



2021 BUDGET

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Port of Port Angeles
2021 Budget

<u>Operations</u>	<u>Log Yard & Marine Term</u>	<u>PABH & JWM Marinas</u>	<u>Marine Trades & Rental Prop</u>	<u>FIA & Sekiu Airports</u>	<u>Total</u>
Revenues	3,429,008	3,181,607	1,874,281	384,245	8,869,141
Direct Expenses	(2,268,061)	(1,634,624)	(1,102,561)	(648,375)	(5,653,621)
Overhead Support	(1,043,212)	(646,326)	(740,902)	(285,079)	(2,715,519)
Net Margin	117,735	900,657	30,818	(549,210)	500,000
Less Depreciation	(1,081,698)	(451,712)	(645,515)	(617,684)	(2,796,609)
Op Surplus (Deficit)	(963,964)	448,945	(614,697)	(1,166,894)	(2,296,609)
<u>Non-Operating Items</u>					
Property Tax Revenue					1,599,023
Capital Grant Income					1,040,000
Timber/Other Tax Revenue					145,000
Interest Expense					(90,463)
Interest Earnings					286,000
Net other Non-Op Items					(311,346)
Total Non-Operating					2,668,214
Total Net Surplus					371,605

Cash Flow / Fund Analysis

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Total Port Funds</u>
Beginning Balance	4,184,570	8,307,054	12,491,624
Plus Cash Flow from Operations	500,000	-	500,000
Net Non-Op Cash flow	119,654	-	119,654
Plus Capital Grant Revenue	-	1,040,000	1,040,000
Plus Property Tax Revenue	-	1,599,023	1,599,023
Less Debt Service Payments	-	(525,009)	(525,009)
Less 2021 Capital Expenditures	-	(4,317,000)	(4,317,000)
Transfer excess of 1/2-yr op expenses	(536,224)	536,224	-
Projected Ending Balance	4,268,000	6,640,293	10,908,293

COMMISSIONER COLLEEN M. MCALEER (District 1)



Commissioner McAleer represents District 1 (east) and has served as a Port Commissioner since January 2014.

In Colleen's full-time capacity, she serves as the Executive Director of the Clallam County Economic Development Council. Prior to her current position, her full-time role was serving as the President of the Washington Business Alliance, a statewide business organization focused on advocating for more effective government through a business lens. 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.

Prior to her position at the Business Alliance Colleen served on the Port of Port Angeles staff where she served initially as the Port's Marketing and Property Manager and then later as the Director of Business Development. During this time, 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 in 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 Development 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.

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. Jack graduated from California State Polytechnic University, San Luis Obispo and has begun his career as an Electrical Engineer. Nicholas is now a junior and continues with the electrical engineering program at Gonzaga University on a full Army ROTC scholarship.

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 Shore Metro Park 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. He has also served 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 raises Galloway and Angus cattle. 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 eight years as a Clallam County Planning Commissioner 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.

BOARD OF PORT COMMISSIONERS

STEVEN D. BURKE, PRESIDENT

Term Expires 2021

COLLEEN M. MCALEER, VICE PRESIDENT

Term Expires 2021

CONNIE L. BEAUVAIS, SECRETARY

Term Expires 2023

PORT MANAGEMENT STAFF

Executive Director.....	KAREN F. GOSCHEN
Deputy Executive Director.....	JOHN B. NUTTER
Director of Engineering.....	CHRIS R. HARTMAN
Director of PA-MTC Business Development.....	MICHAEL V. NIMMO
Public Works & Operations Manager.....	CHRISTOPHER L. RASMUSSEN
Environmental Manager.....	JESSE W. WAKNITZ
Airport Manager.....	DANIEL E. GASE
Manager of Finance & Accounting.....	JENNIFER BAKER
Finance Manager.....	TRISHA MILLER
Real Estate Administrator.....	SUSAN SCOTT
Executive Assistant/Clerk of the Board.....	BRAEDI BROWN

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SECTION I

INTRODUCTION

2021 BUDGET MESSAGE

DATE: November 10, 2020
TO: Board Of Port Commissioners, Port Of Port Angeles
FROM: John Nutter, Deputy Executive Director

We are pleased to submit to the Board this 2021 Budget for the Port of Port Angeles. The budget is an important planning document and includes both an operations budget and a capital project budget. The operations 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 2021, as well as our best estimate of projects over the next five years.

2021 Strategic Plan Priorities are determined by the Commission and the budgets have been prepared to support the following priorities:

- Expand maritime commerce through the development of the Marine Trades industrial park and additional acres of industrial zoned waterfront properties.
- Foster partnerships with other public agencies in furtherance of economic development.
- Promote innovative value-added wood products manufacturing while working to achieve a reliable and sustainable timber harvest.
- Demonstrate leadership in the western Port Angeles harbor clean-up.
- Actively market available Port properties to move toward 90% occupancy of Port owned buildings.

2021 Economic Conditions remain uncertain and the budget assumes a \$188K decrease in operating revenues compared to the 2020 projections. The decrease is primarily related to expected reductions in marine terminal dockage fees and vacancies in some of the airport rental properties. At the marine terminal, 2020 dockage days were well above forecast due to slowdowns in crude oil shipments during the Covid-19 pandemic which allowed more time for oil tankers to come to the marine terminal for maintenance activities. That unexpected activity is not expected to continue in 2021. At the airport industrial park the 2021 forecast includes limited revenue for the 10.10/10.50 building due the lease ending mid-year as well as a decrease in lease revenue from the industrial log yard which is no longer being utilized after the 2020 downturn in timber exports.

2021 Budget Development Goal was to strive for a balanced cash flow budget from operations, and if practical, to set aside some reserves for future capital replacement. The cash flow from business operations is a net \$500k. The cash flow from total Port operations (which includes non-operating activity such as taxes, grants, interest, debt service, legacy environmental, etc.) is \$3.2 million. The budget includes a 0.602% increase in the property tax levy.

2021 BUDGET MESSAGE (continued)

The budget book includes depreciation, which is a non-cash expense. The Port elected accrual accounting over cash basis accounting because it provides a long-term view of financial operations for planning purposes. This is important to note when comparing to other entities that may be cash basis, trying to understand the Port's cash flow from operations or considering policy issues related to a balanced budget.

2021 Operating Revenues are budgeted at \$8.87 million, slightly lower than 2020 projected year-end of \$9.06 million. 2020 projected year-end was \$220k or 2.5% over budget primarily due to \$260k higher than expected dockage and other revenue at the marine terminal. Part of that extra revenue was offset by lower than expected marina revenues due to several months of limited fishing and marina activity during the Covid-19 pandemic.

2021 Operating Expenses, before depreciation, are budgeted at \$8.37 million, which is \$1.4 million lower than 2020 projected year-end, primarily due to a one-time expense of \$1.5 million in dredging expense for the Port's cargo terminal in 2020. Cost of living increases for staff are budgeted at 1.8% per our standard index. Some unusual or infrequent outside services expenses include \$200k for a Terminal 1 pile assessment, \$50k for Marine Trades Center business development, and \$30k for an assessment of the boatyard travel lift pier. Property insurance premiums increased \$100k or 25% due to the largest insured losses in recorded history, both domestically and globally due to catastrophic natural disasters. The operating contingency was reduced from \$104k to \$0.

2021 Non-Operating budget includes \$1.6 million in property tax receipts to be used for \$525,009 in debt service (principal and interest payments), \$70,000 in Small Community Partner Program and the remainder will go towards capital projects. Investment income and other taxes are budgeted lower due to changing markets. There are no special revenue or expense items budgeted. Capital grants of \$1.04 million are included.

2021 Capital Budget is similar to prior years. The long-term goal of the capital budget is to provide a balance between maintenance of existing infrastructure and building new infrastructure to expand economic opportunities. Over the long term, maintenance capital projects should approximate annual depreciation of \$2.8 million. The 2021 maintenance capital budget is \$1.92 million which is below our annual target as we focus efforts and funding on the Marine Trades Center development. Other maintenance projects include building upgrades and starting the cofferdam rehab project. The new capital project budget is \$2.34 million, which includes log yard stormwater design, Marine Trades Center infrastructure development, a new chip loader, and other smaller projects.

2021 Total Port Fund Balance at the end of 2021 is budgeted at \$11.0 million. This is a decrease of \$1.6 million based on:

- \$0.65 million total cash flow from all Port operations
- \$1.60 million of property tax revenue (dedicated to debt service and capital)
- \$1.04 million in capital grant revenue
- (\$4.3) million in capital expenditures
- (\$0.53) million in debt service payment

2021 BUDGET MESSAGE (continued)

Depending on various anticipated projects and grant funding, capital funds could be depleted in 2022 or 2023. The Port will need to consider issuing additional debt to continue with committed capital projects, major maintenance projects and investing in new infrastructure or limit capital expenditures.

2021 Debt Outstanding as of 12/31/2021 is projected to be \$3.9 million and the Non-Voted Debt Availability is \$24.8 million for a Total Non-Voted Debt Capacity of \$28.7 million. In 2020 the long-term debt was reduced by paying off \$3.8 million in higher rate bonds. New debt issued in 2020 included \$765k CERB Loan for the construction of the Marine Trades Area Washdown Facility and \$750k CARB Loan for Utility Improvements at Fairchild International Airport. Additional debt anticipated for 2021 includes a \$1 million CERB loan for Cofferdam Barge Facility reconstruction.

Property taxes in excess of debt payments and the Community Partner Program are \$1.0 million. Depending on interest rates and bond terms, plus using banked capacity, the excess property taxes could support \$15 million to \$18 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.

John Nutter
Deputy Executive Director

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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.
- Increase revenue diversification by increasing non-timber dependent revenue at the Marine terminal by 30%.
- Re-establish daily commercial air service at Fairchild International Airport.
- Strive to achieve a reliable and sustainable Timber Harvest.
- Complete the Port's up-land clean up and develop the Marine Trades Center (MTC).

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 Center 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 County.
 - 1.4. Establish and maintain sustainable air service at Fairchild International Airport. Secure TSA service if available.
 - 1.5. 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 move towards 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. Collaborate with regional partners to advocate and advance the development and retention of a diversified and skilled workforce within the County.

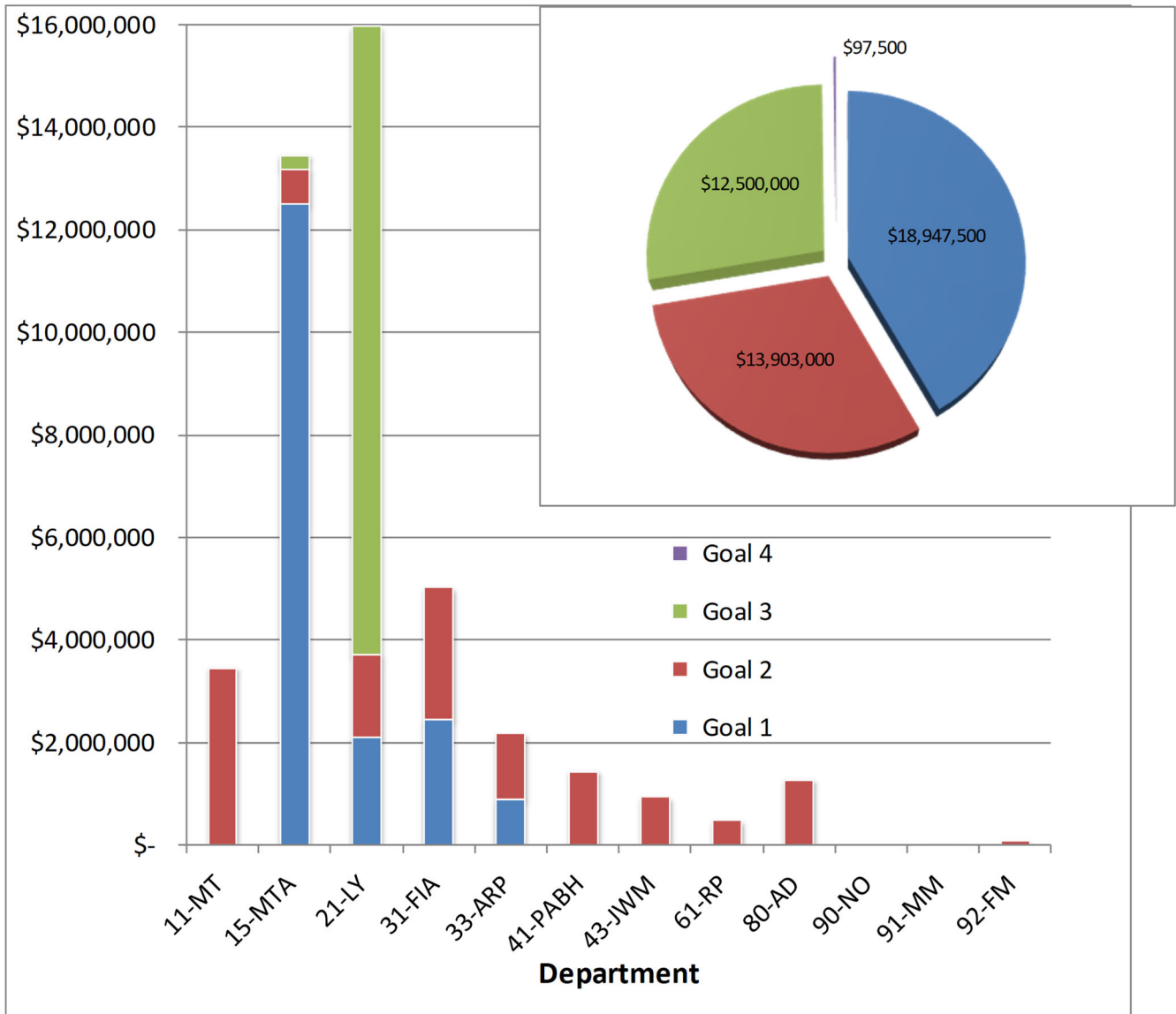
Port of Port Angeles 2021 Action Plan

The following strategic plan items have been identified as priority action items for 2021:

- Expand maritime commerce through the development of the Marine Trades industrial park and additional acres of industrial zoned waterfront properties.
- Foster partnerships with other public agencies in furtherance of economic development.
- Promote innovative value-added wood products manufacturing while working to achieve a reliable and sustainable timber harvest.
- Demonstrate leadership in the western Port Angeles harbor clean-up.
- Actively market available Port properties to move toward 90% occupancy of Port owned buildings.

5 Year Capital Improvement Plan

2021-2025 CAPITAL EXPEDITURES BY STRATEGIC GOAL AND DEPARTMENT



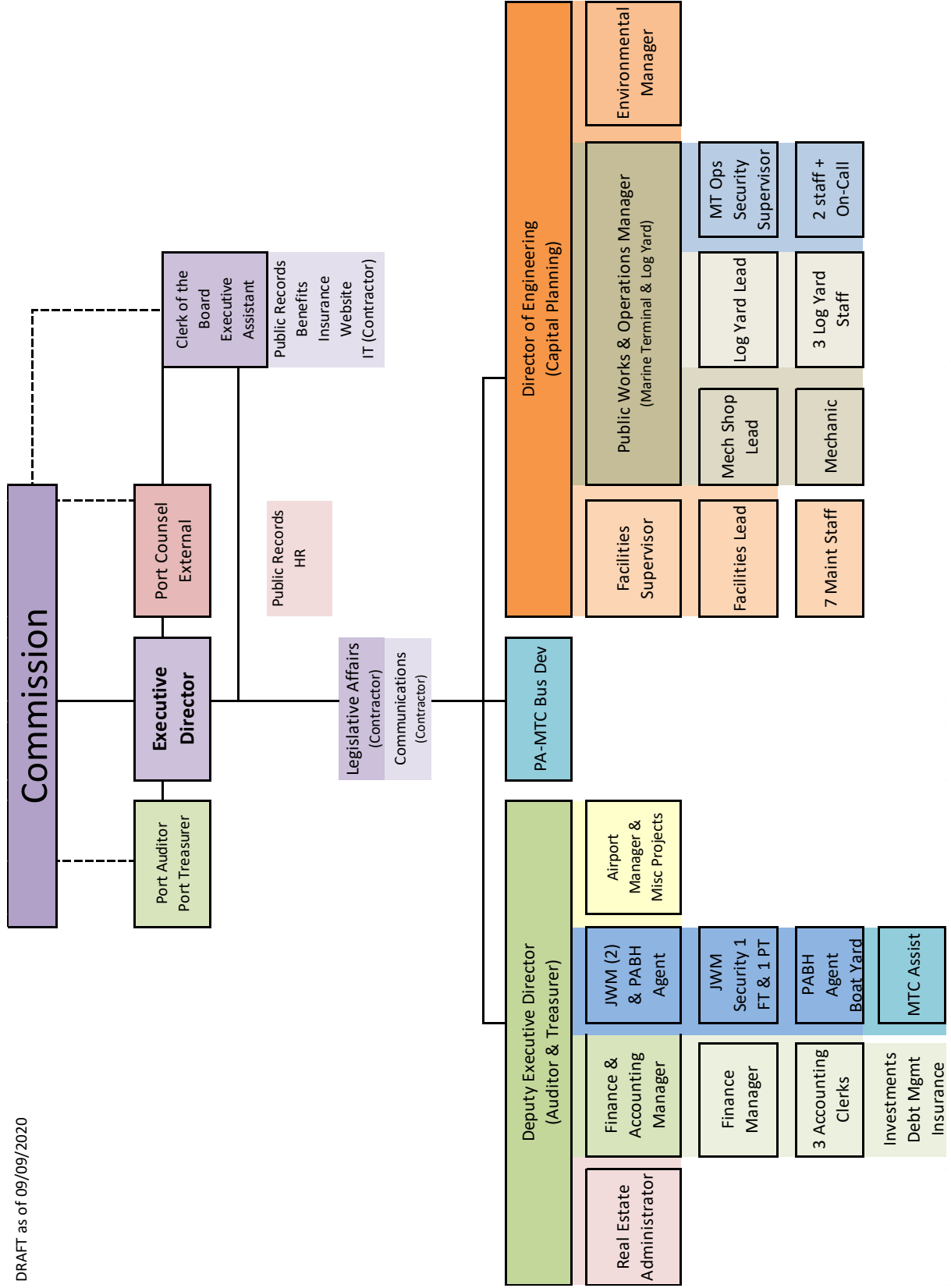
PORT OF PORT ANGELES STRATEGIC PLAN GOALS

- Goal 1 Aggressively Market the Port and Invest in Strategic Infrastructure to Foster Living Wage Jobs
- Goal 2 Assure Sound Financial and Economic Return on Port Assets
- Goal 3 Improve Environmental Performance
- Goal 4 Enhance Stakeholder Engagement and Outreach Efforts

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SECTION II

PERSONNEL SUMMARY



PORT OF PORT ANGELES

PERSONNEL SUMMARY

All Departments - Actual & Budgeted Employees

		2014	2015	2016	2017	2018	2019	2020	2020	2021	2021 -2020
Department		Actual FTEs	Actual FTEs	Actual FTEs	Actual FTEs	Actual FTEs	Actual FTEs	Budget FTEs	Projected FTEs	Budget FTEs	Budget Change In FTEs
MT	Marine Terminal <i>(Includes PT & FT Security)</i>	5.92	5.90	5.30	6.15	5.90	5.78	5.25	5.62	5.20	(0.05)
MTA	Marine Trades Area <i>(Formerly Boat Yard & Travel Lift Pier)</i>	0.45	1.00	0.94	0.85	1.30	1.44	1.00	1.04	0.95	(0.05)
LY	Log Yard	6.38	6.00	6.59	7.87	7.94	4.96	4.90	4.76	4.85	(0.05)
FIA	William R. Fairchild Int'l Airport	2.66	2.50	2.38	2.99	2.15	2.96	1.85	2.16	1.70	(0.15)
ARP	Airport Rental Properties	0.32	1.50	1.41	0.63	1.40	1.03	1.65	1.37	1.50	(0.15)
SEK	Sekiu Airport	0.05	0.05	0.03	0.05	0.05	0.03	0.05	0.10	0.05	-
PABH	Port Angeles Boat Haven	0.80	0.75	0.74	0.81	0.82	1.30	1.15	1.18	1.10	(0.05)
JWM	John Wayne Marina <i>(Includes PT & FT Security)</i>	3.14	4.05	3.89	4.47	4.55	4.29	4.73	4.38	4.68	(0.05)
RP	Rental Properties	1.18	1.00	0.72	1.84	0.60	0.61	0.55	0.58	0.50	(0.05)
A&G	Administration & General <i>(Includes PT & FT Security)</i>	11.03	10.77	10.26	8.39	9.32	10.80	9.40	9.92	8.10	(1.30)
BD	Business (Economic) Development	0.40	1.00	0.73	0.24	0.45	0.45	0.50	1.01	1.20	0.70
MM	Mechanical Maintenance	2.30	2.07	2.13	2.27	2.24	2.21	2.25	2.32	2.25	-
FM	Facilities Maintenance	7.05	7.73	7.96	6.92	8.81	8.33	9.17	7.16	8.75	(0.42)
NOP	Non-Operating	0.16	0.12	0.13	0.12	0.35	0.33	0.20	0.38	0.15	(0.05)
Total		41.84	44.44	43.21	43.60	45.88	44.52	42.65	41.98	40.98	(1.67)

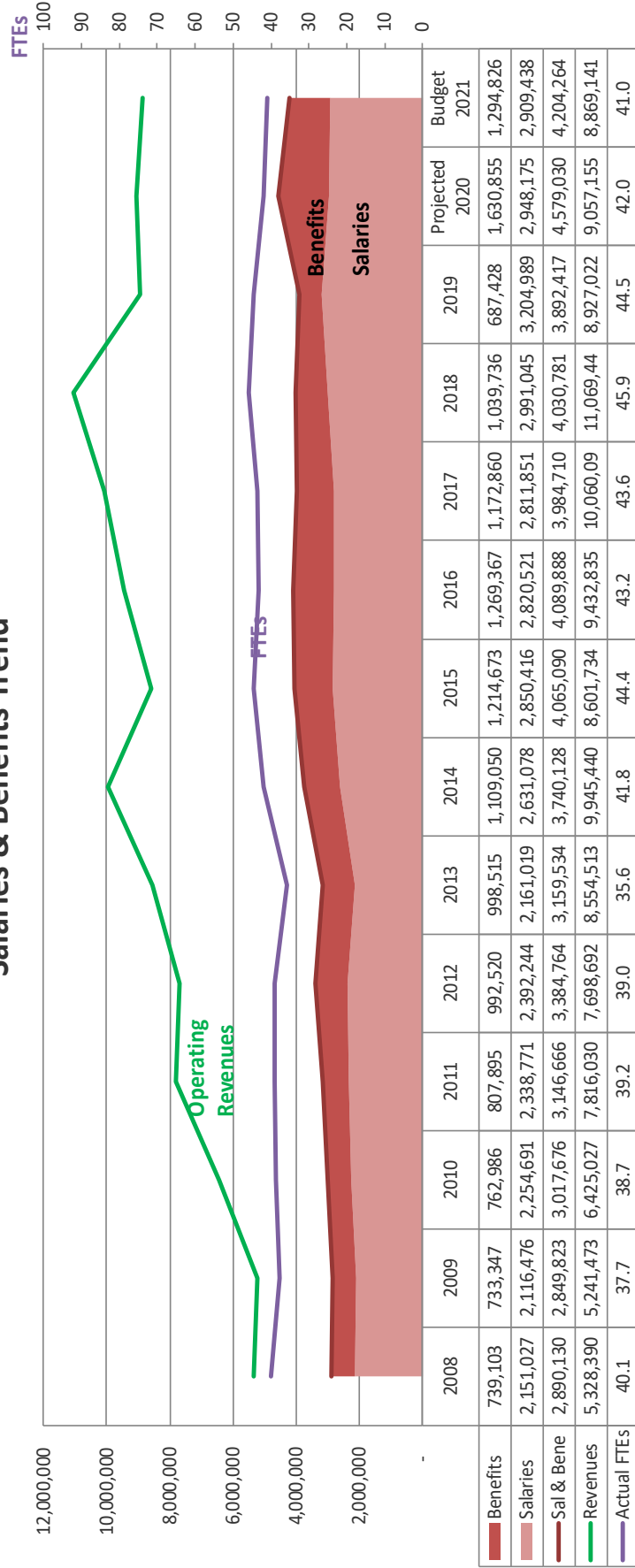
Significant changes from 2020 Budget to 2021 Budget:

MT	N/A
MTA	N/A
LY	N/A
FIA	N/A
ARP	N/A
SEK	N/A
PABH	N/A
JWM	N/A
RP	N/A
A&G	2 FTE left mid-year 2020. They will not be replaced
BD	1 FTE moved to BD in 2020
MM	N/A
FM	N/A
NOP	N/A

2021 budget decreases are driven by continued economic uncertainty with trade tariffs imposed on logs originating in the U.S. Staff changes and anticipated retirements will result in reallocation of staff time across various departments. The marketing for the development of a new Marine Trades Center (in MTA) is reflected in Business Development since this is a major initiative beyond ongoing operations.

FTEs = Full time equivalent
 FT = Full Time
 PT = Part Time

2008 thru 2021 Operating Activity Salaries & Benefits Trend



Average Annual Growth

Operating Revenues	5.1%
Salaries	2.7%
Benefits	5.8%
Salaries & Benefits	3.5%
FTEs	0.2%

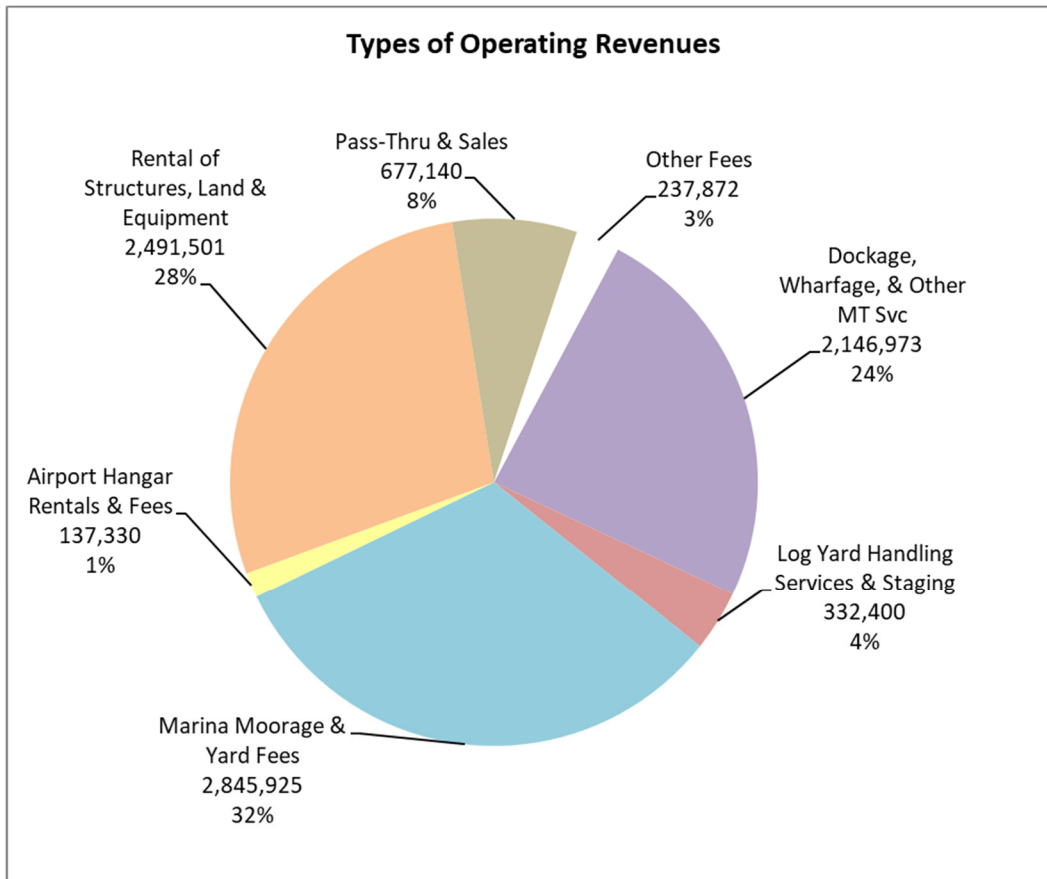
SECTION III

BUDGET OVERVIEW

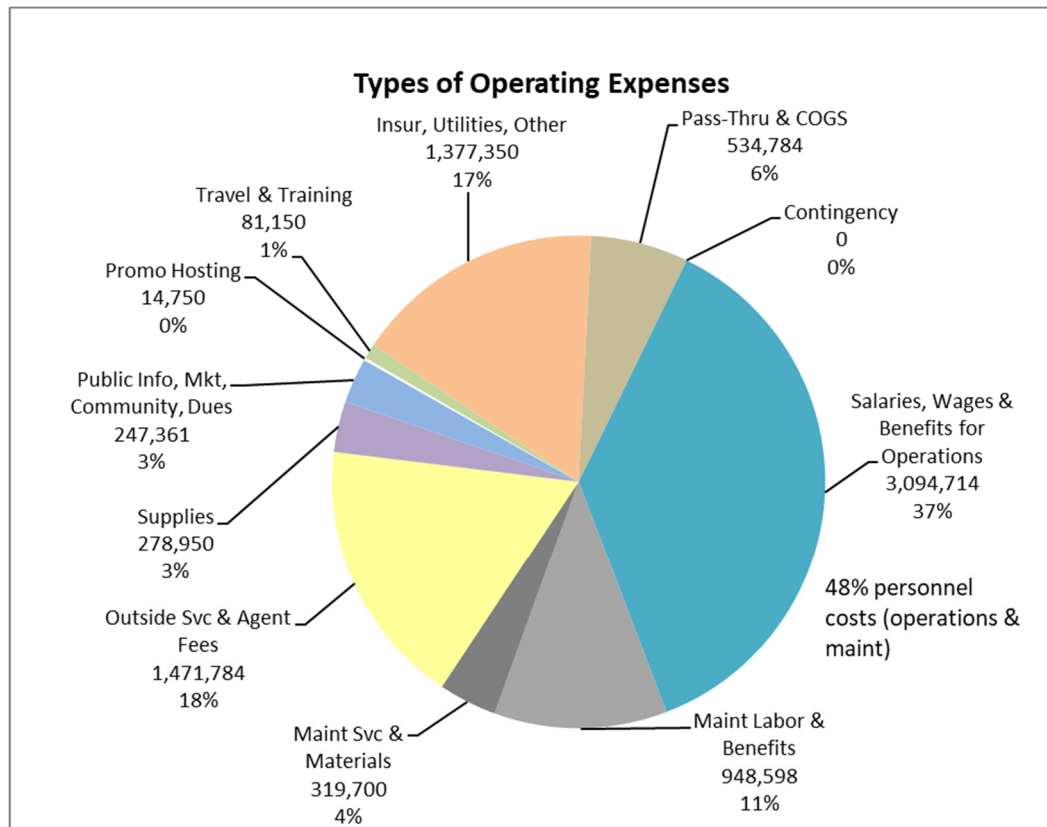
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FUND BALANCE

2021 - WHERE DOES THE MONEY COME FROM?



