



2022 BUDGET

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Port of Port Angeles

2022 Budget

Operations	Log Yard & Marine Term	PABH & JWM Marinas	Marine Trades & Rental Prop	FIA & Sekiu Airports	Total
Revenues	4,084,302	3,508,304	2,099,568	407,312	10,099,486
Direct Expenses	(2,102,633)	(1,774,131)	(1,013,731)	(647,779)	(5,538,274)
Overhead Support	(1,036,176)	(749,399)	(712,030)	(308,763)	(2,806,367)
Net Margin	945,493	984,774	373,808	(549,230)	1,754,845
Less Depreciation	(1,038,389)	(440,952)	(645,277)	(651,998)	(2,776,616)
Op Surplus (Deficit)	(92,896)	543,822	(271,469)	(1,201,228)	(1,021,771)
Non-Operating Items					
Property Tax Revenue					1,638,718
Capital Grant Income					6,679,000
Timber/Other Tax Revenue					145,000
Interest Expense					(90,463)
Interest Earnings					70,400
Net other Non-Op Items					(341,310)
Total Non-Operating					8,101,345
Total Net Surplus					7,079,574

Cash Flow / Fund Analysis

	General Fund	Capital Fund	Total Port Funds
Beginning Balance	4,172,321	11,548,627	15,720,948
Plus Cash Flow from Operations	1,754,845	-	1,754,845
Net Non-Op Cash flow	(125,910)	-	(125,910)
Plus Capital Grant Revenue	-	6,679,000	6,679,000
Plus Property Tax Revenue	-	1,638,718	1,638,718
Plus Loan Proceeds	-	965,005	965,005
Less Debt Service Payments	-	(458,934)	(458,934)
Less 2022 Capital Expenditures	-	(11,191,000)	(11,191,000)
Transfer excess of 1/2-yr op expenses	(1,545,255)	1,545,255	-
Projected Ending Balance	4,256,000	10,726,672	14,982,672

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 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.

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. 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 nearly a decade 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, Clallam Economic Development Council, Sequim Chamber, Center of excellence for Aerospace Advance Manufacturing and the state's Global Leadership Coalition.

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.

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 Clallam Economic Development Council.

Commissioner Burke grew up in San Diego and moved to Port Angeles to raise his family in 2001. He raises Galloway cattle. He went to college at the University of Northern Colorado and graduated with a 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 GEOFF JAMES



Geoff is a native of Sacramento, California. In 1986 he enlisted in the U.S. Navy as a Machinist Mate and after obtaining a Bachelor of Science degree in Mechanical Engineering from Oregon State University, he received his commission in 1992.

Though primarily a Nuclear Submarine Officer, over the course of his 34-year career, Geoff has had the opportunity to serve in several diverse and challenging assignments including three nuclear submarines; Submarine Liaison to the Ronald Reagan Carrier Strike Group; Command of a 65-foot submersible for conducting special operations; Commanding Officer of TRIDENT Training Facility Bangor; Commander of a Provincial Reconstruction Team in Afghanistan; Theater Nuclear Power Officer in Europe; Navy Section Chief at US Embassy in Iraq; and Branch Chief for Current Operations to the International Military Staff at NATO Headquarters in Brussels.

After retiring from the Navy, Geoff joined the Port of Port Angeles as the Executive Director in June of 2021.

BOARD OF PORT COMMISSIONERS

STEVEN D. BURKE, PRESIDENT

Term Expires 2025

COLLEEN M. MCALEER, VICE PRESIDENT

Term Expires 2025

CONNIE L. BEAUVAIS, SECRETARY

Term Expires 2023

PORT MANAGEMENT STAFF

Executive Director	GEOFF JAMES
Director of Finance & Administration.....	JOHN B. NUTTER
Director of Engineering.....	CHRIS R. HARTMAN
Director of Economic Development	CALEB MCMAHON
Director of Projects	KAREN F. GOSCHEN
Director of Operations	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	CHERIE GOTTSCHALK
Human Resource Specialist/Clerk of the Board	BRAEDI JOUTSEN

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SECTION I

INTRODUCTION

2022 BUDGET MESSAGE

November 16, 2021

To: Board of Port Commissioners, Port of Port Angeles
From: Geoff James, Executive Director

On behalf of the Staff of the Port of Port Angeles, I am pleased to submit to the Board the 2022 Budget. As you are aware, the Port's Budget is an important planning document and includes both operating and capital project budgets. The operations budget estimates revenues and expenses for the coming year based upon projections on line of business activities by the Port. The capital project budget includes preventive and corrective maintenance of existing facilities, and development for new infrastructures for 2022. Also included in the capital project budget is a 5-year forecast of anticipated projects for strategic long term planning.

2022 Strategic Plan Goals. The Port's goals and strategies provide a guiding influence on the 2022 Budget, prioritizing near term decisions along with day to day port operations. The Port Goals for 2022 are as follows with the 2022 Strategic Plan providing further details:

- Aggressively market the Port and invest in strategic infrastructure to foster living wage jobs.
- Assure Sound Financial and Economic Return on Port Assets.
- Improve Environmental Performance.
- Enhance Stakeholder Engagement and Outreach Efforts.

2022 Economic Conditions. The economic environment for 2022 remains uncertain with supply chain challenges affecting both shipping and material costs that are likely to continue through most of the year. To account for these effects, the Port has decreased some projections of its line of business activities based upon reductions realized at the end of 2021 and review of modest historical trends. The 2022 Budget assumes a \$119K decrease in operating revenues compared to 2021 Budget projection which is primarily driven by several structure leases terminating in the third and fourth quarter of this year. At the airport industrial park, though the Port was able to lease the 10.10 building for 8 months in 2021 as a social distancing facility, local barriers have limited the options for leasing the 10.10 and 10.50 buildings. Though the Port continues to explore options to address vacancies of these buildings, the 2022 Budget does not account for either being leased throughout the year.

2022 Budget Development. The goal for developing the budget 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 surplus of \$1.8M. The cash flow from total Port operations (which includes non-operating activity such as taxes, grants, interest, debt service, legacy environmental, etc.) is \$7.1M, of which \$6.7M is through grants mainly in support of infrastructure development of the Marine Trades Center (MTC). The budget also includes a 1% increase in the property tax levy which equates to an estimated \$16K which will be used to help offset increasing long-term capital investment costs in stormwater, MTC development and rehabilitation of the cofferdam. The budget book includes depreciation, which is a non-cash expense.

The Port has elected accrual accounting over cash basis accounting because it provides a long-term view of financial operations for planning purposes since revenue and expenses are recognized and recorded when they occur instead of deferring until cash is exchanged. This is important to note when comparing to other entities that may use cash basis accounting, trying to understand the Port's cash flow from operations or considering policy issues related to a balanced budget.

2022 Operating Revenues are budgeted at \$10.1M, slightly lower than 2021 projected year-end of \$10.2M. 2021 projected year-end is \$1.3M (15%) over budget primarily due to higher than estimated usage at the marine terminal (resulting in higher wharfage and dockage revenue) along with increased demand for moorage at both the John Wayne Marina and the Port Angeles Boat Haven.

2022 Operating Expenses, before depreciation, are budgeted at \$8.3M, which is \$663K lower than 2021 projected year-end, primarily due to the \$637K dredging expense for the Port's cargo terminal that carried over into 2021. Cost of living increases for staff are budgeted at 3%, which though lower than the August 2021 CPI West-Size Class B/C-All Urban Consumer is on par with the adjustments made at most other public ports across the state of comparable size.

2022 Non-Operating Budget includes \$1.6 million in property tax receipts to be used for \$458,934 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.

2022 Capital Budget is similar to prior years with its long-term goal providing 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 2022 maintenance capital budget is \$1.2M which is below our annual target as we focus efforts towards funding on the Marine Trades Center, airport runway refurbishment, cofferdam refurbishment and the fuel float replacement in the Port Angeles Boat Haven.

2022 Total Port Fund Balance "Cash Basis" Budget at the end of 2022 is budgeted at \$14.9M. This is a decrease of \$738k from the balance at the beginning of 2022 based on:

- \$10.1M total cash flow from Port operations
- \$1.6M of property tax revenue (dedicated to debt service and capital)
- \$6.7M in capital grant revenue
- (\$11.2M) in capital expenditures
- (\$459K) in debt service payment

Depending on various anticipated projects and grant funding, funding for capital projects through the Capital Improvement Fund if maintained at the current rate and level of aspiration could be depleted in 2024. Therefore, 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.

2022 Outstanding Debt by the end of 2022 is projected to be \$3.0M and the Non-Voted Debt Availability is \$29.3M for a Total Non-Voted Debt Capacity of \$32.3M. No new debt was issued in 2021 with the anticipated \$1M CERB loan for Cofferdam Barge Facility rehabilitation moving from 2021 to 2022 caused by permitting delays. The Port's debt at the beginning of 2022 includes a \$739K CERB Loan for the construction of the Marine Trades Area Washdown Facility, a \$750K CARB Loan for Utility Improvements at Fairchild International Airport and \$1.4M Limited Tax General Obligation Bond for the PABH.

Geoff James
Executive Director

STRATEGIC PLAN

The Commission has adopted a revision of the prior 5-year Strategic Plan (2016-2021) into a single year Strategic Plan with some alterations. A 5-year Strategic Plan is planned to be developed for 2023-2028.

Port Mission

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

Port Vision

“A Prosperous Clallam County.”

Port Goals and Strategy for Obtaining its Goals

- 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 industrially 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. Acquire strategically located industrial property for future development.
 - 1.5. Establish and maintain sustainable air service at Fairchild International Airport (FIA). Promote the establishment of TSA service at FIA.
 - 1.6. Develop 25 acres of vacant industrial Port property with focus at the FIA, including future infrastructure development.
 - 1.7. Partner with the City of Port Angeles to streamline a process for developing power usage agreements for existing and prospective tenants for loads larger than 2MW, including stepped increases up to 9MW.
- 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. Continue clean-up 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 maintained in full compliance with Department of Ecology stormwater permits.
- 3.4. Enroll in both the Clean Marina and the Green Marine environmental certification programs to document and improve environmental performance.

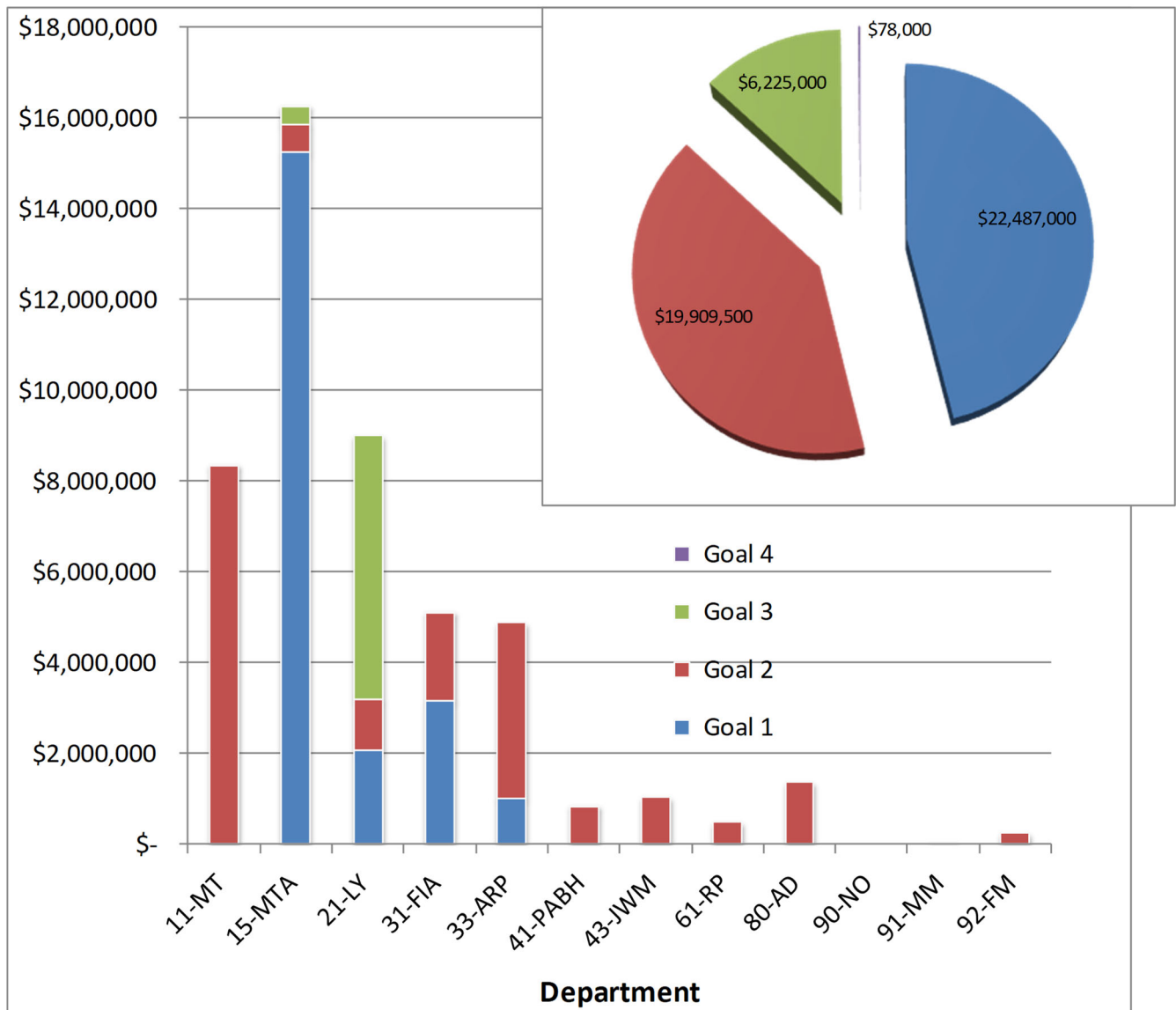
4. Enhance Stakeholder Engagement and Outreach Efforts

- 4.1. Provide excellent customer service.
- 4.2. Foster partnerships with other public agencies in furtherance of economic development.
- 4.3. Educate and collaborate with Clallam County citizens on Port activities and future efforts.
- 4.4. Advocate to advance the development and retention of a diversified and skilled workforce within the County.

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5 Year Capital Improvement Plan

2022 - 2026 CAPITAL EXPENDITURES BY STRATEGIC GOAL AND DEPARTMENT



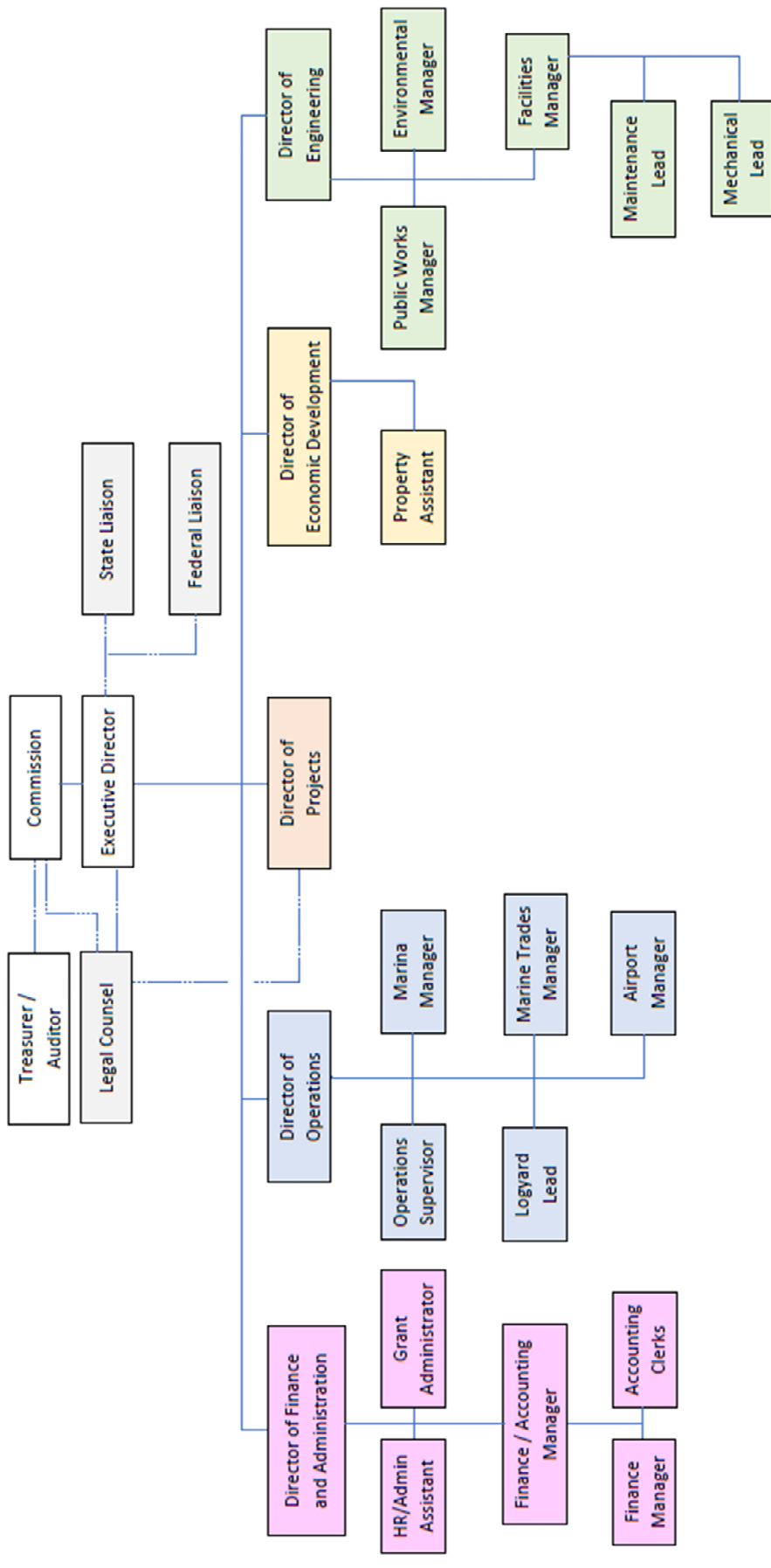
PORT OF PORT ANGELES STRATEGIC PLAN GOALS

