



2017 BUDGET

COMMISSIONER COLLEEN M. MCALEER (District 1)



Commissioner McAleer represents District 1 (east) and has served as a Port Commissioner since January 2014. Colleen currently is the President of the Washington Business Alliance. Prior to that, she served on the staff of the Port of Port Angeles before becoming a Commissioner. With state and community partners, Colleen spearheaded the Advanced Composites Center initiative. This brought Port Angeles into the spotlight as a community partner supporting advanced composite technologies and innovative manufacturing processes.

Colleen has contributed to her community in numerous ways. She has served on the Queen of Angels School Commission, the Sequim Design Review Board, and continues to serve on the Peninsula College Foundation's Board of Governors.

In 2002, Colleen moved to Sequim and was a very successful small business owner, offering business consulting services and commercial brokerage transactions. After graduating from Florida Institute of Technology, Colleen served as an US Army Aviator and a Military Intelligence Officer for ten years serving in Europe, Asia, North America and the Middle-East.

COMMISSIONER STEVEN D. BURKE (District 2)

Commissioner Burke represents District 2 (central) and has served as a Port Commissioner since March 2016. Commissioner Steve Burke is currently the Executive Director of the William Shore Memorial Pool District. As an Executive Director of a junior taxing district, Steve has experience in the public sector and has received several awards for establishing new financial management practices as well as receiving several Distinguished Budget Awards. Steve has also been a private business owner and has had extensive knowledge in both marketing and manufacturing new product lines.



Commissioner Burke has also served in the public sector by being elected in 2014 to serve on the Clallam County Charter Commission for a one year term in 2015. Steve is currently serving on the Port Angeles Regional Chamber of Commerce Board of Directors and as the Chamber Treasurer. He also serves as a Board member of the Economic Development Corporation in Clallam County.

Commissioner Burke grew up in San Diego and moved to Port Angeles to raise his family in 2001. He went to college at the University of Northern Colorado and graduated with the BA in Political Science and Public Administration.

COMMISSIONER CONNIE L. BEAUVAIS (District 3)



Commissioner Beauvais represents District 3 (west) and has served as a Port Commissioner since January 2016. Connie is currently the manager and state-certified operator at the Crescent Water Association where she oversees the business and operations of the water system. She has extensive professional experience in both the public and private sectors, having owned and operated three successful businesses and worked for four private businesses, three school districts, a university and the federal government.

Connie's community responsibilities have included acting as Vice Chair of the Clallam County Planning Commission, and serving on the Clallam County Charter Review Commission, the Crescent Community Advisory Council, and the Government Affairs Committee of the Port Angeles Business Association.

She has also served on the Clallam Economic Development Council as an Agriculture Representative, and on the Crescent Water Association Board of Trustees.

Originally from California, Connie spent 12 years on the Aleutian Island of Adak, Alaska and now lives in Joyce where she raises prize alpacas.

EXECUTIVE DIRECTOR, KAREN F. GOSCHEN



Ms. Karen Goschen served as the Interim Executive Director since January 2016 and officially promoted to the permanent Executive Director of Port of Port Angeles in June 2016. Karen was hired as the Port's Director of Finance in August 2012 and was promoted to the Deputy Executive Director in 2014.

Karen has previously held executive-level management positions in Finance and operations since 1998 and has been responsible for presenting financial and operational results to governing boards for nonprofit, government and for profit entities. She has also held positions in management consulting, focusing on process improvement, strategic planning and financial systems, and has taught college level business and finance courses.

Karen earned her Bachelors of Science degree in Accounting and Finance from California State University graduating Summa Cum Laude, and a Masters of Business Administration, with a concentration in Finance from the University of Colorado. She also studied law at the University of Colorado.

BOARD OF PORT COMMISSIONERS

COLLEEN M. MCALEER, PRESIDENT

Term Expires 2017

CONNIE L. BEAUVAIS, VICE PRESIDENT

Term Expires 2019

STEVEN D. BURKE, SECRETARY

Term Expires 2017

PORT MANAGEMENT STAFF

Executive Director.....KAREN F. GOSCHEN
Director of Finance & Administration.....JOHN B. NUTTER
Director of Business Development.....DANIEL J. BINSWANGER
Director of Engineering.....CHRIS R. HARTMAN
Operations Manager.....MICHAEL V. NIMMO
Airport & Marina Manager.....JERRY A. LUDKE
Environmental Manager.....JESSE W. WAKNITZ
HR, PR & Admin Manager.....HOLLY M. HAIRELL
Finance Manager.....TRISHA L. MILLER
Accounting Manager.....DIANE C. BARTH
Facilities Manager.....CHRISTOPHER L. RASMUSSEN
Executive Assistant.....HEATHER K. CATUZO

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SECTION I

INTRODUCTION

2017 BUDGET MESSAGE

DATE: NOVEMBER 14, 2016
TO: BOARD OF PORT COMMISSIONERS, PORT OF PORT ANGELES
FROM: KAREN GOSCHEN, EXECUTIVE DIRECTOR

We are pleased to submit to the Board this 2017 Budget for the Port of Port Angeles. The budget is an important planning document and includes both an operation budget and a capital project budget. The operating budget estimates our revenues and expenses for the coming year. The capital project budget provides for investments in maintaining our current facilities and building new infrastructure for 2017 as well as our best estimate of projects over the next five years. These budgets have been prepared to support the Port's Strategic Plan, with a focus on the top priorities of the Commission which are to expand marine trades, support innovative wood products manufacturing, re-establish commercial air service, and market Port facilities.

2017 operating revenues are budgeted at \$8.9 million, similar to 2016 budget and projected year-end. We are fortunate that the strong log export market we experienced in 2016 is expected to carry over into 2017. The log yard is forecasted to remain busy supporting both export and domestic timber needs.

2017 operating expenses are budgeted at \$8.4 million, slightly higher than 2016 budget and projected year-end, primarily due to marketing real estate properties (including broker fees for a large industrial building that will be vacated), airline marketing in anticipation of re-establishing commercial air service, several studies and advocacy efforts (including maritime commerce and timber advocacy) and increased emphasis on the Port Angeles Boat Haven through a new agent agreement that includes incentive based pay.

The Port will continue to support its economic development initiative for advanced manufacturing opportunities related to the Composite Recycling Technology Center (CRTC). The planned expense of \$708K for an Economic Development Services Contract with the CRTC will fulfill the Ports grant requirements for local match. The Port received \$4 million in grant funding from the Economic Development Authority, State Clean Energy Funds and Clallam County Opportunity Fund to complete the specialized R&D a manufacturing facility that also co-locates the Peninsula College advanced composite program. The Port's local match also allowed the CRTC to be eligible for \$1.73 million in Clean Energy Funds to purchase manufacturing equipment. The Port's investment will yield long-term economic benefits to our region and it will be paid from capital funds.

The budgeted net operating surplus is \$500,359, before depreciation. This positive cash flow will be combined with our available property tax levy for capital improvements. On the capital side, the Port is planning another ambitious program for 2017, aided by grant funding totaling \$771,910, for a total budget of \$10,172,910. Among these projects are a \$2 million wash-down pad and \$400K for Marine Trades Industrial Park site design in support of expanding marine trades; \$950,000 line item for the Terminal 3 head-tie dolphin, which will more safely allow for the moorage of today's larger vessels and enhance our competitiveness and long term viability; and \$350K for a marine terminal sprinkler system replacement.

Also of note is \$4.1 million for stormwater improvements which are necessary to retain current operations of the Port's marine terminals and log yard operations which support 1,012 direct and indirect jobs in timber and marine commerce (based on the 2012 Economic Impact Study).

Due to the significant capital needs, particularly the stormwater, the Port's capital reserve fund is forecasted to be fully depleted by the end of 2017 and the Port may need to consider issuing additional debt to fund the capital needs. In December of 2016, the Port will make the final payment on a \$1.83 million dollar bond originally issued in 2012. The remaining long-term debt as of December 31, 2016 will be \$7,131,297 which will require payments totaling \$691,496 in 2017.

After setting aside \$65,000 for continued support of the Port's Small Community Partner program, the 2017 tax levy will provide approximately \$714,504 of cash flow that could be added to the capital improvement fund or leveraged to pay for additional debt. Depending on interest rates and other factors, the \$714K could support \$10 - \$12 million of additional long-term debt.

We trust you will find this budget in support of the Port's mission and consistent with the targets of our Strategic Plan.



Port of Port Angeles

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STRATEGIC PLAN

Our Mission

“We bring people, resources and industry together to foster living wage jobs.”

Our Vision

“A Prosperous Clallam County.”

Our Targets: Five in Five Years

- Use Port resources to assist industry efforts to create 1,250 new jobs by 2020.
- Increase revenue diversification by increasing non-timber dependent revenue at the Marine terminal by 30% by 2020.
- Re-establish daily commercial air service to SeaTac with sustainable service past 2020.
- Strive to achieve a reliable and sustainable Timber Harvest by 2020.
- Complete the Port’s up-land clean up and develop the Marine Trades Industrial Park (MTIP) by 2020.

Our Goals & Initiatives

- 1. Aggressively market the Port and invest in strategic infrastructure to foster living wage jobs**
 - 1.1. Expand maritime commerce through the development of the Marine Trades industrial park and additional acres of industrial zoned waterfront properties.
 - 1.2. Promote innovative value-added wood products manufacturing while working to achieve a reliable and sustainable timber harvest.
 - 1.3. Market and leverage the Composite Recycling Technology Center (CRTC) to bring composite companies, research and investment dollars to Clallam Co.
 - 1.4. Acquire strategically located industrial property for future development.
 - 1.5. Establish and maintain sustainable air service between CLM-SEA.
 - 1.6. Develop 25 acres of industrial airport property.
- 2. Assure Sound Financial and Economic Return on Port Assets**
 - 2.1. Annually generate a positive cash flow.
 - 2.2. Secure ten net new tenants to increase revenue diversification. Achieve 90% occupancy in Port owned buildings.
 - 2.3. Preserve and create asset value through strategic investments.
 - 2.4. Leverage Port resources to attract public and private capital.

3. Improve Environmental Performance

- 3.1. Complete cleanup of the Port's upland contaminated sites.
- 3.2. Demonstrate leadership in the western Port Angeles harbor clean-up.
- 3.3. Ensure Port properties are in compliance with Department of Ecology Stormwater permits.
- 3.4. Develop an environmental management system (EMS) to prioritize investments and achieve responsible oversight of port properties.

4. Enhance Stakeholder Engagement and Outreach Efforts

- 4.1. Provide excellent customer service as measured by customer satisfaction surveys.
- 4.2. Foster partnerships with other public agencies in furtherance of economic development.
- 4.3. Engage citizens in Port activities.
- 4.4. Advocate to advance the development and retention of a diversified and skilled workforce within the County.

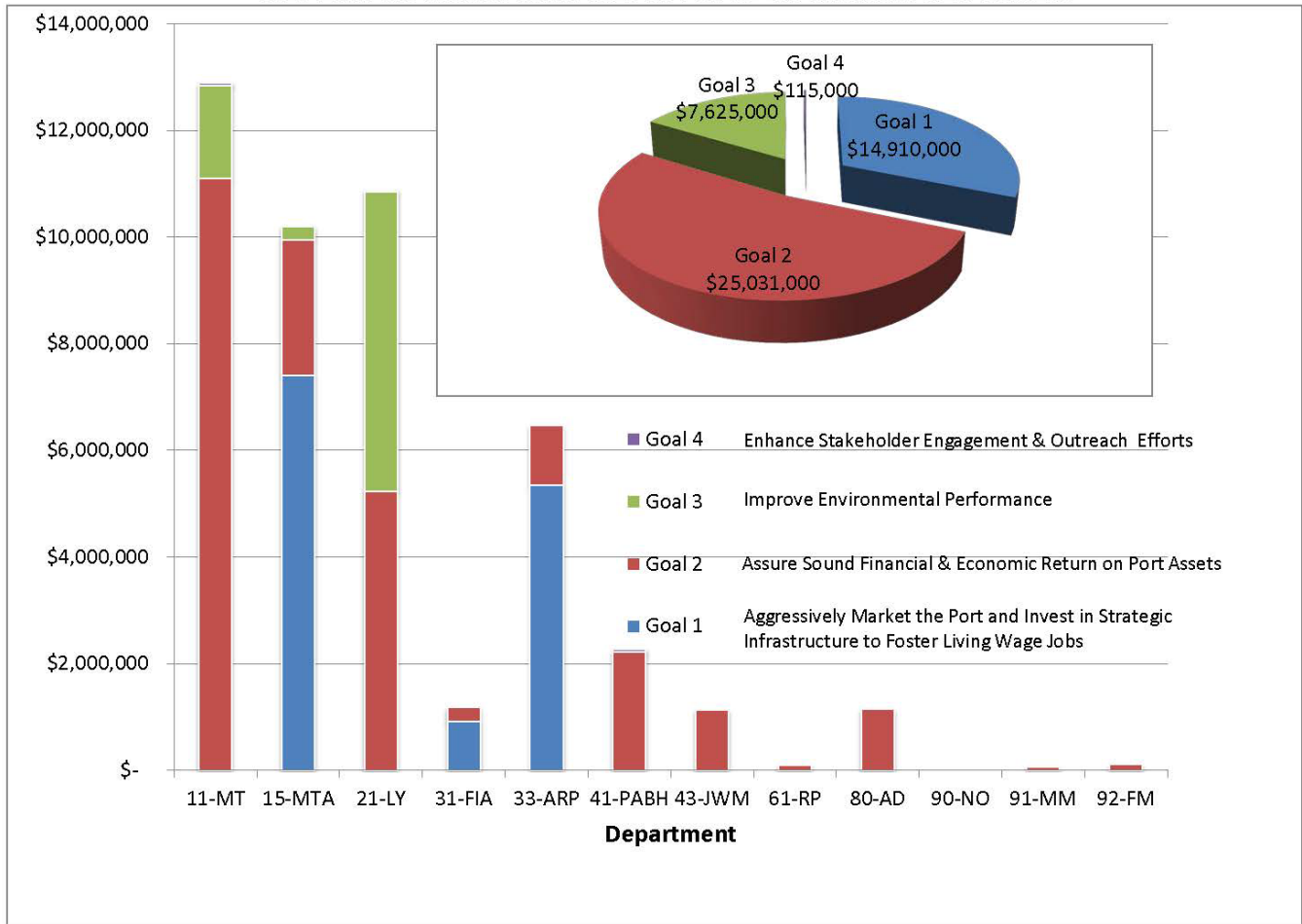
Port of Port Angeles 2017 Action Plan

The following strategic plan items have been identified as priority action items for 2017:

- Expand maritime commerce through the development of the Marine Trades Industrial Park and additional acres of industrial zoned waterfront properties.
- Establish and maintain reliable air service between Port Angeles and SeaTac. Secure TSA services once air service is established.
- Market existing Port facilities to increase revenue diversification.
- Promote innovative value-added wood products manufacturing while working to achieve a reliable and sustainable timber harvest.
- Provide excellent customer service as measured by customer satisfaction surveys.
- Annually generate positive cash flow.

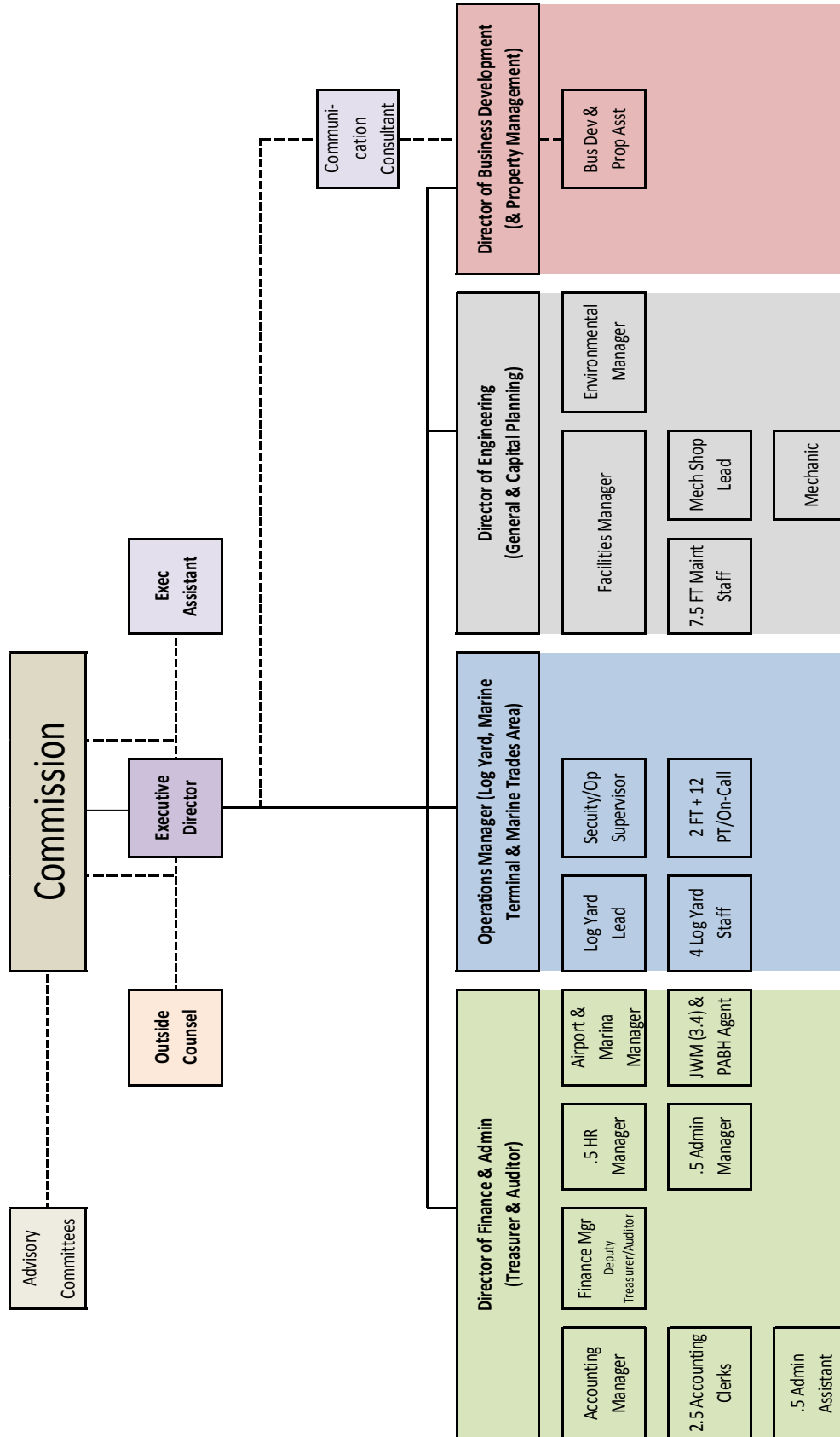
5 Year Capital Improvement Plan

2017-2021 CAPITAL EXPENDITURES BY STRATEGIC GOAL AND DEPARTMENT



SECTION II

PERSONNEL SUMMARY



PORT OF PORT ANGELES PERSONNEL SUMMARY

All Departments Actual/Budgeted Employee

Department		<i>Restated*</i>						2017	
		2012	2013*	2014**	2015	2016	2016	2017	-2016
		Actual	Actual	Actual	Actual	Budget	Projected	Budget	Budget
		FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	Change In FTEs
MT	Marine Terminal <i>(Includes PT & FT Security)</i>	1.80	1.55	5.92	5.90	5.04	5.30	5.26	0.22
MTA	Marine Trades Area <i>(Formerly Boat Yard & Travel Lift Pier)</i>	0.35	0.40	0.45	1.00	0.97	1.00	0.94	(0.03)
LY	Log Yard	5.81	5.20	6.38	6.00	5.96	6.59	6.65	0.69
FIA	William R. Fairchild Int'l Airport	1.71	1.63	2.66	2.50	3.01	2.45	1.87	(1.14)
ARP	Airport Rental Properties	-	-	0.32	1.50	0.94	1.50	0.82	(0.12)
SEK	Sekiu Airport	0.05	0.05	0.05	0.05	0.05	0.05	0.05	-
PABH	Port Angeles Boat Haven	1.10	1.00	0.80	0.75	0.86	0.75	0.77	(0.09)
JWM	John Wayne Marina <i>(Includes PT & FT Security)</i>	4.71	4.73	3.14	4.05	4.58	3.89	4.58	-
RP	Rental Properties	1.35	1.63	1.18	1.00	0.63	0.90	0.43	(0.20)
A&G	Administration & General <i>(Includes PT & FT Security)</i>	11.62	10.56	11.03	10.77	10.30	10.26	10.30	-
BD	Business (Economic) Development	1.13	0.60	0.40	1.00	0.90	0.96	0.70	(0.20)
MM	Mechanical Maintenance	2.47	2.32	2.30	2.07	2.42	2.13	2.49	0.07
FM	Facilities Maintenance	6.86	5.94	7.05	7.73	7.57	7.96	8.14	0.57
Total		38.96	35.61	41.68	44.32	43.23	43.74	43.00	(0.23)

*2013 FTEs restated to align with 2014's separation of vessel security at MT and mobile security in all departments.

**Starting in 2014 Security hours are recorded by separating vessel security and watchman. A difference in trend data is evident.

Note: In 2015, Federal cost allocation project completed. This affected recording of split employees to comply with guidelines.

Significant changes from 2016 Budget to 2017 Budget:

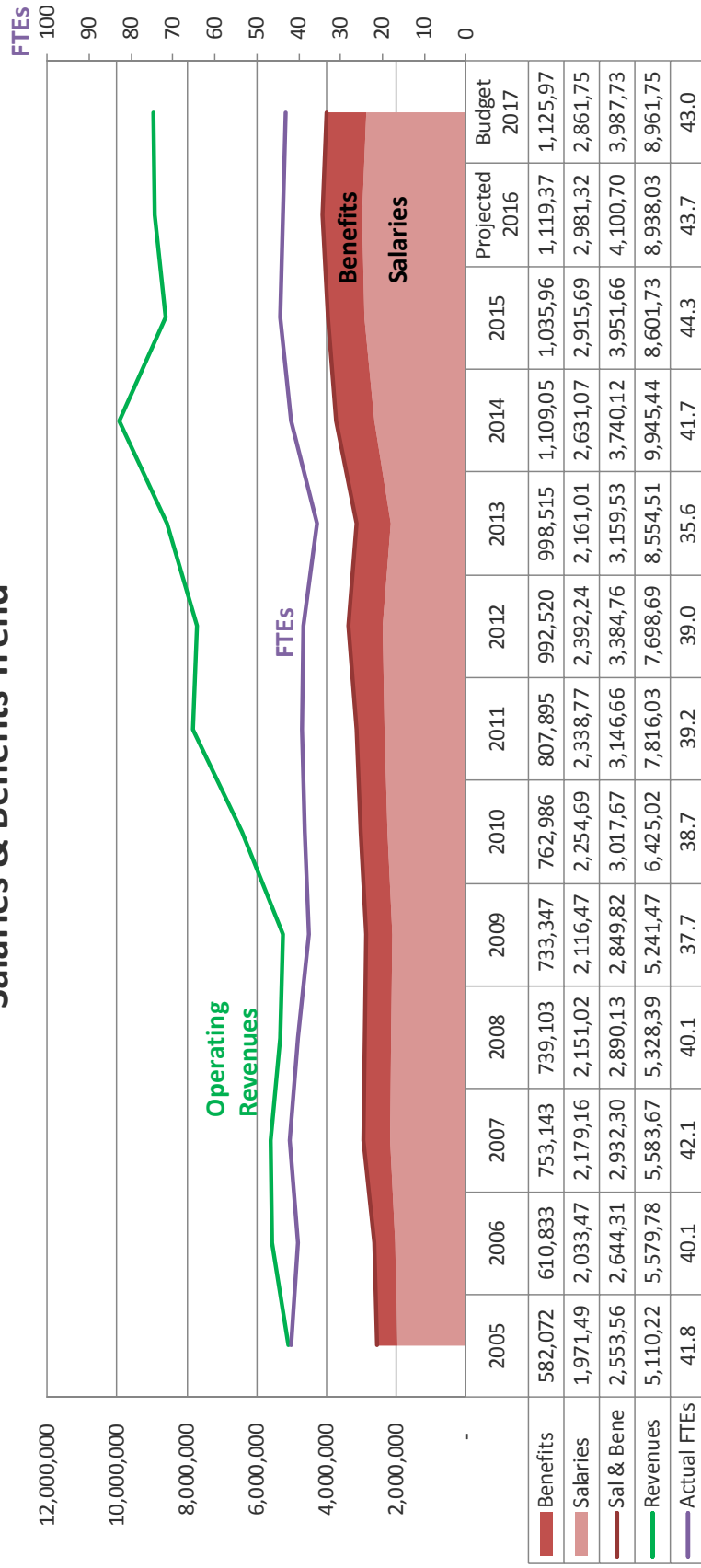
MT	Remaining about the same due to estimated cargo & repair volume.
MTA	Slight decrease due to the progress of the Marine Terminal Industrial Park.
LY	Remaining about the same due to estimated log volumes.
FIA	Slight decrease due to completed projects, focus shift to other depts.
ARP	Decrease as anticipated time is refined for new dept.
SEK	No changes.
PABH	A slight decrease due to shifting management needs of other depts.
JWM	Slight increase due to under utilization of summer help in 2016.
RP	Decrease due to shift of lease properties to appropriate depts.
A&G	No changes.
BD	Decrease due to new Director focus on other dept specific endeavors.
MM	Slight increase due to shift of management.
FM	Slight increase due to shift of management.

FTEs = Full time equivalent employees

FT = Full Time

PT = Part Time

2005 thru 2017 Operating Activity Salaries & Benefits Trend



Average Annual Growth

Operating Revenues	5.8%
Salaries	3.5%
Benefits	7.2%
Salaries & Benefits	4.3%
FTEs	0.2%

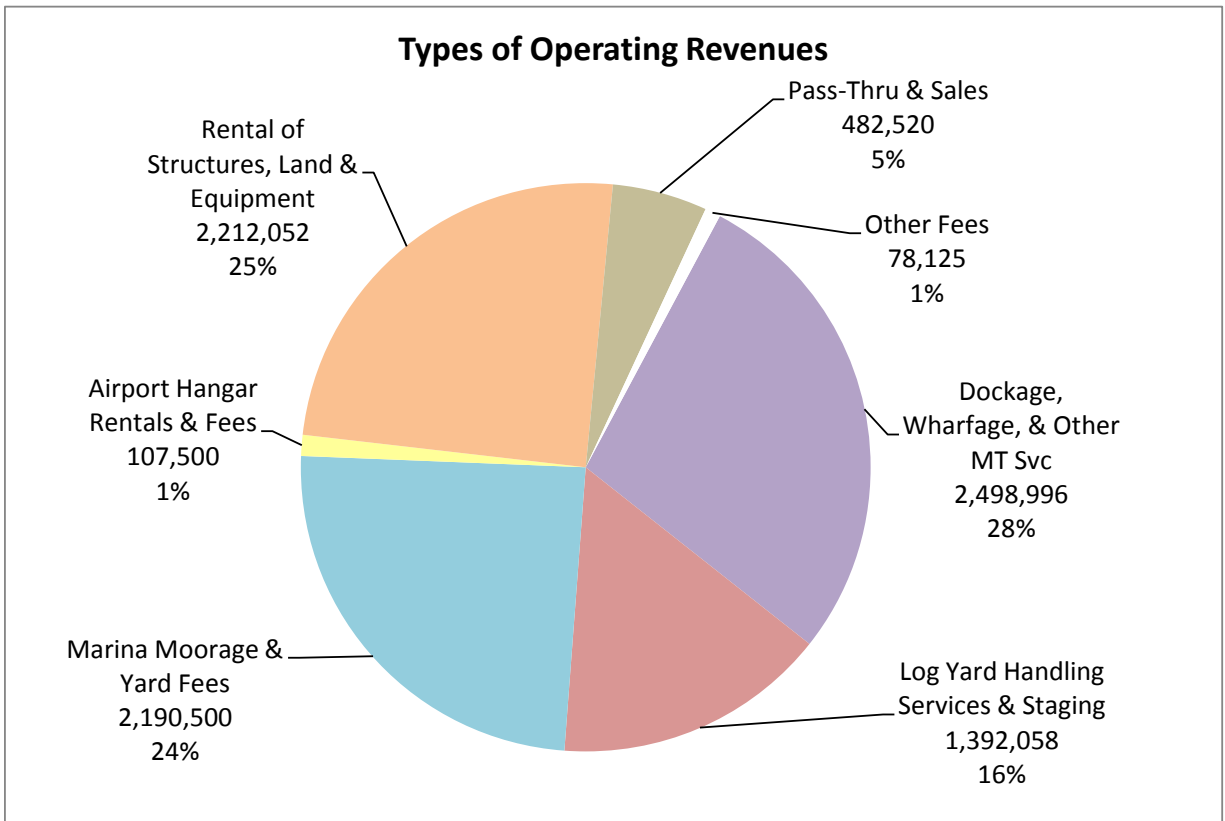
SECTION III

BUDGET OVERVIEW

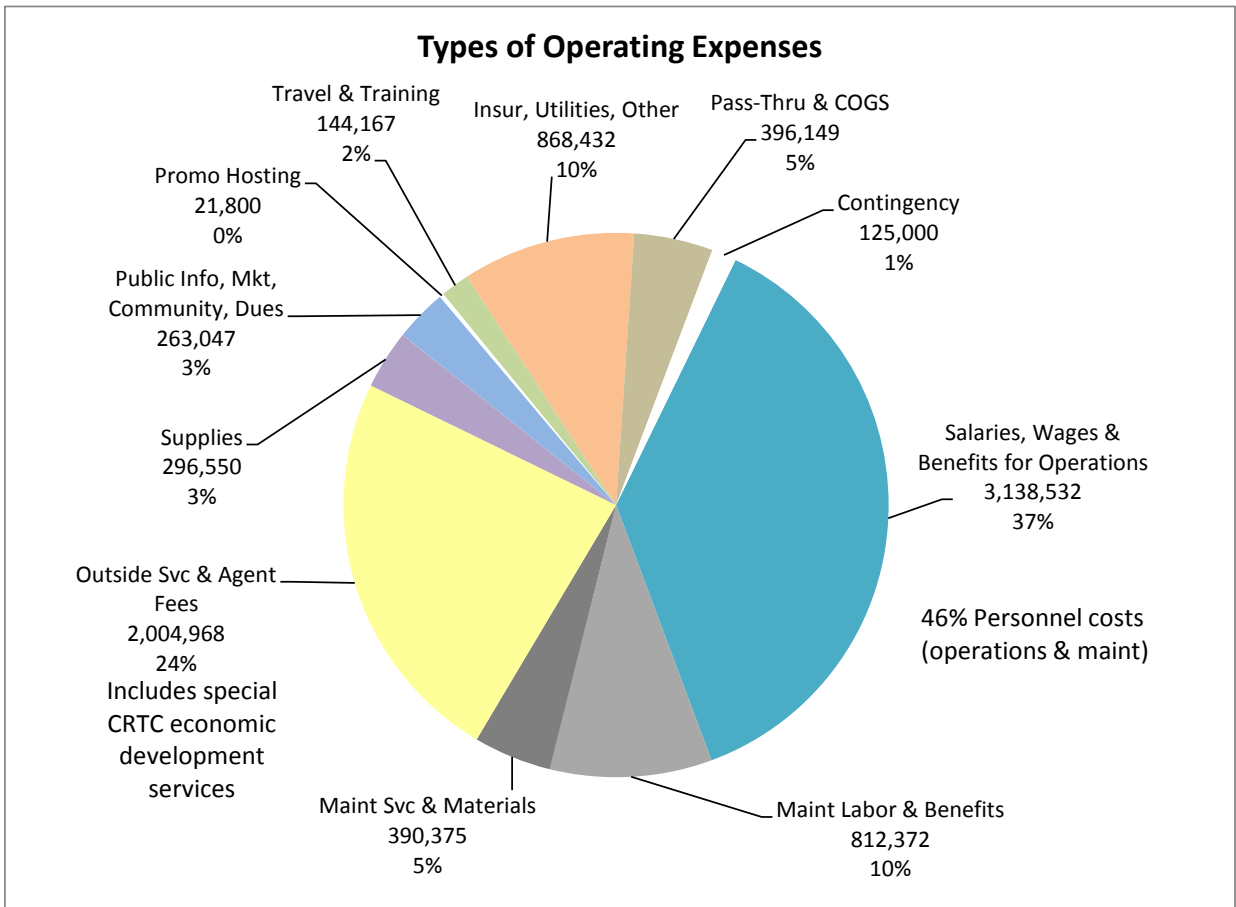
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FUND BALANCE

WHERE DOES THE MONEY COME FROM?



