



PORT OF KINGSTON

Serving what matters today, with a view for tomorrow.

**Port of Kingston Board of Commissioners
Regular Meeting
Agenda**

December 3, 2019 – 9:00 a.m.

Meeting called by: Port of Kingston Commissioners
Type of meeting: Special Meeting
Location: Village Green Community Center

Welcome to the December 3, 2019 Regular Meeting of the Kingston Port Commission. Comments from those in attendance will be allowed upon recognition of the Chair. Please identify yourself by stating your name.

If you would like to be added to the agenda for a future meeting, please contact the Port Office at least one week prior to the regularly scheduled meeting. Please submit your documents and/or presentations at the time of your request.

This is a preliminary agenda and is subject to change.

Agenda Topics

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. APPROVAL OF AGENDA**
- 4. PUBLIC COMMENT:**

Citizens may address the Commission regarding any item related to Port business, including items on the agenda

- 5. ACTION ITEMS**



PORT OF KINGSTON

Serving what matters today, with a view for tomorrow.

- A. Approve Resolution 11-01-2019 Adopt 2020 Budget
- B. Approve Resolution 11-02-2019 Adopt 2020 Capital Budget
- C. Approve Resolution 11-03-2019 Adopt 2020 Marina Rate Schedule
- D. Authorization to Contract with Bathymetric Survey

6. PUBLIC COMMENT:

Citizens may address the Commission regarding any item related to Port business, including items on the agenda

7. COMMISSIONER REPORTS

8. STAFF REPORTS

9. NEXT REGULAR MEETING: December 18th, 2019 at 1:00 p.m. at Village Green

10. ADJOURN



REGULAR MEETING

MEETING OF: December 3, 2019

AGENDA ITEM: 5A Resolution No. 11-01-2019 to Adopt the 2020 Budget

BACKGROUND:

The 2020 proposed budget has been reviewed and discussed during Commissioner Work Sessions as well as the September and October Regular Meetings. A public hearing was also held in order to receive public comment. The attached documents are the result of those work sessions and public hearings.

STAFF RECOMMENDATION:

For approval.

Port of Kingston
Kitsap County, WA

RESOLUTION NO. 11-01-2019

A Resolution of the Commission of the Port of Kingston

RESOLUTION TO ADOPT 2020 BUDGET

BE IT RESOLVED by the Board of Commissioners of the Port of Kingston that the Port adopts the proposed 2020 Port of Kingston Budget as the final for the fiscal year 2020. A copy of such budget in final form is attached and is part of this Resolution.

Passed by the Board of Commissioners for the Port of Kingston, Kitsap County, Washington at a Regular Meeting held this 3rd day of December 2019.

**PORT OF KINGSTON
KITSAP COUNTY, WASHINGTON**

Laura Gronnvoll, Commissioner

Attest: _____
Greg Englin, Executive Director

Steve Heacock, Commissioner

Mary McClure, Commissioner



REGULAR MEETING

MEETING OF: December 3, 2019

AGENDA ITEM: 5B Resolution No. 11-02-2019 to Adopt the 2020 Capital Budget

BACKGROUND:

The proposed 2020 Capital Budget has been worked on in conjunction with the proposed 2020 Budget as well as the Comprehensive Plan for Harbor Improvements. The result is the proposed work at the Port of Kingston for the 2020 year.

STAFF RECOMMENDATION:

For approval.

Port of Kingston
Kitsap County, WA

RESOLUTION NO. 11-02-2019

A Resolution of the Commission of the Port of Kingston

RESOLUTION TO ADOPT 2020 CAPITAL BUDGET

BE IT RESOLVED by the Board of Commissioners of the Port of Kingston that the Port adopts the proposed 2020 Port of Kingston Capital Budget as the final for the fiscal year 2020. A copy of such budget in final form is attached as part of this Resolution.

Passed by the Board of Commissioners for the Port of Kingston, Kitsap County, Washington at a Regular Meeting held this 3rd day of December 2019.

**PORT OF KINGSTON
KITSAP COUNTY, WASHINGTON**

Laura Gronnvoll, Commissioner

Attest: _____
Greg Englin, Executive Director

Steve Heacock, Commissioner

Mary McClure, Commissioner

2020 OPERATING BUDGET & CAPITAL IMPROVEMENT PLAN





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Message from the Director

To the Greater Kingston Community and District Voters,

Thank you for reviewing the Port of Kingston's 2020 Budget. The budget for 2020 emphasizes building a stronger financial foundation to preserve and improve our port and to position ourselves for economic growth.

The old saying that we need to do well to do good still holds true. Our tagline states, "Promoting Economic Vitality and Enriching Community Life," and our actions reflect this focus. In order to live these values, we will continue to institute managerial and financial reforms, improve business practices, work hard to achieve operational excellence, and continue to provide the best customer experience we can.

Managerial reforms mean we will create more robust financial reports including a cash flow statement, complete a comprehensive capital improvement plan that encompasses all port assets over their design life, and build cash reserves to fund our capital program.

Port operating revenues exceed our expenses and the resulting net operating income is critically needed to preserve the port. By having a rock-solid financial foundation, we can then explore growth opportunities in the community or expand our quality and breadth of services. When you ask the port for more, we can then respond. We're on our way but we still have plenty of work ahead of us.

One major challenge we are grappling with is the multimillion-dollar repair and replacement of the marina. Many ports are trying to determine how to rebuild and replace their marinas and it is a daunting task. One component of the marina is to complete a secondary dredge to preserve access and egress to the marina. This marina related project along with many others comprise a bulk of our capital expenditures for the next 2-3 years.

The Port of Kingston is a critical regional transportation hub with both the Washington State Ferries moving over 4 million passengers through Kingston annually and the new Kitsap Transit Passenger-only Ferry Terminal serving the Kingston-Seattle downtown route. Another important project underway is the SR104 Ferry Holding Lot Feasibility Study in partnership with WSDOT, WSF, Kitsap county and Kitsap Transit. This project is intended to determine if the property at the junction of SR104 and Lindvog Road can serve to help alleviate traffic congestion in the Kingston downtown. Your Port Commission continues to set direction and priorities based on community feedback.

