

RESOLUTION NO. 2615

A RESOLUTION of the Port Commission of the Port of Seattle, superseding Resolutions No. 2255 and 2260 governing promotional hosting expenditures.

WHEREAS, Port Commission Resolution No. 2255 on April 25, 1967 and Resolution No. 2260 on July 11, 1967 adopted rules and regulations governing promotional hosting expenditures by Port employees and agents, as required by Sections 1-3, Chapter 136, Laws of 1967 (RCW 53.36.120 - .140), and reflecting informal interpretations of that statute by the Washington State Auditor rendered April 7, 1967; and

WHEREAS, the Port's experience since the adoption of Resolutions No. 2255 and 2260, and the interpretations promulgated by the Washington State Auditor on the basis of his audits of promotional hosting expenditures by all port districts in the State of Washington dictate certain revisions in Resolutions No. 2255 and 2260,

NOW, THEREFORE, BE IT RESOLVED that:

1. The General Manager shall annually submit as part of the Port's budget appropriate categories of proposed expenditures covering industrial development, trade promotion, and promotional hosting. Expenditures proposed for promotional hosting shall be limited as provided in Section 2, Chapter 136, Laws of 1967 (RCW 53.36.130).

2. Expenditures for promotional hosting shall be governed as follows:

a. Members of the Port Commission, the General Manager and other exempt positions in the Executive Department, all department heads and assistants are specifically authorized to make expenditures for promotional hosting, subject to the specific and general provisions hereinafter set forth. In addition, the General Manager or his designee may authorize other port staff to make promotional hosting expenditures, as changing conditions dictate.

b. Except where specifically authorized by the Port Commission in advance, or when authorized in writing in advance by the General Manager or his designee under a proper delegation of authority by the Commission, all promotional hosting expenditures shall be made by employees from their own funds, and reimbursement shall be sought on vouchers submitted with travel and other business expenses made by the employee. 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 afford the Port District official or employee an opportunity to:

(1) Sell an individual or an organization on the use or continued use or increased use of Port services, facilities and properties;

(2) Persuade individuals or an organization to donate, supply or sell to the Port on the best available 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 most 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 airline flights, steamship 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 Section 3, Chapter 136, Laws of 1967 (RCW 53.36.140), reimbursement vouchers by Port Commissioners for promotional hosting expenditures shall be paid only if specifically approved by the Port Commission. All beneficiaries of promotional hosting expenditures by 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.

e. No reimbursement or other expenditure shall be made pursuant to this resolution:

(1) For political purposes; that is, attempting to influence the passage or defeat of any legislation by the legislature of the State of Washington, or the adoption or rejection of any rule, standard, rate or other legislative enactment of any agency of the State of Washington;

(2) 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;

(3) For the promotion of transactions prohibited under the conflict of interest statute, Chapter 42.23 RCW; or

(4) For the 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.

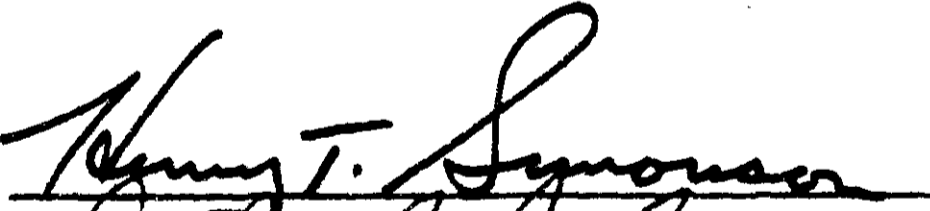
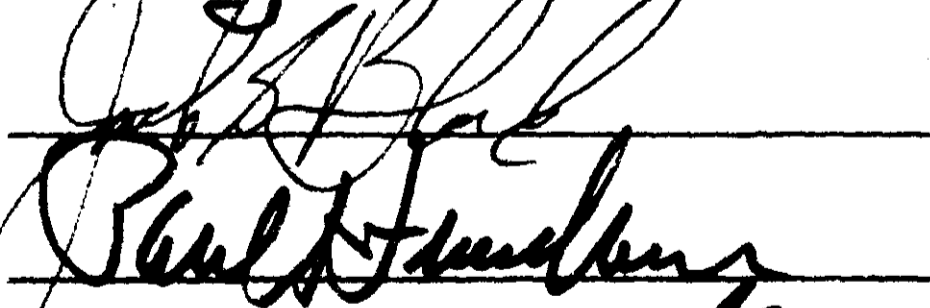

f. The Port Auditor shall periodically, as requested by the Commission, prepare summary reports of expenditures made for promotional hosting purposes so that the Commission can review the broad policies encompassed within this resolution.

3. The 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. Resolutions No. 2255 and No. 2260 are hereby superseded by this resolution.

ADOPTED by the Port Commission of the Port of Seattle this 27th day of January, 19 76 and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the seal of the Commission.

(SEAL)

Port Commissioners

**PORT OF SEATTLE
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:

<u>Purpose</u>	<u>Hosted</u>	<u>Examples</u>
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 hosting expenditure shall be limited by the customary private business 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. 2615 that no reimbursement or other expenditure shall be made pursuant to this resolution: (1) for political purposes; (2) 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; (3) for the promotion of transactions prohibited under the conflict of interest statute, Chapter 42.23 RCW; or (4) for the 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.