



## **2018 BUDGET**

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**Port of Port Angeles**  
2018 Budget Summary

<u>Operations</u>	<u>Log Yard &amp; Marine Term</u>	<u>PABH &amp; JWM Marinas</u>	<u>Marine Trades &amp; Rental Prop</u>	<u>FIA &amp; Sekiu Airports</u>	<u>Total</u>
Revenues	5,848,202	2,631,933	1,882,928	248,707	10,611,770
Direct Expenses	(2,524,746)	(1,490,473)	(1,086,020)	(775,690)	(5,876,929)
Overhead Support	(1,197,345)	(584,496)	(653,553)	(361,238)	(2,796,632)
<b>Net Margin</b>	<b>2,126,111</b>	<b>556,964</b>	<b>143,355</b>	<b>(888,221)</b>	<b>1,938,209</b>
Less Depreciation	(713,890)	(602,667)	(541,911)	(544,625)	(2,403,093)
Op Surplus (Deficit)	1,412,221	(45,703)	(398,556)	(1,432,846)	(464,884)
<b><u>Non-Operating Items</u></b>					
Property Tax Revenue					1,490,000
Capital Grant Income					251,600
Timber/Other Tax Revenue					120,480
Interest Expense					(275,427)
Interest Earnings					178,053
Net other Non-Op Items					(235,235)
<b>Total Non-Operating</b>					<b>1,529,471</b>
<b>Total Net Surplus</b>					<b><u>1,064,587</u></b>

**Cash Flow / Fund Analysis**

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Total Port Funds</u>
Beginning Balance	8,673,561	9,531,311	18,204,872
Plus Cash Flow from Operations	1,938,209	-	1,938,209
Net Non-Op Cash flow	63,298	-	63,298
Plus Capital Grant Revenue	-	251,600	251,600
Plus Property Tax Revenue	-	1,490,000	1,490,000
Less Debt Service Payments	-	(694,734)	(694,734)
Less 2018 Capital Expenditures	-	(4,695,600)	(4,695,600)
Transfer excess of 1-yr op expenses	(1,828,068)	1,828,068	-
Projected Ending Balance	<u>8,847,000</u>	<u>7,710,645</u>	<u>16,557,645</u>

## **COMMISSIONER COLLEEN M. MCALEER (District 1)**



Commissioner McAleer represents District 1 (east) and has served as a Port Commissioner since January 2014. Colleen served for two years on the staff of the Port of Port Angeles before becoming a Commissioner. As the Port's Marketing and Property Manager and the Director of Business Development, she became deeply familiar with the operations of the Port and the business opportunities that exist for Clallam County. With state and community partners, Colleen spearheaded what became the Composites Recycling Technology Center Advanced Composites Center. This brought Clallam County into the state and national spotlight as a proactive community partner supporting advanced composite technologies and innovative manufacturing processes.

Colleen and her family arrived to Sequim in 2002. For nine years she was a successful small business owner, offering business and commercial real estate brokerage services in Clallam County.

Community and State involvement: Colleen has served on multiple boards including Peninsula College Foundation, Sequim Design Review Board and the Clallam County Economic Council. Today she serves on boards for the following statewide organizations: Washington State Center of Excellence for Aerospace & Advanced Manufacturing, Washington State's US Global Leadership Coalition, and the Seattle Sports Commission.

Since 2015, Colleen's full time role has been with the Washington Business Alliance. The Business Alliance is one of the state's premier business advocacy organizations. As the president, she leads a team of professional experts to manage the business non-profit, its communications, government affairs and organizational development with members and partner organizations.

### **Education & Military Service:**

After graduating from Florida Institute of Technology on a full scholarship, Colleen served as an US Army Aviator and a Military Intelligence Officer for ten years. She flew both helicopters and fixed wing aircraft while stationed in Europe, Asia and North America. Colleen is a decorated combat veteran. She deployed to the Middle-East as a platoon leader during Desert Storm.

She has two terrific boys, Jack and Nicholas. One attends Cal Poly studying electrical engineering and the other is a senior at Sequim High School. She is married to David Gilles, owner of DEGilles Construction.

## **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 was hired as the Port of Port Angeles Executive Director in June 2016. She served as the Interim Executive Director starting in January 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.

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## **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  
Deputy Executive Director.....Open until filled  
Director of Engineering.....CHRIS R. HARTMAN  
Controller.....Open until filled  
Operations Manager (Log Yard & Maritime).....MICHAEL V. NIMMO  
Airport & Marina Manager.....JERRY A. LUDKE  
Environmental Manager.....JESSE W. WAKNITZ  
HR, PR & Admin Manager.....HOLLY M. HAIRELL  
Real Estate & Aviation Business Manager.....DANIEL E. GASE  
Property Administrator.....SUSAN C. SCOTT  
Finance Manager.....TRISHA L. MILLER  
Accounting Manager.....DIANE C. BARTH  
Facilities Manager.....CHRISTOPHER L. RASMUSSEN

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## **SECTION I**

### **INTRODUCTION**

## 2018 BUDGET MESSAGE

DATE: OCTOBER 23, 2017  
TO: BOARD OF PORT COMMISSIONERS, PORT OF PORT ANGELES  
FROM: KAREN GOSCHEN, EXECUTIVE DIRECTOR

We are pleased to submit to the Board this 2018 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 2018 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 and re-establish commercial air service.

2018 operating revenues are budgeted at \$10.6 million, similar to 2017 projected year-end, which is 17% more than 2017 budget. We are fortunate that the strong log export market we experienced in 2017 is expected to carry over into 2018. The log yard is expected to remain busy supporting both export and domestic timber needs.

2018 operating expenses are budgeted at \$8.6 million, slightly higher than 2017 budget and projected year-end, primarily due to dredging for marine terminal 3 and CPI increase in salaries along with increase in positions. The expenses continue to include marketing real estate properties (including broker fees for a large industrial building that may be vacated), airline marketing in anticipation of re-establishing commercial air service, several studies and advocacy efforts (including maritime commerce and timber advocacy), tree removal expense at Lincoln Park and continued emphasis on the Port Angeles Boat Haven through a new agent agreement that includes incentive based pay.

The budgeted net operating surplus is \$1,938,209 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 2018, aided by grant funding totaling \$251,600, for a total budget of \$4,695,600. Among these projects are \$1.8 million for storm water treatment at our Marine Terminal and funds to improve critical Port facilities as well as the Marine Trades Industrial Park.

Due to the significant capital needs, particularly the storm water and Marine Trades Industrial Park, the Port's capital reserve fund is forecasted to be fully depleted by the end of 2019. The Port may need to consider issuing additional debt to continue with committed projects, investing in new infrastructure or limit capital expenditures to major maintenance projects. There is also flexibility in managing the level of general and capital reserve funds. The remaining long-term debt as of December 31, 2017 will be \$6,749,806 which will require payments totaling \$694,734 in 2018.

After debt service and setting aside \$70,000 for continued support of the Port's Small Community Partner program, the 2018 tax levy will provide approximately \$725,000 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 \$725K could support \$10 - \$13 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.



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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 at Fairchild International Airport.
- 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 at Fairchild International Airport. Secure TSA service if available.
  - 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. Actively market available Port properties and maintain minimum 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.
- 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.

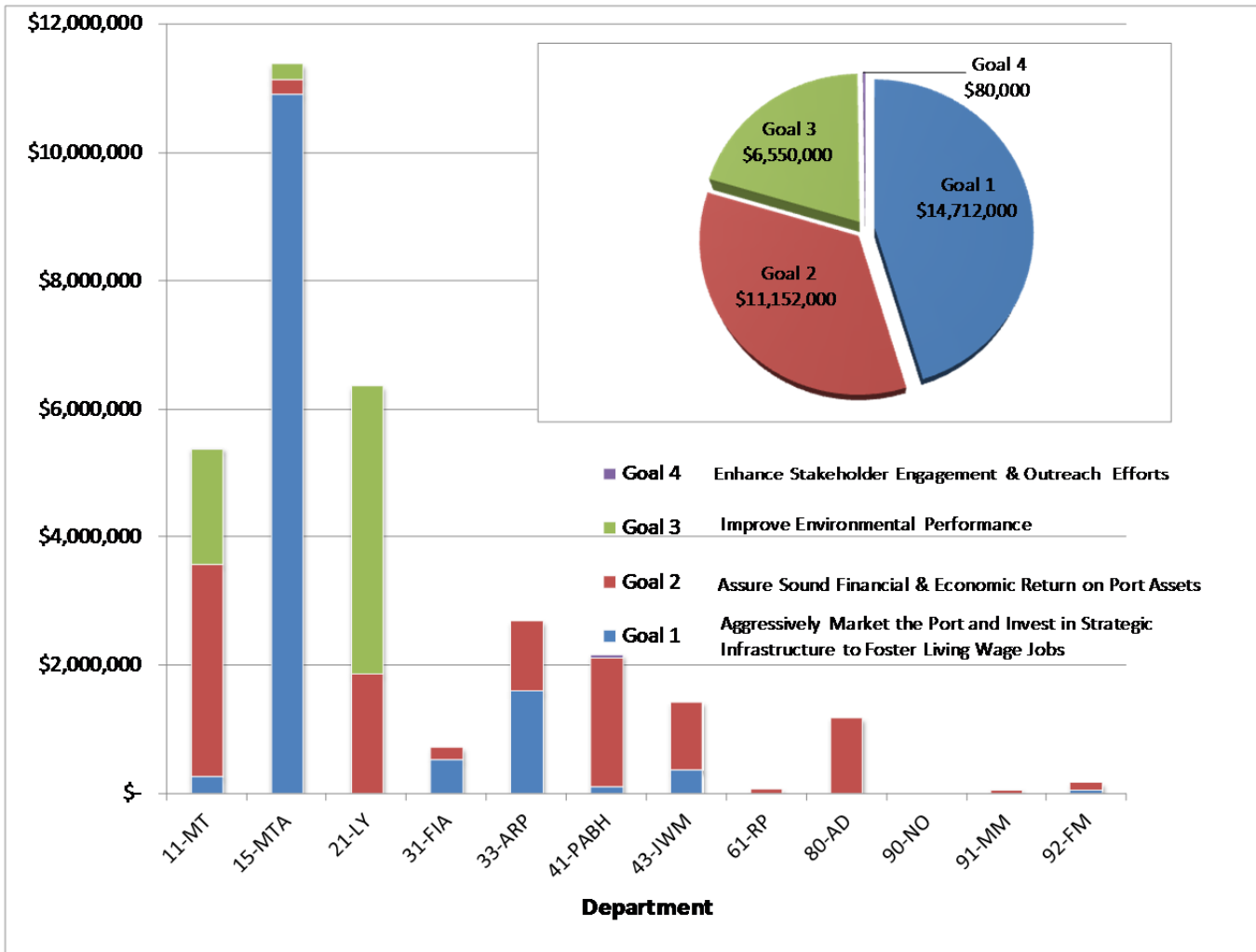
## **Port of Port Angeles 2018 Action Plan**

The following strategic plan items have been identified as priority action items for 2018:

- 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 at Fairchild International Airport.
- Promote innovative value-added wood products manufacturing while working to achieve a reliable and sustainable timber harvest.
- Provide excellent customer service.
- Annually generate positive cash flow.

# 5 Year Capital Improvement Plan

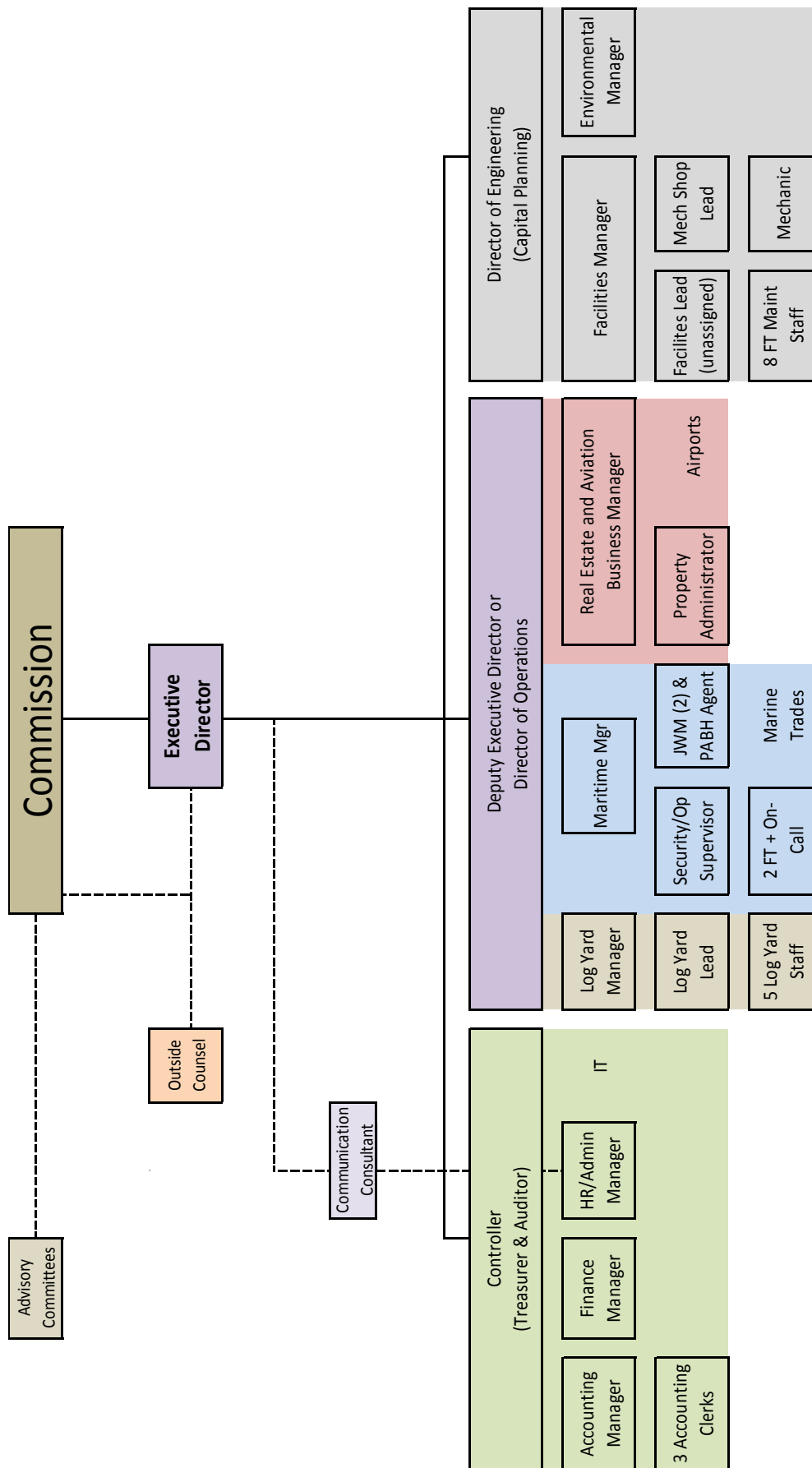
2018-2022 CAPITAL EXPENDITURES BY STRATEGIC GOAL AND DEPARTMENT



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## **SECTION II**

### **PERSONNEL SUMMARY**



# PORT OF PORT ANGELES PERSONNEL SUMMARY

## All Departments Actual/Budgeted Employee

		2014**	2015	2016	2017	2017	2018	2018 -2017
Department		Actual FTEs	Actual FTEs	Actual FTEs	Budget FTEs	Projected FTEs	Budget FTEs	Budget Change In FTEs
<b>MT</b>	Marine Terminal <i>(Includes PT &amp; FT Security)</i>	5.92	5.90	5.30	5.26	5.82	5.46	0.20
<b>MTA</b>	Marine Trades Area <i>(Formerly Boat Yard &amp; Travel Lift Pier)</i>	0.45	1.00	0.94	0.94	0.81	0.74	(0.20)
<b>LY</b>	Log Yard	6.38	6.00	6.59	6.65	7.59	7.73	1.08
<b>FIA</b>	William R. Fairchild Int'l Airport	2.66	2.50	2.38	1.87	1.97	1.20	(0.67)
<b>ARP</b>	Airport Rental Properties	0.32	1.50	1.41	0.82	0.74	1.22	0.40
<b>SEK</b>	Sekiu Airport	0.05	0.05	0.03	0.05	0.01	0.02	(0.03)
<b>PABH</b>	Port Angeles Boat Haven	0.80	0.75	0.74	0.77	0.81	0.80	0.03
<b>JWM</b>	John Wayne Marina <i>(Includes PT &amp; FT Security)</i>	3.14	4.05	3.89	4.58	4.59	4.64	0.06
<b>RP</b>	Rental Properties	1.18	1.00	0.72	0.43	0.51	0.78	0.35
<b>A&amp;G</b>	Administration & General <i>(Includes PT &amp; FT Security)</i>	11.03	10.77	10.26	10.30	9.80	9.86	(0.44)
<b>BD</b>	Business (Economic) Development	0.40	1.00	0.73	0.70	0.29	0.39	(0.31)
<b>MM</b>	Mechanical Maintenance	2.30	2.07	2.13	2.49	2.25	2.20	(0.29)
<b>FM</b>	Facilities Maintenance	7.05	7.73	7.96	8.14	6.83	9.57	1.43
	<b>Total</b>	<b>41.68</b>	<b>44.32</b>	<b>43.08</b>	<b>43.00</b>	<b>42.02</b>	<b>44.61</b>	<b>1.61</b>

\*\*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 2017 Budget to 2018 Budget:

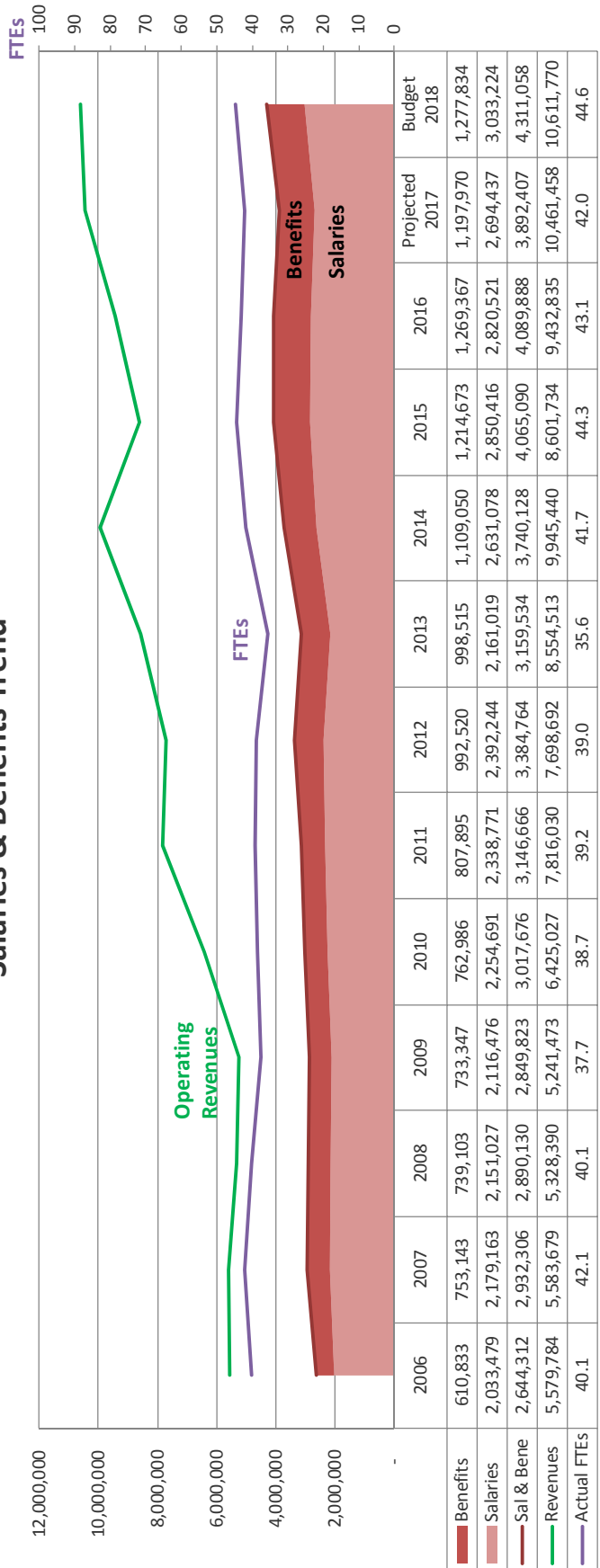
<b>MT</b>	Remaining about the same due to estimated cargo & repair volume.
<b>MTA</b>	Slight decrease due to the progress of the Marine Terminal Industrial Park.
<b>LY</b>	Increase by 1 equipment operator due to estimated log volumes.
<b>FIA</b>	Slight decrease as search for passenger air service continues.
<b>ARP</b>	Increase as focus on maximizing occupancy continues.
<b>SEK</b>	Slight decrease as change in management expected with retirement.
<b>PABH</b>	Remains steady.
<b>JWM</b>	Summer help increased to ensure superior customer service at all times.
<b>RP</b>	Slight increase with restructuring of RP department.
<b>A&amp;G</b>	Decrease due to administrative support positions not filled.
<b>BD</b>	Decrease due to restructuring of personnel into RP.
<b>MM</b>	Remains steady.
<b>FM</b>	Increase due to addition of HVAC trades person.

FTEs = Full time equivalent employees

FT = Full Time

PT = Part Time

## 2006 thru 2018 Operating Activity Salaries & Benefits Trend



### Average Annual Growth

Operating Revenues	6.9%
Salaries	3.8%
Benefits	8.4%
Salaries & Benefits	4.8%
FTEs	0.9%

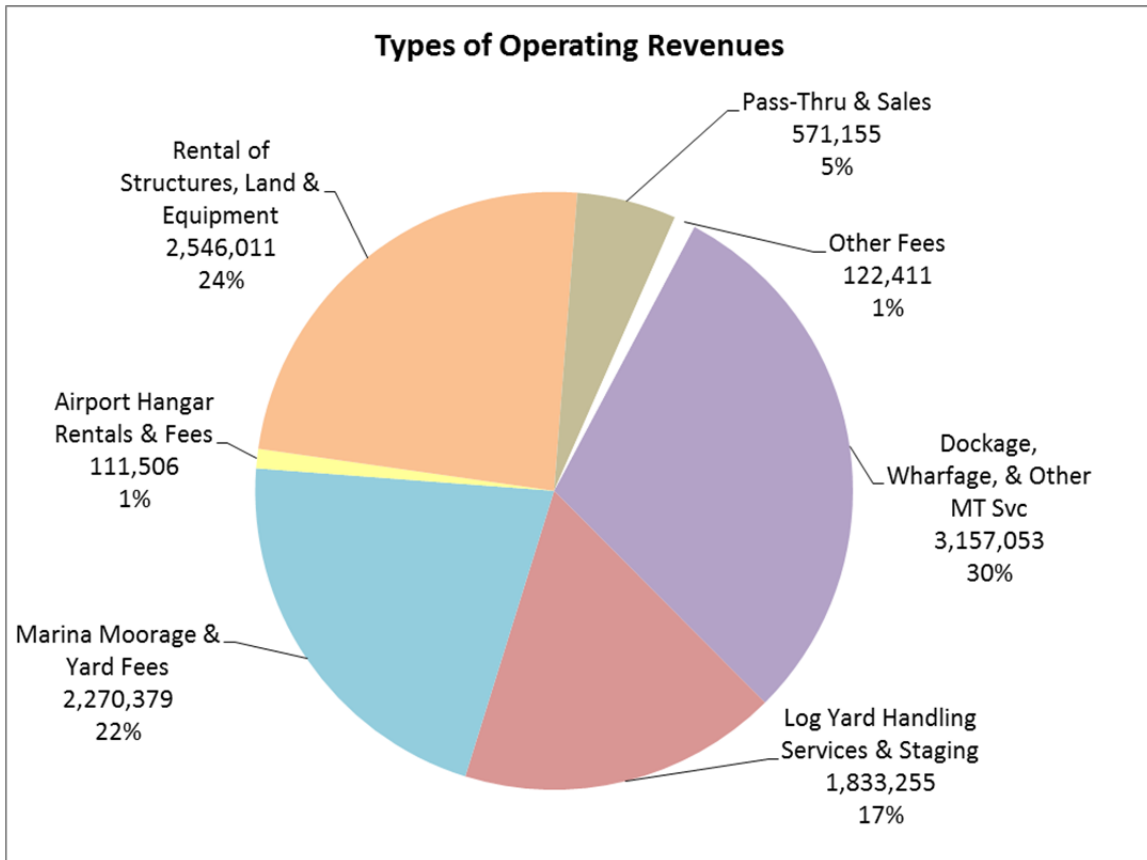
**SECTION III**

**BUDGET OVERVIEW**

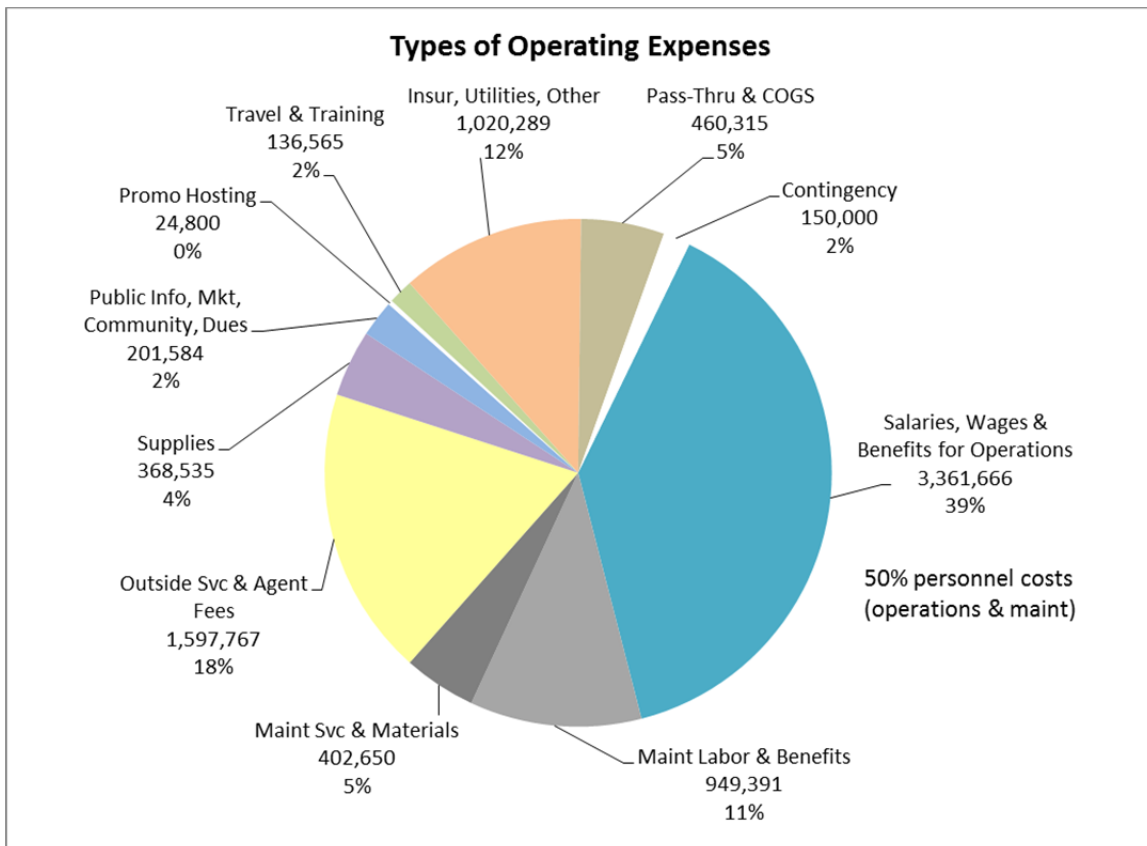
**&**

**FUND BALANCE**

## WHERE DOES THE MONEY COME FROM?



## WHERE DOES THE MONEY GO?





**Port of Port Angeles  
Summary by Type of Revenues & Expenses  
2017 Projected & 2018 Budget**

	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 BUDGET	2017 PROJECTED	2018 BUDGET	2017 Proj. Over/(Under) 2017 Budget	2018 Over/(Under) 2017 Projected
<b>OPERATING REVENUES</b>								
DOCKAGE	1,412,422	1,214,387	1,213,266	1,071,180	1,324,667	1,249,189	253,487	(75,478)
WHARFAGE	1,118,484	754,443	919,810	797,100	1,062,120	1,017,200	265,020	(44,920)
SERVICE & FACILITIES	657,952	440,540	539,137	470,880	639,831	710,040	168,951	70,209
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	4,014	2,240	0	2,500	0	0	(2,500)	0
LABOR SERVICES	192,708	202,160	180,947	157,336	175,879	180,624	18,543	4,745
LOG YARD STAGING	69,410	70,073	37,178	32,524	43,961	69,065	11,437	25,104
LOG YARD LAND SERVICES	958,720	593,812	1,279,681	1,222,367	1,550,247	1,538,120	327,880	(12,127)
LOG YARD WATER SERVICES	300,296	220,046	118,994	137,167	160,198	226,070	23,031	65,872
MOORAGE	1,780,561	1,868,748	1,942,984	1,917,900	1,978,763	1,998,551	60,863	19,788
MARINA & YARD FEES	257,553	247,163	246,205	272,600	276,383	271,828	3,783	(4,555)
LANDING/PARKING FEES	13,769	6,265	6,709	7,100	7,100	7,242	0	142
HANGAR/TIE DOWN	95,725	92,964	100,866	100,400	102,550	104,264	2,150	1,714
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	25,230	32,751	23,042	19,925	23,736	46,911	3,811	23,175
EQUIPMENT RENTAL	408,923	327,324	343,886	326,560	438,087	424,769	111,527	(13,318)
LAND LEASE/RENT	705,582	643,897	561,029	515,335	551,749	542,616	36,414	(9,133)
STRUCTURE LEASE/RENT	1,196,780	1,170,077	1,307,992	1,331,057	1,440,928	1,547,638	109,871	106,710
USE AGMT AND OTHER RENT	36,453	42,008	46,773	39,100	29,012	30,988	(10,088)	1,976
UTILITY PASS THRU & PRODUCT SALES	698,372	644,175	495,961	482,520	566,332	571,155	83,812	4,823
MISC & INTERDEPT REVENUE	12,484	28,663	68,375	58,200	89,915	75,500	31,715	(14,415)
<b>TOTAL OPERATING REVENUES</b>	<b>9,945,440</b>	<b>8,601,734</b>	<b>9,432,835</b>	<b>8,961,751</b>	<b>10,461,458</b>	<b>10,611,770</b>	<b>1,499,707</b>	<b>150,312</b>
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	3,134,337	3,286,831	3,294,986	3,138,532	3,073,874	3,361,666	(64,658)	287,792
SUPPLIES	358,315	292,858	321,670	296,555	347,179	368,535	50,624	21,356
OUTSIDE SERVICES	1,468,584	1,206,732	1,579,495	2,004,968	1,855,233	1,597,767	(149,735)	(257,466)
PUBLIC INFORMATION	19,556	42,463	50,712	46,088	44,133	106,088	(1,955)	61,955
MARKETING	14,004	16,186	31,168	168,500	20,000	40,000	(148,500)	20,000
COMMUNITY RELATIONS	65	49	4,484	5,300	820	5,600	(4,480)	4,780
ADS, DUES & PUBLICATIONS	53,537	60,782	43,808	43,159	33,662	49,896	(9,497)	16,234
TRAVEL MEETINGS	35,681	35,572	30,126	68,400	29,080	54,850	(39,320)	25,770
TRAINING/TRAVEL	71,176	71,265	60,911	75,767	40,605	81,715	(35,162)	41,110
PROMOTIONAL HOSTING	7,010	11,817	7,926	21,800	12,200	24,800	(9,600)	12,600
RENT, UTILITIES, INSURANCE, TAXES	780,311	900,972	909,891	833,332	964,997	952,519	131,665	(12,477)
UTILITY (Pass Thru) & COST OF GOODS SOLD	558,988	471,311	378,402	396,149	456,290	460,315	60,141	4,025
OTHER EXPENSES (Misc & Interdept)	78,350	42,645	38,448	35,100	49,093	67,770	13,993	18,677
CONTINGENCY	0	0	0	125,000	125,000	150,000	0	25,000
MAINT LABOR, BENEFITS & INTER-DEPT	605,792	778,258	794,902	812,372	818,533	949,391	6,161	130,858
MAINTENANCE (Materials & Services)	388,429	417,040	300,762	390,375	443,838	402,650	53,463	(41,188)
<b>TOTAL OPERATING EXPENSES</b>	<b>7,574,135</b>	<b>7,634,782</b>	<b>7,847,691</b>	<b>8,461,396</b>	<b>8,314,536</b>	<b>8,673,561</b>	<b>(146,860)</b>	<b>359,025</b>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>2,371,305</b>	<b>966,952</b>	<b>1,585,144</b>	<b>500,355</b>	<b>2,146,922</b>	<b>1,938,209</b>	<b>1,646,567</b>	<b>(208,713)</b>
ALLOCATED EXPENSES	(81,859)	(67,265)	(0)	(0)	0	0	0	(0)
ALLOCATED DEPRECIATION	81,859	67,265	(0)	(0)	(0)	0	0	0
DEPRECIATION	2,015,826	2,077,569	2,229,745	2,412,516	2,402,299	2,403,093	(10,217)	794
<b>NET OPERATING SURPLUS (DEFICIT)</b>	<b>355,479</b>	<b>(1,110,617)</b>	<b>(644,600)</b>	<b>(1,912,161)</b>	<b>(255,377)</b>	<b>(464,884)</b>	<b>1,656,784</b>	<b>(207,919)</b>
<b>NON-OP (GENERAL)</b>								
NON-OP REV (General)	891,048	1,161,512	2,134,327	340,750	514,022	360,683	173,272	(153,339)
NON-OP EXP (General)	1,086,269	387,122	(1,194,693)	400,000	283,625	297,386	(116,375)	13,761
<b>NON-OP (General) SURPLUS (DEFICIT)</b>	<b>(195,220)</b>	<b>774,390</b>	<b>3,329,020</b>	<b>(59,250)</b>	<b>230,397</b>	<b>63,298</b>	<b>289,647</b>	<b>(167,099)</b>
<b>NON-OP (CAPITAL)</b>								
NON-OP REV (Capital)	2,346,052	3,623,481	6,531,004	2,242,910	2,227,821	1,741,600	(15,089)	(486,221)
NON-OP EXP (Capital)	397,150	404,362	292,071	281,304	286,447	275,427	5,144	(11,020)
<b>NON-OP (Capital) SURPLUS (DEFICIT)</b>	<b>1,948,902</b>	<b>3,219,119</b>	<b>6,238,933</b>	<b>1,961,606</b>	<b>1,941,374</b>	<b>1,466,173</b>	<b>(20,233)</b>	<b>(475,201)</b>
<b>NET NON-OP SURPLUS (DEFICIT)</b>	<b>1,753,682</b>	<b>3,993,509</b>	<b>9,567,953</b>	<b>1,902,356</b>	<b>2,171,771</b>	<b>1,529,471</b>	<b>269,415</b>	<b>(642,300)</b>
<b>TOTAL NET SURPLUS (DEFICIT)</b>	<b>2,109,161</b>	<b>2,882,892</b>	<b>8,923,354</b>	<b>(9,805)</b>	<b>1,916,394</b>	<b>1,064,587</b>	<b>1,926,198</b>	<b>(851,807)</b>