We have a community that cares and is involved. We are so appreciative of the support of everyone in this community, all our partners, and of course - our customers.

Please feel free to contact me if you have any questions or comments regarding the Port.

Greg Englin
Executive Director



Who We Are/What We Do



The Port of Kingston is a municipal corporation of the State of Washington created in 1919 under provision of the Revised Code of Washington (RCW Title 53 et seq.), to provide for the development and maintenance of harbors and terminals, promote tourism and foster economic activity in its district.

Port Commission. A three-member Board of Commissioners elected for six-year terms by the Port district voters governs the Port. The Commission delegates administrative authority to the Executive Director to conduct operations of the Port. Kitsap county levies and collects taxes on behalf of the Port as determined by the Board of Commissioners and acts

as treasurer for the port defined under RCW 53.36.010. **Port commission not only hires the Executive Director, the commission also hires Legal Counsel, and determines who will serve as the Port Auditor.**

Industrial Development Corporations. An Industrial Development Corporation (IDC) is a public corporation that is authorized to facilitate the issuance of tax-exempt nonrecourse revenue bonds to finance industrial development within the corporate boundaries of the Port. Revenue bonds issued by the corporation are payable from revenues generated as a result of the industrial development facilities funded by the revenue bonds. The bonds are not a liability or contingent liability of the Port or a lien on any of the port's properties or revenues other than the industrial facilities for which they are issued. The Port of Kingston currently has not established any IDC's though this is a potential avenue for investment.

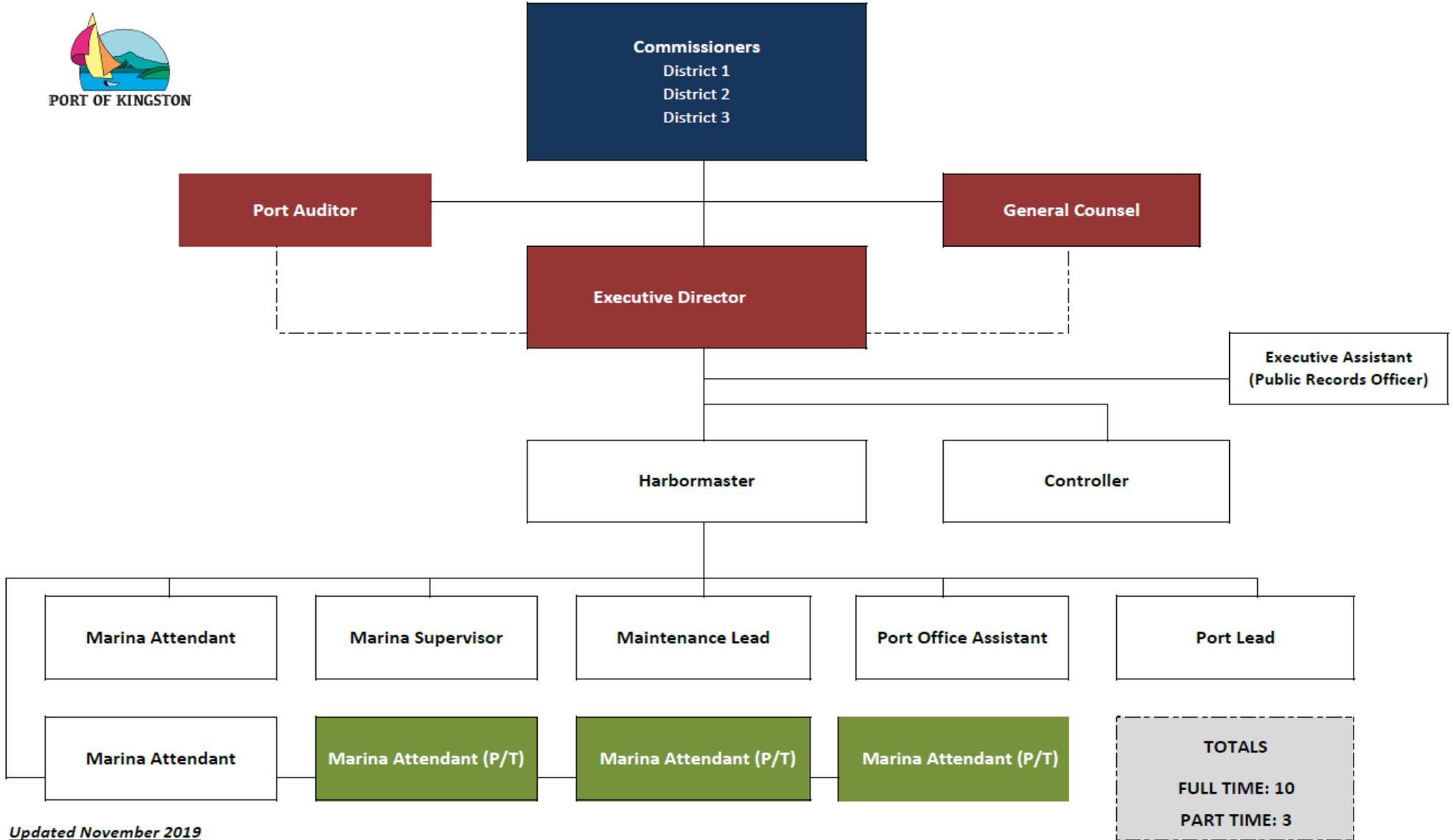
Ports are economic drivers. Ports provide:

