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**Port of Port Townsend  
2<sup>nd</sup> Monthly Regular Meeting Agenda  
Tuesday, November 22, 2016, 1:00 p.m.  
Port Commission Building  
333 Benedict Street  
Port Townsend, WA**

- I. Call to Order / Pledge of Allegiance
- II. Approval of Agenda
- III. Consent Agenda
  - A. Approval of Meeting Minutes – November 9, 2016.....1-3  
(November 9, 2016 Workshop was Canceled)
  - B. Approval of Warrants
- IV. Public Comments (not related to Agenda)
- V. Second Reading (action items)
  - A. 2017 Operating and Capital Budget.....4-23
- VI. First Reading (discussion only)
- VII. Potential Immediate Action Items (unanimous Commission approval required)
  - A. 2017 Resolutions.....24-27
- VIII. Other Business
  - A. Boat Haven Breakwater Prefeasibility Study.....28
- IX. Staff Comments
- X. Public Comments
- XI. Commissioner Comments
- XII. Next Public Workshop/ Meeting: Date:  
Wednesday, December 14, 2016 – workshop at 9:30 AM, meeting at 1:00 PM, Port Commission  
Building, 333 Benedict Street, Port Townsend, WA.
- XIII. Executive Session:
- XIV. Adjournment

## PORT COMMISSION MEETING – November 9, 2016

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

Present: Commissioners – Tucker and Clinefelter  
Executive Director – Gibboney  
Auditor - Berg  
Director of Operations & Business Development - Englin  
Director of Planning – Toews  
Attorney – O’Malley  
Minutes – Nelson

Excused: Commissioner Hanke

### I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Tucker called the meeting to order at 1:00 p.m.

### II. APPROVAL OF AGENDA:

**Commissioner Clinefelter moved to approve the Agenda as presented.**

**Commissioner Tucker seconded the motion.**

**Motion carried by unanimous vote.**

### III. CONSENT AGENDA:

A. Approval of Special Meeting Minutes – October 24, 2016  
Approval of Meeting Minutes and Budget Public Hearing – October 26, 2016

B. Approval of Warrants  
Warrant #056837 through #056850 in the amount of \$62,461.50 for Payroll & Benefits  
Electronic Payment in the amount of \$91,899.57 for Payroll & Benefits  
Warrant #056851 through #056918 in the amount of \$80,429.63 for Accounts Payable

**Commissioner Clinefelter moved to approve the Consent Agenda as presented.**

**Commissioner Tucker seconded the motion.**

**Motion carried by unanimous vote.**

### IV. PUBLIC COMMENTS (Not related to agenda):

Elizabeth Becker reported that Jefferson County resident, Karen Sullivan, asked to have her letter read, which was addressed to the commission and the executive director.

Jack Becker read Ms. Sullivan’s letter, subject the Strategic Plan and the Budget.

Jim Heumann commented on rates – asked what is the definition of “market rate”.

Gordon Neilson also asked to have “market rate” defined.

He then commented on the importance of responding to correspondence received from the public.

He also requested better access to Port facilities for Port customers, including access to the laundry room and locked port-a-pottie dumpster.

Jennifer Takaki, tenant and restaurant owner, commented that good communications between the Port and tenants/customers is the “key”; and, on parking meters and rate increases.

### V. SECOND READING (Action Items):

### VI. FIRST READING (Discussion Only):

### VII. POTENTIAL IMMEDIATE ACTION ITEMS:

### VIII. OTHER BUSINESS:

#### A. Commission Retreats (19:45):

Ms. Gibboney proposed a two-day retreat on January 4 & 5, 2017. She has met with a facilitator. Ms. Gibboney added that an agenda and venue proposal would be presented at the December 14 commission meeting. She discussed the three main topics of discussion for the retreat: 1) governance model – roles and responsibilities, 2) the Strategic Plan – how to mesh work with the Plan, and 3) the Capital Plan.

#### B. Port Financial Highlights YTD September 2016 (26:21):

Ms. Berg briefed on the September YTD Financials and reported that revenues are 3% over budget, expenditures are a bit less than budgeted. She reported \$400K has been paid in WIP (Work in Progress) costs YTD. She discussed the debt service and reported the

current cash balance is \$2.7M (\$950K in reserves). She also stated she is working up monthly reports of cash balances.

Commissioner Clinefelter discussed the decline in the small yard and asked if staff had any ideas. Ms. Gibboney reported some master planning for the yard is on staffs' agenda, beginning with base mapping of the Port's buildings, utilities, TOPO, leased areas. She briefed on the process of building a model to determine location of businesses and uses in the small yard and shipyard. Mr. Englin stated that staff needs to know exactly what properties we have before we can announce availability of space. His plans are to collaborate with tenants and customers to generate revenue for them as well as the Port. Commissioner Clinefelter said that from talking with tenants in the small yard he hears that the major factor in the reduction of customers is the loss of the 20% discount. Ms. Gibboney responded staff is undertaking a rate analysis that will be transparent. She reported on new tools provided to staff that will increase efficiency, such as project management software; and, the upcoming new recording system for the commission building.

Gordon Neilson made a suggestion on operations reporting.

IX. STAFF COMMENTS (42:49):

Ms. Gibboney reported on the recent Northwest Marine Trades Assoc. Marina & Boatyard conference that she and some staff attended.

She briefed on a housing forum she recently attended and talked about the housing shortage and the effects on economic development.

She also talked about a recent Northwest Straits conference that she and Commissioner Tucker attended.

Ms. Gibboney reported staff received the draft stormwater report from Parametrix. She informed that DOE granted the Port's request to extend the deadline for report submission and discussed reasons for the extension request. The report will be submitted by December 2, 2016.

Ms. Gibboney announced she received a proposal from Team Jefferson to provide business assistance, and Industrial Development District planning assistance.

Ms. Gibboney reported that Betsy Davis from the Wooden Boat School has asked the Port for consideration as a pass-through on a grant opportunity they are pursuing. More information will be presented at a future commission meeting.

Next, she stated a budget narrative would be presented in the November 22, 2016 commission meeting packet.

Last, Ms. Gibboney discussed Port parking plans.

Mr. Englin reported he is reviewing lease agreements nearing expiration. He said he has been reaching out to as many tenants as he can.

Mr. Englin reported he has been touring Port facilities with Maintenance Manager Larry Aase and learning about the history. He is working on linking the maintenance plan with the development of the capital plan.

He stated he is taking inventory of fleet equipment, working on rate analysis, capital planning and the Pacific Marine Expo planning.

Eric Toews informed that he sent application packets out to prequalify perspective bidders on the John Cobb. He announced a proposed draft timeline:

November 22 - application packets due; November 30 - completion of review of applications; December 2 - send out Invitations to Bid; December 7 - bids due; December 8 - bid award.

Mr. Toews stated he and Mr. Englin drafted and mailed a lease for the US Coast Guard and are waiting to hear back.

Attorney O'Malley called for an Executive Session on Potential Litigation (pursuant to RCW 42.30.110 (i), twenty minutes, with no decisions.

Ms. Berg announced the State Auditor arrives Monday to perform the bi-annual audit.

This will include an audit of 2014-15 financial statements, and an accountability audit. Audit completion expected by Christmas. She informed the commissioners to expect an Entrance Meeting with the Auditor soon.

Ms. Berg reported she has been looking at microphone systems for the commission building, and hopes to have them installed by the end of the year.

Ms. Nelson reported bids are due today by 3:30 for airport stormwater drainage maintenance.

X. PUBLIC COMMENTS (1:02:03):

Jim Heumann praised the yard staff. He said he received great service on three haulouts in the past two months.

XI. COMMISSIONER COMMENTS (1:02:29):

Commissioner Clinefelter asked the status of the Army Corp permits for the Boat Haven breakwater.

Commissioner Tucker reported on the Northwest Straits conference, an MRC meeting he attended, and NODC CEDS funding.

As a side note, Ms. Berg announced an audio system will be tested during the December 14 commission meeting.

XII. NEXT REGULAR MEETING:

Next regular meeting will be held Tuesday, November 22, 2016 at 1:00 p.m. in the Port Commission Building, 333 Benedict St, Port Townsend.

XIII. EXECUTIVE SESSION:

The regular session recessed into Executive Session at 2:09 p.m to discuss Potential Litigation, pursuant to RCW 42.30.110 (i), duration of twenty minutes with no action.

