff time to follow State laws regarding notification of delinquency, to the cost of crushing and disposing of vessels) continues to weigh down Port operating expenses.

DISCUSSION

Attached is the updated Liveboard Application, which includes a flat \$60 fee for the customer to pay for staff to run the check.

FISCAL IMPACT

This fee will only cover the cost of the background check, however, this should save the Port money over time with fewer abandoned and/or derelict vessels.

RECOMMENDATIONS

We recommend the Commission pass this Liveboard Background Check fee to be implemented with the Liveboard Application immediately.



LIVEBOARD MOORAGE APPLICATION

2790 WASHINGTON STREET
PO BOX 1180 PORT TOWNSEND
PORT TOWNSEND, WA 98368

NEW PERMIT

☐

RENEWAL

☐

DRAFT

First:		MI:		Last:	
Address:			Phone #:		
Addition #:			Emergency #:		
Vessel Name:			Registration #:		
Hull Length:		LOA:		Beam:	
Draft:					
Boat Type:	Sail <input type="checkbox"/>	Power <input type="checkbox"/>	Other <input type="checkbox"/>	Hull Type:	Wood <input type="checkbox"/>
					Fiberglass <input type="checkbox"/>
					Metal <input type="checkbox"/>
USCG approved holding tank			Yes <input type="checkbox"/>	No <input type="checkbox"/>	Completed a Bouy Test
					Yes <input type="checkbox"/>
					No <input type="checkbox"/>

LIVEBOARD DEFINITION:

The Port considers any vessel used as a dwelling for more than 7 days in any 10 day period as liveboard.

LIVEBOARD STATUS:

Liveboard status at the Port of Port Townsend is a privilege. This status may be terminated or put on hold upon a request if the person permitted is no longer living aboard the vessel. If the Port is not notified of a change in status the liveboard fee will continue to be charged during any temporary absence. Liveboard status must be renewed annually.

MONTHLY FEE:

The owner of liveboard vessels will be charged a monthly liveboard fee as adopted by the Port Commission.

BACKGROUND CHECK:

Applicants for liveboard privileges are subject to criminal background checks when applying and subject to any fees associated. Existing liveboard tenants may be subject to background checks at the Port's discretion when renewing their permit annually if deemed by the Port to be necessary; fees would apply.

SUBLEASING:

Liveboards must own the liveboard vessel. Subletting or renting the vessel is prohibited and could cause termination of liveboard status and/or potentially termination of moorage privileges.

PUMP OUT USAGE:

Vessels must be equipped with proper marine sanitation devices and are required to use the pump out facilities.

RULES & REGULATIONS:

Liveboards are expected to read and abide by all of the Port's rules and regulations. Violations of the rules may result in immediate termination of liveboard status.

I have read, understand and agree to abide by the marina rules and regulations and terms of my moorage agreement. I will pay all fees as lawfully established and billed by the Port. Failure to pay fees as authorized by the Port Commission will result in the termination of this permit. All tenants are responsible for the safe and lawfull conduct of their dependents and guests. I will conform to all local, state and national environmental ordinances, laws and statutes. I will abide by the Port's BMPs and not pollute the marinas waters by dumping waste or materials. I understand the terms of the Port's liveboard status and agree to comply with all expectations.

SIGNATURE

DATE

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	April 24, 2019
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. A) Leasing Policy Advisory Committee (LPAC) Presentation
STAFF LEAD	Eric Toews, Deputy Director
REQUESTED	<input type="checkbox"/> Motion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	A. LPAC will present