WHERE DOES THE MONEY GO?



Port of Port Angeles
Summary by Type of Revenues & Expenses
2016 Projected & 2017 Budget

	2013	2014	2015	2016	2016	2017	2016 Proj. Over/(Under)	2017 Over/(Under)
	ACTUAL	ACTUAL	ACTUAL	BUDGET	PROJECTED	BUDGET	2016 Budget	2016 Projected
OPERATING REVENUES								
DOCKAGE	1,246,726	1,412,422	1,214,387	1,130,802	1,026,125	1,071,180	(104,677)	45,055
WHARFAGE	813,275	1,118,484	754,443	767,040	837,483	797,100	70,443	(40,383)
SERVICE & FACILITIES	479,513	657,952	440,540	461,520	489,767	470,880	28,247	(18,887)
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	4,014	2,240	2,500	2,200	2,500	(300)	300
LABOR SERVICES	166,850	192,708	202,160	168,948	160,421	157,336	(8,527)	(3,085)
LOG YARD STAGING	84,458	69,410	70,073	69,400	31,633	32,524	(37,767)	891
LOG YARD LAND SERVICES	490,572	958,720	593,812	1,062,447	1,280,540	1,222,367	218,003	(58,084)
LOG YARD WATER SERVICES	258,881	300,296	220,046	283,136	101,695	137,167	(181,441)	35,472
MOORAGE	1,767,864	1,780,561	1,868,748	1,816,300	1,902,100	1,917,900	85,800	15,800
MARINA & YARD FEES	228,130	257,553	247,163	279,000	271,000	272,600	(8,000)	1,600
LANDING/PARKING FEES	14,953	13,769	6,265	15,500	7,000	7,100	(8,500)	100
HANGAR/TIE DOWN	106,271	95,725	92,964	92,100	99,800	100,400	7,700	600
OTHER USER FEES	23,914	25,230	32,751	18,500	21,375	19,925	2,875	(1,450)
EQUIPMENT RENTAL	322,871	408,923	327,324	326,360	332,681	326,560	6,321	(6,121)
LAND LEASE/RENT	624,105	705,582	643,897	530,491	579,112	525,784	48,622	(53,328)
STRUCTURE LEASE/RENT	1,189,477	1,196,780	1,170,077	1,123,346	1,228,195	1,315,808	104,849	87,613
USE AGMT AND OTHER RENT	56,710	36,453	42,008	38,600	50,629	43,900	12,029	(6,729)
UTILITY PASS THRU & PRODUCT SALES	654,068	698,372	644,175	587,709	470,852	482,520	(116,857)	11,668
MISC & INTERDEPT REVENUE	9,500	12,484	28,663	32,900	45,513	58,200	12,613	12,687
TOTAL OPERATING REVENUES	8,538,140	9,945,440	8,601,734	8,806,598	8,938,031	8,961,751	131,433	23,720
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	2,494,233	3,134,337	3,286,831	3,232,411	3,169,469	3,138,532	(62,942)	(30,937)
SUPPLIES	485,953	358,315	292,858	305,705	284,043	296,550	(21,662)	12,507
OUTSIDE SERVICES	847,873	1,468,584	1,206,732	1,678,339	1,535,027	2,004,968	(143,312)	469,941
PUBLIC INFORMATION	27,867	19,556	42,463	42,700	54,548	46,088	11,848	(8,460)
MARKETING	17,430	14,004	16,186	144,000	31,150	168,500	(112,850)	137,350
COMMUNITY RELATIONS	0	65	49	5,300	4,623	5,300	(677)	677
ADS, DUES & PUBLICATIONS	36,978	53,537	60,782	48,591	57,460	43,159	8,869	(14,301)
TRAVEL MEETINGS	31,242	35,681	35,572	69,900	43,548	68,400	(26,352)	24,852
TRAINING/TRAVEL	38,895	71,176	71,265	73,117	64,424	75,767	(8,693)	11,343
PROMOTIONAL HOSTING	7,559	7,010	11,817	14,300	8,155	21,800	(6,145)	13,645
RENT, UTILITIES, INSURANCE, TAXES	740,598	780,311	900,972	828,937	848,265	833,332	19,328	(14,932)
UTILITY (Pass Thru) & COST OF GOODS SOLD	489,345	558,988	471,311	414,549	347,762	396,149	(66,787)	48,387
OTHER EXPENSES (Misc & Interdept)	46,120	78,350	42,645	34,500	34,292	35,100	(208)	808
CONTINGENCY	0	0	0	150,000	150,000	125,000	0	(25,000)
MAINT LABOR, BENEFITS & INTER-DEPT	665,303	605,792	778,258	833,189	803,086	812,372	(30,103)	9,286
MAINTENANCE (Materials & Services)	264,299	388,429	417,040	404,938	402,259	390,375	(2,679)	(11,884)
TOTAL OPERATING EXPENSES	6,193,695	7,574,135	7,634,782	8,280,475	7,838,110	8,461,392	(442,365)	623,282
OPERATING SURPLUS (DEFICIT)	2,344,445	2,371,305	966,952	526,123	1,099,921	500,359	573,798	(599,563)
ALLOCATED EXPENSES	(119,377)	(81,859)	(67,265)	(0)	(0)	(0)	0	(0)
ALLOCATED DEPRECIATION	119,376	81,859	67,265	0	0	(0)	(0)	(0)
DEPRECIATION	1,956,292	2,015,826	2,077,569	2,012,408	2,092,253	2,412,516	79,845	320,263
NET OPERATING SURPLUS (DEFICIT)	388,153	355,479	(1,110,617)	(1,486,285)	(992,332)	(1,912,157)	493,953	(279,300)
NON-OP (GENERAL)								
NON-OP REV (General)	1,194,262	891,048	1,161,512	440,073	1,544,423	340,750	1,104,350	(1,203,673)
NON-OP EXP (General)	506,628	1,086,269	387,081	565,000	767,906	400,000	202,906	(367,906)
NON-OP (General) SURPLUS (DEFICIT)	687,635	(195,220)	774,431	(124,927)	776,517	(59,250)	901,444	(835,767)
NON-OP (CAPITAL)								
NON-OP REV (Capital)	2,572,899	2,346,052	3,623,481	8,687,700	9,494,983	2,242,910	807,283	(7,252,073)
NON-OP EXP (Capital)	416,563	397,150	404,362	297,530	310,089	281,304	12,559	(28,785)
NON-OP (Capital) SURPLUS (DEFICIT)	2,156,336	1,948,902	3,219,119	8,390,170	9,184,894	1,961,606	794,724	(7,223,287)
NET NON-OP SURPLUS (DEFICIT)	2,843,971	1,753,682	3,993,550	8,265,243	9,961,411	1,902,356	1,696,168	(8,059,054)
TOTAL NET SURPLUS (DEFICIT)	3,232,124	2,109,161	2,882,933	6,778,958	8,969,079	(9,801)	2,190,120	(8,978,880)

CASH BASED FUND BALANCE

(Approximates Cash Flow)

Projected 2016	DESIGNATED FUNDING	GENERAL FUND	CAPITAL IMPR.	G.O. DEBT SERVICE	TOTAL FUNDS
CASH BALANCE, JANUARY 1, 2016					
Operating Cash		687,085			
Investment Fund Balance		7,044,096	8,001,474	200,000	
Beginning Balance		7,731,181	8,001,474	200,000	15,932,654
PROJECTED GENERAL FUND ENDING BALANCE					
Operating Revenues		8,938,031			
1 Operating Expenses before Depreciation		(7,838,110)			
Operating Surplus (Deficit) before Depreciation		1,099,921			1,099,921
Beginning General Fund Balance + Op Surplus		8,831,102			
2 Net Non-Operating General Surplus (Deficit)		776,517			776,517
Projected General Fund Ending Balance		9,607,619			
GENERAL FUND TARGET FUND BALANCE					
Next Year Operating Expense Budget		8,461,392			
Projected Ending Balance over (under) Target Balance		1,146,227			
3 TRANSFER EXCESS GENERAL FUNDS TO CAPITAL FUND		(1,146,227)	1,146,227		0
Capital Fund is "approximately" reimbursing General Fund for:					
. Net K-Ply clean-up (includes grant; excludes Insurance/PLPs)	3,927,000				
. Community Partner Program	65,000				
. CRTC Economic Development Services	97,500				
New Bond Issue Proceeds				0	
General Property Tax Levy				1,453,998	
Less: Debt Service (Principal & Interest)				(1,073,584)	
Excess Property Tax Levy				380,414	380,414
TRANSFER EXCESS TAX LEVY TO CAPITAL FUND			380,414	(380,414)	0
Capital Grants			8,040,985		8,040,985
4 Less: Capital Project Expenses (before grant funding)			(12,580,618)		(12,580,618)
CASH BALANCE, DECEMBER 31, 2016		8,461,392	4,988,481	200,000	13,649,873
Budget 2017					
Budget 2017	DESIGNATED FUNDING	GENERAL FUND	CAPITAL IMPR.	G.O. DEBT SERVICE	TOTAL FUNDS
CASH BALANCE, JANUARY 1, 2017					
		8,461,392	4,988,481	200,000	13,649,873
PROJECTED GENERAL FUND ENDING BALANCE					
Operating Revenues		8,961,751			
1 Operating Expenses before Depreciation		(8,461,392)			
Operating Surplus (Deficit) before Depreciation		500,359			500,359
Beginning General Fund Balance + Op Surplus		8,961,751			
2 Net Non-Operating General Surplus (Deficit)		(59,250)			(59,250)
Projected General Fund Ending Balance		8,902,501			
GENERAL FUND TARGET FUND BALANCE					
Next Year Operating Budget (budget year plus 2%)		8,631,000			
Projected Ending Balance over (under) Target Balance		271,501			
3 TRANSFER EXCESS GENERAL FUNDS TO CAPITAL FUND		(271,501)	271,501		0
Capital Fund deficit covered by general fund					
Capital Fund support for Economic Development	65,000				
. Community Partner Program	707,828				
. CRTC Economic Development Services					
New Bond Issue Proceeds				0	
General Property Tax Levy				1,471,000	
Less: Debt Service (Principal & Interest)				(691,496)	
Excess Property Tax Levy				779,504	779,504
TRANSFER EXCESS TAX LEVY TO CAPITAL FUND			779,504	(779,504)	0
Capital Grants			771,910		771,910
4 Less: Capital Project Expenses (before grant funding)			(10,172,910)		(10,172,910)
CASH BALANCE, DECEMBER 31, 2017		5,269,486	(0)	200,000	5,469,486

This summary "roughly" approximate cash flow to estimate fund balance available for capital projects.

- 1 Operating Expenses do not include depreciation because it is a non-cash expense.
Operating expenses include CRTC services which will be reimbursed by the Capital Fund.
- 2 Net Non-Operating (General) includes investment interests and timber taxes. It excludes Property Taxes.
Includes grant funding and expenses for legacy environmental projects; net expenses are reimbursed by Capital Fund.
- 3 This transfer is "what it takes" to leave an ending fund balance to meet the 1 year reserve requirement.
Because of legacy environmental projects and CRTC, the Capital Fund is reimbursing the General Fund.
- 4 Capital expenses are the total project costs before grant funding. It also includes capital purchase of equipment.

5-YEAR PROJECTED CASH BASED FUND BALANCE & EXPLANATION OF RESERVES

(Assumptions: Revenues remain steady. Increases in costs are offset by increases in revenues.)

(Approximates Cash Flow)

	2017	2018	2019	2020	2021
GENERAL FUND					
Beginning Fund Balance	8,461,392	8,631,000	8,803,620	8,979,692	9,159,286
Op Surplus (before Depreciation)	500,359	750,000	1,000,000	1,250,000	1,500,000 ¹
Net Non-Operating Surplus	(59,250)	200,000	200,000	200,000	200,000
Projected Ending Fund Balance	8,902,501	9,581,000	10,003,620	10,429,692	10,859,286
TRANSFER EXCESS TO CAPITAL FUND	(271,501)	(777,380)	(1,023,928)	(1,270,406)	(1,516,814)
Estimated Ending Fund Balance	8,631,000	8,803,620	8,979,692	9,159,286	9,342,472

¹ 2016 & 2017 includes a total of \$1.3 million local support for CRTC grant funding.

Explanation of Reserves

General Reserve for Adverse Conditions & to obtain strong bond rating

Res 10-987: Next Yr Op Budget (2% increase)	8,631,000	8,803,620	8,979,692	9,159,286	9,342,472
Includes Self-insurance reserves	7,500	7,500	7,500	7,500	7,500 ²
Target Reserve Balance	8,631,000	8,803,620	8,979,692	9,159,286	9,342,472
Estimated Over (Under) Target	-	-	-	-	-

² Unemployment.

	2017	2018	2019	2020	2021
CAPITAL IMPROVEMENT FUND (committed projects)					
Beginning Fund Balance	4,988,481	(3,361,514)	(10,210,158)	(16,455,673)	(21,917,340)
Transfer from General Fund	271,501	777,380	1,023,928	1,270,406	1,516,814
Transfer from Debt Service Fund	779,504	798,976	815,558	827,926	845,955
Capital Grants for Committed Projects	771,910	397,776	4,257,776	3,600,000	600,000 ³
Funds Available for Capital Projects	6,811,396	(1,387,382)	(4,112,897)	(10,757,340)	(18,954,571)
Capital Projects per 5 Yr Capital Plan	(10,172,910)	(8,822,776)	(12,342,776)	(11,160,000)	(14,810,000) ³
Estimated Ending Fund Balance	(3,361,514)	(10,210,158)	(16,455,673)	(21,917,340)	(33,764,571)

↑ Reduce General Fund Reserves and/or issue debt.

Explanation of Reserves

Environmental Liability GASB49	471,250	117,368	64,500	64,500	24,500 ⁴
Envrionmental Projects (non-capital) Reserves	550,000	550,000	550,000	500,000	500,000 ⁴
Emergency Repair or Unfortunate Event	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Job Creation Opportunity	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Target Capital Reserves	3,021,250	2,667,368	2,614,500	2,564,500	2,524,500
Estimated Over (Under) Target	(6,382,764)	(12,877,526)	(19,070,173)	(24,481,840)	(36,289,071)

³ 2017 is total projects. 2018-2021 includes ONLY committed projects (T1, Marine Trades Industrial Park, Stormwater, etc).

⁴ This does not fully include Harbor Area cleanup plan since it cannot be reasonably estimated at this time.

General Caveat: Adjustments will be made based on Commission priorities and planned engineering studies.

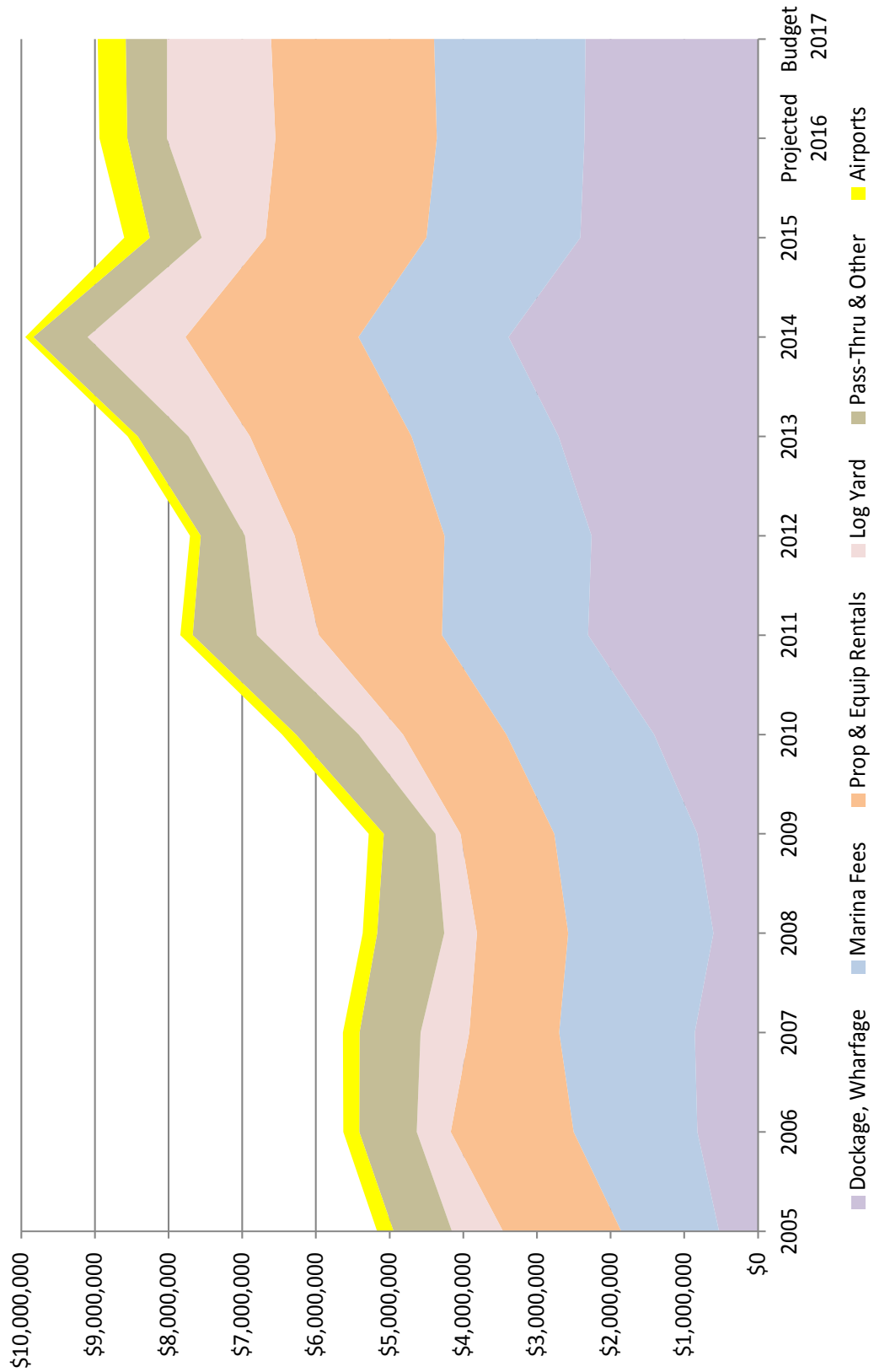
	2017	2018	2019	2020	2021
DEBT SERVICE FUND					
Beginning Fund Balance	200,000	200,000	200,000	200,000	200,000
Property Tax Levy: Banked in 2017, 1% in 2018-2021	1,471,000	1,485,710	1,500,567	1,515,573	1,530,728
Increase new Construction (\$75 mil) + Refunds	included above	8,000	8,000	8,000	8,000
Less: Debt Service	(691,496)	(694,734)	(693,009)	(695,646)	(692,774)
Projected Ending Fund Balance	979,504	998,976	1,015,558	1,027,926	1,045,955
TRANSFER EXCESS TO CAPITAL FUND	(779,504)	(798,976)	(815,558)	(827,926)	(845,955)
Estimated Ending Fund Balance	200,000	200,000	200,000	200,000	200,000

Explanation of Reserves

Cushion for fluctuations in property taxes

Target Reserve Balance	200,000	200,000	200,000	200,000	200,000
Estimated Over (Under) Target	-	-	-	-	-
New Debt using "Excess" Prop Tax (20 yr at 3.25%)	\$ 11,430,000	\$ 11,720,000	\$ 11,960,000	\$ 12,140,000	\$ 12,410,000

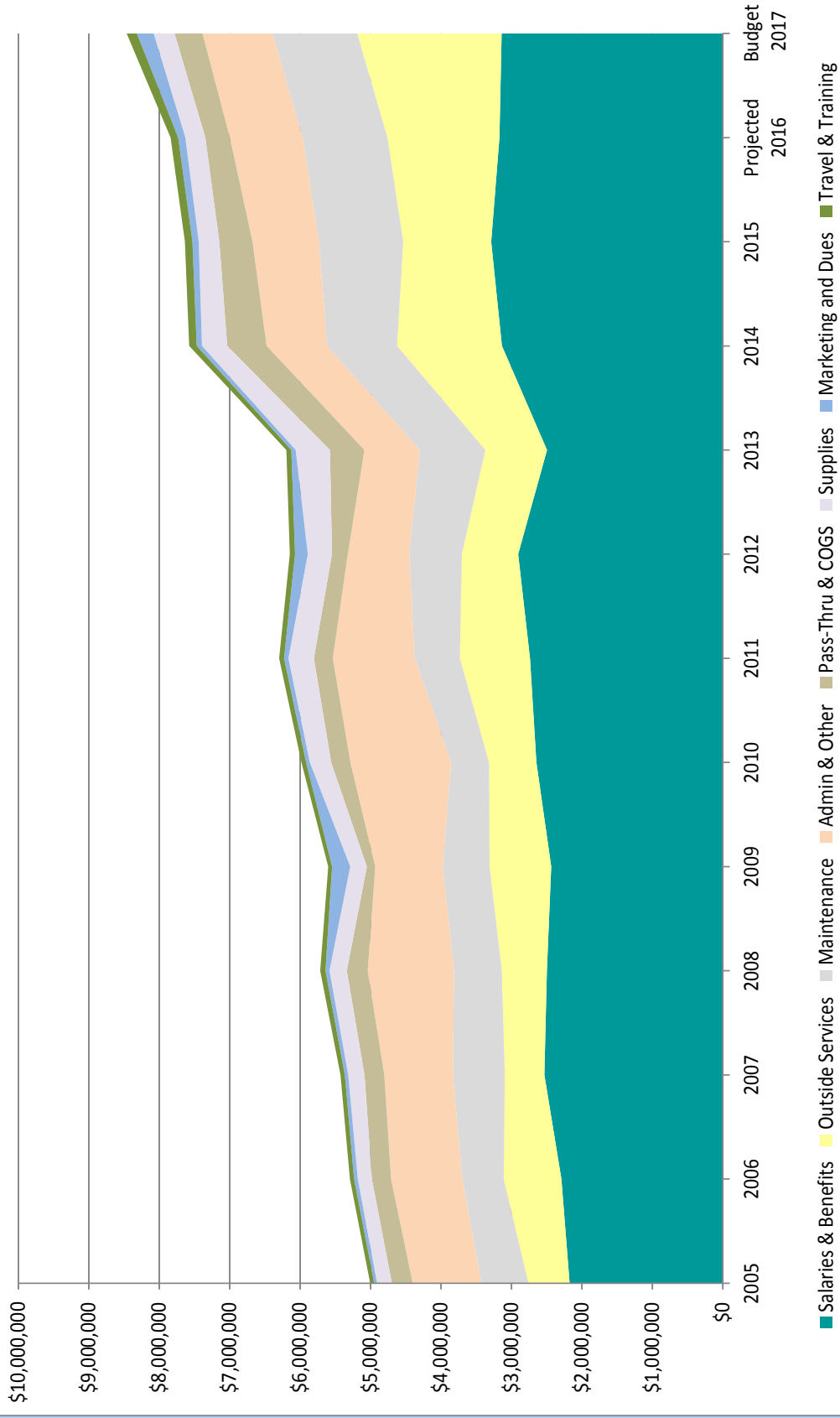
10-year Revenue Trend by Revenue Type



Revenue Type Descriptions

- Dockage: Charges assessed against an ocean going vessel for berthing at a wharf, piling structure, pier, bulkhead, etc., or for mooring to a vessel so berthed. (Marine Terminals)
- Wharf: a structure built so that cargo may be loaded on or unloaded from vessels
- Wharfage: Charges assessed against cargo for use of the wharf based on the weight and measure of the cargo (logs, fish, etc.) that is loaded or unloaded over, onto, or under wharves or between vessels when berthed. (Marine Terminals, Marinas and Boat Launch Ramps)
- Service & Facilities: Charges against a vessel for terminal working areas in the delivery or receipt of cargo (loading logs from the terminal or water) and for cargo documentation services.
- MT Handling: Charges against the vessel for the use of longshore labor for physically moving cargo to/from ship's tackle to/from the first point of rest on the terminal facility. (Marine Terminals)
- Labor Services: For Marine Terminal, this is the security fee assessed against the vessel (or at the Port's discretion, against cargo), for providing security at the terminal working area as mandated by security regulations.
- Log Yard Staging: Charges for temporary holding of logs (land or aquatic staging) prior to loading.
- Log Yard Land Services: Fees for sorting, grading, and decking logs.
- Log Yard Water Services: Fees for dewatering logs (remove logs from the water), rafting (attach logs together in a raft for transport), round booming (create a floating structure to temporarily contain logs) and vessel tending (move log round booms to a ship for loading off water).
- Moorage: Charges for use of a boat slip by either recreational boats or commercial vessels.
- Marina & Yard Fees: Marina fees include live-aboard fees, dock boxes, shower fees, boat ramp fees, commercial use fees, etc. Yard Fees are for use of working space and for boat storage.
- Passenger Facility Charges: Per passenger fee charged to all departing commercial customers.
- Landing/Parking Fees: Fees charged for commercial aircraft to land and vehicle parking fees.
- Hangar/Tie down: Rental of hangar space for inside aircraft storage or outside tie down space.
- Storage: Fees for log storage over 60 days. Also marine terminal warehouse storage.
- Other User Fees: Fees for temporary use or access to Port facilities, such as access to provide fueling, and charges for the Port to provide minor services.
- Equipment Rental: Fees received for equipment rental (with or without an operator) such as Log Yard and Marine Terminal loading equipment, Boat Yard travel lift and hydrowash, PABH hoist for loading/unloading items on/off boats.
- Land Lease/Rent: Revenue from leasing land.
- Structure Lease/Rent: Revenue from leasing buildings or other structures.
- Use Agmt and Other Rent: Revenue for the use of Port facilities over a period of time based on an agreement (use of travel lift pier, use of terminal for crane services, etc.).
- Utility Pass Thru & Product Sales: Revenue for re-billing the cost of providing utilities (electric, water, etc.) when separate meters for direct bill are not available. Product sales include: Marina fuel, access cards, and laundry supplies; Log Yard banding supplies.
- Misc & Interdept Revenue: Miscellaneous includes late fees and non-typical fees. Interdepartment is a transfer of revenue to the Airport from Rental Properties for the use of airport land.

10-year Expense Trend by Expense Type



Expense Type Descriptions

- Salaries & Wages: Wages & salaries associated with the operations of the departments, including administration and business development. Maintenance labor for maintaining infrastructure and equipment is identified separately.
- Benefits: Related benefits associated with Port employees.
- Non-Maintenance Charge-Out & Reimbursement: Distributed Salaries & Benefits of Non-Maintenance staff based on the percentage of time worked in each department. The “home department” receives the reimbursement (offset) of the amount charged for services.
- Supplies: Cost of office supplies, fuel, safety supplies and small tools.
- Outside Services: Payments made for personal services contracts, including legal services, consulting, auditing, marketing, and weather, etc.
- Public Relations: General outreach efforts to the public and customers.
- Marketing: Market research, positioning, and other outreach efforts that are program specific. Includes design of materials, printing of brochures, banners, etc.
- Community Relations: Support to assist the College, schools, business associations and other organizations in work force training and economic development. Includes ads, sponsorships, partnerships, materials, etc.
- Ads, Dues & Publications: Costs for professional dues, publications, and newspaper ads for public notifications.
- Travel Meetings: Travel costs associated with professional meetings regarding Port business to include mileage, airfare expenditures, hotel and meal reimbursements.
- Training/Travel: Registration costs for training plus associated travel.
- Promotional Hosting: Reflects expenditures made in developing Port business and retention of current customers in conformity with RCW, Chapter 53.36.130.
- Rent, Utilities, Insurance, Taxes: Rent is for harbor area leases, utilities for Port operations (not pass-thru utilities to customers, insurance covers liability and property, as well as specialty insurance specific to operations, and taxes include B&O excise taxes and leasehold taxes.
- Utility (Pass-Thru) & Cost of Goods Sold: The metering of some facilities does not allow for utilities to be in the customer name as well as other circumstances. The Port re-bills the customer for amounts the Port pays on behalf of the customer. Cost of Goods Sold includes fuel, banding material for log activity, and products sold at the marinas.
- Other Expenses (Misc & Interdept): Reflects interdepartmental transfers, such as a transfer from Rental Properties to Fairchild International Airport for use of airport land. It also includes the use of equipment owned by the airport and used by facilities maintenance.
- Maintenance Labor & Benefits: related to maintaining buildings, facilities and equipment.
- Maintenance Charge-Out & Reimbursement: Includes charges to operating departments for labor performed by Facilities Maintenance and Mechanic Maintenance personnel. The charge-out amount was established to recover wages and benefits and accurately reflect departmental costs.
- Maintenance (Materials & Services): Materials purchased by the Facilities Maintenance and Mechanic Maintenance when performing work for operating departments as well as outside services performed for specific departments.

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SECTION IV

OPERATING BUDGET

2016 PROJECTED YEAR END - ASSUMPTIONS All Departments

The following assumptions apply to all Departments unless the Department includes a specific assumption in their Projected Year-End Operations narrative.

Revenues 2016 Projected

1. Rates, fees and applicable leases were increased by not less than the 1.3% CPI, except as specifically identified.
2. Marine Terminal cargo volume will be approximately 76.0 million board feet with 3 additional cargo vessels projected for Q4. 2016 Budget was 72.0 million board feet.
3. Log Yard activities and associated revenues will meet budget at approximately \$1.7 million.
4. Rental Property: 2016 Budget will be surpassed due to a holdover lease within Airport Rental Properties and the recording of deferred rent not known during budget preparation.
5. Marina moorage revenue projected to be above budget at year end across all 3 recording categories: monthly, non-tax and transient. JWM expected to be the highest on monthly moorage.
6. Non-Op: \$1.0 million grant revenue from the WA State Department of Ecology for legal & administrative costs incurred from the K-Ply clean-up.

Expenses 2016 Projected

1. Net salary/benefit savings of \$98k are projected: did not implement \$45k merit pool due to a decrease in revenues related to log exports & tanker repair days; savings from retirement of 3 employees; Savings were partially offset by staff promotions/adjustments.
2. Insurance renewals occur part way through the year. Property insurance renewed in July 2016. There were no changes in deductibles or coverages. A Statement of Values review resulted in an 11% increase in listed property values, but this was offset by a 6% decrease in the premium rates. The net result was a premium increase of \$9k or 4%. Crime policy remained flat. Liability insurance renews in October and is essentially flat.
3. Washington State Auditor's Office Annual Report Audit and Single Federal Audit will be approximately \$48k (audit work plus travel).
4. Non-Operating: Environmental insurance litigation costs for legacy projects will continue until an insurance coverage decision is made.

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2017 Budget - Ops Assumptions

General

1. CPI: August CPI West–Size Class B/C–All Urban Consumer (CPI-U) of 0.7%.
2. General Inflation outlook is just under 2%.

