



**Commission Meeting
Monday, February 9, 2026
4:00 PM**

Percival Plaza – Olympics Room
626 Columbia Street NW, Suite 1-B
Olympia, WA 98501

The meeting agenda is available on the Port's website as of February 5, 2026.
<https://www.portolympia.com/commission>

AGENDA

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

NOTE: Guidelines for public comment can be found in the Commission Rules in Resolution 2026-02 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.

- F. Commission Response to Public Comment / Follow-Up to Public Comment
- G. Partner Spotlight: Hands On Children's Museum
- H. Consent Calendar
 - 1. Bills and Vouchers for January 2026
 - Warrant over \$200,000: Warrant for \$241,053.70 for Thurston County Auditors – General Elections
 - 2. Commodities Unlimited Lease Amendment #17
- I. Action Calendar
 - 1. None
- J. Action/Other Calendar
 - 1. None

Port of Olympia Mission

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

K. Advisory Calendar

1. Passenger Ferry Service - Demand Study: Mike Reid, Director of Community and Economic Development

L. Commissioner Reports

M. Additional Public Comment

This time is devoted to individuals who could not arrive at or register for the meeting earlier. Public comment at this time is for those members of the public who did not submit public comment previously during the current meeting.

N. Other Business

1. Delegation of Authority

O. Meeting Announcements

P. Adjourn

*Attendance and Public Comment Hybrid Meeting Information

Attend Remote or In-Person

The public are welcome to attend the meeting in person, or may view or listen to the meeting using one of the following platforms:

In-Person: 626 Columbia Street NW, Olympia
Olympics Room, Suite 1-B

Zoom: Go to <http://www.zoom.us/join> and enter Webinar ID 841 8199 2014 and Passcode 953600.
Instructions and access details (a link to the meeting) will be emailed to you once a short registration form is complete. (Check Spam or Junk folder and move Zoom link email to your Inbox to view/access link.)

YouTube: www.youtube.com/@portofolympia1922

Phone: Call (253) 215-8782, listen for the prompts and enter Webinar ID 841 8199 2014 and Passcode 953600.

Verbal Public Comment

Those wishing to provide verbal public comment may do so in-person or by Zoom:

In-Person: Use the sign-up sheet located at the meeting location.

Virtual / via Zoom: **Must pre-register** using the following Zoom link no later than five (5) minutes after the meeting has commenced:
https://us06web.zoom.us/webinar/register/WN_ckoNP90XTX-acQtF7o3EKg

Instructions and access details (a link to the meeting) will be emailed to you once registration is complete. (Check Spam or Junk folder and move Zoom link email to your Inbox to view/access link.) Registration for remote/virtual verbal public comment closes six (6) minutes after the meeting has commenced.

Written Public Comment

Written public comment 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.

Port of Olympia Mission

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

PORT OF OLYMPIA

Bills & Vouchers ✓

January 2026 Summary of Payments

GENERAL

PREPRINTED WARRANTS	\$ 1,137,287.81 ✓
BOND DEBT PAYMENTS	NONE
VOIDED WARRANT(S)-2 lost check/ reissues	\$ (8,501.20) ✓
ELECTRONIC PAYMENTS	<u>\$ 333,799.07 ✓</u>

TOTAL PAYMENTS: \$ 1,462,585.68 ✓

General Fund Warrants Issued: CK# 093511-093697 ✓
Electronic Payments Issued: EP# 001590-001613 ✓
Bond Debt Payments Issued: NONE ✓
Voided Warrant(s): CK#093260 & 093512 ✓
Voided Electronic Payment(s): NONE ✓

Payments over \$200,000:

Warrant #	Amount	Pay To
093574 ✓	\$241,053.70 ✓	THURSTON COUNTY AUDITORS- GENERAL ELECTIONS ✓

We the undersigned Board of Commissioners of the Port of Olympia, Olympia Washington,
do hereby authorize the issuance of the warrants described above.

Jasmine Vasavada, Commission President

Sarah Montano, Commission Vice-President

Joel Hansen, Commission Secretary

Jerry Toompas

Krag Unsoeld

Alexandra K. Smith, Executive Director

PORT OF OLYMPIA
VOUCHER APPROVAL LISTING
January 2026
Issued 1/3/2026

WARRANTS ISSUED:

COMPUTER PREPARED

Voided Warrant(s)

WARRANT NUMBERS:

093511 to 93511

10,467.98

NONE

-

ELECTRONIC PAYMENTS:

COMPUTER PREPARED

PAYROLL DIRECT DEPOSIT DATE

Voided Electronic Payment(s)

ACH NUMBERS:

NONE

NONE

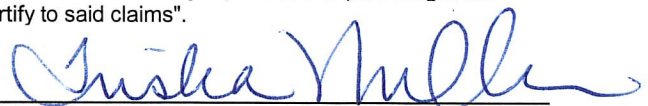
-

-

TOTAL WARRANTS

\$ 10,467.98

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".


Trisha Miller, Controller

PORT OF OLYMPIA
VOUCHER APPROVAL LISTING
January 2026
Issued 1/8/2026 ✓

WARRANTS ISSUED:

COMPUTER PREPARED

Voided Warrant(s)

WARRANT NUMBERS:

093512 ✓ to 093512 ✓

8,426.20 ✓

ELECTRONIC PAYMENTS:

COMPUTER PREPARED

PAYROLL DIRECT DEPOSIT DATE


Voided Electronic Payment(s)

ACH NUMBERS:

NONE

TOTAL WARRANTS

\$ 8,426.20 ✓


Trisha Miller, Controller

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".

PORT OF OLYMPIA
VOUCHER APPROVAL LISTING
January 2026
Issued 1/9/2026 ✓

WARRANTS ISSUED:

COMPUTER PREPARED

Voided Warrant(s)

WARRANT NUMBERS:

093513 to 093527

NONE

193,781.36 ✓

-

ELECTRONIC PAYMENTS:

COMPUTER PREPARED

PAYROLL DIRECT DEPOSIT DATE

Voided Electronic Payment(s)

ACH NUMBERS:

NONE

NONE

-


-

TOTAL WARRANTS

\$ 193,781.36 ✓

Checks over \$200,000.00
none

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".


Trisha Miller, Controller

PORT OF OLYMPIA
VOUCHER APPROVAL LISTING
January 2026
Issued Week Ending 1/15/2026

WARRANTS ISSUED:

COMPUTER PREPARED

Voided Warrant(s)

WARRANT NUMBERS:

093528 to 093637

NONE

697,510.32

ELECTRONIC PAYMENTS:

COMPUTER PREPARED

PAYROLL DIRECT DEPOSIT DATE

Voided Electronic Payment(s)

ACH NUMBERS:

NONE


TOTAL WARRANTS

\$ 697,510.32

Payments over \$200,000:

Warrant #	Amount	Pay To
093574	\$241,053.70	Thurton Co Auditor's -2025 election

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".


Trisha Miller, Controller

PORT OF OLYMPIA
VOUCHER APPROVAL LISTING
January 2026
Issued 1-21-2026 ✓

WARRANTS ISSUED:

COMPUTER PREPARED

Voided Warrant(s)

WARRANT NUMBERS:

093638 ✓ to 093638 ✓

8,426.20 ✓

ELECTRONIC PAYMENTS:

COMPUTER PREPARED

ACH NUMBERS:

PAYROLL DIRECT DEPOSIT DATE

NONE

-

Voided Electronic Payment(s)

NONE

-

TOTAL WARRANTS

\$ 8,426.20

Checks over \$200,000.00

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".


Trisha Miller, Controller

PORT OF OLYMPIA
VOUCHER APPROVAL LISTING
January 2026
Issued 1-22-2026 ✓

WARRANTS ISSUED:

COMPUTER PREPARED

Voided Warrant(s)

WARRANT NUMBERS:

093639 ✓ to 093639 ✓

5,159.83 ✓

ELECTRONIC PAYMENTS:

COMPUTER PREPARED

ACH NUMBERS:

PAYROLL DIRECT DEPOSIT DATE

NONE

-

Voided Electronic Payment(s)

NONE

-

TOTAL WARRANTS

\$ 5,159.83 ✓

Checks over \$200,000.00

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".


Trisha Miller, Controller

PORT OF OLYMPIA
VOUCHER APPROVAL LISTING
January 2026
Issued 1-23-2026

WARRANTS ISSUED:

COMPUTER PREPARED

Voided Warrant(s)

WARRANT NUMBERS:

093640 to 093672

151,594.12

ELECTRONIC PAYMENTS:

COMPUTER PREPARED

ACH NUMBERS:

PAYROLL DIRECT DEPOSIT DATE

NONE

-

Voided Electronic Payment(s)

NONE

-

TOTAL WARRANTS

\$ 151,594.12

Checks over \$200,000.00

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".


Brent Barries

PORT OF OLYMPIA
VOUCHER APPROVAL LISTING
January 2026
Issued 1-29-2026

WARRANTS ISSUED:

COMPUTER PREPARED

Voided Warrant(s)

Lost check- TC
Printing error

ELECTRONIC PAYMENTS:

COMPUTER PREPARED

PAYROLL DIRECT DEPOSIT DATE

Voided Electronic Payment(s)

WARRANT NUMBERS:

093673 to 093697

093260
093681

ACH NUMBERS:

NONE

NONE

TOTAL WARRANTS

61,921.80

(75.00)
0.00

\$ 61,846.80

Checks over \$200,000.00

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".


Trisha Miller, Controller

COVER MEMO

Briefing Date/Time: February 9, 2026

Staff Contact/Title: Chris Paolini, Airport Senior Manager, 360.528.8074
Chrisp@portolympia.com

Subject: Commodities Unlimited Lease Amendment #17

Purpose: ☐ Information Only ☒ Decision Needed

Tenant Snapshot:

Lease Name: Commodities Unlimited

Leased Address: 7300 Bonniewood SE, Tumwater WA 98501

Lease Type: Land

Lease Effective Date: 3/11/1996

Term: 20 years + 3-year option

Use: Wood storage, cutting, and wood chipping.

Employees: Approximately 10

Background:

Commodities Unlimited has been with the Port for six decades and is our county's largest recycler of wood debris into a secondary product, specifically they are taking bark and wood debris from logged trees and preparing for reuse as landscaping materials. Chris Taylor took over the business formerly known as AAA Bark from his father, Mike Taylor. They work closely with Weyerhaeuser to utilize the bark coming from the logs being transported at Marine Terminal. This material is collected and taken to their facility in Tumwater to be repurposed into beauty bark and used throughout Thurston County.

Overview:

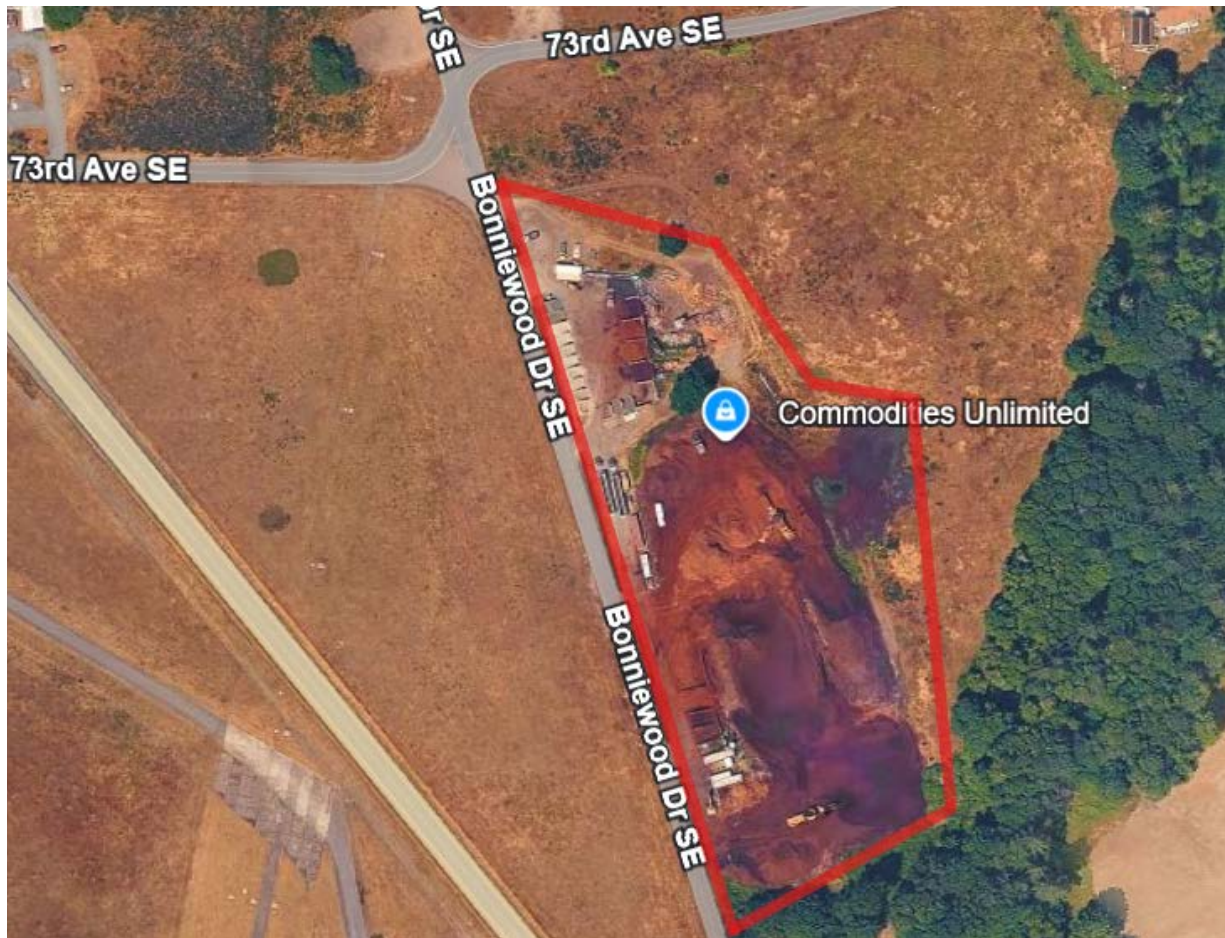
Action Item – Approval requested via the Consent Agenda.

This action is required as an administrative requirement per Port policy 1101. This lease amendment #17 is to memorialize the term extension and adjust the rent and surety rates for the remainder of the term.

Commodities Unlimited has been and remains in good standing throughout the term of their existing lease. The rest and remainder of the original lease shall remain in full force and effect.

Current:

The lease premises is located in the Airport district, 7300 Bonniewood SE, Tumwater WA 98501.



Documents Attached:

Lease Amendment #17

Summary and Financial Impact:

- This lease term extension is anticipated to commence March 1, 2026, through February 28, 2029.
- Total 3-year airport revenue generated from this lease option: \$126,708.72.

Environmental Considerations:

The lease premises are located within the Port's Airport District and the Federal Aviation Administration (FAA) Runway Approach zone limiting the usable purposes for this property.

Our tenant actively works with the Department of Ecology and the City of Tumwater to follow environmental regulations.

Options with Pros and Cons:

1. Approve Commodities Unlimited Lease Amendment #17.

Result: The Port retains an existing service provider in our community while generating revenue for the Port's property that falls under the Airport budget.

2. Do not approve Commodities Unlimited Lease Amendment #17.

Result: The Port rejects the desire of the tenant to exercise their option. The lease ends on February 28, 2026. This will result in lost revenue to the Port and would require the tenant to move their operations.

Staff Recommendation:

Approve Commodities Unlimited Lease Amendment #17 as presented.

LEASE AMENDMENT NO. 17

PORT OF OLYMPIA GROUND LEASE AIRPORT

THIS LEASE AMENDMENT NO. 17 (this "Amendment") is made this _____ day of _____, 2026 by and between the **PORT OF OLYMPIA**, a Washington municipal corporation, (hereinafter known as "the Port") as Lessor, and **COMMODITIES UNLIMITED, INC.**, (hereinafter known as the "Tenant") as Lessee.

W I T N E S S E T H:

WHEREAS, the Port and Tenant entered into a Lease Agreement dated April 6, 2006, covering specific premises for firewood storage and cutting; wood chipping; parking of necessary vehicles, tools, and machinery; and

WHEREAS, the Port and Tenant amended the Lease by Lease Amendment No. 1 dated May 28, 2007, for the purpose of adjusting rent and surety requirement; and

WHEREAS, the Port and Tenant amended the Lease by Lease Amendment No. 2 dated April 14, 2008, for the purpose of adjusting rent and surety requirement; and

WHEREAS, the Port and Tenant amended the Lease by Lease Amendment No. 3 dated March 10, 2009, for the purpose of adjusting rent and surety requirement; and

WHEREAS, the Port and Tenant amended the Lease by Lease Amendment No. 4 dated March 29, 2010, for the purpose of adjusting the rent and surety requirement; and

WHEREAS, the Port and Tenant amended the Lease by Lease Amendment No. 5 dated March 7, 2011, for the purpose of adjusting the rent and surety requirement; and

WHEREAS, the Port and Tenant amended the Lease by Lease Amendment No. 6 dated March 29, 2012, for the purpose of adjusting the rent and surety requirement; and

WHEREAS, the Port and Tenant amended the Lease by Lease Amendment No. 7 dated February 27, 2013, for the purpose of adjusting the rent and surety requirement; and

WHEREAS, the Port and Tenant amended the Lease by Lease Amendment No. 8 dated January 21, 2014, for the purpose of increasing the size of the leased premises, subsequently increasing the rent, revising the surety requirement and extending the lease term; and

WHEREAS, the Port and Tenant amended the Lease by Lease Amendment No. 9 dated March 10, 2014, for the purpose of adjusting the rent and surety requirement; and

WHEREAS, the Port and Tenant amended the Lease by Lease Amendment No. 10 dated March 6, 2015, for the purpose of adjusting the rent and surety requirement; and

WHEREAS, the Port and Tenant amended the Lease by Lease Amendment No. 11 dated February 24, 2016, for the purpose of adjusting the rent and surety requirement; and

WHEREAS, the Port and Tenant amended the Lease by Lease Amendment No. 12 dated February 27, 2017, for the purpose of adjusting the rent and surety requirement; and

WHEREAS, the Port and Tenant amended the Lease by Lease Amendment No. 13 dated February 28, 2018, for the purpose of adjusting the rent and surety requirement; and

WHEREAS, the Port and Tenant amended the Lease by Lease Amendment No. 14 dated March 18, 2019, for the purpose of adjusting the rent and surety requirement; and

WHEREAS, the Port and Tenant amended the Lease by Lease Amendment No. 15 dated April 8, 2021, for the purpose of extending the Term, providing a mutually agreeable Option to Extend Term, adjusting the rent and revising the surety requirement; and

WHEREAS, the Port and Tenant amended the Lease by Lease Amendment No. 16 dated January 31, 2025, for the purpose of adjusting the rent and surety requirement; and

WHEREAS, the Port and Tenant now desire to amend the Lease for the purpose of memorializing the Tenant's exercise of the option extending the Term, as well as adjusting the annual rent increase and subsequently adjusting the surety requirement accordingly;

NOW THEREFORE, it is hereby mutually agreed that the Lease shall be amended as follows:

1. **PARAGRAPH 1, LEASE SUMMARY, RENT** is amended as follows:

Commencing March 1, 2026, the Monthly Rent for the additional three (3) years of the term shall be adjusted by annual increase of four percent (4%) as follows:

Lease Year Commencing	Monthly Rent Annual Increase 4%	Annual Surety Requirement
March 1, 2026 - February 28, 2027	\$3,382.58	\$45,802.84
March 1, 2027 - February 29, 2028	\$3,517.88	\$47,634.91
March 1, 2028 - February 28, 2029	\$3,658.60	\$49,540.37

2. **PARAGRAPH 1, LEASE SUMMARY, SURETY** is amended as follows:

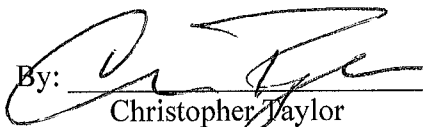
Surety requirement shall be submitted to the Port in the amount stated in the above table.

THE REST AND REMAINDER OF THE LEASE, as amended, shall remain in full force and effect and is affirmed by the signatures of the parties.

LESSOR:
PORT OF OLYMPIA

TENANT/LESSEE:
COMMODITIES UNLIMITED, INC.

By: _____
Alexandra K. Smith
Executive Director

By:  _____
Christopher Taylor
President

STATE OF WASHINGTON)
) ss
COUNTY OF THURSTON)

I certify that I know or have satisfactory evidence that Alexandra K. Smith is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the Executive Director of the Port of Olympia, a municipal corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

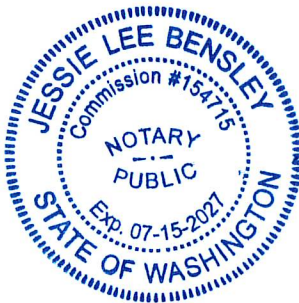
DATED this _____ day of _____, 2026.

Print Name: _____
NOTARY PUBLIC in and for the State of Washington,
residing at _____
My appointment expires: _____

STATE OF WASHINGTON)
) ss
COUNTY OF THURSTON)

I certify that I know or have satisfactory evidence that CHRISTOPHER TAYLOR is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of Commodities Unlimited, Inc., to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED this 14th day of January, 2026.



Jessie Bensley
(Print Name: Jessie Bensley)
NOTARY PUBLIC in and for the State of Washington,
residing at Olympia
My appointment expires: 7-15-2027

RATIFICATION PROVISION

This Amendment No. 17 shall be subject, as a condition subsequent, to ratification by the Port of Olympia Commission within thirty (30) days after full execution. Amendment No. 17 shall be effective and binding on the parties until such time and thereafter if ratified. If Amendment No. 17 is not ratified, as required herein, then it shall terminate and be of no further force and effect.

The undersigned confirms that this Amendment No. 17 was ratified by the Port of Olympia Commission on _____, 2026.

Port of Olympia Commission

By: _____

Its: _____

Date: _____

STATE OF WASHINGTON)

) SS

COUNTY OF THURSTON)

On this _____ day of _____, 2026, personally appeared before me _____, to me known to be the President of the Port of Olympia Commission, the municipal corporation named in the within and foregoing **Lease Agreement**, and acknowledged to me that he signed the same on its behalf, as he is so authorized to do, as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Print Name: _____

NOTARY PUBLIC in and for the State of Washington,
residing at

My commission expires: _____

COVER MEMO

Briefing Date/Time: February 9, 2026
Staff Contact/Title: Alex Smith, Executive Director, alexs@portolympia.com
Subject: Electric Ferry Demand Study
Purpose: ☒ Information Only ☐ Decision Needed

Overview:

Vision 2050 clearly articulates goals and actions around exploring the potential for the Port to serve as a cruise ship destination and regional commuter node. In support of that goal, Vision 2050 incorporates the following action items:

Action Item #26: Continue to track State-led ferry service studies and evaluate the feasibility of the Port’s potential role as the southernmost passenger terminal in South Puget Sound.

Action Item #27: Evaluate the feasibility of establishing a “Mosquito Fleet” water-taxi system that provides limited-scale transportation service for commuters throughout South Puget Sound south of Tacoma.

Background:

In an effort to advance these action items, in 2025 the Port retained the services of Peter Phillips of Colibri NW. With Peter’s assistance, on May 8, 2025 the Port hosted Artemis Technologies for a live demonstration of an electric hydrofoil ferry that Artemis manufactures.

The Port continued conversations with Artemis Technologies on their progress and advancements to bring their product and service to scale in the Puget Sound and worked with Peter Phillips on a concept for a pilot project for passenger ferry service from Olympia to Des Moines, where a bus would take passengers to SeaTac Airport. At the end of July, 2025, Artemis provided a proposal to the Port for the cost to buy or charter one of their vessels for passenger ferry service.

In addition, Port staff discussed the idea of passenger ferry service in Olympia with Intercity Transit, the entity with statutory authority to run transit systems in our area. Intercity Transit indicated it was not interested in investing in passenger ferry service

at this time because it was not part of their long term plans. They did indicate, however, that they were willing to sign an Interlocal Agreement to give the Port authority to run such a system.

The next steps to understanding the feasibility of passenger ferry service is a demand study. The demand study will identify whether there is enough market demand to generate the ridership to support a successful and sustainable passenger ferry service in Thurston County. This will in turn help identify whether there is enough interest in ferry service to warrant a feasibility and/or economic benefit study. An example of a ferry demand study completed for Des Moines is attached.

Summary and Financial Impact:

A demand study is estimated to cost approximately \$50,000.

Environmental Considerations:

The Port is exploring and supporting alternative modes of transportation like ferries not only because of economic considerations like tourism but also because they can be part of environmental solutions specifically reducing single passenger vehicles from the transportation system.

Staff Recommendation:

Staff are supportive of this work as it is clearly articulated in Vision 2050.

Documents Attached:

Power Point Presentation
Des Moines Demand Study

Next Steps/Timeframe:

Staff will continue to engage and monitor significant activities that align with Vision 2050 goals.



 **PORT of OLYMPIA**
Serving All of Thurston County

Passenger Ferry Service - Demand Study

Mike Reid
Director of Community and Economic Development
February 9, 2026

1



Today's Presentation

Advisory Only

 **PORT of OLYMPIA**

2

Background

Mosquito Fleet



3



3

Current Status of Ferry Service



4

• State-Run Ferry System

- Operates 8 routes that serve 20 terminals
- One passenger-only route
- Maintains a fleet of 21 boats
- Wants to transition boats to hybrid-electric by 2040
- New boats being built in Florida

• Other Ferries:

- King County Water Taxi
 - Operated by King County
 - Goes from Seattle to West Seattle and Vashon Island
- Kitsap County Fast Ferries
 - Operated by Kitsap Transit
 - Goes from Seattle to Bremerton, Kingston and Southworth

• No Ferries Serve Olympia



4

Actions Taken to Date



- **Fast Ferry Demonstration**
 - May of 2025
 - State and local leaders attended
- **Explored Concept of a Pilot Run to Des Moines**
 - To take passengers to SeaTac Airport
 - Des Moines is already exploring passenger ferry service to Seattle
 - Artemis provided a proposal to sell or charter a boat to the Port
- **Discussed a Pilot Project with Intercity Transit**
 - It is not in their long-term plans
 - Open to an Interlocal Agreement with the Port so Port could sponsor it
- **The Port Has Supported Legislation That Facilitates the Return of a Mosquito Fleet**
 - ESHB 1923 – expands what kind of public bodies can establish passenger ferry service

5



5

Possibilities

- **Next Steps on Ferry Service:**
 1. Demand Study (est. \$50,000)
 2. Economic Impact Study
 3. Feasibility Study
 4. Pilot Project
 5. Long-Term – Private Operator
- **Green Manufacturing:**
 - Electric Vessels
 - Batteries
 - Lack of Shipyard Space Regionally
 - Willing International Investors
 - Known Technologies
 - Clean Manufacturing
 - Good Jobs



6



6

Why Port of Olympia?

▪ Ferry Service:

1. Tourism Mission
2. Role in Regional Transportation
3. Vision 2050 Goals

▪ Green Manufacturing

1. Job Creation
2. Economic Development
3. Environmental Stewardship
 - a. Clean mode of transportation
 - b. Clean manufacturing process
4. Vision 2050 Goals



7

7

Questions

8

8



DEMAND STUDY DES MOINES MARINA & PASSENGER FERRY CONCEPT

December 4, 2019

The concepts included in this presentation shall not be disclosed outside the scope of the project unless it approved by Diedrich RPM and shall not be duplicated, used or disclosed - in whole or in part - for any purpose other than to evaluate the parties' involvement in a project with DRPM. If, however, an agreement is reached with DRPM as to the performance of this project as a result of or in connection with these concepts the parties will have the right to duplicate, use and disclose the concepts to the extent provided by the contract. This restriction does not limit the parties' right to use information contained in this presentation if it is obtained from another source without restriction.

© 2019 • Diedrich RPM • All Rights Reserved

DEMAND STUDY MISSION:

Determine
propose
ferry operation
funding



Determine demand for a
passenger and
cargo ferry
to obtain
funding

© 2019 • Diedrich RPM • All Rights Reserved

2

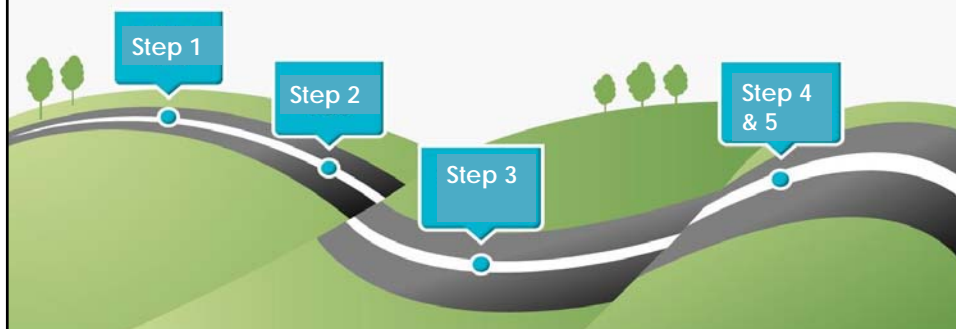
MEETING OVERVIEW

- Introductions
- Demand Study Overview
- Background
- DRPM Services
- **Phase I.** Presentation to Senior Leadership, Economic and Transportation Committees and the City of Des Moines Council
- **Phase II. In-Depth-Interviews**
- **Phase II. Demand Study Proposal**
- The Process and Sample Reporting
- Q & A
- Budget & Timelines
- Terms & Conditions
- Next Steps

PATH TO SUCCESS

Conduct a baseline study to determine potential marina redevelopment and passenger ferry usage/buying motivators (segregated by segment) to determine market viability and to develop the go-to-market strategy

Step 1. Study Design **Step 2.** IDI's **Step 3.** Creation of Survey **Step 4. & 5.** Collection of Data and Tabulation, Creation and Delivery of Executive Summary, and Strategy for the Business Concept




diedrich-rpm
 research propelled marketing









BACKGROUND

© 2019 • Diedrich RPM • All Rights Reserved

5




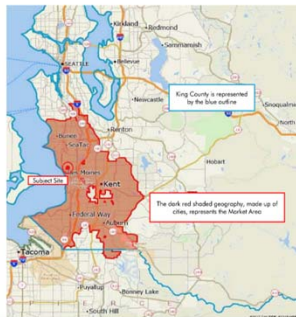
WHAT DOES THE MARKET LOOK LIKE?



Des Moines WA
 The Waterland City

Project Location

The site is located on the existing Des Moines Marina, which currently includes 730 boat slips (uncovered and open), a working boatyard, dry storage, an esplanade, and public access areas to the Puget Sound for fishing and recreation. The City of Des Moines is located in southwest King County, nearly halfway between the cities of Seattle and Tacoma. The City owns and maintains the Marina site.







© 2019 • Diedrich RPM • All Rights Reserved

6



SITUATION ANALYSIS

Michael Matthias (City Manager) and Scott Wilkins (Harbor Master) of Des Moines, WA, are working on a marina redevelopment plan. **The current marina is a 20-acre, 800-slip facility that is equidistant from Tacoma and Seattle. In 2018 more than 1M visitors, and 440,000 vehicles, entered the marina.** Des Moines is at the center of the residential population that works in Tacoma and Seattle. It is also contiguous to the SeaTac airport, which is about three miles from the marina.

The vision is for the city of Des Moines to **provide daily commuters a ferry service using the marina as a pick-up/drop-off point. It will receive travelers from Seattle and Tacoma who are going to the airport, and also support visitors from a tourism perspective.**

The ferry service will also be an essential component to regional emergency plans and regional resiliency plans as it is the closest harbor to the Kent Valley, our center of warehousing and manufacturing. The Kent Valley is vulnerable to flooding in an earthquake or dam breach.

We discussed with Michael and Scott **the idea for conducting a study which projects the viability and demand for a ferry service in an effort to seek potential funding and planning partners.**

© 2019 • Diedrich RPM • All Rights Reserved

7

RESEARCH OBJECTIVES



- Identify reactions to the proposed marina vision and ferry operation with key stakeholders (investors, developers, etc.)



- Determine potential **passenger demographics** (what percent of ridership would be tourist) and **determine origination points from all viable cities**



- Establish **price points** and intent to purchase



- Determine the necessity of including Des Moines in any Seattle-to-Tacoma ferry route. Validate the viability of airport transport



- Demonstrate how the ferry could provide regional emergency evacuation for Kent Valley



- Validate the Marina's redevelopment vision and ferry offering including the ability for the plan to be **environmentally sustainable through the potential use of a battery-electric, low emission Hydrogen fueled, or hybrid ferrying vessel.**



- Determine **primary and secondary tourist/resident/b2b transportation trends**
- Identify local attractions
- Determine area **partners including companion mode partners, parking and traffic assessments etc.**

© 2019 • Diedrich RPM • All Rights Reserved

8

APPLICATIONS OF STUDY RESULTS



Financial forecasts can be used to **facilitate funding and validate market potential**



Determination of **optimal operational business concept and ferry offerings**



Validation for proposed **geographic location and ferry service routes and schedules**



Segmented targeting and identification of companion-mode partners



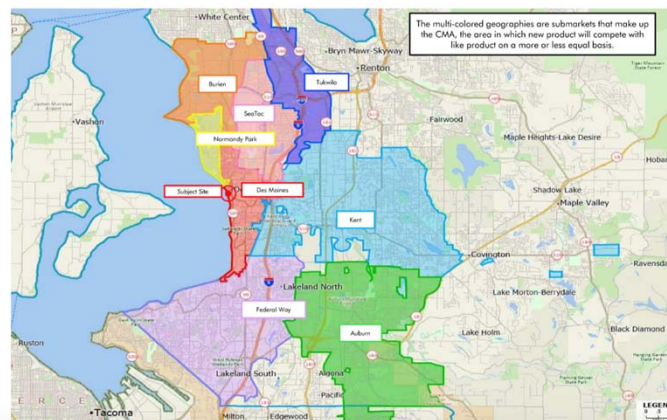
GEOGRAPHIC MARKET

Market area as defined by the Phase II THG feasibility study

Market Area

For the purposes of economic and demographic analysis, we have identified a Market Area that includes the cities of Des Moines, SeaTac, Tukwila, Kent, Auburn, Federal Way, Burien, and Normandy Park. These cities make up the bulk of

southwest King County and include the submarket's top employment nodes. The boundaries of the cities within the Market Area are defined in the map below:





WHAT DOES THE MARKET WANT?