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

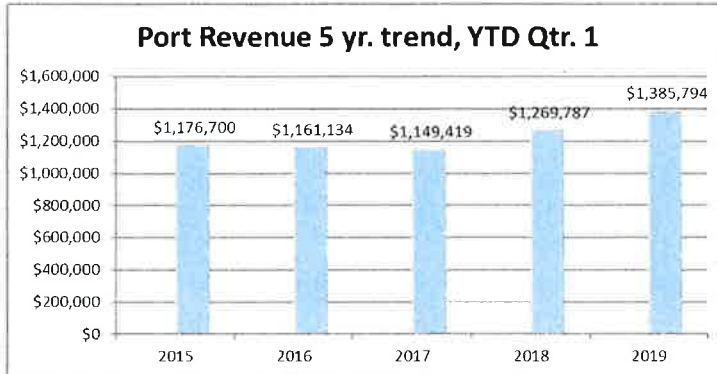
MEETING DATE	April 24, 2019
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. B) 2019 Quarterly Project Report
STAFF LEAD	Jim Pivarnik, Interim Executive Director
REQUESTED	<input type="checkbox"/> Motion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	A. To be presented

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

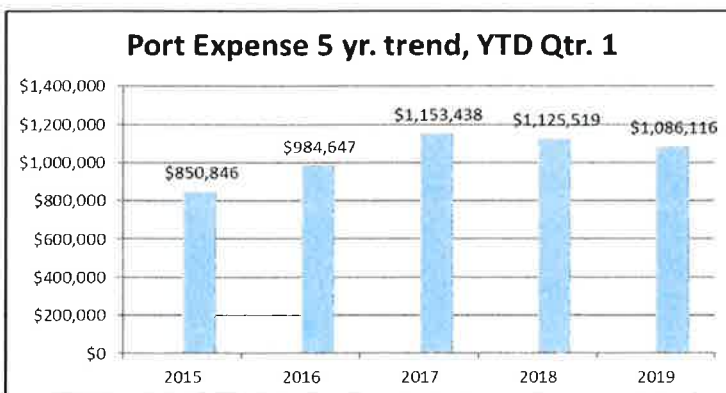
MEETING DATE	April 24, 2019
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. C) 2019 Quarterly Financials
STAFF LEAD	Abigail Berg, Director of Finance & Administration
REQUESTED	<input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	A. Port Operating Results as of Quarter 1, 2019

DATE: April 19, 2019
TO: Commissioners and Directors
FROM: Abigail Berg, Director of Finance & Administration
SUBJECT: Port Operating Results as of Quarter 1, 2019



Revenue Highlights:

- ✓ The Port started 2019 with Operating Revenues surpassing 2018 revenues by \$116,007, this is a 9.2% increase. This is just shy of the 2018 ending variance (increase) to 2017 which was 9.2%.
- ✓ Total Operating Revenues are ahead of the 2019 Budget by \$61,669.
- ✓ Boat Haven Moorage revenue is the sector lead in total YTD revenues, with the Yard right behind by approximately \$3,000. Compared to 2018, Boat Haven Moorage revenue is ahead by \$16,263 and more than budget by \$3,836.
- ✓ Yard revenues had a strong start with the greatest departmental revenue increase when compared to 2018 at \$69,847 (a 20% increase) and ahead of budget by \$37,206.
- ✓ Ship Yard Hoist revenues have started below 2018 by \$5,953 and below budget by \$8,214, however, the Ship Yard lay days surpass those decreases by \$24,575 when compared to 2018 and are ahead of budget by \$17,838.
- ✓ Work Yard Hoist revenues have a strong start in 2019 ahead of 2018 by \$10,874 and ahead of budget by \$8,020.
- ✓ 2019 Work Yard revenues (lay days) also started strong being ahead of 2018 by \$27,086 and ahead of budget by \$22,547.
- ✓ Boat Haven Property revenues are ahead of the prior year by \$16,456, and ahead of budget by \$18,458.
- ✓ Point Hudson (marina, rv & property) is just ahead of 2018 by \$4,376 and below budget by \$5,315.
- ✓ Quilcene revenues are ahead of 2018 by \$4,233 and ahead of budget by \$4,339.
- ✓ Ramp revenues just ahead of 2018 and budget by \$1,777 and \$1,104, respectively.
- ✓ JCIA revenues are just ahead of 2018 and budget by \$3,056 and \$2,041, respectively.