Revenues

1. Rates, fees and applicable leases will increase by not less than the 0.7% CPI-U.
2. Marine Terminal tariff rates will be adjusted based on the results of the NWMTA Blended CPI Study for August 2016 with rates adjusted with a floor of not less than 2.0%. This includes rate adjustments for Dockage, Vessel Repair Dockage, Equipment Rental, Wharfage, Service and Facilities Charge, Electrical Service Fee, Passenger Fee, Fuel Handling Fee and Security Fee.
3. Marine Terminal activity includes associated revenue and expenditures based on 72 million board feet of log exports (12 vessels) and 80 days of tanker repair dockage. No cruise vessel calls in 2017.
4. Log Yard Land Services revenue anticipated to be slightly lower than 2016 EOY mainly due to less Container Load-outs.
5. Log Yard Water Services includes revenue from rafting and dewatering of log volume originating from Canada (via raft or barge). Log volumes and associated revenues expected to be slightly greater than EOY 2016 due to more barges.
6. Log Yard Equipment Rental includes revenue for loading equipment used at the marine terminal for cargo operations. Equipment Rental revenue is based on a volume of 72 million board feet loaded X-dock.
7. Log Yard rates for most log handling services (and fees) will increase not less than the 0.7% CPI-U.
8. Airport landing fees includes a fee waiver for new commercial passenger service aircraft for approximately \$15k.
9. Marina rates for 2017 to increase by 1.0% plus CPI 0.7% for all slips at PA Boat Haven and most slips at John Wayne Marina. No increase will be applied to the JWM larger slips (50 & 60 foot).
10. The Property Tax Levy will not be increased by any percentage in 2017. Tax revenues are estimated at \$1.47 million which includes \$14.9k for Clallam County reported assessed values on current properties and \$75 million in new construction. The Port will continue to use property tax revenues for new capital projects, debt service for prior capital projects and the Community Partner program. Please see Section VI – Property Tax Levy for more detailed information on the levy process.

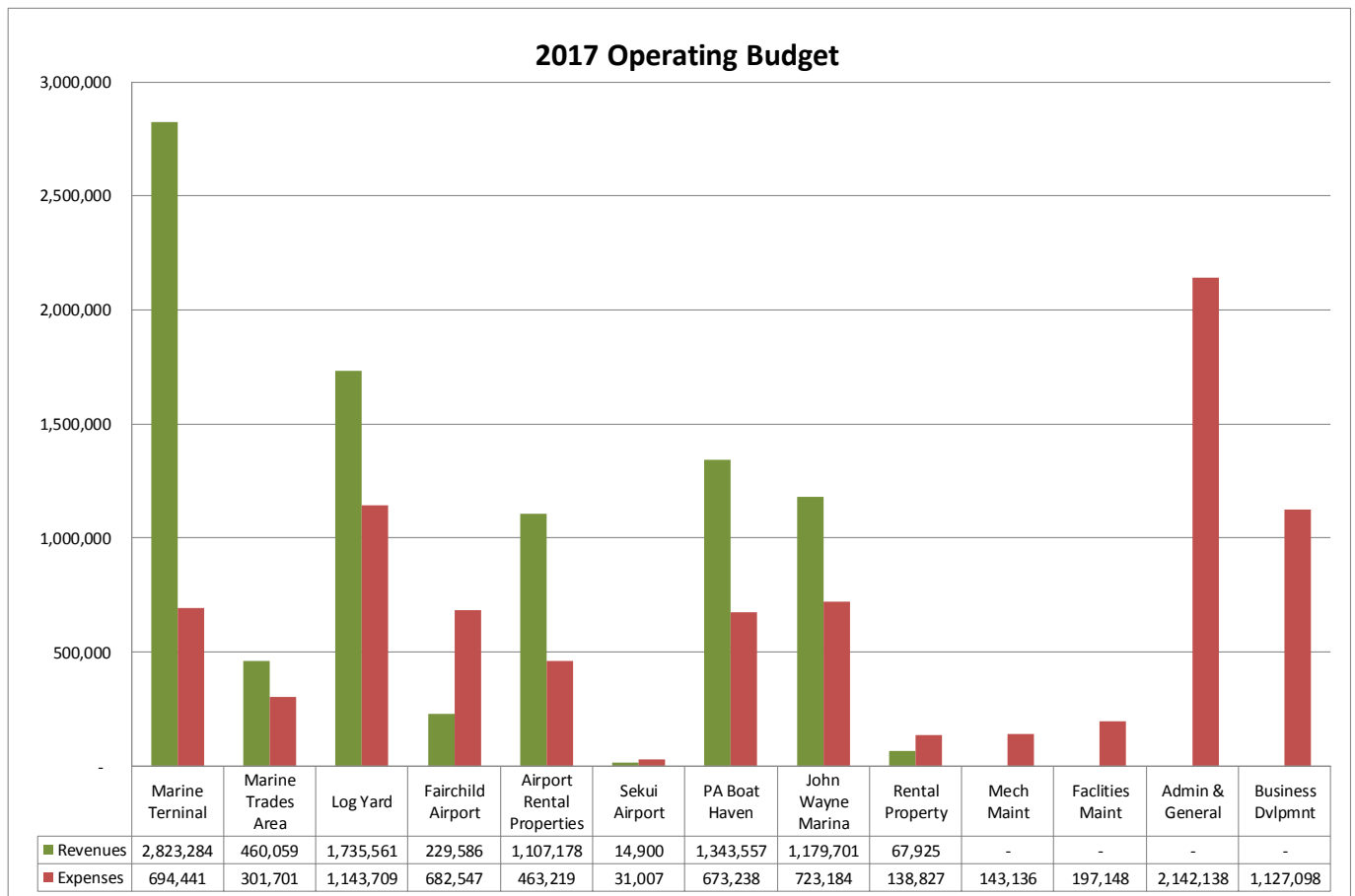
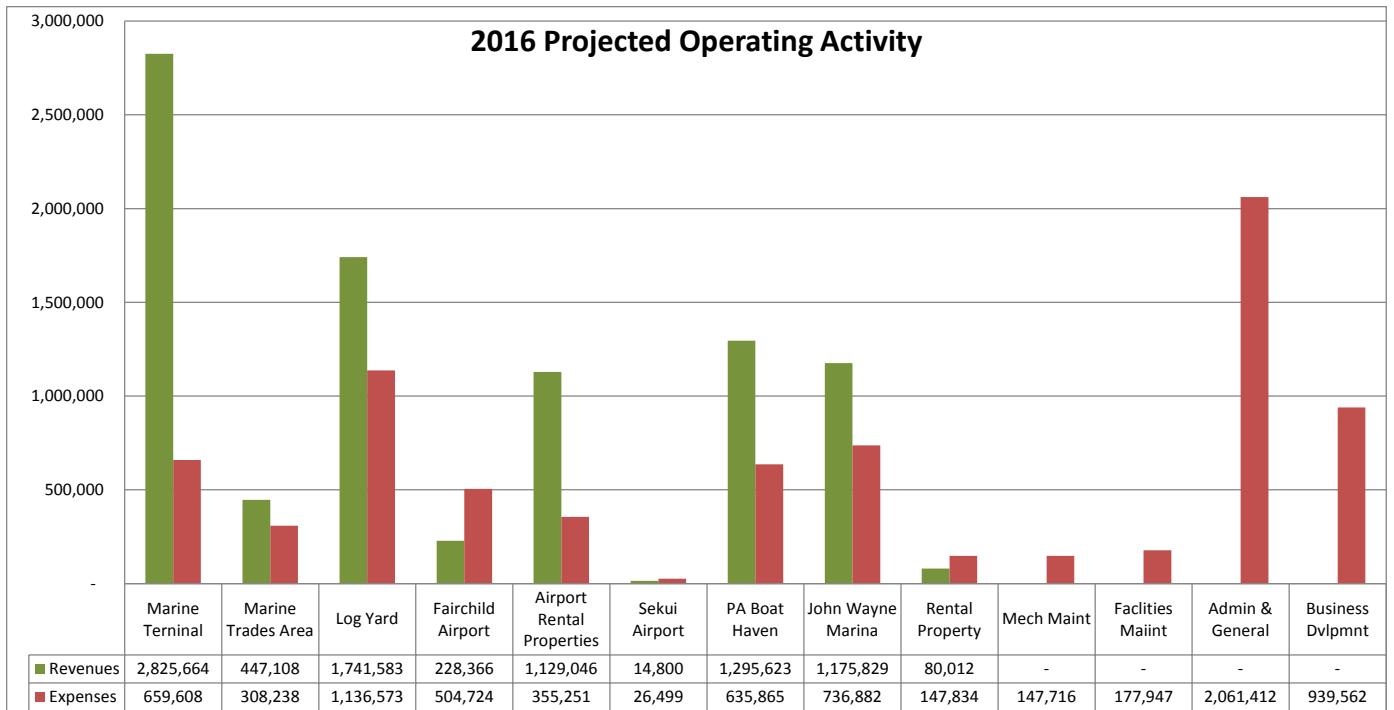
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Expenses

1. District 1 (East) and District 2 (Central) Commissioner terms will expire at the end of 2017. Election costs to the Clallam County Auditor's Office, for both a primary and general election, will be approximately \$32k.
2. Salaries & Wages. For non-represented staff the Commission approved a pay for performance compensation philosophy and adopted a "market pay rate" index in 2013. Staff is actively working on re-calibrating the data sources that create the "market pay rates" to ensure local relevance of salaries and pay ranges. Staff may recommend changes to the non-represented pay ranges. The proposed increase for non-represented staff is to stay with the 0.7% CPI plus a \$45k merit pool. Represented staff will be adjusted by the CPI rate, which is 0.7%. Represented staff will also be adjusted for pay step increases, which results in approximately \$4.2k (step increases are at 2.5% spread over multiple years).
3. Staffing Adjustments - Airport Janitorial – increase part time FM Janitorial position from 0.42 FTE to 0.75 FTE to provide services to FIA when regular air carrier service returns.
4. Health insurance premiums will increase for 2017 by approximately 9.2% (\$41,760 annually). Due to passage of WA State Senate Bill 6475 in 2016, the Public Employees Benefit Board is implementing an employer group rate surcharge that will be applied to the monthly premiums. The surcharge will cause our premiums to increase 2.45%. Premiums normally change every January 1st and July 1st. Premiums will also increase as of January 1, 2017 by 3.98%. It is assumed that premiums will continue to increase by 5% beginning July 1, 2017. The PERS (Public Employee Retirement System) premiums are on a biennium cycle, current July 2015 – June 2017. The current employer contribution rate is 11.85%, but the rate will increase to 12.52% on July 1, 2017 as part of the new biennium. The increase for 2017 will be less than 1% over 2016.
5. Legal services on environmental legacy issues will continue for litigation / negotiations with insurance companies and third parties.
6. Insurance renewals occur part way through the year. Property insurance renewed in July 2016. There were no changes in deductibles or coverages. A Statement of Values review resulted in an 11% increase in listed property values, but this was offset by a 6% decrease in the premium rates. The net result was a total expense increase of \$9k or 4%. The Crime policy remained flat. Liability insurance renews in October and is essentially flat.
 - a. Property insurance is distributed to the Divisions based on the value of the land, improvements and buildings.
 - b. Liability insurance is distributed based on the pro rata share of operating expenses.
 - c. Other insurance is charged to the Division using an appropriate base (Auto insurance is based on vehicles; Airport Liability charged to Airport, Skiff (owned small vessel) insurance charged to Log Yard).
7. Washington State Auditor's Office Annual Report Audit and Single Federal Audit will be approximately \$52k (\$48k audit work plus \$4k travel).
8. All department contingency at \$125k.

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**Port of Port Angeles
Summary by Department
2016 Projected & 2017 Budget**

	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 BUDGET	2016 PROJECTED	2017 BUDGET	2016 Projected Over/(Under) 2016 Budget	2017 Budget Over/(Under) 2016 Proj
OPERATING REVENUES								
11 MARINE TERMINAL	2,822,939	3,689,283	2,957,713	2,841,847	2,825,664	2,823,284	(16,183)	(2,380)
15 MARINE TRADES AREA	307,451	320,193	419,600	495,850	447,108	460,059	(48,742)	12,951
21 LOG YARD	1,155,730	1,824,233	1,224,692	1,752,609	1,741,583	1,735,561	(11,025)	(6,023)
31 FAIRCHILD INTERNATIONAL AIRPORT	336,226	246,545	228,205	234,259	228,366	229,586	(5,893)	1,220
33 AIRPORT RENTAL PROPERTIES	0	1,051,202	1,039,731	986,132	1,129,046	1,107,178	142,914	(21,868)
32 SEKIU AIRPORT	15,306	15,764	16,144	15,900	14,800	14,900	(1,100)	100
41 PA BOAT HAVEN	1,236,001	1,240,245	1,293,893	1,258,580	1,295,623	1,343,557	37,043	47,934
43 JOHN WAYNE MARINA	1,135,909	1,161,890	1,173,676	1,151,200	1,175,829	1,179,701	24,629	3,872
61 RENTAL PROPERTY	1,528,578	396,086	248,081	70,221	80,012	67,925	9,791	(12,087)
91 MECHANICAL MAINTENANCE	0	0	0	0	0	0	0	0
92 FACILITIES MAINTENANCE	0	0	0	0	0	0	0	0
80 ADMINISTRATION & GENERAL	0	0	0	0	0	0	0	0
81 BUSINESS (Economic) DEVELOPMENT	0	0	0	0	0	0	0	0
TOTAL OPERATING REVENUES	8,538,140	9,945,440	8,601,734	8,806,598	8,938,031	8,961,751	131,433	23,720
OPERATING EXPENSES								
11 MARINE TERMINAL	641,744	828,995	735,768	791,685	659,608	694,441	(132,077)	34,833
15 MARINE TRADES AREA	211,987	241,371	286,553	266,435	308,238	301,701	41,803	(6,537)
21 LOG YARD	950,233	1,363,053	1,147,138	1,110,000	1,136,573	1,143,709	26,573	7,136
31 FAIRCHILD INTERNATIONAL AIRPORT	549,699	803,699	655,227	688,591	504,724	682,547	(183,867)	177,823
33 AIRPORT RENTAL PROPERTIES	0	162,906	282,411	340,795	355,251	463,219	14,456	107,968
32 SEKIU AIRPORT	39,897	20,514	21,803	37,150	26,499	31,007	(10,651)	4,508
41 PA BOAT HAVEN	548,252	577,447	562,456	608,476	635,865	673,238	27,389	37,373
43 JOHN WAYNE MARINA	789,798	811,263	846,477	737,466	736,882	723,184	(584)	(13,698)
61 RENTAL PROPERTY	444,459	270,169	177,061	147,073	147,834	138,827	761	(9,007)
91 MECHANICAL MAINTENANCE	97,372	100,891	130,077	148,319	147,716	143,136	(603)	(4,581)
92 FACILITIES MAINTENANCE	174,404	227,955	262,549	169,410	177,947	197,148	8,537	19,200
80 ADMINISTRATION & GENERAL	1,554,652	1,886,967	2,016,813	2,245,475	2,061,412	2,142,138	(184,063)	80,727
81 BUSINESS (Economic) DEVELOPMENT	191,198	278,903	510,449	989,601	939,562	1,127,098	(50,039)	187,536
TOTAL OPERATING EXPENSES	6,193,695	7,574,134	7,634,782	8,280,476	7,838,110	8,461,392	(442,366)	623,282
OPERATING SURPLUS (DEFICIT)	2,344,445	2,371,306	966,952	526,122	1,099,921	500,359	573,799	(599,563)
ALLOCATED EXPENSES	(119,377)	(81,859)	(67,265)	(0)	(0)	(0)	0	(0)
ALLOCATED DEPRECIATION	119,376	81,859	67,265	0	0	(0)	0	(0)
DEPRECIATION EXPENSE	1,956,292	2,015,826	2,077,569	2,012,408	2,092,253	2,412,516	79,845	320,263
NET SURPLUS (DEFICIT) (after Depreciation)	388,153	355,480	(1,110,617)	(1,486,286)	(992,332)	(1,912,157)	493,954	(919,825)
NON-OP (GENERAL)								
NON-OP REV (General)	1,194,262	891,048	1,161,512	440,073	1,544,423	340,750	1,104,350	(1,203,673)
NON-OP EXP (General)	506,628	1,086,269	387,081	565,000	767,906	400,000	202,906	(367,906)
NON-OP (General) SURPLUS (DEFICIT)	687,635	(195,220)	774,431	(124,927)	776,517	(59,250)	901,444	(835,767)
NON-OP (CAPITAL)								
NON-OP REV (Capital)	2,572,899	2,346,052	3,623,481	8,687,700	9,494,983	2,242,910	807,283	(7,252,073)
NON-OP EXP (Capital)	416,563	397,150	404,362	297,530	310,089	281,304	12,559	(28,785)
NON-OP (Capital) SURPLUS (DEFICIT)	2,156,336	1,948,902	3,219,119	8,390,170	9,184,894	1,961,606	794,724	(7,223,287)
NET NON-OP SURPLUS (DEFICIT)	2,843,971	1,753,682	3,993,550	8,265,243	9,961,411	1,902,356	1,696,168	(8,059,054)
TOTAL NET SURPLUS (DEFICIT)	3,232,124	2,109,162	2,882,933	6,778,957	8,969,079	(9,801)	2,190,121	(8,978,880)

MARINE TERMINAL (MT 11)

Marine terminals provide five deep water berths - three dockside and two dolphin berths and related equipment. The terminals have limited warehouse and cargo staging areas. The objectives of the marine terminals are:

- To provide the service and facilities for the efficient handling and loading of marine cargo, topside vessel repair and lay berthing.
- To operate in a manner that will provide an excess of revenues over expenses.
- To obtain a competitive return on the public investment in these facilities.

2016 PROJECTED

Revenue Assumptions

1. Dockage revenue less than budget due to decreased number of tanker repair vessel calls. Slightly offset by increased cargo activity. Wharfage and Service & Facilities revenue higher than budget due increased cargo activity. Revenue based on projected export log volume 76 million board feet, budget was 72 million board feet.
2. Labor Services associated revenues for vessel security less than budget due to decreased tanker repair vessel calls.
3. Lease/Rent revenue (land, structure) higher than budget due to unexpected increase in log storage at T5.
4. Utilities Pass-thru reflects lower revenue due to the impacts of the decreased tanker repair vessel calls.

Expense Assumptions

1. Decreased tanker repair vessel calls results in lower expenses across most categories.

2017 BUDGET

Revenue Assumptions

1. Projected cargo activity in 2017 reflects a similar outlook as compared to 2016. Budget is based on 12 cargo vessel calls. Modest growth in the China housing construction market will spur demand for building commodities including logs and lumber.
2. Marine Terminal tariff rates will be adjusted based on the results of the NWMTA CPI study with a floor of 2.0%. This includes increases for dockage, vessel repair dockage, Wharfage, Service and Facilities Charges, Electrical Service Fee, Passenger Fee, Security Fee, Fuel Handling Fee and Equipment Rental (revenues and expenditures are recognized in the Log Yard).
3. 80 tanker days for top-side repair and 72 million board feet of log exports.
4. Lease/Rent revenue (land, structure) expected to be lower than 2016 due to reduced usage of T5.
5. No cruise vessel calls in 2017.

Expense Assumptions

1. Outside Services - T3 dredging permit and design estimated at \$50k. This was originally budgeted in 2016 but was not scheduled.
2. Maintenance labor & materials include mooring hardware for T1 \$20k.

**Port of Port Angeles
MARINE TERMINAL (MT - DEPT 11)
2017 Budget**

	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 BUDGET	2016 PROJECTED	2017 BUDGET	2016 Proj.	2017
							Over/(Under) 2016 Budget	Over/(Under) 2016 Projected
OPERATING REVENUES								
DOCKAGE	1,246,726	1,411,232	1,214,387	1,130,802	1,026,125	1,071,180	(104,677)	45,055
WHARFAGE	805,916	1,103,950	736,113	761,040	808,383	777,600	47,343	(30,783)
SERVICE & FACILITIES	479,513	657,952	440,540	461,520	489,767	470,880	28,247	(18,887)
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	4,014	2,240	2,500	2,200	2,500	(300)	300
LABOR SERVICES	166,850	192,708	202,160	168,948	158,821	155,736	(10,127)	(3,085)
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	1,497	1,418	13,224	1,000	250	1,000	(750)	750
EQUIPMENT RENTAL	7,414	12,242	24,855	15,000	11,866	15,000	(3,134)	3,134
LAND LEASE/RENT	10,116	39,382	46,960	22,438	47,065	21,042	24,627	(26,023)
STRUCTURE LEASE/RENT	16,193	144,786	142,405	169,198	173,392	222,546	4,194	49,154
USE AGMT AND OTHER RENT	0	0	2,046	0	9,825	4,800	9,825	(5,025)
UTILITY PASS THRU & PRODUCT SALES	87,754	120,684	136,525	108,400	93,262	80,000	(15,138)	(13,262)
MISC & INTERDEPT REVENUE	958	915	(3,741)	1,000	4,708	1,000	3,708	(3,708)
TOTAL OPERATING REVENUES	2,822,939	3,689,283	2,957,713	2,841,847	2,825,664	2,823,284	(16,183)	(2,380)
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	225,993	333,743	302,261	285,263	305,684	287,602	20,421	(18,082)
SUPPLIES	14,283	9,312	19,612	10,000	8,500	10,000	(1,500)	1,500
OUTSIDE SERVICES	23,000	95,321	86,579	109,000	25,000	75,000	(84,000)	50,000
PUBLIC INFORMATION	0	0	0	0	0	1,000	0	1,000
MARKETING	0	0	0	0	0	0	0	0
COMMUNITY RELATIONS	0	0	49	0	0	0	0	0
ADS, DUES & PUBLICATIONS	1,259	1,489	1,598	1,520	1,500	2,500	(20)	1,000
TRAVEL MEETINGS	1,376	1,578	845	3,000	1,500	3,000	(1,500)	1,500
TRAVEL/TRAINING	1,543	2,161	2,928	2,500	2,000	2,500	(500)	500
PROMOTIONAL HOSTING	0	1,888	3,164	2,000	2,000	2,000	0	0
RENT, UTILITIES, INSURANCE, TAXES	102,900	116,390	97,369	104,900	93,424	93,080	(11,476)	(343)
UTILITY (Pass Thru) & COST OF GOODS SOLD	67,342	94,273	84,596	88,400	45,000	70,000	(43,400)	25,000
OTHER EXPENSES (Misc & Interdept)	9,786	29,787	12,195	3,000	3,000	3,000	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	119,954	105,442	105,132	145,811	140,000	115,459	(5,811)	(24,541)
MAINTENANCE (Materials & Services)	74,307	37,612	19,440	36,291	32,000	29,300	(4,291)	(2,700)
TOTAL OPERATING EXPENSES	641,744	828,995	735,768	791,685	659,608	694,441	(132,077)	34,833
OPERATING SURPLUS (DEFICIT) (before Depr)	2,181,195	2,860,288	2,221,945	2,050,162	2,166,056	2,128,843	115,894	(37,213)
ALLOCATED EXPENSES	499,146	383,845	393,969	594,945	389,420	385,369	(205,525)	(4,051)
ALLOCATED DEPRECIATION	29,533	13,275	14,228	13,786	12,484	11,520	(1,301)	(965)
DEPRECIATION (includes donated assets)	303,111	274,740	275,249	267,567	267,567	371,168	0	103,601
OPERATING SURPLUS (DEFICIT) (after Depr)	1,349,404	2,188,428	1,538,499	1,173,864	1,496,585	1,360,787	322,721	(135,798)

MARINE TRADES AREA (MTA 15)

The Marine Trades Area department was created in 2015 to focus on economic growth with sustainability in boat building, boat repair and boating-related businesses. Initially it is comprised of combining the Travel Lift Pier and Boat Yard operations, which provides haul-out facilities and a dry storage area for maintenance of commercial and recreational boats.

The objectives of Marine Trades Area are to:

- Provide quality haul-out service for maintenance and the dry storage of commercial and recreational boats.
- Provide facilities for tenants of the Port Angeles Boat Haven.
- Obtain a competitive return on the public investment in these facilities which include two Travel Lift Piers, a 70 Ton Travel Lift and a full service boat yard.

2016 PROJECTED

Revenue Assumptions

1. Marina and Yard Fees (M&YF) will be below budget for the year, decreased boat yard use primarily due in part to the absence of the Makah fishing fleet utilizing the BY repair and maintenance.
2. Equipment Rental right at budget from the Port's Travel-Lift usage.
3. Land Lease revenue under (\$30k) due to an expected lease that was never realized. Structure Lease Rent over budget due to leases along Marine Drive.

Expense Assumptions

1. Outside Services over by \$43k due to Wash-down Facility and Storm water work.
2. Maintenance charge-out and materials are over budget due to costs for waste water treatment system and travel lift safety overhaul.

2017 BUDGET

Revenue Assumptions

1. Boatyard rates and fees adjusted not less than CPI of 0.7%.
2. Other User Fees is the treatment of wastewater for localized tenants.
3. Use Agreement and Other Rent includes revenue based on 225 Marine Travel Lift Pier operations (300 and 500 Ton Travel Lifts use the Port's TL Pier).

Expense Assumptions

1. Work will continue on the Wash-down Facility and storm water management.
2. Includes Marketing Expenses associated with the participation in the Pacific Marine Expo.

**Port of Port Angeles
MARINE TRADES AREA (MTA - DEPT 15)
2017 Budget**

	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 BUDGET	2016 PROJECTED	2017 BUDGET	2016 Proj.	2017
							Over/(Under) 2016 Budget	Over/(Under) 2016 Projected
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	150,716	178,120	163,817	200,000	166,000	167,000	(34,000)	1,000
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	3,541	6,117	11,090	10,000	10,848	10,000	848	(848)
EQUIPMENT RENTAL	96,033	97,258	96,957	106,000	105,000	100,000	(1,000)	(5,000)
LAND LEASE/RENT	0	0	81,550	111,550	81,550	81,550	(30,000)	0
STRUCTURE LEASE/RENT	4,941	6,455	26,922	26,801	44,574	64,009	17,773	19,435
USE AGMT AND OTHER RENT	51,060	30,526	36,954	38,500	36,936	36,000	(1,564)	(936)
UTILITY PASS THRU & PRODUCT SALES	1,160	1,718	2,058	3,000	1,000	1,000	(2,000)	0
MISC & INTERDEPT REVENUE	0	0	252	0	1,200	500	1,200	(700)
TOTAL OPERATING REVENUES	307,451	320,193	419,600	495,850	447,108	460,059	(48,742)	12,951
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	35,886	56,269	64,706	103,270	68,272	108,278	(34,998)	40,006
SUPPLIES	5,060	3,661	8,510	10,000	2,156	10,000	(7,844)	7,844
OUTSIDE SERVICES	116,530	86,756	120,724	52,000	95,000	76,600	43,000	(18,400)
PUBLIC INFORMATION	1,390	2,382	2,100	0	214	0	214	(214)
MARKETING	0	0	140	5,000	4,500	5,000	(500)	500
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	0	0	215	600	0	600	(600)	600
TRAVEL MEETINGS	0	0	204	1,500	236	1,500	(1,264)	1,264
TRAVEL/TRAINING	0	65	0	0	0	0	0	0
PROMOTIONAL HOSTING	0	0	489	1,000	680	1,000	(320)	320
RENT, UTILITIES, INSURANCE, TAXES	22,854	23,791	27,716	27,882	33,750	27,917	5,868	(5,833)
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	2,200	0	2,200	(2,200)	2,200
OTHER EXPENSES (Misc & Interdept)	(1,278)	839	992	1,000	2,217	1,000	1,217	(1,217)
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	23,853	36,141	41,252	48,982	65,389	49,606	16,407	(15,783)
MAINTENANCE (Materials & Services)	7,692	31,466	19,508	13,000	35,824	18,000	22,824	(17,824)
TOTAL OPERATING EXPENSES	211,987	241,371	286,553	266,434	308,238	301,701	41,804	(6,537)
OPERATING SURPLUS (DEFICIT) (before Depr)	95,463	78,822	133,047	229,416	138,870	158,358	(90,546)	19,488
ALLOCATED EXPENSES	71,308	126,644	172,537	200,224	195,302	184,835	(4,922)	(10,467)
ALLOCATED DEPRECIATION	3,167	4,380	6,233	4,639	6,261	5,525	1,622	(736)
DEPRECIATION (includes donated assets)	10,592	61,219	64,050	63,938	63,987	64,680	49	693
OPERATING SURPLUS (DEFICIT) (after Depr)	10,396	(113,421)	(109,773)	(39,385)	(126,680)	(96,682)	(87,295)	29,998

LOG YARD (LY 21)

The Log Yard provides facilities for the efficient movement of logs from land to water. Land services include the sorting, decking and staging of loads for both vessels and container trucking. Water services also include the rafting of logs transported via water to a variety of locations within the Puget Sound region and dewatering of inbound volume from Canada via raft. Water services also include round boom and x-water loading (the loading onto vessels from the water). The objectives are:

- To provide log handling facilities and services that are responsive to forest industry needs (30% of the local timber harvests flow through the Port).
- To operate in a manner to cover the cost of Log Yard operations.
- To obtain a fair return on the public investment in these facilities.

2016 PROJECTED

Revenue Assumptions

1. Log Yard Staging is lower than budget due to a decrease in log volume held in the DNR Aquatic Storage and a resulting decrease of the Aquatic Storage Fee revenue.
2. Log Yard Land Services are over budget due to an increase in revenue associated with an increase in export log volume handled at the Log Yard.
3. Log Yard Water Service revenues are lower than budget due to a decrease in Rafting activity and associated revenues.
4. Equipment rental higher than budget due to greater than expected log export activity at the Marine Terminal.

Expenditure Assumptions

1. Maintenance Materials are higher due to unscheduled major repairs to Log Stacker #5 (torque convertor) and to Log Yard Hydraulic Shovel #5 (swing bearing).
2. Cost of Goods Sold is lower due to lower banding purchases for loads that are rafted.
3. Utilities are higher due to sanitation – debris removal, which is a result of increased LY activity.

2017 BUDGET

Revenue Assumptions

1. Rates for most log handling services (and fees) will increase by not less than the August 2016 CPI (CPI-U) of 0.7%.
2. Log Yard Land Services revenue is anticipated to be slightly less than 2016 actuals mainly due to less container loading.
3. Log Yard Water Services is anticipated to be at or slightly over projected 2016 revenues due to an increase inbound/outbound barging activity.
4. Equipment Rental rate from loading equipment used at the marine terminal for on-dock cargo operations will be adjusted not less than 1.7% with revenue based on 72 MMBF of log cargo volume.

Expenditure Assumptions

1. Workload will to be accomplished with 5.5 FTE's (.5 FTE from FM budgeted) and supported by FM and MM personnel as needed.
2. Promotional Hosting includes the annual Olympic Logging Conference.
3. Maintenance costs include dust control measures \$25k and purchase of equipment tires \$30k.
4. Log Yard expenses include materials required for boom-ground and aquatic storage maintenance (boomsticks).

