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**Port of Port Townsend
1st Monthly Meeting Agenda
Wednesday, January 25, 2017, 5:30 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 Public Workshop Minutes – January 11, 2017.....1-2
 - Approval of Regular Meeting Minutes – January 11, 2017.....3-5
 - B. Approval of Warrants
- IV. Public Comments (not related to Agenda)
- V. Second Reading
 - A. Resolution No. 655-17, Delegation of Authority.....6-16
- VI. First Reading
 - A. Proposed Rate Schedule for Marina, RV & Ramp Rates.....17-26
- VII. Regular Business
 - A. Resolution No. 657-17, Jefferson County Hazard Mitigation.....27-31
 - B. December 2016 Preliminary YTD Financial Results.....32-38
- XIII. Staff Comments
- IX. Public Comments
- X. Commissioner Comments
- XI. **Next Public Workshop / Regular Meeting:
Wednesday, February 8, 2017. Workshop at 9:30 a.m., Meeting at 1:00 p.m. in the Port
Commission Building, 333 Benedict Street, Port Townsend, WA**
- XII. Executive Session (if called):
- XIII. Adjournment

PORT COMMISSION PUBLIC WORKSHOP – January 11, 2017

The Port of Port Townsend Commission met for the Public Workshop session in the Port Commission Building, 333 Benedict Street, Port Townsend, WA.

Present: Commissioners Hanke, Clinefelter and Tucker
Executive Director – Gibboney
Minutes – Nelson

I. CALL TO ORDER:

Commissioner Hanke called the Workshop to order at 9:30 a.m.

II. AGENDA:

Refer to attached workshop agenda for items discussed.

IV. ADJOURNMENT:

The Workshop adjourned at 11:24 a.m.

ATTEST:

Peter W. Hanke, President

Stephen R. Tucker, Secretary

Brad A. Clinefelter, Vice President

**Port of Port Townsend
Public Workshop
Wednesday, January 11, 2017, 9:30 a.m.
Commission Building
333 Benedict Street, Port Townsend, WA**

AGENDA

Industrial Development District (IDD)

Note: This is a Public Port Commission Workshop. Workshops are for information sharing only and no decisions will be made during the session. Public input may be taken at the Commissions' discretion.

PORT COMMISSION REGULAR MEETING-- January 11, 2017

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

Present: Commissioners – Hanke, Tucker and Clinefelter
Executive Director – Gibboney
Auditor - Berg
Director of Operations & Business Development - Englin
Attorney – Goodstein
Minutes – Nelson

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

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

II. APPROVAL OF AGENDA:

Proposed amendment to the agenda includes Executive Session, item A) Labor Relations discussion, pursuant to RCW 42.30.140 (4a) and item B) Potential Litigation, pursuant to RCW 42.30.110 (i). Total duration, ten minutes with no action.

Commissioner Tucker moved to approve the Agenda as amended.

Commissioner Clinefelter seconded the motion.

Motion carried by unanimous vote.

III. 2014/15 WA STATE AUDITORS CONFERENCE (1:16):

WA State Auditors present: Amy Strzalka and Carol Ehlinger.

Ms. Strzalka discussed the highlights – easy access to records and quick response from staff on requests for documents, and as a result, the cost of the audit came in \$2K under their budgeted price. She stated they recognize the new Port management and their dedication to compliance and improvements. Ms. Strzalka briefed on the Accountability Audit (full compliance and only minor recommendations) and the Financial Statements Audit (full compliance, weaknesses and/or deficiencies not found, a clean audit). Next scheduled audit is fall of 2018, which could include a single audit if \$750K in Federal Dollars are expended in 2017.

IV. ELECTION OF OFFICERS (12:00):

Ms. Gibboney reported she discussed officer positions for 2017 with each commissioner and that Commissioner Hanke would like to serve as President for another year.

Commissioner Tucker moved to elect Commissioner Hanke as President, Commissioner Clinefelter as Vice President and Commissioner Tucker as Secretary for the year 2017.

Commissioner Clinefelter seconded the motion.

V. CONSENT AGENDA:

Ms. Berg added (Item D) Resolution No. 656-17, surplus of the old Super Unicom unit that is no longer in operation at the airport.

A. Approval of Meeting Minutes – November 22, 2016

B. Operations Reports – November 2016

C. Approval of Warrants

D. Resolution No. 656-17 – Declaring Certain Items Surplus

Warrant #057097 through #057113 in the amount of \$69,516.33 for Payroll & Benefits

Electronic Payment in the amount of \$95,479.26 for Payroll & Benefits

Warrant #057114 through #057153 in the amount of \$71,369.07 for Accounts Payable

Commissioner Hanke moved to approve the Consent Agenda as amended.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

VI. PUBLIC COMMENTS (Not related to agenda):

None

VII. RECESS TO A MEETING OF THE INDUSTRIAL DEVELOPMENT CORPORATION OF THE PORT OF PORT TOWNSEND:

Commissioner Tucker called the IDC meeting to order at 1:14 p.m.

Commissioner Tucker adjourned the IDC meeting at 1:18 p.m. and re-adjourned into the Regular Meeting.

VIII. SECOND READING (Action Items):

A. Commission Meeting Procedures & Policy – Resolution No. 654-17 (18:34):

Ms. Gibboney discussed the additional changes made to the policy, including eliminating the required "Second Reading" for any subject, in order to avoid "bogging down" business. She explained second reading is for legislative items, budget, planning, etc. Also eliminated was "Potential Immediate Action Items" and "Other Business" changed to read "Regular Business". The time was also set for the Tuesday, November 22, 2017 meeting to 5:30 p.m.

Commissioner Tucker moved to adopt Resolution No. 654-17 Meeting Procedures & Policy as discussed.

Commissioner Clinefelter seconded the motion.

Motion carried by unanimous vote.

IX. FIRST READING (Discussion Only):

A. Delegation of Authority Policy & Resolution No. 655-17 (21:50):

Ms. Gibboney requested changes to her authorized spending amounts for the following: Construction contracts from \$25K to \$50K, Professional Services from \$10K to \$50K, and Architectural Services from \$15K to \$50K.

Ms. Gibboney explained this would move things along more quickly and efficiently with the identified capital projects.

X. POTENTIAL IMMEDIATE ACTION ITEMS):

A. 2017 WPPA Trustee Appointments (27:38):

Commissioner Hanke moved to take action on the Trustee appointment.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

Commissioner Clinefelter moved to appoint Commissioner Tucker as the 2017 WPPA Trustee and Commissioner Hanke as the alternate.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

XI. OTHER BUSINESS:

A. Washington Public Ports Association "2017 Port Day" (29:16):

Ms. Gibboney explained WPPA sponsors a Port Day in Olympia to allow Directors and Commissioners to discuss the legislative agenda. The Port Attorney will research if two commissioners are allowed to attend without noticing as a public meeting. Appointments have been set with Reps. Tharinger and Chapman, and still waiting to hear from Rep. Van de Wege's office.

B. 2017 Committee List (33:51):

2017 committee representatives of the Port were selected and Ms. Nelson will make those changes to the 2017 committee list.

XII. STAFF COMMENTS (48:21):

Ms. Gibboney informed work on the Boat Haven breakwater began on Monday, January 9 and should finish up by the end of the week. A construction inspector has been visiting the site daily. Ms. Gibboney stated she expects this to be presented at the next commission meeting for possible project close-out.

Ms. Gibboney discussed the Commission/Staff Off-site Retreat and said it was very effective. She commended staff for coming prepared.