Expense Highlights:

- ✓ Total YTD 2019 Operating Expenses are less than 2018 by \$31,906, and below budget by \$95,396. These comparisons can be mis-leading since the decision to go to Cash Basis reporting occurred after the budget was adopted. As such, the budget will be adjusted by the next quarter report, not by total expense amounts, but by the estimated timing of those expenses in order to facilitate a truer picture of cost comparisons to budget. Since 2019 is the first year of Cash Basis reporting, comparisons to the prior year may continue to be mis-leading in some areas due to accrual vs cash reporting.
- ✓ Salaries & Wages are \$18,351 less than 2018, and less than budget by \$40,582. In regards to the prior bullet, these costs are not mis-leading in comparison; the Port has simply reduced Personnel costs by staffing.
- ✓ Payroll Taxes reflect a \$15,376 increase over 2018 and \$10,102 over budget, however, \$16,228 of the YTD 2019 amount is LNI payment of Qtr. 4 expenses. This is a transitional period adjustment (of accounting methods) to consider when reviewing the year to year comparisons.
- ✓ Employee Benefits reflect a \$59,663 decrease over 2018 and \$67,959 under budget. This year to year variance is caused by timing since the benefits are paid after payroll and here, have fallen to the next month. December was paid in December, but January wasn't paid until February, so we are one (1) month behind. This will true up by year end.
- ✓ Many of the budget variances in Operating Expenses are largely related to timing, which aren't always predictable (such as Contract Services, Consulting Services, and Facility & Operations), while other variance may be directly related to this being the transitional year of changes in financial reporting.
- ✓ The year to year and budget variance in Facilities & Operations expenses is primarily as the result of changes in financial reporting because insurance will now be recognized when paid, not evenly allocated monthly throughout the year. By quarter 2, the budget will be adjusted to reflect these timing differences (though not by total amounts).
- ✓ YTD utilities are significantly more in 2019 than 2018 (\$54,909) and budget (\$55,423). Most of that is directly related to the change in financial reporting and will true up by year end.
- ✓ YTD Travel & Training is higher when comparing year to year (\$6,087). Most of this variance is due to Hazwoper training (Hazardous Waste Operations & Emergency Response) of staff (\$4,181), and approximately \$1,000 in both Commission and Executive staff travel costs.

YTD Net Operating Income is \$297,396 and when including Non-Operating Revenues and Expenses, there is a Net Profit of \$539,980. The increase related to the Net Non-Operating is mitigated by Capital Expenses which are listed in the Cash Flow report.

Non-Operating Revenues:

- ✓ Capital Contributions / Grants revenue started the year more than 2018 due to the JCIA Runway Rehab Phase II Engineering and the Organize the File Room projects.
- ✓ Interest income is higher in 2019 than 2018 by \$2,937 and ahead of budget by \$4,302.
- ✓ Property and other taxes are less in 2019 than 2018, which is attributable to Cash Basis reporting for Property Tax. With the GAAP method, Property Tax revenues are based on the budget and allocated evenly throughout the year. With the Cash Basis method, Property Tax revenues are reported when received; April and October being the highest receipt months. Other taxes (State Forest, Timber Excise, etc.) are reported when received with both accounting methods since they are variable and not predictable.

Non-Operating Expenses:

- ✓ In accordance with the amortization of current debt, the Port's bond interest is less in 2019 when compared to 2018. In addition, with the Cash Basis reporting, the timing and recognition of debt interest will be when debt is paid, not evenly recognized monthly throughout the year. This will be adjusted for in the quarter 2 reports.

Capital Projects:

During quarter 1, 2019, the Port expended \$146,123 in WIP (capital project "Work in Progress"). These WIP expenses were for the JCIA Runway Rehabilitation (72%), PTBH Restroom Remodel (25%), and PTBH Water Meters / BFP (3%) projects.

Capital Purchases:

During quarter 1, 2019, there was \$38,545 spent for Equipment/Vehicles assets. This includes \$24,274 for a new Maintenance truck, \$10,432 for a Maintenance Vector Truck (purchased from the City), and a \$3,841 deposit on the new fob locking and video system for the PTBH Restrooms (total cost is \$15,364).