**Port of Port Angeles
LOG YARD (LY - DEPT 21)
2017 Budget**

	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 BUDGET	2016 PROJECTED	2017 BUDGET	2016 Proj.	2017
							Over/(Under) 2016 Budget	Over/(Under) 2016 Projected
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	84,458	69,410	70,073	69,400	31,633	32,524	(37,767)	891
LOG YARD LAND SERVICES	490,572	958,720	593,812	1,062,447	1,280,450	1,222,367	218,003	(58,084)
LOG YARD WATER SERVICES	258,881	300,296	220,046	283,136	101,695	137,167	(181,441)	35,472
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	10,814	6,823	1,346	7,500	4,277	3,625	(3,223)	(652)
EQUIPMENT RENTAL	202,110	286,564	192,212	189,360	204,615	200,260	15,255	(4,355)
LAND LEASE/RENT	47,985	89,034	32,060	31,680	32,092	32,092	412	0
STRUCTURE LEASE/RENT	0	25,587	43,726	43,726	43,726	43,726	0	0
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	60,890	86,958	57,911	53,360	20,990	38,800	(32,370)	17,810
MISC & INTERDEPT REVENUE	19	842	13,506	12,000	22,105	25,000	10,105	2,895
TOTAL OPERATING REVENUES	1,155,730	1,824,233	1,224,692	1,752,609	1,741,583	1,735,561	(11,025)	(6,023)
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	432,839	575,745	553,244	624,507	654,511	613,612	30,004	(40,899)
SALARIES & WAGES	265,256	341,516	318,821	343,220	370,000	348,568	26,780	(21,432)
BENEFITS	97,292	117,564	128,227	126,553	149,511	139,285	22,958	(10,226)
NON-MAINT EE CHARGE-OUT & REIMBURSEME	70,291	116,665	106,196	154,734	135,000	125,759	(19,734)	(9,241)
SUPPLIES	143,433	165,218	98,339	100,000	90,313	100,000	(9,687)	9,687
OUTSIDE SERVICES	18,428	128,452	5,706	15,000	7,703	15,000	(7,297)	7,297
PUBLIC INFORMATION	0	0	157	0	269	0	269	(269)
MARKETING	0	0	1,500	1,500	2,571	1,500	1,071	(1,071)
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	0	777	0	0	0	0	0	0
TRAVEL MEETINGS	123	613	2,129	2,000	3,205	2,000	1,205	(1,205)
TRAVEL/TRAINING	0	765	1,461	1,500	2,394	1,500	894	(894)
PROMOTIONAL HOSTING	1,981	3,535	2,501	3,800	3,340	3,800	(460)	460
RENT, UTILITIES, INSURANCE, TAXES	86,290	78,630	106,344	77,060	83,289	77,619	6,229	(5,670)
UTILITY (Pass Thru) & COST OF GOODS SOLD	56,604	69,529	36,491	40,400	13,680	40,400	(26,720)	26,720
OTHER EXPENSES (Misc & Interdept)	5,484	20,072	9,424	6,000	6,000	6,000	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	129,703	137,825	156,390	126,040	141,336	160,778	15,296	19,442
MAINTENANCE LABOR	(374)	0	0	0	0	0	0	0
MAINTENANCE BENEFITS	0	0	0	0	0	0	0	0
MAINTENANCE CHARGE-OUT & REIMBURSEME	130,077	137,825	156,390	126,040	141,336	160,778	15,296	19,442
MAINTENANCE (Materials & Services)	75,348	181,893	173,450	112,192	127,962	121,500	15,770	(6,462)
TOTAL OPERATING EXPENSES	950,233	1,363,053	1,147,138	1,109,999	1,136,573	1,143,709	26,574	7,136
OPERATING SURPLUS (DEFICIT) (before Depr)	205,497	461,180	77,554	642,610	605,011	591,852	(37,599)	(13,158)
ALLOCATED EXPENSES	339,798	677,741	663,859	834,156	711,473	680,898	(122,683)	(30,574)
ALLOCATED DEPRECIATION	20,105	23,438	23,976	19,328	22,809	20,354	3,481	(2,455)
DEPRECIATION (includes donated assets)	248,336	284,525	299,349	290,540	302,525	337,480	11,985	34,955
OPERATING SURPLUS (DEFICIT) (after Depr)	(402,742)	(524,525)	(909,630)	(501,415)	(431,796)	(446,880)	69,618	(15,084)

FAIRCHILD INTERNATIONAL AIRPORT (FIA 31)

Provides aviation support facilities for general and commercial aviation activities.

The objectives of FIA are:

- To provide safe and efficient support to aviation activities.
- To provide support facilities for economic activity generated by aviation.
- To generate sufficient aviation receipts to cover expenditures of providing aviation facilities for the convenience of the Port District constituency.

2016 PROJECTED

Revenue Assumptions

1. Rates and fees increase by CPI.
2. Landing fees below budget due to expected commercial passenger service not taking place.
3. Commercial passenger service was suspended in November 2014 and has not resumed.
4. Hangar/Tie Down revenue expected to be over budget for the year.

Expense Assumptions

1. Lower than expected expenses across most categories due to expected commercial passenger service carrier not able to start operations.
2. Continue to sponsor booth at NW Aviation Conference and Trade Show.

2017 BUDGET

Revenue Assumptions

1. Rates and fees are increased by CPI.
2. Commercial passenger service restored in Q2 2017.
3. Continue landing fee waiver for commercial passenger service.
4. Fees will not be charged for vehicle parking at the airport.
5. Land & Structure leases expected to continue at same level as previous year.

Expense Assumptions

1. Continue to sponsor booth at NW Aviation Conference and Trade Show.
2. \$105k marketing budget to sustain renewed commercial passenger service.
3. Restore part-time janitor service and carpet cleaning at the airport.

Port of Port Angeles
FAIRCHILD INTL AIRPORT (FIA - DEPT 31)
2017 Budget

	2013	2014	2015	2016	2016	2017	2016 Proj. Over/(Under) 2016 Budget	2017 Over/(Under) 2016 Projected
	ACTUAL	ACTUAL	ACTUAL	BUDGET	PROJECTED	BUDGET		
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	14,953	13,769	6,265	15,500	7,000	7,100	(8,500)	100
HANGAR/TIE DOWN	91,627	80,562	77,431	76,800	85,600	86,100	8,800	500
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	8,062	6,955	6,365	0	5,300	5,300	5,300	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	59,731	37,478	32,953	42,950	43,494	43,494	544	0
STRUCTURE LEASE/RENT	98,897	94,688	86,721	76,300	76,272	76,692	(28)	420
USE AGMT AND OTHER RENT	5,050	5,327	57	100	0	0	(100)	0
UTILITY PASS THRU & PRODUCT SALES	7,885	7,653	6,151	7,909	10,500	10,700	2,591	200
MISC & INTERDEPT REVENUE	50,020	113	12,263	14,700	200	200	(14,500)	0
TOTAL OPERATING REVENUES	336,226	246,545	228,205	234,259	228,366	229,586	(5,893)	1,220
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	116,975	130,777	135,494	191,365	152,279	181,371	(39,086)	29,093
SUPPLIES	154,995	20,926	12,927	10,000	8,825	10,000	(1,175)	1,175
OUTSIDE SERVICES	13,660	371,922	183,044	26,200	10,526	26,200	(15,674)	15,674
PUBLIC INFORMATION	650	2,377	587	1,000	1,305	1,000	305	(305)
MARKETING	0	1,610	1,400	105,000	119	110,000	(104,881)	109,881
COMMUNITY RELATIONS	0	0	0	300	0	300	(300)	300
ADS, DUES & PUBLICATIONS	250	494	823	250	(379)	250	(629)	629
TRAVEL MEETINGS	1,844	423	188	400	445	400	45	(45)
TRAVEL/TRAINING	463	936	3,273	3,000	1,041	3,000	(1,959)	1,959
PROMOTIONAL HOSTING	0	55	216	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	134,945	143,367	149,210	150,238	149,743	162,722	(495)	12,979
UTILITY (Pass Thru) & COST OF GOODS SOLD	8,149	7,253	6,466	7,909	10,721	7,909	2,812	(2,812)
OTHER EXPENSES (Misc & Interdept)	509	(13,321)	(3,163)	1,500	4,030	1,500	2,530	(2,530)
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	103,063	120,888	146,707	162,354	153,899	153,095	(8,455)	(804)
MAINTENANCE (Materials & Services)	14,197	15,993	18,055	29,075	12,170	24,800	(16,905)	12,630
TOTAL OPERATING EXPENSES	549,699	803,699	655,227	688,591	504,724	682,547	(183,867)	177,823
OPERATING SURPLUS (DEFICIT) (before Depr)	(213,474)	(557,154)	(427,023)	(454,332)	(276,358)	(452,961)	177,974	(176,603)
ALLOCATED EXPENSES	201,729	391,384	362,259	517,470	283,214	375,862	(234,256)	92,648
ALLOCATED DEPRECIATION	11,936	14,459	13,965	11,990	10,035	12,446	(1,956)	2,411
DEPRECIATION (includes donated assets)	410,203	399,130	450,416	441,662	488,235	490,314	46,573	2,079
OPERATING SURPLUS (DEFICIT) (after Depr)	(837,341)	(1,362,127)	(1,253,663)	(1,425,455)	(1,057,842)	(1,331,583)	367,613	(273,741)

AIRPORT RENTAL PROPERTIES (ARP 33)

The Airport Rental Property business line provides a wide range of industrial properties and a few commercial properties that support various economic activities in the private sector. Examples of these properties are: Land and buildings located at Fairchild International Airport Industrial Park; land, buildings, autoclaves and the newly minted Composites Technology Recycling Center at the Composites Manufacturing Campus and other leases near the airport that are non-aeronautical.

Additional Port rental properties fall within other lines of businesses.

The objectives of the Airport Rental Property activities are to:

- Provide land & facilities for a range of industrial activities.
- Maximize utilization of Port assets.
- Provide facilities for the creation of living wage jobs.

2016 PROJECTED

Revenue Assumptions

1. Airport Rental Properties revenues are over budget due to a holdover lease that was only budgeted for the first six months of the year.

Expense Assumptions

1. Outside Services is over budget due to legal costs.
2. Security charge-out expenses are lower than budget due to standard operating procedures being reviewed and adjusted.

2017 BUDGET

Revenue Assumptions

1. Revenues for the Airport Rental Properties include deferred rent for the CRTC Bldg completed in 2016.
2. Concentrated marketing efforts for the Composite Technology Recycling Center (during 2016 & 2017) is intended to create an increase of revenue for airport rental properties in 2017.
3. Tenant previously expected to end their lease in Q2 2016 has extended their stay to Q2 2017.

Expense Assumptions

1. Broker services for the 10.10 Bldg may reach \$125k.
2. Outside Services includes a planned increase in Legal expenses due to the completion of the CRTC Bldg. and the increased tenant interest.
3. Depending on response to CTRC marketing efforts staff will be assessing property needs and planning accordingly.

Port of Port Angeles
AIRPORT RENTAL PROPERTIES (ARP - DEPT 33)
2017 Budget

*ARP - new dept created in 2014

	2013*	2014	2015	2016	2016	2017	2016 Proj. Over/(Under) 2016 Budget	2017 Over/(Under) 2016 Projected
	ACTUAL	ACTUAL	ACTUAL	BUDGET	PROJECTED	BUDGET		
<u>OPERATING REVENUES</u>								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	0	0	0	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	0	247,346	258,309	268,571	311,213	288,746	42,642	(22,467)
STRUCTURE LEASE/RENT	0	803,856	778,148	716,541	805,140	807,412	88,599	2,272
USE AGMT AND OTHER RENT	0	0	2,926	0	3,693	3,000	3,693	(693)
UTILITY PASS THRU & PRODUCT SALES	0	0	348	1,020	1,000	1,020	(20)	20
MISC & INTERDEPT REVENUE	0	0	0	0	8,000	7,000	8,000	(1,000)
TOTAL OPERATING REVENUES	0	1,051,202	1,039,731	986,132	1,129,046	1,107,178	142,914	(21,868)
<u>OPERATING EXPENSES</u>								
SALARIES, BENEFITS & INTERDEPT CHRGS	0	31,455	74,642	81,770	109,905	79,199	28,135	(30,706)
SUPPLIES	0	2,197	20	1,000	0	1,000	(1,000)	1,000
OUTSIDE SERVICES	0	46,587	0	34,000	37,360	159,000	3,360	121,640
PUBLIC INFORMATION	0	0	0	200	0	200	(200)	200
MARKETING	0	0	0	2,000	0	2,000	(2,000)	2,000
COMMUNITY RELATIONS	0	0	0	0	1,309	0	1,309	(1,309)
ADS, DUES & PUBLICATIONS	0	280	0	0	0	0	0	0
TRAVEL MEETINGS	0	0	0	1,000	0	0	(1,000)	0
TRAVEL/TRAINING	0	0	0	2,000	0	0	(2,000)	0
PROMOTIONAL HOSTING	0	0	0	0	40	7,500	40	7,460
RENT, UTILITIES, INSURANCE, TAXES	0	24,899	69,000	80,676	78,708	80,779	(1,968)	2,071
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	348	1,020	900	1,020	(120)	120
OTHER EXPENSES (Misc & Interdept)	0	3,912	496	250	268	250	18	(18)
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	0	32,759	61,689	67,877	63,761	72,271	(4,116)	8,510
MAINTENANCE (Materials & Services)	0	20,817	76,217	69,000	63,000	60,000	(6,000)	(3,000)
TOTAL OPERATING EXPENSES	-	162,906	282,411	340,793	355,251	463,219	14,458	107,968
OPERATING SURPLUS (DEFICIT) (before Depr)	0	888,296	757,320	645,339	773,795	643,959	128,456	(129,836)
ALLOCATED EXPENSES	0	238,556	545,593	256,105	944,388	1,187,293	688,283	242,905
ALLOCATED DEPRECIATION	0	2,886	6,225	5,934	7,198	8,527	1,264	1,329
DEPRECIATION (includes donated assets)	0	351,739	322,452	293,032	313,018	463,233	19,986	150,215
OPERATING SURPLUS (DEFICIT) (after Depr)	0	295,115	(116,950)	90,268	(490,809)	(1,015,094)	(581,077)	(524,285)

SEKIU AIRPORT (SEK 32)

Provides a general aviation link for the Neah Bay, Clallam Bay and Sekiu areas.

The objectives of the Sekiu Airport are:

- To continue to provide light aviation support for the West end.
- To maximize revenue opportunities to help defray operating costs.

2016 PROJECTED

Revenue Assumptions

1. Projected hangar/tie-down receipts under budget due to relatively full occupancy.

Expense Assumptions

1. Budgeted hangar door repairs not needed, repairs done by FM for much less than anticipated.

2017 BUDGET

Revenue Assumptions

1. Rates and fees increase by CPI.
2. Other revenues remain unchanged.

Expense Assumptions

1. Continue inter-local agreement with Clallam County Fire District #5.

***Continue on to next page*

**Port of Port Angeles
SEKIU (SEK - DEPT 32)
2017 Budget**

	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 BUDGET	2016 PROJECTED	2017 BUDGET	2016 Proj.	2017
							Over/(Under) 2016 Budget	Over/(Under) 2016 Projected
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	14,644	15,164	15,534	15,300	14,200	14,300	(1,100)	100
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	0	0	0	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	63	0	0	0	0	0	0	0
STRUCTURE LEASE/RENT	0	0	0	0	0	0	0	0
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	600	600	600	600	600	600	0	0
MISC & INTERDEPT REVENUE	0	0	10	0	0	0	0	0
TOTAL OPERATING REVENUES	15,306	15,764	16,144	15,900	14,800	14,900	(1,100)	100
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	5,181	5,924	5,508	6,555	3,874	6,715	(2,681)	2,841
SUPPLIES	22,185	0	0	200	66	200	(134)	134
OUTSIDE SERVICES	5,123	4,059	4,861	5,200	3,600	5,320	(1,600)	1,720
PUBLIC INFORMATION	0	0	0	0	0	0	0	0
MARKETING	0	0	0	0	0	0	0	0
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	0	0	0	0	0	0	0	0
TRAVEL MEETINGS	0	0	0	0	0	0	0	0
TRAVEL/TRAINING	0	0	0	0	0	0	0	0
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	6,718	6,850	6,836	6,956	6,602	6,935	(354)	333
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	16	34	20	100	100	100	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	673	1,393	4,429	5,039	9,257	5,987	4,218	(3,270)
MAINTENANCE (Materials & Services)	0	2,254	148	13,100	3,000	5,750	(10,100)	2,750
TOTAL OPERATING EXPENSES	39,897	20,514	21,803	37,150	26,499	31,007	(10,651)	4,508
OPERATING SURPLUS (DEFICIT) (before Depr)	(24,591)	(4,751)	(5,659)	(21,250)	(11,699)	(16,107)	9,551	(4,408)
ALLOCATED EXPENSES	9,775	10,087	12,482	27,918	15,192	17,275	(12,726)	2,083
ALLOCATED DEPRECIATION	578	373	481	647	538	572	(109)	34
DEPRECIATION (includes donated assets)	7,313	3,699	3,699	3,699	3,699	3,699	0	0
OPERATING SURPLUS (DEFICIT) (after Depr)	(42,257)	(18,910)	(22,321)	(53,514)	(31,128)	(37,652)	22,386	(6,525)

PORT ANGELES BOAT HAVEN (PABH 41)

Provides moorage facilities for the commercial fishermen and the recreational boater.

The objectives of the PABH are:

- To provide moorage facilities and to upgrade and enhance the quality of the facility.
- To operate in a manner that will cover the cost of PABH operations.
- To obtain a competitive return on the public investment in these facilities.

2016 PROJECTED

Revenue Assumptions

1. Moorage rates for all slips were increased by 2.8%, as approved by the Commission.
2. Other rates and fees increased by CPI.
3. Moorage receipts expected to be slightly above budget at PABH and \$80k above budget at JWM.

Expense Assumptions

1. Outside services above budget due to unplanned work on the hoist pier & fuel tank design work needed with a change in operations agent.
2. Utility Pass-thru and Cost of Goods Sold expenses higher than budget due to increased moorage.

2017 BUDGET

Revenue Assumptions

1. Moorage rates will increase \$0.50 per foot for the 80 foot slips and will increase by 1% plus CPI 0.7% for all slips (as approved by the Commission).
2. Modest increase to annual launch ramp fee.
3. Other rates and fees increase by CPI.

Expense Assumptions

1. Continue Port booth at Port Townsend Wooden Boat Festival and joint marketing effort with PA Yacht Club for Waterfront Open House event.
2. Masco Petroleum will continue as the Port's agent in 2017.
3. Maintenance work includes \$15k for shore power pedestals.
4. Marketing budget remains at \$5k.

**Port of Port Angeles
PORT ANGELES BOAT HAVEN (PABH - DEPT 41)
2017 Budget**

	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 BUDGET	2016 PROJECTED	2017 BUDGET	2016 Proj.	2017
							Over/(Under) 2016 Budget	Over/(Under) 2016 Projected
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	6,220	12,976	17,383	6,000	28,500	18,900	22,500	(9,600)
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	1,600	1,600	1,600	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	1,031,998	1,028,690	1,076,205	1,035,700	1,036,400	1,050,900	700	14,500
MARINA & YARD FEES	37,062	36,737	38,427	35,300	48,800	49,100	13,500	300
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	0	2,100	480	0	0	0	0	0
EQUIPMENT RENTAL	17,315	12,860	13,300	16,000	11,200	11,300	(4,800)	100
LAND LEASE/RENT	552	5,039	5,095	5,000	6,877	13,351	1,877	6,474
STRUCTURE LEASE/RENT	3,532	3,256	3,256	17,580	9,746	27,906	(7,834)	18,160
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	137,142	133,157	132,658	138,800	145,500	148,400	6,700	2,900
MISC & INTERDEPT REVENUE	2,180	5,430	7,090	4,200	7,000	22,100	2,800	15,100
TOTAL OPERATING REVENUES	1,236,001	1,240,245	1,293,893	1,258,580	1,295,623	1,343,557	37,043	47,934
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	81,098	87,898	68,713	75,659	72,232	68,571	(3,427)	(3,661)
SUPPLIES	13,748	14,460	15,183	15,500	18,939	15,500	3,439	(3,439)
OUTSIDE SERVICES	162,156	186,374	180,419	175,400	201,576	272,000	26,176	70,424
PUBLIC INFORMATION	1,390	3,679	5,069	5,000	3,330	5,000	(1,670)	1,670
MARKETING	0	150	1,841	5,000	2,933	5,000	(2,067)	2,067
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	1,322	1,661	1,579	2,000	2,321	2,000	321	(321)
TRAVEL MEETINGS	0	0	0	500	208	500	(292)	292
TRAVEL/TRAINING	123	728	273	1,000	417	1,000	(583)	583
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	120,103	126,696	112,610	110,996	115,125	109,898	4,129	(5,227)
UTILITY (Pass Thru) & COST OF GOODS SOLD	83,716	89,327	94,950	86,900	97,529	86,900	10,629	(10,629)
OTHER EXPENSES (Misc & Interdept)	12,891	5,509	4,096	0	100	0	100	(100)
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	60,869	37,374	55,552	75,918	73,156	59,870	(2,762)	(13,286)
MAINTENANCE (Materials & Services)	10,836	23,592	22,172	54,603	48,000	47,000	(6,603)	(1,000)
TOTAL OPERATING EXPENSES	548,252	577,447	562,456	608,476	635,865	673,238	27,389	37,373
OPERATING SURPLUS (DEFICIT) (before Depr)	687,750	662,798	731,437	650,104	659,758	670,319	9,654	10,561
ALLOCATED EXPENSES	288,581	255,372	285,149	457,265	341,093	361,854	(116,171)	20,761
ALLOCATED DEPRECIATION	18,126	8,832	10,298	10,595	10,935	10,817	340	(118)
DEPRECIATION (includes donated assets)	336,376	344,780	350,343	351,207	350,205	379,649	(1,002)	29,444
OPERATING SURPLUS (DEFICIT) (after Depr)	44,667	53,814	85,647	(168,963)	(42,476)	(82,001)	126,487	(39,526)

JOHN WAYNE MARINA (JWM 43)

Provide moorage facilities for the East end of the Port district for the recreational boater, for charter fishing activities, and commercial fishing vessels.

The objectives of the JWM are:

- To provide public facilities for area residents.
- To continue to provide quality moorage facilities.
- To continue increasing revenue opportunities and to generate an excess of receipts over expenditures to help fund Port activities and projects.
- To obtain a competitive return on the public investment in these facilities.

2016 PROJECTED

Revenue Assumptions

1. Moorage rates for most slips increased by 2.8% as approved by the Commission. No increase was applied to the 40, 50 & 60 foot slips.
2. Other rates and fees increased by CPI.
3. Moorage receipts will be approximately \$85k above budget.
4. Utility pass thru & product sales projected higher due to higher fuel sales than estimated.

Expense Assumptions

1. Utilities over budget due to payment of water usage agreement.

2017 BUDGET

Revenue Assumptions

1. Moorage rates for most slips will increase by 1.0% plus CPI 0.7% as approved by the Commission. No increase will be applied to the 50 & 60 foot slips.
2. Modest increase to annual launch ramp fee.
3. Other rates and fee increase by CPI.

Expense Assumptions

1. Continue past practice of hiring summer help.
2. Marketing budget maintained at \$5k.
3. Major maintenance work includes approximately \$40k for general repairs & maintenance by FM due to the aging infrastructure.

**Port of Port Angeles
JOHN WAYNE MARINA (JWM - DEPT 43)
2017 Budget**

	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 BUDGET	2016 PROJECTED	2017 BUDGET	2016 Proj.	2017
							Over/(Under) 2016 Budget	Over/(Under) 2016 Projected
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	1,140	1,558	947	0	600	600	600	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	735,866	751,870	792,543	780,600	865,700	867,000	85,100	1,300
MARINA & YARD FEES	40,351	42,696	44,919	43,700	56,200	56,500	12,500	300
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	0	1,007	0	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	0	0	0	0	0	0	0	0
STRUCTURE LEASE/RENT	48,714	52,083	54,439	52,900	55,029	53,201	2,129	(1,828)
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	306,420	307,491	281,544	273,000	196,000	200,000	(77,000)	4,000
MISC & INTERDEPT REVENUE	3,419	5,184	(717)	1,000	2,300	2,400	1,300	100
TOTAL OPERATING REVENUES	1,135,909	1,161,890	1,173,676	1,151,200	1,175,829	1,179,701	24,629	3,872
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	342,846	348,170	356,223	330,588	348,216	337,292	17,628	(10,924)
SUPPLIES	35,907	12,148	11,109	13,400	11,394	13,400	(2,006)	2,006
OUTSIDE SERVICES	21,998	35,748	22,005	15,600	12,839	15,600	(2,761)	2,761
PUBLIC INFORMATION	430	730	2,418	5,000	2,633	5,000	(2,367)	2,367
MARKETING	0	150	319	5,000	2,293	5,000	(2,707)	2,707
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	476	1,094	638	800	2,057	800	1,257	(1,257)
TRAVEL MEETINGS	0	37	103	500	254	500	(246)	246
TRAVEL/TRAINING	203	605	348	1,000	417	1,000	(583)	583
PROMOTIONAL HOSTING	0	0	92	0	46	0	46	(46)
RENT, UTILITIES, INSURANCE, TAXES	73,474	83,289	129,536	74,671	83,640	73,563	8,969	(10,077)
UTILITY (Pass Thru) & COST OF GOODS SOLD	244,640	258,678	224,592	186,100	179,257	186,100	(6,843)	6,843
OTHER EXPENSES (Misc & Interdept)	4,955	12,061	12,373	8,000	10,388	8,000	2,388	(2,388)
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	37,914	27,069	54,017	60,171	43,989	45,330	(16,182)	1,341
MAINTENANCE (Materials & Services)	26,956	31,484	32,705	36,636	39,458	31,600	2,822	(7,858)
TOTAL OPERATING EXPENSES	789,798	811,263	846,477	737,466	736,882	723,184	(584)	(13,698)
OPERATING SURPLUS (DEFICIT) (before Depr)	346,111	350,627	327,199	413,734	438,947	456,517	25,213	17,570
ALLOCATED EXPENSES	299,084	290,152	390,615	554,199	353,315	331,457	(200,885)	(21,857)
ALLOCATED DEPRECIATION	17,696	10,034	14,107	12,842	11,327	9,908	(1,515)	(1,419)
DEPRECIATION (includes donated assets)	199,945	207,767	213,700	213,898	213,898	215,551	0	1,653
OPERATING SURPLUS (DEFICIT) (after Depr)	(170,614)	(157,327)	(291,223)	(367,205)	(139,593)	(100,400)	227,612	39,193

RENTAL PROPERTIES (RP 61)

The Rental Property business line consists of those properties that are not associated with other lines of business and provides a range of mostly industrial properties and a few commercial properties that support various economic activities in the private sector. Examples of these properties are: land and buildings along the Port Angeles waterfront and Marine Drive.

Additional Rental Properties fall within other, specific lines of businesses (LOB).

The objectives of the Rental Property activity are to:

- Provide land & facilities for a range of industrial & commercial activities.
- Maximize utilization of Port assets.
- Provide facilities for the creation of living wage jobs.

2016 PROJECTED

Revenue Assumptions

1. Rental Properties over budget due to unbudgeted, temporary usage of the old Kply site (future MTIP).

Expense Assumptions

1. Salaries/benefits interdepartmental charge-outs are slightly higher than budget due to shift of recording actual time spent in departments as opposed to recording a budgeted amount.
2. Expenses overall are on budget for the year.

2017 BUDGET

Revenue Assumptions

1. Rental revenue for all lines of business (LOB) is estimated to be approximately \$1.8 million for 2017.
2. The RP department is used to record lease revenue that otherwise does not fit into established departments. Currently, this includes properties along Marine Drive.
3. Director of Business Development concentrating efforts across all business lines to maximize lease occupancy.

Expense Assumptions

1. Total expenses expected to be slightly lower than 2016 due to department restructuring and efforts to record direct expenses to the correct Line of Businesses.

Port of Port Angeles
RENTAL PROPERTIES (RP - DEPT 61)
2017 Budget

	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 BUDGET	2016 PROJECTED	2017 BUDGET	2016 Proj.	2017
							Over/(Under) 2016 Budget	Over/(Under) 2016 Projected
OPERATING REVENUES								
DOCKAGE	0	1,190	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	0	811	246	0	700	0	700	(700)
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	505,658	287,302	186,970	48,301	56,821	45,509	8,520	(11,312)
STRUCTURE LEASE/RENT	1,017,199	66,071	34,460	20,300	20,316	20,316	16	0
USE AGMT AND OTHER RENT	600	600	25	0	175	100	175	(75)
UTILITY PASS THRU & PRODUCT SALES	52,218	40,112	26,379	1,620	2,000	2,000	380	0
MISC & INTERDEPT REVENUE	(47,096)	0	0	0	0	0	0	0
TOTAL OPERATING REVENUES	1,528,578	396,086	248,081	70,221	80,012	67,925	9,791	(12,087)
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	150,884	84,557	53,635	56,137	64,207	37,247	8,070	(26,960)
SUPPLIES	1,743	89	666	1,200	500	1,200	(700)	700
OUTSIDE SERVICES	70,480	21,645	20,721	8,000	8,185	8,000	185	(185)
PUBLIC INFORMATION	0	0	764	1,000	417	1,000	(583)	583
MARKETING	0	0	0	500	208	20,000	(292)	19,792
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS - 61	870	245	1,017	0	285	210	285	(75)
TRAVEL MEETINGS	0	0	0	1,000	417	0	(583)	(417)
TRAVEL/TRAINING - 61	0	1,651	3,366	2,500	1,580	0	(920)	(1,580)
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	104,199	85,002	29,041	23,731	28,619	23,405	4,888	(5,214)
UTILITY (Pass Thru) & COST OF GOODS SOLD	28,894	39,929	23,867	1,620	675	1,620	(945)	945
OTHER EXPENSES (Misc & Interdept)	3,380	910	526	0	0	0	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	68,260	30,566	35,986	36,385	30,220	31,645	(6,165)	1,425
MAINTENANCE (Materials & Services)	15,748	5,576	7,471	15,000	12,521	14,500	(2,479)	1,979
TOTAL OPERATING EXPENSES	444,459	270,169	177,061	147,073	147,834	138,827	761	(9,007)
OPERATING SURPLUS (DEFICIT) (before Depr)	1,084,119	125,916	71,020	(76,852)	(67,822)	(70,902)	9,030	(3,080)
ALLOCATED EXPENSES	308,206	120,935	93,424	110,524	93,241	84,676	(17,283)	(8,565)
ALLOCATED DEPRECIATION	18,236	4,182	3,374	2,561	2,989	2,531	428	(458)
DEPRECIATION (includes donated assets)	321,039	6,366	5,424	4,542	4,542	4,542	0	0
OPERATING SURPLUS (DEFICIT) (after Depr)	436,639	(5,568)	(31,202)	(194,479)	(168,594)	(162,652)	25,885	5,942

MECHANICAL MAINTENANCE (MM 91)

The Port Mechanical Maintenance department is responsible for the maintenance and upkeep of the Port's equipment and vehicles. This equipment includes rolling stock and boom boats for log handling and cargo operations, maintenance related equipment, airport firefighting and snow removal equipment, marina and boatyard equipment and the Port's fleet of vehicles.

The Port maintains the following equipment valued at approximately \$2 million:

- 5 Log stackers
- 2 Hydraulic grapple log loaders
- 2 980 Caterpillar wheel loaders
- 1 Euclid wheel loader
- 1 Backhoe
- 3 Boom boats
- 1 Vacuum Sweeper
- 2 10-yard dump trucks and 1 5-yard dump truck
- 1 John Deere Grader (1970's)
- 1 2-ton flatbed truck
- 1 Water truck
- 2 ARFF Fire truck and firefighting equipment
- 7 Forklifts
- 4 Tractors
- 1 New Holland Tractor Mower
- 1960 John Deere Tractor w/mower deck
- 1960 International Tractor w/brush hog mower
- Bomford Brush Cutter (1970's)
- 2 riding mowers
- 3 push mowers
- 1 Scissor lift
- 1 boom lift
- 19 Fleet vehicles (mostly pickup trucks)

The Port also operates a welding shop with certified welders for maintenance and fabrication.

2016 PROJECTED

Expense Assumptions

1. Increased use of wash-rack caused higher than expected expenses in Outside Services.
2. Slightly over in supplies due to replenishment of filters, batteries and lubricants.

2017 BUDGET

Expense Assumptions

1. Outside Services increased from 2016 Budget to include wash-rack usage.
2. Facilities Maintenance to repair floors of the Mech Shop at an estimated \$3k.
3. Management shift has taken place with the Facilities Manager now responsible for FM and MM. Expenses will not be affected in a material manner.

