



Serving All of Thurston County

Commission Meeting
Tuesday, November 12, 2024
5:30 PM

Percival Plaza - Olympics Room
626 Columbia Street NW
Olympia, WA 98501

The meeting agenda is available on the Port's website as of November 8, 2024.

<https://www.portolympia.com/commission>

The public may join the meeting from their computer, tablet or smartphone at:

<https://us02web.zoom.us/j/87174114590?pwd=QqJCvbSpg8bE7Y485MXBTSXSACzAeO.1>

or Telephone: 1 253 215 8782

Meeting ID: 871 7411 4590

Passcode: 594862

Written public comments may be submitted to commissioncoordinator@portolympia.com by 12:00 p.m. on the date of the meeting. All written comments will be compiled and sent to the Commissioners prior to the meeting.

Verbal public comment is accepted in person at the meeting.

If you are attending the meeting via Zoom, you may raise your hand during the meeting to give public comment. For those listening by phone, press *9 if you wish to raise your hand and provide comment.

UPDATED

AGENDA

- A. Call to Order
- B. Pledge of Allegiance
- C. Approval of Agenda
- D. Executive Director Report
- E. Public Comment

Individual public comments are limited to 3 minutes per person. Members of the public may comment on agenda items and other port business.

NOTE: Guidelines for public comment can be found in the Commission Rules in Resolution 2022-09 Article VI.

- *Comments should be directed to Commission:* Comments should be directed to the Commission as a whole and should not include comments about individual Port staff or members of the public.
- *Courtesy:* All speakers (members of the public, Port staff, and Commissioners) shall be courteous in language and demeanor and shall confine remarks to those facts that are germane and relevant to the question or issue under discussion.

Port of Olympia Mission

Creating economic opportunities and building community for all of Thurston County through responsible resource use.

F. Consent Calendar

1. Minutes: October 21, 2024, and October 28, 2024

G. Pending Issues or Business

1. None

H. Action Calendar

1. 2024 Capital Budget Amendment: Marine Terminal Warehouse: Afsin Yilmaz, Marine Terminal Senior Manager

I. Action/Other Calendar

1. ILWU 47B Contract Ratification 2024-2027: Alex Smith, Executive Director
Public Comment on Action/Other Item
2. Technical Account CPA Contract Extension: Tad Kopf, Director of Finance
Public Comment on Action/Other Item

J. Advisory Calendar

1. Professional Services Contracts Amendments: James Sommer, Capitol Assets Program Manager
Public Comment on Advisory Item
2. **PUBLIC HEARING** – Draft 2025 Proposed Operating Budget, Capital Investment Plan and Tax Levy: Tad Kopf, Director of Finance

Pursuant to RCW 53.35.020, the Port of Olympia has prepared the Port's 2025 draft budget. The draft budget was presented in public meetings on October 14, 21, and 28, 2024 and shall be considered during tonight's public hearing, on November 18 as needed, and at the regular public meeting on November 25, 2024. The Commission will meet on November 25, 2024 at 5:30 p.m. to adopt the Port's final 2025 budget of the Port of Olympia for the 2025 calendar year. The draft budget is on file at the Port of Olympia offices at Percival Plaza, 606 Columbia Street NW, Suite 300, Olympia, Washington and any member of the public may obtain a copy of the preliminary budget at this address during normal business hours. A summary of the budget is also available on the Port's website www.portolympia.com.

- a) Open Public Hearing
- b) Accept Public Testimony
- c) Close Public Hearing

Public Comment on Advisory Item

K. Commissioner Reports/Discussion

L. Other Business

M. Meeting Announcements

N. Adjourn

Port of Olympia Mission

Creating economic opportunities and building community for all of Thurston County through responsible resource use.



Commission Work Session Minutes Monday, October 21, 2024

Commission President Bob Iyall called the Commission Work Session of October 21, 2024, to order at 3:32 p.m. at the Percival Plaza at 626 Columbia Street NW, Suite 1B, Olympics Room, In Olympia, Washington.

Present

Commissioners: Bob Iyall, President; Jasmine Vasavada, Vice President; Sarah Tonge, Secretary; Amy Harding and Maggie Sanders.

Staff: Alex Smith, Executive Director; Shawn Gilbertson, Director of Environmental Planning and Programs; Tad Kopf, Director of Finance; Trisha Miller, Controller; Chris Paolini, Airport Senior Manager; James Sommer, Public Works Manager; Afsin Yilmaz, Marine Terminal Senior Manager; Damien Egan, Harbor Senior Manager; Emily Girton, Marketing and Outreach Coordinator; and Missy Goodell, Executive and Commission Coordinator.

Guests: Bill McGregor, Karen Frasier, Chuck Fowler and Karla Fowler with South Sound Maritime Heritage Association.

Approval of Agenda

Commissioner Vasavada moved to approve the agenda. Seconded by Commissioner Tonge. Motion approved unanimously.

Introduction of New Port of Olympia Harbor Senior Manager

Damien Egan was introduced as the newly hired Harbor Senior Manager for the Port of Olympia. Damien was formerly the Port of Olympia's Marina and Facilities Maintenance Supervisor.

Parthia Installation

Bill McGregor with the South Sound Maritime Heritage Association, presented historical and present-day information related to the upcoming installation of the Parthia working tug to a site next to the Olympia Farmer's Market. Construction of the project is expected to begin soon.

2025 Budget and Capital Investment Plan; Draft Operation Budget, First Review

Tad Kopf, Director of Finance, provided information on the capital investment plan and presented the first review of the Draft 2025 Operations Budget. The Commission and staff discussed the budget and capitol investment plan. Port staff noted items to follow up on at the next Commission meeting.

Agenda Setting Topics

Topics for future commission meetings were discussed.

Adjourn

The meeting adjourned at 5:30 p.m.

PORT OF OLYMPIA COMMISSION

Bob Iyall, President

Jasmine Vasavada, Vice President

Sarah Tonge, Secretary

Amy Harding

Maggie Sanders

DRAFT



Commission Meeting Minutes Monday, October 28, 2024

Commission President Bob Iyall called the Commission meeting of October 28, 2024, to order at 5:30 p.m. at the Percival Plaza at 626 Columbia Street NW, Suite 1B, Olympics Room, in Olympia, Washington.

Present

Commissioners: Bob Iyall, President; Jasmine Vasavada, Vice President; Sarah Tonge, Secretary; Amy Harding, and Maggie Sanders.

Staff: Alex Smith, Executive Director; Chris Pierce-Wright, General Counsel with Dickson Frohlich Phillips Burgess; Tad Kopf, Director of Finance; Shawn Gilbertson, Director of Environmental Planning and Programs; Trisha Miller, Controller; Afsin Yilmaz, Marine Terminal Senior Manager; Chris Paolini, Airport Senior Manager; James Sommer, Capital Assets Program Manager; Don Bache, Cascade Pole Program Manager; Damien Egan, Harbor Senior Manager; Emily Girton, Marketing and Outreach Coordinator; and Missy Goodell, Executive and Commission Coordinator.

Approval of Agenda

Commissioner Harding moved to approve the agenda; Commissioner Tonge seconded the motion. Motion passed unanimously.

Executive Director Report

Alex Smith, Executive Director, provided an update on port events and activities.

Public Comment

Three individuals provided public comments.

Consent Calendar

Commissioner Sanders moved to approve the consent agenda as presented; Commissioner Tonge seconded the motion. The motion passed unanimously.

Pending Issues or Business

Briefing: Port of Olympia Citizens Advisory Committee (POCAC) Member Update. Joel Hansen, Port of Olympia Citizens Advisory Committee Chair reported that the three POCAC Subcommittees are up and running and are working on their Work Plans.

Action Calendar

None.

Action/Other Calendar

ILWU 47A Labor Union Contract. Alex Smith, Executive Director, provided historical information and an overview of the recently negotiated labor union contract with ILWU Local 47A.

No public comment was given.

Motion: Commissioner Sanders moved to approve the ILWU Local 47A contract agreement that covers the time period of July 1, 2024, through June 30, 2027, retroactively." Commissioner Harding seconded the motion. Motion passed unanimously.

Advisory Calendar

2025 Budget and Capital Investment Plan; Draft Operating Budget, Second Review. Tad Kopf, Director of Finance, presented a second review of the overall comprehensive Port Budget. This second review incorporated feedback, IOUs, and adjustments.

Two individuals provided public comment.

The Commission took a 5 minute break.

Cascade Pole: Consultant Services Contract. Don Bache, Cascade Pole Site Manager, shared background information related to the Port of Olympia's Cascade Pole Site and the upcoming request for an environmental consultant services contract.

No public comment was given.

Commissioner Reports/Discussion

Each commissioner provided an update of their current activities in the community.

Other Business

None.

Meeting Announcements

Executive Director Alex Smith provided information on upcoming Commission meetings.

Adjournment

The meeting adjourned at 8:02 p.m.

PORT OF OLYMPIA COMMISSION

Bob Iyall, President

Jasmine Vasavada, Vice President

Sarah Tonge, Secretary

Maggie Sanders, Commissioner

Amy Harding, Commissioner

DRAFT

COVER MEMO

Briefing Date/Time: November 12, 2024

Staff Contact/Title: Afsin Yilmaz, Marine Terminal Senior Manager
(360) 528-8015, afsiny@portolympia.com

Subject: 2024 Capital Budget Amendment: Marine Terminal Warehouse

Purpose: Information Only Decision Needed

Overview:

- Action Item – Approval Requested

The purpose of bringing this issue before the Commission is to gain Commission approval of an amendment to the 2024 capital budget to initiate design and procure infrastructure for a new temporary Marine Terminal warehouse.

Background:

The Port's greatest need within its four business units is to complete revenue-generating projects. Since 2008, the Marine Terminal's main cargo was log exports, which (on the terms the Port originally agreed to) turned out not to be a sustainable long-term business model. More recently, the Marine Terminal has pivoted to add "warehouse-seeking" cargo, and the Port asset with the most significant revenue-generating potential is its 76,000 square foot warehouse, built in 1983. No other Port in South Puget Sound has a warehouse in such close proximity to its berths – just 175 feet from the shoreline.

The Port's pivot to add warehouse-seeking cargo to the Marine Terminal business bore fruit when Suzano, an importer of paper bulk, chose to send shipments to Olympia. Suzano has taken maximum advantage of the Port's warehouse capabilities, and it has proven to be profitable business line for the Port.

It has proven so successful as a business model for Suzano and the Port that the company would like to significantly expand shipments through our Port. However, the paper bulk product requires indoor storage until it can be delivered by truck to several regional mills. If the Port had additional storage available, Suzano would gain increased economies of scale with larger shipments, directly translating into increased Port revenues. Suzano has indicated that its shipments

will increase as soon as additional storage is available, and has committed to send this cargo through Olympia if the extra storage a new warehouse would provide is available and the local mills still purchase their paper bulk from Suzano.