Potential **public amenities** such as **marina steps**, **rooftop gardens**, and validation of the **Tides** and **Pier** concepts



© 2019 • Diedrich RPM • All Rights Reserved

11



THE PROPOSED MARINA



© 2019 • Diedrich RPM • All Rights Reserved

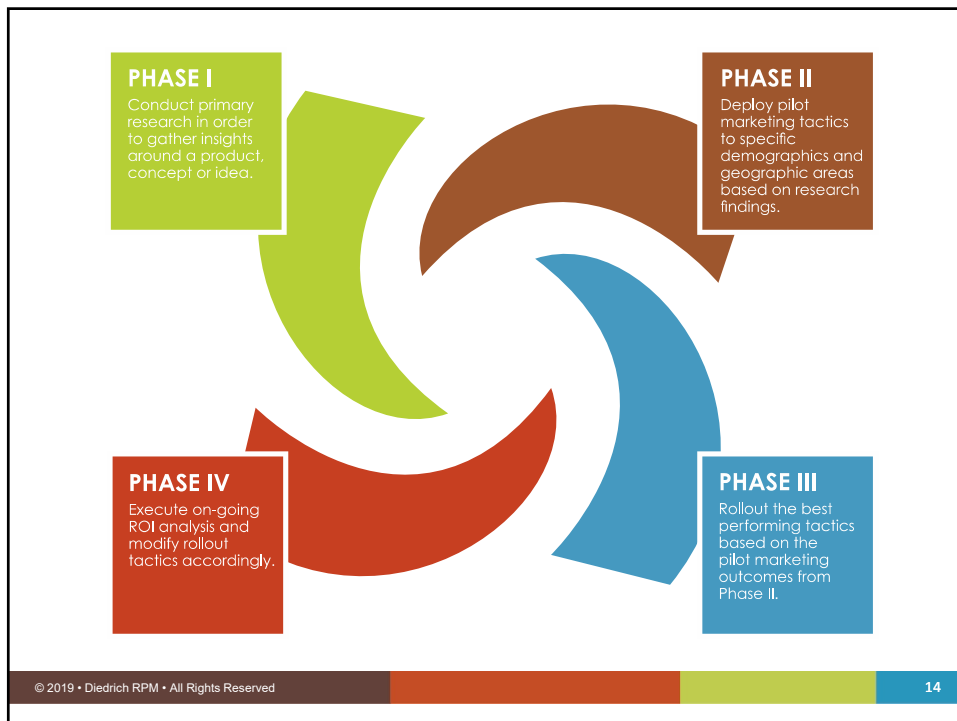
12

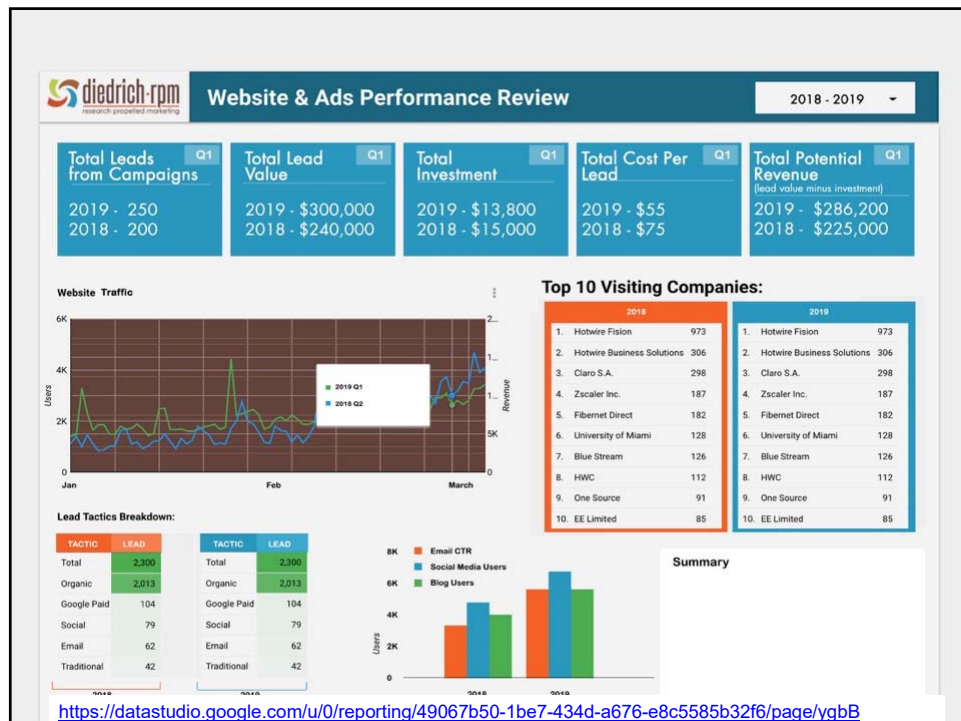


diedrich-rpm
research propelled marketing

ABOUT DIEDRICH RPM

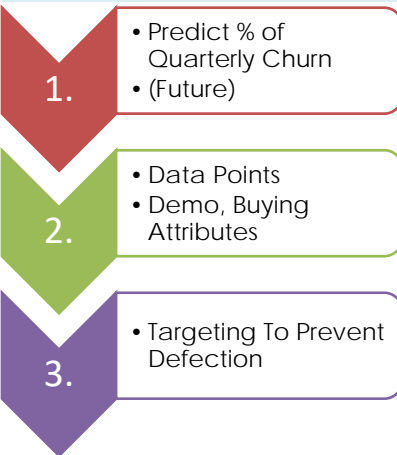
© 2019 • Diedrich RPM • All Rights Reserved 13



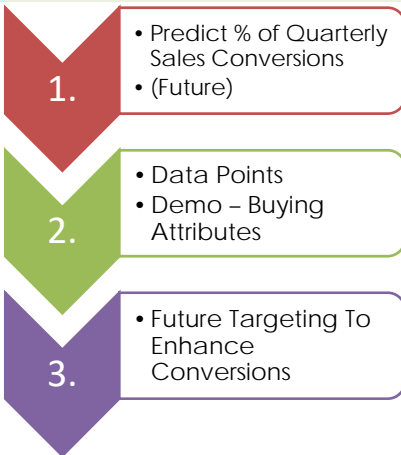


NEURAL NETWORK REPORTING

Churn Modeling



Sales Modeling



© 2019 • Diedrich RPM • All Rights Reserved

17

CLIENT EXPERIENCE



© 2019 • Diedrich RPM • All Rights Reserved

18

CLIENT EXPERIENCE



© 2019 • Diedrich RPM • All Rights Reserved

19



RESEARCH SERVICES

- Questionnaire Development
- Screening Services
- List Management Services
- Discussion Guide Development
- Professional Facilitation
- Data Analysis
- Research Reports
- Recommendations
- Focus Groups
- Web Usability
- Metrics for Success



MARKETING SERVICES

- Marketing/Implementation Plan
- Integrated Marketing
- Branding
- Media Planning and Placement
- Media Buying and Tracking
- Public Relations
- Event Planning
- Insights and Analytics
- Social Media Planning and Implementation
- Digital Marketing
- Web Development



CREATIVE SERVICES

- Brand/Identity Development
- Brand Marketing Materials
- Email Campaigns
- Website Development and SEO
- Digital Advertising
- Creative Copywriting
- TV / Radio Concepts
- Direct Mail
- Print Advertising
- Offset, Digital, Variable Data Printing

© 2019 • Diedrich RPM • All Rights Reserved

20




PART 1: MEETING WITH LEADERSHIP & PRESENTATION TO COUNCILS

© 2019 • Diedrich RPM • All Rights Reserved 21

MEETINGS AND PREPARATION

- **Discovery meeting** – to discuss perceived challenges and opportunities associated with the Ferry concept
- **Tour the proposed docking and parking areas for the Ferry service**
- **DRPM to present the part 2 Demand Study Strategy** to the City of Des Moines senior leadership
- **DRPM to make any necessary modifications to the part 2 Demand study plan**
- **Present the Demand Study Plan** to Department of Economic Development, Department of Transportation and to the City Council

© 2019 • Diedrich RPM • All Rights Reserved 22

PART 1 BUDGET

Discovery:

- **Review of the historical documents**, including the feasibility studies, city plan, marina plan, tourism information, SeaTac and meetings between DRPM and the city of Des Moines: **\$1,175**
- **Creation of the Demand Study Proposal**: **\$1,200**
- **Presentations of the draft Demand Study Proposal to senior leadership**. (includes projected editing time): **\$1400**
- **Presentations to the Department of Transportation Council, the Economic Development Council and city of Des Moines Council**: **\$1400**
- **Total Part 1 Budget: \$5175 (includes travel time, 2.5 days)**

Note: Fees do not include travel and lodging – this will be billed as pass-through costs



PART 2: IN-DEPTH-INTERVIEWS

IN-DEPTH-INTERVIEWS

Conduct IDI's with key stakeholders (investors, developers, influencers, etc.), to assess perceptions of the marina redevelopment and ferry concept. Identify what elements of the plan most resonate with participants as well as gather other ideas and feedback. Use the findings to refine the Consumer Demand study. This phase can aid the future investor network and is designed to be inclusive of thought leadership.

Sample reporting below)

METHODOLOGY

IDI Strategy:
Conduct in-depth-interviews with preselected individuals on the Team, including titles and fields such as: Sales, Business Development, Marketing, Sales Engineer, VP of Sales, and VP of Engineering.

Interviews were scheduled in advance and conducted with team members from 5/14-6/6 via telephone. Each interview followed the preapproved IDI Guide/Questionnaire and lasted approximately 60 minutes per session.

Goal:
Perform in-depth-interviews with sales team to determine the needs to aid in the sales cycle, specifically with generating new leads and expand customer base.

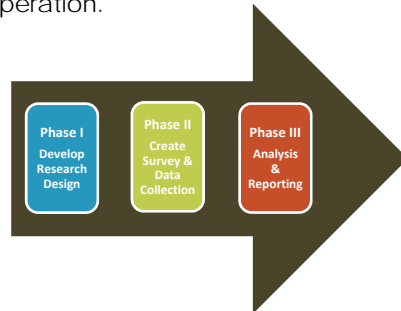
IDI INTERVIEW GUIDE



PART 3: DRAFT PROPOSED DEMAND STUDY

RESEARCH PROCESS

The goal of the research study is to understand consumer demand, functional attribute indicators, market barriers and opportunities, demographics, and other areas critical to the proposed marina redevelopment and ferry operation's overall success. The information will be used to build a targeted and measurable strategic plan to drive strategy and determine future sales for the city of Des Moines future ferry operation.



Phase I: The development of a Research Design to include project objectives, goals, methodology, reporting, and timing

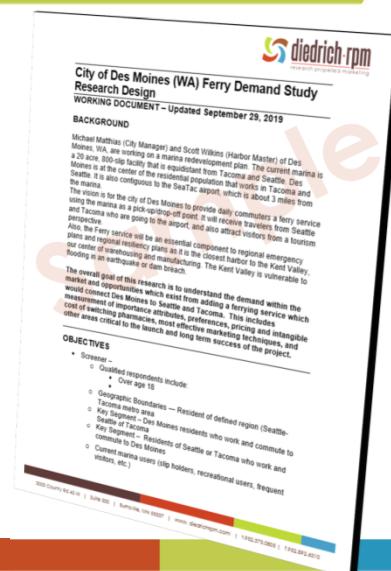
Phase II: The development and deployment of a survey(s) (based on the approved Research Design) using DRPM's proprietary survey platform

Phase III: A full report detailing the findings and recommendations

PHASE 1: RESEARCH DESIGN

The first step of any study is the development of a Research Design, including a research methodology.

Working collaboratively with the city of Des Moines, DRPM will develop a plan for the research project, which will serve as the blueprint for the project including the creation of the survey. It will also outline project specifics such as methodology and reporting/data analysis.



PHASE II: DATA COLLECTION

Using the **methodology** approved from the **Research Design**, a plan is developed to capture responses and achieve the studies goals/quota. Often this includes a **mixed-method approach**, utilizing online resources as well as DRPM's in-house call center.

- A minimum of 30 responses per segment is required for statistical testing.
 - Segments may include; consumer importance and satisfaction ratings by brand/competitor, geographic representation, product type, brand loyalty, and other demographic characteristics.
- Images may also be included to illustrate product concept (online respondents only).
- DRPM (using a proprietary online survey platform) will host all data collected. The raw data may also be transferred via Excel or SPSS format if the client elects.

© 2019 • Diedrich RPM • All Rights Reserved

29

DELIVERABLES

The project includes the following deliverables:

- Research design (working in collaboration with the City of Des Moines) which defines the objectives, methodology, and timing
- Use of DRPM's secure internal survey platform with capabilities to provide real-time email alert triggers, data export in Word, PDF, Excel, Power Point, and SPSS formats, embedded data unique to individual respondent, and more
- Data collection (mixed-method approach)
- A complete in-depth final report including; data analysis and statistical testing, executive summary, opportunities, and other key observations
- Presentation support also available if elected

© 2019 • Diedrich RPM • All Rights Reserved




SAMPLE REPORTING SLIDES

© 2019 • Diedrich RPM • All Rights Reserved

31

DRAFT CONCEPT STATEMENT

THE CITY OF DES MOINES OFFERS A NEW AFFORDABLE WAY TO TRAVEL

The Des Moines Ferry aims to provide a new, affordable way to travel between waterfront communities throughout Des Moines, and Puget Sound region. XX routes span over XX nautical miles of waterways and will connect commuters from Des Moines, Seattle and Tacoma and visitors to the city's waterfront communities – including neighborhoods, job centers, and parks. The City's proximity to light rail and fast-growing employment base will make this passenger service a great new viable mode of transportation for our community.

The Des Moines Ferry will provide:

- Great alternative to stress and expense of solo commuting
- A safe, reliable, comfortable ride
- Environmentally friendly boats
- State-of-the-art traveler amenities

© 2019 • Diedrich RPM • All Rights Reserved

32

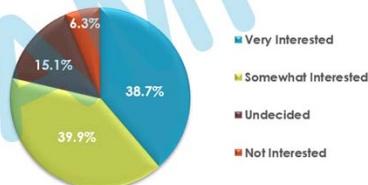
CONCEPT PLATFORM EVAL

If a ferry service were to be made available from Des Moines to Seattle how likely would you be to use it for your daily commute?



CONCEPT – PROPOSED FERRY

78.6% of consumers within the geographical boundaries are **somewhat – very interested** in a new ferry service after reading the proposed projects overview.



Q: Please rate your level of interest with RevVid based on this concept statement and video demonstration. CONSUMERS ONLY n=239
© 2019 • Diedrich RPM • All Rights Reserved

© 2019 • Diedrich RPM • All Rights Reserved

33

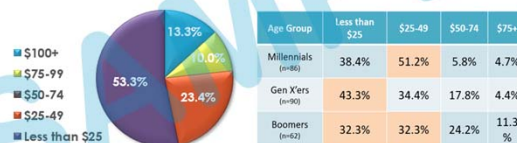
CONCEPT PLATFORM EVAL

What would you expect a round trip fare to be for a commuter ferry running from Des Moines to Seattle?



PROJECTED PRICING

More than half of respondents would expect to pay less than \$25 per pass/trip to utilize the proposed ferry service from [location] to [location].



Q: What would you expect to pay for an annual commercial license for RevVid? N=33 ONLY ASKED TO PROFESSIONALS
© 2019 • Diedrich RPM • All Rights Reserved

© 2019 • Diedrich RPM • All Rights Reserved

34

PROJECTED DEMAND

Project an estimated \$4M in total revenue based on the following demand by market segment

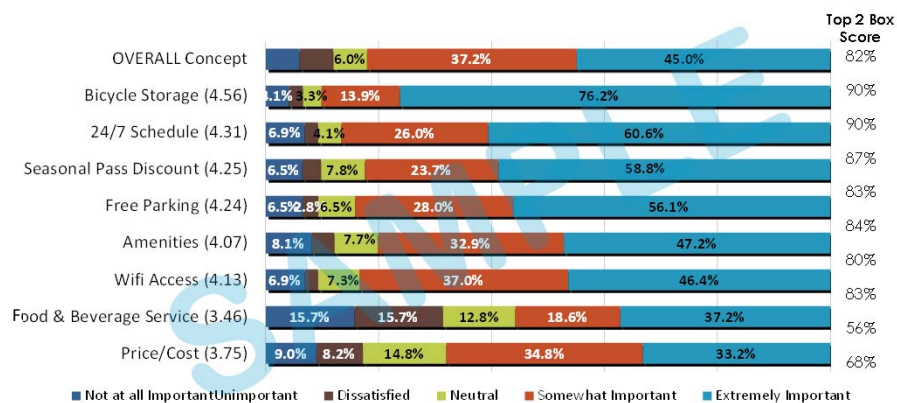
Segment	Average annual spend	Reason for Purchase
Residents	\$2M (62%)	Commute Time Convenience (96%)
Tourists/ Hotel Guests	\$1M (61%)	Experience (42%)
Tour Operators	\$500K (48%)	Venue/convenience/ reputation (65%)
Airport Commuters	\$500K (48%)	Commute Time Convenience (65%)
Total	\$4M	

© 2019 • Diedrich RPM • All Rights Reserved

35

SERVICE ATTRIBUTE IMPORTANCE

Most areas measured have a top-two box above the 80% threshold



Q: Please rate the level of importance for the following attributes when considering a proposed ferry service.

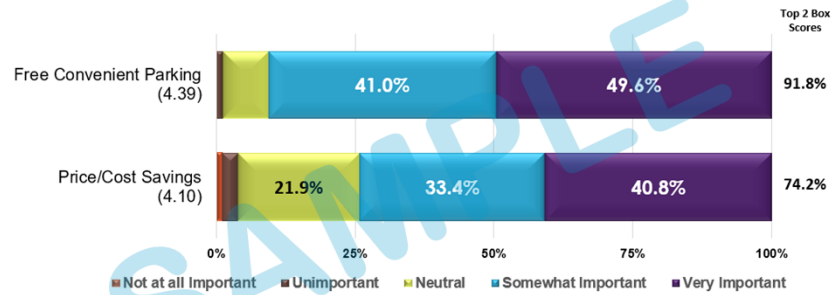
© 2019 • Diedrich RPM • All Rights Reserved

36



KEY DRIVERS / BUYING BEHAVIOR

Key Drivers – Price/Cost Savings and Access to Free and Convenient Parking have the **greatest importance** and **correlation** to **likelihood to use**.



“Value for my dollar” also ranked **#1** nationally when vacationers were asked to rate their agreement using similar 1-5 Likert Scale*

* Expedia Group – 2018 American Trends Report

© 2019 • Diedrich RPM • All Rights Reserved

37



NUMBER OF WEEKLY TRIPS

Demographic Segment		1 trip	2-3 trips	4-5 trips	5+ trips	Avg. Spend (Annual)
Age	Millennials (n=142)	21.1%	19.3%	45.5%	14.1%	\$1,500
	Gen Xers (n=256)	17.2%	54.3%	18.4%	10.2%	\$400
	Boomers (n=383)	59.6%	30.7%	17.2%	12.5%	\$150
Income	\$50,000 or less (n=79)	19.0%	55.7%	17.7%	7.6%	\$500
	\$50,001 - \$100,000 (n=295)	17.3%	51.2%	17.6%	13.9%	\$620
	More than \$100,000 (n=323)	18.6%	52.9%	16.4%	12.1%	\$630
Commuters	Seattle Commuter (n=219)	11.0%	13.9%	14.6%	60.5%	\$3,200
	Tacoma Commuter (n=381)	8.6%	9.9%	19.4%	62.1%	\$3,800
	Commutes to Des Moines (n=25)	15.0%	38.0%	44.0%	8.0%	\$2,800

© 2019 • Diedrich RPM • All Rights Reserved

38



KEY DRIVER BY SEGMENT

Key Drivers segmented by **demographic characteristics** may vary, emphasizing the importance of segmented marketing campaigns.

	Group	#1 Key Driver	#2 Key Driver	#3 Key Driver
Age	Millennials (n=142)	Price/Cost/Savings	Free & Convenient Parking	Food & Bev Service
	Gen X'ers (n=256)	Free & Convenient Parking	Price/Cost/Savings	Bicycle Storage
	Boomers (n=383)	Price/Cost/Savings	Free & Convenient Parking	Food & Bev Service
Income	\$50,000 or less (n=79)	Price/Cost/Savings	Season Pass Discount	Free & Convenient Parking
	\$50,001 - \$100,000 (n=295)	Free & Convenient Parking	Food & Bev Service	Price/Cost/Savings
	More than \$100,000 (n=323)	Free & Convenient Parking	Price/Cost/Savings	Wifi Access
Commuter	Seattle (n=219)	Free & Convenient Parking	Price/Cost/Savings	Bicycle Storage
	Tacoma (n=381)	Free & Convenient Parking	Price/Cost/Savings	Food & Bev Service
	To Des Moines (n=25)	Food & Bev Service	Wifi Access	24/7 Schedule

© 2019 • Diedrich RPM • All Rights Reserved

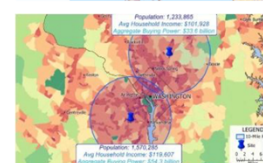
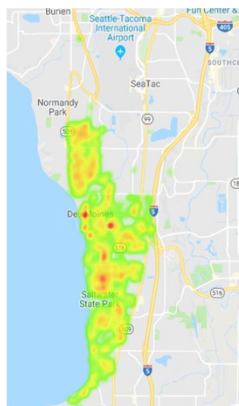
39



MAPPING

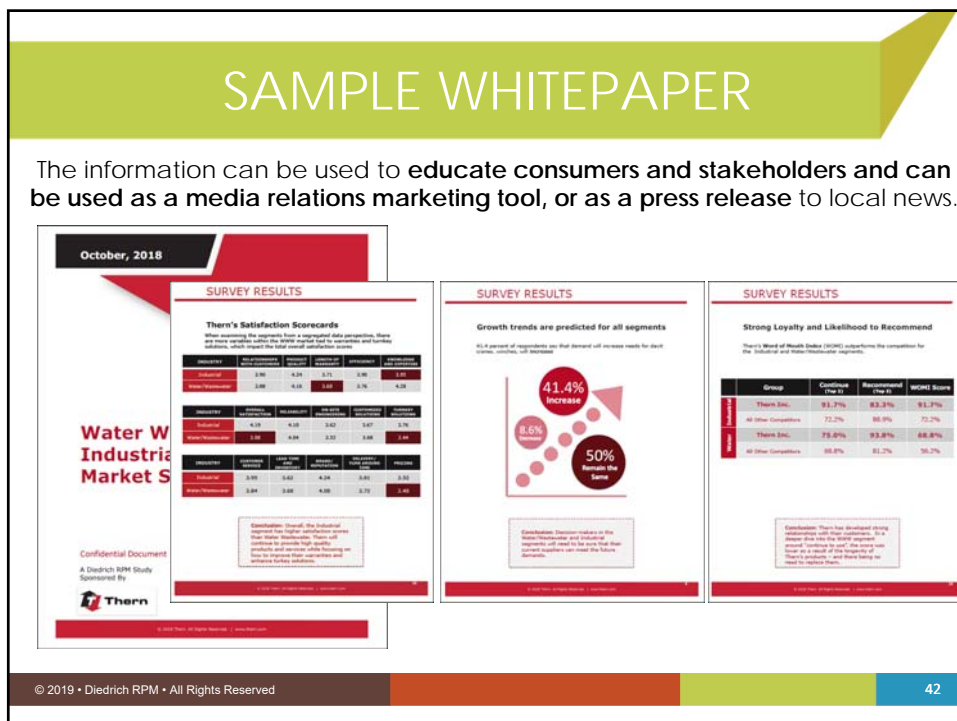
Custom mapping of the regional and respondent data may include:

- Drive time and distance rings (mileage, time/minutes, etc.)
- Commuter spotting w/most common routes
- Traffic reports
- Population density
- Market potential (likelihood to use proposed ferry for transport)
- Real Estate trend analysis and projections
- Household income, and other demographic characteristics



© 2019 • Diedrich RPM • All Rights Reserved

40






CONNECTING THE RESEARCH TO
YOUR MARKETING STRATEGY

© 2019 • Diedrich RPM • All Rights Reserved 43

PHASED MARKETING

Create a phased marketing approach:

Phase I.
Build the ferry's brand, create awareness and demand

Phase II.
Grand opening and launch

Phase III.
Building and retaining ridership (supported with benchmark rider satisfaction reporting)

Phase IV.
Ongoing ridership promotion (and sharing of benchmarks)

© 2019 • Diedrich RPM • All Rights Reserved 44

TARGET AUDIENCES

Residents/Commuters

Tourists

Influencers:
 SeaTac/Hotels/CVB Welcome Centers/ Tour Operators

Preliminary Target Markets by Priority: 1. Des Moines 2. Seattle 3. Tacoma 4. Feeder communities 5. SE Alaska 6. British Columbia

Preliminary Primary Target – Residents, SeaTac commuters, visitors and families, business travelers, etc.

© 2019 • Diedrich RPM • All Rights Reserved
45

INTEGRATED MARKETING

Sample: Target Markets based on Research Primary Data

Empty Nesters	High Income Internet Families	Internet Singles & Couples	Events/B2C/B2B
Demographics <ul style="list-style-type: none"> Couples over 45 with no children present in the household Incomes from \$75K to over \$100K Behavior <ul style="list-style-type: none"> Lower income brackets tend to rely on travel guides, coupon sites, and TripAdvisor.com High income brackets use Facebook and Travelocity. All income brackets use travel resources. 	Demographics <ul style="list-style-type: none"> Couples with children present in the household with incomes above \$100K. Behavior <ul style="list-style-type: none"> High internet users including Facebook, TripAdvisor.com, and online coupon sites. 	Demographics <ul style="list-style-type: none"> 21 to 34 year old singles and couples who make less than \$100K per year and have never had children. Behavior <ul style="list-style-type: none"> Use internet resources exclusively, including Facebook. 	<ul style="list-style-type: none"> Tour Buses Car rentals VRBO Reward sales events History tours Multi-generational events

© 2019 • Diedrich RPM • All Rights Reserved
46





QUESTIONS?

© 2019 • Diedrich RPM • All Rights Reserved 49

NEXT STEPS

- Approve Budgets and Timelines
- Feedback on Research Design
- Other/Questions?

© 2019 • Diedrich RPM • All Rights Reserved 50








BUDGET, TIMELINES, & NEXT STEPS

© 2019 • Diedrich RPM • All Rights Reserved
51

Estimated Part II & III Research Budgets		
Work	Budget	Time Frame
Part II. In-Depth-Interviews Includes 8-10 interviews, development of the questionnaire, along with a full report including verbatim responses and executive summary to be compiled based on information obtained through the interviews. Trends may also be compared to data obtained from primary research study	\$3500-\$4000	2-3 weeks
Part III. Quantitative Primary Market Demand Study: Creation of the Research Design, survey development, corresponding approval, and programming into web-based survey platform. Survey to be administrated using a mixed method approach utilizing online resources and in-house call center. Primary target audience may include Des Moines Residents, Commuters, Visitors/Tourists, Frequent Travelers, etc. Estimated aggregate sampling of 266-383 (population TBD) and corresponding Margin of Error (MOE) as follows: MOE +/- 6 = 266 samples MOE +/- 5 = 383 samples Full in-depth report with statistical analysis upon completion. Minimum 30 samples per segment required for statistical testing and analysis.	\$23,000-\$27,000	6-8 weeks
In person presentations of the IDI's and Full Demand Study Includes two-three full days of travel and meeting times for DRPM's Director of Research, our Data Engineer (to provide detail on stats associated with the report) and Liz Diedrich) Travel and lodging expenses will be billed separately as a pass-through expense	\$7,175-\$8,500	2-3 full day
<i>Note: Proposed budget does not include participation incentives and other pass through costs. The Marketing plan is also not included in the budget and would be provided post the research phases of work.</i>	TOTAL \$33,675-\$39,500	6-9 weeks


© 2019 • Diedrich RPM • All Rights Reserved
52






EST. TIMELINE – TYPICAL QUANTITATIVE STUDY

ESTIMATED PROJECT SCHEDULE Primary Research (6-8 weeks)						
	Week 1	Week 2	Week 3	Weeks 4	Week 5	Week 6
Creation of Research Design	X					
Develop / Program Survey	X					
Analyze Telephone / Email Lists	X					
Upload/Test Survey	X					
Program / Deploy Online		X	X	X		
Conduct Online Survey / Monitor Response Rate		X	X	X		
Conduct Telephone Interviews as needed			X	X	X	
Collect / Tabulate / Analyze Data					X	X
Create / Present Report					X	X
TOTAL	<small>Note: Timeline estimations of week 2 and beyond begin upon final approval of the survey (typically one week). DRPM will work hard to reduce timing where possible. Data collection may vary dependent upon incentive, email addresses, list accuracy, and other factors which may effect participation rates.</small>					


© 2019 • Diedrich RPM • All Rights Reserved
53



TERMS AND CONDITIONS

© 2019 • Diedrich RPM • All Rights Reserved
54




APPROVALS & AUTHORITY

Approval and Authority
 Diedrich RPM will submit to you for approval of all timelines and budgets for the work **not** represented within this document including management and outside costs to implement any additional tactics that may include, but not limited to: photography, media placement, postage and shipping requirements to produce the work for the City of Des Moines. This approval process includes also vendor related services outside of the work discussed. The agency will require the client's authorization before ordering production materials, making contracts with suppliers and making reservations or contracts for additional services. We will need to have a designated representative of the company as the identified person who is authorized to sign budgets and is responsible for authorizations and approvals.

Billing Procedures
 Billing is itemized in terms of account management and related if accrued outside expenses. 1/3 of the projects fees will be due at project's onset.

Agency Compensation
 This letter of agreement has been based on our meeting in terms of scope of work. Diedrich RPM and Omcare agree upon invoicing on the terms of amortized monthly billings as outlined in this proposal. Cost-accounting procedures are maintained based on a time-keeping system. Monthly billings will be provided as the work progresses, budget reconciliations will be presented to these invoices.

© 2019 • Diedrich RPM • All Rights Reserved
55



TERMS & CONDITIONS

Digital Advertising
 If hired to conduct digital ad campaigns, Diedrich RPM will develop, implement, optimize, and manage any and all Pay-Per-Click (PPC) Advertising accounts and campaigns, including but not limited to, Facebook, LinkedIn, Bing and Google, on behalf of CLIENT within Diedrich RPM's master accounts. Diedrich RPM will have full ownership of CLIENTS accounts; campaign structure, optimizations, and overall strategy are proprietary; CLIENT can request access, historic data, and/or full ownership of Google and Bing accounts, with an additional investment to obtain it.

Creative and Copywriting
 DRPM includes up to three rounds or revisions in their pricing for creative and copywriting services. Additional requests beyond this will be considered out of scope work and will be billed at an hourly rate for our creative department.

© 2019 • Diedrich RPM • All Rights Reserved
56

TERMS & CONDITIONS

Applicable Law
The laws of the State of Minnesota shall govern the application and interpretation of this agreement.

Termination
Agency services for the research functions will be provided on a monthly basis with a provision for 30 days notice of termination by either side. All work in progress will be paid for immediately in accordance with acceptable practices of the industry.

Arbitration
Any claim or controversy arising under or relating to this agreement shall be settled by arbitration in accordance with the rules of the American Arbitration Association at a hearing in Dakota County, MN. Judgment may be entered on the arbitrator's award in any court having jurisdiction thereof.

Binding Agreement
This agreement shall be binding on the parties here to and their successors and assigns.

© 2019 • Diedrich RPM • All Rights Reserved
57

TERMS AND CONDITIONS

DRPM and client agree that they will duly observe all of their obligations under marketing industry guidelines and applicable data protection legislation arising out of or in connection with the processing of personally identifiable information under this agreement.

