



## **2019 BUDGET**

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**Port of Port Angeles**  
**2019 Budget Summary**

<b>Operations</b>	<b>Log Yard &amp; Marine Term</b>	<b>PABH &amp; JWM Marinas</b>	<b>Marine Trades &amp; Rental Prop</b>	<b>FIA &amp; Sekiu Airports</b>	<b>Total</b>
Revenues	6,042,562	2,900,758	1,771,872	341,187	11,056,379
Direct Expenses	(3,427,913)	(1,594,143)	(1,144,463)	(852,004)	(7,018,523)
Overhead Support	(1,498,262)	(567,351)	(767,569)	(348,052)	(3,181,234)
<b>Net Margin</b>	<b>1,116,387</b>	<b>739,264</b>	<b>(140,160)</b>	<b>(858,869)</b>	<b>856,622</b>
Less Depreciation	(979,810)	(469,656)	(536,112)	(537,776)	(2,523,354)
Op Surplus (Deficit)	136,577	269,608	(676,272)	(1,396,645)	(1,666,732)
<b>Non-Operating Items</b>					
Property Tax Revenue					1,530,216
Capital Grant Income					343,000
Timber/Other Tax Revenue					179,700
Interest Expense					(263,994)
Interest Earnings					338,000
Net other Non-Op Items					(354,583)
<b>Total Non-Operating</b>					<b>1,772,339</b>
<b>Total Net Surplus</b>					<b>105,607</b>

**Cash Flow / Fund Analysis**

	<b>General Fund</b>	<b>Capital Fund</b>	<b>Total Port Funds</b>
Beginning Balance	10,199,757	5,229,028	15,428,785
Plus Cash Flow from Operations	856,622	-	856,622
Net Non-Op Cash flow	163,117	-	163,117
Plus Capital Grant Revenue	-	343,000	343,000
Plus Property Tax Revenue	-	1,530,216	1,530,216
Less Debt Service Payments	-	(693,009)	(693,009)
Less 2019 Capital Expenditures	-	(4,043,000)	(4,043,000)
Transfer excess of 1-yr op expenses	(815,496)	815,496	-
Projected Ending Balance	10,404,000	3,181,731	13,585,731



### **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.

In Colleen's full time capacity from 2015 – 2018 she served as the President of the Washington Business Alliance. As President, she led 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.

Colleen has two terrific boys, Jack and Nicholas. Both boys are attending college studying electrical engineering. Jack is a junior attending California State Polytechnic University, Pomona and Nicholas is a freshman attending Gonzaga University.

### **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**

**CONNIE L. BEAUVAIS, PRESIDENT**  
*Term Expires 2019*

**STEVEN D. BURKE, VICE PRESIDENT**  
*Term Expires 2021*

**COLLEEN M. MCALEER, SECRETARY**  
*Term Expires 2021*

## **PORT MANAGEMENT STAFF**

Executive Director.....	KAREN F. GOSCHEN
Port Counsel In-house.....	BRIAN P. WENDT
Director of Engineering.....	CHRIS R. HARTMAN
Director of Property, Marinas & Airports.....	JOHN B. NUTTER
Director of Maritime.....	Open until filled
Controller.....	MELINDA B. SMITHSON
Maritime Manager .....	MICHAEL V. NIMMO
Environmental Manager.....	JESSE W. WAKNITZ
HR, PR & Admin Manager.....	HOLLY M. HAIRELL
Airport Manager.....	DANIEL E. GASE
Public Works & Operations Manager.....	CHRISTOPHER L. RASMUSSEN
Accounting Manager.....	DIANE C. BARTH
Finance Manager.....	TRISHA L. MILLER

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## **SECTION I**

### **INTRODUCTION**

## 2019 BUDGET MESSAGE

DATE: November 5, 2018  
TO: Board Of Port Commissioners, Port Of Port Angeles  
FROM: Karen Goschen, Executive Director

We are pleased to submit to the Board this 2019 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 based on our line of business activities. The capital project budget provides for investments in maintaining our current facilities and building new infrastructure for 2019, 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 the top priorities of the Commission which are to:

- expand marine trades through the development of the Marine Trades Industrial Park
- promote innovative value-added wood products manufacturing while working to achieve a reliable and sustainable timber harvest
- advocate to advance the development and retention of a diversified and skilled workforce within the County
- leverage Port resources to attract public and private capital
- market and leverage the Composite Recycling Technology Center (CRTC) to bring composite companies, research and investment dollars to Clallam County

2019 operating revenues are budgeted at \$11.06 million, similar to 2018 projected year-end (2018 projected year-end is 3.8% more than the 2018 budget). We are fortunate that the strong log export market is expected to carry over into 2019. However, we are facing possible trade tariffs on logs originating from the U.S. and the effects on revenue are unknown at this time. We will be prepared to adjust course if necessary. The log yard is expected to remain busy supporting both export and domestic timber needs. The activity of barging logs and chips is expected to grow. Higher marina moorage revenue reflects 2018 growth and an increase in rates. Rental property revenues are expected to decrease as it will take a while for the Port to secure a tenant for a large manufacturing facility. The building has been occupied by a long-standing tenant that is moving into their own facility and will be vacated by December 31, 2018.

2019 operating expenses before depreciation are budgeted at \$10.20 million, which is significantly higher than 2018 projected year-end, primarily due to \$1 million in dredging for the Port's cargo marine terminal, broker fee to find a tenant for the large vacated manufacturing facility, obstruction tree removal at Lincoln Park to maintain a safe runway approach path, an increase in positions (half-year overlap for retiring maritime manager, part-time administrative assistance to support increased communication outreach), merit and cost of living increase in salaries, state required benefit increases (double digit increases in pension, health and new family leave requirements), an increase in consulting to support the development of the Marine Trades Industrial Park, and increased legislative advocacy efforts.

The 2019 budgeted operating surplus before depreciation is approximately \$850,000. This positive cash flow will be combined with \$1.5 million in property tax receipts to be used for \$693,009 in debt service (principal and interest payments), \$70,000 in Small Community Partner Program and the remainder will go towards capital projects.

The Port is planning another ambitious capital program for 2019. The total capital budget of \$4 million will be split between maintenance of existing assets and building new assets, aided by grant funding totaling \$343,000. Among these projects are dock repairs, completion of the wash-down facility for the Marine Trades Industrial Park and design of work pads, new boat yard fabric structure to support increased marine trades activity, replacement log stacker equipment, airport terminal and hangar roof repairs, industrial park security gate, fencing and signs, PABH parking lot paving and signs, new facilities maintenance warehouse to accommodate their move to the airport to be better positioned to respond to a disaster, and various other projects to improve Port facilities.

Due to the significant capital needs for 2019 and beyond, the Port's capital reserve fund is forecasted to decrease. Depending on the design for the log yard storm-water system, capital funds could be depleted in 2020. The Port will need to consider issuing additional debt to continue with committed capital projects, investing in new infrastructure or limit capital expenditures to major maintenance projects. There is also flexibility in managing the level of operating and capital reserve funds which would affect the timing of new debt. The outstanding principal for long-term debt as of December 31, 2018 will be \$6.3 million. Based on property tax receipts in excess of debt service payments, and depending on interest rates and bond terms, plus using banked capacity, the excess property taxes could support \$11 to \$12 million of additional long-term debt.

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



Port of Port Angeles

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# **STRATEGIC PLAN**

## **Our Mission**

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

## **Our Vision**

“A Prosperous Clallam County.”

## **Our Targets: Five in Five Years**

- Use Port resources to assist industry efforts to create 1,250 new jobs by 2020.
- Increase revenue diversification by increasing non-timber dependent revenue at the Marine terminal by 30% by 2020.
- Re-establish daily commercial air service 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.

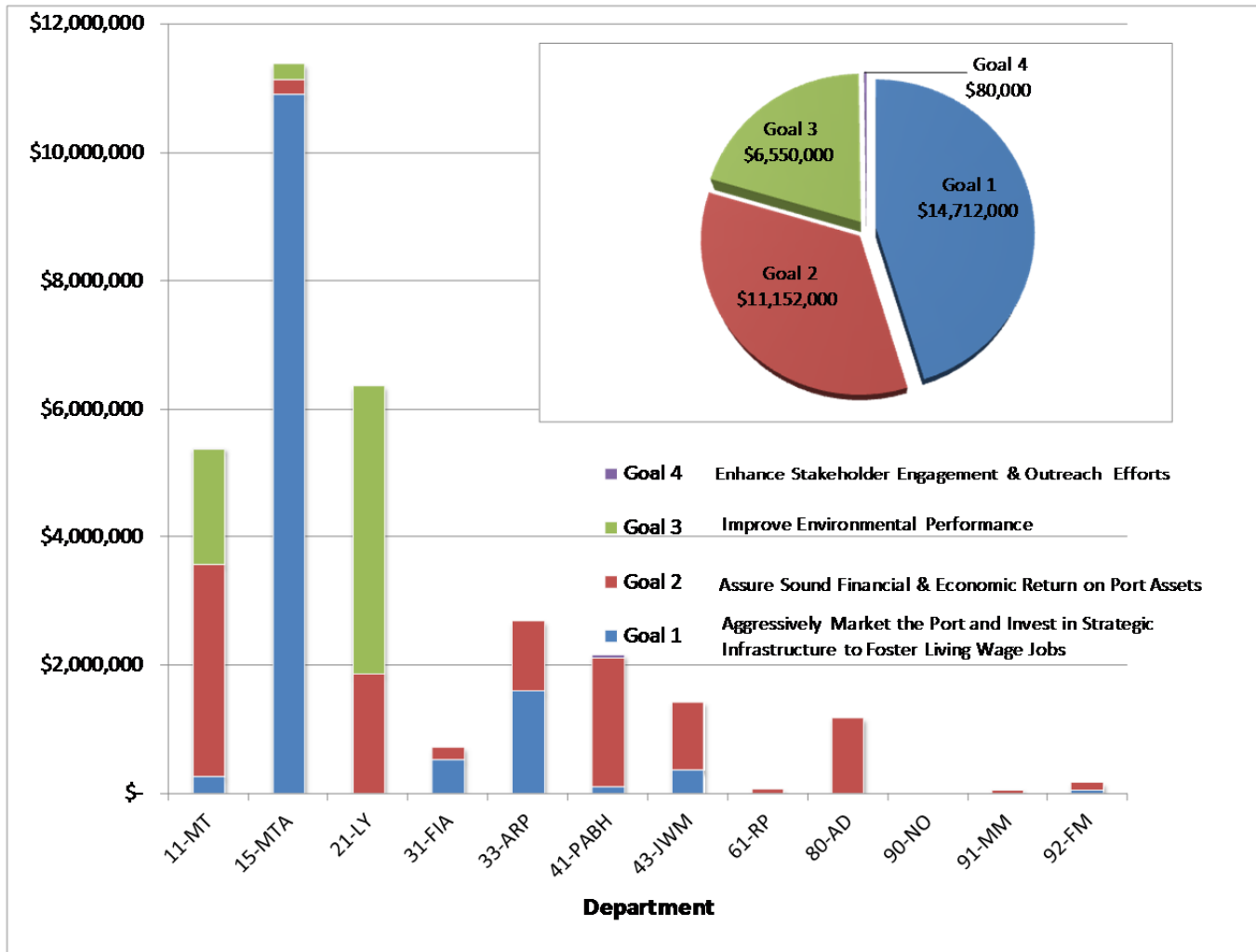
## **Port of Port Angeles 2019 Action Plan**

The following strategic plan items have been identified as priority action items for 2019:

- Expand marine trades through the development of the Marine Trades Industrial Park.
- Promote innovative value-added wood products manufacturing while working to achieve a reliable and sustainable timber harvest.
- Advocate to advance the development and retention of a diversified and skilled workforce within the County.
- Leverage Port resources to attract public and private capital.
- Market and leverage the Composite Recycling Technology Center (CRTC) to bring composite companies, research and investment dollars to Clallam County.

## 5 Year Capital Improvement Plan

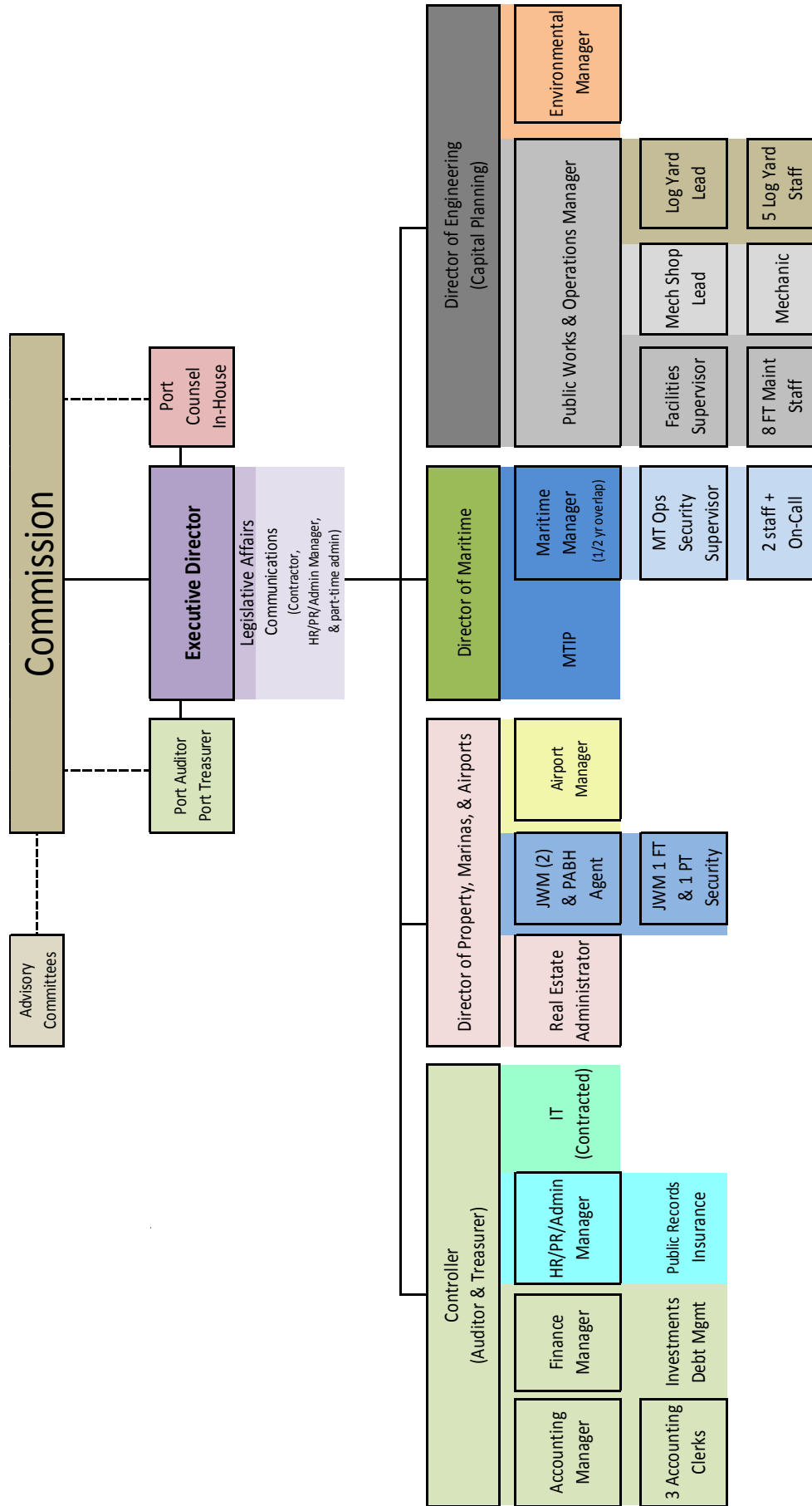
2018-2022 CAPITAL EXPENDITURES BY STRATEGIC GOAL AND DEPARTMENT



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## **SECTION II**

### **PERSONNEL SUMMARY**





# PORT OF PORT ANGELES PERSONNEL SUMMARY

## All Departments Actual/Budgeted Employee

		2014	2015	2016	2017	2018	2018	2019	2019
		Actual	Actual	Actual	Actual	Budget	Projected	Budget	Budget
Department		FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	Change In FTEs
<b>MT</b>	Marine Terminal <i>(Includes PT &amp; FT Security)</i>	5.92	5.90	5.30	6.15	5.46	7.11	5.68	0.22
<b>MTA</b>	Marine Trades Area <i>(Formerly Boat Yard &amp; Travel Lift Pier)</i>	0.45	1.00	0.94	0.85	0.74	0.86	1.28	0.54
<b>LY</b>	Log Yard	6.38	6.00	6.59	7.87	7.73	7.81	6.77	(0.96)
<b>FIA</b>	William R. Fairchild Int'l Airport	2.66	2.50	2.38	2.99	1.20	2.16	1.59	0.39
<b>ARP</b>	Airport Rental Properties	0.32	1.50	1.41	0.63	1.22	1.09	1.44	0.22
<b>SEK</b>	Sekiu Airport	0.05	0.05	0.03	0.05	0.02	0.02	0.05	0.03
<b>PABH</b>	Port Angeles Boat Haven	0.80	0.75	0.74	0.81	0.80	0.85	1.04	0.24
<b>JWM</b>	John Wayne Marina <i>(Includes PT &amp; FT Security)</i>	3.14	4.05	3.89	4.47	4.64	4.58	4.83	0.19
<b>RP</b>	Rental Properties	1.18	1.00	0.72	1.84	0.78	0.77	0.51	(0.27)
<b>A&amp;G</b>	Administration & General <i>(Includes PT &amp; FT Security)</i>	11.03	10.77	10.26	8.39	9.86	9.73	9.61	(0.25)
<b>BD</b>	Business (Economic) Development	0.40	1.00	0.73	0.24	0.39	0.34	0.65	0.26
<b>MM</b>	Mechanical Maintenance	2.30	2.07	2.13	2.27	2.20	2.37	2.22	0.02
<b>FM</b>	Facilities Maintenance	7.05	7.73	7.96	6.92	9.57	7.89	8.70	(0.87)
<b>NOP</b>	Non-Operating	0.16	0.12	0.13	0.12	-	0.12	0.40	0.40
<b>Total</b>		<b>41.84</b>	<b>44.44</b>	<b>43.21</b>	<b>43.60</b>	<b>44.61</b>	<b>45.70</b>	<b>44.77</b>	<b>0.16</b>

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

### Significant changes from 2018 Budget to 2019 Budget:

<b>MT</b>	Slight increase due to overlap of positions for anticipated retirement
<b>MTA</b>	Increase due to the increased focus on the Marine Trades Industrial Park.
<b>LY</b>	Decrease due to reallocation of staff time and duties
<b>FIA</b>	Slight decrease reflects fluctuation in activity
<b>ARP</b>	Slight increase better reflects ongoing activity
<b>SEK</b>	Slight increase reflects fluctuation in activity
<b>PABH</b>	Slight increase reflects additional oversight due to management changes
<b>JWM</b>	Slight increase reflects additional oversight due to management changes
<b>RP</b>	Decrease better reflects ongoing activity
<b>A&amp;G</b>	Slight increase due to shifting of staff responsibilities
<b>BD</b>	Slight increase due to increased focus on business development
<b>MM</b>	Remains steady.
<b>FM</b>	Decrease due to shifting of staff responsibilities and decision to not fill open position
<b>NOP</b>	Increase reflects endeavor to more accurately reflect staff time spent on legacy environmental projects

Overall, the FTEs only increased 0.16 from the 2018 budget. 2018 and 2019 involve reallocating staff time due to a change in management duties as open positions were restructured with a different blend of responsibilities.

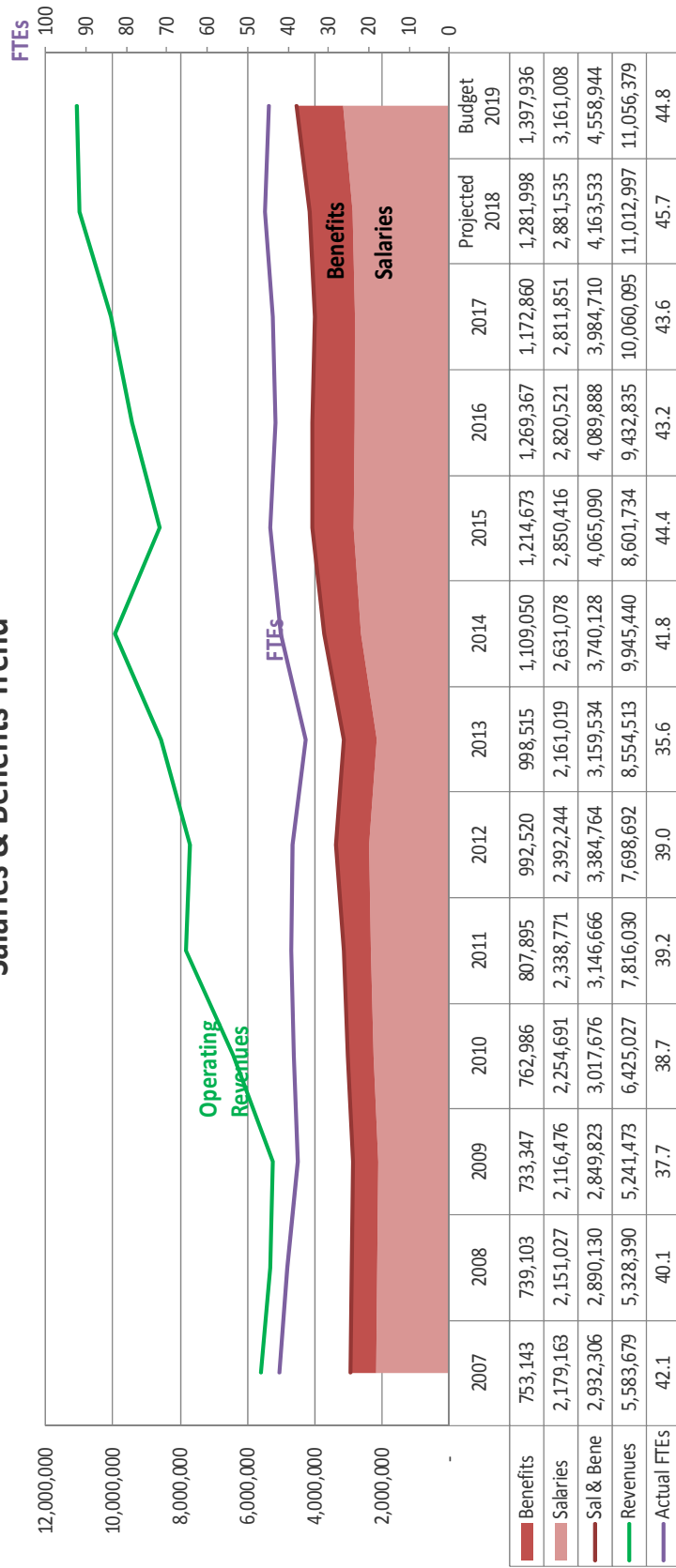
FTEs = Full time equivalent employees

FT = Full Time

PT = Part Time

## 2007 thru 2019 Operating Activity

### Salaries & Benefits Trend



#### Average Annual Growth

Operating Revenues	7.5%
Salaries	3.5%
Benefits	6.6%
Salaries & Benefits	4.3%
FTEs	0.5%

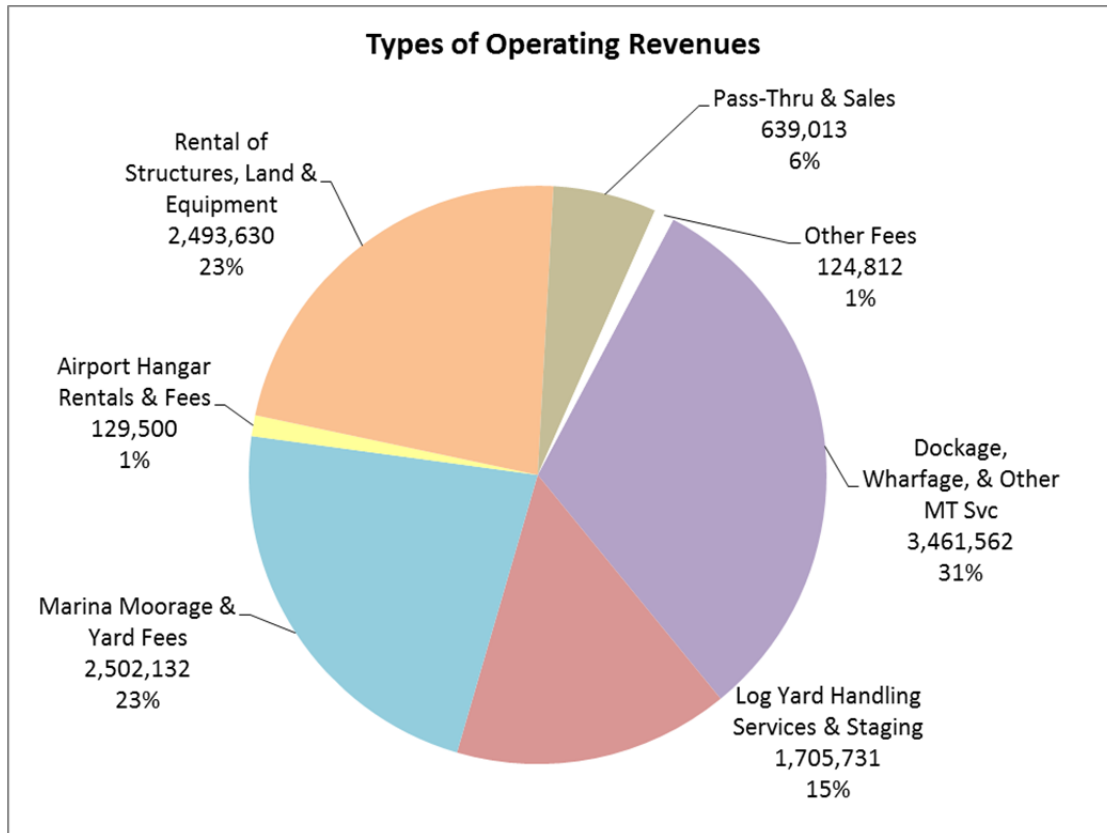
## **SECTION III**

### **BUDGET OVERVIEW**

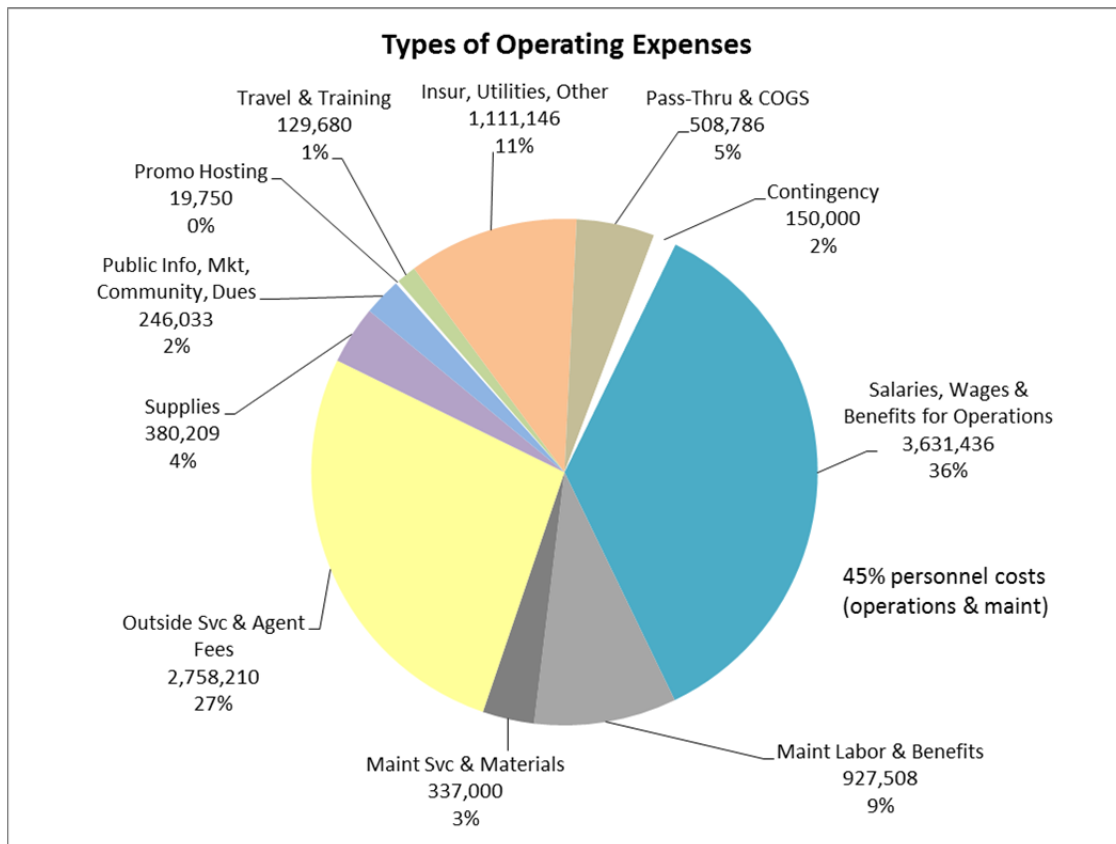
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### **FUND BALANCE**