Debt Service Obligations:

During quarter 1, there was one (1) debt service payment made. This included the following:

- ✓ January - \$51,375 for interest on the 2015 LTGO Bond

Remaining debt service for 2019 includes the following:

- ✓ June - \$98,919 for interest on the 2010 LTGO Bond
- ✓ July - \$501,375 for principal and interest on the 2015 LTGO Bond
- ✓ December - \$363,919 for principal and interest on the 2010 LTGO Bond

These remaining payments total \$964,212 (\$715,000 of this amount is principal).

Cash & Investment balances:

At the end of the 1st quarter, the cash and investment balances (reserved and unreserved) totaled \$2,156,380, this is \$234,438 more than YTD Qtr. 1, 2018. The 1st Qtr. end Reserve balances totaled \$1,057,234 and the Unreserved balance totaled \$1,099,146.

Port of Port Townsend
Summary of Operating & Non-Operating Revenues & Expenses
2019 Activity with Comparison to Prior Year and Budget

	YTD Mar. 2018	YTD Mar. 2019	Variance to prior year - 2018 v 2019	notes	YTD Budget 2019	Variance to Budget YTD
REVENUES						
Boat Haven Moorage	414,389	430,651	16,263		426,815	3,836
Yard Operations	357,556	427,403	69,847		390,197	37,206
Boat Haven Properties	156,751	173,207	16,456		154,749	18,458
Pt. Hudson Marina, RV & Prop	267,363	271,739	4,376		277,054	(5,315)
Quilcene	28,492	32,725	4,233	a	28,386	4,339
Ramps	11,727	13,504	1,777	b	12,400	1,104
JCIA	33,509	36,565	3,056		34,524	2,041
Total Operating Revenues	1,269,787	1,385,794	116,007		1,324,125	61,669
OPERATING EXPENSES						
Salaries & Wages	495,003	476,652	(18,351)		517,234	(40,582)
Payroll Taxes	51,426	66,802	15,376	c	56,700	10,102
Employee Benefits	183,015	123,352	(59,663)	d	191,311	(67,959)
Uniform Expense	594	2,975	2,381		2,104	872
Contract Services	43,022	66,241	23,220	e	73,943	(7,702)
Consulting Services	18,683	17,828	(855)		24,000	(6,172)
Legal & Auditing	34,490	38,855	4,365	f	24,999	13,856
Facilities & Operations	155,762	98,921	(56,841)	g	152,016	(53,095)
Utilities	119,685	174,594	54,909	h	119,172	55,423
Marketing	9,468	8,235	(1,233)		10,835	(2,600)
Economic Development	-	-	-		-	-
Travel & Training	5,221	11,308	6,087	i	7,545	3,763
Cost of Goods - Fuel	1,654	2,599	946		1,654	945
Community Relations	-	35	35		-	35
Total Operating Expenses	1,118,022	1,088,398	(29,624)		1,181,512	(93,114)
Income from Operations w/o Depr	151,765	297,396	145,631		142,613	154,783
Non-Operating Revenue						
Capital Contributions/Grants	73,287	131,223	57,936		93,028	38,195
Interest	4,665	7,602	2,937		3,300	4,302
Property & other taxes	268,164	147,466	(120,697)	j	265,415	(117,949)
Misc Non-Operating Revenue	10,937	7,818	(3,120)		6,955	863
Total Non-Operating Revenues	357,053	294,109	(62,944)		368,698	(74,589)
Non-Operating Expenses						
Bond Interest	79,432	51,375	(28,057)	k	73,458	(22,083)
Bond Mgmt, Issuance & Misc Exp	150	150	-		370	(220)
Election Expense	-	-	-		-	-
Total Non-Operating Expenses	79,582	51,525	(28,057)		73,828	(22,303)
Net Non-Operating Income (Expense)	277,471	242,584	(34,887)		294,870	(52,286)
Net Income (Loss)	429,236	539,980	110,745		437,483	102,497

Notes:

