



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

Administration: (360) 385-0656

Operations: (360) 385-2355

Fax: (360) 385-3988

**Port of Port Townsend
2nd Monthly Meeting Agenda
Wednesday, March 22, 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 – March 8, 2017.....1-2
 - Approval of Regular Meeting Minutes – March 8, 2017.....3-5
 - B. Approval of Warrants
- IV. Public Comments (not related to Agenda)
- V. Second Reading
- VI. First Reading
- VII. Regular Business
 - A. US Coast Guard Lease.....6-12
 - B. February 2017 Financials.....13-16
- VIII. Staff Comments
- IX. Public Comments
- X. Commissioner Comments
- XI. **Next Public Workshop / Regular Meeting:
Wednesday, April 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:
 - A. Potential Litigation, pursuant to RCW 42.30.110 (i)
 - B. Personnel, pursuant to RCW 42.30.110 (g)
- XIII. Adjournment

PORT COMMISSION PUBLIC WORKSHOP -- March 8, 2017

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

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

Guest: Brian Kuh, Executive Director EDC/Team Jefferson
Reps from local Agricultural Processing Businesses

Excused: Commissioner Clinefelter

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 and list of invited representatives.

IV. ADJOURNMENT:

The Workshop adjourned at 11:09 a.m.

ATTEST:

Peter W. Hanke, President

Stephen R. Tucker, Secretary

Brad A. Clinefelter, Vice President

**Port of Port Townsend
Public Workshop
Wednesday, March 8, 2017, 9:30 a.m.
Commission Building
333 Benedict Street, Port Townsend, WA**

AGENDA

- **Industrial Development District (IDD)**

Team Jefferson/EDC Director Brian Kuh will join leaders in value add food processing in a discussion on IDD partnership possibilities.

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-- March 8, 2017

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

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

Excused: Commissioner Clinefelter

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

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

II. APPROVAL OF AGENDA:

Added to agenda -- CERB Grant Application Resolution No. 662-17 and additional information to Hoist (75-ton Travelift Update). Change to Executive Session includes an added item for Potential Litigation (total 3 items). Executive Session -- thirty minutes duration, no decisions.

Commissioner Hanke moved to approve the Agenda as amended.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

III. CONSENT AGENDA (2:11):

A. Approval of Meeting Minutes -- February 22, 2017

B. Approval of Warrants

Warrant #057344 through #057352 in the amount of \$14,200.81 for Payroll & Benefits

Warrant #057353 through #057395 in the amount of \$40,603.07 for Accounts Payable

Warrant #057396 through #057400 in the amount of \$49,798.81 for Payroll & Benefits

Electronic Payment in the amount of \$86,352.31 for Payroll & Benefits

Warrant #057401 through #057403 in the amount of \$17,066.07 for Accounts Payable

Commissioner Tucker moved to approve the Consent Agenda as presented.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

IV. PUBLIC COMMENTS (Not related to agenda) (2:23):

George Yount thanked the Commission for a great workshop this morning.

V. SECOND READING (Action Items):

VI. FIRST READING (Discussion Only):

VII. REGULAR BUSINESS:

A. Hoist Options (2:56):

Mr. Englin discussed replacement options of the damaged 75-ton Travelift.

1. New 75-ton Travelift, cost of \$438,561, available in 90 days.

2. New 85-ton Travelift, cost of \$482,117, 90-day lead-time.

3. New 85-ton Travelift, cost of \$502,661, delivery within 7-10 days.

He explained staff is waiting on a structural/calculations report from the engineer to verify the pier can handle an 85-ton lift.

Discussion ensued on 85-ton vs. the 75-ton.

Ms. Gibboney stated she discussed this with Commissioner Clinefelter and he felt that if calculations show the pier can handle an 85-ton lift, to go with the 85-ton.

Commissioner Hanke moved to approve purchase of the 85-ton Travelift that is in stock, at a cost of \$502,661 based on the structural engineering report, and if the pier is not capable of supporting the 85-ton lift, to proceed with the purchase of the 75-ton Travelift at a cost of \$438,561.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

Ms. Gibboney reiterated the motion suffices to move forward with the purchase, but for the record, staff will present an amendment to the Capital Plan reflecting the Travelift purchase.