## WHERE DOES THE MONEY COME FROM?



## WHERE DOES THE MONEY GO?



**Port of Port Angeles**  
**Summary by Type of Revenues & Expenses**  
**2019 Budget**

	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2018 PROJECTED	2019 BUDGET	2018 Proj Over/(Under) 2018 Budget	2019 Budget Over/(Under) 2018 Proj
<b><u>OPERATING REVENUES</u></b>								
DOCKAGE	1,214,387	1,213,266	1,153,036	1,249,189	1,377,120	1,342,754	127,931	(34,366)
WHARFAGE	754,443	919,810	1,018,672	1,017,200	1,032,396	1,013,491	15,196	(18,905)
SERVICE & FACILITIES	440,540	539,137	615,374	710,040	653,820	638,812	(56,220)	(15,008)
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	2,240	0	14,025	0	125,373	202,200	125,373	76,827
LABOR SERVICES	202,160	180,947	178,416	180,624	284,136	264,305	103,512	(19,831)
LOG YARD STAGING	70,073	37,178	25,666	69,065	70,711	46,780	1,646	(23,931)
LOG YARD LAND SERVICES	593,812	1,279,681	1,419,622	1,538,120	1,442,722	1,483,062	(95,398)	40,340
LOG YARD WATER SERVICES	220,046	118,994	79,201	226,070	120,198	175,889	(105,872)	55,691
MOORAGE	1,868,748	1,942,984	2,030,458	1,998,551	2,142,746	2,227,111	144,195	84,365
MARINA & YARD FEES	247,163	246,205	253,948	271,828	267,569	275,021	(4,259)	7,452
LANDING/PARKING FEES	6,265	6,709	6,864	7,242	7,328	7,500	86	172
HANGAR/TIE DOWN	92,964	100,866	111,289	104,264	118,449	122,000	14,185	3,551
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	32,751	23,042	45,994	63,800	81,834	74,367	18,034	(7,467)
EQUIPMENT RENTAL	327,324	343,886	438,624	424,769	433,832	438,136	9,063	4,304
LAND LEASE/RENT	643,897	561,029	593,053	536,617	608,321	623,148	71,704	14,827
STRUCTURE LEASE/RENT	1,170,077	1,307,992	1,473,186	1,545,368	1,497,591	1,370,443	(47,777)	(127,148)
USE AGMT AND OTHER RENT	42,008	46,773	47,393	44,367	38,779	61,902	(5,588)	23,123
UTILITY PASS THRU & PRODUCT SALES	644,175	495,961	548,431	571,156	679,401	639,013	108,245	(40,388)
MISC & INTERDEPT REVENUE	28,663	68,375	6,842	53,500	30,670	50,445	(22,830)	19,775
<b>TOTAL OPERATING REVENUES</b>	<b>8,601,734</b>	<b>9,432,835</b>	<b>10,060,095</b>	<b>10,611,770</b>	<b>11,012,997</b>	<b>11,056,379</b>	<b>401,227</b>	<b>43,382</b>
<b><u>OPERATING EXPENSES</u></b>								
<b>SALARIES, BENEFITS &amp; INTERDEPT CHRGS</b>	<b>3,286,831</b>	<b>3,294,986</b>	<b>3,187,901</b>	<b>3,361,666</b>	<b>3,349,530</b>	<b>3,631,436</b>	<b>(12,136)</b>	<b>281,906</b>
SUPPLIES	292,858	321,670	349,637	368,535	377,298	380,209	8,763	2,911
OUTSIDE SERVICES	1,206,732	1,579,495	1,895,976	1,597,767	1,260,483	2,758,210	(337,284)	1,497,727
PUBLIC INFORMATION	42,463	50,712	114,112	106,088	157,087	153,764	50,999	(3,323)
MARKETING	16,186	31,168	29,840	40,000	24,727	37,200	(15,273)	12,473
COMMUNITY RELATIONS	49	4,484	3,144	5,600	10,000	10,000	4,400	0
ADS, DUES & PUBLICATIONS	60,782	43,808	39,017	49,896	39,343	45,069	(10,553)	5,726
TRAVEL MEETINGS	35,572	30,126	50,592	54,850	41,027	65,600	(13,823)	24,573
TRAINING/TRAVEL	71,265	60,911	46,060	81,715	63,070	64,080	(18,645)	1,010
PROMOTIONAL HOSTING	11,817	7,926	10,240	24,800	9,804	19,750	(14,996)	9,946
RENT, UTILITIES, INSURANCE, TAXES	900,972	909,891	963,710	961,319	973,554	1,027,943	12,235	54,389
UTILITY (Pass Thru) & COST OF GOODS SOLD	471,311	378,402	453,294	460,315	537,985	508,786	77,670	(29,199)
OTHER EXPENSES (Misc & Interdept)	42,645	38,448	90,740	58,970	88,122	83,203	29,152	(4,919)
CONTINGENCY	0	0	0	150,000	150,000	150,000	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	778,258	794,902	796,809	949,391	814,003	927,508	(135,388)	113,505
MAINTENANCE (Materials & Services)	417,040	300,762	353,523	402,650	340,857	337,000	(61,793)	(3,857)
<b>TOTAL OPERATING EXPENSES</b>	<b>7,634,782</b>	<b>7,847,691</b>	<b>8,384,597</b>	<b>8,673,565</b>	<b>8,236,890</b>	<b>10,199,757</b>	<b>(436,675)</b>	<b>1,962,867</b>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>966,952</b>	<b>1,585,144</b>	<b>1,675,498</b>	<b>1,938,205</b>	<b>2,776,107</b>	<b>856,622</b>	<b>837,902</b>	<b>(1,919,485)</b>
<b>ALLOCATED EXPENSES</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>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</b>	<b>2,077,569</b>	<b>2,229,745</b>	<b>2,479,588</b>	<b>2,403,093</b>	<b>2,626,806</b>	<b>2,523,354</b>	<b>223,713</b>	<b>(103,452)</b>
<b>NET OPERATING SURPLUS (DEFICIT)</b>	<b>(1,110,617)</b>	<b>(644,600)</b>	<b>(804,091)</b>	<b>(464,888)</b>	<b>149,301</b>	<b>(1,666,732)</b>	<b>614,188</b>	<b>(1,816,033)</b>
<b>NON-OP (GENERAL)</b>								
NON-OP REV (General)	1,161,512	2,134,327	474,143	360,683	443,011	596,711	82,327	153,700
NON-OP EXP (General)	387,122	(1,194,693)	107,500	297,386	344,820	433,594	47,435	88,774
<b>NON-OP (General) SURPLUS (DEFICIT)</b>	<b>774,390</b>	<b>3,329,020</b>	<b>366,643</b>	<b>63,298</b>	<b>98,191</b>	<b>163,117</b>	<b>34,893</b>	<b>64,926</b>
<b>NON-OP (CAPITAL)</b>								
NON-OP REV (Capital)	3,623,481	6,531,004	2,306,238	1,741,600	1,622,987	1,873,216	(118,613)	250,229
NON-OP EXP (Capital)	404,362	292,071	287,044	275,427	275,427	263,994	0	(11,433)
<b>NON-OP (Capital) SURPLUS (DEFICIT)</b>	<b>3,219,119</b>	<b>6,238,933</b>	<b>2,019,194</b>	<b>1,466,173</b>	<b>1,347,560</b>	<b>1,609,222</b>	<b>(118,613)</b>	<b>261,662</b>
<b>NET NON-OP SURPLUS (DEFICIT)</b>	<b>3,993,509</b>	<b>9,567,953</b>	<b>2,385,837</b>	<b>1,529,471</b>	<b>1,445,751</b>	<b>1,772,339</b>	<b>(83,720)</b>	<b>326,588</b>
<b>TOTAL NET SURPLUS (DEFICIT)</b>	<b>2,882,892</b>	<b>8,923,354</b>	<b>1,581,746</b>	<b>1,064,583</b>	<b>1,595,051</b>	<b>105,607</b>	<b>530,468</b>	<b>(1,489,445)</b>

# CASH BASED FUND BALANCE

(Approximates Cash Flow)

Projected 2018		DESIGNATED FUNDING	GENERAL FUND	CAPITAL IMPR.	G.O. DEBT SERVICE	TOTAL FUNDS
<b>CASH BALANCE, JANUARY 1, 2018</b>						
Operating Cash			1,804,074			
Investment Fund Balance			7,252,591	9,019,802	0	
<b>Beginning Balance</b>			<b>9,056,665</b>	<b>9,019,802</b>	<b>0</b>	<b>18,076,467</b>
<b>PROJECTED GENERAL FUND ENDING BALANCE</b>						
Operating Revenues			11,012,997			
1 Operating Expenses before Depreciation			(8,236,890)			
<b>Operating Surplus (Deficit) before Depreciation</b>			<b>2,776,107</b>			<b>2,776,107</b>
Beginning General Fund Balance + Op Surplus			11,832,772			
2 <b>Net Non-Operating General Surplus (Deficit)</b>			<b>98,191</b>			<b>98,191</b>
Projected General Fund Ending Balance			11,930,962			
<b>GENERAL FUND TARGET FUND BALANCE</b>						
Next Year Operating Expense Budget			10,199,757			
<b>Projected Ending Balance over (under) Target Balance</b>			<b>1,731,205</b>			
3 <b>TRANSFER EXCESS GENERAL FUNDS TO CAPITAL FUND</b>			<b>(1,731,205)</b>	<b>1,731,205</b>		<b>0</b>
Capital Fund is "approximately" reimbursing General Fund for:						
. 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				132,987		132,987
4 Less: Capital Project Expenses (before grant funding)				(6,450,232)		(6,450,232)
<b>CASH BALANCE, DECEMBER 31, 2018</b>			<b>10,199,757</b>	<b>5,229,028</b>	<b>0</b>	<b>15,428,785</b>
Budget 2019		DESIGNATED FUNDING	GENERAL FUND	CAPITAL IMPR.	G.O. DEBT SERVICE	TOTAL FUNDS
<b>CASH BALANCE, JANUARY 1, 2019</b>			<b>10,199,757</b>	<b>5,229,028</b>	<b>0</b>	<b>15,428,785</b>
<b>PROJECTED GENERAL FUND ENDING BALANCE</b>						
Operating Revenues			11,056,379			
1 Operating Expenses before Depreciation			(9,199,757)			
Operating Projects Paid by Capital Funds			(1,000,000)			
<b>Operating Surplus (Deficit) before Depreciation</b>			<b>856,622</b>			<b>856,622</b>
Beginning General Fund Balance + Op Surplus			11,056,379			
2 <b>Net Non-Operating General Surplus (Deficit)</b>			<b>163,117</b>			<b>163,117</b>
Projected General Fund Ending Balance			11,219,496			
<b>GENERAL FUND TARGET FUND BALANCE</b>						
Next Year Operating Budget (budget year plus 2%)			10,404,000			
<b>Projected Ending Balance over (under) Target Balance</b>			<b>815,496</b>			
3 <b>TRANSFER EXCESS GENERAL FUNDS TO CAPITAL FUND</b>			<b>(815,496)</b>	<b>815,496</b>		<b>0</b>
Capital Fund support for Economic Development						
. Community Partner Program		70,000				
New Bond Issue Proceeds					0	
General Property Tax Levy					1,530,216	
Less: Debt Service (Principal & Interest)					(693,009)	
<b>Excess Property Tax Levy</b>					<b>837,207</b>	<b>837,207</b>
<b>TRANSFER EXCESS TAX LEVY TO CAPITAL FUND</b>				<b>837,207</b>	<b>(837,207)</b>	<b>0</b>
Capital Grants				343,000		343,000
4 Less: Capital Project Expenses				(4,043,000)		(4,043,000)
<b>CASH BALANCE, DECEMBER 31, 2019</b>			<b>10,404,000</b>	<b>3,181,731</b>	<b>0</b>	<b>13,585,731</b>

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

- Operating Expenses do not include depreciation because it is a non-cash expense.
- Net Non-Operating (General) includes investment interest and timber taxes. It excludes Property Taxes.  
Includes grant funding and expenses for legacy environmental projects; net expenses are reimbursed by Capital Fund.
- 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.
- 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 increased for 2020-2023 due to anticipated new business from new capital investments. Increases in costs due to inflation are offset by increases in fees.)

(Approximates Cash Flow)

	2019	2020	2021	2022	2023
<b>GENERAL FUND</b>					
Beginning Fund Balance	10,199,757	10,404,000	10,612,080	10,824,322	11,040,808
Op Surplus (before Depreciation)	856,622	2,750,000	2,750,000	3,000,000	3,400,000
Net Non-Operating Surplus	163,117	300,000	300,000	3,000,000	300,000
Projected Ending Fund Balance	11,219,496	13,454,000	13,662,080	16,824,322	14,740,808
<b>TRANSFER EXCESS TO CAPITAL FUND</b>	(815,496)	(2,841,920)	(2,837,758)	(5,783,514)	(3,479,184)
<b>Estimated Ending Fund Balance</b>	<b>10,404,000</b>	<b>10,612,080</b>	<b>10,824,322</b>	<b>11,040,808</b>	<b>11,261,624</b>
<b>Explanation of Reserves</b>					
General Reserve for Adverse Conditions & to obtain strong bond rating					
Res 10-987: Next Yr Op Budget (2% increase)	10,404,000	10,612,080	10,824,322	11,040,808	11,261,624
Includes Self-insurance reserves	7,500	7,500	7,500	7,500	7,500 <sup>1</sup>
<b>Target Reserve Balance</b>	<b>10,404,000</b>	<b>10,612,080</b>	<b>10,824,322</b>	<b>11,040,808</b>	<b>11,261,624</b>
<b>Estimated Over (Under) Target</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Unemployment.

	2019	2020	2021	2022	2023
<b>CAPITAL IMPROVEMENT FUND (committed projects)</b>					
Beginning Fund Balance	5,229,028	3,181,731	(911,477)	342,480	1,746,898
Transfer from General Fund	815,496	2,841,920	2,837,758	5,783,514	3,479,184
Transfer from Debt Service Fund	837,207	857,872	876,199	890,904	906,970
Capital Grants for Committed Projects	343,000	2,650,000	447,776	3,600,000	600,000
Funds Available for Capital Projects	7,224,731	9,531,523	3,250,256	10,616,898	6,733,052
Capital Projects per 5 Yr Capital Plan	(4,043,000)	(10,443,000)	(2,907,776)	(8,870,000)	(9,835,000)
<b>Estimated Ending Fund Balance</b>	<b>3,181,731</b>	<b>(911,477)</b>	<b>342,480</b>	<b>1,746,898</b>	<b>(3,101,948)</b>
		 <b>Reduce Reserves and/or issue debt.</b>			
<b>Explanation of Reserves</b>					
Environmental Liability GASB49	33,750	48,750	20,000	20,000	20,000 <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>2,583,750</b>	<b>2,598,750</b>	<b>2,570,000</b>	<b>2,520,000</b>	<b>2,520,000</b>
<b>Estimated Over (Under) Target</b>	<b>597,981</b>	<b>(3,510,227)</b>	<b>(2,227,520)</b>	<b>(773,102)</b>	<b>(5,621,948)</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.

	2019	2020	2021	2022	2023
<b>DEBT SERVICE FUND</b>					
Beginning Fund Balance	-	-	-	-	-
Property Tax Levy: 1% in 2019-2023	1,530,216	1,545,518	1,560,973	1,576,583	1,592,349
Increase new Construction (\$83 mil) + Refunds	included above	8,000	8,000	8,000	8,000
Less: Debt Service	(693,009)	(695,646)	(692,774)	(693,679)	(693,379)
Projected Ending Fund Balance	837,207	857,872	876,199	890,904	906,970
<b>TRANSFER EXCESS TO CAPITAL FUND</b>	<b>(837,207)</b>	<b>(857,872)</b>	<b>(876,199)</b>	<b>(890,904)</b>	<b>(906,970)</b>
<b>Estimated Ending Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Explanation of Reserves</b>					
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>(200,000)</b>	<b>(200,000)</b>	<b>(200,000)</b>	<b>(200,000)</b>	<b>(200,000)</b>
New Debt using "Excess" Prop Tax (20 yr at 3.75%)	\$ 11,740,000	\$ 12,030,000	\$ 12,290,000	\$ 12,500,000	\$ 12,720,000

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

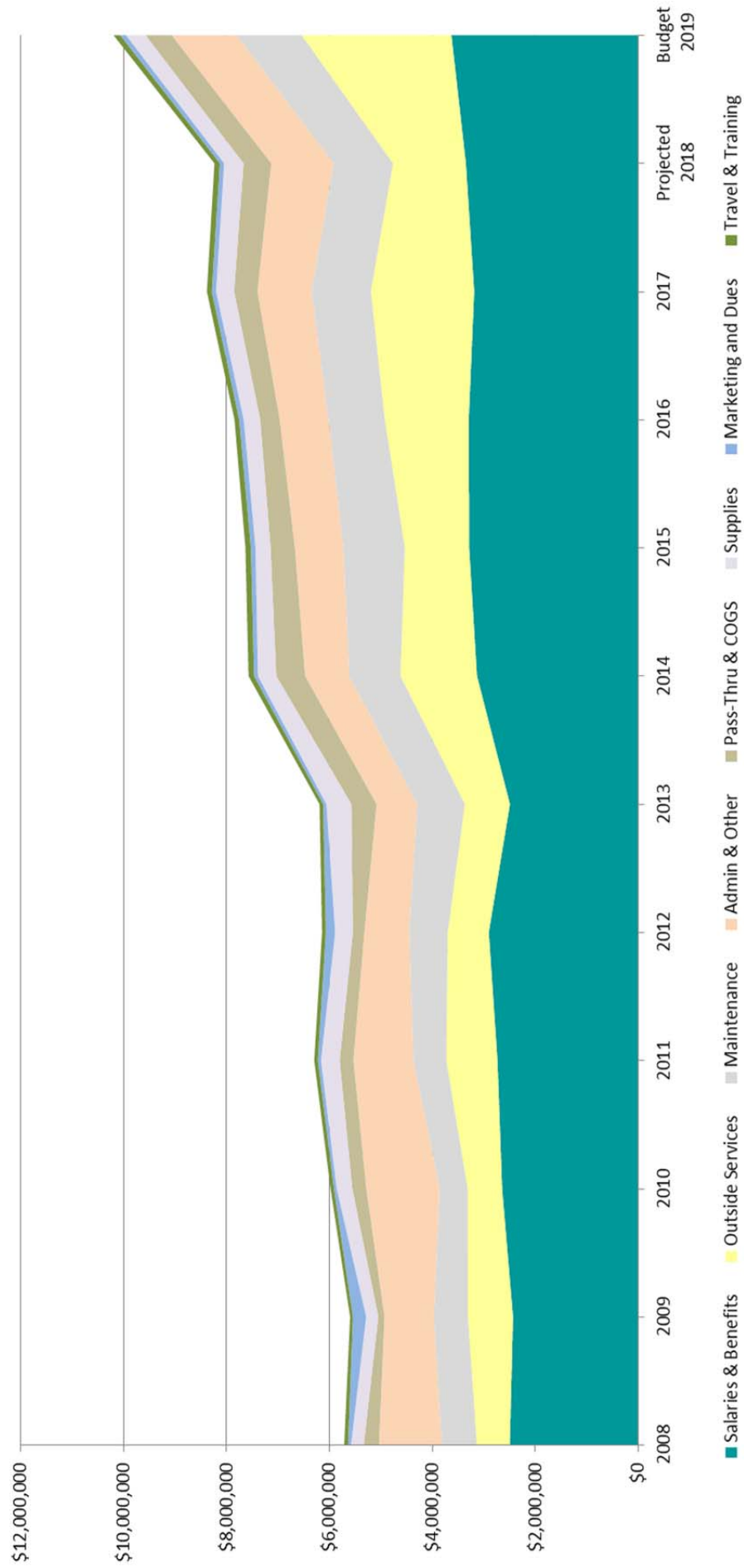




## Revenue Type - Descriptions

- 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**

## **2018 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 2018 Projected**

1. Rates, fees and applicable leases were increased by not less than the 2.3% CPI, except as specifically identified.
2. Marine Terminal cargo volume will be approximately 85.7 million board feet with 5 additional cargo vessels projected for Q4. 2018 Budget is 84.0 million board feet. Possible trade tariffs on logs originating from the U.S may affect end of year volume.
3. 10 additional tanker days through the EOY (total 56 days for 2018). 2018 Budget is 80 days.
4. Log Yard activities and associated revenues will be slightly less than budget, with revenues still expected to exceed \$2.0 million, barring the effects of possible trade tariffs imposed on logs originating from the U.S.
5. Lease Revenue is projected to be slightly above budget. Airport Rental Property, the 1010-1050 building, is expected to be vacated by December 31, 2018 (this was budgeted for 12 months in 2018).
6. Moorage revenues at PABH & JWM projected to be above budget primarily due to favorable recreational fishing opportunities.

#### **Expenses 2018 Projected**

1. Net salary/benefit savings of \$148k are projected due to management structure change between departments (Log Yard, Facilities Maintenance, Airport & Business Development).
2. Insurance renewals occur twice a year with property insurance renewing in July of each year and liability insurance renewing in October of each year. The property insurance premiums increased \$34k or 13% in July 2018. Because the nation has experienced the largest insured loss in recorded history over the last year due to catastrophic natural disasters, the majority of the increase is attributed to a 9% increase for earthquake & flood premiums. The remaining 4% increase is due to rising property values in general and the fact that the Port insures for replacement cost. The crime insurance premiums remained flat while the liability insurance premiums increased \$3k or 2% in October of 2018.
3. Washington State Auditor's Office Annual Report Audit and Single Federal Audit will be approximately \$41k plus an estimated \$4k for auditor travel costs.
4. Non-Operating: Environmental insurance litigation costs for legacy projects will continue until an insurance coverage decision is made.

## **2019 Budget - Operations Assumptions**

### **General**

1. CPI: August CPI West–Size Class B/C–All Urban Consumer (CPI-U) of 3.0%.
2. General Inflation outlook at 2.4%.

### **Revenues**

1. Rates, fees and applicable leases will increase by not less than the 3.0% CPI-U.
2. Marine Terminal rates will be adjusted by 3.1% based on the results of the NWMTA Blended CPI Study for August 2018, with a floor of not less than the blended study rate. This includes rate adjustments for Dockage, Vessel Repair Dockage, Equipment Rental, Wharfage, Service and Facilities Charges, Electrical Service Fees, Passenger Fees, Fuel Handling Fees and Security Fees. Marine Terminal tariff rates will reflect the implementation of an environmental fee assessed against all cargo, to recover storm water operating expenses. Continued work will be done towards recovering storm water capital infrastructure costs. Possible trade tariffs on logs originating from the U.S. may begin in January 2019, with revenue affects unknown at this time.
3. Marine Terminal activity includes associated revenue and expenditures based on 84 million board feet of log exports (14 vessels) and 60 days of tanker repair dockage. No cruise vessel calls are expected in 2019.
4. Marine Trades fee for Travel-Lift Pier usage will be increased based on the overall length of the vessel. The Travel-lift Pier is an essential component of the Marine Trades Area. It is used by the local marine industry to transport vessels in and out of the water for both maintenance and repair.
5. Marine Trades fee for Wash Down facility usage will be established to cover the estimated operating costs. After experience is gained, the fee will be revisited.
6. Log Yard Land Services revenue anticipated to be at or near EOY 2018. Possible trade tariffs on logs originating from the U.S. may begin in January 2019 with revenue effects unknown at this time.
7. Log Yard Water Services include 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 at or near EOY 2018. Barge activity is both inbound (from Canada) and outbound shipments to Coos Bay.
8. 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.
9. Log Yard rates for most log handling services (and fees) will increase not less than the 3.0% CPI-U. Log Yard rates will reflect the implementation of an environmental fee to recover storm water operating expenses, with work towards recovering storm water capital infrastructure costs.
10. Moorage rates for most slips will increase by CPI plus 3.0%; CPI plus 4% with a 7% cap for 50 foot slips and greater for PA Boat Haven and John Wayne Marina.
11. Airport Rental Property revenues will see an increase in existing rents plus the addition of new tenants which will reduce the impact of the 1010-1050 building vacancy (anticipated at January 1, 2019).

## 2019 Budget - Operations Assumptions (continued)

12. The Port will continue to use property tax revenues for new capital projects, debt service for prior capital projects and the Community Partner program.

### Expenses

1. Salaries & Wages. The proposed increase for non-represented staff is to stay with the 3% CPI plus a \$30k merit pool. For 2018, individual manager and director positions were replaced with manager 1, manager 2, manager 3, director 1 and director 2. Staff is reviewing proposals for consulting services to perform job analysis and assist in slotting non-represented staff into the appropriate grade levels. Represented staff will be adjusted by the CPI rate, which is 3% and also be adjusted for pay step increases, which results in approximately \$7,600 (step increases are at 2.5% spread over multiple years).

At the time of budgeting, several positions are in transition. The budget assumes ½ year overlap of the Maritime Manager, replacement of in-house counsel and a part-time temporary position to support increased communications.

2. Health insurance premiums will decrease by -0.58% (\$1,566) for monthly premiums during January 1, 2019 to June 30, 2019. Premiums for July 1, 2019 to December 31, 2019 are projected to increase by 4% (\$10,755). 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 July of 2019.

New in 2019 is the employer premium for Paid Family Medical Leave per RCW 50A.04. The employer premium is approximately \$4,550 or 37% of the total premium. The remaining 63% of the premium will be paid by the employee.

The Port's Labor and Industries rates have also increased over the past few years. From 2016-2018 the rates for the class codes used by the Port increased by 5% each year industry-wide. However, the Port's current experience rating (1.38) is higher than the industry average due to three compensable claims from 2014-2015.

3. Legal services on environmental legacy issues will continue for litigation/ negotiations with insurance companies and third parties.
4. Major non-capital maintenance projects budgeted for in 2019 include dredging expense of \$1.0 million for Terminal 3 (expense is budgeted in Marine Terminal – Outside Services) and removal of trees for the FIA runway approach for \$250k. Other unusual or infrequent expenses include broker fees for the 1010-1050 building for \$176k; strategic plan for \$50k; and a feasibility study for recycled carbon fiber and thermally modified hemlock for \$67k offset by a CERB operating grant of \$50k.

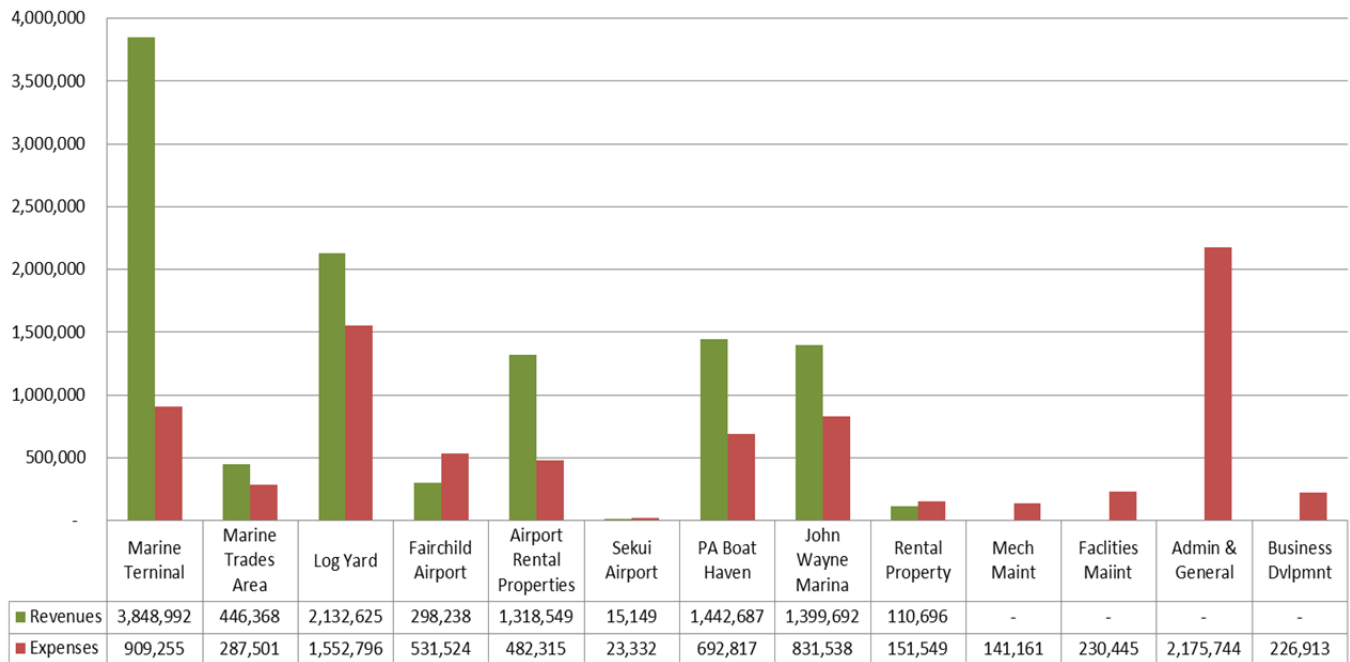


## 2019 Budget - Operations Assumptions (continued)

5. Insurance renewals occur twice a year with property insurance renewing in July of each year and liability insurance renewing in October of each year. The property insurance premiums increased \$34k or 13% in July of 2018. Because the nation has experienced the largest insured loss in recorded history over the last year due to catastrophic natural disasters, the majority of the increase is attributed to a 9% increase for earthquake & flood premiums. The remaining 4% increase is due to rising property values in general and the fact that the Port insures for replacement cost. The crime insurance premiums remained flat while the liability insurance premiums increased \$3k or 2% in October 2018.
  - 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 Divisions 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 \$46k (\$42k audit work plus \$4k travel).
7. District 3 (West) Commissioner's term expires at the end of 2019. Election costs paid to the Clallam County Auditor's Office for both the primary and general elections are based on the number of items on the ballot. Staff estimates the 2019 expense to be approximately \$22k.
8. All department contingency is budgeted at \$150k.

*\*\*Continue on to next page*

### 2018 Projected Operating Activity



### 2019 Operating Budget



**Port of Port Angeles  
Summary by Department  
2019 Budget**

	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2018 PROJECTED	2019 BUDGET	2018 Proj Over/(Under) 2018 Budget	2019 Budget Over/(Under) 2018 Proj
<b>OPERATING REVENUES</b>								
11 MARINE TERMINAL	2,957,713	3,173,011	3,335,355	3,516,427	3,848,992	3,858,425	332,565	9,433
15 MARINE TRADES AREA	419,600	432,325	457,929	460,833	446,368	478,540	(14,465)	32,172
21 LOG YARD	1,224,692	1,786,523	1,922,935	2,331,774	2,132,625	2,184,136	(199,149)	51,511
31 FAIRCHILD INTERNATIONAL AIRPORT	228,205	242,406	258,938	233,808	298,238	325,587	64,430	27,349
33 AIRPORT RENTAL PROPERTIES	1,039,731	1,170,554	1,296,289	1,346,753	1,318,549	1,174,336	(28,204)	(144,213)
32 SEKIU AIRPORT	16,144	15,130	15,682	14,900	15,149	15,600	249	451
41 PA BOAT HAVEN	1,293,893	1,334,291	1,371,598	1,362,184	1,442,687	1,513,873	80,503	71,186
43 JOHN WAYNE MARINA	1,173,676	1,198,648	1,289,799	1,269,749	1,399,692	1,386,885	129,943	(12,808)
61 RENTAL PROPERTY	248,081	79,947	111,569	75,342	110,696	118,996	35,354	8,300
91 MECHANICAL MAINTENANCE	0	0	0	0	0	0	0	0
92 FACILITIES MAINTENANCE	0	0	0	0	0	0	0	0
80 ADMINISTRATION & GENERAL	0	0	0	0	0	0	0	0
81 BUSINESS (Economic) DEVELOPMENT	0	0	0	0	0	0	0	0
<b>TOTAL OPERATING REVENUES</b>	<b>8,601,734</b>	<b>9,432,835</b>	<b>10,060,095</b>	<b>10,611,770</b>	<b>11,012,997</b>	<b>11,056,379</b>	<b>401,227</b>	<b>43,382</b>
<b>OPERATING EXPENSES</b>								
11 MARINE TERMINAL	735,768	598,449	723,336	862,784	909,255	1,934,331	46,471	1,025,076
15 MARINE TRADES AREA	286,553	422,235	331,532	367,945	287,501	406,678	(80,444)	119,177
21 LOG YARD	1,147,138	1,274,511	1,618,641	1,661,963	1,552,796	1,493,582	(109,167)	(59,214)
31 FAIRCHILD INTERNATIONAL AIRPORT	655,227	521,793	648,163	748,338	531,524	816,315	(216,814)	284,791
33 AIRPORT RENTAL PROPERTIES	282,411	300,306	327,200	551,547	482,315	638,383	(69,232)	156,068
32 SEKIU AIRPORT	21,803	20,813	20,802	27,351	23,332	35,689	(4,019)	12,357
41 PA BOAT HAVEN	562,456	629,001	666,776	734,407	692,817	763,866	(41,590)	71,049
43 JOHN WAYNE MARINA	846,477	707,891	782,081	756,066	831,538	830,277	75,472	(1,261)
61 RENTAL PROPERTY	177,061	152,360	185,320	166,529	151,549	99,402	(14,980)	(52,147)
91 MECHANICAL MAINTENANCE	130,077	154,646	128,514	135,239	141,161	136,895	5,922	(4,266)
92 FACILITIES MAINTENANCE	262,549	226,283	228,922	185,498	230,445	229,706	44,947	(739)
80 ADMINISTRATION & GENERAL	2,016,813	1,895,435	1,695,440	2,229,152	2,175,744	2,325,870	(53,408)	150,126
81 BUSINESS (Economic) DEVELOPMENT	510,449	943,968	1,027,871	246,744	226,913	488,762	(19,831)	261,849
<b>TOTAL OPERATING EXPENSES</b>	<b>7,634,782</b>	<b>7,847,691</b>	<b>8,384,597</b>	<b>8,673,565</b>	<b>8,236,890</b>	<b>10,199,757</b>	<b>(436,675)</b>	<b>1,962,867</b>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>966,952</b>	<b>1,585,144</b>	<b>1,675,498</b>	<b>1,938,205</b>	<b>2,776,107</b>	<b>856,622</b>	<b>837,902</b>	<b>(1,919,485)</b>
<b>ALLOCATED EXPENSES</b>	0	(0)	0	-	0	(0)	0	(0)
<b>ALLOCATED DEPRECIATION</b>	-	(0)	(0)	(0)	-	(0)	0	(0)
<b>DEPRECIATION EXPENSE</b>	2,077,569	2,229,745	2,479,588	2,403,093	2,626,806	2,523,354	223,713	(103,452)
<b>NET SURPLUS (DEFICIT) (after Depreciation)</b>	<b>(1,110,617)</b>	<b>(644,600)</b>	<b>(804,091)</b>	<b>(464,888)</b>	<b>149,301</b>	<b>(1,666,732)</b>	<b>614,188</b>	<b>(1,816,033)</b>
<b>NON-OP (GENERAL)</b>								
NON-OP REV (General)	1,161,512	2,134,327	474,143	360,683	443,011	596,711	82,327	153,700
NON-OP EXP (General)	387,122	(1,194,693)	107,500	297,386	344,820	433,594	47,435	88,774
<b>NON-OP (General) SURPLUS (DEFICIT)</b>	<b>774,390</b>	<b>3,329,020</b>	<b>366,643</b>	<b>63,298</b>	<b>98,191</b>	<b>163,117</b>	<b>34,893</b>	<b>64,926</b>
<b>NON-OP (CAPITAL)</b>								
NON-OP REV (Capital)	3,623,481	6,531,004	2,306,238	1,741,600	1,622,987	1,873,216	(118,613)	250,229
NON-OP EXP (Capital)	404,362	292,071	287,044	275,427	275,427	263,994	0	(11,433)
<b>NON-OP (Capital) SURPLUS (DEFICIT)</b>	<b>3,219,119</b>	<b>6,238,933</b>	<b>2,019,194</b>	<b>1,466,173</b>	<b>1,347,560</b>	<b>1,609,222</b>	<b>(118,613)</b>	<b>261,662</b>
<b>NET NON-OP SURPLUS (DEFICIT)</b>	<b>3,993,509</b>	<b>9,567,953</b>	<b>2,385,837</b>	<b>1,529,471</b>	<b>1,445,751</b>	<b>1,772,339</b>	<b>(83,720)</b>	<b>326,588</b>
<b>TOTAL NET SURPLUS (DEFICIT)</b>	<b>2,882,892</b>	<b>8,923,354</b>	<b>1,581,746</b>	<b>1,064,588</b>	<b>1,595,051</b>	<b>105,607</b>	<b>530,463</b>	<b>(1,489,445)</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.