XIV. ADJOURNMENT:

The meeting reconvened and adjourned at 2:30 p.m. there being no further business to come before the Commission.

ATTEST:

\_\_\_\_\_  
Brad A. Clinefelter, Secretary

\_\_\_\_\_  
Peter W. Hanke, President

\_\_\_\_\_  
Stephen R. Tucker, Vice President

**PORT OF PORT TOWNSEND**

**MEETING OF:** November 22, 2016

**AGENDA ITEM:** V. Second Reading  
A. 2017 Operating and Capital Budget

**BACKGROUND:**

Final draft of the 2017 Operating and Capital Budget to be presented.

**Executive Director's Recommendation:**

Adopt the 2017 Budget as presented.



DRAFT



# 2017 Operating and Capital Budget Port of Port Townsend

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## Message from the Executive Director

This 2017 Budget for the Port of Port Townsend represents a new direction for our Port district. We are beginning the long process of actively working to address the critical infrastructure issues identified in our Capital Repair and Replacement Plan. This year's Capital Budget includes several of these critical projects, with other projects planned to begin over the next few years.

Like many jurisdictions nationwide, the Port faces significant challenges in maintaining aging infrastructure. Our marina facilities and many of our buildings, constructed in the 1930's and 1960's, need repair and/or replacement in order to continue to serve as drivers of our local economy. Ultimately, the funds to complete this work need to come from somewhere – whether from state, federal and private grant sources (which typically require local matching funds), from increased revenues, or from cost-savings on expenditures.

Our challenge is to integrate our long-term capital projects needs and community infrastructure investment goals with our operational and business goals. Over the next few months, we will be working to comprehensively review operations, pricing structures and business practices Port-wide. We have already begun adopting “Lean” methodologies throughout our business, looking for ways to maximize customer value while minimizing waste. We will be actively marketing our properties and services, seeking to partner with our tenant businesses, and looking for new opportunities that serve to support both the needs of our community and our long-term financial sustainability. The goal throughout this process is to help align our planning with financial realities, and to make thoughtful, informed choices that will allow the Port of Port Townsend to continue its legacy as an economic development leader for all of Jefferson County.

Our planning and actions are guided by the values and directions articulated by the community in our strategic plan. The Port of Port Townsend is committed to our core purpose: to promote a vibrant and healthy Jefferson County community. I am honored to work together with the Commission, our staff and our community to build sustainable economic development, partnerships and environmental stewardship in Jefferson County.

In the spirit of service,



Sam Gibboney  
Executive Director



## About the Port of Port Townsend

Created in 1924, the Port of Port Townsend is a municipal corporation authorized by Washington State statute to provide for the development and maintenance of harbors and terminals and to promote tourism and foster economic activity. The Port is independent from other local or state governments, and shares the same geographic boundaries as Jefferson County, Washington.

The Port is governed by a three-member Board of Commissioners elected for four-year terms. Port operations are overseen by an Executive Director hired by the commission, who in turn manages a staff of 29. The County levies and collects taxes on the Port District's behalf, as determined by the Board of Commissioners, and acts as treasurer for the Port as defined under the Revised Code of Washington, RCW 53.36.010.

## Mission and Values

Our mission:

*"To serve the citizens of Jefferson County by responsibly maintaining and developing property and facilities to promote sustainable economic growth, to provide community access to Port facilities and services, and to protect and maintain our community resources and maritime heritage."*

The Port of Port Townsend is guided by our strategic plan, adopted in 2010. The Port's Strategic Plan is [available on our website](#).

## Port Properties

### Marinas & RV's

- Boat Haven** Port Townsend's Boat Haven marina is home to 475 commercial and recreational vessels and provides more than 6,000 overnight guest moorage accommodations each year. Maximum vessel length is 100 feet. Floats offer electricity and water; the fuel dock has gasoline, diesel, stove oil, and a waste pump-out station. Other facilities include showers, laundry, a launch ramp, and a dump station. The adjacent full service boatyard offers a full range of marine trades.
- Point Hudson** Point Hudson offers 32 slips (70 foot maximum length), 800' of linear docks, and an RV park with 48 spots. Transient moorage reservations are available. The Point Hudson facility also includes meeting rooms and multi-purpose facilities for parties, classes, reunions, seminars and other activities.

## Herb Beck Marina

Located on the scenic Hood Canal in Quilcene, Washington, the Herb Beck marina offers 50 slips (40 foot maximum length), and takes reservations for transient moorage. Services include fuel, ice, pump-out, showers, and restrooms. We also offer RV parking with electrical hook-ups and cable, a swimming beach, boat launch, and a day use picnic area. Dry storage is available.

## Union Wharf & City Pier

The Port owns and manages the piers and floats at City Dock and Union Wharf and offers dinghy moorage for boats at anchor. Moorage for boats over 80 feet must be pre-arranged.

## Launch Ramps



The Port operates five launch ramps at different locations throughout East Jefferson County:

- Gardiner
- Mats Mats Bay
- Port Hadlock
- Port Townsend Boat Haven
- Herb Beck Marina, Quilcene

## Boatyard & Shipyard

**Boat Haven** A full-service yard suitable for refits of all types, Boat Haven's three Marine Travelifts handle vessels weighing up to 330 tons. Our many marine trades businesses offer a wealth of special expertise in the maintenance and restoration of vessels of all hull materials and both traditional and modern designs. Do-it-yourself space is also available. The shipyard has a capacity of up to 200 vessels ashore.

## Leased properties

The Port owns and maintains a variety of commercial properties throughout Jefferson County, including marine trades facilities in the Boat Haven Boatyard, historic buildings at Point Hudson, commercial shellfish processing facilities in Quilcene, and others.

## Airport

Jefferson County International Airport offers a single 3,000 foot paved runway approximately four miles southwest of Port Townsend. The Airport business park includes a variety of airfield-support businesses, including an FBO, fuel, a restaurant, and other services.

## Port Commissioners

### **Peter W. Hanke, President**

District 3

Term Expires: December 31, 2017

Commissioner Hanke was elected Port Commissioner in 2013. Mr. Hanke owns and operates Puget Sound Express, a family-owned passenger ferry and whale watch operation located at the Point Hudson marina. Besides being a boat captain and a business owner, Pete is also a pilot who has enjoyed flying out of Jefferson County International Airport since 1998.



### **Stephen R. Tucker, Vice President**

District 1

Term Expires: December 31, 2019

Commissioner Tucker was elected Port Commissioner in 2011 and re-elected in 2015. Mr. Tucker is a retired business owner and an avid boater, RV enthusiast and fisherman. Over the years, through the Coast Guard Auxiliary and the Power Squadron, Steve has taught many courses in boating safety, maintenance, navigation and electronics.



### **Brad A. Clinefelter, Secretary**

District 2

Term Expires: December 31, 2017

Commissioner Clinefelter was elected Port Commissioner in 2013. Mr. Clinefelter owns and operates Mystery Bay Charters and Services, providing marine consulting and support services. He holds a U.S. Coast Guard 100-Ton Inland Masters License and is a 2009 graduate of the Northwest School of Wooden Boat Building.



## Capital Budget

### 2017 Capital Budget Summary

Capital repairs and investment are the driving forces in developing this and coming years' budgets. This year's Capital Budget is the first step in building a multi-year strategy that will allow us to effectively focus our efforts. Our capital needs are both significant and urgent. Several key projects, such as boatyard stormwater treatment, replacement of the Point Hudson jetty, and shoreline protection for the heavy haul out, are mission critical. If we do not address them, catastrophic failures could close facilities and halt business operations.

In the face of these pressing demands, we must and we can put forth a planning methodology that allows us to develop a funding strategy to adequately meet these needs. Funding for these projects will come from a combination of grants, operating revenues, cash reserves, general obligation bonds and revenue bonds. The multi-year year capital improvement plan presented in this budget report is our first step at creating this strategy.

Adoption of the Capital Budget authorizes Port staff to move forward and expend funds on the projects identified in 2017. It also allows staff to plan for projects in the upcoming years. It is important to note that this plan is incomplete and does not reflect the true magnitude of need. Rather, it puts forth the projects that could be accomplished within our current bonding capacity. Consequently, one might be tempted to review the presented cash flow projections and conclude that within a few short years the Port will be accumulating ample cash reserves. That optimism must be tempered with the reality that our capital improvement needs will consume any surplus or income from operations for years to come. Consequently, our investments in capital projects must also aim to aggressively improve our business margins.