2021 - WHERE DOES THE MONEY GO?



Port of Port Angeles
Summary by Type of Revenues & Expenses
2021 Budget

	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 BUDGET	2020 PROJECTED	2021 BUDGET	2020 Proj Over/(Under) 2020 Budget	2021 Budget Over/(Under) 2020 Proj
OPERATING REVENUES								
DOCKAGE	1,153,036	1,308,082	971,033	811,074	915,975	876,706	104,901	(39,269)
WHARFAGE	1,018,672	1,061,311	507,846	520,640	508,850	524,610	(11,790)	15,760
SERVICE & FACILITIES	615,374	593,138	313,827	325,052	310,097	325,052	(14,955)	14,955
LOADING & UNLOADING	0	0	0	0	0	0	-	0
MT HANDLING	14,025	162,526	243,779	230,000	233,440	230,000	3,440	(3,440)
LABOR SERVICES	178,416	283,979	207,922	183,396	223,980	190,605	40,584	(33,375)
LOG YARD STAGING	25,666	71,694	50,503	18,712	42,708	27,866	23,996	(14,842)
LOG YARD LAND SERVICES	1,419,622	1,556,546	437,384	291,872	268,476	219,490	(23,396)	(48,986)
LOG YARD WATER SERVICES	79,201	65,382	117,237	83,703	102,808	85,044	19,105	(17,764)
MOORAGE	2,030,458	2,114,058	2,286,370	2,449,181	2,395,591	2,515,371	(53,590)	119,780
MARINA & YARD FEES	253,948	277,481	335,892	302,516	320,635	330,554	18,119	9,919
LANDING/PARKING FEES	6,864	6,949	7,034	7,500	7,500	7,635	-	135
HANGAR/TIE DOWN	111,289	135,131	120,502	129,000	125,000	129,695	(4,000)	4,695
STORAGE	0	0	0	0	0	0	-	0
OTHER USER FEES	45,994	86,099	199,621	213,241	281,222	202,872	67,981	(78,351)
EQUIPMENT RENTAL	438,624	408,403	286,950	294,767	275,910	302,460	(18,857)	26,550
LAND LEASE/RENT	593,053	598,887	608,429	630,526	613,591	553,109	(16,935)	(60,482)
STRUCTURE LEASE/RENT	1,473,186	1,546,329	1,408,752	1,514,388	1,596,098	1,535,491	81,710	(60,607)
USE AGMT AND OTHER RENT	47,393	47,596	81,545	103,681	90,991	100,441	(12,690)	9,450
UTILITY PASS THRU & PRODUCT SALES	548,431	716,604	715,237	656,554	709,297	677,140	52,743	(32,157)
MISC & INTERDEPT REVENUE	6,842	29,251	27,161	71,750	34,986	35,000	(36,764)	14
TOTAL OPERATING REVENUES	10,060,095	11,069,446	8,927,022	8,837,553	9,057,155	8,869,141	219,602	(188,015)
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	3,187,901	3,219,131	2,818,675	3,252,291	3,360,954	3,094,714	108,663	(266,240)
SUPPLIES	349,637	420,051	310,321	304,348	222,757	278,950	(81,591)	56,193
OUTSIDE SERVICES	1,895,976	1,306,317	1,421,201	2,296,028	2,841,485	1,471,784	545,457	(1,369,701)
PUBLIC INFORMATION	114,112	160,089	166,832	171,800	160,465	146,800	(11,335)	(13,665)
MARKETING	29,840	31,741	27,537	51,998	27,755	43,000	(24,243)	15,245
COMMUNITY RELATIONS	3,144	11,982	23,082	25,101	5,000	10,000	(20,101)	5,000
ADS, DUES & PUBLICATIONS	39,017	35,138	48,413	45,706	42,655	47,561	(3,051)	4,906
TRAVEL MEETINGS	50,592	57,122	53,008	52,450	10,888	40,490	(41,562)	29,602
TRAINING/TRAVEL	46,060	40,865	41,539	46,650	12,000	40,660	(34,650)	28,660
PROMOTIONAL HOSTING	10,240	5,584	6,199	17,750	1,800	14,750	(15,950)	12,950
RENT, UTILITIES, INSURANCE, TAXES	963,710	1,007,836	1,097,692	1,160,586	1,164,255	1,303,516	3,669	139,261
UTILITY (Pass Thru) & COST OF GOODS SOLD	453,294	542,568	520,748	493,851	560,941	534,784	67,090	(26,157)
OTHER EXPENSES (Misc & Interdept)	90,740	161,818	87,185	91,453	85,650	73,834	(5,803)	(11,816)
CONTINGENCY	0	0	0	104,000	0	0	(104,000)	0
MAINT LABOR, BENEFITS & INTER-DEPT	796,809	812,010	840,624	952,341	905,874	948,598	(46,467)	42,724
MAINTENANCE (Materials & Services)	353,523	346,921	268,666	271,200	333,040	319,700	61,840	(13,340)
TOTAL DIRECT EXPENSES	8,384,597	8,159,174	7,731,721	9,337,553	9,735,519	8,369,141	375,592	(1,366,379)
ALLOCATED EXPENSES - ADMIN & MAINT	0	0	(0)	0	0	0	(0)	(0)
NET SURPLUS (DEFICIT) - Before Depreciation	1,675,497	2,910,272	1,195,302	(500,000)	(678,364)	500,000	(155,990)	1,178,364
ALLOCATED DEPRECIATION	(0)	(0)	0	0	(0)	0	(0)	0
DEPRECIATION	2,479,588	2,624,637	2,591,811	2,476,315	2,701,375	2,796,609	225,060	95,234
NET SURPLUS (DEFICIT) - After Depreciation	(804,091)	285,635	(1,396,509)	(2,976,315)	(3,379,739)	(2,296,609)	(381,050)	1,083,130
NON-OP (GENERAL)								
NON-OP REV (General)	474,143	546,765	2,929,423	479,814	470,664	460,124	(9,150)	(10,540)
NON-OP EXP (General)	107,500	222,092	553,323	278,658	263,000	340,470	(15,658)	77,470
NON-OP (General) SURPLUS (DEFICIT)	366,643	324,673	2,376,100	201,156	207,664	119,654	6,508	(88,010)
NON-OP (CAPITAL)								
NON-OP REV (Capital)	2,306,238	1,622,579	1,857,226	2,528,383	2,519,838	2,639,023	(8,545)	119,185
NON-OP EXP (Capital)	287,044	276,023	264,590	252,939	252,339	90,463	(600)	(161,876)
NON-OP (Capital) SURPLUS (DEFICIT)	2,019,194	1,346,555	1,592,636	2,275,444	2,267,499	2,548,560	(7,945)	281,061
NET NON-OP SURPLUS (DEFICIT)	2,385,837	1,671,229	3,968,736	2,476,600	2,475,163	2,668,214	(1,437)	193,051
TOTAL NET SURPLUS (DEFICIT)	1,581,746	1,956,863	2,572,227	(499,715)	(904,576)	371,605	(382,487)	1,276,181

Fund Balance – Cash Based

(Approximates Cash Flow)

Projected 2020		DESIGNATED FUNDING	GENERAL FUND	CAPITAL IMPR.	G.O. DEBT SERVICE	TOTAL FUNDS
CASH BALANCE, JANUARY 1, 2020						
Operating Cash			1,669,302			
Investment Fund Balance			3,297,749	13,919,582	0	
Beginning Balance			4,967,050	13,919,582	0	18,886,632
PROJECTED GENERAL FUND ENDING BALANCE						
Operating Revenues			9,057,155			
1	Operating Expenses before Depreciation		(9,735,519)			
Operating Surplus (Deficit) before Depreciation			(678,364)			(678,364)
Beginning General Fund Balance - Op Deficit			4,288,686			
2	Net Non-Operating General Surplus (Deficit)		207,664			207,664
Projected General Fund Ending Balance			4,496,350			
GENERAL FUND TARGET FUND BALANCE						
Next Year Operating Expense Budget			4,184,570			
Projected Ending Balance over (under) Target Balance			311,780			
3	TRANSFER EXCESS GENERAL FUNDS TO CAPITAL FUND		(311,780)	311,780		0
Capital Fund is "approximately" reimbursing General Fund for:						
Community Partner Program		70,000				
New Bond Issue Proceeds					0	
General Property Tax Levy					1,569,838	
Less: Debt Service (Principal & Interest)					(4,445,646)	
Excess Property Tax Levy					(2,875,808)	(2,875,808)
TRANSFER EXCESS TAX LEVY TO CAPITAL FUND				(2,875,808)	2,875,808	0
Capital Grants				950,000		950,000
4	Less: Capital Project Expenses (before grant funding)			(3,998,500)		(3,998,500)
CASH BALANCE, DECEMBER 31, 2020			4,184,570	8,307,054	0	12,491,624
Budget 2021		DESIGNATED FUNDING	GENERAL FUND	CAPITAL IMPR.	G.O. DEBT SERVICE	TOTAL FUNDS
CASH BALANCE, JANUARY 1, 2021			4,184,570	8,307,054	0	12,491,624
PROJECTED GENERAL FUND ENDING BALANCE						
Operating Revenues			8,869,141			
1	Operating Expenses before Depreciation		(8,369,141)			
Operating Surplus (Deficit) before Depreciation			500,000			500,000
Beginning General Fund Balance + Op Surplus (Deficit)			4,684,570			
2	Net Non-Operating General Surplus (Deficit)		119,654			119,654
Projected General Fund Ending Balance			4,804,224			
GENERAL FUND TARGET FUND BALANCE						
6 Months of Next Year Operating Budget (budget year plus 2%)			4,268,000			
Projected Ending Balance over (under) Target Balance			536,224			
3	TRANSFER EXCESS GENERAL FUNDS TO CAPITAL FUND		(536,224)	536,224		0
Capital Fund support for Economic Development						
- Community Partner Program		70,000				
New Bond Issue Proceeds					0	
General Property Tax Levy					1,599,023	
Less: Debt Service (Principal & Interest)					(525,009)	
Excess Property Tax Levy					1,074,014	1,074,014
TRANSFER EXCESS TAX LEVY TO CAPITAL FUND				1,074,014	(1,074,014)	0
Capital Grants				1,040,000		1,040,000
4	Less: Capital Project Expenses			(4,317,000)		(4,317,000)
CASH BALANCE, DECEMBER 31, 2021			4,268,000	6,640,293	0	10,908,293


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

- 1 Operating Expenses do not include depreciation because it is a non-cash expense.
- 2 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.
- 3 This transfer is "what it takes" to leave an ending fund balance to meet the 1 year reserve requirement.
Because of legacy environmental projects and CRTC, the Capital Fund is reimbursing the General Fund.
- 4 Capital expenses are the total project costs before grant funding. It also includes capital purchase of equipment.

5 Year Projected Fund Balance

(Approximates Cash Flow)

	2021	2022	2023	2024	2025
GENERAL FUND					
Beginning Fund Balance	4,184,570	4,268,000	4,353,360	4,440,427	4,529,236
Op Surplus/(Deficit) (before Depreciation)	500,000	500,000	500,000	500,000	500,000
Net Non-Operating Surplus (before grant funds)	119,654	250,000	250,000	250,000	250,000
Non-Operating Unidentified Grants	-	-	-	-	-
Projected Ending Fund Balance	4,804,224	5,018,000	5,103,360	5,190,427	5,279,236
TRANSFER EXCESS TO CAPITAL FUND	(536,224)	(664,640)	(662,933)	(661,191)	(659,415)
Estimated Ending Fund Balance	4,268,000	4,353,360	4,440,427	4,529,236	4,619,820
Explanation of Reserves					
General Reserve for Adverse Conditions & to obtain strong bond rating					
Res 19-1203: 6 Mos Next Yr Op Budget (2% increase)	4,268,000	4,353,360	4,440,427	4,529,236	4,619,820
Self-insurance reserves for unemployment	7,500	7,500	7,500	7,500	7,500
Target Reserve Balance	4,268,000	4,353,360	4,440,427	4,529,236	4,619,820
Estimated Over (Under) Target	-	-	-	-	-

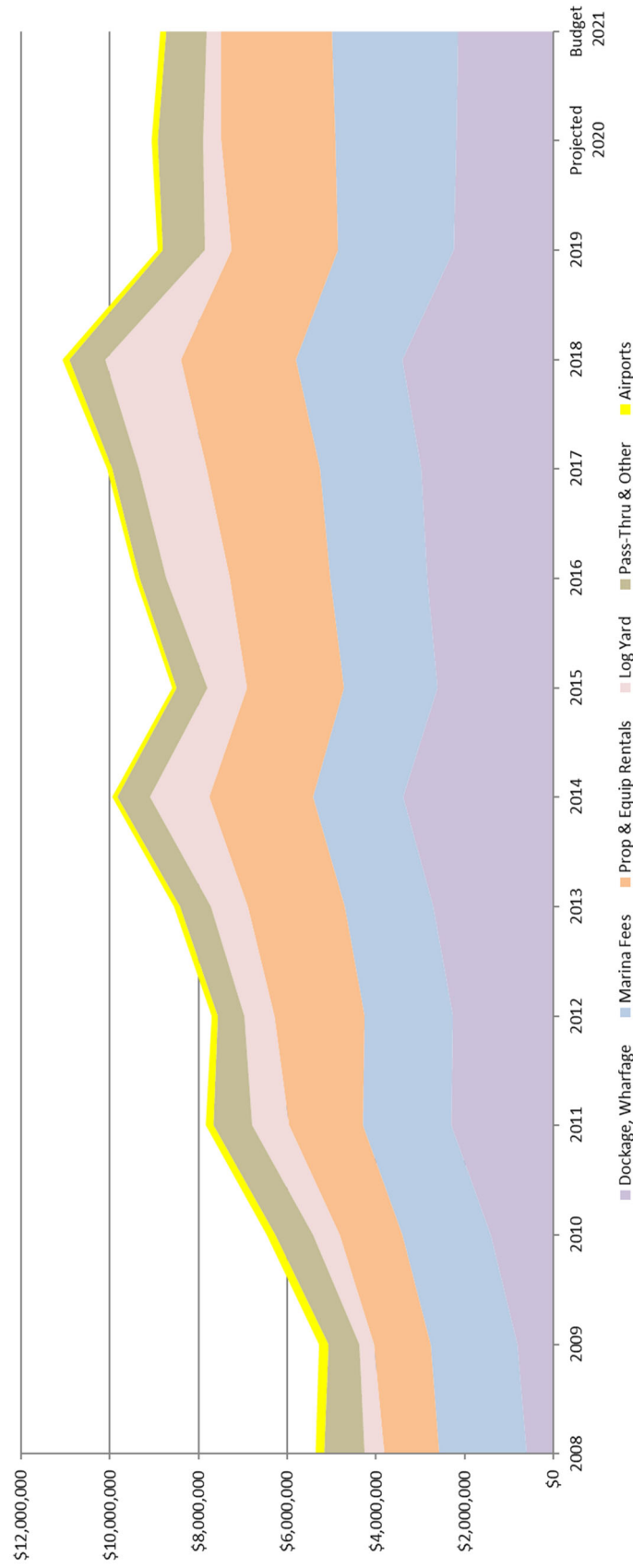
	2021	2022	2023	2024	2025
CAPITAL IMPROVEMENT FUND					
Beginning Fund Balance	8,307,054	6,686,161	(680,132)	(16,522,531)	(23,574,773)
Transfer from General Fund	536,224	664,640	662,933	661,191	659,415
Transfer from Debt Service Fund	1,119,882	1,154,568	1,170,168	1,186,566	1,203,766
Capital Grants for Committed Projects	1,040,000	-	-	-	-
Unidentified Capital Grants	-	9,202,000	4,575,500	1,800,000	2,950,000
Funds Available for Capital Projects	11,003,161	17,707,368	5,728,469	(12,874,773)	(18,761,592)
Capital Projects per 5 Yr Capital Plan	(4,317,000)	(18,387,500)	(22,251,000)	(10,700,000)	(9,360,000)
Estimated Ending Fund Balance	6,686,161	(680,132)	(16,522,531)	(23,574,773)	(28,121,592)
	0		Reduce Reserves and/or issue debt.		
Environmental Liability GASB49	105,000	105,000	20,000	20,000	20,000
Environmental Projects (non-capital) Reserves	50,000	50,000	50,000	50,000	50,000
Emergency Repair or Unfortunate Event	500,000	500,000	500,000	500,000	500,000
Job Creation Opportunity	500,000	500,000	500,000	500,000	500,000
Target Capital Reserves	1,155,000	1,155,000	1,070,000	1,070,000	1,070,000
Estimated Over (Under) Target	5,531,161	(1,835,132)	(17,592,531)	(24,644,773)	(29,191,592)

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.

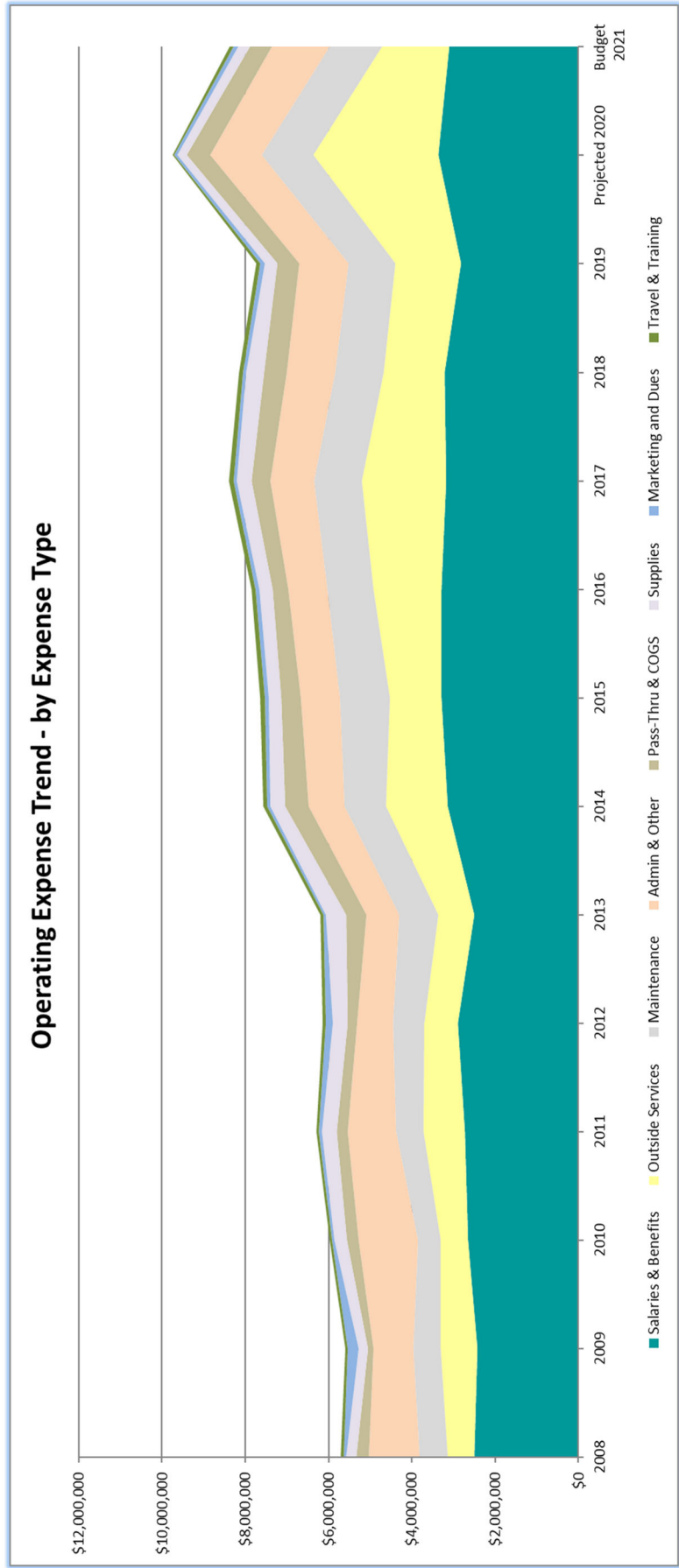
	2021	2022	2023	2024	2025
DEBT SERVICE FUND					
Beginning Fund Balance	-	-	-	-	-
Property Tax Levy: 1% in 2022-2025	1,599,023	1,615,014	1,631,164	1,647,475	1,663,950
Increase new Construction + Refunds	included above	15,000	15,000	15,000	15,000
Less: Debt Service	(479,141)	(475,446)	(475,996)	(475,909)	(475,184)
Projected Ending Fund Balance	1,119,882	1,154,568	1,170,168	1,186,566	1,203,766
TRANSFER EXCESS TO CAPITAL FUND	(1,119,882)	(1,154,568)	(1,170,168)	(1,186,566)	(1,203,766)
Estimated Ending Fund Balance	-	-	-	-	-
New Debt using "Excess" Prop Tax (30 yr at 2.0%)	\$ 25,220,000	\$ 26,000,000	\$ 26,350,000	\$ 26,720,000	\$ 27,110,000

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.



Expense Type - Descriptions

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

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SECTION IV

OPERATING BUDGET

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2020 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 - 2020 Projected

1. Rates, fees and applicable leases were increased by not less than the 2.5% CPI, except as specifically identified. This is consistent with the 2020 budget assumptions.
2. Marine Terminal revenues are projected to exceed budget by \$260k. Cargo volume will be approximately 33.0 million board feet with 2 additional cargo vessels projected for Q4 (10 total vessels projected, 3 full cargo and 7 partial). 2020 Budget was 42.0 million board feet at 7 vessels. Wood chip export activity will exceed budget, both at terminal 3 and handling services in surge area. Import tariffs on logs originating from the U.S continue to affect end of year log volume in conjunction with a historically strong domestic market. The CPI increase for wharfage, S&F and equipment rental charges were not implemented due to the significant impact of tariff increases on our customers.
3. Marine Terminal activity includes 20 additional tanker days through the end of year (total 75 days for 2020). 2020 Budget was 35 days. Uptick in tanker repair activity is due to refinery slowdowns associated with COVID-19. Lower oil production in the Alaska pipeline system has resulted in more out-of-service days for tankers allowing repairs to be scheduled.
4. Marine Trades revenues are lower than budgeted due to general boat yard activity decrease related to COVID-19 protocols.
5. Log Yard activities and associated revenues are projected to be on budget. This is due to the anticipated volumes of water services and staging of both barged wood and tows. The CPI increase for log handling services of 3% was implemented January 1, 2019 and rolled back to 2018 rates effective September 1, 2019. CPI Rate increase of 2.5% to go into effect January 1, 2020 was not taken, to lessen the significant negative impact of tariff increases and domestic timber market conditions on our customers.
6. Airport revenues are slightly higher than budget due to revised storage revenue and unbudgeted revenue source.
7. Lease revenue, across all departments, is projected to be slightly lower than budget by (\$10k) or (0.5%).
8. Airport Rental Property is projected to be under budget, mainly attributed to adverse economic effects of COVID-19 pandemic.
9. Marina moorage revenues at PABH and JWM projected to be 3-4% below budget primarily due to delayed or limited fishing season, because of COVID-19.

2020 PROJECTED YEAR END - ASSUMPTIONS
All Departments (continued)

Expenses - 2020 Projected

1. Marine Terminal expenses are projected to be over budget by \$600k due to Terminal 3 maintenance dredging awarded contract amount and slightly higher costs of operation and maintenance of stormwater bio-filtration ponds.
2. Marine Trades expenses are under budget across a variety of line items.
3. Log Yard expenses such as supplies, supplemental FM labor and other expenses are projected to be under budget by around \$115k due to the decrease in overall activity.
4. Airport expenses are projected to be under budget because the FIA tree removal project was delayed after a forestry consultant found the trees were growing taller at a slower rate than previously believed. This savings was partially offset by increased salaries related to maintaining a higher level of staffing than what was budgeted due to the increased work associated with the master planning process.
5. Airport Rental Property expenses projected to be under budget mainly due to non-use of outsourced lease broker and a department personnel shift.
6. Marina expenses are essentially on track with budget.
7. Mechanical Maintenance (MM) and Facilities Maintenance (FM) are at or below budget.
8. Administration expenses are projected to be under budget by approximately \$150K because several consulting projects were postponed (strategic plan, grant writing, job analysis) and because \$104k contingency amount is budgeted in Administration as a placeholder but was not used.
9. Business Development expenses are projected to be over budget by approximately \$31k because the Marine Trades Area business development manager agreed to work the entire year instead of retiring mid-year as previously planned. The \$55k over budget in salary and benefit was partially offset with the cancellation of planned travel to maritime events due to Covid-19.
10. Insurance renewals - all Port - 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 \$92k or 25% in July 2020. An increase of 20% is attributed to two years of the largest insured losses in recorded history, both domestically and globally, which have occurred due to catastrophic natural disasters. An additional 4% increase is due to rising property values in general and the fact that the Port insures for replacement cost.
11. Non-Operating: Total Expenses and Revenues in the non-operating category are expected to come in at budget.

2021 BUDGET - ASSUMPTIONS

All Departments

General

1. CPI: August 2020 CPI West–Size Class B/C–All Urban Consumer (CPI-U) is 1.8%.
2. Inflation. General Inflation outlook at 2.24%.

Revenues – 2021 Budget

1. In general, rates, fees and applicable leases will increase by 1.8% CPI-U.
2. Marine Terminal tariff rates will be adjusted based on the August 2020 CPI West - All Urban Consumers (CPI-U), as adopted by NWMTA member ports, with a floor of not less than 2.8% (Please note, the CPI category used by NWMTA is different than the CPI category used by the Port of Port Angeles). This includes rate adjustments for Dockage, Vessel Repair Dockage, Equipment Rental, Wharfage, Service and Facilities Charges, Passenger Fees and Environmental Fees. No increase for Security Fees and Electrical Service Fees in 2021. Continued trade tariffs on logs originating from the U.S. and a strong domestic log market will can affect log exports and could delay scheduled 2021 rate increases for Wharfage, Service and Facilities, and Equipment Rental.
3. Marine Terminal activity includes associated revenue and expenditures based on 42 million board feet of log exports (7 vessels), 40 days of tanker repair dockage, and 32 chip barges. No cruise vessel calls are expected in 2021.
4. Marine Trades revenue for use of the Travel-Lift Pier will increase in accordance with the published rates for 2021. Travel-Lift Pier fees are calculated 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. Most fees at the PABY and Marine Trade Center will be increased not less than the CPI of 1.8%. Most charges are based on the overall length of the vessel.
6. Log Yard Land Services revenue anticipated to be below EOY 2020. Trade tariffs on logs originating from the U.S. expected to continue into 2021.
7. Log Yard Water Services include revenue from rafting, round booming and dewatering of log volume via raft or barge. Log volumes and associated revenues expected to be at or near EOY 2020.
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 42 million board feet loaded X-dock.
9. Log Yard rates for log handling services (and fees) will increase by 4.5%. This number is a percentage of the sum of CPI of 3% for 2019, 2.5% for 2020 and 1.8% for 2020. The Port rolled back log yard rates in September 2019 to FY2018 rates due to tariffs and a down domestic market. The Port has held FY2018 rates through 2020 due to the aforementioned and with the emergence of COVID-19. The domestic market appears to be rebounding and January of 2021 the Port will take a more significant rate increase that normal.
10. Marina moorage rates will increase by - CPI plus 3% for most slips; CPI plus 4% with a 7% cap for 50-foot slips and greater, PA Boat Haven and John Wayne Marina.