B. Resolution No. 661-17 – Support of the Recreational Fishing Industry (15:04):

Commissioner Tucker explained he has been keeping informed by attending Fish & Wildlife meetings. He reported the number of fish opening days has decreased considerably over the years, and is down to a three-day opening this year, which can have an impact on the local economy. Commissioner Tucker clarified the resolution supports ending the fish limit by days and instead, limits fishing by quotas. He added that a longer fishing season lessens the chances of anglers risking fishing during stormy conditions. He read from a recent Peninsula Daily News article about a dangerous and stormy 1990 halibut derby where a life was lost. Commissioner Tucker stated the Port of Port Angeles, the City of Port Angeles and Clallam County all passed a similar resolution.

The following audience members voiced comments: Don Dybeck, Ron Hayes, Troy McKelvey, Jerry Johnson and Roger Sorenson.

Commissioner Tucker moved to adopt Resolution No. 661-17 in support of the Recreational Fishing Industry.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

C. Community Economic Revitalization Board (CERB) Grant Application.

Resolution No. 662-17 (35:53):

Ms. Gibboney announced staff is seeking Commission approval to apply for a \$50,000 CERB grant (with a 25% match) for Quilcene planning. Grants are awarded this biennium, and if awarded, it would be used in 2018 towards the hiring of a consultant for both near and long-term planning of Quilcene.

Commissioner Tucker moved to adopt Resolution No. 662-17, authorizing staff to apply for the CERB grant for Quilcene planning.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

D. Rate Sheet Errata (37:54):

Ms. Gibboney reported that after the Commission approved the rate sheets, a few minor changes were made, as shown in the errata sheets. Most were rounding errors changed to correspond with tax calculations made in the marina software program, and some were transposition errors. She reported staff would be instituting a tighter version control.

VIII. STAFF COMMENTS (45:02):

Ms. Gibboney commended staff for their continued exceptional work with the Travelift incident.

She reported she sent a letter on the Integrated Planning Grant to our delegation in Olympia and Commissioner Tucker would follow up.

Ms. Gibboney reported she is waiting to hear back from Dept. of Ecology on a meeting date she requested in regards to the stormwater letter she sent (as discussed at a previous workshop) requesting an amendment to the Administrative Order.

Mr. Englin provided updates on the Travelift closeout; the John Cobb; a Quilcene walk-through he did with staff to look at maintenance issues, operations and preparations for the upcoming recreational and tribal shrimping and crabbing openings.

Mr. Englin reported he is working proactively with staff on derelict vessel issues.

He informed an application was submitted for a PLIA (Pollution Liability Insurance Agency) grant for underground fuel storage at the airport. He thanked the Port Environmental Compliance Officer Al Cairns for bringing the grant to their attention.

Mr. Englin reported he recently attended a meeting with Wooden Boat Festival staff in preparation of the September festival; he discussed the “Meet & Greet” with the local marine trades held recently at the Brewery; and last, he updated on progress with the Coast Guard lease.

Ms. Berg reported she has been working on the following:

Gathering financial documents for the PLIA grant application, replacing the copy machine in the Administrative Building, working with IT staff to replace the Port’s seven-year old network server, which was planned for in the 2017 Capital Budget.

She informed that Commissioner Tucker received a new Surface computer to replace his old iPad, as that was not meeting his needs.

Ms. Berg reported she was a member of the interview team for the Communications and Marketing Coordinator position and participated in selection determination.

She has been researching work with Touchstone Eco Services on the ongoing wetland mitigation at the airport. Ms. Gibboney reported she is also reviewing this file

Ms. Berg added she hired a consultant to gain staff accessibility to Mr. Toews Apple computer, while he is out on leave

Last, Ms. Berg provided a briefing on January financials.

IX. PUBLIC COMMENTS:

X. COMMISSIONER COMMENTS (1:00:47):

Commissioner Tucker informed that he spoke with Representative Chapman on the Integrated Planning Grant and has a meeting on Friday with Representative Van de Wege on the same subject.

He reported on the recent NODC meeting with their director, Karen Affeld.

