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**Port of Port Townsend  
1<sup>st</sup> Monthly Meeting Agenda  
Wednesday, January 13, 2016, 1:00 PM  
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 –December 22, 2015.....1-3
  - B. Operations Reports – December 2015.....4-6
  - C. Approval of Warrants
- IV. Public Comments (not related to Agenda)
- V. Recess to a Meeting of the Industrial Development Corporation of the Port of Port Townsend.....7
  - A. Election of IDC Officers.....8
  - B. Approval of April 22, 2015 IDC Minutes.....9
- VI. Second Reading
- VII. First Reading
  - A. Delegation of Authority Policy.....10-20
  - B. Commission Meeting Procedures.....21-25
  - C. Readopting Promotional Hosting Expenditures – Resolution No. 640-16.....26-33
  - D. Draft 2016 Capital Budget.....34
- VIII. Potential Immediate Action Items
  - A. 2016 Olympic Peninsula Salmon Derby.....35-36
  - B. Strategic Offsite Retreat.....37
  - C. 2016 WPPA Trustee Appointments.....38
  - D. Port Townsend Sails Lease.....39
- IX. Staff Comments
- X. Public Comments
- XI. Commissioner Comments
- XII. **Next Meeting: Wednesday, January 27, 2016 at 5:30 PM, Port Commission Building, 333 Benedict Street, Port Townsend, WA**
- XIII. Executive Session (if called):
- XIV. Adjournment

**PORT COMMISSION MEETING– December 22, 2015**

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

Present: Commissioners – Tucker, Clinefelter and Hanke  
Executive Director – Crockett  
Deputy Director - Pivarnik  
Auditor – Berg  
Attorney – O’Malley

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

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

II. APPROVAL OF AGENDA:

**Commissioner Tucker moved to approve the Agenda as presented.  
Commissioner Clinefelter seconded the motion.  
Motion carried by unanimous vote.**

III. ELECTION OF OFFICERS, YEAR 2016

Commissioner Tucker nominated Commissioner Hanke as Commission President. Commissioner Tucker was nominated as Vice President and Commissioner Clinefelter as Secretary.

**Commissioner Tucker moved to approve 2016 officers as described above.  
Commissioner Clinefelter seconded the motion.  
Motion carried by unanimous vote.**

IV. CONSENT AGENDA:

- A. Approval of Meeting Minutes – December 9, 2015  
Approval of Public Workshop Minutes – December 9, 2015

- B. Approval of Warrants

Warrant #055521 through #055533 in the amount of \$51,676.09 for Payroll & Benefits  
Electronic Payment in the amount of \$70,370.29 for Payroll & Benefits  
Warrant #055534 through #055571 in the amount of \$72,193.79 for Accounts Payable  
Electronic Debit in the amount of \$4,044.94 for WA State Dept. of Revenue Combined  
Excise Tax Return for November 2015

**Commissioner Tucker moved to approve the Consent Agenda as presented.  
Commissioner Hanke seconded the motion.  
Motion carried by unanimous vote.**

V. PUBLIC COMMENTS (Not related to agenda):

Commissioner Tucker announced a new format for hearing public comments. He asked that each speaker comes to the front of the room, closer to the microphone.

Bertram Levy commented on annual & daily ramp pass counts, a gate for boat ramp users and discussed his previous suggestion of installing a coin-operated faucet at the wash-down area.

Erik Durfey commented Port expenses, the 2016 budget, access to the water and Port projects.

VI. SECOND READING (Action Items):

A. Boat Ramp Update:

Mr. Pivarnik announced the ramp project is ahead of schedule. He said concrete is being poured in Tacoma for the precast panels, which will be ready for installation mid-January.

Commissioner Clinefelter referenced the Army Corps Boat Ramp Permit and asked about the required removal of 300 square feet of ‘A’ dock in order to accommodate the new ramp. Mr. Pivarnik answered it was removed and this is where the sheriff’s boat had been kept. He added their boat is now in the commercial basin. Further discussion ensued on this resulting in a loss of moorage revenue. Commissioner Clinefelter also asked about the removal of the Quincy Street dock on the same Army Corps Permit. More discussion ensued on the additional costs that occurred for the boat ramp addition, prior to the actual project. Commissioner Clinefelter asked to have these costs added to the ramp cost worksheet. Commissioner Tucker added that two tribes have committed \$20K towards boat ramp construction costs. Mr. Crockett reminded the Port is responsible for increasing public access to the water.

B. Craftsmen United:

Mr. Crockett stated Port staff has met with Dan Wiggins a few times, which he has provided updates to each commissioner. He said the next step in the process is to receive authorization from the commission to draft a letter of agreement so that Mr. Wiggins can move forward with engineering and permitting work. Mr. Crockett discussed the diagram showing the building footprint, which would be located in the former lumberyard area.

**Commissioner Clinefelter moved to authorize the Executive Director to draft a letter of agreement with Dan Wiggins/Craftsmen United.**

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

C. 2016 Miscellaneous Fees:

Mr. Crockett noted these fees were discussed at the previous commission meeting and it is now up for approval. Commissioner Clinefelter said he has heard quite a bit of concern on the work-float cost increase and changes. Mr. Crockett added that, depending on work-float space demand, staff might be able to provide some flexibility to the customer on a case-by-case basis.

**Commissioner Hanke moved to adopt the 2016 Miscellaneous Fees as presented.**

**Commissioner Clinefelter seconded the motion.**

**Motion carried by unanimous vote.**

VII. FIRST READING (Discussion Only):

A. Resolution Establishing Port SEPA Policies, Procedures & Implementing Rules:

Mr. Crockett explained the State has changed SEPA rules and procedures and added the Port needs to have its own SEPA policy. He explained the Capital Repair and Replacement Plan was the catalyst to updating Port SEPA policy and procedures. Further discussion ensued.

VIII. POTENTIAL IMMEDIATE ACTION ITEMS:

**Commissioner Tucker moved to approve the following leases for Potential Immediate Action.**

**Commissioner Clinefelter seconded the motion.**

**Motion carried by unanimous vote.**

A. Marina Café Lease:

Mr. Pivarnik noted this is a five-year commitment: a two-year lease and three one-year options.

**Commissioner Tucker moved to approve the lease with the Marina Café as presented.**

**Commissioner Clinefelter seconded the motion.**

**Motion carried by unanimous vote.**

B. Octopus Gardens Lease:

Mr. Pivarnik noted this is also a five-year commitment: a two-year lease and three one-year options. He explained Octopus Gardens was a sub-tenant of Goldstar Marine and will now occupy the former Team Jefferson/EDC building.

**Commissioner Tucker moved to approve the lease with Octopus Gardens Dive Shop as presented.**

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

C. Puget Sound Express Lease:

Mr. Pivarnik explained this is a five-year lease with a five-year option.

**Commissioner Clinefelter moved to approve the lease with Puget Sound Express.**

**Commissioner Tucker seconded the motion.**

**Motion passed by a vote of two, with Commissioner Hanke recusing himself, as owner of Puget Sound Express.**

IX. STAFF COMMENTS:

Ms. Berg discussed the Port's banking transitions and that in January the Port would be down from using four banks to using only two. Kitsap Bank will train accounting staff on the cash management system (payroll and direct deposits).