2021 BUDGET – ASSUMPTIONS (continued)

11. FIA and Airport Rental Property revenues will see an increase in existing rents based on contractual CPI driven increases.
12. Property Tax Revenues. The Port will continue to use property tax revenues for new capital projects, debt service for prior capital projects, the Community Partner program and Commission approved special economic initiatives (none are planned for 2021).

Expenses – 2021 Budget

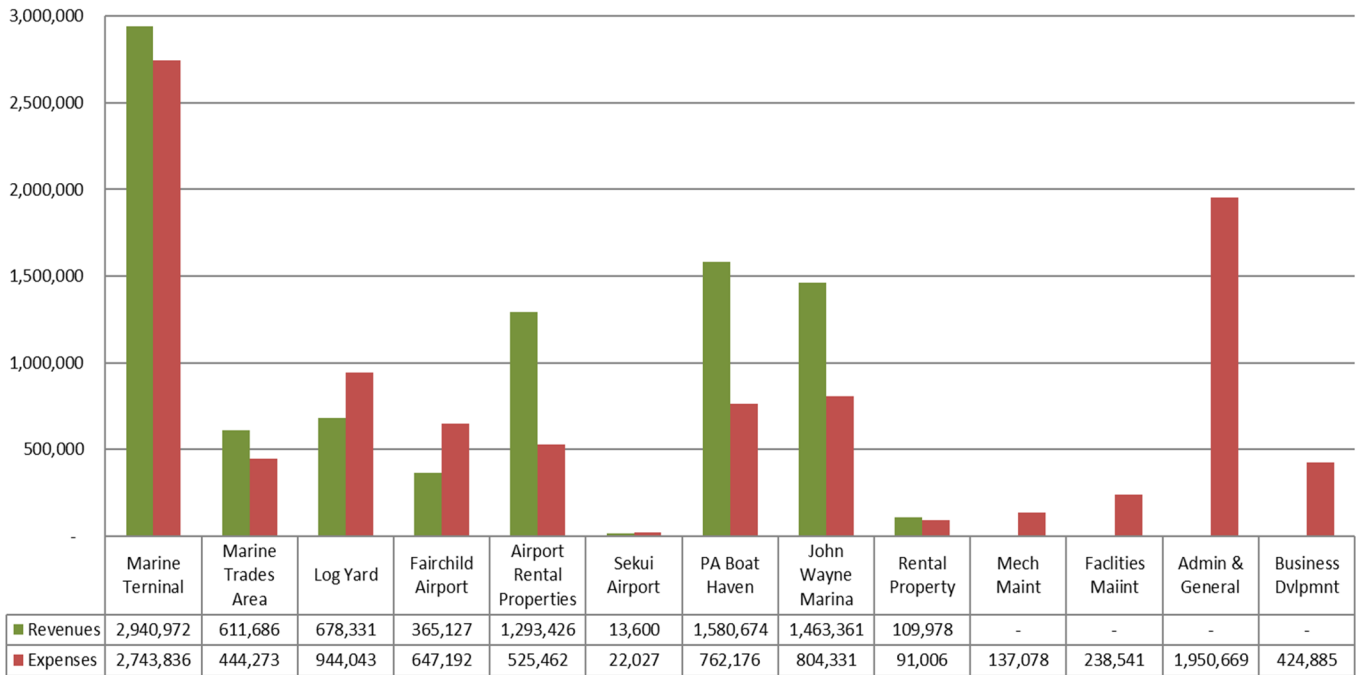
1. Salaries & Wages. The August 2020 CPI West-Size Class B/C-All Urban Consumer (CPI-U) is 1.8%. This rate has generally been used to determine salary and wage increases. The 2020 projected and 2021 operating budget present challenging financial times. During such challenging financial times in the past, the Port Commission would not finalize the salary and wage increases until near the end of the budget development process. The Commission may approve none, partial or a full CPI increase. The CPI in the draft budget will assume the full CPI increase subject to Commission approval. The proposed merit pool for non-represented staff will remain at \$15k, unchanged from last year. Represented staff will receive pay step increases per the applicable collective bargaining agreement, which is approximately \$5,300 (step increases are at 2.5% spread over multiple years).
2. Health insurance premiums will remain at the current rates for monthly premiums during January 1, 2021 to June 30, 2021. Premiums for July 1, 2021 to December 31, 2021 are projected to remain stable with no increase. The PERS (Public Employee Retirement System) premiums are on a yearly cycle (September 1, 2020 – August 31, 2021). The current employer contribution rate is 12.97% which will remain until August of 2021.
3. Paid Family Leave. In 2019, the State of Washington implemented RCW 50A.04 which created a state Paid Family Medical Leave (FMLA) plan. Unpaid FMLA has been an employee benefit dictated by federal regulations for number of years. However, the new state plan is for Paid FMLA. Employees and employers began contributing to the Paid Family Leave plan beginning January 1, 2019. As of January 1, 2020, eligible employees will be able to utilize this benefit. 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.
4. Washington Labor and Industries Rates. The Port's Labor and Industries rates are expected to increase slightly in 2021.
5. Legal services on environmental legacy issues will continue for litigation/negotiations with third parties.
6. Outside services include a major non-capital maintenance project of \$200k for a structural assessment of terminal 7, a \$35k pile assessment of terminal 1, and \$30k for an assessment of the boatyard travel lift pier.

2021 BUDGET – ASSUMPTIONS (continued)

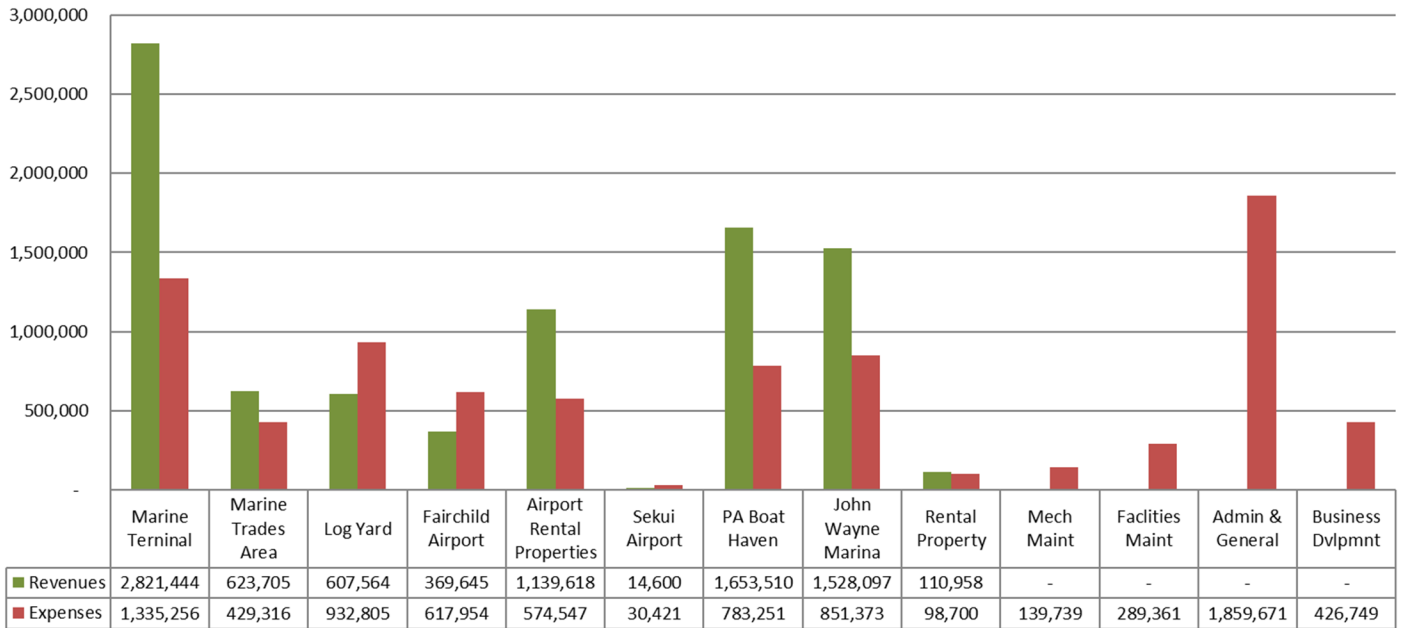
7. Insurance renewals - all Port - occur twice a year with property insurance renewing in July of each year and liability insurance renewing in October of each year. The annual property insurance premiums increased \$92k or 25% in July 2020 for the period from July 2020 through June 2021. An increase of 22.5% is attributed to two years of the largest insured losses in recorded history, both domestically and globally. An additional 2.5% increase is due to rising property values in general and the fact that the Port insures for replacement cost. Liability insurance is projected to increase approximately 5.1% beginning October 2020 through September 2021. The annual increase will be approximately \$7,400.
 - a. Property insurance is distributed to the departments 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 departments using an appropriate base (i.e., auto insurance is allocated by vehicle use; airport liability is charged to Airport; skiff (owned small vessel) insurance is charged to Log Yard).
8. Washington State Audit. Washington State Auditor's Office Annual Report Audit will be approximately \$44k. A Single Federal Audit is not expected (\$750k Federal grant funds threshold will not be met for 2020 Annual Report).
9. Operating Contingency. The 2021 budget does not contain an operating contingency.

Continue on to next page

2020 Projected Operating Activity



2021 Operating Budget



**Port of Port Angeles
Summary by Department
2021 Budget**

	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 BUDGET	2020 PROJECTED	2021 BUDGET	2020 Proj Over/(Under) 2020 Budget	2021 Budget Over/(Under) 2020 Proj
<u>OPERATING REVENUES</u>								
11 MARINE TERMINAL	3,335,355	3,785,936	2,872,277	2,681,078	2,940,972	2,821,444	259,894	(119,528)
15 MARINE TRADES AREA	457,929	461,827	564,271	607,855	611,686	623,705	3,831	12,019
21 LOG YARD	1,922,935	2,163,905	868,434	667,087	678,331	607,564	11,244	(70,767)
31 FAIRCHILD INTERNATIONAL AIRPORT	258,938	303,078	341,628	355,945	365,127	369,645	9,182	4,518
33 AIRPORT RENTAL PROPERTIES	1,296,289	1,383,884	1,166,240	1,272,724	1,293,426	1,139,618	20,702	(153,808)
32 SEKIU AIRPORT	15,682	14,981	14,759	14,600	13,600	14,600	(1,000)	1,000
41 PA BOAT HAVEN	1,371,598	1,433,218	1,507,328	1,616,261	1,580,674	1,653,510	(35,587)	72,836
43 JOHN WAYNE MARINA	1,289,799	1,420,938	1,496,763	1,508,250	1,463,361	1,528,097	(44,889)	64,736
61 RENTAL PROPERTY	111,569	101,680	95,322	113,753	109,978	110,958	(3,775)	980
91 MECHANICAL MAINTENANCE	0	0	0	0	0	0	0	0
92 FACILITIES MAINTENANCE	0	0	0	0	0	0	0	0
80 ADMINISTRATION & GENERAL	0	0	0	0	0	0	0	0
81 BUSINESS (Economic) DEVELOPMENT	0	0	0	0	0	0	0	0
TOTAL OPERATING REVENUES	10,060,095	11,069,446	8,927,022	8,837,553	9,057,155	8,869,141	219,602	(188,015)
<u>OPERATING EXPENSES</u>								
11 MARINE TERMINAL	723,336	1,065,180	1,125,729	1,970,005	2,743,836	1,335,256	773,832	(1,408,580)
15 MARINE TRADES AREA	331,532	353,212	357,879	399,771	444,273	429,316	44,502	(14,957)
21 LOG YARD	1,618,641	1,683,624	1,060,035	989,815	944,043	932,805	(45,772)	(11,238)
31 FAIRCHILD INTERNATIONAL AIRPORT	648,163	580,135	653,213	676,250	647,192	617,954	(29,058)	(29,238)
33 AIRPORT RENTAL PROPERTIES	327,200	476,246	519,239	639,199	525,462	574,547	(113,737)	49,085
32 SEKIU AIRPORT	20,802	23,515	30,095	36,196	22,027	30,421	(14,169)	8,394
41 PA BOAT HAVEN	666,776	706,287	756,546	783,180	762,176	783,251	(21,004)	21,075
43 JOHN WAYNE MARINA	782,081	916,666	898,943	853,977	804,331	851,373	(49,646)	47,042
61 RENTAL PROPERTY	185,320	143,942	83,813	106,938	91,006	98,700	(15,932)	7,694
91 MECHANICAL MAINTENANCE	128,514	126,932	133,621	135,766	137,078	139,739	1,312	2,661
92 FACILITIES MAINTENANCE	228,922	244,108	247,192	248,461	238,541	289,361	(9,920)	50,820
80 ADMINISTRATION & GENERAL	1,695,440	1,524,596	1,325,206	2,104,115	1,950,669	1,859,671	(153,446)	(90,998)
81 BUSINESS (Economic) DEVELOPMENT	1,027,871	314,730	540,211	393,879	424,885	426,749	31,006	1,864
TOTAL DIRECT EXPENSES	8,384,597	8,159,174	7,731,721	9,337,553	9,735,519	8,369,141	397,966	(1,366,379)
ALLOCATED EXPENSES - ADMIN & MAINT	0	0	(0)	0	0	0	0	(0)
NET SURPLUS (DEFICIT) - Before Depreciation	1,675,497	2,910,272	1,195,302	(500,000)	(678,364)	500,000	(178,363)	1,178,364
ALLOCATED DEPRECIATION	(0)	(0)	0	0	(0)	0	(0)	0
DEPRECIATION EXPENSE	2,479,588	2,624,637	2,591,811	2,476,315	2,701,375	2,796,609	225,060	95,234
NET SURPLUS (DEFICIT) - After Depreciation	(804,091)	285,635	(1,396,509)	(2,976,315)	(3,379,739)	(2,296,609)	(403,424)	1,083,130
<u>NON-OP (GENERAL)</u>								
NON-OP REV (General)	474,143	546,765	2,929,423	479,814	470,664	460,124	(9,150)	(10,540)
NON-OP EXP (General)	107,500	222,092	553,323	278,658	263,000	340,470	(15,658)	77,470
NON-OP (General) SURPLUS (DEFICIT)	366,643	324,673	2,376,100	201,156	207,664	119,654	6,508	(88,010)
<u>NON-OP (CAPITAL)</u>								
NON-OP REV (Capital)	2,306,238	1,622,579	1,857,226	2,528,383	2,519,838	2,639,023	(8,545)	119,185
NON-OP EXP (Capital)	287,044	276,023	264,590	252,939	252,339	90,463	(600)	(161,876)
NON-OP (Capital) SURPLUS (DEFICIT)	2,019,194	1,346,555	1,592,636	2,275,444	2,267,499	2,548,560	(7,945)	281,061
NET NON-OP SURPLUS (DEFICIT)	2,385,837	1,671,229	3,968,736	2,476,600	2,475,163	2,668,214	(1,437)	193,051
TOTAL NET SURPLUS (DEFICIT)	1,581,746	1,956,863	2,572,227	(499,715)	(904,576)	371,605	(404,861)	1,276,181

MARINE TERMINAL (MT 11)

The Port of Port Angeles maintains 5 deep water berths and related equipment that support marine cargo operations, topside vessel repair and lay berthing. The objectives of the marine terminals are:

- To operate the marine terminals in a manner that will provide an excess of revenues over expenses.
- To provide services, industrial waterfront facilities and a dedicated workforce for the efficient handling and loading of marine cargo, topside vessel repair and lay berthing.
- To continually reinvest capital dollars in the marine terminals to ensure that the Port's maritime infrastructure continues to support maritime jobs while obtaining a competitive return on the public investment in these facilities.

2020 PROJECTED

Revenue Assumptions

1. Dockage, Wharfage and Service and Facilities will be less than budget with projected end of year cargo volume of 33 million board feet (2 full cargo vessels and 6 partial). 2020 Budget is 42.0 million board feet (7 total cargo vessels). Import tariffs, higher ocean freight rates, higher log prices and unfavorable currency exchange rates will continue to affect end of year volume shipped from the Port's terminal facilities. Estimate 30 total chip barges loaded for 2020.
2. Vessel Repair Dockage revenue will be higher than budget with a total of 75 repair vessel days. 2020 Budget is 35 days. The greater tanker days are due to COVID-19 and lack of demand on crude oil to refineries. Out of service days allowed for preventative and deferred tanker maintenance. This results in more dockside work at Terminal 1 and work for local ship repair companies.
3. Labor Services associated revenues for vessel security greater than budget due to increase in cargo and tanker repair vessel calls.
4. Other User Fees reflects higher revenue due to the storage and handling of chips in the "surge area".

Expense Assumptions

1. Outside Services include longshoremen labor used in support of chip barge operation (corresponding revenue recognized in MT handling).
2. Utility and Cost of Goods Sold higher than budget due to increased electrical use for chip loading equipment and long term lay berth vessels (corresponding revenue recognized in Utility Pass Thru and Product Sales).
3. Overall Marine Terminal expenses are greater than budget due to Terminal 3 dredging project being an operational cost

2021 BUDGET

Revenue Assumptions

1. Projected cargo activity and associated revenue in 2021 is based on 7 cargo vessel calls (42 million board feet) and 32 chip barges.
2. 40 tanker days for top-side repair and no cruise vessel calls in 2021.
3. Marine Terminal tariff rates will be adjusted based on the August 2020 CPI West - All Urban Consumers (CPI-U), as adopted by NWMTA member ports with a floor of not less than 2.8%. This includes increases for Cargo Dockage, Vessel Repair Dockage, Wharfage, Service and Facilities Charges, Passenger Fee and Fuel Handling Fee. No increase for Security Fee and Electrical Service Fee in 2021.

Expense Assumptions

1. Outside Services includes Terminal 1 pile assessment, estimated expense of \$200k.

**Port of Port Angeles
MARINE TERMINAL (MT - DEPT 11)
2021 Budget**

	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 BUDGET	2020 PROJECTED	2021 BUDGET	2020 Proj Over/(Under) 2020 Budget	2021 Budget Over/(Under) 2020 Proj
OPERATING REVENUES								
DOCKAGE	1,153,036	1,308,082	971,033	811,074	915,975	876,706	104,901	(39,269)
WHARFAGE	1,016,168	1,057,523	504,076	518,640	508,100	523,860	(10,540)	15,760
SERVICE & FACILITIES	615,374	593,138	313,827	325,052	310,097	325,052	(14,955)	14,955
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	14,025	162,526	243,779	230,000	233,440	230,000	3,440	(3,440)
LABOR SERVICES	169,344	278,225	207,922	183,396	223,980	190,605	40,584	(33,375)
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	6,443	37,198	144,050	149,416	230,592	178,172	81,176	(52,420)
EQUIPMENT RENTAL	15,163	19,367	18,130	12,000	45,168	30,000	33,168	(15,168)
LAND LEASE/RENT	51,485	55,362	55,032	55,682	56,820	57,411	1,138	591
STRUCTURE LEASE/RENT	201,014	214,868	223,998	227,318	237,163	240,638	9,845	3,475
USE AGMT AND OTHER RENT	9,205	5,758	365	0	0	500	0	500
UTILITY PASS THRU & PRODUCT SALES	87,610	58,382	192,221	177,500	189,347	177,500	11,847	(11,847)
MISC & INTERDEPT REVENUE	(3,511)	(4,492)	(2,157)	(9,000)	(9,709)	(9,000)	(709)	709
TOTAL OPERATING REVENUES	3,335,355	3,785,936	2,872,277	2,681,078	2,940,972	2,821,444	259,894	(119,528)
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	291,391	398,758	397,637	320,979	357,706	315,691	36,727	(42,015)
SUPPLIES	11,637	14,849	7,928	15,000	8,000	9,000	(7,000)	1,000
OUTSIDE SERVICES *	129,323	321,570	248,873	1,179,250	1,807,776	435,000	628,526	(1,372,776)
PUBLIC INFORMATION	1,396	438	0	500	0	500	(500)	500
MARKETING	136	1,160	0	0	0	0	0	0
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	1,800	2,601	2,408	1,716	1,800	1,716	84	(84)
TRAVEL MEETINGS	2,965	1,041	1,332	1,600	220	1,600	(1,380)	1,380
TRAVEL/TRAINING	1,957	1,438	400	1,000	200	1,000	(800)	800
PROMOTIONAL HOSTING	4,879	1,081	434	2,000	500	2,000	(1,500)	1,500
RENT, UTILITIES, INSURANCE, TAXES	97,890	140,820	200,238	161,327	201,766	223,796	40,439	22,030
UTILITY (Pass Thru) & COST OF GOODS SOLD	66,006	35,897	115,757	114,516	157,789	147,917	43,273	(9,872)
OTHER EXPENSES (Misc & Interdept)	2,388	14,744	592	4,000	500	2,000	(3,500)	1,500
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	91,631	117,587	126,611	147,117	150,106	140,136	2,989	(9,970)
MAINTENANCE (Materials & Services)	19,938	13,196	23,519	21,000	57,473	54,900	36,473	(2,573)
TOTAL DIRECT EXPENSES	723,336	1,065,180	1,125,729	1,970,005	2,743,836	1,335,256	773,832	(1,408,580)
ALLOCATED EXPENSES - ADMIN & MAINT	314,231	425,575	452,464	841,900	1,029,026	591,185	187,127	(437,841)
NET SURPLUS (DEFICIT) - Before Depreciation	2,297,788	2,295,181	1,294,084	(130,826)	(831,890)	895,003	(701,064)	1,726,893
ALLOCATED DEPRECIATION	11,119	16,840	18,204	22,889	31,031	17,651	8,142	(13,381)
DEPRECIATION (includes donated assets)	403,110	481,796	561,034	559,734	632,779	629,779	73,045	(3,000)
NET SURPLUS (DEFICIT) - After Depreciation	1,883,560	1,796,545	714,846	(713,449)	(1,495,700)	247,574	(782,251)	1,743,274

*Outside Services - 2020 Budget includes an estimated \$1.0 million operating expense for Dredging at Terminal 3. 2020 Projection includes \$1.5 million operating expense for completion of Terminal 3 dredging. Dredging is needed periodically to ensure marine vessels have the required safety clearance between the ship hull and the harbor floor. The Port of Port Angeles is fortunate in that dredging is not often needed. The last need for dredging was 40 years ago.

MARINE TRADES AREA (MTA 15)

The Marine Trades Area (MTA) department primary focus is to promote economic opportunity and growth in the vessel repair and manufacturing sector of our local economy. Port waterfront facilities that are dedicated to marine trades include the Port Angeles Boat Yard and the 18 acre Marine Trades Center. Services offered include vessel haul-out capability up to 500 tons, upland boat storage, wash-down facilities and a skilled dedicated workforce. 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 repair facilities and infrastructure 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 Travelift, modern wash-down facility for vessels up to 200 feet and full service boat yard.
- Support maritime commerce and associated jobs through the ongoing development of the 18 acre Marine Trades Center (MTC).

2020 PROJECTED

Revenue Assumptions

1. Listed within Equipment Rental, Travel-Lift & Hydro-wash activities lower than budget due to effects of COVID.

Expense Assumptions

1. Outside Services higher due to a budgeted due to Marine Trades Development Assistance.

2021 BUDGET

Revenue Assumptions

1. Boatyard rates and fees adjusted by not less than CPI of 1.8%.
2. Equipment Rental includes revenue for use of the boatyard travel lift and boatyard hydro-wash.
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). Budgeted revenue equates to 160 operations in 2021.
4. Wash-down facility revenue, also included in Use Agreement and Other Rent, is budgeted for the full year (construction was completed early 2019). Approximately 90% of haul-outs involve a wash-down.
5. Wastewater treatment recognized in revenue category Use Agreement and Other Rent, beginning in 2019 with completion of the Wash-down facility. Prior year revenue was reported in Other User Fees.

Expense Assumptions

1. Wastewater and storm water treatment for the Marine Trades Center Wash-down Facility are offset by associated revenues.
2. Budget includes Marketing Expenses associated with participation in the Pacific Marine Expo. Efforts to market the Port's available waterfront industrial properties also include attendance at the following: International Work Boat Show - New Orleans, LA. and Fort Lauderdale International Boat Show, FL (travel expenses are budgeted in Business Development Department).

Port of Port Angeles
MARINE TRADES AREA (MTA - DEPT 15)
2021 Budget

	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 BUDGET	2020 PROJECTED	2021 BUDGET	2020 Proj Over/(Under) 2020 Budget	2021 Budget Over/(Under) 2020 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	169,081	179,236	218,753	192,700	189,050	196,140	(3,650)	7,090
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	18,160	20,926	15,762	21,525	8,000	500	(13,525)	(7,500)
EQUIPMENT RENTAL	103,129	94,699	115,827	126,075	110,200	112,000	(15,875)	1,800
LAND LEASE/RENT	81,550	86,050	96,949	104,813	122,129	122,551	17,316	422
STRUCTURE LEASE/RENT	58,246	54,954	46,948	64,052	99,755	100,714	35,703	959
USE AGMT AND OTHER RENT	26,726	26,226	69,325	96,390	81,200	90,150	(15,190)	8,950
UTILITY PASS THRU & PRODUCT SALES	1,102	1,102	1,102	800	1,102	1,150	302	48
MISC & INTERDEPT REVENUE	(65)	(1,365)	(396)	1,500	250	500	(1,250)	250
TOTAL OPERATING REVENUES	457,929	461,827	564,271	607,855	611,686	623,705	3,831	12,019
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	110,625	95,551	118,275	111,079	117,265	104,230	6,186	(13,035)
SUPPLIES	3,262	8,115	4,067	5,000	5,292	6,000	292	708
OUTSIDE SERVICES	103,415	86,379	97,516	73,700	112,000	88,700	38,300	(23,300)
PUBLIC INFORMATION	0	815	0	500	0	2,500	(500)	2,500
MARKETING	2,600	4,651	0	5,000	0	5,000	(5,000)	5,000
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	0	349	447	1,550	500	2,150	(1,050)	1,650
TRAVEL MEETINGS	3,320	3,629	485	2,000	0	2,500	(2,000)	2,500
TRAVEL/TRAINING	0	0	0	2,500	0	2,500	(2,500)	2,500
PROMOTIONAL HOSTING	257	253	262	5,000	0	5,000	(5,000)	5,000
RENT, UTILITIES, INSURANCE, TAXES	43,688	52,598	46,232	47,325	51,993	55,233	4,668	3,240
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	667	0	0	(667)	0
OTHER EXPENSES (Misc & Interdept)	620	2,038	3,752	2,600	1,106	2,500	(1,494)	1,394
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	48,306	57,883	64,657	106,850	111,044	115,503	4,194	4,459
MAINTENANCE (Materials & Services)	15,438	40,953	22,185	36,000	45,073	37,500	9,073	(7,573)
TOTAL DIRECT EXPENSES	331,532	353,212	357,879	399,771	444,273	429,316	44,502	(14,957)
ALLOCATED EXPENSES - ADMIN & MAINT	158,537	134,509	171,374	181,087	176,783	213,760	(4,304)	36,977
NET SURPLUS (DEFICIT) - Before Depreciation	(32,140)	(25,895)	35,018	26,997	(9,370)	(19,371)	(36,367)	(10,001)
ALLOCATED DEPRECIATION	5,619	5,331	6,917	4,923	5,331	6,382	408	1,051
DEPRECIATION (includes donated assets)	65,399	64,814	88,464	138,267	147,869	170,742	9,602	22,873
NET SURPLUS (DEFICIT) - After Depreciation	(103,158)	(96,040)	(60,362)	(116,194)	(162,570)	(196,495)	(46,377)	(33,924)

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.
- 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.

2020 PROJECTED

Revenue Assumptions

1. Log Yard Staging is expected to be above 2020 Budget.
2. Log Yard Land Services are under budget due to reduced usage of LY handling (export and domestic volume).
3. Log Yard Water Service revenues are above budget due to increase in log handling associated with rafting, round booming and dewatering.
4. Equipment rental is expected to be below 2020 Budget.

Expenditure Assumptions

1. Maintenance Materials & Labor are lower due to reduced usage of log handling equipment and facilities.
2. Cost of Goods Sold is higher due to increased banding purchases for loads that are barged.
3. Utilities are lower due decrease LY handling activity, which reduces sanitation – debris removal and environmental costs associated with stormwater.

