



PO Box 1180 ●
2701 Jefferson Street | P.O. Box 1180 | Port Townsend, WA 98368
360-385-0656

Administration: (360) 385-0656

Operations: (360) 385-2355

Fax: (360) 385-3988

Port of Port Townsend
1st Monthly *Special* Business Meeting
Wednesday, October 23, 2019, 9:30 AM
Port Commission Building
333 Benedict Street
Port Townsend, WA

- I. Call to Order / Pledge of Allegiance
- II. Approval of Agenda
- III. Public Comments (related to/not related to the agenda)
- IV. Consent Agenda
 - A. Approval of Public Workshop Minutes – October 9, 20191
 - B. Approval of Regular Business Meeting Minutes – October 9, 2019 2-5
 - C. Accounts Receivable: Write-off Register 6-7
 - D. Resolution 708-19: Cancellation of Warrants 8-9
 - E. Approval of Warrants
- V. Staff Comments
- VI. Commissioner Comments
- VII. Public Hearing on Draft 2020 Operating & Capital Budget**
- VIII. Regular Business
 - A. YTD September 2019 Financials 10-13
Note: Possible Recess here for Public Hearing, depending on timing.
 - B. 2020 Operating & Capital Budget, 3rd Draft (*and attached separately*) 15-16
- IX. Next Public Workshop and Regular Business Meeting:
Wednesday, November 13, 2019: Public Workshop at 9:30, Meeting at 1:00 PM
Port Commission Building, 333 Benedict Street, Port Townsend, WA
- X. Adjournment

PORT COMMISSION PUBLIC WORKSHOP – October 9, 2019

The Port of Port Townsend Commission met for a Public Workshop in the Port Commission Building: 333 Benedict Street, Port Townsend, WA 98368

Present: Commissioners Hanke, Putney & Tucker
Executive Director Pivarnik
Finance Director & Port Auditor Berg
Recorder Erickson
Deputy Director Toews

Excused: Commissioner Hanke

I. CALL TO ORDER:

Commissioner Putney called the Workshop to order at 9:31 AM

II. AGENDA:

- Review of Draft of 2020 Budget and Cash Flow Projections

III. ADJOURNMENT:

The Workshop adjourned at 11:01 AM.

ATTEST:

Stephen R. Tucker, Secretary

William W. Putney III, President

Peter W. Hanke, Vice President

PORT COMMISSION REGULAR BUSINESS MEETING – October 9, 2019

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

Present: Commissioners Putney & Tucker
Executive Director Pivarnik
Finance Director & Port Auditor Berg
Recorder Erickson
Attorney Chmelik (via phone)
Deputy Director Toews

Excused: Commissioner Hanke

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

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

II. APPROVAL OF AGENDA (00:44):

It was requested that Item VII. A. be pulled from the Regular Business portion of the Agenda, the Artful Sailor Lease, as the tenant is not ready to proceed at this time.

Commissioner Tucker moved to approve the Agenda as modified.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

III. PUBLIC COMMENTS (01:09):

None

IV. CONSENT AGENDA (00:01:29):

A. Approval of Public Workshop Minutes – September 25, 2019

B. Approval of Regular Business Meeting Minutes – September 25, 2019

C. Approval of Warrants

Warrant #061107 through #061121 in the amount of \$71,421.09 for Payroll & Benefits and Electronic Payment in the amount of \$105,110.59 for Payroll & Benefits

Warrant #061122 through #061184 in the amount of \$221,142.41 for Accounts Payable

Commissioner Tucker moved to approve the Consent Agenda as presented.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

V. SECOND READING (Action Items) (00:01:40):

A. Review of draft 2020 budget and cash flow projections.

Executive Director Pivarnik observed that the workshop earlier in the day was very productive, where the budget was reviewed line by line; and a few changes and corrections were noted. He stated that he believes staff is on track to get the budget complete and ready for the commissioners' review at the next meeting.

Commissioners concurred that ads should be placed in the paper for a public hearing re the budget at the next business meeting.

VI. FIRST READING (Discussion Only):

VII. REGULAR BUSINESS (00:02:32):

A. The Artful Sailor Lease

B. Contract Award for JCIA 9/27 Runway Reconstruction and Taxiway Connector - Scarsella Bros., Inc. (00:02:33)

Deputy Director Toews stated the Port received 5 bids for this project, with low bid received from Scarsella Brothers, Inc. Port staff and the Airport Engineer, Reid Middleton, have done due diligence and are satisfied that the low bidder is responsive, responsible, and is fully capable of carrying out the work to be done. The question before the commission is whether to authorize the Executive Director of the Port to proceed with awarding the contract to Scarsella Brothers, Inc.