Client Approvals

City of Des Moines Approval
Signature: _____

Today's Date: _____

DRPM Approval Signature: _____

Today's Date: _____

© 2018 • Diedrich RPM • All Rights Reserved
58

CONTACTS

DRPM Contacts:

Director of Research

Kyle@diedrichrpm.com, Phone: 952-314-9952

Statistician and Research Administration

Brandon@diedrichrpm.com, Phone: 952-373-0805

CEO

Liz@Diedrichrpm.com Phone: 612-850-4455

© 2019 • Diedrich RPM • All Rights Reserved

59



THANK YOU

3000 County Road 42, Suite 300 | Burnsville MN 55337 | www.diedrichrpm.com | t.952.373.0805 | f.952.892.6310

COVER MEMO

Briefing Date/Time: February 9, 2026

Staff Contact/Title: Alex Smith, Executive Director (360) 528-8050,
alexs@portolympia.com

Subject: Delegation of Authority

Purpose: ☒ Information Only ☐ Decision Needed

Type of Agenda Item:

Commission Discussion

Background:

Commissioner Vasavada requested an opportunity to discuss the Port's Delegation of Authority. The Delegation of Authority is a document by which the Commission grants specific powers and responsibilities to an Executive Director to manage the Port's operations.

Current Port of Olympia Delegation of Authority:

There are five active Resolutions for the current Delegation of Authority to the Executive Director.

- 2021-04 – Executive Policies
 - 41 policies in all
 - See Pages 3-4 of the resolution for a list of affected policies
- 2019-06 – Contracts and Acquisition Policies
 - Port Policies 1001-1010, except:
 - Port Policy 1003 which is already written for Executive Director authority
- 2019-07 – Real Property Policies
 - Port Policies 1101-1108, except:
 - Port Policy 1106, which is already written for Executive Director authority
- 2015-16 – Financial Policies
- 2013-17 – Environmental Policies

There was an attempt to consolidate the three 2019 and 2021 resolutions into a single new resolution at a February 2024 Commission meeting, but it was ultimately not approved by the Commission.

Two attached documents summarize what the Delegations of Authority mean in terms of the decisions and policy approvals the Commission reserved to itself (the “Commission Policies” and “Commission Actions” documents).

Examples of Other Delegations of Authority:

Also attached for Commission consideration are the Delegations of Authority used by the Ports of Seattle and Tacoma. I have also included an excerpt from a presentation given at the WPPA's 2023 Commissioners Seminar that discusses the respective roles of Commissioners and the Executive Director.

Alignment with Vision 2050:

Supports the Vision 2050 Goal to improve the Port's ability to make decisions, resolve issues and achieve its objective and mission.

Environmental Considerations and Review:

N/A

Alternatives Considered:

N/A

Staff Recommendation:

N/A

Documents Attached:

PowerPoint Presentation

Resolution 2013-17

Resolution 2015-16

Resolution 2019-06

Resolution 2019-07

Resolution 2021-04

Commission Actions

Commission Policies

Port of Seattle Delegation of Authority

Port of Tacoma Delegation of Authority

Excerpts from [Port of Tacoma Commission and Staff Facilitated Discussion February 2, 2023](#), presented at the WPPA 2023 Commissioner Seminar.



1

Background

- A Delegation of Authority is the document by which the Commission grants specific powers and responsibilities to an Executive Director to manage the Port's operations.
- Currently, there are five active Resolutions for the Delegation of Authority to the Executive Director:
 - 2021-04 – Executive Policies
 - 41 policies in all
 - See Pages 3-4 of the resolution for a list of affected policies
 - 2019-06 – Contracts and Acquisition Policies
 - Port Policies 1001-1010, *except*
 - Port Policy 1003 which is already written for Executive Director authority
 - 2019-07 – Real Property Policies
 - Port Policies 1101-1108, *except*
 - Port Policy 1106, which is already written for Executive Director authority
 - 2015-16 – Financial Policies
 - 2013-17 – Environmental Policies

2

2

Background

Type of Action	What	How	Source
Beginning of the Year Housekeeping	Adopting the Surplus Property Disposal Threshold	Resolution	
	Changes to Commission Rules	Resolution	
	Selection of Commission Officers	Motion	
	Annual Meeting Schedule	Motion	
	Committee Assignments	Motion	
End of Year Financials	Tax Levy Adoption	Resolution	RCW 53.35.045
	Annual Budget and Capital Investment Plan Adoption	Resolution	RCW 53.35.045
	Adjustment to ED Compensation	Motion	
Monthly Recurring Items	Commission Meeting Minutes	Motion	
	Bills and Vouchers	Motion	
Contracts and Grants	Small Works, Purchased Service and Public Works Contracts over \$300,000	Motion	Resolution 2019-06; Policies 1002, 1004, 1005
	Change Orders when new Not-to-Exceed Amount Exceeds \$300,000 or Exceeds a Commission-Approved Contract by More than 10%	Motion	Resolution 2019-06; Policy 1005
	Operational Personal Service Contracts over \$50,000	Motion	Resolution 2019-06; Policy 1001
	Non-Operational Personal Service Contracts over \$25,000	Motion	Resolution 2019-06; Policy 1001
	Acceptance of Grants for Programs not in the Budget or CIP	Motion	Policy 1008, 1008-A
	Acceptance of Grants that Require a Port Contribution of New Funds	Motion	Policy 1008-A
Leases	Leases with a Duration of Over One Year	Motion	Policy 1101
	Flex Spaces Leases with a Duration Over One Year	Motion	Policy 1101
	Assignment of Long-Term Leases	Motion	Policy 1101
	Agreements that Impose Financial Obligations for the Port on Improvements	Motion	Policy 1101

3



3

Background

Real Property	Sale of Real Property	Motion	Policy 1103
	Purchase of Real Property	Motion	Policy 1102
Legal	Approval of Port Legal Counsel	Motion	Policy 1009
	Settlement Lawsuits for over \$100,000	Motion	Policy 1009
	Resolution of any Other Claim Exceeding \$25,000	Motion	Policy 1009
Other	Commission Policy Updates	Motion	
	Budget and CIP Amendments	Motion	
	Approval of the Comprehensive Scheme of Harbor Improvements or Amendments thereto	Resolution	
	Approval of Intergovernmental Agreements	Motion	
	Changes to the Port of Olympia Citizens Advisory Committee Rules	Resolution	
	Changes to Code of Governance and Conduct	Resolution	
	Amending the Charter of the Economic Development Corporation	Resolution	
	Amendment of Prior Resolutions	Resolution	
	Changes to Delegation of Authority	Resolution	
	Port Economic Development Corporation Meetings	Resolution	
	Changes to Port Development Guidelines	Resolution	
	Swantown Marina and Airport Rules and Regulations	Resolution	
	Airport Minimum Standards	Resolution	
	Final Acceptance of Capital Projects	Motion	

4



4

Background Provided

- Delegations of Authority for:
 - Port of Olympia
 - Port of Seattle
 - Port of Tacoma
- Information from a WPPA seminar on roles and responsibilities of the Commission and the Executive Director

5



Items That Require Commission Action

Type of Action	What	How	Source
Beginning of the Year Housekeeping	Adopting the Surplus Property Disposal Threshold	Resolution	
	Changes to Commission Rules	Resolution	
	Selection of Commission Officers	Motion	
	Annual Meeting Schedule	Motion	
	Committee Assignments	Motion	
End of Year Financials	Tax Levy Adoption	Resolution	RCW 53.35.045
	Annual Budget and Capital Investment Plan Adoption	Resolution	RCW 53.35.045
	Adjustment to ED Compensation	Motion	
Monthly Recurring Items	Commission Meeting Minutes	Motion	
	Bills and Vouchers	Motion	
Contracts and Grants	Small Works, Purchased Service and Public Works Contracts over \$300,000	Motion	Resolution 2019-06; Policies 1002, 1004, 1005
	Change Orders when new Not-to-Exceed Amount Exceeds \$300,000 or Exceeds a Commission-Approved Contract by More than 10%	Motion	Resolution 2019-06; Policy 1005
	Operational Personal Service Contracts over \$50,000	Motion	Resolution 2019-06; Policy 1001
	Non-Operational Personal Service Contracts over \$25,000	Motion	Resolution 2019-06; Policy 1001
	Acceptance of Grants for Programs not in the Budget or CIP	Motion	Policy 1008, 1008-A
	Acceptance of Grants that Require a Port Contribution of New Funds	Motion	Policy 1008-A
Leases	Leases with a Duration of Over One Year	Motion	Policy 1101
	Flex Spaces Leases with a Duration Over One Year	Motion	Policy 1101
	Assignment of Long-Term Leases	Motion	Policy 1101
	Agreements that Impose Financial Obligations for the Port on Improvements	Motion	Policy 1101

Items That Require Commission Action

Real Property	Sale of Real Property	Motion	Policy 1103
	Purchase of Real Property	Motion	Policy 1102
Legal	Approval of Port Legal Counsel	Motion	Policy 1009
	Settlement Lawsuits for over \$100,000	Motion	Policy 1009
	Resolution of any Other Claim Exceeding \$25,000	Motion	Policy 1009
Other	Commission Policy Updates	Motion	
	Budget and CIP Amendments	Motion	
	Approval of the Comprehensive Scheme of Harbor Improvements or Amendments thereto	Resolution	
	Approval of Intergovernmental Agreements	Motion	
	Changes to the Port of Olympia Citizens Advisory Committee Rules	Resolution	
	Changes to Code of Governance and Conduct	Resolution	
	Amending the Charter of the Economic Development Corporation	Resolution	
	Amendment of Prior Resolutions	Resolution	
	Changes to Delegation of Authority	Resolution	
	Port Economic Development Corporation Meetings	Resolution	
	Changes to Port Development Guidelines	Resolution	
	Swantown Marina and Airport Rules and Regulations	Resolution	
	Airport Minimum Standards	Resolution	
	Final Acceptance of Capital Projects	Motion	

Commission Policies

- 115 – Safety Program
- 116 – Ethics and Conflict of Interest
- 501 – Memberships
- 502 – Community Advertising and Promotion
- 601 – Expense Reimbursement for Travel
- 602 – Employee Meeting Expense Reimbursement
- 603 – Employee Recognition Events
- 604 – Promotional Hosting
- 801 – Expenditure System of Internal Controls
- 903 – Public Records Policy
- 1001 – Consultant Services Agreements
- 1002 – Small Works Roster
- 1004 – Public Works Contracting
- 1005 – Purchased Services Agreements
- 1006 – Emergency Public Works
- 1008 – Grant Application and Acceptance
- 1009 – Legal Services and Other Representation
- 1010 - DBE Program for FAA Funded Projects
- 1011 – Public Works Competitive Bid Exemption
- 1101 – Real Property Rentals and Leasing
- 1102 – Real Property Acquisitions
- 1103 – Disposition of Real Property
- 1104 – Real Property Transaction Commissions
- 1105 – Real Estate Reinvestment Proceeds
- 1107 – Naming Conventions and Protocols
- 1108 – Real Estate Investment and Development
- 1201 – Taxation



Commission Policies

1202 – Financial Measures

1203 – User Fees and Rates

1204 – Capital Investment

1205 – Debt

1206 – Post-Issuance Compliance for Bonds

1301 – Environmental Policy

PORT OF OLYMPIA COMMISSION
Resolution 2021-04

A Resolution, of the Port of Olympia Commission, providing the delegation of authority to the Executive Director or his or her designee for matters related to Executive Policies.

WHEREAS, Section 53.12.270 of the Revised Code of Washington provides authority to the Port Commission for delegation of powers to the Executive Director; and

WHEREAS, the Port Commission has adopted policy directives delegating administrative authority to the Executive Director and his/her designees for the purpose of expeditious administration of the Port; and

WHEREAS, the Port Commission has from time to time found it necessary to amend and revise such directives due to changes in law and/or operations of the Port; and

WHEREAS, the Port Commission now wishes to provide a master policy directive providing for the delegation of authority to the Executive Director or his or her designee for matters related to Port Executive Policies, and to repeal any prior resolutions dealing with the same subject;

WHEREAS, the Executive Director will keep the Commission apprised of changes to Port administrative policies.

THEREFORE, BE IT RESOLVED that the Port of Olympia Commission adopts the master policy directive as set forth as Exhibit "A" attached to this Resolution and incorporated herein by such reference is for the purpose of providing for the delegation of authority to the Executive Director or his or her designee for matters related to Port Executive Policies, and any prior resolutions dealing with the same subject are repealed.

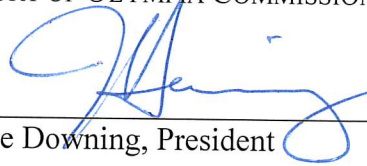
BE IT FURTHER RESOLVED that the Port of Olympia Commission delegates the authority to the Executive Director to create procedures for the policies covered by this Resolution. In addition, the Port of Olympia Commission delegates the authority to the Executive Director to create other administrative policies and procedures as deemed necessary to ensure proper conduct by the Port of Olympia employees.

BE IT FURTHER RESOLVED to ensure transparency in all aspects of Port operations, the Port will comply with legal requirements associated with public meetings, public records, and will ensure that information surrounding Port decisions are made available to the public through all reasonable means.

BE IT FURTHER RESOLVED to insure uniform application of these policies, questions or requests for interpretation shall be directed to the Executive Director.

ADOPTED BY THE Port of Olympia Commission this 26th Day of July, 2021.

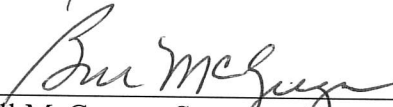
PORT OF OLYMPIA COMMISSION



Joe Downing, President



E.J. Zita, Vice President



Bill McGregor, Secretary-Treasurer

PORT OF OLYMPIA COMMISSION
Resolution 2021-04

Executive Policy
Exhibit A – Index of Executive Policy

**A Resolution, of the Port of Olympia Commission, providing the delegation
of authority to the Executive Director or his or her designee for matters
related to Executive Policies.**

Executive Policy

1. Organizational Structure (Policy 101)
2. Establishing Port of Olympia Policy and Procedures (Policy 102)
3. Affirmative Action / Equal Employment Opportunity (Policy 103)
4. Anti-Discrimination/Anti-Sexual Harassment (Policy 104)
5. ADA (Reasonable Accommodation) (Policy 106)
6. Employee Participation and Political Activities (Policy 109)
7. Smoking/Smoking Cessation (Policy 110)
8. Wellness Program (Policy 112)
9. Safety Program (Policy 115)
10. Ethics and Conflict of Interest (Policy 116)
11. Insurance Programs (Policy 124)
12. Public Participation (Policy 127)
13. Governance Policy (Policy 134)

Employment Practices – Personnel Policy

14. Pay for Performance (Policy 207)
15. Tuition Reimbursement (Policy 211)
16. Training Seminars, Workshops, Conferences (Policy 212)
17. Transportation Workers Identification Credentials Card (Policy 217)
18. Retire Rehire (Policy 218)

Leave and Holiday Policy

19. Leave (Policy 301)
20. Vacation Leave (Policy 302)
21. Transfer of Vacation and Sick Leave Benefits (Policy 303)
22. Vacation Leave Cash-out Based on Need (Policy 304)
23. Sick Leave (Policy 305)
24. Family and Medical Leave (Policy 306)
25. Industrial Insurance (Policy 307)
26. Leave of Absence without Pay (Policy 308)
27. Bereavement Leave (Policy 309)

- 28. Jury Duty Leave (Policy 310)
- 29. Military Leave (Policy 311)
- 30. Holidays (Policy 312)
- 31. Holiday Pay Premiums (Policy 313)
- 32. Standby/Callback Pay (Policy 314)
- 33. Medical Savings Account (VEBA) PLAN (Policy 315)

Memberships / Community Advertising and Promotion Policy

- 34. Memberships (Policy 501)
- 35. Community Advertising and Promotion (Policy 502)

Expense Reimbursement / Travel Policy

- 36. Expense Reimbursement and Travel (Policy 601)
- 37. Employee Meetings Expense Reimbursement (Policy 602)
- 38. Employee Recognition Events (Policy 603)
- 39. Promotional Hosting (Policy 604)

Purchase and Expenditures

- 40. Expenditure System of Internal Controls (Policy 801)

Records / Public Disclosure

- 41. Public Records Policy (Policy 903)

PORT OF OLYMPIA COMMISSION
Resolution 2019-05

Executive Policy
Exhibit A

A Resolution, of the Port of Olympia Commission, providing the delegation of authority to the Executive Director or his or her designee for matters related to Executive Policies.

1. Organizational Structure

The Executive Director will approve in advance all modifications to established organizational structures of the Port of Olympia including the reporting relationship of all positions. (Policy 101)

2. Establishing Port of Olympia Policies & Procedures

The Executive Director or his/her designee will develop procedures on policies specified in Port Commission Resolutions pertaining to Port Policy and Procedures. Authority is delegated to the Executive Director, pursuant to RCW's 39 and 53, to implement policy and develop appropriate procedures and to create other administrative policies and procedures as deemed necessary to ensure proper conduct by Port employees. The Executive Director will keep the Commission apprised of changes to the Port administrative policies. (Policy 102)

3. Affirmative Action

The Port of Olympia will affirmatively provide equal employment opportunity and access to its programs and services in a fair and impartial manner for all persons without regard to race, religion, color, sex (including pregnancy, gender identity and sexual orientation), national origin, age, genetic information, or disability. All employees will have the freedom to compete on a fair and level playing field with equal opportunity competition.

Equal employment opportunity covers all personnel/employment programs, management practices, and decisions, including, but not limited to: advertising, application procedures, compensation, demotion, employment, fringe benefits, job assignment, job classification, layoff, leave, promotion, recruitment, rehire, social activities, training, termination, transfer, upgrade, and working conditions.

It is the policy of the Port of Olympia to ensure and maintain a working environment free of coercion, harassment, and intimidation at all job sites, and in all facilities at which employees are assigned to work. Any violation of the policy should be immediately reported to your supervisor or the Administrative Services Director. (Policy 103)

4. Anti-Discrimination / Anti-Sexual Harassment

The Port of Olympia prohibits discrimination against any person because of age, sex, marital status, sexual orientation, race, creed, color, national origin, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a service animal by a person with a disability. All activities relating to employment such as recruitment, selection, promotion, termination, and training shall be conducted in a nondiscriminatory manner. Personnel decisions shall be based on individual performance, staffing requirements, and in accordance with governing laws.

The Port of Olympia further prohibits harassing conduct against any individual on the basis of age, sex, marital status, sexual orientation, race, creed, color, national origin, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability.

In accordance with this policy and in recognition of the rights of each individual, it is the responsibility of all Port employees to strive toward a working environment free from all forms of discrimination such as racial, religious, or sexual harassment including jokes, slurs, and innuendoes. This behavior is inappropriate in the work environment and may be grounds for corrective action.

Sexual harassment is illegal and will not be tolerated by the Port of Olympia. All Port employees have the right to work in an environment free from sexual harassment. The Port of Olympia will take affirmative steps to ensure that this behavior is eliminated and will offer training to all employees including managers and supervisors. Any employee found to be in violation of this policy shall be subject to corrective action ranging from reprimand to termination. Any supervisor who has knowledge of the discriminatory behavior as previously defined, and who fails to take action to eliminate the behavior, will be subject to corrective action. (Policy 104)

5. ADA (Reasonable Accommodation)

It is the policy of the Port of Olympia to provide reasonable accommodation for qualified disabled people who are employees or applicants for employment. The Port of Olympia will adhere to all applicable laws, regulations and guidelines to afford equal employment opportunity to qualified disabled individuals.

Upon request, the Port of Olympia will endeavor to accommodate an impairment of an applicant or employee by structuring the job or the work environment in a manner that will assist the disabled individual to perform the essential functions of the job. The disabled applicant or employee has an obligation first to inform the Port of Olympia of his/her need for such accommodation. (Policy 106)

6. Employee Participation and Political Activities

No Port employee or elective official of the Port may use, directly or indirectly, the facilities of the Port for the purpose of assisting a campaign for election of any person to any office or for the promotion of or opposition to any ballot proposition. This includes the wearing or displaying of political paraphernalia while conducting Port business. This policy does not purport to regulate Port employees or elective officials while they are not conducting Port business. (Policy 109)

7. Prohibited Smoking/Smoking & Nicotine Cessation

Effective January 2006, smoking is prohibited in all public places, which includes all buildings and enclosed areas. In addition, smoking will be prohibited in all Port of Olympia passenger vehicles and boats. This policy also applies to visitors, customers and contract persons including janitorial services visiting or working in such spaces. Persons working in Port facilities are permitted to smoke only out of doors, 25 feet from any entrances or exits, windows, and HVAC units. Ashtrays or cans will be positioned at locations 25 feet from any public entrances or exits of frequent usage. No smoking signs will be posted at Port of Olympia facilities. In accordance with RCW 70.160, no person may smoke in a public place or in any place of employment.

Public Place means that portion of any building or vehicles used by or open to the public, regardless of whether the building or vehicle is owned in whole or in part by private persons or entities, the Port of Olympia, or other public entity, and regardless of whether a fee is charged for admission.

This policy will not apply to land or facilities leased to individual business, corporate or governmental tenants that are not under the control or the administration of the Port of Olympia.

Port of Olympia employees and their spouses are eligible for reimbursement of costs of smoking cessation programs. Port of Olympia employees and/or their spouses who have completed a smoking cessation program and who submit a Nicotine Free certification form that they have been nicotine free for at least six (6) months since completing the program, will be reimbursed for the program costs as follows: *Employees and spouses will receive a one-time reimbursement of 100% of the costs of the program up to a maximum of three hundred dollars (\$300.00) per person.* (Policy 110)

8. Wellness Program

The Port will provide each full time and reduced hour employee a one-time health club initiation fee reimbursement up to \$110.00 plus sales tax based on a single membership upon request. The health club selection will be solely the employee's choice. The initiation fee reimbursement may be exercised only once during your employment at the Port.

With an active membership in place the Port will pay a wellness benefit based on attendance in the amount of \$2.50 per day up to \$20.00, 8 visits, per month. The reimbursement is a taxable fringe benefit, and the taxes will be applied as such at year end, or when the employee leaves employment. (Policy 112)

9. Safety Program

It is the basic policy of the Port of Olympia that there is no job, chore, or task at the Port that is more important than the physical and emotional safety of every person at the Port. A paramount, daily goal for each of us to pursue is safety on and off the job.

The prevention of occupational injuries is of such consequence to this tenet that it will be given top priority at all times.

The Port of Olympia's Safety Program manual contains guidelines that all employees shall consistently follow to ensure the safe accomplishment of work, day-in and day-out, 24/7! A copy of the Port of Olympia's Safety Program has been provided to each employee. This program applies to all full and reduced-hour employees, project employees, interns, and elected officials. This Policy also authorizes appropriate disciplinary action for violations of the Program. (Policy 115)

10. Ethics and Conflict of Interest

The maintenance of high standards of honesty, integrity, impartiality and conduct among Port of Olympia's employees is essential to the general operation of the Port and the effectiveness of its day-to-day business. Public offices at the Port of Olympia will not be used for personal gain, and procedures will be established to promote the highest level of ethics, and to avoid conflicts of interest and the appearance of such conflicts.

This policy considers cultural expectations of foreign clients, customers, contractors and other similar persons in their interactions with Port employees. All employees should consider themselves as persons in positions of public trust and conduct themselves accordingly. Individuals must be particularly sensitive to the many situations where a conflict of interest or even a perception of such a conflict could originate. (Policy 116)

11. Insurance Programs

The Executive Director shall be authorized to negotiate and obtain appropriate policies of insurance to cover Port property, liability, employee coverage, and other areas appropriately included within a comprehensive insurance program. The Executive Director is authorized to approve changes or modifications within the policies of insurance, including programs to provide deductible provisions, so long as such programs are promptly reported to the Port Commission so it is kept informed of basic changes made in the overall insurance program of the Port. (Policy 124)

12. Public Participation

The Public Participation Policy of the Port of Olympia is to meet or exceed, where practical and applicable, all state laws for public participation that apply to public ports. This includes but is not limited to public participation related to development opportunities, budget adoption, real estate purchase and disposition of surplus real estate.

As determined by the Port Commission, the Port will exceed, where practical and applicable, the state laws that apply to public ports for public participation as they relate to development opportunities, budget adoption, real estate purchase and disposition of surplus real estate, **when the matter at hand is of special historical or cultural significance to the Thurston County community**, and/or is of general special interest to a broad range of citizens in Thurston County.

The Port will meet the International Association for Public Participation (IAP2) core values for the practice of public participation, as follows:

1. Public participation is based on the understanding that those who are affected by a decision have a right to be involved in the decision-making process.
2. Public participation includes the promise that the public's contribution will influence the decision.
3. Public participation promotes sustainable decisions by recognizing and communicating the needs of all participants, including decision makers.
4. Public participation seeks out and facilitates the involvement of those potentially affected by or interested in a decision.
5. Public participation seeks input from participants in designing how they participate.
6. Public participation provides participants with the information they need to participate in a meaningful way.
7. Public participation communicates to participants how their input affected the decision.

Staff and Commissioners will have access to annual training in effective public participation methods and practices, as necessary. The Port may choose to use a third-party public participation facilitator as its sole discretion.

No aspect of the Port's public participation policy shall be interpreted to divest the Port staff or the Port Commission of the ability to make decisions that fall within the limits of applicable statutory and/or delegated authority. (Policy 127)

13. Governance Policy

The Port Commission ("Commission") is a quasi-legislative body consisting of three elected commissioners. Action by the Commission requires a majority vote (minimum of two of the three commissioners). The Commission approves policies which guide the port district in complying with its statutory obligations.

COMMISSION ROLE:

1. Planning, Goal-Setting, Evaluation

The Commission helps plan the port's future, and then guides port activities in that direction. This planning process involves the Commission, Executive Director, Port staff, customers and citizens/voters. The process usually includes identifying the Port's mission and goals and developing strategies to achieve them. The Commission is ultimately responsible for evaluating and updating the planning process.

2. Policy Making

The Commission develops and adopts policies to implement port goals and govern the many facets of Port operations. These include, but are not limited to, developing guidelines for long-term economic development, establishing positions and employment policies, and adopting budgets.

3. Budgeting

The Commission approves and adopts an annual budget pursuant to RCW 53.35. Some key budget decisions include authorizing and adopting tax levy amounts, adopting policies, approving purchases, and disposing of or distributing supplies, property, and equipment. The Commission also approves the Capital Investment Plan annually as well as the Comprehensive Scheme of Harbor Improvements.

4. Designating the Port's Executive Director

The Commission is responsible for recruiting, hiring and evaluating the performance of the Port's chief executive, known as the Executive Director. The Commission delegates responsibility to the Executive Director, then respects the Executive Director's delegated authority to manage day-to-day operations of the Port consistent with policies established by the Commission. (Policy 134)

14. Pay for Performance

It is Port policy to conduct performance reviews for all Port employees on an annual basis. It is the policy of the Port to use annual performance reviews as the process for moving each person within the assigned salary grades and ranges, and to assess compensation for the Port's pay for performance policy and merit pool allocation, where applicable. The Port aims to meaningfully recognize employee performance through this Policy. (Policy 207)

15. Tuition Reimbursement

The Port encourages tuition reimbursement where the course work will benefit the employee's work at the Port. To be eligible for reimbursement, the employee must have been employed by the Port of Olympia for at least one year. Port of Olympia employees who wish to continue their education and attend college level courses which are directly related to the employee's duties, or courses required for completion of a degree, upon approval by the Supervisor and Administrative Services Director, the employee will be reimbursed for tuition fees and expenses, parking, books and other course required materials after providing an official transcript reflecting a grade average of not less than a "C" or its equivalent (statement by authorizing agent of the attending institution that the employee has satisfactorily completed the course and will be awarded credit). The reimbursement amount shall not exceed \$2,500 annually per employee and shall be reimbursed upon satisfactory completion of the course. (Policy 211)

16. Training Seminars, Workshops, Conferences

The Port of Olympia encourages the professional development of its employees through professional development training programs, seminars, workshops, or conferences and will pay the registration fees, tuition expenses and reimburse employees for travel expenses commensurate with the Port of Olympia Travel/Expense Reimbursement Policies, which are approved in advance by the employee's supervisor. Attendance will be subject to the discretion of the employee's supervisor given current workload and available funding from the department budget.

Overtime will be paid to non-exempt employees attending training programs, conference and educational programs when attendance is requested by the Port, or as necessary, to comply with the Fair Labor Standard Act.

Commissioners requesting professional development through training, seminars, workshops, or conferences will submit their request for specific training expenses each year during the budget process to provide for available funding upon approval. Any requests for training, seminars, workshops, or conferences not specified in the budget will require approval from the Commission at a public meeting (Policy 212)

17. Transportation Workers Identification Credentials (TWIC) Card

Commissioners and employees that require regular access to the Marine Terminal must obtain and maintain a Transportation Worker Identification Credential (TWIC), which is a credentialing program managed by the Department of Homeland Security's (DHS), Transportation Security Administration (TSA) office, and enforced by the United States Coast Guard. Those employees not requiring regular access must either have a TWIC card for unescorted access or be in the presence of an approved TWIC escort with either a Port Badge or a Visitor Pass while on the Marine Terminal. Upon entering the Marine Terminal, the employee must remain in the presence of a TWIC escort. If the Port is fined because an employee does not have a TWIC card or is not accompanied by an approved escort, the penalty may result in disciplinary action to the employee.

The Port will pay for the cost of the TWIC card and all subsequent card renewals for all employees requiring regular access to the marine terminal while employed by the Port of Olympia. If an employee loses or damages a card, the Port will pay for the replacement of the card one (1) time. The employee will be responsible to pay for the replacement of the card if it is lost or damaged any additional times thereafter. If the card fails due to chip failure, and the enrollment center does not replace the card at no cost, the Port will pay for the replacement of the card. (Policy 217)

18. Retire Rehire

The Washington State Department of Retirement Systems and RCW 41.40 allow for hiring of public Employees Retirement System (PERS) retirees, and require that the governing body of the public agency adopt a written policy.

The Executive Director will comply with RCW 41.40 when hiring PERS retirees, including, but not limited to, annual and lifetime limitation of hours of service, reporting requirements, and hiring justification/documentation. (Policy 218)

19. Leave

All leave requests must be approved by the appropriate supervisor and covered by the appropriate leave on the Request Form in the Tracker System. Should a request for leave be denied, the supervisor shall provide an explanation to the employee as to why the leave request has been denied. An employee who finds it necessary to be absent

without having received prior approval, shall request leave from the appropriate supervisor as soon as possible. (Policy 301)

20. Vacation Leave

The Port of Olympia believes that vacation leave is a benefit for both the employee and the organization. Port employees are encouraged to take vacation leave. Port of Olympia employees shall be eligible for vacation leave as follows, or unless the Executive Director has authorized in writing a different schedule:

Years in Service	Vacation		Vacation Accrual Rate Monthly
	Days Earned	Hours Earned	
	<u>Per Year</u>	<u>per Year</u>	
<u>(inclusive)</u>			
0 to 4	12	96	8
5 to 10	17	136	11.34
11 to 17	22	176	14.67
18 and Over	27	216	18

Vacation shall be accrued on a pro-rata basis at the end of each pay period. Employees shall not accumulate vacation leave in excess of 320 hours to carry forward into a new calendar year.

Reduced hour employees shall accrue vacation credit at a reduced rate that is proportional to their percentage of hours worked as compared to that of a full-time employee. At year end the percentages actual hours worked to include calculated for sick and / vacation / overtime hours are adjusted used to calculate to capture the true percentage of the accruals and holiday pay. (The same calculations are taken into consideration when a reduced hour employee leaves employment from the Port of Olympia).

Vacation leave shall not accrue during an unpaid leave of absence. (Policy 302)

21. Transfer of Vacation and Sick Leave Benefits

The Port of Olympia will allow Port of Olympia employees to voluntarily transfer accumulated vacation leave or sick leave to another regular, full-time Port of Olympia employee. Subject to the restrictions set forth herein, any Port of Olympia employee may voluntarily transfer their earned, accumulated vacation or sick leave to another Port of Olympia employee if the recipient: (1) must be absent from the workplace because of illness or an emergency involving immediate family, and (2) has insufficient sick leave or vacation leave to cover the absence. The purpose of this policy is to allow employees to assist their fellow employees who are experiencing prolonged and serious illness or who are experiencing a family emergency situation.

The Executive Director shall establish the procedures governing the application, donation, and approval of Vacation and Sick Leave Benefit Transfers. (Policy 303)

22. Vacation Leave Cash-out Based on Need

Vacation leave is a benefit to both the employee and the organization and employees are encouraged to take vacation leave. However, the Port recognizes there may be occasions when an employee may wish to cash-out a portion of their vacation leave for emergency purposes. **Emergency situations are events that impose an immediate hardship on an employee that could not reasonably have been planned for in advance.** A Port employee wishing to cash-out a portion of their vacation leave is subject to the following criteria: 1) An employee must be employed by the Port for a period of no less than two years. 2) An employee may utilize a maximum of 240 hours for the purpose of cashing out vacation leave. 3) An employee may utilize this benefit one time each year not to exceed up to 240 hours in a five-year period. The cash-out must be a minimum of 40 hours. 4) An employee may exercise this benefit upon a showing of need and with the approval of his/her director. (5) The employee must leave a balance of 80 hours equivalent to 2 weeks vacation on the books. (Policy 304)

23. Sick Leave

Full-time and reduced hour Port of Olympia employees accrue sick leave after their first full calendar month of continuous employment with the Port of Olympia. Sick leave is accrued at the rate of one and one-quarter workday (ten [10] hours) for each full month of service. Unused sick leave may accumulate from year to year.

Reduced-hour employees shall accrue sick leave credit at a reduced rate that is proportional to their average number of hours worked as compared to that of a full-time employee. Temporary and project employees may be eligible based on the appointment.