Commissioner Hanke briefed the audience on the earlier morning workshop held with members from the local Ag community on the Industrial Development District (IDD).

XI. NEXT MEETING:

Next regular meeting to be held Wednesday, March 22, 2017 at 5:30 p.m. in the Port Commission Building, 333 Benedict St, Port Townsend.

XII. EXECUTIVE SESSION:

The regular session recessed into Executive Session at 2:03 p.m. to discuss two potential litigation matters, pursuant to RCW 42.30.110 (i) and one personnel matter, pursuant to RCW 42.30.110 (g), duration of thirty minutes with no action.

At 2:31 p.m., Ms. Nelson announced outside a fifteen-minute extension. At 2:49 p.m., Ms. Nelson announced outside a ten-minute extension. At 3:00 p.m., Ms. Nelson announced outside ten-minute extension.

XIII. ADJOURNMENT:

The meeting reconvened and adjourned at 3:10 p.m. there being no further business to come before the Commission.

Stephen R. Tucker, Secretary

Peter W. Hanke, President

Brad A. Clinefelter, Vice President

PORT OF PORT TOWNSEND

MEETING OF: March 22, 2017

AGENDA ITEM: VII. Regular Business
A. US Coast Guard Lease

BACKGROUND:

The Director of Operations & Business Development will brief the Commission on the US Coast Guard lease.

Director Operation & Business Development's Recommendation:

Authorize the Executive Director to move forward and approve the lease as proposed.

U. S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE 1 October 2016	LEASE NO. HSCG89-16-1-0107
---------------------------------	-------------------------------

PURPOSE. Pursuant to specific Congressional appropriations and 14 U.S.C. § 92, the statutory authority to render aid to distressed persons, vessels, and aircraft on and under the high seas and on and under the waters over which the United States has jurisdiction, the U. S. Coast Guard operates vessels strategically placed at various moorings to render timely response. The vicinity of is The Port of Port Townsend is one such location needed for mooring one or more Coast Guard vessels or alternate vessels as required.

THEREFORE THIS LEASE, made and entered into this date by and between **THE PORT OF PORT TOWNSEND**, whose address is **P.O. Box 1180, Port Townsend, WA 98368** and whose interest in the property hereinafter described is that of owner ("LESSOR"), and the Commanding Officer, U.S. Coast Guard SILC, Product Line Division, Portfolio Management Branch, Oakland, California, 94612-5203 on behalf of the **UNITED STATES OF AMERICA**, hereinafter called the ("Government:") for the consideration hereinafter mentioned.

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agrees as follows:

1. Lessor hereby leases to the Government certain real property (hereinafter "the premises") located in Jefferson County, Washington, more particularly depicted upon Exhibit "A" which is attached hereto and incorporated herein by this reference, and which is briefly described as follows:

AN APPROXIMATELY 11,500 SQUARE FOOT AREA LOCATED UPON A PORTION OF HASTINGS 2ND ADDITION, BLOCK 160, LOTS 1-8 (TAX LOX 110) CITY OF PORT TOWNSEND, COMMONLY KNOWN AS THE SOUTH 250 FEET OF THE BENEDICT STREET SPIT, TOGETHER WITH BOTH THE SOUTH AND NORTH SIDES OF THE ADJACENT FINGER PIER

The premises are to be used as a Mooring and Support Facility for Government Vessel(s). The two (2) buildings located on the premises and depicted upon Exhibit "A" were constructed by, and are the property of, the Government.

2. **TO HAVE AND TO HOLD** the said premises with their appurtenances for the term beginning on October 1, 2016 through September 30, 2017 subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of **\$58,500.00** at the rate of **\$4,875.00** per month in arrears. Rent for a lesser period shall be prorated. In no event shall any rent adjustment result in a reduction in rent from the rate paid in the prior year.

4. The Government may terminate this lease, at any time without cause, by giving at least thirty (30) days' written notification to the Lessor. Said notice shall be computed commencing with the day after the date of mailing.