She explained staff is working on procedures and capital projects and looking for funding options. She will talk with the Corp tomorrow, primarily about longer-term needs for the Boat Haven breakwater.

Ms. Gibboney informed that the maintenance staff has been making adjustments according to the freezing weather, such as water shut-off, etc.

Mr. Englin reported he is meeting tomorrow with Dept. of Fish & Wildlife for a walk-through for lease negotiations. A creosote mitigation plan and a maintenance plan will be included in their lease.

He informed he has countered with the US Coast Guard on their lease and is waiting to hear back.

Mr. Englin is negotiating with ACI on a lease. Staff is working on fiber optics, which would increase the service level to all tenants.

Mr. Englin reported he met with a potential vendor and that is looking good.

He is working on a utility audit (water and power), and installing a meter system and segregating use.

Mr. Englin is also completing the boatyard rate analysis and hopes to get it to the commission ASAP.

Mr. Goodstein provided an update on Marc Landry's appeal.

Ms. Berg briefed the commission on her November financials report. We are above in budgeted revenues and below budget in expenditures.

XIII. PUBLIC COMMENTS (1:07:25):

Bertram Levy asked if Mr. Englin had considered relocating the door located on the south side of the ACI building to the north side to alleviate traffic and parking problems.

George Yount thanked staff and the commission for the retreat. He said it was an excellent program.

Bob Frank asked if there were any updates on the stormwater report.

XIV. COMMISSIONER COMMENTS (1:09:43):

Commissioner Tucker briefed on the MRC subcommittee formed to handle small derelict vessels that blow up on the beaches.

Commissioner Clinefelter asked for an update on the John Cobb and if the Seattle Maritime Academy is subject to a State audit.

Commissioner Hanke added he thought the retreat was very energetic and daunting, and a great one.

XV. NEXT REGULAR MEETING:

Wednesday, January 25, 2017 at 5:30 p.m. in the Port Commission Building, 333 Benedict St, Port Townsend.

XVI. EXECUTIVE SESSION:

The regular session recessed into Executive Session at 2:14 p.m. with an actual start time of 2:16 p.m. to discuss Labor Relations and Potential Litigation with a total duration of ten minutes with no action.

XIV. ADJOURNMENT:

The meeting reconvened and adjourned at 2:27 p.m. there being no further business to come before the Commission.

ATTEST:

Stephen R. Tucker, Secretary

Peter W. Hanke, President

Brad A. Clinefelter, Vice President

PORT OF PORT TOWNSEND

MEETING OF: January 25, 2017

AGENDA ITEM: V. Second Reading
A. Resolution No. 655-17, Delegation of Authority Policy

BACKGROUND:

The proposed changes would increase the authorization of the Executive Director to execute contracts without prior Commission approval in the amounts of:

- Construction projects up to \$50,000 (Fifty Thousand Dollars.) It should be noted that contracts that might be awarded by the Executive Director in this manner would be previously approved by the Commission by adoption of the capital budget.
- Professional and consulting services up to \$50,000 (Fifty Thousand Dollars.)
- Architectural, engineering and technical services up to \$50,000 (Fifty Thousand Dollars.)

As the Commission is aware, we have an ambitious work program for 2017. Examples of construction projects that might be awarded under \$50,000 include installation of water meters, parking improvements or installation or repair of utilities.

Examples of architectural, engineering and technical services include design for bathroom renovation and construction inspection for a number of projects.

Examples of professional and consulting services include those that would support one of our major initiatives this year: outreach and planning for Point Hudson.

Executive Director's Recommendation:

I recommend that the Commission adopt Resolution No. 655-17, the Delegation of Authority Policy as presented.

RESOLUTION NO. 655-17

A Resolution of the Commission of the Port of Port Townsend

RESOLUTION DELEGATING AUTHORITY TO PORT MANAGEMENT

WHEREAS: section 53.12.270 of the Revised Code of Washington provides authority to the Port Commission for delegation of powers to Port Management, and;

WHEREAS: the Port Commission has developed a delegation of authority policy requiring annual re-adoption, and;

WHEREAS: the Port Commission has reviewed and discussed the policy in prior public session;

NOW, THEREFORE BE IT HEREBY RESOLVED: the Port of Port Townsend Commission as follows:

Approves the master policy directive of the Port Commission of the Port of Port Townsend dated February 8, 2017 incorporated herein by such reference and attached as Exhibit "A", for the purpose of establishing administrative authority for the Port District Executive Director.

ADOPTED this 25th day of January 2017, 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, Secretary

Peter W. Hanke, President

Brad A. Clinefelter, Vice President

APPROVED AS TO FORM:

Port Attorney

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

January 25, 2017

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 contracts where the total estimated contract price does not exceed Fifty Thousand Dollars (\$50,000.00) 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 will take place with the adoption of the annual capital budget 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 Fifty Thousand Dollars (\$50,000). If the fee for such services is estimated to exceed Fifty Thousand Dollars (\$50,000), 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 Fifty Thousand Dollars (\$50,000) 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 sited 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 administerial 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 25, 2017

AGENDA ITEM: VI. First Reading
A. Proposed Rate Schedule for Marina, RV & Ramp Rates

BACKGROUND:

Any discussion of proposed rates must take place within the context of the capital improvement needs of our marinas & property. As the Commission is fully aware, the Port organization as a whole and the marina and RV operations in particular are facing an extensive program of capital improvements. The projects below were identified in the 2015 Capital Repair & Replacement Plan (CRRP) and cost estimates were developed.

Item	Estimated Cost
Point Hudson Jetty Replacement	5,500,000
C/D Dock Renovation	1,600,000
Boat Haven Commercial Dock Repairs	47,000
Quilcene Restroom Renovation	54,000
Quilcene Marina Entrance Dredging	195,000
Quilcene Dock Repair	200,000
Point Hudson paving overlay	130,000
Boat Haven Net Float replacement	468,000
Boat Haven - Entrance Breakwater Replacement	3,729,000
	\$ 11,923,000

Cost estimates taken from the 2015 CRRP & Mott MacDonald Breakwater Assessment

This list is not exhaustive as much of the marina and RV infrastructure is at the end of its service life. Only a small portion of these costs are currently identified as eligible for grant funding. Port staff is aggressively seeking out state and federal grant funding options. Still it is likely that at least \$10 Million of the cost of the identified projects will need to come from net operating income. Most of the above projects will need to be completed within the next five years. It is possible that the Boat Haven Entrance Breakwater Replacement could be accomplished in the five to ten year range as the repair was just accomplished this month.

Thus, a realistic estimate is that over \$6 million of capital projects directly related to marina and RV operations will be required in the next five years. It is important to note that the Port budget operates as a single fund and that the organization as a whole must plan to meet its debt service obligations and capital project needs. The debt service payment for current debt is approximately \$1.4 million annually for 2017 and 2018 and

approximately \$1 million annually for 2019 - 2024. When viewed within the context of both current debt obligations and future capital needs, the clear conclusion is that neither the organization as a whole nor marinas, RV's or boat ramps as cost centers are earning sufficient income.

Rates in general have seen only one significant increase in the past decade. An approximation of the Consumer Price Index has been used in an effort to have the rates keep pace with inflation. However, the CPI is not a strongly correlated index to the upward cost pressures faced by the Port. The CPI does not account for increased labor costs including increases in health care and pension costs. Nor does it cover such things as fuel costs or capital material costs. The average rate increase over the last ten-year period has been 3.39%.