Supervisors may require certification of the attending physician to substantiate that an illness or injury prevents the employee from working after three (3) days of absence.

Accrued sick leave may be used for any of the following reasons: 1) Personal illness or physical incapacity including any period of physical incapacity related to childbirth. 2) Enforced quarantine of the employee by a physician. 3) Illness within the immediate family that requires the employee's presence. 4) Medical or dental treatment for the employee or within the immediate family of the employee, requiring the employee's presence. 5) The birth or adoption of a child. Parents will be allowed a maximum of 160 hours (20 days). Employees are required to give at least thirty (30) days notice prior to the expected date of birth or adoption, stating the intended dates of leave. This leave is in addition to leave granted in the above, for any period of physical incapacity related to childbirth (See section on Family & Medical Leave). (Policy 305)

24. Family and Medical Leave

It is the policy of the Port, in accordance with federal and state law, to grant family medical leave to eligible employees. The federal Family and Medical Leave Act (FMLA) and Washington's Family Leave Act (WFLA) (hereinafter "FMLA") allow an eligible employee to take up to a total of 12 weeks of leave (leave without pay, sick leave, annual leave, compensatory time, or shared leave) in a 12 month rolling period, measured backward from the date the leave begins.

Under the FMLA's Military Caregiver Leave provisions, an employee who is a spouse, son, daughter, parent, or next of kin of a covered service member with a serious injury or illness may take up to a total of 26 work weeks of unpaid leave during a single 12-month period to care for the service member.

ELIGIBILITY: Eligible employees are those who have been employed by the Port of Olympia for at least 12 months and have worked at least 1,250 hours during the 12 months preceding the leave. (Employees who have returned from a military leave of absence in the past 12 months but not yet worked the 1,250 hours may also be eligible.)

Reduced-hour employees who have worked for the Port for the 12 month period preceding a leave-qualifying event, but who have not worked at least 1,250 hours in said period shall be eligible for FMLA leave; provided, however, that for purposes of determining the employee's maximum hours of eligibility, the Port shall determine the average hours worked over the course of the past 12 months prior to the family medical leave period and shall utilize this number as the basis for calculation of the employees normal work week.

The following events qualify for FMLA leave:

1. the birth and care of a newborn child of the employee;
2. placement with the employee a son or daughter for adoption or foster care;
3. providing care for an immediate family member (spouse, child or parent) with a serious health condition;
4. taking medical leave when the employee is unable to work because of a serious health condition;
5. for a qualifying exigency arising out of the fact that the employee's spouse, son, daughter, or parent is on active duty, or has been notified of an impending call or order to active duty status as a member of the National Guard or Reserves in support of a contingency operation.

If the employee and the spouse are both employed by the Port of Olympia, FMLA leave is limited to 12 weeks between both employees when used for the purpose of providing newborn, adoptive, or foster child care. The employees may not take twelve weeks each in these situations.

NOTE: Entitlement to FMLA leave for the care of a newborn child or of a newly adopted or foster child expires 12 months from the date of birth or adoption. (Policy 306)

25. Industrial Insurance

If a Port of Olympia employee suffers an on-the-job injury or job-related illness, he/she will receive benefits under the Washington State Workers' Compensation Act. All injuries are to be reported immediately to the supervisor so that proper treatment may be provided and your benefits under the Act secured.

When an employee receives an on-the-job injury, and no time is lost, an incident report shall be completed by the employee and submitted to the employee's supervisor, the Port's L & I Coordinator, and the Administrative Services Director. In the case of an on the job injury or illness, the employee will seek medical attention, if needed. The medical provider will initiate the Worker's Compensation claim. Once a claim is filed, the Port will continue to pay (by use of the employee's unused sick leave) the employee's regular salary pending receipt of Worker's Compensation benefits.

When the employee receives Worker's Compensation benefits, the employee is required to repay the Port the amount covered by Worker's Compensation and previously advanced by the Port. This policy is to ensure that employees will receive prompt and regular payment during periods of injury or disability so long as accrued sick leave is available, while ensuring that no employee receives more than the employee would have received had the injury not occurred. Upon the repayment of funds advanced, the appropriate amount of sick leave shall be restored to the employee's account. This policy applies only to time lost as a result of those injuries that occur in the course of employment by the Port of Olympia and are covered by Washington State Department of Labor and Industries.

Once the employee begins receiving time-loss payments from L&I and have repaid the Port for the previously advanced salary he/she may supplement the time-loss benefits with accrued sick leave in the amount of the difference between the employee's regular pay and the amount paid in time-loss benefits.

The Port may require an examination, at the Port's expense, performed by a physician of the Port's choice, to determine when the employee can return to work and if the employee will be capable of performing duties and responsibilities of the position.

Light Duty / Early Return to Work Program

- (a) If work is available and a full-time employee is injured, the Port will make a reasonable effort to return the employee to work within his/her Department, with the approval of his/her medical provider, at the earliest possible time.
- (b) Employees with on-the-job injuries or job-related illnesses will have priority over off-the-job injuries and non-job-related injuries for the available work.
- (c) An offer made by the Port of light work that is within the capability of the employee in accordance with their medical provider's determination, which is refused, by the employee, shall result in a loss of the employee's Worker's Compensation benefits.

- (d) This program is designed to:
 - (1) Assist the recovery process by providing a focus and a goal for return of the injured worker;
 - (2) Benefit employees by allowing resumption of full wages as soon as possible; and
 - (3) Benefit the Port by reducing workers' compensation and possible retraining costs.
- (e) The Light Duty/Early Return to Work Program is temporary for up to a maximum six (6) month period, unless otherwise extended by the Port or required by law. It is not intended to be a guarantee of permanent or continued employment. If at any time during the period it is determined that the employee will be unable to perform the essential job functions of his or her job at the conclusion of the period, the Port will evaluate the employee's situation. Depending upon the outcome of the evaluation, it is possible that the Port may terminate the person's employment. Termination of employment does not preclude provision of worker's compensation benefits as provided by Washington State statutes. (Policy 307)

26. Leave of Absence without Pay

It is the policy of the Port of Olympia to allow for Leave of Absence Without Pay (LWOP) as follows: 1) The department director or Executive Director determines if leave without pay will be authorized. Leave without pay may be authorized when such leave will not operate to the detriment of the agency. 2) Special authorization is required for leave without pay. Leave without pay may be authorized for any reason applicable to leave with pay, education leave, newborn, foster child, or adoptive child care leave as provided in WAC 356-18-140 (LWOP) and WAC 356-18-150 (FMLA). Leave without pay is limited to 12 months in any consecutive 5-year period for a total absence of 6 consecutive months per use. 3) Leave without pay of more than 15 consecutive days will affect the anniversary date, leave accruals, and the earning of retirement service credit. 4) When an employee is on LWOP status, they will need to maintain at least one day per month (8 hours) by using other leave sources in the following order: (1) comp time earned; (2) accrued vacation leave; or (3) accrued sick leave. If on FMLA leave the order in which leave is taken does not apply. If all leave options have been exhausted the requirement to submit leave for FMLA is waived. The Port will maintain all benefits due to the employee during the approved LWOP for a period not to exceed 6 consecutive months. However, if the employee has any other premiums due to Health Care for additional life insurance, or a shorter waiting period for LTD, then they would still be responsible for that portion of the monthly premium. Nothing in this policy shall be applied or construed to supersede or detract from any provision of any state or federal law that provides greater family or medical leave right than the rights described under this policy. (Policy 308)

27. Bereavement Leave

In the event of a death in the employee's immediate family, as defined by Policy 202, regular full-time employees will be allowed up to forty (40) hours of bereavement leave with pay. Reduced-hour employees will be allowed an equivalent amount of prorated time off. In extraordinary circumstances, additional time off may be approved by the supervisor or his/her designee and charged to sick leave, vacation, or compensatory time earned.

In the event of the death of a member of the employee's family other than defined under "immediate family", leave may be granted, and charged to the employee's sick leave accrual. If there is no sick leave available, the employee may use vacation leave or accrued compensatory time, or leave without pay.

An employee attending a funeral or memorial service of a close friend may use sick leave. (Policy 309)

28. Jury Duty Leave

Employees who are absent from work to serve on jury duty will receive their regular Port of Olympia compensation. In addition, employees may keep all jury duty pay and expense money received for jury service. Time spent away from work for jury duty will not be deducted from vacation or sick leave accruals. (Policy 310)

29. Military Leave

The Port will comply with the requirements of RCW 73.16 and the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), as amended, with respect to unpaid leave of absence and return rights for employees who leave Port service to serve in the Armed Forces of the United States. The Port will also comply with RCW 38.40.060 and provide Port employees with up to twenty-one (21) days of paid military leave per year for required military duty, training, or drills.

MILITARY LEAVE OF ABSENCE – RETURN TO DUTY:

An employee who leaves a job, voluntarily or involuntarily, to enter active duty in the United States armed forces, shall be granted a military leave of absence with guaranteed restoration to his or her position upon release from active duty as long as:

- (1) The position is a regularly budgeted, non-temporary position;
- (2) The reason the employee leaves the position is to report for active duty;
- (3) The length of the employee's military leave of absence does not exceed five (5) years except at the request of the federal government;
- (4) The employee is honorably discharged from the military; and

(5) The employee applies for reemployment within a reasonable period of time following separation from active duty. The USERRA defines a reasonable period of time as:

(A) (For service less than 31 days, the beginning of the first regularly scheduled work day after release from active duty, allowing time to travel from the duty arena to the employee's residence, to rest, and to travel to the place of employment;

(B) For service between 31 and 180 days, no more than 14 days following release from active duty; and

(C) For service longer than 180 days, no more than 90 days following release from active duty.

An employee who takes a military leave of absence from Port employment may choose to run out his or her unused vacation balance, compensatory time off, and personal holidays, as applicable, prior to going on unpaid status.

An employee on military leave of absence shall continue to accrue service credit for purposes of salary step increments and seniority, but will not accrue sick leave, vacation leave, or other types of leave while on military leave of absence.

An employee's vacation accrual rate and unused vacation and sick leave balances accrued prior to taking military leave shall be restored upon return from military leave of absence.

An employee who interrupts his or her probation or trial service with a military leave of absence shall complete the remainder of the probationary or trial service period upon return. However, an employee returning from military leave of absence cannot be discharged except for cause for 1 year following his or her return, if the military leave of absence was for 181 days or longer, or for 6 months following his or her return if the military leave of absence was at least 30 days but less than 181 days.

An employee on unpaid military leave of absence may continue to make his or her normal contributions to their retirement system (as allowed by that system), or may, upon return from such leave, make full or monthly payments equal to the amount of contributions missed while on leave, in order that the leave shall count as creditable service (as allowed by that system). (Policy 311)

30. Holidays

Legal Holidays are observed by the Port of Olympia. Paid legal holidays observed by the Port of Olympia are:

January 1, New Year's Day

Third Monday of January, Reverend Dr. Martin Luther King, Jr.'s Birthday

Third Monday of February, President's Day

Last Monday of May, Memorial Day

June 19, Juneteenth

July 4, Independence Day
July 5, PMA Holiday – ILWU Members only
First Monday of September, Labor Day
November 11, Veteran's Day
Thanksgiving Day, Fourth Thursday of November
Friday following Thanksgiving Day
December 25, Christmas Day

When a holiday falls on a Sunday, the Monday following will substitute for the holiday.
When a holiday falls on Saturday, the preceding Friday will substitute for the holiday.

31. Holiday Pay Premiums

Any non-exempt employee qualifies for holiday premium pay on Port of Olympia holidays worked. Holiday premium pay will be at the 1½ rate. (Policy 313)

32. Standby/Callback Pay

Standby time is time outside the employee's normal work schedule where the employee is "engaged to be waiting." The Executive Director shall develop administrative procedures that comply with Washington Administrative Code (WAC) 357-28-185 regarding the Standby/Call back of employees. These procedures shall be briefed to all employees upon hiring and periodically thereafter. Non-exempt employees on standby are reimbursed at a rate of pay consistent with the WAC. These hours are not hours worked for overtime purposes. (Policy 314)

33. Medical Savings Account/ VEBA (Voluntary Employees Beneficiary Association) Plan

The Port has established a medical expense reimbursement plan, which provides a tax-free account for an employee leaving service from the Port of Olympia to pay for medical, dental, vision, and tax qualified healthcare expenses that are not paid by any other insurance plan.

Except as provided herein; the Port will make a \$15,000 contribution to an HRA/VEBA Plan for the benefit of an employee, or Commissioner who leaves employment with a minimum of 15 continuous years of employment service with the Port, or \$20,000 for employees or Commissioners who have achieved 30 years of continuous Port service. An employee who is terminated for cause, resigns in lieu of termination, and/or who enters into a Severance and Separation Agreement that does not expressly provide for this benefit is not eligible for this contribution. Employees who are subject to permanent layoff or a reduction in force will be eligible for this contribution provided they otherwise qualify.

This policy does not apply to the death of an employee. (Policy 315-A)

The Port of Olympia provides those employees leaving employment, under any circumstances, the opportunity to fund an HRA/VEBA Account with the proceeds of

their sick and vacation cash-out. Since the law governing the tax-exemption of HRA VEBA plans does not permit individual choice with regard to participation, or contribution amounts, contributions on behalf of each eligible employee shall be subject to an employee vote.

VEBA contributions will only be funded when an employee has accumulated a minimum of 450 hours of any combination of leave available to include all available vacation leave and 25%/30% of their total sick leave dependent on years of service. Any employee that leaves service with less than the minimum 450 hours of leave will be cashed out as defined in policy 215.

An annual vote per IRS guidelines will determine the cash out procedures. This policy does not apply to the death of an employee. (Policy 315-B)

34. Membership

While municipal corporations are not obligated to pay for employee and officer memberships, the Port recognizes that there are mutual benefits derived from membership in a local civic or service organization where the organization is consistent with the Port's mission to support trade, tourism and economic development. The Executive Director or his/her designee shall adopt procedures governing paid memberships consistent with this Policy. (Policy 501)

35. Community Advertising and Promotion

The Port of Olympia may provide community advertising and promotion support to qualifying non-profit and civic organizations to be used for events and other activities that will positively market the Port and Port businesses, and the Port's mission to support trade, tourism and economic development. Requests will be made in writing consistent with written procedures developed in accordance with this policy. Funds for community advertising and promotion are included in the annual budget, which is adopted in November. The level of Port participation will be tailored to match the anticipated benefit to the Port.

BACKGROUND: The Port of Olympia has historically partnered with organizations in activities that both assist the organization and provide marketing benefits for the Port and Port businesses. Such activities have included monetary and in-kind support of community events; advertising in publications, such as directories and event programs; and exhibiting at events, public workshops and forums. For purposes of this policy, community advertising and promotion is defined as a monetary or non-monetary endorsement of organizations' events and activities that promote Port goals and objectives. Community advertising and promotion funds may not be expended unless there is a public benefit.

CRITERIA: to be eligible for Port of Olympia community advertising and promotion support, community events and activities must:

1. Provide prominent advertising or promotion opportunities for the Port; and
2. Positively market the Port and Port businesses; and

3. Align with the Port's mission and promote maritime, shipping, aviation, commercial, industrial, or other business of the Port.

ANNUAL PROCESS: Requests for community advertising and promotion support will be considered using the following process:

1. Requests, made using the application form, must be received by August 15.
2. Marketing & Outreach representative reviews applications to assure all criteria is met.
3. If criteria are met, A Marketing and Outreach Representative takes a recommendation to the Commission.
4. Commission approves recommendations in November during budget adoption.

REQUESTS RECEIVED OUTSIDE OF ANNUAL PROCESS: Requests made after the August 15 deadline may be considered using the following process:

1. Requests must be made using the application form.
2. A Marketing and Outreach Representative reviews applications to assure all criteria is met.
3. If criteria are met, the Marketing and Outreach Representative takes a recommendation to the Executive Director for a final decision. (Policy 502)

36. Expense Reimbursement and Travel

Pursuant to RCW 53.08.176, the Executive Director or designee is authorized to establish procedures to regulate and audit travel expense reimbursement of employees, Port Commissioners and representatives of the Port. The Executive Director or designee is further authorized to approve travel and other reimbursable expenses, excluding Commissioners, incurred on behalf of the Port, provided that reimbursable travel expenses per employee or representative shall not exceed Fifteen Thousand Dollars (\$15,000.00) per trip. In accordance with RCW 53.08.176, the Executive Director or designee will approve the following:

- (a) The specific credit cards issued in the name of the Port and the employee, or representative, of the Port to which such credit cards are assigned for use.
- (b) All purchases of direct transportation.
- (c) An established Travel Advance Fund and process for requests.

Employees are encouraged to minimize travel costs to the Port of Olympia to the extent possible.

Commissioners requesting travel will submit their request for specific travel expenses each year during the budget process to provide for available funding upon approval. Any requests for travel not specified in the budget will require approval from the Commission at a public meeting.

1. Out of State Travel Authorization: The Executive Director will approve out-of-state travel, with the exception of Oregon and Vancouver, B.C. Prior written approval is required for all out of state travel lasting more than one night from both the department

director and Executive Director. Approval for a Commissioner will require approval by the Commission in advance at a public meeting.

2. Travel Advances: An employee who requires a travel advance must obtain written approval from the Executive Director. An approved travel advance form must be submitted to the finance department at least three (3) business days before travel begins. Approval for a Commissioner will require approval by the Commission.

3. Travel Arrangements: Travel should be made to minimize costs to the Port of Olympia. Government discounts, economy vehicles, moderate accommodations and meals, and discounted airfares must be used unless there is a bona fide reason for doing otherwise. The difference can be paid by the employee/Commissioner if travel is modified for personal reasons. (i.e., upgrade to first class, stop over at an additional location, etc.)

4. Transportation: Private Vehicles: Port of Olympia vehicles are to be used whenever possible for official Port business travel. Use of private vehicles will be reimbursed at the current Internal Revenue Service authorized mileage rate.

Employees may request reimbursement for mileage incurred in conducting port business which is in excess of the normal commute distance from their residence to their normal work location. Mileage will be reimbursed only if the mileage being requested exceeds 2 miles, and utilizes the most direct route possible. No mileage will be allowed for travel between an employee's home and their official work location. When an employee travels for any reason to a location outside of their designated work station, reimbursement for mileage in excess of the regular commuting distance will be paid. If a trip for official business begins and ends at the employee's home, mileage will be paid based on if the employee had left from their official work site unless the total mileage from their home is less.

Request for reimbursement must be for the furtherance of legitimate Port business. Meetings and events that are not directly connected to Port activities will not be reimbursed.

Air Fare: Air travel will not be reimbursed unless authorized. Maximum payment for air travel is "coach" or "Y" class fare. The Executive Director may authorize "business" class air fare for round trips over 5,000 miles on a case by case basis.

Employees are encouraged to minimize travel costs to the Port of Olympia. This includes non-refundable discount fares, and travel over Saturday nights. Where travel time is extended to use discount fares, the Port of Olympia will reimburse the additional meals and lodging if the total travel expense is less than had travel time not been extended.

Commissioners may not receive mileage reimbursement to attend a meeting for which they have submitted a meeting per diem compensation request – except when the meeting is outside of Thurston County.

5. Lodging: Lodging will be reimbursed by the Port of Olympia for the employee/Commissioner only. Any additional expenses incurred by an accompanied guest will be at the expense of the employee/Commissioner. The use of moderately priced lodging is required. Employees attending a seminar or conference may use the host facility. Employees are not required to share lodging.

Lodging that is located less than 50 miles from the employee's residence will not be reimbursed. The Executive Director has the discretion to make exceptions to accommodate early flight arrangements or attendance at a conference or seminar.

6. Subsistence/Meals: Meal expenses, including tips, for business purposes, which include employees and/or official representatives of other entities, shall not be extravagant in nature and be solely dedicated to the conduct of Port business.

Supervisors may authorize de-minimus business related food and beverage expenses for large and or long business meetings and receive reimbursement for the expenses.

The Port of Olympia will not reimburse discretionary expenditures such as video rentals or hospitality bar charges. Alcoholic beverages will not be reimbursed as an employee expense. Alcohol may only be purchased when the circumstances are considered promotional hosting see Policy #604.

When meals are provided in conjunction with a meeting, conference or seminar, reimbursement will not be made for substitute meals unless unusual circumstances are explained to and approved by the employee's supervisor in advance.

7. Miscellaneous Expenses: Costs associated with vehicles, such as parking fees and tolls, will be reimbursed if reasonable, necessary, and related to Port of Olympia business. Receipts must be attached to the expense reimbursement form for all parking expense claims with the exception of metered parking charges provided the dates and purpose for metered parking are noted on the expense reimbursement form.

- When parking at the Port of Olympia's Percival Plaza Building the parking meters are monitored Monday – Friday from 8:00 am – 5:00 pm. The first 15 minutes are free provided the meter is at zero. Change for the meters will be available on the 3rd floor at the reception desk. In addition Smart Cards, prefunded parking meter cards issued by the City of Olympia, will be available to Commissioners and employees who make regular trips to the Administration office.

- Under no circumstances will parking citations or traffic infractions be reimbursed by the Port of Olympia.

Expenses for telephone, facsimile services, baggage handling, rental cars, and airport limousine services are reimbursable if necessary, reasonable, and related to Port of Olympia business.

Laundry and dry cleaning charges on trips of more than five (5) days are reimbursable. Cleaning charges for accidental clothing damage that occurs while traveling on Port of Olympia business is reimbursable.

Expenses directly related to international travel requirements, such as visas and inoculations, are reimbursable.

8. Meetings: Expenses incurred in conducting business meetings are reimbursable if properly documented. These include facility charges and meals. Documentation must include the date, business purpose, location of meeting, and names and business affiliations of those attending.

(Policy 601)

37. Employee Meeting Expense Reimbursement

Expenses incurred while attending business meetings on behalf of the Port of Olympia are reimbursable if properly documented. These expenses may include facility charges, meals, and beverage service. Documentation must include the date, business purpose, location of meeting, and names and business affiliations of those attending. This policy includes expenses for events including Port Commission meetings, Commissioner Retreat as authorized by the Commission President, Port staff meetings or retreats authorized by the Executive Director, Department meetings or retreats authorized by a Director, and periodic meetings between Executive Director and departments or business units. (Policy 602)

38. Employee Recognition Events

Port of Olympia Commissioners, or the Executive Director, may provide employees or commissioners awards of recognition or service in compliance with applicable state and federal regulations. Such awards may include, but not be limited to items such as pen and desk sets, plaques, pins, framed certificates, clocks, and calculators. The Port may provide conference or meeting room facilities and related food and beverage service to hold appropriate recognition or award activities. The value of such awards shall not be deemed to be taxable compensation in accordance with directives of the state Office of Financial Management (Policy 603).

39. Promotional Hosting

The Executive Director will annually submit, as a part of the Port's budget, appropriate categories of proposed expenditures covering industrial development, trade promotion, and promotional hosting as provided in RCW 53.36.120. Expenditures proposed for promotional hosting shall be limited in amount as provided in RCW 53.36.130.

Promotion hosting means furnishing customary meals, refreshments, lodging, transportation or any combination of those items in connection with: business meetings, social gatherings, and ceremonies honoring persons or events, relating to authorized business promotional activities of a port. Hosting may also include reasonable and

customary entertainment, souvenirs, and all incidentals, to such events. Promotional Hosting must be related to promoting trade and industrial development.

Port commissioners shall not personally make such expenditures, or seek reimbursement therefore, except where specific authorization of such expenditures has been approved by the Port commission. All payments and reimbursements shall be identified and supported by invoices approved by one other Port Commissioner and the Port's Finance Manager. (Policy 604)

40. Expenditure System of Internal Controls

Purchasing decisions should be made by appropriate personnel, acting within the scope of their assigned duties, using the most efficient and effective manner consistent with good internal controls. The Executive Director, or designee shall maintain a system of signature authority. This system shall list each employee and the maximum dollar amount of an authorized purchase using a purchase card, contract, purchase order, fuel card or the ability to approve an invoice. The signature authority shall also include which employees can sign, or apply a signature stamp to Port warrants, operate a cash drawer or a petty cash fund. Regardless of an employee's signature authority, no employee shall make any size purchase such that the associated business unit or specified project exceeds the budgetary authority as shown in the Annual Operating Budget and Capital Investment Plan adopted by the Commission. The system of signature authority shall be one of the pieces inside a broader system of finance and accounting internal controls. (Policy 801)

41. Public Records Policy

Pursuant to the Washington State Public Records Act, Chapter RCW 42.56, (the PRA), the Port of Olympia is required to make available for inspection and copying, public documents as defined by the PRA. This policy will govern the compliance of the Port with respect to the provisions of the PRA. To the extent that this policy is in any way inconsistent with the referenced RCW, the RCW will be deemed to prevail.

All public records of the Port are deemed to be available for public inspection and copying pursuant to this policy except as otherwise provided by the PRA, or other statute, which exempts or prohibits disclosure or specific information or records.

A "public record" includes any writing containing information relating to the conduct of government or the performance of any governmental or proprietary function prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics.

"Writing" means handwriting, typewriting, printing, photostating, photographing, and every other means of recording any form of communication or representation including, but not limited to, letters, words, pictures, sounds, or symbols, or combination thereof, and all papers, maps, magnetic or paper tapes, photographic films and prints, motion picture, film and video recordings, magnetic or punched cards, discs, drums, diskettes, sound recordings, and other documents including existing data compilations from which information may be obtained or translated.

The Commission has determined that it would be unduly burdensome to maintain an itemized index of all Port records, except as set forth herein, due to fiscal and personnel limitations.

Under no circumstances, will employees of the Port work simultaneously on more than one request per requestor at a time. (Policy 903)

PORT OF OLYMPIA COMMISSION
Resolution 2019-06

A Resolution, of the Port of Olympia Commission, providing for the delegation of authority to the Executive Director and his/her designees for matters related to Port Contracts and Acquisitions Policies

WHEREAS, Section 53.12.270 of the Revised Code of Washington provides authority to the Port Commission for delegation of powers to the Executive Director; and

WHEREAS, the Port Commission has adopted policy directives delegating administrative authority to the Executive Director and his/her designees for the purpose of expeditious administration of the Port; and

WHEREAS, the Port Commission has from time to time found it necessary to amend and revise such directives due to changes in law and/or operations of the Port; and

WHEREAS, the Port Commission now wishes to provide a master policy directive providing for the delegation of authority to the Executive Director or his or her designee for matters related to Port Contract and Acquisitions Policies, and to repeal any prior resolutions dealing with the same subject;

WHEREAS, the Executive Director will keep the Commission apprised of changes to Port administrative policies.

THEREFORE, BE IT RESOLVED to insure uniform application of these policies, questions or requests for interpretation shall be directed to the Executive Director.

BE IT FURTHER RESOLVED that the master policy directive of the Port Commission of the Port of Olympia as set forth as Exhibit "A" attached to this Resolution and incorporated herein by such reference is for the purpose of providing for the delegation of authority to the Executive Director or his or her designee for matters related to Port Contracts and Acquisitions Policies.

BE IT FURTHER RESOLVED that the Port of Olympia Commission delegates the authority to the Executive Director to create procedures for the above listed policies. In addition, the Port Commission delegates the authority to the Executive Director to create other administrative policies and procedures as deemed necessary to ensure proper conduct by the Port of Olympia employees.


BE IT FURTHER RESOLVED to ensure transparency in all aspects of Port operations, the Port will comply with legal requirements associated with public meetings, public records, and will ensure that information surrounding Port decisions are made available to the public through all reasonable means.

ADOPTED BY THE Port of Olympia Commission this 12th day of August, 2019.

PORT OF OLYMPIA COMMISSION



Bill McGregor, President



Joe Downing, Vice President



E. J. Zita, Secretary-Treasurer

PORT OF OLYMPIA COMMISSION
Resolution 2019-06

Exhibit A - Index of Contracts and Acquisitions Policies

**A Resolution, of the Port of Olympia Commission, providing for the delegation of authority
to the Executive Director and his/her designees for matters related to Port Contracts and
Acquisitions Policies**

1. Professional Services (Policy 1001)
 - Definitions
 - Competitive Selection
 - Signing Authority and Spending Thresholds
 - Contract Amendments
2. Small Works Roster (Policy 1002)
 - Definitions
 - Competitive Selection
 - Signing Authority and Spending Thresholds
3. Public Works Contracting (Policy 1004)
 - Policy Definitions
 - Competitive Bidding Selection
 - Signing Authority and Spending Thresholds
4. Purchased Services Agreements (Policy 1005)
 - Definitions
 - Competitive Selection
 - Signing Authority and Spending Thresholds
5. Emergency Public Works Contracting (Policy 1006)
 - Definitions
6. Open Order Contracts (Policy 1007)
 - Competitive Selection
 - Signing Authority and Spending Thresholds
 - Agreement Durations

7. Grant Application & Acceptance (Policy 1008)
8. Legal Services and Other Representation (Policy 1009)
 - Adjustment and Settlement of Claims Other Than Claims Subject to Litigation
 - Authority to Wave Attorney Client Privilege
9. Disadvantaged Business Enterprise Program for Federal Aviation Administration Funded Projects at the Olympia Regional Airport (Policy 1010)

**PORT OF OLYMPIA COMMISSION
Resolution 2019-06**

**Exhibit A
Contracts and Acquisitions**

**A Resolution, of the Port of Olympia Commission, providing for the delegation of authority
to the Executive Director and his/her designees for matters related to Port Contracts and
Acquisitions Policies**

1. Professional Services (Policy 1001)

POLICY: The purpose of this policy is to provide guidance to Port staff and the consulting community regarding the Port's use and selection of Consultants, and the execution of Professional and Personal Services Agreements (PSA). This policy applies to the selection and engagement of all professional and personal services including architectural or engineering (A&E) services.

DEFINITIONS:

- A. **Consultants** are individuals or firms who perform a service or render an opinion or recommendation according to the consultant's methods and without being subject to the control of the agency except as to the result of the work. Consultants are independent contractors who do not have the authority to decide or control the Port's affairs and may not supervise or manage Port employees.
- B. **Architectural/Engineering (A/E) Services (Professional Services)** associated with licensed architects or engineers, including surveyors and landscape architects, as defined by R.C.W. 18.08 and 18.43. A/E services agreements may not request or factor in price as criteria in the initial selection of the most qualified consultant.
- C. **Formal Competition** means procurement of services via more rigorous or time-intensive process, and applies to larger and more complex contracts, as determined by established spending thresholds. Specific procurement and selection criteria are publically advertised and followed to ensure transparency and equity. The documentation is filed with the Senior Contract Administrator.
- D. **Informal Competition** means soliciting for qualifications or proposals via a less stringent, but still competitive, process using a "professional services roster." This type of procurement is limited to spending thresholds, and may only solicit and contract with consultants who are deemed eligible and have pre-registered with MRSCRosters.org, the Port's publically advertised, alternative procurement resource. The documentation is filed with the Senior Contract Administrator.
- E. **Minimal Competition** means to collect two or more written or documented oral quotes from eligible consultants for the procurement of low cost, non-project related services or goods. The list of eligible consultants may be obtained through MRSCRoster.org or by any other means deemed appropriate by buyer. Spending limit authorizations apply. The documentation is filed with the Senior Contract Administrator.
- F. **Non-Operational Account or Project** – defined for the purposes of procurement and contracting as expenses, services or goods that are specifically associated with a Commission approved project, and tracked as a stand-alone line item in the project budget. These are not items procured or utilized on a day to day basis, and are only intended for a specific use or asset.

- G. **Operational Account or Project** – defined for the purposes of procurement and contracting only as expenses, services, or goods related to day to day operations or regularly scheduled activities that are usually factored into a department's budget under a larger line item (e.g. office equipment or janitorial services). Specific services or items are general tracked at the manager level. Solicitation law signing thresholds (such as small works, personal services, and/or professional services) must be considered and take precedence when a conflict of process exists. (Example: A \$50,000 + contract is needed for personal services. Despite the fact that the contracted services fall within the day to day category - State law requires a competitive solicitation process and commission approval to award.)
- H. **Personal Services** means using professional or technical expertise provided by a consultant to accomplish a specific study, project, task, or other work statement which may not reasonably be required in connection with a public works project. Personal Service does not include purchased services, or A/E professional services produced using the competitive selection requirements. Examples: staff augmentation; grant writing; graphic design services; lobbying services; training; aerial photographers; executive recruitment; certification services. Unlike A/E professional services solicitations, the price of service may be included in the initial selection of the most qualified consultant.
- I. **Professional Services Roster** - The Professional Services Roster (also known as the Consultant Roster) includes businesses who provide architecture, engineering, and surveying services as referenced by Ch. 39.80 RCW, as well as some other professional services such as management, financial, legal, communications, and environmental consulting. The Roster is used to identify eligible consultants contacted to participate in informally competed contracts or purchases.
- J. **Project/Contract Manager (PM/CM)** means the Port representative responsible for overseeing the administration and management of Port projects and/or contract terms.
- K. **Senior Contract Administrator (SCA)** means the Port representative responsible for providing expert contracting guidance. The SCA oversees the development, solicitation, and execution of construction contracts, service agreements, and the procurement of goods for the Port's benefit and use.
- L. **Sole Source** RCW 39.04.280(1)(a) allows agencies to waive competitive bidding if a purchase is clearly and legitimately limited to a single supplier. These situations often arise when an agency has specific technological requirements. Examples include: licensed, copyrighted, or patented products or services that only one vendor provides; new equipment or products that must be compatible with existing equipment or products; proprietary or custom-built software or information systems that only one vendor provides; or, products or services where only one vendor meets the required certifications or statutory requirements. The Port must conduct an objective review of the required product or service, making sure to document why that particular product or service is mandatory and whether efforts were made to find other vendors, before proceeding with the purchase or contract.
- G. **Evidence of Competition** means documentation demonstrating responses were solicited from multiple firms in selecting a consultant.