The Port's Capital Improvement Plan includes a number of capital projects identified as critical and/or urgent priorities in the Port's Capital Repair and Replacement Plan. Some of these projects have already been started during 2015-16; others have been postponed pending availability of funding. Other capital projects have been identified that are necessary to maintain and advance our business objectives. It's also important to note that the plan will change over time. Priorities will evolve, projects scopes will change, and cost estimates will become more accurate as we have more information.

The projects highlighted below are all included in this year's Capital Budget.

## Capital Project Highlights

The projects described below are the top capital funding priorities for 2017-2020; budget figures relating to each of these projects are noted in the Capital Improvements Budget beginning on page 11. The information here is intended as a brief summary of each project; for more detail, see the Capital Repair and Replacement Plan, [available on our website](#).

### Boat Haven Stormwater Improvements



The Port has received an Administrative Order from the WA Dept. of Ecology to design and install stormwater treatment improvements to come into compliance with state water quality standards. The improvements will help keep heavy metals and other pollutants from entering Port Townsend Bay. This project has a tight timeline; improvements must be in place by September 2017. The required improvements are still being designed; improvements will likely include construction of a lift station at the current stormwater marine outfall, to pump the water back upland for treatment. Full design, costs and schedule for this project are yet to be determined.

### Point Hudson Jetty



The project involves the total demolition and replacement of the Point Hudson Jetty. The jetty structure, built in 1934, has reached the end of its useful life and is at high risk of catastrophic failure if not replaced. Replacement of the breakwater ensures that the public's substantial existing investment in the Point Hudson Marina remains intact and ready to serve the public. Design and permitting will continue in 2017; construction is now scheduled to begin in 2018.

### Airport Runway



In 2013, the FAA and the Washington Dept. of Transportation (WSDOT) Aviation Division completed a runway condition assessment and identified a need to resurface the main runway at Jefferson County International Airport. The runway was last fully resurfaced in September 1990. This project is non-discretionary. At least 90% of the funding for this project will be federal monies; we are applying for an additional 5% of WSDOT funds to help support the runway resurfacing project. Design and permitting will continue and construction is scheduled for 2019.

### Boatyard Shoreline Stabilization



The affected area is the only portion of the Port's Boat Haven property which is not protected by a breakwater or shoreline armoring. Prior to its removal, the former railroad "Y" helped to dissipate wave energy along this beach. This beach is presently highly vulnerable to wind and wave action, and projected sea level rise over the coming decades will further increase the risk of flooding and erosion, especially during storm events. High-value Port assets, including the wash down pad and the 300-ton lift station, are located immediately behind this beach on its eastern end. The section of the Larry Scott Memorial Trail located in this area is already severely impacted and has become largely unusable. This phase of the project involves retaining the services of qualified professionals (coastal engineers and geomorphologists) to evaluate the area and recommend conceptual protective measures.

### Boat Haven Restrooms



Boaters throughout Washington State consistently rank bathroom conditions and cleanliness as one of their top criteria when choosing a marina. The primary Boat Haven restrooms were originally constructed in the mid-1980s, and have sustained consistent and heavy public use over the past 30+ years. Port Maintenance staff estimate that approximately 53,000 showers are taken annually at this facility. This facility requires complete renovation in order to provide a quality experience for our moorage and boatyard customers. The project includes replacing doors, windows, exterior lighting, and all interior fixtures. It will also require improved ventilation and reconfiguration of plumbing. Improved ventilation adequate for heavy usage levels should extend building life and help prevent costly future repairs.

### Commercial Basin Bathroom Renovation

These bathrooms are provided for the commercial basin tenants and are also available for use by patrons of an adjacent waterfront restaurant. They were last renovated over 10 years ago and have deteriorated. The project will include replacement of doors, windows, ventilation and fixtures.

### Point Hudson Administration Building Ventilation



The Point Hudson Administration Building, like others at Point Hudson, rests on creosote-treated pilings and contains creosote-treated floorboards. The 2005 renovation included installation of vapor barrier sheathing and mechanical ventilation to mitigate the creosote odor. These measures have been successful to a large degree, but have not fully solved the ongoing odor issues. Resolving this issue is key to the viability of long term commercial leasing at this and other Point Hudson facilities. The project will include the design and installation of ventilation equipment.

### Utility Meter Installation



This project will involve the installation of meters or sub-meters to allow better tracking and allocation of costs from both water and electrical utility use. Remote-read electrical meters, more efficient and accurate than existing equipment, will initially be installed as a pilot project, and then deployed throughout the marinas and yard. Currently, only one water meter serves the Administration building, the Moorage Office, the launch ramp wash down, all of the Boat Haven docks, the Boat Haven restrooms, and the Yard Office. Sub-meters allow us to better monitor water usage at each of these sites, ultimately resulting in better cost recovery.

### Parking Improvements & Pay Stations



The objective of this project is twofold: to gain better control and use of Port-owned property, and to generate additional revenue. The Port property located at the corner of Water Street and Jackson Street is currently used almost entirely for parking by downtown visitors and employees, and by Northwest Maritime Center patrons. Parking blocks, signage and pay stations will be installed so that the lot can be used by these patrons for a small fee. At the Boat Haven, a parking plan will be developed for the "frontage" area along Washington Street. Areas will be designated for moorage tenants, yard tenants and day use. A limited number of hourly day use spots will be provided for visitors and restaurant or retail patrons. Annual and monthly passes will be available to moorage and yard tenants. Currently, parking at Boat Haven is chronically problematic, with non-tenants parking vehicles for extended periods, erratic parking that blocks Port operations, and un-permitted camping. Uncontrolled parking has presented some real safety issues and disruptions to traffic flow. It is anticipated that the plan will be developed in the first quarter of 2017 and put into effect in the second quarter of 2017.

## Capital Improvements Budget 2017-2020

### PORT OF PORT TOWNSEND -- CAPITAL IMPROVEMENTS 2017-2020

	2017	2018	2019	2020	Total
<b>Boat Yard Stormwater Improvements</b>					
Assessment, design, permitting, administration	\$60,000				\$60,000
Construction	\$1,000,000				\$1,000,000
<b>Point Hudson Jetty South</b>					
Engineering, design, permitting, administration	\$50,000				\$50,000
Construction		\$1,508,500	\$1,508,500		\$3,017,000
<b>Point Hudson Jetty North</b>					
Engineering, design, permitting, administration			\$50,000	\$50,000	\$100,000
Construction				\$2,153,000	\$2,153,000
<b>Jefferson County International Airport Runway</b>					
Engineering, Permitting, Administration	\$125,000				\$125,000
Construction		\$2,000,000			\$2,000,000
<b>Boat Yard Shoreline Stabilization</b>					
Engineering, Permitting, Administration	\$25,000				\$25,000
Construction		\$300,000			\$300,000
<b>Boat Haven Bathroom Renovation</b>					
Engineering, Permitting, Administration	\$4,000				\$4,000
Construction	\$110,000				\$110,000
<b>Point Hudson Administration Building - Ventilation</b>					
Construction	\$110,000				\$110,000
<b>Commercial Basin Bathroom Renovation</b>					
Construction	\$36,000				\$36,000
<b>Point Hudson Asbestos Remediation</b>					
Construction		\$93,000			\$93,000
<b>Boat Haven Electrical Remote Sub-Meters - Pilot</b>					
Pilot Testing	\$20,000				\$20,000



PORT OF PORT TOWNSEND -- CAPITAL IMPROVEMENTS 2017-2020

	2017	2018	2019	2020	Total
<b>Boat Haven Water Sub-Meters</b>					
Construction	\$65,000				\$65,000
<b>Parking Improvements &amp; Pay Stations</b>					
Construction & Installation	\$63,000				\$63,000
<b>Equipment</b>					
	\$23,000				\$23,000
<b>TOTALS</b>	<b>\$1,691,000</b>	<b>\$3,901,500</b>	<b>\$1,558,500</b>	<b>\$2,203,000</b>	<b>\$9,354,000</b>

