

Port of Port Angeles

Port Angeles, Washington

Commissioners' Resolution No. 12-1037

A RESOLUTION GOVERNING PROMOTIONAL HOSTING EXPENDITURES AND RESCINDING RESOLUTIONS NO. 728, DATED JUNE 26, 1995 AND NO. 839, DATED JUNE 12, 2000.

WHEREAS, Article VIII, Section 8 of the State Constitution authorizes expenditures for industrial development, trade promotion or promotional hosting of port districts; and

WHEREAS, RCW 53.36.120 through .150, inclusive, regulates Port expenditures for industrial development, trade promotion or promotional hosting; and

WHEREAS, the office of the State Auditor has issued promotional hosting and trade promotion guidelines; and

WHEREAS, the promotion of economic development, trade development and industrial development by the Port of Port Angeles is found and determined to be of benefit to the Port District and its citizens;

NOW, THEREFORE, BE IT RESOLVED, THAT:

1. Under the authority of Article VIII, Section 8, of the State Constitution, Port District expenditures for industrial development, trade promotion or promotional hosting shall be pursuant to specific budget items as approved by the Port Commission at the annual public hearings on the Port District budget. (RCW 53.36.120).
2. Funds for promotional hosting expenditures shall be expended only from gross operating revenues and shall not exceed one percent (1%) thereof upon the first two million five hundred thousand dollars (\$2,500,000.00) of such gross operating revenues, one-half of one percent (.5%) upon the next two million five hundred thousand dollars (\$2,500,000.00) of such gross operating revenues, and one-fourth of one percent (.25%) on the excess over five million dollars (\$5,000,000.00) of such operating revenues: PROVIDED, HOWEVER, that in no case shall these limitations restrict the Port District to less than twenty-five hundred dollars (\$2,500.00) per year from any funds available to the Port. (53.36.130)
3. As stated in the Office of State Auditor Bulletin #404: *"the basic standard for promotional hosting at public expense is that the promotional hosting is calculated to result in the public purpose, declared by the Washington State Constitution, of promoting industrial development or trade within the district. Exceptions will be taken to any hosting where its possible influence on industrial development or trade promotion is so indirect or tenuous that the hosting expenditures appear to be hosting for the sake of hosting"*.
4. As further stated by the Office of State Auditor: "Promotional hosting means furnishing customary meals, refreshments, lodging or transportation

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in connection with business meetings, social gatherings and ceremonies related to the authorized business promotional activities of a port. Hosting may include reasonable and customary entertainment and souvenirs of nominal value, incidental to such events. Trade promotion would include costs related to promoting trade, other than those types of costs cited above."

5. The office of the Auditor issued bulletin number 404 on August 20, 1986, setting forth general guidelines for the hosting of:
 - (a) Private businesspersons,
 - (b) Union officials,
 - (c) Foreign government officials,
 - (d) Government officials of other states,
 - (e) Washington State and local governmental officials and employees,
 - (f) Officers and employees of other port districts,

These guidelines are attached to this resolution to provide guidance to all persons authorized to make expenditures for promotional hosting.

6. The Port Commissioners and the following Port employees shall be authorized to make expenditures for promotional hosting subject to specific and general conditions hereafter set forth:

Executive Director; Director of Finance and Administration; Director of Engineering, Planning and Public Works; Marketing and Property Manager; Airport and Marina Manager; Marine Terminal Manager; Public Works Manager; Environmental Planning and Permit Technician.

7. The Port Commissioners, officials and employees authorized to make expenditures for promotional hosting shall be reimbursed subject to the following:
 - (a) In filing claims for reimbursement, an official form approved by the Division of Municipal Corporations of the State Auditor shall be used.
 - (b) Such forms shall have attached such receipts, documents or other evidence to support the expenditures.
 - (c) The date and location of the hosting, name and affiliation of the person or persons hosted and the reason for the hosting shall be specified. **In situations where confidentiality is reasonably required regarding individuals involved in a transaction involving the Port, details relating to the expenditure will be forwarded by internal memorandum to the Director of Finance and Administration to be maintained in a separate file and may be omitted from the expense reimbursement form.**

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- (d) The reimbursement shall be made by a warrant issued or authorized at a Port Commission meeting.
 - (e) Promotional hosting expenditures exceeding \$2,500.00 require prior Port Commission approval.
 - (f) Port commissioners shall not personally make such expenditures, or seek reimbursement therefor, except where specific authorization of such expenditures has been approved by the Port commission. All payments and reimbursements shall be identified and supported on vouchers approved by the port auditor. (RCW 53.36.140)
8. Resolution No. 728, dated June 26, 1995, Resolution No. 839, dated June 12, 2000 and all other resolutions previously passed by the Port Commission dealing with the same subject matter are hereby repealed.

PASSED and ADOPTED this 26th day of March 2012.

PORT OF PORT ANGELES
PORT COMMISSION



John M. Calhoun, President



James D. Hallett, Vice President



Paul L. McHugh, Secretary