5. This lease may be extended at the option of the Government for 3 months with the same conditions and payment amount listed in article #3. Any ongoing hold-over period will also continue this payment amount into the future. The Lessor shall furnish to the Government the following:

- a. The right of ingress and egress over the adjacent property of the Lessor for the Government, its contractors or other duly authorized representatives, necessary or convenient for the maintenance, repair operation and replacement of Government buildings and equipment located on its leased premises.
- b. The right to maintain the range lines of sight for navigation free from obstruction and debris.
- c. The Lessor shall maintain all mooring improvements
- d. The Lessor shall notify the Government, in writing, within thirty (30) days of any:
 - 1) Transfer of ownership of the described premises.
 - 2) Change of payment or mailing address for ACH payments

-
6. The following are attached and made a part hereof:
 - a. The General Clauses (GSA form 3517A as amended) – Article #27
 - b. Premises Map Exhibit “A”

7. **SUCCESSORS BOUND:** The Lease shall bind, and inure to the benefit of, the parties and their respective heirs, executors, administrators, successors, and assigns.

8. **SUBLETTING/ASSIGNMENT:** Government may not sublet or assign lease premises to without the prior written consent of the Lessor, which consent shall not be unreasonably withheld.

9. **ENVIRONMENTAL PROTECTION:** The Government is limited by Federal Law as to the assumption of liability for its acts or omissions. Within its legal limitations and appropriations, the Government agrees to the following: Government may not unlawfully pollute the air, ground or water, nor create a public nuisance. Lessee shall, at no cost to the Lessor, promptly comply with all applicable Federal, state, and local laws, regulations, and directives regulating the quality of the environment. This does not affect the Government’s right to contest the validity of such laws, regulations or directives or to try to enjoin their applicability. Government shall use all required means to protect the environment and natural resources from any damage arising from Lessee’s use of the facility and activities incident to its use. If any damage results to the environment or natural resources, Government shall restore the environment or damaged resources. Government agrees to comply with all applicable federal, state and local environmental laws and regulations, including, but not limited, to those laws concerning any petroleum products, toxic substances, medical wastes and hazardous materials, substances or wastes.

10. **ANTI-DEFICIENCY ACT:** (31 USC §1341 as amended). Nothing in this Lease shall constitute an obligation of funds of the United States in advance of appropriation thereof.

11. **INDEMNIFICATION:** The Government, in the manner and to the extent provided by the Federal Tort Claims Act (28 USC Sections 2671-2680) shall be liable for claims for damages or cost and expenses, including but not limited to fire damage, loss of property, personal injury or death caused by the acts or omissions of the Government, its officers, invites, employees and agents in the use of the property.

12. **INSURANCE:** Government is a self-insured entity and as such is not required to provide Lessor with any certificate of insurance or notice of renewal, termination, cancellation, expiration or alteration of insurance policy.

13. **OWNERSHIP OF IMPROVEMENTS:**
It is understood and agreed that any improvements added by the Government belong to the Government.

14. **EQUIPMENT INSTALLATION AND OPERATION.** The Government shall have the right during the term of this Lease to install, operate, maintain, repair, and replace upon the Premises, including but not limited to any other improvement presently existing or to be constructed upon the Premises, or related or ancillary to, the operation, performance, and maintenance of the equipment and infrastructure. Upon termination of this Lease, the Lessor shall permit the Government all reasonable access to the Premises for the purpose of removing or otherwise disposing of the equipment or any part thereof, and the Government shall conduct its removal of the equipment or any part thereof in a reasonable and safe manner and within a reasonable period of time, in accordance with all Federal, state, and local law.

15. **IMPROVEMENTS AND ALTERATIONS.** The Government shall have the right during the term of this lease, as long as the prior written consent of Lessor is received by the Government, which consent shall not be unreasonably withheld or delayed by Lessor, to make improvements and alterations, erect structures, and attach fixtures and signs upon the Premises. Government acknowledges that Lessor’s consent to the installation of any such improvements may be conditioned upon a reasonable increase in the Rental Amount payable by Government to Lessor pursuant to condition 3 of this Agreement. If Lessor consents to the installation of such improvements, Lessor shall deliver to Government an amendment to this Agreement and any other documents required to evidence such a modification. The Government shall have the right to tie into or make any physical connection with any structure located on the property as is reasonably necessary for appropriate utilization of the Premises. Any improvements, structures, fixtures or signs attached to or otherwise erected upon the Premises shall remain the property of the Government and may be removed or otherwise disposed of by the Government.