Mr. Pivarnik announced he had a meeting with the permitting consultant for the Point Hudson Breakwater project. He learned that there is a high chance the Port may have permits in hand in early 2016. He added staff would know the end of January if the Port would receive them by the end of May. Mr. Pivarnik stated the commission would then

have a decision to make – to move forward with the breakwater replacement project in 2016 or wait until 2017. Mr. Crockett added that if started in 2016, demolition would not begin until after the Wooden Boat Festival. He reminded this would be a two-year project.

Mr. Crockett said he continues to work on his list of eight or nine things to do at the January meeting. He will provide the commission with that list prior to the meeting in case they have any additions to the list. He reported that he attended a farewell at the Port of Port Angeles for an outgoing Commissioner. Lastly, he announced the Port would be closed Thursday and Friday for the holidays and again, Friday, January 1 for the New Year.

X. PUBLIC COMMENTS:

Bill Putney asked when the Strategic Advisory Committee would be re-formed.

Bertram Levy commented on the financing for the Point Hudson Breakwater project.

Jennifer Takaki reminded all of free cookie/caffeine day at her café.

Erik Durfey had questions on the Capital Repair & Replacement Plan.

XI. COMMISSIONER COMMENTS:

Commissioner Hanke discussed a recent Fort Worden Advisory Committee meeting he attended. He also addressed Mr. Durfey's concerns on administrative costs and compared Port of Port Angeles executive salaries to executive salaries at the Port of Port Townsend. Commissioner Clinefelter again expressed the need to discuss the Strategic Advisory Committee reformation at a public workshop.

Commissioner Tucker discussed the recent Jefferson Energy Lunch Meeting he attended.

XII. NEXT PUBLIC WORKSHOP/MEETING: Next workshop will be held Wednesday, January 13, 2016 at 9:30 AM, followed by the regular meeting at 1:00 PM in the Port Commission Building, 333 Benedict St, Port Townsend.

XIII. EXECUTIVE SESSION:

XIV. ADJOURNMENT:

The meeting adjourned at 1:54 PM there being no further business to come before the Commission.

ATTEST:

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

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

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

# BOATHAVEN OPERATIONS REPORT/MOORAGE

MONTH: DECEMBER 2016

DATE: 1/6/2016

MONTHLY PERMS: 345

MONTHLY GUESTS: 22

# OF SLIPS BY SIZE	OCCUPIED	empty	% occ.
25' <span style="float: right;">35</span>	33	5	94%
27' <span style="float: right;">11</span>	10	2	91%
30' <span style="float: right;">105</span>	103	3	98%
35' <span style="float: right;">24</span>	23	1	96%
40' <span style="float: right;">44</span>	42	2	95%
45' <span style="float: right;">41</span>	40	1	98%
50' <span style="float: right;">32</span>	31	1	97%
OVER 52' <span style="float: right;">7</span>	7	0	100%
TOTAL: <span style="float: right;">299</span>	290	15	AVG: 96%

5 SLIPS EMPTY FOR BOAT RAMP CONST

LINEAR SPACE/FT	OCCUPIED	% OCCUPIED
LIMITED ACC. <span style="float: right;">1455</span>	1351	93%
TOTAL: <span style="float: right;">3806</span>	3626	AVG: 96%

	CURR	PREV MO	YTD
NIGHTLY GUESTS:	87	287	2036
CREDIT SYSTEM:	24	22	354
TEMP TIE UP:	0	2	180
FREE NIGHTS:	0	0	10
PTYC:	1	3	185
RAMP/DAILY:	3	36	1065
RAMP/ANNUAL:	17 (2016)	3	434
RAMP NOT PAID:	2	10	54

WAIT LISTS	
25' PLEA:	21
27' PLEA:	0
30' PLEA:	54
35' PLEA:	32
40' PLEA:	50
45' PLEA:	22
50' PLEA:	21
OVER 52':	10
OVERWID	0
30' COMM.	0
40' COMM.	0
50' COMM.	0

TOTAL OCCUPANCY %: 97%

# Port of Port Townsend

## POINT HUDSON MARINA & RV PARK

### MONTHLY OCCUPANCY REPORT & 5 YEAR COMPARISON

2015

MARINA NIGHTLY GUEST NIGHTS											
	2011		2012		2013		2014		2015		
	MNTH.	CUM.	MNTH.	CUM.	MNTH.	CUM.	MNTH.	CUM.	MNTH.	CUM.	
JAN	32	32	28	28	58	58	53	53	83	83	JAN
FEB	77	109	96	124	80	138	57	110	104	187	FEB
MAR	178	287	73	197	95	233	77	187	101	288	MAR
APRIL	180	467	240	437	159	392	209	396	163	451	APRIL
MAY	618	1085	541	978	605	997	585	981	619	1070	MAY
JUNE	582	1667	749	1727	606	1603	520	1501	537	1607	JUNE
JULY	1079	2746	1035	2762	1089	2692	993	2494	1018	2625	JULY
AUG	1131	3877	1178	3940	1188	3880	996	3490	1033	3658	AUG
SEPT	838	4715	831	4771	899	4779	778	4268	958	4616	SEPT
OCT	154	4869	175	4946	214	4993	120	4388	221	4837	OCT
NOV	58	4927	86	5032	138	5131	114	4502	73	4910	NOV
DEC	54	4981	65	5097	64	5195	52	4554	60	4970	DEC

RV NIGHTLY GUEST NIGHTS											
	2011		2012		2013		2014		2015		
	MNTH.	CUM.	MNTH.	CUM.	MNTH.	CUM.	MNTH.	CUM.	MNTH.	CUM.	
JAN	173	173	176	176	180	180	285	285	304	304	JAN
FEB	214	387	221	397	261	441	150	435	291	595	FEB
MAR	239	626	229	626	359	800	249	684	244	839	MAR
APRIL	341	967	445	1071	209	1009	546	1230	652	1491	APRIL
MAY	717	1684	638	1709	637	1646	706	1936	955	2446	MAY
JUNE	713	2397	645	2354	910	2556	1015	2951	1036	3482	JUNE
JULY	1215	3612	1247	3601	1275	3831	1169	4120	1202	4684	JULY
AUG	1257	4869	1300	4901	1293	5124	1228	5348	1287	5971	AUG
SEPT	1062	5931	1076	5977	1079	6203	1120	6468	1072	7043	SEPT
OCT	501	6432	580	6557	694	6897	796	7264	771	7814	OCT
NOV	258	6690	290	6847	352	7249	432	7696	403	8217	NOV
DEC	176	6866	246	7093	165	7414	269	7965	248	8465	DEC

PERMANENT & SEASONAL TENANT SUMMARY				
	AVAIL/GOAL	OCUPIED	%	
LTD ACCESS MOORAGE	40 SLIPS	27	68%	
COMMERCIAL MOORAGE	850 FEET	745 745	88%	
SEASONAL MOORAGE	32 SLIPS	27 27	84%	
SEASONAL RV'S	10 SITES	9 9	90%	
UNDESIRABLE	3 SLIPS	0	0%	