### **2018 PROJECTED**

#### **Revenue Assumptions**

1. Dockage, Wharfage and Services/Facilities greater than budget due to additional cargo activities (log exports) at T3. Revenue based on budgeted export log volume of 84 million board feet, with year-end projections at 85.7 million board feet. The increased cargo based revenues are 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 and long term lay berth dockage.
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 budget Port facilities maintenance labor.
2. Outside Services include longshoremen labor used in support of chip barge operation (corresponding revenue recognized in MT handling).

### **2019 BUDGET**

#### **Revenue Assumptions**

1. Projected cargo activity in 2019 is based on 14 cargo vessel calls.
2. Marine Terminal tariff rates will be adjusted based on the results of the NWMTA Blended CPI Cost study with a floor of not less than 3.1%. This includes increases for Cargo Dockage, Vessel Repair Dockage, Wharfage, Service and Facilities Charges, Electrical Service Fee, Passenger Fee, Security Fee, and Fuel Handling Fee.
3. 60 tanker days for top-side repair, 14 log vessels and 84 million board feet of log exports are expected.
4. No cruise vessel calls in 2019.

#### **Expense Assumptions**

1. Outside Services - T3 dredging operating expense is estimated at \$1 million. Dredging has not been done in 40 years.
2. Under the category line item: Rent, Utilities, Insurance & Taxes - the total Port property insurance premium increased 13% as of July 1, 2018. MT received a proportionate share which results in \$20k of additional expense.

**Port of Port Angeles  
MARINE TERMINAL (MT - DEPT 11)  
2019 Budget**

	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2018 PROJECTED	2019 BUDGET	2018 Proj Over/(Under) 2018 Budget	2019 Budget Over/(Under) 2018 Proj
<b>OPERATING REVENUES</b>								
DOCKAGE	1,214,387	1,213,266	1,153,036	1,249,189	1,377,120	1,342,754	127,931	(34,366)
WHARFAGE	736,113	889,870	1,016,168	1,014,600	1,030,302	1,011,340	15,702	(18,962)
SERVICE & FACILITIES	440,540	539,137	615,374	710,040	653,820	638,812	(56,220)	(15,008)
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	2,240	0	14,025	0	125,373	202,200	125,373	76,827
LABOR SERVICES	202,160	176,358	169,344	173,124	277,936	257,922	104,812	(20,014)
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	13,224	3,027	6,443	22,800	32,546	22,800	9,746	(9,746)
EQUIPMENT RENTAL	24,855	26,503	15,163	12,000	19,709	15,265	7,709	(4,444)
LAND LEASE/RENT	46,960	57,096	51,485	46,126	58,251	59,957	12,125	1,706
STRUCTURE LEASE/RENT	142,405	180,319	201,014	207,780	217,063	227,679	9,283	10,616
USE AGMT AND OTHER RENT	2,046	8,270	9,205	8,268	5,758	8,650	(2,510)	2,892
UTILITY PASS THRU & PRODUCT SALES	136,525	83,419	87,610	70,000	60,824	81,000	(9,176)	20,176
MISC & INTERDEPT REVENUE	(3,741)	(4,253)	(3,511)	2,500	(9,709)	(9,954)	(12,209)	(244)
<b>TOTAL OPERATING REVENUES</b>	<b>2,957,713</b>	<b>3,173,011</b>	<b>3,335,355</b>	<b>3,516,427</b>	<b>3,848,992</b>	<b>3,858,425</b>	<b>332,565</b>	<b>9,433</b>
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	302,261	295,721	291,391	327,678	363,469	369,955	35,791	6,486
SUPPLIES	19,612	7,187	11,637	12,000	9,589	11,250	(2,411)	1,661
OUTSIDE SERVICES	86,579	20,490	129,323	152,480	222,350	1,169,050	69,870	946,700
PUBLIC INFORMATION	0	627	1,396	1,000	700	1,000	(300)	300
MARKETING	0	0	136	0	500	0	500	(500)
COMMUNITY RELATIONS	49	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	1,598	1,841	1,800	2,416	2,416	1,716	0	(700)
TRAVEL MEETINGS	845	1,002	2,965	3,000	1,000	1,500	(2,000)	500
TRAVEL/TRAINING	2,928	2,501	1,957	3,000	500	1,000	(2,500)	500
PROMOTIONAL HOSTING	3,164	1,098	4,879	5,000	1,500	2,500	(3,500)	1,000
RENT, UTILITIES, INSURANCE, TAXES	97,369	105,554	97,890	136,760	142,517	162,638	5,757	20,121
UTILITY (Pass Thru) & COST OF GOODS SOLD	84,596	62,680	66,006	58,333	50,649	67,500	(7,684)	16,851
OTHER EXPENSES (Misc & Interdept)	12,195	(15,039)	2,388	0	1,000	4,000	1,000	3,000
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	105,132	97,286	91,631	137,117	95,740	120,222	(41,377)	24,482
MAINTENANCE (Materials & Services)	19,440	17,502	19,938	24,000	17,325	22,000	(6,675)	4,675
<b>TOTAL OPERATING EXPENSES</b>	<b>735,768</b>	<b>598,449</b>	<b>723,336</b>	<b>862,784</b>	<b>909,255</b>	<b>1,934,331</b>	<b>46,471</b>	<b>1,025,076</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>2,221,945</b>	<b>2,574,562</b>	<b>2,612,019</b>	<b>2,653,643</b>	<b>2,939,737</b>	<b>1,924,094</b>	<b>286,095</b>	<b>(1,015,643)</b>
<b>ALLOCATED EXPENSES</b>	<b>393,969</b>	<b>323,374</b>	<b>314,231</b>	<b>402,048</b>	<b>461,636</b>	<b>851,339</b>	<b>59,588</b>	<b>389,702</b>
<b>ALLOCATED DEPRECIATION</b>	<b>14,228</b>	<b>11,655</b>	<b>11,119</b>	<b>11,520</b>	<b>15,218</b>	<b>26,307</b>	<b>3,698</b>	<b>11,089</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>275,249</b>	<b>296,285</b>	<b>403,110</b>	<b>375,810</b>	<b>504,916</b>	<b>599,233</b>	<b>129,106</b>	<b>94,317</b>
<b>OPERATING SURPLUS (DEFICIT) (after Depr)</b>	<b>1,538,499</b>	<b>1,943,248</b>	<b>1,883,560</b>	<b>1,864,265</b>	<b>1,957,967</b>	<b>447,215</b>	<b>93,702</b>	<b>(1,510,751)</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.
- Support maritime commerce and associated jobs through the development of the Marine Trades Industrial Park (MTIP).

### **2018 PROJECTED**

#### **Revenue Assumptions**

1. Equipment Rental, Travel-Lift & Hydro-wash, lower than expected activity.

#### **Expense Assumptions**

1. Outside Services is lower due to a budgeted line item not utilized as planned - Marine Trades Development Assistance.

### **2019 BUDGET**

#### **Revenue Assumptions**

1. Boatyard rates and fees adjusted not less than CPI of 3.0%.
2. Other User Fees include 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 Travel Lift Pier).

#### **Expense Assumptions**

1. Work will continue on the Wash-down Facility and storm water management.
2. Includes Marketing Expenses associated with participation in the Pacific Marine Expo. Additional efforts to market the Port's available waterfront industrial properties include attendance at the following: International Work Boat Show - New Orleans, LA; Marine Equipment Trade Show - Amsterdam, Netherlands; and Fort Lauderdale, FL International Boat Show (expenses are budgeted in Business Development Department).

**Port of Port Angeles**  
**MARINE TRADES AREA (MTA - DEPT 15)**  
**2019 Budget**

	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2018 PROJECTED	2019 BUDGET	2018 Proj Over/(Under) 2018 Budget	2019 Budget Over/(Under) 2018 Proj
<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	163,817	158,152	169,081	171,328	167,670	172,700	(3,658)	5,030
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	11,090	12,509	18,160	15,000	21,070	21,702	6,070	632
EQUIPMENT RENTAL	96,957	92,864	103,129	112,084	95,316	98,175	(16,768)	2,859
LAND LEASE/RENT	81,550	81,550	81,550	81,550	81,550	81,550	(0)	0
STRUCTURE LEASE/RENT	26,922	51,876	58,246	51,026	52,394	53,912	1,368	1,518
USE AGMT AND OTHER RENT	36,954	34,726	26,726	28,245	25,767	47,752	(2,478)	21,985
UTILITY PASS THRU & PRODUCT SALES	2,058	859	1,102	1,100	1,102	1,250	2	148
MISC & INTERDEPT REVENUE	252	(210)	(65)	500	1,500	1,500	1,000	0
<b>TOTAL OPERATING REVENUES</b>	<b>419,600</b>	<b>432,325</b>	<b>457,929</b>	<b>460,833</b>	<b>446,368</b>	<b>478,540</b>	<b>(14,465)</b>	<b>32,172</b>
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	64,706	91,780	110,625	79,969	77,336	163,160	(2,633)	85,824
SUPPLIES	8,510	2,411	3,262	3,000	7,565	3,100	4,565	(4,465)
OUTSIDE SERVICES	120,724	199,365	103,415	150,200	72,805	72,700	(77,395)	(105)
PUBLIC INFORMATION	2,100	125	0	0	900	900	900	0
MARKETING	140	6,175	2,600	5,000	4,050	5,000	(950)	950
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	215	0	0	600	600	650	0	50
TRAVEL MEETINGS	204	508	3,320	1,500	2,200	1,500	700	(700)
TRAVEL/TRAINING	0	0	0	10,000	1,000	2,000	(9,000)	1,000
PROMOTIONAL HOSTING	489	637	257	1,000	525	5,000	(475)	4,475
RENT, UTILITIES, INSURANCE, TAXES	27,716	35,044	43,688	43,836	36,475	37,075	(7,361)	600
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	1,000	1,000	1,000	0	0
OTHER EXPENSES (Misc & Interdept)	992	4,825	620	1,000	2,583	2,500	1,583	(83)
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	41,252	55,918	48,306	52,839	55,462	81,094	2,623	25,632
MAINTENANCE (Materials & Services)	19,508	25,447	15,438	18,000	25,000	31,000	7,000	6,000
<b>TOTAL OPERATING EXPENSES</b>	<b>286,553</b>	<b>422,235</b>	<b>331,532</b>	<b>367,944</b>	<b>287,501</b>	<b>406,678</b>	<b>(80,443)</b>	<b>119,177</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>133,047</b>	<b>10,090</b>	<b>126,397</b>	<b>92,889</b>	<b>158,867</b>	<b>71,862</b>	<b>65,978</b>	<b>(87,005)</b>
<b>ALLOCATED EXPENSES</b>	<b>172,537</b>	<b>255,208</b>	<b>158,537</b>	<b>183,391</b>	<b>154,040</b>	<b>185,003</b>	<b>(29,351)</b>	<b>30,964</b>
<b>ALLOCATED DEPRECIATION</b>	<b>6,233</b>	<b>9,198</b>	<b>5,619</b>	<b>5,255</b>	<b>5,078</b>	<b>5,717</b>	<b>(177)</b>	<b>639</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>64,050</b>	<b>63,920</b>	<b>65,399</b>	<b>63,241</b>	<b>66,660</b>	<b>66,659</b>	<b>3,419</b>	<b>(1)</b>
<b>OPERATING SURPLUS (DEFICIT) (after Depr)</b>	<b>(109,773)</b>	<b>(318,236)</b>	<b>(103,158)</b>	<b>(158,998)</b>	<b>(66,910)</b>	<b>(185,517)</b>	<b>92,088</b>	<b>(118,607)</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.
- To manage access to critical waterfront infrastructure to serve the economic interest of the Port district.

### **2018 PROJECTED**

#### **Revenue Assumptions**

1. Log Yard Staging is expected to be at or near EOY 2018 projections.
2. Log Yard Land Services are under budget due to reduced usage of LY handling (export volume).
3. Log Yard Water Service revenues are under budget due to decrease in log handling associated with rafting, round booming and dewatering.
4. Equipment rental is expected to be at or near EOY 2018 projections.

#### **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 and environmental costs associated with storm-water.

### **2019 BUDGET**

#### **Revenue Assumptions**

1. Rates for most log handling services (and fees) will increase by not less than the August 2018 CPI (CPI-U) of 3.0%.
2. Log Yard Land Services revenue anticipated to increase from EOY 2018 by \$40k due to increased activity at the Port's coffer dam.
3. Log Yard Water Services include 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 greater than EOY 2018 due to increased barge activity both inbound (from Canada) and outbound shipments to domestic customers.
4. Equipment Rental rate from loading equipment used at the marine terminal for on-dock cargo operations will be adjusted by not less than 3.1% with revenue based on 84 MMBF of log cargo volume.

#### **Expenditure Assumptions**

1. Workload will be accomplished with 6 FTE's and supported by FM and MM personnel as needed.
2. Promotional Hosting includes the annual Olympic Logging Conference.
3. Outside Services include \$10k for a condition assessment and replacement schedule for log handling equipment.
4. Log Yard expenses include materials required for boom-ground and aquatic storage maintenance (boomsticks).



**Port of Port Angeles  
LOG YARD (LY - DEPT 21)  
2019 Budget**

	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2018 PROJECTED	2019 BUDGET	2018 Proj Over/(Under) 2018 Budget	2019 Budget Over/(Under) 2018 Proj
<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	70,073	37,178	25,666	69,065	70,711	46,780	1,646	(23,931)
LOG YARD LAND SERVICES	593,812	1,279,681	1,419,622	1,538,120	1,442,722	1,483,062	(95,398)	40,340
LOG YARD WATER SERVICES	220,046	118,994	79,201	226,070	120,198	175,889	(105,872)	55,691
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	1,346	903	300	4,000	3,100	4,000	(900)	900
EQUIPMENT RENTAL	192,212	211,339	303,285	287,675	301,955	307,347	14,280	5,392
LAND LEASE/RENT	32,060	32,092	36,092	39,418	42,905	44,192	3,487	1,287
STRUCTURE LEASE/RENT	43,726	43,726	42,863	43,726	45,984	47,364	2,258	1,380
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	57,911	27,187	24,345	83,000	126,614	97,500	43,614	(29,114)
MISC & INTERDEPT REVENUE	13,506	35,424	(8,439)	40,700	(21,564)	(21,997)	(62,264)	(433)
<b>TOTAL OPERATING REVENUES</b>	<b>1,224,692</b>	<b>1,786,523</b>	<b>1,922,935</b>	<b>2,331,774</b>	<b>2,132,625</b>	<b>2,184,136</b>	<b>(199,149)</b>	<b>51,511</b>
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	553,244	639,359	735,628	824,394	713,595	729,141	(110,799)	15,546
SUPPLIES	98,339	130,036	156,988	161,600	164,250	164,500	2,650	250
OUTSIDE SERVICES	5,706	13,529	32,628	52,000	60,800	22,000	8,800	(38,800)
PUBLIC INFORMATION	157	1,125	57	0	0	0	0	0
MARKETING	1,500	1,986	1,844	1,500	1,500	1,500	0	0
COMMUNITY RELATIONS	0	1,000	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	0	604	3,604	0	0	0	0	0
TRAVEL MEETINGS	2,129	1,746	2,748	3,000	3,000	3,000	0	0
TRAVEL/TRAINING	1,461	6,151	2,619	3,000	4,800	3,000	1,800	(1,800)
PROMOTIONAL HOSTING	2,501	2,600	2,884	3,800	2,500	2,500	(1,300)	0
RENT, UTILITIES, INSURANCE, TAXES	106,344	119,111	172,056	129,002	114,188	116,587	(14,814)	2,399
UTILITY (Pass Thru) & COST OF GOODS SOLD	36,491	21,880	50,949	70,667	97,191	75,000	26,524	(22,191)
OTHER EXPENSES (Misc & Interdept)	9,424	2,901	13,120	27,120	2,400	2,000	(24,720)	(400)
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	156,390	205,477	233,144	231,879	211,038	224,354	(20,841)	13,316
MAINTENANCE (Materials & Services)	173,450	127,007	210,372	154,000	177,534	150,000	23,534	(27,534)
<b>TOTAL OPERATING EXPENSES</b>	<b>1,147,138</b>	<b>1,274,511</b>	<b>1,618,641</b>	<b>1,661,962</b>	<b>1,552,796</b>	<b>1,493,582</b>	<b>(109,166)</b>	<b>(59,214)</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>77,554</b>	<b>512,012</b>	<b>304,295</b>	<b>669,812</b>	<b>579,829</b>	<b>690,555</b>	<b>(89,983)</b>	<b>110,726</b>
<b>ALLOCATED EXPENSES</b>	<b>663,859</b>	<b>742,052</b>	<b>741,726</b>	<b>795,297</b>	<b>782,618</b>	<b>646,922</b>	<b>(12,679)</b>	<b>(135,696)</b>
<b>ALLOCATED DEPRECIATION</b>	<b>23,976</b>	<b>26,745</b>	<b>26,279</b>	<b>22,790</b>	<b>25,800</b>	<b>19,991</b>	<b>3,010</b>	<b>(5,809)</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>299,349</b>	<b>335,735</b>	<b>332,578</b>	<b>303,320</b>	<b>344,976</b>	<b>334,280</b>	<b>41,656</b>	<b>(10,696)</b>
<b>OPERATING SURPLUS (DEFICIT) (after Depr)</b>	<b>(909,630)</b>	<b>(592,519)</b>	<b>(796,289)</b>	<b>(451,595)</b>	<b>(573,564)</b>	<b>(310,638)</b>	<b>(121,969)</b>	<b>262,926</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.
- To provide aviation facilities and support for emergency response activities.

### **2018 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 over budget for the year due to increased occupancy of Port hangars.
4. Land & Structure leases expected to meet budget and have been steady since 2015.

#### **Expense Assumptions**

1. Lower than expected expenses primarily due to delay in tree removal until 2019.
2. Marketing efforts at NW Aviation Conference and Trade Show.
3. Utility meter review & changes result in higher pass-thru expenses to lease tenants.

### **2019 BUDGET**

#### **Revenue Assumptions**

1. Rates and fees are increased by CPI.
2. Increased rates from new FBO location in terminal building as well as increases in other leases.
3. Commercial passenger service carrier search continues, no anticipated revenue budgeted.
4. Former FBO location expected to generate additional revenue.

#### **Expense Assumptions**

1. \$105k marketing incentive removed from budget while carrier search continues.
2. Within the terms of the Port-City inter-local agreement, trees that threaten the Runway 26 glide path may be removed as necessary. It is estimated that approximately 77 trees will be removed in 2019 to satisfy the required removal for years 2018-2020.

**Port of Port Angeles**  
**FAIRCHILD INTL AIRPORT (FIA - DEPT 31)**  
**2019 Budget**

	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2018 PROJECTED	2019 BUDGET	2018 Proj Over/(Under) 2018 Budget	2019 Budget Over/(Under) 2018 Proj
<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	25	0	50	75	50	25
LANDING/PARKING FEES	6,265	6,709	6,864	7,242	7,328	7,500	86	172
HANGAR/TIE DOWN	77,431	86,336	96,207	89,964	103,900	107,000	13,936	3,100
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	6,365	5,032	6,378	0	4,958	5,100	4,958	142
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	32,953	33,045	33,261	33,261	44,426	43,904	11,165	(522)
STRUCTURE LEASE/RENT	86,721	86,721	86,721	87,141	85,174	110,602	(1,967)	25,428
USE AGMT AND OTHER RENT	57	0	0	5,111	2,000	0	(3,111)	(2,000)
UTILITY PASS THRU & PRODUCT SALES	6,151	10,305	10,795	10,889	12,257	12,502	1,368	245
MISC & INTERDEPT REVENUE	12,263	14,258	18,687	200	38,145	38,904	37,945	759
<b>TOTAL OPERATING REVENUES</b>	<b>228,205</b>	<b>242,406</b>	<b>258,938</b>	<b>233,808</b>	<b>298,238</b>	<b>325,587</b>	<b>64,430</b>	<b>27,349</b>
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	135,494	152,280	178,002	113,878	143,617	173,993	29,739	30,376
SUPPLIES	12,927	8,447	8,471	10,000	7,920	8,200	(2,080)	280
OUTSIDE SERVICES	183,044	34,596	105,270	193,640	39,974	263,000	(153,666)	223,026
PUBLIC INFORMATION	587	761	4,796	1,000	3,494	3,564	2,494	70
MARKETING	1,400	644	2,260	5,000	1,407	1,600	(3,593)	193
COMMUNITY RELATIONS	0	0	0	300	0	0	(300)	0
ADS, DUES & PUBLICATIONS	823	(221)	1,787	1,589	589	925	(1,000)	336
TRAVEL MEETINGS	188	573	6,066	500	1,496	1,200	996	(296)
TRAVEL/TRAINING	3,273	608	4,256	5,865	4,165	2,800	(1,700)	(1,365)
PROMOTIONAL HOSTING	216	98	491	0	49	2,000	49	1,951
RENT, UTILITIES, INSURANCE, TAXES	149,210	151,461	165,448	150,895	155,928	171,910	5,033	15,982
UTILITY (Pass Thru) & COST OF GOODS SOLD	6,466	10,364	10,786	8,329	10,294	10,500	1,965	206
OTHER EXPENSES (Misc & Interdept)	(3,163)	2,798	(7,192)	4,000	4,647	2,000	647	(2,647)
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	146,707	146,711	150,033	185,792	132,226	142,624	(53,566)	10,398
MAINTENANCE (Materials & Services)	18,055	12,672	17,688	67,550	25,718	32,000	(41,832)	6,282
<b>TOTAL OPERATING EXPENSES</b>	<b>655,227</b>	<b>521,793</b>	<b>648,163</b>	<b>748,338</b>	<b>531,524</b>	<b>816,315</b>	<b>(216,814)</b>	<b>284,791</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>(427,023)</b>	<b>(279,386)</b>	<b>(389,225)</b>	<b>(514,530)</b>	<b>(233,286)</b>	<b>(490,728)</b>	<b>281,244</b>	<b>(257,442)</b>
<b>ALLOCATED EXPENSES</b>	<b>362,259</b>	<b>275,117</b>	<b>259,098</b>	<b>348,362</b>	<b>269,615</b>	<b>333,291</b>	<b>(78,747)</b>	<b>63,676</b>
<b>ALLOCATED DEPRECIATION</b>	<b>13,965</b>	<b>11,106</b>	<b>10,802</b>	<b>10,598</b>	<b>9,238</b>	<b>11,356</b>	<b>(1,360)</b>	<b>2,117</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>450,416</b>	<b>489,978</b>	<b>511,233</b>	<b>529,829</b>	<b>538,475</b>	<b>522,218</b>	<b>8,646</b>	<b>(16,257)</b>
<b>OPERATING SURPLUS (DEFICIT) (after Depr)</b>	<b>(1,253,663)</b>	<b>(1,055,587)</b>	<b>(1,170,358)</b>	<b>(1,403,319)</b>	<b>(1,050,614)</b>	<b>(1,357,592)</b>	<b>352,705</b>	<b>(306,978)</b>

## **AIRPORT RENTAL PROPERTIES (ARP 33)**

The Airport Rental Property business line provides a wide range of industrial and commercial properties that support economic activities in both the public and private sector. Examples of these properties included land and buildings leased by an aerospace manufacturing company, local and state government entities, a not for profit carbon fiber recycling technology center and various other private businesses.

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.

### **2018 PROJECTED**

#### **Revenue Assumptions**

1. Airport Rental Properties revenues are under budget due to a delay in renewal of properties currently in lease negotiations.

#### **Expense Assumptions**

1. Outside Services is under budget due to broker services not being utilized as planned on 10.10 Building. Tenant is currently in holdover.
2. Maintenance work expected on 10.10 Building postponed as tenant is currently in holdover status.

### **2019 BUDGET**

#### **Revenue Assumptions**

1. Current tenant in 10.10 Building expected to vacate by 12-31-2018. It assumes that the 10.10-10.50 building will not generate revenue as the Port prepares the building for a potential new tenant.
2. Revenue increase expected due to the buildout and new lease with an existing tenant along with market rate adjustments for two other tenants.

#### **Expense Assumptions**

1. Broker services for the 10.10 building increased to an estimated \$176k to reflect market conditions and industry expectations.
2. Outside Services include a continuing effort to improve the aesthetics of the Port's airport business parks.

**Port of Port Angeles**  
**AIRPORT RENTAL PROPERTIES (ARP - DEPT 33)**  
**2019 Budget**

	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2018 PROJECTED	2019 BUDGET	2018 Proj Over/(Under) 2018 Budget	2019 Budget Over/(Under) 2018 Proj
<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	887	104	0	0	0	0	0
EQUIPMENT RENTAL	0	6,005	16,023	12,000	15,882	16,350	3,882	468
LAND LEASE/RENT	258,309	293,667	307,662	283,506	295,363	300,260	11,857	4,897
STRUCTURE LEASE/RENT	778,148	860,297	970,457	1,040,560	984,186	814,605	(56,374)	(169,581)
USE AGMT AND OTHER RENT	2,926	3,602	3,779	2,643	5,254	5,500	2,611	246
UTILITY PASS THRU & PRODUCT SALES	348	1,044	1,044	1,044	1,224	1,261	180	37
MISC & INTERDEPT REVENUE	0	5,052	(2,778)	7,000	16,640	36,360	9,640	19,720
<b>TOTAL OPERATING REVENUES</b>	<b>1,039,731</b>	<b>1,170,554</b>	<b>1,296,289</b>	<b>1,346,753</b>	<b>1,318,549</b>	<b>1,174,336</b>	<b>(28,204)</b>	<b>(144,213)</b>
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	74,642	58,267	90,729	111,970	128,475	150,817	16,505	22,342
SUPPLIES	20	1,370	2,754	1,000	8,441	2,850	7,441	(5,591)
OUTSIDE SERVICES	0	49,321	46,446	176,350	67,037	186,350	(109,313)	119,313
PUBLIC INFORMATION	0	0	0	200	293	300	93	7
MARKETING	0	2,432	5,450	2,000	5,226	10,000	3,226	4,774
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	0	112	118	4,500	4,259	4,500	(241)	241
TRAVEL MEETINGS	0	1,075	2,507	13,650	2,331	0	(11,319)	(2,331)
TRAVEL/TRAINING	0	226	0	0	0	0	0	0
PROMOTIONAL HOSTING	0	23	371	7,500	2,000	2,500	(5,500)	500
RENT, UTILITIES, INSURANCE, TAXES	69,000	83,696	84,318	99,712	98,643	108,927	(1,069)	10,284
UTILITY (Pass Thru) & COST OF GOODS SOLD	348	1,044	969	1,020	1,157	1,192	137	35
OTHER EXPENSES (Misc & Interdept)	496	257	238	250	0	250	(250)	250
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	61,689	76,621	67,950	98,395	132,888	138,697	34,493	5,809
MAINTENANCE (Materials & Services)	76,217	25,862	25,351	35,000	31,565	32,000	(3,435)	435
<b>TOTAL OPERATING EXPENSES</b>	<b>282,411</b>	<b>300,306</b>	<b>327,200</b>	<b>551,547</b>	<b>482,315</b>	<b>638,383</b>	<b>(69,232)</b>	<b>156,068</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>757,320</b>	<b>870,248</b>	<b>969,089</b>	<b>795,206</b>	<b>836,234</b>	<b>535,953</b>	<b>41,028</b>	<b>(300,281)</b>
<b>ALLOCATED EXPENSES</b>	<b>545,593</b>	<b>885,500</b>	<b>868,872</b>	<b>386,934</b>	<b>396,293</b>	<b>538,854</b>	<b>9,359</b>	<b>142,561</b>
<b>ALLOCATED DEPRECIATION</b>	<b>6,225</b>	<b>6,501</b>	<b>5,531</b>	<b>7,884</b>	<b>8,528</b>	<b>8,979</b>	<b>644</b>	<b>451</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>322,452</b>	<b>372,496</b>	<b>469,343</b>	<b>459,722</b>	<b>467,038</b>	<b>439,638</b>	<b>7,316</b>	<b>(27,400)</b>
<b>OPERATING SURPLUS (DEFICIT) (after Depr)</b>	<b>(116,950)</b>	<b>(394,248)</b>	<b>(374,658)</b>	<b>(59,334)</b>	<b>(35,625)</b>	<b>(451,518)</b>	<b>23,709</b>	<b>(415,893)</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.

### **2018 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.

### **2019 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 to assist with supervision and maintenance of the airport facilities.

**Port of Port Angeles  
SEKIU (SEK - DEPT 32)  
2019 Budget**

	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2018 PROJECTED	2019 BUDGET	2018 Proj Over/(Under) 2018 Budget	2019 Budget Over/(Under) 2018 Proj
<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	15,534	14,530	15,082	14,300	14,549	15,000	249	451
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	10	0	0	0	0	0	0	0
<b>TOTAL OPERATING REVENUES</b>	<b>16,144</b>	<b>15,130</b>	<b>15,682</b>	<b>14,900</b>	<b>15,149</b>	<b>15,600</b>	<b>249</b>	<b>451</b>
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	5,508	3,491	4,469	2,712	1,912	8,057	(800)	6,145
SUPPLIES	0	152	20	200	115	125	(85)	10
OUTSIDE SERVICES	4,861	3,600	3,600	3,600	3,600	3,600	0	0
PUBLIC INFORMATION	0	0	0	0	0	0	0	0
MARKETING	0	0	0	2,500	1,044	1,100	(1,456)	56
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	127	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	6,836	6,570	7,140	7,206	6,111	6,134	(1,095)	23
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	20	(14)	(8)	100	0	0	(100)	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	4,429	6,252	5,180	7,283	9,050	13,673	1,767	4,623
MAINTENANCE (Materials & Services)	148	762	274	3,750	1,500	3,000	(2,250)	1,500
<b>TOTAL OPERATING EXPENSES</b>	<b>21,803</b>	<b>20,813</b>	<b>20,802</b>	<b>27,351</b>	<b>23,332</b>	<b>35,689</b>	<b>(4,019)</b>	<b>12,357</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>(5,659)</b>	<b>(5,684)</b>	<b>(5,120)</b>	<b>(12,451)</b>	<b>(8,183)</b>	<b>(20,089)</b>	<b>4,268</b>	<b>(11,906)</b>
<b>ALLOCATED EXPENSES</b>	<b>12,482</b>	<b>11,232</b>	<b>8,458</b>	<b>12,876</b>	<b>12,069</b>	<b>14,761</b>	<b>(807)</b>	<b>2,692</b>
<b>ALLOCATED DEPRECIATION</b>	<b>481</b>	<b>453</b>	<b>353</b>	<b>392</b>	<b>414</b>	<b>503</b>	<b>22</b>	<b>89</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>(22,321)</b>	<b>(21,068)</b>	<b>(17,630)</b>	<b>(29,418)</b>	<b>(24,364)</b>	<b>(39,052)</b>	<b>5,054</b>	<b>(14,688)</b>

## **PORT ANGELES BOAT HAVEN (PABH 41)**

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

The objectives of the PABH are:

- To provide moorage facilities for both commercial and private vessels
- To enhance the amenities 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

### **2018 PROJECTED**

#### **Revenue Assumptions**

1. Moorage rates for all slips were increased by CPI plus 1% (3.3%), as approved by the Commission.
2. Other rates and fees increased by CPI.
3. Moorage (monthly, transient & non-tax) receipts expected to be above budget.

#### **Expense Assumptions**

1. Utility Pass-thru and Cost of Goods Sold expenses higher than budget due to increased moorage.
2. Port maintenance labor utilized for general miscellaneous tasks was less than original budget estimation.

### **2019 BUDGET**

#### **Revenue Assumptions**

1. Moorage rates for most slips will increase by CPI plus 3.0%; CPI plus 4% with a 7% cap for 50 foot slips and greater. All established rates as approved by the Commission.
2. Modest increase to annual launch ramp fee.
3. Moorage & Labor Services have previously included a contract with the U.S. Navy. With the 2018 construction of the U.S. Navy pier at the U.S. Coast Guard Air Station Port Angeles, the U.S. Navy vessels will no longer utilize the PABH for their long term moorage needs.  
The Port anticipates adding additional tenants to partially replace slips vacated by the U.S. Navy.
4. Other rates and fees increase by CPI.