Port of Port Angeles
MECHANICAL MAINTENANCE (MM - DEPT 91)
2017 Budget

	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 BUDGET	2016 PROJECTED	2017 BUDGET	2016 Proj.	2017
							Over/(Under) 2016 Budget	Over/(Under) 2016 Projected
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	0	0	0	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	0	0	0	0	0	0	0	0
STRUCTURE LEASE/RENT	0	0	0	0	0	0	0	0
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	0	0	0	0	0	0	0	0
MISC & INTERDEPT REVENUE	0	0	0	0	0	0	0	0
TOTAL OPERATING REVENUES	0	0	0	0	0	0	0	0
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	27,514	32,320	36,806	41,971	38,085	32,817	(3,886)	(5,268)
SUPPLIES	14,762	22,369	24,834	22,000	29,002	22,000	7,002	(7,002)
OUTSIDE SERVICES	5,110	6,026	13,212	6,300	18,876	10,100	12,576	(8,776)
PUBLIC INFORMATION	0	0	0	0	0	0	0	0
MARKETING	0	0	0	0	0	0	0	0
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	0	0	939	0	0	0	0	0
TRAVEL MEETINGS	0	0	204	0	0	0	0	0
TRAVEL/TRAINING	1,248	1,320	2,869	3,200	2,774	3,200	(426)	426
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	19,293	20,347	20,475	19,701	15,995	19,632	(3,706)	3,637
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	0	255	228	250	0	250	(250)	250
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	23,551	12,708	21,760	50,855	35,420	51,136	(15,435)	15,716
MAINTENANCE (Materials & Services)	5,894	5,546	8,750	4,041	7,564	4,000	3,523	(3,564)
TOTAL OPERATING EXPENSES	97,372	100,891	130,077	148,318	147,716	143,136	(602)	(4,581)
OPERATING SURPLUS (DEFICIT) (before Depr)	(97,372)	(100,891)	(130,077)	(148,318)	(147,716)	(143,136)	602	4,581
ALLOCATED EXPENSES	(127,130)	(126,384)	(156,943)	(148,318)	(147,716)	(143,136)	602	4,581
ALLOCATED DEPRECIATION	0	0	0	(26,963)	(26,961)	(14,880)	2	12,081
DEPRECIATION (includes donated assets)	29,758	25,493	26,866	26,963	26,961	14,880	(2)	(12,081)
OPERATING SURPLUS (DEFICIT) (after Depr)	(0)	0	(0)	0	0	0	0	0

FACILITIES MAINTENANCE (FM 92)

The Facilities Maintenance (FM) department provides for the maintenance and upkeep of numerous Port buildings and facilities including the Marine Terminals, William R. Fairchild International Airport, John Wayne Marina, Port Angeles Boat Haven, the Marine Trades Area, PABH & JWM Boat Launch Ramps, the Port Log Yard and various rental properties.

Primary services provided by the FM department include carpentry, electrical, plumbing, HVAC, fire safety, storm-water, material handling, equipment operations and grounds maintenance. In addition, the department undertakes a wide variety of capital improvement projects. Its customers include Port tenants, public users and Port Departments. The FM crew also provides a reservoir of labor that can be called upon by the Log Yard during busy periods including operation of boom boats, loading logs, watering, etc.

2016 PROJECTED

Expense Assumptions

1. Maintenance activities through the end of year will include routine and seasonal maintenance and purchase of small tools. FM Labor decreased in 2016 due to the retirement of one, long time staff member.

2017 BUDGET

Expense Assumptions

1. Capitalized labor cost will decrease from projected 2016 to \$60k.
2. Increased janitorial services budgeted to accommodate commercial passenger service returning to FIA from 0.5 FTE to 0.75 FTE.
3. In view of forecasted LY Operations need, FM Labor assigned to LY is remaining at 0.50 FTE. However, services to LY including dust control, bark and rock hauling to remain steady.
4. Training includes safety classes and MPulse software and technical training. All FM employees to receive forklift safety and fall protection certifications.
5. Maintenance costs vary across departments generally following trend but punctuated with larger maintenance projects. These projects include south T1 mooring hardware maintenance, Screw Sucker rental & service (a specific type of pump), ARP parking lot crack sealing, ARP catch basin (CB) installs & PABH installation/maintenance for shore power pedestals and life ring cabinets.
6. Supplies purchased for FM are to replace aging equipment and to improve safety & efficiency of daily tasks. Major items are misc. small tools, a mower roller, a service truck crane and the purchase of office furniture.

**Port of Port Angeles
FACILITIES MAINTENANCE (FM - DEPT 92)
2017 Budget**

	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 BUDGET	2016 PROJECTED	2017 BUDGET	2016 Proj.	2017
							Over/(Under) 2016 Budget	Over/(Under) 2016 Projected
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	0	0	0	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	0	0	0	0	0	0	0	0
STRUCTURE LEASE/RENT	0	0	0	0	0	0	0	0
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	0	0	0	0	0	0	0	0
MISC & INTERDEPT REVENUE	0	0	0	0	0	0	0	0
TOTAL OPERATING REVENUES	0	0	0	0	0	0	0	0
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	26,882	77,396	91,325	45,539	48,728	49,655	3,189	927
SUPPLIES	24,675	43,399	36,338	47,150	45,737	38,000	(1,413)	(7,737)
OUTSIDE SERVICES	5,256	5,501	6,235	4,570	6,591	7,000	2,021	409
PUBLIC INFORMATION	0	0	0	0	54	0	54	(54)
MARKETING	0	0	0	0	0	0	0	0
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	110	1,218	1,932	1,400	1,919	2,000	519	81
TRAVEL MEETINGS	531	15	134	0	258	500	258	242
TRAVEL/TRAINING	2,450	3,709	4,556	5,525	9,377	12,000	3,852	2,623
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	18,561	19,610	19,947	19,733	21,121	20,318	1,388	(803)
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	3,658	3,099	2,919	4,400	5,844	5,000	1,444	(844)
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	77,788	51,352	70,642	25,393	23,618	35,550	(1,775)	11,932
MAINTENANCE (Materials & Services)	14,493	22,656	28,522	15,700	14,700	27,125	(1,000)	12,425
TOTAL OPERATING EXPENSES	174,404	227,955	262,549	169,410	177,947	197,148	8,537	19,200
OPERATING SURPLUS (DEFICIT) (before Depr)	(174,404)	(227,955)	(262,549)	(169,410)	(177,947)	(197,148)	(8,537)	(19,200)
ALLOCATED EXPENSES	(212,373)	(264,098)	(302,947)	(169,410)	(177,947)	(197,148)	(8,537)	(19,200)
ALLOCATED DEPRECIATION	0	0	0	(31,588)	(34,225)	(32,304)	(2,637)	1,921
DEPRECIATION (includes donated assets)	37,969	36,143	40,399	31,588	34,225	32,304	2,637	(1,921)
OPERATING SURPLUS (DEFICIT) (after Depr)	0	0	0	0	0	0	0	0

ECONOMIC & BUSINESS DEVELOPMENT (BD 81)

Drives and coordinates commission-directed strategies to further economic growth in Clallam County through diversification and support of targeted industries.

The objectives of business development activity are:

- To increase industrial activity through targeted marketing of Port assets and capabilities.
- To partner with strategic public and private organizations to support the furtherance of industry activities that provides living wage jobs in Clallam County.

Promotional Hosting can only be used to support the public purpose of furthering the local economy. All expenditures support the objectives of expanding Industrial Development and Trade Promotion as stipulated in the Port's Strategic Plan. Maintaining and improving relations between the Port and its customers and potential targeted customers is a core aspect of creating new business. The proposed budget for this activity is in conformance with R.C.W. 53.36.130. Examples include hosting events for partners or prospective and existing tenants in the aerospace, composites, marine, and timber industries.

2016 PROJECTED

Expense Assumptions

1. Outside Services were lower due to time constraints that did not allow for the Timber Advocacy that was budgeted. The main focus was getting the CRTC (Composite Recycling Technology Center) funded and constructed.
2. Travel was lower due to cancelation of planned trips. The CRTC required more time than anticipated.
3. Marketing, Public Information, Community Relations, and Promotional Hosting were also all under budget due to time focused on the composite recycling initiative.

2017 BUDGET

Expense Assumptions

1. CRTC contract for Economic Development Services (EDS) for \$615k continues and will, again, be funded as an investment from Capital Reserves.
2. Business Development Director time that was promised to CRTC has been converted to a cash payout due to unexpected personnel changes \$93k (also funded as an investment from Capital Reserves).
3. Outside Services include: \$25k Market/Feasibility analysis for maritime, fishing, seafood & other; \$30k Sustainable Harvest, Advanced Wood Products & Other Timber Advocacy efforts; and \$50k Marine Trades Industrial Park (MTIP) lease feasibility & grant writing.
4. EDC contract will remain at \$30k.
5. SBDC contract increased from \$23k to \$46k per Commission direction. SBDC has shown that their efforts are making a difference in the community to retain living wage jobs.
6. Travel/Meetings and Travel/Training includes 2 attendees for JEC Composites in Europe and events in: Composite & Advanced Manufacturing, Advanced Wood Products, and misc. regional conferences.

Port of Port Angeles
ECONOMIC & BUSINESS DEVELOPMENT (BD - DEPT 81)
2017 Budget

	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 BUDGET	2016 PROJECTED	2017 BUDGET	2016 Proj.	2017
							Over/(Under) 2016 Budget	Over/(Under) 2016 Projected
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	67,388	88,508	169,613	126,086	159,543	100,367	33,457	(59,177)
SUPPLIES	(0)	161	892	250	233	250	(17)	17
OUTSIDE SERVICES	71,091	146,670	272,204	768,000	708,611	928,828	(59,389)	220,217
PUBLIC INFORMATION	21,975	5,085	12,334	10,000	25,514	12,388	15,514	(13,126)
MARKETING	17,255	12,094	10,985	20,000	16,383	20,000	(3,617)	3,617
COMMUNITY RELATIONS	0	65	0	5,000	0	5,000	(5,000)	5,000
ADS, DUES & PUBLICATIONS	1,968	4,441	13,038	9,975	1,971	9,975	(8,004)	8,004
TRAVEL MEETINGS	5,571	13,365	17,681	39,750	20,090	39,750	(19,660)	19,660
TRAVEL/TRAINING	207	6,731	3,573	2,500	4,425	2,500	1,925	(1,925)
PROMOTIONAL HOSTING	5,248	1,513	5,303	7,500	1,531	7,500	(5,969)	5,969
RENT, UTILITIES, INSURANCE, TAXES	495	270	987	540	1,261	540	721	(721)
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	0	0	0	0	0	0	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	0	0	2,795	0	0	0	0	0
MAINTENANCE (Materials & Services)	0	0	1,045	0	0	0	0	0
TOTAL OPERATING EXPENSES	191,198	278,903	510,449	989,601	939,562	1,127,098	(50,039)	187,536
OPERATING SURPLUS (DEFICIT) (before Depr)	(191,198)	(278,903)	(510,449)	(989,601)	(939,562)	(1,127,098)	50,039	(187,536)
ALLOCATED EXPENSES	(191,198)	(278,903)	(510,449)	(989,601)	(939,562)	(1,127,098)	50,039	(187,536)
ALLOCATED DEPRECIATION	0	0	0	0	0	0	0	0
DEPRECIATION (includes donated assets)	0	0	0	0	0	0	0	0
OPERATING SURPLUS (DEFICIT) (after Depr)	0	0	(0)	0	0	0	0	0

Promotional Hosting Maximum

Per RCW 53.36.130, 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 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.

		2015 ACTUAL	2016 Budget	2016 Projected	2017 Budget
Gross Operating Revenue Budget		8,601,734	8,806,598	8,938,031	8,961,751
. \$0 to \$2,500,000	1.00%	25,000	25,000	25,000	25,000
. Over \$2,500,000 to \$5,000,000	0.50%	12,500	12,500	12,500	12,500
. Excess over \$5,000,000	0.25%	9,004	9,516	9,845	9,904
Allowed Promotional Hosting per RCW		46,504	47,016	47,345	47,404

	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 Budget	2016 Projected	2017 Budget
Promotional Hosting by Line of Business						
Marine Terminal	0	1,888	3,164	2,000	2,000	2,000
Marine Trades Area	0	0	489	1,000	680	1,000
Log Yard	1,981	3,535	2,501	3,800	3,340	3,800
Airport Rental Properties	0	0	0	0	40	7,500
Business Development	5,248	1,513	5,303	7,500	1,531	7,500
Total Promotional Hosting	7,229	6,936	11,456	14,300	7,591	21,800

Per RCW 53.36.120, expenditures for industrial development and trade promotion are also specific budget items, but are not limited in amount per RCW. Industrial development and trade promotion are included in the Business Development budget as well as the Marketing line item across all departments.

	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 Budget	2016 Projected	2017 Budget
Industrial Development & Trade Promotion						
Marketing Line Item						
Fairchild International Airport & Airport Rental Prop.	0	1,610	1,400	107,000	119	112,000
Marine Trades Area & Log Yard	0	0	1,640	6,500	7,071	6,500
Port Angeles Boat Haven & John Wayne Marina	0	300	2,160	10,000	5,226	10,000
Rental Properties	0	0	0	500	208	20,000
Administration	175	0	0	0	2,143	0
Business Development	17,255	12,094	10,985	20,000	16,383	20,000
Total Industrial Dev & Trade Promotion	17,430	14,004	16,186	144,000	31,150	168,500

In addition to the above, the Port contracts for Economic Development Services & CRTC in Outside Services

Economic Development Corporation	25,000	25,000	25,000	30,000	30,000	30,000
CRTC	n/a	n/a	97,500	615,000	615,000	707,828

ADMINISTRATIVE AND GENERAL (A&G 80)

Administration includes the Commission, Executive Management, Finance and Accounting, Human Resources, Public Relations, Engineering, Environmental and Security services to all departments. Activities include accounting, budgeting, financial reporting, debt financing, investment management, insurance/risk management, audit functions, engineering, capital project management, environmental stewardship and outside legal services.

The objectives of the Administration of the Port are:

- To provide quality information and support to the Commission and other departments.
- To be responsive to inquiries and changing requirements of the Commission, the public, customers, and employees.
- To provide transparency in financial reporting to the Commission, the public, staff and compliance with regulations.

2016 PROJECTED

Expense Assumptions

1. Salaries and benefits combined are expected to be under budget due to the unbudgeted retirement of 3 employees and from management election to not utilize the budgeted merit pool.
2. Outside services are under budget due to lower use of specialized support (accounting software, regulatory, grant writing assistance) and strategic plan follow-on studies.
3. The full contingency of \$150k is not expected to be used. Activities relating to the Marine Terminal Industrial Park will utilize some funds.

2017 BUDGET

Expense Assumptions

1. Staffing costs assumes same FTE level as 2016 and a non-represented merit pool of \$45k.
2. Outside services include a base level for legal, technology, general consulting, janitorial, etc. Additional project-based services include: \$35k cybersecurity plan (75% grant funded); \$7.5k strategic plan phase II; \$10k purchasing policies/regulations; \$7.5k continuation of Port logo refresh.
3. Travel and Training is higher to include legislative trips to Washington DC and other outreach efforts as well as staff professional training.
4. Rent, Utilities, Insurance and Taxes is reflective of actuals, which trended higher.
5. Contingency budget of \$125k for Port-wide unanticipated expenses is approximately 1.5% of the Port's operating expenses. Contingency reduced from 2016 \$150k to \$125k.

**Port of Port Angeles
ADMINISTRATION (ADMIN - DEPT 80)
2017 Budget**

	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 BUDGET	2016 PROJECTED	2017 BUDGET	2016 Proj.	2017
							Over/(Under) 2016 Budget	Over/(Under) 2016 Projected
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	0	0	0	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	0	0	0	0	0	0	0	0
STRUCTURE LEASE/RENT	0	0	0	0	0	0	0	0
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	0	0	0	0	0	0	0	0
MISC & INTERDEPT REVENUE	0	0	0	0	0	0	0	0
TOTAL OPERATING REVENUES	0	0	0	0	0	0	0	0
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	980,746	1,281,575	1,374,661	1,263,701	1,143,934	1,235,807	(119,767)	91,873
SUPPLIES	55,162	64,376	64,430	75,000	68,380	75,000	(6,620)	6,620
OUTSIDE SERVICES	335,040	333,525	291,022	459,069	399,159	406,320	(59,910)	7,161
PUBLIC INFORMATION	2,032	5,302	19,035	20,500	20,812	20,500	312	(312)
MARKETING	175	0	0	0	2,143	0	2,143	(2,143)
COMMUNITY RELATIONS	0	0	0	0	3,314	0	3,314	(3,314)
ADS, DUES & PUBLICATIONS	30,723	41,838	39,005	32,046	47,785	24,824	15,739	(22,961)
TRAVEL MEETINGS	21,796	19,649	14,083	20,250	16,935	20,250	(3,315)	3,315
TRAVEL/TRAINING	32,658	52,505	48,619	48,392	40,000	49,067	(8,392)	9,067
PROMOTIONAL HOSTING	330	19	54	0	519	0	519	(519)
RENT, UTILITIES, INSURANCE, TAXES	50,767	51,171	131,902	131,853	136,988	136,925	5,135	(62)
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	6,719	15,193	2,541	10,000	2,344	10,000	(7,656)	7,656
CONTINGENCY	0	0	0	150,000	150,000	125,000	0	(25,000)
MAINT LABOR, BENEFITS & INTER-DEPT	19,674	12,274	21,906	28,364	23,042	31,645	(5,322)	8,603
MAINTENANCE (Materials & Services)	18,828	9,541	9,556	6,300	6,059	6,800	(241)	741
TOTAL OPERATING EXPENSES	1,554,652	1,886,967	2,016,813	2,245,475	2,061,412	2,142,138	(184,063)	80,727
OPERATING SURPLUS (DEFICIT) (before Depr)	(1,554,652)	(1,886,967)	(2,016,813)	(2,245,475)	(2,061,412)	(2,142,138)	184,063	(80,727)
ALLOCATED EXPENSES	(1,606,303)	(1,907,190)	(2,016,813)	(2,245,475)	(2,061,412)	(2,142,138)	184,063	(80,727)
ALLOCATED DEPRECIATION	0	0	(25,622)	(23,772)	(23,391)	(35,016)	381	(11,625)
DEPRECIATION (includes donated assets)	51,650	20,223	25,622	23,772	23,391	35,016	(381)	11,625
OPERATING SURPLUS (DEFICIT) (after Depr)	(0)	(0)	0	0	0	0	0	0

NON-OPERATING (NONOP 90)

These activities generate revenues and require expenditures that are outside normal Port operating activities. Revenues consist of interest earnings on investments and other arrangements, grant funds for operations and capital projects, and tax receipts distributed by the county (property tax, timber tax, leasehold tax). Timber tax applies to all timber harvested on private, state and federal lands. Leasehold tax is imposed for the private use of publically owned real or personal property. The expenditures consist of environmental costs from historical operations (investigation, feasibility study, and cleanup), other unusual gains/losses or settlements and debt interest payments.

2016 PROJECTED

Revenue Assumptions

General:

5. Other taxes (timber harvest taxes) are slightly higher than budget due to logging activity.
6. Miscellaneous includes the 2010A bond rate subsidy which is lower due to the continued sequestration by United States Congress.
7. Grant for K-Ply environmental site is higher due to litigation reimbursement from Ecology.
8. Gain (Loss) includes unrealized gain due to changes in interest rates.

Capital Related:

1. Property tax revenues are on track with budget.
2. Grant revenues are higher than budget mainly due to the scheduled completion of the T1 Redevelopment. 2016 Budget grant funding was \$500k. The Port will receive approximately \$1.5 million. Grant funding has not been increased, it is a timing issue of past years expectations and initial permitting delays.

Expense Assumptions

General:

2. Environmental expenses were higher due to legal costs.

Capital Related:

1. Interest payments on LTGO (Limited Tax General Obligation) bonds are on track.

2017 BUDGET

Revenue Assumptions

General:

1. Interest earnings are less due to lower fund balance as a result of aggressive capital projects.
2. Other taxes (timber harvest taxes) are budgeted conservatively; they are difficult to predict.
3. Miscellaneous includes the 2010A bond rate subsidy reduced for continued sequestration.
4. Operating Grants are minimal, includes cybersecurity grant.

Capital Related:

1. The Port property tax levy will not be increased in 2017 by any percentage (0.00%) and assumes \$75 million of new construction (as reported by the Clallam County Assessor).

Expense Assumptions

General:

1. Environmental expenses are lower due to expected decrease in legal fees.
2. Misc. Expense includes \$65k funding for the Communities Partner Program.

Capital Related:

1. Interest payments on LTGO (Limited Tax General Obligation) bonds are lower than previous year forecasts due to the 2015 refunding of the 2006 LTGO Bonds.

**Port of Port Angeles
NON-OPERATING (NONOP - DEPT 90)
2017 Budget**

	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 BUDGET	2016 PROJECTED	2017 BUDGET	2016 Proj. Over/(Under) 2016 Budget	2017 Over/(Under) 2016 Projected
<u>NON-OP GENERAL REVENUES</u>								
INTEREST EARNINGS	343,364	322,657	316,877	180,000	196,566	117,000	16,566	(63,000)
OTHER TAX RECEIPTS	170,430	231,546	144,015	125,000	140,858	152,000	15,858	27,000
MISC NON OP REVENUES	31,772	(7,239)	55,126	20,000	24,929	20,000	4,929	0
GRANTS - OPERATIONS	1,122,208	12,174	682,169	89,073	1,000,000	39,750	910,927	(49,323)
PASSENGER FACILITY CHARGES (PFC'S)	15,811	14,425	1,737	26,000	1,725	12,000	(24,275)	(14,000)
GAIN (LOSS) & SPECIAL ITEMS	(489,323)	317,486	(38,412)	0	180,345	0	180,345	0
TOTAL NON-OP GENERAL REV	1,194,262	891,048	1,161,512	440,073	1,544,423	340,750	1,104,350	(99,323)
<u>NON-OP GENERAL EXPENSES</u>								
ENVIRONMENTAL	457,346	1,085,936	300,014	400,000	702,498	325,000	302,498	(75,000)
MISC NON OP EXPENSE	49,282	333	87,067	165,000	65,408	75,000	(99,592)	(90,000)
TOTAL NON-OP GENERAL EXP	506,628	1,086,269	387,081	565,000	767,906	400,000	202,906	(165,000)
NET NON-OP GENERAL SURPLUS (DEFICIT)	687,635	(195,220)	774,431	(124,927)	776,517	(59,250)	901,444	65,677
<u>NON-OP CAPITAL REVENUES</u>								
PROPERTY TAX RECEIPTS	1,385,208	1,401,357	1,425,267	1,454,000	1,453,998	1,471,000	(2)	17,000
GRANTS - CAPITAL	1,187,691	944,695	2,198,214	7,233,700	8,040,985	771,910	807,285	(6,461,790)
TOTAL NON-OP CAPITAL REV	2,572,899	2,346,052	3,623,481	8,687,700	9,494,983	2,242,910	807,283	(6,444,790)
<u>NON-OP CAPITAL EXPENSES</u>								
BOND COSTS & INTEREST EXPENSE	416,563	397,150	404,362	297,530	310,089	281,304	12,559	(16,226)
TOTAL NON-OP CAPITAL EXP	416,563	397,150	404,362	297,530	310,089	281,304	12,559	(16,226)
NET NON-OP CAPITAL SURPLUS (DEFICIT)	2,156,336	1,948,902	3,219,119	8,390,170	9,184,894	1,961,606	794,724	(2,561,111)
TOTAL NET SURPLUS (DEFICIT) (before Depr)	2,843,971	1,753,682	3,993,550	8,265,243	9,961,411	1,902,356	1,696,168	(3,761,779)

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SECTION V

CAPITAL PROJECTS BUDGET

CAPITAL BUDGET

The 2017 Capital Budget includes both a 1-year Capital Projects Budget and a 5-year Capital Improvement Plan. The Capital Projects Budget is funded by a combination of grants, property tax surplus, operating surplus and reserves. Surplus from property taxes is net of general tax levies in excess of debt service expenditures. Surplus from Port operations results from the cumulative excess of revenues over expenses. The operating surplus that is transferred from the General Fund to the Capital Improvement Fund is the amount that exceeds the target fund balance for the General Fund. Periodically, the Port will also issue debt to fund projects.

A. CAPITAL PROJECT PRIORITIZATION

The capital project prioritization spreadsheet breaks projects down into four (4) categories:

- A. Regulatory Required Projects: These projects are required by a regulatory agency. The Port must complete these projects to be within compliance.
- B. Committed Projects: These projects are considered “committed” because of one of the following reasons:
 - 1. Receipt of outside grant funding. There are five (5) projects in the 2017 Capital Budget that have received grant funding.
 - 2. Project is critical to accomplishing a long-term Strategic Goal.
 - 3. Advisory Committee recommendation that has been accepted by staff and commission to be included in the budget.
- C. Critical Maintenance Projects: In order to prevent further damage or stay on track with a multi-year programmatic maintenance schedule, these projects are included in the 2017 Capital Budget. There are sixteen (16) projects within this category and are prioritized based on need and not scored according to the same four (4) criteria that is described for “Rated Projects”.
- D. Rated Projects: Following regulatory, committed and critical maintenance are the rated projects. All projects are rated but these projects will be prioritized based on their total cumulative score. Staff ranked each project according to four (4) criteria: 1) Job Creation / Retention, 2) Return on Investment, 3) Environmental Benefit and 4) Strategic Planning Importance. These projects are ranked in descending order based on their total cumulative score from the four categories. There are five (5) projects that have a total score less than ten (10) and are described as “low priority projects”. These projects may be deferred to 2018 due to the significant project load included in the 2017 Capital Budget.

B. CAPITAL PROJECTS BUDGET

The total project cost must exceed \$5,000 and the asset must have a minimum useful life of five (5) years in order to be included in the Capital Budget. If it is a maintenance project, then the life of the asset must be extended by five (5) years.

On pages V-6 and V-9, Investments in new infrastructure are shown separate from maintaining existing infrastructure to help staff determine if there is sufficient investment in maintaining existing infrastructure. The Port has approximately \$2,000,000 per year of depreciation, which is used as an investment target for maintaining its assets.

C. 5-YEAR CAPITAL IMPROVEMENT PLAN

The Five-Year Capital Improvement Plan is a planning tool that identifies Capital Projects through the year 2021. Projects shown in future years do not obligate or commit the Port for funding. Each project will go through a more stringent prioritization analysis prior to being accepted in a current year Capital Projects Budget.

Continue to the next page

CAPITAL PROJECTS PRIORITIZATION

Low = 1 / High = 5

Jobs = Job Creation / Retention | R.O.I. = Return on Investment | E.B. = Environmental Benefit | S.P.I. = Strategic Planning Importance

#	DEPT.	PROJECT	2017 \$	Future Project \$	Jobs 5 New Retain	R.O.I. 5	E.B. 5	S.P.I. 5	Project Total	Cumulative Total (\$)
1	11-MT	SW Treatment Design	\$ 250,000	\$ 1,500,000	4	1	5	4	14	\$ 250,000
2	21-LY	SW Conveyance Impts.	\$ 3,600,000	\$ 2,000,000	4	1	5	4	14	\$ 3,850,000
3	31-FIA	Environ. Assessment (G)	\$ 35,000	\$ 810,000	3	1	3	5	12	\$ 3,885,000
4	31-FIA	Master Plan (G)	\$ 5,000		2	1	2	5	10	\$ 3,890,000
5	15-MTA	MTIP Washdown Facility	\$ 2,000,000		3	1	3	5	13	\$ 5,890,000
6	41-PABH	Fuel Float Design (G)	\$ 115,000	\$ 680,000	3	2	3	4	12	\$ 6,005,000
7	41-PABH	Laundry Facility (G)	\$ 70,000		1	2	2	4	9	\$ 6,075,000
8	11-MT	Security Improvements (G)	\$ 75,000		1	1	1	5	8	\$ 6,150,000
9	15-MTA	Platypus-Westport S.W. Conveyance Separation	\$ 250,000		1	1	2	4	8	\$ 6,400,000
10	41-PABH	East & West Signs	\$ 50,000		1	1	1	4	7	\$ 6,450,000
11	80-AD	Budget Contingency	\$ 200,000		1	1	1	1	4	\$ 6,650,000
12	11-MT	T1 Sprinkler Zone Replace	\$ 350,000						16	\$ 7,000,000
13	33-ARP	Fire Alarm Control Panel	\$ 80,000						15	\$ 7,080,000
14	33-ARP	Backflow Valve Replace	\$ 85,000						14	\$ 7,165,000

Regulatory

Committed

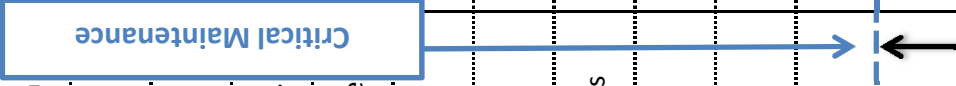
CAPITAL PROJECTS PRIORITIZATION

Low = 1 / High = 5

Jobs = Job Creation / Retention | R.O.I. = Return on Investment | E.B. = Environmental Benefit | S.P.I. = Strategic Planning Importance

#	DEPT.	PROJECT	2017 \$	Future Project \$	Jobs 5 New Retain	R.O.I. 5	E.B. 5	S.P.I. 5	Project Total	Cumulative Total (\$)
15	43-JWM	Fire Alarm Control Panel	\$ 20,000						13	\$ 7,185,000
16	11-MT	T3 Structural Repair Design	\$ 50,000	\$ 350,000					12	\$ 7,235,000
17	11-MT	T1 Bulkhead Repair Design	\$ 30,000	\$ 250,000					11	\$ 7,265,000
18	80-AD	Elevator Upgrades	\$ 80,000						10	\$ 7,345,000
19	80-AD	2nd floor Heat Pump	\$ 50,000						9	\$ 7,395,000
20	41-PABH	Harbormaster Bldg. Maint.	\$ 30,000						8	\$ 7,425,000
21	15-MTA	Boatyard Building Upgrade	\$ 50,000	\$ 100,000					7	\$ 7,475,000
22	21-LY	Sweeper Replace	\$ 25,000						6	\$ 7,500,000
23	43-JWM	Gutter Repairs	\$ 30,000						5	\$ 7,530,000
24	15-MTA	Restaurant HVAC Upgrades	\$ 25,000						4	\$ 7,555,000
25	43-JWM	Utility Gator Replace	\$ 15,000						3	\$ 7,570,000
26	91-MM	Shop Hoist	\$ 20,000						2	\$ 7,590,000
27	91-MM	Portable Welder	\$ 6,000						1	\$ 7,596,000
28	15-MTA	MTIP Site Design	\$ 400,000		5	3	4	5	17	\$ 7,996,000

Critical Maintenance



CAPITAL PROJECTS PRIORITIZATION

Low = 1 / High = 5

Jobs = Job Creation / Retention | R.O.I. = Return on Investment | E.B. = Environmental Benefit | S.P.I. = Strategic Planning Importance