- (a) Late 2018, added 3 water meters and increased rates to match current Jefferson PUD water rates. In addition, fuel sales increased compared to last year when the pump needed repair and took 1-2 months to obtain parts and repair. Ramp Fees collected also increased as compared to 2018.*
- (b) Sold substantially more Annual Passes in Jan. 2019 than 2018.*
- (c) Part of moving to Cash Basis reporting, this amount includes the Qtr. 4, 2018 LNI payment.*
- (d) Benefits paid in February (Cash Basis), not accrued back to January like in 2018.*
- (e) Part of year to year variance is timing related to Cash Basis reporting, while part of the variance is Engineer Rpt on Linear Dock (\$4,382), Stormwater Sampling (\$2,750), Vault Cleaning (\$2,449) and Kidder Matthews appraisal for New Day bldg. (\$2,500).*
- (f) Substantial invoice for legal services related to current litigation.*
- (g) Part of moving to Cash Basis, Insurance will not be allocated monthly, but recognized when paid.*
- (h) Approximately \$51,000 is directly related to the change to Cash Basis reporting since there's no accrual of December incurred utilities. In addition, with an unusually cold February and full Boat Yard, the electricity cost was significantly larger than 2018 (~\$4,000). Also, garbage fees are increasing.*
- (i) When comparing 2019 to 2018, the current year there was an environmental training for staff (\$4,181), and both Commission and Executive departments are higher by ~\$1,000 each.*
- (j) Cash Basis change, Prop. Tax not allocated monthly by budget, but recorded as received so the year to year comparison is large. An adjustment to timing of those revenues in the budget will be made for quarter 2.*
- (k) Part of moving to Cash Basis, Bond Int. exp. not allocated monthly, but recognized when paid.*

**Port of Port Townsend
YTD Cashflow report**

	YTD March 2019
	notes
Net Income w/out Depreciation	539,980
Net Change in Accruals from Balance Sheet*	(84,553)
Less: Capital Expenses:	
Point Hudson South Jetty project	-
WorkYard Resurfacing 2018	-
JCIA Runway Replacement project	(105,551)
PTBH Water Meters project	(4,655)
2019 PTBH Restroom Remodel	(36,056)
Land	-
Buildings	-
Improvements	-
Equipment replacement	a (38,546)
Total Capital Expenses	(184,808)
Less: Principal Payments on Debt:	
Hudson Point Refunding Bond	-
PTBH Marina Bond	-
Total Principal Payments	-
Increase (Decrease) in Cash Y-T-D	270,619
Beginning Cash at 1/1/2019	1,885,761
Ending Cash at 3/31/2019	2,156,380

**These are current assets and current liabilities.*

Notes:

(a) Purchase of Vactor truck from City of Port Townsend (\$10,432), new Maintenance pick-up truck (\$24,274) and deposit on BH Restroom Fob Locking system (\$3,841).

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	April 24, 2019
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. D) Integrated Planning Grant (IPG) – Decision to Proceed or Withdraw
STAFF LEAD	Eric Toews, Deputy Director
REQUESTED	<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Action <input type="checkbox"/> Discussion
ATTACHMENTS	A. IPG Memo

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 4/24/2019
TO: Port Commission
FROM: Eric Toews, Deputy Director
SUBJECT: Integrated Planning Grant (IPG) – Decision to Proceed or Withdraw

BACKGROUND: In 2017, the Port succeeded in obtaining a State budget allocation of \$200,000 to fund an Integrated Planning Grant (IPG) from the Washington State Department of Ecology (ECY) to perform an environmental site assessment and develop a plan to guide redevelopment at the Boat Haven shipyard. The objects of the study were:

- To effectively address legacy environmental contamination of soils as well as stormwater quality issues; and
- To plan for future redevelopment of the uplands at Boat Haven to increase efficiency and allow for intensification of use to achieve greater economic benefits for the community.

The question presented to the Commission is whether to proceed with the IPG process, or withdraw, allowing the monies set-aside for this effort in the State Budget to be reallocated.

DISCUSSION: This matter previously came before the Commission during its workshop meeting of November 11, 2018. As was presented and discussed at that time, Ecology (Grants & Loans) staff permitted the Port to take additional time to reassess both our capacity to, and the prudence of, moving ahead with a formal grant application to obligate these monies which have been legislatively earmarked to Ecology. A final decision is now required.