## CASH BASED FUND BALANCE

(Approximates Cash Flow)

Projected 2017	DESIGNATED FUNDING	GENERAL FUND	CAPITAL IMPR.	G.O. DEBT SERVICE	TOTAL FUNDS
<b>CASH BALANCE, JANUARY 1, 2017</b>					
Operating Cash		1,010,581			
Investment Fund Balance		7,458,994	9,986,588	200,000	
<b>Beginning Balance</b>		<b>8,469,575</b>	<b>9,986,588</b>	<b>200,000</b>	<b>18,656,163</b>
<b>PROJECTED GENERAL FUND ENDING BALANCE</b>					
Operating Revenues		10,461,458			
1 Operating Expenses before Depreciation		(8,314,536)			
<b>Operating Surplus (Deficit) before Depreciation</b>		<b>2,146,922</b>			<b>2,146,922</b>
Beginning General Fund Balance + Op Surplus		10,616,497			
2 <b>Net Non-Operating General Surplus (Deficit)</b>		<b>230,397</b>			<b>230,397</b>
Projected General Fund Ending Balance		10,846,894			
<b>GENERAL FUND TARGET FUND BALANCE</b>					
Next Year Operating Expense Budget		8,673,561			
<b>Projected Ending Balance over (under) Target Balance</b>		<b>2,173,332</b>			
3 <b>TRANSFER EXCESS GENERAL FUNDS TO CAPITAL FUND</b>		<b>(2,173,332)</b>	<b>2,173,332</b>		<b>0</b>
Capital Fund is "approximately" reimbursing General Fund for:					
Community Partner Program	65,000				
New Bond Issue Proceeds				0	
General Property Tax Levy				1,471,000	
Less: Debt Service (Principal & Interest)				(691,496)	
<b>Excess Property Tax Levy</b>				<b>779,504</b>	<b>779,504</b>
<b>TRANSFER EXCESS TAX LEVY TO CAPITAL FUND</b>			<b>779,504</b>	<b>(779,504)</b>	<b>0</b>
Capital Grants			756,821		756,821
4 Less: Capital Project Expenses (before grant funding)			(4,364,934)		(4,364,934)
<b>CASH BALANCE, DECEMBER 31, 2017</b>		<b>8,673,561</b>	<b>9,331,311</b>	<b>200,000</b>	<b>18,204,873</b>
<b>Budget 2018</b>					
Budget 2018	DESIGNATED FUNDING	GENERAL FUND	CAPITAL IMPR.	G.O. DEBT SERVICE	TOTAL FUNDS
<b>CASH BALANCE, JANUARY 1, 2018</b>					
		<b>8,673,561</b>	<b>9,331,311</b>	<b>200,000</b>	<b>18,204,873</b>
<b>PROJECTED GENERAL FUND ENDING BALANCE</b>					
Operating Revenues		10,611,770			
1 Operating Expenses before Depreciation		(8,673,561)			
<b>Operating Surplus (Deficit) before Depreciation</b>		<b>1,938,209</b>			<b>1,938,209</b>
Beginning General Fund Balance + Op Surplus		10,611,770			
2 <b>Net Non-Operating General Surplus (Deficit)</b>		<b>63,298</b>			<b>63,298</b>
Projected General Fund Ending Balance		10,675,068			
<b>GENERAL FUND TARGET FUND BALANCE</b>					
Next Year Operating Budget (budget year plus 2%)		8,847,000			
<b>Projected Ending Balance over (under) Target Balance</b>		<b>1,828,068</b>			
3 <b>TRANSFER EXCESS GENERAL FUNDS TO CAPITAL FUND</b>		<b>(1,828,068)</b>	<b>1,828,068</b>		<b>0</b>
Capital Fund support for Economic Development					
Community Partner Program	70,000				
New Bond Issue Proceeds				0	
General Property Tax Levy				1,490,000	
Less: Debt Service (Principal & Interest)				(694,734)	
<b>Excess Property Tax Levy</b>				<b>795,266</b>	<b>795,266</b>
<b>TRANSFER EXCESS TAX LEVY TO CAPITAL FUND</b>			<b>795,266</b>	<b>(795,266)</b>	<b>0</b>
Capital Grants			251,600		251,600
4 Less: Capital Project Expenses (before grant funding)			(4,695,600)		(4,695,600)
<b>CASH BALANCE, DECEMBER 31, 2018</b>		<b>8,847,000</b>	<b>7,510,645</b>	<b>200,000</b>	<b>16,557,645</b>

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)*

	2018	2019	2020	2021	2022
<b>GENERAL FUND</b>					
Beginning Fund Balance	8,673,561	8,847,000	9,023,940	9,204,419	9,388,507
Op Surplus (before Depreciation)	1,938,209	2,000,000	2,000,000	2,000,000	2,000,000
Net Non-Operating Surplus	63,298	200,000	200,000	200,000	200,000
Projected Ending Fund Balance	10,675,068	11,047,000	11,223,940	11,404,419	11,588,507
<b>TRANSFER EXCESS TO CAPITAL FUND</b>	<b>(1,828,068)</b>	<b>(2,023,060)</b>	<b>(2,019,521)</b>	<b>(2,015,912)</b>	<b>(2,012,230)</b>
<b>Estimated Ending Fund Balance</b>	<b>8,847,000</b>	<b>9,023,940</b>	<b>9,204,419</b>	<b>9,388,507</b>	<b>9,576,277</b>

**Explanation of Reserves**

General Reserve for Adverse Conditions & to obtain strong bond rating

Res 10-987: Next Yr Op Budget (2% increase)	8,847,000	9,023,940	9,204,419	9,388,507	9,576,277
Includes Self-insurance reserves	7,500	7,500	7,500	7,500	7,500 <sup>1</sup>
<b>Target Reserve Balance</b>	<b>8,847,000</b>	<b>9,023,940</b>	<b>9,204,419</b>	<b>9,388,507</b>	<b>9,576,277</b>
<b>Estimated Over (Under) Target</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Unemployment.

	2018	2019	2020	2021	2022
<b>CAPITAL IMPROVEMENT FUND (committed projects)</b>					
Beginning Fund Balance	9,331,311	7,510,645	(2,891,937)	(4,280,114)	(3,511,603)
Transfer from General Fund	1,828,068	2,023,060	2,019,521	2,015,912	2,012,230
Transfer from Debt Service Fund	795,266	819,891	832,303	850,375	864,821
Capital Grants for Committed Projects	251,600	397,776	4,257,776	3,600,000	600,000
Funds Available for Capital Projects	12,206,245	10,751,373	4,217,662	2,186,173	(34,553)
Capital Projects per 5 Yr Capital Plan	(4,695,600)	(13,643,310)	(8,497,776)	(5,697,776)	(6,420,000)
<b>Estimated Ending Fund Balance</b>	<b>7,510,645</b>	<b>(2,891,937)</b>	<b>(4,280,114)</b>	<b>(3,511,603)</b>	<b>(6,454,553)</b>

↑ Reduce Reserves and/or issue debt.

**Explanation of Reserves**

Environmental Liability GASB49	471,250	117,368	64,500	64,500	24,500 <sup>2</sup>
Environmental Projects (non-capital) Reserves	550,000	550,000	550,000	500,000	500,000 <sup>2</sup>
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
<b>Target Capital Reserves</b>	<b>3,021,250</b>	<b>2,667,368</b>	<b>2,614,500</b>	<b>2,564,500</b>	<b>2,524,500</b>
<b>Estimated Over (Under) Target</b>	<b>4,489,395</b>	<b>(5,559,305)</b>	<b>(6,894,614)</b>	<b>(6,076,103)</b>	<b>(8,979,053)</b>

<sup>2</sup> 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.

	2018	2019	2020	2021	2022
<b>DEBT SERVICE FUND</b>					
Beginning Fund Balance	200,000	200,000	200,000	200,000	200,000
Property Tax Levy: Banked in 2018, 1% in 2019-2022	1,490,000	1,504,900	1,519,949	1,535,148	1,550,500
Increase new Construction (\$83 mil) + Refunds	included above	8,000	8,000	8,000	8,000
Less: Debt Service	(694,734)	(693,009)	(695,646)	(692,774)	(693,679)
Projected Ending Fund Balance	995,266	1,019,891	1,032,303	1,050,375	1,064,821
<b>TRANSFER EXCESS TO CAPITAL FUND</b>	<b>(795,266)</b>	<b>(819,891)</b>	<b>(832,303)</b>	<b>(850,375)</b>	<b>(864,821)</b>
<b>Estimated Ending Fund Balance</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>

**Explanation of Reserves**

Cushion for fluctuations in property taxes

<b>Target Reserve Balance</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>
<b>Estimated Over (Under) Target</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0)</b>
New Debt using "Excess" Prop Tax (20 yr at 3.25%)	\$ 11,660,000	\$ 12,020,000	\$ 12,200,000	\$ 12,470,000	\$ 12,680,000

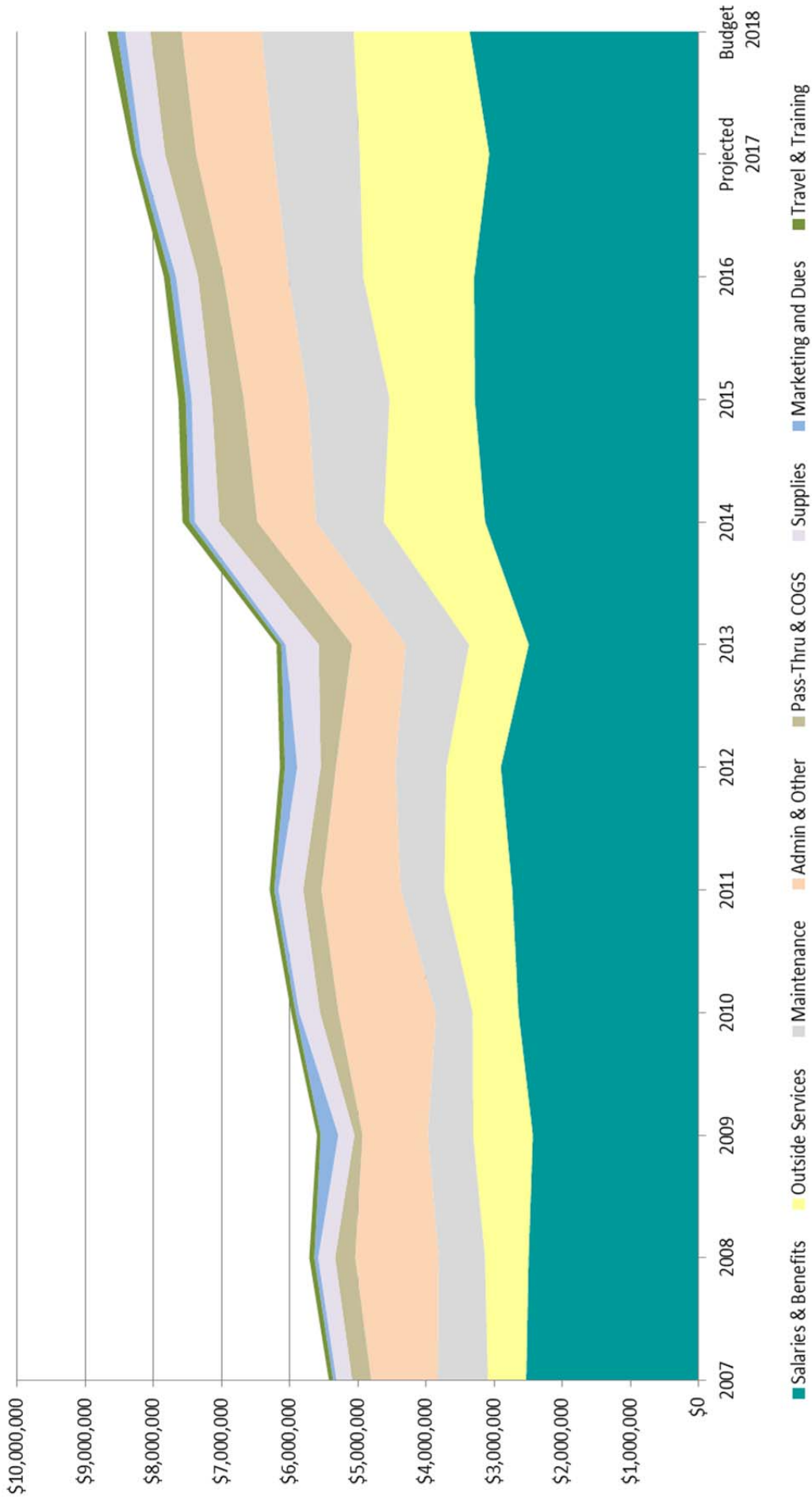
### 10-year Revenue Trend - by Revenue Type



## 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**

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## **2017 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 2017 Projected**

1. Rates, fees and applicable leases were increased by not less than the 0.7% CPI, except as specifically identified.
2. Marine Terminal cargo volume will be approximately 93.0 million board feet with 3 additional cargo vessels projected for Q4. 2017 Budget was 72.0 million board feet.
3. Log Yard activities and associated revenues will exceed budget with revenues expected to exceed \$2.0 million.
4. Rental Property: 2017 Budget will be surpassed due to a holdover lease within Airport Rental Properties.
5. Marina moorage revenue projected to be at or above budget by year end across all 3 recording categories: monthly, non-tax and transient.

### **Expenses 2017 Projected**

1. Net salary/benefit savings of \$108k are projected: may implement \$45k merit pool; savings from retirement of 1 employee; management structure change in RP & BD.
2. Insurance renewals occur part way through the year. Property insurance renewed in July 2017. The property policy increased \$25k for raising the earthquake limits to \$50M. A Statement of Values review resulted in a 5.0% increase in listed property values resulting in a \$9k premium increase. The Crime policy remained flat. Liability insurance renews in October and is expected to remain flat.
3. Washington State Auditor's Office Annual Report Audit and Single Federal Audit will be approximately \$39k (audit work plus travel).
4. District 1 (East) and District 2 (Central) Commissioner terms 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.
5. Non-Operating: Environmental insurance litigation costs for legacy projects will continue until an insurance coverage decision is made.

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## 2018 Budget - Ops Assumptions

### General

1. CPI: August CPI West–Size Class B/C–All Urban Consumer (CPI-U) of 2.3%.
2. General Inflation outlook at 2%.

### Revenues

1. Rates, fees and applicable leases will increase by not less than the 2.3% CPI-U.
2. Marine Terminal rates will be adjusted based on the results of the NWMTA Blended CPI Study for August 2017 with rates adjusted with a floor of not less than 2.7% 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. Marine Terminal tariff rates will reflect a mid-year implementation of an environmental fee assessed against all cargo to recover storm water capital infrastructure and operating costs.
3. Marine Terminal activity includes associated revenue and expenditures based on 84 million board feet of log exports (14 vessels) and 80 days of tanker repair dockage. No cruise vessel calls are expected in 2018.
4. Log Yard Land Services revenue anticipated to be slightly lower than 2017 EOY due to a slight decrease in export log handling and storm water planning interruptions.
5. Log Yard Water Services includes revenue from rafting, round booming and dewatering of log volume originating from Canada (via raft or barge). Log volumes and associated revenues expected to be slightly greater than EOY 2017 due to more barge activity both inbound (from Canada) and outbound shipments to Coos Bay.
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 84 million board feet loaded X-dock.
7. Log Yard rates for most log handling services (and fees) will increase not less than the 2.3% CPI-U.
8. Marina rates for 2018 to increase by 1.0% plus CPI 2.3% for all slips at PA Boat Haven and most slips at John Wayne Marina. Smaller increases will be applied to the JWM larger slips (50 & 60 foot) based on market surveys.
9. The Port will continue to use property tax revenues for new capital projects, debt service for prior capital projects and the Community Partner program.

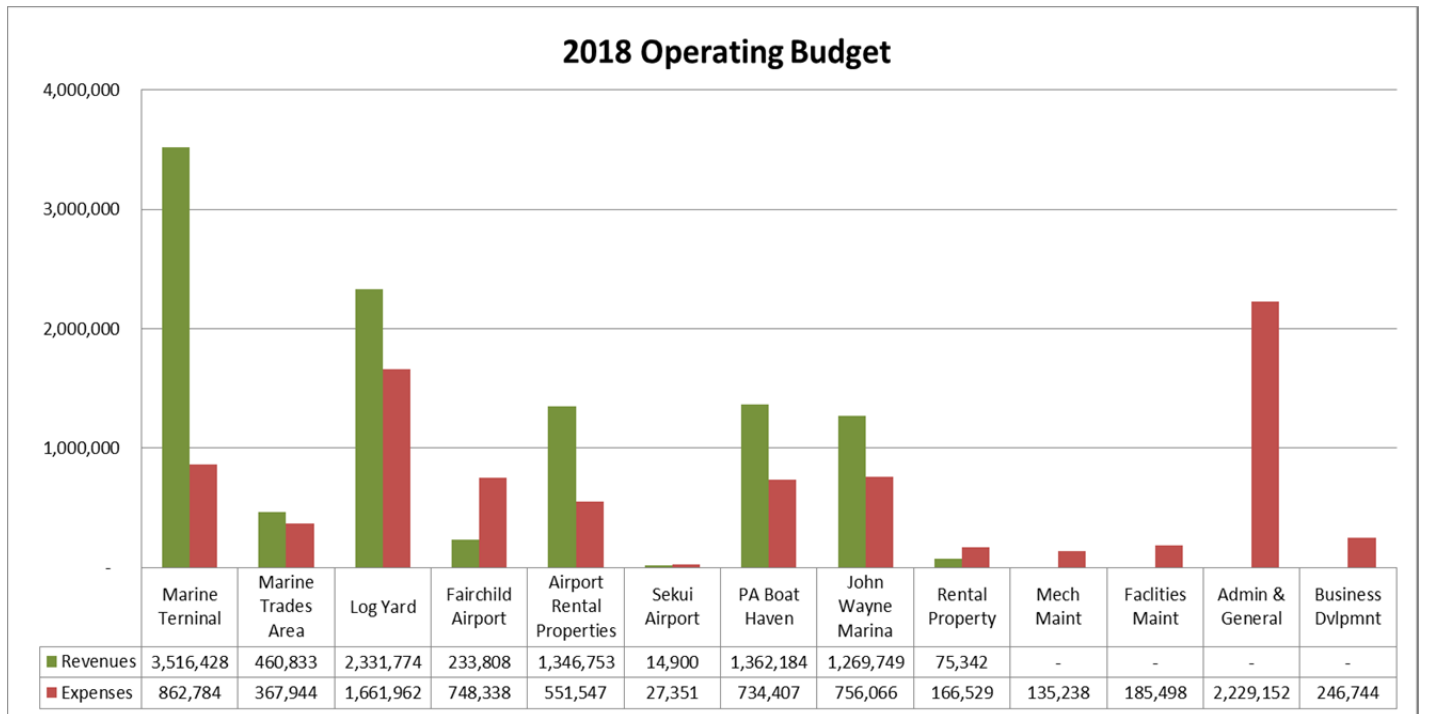
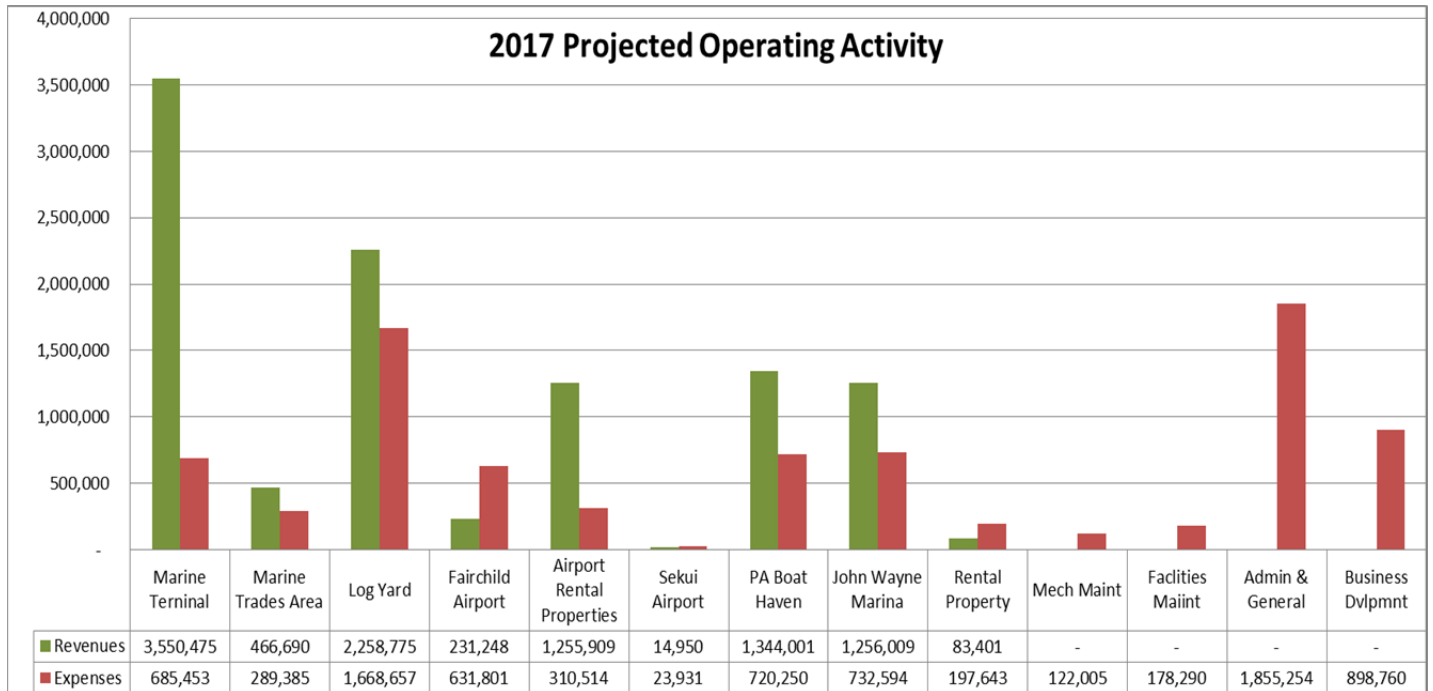
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## 2018 Budget - Ops Assumptions (continued)

### Expenses

1. 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 continues working on collecting the data 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 2.3% CPI plus a \$45k merit pool. Represented staff will be adjusted by the CPI rate, which is 2.3% and also be adjusted for pay step increases, which results in approximately \$4k (step increases are at 2.5% spread over multiple years).
2. Health insurance premiums will increase by 1.13% (\$2,868) for monthly premiums during January 1, 2018 to June 30, 2018. Premiums for July 1, 2018 to December 31, 2018 are projected to increase by 4% (\$10,239). The PERS (Public Employee Retirement System) premiums are on a biennium cycle (July 1, 2017 – June 30, 2019). The current employer contribution rate is 12.70% which will remain until 2019. The increase for 2018 will be 1.52% over 2017.
3. Legal services on environmental legacy issues will continue for litigation / negotiations with insurance companies and third parties.
4. Discounted municipal hourly fees for legal services have remained fixed since 2013. With second increase since 2008, rates increased 5% in May 2017.
5. Insurance renewals occur part way through the year. Property insurance renewed in July 2017. The property policy increased \$25k for increasing the earthquake limits to \$50M. A Statement of Values review resulted in a 5.0% increase in listed property values resulting in a \$9k premium increase. The Crime policy remained flat. Liability insurance renews in October and will not increase. The Airport premium decreased by (\$8k) while the Public Officials Bond increased \$2.6k.
  - 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).
6. Washington State Auditor’s Office Annual Report Audit and Single Federal Audit will be approximately \$40k (\$36k audit work plus \$4k travel).
7. All department contingency at \$150k.