- 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

SECTION II

PERSONNEL SUMMARY

Port of Port Angeles Organization



PORT OF PORT ANGELES PERSONNEL SUMMARY

All Departments - Actual & Budgeted Employees

		2014	2015	2016	2017	2018	2019	2020	2021	2021	2022	2022
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Projected	Budget	Budget
Department		FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	Change In FTEs
MT	Marine Terminal <i>(Includes PT & FT Security)</i>	5.92	5.90	5.30	6.15	5.90	5.78	5.43	5.20	6.07	5.20	-
MTA	Marine Trades Area <i>(Formerly Boat Yard & Travel Lift Pier)</i>	0.45	1.00	0.94	0.85	1.30	1.44	0.91	0.95	0.97	0.95	-
LY	Log Yard	6.38	6.00	6.59	7.87	7.94	4.96	4.63	4.85	4.65	4.65	(0.20)
FIA	William R. Fairchild Int'l Airport	2.66	2.50	2.38	2.99	2.15	2.96	1.68	1.70	1.99	1.70	-
ARP	Airport Rental Properties	0.32	1.50	1.41	0.63	1.40	1.03	1.21	1.50	1.58	1.40	(0.10)
SEK	Sekiu Airport	0.05	0.05	0.03	0.05	0.05	0.03	0.09	0.05	0.10	0.05	-
PABH	Port Angeles Boat Haven	0.80	0.75	0.74	0.81	0.82	1.30	1.09	1.10	1.26	1.05	(0.05)
JWM	John Wayne Marina <i>(Includes PT & FT Security)</i>	3.14	4.05	3.89	4.47	4.55	4.29	4.40	4.68	5.07	4.70	0.02
RP	Rental Properties	1.18	1.00	0.72	1.84	0.60	0.61	0.54	0.50	0.52	0.45	(0.05)
A&G	Administration & General <i>(Includes PT & FT Security)</i>	11.03	10.77	10.26	8.39	9.32	10.80	9.63	8.10	10.80	9.12	1.02
BD	Business (Economic) Development	0.40	1.00	0.73	0.24	0.45	0.45	1.05	1.20	1.46	1.15	(0.05)
MM	Mechanical Maintenance	2.30	2.07	2.13	2.27	2.24	2.21	2.45	2.25	2.29	2.25	-
FM	Facilities Maintenance	7.05	7.73	7.96	6.92	8.81	8.33	8.45	8.75	7.57	8.75	-
NOP	Non-Operating	0.16	0.12	0.13	0.12	0.35	0.33	0.38	0.15	0.34	0.15	-
Total		41.84	44.44	43.21	43.60	45.88	44.52	41.94	40.98	44.67	41.57	0.59

Significant changes from 2021 Budget to 2022 Budget:

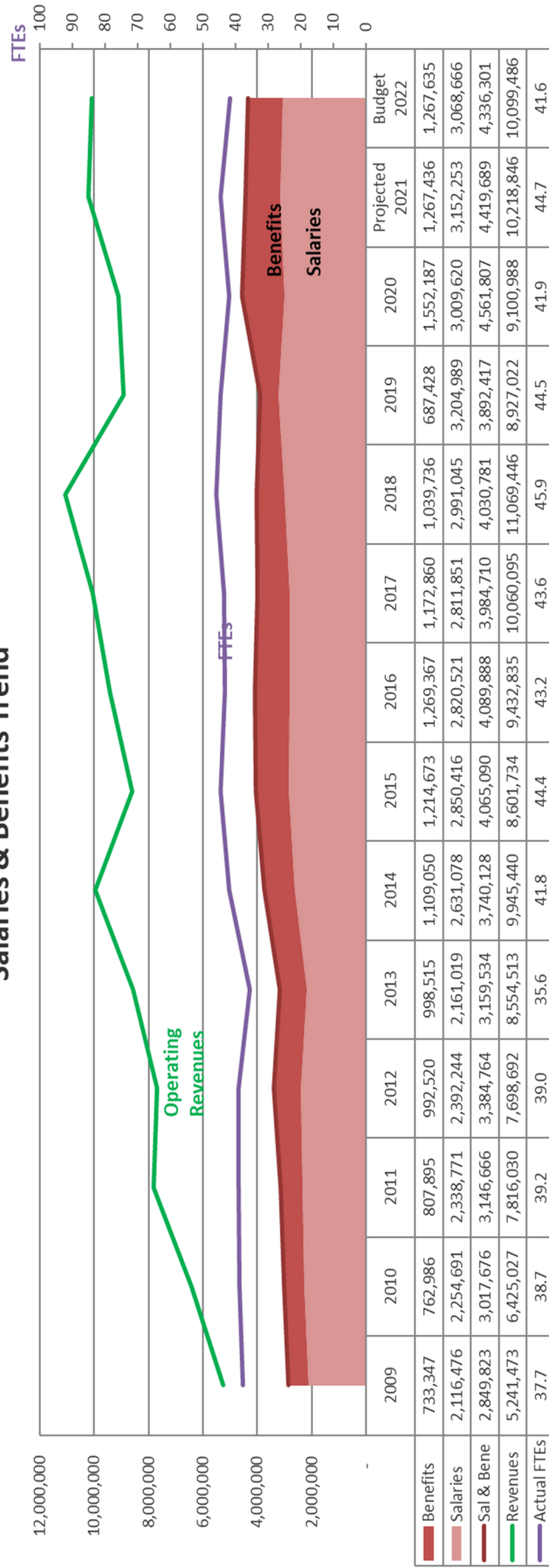
MT	1 Emp left in Sept overlap of new emp for 4 months
MTA	N/A
LY	N/A
FIA	N/A
ARP	N/A
SEK	N/A
PABH	N/A
JWM	N/A
RP	N/A
A&G	1 Emp left in July overlap of new emp for 4 months. 1 FTE moved to .72 in July. 1 new emp started June.
BD	1 Emp moved to .52 in July. 1 new emp started June.
MM	N/A
FM	N/A
NOP	N/A

FTEs = Full time equivalent

FT = Full Time

PT = Part Time

2009 thru 2022 Operating Activity Salaries & Benefits Trend



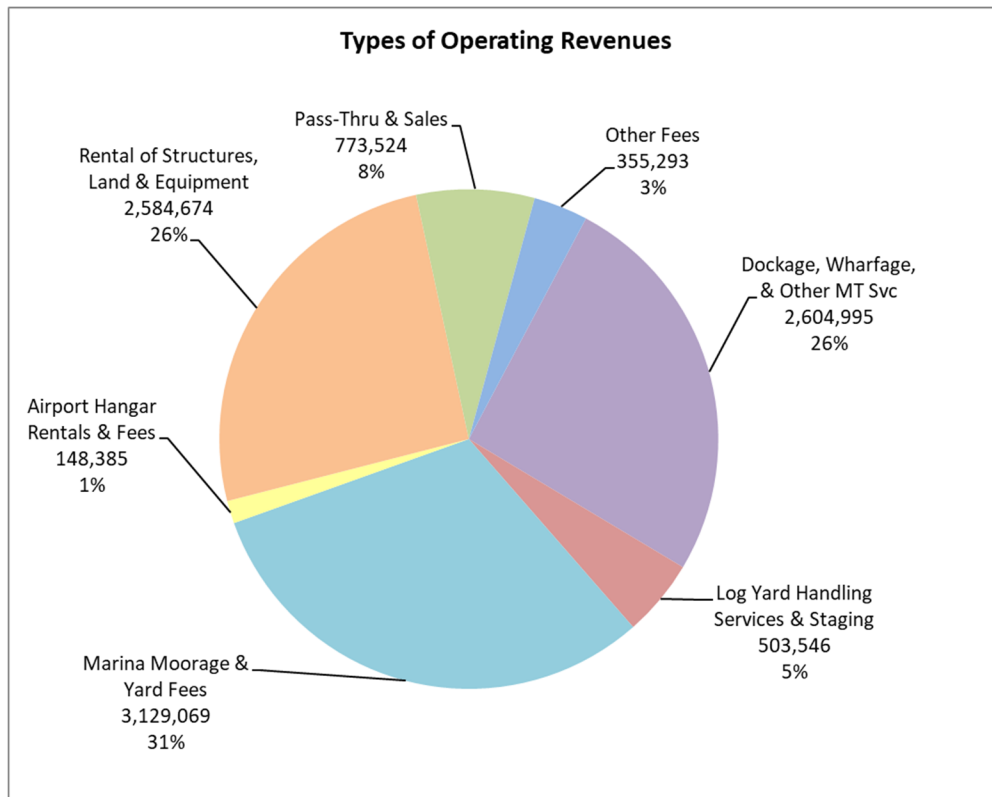
SECTION III

BUDGET OVERVIEW

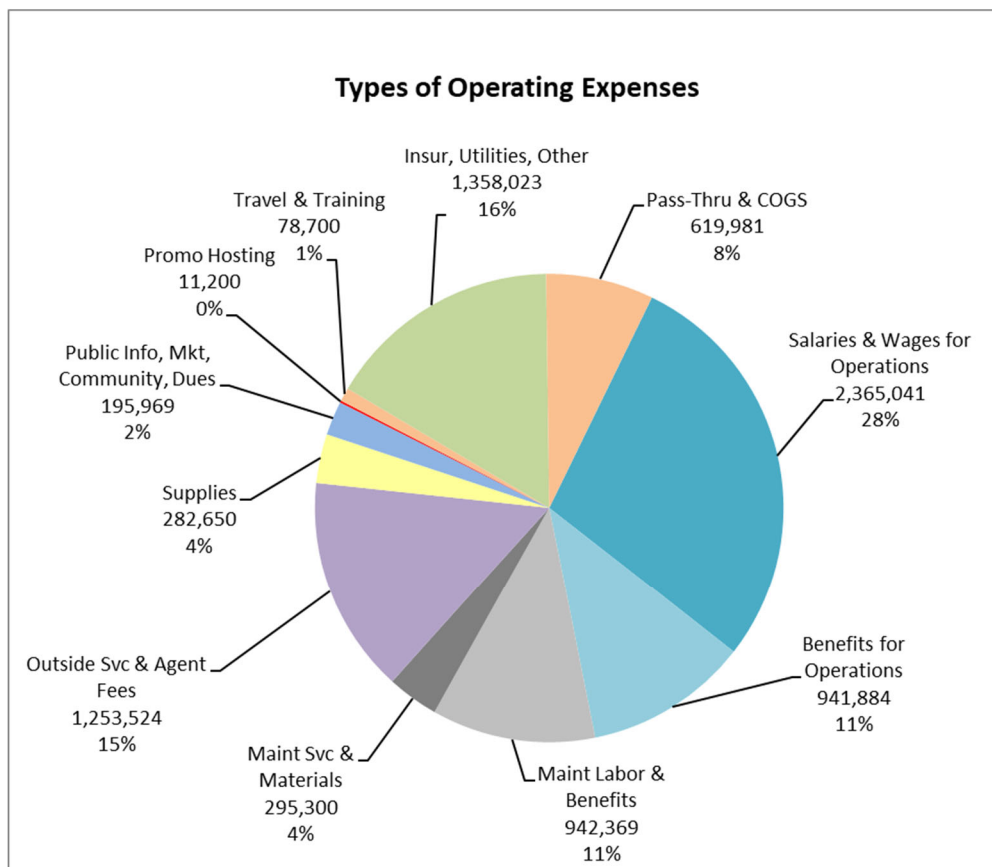
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FUND BALANCE

2022 - WHERE DOES THE MONEY COME FROM?



2022 - WHERE DOES THE MONEY GO?



Port of Port Angeles
Summary by Type of Revenues & Expenses
2022 Budget

	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2021 PROJECTED	2022 BUDGET	2021 Proj Over/(Under) 2021 Budget	2022 Budget Over/(Under) 2021 Proj
<u>OPERATING REVENUES</u>								
DOCKAGE	1,308,082	971,033	1,121,886	876,706	1,125,471	1,132,617	248,765	7,146
WHARFAGE	1,061,311	507,846	410,985	524,610	605,421	568,060	80,811	(37,361)
SERVICE & FACILITIES	593,138	313,827	249,399	325,052	370,030	352,380	44,978	(17,650)
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	162,526	243,779	234,655	230,000	247,920	249,898	17,920	1,978
LABOR SERVICES	283,979	207,922	215,475	190,605	300,179	302,040	109,574	1,861
LOG YARD STAGING	71,694	50,503	31,891	27,866	39,200	30,254	11,334	(8,946)
LOG YARD LAND SERVICES	1,556,546	437,384	350,956	219,490	373,340	381,060	153,850	7,720
LOG YARD WATER SERVICES	65,382	117,237	68,715	85,044	51,548	92,232	(33,496)	40,684
MOORAGE	2,114,058	2,286,370	2,402,035	2,515,371	2,615,726	2,772,669	100,355	156,943
MARINA & YARD FEES	277,481	335,892	327,633	330,554	355,472	356,400	24,918	928
LANDING/PARKING FEES	6,949	7,034	7,295	7,635	8,900	9,100	1,265	200
HANGAR/TIE DOWN	135,131	120,502	127,083	129,695	138,667	139,285	8,972	618
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	86,099	199,621	286,922	202,872	310,532	333,793	107,660	23,261
EQUIPMENT RENTAL	408,403	286,950	268,431	302,460	303,865	327,130	1,405	23,265
LAND LEASE/RENT	598,887	608,429	597,006	553,109	734,451	698,680	181,342	(35,771)
STRUCTURE LEASE/RENT	1,546,329	1,408,752	1,561,523	1,535,491	1,677,140	1,457,741	141,649	(219,399)
USE AGMT AND OTHER RENT	47,596	81,545	76,905	100,441	97,497	101,123	(2,944)	3,626
UTILITY PASS THRU & PRODUCT SALES	716,604	715,237	755,203	677,140	838,237	773,524	161,097	(64,713)
MISC & INTERDEPT REVENUE	29,251	27,161	6,991	35,000	25,250	21,500	(9,750)	(3,750)
TOTAL OPERATING REVENUES	11,069,446	8,927,022	9,100,988	8,869,141	10,218,846	10,099,486	1,349,706	(119,360)
<u>OPERATING EXPENSES</u>								
SALARIES, BENEFITS & INTERDEPT CHRGS	3,219,131	2,818,675	3,493,102	3,094,714	3,283,766	3,306,925	189,052	23,159
SUPPLIES	420,051	310,321	242,308	278,950	296,098	282,650	17,148	(13,448)
OUTSIDE SERVICES	1,306,317	1,421,201	2,098,767	1,471,784	2,127,288	1,253,524	655,504	(873,764)
PUBLIC INFORMATION	160,089	166,832	124,939	146,800	128,758	128,250	(18,042)	(508)
MARKETING	31,741	27,537	20,716	43,000	21,783	27,500	(21,217)	5,717
COMMUNITY RELATIONS	11,982	23,082	0	10,000	5,000	5,000	(5,000)	0
ADS, DUES & PUBLICATIONS	35,138	48,413	43,309	47,561	36,223	35,219	(11,338)	(1,004)
TRAVEL MEETINGS	57,122	53,008	13,023	40,490	21,565	43,000	(18,925)	21,435
TRAINING/TRAVEL	40,865	41,539	12,129	40,660	27,215	35,700	(13,445)	8,485
PROMOTIONAL HOSTING	5,584	6,199	1,167	14,750	4,150	11,200	(10,600)	7,050
RENT, UTILITIES, INSURANCE, TAXES	1,007,836	1,097,692	1,188,764	1,303,516	1,145,381	1,287,923	(158,135)	142,542
UTILITY (Pass Thru) & COST OF GOODS SOLD	542,568	520,748	601,171	534,784	677,930	619,981	143,146	(57,949)
OTHER EXPENSES (Misc & Interdept)	161,818	87,185	153,911	73,834	89,660	70,100	15,826	(19,560)
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	812,010	840,624	915,320	948,600	884,417	942,369	(64,183)	57,952
MAINTENANCE (Materials & Services)	346,921	268,666	475,666	319,700	258,454	295,300	(61,246)	36,846
TOTAL DIRECT EXPENSES	8,159,174	7,731,721	9,384,292	8,369,143	9,007,688	8,344,641	638,546	(663,047)
ALLOCATED EXPENSES - ADMIN & MAINT	0	0	0	(0)	0	(0)	0	(0)
NET SURPLUS (DEFICIT) - Before Depreciation	2,910,272	1,195,302	(283,304)	499,998	1,211,158	1,754,845	711,160	543,687
ALLOCATED DEPRECIATION	(0)	(0)	0	(0)	0	0	0	0
DEPRECIATION	2,624,637	2,591,811	2,681,169	2,796,609	2,726,616	2,776,616	(69,993)	50,000
NET SURPLUS (DEFICIT) - After Depreciation	285,635	(1,396,508)	(2,964,473)	(2,296,611)	(1,515,458)	(1,021,771)	781,153	493,687
<u>NON-OP (GENERAL)</u>								
NON-OP REV (General)	546,765	2,929,423	527,553	460,124	242,700	424,560	(217,424)	181,860
NON-OP EXP (General)	222,092	553,323	346,336	340,470	288,000	550,470	(52,470)	262,470
NON-OP (General) SURPLUS (DEFICIT)	324,673	2,376,100	181,217	119,654	(45,300)	(125,910)	(164,954)	(80,610)
<u>NON-OP (CAPITAL)</u>								
NON-OP REV (Capital)	1,622,579	1,857,226	1,990,277	2,639,023	1,849,023	8,317,718	(790,000)	6,468,695
NON-OP EXP (Capital)	276,023	264,590	262,128	90,463	98,654	90,463	8,191	(8,191)
NON-OP (Capital) SURPLUS (DEFICIT)	1,346,555	1,592,636	1,728,149	2,548,560	1,750,369	8,227,255	(798,191)	6,476,886
NET NON-OP SURPLUS (DEFICIT)	1,671,229	3,968,736	1,909,366	2,668,214	1,705,069	8,101,345	(963,145)	6,396,276
TOTAL NET SURPLUS (DEFICIT)	1,956,863	2,572,228	(1,055,107)	371,604	189,611	7,079,574	(181,993)	6,889,963