The current rate structure does not support the long-term financial stability of the organization. Instead, the organization faces the very real possibility of catastrophic failure of a number of structures (Point Hudson jetty as an example) and escalating maintenance costs. The lack of investment into Port assets also has very real consequences on our competitiveness in the marketplace.

Of course, the Port is a public, mission-driven organization with the primary purpose of promoting sustainable economic development while providing community access to Port facilities and services, and maintaining community resources and maritime heritage. The 2010 Strategic Plan articulates the goal of providing access as: *Strategic Direction #1: To ensure that Port facilities, services and the shoreline environment are accessible to the community and visitors alike.* The Port provides accessibility through kayak launches and storage, pedestrian access and use of the shoreline, boat ramps, RV facilities and our marinas.

The Strategic Plan also articulates this goal: *Strategic Direction #3: To develop and maintain sound, safe and self-supporting infrastructure at all Port properties.* The organization as a whole and the marinas specifically are not meeting this goal. Consequently, marina, RV and ramp fees must be increased in order to provide for the viability of operations and fulfillment of our mission.

Proposed Rates

The amended schedule of rates is attached. Staff completed an extensive rate analysis that considered both long-term revenue needs, comparable rates of marinas throughout Puget Sound and our market position. The recommended moorage rate schedule for Boat Haven and Point Hudson would bring our rates to the market average. The proposed rates for Quilcene are below market average. A moderate increase to RV rates for Point Hudson is also recommended.

Staff believes that the proposed rate schedule will not significantly affect our overall occupancy rates for moorage. The current waiting list for permanent moorage is over 200

and has been consistent for many years. This indicates a clear, ongoing and relatively inelastic demand for moorage and supports the market average rate schedule.

Staff has also eliminated some of the minor items such as retail price of logo wear and products as pricing for such items seems operational and beneath the purview of the Commission.

The amended schedule of rates presents changes to moorage, RV and ramp rates only. As the Commission is aware, staff will present additional rate proposals in the coming months.

Executive Director's Recommendation:

I recommend adoption of the rate schedule for marinas, RVs and ramps as presented.



P.O. Box 1180, Port Townsend, WA 98368

Administration: (360)385-0656

Moorage: (360)385-2355

Yard: (360)385-6211

BOAT HAVEN

Service Rates – Effective April 1, 2017 (page 1 of 3)

MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.

<u>NIGHTLY MOORAGE</u>	\$ 1.25 Ft/night
Over Wide Vessels (Over 18' Wide)	\$ 1.75 Ft/night
Yacht Club Reciprocal	\$ 0.75 Ft/night
1 st boat daily to register at PTBH Moorage Office 9/1 – 6/1 (one night limit)	
1 st 2 boats daily to register at PTBH Moorage Office 6/1 – 9/1 (one night limit)	

TEMPORARY TIE UP (up to 4 hours) \$ 10.00/20.00 Over 35'

NIGHTLY ELECTRIC \$ 5.00/10.00 Over 55'

PERMANENT MOORAGE

25' -	\$ 231.00 Month*
27' -	\$ 255.00 Month*
30' -	\$ 289.00 Month*
35' -	\$ 352.00 Month*
40' -	\$ 403.00 Month*
45' -	\$ 480.00 Month*
50' -	\$ 534.00 Month*
Linear Rate 51' +	\$ 11.50 Ft/Mo*
Under 25' -	\$ 7.25 Ft/Mo*

MOORAGE GUEST MONTHLY SUMMER RATES (May-Oct)*

Under 25' -	\$ 12.96 Ft/Mo*
25' -	\$ 324.00 Month
27' -	\$ 357.00 Month*
30' -	\$ 405.00 Month*
35' -	\$ 493.00 Month*
40' -	\$ 564.00 Month*
45' -	\$ 672.00 Month*
50' -	\$ 748.00 Month*
Linear Rate 51' +	\$ 6.68 Ft/Mo*



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Yard: (360)385-6211

BOAT HAVEN

Service Rates – Effective April 1, 2017 (page 2 of 3)

MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.

<u>MOORAGE GUEST MONTHLY</u>	<u>WINTER RATES (Nov-Apr)*</u>
Under 25' -	\$ 10.64 Ft/Mo*
25' -	\$ 266.00 Month*
27' -	\$ 294.00 Month*
30' -	\$ 332.00 Month*
35' -	\$ 405.00 Month*
40' -	\$ 465.00 Month*
45' -	\$ 552.00 Month*
50' -	\$ 640.00 Month*
Linear Rate 51' +	\$ 13.80 Ft/Mo*
Active Commercial Fishing	\$ 6.72 Ft/Mo*
Limited Access	\$ 7.50 Ft/Mo*
Constrained Access	\$ 6.50 Ft/Mo*
Business/Limited Access	Same as Permanent Rate per Ft/month*
Over-wide Vessels (Over 18' Wide)	Vessel length + 50% of beam x Established Rate*
Liveaboard Fee	\$ 80.00 per month*
Electric Connect Fee	\$ 30.00
Metered Electric/base Fee	\$ 10.00 per month + KWH's Used
Electric Charges @ Schedule)	\$.095 per KWH (per Jefferson PUD Rate
Non-Metered Electrical	\$ 1.50 per Ft/month

***12.84% WA State Leasehold Excise Tax is included with Port charges for stays of 30 days or more.**

If stay does exceed 30 days, the Leasehold Tax will be applied to the first 29 days.

****Not applied to stay**



P.O. Box 1180, Port Townsend, WA 98368

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Yard: (360)385-6211

MISCELLANEOUS RATES

Service Rates – Effective April 1, 2017 (page 3 of 3)

MISCELLANEOUS

Mini-Storage Units	\$ 1.00/square foot per month
Port Labor Rate	\$ 60.00/hr. per person
Overtime Labor Rate	\$ 85.00/hr. per person
Docking Fee	\$ 1.75 Ft per day
Charter Vessel Passenger Fee	\$ 0.60 per person
Relocate Vessel by Hand	\$ 75.00
Relocate Vessel with Port Skiff	\$ 150.00
Emergency Pumps	\$ 125.00
Bail Skiff Fee	\$ 50.00
Bilge Water	\$ 0.75 per gallon
Impound Fee - 1 st Offense	\$ 200.00
2 nd Offense	\$ 300.00
3 rd Offense	\$ 500.00
Pet Clean-up Fee	\$ 50.00
Late Charge	\$ 10.00 minimum or 1.5%
Waiting List Fee	\$ 100.00
Waiting List Renewal Fee or Pass Fee	\$ 50.00 per year or per pass
Illegal Garbage Dump Fee	\$ 320.00
Scanning Documents	\$.10 per page
Paper Copies	\$.15 per page
CD/DVD	\$ 1.00 plus scanning charges
Fax - First Page	\$ 2.50
Each Additional Page	\$ 1.25
Notary Service	\$ 10.00
NSF Check Charge	\$ 50.00 per occurrence
Launch Ramp Parking Fee	\$ 10.00 per day
Annual Ramp Parking Fee**	\$ 100.00 per year

****Free with Verified DAV Determination**

PORT HADLOCK DOCK - DINGHY/SKIFF TIE-UP

Dock	\$ 137.50 Annual/\$15.00 Monthly
Beach	\$ 82.50 Annual/\$12.00 Monthly

WORK FLOAT MOORAGE / LIFT PIER ACCESS (Reserve with Yard Office)

Daily Rate (Includes Top Side Access)	\$ 2.00/Ft per day / 50.00 Minimum
Lift Pier Access / Top Side Usage	\$ 25.00 One Hour / 50.00 per Hour for
Extra Time	22



P.O. Box 1180, Port Townsend, WA 98368

Administration: (360)385-0656

Moorage: (360)385-2828

Yard: (360)385-6211

POINT HUDSON

Service Rates – Effective April 1, 2017

MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.