Even without Suzano's business, additional storage leverages the most important asset the Marine Terminal has to offer to the worldwide bulk cargo market – covered storage immediately adjacent to its berths.

The intent of this budget amendment is to provide the capital required to complete the design and purchase of infrastructure for a new temporary 50,000 to 70,000 square foot modular warehouse facility immediately east of the existing warehouse.

The proposed warehouse features include portability and the potential for future expansion. It also can be used as a multi-purpose structure that is compatible with a range of alternatives as may be analyzed in the Port's Integrated Master Plan.

Documents Attached:

PowerPoint Presentation

Summary and Financial Impact:

- 2024 capital budget amendment authority requested: \$1 million
- Source of funds: Unrestricted excess cash reserves
- 2025 additional authority that may be required to complete construction: Up to \$3 million
- Estimated breakeven timeframe: Five years, possibly less dependent on shipment volume

Staff Recommendation:

Approval to amend the 2024 capital budget with an additional \$1 million to initiate design of and procure infrastructure for a new 50,000 to 70,000 square foot warehouse.



PORT of OLYMPIA
Serving All of Thurston County

2024 Capital Budget Amendment: Marine Terminal Warehouse

Afsin Yilmaz
Marine Terminal Senior Manager
November 12, 2024



1



Today's Presentation

Action Item – Approval Requested

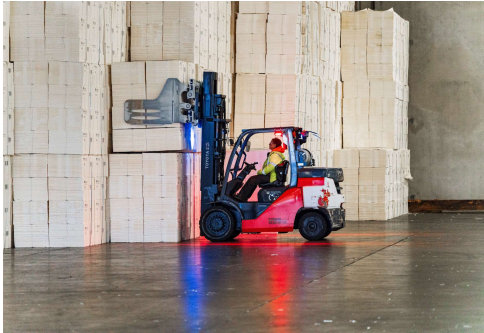
- Approve an amendment to the 2024 capital budget to initiate design of and procure infrastructure for a new 70,000 square foot Marine Terminal warehouse
- Advisory presentation Aug. 12, 2024



2

History/Current Status

Warehouse is Marine Terminal's Most Valuable Asset



- 76,000 sq ft warehouse constructed in 1983
- Located just 175 feet from waterline
- No other South Sound port can offer anything remotely similar

3



3

Warehouse Activities' Contribution to Terminal Finances

Terminal P&L											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024*
Total Operating Revenue	\$ 7,428,039	\$ 3,989,718	\$ 4,832,755	\$ 4,809,676	\$ 4,221,759	\$ 4,030,091	\$ 4,656,922	\$ 5,283,148	\$ 8,761,812	\$ 6,552,758	\$ 5,447,326
Total Operating & Maintenance Expense	\$ (5,499,826)	\$ (2,911,566)	\$ (3,716,698)	\$ (3,849,252)	\$ (2,990,378)	\$ (3,148,236)	\$ (3,511,101)	\$ (3,816,231)	\$ (5,908,701)	\$ (3,941,415)	\$ (3,102,383)
Income before Depreciation, Interest Expense, & Overhead	\$ 1,928,213	\$ 1,078,152	\$ 1,116,057	\$ 960,424	\$ 1,231,381	\$ 881,855	\$ 1,145,821	\$ 1,466,917	\$ 2,853,111	\$ 2,611,343	\$ 2,344,943
Depreciation	\$ (1,429,815)	\$ (1,826,866)	\$ (1,934,808)	\$ (1,636,543)	\$ (1,703,704)	\$ (1,712,860)	\$ (1,707,300)	\$ (1,749,500)	\$ (1,793,868)	\$ (1,797,979)	\$ (1,204,351)
General & Admin	\$ (543,042)	\$ (635,953)	\$ (758,620)	\$ (668,217)	\$ (580,248)	\$ (741,416)	\$ (910,991)	\$ (564,891)	\$ (413,598)	\$ (910,921)	\$ (707,187)
Net Operating Income / (Loss)	\$ (44,644)	\$ (1,404,667)	\$ (1,577,371)	\$ (1,344,338)	\$ (1,052,571)	\$ (1,572,421)	\$ (1,472,470)	\$ (847,474)	\$ 645,645	\$ (97,557)	\$ 433,405
*2024 figures through month end August											
Total Operating Income / (Loss) excluding G&A	\$ 498,398	\$ (748,714)	\$ (818,751)	\$ (676,119)	\$ (472,323)	\$ (831,005)	\$ (561,479)	\$ (282,583)	\$ 1,059,243	\$ 813,364	\$ 1,140,592

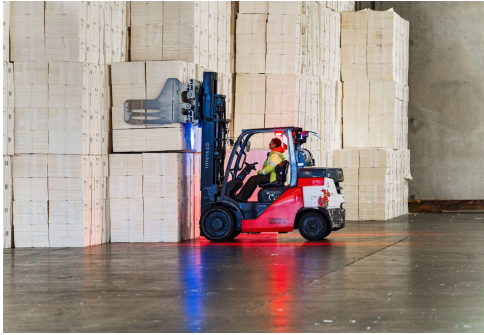
4



4

History/Current Status (cont'd)

Existing Warehouse Capacity Limits Port Revenue



- Demand for supporting Suzano bulk paper transloading warehouse operations exceeds current capacity
- Additional capacity will immediately generate significant additional revenue
- Additional capacity will also provide Suzano much improved economies of scale

5



5

New Warehouse Location

70,000 Sq Ft, Portable, Expandable

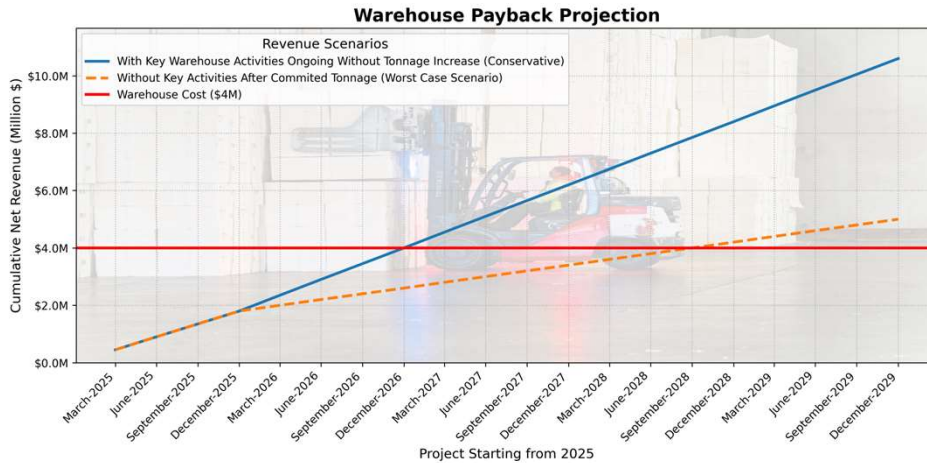


6



6

Warehouse ROI Projections



7



7

Capital Budget Proposal

Initiate Design, Procure Infrastructure



- \$1 million addition to 2024 capital budget
- Source: Unrestricted excess cash reserves
- Additional \$3 million projected in 2025
- Breakeven period three to five years
- Use not limited to a single customer
- Port Peninsula Integrated Master Plan compatible

8



8

Questions and Comments

Suggested Motion

*"...move to amend the 2024 Capital Budget and add
\$1 million for a Marine Terminal warehouse..."*

9

COVER MEMO

Briefing Date/Time: November 12, 2024

Staff Contact/Title: Alex Smith, Executive Director, 360.528.8001,
alexs@portolympia.com

Subject: ILWU 47B Contract Ratification 2024-2027

Purpose: Information Only Decision Needed

Overview:

This is an Action/Other agenda item. Approval is requested.

ILWU 47B membership has ratified this contract.

Document Attached:

PowerPoint presentation.

Staff Recommendation:

Approve Commission ratification of the recently negotiated first contract with ILWU Local 47B.



PORT of OLYMPIA
Serving All of Thurston County

ILWU 47B Contract Ratification 2024-2027

Alex Smith
Executive Director
November 12, 2024



1



Today's Presentation

Action/Other

- Request Commission ratification of the recently negotiated Port-ILWU 47B collective bargaining agreement



2

ILWU 47B Collective Bargaining Agreement

History



- Local 47B is an affiliate of the International Longshore and Warehouse Union (ILWU)
- Local labor union organized in 2021; contract negotiations commenced in 2022
- First contract between Port and Local 47B
- Membership includes 14 FTEs at Swantown Marina/Boatworks & Olympia Regional Airport
- Term: Nov. 12, 2024 – Dec. 31, 2027

3

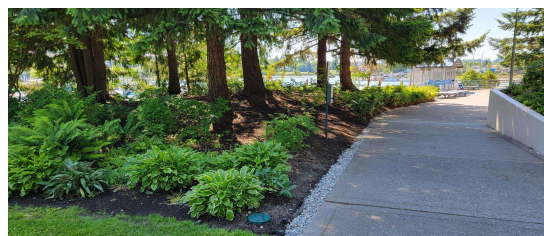
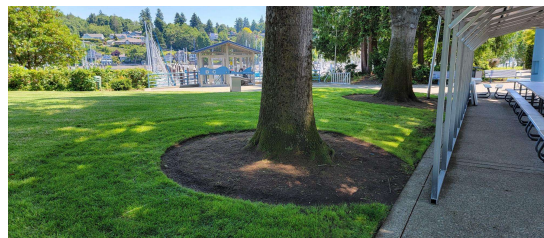


3

ILWU 47B Collective Bargaining Agreement

Contract Contents

- 31 articles
- Rights and responsibilities
- Schedules, work hours
- Wages, leave, holidays
- Pension and benefits
- Working conditions, dispute handling
- Subcontracting
- Joint Labor Relations Committee
- Training program



4



4

Questions and Comments

Suggested Motion

"...I move to ratify the ILWU Local 47B collective bargaining agreement with the Port of Olympia for the time period of November 12, 2024 through December 31, 2027..."

5



5

COVER MEMO

Briefing Date/Time: November 12, 2024

Staff Contact/Title: Tad Kopf, Director of Finance 360.528.8043,
Tadk@PortOlympia.com

Subject: Technical Account CPA Contract Extension

Purpose: Information Only Decision Needed

Overview:

- This presentation is an Action/Other agenda item.
- Action is requested from the commission tonight.

Background:

This presentation is for a budget amendment to the non-competitively solicited contract 2003-1009 executed on 2/1/23 expiring on 12/31/24 with Teresa D Johnson CPA. The contract is called 'Technical Accounting Services' with a not to exceed contract amount of \$49,999.00. This contract was authorized by the Executive Director under the delegation of authority and Port policy 1001.