#### **Expense Assumptions**

1. Includes joint marketing effort with PA Yacht Club for the 3<sup>rd</sup> annual Maritime Festival event.
2. Masco Petroleum will continue as the Port's agent in 2019.
3. Marketing budget remains at \$5k.



**Port of Port Angeles**  
**PORT ANGELES BOAT HAVEN (PABH - DEPT 41)**  
**2019 Budget**

	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2018 PROJECTED	2019 BUDGET	2018 Proj Over/(Under) 2018 Budget	2019 Budget Over/(Under) 2018 Proj
<b>OPERATING REVENUES</b>								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	17,383	29,290	1,924	2,000	1,452	1,496	(548)	44
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	4,589	9,072	7,500	6,200	6,383	(1,300)	183
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	1,076,205	1,071,536	1,121,851	1,093,215	1,172,815	1,235,984	79,600	63,169
MARINA & YARD FEES	38,427	41,984	35,035	42,500	40,000	41,200	(2,500)	1,200
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	480	0	14,610	22,000	20,160	20,765	(1,840)	605
EQUIPMENT RENTAL	13,300	7,175	1,025	1,010	970	999	(40)	29
LAND LEASE/RENT	5,095	6,885	7,407	7,390	13,746	14,158	6,356	412
STRUCTURE LEASE/RENT	3,256	11,040	28,705	32,588	27,281	28,099	(5,307)	818
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	132,658	147,226	151,224	153,881	158,405	163,157	4,524	4,752
MISC & INTERDEPT REVENUE	7,090	14,565	746	100	1,658	1,632	1,558	(27)
<b>TOTAL OPERATING REVENUES</b>	<b>1,293,893</b>	<b>1,334,291</b>	<b>1,371,598</b>	<b>1,362,184</b>	<b>1,442,687</b>	<b>1,513,873</b>	<b>80,503</b>	<b>71,186</b>
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	68,713	95,532	75,149	69,404	52,000	109,735	(17,404)	57,735
SUPPLIES	15,183	23,707	23,907	18,000	24,148	22,000	6,148	(2,148)
OUTSIDE SERVICES	180,419	199,054	284,805	323,750	323,024	323,750	(726)	726
PUBLIC INFORMATION	5,069	4,451	2,861	0	650	0	650	(650)
MARKETING	1,841	875	2,968	5,000	2,500	5,000	(2,500)	2,500
COMMUNITY RELATIONS	0	0	276	300	0	0	(300)	0
ADS, DUES & PUBLICATIONS	1,579	1,970	1,190	1,500	1,000	1,000	(500)	0
TRAVEL MEETINGS	0	146	14	500	0	500	(500)	500
TRAVEL/TRAINING	273	98	1,500	1,000	1,000	1,000	0	0
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	112,610	119,382	108,623	113,120	123,075	124,119	9,955	1,044
UTILITY (Pass Thru) & COST OF GOODS SOLD	94,950	105,845	108,449	117,569	132,003	135,952	14,434	3,949
OTHER EXPENSES (Misc & Interdept)	4,096	(371)	2,908	0	0	0	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	55,552	55,656	42,870	58,264	26,210	29,310	(32,054)	3,100
MAINTENANCE (Materials & Services)	22,172	22,657	11,256	26,000	7,207	11,500	(18,793)	4,293
<b>TOTAL OPERATING EXPENSES</b>	<b>562,456</b>	<b>629,001</b>	<b>666,776</b>	<b>734,407</b>	<b>692,817</b>	<b>763,866</b>	<b>(41,590)</b>	<b>71,049</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>731,437</b>	<b>705,289</b>	<b>704,822</b>	<b>627,777</b>	<b>749,870</b>	<b>750,007</b>	<b>122,093</b>	<b>137</b>
<b>ALLOCATED EXPENSES</b>	<b>285,149</b>	<b>314,828</b>	<b>370,837</b>	<b>308,283</b>	<b>301,526</b>	<b>286,350</b>	<b>(6,757)</b>	<b>(15,176)</b>
<b>ALLOCATED DEPRECIATION</b>	<b>10,298</b>	<b>11,347</b>	<b>13,142</b>	<b>8,834</b>	<b>9,940</b>	<b>8,849</b>	<b>1,106</b>	<b>(1,092)</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>350,343</b>	<b>356,222</b>	<b>381,194</b>	<b>379,153</b>	<b>392,708</b>	<b>333,779</b>	<b>13,555</b>	<b>(58,929)</b>
<b>OPERATING SURPLUS (DEFICIT) (after Depr)</b>	<b>85,647</b>	<b>22,892</b>	<b>(60,351)</b>	<b>(68,493)</b>	<b>45,696</b>	<b>121,030</b>	<b>114,189</b>	<b>75,334</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 waterfront facilities for area residents.
- To continue to explore new revenue opportunities and to generate an excess of receipts over expenditures to help fund Port activities and projects at the marina.
- To obtain a competitive return on the public investment in these facilities.

### **2018 PROJECTED**

#### **Revenue Assumptions**

1. Moorage rates for most slips increased by CPI plus 1% (3.3%) as approved by the Commission. Other rates and fees increase by CPI.
2. Moorage receipts and fuel sales higher than budget reflect increased recreational fishing activity (monthly & non-tax).

#### **Expense Assumptions**

1. Increased usage of credit card payment option results in higher than estimated processing fees.
2. Includes staff resources and public outreach expenses related to a purchase inquiry of the John Wayne Marina. These expenses were not included in the 2018 Budget.

### **2019 BUDGET**

#### **Revenue Assumptions**

1. Moorage rates for most slips will increase by CPI plus 3.0%; CPI plus 4% with a 7% cap for 50 foot slips and greater. All established rates as approved by the Commission.
2. Transient Rates to increase by CPI + 3.0%; Live-aboard fees to increase and a minimum vessel length for live-aboards established.
3. Modest increase to annual launch ramp fee. 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. Maintenance includes approximately \$30k for general repairs & maintenance by the Port Facilities Maintenance department to address the aging infrastructure.

**Port of Port Angeles**  
**JOHN WAYNE MARINA (JWM - DEPT 43)**  
**2019 Budget**

	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2018 PROJECTED	2019 BUDGET	2018 Proj Over/(Under) 2018 Budget	2019 Budget Over/(Under) 2018 Proj
<b>OPERATING REVENUES</b>								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	947	650	581	600	642	655	42	13
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	792,543	871,448	908,606	905,336	969,931	991,127	64,595	21,196
MARINA & YARD FEES	44,919	46,069	49,807	58,000	59,849	61,046	1,849	1,197
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	54,439	53,698	58,564	54,671	50,839	52,365	(3,832)	1,525
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	281,544	223,701	270,090	248,642	314,931	278,192	66,289	(36,739)
MISC & INTERDEPT REVENUE	(717)	3,082	2,150	2,500	3,500	3,500	1,000	0
<b>TOTAL OPERATING REVENUES</b>	<b>1,173,676</b>	<b>1,198,648</b>	<b>1,289,799</b>	<b>1,269,749</b>	<b>1,399,692</b>	<b>1,386,885</b>	<b>129,943</b>	<b>(12,808)</b>
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	356,223	357,943	370,342	346,268	371,044	409,012	24,776	37,968
SUPPLIES	11,109	9,102	16,234	14,329	15,013	15,334	684	321
OUTSIDE SERVICES	22,005	9,870	14,084	15,527	30,250	15,000	14,723	(15,250)
PUBLIC INFORMATION	2,418	1,429	1,818	1,000	11,150	2,000	10,150	(9,150)
MARKETING	319	267	843	5,000	0	5,000	(5,000)	5,000
COMMUNITY RELATIONS	0	0	591	0	5,000	5,000	5,000	0
ADS, DUES & PUBLICATIONS	638	1,592	1,084	1,500	1,500	1,500	0	0
TRAVEL MEETINGS	103	228	914	1,000	1,500	1,000	500	(500)
TRAVEL/TRAINING	348	98	0	1,000	0	0	(1,000)	0
PROMOTIONAL HOSTING	92	82	82	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	129,536	88,831	83,964	88,664	88,001	89,728	(663)	1,727
UTILITY (Pass Thru) & COST OF GOODS SOLD	224,592	176,589	216,134	203,397	242,247	214,092	38,850	(28,155)
OTHER EXPENSES (Misc & Interdept)	12,373	11,202	25,049	11,250	22,592	20,000	11,342	(2,592)
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	54,017	25,801	36,240	40,131	28,592	38,111	(11,539)	9,519
MAINTENANCE (Materials & Services)	32,705	24,856	14,704	27,000	14,649	14,500	(12,351)	(149)
<b>TOTAL OPERATING EXPENSES</b>	<b>846,477</b>	<b>707,891</b>	<b>782,081</b>	<b>756,066</b>	<b>831,538</b>	<b>830,277</b>	<b>75,472</b>	<b>(1,261)</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>327,199</b>	<b>490,757</b>	<b>507,718</b>	<b>513,683</b>	<b>568,154</b>	<b>556,608</b>	<b>54,471</b>	<b>(11,547)</b>
<b>ALLOCATED EXPENSES</b>	<b>390,615</b>	<b>320,932</b>	<b>270,466</b>	<b>276,213</b>	<b>316,837</b>	<b>281,001</b>	<b>40,624</b>	<b>(35,836)</b>
<b>ALLOCATED DEPRECIATION</b>	<b>14,107</b>	<b>11,567</b>	<b>9,729</b>	<b>7,915</b>	<b>10,445</b>	<b>8,683</b>	<b>2,530</b>	<b>(1,762)</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>213,700</b>	<b>214,978</b>	<b>217,198</b>	<b>206,545</b>	<b>207,281</b>	<b>118,345</b>	<b>736</b>	<b>(88,936)</b>
<b>OPERATING SURPLUS (DEFICIT) (after Depr)</b>	<b>(291,223)</b>	<b>(56,719)</b>	<b>10,325</b>	<b>23,010</b>	<b>33,592</b>	<b>148,578</b>	<b>10,581</b>	<b>114,986</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

### **2018 PROJECTED**

#### **Revenue Assumptions**

1. Rental Properties over budget due to market rate adjustments for some properties.

#### **Expense Assumptions**

1. Actual labor from Port facilities maintenance is less than the original budget estimation.
2. Expenses overall are below budget due to budgeting a higher amount than was actually needed for maintenance labor and materials.

### **2019 BUDGET**

#### **Revenue Assumptions**

1. Real Estate & Airport Manager concentrating efforts on Airport and Airport Business Park properties to maximize lease occupancy.

#### **Expense Assumptions**

1. Salaries decreased as a result of better alignment of staff time spent on properties recognized within their respective lines of business.

**Port of Port Angeles**  
**RENTAL PROPERTIES (RP - DEPT 61)**  
**2019 Budget**

	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2018 PROJECTED	2019 BUDGET	2018 Proj Over/(Under) 2018 Budget	2019 Budget Over/(Under) 2018 Proj
<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	246	684	0	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	186,970	56,694	75,596	45,366	72,082	79,128	26,716	7,046
STRUCTURE LEASE/RENT	34,460	20,316	26,616	27,876	34,670	35,818	6,794	1,148
USE AGMT AND OTHER RENT	25	175	7,684	100	0	0	(100)	0
UTILITY PASS THRU & PRODUCT SALES	26,379	1,620	1,620	2,000	3,444	3,550	1,444	106
MISC & INTERDEPT REVENUE	0	457	53	0	500	500	500	0
<b>TOTAL OPERATING REVENUES</b>	<b>248,081</b>	<b>79,947</b>	<b>111,569</b>	<b>75,342</b>	<b>110,696</b>	<b>118,996</b>	<b>35,354</b>	<b>8,300</b>
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	53,635	96,023	124,420	72,225	98,491	46,241	26,266	(52,250)
SUPPLIES	666	186	1,069	1,000	43	200	(957)	157
OUTSIDE SERVICES	20,721	7,780	26,500	8,000	6,083	6,500	(1,917)	417
PUBLIC INFORMATION	764	0	0	0	0	0	0	0
MARKETING	0	0	1,699	2,000	0	0	(2,000)	0
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS - 61	1,017	285	2,165	2,635	1,930	2,240	(705)	310
TRAVEL MEETINGS	0	0	174	5,000	2,000	500	(3,000)	(1,500)
TRAVEL/TRAINING - 61	3,366	965	2,189	6,180	6,000	4,780	(180)	(1,220)
PROMOTIONAL HOSTING	0	0	0	0	200	250	200	50
RENT, UTILITIES, INSURANCE, TAXES	29,041	22,506	20,702	21,216	21,872	22,341	656	469
UTILITY (Pass Thru) & COST OF GOODS SOLD	23,867	0	0	0	3,444	3,550	3,444	106
OTHER EXPENSES (Misc & Interdept)	526	(802)	166	0	0	0	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	35,986	18,505	5,657	38,273	8,486	8,800	(29,787)	314
MAINTENANCE (Materials & Services)	7,471	6,911	581	10,000	3,000	4,000	(7,000)	1,000
<b>TOTAL OPERATING EXPENSES</b>	<b>177,061</b>	<b>152,360</b>	<b>185,320</b>	<b>166,529</b>	<b>151,549</b>	<b>99,402</b>	<b>(14,980)</b>	<b>(52,147)</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>71,020</b>	<b>(72,413)</b>	<b>(73,751)</b>	<b>(91,187)</b>	<b>(40,853)</b>	<b>19,594</b>	<b>50,334</b>	<b>60,447</b>
<b>ALLOCATED EXPENSES</b>	<b>93,424</b>	<b>92,089</b>	<b>88,521</b>	<b>83,228</b>	<b>79,630</b>	<b>43,712</b>	<b>(3,598)</b>	<b>(35,918)</b>
<b>ALLOCATED DEPRECIATION</b>	<b>3,374</b>	<b>3,319</b>	<b>3,138</b>	<b>2,385</b>	<b>2,625</b>	<b>1,351</b>	<b>240</b>	<b>(1,274)</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>5,424</b>	<b>4,542</b>	<b>10,123</b>	<b>4,200</b>	<b>13,767</b>	<b>13,768</b>	<b>9,567</b>	<b>1</b>
<b>OPERATING SURPLUS (DEFICIT) (after Depr)</b>	<b>(31,202)</b>	<b>(172,363)</b>	<b>(175,532)</b>	<b>(181,000)</b>	<b>(136,875)</b>	<b>(39,237)</b>	<b>44,126</b>	<b>97,638</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 \$4 million:

- 5 - Log stackers
- 4 - 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.

### **2018 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.

### **2019 BUDGET**

#### **Expense Assumptions**

1. Workload will to be accomplished with 2 FTE's.
2. Outside Services, including residual waste disposal from the used-oil-driven shop heater (recycles used engine oil from vehicles and equipment, reduces disposal expense overall) and laundry services, are expected to be similar to 2018.
3. Supplies purchased for MM are to replace aging equipment and improve safety & efficiency of daily tasks. There are no major purchases anticipated in 2019.

Port of Port Angeles  
MECHANICAL MAINTENANCE (MM - DEPT 91)  
2019 Budget

	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2018 PROJECTED	2019 BUDGET	2018 Proj Over/(Under) 2018 Budget	2019 Budget Over/(Under) 2018 Proj
<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	36,806	42,298	15,186	15,110	18,353	19,174	3,243	821
SUPPLIES	24,834	30,853	41,178	38,756	45,951	40,000	7,195	(5,951)
OUTSIDE SERVICES	13,212	18,628	15,752	10,100	8,954	10,100	(1,146)	1,146
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	939	0	0	0	0	0	0	0
TRAVEL MEETINGS	204	0	0	0	0	0	0	0
TRAVEL/TRAINING	2,869	1,641	727	1,000	50	500	(950)	450
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	20,475	15,735	19,008	18,207	20,992	21,384	2,785	392
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	228	0	145	250	0	250	(250)	250
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	21,760	30,770	30,673	44,815	37,851	36,487	(6,964)	(1,364)
MAINTENANCE (Materials & Services)	8,750	14,722	5,844	7,000	9,010	9,000	2,010	(10)
<b>TOTAL OPERATING EXPENSES</b>	<b>130,077</b>	<b>154,646</b>	<b>128,514</b>	<b>135,238</b>	<b>141,161</b>	<b>136,895</b>	<b>5,923</b>	<b>(4,266)</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>(130,077)</b>	<b>(154,646)</b>	<b>(128,514)</b>	<b>(135,238)</b>	<b>(141,161)</b>	<b>(136,895)</b>	<b>(5,923)</b>	<b>4,266</b>
<b>ALLOCATED EXPENSES</b>	<b>(130,077)</b>	<b>(154,646)</b>	<b>(128,513)</b>	<b>(135,238)</b>	<b>(141,161)</b>	<b>(136,895)</b>	<b>(5,923)</b>	<b>4,266</b>
<b>ALLOCATED DEPRECIATION</b>	<b>(26,866)</b>	<b>(27,563)</b>	<b>(18,390)</b>	<b>(14,683)</b>	<b>(15,294)</b>	<b>(15,415)</b>	<b>(611)</b>	<b>(121)</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>26,866</b>	<b>27,563</b>	<b>18,390</b>	<b>14,683</b>	<b>15,294</b>	<b>15,415</b>	<b>611</b>	<b>121</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 and Sekiu Airports, 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.

### **2018 PROJECTED**

#### **Expense Assumptions**

1. Hired Facilities Supervisor to oversee FM department. Salary and wages over by \$30K due to both FM Supervisor and Public Works Manager being allocated to FM. Public Works Manager will be allocated to Admin in 2019.
2. Maintenance Labor utilized for a number of Capital projects which included the construction of the PABH Laundry Facility and demolition of four aging Port rental property buildings.
3. FM activities through the end of year will include routine and seasonal maintenance and purchase of small tools.

### **2019 BUDGET**

#### **Expense Assumptions**

1. Workload will to be accomplished with 9 FTE's.
2. Capitalized labor cost will decrease from EOY 2018 to \$40k.
3. FM assistance with LY Operations continues based on need. FM Labor services also continue to assist with LY dust control, bark and rock hauling.
4. Maintenance costs vary across departments, generally following trend, but punctuated with larger maintenance projects. These projects include landscaping at various Port owned rental properties, Airport Rental Properties (ARP) parking lot seal coat and re-striping, and JWM maintenance to concrete sidewalk repairs.
5. 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, 14" bucket for mini excavator, and a PEX expansion tool.



**Port of Port Angeles**  
**FACILITIES MAINTENANCE (FM - DEPT 92)**  
**2019 Budget**

	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2018 PROJECTED	2019 BUDGET	2018 Proj Over/(Under) 2018 Budget	2019 Budget Over/(Under) 2018 Proj
<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	91,325	83,863	75,848	55,554	86,374	62,477	30,820	(23,897)
SUPPLIES	36,338	36,431	27,883	30,550	38,000	35,650	7,450	(2,350)
OUTSIDE SERVICES	6,235	7,440	11,568	11,700	10,022	10,800	(1,678)	778
PUBLIC INFORMATION	0	265	137	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	1,932	1,336	517	2,000	2,000	2,000	0	0
TRAVEL MEETINGS	134	258	152	500	0	500	(500)	500
TRAVEL/TRAINING	4,556	8,338	3,452	6,350	2,800	6,500	(3,550)	3,700
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	19,947	21,715	22,964	22,200	24,520	24,998	2,320	478
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	2,919	4,171	3,113	5,000	5,500	5,500	500	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	70,642	52,926	62,351	30,895	44,980	66,282	14,085	21,302
MAINTENANCE (Materials & Services)	28,522	9,540	20,936	20,750	16,249	15,000	(4,501)	(1,249)
<b>TOTAL OPERATING EXPENSES</b>	<b>262,549</b>	<b>226,283</b>	<b>228,922</b>	<b>185,498</b>	<b>230,445</b>	<b>229,706</b>	<b>44,947</b>	<b>(739)</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>(262,549)</b>	<b>(226,283)</b>	<b>(228,922)</b>	<b>(185,498)</b>	<b>(230,445)</b>	<b>(229,706)</b>	<b>(44,947)</b>	<b>739</b>
<b>ALLOCATED EXPENSES</b>	<b>(302,947)</b>	<b>(226,282)</b>	<b>(228,922)</b>	<b>(185,498)</b>	<b>(230,445)</b>	<b>(229,706)</b>	<b>(44,947)</b>	<b>739</b>
<b>ALLOCATED DEPRECIATION</b>	<b>0</b>	<b>(34,983)</b>	<b>(35,286)</b>	<b>(32,083)</b>	<b>(34,402)</b>	<b>(34,403)</b>	<b>(2,319)</b>	<b>(1)</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>40,399</b>	<b>34,983</b>	<b>35,286</b>	<b>32,083</b>	<b>34,402</b>	<b>34,403</b>	<b>2,319</b>	<b>1</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>

## **ECONOMIC & BUSINESS DEVELOPMENT (BD 81)**

Business development focuses on the strategic priorities of the Port to further economic growth in Clallam County by identifying new opportunities, creating diversification for more resiliency and supporting targeted industries with a focus on industries that provide living wage jobs.

The objectives of business development activity are:

- To increase industrial activity through targeted marketing of Port assets and capabilities.
- To partner with public, non-profit and private entities to create synergies and leverage community assets.

Maintaining and improving relations between the Port and its customers and potential targeted customers is a core aspect of expanding existing business and creating new business. Each line of business has a set of activities related to taking care of their existing business and customers. This department is for activities that go beyond taking care of the Port's existing business lines. Promotional Hosting can only be used for the public purpose of furthering the local economy through expanding industrial development and trade promotion as stipulated by R.C.W. 53.36.130 and as supported by the Port's Strategic Plan.

### **2018 PROJECTED**

#### **Expense Assumptions**

1. The Business Development department has been in transition. Most expenses under due to transition which resulted in a shift of resources.
2. Other Expenses is higher than budget because some economic development incentives were inadvertently not budgeted.

### **2019 BUDGET**

#### **Expense Assumptions**

1. Salaries & Benefits show an increase from 2018 Budget due to recruitment of a new maritime position to focus on development of the Marine Trades Industrial Park (MTIP).
2. Outside Services include: support for development of MTIP; market analysis and grant writing for new opportunities; support for other economic development entities Economic Development Council (EDC), Small Business Development Center (SBDC), North Olympic Peninsula Development (NODC)); feasibility of recycled carbon fiber and thermally modified hemlock project; continued work on sustainable harvests and advanced wood products; increased efforts on communications outreach. See Supplemental Information for schedule on Consulting and Special Projects.
3. Travel reflects on increase due to attendance at three marine trade shows (International Work Boat Amsterdam, Work Boat New Orleans, International Boat Show Florida) and JEC Composites show Paris.
4. Other Expenses represent economic development incentives for discounted building rent to Peninsula College at CRTC and discounted oven equipment rental for CRTC.

**Port of Port Angeles**  
**ECONOMIC & BUSINESS DEVELOPMENT (BD - DEPT 81)**  
**2019 Budget**

	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2018 PROJECTED	2019 BUDGET	2018 Proj Over/(Under) 2018 Budget	2019 Budget Over/(Under) 2018 Proj
<b>OPERATING EXPENSES</b>								
SALARIES, BENEFITS & INTERDEPT CHRGS	169,613	164,022	45,665	45,956	30,563	107,009	(15,393)	76,446
SUPPLIES	892	5,978	(49)	100	0	0	(100)	0
OUTSIDE SERVICES	272,204	671,498	871,305	151,000	102,000	267,000	(49,000)	165,000
PUBLIC INFORMATION	12,334	26,375	36,592	12,388	20,000	16,000	7,612	(4,000)
MARKETING	10,985	16,383	11,156	12,000	7,500	7,000	(4,500)	(500)
COMMUNITY RELATIONS	0	0	20	5,000	0	0	(5,000)	0
ADS, DUES & PUBLICATIONS	13,038	5,277	900	9,800	1,750	6,150	(8,050)	4,400
TRAVEL MEETINGS	17,681	6,952	10,924	3,000	10,000	33,900	7,000	23,900
TRAVEL/TRAINING	3,573	10,912	2,547	0	5,000	5,000	5,000	0
PROMOTIONAL HOSTING	5,303	2,833	1,276	7,500	3,000	5,000	(4,500)	2,000
RENT, UTILITIES, INSURANCE, TAXES	987	2,695	428	0	0	0	0	0
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	0	28,043	47,100	0	47,100	41,703	47,100	(5,397)
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	2,795	0	0	0	0	0	0	0
MAINTENANCE (Materials & Services)	1,045	3,000	9	0	0	0	0	0
<b>TOTAL OPERATING EXPENSES</b>	<b>510,449</b>	<b>943,968</b>	<b>1,027,871</b>	<b>246,744</b>	<b>226,913</b>	<b>488,762</b>	<b>(19,831)</b>	<b>261,849</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>(510,449)</b>	<b>(943,968)</b>	<b>(1,027,871)</b>	<b>(246,744)</b>	<b>(226,913)</b>	<b>(488,762)</b>	<b>19,831</b>	<b>(261,849)</b>
<b>ALLOCATED EXPENSES</b>	<b>(510,449)</b>	<b>(943,968)</b>	<b>(1,027,871)</b>	<b>(246,744)</b>	<b>(226,913)</b>	<b>(488,762)</b>	<b>19,831</b>	<b>(261,849)</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 ACTUAL	2018 Budget	2018 Projected	2019 Budget
<b>Gross Operating Revenue Budget</b>		<b>8,601,734</b>	<b>9,432,835</b>	<b>10,060,095</b>	<b>10,611,770</b>	<b>11,012,997</b>	<b>11,056,379</b>
. \$0 to \$2,500,000	1.00%	25,000	25,000	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	12,500	12,500
. Excess over \$5,000,000	0.25%	9,004	11,082	12,650	14,029	15,032	15,141
<b>Allowed Promotional Hosting per RCW</b>		<b>46,504</b>	<b>48,582</b>	<b>50,150</b>	<b>51,529</b>	<b>52,532</b>	<b>52,641</b>

	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 Budget	2018 Projected	2019 Budget
<b>Promotional Hosting by Line of Business</b>								
Marine Terminal	0	1,888	3,164	1,098	4,879	5,000	1,500	2,500
Marine Trades Area	0	0	489	637	257	1,000	525	5,000
Log Yard	1,981	3,535	2,501	2,600	2,884	3,800	2,500	2,500
Fairchild International Airport & Airport Rental Prop.	0	55	216	122	862	7,500	2,049	4,500
Business Development	5,248	1,513	5,303	2,833	1,276	7,500	3,000	5,000
<b>Total Promotional Hosting</b>	<b>7,229</b>	<b>6,991</b>	<b>11,672</b>	<b>7,289</b>	<b>10,158</b>	<b>24,800</b>	<b>9,574</b>	<b>19,500</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 ACTUAL	2018 Budget	2018 Projected	2019 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	7,709	9,500	7,677	12,700
Marine Trades Area & Log Yard	0	0	1,640	8,161	4,444	6,500	5,550	6,500
Port Angeles Boat Haven & John Wayne Marina	0	300	2,160	1,142	3,811	10,000	2,500	10,000
Rental Properties	0	0	0	0	1,699	2,000	0	0
Administration	175	0	0	2,406	885	0	1,000	1,000
Business Development	17,255	12,094	10,985	16,383	11,156	12,000	7,500	7,000
<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>29,705</b>	<b>40,000</b>	<b>24,227</b>	<b>37,200</b>

In addition to the above, the Port contracts for Economic Development Services (currently) & CRTC in Outside Services (ended 2017)

Economic Development Corporation	25,000	25,000	25,000	30,000	30,000	40,000	40,000	40,000
CRTC	n/a	n/a	97,500	615,000	615,000	n/a	n/a	n/a

## **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 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.

### **2018 PROJECTED**

#### **Expense Assumptions**

1. Salaries and benefits combined are expected to be under budget due to staff transition, partial use of merit pool, and improved tracking of time for direct charging to other departments.
2. Outside services are under budget due to bringing legal services in-house and lower use of specialized consulting support (accounting software, regulatory, grant writing assistance). These savings were partially offset by increased information technology services due to transition.
3. Public information is over budget due to engaging federal legislative advocacy services that were not budgeted.

### **2019 BUDGET**

#### **Expense Assumptions**

1. Staffing costs reflect full year merit increases that were implemented in late 2018, addition of part-time administrative assistant to support increased communications, increase in public works oversight, benefit increases, cost of living increases, relocation expenses, and a non-represented merit pool of \$30k.
2. Outside services include a base level for legal, technology, general consulting, janitorial, etc. Additional project-based services include: \$15k for community outreach communication plan, \$50k for creation of 2020-2025 strategic plan; \$15k for HR job analysis and market data; \$25k grant writing assistance across multiple lines of businesses.
3. Public information includes community outreach and state/federal legislative advocacy.
4. Travel and Training is expected to be similar to 2018.
5. Rent, Utilities, Insurance and Taxes is expected to be similar to 2018.
6. Contingency budget of \$150k for Port-wide unanticipated expenses is approximately 1.5% of the Port's operating expenses.

**Port of Port Angeles  
ADMINISTRATION (ADMIN - DEPT 80)  
2019 Budget**

	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2018 PROJECTED	2019 BUDGET	2018 Proj Over/(Under) 2018 Budget	2019 Budget Over/(Under) 2018 Proj
<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	1,374,661	1,214,408	1,070,448	1,296,547	1,264,301	1,282,664	(32,246)	18,363
SUPPLIES	64,430	65,810	56,284	78,000	56,263	77,000	(21,737)	20,737
OUTSIDE SERVICES	291,022	344,323	251,279	349,420	313,584	408,360	(35,836)	94,776
PUBLIC INFORMATION	19,035	15,554	66,456	90,500	119,900	130,000	29,400	10,100
MARKETING	0	2,406	885	0	1,000	1,000	1,000	0
COMMUNITY RELATIONS	0	3,484	2,257	0	5,000	5,000	5,000	0
ADS, DUES & PUBLICATIONS	39,005	31,012	25,855	23,356	23,299	24,388	(57)	1,089
TRAVEL MEETINGS	14,083	17,639	20,682	23,200	17,500	22,000	(5,700)	4,500
TRAVEL/TRAINING	48,619	29,375	26,814	44,320	37,755	37,500	(6,565)	(255)
PROMOTIONAL HOSTING	54	555	0	0	30	0	30	(30)
RENT, UTILITIES, INSURANCE, TAXES	131,902	137,590	137,481	130,501	141,232	142,103	10,731	871
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	2,541	476	3,094	10,000	2,300	5,000	(7,700)	2,700
CONTINGENCY	0	0	0	150,000	150,000	150,000	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	21,906	22,979	22,774	23,708	31,480	27,855	7,772	(3,625)
MAINTENANCE (Materials & Services)	9,556	9,824	11,130	9,600	12,100	13,000	2,500	900
<b>TOTAL OPERATING EXPENSES</b>	<b>2,016,813</b>	<b>1,895,435</b>	<b>1,695,440</b>	<b>2,229,152</b>	<b>2,175,744</b>	<b>2,325,870</b>	<b>(53,408)</b>	<b>150,126</b>
<b>OPERATING SURPLUS (DEFICIT) (before Depr)</b>	<b>(2,016,813)</b>	<b>(1,895,435)</b>	<b>(1,695,440)</b>	<b>(2,229,152)</b>	<b>(2,175,744)</b>	<b>(2,325,870)</b>	<b>53,408</b>	<b>(150,126)</b>
<b>ALLOCATED EXPENSES</b>	<b>(2,016,813)</b>	<b>(1,895,435)</b>	<b>(1,695,440)</b>	<b>(2,229,152)</b>	<b>(2,175,744)</b>	<b>(2,325,870)</b>	<b>53,408</b>	<b>(150,126)</b>
<b>ALLOCATED DEPRECIATION</b>	<b>(25,622)</b>	<b>(29,345)</b>	<b>(32,037)</b>	<b>(30,808)</b>	<b>(37,590)</b>	<b>(41,917)</b>	<b>(6,782)</b>	<b>(4,327)</b>
<b>DEPRECIATION (includes donated assets)</b>	<b>25,622</b>	<b>29,345</b>	<b>32,037</b>	<b>30,808</b>	<b>37,590</b>	<b>41,917</b>	<b>6,782</b>	<b>4,327</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, 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.