Such disposition by the Government may include abandoning the improvement, structure, fixture, or sign in place. The Government shall be under no obligation to restore the Premises, or any part thereof, upon termination of this Lease.

16. OFFICIALS NOT TO BENEFIT: No member or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Lease or any benefit to arise there from, but this provision shall not be construed to extend to this Lease if made with a corporation whose membership, includes a member or delegate to Congress or Resident Commissioner, who indirectly receives a general benefit from this Lease.

17. AMENDMENT OR MODIFICATION: No amendment or modification shall be valid unless evidenced by an agreement in writing signed by both parties.

18. GOVERNING LAW: The parties shall construe the Lease to be in accordance with and governed by the laws of the State of Washington, insofar as those laws are consistent with applicable federal laws and regulations.

19. SEVERABILITY: If any term or provision of this Lease is held invalid or unenforceable, the remainder of this Lease shall not be affected thereby and each term and provision hereof shall be valid and enforced to the fullest extent permitted by law.

20. PAYMENTS OF TAXES AND ASSESSMENTS:
The Government is not responsible for or liable for the payment of any real property taxes, personal taxes or assessments levied or assessed upon or against the leased premises.

21. ENTIRE AGREEMENT: This Lease, with attachment, constitutes the only agreement between Lessor and Government. Any prior understanding or representation of any kind, which proceeded the date of this Lease, are not binding on either party, except to the extent the understandings are incorporated into this Lease.

22. MUTUAL AUTHORITY: Lessor and Government represent and warrant to each other that they have full right, power and authority to enter into this Lease without the consent or approval of any other entity or person and make these representations knowing that the other party will rely thereon. Furthermore, the signatories on behalf of Lessor and Government further represent and warrant that they have full right, power and authority to act for and on behalf of Lessor and Government in entering into this lease.

23. LEASE ADMINISTRATION:
The following office shall administer this Lease:
Commanding Officer
Civil Engineering Office Oakland
1301 Clay Street, Suite 700N
Oakland, CA 94612-5203

24. TAX IDENTIFICATION: Government regulations require a Lessor tax identification number (TIN/SSN). Lessor hereby certifies that the following TIN/SSN and telephone number are correct:

TIN/SSN: _____
Telephone Number: _____
DUNS: _____
Registered in SAM: Yes No

Date

Signature

25. PAYMENT BY ELECTRONIC FUNDS TRANSFER- SYSTEM FOR AWARD MANAGMENT:
a. Method of Payment:

1) All payments by the Government under this contract shall be made by electronic transfer (EFT), except as provided in paragraph (a)(2) of this clause. As used in this clause, the term "EFT" refers to the funds transfer and may also include the payment information transfer.

2) In the event the Government is unable to release one or more payments by EFT, the Lessor agrees to either accept payment by check or some other mutually agreeable method of payment or request the Government extend the payment due date until such time as the Government can make payment by EFT (see paragraph (d) of this clause).

b. Lessor EFT information. The Government shall make payment to the Lessor using the EFT information contained in the System for Award Management (SAM) database. In the event that the EFT information changes, the Lessor shall be responsible for providing the updated SAM database.

c. Mechanisms for EFT payment. The Government may make payments by EFT through either the Automated Clearing House (ACH) network, subject to the rules of the National Automated Clearing House Association, or Fedwire Transfer System. The rules governing Federal payments through the ACH are contained in 31 CFR part 210.

d. Suspension of payment. If the Lessor EFT information in the SAM database is incorrect, then the Government need not make payment to the Lessor under this contract until correct EFT information is entered into the SAM database; and any invoice or contract financing request shall be deemed not to be proper invoice for the purpose of prompt payment under this contract. The prompt payment terms of the contract regarding notice of an improper invoice and delays in accrual of interest penalties apply.

e. Lessor EFT arrangements. If the Lessor has identified multiple payment receiving points (i.e., more than one remittance address and/or EFT information set) in the SAM database, and the Lessor has not notified the Government of the payment receiving point applicable to this contract, the Government shall make payment to the first payment receiving point (EFT information set or remittance address is applicable) listed in the SAM database.

f. Liability for incomplete or erroneous transfer:

1) If an incomplete or erroneous transfer occurs because of Government used the Lessor's EFT information incorrectly, the Government remains responsible for making a correct payment, paying any prompt payment penalty due and recovering any erroneously directed funds.