The scope of work for the contract covers technical accounting assistance as requested by the Port as they prepare financial statements and during Washington State Auditor's Office examinations. The scope also includes reviewing financial statements for GAAP compliance and offer support in updating applicable BARS updates and GASB.

The first amendment was executed on December 5, 2023, which extended the expiration date from December 31, 2023, to December 31, 2024, and added \$24,999 of contract authority. This brought the new not to exceed total for the contract to \$49,999.00.

The second amendment was executed on August 25, 2024, which amended the scope of work to include payroll taxes and reporting.

The requested third amendment is due to unanticipated costs associated with necessary staffing changes which exceeded the funds available under the second



amendment. This is a stop gap action as an informal competitive request for proposals has been issued for a replacement contract using the MRSC statewide rosters. The new contract is anticipated to be in place prior to year end 2024.

This third amendment is being brought before the Commission as the new not to exceed dollar amount, per Policy 1001, exceeds the Executive Director's Delegation of Authority for a non-competitively solicited contract.

Documents Attached:

- Teresa D Johnson Statement of Qualifications

Summary and Financial Impact:

The Port is requesting the commission to authorize the Executive Director to sign a contract amendment for our Technical Accounting Services consultant, contract #2023-1009.

- The third amendment for Teresa D Johnson CPA is to add \$30,000.00 for a new total not to exceed amount of \$69,999.00 (49,999.00 + 30,000.00).
- Services under this contract will be covered under Outside Professional Services under the 2024 Finance Budget.
- Much of this increase cost will be offset by the currently open AP/Payroll position.

Options with Pros and Cons:

This amendment provides technical accounting services support as needed until a new competitive contract is executed, and or the AP / Payroll role is filled. By not amending this contract, the Port would be limited in their ability to perform Payroll activities and greatly impact AP activities as well.

Staff Recommendation:

Approval of amendment, as presented, for the Technical Accounting Services contract of Theresa D Johnson CPA (Contract #2023-1009).

Next Steps/Timeframe:

If approved, the Port will amend contract #2024-1009 for a new not to exceed total of \$69,999.00.




PORT of OLYMPIA
Serving All of Thurston County

Technical Account CPA Contract Extension

Tad Kopf
Finance Director
November 12, 2024




1



Today's Presentation

Action Other – Action Required

- Teresa D Johnson, CPA Inc.
Operational Personal Services 2023-1009
- Next steps



2

Operational Personal Services Contract Solicitation History

- MRSC Roster selection made – 2023
 - Amended at end of year to December 2024 and added money
 - Amended August 2024 to add scope of payroll, taxes, and reporting

3



3

Scope of Work – Teresa D Johnson, CPA Inc.

- Technical accounting services
 - Financial statement preparation for state auditors
 - GAAP compliance review
 - BARS and GASB updates and compliance
 - Payroll, taxes and reporting

4



4

Agreement No. 2023-1009 Amendment #3: Teresa D Johnson, CPA Inc.

Request: Approve Agreement Amendment #3

Term	
Contract Commencement	February 1, 2023
Planned Expiration	December 31, 2024
Costs	
Current Not-To-Exceed (NTE)	\$49,999
Proposed Additional	\$30,000
New Total NTE	\$79,999

5



5


Next Steps

- If approved, the Port will amend the contract to the new not to exceed limit.

6




6



Questions and Comments

7





*TERESA D JOHNSON, CPA INC
STATEMENT OF QUALIFICATIONS*

Contact Information

*Teresa D Johnson, CPA
360 904-0972
teresa@tdjcpa.com
6012 NW 169th St
Ridgefield, WA 98642*

Firm Highlights

- 22 years providing services to local governments within Washington State.
- Firm Size - 5 CPA's (See Firm Profile below for employee experience and qualifications), 3 Paraprofessionals
- Services Include:
 - Annual Reporting
 - SAO submission
 - New GASB implementation
 - Read Client Statements before submission to SAO
 - Capital asset policy assistance
 - Software implementation
 - Internal Control Assistance
 - Pension Calculations under GASB 68
 - Experience with Cities, Counties, Port Districts, Housing Authorities, other special service districts.

PHONE
360.904.0972
EMAIL
Teresa@TDJCPA.COM



*TERESA D JOHNSON CPA, INC
FIRM PROFILE*

My firm, Teresa D Johnson, CPA Inc., consists of three Certified Public Accountants and specializes in Washington State local governments.

In 1998, I started my own CPA firm which concentrates on local governmental financial reporting and accounting. We have assisted local governments with financial statement compilations, reading client prepared statements, acting as controller for smaller entities, standing in the gap during software implementation and leaves of absences and assisting with various special projects, including internal control improvements. Additionally, we have acted as audit liaison for my clients and have maintained a good rapport with the local State Auditor's Office.

We also have extensive experience in implementing new GASB standards. We have trained several clients in new reporting standards, provided them with conversion spreadsheets and financial statement templates and gave them the tools to prepare their own financial statements in subsequent years. For other clients, we compile their annual financial statements for audit. We have worked with finance directors and accountants and understand the ever changing reporting requirements and the need to do special projects in the midst of already full workloads. We are all quick learners and have worked with many different internal financial systems. Our clients have indicated that they have appreciated our ability to quickly adapt to new circumstances and promptly provide the needed financial and business advice when required.

Teresa D Johnson, CPA

Prior to working in my own firm, I performed Washington State local government agency audits for five years while employed by the Washington State Auditor's Office (SAO). During this time, I assisted with and was auditor in charge of entities such as cities, ports and transportation districts. During my employment at SAO, I performed financial statement, compliance and single audits. Compliance auditing included reviewing bond documents, contracts and RCW's. The single audits required me to understand federal requirements and provided me with the skills to research federal compliance supplements.

Lisa Brown, CPA

Lisa has been with the firm since 2013. Lisa is bright, efficient and straight forward. She has a high level of integrity and likes to make the most of technology. Lisa has developed an expertise in Pension and OPEB accounting. Previously, Lisa spent six years at a private sector public accounting firm, specializing in interstate and corporate taxation, financial statement review, and business consulting.

Christine Smith, CPA, MBA

Christine started in January 2018 and comes with thirteen years of experience from the City of Vancouver, working as Accounting Manager, Internal Auditor and Grant Accountant. She also has four years' experience working as an Associate for a Big 4 accounting firm. She has extensive



experience in local government audit, risk, and internal control issues. Christine is an accomplished accountant and manager with a heart to serve.

Catrina Galicz, CPA

Catrina started with the firm in February 2021 and comes with fourteen years of governmental audit and accounting experience through positions held at the State Auditor's Office and local governments within Clark County. Catrina became a licensed CPA in February 2011. Catrina enjoys supporting and serving, especially when it promotes healthy community, fiscal accountability and transparency in government.

Sarah Kaczmarek, CPA

Sarah started with the firm in late 2019 and has been working with our team to develop skills in governmental and non-profit accounting. She has passed the CPA exam and anticipates finished up her licensure requirements in 2021. Sarah comes to us with a background in bookkeeping, payroll, and tax preparation.

As a firm, we enjoy working in environments where we can interact on a professional level and share ideas to create solutions that benefit our clients, while complying with State RCW's and generally accepted accounting principles. With the continuing financial pressures put on local governments, we believe one of our unique niches is to come alongside accounting and finance departments to assist with annual reporting, technical services for special projects, implementations of GASB standards, as well as consulting and problem solving.

Please see the professional references listed below. Our experience, knowledge and reputation would be a great asset to your government. We look forward to working with you.

References

Peninsula Metropolitan Park District
Sherman Enstrom, Director of Finance and Administration
(360) 887-3873

Kelso Housing Authority
Joleen Reece, Executive Director
(360) 423-3490

City of Camas
Cathy Huber Nickerson, Finance Director
(360) 817-1537

P H O N E
3 6 0 . 9 0 4 . 0 9 7 2
E M A I L
T e r e s a @ T D J C P A . C O M

COVER MEMO

Briefing Date/Time: November 12, 2024

Staff Contact/Title: James Sommer, Capital Assets Program Manager,
360.528.8005, JamesS@PortOlympia.com

Subject: Professional Services Contracts Amendments

Purpose: Information Only Decision Needed

Overview:

- This presentation is an Advisory.
- No action is required from the commission tonight.
- This item will be back before the commission on November 25, 2024, on the Consent agenda.

Background:

This presentation address two of our competitively solicited on call Professional Services contracts. In March of 2022, the Port of Olympia released a Request for Qualifications (RFQ) for our On Call Professional Services pool. The solicitation requested interested eligible firms submit their qualifications for the following services.

- Community, Economic, Land Use and Environmental Planning
- Engineering
- Surveying
- Architecture
- Landscape Architecture
- Project and/or Construction Management
- Archeological / Cultural Resources
- Arboricultural Services

The Moffat and Nichol, Inc. contract (2022-1017) for on call Professional services was executed under Executive Director authority on April 13, 2022, after the competitively solicited request for qualifications was performed.

- The current term of the contract is through March 31, 2025, with a not to exceed amount of \$99,999.00.
- Under this contract there have been 2 task orders issued totaling \$49,260.00 in committed funds.

The Skillings, Inc. contract (2022-1022) for on call Professional services was executed under Executive Director authority on April 13, 2022, after the competitively solicited request for qualifications was performed.

- The initial term of the contract was through March 31, 2023, with a not to exceed amount of \$99,999.00.
- The contract was amended in 2023 to extend the expiration date to December 31, 2024, and add an additional \$200,001.00 of contract authority.
- The contract was amended again in July 2024 to extend the current expiration date to December 31, 2025.
- Under this contract there have been 14 task orders issued totaling \$258,215.63 in committed funds.

Documents Attached:

- Moffatt & Nichol Statement of Qualifications
- Skillings Statement of Qualifications

Summary and Financial Impact:

The Port is requesting the commission to authorize the Executive Director to sign contract amendments with two of our on-call Professional Services consultants.

- The first amendment is with Moffatt & Nichol to continue providing on-call professional services, extending the term of the agreement through December 31, 2026, and adding \$200,001 for a new total not to exceed amount of \$300,000.00.
- The second amendment is with Skillings to continue providing on-call professional services, extending the term of the agreement through December 31, 2026, and adding \$200,000 for a new total not to exceed amount of \$500,000.00.

Affected Parties:

Port staff and tenants.

Options with Pros and Cons:

These amendments provide Professional Services support as needs arise throughout the year on various projects. By not extending these contracts and adding contract authority, the Port would be limited in their ability to perform tasks that require services as outlined above.

Staff Recommendation:

Approval of amendments, as presented, for the Professional Services contracts of Moffat & Nichol (Contract #2022-1017) and Skillings (Contract #2022-1022).

Next Steps/Timeframe:

We are asking the commission to approve these Professional Service contract amendments as part of the Consent agenda on November 25, 2024.