Planned Capital Project Funding Sources 2017-2020

PLANNED FUNDING SOURCES						
2017-2020	Unreserved Cash	Boat Haven Reserves	Capital Reserves	Grants	Gen. Oblig. Bond	Revenue Bond
<b>Boat Yard Stormwater Improvements</b>						
Assessment, design, permitting, administration						\$60,000
Construction						\$1,000,000
<b>Point Hudson Jetty South</b>						
Engineering, design, permitting, administration				\$50,000		
Construction				\$1,109,000	\$1,908,000	
<b>Point Hudson Jetty North</b>						
Engineering, design, permitting, administration						\$100,000
Construction						\$2,153,000
<b>Jefferson County International Airport Runway</b>						
Engineering, Permitting, Administration	\$6,250			\$118,750		
Construction	\$100,000			\$1,900,000		
<b>Boat Yard Shoreline Stabilization</b>						

PLANNED FUNDING SOURCES						
2017-2020	Unreserved Cash	Boat Haven Reserves	Capital Reserves	Grants	Gen. Oblig. Bond	Revenue Bond
Engineering, Permitting, Administration	\$25,000					
Construction		\$300,000				
<b>Boat Haven Bathroom Renovation</b>						
Engineering, Permitting, Administration		\$4,000				
Construction		\$110,000				
<b>Point Hudson Administration Building - Ventilation</b>						
Construction	\$110,000					
<b>Commercial Basin Bathroom Renovation</b>						
Construction		\$36,000				
<b>Point Hudson Asbestos Remediation</b>						
Construction	\$93,000					
<b>Boat Haven Electrical Remote Sub-Meters - Pilot</b>						
Pilot Testing	\$20,000					
<b>Boat Haven Water Sub-Meters</b>						
Construction		\$65,000				
<b>Parking Improvements &amp; Pay Stations</b>						
Construction & Installation	\$63,000					
<b>Equipment</b>						
	\$23,000					
	Unreserved Cash	Boat Haven Reserves	Capital Reserves	Grants	Gen. Oblig. Bond	Revenue Bond
	\$440,250	\$515,000	\$0	\$3,177,750	\$1,908,000	\$3,313,000

## Operating Budget

### Operating Budget Goals

The goal of the 2017 Operating Budget is to begin to align our business practices and objectives to support both our organizational capital needs and our long-term financial sustainability. Specifically, the Port Commission has instructed staff to prepare a budget that supports the projects identified in the Capital Budget while avoiding a decrease in our net cash position.

The revenue and net income goals for 2017 are ambitious. We hope to achieve these goals with a focus on a high quality of service and experience, new marketing strategies and robust business management.

### Organizational Initiatives

As part of our efforts to improve the Port's financial position over the course of the coming year, we intend to:

- Conduct a comprehensive review of all Port business operations, carefully examining the value proposition each provides to the Port and to our customers.
- Modernize business and administrative procedures across our operations
- Introduce "Lean Methodology" as a business practice, reducing waste while maximizing customer value.
- Develop marketing and brand strategies to better position the Port to successfully attract businesses and customers.
- Conduct a comprehensive review of existing pricing structures across all Port business operations, to better reflect the value of services provided and to optimize our operating margins. Overall, our goal is to better align our offerings with regional markets while respecting our community's values and history.

### For more information

Copies of the Port's Budget and Finance documents are available [on our website](#).

## 2017 Summary Operating and Non-Operating Activity Budget

	2014 Actual	2015 Actual	2016 Budget	2017 Budget
<b>REVENUES</b>				
Marinas and RV Parks	2,101,147	2,250,653	2,349,903	2,660,000
Yard Operations	1,587,241	1,572,877	1,688,076	1,855,000
Property Leases & Use	1,041,536	1,061,642	1,114,278	1,215,000
Fuel Sales & Leases	50,047	44,539	51,900	50,000
Ramp Use	32,308	35,240	55,249	55,000
Utilities	153,885	164,195	158,200	140,000
<b>Total Operating Revenues</b>	<b>4,966,164</b>	<b>5,129,147</b>	<b>5,417,606</b>	<b>5,975,000</b>
<b>OPERATING EXPENSES</b>				
Personnel	2,373,771	2,471,235	2,778,613	3,006,270
Outside Services	394,881	349,778	282,910	443,310
Facilities & Operations	846,009	697,888	751,064	805,809
Utilities	532,241	473,673	530,347	554,180
Marketing	43,467	35,152	53,050	54,450
Economic Development	25,000	25,000	25,000	40,000
Travel & Training	27,025	33,466	25,100	30,000
Cost of Goods - Fuel	24,055	18,060	20,000	12,000
Community Relations	6,959	1,374	4,000	4,000
<b>Total Operating Expenses</b>	<b>4,273,408</b>	<b>4,105,625</b>	<b>4,470,084</b>	<b>4,950,019</b>
Income from Operations w/o Depreciation	692,756	1,023,522	947,522	1,024,981
Depreciation Expense	1,487,232	1,527,500	1,548,147	1,519,032
<b>Income (Loss) from Operations with Depreciation</b>	<b>(794,475)</b>	<b>(503,978)</b>	<b>(600,625)</b>	<b>(494,051)</b>
<b>NON-OPERATING REVENUE</b>				
Capital Contributions/Grants	275,220	226,355	223,740	168,750
Interest	11,357	3,327	4,200	38,000
Property & other taxes	990,006	1,033,149	1,019,000	1,020,000
Miscellaneous Non-Operating Revenue	79,260	38,047	14,000	16,200
<b>Total Non-Operating Revenues</b>	<b>1,355,844</b>	<b>1,300,878</b>	<b>1,260,940</b>	<b>1,242,950</b>
<b>NON-OPERATING EXPENSES</b>				
Bond Interest	510,297	398,506	398,273	369,339
Bond Mgmt., Issuance, Investment	1,655	72,703	2,200	154,940
Election Expense	-	6,398	-	17,340
<b>TOTALS</b>				
Total Non-Operating Expenses	511,952	477,608	400,473	541,619
<b>Net Non-Operating Income (Expense)</b>	<b>843,892</b>	<b>823,270</b>	<b>860,467</b>	<b>701,332</b>
<b>Net Income (Loss)</b>	<b>49,416</b>	<b>319,292</b>	<b>259,842</b>	<b>207,281</b>

## Cash Flow Projections

The following cash flow projections for 2017 and the subsequent three-year period is a high level snapshot of estimated Port cash flows, based on the 2017 Capital and Operating Budgets presented in this report.

Most transactions from the Capital Budget, such as capital expenditures, are not included in the Operating and Non-Operating Budgets. In addition, transactions such as debt *principal* payments are not included in either budget, although debt *interest* payments are included in the Non-Operating Budget. This cash flow projection is intended to give a high-level "big picture" overview of the entire scope of the Port's financial activity for the year, and the overall effect of the various items on cash flow. This is a projection based on best estimates available, and is not intended to be as detailed or exact as a traditional cash flow analysis included in the Annual Report.

It should be stressed again that these cash flow projections do not include a complete accounting for future capital project needs. Rather, the capital list was truncated to reflect the diminishment of the Port's bonding capacity. The Commission and staff will be working in 2017 to develop other funding alternatives and strategies. A more complete capital plan will be included in next year's budget, resulting in more accurate long-term cash flow projections.

In this Cash Flow Projection, both beginning and ending Reserved cash balances are reported separately from Unreserved balances. Operating and Non-Operating Revenue and Expense totals are taken directly from the Operating Budget shown on page 15.

Estimated Capital expenses are taken directly from the Capital Budget shown on page 12, separated by funding source.

### Cash Flow Projection Assumptions

Estimated Ending Cash for 2016 was calculated based on actual 2015 ending cash, YTD operational results through August 31, 2016 and adjusted for known and budgeted revenues and expenses through the 2016 year end.

We reviewed Port operating revenues and expenses from 2009 to 2016 and found an average year-over year revenue increase of 3.96%, and an average year-over year expense increase of 4.4%. These trends are obviously not sustainable. Thus, moving forward we have set high-level goals of bolstering revenues while actively containing costs. For projection purposes, we are estimating 2018-2020 annual revenue growth of 5%, and annual expense increases of 3.25%.

Projected revenue growth is based on capturing revenues through optimizing current operations, robust business development, and a comprehensive review of the current pricing structure across all Port businesses.

2017 Operating revenues reflect the effects of the Port-wide price restructuring planned for 2017. Rate adjustments for all Port business units will be presented throughout the year, as further analysis is performed and program changes are implemented.

Operating revenues budgeted for 2016 have been reduced to 95% of budget, based on Year-to-Date current activity, and expected performance through year end.

Non-Operating Revenues & Expenses are based on 2017 known and anticipated projections (such as property tax levy or debt service interest), with adjustments made in accordance with projections for the Capital Expenses in the 2017 Capital Budget, including issuance of new bond debt.