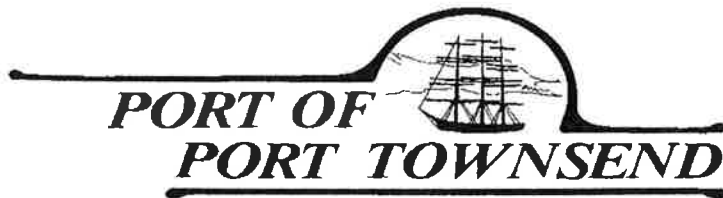
<u>NIGHTLY MOORAGE</u>	\$ 1.25 Ft/night
Over Wide Vessels (Over 18' Wide)	\$ 1.75 Ft/night
<u>RESERVATION FEE</u>	\$ 10.00 per reservation**
<u>TEMPORARY TIE-UP</u> (up to 4 hours)	\$ 5.00/10.00 over 35'
<u>NIGHTLY ELECTRIC</u>	\$ 5.00/10.00 over 55'
<u>SUMMER MONTHLY MOORAGE</u> (May-Sep)	see Boat Haven Guest Monthly Summer Rates***
<u>WINTER MONTHLY MOORAGE</u> (Oct-Apr)	see Boat Haven Guest Monthly Winter Rates***
<u>KAYAK OR ROWING SHELL STORAGE</u>	\$ 25.00 per month (May – Oct)
<u>KAYAK OR ROWING SHELL STORAGE</u>	\$ 20.00 per month (Nov – Apr)
<u>DORY ON DOCK</u>	\$ 50.00 per month*
Limited Access Moorage	\$ 8.00 Ft/month*
Business Moorage	Same as PTBH Permanent Rate per Ft/month*
Liveaboard Fee	\$ 100.00 per month*
Electric Connect Fee	\$ 30.00
Electric – Base fee	\$ 10.00 per month + KWH's Used
Electric Charges @	\$.095 per KWH
Non-Metered Electrical	\$ 1.50 per Ft/month
<u>RV PARK - SUMMER</u> (May - Sept)	
Nightly - Premium Waterfront	\$ 56.00/night
Nightly - Hookup	\$ 46.00/night
<u>RV PARK - WINTER</u> (Oct - April)	
Nightly - Premium Waterfront	\$ 45.00/night
Nightly - Hookup	\$ 40.00/night
<u>RV PARK - BACK ROW</u> (Year Round)	\$ 40.00/night
<u>RV PARK - DRY CAMP</u> (Year Round)	\$ 30.00/night
<u>RV PARK - WINTER GUEST MONTHLY</u>	\$ 550.00/month (Oct - June/Back Row Only)***
<u>RV PARK - WINTER GUEST MONTHLY</u>	\$ 650.00/month (Oct - June/Front Row Only)***
RV Space – Extra Vehicle	\$ 5.00 per vehicle/per night
RV Holding Tank – Dump Fee	\$ 7.00
Event Parking - Short Term	\$ 5.00 per day / 25.00 per week (plus sales tax)
Event Parking - Monthly	\$ 50.00 per month*

*12.84% WA State Leasehold Excise Tax assessed in addition to Port charges for stays of 30 days or more.

If stay does exceed 30 days, the leasehold tax will be added to the first 29 days.

**Not applied to stay

*** WA State Leasehold Excise Tax is included in this rate.



P.O. Box 1180, Port Townsend, WA 98368
 Administration: (360) 385-0656 Moorage: (360) 385-2355 Yard: (360) 385-6211

HERB BECK MARINA - QUILCENE

Service Rates – Effective April 1, 2017

MOORAGE RATE IS BASED ON OVERALL LENGTH OR SLIP LENGTH, WHICHEVER IS GREATER.

<u>NIGHTLY MOORAGE</u>	\$ 0.75 Ft/night
<u>TEMPORARY TIE UP</u> (up to 4 hours)	\$ 5.00/10.00 Over 35'
<u>NIGHTLY ELECTRIC</u>	\$ 5.00/10.00 Over 55'
<u>PERMANENT MOORAGE</u>	
Up to 24'	\$ 6.50Ft/Mo*
25' – 29'	\$ 7.00 Ft/Mo*
30' - 35'	\$ 7.50 Ft/Mo*
36' - 45'	\$ 8.00 Ft/Mo*
46' – 50'	\$ 9.00 Ft/Mo*
51' - 60'	\$ 10.00 Ft/Mo*
Limited Access – Up to 18 Feet	\$ 4.50 Ft/Mo*
Liveaboard Fee	\$ 100.00 per month*
Electric Connect Fee	\$ 30.00
Base Electric Fee	\$ 10.00 per month
Metered Electric @	\$.095 per KWH

LAUNCH RAMP

Launch Ramp Fee	\$ 10.00 per day
Annual Launch Ramp Pass	\$ 70.00/year**
**Free with verified DAV Determination	

CAMPING/RV SITES

Nightly Camping Space	\$ 15.00per night
Nightly RV Space	\$ 25.00 per night

STORAGE

Boat on Trailer	\$ 6.00 Ft/Mo*
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***12.84% WA State Leasehold Excise Tax assessed in addition to Port charges for stays of 30 days or more.
 If stay does exceed 30 days, the leasehold tax will be added to the first 29 days.**



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Moorage: (360) 385-2828

Yard: (360) 385-6211

UNION WHARF & CITY DOCK / EVENT FACILITIES

Service Rates – Effective April 1, 2017

NIGHTLY MOORAGE (3 NIGHT MAXIMUM STAY)

Vessels up to 35'	\$ 30.00/night (May - Sept Only)
Vessels over 35'	\$ 40.00/night (May - Sept Only)
Vessels over 80' (Union Wharf Only)	\$ 1.50 ft./night (Advanced Notice Required)

TEMPORARY TIE-UP (up to 4 hours) \$ 10.00/20.00 over 35'

EVENT FACILITIES RENTAL - UNION WHARF & CITY DOCK

Daily Rental Fee	\$ 300.00/day
Damage & Maintenance Deposit	\$ 150.00 (Refundable)
Cancellation Administrative Fee	\$ 20.00 (Up to 30 Days Prior to Event)

EVENT FACILITIES RENTAL - POINT HUDSON MARINA ROOM

Daily Rental Fee - Individual	\$ 150.00/day (08:00am to 11:00pm)
Daily Rental Fee - Group	\$ 75.00/day (08:00am to 11:00pm)
Hourly Rental Fee (2 Hour Min)	\$ 25.00/hour
Damage & Cleaning Deposit	\$ 50.00 (Refundable)
Cancellation Administrative Fee	\$ 20.00 (Up to 30 Days Prior to Event)



P.O. Box 1180, Port Townsend, WA 98368

Administration: (360)385-0656

Operations: (360)385-2355

Fax: (360)385-3988

JEFFERSON COUNTY INTERNATIONAL AIRPORT

Service Rates – Effective April 1, 2017

AIRPORT

Prevailing Ground Lease Rate	\$.55 per sq. Ft/year*
Daily Tie Down	\$ 5.00
Monthly Grass Tiedown	\$ 39.00*
Annual Grass (must pay in advance)	\$ 407.00*
Monthly Paved Tiedown	\$ 55.00*
Monthly Hangar	\$ 180.00*
Weekly Parking (7 or more days)	\$ 10.00
Monthly Parking	\$ 30.00*
Annual Parking	\$ 180.00*
Commercial Landing Fee	\$.30/1000# Max Loaded Gross Weight

***12.84% WA State Leasehold Excise Tax assessed in addition to Port charges for stays of 30 days or more.**

If stay does exceed 30 days, the Leasehold Tax will be applied to the first 29 days.