2) If any incomplete or erroneous transfer occurs because the Lessor's EFT information was incorrect, or was revised within 30 days of Government release of the EFT payment transaction instruction to the Federal Reserve System, and if funds are no longer under the control of the payment office, the Government is deemed to have made payment and the Lessor is responsible for recovery of an erroneously directed funds or if the funds remain under the control of payment office, the Government shall not make payment, and the provisions of paragraph (d) of this clause shall apply.

g. EFT and prompt payment. A payment shall be deemed to have been made in a timely manner in accordance with the prompt payment terms of this contract if, in the EFT payment transaction instruction released to the Federal Reserve System, the date specified for settlement of the payment is on or before the prompt payment due date, provided the specified payment date is a valid date under the rules of the Federal Reserve System.

h. EFT and assignment claims. If the Lessor assigns the proceeds of this contract as provided for in the assignment of claims terms of this contract, the Lessor shall require as a condition of any such assignment, that the assignee shall register in the SAM database and shall be paid by EFT in accordance with the terms of this clause. In all respects, the requirements of this clause shall apply to the assignee as if it were the Lessor. EFT information that shows the ultimate recipient of the transfer to be other than the Lessor, in the absence of proper assignment of claims acceptable to the Government, is incorrect EFT information within the meaning of paragraph (d) of this clause.

i. Liability for change to EFT information by financial agent. The Government is not liable for errors resulting from changes to EFT information made by the Lessor's financial agent.

j. Payment information. The payment or disbursing office shall forward to the Lessor available payment information that is suitable for transmission as of the date of release of EFT instruction to the Federal Reserve System. The Government may request the Lessor to designate a desired format and method(s) for delivery of payment information from a list of formats and methods the payment office is capable of executing. However, the Government does not guarantee that any particular format or method of delivery is available at any particular payment office and retains the latitude to use the format and delivery method most convenient to the Government. If the Government makes payment by check in accordance with paragraph (a) of this clause, the Government shall mail the payment information to the remittance address contained in the SAM database.

26. CLAUSES INCORPORATED BY REFERENCE. This lease incorporates one or more clauses by reference with the same force and effect as if they were given in full text. The full text may be found in GSA Form 3517B (Rev. 4/2015), which is attached to this Lease as Exhibit "B." The following clauses are incorporated by reference:

GSA Form 3517A

<u>Clause Number</u>	<u>48 CFR Reference</u>	<u>Clause Title</u>
3	552.270-23	SUBORDINATION, NON-DISTURBANCE AND

		ATTORNNMENT
4	552.270-24	STATEMENT OF LEASE
5	552.270-25	SUBSTITUTION OF TENANT AGENCY
6	552.270-26	NO WAIVER
8	552.270-28	MUTUALITY OF OBLIGATION
9	--	DELIVERY AND CONDITION
10	--	DEFAULT BY LESSOR
14	--	COMPLIANCE WITH APPLICABLE LAW
17	52.204-7	SYSTEM FOR AWARD MANAGEMENT
18	52.204-13	SYSTEM FOR AWARD MANAGEMENT MAINTENANCE
19	552.270-31	PROMPT PAYMENT
20	552.232-23	ASSIGNMENT OF CLAIMS
21	552.270-20	PAYMENT
22	52.232-33	PAYMENT BY ELECTRONIC FUNDS TRANSFER -- SYSTEM FOR AWARD MANAGEMENT
24	552.270-32	COVENANT AGAINST CONTINGENT FEES
28	552.270-30	PRICE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY
30	552.270-13	PROPOSALS FOR ADJUSTMENT
31	--	CHANGES
32	552.215-70	EXAMINATION OF RECORDS BY GSA
34	52.233-1	DISPUTES
35	52.222-26	EQUAL OPPORTUNITY
36	52.222-21	PROHIBITION OF SEGREGATED FACILITIES
38	52.222-35	EQUAL OPPORTUNITY FOR VETERANS
39	52.222-36	AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES
40	52.222-37	EMPLOYMENT REPORTS VETERANS