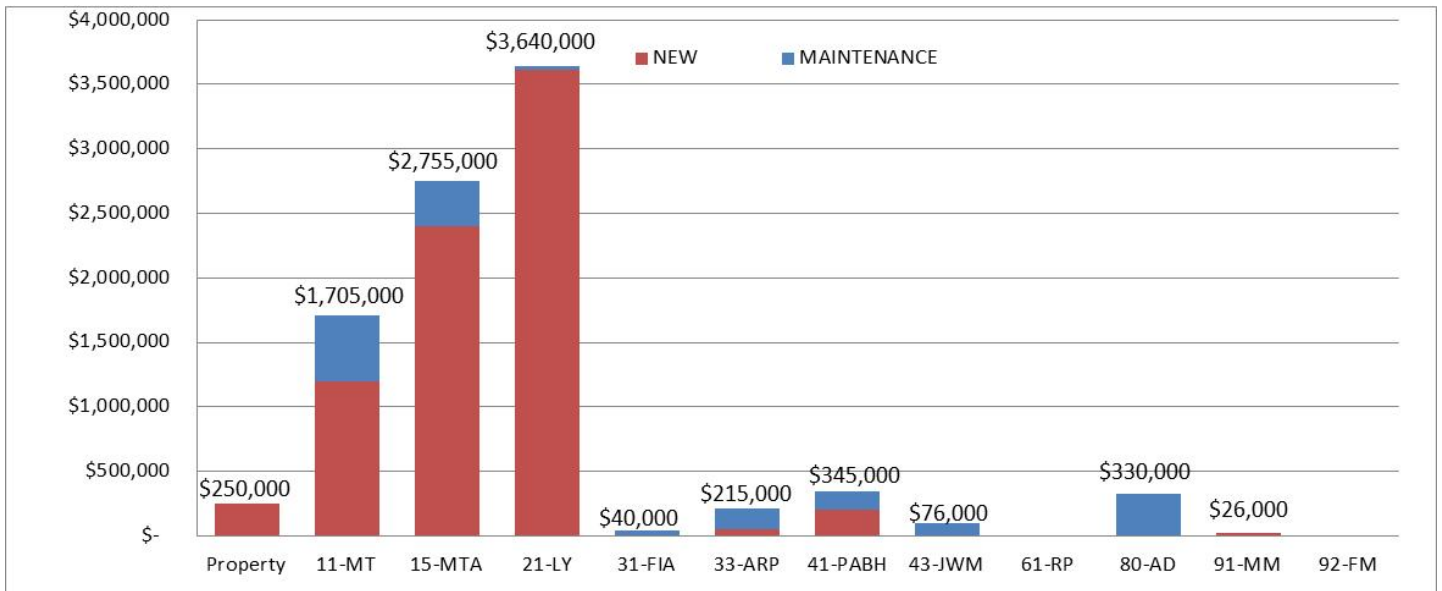
#	DEPT.	PROJECT	2017 \$	Future Project \$	Jobs		R.O.I.	E.B.	S.P.I.	Project Total	Cumulative Total (\$)
					New	Retain					
29	41-PABH	3-PH Power Extension	\$ 80,000		2	2	5	4	5	17	\$ 8,076,000
30	11-MT	T3 Head-Tie Dolphin	\$ 950,000		4	4	3	4	5	16	\$ 9,026,000
31	15-MTA	B.Y. Wash Down Impts.	\$ 30,000		1	1	1	4	3	9	\$ 9,056,000
32	21-LY	Entrance Sign	\$ 15,000		1	1	1	1	3	6	\$ 9,071,000
33	33-ARP	CMC Vehicle Gate	\$ 50,000		1	1	1	1	3	6	\$ 9,121,000
34	43-JWM	Dumpster Enclosure	\$ 30,000		1	1	1	1	2	5	\$ 9,151,000
35		Ind. Property Acquisition	\$ 250,000	\$ 1,000,000						0	\$ 9,401,000
Total 2017 Capital Budget =			\$ 9,401,000								

Low Priority Projects

Rated

Totals by Category: Regulatory Mandated = \$3,890,000 / Committed = \$2,760,000 / Critical Maintenance = \$946,000 / Rated = \$1,805,000

2017 CAPITAL EXPENDITURES BY DEPARTMENT



Departments	Actual 2015	Budget 2016	Projected 2016	2017 New	2017 Maint.	2017 Total
Property		\$ 250,000	\$ -	\$ 250,000		\$ 250,000
11-MT	\$ 1,191,633	\$ 5,605,000	\$ 4,845,000	\$ 1,200,000	\$ 505,000	\$ 1,705,000
15-MTA	\$ 20,445	\$ 310,000	\$ 178,246	\$ 2,400,000	\$ 355,000	\$ 2,755,000
21-LY	\$ 653,105	\$ 275,000	\$ 344,915	\$ 3,615,000	\$ 25,000	\$ 3,640,000
31-FIA	\$ 308,914	\$ 186,000	\$ 129,000	\$ -	\$ 40,000	\$ 40,000
33-ARP	\$ (460,619)	\$ 465,000	\$ 688,370	\$ 50,000	\$ 165,000	\$ 215,000
41-PABH	\$ 66,997	\$ 855,000	\$ 407,937	\$ 200,000	\$ 145,000	\$ 345,000
43-JWM	\$ 43,426	\$ 76,000	\$ 20,411	\$ -	\$ 95,000	\$ 95,000
61-RP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80-AD	\$ 10,462	\$ 252,000	\$ 128,578	\$ -	\$ 330,000	\$ 330,000
91-MM	\$ 18,130	\$ 30,000	\$ 34,544	\$ 26,000	\$ -	\$ 26,000
92-FM	\$ 141,212	\$ -	\$ 29,683	\$ -	\$ -	\$ -
Total	\$ 1,993,705	\$ 8,304,000	\$ 6,806,684	\$ 7,741,000	\$ 1,660,000	\$ 9,401,000

2017 OUTSIDE FUNDING ASSUMPTIONS

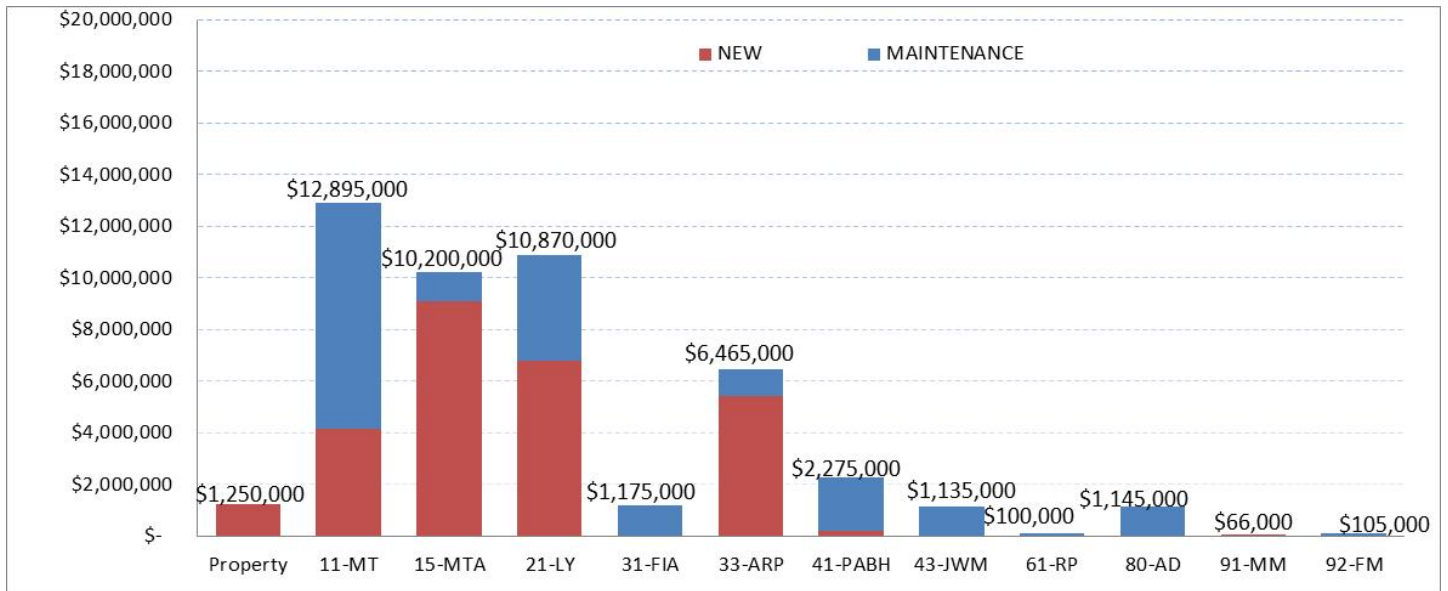
Project	Grantee	Port Match \$	Grant \$	Total \$
MT Security Impvts	FEMA	\$ 75,000	\$ 225,000	\$ 300,000
FIA Obstruction E.A.	Federal Aviation Administration	\$ 35,000	\$ 315,000	\$ 350,000
FIA Master Plan Update	Federal Aviation Administration	\$ 5,000	\$ 90,000	
	WSDOT		\$ 5,000	\$ 100,000
E. PABH Laundry Facility	Recreation Conservation Office (RCO)	\$ 70,000	\$ 68,600	\$ 138,600
PABH Fuel Float Replace	RCO & U.S. Fish & Wildlife	\$ 115,000	\$ 68,310	\$ 183,310

TOTAL 2017 GRANT FUNDS = \$ 771,910

2017 CAPITAL PROJECTS BUDGET

* #	Dept.	Project Description	Port Funds	Grant Funds	Total
1	11-MT	Stormwater Treatment Design	\$ 250,000	\$0	\$ 250,000
8	11-MT	Security Improvements	\$ 75,000	\$225,000	\$ 300,000
12	11-MT	Sprinkler Zone Replacement	\$ 350,000	\$0	\$ 350,000
16	11-MT	T3 Structural Repair Design	\$ 50,000	\$0	\$ 50,000
17	11-MT	T1 Bulkhead Repair Design	\$ 30,000	\$0	\$ 30,000
30	11-MT	T3 Head-Tie Dolphin	\$ 950,000	\$0	\$ 950,000
6	15-MTA	MTIP Wash Down Facility	\$ 2,000,000	\$0	\$ 2,000,000
9	15-MTA	Platypus-Westport S.W. Separation	\$ 250,000	\$0	\$ 250,000
21	15-MTA	Boat Yard Building Upgrades	\$ 50,000	\$0	\$ 50,000
28	15-MTA	MTIP Site Design	\$ 400,000	\$0	\$ 400,000
31	15-MTA	Boat Yard Wash Down Improvements	\$ 30,000	\$0	\$ 30,000
24	15-MTA	Restaurant HVAC Upgrades	\$ 25,000	\$0	\$ 25,000
2	21-LY	Stormwater Conveyance Impts.	\$ 3,600,000	\$0	\$ 3,600,000
22	21-LY	Sweeper Replacement	\$ 25,000	\$0	\$ 25,000
32	21-LY	Entrance Sign	\$ 15,000	\$0	\$ 15,000
3	31-FIA	Environmental Assessment	\$ 35,000	\$315,000	\$ 350,000
4	31-FIA	Master Plan	\$ 5,000	\$95,000	\$ 100,000
13	33-ARP	Fire Alarm Control Panel Upgrades	\$ 80,000	\$0	\$ 80,000
14	33-ARP	Backflow Valve Replacement	\$ 85,000	\$0	\$ 85,000
33	33-ARP	CMC Vehicle Gate	\$ 50,000	\$0	\$ 50,000
5	41-PABH	Fuel Float Design	\$ 115,000	\$68,310	\$ 183,310
7	41-PABH	Laundry Facility	\$ 70,000	\$68,600	\$ 138,600
10	41-PABH	East & West Entrance Signs	\$ 50,000	\$0	\$ 50,000
20	41-PABH	Harbor Master Building Maintenance	\$ 30,000	\$0	\$ 30,000
29	41-PABH	3-Phase Power Extension (E-F Float)	\$ 80,000	\$0	\$ 80,000
15	43-JWM	Fire Alarm Control Panel Upgrade	\$ 20,000	\$0	\$ 20,000
23	43-JWM	Gutter Repairs	\$ 30,000	\$0	\$ 30,000
25	43-JWM	Utility Gator Replace	\$ 15,000	\$0	\$ 15,000
34	43-JWM	Dumpster Enclosure Replace	\$ 30,000	\$0	\$ 30,000
11	80-AD	Budget Contingency	\$ 200,000	\$0	\$ 200,000
18	80-AD	Elevator Upgrades	\$ 80,000	\$0	\$ 80,000
19	80-AD	2nd Floor Heat Pump Replacement	\$ 50,000	\$0	\$ 50,000
26	91-MM	Shop Hoist	\$ 20,000	\$0	\$ 20,000
27	91-MM	Portable Welder	\$ 6,000	\$0	\$ 6,000
35		Industrial Property Acquisition	\$ 250,000	\$0	\$ 250,000
TOTALS =			\$ 9,401,000	\$ 771,910	\$ 10,172,910
* Priority #, See Capital Projects Prioritization					

2017-2021 CAPITAL EXPENDITURES BY DEPARTMENT



Departments	New	Maintenance	Total
Property	\$ 1,250,000	\$ -	\$ 1,250,000
11-MT	\$ 4,160,000	\$ 8,735,000	\$ 12,895,000
15-MTA	\$ 9,110,000	\$ 1,090,000	\$ 10,200,000
21-LY	\$ 6,765,000	\$ 4,105,000	\$ 10,870,000
31-FIA	\$ 15,000	\$ 1,160,000	\$ 1,175,000
33-ARP	\$ 5,400,000	\$ 1,065,000	\$ 6,465,000
41-PABH	\$ 200,000	\$ 2,075,000	\$ 2,275,000
43-JWM	\$ -	\$ 1,135,000	\$ 1,135,000
61-RP	\$ -	\$ 100,000	\$ 100,000
80-AD	\$ -	\$ 1,145,000	\$ 1,145,000
91-MM	\$ 66,000	\$ -	\$ 66,000
92-FM	\$ -	\$ 105,000	\$ 105,000

Total 2017 to 2021 \$ 26,966,000 \$ 20,715,000 \$ 47,681,000

2017 – 2021 CAPITAL IMPROVEMENT PLAN

DEPT	Project Description	2017	2018	2019	2020	2021
	Industrial Prop. Acquisition	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
11-MT	Security Impvts. (G)	\$ 75,000	\$ 25,000	\$ 150,000		\$ 150,000
11-MT	Stormwater Treatment	\$ 250,000	\$ 1,500,000			
11-MT	T1 Sprinkler Zone Replace	\$ 350,000				
11-MT	T1 Warehouse Reconst.			\$ 350,000	\$ 2,000,000	\$ 4,000,000
11-MT	T1 - Bulkhead Replace				\$ 500,000	
11-MT	T1 Sewer Pump Out					\$ 260,000
11-MT	T1 Compressed Air				\$ 150,000	
11-MT	T1 Asphalt Resurfacing			\$ 250,000		
11-MT	T1 Bulkhead Repair	\$ 30,000	\$ 250,000			
11-MT	T3 Head-Tie Dolphin	\$ 950,000				
11-MT	T3 Structural Repairs	\$ 50,000	\$ 350,000			
11-MT	T4 Pile Replacement		\$ 80,000			
11-MT	Replace Forklift		\$ 75,000			
11-MT	Entrance Sign		\$ 50,000			
11-MT	T4 Paving			\$ 50,000		
11-MT	T1 Fender				\$ 100,000	\$ 750,000
11-MT	Equipment Storage Building				\$ 150,000	
15-MTA	Marine Trades Ind. Park	\$ 400,000	\$ 2,000,000	\$ 3,000,000		
15-MTA	MTIP Wash Down Facility	\$ 2,000,000				
15-MTA	Platypus-Westport S.W. Separation	\$ 250,000				
15-MTA	Restaurant HVAC Upgrades	\$ 25,000				
15-MTA	Trash Compactor/Enclosure		\$ 60,000			
15-MTA	B.Y. Replace Travel Lift					\$ 425,000
15-MTA	Platypus Site Impts.		\$ 150,000	\$ 1,500,000		
15-MTA	B.Y. Utility Upgrades			\$ 30,000		
15-MTA	B.Y. Asphalt Surfacing			\$ 100,000		
15-MTA	B.Y. Building Upgrades	\$ 50,000			\$ 100,000	
15-MTA	B.Y. Wash Down Improvements	\$ 30,000				
15-MTA	B.Y. T.L. Pier Repairs		\$ 10,000	\$ 70,000		
21-LY	Stormwater Conveyance	\$ 3,600,000	\$ 2,000,000			
21-LY	Replace Wheel Loader			\$ 350,000	\$ 350,000	
21-LY	Jack Ladder Log Retrieval			\$ 150,000	\$ 1,000,000	

DEPT.	Project Description	2017	2018	2019	2020	2021
21-LY	T7 Rafting Pocket		\$ 100,000			
21-LY	Boom Boat Replace					\$ 200,000
21-LY	Boom Boat Repairs			\$ 30,000		
21-LY	Barge Facility				\$ 300,000	\$ 2,500,000
21-LY	Sweeper Replace	\$ 25,000				
21-LY	Replace Hydraulic Loader		\$ 250,000			
21-LY	L.Y. Entrance Sign	\$ 15,000				
31-FIA	Master Plan Update (G)	\$ 5,000				
31-FIA	26 Obst. E.A. (G)	\$ 35,000	\$ 10,000			
31-FIA	26 Obst. (G)			\$ 400,000	\$ 400,000	
31-FIA	Avigation Easement (G)		\$ 10,000			
31-FIA	Runway Rehabilitation (G)				\$ 15,000	\$ 115,000
31-FIA	Asphalt Surfacing			\$ 50,000		
31-FIA	Terminal Bldg. Imprvmts.				\$ 50,000	
31-FIA	Office Area Roof Replace			\$ 50,000		
31-FIA	Snow Removal Eqmnt. (G)					\$ 15,000
31-FIA	Wash-down Imprvmts.		\$ 20,000			
33-ARP	Construct 2210 Building				\$ 350,000	\$ 5,000,000
33-ARP	Autoclave Repairs		\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000
33-ARP	Backflow Valves @ CMC	\$ 85,000				
33-ARP	CMC Fire Alarm Control Panels	\$ 80,000				
33-ARP	Misc. Building Imprvmts.		\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
33-ARP	CMC GATE	\$ 50,000				
41-PABH	Marine Dr. Bulkhead				\$ 30,000	
41-PABH	Harbormaster Bldg. Maint.	\$ 30,000				
41-PABH	937 Boathaven Bldg. Maint.		\$ 20,000			
41-PABH	Laundry (G)	\$ 70,000				
41-PABH	Entrance Signs (2)	\$ 50,000				
41-PABH	3-Phase Power Extension	\$ 80,000				
41-PABH	Breakwater Repairs				\$ 1,000,000	
41-PABH	Replace Hydraulic Crane		\$ 50,000			
41-PABH	E. Parking Resurfacing		\$ 150,000			

DEPT.	Project Description	2017	2018	2019	2020	2021
41-PABH	Fuel Float Replacement (G)	\$ 115,000	\$ 340,000	\$ 340,000		
43-JWM	Main Bldg. Gutter Repair	\$ 30,000				
43-JWM	Fire Alarm Panel Upgrade	\$ 20,000				
43-JWM	Sequim Sewer Connection				\$ 350,000	
43-JWM	Slope Stabilization		\$ 50,000			
43-JWM	Replace Fuel Pumps		\$ 30,000			
43-JWM	JD Gator Replacement	\$ 15,000				
43-JWM	Dumpster Enclosures	\$ 30,000		\$ 30,000	\$ 30,000	
43-JWM	Lawn Mower Replace		\$ 15,000			
43-JWM	Fence Replacement		\$ 50,000			
43-JWM	Sewer Vault Replacement		\$ 35,000	\$ 300,000		
43-JWM	Central Parking Overlay			\$ 150,000		
61-RP	Misc. Building Impvts			\$ 50,000		\$ 50,000
80-AD	Capital Budget Contingency	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
80-AD	1st & 2nd Floor HVAC	\$ 50,000				
80-AD	Elevator Upgrades	\$ 80,000				
80-AD	Entrance Decking Replace		\$ 15,000			
91-MM	Equip. / Tools		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
91-MM	Shop Hoist	\$ 20,000				
91-MM	Portable Welder	\$ 6,000				
92-FM	Building Roof Repair					\$ 60,000
92-FM	Lawn Mower Replace		\$ 15,000			
92-FM	Equip. Trailer Replace		\$ 30,000			
	TOTAL = (w/out grant funds)	\$9,401,000	\$8,425,000	\$8,085,000	\$7,560,000	\$14,210,000
	TOTAL = (w/ grant funds)	\$10,172,910	\$8,822,776	\$12,342,776	\$11,160,000	\$14,810,000
	5 YEAR TOTAL = (w/ out grant funds)	\$ 47,681,000				
	5 YEAR TOTAL = (w/ grant funds)	\$ 57,308,462				

Cleanup Expenditures for Kply, Marine Trades Area and Harbor 2017 - 2021						
DEPT	Project Description	2017	2018	2019	2020	2021
90-NO	KPLY (Total)	\$ 122,000	\$ 117,000	\$ 95,000	\$ 95,000	\$ 95,000
	KPLY (Port)	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
90-NO	MTA (Total)	\$ 250,000	\$ 1,200,000	\$ 95,000	\$ 95,000	\$ 95,000
	MTA (Port)	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
90-NO	Harbor (Total)	\$ 290,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ 290,000
	Harbor (Port)	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
	5 Year Total =	\$ 3,709,000				
	* 5 Year Port Total =	\$ 100,000				
<p>* Total Port funds anticipated after reimbursements received from other Potential Liabile Parties, insurance and grants. Port total includes legal / litigation regarding insurance and Port administrative staff time.</p>						

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SECTION VI

PROPERTY TAX LEVY

YOUR TAX LEVY AT WORK

The Port of Port Angeles uses your property taxes for public investments in the community, not for day-to-day Port operations. Public investments support jobs, trade, commerce and recreation in our community. Property tax dollars are used for:

- debt service used to fund infrastructure investments
- the Community Partner Program was created to fund local economic development projects in communities throughout Clallam County
- direct funding of capital improvements
- environmental restoration of legacy sites
- property acquisition
- economic development projects

For 2017, there will be no percentage increase to the Port tax levy. The maximum amount allowed by law will be banked for potential use in the future. The dollar increase to the Port's tax revenue (reflected below) is as a result of Clallam County Assessor reported values for existing and new construction properties.

TAX LEVY IMPACT ON HOMEOWNER

(for example purposes only, does not include all calculation factors)

A residential property owner with a home value of \$200,000 pays approximately \$39.73 per year in Port taxes. Port taxes as a percent of total property taxes vary per taxing district (see Property Tax Levy Distribution later in this section).

Year	City of Port Angeles Home Value	Total Annual Tax Bill	Port Share of Tax	Port %	Port Levy Rate *	Total Port Property Tax
2016	\$ 200,000	\$ 2,228.94	\$ 39.73	1.78%	\$ 0.1987	\$ 1,453,778
no increase			\$ -			\$ -

* Levy rate is per \$1,000 assessed value

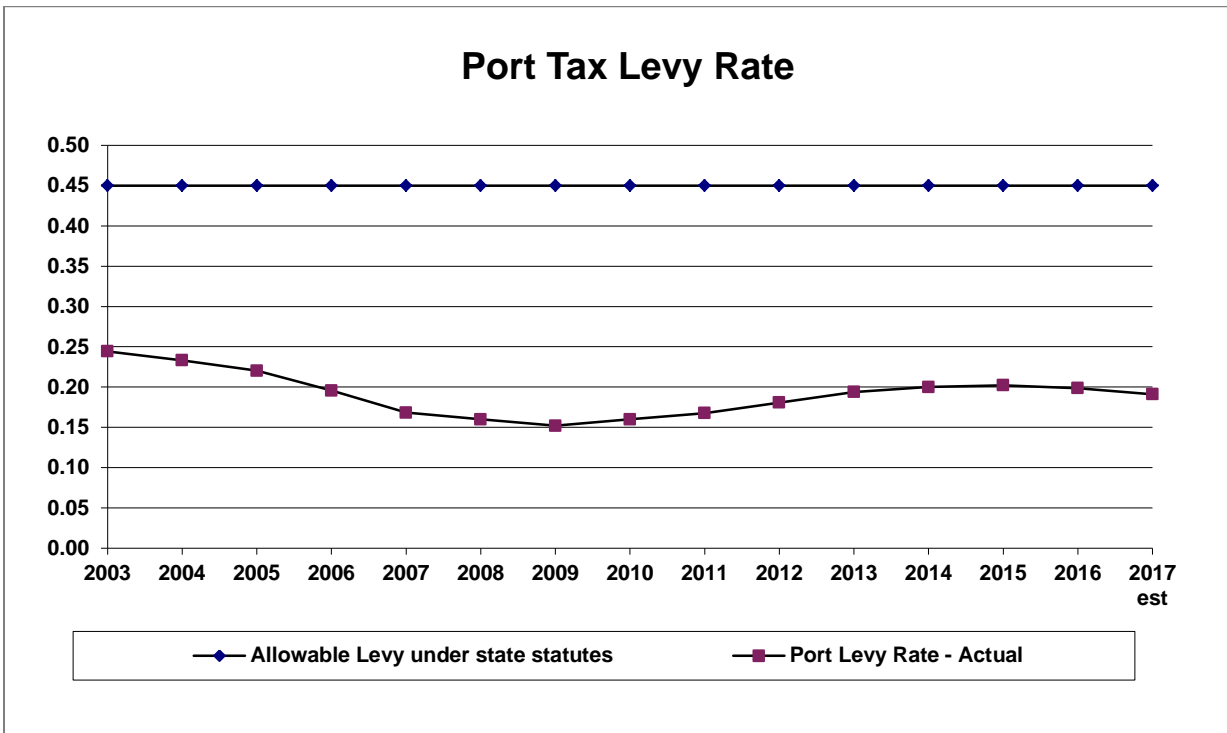
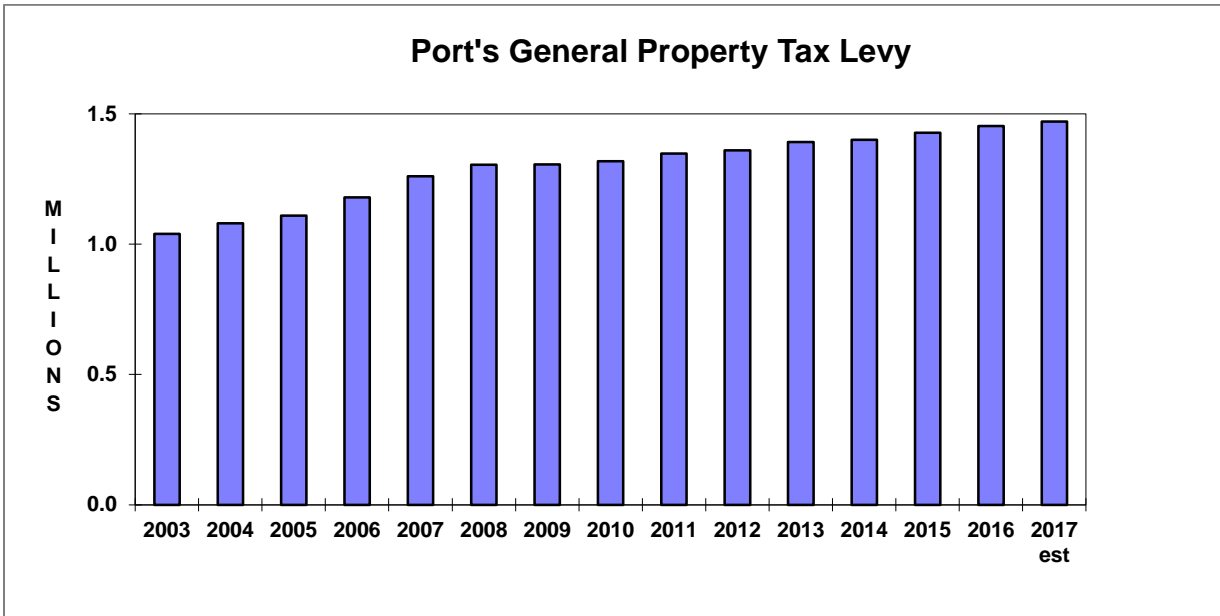
2017 TAX LEVY USES

Debt Service Payments (principal & interest)	\$691,496	47%
Communities Partner Program	65,000	4%
Capital Improvement Fund - Construction	<u>714,504</u>	<u>49%</u>
Total Port Property Tax Levy	<u>\$1,471,000</u>	100%

History of Property Tax Increase

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1%	Banked	Banked	1%	Banked	1%	Banked	1%	1%	Banked

If the district levies less than they could have levied (not levy the maximum 1% increase) the difference is considered “banked”. The **Port’s banked capacity, as of 2016, is \$38,764**. To use the banked capacity, the Port would need to levy more than 1%.



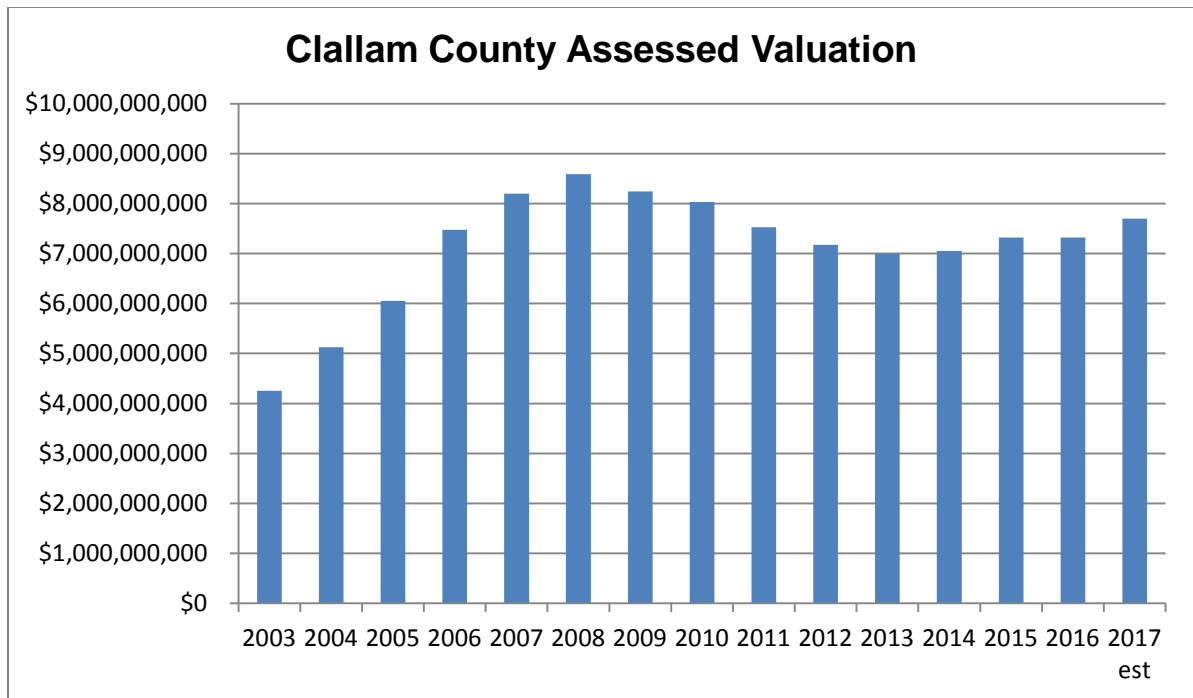
ASSESSED VALUATION & PROPERTY TAX LEVY

Prior year's assessed valuation is used for current year's tax levy

Clallam County Prior Year Assessed Valuation		Port of Port Angeles General Tax Levy		Levy Rate
2002	\$ 4,255,534,426	2003	\$ 1,039,968	0.24438
2003	\$ 4,255,534,426	2004	\$ 992,008	0.23311
2004	\$ 5,125,832,006	2005	\$ 1,128,913	0.22024
2005	\$ 6,053,545,616	2006	\$ 1,184,195	0.19562
2006	\$ 7,477,997,284	2007	\$ 1,258,397	0.16828
2007	\$ 8,196,577,906	2008	\$ 1,304,813	0.15919
2008	\$ 8,587,834,547	2009	\$ 1,305,694	0.15204
2009	\$ 8,243,327,771	2010	\$ 1,318,250	0.159917235
2010	\$ 8,031,011,937	2011	\$ 1,347,598	0.167799335
2011	\$ 7,524,783,407	2012	\$ 1,359,948	0.180729167
2012	\$ 7,173,041,376	2013	\$ 1,391,568	0.193999656
2013	\$ 7,002,941,388	2014	\$ 1,400,756	0.200023942
2014	\$ 7,054,903,078	2015	\$ 1,427,094	0.202283927
2015	\$ 7,318,181,962	2016	\$ 1,453,778	0.1986528659
2016	\$ 7,697,135,952	2017 est*	\$ 1,471,000	0.1911100400

** 2017 estimate assumes 0.0% increase, \$75 million in new construction and no change in underlying valuations*

The levy rate fluctuates with changes in assessed valuations.