- General economic development programs.
- Promote tourism and recreation.
- Develop lands for industrial and commercial use.
- Buy, lease and sell property.
- Provide air and water pollution control works.
- Operate trade centers and export trading companies.
- Establish and operate foreign trade zones.
- Build telecommunications infrastructure and provide wholesale telecommunications services.
- Secure access to and use of the waterborne trade or tourist activities.
- Strengthen communities by providing jobs and fortifying local economies.
- Create Workforce Development Opportunities
- Actively Enhance Environmental Stewardship



Organizational Chart

Organizational Chart



Updated November 2019



Laura Gronnvoll

Commission President 2019

District 3

Term Expires: December 31, 2023



Laura Gronnvoll is the Port's current commission president, having been elected to a six-year term beginning Jan. 1, 2018. Her family has lived in Kingston for over 40 years. She was married and she and her husband, Sverre, raised their three children here. Marine services have always played a major role in their lives. When Laura met her husband, he was working at a propeller repair shop; now one of their sons, Erik, owns a propeller repair shop in Kingston. "We are here to stay," said Gronnvoll. In addition to her duties as a Port Commissioner, Laura works at the local law office of Roberts & Bryan as a legal assistant. "I know Kingston is changing and there are a lot of different opinions about the nature and desirability of those changes," she said. "But we all love this town and I encourage everyone to take part in the conversation in a positive way."

Steve Heacock

Commission Vice President 2019

District 1

Term Expires: December 31, 2025



Steve Heacock is the newest Port Commissioner from District 1. Steve was just elected during the 2019 election. Steve brings permitting and current planning experience to the Port of Kingston Commissioner team, having worked in the natural resources field for over 27 years. He and his family moved to Kingston in 1998. Steve has been a volunteer for the Kingston Citizen's Advisory Council since 1999, including several years as Co-Chair. His experience includes grant writing, budget and program development, public education and outreach, and complex shoreline, environmental and land use permitting expertise. As a defined urban growth area, Kingston is going to see many new developments, residents and businesses. Steve believes Kingston's downtown business core needs to keep its maritime charm and character. He would like the Port to work with State and County agencies to find a short-term fix and long-term solution to the antiquated tally slip system. Steve would also like to see the Port work with agencies, tribes, fishermen, farmers and the business community to provide a better nexus to economic vitalization within the Port's boundaries for the benefit of its residents and the north Kitsap community.

Mary McClure

Commission Secretary 2019

District 2

Term Expires: December 31, 2021



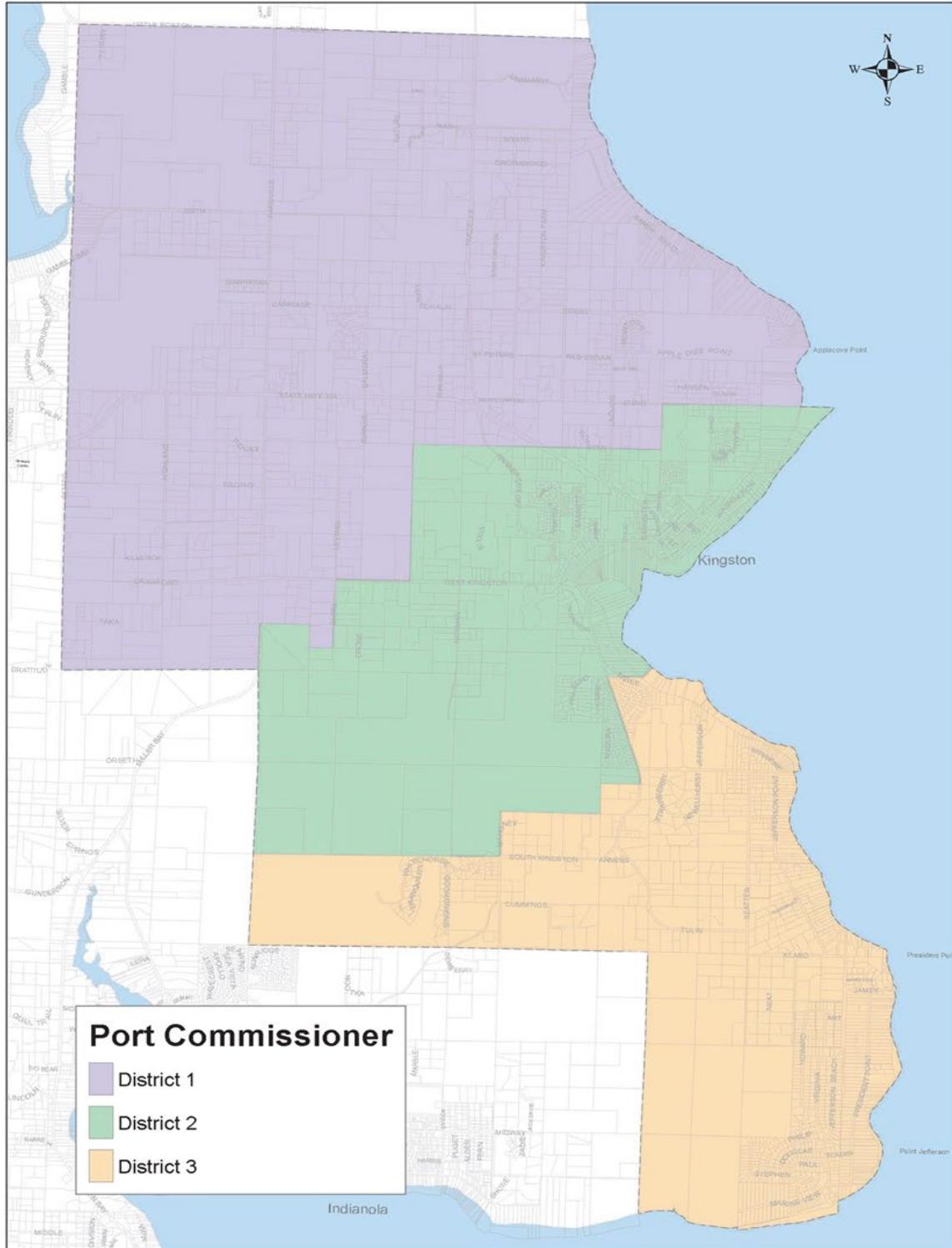
Mary McClure began serving as Port Commissioner, District 2, in January 2016. She brings a strong professional knowledge base built on 45 years' experience providing consulting services and business solutions for both private companies and public projects. Her experience spans cities throughout the nation, Puget Sound, and especially Kitsap County, with focus on the intersection of economic and community development. As a professional facilitator, she brings a passion for building relationships that promote open communication and respectful dialogue within the community. Through a wide variety of projects, including serving 15+ years as Executive Director of the Kitsap Regional Coordinating Council, Mary has gotten to know Kitsap's communities and what good government looks like. Close to home, she has been active in many