PORT of OLYMPIA
Serving All of Thurston County

Professional Services Contracts Amendments

James Sommer
Capital Assets Program Manager
November 12, 2024



1



Today's Presentation

Advisory Only – No Action Required

- Moffatt & Nichol
Professional Services Contract 2022-1017
- Skillings
Professional Services Contract 2022-1022
- Next Steps



2

Professional Services Contract Solicitation History

- On-Call Professional Services Pool
- Competitive Solicitation Process
 - Request for Qualifications released – February 2022
 - Statement of Qualifications due – March 2022
 - Initial contracts signed – April 2022

3



3

Scope of Work – Moffat & Nichol

- Community, Economic, Land Use and Environmental Planning
 - Advanced Planning
 - Environmental Planning
 - Economic, Real Estate, Market Development
 - Land Use
 - Grant Writing
 - Data Analysis and Mapping
- Engineering
 - Civil
 - Environmental
 - Structural
 - Inspection and Rehabilitation



moffatt & nichol

4



4

Agreement No. 2022-1017 Amendment #3: Moffatt & Nichol

Request: Approve Agreement Amendment #3

Term	
Contract Commencement	April 1, 2022
Planned Expiration	December 31, 2026
Costs	
Current Not-To-Exceed (NTE)	\$99,999
Proposed Additional	\$200,001
New Total NTE	\$300,000

5



5

Scope of Work – Skillings

- Engineering
 - Civil
 - Electrical
 - Geotechnical
 - Mechanical
 - Structural
- Surveying
- Project Management



6



6

Agreement No. 2022-1022 Amendment #3: Skillings

Request: Approve Agreement Amendment #3

Term	
Contract Commencement	April 20, 2022
Planned Expiration	December 31, 2026
Costs	
Current Not-To-Exceed (NTE)	\$300,000
Proposed Additional	\$200,000
New Total NTE	\$500,000

7



7


Next Steps

- Future Commission action will be requested in November 2024.
- Request the Commission to authorize the Executive Director to execute the Professional Services Agreement Amendments as presented.

8




8



Questions and Comments

9





600 University Street, Suite 610
Seattle, WA 98101

Tel: (206) 622-0222 Fax: (206) 622-4764
moffattnichol.com

March 4, 2022

Chris Martinez
Contract and Grant Administrator
Port of Olympia
606 Columbia Street NW, Suite 300
Olympia, WA 98501
Via email: chrism@portolympia.com

RE: REQUEST FOR QUALIFICATIONS – NO. 2022-1000 ON CALL PROFESSIONAL SERVICES POOL

Dear Mr. Martinez and Review Committee Members:

The Port of Olympia’s 2022 RFQ for On-call Professional Services establishes on-call consultant services roster for maintaining, repairing and enhancing your valuable public facilities and assets. Moffatt & Nichol (M&N) has been providing similar on-call services for many regional and national agencies and offers our local professionals’ expertise in categories A. Community, Economic, Land Use, and Environmental Planning and B. Engineering. We will support and work with the Port to deliver task order projects that meet your needs.

CATEGORIES FOR WHICH M&N PROPOSES

- › A. Community, Economic, Land Use and Environmental Planning
- › B. Engineering

A family-owned firm for over seven decades, M&N is a multi-disciplinary engineering and planning firm that provides a full range of services including planning, design, economic, and environmental services to support our clients’ project needs. Our teams in Seattle and Federal Way are backed by M&N’s national resources of more than 850 specialists to provide the Port with the expertise in both categories. Our resources and staffing allow us to perform custom-scaled projects, while remaining attuned to each local client’s specific requirements.

We thank you for the opportunity to submit our qualifications and we look forward providing engineering and consulting services to meet your upcoming project needs. If you have any questions or require additional information, please contact me at (206) 622-0222.

Sincerely,

MOFFATT & NICHOL

R. Shane Phillips, PE
Business Unit Leader

A. Community, Economic, Land Use and Environmental Planning

Environmental Planning

M&N provides the full range of environmental planning services necessary to respond to environmental challenges. Specialties include numerical and physical modeling, hindcasting, and statistical analyses to determine storm surge, wave height and current magnitudes; coastal morphological analyses; and hydrostatic loads on structures. We also use modeling and in-water engineering expertise to support design within the estuarine and riverine environments.

M&N's engineers and scientists routinely evaluate local and global sea levels as part of designing coastal flood protection projects, and they are familiar with risk-based, probabilistic methods used in project life-cycle analyses and risk assessments. We are particularly qualified to assess the vulnerability to sea level rise and to develop strategies in a manner that is easily understood by planners, architects, and local communities.

M&N scientists use unique techniques and tools to plan and design ecosystem restoration projects (both large and small). Strategies include the introduction of ocean tides through new or redesigned inlets; the introduction of river water, mineral sediments and nutrients through diversions; the management/ regulation of flows to reduce saltwater intrusion; and marsh restoration and vegetation plantings.

Land Use and Environmental Regulatory Permitting and Compliance

NEPA / SEPA reviews (exemptions, categorical exclusions, checklists, environmental assessments, and environmental impact statements). Federal, state, and local environmental regulations and codes applicable to endangered and protected species habitat (e.g., Endangered Species Act, Marine Mammal Protection Act, etc.), and the environment (e.g., Clean Water and Air Acts, Coastal Zone Management Act, etc.).

Experience with U.S. Army Corps of Engineers (USACE) section 204 and 408 regulations. All phases of the permitting process, including but not limited to, permit applications, biological and habitat assessments, Incidental Harassment Authorizations, and mitigation and monitoring plans.

Grant Writing and Administration

As a leader in port and marina design and engineering, M&N is knowledgeable of available and applicable funding opportunities that may be available to clients' facilities and organization. M&N has successfully identified grant funding opportunities for many of Washington's ports and supported them with successful grant applications (e.g., MARAD, RCO, PSGP, BUILD, INFRA, FEMA, NOAA, USFWS, NFWF). M&N can support the Port with strategic assessment of proposed grants, developing a compelling storyline that is integrated with the required analytical support—benefit/cost analysis, public policy compliance, economic impact analysis, traffic and operational studies, capital program and alternative analyses, revenue forecasting, commercial and market viability studies, environmental reviews, and resiliency/restoration studies



SUBJECT AREAS

- › Environmental Planning (Sea Level Rise, Climate Change Adaptation, Natural Resource and Habitat Restoration, Brownfield Remediation and Redevelopment, etc);
- › Land Use and Environmental Regulatory Permitting and Compliance (Local, State and Federal); and
- › Grant Writing and Administration (Local, State and Federal Programs)

B. Engineering

M&N is a family- and employee-owned firm with experts located in offices throughout the US. This geographic coverage allows us to respond quickly to our clients with local knowledge, and, if necessary, supplement it with our broader experiences, responding to all our client needs, large or small.

The interconnectivity of M&N’s engineers, scientists, and other professional staff is an important part of providing innovative and cost-effective solutions. M&N has a broad background of experience and expertise in civil, environmental, and structural engineering as well as inspection and rehabilitation services.

Civil Engineering

Our civil services include marine facility planning and design, site layout, grading and earthwork; roads; railroad and intermodal yards; utilities design, including fire and domestic water supply systems, sanitary sewer conveyance systems, and storm drainage; storm water treatment in marine environments; and erosion and sedimentation control systems design. M&N has extensive expertise in waterfront inspection, planning and design for projects ranging from public access sites; to Marinas and supporting facilities; to industrial waterfront goods movement.

Environmental

M&N professionals are experienced in developing construction and industrial Storm Water Pollution Prevention Plans (SWPPPs). We have experts in biogeophysics, biogeochemistry, biological systems, and ecosystem habitats. We provide a wide range of modeling services from hydrodynamic modeling for calculating water movement to eutrophication modeling for evaluating nutrient-related water quality issues.

Environmental remediation and restoration for the presence, evaluation, and remediation of hazardous materials in soil, sediment, and groundwater. Expertise includes evaluation of historic contamination, active spill management, cleanup documentation, regulatory coordination, and reporting.

Structural Engineering

M&N has shaped the practice of marine and waterfront structural engineering. Our staff has authored design and planning manuals for national standards for dry docks, moorings, port facilities, coastal protection, and utility services. We are recognized throughout the world for our role in the evolution of modern marina and small craft harbor design. Our dedicated design professionals have a proven track record in the design and preparation of plans and specifications for constructing coastal structures and supporting utilities. These projects have included marinas, mooring systems, bulkheads, shore protection, breakwaters, seawalls, and wharves for commercial and military vessels.

Inspection and Rehabilitation (Above and Underwater Inspection)

M&N is nationally recognized for its expertise in waterfront inspection and rehabilitation design. The firm offers clients engineering solutions with the goal of extending the service life of their waterfront infrastructure. With a focus on added value and consideration of clients’ financial constraints, the firm offers service life engineering, durability modeling, and finite element modeling in addition to planning and design services—all targeted towards extending the service life of existing marine structures, bridges, and other engineered structures for port, military, and transportation clients.



SUBJECT AREAS

- › Civil (Utilities, Streets/Roads, Railroads, Marine Facilities, etc.);
- › Environmental (Stormwater, Hydraulics, Environmental Remediation, Environmental Restoration, etc.);
- › Structural (Buildings, Bridges, Large Structures, etc.); and
- › Inspection and Rehabilitation

References

The following references have experience working with Moffatt & Nichol on a variety of tasks that are included in scope category A and B of the solicitation. Additional references can be provided if desired by the Port of Olympia.

Dwight Jones
Elliott Bay Marina
206-285-4817
whitey@elliottbaymarina.net

Brett Arvidson, Project
Manager
City of Oak Harbor
360-279-4521
barvidson@oakharbor.org

Greg Nicoll, Engineering
Program Manager
Port of Bellingham
360-676-2500
gregn@portofbellingham.com

Port of Olympia

On-Call Professional Services Pool
2022-1000



Patrick Skillings, PMP
Principal-in-Charge
pskillings@skillings.com
(360) 491-3399

www.skillings.com
5016 Lacey Blvd. SE
Lacey, WA 98503



B o l d | C r e a t i v e | R e s p o n s i v e

March 2, 2022

Christopher Martinez

Contracts and

Grants Administrator

Port of Olympia

ChrisM@PortOlympia.com

(360) 528-8010

RE: On-Call Professional Services Pool

Dear Christopher,

The Skillings team is excited about this opportunity and is committed to providing the top-notch services the Port of Olympia desires. Skillings has provided consulting engineering services for capital improvement projects that encompass our experience in site development, transportation, stormwater, environmental, water, wastewater, and surveying since 1983.

We are Bold, Creative, and Responsive. Our process is to engage with our clients to explore and investigate alternative solutions where possible, communicating continually and executing the best solutions based on our client's needs. Our working relationship with the Port will be a benefit as we understand how design decisions fit into program goals. Communications is a top priority between members of our team and our clients. Establishing a consistent communication schedule through weekly project status updates will allow us to progress quickly and deliver your project in the shortest possible time frame.