Competitive Selection:

The Port shall observe a competitive solicitation process for the purposes of contracting services or obtaining services and goods, as determined by the approved Port Signing Authority and Spending Thresholds, in compliance with contracting law, and as is governed by RCW.

EXEMPTIONS UNDER R.C.W. Title 53 FROM AND CONTRACTS NOT SUBJECT TO COMPETITIVE SOLICITATION

Exemptions:

- (1) Emergency contracts;
- (2) Sole source contracts;
- (3) Contract amendments;
- (4) Other specific contracts exempted from the competitive solicitation process by the Executive Director when it has been determined that a competitive solicitation process is not appropriate or cost-effective.

Signing Authority and Spending Thresholds for Consultant Service Agreements:

Professional (A/E) Services:

- \$0 to \$10,000 – No solicitation requirements apply; the Executive Director executes this agreement.
- \$0 to \$25,000 – No solicitation requirements apply, although it is best practice to use at least a roster procurement process (i.e. “rosters”). The Executive Director is authorized to execute all Professional Services Agreements.
- \$25,001 to \$99,999 – The Executive Director is authorized to execute only Consultant Services Agreements that have been competitively bid (including solicitation by roster). The Commission shall authorize the Executive Director, in advance, to execute these contracts if a competitive process was not utilized.
- \$100,000 or more - No solicitation requirements apply, although it is best practice to use at least a roster procurement process (i.e. “rosters”). The Commission shall authorize all contracts prior to execution by the Executive Director.

Personal Services:

Specific to Non-Operational or Project Contracts Only –

- \$0 to \$10,000 – No solicitation requirements apply; the Executive Director executes this agreement.
- \$0 to \$25,000 – No solicitation requirements apply, although it is best practice to use at least a roster procurement process (i.e. “rosters”). The Executive Director is authorized to execute all Personal Services Agreements defined as Non-Operational or Project.
- \$25,001 to \$49,999 – The Commission shall authorize all Personal Services Agreements, defined as Non-Operational or Project, prior to execution by the Executive Director.

Specific to Operational Contracts Only –

- \$0 to \$10,000 – No solicitation requirements apply; the Executive Director executes this agreement.
- \$0 to \$49,999 – No solicitation requirements apply, although it is best practice to use at least a roster procurement process (i.e. “rosters”). The Executive Director

is authorized to execute all Personal Services Agreements defined by Policy 1001 as Operational.

Applies to all Consultant Services Agreements –

- \$50,000-\$199,000 – No solicitation requirements apply, although it is best practice to use at least a roster procurement process (i.e. “rosters”). The Commission shall authorize all contracts prior to execution by the Executive Director.
- \$200,000 or more – Formal, competitive solicitation process required by statute. The Commission shall authorize all contracts prior to execution by the Executive Director.

Contract Amendments (applies to all Consultant Services Agreements):

The Commission must authorize any amendment or change order if the new contract aggregate, or not to exceed, amount exceeds 10% of the Commission last approved amount. The Executive Director is authorized to execute amendments and change orders up to an aggregate total not to exceed 10% of the Commission’s last approved contract total.

2. Small Works Roster (Policy 1002)

The Port shall ensure that its contracts for construction of “Small Works,” as defined by Washington State law, will comply with applicable laws and regulations. All Small Works Roster contracts for public works shall be executed by the Executive Director and administered by the Port’s Environmental, Public Works and Planning Director or designee.

The Small Works Roster process may be used by the Port to expedite the bidding process for public works estimated to cost less than \$300,000. The breaking of any project into units or accomplishing any projects by phases is prohibited if it is done for the purpose of avoiding the maximum dollar amount of a contract that may be let using the small works roster process or limited public works process.

Policy Definitions:

- **Public Works** is defined by Washington State law to include “all work, construction, alteration, repair or improvement, other than ordinary maintenance, performed at public cost on any property”.
- **Small Public Works** is the procedure created by Washington State statute authorizing the solicitation of public works bids from a limited number of contractors in lieu of formal advertisement to bid.

Competitive Selection:

The Port of Olympia shall utilize the Municipal Research and Services Center of Washington (MRSC) Shared Small Works and Consultant Rosters, for the purposes of soliciting Small Works. Solicitation requirements are determined by the approved Port Signing Authority and Spending Thresholds, are in compliance with contracting law, and as is governed by RCW.

Signing Authority and Spending Thresholds for Public Work Contracts:

- \$0 to \$40,000 – Port staff may perform Public Work projects with in-house resources.
- \$0 to \$10,000 – No solicitation requirements apply; the Executive Director executes this agreement.
- \$10,000 to \$300,000 – Small Works Roster contracts shall be authorized and executed by the Executive Director (see Policy #1002, “*Small Works Roster Procedures*”). This class of contract cannot exceed \$300,000.
- The Commission shall authorize any change order if the revised contract total exceeds \$300,000.

3. Public Works Contracting (Policy 1004)

The Port shall ensure that its contracts for construction of public works comply with applicable laws and regulations. All public works contracts shall be executed by the Executive Director and administered by the Port’s Environmental, Public Works and Planning Director or designee.

Policy Definitions:

- Public Works is defined by Washington State law to include “all work, construction, alteration, repair or improvement, other than ordinary maintenance, performed at public cost on any property”.
- Ordinary Maintenance means work not performed by contract and that is performed by the employees of the Port on a regularly scheduled basis (e.g. daily, weekly, monthly, seasonally, semiannually, annually) to service, check, or replace items that are not broken; or work not performed by contract that is not regularly scheduled but is required to keep existing infrastructure in good usable, operational condition. Maintenance work by contractors is not Ordinary Maintenance.
- Small Public Works is the procedure created by Washington State statute authorizing the solicitation of public works bids from a limited number of contractors in lieu of formal advertisement to bid.

Competitive Selection:

- The Port shall observe a competitive solicitation process for the purposes of contracting Public Works, as determined by the approved Port Signing Authority and Spending Thresholds, in compliance with contracting law, and as is governed by RCW.

Signing Authority and Spending Thresholds for Public Work Contracts:

- \$0 to \$40,000 – No solicitation requirements apply, although it is best practice to use at least a roster procurement process (i.e. “rosters”). Port staff may perform Public Work projects with in-house resources.
- \$0 to \$300,000 – Both formal, competitively bid or Small Works Roster contracts shall be authorized and executed by the Executive Director (see Policy #1002, “*Small Works Roster Procedures*”).
- \$300,000 or more - The Commission shall authorize all contracts prior to execution by the Executive Director.

The Commission shall authorize any change order if the new contract not to exceed amount exceeds \$300,000 or 10% of the Commission last approved amount. The Executive Director is authorized to execute change orders up to this threshold.

4. Purchased Services Agreements (Policy 1005)

The Port shall ensure that its agreements for purchased services comply with applicable laws and regulations. All purchased services agreements shall be executed by the Executive Director and administered by the appropriate operating department Director.

Policy Definitions:

- **Purchased Services** is defined by Washington State law to include “services provided by a vendor to accomplish routine, continuing and necessary functions. This would include, but not be limited to, services for equipment maintenance and repair; operation of a physical plant; security; computer hardware and software maintenance, data entry, computer time-sharing, contract programming, and analysis.

Competitive Selection:

The Port shall observe a competitive solicitation process for the purposes of contracting services or obtaining purchased services, as determined by the approved Port Signing Authority and Spending Thresholds, in compliance with contracting law, and as is governed by RCW.

Signing Authority and Spending Thresholds for Purchased Service Agreements:

The Executive Director is authorized to issue the contract, or purchase order price for one year that may not exceed Three Hundred Thousand (\$300,000), or if specifically identified in the annual budget, the amount shown in such budget, and the contract or purchase order may provide for no more than two (2) options to extend the contract for one year periods, provided that the basic contract or purchase order price and any contract extensions must be within appropriate annual budget limits. Operating leases for equipment which include purchase terms or options are expressly subject to this limitation on the Executive Director’s delegated authority.

- \$0 to \$300,000 – Either informal (roster) or formal procurement (sealed bid) procurement methods shall be used to determine low bidder. Purchased Services included in the current, approved budget are authorized and executed by the Executive Director.
- \$300,000 or more – Formal procurement methods shall be used to determine lowest bidder. Purchased Services totaling \$300,000 or more, or not included in the current, approved budget shall be authorized by the Commission prior to execution by the Executive Director.
- The Commission shall authorize any change order if the new contract not to exceed amount exceeds \$300,000 or 10% of the Commission last approved amount. The Executive Director is authorized to execute change orders up to this threshold.

5. Emergency Public Works Contracting (Policy 1006)

When any emergency shall require the immediate execution of a contract for public work, the Executive Director, pursuant to RCW is authorized to waive competitive bidding requirements, and execute all contracts necessary to address the emergency situation.

The Port shall ensure that its contracts for emergency public works comply with applicable laws and regulations. All emergency public works contracts shall be administered by the Port's Senior Contract Administrator.

The Executive Director shall notify the Commission within 48 hours of the finding of emergency. The Port Commission shall be presented the proposed ratification of the finding of emergency and any contracts awarded and/or executed pursuant to that finding at the next regularly scheduled Commission meeting.

Policy Definitions:

- **Emergency:** means unforeseen circumstances beyond the control of the Port that either:
 - (a) Present a real, immediate threat to the proper performance of essential functions; or
 - (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken.
- **Public Works** is defined by Washington State law to include "all work, construction, alteration, repair or improvement, other than ordinary maintenance, performed at public cost on any property".

6. Open Order Contracts (Policy 1007)

The Port shall ensure that its open order contracts comply with applicable laws and regulations. All open order contracts shall be administered by the Port's Senior Contract Administrator, in concurrence with the Finance Manager.

Competitive Selection:

- The competitive selection process is established by the type of contract being executed (see Policy 1002 – "*Small Works Roster Procedures*", Policy 1004 – "*Public Works Contracting Procedures*," and Policy 1001 – "*Consultant Services Agreements*."

Signing Authority and Spending Thresholds for Open Order Contracts:

- The Signing Authority and Spending Thresholds are established by the type of contract being executed (see Policy 1002 – "*Small Works Roster Procedures*", Policy 1004 – "*Public Works Contracting Procedures*," and Policy 1001 – "*Consultant Services Agreements*."

Agreement Durations for Open Order Contracts:

- Consultant and Purchased Services: Initial contract term shall not exceed 24 months, with the option to renew no more than 2 additional, 12 month periods.

- Small Works: Initial contract term shall not exceed 24 months, with the option to renew no more than one additional 12 month period.

Policy Definitions:

- **Open Order Contract** is defined as a contract for alteration, repair, renovation, and maintenance of public infrastructure, or consultant services, that is bid and awarded without a specific scope of work, but is categorized around specific types of work or trades. Open Order contracts involve multiple work orders on properties owned by the Port of Olympia including, but not limited to, the Olympia Airport, the marine terminal and streets within the industrial properties in Tumwater or on the Port peninsula. The contract has a pre-defined expiration date, and a set “not to exceed” amount. All contract extending beyond the initial 12 months shall include language allowing unit price/cost adjustments to compensate for increased wages, equipment costs, bonds, insurance, and filing of new Intent to Pay Prevailing Wages and Affidavit of Wages Paid, as applicable. The Contractor’s request for adjustment must include a detailed breakdown of the request, and justification for each item.

7. Grant Application & Acceptance (Policy 1008)

The Executive Director or designee is authorized to pursue and accept, without prior approval to the Commission, all grant opportunities, when the Grantor does not require official Commission action, under the following condition:

1. The program(s) or project(s) are listed in the Port Commission Adopted Annual Operating Budget or Capital Investment Plan.
2. The program(s) or project(s) are not listed in the documents noted in (1) above, *and* the grant requires a Port contribution of new capital funds or annual operating expenses estimated not to exceed \$300,000.

8. Legal Services and Other Representation (Policy 1009)

The Executive Director and Commission, shall be responsible for management and supervision of all legal services required by the Port and for legal services associated with litigation in which the Port has an interest, direct or indirect.. For purposes of this policy, “litigation” shall mean the assertion of any position, right or responsibility by or against the Port (or in which the Port may have an interest) which has been filed in any court of general jurisdiction, be it state or federal, or any quasi-judicial or administrative forum. The Executive Director and Port Legal Counsel shall confer with the Commission on legal issues for guidance and policy direction.

A. Legal Services

The Executive Director, in consultation with the Port Commission, is authorized to retain Port Legal Counsel, to provide legal services that arise in the conduct of Port business as general counsel to the Port. Such engagement shall be upon authorization given by the Executive Director, when satisfied that such representation is necessary to the adequate protection of the Port’s legal rights and interests. When Port Legal Counsel represents the Port in litigation, the Executive Director should also be satisfied that such representation is necessary to the adequate preparation and

representation of the Port's position in such litigation and shall, whenever practicable, include consideration of an evaluation prepared by Port Legal Counsel of the litigation and an estimate of the probable cost of legal fees, expert fees and other litigation costs.

B. Engagement of Other Legal Counsel Representatives

In connection with litigation or other legal matters in which the Port has a direct or indirect interest, the Executive Director may engage, or cause to be engaged, other attorneys or firms to represent the Port in specific areas or on specific matters. Such engagement shall be upon authorization given by the Executive Director, when satisfied that such representation is necessary to the adequate protection of the Port's legal rights and interests. When engaged to represent the Port in litigation, the Executive Director shall also be satisfied that the engagement is necessary for the adequate preparation and representation of the Port's position in such litigation and shall, whenever practicable, include consideration of an evaluation prepared by the Port's General Counsel of the litigation and an estimate of the probable cost of legal fees, expert fees and other litigation costs.

C. Engagement of Experts

The Executive Director may engage or cause to be engaged through Port Legal Counsel or other attorneys or firms retained pursuant to Paragraph B above, such experts as may be necessary to the orderly preparation of litigation in which the Port has a direct or indirect interest. Such engagement shall be upon authorization given by the Executive Director after having been satisfied that such expenditure is necessary to the adequate preparation and representation of the Port's position in such litigation and shall wherever practicable include evaluation of the litigation and an estimate of the probable cost of such experts.

D. Settlement of Claims Subject of Litigation

Any matter which is the subject of litigation may be compromised and settled by the Executive Director or designee without prior reference to the Commission provided that all of the following conditions are met:

(1) The amount in controversy as stated in the pleadings does not exceed One Hundred Thousand (\$100,000.00); and

(2) The Port's Legal Counsel or other retained attorneys or firms shall certify to the Executive Director that such compromise and settlement is justified on the basis of the following:

1. Claims filed against the Port
 - a. The likelihood that a judgment rendered in the case would be in the amount claimed, or higher than the amount claimed, or that there is reasonable cause to believe that there is considerable exposure of the liability for the Port; or
 - b. The likelihood that the expenses involved in litigation would be unnecessarily high in relation to the amount claimed, or the likely result.
2. Claims filed on behalf of the Port
 - a. That the determination to settle the claim outweighs the risk of continuing the litigation; or

- b. That the settlement of the claim would provide prompt payment to the Port and eliminate extensive delays; or
- c. The proposed offer of settlement is reasonable in light of the claim asserted.

Adjustment and Settlement of Claims Other Than Claims Subject to Litigation: (except those as referenced above)

The Executive Director shall be responsible for the observance of necessary procedures whereby the adjustment and final settlement of all claims, either against or on behalf of the Port, shall be carried out. Necessary procedures in the handling of such claims shall include the following:

- A. For purposes of this section, "Claim" shall mean the assertion of any position, right or responsibility by or against the Port, but not including (1) accounts receivable or (2) claims asserted by or against the Port which have become the subject of litigation as defined in Section 9 above.
- B. No claims against the Port shall be considered unless and until proper notice has been serviced by the claimant upon the Port.
- C. Any individual claim which exceeds Twenty-Five Thousand Dollars (\$25,000) may be processed in all respects (except for final approval and payment) by the Executive Director and Port Counsel. Claims which in the opinion of the Executive Director may exceed Twenty-five Thousand Dollars (\$25,000) shall be reported to the Port Commission promptly.
- D. Any single claim not exceeding Twenty-five Thousand Dollars (\$25,000), and which will be paid from the Port's current year operating revenues, may be adjusted and settled and paid by the Executive Director provided that all of the following conditions are met:
 - 1. Port Legal Counsel or other retained attorneys or firms shall certify to the Executive Director that payment of the claim is justified on the basis of the following:
 - a. Claims filed against the Port:
 - 1) A substantial likelihood that the Port is or could be found liable; or
 - 2) The likelihood that a judgment rendered in the case would be in the amount claimed, or higher than the amount claimed or that there is reasonable cause to believe that there is considerable exposure of liability for the Port; or
 - 3) The likelihood that the expenses involved litigation would be unnecessarily high in relation to the amount claimed, or the likely result.
 - b. Claims filed on behalf of the Port:
 - 1) That the determination to settle the claim outweighs the risk of resorting to litigation;
 - 2) That the settlement of the claim would provide prompt payment of the Port and eliminate extensive delays; and

- 3) The proposed offer of settlement is reasonable in light of the claim asserted.
2. All such claims, when paid, shall be reported to the Port Commission monthly.

Authority to Waive Attorney-Client Privilege:

The Executive Director has authority to waive the Port's attorney-client privilege when, after consultation with the Commission, and upon recommendation of Port Legal Counsel, it is in the best interest of the Port to do so. This authority to waive attorney-client privilege cannot be delegated, and no other member of Port staff nor any individual Commissioner has authority to waive the attorney-client privilege on behalf of the Port.

7. Disadvantaged Business Enterprise Program for Federal Aviation Administration Funded Projects at the Olympia Regional Airport (Policy 1010)

The Olympia Regional Airport has established a Disadvantaged Business Enterprise (DBE) Program in accordance with regulations of the U. S. Department of Transportation (DOT), 49 CFR Part 26. The Olympia Regional Airport has received Federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, the Olympia Regional Airport has signed an assurance that it will comply with 49 CFR Part 26.

It is the policy of the Olympia Regional Airport to ensure that DBEs as defined in Part 26, have an equal opportunity to receive and participate in DOT-assisted contracts. It is also our policy:

- a. To ensure nondiscrimination in the award and administration of DOT – assisted contracts;
- b. To create a level playing field on which DBEs can compete fairly for DOT – assisted contracts;
- c. To ensure that the DBE Program is narrowly tailored in accordance with applicable law;
- d. To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
- e. To help remove barriers to the participation of DBEs in DOT assisted contracts;
- f. To assist the development of firms that can compete successfully in the market place outside the DBE Program.

PORT OF OLYMPIA COMMISSION
Resolution 2019-07

A Resolution, of the Port of Olympia Commission, providing the delegation of authority to the Executive Director or his or her designee for matters related to Real Property Policies.

WHEREAS, Section 53.12.270 of the Revised Code of Washington provides authority to the Port Commission for delegation of powers to the Executive Director; and

WHEREAS, the Port Commission has adopted policy directives delegating administrative authority to the Executive Director and his/her designees for the purpose of expeditious administration of the Port; and

WHEREAS, the Port Commission has from time to time found it necessary to amend and revise such directives due to changes in law and/or operations of the Port; and

WHEREAS, the Port Commission now wishes to provide a master policy directive providing for the delegation of authority to the Executive Director or his or her designee for matters related to Port Real Property Policies, and to repeal any prior resolutions dealing with the same subject;

WHEREAS, the Executive Director will keep the Commission apprised of changes to Port administrative policies.

THEREFORE, BE IT RESOLVED that the Port of Olympia Commission adopts the master policy directive as set forth as Exhibit "A" attached to this Resolution and incorporated herein by such reference is for the purpose of providing for the delegation of authority to the Executive Director or his or her designee for matters related to Port Real Property Policies, and any prior resolutions dealing with the same subject are repealed.

BE IT FURTHER RESOLVED that the Port of Olympia Commission delegates the authority to the Executive Director to create procedures for the policies covered by this Resolution. In addition, the Port of Olympia Commission delegates the authority to the Executive Director to create other administrative policies and procedures as deemed necessary to ensure proper conduct by the Port of Olympia employees.

BE IT FURTHER RESOLVED to ensure transparency in all aspects of Port operations, the Port will comply with legal requirements associated with public meetings, public records, and will ensure that information surrounding Port decisions are made available to the public through all reasonable means.

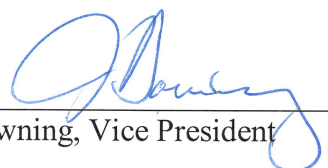
BE IT FURTHER RESOLVED to insure uniform application of these policies, questions or requests for interpretation shall be directed to the Executive Director.

ADOPTED BY THE Port of Olympia Commission this 12th day of August, 2019.


PORT OF OLYMPIA COMMISSION



Bill McGregor, President



Joe Downing, Vice President



E.J. Zita, Secretary-Treasurer

PORT OF OLYMPIA COMMISSION
Resolution 2019-07

Exhibit A – Index of Real Property Policy

A Resolution of the Port of Olympia Commission, providing for the delegation of authority to the Executive Director and his or her designee for matters related to Real Property.

1. Real Property Agreements (Policy 1101)
2. Real Property Acquisitions (Policy 1102)
3. Real Property Disposition (Policy 1103)
4. Commission on Real Estate Transactions (Policy 1104)
5. Real Estate Investment (Policy 1105)
6. Naming Conventions and Protocols (Policy 1107)
7. Real Estate Investment & Development (Policy 1108)

PORT OF OLYMPIA COMMISSION
Resolution 2019-07

Exhibit A

**A Resolution of the Port of Olympia Commission, providing for the delegation of
authority to the Executive Director and his or her designee for matters related to
Real Property**

The Port Commission will approve and adopt the Port's Comprehensive Scheme of Harbor Improvements or any other such plans that may impact all Port properties available for leasing or rental following appropriate public outreach efforts.

1. REAL PROPERTY AGREEMENTS: (Policy 1101)

The following directives apply to all agreements for use of Port real property including but not limited to leases, license agreements, rental agreements, operating agreements, memorandums of understanding, and use agreements (all hereinafter referred to as "Real Property Agreements" or "Agreements").

All of the proposed final terms of an Agreement and security will conform to Port Real Property Policy as described herein and be approved as to form by Port General Counsel and conform to Port Real Estate practices and guidelines set forth in this policy.

Signature Authorization

The Executive Director is authorized to approve and sign Real Property Agreements provided the Port's standard Agreement form is used (except for provisions inapplicable), the Agreement terms conform to Port real estate practices and guidelines set forth in the Real Property Policy.

Negotiation

The Executive Director or his or her designee may enter into preliminary discussions and negotiations with all parties involved prior to the execution of any Real Property Agreement. The Executive Director will apprise the Commission of the status of negotiations, as needed.

Compliance

The Executive Director is responsible for compliance with all Agreement terms and is authorized to take necessary measures to cause compliance and to protect the Port's legal position, including but not limited to the giving of all notices provided for in the Agreement.

Form

All real property belonging to the Port when available for lease shall, except as otherwise provided herein below, be leased only under an appropriate written lease instrument/template approved as to form by Port General Counsel and executed by the Executive Director and authorized by the Port Commission, accompanied by a lease bond or other form of security in accordance with law and Port policy.

Use

The use for which the property may be under contract with a user shall be expressly stated and in accordance with the Port's Comprehensive Scheme of Harbor Improvements adopted by the Port Commission.

Rent/Lease Rates

The amount of rent shall be based on a financial analysis providing revenue to the Port that is consistent with financial goals of the Port or as otherwise may be established by appraisal or Commission action.

The Executive Director may present recommendations related to rents and/or methodologies for calculating rents for real estate leasing and rentals, provided such recommendations are based on financial analysis and fair market practices which may include appraisal or other comparable methodology.

Securities and Insurance

All rental/leasing agreements shall be accompanied by a bond or other security in compliance with RCW 53.08.085. Security may be cash, assignment of CD or savings account, or a Letter of Credit from a financial institution acceptable to the Port.

Land and space lease agreements with terms greater than one (1) year shall have a security of one (1) year's worth of rent plus Washington State leasehold excise tax.

Land and space lease agreements with terms of one (1) year or less shall have a security of three (3) month's worth of rent plus Washington State leasehold excise tax.

Retail and/or Flex Space lease agreements shall have a security of two (2) month's worth of rent plus Washington State leasehold excise tax and all other costs associated with triple nets.

In addition, all agreements will be accompanied by evidence of insurance in fulfillment of the requirements of the agreement, but in no event shall it be less than \$1,000,000 Bodily Injury/Death and \$500,000 Property Damage, per occurrence.

Ratification Required

Long Term Leases: The Port Commission, in public session, will ratify Port long term leases defined under this policy as leases of greater than one (1) year for land and space leases and greater than three (3) years for Retail and Flex Space leases, or the assignment of any such long term leases. Long term leases and assignments will not become final until ratified by the Port Commission.

Other: Any and all long term agreements that impose any financial obligation on the Port for improvements will be ratified by the Port Commission in public session.

Ratification Not Required

The Executive Director or his or her designee is authorized to approve and execute the following agreements without ratification by Port Commission:

- **Short Term Land and Space Lease Agreements - Terms of one (1) year or less**
- **Short Term Retail and/or Flex Space Lease Agreements - Terms of three (3) years or less**
- **Airport Hangar/Marina Tenant Agreements** – Short-term leases for airport hangars, marina slips, storage, special events.
- **Technical Amendments** – amendments that do not cause a change in use, premises or term, or decrease in financial return to the Port, or scheduled rate increases, subleases or exercise of options included in the lease terms and conditions, and amendments that implement the provisions in the lease.
- **Other Agreements** – including but not limited to License Agreements, Operating Agreements, Memorandum of Understanding, Letters of Intent, Easements, and Use Agreements; Easements, Licenses and Permits ancillary to the normal operations of the Port.

Release of Securities and Insurance

The Executive Director is authorized to take all necessary actions on behalf of the Port Commission in connection with Agreement surety bonds, Agreement surety, rental insurance, or other security (hereinafter referred to as “Agreement Security”) and insurance coverage required pursuant to any Agreements of the Port, including the following actions:

- a. Where the Agreement is not in default, to release any Agreement Security where an adequate substitute security has been provided.
- b. To approve any Agreement Security or insurance submitted in fulfillment of the requirements of any Agreement, including substitute or replacement coverage for any terminated bond or other Agreement Security.

- c. To approve any substitute or modification of insurance, and to release any insurance company when substitute or replacement insurance coverage has been provided.

2. REAL PROPERTY ACQUISITIONS (Policy 1102)

The Port Commission will authorize all acquisition of real property. The Port may acquire revenue producing Real Properties as opportunities arise. The Port seeks to acquire real property that generates revenue so that the Port relies less on its tax levy to grow business in Thurston County. Properties may qualify where their revenue compared to acquisition cost is estimated to yield an acceptable Internal Rate of Return.

In accordance with Washington State law, the acquisition price of individual properties (or ownerships) shall in no case exceed the Port's appraisal by 10%, nor shall the total price paid for such properties exceed the Port's budget, without specific Commission approval.

Prior to any Real (Estate) Property Acquisition, the Executive Director shall ensure that a thorough Real Estate and Financial analysis is completed and shared with the Commission. The Real Estate analysis shall include a property condition assessment, including the securing of appraisals when appropriate and necessary to establish value, known or anticipated capital and maintenance requirements, current and projected rent roll, known or anticipated vacancies, and with the assistance a qualified consultant, a general understanding of current and projected market conditions.

The overall Financial Analysis shall include the source(s) of funding, loan/financing assumptions, amortization schedule and the acquisition Cap Rate.

At a minimum, the Financial Pro-forma shall include Internal Rate of Return (IRR), Net Present Value (NPV), Return on Assets (ROA) for the individual property(s) under consideration, Payback Period, Debt Service Coverage and General and Administrative Overhead assigned to the acquisition.

3. REAL PROPERTY -- DISPOSITION (Policy 1103)

The Executive Director or designee is authorized, pursuant to the Revised Code of Washington 53.08.090, to sell and convey surplus Port property consistent with the Port's annual resolution for the disposition of Port property.

4. COMMISSION ON REAL ESTATE TRANSACTIONS (Policy 1104)

The Port may pay a real estate commission ("commission") to a real estate broker, agent, professional, or firm licensed to conduct real estate transactions in the State of Washington

("Broker") that is the procuring cause of a lease or sale of Port-owned land, buildings, or improvements.

Not Payable Commissions:

- a. The Port shall not be bound to pay any Real Estate Commission, Finder's Fee, or other compensation in the absence of a written agreement signed by the Port.
- b. No real estate commission will be payable if the Client, or any individual, entity, association, or other person that has any interest in the Client or is otherwise directly or indirectly related to or affiliated with the Client, is a present or prior tenant of the Port, or a buyer or seller in any present or prior transaction regarding any Port-owned land, buildings, or improvements.
- c. No real estate commission will be payable if the Procuring Broker or any individual, entity, association, or other person in which the Procuring Broker has any interest or that is otherwise directly or indirectly related to or affiliated with the Procuring Broker, each of the foregoing being hereinafter referred to as a "Broker Related Person", has any direct or indirect interest in or relationship with any entity, association, individual, or other person involved in the transaction with the Port, or any project related to such transaction.
- d. No real estate commission will be payable if the Procuring Broker or any Broker Related Person will receive a commission or other compensation from any individual, entity, association, or person other than the Port that is in any way related to the transaction with the Port, or any project related to such transaction.

Finder's Fee

Notwithstanding anything to the contrary, in any lease or sale of real property where no real estate commission is payable, the Port may pay a "Finder's Fee" to any individual or firm other than a Broker that introduces a prospective Client to the Port if such Client thereafter enters into a lease or other agreement with the Port.

Rates and Payments of Real Estate Commissions and Finder's Fee

The Executive Director may present recommendations related to commission and finder's fee rates, methodologies for calculating such rates, and the conditions and schedule for payment provided such recommendations ensure that real property commission and finder's fee rates are not more generous to Brokers and Finders than fair market rates and practices.

Port and Broker Agreement

The Executive Director is authorized to negotiate, approve, and execute agreements related to the payment of a commission or finder's fee, and payment of a commission or finder's fee, without approval or ratification by the Port Commission, provided that such

agreements are approved as to form by Port General Counsel, and provided that such agreements and payments are in accordance with the standards stated herein and in Section 1100 (Real Property) of the Port's Policies and Procedures.

This Resolution shall not affect obligations of the Port under any listing agreement that is fully signed and effective prior to the effective date of this Resolution.

5. REAL ESTATE REINVESTMENT (Policy 1105)

The Port will reinvest the proceeds from real property sales in new real property assets that will derive economic benefit to the community; management of real estate resources in a manner that is estimated to create sustainable economic growth in Thurston County.

The purpose of the Property Reinvestment fund is to:

- Reserve financial proceeds that the Port receives from the sale of its real estate assets for the purchase of other real estate and investment in infrastructure that may be deemed necessary to make such purchased real estate development-ready.
- Diversify the Port real property landholdings and to reinvest in real property that is estimated to contribute to the economic well being of the Port District.
- Create financial reserves as a contingency for environmental clean-ups when the actual cost of such clean-ups may exceed the estimated cost.
- Reinvest in property that can be developed or redeveloped and either leased or resold.

Reinvestment may include, but is not limited to:

- Brown fields for clean-up and redevelopment.
- Consolidation of industrial or commercial parcels into marketable blocks.
- Industrial or commercial tracts.
- Marine-related properties
- Airport-related properties.
- Infrastructure and/or amenities which are deemed necessary to render the property competitive and marketable.

Executive Director Authorization

The Executive Director is authorized to take the following action:

- a. Create and maintain adequate records to account for funds generated from the sale of real property.
- b. Commingle the Property Reinvestment funds with other Port invested funds as long as they are accounted for separately and a proportionate distribution of investment earnings are allocated to and added to such Property Reinvestment funds.

6. NAMING CONVENTIONS AND PROTOCOLS (Policy 1107)

The Port of Olympia Commission may confer a specific commemorative name on a Port owned property, building, structure, right of way, street or micro project. The Executive Director will establish criteria and procedures for conferring a commemorative name. The established criteria should also be followed in reviewing or preparing the Port of Olympia's official comments or recommendations to state, federal, and/or intergovernmental boards taking actions regarding geographic names, naming or renaming.

Exclusions:

The following types of property are excluded from this policy:

- Historically registered properties listed or under consideration on any federal, state or local historical registry
- Public art installations that have been commissioned and/or accessioned with a title that serves as the name of the piece.
- Legacy branded properties and titles including The Port of Olympia, The Port of Olympia Marine Terminal, Swantown Marina and Boatworks, NorthPoint, East Bay, The Market District, The Olympia Regional Airport, and NewMarket Industrial Campus
- Any facility or structure regulated by an international, federal or state agency and identified in a national or international publication

Establishment of Naming Review Team

The Executive Director shall establish a Naming Review Team consisting of four standing members and one at large member from the business unit being considered for a commemorative name. Based on the Naming Review Team review, the Executive Director shall make a recommendation to the Port Commission.

Business Unit Marketing and Revenue Generation

Business unit advertising and public promotion programs are not subject to this policy and remain at the discretion of the business unit director and the Executive Director.

7. REAL ESTATE INVESTMENT & DEVELOPMENT (Policy 1108)

Consistent with Title 53 of the Revised Code of Washington (RCW), the Port of Olympia Comprehensive Scheme of Harbor Improvements (CSHI) and the Port of Olympia Strategic Plan, the Port will consider Real Estate Investment & Development projects and opportunities that support and create economic growth in Thurston County. It is not the intent of this policy to identify types of business investment or development (i.e. marine, airport, tourism, agriculture, etc.), rather to identify vehicles and instruments of investment and development.

Investment and Development projects considered by the Port may include, but are not limited to:

- Real property and building purchases, subject to the procedures established in Policy 1102
- Site and building development/re-development/re-furbish/re-model/construction /leasing/sale/leaseback/purchase option
- Design-build projects consistent with existing federal/state/local laws & regulations
- Public/private partnerships/Interagency or inter-governmental partnership
- Environmental remediation and redevelopment
- Property and boundary modifications such as consolidation of parcels, binding site plans, short plat developments or other projects consistent with local zoning codes
- Contributions to local communities, municipalities, government/inter-government and trade & resource agencies as allowed by law
- Other projects the Port Commission determines to be consistent with this policy

Funding sources and instruments that may be considered by the Port include:

- Port general funds
- Federal, state or local grant funds
- Federal & State governmental funding appropriations and pass through instruments
- Issuance of General Obligation or Revenue bonds
- Tax Levy Funds
- Local Improvement District (LID) Assessments or other similar local latecomer funding initiatives
- Other sources the Port Commission determines to be consistent with this policy

PORT OF OLYMPIA COMMISSION
Resolution 2015-16

A Resolution, of the Port of Olympia Commission, providing the delegation of authority to the Executive Director or his or her designee for matters related to Financial Policies.

WHEREAS, Section 53.12.270 of the Revised Code of Washington provides authority to the Port Commission for delegation of powers to the Executive Director; and

WHEREAS, the Port Commission has adopted policy directives delegating administrative authority to the Executive Director and his/her designees for the purpose of expeditious administration of the Port; and

WHEREAS, the Port Commission has from time to time found it necessary to amend and revise such directives due to changes in law and/or operations of the Port; and

WHEREAS, the Port Commission now wishes to provide a master policy directive providing for the delegation of authority to the Executive Director or his or her designee for matters related to Port Financial Policies, and to repeal any prior resolutions dealing with the same subject;

WHEREAS, the Executive Director will keep the Commission apprised of changes to Port administrative policies.

THEREFORE, BE IT RESOLVED that the Port of Olympia Commission adopts the master policy directive as set forth as Exhibit "A" attached to this Resolution and incorporated herein by such reference is for the purpose of providing for the delegation of authority to the Executive Director or his or her designee for matters related to Port Financial Policies, and any prior resolutions dealing with the same subject are repealed.

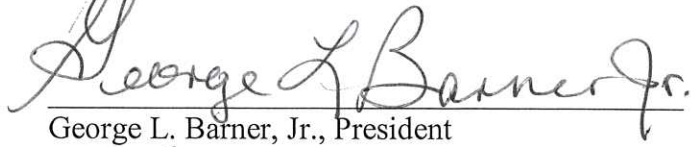
BE IT FURTHER RESOLVED that the Port of Olympia Commission delegates the authority to the Executive Director to create procedures for the policies covered by this Resolution. In addition, the Port of Olympia Commission delegates the authority to the Executive Director to create other administrative policies and procedures as deemed necessary to ensure proper conduct by the Port of Olympia employees.

BE IT FURTHER RESOLVED to ensure transparency in all aspects of Port operations, the Port will comply with legal requirements associated with public meetings, public records, and will ensure that information surrounding Port decisions are made available to the public through all reasonable means.

BE IT FURTHER RESOLVED to insure uniform application of these policies, questions or requests for interpretation shall be directed to the Executive Director.

ADOPTED BY THE Port of Olympia Commission this 28th day of September, 2015.

PORT OF OLYMPIA COMMISSION


George L. Barner, Jr., President


Bill McGregor, Vice President


Michelle Morris, Secretary-Treasurer

PORT OF OLYMPIA COMMISSION
Resolution 2015-16

Exhibit A – Index of Financial Policy

A Resolution, of the Port of Olympia Commission, providing the delegation of authority to the Executive Director or his or her designee for matters related to Financial Policies.

1. Taxation (Policy 1201)
2. Financial Measures (Policy 1202)
3. User Fees and Rates (Policy 1203)
4. Capital Investment (Policy 1204)
5. Debt (Policy 1205)
6. Port Issuance Compliance (Policy 1206)

PORT OF OLYMPIA COMMISSION

Resolution 2015-16

**Financial Policies
Exhibit A**

A Resolution, of the Port of Olympia Commission, providing the delegation of authority to the Executive Director or his or her designee for matters related to Financial Policies.

1. Taxation

The Port of Olympia will maximize funding from its commercial operations so as to minimize the need for tax support. The Port may choose to levy less than its legally authorized maximum tax amount while “banking” its future taxing authority. The Port may resume taxing up to the full amount as opportunities emerge to pursue worthwhile capital investments. (Policy 1201)

2. Financial Measures

The Port of Olympia will objectively measure and report on its financial performance. Financial stability may be compared to a three-leg stool, each leg or measure being important for the Port’s overall financial success. The attainment of any of these measures is impacted by national and international market-place competition from other ports as well as private entities. This policy sets out three areas of financial measures that evaluate its financial stability and performance: liquidity, profitability, and sustainability.

Liquidity: The Port’s cash and investments shall be sufficient to meet all capital and operating requirements that may be reasonably anticipated.

Profitability: Profitability is the excess of revenues over expenses. The Port should earn sufficient resources to enable it to replace assets or to create new customer facilities and jobs.

Sustainability: Sustainability means that the Port’s assets and services will have value into the future for its customers. The Port must also consider the ecological consequences of its activity. (Policy 1202)

Measure	Description	Goals	Reporting
Liquidity	Current Ratio	1.75	Quarterly
Liquidity	Minimum Cash Reserves	6 months Op Ex	Quarterly
Profitability	Return on Revenue (Show by Line of Business and Total Port)	5%	Quarterly
Profitability	Annual Operating Cash Flow	27%	Annual
Profitability	Earnings or (Loss) before Tax Levy	1%	Quarterly
Sustainability	Maintenance, Insurance & Environmental	14.0%	Quarterly
Sustainability	Financial Capacity	\$10,000,000	Annual
Sustainability	Return on Productive Assets	3.5%	Annual

3. User Fees & Rates

The Port of Olympia will establish user fees and rates that recover the direct and indirect costs of the service or property to the extent it is feasible to do so consistent with current market conditions. In general, the Port will not cross-subsidize its rates and rates will approximate market rate. (Policy 1203)

4. Capital Investment

The Port of Olympia capital investments will promote business development renewal of its assets, economic development and assure the sustainability of the Port's infrastructure. The Port of Olympia will exhibit sound fiscal management and a commitment to maximizing benefit to the public through its capital investment program. (Policy 1204)

5. Debt

The Port of Olympia will issue and manage debt prudently and cost effectively. In the issuance and management of debt, the Port shall approve operating budgets sufficient to provide for the timely payment of principal and interest on all debt. (Policy 1205)

6. Post Issuance Compliance

The Port of Olympia will comply with federal tax law with respect to tax exempt debt and securities laws with respect to ongoing disclosure. This policy outlines obligations that may be applicable to each issue of securities and identifies the party to be responsible for monitoring compliance. (Policy 1206)

PORT OF OLYMPIA COMMISSION
Resolution 2013-17

A Resolution, of the Port of Olympia Commission, providing the delegation of authority to the Executive Director or his or her designee for matters related to Environmental Policies.

WHEREAS, Section 53.12.270 of the Revised Code of Washington provides authority to the Port Commission for delegation of powers to the Executive Director; and

WHEREAS, the Port Commission has adopted policy directives delegating administrative authority to the Executive Director and his/her designees for the purpose of expeditious administration of the Port; and

WHEREAS, the Port Commission has from time to time found it necessary to amend and revise such directives due to changes in law and/or operations of the Port; and

WHEREAS, the Port Commission now wishes to provide a master policy directive providing for the delegation of authority to the Executive Director or his or her designee for matters related to Port Environmental Policies, and to repeal any prior resolutions dealing with the same subject;

WHEREAS, the Executive Director will keep the Commission apprised of changes to Port administrative policies.

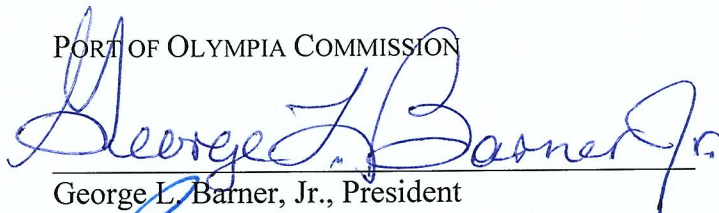
THEREFORE, BE IT RESOLVED that the Port of Olympia Commission adopts the master policy directive as set forth as Exhibit "A" attached to this Resolution and incorporated herein by such reference is for the purpose of providing for the delegation of authority to the Executive Director or his or her designee for matters related to Port Environmental Policies, and any prior resolutions dealing with the same subject are repealed.

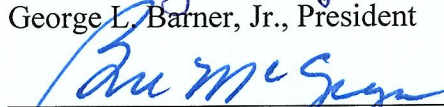
BE IT FURTHER RESOLVED that the Port of Olympia Commission delegates the authority to the Executive Director to create procedures for the policies covered by this Resolution. In addition, the Port of Olympia Commission delegates the authority to the Executive Director to create other administrative policies and procedures as deemed necessary to ensure proper conduct by the Port of Olympia employees.

BE IT FURTHER RESOLVED to insure uniform application of these policies, questions or requests for interpretation shall be directed to the Executive Director.

ADOPTED BY THE Port of Olympia Commission this 9th day of December, 2013.

PORT OF OLYMPIA COMMISSION


George L. Barner, Jr., President


Bill McGregor, Vice President


Jeff Davis, Secretary-Treasurer

**PORT OF OLYMPIA COMMISSION
Resolution 2013-17**

**Environmental Policy
Exhibit A**

A Resolution, of the Port of Olympia Commission, providing the delegation of authority to the Executive Director or his or her designee for matters related to Environmental Policies.

1. Environmental Stewardship and Compliance

The Port of Olympia is dedicated to developing and conducting Port business in a responsible manner that is environmentally, economically, and socially sustainable. The Port recognizes the value of the natural environment in which it operates, and is committed to fulfilling its mission of economic development within Thurston County in a manner that promotes long-term environmental sustainability in the region. To this end, the Port will pursue:

1) Compliance with applicable Federal, State, and local environmental statutes, regulations, enforceable agreements, and environmental permit requirements for all Port activities; 2) Clarity and consistency in the Port's environmental management efforts; 3) Transferable institutional knowledge; and 4) Continuous improvement in environmental performance.

RESOLUTION 2025-03-PT**MASTER POLICY DIRECTIVE, SUPERSEDING RESOLUTION 2024-03-PT AND ALL PRIOR RESOLUTIONS ADOPTING MASTER POLICY DIRECTIVES**

A **RESOLUTION** of the Port of Tacoma Commission regarding superseding Resolution 2024-03-PT and all prior resolutions adopting Master Policy Directives;

WHEREAS, pursuant to provisions of RCW 53.12.270, the Port Commission is authorized to delegate to the managing official of a port district such administrative powers and duties as it may deem proper for the efficient and proper management of port district operations; and

WHEREAS, the Port Commission delegates authority to the Executive Director via a Master Policy Directive; and

WHEREAS, the Port Commission adopts this Resolution delegating authority to the Executive Director, establishing associated guidelines, and repealing all prior resolutions dealing with the same subject matter, except as specifically provided herein.

NOW, THEREFORE, be it resolved that:

1. The Master Policy Directive attached as **Exhibit "A"** and by this reference incorporated herein, is adopted for the purpose of establishing the administrative authority of the Executive Director.
2. Inasmuch as state law requires this authority be renewed or reviewed from time to time, the Port Commission is authorized to accomplish the same by motion; provided, however, in the event this authority is amended in any fashion or repealed, such amendment or repeal must be by resolution or motion passed by the Port Commission.
3. The Executive Director shall bring the Master Policy Directive forward to the Port Commission annually for the purpose of renewing the delegated authority contained herein, or to allow any Commissioner to then request that reconsideration of the Master Policy Directive be placed on the agenda of the next regular meeting.
4. Upon adoption this Resolution supersedes Resolution 2024-03-PT; provided, however, any actions approved under Resolution 2024-03-PT or prior Resolutions adopting Master Policy Directives remain in effect.

ADOPTED by a majority of the members of the Port of Tacoma Commission at a regular meeting held on **the 18th day of March 2025**, a majority of the members being present and voting on this resolution and signed by the Commission Officers in authentication of its passage this **18th day of March 2025**.


John McCarthy, President
Port of Tacoma Commission


Don Meyer, Secretary
Port of Tacoma Commission

MASTER POLICY DIRECTIVE

CONTENTS

CONTENTS.....	1
I. OVERVIEW OF THE ADMINISTRATIVE AUTHORITY TO THE EXECUTIVE DIRECTOR.....	1
A. Roles and Responsibilities of the Executive Director.....	1
B. General Provisions	2
C. Planning and Budget Implementation	2
II. DEFINITIONS	3
A. Advance Mitigation Site.....	3
B. Alliance	3
C. Annual Capital Investment Plan	3
D. Approval	3
E. Authorization	3
F. Executive Director	3
G. Claim	4
H. Emergency	4
I. Filed with Commission	4
J. Goods and Services	4
K. Unit Priced Contract	4
L. Interlocal Agreement	4
M. Management Services Agreement	4
N. Material Scope Change	4
O. Mitigation Bank.....	4
P. Mitigation Bank Credit.....	5
Q. Municipal Research and Services Center (MRSC)	5
R. Normal Operating Expense	5
S. Normal Port Operations	5
T. Ongoing Environmental Activities.....	5
U. Operating Agreements	5
V. Personal Services	5
W. Project	6
X. Professional Services	6

Exhibit A

Y. Public Work	6
Z. Service Agreements	6
AA. Vessel Service Agreement	6
III. POLICY GOVERNING PORT REAL PROPERTY	6
A. General Provisions for Port Real Property Agreements	7
B. Rental/Leasing Agreements of Port Property (Port as Lessor)	7
C. Agreements for the Port Use of Real Property Owned by Others (Port as Lessee)	8
D. Port Grants of Covenants and Easements	8
E. Easements for the Port Use of the Property of Others	9
F. Acquisitions of Real Property	9
G. Sale of Real Property	9
H. Payment of Real Estate Commissions	9
IV. POLICIES GOVERNING AUTHORIZATION FOR CONTRACTING, PROJECTS, PROCUREMENT & EMERGENCIES.....	10
A. Interlocal & Non-Binding Agreements	11
B. Projects	11
C. Project and Contract Reporting	12
D. Professional Services Contracts	13
E. Personal Services Contract	13
F. Purchased Goods and Services	15
G. Declaration of Emergency	15
V. POLICIES GOVERNING FINANCIAL ACTIVITIES	16
A. Management of Port Funds	16
B. Port Expenditures for Travel, Hosting and Memberships	16
C. Managing Uncollectible Accounts	17
D. Acceptance of Grant Funding	17
E. Insurance Programs	18
F. Surplus or Sale of Personal Property	18
G. Annual Budgeting Activities	18
H. Payment of Statutory Expenditures	19
VI. POLICIES GOVERNING LEGAL ACTIVITIES	19
A. Retaining Independent Counsel/Experts/Investigators	19

B. Settlement of Claims	19
C. Settlement of Litigation	20
D. State and Federal Environmental Remediation Agreements	20
E. Policies and Procedures	21
F. Non-Discrimination and Equal Opportunity	21
VII. POLICIES GOVERNING THE USE AND SALE OF MITIGATION CREDITS.....	21
A. Scope.....	21
B. Use of Mitigation Credits.....	22
C. Sale of Mitigation Bank Credits.....	22
D. Use of Advance Mitigation Site Credits.....	23

Exhibit A

I. OVERVIEW OF THE ADMINISTRATIVE AUTHORITY TO THE EXECUTIVE DIRECTOR

The following policy is adopted by the Commission of the Port of Tacoma for the purpose of establishing the administrative authority of the Executive Director, who is responsible for Normal Port Operations, as defined herein. The statutory provision for the delegated authority in this Master Policy Directive is RCW 53.12.270 and this Master Policy Directive is expressly subject to provisions governing port district operations. The phrase “Normal Port Operations,” as used herein, means the regular day- to-day business transactions involving personnel, materials, facilities, real and personal property, money, and other assets. Unless specifically noted, delegated authorization amounts are exclusive of applicable local, state, and federal taxes.

A. Roles and Responsibilities of the Executive Director

- (1) The Executive Director derives authority from the Port Commission acting as the governing body and is responsible for carrying out Port Commission policies. The Commission delegations to the Executive Director are given with the assurance that authorization of expenditures will be managed within the authorized operating budget.
- (2) Serves as the primary spokesperson for management.
- (3) Retains professional staff, and delegates to appropriate staff such administrative authority or reporting requirement as is necessary and advisable for the efficient exercise of such authority.
- (4) Interacts with and supports the Alliance as necessary to enhance operations for both entities.
- (5) The Executive Director will promulgate policies and procedures that create administrative, monetary, and contractual delegations and other documents as may be appropriate to include Commission Agenda action item Memos identifying financial, economic, and environmental impacts.
- (6) Subject to the limitations identified in this Master Policy Directive, the Executive Director shall be responsible for:
 - (a) *Operation, maintenance, administration, and use of the Port’s facilities, and other properties not licensed to the Alliance;*
 - (b) *Development of industrial districts;*
 - (c) *Implementation of construction work, alterations and improvements to the Port’s terminals, facilities, and other properties not licensed to the Alliance;*
 - (d) *Administration of day-to-day “Normal Port Operations,” which include personnel, financial and accounting, legal and all other administrative matters that are excluded from the Management Services agreement with the Alliance;*
 - (e) *Execution of contracts and other documents related to Normal Port Operations, not licensed to the Alliance, that are related to or pursuant to a project or matter approved by the Commission, or otherwise authorized in this Master Policy Directive;*

Exhibit A

- (f) *Applications for permits associated with Port facilities or projects not licensed to the Alliance;*
- (g) *Applications for and acceptance of grants or other funds from federal, state, and local governments, consistent with actions described in this Master Policy Directive;*
- (h) *Delivery of services essential to the Port's mission; financial and accounting related matters; legal matters; and all other administrative matters;*
- (i) *Responsible fiscal management, financial accountability, and budgeting;*
- (j) *Developing strategies to ensure Port is successful and competitive in meeting customer and community expectations; and*
- (k) *In his/her/their absence, the Executive Director has the authority to assign a delegate with his full delegation.*

B. General Provisions

- (1) Regardless of the provisions and delegations contained in this Master Policy Directive, the Executive Director shall bring forward to the Commission for consultation or approval any action of a sensitive nature as identified by the Commissioners or the Executive Director.
- (2) The Executive Director shall provide financial, economic, and environmental analysis for real estate transactions and planned investments to Port-managed properties.
- (3) This Delegation of Authority Master Policy shall be reviewed annually by the Commission.

C. Planning and Budget Implementation

- (1) Long-Range Business Plans - The Commission-approved Strategic Plan shall be the basis for the development of all Port programs, Projects, initiatives, the Capital Investment Plan, and Annual Operating Budgets, and further is used to prioritize Port spending, and which shall be coordinated with the Alliance's Capital Investment Plans and Strategic Business Plans. The Commission shall review the status of implementation of the Strategic Plan not less than annually.
- (2) Administering Normal Port (Day-to-Day) Operations - In administering day-to-day Port operations, the Executive Director may reallocate amounts within and otherwise incur variances from the annually approved Operating Budget so long as such reallocations are consistent with the Commission's established policies, financial limits, and delegated authorities.
- (3) Funding of Projects - When seeking the Commission's authorization for any Project, the Executive Director shall clearly indicate whether such Project was within the Capital Investment Plans and/or the Commission's approved Strategic Plan and, if not, how it is to be funded, and why the proposed Project has reached a higher priority over other approved Projects.

Exhibit A

II. DEFINITIONS

A. Advance Mitigation Site

An Advance Mitigation Site is a wetland mitigation site established pursuant to Washington State Department of Ecology guidelines prior to a permitted wetland impact occurring, which is designed to compensate for future expected impacts. An Advance Mitigation Site generates value (in the form of credits) over time until it reaches its maximum potential. Credits from advance mitigation can only be used by the permittee that developed the advance site unless it is certified as a Mitigation Bank. The Port of Tacoma currently has two (2) advance mitigation sites: Place of Circling Waters and Lower Wapato Creek Habitat Project.

B. Alliance

Refers to the Port Development Authority (The Northwest Seaport Alliance) created pursuant to RCW 53.57 by the Ports of Tacoma and Seattle to manage and operate marine cargo operations under Interlocal Agreement dated August 4, 2015, with delegated powers pursuant to the port joint powers statute (RCW 53.08.240).

C. Annual Capital Investment Plan

Means the five (5)-year projection of capital and major expense projects and associated expenditures which is developed and maintained as a planning tool for Port capital investment, which sets the priority for Port funding, and which is reviewed by the Commission annually as part of the five (5)-year Plan of Finance and budget review process, or as subsequently amended by the Commission during the budget year. Capital project funding should be prioritized to address non-discretionary projects first. "Non-discretionary" for purposes of this Section includes but is not limited to environment projects carried out pursuant to regulatory or other binding commitment, and maintenance projects needed to maintain the operational capacity of the Port and/or which are carried out pursuant to lease obligations or other binding commitment. In recommendations to the Commission, Staff should identify which proposed capital projects are non-discretionary.

D. Approval

A recommendation to move work forward for analysis and development of data and documents to support potential authorization. Approval does not denote authority to expend funds (see "Authorization" below).

E. Authorization

Authorizes spending, entering agreements, administrative actions, and real estate actions, and other items as outlined in this Master Policy Directive. Authorization is given by the Commission to the Executive Director pursuant to this Master Policy Directive. Authorization implies an action item in public session if the required level is beyond the Executive Director delegation level pursuant to this Master Policy Directive.

F. Executive Director

The person hired by the Port of Tacoma Commission to manage and oversee day-to-day operations of the Port of Tacoma not licensed to the Alliance.

Exhibit A

G. Claim

“Claim” means the assertion of any position, right or responsibility by or against the Port, excluding “uncollectible accounts” and any claims asserted by or against the Port that have or may reasonably become the subject of litigation.

H. Emergency

Unforeseen circumstances beyond the control of the Port that either present a real, immediate threat to the proper performance of essential functions; or may result in a material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. (See RCWs 39.04.020, 39.04.280 and 53.19.010(-4)). Emergencies allow for the waiver of state procurement requirements.

I. Filed with Commission

A document required to be Filed with Commission is considered filed upon delivery to the Executive Assistant to the Commission for distribution to each Commissioner.

J. Goods and Services

Means natural resources, equipment, materials, supplies (or other finished goods or products), utilities and utilities-related services (including services provided by public agencies), maintenance, security, and other miscellaneous services.

K. Unit Priced Contract

A competitively bid contract in which public works are anticipated on a recurring basis to meet the business or operational needs of a port district, under which the contractor agrees to a fixed period indefinite quantity delivery of work, at a defined unit price, for each category of work.

L. Interlocal Agreement

A binding agreement between the Port and other local governmental agencies pursuant to RCW 39.34 that allows for the provision of services or facilities between those agencies.

M. Management Services Agreement

An Interlocal Agreement between the Port of Tacoma and the Alliance for the Alliance to provide leadership personnel that will directly manage day-to-day work of Port of Tacoma staff who provide support to the Alliance.

N. Material Scope Change

Work that was not previously included in the project authorization and substantially changes the intent of the project.

O. Mitigation Bank

A Mitigation Bank can be a “wetland mitigation bank” and/or a “conservation mitigation bank”. A “wetland mitigation bank” is a site established pursuant to Washington State Department of Ecology guidelines where wetlands are restored, created, enhanced, or preserved for the express purpose of providing compensatory mitigation in advance of unavoidable impacts to wetlands or other aquatic resources. A “conservation mitigation bank” is a site established pursuant to federal

Exhibit A

agency guidelines that permanently protects lands that contain natural resource values for species that are endangered, threatened, candidates for listing as endangered or threatened, or are otherwise species-at-risk under the federal Endangered Species Act. The Port currently has one (1) Mitigation Bank, the Upper Clear Creek Mitigation Bank, which is certified as both a wetland mitigation bank and a fish conservation mitigation bank.

P. Mitigation Bank Credit

A unit of mitigation credit within a Mitigation Bank which is purchased or used to offset the unavoidable impacts of a development project. A mitigation credit is considered intangible personal property for legal and accounting purposes.

Q. Municipal Research and Services Center (MRSC)

The Municipal Research and Services Center (MRSC) is a nonprofit organization that serves all cities and towns in Washington, all counties, and hundreds of special purpose districts, state agencies, and other government partners. MRSC has operated as a private nonprofit since 1969 under the auspices of RCW 43.110.030. Firms can register their businesses by following the instructions at <https://mrscrosters.org/businesses/registrationinstructions>.

R. Normal Operating Expense

Means the Port budgeted operations and non-operating revenues and expenses reviewed, approved, and authorized by the Commission as part of the budget process, or as subsequently amended by the Commission during the budget year.

S. Normal Port Operations

Administration of day-to-day Port operations and the regular day-to-day business transactions involving personnel, materials, facilities, real and personal property, money, and other assets.

T. Ongoing Environmental Activities

Means groundwater monitoring; supplemental compliance or repair; cleanup action plan (CAP) inspections; habitat and vegetation monitoring and replacement; trash and invasive species removal; site inspections and report writing required by post construction permit conditions, agreed orders, consent decrees, the Municipal Stormwater Permit (MS4), or similar permits and/or regulatory requirements.

U. Operating Agreements

An agreement between the Port and a third party to provide operating services as part of a Port business activity.

V. Personal Services

Personal services are generally professional or technical expertise that are necessary to accomplish a specific study, project, task, or other work statement, which may not reasonably be required in connection with a public works project meeting the definition of RCW 39.04.010(4). Personal services do not include purchased services as defined in RCW 53.19.010(8) or professional services procured using the competitive selection requirements in Chapter 39.80 RCW (A&E).

Exhibit A

W. Project

For the purposes of this Master Policy, a “Project” creates or modifies a capital asset or creates a cost outside of Normal Port Operating Expenses. A Project may be classified as a capital or expense.

- (1) Public Works Projects – As defined in RCW 39.04.010, public work projects include construction, alteration, repair, or improvement other than ordinary maintenance executed at the cost of the Port. Work associated with public work projects includes planning, scoping, engineering, design, permitting, environmental assessment, construction and contract solicitation and administration.
- (2) Non-Public Works Projects – Generally includes defined work that the ED has determined will be managed as a Project. Projects do not, however, include regular, recurring, or routine work associated with normal Port operations. This category also includes projects by the Information Technology department that may require a major upgrade or replacement of an information or communication hardware or software system.
- (3) Environmental Projects – Include pollution investigations, cleanups, and habitat restoration. Environmental projects may also involve regulatory direction, oversight, and agreements, extended periods of investigation and study prior to construction, and continuing monitoring and maintenance after clean-up and construction.

X. Professional Services

Those services within scope of RCW 39.80.020(5) or professional or technical expertise provided by a consultant to accomplish a specific study, project, task, or other work statement which is reasonably required in connection with public work projects.

Y. Public Work

Construction, alteration, repair, and improvement other than ordinary maintenance meeting the definition of RCW 39.04.010.

Z. Service Agreements

An agreement, such as an Interlocal Agreement between the Port and the Alliance, which allows for the provision of services related to normal Port or Alliance operations or projects.

AA. Vessel Service Agreement

An agreement between the Port and vessel steamship lines or their subsidiaries.

III. POLICY GOVERNING PORT REAL PROPERTY

The Executive Director is authorized to take all necessary actions in connection with agreements or transactions for real property owned, used, and not licensed to the Alliance by the Port as designated herein. The Commission’s delegation of authority to the Executive Director will extend to all types of transactions and agreements including acquisitions, divestitures, rental agreements, leases, operating agreements, easements, franchises, permits, rights of entry and other user agreements as provided herein. Except where otherwise provided in this Master Policy Directive, all real property transactions will be

Exhibit A

subject to an appropriate written agreement executed by the Executive Director and authorized by the Port Commission.

A. General Provisions for Port Real Property Agreements

- (1) The final terms of the agreement will conform to the Port's Real Estate policies and procedures and be approved as to form by Port General Counsel.
- (2) The Executive Director is authorized to accept a bond, secure CD, or other rental security for real property agreements in compliance with RCW 53.08.085 and Port policy. Other rental security may be cash or cash equivalent such as Letter of Credit, Lease Bond, or other prior approved rental security instruments, in a form approved by Port General Counsel together with necessary certificates of insurance; provided, however, no security is required for real property agreements entered into with certain governmental entities as provided in RCW 53.08.140.
- (3) The Executive Director is authorized to take all necessary actions on behalf of the Port Commission and its officers in connection with lease surety bonds, lease surety, rental insurance, or other insurance coverage required pursuant to any leases of the Port.

B. Rental/Leasing Agreements of Port Property (Port as Lessor)

- (1) The Executive Director is authorized to enter into month-to-month real property rental/lease agreements when the associated expenditures of the Port do not exceed \$350,000. These agreements shall require a minimum-security deposit equal to three (3) months' rental (plus leasehold tax amounts) to be posted in advance of the occupancy, and to be held by the Port as a rental security for the full duration of a month-to-month occupancy and to ensure compliance with the terms of the lease agreement. Adjustments or modifications which decrease the minimum required security rental deposit will require Commission authorization; provided, however that adjustments to the security deposit which result from periodic automatic adjustments/escalators to the Base Rent equating to less than \$200 shall be deferred until the security deposit adjustment equals or exceeds \$200.
- (2) The Executive Director is authorized to enter into real property rental/leasing agreements with a term not to exceed one (1) year when the associated expenditures of the Port do not exceed \$350,000. Commission authorization is required for real property rental/leasing agreements with a term greater than one (1) year. The intended use of leased real property must be expressly stated in writing. All leases requiring Commission authorization, except Fabulich Building office leases, shall be subject to a first and second reading prior to final authorization. The Commission reserves the right to waive first reading and proceed to adoption by a vote in public session.
- (3) Rental/lease rates shall be based upon market rates established for the specific use under consideration and the condition of such facility.
- (4) A briefing on available properties will be provided to the Commission at a public meeting at least once per year including a summary of new leases, properties available, how

Exhibit A

available properties are being marketed and those properties that have an expression of interest. A written report summarizing the same information will be provided to the Commission at least twice per year and made available to the public via posting on the Port's website.

- (5) All real property rental/leasing agreements one (1) year or greater shall require a minimum-security deposit equal to twelve months rent (plus leasehold tax amounts) to be posted in advance of occupancy and held by the Port as security for the full duration of the occupancy and to ensure compliance with all terms and conditions of the lease agreement and in accordance with RCW 53.08.085. Adjustments or modifications which decrease the minimum required security deposit will require Commission authorization; provided, however, that adjustments to the security deposit which result from periodic automatic adjustments/escalators to the Base Rent equating to less than \$200 shall be deferred until the security deposit adjustment equals or exceeds \$200.
- (6) Where the Commissioners have approved a real property rental/leasing agreement, which contains one (1) or more extension period(s) to extend the lease term, the Executive Director is authorized to exercise that option when the associated expenditure of the Port does not exceed \$350,000 cumulatively.
- (7) The Executive Director is authorized to approve assignment of Port leases originally subject to Commission approval under this Master Policy Directive where the requested assignment is (1) due to a change in form of the tenant entity, (2) occurring by operation of law, (3) to a related or subsidiary entity of the tenant without change in underlying entity ownership. Port Legal Counsel shall review and approve the form of such assignments prior to execution.
- (8) The Executive Director is authorized to enter into access agreements with the Alliance for Port Property provided that the access agreement is for one year or less; the associated expenditures of the Port do not exceed \$350,000 annually; the access agreement may be terminated by either party on thirty (30) days notice, and the Commission is provided notice of the terms of any such access agreement prior to the agreement's effective date. Any subsequent agreement for Alliance use of Port Property beyond one year shall be brought to the Commission for approval.

C. Agreements for the Port Use of Real Property Owned by Others (Port as Lessee)

- (1) The Executive Director is authorized to enter into agreements for the use of real property owned by others if the term of the use is one (1) year or less and the charge to the Port does not exceed \$350,000.

D. Port Grants of Covenants and Easements

- (1) The Executive Director is authorized to enter into agreements for easements, licenses, access permits, and other rights of entry up to two (2) years in duration where the impairment does not substantially interfere with the Port's intended use or reasonable future intended use. "Substantially interfere" shall mean when Fair Market value is not

Exhibit A

reduced more than an estimated \$350,000 in any one (1) year. The form of any easement, license, access permit, or other right of entry shall be approved by the Port General Legal Counsel.

- (2) Easements, licenses, access permits, other rights of entry and covenant agreements beyond two (2) years shall require Commission authorization. Utility easements required for utility service, access, and/or maintenance on Port property shall not require Commission authorization and may be approved by the Executive Director.