Kingston volunteer projects. She co-founded and now co-manages the Kingston Farmer's Market. Mary is a long-time Kingston resident, having lived on Apple Tree Cove since 1989. A recreational boater for over 30 years, Mary and her husband Jimmy James raised their children on Apple Tree Cove. Her fond memories of watching her children's futures take shape here inspire her to seek out opportunities for Kingston's economic future so that other families may build their own wonderful memories for many years to come. Mary's central goal is to see strong, balanced Port Leadership and to strengthen the Port's role in exploring economic development opportunities throughout the community. Fundamentally, Mary believes that government exists to serve the people.



Port District Map

Port of Kingston District No. 9



Kitsap County Auditor - Elections Division
614 Division St MS-31
Port Orchard, WA 98366
Phone 360-337-7128 Fax 360-337-5769
Map created March 11, 2013



2020 Combined Operating Budget

Revenues

The 2020 budget reflects total operating revenues of \$3.2 million, an estimated decrease of 10 percent from the 2019 estimated revenue. While the Port has conservatively estimated no significant new business or revenue streams, the strong economy and growth in inflation have contributed to increased activity at the port. Revenue is expected to increase due to parking receipts, anticipated facility rate increases, and higher fuel sales. This budget assumes any fuel sales from Kitsap Transit are not being included.

Non-operating revenues, as a portion of total revenue, consists primarily of property tax collections and interest income. As directed by the Port Commission, property tax levies are exclusively dedicated to the marina reserve fund. Long-term debt service for general obligation bonds is paid for out of operating revenue though it could be paid for from regular tax levy income. The budgeted levy of \$211,378 reflects a rate of \$0.16 per \$1,000 (out of a possible \$0.45 per \$1,000) of the Port district's preliminary total assessed value and is a 1% increase over the prior year's levy.

Expenses

Due to the factors discussed above including rising inflation and oil prices, the 2020 budget projects total operating expenses of \$2.45M, a 19.6% decrease from the 2019 projected total operating expenses. Consistent with the Port's focus on providing safe, productive facilities with excellent customer service, the 2020 budget includes competitive wages and benefits, increased capital expenses, and numerous repair and maintenance projects Port-wide. Included in total operating expenses is approximately \$635K in depreciation.

The 2020 non-operating expenses consist primarily of interest expense on general obligation bonds. The Port has one outstanding general obligation bond, totaling \$908K currently, which matures in 2024. Annual debt service payments in 2020 total will be \$86K inclusive of principal and interest.

Again, total costs are estimated at \$2.45 million.

Net Ordinary Income (Before Depreciation)

In conclusion, the 2020 budget reflects a net income, before environmental and capital grants of \$759K, which is consistent with 2018 projected net operating income (after deducting reimbursement for Kitsap Transit capital costs of \$196K and deducting reimbursement of RCO grant funding for the Washington Blvd Park project), 2018 and 2019 budgeted results for Net Ordinary Income are \$733K and \$759K, respectively, before depreciation of \$635K.

Current Tax Levy Calculations & Information

The preliminary total Assessed Value for the Port District for 2020, as of budget adoption, is \$1,318,365,144. Total proposed general levy rate for 2020 is \$0.16 per \$1,000 of Current Total Assessed Value. The 2020 Levy amount is \$211,378, and the tax levy was adopted by the Commission on October 23, 2019.



Reserve Accounts & Cash Position

Reserve Accounts & Cash Position

At the end of Q3 in 2019, the Port has worked hard to improve its cash position during the year. The table below documents the current balances for all accounts. The cash on-hand at the end of Q3 2019 is \$2.08M. The ending *net* cash position is \$1.26M if the Port were to pay off all debt.

FUND NAME	Balance 10/03/19
General Fund	\$ 215,729.05
General Fund Investment	\$ 27,752.54
Marina Revenue	\$ 795,965.91
Investment Pool	\$ 1,126.94
Warrants Payable	\$ 121,244.53
Revenue Bond Fund	\$ -
Capital Projects Fund	\$ 821,915.97
GO Bond	\$ -
Construction Fund	
Columbia Bank	\$ 92,704.20
	\$ 2,076,439.14
LTGO Bond Balance	\$ (908,500.00)
TOTAL NET CASH POSITION (RESERVE ACCOUNTS)	\$ 1,260,643.34

Operating Reserve. Current target for operating reserves is minimum of 3 months of operating expenses. Operating expenses ran about \$150K during 2019 and this translates to an Operating Reserve of **\$450K**. Long term goal would be 12 months of operating expenses or **\$3.0M**.

Emergency Reserve. The Port emergency reserve fund should cover potential cash requirements in the event of a catastrophe. This reserve should handle threats from litigation, derelict vessels, insurance deductible, weather related failures of infrastructure and the like. Minimum near-term emergency reserve is set at **\$500K**. Longer term the goal is **\$1.5M**.

Long Term Debt Reserve. This reserve would be developed specifically to ensure that the Port can meet its long-term debt repayment obligation. The Port currently has \$908K of LTGO and payments run \$60K annually at around 2.5% +/- though interest rates can vary substantially over time. The Port has approximately \$5.9M of remaining borrowing capacity though best practice would require holding \$1M in debt capacity itself in reserve. Repayment for at least two years would require about **\$750K** in this reserve though this assumes the current (low) discount rate for issued debt.

