

**RESOLUTION NO. 871-26**

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

**CONSOLIDATING THE OPERATING AND EMERGENCY RESERVE FUNDS,  
ESTABLISHING AN ECONOMIC DEVELOPMENT INITIATIVES AND EMERGENCY RESERVE FUND, AND  
REPEALING AND REPLACING RESOLUTIONS 692-19 AND 730-20**

**WHEREAS**, the Port Commission previously established an Emergency Reserve Fund in the amount of \$500,000 (Resolution 730-20); and

**WHEREAS**, the Emergency Reserve Fund existed to pay for unanticipated emergency situations that might arise outside of the annual operating budget; and

**WHEREAS**, the Port Commission previously established an Operating Reserve Fund (Resolution 692-19) equal to 25% of total 2023 budgeted operating expense (\$1.6m) to mitigate revenue shortfalls, pay for unanticipated expenses and support the Port's bond credit rating; and

**WHEREAS**, the Port Commission desires to combine these two (2) reserve funds into one Economic Development Initiatives and Emergency Reserve Fund with a target balance of \$1,000,000; and

**WHEREAS**, 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**, there exists a need for the Port to swiftly respond to economic development opportunities without having to rely on monies in the Port's general fund; and

**WHEREAS**, the Economic Development Initiatives and Emergency Reserve Fund would have a beginning balance of \$523,405 after consolidating the funds presently in the Operating and Emergency Reserves; and

**WHEREAS**, an additional \$476,595 will be added to the Emergency Reserve Fund from the Port's General Fund as allowed by Port net operating income; and

**WHEREAS**, a plan will be submitted by the Executive Director to the Commission outlining how the target balance will be reached; and

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

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

1. The Port of Port Townsend shall combine the Emergency and Operating Reserve Funds into one consolidated Economic Development Initiatives and Emergency Reserve Fund;
2. The Port shall maintain a separate fund for the Economic Development Initiatives and Emergency Reserve Fund as a separate line item in the Port's financial statements;
3. The Economic Development Initiatives and Emergency Reserve Fund will be held in the General Fund account and may be invested in the Port's General Fund investments as directed by the Port's Director of Finance;
4. The Economic Development Initiatives and Emergency Reserve Fund shall be funded as allowable by the Port's net operating income with a target balance of \$1,000,000 by the end of 2026; and
5. Monies in the Economic Development Initiatives and Emergency Reserve Fund may be used to address emergency situations, mitigate revenue shortfalls and pay for unanticipated expenses, and to respond to opportunities that improve the community's economic well-being, quality of life, and competitiveness, as expressly directed by the Commission.
6. This Resolution repeals and replaces Port Commission Resolutions 692-19 and 730-20.

**ADOPTED** this 8<sup>th</sup> day of April 2026, 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:

CHASSE  
Carol Hasse, Secretary

Pamela A. Petranek  
Pamela A. Petranek, President

Peter W. Hanke  
Peter W. Hanke, Vice President



APPROVED AS TO FORM:

[Signature]  
Port Attorney