

**RESOLUTION NO. 692-19**

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

**ESTABLISHING AN OPERATING RESERVE FUND**

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


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

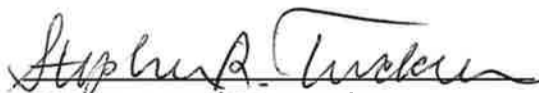
**NOW, THEREFORE, BE IT RESOLVED** as follows:

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


**ADOPTED** this 9<sup>th</sup> day of January 2019, by the Commission of the Port of Port Townsend and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission duly affixed.


**ATTEST:**

  
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William W. Putney III,  
Secretary

  
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Stephen R. Tucker, President

**APPROVED AS TO FORM:**

  
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Peter W. Hanke, Vice President

  
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Port Attorney