Capital expense estimates are based on the Capital Budget and projected funding sources, as shown on page 12. Project costs continue to be refined as design progresses and engineering estimates are completed.

Issuance of new bond debt (both Revenue and General Obligation bonds) are the principal amounts projected from figures used in the 2017 Capital Budget shown on page 11.

Debt Service principal was estimated on the new debt assuming 20-year amortization at 3% interest with semi-annual payments. Those interest payments were included in the Non-Operating (net) figures for each year.

### Anticipated Tax Revenue

Projected revenue from the Port District's tax levy for 2017 is budgeted at \$965,000, based on estimates from the Jefferson County Assessor's office.

## 2017 Budgeted Cash Flow Summary

	2017 Budgeted Cash Flow	2018 Budgeted Cash Flow	2019 Budgeted Cash Flow	2020 Budgeted Cash Flow
<b>Estimated Beginning Year Cash</b>				
Unreserved Cash	1,744,551	1,840,837	1,891,961	2,595,552
Reserved Cash	977,850	882,850	702,850	822,850
<b>Operating Revenues</b>				
Operating Revenues	5,975,000	6,043,515	6,345,691	6,662,976
<b>Operating Expenses</b>				
(w/o depreciation)	(4,950,019)	(5,095,407)	(5,261,008)	(5,431,991)
<b>Non-Operating Revenues</b>				
Non-Operating Revenues	1,242,950	3,561,650	1,671,397	1,101,740
<b>Non-Operating Expenses</b>				
Non-Operating Expenses	(541,619)	(499,082)	(463,130)	(423,489)
<b>Debt service - principal</b>				
Debt service - principal	(1,094,026)	(1,192,052)	(914,859)	(960,899)
<b>Issuance of Bond Debt</b>				
Issuance of Bond Debt	1,060,000	954,000	1,004,000	2,203,000
<b>Capital expenses (from Grants)</b>				
Capital expenses (from Grants)	(168,750)	(2,454,500)	(554,500)	-
<b>Capital expenses (from Unreserved Cash)</b>				
Capital expenses (from Unreserved Cash)	(247,250)	(193,000)	*(XXX,XXX)	*(XXX,XXX)
<b>Capital expenses (from Bonds)</b>				
Capital expenses (from Bonds)	(1,060,000)	(954,000)	(1,004,000)	(2,203,000)
<b>Capital expenses (from Reserves)</b>				
Capital expenses (from Reserves)	(215,000)	(300,000)	-	-
Increase/(Decrease) in cash	1,286	(128,876)	823,591	948,337
<b>Estimated Year End Cash</b>				
Unreserved Cash	1,840,837	1,891,961	2,595,552	3,423,889
Reserved Cash	882,850	702,850	822,850	942,850
<b>TOTAL</b>	<b>2,723,687</b>	<b>2,594,811</b>	<b>**3,418,402</b>	<b>**4,366,739</b>

\*In 2019 and 2020, cash balances appear to increase. However, we anticipate that some of this increase will be used to pay for capital repair, replacement and infrastructure investments whose costs we cannot yet accurately estimate. \$XXX,XXX is used here to represent future capital expenditures for projects from our Capital Improvement Plan. Exact project amounts will be refined as design progresses and engineering estimates are completed.

\*\*Projected cash balances will ultimately be lower than depicted here, as cash is used to fund capital projects.

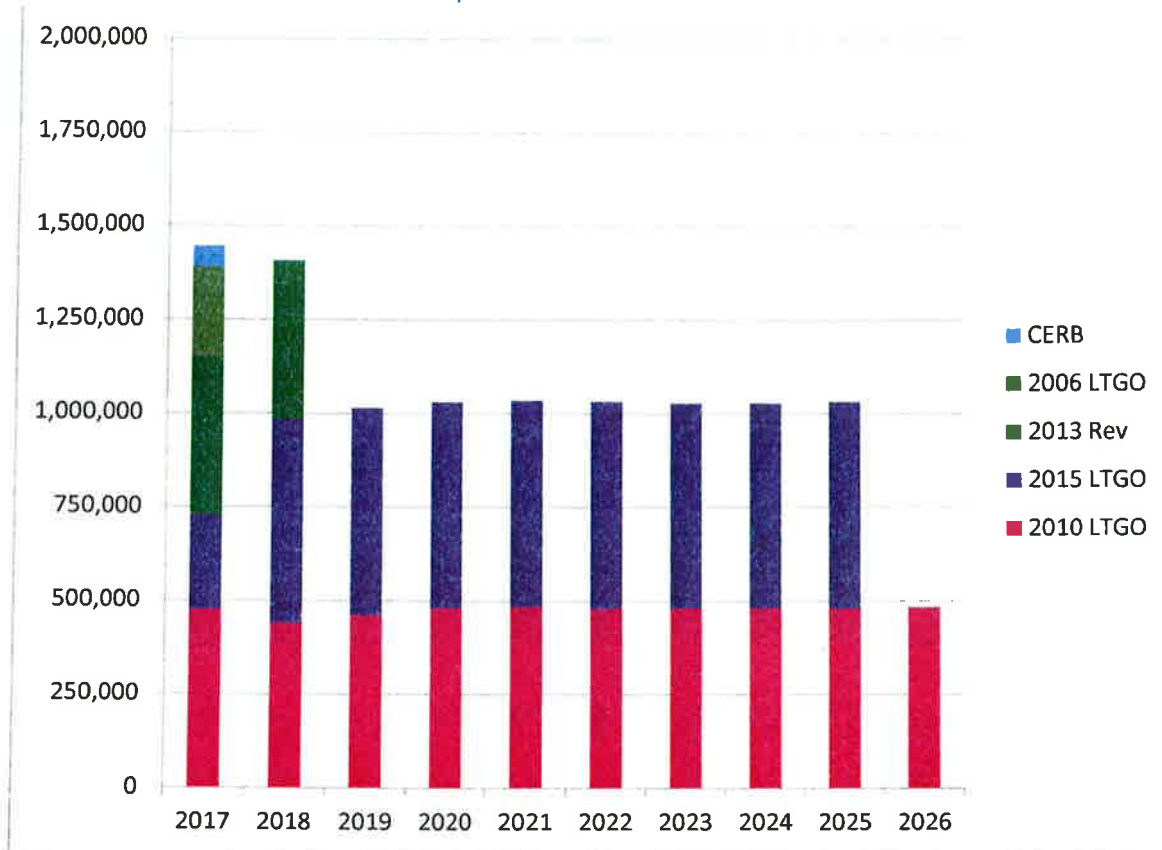
## Debt Service

Debt service principal payment details are drawn from known Port debt obligations (amortization schedules), as well as estimated additional debt projected in the Capital Budget. Debt principal payments for 2017 will be \$1,074,493, and interest payments will be \$370,340. When comparing these numbers to the cash flow projections on page 18, amounts in excess of the current known debt are based on added debt projections derived from the Capital Budget. The Debt Service Analysis information on page 19 provides detail about the Port's annual debt service requirements for current debt, not any projected additional debt.

## Debt Service Analysis as of January 1, 2017

Debt	Principal Balance	Interest Balance	Pay-Off Date
CERB Loan	\$ 50,000	\$ 2,750	July 2017
2006 LTGO	\$ 232,000	\$ 4,501	July 2017
2013 Revenue Bond	\$ 807,000	\$ 30,488	Nov. 2018
2015 LTGO Refunding Bond	\$3,990,000	\$ 598,200	Dec. 2025
2010 LTGO Bond	<u>\$4,365,000</u>	<u>\$1,796,425</u>	Dec. 2029
<b>Total</b>	<b>\$9,444,000</b>	<b>\$ 2,432,364</b>	
<b>Principal + Interest</b>			<b>\$11,876,364</b>

## Total Annual Debt Service Requirements



### Legend

- LTGO Limited-Tax General Obligation Bond
- CERB Community Economic Revitalization Board



**PORT OF PORT TOWNSEND**

**MEETING OF:** November 22, 2016

**AGENDA ITEM:** VII. Potential Immediate Action  
A. 2017 Resolutions

**BACKGROUND:**

Resolution No. 651-16 – Year 2017 Capital and Operating Budget  
Resolution No. 652-16 – Year 2017 Fixing the Amount of Tax to be Levied  
Resolution No. 653-16 – Year 2017 Limit Factor for Property Tax Increases

**Executive Director's Recommendation:**

For possible adoption.