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR	
SIGNATURE	SIGNATURE
NAME OF SIGNER	NAME OF SIGNER
IN PRESENCE OF	
SIGNATURE	SIGNATURE
NAME OF SIGNER	NAME OF SIGNER
UNITED STATES OF AMERICA	

SIGNATURE

NAME OF SIGNER
David E. Brumley

OFFICIAL TITLE OF SIGNER
Realty Specialist Contracting Officer
United States Coast Guard

PORT OF PORT TOWNSEND

MEETING OF: March 22, 2017

AGENDA ITEM: VII. Regular Business
B. February 2017 Financials

BACKGROUND:

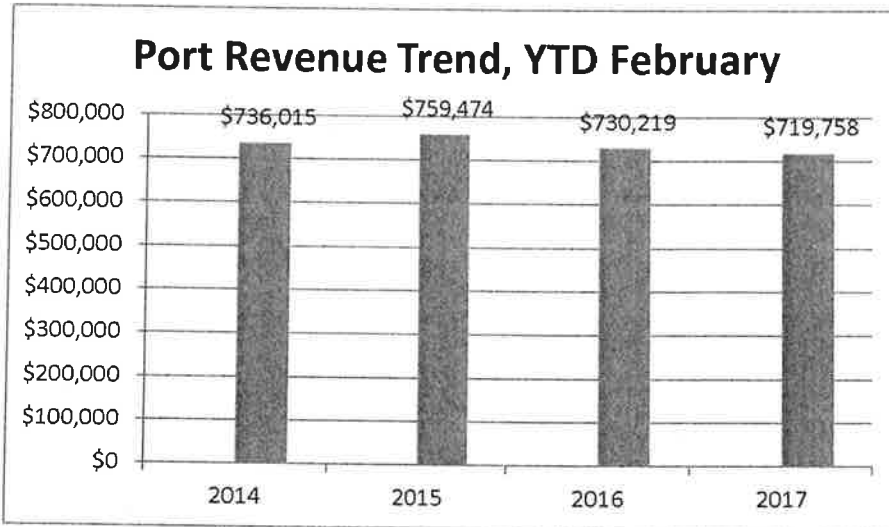
In the Commission meeting packet for their review, is the year-to-date operating results of the Port. This is measured against the same period of the prior year and compares the budget to actual percentage of activity. The highlights of activity results are included in the narrative.

Executive Director's Recommendation:

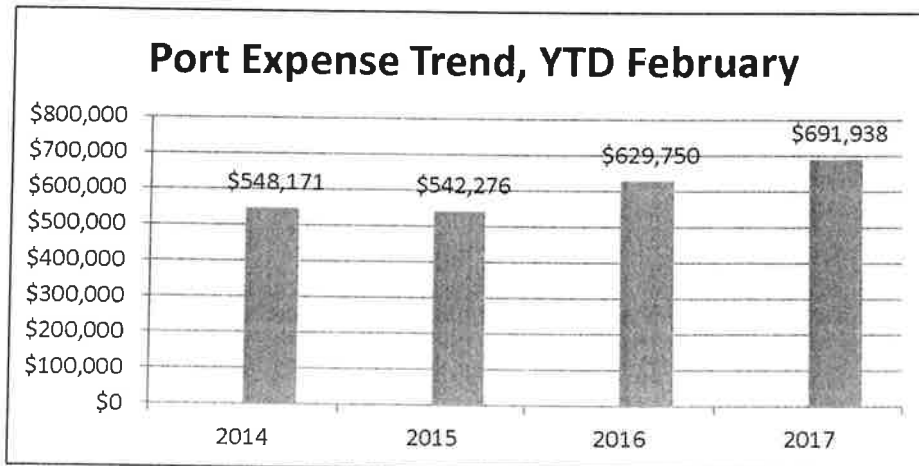
For review.