TAX LEVY SOURCES/USES

Tax Levy Sources

General Tax Levy

The County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Taxes are levied annually on January 1 on property value listed as of the prior year. Assessed values are established by the County Assessor at 100% of fair market value. A revaluation of all property is required every six years.

The Port is permitted by law to levy up to 45 cents per \$1,000 of assessed valuation for general port purposes. The levy may go beyond the 45 cent limit to provide for General Obligation (G.O.) bond debt service. The rate may be reduced for either of the following reasons:

Passage of Initiative 747 in November 2001 limits the growth to 1% per year, plus adjustments for new construction.

If the assessed valuation increases due to revaluation, the levy rate will be decreased, and vice versa.

Over the period, 2003 to 2017, the Port general levy rate has ranged from 15-25¢ per \$1,000. The Property Tax Levy Rate graph shows the maximum levy permitted by law compared to the actual general levy of the Port from 2003 to 2017 estimate.

Each year, the Port is allowed, by law, to increase its tax levy by a maximum of 1% without voter pre-approval. The option of a 1% increase is affected by the Implicit Price Deflator (IPD). For 2017, the IPD is less than 1%. This limits a Port elected property tax increase to the IPD of 0.953% unless the Port Commission passes a resolution finding substantial need for the max. 1% increase. The Port Property Tax Levy will not be increased by any percentage in 2017 as directed by the Commission.

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 within the Port District, not to exceed \$0.45 per \$1,000 of assessed value of taxable property within the Port District. The Port District has never levied this tax.

Industrial Development District (IDD) Tax Levies

The Port may also levy property taxes for Industrial Development Districts (under a comprehensive scheme of harbor improvements); for twelve years only, not to exceed \$0.45 per \$1,000 of assessed value of taxable property within the Port District. If a Port District intends to levy this tax for one or more years after the first six years, the Port must publish notice of intent to impose such a levy and if

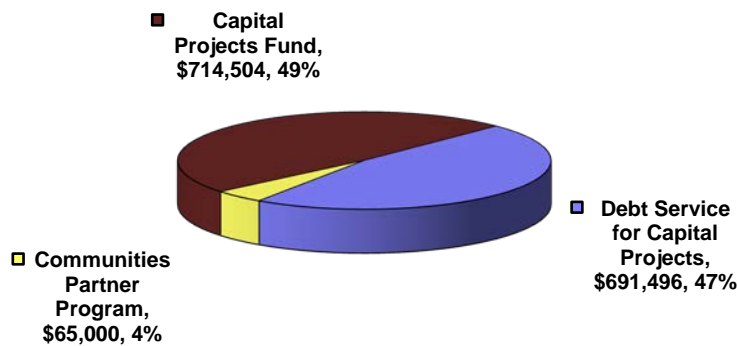
signatures of at least eight percent (8%) of the voters protest the levy, a special election must be held with majority approval required.

The Industrial Development Levy, however, is not subject to the 101% limitation. The Port levied this tax from 1986-1992 and does not intend, at this time, to request a continuance.

Tax Levy Uses

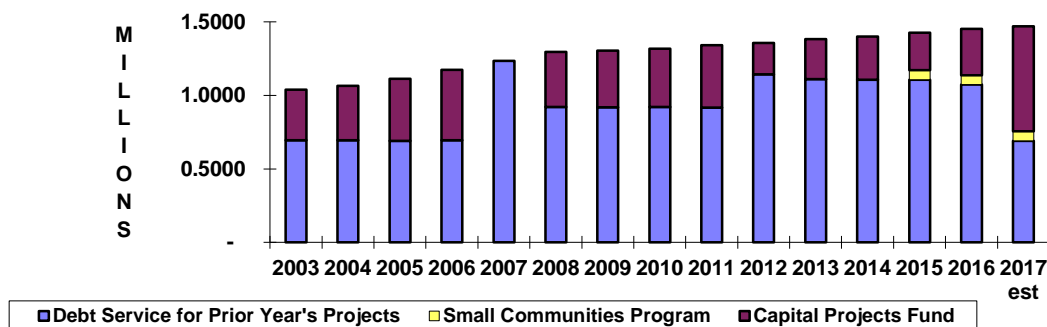
The general tax levy will be used for debt service on general obligation bonds which relates to prior years' capital construction for capital projects, the capital improvement fund, and the small communities program. By law, the property tax levy could also be used for Port operating expenditures. However, the Port Commission has limited the use of tax levy revenues to capital projects and non-operating uses, such as legacy environmental projects.

Proposed Use of 2017 Tax Levy



Historically, the Port has used the tax levy to pay for debt service on prior years' capital projects and contributed to the capital projects fund. The levy has not been used for operations.

Historical Use of General Tax Levy



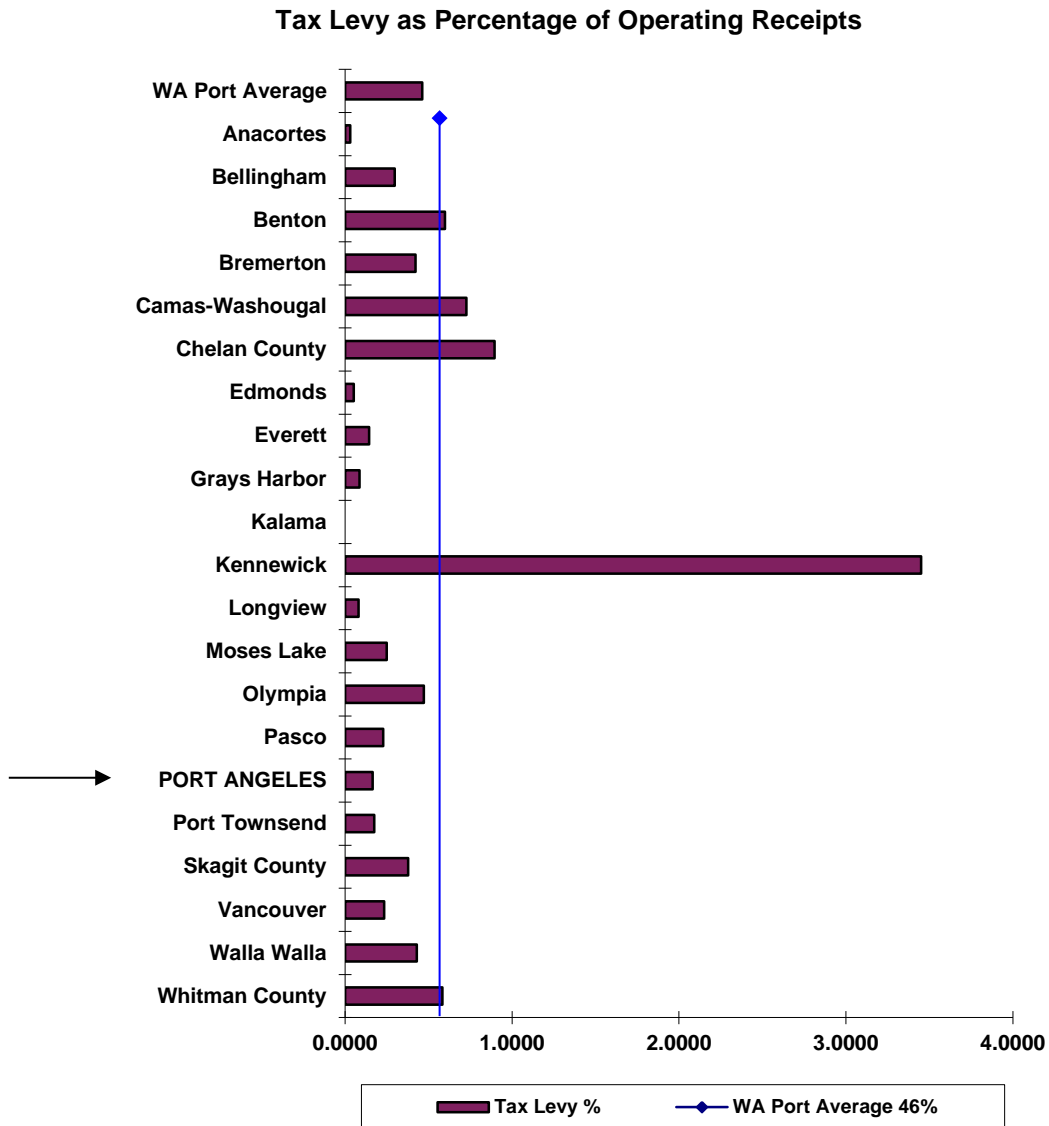
Tax Levy Comparison Reports based on 2016 Survey Data

This section is based on data at the time of the survey, which was before the tax levy was certified. Therefore, data in this section will vary from other sections that report actual results.

Tax Levy Comparison with Operating Receipts

The following graph shows the relationship of tax levies to operating receipts for 21 Ports in Washington. Based on a simple average, tax levies are 46% of operating receipts; Port Angeles estimates its levy proceeds to be 16.5% of operating receipts. **Lower ratios indicate less reliance** on tax levy proceeds.

2016 Tax Levy Survey Comparison



Comparable Tax Levies

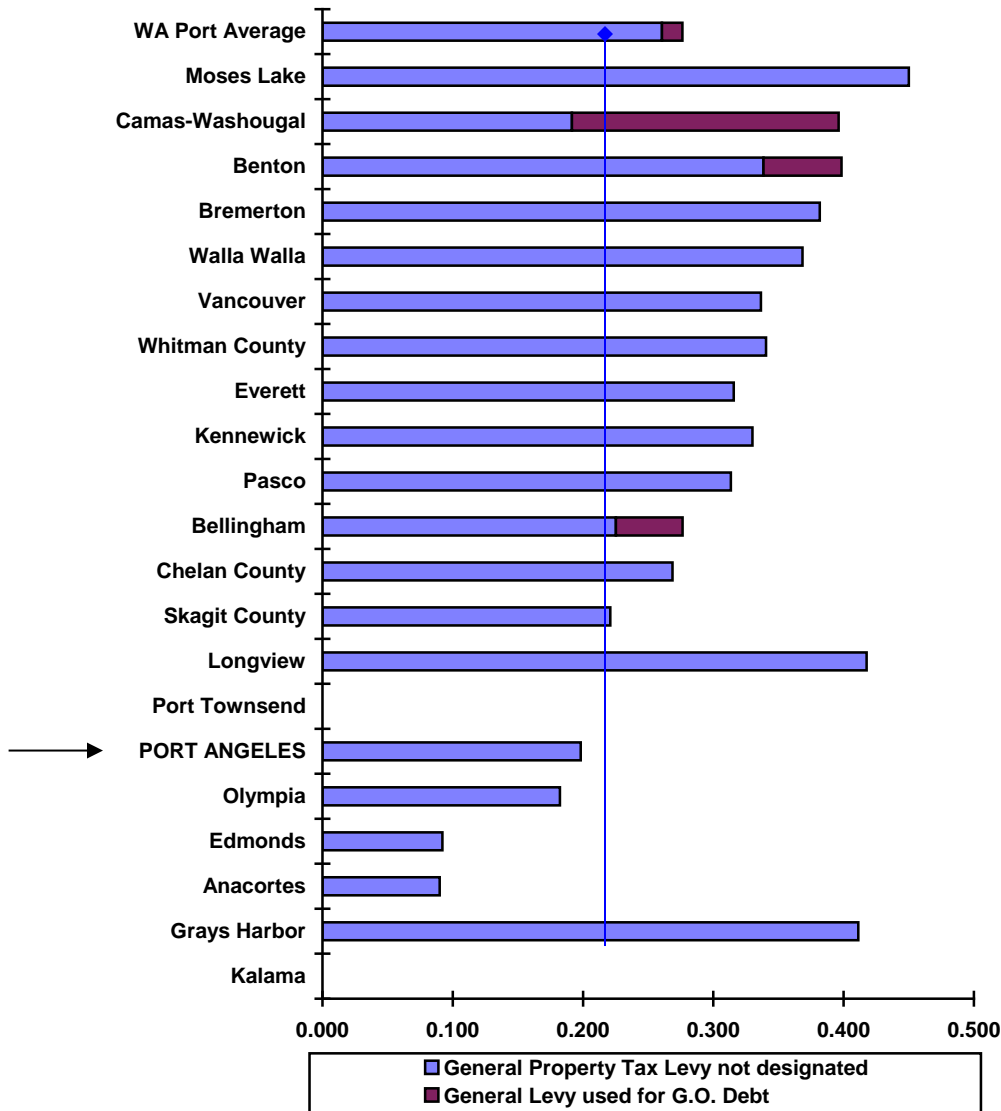
Port Districts' Comparisons

The Washington Public Ports Association survey of port districts' tax levies for 2016 indicates an average levy rate of \$.2605/\$1,000 for the 21 WA Ports which reported levied property taxes. The Port of Port Angeles had the fourth lowest levy rate at \$.1987 (Port Townsend & Kalama reported zero in the survey). Presented below are the effective levy rates for the 21 ports.

Only four ports disclosed the amount of their levy used for General Obligation (G.O.) Debt.

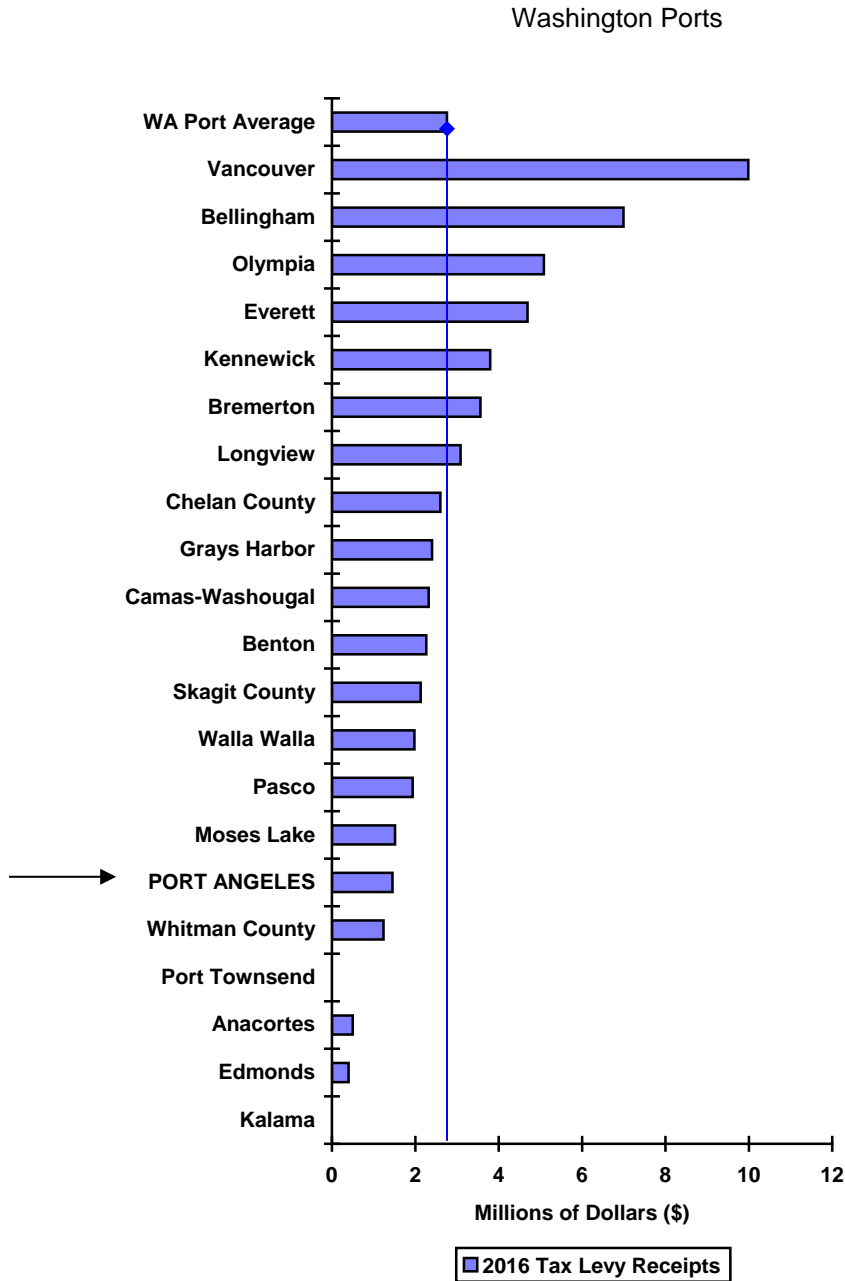
2016 Tax Levy Survey Rates

Washington Ports - Use of Levy



The same survey for 2016 indicates the average levy collection in dollars for WA ports is \$2,760,238. The Port of Port Angeles expects to collect \$1,453,778 in 2016.

2016 Tax Levy Survey Receipts

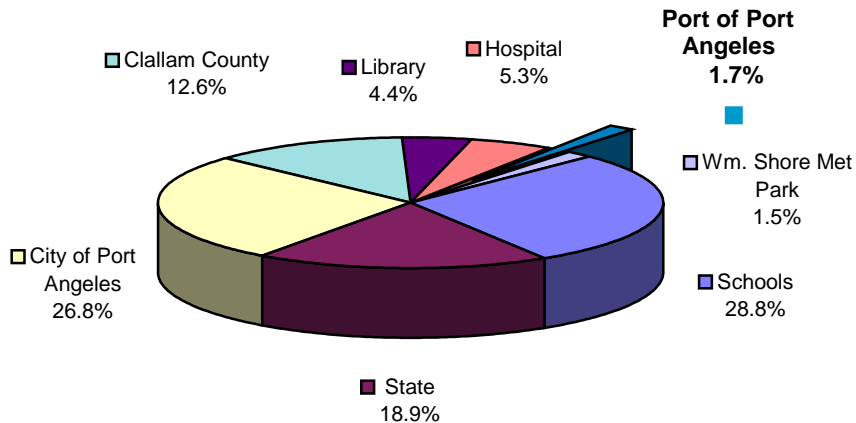


Clallam County Comparison

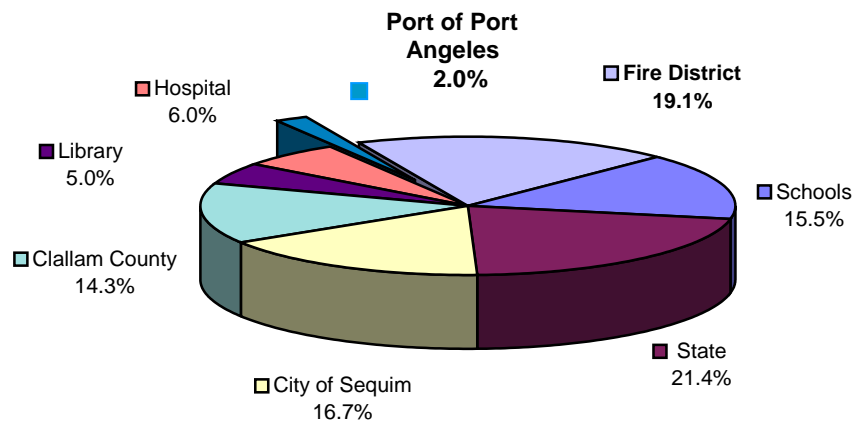
The graphs below show the Port's general tax levy as it compares to total taxes paid in 2016 by a typical resident in Port Angeles, Sequim and Forks. Taxing districts have not submitted their levy rates for 2017 yet; therefore, 2016 rates are the most current. The total 2016 levy for all Port Angeles taxing districts was \$11.14/\$1,000. The Port's levy for Port Angeles was \$0.1987/\$1,000 which is less than 2% of the total levy rate.

2016 Property Tax Levy Distribution

City of Port Angeles Taxing Districts
(Total Levy Rate per \$1,000 A.V. = \$11.14)

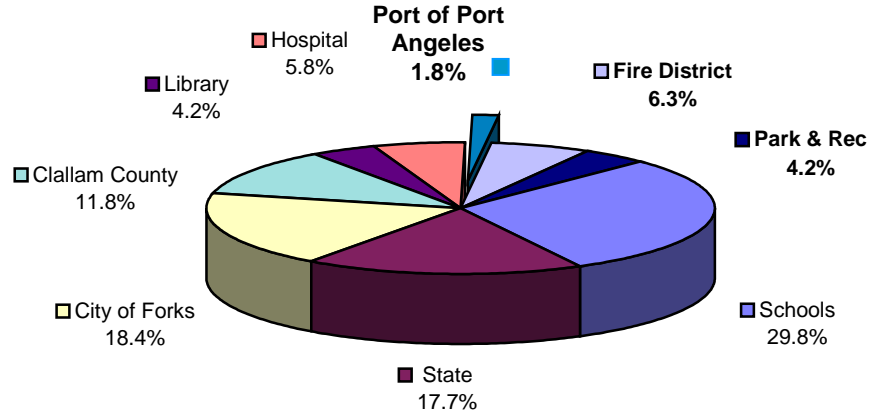


City of Sequim Taxing Districts
(Total Levy Rate per \$1,000 A.V. = \$9.81)



2016 Property Tax Levy Distribution

City of Forks Taxing Districts
(Total Levy Rate per \$1,000 A.V. = \$12.09)



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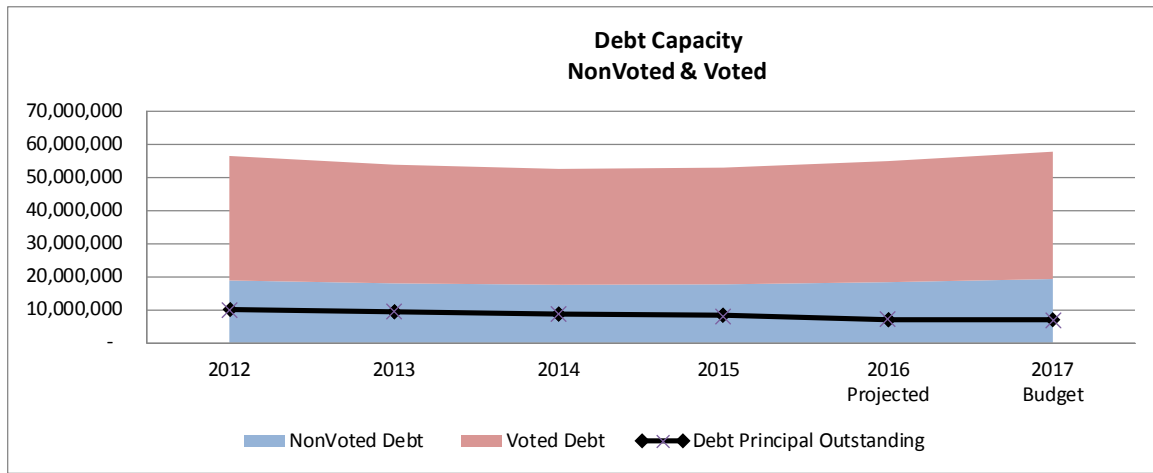
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SECTION VII

OTHER FUNDS:

DEBT SERVICE AND BOND FUNDS

Debt Capacity



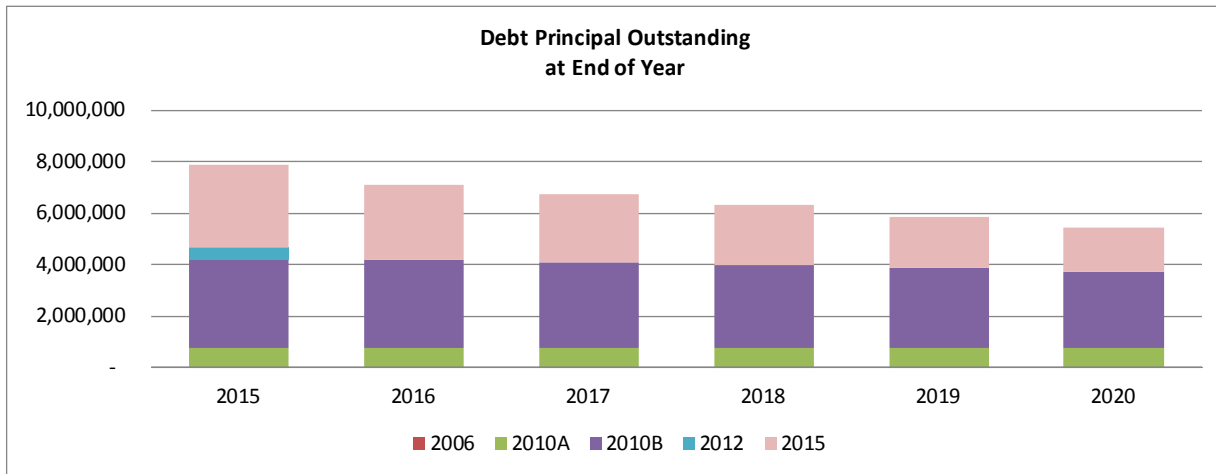
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u> ⁷	<u>2016</u> <u>Projected</u>	<u>2017</u> <u>Budget</u>
Prior Year Assessed Value (AV)	7,524,783,407	7,173,041,376	7,002,941,388	7,054,903,078	7,318,181,962	7,697,135,952
Debt Capacity						
NonVoted Debt	18,811,959	17,932,603	17,507,353	17,637,258	18,295,455	19,242,840
Voted Debt	37,623,917	35,865,207	35,014,707	35,274,515	36,590,910	38,485,680
Total Debt Capacity	56,435,876	53,797,810	52,522,060	52,911,773	54,886,365	57,728,520
<i>Statutory Debt Limit: NonVoted debt cannot exceed .25% of AV; combined Non-Voted & Voted debt cannot exceed .75% of AV</i>						
Debt Principal Outstanding	9,990,000	9,310,000	8,615,000	7,900,000	7,131,297	6,728,456
NonVoted Debt Availability	8,821,959	8,622,603	8,892,353	9,737,258	11,164,158	12,514,384
Debt as of % of AV	0.13%	0.13%	0.12%	0.11%	0.10%	0.09%
Property Taxes	1,359,948	1,391,568	1,400,756	1,427,093	1,453,778	1,471,000
Debt Payments (Prin + Int)	645,793	1,110,093	1,106,205	1,116,943	1,073,584	691,496
Small Communities Program				65,000	65,000	65,000
Property Taxes Available	714,155	281,475	294,551	245,151	315,194	714,503

Property Taxes Available for New Debt	<i>(as of 9/16/15 A rated)</i>		\$ 714,503
Potential New Debt	int %	# Yrs	Potential New Debt
<i>based on "A" Rated Municipal Bond Interest Rates</i>	2.80%	10	\$ 6,210,000
	3.45%	20	\$ 10,290,000
	3.70%	30	\$ 12,910,000

Potential New Debt using Banked Capacity	int %	# Yrs	Potential New Debt
Property Taxes Available for New Debt	<i>(as of 9/16/15 A rated)</i>		\$ 753,267
Banked Capacity	2.80%	10	\$ 6,530,000
Banked Capacity Tax Increase*	3.45%	20	\$ 10,820,000
	3.70%	30	\$ 13,580,000

* Tax increase % to recover banked capacity fluctuates based on changes in AV and highest lawful levy calculation.

Outstanding Long-Term Debt



Debt Outstanding (at end of year)	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
2006 PABH	----- see 2015 Refunding -----					
2010A Composite Mfg-Site	760,000	760,000	760,000	760,000	760,000	760,000
2010B Composite Mfg-Bldg	3,435,000	3,435,000	3,330,000	3,220,000	3,110,000	2,990,000
2012 25 Projects 1993-98	475,000	-	-	-	-	-
2015 Refunded 2006 PABH	3,230,000	2,936,297	2,638,456	2,331,356	2,014,549	1,693,450
Total Principal Outstanding	7,900,000	7,131,297	6,728,456	6,311,356	5,884,549	5,443,450
Decrease in Principal	715,000	768,703	402,841	417,099	426,807	441,099
	-	-	-	-	-	-

		2017 thru 2030		
		Original	Remaining	
		Principal	Principal Pymts	Maturity
2006	PABH	4,995,000	0	
2010A	Composite Mfg-Site	760,000	760,000	Dec 1, 2030
2010B	Composite Mfg-Bldg	3,435,000	3,435,000	Dec 1, 2029
2012	25 Projects 1993-98	1,830,000	0	Dec 1, 2016
2015	Refunded 2006 PABH	3,230,000	2,957,647	Dec 1, 2025
		14,250,000	7,152,647	

Long-Term Debt Service Schedule

SUMMARY OF GENERAL OBLIGATION DEBT DEBT SERVICE PAYMENTS

	2015	2016	2017	2018	2019	2020	2021 +	2017 thru 2030 Remaining Principal	Maturity
DEBT PRINCIPAL PAYMENTS									
2006 PABH	255,000	----- see 2015 Refunding -----		-	-	-	760,000	760,000	Dec 1, 2030
2010A Composite Mfg-Site	----- interest only -----		-	-	-	-	760,000	760,000	Dec 1, 2030
2010B Composite Mfg-Bldg	460,000	475,000	105,000	110,000	110,000	120,000	2,990,000	3,435,000	Dec 1, 2029
2012 25 Projects 1993-98	-	293,703	297,841	307,099	316,807	321,099	-	-	Dec 1, 2016
2015 Refunded 2006 PABH	-	768,703	402,841	417,099	426,807	441,099	1,714,800	2,957,647	Dec 1, 2025
TOTAL Debt Principal Outstanding	715,000	768,703	402,841	417,099	426,807	441,099	5,464,800	7,152,647	
INTEREST PAYMENTS									
2002B Refinanced in 2012	-	-	-	-	-	-	-	-	4.40% - 4.90%
2006 PABH	150,943	----- see 2015 Refunding -----		-	-	-	-	-	4.40% - 4.75%
¹ 2010A Composite Mfg-Site	57,000	57,000	57,000	57,000	57,000	57,000	563,625	791,625	3.375%*
² 2010B Composite Mfg-Bldg	163,925	163,925	163,925	159,725	155,325	150,925	963,525	1,593,425	4.00% - 5.00%
2012 25 Projects 1993-98	18,700	9,500	Paid off Dec 2016		-	-	-	-	2.00%
2015 Refunded 2006 PABH	11,375	74,456	67,730	60,910	53,877	46,622	119,415	348,553	2.29%
TOTAL Interest	401,943	304,881	288,655	277,635	266,202	254,547	1,646,565	2,733,603	
¹ Interest only until 2029; Federal subsidy reduces interest									
² Interest only until 2017									
* Interest rate is net of Federal subsidy (7.75% stated rate with 45% subsidy = 3.375% effective rate). Interest payment is amount before subsidy.									
DEBT SERVICE PAYMENTS (PRIN + INT)									
2006 PABH	405,943	----- see 2015 Refunding -----		-	-	-	1,323,625	1,551,625	
2010A Composite Mfg-Site	57,000	57,000	57,000	57,000	57,000	57,000	1,323,625	1,551,625	
2010B Composite Mfg-Bldg	163,925	163,925	268,925	269,725	265,325	270,925	3,953,525	5,028,425	
2012 25 Projects 1993-98	478,700	484,500	Paid off Dec 2016		-	-	-	-	
2015 Refunded 2006 PABH	11,375	368,159	365,571	368,009	370,684	367,721	1,834,215	3,306,200	
TOTAL Debt Payments (Prin + Int)	1,116,943	1,073,584	691,496	694,734	693,009	695,646	7,111,365	9,886,250	

SECTION VIII

SUPPLEMENTAL INFORMATION

TRAVEL AND TRAINING BUDGET (includes Training Fees)

Travel	2011	2012	2013	2014	2015	2016	2016	2017
Meetings	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	PROJCTD	BUDGET
MT	1,601	1,122	1,376	1,578	845	3,000	1,500	3,000
MTA	0	0	0	0	204	1,500	236	1,500
LY	0	352	123	613	2,129	2,000	3,205	2,000
FIA	1,717	1,157	1,844	423	188	400	445	400
ARP	0	0	0	0	0	1,000	0	0
SEK	0	0	0	0	0	0	0	0
PABH	199	310	0	0	0	500	208	500
JWM	602	746	0	37	103	500	254	500
RP	0	0	0	0	0	1,000	417	0
MM	0	0	0	0	204	0	0	0
FM	0	91	531	15	134	0	258	500
ADM	38,127	37,563	21,796	19,649	14,086	20,250	16,935	20,250
BD	2,433	11,986	5,571	13,365	17,679	39,750	20,090	39,750
Subtotal	44,679	53,327	31,241	35,681	35,572	69,900	43,548	68,400
Travel -Training (includes Training Fees)								
MT	1,792	1,497	1,543	2,161	2,928	2,500	2,000	2,500
MTA	146	0	0	65	0	0	0	0
LY	1,094	0	0	765	1,461	1,500	2,394	1,500
FIA	108	0	463	936	3,273	3,000	1,041	3,000
ARP	0	0	0	0	0	2,000	0	0
SEK	0	0	0	0	0	0	0	0
PABH	146	148	123	728	273	1,000	417	1,000
JWM	695	298	203	605	348	1,000	417	1,000
RP	0	0	0	1,651	3,366	2,500	1,580	0
MM	432	0	1,248	1,320	2,869	3,200	2,774	3,200
FM	1,077	1,791	2,450	3,709	4,556	5,525	9,377	12,000
ADM	16,564	8,792	32,658	52,505	48,619	48,392	40,000	49,067
BD	2,775	8,389	207	6,731	3,572	2,500	4,425	2,500
Subtotal	24,829	20,915	38,895	71,176	71,265	73,117	64,424	75,767
TOTAL	69,508	74,242	70,136	106,857	106,837	143,017	107,972	144,167

2017 Salary % Split	Home Dept.	11 MT	15 MTA	21 LY	31 FIA	33 ARP	32 SEK	41 PABH	43 JWM	61 RP	80 A&G	81 BD	91 MM	92 FM	TOTAL
MT, MTA & LY Mgr	MT	30%	30%	30%								10%			100%
MT Ops Supervisor	MT	45%	5%	15%	5%			5%	5%	5%			5%	10%	100%
Airport & Marina Mgr	FIA				65%		5%	15%	15%						100%
Director of Engineering	A&G	15%	10%	10%	5%	10%		5%	5%	5%	20%	5%		10%	100%
Environmental Mgr.	A&G	10%	15%	10%	5%			10%	5%	10%	25%	5%		5%	100%
A/R Clerk	A&G	10%		10%	5%	5%			20%	3%	47%				100%
All Security	A&G	23%	6%	4%	13%	13%		13%		6%	13%		4%	6%	100%
Director - Bus Development	BD		15%		15%	20%						50%			100%
Janitorial	FM				50%									50%	100%
Facilities Mgr - FM & MM	FM	13%	7%	7%	10%	10%		10%	5%	7%			3%	28%	100%
Airport Lead FM	FM				100%									0%	100%

The above employee's salary and benefit costs are distributed between the departments depending on where they work. Each employee has a home department (shaded in blue) but their salary and benefit cost is spread among the different departments they perform work in. All other Port employees are charged 100% to their home department.