**RESOLUTION NO. 651-16**

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

**RESOLUTION ESTABLISHING THE YEAR 2017 CAPITAL AND OPERATING BUDGETS, AND AUTHORIZING CERTAIN DISBURSEMENTS TO MEET EXPENSES OF THE PORT OF PORT TOWNSEND FOR THE YEAR 2017.**

**WHEREAS:** under the provisions of RCW 53.35.030 the Port Commission of the Port of Port Townsend is authorized to adopt final capital and operating budgets for the year 2017, and;

**WHEREAS:** the required filing, notice and public hearing on the preliminary capital and operating budget, as provided in RCW 53.35.020 have been met;

**NOW, THEREFORE BE IT HEREBY RESOLVED** by the Port Commission of the Port of Port Townsend, that receipts and disbursements for the Port of Port Townsend capital and operations activities, for the year 2017 shall be as per the attached marked "Exhibit A", Port of Port Townsend Year 2017 Capital and Operating Budgets.

**ADOPTED this 22<sup>nd</sup> day of November 2016, by the Commission of the Port of Port Townsend** and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission duly affixed.

**ATTEST:**

\_\_\_\_\_  
Stephen R. Tucker, Vice-President

\_\_\_\_\_  
Peter W. Hanke, President

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Brad A. Clinefelter, Secretary

\_\_\_\_\_  
Port Attorney, Goodstein Law Group

**RESOLUTION NO. 652-16**

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

**RESOLUTION FIXING THE AMOUNT OF TAX TO BE LEVIED, AND LEVYING THE TAX UPON TAXABLE PROPERTY IN THE PORT OF PORT TOWNSEND DISTRICT, BOTH REAL, PERSONAL AND UTILITIES TO MEET EXPENSES OF SAID PORT OF PORT TOWNSEND FOR THE YEAR 2017.**

**WHEREAS:** the Port Commission has properly given notice of the public hearing held October 26, 2016 and November 9, 2016 to consider the Port of Port Townsend's current expense budget for the calendar year 2017, pursuant to RCW 53.35.020, and;

**WHEREAS:** the Port Commission, after hearing, and after duly considering all relevant evidence and testimony presented, has determined that the Port of Port Townsend does require an increase in property tax revenue from the previous year, other than the increase resulting from the addition of new construction and improvements to property, refunds from the previous year, and any increase in the value of state-assessed property, in order to discharge the expected expenses and obligations for the Port of Port Townsend and in its best interest;

**NOW, THEREFORE BE IT HEREBY RESOLVED:** by the Port Commission of the Port of Port Townsend that an increase in the regular property tax levy limit, in addition to any amount resulting from the addition of new construction and improvements to property, refunds from the previous year, and any increase in the value of state-assessed property, is hereby authorized for the year 2017 levy in the amount of \$951,664.85 for capital improvements and operations, which is a percentage increase of 1.0 percent (\$9,422.42) from the previous year.

**ADOPTED this 22<sup>nd</sup> day of November 2016, by the Commission of the Port of Port Townsend** and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission duly affixed.

**ATTEST:**

\_\_\_\_\_  
Stephen R. Tucker, Vice-President

\_\_\_\_\_  
Peter W. Hanke, President

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Brad A. Clinefelter, Secretary

\_\_\_\_\_  
Port Attorney, Goodstein Law Group

**RESOLUTION NO. 653-16**

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

**RESOLUTION ADOPTING THE LIMIT FACTOR FOR PROPERTY TAX INCREASES  
FOR THE PORT OF PORT TOWNSEND YEAR 2017 BUDGET.**

**WHEREAS:** the Port Commission has met and considered its budget for the calendar year 2017, and;

**WHEREAS:** the Port Commission, in the course of considering the budget for year 2017 has reviewed all sources of revenue and examined all anticipated expenses and obligations, and;

**WHEREAS:** the Port Commission has determined that, due to the continued increases in total operation costs and capital costs, the Port Commission finds there is a substantial need to increase the regular property tax limit factor above the rate of inflation;

**NOW, THEREFORE BE IT HEREBY RESOLVED:** by the Port Commission of the Port of Port Townsend that the limit factor for the regular property tax levy for the calendar year 2017 shall be 101% of the highest amount of regular property taxes that could have been lawfully levied in this taxing district in any year since 1985.

**ADOPTED this 22<sup>nd</sup> day of November 2016, by the Commission of the Port of Port Townsend** and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission duly affixed.

**ATTEST:**

\_\_\_\_\_  
Stephen R. Tucker, Vice-President

\_\_\_\_\_  
Peter W. Hanke, President

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Brad A. Clinefelter, Secretary

\_\_\_\_\_  
Port Attorney, Goodstein Law Group

## PORT OF PORT TOWNSEND

**MEETING OF:** November 22, 2016

**AGENDA ITEM:** VIII. Other Business  
A. Boat Haven Breakwater Pre-Feasibility Study  
(Shane Phillips, PE, Mott MacDonald)

### **BACKGROUND:**

The original section of the breakwater (east 600', approx.) is constructed of stone (rubble mound) with an earthen core. The structure was designed and constructed by the US Army Corps of Engineers in the mid 1930s. In recent years, continued deterioration of the slope and crest of the breakwater has been observed (three sinkholes have formed), along with increased waver overtopping leading to concerns of a potentially larger failure and exposure of the protected harbor to wave action. The Port is presently undertaking emergency repairs to the facility to ensure that the facility is not breached in the near-term. These repairs will include excavating the sinkhole areas behind the timber wall, installation of geo-textile fabric within the excavated areas, and replacement of armor rocks (with the toe rocks "keyed" in to provide stability).

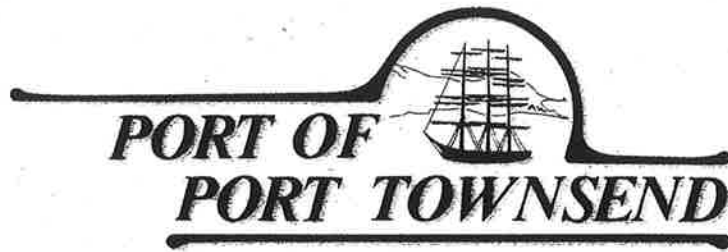
In addition to these near-term "emergency" repairs, the Draft Capital Repair & Replacement Plan (2015) identified the original section (c. 1934) of the Boat Haven Breakwater as a component of Port infrastructure requiring more comprehensive rehabilitation over the next six years. Specifically, the Draft Plan recommended preparation of a Coastal Engineer's Reconnaissance Survey and Recommendations as a high priority project that would likely lead to a future capital project requiring up to \$3,000,000.

Accordingly, Mott MacDonald (formerly Coast & Harbor Engineering) was retained in September of this year to conduct an Engineering Pre-Feasibility Study for future rehabilitation or replacement of the entrance portion of the breakwater. The scope of work included a reconnaissance condition survey and assessment, and the identification and preliminary evaluation of a range of potential repair and rehabilitation options.

Shane Philips, PE, and Coastal Engineer with Mott MacDonald (MM) has prepared a PowerPoint presentation describing MM's findings and recommendations to the Port.

### **Executive Director's Recommendation:**

For information only – no action requested.



P.O. Box 1180 • Port Townsend, Washington 98368-4624

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 056919 through No. 056927 in the amount of \$13,171.09 and Electronic Payment in the amount of \$61,630.11, are approved for payment for a total amount of \$74,801.20 on this 22nd day of November, 2016.