We have provided on-call and roster-based services to numerous public agencies, municipalities, and educational institutions throughout the Pacific Northwest. As we live, work, and play in Washington, we often know the history behind the communities. We are familiar with the local regulations, politics, environmental conditions, and infrastructure needs of many cities and counties throughout the state. Our 39 years of experience provides valuable best practices and lessons learned, as well as time and money-saving project ideas.

The Skillings team provides expertise for:

- Engineering
- Surveying
- Project and/or Construction Management

Sincerely,



Patrick Skillings, PMP

Principal-in-Charge

pskillings@skillings.com

www.skillings.com

5016 Lacey Blvd. SE

Lacey, WA 98503

(360) 491-3399

Our dedicated staff will deliver efficient, cost-effective services on all Port projects. As the proposed Principal-in-Charge, I certify that the entire proposed project team will support the Port of Olympia's needs with 24-hour emergency availability, immediate response, and timely delivery of all project services.

Skillings focuses our energy on building relationships with our clients. We thank you in advance for your consideration and look forward to working with you again. If you have any questions, please call me at (360) 491-3399.

We look forward to the opportunity to serve the Port of Olympia.



Engineering

Skillings helps our clients plan, design and build projects to meet the needs of their users. While the design and permitting of the project is important, so too is the understanding of the way communities and the public rely on Port facilities and the way they are used for commerce, community gathering, and recreation. Skillings has provided civil engineering/design, AutoCAD/GIS support, and environmental services on an on-call or roster-based contract for clients such as the Port of Olympia, City of Anacortes, Port of Grays Harbor, and Port of Tacoma. Our services include working as an extension of our clients' staff on independent PS&E project tasks. We utilize the LAG Manual, Environmental Procedures Manual, and Ecology Stormwater Management Manuals for the majority of our projects.

Over the last 39 years, Skillings has served government, local agencies, and special districts by successfully completing over 2,500 projects. Ninety-one percent of our work is for returning clients. This is a record that can give you confidence in our long-term commitment to service our clients. Skillings is familiar with the Port's requirements, standards, and expectations, and can perform work that meet's your expectations. In addition, our office of 39 employees has the breadth and depth of resources to mobilize quickly for any size task order. The Skillings team commits to providing the right expertise and capacity to meet your needs. We have the depth to add additional staff to the project team as necessary and will work directly with you to develop an action plan that fulfills your schedule requirements. On-Call Manager, Patrick Skillings will ensure that the time commitment of key members and support resources are dedicated as necessary for successful project delivery.

We have included Sargent, Hultz | BHU, and Quality Geo, all long-term partners with Skillings, as team members to support contracts as they have on the previous Port On-call and the current Boatworks Dry Storage Expansion project.

Engineering Services We Can Provide

- Pre-Design, Investigations, & Studies
- Preliminary Design Reports
- Structural Evaluations & Design
- Mechanical & Electrical Design
- PS&E Preparation
- Shoreline Management Act Permitting
- Olympia Development Review/SEPA
- Aquatic Permitting (Section 401/404, HPA)
- Cost Estimating & Bidding Support
- Storm Detention/Water Quality Design
- Sanitary Sewer Design/Lift Stations
- Water Utility/Connection Design
- Roadway & Intersection Design
- Pavement Rehabilitation & Overlay Design
- ADA Accessibility Designs
- Access Roads
- Site Grading
- Parks and Multi-Use Trails
- Signage and Public Outreach Materials



Skillings

- Civil
- Environmental



Sargent Engineers

- Structural



Quality Geo

- Geotechnical



Hultz | BHU Engineers

- Mechanical, Electrical

Experience with Similar Tasks

- Port of Olympia | Boatworks Dry Storage Expansion
- City of Lacey | 5700 Lacey Blvd Hazardous Material Investigation
- City of Bainbridge Island | Pump Station Shoreline Permitting
- City of Gig Harbor | 50th St Ct Shoreline Permitting
- Port of Olympia | Swantown Marina Expansion
- City of Anacortes | Sediment Sampling, NPDES Compliance
- Port of Grays Harbor | Terminal 4 Extension Permitting
- City of Chehalis | Chehalis-Centralia Airport Pump Station Rebuild

Patrick Skillings, PMP
Principal-in-Charge

Ian Lee, PE
Lead Engineer

Grant Gilmore, PWSM
Environmental Manager

Dave Bell, PE
Utilities

Surveying

Survey is a core service that Skillings provides, and we maintain a skilled in-house survey crew that will provide highly accurate survey projects for the Port. Skillings has the depth to successfully deliver your on-call surveying service tasks. Our team is fully capable of providing the Port with ALTA, Boundary, Construction, Topographic, Planimetric, Hydrographic, Bathymetric, Boundary Line Adjustments, Binding Site Plans, Short Plats, Legal Descriptions as well as other tasks as assigned.

Skillings has 39 years of experience doing research, field work, review and preparation of documents, drawings and exhibits.

Historically, Skillings has provided surveying services to the Port of Olympia for many decades. Skillings' survey department has excessive knowledge of the Port of Olympia ownership and services. This work has included preparing Binding Site Plans and revisions, Short Plats, topographic surveys, legal descriptions for leases and setting Port of Olympia specific horizontal and vertical control.

Experience with Similar Tasks

Port of Olympia | On-Call Surveying Services
Pierce County | On-call Surveying Services
City of Tumwater | On-Call Surveying Services
City of Bremerton | Roundabout & Safety Improvements
City of Bainbridge Island | Lovell Ave. Sewer Beach Mains
City of Gig Harbor | Harborview Dr Improvements

Rynea has over 25 years of survey experience, including: boundary surveys, ALTA surveys, BLAs, topographic surveys, right of way plans and certification maps, Aquatic Surveys, Cadastral Surveys, GPS surveys, construction staking, and writing legal descriptions. She has worked in all types of conditions, from urban corridors to forest land and aquatic environments. Rynea received her Certified Federal Surveying Certification (CFedS) from the Bureau of Land Management, which includes extensive training on Cadastral Surveying and allows her the ability to work on Tribal lands.

In addition, our team will be able to immediately access the work site, as our Project Surveyor/Survey Party Chief (Riley Edwards) has a current TWIC card for access to Port Facilities.

Rynea Edwards, PLS, CFedS
Survey Manager

Clarence Allmendinger
Project Surveyor/Survey Party Chief

Riley Edwards, LSIT
Project Surveyor/Survey Party Chief

Matt Gallagher
Survey Technician/sUAS Pilot

Evan Tonder
Field Technician

Survey Services We Can Provide

ALTA
Boundary
Construction
Topographic
Planimetric
Hydrographic
Bathymetric
Boundary Line Adjustments
Binding Site Plans
Short Plats
Legal Descriptions
Other Tasks as Assigned

Project and Construction Management

Skillings maintains an experienced construction management group, which includes construction managers/resident engineers, site inspectors, field engineers, and office engineers. Our construction management follows the following approach: Field inspectors prepare an IDR daily; providing detailed documentation. Our staff makes certain that materials documentation is completed and that it meets the requirements of the contract. The use of IDRs allows us to track the contractors' activities daily and report back to the Port on project status. The office engineer approves shop drawings and addresses requested change orders. More importantly, our office engineer and construction manager work to identify risks during construction and develop mitigation strategies to minimize risk. Our construction staff works to identify potential claims and works with the contractor and owner to avoid any contractor claim. A key part of construction management will be to prepare or review construction estimates.

For marine inspection, we have on staff a certified commercial diver that also holds a certification as an ASTM Level II nondestructive testing inspector. For future projects, additional options for nondestructive testing through the use of ultrasonic testing, dye penetrant, sounding, and visual inspection can all be applied to the structural analysis of infrastructure within the marine environment. Visual inspection combined with sounding, a technique which utilizes a hammer and listening for defects. These simple methods allow for a quick assessment to be performed that helps to pinpoint troubled areas early on during the inspection.

Skillings understands the value of every dollar expended for public projects and will work with the contractor to develop the most cost-effective solution in the event of a change order. Our success comes from good communication with both the contractor and the Owner, facilitating a good relationship and successful project.

Project & Construction Management Services We Can Provide

- Bidding Support
- Construction Administration & Management
- Submittal Review
- Shop Drawing Review
- Construction Documentation
- Construction Inspection
- Project Close-Out

Experience with Similar Tasks

Pierce County | Huge Creek Construction Management
City of Anacortes | Sewer Outfall Repair Construction Management
City of Yelm | Access Road Construction Management
WA DNR | Grouse Ridge Construction Management

Patrick Skillings, PMP
Project/Construction Manager

Steve Graff
Construction Management/Inspection

Ian Lee, PE
Office Engineer

References

Engineering References

Lisa Parks, Executive Services Director Port of Olympia
lisap@portolympia.com(360) 528-8020

Walt Scheffter, Rear Commodore, Olympia Yacht Club
(360) 491-2313

Ashley Smith, City of Lacey
(360) 413-4340, acsmith@ci.lacey.wa.us

Survey References

Justin Holt, DNR State Land Survey Unit Supervisor
Justin.holt@dnr.wa.gov, 360-902-1206

Monty Bryant, City Surveyor City of Lacey
Mbryant@ci.lacey.wa.us, 360-438-2643

Chris Munter, P.E. Project Manager
City of Bainbridge Island (206) 780-3720

Brandon Hicks, P.E. City Engineer City of Tumwater
(360) 754-4140, bhicks@ci.tumwater.wa.us

Project and Construction Management References

Susan Seaberg, P.E., Asst. Region Engineer,
WA State Department of Natural Resources
South Puget Sound Region
(360) 802-7004

Al Amirzehni, P.E., Pierce County
(253) 798-4677, al.amirzehni@piercecountywa.gov

Patrick T. Hughes, P.E., City Engineer, City of Yelm
(360) 458-8499

COVER MEMO

Briefing Date/Time:	November 12, 2024
Staff Contact/Title:	Tad Kopf, Interim Director of Finance, 360.528.8043 TadK@portolympia.com
Subject:	Draft 2025 Proposed Operating Budget, Capital Investment Plan and Tax Levy (3 rd Review)
Purpose:	<input checked="" type="checkbox"/> Information Only <input type="checkbox"/> Decision Needed

Overview:

Port staff are sharing a draft of the full 2025 Budget.

The draft capital investment plan and use of tax levy funds were presented in previous meetings. This version of the draft budget now includes all components. This is the draft final budget presentation and revised version.

Documents Attached:

Power Point
Draft Budget (3rd Review)
Two Draft Resolutions

Next Steps/Timeframe:

A draft final review work session of the full budget is tentatively scheduled for November 18, 2024 for final adjustment (if needed). A Commission meeting on November 25, 2024 is scheduled to adopt resolutions for the Tax Levy and 2025 Budget and Capital Improvements Plan.