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**Port of Port Angeles  
Summary by Department  
2017 Projected & 2018 Budget**

	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 BUDGET	2017 PROJECTED	2018 BUDGET	2017 Projected Over/(Under) 2017 Budget	2018 Budget Over/(Under) 2017 Proj
<b>OPERATING REVENUES</b>									
11 MARINE TERMINAL	2,822,939	3,689,283	2,957,713	3,173,011	2,823,284	3,550,475	3,516,428	727,191	(34,047)
15 MARINE TRADES AREA	307,451	320,193	419,600	432,325	460,059	466,690	460,833	6,631	(5,857)
21 LOG YARD	1,155,730	1,824,233	1,224,692	1,786,523	1,735,561	2,258,775	2,331,774	523,214	72,999
31 FAIRCHILD INTERNATIONAL AIRPORT	336,226	246,545	228,205	242,406	229,586	231,248	233,808	1,662	2,560
33 AIRPORT RENTAL PROPERTIES	0	1,051,202	1,039,731	1,170,554	1,107,178	1,255,909	1,346,753	148,731	90,844
32 SEKIU AIRPORT	15,306	15,764	16,144	15,130	14,900	14,950	14,900	50	(50)
41 PA BOAT HAVEN	1,236,001	1,240,245	1,293,893	1,334,291	1,343,557	1,344,001	1,362,184	444	18,183
43 JOHN WAYNE MARINA	1,135,909	1,161,890	1,173,676	1,198,648	1,179,701	1,256,009	1,269,749	76,308	13,740
61 RENTAL PROPERTY	1,528,578	396,086	248,081	79,947	67,925	83,401	75,342	15,476	(8,059)
91 MECHANICAL MAINTENANCE	0	0	0	0	0	0	0	0	0
92 FACILITIES MAINTENANCE	0	0	0	0	0	0	0	0	0
80 ADMINISTRATION & GENERAL	0	0	0	0	0	0	0	0	0
81 BUSINESS (Economic) DEVELOPMENT	0	0	0	0	0	0	0	0	0
<b>TOTAL OPERATING REVENUES</b>	<b>8,538,140</b>	<b>9,945,440</b>	<b>8,601,734</b>	<b>9,432,835</b>	<b>8,961,751</b>	<b>10,461,458</b>	<b>10,611,770</b>	<b>1,499,707</b>	<b>150,312</b>
<b>OPERATING EXPENSES</b>									
11 MARINE TERMINAL	641,744	828,995	735,768	598,449	694,441	685,453	862,784	(8,988)	177,331
15 MARINE TRADES AREA	211,987	241,371	286,553	422,235	301,702	289,385	367,944	(12,317)	78,559
21 LOG YARD	950,233	1,363,053	1,147,138	1,274,511	1,143,710	1,668,657	1,661,962	524,947	(6,695)
31 FAIRCHILD INTERNATIONAL AIRPORT	549,699	803,700	655,227	521,793	682,547	631,801	748,338	(50,747)	116,537
33 AIRPORT RENTAL PROPERTIES	0	162,906	282,411	300,306	463,221	310,514	551,547	(152,707)	241,033
32 SEKIU AIRPORT	39,897	20,514	21,803	20,813	31,007	23,931	27,351	(7,076)	3,421
41 PA BOAT HAVEN	548,252	577,447	562,456	629,001	673,238	720,250	734,407	47,012	14,157
43 JOHN WAYNE MARINA	789,798	811,263	846,477	707,891	723,184	732,594	756,066	9,410	23,472
61 RENTAL PROPERTY	444,459	270,169	177,061	152,360	138,827	197,643	166,529	58,816	(31,114)
91 MECHANICAL MAINTENANCE	97,372	100,891	130,077	154,646	143,137	122,005	135,238	(21,132)	13,233
92 FACILITIES MAINTENANCE	174,404	227,955	262,549	226,283	197,148	178,290	185,498	(18,858)	7,208
80 ADMINISTRATION & GENERAL	1,554,652	1,886,967	2,016,813	1,895,435	2,142,138	1,855,254	2,229,152	(286,884)	373,898
81 BUSINESS (Economic) DEVELOPMENT	191,198	278,903	510,449	943,968	1,127,098	898,760	246,744	(228,338)	(652,016)
<b>TOTAL OPERATING EXPENSES</b>	<b>6,193,695</b>	<b>7,574,135</b>	<b>7,634,782</b>	<b>7,847,691</b>	<b>8,461,397</b>	<b>8,314,536</b>	<b>8,673,561</b>	<b>(146,861)</b>	<b>359,025</b>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>2,344,445</b>	<b>2,371,305</b>	<b>966,952</b>	<b>1,585,144</b>	<b>500,354</b>	<b>2,146,922</b>	<b>1,938,209</b>	<b>1,646,568</b>	<b>(208,713)</b>
<b>ALLOCATED EXPENSES</b>	(119,377)	(81,859)	(67,265)	(0)	(0)	0	0	0	(0)
<b>ALLOCATED DEPRECIATION</b>	119,376	81,859	67,265	(0)	(0)	(0)	0	0	0
<b>DEPRECIATION EXPENSE</b>	1,956,292	2,015,826	2,077,569	2,229,745	2,412,516	2,402,299	2,403,093	(10,217)	794
<b>NET SURPLUS (DEFICIT) (after Depreciation)</b>	<b>388,153</b>	<b>355,479</b>	<b>(1,110,617)</b>	<b>(644,600)</b>	<b>(1,912,162)</b>	<b>(255,377)</b>	<b>(464,884)</b>	<b>1,656,785</b>	<b>(209,507)</b>
<b>NON-OP (GENERAL)</b>									
NON-OP REV (General)	1,194,262	891,048	1,161,512	2,134,327	340,750	514,022	360,683	173,272	(153,339)
NON-OP EXP (General)	506,628	1,086,269	387,122	(1,194,693)	400,000	283,625	297,386	(116,375)	13,761
<b>NON-OP (General) SURPLUS (DEFICIT)</b>	<b>687,635</b>	<b>(195,220)</b>	<b>774,390</b>	<b>3,329,020</b>	<b>(59,250)</b>	<b>230,397</b>	<b>63,298</b>	<b>289,647</b>	<b>(167,099)</b>
<b>NON-OP (CAPITAL)</b>									
NON-OP REV (Capital)	2,572,899	2,346,052	3,623,481	6,531,004	2,242,910	2,227,821	1,741,600	(15,089)	(486,221)
NON-OP EXP (Capital)	416,563	397,150	404,362	292,071	281,304	286,447	275,427	5,144	(11,020)
<b>NON-OP (Capital) SURPLUS (DEFICIT)</b>	<b>2,156,336</b>	<b>1,948,902</b>	<b>3,219,119</b>	<b>6,238,933</b>	<b>1,961,606</b>	<b>1,941,374</b>	<b>1,466,173</b>	<b>(20,233)</b>	<b>(475,201)</b>
<b>NET NON-OP SURPLUS (DEFICIT)</b>	<b>2,843,971</b>	<b>1,753,682</b>	<b>3,993,509</b>	<b>9,567,953</b>	<b>1,902,356</b>	<b>2,171,771</b>	<b>1,529,471</b>	<b>269,415</b>	<b>(642,300)</b>
<b>TOTAL NET SURPLUS (DEFICIT)</b>	<b>3,232,124</b>	<b>2,109,161</b>	<b>2,882,892</b>	<b>8,923,354</b>	<b>(9,801)</b>	<b>1,916,394</b>	<b>1,064,587</b>	<b>1,926,194</b>	<b>(851,807)</b>

## 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.

### 2017 PROJECTED

#### Revenue Assumptions

1. Dockage, Wharfage and Services/Facilities greater than budget due to cargo activities (log exports) at T3. Revenue based on budgeted export log volume of 72 million board feet, with yearend projections at 93 million board feet. Increased cargo based revenues offset by lower than budget tanker repair vessel calls.
2. Labor Services associated revenues for vessel security also higher than budget due to increased log export vessel calls.
3. Utilities Pass-thru reflects lower revenue due to the impacts of the decreased tanker repair vessel calls.

#### Expense Assumptions

1. Increased utility expenses for T3 debris removal and cleanup are offset by lower than expected maintenance work.

### 2018 BUDGET

#### Revenue Assumptions

1. Projected cargo activity in 2018 is based on 14 cargo vessel calls.
2. Marine Terminal tariff rates will be adjusted based on the results of the NWMTA CPI study with a floor of not less than 2.7%. This includes increases for dockage, vessel repair dockage, Wharfage, Service and Facilities Charges, Electrical Service Fee, Passenger Fee, Security Fee, and Fuel Handling Fee
3. 80 tanker days for top-side repair and 84 million board feet of log exports are expected.
4. Lease/Rent revenue (land, structure) expected to be higher than 2017 due to planned contract increase and finalized lease rate that had been in the negotiation phase during 2017 Budget planning.
5. No cruise vessel calls in 2018.

#### Expense Assumptions

1. Outside Services - T3 dredging permit and design estimated at \$150k. Dredging has not been done in 40 years.
2. Increased property insurance allocation due to improvements completed at T1 in 2017.



**Port of Port Angeles  
MARINE TERMINAL (MT - DEPT 11)  
2018 Budget**

	2014	2015	2016	2017	2017	2018	2017 Proj. Over/(Under) 2017 Budget	2018 Over/(Under) 2017 Projected
	ACTUAL	ACTUAL	ACTUAL	BUDGET	PROJECTED	BUDGET		
<b>OPERATING REVENUES</b>								
DOCKAGE	1,411,232	1,214,387	1,213,266	1,071,180	1,324,667	1,249,189	253,487	(75,478)
WHARFAGE	1,103,950	736,113	889,870	777,600	1,059,680	1,014,600	282,080	(45,080)
SERVICE & FACILITIES	657,952	440,540	539,137	470,880	639,831	710,040	168,951	70,209
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	4,014	2,240	0	2,500	0	0	(2,500)	0
LABOR SERVICES	192,708	202,160	176,358	155,736	168,588	173,124	12,852	4,536
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	1,418	13,224	3,027	1,000	2,193	22,800	1,193	20,607
EQUIPMENT RENTAL	12,242	24,855	26,503	15,000	10,889	12,000	(4,111)	1,111
LAND LEASE/RENT	39,382	46,960	57,096	21,042	48,926	46,126	27,884	(2,800)
STRUCTURE LEASE/RENT	144,786	142,405	180,319	227,346	200,624	216,049	(26,722)	15,425
USE AGMT AND OTHER RENT	0	2,046	8,270	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	120,684	136,525	83,419	80,000	92,676	70,000	12,676	(22,676)
MISC & INTERDEPT REVENUE	915	(3,741)	(4,253)	1,000	2,401	2,500	1,401	99
<b>TOTAL OPERATING REVENUES</b>	<b>3,689,283</b>	<b>2,957,713</b>	<b>3,173,011</b>	<b>2,823,284</b>	<b>3,550,475</b>	<b>3,516,428</b>	<b>727,191</b>	<b>(34,047)</b>
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	333,743	302,261	295,721	287,602	265,301	327,678	(22,301)	62,377
SUPPLIES	9,312	19,612	7,187	10,000	10,000	12,000	0	2,000
OUTSIDE SERVICES	95,321	86,579	20,490	75,000	85,400	152,480	10,400	67,080
PUBLIC INFORMATION	0	0	627	1,000	500	1,000	(500)	500
MARKETING	0	0	0	0	0	0	0	0
COMMUNITY RELATIONS	0	49	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	1,489	1,598	1,841	2,500	3,200	2,416	700	(784)
TRAVEL MEETINGS	1,578	845	1,002	3,000	2,000	3,000	(1,000)	1,000
TRAVEL/TRAINING	2,161	2,928	2,501	2,500	2,000	3,000	(500)	1,000
PROMOTIONAL HOSTING	1,888	3,164	1,098	2,000	7,500	5,000	5,500	(2,500)
RENT, UTILITIES, INSURANCE, TAXES	116,390	97,369	105,554	93,080	105,102	132,760	12,022	27,658
UTILITY (Pass Thru) & COST OF GOODS SOLD	94,273	84,596	62,680	70,000	78,063	58,333	8,063	(19,730)
OTHER EXPENSES (Misc & Interdept)	29,787	12,195	(15,039)	3,000	4,000	4,000	1,000	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	105,442	105,132	97,286	115,459	96,392	137,117	(19,067)	40,725
MAINTENANCE (Materials & Services)	37,612	19,440	17,502	29,300	25,995	24,000	(3,305)	(1,995)
<b>TOTAL OPERATING EXPENSES</b>	<b>828,995</b>	<b>735,768</b>	<b>598,449</b>	<b>694,441</b>	<b>685,453</b>	<b>862,784</b>	<b>(8,988)</b>	<b>177,331</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>2,860,288</b>	<b>2,221,945</b>	<b>2,574,562</b>	<b>2,128,843</b>	<b>2,865,022</b>	<b>2,653,644</b>	<b>736,179</b>	<b>(211,378)</b>
<b>ALLOCATED EXPENSES</b>	<b>383,845</b>	<b>393,969</b>	<b>323,374</b>	<b>385,369</b>	<b>280,393</b>	<b>402,048</b>	<b>(104,976)</b>	<b>121,656</b>
<b>ALLOCATED DEPRECIATION</b>	<b>13,275</b>	<b>14,228</b>	<b>11,655</b>	<b>11,520</b>	<b>10,553</b>	<b>11,521</b>	<b>(967)</b>	<b>968</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>274,740</b>	<b>275,249</b>	<b>296,285</b>	<b>371,168</b>	<b>350,245</b>	<b>375,810</b>	<b>(20,923)</b>	<b>25,565</b>
<b>OPERATING SURPLUS (DEFICIT) (after Depr)</b>	<b>2,188,428</b>	<b>1,538,499</b>	<b>1,943,248</b>	<b>1,360,787</b>	<b>2,223,831</b>	<b>1,864,264</b>	<b>863,045</b>	<b>(359,567)</b>

## 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.

### 2017 PROJECTED

#### Revenue Assumptions

1. Marina and Yard Fees (M&YF) and Equipment Rental (Travel-Lift usage) are on budget for the year.

#### Expense Assumptions

1. Outside Services over due to Marine Trades Industrial Park (MTIP) Master Plan work that was originally recorded as capital, but was determined to be expense.
2. Electricity expense over due to continued work to maintain the MTA office building.

### 2018 BUDGET

#### Revenue Assumptions

1. Boatyard rates and fees adjusted not less than CPI of 2.3%.
2. Other User Fees is the treatment of wastewater for localized tenants.
3. Use Agreement and Other Rent includes revenue based on 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.
3. \$75k under Outside Services as a placeholder for Marine Trades Development assistance.

**Port of Port Angeles  
MARINE TRADES AREA (MTA - DEPT 15)  
2018 Budget**

	2014	2015	2016	2017	2017	2018	2017 Proj. Over/(Under)	2018 Over/(Under)
	ACTUAL	ACTUAL	ACTUAL	BUDGET	PROJECTED	BUDGET	2017 Budget	2017 Projected
<b>OPERATING REVENUES</b>								
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	178,120	163,817	158,152	167,000	176,829	171,328	9,829	(5,501)
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	6,117	11,090	12,509	10,000	13,329	15,000	3,329	1,671
EQUIPMENT RENTAL	97,258	96,957	92,864	100,000	108,491	112,084	8,491	3,593
LAND LEASE/RENT	0	81,550	81,550	81,550	81,549	81,550	(1)	1
STRUCTURE LEASE/RENT	6,455	26,922	51,876	64,009	58,774	51,026	(5,235)	(7,748)
USE AGMT AND OTHER RENT	30,526	36,954	34,726	36,000	26,219	28,245	(9,781)	2,026
UTILITY PASS THRU & PRODUCT SALES	1,718	2,058	859	1,000	1,102	1,100	102	(2)
MISC & INTERDEPT REVENUE	0	252	(210)	500	397	500	(103)	103
<b>TOTAL OPERATING REVENUES</b>	<b>320,193</b>	<b>419,600</b>	<b>432,325</b>	<b>460,059</b>	<b>466,690</b>	<b>460,833</b>	<b>6,631</b>	<b>(5,857)</b>
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	56,269	64,706	91,780	108,278	88,008	79,969	(20,270)	(8,039)
SUPPLIES	3,661	8,510	2,411	10,000	2,760	3,000	(7,240)	240
OUTSIDE SERVICES	86,756	120,724	199,365	76,600	90,313	150,200	13,713	59,887
PUBLIC INFORMATION	2,382	2,100	125	0	0	0	0	0
MARKETING	0	140	6,175	5,000	2,600	5,000	(2,400)	2,400
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	0	215	0	600	0	600	(600)	600
TRAVEL MEETINGS	0	204	508	1,500	75	1,500	(1,425)	1,425
TRAVEL/TRAINING	65	0	0	0	0	10,000	0	10,000
PROMOTIONAL HOSTING	0	489	637	1,000	500	1,000	(500)	500
RENT, UTILITIES, INSURANCE, TAXES	23,791	27,716	35,044	27,917	43,460	43,836	15,543	376
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	2,200	1,000	1,000	(1,200)	0
OTHER EXPENSES (Misc & Interdept)	839	992	4,825	1,000	679	1,000	(321)	321
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	36,141	41,252	55,918	49,606	46,014	52,839	(3,592)	6,825
MAINTENANCE (Materials & Services)	31,466	19,508	25,447	18,000	13,976	18,000	(4,024)	4,024
<b>TOTAL OPERATING EXPENSES</b>	<b>241,371</b>	<b>286,553</b>	<b>422,235</b>	<b>301,701</b>	<b>289,385</b>	<b>367,944</b>	<b>(12,316)</b>	<b>78,559</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>78,822</b>	<b>133,047</b>	<b>10,090</b>	<b>158,358</b>	<b>177,305</b>	<b>92,889</b>	<b>18,947</b>	<b>(84,416)</b>
<b>ALLOCATED EXPENSES</b>	<b>126,644</b>	<b>172,537</b>	<b>255,208</b>	<b>184,835</b>	<b>133,129</b>	<b>183,391</b>	<b>(51,706)</b>	<b>50,263</b>
<b>ALLOCATED DEPRECIATION</b>	<b>4,380</b>	<b>6,233</b>	<b>9,198</b>	<b>5,525</b>	<b>5,011</b>	<b>5,255</b>	<b>(515)</b>	<b>245</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>61,219</b>	<b>64,050</b>	<b>63,920</b>	<b>64,680</b>	<b>63,826</b>	<b>63,241</b>	<b>(854)</b>	<b>(585)</b>
<b>OPERATING SURPLUS (DEFICIT) (after Depr)</b>	<b>(113,421)</b>	<b>(109,773)</b>	<b>(318,236)</b>	<b>(96,682)</b>	<b>(24,660)</b>	<b>(158,998)</b>	<b>72,022</b>	<b>(134,338)</b>

## 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.

## 2017 PROJECTED

### Revenue Assumptions

1. Log Yard Staging is higher than budget due to increase in barging volume.
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 higher than budget due to increase in log handling associated with barging.
4. Equipment rental higher than budget due to greater than expected log export activity at the Marine Terminal.

### Expenditure Assumptions

1. Maintenance Materials & Labor are higher due to unscheduled major repairs on log handling equipment.
2. Cost of Goods Sold is higher due to increased banding purchases for loads that are barged.
3. Utilities are higher due to sanitation – debris removal, which is a result of increased LY activity and the one time berm removal for the storm-water conveyance project.

## 2018 BUDGET

### Revenue Assumptions

1. Rates for most log handling services (and fees) will increase by not less than the August 2017 CPI (CPI-U) of 2.3%.
2. Log Yard Land Services revenue anticipated to be slightly lower than 2017 EOY due to a slight decrease in export log handling.
3. Log Yard Water Services includes revenue from rafting, round booming and dewatering of log volume originating from Canada (via raft or barge). Log volumes and associated revenues expected to be slightly greater than EOY 2017 due to more barge activity both inbound (from Canada) and outbound shipments to Coos Bay.
4. Equipment Rental rate from loading equipment used at the marine terminal for on-dock cargo operations will be adjusted not less than 2.7% with revenue based on 84 MMBF of log cargo volume.

### Expenditure Assumptions

1. Workload will to be accomplished with 6.5 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. Outside Services includes \$40k for a condition assessment of the Coffey Dam.
4. Maintenance costs include dust control measures \$25k and purchase of equipment tires \$30k.
5. Log Yard expenses include materials required for boom-ground and aquatic storage maintenance (boomsticks).

**Port of Port Angeles  
LOG YARD (LY - DEPT 21)  
2018 Budget**

	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 BUDGET	2017 PROJECTED	2018 BUDGET	2017 Proj. Over/(Under) 2017 Budget	2018 Over/(Under) 2017 Projected
<b>OPERATING REVENUES</b>								
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	69,410	70,073	37,178	32,524	43,961	69,065	11,437	25,104
LOG YARD LAND SERVICES	958,720	593,812	1,279,681	1,222,367	1,550,247	1,538,120	327,880	(12,127)
LOG YARD WATER SERVICES	300,296	220,046	118,994	137,167	160,198	226,070	23,031	65,872
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	6,823	1,346	903	3,625	3,203	4,000	(422)	797
EQUIPMENT RENTAL	286,564	192,212	211,339	200,260	305,707	287,675	105,447	(18,032)
LAND LEASE/RENT	89,034	32,060	32,092	32,092	33,230	39,418	1,138	6,188
STRUCTURE LEASE/RENT	25,587	43,726	43,726	43,726	44,436	43,726	710	(710)
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	86,958	57,911	27,187	38,800	59,718	83,000	20,918	23,282
MISC & INTERDEPT REVENUE	842	13,506	35,424	25,000	58,075	40,700	33,075	(17,375)
<b>TOTAL OPERATING REVENUES</b>	<b>1,824,233</b>	<b>1,224,692</b>	<b>1,786,523</b>	<b>1,735,561</b>	<b>2,258,775</b>	<b>2,331,774</b>	<b>523,214</b>	<b>72,999</b>
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	575,745	553,244	639,359	613,612	763,366	824,394	149,754	61,028
SUPPLIES	165,218	98,339	130,036	100,000	158,100	161,600	58,100	3,500
OUTSIDE SERVICES	128,452	5,706	13,529	15,000	18,191	52,000	3,191	33,809
PUBLIC INFORMATION	0	157	1,125	0	100	0	100	(100)
MARKETING	0	1,500	1,986	1,500	2,000	1,500	500	(500)
COMMUNITY RELATIONS	0	0	1,000	0	0	0	0	0
ADS, DUES & PUBLICATIONS	777	0	604	0	0	0	0	0
TRAVEL MEETINGS	613	2,129	1,746	2,000	2,800	3,000	800	200
TRAVEL/TRAINING	765	1,461	6,151	1,500	2,600	3,000	1,100	400
PROMOTIONAL HOSTING	3,535	2,501	2,600	3,800	2,500	3,800	(1,300)	1,300
RENT, UTILITIES, INSURANCE, TAXES	78,630	106,344	119,111	77,619	169,560	129,002	91,941	(40,558)
UTILITY (Pass Thru) & COST OF GOODS SOLD	69,529	36,491	21,880	40,400	60,765	70,667	20,365	9,902
OTHER EXPENSES (Misc & Interdept)	20,072	9,424	2,901	6,000	18,282	27,120	12,282	8,838
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	137,825	156,390	205,477	160,778	224,657	231,879	63,879	7,222
MAINTENANCE (Materials & Services)	181,893	173,450	127,007	121,500	245,736	154,000	124,236	(91,736)
<b>TOTAL OPERATING EXPENSES</b>	<b>1,363,053</b>	<b>1,147,138</b>	<b>1,274,511</b>	<b>1,143,709</b>	<b>1,668,657</b>	<b>1,661,962</b>	<b>524,948</b>	<b>(6,695)</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>461,180</b>	<b>77,554</b>	<b>512,012</b>	<b>591,852</b>	<b>590,118</b>	<b>669,812</b>	<b>(1,734)</b>	<b>79,694</b>
<b>ALLOCATED EXPENSES</b>	<b>677,741</b>	<b>663,859</b>	<b>742,052</b>	<b>680,898</b>	<b>742,260</b>	<b>795,297</b>	<b>61,361</b>	<b>53,037</b>
<b>ALLOCATED DEPRECIATION</b>	<b>23,438</b>	<b>23,976</b>	<b>26,745</b>	<b>20,354</b>	<b>27,936</b>	<b>22,790</b>	<b>7,582</b>	<b>(5,147)</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>284,525</b>	<b>299,349</b>	<b>335,735</b>	<b>337,480</b>	<b>324,689</b>	<b>303,320</b>	<b>(12,791)</b>	<b>(21,369)</b>
<b>OPERATING SURPLUS (DEFICIT) (after Depr)</b>	<b>(524,525)</b>	<b>(909,630)</b>	<b>(592,519)</b>	<b>(446,880)</b>	<b>(504,767)</b>	<b>(451,595)</b>	<b>(57,887)</b>	<b>53,172</b>

## 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.

### 2017 PROJECTED

#### Revenue Assumptions

1. Rates and fees increase by CPI.
2. Commercial passenger service was suspended in November 2014 and has not resumed.
3. Hangar/Tie Down revenue expected to be slightly over budget for the year.
4. Land & Structure leases expected to meet budget and have been steady since 2015.

#### Expense Assumptions

1. Lower than expected expenses across most categories due to continued search for commercial passenger service carrier.
2. 41 trees removed east of the airport to maintain the existing Runway 26 landing approach.
3. Continue to sponsor booth at NW Aviation Conference and Trade Show.

### 2018 BUDGET

#### Revenue Assumptions

1. Rates and fees are increased by CPI.
2. Commercial passenger service carrier search continues, no anticipated revenue budgeted.
3. Land & Structure leases expected to continue at same level as previous year.

#### Expense Assumptions

1. \$105k marketing incentive removed from budget while carrier search continues.
2. Within the terms of the Port-City agreement, trees that threaten the Runway 26 glide path may be removed as necessary. It is estimated that approximately 50 trees will be removed in 2018 and 20-40 trees thereafter on a biannual basis.
3. The FBO is scheduled to relocate to the airport terminal building after renovation (as planned in the Capital budget).

**Port of Port Angeles  
FAIRCHILD INTL AIRPORT (FIA - DEPT 31)  
2018 Budget**

	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 BUDGET	2017 PROJECTED	2018 BUDGET	2017 Proj.	2018
							Over/(Under) 2017 Budget	Over/(Under) 2017 Projected
<b>OPERATING REVENUES</b>								
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	13,769	6,265	6,709	7,100	7,100	7,242	0	142
HANGAR/TIE DOWN	80,562	77,431	86,336	86,100	88,200	89,964	2,100	1,764
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	6,955	6,365	5,032	5,300	5,011	5,111	(289)	100
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	37,478	32,953	33,045	33,045	33,261	33,261	216	0
STRUCTURE LEASE/RENT	94,688	86,721	86,721	87,141	86,721	87,141	(420)	420
USE AGMT AND OTHER RENT	5,327	57	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	7,653	6,151	10,305	10,700	10,675	10,889	(25)	214
MISC & INTERDEPT REVENUE	113	12,263	14,258	200	280	200	80	(80)
<b>TOTAL OPERATING REVENUES</b>	<b>246,545</b>	<b>228,205</b>	<b>242,406</b>	<b>229,586</b>	<b>231,248</b>	<b>233,808</b>	<b>1,662</b>	<b>2,560</b>
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	130,777	135,494	152,280	181,371	164,139	113,878	(17,233)	(50,261)
SUPPLIES	20,926	12,927	8,447	10,000	9,342	10,000	(658)	658
OUTSIDE SERVICES	371,922	183,044	34,596	26,200	97,440	193,640	71,240	96,200
PUBLIC INFORMATION	2,377	587	761	1,000	700	1,000	(300)	300
MARKETING	1,610	1,400	644	110,000	0	5,000	(110,000)	5,000
COMMUNITY RELATIONS	0	0	0	300	500	300	200	(200)
ADS, DUES & PUBLICATIONS	494	823	(221)	250	1,516	1,589	1,266	73
TRAVEL MEETINGS	423	188	573	400	1,500	500	1,100	(1,000)
TRAVEL/TRAINING	936	3,273	608	3,000	3,903	5,865	903	1,962
PROMOTIONAL HOSTING	55	216	98	0	400	0	400	(400)
RENT, UTILITIES, INSURANCE, TAXES	143,367	149,210	151,461	162,722	162,502	150,895	(220)	(11,607)
UTILITY (Pass Thru) & COST OF GOODS SOLD	7,253	6,466	10,364	7,909	10,926	8,329	3,017	(2,597)
OTHER EXPENSES (Misc & Interdept)	(13,321)	(3,163)	2,798	1,500	1,700	4,000	200	2,300
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	120,888	146,707	146,711	153,095	153,746	185,792	651	32,046
MAINTENANCE (Materials & Services)	15,993	18,055	12,672	24,800	23,487	67,550	(1,313)	44,063
<b>TOTAL OPERATING EXPENSES</b>	<b>803,700</b>	<b>655,227</b>	<b>521,793</b>	<b>682,547</b>	<b>631,801</b>	<b>748,338</b>	<b>(50,747)</b>	<b>116,537</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>(557,155)</b>	<b>(427,023)</b>	<b>(279,386)</b>	<b>(452,961)</b>	<b>(400,553)</b>	<b>(514,531)</b>	<b>52,409</b>	<b>(113,978)</b>
<b>ALLOCATED EXPENSES</b>	<b>391,384</b>	<b>362,259</b>	<b>275,117</b>	<b>375,862</b>	<b>278,589</b>	<b>348,362</b>	<b>(97,272)</b>	<b>69,772</b>
<b>ALLOCATED DEPRECIATION</b>	<b>14,459</b>	<b>13,965</b>	<b>11,106</b>	<b>12,446</b>	<b>10,787</b>	<b>10,598</b>	<b>(1,658)</b>	<b>(189)</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>399,130</b>	<b>450,416</b>	<b>489,978</b>	<b>490,314</b>	<b>506,097</b>	<b>529,829</b>	<b>15,783</b>	<b>23,732</b>
<b>OPERATING SURPLUS (DEFICIT) (after Depr)</b>	<b>(1,362,128)</b>	<b>(1,253,663)</b>	<b>(1,055,587)</b>	<b>(1,331,583)</b>	<b>(1,196,027)</b>	<b>(1,403,319)</b>	<b>135,556</b>	<b>(207,292)</b>

## **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 and autoclaves at the Composites Manufacturing Campus, and other leases near the airport that are non-aeronautical.

Additional Port rental properties (outside of the airport boundary) 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.

### **2017 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 under budget due to broker fees savings on 10.10 Bldg. Tenant is currently in holdover.
2. Maintenance work expected on 10.10 Bldg not completed as tenant is currently in holdover status.

### **2018 BUDGET**

#### **Revenue Assumptions**

1. 10.10 Bldg. rent budgeted for full year as current tenant continues in holdover status.
2. Revenues for the Airport Rental Properties include deferred rent for the CRTC Building completed in 2016.
3. Revenue increase expected due to the buildout and new lease with Airborne ECS along with market rate adjustments for PUD and Clallam County Youth Services.

#### **Expense Assumptions**

1. Broker services for the 10.10 building reduced to an estimated \$85k.
2. Outside Services includes landscaping design services for the north business park.
3. Property insurance allocation increased due to the completion of the CRTC bldg. in 2016.



**Port of Port Angeles**  
**AIRPORT RENTAL PROPERTIES (ARP - DEPT 33)**  
**2018 Budget**

	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 BUDGET	2017 PROJECTED	2018 BUDGET	2017 Proj.	2018
							Over/(Under) 2017 Budget	Over/(Under) 2017 Projected
*ARP - new dept created in 2014								
<b>OPERATING REVENUES</b>								
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	887	0	0	0	0	0
EQUIPMENT RENTAL	0	0	6,005	0	12,000	12,000	12,000	0
LAND LEASE/RENT	247,346	258,309	293,667	288,746	286,439	283,506	(2,307)	(2,933)
STRUCTURE LEASE/RENT	803,856	778,148	860,297	807,412	948,421	1,040,560	141,009	92,139
USE AGMT AND OTHER RENT	0	2,926	3,602	3,000	2,643	2,643	(357)	0
UTILITY PASS THRU & PRODUCT SALES	0	348	1,044	1,020	1,044	1,044	24	0
MISC & INTERDEPT REVENUE	0	0	5,052	7,000	5,362	7,000	(1,638)	1,638
<b>TOTAL OPERATING REVENUES</b>	<b>1,051,202</b>	<b>1,039,731</b>	<b>1,170,554</b>	<b>1,107,178</b>	<b>1,255,909</b>	<b>1,346,753</b>	<b>148,731</b>	<b>90,844</b>
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	31,455	74,642	58,267	79,199	70,438	111,970	(8,761)	41,532
SUPPLIES	2,197	20	1,370	1,000	1,200	1,000	200	(200)
OUTSIDE SERVICES	46,587	0	49,321	159,000	33,040	176,350	(125,960)	143,310
PUBLIC INFORMATION	0	0	0	200	0	200	(200)	200
MARKETING	0	0	2,432	2,000	2,500	2,000	500	(500)
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	280	0	112	0	2,746	4,500	2,746	1,754
TRAVEL MEETINGS	0	0	1,075	0	2,500	13,650	2,500	11,150
TRAVEL/TRAINING	0	0	226	0	0	0	0	0
PROMOTIONAL HOSTING	0	0	23	7,500	700	7,500	(6,800)	6,800
RENT, UTILITIES, INSURANCE, TAXES	24,899	69,000	83,696	80,779	84,342	99,712	3,563	15,370
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	348	1,044	1,020	1,000	1,020	(20)	20
OTHER EXPENSES (Misc & Interdept)	3,912	496	257	250	0	250	(250)	250
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	32,759	61,689	76,621	72,271	75,911	98,395	3,640	22,484
MAINTENANCE (Materials & Services)	20,817	76,217	25,862	60,000	36,137	35,000	(23,863)	(1,137)
<b>TOTAL OPERATING EXPENSES</b>	<b>162,906</b>	<b>282,411</b>	<b>300,306</b>	<b>463,219</b>	<b>310,514</b>	<b>551,547</b>	<b>(152,705)</b>	<b>241,033</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>888,296</b>	<b>757,320</b>	<b>870,248</b>	<b>643,959</b>	<b>945,395</b>	<b>795,206</b>	<b>301,436</b>	<b>(150,189)</b>
<b>ALLOCATED EXPENSES</b>	<b>238,556</b>	<b>545,593</b>	<b>885,500</b>	<b>1,187,293</b>	<b>987,862</b>	<b>386,934</b>	<b>(199,431)</b>	<b>(600,928)</b>
<b>ALLOCATED DEPRECIATION</b>	<b>2,886</b>	<b>6,225</b>	<b>6,501</b>	<b>8,527</b>	<b>5,378</b>	<b>7,884</b>	<b>(3,149)</b>	<b>2,507</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>351,739</b>	<b>322,452</b>	<b>372,496</b>	<b>463,233</b>	<b>467,757</b>	<b>459,722</b>	<b>4,524</b>	<b>(8,035)</b>
<b>OPERATING SURPLUS (DEFICIT) (after Depr)</b>	<b>295,115</b>	<b>(116,950)</b>	<b>(394,248)</b>	<b>(1,015,094)</b>	<b>(515,602)</b>	<b>(59,335)</b>	<b>499,492</b>	<b>456,267</b>

## 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 of the Port district.
- To maximize revenue opportunities to help defray operating costs.