For: **Payroll and Benefits**

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

\_\_\_\_\_  
Commissioner Stephen R. Tucker

\_\_\_\_\_  
Commissioner Brad A. Clinefelter

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

**Manual Check and Payment Register**

Journal Posting Date: 11/16/2016

Register Number: MC-000100

Port of Port Townsend (PTA)

Bank: K KITSAP BANK

Check Number/ Invoice Number	Check Date Invoice Date	Vendor Number Invoice Amount	Discount	Distribution Amount	Check Amount
W00108 Check Comment: DRS DC 11/15/16 CKW0010801	11/16/2016	WA0302 State of Washington			2,115.00
	11/16/2016	2,115.00	0.00		
G/L Account: 213-5500-00		EE DEFERRED COMP PAYABLE		2,115.00	
W00109 Check Comment: Paroll Taxes 11/15/16 CKW0010901	11/16/2016	INT030 Internal Revenue Service			19,531.71
	11/16/2016	19,531.71	0.00		
G/L Account: 213-6000-00		PAYROLL TAXES PAYABLE		19,531.71	
<b>Bank K Total:</b>		<u>21,646.71</u>	<u>0.00</u>	<u>21,646.71</u>	<u>21,646.71</u>
<b>Report Total:</b>		<u>21,646.71</u>	<u>0.00</u>	<u>21,646.71</u>	<u>21,646.71</u>

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
056926	11/16/2016	PEJ001	Peninsula Credit Union	11/15/2016	250.00	0.00	250.00
			11/15/2016				Check Entry Number: 001
056927	11/16/2016	SPE010	James Speer	11/15/2016	250.00	0.00	250.00
			11/15/2016				Check Entry Number: 001
			<b>Report Total:</b>		<u>500.00</u>	<u>0.00</u>	<u>500.00</u>





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Fax: (360) 385-3988

### **ELECTRONIC DEBIT – Kitsap Bank**

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 claim is a just, due and unpaid obligation of the Port of Port Townsend, that we are authorized to authenticate and certify said claim, and that the Electronic Debit from the Port Checking Account held at Kitsap Bank is approved for payment in the amount of **\$7,207.93** on this **22nd** day of **November**, 2016.


For: Washington State, Department of Revenue  
Combined Excise Tax Return – for **October, 2016** in the amount of **\$7,507.93**

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

\_\_\_\_\_  
Commissioner Stephen R. Tucker

\_\_\_\_\_  
Commissioner Brad A. Clinefelter

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

 <b>Electronic Filing – Washington State</b>	<b>E-file Time: 3:18 PM</b> <a href="#">help ?</a>
<a href="#">My Account Home</a> <a href="#">Account Activity</a> <a href="#">List Server</a> <a href="#">Suggestions</a> <a href="#">Logout</a>	

**BOAT HAVEN FUEL DOCK 161-000-044**

**Confirmation**

Confirmation Number	19317661
Tax Registration Number	161000044
Reporting Period	10/2016
Payment Type	EFT Debit
Date and Time Submitted	11/10/2016 3:18:23 PM
Date of Transfer	11/14/2016
Payment Amount	7,507.93
Person Completing Return	Donna Frary
Person Authorizing Payment	Donna Frary

Your return and payment have been submitted. For easy reference, print this page and retain it with your tax records.

Return to Account List	Print Confirmation
View Printable Return	

**Confirmation**

**For Assistance Call:  
1-877-345-3353**



State of Washington  
 Department of Revenue  
 PO Box 47464  
 Olympia, WA 98504-7464

**October 2016  
 Combined Excise Tax Return**

**161-000-044  
 BOAT HAVEN FUEL DOCK  
 PORT OF PORT TOWNSEND**

**State Business and Occupation Section**

**Taxes**

Line Code	Tax Classification	Gross Amount	Total Deductions	Taxable Amount	Rate	Tax Due
0004	Service and Other Activities; Gambling Contests of Chance (less than \$50,000 a year)	62,960.27	0.00	62,960.27	0.0150	944.40
0002	Retailing	62,381.88	92.24	62,289.64	0.00471	293.38
		<b>125,342.15</b>	<b>92.24</b>	<b>125,249.91</b>		<b>1,237.78</b>

**Deductions**

Deduction Code	Tax Classification	Deduction Name	Amount
000205	Retailing	Motor Vehicle Fuel Tax	92.24
			<b>92.24</b>

**State Sales and Use Section**

**Taxes**

Line Code	Tax Classification	Gross Amount	Total Deductions	Taxable Amount	Rate	Tax Due
0001	Retail Sales	62,381.88	681.68	61,700.20	0.0650	4,010.51
0005	Use Tax	1,489.68	0.00	1,489.68	0.0650	96.83
		<b>63,871.56</b>	<b>681.68</b>	<b>63,189.88</b>		<b>4,107.34</b>

**Deductions**

Deduction Code	Tax Classification	Deduction Name	Amount
000119	Retail Sales	Motor Vehicle Fuel Sales	681.68
			<b>681.68</b>

**Local Sales Section**

Line Code	Location Code	Location Name	Taxable Amount	Rate	Tax Due
0045	1600	JEFFERSON COUNTY	498.00	0.0250	12.45
0045	1601	PORT TOWNSEND	61,202.20	0.0250	1,530.06
			<b>61,700.20</b>		<b>1,542.51</b>

**Local Use Section**

Line Code	Location Code	Location Name	Taxable Amount	Rate	Tax Due
0046	1601	PORT TOWNSEND	1,489.68	0.0250	37.24
			<b>1,489.68</b>		<b>37.24</b>

**Lodging Section**

**Transient Rental Income Information**

Line Code	Location Code	Location Name	Income
0047	1601	PORT TOWNSEND	22,381.65
			<b>22,381.65</b>

**Special Hotel/Motel Tax**

Line Code	Location Code	Location Name	Taxable Amount	Rate	Tax Due
0070	1601	PORT TOWNSEND	22,381.65	0.0200	447.63
			<b>22,381.65</b>		<b>447.63</b>

**Public Utilities Section**

**Taxes**

Line Code	Tax Classification	Gross Amount	Total Deductions	Taxable Amount	Rate	Tax Due
0060	Water Distribution	564.48	0.00	564.48	0.05029	28.39
0013	Other Public Service Business	5,557.50	0.00	5,557.50	0.01926	107.04
		<b>6,121.98</b>	<b>0.00</b>	<b>6,121.98</b>		<b>135.43</b>

**Summary Section**

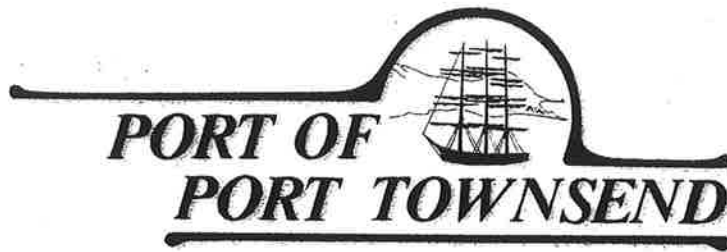
	Amount
State Business and Occupation Tax Total	1,237.78
State Sales and Use Tax Total	4,107.34
Local and Regional Tax Total	1,579.75
Lodging Tax Total	447.63
Public Utilities Tax Total	135.43
E911 Tax Total	0.00
Other Tax Total	0.00
<b>SubTotal</b>	<b>7,507.93</b>
Less Total Credits	0.00
<b>Total</b>	<b>7,507.93</b>
<b>Amount Paid</b>	<b>7,507.93</b>
<b>Balance</b>	<b>0.00</b>

**Additional Information**

Confirmation Number	19317661	Date Printed	11/10/2016
Date and Time Submitted	11/10/2016 3:18:23 PM	Tax Registration Number	161-000-044
Payment Type	EFT Debit	Person Completing Return	Donna Frary
Total Amount Paid	7,507.93	Phone Number	(360)379-5217
Date To Transfer Payment	11/14/2016	E-Mail Address	donna@portofpt.com
Person Authorizing Payment	Donna Frary		

**This is a copy for your records.  
Please DO NOT MAIL a copy to the Department of Revenue.**

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Administration: (360) 385-0656

Operations: (360) 385-2355

Fax: (360) 385-3988

## WARRANT 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 is a just, due and unpaid obligation of the Port of Port Townsend, that I am authorized to authenticate and certify to said claim and that these claims, in Warrant No 056928 through No. 056980, are approved for payment in the amount of \$75,236.32 on this 22nd day of November, 2016.