Deputy Director Toews reviewed the dates of the project.

Commissioner Putney asked about some obstructions to the flight path that needed to be addressed.

Deputy Director Toews stated that two obstructions (trees) were required to be removed prior to progressing with the project.

Commissioner Tucker moved to authorize the Executive Director to proceed.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

C. Construction Administration Contract for JCIA Runway Reconstruction Project – Reid Middleton (00:06:33)

Deputy Director Toews stated that this is a corollary to the construction contract, for construction administration. We have a 100% grant for the runway, and a 90% grant for the taxiway connector, with a 5% match each from the Port and WSDoT Aviation.

Commissioner Putney asked if the contractor on site could be local, so as to be most responsive to the needs of those doing the work. The Port has suggested local people for this on-site administrative oversight.

Commissioner Putney moved to authorize the Executive Director to execute this contract.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

D. Contract Award for Hospital Building Ventilation Project – AirFlow Heating Co.
(00:12:08):

Deputy Director Toews reminded the commission that this project is a required project under the lease agreement with the WDFW tenants executed earlier this year for the majority of the Hospital Building. When the boiler needed replacing, we asked that the base bid be for ventilation and an alternate bid #1 for heating and cooling be added. We received two bids; only one bid was responsive – AirFlow Heating Co. However, the alternate bid for heating and cooling is beyond our budget. We are therefore asking for authorization to award the contract for ventilation to AirFlow Heating Co.

Executive Director Pivarnik commented that once the floor covering is done as scheduled in the Port capital budget next year, our obligation for the lease will be met.

Deputy Director Toews added that we will also be replacing the boiler, as included in the Port budget, to heat the whole building.

Commissioner Tucker moved to authorize the Executive Director to award a contract for the base bid expressly excluding alternate bid #1.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

E. Contract Award for Boat Haven Breakwater Repair – American Construction, Inc.
(00:16:13)

Deputy Director Toews asked the commission to give authorization to the Executive Director to award the contract to American Construction. They are the lowest responsible and responsive bidder and have been vetted.

The Port did hear from the US Army Corp of Engineers that the National Marine Fishery Services is requiring formal consultation; they want us to prepare a biological assessment. We hope to get a permit in time, but if authorized now, the Executive Director will ask for extension of the contract, if necessary. We plan to have the assessment done within a month.

Commissioner Putney moved to authorize the Executive Director to execute the contract with American Construction, contingent on a positive outcome with the regulatory bodies involved.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

VIII. STAFF COMMENTS (00:20:38):

Ms. Berg stated that she would continue making those refinements on the budget that were discussed, and get it into the full package and ready for the public hearing on October 23, 2019.

Attorney Chmelik commented that Ms. Berg was finally able to sell one of our derelict boats, the “Jellyfish”.

Executive Director Pivarnik shared the Port Capital Project Progress Reports – the quarterly updates on capital projects we’re working on (Point Hudson South Jetty Reconstruction/Rehabilitation; JCIA Runway Reconstruction, 2017-2020; Workyard Resurfacing, 2019; 375 Hudson Street Air Quality Improvements, 2019; Water Meters/Back Flow Preventers, 2019).

Deputy Director Toews thanked the maintenance crew for coming up with creative solutions and ways to accomplish projects and fulfill our obligations and regulatory requirements at a fraction of the cost.

IX. COMMISSIONER COMMENTS (00:26:40):

Commissioner Putney commented that he has spent some time in Quilcene; he attended the Linger Longer Advisory Committee on September 30th, and got some action requests from them; affirmation that Coast Seafoods is working on curtains to mitigate some light pollution in the neighborhood; October 8 he attended a meeting in Quilcene and talked about the IDD and other things.

X. NEXT SPECIAL BUSINESS MEETING:

Wednesday, October 23, 2019. Meeting at 10:00, but because there is a Budget Hearing as well, perhaps we will have the meeting at 9:00 AM, with the Budget Hearing at 10:00 AM, Port Commission Building, 333 Benedict Street, Port Townsend, WA

XI. ADJOURNMENT:

The meeting adjourned at 6:14 p.m. there being no further business to come before the Commission.