## 2017 PROJECTED

### Revenue Assumptions

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

### Expense Assumptions

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

## 2018 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)  
2018 Budget**

	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 BUDGET	2017 PROJECTED	2018 BUDGET	2017 Proj. Over/(Under) 2017 Budget	2018 Over/(Under) 2017 Projected
<b>OPERATING REVENUES</b>								
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	15,164	15,534	14,530	14,300	14,350	14,300	50	(50)
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	600	600	600	600	600	600	0	0
MISC & INTERDEPT REVENUE	0	10	0	0	0	0	0	0
<b>TOTAL OPERATING REVENUES</b>	<b>15,764</b>	<b>16,144</b>	<b>15,130</b>	<b>14,900</b>	<b>14,950</b>	<b>14,900</b>	<b>50</b>	<b>(50)</b>
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	5,924	5,508	3,491	6,715	4,717	2,712	(1,998)	(2,005)
SUPPLIES	0	0	152	200	0	200	(200)	200
OUTSIDE SERVICES	4,059	4,861	3,600	5,320	3,600	3,600	(1,720)	0
PUBLIC INFORMATION	0	0	0	0	0	0	0	0
MARKETING	0	0	0	0	0	2,500	0	2,500
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	6,850	6,836	6,570	6,935	7,679	7,206	744	(472)
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	34	20	(14)	100	100	100	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	1,393	4,429	6,252	5,987	5,348	7,283	(639)	1,935
MAINTENANCE (Materials & Services)	2,254	148	762	5,750	2,487	3,750	(3,263)	1,263
<b>TOTAL OPERATING EXPENSES</b>	<b>20,514</b>	<b>21,803</b>	<b>20,813</b>	<b>31,007</b>	<b>23,931</b>	<b>27,351</b>	<b>(7,076)</b>	<b>3,421</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>(4,751)</b>	<b>(5,659)</b>	<b>(5,684)</b>	<b>(16,107)</b>	<b>(8,981)</b>	<b>(12,451)</b>	<b>7,126</b>	<b>(3,471)</b>
<b>ALLOCATED EXPENSES</b>	<b>10,087</b>	<b>12,482</b>	<b>11,232</b>	<b>17,275</b>	<b>10,738</b>	<b>12,876</b>	<b>(6,537)</b>	<b>2,138</b>
<b>ALLOCATED DEPRECIATION</b>	<b>373</b>	<b>481</b>	<b>453</b>	<b>572</b>	<b>416</b>	<b>392</b>	<b>(156)</b>	<b>(24)</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>3,699</b>	<b>3,699</b>	<b>3,699</b>	<b>3,699</b>	<b>3,699</b>	<b>3,699</b>	<b>0</b>	<b>0</b>
<b>OPERATING SURPLUS (DEFICIT) (after Depr)</b>	<b>(18,910)</b>	<b>(22,321)</b>	<b>(21,068)</b>	<b>(37,652)</b>	<b>(23,833)</b>	<b>(29,418)</b>	<b>13,819</b>	<b>(5,584)</b>

## 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.

## 2017 PROJECTED

### Revenue Assumptions

1. Moorage rates for all slips were increased by 1.7%, as approved by the Commission.
2. Other rates and fees increased by CPI.
3. Moorage (monthly, transient & non-tax) receipts expected to be slightly above budget.
4. Reduced hoist usage (Equipment Rental) offsets increased moorage revenue.

### Expense Assumptions

1. Outside services above budget due to actual agent fees being higher than estimated (fees were not finalized until beginning of 2017).
2. Utility Pass-thru and Cost of Goods Sold expenses higher than budget due to increased moorage.

## 2018 BUDGET

### Revenue Assumptions

1. Moorage rates will increase by 1% plus CPI 2.3% for all slips (as approved by the Commission).
2. Modest increase to annual launch ramp fee.
3. Wharfage decreases substantially from 2017 Budget due to the whale watching vessel move from the PABH to a non-Port operated departure area.
4. Other rates and fees increase by CPI.

### Expense Assumptions

1. Continue Port booth at Pacific Marine Expo and joint marketing effort with PA Yacht Club for Waterfront Open House event.
2. Masco Petroleum will continue as the Port's agent in 2018.
3. Marketing budget remains at \$5k.

Port of Port Angeles  
**PORT ANGELES BOAT HAVEN (PABH - DEPT 41)**  
 2018 Budget

	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 BUDGET	2017 PROJECTED	2018 BUDGET	2017 Proj. Over/(Under) 2017 Budget	2018 Over/(Under) 2017 Projected
<b>OPERATING REVENUES</b>								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	12,976	17,383	29,290	18,900	1,861	2,000	(17,039)	139
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	4,589	1,600	7,291	7,500	5,691	209
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	1,028,690	1,076,205	1,071,536	1,050,900	1,082,391	1,093,215	31,491	10,824
MARINA & YARD FEES	36,737	38,427	41,984	49,100	42,326	42,500	(6,774)	174
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	2,100	480	0	0	0	0	0	0
EQUIPMENT RENTAL	12,860	13,300	7,175	11,300	1,000	1,010	(10,300)	10
LAND LEASE/RENT	5,039	5,095	6,885	13,351	7,389	13,389	(5,962)	6,000
STRUCTURE LEASE/RENT	3,256	3,256	11,040	27,906	28,386	26,589	480	(1,797)
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	133,157	132,658	147,226	148,400	152,357	153,881	3,957	1,524
MISC & INTERDEPT REVENUE	5,430	7,090	14,565	22,100	21,000	22,100	(1,100)	1,100
<b>TOTAL OPERATING REVENUES</b>	<b>1,240,245</b>	<b>1,293,893</b>	<b>1,334,291</b>	<b>1,343,557</b>	<b>1,344,001</b>	<b>1,362,184</b>	<b>444</b>	<b>18,183</b>
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	87,898	68,713	95,532	68,571	75,443	69,404	6,872	(6,039)
SUPPLIES	14,460	15,183	23,707	15,500	18,250	18,000	2,750	(250)
OUTSIDE SERVICES	186,374	180,419	199,054	272,000	314,150	323,750	42,150	9,600
PUBLIC INFORMATION	3,679	5,069	4,451	5,000	0	0	(5,000)	0
MARKETING	150	1,841	875	5,000	1,000	5,000	(4,000)	4,000
COMMUNITY RELATIONS	0	0	0	0	300	300	300	0
ADS, DUES & PUBLICATIONS	1,661	1,579	1,970	2,000	1,700	1,500	(300)	(200)
TRAVEL MEETINGS	0	0	146	500	100	500	(400)	400
TRAVEL/TRAINING	728	273	98	1,000	1,500	1,000	500	(500)
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	126,696	112,610	119,382	109,898	108,832	108,320	(1,066)	(512)
UTILITY (Pass Thru) & COST OF GOODS SOLD	89,327	94,950	105,845	86,900	115,592	117,569	28,692	1,977
OTHER EXPENSES (Misc & Interdept)	5,509	4,096	(371)	0	2,000	4,800	2,000	2,800
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	37,374	55,552	55,656	59,870	53,933	58,264	(5,937)	4,331
MAINTENANCE (Materials & Services)	23,592	22,172	22,657	47,000	27,450	26,000	(19,550)	(1,450)
<b>TOTAL OPERATING EXPENSES</b>	<b>577,447</b>	<b>562,456</b>	<b>629,001</b>	<b>673,238</b>	<b>720,250</b>	<b>734,407</b>	<b>47,012</b>	<b>14,157</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>662,798</b>	<b>731,437</b>	<b>705,289</b>	<b>670,319</b>	<b>623,751</b>	<b>627,776</b>	<b>(46,568)</b>	<b>4,025</b>
<b>ALLOCATED EXPENSES</b>	<b>255,372</b>	<b>285,149</b>	<b>314,828</b>	<b>361,854</b>	<b>279,131</b>	<b>308,283</b>	<b>(82,723)</b>	<b>29,152</b>
<b>ALLOCATED DEPRECIATION</b>	<b>8,832</b>	<b>10,298</b>	<b>11,347</b>	<b>10,817</b>	<b>10,506</b>	<b>8,834</b>	<b>(311)</b>	<b>(1,672)</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>344,780</b>	<b>350,343</b>	<b>356,222</b>	<b>379,649</b>	<b>380,483</b>	<b>379,153</b>	<b>834</b>	<b>(1,330)</b>
<b>OPERATING SURPLUS (DEFICIT) (after Depr)</b>	<b>53,814</b>	<b>85,647</b>	<b>22,892</b>	<b>(82,001)</b>	<b>(46,369)</b>	<b>(68,494)</b>	<b>35,632</b>	<b>(22,125)</b>

## **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.

### **2017 PROJECTED**

#### **Revenue Assumptions**

1. Moorage rates for most slips increased by 1.7% 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 higher than budget (monthly & non-tax).
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.

### **2018 BUDGET**

#### **Revenue Assumptions**

1. Moorage rates for most slips will increase by 1.0% plus CPI 2.3% as approved by the Commission.
2. Modest increase to annual launch ramp fee.
3. Other rates and fees to increase by CPI.

#### **Expense Assumptions**

1. Continue past practice of hiring summer help to meet seasonal customer demand and ensure superior customer service continues.
2. Marketing budget maintained at \$5k.
3. Maintenance includes approximately \$20k for general repairs & maintenance by the Port FM department to address the aging infrastructure.

**Port of Port Angeles**  
**JOHN WAYNE MARINA (JWM - DEPT 43)**  
**2018 Budget**

	2014	2015	2016	2017	2017	2018	2017 Proj.	2018
	ACTUAL	ACTUAL	ACTUAL	BUDGET	PROJECTED	BUDGET	Over/(Under)	Over/(Under)
							2017	2017
							Budget	Projected
<b>OPERATING REVENUES</b>								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	1,558	947	650	600	579	600	(21)	21
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	751,870	792,543	871,448	867,000	896,372	905,336	29,372	8,964
MARINA & YARD FEES	42,696	44,919	46,069	56,500	57,228	58,000	728	772
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	1,007	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	52,083	54,439	53,698	53,201	53,250	54,671	49	1,421
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	307,491	281,544	223,701	200,000	246,180	248,642	46,180	2,462
MISC & INTERDEPT REVENUE	5,184	(717)	3,082	2,400	2,400	2,500	0	100
<b>TOTAL OPERATING REVENUES</b>	<b>1,161,890</b>	<b>1,173,676</b>	<b>1,198,648</b>	<b>1,179,701</b>	<b>1,256,009</b>	<b>1,269,749</b>	<b>76,308</b>	<b>13,740</b>
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	348,170	356,223	357,943	337,292	343,151	346,268	5,859	3,117
SUPPLIES	12,148	11,109	9,102	13,400	13,361	14,329	(39)	968
OUTSIDE SERVICES	35,748	22,005	9,870	15,600	10,340	15,527	(5,260)	5,187
PUBLIC INFORMATION	730	2,418	1,429	5,000	0	1,000	(5,000)	1,000
MARKETING	150	319	267	5,000	0	5,000	(5,000)	5,000
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	1,094	638	1,592	800	850	1,500	50	650
TRAVEL MEETINGS	37	103	228	500	0	1,000	(500)	1,000
TRAVEL/TRAINING	605	348	98	1,000	874	1,000	(126)	126
PROMOTIONAL HOSTING	0	92	82	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	83,289	129,536	88,831	73,563	89,861	88,664	16,298	(1,197)
UTILITY (Pass Thru) & COST OF GOODS SOLD	258,678	224,592	176,589	186,100	188,944	203,397	2,844	14,453
OTHER EXPENSES (Misc & Interdept)	12,061	12,373	11,202	8,000	10,000	11,250	2,000	1,250
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	27,069	54,017	25,801	45,330	44,156	40,131	(1,174)	(4,025)
MAINTENANCE (Materials & Services)	31,484	32,705	24,856	31,600	31,057	27,000	(543)	(4,057)
<b>TOTAL OPERATING EXPENSES</b>	<b>811,263</b>	<b>846,477</b>	<b>707,891</b>	<b>723,184</b>	<b>732,594</b>	<b>756,066</b>	<b>9,410</b>	<b>23,472</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>350,627</b>	<b>327,199</b>	<b>490,757</b>	<b>456,517</b>	<b>523,415</b>	<b>513,683</b>	<b>66,898</b>	<b>(9,732)</b>
<b>ALLOCATED EXPENSES</b>	<b>290,152</b>	<b>390,615</b>	<b>320,932</b>	<b>331,457</b>	<b>250,968</b>	<b>276,213</b>	<b>(80,489)</b>	<b>25,245</b>
<b>ALLOCATED DEPRECIATION</b>	<b>10,034</b>	<b>14,107</b>	<b>11,567</b>	<b>9,908</b>	<b>9,446</b>	<b>7,915</b>	<b>(463)</b>	<b>(1,531)</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>207,767</b>	<b>213,700</b>	<b>214,978</b>	<b>215,551</b>	<b>217,495</b>	<b>206,545</b>	<b>1,944</b>	<b>(10,950)</b>
<b>OPERATING SURPLUS (DEFICIT) (after Depr)</b>	<b>(157,327)</b>	<b>(291,223)</b>	<b>(56,719)</b>	<b>(100,400)</b>	<b>45,506</b>	<b>23,011</b>	<b>145,906</b>	<b>(22,496)</b>

## 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.

## 2017 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 show large increase due to management restructure between Business Development and Rental Properties.
2. Expenses overall are below budget due to the department restructuring (excluding salaries/benefits as described above).

## 2018 BUDGET

### Revenue Assumptions

1. Rental revenue (land and structure) for all lines of business (LOB) is estimated to be approximately \$2.0 million for 2018.
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. Real Estate and Business Manager concentrating efforts on Airport and Airport Business Park properties to maximize lease occupancy.

### Expense Assumptions

1. Two full time staff members manage all rental/lease properties across all departments as well as assisting with business & economic development.
2. Internal charge-outs are utilized to record time spent in other departments based on property needs.



**Port of Port Angeles**  
**RENTAL PROPERTIES (RP - DEPT 61)**  
**2018 Budget**

	2014	2015	2016	2017	2017	2018	2017 Proj.	2018
	ACTUAL	ACTUAL	ACTUAL	BUDGET	PROJECTED	BUDGET	Over/(Under)	Over/(Under)
							2017	2017
							Budget	Projected
<b>OPERATING REVENUES</b>								
DOCKAGE	1,190	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	811	246	684	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	287,302	186,970	56,694	45,509	60,955	45,366	15,446	(15,589)
STRUCTURE LEASE/RENT	66,071	34,460	20,316	20,316	20,316	27,876	0	7,560
USE AGMT AND OTHER RENT	600	25	175	100	150	100	50	(50)
UTILITY PASS THRU & PRODUCT SALES	40,112	26,379	1,620	2,000	1,980	2,000	(20)	20
MISC & INTERDEPT REVENUE	0	0	457	0	0	0	0	0
<b>TOTAL OPERATING REVENUES</b>	<b>396,086</b>	<b>248,081</b>	<b>79,947</b>	<b>67,925</b>	<b>83,401</b>	<b>75,342</b>	<b>15,476</b>	<b>(8,059)</b>
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	84,557	53,635	96,023	37,247	129,921	72,225	92,674	(57,696)
SUPPLIES	89	666	186	1,200	700	1,000	(500)	300
OUTSIDE SERVICES	21,645	20,721	7,780	8,000	13,200	8,000	5,200	(5,200)
PUBLIC INFORMATION	0	764	0	1,000	0	0	(1,000)	0
MARKETING	0	0	0	20,000	900	2,000	(19,100)	1,100
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS - 61	245	1,017	285	210	0	2,635	(210)	2,635
TRAVEL MEETINGS	0	0	0	0	0	5,000	0	5,000
TRAVEL/TRAINING - 61	1,651	3,366	965	0	0	6,180	0	6,180
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	85,002	29,041	22,506	23,405	21,785	21,216	(1,620)	(569)
UTILITY (Pass Thru) & COST OF GOODS SOLD	39,929	23,867	0	1,620	0	0	(1,620)	0
OTHER EXPENSES (Misc & Interdept)	910	526	(802)	0	0	0	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	30,566	35,986	18,505	31,645	24,844	38,273	(6,801)	13,429
MAINTENANCE (Materials & Services)	5,576	7,471	6,911	14,500	6,293	10,000	(8,207)	3,707
<b>TOTAL OPERATING EXPENSES</b>	<b>270,169</b>	<b>177,061</b>	<b>152,360</b>	<b>138,827</b>	<b>197,643</b>	<b>166,529</b>	<b>58,816</b>	<b>(31,114)</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>125,916</b>	<b>71,020</b>	<b>(72,413)</b>	<b>(70,902)</b>	<b>(114,242)</b>	<b>(91,187)</b>	<b>(43,340)</b>	<b>23,055</b>
<b>ALLOCATED EXPENSES</b>	<b>120,935</b>	<b>93,424</b>	<b>92,089</b>	<b>84,676</b>	<b>91,239</b>	<b>83,228</b>	<b>6,563</b>	<b>(8,011)</b>
<b>ALLOCATED DEPRECIATION</b>	<b>4,182</b>	<b>3,374</b>	<b>3,319</b>	<b>2,531</b>	<b>3,434</b>	<b>2,385</b>	<b>903</b>	<b>(1,049)</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>6,366</b>	<b>5,424</b>	<b>4,542</b>	<b>4,542</b>	<b>4,542</b>	<b>4,200</b>	<b>0</b>	<b>(342)</b>
<b>OPERATING SURPLUS (DEFICIT) (after Depr)</b>	<b>(5,568)</b>	<b>(31,202)</b>	<b>(172,363)</b>	<b>(162,652)</b>	<b>(213,457)</b>	<b>(181,000)</b>	<b>(50,805)</b>	<b>32,457</b>

## 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
- 3 - Hydraulic grapple log loaders
- 2 - 980 Caterpillar wheel loaders
- 2 - John Deere Gators
- 1 - John Deere Backhoe
- 3 - Boom boats
- 1 - Tymco Vacuum Sweeper and 1 Broce Broom
- 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 trucks and firefighting equipment
- 7 - Forklifts
- 4 - Tractors
- 1 - New Holland Tractor Mower
- 1 - John Deere Tractor w/mower deck
- 1 - International Tractor w/brush hog mower
- 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.

## 2017 PROJECTED

### Expense Assumptions

1. Increased log exports causes greater than expected work on Log Yard Equipment and labor charged to Log Yard.
2. Over in supplies due to replenishment of filters, batteries and lubricants.
3. The Facilities Manager is now responsible for both Facilities Maintenance (FM) and Mechanical Maintenance (MM) with FM remaining the home department for budgeting purposes.

## 2018 BUDGET

### Expense Assumptions

1. Outside Services including waste oil heat disposal and laundry services are expected to be similar to 2017.
2. Supplies purchased for MM are to replace aging equipment and improve safety & efficiency of daily tasks. Major items are misc. aerial retractable reels for air and extension cords, oil pump for bulk storage, transmission jack and 3T hoist.

**Port of Port Angeles**  
**MECHANICAL MAINTENANCE (MM - DEPT 91)**  
**2018 Budget**

	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 BUDGET	2017 PROJECTED	2018 BUDGET	2017 Proj.	2018
							Over/(Under) 2017 Budget	Over/(Under) 2017 Projected
<b>OPERATING REVENUES</b>								
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
<b>TOTAL OPERATING REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	32,320	36,806	42,298	32,817	15,955	15,109	(16,862)	(846)
SUPPLIES	22,369	24,834	30,853	22,000	35,128	38,756	13,128	3,628
OUTSIDE SERVICES	6,026	13,212	18,628	10,100	13,385	10,100	3,285	(3,285)
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	939	0	0	0	0	0	0
TRAVEL MEETINGS	0	204	0	0	0	0	0	0
TRAVEL/TRAINING	1,320	2,869	1,641	3,200	200	1,000	(3,000)	800
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	20,347	20,475	15,735	19,632	21,059	18,207	1,427	(2,852)
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	255	228	0	250	250	250	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	12,708	21,760	30,770	51,136	29,218	44,815	(21,918)	15,597
MAINTENANCE (Materials & Services)	5,546	8,750	14,722	4,000	6,810	7,000	2,810	190
<b>TOTAL OPERATING EXPENSES</b>	<b>100,891</b>	<b>130,077</b>	<b>154,646</b>	<b>143,136</b>	<b>122,005</b>	<b>135,238</b>	<b>(21,131)</b>	<b>13,233</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>(100,891)</b>	<b>(130,077)</b>	<b>(154,646)</b>	<b>(143,136)</b>	<b>(122,005)</b>	<b>(135,238)</b>	<b>21,131</b>	<b>(13,233)</b>
<b>ALLOCATED EXPENSES</b>	<b>(126,384)</b>	<b>(156,943)</b>	<b>(154,646)</b>	<b>(143,136)</b>	<b>(122,005)</b>	<b>(135,238)</b>	<b>21,131</b>	<b>(13,233)</b>
<b>ALLOCATED DEPRECIATION</b>	<b>0</b>	<b>0</b>	<b>(27,563)</b>	<b>(14,880)</b>	<b>(17,683)</b>	<b>(14,683)</b>	<b>(2,803)</b>	<b>3,000</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>25,493</b>	<b>26,866</b>	<b>27,563</b>	<b>14,880</b>	<b>17,683</b>	<b>14,683</b>	<b>2,803</b>	<b>(3,000)</b>
<b>OPERATING SURPLUS (DEFICIT) (after Depr)</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## **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.

### **2017 PROJECTED**

#### **Expense Assumptions**

1. Facilities Manager now manages both Facilities Maintenance (FM) and Mechanical Maintenance (MM).
2. FM activities through the end of year will include routine and seasonal maintenance and purchase of small tools.

### **2018 BUDGET**

#### **Expense Assumptions**

1. Capitalized labor cost will decrease from budgeted 2017 to \$45k.
2. FM assistance with LY Operations continues based on need. FM Labor services also continue to assist with LY dust control, bark and rock hauling.
3. Maintenance costs vary across departments generally following trend but punctuated with larger maintenance projects. These projects include painting the taxiway and apron lines at FIA, landscaping at various Port owned rental properties, Airport Rental Properties (ARP) parking lot crack sealing, and JWM maintenance to include fence repairs, concrete sidewalk repairs, boat ramp repairs and work on the south restrooms.
4. Supplies purchased for FM are to replace aging equipment and to improve safety & efficiency of daily tasks. Major items are misc. small tools, a service bumper, a jumping jack and a 60 lb. jack hammer.

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**Port of Port Angeles**  
**FACILITIES MAINTENANCE (FM - DEPT 92)**  
**2018 Budget**

	2014	2015	2016	2017	2017	2018	2017 Proj.	2018
	ACTUAL	ACTUAL	ACTUAL	BUDGET	PROJECTED	BUDGET	Over/(Under)	Over/(Under)
							2017	2017
							Budget	Projected
<b>OPERATING REVENUES</b>								
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
<b>TOTAL OPERATING REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	77,396	91,325	83,863	49,655	50,435	55,554	780	5,119
SUPPLIES	43,399	36,338	36,431	38,000	30,089	30,550	(7,911)	461
OUTSIDE SERVICES	5,501	6,235	7,440	7,000	11,554	11,700	4,554	146
PUBLIC INFORMATION	0	0	265	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	1,218	1,932	1,336	2,000	500	2,000	(1,500)	1,500
TRAVEL MEETINGS	15	134	258	500	0	500	(500)	500
TRAVEL/TRAINING	3,709	4,556	8,338	12,000	6,052	6,350	(5,948)	298
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	19,610	19,947	21,715	20,318	22,119	22,200	1,801	81
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	3,099	2,919	4,171	5,000	2,083	5,000	(2,917)	2,917
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	51,352	70,642	52,926	35,550	39,209	30,895	3,659	(8,314)
MAINTENANCE (Materials & Services)	22,656	28,522	9,540	27,125	16,249	20,750	(10,876)	4,501
<b>TOTAL OPERATING EXPENSES</b>	<b>227,955</b>	<b>262,549</b>	<b>226,283</b>	<b>197,148</b>	<b>178,290</b>	<b>185,498</b>	<b>(18,858)</b>	<b>7,208</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>(227,955)</b>	<b>(262,549)</b>	<b>(226,283)</b>	<b>(197,148)</b>	<b>(178,290)</b>	<b>(185,498)</b>	<b>18,858</b>	<b>(7,208)</b>
<b>ALLOCATED EXPENSES</b>	<b>(264,098)</b>	<b>(302,947)</b>	<b>(226,282)</b>	<b>(197,148)</b>	<b>(178,290)</b>	<b>(185,498)</b>	<b>18,858</b>	<b>(7,208)</b>
<b>ALLOCATED DEPRECIATION</b>	<b>0</b>	<b>0</b>	<b>(34,983)</b>	<b>(32,304)</b>	<b>(34,975)</b>	<b>(32,083)</b>	<b>(2,671)</b>	<b>2,892</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>36,143</b>	<b>40,399</b>	<b>34,983</b>	<b>32,304</b>	<b>34,975</b>	<b>32,083</b>	<b>2,671</b>	<b>(2,892)</b>
<b>OPERATING SURPLUS (DEFICIT) (after Depr)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## **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.

### **2017 PROJECTED**

#### **Expense Assumptions**

1. Director of Business position vacant for majority of the year, followed by management restructure of staff to Rental Properties.
2. Most expenses under budget due to vacant Director position which resulted in a shift of priorities.

### **2018 BUDGET**

#### **Expense Assumptions**

1. Salaries & Benefits show a large decrease from 2017 Budget due to management restructure between Business Development – Dept 81 and Rental Properties – Dept 61.
2. CRTIC contract for Economic Development Services ends which results in a major reduction of Outside Services as compared to 2015 through 2017.
3. Outside Services include: Sustainable Harvest, Advanced Wood Products & Other Timber Advocacy efforts; Communications plan for prospective clients; and Signage design consultant.
4. EDC contract increased from \$30k to \$40k.
5. SBDC contract remains at \$23k plus in-kind community support office rent per Commission direction. SBDC has shown that their efforts are making a difference in the community to retain living wage jobs.

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**Port of Port Angeles  
ECONOMIC & BUSINESS DEVELOPMENT (BD - DEPT 81)  
2018 Budget**

	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 BUDGET	2017 PROJECTED	2018 BUDGET	2017 Proj. Over/(Under) 2017 Budget	2018 Over/(Under) 2017 Projected
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	88,508	169,613	164,022	100,367	40,303	45,956	(60,064)	5,653
SUPPLIES	161	892	5,978	250	0	100	(250)	100
OUTSIDE SERVICES	146,670	272,204	671,498	928,828	835,042	151,000	(93,786)	(684,042)
PUBLIC INFORMATION	5,085	12,334	26,375	12,388	7,388	12,388	(5,000)	5,000
MARKETING	12,094	10,985	16,383	20,000	11,000	12,000	(9,000)	1,000
COMMUNITY RELATIONS	65	0	0	5,000	20	5,000	(4,980)	4,980
ADS, DUES & PUBLICATIONS	4,441	13,038	5,277	9,975	1,000	9,800	(8,975)	8,800
TRAVEL MEETINGS	13,365	17,681	6,952	39,750	3,054	3,000	(36,696)	(54)
TRAVEL/TRAINING	6,731	3,573	10,912	2,500	195	0	(2,305)	(195)
PROMOTIONAL HOSTING	1,513	5,303	2,833	7,500	600	7,500	(6,900)	6,900
RENT, UTILITIES, INSURANCE, TAXES	270	987	2,695	540	158	0	(382)	(158)
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	0	0	28,043	0	0	0	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	0	2,795	0	0	0	0	0	0
MAINTENANCE (Materials & Services)	0	1,045	3,000	0	0	0	0	0
<b>TOTAL OPERATING EXPENSES</b>	<b>278,903</b>	<b>510,449</b>	<b>943,968</b>	<b>1,127,098</b>	<b>898,760</b>	<b>246,744</b>	<b>(228,338)</b>	<b>(652,016)</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>(278,903)</b>	<b>(510,449)</b>	<b>(943,968)</b>	<b>(1,127,098)</b>	<b>(898,760)</b>	<b>(246,744)</b>	<b>228,338</b>	<b>652,016</b>
<b>ALLOCATED EXPENSES</b>	<b>(278,903)</b>	<b>(510,449)</b>	<b>(943,968)</b>	<b>(1,127,098)</b>	<b>(898,760)</b>	<b>(246,744)</b>	<b>228,338</b>	<b>652,016</b>
<b>ALLOCATED DEPRECIATION</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>OPERATING SURPLUS (DEFICIT) (after Depr)</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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 ACTUAL	2017 Budget	2017 Projected	2018 Budget
<b>Gross Operating Revenue Budget</b>	<b>8,601,734</b>	<b>9,432,835</b>	<b>8,961,751</b>	<b>10,461,458</b>	<b>10,611,770</b>
. \$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	11,082	9,904	13,654
<b>Allowed Promotional Hosting per RCW</b>	<b>46,504</b>	<b>48,582</b>	<b>47,404</b>	<b>51,154</b>	<b>51,529</b>

	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 Budget	2017 Projected	2018 Budget
<b>Promotional Hosting by Line of Business</b>							
Marine Terminal	0	1,888	3,164	1,098	2,000	7,500	5,000
Marine Trades Area	0	0	489	637	1,000	500	1,000
Log Yard	1,981	3,535	2,501	2,600	3,800	2,500	3,800
Fairchild International Airport & Airport Rental Prop.	0	55	216	122	7,500	1,100	7,500
Business Development	5,248	1,513	5,303	2,833	7,500	600	7,500
<b>Total Promotional Hosting</b>	<b>7,229</b>	<b>6,991</b>	<b>11,672</b>	<b>7,289</b>	<b>21,800</b>	<b>12,200</b>	<b>24,800</b>

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 ACTUAL	2017 Budget	2017 Projected	2018 Budget
<b>Industrial Development &amp; Trade Promotion</b>							
<b>Marketing Line Item</b>							
Fairchild International Airport & Airport Rental Prop.	0	1,610	1,400	3,077	112,000	2,500	9,500
Marine Trades Area & Log Yard	0	0	1,640	8,161	6,500	4,600	6,500
Port Angeles Boat Haven & John Wayne Marina	0	300	2,160	1,142	10,000	1,000	10,000
Rental Properties	0	0	0	0	20,000	900	2,000
Administration	175	0	0	2,406	0	0	0
Business Development	17,255	12,094	10,985	16,383	20,000	11,000	12,000
<b>Total Industrial Dev &amp; Trade Promotion</b>	<b>17,430</b>	<b>14,004</b>	<b>16,186</b>	<b>31,168</b>	<b>168,500</b>	<b>20,000</b>	<b>40,000</b>

**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	40,000
CRTC	n/a	n/a	97,500	615,000	615,000	732,911	0

## **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 all 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.

### **2017 PROJECTED**

#### **Expense Assumptions**

1. Salaries and benefits combined are expected to be under budget due to the unbudgeted retirement of 1 employee, management decision to not fill two budgeted positions 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. Public information is over budget due to an emphasis on transparency and the utilization of lobbying efforts.

### **2018 BUDGET**

#### **Expense Assumptions**

1. Staffing costs assumes: addition of a Deputy Executive Director 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 includes: \$50k for lobbying; \$10k strategic plan phase II; \$10k purchasing policies/regulations; \$25k grant writing assistance across multiple LOB's.
3. Travel and Training is anticipated to be higher than 2017 with the Commissioners and Executive Director scheduled to attend multiple legislative venues and 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 \$150k for Port-wide unanticipated expenses is approximately 2% of the Port's operating expenses.



**Port of Port Angeles  
ADMINISTRATION (ADMIN - DEPT 80)  
2018 Budget**

	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 BUDGET	2017 PROJECTED	2018 BUDGET	2017 Proj.	2018
							Over/(Under) 2017 Budget	Over/(Under) 2017 Projected
<b>OPERATING REVENUES</b>								
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
<b>TOTAL OPERATING REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	1,281,575	1,374,661	1,214,408	1,235,807	1,062,697	1,296,547	(173,110)	233,850
SUPPLIES	64,376	64,430	65,810	75,000	68,249	78,000	(6,751)	9,751
OUTSIDE SERVICES	333,525	291,022	344,323	406,320	329,578	349,420	(76,742)	19,842
PUBLIC INFORMATION	5,302	19,035	15,554	20,500	35,445	90,500	14,945	55,055
MARKETING	0	0	2,406	0	0	0	0	0
COMMUNITY RELATIONS	0	0	3,484	0	0	0	0	0
ADS, DUES & PUBLICATIONS	41,838	39,005	31,012	24,824	22,150	23,356	(2,674)	1,206
TRAVEL MEETINGS	19,649	14,083	17,639	20,250	17,051	23,200	(3,199)	6,149
TRAVEL/TRAINING	52,505	48,619	29,375	49,067	23,281	44,320	(25,786)	21,039
PROMOTIONAL HOSTING	19	54	555	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	51,171	131,902	137,590	136,925	128,538	130,501	(8,387)	1,963
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	15,193	2,541	476	10,000	9,999	10,000	(1)	1
CONTINGENCY	0	0	0	125,000	125,000	150,000	0	25,000
MAINT LABOR, BENEFITS & INTER-DEPT	12,274	21,906	22,979	31,645	25,105	23,708	(6,540)	(1,397)
MAINTENANCE (Materials & Services)	9,541	9,556	9,824	6,800	8,161	9,600	1,361	1,439
<b>TOTAL OPERATING EXPENSES</b>	<b>1,886,967</b>	<b>2,016,813</b>	<b>1,895,435</b>	<b>2,142,138</b>	<b>1,855,254</b>	<b>2,229,152</b>	<b>(286,884)</b>	<b>373,898</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>(1,886,967)</b>	<b>(2,016,813)</b>	<b>(1,895,435)</b>	<b>(2,142,138)</b>	<b>(1,855,254)</b>	<b>(2,229,152)</b>	<b>286,884</b>	<b>(373,898)</b>
<b>ALLOCATED EXPENSES</b>	<b>(1,907,190)</b>	<b>(2,016,813)</b>	<b>(1,895,435)</b>	<b>(2,142,138)</b>	<b>(1,855,254)</b>	<b>(2,229,152)</b>	<b>286,884</b>	<b>(373,898)</b>
<b>ALLOCATED DEPRECIATION</b>	<b>0</b>	<b>(25,622)</b>	<b>(29,345)</b>	<b>(35,016)</b>	<b>(30,808)</b>	<b>(30,808)</b>	<b>4,208</b>	<b>0</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>20,223</b>	<b>25,622</b>	<b>29,345</b>	<b>35,016</b>	<b>30,808</b>	<b>30,808</b>	<b>(4,208)</b>	<b>0</b>
<b>OPERATING SURPLUS (DEFICIT) (after Depr)</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 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 publicly 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.

## 2017 PROJECTED

### Revenue Assumptions

#### General:

1. Other taxes (timber harvest taxes) are slightly lower than budget due to unpredictable logging activities.
2. Miscellaneous includes the 2010A bond rate subsidy which is lower due to the continued sequestration by United States Congress.
3. Passenger Facility Charges are under due to the continued absence of a commercial passenger air carrier service at FIA.
4. 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 on track with budget and include security upgrades at the Marine Terminals.

### Expense Assumptions

#### General:

1. Environmental expenses were lower due to litigation delays.

#### Capital Related:

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

## 2018 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.

#### Capital Related:

1. The Port property tax levy will not be increased in 2018 by any percentage (0.00%) and assumes \$8.3 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 \$70k 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 continued pay down of interest and principal.

**Port of Port Angeles  
NON-OPERATING (NONOP - DEPT 90)  
2018 Budget**

	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 BUDGET	2017 PROJECTED	2018 BUDGET	2017 Proj. Over/(Under) 2017 Budget	2018 Over/(Under) 2017 Projected
<b>NON-OP GENERAL REVENUES</b>								
INTEREST EARNINGS	322,657	316,877	485,058	117,000	272,132	178,053	155,132	(94,079)
OTHER TAX RECEIPTS	231,546	144,015	219,760	152,000	118,118	120,480	(33,882)	2,362
MISC NON OP REVENUES	(7,239)	55,126	137,936	20,000	29,400	20,200	9,400	(9,200)
GRANTS - OPERATIONS	12,174	682,169	1,335,467	39,750	34,617	40,750	(5,133)	6,133
PASSENGER FACILITY CHARGES (PFC'S)	14,425	1,737	1,705	12,000	1,377	1,200	(10,623)	(177)
GAIN (LOSS) & SPECIAL ITEMS	317,486	(38,412)	(45,599)	0	58,378	0	58,378	(58,378)
<b>TOTAL NON-OP GENERAL REV</b>	<b>891,048</b>	<b>1,161,512</b>	<b>2,134,327</b>	<b>340,750</b>	<b>514,022</b>	<b>360,683</b>	<b>173,272</b>	<b>(153,339)</b>
<b>NON-OP GENERAL EXPENSES</b>								
ENVIRONMENTAL	1,085,936	300,055	(1,255,399)	325,000	218,025	222,386	(106,975)	4,361
MISC NON OP EXPENSE	333	87,067	60,706	75,000	65,600	75,000	(9,400)	9,400
<b>TOTAL NON-OP GENERAL EXP</b>	<b>1,086,269</b>	<b>387,122</b>	<b>(1,194,693)</b>	<b>400,000</b>	<b>283,625</b>	<b>297,386</b>	<b>(116,375)</b>	<b>13,761</b>
<b>NET NON-OP GENERAL SURPLUS (DEFICIT)</b>	<b>(195,220)</b>	<b>774,390</b>	<b>3,329,020</b>	<b>(59,250)</b>	<b>230,397</b>	<b>63,298</b>	<b>289,647</b>	<b>(167,099)</b>
<b>NON-OP CAPITAL REVENUES</b>								
PROPERTY TAX RECEIPTS	1,401,357	1,425,267	1,458,658	1,471,000	1,471,000	1,490,000	0	19,000
GRANTS - CAPITAL	944,695	2,198,214	5,072,346	771,910	756,821	251,600	(15,089)	(505,221)
<b>TOTAL NON-OP CAPITAL REV</b>	<b>2,346,052</b>	<b>3,623,481</b>	<b>6,531,004</b>	<b>2,242,910</b>	<b>2,227,821</b>	<b>1,741,600</b>	<b>(15,089)</b>	<b>(486,221)</b>
<b>NON-OP CAPITAL EXPENSES</b>								
BOND COSTS & INTEREST EXPENSE	397,150	404,362	292,071	281,304	286,447	275,427	5,144	(11,020)
<b>TOTAL NON-OP CAPITAL EXP</b>	<b>397,150</b>	<b>404,362</b>	<b>292,071</b>	<b>281,304</b>	<b>286,447</b>	<b>275,427</b>	<b>5,144</b>	<b>(11,020)</b>
<b>NET NON-OP CAPITAL SURPLUS (DEFICIT)</b>	<b>1,948,902</b>	<b>3,219,119</b>	<b>6,238,933</b>	<b>1,961,606</b>	<b>1,941,374</b>	<b>1,466,173</b>	<b>(20,233)</b>	<b>(475,201)</b>
<b>NET NON-OP SURPLUS (DEFICIT)</b>	<b>1,753,682</b>	<b>3,993,509</b>	<b>9,567,953</b>	<b>1,902,356</b>	<b>2,171,771</b>	<b>1,529,471</b>	<b>269,415</b>	<b>(3,761,779)</b>
<b>TOTAL NET SURPLUS (DEFICIT) (before Depr)</b>	<b>1,753,682</b>	<b>3,993,509</b>	<b>9,567,953</b>	<b>1,902,356</b>	<b>2,171,771</b>	<b>1,529,471</b>	<b>269,415</b>	<b>(642,300)</b>

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## **SECTION V**

### **CAPITAL BUDGET**

## CAPITAL BUDGET

The 2018 Capital Budget includes a 1-year Capital Projects Budget, a 5-year Capital Improvement Plan and a list of Unfunded Future Projects. 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 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.

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 remain in compliance with established regulations.
- B. Committed Projects: These projects are considered “committed” because of one of the following reasons:
  - 1. Receipt of outside grant funding. There are three (3) projects in the 2018 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 the 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 2018 Capital Budget. There are ten (10) projects within this category and are prioritized based on need.

D. Rated Projects: Following regulatory, committed and critical maintenance are the rated projects. 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 Alignment. These projects are ranked in descending order based on their total cumulative score from the four categories.

Investments in new infrastructure are shown separate for maintaining existing infrastructure to help staff determine if there is sufficient investment in maintaining existing infrastructure. The Port has approximately \$2,400,000 per year of depreciation, which is used as an investment target for maintaining its assets.

## **B. 5-YEAR CAPITAL IMPROVEMENT PLAN**

The Five-Year Capital Improvement Plan is a planning tool that identifies Capital Projects through the year 2022. 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.

## **C. FUTURE PROJECTS**

This list represents projects that have been identified by Port staff, customers, stakeholders and advisory committees as worthwhile projects, but will require a customer commitment for cost recovery or an outside funding source to complete.

*\*\*Continue to the next page*

## 2018 CAPITAL PROJECTS PRIORITIZATION

Low = 1 / High = 5

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

#	DEPT.	PROJECT	2018 \$	Future Project \$	Jobs New/Retain	R.O.I.	E.B.	S.P.	Project Total	Cumulative Total (\$)
1	11-MT	SW Treatment & Asphalt	\$ 1,800,000			5	5	5	0	\$ 1,800,000
2	31-FIA	Master Plan Update (G)	\$ 7,000	Regulatory					0	\$ 1,807,000
3	11-MT	T4 Gate & Security Fence (G)	\$ 20,000						0	\$ 1,827,000
4	33-ARP	Signs (N.A.B.P)	30,000						0	\$ 1,857,000
5	41-PABH	Signs (E., W. & water side)	50,000						0	\$ 1,907,000
6	33-ARP	CMC Gate & Security Fence	150,000						0	\$ 2,057,000
7	80-AD	Capital Budget Contingency	\$ 200,000						0	\$ 2,257,000
8	41-PABH	Laundry Facility (G)	\$ 70,000						0	\$ 2,327,000
9	33-ARP	1908 'O' St. Heat Pump	\$ 25,000						0	\$ 2,352,000
10	43-JWM	Dumpster Enclosure	\$ 20,000						0	\$ 2,372,000
11	43-JWM	Restaurant Cooler Replace	25,000						0	\$ 2,397,000
12	43-JWM	Lawn Mower Replace	15,000						0	\$ 2,412,000
13	80-AD	Elevator Repair / Upgrades	150,000						0	\$ 2,562,000
14	80-AD	Entrance Deck Replace	15,000						0	\$ 2,577,000
15	91-MM	Vehicle Lift	7,000						0	\$ 2,584,000

Committed

Critical Maintenance

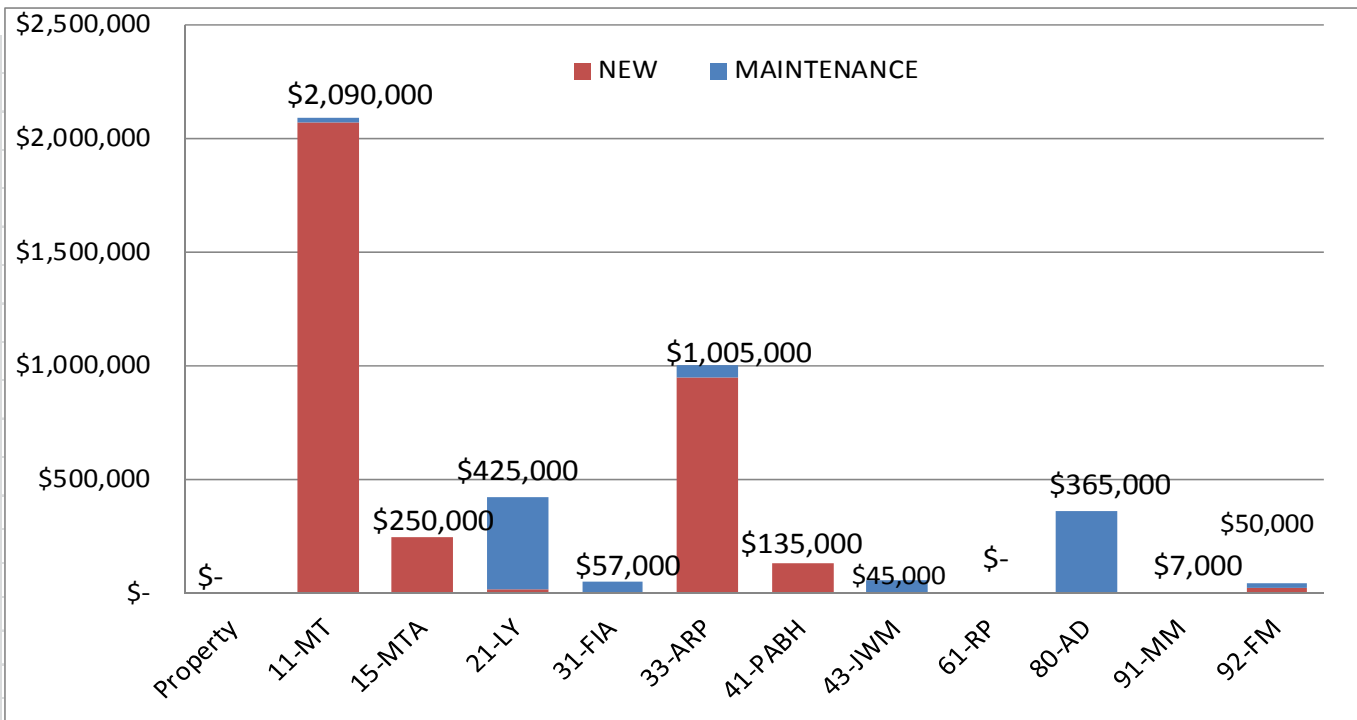


#	DEPT.	PROJECT	2018 \$	Future Project \$	Jobs New/Retain 5	R.O.I. 5	E.B. 5	S.P. 5	Project Total	Cumulative Total (\$)
16	92-FM	Service Van	\$ 30,000						0	\$ 2,614,000
17	92-FM	Lawn Mower	\$ 20,000						0	\$ 2,634,000
18	41-PABH	750KVA Transformer	\$ 15,000						0	\$ 2,649,000
19	33-ARP	MTIB Facility Improvements	\$ 800,000		5	4	3	5	17	\$ 3,449,000
20	15-MTA	MTIP Site Development	\$ 250,000	\$ 6,000,000	5	2	4	5	16	\$ 3,699,000
21	11-MT	Surge Area Asphalt	\$ 250,000	\$ -	3	4	4	4	15	\$ 3,949,000
22	21-LY	Relocate Banding Platform	\$ 30,000		2	4	3	4	15	\$ 3,979,000
23	31-FIA	Terminal Bldg. Renovation	50,000		2	4	2	5	14	\$ 4,029,000
24	11-MT	T1 Warehouse Suite Impts.	20,000		2	5	1	4	13	\$ 4,049,000
25	21-LY	Hydraulic Loader	\$ 375,000		1	3	3	3	12	\$ 4,424,000
26	21-LY	PUP Trailer	\$ 20,000		1	4	3	3	11	\$ 4,444,000
27										
		<b>Total 2018 Capital Budget =</b>	<b>\$ 4,444,000</b>							

Rated

Totals by Category: Regulatory Mandated = \$1,807,000 / Committed = \$520,000 / Critical Maintenance = \$322,000 / Rated = \$1,795,000

## 2018 CAPITAL EXPENDITURES BY DEPARTMENT



Dept.	Actual 2016	Budget 2017	Projected 2017	2018 New	2018 Maint.	2018 Total
Property	\$ -	\$ 250,000	\$ -			\$ -
11-MT	\$ 4,628,639	\$ 1,705,000	\$ 2,065,474	\$ 2,070,000	\$ 20,000	\$ 2,090,000
15-MTA	\$ 149,750	\$ 2,755,000	\$ 137,864	\$ 250,000	\$ -	\$ 250,000
21-LY	\$ 232,816	\$ 3,640,000	\$ 246,997	\$ 20,000	\$ 405,000	\$ 425,000
31-FIA	\$ 1,134,251	\$ 40,000	\$ 53,841	\$ -	\$ 57,000	\$ 57,000
33-ARP	\$ 4,421,335	\$ 215,000	\$ 725,000	\$ 950,000	\$ 55,000	\$ 1,005,000
41-PABH	\$ 649,578	\$ 345,000	\$ 237,909	\$ 135,000	\$ -	\$ 135,000
43-JWM	\$ 59,138	\$ 95,000	\$ 33,446	\$ -	\$ 60,000	\$ 60,000
61-RP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80-AD	\$ 91,533	\$ 330,000	\$ 200,000	\$ -	\$ 365,000	\$ 365,000
91-MM	\$ 17,714	\$ 26,000	\$ 6,082	\$ 7,000	\$ -	\$ 7,000
92-FM	\$ 29,683			\$ 30,000	\$ 20,000	\$ 50,000
<b>Total</b>	<b>\$ 11,414,437</b>	<b>\$ 9,401,000</b>	<b>\$ 3,706,613</b>	<b>\$ 3,462,000</b>	<b>\$ 982,000</b>	<b>\$ 4,444,000</b>

### 2018 OUTSIDE FUNDING

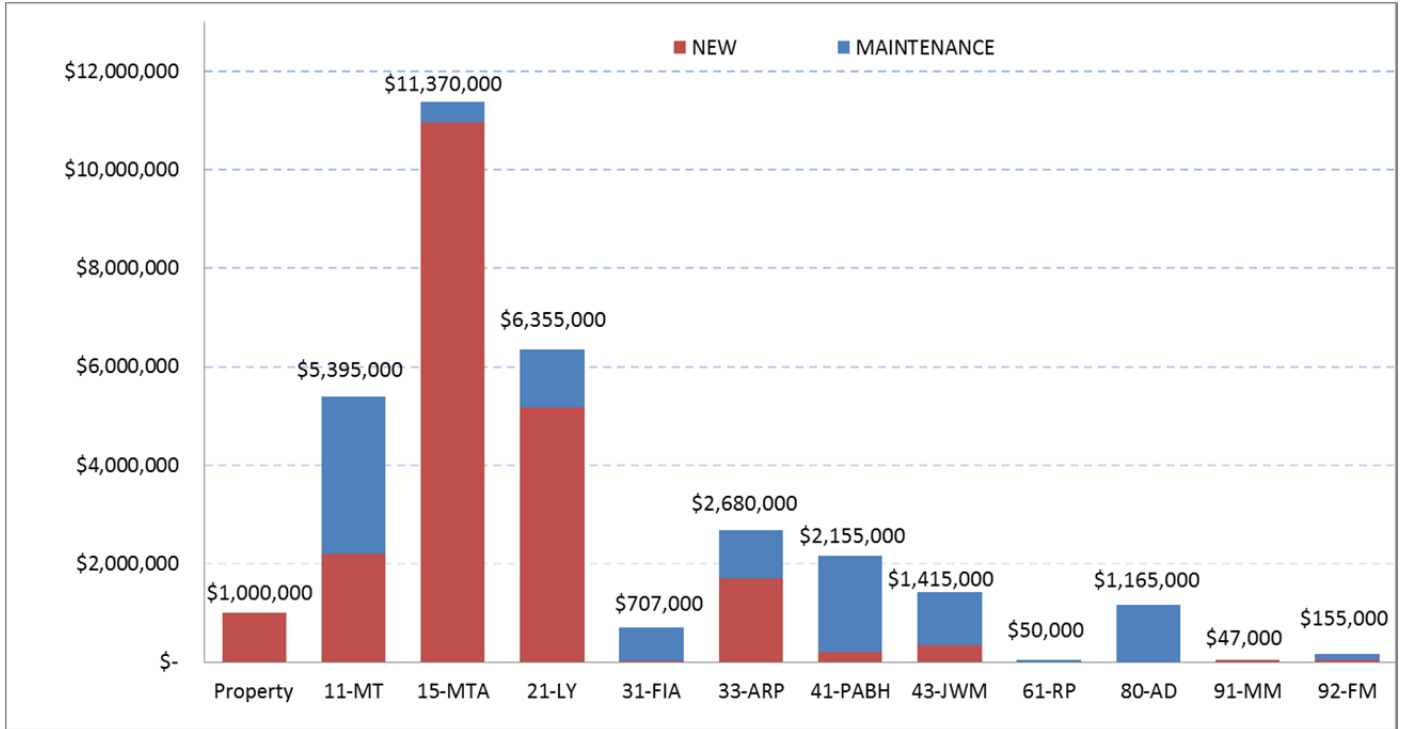
Project	Grantee	Port \$	Grant \$	Total \$
T4 Security Gate / Fence	Dept. of Homeland Security	\$ 20,000	\$ 50,000	\$ 70,000
FIA Master Plan Update	Federal Aviation Administration	\$ 7,000	\$ 126,000	\$ 140,000
	Wa. St. Dept. of Transportation	\$ -	\$ 7,000	
PABH Laundry Facility	Recreation Conservation Office	\$ 70,000	\$ 68,600	\$ 138,600

**TOTAL 2018 GRANT FUNDS = \$ 251,600**

## 2018 CAPITAL PROJECTS BY BUDGET

Dept.	Project Description	Port Funds	Grant Funds	Total
11-MT	T4 Gate & Fence (G)	\$ 20,000	\$50,000	\$ 70,000
11-MT	SW Treatment & Asphalt	\$ 1,800,000	\$0	\$ 1,800,000
11-MT	Surge Area Asphalt	\$ 250,000	\$0	\$ 250,000
11-MT	T1 Warehouse Suite Impts.	\$ 20,000	\$0	\$ 20,000
15-MTA	MTIP Site Development	\$ 250,000	\$0	\$ 250,000
21-LY	Relocate Banding Platform	\$ 30,000	\$0	\$ 30,000
21-LY	Hydraulic Loader	\$ 375,000	\$0	\$ 375,000
21-LY	PUP Trailer	\$ 20,000	\$0	\$ 20,000
31-FIA	Master Plan Update (G)	\$ 7,000	\$133,000	\$ 140,000
31-FIA	Terminal Bldg. Renovation	\$ 50,000	\$0	\$ 50,000
33-ARP	MTIB Facility Improvements	\$ 800,000	\$0	\$ 800,000
33-ARP	1908 'O' St. Heat Pump	\$ 25,000	\$0	\$ 25,000
33-ARP	CMC Gate & Security Fence	\$ 150,000	\$0	\$ 150,000
33-ARP	Signs (N.A.B.P)	\$ 30,000	\$0	\$ 30,000
41-PABH	Laundry Facility (G)	\$ 70,000	\$68,600	\$ 138,600
41-PABH	750KVA Transformer	\$ 15,000	\$0	\$ 15,000
41-PABH	Signs (E., W. & water side)	\$ 50,000	\$0	\$ 50,000
43-JWM	Restaurant Cooler - Replace	\$ 25,000	\$0	\$ 25,000
43-JWM	Dumpster Enclosures	\$ 20,000	\$0	\$ 20,000
43-JWM	Lawn Mower - Replace	\$ 15,000	\$0	\$ 15,000
80-AD	Capital Budget Contingency	\$ 200,000	\$0	\$ 200,000
80-AD	Elevator Repair / Upgrades	\$ 150,000	\$0	\$ 150,000
80-AD	Entrance Deck - Replace	\$ 15,000	\$0	\$ 15,000
91-MM	Vehicle Lift	\$ 7,000	\$0	\$ 7,000
92-FM	Service Van	\$ 30,000	\$0	\$ 30,000
92-FM	Lawn Mower - Replace	\$ 20,000	\$0	\$ 20,000
<b>TOTALS =</b>		<b>\$4,444,000</b>	<b>\$251,600</b>	<b>\$4,695,600</b>

## 2018 – 2022 CAPTIAL EXPENDITURES BY DEPARTMENT



Department	New	Maintenance	Total
Property	\$ 1,000,000	\$ -	\$ 1,000,000
11-MT	\$ 2,200,000	\$ 3,195,000	\$ 5,395,000
15-MTA	\$ 10,960,000	\$ 410,000	\$ 11,370,000
21-LY	\$ 5,170,000	\$ 1,185,000	\$ 6,355,000
31-FIA	\$ 15,000	\$ 692,000	\$ 707,000
33-ARP	\$ 1,700,000	\$ 980,000	\$ 2,680,000
41-PABH	\$ 210,000	\$ 1,945,000	\$ 2,155,000
43-JWM	\$ 350,000	\$ 1,065,000	\$ 1,415,000
61-RP	\$ -	\$ 50,000	\$ 50,000
80-AD	\$ -	\$ 1,165,000	\$ 1,165,000
91-MM	\$ 47,000	\$ -	\$ 47,000
92-FM	\$ 45,000	\$ 110,000	\$ 155,000

**Total 2018 to 2022    \$    21,697,000    \$    10,797,000    \$    32,494,000**

## 2018 – 2022 CAPTIAL IMPROVEMENT PLAN

Dept.	Project Description	2018	2019	2020	2021	2022
	Industrial Prop. Acquisition		\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
11-MT	T4 Gate & Fence (G)	\$ 20,000				
11-MT	Secuirty Improvements			\$ 50,000		\$ 50,000
11-MT	SW Treatment & Asphalt	\$ 1,800,000				
11-MT	Surge Area Asphalt	\$ 250,000				
11-MT	T1 Warehouse Reconst.			\$ 350,000		\$ 2,000,000
11-MT	T1 Asphalt Resurfacing			\$ 50,000	\$ 50,000	\$ 50,000
11-MT	T1 Bulkhead Repair		\$ 250,000			
11-MT	T3 Structural Repairs		\$ 350,000			
11-MT	Replace Forklift		\$ 75,000			
11-MT	Entrance Sign			\$ 30,000		
11-MT	T1 Warehouse Suite Impts.	\$ 20,000				
15-MTA	MTIP Site Development	\$ 250,000	\$ 2,500,000	\$ 3,500,000		
15-MTA	MTIP Wash Down Facility		\$ 2,500,000			
15-MTA	MTIP Work Pads		\$ 2,000,000			
15-MTA	S.W. Conveyance Impts.		\$ 250,000			
15-MTA	B.Y. Fabric Structure		\$ 150,000			
15-MTA	Compactor / Enclosure			\$ 60,000		
15-MTA	B.Y. Utility Service Upgrade			\$ 30,000		
15-MTA	B.Y. Building Upgrades				\$ 50,000	
15-MTA	B.Y. T.L. Pier Repairs		\$ 10,000	\$ 70,000		
21-LY	Site Dev & S.W. Impts		\$ 2,500,000	\$ 2,000,000		
21-LY	Relocate Banding Platform	\$ 30,000				
21-LY	Replace Wheel Loader			\$ 350,000		
21-LY	Boom Boat Repairs			\$ 30,000		
21-LY	Hydraulic Loader	\$ 375,000				\$ 400,000
21-LY	PUP Trailer	\$ 20,000				
21-LY	Stacker		\$ 650,000			
31-FIA	Master Plan Update (G)	\$ 7,000				
31-FIA	26 Obstruction Envr Assess (G)		\$ 35,000	\$ 10,000		

## 2018 – 2022 CAPITAL IMPROVEMENT PLAN (continued)

Dept.	Project Description	2018	2019	2020	2021	2022
31-FIA	26 Obstruction (G)				\$ 200,000	\$ 200,000
31-FIA	Avigation Easement (G)			\$ 10,000		
31-FIA	Runway Rehabilitation (G)				\$ 15,000	\$ 115,000
31-FIA	Terminal Bldg. Renovation	\$ 50,000				
31-FIA	Hangar Roof Replace		\$ 50,000			
31-FIA	Snow Removal Eqmnt. (G)				\$ 15,000	
33-ARP	MTIB Facility Improvements	\$ 800,000				
33-ARP	1908 'O' St. Heat Pump	\$ 25,000				
33-ARP	Building Site Development		\$ 500,000		\$ 250,000	
33-ARP	Autoclave Repairs		\$ 350,000	\$ 175,000	\$ 175,000	
33-ARP	Misc. Building Impvts		\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
33-ARP	CMC Gate & Security Fence	\$ 150,000				
33-ARP	D.F. Exterior Renovation		\$ 25,000			
33-ARP	Signs (N.A.B.P)	\$ 30,000				
41-PABH	Tiny Stores (3)		\$ 75,000			
41-PABH	Laundry Facility (G)	\$ 70,000				
41-PABH	750KVA Transformer	\$ 15,000				
41-PABH	Signs (E., W. & water side)	\$ 50,000				
41-PABH	Breakwater Repairs				\$ 1,000,000	
41-PABH	E. Parking Resurfacing		\$ 150,000			
41-PABH	Fuel Float Replacement (G)		\$ 115,000	\$ 340,000	\$ 340,000	
43-JWM	Sequim Sewer Connection				\$ 350,000	
43-JWM	Sequim Water Connection			\$ 350,000		
43-JWM	Slope Stabilization		\$ 50,000			
43-JWM	Restaurant Cooler Replace	\$ 25,000				
43-JWM	Replace Fuel Pumps		\$ 30,000			
43-JWM	Dumpster Enclosures	\$ 20,000	\$ 40,000			
43-JWM	Lawn Mower Replace	\$ 15,000				
43-JWM	Fence Replacement		\$ 50,000			
43-JWM	Sewer Vault Replacement			\$ 35,000	\$ 300,000	

## 2018 – 2022 CAPTIAL IMPROVEMENT PLAN (continued)

Dept.	Project Description	2018	2019	2020	2021	2022
43-JWM	Central Parking Overlay				\$ 150,000	
61-RP	Misc. Building Impvts					\$ 50,000
80-AD	Capital Budget Contingency	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
80-AD	Elevator Repair / Upgrades	\$ 150,000				
80-AD	Entrance Deck Replace	\$ 15,000				
91-MM	Equip. / Tools		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
91-MM	Vehicle Lift	\$ 7,000				
92-FM	Service Van	\$ 30,000				
92-FM	Ductless Heat Pump		\$ 15,000			
92-FM	Building Roof Repair					\$ 60,000
92-FM	Lawn Mower Replace	\$ 20,000				
92-FM	Equip. Trailer Replace		\$ 30,000			
	<b>TOTAL = (w/out grant funds)</b>	<b>\$ 4,444,000</b>	<b>\$13,260,000</b>	<b>\$ 7,950,000</b>	<b>\$ 3,405,000</b>	<b>\$ 3,435,000</b>
	<b>TOTAL = (w/ grant funds)</b>	<b>\$ 4,695,600</b>	<b>\$13,643,310</b>	<b>\$ 8,497,776</b>	<b>\$ 5,697,776</b>	<b>\$ 6,420,000</b>
	<b>5 YEAR TOTAL = (w/ out grant funds)</b>	<b>\$ 32,494,000</b>				
	<b>5 YEAR TOTAL = (w/ grant funds)</b>	<b>\$ 38,954,462</b>				

### Cleanup Expenditures for Kply, Marine Trades Area and Harbor 2018 - 2022

DEPT.	Project Description	2018	2019	2020	2021	2022
90-NO	KPLY (Total)	\$ 95,000	\$ 95,000	\$ 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 = \$ 3,660,000**

**\* 5 Year Port Total = \$ 100,000**

\* Total Port funds anticipated after reimbursements received from other Potential Liable Parties, insurance and grants. Port total includes legal / litigation regarding insurance and Port administrative staff time.

## FUTURE PROJECTS

### Unconstrained project list for Regional Transportation Plan

DEPT.	Project Description	Total \$
11-MT	T3 Expansion	\$ 8,000,000
11-MT	T7 Redevelopment	\$ 4,000,000
11-MT	T5 Redevelopment	\$ 2,700,000
11-MT	T1 Sewer Pump Out	\$ 260,000
11-MT	T1 Compressed Air	\$ 150,000
11-MT	T1 Fender	\$ 850,000
11-MT	Flexi-Floats	\$ 140,000
15-MTA	MTIP Boat Lift Pier	\$ 7,000,000
15-MTA	B.Y. Travel Lift	\$ 500,000
21-LY	T7 Rafting Pocket	\$ 150,000
21-LY	Boom Boat Replace	\$ 250,000
21-LY	Street Sweeper	\$ 250,000
21-LY	Coffer Dam Rehabilitation	\$ 3,500,000
31-FIA	General Aviation Area Expansion (AIP 90%)	\$ 4,000,000
33-ARP	Corporate Hangar	\$ 500,000
33-ARP	Manufacturing Facility	\$ 7,500,000
33-ARP	Construct 2210 Building	\$ 7,000,000
41-PABH	W. PABH Boat Launch Breakwater	\$ 2,500,000
41-PABH	Dredge A & M Floats	\$ 750,000
41-PABH	E. PABH Jetty Slope Stabilization	\$ 2,000,000
41-PABH	W. PABH Float / Pile Replacement	\$ 5,000,000
41-PABH	Breakwater Rehabilitation	\$ 1,000,000
43-JWM	Float / Pile Replacement	\$ 7,000,000

**TOTAL = \$ 65,000,000**

The above list represents projects that have been identified by Port staff, customers, stakeholders and advisory committees as worthwhile projects, but are contingent upon a customer commitment for cost recovery or an outside funding source to complete.



**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 2018, 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 under tax levy uses) 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 \$38.22 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
2017	\$ 200,000	\$ 2,184.74	\$ 38.22	1.75%	\$ 0.1911	\$ 1,470,970
no increase			\$ -			\$ -

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

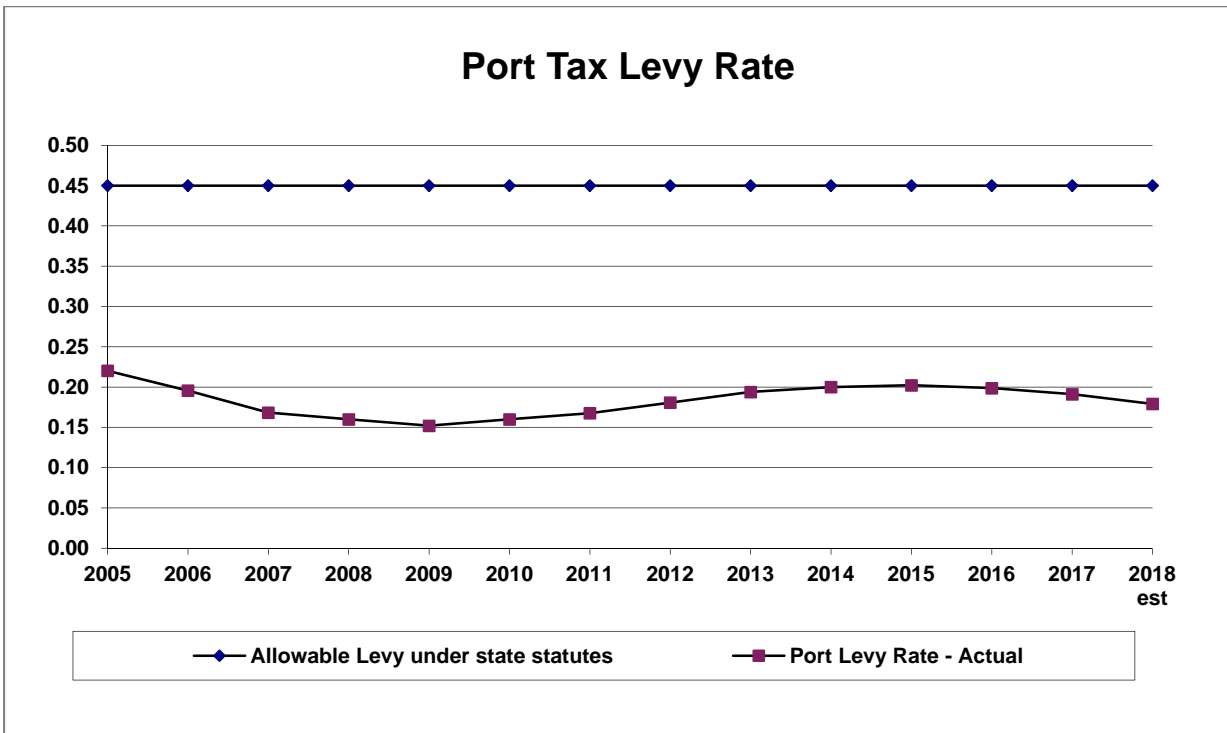
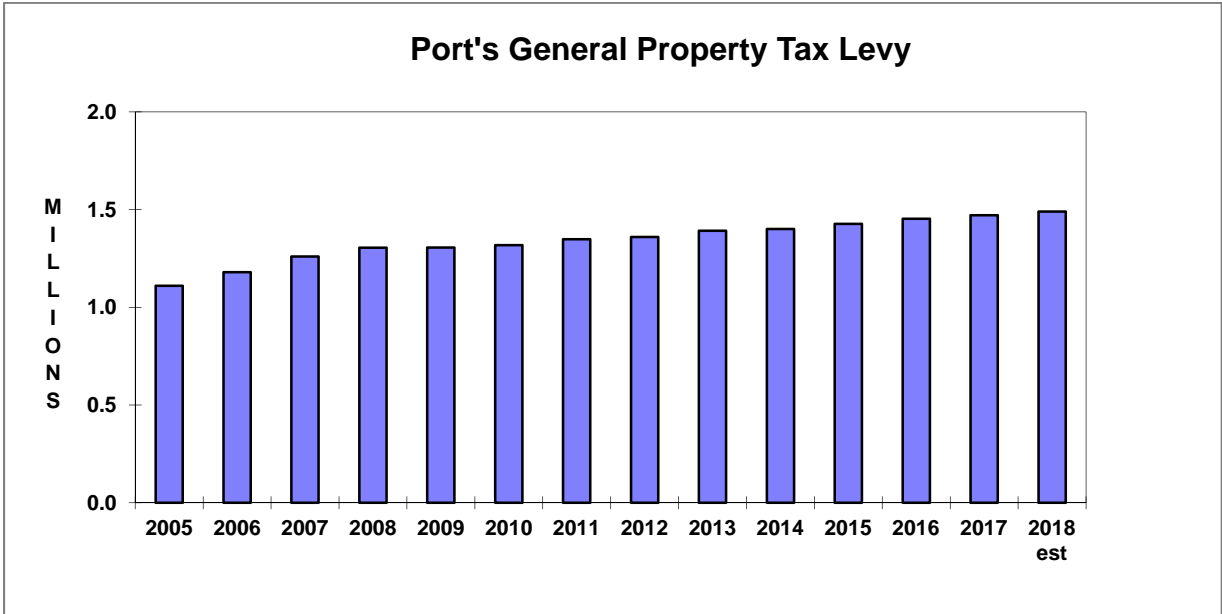
### 2018 TAX LEVY USES

Debt Service Payments (principal & interest)	\$694,734	47%
Communities Partner Program	70,000	5%
Capital Improvement Fund - Construction	<u>725,266</u>	<u>49%</u>
<b>Total Port Property Tax Levy</b>	<b><u>\$1,490,000</u></b>	<b>100%</b>

## History of Property Tax Increase

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Banked	Banked	1%	Banked	1%	Banked	1%	1%	Banked	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 2018, is \$62,654**. To use the banked capacity, the Port would need to levy more than 1%.



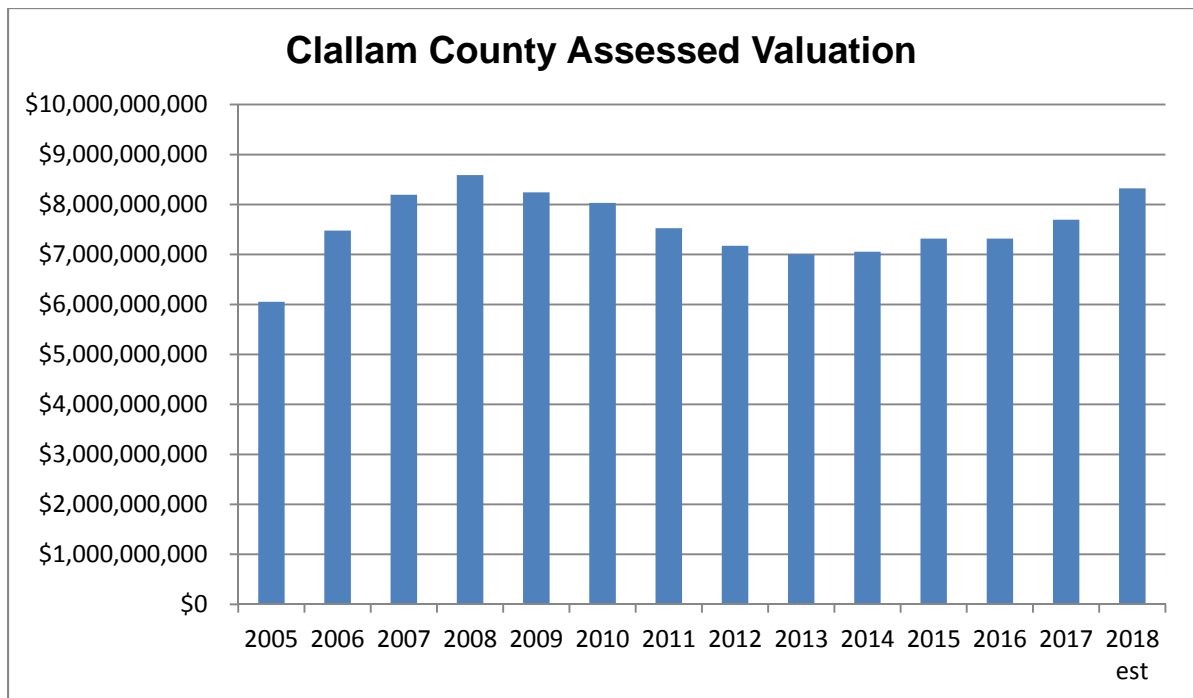
## ASSESSED VALUATION & PROPERTY TAX LEVY

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	\$ 7,697,614,552	2017	\$ 1,470,970	0.1911016732
<b>2017</b>	<b>\$ 8,322,547,677</b>	<b>2018 est*</b>	<b>\$ 1,490,000</b>	<b>0.1790850611</b>

*\* 2018 estimate assumes 0.0% increase, \$83 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 2018, 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 2018 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). An IPD of less than 1% limits the maximum tax increase to the IPD percentage. In this situation, the Port Commission can only elect an increase above the IPD (up to 1%) by passing a resolution finding substantial need for the maximum 1% increase. For 2018, the IPD is greater than 1% (1.553%) which does not limit a potential tax levy increase to a percentage below the maximum.

The Port Property Tax Levy will not be increased by any percentage in 2018 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

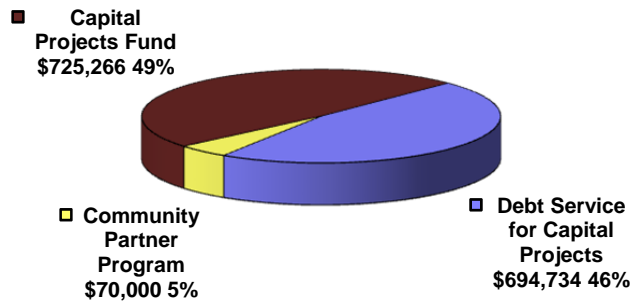
exceed \$0.45 per \$1,000 of assessed value of taxable property within the Port District. If a Port District intends to levy this tax for one or more years after the first six years, the Port must publish notice of intent to impose such a levy and if signatures of at least eight percent (8%) of the voters 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**

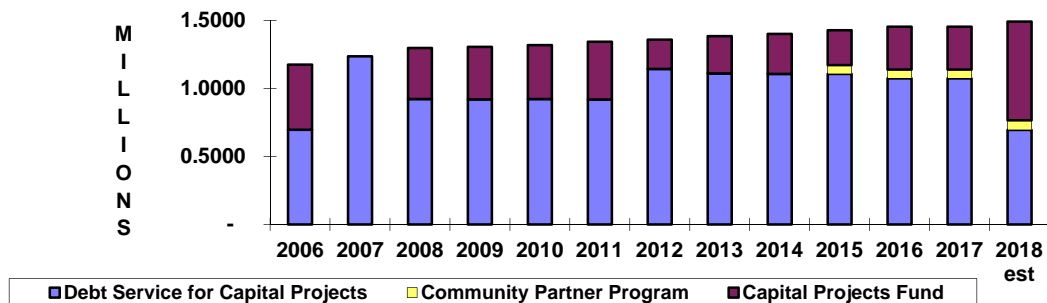
The general tax levy will be used for debt service on general obligation bonds which relates to prior years' capital construction for capital projects, the capital improvement fund, and the small communities program. By law, the property tax levy could also be used for Port operating expenditures. However, 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 2018 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**



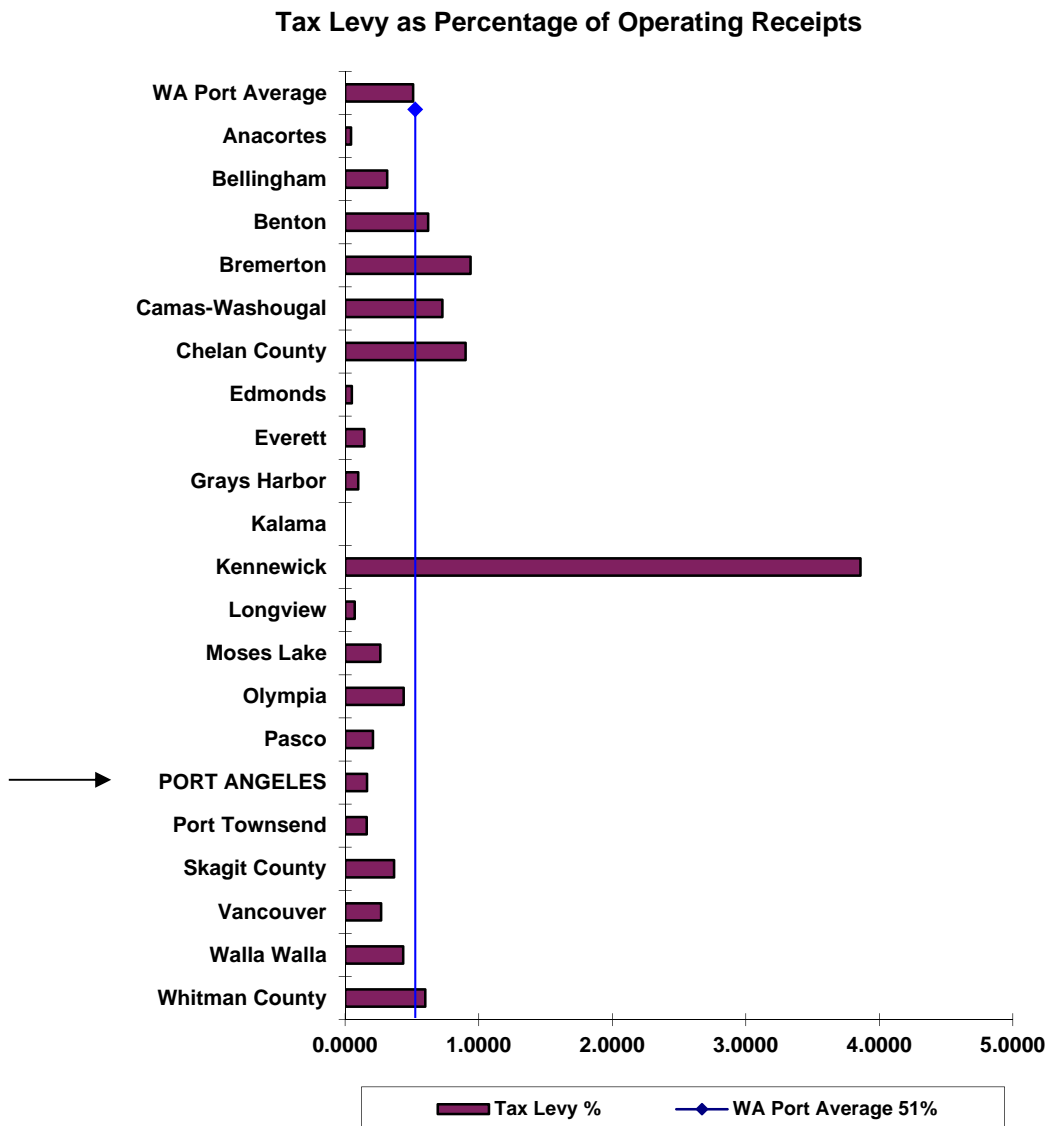
## Tax Levy Comparison Reports based on 2017 Survey Data

*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 51% of operating receipts; Port Angeles estimates its levy proceeds to be 16.4% of operating receipts. **Lower ratios** indicate **less reliance** on tax levy proceeds.

### 2017 Tax Levy Survey Comparison



Comparable Tax Levies

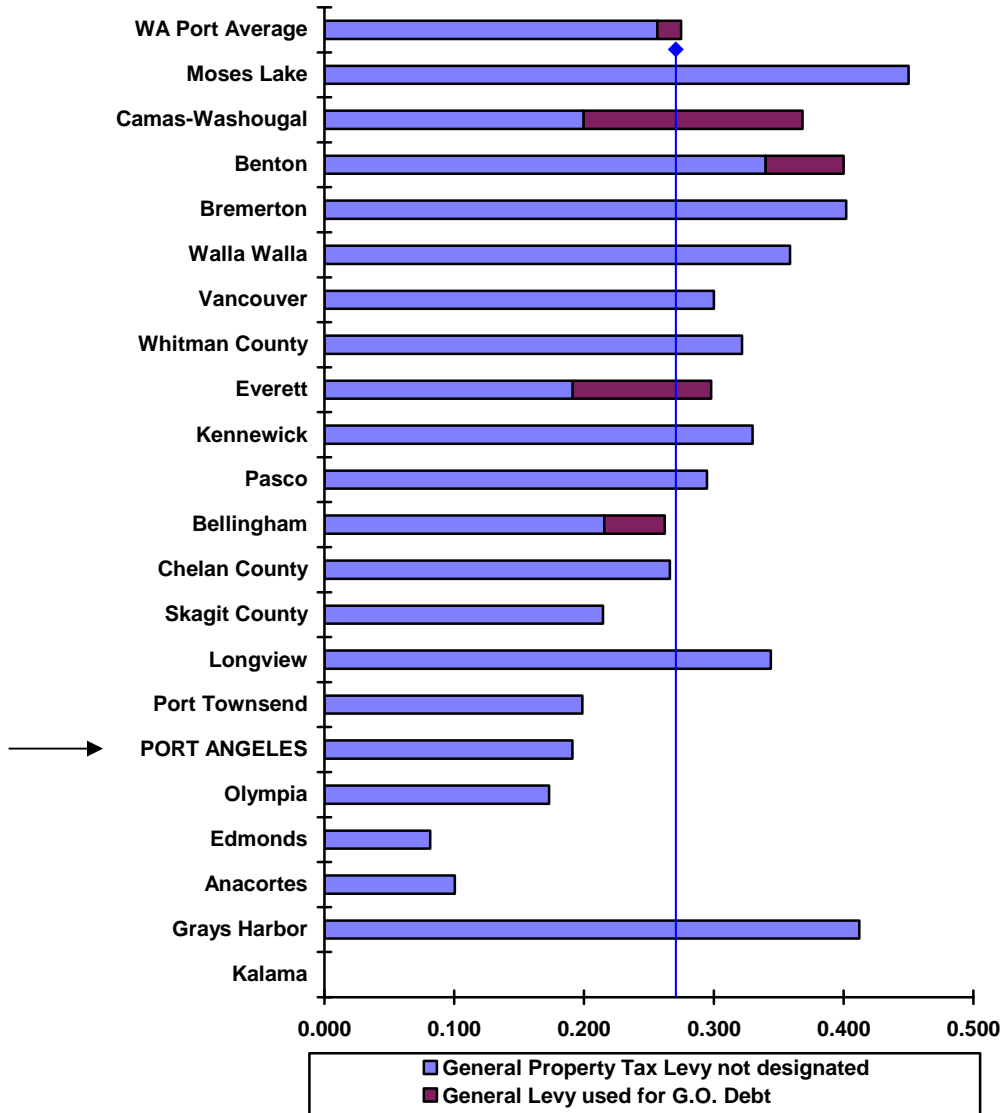
Port Districts' Comparisons

The Washington Public Ports Association survey of port districts' tax levies for 2017 indicates an average levy rate of \$0.27/\$1,000 for the 21 WA Ports which reported levied property taxes. The Port of Port Angeles had the fifth lowest levy rate at \$.1911 (Kalama elects a zero tax levy). 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.

**2017 Tax Levy Survey Rates**

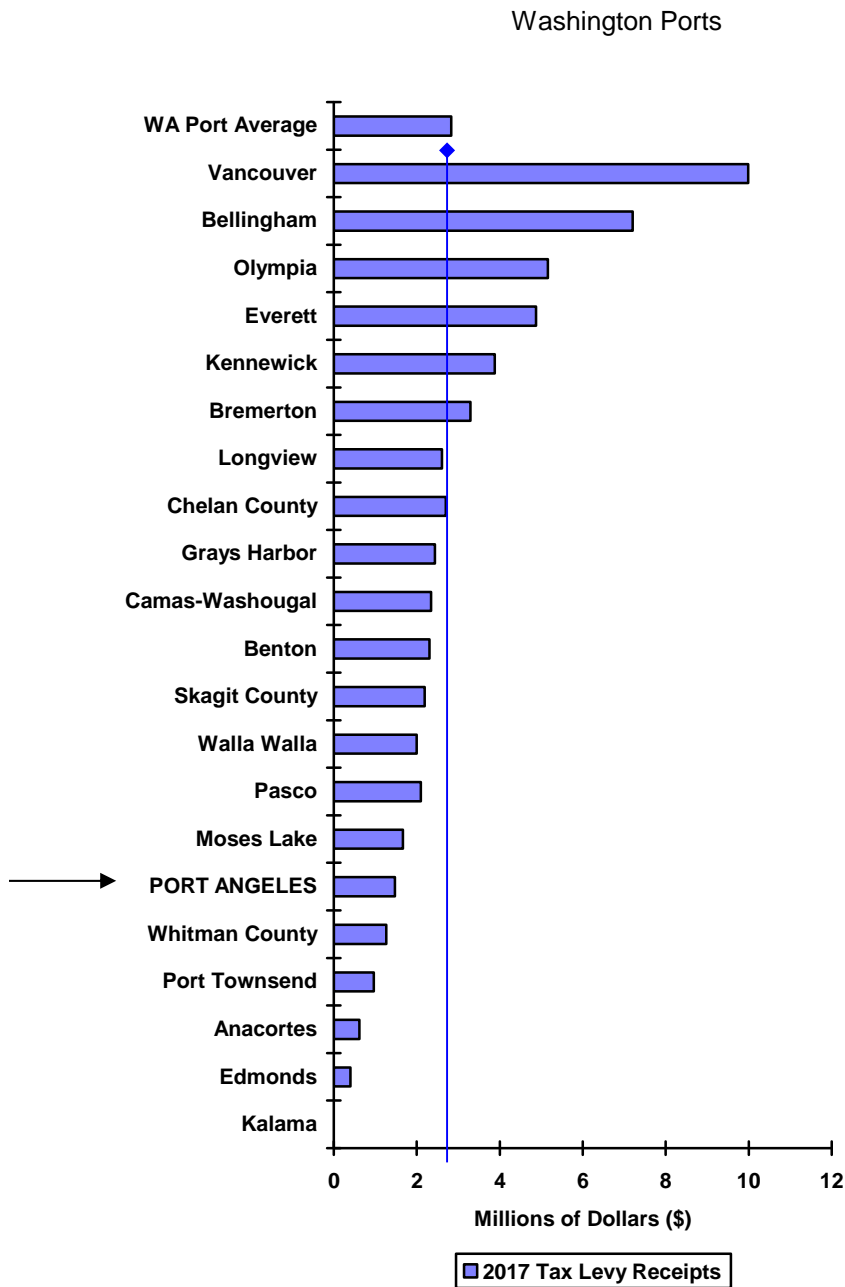
Washington Ports - Use of Levy





The same survey for 2017 indicates the average levy collection in dollars for WA ports is \$2,831,857. The Port of Port Angeles expects to collect \$1,470,970 in 2017.

### 2017 Tax Levy Survey - Receipts

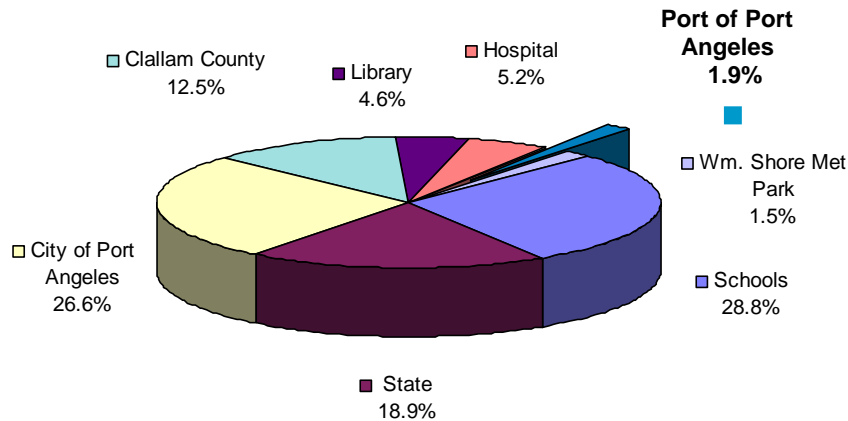


## Clallam County Comparison

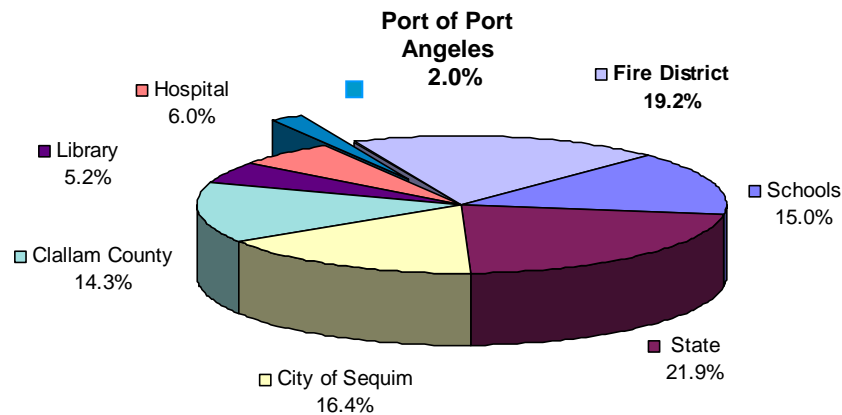
The graphs below show the Port's general tax levy as it compares to total taxes paid in 2017 by a typical resident in Port Angeles, Sequim and Forks. Taxing districts have not submitted their levy rates for 2018 yet; therefore, 2017 rates are the most current. The total 2017 levy for all Port Angeles taxing districts was \$10.92/\$1,000. The Port's levy for Port Angeles was \$0.1911/\$1,000 which is 1.9% of the total levy rate.

### 2017 Property Tax Levy Distribution

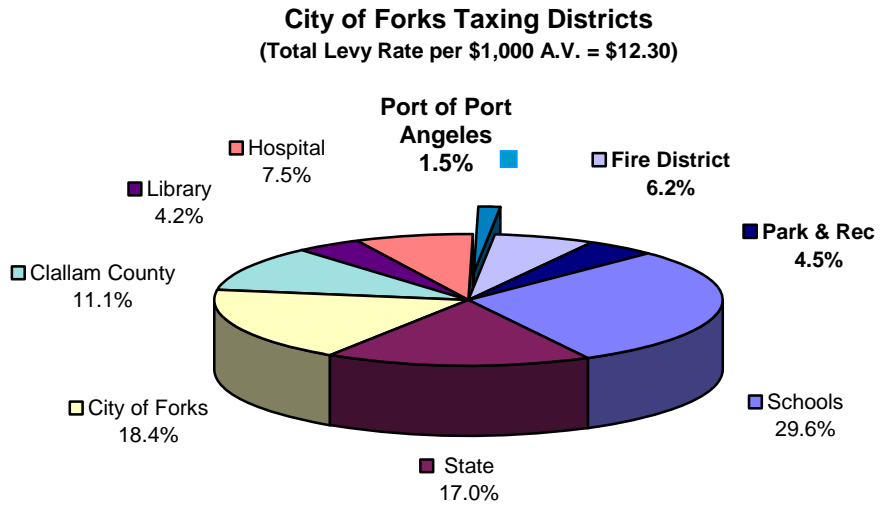
**City of Port Angeles Taxing Districts**  
(Total Levy Rate per \$1,000 A.V. = \$10.92)



**City of Sequim Taxing Districts**  
(Total Levy Rate per \$1,000 A.V. = \$9.54)



# 2017 Property Tax Levy Distribution



*\*\*Continue on to next page*

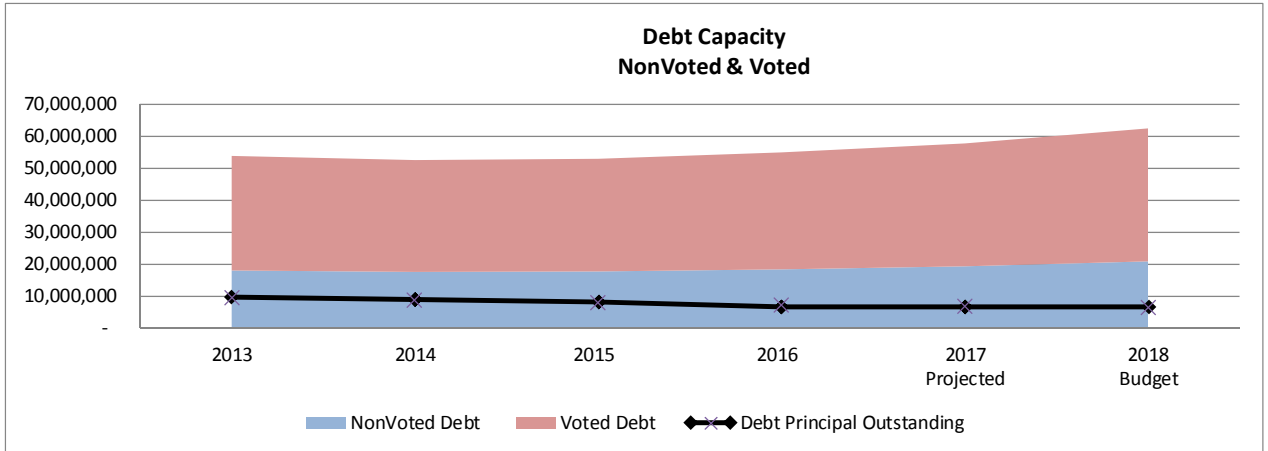
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**SECTION VII**

**OTHER FUNDS:**

**DEBT SERVICE AND BOND FUNDS**

# Debt Capacity



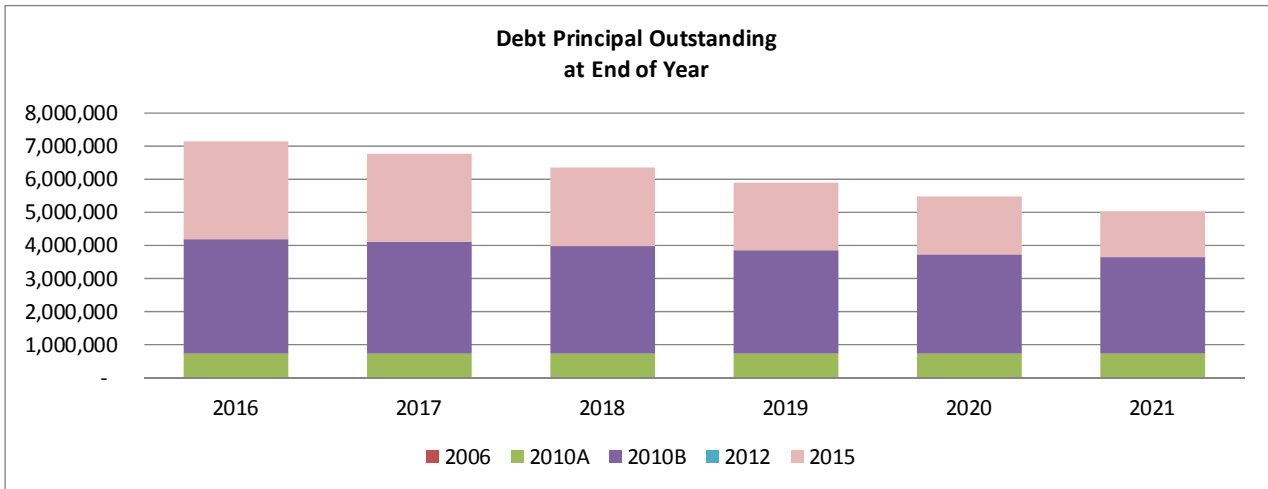
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017 Projected</u>	<u>2018 Budget</u>
Prior Year Assessed Value (AV)	7,173,041,376	7,002,941,388	7,054,903,078	7,318,181,962	7,697,314,552	8,322,547,677
<b>Debt Capacity</b>						
NonVoted Debt	17,932,603	17,507,353	17,637,258	18,295,455	19,243,286	20,806,369
Voted Debt	35,865,207	35,014,707	35,274,515	36,590,910	38,486,573	41,612,738
<b>Total Debt Capacity</b>	<b>53,797,810</b>	<b>52,522,060</b>	<b>52,911,773</b>	<b>54,886,365</b>	<b>57,729,859</b>	<b>62,419,108</b>
<i>Statutory Debt Limit: NonVoted debt cannot exceed .25% of AV; combined Non-Voted &amp; Voted debt cannot exceed .75% of AV</i>						
Debt Principal Outstanding	9,310,000	8,615,000	7,921,350	7,152,647	6,749,806	6,332,706
NonVoted Debt Availability	8,622,603	8,892,353	9,715,908	11,142,808	12,493,481	14,473,663
<b>Debt as of % of AV</b>	<b>0.13%</b>	<b>0.12%</b>	<b>0.11%</b>	<b>0.10%</b>	<b>0.09%</b>	<b>0.08%</b>
Property Taxes	1,391,568	1,400,756	1,427,093	1,453,778	1,470,970	1,490,000
Debt Payments (Prin + Int)	1,110,093	1,106,205	1,116,943	1,073,584	691,496	694,734
Small Communities Program			65,000	65,000	65,000	70,000
<b>Property Taxes Available</b>	<b>281,475</b>	<b>294,551</b>	<b>245,151</b>	<b>315,194</b>	<b>714,473</b>	<b>725,266</b>

Property Taxes Available for New Debt	<i>(as of 9/16/15 A rated)</i>		\$ 725,266
<b>Potential New Debt</b>	<b>int %</b>	<b># Yrs</b>	<b>Potential New Debt</b>
<i>based on "A" Rated Municipal Bond Interest Rates</i>	2.80%	10	\$ 6,310,000
	3.45%	20	\$ 10,450,000
	3.70%	30	\$ 13,110,000

<b>Potential New Debt using Banked Capacity</b>	<b>int %</b>	<b># Yrs</b>	<b>Potential New Debt</b>
Property Taxes Available for New Debt	<i>(as of 9/16/15 A rated)</i>		\$ 787,920
	2.80%	10	\$ 6,830,000
Banked Capacity Tax Increase*	3.45%	20	\$ 11,320,000
	3.70%	30	\$ 14,210,000

\* 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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</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	3,330,000	3,220,000	3,110,000	2,990,000	2,870,000
2012 25 Projects 1993-98	-	-	-	-	-	-
2015 Refunded 2006 PABH	2,957,647	2,659,806	2,352,706	2,035,899	1,714,800	1,384,420
<b>Total Principal Outstanding</b>	<b>7,152,647</b>	<b>6,749,806</b>	<b>6,332,706</b>	<b>5,905,899</b>	<b>5,464,800</b>	<b>5,014,420</b>
<b>Decrease in Principal</b>	768,703	402,841	417,099	426,807	441,099	450,380

		<b>2018 thru 2030</b>		
		<b>Original</b>	<b>Remaining</b>	
		<b>Principal</b>	<b>Principal Pymts</b>	<b>Maturity</b>
2006	PABH	4,995,000	-----see 2015 Refunding-----	
2010A	Composite Mfg-Site	760,000	760,000	Dec 1, 2030
2010B	Composite Mfg-Bldg	3,435,000	3,330,000	Dec 1, 2029
2012	25 Projects 1993-98	1,830,000	0	Dec 1, 2016
2015	Refunded 2006 PABH	3,251,350	2,659,806	Dec 1, 2025
		14,271,350	6,749,806	

# Long-Term Debt Service Schedule

## SUMMARY OF GENERAL OBLIGATION DEBT DEBT SERVICE PAYMENTS

	2018 thru 2030					Remaining Principal	Maturity
	2016	2017	2018	2019	2020		
<b>DEBT PRINCIPAL PAYMENTS</b>							
2006 PABH	----- see 2015 Refunding -----						
2010A Composite Mfg-Site	--Interest only	105,000	110,000	110,000	120,000	120,000	Dec 1, 2030
2010B Composite Mfg-Bldg							Dec 1, 2029
2012 25 Projects 1993-98	475,000 Paid off Dec 2016						Dec 1, 2016
2015 Refunded 2006 PABH	293,703	297,841	307,099	316,807	321,099	330,380	Dec 1, 2025
<b>TOTAL Debt Principal Outstanding</b>	<b>768,703</b>	<b>402,841</b>	<b>417,099</b>	<b>426,807</b>	<b>441,099</b>	<b>450,380</b>	<b>6,749,806</b>
<b>INTEREST PAYMENTS</b>							
2002B Refinanced in 2012							
2006 PABH	----- see 2015 Refunding -----						
<sup>1</sup> 2010A Composite Mfg-Site	57,000	57,000	57,000	57,000	57,000	57,000	4.40% - 4.90%
<sup>2</sup> 2010B Composite Mfg-Bldg	163,925	163,925	159,725	155,325	150,925	146,125	4.40% - 4.75%
2012 25 Projects 1993-98	9,500 Paid off Dec 2016						4.125%*
2015 Refunded 2006 PABH	74,456	67,730	60,910	53,877	46,622	39,269	4.00% - 5.00%
<b>TOTAL Interest</b>	<b>304,881</b>	<b>288,655</b>	<b>277,635</b>	<b>266,202</b>	<b>254,547</b>	<b>242,394</b>	<b>280,823</b>
<sup>1</sup> Interest only until 2029; Federal subsidy reduces interest							
<sup>2</sup> Interest only until 2017							
* Interest rate is net of Federal subsidy (7.5% stated rate with 45% subsidy = 4.125% effective rate). Interest payment is amount before subsidy.							
<b>DEBT SERVICE PAYMENTS (PRIN + INT)</b>							
2006 PABH	----- see 2015 Refunding -----						
2010A Composite Mfg-Site	57,000	57,000	57,000	57,000	57,000	57,000	1,494,625
2010B Composite Mfg-Bldg	163,925	168,925	169,725	165,325	160,925	156,125	4,759,500
2012 25 Projects 1993-98	484,500 Paid off Dec 2016						
2015 Refunded 2006 PABH	368,159	365,571	368,009	370,684	367,721	369,649	2,940,629
<b>TOTAL Debt Payments (Prin + Int)</b>	<b>1,073,584</b>	<b>691,496</b>	<b>694,734</b>	<b>693,009</b>	<b>695,646</b>	<b>692,774</b>	<b>9,194,754</b>

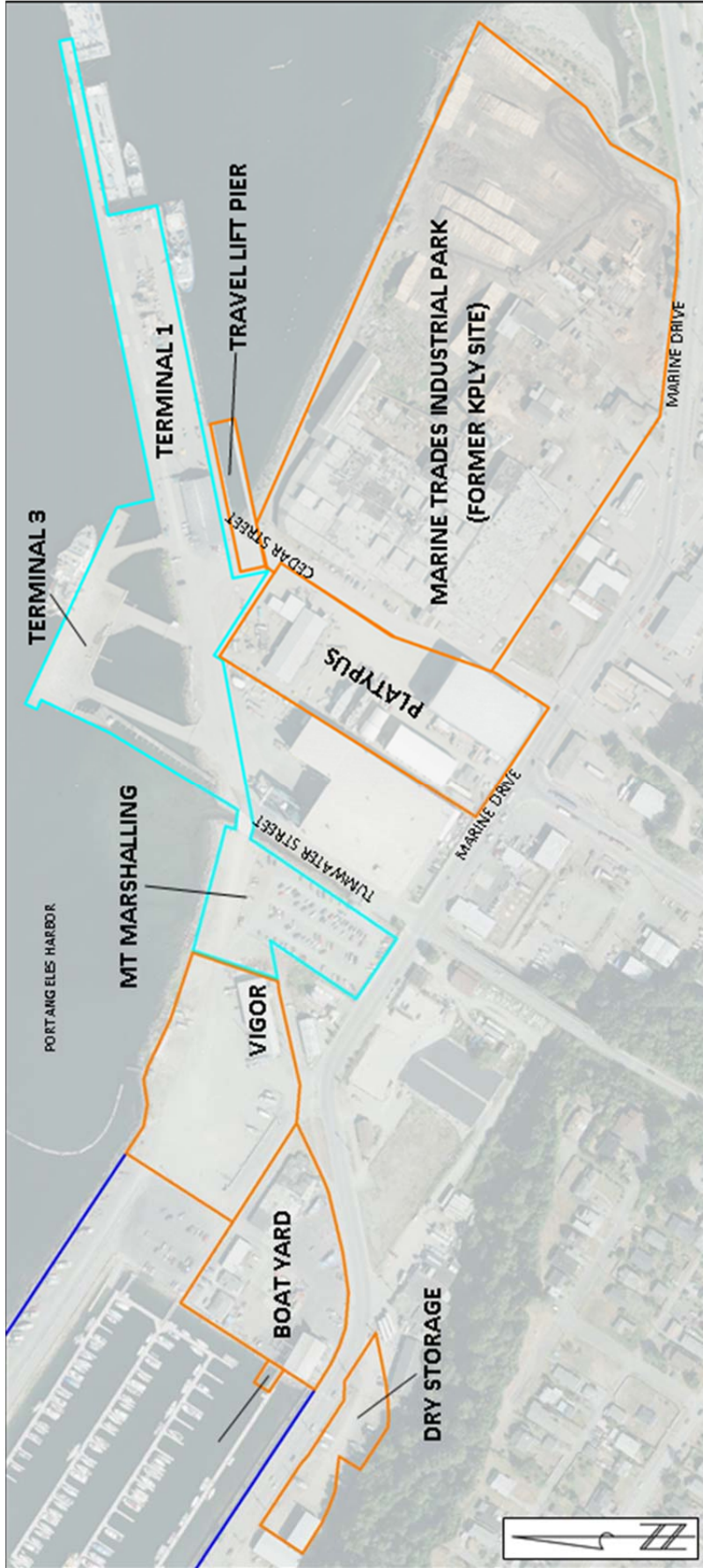


## **SECTION VIII**

### **SUPPLEMENTAL INFORMATION**

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# PORT OPERATING AREAS



SYMBOL	AREA DESCRIPTION
	MARINE TRADES AREA
	MARINE TERMINAL AREA
	PORT ANGELES BOAT HAVEN

PORT OPERATING AREAS - continued



SYMBOL	AREA DESCRIPTION
	LOG YARD
	PORT ANGELES BOAT HAVEN



# PORT OPERATING AREAS – continued



SYMBOL	AREA DESCRIPTION
	PORT ANGELES BOAT HAVEN
	LOG YARD
	MARINE TRADES AREA

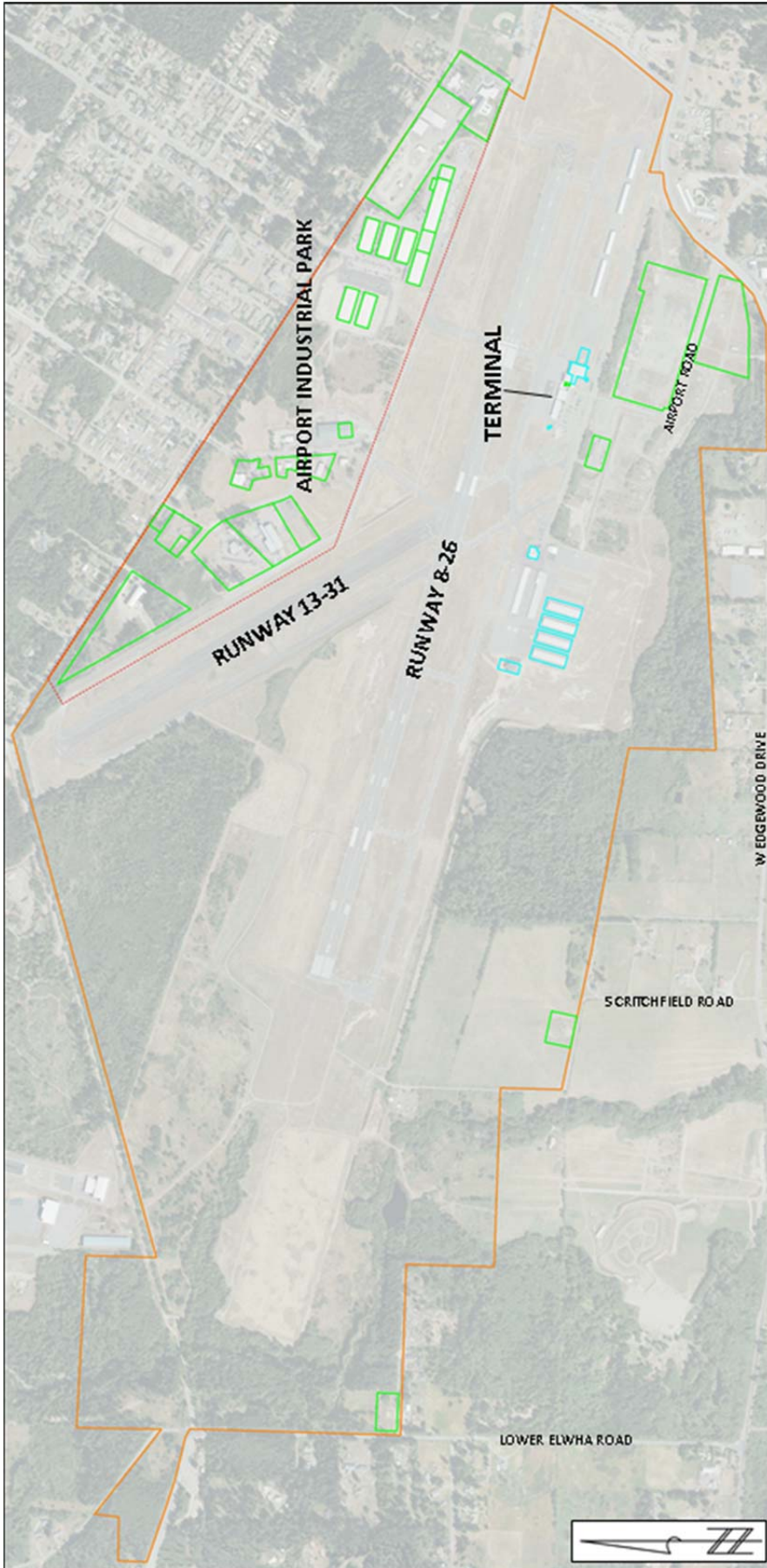
PORT OPERATING AREAS – continued



SYMBOL	AREA DESCRIPTION
	JOHN WAYNE MARINA



# PORT OPERATING AREAS – continued



SYMBOL	AREA DESCRIPTION
	AIRPORT PROPERTY
	FIA AERONAUTICAL RENTAL PROPERTY
	FIA NON-AERONAUTICAL RENTAL PROPERTY

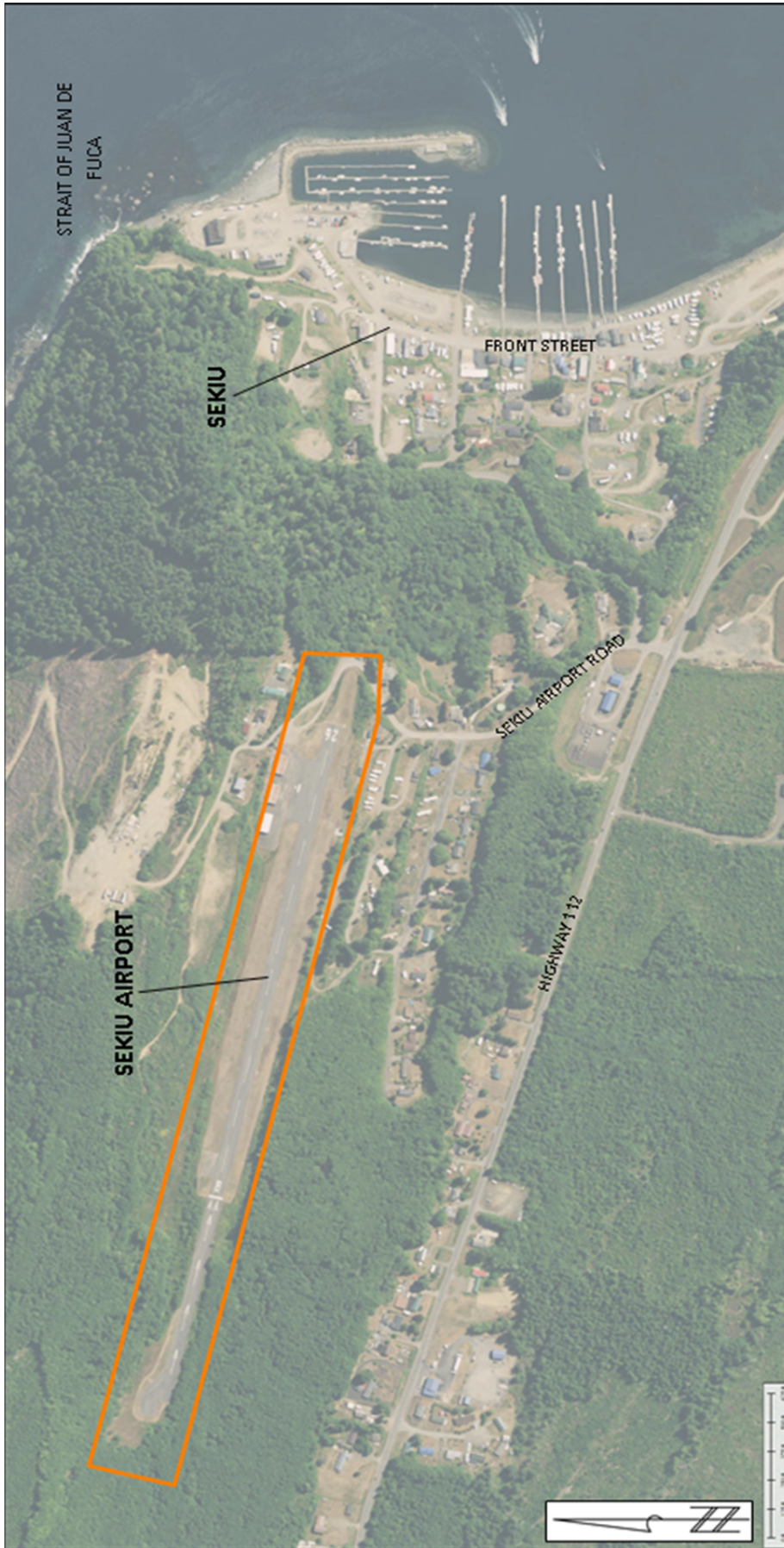
PORT OPERATING AREAS - continued



SYMBOL	AREA DESCRIPTION
	RENTAL PROPERTY



PORT OPERATING AREAS – continued



SYMBOL	AREA DESCRIPTION
	SEKIU AIRPORT

**TRAVEL AND TRAINING BUDGET**  
(includes training fees)

<b>Travel</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2017</b>	<b>2018</b>
<b>Meetings</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>PROJCTD</b>	<b>BUDGET</b>
MT	1,578	845	1,002	3,000	2,000	3,000
MTA	0	204	508	1,500	75	1,500
LY	613	2,129	1,746	2,000	2,800	3,000
FIA	423	188	573	400	1,500	500
ARP	0	0	1,075	0	2,500	13,650
SEK	0	0	0	0	0	0
PABH	0	0	146	500	100	500
JWM	37	103	228	500	0	1,000
RP	0	0	0	0	0	5,000
MM	0	204	0	0	0	0
FM	15	134	258	500	0	500
ADM	19,649	14,086	17,639	20,250	17,051	23,200
BD	13,365	17,679	6,952	39,750	3,054	3,000
<b>Subtotal</b>	<b>35,681</b>	<b>35,572</b>	<b>30,126</b>	<b>68,400</b>	<b>29,080</b>	<b>54,850</b>
<b>Travel -Training (includes Training Fees)</b>						
MT	2,161	2,928	2,501	2,500	2,000	3,000
MTA	65	0	0	0	0	10,000
LY	765	1,461	6,151	1,500	2,600	3,000
FIA	936	3,273	608	3,000	3,903	5,865
ARP	0	0	226	0	0	0
SEK	0	0	0	0	0	0
PABH	728	273	98	1,000	1,500	1,000
JWM	605	348	98	1,000	874	1,000
RP	1,651	3,366	965	0	0	6,180
MM	1,320	2,869	1,641	3,200	200	1,000
FM	3,709	4,556	8,338	12,000	6,052	6,350
ADM	52,505	48,619	29,375	49,067	23,281	44,320
BD	6,731	3,572	10,912	2,500	195	0
<b>Subtotal</b>	<b>71,176</b>	<b>71,265</b>	<b>60,911</b>	<b>75,767</b>	<b>40,605</b>	<b>81,715</b>
<b>TOTAL</b>	<b>106,857</b>	<b>106,837</b>	<b>91,037</b>	<b>144,167</b>	<b>69,685</b>	<b>136,565</b>

2018 Salary % Split	Home Dept.	11	15	21	31	33	32	41	43	61	80	81	91	92	TOTAL
		MT	MTA	LY	FIA	ARP	SEK	PABH	JWM	RP	A&G	BD	MM	FM	
MT, MTA & LY Mgr	MT	30%	30%	30%								10%			100%
MT Ops Supervisor	MT	45%	5%	15%	5%			5%	5%				5%	10%	100%
Airport & Marina Mgr	FIA				65%		5%	15%	15%						100%
Director of Engineering	A&G	19%	9%	19%		9%		1%	1%	0%	41%	1%			100%
Environmental Mgr.	A&G	9%	5%	11%	3%	4%		3%	1%	2%	59%	3%			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%	5%	100%
Real Estate & Aviation Bus Mgr	RP				25%	20%				25%		30%			100%
Property Administrator	RP	15%	5%	5%	15%	30%		5%	5%	20%					100%
Facilities Mgr - FM & MM	FM	20%	2%	9%	2%	15%		9%	2%	5%		1%	3%	32%	100%
Airport - 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
- Real Estate & Aviation Bus Mgr: Budgeted based on estimates but actual time is tracked and recorded during the year
- Property Administrator: Budgeted based on estimates but actual time is tracked and recorded during the year
- Facilities Manager: Estimated based on the planned maintenance projects for the year
- Airport - 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**

Line #	DEPT	PURPOSE	2016 BUDGET	2017 BUDGET	2018 BUDGET	Notes
1	MT	Terminal 3 Dredging Permit and Design	50,000	50,000	150,000	2016 not spent
2	MT	Completion of T3 Condition Assessment	39,000	0	0	
3	MTA	Boat Yard Travel Lift Pier	0	0	15,000	Could delay to 2019
4	MTA	Marine Trades Development Assistance	0	See BD	75,000	
5	MTA	Cathodic Protection Analysis	0	20,000	0	
6	LY	Aquatic storage review with DNR is likely to require condition information and survey map	0	0	0	On hold for Harbor cleanup
7	LY	Condition Assessment of Cofferd Dam	0	0	40,000	
8	Airport	Air service business development - contingency fund	0	0	0	
9	Airport	Airport terminal development - conceptual design	0	0	20,000	
10	Airport	Design services for marketing/public information (Airport portion) - contingency fund	5,000	5,000	0	2016 & 2017 not spent
11	Airport	Marketing incentive for new passenger service - contingency fund	105,000	105,000	0	2016 & 2017 not spent
12	ARP	Broker Services - 1010 Bldg & 2210 site	0	125,000	85,000	2017 not spent
13	ARP	Landscape design - north business park	0	0	10,000	
14	ARP	Site grading	0	0	50,000	
15	Marina	Design services for marketing/public information (Marina portion - \$5k per marina)	10,000	10,000	10,000	
16	RP	Facilities Marketing	0	20,000	0	
17	BusDev	Port promotional video			3,000	
18	BusDev	Signage - design consultant	0	0	15,000	
19	BusDev	CRTC Contract for economic development services (investment from Capital Reserves)	615,000	615,000	0	
20	BusDev	CRTC - BD promised time converted to cash payout (investment from Capital Reserves)	0	92,828	0	
21	BusDev	Market/Feasibility analysis for Maritime Commerce, Fishing/Seafood & other	25,000	25,000	0	2017 not spent
22	BusDev	MTIP lease feasibility & grant writing	0	50,000	0	2017 not spent
23	BusDev	Sustainable Harvest, Advanced Wood Products & Other Timber Advocacy efforts	50,000	30,000	50,000	2016 not spent
24	BusDev	Communications Plan - development for prospective clients	0	15,000	10,000	2017 not spent
25	BusDev	Design services for Port Pilot & misc marketing/public information (BD portion)	10,000	10,000	10,000	
26	Admin	Design services for Port Pilot & misc marketing/public information (Admin portion)	10,000	10,000	30,000	
27	Admin	Lobbying for Port	0	0	50,000	Started in 2017
28	Admin	Strategic Plan (2015: Phase I; 2016 Phase II alignment & performance planning)	7,500	7,500	0	2017 not spent
29	Admin	LOB analysis follow-up on data (Economic Impact, Marina, MTA, etc.)	5,000	5,000	10,000	
30	Admin	Grant writing assistance	25,000	25,000	25,000	2017 not spent
31	Admin	HR job market data	5,000	0	0	
32	Finance	Annual Report/Acctg research	5,000	5,000	5,000	
33	Finance	Purchasing review (2015: base policies & training; 2016: on-call contracts, check list, new Fed regs, additional training)	18,125	10,000	10,000	2017 not spent
34	Finance	GASB 49 Environmental Pollution Liabilities requires a change in methodology to fair value	10,000	7,000	7,000	
35	Tech	Cybersecurity (75% grant funded) 2014 & 2015: review, assessment, plan & business continuity	118,764	35,000	35,000	2017 not spent
36	Non-Op	Chip tower removal	100,000	0	0	
<b>TOTAL CONSULTING &amp; SPECIAL PROJECTS</b>			<b>1,213,389</b>	<b>1,277,328</b>	<b>715,000</b>	

See Community Support for EDC support.	30,000	30,000	40,000
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■ = One time expenses

**Total 2017 Budget NOT spent 402,500**

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

Line #	Dept	One-Time Expenses	2016 BUDGET	2017 BUDGET	2018 BUDGET	Notes
1	MT	Terminal 3 Dredging Permit and Design	50,000	50,000	150,000	2016 not spent
2	LY	Aquatic storage inspection/assessment for DNR	0	0	0	On hold for Harbor cleanup
3	Airport	Marketing campaign new air service	105,000	105,000	0	2016 & 2017 not spent
4	ARP	Broker Services	0	125,000	85,000	2017 not spent
<b>Total One-Time Expenses</b>			<b>155,000</b>	<b>280,000</b>	<b>235,000</b>	

Line #	Dept	Additional Operating Funding	2016 BUDGET	2017 BUDGET	2018 BUDGET	Notes
1	BD	CRTC economic development services (funded by Capital Reserves)	615,000	615,000	0	
2	BD	CRTC - BD promised time converted to cash payout (funded by Capital Reserves)	0	92,828	0	
<b>Total Additional Funding</b>			<b>615,000</b>	<b>707,828</b>	<b>0</b>	

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

Line #	DEPT	PURPOSE - FACILITIES MAINTENANCE	2017 BUDGET	2018 BUDGET
1	Fairchild Intn'l Airport	Paint lines - Taxiway & Apron	0	44,550
2	Airport Rental Properties	Seal Coat Parking Lots	35,000	25,000
3	Airport Rental Properties	Landscaping	0	15,000
4	John Wayne Marina	Aging Facility - Repairs for Sidewalk, Boat Ramp, South Restroom, Fencing	15,000	20,000
5	Facilities Maintenance	Small Tools - Service Bumper, Jumping Jack, 60 lb Jack Hammer	12,000	9,000
<b>Subtotal - Facilities Maintenance</b>			<b>62,000</b>	<b>113,550</b>

Line #	DEPT	PURPOSE - MECHANICAL MAINTENANCE	2017 BUDGET	2018 BUDGET
1	Log Yard	Log Stacker replacement tires	30,000	30,000
2	Mechanical Maintenance	Small Tools - 3 Ton Hoist, Transmission Jack, Battery Charger	0	8,000
<b>Subtotal - Mechanical Maintenance</b>			<b>30,000</b>	<b>38,000</b>

<b>TOTAL MAINTENANCE SPECIAL PROJECTS</b>			<b>92,000</b>	<b>151,550</b>
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## MEMBERSHIP BUDGET

Line #	DEPT	PROFESSIONAL ORGANIZATION (alphabetical order)	2016 BUDGET	2017 BUDGET	2018 BUDGET
1	BD	Aerospace Futures Alliance (AFA)	0	0	2,500
2	FIA	Aircraft Owners & Pilots Association	0	0	50
3	ADMIN	American Association of Port Authorities (AAPA)	7,222	0	0
4	BD	American Composites Manufacturers Association (ACMA)	550	550	550
5	FM	American Public Works Association (APWA) - 2	400	800	800
6	ADMIN	American Forest Resource Council	600	600	600
7	RP	Building Owners & Mgrs Association International (BOMA)	0	0	1,625
8	RP	Certified Commercial Investment Member (CCIM)	do not continue	do not continue	800
9	FIA	Clallam County Pilots Association	0	0	50
10	ADMIN	Dynamics SL User Group	300	300	300
11	ADMIN	Engineering License	125	125	125
12	ADMIN	Government Finance Officers Association (GFOA -4)	600	600	600
13	ADMIN	International Living Future Institute	0	0	150
14	MT	Marine Exchange of Puget Sound	500	500	500
15	ADMIN	Miscellaneous Memberships	100	100	100
16	ADMIN	Municipal Research & Services Center (MRSC thru WPPA)	950	950	950
17	FIA	National Business Aviation Association (NBAA)	0	0	189
18	BD	North Olympic Development Council (NODC) - formerly: Peninsula Development Authority/Resource Conservation & Development District, the two merged.	1,000	1,000	1,000
19	MT	Northwest Marine Terminal Association	1,020	1,020	1,020
20	MTA	Northwest Marine Trade Association	600	600	600
21	ADMIN	Olympic Region Municipal Clerks Association	0	0	100
22	BD	Pacific Northwest Aerospace Alliance	750	750	750
23	ADMIN	Pacific Northwest Waterways Association	1,500	1,500	0
24	ADMIN	Society for Human Resources Management (SHRM)	190	190	0
25	ADMIN	Washington Agriculture & Forestry Leadership Program	500	500	500
26	FIA	Washington Airport Managers Association	250	250	300
27	BD	Washington Clean Tech Alliance	2,675	2,675	0
28	ADMIN	Washington Finance Officers Association (WFOA -4)	150	150	150
29	ADMIN	Washington Maritime Federation	0	Free	0
30	ADMIN	Washington Municipal Treasurers Association (WMTA -4)	120	120	120
31	ADMIN	WPPA (included special assessment in 2015, none in 2016)	18,009	18,009	17,981
		<b>TOTAL PROFESSIONAL ORGANIZATIONS</b>	<b>38,111</b>	<b>31,289</b>	<b>32,410</b>

## COMMUNITY SUPPORT BUDGET

Line #	COMMUNITY SUPPORT - CASH	2016 BUDGET	2017 BUDGET	2018 BUDGET
1	Clallam County EDC Contract	30,000	30,000	40,000
2	CRTC Contract for economic development services (investment from Capital Reserves)	615,000	615,000	0
3	CRTC (BD Director time: cash pymt, investment from Capital Reserves)	0	92,828	0
4	Forks Chamber of Commerce	100	100	100
5	North Olympic Timber Action Committee (NOTAC)	45	45	45
6	Port Angeles Association of Realtors	86	90	90
7	Port Angeles Business Association (PABA)	65	65	65
8	Port Angeles Chamber of Commerce	600	600	600
9	Rotary Clubs & Other Service Groups	320	320	320
10	Sekiu Chamber of Commerce	100	100	100
11	Sequim Association of Realtors	65	70	70
12	Sequim Chamber of Commerce	450	450	450
13	Small Business Development Center (SBDC)	23,000	46,000	23,000
14	WA Realtor Association (thru PA Realtor Assc)	50	50	50
	<b>TOTAL COMMUNITY SUPPORT - CASH</b>	<b>669,881</b>	<b>785,718</b>	<b>64,890</b>

Line #	COMMUNITY SUPPORT - IN KIND	2016 BUDGET	2017 BUDGET	2018 BUDGET
1	Composite Recycling Center (BD Director time)	71,580	0	0
2	CRTC temporary space while CRTC is constructed	5,000	0	0
3	North Olympic Development District (BD Director)	2,430	0	0
4	Facilities Maintenance for CRTC (labor, mtrls, etc)	0	22,000	0
5	North Olympic Timber Action Committee (NOTAC)	2,500	2,500	2,500
6	Peninsula College space at CRTC - 12 months in 2017 & 2018 (apprx 6 months in 2016), waived rent	10,000	35,100	35,100
7	SBDC (office space)	6,800	6,800	6,800
	<b>TOTAL COMMUNITY SUPPORT - IN KIND</b>	<b>98,310</b>	<b>66,400</b>	<b>44,400</b>

### 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

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**

<b>Line of Business</b>	<b>2013 Actual</b>	<b>2014* Actual</b>	<b>2015 Actual</b>	<b>2016 Actual</b>	<b>2017 Budget</b>	<b>2017 Projected</b>	<b>2018 Budget</b>
Marine Terminal	499,146	383,845	393,969	323,374	385,369	280,393	402,048
Marine Trades Area	71,308	126,644	172,537	255,208	184,835	133,129	183,391
Log Yard	339,798	677,741	663,859	742,052	680,898	742,260	795,297
FIA	201,729	391,384	362,259	275,117	375,862	278,589	348,362
Airport Rental Properties	-	238,556	545,593	885,500	1,187,293	987,862	386,934
Seki Airport	9,775	10,087	12,482	11,232	17,275	10,738	12,876
Port Angeles Boat Haven	288,581	255,372	285,149	314,828	361,854	279,131	308,283
John Wayne Marina	299,084	290,152	390,615	320,932	331,457	250,968	276,213
Rental Property	308,206	120,935	93,424	92,089	84,676	91,239	83,228
<b>Total</b>	<b>2,017,627</b>	<b>2,494,716</b>	<b>2,919,887</b>	<b>3,220,332</b>	<b>3,609,519</b>	<b>3,054,309</b>	<b>2,796,632</b>

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**

<b>Line of Business &amp; Department</b>	<b>2013 Actual</b>	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Actual</b>	<b>2017 Budget</b>	<b>2017 Projected</b>	<b>2018 Budget</b>
Marine Terminal	303,111	274,740	275,249	296,285	371,168	350,245	375,810
Marine Trades Area	10,592	61,219	64,050	63,920	64,680	63,826	63,241
Log Yard	248,336	284,525	299,349	335,735	337,480	324,689	303,320
FIA	410,203	399,130	450,416	489,978	490,314	506,097	529,829
Airport Rental Properties	-	351,739	322,452	372,496	463,233	467,757	459,722
Seki Airport	7,313	3,699	3,699	3,699	3,699	3,699	3,699
Port Angeles Boat Haven	336,376	344,780	350,343	356,222	379,649	380,483	379,153
John Wayne Marina	199,945	207,767	213,700	214,978	215,551	217,495	206,545
Rental Property	321,039	6,366	5,424	4,542	4,542	4,542	4,200
Mechanical Maintenance	29,758	25,493	26,866	27,563	14,880	17,683	14,683
Facilities Maintenance	37,969	36,143	40,399	34,983	32,304	34,975	32,083
Administration & General	51,650	20,223	25,622	29,345	35,016	30,808	30,808
<b>Total</b>	<b>1,956,292</b>	<b>2,015,826</b>	<b>2,077,569</b>	<b>2,229,745</b>	<b>2,412,516</b>	<b>2,402,299</b>	<b>2,403,093</b>

**ALLOCATED DEPRECIATION**

<b>Line of Business &amp; Department</b>	<b>2013 Actual</b>	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Actual</b>	<b>2017 Budget</b>	<b>2017 Projected</b>	<b>2018 Budget</b>
Marine Terminal	29,533	13,275	14,228	11,655	11,520	10,553	11,521
Marine Trades Area	3,167	4,380	6,233	9,198	5,525	5,011	5,255
Log Yard	20,105	23,438	23,976	26,745	20,354	27,936	22,790
FIA	11,936	14,459	13,965	11,106	12,446	10,787	10,598
Airport Rental Properties	-	2,886	6,225	6,501	8,527	5,378	7,884
Seki Airport	578	373	481	453	572	416	392
Port Angeles Boat Haven	18,126	8,832	10,298	11,347	10,817	10,506	8,834
John Wayne Marina	17,696	10,034	14,107	11,567	9,908	9,446	7,915
Rental Property	18,236	4,182	3,374	3,319	2,531	3,434	2,385
<b>Total</b>	<b>119,376</b>	<b>81,859</b>	<b>92,887</b>	<b>91,891</b>	<b>82,200</b>	<b>83,466</b>	<b>77,574</b>



# Port of Port Angeles - Support Function Cost Allocation - for 2018 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	862,784	(58,333)	804,451	15%	20,085	27,549	331,064
Marine Trades	367,944	(1,000)	366,944	7%	9,162	12,566	151,012
Log Yard	1,661,962	(70,667)	1,591,295	29%	39,730	54,496	654,881
FIA Airport	748,338	(8,329)	740,009	14%	18,476	25,342	304,543
Airport Rentals	551,547	(1,020)	550,527	10%	13,745	18,853	226,564
Sekiu Airport	27,351	-	27,351	1%	683	937	11,256
PA Boat Haven	734,407	(117,569)	616,838	11%	15,401	21,124	253,853
JW Marina	756,066	(203,397)	552,669	10%	13,799	18,927	227,445
Rental Property	166,529	-	166,529	3%	4,158	5,703	68,533
<b>Total</b>	<b>5,876,929</b>	<b>(460,315)</b>	<b>5,416,615</b>	<b>100%</b>	<b>135,238</b>	<b>185,498</b>	<b>2,229,152</b>

	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	862,784	(58,333)	804,451	20%	23,350
Marine Trades	367,944	(1,000)	366,944	9%	10,651
Log Yard	1,661,962	(70,667)	1,591,295	39%	46,190
PA Boat Haven	734,407	(117,569)	616,838	15%	17,905
JW Marina	756,066	(203,397)	552,669	13%	16,042
Rental Property	166,529	-	166,529	4%	4,834
<b>Total</b>	<b>4,549,693</b>	<b>(450,966)</b>	<b>4,098,727</b>	<b>100%</b>	<b>118,972</b>

	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	551,547	(1,020)	550,527	100%	127,772

Total Support Costs Allocated	Total Support Cost Allocation by Line of Business
Mech Maint	135,238
Facility Maint	185,498
Admin & General	2,229,152
General Bus Dev	118,972
Airport Bus Dev	127,772
<b>Total</b>	<b>2,796,632</b>
	402,048 Marine Terminal
	183,391 Marine Trades
	795,297 Log Yard
	348,362 FIA Airport
	386,934 Airport Rentals
	12,876 Sekiu Airport
	308,283 PA Boat Haven
	276,213 JW Marina
	83,228 Rental Property
	<b>2,796,632 Total</b>

## Employee Wage Scale - Represented

IT IS HEREBY AGREED between the PORT OF PORT ANGELES, and the ILWU Local 27 and Teamsters Local 589, PORT EMPLOYEES UNITS, that the following rate of pay matrix shall be effective January 1, 2018 (2.3%)

Job Title	Step Number										
	Range Number	1	2	3	4	5	6	7	8	9	10
	1	10.54	10.80	11.07	11.34	11.62	11.91	12.20	12.51	12.81	13.13
	2	11.07	11.34	11.62	11.91	12.20	12.51	12.81	13.13	13.45	13.79
	3	11.62	11.91	12.20	12.51	12.81	13.13	13.45	13.79	14.12	14.48
	4	12.20	12.51	12.81	13.13	13.45	13.79	14.12	14.48	14.83	15.20
	5	12.81	13.13	13.45	13.79	14.12	14.48	14.83	15.20	15.57	15.96
	6	13.45	13.79	14.12	14.48	14.83	15.20	15.57	15.96	16.35	16.76
	7	14.12	14.48	14.83	15.20	15.57	15.96	16.35	16.76	17.17	17.60
	8	14.83	15.20	15.57	15.96	16.35	16.76	17.17	17.60	18.03	18.48
	9	15.57	15.96	16.35	16.76	17.17	17.60	18.03	18.48	18.93	19.40
	10	16.35	16.76	17.17	17.60	18.03	18.48	18.93	19.40	19.87	20.37
Facilities Maintenance Janitorial (PT)	11	17.17	17.60	18.03	18.48	18.93	19.40	19.87	20.37	20.87	21.39
	12	18.03	18.48	18.93	19.40	19.87	20.37	20.87	21.39	21.91	22.46
Utility Person	13	18.93	19.40	19.87	20.37	20.87	21.39	21.91	22.46	23.01	23.58
	14	19.87	20.37	20.87	21.39	21.91	22.46	23.01	23.58	24.16	24.76
Accounting Clerk I	15	20.87	21.39	21.91	22.46	23.01	23.58	24.16	24.76	25.37	26.00
Accounting Clerk II, Assistant Harbormaster	16	21.91	22.46	23.01	23.58	24.16	24.76	25.37	26.00	26.63	27.30
Accounting Lead	17	23.01	23.58	24.16	24.76	25.37	26.00	26.63	27.30	27.97	28.66
Machine Operator	18	24.16	24.76	25.37	26.00	26.63	27.30	27.97	28.66	29.36	30.10
	19	25.37	26.00	26.63	27.30	27.97	28.66	29.36	30.10	30.83	31.60
	20	26.63	27.30	27.97	28.66	29.36	30.10	30.83	31.60	32.37	33.18
Facilities Maintenance, Mechanic, Log Yard Lead	21	27.97	28.66	29.36	30.10	30.83	31.60	32.37	33.18	33.99	34.84
Facilities Maintenance Lead, Mechanic Lead, Harbormaster	22	29.36	30.10	30.83	31.60	32.37	33.18	33.99	34.84	35.69	36.58
	23	30.83	31.60	32.37	33.18	33.99	34.84	35.69	36.58	37.48	38.41
	24	32.37	33.18	33.99	34.84	35.69	36.58	37.48	38.41	39.35	40.33
	25	33.99	34.84	35.69	36.58	37.48	38.41	39.35	40.33	41.32	42.35
	26	35.69	36.58	37.48	38.41	39.35	40.33	41.32	42.35	43.38	44.47

*\*\*Continue on to next page*

## Employee Wage Scale – Non-Represented

	Step	2018 Wage Minimum (85%)	2018 Wage Midpoint (100%)	2018 Wage Maximum (115%)
Executive Director	18	119,851	141,002	162,152
Deputy Executive Director	17	106,978	125,856	144,735
Director Level II*	16	95,555	112,417	129,280
Director Level I*	15	85,310	100,365	115,420
Manager Level III*	14	76,154	89,593	103,032
Manager Level II*	13	67,994	79,993	91,992
Manager Level I*	12	61,830	72,741	83,652
Admin / Supervisor II*	11	56,209	66,128	76,047
Admin / Supervisor I*	10	51,086	60,102	69,117
	9	46,463	54,662	62,862
	8	42,247	49,703	57,158
	7	38,394	45,170	51,945
	6	34,904	41,063	47,223
Security Full Time	5	31,731	37,330	42,930
	4	28,875	33,971	39,066
Security Part Time	3	26,246	30,877	35,509
JWM Summer Help	2	23,920	28,051	32,259
N/A due to min wage increase	1	-	-	-

\* Level positions depend on breadth & depth of knowledge, decision complexity, impact, and interpersonal contacts.

Managers:

Maritime Manager  
 Log Yard Manager  
 Airport Manager  
 Marina Manager  
 HR Manager  
 PR & Administrative Manager  
 Environmental Manager  
 Facilities Manager  
 Real Estate & Business Mgr  
 Property Manager  
 Controller  
 Finance Manager  
 Accounting Manager

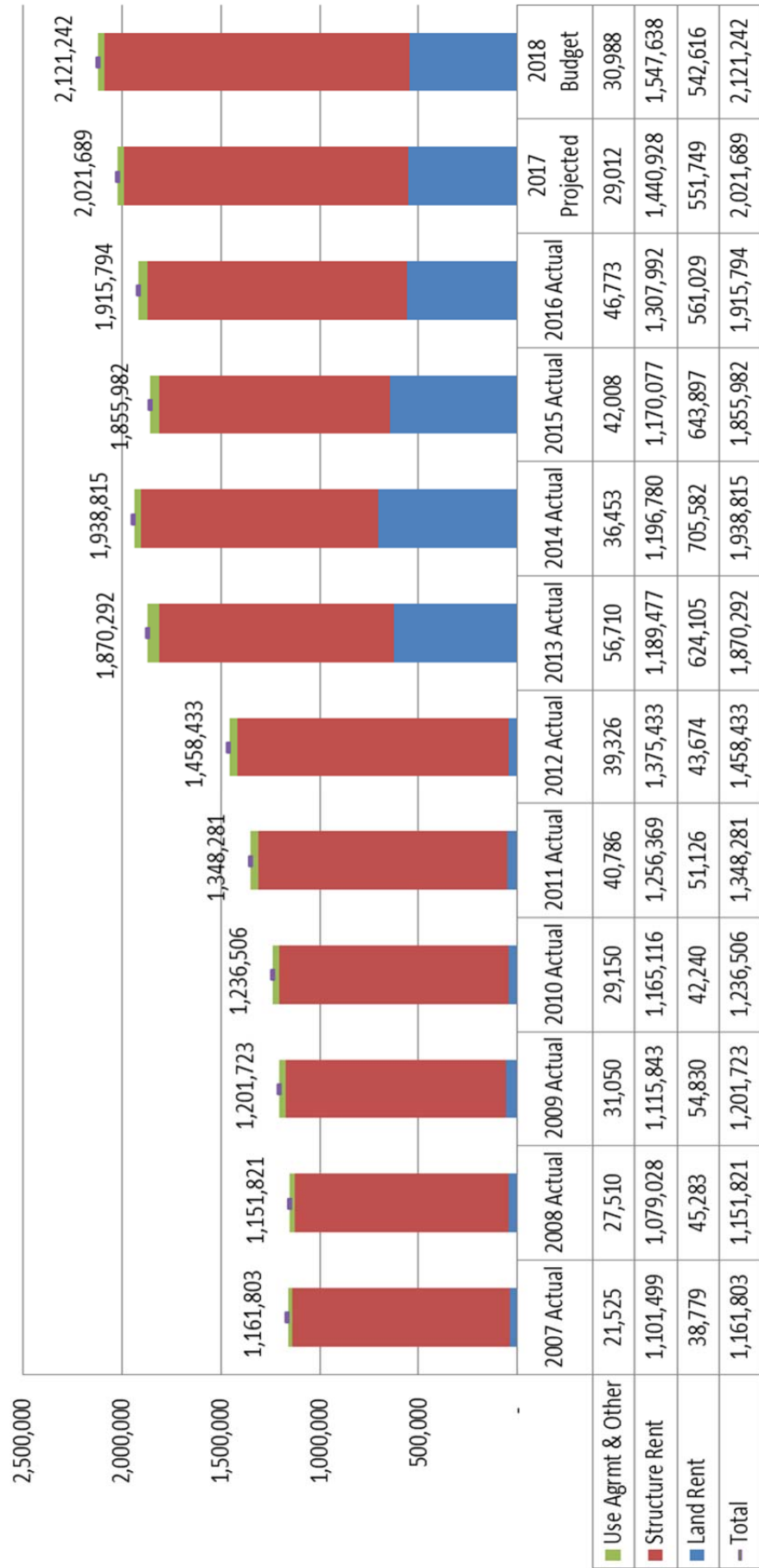
Directors:

Finance & Administration  
 Engineering  
 Operations  
 Business Development

Admin / Supervisors:

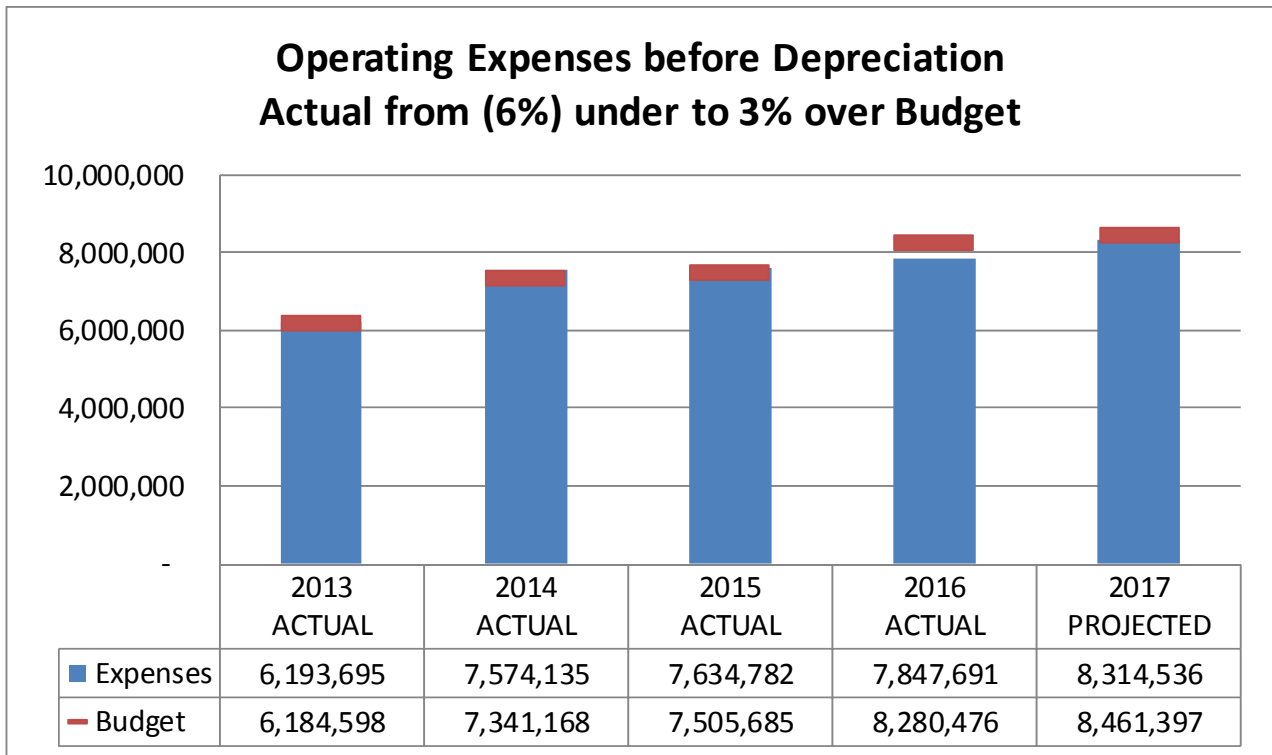
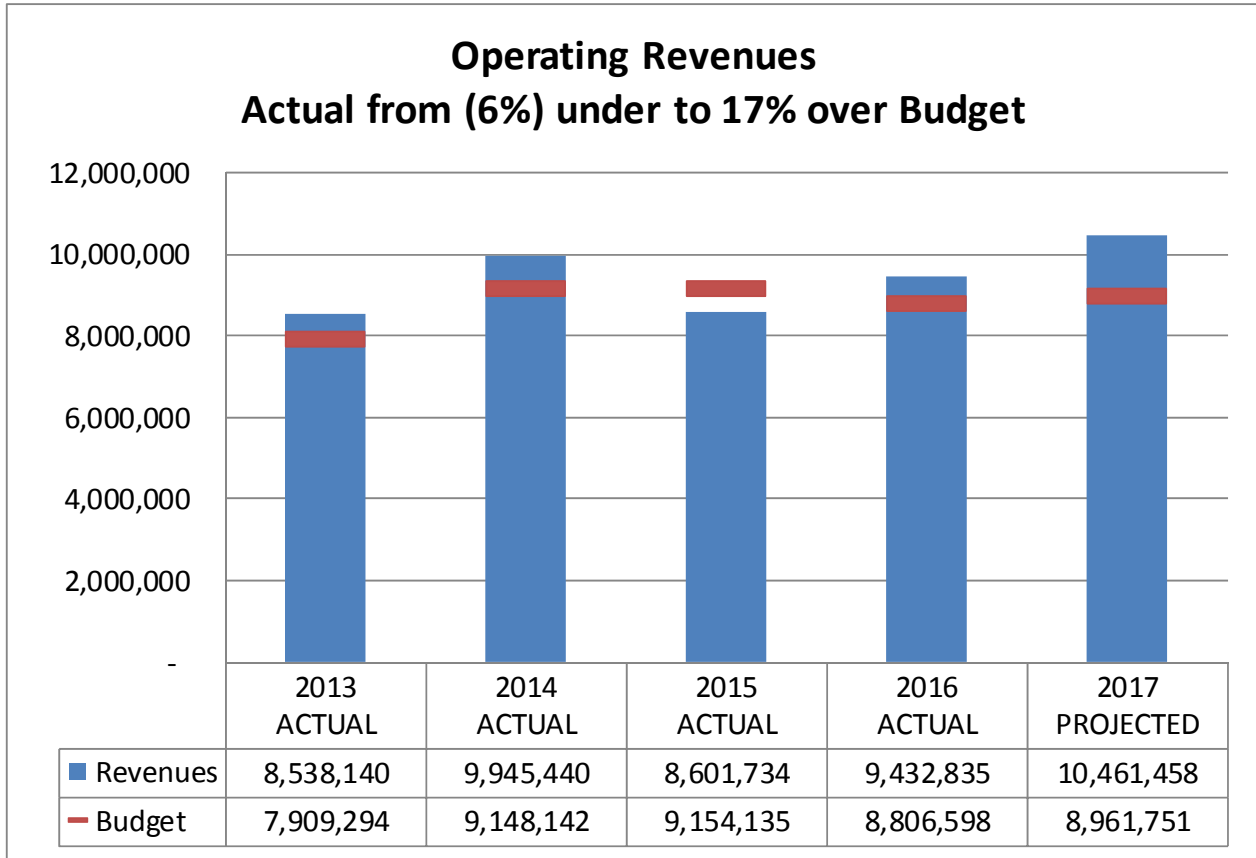
Operations Supervisor  
 Property Administrator  
 Admin/Exec Assistant

## 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

A&G	Administration & General Management	PABH	Port Angeles Boat Haven
ADMIN	Administration	PABY	Port Angeles Boat Yard
AIP	Airport Improvement Program	PERS	Public Employee Retirement System
AIP	Airport Industrial Park	PFC	Passenger Facility Charges
ACC	Advanced Composite Center	PFD	Port Filled Dump
ACTI	Angeles Composite Technology, Inc.	PTO	Paid Time Off
ALP	Airport Layout Plan	PUD	Public Utility District
ARP	Airport Rental Properties	RP	Rental Property
AV	Audio / Visual	SEK	Sekiu Airport
BD	Business (Economic) Development	SP	Strategic Plan
BL	Boat Launch	T1	Terminal #1 Main Terminal
BY	Boat Yard	T2	Terminal #2 Black Ball Ferry
CMC	Composite Manufacturing Campus	T3	Terminal #3 Concrete Cargo Pier
CPI	Consumer Price Index	T4	Terminal #4 Timber Dock Oak Street
CRTC	Composite Recycling Technology Center	T5	Terminal #5 Old M&R Pier
CSO	Combined Sewer Overflow	T6	Terminal #6 Barge Berth Pier
DOT	Department of Transportation	T7	Terminal #7 Nippon/Daishowa Pier
DNR	Department of Natural Resources	TBD	To Be Determined
EA	Environmental Assessment		
EDC	Economic Development Council		
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	Mechanical 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 FEMA	National Wildlife Federation - Federal Emergency Management Agency		
OBS	Obstruction		
OPVB	Olympic Peninsula Visitor Bureau		

# Port of Port Angeles

Port Angeles, Washington

17-1159

## Commissioners' Resolution No. \_\_\_\_\_

### A RESOLUTION ADOPTING FINAL BUDGET FOR 2018

WHEREAS, the preliminary budget of the Port of Port Angeles was prepared and filed on the 23<sup>rd</sup> day of October and a revised preliminary budget was filed on the 6<sup>th</sup> day of November, 2017; and

WHEREAS, in accordance with R.C.W. 53.35.045 a public hearing was held on November 6<sup>th</sup> 2017; and

WHEREAS, the preliminary revised budget was adopted as the final budget on the 21<sup>st</sup> day of November, 2017.

NOW, THEREFORE BE IT RESOLVED, that the budget herein is the Final Budget of the Port of Port Angeles for the calendar year 2018.

	<b>2018 BUDGET</b>
<b>Cash Balance Jan 1, 2018</b>	<b>\$ 18,204,873</b>
<b>Sources of Cash</b>	
Revenues - Operating	10,611,770
Revenues - Non-Operating	360,683
Property Tax Levy	1,490,000
Grants for Capital Projects	251,600
Bond Proceeds	-
<b>Total Sources</b>	<b>12,714,053</b>
<b>Uses of Cash</b>	
Expenses - Operating	8,673,561
Expenses - Non-Operating	297,386
Debt Service (Principal & Interest)	694,734
Capital Projects	4,695,600
<b>Total Uses</b>	<b>14,361,281</b>
<b>Cash Balance Dec 31, 2018</b>	<b>\$ 16,557,645</b>
Increase (Decrease) in Cash during year	\$ (1,647,227)
<b>RCW 53.36.120 &amp; 53.36.130 Specific Budget Items</b>	
Promotional Hosting	\$ 24,800

ADOPTED by the Port Commission of the Port of Port Angeles, at a Commission meeting thereof held this 21st day of November, 2017.

*END OF 2018 BUDGET  
PORT OF PORT ANGELES*