PORT of OLYMPIA
Serving All of Thurston County

Draft 2025 Proposed Operating Budget, Capital Investment Plan and Tax Levy (3rd Review)

Tad Kopf
Finance Director
November 12, 2024





1

Today's Presentation

Advisory Only – No Action Requested

- Capital Investment Plan and Operating Budget (3rd Review)



2

Agenda

- Remaining schedule
- IOUs
- 2025 Budget assumptions
- Capital Investment Plan (CIP)
- 2025 Budget overview
- 2025 Operating Budget by business
- Tax Levy and Non-Operations (including Environmental, Commission and Other Non-Ops)
- Sample motions
- Questions and comments



3



3

2025 Budget Timeline

NOVEMBER 12, 2024

2025 Budget and Capital Investment Plan
Introduce Budget Resolutions – 2025 Budget and 2025 Tax Levy
Budget Presentation and Public Hearing

NOVEMBER 18, 2024

Final adjustments (if needed)

NOVEMBER 25, 2024

2025 Budget and 2025 Tax Levy Resolutions Adoption

4



4

Airport 'Fencing' Prior IOU

Proposed method for controlling and tracking net positive / negative operating income

- Direct Revenues and Expenses are currently isolated under Consolidated Airport (Depts 010, 012, 014).
- G&A Allocation: 10-28-24 use Modified Total Direct Cost (MTDC).
- Revised: Revert back to % of Revenue & modify to FAA rules.
- FAA requires that no general (Port-wide) business development expenses can be allocated to the Airport.
- Track Airport Balance Sheet items separately from Port-wide.

5



5

IOU's

- Fee increase basis for business lines.
 - Supplied to Commissioners on 11/1 Exec Director Report.
- Difference between Operating and Maintenance expense.
 - Drafted by Warren Hendrickson supplied to Commissioners on 11/1 Exec Director Report.
- Commission Special Projects \$s location.
 - Now included in the Capital Investment Plan Contingency Budget.
- Public Amenities \$s location.
 - Now included in the Government Services Budget.

6



6

IOU's

- Composition of Outside Professional Services in Communications Budget.
 - \$100K for website improvements and \$75K for photography, video services, +.
- G&A amount for Finance and Accounting a positive number on page 24 of 2nd Draft Budget.
 - This is a positive amount (when the other amounts are negative) because if functions to allocate the amount this amount to the operating units.
- In addition to the Capital cost of new proposed Capital Projects, also include the projected associated increased revenues.
 - 3rd Draft Budget and this slide deck now include these projected revenue increases.

7



7

2025 Budget Assumptions

Operating Budget (2024 Adopted vs. 2025 Proposed)

- | | | |
|---|-------------|-------|
| ▪ Operating Revenues | Increase of | 13.1% |
| ▪ Operating, Maintenance and Admin Expenses | Increase of | 7.7% |
| ▪ Grants, \$4.6M in 2024 to anticipated \$9.7M in 2025 | | |
| ▪ Rates and Fees | | |
| ▪ Airport | Increase of | 5.0% |
| ▪ Marina | Increase of | 5.0% |
| ▪ Marine Terminal | Tariff | 3.6% |
| ▪ Staffing | | |
| ▪ COLA salary adjustment <i>(see following slide for details)</i> | | |
| ▪ 3 additional FTE | | |

8



8

2025 Salary Adjustments


Employees	2025 Increase	Notes
ILWU 47A	6%	To make up for prior contracts that reduced COLAs to accommodate Port financial challenges
ILWU 47B	7.2% average increase	The proposed contract includes a \$2.00 per hour raise for all bargaining unit members, and some salary adjustments for specific positions
Non-Represented Staff	4%	Reflects the average cost of living increase in the area
Directors	2.5%	

9



9

Capital Budget



2025 Capital Budget - DRAFT as of 11-12-2024				
Business Unit	Project Name	Capital Budget	PORT Funds	Other Funds
Airport	1 A: Runway 17-35 (South) Pavement and Electrical Rehabilitation *	\$4,500,000	\$225,000	\$4,275,000
	2 A: Apron & Taxiway Repair and Striping	\$327,800	\$32,800	\$295,000
	3 A: Gate Electronics & Motor Replacement	\$160,000	\$160,000	\$0
	4 A: Equipment - Stand-Behind Blower	\$15,000	\$15,000	\$0
	5 A: Equipment - Zero Turn mower	\$23,000	\$23,000	\$0
	6 A: Equipment - Scissor Lift	\$23,000	\$23,000	\$0
	Subtotal Airport		\$5,048,800	\$478,800
Marina & Boatworks	7 BW: Boatyard Stormwater Pond Media Replacement *	\$40,000	\$40,000	\$0
	8 BW: Stormwater Treatment System *	\$400,000	\$400,000	\$0
	9 BW: Boatworks Yard Expansion	\$400,000	\$400,000	\$0
	10 BW: Boatworks Derelict Vessel Demolition Pit	\$50,000	\$50,000	\$0
	11 BW: Equipment - Forklift	\$25,000	\$25,000	\$0
	12 M: Equipment - Vehicle	\$15,000	\$15,000	\$0
Subtotal Marina & Boatworks		\$930,000	\$930,000	\$0
Marine Terminal	13 MT: Berth 1 Repairs - MARAD*	\$60,000	\$60,000	\$0
	14 MT: Maintenance Facility - MARAD*	\$60,000	\$60,000	\$0
	15 MT: Asphalt Paving - MARAD*	\$60,000	\$60,000	\$0
	16 MT: Storage Facility	\$3,000,000	\$3,000,000	\$0
	17 MT: Warehouse Lighting System Upgrade	\$25,000	\$25,000	\$0
Subtotal Marine Terminal		\$3,205,000	\$3,205,000	\$0
Real Estate	18 M: Rants/Anthony's Parking Lot	\$750,000	\$500,000	\$250,000
Subtotal Properties		\$750,000	\$500,000	\$250,000
Non-Ops	19 Marine Drive NE Asphalt (Heavy)*	\$1,500,000	\$200,000	\$1,300,000
	20 Waterfront Development - Site D*	\$897,654	\$652,654	\$245,000
	21 IT - Annual Capital Projects	\$20,000	\$20,000	\$0
	22 IT- Fiber to Port Cyber Security*	\$195,000	\$48,750	\$146,250
	23 Building TI	\$1,750,000	\$1,750,000	\$0
	24 Contingency Equipment / Project(s)	\$120,000	\$120,000	\$0
Subtotal Non Ops & Admin		\$4,482,654	\$2,791,404	\$1,691,250
Total		\$14,416,454	\$7,905,204	\$6,511,250
* Multi-Year Project				

10

Cash 2025 Statutory Budget

(in 000's)

	2025 Budget
Beginning Cash & Investments	\$ 27,981
Operating Revenues	17,680
Operating Expense	(15,855)
Income from Operations	1,824
Property tax revenue	8,059
Grant Revenue	9,711
Non Operating Revenue	246
Operations & Other Income	19,840
Debt Service Payments	(4,231)
Capital Investments - Planned Projects	(14,416)
Non Operating Expenses	(9,469)
Projected Uses of Income	(28,116)
Ending Cash & Investments	\$ 19,705

11



11

CASH AVAILABLE FOR OPERATIONS - CASH BASED

PROJECTED 2024	General Operations	Capital Improvements	LTGO Debt Service	Total
CASH BALANCE, JANUARY 1, 2024				
Beginning Balance Operating Cash	12,600,000	8,696,076		21,296,076
PROJECTED GENERAL OPERATIONS ENDING BALANCE				
Operating Revenues	16,732,955			
Operating Expenses before Depreciation	<u>(13,928,862)</u>			
Operating Surplus (Deficit) before Depreciation	2,804,093			2,804,093
Beginning General Operations Balance (or Deficit)	15,404,093			
Net Non-Operating General Surplus (Deficit)	<u>(1,701,536)</u>			(1,701,536)
Projected General Operations Ending Balance	13,702,557			
GENERAL OPERATIONS TARGET BALANCE				
Next Year Operating Expense Budget	<u>15,442,483</u>			
Projected Ending Balance over (under) Target Balance	(1,739,926)			
Transfer excess to Capital Improvements				
Cash Received from Sale of Property	9,680,000			9,680,000
New Bond Issue Proceeds			-	
General Property Tax Levy			7,858,167	
Less: Debt Service (Principal & Interest)			(4,553,131)	
Less: Bond Defeasance			<u>(5,227,556)</u>	
Excess Property Tax Levy (Deficit)			(1,922,520)	(1,922,520)
GRANTS & CAPITAL				
Environmental / Capital Grants		1,430,000		1,430,000
Less: Capital Project Expenses (before grant funding)		(3,605,454)		(3,605,454)
PROJECTED CASH BALANCE, DECEMBER 31, 2024	23,382,557	6,520,622	(1,922,520)	27,980,659

12



12

BUDGET 2025	General Operations	Capital Improvements	LTGO Debt Service	Total
CASH BALANCE, JANUARY 1, 2025	23,382,557	6,520,622	(1,922,520)	27,980,659
PROJECTED GENERAL FUND ENDING BALANCE				
Operating Revenues	17,679,968			
Operating Expenses before Depreciation	<u>(15,855,587)</u>			
Operating Surplus (Deficit) before Depreciation	1,824,381			1,824,381
Beginning General Fund Balance (or Deficit)	25,206,938			
Net Non-Operating General Surplus (Deficit)	<u>(9,222,712)</u>			(9,222,712)
Projected General Fund Ending Balance	15,984,226			
GENERAL FUND TARGET FUND BALANCE				
Calculated Reserve Target-Resolution 2015-16	<u>12,600,000</u>			
Projected Ending Balance over (under) Target Balance	3,384,226			
Cash Received from Sale of Property				
New Bond Issue Proceeds			-	
General Property Tax Levy			8,058,601	
Less: Debt Service (Principal & Interest)			<u>(4,230,584)</u>	
Excess Property Tax Levy (Deficit)			3,828,017	3,828,017
GRANTS & CAPITAL				
Environmental / Capital Grants		9,711,250		
Less: Capital Project Expenses (before grant funding)		<u>(14,416,454)</u>		
		(4,705,204)		(4,705,204)
ESTIMATED CASH BALANCE, DECEMBER 31, 2025	15,984,226	1,815,418	1,905,497	19,705,141

13



13

2025 Operating Budget – Draft

Management Discussion (in 000's)

	Airport & New Market	Swantown Marina	Marine Terminal	Properties	2025 Budget
Operating Revenues	\$ 3,547	\$ 5,085	\$ 7,954	\$ 1,094	\$ 17,680
Operating Expenses	(1,150)	(3,025)	(4,010)	(435)	(8,620)
Maintenance Expenses	(919)	(640)	(1,421)	(117)	(3,097)
Total Expenses	\$ (2,069)	\$ (3,665)	\$ (5,431)	\$ (552)	\$ (11,717)
Operating Income/(Loss)	\$ 1,478	\$ 1,420	\$ 2,523	\$ 542	\$ 5,963