PORT OF PORT TOWNSEND

MEETING OF: January 25, 2017

AGENDA ITEM: VII. Regular Business
A. Jefferson County Hazard Mitigation
Resolution No. 657-17

BACKGROUND:

FEMA will approve the Jefferson County Hazard Mitigation Plan contingent on all participants completing their resolution adoptions. The previous Port resolution was adopted in 2009. Ms. Gibboney will brief the commission.

Executive Director's Recommendation:

Adopt the Jefferson County Hazard Mitigation Plan, Resolution No. 657-17, as presented.

RESOLUTION NO. 657-17

**A RESOLUTION OF THE COMMISSION OF THE PORT OF PORT TOWNSEND
AUTHORIZING PARTICIPATION IN THE 2016 REVISION OF THE JEFFERSON
COUNTY – CITY OF PORT TOWNSEND NATURAL HAZARDS MITIGATION PLAN**

WHEREAS: the Disaster Mitigation Act of 2000 (44CFR 201.6) (the Act) required the development of a Natural Hazards Mitigation Plan as a prerequisite for pre-disaster and post-disaster Hazard Mitigation Grants, including Natural Hazards Mitigation Planning Grants, and

WHEREAS: in 2004 the Jefferson County Department of Emergency Management, on behalf of Jefferson County, its special districts and the City of Port Townsend, coordinated development of a joint jurisdiction Natural Hazards Mitigation Plan, and submitted the adopted plan to the Federal Emergency Management Agency (FEMA) for approval according to the Act, and

WHEREAS: FEMA determined that the submitted 2004 Natural Hazards Mitigation Plan met or exceeded the criterion of the Act, and

WHEREAS: the Act requires review and revision of the Plan every five (5) years with the next revision due January 31, 2017 and

WHEREAS: FEMA requires that the eligible jurisdiction submit a resolution of intent to participate in the planning review and revision process.

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

1. Acknowledges the 2016 Natural Hazards Mitigation Plan five year review and revision process.
2. Authorizes the Port of Port Townsend and its representatives to participate in the Jefferson County Department of Emergency Management's efforts in developing the Hazard Mitigation Plan revision as required by FEMA rules.
3. Will adopt the revised Jefferson County – City of Port Townsend Hazard Mitigation Plan upon its acceptance by FEMA as meeting the requirements of the Plan revision.

ADOPTED this 25th day of January, 2017 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, Secretary

Peter W. Hanke, President

Brad A. Clinefelter, Vice President

APPROVED AS TO FORM:

Goodstein Law Group, Port Attorney



FEMA

January 26, 2011

Honorable David Sullivan
Chair, Board of County Commissioners
Jefferson County
P.O. Box 1220
1820 Jefferson Street
Port Townsend, Washington 98368

Dear Chair Sullivan:

On June 6, 2010, the U.S. Department of Homeland Security's Federal Emergency Management Agency (FEMA) approved the *Jefferson County and Port Townsend Natural Hazards Mitigation Plan* as a multi-jurisdictional local plan as outlined in 44 CFR Part 201. With approval of this plan, the following entities are now eligible to apply for the Robert T. Stafford Disaster Relief and Emergency Assistance Act's hazard mitigation project grants through June 6, 2015:

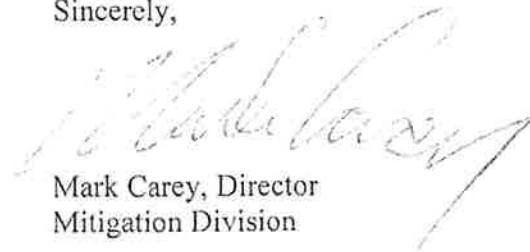
- | | | |
|--|--|---|
| City of Port Townsend | Jefferson County Fire District
1 | Jefferson County Fire District
3 |
| Jefferson County Fire District
4 | Jefferson County Library | Jefferson County |
| Port Townsend School District
No. 50 | Public Utility District No. 1 | Chimacum School District |
| Jefferson County Fire
Protection District 5 | Jefferson County Public
Hospital District No. 2 | Quilcene School District No.48 |
| Port of Port Townsend | Queets Clearwater School
District | Brinnon School District No. 46 |
| Port Ludlow Drainage District | Quillayute Valley School
District No. 402 | Jefferson County Fire District 2 |

The list of approved jurisdictions has been updated to include Jefferson County Fire District 2, which has recently adopted their respective Addendum to the Jefferson County and Port Townsend Natural Hazards Mitigation Plan. To continue eligibility the plan must be reviewed, revised as appropriate, and resubmitted within five years of the original approval date.

Chair Sullivan
January 26, 2011
Page 2

If you have questions regarding your plan's approval or FEMA's mitigation grant programs, please contact our State counterpart, Washington Emergency Management Division, which coordinates and administers these efforts for local entities.

Sincerely,



Mark Carey, Director
Mitigation Division

cc: Beverly O'Dea, Washington Emergency Management Division

BH:bb

**Jefferson County – City of Port Townsend
Hazard Mitigation Plan (Rev. 2016)
Adoption Table**

Summary of Adoption Resolutions				
Agency/Jurisdiction	2004 Adoption Resolution Number	2009 Adoption Resolution Number	2016 Adoption Resolution Number	2016 Adoption Date
Jefferson County	50-04	21-10	SCHEDULED	01/23/2017
City of Port Townsend	04-037	10-013	16-046	11/07/2016
Port Ludlow Drainage District	13	Not Numbered	Opt Out	Opt Out
Jefferson County Fire District 1 (JCFD1) dba East Jefferson Fire & Rescue (EJFR)	2004-07	10-06	16-08	09/21/2016
Jefferson County Fire District 2 (JCFD2) dba Quilcene Fire - Rescue	2004-1	2010-03	2016-09	11/14/2016
Jefferson County Fire District 3 (JCFD3) dba Port Ludlow Fire & Rescue (PLFR)	2004-01	2010-004	2016-10	11/08/2016
Jefferson County Fire District 4 (JCFD4) dba Brinnon Fire - Rescue	2004-4	2010-5	2016-5	11/08/2016
Jefferson County Fire District 5 (JCFD5) dba as Discovery Bay Volunteer Fire Dept	01-04	2010-6	SCHEDULED	February 2017
Jefferson County Fire District 6 (JCFD6)	282-04	Annexed by JCFD1		
JeffCom 9-1-1	County Dept	County Dept	SCHEDULED	01/26/2017
Public Hospital District No. 1	Opt Out	Opt Out	Opt Out	Opt Out
Public Hospital District No. 2	2004-013	2010-18	SCHEDULED	01/18/2017
Jefferson County Library District	04-02	10-01	16-06	12/14/2016
Port of Port Townsend	426-04	550-10	SCHEDULED	01/25/2017
Port Townsend School District No. 50	04-16	10-12	16-16	11/28/2016
Brinnon School District No. 45	Opt Out	207-10	246-16	11/17/2016
Chimacum School District No. 49	2004-13	2010-05	2016-9	12/14/2016
Queets/Clearwater School District No. 20	01-04/05	1040	16-09	11/15/2016
Quilcene School District No. 48	01:04/05	01:10/11	02:16/17	12/14/2016
Quillayute Valley School District No. 402	01-04/05	04-10/11	SCHEDULED	01/24/2017
Jefferson Transit Authority	04-12	Opt Out	PENDING	PENDING
Public Utility District No. 1 of Jefferson County	2004-013	2010-007	2016-022	11/15/2016

PORT OF PORT TOWNSEND

MEETING OF: January 25, 2017

AGENDA ITEM: VII. Regular Business
B. December 2016 Preliminary YTD Financial Results

BACKGROUND:

Presented is the December 2016 preliminary year-to-date financial report, with the results of Port operations.