MEMORANDUM

Date: March 17, 2017
To: Commissioners and Directors
From: Abigail Berg
Subject: Port of Port Townsend financial highlights, February 2017



YTD Operating Revenues are \$10,460 less than the previous year, and is short of budgeted amounts by 4.7%. Marinas and RV Parks, Yard operations and Ramps are all below budget and less than the previous year. Property Leases & Use, Fuel Sales & Leases and Utilities are all more than the previous year and Utilities is the only revenue ahead of budget at 18.7%.



Total YTD Operating Expenses are at 14%, when we're at 16.7% of budget. When compared to the previous year, total Operating Expense are more by \$62,188, though all Operating Expense line items are below budget. As planned and budgeted, Personnel, Outside Services and Travel/Training are more than the previous year.

Before depreciation, Net Operating Income is \$27,820 and after depreciation, there's a loss of \$236,504. When including Non-Operating Revenues and Expenses, there's a Net Loss of \$89,343. This is greater than the previous year by \$64,380.

In February, the Port expended \$85,672 in WIP (capital project "Work in Progress") which was primarily for the Commercial Basin Breakwater Repair. This project was completed and capitalized in February and will be reduced from the Boat Haven Reserves by the total project cost in March.

There were no bond payments, principal or interest, obligated or paid in February.

End of month, the cash and investment balances were \$2,486,537, of which \$997,850 are reserves leaving a \$1,488,687 in unreserved cash and investment balances.

Port of Port Townsend
Summary of Operating & Non-Operating Revenues & Expenses
2017 Activity with Comparison to Prior Year and Budget

	Actual thru Feb. 28, 2016	Actual thru Feb. 28, 2017	Variance year to year	2017 Budget	% Actual to Budget at 16.7% of year
REVENUES					
Marinas and RV Parks	315,596	304,898	(10,698)	2,660,000	11.5%
Yard Operations	190,303	177,799	(12,504)	1,764,954	10.1%
Property Leases & Use	179,346	183,123	3,776	1,215,000	15.1%
Fuel Sales & Leases	4,042	4,685	642	50,000	9.4%
Ramp Use	8,455	6,515	(1,940)	55,000	11.8%
Utilities	32,476	42,739	10,263	228,599	18.7%
Total Operating Revenues	730,219	719,758	(10,460)	5,973,553	12.0%
OPERATING EXPENSES					
Personnel	434,821	474,910	40,090	3,006,270	15.8%
Outside Services	26,785	59,713	32,928	443,310	13.5%
Facilities & Operations	91,026	87,978	(3,048)	805,809	10.9%
Marketing	16,069	4,166	(11,903)	54,450	7.7%
Economic Development	-	-	-	40,000	0.0%
Travel & Training	2,477	3,934	1,457	30,000	13.1%
Cost of Goods - Fuel	1,637	1,805	168	12,000	15.0%
Community Relations	-	210	210	4,000	5.3%
Total Operating Expenses	629,750	691,938	62,188	4,950,019	14.0%
Income from Operations w/o Depr	100,469	27,820	(72,649)	1,023,534	2.7%
Depreciation Expense	252,053	264,324	12,271	1,585,632	16.7%
Income (Loss) from Operations w/Depr	(151,584)	(236,504)	(84,920)	(562,098)	42.1%
Non-Operating Revenue					
Capital Contributions/Grants	-	4,767	4,767	168,750	2.8%
Interest	874	18,940	18,066	38,000	49.8%
Property & other taxes	182,987	171,201	(11,786)	1,020,000	16.8%
Miscellaneous Non-Operating Revenue	4,705	11,858	7,154	16,200	73.2%
Total Non-Operating Revenues	188,565	206,765	18,200	1,242,950	16.6%
Non-Operating Expenses					
Bond Interest	61,909	59,444	(2,465)	369,339	16.1%
Bond Mgmt, Issuance, Investment	36	160	125	154,940	0.1%
Election Expense	-	-	-	17,340	0.0%
Total Non-Operating Expenses	61,945	59,604	(2,340)	541,619	11.0%
Net Non-Operating Income(Expense)	126,621	147,161	20,540	701,332	21.0%
Net Income (Loss)	(24,963)	(89,343)	(64,380)	139,233	-64.2%