2021 BUDGET

Revenue Assumptions

1. Log Yard rates for log handling services (and fees) will increase by 4.5%. Currently 2018 log handling rates are in affect to aid in relieving additional customer's expenses due to COVID-19 and other market conditions. The rate increase is a percentage of the sum of 2019-3% and 2020-2.5% and 2021-1.8%.
2. Log Yard Land Services revenue anticipated to decrease from EOY 2020 by \$50k due to decreased handling activity of both export and domestic log volume.
3. Log Yard Water Services include revenue from rafting, round booming and dewatering of log volume originating from Canada (via raft) or Oregon (barge). Log volumes and associated revenues expected to be at or near EOY 2020 due to domestic raft and barge activity.
4. Equipment Rental rate from loading equipment used at the marine terminal for on-dock cargo operations will be adjusted by not less than 2.8% with revenue based on 42 MMBF of log cargo volume.

Expenditure Assumptions

1. Personnel shift from LY to FM budgeted to adjust for changing economic conditions. Decrease in LY Salaries partially offset by increase in FM Maintenance Labor. FM & MM personnel will continue to support LY workforce as needed.
2. Promotional Hosting includes the annual Olympic Logging Conference.
3. Log Yard expenses include materials required for boom-ground and aquatic storage maintenance (boomsticks).

**Port of Port Angeles
LOG YARD (LY - DEPT 21)
2021 Budget**

	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 BUDGET	2020 PROJECTED	2021 BUDGET	2020 Proj Over/(Under) 2020 Budget	2021 Budget Over/(Under) 2020 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	25,666	71,694	50,503	18,712	42,708	27,866	23,996	(14,842)
LOG YARD LAND SERVICES	1,419,622	1,556,546	437,384	291,872	268,476	219,490	(23,396)	(48,986)
LOG YARD WATER SERVICES	79,201	65,382	117,237	83,703	102,808	85,044	19,105	(17,764)
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	300	4,402	18,067	19,000	22,530	3,900	3,530	(18,630)
EQUIPMENT RENTAL	303,285	272,170	135,148	139,410	100,543	140,460	(38,867)	39,917
LAND LEASE/RENT	36,092	46,142	50,043	47,348	48,472	49,282	1,124	810
STRUCTURE LEASE/RENT	42,863	43,099	44,201	47,042	48,218	49,086	1,176	868
USE AGMT AND OTHER RENT	0	0	374	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	24,345	115,302	17,101	20,000	44,576	32,436	24,576	(12,140)
MISC & INTERDEPT REVENUE	(8,439)	(10,832)	(1,623)	0	0	0	0	0
TOTAL OPERATING REVENUES	1,922,935	2,163,905	868,434	667,087	678,331	607,564	11,244	(70,767)
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	735,628	823,264	597,220	534,131	542,365	495,686	8,234	(46,679)
SUPPLIES	156,988	190,182	96,067	85,000	60,343	75,000	(24,657)	14,657
OUTSIDE SERVICES	32,628	103,249	66,531	35,000	18,000	20,000	(17,000)	2,000
PUBLIC INFORMATION	57	0	0	0	0	0	0	0
MARKETING	1,844	1,500	1,500	1,500	0	1,500	(1,500)	1,500
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	3,604	0	0	0	0	0	0	0
TRAVEL MEETINGS	2,748	2,442	846	2,200	23	150	(2,177)	127
TRAVEL/TRAINING	2,619	4,640	6,963	2,500	0	1,500	(2,500)	1,500
PROMOTIONAL HOSTING	2,884	1,731	1,770	2,500	0	0	(2,500)	0
RENT, UTILITIES, INSURANCE, TAXES	172,056	106,847	102,384	115,968	85,763	107,242	(30,205)	21,479
UTILITY (Pass Thru) & COST OF GOODS SOLD	50,949	96,343	3,996	15,385	34,289	24,951	18,904	(9,338)
OTHER EXPENSES (Misc & Interdept)	13,120	16,610	1,941	2,000	2,000	2,000	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	233,144	196,615	110,386	116,631	120,904	110,776	4,273	(10,128)
MAINTENANCE (Materials & Services)	210,372	140,201	70,430	77,000	80,356	94,000	3,356	13,644
TOTAL DIRECT EXPENSES	1,618,641	1,683,624	1,060,035	989,815	944,043	932,805	(45,772)	(11,238)
ALLOCATED EXPENSES - ADMIN & MAINT	741,726	650,794	501,257	442,133	362,004	452,027	(80,129)	90,023
NET SURPLUS (DEFICIT) - Before Depreciation	(437,432)	(170,513)	(692,857)	(764,861)	(627,717)	(777,268)	137,145	(149,552)
ALLOCATED DEPRECIATION	26,279	26,049	20,383	12,020	10,917	13,496	(1,104)	2,579
DEPRECIATION (includes donated assets)	332,578	350,570	359,343	326,208	368,166	420,773	41,958	52,607
NET SURPLUS (DEFICIT) - After Depreciation	(796,289)	(547,132)	(1,072,583)	(1,103,090)	(1,006,799)	(1,211,537)	96,290	(204,738)

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.

2020 PROJECTED

Revenue Assumptions

1. Rates and fees increased by CPI.
2. Commercial passenger service was suspended in November 2014 and has not resumed.
3. Land & Structure leases expected to slightly exceed budget due to a tenant lease adjustment.

Expense Assumptions

1. Total expenses lower than budget primarily due to East runway approach, tree obstruction removal not completed as planned. Previously expected growth rate not realized.
2. Marketing efforts at NW Aviation Conference and Trade Shows have increased.
3. Utility meter review & changes result in higher pass-thru expenses to lease tenants.

2021 BUDGET

Revenue Assumptions

1. Rates and fees are increased by CPI.
2. Commercial passenger service carrier search continues, no anticipated revenue budgeted.

Expense Assumptions

1. Marketing incentive removed from budget while carrier search continues.
2. Outside services lower than previous years as runway obstruction work not planned. Current tree growth estimation allows for clear flight path in coming year.

Port of Port Angeles
FAIRCHILD INTL AIRPORT (FIA - DEPT 31)
2021 Budget

	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 BUDGET	2020 PROJECTED	2021 BUDGET	2020 Proj Over/(Under) 2020 Budget	2021 Budget Over/(Under) 2020 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	25	25	0	0	0	0	0	0
LANDING/PARKING FEES	6,864	6,949	7,034	7,500	7,500	7,635	0	135
HANGAR/TIE DOWN	96,207	120,758	106,373	115,000	112,000	115,695	(3,000)	3,695
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	6,378	6,328	7,590	5,300	5,100	5,300	(200)	200
EQUIPMENT RENTAL	0	5,486	276	0	0	0	0	0
LAND LEASE/RENT	33,261	33,227	35,267	48,454	49,404	50,105	950	701
STRUCTURE LEASE/RENT	86,721	77,902	142,084	129,737	140,278	140,956	10,541	678
USE AGMT AND OTHER RENT	0	220	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	10,795	12,822	19,523	12,954	12,700	12,954	(254)	254
MISC & INTERDEPT REVENUE	18,687	39,362	23,482	37,000	38,145	37,000	1,145	(1,145)
TOTAL OPERATING REVENUES	258,938	303,078	341,628	355,945	365,127	369,645	9,182	4,518
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	178,002	168,564	218,568	198,051	209,670	176,353	11,619	(33,317)
SUPPLIES	8,471	13,622	18,300	10,000	8,679	12,500	(1,321)	3,821
OUTSIDE SERVICES	105,270	30,646	16,106	65,000	51,256	20,084	(13,744)	(31,172)
PUBLIC INFORMATION	4,796	3,539	9,762	3,500	1,705	3,500	(1,795)	1,795
MARKETING	2,260	1,396	1,842	2,000	1,205	2,000	(795)	795
COMMUNITY RELATIONS	0	0	3,166	0	0	0	0	0
ADS, DUES & PUBLICATIONS	1,787	1,210	2,207	2,500	1,935	3,415	(565)	1,480
TRAVEL MEETINGS	6,066	2,379	5,541	3,250	2,365	4,000	(885)	1,635
TRAVEL/TRAINING	4,256	2,201	1,712	300	0	600	(300)	600
PROMOTIONAL HOSTING	491	49	167	1,000	0	1,000	(1,000)	1,000
RENT, UTILITIES, INSURANCE, TAXES	165,448	160,382	162,607	187,450	167,217	205,776	(20,233)	38,559
UTILITY (Pass Thru) & COST OF GOODS SOLD	10,786	13,469	19,567	10,795	10,583	10,795	(212)	212
OTHER EXPENSES (Misc & Interdept)	(7,192)	3,348	1,995	2,000	1,606	2,000	(394)	394
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	150,033	140,773	166,176	162,404	155,690	147,931	(6,714)	(7,759)
MAINTENANCE (Materials & Services)	17,688	38,558	25,495	28,000	35,280	28,000	7,280	(7,280)
TOTAL DIRECT EXPENSES	648,163	580,135	653,213	676,250	647,192	617,954	(29,058)	(29,238)
ALLOCATED EXPENSES - ADMIN & MAINT	259,098	200,568	219,971	277,763	230,553	271,477	(47,210)	40,924
NET SURPLUS (DEFICIT) - Before Depreciation	(648,323)	(477,625)	(531,556)	(598,068)	(512,618)	(519,786)	85,450	(7,168)
ALLOCATED DEPRECIATION	10,802	9,270	12,129	8,209	7,639	9,026	(570)	1,387
DEPRECIATION (includes donated assets)	511,233	534,096	554,609	527,537	607,582	604,516	80,045	(3,066)
NET SURPLUS (DEFICIT) - After Depreciation	(1,170,358)	(1,020,991)	(1,098,294)	(1,133,814)	(1,127,839)	(1,133,328)	5,975	(5,489)

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 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.

2020 PROJECTED

Revenue Assumptions

1. Airport Rental Properties revenues are slightly higher than budget. Lease vacancies are offset by Clallam County structure lease (COVID-19 emergent response).

Expense Assumptions

1. Outside Services is under budget due to broker services not being utilized as planned. Buildings 10.10 / 10.50 leased by Clallam County Health & Human Services, month to month.
2. Combined total of all other expenses also projected to be under budget.

2021 BUDGET

Revenue Assumptions

1. Limited revenue from 10.10 / 10.50 buildings and Multi-Tenant Industrial Building (MTIB) included in the budget.
2. Some revenue increase expected due to a lease renewal with an existing tenant along with market rate / CPI adjustments for other tenants.

Expense Assumptions

1. \$10K of marketing dollars included in the budget to promote both 10.10 / 10.50 and MTIB properties.
2. Budgeted maintenance amounts 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)
2021 Budget

	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 BUDGET	2020 PROJECTED	2021 BUDGET	2020 Proj Over/(Under) 2020 Budget	2021 Budget Over/(Under) 2020 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	104	153	280	0	0	0	0	0
EQUIPMENT RENTAL	16,023	16,032	17,269	17,082	16,000	16,000	(1,082)	0
LAND LEASE/RENT	307,662	301,706	294,702	291,877	262,158	197,347	(29,719)	(64,811)
STRUCTURE LEASE/RENT	970,457	1,057,405	849,426	926,565	975,768	907,271	49,203	(68,497)
USE AGMT AND OTHER RENT	3,779	4,821	4,190	0	2,500	2,500	2,500	0
UTILITY PASS THRU & PRODUCT SALES	1,044	3,104	3,113	2,200	37,000	16,500	34,800	(20,500)
MISC & INTERDEPT REVENUE	(2,778)	664	(2,740)	35,000	0	0	(35,000)	0
TOTAL OPERATING REVENUES	1,296,289	1,383,884	1,166,240	1,272,724	1,293,426	1,139,618	20,702	(153,808)
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	90,729	123,955	152,633	158,615	126,551	136,586	(32,064)	10,035
SUPPLIES	2,754	9,084	1,737	3,000	53	2,500	(2,947)	2,447
OUTSIDE SERVICES	46,446	59,486	46,253	87,080	30,454	35,000	(56,626)	4,546
PUBLIC INFORMATION	0	212	0	300	0	300	(300)	300
MARKETING	5,450	9,270	5,579	13,500	7,500	10,000	(6,000)	2,500
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	118	0	529	300	0	4,590	(300)	4,590
TRAVEL MEETINGS	2,507	876	(460)	1,000	0	1,000	(1,000)	1,000
TRAVEL/TRAINING	0	0	57	4,850	0	560	(4,850)	560
PROMOTIONAL HOSTING	371	0	53	2,000	0	1,000	(2,000)	1,000
RENT, UTILITIES, INSURANCE, TAXES	84,318	115,084	168,861	179,053	178,586	199,118	(467)	20,532
UTILITY (Pass Thru) & COST OF GOODS SOLD	969	1,034	1,963	1,834	30,833	13,750	28,999	(17,083)
OTHER EXPENSES (Misc & Interdept)	238	1,523	417	950	1,694	1,500	744	(194)
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	67,950	109,854	108,441	154,717	125,900	140,643	(28,817)	14,743
MAINTENANCE (Materials & Services)	25,351	45,867	33,176	32,000	23,891	28,000	(8,109)	4,109
TOTAL DIRECT EXPENSES	327,200	476,246	519,239	639,199	525,462	574,547	(113,737)	49,085
ALLOCATED EXPENSES - ADMIN & MAINT	868,872	229,944	506,005	491,978	415,576	478,414	(76,402)	62,838
NET SURPLUS (DEFICIT) - Before Depreciation	100,217	677,694	140,997	141,547	352,388	86,657	210,841	(265,731)
ALLOCATED DEPRECIATION	5,531	7,291	9,743	7,862	5,935	8,337	(1,927)	2,401
DEPRECIATION (includes donated assets)	469,343	487,874	461,672	438,203	443,468	444,836	5,265	1,368
NET SURPLUS (DEFICIT) - After Depreciation	(374,658)	182,529	(330,419)	(304,519)	(97,016)	(366,516)	207,503	(269,500)

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:

- Provide light aviation support for the West end of the Port district.
- To maximize revenue opportunities to help defray operating costs.

2020 PROJECTED

Revenue Assumptions

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

Expense Assumptions

1. All expenses forecasted to be under budget.

2021 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)
2021 Budget**

	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 BUDGET	2020 PROJECTED	2021 BUDGET	2020 Proj Over/(Under) 2020 Budget	2021 Budget Over/(Under) 2020 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	15,082	14,373	14,129	14,000	13,000	14,000	(1,000)	1,000
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	0	0	0	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	0	0	0	0	0	0	0	0
STRUCTURE LEASE/RENT	0	0	0	0	0	0	0	0
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	600	600	600	600	600	600	0	0
MISC & INTERDEPT REVENUE	0	8	30	0	0	0	0	0
TOTAL OPERATING REVENUES	15,682	14,981	14,759	14,600	13,600	14,600	(1,000)	1,000
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	4,469	1,275	8,217	5,955	8,057	6,015	2,102	(2,042)
SUPPLIES	20	45	0	150	0	150	(150)	150
OUTSIDE SERVICES	3,600	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	38	500	0	500	(500)	500
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	0	0	100	0	0	0	0	0
TRAVEL MEETINGS	127	122	278	400	240	240	(160)	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	7,140	6,307	6,559	6,300	7,730	8,244	1,430	514
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	(8)	494	(3)	0	0	0	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	5,180	10,619	8,593	16,291	2,400	8,672	(13,891)	6,272
MAINTENANCE (Materials & Services)	274	1,054	2,713	3,000	0	3,000	(3,000)	3,000
TOTAL DIRECT EXPENSES	20,802	23,515	30,095	36,196	22,027	30,421	(14,169)	8,394
ALLOCATED EXPENSES - ADMIN & MAINT	8,458	8,360	10,549	15,108	7,977	13,602	(7,131)	5,625
NET SURPLUS (DEFICIT) - Before Depreciation	(13,578)	(16,894)	(25,886)	(36,704)	(16,404)	(29,424)	20,300	(13,019)
ALLOCATED DEPRECIATION	353	386	582	447	264	452	(182)	188
DEPRECIATION (includes donated assets)	3,699	3,699	3,699	3,695	3,690	3,690	(5)	(0)
NET SURPLUS (DEFICIT) - After Depreciation	(17,630)	(20,979)	(30,167)	(40,846)	(20,359)	(33,566)	20,487	(13,207)

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

2020 PROJECTED

Revenue Assumptions

1. Moorage rates for all slips were increased by 2.5% CPI plus 3% or 4%, as approved by the Commission.
2. Other rates and fees increased by CPI.
3. Moorage (monthly, transient & non-tax) receipts expected to be slightly below budget due to limited activity during the Covid-19 lockdown time period.

Expense Assumptions

1. Total operating expenses below budget due to limited activity during Covid-19 restrictions.
2. Port maintenance labor utilized for general tasks and emergent issues, greater than original budget estimation.

2021 BUDGET

Revenue Assumptions

1. Marina moorage rates will increase by the following: 1.8% CPI plus 3% for most slips; 1.8% CPI plus 4% with a 7% cap for 50-foot slips and greater. All established rates as approved by the Commission.
2. Annual Launch ramp fee to remain at \$50 after increasing from \$42 in 2019.
3. Other rates and fees increase by 1.8% CPI.

Expense Assumptions

1. Total 2021 expenses expected to remain within 2% of 2020 levels, with exception of Port insurance rate increases.
2. Largest expense increase expected to be liability insurance due to changes in the insurance market.
3. PetroCard (formerly Masco Petroleum) will continue as the Port's agent in 2021.

Port of Port Angeles
PORT ANGELES BOAT HAVEN (PABH - DEPT 41)
2021 Budget

	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 BUDGET	2020 PROJECTED	2021 BUDGET	2020 Proj Over/(Under) 2020 Budget	2021 Budget Over/(Under) 2020 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	1,924	3,000	3,368	1,500	750	750	(750)	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	9,072	5,754	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	1,121,851	1,142,728	1,258,134	1,344,887	1,315,567	1,381,346	(29,320)	65,779
MARINA & YARD FEES	35,035	42,966	54,906	47,744	56,585	59,414	8,841	2,829
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	14,610	17,092	13,871	18,000	15,000	15,000	(3,000)	0
EQUIPMENT RENTAL	1,025	650	300	200	4,000	4,000	3,800	0
LAND LEASE/RENT	7,407	7,604	7,822	14,158	6,000	7,500	(8,158)	1,500
STRUCTURE LEASE/RENT	28,705	27,704	28,907	28,022	21,000	22,000	(7,022)	1,000
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	151,224	184,962	138,140	160,000	158,272	160,000	(1,728)	1,728
MISC & INTERDEPT REVENUE	746	757	1,880	1,750	3,500	3,500	1,750	0
TOTAL OPERATING REVENUES	1,371,598	1,433,218	1,507,328	1,616,261	1,580,674	1,653,510	(35,587)	72,836
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	75,149	72,056	90,614	109,567	101,911	104,546	(7,656)	2,635
SUPPLIES	23,907	22,073	14,551	23,000	8,420	15,000	(14,580)	6,580
OUTSIDE SERVICES	284,805	325,839	335,112	325,000	326,592	328,000	1,592	1,408
PUBLIC INFORMATION	2,861	2,056	3,127	2,500	0	2,500	(2,500)	2,500
MARKETING	2,968	1,626	0	2,500	0	2,500	(2,500)	2,500
COMMUNITY RELATIONS	276	8	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	1,190	483	922	1,000	527	1,000	(473)	473
TRAVEL MEETINGS	14	0	463	500	0	500	(500)	500
TRAVEL/TRAINING	1,500	0	355	500	0	500	(500)	500
PROMOTIONAL HOSTING	0	0	83	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	108,623	121,522	125,260	138,549	136,901	150,111	(1,648)	13,210
UTILITY (Pass Thru) & COST OF GOODS SOLD	108,449	113,432	104,337	133,283	123,018	125,000	(10,265)	1,982
OTHER EXPENSES (Misc & Interdept)	2,908	718	128	500	0	0	(500)	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	42,870	35,552	52,579	32,581	45,599	37,894	13,018	(7,705)
MAINTENANCE (Materials & Services)	11,256	10,922	29,017	13,700	19,208	15,700	5,508	(3,508)
TOTAL DIRECT EXPENSES	666,776	706,287	756,546	783,180	762,176	783,251	(21,004)	21,075
ALLOCATED EXPENSES - ADMIN & MAINT	370,837	246,306	296,907	294,881	254,330	327,748	(40,550)	73,418
NET SURPLUS (DEFICIT) - Before Depreciation	333,986	480,625	453,875	538,201	564,168	542,511	25,967	(21,657)
ALLOCATED DEPRECIATION	13,142	9,708	12,526	8,017	7,670	9,785	(347)	2,116
DEPRECIATION (includes donated assets)	381,194	389,796	334,318	330,765	341,748	364,684	10,983	22,936
NET SURPLUS (DEFICIT) - After Depreciation	(60,351)	81,121	107,031	199,419	214,750	168,042	15,332	(46,708)

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.

2020 PROJECTED

Revenue Assumptions

1. Moorage rates for most slips increased by 2.5% CPI plus 3% or 4%, as approved by the Commission. Other rates and fees increase by CPI.
2. Moorage receipts slightly below budget due to limited activity during the Covid-19 lockdown time.

Expense Assumptions

1. Marketing and community relations expense below budget due to limited activities during Covid-19.
2. Total operating expenses expected to be approximately 6% below budget.

2021 BUDGET

Revenue Assumptions

1. Moorage rates for most slips will increase by 1.8% CPI plus 3.0% or 4% with a 7% cap for 50 foot slips and greater. All established rates as approved by the Commission.
2. Annual Launch ramp fee to remain at \$50 after increasing from \$42 in 2019.
3. Other rates and fees to increase by 1.8% CPI or market.

Expense Assumptions

1. Outside services expected to increase in 2021 due to needed maintenance work on the fuel distribution system.
2. \$10K of marketing, public information and community relations has been budgeted in the event the Port further considers alternative management options.

Port of Port Angeles
JOHN WAYNE MARINA (JWM - DEPT 43)
2021 Budget

	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 BUDGET	2020 PROJECTED	2021 BUDGET	2020 Proj Over/(Under) 2020 Budget	2021 Budget Over/(Under) 2020 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	581	788	402	500	0	0	(500)	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	908,606	971,330	1,028,235	1,104,294	1,080,024	1,134,025	(24,270)	54,001
MARINA & YARD FEES	49,807	55,254	62,233	62,072	75,000	75,000	12,928	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	557	848	0	0	0	0	0
STRUCTURE LEASE/RENT	58,564	50,082	52,872	54,884	40,837	41,572	(14,047)	735
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	270,090	338,711	342,778	281,500	265,000	275,000	(16,500)	10,000
MISC & INTERDEPT REVENUE	2,150	4,217	9,394	5,000	2,500	2,500	(2,500)	0
TOTAL OPERATING REVENUES	1,289,799	1,420,938	1,496,763	1,508,250	1,463,361	1,528,097	(44,889)	64,736
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	370,342	392,505	387,029	402,584	394,061	400,633	(8,523)	6,572
SUPPLIES	16,234	18,130	13,950	15,998	11,583	15,000	(4,415)	3,417
OUTSIDE SERVICES	14,084	38,604	20,475	15,000	8,432	15,000	(6,568)	6,568
PUBLIC INFORMATION	1,818	9,930	2,710	2,500	0	2,500	(2,500)	2,500
MARKETING	843	1,626	1,616	4,998	0	2,500	(4,998)	2,500
COMMUNITY RELATIONS	591	7,109	7,204	10,000	0	5,000	(10,000)	5,000
ADS, DUES & PUBLICATIONS	1,084	1,106	707	1,500	921	1,500	(579)	579
TRAVEL MEETINGS	914	2,553	711	1,000	39	500	(961)	461
TRAVEL/TRAINING	0	0	0	0	0	500	0	500
PROMOTIONAL HOSTING	82	52	234	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	83,964	97,536	74,532	98,903	95,754	102,670	(3,149)	6,916
UTILITY (Pass Thru) & COST OF GOODS SOLD	216,134	282,213	274,317	216,538	203,846	211,538	(12,692)	7,692
OTHER EXPENSES (Misc & Interdept)	25,049	23,711	24,964	20,000	23,744	25,000	3,744	1,256
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	36,240	23,717	64,127	47,456	41,454	52,032	(6,002)	10,578
MAINTENANCE (Materials & Services)	14,704	17,877	26,367	17,500	24,497	17,000	6,997	(7,497)
TOTAL DIRECT EXPENSES	782,081	916,666	898,943	853,977	804,331	851,373	(49,646)	47,042
ALLOCATED EXPENSES - ADMIN & MAINT	270,466	259,332	81,255	289,228	238,942	318,578	(50,286)	79,636
NET SURPLUS (DEFICIT) - Before Depreciation	237,252	244,939	516,565	365,044	420,088	358,146	55,043	(61,942)
ALLOCATED DEPRECIATION	9,729	10,385	11,993	7,863	7,206	9,512	(658)	2,306
DEPRECIATION (includes donated assets)	217,198	210,606	120,836	64,598	65,231	67,731	633	2,500
NET SURPLUS (DEFICIT) - After Depreciation	10,325	23,949	383,736	292,583	347,651	280,903	55,068	(66,748)

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

2020 PROJECTED

Revenue Assumptions

1. Structure Lease revenue slightly under 2020 budget due to month-to-month tenant vacating in late 2019.

Expense Assumptions

1. Actual direct labor allocations lower than expected; departments other than RP required more focus.

2021 BUDGET

Revenue Assumptions

1. No major changes expected in current, miscellaneous leases. Department 61 – Rental Properties consists of the land & structure leases that are not easily categorized into the physical locations of other Port departments.

Expense Assumptions

1. Maintenance and staff salary allocations budgeted conservatively for 2021. No major expenses are anticipated at this time.

Port of Port Angeles
RENTAL PROPERTIES (RP - DEPT 61)
2021 Budget

	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 BUDGET	2020 PROJECTED	2021 BUDGET	2020 Proj Over/(Under) 2020 Budget	2021 Budget Over/(Under) 2020 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	0	0	0	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	75,596	68,239	67,765	68,194	68,608	68,913	414	305
STRUCTURE LEASE/RENT	26,616	20,316	20,316	36,768	33,079	33,254	(3,689)	175
USE AGMT AND OTHER RENT	7,684	10,571	7,291	7,291	7,291	7,291	0	0
UTILITY PASS THRU & PRODUCT SALES	1,620	1,620	660	1,000	700	1,000	(300)	300
MISC & INTERDEPT REVENUE	53	934	(710)	500	300	500	(200)	200
TOTAL OPERATING REVENUES	111,569	101,680	95,322	113,753	109,978	110,958	(3,775)	980
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	124,420	99,573	52,098	50,907	41,800	43,977	(9,107)	2,177
SALARIES & WAGES	116,649	152,953	0	0	0	0	0	0
BENEFITS	45,154	58,862	0	0	0	0	0	0
NON-MAINT EE CHARGE-OUT & REIMBUR	(37,383)	(112,242)	52,098	50,907	41,800	43,977	(9,107)	2,177
SUPPLIES	1,069	25	0	200	200	200	0	0
OUTSIDE SERVICES	26,500	10,961	11	2,498	500	0	(1,998)	(500)
PUBLIC INFORMATION	0	0	0	0	0	0	0	0
MARKETING	1,699	0	500	500	0	1,000	(500)	1,000
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	2,165	835	617	1,800	200	500	(1,600)	300
TRAVEL MEETINGS	174	0	0	500	0	0	(500)	0
TRAVEL/TRAINING	2,189	529	895	500	0	0	(500)	0
PROMOTIONAL HOSTING	0	35	0	250	0	250	(250)	250
RENT, UTILITIES, INSURANCE, TAXES	20,702	21,760	19,919	25,236	26,266	29,096	1,030	2,830
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	180	720	833	583	833	(250)	250
OTHER EXPENSES (Misc & Interdept)	166	(104)	(49)	500	0	500	(500)	500
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	5,657	7,738	5,882	18,214	13,450	17,344	(4,764)	3,894
MAINTENANCE (Materials & Services)	581	2,410	3,220	5,000	8,007	5,000	3,007	(3,007)
TOTAL DIRECT EXPENSES	185,320	143,942	83,813	106,938	91,006	98,700	(15,932)	7,694
ALLOCATED EXPENSES - ADMIN & MAINT	88,521	58,875	6,448	48,144	35,981	48,729	(12,163)	12,748
NET SURPLUS (DEFICIT) - Before Depreciation	(162,272)	(101,137)	5,061	(41,329)	(17,009)	(36,471)	24,321	(19,462)
ALLOCATED DEPRECIATION	3,138	2,358	1,592	1,309	1,085	1,455	(224)	370
DEPRECIATION (includes donated assets)	10,123	13,768	13,768	13,768	13,763	13,763	(5)	0
NET SURPLUS (DEFICIT) - After Depreciation	(175,532)	(117,263)	(10,299)	(56,406)	(31,856)	(51,689)	24,550	(19,832)

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:

- 6 - Log stackers
- 4 - Hydraulic grapple log loaders
- 1 - 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
- 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
- 3 - 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.

