

## **RESOLUTION NO. 1078 (2017)**

A **RESOLUTION** of the Port Commission of the Port of Everett, authorizing promotional hosting expenditures, specifying procedures therefor and superseding Resolution No. 755.

**WHEREAS**, RCW 53.36.130-150 authorizes port districts to make expenditures for industrial development, trade promotion or promotional hosting; and,

**WHEREAS**, Industrial and trade promotion by the Port of Everett is found and determined to be of benefit to the businesses and citizens of the Port of Everett District;

### **NOW, THEREFORE, BE IT RESOLVED:**

1. The Executive Director shall annually submit as a part of the Port's budget, appropriate categories of proposed expenditures covering industrial development, trade promotion, and promotional hosting expenditures. Budget items proposed for promotional hosting shall be limited as provided in RCW 53.36.120-150.

2. In making expenditures for promotional hosting the following requirements shall be observed by Port officials and employees:

- (a) Members of the Port Commission, Executive Director, Port Attorney, all Chiefs, Marine Terminals Director, and the Marina Director shall be authorized to make expenditures for promotional hosting, subject to the specific and general requirements hereinafter set forth. Authorization for promotional hosting expenditures to be incurred by Port Commissioners shall be incorporated into travel or other related authorizations approved in advance of the expenditure or specifically ratified by the Port Commission.
- (b) Reimbursement for promotional hosting expenditures shall be, to the extent feasible, supported by appropriate receipts; shall show the name of the business relationship of each person hosted; and shall, in general terms, identify the purpose of such hosting. All payments and reimbursement shall be identified and supported on vouchers supplied by the Port Auditor.
- (c) The approved objects of promotional hosting shall be to allow the Port District official or employee an opportunity to:
  - (1) Promote the use or continued use or increased use of Port services, facilities and properties to an individual or organization;
  - (2) Individuals or an organization to donate, supply or sell to the Port on advantageous terms, properties, facilities, services, and information needed by the Port to achieve a betterment or improvement of the Port's existing operations, facilities, and services;
  - (3) Persuade individuals or an organization to purchase, lease, or contract from or with the Port on terms favorable to the Port in order that the Port may enter into transactions for

the development, improvement or use of its properties and facilities in a manner most suitable to serve the best interests of the Port District;

- (4) Persuade individuals or an organization to assist the Port in fostering the increased use of its services and facilities by improving transportation schedules, adding to existing transportation services and facilities (e.g., additional terminal calls, etc.), adjusting rates, improving navigation, and generally increasing and improving the scope and efficiency of Port operations so as to contribute to the growth of the Port's business.
- (d) As provided in RCW 53.36.140, reimbursement vouchers by Port officials and employees for promotional hosting expenditures shall be paid only if approved by the Port Commission. All beneficiaries of promotional hosting expenditures by officials or employees of the Port shall be reasonably capable of influencing or controlling decisions with respect to the subject matters hereinabove mentioned, and the amount of each expenditure shall be reasonable and appropriate in relation to the particular purpose of the pertinent promotional hosting. Contractors or consultants who are engaged in promotional hosting with funds received from the Port shall be subject to the requirements of this Resolution.
  - (e) No reimbursement or other expenditure shall be made pursuant to this resolution:
    - (1) For purposes not reasonably related in nature and amount to the improvement of the Port operations, pursuit of the Port's mission and statutory authority or acquiring additional business or otherwise increasing and improving the scope and efficiency of Port operations;
    - (2) For the promotion of transactions prohibited under the conflict of interest statute, Chapter 42.23 RCW; or
    - (3) For obtaining of a benefit for the Port from an individual or an organization which is already legally, contractually, or otherwise obligated to furnish that benefit to the Port.
  - (f) The Port Auditor shall periodically, as requested by the Port Commission, prepare summary reports of expenditures made for promotional hosting purposes so that the Commission can review the broad policies encompassed within this resolution.

3. The Port District shall follow the rules and definitions promulgated by the State Auditor pursuant to RCW 53.36.150. The schedule of illustrative guidelines for promotional hosting expenditures attached hereto as Exhibit A shall be circulated among all Port officers and employees authorized to make expenditures for promotional hosting.

4. Resolution No. 755 is hereby superseded by this Resolution.

**ADOPTED** by the Port Commission of the Port of Everett, Snohomish County, Washington, this 11<sup>th</sup>  
day of July, 2017.

EVERETT PORT COMMISSION

By: Tom M. Stiger  
Tom Stiger, President

Troy McClelland, Vice President

Glen Bachman, Secretary

**EXHIBIT A**

**PORT OF EVERETT  
PROMOTIONAL HOSTING EXPENDITURES**

**Defined:** Meals, beverages, entertainment and similar costs associated with hosting others, including club memberships maintained primarily for promotional hosting purposes.

**Objective:** To afford Port District officials or employees the opportunity to sell or persuade individuals or organizations who are reasonably capable of influencing or controlling decisions relative to the following purposes:

<b>Purpose</b>	<b>Hosted</b>	<b>Examples</b>
To promote the use, continued use, or increased use of existing port properties, facilities, and services by the person being hosted beyond the uses which are legally, contractually, or otherwise required.	Existing or potential customers, including tenants or users.	Agents and representatives of steamship companies, brokers, importers, exporters, stevedoring companies, Army and Navy transportation companies, etc.
To acquire, develop, or improve Port properties, facilities, and services, on the best available terms.	Those who sell, supply, contract with, or donate funds, properties, facilities, and services to the Port.	Property owners, agents, vendors, suppliers, contractors, service companies not under contract, stevedoring companies, consultants, public agencies, etc.
To improve the efficiency and effectiveness of the total Port operations, thereby contributing to the growth of the port business.	Those capable of assisting the Port in improving the efficiency and effectiveness of the total Port operations, including those who provide advice and technical information not under contract.	Labor Union representatives, professional service organizations, associations where Port membership is maintained, national or international Port officials, other pertinent business, public officials, etc.

**Limitations:** Each promotional private business hosting expenditure shall be limited by the customary standards of appropriateness in nature and reasonableness in amount in relation to the intended benefit to be derived. For example, promotional hosting for the benefit of a spouse or other member of the family of a Port officer or employee is proper only in exceptional circumstances, such as where appropriate for the entertainment of the spouse or other member of the family accompanying an individual to whom the Port's promotional hosting is primarily directed. In addition, each promotional hosting expenditure shall be limited by the following express requirements of Resolution No. \_\_\_ that no reimbursement or other expenditure

shall be made pursuant to this resolution: (1) for purposes not reasonably related in nature and amount to acquiring additional business or otherwise increasing and improving the scope and efficiency of Port operations; (2) for the promotion of transactions prohibited under the conflict of interest statute, Chapter 42.23 RCW; or (3) for the obtaining of a benefit for the Port from an individual or an organization that does not exceed or expand upon that which is already legally, contractually, or otherwise obligated to furnish that benefit to the Port.