E. Easements for the Port Use of the Property of Others

- (1) The Executive Director is authorized to enter into easements for the Port use of the real property owned by others for agreements up to one (1) year provided that the cost to the Port does not exceed \$350,000 annually.
- (2) Real property easements, excluding utility easements, for Port use that are greater than one (1) year require the authorization of the Commission.

F. Acquisitions of Real Property

- (1) Prior to the Port Commission authorizing the acquisition of real property, the Executive Director will take all necessary steps, including when appropriate and necessary to establish a fair property valuation, the securing of appraisals, and the securing of fee title and such interest in the property as required for the benefit of the Port.
 - (a) Port staff shall be required to document and present all known and suspected environmental liabilities associated with the property in question to the Commission as part of the acquisition authorization.
- (2) Acquisition price of real properties shall in no case exceed the appraised value by ten percent (10%), nor shall the total price paid exceed the estimates provided to the Port Commission in securing its authorization without further specific Commission authorization.

G. Sale of Real Property

- (1) Any sale of real property which is part of the Port's Comprehensive Scheme of Harbor Improvements (CSHI) requires a public hearing and authorization by the Commission to first amend the Port's CSHI and to declare the property to be surplus. The Port's Comprehensive Scheme of Harbor Improvements shall be modified only after public notice and hearing pursuant to RCW 53.20.010 and RCW 53.08.090.
 - (a) *Any sale of real property that includes continued Port environmental liabilities/expenditures shall be documented and presented to the Commission as part of the authorization to surplus.*
 - (b) *Per RCW 53.25.140 for any property located within the boundaries of an Industrial Development District (IDD) the sale price must not be less than fair market value of the property which shall be determined by an average of at least two (2) independent appraisals performed by licensed real estate brokers or professionally*

Exhibit A

designated real estate appraiser as defined in RCW 74.46.020. The Port shall comply with all other applicable requirements of Chapter 53.25 RCW for the sale of properties located within the boundaries of a Port IDD.

H. Payment of Real Estate Commissions

- (1) The Executive Director is authorized to retain licensed real estate brokers for the purpose of marketing for sale and/or lease Port properties.
- (2) Commissions may be paid to licensed real estate brokers that actually initiate bona fide transactions for the Port upon satisfactory proof being submitted to the Port Real Estate department that the broker actually initiated and completed the transaction for which they claim commission. In addition, thereto, the broker shall file with the Port Real Estate department within ten (10) days from broker's appointment as their client's agent for the purpose of aiding in the leasing of the Port property a statement under oath that the broker actually initiated the bona fide transaction together with the name of the broker's client and the date of their first contact with said client. Unless this provision is strictly complied with, the Port will not pay a claimed commission.
- (3) For properties the Port "exclusively lists" with brokers to sell, a maximum commission of five percent (5%) of the total sale price may be paid. Commissions on sales will be paid via a one (1)-time payment.
- (4) For properties the Port "exclusively lists" with brokers to lease, a maximum commission of five percent (5%) of the Net Rent to the Port for up to five (5) years shall be paid, except that for month-to-month leases, a maximum commission of two (2) months of Net Rent to the Port shall be paid. For approved leases for properties not listed with a broker, which are initiated and completed by licensed brokers a maximum commission equal to three percent (3%) of Net Rent shall be paid. "Net Rent" shall mean rent net to the Port with Lessee paying taxes, utilities, maintenance, and insurance. Costs for Port paid tenant improvements, utilities, and other services specific to the lease will be subtracted from the Net Rent amount for calculations of commissions paid. The Executive Director shall disclose, as part of the Commission approval of the underlying lease, the amount of the commission should that be projected to be paid.
- (5) A summary of all Real Estate commissions will be reported semi-annually.
- (6) Commissions shall not be paid on leases involving existing tenants for new leases, expansions, new space rentals, renewals or options exercised or repayment to the Port for tenant improvements made by the Port on behalf of the Tenant, payments made to the Port from security deposits, or any escalation of the Net Rent.
- (7) Commissions shall be paid as the net rents are collected by the Port.

IV. POLICIES GOVERNING AUTHORIZATION FOR CONTRACTING, PROJECTS, PROCUREMENT & EMERGENCIES

The Executive Director is authorized to control and direct all necessary activities that require contracting and procurement of goods and services associated with carrying out Normal Operations of the Port not licensed to the NWSA. Contracting and Procurement activities for the Port will be in compliance with

Exhibit A

applicable laws and regulations and the policies and delegation of authority set forth in this Master Policy Directive. The Port shall endeavor to use a variety of firms (including small business firms) based on the nature of the work and the expertise of the firms.

A. Interlocal & Non-Binding Agreements

- (1) Commission authorization is required to approve Interlocal Agreements with other public agencies, including Service Agreements between the Port and the Alliance. Interlocal Agreements shall comply with the requirements of RCW 39.34.
- (2) The Executive Director is authorized to enter into agreements with other governmental agencies and non-governmental entities in situations where the agreement does not create a financial obligation or impair any Port owned assets and have been reviewed and approved in writing by Port legal counsel.

B. Projects

- (1) The Executive Director may authorize Projects where the estimated Project cost, inclusive of all costs related to the work, does not exceed \$350,000.
- (2) Commission authorization shall be required for Projects where the total estimated Project costs will exceed \$350,000 or when actual costs of a previously approved Project exceed \$350,000, including Projects previously authorized by the Executive Director.
 - (a) *The Executive Director may authorize spending up to \$350,000 for Project work where the total estimated Project costs may exceed \$350,000.*
 - (b) *Port presentations which request Commission authorization will disclose Project spending previously authorized by the Executive Director and spending previously authorized by the Commission, if any. Depending on the overall estimated costs and complexity of the Project, the Executive Director may request Commission authorization at key stages of the project (i.e., design, execution of work, remediation).*
 - (c) *Projects shall not be broken into units or accomplished in phases to avoid Port Commission authorization.*
 - (d) *Where personal, professional, or purchased goods and services are part of a Project, authorization of expenditures will be managed as part of the project authorization.*
 - (e) *Public work contracts not part of a Project and not part of Normal Operating Expense follow the same authorization process as Projects.*
 - (f) *For Small Public Works projects up to \$350,000 in value, the Port may use the Municipal Research and Services Center (MRSC) Contractor Roster as authorized by RCW 39.04.155.*
- (3) Projects with an estimated cost that exceeds \$350,000 and have a change in the scope, schedule or budget require the following actions:

Exhibit A

- (a) *Commission authorization will be required if a Material Scope Change occurs in the Project.*
 - (b) *The Commission will be notified if a Project schedule delay has an anticipated financial impact on a customer or other affected stakeholders.*
 - (c) *Commission notification and follow-up Commission authorization is required as soon as it is determined that the Project cannot be completed for the previously authorized amount and Project costs incurred will be limited to the minimum amount necessary to allow the Project to proceed until Commission approval is obtained for the additional amounts.*
 - (i) *In situations where the public works component of a remediation Project determines that additional contamination or an unforeseen condition is found which impacts the budget of a Project beyond the Project authorization, staff shall notify the Commission and continue with the required work.*
- (4) Authorization for Alternative Public Works Contracting Procedures. Commission authorization is required to perform public work under procedures alternative to design-bid-build, as defined in RCW 39.10, for design-build and general contractor/construction manager. For such contracts, staff will propose for Commission's approval a sequence of authorization steps.
- (5) Unit priced contracts for Public Works and job order contracts (authorized in RCW 39.10) may be approved by the Executive Director and all work falling under the unit priced contract or job order contract is to be authorized pursuant to this Master Policy Directive as a Project.
- (6) The Executive Director may resolve all claims through the mediation phase of a dispute resolution arising from public works contracts up to an advance of \$350,000. Commission will be notified of potential settlements which may exceed the previously authorized Project amount and additional authorization will be requested in accordance with the requirements for Project changes contained herein. Port operations, maintenance, monitoring, and stewardship activities, where the costs of normal operating expenses, require only outside services to be authorized.
- (7) Ongoing Environmental Activities shall be authorized annually through the budget approval process.

C. Project and Contract Reporting

- (1) The Executive Director shall report semi-annually to the Commissioners all Projects authorized by the Commissioners. The report shall include project schedule, current estimate, authorized amount, cost to date, summary of any changes to scope, and any other significant developments with respect to the Project. Selected environmental Projects that have moved into long-term (5 years plus) monitoring (or maintenance) programs shall be exempt from Project reporting.

Exhibit A

- (2) The Executive Director shall report quarterly to the Commissioners all Project and contract authorizations equal to or greater than \$150,000 authorized through the delegated authority contained in this Master Policy Directive. The report shall include the type of authorization, a brief description of the authorization, and the amount of the authorization. All new Professional and Personal Services Contracts as well as settlement of Claims, including litigation, regardless of the amount, will be reported quarterly.
- (3) At the Commissioners' direction, the Executive Director shall report on any Project of a sensitive or critical nature.

D. Professional Services Contracts

- (1) The Executive Director is authorized to approve Professional Services Contracts associated with Normal Port Operations with a cost for each contract not exceeding \$350,000, cumulative with amendments.
- (2) On-call contracts for professional services may be approved by the Executive Director and all work falling under the on-call contract is to be authorized pursuant to the applicable Master Policy Directive as a Project or contract subject to the limits set forth herein.
- (3) For Professional Services contracts up to \$200,000 in value, the Port may use the MRSC Consultant Roster as authorized by RCW 39.80.

E. Personal Services Contracts

- (1) The Executive Director is authorized to approve personal services contracts in the conduct of normal Port operations not licensed to the Alliance when the following conditions exist:
 - (a) *The cost of the proposed personal service contract shall not exceed the amount of \$350,000, cumulative with amendments.*
 - (b) *The specific contract or class of contract has been formally waived by resolution of the Commission from competitive solicitation process; or is exempt by RCW 53.19.020 or unrestricted by RCW 53.19.070.*
- (2) On-call contracts for personal services may be approved by the Executive Director and all work falling under the on-call contract is to be authorized pursuant to the applicable Master Policy Directive as a Project or contract subject to the limits set forth herein.
- (3) When an amendment to a contract, individually or cumulatively, which was approved by the Executive Director pursuant to Section IV.E.(1) hereinabove will exceed 50% of the original contract amount for the agreement and that amended cumulative amount remains less than \$350,000.00, the amendment must be filed with the Commission and made available for public inspection on the Port's website seven (7) days prior to the proposed starting date of services under the amendments. Substantial changes in contract scope or substantial additions to the scope specified in the formal solicitation documents shall be authorized by the Commission unless authorization has been provided for otherwise pursuant to this Master Policy Directive.

Exhibit A

- (4) Any amendment to a Personal Services Contract must be approved by the Commission by a vote in public session and be made available for public inspection on the Port's website seven (7) days prior to the proposed starting date of services under the amendment if the Personal Services Contract:
- (a) *was approved by the Executive Director pursuant to Section IV.E.(1) hereinabove, and the amendment(s) individually or cumulatively will exceed 50% of the contract amount and that amended cumulative amount exceeds \$350,000, or*
 - (b) *was previously approved by the Commission because the contract's initial amount exceeded \$350,000.*
- (5) All Personal Services Contracts will be entered into pursuant to competitive solicitation as required by law, except for the following; provided, however, this procurement modification does not change the requirements for any applicable Commission or ED approvals based on costs amounts as provided herein:
- (a) *Emergency contracts in compliance with Section IV.G.(1) below.*
 - (b) *Sole source contracts; provided, however, that sole source service contracts, regardless of the amount, shall be filed with the Commission for three (3) days and made available to the public prior to starting the work pursuant to RCW 53.19.040.*
 - (c) *Any other specific contract or classes as exempted by RCW 53.19.070 as it now exists or may be in the future amended, and which currently exempts the following:*
 - (i) *Contracts specifying a fee of less than fifty thousand dollars;*
 - (ii) *Contracts awarded to companies that furnish a service where the tariff is established by the utilities and transportation commission or other public entity;*
 - (iii) *Intergovernmental agreements awarded to any governmental entity, whether federal, state, or local and any department, division, or subdivision thereof;*
 - (iv) *Contracts awarded for services to be performed for a standard fee, when the standard fee is established by the contracting agency or any other governmental entity and a like contract is available to all qualified applicants;*
 - (v) *Contracts for services that are necessary to the conduct of collaborative research if prior approval is granted by the funding source;*
 - (vi) *Contracts for professional services which are entered into under Chapter 39.80 RCW;*
 - (vii) *Contracts for the employment of expert witnesses for the purposes of litigation or legal services to supplement the expertise of port staff;*

Exhibit A

- (viii) *Other specific contracts or classes or groups of contracts exempted from the competitive solicitation process by the Commission when the Commission has determined that a competitive solicitation process is not appropriate or cost effective pursuant to RCW 53.19.020;*
- (ix) *The Executive Director is authorized to approve competition waivers consistent with applicable federal and state laws and internal Port policies in accordance with RCW 39.04.280; and*
- (x) *Notification of all such waivers shall be provided to the Commission prior to the proposed starting date of the contract or purchase and will include a written justification of the reason for the waiver.*

F. Purchased Goods and Services

- (1) The Executive Director has the responsibility for compliance with statutory procedures, where applicable, in connection with all contracts for the acquisition of utilities, materials, equipment and services. Following competitive bidding, if required, the Executive Director may authorize purchased goods and services where the following condition has been met:
 - (a) *The total contract or purchase order price does not exceed \$350,000 cumulatively.*
- (2) Contracting Authority for Entering Agreements with Utilities and Annual Software Fees and Licenses:
 - (a) *The Executive Director is authorized to enter into contracts with utility providers in order to establish connections, conduct repair or maintenance and to purchase utility services as needed that are part of Normal Operating Expenses; and*
 - (b) *The Executive Director is authorized to enter into contracts with providers for annual software fees and licenses that are part of Normal Operating Expenses.*

G. Declaration of Emergency

- (1) The Executive Director is authorized to make a finding of the existence of an emergency, to authorize spending of Port resources and funds, to waive competitive bidding requirements and to execute any contracts necessary to respond to the emergency in accordance with RCWs 39.04.020, 39.04.280, 53.19.010 and 53.19.030, and subject to the following:
 - (a) *The Commission shall be notified within 24 hours of the declaration of the emergency.*
 - (b) *If a public works or purchased goods or services contract is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency shall be filed with the Commission and made public on the Port's website no later than two (2) weeks following the award of the contract.*
 - (c) *If a personal services contract is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency shall be filed with the Commission and made public on the Port's website within seven (7) working*

Exhibit A

days following the commencement of work or execution of the contract, whichever occurs first. Documented justification for emergency contracts shall be provided to the Commission when the contract is filed.

V. POLICIES GOVERNING FINANCIAL ACTIVITIES

The Executive Director is authorized to oversee the financial matters for the Port of Tacoma in accordance with applicable laws and subject to the Commission delegations in this Section.

A. Management of Port Funds

- (1) The Port Treasurer, who must be appointed by the Commission pursuant to RCW 53.36.010, may designate one (1) or more Deputy Treasurer(s) without Commission action. The Treasurer is accountable for all financial transactions executed by Deputy Treasurer(s).
- (2) The Port Treasurer and Deputy Treasurer(s) are authorized to oversee the investment of Port funds in accordance with applicable law relating to the type of investments authorized pursuant to RCW 39.59, RCW 43.84.080, and referenced RCWs within, including sale of such investments and necessary inter-fund transfers.
- (3) The Port Treasurer is authorized to oversee the management of the Port's cash reserves. Minimum cash reserve has been established as six (6) months' direct operating expenses and any reserves required by agreements or associated with maintaining bond covenants.

B. Port Expenditures for Travel, Hosting and Memberships

- (1) Travel Expenditures for Employees and Other Authorized Representatives of the Port.
 - (a) *Pursuant to RCW 53.08.176, the Executive Director is authorized to establish Port policies and procedures to regulate and audit travel expenses and reimbursement.*
 - (b) *The Executive Director is authorized to approve travel and other reimbursable expenses, excluding Commissioners, incurred on behalf of the Port.*
 - (c) *Commissioner international travel requires prior authorization by the full Commission.*
 - (d) *The Port's Auditor will be responsible for ensuring the full compliance with applicable statutes, regulations and Port policies and procedures governing expense reimbursement by employees, Port Commissioners, and representatives of the Port.*
- (2) Expenditures for Trade Promotion and Promotional Hosting.
 - (a) *The Executive Director will report proposed expenditures covering industrial development, trade promotion, and promotional hosting as provided in RCW 53.36.120 to Commission as part of the annual budget adoption. Expenditures proposed for promotional hosting shall be limited as provided in RCW 53.36.130.*
 - (b) *Port staff and representatives responsible for industrial development, promotional hosting, and trade promotion, and authorized to host under the Master Policy Directive, are authorized to make expenditures for promotional hosting of all*

Exhibit A

appropriate Port activities subject to all of the provisions of the promotional hosting policy.

(c) *Commission hosting requires prior authorization by the full Commission.*

- (3) The Executive Director is authorized to approve membership in port authority, economic development, regional trade, tourism, industrial associations, facility, trade promotion organizations, and professional organizations up to \$10,000 pursuant to organization or individual membership. Memberships greater than \$10,000 shall be approved by the Commission as a Normal Operating Expense through the annual budget process. A list of all memberships of the Port will be reported semi-annually to the Commission.

C. Managing Uncollectible Accounts

- (1) The Executive Director is authorized to establish policies and procedures to write off any uncollectible accounts. The Port's aging account report and/or list of delinquent and uncollectible accounts shall be provided to the Commission quarterly.
- (2) Prior to writing off any accounts receivable, the Executive Director shall be satisfied that every reasonable effort has been made by the Port to accomplish the collection of the account.
- (3) If appropriate, the Executive Director shall authorize the Port's General Counsel to bring action in courts of law or, if more appropriate in the case of small amounts, to assign the same to collection agencies for the purpose of attempting to finally collect such accounts.
- (4) If after attempting all normal account collection procedures the account is still uncollectible after 180 days or more, the Executive Director is delegated the authority to provide for the writing off of such account; provided, however, Commission approval is required if the amount of any one (1) account to be written off exceeds \$50,000.00.
- (5) Any account in excess of \$50,000 which is deemed to be uncollectible shall be reported to the Port Commission.

D. Acceptance of Grant Funding

- (1) The Executive Director is authorized to apply for grant funds for the Port.
- (2) The Executive Director will provide notification to the Commission prior to submitting an application for any grants that may obligate the Port to a cash match greater than \$350,000 or if expected associated expenses exceed \$350,000.
- (3) The Executive Director is authorized to accept grants where the grant award obligates the Port to provide a cash match of no more than \$350,000.
- (4) In cases where the grant award obligates or has the potential to obligate the Port to provide a cash match greater than \$350,000, Commission authorization is required prior to grant acceptance, unless as noted in V.D.(5) below.

Exhibit A

- (5) The Executive Director is authorized to accept and manage any grant funding that is secured for Projects that have previously been authorized by the Commission. In this case, if a grant is received, the Executive Director shall notify the Commission.

E. Insurance Programs

- (1) The Executive Director shall be authorized to work with the Port's designated insurance broker(s) to negotiate and obtain appropriate policies of insurance to manage the Port's property and casualty risks, provide employee benefits, and other coverage appropriately included within a comprehensive insurance program. The Executive Director is further authorized to execute all contracts necessary to implement the Port's comprehensive insurance program, the costs of which shall be approved by the Commission as a Normal Operating Expense through the annual budget process. .

F. Surplus or Sale of Personal Property

- (1) With the exception of Mitigation Bank Credits, the Executive Director is authorized, pursuant to RCW 53.08.090, to sell and convey surplus personal property of the Port subject to the following conditions:
 - (a) *When the net book value of such personal property does not exceed \$22,830.00, the Executive Director will itemize the property to be sold and will certify that such property is no longer needed for Port District purposes.*
 - (b) *Commission authorization is required when the net book value of such personal property exceeds \$22,830.00. The Executive Director will itemize the property to be sold and will certify that such property is no longer needed for Port District purposes and seek Commission authorization.*
 - (c) *Personal property will be disposed of in accordance with RCW 53.08.090.*
 - (d) *No large block or lot of personal property having a net book value in excess of \$22,830.00 will be broken into components of lesser value. These items can be disposed of after Commission authorization is obtained.*
 - (e) *The sale of surplus personal property to Port officials, employees, or their family members will be restricted to public auctions, or consignment for bid, where the process is managed by a third-party vendor and all interested parties have equal opportunity in the bidding process.*
 - (f) *The Executive Director will report the results of surplus personal property sales to the Commission no less than once per year.*

G. Annual Budgeting Activities

- (1) The Executive Director will annually develop a budget for the Port.
 - (a) *Commission approval shall be required, pursuant to RCW 53.35 for the next year's statutory cash budget.*

Exhibit A

- (b) *With the adoption of the statutory cash budget, the Commission also approves expenditures for Ongoing Environmental Activities. The Commission shall review and confirm the five (5)-year Plan of Finance and Capital Investment Plan in conjunction with the statutory cash approval.*

H. Payment of Statutory Expenditures

- (1) The Executive Director is authorized to approve statutory expenditures incurred during Normal Port Operations. Types of expenditures include, but are not limited to, election expenses, excise, payroll and leasehold taxes, and State Auditor's audit(s).

VI. POLICIES GOVERNING LEGAL ACTIVITIES

The Executive Director, together with Port General Counsel as appropriate, shall be responsible for the Port policies and procedures necessary to oversee all legal services and litigation, in which the Port has an interest, direct or indirect; provided, however, the Executive Director shall first seek Commission approval prior to the Port initiating litigation as a party plaintiff or petitioner in state or federal court if the litigation is for any purpose other than (1) commercial unlawful detainer against Port tenants in breach of Port lease agreements, or (2) cost recovery against third parties pursuant to Ch. 70A.305 RCW (Model Toxics Control Act). For purposes of this Section, "litigation" shall mean the assertion of any position, right or responsibility by or against the Port which may reasonably lead to or has been filed in any court of general jurisdiction, be it state or federal, or any quasi-judicial or administrative forum, including arbitration.

A. Retaining Independent Counsel/Experts/Investigators

- (1) The Executive Director may engage legal representation for the Port and such experts, investigators and/or independent counsel as may be necessary to the orderly preparation of potential and/or actual litigation in which the Port has a direct or indirect interest, without the procurement limitations otherwise prescribed in Section IV.E. of this Master Policy Directive.
- (2) Consistent with Section IV.E.(1) herein, the Commission reserves to itself the authority to approve Personal Services Contracts for Legal Services where the contract amount exceeds \$350,000, initially or as a result of any amendment. Any such request for Legal Services should include the concurrence of the Port General Legal Counsel, who shall confirm to the Commission the basis for the request and provide such other information requested by the Commission, which consultation may be provided in Executive Session if consistent with state law, RCW 42.30.110(1)(i); provided, however, any Commission approval of that Contract shall take place by vote at a meeting open to the public.

B. Settlement of Claims

- (1) The Executive Director is delegated to oversee Port policies and procedures for adjusting the final settlement of all Claims either against or on behalf of the Port.
- (2) Any Claim arising from Normal Port Operations and not exceeding \$200,000 for a single Claim may be adjusted and settled by the Executive Director without prior review with the Commission. Claims arising from Public Works Contracts shall be settled pursuant to Section IV.B.(6); provided, however, any settlement that imposes upon the Port any affirmative

Exhibit A

duty (non-monetary obligation), injunctive relief, and/or which is memorialized by a federal Consent Decree or other regulatory enforceable Order shall require Commission approval.

- (3) The Port's General Legal Counsel shall be consulted prior to settlement of any Claim in excess of \$50,000 paid by the Port. Claims exceeding \$200,000 to be paid by the Port shall be approved by Commission; claims exceeding \$100,000 paid by the Port shall be reported to the Commission.
- (4) The Executive Director may approve settlements made by the Port's insurers of Claims by or against the Port, where such settlement is payable by such insurer.

C. Settlement of Litigation

- (1) The Executive Director and/or Port General Counsel is authorized to oversee any matter which is the subject of litigation, including engaging in settlement negotiations and/or reaching settlement, without prior Commission review under the following conditions:
 - (a) *The amount in controversy as stated in the pleadings or as reasonably estimated by Port General Legal Counsel does not exceed \$150,000; provided, however, any settlement that imposes upon the Port any affirmative duty (non-monetary obligation), injunctive relief, and or which is memorialized by a federal Consent Decree or other regulatory enforceable Order shall require Commission approval; and*
 - (b) *The Port's General Counsel concurs with the proposed settlement terms.*
- (2) Settlement of litigation matters by or against the Port greater than \$150,000 require Commission authorization.
 - (a) *Regular Updates. At any stage of litigation where the potential claim by or against the Port is greater than \$350,000, the Commission shall receive regular and substantive updates on the status of any proposed settlement discussion and terms and no later than three (3) business days prior to the date of any Commission Executive session briefing.*
 - (b) *Timing. The Commission shall be informed of any proposed final litigation settlement terms no later than seven (7) business days prior to the date Commission approval is sought.*
 - (c) *Form of Request. The request for final litigation settlement approval shall be reduced to writing and include the concurrence of the Port Legal Counsel, who shall confirm to the Commission the basis for the request and provide such other information requested by the Commission. Consistent with state law, RCW 42.30.110(1)(i), Litigation settlement consultation between the Commission and Legal Counsel may be provided in Executive Session; provided, however, any Commission litigation settlement approval shall take place by vote at a meeting open to the public.*

Exhibit A

D. State and Federal Environmental Remediation Agreements

- (1) State and Federal environmental remediation agreements (“Agreements”) can include: Consent decrees, agreed orders, administrative orders issued by Ecology, orders on consent and voluntary cleanup program agreements but typically do not include MTCA grant applications, potential liable party notices or other general governmental notifications or project management documentation. These Agreements may involve advanced work; examples include research, soil and groundwater sampling and legal review which will inform the scope of work and schedule in the Agreement.
- (2) The Executive Director may authorize new Agreements if the estimated project costs, excluding any grant or other recovery funding but including any advanced work to implement the terms of the agreement and past remediation expenditures, are less than \$350,000.
 - (a) *An estimate or range of estimated costs for the overall future environmental remediation associated with the agreement and future anticipated Agreements will be reviewed at the time of the request for authorization.*
- (3) Commission authorization is required for Agreements where the estimated project costs to implement the terms of the Agreement, excluding any grant or other recovery funding but including any advanced work and past remediation expenditures, exceed \$350,000.
 - (a) *An estimate or range of estimated costs for the overall future environmental remediation associated with the Agreement and future anticipated Agreements will be reviewed at the time of the request for authorization.*
- (4) Project spending associated with Agreements shall be subject to the requirements set forth in Section IV.B.(2) pertaining to Projects.

E. Policies and Procedures

The Executive Director is authorized to adopt any administrative policies and procedures necessary to implement the delegations contained in this Master Policy Directive.

F. Non-Discrimination and Equal Opportunity

It is the basic policy of the Port to provide equal opportunity to the users of all Port services and facilities and all contracting entities. Specifically, the Port will not tolerate discrimination against persons on grounds of age, race, color, national origin/ancestry, ethnicity, religion, disability, use of protected sick or family medical leave, pregnancy, sex/gender, sexual orientation, whistleblower status, marital status, workers’ compensation use, gender expression or identity, political beliefs, military or veteran status, or any other protected status, as guaranteed by local, state, and federal laws. The equal opportunity principles described in this policy shall apply to the Port’s employees, customers, consultants, contractors, and vendors to the extent possible and as required by law. This policy is to be implemented by the Executive Director as specifically set forth in Port policies, equal employment opportunity and small business, women, minority, and disadvantaged business participation in Port contracts. The Executive Director shall annually report to the Commission on the implementation of this policy.

Exhibit A

VII. POLICIES GOVERNING THE USE AND SALE OF MITIGATION CREDITS

A. Scope

The Port of Tacoma currently has one (1) certified Mitigation Bank (Upper Clear Creek Mitigation Bank) and two (2) Advance Mitigation Sites (Place of Circling Waters and Lower Wapato Creek Habitat Project). The policies in this section govern the sale of Mitigation Bank credits to third parties and the use of Advance Mitigation Site credits for Port and/or Alliance projects.

B. Use of Mitigation Credits

- (1) The preferred use of Mitigation Bank and Advance Mitigation credits is to provide a source of mitigation for unavoidable impacts of current and future Port and Alliance development and/or redevelopment Projects.
- (2) The Port Commission will only consider authorizing the sale of Mitigation Bank credits to third parties as provided for in Section C below if such credits are determined to be surplus to the Port's needs pursuant to RCW 53.08.090 within a ten (10)-year planning horizon.

C. Sale of Mitigation Bank Credits

- (1) Sale to Third Parties
 - (a) *Mitigation Bank credits will only be sold to third parties upon Commission approval of a resolution which both declares the credits to be surplus to the Port's needs pursuant to RCW 53.08.090 and authorizes the sale.*
 - (b) *The Commission may only approve a resolution authorizing the sale of surplus Mitigation Bank credits to third parties where the proposed sale meets all of the following criteria:*
 - (i) *The credits to be purchased are being used for a public or private project which directly supports the Port's mission and goals as expressed in the Port's current Strategic Plan. These types of projects include, but may not be limited to, cargo, logistics, and transportation.*
 - (ii) *The proposed credits will be sold at fair market value, or at the Port's anticipated replacement cost, whichever is greater. Fair market value shall be established through an appraisal or equivalent analysis considering the market demand for credits within the relevant mitigation bank service area and within the nearby region, as of the time of the sale. The anticipated replacement cost is the anticipated cost to replace mitigation credits in the future calculated based on net present value of past projects and/or cost estimates for future projects with appropriate contingency.*

Exhibit A

(iii) *The sale must have a minimum value of \$350,000 regardless of the number of credits sold.*

(iv) *The Executive Director has reviewed the proposed sale for compliance with these requirements and recommended approval to the Commission.*

- (2) Sale to the Alliance. Subject to Commission approval, Mitigation Bank credits may be sold to the Alliance on the terms and conditions provided for in Article 3.2(f)(iii) of the Second Amended Alliance Charter for “Future Mitigation Sites”.

D. Use of Advance Mitigation Site Credits

- (1) Use for Port Projects. Use of Advance Mitigation Site credits for Port Projects is subject to Commission approval. Commission approval for the use of Advance Mitigation Site credits may be provided in conjunction with a Project Authorization or through a separate Commission action.
- (2) Use for Alliance Projects. The Port may offer the Alliance the opportunity to use Advance Mitigation Site credits on the terms and conditions provided for in Article 3.2(f)(iii) of the Second Amended Alliance Charter for “Future Mitigation Sites”. Use of Advance Mitigation Site credits by the Alliance is subject to Commission approval.



Port of Seattle Commission

Delegation of Responsibility and Authority to the Executive Director (DORA)

April 3, 2023

(Resolution No. 3810, Adopted January 24, 2023)

Port of Seattle Commission Delegation of Responsibility and Authority to the Executive Director

Preamble

The Port of Seattle's ("Port") mission is to create jobs by advancing trade and commerce, promoting industrial growth, and stimulating economic development. The Century Agenda, adopted by the Port Commission, sets out strategies, objectives, and regional initiatives that guide the Port's efforts in pursuit of this mission.

The Port was established under Washington law as a public agency and engages in commercial enterprises that sustain a healthy economy. It is therefore endowed with both governmental and commercial powers. These dual capabilities require institutional frameworks that foster public accountability and empower direct conduct of commercial activity. The Commission aligns this Delegation of Responsibility and Authority to the Executive Director policy directive ('General Delegation') to the Century Agenda.

The Port is committed to create economic opportunity for all, steward the environment responsibly, partner with surrounding communities, promote social responsibility, conduct itself transparently, and hold itself accountable.

All authority of the Port of Seattle is vested with the Commission in its actions as a public body. Through this delegation policy, the Commission subsequently and hereby vests authority with the Executive Director and delineates Commission and Executive Director responsibilities. It sets expectations and lays the basis for the respective efforts of the Commission and Executive Director to be aligned, complementary, and effective.

The Executive Director shall be empowered to execute projects, contracts and all other funding mechanisms as listed in the following sections, at the funding thresholds listed below, except in the subject matter areas where the Commission has spoken in the form of Policy Directives and Orders. In the subject matter areas where Commissioners have spoken, the Executive Director shall refer to the Policy Directive and/or Order to determine whether the Commission has expressed the clear intent to have that subject matter brought before the Commission in public session or other manner determined to be appropriate in consultation with the Commission President.

Section I: Objectives of this General Delegation:

- A. Create Clarity and Alignment: This General Delegation clearly delineates the responsibility and authority of the Commission and the Executive Director:
 - 1. The Commission governs the Port, directs all intergovernmental policy functions, and oversees the Executive Director.
 - 2. Together, the Commission and Executive Director develop the Port's overall vision, strategies, objectives, Policy Directives, long-range plans, major programs and budgets.