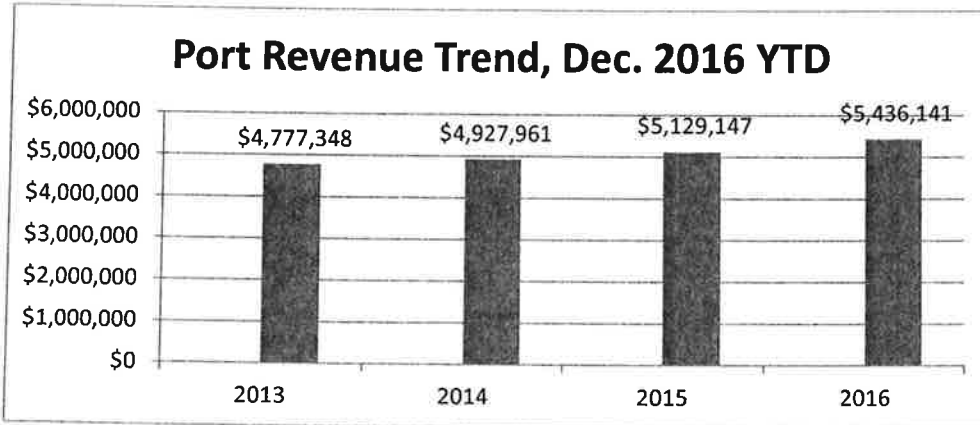
Executive Director's Recommendation:

For Commission information purposes.

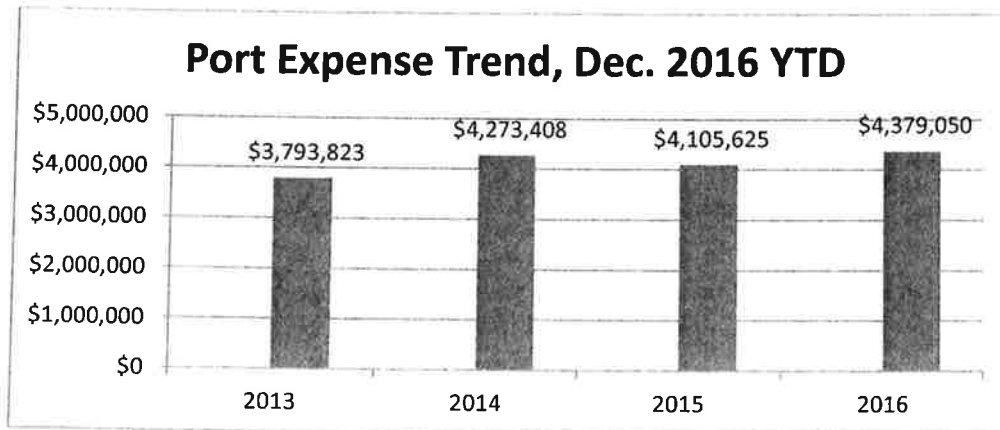
MEMORANDUM

Date: January 20, 2017
To: Commission & Directors
From: Abigail Berg
Subject: Port financial highlights, YTD December 2016 - PRELIMINARY

I would like to preface this report to emphasize the fact that this is a preliminary report. It is preliminary because we have not completed the Annual Report which will be completed on or before May 31, 2017. For the purposes of reviewing the performance of Operations, this preliminary report is substantially accurate, however, there are several other factors that will affect the results. For instance, there will likely be additional 2016 expenditures that will arise but haven't been received yet. As of today, we are aware of an additional \$167,316 in expenditures that is not reflected in this report (it is being paid with the January 25th warrants). We don't anticipate another wave of 2016 expenditures that will reach that amount, however, there may be some. In addition, we are in the process of reviewing the L3 Stormwater expenditures that, to date, have been treated as a Work in Progress (WIP), however, we've come to believe that much if not all of those expenditures are not capitalizable and thus will be moved into Operations expenditures.



YTD Operating Revenues are up \$306,994, or 6%, compared to 2015. In addition, at year end (100% of budget) we ended the year at 100.3% of budget.



YTD 2016 Operating expenses are \$273,425, or 6.7%, more than 2015. In addition, at year end (100% of budget) we ended the year at 98% of budget (without depreciation).

Before depreciation, we have YTD net operating income of \$1,057,091 and after depreciation the YTD net operating income is a loss of (\$484,279). However the overall net income is \$427,081 (with depreciation) after non-operating revenues and expenses are included. This is \$70,270 more than 2015 YTD. In addition, at year end (100% of budget) we ended at 164.4% of budget for the Net Income (Loss) of the Port. *(It should be noted that though this is an increase over 2015 and over budget, there is approximately \$85,000 in revenues that will likely not be collected between Landry and Cobb.*

YTD, the Port expended \$465,663 in WIP costs, which do not show on the Statement of Revenue and Expense, and reduces the amount to an overall Net Loss of (\$38,582).

YTD, the Port paid \$625,000 total principal debt service for 2016. The Bond *principal* payments are not reflected in the year to date non-operating results but are a reduction in cash.

Cash and investment balances at December 31, 2016 were \$2,820,460, of which \$977,850 were reserves leaving a \$1,842,610 unreserved balance of cash to cover the seasonal ebb and flow of revenues, debt service payments and capital project costs.

2016 Cash Flow - Preliminary

2016 Beginning Year Cash (audited)		
Unreserved Cash	\$	1,079,277
Customer Deposits		155,794
Reserved Cash		857,850
		2,092,921
Operating Revenues	\$	5,436,141
Operating Expenses (w/o depreciation)		(4,379,050)
Non-Operating Revenues		1,308,930
Non-Operating Expenses		(397,571)
Debt service - principle		(625,000)
Issuance of Bond Debt		-
Capital expenses (WIPs)		(465,663)
Increase/(Decrease) in cash	\$	877,787
Preliminary Year End Cash		
Unreserved Cash		1,692,416
Customer Deposits		150,194
Reserved Cash		977,850
TOTAL	\$	2,820,460

Port of Port Townsend
Consolidated Statement of Revenue & Expense
For the Period Ended December 31, 2016