CASH BASED FUND BALANCE

(Approximates Cash Flow)

Projected 2021		DESIGNATED FUNDING	GENERAL FUND	CAPITAL IMPR.	G.O. DEBT SERVICE	TOTAL FUNDS
CASH BALANCE, JANUARY 1, 2021						
Operating Cash			1,861,273			
Investment Fund Balance			3,130,022	9,232,138	0	
Beginning Balance			4,991,295	9,232,138	0	14,223,433
PROJECTED GENERAL FUND ENDING BALANCE						
Operating Revenues			10,218,846			
1 Operating Expenses before Depreciation			(9,007,688)			
Operating Surplus (Deficit) before Depreciation			1,211,158			1,211,158
Beginning General Fund Balance + Op Surplus (Deficit)			6,202,453			
2 Net Non-Operating General Surplus (Deficit)			(45,300)			(45,300)
Projected General Fund Ending Balance			6,157,153			
GENERAL FUND TARGET FUND BALANCE						
Next Year Operating Expense Budget			4,172,321			
Projected Ending Balance over (under) Target Balance			1,984,832			
3 TRANSFER EXCESS GENERAL FUNDS TO CAPITAL FUND			(1,984,832)	1,984,832		0
Capital Fund is "approximately" reimbursing General Fund for:						
Community Partner Program		70,000				
New Bond Issue/Loan Proceeds					765,000	
General Property Tax Levy					1,599,023	
Less: Debt Service (Principal & Interest)					(416,761)	
Excess Property Tax Levy					1,947,262	1,947,262
TRANSFER EXCESS TAX LEVY TO CAPITAL FUND				1,947,262	(1,947,262)	0
Capital Grants				250,000		250,000
4 Less: Capital Project Expenses (before grant funding)				(1,865,605)		(1,865,605)
CASH BALANCE, DECEMBER 31, 2021			4,172,321	11,548,627	0	15,720,948
Budget 2022						
CASH BALANCE, JANUARY 1, 2022			4,172,321	11,548,627	0	15,720,948
PROJECTED GENERAL FUND ENDING BALANCE						
Operating Revenues			10,099,486			
1 Operating Expenses before Depreciation			(8,344,641)			
Operating Surplus (Deficit) before Depreciation			1,754,845			1,754,845
Beginning General Fund Balance + Op Surplus (Deficit)			5,927,165			
2 Net Non-Operating General Surplus (Deficit)			(125,910)			(125,910)
Projected General Fund Ending Balance			5,801,255			
GENERAL FUND TARGET FUND BALANCE						
6 Months of Next Year Operating Budget (budget year plus 2%)			4,256,000			
Projected Ending Balance over (under) Target Balance			1,545,255			
3 TRANSFER EXCESS GENERAL FUNDS TO CAPITAL FUND			(1,545,255)	1,545,255		0
Capital Fund support for Economic Development						
- Community Partner Program		70,000				
New Bond Issue/Loan Proceeds					965,005	
General Property Tax Levy					1,638,718	
Less: Debt Service (Principal & Interest)					(458,934)	
Excess Property Tax Levy					2,144,789	2,144,789
TRANSFER EXCESS TAX LEVY TO CAPITAL FUND				2,144,789	(2,144,789)	0
Capital Grants				6,679,000		6,679,000
4 Less: Capital Project Expenses				(11,191,000)		(11,191,000)
CASH BALANCE, DECEMBER 31, 2022			4,256,000	10,726,672	0	14,982,672

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

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

5 Year Projected Fund Balance

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

(Approximates Cash Flow)

	2022	2023	2024	2025	2026
GENERAL FUND					
Beginning Fund Balance	4,172,321	4,263,500	4,348,620	4,435,442	4,524,001
Op Surplus/(Deficit) (before Depreciation)	1,754,845	1,750,000	1,750,000	1,750,000	1,750,000
Net Non-Operating Surplus (before grant funds)	(125,910)	250,000	250,000	250,000	250,000
Non-Operating Unidentified Grants	-	-	-	-	-
Projected Ending Fund Balance	5,801,255	6,263,500	6,348,620	6,435,442	6,524,001
TRANSFER EXCESS TO CAPITAL FUND	(1,537,755)	(1,914,880)	(1,913,178)	(1,911,441)	(1,909,670)
Estimated Ending Fund Balance	4,263,500	4,348,620	4,435,442	4,524,001	4,614,331
Explanation of Reserves					
General Reserve for Adverse Conditions & to obtain strong bond rating					
Res 19-1203: 6 Mos Next Yr Op Budget (2% increase)	4,256,000	4,341,120	4,427,942	4,516,501	4,606,831
Self-insurance reserves for unemployment	7,500	7,500	7,500	7,500	7,500
Target Reserve Balance	4,263,500	4,348,620	4,435,442	4,524,001	4,614,331
Estimated Over (Under) Target	-	-	-	-	-

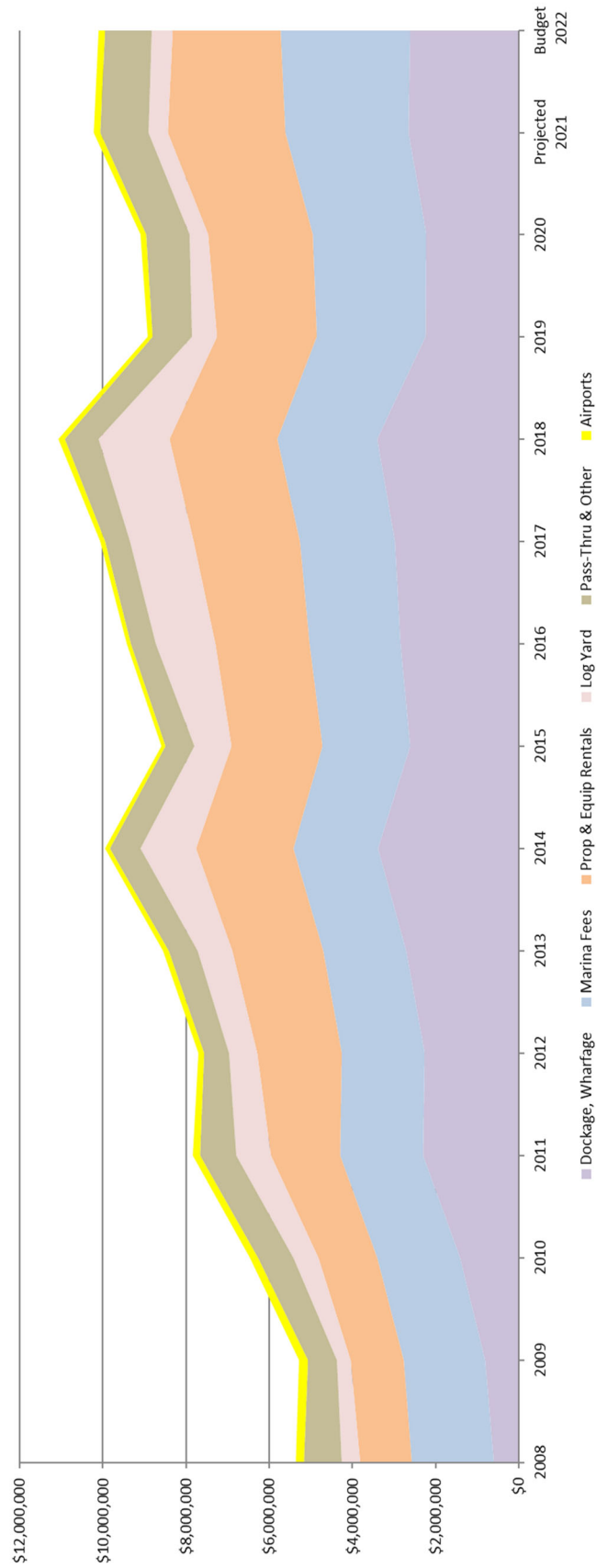
	2022	2023	2024	2025	2026
CAPITAL IMPROVEMENT FUND					
Beginning Fund Balance	11,548,627	9,754,167	3,763,051	(9,670,427)	(29,375,801)
Transfer from General Fund	1,537,755	1,914,880	1,913,178	1,911,441	1,909,670
Transfer from Debt Service Fund	1,179,784	1,137,004	1,157,844	1,173,185	1,555,761
Capital Grants for Committed Projects	6,679,000	-	-	-	-
Unidentified Capital Grants	-	9,202,000	4,575,500	1,800,000	2,950,000
Funds Available for Capital Projects	20,945,167	22,008,051	11,409,573	(4,785,801)	(22,960,371)
Capital Projects per 5 Yr Capital Plan	(11,191,000)	(18,245,000)	(21,080,000)	(24,590,000)	(8,215,000)
Estimated Ending Fund Balance	9,754,167	3,763,051	(9,670,427)	(29,375,801)	(31,175,371)
			Reduce Reserves and/or issue debt.		
0					
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	8,599,167	2,608,051	(10,740,427)	(30,445,801)	(32,245,371)

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.

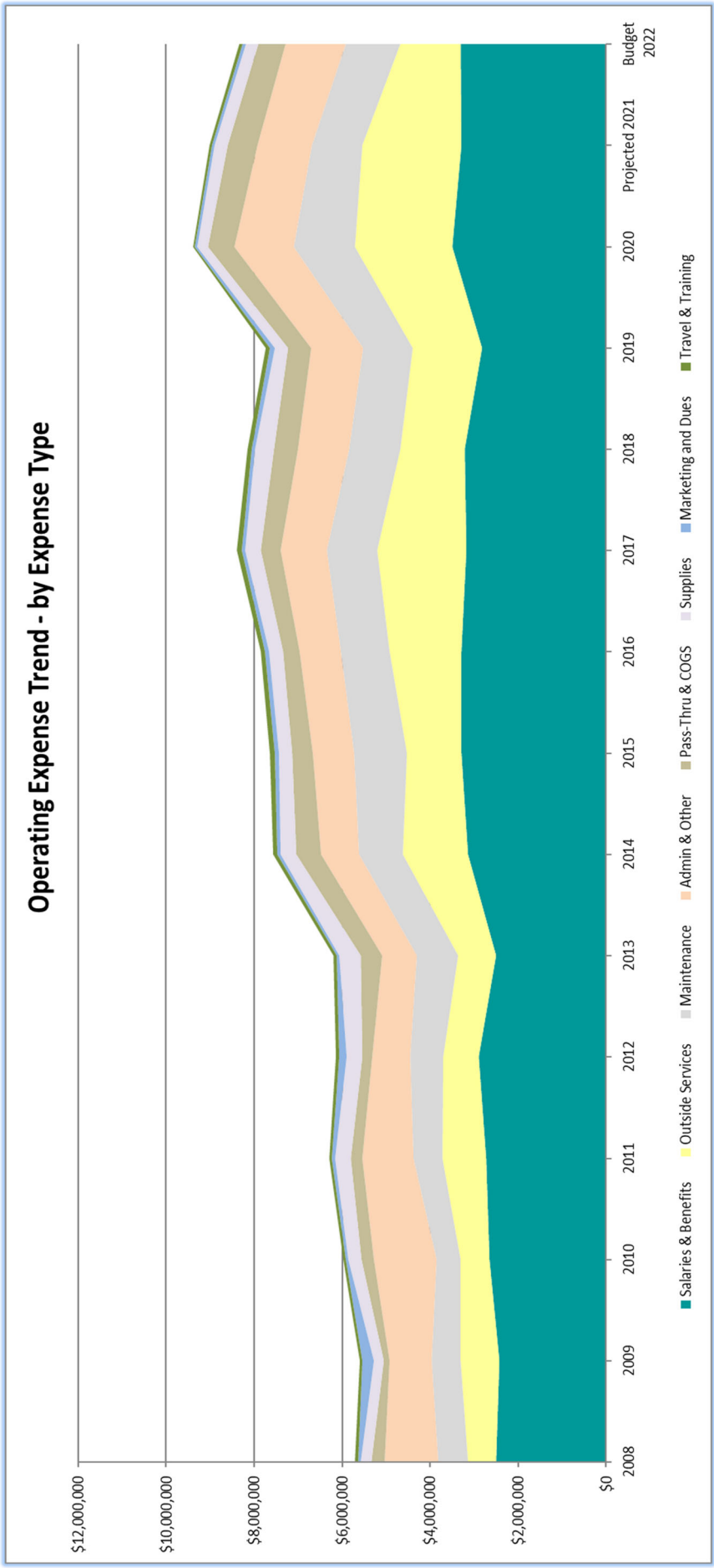
	2022	2023	2024	2025	2026
DEBT SERVICE FUND					
Beginning Fund Balance	-	-	-	-	-
Property Tax Levy: 1% in 2022-2025	1,638,718	1,655,105	1,671,656	1,688,373	1,705,257
Increase new Construction + Refunds	included above	15,000	15,000	15,000	15,000
Less: Debt Service	(458,934)	(533,101)	(528,812)	(530,188)	(164,496)
Projected Ending Fund Balance	1,179,784	1,137,004	1,157,844	1,173,185	1,555,761
TRANSFER EXCESS TO CAPITAL FUND	(1,179,784)	(1,137,004)	(1,157,844)	(1,173,185)	(1,555,761)
Estimated Ending Fund Balance	-	-	-	-	-
New Debt using "Excess" Prop Tax (30 yr at 2.0%)	\$ 26,570,000	\$ 25,600,000	\$ 26,070,000	\$ 26,420,000	\$ 35,030,000

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)
- 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.
- Hangar/Tie down: Rental of hangar space for inside aircraft storage or outside tie down space.
- 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.
- Land Lease/Rent: Revenue from leasing land.
- Landing/Parking Fees: Fees charged for commercial aircraft to land and vehicle parking fees.
- Log Yard Land Services: Fees for sorting, grading, and decking logs.
- Log Yard Staging: Charges for temporary holding of logs (land or aquatic staging) prior to loading.
- 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).
- 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.
- 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.
- Moorage: Charges for use of a boat slip by either recreational boats or commercial vessels.
- 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)
- 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.
- Passenger Facility Charges: Per passenger fee charged to all departing commercial customers.
- 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.
- Storage: Fees for log storage over 60 days. Also marine terminal warehouse storage.
- 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.
- 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)



Expense Type - Descriptions

- Ads, Dues & Publications: Costs for professional dues, publications, and newspaper ads for public notifications.
- Benefits: Related benefits associated with Port employees.
- 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.
- 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 Labor & Benefits: related to maintaining building, facilities and equipment.
- 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.
- Marketing: Market research, positioning, and other outreach efforts that are program specific. Includes design of materials, printing of brochures, banners, etc.
- 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.
- 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.
- Outside Services: Payments made for personal services contracts, including legal services, consulting, auditing, marketing, and weather, etc.
- Promotional Hosting: Reflects expenditures made in developing Port business and retention of current customers in conformity with RCW, Chapter 53.36.130.
- Public Relations: General outreach efforts to the public and customers.
- 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.
- 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.
- Supplies: Cost of office supplies, fuel, safety supplies and small tools.
- Training/Travel: Registration costs for training plus associated travel.
- Travel Meetings: Travel costs associated with professional meetings regarding Port business to include mileage, airfare expenditures, hotel and meal reimbursements.
- 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.