## 2018 PROJECTED

### Revenue Assumptions

#### General:

1. Other taxes (timber harvest taxes) are slightly lower than budget due to unpredictable harvest activities.
2. Miscellaneous includes the 2010A bond rate subsidy which is lower due to the continued sequestration by United States Congress.
3. Grants are below budget because a Port Security Grant did not occur.
4. Passenger Facility Charges are difficult to predict since it depends on the number of passengers using charter services.
5. Gain (Loss) includes unrealized loss due to changes in market values.
6. Interest earnings are higher than budgeted due to the improved performance of the Local Government Investment Pool (LGIP). Interest earnings on bond investments are higher due to the maturation of a few bonds and reinvesting at higher rates.

#### Capital:

1. Property tax revenues are on track with budget.
2. Grant revenues are projected to be below budget due to the timing of grant related activities.

### Expense Assumptions

#### General:

1. Environmental expenses were higher than budget due to insurance litigation and other legal services related to environmental sites.

#### Capital:

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

## 2019 BUDGET

### Revenue Assumptions

#### General:

1. Interest earnings are projected to be similar to 2018. Although interest rates have been steadily climbing in the LGIP, the current economic conditions suggest that they may level out.
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:

1. The Port property tax levy will be increased in 2019 by the allowable 1% and assumes approximately \$118 million of new construction (as reported by the Clallam County Assessor).

### Expense Assumptions

#### General:

1. Environmental expenses are expected to be similar to 2018.
2. Misc. Expense includes \$70k funding for the Community Partner Program.

#### Capital:

1. Interest payments on LTGO (Limited Tax General Obligation) bonds are slightly lower than previous year forecasts due to the continued pay down of interest and principal.

Port of Port Angeles  
NON-OPERATING (NONOP - DEPT 90)  
2019 Budget

	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2018 PROJECTED	2019 BUDGET	2018 Proj Over/(Under) 2018 Budget	2019 Budget Over/(Under) 2018 Proj
<b>NON-OP GENERAL REVENUES</b>								
INTEREST EARNINGS	316,877	485,058	296,389	178,053	338,000	338,000	159,947	0
OTHER TAX RECEIPTS	144,015	219,760	201,551	120,480	100,000	179,700	(20,480)	79,700
MISC NON OP REVENUES	55,126	137,936	34,998	20,200	26,683	26,683	6,483	0
GRANTS - OPERATIONS	682,169	1,335,467	21,626	40,750	1,000	51,000	(39,750)	50,000
PASSENGER FACILITY CHARGES (PFC'S)	1,737	1,705	1,661	1,200	1,328	1,328	128	0
GAIN (LOSS) & SPECIAL ITEMS	(38,412)	(45,599)	(82,082)	0	(24,000)	0	(24,000)	24,000
<b>TOTAL NON-OP GENERAL REV</b>	<b>1,161,512</b>	<b>2,134,327</b>	<b>474,143</b>	<b>360,683</b>	<b>443,011</b>	<b>596,711</b>	<b>82,327</b>	<b>153,700</b>
<b>NON-OP GENERAL EXPENSES</b>								
ENVIRONMENTAL	300,055	(1,255,399)	26,879	222,386	279,000	336,594	56,615	57,594
MISC NON OP EXPENSE	87,067	60,706	80,621	75,000	65,820	97,000	(9,180)	31,180
<b>TOTAL NON-OP GENERAL EXP</b>	<b>387,122</b>	<b>(1,194,693)</b>	<b>107,500</b>	<b>297,386</b>	<b>344,820</b>	<b>433,594</b>	<b>47,435</b>	<b>88,774</b>
<b>NET NON-OP GENERAL SURPLUS (DEFICIT)</b>	<b>774,390</b>	<b>3,329,020</b>	<b>366,643</b>	<b>63,298</b>	<b>98,191</b>	<b>163,117</b>	<b>34,893</b>	<b>64,926</b>
<b>NON-OP CAPITAL REVENUES</b>								
PROPERTY TAX RECEIPTS	1,425,267	1,458,658	1,475,279	1,490,000	1,490,000	1,530,216	0	40,216
GRANTS - CAPITAL	2,198,214	5,072,346	830,959	251,600	132,987	343,000	(118,613)	210,013
<b>TOTAL NON-OP CAPITAL REV</b>	<b>3,623,481</b>	<b>6,531,004</b>	<b>2,306,238</b>	<b>1,741,600</b>	<b>1,622,987</b>	<b>1,873,216</b>	<b>(118,613)</b>	<b>250,229</b>
<b>NON-OP CAPITAL EXPENSES</b>								
BOND COSTS & INTEREST EXPENSE	404,362	292,071	287,044	275,427	275,427	263,994	-	(11,433)
<b>TOTAL NON-OP CAPITAL EXP</b>	<b>404,362</b>	<b>292,071</b>	<b>287,044</b>	<b>275,427</b>	<b>275,427</b>	<b>263,994</b>	<b>0</b>	<b>(11,433)</b>
<b>NET NON-OP CAPITAL SURPLUS (DEFICIT)</b>	<b>3,219,119</b>	<b>6,238,933</b>	<b>2,019,194</b>	<b>1,466,173</b>	<b>1,347,560</b>	<b>1,609,222</b>	<b>(118,613)</b>	<b>261,662</b>
<b>NET NON-OP SURPLUS (DEFICIT)</b>	<b>3,993,509</b>	<b>9,567,953</b>	<b>2,385,837</b>	<b>1,529,471</b>	<b>1,445,751</b>	<b>1,772,339</b>	<b>(83,720)</b>	<b>(3,761,779)</b>
<b>TOTAL NET SURPLUS (DEFICIT) (before Depr)</b>	<b>3,993,509</b>	<b>9,567,953</b>	<b>2,385,837</b>	<b>1,529,471</b>	<b>1,445,751</b>	<b>1,772,339</b>	<b>(83,720)</b>	<b>326,588</b>

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## **SECTION V**

### **CAPITAL BUDGET**

## CAPITAL BUDGET

The 2019 Capital Budget includes a 1-year Capital Projects Budget, a 5-year Capital Improvement Plan and a 6 to 20 year Capital Improvement Plan. The Capital Projects Budget is funded by a combination of grants, property tax surplus, operating surplus and reserves. Surplus from property taxes is net of general tax levies in excess of debt service expenditures. Surplus from Port operations results from the cumulative excess of revenues over expenses. The operating surplus that is transferred from the General Fund to the Capital Improvement Fund is the amount that exceeds the target fund balance for the General Fund. Periodically, the Port will also issue debt to fund projects.

### A. CAPITAL 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 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. Port agreed to complete within a lease or other agreement
  - 2. Receipt of outside grant funding.
  - 3. Project is critical to accomplishing a long-term Strategic Goal.
  - 4. 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 Capital Budget.
- D. Rated Projects: Following regulatory, committed and critical maintenance are the rated projects. These projects will be prioritized based on their total cumulative score. Commission and 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 from maintaining existing infrastructure to help staff determine if there is sufficient investment in maintaining existing infrastructure. The Port has approximately \$2,500,000 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 2023. Projects shown in future years do not commit the Port for funding. Each project will go through a more stringent prioritization analysis prior to being accepted in a current year Capital Budget.

## **C. 6 TO 20 YEAR CAPITAL IMPROVEMENT PLAN**

This list represents projects that are major capital investments that the Port will likely make within the next 6 to 20 years (2024 - 2039). These projects are primarily infrastructure replacement projects, but there are a few new development projects that represent high priority strategic investments. This plan is intended to be used as a planning tool to help balance current capital investments and debt with the large capital needs in the future.

*\*\*Continue to the next page\*\**

# 2019 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	2019 \$	Future Project \$	Jobs New/Retain	R.O.I. 5	E.B. 5	S.P. 5	Project Total	Cumulative Total (\$)
1	21-LY	LY Site Improvements	\$ 100,000	\$ 1,500,000	Regulatory					\$ 100,000
2	31-FIA	Master Plan Update (G)	\$ 7,000							\$ 107,000
3	80-AD	Capital Budget Contingency	\$ 200,000							\$ 307,000
4	11-MT	Terminal 3 Dredging	\$ 1,000,000							\$ 1,307,000
5	11-MT	Emergency Radio (G)	\$ 10,000							\$ 1,317,000
6	33-ARP	CMC Gate & Security Fence	\$ 150,000							\$ 1,467,000
7	33-ARP	MTIB Facility Improvements	250,000							\$ 1,717,000
8	41-PABH	Boat Launch Surveillance (G)	10,000							\$ 1,727,000
9	43-IWM	Oil Recycling Receptacle	10,000							\$ 1,737,000
10	31-FIA	Maint. Hangar Overhead Door	40,000							\$ 1,777,000
11	92-FM	FM Warehouse	\$ 200,000							\$ 1,977,000
12	33-ARP	Signs - N. Airport Business Park	\$ 30,000							\$ 2,007,000
13	41-PABH	Entrance Signs	\$ 50,000							\$ 2,057,000
14	11-MT	T1 / T3 Dock Repairs	500,000							\$ 2,557,000
15	31-FIA	Terminal & Hangar Roofs	100,000							\$ 2,657,000
16	43-IWM	Dumpster Enclosures	20,000							\$ 2,677,000
17	43-IWM	Fence Repairs	25,000							\$ 2,702,000
18	41-PABH	E. Parking Resurfacing	200,000							\$ 2,902,000
19	33-ARP	1010-1050 Remodel	50,000	\$ 500,000	5	5	2	5	17	\$ 2,952,000
20	15-MTA	B.Y. Fabric Structure	\$ 150,000		2	4	4	4	16	\$ 3,102,000
21	15-MTA	Container Work Area	20,000		2	4	4	4	16	\$ 3,122,000

Committed

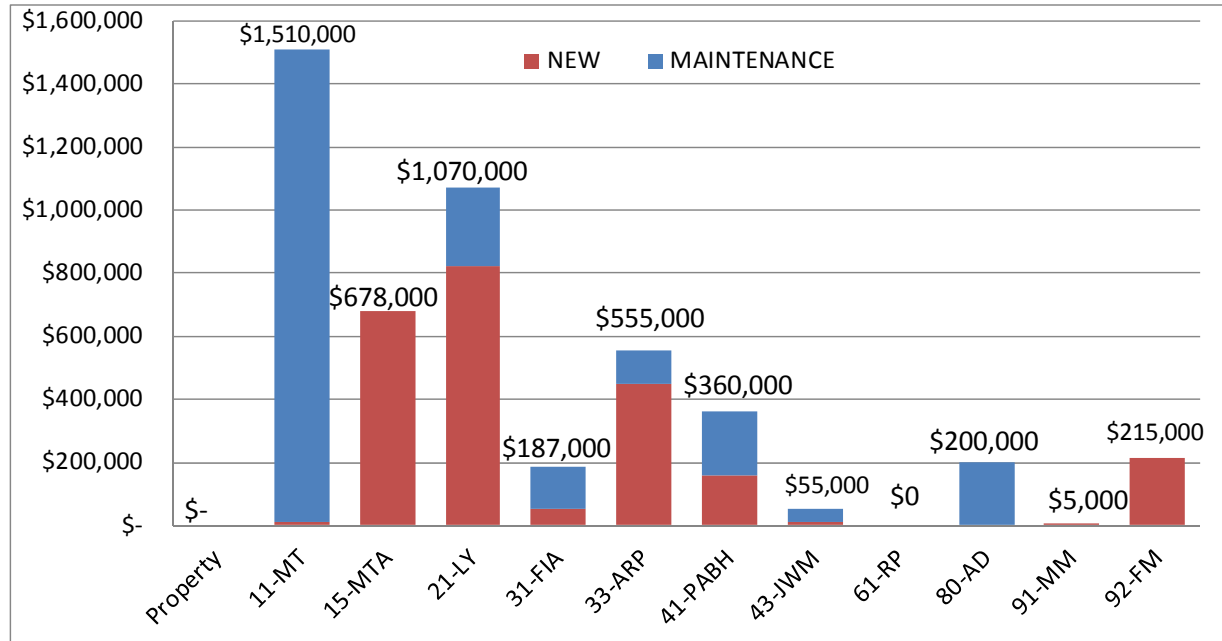
Critical Maintenance

Rated

#	DEPT.	PROJECT	2019 \$	Future Project \$	Jobs New/Retain 5	R.O.I. 5	E.B. 5	S.P. 5	Project Total	Cumulative Total (\$)
22	41-PABH	3-phase power (K - L)	\$ 100,000		2	2	4	3	5	\$ 3,222,000
23	15-MTA	MTIP Wash Down Facility (G)	\$ 185,000		5		2	3	5	\$ 3,407,000
24	15-MTA	MTIP Work Pads (Phase 1C)	\$ 300,000	\$ 5,000,000	5		2	3	5	\$ 3,707,000
25	15-MTA	Ductless Heat Pump	15,000		3		5	2	4	\$ 3,722,000
26	21-LY	Cofferdam Rehabilitation	250,000	\$ 1,200,000		5	2	3	4	\$ 3,972,000
27	21-LY	Stacker	700,000			3	4	3	3	\$ 4,672,000
28	31-FIA	Former Rite Bros. Remodel	\$ 25,000		3		4	2	4	\$ 4,697,000
29	21-LY	PUP Trailer	\$ 20,000			1	4	3	3	\$ 4,717,000
30	33-ARP	Fire Alarm Panel Replace	\$ 25,000			1	5	1	4	\$ 4,742,000
31	91-MM	Tire Machine	\$ 5,000			1	5	2	3	\$ 4,747,000
32	92-FM	Air Compressor	\$ 15,000			1	4	2	3	\$ 4,762,000
33	15-MTA	B.Y. Security Camera	\$ 8,000			1	2	3	4	\$ 4,770,000
34	33-ARP	Site Development	\$ 50,000	\$ 500,000	1		2	2	4	\$ 4,820,000
35	31-FIA	Aviation Art	\$ 15,000		1		1	1	3	\$ 4,835,000
		<b>Total 2019 Capital Budget =</b>	<b>\$ 4,835,000</b>							

**Totals by Category: Regulatory Mandated = \$107,000 / Committed = \$1,950,000 / Critical Maintenance = \$845,000 / Rated = \$1,933,000**

## 2019 CAPITAL EXPENDITURES BY DEPARTMENT



Dept.	Actual 2017	Budget 2018	Projected 2018	2019 New	2019 Maint.	2019 Total
Property	\$ 3,000		\$ -			\$ -
11-MT	\$ 2,358,842	\$ 2,090,000	\$ 2,645,783	\$ 10,000	\$ 1,500,000	\$ 1,510,000
15-MTA	\$ 157,245	\$ 250,000	\$ 2,253,243	\$ 678,000	\$ -	\$ 678,000
21-LY	\$ 550,460	\$ 425,000	\$ 714,434	\$ 820,000	\$ 250,000	\$ 1,070,000
31-FIA	\$ 632,645	\$ 57,000	\$ 55,000	\$ 55,000	\$ 132,000	\$ 187,000
33-ARP	\$ 981,426	\$ 1,005,000	\$ 175,000	\$ 450,000	\$ 105,000	\$ 555,000
41-PABH	\$ 197,361	\$ 135,000	\$ 67,993	\$ 160,000	\$ 200,000	\$ 360,000
43-JWM	\$ 87,057	\$ 60,000	\$ 42,026	\$ 10,000	\$ 45,000	\$ 55,000
61-RP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80-AD	\$ 72,277	\$ 365,000	\$ 237,833	\$ -	\$ 200,000	\$ 200,000
91-MM	\$ 6,082	\$ 7,000	\$ 7,320	\$ 5,000	\$ -	\$ 5,000
92-FM	\$ 37,137	\$ 50,000	\$ -	\$ 215,000	\$ -	\$ 215,000
<b>Total</b>	<b>\$ 5,083,532</b>	<b>\$ 4,444,000</b>	<b>\$ 6,198,632</b>	<b>\$ 2,403,000</b>	<b>\$ 2,432,000</b>	<b>\$ 4,835,000</b>

### 2019 OUTSIDE FUNDING

Project	Grantor	Port \$	Grant \$	Total \$
Wash-Down Treatment	Wa. St. Dept. of Commerce	\$ 185,000	\$ 15,000	\$ 200,000
Emergency Radio	Dept. of Homeland Security	\$ 10,000	\$ 30,000	\$ 40,000
FIA Master Plan Update	Federal Aviation Administration	\$ 7,000	\$ 126,000	\$ 140,000
	WSDOT Aviation		\$ 7,000	
Boat Launch Surveillance	Dept. of Homeland Security	\$ 10,000	\$ 30,000	\$ 40,000
<b>TOTAL 2019 GRANT FUNDS =</b>				<b>\$ 208,000</b>

## 2019 CAPITAL PROJECTS BY BUDGET

Dept.	Project Description	Port Funds	Grant Funds	Total
11-MT	Emergency Radio (G)	\$ 10,000	\$30,000	\$ 40,000
11-MT	T1 / T3 Dock Repairs	\$ 500,000		\$ 500,000
11-MT	* Terminal 3 Dredge	\$ 1,000,000		\$ 1,000,000
15-MTA	MTIP Wash Down Facility (G)	\$ 185,000	\$15,000	\$ 200,000
15-MTA	B.Y. Security Camera	\$ 8,000		\$ 8,000
15-MTA	MTIP Work Pads (Phase 1C Design)	\$ 300,000		\$ 300,000
15-MTA	B.Y. Fabric Structure	\$ 150,000		\$ 150,000
15-MTA	Container Work Area	\$ 20,000		\$ 20,000
15-MTA	Ductless Heat Pump	\$ 15,000		\$ 15,000
21-LY	Cofferdam Rehabilitation (Design)	\$ 250,000		\$ 250,000
21-LY	LY Site Improvements (Design)	\$ 100,000		\$ 100,000
21-LY	PUP Trailer	\$ 20,000		\$ 20,000
21-LY	Log Stacker	\$ 700,000		\$ 700,000
31-FIA	Master Plan Update (G)	\$ 7,000	\$133,000	\$ 140,000
31-FIA	Terminal & Hangar Roofs	\$ 100,000		\$ 100,000
31-FIA	Maint. Hangar Roll-up Door	\$ 40,000		\$ 40,000
31-FIA	Aviation Art	\$ 15,000		\$ 15,000
31-FIA	Former Rite Bros. Remodel	\$ 25,000		\$ 25,000
33-ARP	Fire Alarm Panel Replace	\$ 25,000		\$ 25,000
33-ARP	1010-1050 Remodel	\$ 50,000		\$ 50,000
33-ARP	CMC Gate & Security Fence	\$ 150,000		\$ 150,000
33-ARP	Signs - North Airport Business Park	\$ 30,000		\$ 30,000
33-ARP	MTIB Facility Improvements	\$ 250,000		\$ 250,000
33-ARP	Site Development (Planning)	\$ 50,000		\$ 50,000
41-PABH	Entrance Signs	\$ 50,000		\$ 50,000
41-PABH	E. Parking Lot Resurfacing	\$ 200,000		\$ 200,000
41-PABH	Boat Launch Surveillance (G)	\$ 10,000	\$30,000	\$ 40,000
41-PABH	3-phase power to K - L float	\$ 100,000		\$ 100,000
43-JWM	Dumpster Enclosures	\$ 20,000		\$ 20,000
43-JWM	Oil Recycling Receptacle	\$ 10,000		\$ 10,000
43-JWM	Fence Repairs	\$ 25,000		\$ 25,000
80-AD	Capital Budget Contingency	\$ 200,000		\$ 200,000
91-MM	Tire Machine	\$ 5,000		\$ 5,000
92-FM	FM Warehouse	\$ 200,000		\$ 200,000
92-FM	Air Compressor	\$ 15,000		\$ 15,000

**PROJECT TOTALS = \$4,835,000 \$208,000 \$5,043,000**

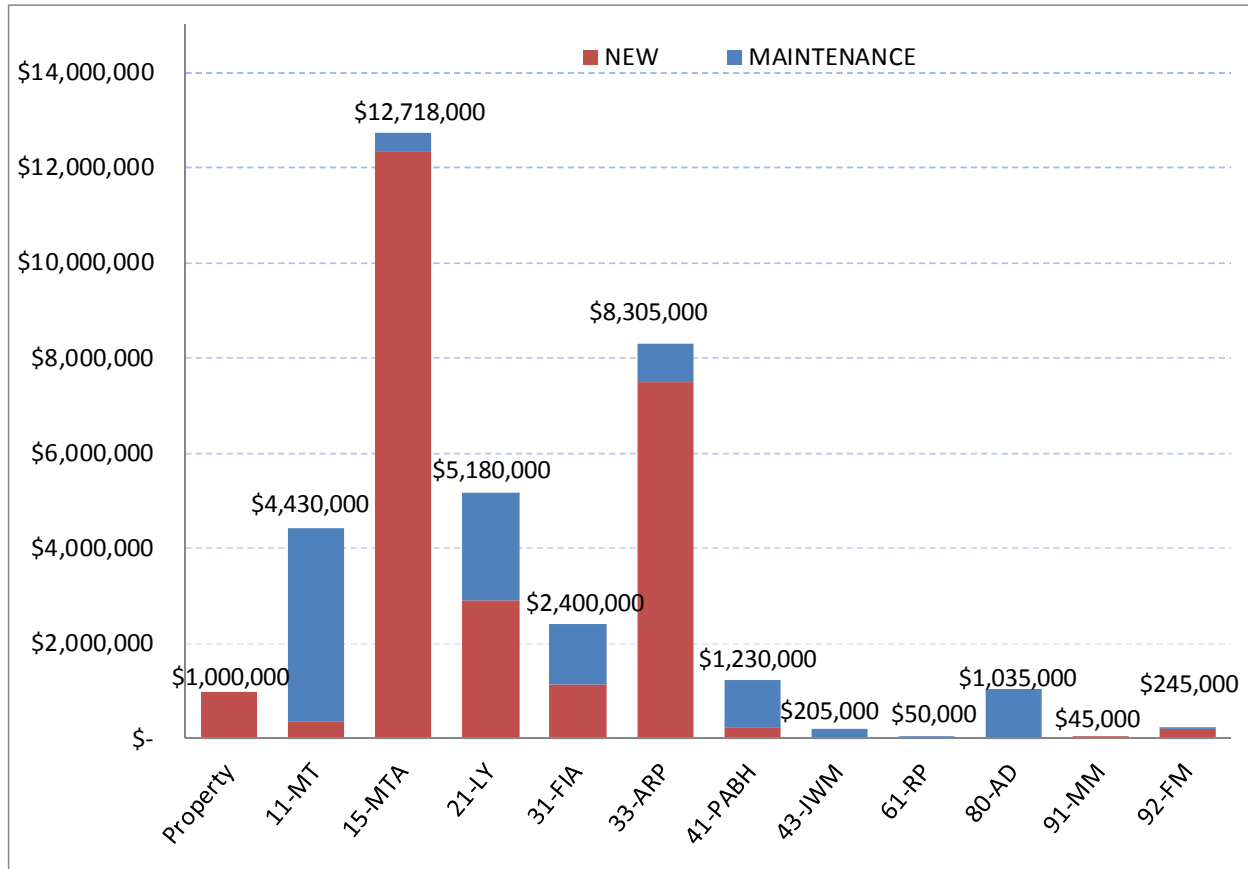
11-MT	*Terminal 3 Dredge - Operating Expense	\$ 1,000,000	\$0	\$ 1,000,000
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**CAPITAL PROJECT TOTALS = \$3,835,000 \$208,000 \$4,043,000**

G: Grant funding

\*Project cannot be capitalized, will show up as an operational expense and will be paid for by capital reserves

## 2019 - 2023 CAPITAL IMPROVEMENT PLAN BY DEPARTMENT



Dept.	New	Maintenance	Total
Property	\$ 1,000,000	\$ -	\$ 1,000,000
11-MT	\$ 355,000	\$ 4,075,000	\$ 4,430,000
15-MTA	\$ 12,308,000	\$ 410,000	\$ 12,718,000
21-LY	\$ 2,920,000	\$ 2,260,000	\$ 5,180,000
31-FIA	\$ 1,140,000	\$ 1,260,000	\$ 2,400,000
33-ARP	\$ 7,500,000	\$ 805,000	\$ 8,305,000
41-PABH	\$ 235,000	\$ 995,000	\$ 1,230,000
43-JWM	\$ 10,000	\$ 195,000	\$ 205,000
61-RP	\$ -	\$ 50,000	\$ 50,000
80-AD	\$ -	\$ 1,035,000	\$ 1,035,000
91-MM	\$ 45,000	\$ -	\$ 45,000
92-FM	\$ 215,000	\$ 30,000	\$ 245,000
<b>TOTAL =</b>	<b>\$ 25,728,000</b>	<b>\$ 11,115,000</b>	<b>\$ 36,843,000</b>



## 2019 - 2023 CAPITAL IMPROVEMENT PLAN

Dept.	Project Description	2019	2020	2021	2022	2023
	Industrial Prop. Acquisition		\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
11-MT	T3 Dredging	\$ 1,000,000				
11-MT	Emergency Radio (G)	\$ 10,000				
11-MT	T1 / T3 Dock Repairs	\$ 500,000				
11-MT	T3 Power Upgrades		\$ 50,000			
11-MT	Security Improvements			\$ 50,000		\$ 50,000
11-MT	T1 Warehouse Reconst.			\$ 350,000		\$ 2,000,000
11-MT	T1 Asphalt Resurfacing			\$ 50,000	\$ 50,000	\$ 50,000
11-MT	Replace Forklift		\$ 75,000			
11-MT	Entrance Sign			\$ 30,000		
11-MT	Marine Dr. Intersection (G)				\$ 15,000	\$ 150,000
15-MTA	MTIP Development (Ph. 2)				\$ 400,000	\$ 6,000,000
15-MTA	MTIP Wash Down Facility	\$ 185,000				
15-MTA	B.Y. Security Camera	\$ 8,000				
15-MTA	MTIP Work Pads (Ph. 1C)	\$ 300,000	\$ 5,000,000			
15-MTA	S.W. Conveyance Impts.		\$ 250,000			
15-MTA	B.Y. Fabric Structure	\$ 150,000				
15-MTA	Primary Power Upgrade				\$ 150,000	
15-MTA	Container Work Area	\$ 20,000		\$ 20,000		
15-MTA	Compactor / Enclosure			\$ 60,000		
15-MTA	B.Y. Utility Services			\$ 30,000		
15-MTA	B.Y. Building Upgrades				\$ 50,000	
15-MTA	B.Y. T.L. Pier Repairs		\$ 10,000	\$ 70,000		
15-MTA	Ductless Heat Pump	\$ 15,000				
21-LY	Cofferdam Rehab. (G)	\$ 250,000	\$ 1,200,000			
21-LY	Stormwater Treatment		\$ 500,000			
21-LY	LY Site Improvements	\$ 100,000	\$ 1,500,000			
21-LY	Relocate Banding Platform		\$ 30,000			
21-LY	Mooring Buoy		\$ 30,000	\$ 70,000		
21-LY	Replace Wheel Loader			\$ 350,000		

## 2019 - 2023 CAPITAL IMPROVEMENT PLAN (continued)

Dept.	Project Description	2019	2020	2021	2022	2023
21-LY	Boom Boat Repairs			\$ 30,000		
21-LY	Hydraulic Loader				\$ 400,000	
21-LY	PUP Trailer	\$ 20,000				
21-LY	Log Stacker	\$ 700,000				
31-FIA	Master Plan Update (G)	\$ 7,000				
31-FIA	Terminal & Hangar Roofs	\$ 100,000				
31-FIA	Maint. Hangar Door	\$ 40,000				
31-FIA	Aviation Art	\$ 15,000				
31-FIA	Former Rite Bros. Remodel	\$ 25,000				
31-FIA	Rehab. Runway 8/26 (G)		\$ 63,000		\$ 565,000	
31-FIA	Rehab. Taxiway "A" (G)				\$ 55,000	
31-FIA	26 Obst. E.A. (G)		\$ 35,000	\$ 10,000		
31-FIA	26 Obst. (G)				\$ 200,000	\$ 200,000
31-FIA	Hangar Building				\$ 70,000	\$ 1,000,000
31-FIA	Snow Removal Eqmnt. (G)				\$ 15,000	
33-ARP	Fire Alarm Panel Replace	\$ 25,000				
33-ARP	1010-1050 Remodel	\$ 50,000	\$ 500,000			
33-ARP	MTIB Facility Improvements	\$ 250,000				
33-ARP	Building Site Development	\$ 50,000	\$ 500,000		\$ 250,000	
33-ARP	Industrial Bldg. (25,000 s.f.)			\$ 300,000	\$ 6,000,000	
33-ARP	Misc. Building Impvts		\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
33-ARP	CMC Gate & Security Fence	\$ 150,000				
33-ARP	Signs (N.A.B.P)	\$ 30,000				
41-PABH	Tiny Stores (3)		\$ 75,000			
41-PABH	Entrance Signs	\$ 50,000				
41-PABH	E. Parking Resurfacing	\$ 200,000				
41-PABH	Boat Launch Surveillance (G)	\$ 10,000				
41-PABH	3-phase power (K - L)	\$ 100,000				
41-PABH	Fuel Float Replacement (G)		\$ 115,000	\$ 340,000	\$ 340,000	

## 2019 - 2023 CAPITAL IMPROVEMENT PLAN (continued)

Dept.	Project Description	2019	2020	2021	2022	2023
43-JWM	Slope Stabilization			\$ 50,000		
43-JWM	Replace Fuel Pumps			\$ 30,000		
43-JWM	Dumpster Enclosures	\$ 20,000		\$ 20,000		
43-JWM	Oil Recycling Receptacle	\$ 10,000				
43-JWM	Fence Repairs	\$ 25,000		\$ 25,000		\$ 25,000
61-RP	Misc. Building Impvts					\$ 50,000
80-AD	Replace parking lot asphalt			\$ 35,000		
80-AD	Capital Budget Contingency	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
91-MM	Equip. / Tools		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
91-MM	Tire Machine	\$ 5,000				
92-FM	FM Warehouse	\$ 200,000				
92-FM	Air Compressor	\$ 15,000				
92-FM	Equip. Trailer Replace			\$ 30,000		
Total	not including grant funds =	\$ 4,835,000	\$ 10,443,000	\$ 2,460,000	\$ 9,070,000	\$ 10,035,000
	TOTAL = (including grant funds)	\$ 5,043,000	\$11,393,310	\$ 2,907,776	\$16,807,776	\$11,985,000
	5 YEAR TOTAL = (not including grant funds)	\$ 36,843,000				
	5 YEAR TOTAL = (including grant funds)	\$ 48,136,862				
Cleanup Expenditures for Kply, Marine Trades Area and Harbor 2019 - 2023						
DEPT.	Project Description	2019	2020	2021	2022	2023
90-NO	KPLY (Total)	\$ 90,000	\$ 90,000	\$ 50,000	\$ 30,000	\$ 30,000
	KPLY (Port)	\$ -	\$ -			
90-NO	MTA (Total)	\$ 210,000	\$ 2,000,000	\$ 170,000	\$ 100,000	\$ 95,000
	MTA (Port)	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
90-NO	Former Kardlock (Total)	\$ 65,000	\$ 220,000	\$ 460,000	\$ 50,000	\$ 50,000
	Former Kardlock (Port)	\$ 5,000	\$ 15,000	\$ 30,000	\$ 10,000	\$ 10,000
90-NO	Harbor (Total)	\$ 700,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000
	Harbor (Port)	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
5 Year Total =		\$ 5,650,000				
* 5 Year Port Total =		\$ 145,000				
* Total Port funds anticipated after reimbursements received from other Potential Liabe Parties, insurance and grants. Port total includes legal / litigation regarding insurance and Port administrative staff time.						