2020 PROJECTED

Expense Assumptions

1. Decreased log exports results in reduced labor dollars charged for Log Yard heavy equipment.
2. Expenses less than budget overall are offset by increased Port insurance expenses.

2021 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 2020.
3. Supplies purchased for MM are to replace aging equipment and improve safety & efficiency of daily tasks. There are no major purchases anticipated in 2021.

Port of Port Angeles
MECHANICAL MAINTENANCE (MM - DEPT 91)
2021 Budget

	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 BUDGET	2020 PROJECTED	2021 BUDGET	2020 Proj Over/(Under) 2020 Budget	2021 Budget Over/(Under) 2020 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	0	0	0	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	0	0	0	0	0	0	0	0
STRUCTURE LEASE/RENT	0	0	0	0	0	0	0	0
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	0	0	0	0	0	0	0	0
MISC & INTERDEPT REVENUE	0	0	0	0	0	0	0	0
TOTAL OPERATING REVENUES	0	0	0	0	0	0	0	0
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	15,186	18,368	19,902	17,479	16,473	17,419	(1,006)	946
SUPPLIES	41,178	43,355	43,661	35,000	35,383	35,000	383	(383)
OUTSIDE SERVICES	15,752	7,349	4,960	10,100	9,500	10,100	(600)	600
PUBLIC INFORMATION	0	0	0	0	0	0	0	0
MARKETING	0	0	0	0	0	0	0	0
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	0	0	0	0	0	0	0	0
TRAVEL MEETINGS	0	22	48	0	0	0	0	0
TRAVEL/TRAINING	727	0	0	500	0	500	(500)	500
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	19,008	18,844	20,478	23,801	32,718	33,590	8,917	872
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	145	0	0	250	0	250	(250)	250
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	30,673	32,014	39,641	44,136	34,976	38,480	(9,160)	3,504
MAINTENANCE (Materials & Services)	5,844	6,981	4,931	4,500	8,028	4,400	3,528	(3,628)
TOTAL DIRECT EXPENSES	128,514	126,932	133,621	135,766	137,078	139,739	1,312	2,661
ALLOCATED EXPENSES - ADMIN & MAINT	(128,513)	(126,932)	(133,621)	(135,766)	(137,078)	(139,739)	(1,312)	(2,661)
NET SURPLUS (DEFICIT) - Before Depreciation	(0)	(0)	0	0	0	0	(0)	0
ALLOCATED DEPRECIATION	(18,390)	(15,233)	(15,171)	(15,171)	(16,005)	(15,171)	(834)	834
DEPRECIATION (includes donated assets)	18,390	15,233	15,171	15,171	16,005	15,171	834	(834)
NET SURPLUS (DEFICIT) - After Depreciation	0	(0)	0	0	0	0	(0)	0

Note: All expenses for centralized services (overhead departments) are allocated to the lines of business using the Modified Total Direct Cost (MTDC) model as specified by the US Office of Management & Budget – see Section VIII Supplemental Information, pages VIII-13 & VIII-14. The resulting total in the Net Surplus (Deficit) After Depreciation line is \$0 for all centralized services.

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. FM also provides maintenance and upkeep of the MTA Washdown Facility and all Port storm water filtration systems.

Primary services provided by the FM department include carpentry, electrical, plumbing, HVAC, fire safety, stormwater, material handling, equipment operations, grounds maintenance and a wide variety of capital improvement projects. 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.

2020 PROJECTED

Expense Assumptions

1. Labor and overtime associated with February 2020 snowstorm included.
2. FM labor also utilized for Port capital projects which include, Marine Terminal building, Suite 5 remodel, portable workspace for Security, 1010-1050 building remodel, and PABH entrance signs.
3. FM activities through the end of year will include routine and seasonal maintenance and purchase of small tools.

2021 BUDGET

Expense Assumptions

1. Workload will to be accomplished with 9 FTE's.
2. FM assistance with LY Operations continues based on need. FM Labor services also utilized to assist with LY dust control and bark/rock hauling.
3. Maintenance expenses vary across departments, generally following trend, but punctuated with larger maintenance projects. These projects include landscaping at various Port owned rental properties, airport/runway groundskeeping and emergent issues, Port wide.
4. Equipment purchased for FM is to replace aging equipment and to improve safety & efficiency of daily tasks.

Port of Port Angeles
FACILITIES MAINTENANCE (FM - DEPT 92)
2021 Budget

	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 BUDGET	2020 PROJECTED	2021 BUDGET	2020 Proj Over/(Under) 2020 Budget	2021 Budget 2020 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	0	0	0	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	0	0	0	0	0	0	0	0
STRUCTURE LEASE/RENT	0	0	0	0	0	0	0	0
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	0	0	0	0	0	0	0	0
MISC & INTERDEPT REVENUE	0	0	0	0	0	0	0	0
TOTAL OPERATING REVENUES	0	0	0	0	0	0	0	0
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	75,848	88,880	83,475	70,031	69,787	70,164	(244)	377
SUPPLIES	27,883	44,313	39,112	35,000	32,804	39,500	(2,196)	6,696
OUTSIDE SERVICES	11,568	8,156	7,565	10,800	10,800	10,800	0	0
PUBLIC INFORMATION	137	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	517	1,051	454	2,000	600	650	(1,400)	50
TRAVEL MEETINGS	152	6	0	0	0	0	0	0
TRAVEL/TRAINING	3,452	3,519	983	4,000	5,300	4,000	1,300	(1,300)
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	22,964	24,746	24,826	27,100	26,339	27,074	(761)	735
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	3,113	2,916	4,054	5,500	5,500	5,500	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	62,351	55,693	70,349	75,030	70,145	113,173	(4,885)	43,028
MAINTENANCE (Materials & Services)	20,936	14,828	16,374	19,000	17,266	18,500	(1,734)	1,234
TOTAL DIRECT EXPENSES	228,922	244,108	247,192	248,461	238,541	289,361	(9,920)	50,820
ALLOCATED EXPENSES - ADMIN & MAINT	(228,922)	(244,108)	(247,192)	(248,461)	(238,541)	(289,361)	9,920	(50,820)
NET SURPLUS (DEFICIT) - Before Depreciation	(0)	(0)	0	0	0	0	(0)	0
ALLOCATED DEPRECIATION	(35,286)	(34,402)	(35,374)	(21,628)	(22,599)	(23,299)	(971)	(700)
DEPRECIATION (includes donated assets)	35,286	34,402	35,374	21,628	22,599	23,299	971	700
NET SURPLUS (DEFICIT) - After Depreciation	0	(0)	0	0	0	0	(0)	0

Note: All expenses for centralized services (overhead departments) are allocated to the lines of business using the Modified Total Direct Cost (MTDC) model as specified by the US Office of Management & Budget – see Section VIII Supplemental Information, pages VIII-13 & VIII-14. The resulting total in the Net Surplus (Deficit) After Depreciation line is \$0 for all centralized services.

ADMINISTRATIVE AND GENERAL (A&G 80)

Administration includes the Commission, Executive Management, Finance and Accounting, Human Resources, Public Relations, Engineering, Environmental and Security, and Port Counsel 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.

2020 PROJECTED

Expense Assumptions

1. Salaries and benefits combined are expected to be higher than the budget due to staffing changes.
2. Outside services are under budget due to lower use of specialized consulting support (regulatory, grant writing assistance, marketing, strategic plan).
3. Contingency funds budgeted for 2020 have not been utilized.

2021 BUDGET

Expense Assumptions

1. Staffing costs reflect cost of living increases.
2. Outside services include a base level for legal, technology, general consulting, janitorial, state audit, etc.
3. Public information includes community outreach and state/federal legislative advocacy.
4. Rent, Utilities, Insurance and Taxes is expected to be slightly higher than 2020.

**Port of Port Angeles
ADMINISTRATION (ADMIN - DEPT 80)
2021 Budget**

	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 BUDGET	2020 PROJECTED	2021 BUDGET	2020 Proj Over/(Under) 2020 Budget	2021 Budget Over/(Under) 2020 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	0	0	0	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	0	0	0	0	0	0	0	0
STRUCTURE LEASE/RENT	0	0	0	0	0	0	0	0
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	0	0	0	0	0	0	0	0
MISC & INTERDEPT REVENUE	0	0	0	0	0	0	0	0
TOTAL OPERATING REVENUES	0	0	0	0	0	0	0	0
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	1,070,448	905,021	620,694	1,182,987	1,230,108	1,039,449	47,121	(190,659)
SUPPLIES	56,284	56,259	70,836	77,000	52,000	69,100	(25,000)	17,100
OUTSIDE SERVICES	251,279	181,424	228,684	309,000	280,500	352,500	(28,500)	72,000
PUBLIC INFORMATION	66,456	119,406	125,977	139,000	136,500	115,000	(2,500)	(21,500)
MARKETING	885	1,734	703	1,000	2,800	3,000	1,800	200
COMMUNITY RELATIONS	2,257	4,865	12,302	15,101	5,000	5,000	(10,101)	0
ADS, DUES & PUBLICATIONS	25,855	26,603	37,134	26,040	29,872	25,540	3,832	(4,332)
TRAVEL MEETINGS	20,682	22,704	18,647	20,000	4,000	20,000	(16,000)	16,000
TRAVEL/TRAINING	26,814	24,379	27,859	30,000	6,500	24,000	(23,500)	17,500
PROMOTIONAL HOSTING	0	0	76	0	100	500	100	400
RENT, UTILITIES, INSURANCE, TAXES	137,481	141,391	145,796	149,573	152,622	160,866	3,049	8,244
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	90	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	3,094	2,771	1,987	5,000	2,500	5,000	(2,500)	2,500
CONTINGENCY	0	0	0	104,000	0	0	(104,000)	0
MAINT LABOR, BENEFITS & INTER-DEPT	22,774	23,966	23,182	30,914	34,206	26,016	3,292	(8,190)
MAINTENANCE (Materials & Services)	11,130	14,075	11,239	14,500	13,961	13,700	(539)	(261)
TOTAL DIRECT EXPENSES	1,695,440	1,524,596	1,325,206	2,104,115	1,950,669	1,859,671	(153,446)	(90,998)
ALLOCATED EXPENSES - ADMIN & MAINT	(1,695,440)	(1,524,596)	(1,325,206)	(2,104,115)	(1,950,669)	(1,859,671)	153,446	90,998
NET SURPLUS (DEFICIT) - Before Depreciation	0	0	0	0	0	0	0	(0)
ALLOCATED DEPRECIATION	(32,037)	(37,983)	(43,524)	(36,741)	(38,474)	(37,625)	(1,733)	849
DEPRECIATION (includes donated assets)	32,037	37,983	43,524	36,741	38,474	37,625	1,733	(849)
NET SURPLUS (DEFICIT) - After Depreciation	0	0	0	0	0	0	0	(0)

Note: All expenses for centralized services (overhead departments) are allocated to the lines of business using the Modified Total Direct Cost (MTDC) model as specified by the US Office of Management & Budget – see Section VIII Supplemental Information, pages VIII-13 & VIII-14. The resulting total in the Net Surplus (Deficit) After Depreciation line is \$0 for all centralized services.

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, nonprofit 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.

2020 PROJECTED

Expense Assumptions

1. The Business Development department has higher than expected salary expenses due to the Marine Trades Center business development manager position remaining filled all year after being budgeted for only half the year. Some additional salary expense was offset by a lack of travel expense due to the Port being unable to attend events cancelled due to COVID-19.

2021 BUDGET

Expense Assumptions

1. Salaries & Benefits show a small increase from 2020 projected due to the planned continued focus on the Marine Trades Center.
2. Outside Services are forecasted to drop \$29K as the Port manages expense within available revenues. Outside services include: support for development of PA-MTC; market analysis and grant writing for new opportunities; support for other economic development entities including Economic Development Council (EDC), Small Business Development Center (SBDC), and Center for Inclusive Entrepreneurship (CIE); continued work on sustainable harvests and advanced wood products; and continued efforts on communications outreach. See Supplemental Information for schedule on Consulting and Special Projects.
3. Travel for Meetings and Training has been increased in 2021 in anticipation of attending trade shows.
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)
2021 Budget

	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 BUDGET	2020 PROJECTED	2021 BUDGET	2020 Proj Over/(Under) 2020 Budget	2021 Budget Over/(Under) 2020 Proj
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	45,665	31,362	72,312	89,926	145,200	183,965	55,274	38,765
SUPPLIES	(49)	0	112	0	0	0	0	0
OUTSIDE SERVICES	871,305	129,055	345,515	180,000	182,075	153,000	2,075	(29,075)
PUBLIC INFORMATION	36,592	23,694	25,256	23,000	22,260	20,000	(740)	(2,260)
MARKETING	11,156	8,779	15,759	20,500	16,250	15,000	(4,250)	(1,250)
COMMUNITY RELATIONS	20	0	410	0	0	0	0	0
ADS, DUES & PUBLICATIONS	900	900	2,888	7,300	6,300	6,500	(1,000)	200
TRAVEL MEETINGS	10,924	21,350	25,116	20,000	4,000	10,000	(16,000)	6,000
TRAVEL/TRAINING	2,547	4,159	2,316	0	0	5,000	0	5,000
PROMOTIONAL HOSTING	1,276	2,383	3,119	5,000	1,200	5,000	(3,800)	3,800
RENT, UTILITIES, INSURANCE, TAXES	428	0	0	0	600	700	600	100
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	47,100	93,050	47,407	48,153	47,000	27,584	(1,153)	(19,416)
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	0	0	0	0	0	0	0	0
MAINTENANCE (Materials & Services)	9	0	0	0	0	0	0	0
TOTAL DIRECT EXPENSES	1,027,871	314,730	540,211	393,879	424,885	426,749	31,006	1,864
ALLOCATED EXPENSES - ADMIN & MAINT	(1,027,871)	(314,730)	(540,211)	(393,879)	(424,885)	(426,749)	(31,006)	(1,864)
NET SURPLUS (DEFICIT) - Before Depreciation	0	0	0	0	0	0	0	0
ALLOCATED DEPRECIATION	0	0	0	0	0	0	0	0
DEPRECIATION (includes donated assets)	0	0	0	0	0	0	0	0
NET SURPLUS (DEFICIT) - After Depreciation	0	0	0	0	0	0	0	0

Note: All expenses for centralized services (overhead departments) are allocated to the lines of business using the Modified Total Direct Cost (MTDC) model as specified by the US Office of Management & Budget – see Section VIII Supplemental Information, pages VIII-13 & VIII-14. The resulting total in the Net Surplus (Deficit) After Depreciation line is \$0 for all centralized services.

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.						
	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 Budget	2020 Projected	2021 Budget
Gross Operating Revenue Budget	10,060,095	11,069,446	8,927,022	8,837,553	9,057,155	8,869,141
. \$0 to \$2,500,000	1.00%	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
. Excess over \$5,000,000	0.25%	12,650	15,174	9,818	9,594	9,673
Allowed Promotional Hosting per RCW	50,150	52,674	47,318	47,094	47,643	47,173
	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 Budget	2020 Projected	2021 Budget
Promotional Hosting by Line of Business						
Marine Terminal	4,879	1,081	434	2,000	500	2,000
Marine Trades Area	257	253	262	5,000	0	5,000
Log Yard	2,884	1,731	1,770	2,500	0	0
Fairchild International Airport & Airport Rental Prop.	862	49	221	3,000	0	2,000
Business Development	1,276	2,470	3,430	5,250	1,300	5,750
Total Promotional Hosting	10,158	5,584	6,116	17,750	1,800	14,750
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.						
	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 Budget	2020 Projected	2021 Budget
Industrial Development & Trade Promotion						
Marketing Line Item						
Fairchild International Airport & Airport Rental Prop.	7,709	10,666	7,458	16,000	8,705	12,500
Marine Trades Area & Log Yard	4,579	7,311	1,500	6,500	0	6,500
Port Angeles Boat Haven & John Wayne Marina	3,811	3,252	1,616	7,498	0	5,000
Rental Properties	1,699	0	500	500	0	1,000
Administration	885	1,734	703	1,000	2,800	3,000
Business Development	11,156	8,779	15,759	20,500	16,250	15,000
Total Industrial Dev & Trade Promotion	29,840	31,741	27,537	51,998	27,755	43,000
In addition to the above, the Port contracts for Economic Development Services (currently) & CRTC in Outside Services (ended 2017)						
Economic Development Corporation	30,000	40,000	30,000	40,000	40,000	50,000
CRTC	615,000	n/a	n/a	n/a	n/a	n/a

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.

2020 PROJECTED

Revenue Assumptions

General:

1. Other taxes (timber harvest taxes) are slightly lower than budget due to unpredictable harvest activities.
2. Interest earnings are slightly lower than budgeted due to early call of the higher interest generating investments.

Capital:

1. Property tax revenues are on track with budget.

Expense Assumptions

General:

1. Environmental expenses for historical cleanup sites are netted against Port insurance reimbursements. Legal and staff administrative expenses are not typically covered by insurance policies.

Capital:

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

2021 BUDGET

Revenue Assumptions

General:

1. Interest earnings are projected to be lower than 2020 due to dropping market interest rates of long-term investments. The Local Government Investment Pool (LGIP) and Money Market account rates also continue to drop but are greater than standard bank rates. Investments are managed with the goal of realizing maximum interest revenue.
2. Other taxes (timber harvest taxes) are budgeted conservatively; they are difficult to predict.

Capital:

1. The Port property tax levy will be increased in 2021 by 0.60152% as directed by the Commission. This percentage represents the Implicit Price Deflator as explained in Section VI – Property Tax Levy, page VI-4. The property tax levy calculation assumes approximately \$112 million of new construction (as reported by the Clallam County Assessor).

Expense Assumptions

General:

1. Environmental expenses are expected to be slightly higher than 2020 actuals with increased staff administrative time (conservative estimate).
2. Misc. Expense includes \$70k funding for the Community Partner Program.

Capital:

1. Interest payments on LTGO (Limited Tax General Obligation) bonds and other debt decreases significantly with the early December 1, 2020 redemption (payoff) of the 2010A&B bonds. The early redemption results in interest savings of \$1.5 million over the next 10 years.

Port of Port Angeles
NON-OPERATING (NONOP - DEPT 90)
2021 Budget

	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 BUDGET	2020 PROJECTED	2021 BUDGET	2020 Proj Over/(Under) 2020 Budget	2021 Budget Over/(Under) 2020 Proj
NON-OP GENERAL REVENUES								
INTEREST EARNINGS	296,389	391,094	405,332	306,700	300,000	286,000	(6,700)	(14,000)
OTHER TAX RECEIPTS	201,551	112,207	167,324	144,000	142,000	145,000	(2,000)	3,000
MISC NON OP REVENUES	34,998	29,952	33,048	26,664	26,664	26,664	0	0
GRANTS - OPERATIONS	21,626	819	529	1,000	1,000	1,000	0	0
PASSENGER FACILITY CHARGES (PFC'S)	1,661	1,407	1,869	1,450	1,000	1,460	(450)	460
GAIN (LOSS) & SPECIAL ITEMS	(82,082)	11,286	2,321,321	0	0	0	0	0
TOTAL NON-OP GENERAL REV	474,143	546,765	2,929,423	479,814	470,664	460,124	(9,150)	(10,540)
NON-OP GENERAL EXPENSES								
NET ENVIRONMENTAL (see narrative)	26,879	170,476	172,009	203,658	176,000	220,470	(27,658)	44,470
MISC NON OP EXPENSE	80,621	51,615	381,314	75,000	87,000	120,000	12,000	33,000
TOTAL NON-OP GENERAL EXP	107,500	222,092	553,323	278,658	263,000	340,470	(15,658)	77,470
NET NON-OP GENERAL SURPLUS (DEFICIT)	366,643	324,673	2,376,100	201,156	207,664	119,654	6,508	(88,010)
NON-OP CAPITAL REVENUES								
PROPERTY TAX RECEIPTS	1,475,279	1,492,694	1,537,007	1,569,883	1,569,838	1,599,023	(45)	29,185
GRANTS - CAPITAL	830,959	129,885	320,219	958,500	950,000	1,040,000	(8,500)	90,000
TOTAL NON-OP CAPITAL REV	2,306,238	1,622,579	1,857,226	2,528,383	2,519,838	2,639,023	(8,545)	119,185
NON-OP CAPITAL EXPENSES								
BOND COSTS & INTEREST EXPENSE	287,044	276,023	264,590	252,939	252,339	90,463	(600)	(161,876)
TOTAL NON-OP CAPITAL EXP	287,044	276,023	264,590	252,939	252,339	90,463	(600)	(161,876)
NET NON-OP CAPITAL SURPLUS (DEFICIT)	2,019,194	1,346,555	1,592,636	2,275,444	2,267,499	2,548,560	(7,945)	281,061
NET NON-OP SURPLUS (DEFICIT)	2,385,837	1,671,229	3,968,736	2,476,600	2,475,163	2,668,214	(1,437)	193,051
TOTAL NET NON-OP SURPLUS (DEFICIT)	2,385,837	1,671,229	3,968,736	2,476,600	2,475,163	2,668,214	(1,437)	193,051

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SECTION V

CAPITAL BUDGET

CAPITAL BUDGET

The 2021 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.

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 \$2,700,000 per year of depreciation, which is used as an investment target for maintaining its assets.

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:

1. Regulatory Required Projects: These projects are required by a regulatory agency. The Port must complete these projects to remain in compliance with established regulations.
2. Committed Projects: These projects are considered “committed” because of one or more of the following reasons:
 - a. Port agreed to complete within a lease or other agreement.
 - b. Receipt of outside grant funding.
 - c. Project is critical to accomplishing a long-term Strategic Goal.
 - d. Advisory Committee recommendation that has been accepted by the Commission to be included in the budget.
3. 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.

4. 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 rank each project according to four (4) criteria: 1) Job Creation / Retention, 2) Return on Investment, 3) Environmental Benefit and 4) Strategic Plan Alignment. These projects are ranked in descending order based on their total cumulative score from the four categories.

B. 5 YEAR CAPITAL IMPROVEMENT PLAN

The Five-Year Capital Improvement Plan is a planning tool that identifies Capital Projects through the year 2025. 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 (2026 - 2041). 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.

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2021 CAPITAL PROJECTS PRIORITIZATION

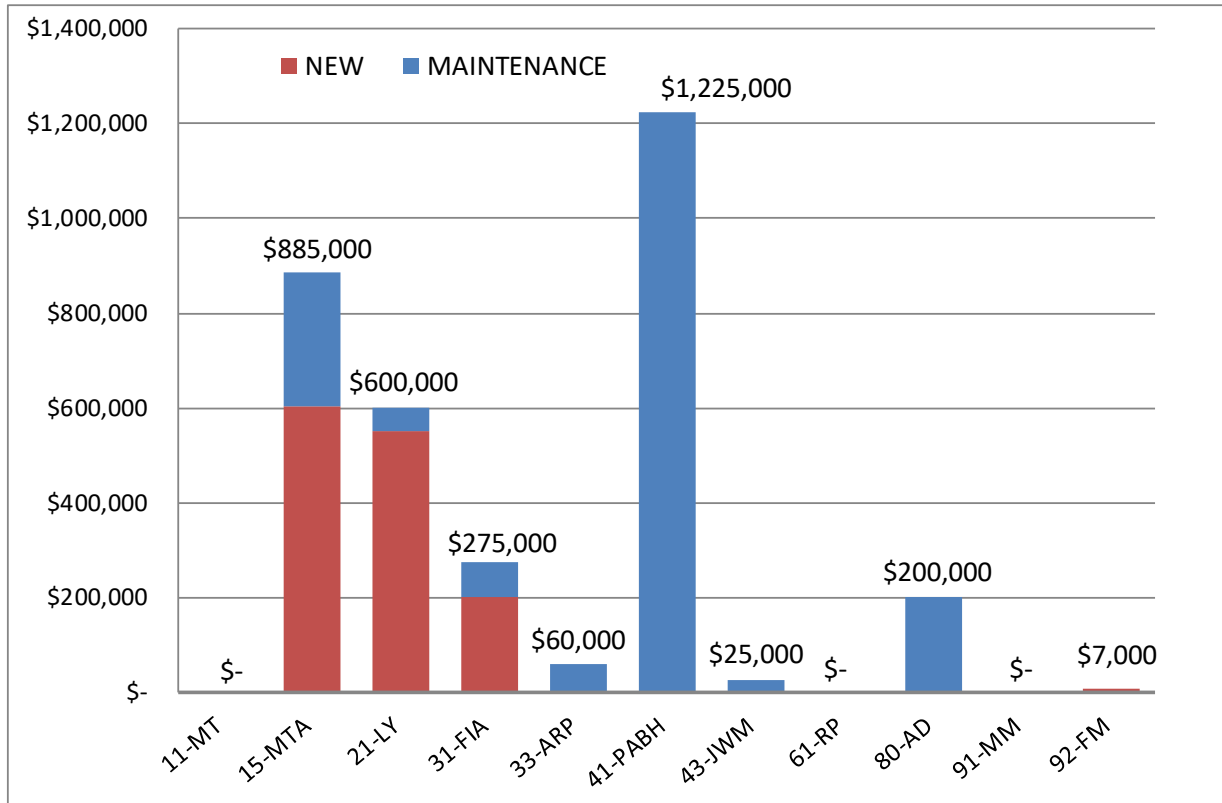
Low = 1 / High = 5

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

#	DEPT.	PROJECT	2021 \$	Future Project \$	Jobs New/Retain 5	R.O.I. 5	E.B. 5	S.P. 5	Project Total	Cumulative Total (\$)
1	21-LY	LY Site & Stormwater Impts	\$ 150,000	\$ 12,100,000	Regulatory					\$ 150,000
2	21-LY	Cofferdam Rehab. (G) (L)	\$ 30,000	\$ 2,240,000						\$ 180,000
3	15-MTA	MTC Site Dev. Design (G)	\$ 285,000	\$ 3,500,000	Committed					\$ 465,000
4	41-PABH	PABH Fuel Float Replace (G)	\$ 550,000	\$ 210,000						\$ 1,015,000
5	80-AD	Contingency	\$ 200,000	\$ -						\$ 1,215,000
6	15-MTA	Vigor Bldg. Roof Replacement	\$ 130,000							\$ 1,345,000
7	41-PABH	W. PABH Restroom Replace	\$ 275,000		Critical Maintenance					\$ 1,620,000
8	15-MTA	Arrow Office Roof Replace	\$ 50,000	\$ -						\$ 1,670,000
9	21-LY	Aquatic Storage Buoy & Chain	\$ 20,000	\$ -						\$ 1,690,000
10	31-FIA	Terminal Bldg. Roof Replace	\$ 75,000	\$ -						\$ 1,765,000
11	41-PABH	E. PABH Parking Lot Resurface	\$ 400,000	\$ -						\$ 2,165,000
12	43-JWM	Fence Repairs / Replace	\$ 25,000	\$ -						\$ 2,190,000
13	92-FM	Paint Sprayer	\$ 7,000	\$ -						\$ 2,197,000
14	15-MTA	MTC Boat Storage	\$ 300,000	\$ -						\$ 2,497,000
15	15-MTA	Arrow Vessel Maint. Bldg.	\$ -	\$ -	2	1	4	2	5	\$ 2,497,000
16	21-LY	Chip Loading Equipment	400,000		Rated					\$ 2,897,000
17	33-ARP	1010-1050 Remodel	60,000							\$ 2,957,000
18	15-MTA	Container Work Space	20,000							\$ 2,977,000
19	15-MTA	BY Bldg. Rehabilitation	100,000							\$ 3,077,000
20	31-FIA	Hangar Pad Site Development	\$ 200,000	\$ 750,000	2		2	2	4	\$ 3,277,000
21	33-ARP	FM Warehouse	\$ 400,000	\$ -	2		2	2	3	\$ 3,677,000
Total 2021 Capital Budget =			\$ 3,277,000	Projects below this line will be deferred to future years						

Totals by Category: Regulatory = \$150,000 / Committed = \$1,470,000 / Critical Maintenance = \$577,000 / Rated = \$1,080,000 / Deferred = \$400,000