14



14

2025 Operating Budget with Depreciation and G&A

Management Discussion (in 000's)

	Airport & New Market	Swantown Marina	Marine Terminal	Properties	2025 Budget
Operating Income/(Loss)	\$ 1,478	\$ 1,420	\$ 2,523	\$ 542	\$ 5,963
Less Department Depreciation	(977)	(543)	(1,724)	(190)	(3,434)
Operating Income/(Loss) After Depr.	\$ 501	\$ 877	\$ 799	\$ 352	\$ 2,529
Less General & Admin. Allocation	(817)	(1,195)	(1,457)	(257)	(3,726)
Operating Income/(Loss) After Alloc.	\$ (316)	\$ (318)	\$ (658)	\$ 95	\$ (1,197)

15



15

2025 Operating Budget

Income Statement (in 000's) – Accounting

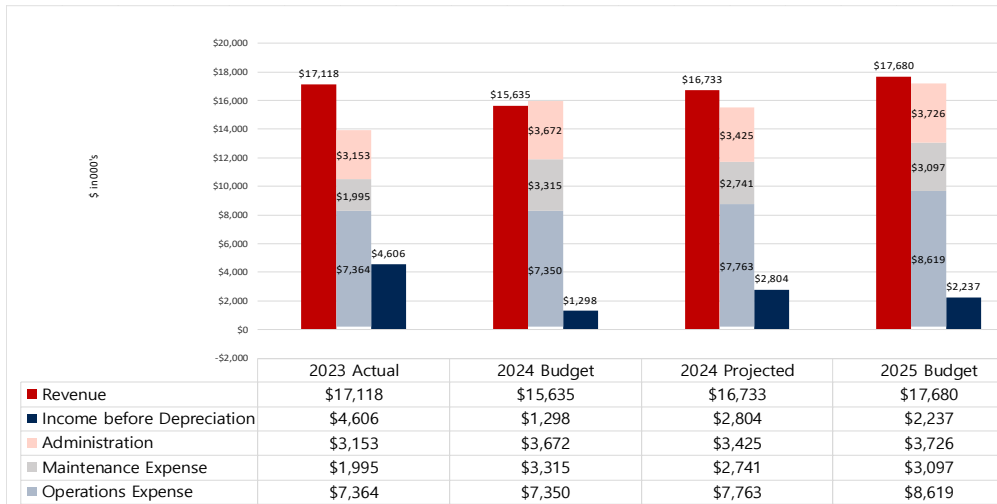
	Airport & New Market	Swantown Marina	Marine Terminal	Properties	2025 Budget
Operating Revenues	\$ 3,547	\$ 5,085	\$ 7,954	\$ 1,094	\$ 17,680
Operations & Maintenance Expenses	(2,069)	(3,665)	(5,431)	(552)	(11,717)
Contribution Margin	\$ 1,478	\$ 1,420	\$ 2,523	\$ 542	\$ 5,963
Administration Expenses	(817)	(1,195)	(1,457)	(257)	(3,726)
Total Expenses	\$ (2,886)	\$ (4,860)	\$ (6,888)	\$ (809)	\$ (15,443)
Operating Income before depreciation	661	225	1,066	285	2,237
Depreciation	(977)	(543)	(1,724)	(190)	(3,434)
Operating Income/(Loss)	\$ (316)	\$ (318)	\$ (658)	\$ 95	\$ (1,197)

16



16

Comparative Total Port Operating Budget

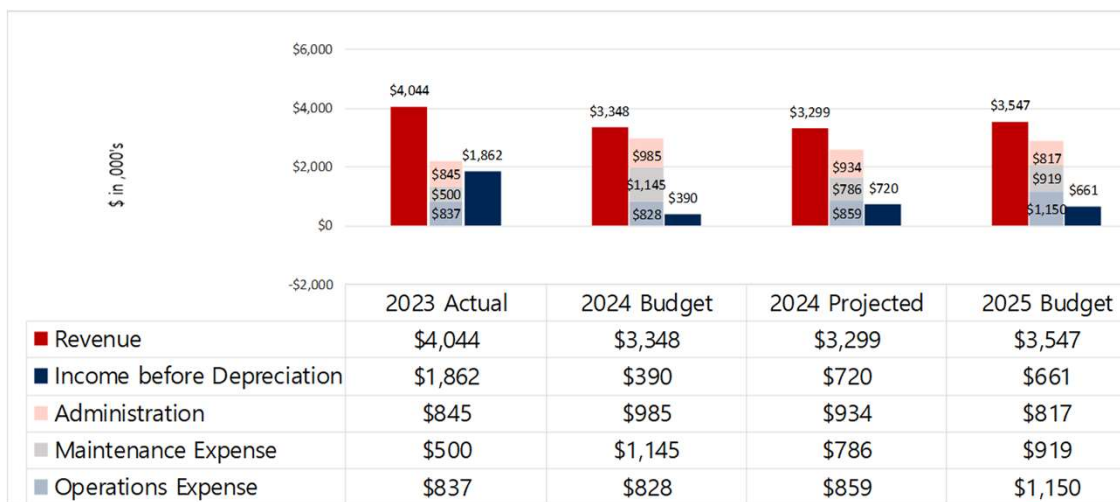


17



17

Airport, New Market and Cleanwater Center

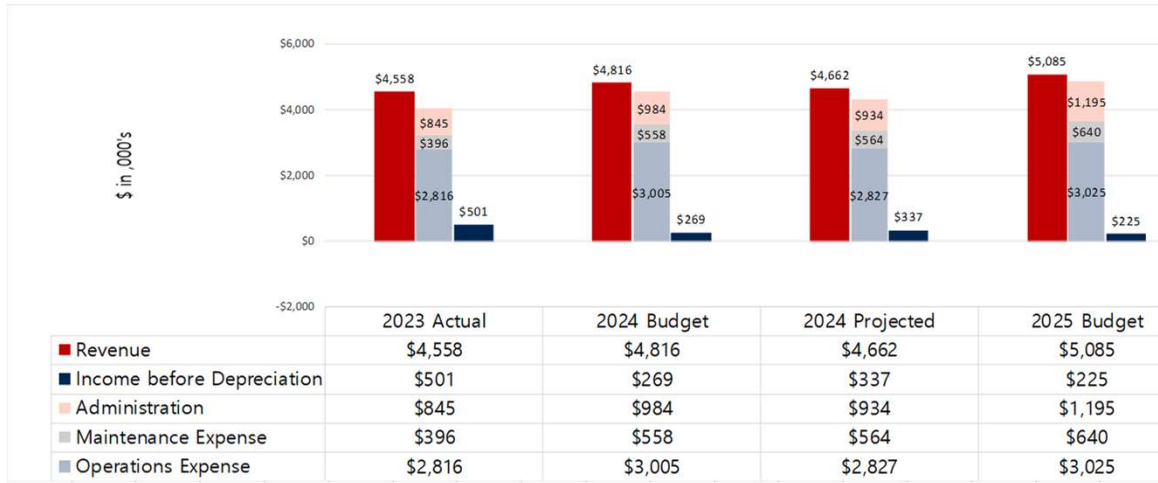


18



18

Marina, Boatworks and Fuel Dock

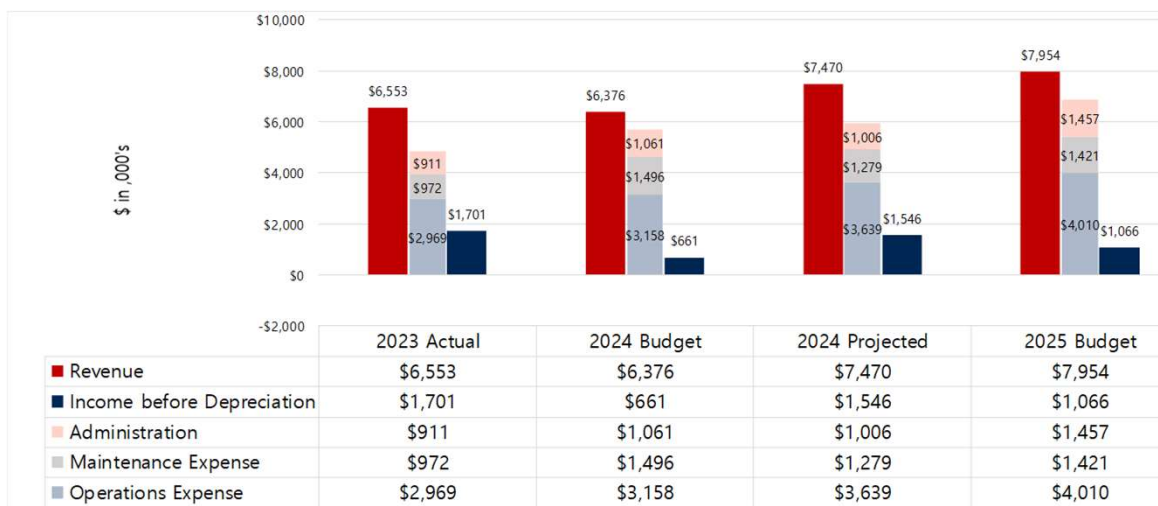


19

[Return to Index](#)

19

Marine Terminal

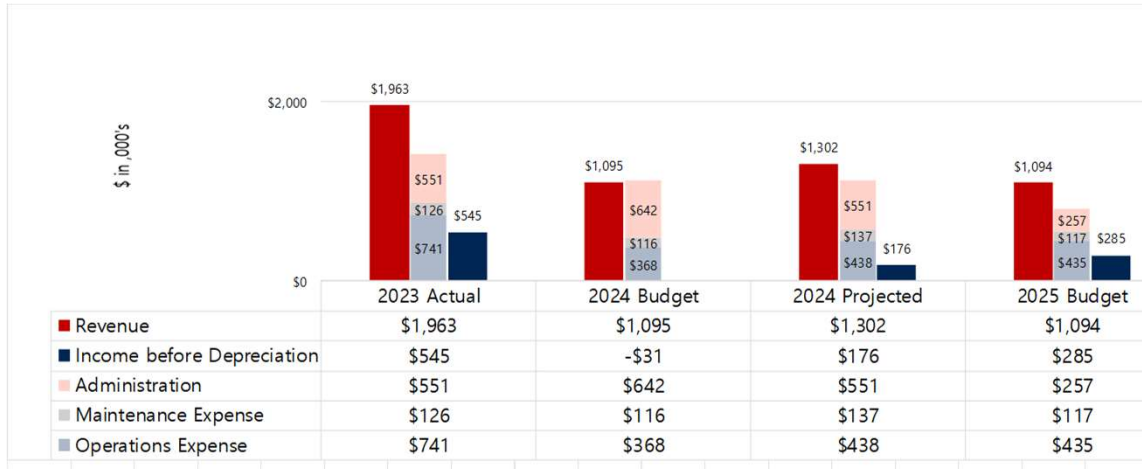


20

[Return to Index](#)