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SECTION IV

OPERATING BUDGET

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2021 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 - 2021 Projected

1. Rates, fees and applicable leases were increased by not less than the 1.8% CPI, except as specifically identified. This is consistent with the 2021 budget assumptions.
2. Marine Terminal revenues are projected to exceed budget by \$648K. Cargo volume will be approximately 49.0 million board feet with 2 additional cargo vessels projected for Q4 (8 total vessels and 2 partial projected). 2021 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. Rejuvenated export demand for logs originating from the U.S to China could be hindered by higher than normal vessel charter rates through EOY.
3. Marine Terminal activity includes 20 additional tanker days through the end of year (total 65 days for 2021). 2021 Budget was 35 days. Cable Innovator's lay status is expected to exceed 250 days EOY 2021. 2021 Budget was 160 Days.
4. Marine Trades revenues will be higher than budget mainly due to a land lease renewal and increased activity in the boat yard (equipment rental and yard fees).
5. Log Yard activities and associated revenues are projected to exceed budget by \$120K. This is due to increased volumes of land services and staging of both water dependent barged wood and tows. The rate increase for log handling services of 4.5% was implemented January 1, 2021.
6. Airport revenues are slightly higher than budget due to increased hangar leases. 2020 was the first year in many with nearly 100% hangar occupancy. DASH Air Shuttle expected to begin service by year end 2021. No additional revenue expected until air service firmly established.
7. Lease revenue, across all departments, is projected to be \$440k higher than budget. The increase in revenue is mostly due renegotiated leases and new leases not anticipated during the 2020 budget process, and an extended use of the 10.10 building as a social distancing center.
8. Airport Rental Property is projected to be over budget, mainly attributed to extended use of the 10.10 building.
9. Marina moorage revenues at PABH and JWM projected to be 3-6% above budget due to increased demand and usage of the marinas.

2021 PROJECTED YEAR END - ASSUMPTIONS
All Departments - continued

Expenses - 2021 Projected

1. Marine Terminal expenses are projected to be over budget by \$637k due to carryforward Terminal 3 maintenance dredging project (from 2020).
2. Marine Trades expenses are under budget across a variety of categories; notably lower than budgeted in FM and Mechanical Maintenance Charge-out Expense.
3. Log Yard expenses, in total, are expected to exceed budget by \$15k by year-end.
4. Airport expenses are projected to be under budget due to lower than anticipated maintenance expenses. Some operating expenses were offset by Covid grant funding from the FAA.
5. Airport Rental Property expenses projected to be under budget mainly due to decreased maintenance expenses.
6. Marina expenses are on track with budget and trending slightly under.
7. Mechanical Maintenance (MM) and Facilities Maintenance (FM) are at or below budget.
8. Administration expenses are projected to be over budget by approximately \$41K mainly due to Salaries, Benefits & Interdepartmental Changes. There have been several employee retirements and changes in regard to staffing.
9. Business Development expenses are projected to be under budget by approximately \$35k. The addition of the Director of Business & Economic Development added unbudgeted dollars but was offset by lower than planned MTA economic development. Worldwide Covid-19 pandemic concerns have continued to limit travel.
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 had increased by \$48k or 11% in July 2021. (The July 2020 increase was \$92k or 25%) The increases are attributed to multiple years of the largest insured losses in recorded history, both domestically and globally, which have occurred due to catastrophic natural disasters
11. Non-Operating: Reduced net surplus projected due to decrease in interest rates and lower than budgeted capital grant revenue. Significant funding expected for the Marine Trades Center has been delayed into 2022.

2022 BUDGET - ASSUMPTIONS

All Departments

General

1. CPI: August 2021 CPI West–Size Class B/C–All Urban Consumer (CPI-U) was 5.6% with a 3.6% average over the first 6 months of 2021. The Commission can adopt one of these or another as the benchmark rate for annual rate increases.
2. Inflation. General Inflation outlook at 3.5%.

Revenues – 2022 Budget

1. In general, rates, fees and applicable leases will increase by the rate factor set by the Commission with additional adjustments made based on market factors.
2. Marine Terminal tariff rates will be adjusted based on the August 2021 CPI West - All Urban Consumers (CPI-U), as adopted by NWMTA member ports, with a floor of not less than 8.0% (Please note, the CPI category used by NWMTA is different than the CPI category applied in other areas). This tariff rate adjustments include Dockage, Vessel Repair Dockage, Equipment Rental, Wharfage, Service and Facilities Charges, Passenger Fees, Security and Environmental Fees.
3. Marine Terminal activity includes associated revenue and expenditures based on an initial estimate of 42 million board feet of log exports (8 vessels), 40 days of tanker repair dockage, and 32 chip barges. One potential cruise vessel is expected in May of 2022.
4. Marine Trades revenue for use of the Travel-Lift Pier will increase in accordance with the published rates for 2022. Travel-Lift Pier fees are calculated based on the overall length of the vessel.
5. Marine Trades. Most fees at the PABY and Marine Trade Center will be increased by not less than the rate factor set by the Commission. Most Boat Yard and MTC charges are based on the overall length of the vessel.
6. Log Yard Land Services revenue are anticipated to exceed EOY 2021. Further, barging operations are expected to increase with the addition of two new customers.
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 are expected to be below 2021 levels due to decreased interest in “salty” wood from log yard customers due to difficulties dealing with residual hog fuel from debarking/milling process.
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) were increased by 5.6% in the initial budget.
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.
11. FIA and Airport Rental Property revenues will see an increase in existing rents based on contractual CPI driven increases. Current inquiries for buildings 10.10/10.50 and MTIB could result in new leases with move-in dates ranging from Q4 2021 to mid-2022.

2022 BUDGET – ASSUMPTIONS

All Departments (continued)

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 the Commission approved special economic initiative to support the return of passenger air service to the William R. Fairchild International Airport (\$133k match for \$200k USDOT grant award).

Expenses – 2022 Budget

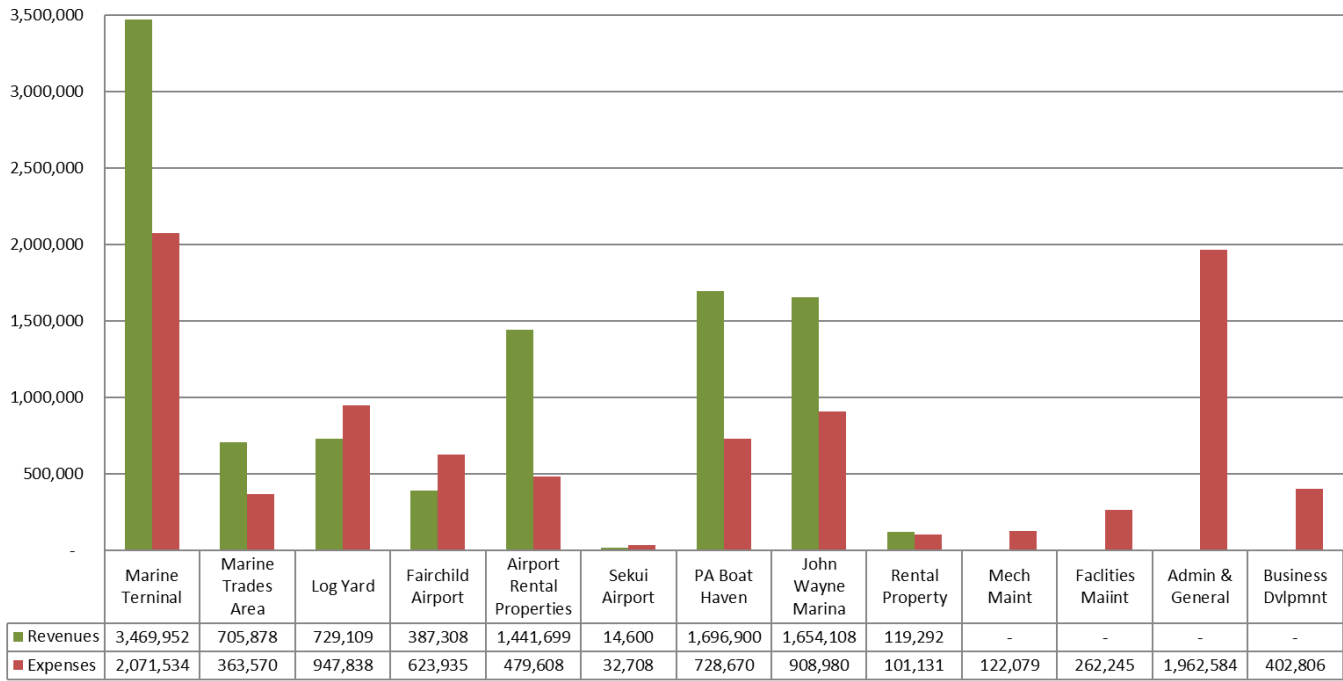
1. Salaries & Wages. The August 2021 CPI West-Size Class B/C-All Urban Consumer (CPI-U) is 5.6%. This rate has generally been used to determine salary and wage increases. The 2021 projected and 2022 operating budget present challenging financial times. During such challenging financial times in the past, 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 a 3% 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 \$5,423 (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, 2022 to June 30, 2022. Premiums for July 1, 2022 to December 31, 2022 are projected to remain stable with no increase. The PERS (Public Employee Retirement System) premiums are on a yearly cycle (September 1, 2021 – August 31, 2022). The current employer contribution rate is 10.25% which will remain until August of 2022.
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 \$4,600 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 2022.
5. Legal services on environmental legacy issues will continue for litigation/negotiations with third parties.
6. Outside services include all services contracted by the Port including legal services, environmental consulting and various services associated with normal Port operations. All services are current under review by staff.

2022 BUDGET – ASSUMPTIONS
All Departments (continued)

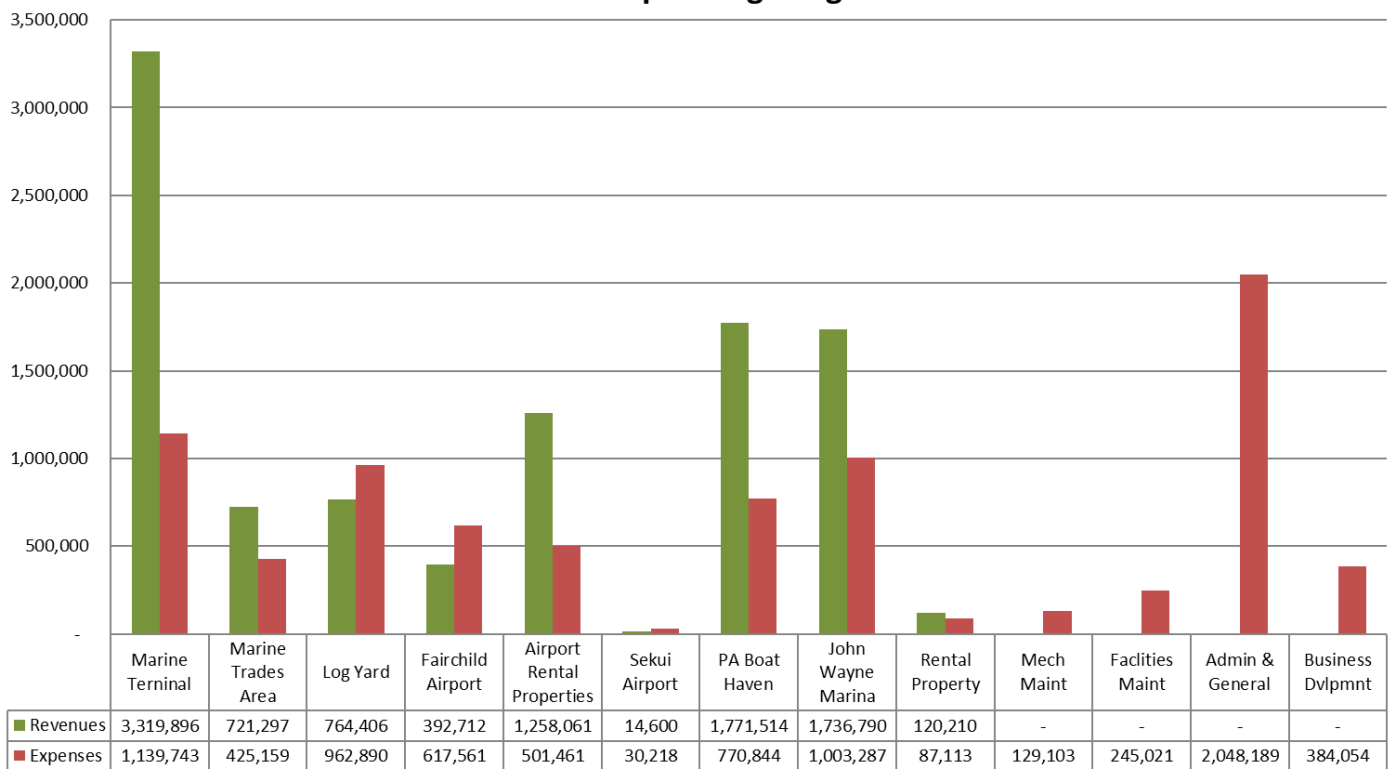
7. Insurance renewals - all Port - occur twice a year with property insurance renewing in July of each year and liability insurance renewing in October of each year. Over the past few years, the insurance rates have been increasing at a rate of approximately 20% per year. To mitigate the cost increases staff continues to work with our insurance broker to adjust deductibles and coverage while maintaining appropriate insurance of Port assets. This active management approach will continue into 2022 with current forecasts estimating 15% increases in 2022 rates.
 - 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 may be needed if the \$750k Federal grant funds threshold is met which would result in an additional audit fee of approximately \$10K.
9. Operating Contingency. The 2022 budget does not currently contain an operating contingency.

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

2021 Projected Operating Activity



2022 Operating Budget



**Port of Port Angeles
Summary by Department
2022 Budget**

	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2021 PROJECTED	2022 BUDGET	2021 Proj Over/(Under) 2021 Budget	2022 Budget Over/(Under) 2021 Proj
<u>OPERATING REVENUES</u>								
11 MARINE TERMINAL	3,785,936	2,872,277	2,974,359	2,821,444	3,469,952	3,319,896	648,508	(150,056)
15 MARINE TRADES AREA	461,827	564,271	602,040	623,705	705,878	721,297	82,173	15,419
21 LOG YARD	2,163,905	868,434	698,893	607,564	729,109	764,406	121,545	35,297
31 FAIRCHILD INTERNATIONAL AIRPORT	303,078	341,628	365,768	369,645	387,308	392,712	17,663	5,404
33 AIRPORT RENTAL PROPERTIES	1,383,884	1,166,240	1,292,971	1,139,618	1,441,699	1,258,061	302,081	(183,638)
32 SEKIU AIRPORT	14,981	14,759	14,726	14,600	14,600	14,600	0	0
41 PA BOAT HAVEN	1,433,218	1,507,328	1,564,474	1,653,510	1,696,900	1,771,514	43,390	74,614
43 JOHN WAYNE MARINA	1,420,938	1,496,763	1,490,605	1,528,097	1,654,108	1,736,790	126,011	82,682
61 RENTAL PROPERTY	101,680	95,322	97,153	110,958	119,292	120,210	8,334	918
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	11,069,446	8,927,022	9,100,988	8,869,141	10,218,846	10,099,486	1,349,706	(119,360)
<u>OPERATING EXPENSES</u>								
11 MARINE TERMINAL	1,065,180	1,125,729	2,127,840	1,335,256	2,071,534	1,139,743	736,278	(931,791)
15 MARINE TRADES AREA	353,212	357,879	442,298	429,316	363,570	425,159	(65,746)	61,589
21 LOG YARD	1,683,624	1,060,035	992,726	932,805	947,838	962,890	15,033	15,052
31 FAIRCHILD INTERNATIONAL AIRPORT	580,135	653,213	643,018	617,954	623,935	617,561	5,981	(6,374)
33 AIRPORT RENTAL PROPERTIES	476,246	519,239	408,820	574,547	479,608	501,461	(94,939)	21,853
32 SEKIU AIRPORT	23,515	30,095	30,704	30,421	32,708	30,218	2,287	(2,490)
41 PA BOAT HAVEN	706,287	756,546	769,623	783,251	728,670	770,844	(54,581)	42,174
43 JOHN WAYNE MARINA	916,666	898,943	850,719	851,373	908,980	1,003,287	57,607	94,307
61 RENTAL PROPERTY	143,942	83,813	118,395	98,700	101,131	87,113	2,431	(14,019)
91 MECHANICAL MAINTENANCE	126,932	133,621	146,069	139,739	122,079	129,103	(17,660)	7,024
92 FACILITIES MAINTENANCE	244,108	247,192	321,151	289,361	262,245	245,021	(27,116)	(17,224)
80 ADMINISTRATION & GENERAL	1,524,596	1,325,206	2,226,879	1,859,671	1,962,584	2,048,189	102,913	85,605
81 BUSINESS (Economic) DEVELOPMENT	314,730	540,211	306,051	426,749	402,806	384,054	(23,943)	(18,752)
TOTAL DIRECT EXPENSES	8,159,174	7,731,721	9,384,292	8,369,143	9,007,688	8,344,641	638,546	(663,047)
ALLOCATED EXPENSES - ADMIN & MAINT	0	0	0	(0)	0	(0)	0	(0)
NET SURPLUS (DEFICIT) - Before Depreciation	2,910,272	1,195,302	(283,304)	499,998	1,211,158	1,754,845	711,160	543,687
ALLOCATED DEPRECIATION	(0)	(0)	0	0	-	0	(0)	0
DEPRECIATION EXPENSE	2,624,637	2,591,811	2,681,169	2,796,609	2,726,616	2,776,616	(69,993)	50,000
NET SURPLUS (DEFICIT) - After Depreciation	285,635	(1,396,508)	(2,964,473)	(2,296,611)	(1,515,458)	(1,021,771)	781,153	493,687
<u>NON-OP (GENERAL)</u>								
NON-OP REV (General)	546,765	2,929,423	527,553	460,124	242,700	424,560	(217,424)	181,860
NON-OP EXP (General)	222,092	553,323	346,336	340,470	288,000	550,470	(52,470)	262,470
NON-OP (General) SURPLUS (DEFICIT)	324,673	2,376,100	181,217	119,654	(45,300)	(125,910)	(164,954)	(80,610)
<u>NON-OP (CAPITAL)</u>								
NON-OP REV (Capital)	1,622,579	1,857,226	1,990,277	2,639,023	1,849,023	8,317,718	(790,000)	6,468,695
NON-OP EXP (Capital)	276,023	264,590	262,128	90,463	98,654	90,463	8,191	(8,191)
NON-OP (Capital) SURPLUS (DEFICIT)	1,346,555	1,592,636	1,728,149	2,548,560	1,750,369	8,227,255	(798,191)	6,476,886
NET NON-OP SURPLUS (DEFICIT)	1,671,229	3,968,736	1,909,366	2,668,214	1,705,069	8,101,345	(963,145)	6,396,276
TOTAL NET SURPLUS (DEFICIT)	1,956,863	2,572,228	(1,055,107)	371,604	189,611	7,079,574	(181,993)	6,889,963

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.

2021 PROJECTED

Revenue Assumptions

1. Dockage, Wharfage and Service and Facilities will be less than budget with projected end of year cargo volume of 49.0 million board feet (8 full cargo vessels and 2 partial). 2021 Budget is 42.0 million board feet (7 total cargo vessels). Estimate 70,000 metric tons of wood chips loaded for 2021.
2. Vessel Repair Dockage revenue will be higher than budget with a total of 65 repair vessel days. 2021 Budget is 35 days.
3. Labor Services associated revenues for vessel security greater than budget due to increase in cargo, tanker repair vessel calls and vessel on lay status.
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.

2022 BUDGET

Revenue Assumptions

1. Projected cargo activity and associated revenue in 2022 is based on 8 cargo vessel calls (42.0 million board feet) and 32 chip barges.
2. 40 tanker days for top-side repair and 1 potential cruise vessel call in 2022.
3. Marine Terminal tariff rates will be adjusted based on the August 2021 CPI West - All Urban Consumers (CPI-U), as adopted by NWMTA member ports with a floor of not less than 8% for Dockage. 5% for Wharfage, Service and Facilities Charges, Equipment Rental, Stormwater Fee Passenger Fee, security and fuel Handling Fee.

Expense Assumptions

1. Expenses should trend similarly to previous years.

**Port of Port Angeles
MARINE TERMINAL (MT - DEPT 11)
2022 Budget**

	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2021 PROJECTED	2022 BUDGET	2021 Proj Over/(Under) 2021 Budget	2022 Budget Over/(Under) 2021 Proj
OPERATING REVENUES								
DOCKAGE	1,308,082	971,033	1,121,886	876,706	1,125,471	1,132,617	248,765	7,146
WHARFAGE	1,057,523	504,076	409,173	523,860	603,521	566,160	79,661	(37,361)
SERVICE & FACILITIES	593,138	313,827	249,399	325,052	370,030	352,380	44,978	(17,650)
MT HANDLING	162,526	243,779	234,655	230,000	247,920	249,898	17,920	1,978
LABOR SERVICES	278,225	207,922	215,475	190,605	300,179	302,040	109,574	1,861
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
OTHER USER FEES	37,198	144,050	237,194	178,172	246,235	268,093	68,063	21,858
EQUIPMENT RENTAL	19,367	18,130	30,236	30,000	38,341	30,000	8,341	(8,341)
LAND LEASE/RENT	55,362	55,032	57,035	57,411	74,226	74,226	16,815	0
STRUCTURE LEASE/RENT	214,868	223,998	229,961	240,638	209,029	148,482	(31,609)	(60,547)
USE AGMT AND OTHER RENT	5,758	365	0	500	0	500	(500)	500
UTILITY PASS THRU & PRODUCT SALES	58,382	192,221	199,638	177,500	260,000	204,500	82,500	(55,500)
MISC & INTERDEPT REVENUE	(4,492)	(2,157)	(10,293)	(9,000)	(5,000)	(9,000)	4,000	(4,000)
TOTAL OPERATING REVENUES	3,785,936	2,872,277	2,974,359	2,821,444	3,469,952	3,319,896	648,508	(150,056)
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	398,758	397,637	328,663	315,691	409,295	354,501	93,604	(54,794)
SUPPLIES	14,849	7,928	13,005	9,000	13,313	12,000	4,313	(1,313)
OUTSIDE SERVICES *	321,570	248,873	1,191,840	435,000	1,072,620	214,500	637,620	(858,120)
PUBLIC INFORMATION	438	0	0	500	0	250	(500)	250
MARKETING	1,160	0	0	0	0	0	0	0
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	2,601	2,408	2,119	1,716	3,404	0	1,688	(3,404)
TRAVEL MEETINGS	1,041	1,332	160	1,600	150	3,000	(1,450)	2,850
TRAVEL/TRAINING	1,438	400	234	1,000	1,200	1,600	200	400
PROMOTIONAL HOSTING	1,081	434	101	2,000	500	1,000	(1,500)	500
RENT, UTILITIES, INSURANCE, TAXES	140,820	200,238	227,458	223,796	220,344	231,655	(3,452)	11,311
UTILITY (Pass Thru) & COST OF GOODS SOLD	35,897	115,757	137,150	147,917	216,667	170,417	68,750	(46,250)
OTHER EXPENSES (Misc & Interdept)	14,744	592	15,326	2,000	500	1,000	(1,500)	500
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	117,587	126,611	158,179	140,136	119,175	127,820	(20,961)	8,645
MAINTENANCE (Materials & Services)	13,196	23,519	53,605	54,900	14,366	22,000	(40,534)	7,634
TOTAL DIRECT EXPENSES	1,065,180	1,125,729	2,127,840	1,335,256	2,071,534	1,139,743	736,278	(931,791)
ALLOCATED EXPENSES - ADMIN & MAINT	425,575	450,738	1,024,543	591,185	854,340	524,595	263,155	(329,745)
NET SURPLUS (DEFICIT) - Before Depreciation	2,295,181	1,295,810	(178,024)	895,003	544,078	1,655,558	(350,925)	1,111,480
ALLOCATED DEPRECIATION	16,840	18,204	26,200	17,651	26,385	15,931	8,735	(10,455)
DEPRECIATION (includes donated assets)	481,796	561,034	631,475	629,779	640,405	652,149	10,626	11,744
NET SURPLUS (DEFICIT) - After Depreciation	1,796,545	716,572	(835,699)	247,573	(122,713)	987,478	(370,286)	1,110,191

*Outside Services - 2020 Actual & 2021 Projected include \$1M & \$637K, respectively, 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).

2021 PROJECTED

Revenue Assumptions

1. Listed within Equipment Rental, Travel-Lift & Hydro-wash activities higher than budget due to an increase in activity at the Port Angeles Boat Yard (PABY).
2. Lease Revenues will be higher than budget due to mid-year adjustments in land rental lease rates.

Expense Assumptions

1. Expenses lower than budgeted in Facilities Maintenance, Mechanical Maintenance Charge-out Expenses and Maintenance (Materials and Services).

2022 BUDGET

Revenue Assumptions

1. MTA rates and fees adjusted by not less than 3.5%.
2. Equipment Rental includes revenue for use of the boatyard travel lift and boatyard hydro-wash.
3. Use Agreement and Other Rent includes fees for the use of the Marine Travel Lift Pier and Wash-down Facility and 140 operations (300 and 500 Ton Travel Lifts use the Port's Travel Lift Pier). Approximately 90% of haul-outs involve a wash-down.

Expense Assumptions

1. Budget includes Marketing Expenses associated with participation at the Pacific Marine Expo in Seattle. Efforts to market the Port's available waterfront industrial properties may also include attendance at the following: International Work Boat Show - New Orleans, LA. And the Fort Lauderdale International Boat Show, FL (travel expenses are budgeted in Business Development Department).

Port of Port Angeles
MARINE TRADES AREA (MTA - DEPT 15)
2022 Budget

	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2021 PROJECTED	2022 BUDGET	2021 Proj Over/(Under) 2021 Budget	2022 Budget Over/(Under) 2021 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
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	179,236	218,753	204,318	196,140	210,472	211,400	14,332	928
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
OTHER USER FEES	20,926	15,762	5,366	500	2,300	2,200	1,800	(100)
EQUIPMENT RENTAL	94,699	115,827	126,074	112,000	139,960	142,490	27,960	2,530
LAND LEASE/RENT	86,050	96,949	109,354	122,551	169,037	174,367	46,486	5,330
STRUCTURE LEASE/RENT	54,954	46,948	92,882	100,714	99,613	102,948	(1,101)	3,335
USE AGMT AND OTHER RENT	26,226	69,325	64,984	90,150	83,706	86,832	(6,444)	3,126
UTILITY PASS THRU & PRODUCT SALES	1,102	1,102	1,102	1,150	540	560	(610)	20
MISC & INTERDEPT REVENUE	(1,365)	(396)	(2,039)	500	250	500	(250)	250
TOTAL OPERATING REVENUES	461,827	564,271	602,040	623,705	705,878	721,297	82,173	15,419
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	95,551	118,275	67,675	104,230	95,027	104,380	(9,203)	9,353
SUPPLIES	8,115	4,067	5,133	6,000	4,000	5,000	(2,000)	1,000
OUTSIDE SERVICES	86,379	97,516	148,990	88,700	92,928	89,928	4,228	(3,000)
PUBLIC INFORMATION	815	0	375	2,500	0	1,000	(2,500)	1,000
MARKETING	4,651	0	2,349	5,000	284	2,500	(4,716)	2,216
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	349	447	500	2,150	500	2,500	(1,650)	2,000
TRAVEL MEETINGS	3,629	485	0	2,500	0	1,000	(2,500)	1,000
TRAVEL/TRAINING	0	0	0	2,500	0	0	(2,500)	0
PROMOTIONAL HOSTING	253	262	0	5,000	500	1,000	(4,500)	500
RENT, UTILITIES, INSURANCE, TAXES	52,598	46,232	53,756	55,233	56,400	74,309	1,167	17,909
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	2,038	3,752	1,433	2,500	2,583	2,500	83	(83)
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	57,883	64,657	90,738	115,503	80,053	107,542	(35,450)	27,489
MAINTENANCE (Materials & Services)	40,953	22,185	71,350	37,500	31,295	33,500	(6,205)	2,205
TOTAL DIRECT EXPENSES	353,212	357,879	442,298	429,316	363,570	425,159	(65,746)	61,589
ALLOCATED EXPENSES - ADMIN & MAINT	134,509	170,719	204,798	213,760	167,458	230,094	(46,302)	62,636
NET SURPLUS (DEFICIT) - Before Depreciation	(25,895)	35,673	(45,056)	(19,371)	174,850	66,044	194,221	(108,806)
ALLOCATED DEPRECIATION	5,331	6,917	5,227	6,382	5,172	6,987	(1,210)	1,816
DEPRECIATION (includes donated assets)	64,814	88,464	152,672	170,742	159,164	162,082	(11,578)	2,918
NET SURPLUS (DEFICIT) - After Depreciation	(96,040)	(59,708)	(202,955)	(196,495)	10,514	(103,026)	207,009	(113,540)

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.

2021 PROJECTED

Revenue Assumptions

1. Log Yard Staging is expected to be above 2021 Budget.
2. Log Yard Land Services are over budget due to increased LY domestic handling volume.
3. Log Yard Water Service revenues are below budget due to decreased domestic handling associated with rafting, round booming and dewatering.
4. Equipment rental is expected to be below 2021 Budget.

Expenditure Assumptions

1. Maintenance Materials & Labor are higher than budget due to increased usage of log handling equipment and facilities.
2. Cost of Goods Sold is lower due to decreased banding purchases for loads that are barged.
3. Outside Services higher than budget due to stormwater treatment, boom grounds and truck scale maintenance.
4. Utilities are slightly lower due to decreased sanitation and debris removal.

2022 BUDGET

Revenue Assumptions

1. Log Yard rates for log handling services (and fees) will increase by 5.6% on January 1 and an additional 5.4% on July 1.
2. Log Yard Land Services revenue anticipated to increase from EOY 2021 by 8K. Demand for domestic barging is expected to increase. Closing of cofferdam for rehabilitation project in summer 2022 will impact revenue \$50-60K. 2022 Budget reflects those uncaptured revenues.
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 greater than EOY 2021 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 5% with revenue based on 42 MMBF of log cargo volume.

Expenditure Assumptions

1. Log Yard handling is performed with 4 FTE and supported by .5 FTE from FM when operations require. 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)
2022 Budget**

	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2021 PROJECTED	2022 BUDGET	2021 Proj Over/(Under) 2021 Budget	2022 Budget Over/(Under) 2021 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
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	71,694	50,503	31,891	27,866	39,200	30,254	11,334	(8,946)
LOG YARD LAND SERVICES	1,556,546	437,384	350,956	219,490	373,340	381,060	153,850	7,720
LOG YARD WATER SERVICES	65,382	117,237	68,715	85,044	51,548	92,232	(33,496)	40,684
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
OTHER USER FEES	4,402	18,067	23,343	3,900	40,397	41,500	36,497	1,103
EQUIPMENT RENTAL	272,170	135,148	92,288	140,460	110,489	139,540	(29,971)	29,051
LAND LEASE/RENT	46,142	50,043	48,091	49,282	43,112	3,789	(6,170)	(39,323)
STRUCTURE LEASE/RENT	43,099	44,201	45,328	49,086	49,471	51,203	385	1,732
USE AGMT AND OTHER RENT	0	374	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	115,302	17,101	40,009	32,436	21,552	24,828	(10,884)	3,276
MISC & INTERDEPT REVENUE	(10,832)	(1,623)	(1,728)	0	0	0	0	0
TOTAL OPERATING REVENUES	2,163,905	868,434	698,893	607,564	729,109	764,406	121,545	35,297
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	823,264	597,220	435,434	495,686	445,173	482,427	(50,513)	37,254
SUPPLIES	190,182	96,067	82,901	75,000	118,267	85,000	43,267	(33,267)
OUTSIDE SERVICES	103,249	66,531	37,656	20,000	40,000	40,000	20,000	0
PUBLIC INFORMATION	0	0	0	0	0	0	0	0
MARKETING	1,500	1,500	0	1,500	0	1,500	(1,500)	1,500
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	0	0	0	0	0	0	0	0
TRAVEL MEETINGS	2,442	846	13	150	50	1,000	(100)	950
TRAVEL/TRAINING	4,640	6,963	(900)	1,500	1,200	2,200	(300)	1,000
PROMOTIONAL HOSTING	1,731	1,770	0	0	0	1,700	0	1,700
RENT, UTILITIES, INSURANCE, TAXES	106,847	102,384	90,146	107,242	102,163	118,255	(5,079)	16,092
UTILITY (Pass Thru) & COST OF GOODS SOLD	96,343	3,996	42,814	24,951	16,578	17,612	(8,373)	1,034
OTHER EXPENSES (Misc & Interdept)	16,610	1,941	4,179	2,000	500	1,000	(1,500)	500
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	196,615	110,386	114,173	110,776	137,407	120,196	26,631	(17,211)
MAINTENANCE (Materials & Services)	140,201	70,430	186,311	94,000	86,500	92,000	(7,500)	5,500
TOTAL DIRECT EXPENSES	1,683,624	1,060,035	992,726	932,805	947,838	962,890	15,033	15,052
ALLOCATED EXPENSES - ADMIN & MAINT	650,794	499,324	494,340	452,027	428,933	511,581	(23,094)	82,648
NET SURPLUS (DEFICIT) - Before Depreciation	(170,513)	(690,925)	(788,173)	(777,268)	(647,662)	(710,065)	129,607	(62,403)
ALLOCATED DEPRECIATION	26,049	20,383	12,696	13,496	13,247	15,536	(249)	2,288
DEPRECIATION (includes donated assets)	350,570	359,343	359,475	420,773	348,385	354,774	(72,388)	6,389
NET SURPLUS (DEFICIT) - After Depreciation	(547,132)	(1,070,651)	(1,160,344)	(1,211,537)	(1,009,294)	(1,080,374)	202,243	(71,080)

FAIRCHILD INTERNATIONAL AIRPORT (FIA 31)

The airport provides aviation support facilities for general, commercial, corporate, medical evacuation and military 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.
- To engage in and seek out aviation related planning and development opportunities.

2021 PROJECTED

Revenue Assumptions

1. Rates and fees increased by CPI.
2. Land & Structure leases expected to slightly exceed budget due to a tenant lease adjustment.

Expense Assumptions

1. Total expenses lower than budget in part due to the Runway 26 runway approach, tree obstruction removal not completed as planned. Previously expected growth rate of trees slower than anticipated.
2. Increase in some expense due to maintenance and site improvements in anticipation of new airline service.
3. Operating expenses offset in part due to Federal COVID Grant funds from the CARES Act, CRRSA Grant and APPA Grant.

2022 BUDGET

Revenue Assumptions

1. Rates and fees are increased by CPI and in some cases additionally adjusted based upon market demand.
2. Commercial passenger service was suspended in November 2014 and an active search has been underway to identify a replacement. Communication with a new startup airline has been ongoing and they are anticipated to begin round trip service between Port Angeles and SeaTac by year end 2021 or early 2022. Slight expected revenue increase based upon expected fuel flowage charges.

Expense Assumptions

1. Overall decrease in operating expenses due to reduction in outside services and professional dues.

**Port of Port Angeles
FAIRCHILD INTL AIRPORT (FIA - DEPT 31)
2022 Budget**

	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2021 PROJECTED	2022 BUDGET	2021 Proj Over/(Under) 2021 Budget	2022 Budget Over/(Under) 2021 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
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	0	0	0	0	0	0	0
LANDING/PARKING FEES	6,949	7,034	7,295	7,635	8,900	9,100	1,265	200
HANGAR/TIE DOWN	120,758	106,373	112,957	115,695	124,667	125,285	8,972	618
OTHER USER FEES	6,328	7,590	8,599	5,300	11,600	12,000	6,300	400
EQUIPMENT RENTAL	5,486	276	0	0	0	0	0	0
LAND LEASE/RENT	33,227	35,267	49,404	50,105	50,105	51,493	0	1,388
STRUCTURE LEASE/RENT	77,902	142,084	141,092	140,956	142,491	144,798	1,535	2,307
USE AGMT AND OTHER RENT	220	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	12,822	19,523	20,875	12,954	24,545	25,036	11,591	491
MISC & INTERDEPT REVENUE	39,362	23,482	25,545	37,000	25,000	25,000	(12,000)	0
TOTAL OPERATING REVENUES	303,078	341,628	365,768	369,645	387,308	392,712	17,663	5,404
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	168,564	218,568	193,176	176,353	170,098	178,134	(6,255)	8,036
SUPPLIES	13,622	18,300	7,169	12,500	8,679	12,500	(3,821)	3,821
OUTSIDE SERVICES	30,646	16,106	61,321	20,084	14,960	8,084	(5,124)	(6,876)
PUBLIC INFORMATION	3,539	9,762	1,703	3,500	1,705	2,000	(1,795)	295
MARKETING	1,396	1,842	703	2,000	1,205	0	(795)	(1,205)
COMMUNITY RELATIONS	0	3,166	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	1,210	2,207	2,599	3,415	2,370	710	(1,045)	(1,660)
TRAVEL MEETINGS	2,379	5,541	1,380	4,000	2,365	5,000	(1,635)	2,635
TRAVEL/TRAINING	2,201	1,712	0	600	4,165	600	3,565	(3,565)
PROMOTIONAL HOSTING	49	167	0	1,000	50	1,000	(950)	950
RENT, UTILITIES, INSURANCE, TAXES	160,382	162,607	170,576	205,776	167,217	200,082	(38,559)	32,865
UTILITY (Pass Thru) & COST OF GOODS SOLD	13,469	19,567	20,803	10,795	20,454	20,863	9,659	409
OTHER EXPENSES (Misc & Interdept)	3,348	1,995	11,715	2,000	1,606	2,000	(394)	394
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	140,773	166,176	140,685	147,931	197,353	153,588	49,422	(43,765)
MAINTENANCE (Materials & Services)	38,558	25,495	31,189	28,000	31,708	33,000	3,708	1,292
TOTAL DIRECT EXPENSES	580,135	653,213	643,018	617,954	623,935	617,561	5,981	(6,374)
ALLOCATED EXPENSES - ADMIN & MAINT	200,568	218,821	294,974	271,477	253,818	293,880	(17,659)	40,062
NET SURPLUS (DEFICIT) - Before Depreciation	(477,625)	(530,406)	(572,224)	(519,786)	(490,445)	(518,729)	29,341	(28,284)
ALLOCATED DEPRECIATION	9,270	12,129	8,360	9,026	8,585	9,807	(441)	1,222
DEPRECIATION (includes donated assets)	534,096	554,609	601,754	604,516	627,522	639,029	23,006	11,507
NET SURPLUS (DEFICIT) - After Depreciation	(1,020,991)	(1,097,144)	(1,182,338)	(1,133,328)	(1,126,552)	(1,167,565)	6,776	(41,013)

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.

2021 PROJECTED

Revenue Assumptions

1. Airport Rental Properties revenues are significantly higher due to unexpected temporary leases and log space leasing.

Expense Assumptions

1. Maintenance on facilities is under budget.
2. Combined total of all other expenses also projected to be under budget.

2022 BUDGET

Revenue Assumptions

1. The 2022 budget is forecasted to see a slight increase due to CPI and additional leases.

Expense Assumptions

1. Overall expenses should go down primarily due to low forecasted maintenance and salaries.

Port of Port Angeles
AIRPORT RENTAL PROPERTIES (ARP - DEPT 33)
2022 Budget

	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2021 PROJECTED	2022 BUDGET	2021 Proj Over/(Under) 2021 Budget	2022 Budget Over/(Under) 2021 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
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
OTHER USER FEES	153	280	0	0	0	0	0	0
EQUIPMENT RENTAL	16,032	17,269	16,032	16,000	15,000	15,000	(1,000)	0
LAND LEASE/RENT	301,706	294,702	251,462	197,347	301,024	312,530	103,677	11,506
STRUCTURE LEASE/RENT	1,057,405	849,426	979,162	907,271	1,074,175	902,031	166,904	(172,144)
USE AGMT AND OTHER RENT	4,821	4,190	4,630	2,500	6,500	6,500	4,000	0
UTILITY PASS THRU & PRODUCT SALES	3,104	3,113	42,735	16,500	45,000	22,000	28,500	(23,000)
MISC & INTERDEPT REVENUE	664	(2,740)	(1,050)	0	0	0	0	0
TOTAL OPERATING REVENUES	1,383,884	1,166,240	1,292,971	1,139,618	1,441,699	1,258,061	302,081	(183,638)
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	123,955	152,633	67,687	136,586	112,466	118,681	(24,120)	6,215
SUPPLIES	9,084	1,737	327	2,500	2,500	2,500	0	0
OUTSIDE SERVICES	59,486	46,253	28,415	35,000	58,000	37,000	23,000	(21,000)
PUBLIC INFORMATION	212	0	0	300	0	0	(300)	0
MARKETING	9,270	5,579	5,565	10,000	4,500	4,500	(5,500)	0
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	0	529	373	4,590	0	0	(4,590)	0
TRAVEL MEETINGS	876	(460)	0	1,000	0	1,000	(1,000)	1,000
TRAVEL/TRAINING	0	57	0	560	0	500	(560)	500
PROMOTIONAL HOSTING	0	53	0	1,000	0	1,000	(1,000)	1,000
RENT, UTILITIES, INSURANCE, TAXES	115,084	168,861	162,026	199,118	154,100	168,858	(45,018)	14,758
UTILITY (Pass Thru) & COST OF GOODS SOLD	1,034	1,963	39,199	13,750	41,667	20,833	27,917	(20,834)
OTHER EXPENSES (Misc & Interdept)	1,523	417	1,658	1,500	1,700	1,750	200	50
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	109,854	108,441	84,252	140,643	84,275	122,839	(56,368)	38,564
MAINTENANCE (Materials & Services)	45,867	33,176	19,318	28,000	20,400	22,000	(7,600)	1,600
TOTAL DIRECT EXPENSES	476,246	519,239	408,820	574,547	479,608	501,461	(94,939)	21,853
ALLOCATED EXPENSES - ADMIN & MAINT	229,944	505,081	247,477	478,414	406,743	435,241	(71,671)	28,499
NET SURPLUS (DEFICIT) - Before Depreciation	677,694	141,921	636,674	86,657	555,348	321,359	468,691	(233,990)
ALLOCATED DEPRECIATION	7,291	9,743	4,968	8,337	6,230	7,899	(2,107)	1,669
DEPRECIATION (includes donated assets)	487,874	461,672	442,696	444,836	444,715	452,870	(121)	8,155
NET SURPLUS (DEFICIT) - After Depreciation	182,530	(329,495)	189,008	(366,516)	104,403	(139,411)	470,919	(243,814)

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.

2021 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.

2022 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)
2022 Budget**

	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2021 PROJECTED	2022 BUDGET	2021 Proj Over/(Under) 2021 Budget	2022 Budget Over/(Under) 2021 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
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	14,373	14,129	14,126	14,000	14,000	14,000	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	8	30	0	0	0	0	0	0
TOTAL OPERATING REVENUES	14,981	14,759	14,726	14,600	14,600	14,600	0	0
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	1,275	8,217	14,370	6,015	7,419	6,171	1,404	(1,248)
SUPPLIES	45	0	0	150	115	150	(35)	35
OUTSIDE SERVICES	3,600	3,600	3,600	3,600	3,800	3,600	200	(200)
PUBLIC INFORMATION	0	0	0	0	0	0	0	0
MARKETING	0	38	0	500	1,044	500	544	(544)
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	0	100	0	0	0	150	0	150
TRAVEL MEETINGS	122	278	140	240	200	0	(40)	(200)
TRAVEL/TRAINING	0	0	0	0	0	300	0	300
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	6,307	6,559	6,794	8,244	6,430	7,092	(1,814)	662
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	494	(3)	31	0	0	0	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	10,619	8,593	5,740	8,672	10,500	8,055	1,828	(2,445)
MAINTENANCE (Materials & Services)	1,054	2,713	29	3,000	3,200	4,200	200	1,000
TOTAL DIRECT EXPENSES	23,515	30,095	30,704	30,421	32,708	30,218	2,287	(2,490)
ALLOCATED EXPENSES - ADMIN & MAINT	8,360	10,494	14,562	13,602	13,757	14,883	155	1,126
NET SURPLUS (DEFICIT) - Before Depreciation	(16,894)	(25,831)	(30,540)	(29,423)	(31,865)	(30,501)	(2,441)	1,364
ALLOCATED DEPRECIATION	386	582	413	452	465	497	13	31
DEPRECIATION (includes donated assets)	3,699	3,699	3,690	3,690	2,618	2,666	(1,072)	48
NET SURPLUS (DEFICIT) - After Depreciation	(20,979)	(30,112)	(34,643)	(33,566)	(34,948)	(33,663)	(1,382)	1,285

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

2021 PROJECTED

Revenue Assumptions

1. Moorage rates for all slips were increased by 1.8% CPI plus 3% or 4%, as approved by the Commission.
2. Other rates and fees increased by CPI or relevant competitive market rates.
3. Moorage activity increased in late 2020 as a popular socially distant activity and that increased level of activity continued into 2021.

Expense Assumptions

1. Total operating expenses below budget due to lower than anticipated allocation of staff time from other departments and lower than planned utility expense.

2022 BUDGET

Revenue Assumptions

1. Marina moorage rates will increase by the following: 3.5% CPI plus 3% for most slips; 3.5% 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 increase to \$60 after increasing from \$42 \$50 in 2020.
3. Other rates and fees increase by 3.5% CPI.

Expense Assumptions

1. Total 2022 expenses expected to increase by approximately \$40K. The 2 largest increases are marina insurance and the agent base fee which will increase by the August 2021 CPI factor of 5.6% in accordance with the agent contract.
2. PetroCard (formerly Masco Petroleum) will continue as the Port's agent in 2022.

Port of Port Angeles
PORT ANGELES BOAT HAVEN (PABH - DEPT 41)
2022 Budget

	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2021 PROJECTED	2022 BUDGET	2021 Proj Over/(Under) 2021 Budget	2022 Budget Over/(Under) 2021 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	3,000	3,368	1,660	750	1,400	1,400	650	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	5,754	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	1,142,728	1,258,134	1,310,119	1,381,346	1,425,000	1,510,500	43,654	85,500
MARINA & YARD FEES	42,966	54,906	56,309	59,414	70,000	70,000	10,586	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
OTHER USER FEES	17,092	13,871	12,422	15,000	10,000	10,000	(5,000)	0
EQUIPMENT RENTAL	650	300	3,800	4,000	75	100	(3,925)	25
LAND LEASE/RENT	7,604	7,822	12,125	7,500	27,586	12,295	20,086	(15,291)
STRUCTURE LEASE/RENT	27,704	28,907	18,647	22,000	25,339	29,719	3,339	4,380
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	184,962	138,140	146,169	160,000	135,000	135,000	(25,000)	0
MISC & INTERDEPT REVENUE	757	1,880	3,223	3,500	2,500	2,500	(1,000)	0
TOTAL OPERATING REVENUES	1,433,218	1,507,328	1,564,474	1,653,510	1,696,900	1,771,514	43,390	74,614
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	72,056	90,614	96,671	104,546	93,553	95,357	(10,993)	1,804
SUPPLIES	22,073	14,551	7,939	15,000	8,420	15,000	(6,580)	6,580
OUTSIDE SERVICES	325,839	335,112	327,124	328,000	323,548	340,612	(4,452)	17,064
PUBLIC INFORMATION	2,056	3,127	1,343	2,500	0	2,500	(2,500)	2,500
MARKETING	1,626	0	0	2,500	0	2,500	(2,500)	2,500
COMMUNITY RELATIONS	8	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	483	922	712	1,000	527	500	(473)	(27)
TRAVEL MEETINGS	0	463	0	500	500	500	0	0
TRAVEL/TRAINING	0	355	128	500	150	500	(350)	350
PROMOTIONAL HOSTING	0	83	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	121,522	125,260	137,647	150,111	134,201	143,719	(15,910)	9,518
UTILITY (Pass Thru) & COST OF GOODS SOLD	113,432	104,337	115,383	125,000	112,500	112,500	(12,500)	0
OTHER EXPENSES (Misc & Interdept)	718	128	5,412	0	0	500	0	500
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	35,552	52,579	53,824	37,894	36,500	37,456	(1,394)	956
MAINTENANCE (Materials & Services)	10,922	29,017	23,440	15,700	18,771	19,200	3,071	429
TOTAL DIRECT EXPENSES	706,287	756,546	769,623	783,251	728,670	770,844	(54,581)	42,174
ALLOCATED EXPENSES - ADMIN & MAINT	242,411	295,720	341,043	327,748	283,804	356,293	(43,944)	72,489
NET SURPLUS (DEFICIT) - Before Depreciation	484,520	455,062	453,808	542,511	684,426	644,377	141,915	(40,049)
ALLOCATED DEPRECIATION	9,708	12,526	8,765	9,785	8,765	10,820	(1,020)	2,055
DEPRECIATION (includes donated assets)	389,796	334,318	334,059	364,684	345,411	351,745	(19,273)	6,334
NET SURPLUS (DEFICIT) - After Depreciation	85,016	108,219	110,984	168,042	330,250	281,812	162,208	(48,438)

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.

2021 PROJECTED

Revenue Assumptions

1. Moorage rates for most slips increased by 1.8% CPI plus 3% or 4%, as approved by the Commission. Other rates and fees increase by CPI.
2. Moorage receipts slightly above budget due to increased marina activities. Covid-19 restrictions drove an increase in boating in late 2020 which carried into 2021.

Expense Assumptions

1. Labor expense \$15K over budget due to extended use of summer help needed to staff increased levels of marina usage both earlier and later into the calendar year.
2. Cost of fuel sold will be approximately \$58K over budget but offset by fuel sales revenue estimated to be \$75K over budget.

2022 BUDGET

Revenue Assumptions

1. Moorage rates for most slips will increase by 3.5% 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 increase to \$60 after increasing from \$42 to \$50 in 2020.
3. Other rates and fees to increase by 3.5% 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.
3. Forecasted maintenance labor increased in anticipation of significant maintenance and repair work on the deteriorating soffit and gutter system.

**Port of Port Angeles
JOHN WAYNE MARINA (JWM - DEPT 43)
2022 Budget**

	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2021 PROJECTED	2022 BUDGET	2021 Proj Over/(Under) 2021 Budget	2022 Budget Over/(Under) 2021 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	788	402	152	0	500	500	500	0
SERVICE & FACILITIES	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	971,330	1,028,235	1,091,916	1,134,025	1,190,726	1,262,169	56,701	71,443
MARINA & YARD FEES	55,254	62,233	67,006	75,000	75,000	75,000	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	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	557	848	869	0	0	0	0	0
STRUCTURE LEASE/RENT	50,082	52,872	34,160	41,572	35,382	36,621	(6,190)	1,239
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	338,711	342,778	303,355	275,000	350,000	360,000	75,000	10,000
MISC & INTERDEPT REVENUE	4,217	9,394	(6,853)	2,500	2,500	2,500	0	0
TOTAL OPERATING REVENUES	1,420,938	1,496,763	1,490,605	1,528,097	1,654,108	1,736,790	126,011	82,682
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	392,505	387,029	401,641	400,633	416,261	402,694	15,628	(13,567)
SUPPLIES	18,130	13,950	12,236	15,000	13,500	14,000	(1,500)	500
OUTSIDE SERVICES	38,604	20,475	14,926	15,000	8,432	15,000	(6,568)	6,568
PUBLIC INFORMATION	9,930	2,710	787	2,500	1,250	2,500	(1,250)	1,250
MARKETING	1,626	1,616	0	2,500	500	2,500	(2,000)	2,000
COMMUNITY RELATIONS	7,109	7,204	0	5,000	0	2,500	(5,000)	2,500
ADS, DUES & PUBLICATIONS	1,106	707	537	1,500	600	1,500	(900)	900
TRAVEL MEETINGS	2,553	711	210	500	300	500	(200)	200
TRAVEL/TRAINING	0	0	128	500	0	500	(500)	500
PROMOTIONAL HOSTING	52	234	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	97,536	74,532	92,454	102,670	95,917	101,309	(6,753)	5,392
UTILITY (Pass Thru) & COST OF GOODS SOLD	282,213	274,317	244,817	211,538	269,231	276,923	57,693	7,692
OTHER EXPENSES (Misc & Interdept)	23,711	24,964	30,729	25,000	37,241	38,350	12,241	1,109
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	23,717	64,127	34,894	52,032	46,000	118,011	(6,032)	72,011
MAINTENANCE (Materials & Services)	17,877	26,367	17,360	17,000	19,748	27,000	2,748	7,252
TOTAL DIRECT EXPENSES	916,666	898,943	850,719	851,373	908,980	1,003,287	57,607	94,307
ALLOCATED EXPENSES - ADMIN & MAINT	259,332	81,255	316,867	318,578	294,664	393,105	(23,914)	98,441
NET SURPLUS (DEFICIT) - Before Depreciation	244,939	516,565	323,019	358,146	450,464	340,397	92,318	(110,066)
ALLOCATED DEPRECIATION	10,385	11,993	8,143	9,512	9,100	11,938	(411)	2,837
DEPRECIATION (includes donated assets)	210,606	120,836	65,231	67,731	65,253	66,449	(2,478)	1,196
NET SURPLUS (DEFICIT) - After Depreciation	23,949	383,736	249,645	280,903	376,110	262,010	95,207	(114,100)

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

2021 PROJECTED

Revenue Assumptions

1. 2021 actual revenue is on target for budget.

Expense Assumptions

1. 2021 expense slightly higher than projected due to additional employees.

2022 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 2022. No major expenses are anticipated at this time.

**Port of Port Angeles
RENTAL PROPERTIES (RP - DEPT 61)
2022 Budget**

	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2021 PROJECTED	2022 BUDGET	2021 Proj Over/(Under) 2021 Budget	2022 Budget Over/(Under) 2021 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
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
OTHER USER FEES	0	0	0	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	68,239	67,765	68,666	68,913	69,361	69,980	448	619
STRUCTURE LEASE/RENT	20,316	20,316	20,291	33,254	41,640	41,939	8,386	299
USE AGMT AND OTHER RENT	10,571	7,291	7,291	7,291	7,291	7,291	0	0
UTILITY PASS THRU & PRODUCT SALES	1,620	660	720	1,000	1,000	1,000	0	0
MISC & INTERDEPT REVENUE	934	(710)	185	500	0	0	(500)	0
TOTAL OPERATING REVENUES	101,680	95,322	97,153	110,958	119,292	120,210	8,334	918
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	99,573	52,098	52,496	43,977	50,757	33,516	6,780	(17,241)
SUPPLIES	25	0	109	200	0	0	(200)	0
OUTSIDE SERVICES	10,961	11	273	0	1,700	1,800	1,700	100
PUBLIC INFORMATION	0	0	0	0	0	0	0	0
MARKETING	0	500	4,600	1,000	0	500	(1,000)	500
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	835	617	140	500	300	500	(200)	200
TRAVEL MEETINGS	0	0	0	0	0	0	0	0
TRAVEL/TRAINING	529	895	0	0	0	0	0	0
PROMOTIONAL HOSTING	35	0	0	250	0	0	(250)	0
RENT, UTILITIES, INSURANCE, TAXES	21,760	19,919	36,068	29,096	35,641	27,663	6,545	(7,979)
UTILITY (Pass Thru) & COST OF GOODS SOLD	180	720	720	833	833	833	0	0
OTHER EXPENSES (Misc & Interdept)	(104)	(49)	3,210	500	0	250	(500)	250
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	7,738	5,882	14,779	17,344	10,700	17,051	(6,644)	6,351
MAINTENANCE (Materials & Services)	2,410	3,220	6,000	5,000	1,200	5,000	(3,800)	3,800
TOTAL DIRECT EXPENSES	143,942	83,813	118,395	98,700	101,131	87,113	2,431	(14,019)
ALLOCATED EXPENSES - ADMIN & MAINT	58,875	6,448	61,545	48,729	46,197	46,694	(2,532)	497
NET SURPLUS (DEFICIT) - Before Depreciation	(101,137)	5,061	(82,787)	(36,471)	(28,036)	(13,597)	8,435	14,439
ALLOCATED DEPRECIATION	2,358	1,592	1,582	1,455	1,427	1,418	(28)	(9)
DEPRECIATION (includes donated assets)	13,768	13,768	13,763	13,763	13,767	14,020	4	253
NET SURPLUS (DEFICIT) - After Depreciation	(117,263)	(10,299)	(98,132)	(51,689)	(43,229)	(29,035)	8,459	14,195

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)

2021 PROJECTED

Expense Assumptions

1. Increased labor dollars charged across all departments maintaining heavy equipment, cargo loading operations and building systems.
2. Expenses overall are expected to be at 2021 budget.

2022 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 2021.
3. Supplies purchased for MM are to replace aging equipment and improve safety & efficiency of daily tasks. There are no major purchases anticipated in 2022.

Port of Port Angeles
MECHANICAL MAINTENANCE (MM - DEPT 91)
2022 Budget

	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2021 PROJECTED	2022 BUDGET	2021 Proj Over/(Under) 2021 Budget	2022 Budget Over/(Under) 2021 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
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
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	18,368	19,902	22,394	17,419	13,000	18,339	(4,419)	5,339
SUPPLIES	43,355	43,661	40,129	35,000	39,500	37,000	4,500	(2,500)
OUTSIDE SERVICES	7,349	4,960	5,273	10,100	8,800	8,700	(1,300)	(100)
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	469	0	0	0	0	0
TRAVEL MEETINGS	22	48	0	0	0	0	0	0
TRAVEL/TRAINING	0	0	0	500	7,000	500	6,500	(6,500)
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	18,844	20,478	28,379	33,590	12,092	22,236	(21,498)	10,144
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	0	0	0	250	0	250	(250)	250
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	32,014	39,641	39,256	38,480	37,725	37,878	(755)	153
MAINTENANCE (Materials & Services)	6,981	4,931	10,169	4,400	3,962	4,200	(438)	238
TOTAL DIRECT EXPENSES	126,932	133,621	146,069	139,739	122,079	129,103	(17,660)	7,024
ALLOCATED EXPENSES - ADMIN & MAINT	(126,932)	(133,621)	(146,069)	(139,739)	(122,079)	(129,103)	17,660	(7,024)
NET SURPLUS (DEFICIT) - Before Depreciation	(0)	0	0	0	0	0	0	0
ALLOCATED DEPRECIATION	(15,233)	(15,171)	(15,658)	(15,171)	(16,005)	(16,299)	(834)	(294)
DEPRECIATION (includes donated assets)	15,233	15,171	15,658	15,171	16,005	16,299	834	294
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, T1 & T3 Pier, 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.

2021 PROJECTED

Expense Assumptions

1. Labor and overtime associated with February 2021 snowstorm included.
2. FM labor also utilized for Port capital projects which include, T1 dredging site, portable workspace Installation in PABY, 435 Marine Dr electrical change, Yokohama fender chain replacement, 435 Marine DR lower roof replacement, QR Float Electrical breaker box replacement, Travel lift pier deck replacement, FIA fence, K&L floats electrical repair.
3. FM activities through the end of year will include routine and seasonal maintenance. Assist with log yard dirt berm removal, dredging site plastic tarp maintenance.

2022 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, Bark/rock hauling, Chip set up and tear down and associated dock clean up.
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/main terminal and hanger areas, grounds keeping all properties, Black top maintenance for airport and port owned parking lots, 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)
2022 Budget

	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2021 PROJECTED	2022 BUDGET	2021 Proj Over/(Under) 2021 Budget	2022 Budget Over/(Under) 2021 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
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
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	88,880	83,475	74,942	70,164	66,787	72,387	(3,377)	5,600
SUPPLIES	44,313	39,112	34,485	39,500	32,804	39,500	(6,696)	6,696
OUTSIDE SERVICES	8,156	7,565	5,284	10,800	6,000	8,800	(4,800)	2,800
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	1,051	454	540	650	0	450	(650)	450
TRAVEL MEETINGS	6	0	6	0	0	0	0	0
TRAVEL/TRAINING	3,519	983	5,402	4,000	500	4,000	(3,500)	3,500
PROMOTIONAL HOSTING	0	0	82	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	24,746	24,826	25,088	27,074	25,139	26,675	(1,935)	1,536
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	2,916	4,054	2,505	5,500	3,000	5,500	(2,500)	2,500
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	55,693	70,349	140,224	113,173	108,735	68,709	(4,438)	(40,026)
MAINTENANCE (Materials & Services)	14,828	16,374	32,593	18,500	19,280	19,000	780	(280)
TOTAL DIRECT EXPENSES	244,108	247,192	321,151	289,361	262,245	245,021	(27,116)	(17,224)
ALLOCATED EXPENSES - ADMIN & MAINT	(244,108)	(247,192)	(321,151)	(289,361)	(262,245)	(245,021)	27,116	17,224
NET SURPLUS (DEFICIT) - Before Depreciation	(0)	0	0	0	0	0	0	0
ALLOCATED DEPRECIATION	(34,402)	(35,374)	(22,599)	(23,299)	(23,856)	(24,293)	(557)	(437)
DEPRECIATION (includes donated assets)	34,402	35,374	22,599	23,299	23,856	24,293	557	437
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.

2021 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 2021 have not been utilized.

2022 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 are expected to be slightly higher in 2022.

**Port of Port Angeles
ADMINISTRATION (ADMIN - DEPT 80)
2022 Budget**

	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2021 PROJECTED	2022 BUDGET	2021 Proj Over/(Under) 2021 Budget	2022 Budget Over/(Under) 2021 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
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
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	905,021	620,694	1,582,854	1,039,449	1,180,140	1,251,484	140,691	71,344
SUPPLIES	56,259	70,836	38,875	69,100	55,000	60,000	(14,100)	5,000
OUTSIDE SERVICES	181,424	228,684	184,143	352,500	406,500	355,500	54,000	(51,000)
PUBLIC INFORMATION	119,406	125,977	109,530	115,000	110,803	105,000	(4,197)	(5,803)
MARKETING	1,734	703	1,881	3,000	1,000	2,500	(2,000)	1,500
COMMUNITY RELATIONS	4,865	12,302	0	5,000	5,000	2,500	0	(2,500)
ADS, DUES & PUBLICATIONS	26,603	37,134	32,120	25,540	22,904	22,909	(2,636)	5
TRAVEL MEETINGS	22,704	18,647	7,187	20,000	10,000	20,000	(10,000)	10,000
TRAVEL/TRAINING	24,379	27,859	8,237	24,000	10,000	20,000	(14,000)	10,000
PROMOTIONAL HOSTING	0	76	30	500	100	500	(400)	400
RENT, UTILITIES, INSURANCE, TAXES	141,391	145,796	157,832	160,866	134,882	165,370	(25,984)	30,488
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	90	285	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	2,771	1,987	40,598	5,000	2,237	5,000	(2,763)	2,763
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	23,966	23,182	39,004	26,016	15,994	23,226	(10,022)	7,232
MAINTENANCE (Materials & Services)	14,075	11,239	24,303	13,700	8,024	14,200	(5,676)	6,176
TOTAL DIRECT EXPENSES	1,524,596	1,325,206	2,226,879	1,859,671	1,962,584	2,048,189	102,913	85,605
ALLOCATED EXPENSES - ADMIN & MAINT	(1,524,596)	(1,325,206)	(2,226,879)	(1,859,671)	(1,962,584)	(2,048,189)	(102,913)	(85,605)
NET SURPLUS (DEFICIT) - Before Depreciation	0	0	0	0	0	0	0	0
ALLOCATED DEPRECIATION	(37,983)	(43,524)	(38,097)	(37,625)	(39,515)	(40,240)	(1,890)	(725)
DEPRECIATION (includes donated assets)	37,983	43,524	38,097	37,625	39,515	40,240	1,890	725
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)

Economic 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.

2021 PROJECTED

Expense Assumptions

1. The Economic Development department is projected to be at or under budget for 2021. The reason for the delta primarily being lack of outside consultant work.

2022 BUDGET

Expense Assumptions

1. Salaries & Benefits show a small increase from 2021 projected due to additional staff.
2. Outside Services are forecasted to increase by \$22,000 in order to redesign the Port's website.
3. Travel for Meetings and Training has been increased in 2022 in anticipation of attending trade shows.

Port of Port Angeles
ECONOMIC & BUSINESS DEVELOPMENT (BD - DEPT 81)
2022 Budget

	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2021 PROJECTED	2022 BUDGET	2021 Proj Over/(Under) 2021 Budget	2022 Budget Over/(Under) 2021 Proj
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	31,362	72,312	155,100	183,965	223,790	188,854	39,825	(34,936)
SUPPLIES	0	112	0	0	0	0	0	0
OUTSIDE SERVICES	129,055	345,515	89,923	153,000	90,000	130,000	(63,000)	40,000
PUBLIC INFORMATION	23,694	25,256	11,201	20,000	15,000	15,000	(5,000)	0
MARKETING	8,779	15,759	5,618	15,000	13,250	10,500	(1,750)	(2,750)
COMMUNITY RELATIONS	0	410	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	900	2,888	3,200	6,500	5,618	6,000	(882)	382
TRAVEL MEETINGS	21,350	25,116	3,928	10,000	8,000	11,000	(2,000)	3,000
TRAVEL/TRAINING	4,159	2,316	(1,100)	5,000	3,000	5,000	(2,000)	2,000
PROMOTIONAL HOSTING	2,383	3,119	954	5,000	3,000	5,000	(2,000)	2,000
RENT, UTILITIES, INSURANCE, TAXES	0	0	540	700	855	700	155	(155)
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	93,050	47,407	37,115	27,584	40,293	12,000	12,709	(28,293)
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	0	0	(428)	0	0	0	0	0
MAINTENANCE (Materials & Services)	0	0	0	0	0	0	0	0
TOTAL DIRECT EXPENSES	314,730	540,211	306,051	426,749	402,806	384,054	(23,943)	(18,752)
ALLOCATED EXPENSES - ADMIN & MAINT	(314,730)	(540,211)	(306,051)	(426,749)	(402,806)	(384,054)	23,943	18,752
NET SURPLUS (DEFICIT)	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 ACTUAL	2021 Budget	2021 Projected	2022 Budget	
Gross Operating Revenue Budget	10,060,095	11,069,446	8,927,022	9,100,988	8,869,141	10,218,846	10,099,486	
. \$0 to \$2,500,000	1.00%	25,000	25,000	25,000	25,000	25,000	25,000	
. Over \$2,500,000 to \$5,000,000	0.50%	12,500	12,500	12,500	12,500	12,500	12,500	
. Excess over \$5,000,000	0.25%	12,650	15,174	9,818	10,252	9,673	13,047	12,749
Allowed Promotional Hosting per RCW	50,150	52,674	47,318	47,752	47,173	50,547	50,249	
	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 Budget	2021 Projected	2022 Budget	
Promotional Hosting by Line of Business								
Marine Terminal	4,879	1,081	434	101	2,000	500	1,000	
Marine Trades Area	257	253	262	0	5,000	500	1,000	
Log Yard	2,884	1,731	1,770	0	0	0	1,700	
Fairchild International Airport & Airport Rental Prop.	862	49	221	0	2,000	50	2,000	
Business Development	1,276	2,470	3,430	984	5,750	3,100	5,500	
Total Promotional Hosting	10,158	5,584	6,116	1,085	14,750	4,150	11,200	
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 ACTUAL	2021 Budget	2021 Projected	2022 Budget	
Industrial Development & Trade Promotion								
Marketing Line Item								
Fairchild International Airport & Airport Rental Prop.	7,709	10,666	7,458	6,268	12,500	6,749	5,000	
Marine Trades Area & Log Yard	4,579	7,311	1,500	2,349	6,500	284	4,000	
Port Angeles Boat Haven & John Wayne Marina	3,811	3,252	1,616	0	5,000	500	5,000	
Rental Properties	1,699	0	500	4,600	1,000	0	500	
Administration	885	1,734	703	1,881	3,000	1,000	2,500	
Business Development	11,156	8,779	15,759	5,618	15,000	13,250	10,500	
Total Industrial Dev & Trade Promotion	29,840	31,741	27,537	20,716	43,000	21,783	27,500	
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	50,000	50,000	50,000	
CRTC	615,000	n/a	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.

2021 PROJECTED

Revenue Assumptions

General:

1. Other taxes (timber harvest taxes) are slightly lower than budget due to unpredictable harvest activities. Interest earnings are 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 below budget due to payoff of long-term debt in December 2020 (after 2021 budget development).

2022 BUDGET

Revenue Assumptions

General:

1. Interest earnings are projected to be lower than 2021 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 with standard bank rates now higher. Investments are managed with the goal of realizing maximum interest revenue. Other taxes (timber harvest taxes) are budgeted conservatively; they are difficult to predict.

Capital:

1. The Port property tax levy will be increased in 2022 by 1% as directed by the Commission. The property tax levy calculation assumes approximately \$155 million of new construction (as reported by the Clallam County Assessor).

Expense Assumptions

General:

1. Net Environmental line item includes specialized consulting expenses \$600k, reduced by insurance payments (\$600k). Expenses that are not covered by insurance result in estimated, higher than 2021 actuals. The \$470k estimated net expense is a compilation of staff administrative work, continued litigation, consulting fees and environmental settlement. Values used are estimates using historical data including the cleanup of the 220 Tumwater site. Misc. expenses 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.
2. See Section V – Capital Budget for details of the estimated \$6.68 million grant revenue.

**Port of Port Angeles
NON-OPERATING (NONOP - DEPT 90)
2022 Budget**

	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2021 PROJECTED	2022 BUDGET	2021 Proj Over/(Under) 2021 Budget	2022 Budget Over/(Under) 2021 Proj
NON-OP GENERAL REVENUES								
INTEREST EARNINGS	391,094	405,332	258,573	286,000	92,000	70,400	(194,000)	(21,600)
OTHER TAX RECEIPTS	112,207	167,324	142,293	145,000	142,000	145,000	(3,000)	3,000
MISC NON OP REVENUES	29,952	33,048	43,787	26,664	6,700	6,700	(19,964)	0
GRANTS - OPERATIONS	819	529	153,745	1,000	1,000	201,000	0	200,000
PASSENGER FACILITY CHARGES (PFC'S)	1,407	1,869	882	1,460	1,000	1,460	(460)	460
GAIN (LOSS) & SPECIAL ITEMS	11,286	2,321,321	(71,727)	0	0	0	0	0
TOTAL NON-OP GENERAL REV	546,765	2,929,423	527,553	460,124	242,700	424,560	(217,424)	181,860
NON-OP GENERAL EXPENSES								
NET ENVIRONMENTAL (see narrative)	170,476	172,009	250,260	220,470	216,000	470,470	(4,470)	254,470
MISC NON OP EXPENSE	51,615	381,314	96,076	120,000	72,000	80,000	(48,000)	8,000
TOTAL NON-OP GENERAL EXP	222,092	553,323	346,336	340,470	288,000	550,470	(52,470)	262,470
NET NON-OP GENERAL SURPLUS (DEFICIT)	324,673	2,376,100	181,217	119,654	(45,300)	(125,910)	(164,954)	(80,610)
NON-OP CAPITAL REVENUES								
PROPERTY TAX RECEIPTS	1,492,694	1,537,007	1,580,760	1,599,023	1,599,023	1,638,718	(0)	39,695
GRANTS - CAPITAL	129,885	320,219	409,517	1,040,000	250,000	6,679,000	(790,000)	6,429,000
TOTAL NON-OP CAPITAL REV	1,622,579	1,857,226	1,990,277	2,639,023	1,849,023	8,317,718	(790,000)	6,468,695
NON-OP CAPITAL EXPENSES								
BOND COSTS & INTEREST EXPENSE	276,023	264,590	262,128	90,463	98,654	90,463	8,191	(8,191)
TOTAL NON-OP CAPITAL EXP	276,023	264,590	262,128	90,463	98,654	90,463	8,191	(8,191)
NET NON-OP CAPITAL SURPLUS (DEFICIT)	1,346,555	1,592,636	1,728,149	2,548,560	1,750,369	8,227,255	(798,191)	6,476,886
NET NON-OP SURPLUS (DEFICIT)	1,671,229	3,968,736	1,909,366	2,668,214	1,705,069	8,101,345	(963,145)	6,396,276
TOTAL NET NON-OP SURPLUS (DEFICIT)	1,671,229	3,968,736	1,909,366	2,668,214	1,705,069	8,101,345	(963,145)	6,396,276

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SECTION V

CAPITAL BUDGET

CAPITAL BUDGET

The 2022 Capital Budget includes a 1-year Capital Projects Budget, a 5-year Capital Improvement Plan and a 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. See a breakdown below of where the funds are coming from for this year's capital budget.

Property Tax Levy	\$ 1,599,291
1% Property Tax Increase	\$ 15,993

The property tax increase will be utilized to partially offset the ongoing long-term capital investments required to upgrade the stormwater collection and treatment facilities at the Log Yard, rehabilitate the Log Yard Cofferdam and development of the Marine Trade Center.

Debt Service	\$ (458,934)
Community Support	\$ (191,000)
Grants	\$ 6,679,000
Net Operating Surplus	\$ 1,754,845
Capital Reserves	\$ 1,791,805
2022 Capital Budget	\$11,191,000

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 \$2.8 million 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 5 Year Capital Improvement Plan is a planning tool that identifies Capital Projects through the year 2026. 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. 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 (2027 - 2042). 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 to help balance current capital investments and debt with the understanding of future investment needs.

Continue to the next page

2022 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	2022 \$	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 & S.W. Impts (G) (P)	\$ 25,000	\$ 7,000,000	Regulatory					\$ 25,000
2	15-MTA	*MTC Site Development (G) (P)	\$ 145,000	\$ 3,645,000						\$ 170,000
3	21-LY	Cofferdam Rehab. (G) (L)	\$ 2,072,000	\$ -	Committed					\$ 2,242,000
4	31-FIA	Runway 26 - Taxiway "A" (G)	\$ 475,000	\$ -						\$ 2,717,000
5	41-PABH	Fuel Float Replacement (G)	\$ 550,000	\$ -						\$ 3,267,000
6	41-PABH	W. Restroom Replace	\$ 275,000							\$ 3,542,000
7	80-AD	Capital Budget Contingency	\$ 200,000	\$ -						\$ 3,742,000
8	11-MT	731 Marine Dr. Roof Replace	\$ 200,000	\$ -						\$ 3,942,000
9	31-FIA	Terminal Roof Rehab. (P)	\$ 15,000	\$ 130,000						\$ 3,957,000
10	43-JWM	Fuel System Upgrades	\$ 100,000	\$ -						\$ 4,057,000
11	43-JWM	Gutter & Soffit Repairs	\$ 50,000	\$ -	Critical Maintenance					\$ 4,107,000
12	92-FM	Equip. Trailer Replace	\$ 45,000	\$ -						\$ 4,152,000
13	15-MTA	MTC Paint Building (P)	\$ 50,000		5	4	4	5	18	\$ 4,202,000
14	11-MT	Surveillance/Access Control (P)	\$ 20,000	\$ 100,000		4	1	5	15	\$ 4,222,000
15	11-MT	T1 - T3 Repairs (P)	150,000	\$ 6,200,000		2	3	5	15	\$ 4,372,000
16	33-ARP	MTIB Roof Rehab (P)	50,000	\$ 500,000	1	4	2	4	14	\$ 4,422,000
17	33-ARP	1010-1050 Roof Replace (P)	\$ 60,000	\$ 1,500,000	1	4	2	4	14	\$ 4,482,000
		**Continued on the next page								

2022 CAPITAL PROJECTS PRIORITIZATION (continued)

Low = 1 / High = 5

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

18	15-MTA	435 Marine Dr. Roof Replace	\$ 30,000	\$ -	3	4	2	4	13	\$ 4,512,000
19	41-PABH	Container Workspace (C)	\$ 15,000	\$ -	2	4	2	5	13	\$ 4,527,000
20	15-MTA	B.Y. Building Roof Rehab	\$ 160,000	\$ -	3	3	2	4	12	\$ 4,687,000
21	11-MT	Tumwater Crk Stabilization (P)	\$ 90,000	\$ 115,000	3	1	4	4	12	\$ 4,777,000
22	11-MT	Fender Float System (C)	\$ 30,000	\$ -	2	1	3	2	4	\$ 4,807,000
23	21-LY	Swifter Repairs (C)	\$ 20,000	\$ -	1	2	3	3	9	\$ 4,827,000
24	31-FIA	Security Fencing	\$ 200,000	\$ -	1	3	3	2	9	\$ 5,027,000
25	43-JWM	Restroom Furnace Replace (C)	\$ 10,000	\$ -	1	2	1	3	7	\$ 5,037,000
26	43-JWM	Ductless Heat Pump (C)	\$ 12,000	\$ -	1	2	1	3	7	\$ 5,049,000
27	31-FIA	FIA Forklift Replacement (C)	\$ 15,000		1	2	1	3	7	\$ 5,064,000
28	43-JWM	Dumpster Enclosures	\$ 20,000	\$ -	1	1	1	3	6	\$ 5,084,000
29	31-FIA	Aviation Art	\$ 8,000	\$ -	1	1	1	2	5	\$ 5,092,000
Projects below this line will be deferred to future years										
Total 2022 Capital Budget =			\$ 4,512,000							

Totals by Category: Regulatory = \$25,000 / Committed = \$3,717,000 / Critical Maintenance = \$410,000 / Rated = \$940,000 / Deferred = \$580,000

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

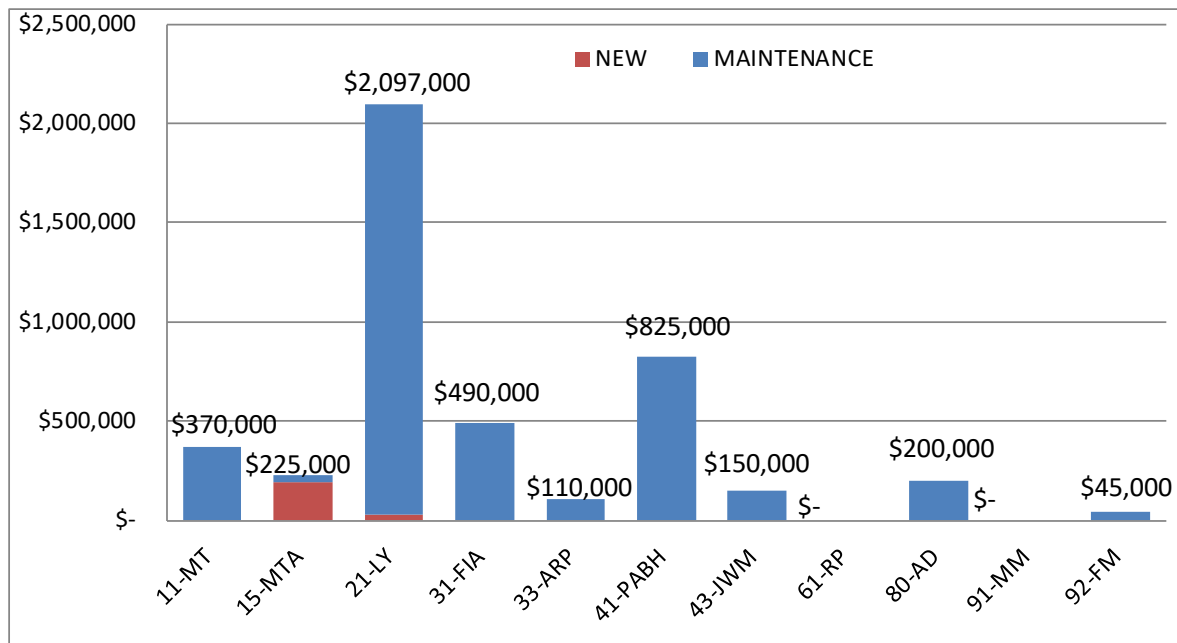
G: Grant funding

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

P: Planning work such as engineering, design and permitting

C: Contingency Project. Project may be completed in 2022 given availability of Port staff and Contingency funds

2022 CAPITAL EXPENDITURES BY DEPARTMENT



Dept.	Actual 2020	Budget 2021	Projected 2021	2022 New	2022 Maint.	2022 Total
11-MT	\$ 22,648	\$ -	\$ 20,529	\$ -	\$ 370,000	\$ 370,000
15-MTA	\$ 118,588	\$ 885,000	\$ 262,028	\$ 195,000	\$ 30,000	\$ 225,000
21-LY	\$ 426,730	\$ 600,000	\$ 575,362	\$ 25,000	\$ 2,072,000	\$ 2,097,000
31-FIA	\$ 1,010,379	\$ 275,000	\$ 155,000	\$ -	\$ 490,000	\$ 490,000
33-ARP	\$ 96,129	\$ 60,000	\$ 87,045	\$ -	\$ 110,000	\$ 110,000
41-PABH	\$ 169,744	\$ 1,225,000	\$ 1,136,864	\$ -	\$ 825,000	\$ 825,000
43-JWM		\$ 25,000	\$ 20,000	\$ -	\$ 150,000	\$ 150,000
61-RP		\$ -	\$ -	\$ -	\$ -	\$ -
80-AD	\$ 37,737	\$ 200,000	\$ 50,000	\$ -	\$ 200,000	\$ 200,000
91-MM	\$ 16,694	\$ -	\$ -	\$ -	\$ -	\$ -
92-FM		\$ 7,000	\$ 6,856	\$ -	\$ 45,000	\$ 45,000
Total	\$ 1,898,649	\$ 3,277,000	\$ 2,313,684	\$ 220,000	\$ 4,292,000	\$ 4,512,000

2022 OUTSIDE FUNDING

Project	Grant Agency	Port \$	Grant \$	Total \$
*MTC Site Development	U.S Economic Develop. Admin.	\$ 142,500	\$ 275,000	\$ 417,500
Cofferdam Rehab. (G) (L)	Wa. State. Dept. of Commerce	\$ 2,072,000	\$168,000	\$ 2,240,000
LY Site & SW Impts	Wa. State. Dept. of Ecology	\$ 25,000	\$75,000	\$ 100,000
Runway 26/Taxiway "A"	Fed. Aviation Administration	\$ 475,000	\$5,671,000	\$ 6,146,000
Fuel Float Replacement	U.S. