



**Port of Port Townsend  
Meeting Agenda  
Wednesday, September 9, 2020, 1:00 p.m.**

Via <https://zoom.us/> – or call (253) 215-8782 – and use Webinar ID: 862 6904 3651, Password: 911887  
*This meeting will only be accessible remotely, as per Governor's Proclamation 20-28.*

- I. Call to Order / Pledge of Allegiance
- II. Approval of Agenda
- III. Public Comments
- IV. Consent Agenda
  - A. Approval of Regular Business Meeting Minutes, August 26, 2020 ..... 1-6
  - B. Approval of Warrants ..... 7-12
  - C. Marine Resources Consultants, Inc. Lease ..... 13-32
  - D. US Customs & Border Protection Lease Extension - Amendment No. 6..... 33-37
- V. Second Reading
- VI. First Reading
- VII. Regular Business
  - A. COVID-19 Model Update ..... 38-46
  - B. ICC updates ..... 47
  - C. Draft Organization Chart ..... 48-51
  - D. Teamsters Contract Bargaining Agreement ratification..... 52-74
- VIII. Staff Comments
- IX. Commissioner Comments
- X. Next Regular Business Meeting at 5:30 p.m., Wednesday, September 23, 2020, via Zoom
- XI. Executive Session
- XII. Adjournment
- Informational Items ..... 75
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  - Reminder of State restrictions regarding campaigns ..... 87

## PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, August 26, 2020

The Port of Port Townsend Commission met for a regular business session via Zoom online.

Present via Zoom online video: Commissioners Hanke, Petranek and Putney  
Executive Director Berg  
Finance Director & Port Auditor Berg  
Port Recorder Erickson  
Port Attorney Reardanz

### I. CALL TO ORDER (00:00:00)

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

### II. APPROVAL OF AGENDA (00:00:50)

Commissioner Hanke asked to move item IV.C. to VII.A. (from Consent Agenda to Regular Business) on the agenda in order to give visitors Mr. Payne and Mr. Butler a chance to talk about the Aero Museum Expansion.

**Commissioner Putney moved to approve the Agenda as presented and altered.**

**Commissioner Petranek seconded the motion. Motion carried by unanimous vote.**

### III. PUBLIC COMMENTS (00:2:18) ~ submitted via voicemail and read aloud:

Lou Salzbury commented on the fees charged at the airport.

### IV. CONSENT AGENDA (00:04:29)

A. Approval of Workshop and Regular Business Meeting Minutes from August 12, 2020

B. Approval of Warrants

Warrant #062726 through #062730 in the amount of \$9,194.30 and Electronic Payment in the amount of \$70,538.16 for Payroll & Benefits.

Warrant #062731 through #062782 in the amount of \$139,313.39 for Accounts Payable.

Electronic Debit in the amount of \$13,989.62 for Combined Excise Tax Return.

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

**Petranek seconded the motion.**

Commissioner Hanke inquired about one of the warrants; it was a yard deposit refund.

**Motion carried by unanimous vote.**

### V. SECOND READING - none

### VI. FIRST READING - none

### VII. REGULAR BUSINESS (00:05:37)

A. Port Townsend Aero Museum Expansion – Preliminary Plans

Mike Payne, Aero Museum director, spoke about the need for the expansion, which began with a donation from the North Cascades Vintage Aircraft Museum by the Hanson Family Trust of 8 flying airplanes and 5 aircraft projects. This moved up the expansion plans for an additional 5400 ft<sup>2</sup> that is needed – a 60 x 90 foot extension, with the same rooflines and siding. One big improvement will be windows on the south side which will make it look less like a warehouse

and help draw people from the highway to the airport. Mr. Payne felt that by growing the youth program, they were growing the airport and helping other businesses at the airport.

Commissioner Putney asked if the expansion was approved by the FAA, and Mr. Payne stated that he was not dealing directly with them but had heard from the Port that it was under review and looks like it will be approved.

Commissioner Hanke asked about when the project might get started, and Mr. Payne said that it would be as soon as possible after the lease gets finalized.

**Commissioner Hanke moved to approve the Aero Museum Expansion Plans.**

**Commissioner Petranek seconded the motion. Motion carried by unanimous vote.**

Executive Director Berg commented that as the museum works on getting design and permitting done, the Port would be working on the lease consistent with the January 2020 letter of intent and working with the FAA on the ALP amendment (timed for October) to include this expansion. Commission felt that permitting could probably get started, but that the ALP would need to be complete before any construction could start under FAA rules.

B. 2021 Budget Status & Issues: (00:16:55)

Executive Director Berg introduced this item by saying the submitted materials were identical to what was submitted for the last Commission meeting, and today's meeting is on the budget schedule for an "as needed" discussion about any items Commission would like to discuss further.

Commissioner Petranek asked that we go over the submitted materials line by line – starting with the bullet points on page 41, followed by the paragraphs on page 42 & 43.

- Updating boat launch fees to reflect the new "annual" pass and deleting the early bird discount. Executive Director Berg commented that having the rotating 12-month model was working well. In July the Port sold 75 annual boat launch passes, and ramp sales were over \$11,000. Finance Director Berg added that providing a kiosk for easy payment also helped increase sales. Commissioner Hanke commented that launching the night before a big opening and paying for an overnight at boat Haven and then taking off the next morning was a great thing that we offered.
- The possibility of a 5% discount for permanent moorage tenants who pre-pay annually, in cash. This idea came to Executive Director Berg from the Moorage Tenants Association and the benefit would go to the tenant; if they know they're going to be here next year, this works well. After a short discussion about what the benefits would be for the Port, Executive Director Berg proposed that the Port test this program in 2021 and see how it works.
- Review and consideration of possible stormwater fees at JCIA to cover annual stormwater maintenance (i.e., ditches, catch basins and piping). This was to address stormwater costs; however, the majority of the leases at the airport do not have the provision for the Port to charge for stormwater. The appropriate conversation for the user group would be to ensure that our lease rates would cover these costs. Try to make sense of why there are variations in lease rates and discuss about where we think these rates should be, so when

leases are up for renewal we can work at getting lessees at the same rate. Somewhere between 4 and 6.6 cents – prevailing rate is 5 cents – fine tuning.

- Review and update to JCIA tie-down fees to align with similar airports (i.e., offering a few hours of free use of the ramp). This was addressed at the last meeting.
- Addressing the “grandfathered” issue relating to approximately 70 Boat Haven moorage slip tenants who are paying moorage based on the size of the vessel rather than the size of the slip, updating to conform to current policy effective January 1, 2021. Executive Director Berg reminded Commission of his proposal from the last meeting to send a letter out to these 69 tenants letting them know that their rates would be phased in to the current rate method (paying for the length of the slip, not the length of their boat). Phase 1 on January 1, 2021 would increase their rate by half the discrepancy amount, and Phase 2 on July 1 would increase rates the other half of the discrepancy amount. There was a discussion about how much this would be for individual customers, and about giving tenants the option to get on the switch list to move to a smaller slip. Commission approved of sending the letter, as long as the letter also mentioned that tenants could add their name to the switch list. It was decided that regardless of whether or not they were able to make the switch to a shorter slip, all Boat Haven moorage tenants would be paying current rates as of 7/1/21.
- The CPI is also used as a rate to apply to compensation to ensure staff pay is current with the rising cost of living. Contractually and in accordance with Port policy, the Port is obligated to apply a minimum CPI increase to compensation in the amount of 2%, which is above the June CPI reported amount of 0.9%. There was a discussion about rounding up to 1% or 1.5% for other rates, since CPI is always looking backward, not forward.
- With the passage of the IDD Levy and our renewed focus on maintenance and projects, the Port has a need for a capital projects manager. The Port is currently looking at the possibility of hiring an engineer to serve in that role, managing our capital program, supporting maintenance and freeing up the Deputy Director to perform his primary duties. Executive Director Berg stated that he planned to bring a revised organization chart to the next meeting to allow him to move forward with hiring this capital projects manager. Commissioner Putney asked that he include how this would impact the Port’s contract and project costs.
- All other points in the budget memo were briefly covered, as they had been covered in the past meeting. Commissioner Hanke wanted to highlight that our conversion to cash basis will be easier for the public to understand.

C. COVID-19 Update (no materials) 1:06:11

Executive Director Berg mentioned that preliminary review suggests that July has been an extremely busy month on the tourist side of the Port’s operations.

Consulting the Operations Report, Commissioner Petranek noted that the Port had the highest number of overnight guest moorage at Point Hudson than in any other July for the past 6 years, and it’s been very busy at Boat Haven as well.

D. Intergovernmental Coordinating Committee (ICC) updates (01:08:51) (no materials)

Executive Director Berg reported that everyone should have received an agenda for the meeting scheduled for the following day (8/27/2020), and the focus for the ICC is on the community groups, who are working through problems and developing proposals. At the meeting there will be a check in with these groups on their progress, including a discussion of timelines. He predicted a lengthy discussion of CARES Act funding – the county has identified \$400,000 funding available that must be spent very quickly.

Commissioner Petranek spoke about a proposal on the agenda for invigorating the ICC planning process submitted by Commissioner Kate Dean, City Council members Michele Sandoval & Ariel Speser, and herself. Their goals is to take the initiative while the government entities are working together and proactively create a shared language, involve the public, invite outside speakers to talk on relevant topics, and discuss how we can creatively work together into the future. She described looking at funding and direction for way beyond this short timeline created by the current pandemic.

Commissioner Hanke asked if there were any groups with ideas that could be funded in the short timeframe.

Commissioner Putney talked about the Broadband group having ideas, but not having any project that could even get started in the timeframe given.

Commissioner Petranek said that the Food System Resiliency group had many projects that could be funded immediately.

Executive Director Berg shared some apprehension about the workload shifting from the community groups to the ICC, with the short timeline and so many important decisions to make.

Commissioner Hanke stated that as an entrepreneur, he estimated that businesses were coming out of this year at 15-20% of their normal income, and that he sees it as a mandate to help those who are on the verge of not making it. He joined the commissioners who submitted the initiative to invigorate the ICC in wanting to continue their joint work into the future.

VIII. STAFF COMMENTS (01:20:42)

Executive Director Berg commented that Commissioner Petranek and he had been meeting with the Lingerlonger Advisory Committee, and would like to rotate in the other commissioners in future meetings. Currently he is getting history from their perspective, and the goal is to craft a process to engage the Quilcene community with ideas and vision for the future of Port property at Quilcene. Since COVID-19 prevented an in-person meeting in Quilcene earlier this year, the Port will find a way to meet with that group in Quilcene. Mr. Berg stated that he and Finance Director Berg had met with the teamsters union this week and as soon as there is a tentative contract they will bring it to the Commission. The Port is consulting with 3 software vendors for an online reservation system that works for RVs and boats, and so far Mr. Berg is very impressed with what the products available today can do. The target is to have a software selection made soon, with an implementation phase and then go live in January, so we're proficient by tourist season next year. Mr. Berg reported that the Comp Scheme is due next Wednesday, and Deputy Director Toews is working hard to make the CSHI Update complete.

Finance Director Berg commented that she agreed with everything Mr. Berg had said, and that the Collective Bargaining Agreement work with the union is going well. She is busy working on the July YTD Financial report, the Covid-19 projections update, and the 2021 budget.

Commissioner Putney asked if the proposed software can work with the Port's accounting system, and Ms. Berg said that they were told yes, which would be a great savings to have the two systems integrated.

Port Attorney Reardanz stated that it was expected that the Governor's proclamation on Open and Public Meetings, which currently expires at midnight on September 1<sup>st</sup>, would get extended. The thought is that if required to meet in person, there would be no safe way to do so until at least Phase 3, if not Phase 4 of the recovery plan.

IX. COMMISSIONER COMMENTS (01:30:59)

Commissioner Putney commented that he and Executive Director Berg had a lunch meeting at the Spruce Goose, and one of the discussions was to make the new WSDOT kiosk available to local businesses for advertising. This would apply to the guest areas at the marinas, too – any “welcome to Port Townsend / Jefferson County, how can we make you more comfortable?” type of ads for itinerants. For example, the Old Alcohol Plant will send a car to pick people up at the airport. This would allow the enterprises in the county to do a little marketing with our guests. He also mentioned that with more complaints about airport noise policies not being followed, the Port is putting up more signs that explain noise abatement procedures.

Commissioner Petranek said she'd had 7 meetings, but would condense that to 2 for discussion here. She & Executive Director Berg met with the Lingerlonger Advisory Committee who want to work with their community, the Port, and Coast Seafoods – we are all looking to create more of a community process. She thought that there would be more meetings with individual commissioners before it gets to be a Port meeting. The other meeting was with the Port Townsend Marine Trades Association Board – they've decided to do a forum for our County Commissioner candidates – September 10<sup>th</sup> at 6:00 PM – and she would love to ask KPTZ to air it (Commissioner Putney said he'd ask). It will be moderated by the Marine Trades with questions by and for the membership, but with so many in the community interested in these subjects, they want to open it up for everyone to hear.

Commissioner Hanke commented that he had a meeting with the Jamestown S'Klallam tribe about their becoming a part of Point Hudson with a FLUPSY being located there, which is both a necessity and an attraction for the public. He thought it is particularly exciting because of the tribe's tie to that location, and, as a long-term tenant (1985-today), he felt there is some real synergy happening at Point Hudson. He met with a group at the airport and said it could be a good framework to talk more about community involvement in other areas of the Port – to open more avenues for the public to have input with the Port.

Executive Director Berg mentioned that the Jamestown S'Klallam tribal members will be making a presentation on the FLUPSY, their aquaculture program and their interest in Point Hudson at the September 23<sup>rd</sup> commission meeting.

- X. Next Public Workshop & Regular Business Meeting (01:41:18): Wednesday, September 9, 2020, with a Public Workshop at 9:30 a.m. and a Regular Business Meeting at 1:00 p.m., via Zoom.

- XI. EXECUTIVE SESSION (01:41:28) re potential real estate lease, purchase and sale, RCW 42.30.110(1)(b,c)

Commissioner Hanke adjourned at 7:15 p.m. to executive session for approximately twenty minutes. With no potential decisions made today, Commission will not reconvene in order to adjourn.

- XII. ADJOURNMENT: after close of Executive Session, meeting adjourned at 7:40 p.m., there being no further business before the Commission.

ATTEST:

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Peter W. Hanke, President

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Pamela A. Petranek, Secretary

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William W. Putney III, Vice President



PO Box 1180 • Port Townsend, WA 98368

Administration: (360) 385-0656

Operations: (360) 385-2355

Fax: (360) 385-3988

## **WARRANT/ELECTRONIC PAYMENT APPROVAL**

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claims are just due and unpaid obligation against the Port of Port Townsend, that we are authorized to authenticate and certify to said claim and that these claims, in Warrant No 062783 through No. 062790 in the amount of \$32,156.68 and Electronic Payment in the amount of \$142,555.96, are approved for payment for a total amount of \$174,712.64 on this 9th day of September, 2020.

For: **Payroll and Benefits**

\_\_\_\_\_  
Commissioner Pete W. Hanke

\_\_\_\_\_  
Commissioner William W. Putney III

\_\_\_\_\_  
Commissioner Pam Petranek

\_\_\_\_\_  
S. Abigail Berg, Director of Finance  
And Administration



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**For: Accounts Payable**

\_\_\_\_\_  
Commissioner Pete W. Hanke

\_\_\_\_\_  
Commissioner William W. Putney III

\_\_\_\_\_  
Commissioner Pam Petranek

\_\_\_\_\_  
S. Abigail Berg, Director of Finance  
And Administration

# Check Register

Journal Posting Date: 9/9/2020

Register Number: CD-000830

Port of Port Townsend (PTA)

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount	
062791	9/9/2020	ALL025	Alliant Insurance Services, Inc - NPB Main					Check Entry Number: 001
			1445590	9/2/2020	68,833.00	0.00	68,833.00	
062792	9/9/2020	ARM030	Armstrong Consolidated LLC					Check Entry Number: 001
			3031	8/14/2020	26.78	0.00	26.78	
062793	9/9/2020	ARR010	Arrow Lumber Port Townsend					Check Entry Number: 001
			8/28/2020 STATEMENT	8/28/2020	2,763.08	0.00	2,763.08	
062794	9/9/2020	BAB055	Sandy Babcock					Check Entry Number: 001
			REFUND 8/30/2020	8/30/2020	52.00	0.00	52.00	
062795	9/9/2020	BER020	Bering Industrial Contractors, Inc.					Check Entry Number: 001
			2020-71	8/20/2020	20,646.78	0.00	20,646.78	
			2020-72	8/20/2020	19,705.00	0.00	19,705.00	
			2020-73	8/20/2020	20,810.83	0.00	20,810.83	
			2020-74	8/20/2020	20,810.83	0.00	20,810.83	
Check 062795 Total:					81,973.44	0.00	81,973.44	
062796	9/9/2020	BER045	Eron Berg					Check Entry Number: 001
			8/2020	8/31/2020	622.62	0.00	622.62	
062797	9/9/2020	BRI070	Robert Bridges					Check Entry Number: 001
			REFUND 08/31/2020	8/31/2020	192.03	0.00	192.03	
062798	9/9/2020	BRO011	Bradley Brooks					Check Entry Number: 001
			REFUND 08/31/2020	8/31/2020	458.03	0.00	458.03	
062799	9/9/2020	CAR001	Carl's Building Supply					Check Entry Number: 001
			8/31/2020 STATEMENT	8/31/2020	894.85	0.00	894.85	
062800	9/9/2020	CIT001	City Of Port Townsend					Check Entry Number: 001
			8/2020 STATEMENTS	8/31/2020	11,821.31	0.00	11,821.31	
062801	9/9/2020	CPC020	CP Communications					Check Entry Number: 001
			POPT090120	9/1/2020	2,185.00	0.00	2,185.00	
062802	9/9/2020	DAY070	Tom & Barbara Day					Check Entry Number: 001
			REFUND 08/31/2020	8/31/2020	705.25	0.00	705.25	
062803	9/9/2020	DOU010	Double D Electric Inc.					Check Entry Number: 001
			RS-209	8/17/2020	9.59	0.00	9.59	
062804	9/9/2020	ERI040	Karen Erickson					Check Entry Number: 001
			8/2020	8/31/2020	23.11	0.00	23.11	
062805	9/9/2020	FIS020	Fish N Hole					Check Entry Number: 001
			5593659	8/17/2020	20.35	0.00	20.35	
062806	9/9/2020	FIS060	Fishery Point LLC					Check Entry Number: 001
			DEPOSIT REFUND	9/1/2020	4,062.24	0.00	4,062.24	
062807	9/9/2020	GRA020	Grating Pacific LLC					Check Entry Number: 001
			0211921-IN	8/20/2020	473.06	0.00	473.06	
062808	9/9/2020	GRO001	Groves & Co, Inc					Check Entry Number: 001
			20200980	8/20/2020	126.95	0.00	126.95	
			20201030	8/28/2020	425.82	0.00	425.82	
Check 062808 Total:					552.77	0.00	552.77	
062809	9/9/2020	GUA080	Guardian Security Systems, Inc.					Check Entry Number: 001
			1056257	9/1/2020	147.16	0.00	147.16	
062810	9/9/2020	HAD001	Hadlock Building Supply					Check Entry Number: 001
			8/25/2020 STATEMENT	8/25/2020	307.19	0.00	307.19	
062811	9/9/2020	HEN002	Henery Hardware					Check Entry Number: 001
			694367	7/27/2020	32.16	0.00	32.16	
			694454	7/29/2020	7.39	0.00	7.39	
			694456	7/29/2020	35.05	0.00	35.05	

Run Date: 9/3/2020 3:59:42PM

A/P Date: 9/9/2020

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Check Register  
Journal Posting Date: 9/9/2020  
Register Number: CD-000830

Port of Port Townsend (PTA)

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
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			694525	7/29/2020	99.81	0.00	99.81
			694622	7/31/2020	12.38	0.00	12.38
			694638	7/31/2020	22.87	0.00	22.87
			694652	7/31/2020	52.94	0.00	52.94
			694664	7/31/2020	7.17	0.00	7.17
			694748	8/3/2020	47.93	0.00	47.93
			694839	8/4/2020	11.97	0.00	11.97
			694871	8/5/2020	64.28	0.00	64.28
			694880	8/5/2020	10.89	0.00	10.89
			694908	8/5/2020	20.01	0.00	20.01
			694965	8/6/2020	94.37	0.00	94.37
			694974	8/6/2020	16.34	0.00	16.34
			695001	8/7/2020	39.86	0.00	39.86
			695019	8/7/2020	33.76	0.00	33.76
			695047	8/7/2020	17.43	0.00	17.43
			695165	8/10/2020	6.08	0.00	6.08
			695183	8/10/2020	13.17	0.00	13.17
			695186	8/10/2020	19.57	0.00	19.57
			695204	8/11/2020	2.16	0.00	2.16
			695262	8/12/2020	11.26	0.00	11.26
			695341	8/13/2020	26.81	0.00	26.81
			695346	8/13/2020	14.15	0.00	14.15
			695377	8/13/2020	19.59	0.00	19.59
			695380	8/13/2020	55.56	0.00	55.56
			695409	8/13/2020	42.02	0.00	42.02
			695426	8/14/2020	47.50	0.00	47.50
			695465	8/14/2020	7.42	0.00	7.42
			695560	8/17/2020	14.54	0.00	14.54
			695663	8/18/2020	17.43	0.00	17.43
			695732	8/19/2020	41.28	0.00	41.28
			695752	8/19/2020	50.30	0.00	50.30
			695780	8/20/2020	29.82	0.00	29.82
			695802	8/20/2020	21.32	0.00	21.32
			695999	8/24/2020	49.86	0.00	49.86
			<b>Check 062811 Total:</b>		<b>1,168.76</b>	<b>0.00</b>	<b>1,168.76</b>
062812	9/9/2020	JAM010	Chris James				<b>Check Entry Number: 001</b>
			REFUND 8/31/202	8/31/2020	609.43	0.00	609.43
062813	9/9/2020	JAM040	Jamestown Networks				<b>Check Entry Number: 001</b>
			6097	9/1/2020	548.00	0.00	548.00
062814	9/9/2020	JEF055	Jefferson County				<b>Check Entry Number: 001</b>
			RE: PIF GRANT	9/9/2020	4,628.06	0.00	4,628.06
062815	9/9/2020	MAR031	Marine Vacuum Service, Inc.				<b>Check Entry Number: 001</b>
			70940	8/31/2020	1,983.80	0.00	1,983.80
062816	9/9/2020	MEI075	Scott Meilicke				<b>Check Entry Number: 001</b>
			REFUND 08292020	8/29/2020	525.35	0.00	525.35
062817	9/9/2020	MIL075	Ken Mills				<b>Check Entry Number: 001</b>
			REFUND 08312020	8/31/2020	204.38	0.00	204.38
062818	9/9/2020	NEL001	Sue Nelson				<b>Check Entry Number: 001</b>
			8/2020	8/31/2020	41.45	0.00	41.45

Run Date: 9/3/2020 3:59:42PM  
A/P Date: 9/9/2020

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Check Register  
Journal Posting Date: 9/9/2020  
Register Number: CD-000830

Port of Port Townsend (PTA)

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount	
062819	9/9/2020	O'RE030	O'Reilly Auto Parts					Check Entry Number: 001
			3939-450477	9/1/2020	16.23	0.00	16.23	
062820	9/9/2020	OLY001	Olympic Equipment Rentals Inc					Check Entry Number: 001
			8/25/2020 STATEMENT	8/25/2020	393.18	0.00	393.18	
062821	9/9/2020	OLY006	Olympic Boat Transport LLC					Check Entry Number: 001
			1680	8/19/2020	3,000.00	0.00	3,000.00	
062822	9/9/2020	ONN020	Chris Innis					Check Entry Number: 001
			REFUND 08/18/2020	8/18/2020	156.00	0.00	156.00	
062823	9/9/2020	PAP020	Pape Material Handling Exchang					Check Entry Number: 001
			12219884	8/21/2020	179.38	0.00	179.38	
062824	9/9/2020	PEN003	Peninsula Daily News					Check Entry Number: 001
			2020 RENEWAL	8/31/2020	148.72	0.00	148.72	
062825	9/9/2020	PEN030	Peninsula Paint Co.					Check Entry Number: 001
			F0184400	8/20/2020	85.43	0.00	85.43	
062826	9/9/2020	PEN060	Peninsula Pest Control, Inc					Check Entry Number: 001
			52939	8/28/2020	545.00	0.00	545.00	
			53517	8/24/2020	76.10	0.00	76.10	
			Check 062826 Total:		621.10	0.00	621.10	
062827	9/9/2020	PET025	Petrick Lock & Safe					Check Entry Number: 001
			18053	11/15/2019	141.37	0.00	141.37	
			18138	1/13/2020	34.83	0.00	34.83	
			18145	1/13/2020	15.53	0.00	15.53	
			18349	6/2/2020	75.00	0.00	75.00	
			18363	6/15/2020	17.99	0.00	17.99	
			18409	7/14/2020	65.00	0.00	65.00	
			18476	8/27/2020	881.27	0.00	881.27	
			Check 062827 Total:		1,230.99	0.00	1,230.99	
062828	9/9/2020	PIN010	Pinnacle Investigations Corp					Check Entry Number: 001
			71637	8/16/2020	35.00	0.00	35.00	
062829	9/9/2020	PIT000	Pitney Bowes Inc.					Check Entry Number: 001
			3311871737	8/30/2020	550.93	0.00	550.93	
062830	9/9/2020	PUD001	Pud District #1					Check Entry Number: 001
			08/25/2020	8/25/2020	450.00	0.00	450.00	
			08182020	8/18/2020	25.65	0.00	25.65	
			8/25/2020	8/25/2020	345.27	0.00	345.27	
			Check 062830 Total:		820.92	0.00	820.92	
062831	9/9/2020	QUI001	Quill Corporation					Check Entry Number: 001
			9790795	8/20/2020	81.34	0.00	81.34	
062832	9/9/2020	REI002	Reid Middleton Co					Check Entry Number: 001
			2008029	8/14/2020	206,533.68	0.00	206,533.68	
			2008030	8/14/2020	29,024.95	0.00	29,024.95	
			Check 062832 Total:		235,558.63	0.00	235,558.63	
062833	9/9/2020	ROD030	Rodda Paint					Check Entry Number: 001
			44156372	8/17/2020	159.52	0.00	159.52	
062834	9/9/2020	SEA010	Sea-Run Consulting					Check Entry Number: 001
			20-17	9/1/2020	8,638.00	0.00	8,638.00	
			20-18	9/1/2020	18,162.48	0.00	18,162.48	
			Check 062834 Total:		26,800.48	0.00	26,800.48	
062835	9/9/2020	SHO010	Shold Excavating Inc					Check Entry Number: 001

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**Check Register**

**Journal Posting Date: 9/9/2020**

**Register Number: CD-000830**

**Port of Port Townsend (PTA)**

Bank Code: W - WARRANTS PAYABLE						
Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied
			56010	8/28/2020	542.42	0.00
062836	9/9/2020	TIE070	Richard Tietjen			
			REFUND 8/23/2020	8/23/2020	99.61	0.00
062837	9/9/2020	TOW001	Townsend Electric			
			15691	8/31/2020	149.88	0.00
062838	9/9/2020	VER001	Verizon Wireless, Bellevue			
			9860845039	8/15/2020	342.56	0.00
062839	9/9/2020	WA0502	State of Washington			
			16100004419	8/31/2020	55.00	0.00
062840	9/9/2020	WAL035	Jim Walker			
			REFUND 08202020	8/20/2020	52.00	0.00
062841	9/9/2020	WAS017	Marc Horton - Washington Project Consultants			
			083120-8	9/1/2020	2,185.00	0.00
062842	9/9/2020	WAV040	Wave Broadband			
			043328901-0008344	8/23/2020	147.75	0.00
062843	9/9/2020	WES006	Westbay Auto Parts, Inc.			
			8/25/2020 STATEMENT	8/25/2020	457.27	0.00
062844	9/9/2020	WIL002	Shawn E Wiles			
			8/2020	8/31/2020	255.20	0.00
062845	9/9/2020	WIL066	Ross Wilson			
			REFUND 8/26/2020	8/26/2020	172.61	0.00
062846	9/9/2020	WOO015	Craig Woodside			
			REFUND 8/29/2020	8/29/2020	10.87	0.00
<b>Report Total:</b>					<u>460,140.11</u>	<u>0.00</u>
						<u>460,140.11</u>

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<b>MEETING DATE</b>	September 9, 2020
<b>AGENDA ITEM</b>	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> 1 <sup>st</sup> Reading <input type="checkbox"/> 2 <sup>nd</sup> Reading <input type="checkbox"/> Regular Business <input type="checkbox"/> Informational
<b>AGENDA TITLE</b>	IV. Consent Agenda, C. Marine Resources Consultants, Inc. Lease
<b>STAFF LEAD</b>	Eric Toews, Deputy Director
<b>REQUESTED</b>	<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Action <input type="checkbox"/> Discussion <input type="checkbox"/> Information
<b>ATTACHMENTS</b>	A. Info Memo B. Term Sheet C. Draft Lease, Marine Resources Consultants, Inc.

**DATE:** 9/1/2020  
**TO:** Port Commission  
**FROM:** Sue Nelson, Lease & Contracts Administrator  
**SUBJECT:** Marine Resources Consultants, Inc. – Proposed Lease Agreement

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**BACKGROUND:** Marine Resources Consultants has been a tenant in the Armory Building since January 2012. The lease has been in holdover status for almost four (4) years. Jim Norris, President, recently secured a contract with Department of Natural Resources and would like to enter into a new lease agreement for the same space.

Marine Resources is also a tenant in the office on Hudson Street across from the Point Hudson moorage office, whose lease is also in holdover status. Mr. Norris informed me that he intends to vacate that office on Hudson Street December 31, 2020.

**DISCUSSION:** The 900 square foot warehouse space is an open area located directly behind Brion Toss' main shop in the Armory Building (aka the Sail Loft Building). Since inception of the 2012 lease, Brion Toss employees have been allowed access via a pathway through Mr. Norris' leased space. Mr. Norris is not able to use this space, measured at 120 square feet, in order to provide a clear pathway. The original lease for Marine Resources was based on 900 square feet and the new lease reduces the size to 780 square feet of actual usable space.

The proposed lease term is for two (2) years with one (1) additional two (2) year option.

The rate is based on \$0.62/square foot x 780 square feet; monthly rent of \$483.60.

In the event Marine Resources were to become a "holdover" tenant at the end of the lease term, the rent would increase to 125% of that paid in the month preceding lease termination.

**RECOMMENDATION:** Authorize the Executive Director to execute the attached lease with Marine Resources Consultants, Inc., a Washington State corporation.

**ATTACHMENTS**

- Summary of Key Terms
- Proposed Port/Marine Resources Lease Agreement (including Exhibit "A", depicting the premises)

**PORT OF PORT TOWNSEND**  
**Summary of Key Terms – Marine Resources Consultants, Inc.**  
**Building Lease**

1. **TENANT:** Marine Resources Consultants, Inc., a Washington State Corporation.
2. **PREMISES:** Workshop/warehouse space of approximately 900 square feet in size, less a 120 square foot common area pathway providing Brion Toss employees and customers access to the restrooms, for a total of 780 sf of usable space, located on the lower level of the Armory Building (commonly referred to as the “Sail Loft Building”, located at 311 Jackson Street, Port Townsend, WA).
3. **TERM:** Two (2) years, beginning on October 1, 2020 and ending on September 30, 2022. Option to extend the lease term by one (1) additional two (2)-year term. Notification to extend the Lease to be done in writing ninety (90) days prior to the end of the lease or any extended term.
4. **RENT:** \$483.60 per month + 12.84% Leasehold Excise Tax (LET), calculated at (\$0.62/sf); CPI-U applied beginning in year 2 and each year thereafter in any extended lease term. Market rate adjustment may be applied at beginning of year 3, and every three years thereafter.
5. **HOLDING OVER:** In the event Lessee allows the lease to expire without negotiating a new agreement with the Port, the tenancy will roll over into a month-to month basis, with all other provisions of the lease agreement remaining in effect, except that the rent will increase to 125% of the rent due in the month preceding the holdover (e.g., if the rent were \$483.60 + LHT at the time of lease expiration, the rent in holdover status would be + 25% (\$120.90), or \$604.50 + LHT).
6. **USE OF PREMISES:** Marine-related equipment storage and maintenance.
7. **SECURITY:** Three (3) month’s security + LHT would be required at lease inception (\$1,637.09). Because Lessee already has a deposit of \$507.78 on file with the Port, an additional \$1,129.31 would be required prior to execution of the lease.
8. **UTILITIES:** All utilities are the responsibility of the Lessee.
9. **MAINTENANCE & REPAIR:** All maintenance and repairs are the Lessee’s responsibility.
10. **INSURANCE:** Per Port policy. Commercial General Liability of \$1,000,000 combined single limit; Workers Compensation Insurance of not less than \$1,000,000 per occurrence; insurance certificates naming the Port as an additional insured; proof of insurance must be provided prior to occupancy.
11. **ASSIGNMENT/SUBLEASE:** Permitted only by prior written consent of the Port.
12. **DEFAULTS/TERMINATION:** Time is of the essence. Failure to pay rent, or to abide by the covenants/agreements contained in the lease, may serve as a basis for termination. Lessee will be provided with fifteen (15) days’ written notice to cure defaults. Port may also terminate upon one-hundred and twenty (120) days’ written notice, at its sole discretion, for public or private use in connection with the operation of the business of the Port.

## PORT OF PORT TOWNSEND POINT HUDSON BUILDING LEASE

**THIS LEASE AGREEMENT** made this \_\_\_\_ day of \_\_\_\_\_, 2020 by and between the PORT OF PORT TOWNSEND, a municipal corporation organized and existing under the laws of the State of Washington, Lessor, hereinafter referred to as "the Port," and **MARINE RESOURCES CONSULTANTS, INC.**, a Washington State Corporation, hereinafter referred to as "Lessee,"

### WITNESSETH:

That the parties hereto do mutually agree as follows:

1. **LEASED PREMISES:** The Port hereby leases to Lessee, and Lessee hereby hires and leases from the Port, the following described premises situated in the City of Port Townsend, Jefferson County, State of Washington:

Workshop/warehouse space of approximately 900 square feet, less a 120 square foot common area pathway providing Brion Toss employees/customers access to the restrooms, for a total of **780 square feet** of usable space, located on the lower level of the Armory Building (commonly referred to as the "Sail Loft Building") located at 311 Jackson Street, Port Townsend, WA,

hereinafter referred to as "the premises." All grounds and parking areas surrounding the Armory Building are excluded from the leased premises. The premises are depicted on Exhibit "A" which is attached hereto and which by this reference is incorporated herein as if fully set forth herein.

2. **TERM:** The term of this Lease is two (2) years, commencing October 1, 2020, and ending at midnight, September 30, 2022 unless extended or sooner terminated as provided in this Lease. The Lessee shall also have an option to extend the lease term by one (1) additional two (2) year term. Notification to extend the Lease will be done in writing 90 days prior to end of the initial or any extended lease term.
3. **RENT:** Lessee agrees to pay as rental for the leased premises the sum of **Four Hundred Eighty-Three Dollars and Sixty Cents (\$483.60)** plus Leasehold Excise Tax (LET).<sup>1</sup> The rent for each month shall be paid to the Port in advance on or before the first day of each and every month of the lease term, and shall be payable at such place as the Port may hereinafter designate. Beginning in year three (3) and every three (3) years thereafter, the rental rate may be adjusted to the fair market rental rate then prevailing for comparable commercial and/or industrial property in the Western Washington area, bearing in mind all allowable uses of the property and all services and amenities available to the property by virtue of its location. The rental rate beginning in year two (2) and

<sup>1</sup> Calculated as follows: 62¢ per ft<sup>2</sup> x 780 ft<sup>2</sup> = \$483.60 rent; LET @ 12.84% x \$483.60 = \$62.10; total = \$545.70.

annually throughout the term of the lease will be adjusted by an amount equal to the accumulative amount found on the Consumer Price Index for all urban consumers (CPI-U) for Seattle-Tacoma-Bellevue, which is compiled by the Department of Labor, Bureau of Statistics. In no event shall any rent adjustment result in a reduction in rent from the rate paid in the prior year.

4. **LATE CHARGE:** In the event that any installment of rent remains unpaid more than twenty (20) days after it is due, then Lessee shall also be obliged to pay a “late charge” as per the Port of Port Townsend Rate Schedule then in effect.
5. **DEPOSIT:** Lessee shall deposit with the Port security in the amount of **One Thousand Six Hundred Thirty-Seven Dollars and Nine Cents (\$1,637.09)**.<sup>2</sup> Lessee has an existing deposit of **Five Hundred Seven Dollars and Seventy-Eight Cents (\$507.78)** currently on file with the Port under an agreement now superseded by this Lease. Accordingly, Lessee shall deposit an additional **One Thousand One Hundred Twenty-Nine Dollars and Thirty-One Cents (\$1,129.31)** in order to satisfy the requirements of this Paragraph 5 (“the additional deposit”). The deposit shall be held by the Port as security for Lessee’s faithful performance of all its obligations under this Lease. Any interest earned on amounts deposited shall be retained by the Port. The deposit shall be returned to Lessee upon termination of this Lease, less any charges owing to the Port or expenses incurred by the Port in repairing damage caused by Lessee or restoring the leased premises to the condition required upon termination of this Lease.
6. **USE OF PREMISES:** Lessee shall use the premises for marine-related equipment storage and maintenance and shall not use them for any other purposes without the prior written consent of the Port. Lessee shall use the entire premises for the conduct of said business in a first-class manner continuously during the entire term of this Lease, with the exception of temporary closures for such periods as may reasonably be necessary for repairs or redecorating or for reasons beyond Lessee’s reasonable control. Except for ordinary and routine noises and vibrations associated with marine-related maintenance, Lessee agrees that it will not disturb the Port or any other tenant of the Port's by making or permitting any disturbance or any unusual noise, vibration or other condition on or in the premises.
7. **CONDUCT COVENANTS AND WARRANTIES:** In addition to all other covenants and warranties set forth herein, Lessee specifically represents to the Port as follows:
  - a. **Quiet Conduct.** The conduct of Lessee and such others for whom Lessee is responsible shall not, in any manner, disturb the quiet enjoyment of other Tenants, invitees, or visitors, in or near where the Premises are located, including common areas.
  - b. **Damage.** The conduct of Lessee and such others for whom Lessee is responsible shall not result in or cause destruction or damage to the Premises, or any part thereof

<sup>2</sup> Required security for all Port leases is three (3) months (minimum + LET, calculated as follows: \$483.60 per month x 3 = \$1,450.80; \$1,450.80 x 12.84% LET = \$186.29; = \$1,450.80 + \$186.29 = \$1,637.09.

including, but not limited to any and all common areas, or the property of other Tenants, their invitees, and visitors.

8. **UTILITIES:** Lessee shall be liable for, and shall pay throughout the term of this Lease, all utility services furnished to the premises, including, but not limited to, light, heat, electricity, gas, water, sewerage, garbage disposal.
9. **ACCEPTANCE OF PREMISES:** Lessee has examined the leased premises and accepts them in their present condition “as is” and without further maintenance liability on the part of the Port. The Port makes no representations or warranties with respect to the condition, suitability, zoning restrictions, or usability, except the Port’s right to grant a lease of the premises. Lessee acknowledges that Lessee has fully inspected the premises and is not relying on any statement or representation made by the Port or the Port’s agents with respect to the condition of the premises, and Lessee assumes the responsibility and risks of the same, including any defects or conditions that cannot be observed by casual inspection.
10. **MAINTENANCE AND REPAIR:** Maintenance and repair of the premises and all improvements thereon is the sole responsibility of Lessee. Accordingly, at the expiration or sooner termination of this Lease, Lessee shall return the premises to the Port in the same condition in which received (or, if altered by Lessee with the Port’s consent, then the premises shall be returned in such altered condition), reasonable wear and tear and damage by fire or unavoidable casualty excepted. Lessee’s obligation to make repairs shall not extend to any repairs to the roof (structure or covering), to the foundations of the building or structure and exterior walls, of which the leased premises are a part, unless such repairs are necessitated by Lessee’s negligence or failure to maintain the interior. Lessee shall, at its’ own expense, and at all times:
  - a. Keep the premises, and the adjoining roadways and sidewalks, neat, clean and in a safe and sanitary condition;
  - b. Maintain and keep the leased premises in a good state of repair; maintain and repair all interior walls, floors, ceilings, doors. Interior and exterior windows and fixtures, and repair damage caused to any portion of the lease Port-owned building space.
  - c. Not commit waste of any kind.
11. **ALTERATIONS AND IMPROVEMENTS:** Lessee shall make no alterations or improvements to or upon the premises or install any fixtures (other than trade fixtures which can be removed without injury to the premises) without first obtaining written approval from the Executive Director of the Port. When seeking the Port’s approval, Lessee shall submit full plans and specifications for any proposed alterations and shall furnish proof of compliance with all applicable building codes and other regulations and shall apply for and obtain all necessary permits for such work. If the proposed improvements are estimated to cost more than \$25,000, the Port may require the posting of a completion bond as security for the completion of the improvements. Upon conclusion of the alterations, Lessee shall furnish “as-built” drawings of all improvements and alterations. The Port’s approval of alterations

shall also include agreement for disposition of the improvements upon termination of this Lease.

**12. INSPECTION - "FOR RENT" SIGNS:** The Port reserves the right to inspect the leased premises at any and all reasonable times throughout the term of this Lease, PROVIDED, that it shall not interfere unduly with Lessee's operations. The right of inspection reserved to the Port hereunder shall impose no obligation on the Port to make inspections to ascertain the condition of the premises and shall impose no liability upon the Port for failure to make such inspections. The Port shall have the right to place and maintain "For Rent" signs in conspicuous places on the premises for thirty (30) days prior to the expiration or sooner termination of this Lease.

**13. POSSESSION:** If the Port shall be unable for any reason to deliver possession of the premises, or any portion thereof, at the time of the commencement of the term of this Lease, the Port shall not be liable for any damage caused thereby to Lessee, nor shall this Lease thereby become void or voidable, nor shall the term specified herein be in any way extended, but in such event Lessee shall not be liable for any rent until such time as the Port can deliver possession, PROVIDED, that if Lessee shall, in the interim, take possession of any portion of the premises, it shall pay as rental the full rental specified herein reduced pro rata for the portion of the premises not available for possession by Lessee, AND PROVIDED FURTHER, that if the Port shall be unable to deliver possession of the premises at the commencement of the term of this Lease, Lessee shall have the option to terminate this Lease by at least thirty (30) days written notice, unless the Port shall deliver possession of the premises prior to the effective date of termination specified in such notice. If Lessee shall, with the Port's consent, take possession of all or any part of the premises prior to the commencement of the term of this Lease, all of the terms and conditions of this Lease shall immediately become applicable.

**14. DAMAGE OR DESTRUCTION:**

- a. Should the premises or the buildings or structures of which the premises are a part be damaged by fire or other casualty, and if the damage is repairable within four (4) weeks from the date of the occurrence (with the repair work and the preparations therefore to be done during regular working hours on regular work days), the premises shall be repaired with due diligence by the Port, and in the meantime the monthly minimum rental shall be abated in the same proportion that the untenable portion of the premises bears to the whole thereof, for the period from the occurrence of the damage to the completion of the repairs.
- b. Should the premises or any buildings or structures of which the premises are a part be completely destroyed by fire or other casualty, or should they be damaged to such an extent that the damage cannot be repaired within four (4) weeks of the occurrence, the Port shall have the option to terminate this Lease on thirty (30) days' notice, effective as of any date not more than sixty (60) days' after the occurrence. In the event that this paragraph shall become applicable, the Port shall advise Lessee within thirty (30) days

after the happening of any such damage whether the Port has elected to continue the lease in effect or to terminate it. If the Port shall elect to continue this Lease in effect, it shall commence and prosecute with due diligence any work necessary to restore or repair the premises. If the Port shall fail to notify Lessee of its election within said thirty (30) day period, the Port shall be deemed to have elected to terminate this Lease, and the lease shall automatically terminate sixty (60) days after the occurrence of the damage. For the period from the occurrence of any damage to the premises to the date of completion of the repairs to the premises (or to the date of termination of the lease if the Port shall elect not to restore the premises), the monthly minimum rental shall be abated in the same proportion as the untenable portion of the premises bears to the whole thereof.

- 15. INDEMNIFICATION AND HOLD HARMLESS:** The Port, its employees and agents shall not be liable for any injury (including death) to any persons or for damage to any property, regardless of how such injury or damage be caused, sustained, or alleged to have been sustained by the Lessee or by others as a result of any condition (including existing or future defects in the premises) or occurrence whatsoever related in any way to the premises and the areas adjacent thereto or related in any way to Lessee's use or occupancy of the premises and of the areas adjacent thereto except to the extent attributable to the negligence or other wrongdoing of the Port or its employees, contractors or agents. Lessee agrees to defend and to hold and save the Port harmless from all liability or expense of litigation in connection with any such items of actual or alleged injury or damage.
- 16. INSURANCE:** Lessee agrees to maintain during the lease term liability insurance as set forth below, at Lessee's sole expense. All such insurance shall name the Port of Port Townsend as an additional insured and shall be with insurance companies acceptable to the Port.
- a. Comprehensive General Liability Insurance against claims for injury or death to persons or damage to property with minimum limits of liability of \$1,000,000.00 combined single limit for each occurrence. Such insurance shall include but not be limited to bodily injury liability, personal injury liability, property damage liability, broad form property damage liability, contractual liability, and products/completed operations liability.
  - b. Workers Compensation Insurance as will protect tenant's employees from claims under Washington Workers Compensation Act as well as all Federal Acts applicable to the tenant's operations at the site such as but not limited to U.S. Longshoremen and Harborworkers Act, Jones Act, and Federal Employers Liability section of the Washington Workers Compensation Policy and all Federal Acts Insurance shall not be less than \$1,000,000.00 for each occurrence.

The Lessee agrees to supply the Port with appropriate evidence to establish that its insurance obligations have been met, and that the insurance policy or policies are not subject to cancellation without at least thirty (30) days advance written notice to the Port. The conditions set forth in subparagraphs (a) and (b) of this paragraph 16 shall be met prior to occupancy.

- 17. LIMITED WAIVER OF IMMUNITY UNDER WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51 RCW AND OTHER SIMILAR INDUSTRIAL INSURANCE SCHEMES:** For purposes of the indemnification provision set forth in paragraph 15, above, and only to the extent of claims against Lessee by the Port under such indemnification provision, Lessee specifically waives any immunity it may be granted under the Washington State Industrial Insurance Act, Title 51 RCW, The United States Longshore and Harbor Workers Compensation Act, 33 USC §901-950, or any other similar workers' compensation schemes. The indemnification obligation under this lease shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts, disability benefit acts, or other employee benefit acts. The foregoing provision was specifically negotiated and agreed upon by the parties hereto.
- 18. WAIVER OF SUBROGATION:** The Port and Lessee hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective fire insurance contracts, including any extended coverage endorsements thereto, PROVIDED, that this paragraph 18 shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of the Port or Lessee.
- 19. INCREASE IN COST OF INSURANCE:** Lessee shall not use the demised premises in such a manner as to increase the existing rates of insurance applicable to the buildings or structures of which the premises are a part. If it nevertheless does so, then, at the option of the Port, the full amount of any resulting increase in premiums paid by the Port with respect to the buildings or structures of which the leased premises are a part, and to the extent allocable to the term of this Lease, may be added to the amount of rental hereinabove specified and shall be paid by Lessee to the Port upon the monthly rental day next thereafter occurring.
- 20. HAZARDOUS SUBSTANCES WARRANTY AND AGREEMENT:** Lessee has examined the Hazardous Substance Warranty and Agreement, consisting of six (6) pages, which is attached as Exhibit "B" hereto and which by this reference is incorporated herein as fully set forth herein, and acknowledges full understanding of its obligations under said Hazardous Substances Warranty and Agreement.
- 21. TAXES:** Lessee shall be liable for, and shall pay throughout the term of this Lease, all license and excise fees and occupation taxes covering the business conducted on the premises, and all taxes on property of Lessee on the leased premises and any taxes on the leased premises or leasehold interest created by this Lease Agreement.
- 22. COMPLIANCE WITH PORT REGULATIONS AND WITH ALL LAWS:** Lessee agrees to comply with all applicable rules and regulations of the Port pertaining to the building or other realty of which the premises are a part now in existence or hereafter promulgated for the general safety and convenience of the Port, its various tenants, invitees, licensees and the general

public. Lessee also agrees to comply with all applicable federal, state, and municipal laws, ordinances, and regulations. Lessee further agrees that all buildings, structures or other improvements, approved by the Port, will be properly permitted by Jefferson County. Any fees for any inspection of the premises during or for the lease term by any federal, state or municipal officer and the fees for any so-called "Certificate of Occupancy" shall be paid by Lessee.

**23. ASSIGNMENT OR SUBLEASE:**

- a. Lessee shall not assign or transfer this Lease or any interest therein nor sublet the whole or any part of the premises, nor shall this Lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court, otherwise, without the written consent of the Port first had and obtained.
- b. If Lessee is a corporation, Lessee further agrees that if at any time during the term of this Lease more than one-half (1/2) of the outstanding shares of any class of stock of Lessee corporation shall belong to any stockholders other than those who own more than one-half (1/2) of the outstanding shares of that class of stock at the time of the execution of this Lease or to members of their immediate families, such change in the ownership of the stock of the Lessee shall be deemed an assignment of this Lease within the meaning of this paragraph.
- c. Lessee shall reimburse the Port, within thirty (30) days of presentment of a bill for attorney fees incurred by the Port regarding a consent to assignment for the purpose of obtaining a loan or other consideration from a third party.
- d. If the Port shall give its consent to any assignment or sublease, this paragraph shall nevertheless continue in full force and effect and no further assignment or sublease shall be made without the Port's consent.

- 24. DEFAULTS:** Time is of the essence of this Lease Agreement, and in the event of the failure of Lessee to pay the rentals or other charges at the time and in the manner herein specified, or to keep any of the covenants or agreements herein set forth to be kept and performed, the Port may elect to terminate this Lease and reenter and take possession of the premises with or without process of law, PROVIDED, however, that Lessee shall be given fifteen (15) days' notice in writing stating the nature of the default in order to permit such default to be remedied by Lessee within said fifteen (15) day period. If upon such reentry there remains any personal property of Lessee or of any other person upon the leased premises, the Port may, but without the obligation so to do, remove said personal property and hold it for the owners thereof or may place the same in a public garage or warehouse, all at the expense and risk of the owners thereof, and Lessee shall reimburse the Port for any expense incurred by the Port in connection with such removal and storage. The Port shall have the right to sell such stored property, without notice to Lessee, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, and third to the payment of any other amounts which may then be due from Lessee to the Port, and the balance, if any, shall be

paid to Lessee. Notwithstanding any such reentry, the liability of Lessee for the full rental provided for herein shall not be extinguished for the balance of the term of this Lease, and Lessee shall make good to the Port any deficiency arising from a re-letting of the leased premises at a lesser rental than that hereinbefore agreed upon. Lessee shall pay such deficiency each month as the amount thereof is ascertained by the Port. Any failure by the owners, officers, or principals of Lessee to pay rentals, storage fees, moorage or any other charges owed to the Port under separate contract shall constitute default under provisions of this Lease Agreement.

- 25. TERMINATION BY PORT:** In the event that the Port, at its sole discretion, shall require the use of the premises for any purpose for public or private use in connection with the operation of the business of the Port, then this Lease may be terminated by the Port by written notice delivered or mailed by the Port to the Lessee **sixty (60)** or more days before the termination date specified in the notice. The Lessee and the Port's Executive Director will agree to appropriate compensation to be provided Lessee for loss of use, cost of relocation, and/or cost of improvements. In the event that the parties are unable to reach agreement on the compensation to Lessee, the amount shall be determined by arbitration before a single arbitrator who shall be jointly selected by the parties or by the Jefferson County Court if the parties cannot agree.
- 26. TERMINATION FOR GOVERNMENT USE:** In the event that the United States Government or any agency or instrumentality thereof shall, by condemnation or otherwise, take title, possession or the right to possession of the premises or any part thereof, the Port may, at its option, terminate this Lease as of the date of such taking, and, if Lessee is not in default under any of the provisions of this Lease on said date, any rental prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.
- 27. TERMINATION BECAUSE OF COURT DECREE:** In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by the Port of any of its obligations under this Lease, then either party hereto may terminate this Lease by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the effective date of termination) shall thereupon terminate. If Lessee is not in default under any of the provisions of this Lease on the effective date of such termination, any rental prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.
- 28. SIGNS:** No signs or other advertising matter, symbols, canopies or awnings shall be attached to or painted or within the leased premises, including the windows and doors thereof, without the approval of the Executive Director of the Port first had and obtained. At the termination or sooner expiration of this Lease, all such signs, advertising matter, symbols, canopies or awnings attached to or painted by Lessee shall be removed by Lessee at its own

expense, and Lessee shall repair any damage or injury to the premises, and correct any unsightly condition, caused by the maintenance and removal of said signs, etc.

- 29. INSOLVENCY:** If Lessee shall file a petition in bankruptcy, or if Lessee shall be adjudged bankrupt or insolvent by any court, or if a receiver of the property of Lessee shall be appointed in any proceeding brought by or against Lessee, or if Lessee shall make an assignment for the benefit of creditors, or if any proceedings shall be commenced to foreclose any mortgage or any other lien on Lessee's interest in the premises or on any personal property kept or maintained on the premises by Lessee, the Port may at its option, terminate this Lease.
- 30. WAIVER:** The acceptance of rental by the Port for any period or periods after a default by Lessee hereunder shall not be deemed a waiver of such default unless the Port shall so intend and shall so advise Lessee in writing. No waiver by the Port of any default hereunder by Lessee shall be construed to be or act as a waiver of any subsequent default by Lessee. After any default shall have been cured by Lessee, it shall not thereafter be used by the Port as a ground for the commencement of any action under the provisions of paragraph 24 hereof.
- 31. PROMOTION OF PORT COMMERCE:** Lessee agrees that throughout the term of this Lease it will, insofar as practicable, promote and aid the movement of passengers and freight through facilities within the territorial limits of the Port. Lessee further agrees that all incoming shipments of commodities that it may be able to control or direct shall be made through facilities within the territorial limits of the Port if there will be no resulting cost or time disadvantage to Lessee.
- 32. SURRENDER OF PREMISES:** At the expiration or earlier termination of the term, Lessee shall surrender to the Port the possession of the premises and all improvements. Surrender or removal of fixtures, trade fixtures and improvements shall be as directed in paragraph 11 of this Lease on ownership of improvements at termination. Lessee shall leave the surrendered premises and any other property in broom-clean condition except as provided to the contrary in provisions of this Lease on maintenance and repair of improvements. All property that Lessee is required to surrender shall become the Port's property at termination of this Lease. All property that Lessee is not required to surrender but that Lessee does abandon shall, at the Port's election, become the Port's property at termination. If Lessee fails to surrender the premises at the expiration or sooner termination of this Lease, Lessee shall defend and indemnify the Port from all liability and expense resulting from the delay or failure to surrender, including, without limitation, claims made by any succeeding tenant founded on or resulting from Lessee's failure to surrender.
- 33. ATTORNEY'S FEES:** In the event that the Port shall be required to bring any action to enforce any of the provisions of this Agreement, or shall be required to defend any action brought by Tenant with respect to this Agreement, and if the Port shall be successful in such action,

Tenant shall, in addition to all other payments required herein, pay all of the Port's actual costs in connection with such action, including such sums as the court or courts may adjudge reasonable as attorney's fees in the trial court and in any appellate courts. This provision shall survive the termination of this Agreement.

- 34. HOLDING OVER:** Any holding over by the Lessee after the expiration of this Lease shall be construed as a tenancy at sufferance (unless such occupancy is with the written consent of the Port) in which event the Lessee will be a tenant from month to month, upon the same terms and conditions of this Lease, except at a rent for such holdover period of 125% of the rental rate in effect for the month preceding such holdover. Acceptance by the Port of rent after such termination shall not constitute a renewal.
- 35. ADVANCES BY PORT FOR LESSEE:** If Lessee shall fail to do anything required to be done by it under the terms of this Lease, except to pay rent, the Port may, at its sole option, do such act or thing on behalf of Lessee, and upon notification to Lessee of the cost thereof to the Port, Lessee shall promptly pay the Port the amount of that cost.
- 36. LIENS AND ENCUMBRANCES:** Lessee shall keep the leased premises free and clear of any liens and encumbrances arising or growing out of the use and occupancy of the said premises by Lessee. At the Port's request, Lessee shall furnish the Port with written proof of payment of any item that would or might constitute the basis for such a lien on the leased premises if not paid.
- 37. NOTICES:** All notices hereunder may be delivered or mailed. If mailed, they shall be sent by certified or registered mail to the following respective addresses:

To Lessor:

THE PORT OF PORT TOWNSEND  
P.O. Box 1180  
Port Townsend, Washington 98368  
360-385-0656

To Lessee:

MARINE RESOURCES CONSULTANTS, INC.  
Jim Norris  
P.O. Box 816  
Port Townsend, WA 98368  
360-301-9648 (cell)

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

- 38. JOINT AND SEVERAL LIABILITY:** Each and every party who signs this Lease, other than in a representative capacity, as Lessee, shall be jointly and severally liable hereunder.
- 39. "LESSEE" INCLUDES LESSEE, ETC.:** It is understood and agreed that for convenience the word "Lessee" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this Lease, regardless of the number, gender or fact of incorporation of the party who is, or of the parties who are, the actual Lessee or Lessee under this Lease Agreement.
- 40. CAPTIONS:** The captions in this Lease are for convenience only and do not in any way limit or amplify the provisions of this Lease.
- 41. SEVERABILITY:** If any term or provision of this Lease Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.
- 42. NON-DISCRIMINATION - SERVICES:** The Lessee agrees that it will not discriminate by segregation or otherwise against any person or persons because of race, creed, color, sex, sexual orientation, or national origin in furnishing, or by refusing to furnish, to such person, or persons, the use of the facility herein provided, including any and all services, privileges, accommodations, and activities provided thereby.

It is agreed that the Lessee's noncompliance with the provisions of this clause shall constitute a material breach of this Lease. In the event of such noncompliance, the Port may take appropriate action to enforce compliance, may terminate this Lease, or may pursue such other remedies as may be provided by law.

- 43. NON-DISCRIMINATION - EMPLOYMENT:** The Lessee covenants and agrees that in all matters pertaining to the performance of this Lease, Lessee shall at all times conduct its business in a manner which assures fair, equal and non-discriminatory treatment of all persons without respect to race, creed or national origin and, in particular:
- a. Lessee will maintain open hiring and employment practices and will welcome applications for employment in all positions from qualified individuals who are members of racial or other minorities, and
  - b. Lessee will comply strictly with all requirements of applicable federal, state or local laws or regulations issued pursuant thereto relating to the establishment of non-discriminatory requirements in hiring and employment practices and assuring the service of all patrons or customers without discrimination as to any person's race, creed, color, sex, sexual orientation, or national origin.

**44. LESSEE'S ACKNOWLEDGEMENT OF PRESENCE OF CERTAIN SUBSTANCES:** Lessee acknowledges that, because the buildings at Point Hudson were constructed many years ago, that they may contain asbestos, creosote, lead paint and other substances that would not be allowed in modern construction. The Port will comply with the directives of any lawful authority that may require the removal or remediation of such substances and will not use any such substances during the renovation or remodeling of the Point Hudson facility, but Lessee agrees not to demand the removal of any such substances which do not impose a hazard to the health of Lessee and its employees, guests and invitees. In the event that any such substances need to be removed from the leased premises, Lessee agrees to cooperate with the Port and allow the removal of such materials, including the temporary cessation of Lessee's business activities, Lessee's rent shall be abated during any such period of disruption, but Lessee shall not be entitled to any damages or compensation for business interruption or loss of revenue, PROVIDED the Port moves expeditiously to complete such activities.

**45. EASEMENTS:** The Parties recognize that the Port facilities are continuously being modified to improve the utilities and services used and provided by the Port. The Port or its agents shall have the right to enter the demised premises of the Lessee, and to cross over, construct, move, reconstruct, rearrange, alter, maintain, repair and operate the sewer, water, and drainage lines, and the electrical service, and all other services required by the Port for its use. The Port is hereby granted a continuous easement or easements that the Port believes is necessary within the lease premises of the Lessee, without any additional cost to the Port for the purposes expressed hereinabove; PROVIDED however, that the Port by virtue of such use does not permanently deprive the Lessee from its beneficial use or occupancy of its leased area.

In the event that the Port does permanently deprive the Lessee from such beneficial use or occupancy, then an equitable adjustment in rent or in the cost required to modify its premises to allow the Lessee to operate its business, will be negotiated and paid by the Port to the Lessee. In the event that such entry by the Port is temporary in nature, then the Port shall reimburse the Lessee for the cost required to modify its premises for the temporary period that the Lessee is inconvenienced by such Port entry. The Port will not be responsible to the Lessee for any reduced efficiency, or loss of business occasioned by such entry.

**46. ENTIRE AGREEMENT:** This Lease Agreement contains all of the understandings between the parties. Each party represents that no promises, representations or commitments have been made by the other as a basis for this Lease which have not been reduced to writing herein. No oral promises or representations shall be binding upon either party, whether made in the past or to be made in the future, unless such promises or representations are reduced to writing in the form of a modification to this Lease executed with all necessary legal formalities by the Commission of the Port of Port Townsend.

Lease Agreement dated this \_\_\_\_ day of \_\_\_\_\_, 2020 is hereby approved by the Port of Port Townsend, on this \_\_\_\_ day of \_\_\_\_\_, 2020 and effective upon the receipt of a deposit and liability insurance documentation from the Lessee.

THIS AGREEMENT HAS BEEN NEGOTIATED BETWEEN THE PARTIES AND CONTAINS A LIMITED WAIVER OF IMMUNITY UNDER TITLE 51 RCW, AN INDEMNIFICATION AND A RELEASE.

**LESSEE:**

By: \_\_\_\_\_  
James G. Norris, President  
MARINE RESOURCES CONSULTANTS, INC.

**ATTEST:**

**PORT OF PORT TOWNSEND**

**APPROVED AS TO FORM**

\_\_\_\_\_  
Eron Berg, Executive Director

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

STATE OF WASHINGTON     )  
  ) ss.  
COUNTY OF JEFFERSON     )

On this day before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared, JAMES G. NORRIS, to me known to be the PRESIDENT of MARINE RESOURCES CONSULTANTS, INC., and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument on behalf of the corporation.

GIVEN under my hand and official seal this \_\_\_\_ day of \_\_\_\_\_ 2020.

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of Washington,  
residing at Port Townsend

My commission expires: \_\_\_\_\_

STATE OF WASHINGTON     )  
  ) ss.  
COUNTY OF JEFFERSON     )

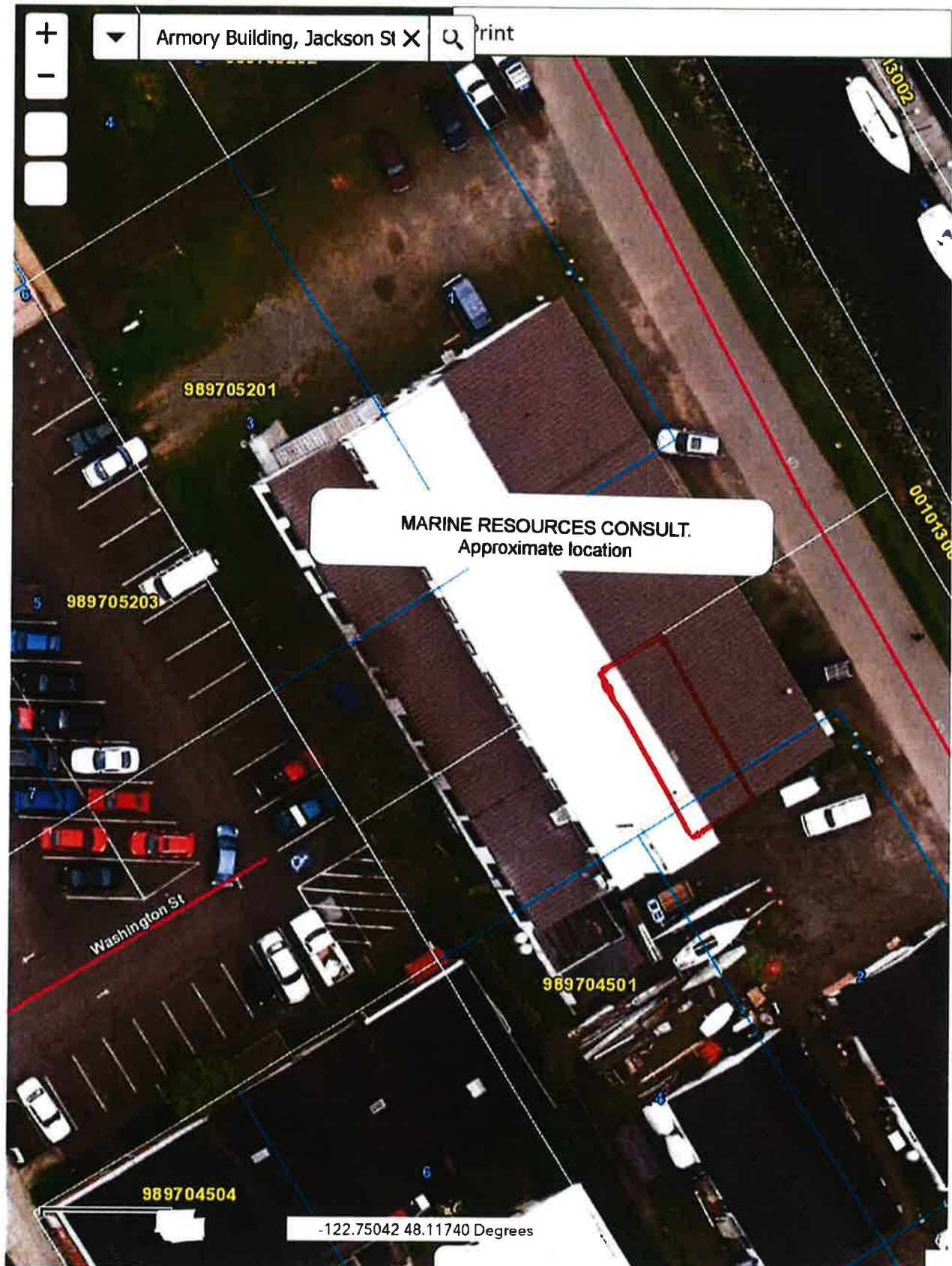
On this day before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared, ERON BERG, to me known to be the EXECUTIVE DIRECTOR of the PORT OF PORT TOWNSEND, and acknowledged the said instrument to be the free and voluntary act and deed of said port district, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument on behalf of the port district.

GIVEN under my hand and official seal this \_\_\_\_ day of \_\_\_\_\_ 2020.

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of Washington,  
residing at Port Townsend

My commission expires: \_\_\_\_\_

MARINE RESOURCES CONSULTANTS  
EXHIBIT 'A'





<b>MEETING DATE</b>	September 9, 2020
<b>AGENDA ITEM</b>	<input checked="" type="checkbox"/> Consent <input type="checkbox"/> 1 <sup>st</sup> Reading <input type="checkbox"/> 2 <sup>nd</sup> Reading <input type="checkbox"/> Regular Business <input type="checkbox"/> Informational
<b>AGENDA TITLE</b>	IV. Consent Agenda, D. (GSA) US Customs & Border Protection Lease Extension - Amendment No. 6
<b>STAFF LEAD</b>	Eric Toews, Deputy Director
<b>REQUESTED</b>	<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Action <input type="checkbox"/> Discussion <input type="checkbox"/> Information
<b>ATTACHMENTS</b>	<p>A. Info Memo</p> <p>B. GSA Lease Amendment #6 for US Customs &amp; Border Protection Lease No. GS-10B-07296, Bldg. No. WA8032</p> <p>C. Page 1 of the 2011 Lease No. GS-10B-07296, showing original paragraphs, for reference.</p>

**DATE:** 9/2/2020  
**TO:** Port Commission  
**FROM:** Sue Nelson, Lease & Contracts Administrator  
**SUBJECT:** (GSA) US Customs & Border Protection Lease Amendment No. 6

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**ISSUE**

GSA has requested a lease extension of the US Customs and Border Protection Lease No, GS-10B-07296 and asked for a new rent proposal.

**BACKGROUND**

US Customs has been a tenant in the southern end of the building that also houses WA Department of Fish & Wildlife since 2011.

**DISCUSSION**

The current US Customs lease ends on December 20, 2022. The GSA office has asked to amend the lease to provide a five (5)-year extension from December 21, 2022 through December 20, 2027. Staff proposed a 5% rate increase (maximum per Port Lease Policy) on the shell rent, with annual rent escalations. The proposed annual rate would be \$37,873.49, or \$3,156.13 monthly, which GSA accepted. The leased space consists of 1,770 square feet, plus four parking spaces.

**RECOMMENDATION**

Authorize the Executive Director to execute the attached Amendment No. 6.

**ATTACHMENTS**

- A. GSA Lease Amendment No. 6 for US Customs and Border Protection Lease No. GS-10B-07296
- B. Page 1 of GSA lease dated July 11, 2011, for comparison of paragraph changes as noted in Amendment No. 6.

<b>GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE</b>  <b>LEASE AMENDMENT</b>	LEASE AMENDMENT No. 6
	TO LEASE NO. GS-10B-07296 BLDG NO. WA8032
ADDRESS OF PREMISES Port Administration Building 375 Hudson Street Port Townsend, WA 98368-5614	PDN Number: N/A

**THIS AMENDMENT** is made and entered into between Port of Port Townsend

whose address is: 2701 Jefferson St.  
Port Townsend, WA 98368-4636

hereinafter called the Lessor, and the **UNITED STATES OF AMERICA**, hereinafter called the Government:

**WHEREAS**, the parties hereto desire to amend the above Lease to add and exercise a five year priced renewal.

NOW THEREFORE, these parties for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, covenant and agree that the said Lease is amended, effective December 20, 2022 as follows: Paragraphs 2, 3, and 4 are hereby deleted in their entirety and replaced below. Paragraph 5 is hereby deleted in its entirety. Paragraph 7 is re-titled to "Documents Incorporated in the Lease" and further amended to add and incorporate Exhibit D - General Clause Addendum FAR 52.204-25 into the Lease. The provisions of FAR 52.232-33 Payment By Electronic Funds Transfer – System for Award Management (JUL 2013) are hereby added and incorporated into the Lease by reference.

2. To have and to hold the said premises with their appurtenances for the term December 21, 2012 – December 20, 2027, subject to termination rights as are hereinafter set forth.

3. The Government shall pay the Lessor annual rent per the table below, per month in arrears. Rent shall be paid to Lessor by electronic funds transfer (EFT) in accordance with the provisions of the General Clauses. Rent shall be payable using the EFT information contained in the System for Award Management (SAM). In the event the EFT

This Lease Amendment contains 2 pages and Exhibit D (4 pages).

All other terms and conditions of the lease shall remain in force and effect.  
IN WITNESS WHEREOF, the parties subscribed their names as of the below date.

**FOR THE LESSOR:**

**FOR THE GOVERNMENT:**

\_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Entity: \_\_\_\_\_  
 Date: \_\_\_\_\_

\_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: Lease Contracting Officer  
 General Services Administration, Public Buildings Service  
 Date: \_\_\_\_\_

**WITNESSED FOR THE LESSOR BY:**

\_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

information changes, the Lessor shall be responsible for providing the updated information to SAM. Failure by the Lessor to maintain an active registration in SAM may result in delay of rental payments until such time as the SAM registration is activated.

	12/21/2022 – 12/20/2027
	Annual Rent
Shell Rent	\$32,121.60
Operating Rent <sup>1</sup>	\$5,751.89
Total Annual Rent	\$37,873.49

<sup>1</sup>Operating rent does not include CPI adjustments beyond December 2019.

4. The Government may terminate this Lease on or after December 21, 2017 by giving at least 90 days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

5. ~~This Lease has no renewal options.~~ INTENTIONALLY DELETED

7. DOCUMENTS INCORPORATED IN THE LEASE is amended to add:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FAR 52.204-25 and GSAR 552.204-70 General Clause Addendum to the Lease	4	D

**ALL OTHER TERMS AND CONDITIONS OF THE LEASE SHALL REMAIN IN FULL FORCE AND EFFECT.**

LESSOR: \_\_\_\_\_ GOVERNMENT: \_\_\_\_\_

Lease Amendment Form  
REV (12/12)

CCR# 1PQV6

STANDARD FORM 2  
FEBRUARY 1965  
EDITION  
GENERAL SERVICES  
ADMINISTRATIONUS GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE

JUL 11 2011

LEASE NO.

GS-10B-07296

RECEIVED

JUL 14 2011

PORT OF PORT TOWNSEND  
ADMINISTRATION OFFICETHIS LEASE, made and entered into this date by and between **PORT OF PORT TOWNSEND**Whose address is 375 HUDSON ST  
PORT TOWNSEND, WA 98368-4629and whose interest in the property hereinafter described is that of **OWNER**hereinafter called the Lessor, and the **UNITED STATES OF AMERICA**, hereinafter called the Government:

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

A total of 1,600 rentable square feet (RSF) of office and related space, which yields 1,473 ANSI/BOMA Office Area square feet (USF) of space at Port Administration Building, 375 Hudson Street, Port Townsend, WA 98368 to be used for such purposes as determined by the General Services Administration. Included in the rent at no additional cost to the Government are 4 parking spaces (2 GOV spaces and 2 visitor spaces) valued at \$100.00 per month for exclusive use of Government employees and patrons.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on beneficial occupancy and continuing for ten (10) years, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$42,208.00 at the rate of \$3,517.33 per month in arrears for years 1 - 5 and \$35,792.00 at the rate of \$2,982.67 per month in arrears for years 6 - 10.

Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

PORT OF PORT TOWNSEND  
PO BOX 1180  
PORT TOWNSEND, WA 98368-0980

4. The Government may terminate this lease at any time on or after year five (5) by giving at least 90 days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

5. This lease has no renewal options.

6. The Lessor shall furnish to the Government, as part to the rental consideration, the following:

A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 9WA2259 dated December 23, 2010.

B. Build out in accordance with standards set forth in SFO 9WA2259 dated December 23, 2010, and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations to be completed by the lease effective date identified under Paragraph 2 above. Lease term to be effective on date of occupancy, if different from the date identified in Paragraph 2. The Lessor hereby waives restoration.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR

PORT OF PORT TOWNSEND

BY



(Signature)

Executive Director

(Title)

IN PRESENCE OF



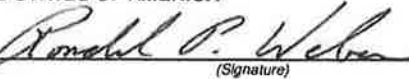
(Signature)

P.O. Box 1180 Port Townsend WA 98368-0980

(Address)

UNITED STATES OF AMERICA

BY



(Signature)

Contracting Officer, General Services Administration

(Official Title)

# PORT OF PORT TOWNSEND

## AGENDA COVER SHEET

<b>MEETING DATE</b>	September 9, 2020
<b>AGENDA ITEM</b>	<input type="checkbox"/> Consent <input type="checkbox"/> 1 <sup>st</sup> Reading <input type="checkbox"/> 2 <sup>nd</sup> Reading <input checked="" type="checkbox"/> Regular Business <input type="checkbox"/> Informational
<b>AGENDA TITLE</b>	VII.A. COVID-19 Model Update
<b>STAFF LEAD</b>	Eron Berg, Executive Director & Abigail Berg, Director of Finance
<b>REQUESTED</b>	<input checked="" type="checkbox"/> Information <input type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion
<b>ATTACHMENTS</b>	<ol style="list-style-type: none"> <li>1. Staff Memo</li> <li>2. COVID-19 Projections with July Actuals</li> </ol>

**DATE:** 9/9/2020  
**TO:** Commission  
**FROM:** Eron Berg, Executive Director & Abigail Berg, Finance Director  
**SUBJECT:** COVID-19 pandemic update, fiscal impact & updated 2020 budget

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### **ISSUES**

1. Provide the Commission with an update on the Port's response to the COVID-19 pandemic.
2. Update the Commission on the COVID-19 Model.
3. Should the Commission approve the updated 2020 budget/COVID-19 Model?

### **BACKGROUND**

This is the tenth memo providing updated information related to the COVID-19 pandemic, its impact on Port operations and the Port's response. No additional emergency orders have been issued in months. In addition to updates to the items mentioned in the prior COVID-19 memos, the primary purpose of this memo is to provide the Commission with information related to possible fiscal impacts of this pandemic on the Port, details on actions already taken and to discuss additional planned actions for 2020.

### **DISCUSSION**

Brief updates since August 12, 2020 report:

1. Jefferson County is still in Phase 2 with Phase 3 pending approval by the state which is on hold indefinitely due to the spike in COVID cases statewide.
2. The Port's restroom facilities remain closed to the general public. There is additional cleaning and pumping of the previously added porta-potties near the ramps at Boat Haven and at Point Hudson. The port has received a request to reopen the restrooms in the yard, near the Larry Scott Trail, but they also remain closed at this time due to the additional costs and time required to maintain tenant restrooms (we estimate it would take 14 hours of overtime per week to reopen those restrooms to the public). Restrooms at Quilcene are open to the public during daytime hours only, 8:00-5:00; a porta-potty is located at Quilcene to serve the closed hours.
3. Consistent with the Jefferson County health officer's directives, meetings of the Port commission remain via Zoom until further notice.

We continue to work with our governmental collaborators with the chief appointed officers of the county, city, PUD and port meeting weekly. The fourth meeting of the Intergovernmental Collaboration Committee will be held on September 24<sup>th</sup> to hear initial presentations from the community groups, review draft strategies, projects and initiatives that specifically highlight areas of overlap and intersection between and among the groups.

### **COVID-19 MODEL UPDATE**

Staff are not proposing any updates to the assumptions from the model since it was last updated on July 2<sup>nd</sup> and presented to you on July 8<sup>th</sup>. Last month the format of the model was updated to include all Port

cash and investments with reserved and unreserved funds detailed on the last page; this month, the model also includes the Line of Credit proceeds (LOC), the LOC repayment, and a reduction due to FAA grant receipts due to the anticipated timing of grant close-out in 2021 . The model with actual activity for July is attached.

**MODERATE RECOVERY  
ASSUMPTIONS  
JULY 2, 2020**

**PTBH**

- Reduce perm moorage by 10% Apr-May
- Reduce nightly guest by 40% Apr-May; decrease additional \$40,000, June-September

**YARD**

- Reduce 2020 yard overall by 40% Apr-May
- Reduce 2020 yard overall by 20% June
- Reduce shipyard lay-days by trade with Shipwrights' Coop

**PT HUDSON**

- Reduce perm moorage by 10% Apr-May
- Reduce moorage nightly by 100% Apr-May
- Reduce moorage nightly by ~90% June
- Reduce moorage nightly by 50% July-Dec
- Reduce City Pier & Union Wharf Usage & Passenger Fees by 90% (June-Dec)
- Reduce bldg. leases by 25% (Apr-Dec)
- Reduce RV nightly - 100% Apr-May
- Reduce RV nightly - 50% June
- Reduce RV nightly - 25% July-Dec

**PTBH PROP**

- Restored revenue to budget as indicated by actuals.

**RAMPS**

- Reduce by 50% Apr-May; 25% June-Dec

Revenue decreases from this scenario totaled \$552,724 (updated September 3, 2020) when compared to the adopted budget. This improved from June YTD numbers by \$130,872.

As this model has become the vehicle of tracking updated budgeting for the Port this year, additions to the model include \$30,000 for software and approximately \$27,000 in increased personnel costs for the proposed part time capital projects manager.

## EXECUTIVE SUMMARY OF UPDATED COVID-19 MODEL WITH JULY ACTUALS

	Adopted Bdgt	note	YTD Actual & Covid-19 Projections		note
			Aug. 12th report	Sept. 9th report	
			(June YTD Actuals)	(July YTD Actuals)	
Revenues	6,389,249	a	5,705,653	5,836,525	b
Expenses	5,114,823		4,893,253	4,916,992	
Net Revenue	1,274,426		812,400	919,533	
Other Incr. in Cash	4,620,290		6,477,309	7,668,335	
Other Decr. In Cash	5,235,088		6,922,370	8,757,283	
Net Other Incr./Decr. In Cash	(614,798)		(445,061)	(1,088,948)	c
<b>Increase/(Decrease) in Cash</b>	<b>659,628</b>		<b>330,365</b>	<b>(309,035)</b>	<b>b, c</b>
Est. Ending Unreserved Cash	1,830,180		2,119,397	1,873,823	d
Est. Ending Reserved Cash - IDD	-		265,732	83,732	
Est. Ending Reserved Cash - Other	1,062,234		1,063,275	1,063,275	
total Est. Ending Cash	2,892,414		3,448,404	3,020,830	

### Notes:

(a) The IDD Levy passed subsequent to the 2020 Adopted Budget, so that amount is not reflected in the first column, but is included in the YTD Actual columns.

(b) The increase from June to July is due to added data, specifically, the Line of Credit (LOC) proceeds, which is off-set somewhat from moving approximately 10% of FAA grant funds to 2021 as the close-out process isn't likely to be complete until then, at which point the Port will be paid the final 10%.

(c) The increase from June to July is due to more data added to the projections, namely the Line of Credit repayment, Taxes Remitted and a slight increase in Capital. The Taxes Remitted will continue to increase through year end since this line is a new item as part of the Cash reporting format (and therefore, was not budgeted). For the most part, it is directly off-set by the "Taxes Collected" though there can be a timing lag.

(d) In the July updated model, we increased the use of IDD funds for the Point Hudson Jetty.

### FISCAL IMPACT

As discussed herein.

### ATTACHMENTS

1. COVID-19 model, updated September 3, 2020

### RECOMMENDATIONS

1. Motion to approve the updated 2020 budget/COVID-19 model.

Updated 2020 Budget Projections for Covid-19 Pandemic

Includes July Activity, prepared August 3, 2020

Beginning Cash \$ 3,298,283

	Actual Jan-20	Actual Feb-20	Actual Mar-20	Actual Apr-20	Actual May-20	Actual Jun-20	Budget Jul-20	Actual Jul-20	Budget Aug-20	Budget Sep-20	Budget Oct-20	Budget Nov-20	Budget Dec-20	Total Adopted Budget 2020	total Actual & Remaining Budget	Over (Under) Budget
Revenues																
PTBH - Perm Moorage	109,624	88,735	97,765	96,406	108,979	102,605	93,742	100,636	93,373	95,020	97,749	97,880	97,874	1,169,496	1,186,645	17,149
PTBH - Liveaboard Fee	2,004	1,724	1,924	1,924	2,405	2,886	2,229	2,886	2,229	2,229	2,229	2,061	2,061	24,749	26,560	1,811
PTBH - Work Flt/Lift Pier	463	363	52	151	-	-	750	114	750	750	750	750	750	9,000	4,893	(4,107)
PTBH - Monthly Guest	20,977	17,780	17,103	15,349	25,235	35,724	33,065	25,955	32,379	32,154	31,924	25,540	22,347	343,803	302,468	(41,335)
PTBH - Nightly Guest	7,949	6,876	9,917	3,875	9,451	22,926	38,831	45,508	35,020	36,050	12,566	6,489	6,489	232,883	203,117	(29,766)
PTBH - Nightly Guest - Est. Decr.	-	-	-	-	-	-	(14,000)	-	(14,000)	(14,000)	(4,000)	(4,000)	(4,000)	-	(40,000)	(40,000)
PTBH - Misc. Revenue	950	800	1,101	1,314	1,110	750	1,200	1,600	1,200	1,100	1,000	1,000	950	14,500	12,875	(1,625)
PTBH - Port Labor	-	-	-	-	-	-	-	67	-	-	-	-	-	-	67	67
PTBH - Showers	603	608	693	667	790	972	1,250	669	1,250	1,250	1,050	850	600	11,200	10,002	(1,198)
PTBH - Restroom Fobs	65	10	45	25	25	40	200	30	100	100	100	50	50	1,000	640	(360)
PTBH - Laundry	378	421	490	247	545	710	750	616	750	650	550	550	300	6,350	6,206	(144)
PTBH - Promo Sales	16	16	16	12	-	-	75	16	50	50	50	50	50	650	326	(324)
PTBH - Electric	13,308	3,073	9,505	8,578	9,154	7,784	8,300	8,741	7,100	6,300	6,500	8,700	9,300	106,600	98,043	(8,557)
PT Boat Haven Moorage	156,336	120,407	138,609	128,548	157,693	174,397	166,392	186,839	160,201	161,653	150,468	139,920	136,771	1,920,231	1,811,842	(108,389)
Yard - Liveaboard Fee	233	314	156	160	401	80	77	160	77	77	77	77	77	924	1,889	965
Yard - Miscellaneous Revenue	(1,800)	6	61	50	-	-	373	-	373	373	373	373	377	4,480	186	(4,294)
Yard - WY Port Labor	-	-	-	-	-	-	-	-	-	-	400	250	250	3,500	900	(2,600)
Yard - SY Port Labor	600	-	465	-	800	-	-	400	-	-	500	300	-	4,500	3,065	(1,435)
Yard - Enviro Clean Up	-	-	2,210	-	200	400	-	-	-	-	-	-	-	-	2,810	2,810
Yard - Wrk Yard Enviro Fee	3,868	3,789	4,977	4,306	4,185	2,745	4,360	2,699	4,260	4,560	4,300	4,800	4,006	51,306	48,495	(2,811)
Yard - Ship Yard Enviro Fee	1,391	1,250	696	1,428	2,361	1,243	-	1,419	-	1,500	2,900	4,100	-	16,932	18,288	1,356
Yard - 70/75 Ton Hoist Revenue	11,920	19,111	19,875	15,341	21,271	42,868	30,892	35,817	28,140	27,237	35,946	17,068	14,574	334,479	289,168	(45,311)
Yard - 300 Ton Hoist Revenue	23,413	19,354	12,888	25,035	22,207	17,218	16,533	6,686	13,335	15,540	14,285	10,915	11,524	200,291	192,399	(7,892)
Yard - Washdown Revenue	4,826	3,588	6,337	6,689	7,926	11,050	7,000	9,261	5,900	8,684	10,300	5,800	5,500	86,684	85,862	(822)
Yard - Bilge Water Revenue	36	20	487	789	1,379	66	-	2	428	625	725	563	461	6,480	5,581	(899)
Yard - Work Yard Revenue	42,825	40,938	52,897	42,171	36,075	59,989	49,140	63,268	54,720	54,720	45,004	40,554	37,583	580,687	570,743	(9,944)
Yard - Ship Yard Revenue	31,484	25,577	33,752	25,041	34,097	27,909	13,915	43,741	18,325	37,435	46,045	47,523	39,723	419,824	410,651	(9,173)
Yard - L/T Storage	6,868	3,248	5,167	5,325	11,380	6,233	6,317	6,147	6,317	6,317	6,317	6,317	6,317	75,804	75,953	149
Yard - Blocking Rent	3,204	2,375	3,428	3,018	2,884	3,819	2,425	2,694	2,000	5,200	5,275	5,200	5,230	56,430	44,327	(12,103)
Yard - Off Port Property Tarp Fee	140	-	444	424	36	423	125	640	125	125	125	125	125	1,500	2,732	1,232
Yard - WY Electric	2,678	2,357	3,624	2,765	2,470	3,259	2,550	3,479	2,400	2,400	2,550	2,550	2,640	31,980	33,172	1,192
Yard - SY Electric	3,762	2,285	4,172	3,375	9,183	3,067	1,460	3,061	1,280	2,680	3,560	4,380	4,300	43,040	45,105	2,065
Yard - Coop space - Est. Decr.	-	-	-	-	-	-	(2,222)	-	(2,222)	(2,222)	(2,222)	(2,222)	(2,222)	-	(11,110)	(11,110)
Yard Operations	135,449	124,212	151,636	135,917	156,855	180,368	132,945	179,473	135,458	165,251	176,460	148,673	130,465	1,918,841	1,820,217	(98,624)
Pt Hudson - Permanent Moorage	10,594	9,480	10,477	9,733	12,587	11,634	12,965	13,949	12,739	12,603	12,322	12,322	11,250	145,557	139,690	(5,867)
Perm Moorage Est. Decrease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pt Hudson - Liveaboard Fee	922	1,022	922	882	543	18	-	-	-	-	772	772	772	6,084	6,624	540
Pt Hudson - Monthly Guest	15,955	15,825	15,331	14,652	12,554	3,010	695	3,070	695	695	14,665	15,911	15,911	114,876	128,273	13,397
Pt Hudson - Nightly Guest	1,122	2,807	3,590	310	1,322	27,019	52,197	50,257	50,632	32,231	5,617	3,481	2,696	222,908	181,085	(41,823)
PH - Nightly Guest Est. Decr.	-	-	-	-	-	-	(26,099)	-	(25,316)	(16,116)	(2,809)	(1,741)	(1,348)	-	(47,329)	(47,329)
PH - City Pier/Union Wharf Usage	-	-	-	-	-	272	2,892	999	2,574	2,636	4,041	-	-	19,975	10,522	(9,453)
PH - City Pier/Union Wharf Est. Decr.	-	-	-	-	-	-	(2,603)	-	(2,317)	(2,372)	(3,637)	-	-	-	(8,326)	(8,326)
Pt Hudson - Monthly RV	10,650	6,894	7,363	7,095	10,156	-	-	(212)	-	-	5,203	7,924	8,535	68,604	63,608	(4,996)

	Actual Jan-20	Actual Feb-20	Actual Mar-20	Actual Apr-20	Actual May-20	Actual Jun-20	Budget Jul-20	Actual Jul-20	Budget Aug-20	Budget Sep-20	Budget Oct-20	Budget Nov-20	Budget Dec-20	Total Adopted Budget 2020	total Actual & Remaining Budget	Over (Under) Budget
Monthly R.V. Est. Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pt Hudson - Nightly RV	8,694	10,328	8,589	126	-	20,043	61,584	53,091	59,786	47,744	37,039	14,885	9,812	382,726	270,137	(112,589)
PH - Nightly RV Est. Decr.	-	-	-	-	-	-	(15,396)	-	(14,947)	(11,936)	(9,260)	(3,721)	(2,453)	-	(42,317)	(42,317)
Pt Hudson - Kayak Racks	862	629	1,014	1,322	1,210	1,682	1,207	1,278	920	758	758	758	867	11,869	12,058	189
Pt Hudson - Reservation Fee	2,602	2,706	269	(1,646)	246	3,673	6,760	7,094	5,720	3,270	3,290	2,050	1,930	43,150	31,204	(11,946)
Pt Hudson - Showers	415	300	598	514	364	498	1,030	681	1,020	904	736	563	552	8,740	7,142	(1,598)
Pt Hudson - Laundry	953	688	970	808	665	628	1,461	813	1,377	964	928	651	686	11,302	10,130	(1,172)
Pt Hudson - Passenger Fee	-	-	-	-	-	-	3,650	-	3,230	2,252	1,346	-	-	17,002	6,828	(10,174)
PH - Passenger Fee Est. Decr.	-	-	-	-	-	-	(3,285)	-	(2,907)	(2,027)	(1,211)	-	-	-	(6,145)	(6,145)
Pt Hudson - Promo Sales	12	45	48	-	-	92	150	86	150	150	50	50	-	950	683	(267)
Pt Hudson - Misc. Revenue	272	18	-	12	-	61	200	-	200	200	(100)	100	100	1,700	862	(838)
Pt Hudson - Enviro Clean up	-	-	-	212	-	-	-	-	-	-	-	-	-	-	212	212
Pt Hudson - Leases	32,638	29,959	30,462	26,949	27,094	34,956	32,237	30,012	32,237	32,237	32,237	32,237	32,236	386,843	373,255	(13,588)
PH - Lease Est. Decr.	-	-	-	-	-	-	(8,059)	-	(8,059)	(8,059)	(8,059)	(8,059)	(8,059)	-	(40,296)	(40,296)
Pt Hudson - Parking	223	241	109	55	110	180	2,200	688	2,800	750	-	-	-	10,150	5,154	(4,996)
Pt Hudson - Event Facility Rev	536	-	-	(200)	-	(50)	600	-	700	26,900	500	250	50	30,700	28,686	(2,014)
PH - Event Facility Est. Decr.	-	-	-	-	-	-	(600)	-	(700)	(26,900)	(500)	(250)	(50)	-	(28,400)	(28,400)
Pt Hudson - Property Utility Reim	2,886	954	3,812	1,528	954	4,399	3,500	1,182	3,300	3,500	3,600	3,600	3,600	42,500	33,315	(9,185)
Pt Hudson - Electric	2,582	759	2,347	2,062	2,492	3,299	4,500	5,439	4,500	2,950	2,450	2,450	2,610	34,810	33,940	(870)
Point Hudson Marina, RV & Prop	91,916	82,653	85,900	64,413	70,296	111,414	131,786	168,427	128,335	103,334	99,978	84,233	79,697	1,560,446	1,170,596	(389,850)
PTBH Prop - Leases	54,061	47,329	51,764	38,224	75,584	55,137	46,031	60,713	46,031	46,031	46,031	46,031	46,031	552,371	612,966	60,595
PTBH Prop - Storage Units	898	898	588	806	762	517	741	455	693	550	560	650	650	8,280	8,026	(254)
PTBH Prop - Fuel Dock Lease	1,192	904	1,039	1,209	875	2,683	2,700	2,209	2,500	2,300	2,300	1,600	1,000	20,000	19,809	(191)
PTBH Prop - Electric	150	(13)	538	86	524	485	201	699	310	200	150	200	200	2,800	3,530	730
PTBH Prop - Stormwater Fees	1,086	929	953	966	1,092	1,028	650	1,084	650	650	650	650	650	7,800	10,388	2,588
PTBH Prop - Other Util, Wtr, Swr, Garbg	1,684	230	1,169	2,023	1,994	1,975	2,116	1,769	2,116	2,116	2,116	2,120	2,120	25,400	21,433	(3,967)
PT Boat Haven Properties	59,070	50,276	56,051	43,314	80,831	61,825	52,439	66,929	52,300	51,847	51,807	51,251	50,651	616,651	676,152	59,501
Quilcene - Permanent Moorage	3,527	3,230	3,358	4,144	3,499	6,937	5,533	6,238	5,922	4,824	4,157	3,200	2,842	49,222	51,878	2,656
Quilcene - Liveaboard Fee	340	160	240	381	441	240	78	240	78	78	78	78	78	936	2,434	1,498
Quilcene - Nightly Moorage	77	22	-	-	229	497	775	648	1,000	260	65	50	(50)	3,645	2,797	(848)
Quilcene - Showers	420	280	150	340	450	250	400	255	400	300	250	200	170	3,074	3,465	391
Quilcene - Reservations	99	22	-	-	-	132	80	55	50	20	-	-	-	700	378	(322)
Quilcene - Misc Revenue	-	-	-	-	-	-	40	31	50	45	-	-	-	215	126	(89)
Quilcene - Lease	5,324	5,324	5,106	5,543	-	10,430	5,308	10,649	5,308	5,308	5,308	5,308	5,308	63,694	68,915	5,221
Quilcene - Fuel Sales	1,197	-	445	1,152	822	-	2,041	-	2,712	2,400	2,170	1,350	700	19,500	12,948	(6,552)
Quil - Fuel Sales Est. Decr.	-	-	-	-	-	-	(2,041)	317	(2,712)	(2,400)	(2,170)	(1,350)	(700)	-	(9,015)	(9,015)
Quilcene - Recreatl Ramp Fees	384	320	196	233	1,630	2,884	1,489	2,276	1,580	1,270	170	100	100	10,470	11,143	673
Quil - Recreatl Ramp Fee Est. Decr.	-	-	-	-	-	-	(1,442)	1,442	(790)	(635)	(85)	(50)	(50)	-	(1,610)	(1,610)
Quilcene - Commercial Use Fees	-	-	-	-	1,200	-	800	-	-	200	-	-	-	3,000	1,400	(1,600)
Quilcene - Water	1,058	296	921	1,089	-	1,989	1,200	2,412	1,200	1,200	1,200	1,200	1,200	14,400	13,766	(634)
Quilcene - Electric	371	99	347	301	343	586	144	162	107	75	75	75	75	1,189	2,616	1,427
Quilcene Marina & Property	12,797	9,754	10,764	13,181	8,613	22,505	15,103	24,725	14,905	12,945	11,218	10,161	9,673	170,045	161,241	(8,804)
Ramp Fees	3,810	4,450	2,699	315	5,138	7,957	8,662	11,970	2,760	2,200	1,398	1,000	200	43,700	43,897	197
Ramp Fees Est. Decr.	-	-	-	-	-	-	(2,166)	-	(690)	(550)	(350)	(250)	(50)	-	(1,890)	(1,890)
Ramps: Failure to Pay	-	-	(30)	-	-	-	-	-	-	-	-	-	-	-	(30)	(30)
Ramps - Commercial Use Fees	-	-	-	-	200	2,183	1,800	-	600	1,000	1,000	-	-	5,600	4,983	(617)
Ramps - Dinghy Float Revenue	26	300	-	150	-	-	200	564	150	100	50	-	-	2,000	1,340	(660)
Ramp Use	3,836	4,750	2,669	465	5,338	10,140	8,497	12,534	2,820	2,750	2,099	750	150	51,300	48,301	(2,999)
JCIA - Misc. Revenue	-	-	-	-	-	-	8	-	8	8	8	8	8	100	42	(58)

	Actual Jan-20	Actual Feb-20	Actual Mar-20	Actual Apr-20	Actual May-20	Actual Jun-20	Budget Jul-20	Actual Jul-20	Budget Aug-20	Budget Sep-20	Budget Oct-20	Budget Nov-20	Budget Dec-20	Total Adopted Budget 2020	total Actual & Remaining Budget	Over (Under) Budget
JCIA - Leases	9,429	8,954	9,177	9,126	9,443	9,040	9,371	8,999	9,371	9,371	9,371	9,371	9,371	112,452	111,022	(1,430)
JCIA - Hangar Rentals	2,713	2,137	2,492	3,126	2,522	2,521	2,681	2,542	2,681	2,681	2,681	2,681	2,684	32,175	31,461	(714)
JCIA - Vehicle Parking	206	-	-	32	-	-	85	200	85	85	45	45	35	720	733	13
JCIA - Aircraft Parking	399	55	33	416	116	24	350	248	250	151	50	50	50	1,476	1,842	366
JCIA - Fuel Lease	96	83	-	291	169	-	343	(8)	343	200	200	200	175	3,165	1,748	(1,417)
JCIA - Electric	205	-	-	539	5	71	105	69	124	75	80	80	80	1,647	1,328	(319)
JCIA Operations	13,048	11,228	11,702	13,530	12,254	11,656	12,943	12,049	12,862	12,571	12,435	12,435	12,403	151,735	148,175	(3,560)
Total Operating Revenues	472,453	403,280	457,331	399,368	491,881	572,306	520,105	650,976	506,881	510,351	504,465	447,423	419,810	6,389,249	5,836,525	(552,724)
Operating Expenses																
Salaries & Wages	186,128	169,397	84,409	302,731	184,382	189,602	186,694	186,053	186,694	186,700	184,348	183,134	183,103	2,262,501	2,226,681	(35,821)
Maint in Capital (loaded)	-	-	-	-	-	-	(2,000)	-	(1,000)	(17,286)	(34,572)	(17,286)	-	-	(70,144)	(70,144)
Payroll Taxes	19,956	17,789	9,116	31,476	18,957	19,848	19,540	20,062	19,540	19,539	18,350	18,153	18,185	229,387	230,970	1,583
Employee Benefits	-	64,363	67,993	71,425	73,682	141,825	66,576	67,656	66,577	66,578	65,207	64,694	64,423	741,251	814,423	73,172
Uniform Expense	1,046	2,566	481	348	-	-	712	213	712	712	712	702	712	8,650	8,201	(449)
Contract Services	37,173	20,745	10,575	17,192	23,318	11,930	26,043	14,950	35,393	22,305	20,302	21,802	21,331	257,016	257,016	(0)
Consulting Services	-	-	-	-	-	-	2,500	-	10,000	5,000	2,500	2,500	5,000	40,000	25,000	(15,000)
Legal Services	129	2,667	1,980	-	3,724	1,265	8,333	2,998	8,333	8,333	8,333	8,333	8,337	100,000	54,431	(45,569)
Use of In-House Counsel	-	-	-	-	-	-	(4,778)	-	(4,778)	(4,778)	(4,778)	(4,778)	(4,778)	-	(23,890)	(23,890)
Audit Services	-	-	-	-	-	-	-	-	-	-	13,200	2,000	2,000	17,200	17,200	-
Insurance	-	228	-	-	971	-	-	-	239,188	73,333	-	-	-	298,396	313,720	15,324
Office/Computer Supplies	790	251	867	86	494	32	900	254	-	-	500	-	-	3,000	3,274	274
Operating Supplies	1,204	5,441	4,208	4,319	2,487	11,362	4,694	3,337	14,096	9,630	8,963	5,758	4,511	90,000	75,316	(14,684)
Enviro Material/Supplies	-	-	-	8,612	2,694	3,362	-	5,361	-	3,000	-	-	-	2,500	23,028	20,528
Tarp Pool Expense	-	3,411	5,010	-	-	5,039	-	-	3,152	2,000	2,500	1,000	-	22,500	22,112	(388)
Tarp Pool Est. Decrease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Emp Recog/Relations	(383)	-	-	-	50	-	100	134	-	-	-	-	500	1,200	301	(899)
Postage	-	15	551	-	1,594	551	825	-	125	635	75	735	880	5,742	5,161	(581)
Janitorial Supplies	(3,448)	1,223	1,573	414	10,131	540	1,913	62	3,020	3,324	2,830	2,955	3,130	30,250	25,753	(4,497)
Fuel & Lubricants	(2,700)	3,040	704	2,754	2,624	2,858	2,650	884	2,530	1,520	1,470	1,730	1,464	25,964	18,877	(7,087)
Permits	250	960	516	-	260	-	50	-	1,344	694	-	-	-	6,188	4,023	(2,165)
Equipment Rental	-	-	-	-	-	1,722	-	-	-	1,200	-	-	-	6,000	2,922	(3,078)
Claims & Damages	-	-	-	-	-	-	-	-	-	1,500	-	-	-	3,000	1,500	(1,500)
Membership & Dues	10,308	641	-	25	1,960	-	2,500	2,500	-	-	750	-	900	13,500	17,084	3,584
Bank Charges	5,823	6,557	7,540	6,875	5,894	7,412	7,015	8,429	7,373	7,715	7,460	7,276	5,601	82,650	83,954	1,304
Excise Tax	1,772	1,007	1,018	1,746	981	1,470	3,645	2,723	3,241	3,120	1,893	1,685	1,667	25,740	22,323	(3,417)
Bad Debt	-	(200)	48,973	(48,973)	-	-	-	-	-	-	-	-	-	8,000	(200)	(8,200)
Miscellaneous Expense	-	854	-	4,968	4,192	862	175	6,728	183	183	133	233	183	2,249	18,520	16,271
Repair & Maintenance Supplies	(5,258)	18,842	9,815	14,792	11,447	9,752	7,178	5,757	5,628	7,777	7,376	8,019	6,054	100,000	100,000	0
Utilities	19,682	57,294	48,643	60,490	42,077	22,337	43,801	35,367	42,962	43,056	48,098	54,569	56,699	565,100	531,274	(33,826)
Utilities Est. Decrease (Yard)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advertising - Legal (2018)	93	2,309	301	788	-	-	200	-	538	429	650	150	-	5,257	5,258	1
Marketing	-	3,474	2,997	4,901	1,292	2,330	1,800	8,105	3,334	4,114	3,868	2,337	2,338	35,000	39,090	4,090
Promotion	480	240	240	-	-	-	1,926	72	1,024	1,150	600	400	-	13,000	4,206	(8,794)
Economic Development	-	-	-	-	-	-	-	-	-	-	-	-	15,000	30,000	15,000	(15,000)
Economic Development Est. Decrease	-	-	-	-	-	-	-	-	-	-	-	-	(15,000)	-	(15,000)	(15,000)
Travel & Training	897	1,857	1,968	(921)	1,063	4,372	2,800	178	2,450	1,500	850	4,100	6,250	35,000	24,563	(10,437)
Travel & Training Est. Decrease	-	-	-	-	-	-	(2,450)	-	(2,100)	-	-	-	-	-	(2,100)	(2,100)
Cost of Fuel (Quilcene)	-	2,035	-	-	-	-	2,100	-	-	2,400	1,500	1,200	1,000	17,000	8,135	(8,865)
Cost of Fuel Est. Decrease	-	-	-	-	-	-	(2,100)	-	-	(2,400)	(1,500)	(1,200)	(1,000)	-	(6,100)	(6,100)
Community Relations	1,863	(336)	2,000	-	-	-	-	-	-	-	-	-	-	-	3,527	3,527
Total Operating Expenses	275,805	386,669	311,477	484,049	394,274	438,470	383,341	371,820	649,558	452,982	361,617	370,200	388,489	5,083,241	4,885,410	(197,831)

	Actual Jan-20	Actual Feb-20	Actual Mar-20	Actual Apr-20	Actual May-20	Actual Jun-20	Budget Jul-20	Actual Jul-20	Budget Aug-20	Budget Sep-20	Budget Oct-20	Budget Nov-20	Budget Dec-20	Total Adopted Budget 2020	total Actual & Remaining Budget	Over (Under) Budget
<b>Income (Loss) from Operations</b>	<b>196,648</b>	<b>16,611</b>	<b>145,854</b>	<b>(84,680)</b>	<b>97,607</b>	<b>133,836</b>	<b>136,764</b>	<b>279,156</b>	<b>(142,677)</b>	<b>57,369</b>	<b>142,848</b>	<b>77,223</b>	<b>31,321</b>	<b>1,306,008</b>	<b>951,115</b>	<b>(354,893)</b>
<b>Other Incr. in Fund Resources</b>																
Retainage Collected	-	-	-	-	1,254	-	-	-	-	-	-	-	-	-	1,254	<b>1,254</b>
Yard Dep. Collected	-	1,000	-	-	-	-	-	-	-	-	-	-	-	-	1,000	<b>1,000</b>
PTBH Prop Lease Dep. Collected	14,682	1,173	1,984	121	953	421	-	-	-	-	-	-	-	-	19,332	<b>19,332</b>
PH Prop Lease Dep. Collected	906	166	566	1,334	566	928	-	146	-	-	-	-	-	-	4,611	<b>4,611</b>
PH Marina/RV Dep. Collected	(457)	3,333	1,954	5,137	3,782	3,904	-	10,852	-	-	-	-	-	-	28,506	<b>28,506</b>
<b>Deposits &amp; Retainage Collected</b>	<b>15,131</b>	<b>5,672</b>	<b>4,504</b>	<b>6,592</b>	<b>6,555</b>	<b>5,252</b>	-	<b>10,998</b>	-	-	-	-	-	-	<b>54,703</b>	<b>54,703</b>
Sales Tax Collected	-	-	-	-	23,841	7,051	-	8,599	-	-	-	-	-	-	39,491	<b>39,491</b>
Leasehold Tax Collected	-	-	-	-	205,403	45,681	-	44,576	-	-	-	-	-	-	295,660	<b>295,660</b>
Hotel/Motel Tax Collected	-	-	-	-	743	409	-	1,084	-	-	-	-	-	-	2,236	<b>2,236</b>
<b>Taxes Collected</b>	-	-	-	-	<b>229,987</b>	<b>53,141</b>	-	<b>54,259</b>	-	-	-	-	-	-	<b>337,387</b>	<b>337,387</b>
Grants - FAA	-	69,836	-	-	-	49,550	257,161	257,161	-	2,655,902	-	165,000	48,962	3,288,400	3,246,411	(41,989)
Other Capital Grants	-	41,835	-	52,881	-	35,769	19,516	32,158	-	-	-	-	2,800	107,800	165,442	57,642
Inter Governmental - City/JCIA	-	-	-	-	-	-	-	-	-	35,000	-	-	-	-	35,000	35,000
2020 Cares Act - JCIA Operations	-	-	-	-	-	-	-	-	-	-	-	-	30,000	-	30,000	30,000
<b>Capital Contibutions/Grants</b>	-	<b>111,670</b>	-	<b>52,881</b>	-	<b>85,318</b>	<b>276,677</b>	<b>289,319</b>	-	<b>2,690,902</b>	-	<b>165,000</b>	<b>81,762</b>	<b>3,396,200</b>	<b>3,476,852</b>	<b>80,652</b>
ARRA Bond Interest Subsidy	-	-	-	-	-	-	-	16,441	-	-	-	16,000	-	32,000	32,441	441
Investment Interest	2,131	1,968	1,647	1,003	649	466	2,200	406	1,600	1,500	1,500	1,000	1,000	22,000	14,869	(7,131)
<b>Interest</b>	<b>2,131</b>	<b>1,968</b>	<b>1,647</b>	<b>1,003</b>	<b>649</b>	<b>466</b>	<b>2,200</b>	<b>16,846</b>	<b>1,600</b>	<b>1,500</b>	<b>1,500</b>	<b>17,000</b>	<b>1,000</b>	<b>54,000</b>	<b>47,310</b>	<b>(6,690)</b>
<b>Debt Proceeds - Line of Credit</b>	-	-	-	-	-	-	-	<b>400,000</b>	<b>1,250,000</b>	-	-	-	-	-	<b>1,650,000</b>	<b>1,650,000</b>
Operating Tax Levy	3,031	49,885	63,564	368,754	87,960	12,773	2,000	9,721	-	3,005	363,307	65,000	3,000	1,030,000	1,030,000	(0)
IDD Tax Levy	1,078	54,399	53,707	290,331	71,402	13,496	2,000	7,293	3,500	9,221	295,000	8,125	1,500	-	809,054	809,054
State Forest Revenues	1,263	9,153	5,949	31	11	6,024	2,500	206	2,000	2,000	2,000	2,000	2,000	24,000	32,637	8,637
State Timber Excise Tax	-	10,570	-	-	4,720	-	-	-	9,000	-	-	8,000	-	33,000	32,290	(710)
Leasehold Excise Tax	-	2,299	-	323	-	2,080	-	-	1,315	-	1,315	-	1,315	8,090	8,648	558
<b>Property &amp; other taxes</b>	<b>5,372</b>	<b>126,305</b>	<b>123,221</b>	<b>659,439</b>	<b>164,093</b>	<b>34,374</b>	<b>6,500</b>	<b>17,220</b>	<b>15,815</b>	<b>14,226</b>	<b>661,622</b>	<b>83,125</b>	<b>7,815</b>	<b>1,095,090</b>	<b>1,912,628</b>	<b>817,538</b>
Insurance Recovery	1,150	-	-	-	2,833	4,326	-	-	-	10,324	-	-	156,283	50,000	174,916	124,916
Finance Charges	1,448	20	2,979	130	73	39	2,000	139	2,000	2,000	1,900	1,800	1,250	24,000	13,778	(10,222)
Other Non-Operating Revenues	-	-	-	-	-	163	5	173	105	105	5	105	105	1,000	761	(239)
<b>Misc Other Incr. Fund Rscrs</b>	<b>2,598</b>	<b>20</b>	<b>2,979</b>	<b>130</b>	<b>2,906</b>	<b>4,528</b>	<b>2,005</b>	<b>312</b>	<b>2,105</b>	<b>12,429</b>	<b>1,905</b>	<b>1,905</b>	<b>157,638</b>	<b>75,000</b>	<b>189,455</b>	<b>114,455</b>
<b>Total Other Incr. Fund Resources</b>	<b>25,232</b>	<b>245,635</b>	<b>132,351</b>	<b>720,044</b>	<b>404,190</b>	<b>183,080</b>	<b>287,382</b>	<b>788,954</b>	<b>1,269,520</b>	<b>2,719,057</b>	<b>665,027</b>	<b>267,030</b>	<b>248,215</b>	<b>4,620,290</b>	<b>7,668,335</b>	<b>3,048,045</b>
<b>Other Decr. In Fund Resources</b>																
Retainage Paid	-	-	-	-	6,265	-	-	-	-	-	-	-	-	-	6,265	<b>6,265</b>
Yard Deposits Refunded	-	-	-	-	-	-	-	-	10,419	-	-	-	-	-	10,419	<b>10,419</b>
PH Prop Lease Dep. Returned	-	-	-	-	-	710	-	-	-	-	-	-	-	-	710	<b>710</b>
PH Deposits Refunded	-	-	-	1,981	9,503	-	-	(7,050)	-	-	-	-	-	-	4,434	<b>4,434</b>
<b>Deposits &amp; Retainage Paid</b>	-	-	-	<b>1,981</b>	<b>15,768</b>	<b>710</b>	-	<b>(7,050)</b>	<b>10,419</b>	-	-	-	-	-	<b>21,828</b>	<b>21,828</b>
Sales Tax Remitted	-	-	-	-	22,401	4,112	-	7,051	-	-	-	-	-	-	33,564	<b>33,564</b>
Leasehold Tax Remitted	-	-	-	-	238,820	-	-	128,127	-	-	-	-	-	-	366,947	<b>366,947</b>
Hotel/Motel Tax Remitted	-	-	-	-	929	-	-	3	-	-	-	-	-	-	932	<b>932</b>
<b>Taxes Remitted</b>	-	-	-	-	<b>262,150</b>	<b>4,112</b>	-	<b>135,181</b>	-	-	-	-	-	-	<b>401,443</b>	<b>401,443</b>
Principal - 2010 LTGO Bond	-	-	-	-	-	-	-	-	-	-	-	-	295,000	275,000	295,000	20,000
Interest - 2010 LTGO Bond	-	-	-	-	-	93,619	-	-	-	-	-	-	93,619	187,238	187,238	(0)
Principal - 2015 LTGO Refund Bond	-	-	-	-	-	-	460,000	460,000	-	-	-	-	-	440,000	460,000	20,000
Interest - 2015 LTGO Refund Bond	44,625	-	-	-	-	-	44,625	44,625	-	-	-	-	-	82,350	89,250	6,900
Principal - 2020 Line of Credit	-	-	-	-	-	-	-	-	-	-	1,650,000	-	-	-	1,650,000	1,650,000
Interest - 2020 Line of Credit	-	-	-	-	-	-	-	-	-	3,032	4,111	-	-	-	7,143	7,143
<b>Bond Principal &amp; Interest</b>	<b>44,625</b>	-	-	-	-	<b>93,619</b>	<b>504,625</b>	<b>504,625</b>	-	<b>3,032</b>	<b>1,654,111</b>	-	<b>388,619</b>	<b>984,588</b>	<b>2,688,631</b>	<b>1,704,043</b>
Bond Management Fees	-	-	-	-	-	-	-	-	-	250	-	-	250	1,000	500	(500)

	Actual Jan-20	Actual Feb-20	Actual Mar-20	Actual Apr-20	Actual May-20	Actual Jun-20	Budget Jul-20	Actual Jul-20	Budget Aug-20	Budget Sep-20	Budget Oct-20	Budget Nov-20	Budget Dec-20	Total Adopted Budget 2020	total Actual & Remaining Budget	Over (Under) Budget
Debt Issue Costs	-	-	-	-	-	9,500	-	-	-	-	-	-	-	-	9,500	9,500
Investment Fees	50	50	50	50	32	23	45	20	45	40	40	40	35	500	476	(24)
<b>Bond Mgmt, Issuance, Investment</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>32</b>	<b>9,523</b>	<b>45</b>	<b>20</b>	<b>45</b>	<b>290</b>	<b>40</b>	<b>40</b>	<b>285</b>	<b>1,500</b>	<b>10,476</b>	<b>8,976</b>
PH South Jetty project	488	11,468	17,124	26,898	1,253	26,520	93,000	37,237	14,488	125,070	129,608	136,500	68,345	100,000	595,000	495,000
JCIA Runway Rehab	11,240	775	370	595	54,267	253,854	1,666,763	1,666,586	1,373,000	188,296	106,104	115,189	11,240	3,304,000	3,781,516	477,516
BH Breakwater Repair	61	142	30	15,356	35,769	-	-	(35,606)	17,908	12,500	140,858	128,642	-	300,000	315,660	15,660
PH Hudson St. Air Ventilation	-	3,557	26,827	(35)	(215)	-	-	-	-	-	-	-	-	-	30,134	30,134
PH Hudson St. Leashld Imp	-	-	-	-	-	-	-	-	-	-	-	-	-	35,000	-	(35,000)
2019 WorkYard Resurfacing	665	-	-	-	-	-	-	-	-	-	-	-	-	-	665	665
2020 WorkYard Resurfacing	-	-	-	333	143	-	-	190	-	44,335	40,500	-	4,500	90,000	90,000	-
Yard Transformers Upgrade	-	-	-	-	-	-	-	-	5,000	-	-	-	-	5,000	5,000	-
JCIA Airport Terminal	-	-	3,000	3,728	-	-	-	(6,728)	-	66,500	33,500	-	-	-	100,000	100,000
D-Dock Renovation	-	-	-	-	-	-	-	1,969	50,201	9,500	59,784	78,546	-	-	200,000	200,000
Linear Dock Electrical	-	-	-	-	-	-	-	2,425	25,088	13,337	14,200	-	-	-	55,050	55,050
Quilcene Dredge Design	-	-	-	-	-	-	-	-	-	10,000	5,000	10,000	-	40,000	25,000	(15,000)
Marina Software	-	-	-	-	-	-	-	-	-	15,000	15,000	-	-	-	30,000	30,000
<u>Small Capital projects</u>	<b>1,000</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>125,000</b>	1,000	<b>(124,000)</b>
BH Fire Suppression	-	-	-	-	-	-	-	-	-	15,500	-	-	-	-	15,500	15,500
PH - Fire Supression	-	-	-	-	-	-	-	-	-	49,125	-	-	-	-	49,125	49,125
Equipmt/Vehicles	19,969	-	-	19,969	-	-	-	-	35,643	-	-	-	-	-	75,581	75,581
PH S. Jetty CONTINGENCY	-	-	-	-	-	-	-	-	-	-	-	175,000	75,000	250,000	250,000	-
<b>2020 Capital Project Work</b>	<b>33,424</b>	<b>15,941</b>	<b>47,352</b>	<b>66,844</b>	<b>91,216</b>	<b>280,374</b>	<b>1,759,763</b>	<b>1,666,073</b>	<b>1,521,328</b>	<b>549,163</b>	<b>544,554</b>	<b>643,877</b>	<b>159,085</b>	<b>4,249,000</b>	<b>5,619,231</b>	<b>1,370,231</b>
<b>Election Expense</b>	-	-	-	15,674	-	-	-	-	-	-	-	-	-	-	15,674	15,674
<b>Total Other Decr. Fund Resources</b>	<b>78,099</b>	<b>15,991</b>	<b>47,402</b>	<b>84,548</b>	<b>369,167</b>	<b>388,338</b>	<b>2,264,433</b>	<b>2,298,850</b>	<b>1,531,792</b>	<b>552,485</b>	<b>2,198,705</b>	<b>643,917</b>	<b>547,989</b>	<b>5,235,088</b>	<b>8,757,283</b>	<b>3,522,195</b>
<b>Net Other Incr/Decr Fund Rsrcs</b>	<b>(52,867)</b>	<b>229,644</b>	<b>84,949</b>	<b>635,496</b>	<b>35,023</b>	<b>(205,258)</b>	<b>(1,977,051)</b>	<b>(1,509,896)</b>	<b>(262,272)</b>	<b>2,166,572</b>	<b>(1,533,678)</b>	<b>(376,887)</b>	<b>(299,774)</b>	<b>(614,798)</b>	<b>(1,088,947)</b>	<b>(474,149)</b>
<b>Balance Sheet Adjustments</b>	<b>(271,183)</b>	<b>155,825</b>	<b>(81,331)</b>	<b>(78,135)</b>	<b>252,441</b>	<b>(14,592)</b>	-	<b>(102,645)</b>	-	-	-	-	-	-	<b>(139,620)</b>	<b>(139,620)</b>
<b>Total Increase/Decrease in Cash</b>	<b>(127,402)</b>	<b>402,080</b>	<b>149,472</b>	<b>472,681</b>	<b>385,071</b>	<b>(86,014)</b>	<b>(1,840,287)</b>	<b>(1,333,385)</b>	<b>(404,949)</b>	<b>2,223,941</b>	<b>(1,390,830)</b>	<b>(299,664)</b>	<b>(268,453)</b>	<b>691,210</b>	<b>(277,453)</b>	<b>(968,663)</b>
<b>Ending Cash/Investments</b>	<b>3,170,881</b>	<b>3,572,961</b>	<b>3,722,433</b>	<b>4,195,113</b>	<b>4,580,184</b>	<b>4,494,170</b>	<b>2,473,639</b>	<b>3,160,785</b>	<b>2,755,836</b>	<b>4,979,777</b>	<b>3,588,947</b>	<b>3,289,283</b>	<b>3,020,830</b>	<b>2,892,414</b>	<b>3,020,830</b>	<b>128,416</b>
<b>Reserved Cash/Investmts - Other</b>	<b>1,254,445</b>	<b>1,275,695</b>	<b>1,275,696</b>	<b>1,307,495</b>	<b>1,307,496</b>	<b>1,328,746</b>		<b>1,349,994</b>								
<b>Reserved Cash/Investmts - IDD</b>	<b>1,078</b>	<b>55,477</b>	<b>109,184</b>	<b>399,515</b>	<b>470,917</b>	<b>484,413</b>		<b>491,708</b>								
<b>Unreserved Cash/Investments</b>	<b>1,915,358</b>	<b>2,241,789</b>	<b>2,337,553</b>	<b>2,488,103</b>	<b>2,801,771</b>	<b>2,681,011</b>		<b>1,319,083</b>								
<b>Total Ending Cash/Investments</b>	<b>3,170,881</b>	<b>3,572,961</b>	<b>3,722,433</b>	<b>4,195,113</b>	<b>4,580,184</b>	<b>4,494,170</b>		<b>3,160,785</b>								
<b>Total Ending Cash 2020</b>	<b>Adopted Bdgt</b>	<b>Covid Bdgt</b>														
<b>Cash Reserve - Other</b>	<b>1,062,234</b>	<b>1,063,275</b>														
<b>Cash Reserve - IDD</b>	<b>-</b>	<b>83,732</b>	<i>IDD levy passed subsequent to 2020 budget adoption.</i>													
<b>Cash Unreserved</b>	<b>1,830,180</b>	<b>1,873,823</b>														
<b>Total</b>	<b>2,892,414</b>	<b>3,020,830</b>														

<b>MEETING DATE</b>	September 9, 2020
<b>AGENDA ITEM</b>	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business <input type="checkbox"/> Informational Items
<b>AGENDA TITLE</b>	VII. C. ICC Updates
<b>STAFF LEAD</b>	Executive Director Eron Berg
<b>REQUESTED</b>	<input type="checkbox"/> Information <input type="checkbox"/> Motion/Action <input checked="" type="checkbox"/> Discussion
<b>ATTACHMENTS</b>	

Commissioner Hanke & Executive Director Berg serve representatives on the “group of 8” or the Interlocal Community Council (ICC).

Commission agreed to have regular updates so all viewpoints could be heard and the Commission could all be on the same page. This is the standing item on Commission’s regular meeting for updates about what’s happening within each committee.

There are six focus groups:

- |                           |                         |
|---------------------------|-------------------------|
| A. Culture & Events       | – Commissioner Putney   |
| B. Economy & Jobs         | – Commissioner Petranek |
| C. Children & Families    | – not assigned          |
| D. Human Services         | – not assigned          |
| E. Food System Resiliency | – Commissioner Petranek |
| F. Broadband              | – Commissioner Putney   |

# PORT OF PORT TOWNSEND

## AGENDA COVER SHEET

<b>MEETING DATE</b>	September 9, 2020
<b>AGENDA ITEM</b>	<input type="checkbox"/> Consent <input type="checkbox"/> 1 <sup>st</sup> Reading <input type="checkbox"/> 2 <sup>nd</sup> Reading <input checked="" type="checkbox"/> Regular Business <input type="checkbox"/> Informational
<b>AGENDA TITLE</b>	VII.C. Draft Organization Chart
<b>STAFF LEAD</b>	Eron Berg, Executive Director
<b>REQUESTED</b>	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion
<b>ATTACHMENTS</b>	1. Staff Memo 2. Proposed Draft Org Chart

**DATE:** 9/9/2020  
**TO:** Commission  
**FROM:** Eron Berg, Executive Director  
**SUBJECT:** Updated Organizational Chart

---

### **ISSUES**

1. Should the Commission approve the requested update to the organizational chart?

### **BACKGROUND**

Under Resolution 713-20 and port practices, the Commission approves the organizational chart and the Executive Director administers day-to-day operations including personnel.

### **DISCUSSION**

As I near the end of my first six months in this role, I am interested in making several changes to the organizational chart, including:

1. The addition of a new position, Director of Capital Projects & Port Engineer, reporting directly to the Executive Director;
2. Changing the reporting of the security personnel to the Operations Manager; and
3. Changing the reporting of the Environmental Specialist to the Deputy Director.

The additional position I am proposing is a part-time position, with limited benefits. The Director of Capital Projects & Port Engineer would have line authority over Port maintenance staff and would directly manage the Port's capital projects, including managing consultants, public works procurement, assisting with grant funding opportunities, grant management and reimbursement requests and overall capital project oversight. My intent is to transfer this scope of work from Eric's broad shoulders to this new position. Based on a 24-hour workweek, the estimated annual fully loaded cost of this additional position is \$108,615. I believe this is an essential addition to the Port's team at this time to keep the Port's aggressive capital program on track. Funding for this position would come primarily from net operating income; however, when managing capital project construction, it could be partly funded by IDD monies, where applicable.

Security is an important function at the Port and to provide more direct oversight of that function, I am proposing to move the line of authority from the Deputy Director to the Operations Manager. The intent of this change is to move the management closer to the function.

The last proposed change would move the line of authority for the Environmental Specialist from the Operations Manager to the Deputy Director. The intent of this change is to give the Environmental Specialist the ability to operate outside the operations line of authority. While the primary focus of this position is overseeing Best Management Practices (BMP) compliance on vessels in the yard and on Port facilities, the position also needs to have the ability to oversee our

own internal compliance with BMPs. I believe this change will strengthen that role as we continue to maintain our full commitment to compliance with our boatyard stormwater permit and environmental stewardship.

**FISCAL IMPACT**

2020: approx. \$ 27,000.

2021: approx. \$108,615.

**ATTACHMENTS**

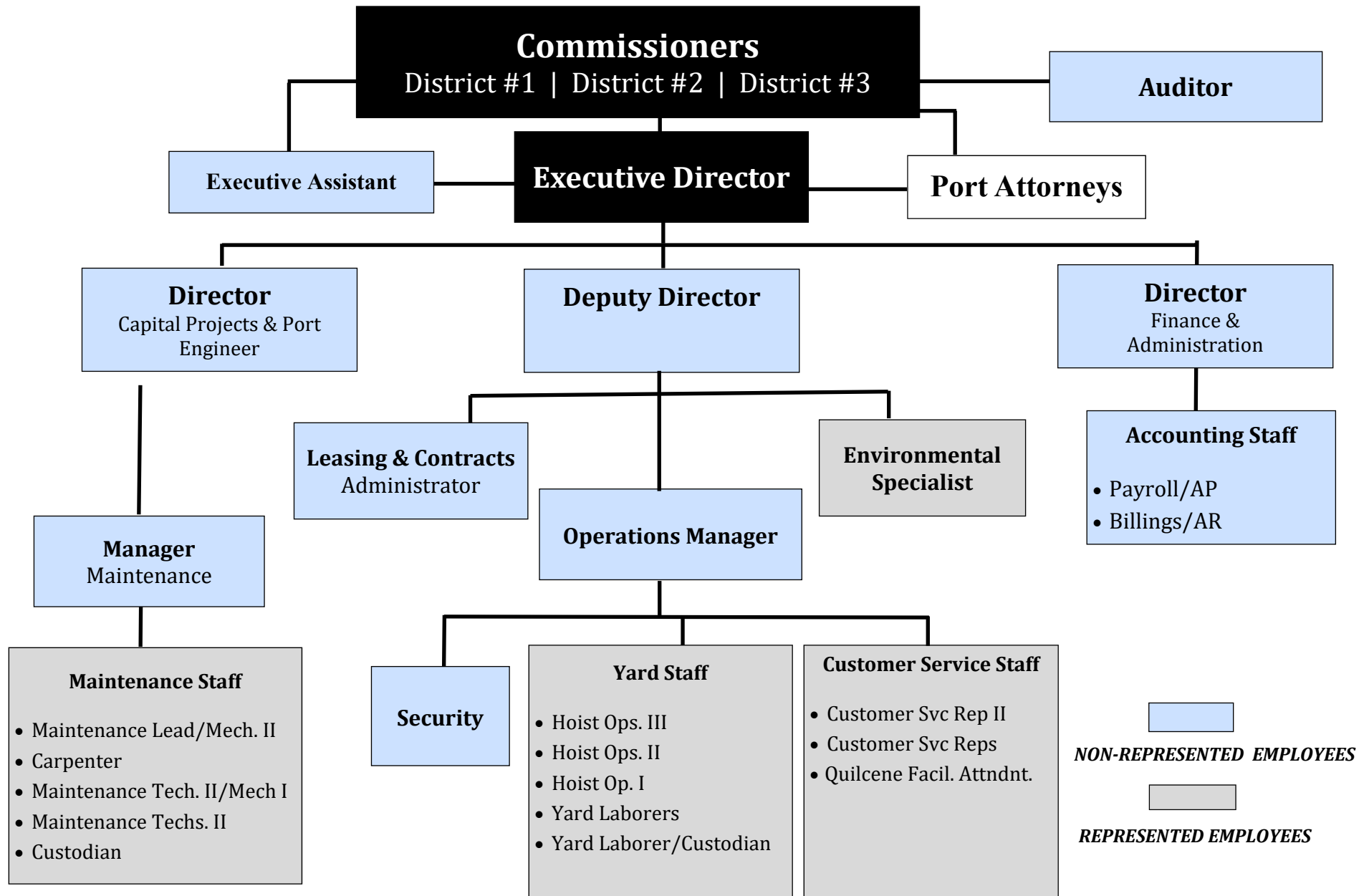
1. Revised organizational chart

**RECOMMENDATIONS**

1. Motion to approve the updated organizational chart as requested by the Executive Director.

# PORT OF PORT TOWNSEND

## Organizational Chart



# PORT OF PORT TOWNSEND

## AGENDA COVER SHEET

<b>MEETING DATE</b>	September 9, 2020
<b>AGENDA ITEM</b>	<input type="checkbox"/> Consent <input type="checkbox"/> 1 <sup>st</sup> Reading <input type="checkbox"/> 2 <sup>nd</sup> Reading <input checked="" type="checkbox"/> Regular Business <input type="checkbox"/> Informational
<b>AGENDA TITLE</b>	VII.D. Teamsters Contract Bargaining Agreement ratification
<b>STAFF LEAD</b>	Eron Berg, Executive Director
<b>REQUESTED</b>	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion
<b>ATTACHMENTS</b>	<ol style="list-style-type: none"> <li>1. Staff Memo</li> <li>2. Draft Teamsters Contract Bargaining Agreement</li> </ol>

**DATE:** 9/9/2020  
**TO:** Commission  
**FROM:** Eron Berg, Executive Director & Abigail Berg, Finance Director  
**SUBJECT:** Collective Bargaining Agreement with the Teamsters

---

### **ISSUES**

1. Should the Commission ratify the tentatively agreed to Collective Bargaining Agreement (CBA) between the Port and Teamsters Local 589?

### **BACKGROUND**

The current CBA expires at the end of 2020 and consistent with Article 26, the parties met and bargained issues to the point of a tentatively agreed to contract, which is attached.

### **DISCUSSION**

The proposed CBA is for a three-year term, January 1, 2021 through December 31, 2023. Most of the modifications to the CBA are in language sections and were requested by the Port. The objectives were both clarity and compliance with current law.

Economic elements of the CBA include:

- (1) Increased standby pay (currently \$1.50/hr increasing to \$3.00/hr);
- (2) One additional floating holiday; and
- (3) No changes to the pay schedule (June over June Seattle-Tacoma-Bellevue CPI-U, with a 2% minimum, 5% maximum).

Standby pay is used very rarely (i.e., when boat in distress may be coming to be hauled). When an employee is on standby they are required to be near the phone, not be impaired and remaining in near proximity to work. The floating holiday will not result in much (if any) dollar impact as we don't generally pay overtime to cover when an employee has a scheduled day off. Finally, maintaining status quo on the pay increases also seems reasonable, particularly given the unique cost of living issues in PT. There were no market adjustments or other improvements in economics. The preliminary draft 2021 budget is being built with the assumption of 2% cost-of-living adjustment to compensation.

### **FISCAL IMPACT**

As discussed herein.

### **ATTACHMENTS**

1. Tentatively agreed to collective bargaining agreement between the Port and Teamsters Local 589.

### **RECOMMENDATIONS**

1. Motion to ratify the tentatively agreed to collective bargaining agreement (CBA) between the Port and Teamsters Local 589.

# AGREEMENT

By and Between  
**PORT OF PORT TOWNSEND**  
and

**Teamsters Local 589**

For the Period January 1, 2021 through December 31, 2023





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**PREAMBLE:** This Agreement is made and entered by and between the Port of Port Townsend, hereafter referred to as the "Port" and the Teamsters' Local Union No. 589, hereinafter referred to as "Union". The purpose of this Agreement is to promote harmonious relations between the Port and employees covered by this Agreement; to establish an equitable format for resolving misunderstandings and disputes; and to establish salaries, benefits, hours of work, and other terms and conditions of employment.

## **ARTICLE 1 - RECOGNITION**

1.1 The Port recognizes the Union as the sole and exclusive bargaining representative for all regular full-time and part-time employees of the Port of Port Townsend, which are identified in the Classification Appendix to this Agreement, Appendix B. Employees covered by this Agreement shall not include contract employees, positions funded by one-time state or federal grant money, and temporary employees who work less than twelve (12) calendar months. Temporary employees will not be appointed to fill a position above the entry level unless it is determined that qualified regular employees are not available to fill the higher position.

1.2 Any questions or disputes concerning representation shall be referred to the Public Employment Relations Commission as a unit clarification proceeding.

## **ARTICLE 2 - UNION**

### **Section 2.1 Notification on New Hires**

The Port agrees to notify the Union and shop stewards in writing within thirty (30) calendar days of any new positions and/or new bargaining unit employees within departments conducting bargaining unit work. The Union shall advise the Port in writing of the names of the shop stewards. Electronic notification is the equivalent of written notification.

### **Section 2.2 Dues Deduction Procedure**

The Port shall deduct and transmit monthly those regular Union membership initiation fees, dues, and assessments from the pay of each employee who so authorizes the Port in writing. In addition, the Port shall provide the Union a list of employees and their respective Union-related deductions. The Union agrees to indemnify, defend, and hold the Port harmless against any all claims, suits, orders and judgments brought against the Port as a result of any payroll deduction made on the Union's behalf until such time as the authoring employee revokes their authorization.

Section 2.3 Revocation. The represented employee's authorization for dues deduction shall remain in full force and effect until a written notice revoking the same is executed by the employee and delivered to the Port with a copy provided to the Union. The Union may also give the Port written notice to discontinue dues check-off.

### **ARTICLE 3 - NON-DISCRIMINATION**

3.1 There shall be no discrimination by the Port or the Union against any employee engaging in lawful Union activity.

3.2 Neither the Port nor the Union shall unlawfully discriminate in matters of hiring, training, promotion, transfer, layoff, discipline, dismissal or otherwise because of age, sex, sexual orientation, marital status, race, creed, color, national origin, or the presence of any sensory, mental or physical disability. If an employee pursues a complaint of unlawful discrimination to a federal or state government agency, the complaint shall not also be processed as a grievance under this Agreement.

### **ARTICLE 4 - RIGHTS OF MANAGEMENT**

4.1 Subject only to the terms and conditions of the Agreement all of management's inherent rights, powers, and functions, whether heretofore or hereafter exercised and regardless of the frequency of their exercise, shall remain vested exclusively in the Port. It is expressly recognized that such rights, powers, authority and functions include, but are by no means limited to, the full and exclusive control, management and operation of its business and affairs; the determination of the scope of its activities, and business to be transacted, the work to be performed, and the methods pertaining thereto; the right to contract or subcontract any work; the right to make and enforce reasonable work rules and procedures; the right to maintain order, efficiency and standards of performance; the right to fix standards of quality and quantity of work; and the right to control the scheduling and record thereof; the right to determine the number of employees and the direction of the working forces; and the right to hire, select and train, discipline, suspend, discharge non-probationary employees for just cause, assign, promote, retire, and transfer its employees.

4.2 The Port and the Union agree that the above statement of management rights is for illustrative purposes only and is not to be construed as restrictive or interpreted so as to exclude those prerogatives not mentioned which are inherent to management.

4.3 The Port agrees that employees will not be laid off as a direct result of a decision to subcontract portions of the work of the Port.

### **ARTICLE 5 - UNION AND EMPLOYEE'S RIGHTS**

5.1 Employees shall report all on the job injuries to their immediate supervisor and shall fully complete appropriate accident forms. Such injury shall be subject to the provisions of Worker's Compensation benefits.

5.2 Duly authorized representatives of the Union shall be permitted access to the properties of the Port at reasonable times for the purpose of observing working conditions and transacting Union business, provided, however, that the Union Representative first secures approval from the Port Executive Director or designee and that no interference with the work of employees or the proper operation of the Port shall result.

5.3 The Port agrees to provide bulletin board space for posting of official Union notices which shall be signed by a responsible agent of the Union.

5.4 The Union shall be permitted to establish job stewards. The duties of the job steward shall be to give the Union notice of new employees hired and to receive complaints which will be communicated to the Business Agent of the Union, who in turn will take the matter up with the Port. The job steward may sign up new members. There shall be no loss of productivity by the shop steward or steward activities will be off the clock and uncompensated by the Port.

5.4.1 An employee in the Bargaining Unit (Shop Steward and/or member of the negotiating committee may be granted reasonable time-off (on the Ports time) while engaged in official Union/Employer business involving contractual matters, such as attending a grievance meeting, or labor-management meeting, **provided:**

1. They notify the Port Executive Director or Manager, at least twenty-four (24) hours prior to the time-off period, or at the earliest time the employee is aware of such time off requirement.
2. The Employer is able to properly staff the employee's job duties during the time-off period.

#### 5.5 Dues Check Off.

5.5.1 The Port will deduct regular Union initiation fees and dues when notified by the Union that the employee has signed an authorization card in accordance with RCW 41.56.110.

5.5.2 The Union will supply the Port signed payroll deduction authorization cards for the payroll deduction of Union initiation fees and dues for the Port's records.

5.5.3 Monies so deducted shall be mailed to the office of the Union on or before the tenth (10th) of each month, accompanied with a list of the employees and amount deducted. Deduction of dues shall be optional with the employee. Employees who sign an authorization form may revoke such authorization in accordance with RCW 41.56.110.

5.6 The Port will comply with all State and Federal Safety standards in accordance with its knowledge of same.

5.7 The Port shall provide sanitary facilities for all employees unless such a requirement is unduly burdensome.

### **ARTICLE 6 – WAGES**

6.1 See Appendix "A" for Wage Schedule.

6.2 See Appendix "B" for Classification Schedule.

6.3 No employee shall suffer a reduction in pay due to being assigned light duty.

6.4 Out of Class Pay: Employees designated by management for five (5) or more continuous days to substitute for their supervisor/management will receive a 10% premium for hours worked during such designated period. Employees assigned with mutual agreement between employer and employee in writing to perform duties in a higher classification and job description for five (5) or more continuous days will receive a 5% premium for each hour the employee performs work in the higher classification.

6.5 Effective with the ratification of the 2018-2020 union contract, employees with 10 or more full

years of continuous service will receive a one-time longevity bonus at each milestone as outlined below:

Ten years employment	\$800.00
Fifteen years employment	\$1,000.00
Twenty years employment	\$1,200.00

## **ARTICLE 7 - SENIORITY, TRIAL PERIOD, & PROMOTIONS**

7.1 No employee shall have their seniority established prior to completing six (6) months continuous employment with the Port. Both the Port and the Union recognize the importance of filling each job position with the most capable individual available. In promoting, the Port will recognize skill and seniority of the applying employee. Seniority according to this agreement shall consist of continuous full-time employment with the Port beginning with the date of most recent hire into a regular position. Seniority shall not be lost because of absence due to illness, injury, authorized leave of absence or temporary layoff of less than thirteen (13) months. After thirteen (13) months of absence from the job, unless extended by the Port and Union in writing, seniority shall be broken and lost.

7.1.1 The Port agrees that in the event a new Union position is to be advertised for employment the Port will, when reasonable to do so, post a notice in house of the vacancy at least 14 days prior to the public notice of the vacancy. If an employee applies for the open position through the written application process he/she will receive a written letter that management has received and reviewed their desire for the open position.

7.2 Employees being promoted to a regular higher classification shall have a six (6) month trial period. If the employee does not complete the probationary period, said employee shall be returned to their previously held position.

7.3 Temporary employees hired on a regular basis shall receive credit for all continuous, uninterrupted time served for the Port beginning with the most recent hire date.

7.4 Trial Period. Each employee shall serve a trial/probationary period of six (6) calendar months after first being appointed to a regular position. Such trial period may be extended once by the Port upon notification of the Union not later than two (2) calendar weeks prior to the completion of the original trial period. If the trial period is extended the notice shall contain the reason for the extension, the length of extension and a copy of the notice will be provided to the affected employee. An employee may be discharged during the trial/probationary period without just cause and such action shall not be grievable under this Agreement.

7.5 Due to the ever changing needs of the Port and advances in equipment, materials, tools, technology, and environmental concerns, the Port recognizes the need to train its employees, and will provide training as new and different positions, equipment, materials, tools and technologies are utilized and new and existing environmental concerns are addressed.

7.6 During employment it is recognized that performance reviews will be needed to assess how all employees are doing in their assigned job classification. These reviews will be conducted annually, in the month of their anniversary date. Employees will be notified forty eight (48) hours in advance of a scheduled performance evaluation review session and will have 2 working days upon the conclusion of the session to review the performance evaluation report and provide any written response. The 2 working days window may be extended by written mutual agreement between the employee and employer. Each employee will be evaluated according to their job responsibilities and how well they perform. Should

anyone be performing work outside of, or in addition to their job description that too will be evaluated and reviewed. It is the Employer Responsibility to ensure that the evaluation process is concluded within the anniversary month.

## **ARTICLE 8 - LAYOFF**

8.1 When in the sole opinion of management it is necessary or advisable to reduce the workforce, the Union shall be notified and the following procedure shall be implemented. Long-term layoffs (over 2 weeks) will be preceded with a two week notice unless the employee is on short term layoff.

8.2 The Executive Director shall select the positions or classifications that will be laid off. If the position of a regular employee is laid off and the employee occupying the position has within the past two (2) years successfully performed the functions of another position which is not subject to the Reduction In Force (RIF) and the employee in the RIF position has greater seniority than the person occupying the non-RIF positions then the person occupying the position or classification to be RIF'd shall bump down to a lower position chosen by the employee, which that employee previously held within the department. A laid off employee may bump to a formerly held, equal or lower paid position which is outside the department and within the bargaining unit, provided that the employee's performance was previously satisfactory in that position, the employee is qualified to perform all the duties of the bumped position (i.e.: possesses required licenses and certifications) and performed the job within the prior five (5) years. The foregoing process shall also apply to persons bumped out of their positions by a senior employee. The last person(s) bumped shall have the least seniority and shall be the person(s) laid off. There shall be no bumping to a higher paid position. Employees bumped into a lower paid classified positions shall be paid at the wage rate appropriate to the employees resulting classification.

8.3 For up to thirteen (13) months after layoff, employees shall be informed, by mail to the address on file, of openings in positions or classifications for which the employee is qualified. The employee shall keep the Port Executive Director's or Designee office informed of the current address. During this thirteen (13) month period, laid off employees shall be offered openings for which the employee is qualified. An employee who does not accept an offer of reinstatement within fourteen (14) calendar days will be removed from the reinstatement list.

## **ARTICLE 9 - HOURS OF WORK AND OVERTIME COMPENSATION**

9.1 Five (5) consecutive days of, eight (8) consecutive hours (5-8's), or four (4) consecutive days of ten (10) consecutive hours (4-10's) shall constitute a week's work. Provided, however, when the needs of public require a non-consecutive work week same is permitted and shall be filled by reverse seniority or volunteers from among those working in the affected classification, after negotiating with the Union and obtaining agreement, provided, further, the Union will not unduly withhold agreement.

9.2 Overtime hours are those work hours which employee is assigned to work in excess of forty (40) hours in the week or eight (8) hours in a work day for those employees assigned to 5-8's or after ten (10) hours in a day for those employees assigned to a 4-10's. The week for overtime purposes is a 7-day period that begins at 12:01 a.m. on Sunday and ends at midnight the following Saturday.

9.3 Overtime hours worked shall be paid at the rate of time and one-half the employee's regular rate of pay.

9.4 Overtime pay shall not be compounded with any other form of premium compensation paid to the employee (excepting Section 9.9 and Section 6.4 above).

9.5 The Union and the Port agree on the following rest and meal period rules, which supersede WAC 296-126-092:

9.5.1 Employees may take one (1) paid fifteen (15) minute rest period for each four (4) hours worked. Rest periods will be taken when operationally feasible and may be taken intermittently (e.g., not in a block of time).

9.5.2 Employees may take one (1) thirty-minute unpaid meal period for each workday that is at least five (5) hours in duration. Those employees who are required to work overtime may choose to take a thirty (30) minute unpaid meal period for each four (4) hours of continuous overtime. Meal periods will be taken at a time or within a range of times as directed by the employee's supervisor.

9.5.3 Rest and meal periods may not be taken to arrive late or leave early. An employee who is unable to take either their rest or meal period shall notify their supervisor.

9.6 Failure to Report: Employees unable to report for work at their scheduled starting time shall report their absence to their Supervisor as soon as it is known they will not be able to report on time. Failure to report is a serious offense and will be dealt with as outlined in the Personnel handbook, the Standards of Conduct section which addresses progressive discipline. Circumstances beyond the control of the employee shall be dealt with on a case by case basis.

9.7 Employees will be given notice of schedule changes as promptly as possible but, not less than 24 hours. (Schedule change does NOT include changing work location, only days worked).

9.8 Regular employees shall be guaranteed 40 hours' work or pay, except for shift rotation or when given notice of a short week in the prior week, *provided*, that this section does not apply to employees who are utilizing Washington's Paid Family Medical Leave Act.

9.9 For all scheduled hours worked on Saturday & Sunday, an additional \$1.50 per hour will be paid.

## **ARTICLE 10 - COMP-TIME**

10.1 Employees may take paid compensatory time off (comp-time) at the rate of one and one-half hours off per hour of overtime worked in lieu of overtime pay. Employees desiring comp-time will complete a comp-time agreement form. An employee who accrues the maximum of forty (40) hours comp-time will not be allowed to accrue additional comp-time. Additional hours shall be paid for at the overtime rate.

10.2 An employee on comp-time off shall be deemed to be on official leave with pay status.

10.3 An employee who notifies their Manager/Supervisor promptly or substantiates to the satisfaction of their Manager/Supervisor they were sick on a scheduled day of comp-time off may request that a day of sick leave be taken rather than previously scheduled comp-time.

10.4 Comp-time can be carried over from month to month, with no more than forty (40) hours being carried over.

10.5 All comp time must be used by the end of the calendar year in which it was earned. In the event that the employee has comp time on the books, the employer will pay out all such accrued comp time as of the end of the first pay period in December of each year of the agreement.

10.6 Comp-time shall be used by mutual agreement and employees are generally encouraged to use it during non-peak seasons of the year.

10.7 Comp-time should be used before vacation time.

10.8 All comp-time earned and used should be recorded on the employee's time sheet.

#### **ARTICLE 11 - CALL BACK/CALL OUT TIME**

11.1 An employee required to report for duty on site after leaving work or on any scheduled day off shall be guaranteed two hours call time paid at time and one half. An employee required to remain after his/her regular shift shall be paid at the overtime rate of time and one half for the overtime actually worked. An employee required to work remotely (e.g., by phone or email) after leaving work or on any scheduled day off shall be paid at the overtime rate of time and one half for the overtime actually worked with a minimum of fifteen (15) minutes. No employee shall be required to be out at night alone during a storm, and upon employee request the Port agrees to call out a second employee to work with the first when required for safety reasons.

#### **ARTICLE 12 – STANDBY**

12.1 Employees required to be on "duty ready standby" and have their movement restricted shall be paid three dollars (\$3.00) per hour for all hours required to be on standby status. Restricted movement is defined by FLSA.

12.2 Employees advised of potential work opportunities and asked to call in are not on standby.

#### **ARTICLE 13 - GRIEVANCE PROCEDURE**

13.1 Either party to this Agreement, or an employee, may file a grievance for alleged violation of this Agreement. Grievance shall be specific and not general. Grievances shall cite the section(s) of the Agreement violated, who were involved, why the action is deemed to be a violation of this Agreement and the specific remedy sought.

13.2 Grievances may be settled with the Supervisor/Manager on an informal, non-precedent setting, basis.

13.3 PARTIES RIGHTS AND RESTRICTIONS:

- a. Either party to the Agreement may file a grievance against the other, or an employee may file against either party.
- b. A party to the grievance shall have the right to record a formal grievance arbitration at the expense of the requesting party.
- c. Any party to a grievance may have a representative present at all steps of the grievance procedure.
- d. Reasonable time in processing a grievance will be allowed during regular working hours for

- the shop steward, with advanced supervisory approval.
- e. Nothing within this grievance procedure shall be construed as limiting the right of management to manage the affairs of the Port.
  - f. Grievances of an identical nature, involving an alleged violation of the same Article, section, etc., concerning the same subject matter, may be consolidated by mutual agreement of the parties.
  - g. Confidential Communication: Any communication between a member of the Union and any recognized Union representative regarding a potential or actual employee grievance or any communication between management and any management representative will be defined as confidential and unavailable to the opposing party.
  - h. Any and all time limits specified in the grievance procedure may be extended by mutual written or emailed agreement of the parties. Failure by the employee, employer, or Union to submit the grievance in accordance with these time limits or to move the grievance to subsequent steps in accordance with these time limits without such waiver will constitute an abandonment of the grievance.

### 13.4 Steps in the Grievance Procedure:

Step 1 Informal: The employee and/or their Union representative shall report a grievance verbally to the employee's Supervisor/Manager within twenty (20) calendar days from the occurrence of the incident on which a complaint is based, or within twenty (20) calendar days of the employee's or parties knowledge of the occurrence. The employee and/or their Union representative will promptly meet to discuss the grievance with the employee's Supervisor/Manager and will notify the Supervisor/Manager that the meeting is Step 1 in the grievance process. The Supervisor/Manager will verbally decide on the grievance to the employee and the Union representative involved within twenty (20) calendar days of the Step 1 meeting.

Step 2 Formal: If a party to the grievance feels Step 1 has not resolved the grievance, the party may appeal in writing to the Port Executive Director within twenty (20) calendar days of the Step 1 decision. There shall be a formal meeting with the employee, if any, and their Union representative, if requested, within ten (10) calendar days from the date of the Step 2 grievance. A decision shall be made, in writing, to the petitioning party by the Executive Director within ten (10) calendar days from the Step 2 grievance meeting.

Step 3 Board of Adjustment: A Board of Adjustment shall be comprised of two members appointed by the Port and two members appointed by the Union. If the Board is not able to resolve the issue, the Board shall select a fifth member with industry experience, if available. If a fifth member cannot be agreed to, the grievance shall progress to the next Step. Should the Board decide the matter, such decision shall be final and binding on the Port, Union and Grievant, and the grievance may not be pursued to the next Step in the grievance process. The Board once constituted shall resolve all matters of procedure, evidence, continuance and related procedural issues. All decisions of the Board shall be made in executive session called by the Board and there shall be no record of such executive session.

Step 4 Binding Arbitration: If the Board of Adjustment does not decide the grievance, the petitioning party may submit the grievance to binding arbitration by giving written notice to the other party within twenty (20) calendar days of the Step 3 decision. For purposes of selecting an arbitrator, the parties agree to use a list of eleven (11) local names (Washington and Oregon) obtained from the Federal Mediation and Conciliation Service (FMCS).

If the parties choose to select an arbitrator then the cost of the arbitrator shall be divided equally between the Port and the Union. Cost of witnesses, court reporter, or other individual expenses shall be borne by the requesting party. Each side shall be responsible for its own attorneys' fees. The arbitrator shall not have the power to alter, amend, or change any contractual language of the Labor Agreement or amend the written grievance.

## **ARTICLE 14 – SICK LEAVE**

14.1 Sick leave is provided at the rate of eight (8) hours for each month of employment for regular employees with an assignment of forty (40) hours per week. Regular employees with an assignment of less than (40) hours per week shall be granted credits pro rata. No employee shall accrue less than one (1) hour of sick leave for every forty (40) hours actually worked. Credits may be accumulated and carried over to succeeding calendar years. There is no limit to the number of sick leave hours an employee may accrue for actual sick leave purposes. For sick leave cash out in Section 14.4, cash out percentages are subject to accrual limit of 500 hours.

14.2 Sick leave may be used for:

- a. The employee's own illness, injury or health condition; to accommodate the need for medical diagnosis, care or treatment of a health condition; or preventive medical care.
- b. The employee's care for a family member with an illness, injury or health condition; care for a family member who needs medical diagnosis, care or treatment; or care for a family member who needs preventive medical care. For sick leave purposes, the term "family member" means an employee's child (whether biological, adoptive, foster, step-child, or child for whom employee stands in loco parentis, is a legal guardian for, or is a de facto parent and regardless of age or dependency status); parent (whether biological, adoptive, de facto, step-parent, legal guardian or person who stood in loco parentis to employee when employee was a child); spouse or registered domestic partner; grandparent; grandchild; or sibling.
- c. An absence due to closure of the Port by order of public official for any health-related reason, or where employee's child's school or day care is closed for such a reason.
- d. Absences covered by Washington State domestic violence/sexual assault/stalking leave law.

When an employee applies for use of sick leave credits on more than three (3) consecutive work days, the Port may request verification that the employee's use of sick leave is for an authorized purpose in accordance with WAC 296-128-660.

If an employee has been seriously ill or has had a severe injury, before the employee returns to work, the Port may request confirmation from a physician that the employee is physically able to return to their normal work. Sick leave shall continue until physician confirmation of ability to return to work is obtained.

No provision in this agreement shall restrict the Employer's ability to cooperate with a worker's compensation program for employee return to work when such program is in the interest of the Employer and approved by the worker's compensation program.

Once, in April of each year, Employees may convert sick leave with a ratio of four (4) days of sick for one (1) day off into vacation. The employee must keep a bank of at least two hundred and forty (240)

hours of sick leave or higher after converting. At the beginning of each April, Payroll will provide each eligible employee their sick leave balance. By the end of April, any requests for conversion must have been submitted to Payroll and will be applied as of the beginning of May.

14.3 Employees suffering illness or injury compensable under the State industrial insurance shall be allowed to use sick leave or emergency leave until the disability becomes permanent or to the amount of their earned credit less any industrial insurance payments for which they are eligible. The Port may satisfy this Section by paying from the Sick Leave bank of an employee only the difference between the amount of L&I compensation and the employee's regular compensation. In such case employees will retain their L&I check and present a copy to the Port to insure proper payment of the difference.

14.4 At the time of separation of employment, sick leave which the employee has accrued shall be paid out to him or her, per the following schedule:

- a. During the first 60 months of continuous employment with the Port: 25% of current sick leave balance, subject to 500 hour maximum accrual.
- b. Beginning with the start of the 61<sup>st</sup> month thru completion of the 120<sup>th</sup> month of continuous employment with the Port: 35% of current sick leave balance, subject to 500 hour maximum accrual.
- c. Beginning with the start of the 121<sup>st</sup> month of continuous employment with the Port: 50% of current sick leave balance, subject to 500 hour maximum accrual.
- d. Sick leave compensation will not be paid to any employees that are terminated for cause.

14.5 The Port will comply with the Washington State Paid Family and Medical Leave (PFML) program. Premiums are established by the State of Washington. Employees will pay the designated employee share of premiums via payroll deduction.

## **ARTICLE 15 – VACATIONS**

15.1 Vacation leave credits will be allowed each regular employee in proportion to the hours worked on the following basis:

0-3 yrs.	6.66 hours per month or 80 hours per year.
4-5 yrs.	8 hours per month or 96 hours per year.
6-7 yrs.	10 hours per month or 120 hours per year.
8-10 yrs.	11.66 hours per month or 140 hours per year.
11-15 yrs.	13.33 hours per month or 160 hours per year.
16-20 yrs.	15 hours per month or 180 hours per year.
20+ yrs.	16.66 hours per month or 200 hours per year.

Prorate credit will be based on employee hours compensable hours per month divided by 173, times the listed credits.

15.2 Employees shall accrue vacation leave credits on a monthly basis based on compensable hours. The accrual rates shall change (according to the above schedule) on the employee's anniversary date of employment.

15.3 When eligible under this Agreement, employees may accrue vacation leave credits up to 320 hours. All hours in excess of 320 hours on the employee's anniversary date will be forfeited. Employees, with over 80 hours of accrued vacation leave, may cash in accrued leave at their regular pay rate if they have taken the required minimum vacations as defined in the Personnel Policy Manual and have at least 40 hours of leave remaining.

15.4 Vacations shall be scheduled at times mutually agreed to between the employee and the supervisor within the scheduling requirements of the Port.

15.4.1 Employees will request vacation at least 2 weeks prior to the desired date and the Port will reply within 4 working days of the request.

15.5 Regular employees upon separation from employment with the Port after six (6) months of continuous service will be paid the value of vacation leave credits earned.

15.6 In the event of the employee's death, all accrued and unused vacation leave credits shall be paid to the employee's beneficiary.

15.7 Recall of employees on vacation will be pursuant to the call back provisions at Section 11.1.

15.8 Any employee who was not allowed to take vacation will not be subject to 15.3 above, and will be allowed to cash out up to an amount equal to their annual accrued hours of vacation, over 320 hours but to no less than 40 hours based on their anniversary date. This does not apply to PERS 1 employees.

## **ARTICLE 16 – HOLIDAYS**

16.1 All employees shall be granted eight (8) hours, with pay, for those holidays assigned below:

<u>Holiday</u>	<u>Date Observed</u>
New Year's Day	January 1
Martin Luther King Day	3rd Monday in January
Presidents Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving Day	4th Thursday in November
Day following Thanksgiving Day	
Christmas Day	December 25
December 24 or 26	Varies with the year

16.2 Floating Holidays - Two (2) floating holidays shall be granted and selected at the option of the employee with one (1) week's prior notice and approval of the Supervisor/Manager. To be eligible to receive the floating holidays, a new employee must be on the payroll for twelve (12) months. These holidays must be used by December 31st of each year, or be lost. The Department Head may authorize exceptions to this rule and allow individual employees to "carry over" floating holidays on a case by case basis.

16.3 Holidays Observed - When a holiday falls on a Saturday, the preceding Friday shall be observed

by those employees who work a regular Monday through Friday schedule and when one of the holidays falls on Sunday, those employees shall observe the holiday on the following Monday. The employees will be giving 10 days notification on the days observed.

16.4 An employee will not receive holiday pay if the employee is absent on their first scheduled work day prior to the holiday or their first scheduled workday following the holiday and that absence is unexcused. Employees on "leave of absence without pay" or lay off shall not receive holiday pay.

16.5 Employees who work on a designated holiday shall be paid for the hours worked on such holiday at one and one-half (1-1/2) times their regular rate of pay per hour.

16.6 When a holiday falls within an employee's vacation period, the holiday will not be counted as a day of vacation.

16.7 Regular part-time employees will be paid prorated for holidays if the holiday would be part of the regular work schedule based on their normal work week.

## **ARTICLE 17 - EMERGENCY LEAVE**

17.1 Emergency leave may be used by an employee under the following general conditions:

- a. The problem must have been suddenly precipitated; or must be of such a nature that preplanning is not possible or that preplanning could not relieve the necessity for the employee's absence.
- b. The problem cannot be one of minor importance or mere inconvenience, but must be serious.

17.2 Leave for emergency will be charged against vacation leave credits accumulated by the employee. If conditions (a) and (b) exist and employee does not have sufficient leave credits, employee may take leave without pay or received credits through the leave credits program, if approved by the Port Executive Director or Designee.

## **ARTICLE 18 - BEREAVEMENT LEAVE**

18.1 Bereavement leave shall be authorized to regular employees for a maximum of forty (40) paid hours per event, per calendar year on the death of a member of the employee's immediate family, which is defined as follows: husband, wife, grandparent, parent, child, grandchild, brother, sister, mother in law, father in law, domestic partner, and step relations of the same degree. Bereavement leave shall be non-accumulative and shall not be deducted from the employee's accumulated sick or regular leave.

## **ARTICLE 19 - JURY DUTY**

19.1 An employee called for jury duty in any municipal, county, state or federal court shall advise the Port upon receipt of such call and, if taken from work for such jury duty, shall be paid their regular compensation minus any compensation received from jury duty. The employee must provide documentation to the Port of the amount of compensation received for jury duty.

## **ARTICLE 20 - MILITARY LEAVE**

20.1 Any employee who is a member of the Washington National Guard, Army, Navy, Air Force, Coast Guard, or Marine Corps Reserve of the United States or of any organized reserve or Armed Forces of United States shall be entitled to military leave with pay for a period not to exceed twenty-one (21) days during any calendar year beginning October 1 and ending September 30 in order that the employee may report for required military duty, training, or drills or state active status. Such military leave shall be granted pursuant to the RCW 38.40.060. Any employee who enters upon active duty service or training in the Washington National Guard, the Armed Forces of the United States or the United States Public Health Service may seek leave of absence for a period not to exceed the actual tour of duty, service or training, and upon return shall be entitled to re-employment providing the individual complies with the provisions of the Revised Code of Washington 73.16, or as hereafter amended. For purposes of this Section twenty-one (21) days shall mean twenty-one (21) calendar days beginning with the first (1st) day of absence from employment.

## **ARTICLE 21 - LEAVE OF ABSENCE**

21.1 A leave of absence may be requested by any regular employee. The decision as to whether or not such leave of absence will be granted is with the Port Executive Director or Designee. No leave of absence shall exceed a period of thirteen (13) months. Any request for leave of absence shall be in writing, and that writing shall state the time period for which the request is made. The granting of any such request for leave of absence shall also be in writing and signed by the Port Executive Director. Any leave of absence shall be without pay and all Port benefits of the employee shall cease during the period of the leave of absence. The employee may, if satisfactory arrangements can be made, continue insurance plans in effect by prepayment of the insurance premiums. Where the leave of absence does not exceed fifteen (15) days, the Port Executive Director or Designee may authorize payment of fringe benefits at his/her discretion.

## **ARTICLE 22 - HEALTH AND WELFARE**

22.1 The Port offers medical and associated health insurance coverage for all regular employees and eligible dependents (at least 80 hours in any month). Coverage becomes effective on the first day of the third month following the inception of regular employment, with the Port paying the insurance premiums as provided below.

22.2 The Port may change plans or providers with approval by a majority of the members. The Union shall be given ninety (90) days' notice of the intended change and given an opportunity to suggest alternative courses of action by the Port.

22.3 Effective after ratification in, 2021, for hours compensated, the employer shall pay, for every regular employee who was compensated (80) eighty hours or more during the preceding month, into the Washington Teamsters Welfare Trust, sufficient premiums to provide coverage for Washington Teamsters Medical Plan B, said payments to be made to the Washington Teamsters Welfare Trust on or before the 10<sup>th</sup> day of each month. In addition to the basic provisions of the Plan B the following optional benefits shall be a part of the benefits: 9 month disability premium waiver, Plan C Employee Time Loss benefit, and \$30,000 of employee Life/AD&D insurance. As of 1/1/20 the monthly cost of this package is a total monthly contribution of \$1,387.20.

22.4 Effective January 1, 2021, based on December 2020 hours compensated, the employer shall pay, for every regular employee who was compensated (80) eighty hours or more during the preceding month, into the Washington Teamsters Welfare Trust, sufficient premiums to provide coverage for Washington

Teamsters Dental Plan B, payments to be made to the Washington Teamsters Welfare Trust on or before the 10<sup>th</sup> day of each month.

22.5 Effective January 1, 2021, based on December 2020 hours compensated, the employer shall pay, for every regular employee who was compensated (80) eighty hours or more during the preceding month, into the Washington Teamsters Welfare Trust, sufficient premiums to provide coverage for Washington Teamsters Vision Plan EXT, payments to be made to the Washington Teamsters Welfare Trust on or before the 10<sup>th</sup> day of each month.

22.6 Port shall, for the duration of the agreement, provide (80%) of all Medical Dental and Vision premiums associated with providing the benefits described in Article 22.3, 22.4 and 22.5 above. Likewise, the employees shall, for the duration of the agreement, provide the balance of the premiums associated with maintaining the benefits described in 22.3, 22.4 and 22.5 above to make policy premiums whole this amount will be equal to 20% of the premium costs. The Port agrees to take reasonable steps to permit the employee cost of medical to be paid (deducted) on a pretax basis and at no additional cost to the Port.

### **ARTICLE 23 – SEVERANCE PACKAGE**

23.1 In the event of a RIF or Reorganization, a pro-rated Severance Package equal to 1 week's wages and benefits, up to a per year service, max of 12 weeks, will be given to all separated employees of the Port who have 3 years of continuous service or more.

### **ARTICLE 24 - WHISTLE BLOWER PROTECTION**

24.1 The Port and Union agree that any bargaining unit member having information regarding the wrongdoing of an employee or official shall not be discriminated against for "blowing the whistle". The Port agrees to comply with all federal and state statutes regarding Whistle Blowers.

### **ARTICLE 25 - PERSONNEL POLICY**

25.1 Except as provided herein the Port's personnel policy shall apply to employee matters.

### **ARTICLE 26 – DRIVE PROGRAM**

26.1 The Port shall deduct and transmit to D.R.I.V.E. IBT #25 Louisiana Avenue, N.W., Washington, D.C. 20001 contributions to D.R.I.V.E. from the pay of each employee who voluntarily authorizes such contributions in a writing signed by the employee on a form provided for that purpose by IBT. The amount of such deduction(s) and the transmittal of such voluntary contributions(s) shall be as specified in such forms and in conformance with any applicable law. Such forms received by the Port's payroll department by the tenth (10<sup>th</sup>) day of the month shall become effective on the first (1<sup>st</sup>) day of the following month. IBT shall be responsible for the processing and handling of enrollment, including submission of the enrollment forms to the Port.

26.2 The Port shall remit to the D.R.I.V.E. at the address above (1) check covering all deductions made in the prior month no later than the fourteenth (14<sup>th</sup>) day of each month, together with a list of all employees for whom deductions were made and the amount of each deduction. Deductions shall not be made if there is an insufficient balance due to the employee after all other deductions authorized by the employee or required by law or the company have been satisfied. An employee may withdraw from this

program at any time by providing a notice of revocation in writing, signed by the employee, and delivered to D.R.I.V.E., his or her Business Agent, and the Port's payroll department. Such notices received by the Port's payroll department by the tenth (10<sup>th</sup>) day of the month shall become effective on the first (1<sup>st</sup>) day of the following month.

#### **ARTICLE 27 - TERM OF AGREEMENT**

27.1 This agreement shall be effective upon its execution and shall continue in full force and effect to and including December 31, 2023. Should either party desire to modify or terminate this agreement on December 31, 2023, it shall serve written notice at least one-hundred eighty (180) days prior to this date. This agreement may be extended by mutual agreement through the end of 2024.

#### **ARTICLE 28- SEVERABILITY AND SUPERIORITY**

28.1 In the event that any portion of this Agreement is ruled invalid by a court with jurisdiction, the remainder of the Agreement or its application to any other party, person, or circumstance shall not be affected. If any portion is ruled invalid, the Union and the Port shall meet and expeditiously proceed to negotiate a replacement provision.

Signed this \_\_\_\_\_ day of September, 2020.

TEAMSTERS LOCAL UNION 589

PORT OF PORT TOWNSEND

\_\_\_\_\_  
Secretary Treasure Mark Fuller

\_\_\_\_\_  
Executive Director Eron Berg

## APPENDIX “A”

This wage table will be increased by 100% of the Seattle Tacoma Bellevue CPI-U Bi-Monthly Data June to June, in January 1, 2021, and January 1, 2022, and January 1, 2023 with 2% Minimum to a Maximum of 5%. This will continue for the life of the agreement.

A.1 Employees shall move through the salary schedule steps as defined below upon completion of a satisfactory evaluation in accordance with the below.

Step 1 Is the entry level where qualified employees usually start.

In general steps 2 and 3 reflect an accumulation of job skill, port knowledge, and time in service.

Step 4 Reflects utilization of skills and port knowledge closer to fully meeting expectations.

Step 5 Reflects fully meeting all expectations of the job. This describes an employee who is fully skilled, motivated, and creative, understands port operations, can perform all aspects of the job well, is a team player, and provides excellent customer service.

Step 6-8 Reflect superior performance based on advanced skills and experience. These are usually individuals who demonstrate personal initiative by taking advanced classes in their field and considered knowledge and skills experts. They actively train and share their knowledge with peers.

Steps 9-10 Reflect exceptional performance, attitude and role modeling. They often step up and perform work above their grade. Port customers and stakeholders often recognize them for outstanding customer service. These are the people others go to for advice and assistance with the most complex and difficult problems and issues. (These people are ready for internal or external promotion).

A.1.1 At the end of the first year of employment with the Port and each subsequent year there will be a performance evaluation to determine any step increase warranted based upon the employees skills, abilities, training, experience and performance.

A.2 Project Compensation:

Individuals may also qualify for extra compensation for completing special projects that are over and above the already high expectations of the job. The idea for the project may come from an innovative employee or from management which mutually agree. To qualify for extra compensation the project must significantly add to port: operating efficiencies, cost savings, revenue generation, or customer service, and the Port must decide the project is a worthwhile priority. As regular part of employee's jobs you are expected to be creative and continually look for ways to do your job better, safer, and more efficiently. A qualifying project will then be over and above the normal skill sets and scoped of work normally expected and must be planned in advance of starting through discussion with the relevant supervisor who will get final direction and authorization to move forward from the Port leadership team.

Extra compensation, for approved projects, will be awarded as a one-time payment paid in a separate check. The amount will be determined based on the significance and value to the Port.

### A.3 Wage table:

**Port of Port Townsend  
Union Wage Table  
Effective January 1, 2021, includes 2.0% CPI**

Grade	85%		95%		100%	Merit Based Steps					
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	
7	\$18.16	\$18.70	\$19.26	\$19.84	\$20.43	\$21.05	\$21.68	\$22.33	\$23.00	\$23.69	Yard Laborer
8	\$19.22	\$19.79	\$20.39	\$21.00	\$21.63	\$22.28	\$22.95	\$23.63	\$24.34	\$25.07	Yard Laborer/Custodian (a, b)
9	\$20.29	\$20.90	\$21.52	\$22.17	\$22.83	\$23.52	\$24.22	\$24.95	\$25.70	\$26.47	Custodian (b)
10	\$21.40	\$22.04	\$22.70	\$23.38	\$24.09	\$24.81	\$25.55	\$26.32	\$27.11	\$27.92	Hoist Operator I
11	\$22.98	\$23.67	\$24.38	\$25.11	\$25.86	\$26.64	\$27.44	\$28.26	\$29.11	\$29.98	Cust Service Rep, Quilcene Facility Attendant
16	\$25.78	\$26.55	\$27.35	\$28.17	\$29.01	\$29.88	\$30.78	\$31.70	\$32.65	\$33.63	Cust Service Rep II, Hoist Oper II, Enviro Spec
17	\$24.92	\$25.67	\$26.44	\$27.23	\$28.05	\$28.89	\$29.75	\$30.65	\$31.57	\$32.51	Maintainance Tech II
18	\$25.62	\$26.39	\$27.18	\$28.00	\$28.84	\$29.70	\$30.59	\$31.51	\$32.46	\$33.43	Maintenance Tech II - Mechanic I
21	\$28.82	\$29.68	\$30.57	\$31.49	\$32.43	\$33.40	\$34.41	\$35.44	\$36.50	\$37.60	Hoist Operator III
22	\$27.73	\$28.57	\$29.42	\$30.31	\$31.21	\$32.15	\$33.12	\$34.11	\$35.13	\$36.19	Maintenance - Carpenter
23	\$29.04	\$29.91	\$30.81	\$31.73	\$32.68	\$33.66	\$34.67	\$35.71	\$36.79	\$37.89	Maintenance - Mechanic (c)
29	\$33.94	\$34.95	\$36.00	\$37.08	\$38.19	\$39.34	\$40.52	\$41.74	\$42.99	\$44.28	Maintenance Lead - Mechanic II (c)

(a) Grade 8 was formerly Grade 9; a new Grade was required for the Custodian position, as well as the Yard Laborer/Custodian position.

(b) Two (2) new positions were created in November 2019: Yard Laborer/Custodian and Custodian.

(c) Maintenance Lead - Mechanic II, Grade 29, replaced the position of Maintenance - Mechanic in 2018. The former position remains on the wage table, though does not have to be filled.

2020 Wage Table was updated with the 2.0% CPI increase effective January 1, 2021.

## APPENDIX "B"

<u>Classification</u>	<u>Range</u>
Yard Laborer	7
Yard Laborer/Custodian (a, b)	8
Custodian (b)	9
Hoist Operator I	10
Customer Service Representative	11
Quilcene Facility Attendant	11
Hoist Operator II	16
Customer Service Representative II	16
Environmental Specialist	16
Maintenance Tech II	17
Maintenance Tech II/Mechanic I	18
Hoist Operator III	21
Maintenance - Carpenter	22
Maintenance – Mechanic (c)	23
Maintenance Lead/Mechanic II (c)	29

<b>MEETING DATE</b>	September 9, 2020
<b>AGENDA ITEM</b>	<input type="checkbox"/> Consent <input type="checkbox"/> 1 <sup>st</sup> Reading <input type="checkbox"/> 2 <sup>nd</sup> Reading <input type="checkbox"/> Regular Business <input checked="" type="checkbox"/> Informational
<b>AGENDA TITLE</b>	Informational Items
<b>STAFF LEAD</b>	Eron Berg, Executive Director
<b>REQUESTED</b>	<input checked="" type="checkbox"/> Information <input type="checkbox"/> Motion/Action <input type="checkbox"/> Discussion
<b>ATTACHMENTS</b>	<ol style="list-style-type: none"> <li>1. YTD July 2020 Financials</li> <li>2. Reminder of State restrictions regarding campaigns</li> </ol>

# PORT OF PORT TOWNSEND

## INFORMATIONAL MEMO

**DATE:** 9/3/2020  
**TO:** Port Commission  
**FROM:** Abigail Berg, Director of Finance & Administration  
**SUBJECT:** July 2020 YTD Financial Report - NOTES

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### ISSUE

#### BACKGROUND & DISCUSSION

Attached is the monthly YTD update on Port financial activity, with notes, in addition to the 2019 to 2020 month-to-month comparison of actual cash deposited.

Additional information related to Port financial activity YTD is as follows:

#### CASH BALANCES:

Unreserved Cash \$1,319,083

#### Reserved Cash:

IDD Tax Levy \$491,708

PTBH Renovation \$561,505

Port Wide Capital \$419,739

Operating \$258,750

Hazardous \$ 25,000

Contingency \$ 75,000

Unemployment \$ 10,000

Total Reserved Cash \$1,841,702

Total Unreserved & Reserved Cash \$3,160,785

#### CAPITAL EXPENSES:

Linear Dock Electrical \$ 2,425

D-dock Renovation \$ 1,969

2020 Workyard Resurfacing \$ 665

2019 Workyard Resurfacing \$ 665

JCIA Runway Rehabilitation \$ 1,987,687

BH Breakwater Repair \$ 15,752

PH Jetty \$ 120,989

PH Air Quality Improvements \$ 30,134



Equipment (Yard Jack Stands) \$ 39,937

PH DirecTV electrical \$ 1,000

Total YTD Capital Expenses \$ 2,201,223

**2020 Line of Credit (LOC) used for JCIA Runway Rehabilitation Project  
Activity as of July 31, 2020**

**Scarsella Invoices**

<b>date</b>	<b>progress est.</b>	<b>amount</b>	<b>paid by LOC</b>	<b>paid by NOI</b>
6/2/2020	1	\$ 252,200.66		\$ 252,200.66
7/9/2020	2	1,547,496.44	400,000.00	1,147,496.44
7/13/2020	3	118,845.04		118,845.04
	<b>totals</b>	 <b>\$ 1,918,542.14</b>	 <b>\$ 400,000.00</b>	<b>\$ 1,518,542.14</b>

**FISCAL IMPACT**

NA

**RECOMMENDATION**

For information only.

**Port of Port Townsend**  
**2020 Summary of Fund Resources & Uses with Comparison to Prior Year and Budget**

	YTD July 2019	YTD July 2020	Variance to prior year - 2019 v 2020	notes	YTD Budget 2020	Variance to Budget YTD
<b>REVENUES</b>				<b>a</b>		
Boat Haven Moorage	1,115,257	1,062,829	(52,428)		1,131,218	(68,389)
Yard Operations	1,116,210	1,063,910	(52,300)		1,151,424	(87,514)
Boat Haven Properties	420,626	418,296	(2,330)		358,795	59,501
Pt. Hudson Marina, RV & Prop	841,079	675,019	(166,060)		892,057	(217,038)
Quilcene	100,775	102,339	1,564		100,201	2,138
Ramps	41,318	39,732	(1,585)		40,842	(1,110)
JCIA	88,098	85,468	(2,631)		89,027	(3,560)
<b>Total Revenues</b>	<b>3,723,364</b>	<b>3,447,594</b>	<b>(275,770)</b>		<b>3,763,564</b>	<b>(315,971)</b>
<b>EXPENSES</b>						
Salaries & Wages	1,172,588	1,302,702	130,114	<b>b</b>	1,338,522	(35,820)
Payroll Taxes	129,021	137,203	8,182		135,620	1,583
Employee Benefits	380,845	486,944	106,099	<b>c</b>	472,042	14,902
Uniform Expense	3,962	4,654	692		5,103	(449)
Contract Services	157,014	135,883	(21,132)		151,273	(15,390)
Consulting Services	48,249	-	(48,249)		22,500	(22,500)
Legal & Auditing	75,526	12,762	(62,764)	<b>d</b>	58,331	(45,569)
Insurance	547	1,199	652		-	1,199
Facilities & Operations	255,310	252,730	(2,579)		254,509	(1,778)
Utilities	331,563	285,890	(45,673)	<b>e</b>	340,716	(54,826)
Marketing	35,660	27,622	(8,038)		32,325	(4,703)
Economic Development	-	-	-		15,000	(15,000)
Travel & Training	19,950	9,413	(10,537)	<b>f</b>	19,850	(10,437)
Cost of Goods - Fuel	10,113	2,035	(8,079)	<b>g</b>	10,900	(8,865)
Community Relations	35	3,527	3,492	<b>h</b>	-	3,527
<b>Total Expenses</b>	<b>2,620,383</b>	<b>2,662,563</b>	<b>42,180</b>		<b>2,856,690</b>	<b>(194,127)</b>
<b>Net Operating Income (Loss)</b>	<b>1,102,981</b>	<b>785,031</b>	<b>(317,950)</b>		<b>906,874</b>	<b>(121,843)</b>
<b>Other Increases in Fund Resources</b>						
Deposits & Retainage Collected	78,225	54,703	(23,522)	<b>i</b>	-	54,703
Taxes Collected	464,383	337,386	(126,997)	<b>j</b>	-	337,386
Capital Contributions/Grants	226,856	539,188	312,332	<b>k</b>	1,593,400	(1,054,212)
Debt Proceeds - 2020 Line of Credit	-	400,000	400,000	<b>l</b>	-	400,000
Interest	34,715	24,710	(10,005)	<b>m</b>	31,400	(6,690)
Property & other taxes	648,658	1,130,025	481,366	<b>n</b>	632,117	497,908
Misc Other Incr. in Fund Resources	248,680	13,473	(235,207)	<b>o</b>	15,625	(2,152)
<b>Total Other Incr. in Fund Resources</b>	<b>1,701,517</b>	<b>2,499,485</b>	<b>397,967</b>		<b>2,272,542</b>	<b>(173,057)</b>
<b>Other Decr. In Fund Resources</b>						
Deposits & Retainage Paid	15,229	11,408	(3,821)	<b>p</b>	-	11,408
Taxes Remitted	535,575	401,443	(134,132)	<b>q</b>	-	401,443
Bond Interest	600,294	642,869	42,575	<b>r</b>	175,969	466,900
Bond Mgmt, Issuance & Misc Exp	350	9,776	9,426		800	8,976
Election Expense	-	15,674	15,674	<b>s</b>	-	15,674
<b>Total Other Decr. In Fund Resources</b>	<b>1,151,448</b>	<b>1,081,170</b>	<b>(70,277)</b>		<b>176,769</b>	<b>904,401</b>
<b>Net Other Incr./Decr. Fund Resrcs</b>	<b>550,070</b>	<b>1,418,314</b>	<b>468,245</b>		<b>2,095,773</b>	<b>(1,077,459)</b>
<b>Net Incr./Decr. All Fund Resources</b>	<b>1,653,050</b>	<b>2,203,345</b>	<b>550,295</b>	<b>t</b>	<b>3,002,647</b>	<b>(1,199,302)</b>

**Notes:**

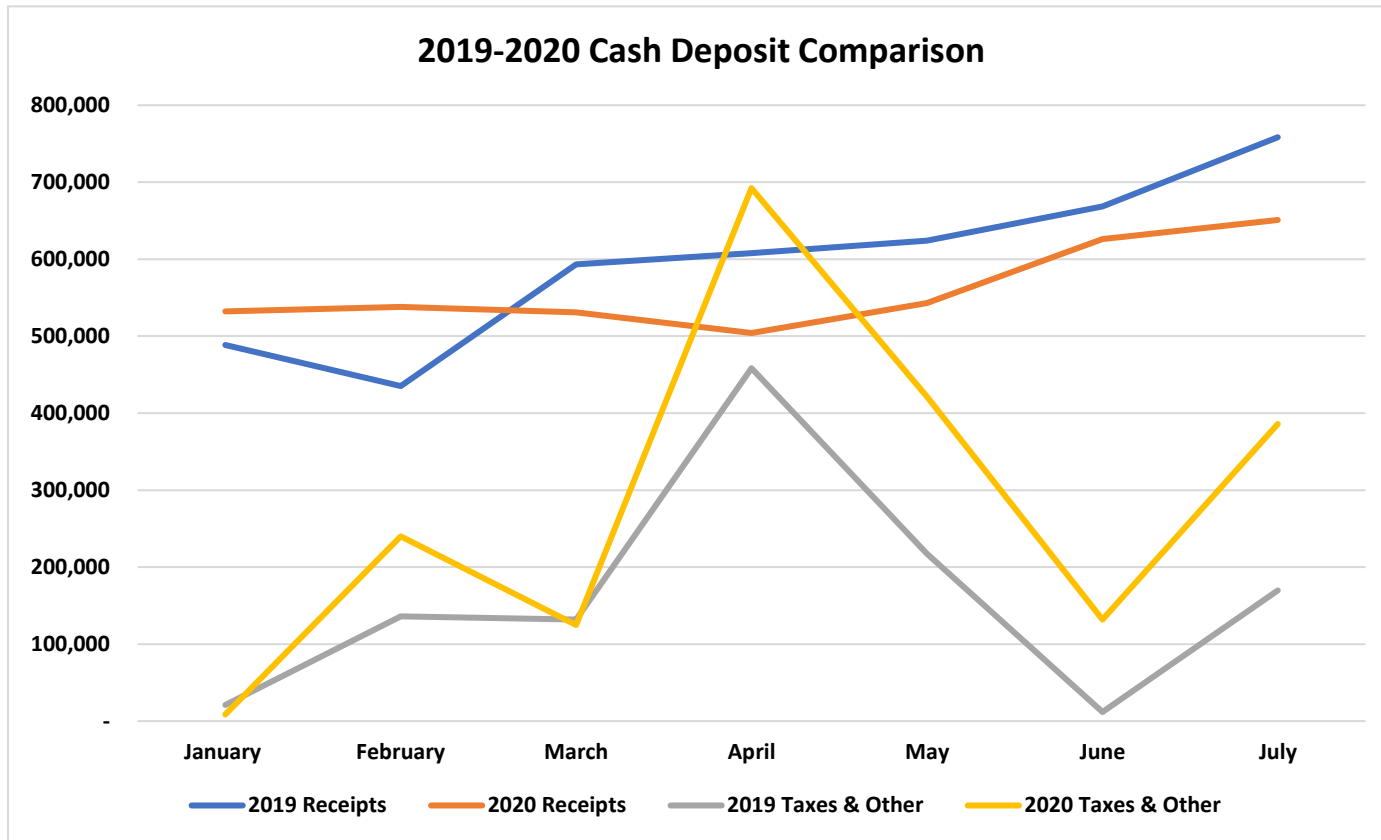
- (a) *Starting in May, this report became a hybrid of Accrual/Cash. The full Cash report will be rolled out soon. Understand that when comparing 2019 to 2020 Revenues, the 2019 revenues are on an Accrual Basis, and in 2020, all months but January, are on a Cash Basis. Expenses year to year are more comparable since the Port pays its bills as they are received.*
- (b) *Comparing 2019 to 2020, the variance is primarily due the following: two (2) new positions implemented approximately mid-year 2019 (Lease & Contracts Admin., Enviro Spec.), the Custodian position added in Jan. 2020, and the Executive Director overlap in 2020. YTD Actual is under YTD Budget.*
- (c) *The comparison of 2019 to 2020 Benefits is as expected to be higher due to the added positions mentioned above, as well as, paying 2 Executive Directors through June 30. The YTD 2020 benefits budget is slightly less than actual because of the unbudgeted Custodian and Yard Laborer positions filled January 1.*
- (d) *In 2019, approximately \$25,000 was spent on the Seattle Maritime Academy litigation, in addition, YTD 2020 reflects less use/need of this service.*
- (e) *Utilities YTD compared to the prior year and budget are lower for a variety of reasons, specifically, 1.) some tenants put their utilities in their names, 2.) the telephone service transition allowed removal of additional lines and 3.) the pandemic impacted our customers' use of electricity, water, sewer, and stormwater.*
- (f) *YTD 2019 Travel & Training was higher than 2020 due to the timing of staff travel reimbursement submittals and payments, HAZWOPPER training (which cost ~\$4,200), and WPPA conferences attended in 2019 that have been cancelled in 2020 due to the Covid-19 pandemic.*
- (g) *Cost of Goods - Fuel is below YTD 2019 and budget because we have decommissioned the fuel system in Quilcene.*
- (h) *2020 costs were higher for Community Relations when comparing to 2019 and Budget due to Deck the Docks event held in December, the rental deposit paid for the Executive Director candidate meet and greet held at the NWMC in January, and the sponsorship of the high school sailing team for the Race to Alaska.*
- (i) *"Refundable Deposits & Retainage" is new to this report and comes from the Cash Basis reporting requirements. It includes recognition of cash collected by the Port for these purposes.*
- (j) *"Taxes Collected" is new to this report and comes from the Cash Basis reporting requirements. It is recognition of cash collected by the Port for Sales, Leasehold and Hotel/Motel Taxes.*
- (k) *The variance between YTD 2019 and budget to YTD 2020 Capital Contributions/Grants is to be expected dependent on grant billing and receipt.*
- (l) *This is the first draw on the Line of Credit with Cashmere Valley Bank to help pay for the JCIA Runway Rehabilitation construction project until FAA grant revenue is received.*
- (m) *Interest rates have dropped significantly and as a result, the YTD Investment Interest Income is just below 50% of 2019 and also less than budget.*
- (n) *When comparing 2019 to 2020, as well as to budget, the amount of Property & Other Taxes line item increase in 2020 is primarily due to the IDD Levy.*
- (o) *The 2019 Misc. Other Increases in Fund Resources includes the payment to the Port for the New Day Fisheries building for \$100,000 and the \$132,402 portion of the SMA settlement for the vessel Cobb. In addition, finance charges are approximately 25% of expected as the Port temporarily waived those fees in late spring due to the effects of the pandemic on Port customers.*
- (p) *"Retainage & Deposits Paid" is new to this report and comes from the Cash Basis reporting requirements. It includes recognition of cash refunded by the Port for these purposes.*
- (q) *"Taxes Remitted" is new to this report and comes from the Cash Basis reporting requirements. It is recognition of cash remitted to the State by the Port for Sales, Leasehold and Hotel/Motel Taxes. 2020 is larger than YTD 2019 because the payment for Q4 was paid in January 2020.*
- (r) *Bond interest for January 2019 was paid in December 2018. In addition, the principal payment of debt paid in July was added.*
- (s) *These are the shared election costs for last November's elections. The direct costs were billed in 2019, December.*
- (t) *Most of the variance between YTD 2019 and 2020 is due to the LOC draw of \$400,000 in July as well as the IDD levy revenue which off-sets the operating revenue reductions incurred due to the pandemic.*

### Comparison of YTD Cash Deposits to the Port - month to month - for 2019 and 2020

Month	2019 Receipts	2020 Receipts	Increase (Decrease)	2019 Taxes & Other	2020 Taxes & Other	Increase (Decrease)	Grand total 2019	Grand Total 2020	Increase (Decrease)
January	488,411	532,252	43,841	20,998	8,603	(12,395)	509,409	540,855	31,446
February	435,227	538,034	102,807	136,179	239,933	103,754	571,406	777,967	206,561
March	593,496	530,782	(62,714)	131,979	124,818	(7,161)	725,475	655,600	(69,875)
April	608,011	504,154	(103,857)	458,435	692,342	233,907	1,066,446	1,196,496	130,050
May	624,224	543,219	(81,005)	217,737	421,455	203,718	841,961	964,674	122,713
June	668,413	626,105	(42,308)	11,840	131,847	120,007	680,253	757,952	77,699
July	758,395	650,956	(107,439)	169,635	386,093	216,458	928,030	1,037,049	109,019
YTD totals	\$ 4,176,177	\$ 3,925,502	\$ (250,675)	\$ 1,146,803	\$ 2,005,091	\$ 858,288	\$ 5,322,980	\$ 5,930,593	\$ 607,613

**Notes:**

- 1.) "Receipts" are charges and fees paid to the Port from tenants, and other Port customers for the use of Port facilities.
- 2.) "Taxes & Other" are taxes, deposits, finance charges, grants, etc. received by the Port that are not part of Operations.
- 3.) As of July 31, 2020, the IDD Taxes received are \$491,708, which is included in the \$2,005,091 total for "2020 Taxes & Other" above.



**Notes:**

1. The spike in April for Non-Operating cash deposits is related to Property Tax payments that are due each April 30 and October 30.

**Port of Port Townsend**  
**2020 Summary of Fund Resources & Uses with Comparison to Prior Year and Budget**

	YTD July 2019	YTD July 2020	Variance to prior year - 2019 v 2020	notes	YTD Budget 2020	Variance to Budget YTD
<b>REVENUES</b>				<b>a</b>		
PTBH - Permanent Moorage	667,508	704,749	37,241		687,600	17,149
PTBH - Liveaboard Fee	13,322	15,751	2,430		13,940	1,811
PTBH - Work Float/Lift Pier Usage	6,630	1,143	(5,487)		5,250	(4,107)
PTBH - Monthly Guest	191,063	158,124	(32,939)		199,459	(41,335)
PTBH - Nightly Guest	150,354	106,503	(43,851)		136,269	(29,766)
PTBH - Miscellaneous Revenue	9,130	7,625	(1,505)		9,250	(1,625)
PTBH - Port Labor	-	67	67		-	67
PTBH - Showers	6,157	5,002	(1,155)		6,200	(1,198)
PTBH - Restroom Key Fobs	850	240	(610)		600	(360)
PTBH - Laundry	3,644	3,406	(238)		3,550	(144)
PTBH - Promotional Sales	481	76	(405)		400	(324)
PTBH - Electric	66,118	60,143	(5,975)		68,700	(8,557)
Boat Haven Moorage	1,115,257	1,062,829	(52,428)		1,131,218	(68,389)
Yard - Liveaboard Fee	538	1,504	967		539	965
Yard - Miscellaneous Revenue	10,642	(1,683)	(12,325)		2,611	(4,294)
Yard - Work Yard Port Labor	-	-	-		2,600	(2,600)
Yard - Ship Yard Port Labor	-	2,265	2,265		3,700	(1,435)
Yard - Enviro Violations & Clean up	-	2,810	2,810		-	2,810
Yard - Work Yard Enviro Fee	22,600	26,569	3,969		29,380	(2,811)
Yard - Ship Yard Enviro Fee	3,680	9,788	6,108		8,432	1,356
Yard - 70/75 Ton Hoist Revenue	203,163	166,203	(36,960)		211,514	(45,311)
Yard - 300 Ton Hoist Revenue	115,933	126,800	10,867		134,692	(7,892)
Yard - Washdown Revenue	49,820	49,678	(142)		50,500	(822)
Yard - Bilge Water Revenue	5,242	2,779	(2,463)		3,678	(899)
Yard - Work Yard Revenue	361,120	338,162	(22,958)		348,106	(9,944)
Yard - Ship Yard Revenue	251,011	221,600	(29,411)		230,773	(9,173)
Yard - L/T Storage	41,029	44,368	3,339		44,219	149
Yard - Blocking Rent	20,201	21,422	1,221		33,525	(12,103)
Yard - Off Port Property Tarp Fee	1,245	2,107	862		875	1,232
Yard - Work Yard Electric	191	20,632	20,442		19,440	1,192
Yard - Ship Yard Electric	29,148	28,905	(243)		26,840	2,065
Yard - Garbage	648	-	(648)		-	-
Yard Operations	1,116,210	1,063,910	(52,300)		1,151,424	(87,514)
PTBH Prop - Lease Revenue	383,031	382,811	(220)		322,216	60,595
PTBH Prop - Storage Unit Revenue	5,452	4,923	(529)		5,177	(254)
PTBH Prop - Fuel Dock Lease	10,405	10,109	(296)		10,300	(191)
PTBH Prop - Electric	1,573	2,470	897		1,740	730
PTBH Prop - Stormwater Fees	4,926	7,138	2,212		4,550	2,588
PTBH Prop - Other Util, Wtr, Swr, Garbg	15,238	10,845	(4,393)		14,812	(3,967)
Boat Haven Properties	420,626	418,296	(2,330)		358,795	59,501
Pt Hudson - Permanent Moorage	81,754	78,454	(3,300)		84,321	(5,867)
Pt Hudson - Liveaboard Fee	3,658	4,308	650		3,768	540
Pt Hudson - Monthly Guest	70,590	80,396	9,806		66,999	13,397
Pt Hudson - Nightly Guest	124,968	86,428	(38,540)		128,251	(41,823)
City Pier & Union Wharf Usage	8,956	1,271	(7,685)		10,724	(9,453)
Pt Hudson - Monthly R.V.	45,639	41,946	(3,693)		46,942	(4,996)
Pt Hudson - Nightly R.V.	197,685	100,871	(96,814)		213,460	(112,589)

Pt Hudson - Kayak Racks	7,635	7,997	362		7,808	189
Pt Hudson - Reservation Fee	25,450	14,944	(10,506)		26,890	(11,946)
Pt Hudson - Showers	4,744	3,367	(1,377)		4,965	(1,598)
Pt Hudson - Laundry	6,151	5,524	(626)		6,696	(1,172)
Pt Hudson - Passenger Fee	5,382	-	(5,382)		10,174	(10,174)
Pt Hudson - Miscellaneous	1,401	362	(1,039)		1,200	(838)
Pt Hudson - Promotional Sales	620	283	(337)		550	(267)
Pt Hudson - Enviro Clean up	-	212	212		-	212
Pt Hudson - Building Leases	206,155	212,071	5,916		225,659	(13,588)
Pt Hudson - Parking	6,173	1,604	(4,569)		6,600	(4,996)
Pt Hudson - Event Facility Rev	900	286	(614)		2,300	(2,014)
Pt Hudson - Property Utility Reimb	24,518	15,715	(8,803)		24,900	(9,185)
Pt Hudson - Electric	18,700	18,980	281		19,850	(870)
Pt. Hudson Marina, RV & Prop	841,079	675,019	(166,060)		892,057	(217,038)
Quilcene - Permanent Moorage	27,452	30,933	3,481		28,277	2,656
Quilcene - Monthly Moorage	316	-	(316)		-	-
Quilcene - Liveaboard Fee	293	2,044	1,750		546	1,498
Quilcene - Nightly Moorage	2,833	1,472	(1,361)		2,320	(848)
Quilcene - Showers	1,821	2,145	324		1,754	391
Quilcene - Reservations	630	308	(322)		630	(322)
Quilcene - Miscellaneous Revenue	-	31	31		120	(89)
Quilcene - Lease Revenue	36,114	42,375	6,261		37,154	5,221
Quilcene - Fuel Sales	11,089	3,933	(7,156)		10,168	(6,235)
Quilcene - Recreational Ramp Fees	8,525	7,923	(602)		7,250	673
Quilcene - Commercial Use Fees	2,400	1,200	(1,200)		2,800	(1,600)
Quilcene - Water	8,458	7,766	(692)		8,400	(634)
Quilcene - Electric	845	2,209	1,364		782	1,427
Quilcene	100,775	102,339	1,564		100,201	2,138
Ramp Fees	34,808	36,339	1,531		36,142	197
Ramp Fees - Failure to Pay	450	(30)	(480)		-	(30)
PTBH Ramp - Commercial Use Fees	4,100	2,383	(1,717)		3,000	(617)
PTBH Ramp - Dinghy Float Revenue	1,960	1,040	(920)		1,700	(660)
Ramps	41,318	39,732	(1,585)		40,842	(1,110)
JCIA - Miscellaneous Revenue	530	-	(530)		58	(58)
JCIA - Lease Revenue	67,896	64,167	(3,729)		65,597	(1,430)
JCIA - Hangar Revenue	15,986	18,053	2,067		18,767	(714)
JCIA - Vehicle Parking Revenue	342	438	96		425	13
JCIA - Aircraft Parking	831	1,291	461		925	366
JCIA - Fuel Lease Revenue	1,435	630	(806)		2,047	(1,417)
JCIA - Electric	1,078	889	(189)		1,208	(319)
JCIA	88,098	85,468	(2,631)		89,027	(3,560)
<b>Total Revenues</b>	<b>3,723,364</b>	<b>3,447,594</b>	<b>(275,770)</b>		<b>3,763,564</b>	<b>(315,971)</b>
<b>EXPENSES</b>						
Salaries & Wages	1,172,588	1,302,702	130,114	<b>b</b>	1,338,522	(35,820)
Payroll Taxes	129,021	137,203	8,182		135,620	1,583
Employee Benefits	380,845	486,944	106,099	<b>c</b>	472,042	14,902
Uniform Expense	3,962	4,654	692		5,103	(449)
Contract Services	157,014	135,883	(21,132)		151,273	(15,390)
Consulting Services	48,249	-	(48,249)		22,500	(22,500)
Legal & Auditing	75,526	12,762	(62,764)	<b>d</b>	58,331	(45,569)
Insurance	547	1,199	652		-	1,199
Office/Computer Supplies	7,213	2,774	(4,439)		2,500	274
Operating Supplies	50,417	32,358	(18,058)		47,042	(14,684)

Enviro Materials/Supplies	2,115	20,028	17,914		1,250	18,778
Tarp Pool Expense	15,965	13,460	(2,506)		17,000	(3,540)
Empl Recog/Relations	738	(199)	(936)		700	(899)
Publications	95	-	(95)		-	-
Postage	2,492	2,711	219		3,292	(581)
Janitorial Supplies	15,216	10,494	(4,722)		14,991	(4,497)
Fuel & Lubricants	18,634	10,163	(8,471)		17,250	(7,087)
Permits & Licenses	4,085	1,985	(2,100)		4,150	(2,165)
Equipment Rental	-	1,722	1,722		4,800	(3,078)
Claims & Damages	-	-	-		1,500	(1,500)
Membership & Dues	12,277	15,434	3,157		11,850	3,584
Bank Charges	46,240	48,531	2,291		47,227	1,304
Excise Tax	14,094	10,717	(3,377)		14,134	(3,417)
Bad Debt	8,708	(200)	(8,908)		5,000	(5,200)
Miscellaneous Expense	660	17,605	16,945		1,334	16,271
Repair & Maintenance Supplies	56,361	65,146	8,785		60,489	4,657
Facilities & Operations	255,310	252,730	(2,579)	e	254,509	(1,778)
Utilities	331,563	285,890	(45,673)		340,716	(54,826)
Advertising (Legal 2018)	4,658	3,491	(1,166)		3,490	1
Marketing	17,432	23,099	5,667		19,009	4,090
Promotion	13,570	1,032	(12,539)		9,826	(8,794)
Marketing	35,660	27,622	(8,038)		32,325	(4,703)
Economic Development	-	-	-		15,000	(15,000)
Travel & Training	19,950	9,413	(10,537)	f	19,850	(10,437)
Cost of Goods - Fuel	10,113	2,035	(8,079)	g	10,900	(8,865)
Community Relations	35	3,527	3,492	h	-	3,527
<b>Total Expenses</b>	<b>2,620,383</b>	<b>2,662,563</b>	<b>42,180</b>		<b>2,856,690</b>	<b>(194,127)</b>
<b>Net Operating Income (Loss)</b>	<b>1,102,981</b>	<b>785,031</b>	<b>(317,950)</b>		<b>906,874</b>	<b>(121,843)</b>
<b>Other Increases in Fund Resources</b>						
Retainage Collected	-	1,254	1,254		-	1,254
Yard Deposits Collected	11,000	1,000	(10,000)		-	1,000
PTBH Prop Lease Deposits Collected	10,663	19,332	8,669		-	19,332
PH Prop Lease Deposits Collected	7,113	4,611	(2,502)		-	4,611
PH Marina/RV Deposits Collected	49,449	28,506	(20,943)		-	28,506
Deposits & Retainage Collected	78,225	54,703	(23,522)	i	-	54,703
Sales Tax Collected	48,789	39,491	(9,298)		-	39,491
Leasehold Tax Collected	411,560	295,660	(115,900)		-	295,660
Hotel/Motel Tax Collected	4,034	2,236	(1,798)		-	2,236
Taxes Collected	464,383	337,386	(126,997)	j	-	337,386
Grants - FAA	212,587	376,547	163,960		1,488,400	(1,111,853)
Grants - RCO	-	-	-		100,000	(100,000)
Grants - WSDOT - JCIA	-	8,014	8,014		5,000	3,014
Grants - WA State & Jeff Co	14,270	41,835	27,565		-	41,835
Grants - Jefferson County	-	112,794	112,794		-	112,794
Capital Contributions/Grants	226,856	539,188	312,332	k	1,593,400	(1,054,212)
Debt Proceeds - 2020 Line of Credit	-	400,000	400,000	l	-	400,000
ARRA Bond Interest Subsidy	16,388	16,441	52		16,000	441
Investment Interest	18,327	8,269	(10,057)		15,400	(7,131)
Interest	34,715	24,710	(10,005)	m	31,400	(6,690)
Operating Tax Levy	578,584	595,688	17,103		597,972	(2,284)
IDD Tax Levy	-	491,708	491,708		-	491,708
State Forest Revenues	36,662	22,637	(14,025)		14,000	8,637

State Timber Excise Tax	31,135	15,290	(15,845)	n	16,000	(710)
Leasehold Excise Tax	2,277	4,703	2,425		4,145	558
Property & other taxes	648,658	1,130,025	481,366		632,117	497,908
Insurance Recovery	-	8,309	8,309		-	8,309
Finance Charges	16,220	4,828	(11,392)		15,050	(10,222)
Other Non-Operating Revenues	232,460	336	(232,124)	o	575	(239)
Misc Other Incr. in Fund Resources	248,680	13,473	(235,207)		15,625	(2,152)
<b>Total Other Incr. in Fund Resources</b>	<b>1,701,517</b>	<b>2,499,485</b>	<b>397,967</b>		<b>2,272,542</b>	<b>(173,057)</b>
<b>Other Decr. In Fund Resources</b>						
Retainage Paid	3,858	6,265	2,407	p	-	6,265
PTBH Prop Lease Deposits Returned	2,959	-	(2,959)		-	-
PH Prop Lease Deposits Returned	-	710	710		-	710
PH Deposits Refunded	8,412	4,434	(3,979)		-	4,434
Deposits & Retainage Paid	15,229	11,408	(3,821)		-	11,408
Sales Tax Remitted	41,571	33,564	(8,007)	q	-	33,564
Leasehold Tax Remitted	490,978	366,947	(124,031)		-	366,947
Hotel/Motel Tax Remitted	3,026	932	(2,094)		-	932
Taxes Remitted	535,575	401,443	(134,132)	r	-	401,443
Interest Exp - 2010 LTGO Bond	98,919	93,619	(5,300)		93,619	(0)
Principal Pmt - 2015 LTGO Rfdg Bond	450,000	460,000	10,000		-	460,000
Interest Exp - 2015 LTGO Rfdg Bond	51,375	89,250	37,875		82,350	6,900
Bond Interest	600,294	642,869	42,575		175,969	466,900
Bond Management Fees	-	-	-	s	500	(500)
Bond Issue Costs	-	9,500	9,500		-	9,500
Investment Fees	350	276	(74)		300	(24)
Bond Mgmt, Issuance & Misc Exp	350	9,776	9,426		800	8,976
Election Expense	-	15,674	15,674		-	15,674
<b>Total Other Decr. In Fund Resources</b>	<b>1,151,448</b>	<b>1,081,170</b>	<b>(70,277)</b>		<b>176,769</b>	<b>904,401</b>
<b>Net Other Incr./Decr. Fund Resrcs</b>	<b>550,070</b>	<b>1,418,314</b>	<b>468,245</b>		<b>2,095,773</b>	<b>(1,077,459)</b>
<b>Net Incr./Decr. All Fund Resources</b>	<b>1,653,050</b>	<b>2,203,345</b>	<b>550,295</b>	<b>t</b>	<b>3,002,647</b>	<b>(1,199,302)</b>

**Notes:**

- (a) Starting in May, this report became a hybrid of Accrual/Cash. The full Cash report will be rolled out soon. Understand that when comparing 2019 to 2020 Revenues, the 2019 revenues are on an Accrual Basis, and in 2020, all months but January, are on a Cash Basis. Expenses year to year are more comparable since the Port pays its bills as they are received.
- (b) Comparing 2019 to 2020, the variance is primarily due the following: two (2) new positions implemented approximately mid-year 2019 (Lease & Contracts Admin., Enviro Spec.), the Custodian position added in Jan. 2020, and the Executive Director overlap in 2020. YTD Actual is under YTD Budget.
- (c) The comparison of 2019 to 2020 Benefits is as expected to be higher due to the added positions mentioned above, as well as, paying 2 Executive Directors through June 30. The YTD 2020 benefits budget is slightly less than actual because of the unbudgeted Custodian and Yard Laborer positions filled January 1.
- (d) In 2019, approximately \$25,000 was spent on the Seattle Maritime Academy litigation, in addition, YTD 2020 reflects less use/need of this service.
- (e) Utilities YTD compared to the prior year and budget are lower for a variety of reasons, specifically, 1.) some tenants put their utilities in their names, 2.) the telephone service transition allowed removal of additional lines and 3.) the pandemic impacted our customers' use of electricity, water, sewer, and stormwater.
- (f) YTD 2019 Travel & Training was higher than 2020 due to the timing of staff travel reimbursement submittals and payments, HAZWOPPER training (which cost ~\$4,200), and WPPA conferences attended in 2019 that have been cancelled in 2020 due to the Covid-19 pandemic.
- (g) Cost of Goods - Fuel is below YTD 2019 and budget because we have decommissioned the fuel system in Quilcene.
- (h) 2020 costs were higher for Community Relations when comparing to 2019 and Budget due to Deck the Docks event held in December, the rental deposit paid for the Executive Director candidate meet and greet held at the NWMC in January, and the sponsorship of the high school sailing team for the Race to Alaska.
- (i) "Refundable Deposits & Retainage" is new to this report and comes from the Cash Basis reporting requirements. It includes recognition of cash collected by the Port for these purposes.
- (j) "Taxes Collected" is new to this report and comes from the Cash Basis reporting requirements. It is recognition of cash collected by the Port for Sales, Leasehold and Hotel/Motel Taxes.
- (k) The variance between YTD 2019 and budget to YTD 2020 Capital Contributions/Grants is to be expected dependent on grant billing and receipt.
- (l) This is the first draw on the Line of Credit with Cashmere Valley Bank to help pay for the JCIA Runway Rehabilitation construction project until FAA grant revenue is received.
- (m) Interest rates have dropped significantly and as a result, the YTD Investment Interest Income is just below 50% of 2019 and also less than budget.
- (n) When comparing 2019 to 2020, as well as to budget, the amount of Property & Other Taxes line item increase in 2020 is primarily due to the IDD Levy.
- (o) The 2019 Misc. Other Increases in Fund Resources includes the payment to the Port for the New Day Fisheries building for \$100,000 and the \$132,402 portion of the SMA settlement for the vessel Cobb. In addition, finance charges are approximately 25% of expected as the Port temporarily waived those fees in late spring due to the effects of the pandemic on Port customers.
- (p) "Retainage & Deposits Paid" is new to this report and comes from the Cash Basis reporting requirements. It includes recognition of cash refunded by the Port for these purposes.
- (q) "Taxes Remitted" is new to this report and comes from the Cash Basis reporting requirements. It is recognition of cash remitted to the State by the Port for Sales, Leasehold and Hotel/Motel Taxes. 2020 is larger than YTD 2019 because the payment for Q4 was paid in January 2020.
- (r) Bond interest for January 2019 was paid in December 2018. In addition, the principal payment of debt paid in July was added.
- (s) These are the shared election costs for last November's elections. The direct costs were billed in 2019, December.
- (t) Most of the variance between YTD 2019 and 2020 is due to the LOC draw of \$400,000 in July as well as the IDD levy revenue which off-sets the operating revenue reductions incurred due to the pandemic.

**RCW 42.17A.555****Use of public office or agency facilities in campaigns—Prohibition—Exceptions.**

No elective official nor any employee of his or her office nor any person appointed to or employed by any public office or agency may use or authorize the use of any of the facilities of a public office or agency, directly or indirectly, for the purpose of assisting a campaign for election of any person to any office or for the promotion of or opposition to any ballot proposition. Facilities of a public office or agency include, but are not limited to, use of stationery, postage, machines, and equipment, use of employees of the office or agency during working hours, vehicles, office space, publications of the office or agency, and clientele lists of persons served by the office or agency. However, this does not apply to the following activities:

(1) Action taken at an open public meeting by members of an elected legislative body or by an elected board, council, or commission of a special purpose district including, but not limited to, fire districts, public hospital districts, library districts, park districts, port districts, public utility districts, school districts, sewer districts, and water districts, to express a collective decision, or to actually vote upon a motion, proposal, resolution, order, or ordinance, or to support or oppose a ballot proposition so long as (a) any required notice of the meeting includes the title and number of the ballot proposition, and (b) members of the legislative body, members of the board, council, or commission of the special purpose district, or members of the public are afforded an approximately equal opportunity for the expression of an opposing view;

(2) A statement by an elected official in support of or in opposition to any ballot proposition at an open press conference or in response to a specific inquiry;

(3) Activities which are part of the normal and regular conduct of the office or agency.

(4) This section does not apply to any person who is a state officer or state employee as defined in RCW 42.52.010.

[ 2010 c 204 § 701; 2006 c 215 § 2; 1979 ex.s. c 265 § 2; 1975-'76 2nd ex.s. c 112 § 6; 1973 c 1 § 13 (Initiative Measure No. 276, approved November 7, 1972). Formerly RCW 42.17.130.]

**NOTES:**

**Finding—Intent—2006 c 215:** "(1) The legislature finds that the public benefits from an open and inclusive discussion of proposed ballot measures by local elected leaders, and that for twenty-five years these discussions have included the opportunity for elected boards, councils, and commissions of special purpose districts to vote in open public meetings in order to express their support of, or opposition to, ballot propositions affecting their jurisdictions.

(2) The legislature intends to affirm and clarify the state's long-standing policy of promoting informed public discussion and understanding of ballot propositions by allowing elected boards, councils, and commissions of special purpose districts to adopt resolutions supporting or opposing ballot propositions." [ 2006 c 215 § 1.]

**Disposition of violations before January 1, 1995:** "Any violations occurring prior to January 1, 1995, of any of the following laws shall be disposed of as if chapter 154, Laws of 1994 were not enacted and such laws continued in full force and effect: \*RCW 42.17.130, chapter 42.18 RCW, chapter 42.21 RCW, and chapter 42.22 RCW." [ 1994 c 154 § 226.]

**\*Reviser's note:** RCW 42.17.130 was recodified as RCW 42.17A.555 pursuant to 2010 c 204 § 1102, effective January 1, 2012.