PRELIMINARY

	Actual thru Dec. 31, 2015	Actual thru Dec. 31, 2016	Variance between YTD year to year	Annual Budget	% of Actual to Budget at 100% of year	Budget Remaining from Actual Results	Remarks
Revenues							
PTBH - Permanent Moorage	952,981	1,009,082	56,101	1,032,000	97.8%	22,919	~\$22k Cobb
PTBH - Ship Moorage	3,465	0	(3,465)	0	0.0%	0	2016 monthly or nightly
PTBH - Liveaboard Fee	16,020	20,020	4,000	18,000	111.2%	(2,020)	
Work Float/Lift Pier Usage	2,399	12,823	10,424	18,000	71.2%	5,177	
PTBH - Monthly Guest	165,602	181,755	16,153	159,500	114.0%	(22,255)	
PTBH - Nightly Guest	194,049	242,473	48,424	231,600	104.7%	(10,873)	~\$16k Cobb
PTBH - Electric	86,630	90,218	3,587	80,000	112.8%	(10,218)	
PTBH - Miscellaneous	10,527	23,030	12,503	10,000	230.3%	(13,030)	City water reim ~\$10k ck, Cobb ~\$3.5k
PTBH - Enviro Clean-up	135	0	(135)	0	0.0%	0	
PTBH - Showers	21,105	20,936	(169)	20,000	104.7%	(936)	
PTBH - Laundry	4,447	5,056	609	6,000	84.3%	944	
Total Moorage Revenue	1,457,361	1,605,393	148,032	1,575,100	101.9%	(30,293)	
Yard - Liveaboard Fee	140	840	700	500	168.0%	(340)	
Yard - Miscellaneous	7,575	39,061	31,486	15,000	260.4%	(24,061)	~\$33k Landry, ~\$1.5k Cobb
Yard - Enviro Clean-up	19,226	14,790	(4,436)	0	0.0%	(14,790)	~\$5.5k Cobb
Yard - BMP infractions	600	3,600	3,000	0	0.0%	(3,600)	
Yard - 70/75 Ton Hoist	272,748	280,353	7,605	270,639	103.6%	(9,714)	
Yard - 300 Ton Hoist	129,292	154,382	25,091	186,735	82.7%	32,353	
Yard - Washdown	69,845	73,943	4,099	75,000	98.6%	1,057	
Yard - Bilge Water	7,016	4,398	(2,618)	12,000	36.7%	7,602	
Yard - Work Yard	531,201	484,259	(46,942)	600,000	80.7%	115,741	
Yard - Ship Yard	342,936	347,490	4,553	360,080	96.5%	12,590	
Yard - L/T Storage	62,279	54,665	(7,614)	70,322	77.7%	15,657	
Yard - Electric	18,471	23,017	4,546	25,000	92.1%	1,983	
Yard - Blocking Rent	13,779	19,300	5,521	16,000	120.6%	(3,300)	
Yard - Tarp Pool Fee	320	0	(320)	0	0.0%	0	
Marine Trades 3%	115,922	107,293	(8,629)	81,800	131.2%	(25,493)	
Total Work Yard Revenue	1,591,348	1,607,391	16,043	1,713,076	93.8%	105,685	
PTBH Prop - Leases	486,146	508,113	21,968	509,600	99.7%	1,487	
PTBH Prop - Storage Unit	5,096	4,974	(121)	5,000	99.5%	26	
PTBH Prop - Fuel Dock Lease	20,889	19,850	(1,038)	20,400	97.3%	550	pre 2016 "other" utilities were put in Electric, now is corrected
PTBH Prop - Electric	14,311	4,116	(10,195)	14,000	29.4%	9,884	
PTBH Prop - Other Utilities	7,485	17,231	9,746	8,200	210.1%	(9,031)	
Total PTBH Property Revenue	533,925	554,285	10,614	557,200	99.5%	2,915	

Port of Port Townsend
Consolidated Statement of Revenue & Expense
For the Period Ended December 31, 2016

PRELIMINARY

	Actual thru Dec. 31, 2015	Actual thru Dec. 31, 2016	Variance between YTD year to year	Annual Budget	% of Actual to Budget at 100% of year	Budget Remaining from Actual Results	Remarks
Pt Hudson Prop - Bldg Leases	374,695	377,042	2,347	400,000	94.3%	22,958	
Pt Hudson Prop - Utility Reim	0	11,674	11,674	0	0.0%	(11,674)	<i>chg in accounting practice</i>
Pt Hudson - Perm Moorage	118,636	126,228	7,592	124,277	101.6%	(1,951)	
Pt Hudson - Liveaboard Fee	4,060	3,920	(140)	4,300	91.2%	380	
Pt Hudson - Monthly Guest	87,589	99,773	12,183	70,000	142.5%	(29,773)	
Pt Hudson - Wharf Garbage Reim	0	25,891	25,891	0	0.0%	(25,891)	<i>chg in accounting practice</i>
Pt Hudson - Nightly Guest	230,157	239,353	9,196	235,350	101.7%	(4,003)	
Pt Hudson - Wharf Usage	6,778	8,687	1,909	10,000	86.9%	1,313	
Pt Hudson - Monthly R.V.	28,838	33,525	4,688	27,100	123.7%	(6,425)	
Pt Hudson - Nightly R.V.	300,069	336,928	36,859	290,126	116.1%	(46,802)	
Pt Hudson - Kayak Racks	9,021	10,959	1,938	6,000	182.7%	(4,959)	
Pt Hudson - Reservation Fee	33,348	31,298	(2,050)	26,000	120.4%	(5,298)	
Pt Hudson - Showers	8,467	8,437	(30)	8,000	105.5%	(437)	
Pt Hudson - Laundry	8,318	9,407	1,089	7,500	125.4%	(1,907)	
Pt Hudson - Passenger Fee	3,815	4,019	205	4,000	100.5%	(19)	
Pt Hudson - Electric	29,506	30,204	698	22,000	137.3%	(8,204)	
Pt Hudson - Miscellaneous	3,345	3,840	496	2,500	153.6%	(1,340)	
Pt Hudson - Event Facility	5,277	5,372	96	5,000	107.4%	(372)	
Total Pt Hudson Revenue	1,251,918	1,366,556	114,638	1,242,153	110.0%	(124,403)	
Quilcene - Permanent Moorage	29,616	31,200	1,584	33,150	94.1%	1,950	
Quilcene - Nightly Moorage	4,314	3,573	(741)	2,600	137.4%	(973)	
Quilcene - Nightly R.V.	1,243	995	(248)	1,200	82.9%	205	
Quilcene - Electric	1,043	1,097	54	2,000	54.8%	903	
Quilcene - Showers	2,310	2,113	(197)	2,500	84.5%	387	
Quilcene - Fuel Sales	20,456	17,639	(2,817)	28,000	63.0%	10,361	
Quilcene - Ramp fees	0	2,707	2,707	0	0.0%	(2,707)	<i>prev under "Ramps"</i>
Quilcene - Leases	56,894	57,947	1,054	59,160	97.9%	1,213	
Quilcene - Rental Property	6,000	6,000	0	6,000	100.0%	0	
Quilcene - Water	6,749	6,718	(31)	7,000	96.0%	282	
Quilcene - Miscellaneous	0	0	0	200	0.0%	200	
Total Quilcene Revenue	128,625	129,989	1,364	141,810	91.7%	11,821	
Ramps - Passes	34,400	35,917	1,517	53,899	66.6%	17,982	<i>moved Quil to Quil</i>
Ramps - Dinghy Float	840	856	16	1,350	63.4%	494	
Total Ramp Revenue	35,240	36,773	1,533	55,249	66.6%	18,476	
JCIA - Miscellaneous	0	2,363	2,363	100	2363.5%	(2,263)	<i>incl reim damaged lights</i>
JCIA - Leases	103,917	105,395	1,478	105,264	100.1%	(131)	
JCIA - Hangar Revenue	22,314	23,525	1,211	22,404	105.0%	(1,121)	
JCIA - Vehicle Parking	720	720	0	750	96.0%	30	
JCIA - Aircraft Parking	582	1,225	643	1,000	122.5%	(225)	
JCIA - Commercial Landing Fee	0	0	0	0	0.0%	0	
JCIA - Fuel Lease	3,194	2,526	(669)	3,500	72.2%	974	
Total JCIA Revenue	130,727	135,754	5,027	133,018	102.1%	(2,736)	
Total Operating Revenue	5,129,144	5,436,141	297,251	5,417,606	100.3%	(18,535)	

Port of Port Townsend
Consolidated Statement of Revenue & Expense
For the Period Ended December 31, 2016

PRELIMINARY

	Actual thru Dec. 31, 2015	Actual thru Dec. 31, 2016	Variance between YTD year to year	Annual Budget	% of Actual to Budget at 100% of year	Budget Remaining from Actual Results	Remarks
Operating Expenses							
Salaries & Wages	1,691,079	1,834,612	143,533	1,877,504	97.7%	42,892	
Payroll Taxes	177,053	194,520	17,467	221,100	88.0%	26,580	
Employee Benefits	594,030	637,884	43,853	670,101	95.2%	32,217	
Uniforms	9,072	8,517	(556)	9,908	86.0%	1,391	
Contract Services	304,084	295,348	(8,737)	201,310	146.7%	(94,038)	<i>Boat Demo ~\$30k, not Patrol I</i>
Legal & Auditing	45,694	144,436	98,742	81,600	177.0%	(62,836)	<i>primarily Patrol I & Cobb</i>
Operating Supplies	176,653	160,243	(16,410)	154,854	103.5%	(5,389)	
Cost of Fuel Sold - Quilcene	18,060	15,571	(2,489)	20,000	77.9%	4,429	
Moorage Credit System - PTBH	53,581	47,825	(5,756)	40,000	119.6%	(7,825)	<i>expected to vary</i>
Travel	21,357	19,194	(2,163)	17,100	112.2%	(2,094)	
Training	12,109	10,865	(1,244)	8,000	135.8%	(2,865)	<i>retreat Strtgc Plan</i>
Insurance	190,346	195,700	5,354	189,175	103.4%	(6,524)	
Claims & Damages	0	5,923	5,923	7,000	84.6%	1,077	
Advertising	28,524	52,027	23,503	48,050	108.3%	(3,977)	<i>Exec. Dir. Recruitment</i>
Promotion	6,627	5,631	(996)	5,000	112.6%	(631)	
Membership & Dues	12,935	12,622	(313)	14,670	86.0%	2,048	<i>WPPA dues pd in Jan.</i>
Community Relations	1,374	0	(1,374)	4,000	0.0%	4,000	
Bank Charges	55,898	57,847	1,949	53,320	108.5%	(4,527)	<i>incr in customer chrgs</i>
Utilities	473,673	541,911	68,238	530,347	102.2%	(11,564)	<i>~\$34k related to chg in acctg practice</i>
Excise Tax	21,163	23,484	2,321	23,125	101.6%	(359)	<i>expected to vary</i>
Bad Debt	14,477	1,838	(12,639)	19,200	9.6%	17,362	<i>expected to vary</i>
Miscellaneous	325	3,427	3,102	4,200	81.6%	773	
Repair & Maintenance	172,509	152,203	(20,306)	245,520	62.0%	93,317	
Economic Development	25,000	25,000	0	25,000	100.0%	0	
Operating Expenses w/o Depr	4,105,625	4,446,627	341,002	4,470,084	99.5%	23,457	
Income from Operations w/o Depr	1,023,519	989,515	(43,750)	947,522	104.4%	(41,993)	
Depreciation Expense	1,523,011	1,541,370	18,360	1,548,147	99.6%	6,777	
Income (Loss) from Oper w/Depr	(499,492)	(551,856)	(52,364)	(600,625)	91.9%	(48,769)	

Port of Port Townsend
Consolidated Statement of Revenue & Expense
For the Period Ended December 31, 2016

PRELIMINARY

	Actual thru Dec. 31, 2015	Actual thru Dec. 31, 2016	Variance between YTD year to year	Annual Budget	% of Actual to Budget at 100% of year	Budget Remaining from Actual Results	Remarks
Non-Operating Revenue							
Grant - FAA	18,364	38,907	20,543	0	0.0%	(38,907)	<i>final AWOS close-out</i>
Miscellaneous Grants	0	26,469	26,469	0	0.0%	(26,469)	<i>Quil WW Study-County</i>
Capital Contributions	207,991	177,413	(30,578)	223,740	79.3%	46,327	<i>incl PH Jetty 2014 reim</i>
ARRA Bond Interest Subsidy	33,033	16,283	(16,749)	0	0.0%	(16,283)	<i>2010 LTGO Bond rebate</i>
Investment Interest	3,327	8,014	4,687	4,200	190.8%	(3,814)	<i>incr in invstmt balances</i>
Operating Tax Levy	922,286	933,800	11,514	948,000	98.5%	14,200	
State Forest Sales	51,141	37,661	(13,479)	25,000	150.6%	(12,661)	<i>expected to vary</i>
State Timber Excise Tax	52,469	31,140	(21,329)	39,000	79.8%	7,860	<i>expected to vary</i>
Leasehold Excise Tax	7,253	6,728	(525)	7,000	96.1%	272	
Insurance Recovery	10,847	10,000	(847)	0	#DIV/0!	(10,000)	<i>expected to vary</i>
Finance Charges	17,287	22,056	4,769	14,000	157.5%	(8,056)	<i>incr in credit card use & ~\$3.5k Cobb</i>
Other Non-Operating	10,001	598	(9,403)	0	0.0%	(598)	
Cash Over/(Short)	(89)	(140)	(51)	0	0.0%	140	
Total Non-Operating Revenue	1,333,911	1,308,930	(24,980)	1,260,940	103.8%	(47,990)	
Non-Operating Expenses							
Interest Exp - CERB Loan	5,959	4,582	(1,377)	5,500	83.3%	918	
Interest Exp - 2005 Rev Ref Bond	61,875	0	(61,875)	0	0.0%	0	
Interest Exp - 2005 LTGO Bond	2,299	0	(2,299)	0	0.0%	0	
Interest Exp - 2006 LTGO Ref Bond	21,689	18,066	(3,624)	17,532	103.0%	(534)	
Interest Exp - 2010 LTGO Bond	225,672	217,394	(8,278)	226,836	95.8%	9,442	
Interest Exp - 2013 Revenue Bond	17,754	18,830	1,076	17,754	106.1%	(1,076)	
Interest Exp - 2015 LTGO Ref Bond	63,260	110,402	47,142	130,651	84.5%	20,249	
Bond Management Fees	5,259	940	(4,319)	1,200	78.3%	260	
Bond Issue Costs	67,338	0	(67,338)	0	0.0%	0	
Investment Fees	106	354	248	1,000	35.4%	646	
Other Non-Operating	0	27,003	27,003	0	0.0%	(27,003)	<i>Quil WW Study</i>
Total Non-Operating Expenses	477,608	397,571	(80,037)	400,473	99.3%	2,902	
Net Non-Oper Income(Expense)	856,303	911,360	55,057	860,467	105.9%	(50,893)	
Net Income(Loss)	356,811	359,504	2,694	259,842	138.4%	(99,662)	