Total near-term reserves would therefore approach **\$1.375M** and build to **\$5.25M (not including Capital Reserves)**.



Budget 2020

2020 Budget

Ordinary Income/Expense

Income

621-10-20 Moorage Base Rate	772,082.25
621-10-30 Moorage Cover Premium	104,082.40
621-12-00 Kayak	7,697.45
621-15-00 Moorage-Transient	172,410.20
621-16-00 Reservation Fees	7,878.02
621-17-00 Moorage Box Rental Fee	13,099.98
621-22-22 Seasonal Moorage	36,979.66
621-82-00 Electricity-Permanent	32,945.33
621-82-05 Electricity-Transient	2,709.50
621-82-06 Environmental Fee	0.00
621-89-00 Laundry Income	1,752.75
622-91-00 Deposits Forfeited	1,830.39
625-20-02 Hill House Lease	22,013.46
625-20-03 Yacht Club Land Lease	24,543.57
625-20-04 Aviator Land Lease	4,996.44
625-20-06 Farmers Market	727.92
625-20-08 WSDOT Land Lease	213,108.61
625-20-09 Reader Board	3,825.02
625-20-10 Kitsap Transit	24,373.44
625-22-01 Liveaboard	11,250.00
626-40-00 Gas Sales	332,710.52
	<hr/>
	1,791,016.89
626-45-00 Diesel and Oil Sales	
626-45-01 Diesel w/o Tax	0.00
626-45-00 Diesel and Oil Sales - Other	
	<hr/>
	570,998.43
Total 626-45-00 Diesel and Oil Sales	570,998.43
629-00-00 Misc Income w/o tax	
629-00-02 Public Records Copy	1.90
629-00-00 Misc Income w/o tax - Other	
	<hr/>
	10,793.28
Total 629-00-00 Misc Income w/o tax	10,795.18
629-10-00 Misc Income w/tax	1,751.92
629-11-00 Retail Non-Taxed	3,776.50
629-11-01 Retail Taxed	1,783.44
651-03-61 Operating Grants	0.00
699-10-00 Interest Income	20,000.00
699-20-00 Property Tax Receipts	211,378.00
699-22-00 Timber/Lshld Exc Tx	1,912.91
699-90-00 Service Chg Revenue	31,127.48
A/R Transition	0.00



Budget 2020

Non-Operating Income	271,730.25
Parking	
625-20-01 Parking	423,837.85
625-20-02 Parking Tickets	5,648.17
625-20-03 Commuter Park	
Tenant	3,719.22
625-21-01 Leased parking	99,928.66
625-21-03 Truck Trailer Pass	2,160.00
Parking - Other	270.10
Total Parking	535,564.00
Total Income	3,180,104.75
 Cost of Goods Sold	
626-10-10 Retail Expense	1,170.26
626-40-10 Fuel Purchases	652,650.65
626-40-20 Inventory Variation-Fuel	-9,662.80
626-40-30 Fuel Credit Card Fees	8,731.47
Total COGS	652,889.58
Gross Profit	2,527,215.17
 Expense	
721-10-00 Salaries and Wages	680,000.00
721-20-00 Employee Medical	228,778.19
721-22-00 Pension Expense	87,448.00
721-33-00 Accounting	26,000.00
721-35-00 Consulting Fees	45,000.00
721-40-00 Operating Supplies	30,000.00
721-41-00 Office Supplies	11,000.00
721-41-01 Computer Supplies/Exp	10,000.00
721-42-00 Parking lot expense	30,000.00
721-50-00 Equipment Rental	6,500.00
721-72-00 Travel	6,500.00
721-73-00 Insurance	95,259.00
721-74-00 Advertising and Promo	40,000.00
721-75-00 Dues & Publications	14,450.00
721-76-00 Training & Education	17,500.00
721-76-01 Commis Travel/trainin	11,500.00
721-81-00 Utilities	
721-81-01 Water	47,000.00
721-81-02 Sewer	36,000.00
721-81-03 Garbage	23,500.00
721-82-00 Electricity	56,000.00
721-88-00 Telephone/Internet	15,000.00
721-90-00 Payroll Taxes	87,500.00
721-93-00 Excise & Prop Tax Exp	26,000.00



Budget 2020

721-95-00 Office Credit card Fees	29,000.00
721-96-00 Miscellaneous	
721-96-01 Landscaping	11,000.00
721-96-03 Storage	2,150.00
721-96-00 Miscellaneous -	
Other	2,500.00
721-97-00 Penalties and Fines	0.00
723-00-00 Repairs & Maint	90,000.00
724-00-01 Environmental Inspect	3,000.00
781-10-00 Commission Comp	36,685.00
799-91-10 Intrst Exp-17 Rev Bnd	28,000.00
998 Uncategorized Expenses	0.00
999 Over/Short	0.00
Bank Service Charges	0.00
Legal	0.00
721-31-00 Chmelik Sitkin,	
Davis	25,000.00
721-31-02 Public Records Legal	200.00
Legal - Other	5,000.00
Non-Recurring Expenses	-205,000.00
Misc Expenses	50,000.00
Total Expense	1,708,470.19
Net Ordinary Income	818,744.98
Other Income/Expense	
Other Expense	
727-00-00 Depreciation	634,862.18
Total Other Expense	634,862.18
Net Other Income	634,862.18
Net Income	183,882.80