For: **Accounts Payable**

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

\_\_\_\_\_  
Commissioner Stephen R. Tucker

\_\_\_\_\_  
Commissioner Brad A. Clinefelter

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

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount	
056928	11/22/2016	BAN005	Bank of America 11/5/16 S	11/5/2016	3,330.81	0.00	3,330.81	
							Check Entry Number: 001	
056929	11/22/2016	CEN030	CenturyLink 11012016	11/1/2016	250.00	0.00	250.00	
							Check Entry Number: 001	
056930	11/22/2016	CEN035	CenturyLink 11/05/2016 S	11/5/2016	913.44	0.00	913.44	
							Check Entry Number: 001	
056931	11/22/2016	CHY001	Chyna Sea Ventures, LTD 160083-B	11/1/2016	700.00	0.00	700.00	
							Check Entry Number: 001	
056932	11/22/2016	CIT001	City Of Port Townsend 10/31/2016 S	10/31/2016	10,542.50	0.00	10,542.50	
							Check Entry Number: 001	
056933	11/22/2016	CON040	Gail Convery 11/7/16	11/7/2016	46.00	0.00	46.00	
							Check Entry Number: 001	
056934	11/22/2016	COO040	Jacqueline Cook 11/8/16	11/8/2016	25.00	0.00	25.00	
							Check Entry Number: 001	
056935	11/22/2016	COO050	Cooper Fuel & Auto Repair 118882 119281 119284	10/31/2016 11/9/2016 11/9/2016	2,295.78 315.60 79.06	0.00 0.00 0.00	2,295.78 315.60 79.06	
					Check 056935 Total:	2,690.44	0.00	2,690.44
							Check Entry Number: 001	
056936	11/22/2016	DLL010	D L Logos 1757	11/14/2016	63.77	0.00	63.77	
							Check Entry Number: 001	
056937	11/22/2016	DMD005	DM Disposal Co. Inc. 11/01/2016	11/1/2016	6,851.36	0.00	6,851.36	
							Check Entry Number: 001	
056938	11/22/2016	EMR020	Edward Errick 09/30/2016	9/30/2016	32.70	0.00	32.70	
							Check Entry Number: 001	
056939	11/22/2016	FER001	Ferrellgas 10/26/2016 S	10/26/2016	333.12	0.00	333.12	
							Check Entry Number: 001	
056940	11/22/2016	FRE010	Jean Jameson 11/15/2016	11/15/2016	72.72	0.00	72.72	
							Check Entry Number: 001	
056941	11/22/2016	GIB020	Sam Gibboney 10/31/2016	10/31/2016	341.46	0.00	341.46	
							Check Entry Number: 001	
056942	11/22/2016	GOO020	Goodstein Law Group 1201610	11/2/2016	8,942.21	0.00	8,942.21	
							Check Entry Number: 001	
056943	11/22/2016	HAL070	Scott or Carrie Hall 11/7/2016	11/7/2016	70.00	0.00	70.00	
							Check Entry Number: 001	
056944	11/22/2016	HAR070	Steve Hartman 11/7/2016	11/7/2016	100.00	0.00	100.00	
							Check Entry Number: 001	
056945	11/22/2016	JAC010	JACO Analytical, Inc E6K417	11/4/2016	20.00	0.00	20.00	
							Check Entry Number: 001	
056946	11/22/2016	JC0003	Jefferson County - Public Work 11/01/2016	11/1/2016	1,131.68	0.00	1,131.68	
							Check Entry Number: 001	
056947	11/22/2016	JEF045	Jefferson County Chamber 5829	11/9/2016	195.00	0.00	195.00	
							Check Entry Number: 001	
056948	11/22/2016	KEN010	Kendrick Equipment U3001	11/7/2016	278.09	0.00	278.09	
							Check Entry Number: 001	
056949	11/22/2016	KIT015	Ann Kittridge 09/09/2016	9/9/2016	159.24	0.00	159.24	
							Check Entry Number: 001	
056950	11/22/2016	KIT080	Kitsap Transit 11/10/2016	11/10/2016	443.24	0.00	443.24	
							Check Entry Number: 001	
056951	11/22/2016	MCN040	Jacob McNair 11/09/2016	11/9/2016	37.50	0.00	37.50	
							Check Entry Number: 001	
056952	11/22/2016	MUR002	Murrey's Disposal Co. Inc. 4533139 4533205 4533283	11/1/2016 11/1/2016 11/1/2016	34.37 97.97 396.01	0.00 0.00 0.00	34.37 97.97 396.01	
					Check 056952 Total:	528.35	0.00	528.35
							Check Entry Number: 001	
056953	11/22/2016	NOR002	Northwest Marine Trade Assn 100678	11/13/2016	497.50	0.00	497.50	
							Check Entry Number: 001	
056954	11/22/2016	OLY003	Olympic Springs, Inc. 10/31/2016S	10/31/2016	18.35	0.00	18.35	
							Check Entry Number: 001	
056955	11/22/2016	PAC060	Pacific Rim Marine Surveyors 1610080	11/4/2016	2,500.00	0.00	2,500.00	
							Check Entry Number: 001	
056956	11/22/2016	PIN010	Pinnacle Investigations Corp 53753	11/16/2016	41.50	0.00	41.50	
							Check Entry Number: 001	
056957	11/22/2016	POR050	Port Townsend Shipwrights 14059	11/17/2016	451.26	0.00	451.26	
							Check Entry Number: 001	
056958	11/22/2016	PUD001	Pud District #1 10/25/2016 10/25/2016.2	10/25/2016 10/25/2016	17,104.59 471.50	0.00 0.00	17,104.59 471.50	
					Check 056958 Total:	17,576.09	0.00	17,576.09
							Check Entry Number: 001	
056959	11/22/2016	QUI001	Quill Corporation 1606770	11/4/2016	579.50	0.00	579.50	
							Check Entry Number: 001	
056960	11/22/2016	RAI040	Gary Rainwater 11/10/2016	11/10/2016	5.08	0.00	5.08	
							Check Entry Number: 001	
056961	11/22/2016	RED005	Reddaway 5030398157	11/3/2016	150.85	0.00	150.85	
							Check Entry Number: 001	
056962	11/22/2016	SAG002	Sage Software Inc 11/15/2016	11/5/2016	800.00	0.00	800.00	
							Check Entry Number: 001	
056963	11/22/2016	SAN010	Brian Santman 10/29/2016	10/29/2016	83.29	0.00	83.29	
							Check Entry Number: 001	
056964	11/22/2016	SCH035	Guy Schoonmaker 11/07/2016	11/7/2016	55.00	0.00	55.00	
							Check Entry Number: 001	
056965	11/22/2016	SEC010	Security Services 95279	11/1/2016	173.50	0.00	173.50	
							Check Entry Number: 001	

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Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
056965	11/22/2016	SHE020	Colleen Sheahan				
			09/09/2016	9/9/2016	42.31	0.00	42.31
							Check Entry Number: 001
056967	11/22/2016	SHO010	Shold Excavating Inc				
			37533	11/1/2016	498.57	0.00	498.57
							Check Entry Number: 001
056968	11/22/2016	SIU070	Nam Siu				
			08/24/2016	8/26/2016	41.47	0.00	41.47
							Check Entry Number: 001
056969	11/22/2016	SKO000	Skookum Contract Services				
			CI-10005697	10/31/2016	6,606.08	0.00	6,606.08
							Check Entry Number: 001
056970	11/22/2016	SOE001	Soehl Electronics				
			10235134	10/27/2016	16.32	0.00	16.32
							Check Entry Number: 001
056971	11/22/2016	STO045	John T Stone				
			11/03/2016	11/3/2016	56.29	0.00	56.29
							Check Entry Number: 001
056972	11/22/2016	SUN030	SunCruiser Publishing Inc.				
			5847	11/16/2016	1,650.00	0.00	1,650.00
							Check Entry Number: 001
056973	11/22/2016	TET060	Tetra Tech, Inc.				
			51115154	11/10/2016	1,450.28	0.00	1,450.28
							Check Entry Number: 001
056974	11/22/2016	THO050	James Thomas				
			11/07/2016	11/7/2016	55.00	0.00	55.00
							Check Entry Number: 001
056975	11/22/2016	TRU050	Michael Truex				
			05/09/2016	5/9/2016	64.93	0.00	64.93
							Check Entry Number: 001
056976	11/22/2016	ULI040	ULINE				
			81670688	11/4/2016	818.74	0.00	818.74
							Check Entry Number: 001
056977	11/22/2016	USI050	USI Education and Government Sales				
			W011852301013	11/7/2016	58.80	0.00	58.80
							Check Entry Number: 001
056978	11/22/2016	WAS017	Marc Horton - Washington Project Consultants				
			103116-8	11/1/2016	2,375.00	0.00	2,375.00
							Check Entry Number: 001
056979	11/22/2016	WIN003	Windridge Solutions				
			297	11/4/2016	225.00	0.00	225.00
							Check Entry Number: 001
056980	11/22/2016	WOO020	Earl Woodley				
			10/10/2016	10/10/2016	246.98	0.00	246.98
							Check Entry Number: 001
				<b>Report Total:</b>	<u>75,236.32</u>	<u>0.00</u>	<u>75,236.32</u>