2021 CAPITAL EXPENDITURES BY DEPARTMENT



Dept.	Actual 2019	Budget 2020	Projected 2020	2021 New	2021 Maint.	2021 Total
11-MT	\$ 545,650	\$ 1,070,000	\$ 1,622,500	\$ -	\$ -	\$ -
15-MTA	\$ 539,043	\$ 70,000	\$ 69,000	\$ 605,000	\$ 280,000	\$ 885,000
21-LY	\$ 317,830	\$ 223,000	\$ 273,000	\$ 550,000	\$ 50,000	\$ 600,000
31-FIA	\$ 391,825	\$ 510,500	\$ 745,000	\$ 200,000	\$ 75,000	\$ 275,000
33-ARP	\$ 123,675	\$ 200,000	\$ 113,000	\$ -	\$ 60,000	\$ 60,000
41-PABH	\$ 86,850	\$ 540,000	\$ 123,000	\$ -	\$ 1,225,000	\$ 1,225,000
43-JWM	\$ 10,240	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000
61-RP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80-AD	\$ -	\$ 235,000	\$ 85,000	\$ -	\$ 200,000	\$ 200,000
91-MM	\$ 5,238		\$ 18,000	\$ -	\$ -	\$ -
92-FM	\$ 663		\$ -	\$ 7,000	\$ -	\$ 7,000
Total	\$ 2,021,014	\$ 2,848,500	\$ 3,048,500	\$ 1,362,000	\$ 1,915,000	\$ 3,277,000

2021 OUTSIDE FUNDING ASSUMPTIONS

Project	Grantee	Port \$	Grant \$	Total \$
*MTC Site Development	U.S Economic Develop. Admin.	\$ 285,000	\$ 550,000	\$ 835,000
Fuel Float Replacement	U.S. Fish & Wildlife	\$ 550,000	\$ 490,000	\$ 1,040,000
TOTAL 2021 GRANT FUNDS =			\$ 1,040,000	

*: At the time of budget adoption, an EDA formal grant award has not been issued

2021 CAPITAL PROJECTS

Dept.	Project Description	Port Funds	Grant Funds	Total
15-MTA	*MTC Site Development Design (G)	\$ 285,000	\$550,000	\$ 835,000
15-MTA	Vigor Building Roof Replacement	\$ 130,000		\$ 130,000
15-MTA	**MTC Boat Storage	\$ 300,000		\$ 300,000
15-MTA	Boat Yard Building Rehabilitation	\$ 100,000		\$ 100,000
15-MTA	*** Arrow Vessel Maint. Building	TBD		TBD
15-MTA	Arrow Office Building Roof Replace	\$ 50,000		\$ 50,000
15-MTA	Container Work Space	\$ 20,000		\$ 20,000
21-LY	Cofferdam Rehab. Permitting	\$ 30,000		\$ 30,000
21-LY	Site & Stormwater Improvements	\$ 150,000		\$ 150,000
21-LY	Aquatic Storage Buoy & Chain	\$ 20,000		\$ 20,000
21-LY	Chip Loading Equipment	\$ 400,000		\$ 400,000
31-FIA	Hangar Pad Site Development (L)	\$ 200,000		\$ 200,000
31-FIA	Terminal Roof Replace	\$ 75,000		\$ 75,000
33-ARP	1010-1050 Remodel	\$ 60,000		\$ 60,000
41-PABH	W. PABH Restroom Replacement	\$ 275,000		\$ 275,000
41-PABH	East Parking Lot Resurfacing	\$ 400,000		\$ 400,000
41-PABH	Fuel Float Replacement (G)	\$ 550,000	\$490,000	\$ 1,040,000
43-JWM	Fence Repairs / Replacement	\$ 25,000		\$ 25,000
80-AD	Capital Budget Contingency	\$ 200,000		\$ 200,000
92-FM	Paint Sprayer	\$ 7,000		\$ 7,000

TOTALS = \$3,277,000 \$1,040,000 \$4,317,000

*: Project is dependent on the Port receiving an EDA grant

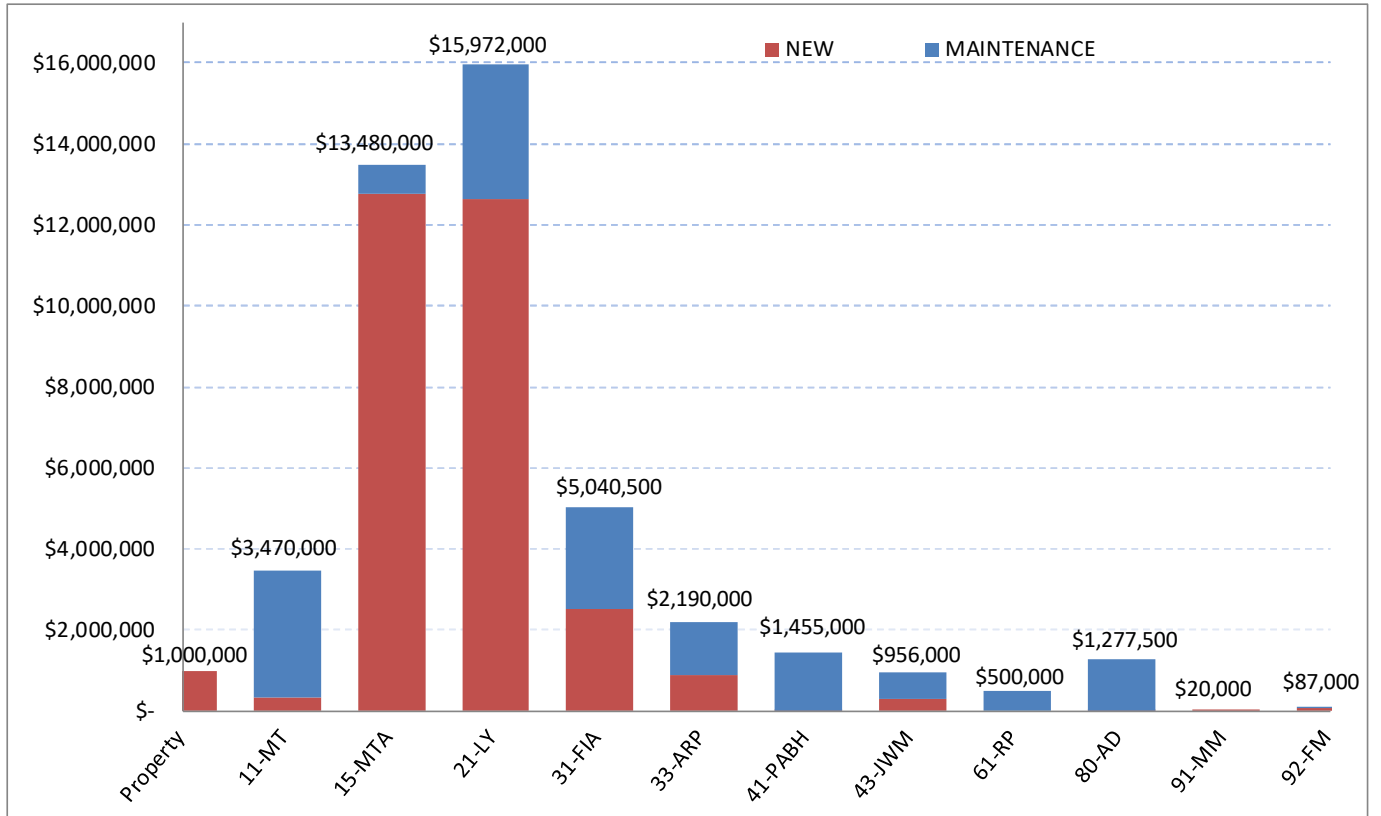
**: Project may be incorporated into a larger site development if the Port receives the EDA grant

***: Port is still working w/ private tenant to determine the scope of work

G: Grant funding

L: 50% of the Port funds will be financed through a 20-year term, low interest loan

2021 – 2025 CAPITAL IMPROVEMENT PLAN BY DEPARTMENT



Dept.	New	Maintenance	Total
Property	\$ 1,000,000	\$ -	\$ 1,000,000
11-MT	\$ 345,000	\$ 3,125,000	\$ 3,470,000
15-MTA	\$ 12,750,000	\$ 730,000	\$ 13,480,000
21-LY	\$ 12,650,000	\$ 3,322,000	\$ 15,972,000
31-FIA	\$ 2,520,000	\$ 2,520,500	\$ 5,040,500
33-ARP	\$ 900,000	\$ 1,290,000	\$ 2,190,000
41-PABH	\$ 20,000	\$ 1,435,000	\$ 1,455,000
43-JWM	\$ 300,000	\$ 656,000	\$ 956,000
61-RP	\$ -	\$ 500,000	\$ 500,000
80-AD	\$ 7,500	\$ 1,270,000	\$ 1,277,500
91-MM	\$ 20,000	\$ -	\$ 20,000
92-FM	\$ 57,000	\$ 30,000	\$ 87,000
TOTAL =	\$ 30,569,500	\$ 14,878,500	\$ 45,448,000

2021 - 2025 CAPITAL IMPROVEMENT PLAN

Dept.	Project Description	2021	2022	2023	2024	2025
	Industrial Prop. Acquisition		\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
11-MT	T3 Electrical Improvements		\$ 50,000			
11-MT	Security Improvements (G)			\$ 50,000		\$ 50,000
11-MT	T1 Warehouse Rehab.			\$ 350,000		\$ 2,000,000
11-MT	T1 Asphalt Resurfacing			\$ 50,000	\$ 50,000	\$ 50,000
11-MT	T1 & T3 Repairs					\$ 550,000
11-MT	Replace Forklift		\$ 75,000			
11-MT	Entrance Sign			\$ 30,000		
11-MT	Marine Dr. Intersection (G)				\$ 15,000	\$ 150,000
15-MTA	Vigor Bldg. Roof Replacement	\$ 130,000				
15-MTA	MTC Site Development (G)	\$ 285,000	\$ 1,500,000	\$ 2,000,000		
15-MTA	MTC Boat Storage	\$ 300,000				
15-MTA	Boat Yard Building Rehab.	\$ 100,000				
15-MTA	MTC Fabric Building			\$ 250,000		
15-MTA	MTC Boat Transporter		\$ 550,000			
15-MTA	MTC Paint Building			\$ 600,000	\$ 7,000,000	
15-MTA	S.W. Conveyance Impts.		\$ 250,000			
15-MTA	Primary Power Upgrade				\$ 150,000	
15-MTA	Container Work Space	\$ 20,000		\$ 20,000		
15-MTA	Portable Access Stairs				\$ 15,000	
15-MTA	Compactor / Enclosure			\$ 60,000		
15-MTA	B.Y. Utility Services			\$ 30,000		
15-MTA	B.Y. Bldg Rehabilitation					
15-MTA	B.Y. T.L. Pier Repairs		\$ 20,000	\$ 150,000		
15-MTA	Arrow Office Roof Replace	\$ 50,000				
15-MTA	Arrow Vessel Maint. Bldg.					
21-LY	Cofferdam Rehab. (G) (L)	\$ 30,000	\$ 2,072,000			
21-LY	LY Site & S.W. Impts (G)	\$ 150,000	\$ 100,000	\$ 12,000,000		
21-LY	Aquatic Storage Buoy & Chain	\$ 20,000				
21-LY	Chip Loading Equipment	\$ 400,000				
21-LY	Mooring Buoy		\$ 30,000	\$ 70,000		
21-LY	Replace Wheel Loader				\$ 400,000	
21-LY	Boom Boat Repairs			\$ 30,000		
21-LY	Boom Boat Replacement					\$ 270,000
21-LY	Hydraulic Loader Replace				\$ 400,000	

2021 - 2025 CAPITAL IMPROVEMENT PLAN (continued)

Dept.	Project Description	2021	2022	2023	2024	2025
31-FIA	Hangar Pad Site Dev (L)	\$ 200,000	\$ 750,000			
31-FIA	Terminal Roof Replace	\$ 75,000				
31-FIA	Runway 8/26 Rehab. (G)		\$ 315,000			
31-FIA	Rehab. Taxiway "A" (G)			\$ 30,500		
31-FIA	Runway 8/26 Ext. Rehab.		\$ 1,700,000			
31-FIA	26 Obst. (G)				\$ 200,000	\$ 200,000
31-FIA	Hangar Building				\$ 70,000	\$ 1,500,000
33-ARP	1010-1050 Remodel	\$ 60,000	\$ 150,000	\$ 950,000		
33-ARP	FM Warehouse		\$ 400,000			
33-ARP	1050 Paint Booth Repairs		\$ 30,000			
33-ARP	Building Site Development			\$ 500,000		
33-ARP	Misc. Building Impvts				\$ 50,000	\$ 50,000
41-PABH	W. PABH Restroom Replace	\$ 275,000				
41-PABH	Boat Launch Restroom (G)		\$ 20,000			
41-PABH	E. Parking Resurfacing	\$ 400,000				
41-PABH	Fuel Float Replacement (G)	\$ 550,000	\$ 210,000			
43-JWM	ADA Float Ramp		\$ 300,000			
43-JWM	Slope Stabilization				\$ 50,000	
43-JWM	Replace Fuel Pumps		\$ 30,000			
43-JWM	Dumpster Enclosures		\$ 20,000			
43-JWM	Fence Repairs / Replacement	\$ 25,000		\$ 25,000		\$ 25,000
43-JWM	Float & Pile Repairs		\$ 35,000			\$ 260,000
43-JWM	Boat Launch Ramp Repairs		\$ 15,000			
43-JWM	Gutter & Soffit Repairs		\$ 36,000			
43-JWM	Replace Restroom Furnace		\$ 10,000			
43-JWM	Sewer Pump Out Replace				\$ 50,000	
43-JWM	Heat Pump Replacement					\$ 30,000
43-JWM	Replace Bldg. Guardrails					\$ 45,000
61-RP	Misc. Building Impvts					\$ 500,000
80-AD	Capital Budget Contingency	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
80-AD	Portable Event Booth		\$ 7,500			
80-AD	Admin Building Maint./Repair					\$ 270,000
91-MM	Equip. / Tools		\$ 10,000			\$ 10,000
92-FM	Paint Sprayer	\$ 7,000				

2021 - 2025 CAPITAL IMPROVEMENT PLAN (continued)

Dept.	Project Description	2021	2022	2023	2024	2025
92-FM	Boom Truck		\$ 50,000			
92-FM	Equip. Trailer Replace			\$ 30,000		
Total not including grant funds =		\$ 3,277,000	\$ 9,185,500	\$ 17,675,500	\$ 8,900,000	\$ 6,410,000
	Grant Funds =	\$ 1,040,000	\$ 9,202,000	\$ 4,575,500	\$ 1,800,000	\$ 2,950,000
	TOTAL = (including grant funds)	\$ 4,317,000	\$ 18,387,500	\$ 22,251,000	\$ 10,700,000	\$ 9,360,000
	5 YEAR TOTAL = (not including grant funds)	\$ 45,448,000				
	5 YEAR TOTAL = (including grant funds)	\$ 65,015,500				

Cleanup Expenditures for Active Cleanup Sites 2021 - 2025

DEPT.	Project Description	2021	2022	2023	2024	2025
90-NO	KPLY Monitoring (Total)	\$ 90,000	\$ 50,000	\$ 50,000	\$ 35,000	\$ 35,000
	KPLY Monitoring (Port)	\$ -	\$ -	\$ -	\$ -	\$ -
90-NO	MTA (Total)	\$ 200,000	\$ 1,700,000	\$ 230,000	\$ 180,000	\$ 180,000
	MTA (Port)	\$ -	\$ -	\$ -	\$ -	\$ -
90-NO	Fmr Shell Oil Bulk Plant - 220 Tumwater Truck Rt (Total)	\$ 80,000	\$ 600,000	\$ 90,000	\$ 5,000	\$ 5,000
	Fmr Shell Oil Bulk Plant - 220 Tumwater Truck Rt (Port)	\$ 15,000	\$ 60,000	\$ 10,000	\$ 500	\$ 500
90-NO	Fmr Pettit Oil - 220 Tumwater Truck Rt (Total)	\$ 36,000	\$ 185,000	\$ 45,000	\$ 5,000	\$ 5,000
	Fmr Pettit Oil - 220 Tumwater Truck Rt (Port)	\$ 12,000	\$ 50,000	\$ 15,000	\$ 500	\$ 500
90-NO	Harbor (Total)	\$ 360,000	\$ 500,000	\$ 800,000	\$ 2,000,000	\$ 2,000,000
	Harbor (Port)	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
5 Year Total = \$ 9,466,000						
** 5 Year Port Total = \$ 214,000						
** Estimated Port funds after reimbursements received from other Potential Liabile Parties. Port funds are in a dedicated account as a result of a recent settlement agreement with the Port's insurance companies.						

2026 - 2041 CAPITAL IMPROVEMENT PLAN

DEPT.	Project Description	2020 \$	Project Year	Project Year \$	Purpose
21-LY	Equip. Replace 1	\$ 1,100,000	2026	\$ 1,322,666	Maint.
43-JWM	Parking Lot Rehab. 1	\$ 430,000	2026	\$ 517,042	Maint.
21-LY	Street Sweeper	\$ 270,000	2026	\$ 324,654	Maint.
43-JWM	Connect to Sequim Sewer	\$ 775,000	2027	\$ 960,953	Maint.
92-FM	Equip. / Vehicle Replace 1	\$ 110,000	2027	\$ 136,393	Maint.
43-JWM	Parking lot Rehab. 2	\$ 450,000	2027	\$ 557,973	Maint.
41-PABH	W. PABH Float / Pile Replace	\$ 10,100,000	2028	\$ 12,914,114	Maint.
41-PABH	Breakwater Rehabilitation	\$ 2,250,000	2028	\$ 2,876,907	Maint.
31-FIA	Hangar Site Design / Permit	\$ 200,000	2028	\$ 255,725	Jobs / ROI
31-FIA	Hangar Site Development	\$ 750,000	2029	\$ 988,889	Jobs / ROI
33-ARP	Site Preparation for Building	\$ 1,600,000	2029	\$ 2,109,629	Jobs / ROI
33-ARP	Manufacturing Facility	\$ 8,000,000	2029	\$ 10,548,146	Jobs / ROI
33-RP	Industrial Bldg. (25,000 s.f.)	\$ 6,200,000	2030	\$ 8,429,867	Jobs / ROI
15-MTA	Replace B.Y. Travel Lift	\$ 530,000	2030	\$ 720,618	Maint.
91-MM	Mech. Shop Maint. / Impts	\$ 110,000	2030	\$ 149,562	Maint.
15-MTA	MTC Boat Lift Pier	\$ 7,500,000	2031	\$ 10,515,580	Jobs
21-LY	Equip. Replace 2	\$ 430,000	2031	\$ 602,893	Maint.
92-FM	Equip. / Vehicle Replace 2	\$ 110,000	2032	\$ 159,040	Maint.
43-JWM	Admin. Building Maint.	\$ 210,000	2032	\$ 303,623	Maint.
11-MT	Terminal 1 /3 Repairs	\$ 4,300,000	2033	\$ 6,411,006	Maint.
21-LY	Boom Boat Replace	\$ 270,000	2034	\$ 415,111	Maint.
43-JWM	Float / Pile Replacement	\$ 14,900,000	2035	\$ 23,622,716	Maint.
43-JWM	Electrical & Lighting Replace	\$ 1,350,000	2035	\$ 2,140,313	Maint.
43-JWM	Shoreline & Breakwater	\$ 1,100,000	2035	\$ 1,743,959	Maint.
21-LY	General Equip. Replace 3	\$ 1,300,000	2036	\$ 2,125,347	Maint.
92-FM	Equip. / Vehicle Replace 3	\$ 210,000	2037	\$ 354,037	Maint.
41-PABH	E. PABH Jetty Stabilization	\$ 2,125,000	2038	\$ 3,694,292	Maint.
31-FIA	New FBO Building	\$ 1,500,000	2040	\$ 2,772,997	Jobs / ROI
TOTAL =		\$68,180,000		\$ 97,674,051	
R.O.I. = Return on Investment Inflation Rate = 3.12% (per Wa. St. Office of Financial Management)					

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SECTION VI

PROPERTY TAX LEVY

YOUR TAX LEVY AT WORK

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

- debt service used to fund infrastructure investments
- the Community Partner Program, which 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 initiatives

For 2021, there will be a 0.602% increase to the Port tax levy as directed by the Commission. The maximum amount allowed by law will be banked for potential use in the future. The dollar increase to the Port's tax revenue (reflected below) is a result of the elected tax levy increase and the increased values for existing and new construction properties, as reported by the Clallam County Assessor. The estimated 2021 Port tax levy rate is \$ 0.14 per \$1,000.

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 is currently paying approximately \$31.83 per year in Port taxes, which is based on a rate of \$0.16 per \$1,000. Port taxes as a percent of total property taxes vary per taxing district. *Note: estimated numbers only*

Year	City of Port Angeles Home Value	Total Annual Tax Bill	Port Share of Tax	Port %	Port Levy Rate *	Total Port Property Tax
2020	\$ 200,000	\$ 1,906.10	\$ 31.83	1.67%	\$ 0.15916	\$ 1,569,838
2021 Property Tax w/ 0.60152% increase						
2021 Property Tax Calculated on New Construction & Other						\$ 1,579,281
2021 Total Property Tax (estimate)						\$ 19,743
2021 Total Property Tax (estimate)			\$ 27.88		\$ 0.13939	\$ 1,599,023
2021 Total Property Tax Increase (estimate)						\$ 29,185

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

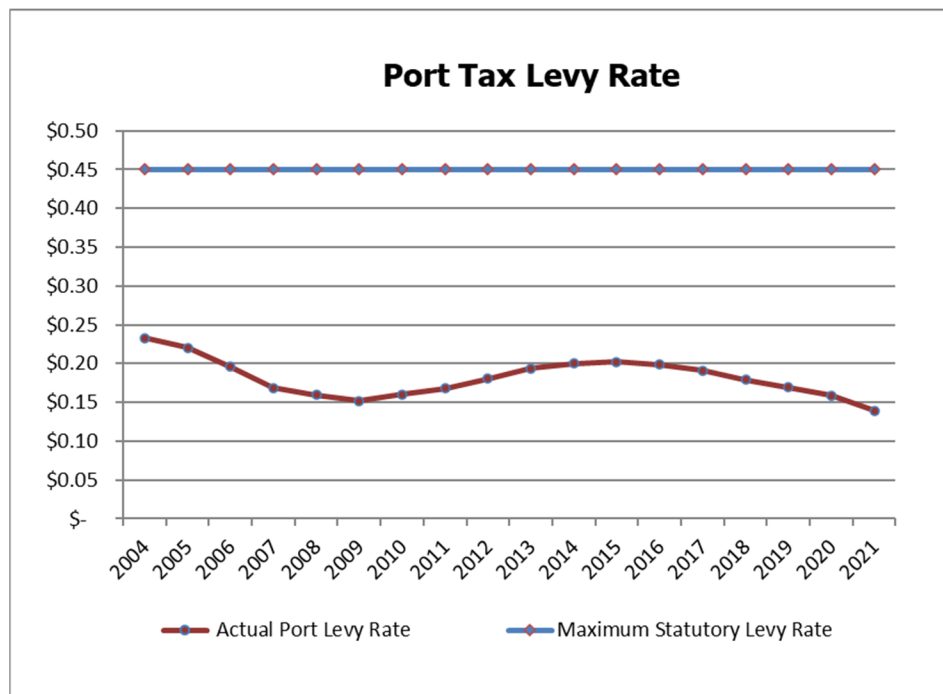
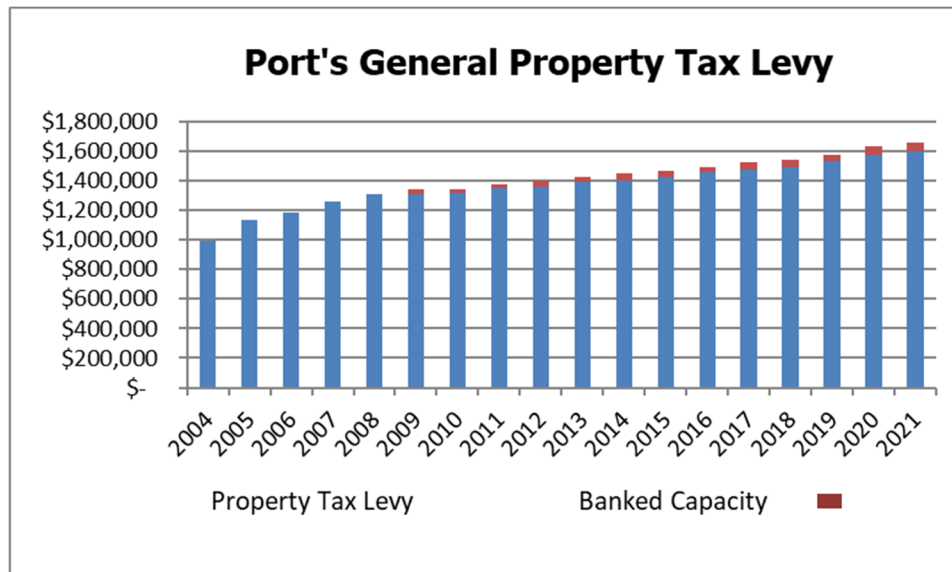
2021 TAX LEVY USES

Debt Service Payments (principal & interest)	\$ 525,009	33%
Community Partner Program	70,000	4%
Capital Improvement Fund - Construction	1,004,014	63%
Total Port Property Tax Levy	<u>\$ 1,599,023</u>	<u>100%</u>

History of Property Tax Increase

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Banked	1%	Banked	1%	1%	Banked	Banked	1%	1%	0.6%
34,815	32,415	43,043	40,314	38,765	50,606	47,438	45,148	60,516	56,234

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 2021, is \$56,234**. To use the banked capacity, the Port would need to levy more than 1%.



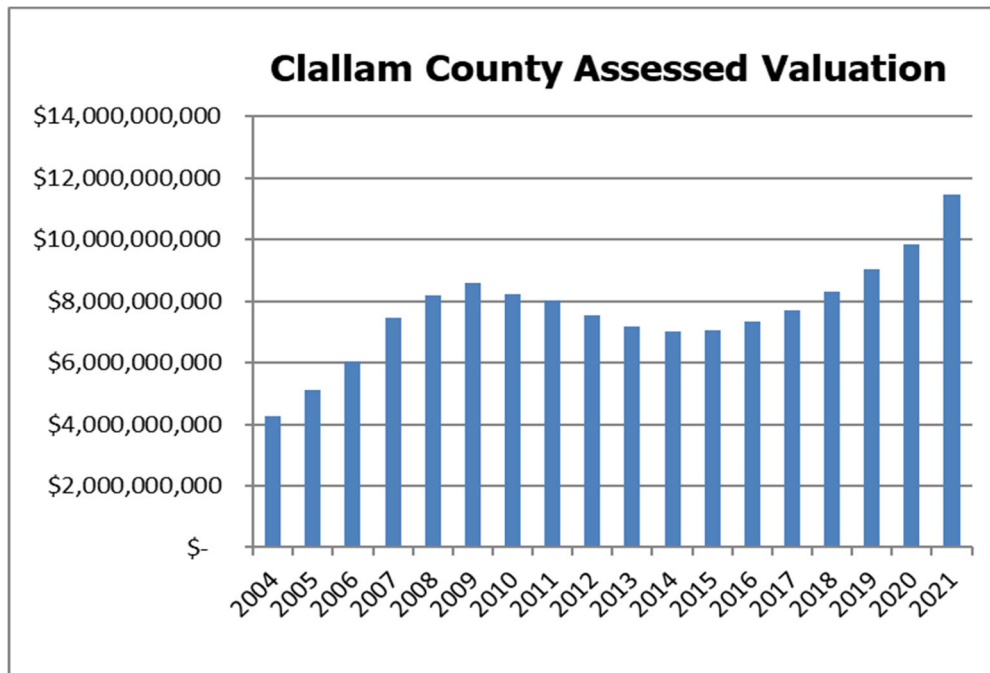
ASSESSED VALUATION & PROPERTY TAX LEVY

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
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	\$ 9,041,260,634	2019	\$ 1,530,215	0.1692480011
2019	\$ 9,863,835,562	2020	\$ 1,569,883	0.1591600000
2020	\$ 11,471,631,886	2021 est*	\$ 1,599,023	0.1393893401

* 2021 – increase of 0.602%.

The levy rate fluctuates with changes in assessed valuations.



TAX LEVY SOURCES & USES

Tax Levy Sources

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, 2004 to 2021, the Port general levy rate has ranged from 14-23¢ 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 2004 to 2021 estimate.

Each year, the Port is allowed, by law, to increase its tax levy by a maximum of 1% without voter pre-approval. The option of a 1% increase is affected by the Implicit Price Deflator (IPD). An IPD of less than 1% limits the maximum tax increase to the IPD percentage. In this situation, the Port Commission can only elect an increase above the IPD (up to 1%) by passing a resolution finding substantial need for the maximum 1% increase. For 2021, the IPD is less than 1% at 0.60152%.

The Port Property Tax Levy will be increased by the Implicit Price Deflator of 0.60152% in 2021, 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.