ATTEST:

Stephen R. Tucker, Secretary

William W. Putney III, President

Peter W. Hanke, Vice President

ACCOUNTS RECEIVABLE
WRITE-OFF/COLLECTION REGISTER October 23, 2019

The staff of the Port of Port Townsend recommends that the following accounts be written off and turned in for collection as applicable.

Account Number	Account Name	TYPE	Description	Balance
38956	DuFrain, Frank	Work Yard	Frank DuFrain passed away and the family did not want the boat. The boat went to auction on 3/21/18 and did not sell. It was placed on the web page for sale and there was no interest. The boat was finally demolished by the Yard Crew. Recommend the account balance be written off.	\$1,096.96
205576	Foster, William	Moorage	William Foster was a monthly moorage guest and fell behind on his account and the address we had was not current. All mail was being returned and could not reach by phone. It was decided on 11/14/2018 to ask him to vacate the slip and he complied on 11/19/2018, however he did not pay his account. His boat was moored outside the breakwater and during a wind storm the boat washed up on the breakwater rocks which caused significant damage. He abandoned the boat, the boat was hauled out and demolished by the yard crew. Recommend the account balance be written off.	\$2,257.49
245958	Foster, William	Work Yard	William Foster's second boat was in the work yard and he was not able to pay on the account. He had notified me that he couldn't pay due to personal issues and was giving up the boat. The boat went to auction on 12/7/2018 and did not sell. It was placed on our web page for sale, but there was no interest. The boat was demolished by the yard crew. Recommend the account balance be written off.	\$6,334.55
42252	Hackett, Roy L.	Work Yard	Roy L. Hackett's address and email address was given incorrectly. All mail was returned and emails were rejected and returned. He did not return phone calls. The boat went to auction on 8/8/19 and did not sell. It was placed on the web page for sale, but there was no interest. The boat was finally demolished by the Yard Crew. Recommend the account balance be written off.	\$8,945.27
365	Hooten, Gary	Moorage	Gary Hooten was a long term Port tenant who tried to sell his boat without success. He fell behind on the account and didn't respond to statements, letters or phone messages. The boat went to auction 3/21/2018 and didn't sell. It was placed on the web page for sale, but there was no interest. The boat was demolished by the yard crew. Recommend the account balance be written off.	\$2,804.66
41791	Rickman, Mike	Work Yard	Mike Rickman brought in a utility trailer and parked it in the yard. He only made one payment on the account and did not respond to statements, letters and phone calls. The trailer went to auction 8/8/2019 and did not sell. It was sold on 6/18/19 by sealed bid for less than what was owed. Recommend the account balance be written off.	\$1,989.79
39925	Richardson, Doug	Work Yard	Doug Richardson filed bankruptcy and abandoned the boat. The boat went to auction on 3/21/2018 and did not sell. It was placed on the web page for sale, but there was no interest. The boat was finally demolished by the Yard Crew. Recommend the account balance be written off.	\$ 20,057.59
21639	Snyder, Torren	Work Yard	Torren Snyder brought the boat into the Port with intent to sell it. Due to miscommunication the account did not get billed properly and by the time it was straightened out the account had a large amount due. Torren Snyder abandoned the boat. He was offered the opportunity to make payments on the balance, but he refused saying it wasn't his boat. He claimed it was his brothers boat. This could not be verified. The boat went to auction on 12/7/18 but did not sell. It was placed on the web page for sale, but there was no interest. The boat was finally demolished by the Yard Crew. Recommend the account balance be written off.	\$ 2,985.21

ACCOUNTS RECEIVABLE
WRITE-OFF/COLLECTION REGISTER October 23, 2019

The staff of the Port of Port Townsend recommends that the following accounts be written off and turned in for collection as applicable.

Account Number	Account Name	TYPE	Description	Balance
20722	Sprenger, Alex Matthew	PTBH	Alex Matthew Sprenger bought the boat from a permanent PTBH tenant but had not removed the boat as requested and never made a payment on the account. He did not respond to statements or letters. We do not have a phone number or email for him. The boat was impounded and went to auction on 3/21/2018 and did not sell. It was placed on the web page for sale, but there was no interest. The boat was finally demolished by the Yard Crew. Recommend the account balance be written off.	\$ 4,744.70
31664	Treece, Bryan	Work Yard	Bryan Treece fell behind on his account and then filed bankruptcy. Treece's attorney instructed the Port not to bill, contact or put the boat up for auction due to the bankruptcy. The attorney finally agreed to release the boat for auction, with no claim on the funds if sold. The boat sold at the 9/19/2019 auction for \$3,000.00. Recommend the account balance be written off.	\$ 37,657.68
Total:				<u>\$88,873.90</u>

S. Abigail Berg
Director of Finance & Admin.

Port Attorney

Jim Pivarnik
Executive Director

William W. Putney III
President

Peter W. Hanke
Vice - President

Stephen R. Tucker
Secretary

DATE: _____

RESOLUTION NO. 708-19

**A Resolution of the Commission of the Port of Port Townsend
Authorizing Warrant Cancellations**

WHEREAS: The Port of Port Townsend issued the following warrants:

<u>Warrant #</u>	<u>Dated</u>	<u>Amount</u>	<u>Issued To:</u>
059284	07/11/2018	\$59.00	Gordon Brandt
059326	07/11/2018	\$14.22	Ronald Walton
059472	08/22/2018	\$2.29	Danielle Olliver

WHEREAS: The aforementioned warrants have been lost or destroyed and has not been presented for payment; AND

WHEREAS: RCW 36.22.100 requires that any warrant not presented within one year of issue be canceled by the passage of a resolution of the governing body;

NOW, THEREFORE BE IT RESOLVED: that since the aforementioned warrants has not been presented for payment; said warrants are canceled as of this date.

ADOPTED this **23rd day of October 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:

Stephen R. Tucker, Secretary

William W. Putney III, President

Peter W. Hanke, Vice President

APPROVED AS TO FORM:

Port Attorney

JEFFERSON COUNTY TREASURER

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

Email: ttosland@co.jefferson.wa.us

www.co.jefferson.wa.us



DATE: September 18, 2019
TO: Port of Port Townsend
FROM: Jefferson County Treasurer
Terra Tosland, Investment Officer/Accountant
RE: Resolution to Cancel Warrants

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

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

General

Warrant No.	Issue Date	Amount	Warrant No.	Issue Date	Amount
58744	2/14/2018	24.30			
59284	7/11/2018	59.00			
59326	7/11/2018	14.22			
59472	8/22/2018	2.29			

PORT OF PORT TOWNSEND AGENDA COVER SHEET

MEETING DATE	October 23, 2019
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VIII. A. YTD September 2019 Financials
STAFF LEAD	Abigail Berg, Director of Finance & Administration
REQUESTED	<input type="checkbox"/> Information <input type="checkbox"/> Motion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	A. YTD September 2019 Financial documents

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

	YTD Sep 2018	YTD Sep 2019	Variance to prior year - 2018 v 2019	notes	YTD Budget 2019	Variance to Budget YTD
REVENUES						
Boat Haven Moorage	1,431,070	1,464,452	33,381		1,463,670	782
Yard Operations	1,244,518	1,438,275	193,757		1,356,702	81,573
Boat Haven Properties	493,973	535,388	41,415		482,250	53,138
Pt. Hudson Marina, RV & Prop	1,144,859	1,178,137	33,277	a	1,187,302	(9,165)
Quilcene	124,367	131,548	7,181		126,822	4,726
Ramps	40,706	47,684	6,978		43,602	4,082
JCIA	100,705	112,922	12,217		104,608	8,314
Total Operating Revenues	4,580,199	4,908,405	328,206		4,764,956	143,449
OPERATING EXPENSES						
Salaries & Wages	1,613,348	1,521,889	(91,459)		1,602,266	(80,377)
Payroll Taxes	162,503	167,913	5,410		175,215	(7,302)
Employee Benefits	557,610	513,469	(44,141)		515,839	(2,370)
Uniform Expense	2,647	5,704	3,057		6,349	(644)
Contract Services	225,883	190,174	(35,710)		209,039	(18,865)
Consulting Services	54,278	48,629	(5,649)		98,500	(49,871)
Legal & Auditing	138,211	115,037	(23,174)	b	74,997	40,040
Facilities & Operations	502,161	612,662	110,501	c	597,749	14,913
Utilities	400,003	422,070	22,067	d	422,598	(528)
Marketing	44,542	47,942	3,400	e	37,116	10,826
Economic Development	15,000	-	(15,000)		15,000	(15,000)
Travel & Training	20,677	25,448	4,771	f	23,113	2,335
Cost of Goods - Fuel	9,059	12,424	3,365	g	8,961	3,463
Community Relations	-	35	35		-	35
Total Operating Expenses	3,745,921	3,683,394	(62,527)		3,786,741	(103,347)
Income from Operations w/o Depr	834,278	1,225,011	390,733		978,215	246,796
Non-Operating Revenue						
Capital Contributions/Grants	113,713	335,481	221,767	h	2,392,028	(2,056,547)
Interest	48,910	40,218	(8,692)	i	24,700	15,518
Property & other taxes	802,718	686,536	(116,182)		645,632	40,904
Misc Non-Operating Revenue	55,348	251,791	196,444	j	24,835	226,956
Total Non-Operating Revenues	1,020,689	1,314,026	293,336		3,087,195	(1,773,169)
Non-Operating Expenses						
Bond Interest	231,676	150,294	(81,382)		143,544	6,750
Bond Mgmt, Issuance & Misc Exp	1,408	450	(958)		1,135	(685)
Election Expense	-	-	-		-	-
Total Non-Operating Expenses	233,084	150,744	(82,340)		144,679	6,065
Net Non-Operating Income (Expense)	787,606	1,163,282	375,676		2,942,516	(1,779,234)
Net Income (Loss)	1,621,884	2,388,293	766,409		3,920,731	(1,532,438)

Notes:

(a) YTD Point Hudson revenues are more than the prior year, but still slightly below budget. The RV Park was significantly below budget due to the February cold weather (~8,000) which continues to effect the YTD budget results.

(b) Whereas this is below 2018, it is higher than budget due to invoices for legal services related to Seattle Maritime Academy litigation regarding the John Cobb derelict vessel. A settlement payment was received in July that offset the YTD SMA legal fees (~\$47,000).

(c) The primary reason for the variance to prior year is due to the Cash Basis reporting of payment for the Port's General Liability and Property insurance as it is no longer allocated monthly, but recognized when paid (~September annually). YTD Actual is slightly head of Budget.

(d) The primary reason for the year to year comparative increase is due to invoice payment timing using Cash Basis reporting rather than accrual. Budget is on target.

(e) Significant increase in Marketing costs, specifically marketing port facilities and services, with emphasis on the Marine Trades (increase of \$6,181). Other costs are related to Promotional efforts, such as \$2,900 newspaper contribution to the Working Waterfront section of the Leader last winter.

(f) Variance to prior year, 2019 is higher due to Hazwoper training for staff (\$4,181).

(g) Increase from year to year comparison and YTD budget to actual is changing from accrual based (reporting the cost of fuel SOLD), versus cash based (reporting the cost of fuel PURCHASED).

(h) YTD Capital Contributions/Grants are less than YTD budget because it was anticipated the Port would be in construction phase of the JCIA Runway Rehab project at this point when the budget was adopted last year.

(i) Interest income is higher than budgeted because more cash has been retained since the JCIA Runway Rehab construction hasn't commenced.

(j) Increases to Miscellaneous Non-Operating Revenue for the \$100,000 paid for the purchase of a surplus building by New Day Fisheries; these monies have been placed in the Port Wide Capital Reserve. In addition, there was an increase of approximately \$132,000 for the portion of the SMA legal settlement (\$212,000) that wasn't used to pay down the outstanding accounts receivable for the Cobb vessel.

**Port of Port Townsend
YTD Cashflow report**

	YTD September 2019
	notes
Net Income	2,388,293
Net Change in Accruals from Balance Sheet*	252,875
Less: Capital Expenses:	
JCIA Runway Replacement project	(300,165)
PTBH Water Meters project	(23,727)
BH Breakwater Repair 2019	(5,176)
PH Moorage Office Exterior Paint 2019	(9,328)
WorkYard Resurfacing 2019	(3,230)
PH South Jetty 2019-2020	(1,446)
PH 375 Hudson St. - Air Quality Imprvmts 2019	(16,158)
Boat Haven Net Float Reconstruction Improvements	(8,259)
Equipment replacement	(98,867)
Total Capital Expenses	(557,452)
Less: Principal Payments on Debt:	
Point Hudson - 2015 LTGO Refunding Bond	-
PTBH Marina - 2010 LTGO Bond	(450,000)
Total Principal Payments	(450,000)
Increase (Decrease) in Cash Y-T-D	1,633,716
Beginning Cash at 1/1/2019	1,632,311
Ending Cash at 9/30/2019	3,266,027

*These are current assets and current liabilities.