3. The Executive Director executes the long-range plans and major programs, oversees all enterprises and supporting functions, and advises the Commission.
- B. Provide Transparency and Accountability: This General Delegation specifically allows for the development and adoption of Policy Directives to guide the Port's efforts in pursuit of its strategic objectives. Policy Directives:
1. Provide high-level guidance about how the Port does its work based on public values and applicable laws, rules and regulations.
 2. Inform operational policies regarding specific functions at the Port and set appropriate limits.
 3. Deliver standards that support the effective use of the internal audit function to verify compliance.
- C. Pursue the Century Agenda: This General Delegation emphasizes the use of Century Agenda ("CA") Goals and Objectives as a means of pursuing the highest strategic aspirations for the Port of Seattle. Through review of Key Performance Indicators ("KPIs") that measure progress towards CA Objectives as well as Executive Director Priorities, the Commission and Executive Director ensure alignment of the Port's mandate, its aspirational and operational goals. The Century Agenda Goals, set by the Commission, set the long-term goals for all divisions and Centers of Expertise. The CA Objectives, set by the Executive Director and Executive Leadership Team (ELT) and approved by commission every 5 years, describe the mid-term objectives and activities that align to the CA Goals. Finally, the Executive Director Priorities describe the annual initiatives and programs that operationalize the CA Objectives. At all levels, KPIs and metrics are employed to monitor and track progress and performance.
- D. Empower for Concerted Action: Clear responsibilities and authorities will enable the Commission and Executive Director to work in concert and be effective.

Section II. Delegation of Responsibility and Authority

- A. Governing the Port of Seattle as its elected body, the Commission shall:
1. Represent the Port to the citizens of King County and to other government bodies.
 2. Establish the Port's positions regarding public policy, legislation, and regulation.
 3. Appoint the Executive Director.

4. Conduct the annual performance review of the Executive Director and provide input to the Executive Director regarding the performance of those employees that report directly to the Executive Director.
 5. Set the Port's annual property tax levy.
 6. Oversee the internal audit function. Consider and authorize any Port borrowed debt, as required by law.
 7. Reserve to itself all authority not herein delegated.
- B. Guiding the Port of Seattle and together with the Executive Director, the Commission shall:
1. Develop, adopt, and refine the long-term goals of the Port and review mid-term CA objectives and their KPIs.
 2. Develop, adopt, and amend Policy Directives.
 3. Direct the Port's advocacy regarding public policies, legislation, and regulation.
 4. Consider and authorize new enterprises and initiatives.
 5. Consider, authorize, and modify major programs and projects.
 6. Consider and approve the settlement of any legal claim except as delegated to the Executive Director and General Counsel.
 7. Consider and adopt annual operating and capital budgets.
 8. Consider and adopt annual salary and benefit resolutions.
 9. Consider and approve collective bargaining agreements.
 10. Consider and authorize Interlocal Agreements.
 11. Consider and authorize the acquisition and sale of real property and other capital assets except as delegated to the Executive Director.
 12. Consider and establish industrial development districts and utilities.
 13. Consider and approve assignment of defense counsel for any officer, employee or agent of the Port as authorized by law, except as delegated in Section 7.2.1.

- C. Serving the Port of Seattle and the Commission, the Executive Director shall:
1. Prepare the Port's reporting on Century Agenda Objectives and set Executive Director Priorities in strategic alignment with the objectives.
 2. Evaluate promising new enterprises and initiatives; prepare proposals as warranted.
 3. Develop major programs and projects and updates to major programs and projects.
 4. Prepare operating and capital budgets.
 5. Negotiate collective bargaining agreements.
 6. Manage and supervise all legal services, litigation, engagement of outside legal counsel and other experts (subject to the limitations of RCW 53.08.208), settlements and claims filed for and against the Port, or cause such activities to be carried out by the General Counsel.
 7. Evaluate possible acquisitions and sales of real property and other capital assets; prepare proposals as warranted.
 8. Evaluate possible establishment of industrial development districts and utilities; prepare proposals as warranted.
 9. Report regularly to the Commission on delegated responsibilities, industry trends, and economic developments.
- D. Managing the Port of Seattle in keeping with the above, the Executive Director shall:
1. Represent the Port to customers and industry stakeholders.
 2. Carry out all policy directives, long-range plans, major programs, and implement projects.
 3. Execute contracts and other necessary documents.
 4. Select and manage all staff and outside resources necessary to carry out long-range plans, major programs and projects, maintain facilities, and provide supporting functions.
 5. Determine the organizational structure of enterprises and their supporting functions.
 6. Administer collective bargaining agreements.

7. Administer Interlocal Agreements, and execute where authorized.
8. Administer the payment of short-term liabilities and other expenses.
9. Establish operational, administrative, monetary, and contractual policies, delegations, rules, tariffs, regulations and procedures in accordance with this Delegation, adopted Policy Directives and all applicable law and regulation.
10. Establish and regularly report to the Commission on CA Objectives, CA KPIs and Executive Director Priorities, as necessary.
11. Approve travel by employees and other authorized representatives.
12. Apply for and accept grants and other funds from federal, state or local governments.
13. Prepare and submit applications for permits, regulatory approvals, entitlements, and other authorizations associated with facilities and projects, agree to permit conditions and mitigation, and fulfill permit requirements and obligations. Execute permit-related documents in furtherance of the implementation of permits, including restrictive covenants and hold harmless agreements and agreements for expediting processing for permits.
14. Carry out additional responsibilities as may be further delegated.
15. Determine, sell and convey Port personal, tangible, and intangible property, including mitigation credits, in accordance with any limits set by law.
16. Provide resources for the preparation for and management of Port borrowed debt.
17. Negotiate and obtain appropriate policies of insurance to cover Port property, liability, employee coverages, and other areas appropriately included within a comprehensive insurance program. The Executive Director is authorized to approve changes or modifications within that program or individual policies including provisions for self-insurance or deductibles.

Section 1. REAL PROPERTY AGREEMENTS

1.1 Types of Agreements: The directives in this Section 1 apply to all agreements or transactions for use of Port real property, including but not limited to leases, concession agreements, rental agreements, operating agreements, berthing agreements, tenant reimbursement agreements, licenses, easements, permits, rights of entry and other use agreements (all referred to collectively as "Real Property Agreements" or at times referred to as "Agreements") or to agreements for the Port's use of real property owned by others.

1.2 General Real Property Agreement Policies

1.2.1 Except as otherwise provided in this General Delegation, all real property of the Port shall be used pursuant to an appropriate written Agreement approved and executed as authorized by the Port Commission or Executive Director and accompanied by a security deposit in accordance with applicable law and Port Real Estate Policies and Procedures.

1.2.2 Prior to the execution of Agreements, the Executive Director shall have authority to negotiate such Agreements; obtain appropriate appraisals where necessary; provide for appropriate security deposit; submit Agreements to the Port's General Counsel's office for approval in writing; and follow all other applicable laws and Port Real Estate Policies and Procedures.

1.2.3 Real property conveyances between the Port and other governmental entities. Notwithstanding any other provision herein, delegation authority for agreements between the Port and other governmental entities, where the primary purpose of the agreement is the conveyance of real property, by deed, easement, lease, license or similar instrument, shall be governed by the provisions of this Section 1.

1.3 Real Property Agreement Procedures. The Executive Director is authorized to perform the following actions, including executing agreements incidental to such actions, without Commission approval:

1.3.1 Agreements with a term of five years or less: Any Agreement having a term (including any tenant or Port options) of five years' duration or less may be approved and executed by the Executive Director provided that: (i) the Port's standard Agreement form is used or, if no standard form exists, the form used has been approved by the Port's General Counsel's office; (ii) the Agreement provisions conform to the Port's real estate policies and procedures; and (iii) the Agreement includes no Port obligation to make a specific, noncontingent monetary payment or reimbursement exceeding One Million Dollars (\$1,000,000).

1.3.2 Assignments, subleases, consents to assignments and subleases, amendments, approvals, or options for Agreements with a term of five years or less: Assignments,

subleases, consents, amendments, approvals or options for Agreements with a term of five years or less may be approved and executed by the Executive Director, but only if (a) any new term extension, option or options do not result in an extension of the original term of the Agreement (including original tenant or Port options) beyond five years; (b) any rental adjustments (increases or decreases) consistent with the Port's real estate policies and procedures are made; and (c) there is no Port obligation to make a specific, noncontingent monetary payment or reimbursement cumulatively exceeding One Million Dollars (\$1,000,000).

- 1.3.3 Assignments, subleases, consents to assignments and approvals, amendments or approvals for Agreements with a term in excess of five years. Such Assignments, subleases, consents, amendments or approvals are authorized to be executed by the Executive Director, but only if (a) the term, rental rates, environmental provisions, and the square footage of the premises under the Agreement (excluding increases or decreases to the square footage of the premises not exceeding 10% of the original square footage) remain unchanged; (b) the required security is not decreased (excluding pro rata decreases resulting from permissible decreases in square footage); and (c) there is no Port obligation to make a specific, noncontingent monetary payment or reimbursement exceeding One Million Dollars (\$1,000,000). Consents to Assignments and Subleases, and amendments to correct administrative errors may be approved and executed by the Executive Director.
- 1.3.4 Easements, licenses, access permits or other rights of entry or use agreements over Port property. Where the easements, licenses, permits or other rights of entry or use agreements: (a) either relate to or benefit the Port's operations, or do not have a term exceeding five years; and (b) do not obligate the Port to make a specific, noncontingent monetary payment or reimbursement exceeding One Million Dollars (\$1,000,000) and do not deprive the Port of substantial use of the property. Permanent easements which deprive the Port of substantial use of Port property require Port Commission approval (unless previously approved as part of a larger action) and must comply with the appraisal requirements of Section 2.
- 1.3.5 Permanent easements over Port property for installation or construction of utilities or street improvement infrastructure. The Executive Director may approve and execute permanent easements over Port property for installation or construction of utilities (including stormwater, sewer, electrical or gas) or for street improvement infrastructure (including sidewalks, signage or signaling) provided the permanent easement either (a) does not deprive the Port of substantial use of Port property; or (b) consists of Port property not exceeding 1,000 square feet and complies with the appraisal requirements of Section 2.

- 1.3.6 Easements over the property of others. The Executive Director may approve and

execute easements in favor of the Port over the property of others, provided such easements either (a) are aviation easements in support or protection of airport operations or (b) include no Port obligation to make a specific, noncontingent monetary payment or reimbursement exceeding One Million Dollars (\$1,000,000).

- 1.3.7 Agreements (other than easements) for the Port's use of the property of others, including leases, rental agreements, operating agreements, licenses, access permits, street use permits, rights of entry and other use agreements. The Executive Director may approve and execute Agreements (other than easements) where the Agreement includes no Port obligation to make a specific, noncontingent monetary payment or reimbursement exceeding One Million Dollars (\$1,000,000).
- 1.4 Executive Director to ensure compliance. The Executive Director is charged with the responsibility to ensure that all Agreement terms are complied with and is authorized to take necessary measures to ensure compliance or to protect the Port's legal position, including but not limited to subjecting Agreements to Port internal audits, termination of Agreements and the giving of all notices provided for in Agreements.
- 1.5 Real property agreement security and insurance. The Executive Director is authorized to take all necessary actions in connection with Agreement surety bonds, letters of credit, cash deposits or other legal security ("Agreement Security") and insurance coverage required pursuant to any Agreements of the Port, including, but not limited to, the following:
 - 1.5.1 Release Agreement Security: (i) where adequate substitute Agreement Security has been provided, and the Agreement is not in default; or (ii) when an Agreement has expired or is terminated (for other than a default).
 - 1.5.2 Approve terms of any Agreement Security or insurance submitted in fulfillment of the requirements of any Agreement, including substitute or replacement Agreement Security or insurance coverage.
 - 1.5.3 Approve (i) substitutions, replacements and modifications of Agreement Security or insurance coverage that are not inconsistent with Agreement terms, and (ii) release any insurance company, bonding company or financing institution when acceptable substitute or replacement insurance coverage has been provided.

Section 2. REAL PROPERTY ACQUISITIONS AND SALES; STREET VACATIONS

- 2.1 Appraisals. The Executive Director is authorized to obtain appropriate appraisals for use in evaluating or negotiating any proposed Port acquisition, sale, lease, permanent easement or other interest in real property.
- 2.2 Acquisitions. After the Commission authorizes the Port's acquisition of real property by negotiated purchase or condemnation, the Executive Director is authorized to take all necessary steps, including executing all required closing documents, to secure title of such property for the Port. The acquisition price (i) of individual properties and

(ii) of several properties under the same ownership (when acquired in the same transaction), shall in no case exceed the Port's appraisal by more than ten percent (10%) without further specific Commission approval.

- 2.3 Sales. When the Commission authorizes the sale of Port real property in accordance with State law and Commission policy, the Executive Director is authorized to take all other necessary steps, including executing all required closing documents and executing and delivering conveyance instruments, to finalize the sale.
- 2.4 Street Vacations. The Executive Director is authorized to make application for vacation of city or county streets or roads and to take all other steps necessary to acquire a fee interest in streets or roads ancillary to Port development, if the estimated acquisition costs are less than or equal to Two Million Dollars (\$2,000,000).

Section 3. PROJECTS

- 3.1 Projects shall be authorized utilizing the procedures outlined below. Projects may be either capital or expense.

- 3.2 Project Authorization

- 3.2.1 Preliminary Project Work. Preliminary project work includes, but is not limited to, such activities as planning, programming, concept design up to 30% design, surveys, geotechnical investigations, and/or market analyses. The Executive Director is authorized to perform such preliminary project work up to Two Million Dollars (\$2,000,000) without prior Commission approval, even if the budget of the Project is expected to exceed Two Million Dollars (\$2,000,000).

- 3.2.2 Total Project Cost Less than \$2 Million. For Projects where the estimated total project budget is less than or equal to Two Million Dollars (\$2,000,000), the Executive Director is authorized to take all steps necessary, including the execution of all contracts, including Public Works, Alternative Public Work procedures in accordance with RCW 39.10, Goods and Services, Personal Services, Professional Services, other consulting services, and any other types of contracts or agreements in furtherance of the Project. If the Project cannot be completed for a total of Two Million Dollars (\$2,000,000) or less, Commission authorization, as set forth more specifically below, shall be required before exceeding the Two Million Dollar (\$2,000,000) threshold. Projects shall not be broken into units or accomplished in phases in order to avoid the requirement for Commission authorization that would otherwise apply to Projects more than Two Million Dollars (\$2,000,000).

- 3.2.3 Total Project Cost More than \$2 Million. For Projects where the estimated total Project budget is more than Two Million Dollars (\$2,000,000), Commission approval of the Project budget is required except for preliminary project work under Section 3.2.1 above. The Executive Director is authorized to take all steps necessary, including the execution of all contracts, including Public Works,

Alternative Public Work procedures in accordance with RCW 39.10, Goods and Services, Personal Services, Professional Services, other consulting services, and any other types of contracts or agreements in furtherance of a Commission approved Project budget.

3.2.4 Project Changes. Additional Commission authorization shall be required if a Project cannot be completed for less than or equal to Two Million Dollars (\$2,000,000), or within the amount authorized by Commission (including contingency), prior to exceeding either Two Million Dollars (\$2,000,000) or the approved budget. Project changes, including amendments and change orders, within budget shall comply with CPO policies.

3.2.5 Authorization for Emergency Work. When any emergency requires the immediate execution of a contract for work, the Executive Director is authorized to make a finding of the existence of such emergency and execute any contracts necessary to respond to the existing emergency. For purposes of this section "emergency" means unforeseen circumstances beyond the control of the municipality that either: (a) presents a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. The Executive Director shall comply with any legal requirements related to any contracts or agreements issued under the declaration of the emergency and otherwise keep the Commission informed of the development of the emergency situation and the progress of any contracts and agreements executed to remedy the emergency. The Executive Director shall provide notice of this Emergency Work to the public.

3.2.6 Authorization for Critical Work. Under circumstances not constituting a legally-defined emergency, but otherwise requiring immediate action to avoid significant adverse consequences to public health, safety or property, the Commission authorizes the Executive Director to spend up to Two Million Dollars (\$2,000,000) to prevent potentially significant adverse consequences to public health, safety or property. The Executive Director shall have authority to spend the funds if: (i) the circumstances are such that a true emergency as defined by RCW 39.04.280 is substantially likely to develop unless action is taken; or (ii) any delay in addressing the situation will likely result in significant cost increases or adverse schedule impacts to the Port, other public agencies or private property owners; and (iii) where prior Commission authorization cannot, even on an expedited basis, be obtained. When the Executive Director authorizes Critical Work to be undertaken, he or she shall notify the Commission as soon as practicable of his or her action, the amount of money spent and obtain Commission ratification at the next public meeting. The Executive Director shall also provide notice of this Critical Work to the public.

3.2.7 Budget Transfers. The Executive Director is authorized to transfer budget funds for transferring scope of work from one executed contract to another for Projects that have been authorized under the following conditions:

(i) If all Projects affected have been previously approved by the Commission or the Executive Director; and

(ii) If the amount of transfer is less than or equal to \$2,000,000; and

(iii) If doing so results in a cost or time savings, or other tangible benefit to the Project.

All such transfers will be reported to the Commission as soon as is practicable. All budget transfers more than \$2,000,000 must be approved by the Commission.

Any transfer not meeting all of the above conditions will require Commission approval.

3.2.8 Small Works Construction Contracts and Job Order Contracts. The Executive Director may, without Commission approval, take all action to execute and administer these contracts in compliance with RCW 53.08.120, RCW 39.10.420-460, and Port policies and procedures.

Section 4. CONTRACT AND PROCUREMENT ADMINISTRATION

- 4.1 Subject to the requirements of this Section, the Executive Director is authorized to negotiate, manage and execute all aspects of Port contract administration and procurement activities in order to conduct the Port's business, provided that all applicable laws and Port policies are met.
- 4.2 Bid/proposal protests shall be resolved in accordance with the administrative procedure in the Port's standard contract specifications or as established by Port policies and procedures from time to time.
- 4.3 The Executive Director is authorized to approve competition waivers consistent with applicable federal and state laws and internal Port policies.

Section 5. GOODS, SERVICES, AND OTHER AGREEMENTS

5.1 Personal Services.

- 5.1.1 The Port of Seattle's procurement policy for personal services contracts, as adopted in accordance with RCW 53.19.090, promotes full and open competition, transparent procurement practices, and compliance with all laws. All Port of Seattle personal service policies and procedures shall specifically conform to Chapter 53.19 RCW.

- 5.1.2 In accordance with RCW 53.19.060, substantial changes in the scope of work specified in the contract or which are substantial additions to the scope of work specified in the formal solicitation document shall be submitted to the Commission for a determination as to whether the change warrants the work to be awarded as a new contract. An amendment or amendments to personal service contracts, if the value of the amendment or amendments, whether singly or cumulatively, exceeds fifty percent (50%) of the value of the original contract must be filed with the Commission and made available for public inspection prior to the proposed starting date of services under the amendments. The Executive Director is authorized to execute any amendments which meet the requirements of this Section 5.1.2.
- 5.2 Contracts. The Executive Director shall have the responsibility for following all requirements and procedures in connection with all contracts. Goods and purchased services may be acquired on the open market, pursuant to published tariffs, or by competitive bidding when required, for the normal maintenance and operations of the Port without prior Port Commission approval so long as, where appropriate, such acquisitions shall be approved as a part of normal monthly expenses. The Executive Director may execute contracts that are not associated with a Project, including Public Works, Alternative Public Work procedures in accordance with RCW 39.10, Goods and Services, Personal Services, Professional Services, other consulting services, and any other types of contracts or agreements so long as the total price of contracts under a single procurement does not exceed Two Million Dollars (\$2,000,000).
- 5.3 Other Agreements. The Executive Director may execute any other agreements involving an exchange of goods or services with public or private entities that do not fall within any other specific delegation, and that promote operational and/or logistical efficiency, and amendments to such agreements, so long as any cumulative Port noncontingent monetary obligation under the agreement is less than or equal to Two Million Dollars (\$2,000,000) and the General Counsel has reviewed and approved such agreement.
- 5.4. Non-Disclosure Agreements. The Executive Director may execute Non-Disclosure Agreements.
- 5.5 Reimbursements to Airport Tenants. The Executive Director may approve reimbursements to Airport tenants for work performed by such tenants to improve Airport premises so long as the total reimbursement amount is less than or equal to Two Million Dollars (\$2,000,000). The Executive Director shall implement procedures for the reimbursement of Airport tenant improvements. Such procedures must include allowable cost categories and provide for their consistent application among all tenants.

Section 6. UTILIZATION OF PORT CREWS

- 6.1 The Executive Director is authorized to use necessary Port and other workers for operations and maintenance of facilities pursuant to Commission approved labor agreements and the Pacific Coast Longshoremen's and Warehousemen's, Clerks', and Foremen's agreements (provided longshore labor may be hired through stevedoring contractors to provide services offered in Port tariffs.) The Executive Director is authorized to apply for and maintain Port membership in the Pacific Maritime Association.
- 6.2 The Executive Director shall be responsible for obtaining prior Commission approval for work projects which are new construction or major modifications of Port facilities to be carried out by Port crews when the total estimated cost is more than Two Million Dollars (\$2,000,000).
- 6.3 The Executive Director may authorize expense maintenance projects that are not new construction projects or contracts or that in any way add to the capacity or function of a facility, whether performed by Port crews or by contractors, up to a value of Two Million dollars (\$2,000,000).

Section 7. LEGAL SERVICES, CLAIMS AND OTHER REPRESENTATION

- 7.1 Management Authority. The Executive Director and the General Counsel shall be responsible for management and supervision of all legal services retained by the Port, except for legal services directly engaged by the Commission, and for all litigation in which the Port has an interest, direct or indirect. For purposes of this section, "litigation" shall mean the assertion of any position, right or responsibility by or against the Port (or in which the Port may have an interest) which has been filed in any court or tribunal external to the Port with jurisdiction, be it state or federal, international or any quasi-judicial, administrative or arbitration forum.
- 7.2 Legal Services. The Executive Director is authorized to retain, or to cause to be retained by the General Counsel, attorneys or law firms, or other appropriate legal representatives as necessary, to provide (or assist in the provision of) legal services without limitations otherwise prescribed in Sections 3 or 5 above.
 - 7.2.1 Subject to the limitations of RCW 53.08.208, counsel may be retained whenever any litigation is instituted against any person who is or was an officer, employee, or agent of the Port arising out of the performance or failure of performance of duties for, or employment with the Port; provided that, if any such litigation includes allegations of fraud or criminal activity, retention of counsel shall be subject to Commission approval. All such retentions shall be reported annually by the General Counsel to the Commission.
 - 7.2.2 Payment for legal or related services generally shall be by fixed annual retainers or by reimbursement not-to-exceed established hourly rates plus expenses. Fixed annual retainers shall be set by the Executive Director, or caused to be set

by the General Counsel, based on the level of services required and the current cost of legal services in this area; provided that any such annual retainer or total annual payment for services in any legal matter which is more than One Million Dollars (\$1,000,000) shall be reported annually by the General Counsel to the Commission.

7.3 Engagement of Experts. The Executive Director may engage, or cause to be engaged through the General Counsel, such experts as may be necessary to the orderly preparation of litigation or evaluation or support of legal matters in which the Port has a direct or indirect interest, without limitations otherwise prescribed in Sections 3 or 5 above. Such engagement shall be upon authorization given by the General Counsel after having been satisfied that such expenditure is necessary to the adequate evaluation, support, preparation or representation of the Port's position in such litigation or other legal matters.

7.4 Settlement. Any matter which is the subject of litigation may be compromised and settled by the Executive Director, or caused to be settled by the General Counsel, provided that the settlement amount paid by the Port (or, in the case of a claim being pursued by the Port, the amount of the claim to be waived, released or compromised by the Port) is less than or equal to One Million Dollars (\$1,000,000) and that the General Counsel shall provide an opinion to the Executive Director that such compromise and settlement is justified on the basis of the following:

7.4.1 Litigation against the Port.

- (i) The likelihood that a judgment rendered in litigation would be in the amount claimed or higher than the amount claimed, or that there is reasonable cause to believe that there is considerable exposure of liability for the Port; or
- (ii) The likelihood that the expenses involved in litigation would be unnecessarily high in relation to the amount claimed, or the likely result.

7.4.2 Litigation on behalf of the Port.

- (i) That the determination to settle the claim outweighs the risks of litigation or other alternatives; or
- (ii) That the settlement of the claim would provide prompt payment to the Port and eliminate extensive delays; or
- (iii) That the proposed offer of settlement is reasonable in light of the claim asserted.

7.5 Adjustment and Settlement of Claims. Except for claims which are in litigation, the Executive Director shall be responsible for, or shall cause the General Counsel to be

responsible for, the observance of necessary procedures whereby the adjustment and final settlement of all claims, either against or on behalf of the Port, shall be carried out. For purposes of this section, "Claim" shall mean the assertion of any position, right or responsibility by or against the Port, but not including:

- (i) Accounts receivable to the extent covered in Section 8, or
- (ii) Claims asserted by or against the Port which are in litigation as that term is defined in Section 7.1. above.

7.5.1 No claims against the Port shall be considered unless and until proper notice and credible evidence of loss or damage has been provided by the claimant to the Port.

7.5.2 Claims which in the opinion of the General Counsel have the potential to exceed One Million Dollars (\$1,000,000) shall be reported annually by the General Counsel to the Commission.

7.5.3 Any single claim less than or equal to One Million Dollars (\$1,000,000) to be paid or waived, released or compromised by the Port may be adjusted and settled by the Executive Director, or caused to be adjusted and settled by the General Counsel provided that all of the following conditions are met:

7.5.3.1 That the General Counsel shall provide an opinion to the Executive Director that payment of the claim is justified on the basis of the following:

- (i) Claims against the Port:
 - (a) The likelihood that the Port is or could be found liable; or
 - (b) The likelihood that a judgment rendered in litigation would be in the amount claimed, or higher than the amount claimed, or that there is reasonable cause to believe that there is considerable exposure of liability for the Port; or
 - (c) The likelihood that the expenses involved in litigation would be unnecessarily high in relation to the amount claimed, or the likely result.

(ii) Claims on behalf of the Port:

- (a) That the determination to settle the claim outweighs the risk of litigation or other alternatives; or
- (b) That the settlement of the claim would provide prompt payment

to the Port and eliminate extensive delays; or

- (c) The proposed offer of settlement is reasonable in light of the claim asserted.

Section 8. ADJUSTMENT AND WRITE-OFF OF ACCOUNTS RECEIVABLE

- 8.1 The Executive Director is authorized to establish procedures to: (i) make adjustments to accounts receivable for valid operational reasons which do not constitute a gift of public funds; or (ii) to write off any uncollectible account which is less than or equal to Three Hundred Thousand Dollars (\$300,000).
- 8.2 Prior to adjusting or writing off of any account receivable or uncollectible debt, the Executive Director shall be satisfied that every reasonable effort has been made by the staff to resolve or accomplish the collection of the account. For those accounts that fail to make payment, the Executive Director shall authorize the General Counsel to bring action in courts of law, or if more appropriate, authorize the Chief Financial Officer, to assign the same to collection agencies in an attempt to collect such accounts. If, after attempting all normal account collection procedures, the account is still uncollectible after 180 days or more, the Executive Director shall be authorized to provide for writing off such an account.
- 8.3 Any amount in an account in excess of Three Hundred Thousand Dollars (\$300,000) which is deemed to be uncollectible shall be referred to the Commission for final approval of writing off that account.

Section 9. SALE OF PERSONAL PROPERTY

- 9.1. Section 53.08.090 of the Revised Code of Washington authorizes the Commission to delegate to the Executive Director, by Commission resolution, the authority to sell and convey Port personal property up to an annual limit updated each year. State law requires that this authority be renewed from year to year by Resolution. The Executive Director or their delegate must itemize and list the property to be sold or conveyed and make written certification to the Commission that the listed property is no longer needed for port district purposes prior to any such sale or conveyance. The Commission must authorize the sale of Port property over the allowed statutory amount.
- 9.2. In no case shall surplus personal property of the Port be sold to any Port Commissioner or Port employee or to members of their immediate families without the specific approval of the Commission.

Section 10. GENERAL INTERPRETATION

- 10.1 Statutory References. All statutory references in this Resolution shall mean the cited statute as it existed on the date of adoption of this Resolution or as such statute may be hereafter amended, succeeded, modified or legally construed from time to time.
- 10.2 Dollar Limits. All dollar limits included in this delegation or inclusive of all charges and taxes, including sales tax.
- 10.3 Definitions. The Executive Director is authorized to modify, edit, add and delete definitions within this Resolution. The Commission shall be notified of any changes in writing.
- 10.3.1 "Goods and Services" means natural resources; equipment; materials; supplies; or other finished goods or products; utilities and utilities-related services (including services provided by public agencies); and maintenance, security and other miscellaneous services (excluding services provided by employees covered by collective bargaining agreements to which the Port is signatory).
- 10.3.2 "Interlocal Agreement" means an agreement in accordance with RCW 39.34 for joint or cooperative action between public agencies.
- 10.3.3 "Personal Services" means those services as defined in RCW 53.19.010(6), as that law may in the future be amended or superseded.
- 10.3.4 "Professional Services" means those services within scope of Section 39.80.020(5) of the Revised Code of Washington, as the same may in the future be amended or superseded.
- 10.3.5 "Project" means requirements undertaken to provide a product or service. Projects do not, however, include regular, recurring, or routine work associated with the day-to-day management and normal operations of the Port.
- 10.3.6 "Public Work" means construction, alteration, repair and improvement meeting the definition set forth in Section 39.04.010(4) of the Revised Code of Washington, as that law may in the future be amended or superseded.
- 10.3.7 "Purchased Services" means those services as defined in RCW 53.19.010(8), as that law may in the future be amended or superseded.
- 10.3.8 "RCW" means the Revised Code of Washington.

Revision History

January 24, 2023 Resolution No. 3810 Adopted. Repeals Resolution Nos. 3605, 3628, 3704, and all preceding resolutions pertaining to the Commission's 'Delegation of Responsibility and Authority to the Executive Director' policy directive and adopts the new delegation policy directive as set forth in Exhibit A of Resolution No. 3810. The re-codified policy directive of the Commission generally increases delegation authority from \$300,000 to \$2,000,000, with exceptions as outlined, and makes other changes.

*Staying In Your Lane:
Commissioner, ED, and Staff
Roles and Responsibilities*

WPPA Commissioner Seminar
July 26, 2023

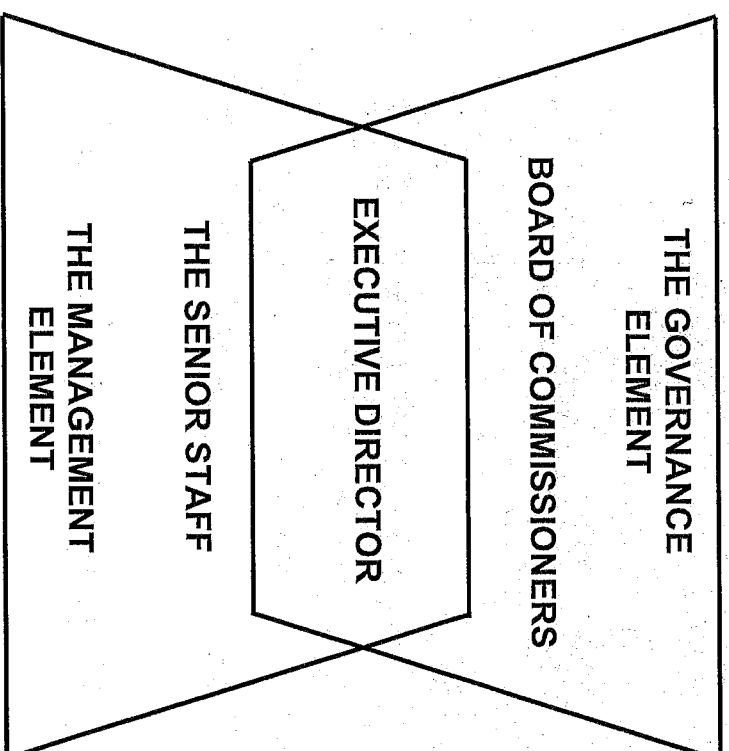
Frank Chmelik
Helmsman Strategic, LLC
(360) 223-5633
fchmelik@csdlaw.com



The Central Thesis

- The job of Commissioners is critical and must be done well because the “big issues” are not going away.
- The smooth relationship between the Commissioners and the chief executive officer – here the Executive Director – is critical for success.
- What you do as Commissioners is very important now and into the future.
- Critical components of port success are (i) defining the lanes and (ii) staying in the lane.
- “Those who never change their minds, never change anything.”

The Governance - Management Interface



Governance vs. Management

- Balancing the fundamental role of the Board of Directors (Commission), the Chief Executive Officer (the Executive Director) and Staff is critical.
 - Strategic vs. Tactical
 - “Why-What-How”
 - “30,000 feet vs. in the weeds”
 - “End State” - describes the specific situation at the successful completion of an operation.

Define Terms

- **“Leadership”** - is the art of developing vision, direction and support of an organization and its members.
- **“Management”** - describes the science of systems, processes and controls to achieve an end state.
- **“Culture”** - is the common values, customs and social institutions of an organization.

Elements of the Commission Lane – Vision and Strategy

- The Commission establishes the strategic vision
 - What does the port district and its citizens value most?
 - What is your vision where you want to be next year, in 5 years, 10 years, and 20 years?
 - What is the roadmap for achieving the Commission's vision?
- Keystone documents
 - Comprehensive Scheme of Harbor Improvements
 - Capital Budget
 - Strategic Plan
- The Commission and Executive Director establish a “commission workplan”
- Consider an annual review of the Commission's performance

The Governance - Management Paradigm