Capital Plan Improvement Plan Overview

CAPITAL PROJECT	PROJECT NO.	Phase	Phase	2020	2021	2022	2023	2024	TOTAL COSTS
Dredge Permitting	5	A	Recreational	45,000					45,000
Public Parking Improvements - Crack Seal	7	B	Recreational	35,000					35,000
Rock Removal Under Guest Dock	37	A	Recreational	30,000					30,000
Finger Pier Improvements (re-float) - Feasibility & Testing	14	A	Recreational	25,000					25,000
Bulkhead Repair	19	A	Recreational	15,000					15,000
Event Tent Purchase	8	A	Recreational	10,000					10,000
Building Bird Deterrents	16	A	Recreational	10,000					10,000
Piling Replacements - Assess / Program / Permits	17	A	Recreational	10,000					10,000
Public Restrooms (Middle) - Upgrade - Concept Deveopment	9	A	Recreational	7,500					7,500
West Kingston Properties (Toth, Hill, Parking)			Recreational	25,000					25,000
Washington Blvd Properties			Recreational	25,000					25,000
Saltair Beach			Recreational	5,000					5,000
Submerged Lands			Recreational	5,000					5,000
Any and All Port Assets			Recreational	5,000					5,000
Dredge Marina	5	B	Recreational		750,000				750,000
Piling Replacements - Annual	17	B	Recreational		50,000	50,000	50,000	50,000	200,000
Finger Pier Improvements (re-float) - Programmatic Implementation	14	B	Recreational		50,000			150,000	200,000
Public Parking Improvements - Seal Coat / Restripe (post stormwater project)	7	C	Recreational		50,000				50,000
Public Restrooms (Middle) - Replacement - Design, Permitting & Cost Est.	9	B	Recreational		35,000				35,000
Diesel Pump and Dispenser	38	B	Recreational		15,000				15,000
Tenant (Office) Restrooms - upgrade/accessibility - Scope / Design	15	A	Recreational		15,000				15,000
Public Restrooms (Middle) - Replacement - Construction	9	C	Recreational			350,000			350,000
Hill House Dock	11	A	Recreational			90,000			90,000
Tenant (Office) Restrooms - upgrade/accessibility - Permit & Construct	15	B	Recreational			50,000			50,000
Fast Ferry Barge (R&R)	39						300,000		300,000
Sailing float - Replacement (RCO)	10		Recreational				150,000		150,000
Public Fishing Pier- Repair & Replacement	22		Recreational				50,000		50,000
Build permanant structure to replace Event Tent	26		Recreational					300,000	300,000
TOTALS				252,500	965,000	540,000	550,000	500,000	2,807,500



Capital Improvement Plan Overview

The 2020 Capital Improvement Plan (CIP) reflects all currently identified projects for the next 5 years and current sources of funding to achieve these goals. The current CIP is focused only on existing portfolio of assets and the primary emphasis is on repair and replacement of existing assets to preserve current revenue streams.

Secondly, the current budget does not include outside sources of funds to accomplish these capital investments and instead relies on current cash reserves and future net operating income to fund these improvements. Staff will submit for grants for these projects that qualify.

A significant effort and financial demand will involve funding the dredge project to maintain access to the marina. Other projects include parking lot maintenance, bird deterrents for the covered moorage area, piling replacement, public restroom renovations and upgrade, sailing float replacement, and potential replacement of event tent.

The CIP will evolve with future Commission and public review during the coming year(s). A strategic planning effort is expected to take place with widespread community input during 2020 as well.



Regular Tax Levy

The Kitsap County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Taxes are levied annually on January 1st on prior year property values within the port district only. Assessed values are established by the Kitsap County Assessor at 100% of fair market value. Taxes are due in two equal installments on April 30th and October 31st. Collections are distributed to the Port by the Treasurers' office.

The Port is permitted by law to levy up to \$0.45 per \$1,000 of Assessed Valuation for general Port purposes. The levy may go beyond the \$0.45 limit to provide General Obligation debt service. The rate may be reduced for either of the following reasons:

- Washington State Law in Revised Code of Washington 84.55.010 limits growth of regular property taxes to 1% per year, after adjustments for new construction.
- If the assessed valuation increases by more than 1% due to revaluation the levy rate will be decreased.

The budgeted levy of \$211,378 reflects a rate of \$0.16 per \$1,000 (out of a possible \$0.45 per \$1,000) of the Port district's preliminary total assessed value and is a 1% increase over the prior year's levy.

Special Tax Levies

Special levies approved by the voters are not subject to the above limitations. The Port can levy property taxes for dredging, canal; construction, leveling or filling upon approval of the majority of voters with the Port District, not to exceed \$0.45 per \$1,000 of assessed Value of taxable property within the Port District.

Industrial Development District Tax Levies

The Port may also levy property taxes for an Industrial Development Districts (IDD) under a comprehensive scheme of harbor improvements), for two multiyear levy periods only. The levy may not exceed the sum of \$2.70 per \$1,000 of Assessed Value for taxable property in the Port District for taxes collected in the base year and the maximum allowable amount that could have been collected under the RCW 84.555.010 for the first six collection years of the levy period. The levy period may not exceed twenty years from the date the initial levy is made, and the levy rate in any year may not exceed \$0.45 per \$1,000 of the Assessed Value. If a Port District intends to levy this tax over a second multiyear period, then the port must publish notice of intent to impose such a levy, and if signatures of at least eight percent (8%) of the voters protest the levy, a special election must be held with a majority approval required. The Port District has not levied this tax.

Tax Levy Uses

The Port Commission has directed by resolution that the funds collected by the tax levy will be used exclusively for marina capital improvements and are deposited in the Marina Reserve Fund. Other potential uses of taxes include property acquisition, industrial development including environmental costs, debt service for general obligation bonds, and public access improvements. The 2020 budget allows for a continuation of these funds to go toward the repair and replacement of the marina.