20

Real Estate

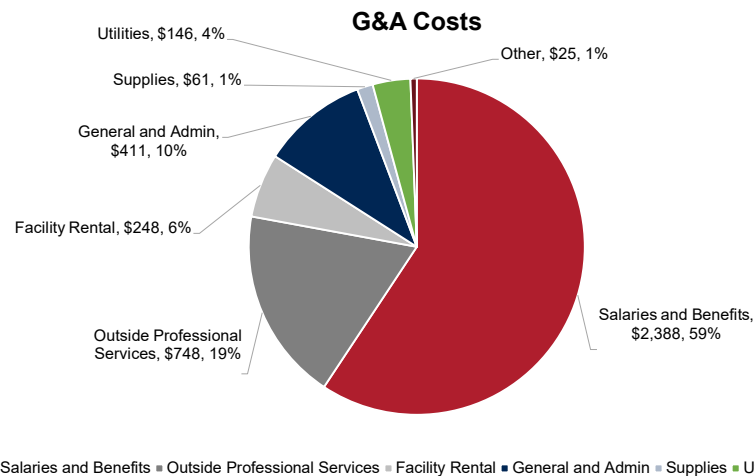


21

21

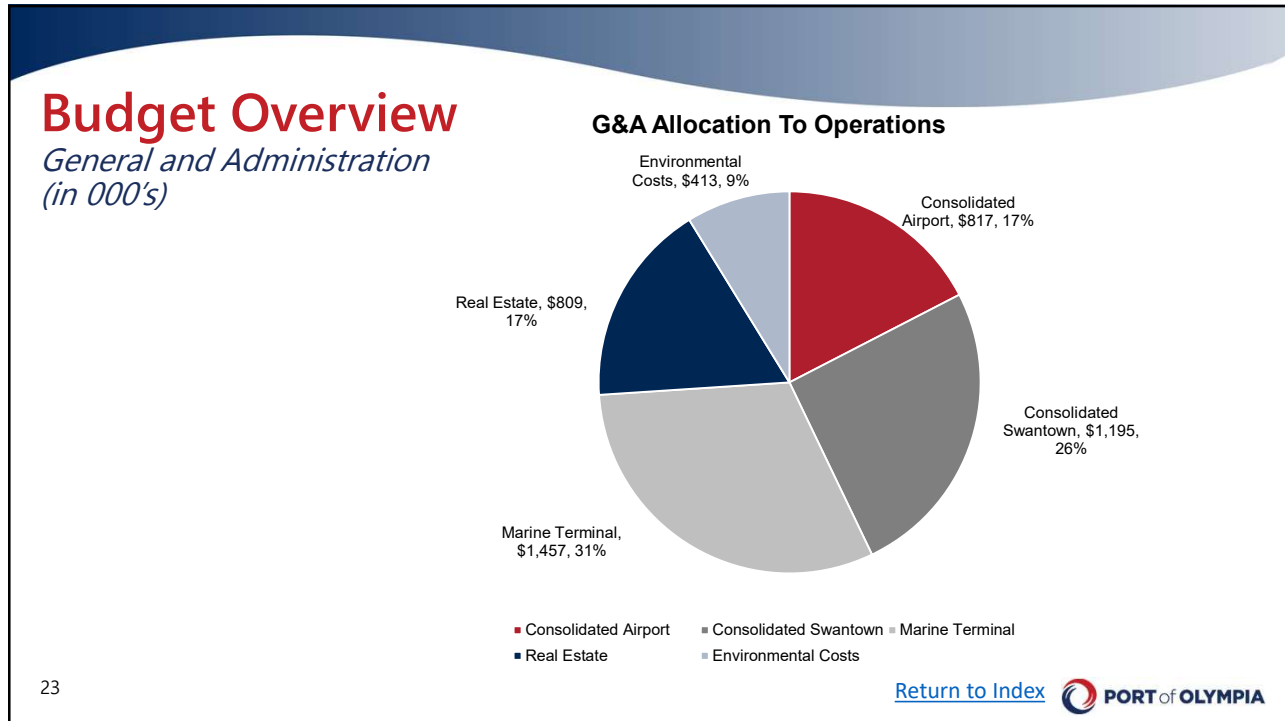
Budget Overview

General and Administration (in 000's)



22

22



23

Tax Levy

*Calculated
Proposed
Amount*

1% + New Construction		
2024 levy amount		\$ 7,858,167
Increase on prior year levy	1%	79,367
Levy increase for new construction		121,067
Proposed 2025 tax levy		\$ 8,058,601
Increase (Decrease)		200,434
2025 Millage rate (Calculated)		\$ 0.1244
2024 Millage rate		\$ 0.1309
2025 average home value \$524K	\$ 523,818	\$ 65.14
2024 average home value \$	\$ 494,766	\$ 64.76
Annual Increase (Decrease)		\$ 0.38

24

24

Tax Levy Uses

(in 000's)

Total Tax Levy Revenues	\$8,058
Uses of Taxes:	
Principle & Interest Expense, Debt	(4,231)
Environmental Expense:	
Cascade Pole	(974)
Environmental Administration	(752)
Budd Inlet Remediation (<i>Port Share Only</i>)	(800)
Government Services (<i>Formerly, Commission Expense</i>)	(1,737)
Community Events	(57)
Small Cities	(50)
Special Projects	-
Membership and Partner Costs	(175)
Total Use of Taxes	(8,776)
Net Levy Funds	(718)
Funds Required From Operations / Reserves	718

25



25

2025 Budget FTE Overview

Groups	2025 Budget	2024 Budget
Airport, New Market, Cleanwater Center	7.14	5.84
Swantown Marina	14.96	13.96
Marine Terminal	9.33	9
Properties	2.25	2.25
Administration	14.6	15.73
Environmental Admin / Cascade Pole	3.77	4.1
Public Amenities	0.45	0.45
Government Services	1.5	0
Total FTEs	55	51.33

26



26

Next Steps

NOVEMBER 18, 2024
Final adjustments (if needed)

NOVEMBER 25, 2024
2025 Budget and 2025 Tax Levy Resolutions Adoption

27



27

Sample Motion(s)

For the November 25th Meeting

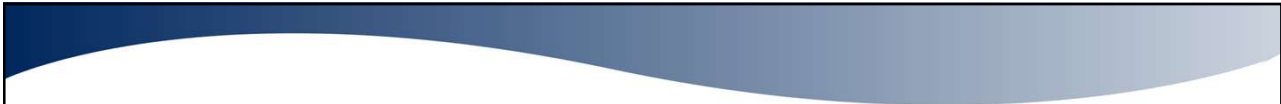
Budget adoption:

"...move to adopt Resolution 2024-XX for the Budget Adoption Tax Levy and move to adopt Resolution 2024-XX Adoption of Budget and Capital Improvement Plan."

28



28



Questions and Comments

29



**PORT OF OLYMPIA
Resolution 2024-XX**

**A Resolution of the Port of Olympia Commission authorizing,
providing for acceptance, approval, and adoption of the Final
2025 Annual Operating Budget including annual User Rates and Fees and Capital
Investment Plan pursuant to RCW 53.35.045.**

WHEREAS, a Preliminary 2025 Annual Operating Budget and Capital Investment Plan was prepared and presented in a public meeting of the Port of Olympia Commission on October 21, October 28, November 12, November 18 and November 25, 2023.

WHEREAS, public notices were published in a newspaper of general circulation in Thurston County on October 27th, and November 3rd proclaiming the availability of the Proposed Final 2025 Annual Operating Budget and Capital Investment Plan to taxpayers at the Port office and announcing a public hearing on the Final Budget on November 12, 2024, all in accordance with RCW 53.35.030 and 53.35.045; and

WHEREAS, a public hearing was held on November 12, 2024 at 5:30 P.M., in person and virtually after proper notice for a regular meeting of the Port Commission in the daily newspaper of general circulation in Thurston County was given, and the Port Commission heard from all persons desiring to be heard on the matter of the Final Budget all in accordance with RCW 53.35.030 and RCW 53.35.045.

NOW, THEREFORE, IT IS RESOLVED by the Port of Olympia Commission as follows:

1. The Final Annual Budget for Port Operations & Capital Investment Plan for 2025, appended hereto as part of this Resolution is accepted and approved.
2. The Port's 2025 Final Annual Budget for Port Operations & Capital Investment Plan shall include schedules of all user rates and fees charged by the Port; and further,
3. The Port Commission's adoption of the Final Annual Budget for Port Operations & Capital Investment Plan shall serve as of the 2025 annual update to the Port's user rates and fees.
4. The Port Commission's adoption of the Final Capital Investment Plan shall allow for the use and expenditure of any unused funds from 2024.

This resolution shall become effective immediately upon its adoption and repeals any prior resolutions on this matter.

ADOPTED by a majority of the members of the Port Commission of the Port of Olympia, a majority being present and voting on this Resolution at a regular Commission meeting on November 25, 2024, as attested to by the signatures below of the Commissioners physically present this 25th day of November, 2023.

PORT OF OLYMPIA COMMISSION

Bob Iyall, President

Jasmine Vasavada, Vice President

Sarah Tonge, Secretary

Maggie Sanders, Commissioner

Amy Harding, Commissioner



Ordinance / Resolution No. 2024-XX
RCW 84.55.120

WHEREAS, the Commission of Port of Olympia has met and considered its budget for the calendar year 2025; and,

WHEREAS, the districts actual levy amount from the previous year was \$ 7,858,167; and,

WHEREAS, the population of this district is more than or less than 10,000; and now, therefore,

BE IT RESOLVED by the governing body of the taxing district that an increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2025 tax year.

The dollar amount of the increase over the actual levy amount from the previous year shall be \$ 79,367.00 which is a percentage increase of 1.000% from the previous year.

additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, solar, biomass, and geothermal facilities, and any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Adopted this 25 day of November, 2024.

Three horizontal lines for signatures on the left and right sides.

If additional signatures are necessary, please attach additional page.

This form or its equivalent must be submitted to your county assessor prior to their calculation of the property tax levies. A certified budget/levy request, separate from this form is to be filed with the County Legislative Authority no later than November 30th. As required by RCW 84.52.020, that filing certifies the total amount to be levied by the regular property tax levy. The Department of Revenue provides the "Levy Certification" form (REV 64 0100) for this purpose. The form can be found at: http://dor.wa.gov/docs/forms/PropTx/Forms/LevyCertf.doc.

To ask about the availability of this publication in an alternate format, please call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711. For tax assistance, call (360) 534-1400.