Notes:

- (a) Purchase of the following equipment & vehicles:
Vactor truck from City of Port Townsend (\$10,432)
Maintenance trucks (\$24,161 & \$2,500)
full payment of BH Restroom Fob Locking system (\$16,192)
 (2) replacement tires for 300 ton Travelift (\$23,762)
 BH Ramp Pay Station Kiosk & install (\$14,050)

PORT OF PORT TOWNSEND AGENDA COVER SHEET

MEETING DATE	October 23, 2019
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VIII. B. 2020 3 rd Draft Budget Assumptions
STAFF LEAD	Abigail Berg, Director of Finance & Administration
REQUESTED	<input type="checkbox"/> Information <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	A. 2020 Operating & Capital Budget Assumptions B. 2020 Operating & Capital Budget, 3 rd Draft (attached separately)

2020 Operating Budget Assumptions – 3rd DRAFT

The following details specific areas of change for the 2020 Port Operating budget when compared to the 2019 Operating budget, **items highlighted in GREEN BOLD are additions since the 1st Draft**, items underlined are additions since the 2nd Draft:

Operating Revenue

1. A 3% increase was added to revenues; the August CPI rate was 3.2%.
2. Various other Operating Revenues were adjusted based on the activity YTD August 2019, prior year trend analysis and planned business strategies for 2020.
3. **Upon further review of departmental revenues projections and discussion with managers, we increased several departments' revenues by a total of just under \$10,000. This increased port operating revenues to \$6,389,249.**

Operating Expenses

4. Personnel costs were calculated based on being fully staffed in accordance with the Organizational Chart (attached). Salaries/Wages were calculated to include a 2.3% COLA. The Port is obligated by its' Teamsters Local 589 Union contract to annually provide a CPI COLA increase, not to exceed 5% and not to be less than 2%, (CPI-All Urban Consumer Price Index for Seattle-Tacoma-Bremerton Bi-Monthly Data June to June) to the union wage table January 1 of each year (2018-2020). As such, the Port elected years ago to include this annual COLA increase to all Port employees (per the Port Policy Handbook). As of June 2019, this CPI was 2.3%.
5. For staffing, we estimated an over-lap with the replacement Executive Director and the current Executive Director of 5 months.
6. There was an increase in one (1) FTE in Operations for the Environmental Specialist. This position was filled in 2019 mid-year.
7. A shift of .83 FTE was made for the Leasing & Contracts Administrator position to operations (various departments with properties leased and rented) from G&A since the majority of this position's work responsibilities are direct customer contact.
8. Review of current years Payroll Taxes led us to confidently reduce this amount for 2020. As of Friday, October 18th, there is no update on changes in LNI rates (Washington State Department of Labor & Industries) which are part of the Payroll Taxes line item.

9. The cost for the Port's unrepresented staffs' health insurance was received and used to estimate 2020 costs; it was a modest increase of less than 1%. The health insurance for represented staff hasn't been received, though we estimated a 1% increase for budget purposes. PERS increases were included in the budget. As of Friday, October 18th, there is no update on represented staffs' healthcare costs for 2020.
10. A decrease is estimated for Contracting Services; a list of 2019 vs 2020 services is attached. Upon further review of current services and obligations we added \$10,000 to this line item.
11. We anticipate a reduction in Consulting Services when compared to 2019 which resulted in a decrease of \$106,000. Upon further review of current services and obligations we added \$10,000 to this line item.
12. Careful analysis of Utilities for the past year indicated that we needed to increase this line item. Increases in utilities are expected. However, we are hoping to capture savings here by recovery as well as some changes in the way utilities are managed.
13. A two (2) year audit is scheduled for the fall of 2020. This will be a financial statement and accountability audit.

Non-Operating Revenue

14. Capital Contributions/Grants projections were included in the 2019 budget for the JCIA Runway Rehabilitation project, Phase II Final Design & Engineering (with bid support) and Phase III Construction and construction management. However, this project has since moved to 2020.
15. **We updated the estimated grant revenues based on the bid received and awarded for the JCIA Runway Rehabilitation project which came in lower than the grant amount. This reduced non-operating revenue by \$178,423.**
16. The Port's budgeted Operating Tax Levy was increased to \$1,030,000 in accordance with the recommendation of the County Assessor at the September 10th Commission meeting.

Non-Operating Expenses

17. As expected, bond interest is reduced in accordance with the bond amortization schedules.
18. Election expenses for 2020 were corrected to be zero.