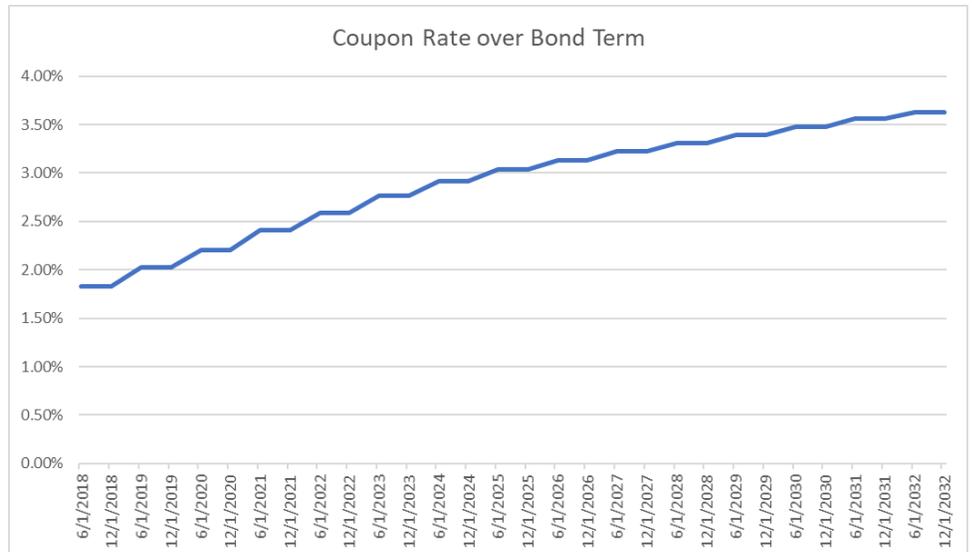
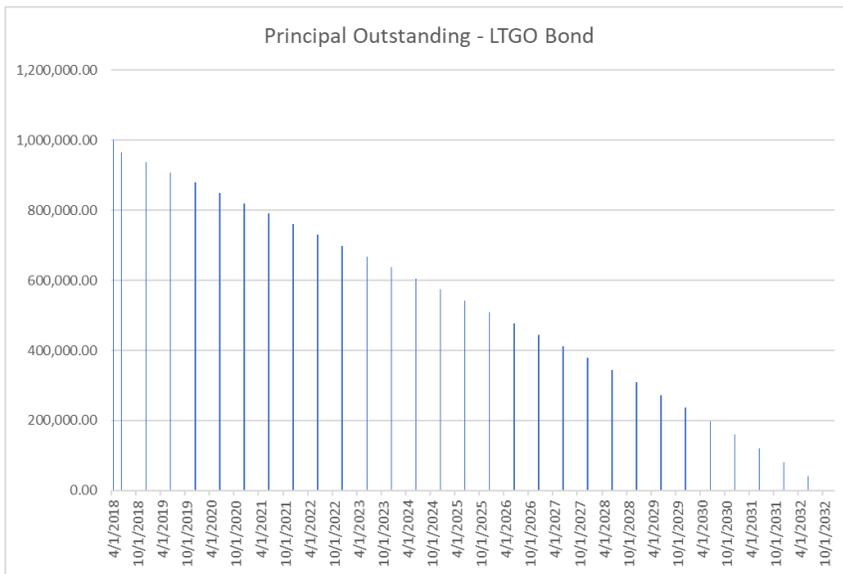


Long Term Debt 2020

Limited Tax General Obligation Bonds

Limited Tax General Obligation (LTGO) bonds are general obligations of the Port payable from general (ad valorem) taxes, subject to certain constitutional and statutory limitations. The Port plans long-term debt issuance to finance its capital program based on its cash flow needs, sources of revenue and funding, capital construction periods and market conditions that affect discount rates. The funds generated by the bonds to pay for the capital improvements must be paid back over the economic life of the capital improvements that they fund.

Outstanding Limited Tax General Obligation bonds; LTGO bond balance is \$879,500 as of December 31, 2019. The interest income from our reserve funds hovers around 1%. The coupon rate will increase to 2.2% in 2020. Therefore, we are paying almost \$11,000 (~1.2%) annually to ensure we have enough liquidity (cash reserves) versus paying off this debt. We will likely pay off this debt as soon as reserve targets are met for the Port. Target is end of 2021 or sooner.





REGULAR MEETING

MEETING OF: December 3, 2019

AGENDA ITEM: 5C Resolution No. 11-03-2019 to adopt 2020 Port of Kingston Rate Schedule

BACKGROUND:

The following documents are the 2020 proposed rate schedule for the Port of Kingston. Some specific changes include a raise in rates on moorage. Extra communication has been sent in order to engage the public on these issues.

STAFF RECOMMENDATION:

For approval.

Port of Kingston
Kitsap County, WA

RESOLUTION NO. 11-03-2019

A Resolution of the Commission of the Port of Kingston

RESOLUTION TO ADOPT 2020 RATE SCHEDULE

BE IT RESOLVED by the Board of Commissioners of the Port of Kingston that the Port adopts the proposed 2020 Rate Schedule as the final for the fiscal year 2020. A copy of such Rate Schedule in final form is attached as part of this Resolution.

Passed by the Board of Commissioners for the Port of Kingston, Kitsap County, Washington at a Regular Meeting held this 3rd day of December 2019.

**PORT OF KINGSTON
KITSAP COUNTY, WASHINGTON**

Laura Gronnvoll, Commissioner

Attest: _____
Greg Englin, Executive Director

Steve Heacock, Commissioner

Mary McClure, Commissioner



EFFECTIVE 01/01/2020

2020 MARINA RATES

PERMANENT OPEN MOORAGE (MONTHLY):

DOCK	SIZE*	\$/ft	BASE	+	TAX**	=	TOTAL
A DOCK	24 FT	\$7.39	\$177.38	+	\$22.78	=	\$200.16
B DOCK	28 FT	\$7.42	\$207.74	+	\$26.67	=	\$234.42
C DOCK	32 FT	\$7.80	\$249.60	+	\$32.05	=	\$281.65
D DOCK	36 FT	\$7.65	\$275.54	+	\$35.38	=	\$310.92
E DOCK	40 FT	\$7.81	\$312.51	+	\$40.13	=	\$352.64
E DOCK	45 FT	\$8.12	\$365.53	+	\$46.93	=	\$412.46
E DOCK	50 FT	\$8.34	\$416.90	+	\$53.53	=	\$470.43
E DOCK	56 FT	\$8.61	\$481.91	+	\$61.88	=	\$543.79
E DOCK	60 FT	\$8.51	\$510.89	+	\$65.60	=	\$576.48