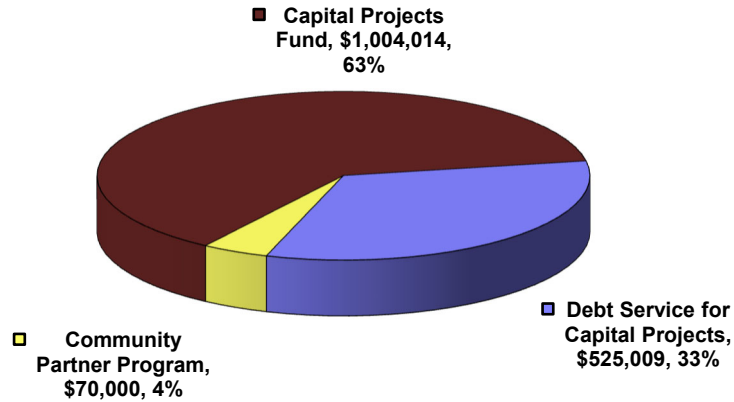
Industrial Development District (IDD) Tax Levies

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 has only utilized one of the available three, multiyear IDD levy periods, which occurred from 1986-1992. The Port does not intend to utilize this type of levy at this time.

Tax Levy Uses

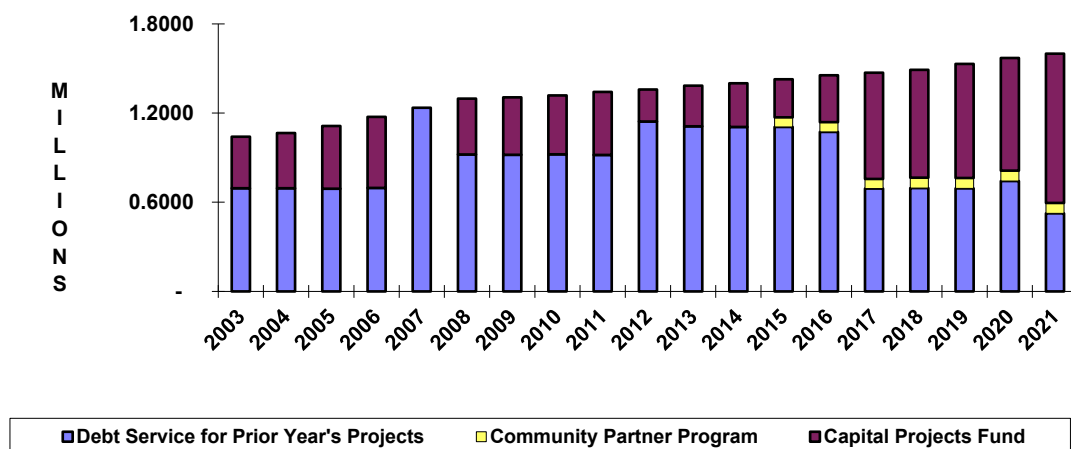
The general tax levy will be used for debt service on general obligation bonds which relates to prior years' capital construction for capital projects, the capital improvement fund, and the community partner program. By law, the property tax levy could also be used for Port operating expenditures. However, 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 2021 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

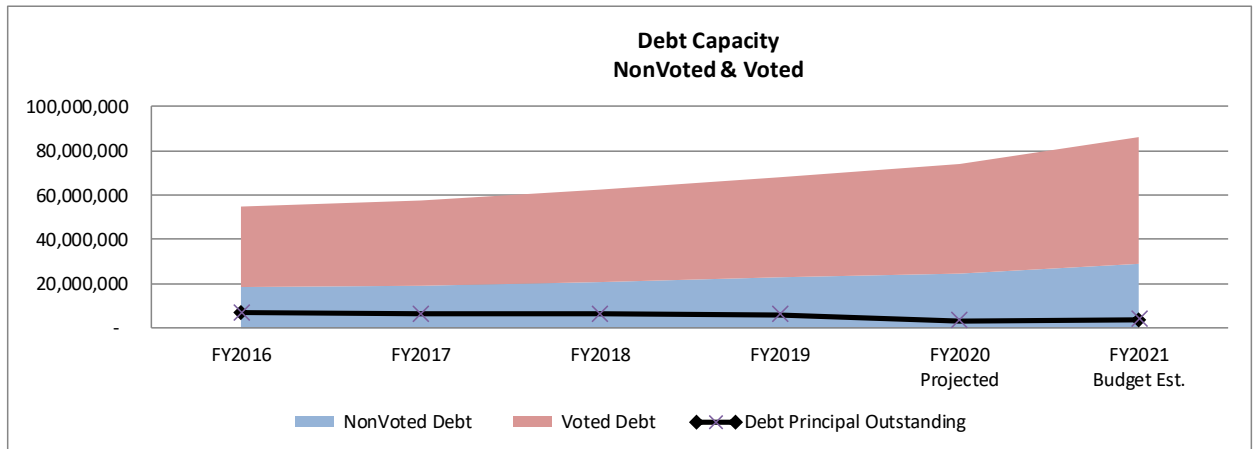


SECTION VII

OTHER FUNDS:

DEBT SERVICE AND BOND FUNDS

Debt Capacity



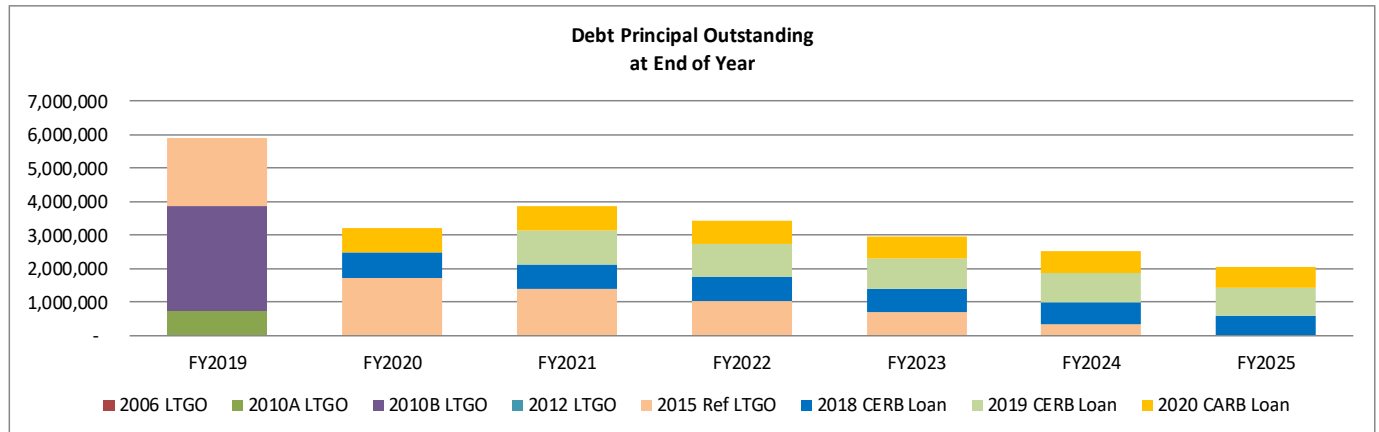
	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020 Projected</u>	<u>FY2021 Budget Est.</u>
Prior Year Assessed Value (AV)	7,318,181,962	7,697,314,552	8,321,650,465	9,041,260,634	9,863,835,562	11,471,631,886
Debt Capacity						
NonVoted Debt	18,295,455	19,243,286	20,804,126	22,603,152	24,659,589	28,679,080
Voted Debt	36,590,910	38,486,573	41,608,252	45,206,303	49,319,178	57,358,159
Total Debt Capacity	54,886,365	57,729,859	62,412,378	67,809,455	73,978,767	86,037,239
<i>Statutory Debt Limit: NonVoted debt cannot exceed .25% of AV; combined Non-Voted & Voted debt cannot exceed .75% of AV</i>						
Debt Principal Outstanding	6,858,944	6,158,261	6,332,706	5,905,899	3,229,800	3,862,202
NonVoted Debt Availability	11,436,511	13,085,025	14,471,420	16,697,252	21,429,789	24,816,877
Debt as of % of AV	0.09%	0.08%	0.08%	0.07%	0.03%	0.03%
Property Taxes	1,453,778	1,470,970	1,490,112	1,530,215	1,569,838	1,599,023
Debt Payments (Prin + Int)	1,073,584	691,496	694,734	693,009	4,445,646	525,009
Small Communities Program	65,000	70,000	70,000	70,000	70,000	70,000
Property Taxes Available	315,194	709,473	725,378	767,206	(2,945,808)	1,004,015

Property Taxes Available for New Debt	<i>(as of 11/9/20 A rated)</i>		\$	1,004,015
Potential New Debt	int %	# Yrs	Potential New Debt	
based on "A" Rated Municipal Bond Interest Rates	3.20%	10	\$	8,560,000
	3.75%	20	\$	14,080,000
	3.95%	30	\$	17,600,000

Property Taxes Available	<i>(as of 11/9/20 A rated)</i>		Banked Capacity Estimate	\$	1,060,248
Potential New Debt using Banked Capacity	int %	# Yrs	56,234	Potential New Debt	
	3.20%	10		\$	9,010,000
Banked Capacity Tax Increase*	3.75%	20		\$	14,820,000
	3.95%	30		\$	18,540,000

* 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)						
		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Bond/Loan Name	Project Name							
2006 LTGO	PABH	-----see 2015 Refunding LTGO-----						
2010A LTGO	Composite Mfg-Site	760,000	Paid off Dec 2020					
2010B LTGO	Composite Mfg-Bldg	3,110,000	Paid off Dec 2020					
2012 LTGO	25 Projects 1993-98	Paid off Dec 2016						
2015 Ref LTGO	Refunded 2006 PABH	2,035,899	1,714,800	1,384,420	1,050,169	707,714	357,505	-
2018 CERB Loan	MTA Washdown Facility		765,000	738,650	706,310	673,324	639,678	605,359
2019 CERB Loan	LY Cofferdam Barge Facility			1,020,000	977,181	933,505	888,955	843,515
2020 CARB Loan	FIA Utility Extension		750,000	719,132	687,648	655,533	622,776	589,364
Total Principal Outstanding		5,905,899	3,229,800	3,862,202	3,421,308	2,970,076	2,508,914	2,038,239
Decrease/(Increase) in Principal		426,807	2,676,099	(632,402)	440,894	451,232	461,162	470,676
		-	-	-	-	-	-	-

		Fiscal Years (FY)		
		2021 thru 2040		
Bond/Loan Name	Project Name	Original Principal	Remaining Principal Pymts	Maturity
2006 LTGO	PABH	4,995,000	-----see 2015 Refunding-----	
2010A LTGO	Composite Mfg-Site	760,000	-----Paid off Dec 2020-----	
2010B LTGO	Composite Mfg-Bldg	3,435,000	-----Paid off Dec 2020-----	
2012 LTGO	25 Projects 1993-98	1,830,000	-----Paid off Dec 2016-----	
2015 Ref LTGO	Refunded 2006 PABH	3,251,350	1,714,800	Dec 1, 2025
2018 CERB Loan	MTA Washdown Facility	765,000	765,000	Jan 31, 2040
2019 CERB Loan	LY Cofferdam Barge Facility	1,020,000	1,020,000	Jul 31, 2040
2020 CARB Loan	FIA Utility Extension	750,000	750,000	Dec 1, 2040
		16,806,350	4,249,800	

Long-Term Debt Service Schedule

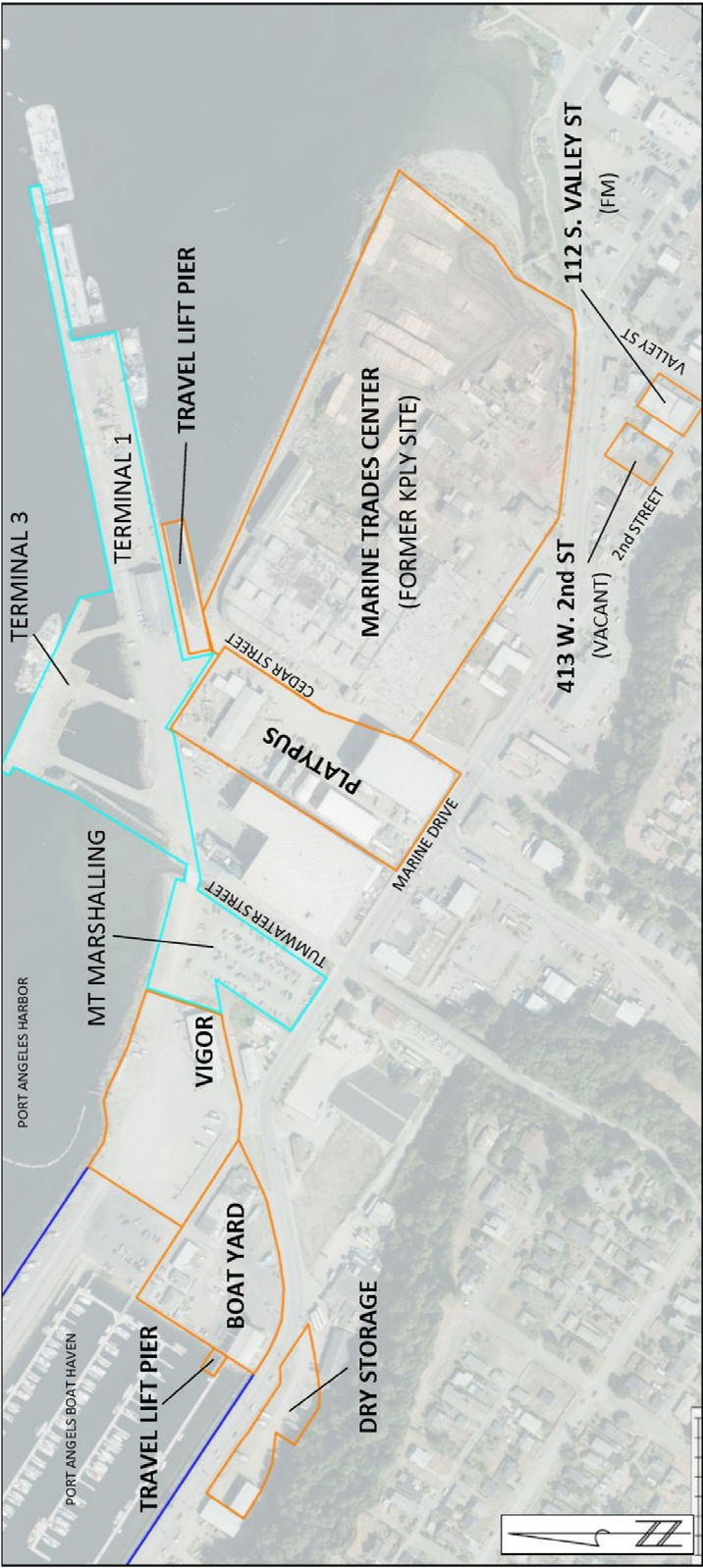
SUMMARY OF GENERAL OBLIGATION DEBT											
DEBT SERVICE PAYMENTS											
DEBT PRINCIPAL PAYMENTS											
Bond/Loan Name	Project Name	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 +	Fiscal Years (FY) 2021 thru 2040 Remaining Principal	Maturity
2006 LTGO	PABH	-----see 2015 Refunding-----									
2010A LTGO	Composite Mfg-Site	--Interest only-	760,000	Paid off Dec 2020							
2010B LTGO	Composite Mfg-Bldg	110,000	3,110,000	Paid off Dec 2020							
2012 LTGO	25 Projects 1993-98	Paid off Dec 2016									
2015 Ref LTGO	Refunded 2006 PABH	316,807	321,099	330,380	334,251	342,455	350,210	357,505		1,714,800	Dec 1, 2030
2018 CERB Loan	MTA Washdown Facility			26,350	32,339	32,986	33,646	34,319	605,359	765,000	Dec 1, 2029
2019 CERB Loan	LY Cofferdam Barge Facility			41,980	42,819	43,676	44,549	45,440	801,535	1,020,000	Dec 1, 2016
2020 CARB Loan	FIA Utility Extension			30,868	31,485	32,115	32,757	33,412	589,364	750,000	Dec 1, 2040
TOTAL	Debt Principal Outstanding	426,807	4,191,099	429,578	440,894	451,232	461,162	470,676	1,996,259	4,249,800	
DEBT INTEREST PAYMENTS											
Bond/Loan Name	Project Name	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 +	Fiscal Years (FY) 2021 thru 2040 Remaining Interest	Coupon Rate
2006 LTGO	PABH	-----see 2015 Refunding-----									
¹ 2010A LTGO	Composite Mfg-Site	57,000	57,000	Paid off Dec 2020							
² 2010B LTGO	Composite Mfg-Bldg	155,325	150,925	Paid off Dec 2020							
2012 LTGO	25 Projects 1993-98	Paid off Dec 2016									
2015 Ref LTGO	Refunded 2006 PABH	53,877	46,622	39,269	31,703	24,049	16,207	8,187		119,415	2.00%
2018 CERB Loan	MTA Washdown Facility			20,762	14,773	14,126	13,466	12,794	101,326	177,248	2.29%
2019 CERB Loan	LY Cofferdam Barge Facility			20,400	19,560	18,704	17,831	16,940	134,163	227,597	2.00%
2020 CARB Loan	FIA Utility Extension			15,000	14,383	13,753	13,111	12,456	98,648	167,351	2.00%
TOTAL	Interest	266,202	254,547	95,431	80,419	70,632	60,615	50,376	334,137	691,610	
¹ Interest only until 2029; Federal subsidy reduces interest											
² 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)											
Bond/Loan Name	Project Name	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 +	Fiscal Years (FY) 2021 thru 2040 Remaining Payments	
2006 LTGO	PABH	-----see 2015 Refunding-----									
2010A LTGO	Composite Mfg-Site	57,000	817,000	Paid off Dec 2020							
2010B LTGO	Composite Mfg-Bldg	265,325	3,260,925	Paid off Dec 2020							
2012 LTGO	25 Projects 1993-98	Paid off Dec 2016									
2015 Ref LTGO	Refunded 2006 PABH	370,684	367,721	369,649	365,954	366,504	366,416	365,691		1,834,215	
2018 CERB Loan	MTA Washdown Facility			47,112	47,112	47,112	47,112	47,112	706,686	942,248	
2019 CERB Loan	LY Cofferdam Barge Facility			62,380	62,380	62,380	62,380	62,380	935,698	1,247,597	
2020 CARB Loan	FIA Utility Extension			45,868	45,868	45,868	45,868	45,868	688,012	917,351	
TOTAL	Debt Payments (Prin + Int)	693,009	4,445,646	525,009	521,314	521,864	521,777	521,052	2,330,396	4,941,410	

SECTION VIII

SUPPLEMENTAL INFORMATION

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PORT OPERATING AREAS



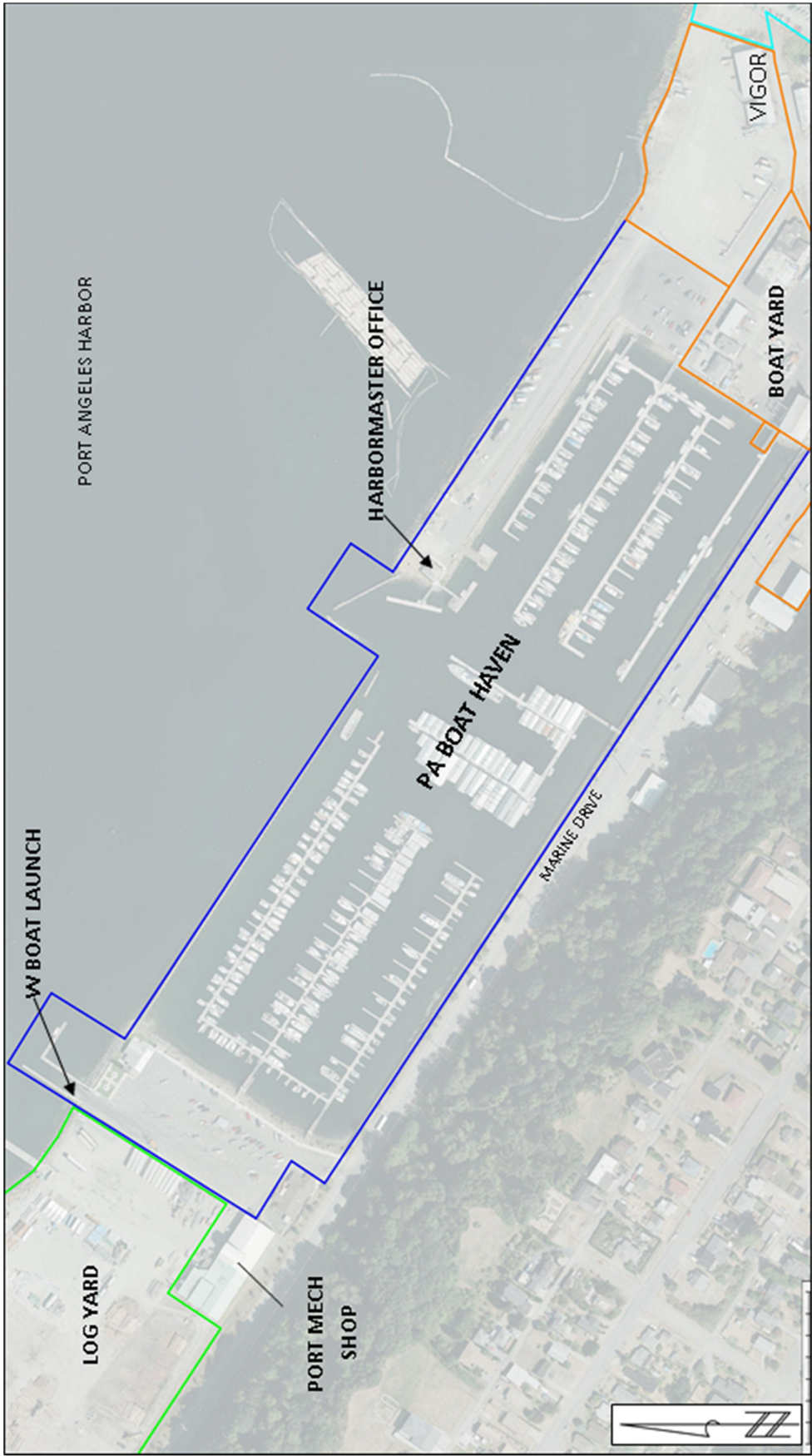
SYMBOL	AREA DESCRIPTION
<div></div>	MARINE TRADES AREA
<div></div>	MARINE TERMINAL AREA
<div></div>	PORT ANGELES BOAT HAVEN

PORT OPERATING AREAS - continued



SYMBOL	AREA	DESCRIPTION
		LOG YARD
		PORT ANGELES BOAT HAVEN

PORT OPERATING AREAS – continued



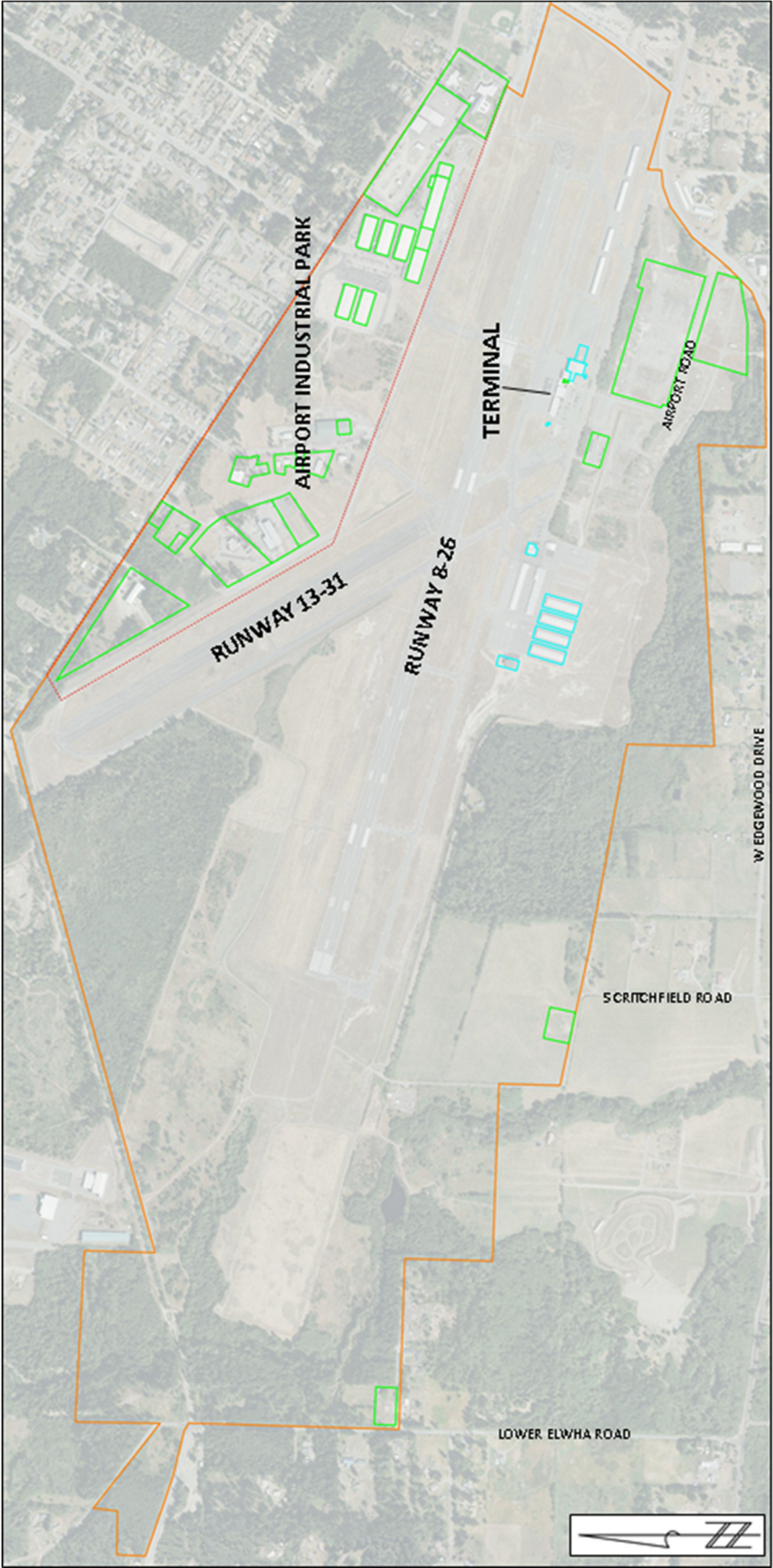
SYMBOL	AREA DESCRIPTION
	PORT ANGELES BOAT HAVEN
	LOG YARD
	MARINE TRADES AREA

PORT OPERATING AREAS – continued



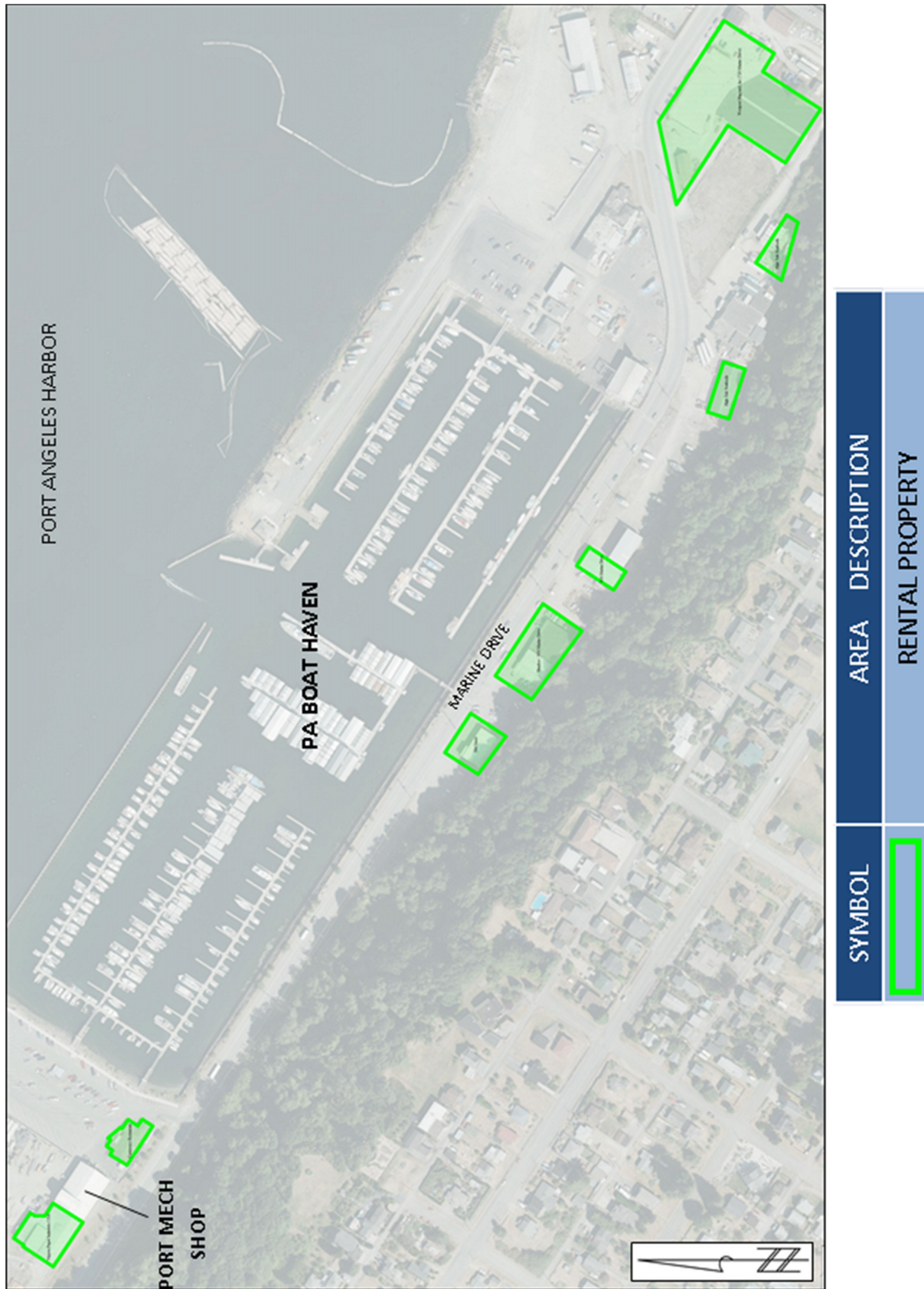
SYMBOL	AREA DESCRIPTION
	JOHN WAYNE MARINA