Split Methodology by Position

- MT, MTA & LY Mgr Based on estimated time to be spent in each area
- MT Ops Supervisor Based on estimated time to be spent in each area plus supporting security
- Airport & Marina Mgr Budgeted based on estimates but actual time is tracked and recorded during the year
- Director of Engineering Estimated based on planned capital projects for the year
- Environmental Mgr. Estimated based on planned capital projects for the year and environmental compliance needs in each area
- A/R Clerk Budgeted based on estimates but actual time is tracked and recorded during the year
- All Security (not JWM) Based on the standard operating plan for security presence in each area
- Director of Bus Development Budgeted based on estimates but actual time is tracked and recorded during the year
- Janitorial Budgeted based on estimates but actual time is tracked and recorded during the year
- Facilities Mgr - FM & MM Estimated based on the planned maintenance projects for the year
- Airport Lead FM While FM is the home department, 100% of the time for this maintenance employee is spent at the airport

**PORT OF PORT ANGELES
CONSULTING & SPECIAL PROJECTS**

DEPT	PURPOSE	2015 BUDGET	2016 BUDGET	2017 BUDGET	Notes
MT	Terminal 3 Dredging Permit and Design	75,000	50,000	50,000	2016 not spent
MT	Completion of T3 Condition Assessment	0	39,000	0	
MTA	Marine Trades Development Assistance	See BD	0	See BD	
MTA	Cathodic Protection Analysis	0	0	20,000	
LY	Aquatic storage review with DNR is likely to require condition information and survey map	25,000	0	0	
Airport	Air service demand study (contingency fund)	0	0	0	
Airport	Design services for marketing/public information (Airport portion)	0	5,000	5,000	
Airport	Marketing insentive for new passenger service	0	105,000	105,000	2016 not spent
Marina	Marina Rate study	0	0	0	
Marina	Design services for marketing/public information (Marina portion)	0	10,000	10,000	
RP	Facilities Marketing	0	0	20,000	
RP	Broker Services	0	0	125,000	
RP	PMA Survey Maps	15,000	0	0	
BusDev	Market/Economic Impact Analysis in Composite, Marine Trades and Energy	25,000	0	0	
BusDev	Consultant to assist with K-Ply site redevelopment (review and economic/financial analysis)	15,000	0	0	
BusDev	Additional consulting for Composite Recycling Technology Center	25,000	0	0	
BusDev	CRTC Contract for economic development services (investment from Capital Reserves)	0	615,000	615,000	
BusDev	CRTC - BD promised time converted to cash payout (investment from Capital Reserves)	0	0	92,828	
BusDev	Market/Feasibility analysis for Maritime Commerce, Fishing/Seafood & other	0	25,000	25,000	2016 not spent
Bus Dev	Barging Market/Feasibility analysis	0	0	0	
Bus Dev	MTIP lease feasibility & grant writing	0	0	50,000	
BusDev	Analysis and advocacy to ensure sustainable timber	25,000	0	0	
BusDev	Sustainable Harvest, Advanced Wood Products & Other Timber Advocacy efforts	0	50,000	30,000	2016 not spent
Bus Dev	Communications Plan - development for prospective clients	0	0	15,000	
BusDev	Design services for Port Pilot & misc marketing/public information (BD portion)	10,000	10,000	10,000	
Admin	Design services for Port Pilot & misc marketing/public information (Admin portion)	10,000	10,000	10,000	
Admin	Strategic Plan (2015: Phase I; 2016 Phase II alignment & performance planning)	25,000	7,500	7,500	2016 not spent
Admin	Follow-on strategic planning studies	25,000	0	0	
Admin	LOB analysis follow-up on data (Economic Impact, Marina, MTA, etc.)	0	5,000	5,000	
Admin	Grant writing assistance	0	25,000	25,000	2016 not spent
Admin	HR job market data	0	5,000	0	
Finance	Annual Report/CAFRs/Acctg research	10,000	5,000	5,000	
Finance	Purchasing review (2015: base policies & training; 2016: on-call contracts, check list, new Fed regs, additional training)	15,000	18,125	10,000	
Finance	GASB 49 Environmental Pollution Liabilities requires a change in methodology to fair value	10,000	10,000	7,000	
Tech	Cybersecurity (75% grant funded) 2014 & 2015: review, assessment, plan & business continuity	0	118,764	35,000	
Non-Op	Chip tower removal	100,000	100,000	0	
	TOTAL CONSULTING & SPECIAL PROJECTS	410,000	1,213,389	1,277,328	

See Community Support for EDC support.

50,000 30,000 30,000

Total 2016 NOT spent 242,500

**PORT OF PORT ANGELES
ONE-TIME EXPENSES & ADDITIONAL OPERATING FUNDING SOURCES**

Dept	One-Time Expenses	2015 BUDGET	2016 BUDGET	2017 BUDGET	Notes
MT	Terminal 3 Dredging Permit and Design	75,000	50,000	50,000	2016 Not Spent
LY	Aquatic storage inspection/assessment for DNR	25,000	0	0	
Airport	Marketing campaign new air service	0	105,000	105,000	2016 Not Spent
ARP	Broker Services	0	0	125,000	
Total One-Time Expenses		100,000	155,000	280,000	

Dept	Additional Operating Funding	2015 BUDGET	2016 BUDGET	2017 BUDGET	Notes
BD	CRTC economic development services (funded by Capital Reserves)	15,000	615,000	615,000	
BD	CRTC - BD promised time converted to cash payout (funded by Capital Reserves)	0	0	92,828	
Total Additional Funding		15,000	615,000	707,828	

**PORT OF PORT ANGELES
MAINTENANCE
(Special projects, does not include baseline maintenance)**

DEPT	PURPOSE - FACILITIES MAINTENANCE	2017 BUDGET
Marine Terminal	Mooring Hardware and maintenance	20,000
Marine Terminal	Dust Control	7,000
Log Yard	Dust Control	18,000
Log Yard	Screw Sucker Rental & Service	25,000
Fairchild Intn'l Airport	East Apron Crack Seal & CB Installs	20,000
Airport Rental Properties	Seal Coat Parking Lots	35,000
PA Boat Haven	Shore Power Pedestals & Life Ring Cabinets	15,000
John Wayne Marina	Aging Facility	15,000
Facilities Maintenance	Small Tools, mower roller, truck crane & office furniture	12,000
Subtotal - Facilities Maintenance		167,000
DEPT	PURPOSE - MECHANICAL MAINTENANCE	2017 BUDGET
Log Yard	Log Stacker replacement tires	30,000
Subtotal - Mechanical Maintenance		30,000
TOTAL MAINTENANCE SPECIAL PROJECTS		197,000

MEMBERSHIP BUDGET

DEPT	PROFESSIONAL ORGANIZATION	2015 BUDGET	2016 BUDGET	2017 BUDGET
ADMIN	American Association of Port Authorities (AAPA)	6,049	7,222	0
BD	American Composites Manufacturers Association (ACMA)	550	550	550
FM	American Public Works Association (APWA) - 2	600	400	800
ADMIN	American Forest Resource Council	600	600	600
BD	Certified Commercial Investment Member (CCIM)	665	do not continue	do not continue
ADMIN	Dynamics SL User Group	300	300	300
ADMIN	Engineering License	125	125	125
ADMIN	Government Finance Officers Association (GFOA -4)	450	600	600
MT	Marine Exchange of Puget Sound	500	500	500
ADMIN	Miscellaneous Memberships	100	100	100
ADMIN	Municipal Research & Services Center (MRSC thru WPPA)	950	950	950
BD	North Olympic Development Council (formerly: Peninsula Development Authority/Resource Conservation & Development District, the two merged)	900	1,000	1,000
MT	Northwest Marine Terminal Association	1,020	1,020	1,020
MTA	Northwest Marine Trade Association	600	600	600
ADMIN	Olympic Region Municipal Clerks Association	100	0	0
BD	Pacific Northwest Aerospace Alliance	775	750	750
ADMIN	Pacific Northwest Waterways Association	1,500	1,500	1,500
ADMIN	Society for Human Resources Management (SHRM)	0	190	190
BD	Washington Aerospace Partnership	2,500	do not continue	do not continue
ADMIN	Washington Agriculture & Forestry Leadership Program	500	500	500
FIA	Washington Airport Managers Association	250	250	250
BD	Washington Clean Tech Alliance	2,000	2,675	2,675
ADMIN	Washington Finance Officers Association (WFOA -4)	150	150	150
ADMIN	Washington Maritime Federation	0	0	Free
ADMIN	Washington Municipal Treasurers Association (WMTA -4)	120	120	120
ADMIN	WPPA (included special assessment in 2015, none in 2016)	18,332	18,009	18,009
	TOTAL PROFESSIONAL ORGANIZATIONS	39,636	38,111	31,289

COMMUNITY SUPPORT BUDGET

COMMUNITY SUPPORT - CASH	2015 BUDGET	2016 BUDGET	2017 BUDGET
Clallam County EDC Contract	50,000	30,000	30,000
CRTC Contract for economic development services (investment from Capital Reserves)	0	615,000	615,000
CRTC (BD Director time: cash pymt, investment from Capital Reserves)	0	0	92,828
Forks Chamber of Commerce	100	100	100
North Olympic Timber Action Committee (NOTAC)	45	45	45
Port Angeles Association of Realtors	136	86	90
Port Angeles Business Association (PABA)	65	65	65
Port Angeles Chamber of Commerce	600	600	600
Rotary Clubs & Other Service Groups	320	320	320
Sekiu Chamber of Commerce	100	100	100
Sequim Association of Realtors	125	65	70
Sequim Chamber of Commerce	450	450	450
Small Business Development Center (SBDC)	0	23,000	46,000
WA Realtor Association (thru PA Realtor Assc)	50	50	50
TOTAL COMMUNITY SUPPORT - CASH	51,991	669,881	785,718

COMMUNITY SUPPORT - IN KIND	2015 BUDGET	2016 BUDGET	2017 BUDGET
Composite Recycling Center (BD Director time)	34,890	71,580	0
CRTC temporary space while CRTC is constructed	0	5,000	0
North Olympic Development District (BD Director)	0	2,430	0
Facilities Maintenance for CRTC (labor, mtrls, etc)	0	0	22,000
North Olympic Timber Action Committee (NOTAC)	2,500	2,500	2,500
Peninsula College space at CRTC - 12 months in 2017 (apprx 6 months in 2016), waived rent	0	10,000	35,100
SBDC (office space)	0	6,800	6,800
TOTAL COMMUNITY SUPPORT - IN KIND	37,390	98,310	66,400

MEMBERSHIP & DUES POLICY

In Resolution 05-923 the Commissioners encourage administrative staff to participate in civic and service organizations as part of the commitment of the Port to serve the citizens of Clallam County. This resolution authorizes staff to be reimbursed for reasonable costs associated with participation in civic organizations.

Human Resources Manual, Section VI.E "Memberships and Dues" includes a list of appropriate civic organizations. Participation in local business and other public service organizations places Port employees in direct frequent contact with other community leaders, thus providing an opportunity to promote the Port while increasing its visibility within the community. Membership deemed to be beneficial to the Port should be submitted as part of the Port's annual budget process.

Memberships List:

- . Economic Development Council(s)
- . Chamber(s) of Commerce
- . Civic service organizations (Rotary, Soroptimist, Exchange Club, Kiwanis, Lions, United Way)
- . Business organizations (Port Angeles Business Association, Port Angeles Downtown Association)

This list is not inclusive and may be modified by the Executive Director with notification to the Commission.

ALLOCATED EXPENSES

Line of Business	2013 Actual	2014* Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget
Marine Terminal	499,146	383,845	393,969	594,945	389,420	385,369
Marine Trades Area	71,308	126,644	172,537	200,224	195,302	184,835
Log Yard	339,798	677,741	663,859	834,156	711,473	680,898
FIA	201,729	391,384	362,259	517,470	283,214	375,862
Airport Rental Properties	-	238,556	545,593	256,105	944,388	1,187,293
Seki Airport	9,775	10,087	12,482	27,918	15,192	17,275
Port Angeles Boat Haven	288,581	255,372	285,149	457,265	341,093	361,854
John Wayne Marina	299,084	290,152	390,615	554,199	353,315	331,457
Rental Property	<u>308,206</u>	<u>120,935</u>	<u>93,424</u>	<u>110,524</u>	<u>93,241</u>	<u>84,676</u>
Total	2,017,627	2,494,716	2,919,887	3,552,805	3,326,637	3,609,519

For 2012 & 2013 expenses were allocated to Operations Departments using the following ratio: Operations expenses by Department to total operating expenses.

* Starting in 2014, the allocation method was changed to align with the Federal grant rules, which only consider costs. Prior to 2014, both operating revenues and operating expenses were considered in determining the allocation ratio.

DEPRECIATION

Line of Business & Department	2013 Actual	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget
Marine Terminal	303,111	274,740	275,249	267,567	267,567	371,168
Marine Trades Area	10,592	61,219	64,050	63,938	63,987	64,680
Log Yard	248,336	284,525	299,349	290,540	302,525	337,480
FIA	410,203	399,130	450,416	441,662	488,235	490,314
Airport Rental Properties	-	351,739	322,452	293,032	313,018	463,233
Seki Airport	7,313	3,699	3,699	3,699	3,699	3,699
Port Angeles Boat Haven	336,376	344,780	350,343	351,207	350,205	379,649
John Wayne Marina	199,945	207,767	213,700	213,898	213,898	215,551
Rental Property	321,039	6,366	5,424	4,542	4,542	4,542
Mechanical Maintenance	29,758	25,493	26,866	26,963	26,961	14,880
Facilities Maintenance	37,969	36,143	40,399	31,588	34,225	32,304
Administration & General	<u>51,650</u>	<u>20,223</u>	<u>25,622</u>	<u>23,772</u>	<u>23,391</u>	<u>35,016</u>
Total	1,956,292	2,015,826	2,077,569	2,012,408	2,092,253	2,412,516

ALLOCATED DEPRECIATION

Line of Business & Department	2013 Actual	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget
Marine Terminal	29,533	13,275	14,228	13,786	12,484	11,520
Marine Trades Area	3,167	4,380	6,233	4,639	6,261	5,525
Log Yard	20,105	23,438	23,976	19,328	22,809	20,354
FIA	11,936	14,459	13,965	11,990	10,035	12,446
Airport Rental Properties	-	2,886	6,225	5,934	7,198	8,527
Seki Airport	578	373	481	647	538	572
Port Angeles Boat Haven	18,126	8,832	10,298	10,595	10,935	10,817
John Wayne Marina	17,696	10,034	14,107	12,842	11,327	9,908
Rental Property	<u>18,236</u>	<u>4,182</u>	<u>3,374</u>	<u>2,561</u>	<u>2,989</u>	<u>2,531</u>
Total	119,376	81,859	92,887	82,323	84,577	82,200

Port of Port Angeles - Support Function Cost Allocation - for 2017 Budget

Purpose: To distribute support function expenses to the lines of business they support

Method: The Port uses the Modified Total Direct Cost (MTDC) model as specified by the US Office of Mgmt and Budget

Note 1: Cost of Goods Sold expense is not an allowable expense for MTDC calculations.

Note 2: FAA requires that no general (Port-wide) business development costs can be allocated to the airport

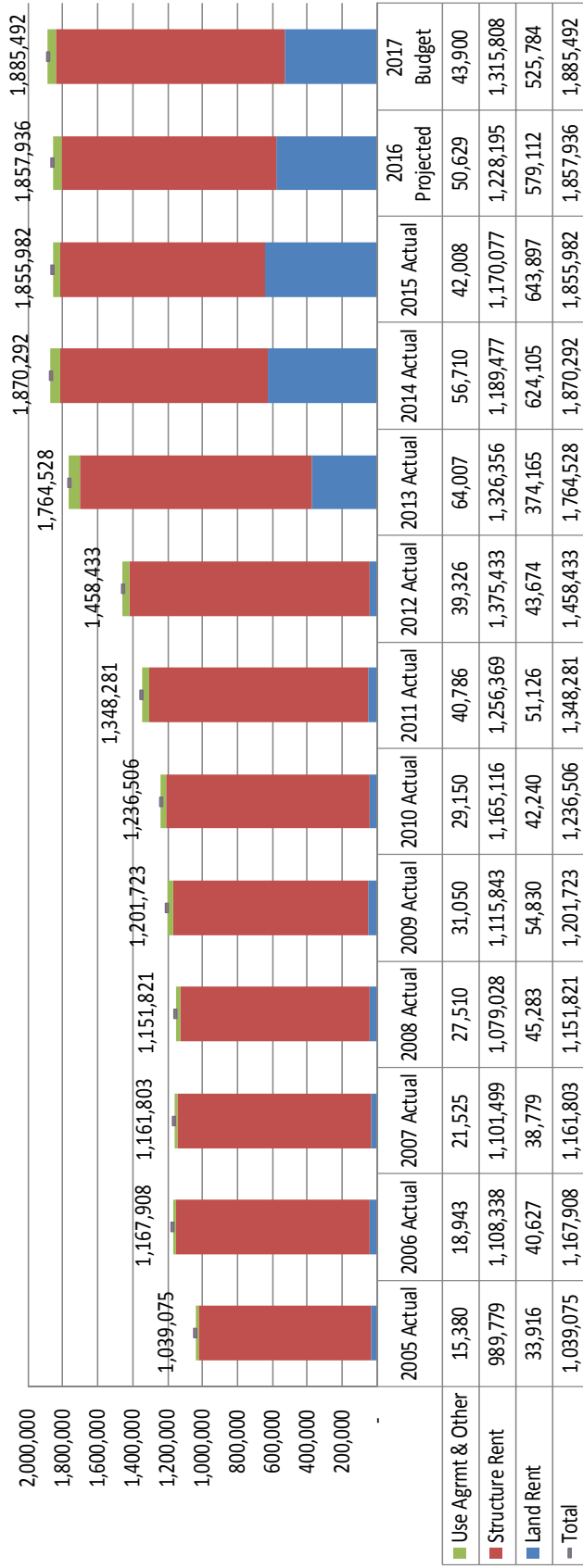
	(see note 1)		Total MTDC Expense	Total MTDC Ratios	Total MTDC Ratios used to split Support Function Expenses		
	Total LOB Expense	Less COGS Expense			Mech Maint	Facility Maint	Admin & General
<u>All LOB Depts</u>							
Marine Terminal	694,441	(70,000)	624,441	14%	20,060	27,629	300,207
Marine Trades	301,701	(2,200)	299,501	7%	9,621	13,252	143,988
Log Yard	1,143,709	(40,400)	1,103,309	25%	35,443	48,817	530,428
FIA Airport	682,547	(7,909)	674,638	15%	21,672	29,850	324,340
Airport Rentals	463,219	(1,020)	462,199	10%	14,848	20,450	222,207
Seki Airport	31,007	-	31,007	1%	996	1,372	14,907
PA Boat Haven	673,238	(86,900)	586,338	13%	18,836	25,943	281,889
JW Marina	723,184	(186,100)	537,084	12%	17,253	23,764	258,209
Rental Property	138,827	(1,620)	137,207	3%	4,408	6,071	65,964
Total	4,851,873	(396,149)	4,455,724	100%	143,136	197,148	2,142,138

	Total LOB Expense	Less COGS Expense	Total MTDC Expense	Non-Airport MTDC Ratios	Non-Airport MTDC Ratios used to split (see note 2)
					General Bus Dev
<u>Excluding Airports</u>					
Marine Terminal	694,441	(70,000)	624,441	19%	37,473
Marine Trades	301,701	(2,200)	299,501	9%	17,973
Log Yard	1,143,709	(40,400)	1,103,309	34%	66,211
PA Boat Haven	673,238	(86,900)	586,338	18%	35,187
JW Marina	723,184	(186,100)	537,084	16%	32,231
Rental Property	138,827	(1,620)	137,207	4%	8,234
Total	3,675,100	(387,220)	3,287,880	100%	197,310

	Total LOB Expense	Less COGS Expense	Total MTDC Expense	Airport Only MTDC Ratios	100% Direct Allocation to Airport Area
					Airport Bus Dev
<u>Airport Only</u>					
Airport Rentals	463,219	(1,020)	462,199	100%	929,788

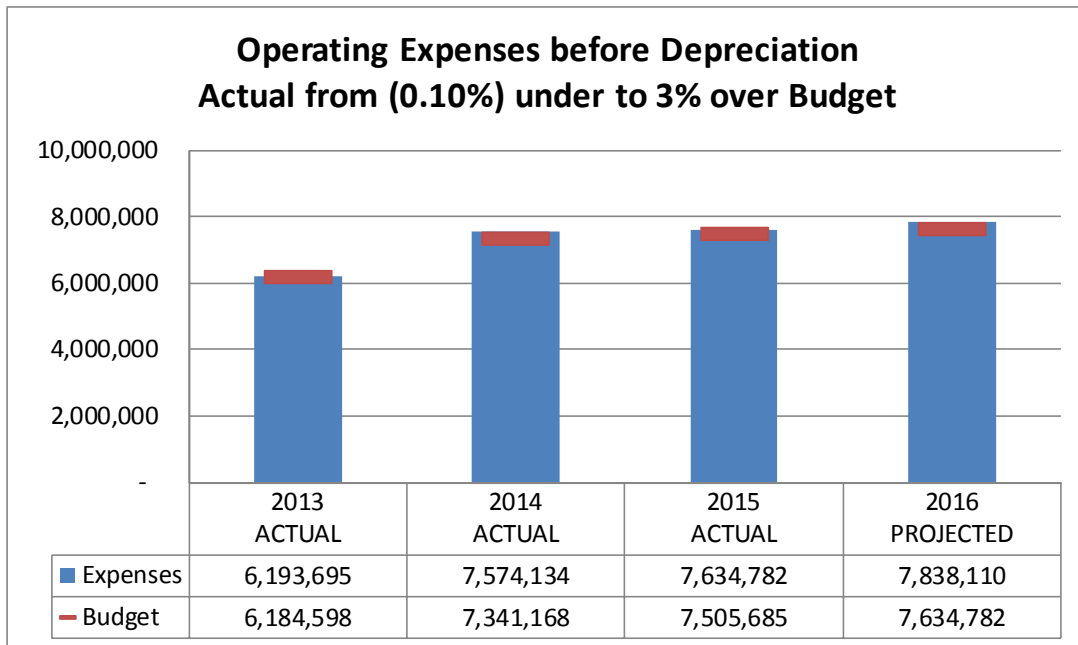
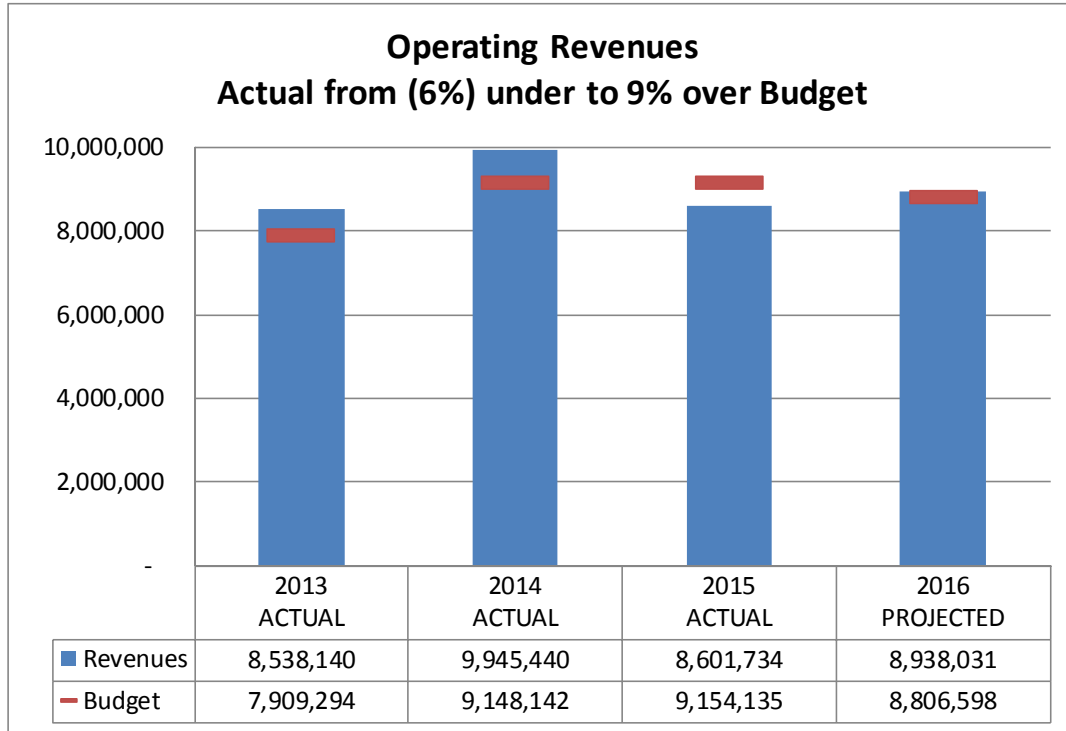
Total Support Costs Allocated	Total Support Cost Allocation by Line of Business
Mech Maint	385,369
Facility Maint	184,835
Admin & General	680,898
General Bus Dev	375,862
Airport Bus Dev	1,187,293
Total	3,609,519

Lease Revenues - All Lines of Business



Budget to Actual History

On average, the Port's actual revenue has exceeded budget and the Port has managed expenses close to budget.



List of Abbreviations

ADMIN	Administration & General Management	PABH	Port Angeles Boat Haven
AIP	Airport Improvement Program	PABY	Port Angeles Boat Yard
AIP	Airport Industrial Park	PERS	Public Employee Retirement System
ACC	Advanced Composite Center	PFC	Passenger Facility Charges
ACTI	Angeles Composite Technology, Inc.	PFD	Port Filled Dump
ALP	Airport Layout Plan	PTO	Paid Time Off
A/V	Audio / Visual	PUD	Public Utility District
BD	Business (Economic) Development	RP	Rental Property
BL	Boat Launch	SEK	Sekiu Airport
BY	Boat Yard	SP	Strategic Plan
CMC	Composite Manufacturing Campus	T1	Terminal #1 Main Terminal
CPI	Consumer Price Index	T2	Terminal #2 Black Ball Ferry
CRTC	Composite Recycling Technology Center	T3	Terminal #3 Concrete Cargo Pier
CSO	Combined Sewer Overflow	T4	Terminal #4 Timber Dock Oak Street
DOT	Department of Transportation	T5	Terminal #5 Old M&R Pier
DNR	Department of Natural Resources	T6	Terminal #6 Barge Berth Pier
EA	Environmental Assessment	T7	Terminal #7 Nippon/Daishowa Pier
EDC	Economic Development Council	TBD	To Be Determined
EOY	End of Year		
FBO	Fixed Based Operator		
FIA	Fairchild International Airport		
FM	Facilities Maintenance		
GASB	Government Accounting Standards Board		
HVAC	Heating Ventilation Air Conditioning		
JWM	John Wayne Marina		
KPly	Site of PenPly location		
LOB	Line of Business		
LY	Log Yard		
MM	Mechanic Maintenance		
MT	Marine Terminal		
MTA	Marine Trades Area		
MTIB	Multi-Tenant Industrial Building		
MTIP	Marine Trades Industrial Park		
NONOP	Non-Operations (Department)		
NOTAC	North Olympic Timber Action Committee		
NWF	National Wildlife Federation		
FEMA	Federal Emergency Management Agency		
OB	Obstruction		
OPVB	Olympic Peninsula Visitor Bureau		

Port of Port Angeles

Port Angeles, Washington

16-1142

Commissioners' Resolution No. _____

A RESOLUTION ADOPTING FINAL BUDGET FOR 2017

WHEREAS, the preliminary budget of the Port of Port Angeles was prepared and filed on 25th day of October and a revised preliminary budget was filed on the 14th day of November, 2016; and

WHEREAS, in accordance with R.C.W. 53.35.045 a public hearing was held on November 14th 2016; and

WHEREAS, the preliminary revised budget was adopted as the final budget on the 14th day of November, 2016.

NOW, THEREFORE BE IT RESOLVED, that the budget herein is the Final Budget of the Port of Port Angeles for the calendar year 2017.

Cash Balance Jan 1, 2017 **\$ 13,649,873**

Sources of Cash

Revenues - Operating	8,961,751
Revenues - Non-Operating	340,750
Property Tax Levy	1,471,000
Grants for Capital Projects	771,910
Bond Proceeds	-
Total Sources	11,545,411

Uses of Cash

Expenses - Operating	8,461,392
Expenses - Non-Operating	400,000
Debt Service (Principal & Interest)	691,496
Capital Projects	10,172,910
Total Uses	19,725,798

Cash Balance Dec 31, 2017 **\$ 5,469,486**

Increase (Decrease) in Cash during year **\$ (8,180,387)**

RCW 53.36.120 & 53.36.130 Specific Budget Items

Promotional Hosting **\$ 21,800**

ADOPTED by the Port Commission of the Port of Port Angeles, at a Commission meeting thereof held this 14th day of November, 2016.

PORT OF PORT ANGELES
BOARD OF COMMISSIONERS



Colleen M. McAleer, President



Connie L. Beauvais, Vice President



Steven D. Burke, Secretary

*END OF 2017 BUDGET
PORT OF PORT ANGELES*