PERMANENT COVERED MOORAGE (MONTHLY):

DOCK	SIZE*	\$/ft	BASE	+	TAX**	=	TOTAL
C DOCK	32 FT	\$11.25	\$360.09	+	\$46.24	=	\$406.33
D DOCK	36 FT	\$11.35	\$408.67	+	\$52.47	=	\$461.14
E DOCK	40 FT	\$11.42	\$456.72	+	\$58.64	=	\$515.36
E DOCK	50 FT	\$11.53	\$576.40	+	\$74.01	=	\$650.41

GUEST MOORAGE RATES:

Daily:	PEAK SEASON (APR 15 - OCT 15)	OFF SEASON (OCT 16 - APR 14)
	\$1.35/FT for vessel 18' wide or less	\$1.25/ft for vessel 18' wide or less
	\$2.70/FT for vessel 18' wide or more	\$2.50/ft for vessel 18' wide or more
Monthly:	PEAK SEASON (MAY 1 - SEPT 30)	OFF SEASON (OCT 1 - APR 30)
	\$10.00/FT per month + seasonal electric	\$7.75/FT per month + seasonal electric

Seasonal Electric:	Vessels 20'-29' LOA = \$30.00/month	Vessels 41'-50' LOA = \$40.00/month
	Vessels 30'-40' LOA = \$35.00/month	Vessels Over 50' LOA = \$45.00/month

MISC. RATES:

PERMANENT ELECTRICAL RATES	\$.097 per Kilowatt hour (30 amp service)
COVERED KAYAK RACK	\$27.25/month + Leasehold tax**
SMALL BOAT STORAGE	\$27.25/month + Leasehold tax**

FEES:

LIVE ABOARD	\$100.00 + LEASEHOLD TAX**
IMPOUND FEE	\$100.00 + SALES TAX †
EMERGENCY TOW	\$100.00 + SALES TAX † (prorated hourly)
NSF	\$25.00

PARKING:

TRUCK & TRAILER	\$10.00 per 12 - Hour Period	* Minimum size to be charged
DAILY COMMUTING	\$10.00 per 12 - Hour Period	**12.84% Leasehold Tax
MONTHLY PARKING PASS	\$135 per Month	† 9% Sales Tax



REGULAR MEETING

MEETING OF: December 3, 2019

AGENDA ITEM: 5D Authorization to Contract with Bathymetric Survey

BACKGROUND:

It is recommended that the Commission authorized the Executive Director to acquire the services of a bathymetric survey company to provide survey of aquatic areas associated with Port property with a cost not to exceed \$20,000.

STAFF RECOMMENDATION:

For approval.

**PORT OF KINGSTON
COMMISSION ACTION ITEM**

DATE: December 3, 2019
TO: Port of Kingston Commission
FROM: Greg Englin – Executive Director, Ray Carpenter, Harbormaster
SUBJECT: Authorization to Contract for Bathymetric Survey

Background:

There are three main reasons to support authorization to contract for a bathymetric survey.

1) There have been reports of depth limitations at the entrance to the Marina. Also, it is apparent that there are rocks that have been displaced from the breakwater and are lodged under the Guest Dock. The Marina is a key asset of the Port and is responsible for a large portion of Port revenue. Its continued efficient and unencumbered operation is one key to the Port's mission and future viability. The Guest Dock is part of the Marina asset and needs to be protected. The life of this asset is being reduced as it impacts the rocks which have lodged below the floats. A bathymetric survey will provide information from which the need for entrance channel dredging can be evaluated and programmed, and provide the specific location of rocks under the Guest Dock so that a removal approach can be developed and priced.

2) A Settlement Agreement (Stipulation and Agreed Motion to Dismiss) continues to be in effect, between the Port and the Navy (& Ecology) regarding the impacts of Phase II of the Carpenter Creek Mitigation Project. This agreement calls for continuing annual assessment for 5 years of sediment profiles in Appletree Cove (the Marina entrance). The agreement was signed in 2017. The value of this effort to the Port needs to be re-assessed. At this time, the agreement remains. The last Port survey was completed in 2017. No analysis by the Port or the Navy has been conducted with that data. Phase II of the Project was completed in 2018 but no survey was completed in 2018. A new (2019) survey will give additional data, and the intent is to analyze the results (along with previous data) in order to examine impacts from the Phase II project (if possible), and to consider an action agenda relative to the existing Settlement Agreement and benefit to the Port.

3) Among the assets of the Port are the aquatic resources provided under a Port Management Agreement (PMA) between the Port and the Department of Natural Resources. These agreements under WAC 332-30-114 authorize the port district to manage some or all of the aquatic lands within the port district. The current PMA boundary is shown on Attachment A. As part of an overall asset assessment, a bathymetric survey will show the depth profiles of these resources should they become part of a future business strategy.

Action Needed:

This authorization provided the Executive Director the ability to pursue these services as quickly as possible. Purchasing rules will be followed, and will determine how the service is acquired and which firm provides the service.

Costs

The cost for this service – Marina entrance area and PMA area – is about \$18,000.

Additional costs, not part of this authorization, will need to be incurred to obtain analysis of the data to provide sedimentation rates near the marina, rock locations, and a preliminary dredging plan. These costs are estimated between \$15,000 and \$20,000.

Recommendation:

It is recommended that the Commission authorized the Executive Director to acquire the services of a bathymetric survey company to provide survey of aquatic areas associated with Port property with a cost not to exceed \$20,000.

Attachments:

Attachment A – Port PMA Boundary

Attachment A



- PMA Boundary
- WSDOT
- Extreme Low Tide