STORAGE OPERATIONS REPORT									DATE:	1/7/2016
November-16										
	DEC	DEC	DEC	DEC	2012 YEAR	2013 YEAR	2014 YEAR	2015 YEAR		
	2012	2013	2014	2015	TO DATE	TO DATE	TO DATE	TO DATE	REMARKS	
<b>HAUL-OUT</b>										
BOAT YARD - OUT	24	15	27	24	751	724	757	738		
BOAT YARD - IN	27	18	24	19	716	693	743	726		
67% RE-BLOCK	6	6	7	8	45	65	70	60		
40% INSPECTION	3	2	3	2	38	38	39	28		
OTHER	2	1	0	1	29	23	37	46		
<b>SUB TOTAL</b>	<b>62</b>	<b>42</b>	<b>61</b>	<b>54</b>	<b>1570</b>	<b>1543</b>	<b>1646</b>	<b>1598</b>		
SHIP - OUT	7	10	5	2	135	161	129	121		
SHIP - IN	6	7	8	2	128	137	134	119		
SHIP - RE-BLOCK	0	0	1	2	12	4	14	12		
SHIP-INSPECTION	2	1	0	1	4	7	4	5		
SHIP - OTHER	1	0	0	0	3	5	0	2		
<b>SUB TOTAL</b>	<b>16</b>	<b>18</b>	<b>14</b>	<b>11</b>	<b>282</b>	<b>314</b>	<b>281</b>	<b>259</b>		
<b>TOTAL</b>	<b>78</b>	<b>60</b>	<b>75</b>	<b>65</b>	<b>1852</b>	<b>1857</b>	<b>1927</b>	<b>1857</b>		
<b>STORAGE</b>										
PTBH - START	71	72	65	64						
PTBH - END	66	69	64	59						
PTBH-O.P.P.	26	24	30	20						
SHIP-START	11	22	18	16						
SHIP-END	13	22	16	12						
SHIP-O.P.P.	2	2	3	4						
PERM/FREE										PERMS
FREE DAYS										PAID R/T
Longterm (Boats)	25	24	21	33						BOATS
<b>JCIA OPERATIONS REPORT</b>										
HANGERS	13	13	13	13						
TIE DN - PAVED	2	2	2	1						
TIE DN - GRASS	0	0	0	0						
TIE DN - NIGHTLY	2	0	0	3						
W/L - HANGERS	0	0	0	0						
						<b>OFF PORT PROPERTY</b>				
						GOLD STAR - 0				
						STEPHENS - 0				
						FRY - 1				
						HAVEN - 1				
						PT CO-OP - SHIP - 3				
						PT CO-OP - SMALL - 15				
						CRAFTMAN - 1				
						STEELHEAD - 2				
						CUNNINGHAM -SHIP - 1				

INDUSTRIAL DEVELOPMENT CORPORATION OF  
THE PORT OF PORT TOWNSEND  
Port Commission Building  
333 Benedict Street, Port Townsend

January 13, 2016  
1:00 PM

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- I. Call to Order
- II. Election of Officers
- III. Approval of Minutes – April 22, 2015
- IV. New Business
- V. Next Meeting – Called as needed
- VI. Adjournment



**INDUSTRIAL DEVELOPMENT CORPORATION OF  
THE PORT OF PORT TOWNSEND**

**MEETING OF:** January 13, 2016

**AGENDA ITEM:** Annual Election of Officers

**BACKGROUND:**

**Current IDC Officers:**

President:	Stephen R. Tucker
Vice-President:	Brad A. Clinefelter
Secretary:	Peter W. Hanke

**RECOMMENDATION:**

Elect Officers for the year 2016.

**MINUTES OF THE  
INDUSTRIAL DEVELOPMENT CORPORATION OF  
THE PORT OF PORT TOWNSEND  
Wednesday – April 22, 2015**

The meeting of the Industrial Development Corporation of the Port of Port Townsend was held in the Port Commission Building, 333 Benedict Street, Port Townsend, WA

Present: 2015 Directors: Stephen R. Tucker, President  
Brad A. Clinefelter, Vice President  
Peter W. Hanke, Secretary

Port of Port Townsend Staff:  
Executive Director - Crockett  
Deputy Director – Pivarnik  
Auditor – Khile  
Attorney - McCarthy  
Recorder – Nelson

I. CALL TO ORDER

Commissioner Tucker called the meeting to order at 5:34 PM.

II. APPROVAL OF MINUTES – January 14, 2015:

**Commissioner Tucker moved for approval of the Minutes of the January 14, 2015 meeting of the IDC as presented.**

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

III. NEW BUSINESS:

A. Application for Determination of Eligibility for Industrial Revenue Bond (IRB)

Mr. Crockett reminded the application form was approved at the last Port Commission meeting. However, formal approval must come before the board at a formal IDC meeting.

**Commissioner Tucker moved to approve the Application for Determination of Eligibility for Industrial Revenue Bond (IRB) as presented, with a \$1000 application fee, and waiving the fee for the first applicant.**

**Commissioner Clinefelter seconded the motion.**

**Motion carried by unanimous vote.**

IV. NEXT MEETING:

The next meeting of the IDC to be called as needed.

V. ADJOURNMENT:

There being no further business to come before the Directors, the meeting was adjourned at 5:38 PM.

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

\_\_\_\_\_  
Peter W. Hanke, Secretary      DATE

\_\_\_\_\_  
Brad A. Clinefelter, Vice President      DATE

**PORT OF PORT TOWNSEND**

**MEETING OF:** January 13, 2016

**AGENDA ITEM:** VII. First Reading  
A. Delegation of Authority Policy

**BACKGROUND:**

Discuss current policy for possible readoption at the January 27, 2016 meeting. No changes are being recommended.

**Executive Director's Recommendation:**

For discussion.

**PORT OF PORT TOWNSEND**  
**SPECIFIC POLICY DIRECTIVES OF**  
**ADMINISTRATIVE AUTHORITY OF THE**  
**PORT DISTRICT EXECUTIVE DIRECTOR**

**January 28, 2015**

The Commission of the Port of Port Townsend adopts the following policy for the purpose of establishing the Administrative Authority of the Executive Director (ED) who is responsible for normal Port operations. The phrase “normal Port operations” as used herein, means regular day-to-day business transactions involving personnel, materials and funds. The Commission shall retain an ED to implement the objectives of the Port, which shall be established by the Commission. The ED derives authority from the Commission acting as the governing body. The ED shall regularly inform and consult with the Commission regarding significant information and business transactions by a method mutually agreeable to the Commission and the ED. Commission directives or initiatives shall be made through the ED and shall be made only by the Commission acting as a body. The ED shall serve as the primary spokesperson for management.

Certain elements of this policy require annual approval per RCW. Therefore, this Administrative Authority Policy shall be reviewed and readopted annually.

**I. UTILIZATION OF PORT CREWS**

The Port District ED shall retain professional staff, which shall operate and manage according to directives from the ED. The ED is authorized to administer day-to-day operations which include personnel administration (task & project assignments, hiring, firing, setting salary & benefits, training, grievance procedures, employee enrichment & improvement, Union negotiations, etc.) within positions created and approved by the Commission.

A. Performance of Work by Port Crews

Prior Commission approval shall not be required where individual capital or maintenance projects are to be carried out by Port crews or day labor (when deemed appropriate) and do not exceed Twenty-Five Thousand Dollars (\$25,000.00), exclusive of applicable taxes. The ED may inform the Commission at the next scheduled meeting of all actions under this section.

**II. RULES AND / OR PROCEDURES**

The ED is authorized to adopt administrative rules and regulations necessary for the efficient operation of the Port so long as such rules and regulations are reported to the Commission and are consistent with Commission policy. All amendments to the rules and regulations established therein may hereafter be made by the ED, so long as such amendments do not exceed the authority of the ED, as granted elsewhere herein, and are reported to the Commission in a timely manner.

The ED may delegate to appropriate Port staff such administrative authority or reporting requirements herein established as is necessary and advisable in the efficient exercise of the ED's authority. To implement delegations or authority to Port staff, the ED shall promulgate policy and procedure manuals, monetary delegations authority and employee position descriptions, affirmative action plans and office manuals which shall include such delegations as appropriate. The responsibility for all administration and day-to-day operations of the Port rests with the ED.

**III. SALE OF PERSONAL PROPERTY**

The Port District ED, with prior Commission approval, is authorized pursuant to RCW 53.08.090 to sell and convey surplus personal property of the Port pursuant to the requirements of RCW 53.08.090.-092 (as amended or succeeded). The ED is authorized to sell and convey surplus personal property of the Port of Port Townsend subject to the following conditions:

- A. That the value of such personal property does not exceed the dollar limits authorized under RCW 53.08.090-092 (as amended or succeeded).

- B. Prior to any such sale or conveyance, the ED shall itemize and list the property to be sold and make written certification to the Commission that the listed property is no longer needed for district purposes.
- C. Any large block of such property having a value in excess of the limits authorized under RCW 53.08.090 (as amended or succeeded) shall not be broken down into components of a lesser value and sold unless done so by public competitive bid.
- D. That offers for purchase are solicited from at least three (3) parties when no bids are received from the public competitive bidding process; unless waived by the Commission on a case-by-case basis.
- E. No real property or facility which is part of the comprehensive plan of improvement or modification thereof shall be disposed of until the comprehensive plan has been modified pursuant to RCW 53.20.010 and such real property or facility is found to be surplus to Port needs.

#### **IV. CONTRACTS FOR PERFORMANCE OF WORK**

- A. Contract Awards for Construction and Maintenance
  - 1. The Port District ED may, without prior Commission approval, execute on its behalf Small Works Roster contracts where the total estimated contract price does not exceed Twenty-Five Thousand Dollars (\$25,000.00) exclusive of applicable taxes, and so long as all statutory procedures are followed, including bid and performance surety requirements. All contracts awarded under this section will be reported to the Commission at the next scheduled meeting. Public discussions with the Commission regarding all projects should precede any contract unless an emergency exists.
  - 2. The Port District ED may, execute on behalf of the Port contracts for large projects that have been properly approved including costs at a public Port meeting, and all statutory procedures must be followed. Upon proper approval from the Commission, the Port District ED may publish a notice calling for bids, award of contract or rejections of all bids will be done by vote of the Commission at a public meeting.
  - 3. When any emergency shall require the immediate execution of a contract for work the Port

District ED, pursuant to the procedures of RCW 39.04.020 (as it may be amended or succeeded), is authorized to make a finding of the existence of such emergency and execute any contracts necessary to respond to the existing emergency, provided that the Port District ED shall, at the first opportunity contact a Commissioner, and at the first Port Commission meeting following the finding of the existence of an emergency, request the Port Commission ratification of the finding of emergency and any contracts awarded and or executed pursuant to that finding.

B. Change Orders

Where a contract for the performance of work has been awarded and under which the work is in progress, and individual changes in plans or specifications are necessitated in order to properly accomplish the work, the ED is authorized, without prior Commission approval, to execute on its behalf individual change orders to the contract if all of the following conditions are met:

1. The estimated cost of the aggregate changes in plans or specifications, exclusive of applicable taxes, will not exceed Twenty-Five Thousand Dollars (\$25,000.00).
2. For contracts of \$1 million dollars or more, the change order shall not exceed Fifty Thousand Dollars (\$50,000.00).
3. The contract provides for the issuance of changes orders.
4. The individual change order has been approved and certified by the project architect or engineer as being necessary to the proper accomplishment of the work called for in the basic contract.
5. The ED shall inform the Commission at the next scheduled meeting of all actions undertaken under this section.

C. Professional Services / Consulting Services:

The ED shall be responsible for the initiation of appropriate procedures to obtain professional or consultant services where deemed necessary in carrying out normal Port operations. When necessary, Port Legal Counsel shall be consulted with respect to statutory procedures in connection with these services. The ED may arrange for these services, without prior Commission approval,

when the cost of the proposed service for any single project will not exceed Ten Thousand Dollars (\$10,000.00). If the fee for such services is estimated to exceed Ten Thousand Dollars (\$10,000.00), prior Commission approval shall be required. The ED shall inform the Commission at the next scheduled meeting of all actions undertaken under this section.

D. Architectural, Engineering & Technical Services:

The ED is authorized to contract with qualified architectural, engineering and technical testing & inspection firms licensed in the State of Washington to provide such services as required for maintenance, preliminary engineering work or small projects of the Port. Arrangements for obtaining such services shall follow all required statutory procedures and shall be consistent with normal established fees paid for such services. If the fee on any single project or closely related work is estimated to exceed Fifteen Thousand Dollars (\$15,000.00) Commission approval shall be required. The ED shall inform the Commission at the next scheduled meeting of actions undertaken under this section.

E. Reports:

Notwithstanding the authorities granted in the preceding sections A - D, the ED shall keep the Commission advised of all contracts, reports and activities.

**V. ACQUISITION OF UTILITIES, MATERIALS, EQUIPMENT, SUPPLIES, AND SERVICES.**

The ED shall have the responsibility for following all statutory requirements and procedures in connection with all acquisition of utilities, materials, equipment, supplies and services. Utilities, materials, equipment, supplies and services may be acquired on the open market, or by competitive bidding when necessary for the normal maintenance and operations of the Port, and no prior Port Commission approval shall be required but shall, where appropriate, be approved as part of normal monthly expenses and shall be within authorized budgets. The Port District ED may acquire utilities, materials, equipment, supplies and services subject to the following conditions:

- A. The purchase price does not exceed Twenty-Five Thousand (\$25,000.00) Dollars or has been pre-approved by Commission, or if specifically identified while developing the annual budget and does



not exceed the budgeted amount.

- B. In the event of competitive bidding all statutory regulations must be followed.
- C. The Ed is authorized to establish a system to control purchase of materials, supplies and services. Such system should take into consideration the nature of the purchases, and that the invoices have been properly processed and approved in accordance with Port Policies and Procedures.

#### **VI. REAL & PERSONAL PROPERTY RENTALS OR LEASES**

All real & personal property belonging to the Port, when available for rent or lease, shall, except as otherwise provided herein, be leased only under an appropriate written lease instrument approved by the Commission in accordance with RCW 53.08.085. The term lease as used herein may refer to rental agreements, operating agreements or use agreements. Provided, however, in the case of a month-to-month lease subject to all the following conditions, the ED may execute the lease:

#### **VII. LITIGATION**

The ED, in coordination with Port Counsel (appointed by the Commission), shall be responsible for the procedures necessary for management and supervision of litigation in which the Port has an interest, directly or indirectly. For purposes of this section, "litigation" shall mean the assertion of any position, right or responsibility by or against the Port which has been filed in any court of general jurisdiction, be it State or Federal, or any quasi-judicial or administrative forum. The ED shall inform the Commission at the next regular meeting of all actions undertaken under this section.

#### **VIII. ADJUSTMENT TO ACCOUNTS RECEIVABLE OR UNCOLLECTIBLE ACCOUNTS**

The Port District ED is authorized to establish procedures to:

- 1) Make adjustments to accounts receivable for valid business reasons which do not constitute a gift of public funds, or

- 2) Remove from the general ledger uncollectible accounts with prior approval from the Commission.

Prior to classifying any account receivable as a "doubtful account", the ED shall be satisfied that every reasonable effort has been made by the staff to resolve or accomplish the collection of the account. For those accounts that fail to make payment, the ED shall authorize Port Legal Counsel to bring action in courts of law, or appropriate steps for possible collection. The Ports accounting records shall reflect that any account more than one hundred twenty (120) days past due is a "doubtful account". The ED shall review the doubtful accounts periodically (at least annually); recommend to the Commission which accounts should be deemed as "uncollectible" and removed from the Port's General Ledger. The Port may take collection action more quickly than set forth in the doubtful accounts collection procedure, or may exercise other remedies if available. The classification of an account as "doubtful" or "uncollectible" shall not waive any rights or release any claim against the Account Debtor. The ED shall inform the Commission at the next regular meeting of all actions undertaken under this section.

#### **IX. PROPERTY ACQUISITION AND SALE OF REAL PROPERTY**

When the Commission authorizes the acquisition of real property by purchase or condemnation, the ED shall take all necessary steps including, but not limited to obtaining appraisals / market analyses, to secure title of such property for the Port. The acquisition price shall be established based on appraisals, market analyses and negotiations and shall be approved by the Commission prior to any finalization of the purchase, ED shall sign all necessary documents.

When the Commission authorizes the sale of real property, the ED shall take all necessary steps to complete the transaction including, but not limited to obtaining appraisals, accepting deposits and opening escrow accounts for the Port. The sale price shall be established based upon factors including, without limitation, negotiations, appraisals/market analyses, special benefits to the Port and community, employment generated by the project, and shall be approved by the Commission prior to any finalization of the sale, ED shall sign all necessary documents.

**X. INSURANCE PROGRAMS**

The ED shall be authorized to work with an insurance broker, pre-approved by the Commission, to negotiate and obtain appropriate policies of insurance to cover Port property, liability, Commissioner and employee coverage, vehicle and other areas appropriately included within a comprehensive insurance program. The ED is authorized to approve from time to time changes or modifications within the insurance policies, these changes shall be promptly reported to the Commission at the next scheduled meeting so as to keep Commission informed of basic changes in the overall insurance program of the Port.

**XI. EMPLOYEE TRAVEL, EDUCATION & CONFERENCE ATTENDANCE**

The ED is authorized to approve travel and attendance of conferences or education opportunities by employees, without prior Commission approval. The limits of such authorization shall be for travel within the continental United States and the total costs shall not exceed \$1,000.00. Estimated costs in excess of \$1,000.00 shall require Commission approval prior to travel. Travel costs must be within the current budget. The ED will review all requests for travel to conferences or education to assure that it is applicable to the Port or Port operations.

**XII. BANKING SERVICES AND INVESTMENT OF TEMPORARILY IDLE PORT FUNDS**

The ED is authorized to negotiate for banking services and enter into agreements for such services; provided, however, unless approved in advance by the Commission, such agreements shall be terminable by the Port, without penalty. Procedures shall be established for the deposit / disbursement of Port funds recognizing the requirements cited in RCW 53.36.010 and that such procedures shall provide for an adequate system of internal control. Such banking service agreements shall be reported to the Commission at the next regular meeting.

For purposes of this section, "Temporarily Idle Funds" shall mean those funds which are not required for immediate expenditure. The Port District ED is authorized to develop procedures to direct the Port Treasurer, in accordance with applicable law relating to the investment of public funds, in the investments of

temporarily idle Port funds. These directives include, but shall not be limited to, investments in public fund approved vehicles of investment, sale of such investments, and necessary inter-fund transfers. A summary of all financial activities shall be provided at Port Commission meetings.

**XIII. TRADE DEVELOPMENT PROGRAMS**

The ED is authorized, consistent with budget and statutory limitations, to develop and carry out programs of trade development (which may include tourism and tourism promotion), advertising, and promotion of the Port, including its properties, facilities and services. Such programs shall be reviewed by the Commission from time to time.

**XIV. GRANTS AND APPROPRIATIONS**

All grant and appropriation requests (regardless of value) will come before the Commission for approval prior to submission.

**XV. AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT**

It is the basic policy of the Port to provide equal opportunity to the users of all Port services and facilities, all contracting entities, Port employees and applicants for employment, and to assure that there be absolutely no discrimination against any person on the grounds of race, creed, color, national origin, sex, sexual orientation, marital status, age or the presence of any sensory, mental or physical handicap. This policy is to be implemented by the Executive Director.

**XVI. ADMINISTERIAL CHECKS AND WARRANTS**

The Executive Director is authorized to approve checks and warrants issued in the nature of administerial expenses for the efficient and proper management of port district operations as delegated in this resolution or reasonably implied from the same. The Executive Director is not authorized to approve checks and warrants in the nature of claims or non-administerial obligations. The Executive Director shall cause the checks and warrants issued under this section to come before the commission for review and approval as to the nature

and amount of administrative checks and warrants issued at the next regular meeting following issuance. The Port shall provide for bonding required for faithful discharge of the Executive Director's duties.

**PORT OF PORT TOWNSEND**

**MEETING OF:** January 13, 2016

**AGENDA ITEM:** VII. First Reading  
B. Commission Meeting Procedures

**BACKGROUND:**

Discuss changes to current policy such as meeting format, date, time, etc. for possible adoption at January 27, 2016 meeting. This is required annually by RCW.

**Executive Director's Recommendation:**

For discussion.

## APPENDIX A

The Policy and Procedures on pages 1-4 have been adopted by Resolution 624-15, amending Resolutions 326-00, 344-01, 363-02, 367-02, 390-03, 392-03, 471-06, 487-07, 532-10, 553-11, 558-11, 561-11, 594-13 and 604-14. Any changes or deletions will require an amendment to the Resolution.

## COMMISSION MEETINGS

### TIME AND LOCATION OF MEETINGS

1. With the exception of the dates and meetings times specifically outlined in paragraph 2, immediately below, regular meetings of the Port of Port Townsend will be held on the second Wednesday of each month at 1:00 p.m. and the fourth Wednesday of each month at 5:30 p.m. in the Port Commission Building, 333 Benedict Street, Port Townsend, Washington. The workshop, if called (i.e., workshops are called at the sole discretion of the Commission President), will precede the regular meeting on the second Wednesday of each month at 9:30 a.m.
2.
  - a. The first regular meeting in May will be held on Monday, May 11<sup>th</sup>;
  - b. The first regular meeting in November will be held on Monday, November 9<sup>th</sup>;
  - c. The second regular meeting in November will be held on Tuesday, November 24<sup>th</sup>; and
  - d. The second regular meeting in December will be held on Tuesday, December 22<sup>nd</sup>.

### RULES OF TRANSACTION OF BUSINESS

1. Order of Business shall be as follows:
  - I Call to Order
  - II Approval of Agenda
  - III Consent Agenda
  - IV Public Comments (Not related to Agenda items and or Guest Presentations.  
If applicable)
  - V Second Reading (Action Items)
  - VI First Reading (Discussion Only)
  - VII Potential Immediate Action Items (requires unanimous Commission approval)
  - VIII Staff Comments
  - IX Public Comments
  - X Commissioner Comments
  - XI Next Meeting
  - XII Executive Session, (If called)
  - XII Adjournment
2. All matters which, in the judgment of the Commission, are of a legislative character shall be embodied in the form of Resolutions. Resolutions shall be numbered consecutively, and the original copy shall be signed by the President and Vice President and attested by the Secretary

in open session. Resolutions shall be filed by the Secretary and shall be recorded in a book or books kept for such purpose, which shall be public records.

3. Organization of Workshops:
  - a. Shall have an agenda approved at the beginning of the workshop.
  - b. Will have minutes recording topics discussed and actions taken either in written and/or audio format.
  - c. Will be used for discussion only, with no binding decisions made by the Commissioners.
  - d. Rules governing written and spoken input from members of the public for business meetings will not apply to workshops.
4. Organization of Regular Business Meetings:
  - a. Shall have an agenda approved at the beginning of the meeting.
  - b. Will be started with the Pledge of Allegiance.
  - c. Will have minutes recording topics discussed and actions taken either in written and/or audio format.
  - d. Will allow presentations by each member of the public indicating a desire to address the Commission, of no more than 3 minutes, on any topic not related to the agenda.
  - e. Will allow presentations by each member of the public indicating a desire to address the Commission on any agenda item. Such presentations shall be heard during discussion of the subject agenda item, at a point in the discussion determined by the presiding officer, for a uniform maximum length of time announced by the presiding officer, at his or her discretion, to make additional presentations once all who want to be heard have made their presentation.
  - f. Public presentations shall adhere to common norms of civility and may be cut off by the presiding officer if in his or her judgment these norms are violated.
5. Conduct of Regular Business Meetings:
  - a. The Port Commission, as a governing body, is charged with making decisions that advances the mission of the Port and which are based on sound information and analysis, respect for views of the public, and each Commissioner's best disinterested judgment.
  - b. With only 3 elected Commissioners, the Commission can operate with a high degree of informality and need not be bound to all the provisions spelled out in standard codes of parliamentary procedure. However, some formal procedures need to be



followed to respect the rights of all 3 Commissioners to participate equally and fully in all Commission business.

- c. Some fundamental principles for conducting Commission meetings include (taken from The Standard Code of Parliamentary Procedure, by Alice Sturgis):
    - i. All Commissioners have equal rights, privileges, and obligations.
    - ii. The majority vote decides.
    - iii. The rights of the minority must be protected.
    - iv. Full and free discussion of every proposition presented for decision is an established right of the members.
    - v. Every member has the right to know the meaning of the question before the Commission and what its effect will be.
    - vi. All meetings must be characterized by fairness and by good faith.
  - d. To facilitate sufficient time for reflective consideration of proposals by Commissioners and members of the public and staff, all proposals for policies which impact members of the public shall be voted on no sooner than the immediate next regular business meeting following introduction of the proposal in the form of a motion moved by a Commissioner. The introduction of a proposal is the “first reading” and the vote is the “second reading”. This requirement may be waived by a unanimous vote of the Commission.
    - i. A policy proposal, once moved as a motion, may be discussed at subsequent Commission meetings without a vote required and may be amended at subsequent meetings.
    - ii. At any subsequent Commission meeting, and Commissioner may move “To vote immediately” on the policy proposal. This motion is not debatable and requires a two-thirds affirmative vote.
    - iii. The chair may call for a vote on the policy proposal at any subsequent Commission meeting and may proceed with a vote in the absence of any objections by other Commissioners.
  - e. All motions require a second. In the absence of a second, the motion is declared dead.
  - f. Minor amendments to a motion may be accepted as a “friendly amendment” by the maker of the original motion without a vote on the amendment.
  - g. The presiding officer of the Commission meeting shall have the right to participate fully in the discussion and shall cast a vote on all motions.
  - h. The standard priorities and requirements for main, subsidiary, and privileged motions shall be used.
6. The draft agenda may be available by Friday of the week previous.
  7. The Executive Director or his designee would be responsible for keeping track of each issue.
  8. All public comments and questions should be directed to the Commissioners. If the Commissioners so desire, they may refer the question to the Executive Director, Port Attorney, and/or other Port Staff in attendance.

## **SMOKING**

Smoking is prohibited during the Commission meetings.

## **MINUTES**

1. Additions and or corrections to the Minutes will be recorded and become a part of the revised and approved consent agenda. Minutes are to be available to the Commissioners prior to the meetings.
2. Minutes are recorded according to **RCW 42.32.030**

## **VOUCHER APPROVAL**

It shall be the policy of the Port of Port Townsend Commissioners to approve vouchers for payment and authorize the issuance of warrants by signing a list which will indicate the voucher number, to whom paid, amount and purpose of the payment. Voucher approval is incorporated under "Consent Agenda".

## **COMMISSIONER'S COMPENSATION**

Each Commissioner shall be reimbursed or compensated for actual attendance at general meetings and for performance of other services in behalf of the Commission up to the maximum rate allowed in accordance with **RCW 53.12.260**.

**PORT OF PORT TOWNSEND**

**MEETING OF:** January 13, 2016

**AGENDA ITEM:** VII. First Reading  
C. Promotional Hosting Expenditures –  
Resolution No. 640-16

**BACKGROUND:**

Discuss changes to resolution for possible adoption at January 27, 2016 meeting.

**Executive Director's Recommendation:**

For discussion.

## RESOLUTION NO. 640-16

### A Resolution of the Commission of the Port of Port Townsend

#### RESOLUTION GOVERNING PROMOTIONAL HOSTING EXPENDITURES

**WHEREAS:** Article VIII, Section 8 of the State Constitution RCW 53.36.120, 130, 140, and 150 set specific rules and regulations governing the expenditures for industrial development, trade promotion or promotional hosting of port districts; and

**WHEREAS:** the voters of the State of Washington in November, 1966, authorized port districts to make expenditures for trade and other promotion; and

**WHEREAS:** the office of the State Auditor issued bulletin number 404 on August 20, 1986, establishing promotional hosting guidelines; and

**WHEREAS:** industrial and trade promotion by the Port of Port Townsend is found and determined to be of benefit to the businesses and citizens of the Port of Port Townsend; and

**WHEREAS,** The Port of Port Townsend did establish and approve, in public session, "Promotional Hosting Expenditures" by Resolution No. 467-06, dated March 8, 2006; and,

**WHEREAS,** the substance of Resolution No. 467-06 is of continuing utility and should be, and is hereby, affirmed, and the Commission Meeting Procedures, as shown in the attached "Appendix A" should be readopted, with minor amendments concerning meeting times, order of business, and voucher approval.

**NOW, THEREFORE BE IT HEREBY RESOLVED** by the Port Commission of the Port of Port Townsend that:

1. As suggested in the Office of the State Auditor Bulletin #404: *"the basic standard for promotional hosting at public expense is that the promotional hosting is calculated to result in the public purpose, declared by the Washington State Constitution, of promoting industrial development or trade within the district. Exceptions will be taken to any hosting where its possible influence on industrial development or trade promotion is so indirect or tenuous that the hosting expenditures appear to be hosting for the sake of hosting"*.
2. "Hosting" is defined to mean and include furnishing customary meals, refreshments, alcoholic and non-alcoholic beverages, lodging, transportation, or any combination of those items in connection with:
  - a. Business meetings,
  - b. Social gatherings,
  - c. Ceremonies honoring persons or event,relating to the authorized business promotional activities of a port. "Hosting" may also include reasonable, customary and incidental entertainment, souvenirs and promotional items.
3. The office of the Auditor issued bulletin number 404 on August 20, 1986, setting forth general guidelines for the hosting of:
  - a. Private businessmen,
  - b. Union officials,
  - c. Foreign government officials,
  - d. Government officials from other states,

- e. Washington State and local governmental officials and employees,
- f. Officers and employees of other port districts,
- g. And spouses of businessmen, officials, etc.

These guidelines are attached to this resolution to provide guidance to all persons authorized to make expenditures for promotional hosting.

- 4. The Port Commissioners and the following Port Employees shall be authorized to make expenditures for promotional hosting subject to specific and general conditions hereafter set forth:

Executive Director; Deputy Director; Director of Finance and Administration.

- 5. The Port Commissioners, officials and employees authorized to make expenditures for promotional hosting shall be reimbursed subject to the following:
  - a. In filing claims for reimbursement, an official form approved by the Division of Municipal Corporation of the State Auditor shall be used.
  - b. Such forms shall have attached such receipts, documents or other evidence to support the expenditures.
  - c. The date and location of the hosting, name and affiliation of the person or persons hosted and the reason for the hosting shall be specified. In situations where confidentiality is important to individuals involved in a transaction, details relating to the meeting will be forwarded by internal memorandum to the Director of Finance and Administration to be maintained in a separate file and may be omitted from the expense reimbursement form.
  - d. Any travel specific hosting claims made by Port Commissioners, officials and employees must be in accordance with Port Travel Policies.
  - e. The reimbursement shall be made by a warrant approved at a Commission meeting.
  - f. Promotional hosting expenditures exceeding \$250.00 up to \$1,000.00 require prior approval of the Executive Director. All expenditures over \$1,000 require prior Port Commission approval.

**ADOPTED this 27<sup>th</sup> day of January 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:**

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

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

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

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Eric R. Toews, Port Attorney

To: All Public Ports  
From: Lee Reaves  
Chief Examiner  
Subject: Promotional Hosting Guidelines

This bulletin has been prepared with the assistance of the Office of Attorney General and is designed to provide guidelines for the expenditure of public funds pursuant to Article VIII, Section 8, of the State Constitution, RCW 53.36.120, .130, .140 and .150 and Account No. 8081 of the prescribed Uniform System of Accounts for Ports Districts of the State of Washington.

#### DEFINITION

"Hosting" is defined in these guidelines to mean and include furnishing customary meals, refreshments, lodging, transportation, or any combination of those items in connection with:

- a. Business meetings,
- b. Social gatherings,
- c. Ceremonies honoring persons or events,

relating to the authorized business promotional activities of a port. "Hosting" may also include reasonable, customary and incidental entertainment, and souvenirs of nominal value, incident to such events.

#### SPECIFIC LEGAL REQUIREMENTS

1. Expenditures for promotional hosting shall be pursuant to specific budget items as approved by the port commission. (RCW 53.36.120)
2. Funds for promotional hosting expenditures shall be expended only from gross operating revenues. See RCW 53.36.130 for limits and exception.
3. Port commissions shall adopt, in writing, rules and regulations governing promotional hosting expenditures by port employees or agents. Such rules shall identify officials and agents authorized to make such expenditures and approved objectives of such spending. All payments and reimbursements shall be identified and supported on vouchers approved by the port auditor. (RCW 53.36.140)

### BASIC STANDARD

The basic standard for promotional hosting at public expense is that the promotional hosting is calculated to result in the public purpose, declared by the Washington State Constitution, of promoting industrial development or trade within the district. Exceptions will be taken to any hosting when its possible influence on industrial development or trade promotion is so indirect or tenuous that the hosting expenditure appears to be hosting for the sake of hosting.

### GENERAL GUIDELINES

#### A. Hosting Private Business

(This is the classic type of promotional hosting which was at issue in O'Connell v. Port of Seattle, 65 Wn. 2d 801, 399 P.2d 623 (1965), and which was undoubtedly the main type of hosting contemplated by the Legislature and the people when they adopted Article VIII, Section 8, of the State Constitution and the statute implementing that constitutional provision.) Undoubtedly, the legislative intent was to put ports on something of an equal footing with private businesses, in the relationship of ports with private businesses - that is, to permit ports to serve food and drink in meetings and contacts with private business even where the private business had no contractual obligation to give the port anything in return, on the theory that the meals and refreshments would help create an atmosphere of goodwill in those situations and that general goodwill would in the future enhance and promote trade and industrial development. In general, the auditor will not question the expenditure of port district funds for hosting private business, in accordance with the basic standard, when properly accounted for.

#### B. Hosting of Union Officials

It is recognized that union officials represent a substantial segment of port employees and that the productivity of those employees has a direct influence on a port's ability to secure and retain trade, but whether union officials are in a position to influence industrial development or trade promotion is a question of fact. Port districts should be prepared to show that the activities of a particular union or union official are sufficiently connected to trade promotion

or industrial development in the port to justify such hosting. The auditor will look to the activities of a particular union or union official and will consider the hosting of such union official justified if there is sufficient evidence to show that the particular union is directly involved in current or proposed port activities.

C. Hosting Foreign Government Officials

When the officials of a port district reasonably believe that promotional hosting of an official of a foreign government will tend to promote trade and industrial development between the nation and port, reasonable expenditures of port funds for that purpose will be recognized. Exception will be taken if the hosting violates the basic standard or violates the laws of the foreign nation in question.

D. Hosting U.S. Governmental Officials

Port district officials must be especially cautious in hosting U.S. Government officials. In many cases there are statutes or regulations which would prohibit or limit their acceptance of gifts or gratuities. Consistent with federal law, port districts are permitted to host federal government officials whose work may directly affect the port district's trade or industrial development activities. Generally no audit exception will be taken to hosting which is properly incident to ceremonies honoring either foreign or U.S. Government officials where such hosting is consistent with the role of the port in promoting commerce. Exception will be taken to the hosting of officials whose work does not relate directly to industrial development or trade promotion unless the port's records reflect a particular reason why the hosting in question would clearly tend to promote industrial development or trade promotion in the district and is otherwise proper.

E. Promotional Hosting of Government Officials of Other States

The standard will be the same as in paragraph D, Hosting U.S. Government Officials.



F. Promotional Hosting of Washington State and Local Government Officials and Employees (Other than Port District Officials and Employees)

Generally, state and local officials in Washington who do business with the port district will be expected to seek reimbursement from their own employing agencies for meals and lodging which are lawfully reimbursable. In particular cases, the auditor will consider evidence that the use of promotional hosting funds for food, drink or lodging for state or local government officials was an appropriate hosting expenditure in connection with meetings relating to trade or commerce; for example, where uniform travel regulations would prevent the hosted official or employee from being reimbursed by his or her own agency, or when particular expenditures are inseparable as a practical matter from otherwise proper promotional hosting activities.

G. Hosting Officers and Employees of Other Port Districts

As to ports located outside Washington, the analysis applied to officials of other states and counties would be applicable here. As to officials of port districts within the state, hosting will be governed by the same rules as hosting other Washington State officials and employees described in paragraph F. Generally, hosting of a port's own officers and employees will not be regarded as permissible "hosting". To the extent that a port district officer or employee may be lawfully required or authorized to attend a port district function, whether promotional or otherwise, the necessary expenses of such officer or employee are reimbursable at port expense under RCW 53.08.175. However, it is possible that unreimbursable costs may be incurred by the district on account of the attendance of one or more of its officers or employees at such events, which are inseparable from the overall cost of the event. In such cases, those costs are payable to the same extent as for other local government officials described earlier in this bulletin.

H. Hosting Spouses of Officials, Etc.

There will be times when the spouse of a shipper, ship captain, business or government official to be hosted will be present. In such a circumstance it would be proper to host the spouse also.

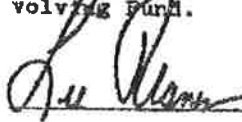
PROMOTIONAL HOSTING FROM ADVANCE TRAVEL REVOLVING FUND

RCW 42.24.120 authorizes advances for travel expenses to officers and employees of municipal corporations and other political subdivisions. The question has arisen whether payments for promotional hosting on behalf of a port district may be made from money advanced from an Advance Travel Expense Revolving Fund.

The Attorney General's Office has issued an informal opinion to the State Auditor's Office, dated September 29, 1969, concerning this question, a portion of which we quote:

"Noting that Chapter 74, Laws of 1969, authorizes advance payments of only 'travel expenses,' the answer depends upon (a) the extent to which promotional hosting expenditures in any given case constitute 'travel expenses,' and (b) the extent to which advances of such travel expenses may be authorized by the port commission itself, in its regulations. In my opinion, if a port district officer or employee, who is traveling on business of the port district, has been authorized to expend funds for promotional hosting, in the course of and incident to such travel, then such expenditures constitute a part of his 'travel expenses' and may be legitimately advanced under appropriate regulations of the port commission."

To summarize, if a port district official or employee is authorized by the port district commissioners to make expenditures for promotional hosting and if such promotional hosting is done while in travel status, then the cost of such promotional hosting may be paid with monies advanced from the Advance Travel Expense Revolving Fund.

  
\_\_\_\_\_

**PORT OF PORT TOWNSEND**

**MEETING OF:**       **January 13, 2016**

**AGENDA ITEM:**   **VII. First Reading**  
                          **D. Draft 2016 Capital Budget**

**BACKGROUND:**

The following is the proposed 2016 Capital Budget:

Sail Loft Building (install of fire escape and fire suppression)	\$150,000
Storm Water Lift Station	\$180,000
Maintenance vehicles (3 trucks)	\$ 50,000
Yard vehicle (1 truck)	\$ 15,000
Point Hudson Breakwater	<u>\$200,000</u>
Total	\$595,000

The Sail Loft project cannot be delayed since it is a threat to life and property. The Storm Water project cannot be delayed since the lift station's function is resulting in skewed water test results due to salt water entering the system. The trucks for both Maintenance and the Yard are long over-due as many of our vehicles are in poor condition; there will likely be more vehicles needed for replacement in 2017. The Breakwater project is progressing at a faster pace than anticipated just a month or two ago and this dollar amount is a rough estimate of Port dollars that could be required in 2016.

**Executive Director's Recommendation:**

We are requesting the Commission officials review and consider these projects and their respective budgets so the Port can adopt a final 2016 Capital Budget at the next Commission meeting on January 27, 2016.

**PORT OF PORT TOWNSEND**

**MEETING OF:**                   **January 13, 2016**

**AGENDA ITEM:**               **VIII. Potential Immediate Action**  
  **A. Olympic Peninsula Salmon Derby**

**BACKGROUND:**

The president of the Gardiner Salmon Derby Association has presented a letter requesting the waiver of launch ramp fees during the Olympic Peninsula Salmon Derby, February 19-21, 2016. Port Commissions in the past years have waived this fee.

**Executive Director's Recommendation:**

For discussion and direction.

Gardiner  
Washington

Olympic  
Peninsula  
Salmon  
Derby



## GARDINER SALMON DERBY ASSOCIATION

*A Washington State Nonprofit Corporation*

P.O. BOX 357

SEQUIM, WA 98382

Olympic Peninsula Salmon Derby – on Presidents Day Weekend  
[www.GardinerSalmonDerby.org](http://www.GardinerSalmonDerby.org)

Dear Tami,

I enjoyed meeting you at the Harbormaster Office on Tuesday and am writing to place my request in writing before the Port Of Port Townsend.

I represent the Gardiner Salmon Derby Association which hosts the Olympic Peninsula Salmon Derby in February of each year. In prior years the Port has been generous in waiving launch fees during our event.

I am requesting that the Port again consider again waiving launch fees at Boat Haven for our derby in 2016 on February 19 -21. The Gardiner Salmon Derby Assoc. is a 501c3 organization and uses all proceeds to further the Gardiner community needs and offer support to our local emergency services.

Last year was a great derby for us and we hope to continue in that spirit with your help.

Sincerely yours



Barry L. Wood

President, Gardiner Salmon Derby Assoc.

360-797-0066

**PORT OF PORT TOWNSEND**

**MEETING OF:** January 13, 2016

**AGENDA ITEM:** VIII. Potential Immediate Action  
B. Strategic Offsite Retreat

**BACKGROUND:**

Discuss date and place for the third retreat. Past retreats held in February and May of 2015, both in Port Ludlow.

**Executive Director's Recommendation:**

For discussion and direction.

**PORT OF PORT TOWNSEND**

**MEETING OF:** January 13, 2016

**AGENDA ITEM:** VIII. Potential Immediate Action  
C. 2016 WPPA Trustee Appointments

**BACKGROUND:**

Appoint 2016 Trustee and Alternate Trustee for Washington Public Ports Association. Commissioner Hanke held the 2015 Trustee position and Commissioner Tucker was the Alternate.

**Executive Director's Recommendation:**

For decision.

## PORT OF PORT TOWNSEND

**MEETING OF:** January 13, 2016

**AGENDA ITEM:** VIII. Potential Immediate action  
D. Lease for Port Townsend Sails

### **BACKGROUND:**

Port Townsend Sails is looking to secure a lease for their existing space for the next ten years. They are requesting of the Commission a five-year lease with the ability to extend for an additional 5 years. The lease space consists of: the 3,050 square foot (approximately) sail loft on the second floor, and the 614 square foot (approximately) workshop located on the ground floor, of the building located on the west side of the Point Hudson Marina.

The term of this lease is five (5) years, beginning January 1, 2016, and ending at midnight, December 31, 2020 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 five (5) year term.

The agreed upon rental rate for the leased premises is **One Thousand Seven Hundred and Eighty-Five Dollars and Sixty-Two Cents (\$1,785.62)** plus all applicable taxes.

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

Authorize the Executive Director to sign lease with Port Townsend Sails