Several rationales support moving ahead with the IPG planning process:

- The IPG process would result in the creation of a long-term guidance document for the uplands at Boat Haven to maximize efficient use of the area.
- Upon completion, the Plan document would:
 - Provide a detailed assessment of infrastructure needs at Boat Haven;
 - Include detailed recommendations as to how maximize efficient operations and increase revenues to fund needed improvements;
 - Detail a funding and implementation strategy to undertake improvements that support the long-term viability of the assets; and
 - Help to devise long-term strategies to address regulatory compliance issues, including:
 - Risk assessment/mitigation;
 - Stormwater/water quality compliance;
 - Soils remediation (if needed); and
 - Air Quality permitting.
- No match is required; 100% funding for the planning project is available – up to \$200,000.

While there are sound rationales for moving ahead with the planning effort, there are also persuasive grounds for not doing so:

- The development pattern at Boat Haven has largely been established by way of historic use of the site (i.e., long-term leases and existing buildings largely preclude redevelopment in the near to medium term).
- Despite being 100% funded, considerable staff time would still be necessary to oversee and manage the planning process to a successful conclusion. Moreover, the planning process would likely require substantial public involvement in order to develop workable recommendations supported by the community, tenants and marine trades. Doing the project justice would appear to be beyond the Port's current staffing levels.

While there is a considerable degree of latitude under an Integrated Planning Grant, such grants are typically focused on the redevelopment of contaminated brownfield sites, and in consequence, anticipate extensive sampling, planning, and stakeholder engagement. Staff are of the opinion that such an effort is neither necessary, nor well-tailored to address the Port's central objective at Boat Haven: achieving and maintaining stormwater compliance (i.e., under the Boatyard General Permit). Accordingly, staff believes that a more sensible focus is to cost-effectively maintain and improve existing Port infrastructure and facilities at Boat Haven, rather than initiating an IPG effort which anticipates a substantial degree of future redevelopment.

RECOMMENDATION: Approve a motion in substantially the following form to be communicated by staff to the Ecology Grant & Loans staff on behalf of the Commission:

1. The Commission believes that achieving and maintaining stormwater compliance under the Boatyard General Permit is a central objective of the Port which requires sustained attention, focus, and capital investments;
2. However, after careful deliberation, the Commission has determined that the Integrated Planning Grant is not the appropriate tool to achieve this objective; and
3. Accordingly, the Commission has elected formally to withdraw from the IPG application with the understanding that the monies previously earmarked for this planning process will be reallocated.

ATTACHMENTS

None.

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input type="checkbox"/> Regular Business
AGENDA TITLE	VII. E) 2018 Workyard Resurfacing Project Acceptance
STAFF LEAD	Abigail Berg, Director of Finance
REQUESTED	<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Action <input type="checkbox"/> Discussion
ATTACHMENTS	A. Info Memo

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 4/24/2019
TO: Commission
FROM: Abigail Berg, Director of Finance & Administration
SUBJECT: Acceptance of the 2018 Workyard Re-surfacing project

ISSUE

Commission's approval to accept the 2018 Workyard Re-surfacing project.

BACKGROUND

In accordance with RCW 60.28.051 – Duties of disbursing officer upon completion of contract, I have notified the Department of Revenue, Employment Security Department and the Department of Labor and Industries that this project has been completed and requested a release from those state agencies which will allow me to disburse the contract retainage to the general contractor, Seton Construction, Inc.

Further, in accordance with RCW 39.08.030 – Conditions of Bond – Notice of Claim – Action on Bond – Attorney's fees, the governing body, Port Commission, is required to officially accept the project completion.

DISCUSSION

As of April 17, 2019, the last Notice of Completion (NOC) release was received from the Department of Revenue. NOC releases were received by L&I and the ESD prior to that date. Once the Commission approves the project, retainage can be released to the contractor, Seton Construction, Inc. in the next warrant run.

FISCAL IMPACT

Retainage release in the amount of \$3,857.84.

RECOMMENDATIONS

We are requesting the Commissioners accept the completed work of the 2018 Workyard Re-surfacing project.