PORT OPERATING AREAS – continued

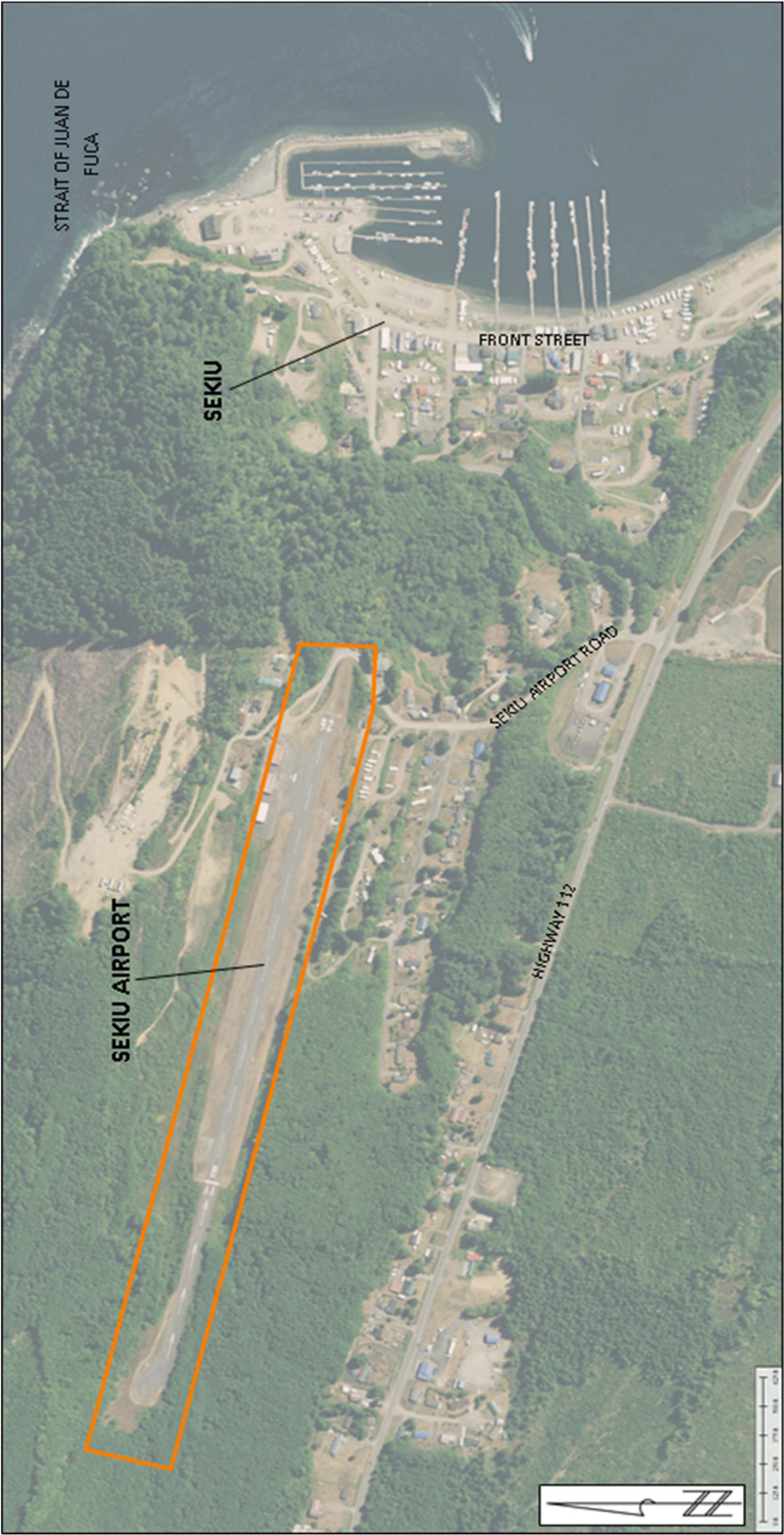


SYMBOL	AREA DESCRIPTION
	AIRPORT PROPERTY
	FIA AERONAUTICAL RENTAL PROPERTY
	FIA NON-AERONAUTICAL RENTAL PROPERTY

PORT OPERATING AREAS - continued



PORT OPERATING AREAS – continued



SYMBOL	AREA DESCRIPTION
	SEKIU AIRPORT

TRAVEL & TRAINING BUDGET
(includes Training Fees)
2021 Budget

Travel - Meetings	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 BUDGET	2020 PROJCTD	2021 BUDGET
MT	2,965	1,041	1,332	1,600	220	1,600
MTA	3,320	3,629	485	2,000	0	2,500
LY	2,748	2,442	846	2,200	23	150
FIA	6,066	2,379	5,081	3,250	2,365	4,000
ARP	2,507	876	0	1,000	0	1,000
SEK	127	122	278	400	240	240
PABH	14	0	463	500	0	500
JWM	914	2,553	711	1,000	39	500
RP	174	0	0	500	0	0
MM	0	22	48	0	0	0
FM	152	6	0	0	0	0
ADM	20,682	22,704	18,647	20,000	4,000	20,000
BD	10,924	21,350	25,116	20,000	4,000	10,000
Subtotal	50,592	57,124	53,007	52,450	10,888	40,490
Travel - Training	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 BUDGET	2020 PROJCTD	2021 BUDGET
MT	1,957	1,438	400	1,000	200	1,000
MTA	0	0	0	2,500	0	2,500
LY	2,619	4,640	6,963	2,500	0	1,500
FIA	4,256	2,201	1,712	300	0	600
ARP	0	0	57	4,850	0	560
SEK	0	0	0	0	0	0
PABH	1,500	0	355	500	0	500
JWM	0	0	0	0	0	500
RP	2,189	529	895	500	0	0
MM	727	0	0	500	0	500
FM	3,452	3,519	983	4,000	5,300	4,000
ADM	26,814	24,379	27,859	30,000	6,500	24,000
BD	2,547	4,159	2,316	0	0	5,000
Subtotal	46,060	40,865	41,540	46,650	12,000	40,660
TOTAL	96,652	97,989	94,547	99,100	22,888	81,150

CONSULTING & SPECIAL PROJECTS
2021 Budget

Line #	DEPT	PURPOSE	2018 ACTUAL	2019 ACTUAL	2020 BUDGET	2020 PROJCTD	2021 BUDGET
1	MT	Terminal 1 Pile Survey	n/a	n/a	n/a	n/a	200,000
2	MT	Terminal 7 Pier Assessment	n/a	n/a	n/a	n/a	35,000
3	MTA	Boat Yard Travel Lift Pier Assessment	0	0	0	0	30,000
4	Airport	Runway approach/obstruction tree removal	0	0	50,000	20,000	0
5	Airport	Design services for marketing/public information	1,024	0	2,000	2,000	2,000
6	ARP	Broker Services - 1010 Bldg, 2140 W 18th St, MTA	0	0	50,000	0	0
7	ARP	Broker Services - MTIB, 2007 S "O" Street, MTA	n/a	n/a	n/a	n/a	0
8	Marina	Design services for marketing/public information	2,938	750	2,000	0	0
9	Marina	JWM analysis/community facilitation	15,915	0	10,000	0	0
10	BusDev - MTA	Marine Trades Development Assistance (recruitment, rates, grant writing, etc.)	6,855	15,000	30,000	0	50,000
11	BusDev	Port promotional video	0	0	0	0	4,000
12	BusDev	Market/Feasibility analysis for new opportunity	0	30,000	0	0	30,000
13	BusDev	Sustainable Harvest, Advanced Wood Products & Other Timber Advocacy efforts	11,328	1,701	15,000	0	10,000
14	BusDev	CERB Planning Project Thermally Modified Hemlock and RCF (recycled carbon fiber)	19,200	50,800	0	0	0
15	BusDev	Advanced CLT panel feasibility study	0	0	0	0	0
16	BusDev	CERB Broadband Grant	0	0	85,000	65,000	10,000
17	BusDev	Communications Plan - Business development	0	0	0	0	5,000
18	BusDev	Design services for Port Pilot & misc marketing/public information (BD portion)	8,188	7,609	10,000	10,000	10,000
19	BusDev	Advanced Wood Products Economic Development Services - CRTC	n/a	214,950	15,050	15,050	0
20	Admin	Communications Plan - Community outreach	0	0	5,000	0	0
21	Admin	Design services for Port Pilot & misc marketing/public information (Admin portion)	10,060	7,640	10,000	0	10,000
22	Admin	Govt Affairs/Lobbying for Port	100,274	99,327	100,000	100,000	100,000
23	Admin	Strategic Plan (followup); 2020-2025	4,783	0	0	0	0
24	Admin	LOB analysis and economic impacts	0	0	5,000	0	0
25	Admin	Grant writing assistance	0	0	0	0	0
26	Admin	Stakeholder Facilitation Stormwater	0	0	30,000	0	0
27	Finance	GASB 49 Environmental Pollution Liabilities requires a change in methodology to fair value	6,996	7,000	7,000	7,000	7,500
TOTAL CONSULTING & SPECIAL PROJECTS			187,561	434,777	426,050	219,050	503,500
NON-STANDARD EXPENSES (see table below)			26,055	280,750	230,050	100,050	295,000
TOTAL 2021 BUDGET LESS NON-STANDARD EXPENSES			161,506	154,027	196,000	119,000	208,500

EXPENSES: NON-STANDARD
2021 Budget

Line #	Dept	Non-standard Expenses	2018 ACTUAL	2019 ACTUAL	2020 BUDGET	2020 PROJCTD	2021 BUDGET
1	MT	Terminal 1 Pile Survey	n/a	n/a	n/a	n/a	200,000
2	MT	Terminal 7 Pier Assessment	n/a	n/a	n/a	n/a	35,000
3	Airport	Runway approach/obstruction tree removal	0	0	50,000	20,000	0
4	ARP	Broker Services	0	0	50,000	0	0
5	BusDev - MTA	Bus Dev assistance for the Marine Trades/MTIP	6,855	15,000	30,000	0	50,000
6	BusDev	CERB Planning Project Thermally Modified Hemlock and RCF (recycled carbon fiber)	19,200	50,800	0	0	0
7	BusDev	CERB Broadband Grant	0	0	85,000	65,000	10,000
8	BusDev	Advanced Wood Products Economic Development Services - CRTC	n/a	214,950	15,050	15,050	0
Total Non-Standard Expenses			26,055	280,750	230,050	100,050	295,000

MEMBERSHIPS – PROFESSIONAL ORGANIZATIONS

2021 Budget

Line #	DEPT	PROFESSIONAL ORGANIZATION (alphabetical order)	2018 ACTUAL	2019 ACTUAL	2020 BUDGET	2021 BUDGET
1	ADMIN	Agriculture and Forestry Education Foundation	500	500	500	0
2	FIA	American Association of Airport Executives	275	275	275	275
3	ADMIN	American Forest Resource Council	600	600	600	600
4	ADMIN	American Payroll Association	219	219	254	254
5	FM	American Public Works Association (APWA) - 2	442	450	450	450
6	FIA	Certified Commercial Investment Member (CCIM)	770	770	900	900
7	FIA	Clallam County Pilots Association	Free	Free	Free	Free
8	ADMIN	Dynamics SL User Group	450	450	450	450
9	ADMIN	Engineering License	110	110	110	110
10	ADMIN	Government Finance Officers Association (GFOA -3)	150	300	300	300
11	ADMIN	International Living Future Institute	0	50	50	50
12	MT	Marine Exchange of Puget Sound	300	500	500	500
13	ADMIN	Municipal Research & Services Center (MRSC thru WPPA)	897	950	950	950
14	FIA	National Business Aviation Association (NBAA)	0	0	0	375
15	MT	Northwest Marine Terminal Association (NWMTA)	1,216	1,216	1,216	1,216
16	MTA	Northwest Marine Trade Association (NMTA)	500	500	550	550
17	ADMIN	Olympic Region Municipal Clerks Association	0	0	100	0
18	ARP	Port Angeles Association of Realtors	136	136	136	136
19	MTA	Puget Sound Ship Repair Association (PSSRA)	0	500	500	500
20	ARP	Sequim Association of Realtors	115	115	115	115
21	ADMIN	Society for Human Resources Management (SHRM)	0	209	209	209
22	MTA	Super Yachts Northwest (NMTA)	0	500	500	500
23	MTA	U.S. Superyacht Association	0	0	0	600
24	ADMIN	Washington Agriculture & Forestry Leadership Program	500	500	500	0
25	FIA	Washington Airport Managers Association (WAMA)	250	125	250	250
26	ADMIN	Washington Bar Association	n/a	500	500	0
27	ADMIN	Washington Finance Officers Association (WFOA -3)	50	150	150	150
28	ADMIN	Washington Maritime Federation	250	Free	Free	Free
29	FIA	Washington Pilots Association	40	45	45	45
30	ADMIN	Washington Public Ports Association (WPPA)	18,878	19,000	19,000	14,445
31	ADMIN	Washington Public Treasurers Association (WPTA - 4) Note: Name change in 2018, prior name was Washington Municipal Treasurers Association (WMTA)	40	80	80	80
32	ARP	Washington Realtor Association (thru PA Realtor Assoc)	50	50	50	50
33	FIA	Washington State Aviation Alliance (WSAA)	0	200	200	200
34	FIA	Washington State Community Airports Association (WSCAA)	n/a	Free	Free	Free
		TOTAL PROFESSIONAL ORGANIZATIONS	26,738	29,000	29,440	24,260

COMMUNITY SUPPORT 2021 Budget

Line #	COMMUNITY SUPPORT SERVICES	2018 ACTUAL	2019 ACTUAL	2020 PROJECTED	2021 BUDGET
1	Clallam County EDC Contract	40,000	30,000	40,000	50,000
2	Center for Inclusive Entrepreneurship	0	30,000	10,000	10,000
3	Community Partner Program	57,300	60,000	70,000	70,000
4	North Olympic Development Council (NODC)	0	12,000	10,000	0
5	Small Business Development Center (SBDC)	23,000	23,000	23,000	23,000
	TOTAL COMMUNITY SUPPORT - CASH	120,300	155,000	153,000	153,000

Line #	COMMUNITY SUPPORT - IN KIND	2018 ACTUAL	2019 ACTUAL	2020 PROJECTED	2021 BUDGET
1	Center for Inclusive Entrepreneurship (CIE)	n/a	n/a	3,913	3,643
2	CRTC - Waived Equipment Rental	12,000	12,000	12,000	12,000
3	Clallam Economic Development Corporation (CEDC) - Waived Rent	0	6,569	7,660	5,834
4	North Olympic Development Council (NODC) - Waived Rent	3,096	3,370	3,600	3,675
5	Peninsula College space at CRTC - 12 months waived rent in 2017 & 2018; partiallly waived 2019-2021	33,345	21,674	16,304	15,584
6	Port Angeles Yacht Club (2019 discounted rent)	0	2,057	2,098	2,140
7	Port Angeles Yacht Club (2017-18 waived moorage)	2,610	2,206	2,251	2,292
8	Sequim Bay Yacht Club (2018 - rent discount begins with Lease renewal) (2019: 50% rent discount)	4,018	6,166	6,320	6,447
9	Sequim Bay Yacht Club (2019: 50% moorage discount)	3,860	3,664	3,758	3,826
10	Sequim Bay Yacht Club waived Hendrick's Room Fees	4,980	4,835	4,060	4,000
11	SBDC (office space) waived rent	6,995	7,843	3,076	2,983
12	Miscellaneous Fee Waivers & Discounts	7,089	8,842	9,800	10,000
	TOTAL COMMUNITY SUPPORT - IN KIND	77,993	79,226	74,840	72,423

Line #	COMMUNITY MEMBERSHIPS	2018 ACTUAL	2019 ACTUAL	2020 PROJECTED	2021 BUDGET
1	North Olympic Development Council (NODC)	900	900	2,000	2,000
2	Forks Chamber of Commerce	100	100	100	100
3	Port Angeles Chamber of Commerce	372	372	372	372
4	Port Angeles Business Association (PABA)	0	65	50	65
5	Sequim Chamber of Commerce	450	450	450	450
6	North Olympic Legislative Alliance (NOLA)	0	100	0	100
7	Seki/Clallam Bay Chamber of Commerce	0	100	100	100
8	Rotary Clubs & Other Service Groups	180	200	200	200
	TOTAL COMMUNITY MEMBERSHIPS	2,002	2,287	3,272	3,387

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.

ALLOCATED EXPENSES

Line of Business	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget
Marine Terminal	314,231	432,332	452,464	841,900	1,029,026	591,185
Marine Trades Area	158,537	136,648	171,374	181,087	176,783	213,760
Log Yard	741,726	661,245	501,257	442,133	362,004	452,027
FIA	259,098	204,287	219,971	277,763	230,553	271,477
Airport Rental Properties	868,872	232,869	506,005	491,978	415,576	478,414
Sekiu Airport	8,458	8,515	10,549	15,108	7,977	13,602
Port Angeles Boat Haven	370,837	246,306	296,907	294,881	254,330	327,748
John Wayne Marina	270,466	263,498	81,255	289,228	238,942	318,578
Rental Property	<u>88,521</u>	<u>63,353</u>	<u>6,448</u>	<u>48,144</u>	<u>35,981</u>	<u>48,729</u>
Total	3,080,746	2,249,053	2,246,230	2,882,222	2,751,173	2,715,519

DEPRECIATION

Line of Business & Department	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget
Marine Terminal	403,110	481,796	561,034	559,734	632,779	629,779
Marine Trades Area	65,399	64,814	88,464	138,267	147,869	170,742
Log Yard	332,578	350,570	359,343	326,208	368,166	420,773
FIA	511,233	534,096	554,609	527,537	607,582	604,516
Airport Rental Properties	469,343	487,874	461,672	438,203	443,468	444,836
Sekiu Airport	3,699	3,699	3,699	3,695	3,690	3,690
Port Angeles Boat Haven	381,194	389,796	334,318	330,765	341,748	364,684
John Wayne Marina	217,198	210,606	120,836	64,598	65,231	67,731
Rental Property	10,123	13,768	13,768	13,768	13,763	13,763
Mechanical Maintenance	18,390	15,233	15,171	15,171	16,005	15,171
Facilities Maintenance	35,286	34,402	35,374	21,628	22,599	23,299
Administration & General	<u>32,037</u>	<u>37,983</u>	<u>43,524</u>	<u>36,741</u>	<u>38,474</u>	<u>37,625</u>
Total	2,479,588	2,624,637	2,591,811	2,476,315	2,701,375	2,796,609

ALLOCATED DEPRECIATION

Line of Business & Department	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget
Marine Terminal	11,119	16,840	18,204	22,889	31,031	17,651
Marine Trades Area	5,619	5,331	6,917	4,923	5,331	6,382
Log Yard	26,279	26,049	20,383	12,020	10,917	13,496
Fairchild International Airport	10,802	9,270	12,129	8,209	7,639	9,026
Airport Rental Properties	5,531	7,291	9,743	7,862	5,935	8,337
Sekiu Airport	353	386	582	447	264	452
Port Angeles Boat Haven	13,142	9,708	12,526	8,017	7,670	9,785
John Wayne Marina	9,729	10,385	11,993	7,863	7,206	9,512
Rental Property	<u>3,138</u>	<u>2,358</u>	<u>1,592</u>	<u>1,309</u>	<u>1,085</u>	<u>1,455</u>
Total	85,713	87,618	94,069	73,540	77,078	76,095

Port of Port Angeles - Support Function Cost Allocation - for 2021 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	1,335,256	(147,917)	1,187,339	23%	32,413	67,119	431,359
Marine Trades	429,316	-	429,316	8%	11,720	24,269	155,970
Log Yard	932,805	(24,951)	907,854	18%	24,783	51,320	329,823
FIA Airport	617,954	(10,795)	607,159	12%	16,575	34,322	220,580
Airport Rentals	574,547	(13,750)	560,797	11%	15,309	31,701	203,737
Sekiu Airport	30,421	-	30,421	1%	830	1,720	11,052
PA Boat Haven	783,251	(125,000)	658,251	13%	17,970	37,210	239,142
JW Marina	851,373	(211,538)	639,835	12%	17,467	36,169	232,452
Rental Property	98,700	(833)	97,867	2%	2,672	5,532	35,555
Total	5,653,623	(534,784)	5,118,839	100%	139,739	289,361	1,859,671

(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	1,335,256	(147,917)	1,187,339	30%	60,294	
Marine Trades	429,316	-	429,316	11%	21,801	
Log Yard	932,805	(24,951)	907,854	23%	46,101	
PA Boat Haven	783,251	(125,000)	658,251	17%	33,426	
JW Marina	851,373	(211,538)	639,835	16%	32,491	
Rental Property	98,700	(833)	97,867	2%	4,970	
Total	4,430,701	(510,239)	3,920,462	100%	199,083	

100% Direct Allocation to Airport Area					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	574,547	(13,750)	560,797	100%	227,667	

Total Support Costs Allocated		Total Support Cost Allocation by Line of Business	
Mech Maint	139,739	591,185	Marine Terminal
Facility Maint	289,361	213,760	Marine Trades
Admin & General	1,859,671	452,027	Log Yard
General Bus Dev	199,083	271,477	FIA Airport
Airport Bus Dev	227,667	478,414	Airport Rentals
Total	2,715,519	13,602	Sekiu Airport
		327,748	PA Boat Haven
		318,578	JW Marina
		48,729	Rental Property
		2,715,519	Total

Employee Wage Scale - Represented 2021 Budget

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, 2021 (1.8%)

Job Title	Range Number	Step Number									
		1	2	3	4	5	6	7	8	9	10
	1										
	2							13.77	14.12	14.46	14.82
	3	12.49	12.81	13.12	13.45	13.77	14.12	14.46	14.82	15.19	15.57
	4	13.12	13.45	13.77	14.12	14.46	14.82	15.19	15.57	15.95	16.34
	5	13.77	14.12	14.46	14.82	15.19	15.57	15.95	16.34	16.74	17.16
	6	14.46	14.82	15.19	15.57	15.95	16.34	16.74	17.16	17.58	18.02
	7	15.19	15.57	15.95	16.34	16.74	17.16	17.58	18.02	18.46	18.92
	8	15.95	16.34	16.74	17.16	17.58	18.02	18.46	18.92	19.38	19.87
	9	16.74	17.16	17.58	18.02	18.46	18.92	19.38	19.87	20.35	20.86
	10	17.58	18.02	18.46	18.92	19.38	19.87	20.35	20.86	21.37	21.90
Facilities Maintenance Janitorial (PT)	11	18.46	18.92	19.38	19.87	20.35	20.86	21.37	21.90	22.44	23.00
	12	19.38	19.87	20.35	20.86	21.37	21.90	22.44	23.00	23.56	24.15
Utility Person	13	20.35	20.86	21.37	21.90	22.44	23.00	23.56	24.15	24.74	25.35
	14	21.37	21.90	22.44	23.00	23.56	24.15	24.74	25.35	25.97	26.62
Accounting Clerk I	15	22.44	23.00	23.56	24.15	24.74	25.35	25.97	26.62	27.27	27.95
Accounting Clerk II, Assistant Harbormaster	16	23.56	24.15	24.74	25.35	25.97	26.62	27.27	27.95	28.64	29.35
Accounting Lead	17	24.74	25.35	25.97	26.62	27.27	27.95	28.64	29.35	30.07	30.82
Machine Operator	18	25.97	26.62	27.27	27.95	28.64	29.35	30.07	30.82	31.57	32.36
	19	27.27	27.95	28.64	29.35	30.07	30.82	31.57	32.36	33.15	33.98
	20	28.64	29.35	30.07	30.82	31.57	32.36	33.15	33.98	34.81	35.68
Facilities Maintenance, Mechanic	21	30.07	30.82	31.57	32.36	33.15	33.98	34.81	35.68	36.55	37.46
Facilities Maintenance Lead, Mechanic Lead, Log Yard Lead, Harbormaster	22	31.57	32.36	33.15	33.98	34.81	35.68	36.55	37.46	38.37	39.33
	23	33.15	33.98	34.81	35.68	36.55	37.46	38.37	39.33	40.29	41.30
	24	34.81	35.68	36.55	37.46	38.37	39.33	40.29	41.30	42.31	43.36
	25	36.55	37.46	38.37	39.33	40.29	41.30	42.31	43.36	44.42	45.53
	26	38.37	39.33	40.29	41.30	42.31	43.36	44.42	45.53	46.64	47.81

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Employee Wage Scale – Non-Represented

2021 Budget

		85%	100%	115%
Job Title	Grade	2021 Range Minimum	2021 Range Midpoint	2021 Range Maximum
Executive Director	19	\$144,268	\$169,727	\$195,186
Port Counsel	18	\$128,811	\$151,542	\$174,273
Deputy Executive Director	17	\$114,975	\$135,265	\$155,554
Director II*	16	\$102,698	\$120,821	\$138,944
Director I*	15	\$91,688	\$107,868	\$124,048
Manager III*	14	\$81,846	\$96,290	\$110,733
Manager II*	13	\$73,077	\$85,973	\$98,869
Manager I*	12	\$66,452	\$78,179	\$89,905
Admin/Supervisor II*	11	\$60,411	\$71,071	\$81,732
Admin/Supervisor I*	10	\$54,905	\$64,595	\$74,284
	9	\$49,936	\$58,748	\$67,561
	8	\$45,405	\$53,418	\$61,431
	7	\$41,264	\$48,546	\$55,828
Security Full Time	6	\$37,513	\$44,133	\$50,753
	5	\$34,103	\$40,121	\$46,139
Security Part Time	4	\$31,033	\$36,510	\$41,986
JWM Summer Help	3	\$28,475	\$33,186	\$38,164
N/A due to minimum wage	2			
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
 Manager of Finance & Accounting
 Finance Manager
 MT Ops & Security Supervisor
 Facilities Supervisor
 Real Estate Administrator
 Executive Assistant/Clerk of the Board

Senior Management:

Executive Director
 Deputy Executive Director
 Director of Engineering
 PA-MTC Business Development Director

Lease Revenues - All Lines of Business



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 Layberth
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		
KPIy	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		
MTC	Marine Trades Center		
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

20-1228

Commissioners' Resolution No. _____

A RESOLUTION ADOPTING FINAL BUDGET FOR 2021

WHEREAS, the preliminary budget of the Port of Port Angeles was prepared and filed on the 30th day of October; and

WHEREAS, in accordance with R.C.W. 53.35.045 a public hearing was held on November 10th, 2020; and

WHEREAS, the preliminary budget was adopted as the final budget on the 17th day of November 2020.

NOW, THEREFORE BE IT RESOLVED, that the budget herein is the Final Budget of the Port of Port Angeles for the calendar year 2021.

	2021 BUDGET
Cash Balance Jan 1, 2021	\$ 12,491,624
Sources of Cash	
Revenues - Operating	8,869,141
Revenues - Non-Operating	460,124
Property Tax Levy	1,599,023
Grants for Capital Projects	1,040,000
Bond Proceeds	-
Total Sources	11,968,288
Uses of Cash	
Expenses - Operating	8,369,141
Expenses - Non-Operating	340,470
Debt Service (Principal & Interest)	525,009
Capital Projects	4,317,000
Total Uses	13,551,620
Cash Balance Dec 31, 2021	\$ 10,908,293
Increase (Decrease) in Cash during year	\$ (1,583,332)
RCW 53.36.120 & 53.36.130 Specific Budget Items	
Promotional Hosting	\$ 14,750

ADOPTED by the Port Commission of the Port of Port Angeles, at a Commission meeting thereof held this 17th day of November 2020.

*END OF 2021 BUDGET
PORT OF PORT ANGELES*

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