

# THE MANIFEST

## PORT OF MOSES LAKE PLAYS ROLE IN "CHOOSE WASHINGTON" AEROSPACE TRADE DELEGATION

In late November, the Washington State Department of Commerce lead a trade delegation to Tokyo for the Japan International Aerospace Exhibition. The Port of Moses Lake, along with Pierce County and seven companies represented the "Choose Washington State USA" exhibit in the USA Pavilion to 20,000 visitors from around the world.



Two separate independent studies this year ranked Washington as the most competitive place in the U.S. and globally for aerospace manufacturing operations: the Teal Report on Aerospace Competitive Economics Study; and the Pricewaterhousecoopers Aerospace manufacturing attractiveness rankings.

Last year, nearly 90 percent of all commercial aircraft produced in North America were built in Washington. The state has over 1,400 aerospace related companies providing every major manufacturer and airline in the world with machinery, parts, avionics, components, structures, interiors and services. Washington workers produce 1,400 new planes and unmanned aerial system vehicles annually. A Washington-built Boeing 737 takes off or lands somewhere in the world every 2.2 seconds.

Trade missions like this one aim to help small and medium-sized businesses access new markets and growth opportunities, in order to strengthen communities throughout the state. Space and civil aircraft industries in Japan show significant upside potential, with growing opportunities for suppliers and technology companies based in Washington.

The Port of Moses Lake showcased the Grant County International Airport flight test center, which is used for the Mitsubishi MRJ and other civilian and military aircraft programs.

### PORT DAY 2019

Reminder: Port Day is approaching quickly, on

**TUESDAY, JAN 29th, 2019.**

Please look into booking time with your designated representatives, as well as Olympia-area hotel reservations as soon as possible, as this will be a time of compression in the city.

### SPOTLIGHT

#### CERB INCREASES PER-PROJECT CAPS

The Community Economic Revitalization Board (CERB) has increased the maximum amount local governments and federally-recognized Indian tribes may apply for to fund infrastructure projects in their communities, including rural broadband projects.



The new limits are \$3 million per project for CERB core construction funds and \$2 million for rural broadband funds.

These higher limits are effective through June 30, 2019, the end of the current two-year state budget. CERB previously capped funding awards from these programs at \$2 million and \$1 million per project, respectively.

Upcoming application deadlines for construction projects are January 13, 2019 and March 16, 2019. These will be the final two opportunities to apply for CERB construction funding provided in the state's 2017-19 capital budget.

Detailed application information is available on the CERB website at [www.commerce.wa.gov/cerb](http://www.commerce.wa.gov/cerb) or by contacting program director Janae Delk ([janea.delk@commerce.wa.gov](mailto:janea.delk@commerce.wa.gov)) or via LinkedIn and Facebook.

As a reminder, CERB construction funds are low-interest loans. In unique circumstances grants may be offered in a loan/grant funding package, but are not guaranteed. Funding awards are determined through the application vetting process and approved by the Board.

As we approach and look forward to the holiday season, there are a few things to keep in mind.

### **Gift Baskets and Other Gifts.**

This time of year, port consultants like to deliver baskets of fruit, wine and cheese to their valued customers. Port employees and port commissioners can only accept "nominal gifts", which are usually held to be less than \$25, although your port district should have a policy on this. As to that basket, you can return it, you could donate it to a local charity for an auction, provide it as a door prize at an employee meeting or put it into the employee lunchroom for all to enjoy. The wine then needs to be returned, donated or given out as a door prize at an employee meeting. I might add that this same rule applies throughout the year for tickets to concerts or sporting events. One has to only imagine how attending a sporting event or receiving an expensive holiday gift from a port consultant would be explained in an open public meeting to understand the general rule.

\*Please note, given the state of the team, Mariners tickets will be considered nominal gifts for now (and the foreseeable future).

### **Port Holiday Parties.**

Holiday parties can be a fun and productive way to bring employees together. However, port districts cannot pay for the holiday party. Some ports have "employee committees" that raise money to pay for events like a summer picnic or a holiday party. Ports can host "employee recognition events" or "all employee luncheons" to provide recognition to employees or groups of employees. At these events, the port can pay for the costs of the employee's meals (but no alcohol).

### **Port Gifts to Employees.**

Ports can provide "nominal" (state law term) or "de minimis" (federal law term) gifts to employees for longevity or a particular accomplishment. A port logo hat, a port logo jacket or a plaque are considered "nominal." The IRS rules (found in IRS Publication 15-B) note that gifts of cash or gift cards are never "de minimis" and therefore subject to tax.

### **Gift Exchanges.**

Sometimes port employees exchange holiday gifts. There are a couple of things to keep in mind here. First, any gift exchange should be voluntary and organized by employees and not as an official port event. Second, supervisors should not accept gifts from subordinate employees other than as part of a random gift exchange where names are drawn. Third, ports should ensure that any gifts are of nominal value and are of good taste. Fourth, remember that some holiday traditions do not resonate with all port employees' backgrounds and religious beliefs – better a "holiday gift exchange" as opposed to a "secret Santa." Remember, it is the port's workplace, and the port retains a duty to its employees for that workplace. Here, a port policy goes a long way to clarifying these issues.

### **Holiday Events.**

By now you all are thinking "great – more prohibitions from the lawyers – bah humbug." Point well taken. Over the years, I have seen many creative events organized by ports and port employees such as holiday concerts, food drives, ginger bread house competitions and senior port staff and commissioners cooking a holiday season breakfast for the port employees. So long as the value is "nominal" and participation is voluntary, holiday events can be a fun part of the season.

Holiday season activities, like most aspects of public employment, must be viewed from the perspective of the public, the perspective of other employees and preservation of the reputation of the port district in the community. In my experience it is rarely about a public employee looking for a benefit; rather, it is usually about a failure to fully consider how something could be perceived by other employees or the public.

From all of the staff and attorneys at our firm, we wish all of you a very happy holiday season. As always, please contact your port counsel with any questions regarding this topic. And, if you have a particular question for a Knowing the Waters please e-mail me at [fchmelik@chmelik.com](mailto:fchmelik@chmelik.com).

## **UPCOMING EVENTS**

**Continuing Legal Education Seminar**  
**December 4, 2018**  
Hyatt Regency Bellevue

**Annual Meeting**  
**December 5-7, 2018**  
Hyatt Regency Bellevue

**Port Day**  
**January 29, 2019**  
Olympia

**2019 Spring Meeting**  
**May 15-17, 2019**  
The Davenport, Spokane

**2019 Finance & Admin Seminar**  
**June 12-14, 2019**  
Alderbrook Resort, Union

## **EMPLOYMENT OPPORTUNITIES**

**Multimodal Freight Systems Planner**

Washington State Department of Transportation

**Maintenance III**  
Port of Camas Washougal

**Executive Director**  
Port of Olympia

**Deputy General Manager**  
Port of Cascade Locks

**General Counsel & Chief Compliance Officer**  
Port of Seattle