## 2024 - 2039 CAPITAL IMPROVEMENT PLAN

DEPT.	Project Description	2018 \$	Project Year	Project Year \$	Purpose
21-LY	Barge Facility	\$ 3,500,000	2024	\$ 4,130,729	Jobs
33-ARP	Site Preparation for Building	\$ 1,500,000	2024	\$ 1,770,313	Jobs / ROI
11-MT	Terminal 3 Repairs	\$ 500,000	2024	\$ 590,104	Maint.
21-LY	Boom Boat Replace	\$ 250,000	2024	\$ 295,052	Maint.
21-LY	Equipment Replacement 1	\$ 1,000,000	2024	\$ 1,180,208	Maint.
43-JWM	Parking Lot Rehab. 1	\$ 400,000	2024	\$ 472,083	Maint.
21-LY	Street Sweeper	\$ 250,000	2025	\$ 303,314	Maint.
15-MTA	MTIP Development Phase 3	\$ 1,500,000	2025	\$ 1,819,881	Jobs / ROI
80-AD	Admin Building Maint.	\$ 250,000	2025	\$ 303,314	Maint.
92-FM	Equip. / Vehicle Replace 1	\$ 100,000	2025	\$ 121,325	Maint.
43-JWM	Connect to Sequim Sewer	\$ 730,000	2026	\$ 910,474	Maint.
43-JWM	Parking lot Rehab. 2	\$ 420,000	2026	\$ 523,835	Maint.
41-PABH	W. PABH Float / Pile Replace	\$ 9,500,000	2027	\$ 12,180,402	Maint.
41-PABH	Breakwater Rehabilitation	\$ 2,000,000	2027	\$ 2,564,295	Maint.
43-JWM	Admin. Building Maint.	\$ 750,000	2027	\$ 961,611	Maint.
33-ARP	Manufacturing Facility	\$ 7,500,000	2028	\$ 9,885,358	Jobs / ROI
15-MTA	Replace B.Y. Travel Lift	\$ 500,000	2029	\$ 677,477	Maint.
91-MM	Mech. Shop Maint. / Impts	\$ 100,000	2029	\$ 135,495	Maint.
15-MTA	MTIP Boat Lift Pier	\$ 7,000,000	2031	\$ 10,023,249	Jobs
21-LY	Equip. Replace 2	\$ 400,000	2031	\$ 572,757	Maint.
92-FM	Equip. / Vehicle Replace 2	\$ 100,000	2032	\$ 147,199	Maint.
11-MT	Terminal 1 Repairs	\$ 4,000,000	2033	\$ 6,052,805	Maint.
43-JWM	Float / Pile Replacement	\$ 12,900,000	2035	\$ 20,628,738	Maint.
43-JWM	Shoreline & Breakwater	\$ 1,000,000	2035	\$ 1,599,127	Maint.
21-LY	General Equip. Replace 3	\$ 1,200,000	2036	\$ 1,972,683	Maint.
92-FM	Equip. / Vehicle Replace 3	\$ 200,000	2037	\$ 337,986	Maint.
41-PABH	E. PABH Jetty Stabilization	\$ 2,000,000	2038	\$ 3,474,500	Maint.

**TOTAL = \$ 59,550,000**

**\$ 83,634,316**

R.O.I. = Return on Investment Annual Inflation Rate = 2.8% by Wa. St. Office of Financial Management

## **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 2019, there will be a one percent (1%) increase to the Port tax levy. The dollar increase to the Port's tax revenue (reflected below) includes 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 currently pays approximately \$35.81 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
2018	\$ 200,000	\$ 2,295.38	\$ 35.81	1.56%	\$ 0.1791	\$1,490,112
2019 1% Increase in Property Tax						\$1,505,013
2019 New Construction & Other						\$ 25,203
2019 Total Property Tax (estimate)			\$ 33.84		\$ 0.1692	\$1,530,216

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

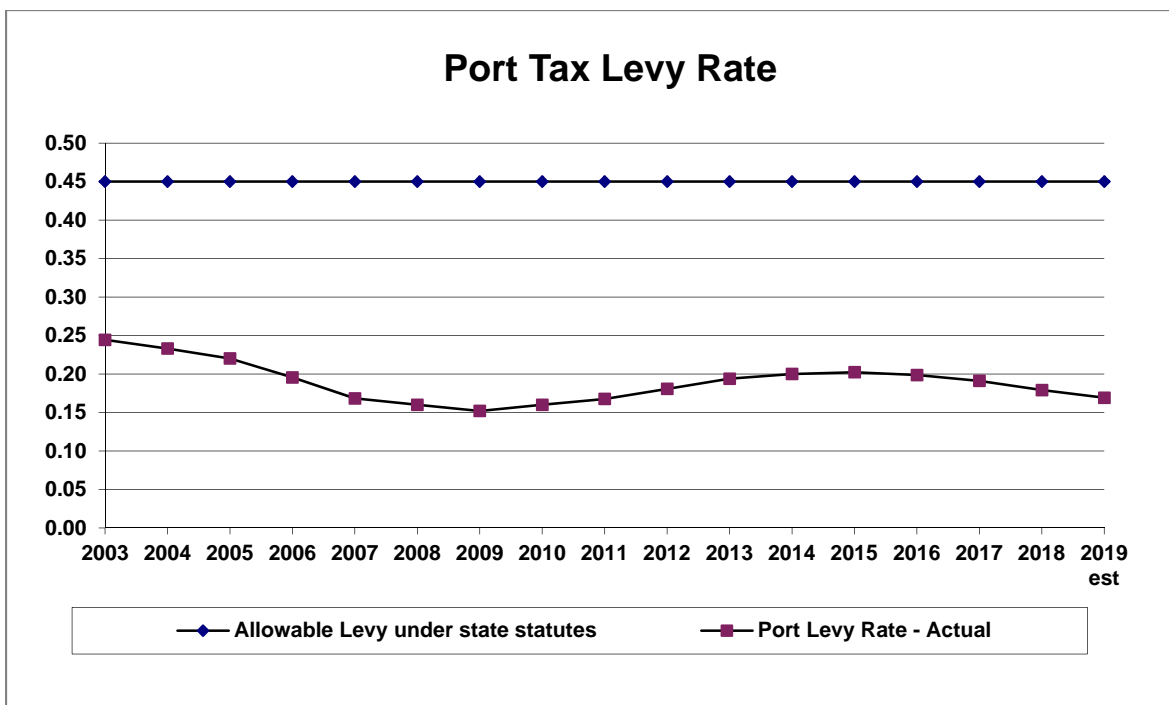
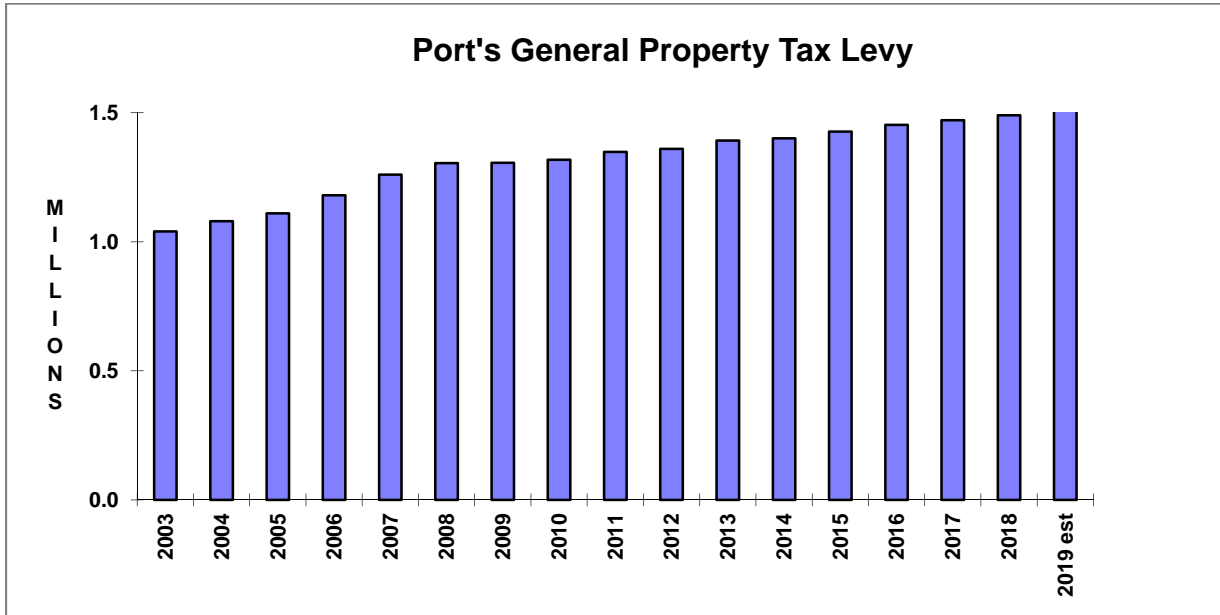
### 2019 TAX LEVY USES

Debt Service Payments (principal & interest)	\$ 693,009	45%
Communities Partner Program	70,000	5%
Capital Improvement Fund - Construction	767,207	50%
Total Port Property Tax Levy	<u><b>\$1,530,216</b></u>	100%

## History of Property Tax Increase

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Banked	Banked	1%	Banked	1%	Banked	1%	1%	Banked	Banked	1%

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 December 31, 2017, is \$47,438**. To use the banked capacity, the Port would need to levy more than 1%.



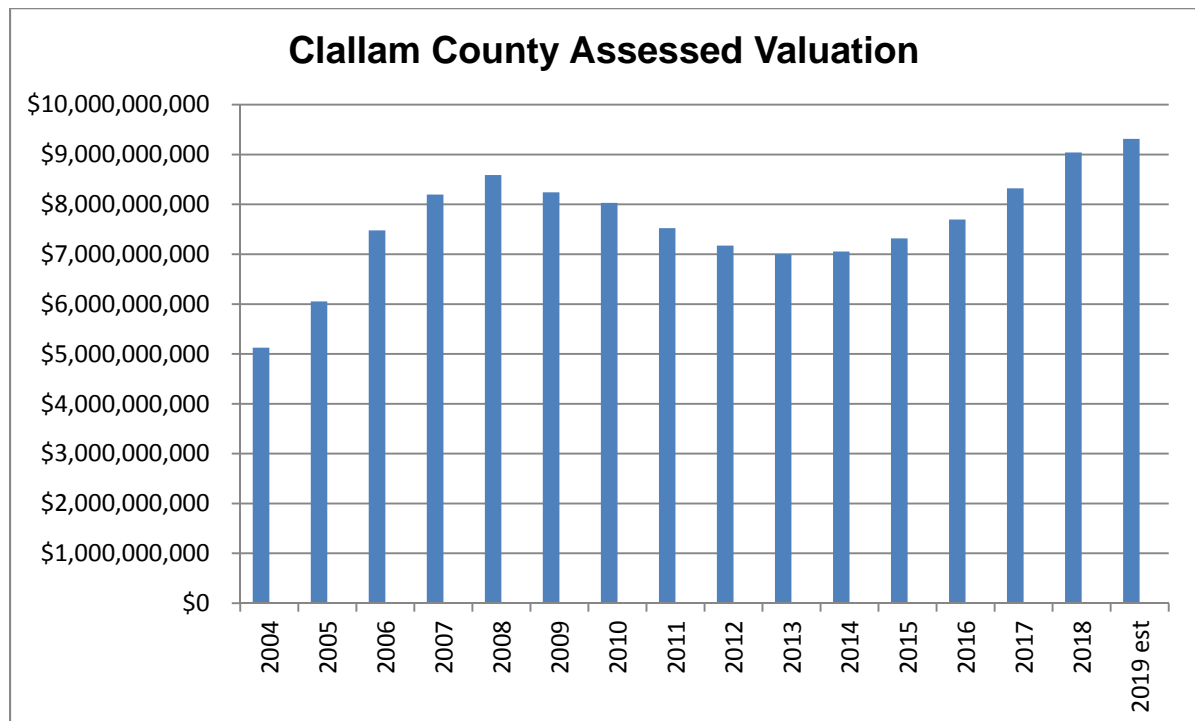
## ASSESSED VALUATION & PROPERTY TAX LEVY

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	\$ 7,697,314,552	2017	\$ 1,470,970	0.1911016732
2017	\$ 8,321,650,465	2018	\$ 1,490,112	0.1790644748
2018	\$ 9,042,634,568	2019 est*	\$1,530,516	0.1692222989

\* 2019 estimate assumes 1.0% increase.

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 2019, 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 2019 estimate.

Each year, the Port is allowed, by law, to increase its tax levy by a maximum of 1% without voter pre-approval. The option of a 1% increase is affected by the Implicit Price Deflator (IPD). For 2019, the IPD is more than 1%. Therefore the Port may increase the Property Tax Levy the maximum allowable 1%. The Port Property Tax Levy will be increased by 1% in 2019 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**

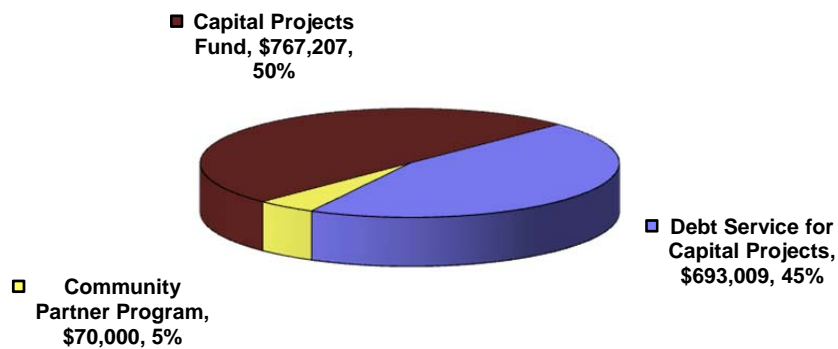
Port districts may annually levy for industrial development district (IDD) purposes when they have adopted a comprehensive scheme of harbor improvements and industrial development. Levies for IDD purposes are treated as though they are separate regular property tax levies made by or for a separate taxing district. The Port may impose up to three periods of multiyear IDD levies. The multiyear levy periods do not have to be continuous, but they may not overlap. Except as otherwise provided, a multiyear levy period may not exceed twenty years from the date the first

levy is made in the period. No levy in any period may exceed forty-five cents per thousand dollars of assessed value of the Port district. The Port levied this tax from 1986-1992 and does not intend, at this time, to request a continuance.

### **Tax Levy Uses**

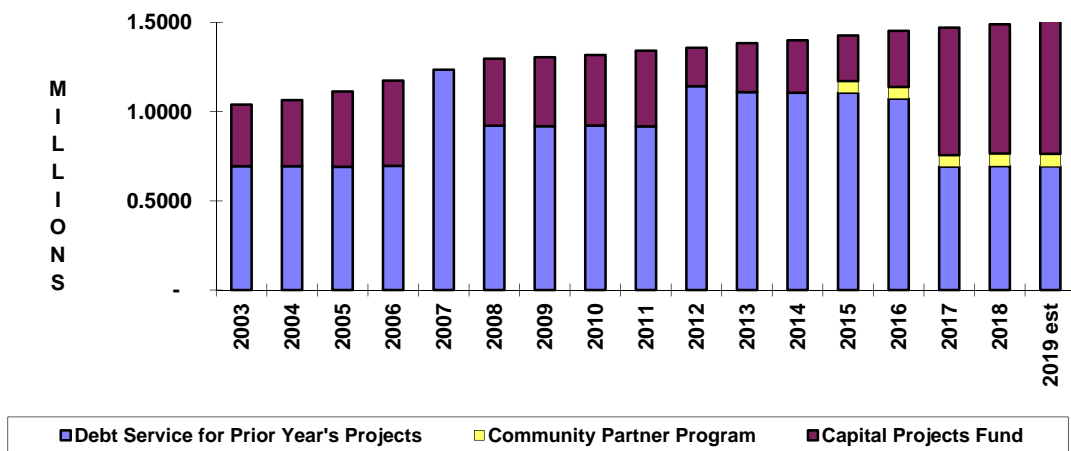
The general tax levy will be used for debt service on general obligation bonds which relates to prior years' capital construction for capital projects, the capital improvement fund, and the small communities program. By law, the property tax levy could also be used for Port operating expenditures. However, 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 2019 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 2018 Survey Data

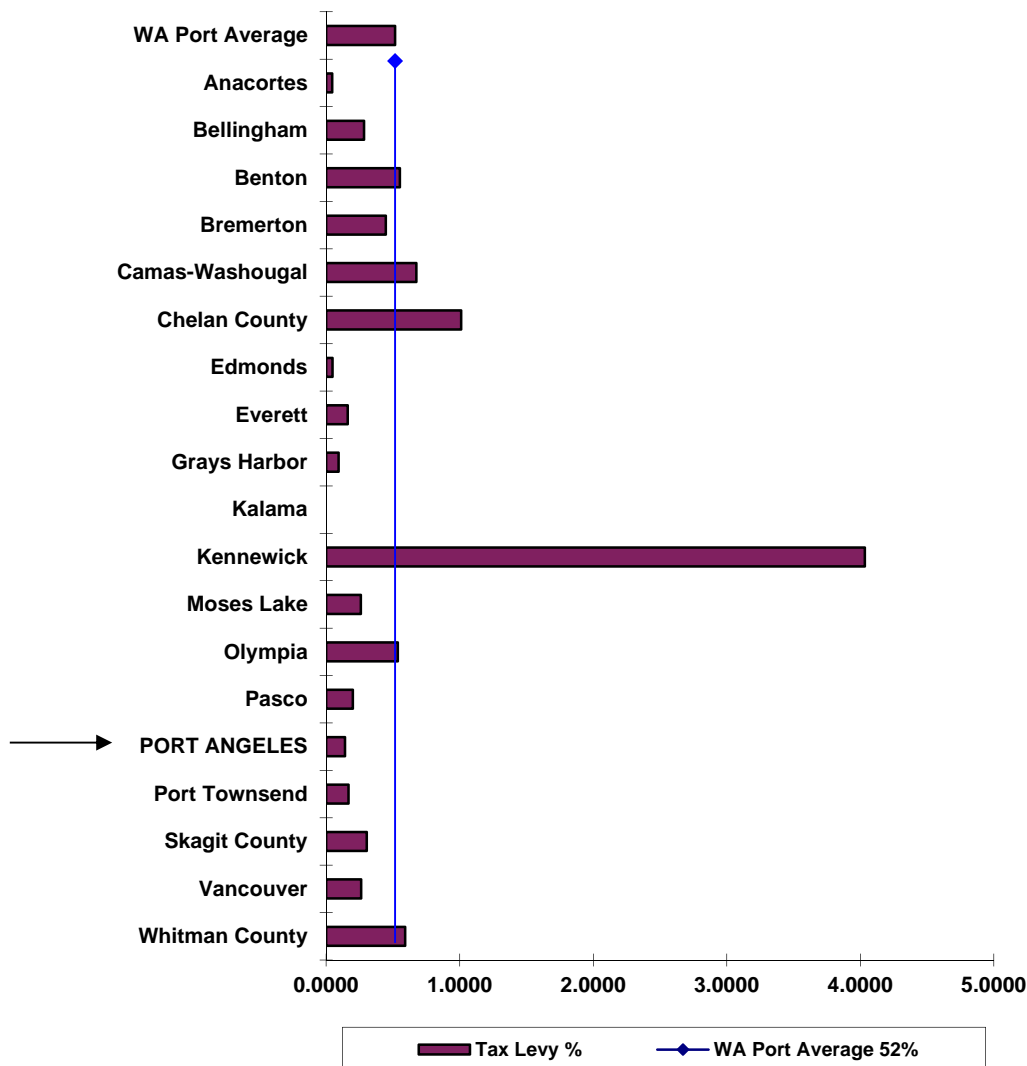
*This section is based on data at the time of the survey, which was before the tax levy was certified. Therefore, data in this section will vary from other sections that report actual results.*

### Tax Levy Comparison with Operating Receipts

The following graph shows the relationship of tax levies to operating receipts for 19 Ports in Washington. Based on a simple average, tax levies are 52% of operating receipts; Port Angeles estimates its levy proceeds to be 14% of operating receipts. **Lower ratios indicate less reliance** on tax levy proceeds.

#### 2018 Tax Levy Survey Comparison

Tax Levy as Percentage of Operating Receipts



## Comparable Tax Levies

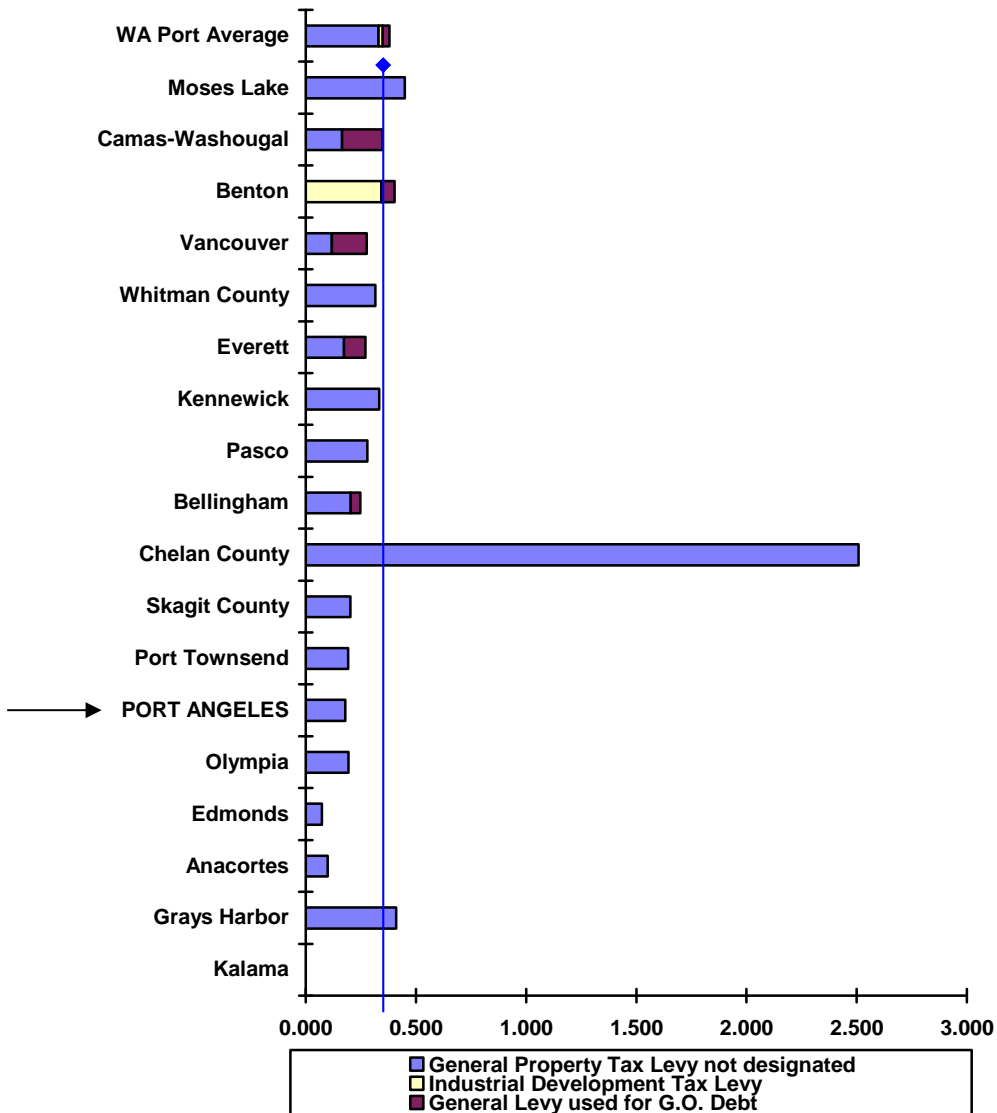
### Port Districts' Comparisons

The Washington Public Ports Association survey of port districts' tax levies for 2018 indicates an average levy rate of \$0.38/\$1,000 for the 18 WA Ports which reported levied property taxes. The Port of Port Angeles had the fourth lowest levy rate at \$.1791 (Kalama elects a zero tax levy). Presented below are the effective levy rates for the 18 ports.

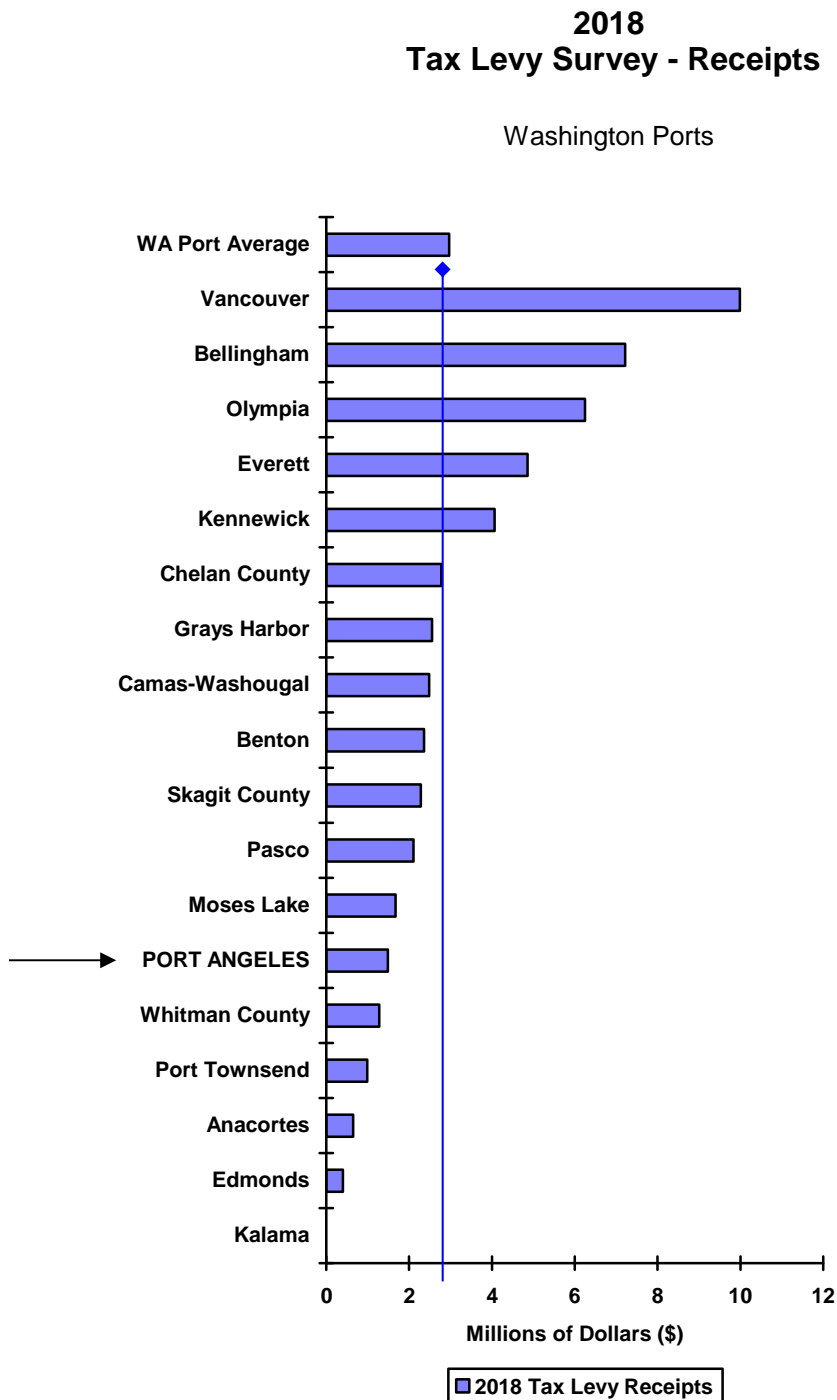
Five ports disclosed the amount of their levy used for General Obligation (G.O.) Debt. One port disclosed use for an Industrial Development Tax Levy.

### 2018 Tax Levy Survey Rates

Washington Ports - Use of Levy



The same survey for 2018 indicates the average levy collection in dollars for WA ports is \$2,968,111. The Port of Port Angeles expects to collect \$1,490,000 in 2018.

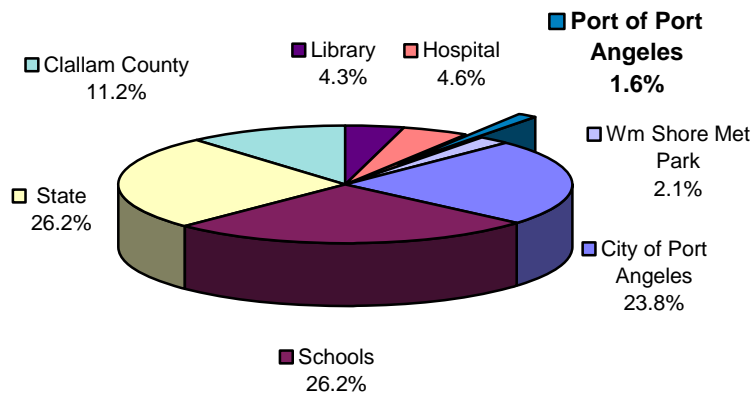


## Clallam County Comparison

The graphs below show the Port's general tax levy as it compares to total taxes paid in 2018 by a typical resident in Port Angeles, Sequim and Forks. Taxing districts have not submitted their levy rates for 2019 yet; therefore, 2018 rates are the most current. The total 2018 levy for all Port Angeles taxing districts was \$11.48/\$1,000. The Port's levy for Port Angeles was \$0.1791/\$1,000 which is 1.6% of the total levy rate.

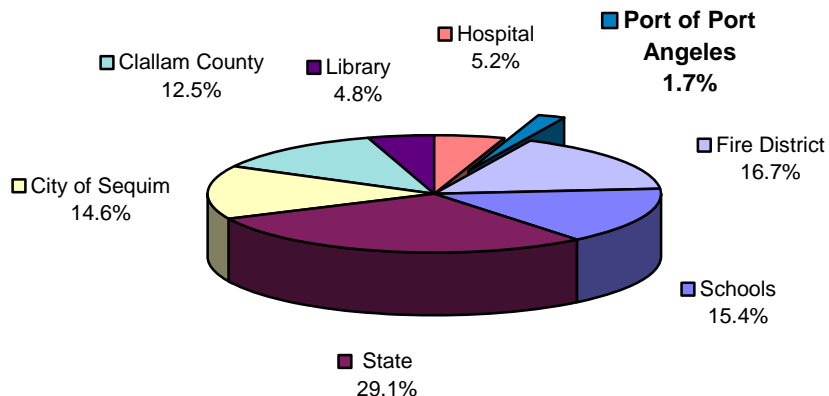
### 2018 Property Tax Levy Distribution

**City of Port Angeles Taxing Districts**  
(Total Levy Rate per \$1,000 A.V. = \$11.48)



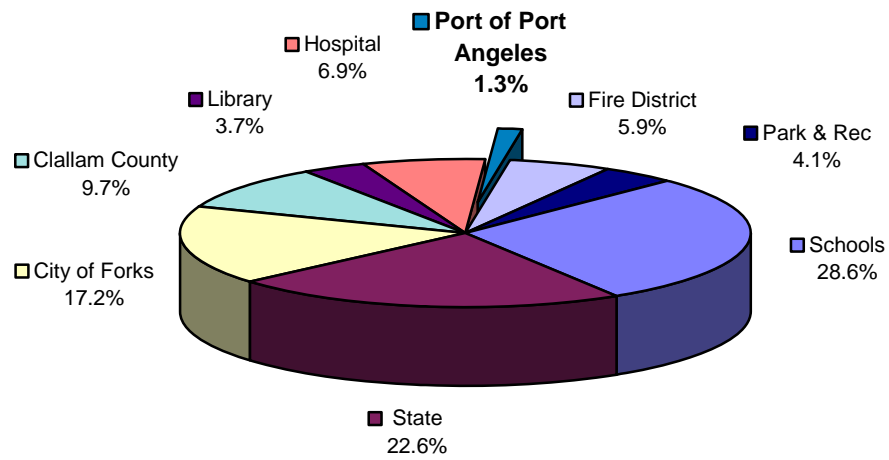
### 2018 Property Tax Levy Distribution

**City of Sequim Taxing Districts**  
(Total Levy Rate per \$1,000 A.V. = \$10.32)



## 2018 Property Tax Levy Distribution

**City of Forks Taxing Districts**  
(Total Levy Rate per \$1,000 A.V. = \$13.29)



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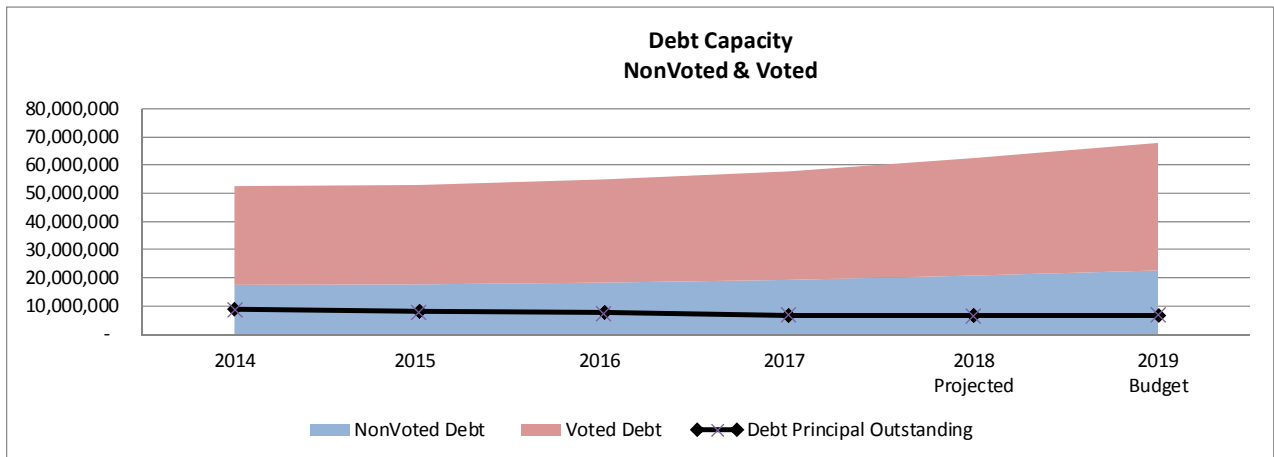


## **SECTION VII**

### **OTHER FUNDS:**

#### **DEBT SERVICE AND BOND FUNDS**

## Debt Capacity



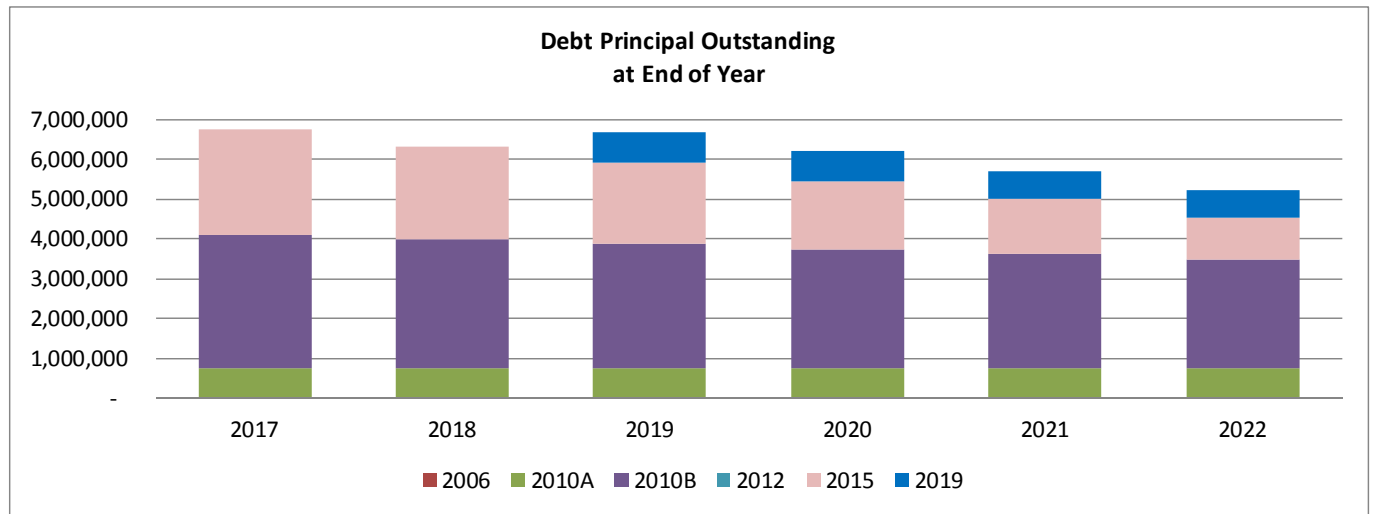
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018 Projected</u>	<u>2019 Budget</u>
Prior Year Assessed Value (AV)	7,002,941,388	7,054,903,078	7,318,181,962	7,697,314,552	8,321,650,465	9,042,634,568
<b>Debt Capacity</b>						
NonVoted Debt	17,507,353	17,637,258	18,295,455	19,243,286	20,804,126	22,606,586
Voted Debt	35,014,707	35,274,515	36,590,910	38,486,573	41,608,252	45,213,173
<b>Total Debt Capacity</b>	<u>52,522,060</u>	<u>52,911,773</u>	<u>54,886,365</u>	<u>57,729,859</u>	<u>62,412,378</u>	<u>67,819,759</u>
<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	8,615,000	7,921,350	7,152,647	6,749,806	6,332,706	6,670,899
NonVoted Debt Availability	8,892,353	9,715,908	11,142,808	12,493,481	14,471,420	15,935,687
<b>Debt as of % of AV</b>	0.12%	0.11%	0.10%	0.09%	0.08%	0.07%
Property Taxes	1,400,756	1,427,093	1,453,778	1,470,970	1,490,112	1,530,216
Debt Payments (Prin + Int)	1,106,205	1,116,943	1,073,584	691,496	694,734	693,009
Small Communities Program		65,000	65,000	70,000	70,000	70,000
<b>Property Taxes Available</b>	<u>294,551</u>	<u>245,151</u>	<u>315,194</u>	<u>709,473</u>	<u>725,378</u>	<u>767,207</u>

Property Taxes Available for New Debt	<i>(as of 11/9/18 A rated)</i>		\$ 767,207
<b>Potential New Debt</b>	<b>int %</b>	<b># Yrs</b>	<b>Potential New Debt</b>
based on "A" Rated Municipal Bond Interest Rates	3.20%	10	\$ 6,540,000
	3.75%	20	\$ 10,760,000
	3.95%	30	\$ 13,450,000

Property Taxes Available	<i>(as of 11/9/18 A rated)</i>		Banked Capacity	\$ 814,645
<b>Potential New Debt using Banked Capacity</b>	<b>int %</b>	<b># Yrs</b>	<b>47,438</b>	<b>Potential New Debt</b>
	3.20%	10		\$ 6,920,000
Banked Capacity Tax Increase*	3.75%	20		\$ 11,390,000
	3.95%	30		\$ 14,240,000

\* 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)		2017	2018	2019	2020	2021	2022
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	3,330,000	3,220,000	3,110,000	2,990,000	2,870,000	2,740,000
2012	25 Projects 1993-98	Paid off Dec 2016					
2015	Refunded 2006 PABH	2,659,806	2,352,706	2,035,899	1,714,800	1,384,420	1,050,169
2019	CERB MTA Washdown Fac	-	-	765,000	733,515	701,400	668,643
<b>Total Principal Outstanding</b>		<b>6,749,806</b>	<b>6,332,706</b>	<b>6,670,899</b>	<b>6,198,315</b>	<b>5,715,820</b>	<b>5,218,812</b>
<b>Decrease in Principal</b>		<b>402,841</b>	<b>417,099</b>	<b>(338,193)</b>	<b>472,584</b>	<b>482,495</b>	<b>497,008</b>

		2019 thru 2040		
		Original Principal	Remaining Principal Pymts	Maturity
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	3,220,000	Dec 1, 2029
2012	25 Projects 1993-98	1,830,000	0	Dec 1, 2016
2015	Refunded 2006 PABH	3,251,350	2,352,706	Dec 1, 2025
2019	CERB MTA Washdown Fac	765,000	765,000	Dec 1, 2040
		<b>15,036,350</b>	<b>7,097,706</b>	

# Long-Term Debt Service Schedule

## SUMMARY OF GENERAL OBLIGATION DEBT DEBT SERVICE PAYMENTS

### DEBT PRINCIPAL PAYMENTS

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023 +</u>	2019 thru 2040 Remaining Principal	<u>Maturity</u>
2006 PABH	----- see 2015 Refunding -----								
2010A Composite Mfg-Site	--Interest only-	-	-	-	-	-	760,000	760,000	Dec 1, 2030
2010B Composite Mfg-Bldg	105,000	110,000	110,000	120,000	120,000	130,000	2,740,000	3,220,000	Dec 1, 2029
2012 25 Projects 1993-98	Paid off Dec 2016	307,099	316,807	321,099	330,380	334,251	-	-	Dec 1, 2016
2015 Refunded 2006 PABH	297,841						1,050,169	2,352,706	Dec 1, 2025
2019 CERB MTA Washdown Fac	-	-	-	31,485	32,115	32,757	668,643	765,000	Dec 1, 2040
<b>TOTAL Debt Principal Outstanding</b>	<b>402,841</b>	<b>417,099</b>	<b>426,807</b>	<b>472,584</b>	<b>482,495</b>	<b>497,008</b>	<b>5,218,812</b>	<b>7,097,706</b>	

### INTEREST PAYMENTS

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023 +</u>	2019 thru 2040 Remaining Interest	Coupon Rate
2002B Refinanced in 2012	-	-	-	-	-	-	-	-	4.40% - 4.90%
2006 PABH	----- see 2015 Refunding -----								4.40% - 4.75%
<sup>1</sup> 2010A Composite Mfg-Site	57,000	57,000	57,000	57,000	57,000	57,000	449,625	677,625	4.125%*
<sup>2</sup> 2010B Composite Mfg-Bldg	163,925	159,725	155,325	150,925	146,125	140,725	676,675	1,269,775	4.00% - 5.00%
2012 25 Projects 1993-98	Paid off Dec 2016	60,910	53,877	46,622	39,269	31,703	-	-	2.00%
2015 Refunded 2006 PABH	67,730	-	-	15,300	14,670	14,028	126,700	219,914	2.29%
2019 CERB MTA Washdown Fac	-	-	-	269,847	257,064	243,456	1,301,442	170,698	2.00%
<b>TOTAL Interest</b>	<b>288,655</b>	<b>277,635</b>	<b>266,202</b>	<b>269,847</b>	<b>257,064</b>	<b>243,456</b>	<b>1,301,442</b>	<b>2,338,012</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.

### DEBT SERVICE PAYMENTS (PRIN + INT)

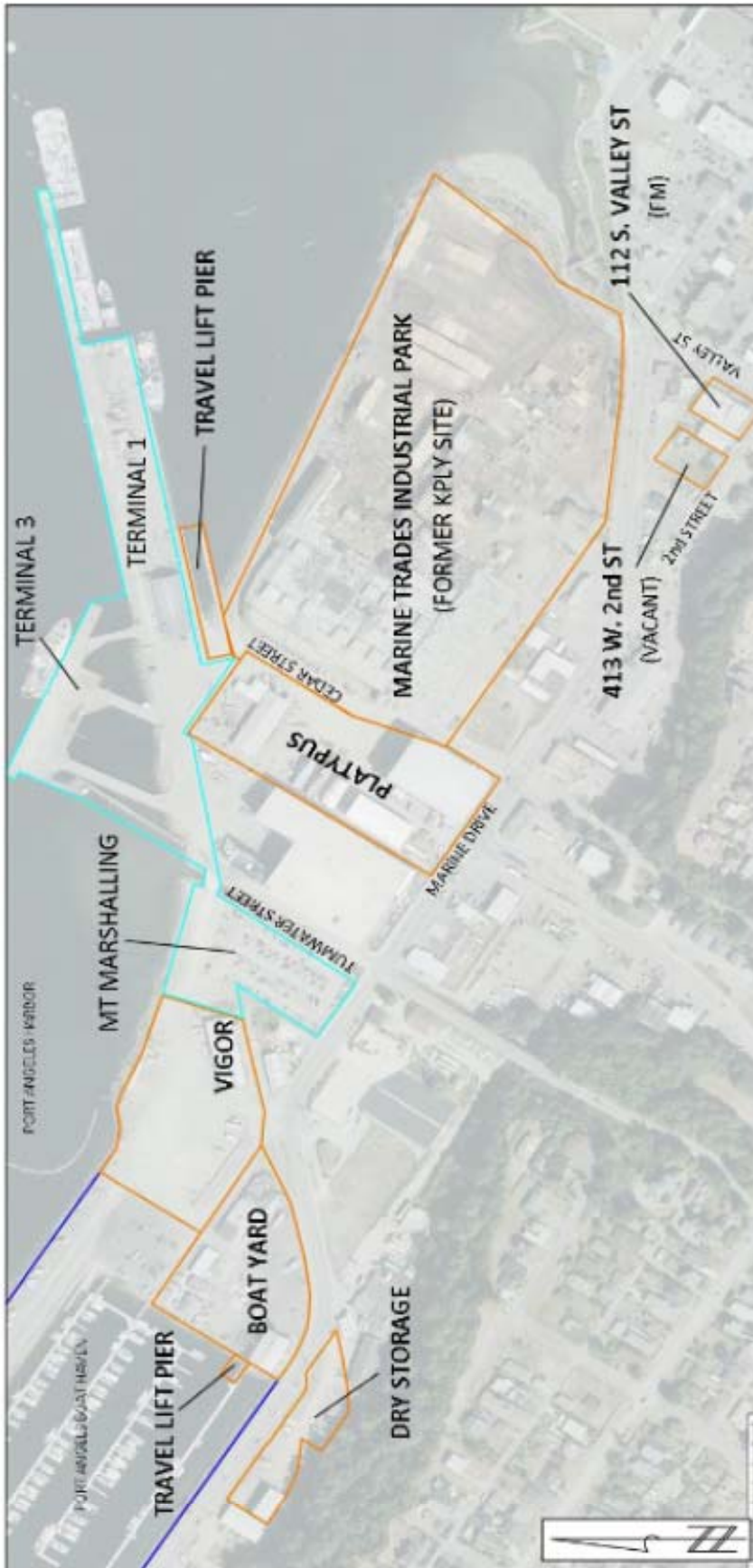
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023 +</u>	2019 thru 2040 Remaining Payments
2006 PABH	----- see 2015 Refunding -----							
2010A Composite Mfg-Site	57,000	57,000	57,000	57,000	57,000	57,000	1,209,625	1,437,625
2010B Composite Mfg-Bldg	268,925	269,725	265,325	270,925	266,125	270,725	3,416,675	4,489,775
2012 25 Projects 1993-98	Paid off Dec 2016	368,009	370,684	367,721	369,649	365,954	-	-
2015 Refunded 2006 PABH	365,571	-	-	46,785	46,785	46,785	1,098,612	2,572,620
2019 CERB MTA Washdown Fac	-	-	-	742,431	739,559	740,464	795,343	935,698
<b>TOTAL Debt Payments (Prin + Int)</b>	<b>691,496</b>	<b>694,734</b>	<b>693,009</b>	<b>742,431</b>	<b>739,559</b>	<b>740,464</b>	<b>6,520,255</b>	<b>9,435,718</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

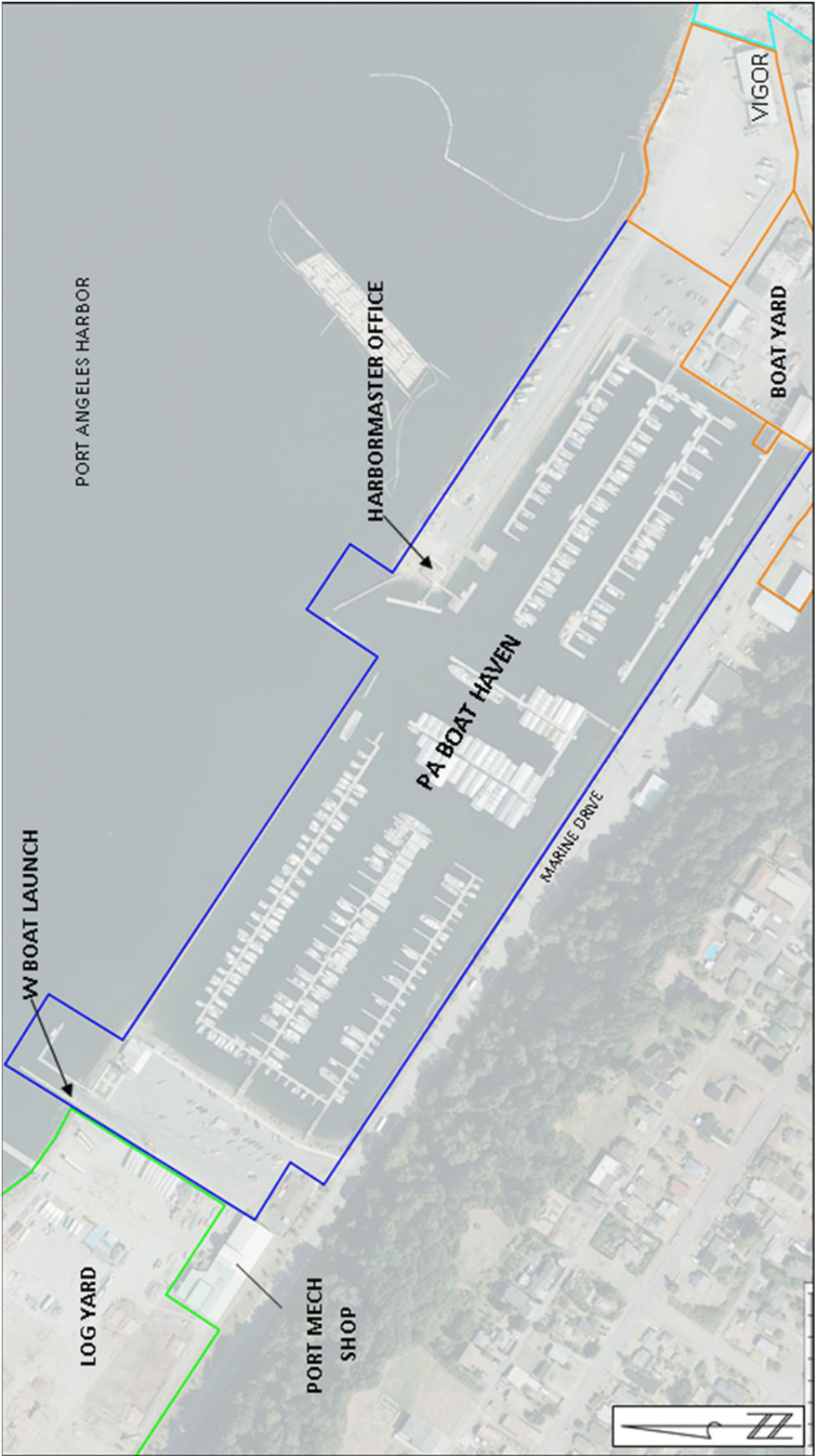
## PORT OPERATING AREAS - continued



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	

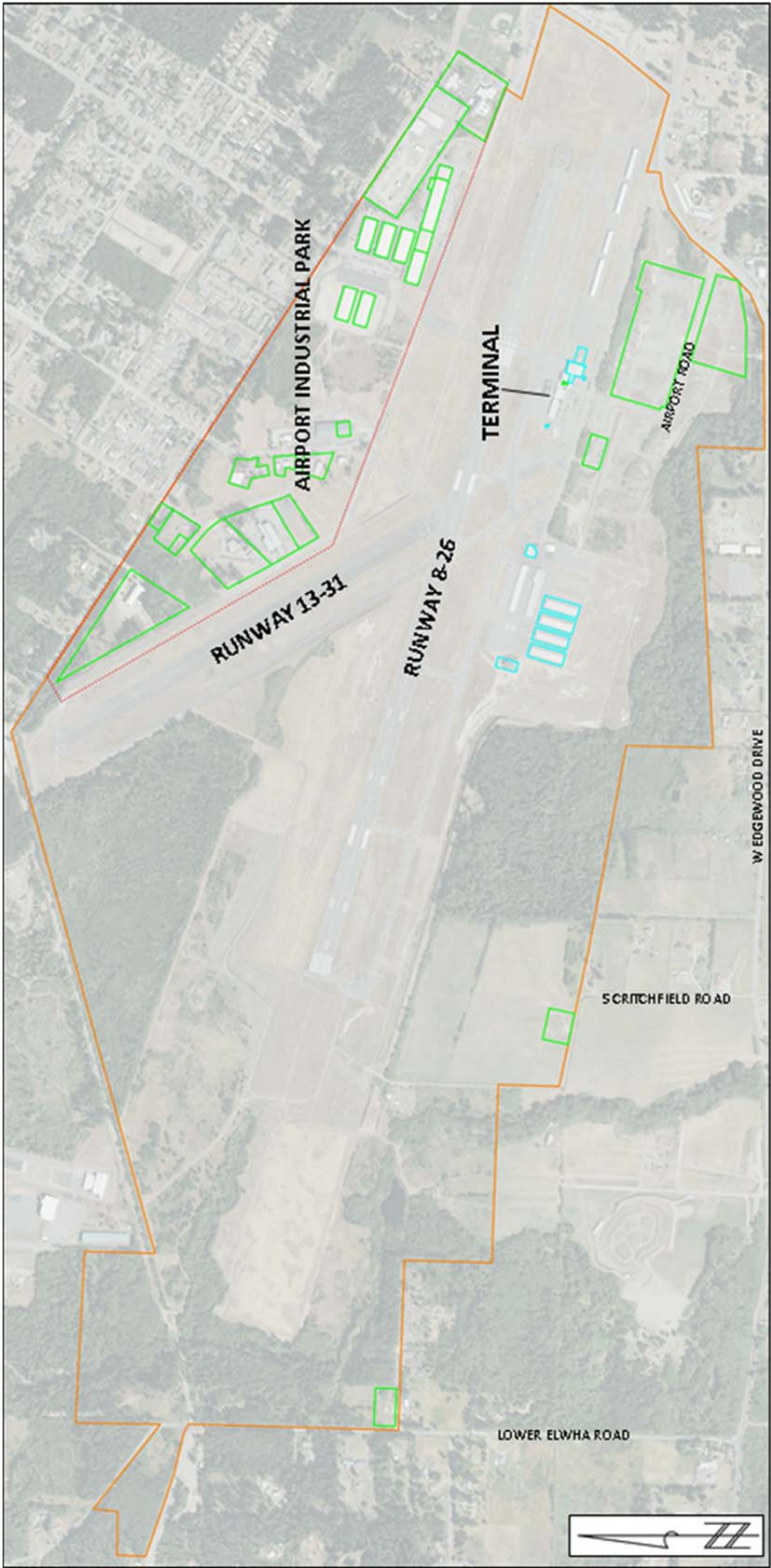
## PORT OPERATING AREAS – continued



SYMBOL	AREA DESCRIPTION
	JOHN WAYNE MARINA



PORT OPERATING AREAS – continued



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

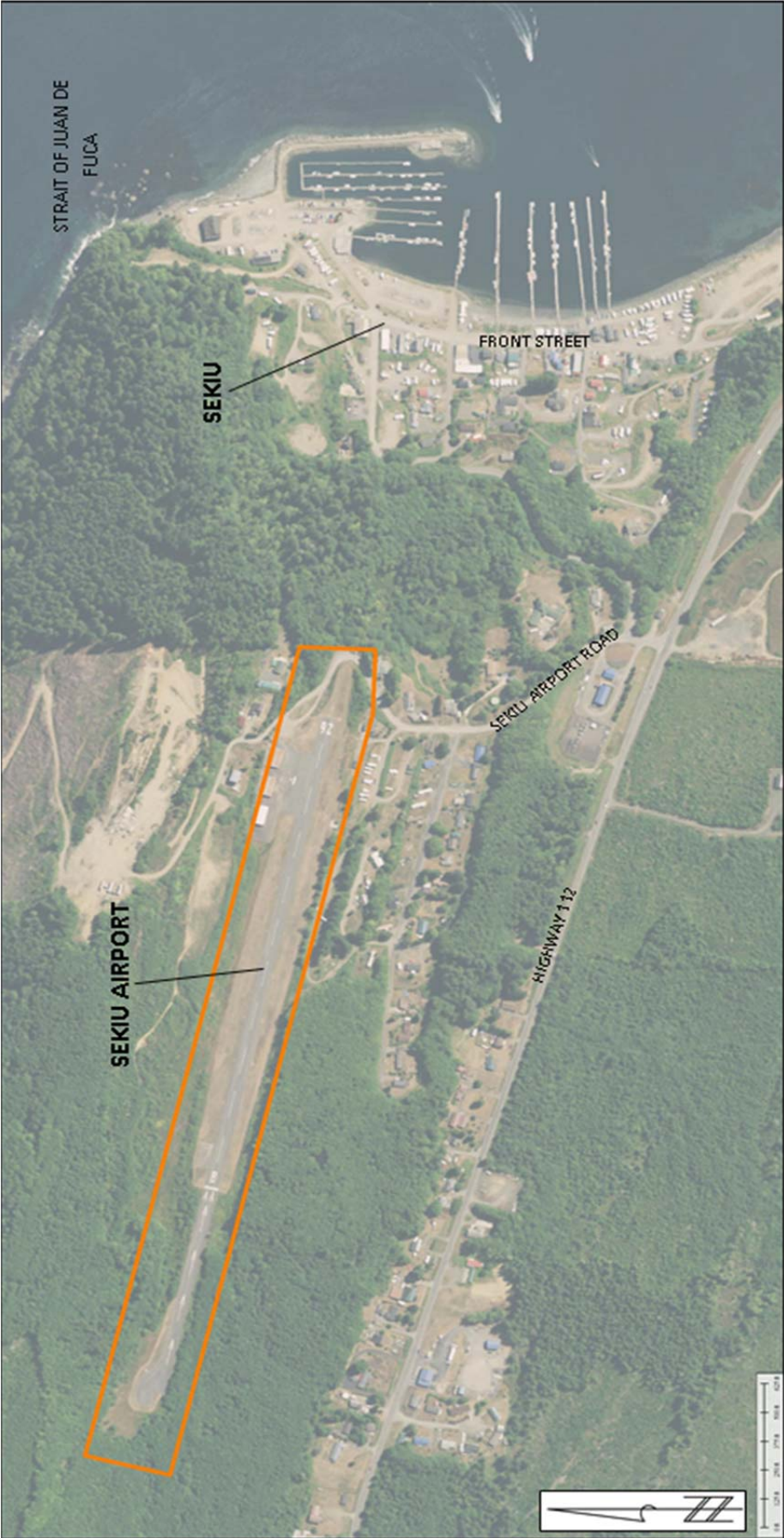
# PORT OPERATING AREAS - continued



SYMBOL	AREA DESCRIPTION
	RENTAL PROPERTY



PORT OPERATING AREAS – continued



SYMBOL	AREA	DESCRIPTION
		SEKIU AIRPORT

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

<b>Travel Meetings</b>	<b>2014 ACTUAL</b>	<b>2015 ACTUAL</b>	<b>2016 ACTUAL</b>	<b>2017 ACTUAL</b>	<b>2018 BUDGET</b>	<b>2018 PROJCTD</b>	<b>2019 BUDGET</b>
MT	1,578	845	1,002	2,965	3,000	1,000	1,500
MTA	0	204	508	3,320	1,500	2,200	1,500
LY	613	2,129	1,746	2,748	3,000	3,000	3,000
FIA	423	188	573	6,066	500	1,496	1,200
ARP	0	0	1,075	2,507	13,650	2,331	0
SEK	0	0	0	127	0	0	0
PABH	0	0	146	14	500	0	500
JWM	37	103	228	914	1,000	1,500	1,000
RP	0	0	0	174	5,000	2,000	500
MM	0	204	0	0	0	0	0
FM	15	134	258	152	500	0	500
ADM	19,649	14,086	17,639	20,682	23,200	17,500	22,000
BD	13,365	17,679	6,952	10,924	3,000	10,000	33,900
<b>Subtotal</b>	<b>35,681</b>	<b>35,572</b>	<b>30,126</b>	<b>50,592</b>	<b>54,850</b>	<b>41,027</b>	<b>65,600</b>
<b>Travel -Training (inlcudes Training Fees)</b>							
MT	2,161	2,928	2,501	1,957	3,000	500	1,000
MTA	65	0	0	0	10,000	1,000	2,000
LY	765	1,461	6,151	2,619	3,000	4,800	3,000
FIA	936	3,273	608	4,256	5,865	4,165	2,800
ARP	0	0	226	0	0	0	0
SEK	0	0	0	0	0	0	0
PABH	728	273	98	1,500	1,000	1,000	1,000
JWM	605	348	98	0	1,000	0	0
RP	1,651	3,366	965	2,189	6,180	6,000	4,780
MM	1,320	2,869	1,641	727	1,000	50	500
FM	3,709	4,556	8,338	3,452	6,350	2,800	6,500
ADM	52,505	48,619	29,375	26,814	44,320	37,755	37,500
BD	6,731	3,572	10,912	2,547	0	5,000	5,000
<b>Subtotal</b>	<b>71,176</b>	<b>71,265</b>	<b>60,911</b>	<b>46,060</b>	<b>81,715</b>	<b>63,070</b>	<b>64,080</b>
<b>TOTAL</b>	<b>106,857</b>	<b>106,837</b>	<b>91,037</b>	<b>96,652</b>	<b>136,565</b>	<b>104,097</b>	<b>129,680</b>

2019 Salary % Split	Home Dept.	11 MT	15 MTA	21 LY	31 FIA	33 ARP	32 SEK	41 PABH	43 JWM	61 RP	80 A&G	81 BD	90 NOP	91 MM	92 FM	TOTAL
Director of Business Development & Maritime	MT	30%	30%									40%				100%
Maritime Manager	MT	30%	30%									40%				100%
MT Operations & Security Supervisor	MT	60%	10%		5%			5%	5%	5%				10%		100%
Director of Property, Marinas & Airports	ARP				20%	25%	5%	20%	25%	5%						100%
Real Estate Administrator	ARP	10%	10%	5%	15%	40%		5%	5%	10%						100%
Port Counsel	A&G	5%	5%	5%	5%	10%		5%	5%		50%	5%	5%			100%
Director of Engineering	A&G	10%	10%	10%		5%		5%	5%		40%		15%			100%
Environmental Manager	A&G	10%	10%	10%	5%	5%		10%	10%		20%		20%			100%
Public Works & Operations Mgr - FM, MM & LY	A&G	10%	15%	15%	5%	5%		10%	5%	5%	15%			10%	5%	100%
Facilities Maintenance Supervisor	FM	10%	5%	10%	10%	10%		5%	5%	5%					40%	100%
A/R Clerk	A&G	10%		10%	5%	5%					47%					100%
All Security	A&G	23%	6%	4%	13%	13%		13%		6%	13%			4%	5%	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

Director of Business Development & Maritime	Based on estimated time to be spent in each area
Maritime Manager	Based on estimated time to be spent in each area
MT Operations & Security Supervisor	Based on estimated time to be spent in each area plus supporting security
Director of Property, Marinas & Airports	Based on estimated time to be spent in each area
Real Estate Administrator	Based on estimated time to be spent in each area
Port Counsel	Based on estimated time to be spent in each area
Director of Engineering	Budget based on planned capital projects for the year with actual time tracked & recorded
Environmental Manager	Estimate based on environmental compliance needs in each area with actual time tracked & recorded
Public Works & Operations Manager	Estimate based on planned public works & Log Yard operations with actual time tracked & recorded
Facilities Maintenance Supervisor	Estimated based on the planned maintenance projects for the year
A/R Clerk	Budget based on estimates with actual time tracked and recorded
All Security (not JWM)	Based on the standard operating plan for security presence in each area

## CONSULTING & SPECIAL PROJECTS

Line #	DEPT	PURPOSE	2017 BUDGET	2018 BUDGET	2019 BUDGET	2019 Notes
1	MT	Dive Inspections	0	0	25,000	
2	MTA	Boat Yard Travel Lift Pier	0	15,000	15,000	
3	BusDev - MTA	Marine Trades Development Assistance	See BD	75,000	30,000	Reduced \$45k per KG
4	MTA	Cathodic Protection Analysis	20,000	0	n/a	Completed in 2017
5	LY	Condition Assessment of Coffe Dam	0	40,000	n/a	Completed in 2018
6	LY	Equipment Replacement Schedule	n/a	n/a	10,000	
7	Airport	Runway approach/tree removal	0	150,000	250,000	2018 not spent
8	Airport	Design services for marketing/public information (Airport portion)	5,000	0	5,000	
9	Airport	Air service business development - contingency fund	0	0	0	No dollars, placeholder
10	Airport	Marketing incentive for new passenger service - (if needed will request during year)	105,000	0	0	Expires Dec 2018
11	Airport	Airport terminal development - conceptual design	0	20,000	n/a	Completed in 2018
12	ARP	Broker Services - 1010 Bldg & 2210 site	125,000	85,000	176,350	Placeholder
13	ARP	Landscape design - north business park	0	10,000	10,000	
14	Marina	Design services for marketing/public information (Marina portion - \$5k per marina)	10,000	10,000	10,000	
15	RP	Facilities Marketing	20,000	0	2,500	RBA bldg marketing
16	BusDev	Port promotional video	0	3,000	0	Staff will complete
17	BusDev	Signage - design consultant	0	15,000	0	Staff will complete
18	BusDev	CRTC Contract for economic development services (investment from Capital Reserves)	615,000	n/a	n/a	completed in 2017
19	BusDev	CRTC - BD promised time converted to cash payout (investment from Capital Reserves)	92,828	n/a	n/a	completed in 2017
20	BusDev	Market/Feasibility analysis for Maritime Commerce, Fishing/Seafood & other	25,000	0	25,000	
21	BusDev - MTA	MTIP lease analysis, grant writing, recruitment	50,000	0	25,000	Reduced \$25k per KG
22	BusDev	Sustainable Harvest, Advanced Wood Products & Other Timber Advocacy efforts	30,000	50,000	30,000	Reduced budget since we established a good base in 2018
23	BusDev	CERB Planning Project Thermally Modified Hemlock and rCF (recycled carbon fiber)	n/a	n/a	67,000	Nov 2018 application
24	BusDev	Communications Plan - Business development portion	15,000	10,000	15,000	Working on estimate
25	BusDev	Design services for Port Pilot & misc marketing/public information (BD portion)	10,000	10,000	15,000	Slight increase due to new communications plan implementation.
26	Admin	Communications Plan - Community outreach portion	15,000	10,000	15,000	Working on estimate
27	Admin	Design services for Port Pilot & misc marketing/public information (Admin portion)	10,000	30,000	30,000	
28	Admin	Govt Affairs/Lobbying for Port	0	50,000	105,000	2019: Added \$50k for federal efforts plus travel
29	Admin	Strategic Plan (2017: followup); 2019: create 2020-2025	7,500	0	50,000	Develop new strategic plan for 2020-2025
30	Admin	LOB analysis follow-up on data (Economic Impact, Marina, MTA, etc.)	5,000	10,000	10,000	Reduced \$5k per KG
31	Admin	Grant writing assistance (Did not spend in 2017)	25,000	25,000	25,000	Placeholder
32	Admin	HR job analysis and market data	0	0	15,000	
33	Finance	Annual Report/Acctg research	5,000	5,000	5,000	
34	Finance	Purchasing review (base policies, training, check list); (Carryover project, did not spend in 2017 or 2018)	10,000	10,000	0	Reduced \$10k to zero per KG, in-house counsel will complete
35	Finance	GASB 49 Environmental Pollution Liabilities requires a change in methodology to fair value	7,000	7,000	7,000	
36	Tech	Cybersecurity (75% grant funded) 2019: existing grant ended, likely to apply in 2019 for 2020+	35,000	35,000	0	Grant period ended 2018
<b>TOTAL CONSULTING &amp; SPECIAL PROJECTS</b>			<b>1,242,328</b>	<b>675,000</b>	<b>972,850</b>	

	<b>NON-STANDARD EXPENSES (see table below)</b>	<b>287,500</b>	<b>310,000</b>	<b>598,350</b>	
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	<b>TOTAL 2019 BUDGET LESS NON-STANDARD EXPENSES</b>	<b>954,828</b>	<b>365,000</b>	<b>374,500</b>	
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See Community Support for EDC support.	30,000	40,000	40,000
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Total 2018 Budget NOT spent **\$ 255,000**



**PORT OF PORT ANGELES  
EXPENSES: NON-STANDARD**

Line #	Dept	Non-standard Expenses	2017 BUDGET	2018 BUDGET	2019 BUDGET	2019 Notes
1	Airport	Marketing campaign new air service	105,000	0	0	2017 not spent
2	Airport	Runway approach/tree removal	0	150,000	250,000	2018 not spent
3	ARP	Broker Services	125,000	85,000	176,350	2017 & 2018 not spent
4	BusDev - MTA	Lines 3 & 21 from above - Bus Dev assistance for the Marine Trades & MTIP lease analysis, grant writing, recruitment	50,000	75,000	55,000	2017 & 2018 not spent
5	BusDev	CERB Planning Grant	n/a	n/a	67,000	
6	Admin	Strategic Plan	7,500	0	50,000	Develop new strategic plan for 2020-2025
		<b>Total Non-Standard Expenses</b>	<b>287,500</b>	<b>310,000</b>	<b>598,350</b>	

Note: Marine Terminal (MT) includes \$1 million in Operating Expense for Terminal 3 Dredging. Due to the extensive process, this work will be managed like a project. For details, see Section V - Capital Projects.

