

RESOLUTION NO. 730-20

A Resolution of the Commission of the Port of Port Townsend

**CONSOLIDATING THE CONTINGENCY AND HAZARDOUS WASTE RESERVES AND
ESTABLISHING AN EMERGENCY RESERVE FUND**

WHEREAS, the Port Commission previously established a Contingency Reserve in the amount of \$75,000 and a Hazardous Waste Reserve in the amount of \$25,000; and

WHEREAS, the Contingency Reserve existed to pay for unanticipated change orders or other project-related costs outside an original project budget; and

WHEREAS, the Hazardous Waste Reserve existed to pay for unanticipated environmental response and remediation efforts (e.g., oil spills); and

WHEREAS, neither of these funds has been utilized, although there exists an ongoing need for the Port to swiftly address emergent situations without having to rely on monies in the Port's general fund, or obtaining emergency loans; and

WHEREAS, the Port Commission desires to combine these two (2) reserves into one emergency reserve with a target balance of \$500,000 to address unanticipated and costly emergencies (e.g., broken travel lift, breakwater damage, etc.); and

WHEREAS, the Emergency Reserve would have a beginning balance of \$100,000 after consolidating the funds presently in the Contingency and Hazardous Waste Reserves, with regular increases to be made to the fund as allowed by Port net operating income; and

WHEREAS, the Commission expects that this fund will be utilized only when necessary and as directed by the Commission,

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Port of Port Townsend shall combine the Contingency and Hazardous Waste Reserves into an Emergency Reserve Fund;
2. The Port shall maintain a separate fund for the Emergency Reserve Fund as a separate line item in the Port's financial statements;
3. The Emergency 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;
4. The Emergency Reserve Fund shall be funded as allowable by the Port's net operating income with a target of \$500,000 by 2023; and
5. Monies in the fund may be used to fund an emergency situation as directed by the Commission.

ADOPTED this 10th day of November 2020, 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:



Pamela A. Petranek, Secretary



Peter W. Hanke, President



William W. Putney III, Vice President

APPROVED AS TO FORM:



Port Attorney