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

Line #	DEPT	PURPOSE - FACILITIES MAINTENANCE	2017 BUDGET	2018 BUDGET	2019 BUDGET
1	Fairchild Intn'l Airport	Paint lines - Taxiway & Apron	0	44,550	0
2	Airport Rental Properties	Seal Coat Parking Lots	35,000	25,000	40,000
3	Airport Rental Properties	Landscaping	0	15,000	15,000
4	John Wayne Marina	Aging Facility - Repairs for Sidewalk	15,000	20,000	8,000
5	Facilities Maintenance	Small Tools - Service Bumper, 14" bucket for mini-excavator, PEX expansion tool.	12,000	9,000	14,050
		<b>Subtotal - Facilities Maintenance</b>	<b>62,000</b>	<b>113,550</b>	<b>77,050</b>

Line #	DEPT	PURPOSE - MECHANICAL MAINTENANCE	2017 BUDGET	2018 BUDGET	2019 BUDGET
1	Mechanical Maintenance	Small Tools as needed	0	8,000	5,000
		<b>Subtotal - Mechanical Maintenance</b>	<b>0</b>	<b>8,000</b>	<b>5,000</b>

		<b>TOTAL MAINTENANCE SPECIAL PROJECTS</b>	<b>62,000</b>	<b>121,550</b>	<b>82,050</b>
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## MEMBERSHIP BUDGET

Line #	DEPT	PROFESSIONAL ORGANIZATION (alphabetical order)	2017 BUDGET	2018 BUDGET	2019 BUDGET
1	BD	Aerospace Futures Alliance (AFA)	0	2,500	0
2	FIA	Aircraft Owners & Pilots Association	0	50	50
3	FIA	American Association of Airport Executives	0	0	275
4	ADMIN	American Association of Port Authorities (AAPA)	0	0	0
5	BD	American Composites Manufacturers Association (ACMA)	550	550	0
6	FM	American Public Works Association (APWA) - 2	800	800	800
7	ADMIN	American Forest Resource Council	600	600	600
8	RP	Building Owners & Mgrs Association International (BOMA)	0	1,625	0
9	RP	Certified Commercial Investment Member (CCIM)	0	800	800
10	FIA	Clallam County Pilots Association	0	50	50
11	ADMIN	Dynamics SL User Group	300	300	450
12	ADMIN	Engineering License	125	125	125
13	ADMIN	Government Finance Officers Association (GFOA -3)	600	600	450
14	ADMIN	International Living Future Institute	0	150	150
15	MT	Marine Exchange of Puget Sound	500	500	500
16	ADMIN	Miscellaneous Memberships	100	100	100
17	ADMIN	Municipal Research & Services Center (MRSC thru WPPA)	950	950	950
18	FIA	National Business Aviation Association (NBAA)	0	189	0
19	BD	North Olympic Development Council (NODC) - formerly: Peninsula Development Authority/Resource Conservation & Development District, the two merged.	1,000	1,000	1,000
20	MT	Northwest Marine Terminal Association (NWMTA)	1,020	1,020	1,216
21	MTA	Northwest Marine Trade Association (NMTA)	600	600	650
22	ADMIN	Olympic Region Municipal Clerks Association	0	100	100
23	BD	Pacific Northwest Aerospace Alliance	750	750	150
24	ADMIN	Pacific Northwest Waterways Association	1,500	0	0
25	ADMIN	Society for Human Resources Management (SHRM)	190	0	209
26	ADMIN	Washington Agriculture & Forestry Leadership Program	500	500	500
27	FIA	Washington Airport Managers Association	250	300	300
28	ADMIN	Washington Bar Association	n/a	n/a	500
29	BD	Washington Clean Tech Alliance	2,675	0	0
30	ADMIN	Washington Finance Officers Association (WFOA -3)	150	150	150
31	ADMIN	Washington Maritime Federation	Free	0	0
32	ADMIN	Washington Public Ports Association (WPPA)	18,009	17,981	18,264
33	ADMIN	Washington Public Treasurers Association (WPTA - 4) Note: Name change in 2018, prior name was Washington Municipal Treasurers Association (WMTA)	120	120	160
34	FIA	Washington State Community Airports Association (WSCAA)	n/a	n/a	250
		<b>TOTAL PROFESSIONAL ORGANIZATIONS</b>	<b>31,289</b>	<b>32,410</b>	<b>28,749</b>

## MEMBERSHIP & DUES POLICY

In Resolutions 727 & 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

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

### Memberships List:

- . Economic Development Council(s)
- . Chamber(s) of Commerce
- . Civic service organizations (Rotary, Soroptimist, Exchange Club, Kiwanis, Lions, United Way)
- . Business organizations (Port Angeles Business Association, Port Angeles Downtown Association)
- . Trade Organizations (NW Marine Trade Assoc., NW Marine Terminal Assoc., Gov't Finance Officers Assoc., WA Public Ports Assoc.)

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

## COMMUNITY SUPPORT BUDGET

Line #	COMMUNITY SUPPORT - CASH	2017 BUDGET	2018 BUDGET	2019 BUDGET
1	Clallam County EDC Contract	30,000	40,000	40,000
2	Forks Chamber of Commerce	100	100	100
3	North Olympic Development Council (NODC)	0	0	12,000
4	North Olympic Timber Action Committee (NOTAC)	45	45	45
5	Port Angeles Association of Realtors	90	90	90
6	Port Angeles Business Association (PABA)	65	65	65
7	Port Angeles Chamber of Commerce	600	600	600
8	Rotary Clubs & Other Service Groups	320	320	320
9	Sekiu Chamber of Commerce	100	100	100
10	Sequim Association of Realtors	70	70	70
11	Sequim Chamber of Commerce	450	450	450
12	Small Business Development Center (SBDC)	46,000	23,000	23,000
13	WA Realtor Association (thru PA Realtor Assc)	50	50	50
	<b>TOTAL COMMUNITY SUPPORT - CASH</b>	<b>77,890</b>	<b>64,890</b>	<b>76,890</b>

Line #	COMMUNITY SUPPORT - IN KIND	2017 BUDGET	2018 BUDGET	2019 BUDGET
1	CRTC - Waived Equipment Rental	12,000	12,000	12,000
2	Facilities Maintenance for CRTC (labor, mtrls, etc)	22,000	0	0
3	North Olympic Development Council (NODC) - Waived Rent	0	368	2,208
4	North Olympic Timber Action Committee (NOTAC) - Waived Rent	2,500	3,320	3,419
5	Peninsula College space at CRTC - 12 months of waived rent in 2017 & 2018; partial waived rent in 2019	35,100	35,100	27,261
6	Port Angeles Yacht Club (2019 discounted rent)	0	0	TBD
7	Port Angeles Yacht Club (2017-18 waived moorage)	2,610	2,610	TBD
8	Sequim Bay Yacht Club (2018 - rent discount begins with Lease renewal) (2019: 50% rent discount)	0	3,816	5,724
9	Sequim Bay Yacht Club (2019: 50% moorage discount)	5,080	3,934	3,361
10	Sequim Bay Yacht Club waived Hendrick's Room Fees	3,888	5,166	5,166
11	SBDC (office space) waived rent	6,800	6,800	6,800
12	Miscellaneous Fee Waivers & Discounts (2017 actual)	13,144	13,000	13,000
	<b>TOTAL COMMUNITY SUPPORT - IN KIND</b>	<b>103,122</b>	<b>86,114</b>	<b>78,939</b>

### ALLOCATED EXPENSES

Line of Business	2015 Actual	2016 Actual	2017 Actual	2018 Budget	2018 Projected	2019 Budget
Marine Terminal	393,969	323,374	314,231	402,048	461,636	851,339
Marine Trades Area	172,537	255,208	158,537	183,391	154,040	185,003
Log Yard	663,859	742,052	741,726	795,297	782,618	646,922
FIA	362,259	275,117	259,098	348,362	269,615	333,291
Airport Rental Properties	545,593	885,500	868,872	386,934	396,293	538,854
Sekiu Airport	12,482	11,232	8,458	12,876	12,069	14,761
Port Angeles Boat Haven	285,149	314,828	370,837	308,283	301,526	286,350
John Wayne Marina	390,615	320,932	270,466	276,213	316,837	281,001
Rental Property	93,424	92,089	88,521	83,228	79,630	43,712
<b>Total</b>	<b>2,919,887</b>	<b>3,220,332</b>	<b>3,080,746</b>	<b>2,796,632</b>	<b>2,774,263</b>	<b>3,181,234</b>

### DEPRECIATION

Line of Business & Department	2015 Actual	2016 Actual	2017 Actual	2018 Budget	2018 Projected	2019 Budget
Marine Terminal	275,249	296,285	403,110	375,810	504,916	599,233
Marine Trades Area	64,050	63,920	65,399	63,241	66,660	66,659
Log Yard	299,349	335,735	332,578	303,320	344,976	334,280
FIA	450,416	489,978	511,233	529,829	538,475	522,218
Airport Rental Properties	322,452	372,496	469,343	459,722	467,038	439,638
Sekiu Airport	3,699	3,699	3,699	3,699	3,699	3,699
Port Angeles Boat Haven	350,343	356,222	381,194	379,153	392,708	333,779
John Wayne Marina	213,700	214,978	217,198	206,545	207,281	118,345
Rental Property	5,424	4,542	10,123	4,200	13,767	13,768
Mechanical Maintenance	26,866	27,563	18,390	14,683	15,294	15,415
Facilities Maintenance	40,399	34,983	35,286	32,083	34,402	34,403
Administration & General	25,622	29,345	32,037	30,808	37,590	41,917
<b>Total</b>	<b>2,077,569</b>	<b>2,229,745</b>	<b>2,479,588</b>	<b>2,403,093</b>	<b>2,626,806</b>	<b>2,523,354</b>

### ALLOCATED DEPRECIATION

Line of Business & Department	2015 Actual	2016 Actual	2017 Actual	2018 Budget	2018 Projected	2019 Budget
Marine Terminal	14,228	11,655	11,119	11,520	15,218	26,307
Marine Trades Area	6,233	9,198	5,619	5,255	5,078	5,717
Log Yard	23,976	26,745	26,279	22,790	25,800	19,991
FIA	13,965	11,106	10,802	10,598	9,238	11,356
Airport Rental Properties	6,225	6,501	5,531	7,884	8,528	8,979
Sekiu Airport	481	453	353	392	414	503
Port Angeles Boat Haven	10,298	11,347	13,142	8,834	9,940	8,849
John Wayne Marina	14,107	11,567	9,729	7,915	10,445	8,683
Rental Property	3,374	3,319	3,138	2,385	2,625	1,351
<b>Total</b>	<b>92,887</b>	<b>91,891</b>	<b>85,713</b>	<b>77,573</b>	<b>87,286</b>	<b>91,735</b>

## Port of Port Angeles - Support Function Cost Allocation - for 2019 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 Ratios used to split Support Function Expenses		
	Total LOB Expense	Less COGS Expense	MTDC Expense	Total MTDC Ratios	Mech Maint	Facility Maint	Admin & General
<u>All LOB Depts</u>							
Marine Terminal	1,934,331	(67,500)	1,866,831	29%	39,258	65,874	667,002
Marine Trades	406,678	(1,000)	405,678	6%	8,531	14,315	144,945
Log Yard	1,493,582	(75,000)	1,418,582	22%	29,832	50,057	506,846
FIA Airport	816,315	(10,500)	805,815	12%	16,946	28,434	287,911
Airport Rentals	638,383	(1,192)	637,191	10%	13,400	22,484	227,663
Sekiu Airport	35,689	-	35,689	1%	751	1,259	12,751
PA Boat Haven	763,866	(135,952)	627,914	10%	13,205	22,157	224,348
JW Marina	830,277	(214,092)	616,185	9%	12,958	21,743	220,157
Rental Property	99,402	(3,550)	95,852	1%	2,016	3,382	34,247
<b>Total</b>	<b>7,018,523</b>	<b>(508,786)</b>	<b>6,509,738</b>	<b>100%</b>	<b>136,895</b>	<b>229,706</b>	<b>2,325,870</b>

(see note 2)					Non-Airport MTDC Ratios used to split	
	Total LOB Expense	Less COGS Expense	MTDC Expense	Non-Airport MTDC Ratios	General Bus Dev	
<u>Excluding Airports</u>						
Marine Terminal	1,934,331	(67,500)	1,866,831	37%	79,205	
Marine Trades	406,678	(1,000)	405,678	8%	17,212	
Log Yard	1,493,582	(75,000)	1,418,582	28%	60,187	
PA Boat Haven	763,866	(135,952)	627,914	12%	26,641	
JW Marina	830,277	(214,092)	616,185	12%	26,143	
Rental Property	99,402	(3,550)	95,852	2%	4,067	
<b>Total</b>	<b>5,528,136</b>	<b>(497,094)</b>	<b>5,031,042</b>	<b>100%</b>	<b>213,455</b>	

					100% Direct Allocation to Airport Area	
	Total LOB Expense	Less COGS Expense	MTDC Expense	Airport Only MTDC Ratios	Airport Bus Dev	
<u>Airport Only</u>						
Airport Rentals	638,383	(1,192)	637,191	100%	275,308	

Total Support Costs Allocated		Total Support Cost Allocation by Line of Business	
Mech Maint	136,895	851,339	Marine Terminal
Facility Maint	229,706	185,003	Marine Trades
Admin & General	2,325,870	646,922	Log Yard
General Bus Dev	213,455	333,291	FIA Airport
Airport Bus Dev	275,308	538,854	Airport Rentals
<b>Total</b>	<b>3,181,234</b>	14,761	Sekiu Airport
		286,350	PA Boat Haven
		281,001	JW Marina
		43,712	Rental Property
		<b>3,181,234</b>	<b>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, 2019 (3%)

						Step Number					
Job Title	Range Number	1	2	3	4	5	6	7	8	9	10
	1	10.86	11.13	11.40	11.69	11.97	12.27	12.57	12.89	13.20	13.53
	2	11.40	11.69	11.97	12.27	12.57	12.89	13.20	13.53	13.86	14.21
	3	11.97	12.27	12.57	12.89	13.20	13.53	13.86	14.21	14.55	14.92
	4	12.57	12.89	13.20	13.53	13.86	14.21	14.55	14.92	15.28	15.66
	5	13.20	13.53	13.86	14.21	14.55	14.92	15.28	15.66	16.05	16.45
	6	13.86	14.21	14.55	14.92	15.28	15.66	16.05	16.45	16.85	17.27
	7	14.55	14.92	15.28	15.66	16.05	16.45	16.85	17.27	17.69	18.13
	8	15.28	15.66	16.05	16.45	16.85	17.27	17.69	18.13	18.57	19.04
	9	16.05	16.45	16.85	17.27	17.69	18.13	18.57	19.04	19.50	19.99
	10	16.85	17.27	17.69	18.13	18.57	19.04	19.50	19.99	20.48	20.99
Facilities Maintenance Janitorial (PT)	11	17.69	18.13	18.57	19.04	19.50	19.99	20.48	20.99	21.50	22.04
	12	18.57	19.04	19.50	19.99	20.48	20.99	21.50	22.04	22.58	23.14
Utility Person	13	19.50	19.99	20.48	20.99	21.50	22.04	22.58	23.14	23.71	24.30
	14	20.48	20.99	21.50	22.04	22.58	23.14	23.71	24.30	24.89	25.51
Accounting Clerk I	15	21.50	22.04	22.58	23.14	23.71	24.30	24.89	25.51	26.14	26.79
Accounting Clerk II, Assistant Harbormaster	16	22.58	23.14	23.71	24.30	24.89	25.51	26.14	26.79	27.44	28.13
Accounting Lead	17	23.71	24.30	24.89	25.51	26.14	26.79	27.44	28.13	28.81	29.54
Machine Operator	18	24.89	25.51	26.14	26.79	27.44	28.13	28.81	29.54	30.26	31.01
	19	26.14	26.79	27.44	28.13	28.81	29.54	30.26	31.01	31.77	32.56
	20	27.44	28.13	28.81	29.54	30.26	31.01	31.77	32.56	33.36	34.19
Facilities Maintenance, Mechanic, Log Yard Lead	21	28.81	29.54	30.26	31.01	31.77	32.56	33.36	34.19	35.02	35.90
Facilities Maintenance Lead, Mechanic Lead, Harbormaster	22	30.26	31.01	31.77	32.56	33.36	34.19	35.02	35.90	36.78	37.70
	23	31.77	32.56	33.36	34.19	35.02	35.90	36.78	37.70	38.61	39.58
	24	33.36	34.19	35.02	35.90	36.78	37.70	38.61	39.58	40.55	41.56
	25	35.02	35.90	36.78	37.70	38.61	39.58	40.55	41.56	42.57	43.64
	26	36.78	37.70	38.61	39.58	40.55	41.56	42.57	43.64	44.70	45.82

*\*\*Continue on to next page*

## Employee Wage Scale – Non-Represented

		85%	100%	115%
Job Title	Grade	2019 Range Minimum	2019 Range Midpoint	2019 Range Maximum
Executive Director	19	\$138,261	\$162,660	\$187,059
Port Counsel	18	\$123,447	\$145,232	\$167,017
Deputy Executive Director	17	\$110,187	\$129,632	\$149,077
Director II*	16	\$98,421	\$115,790	\$133,158
Director I*	15	\$87,870	\$103,376	\$118,882
Manager III*	14	\$78,438	\$92,280	\$106,122
Manager II*	13	\$70,034	\$82,393	\$94,752
Manager I*	12	\$63,685	\$74,923	\$86,161
Admin/Supervisor II*	11	\$57,895	\$68,112	\$78,328
Admin/Supervisor I*	10	\$52,620	\$61,905	\$71,191
	9	\$47,857	\$56,302	\$64,748
	8	\$43,515	\$51,194	\$58,873
	7	\$39,547	\$46,525	\$53,504
Security Full Time	6	\$35,951	\$42,295	\$48,639
	5	\$32,683	\$38,450	\$44,218
Security Part Time	4	\$29,742	\$34,990	\$40,239
JWM Summer Help	3	\$27,034	\$31,804	\$36,575
	2	\$24,559	\$28,893	\$33,226
N/A due to minimum wage	1	-	-	-

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

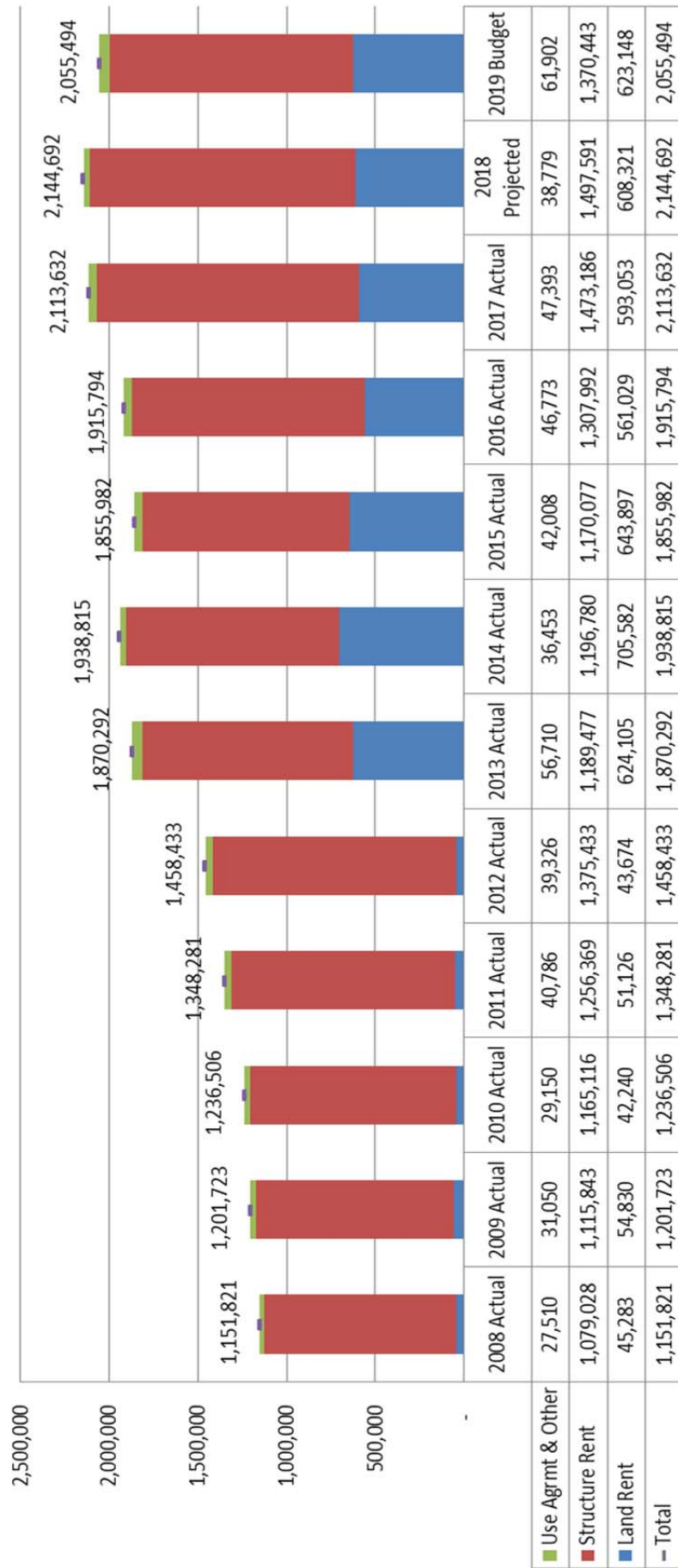
### Managers & Professional Staff:

Public Works & Operations Manager  
 Environmental Manager  
 Airport Manager  
 Finance Manager  
 Accounting Manager  
 HR/PR/Admin Manager  
 MT Ops & Security Supervisor  
 Facilities Supervisor  
 Real Estate Administrator

### Senior Management:

Executive Director  
 Port Counsel  
 Director of Engineering  
 Director of Property, Marinas & Airports  
 Director of Maritime  
 Maritime Manager  
 Controller

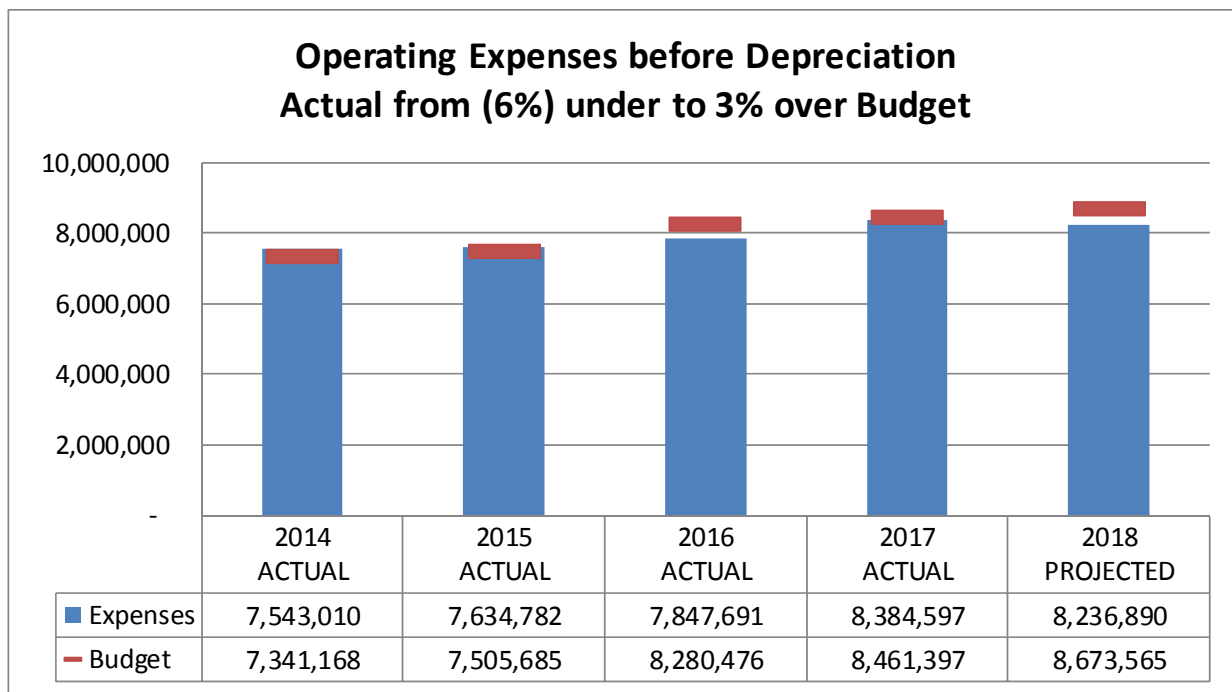
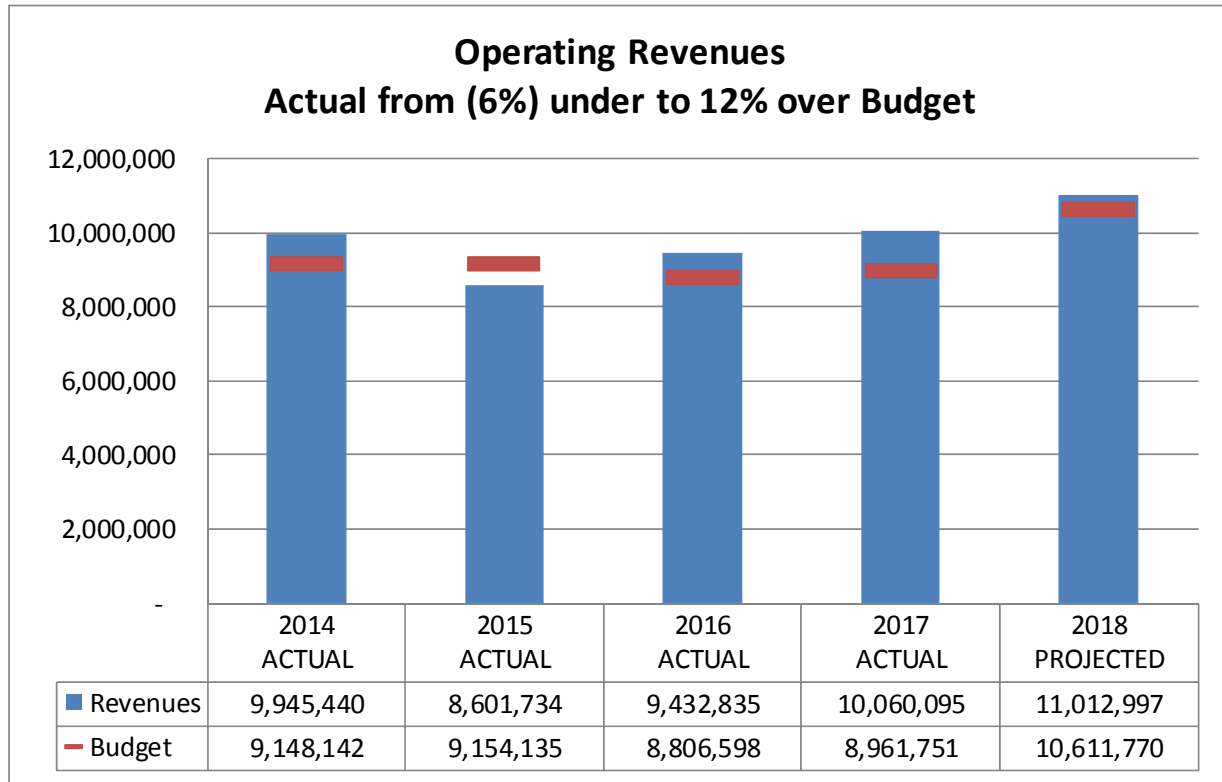
## Lease Revenues - All Lines of Business





## 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
A/V	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*

## Commissioners' Resolution No. 18-1184

### A RESOLUTION ADOPTING FINAL BUDGET FOR 2019

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 5<sup>th</sup> day of November, 2018; and

WHEREAS, in accordance with R.C.W. 53.35.045 a public hearing was held on November 5<sup>th</sup> 2018; and

WHEREAS, the preliminary revised budget was adopted as the final budget on the 14<sup>th</sup> day of November, 2018.

NOW, THEREFORE BE IT RESOLVED, that the budget herein is the Final Budget of the Port of Port Angeles for the calendar year 2019.

	<b>2019 BUDGET</b>
Cash Balance Jan 1, 2019	\$ 15,428,785
<b><u>Sources of Cash</u></b>	
Revenues - Operating	11,056,379
Revenues - Non-Operating	596,711
Property Tax Levy	1,530,216
Grants for Capital Projects	343,000
Bond Proceeds	-
<b>Total Sources</b>	<b>13,526,306</b>
<b><u>Uses of Cash</u></b>	
Expenses - Operating	10,199,757
Expenses - Non-Operating	433,594
Debt Service (Principal & Interest)	693,009
Capital Projects	4,043,000
<b>Total Uses</b>	<b>15,369,360</b>
<b>Cash Balance Dec 31, 2019</b>	<b>\$ 13,585,731</b>
Increase (Decrease) in Cash during year	\$ (1,843,054)
<b><u>RCW 53.36.120 &amp; 53.36.130 Specific Budget Items</u></b>	
Promotional Hosting	\$ 19,500

ADOPTED by the Port Commission of the Port of Port Angeles, at a Commission meeting thereof held this 14<sup>th</sup> day of November, 2018.

*END OF 2019 BUDGET  
PORT OF PORT ANGELES*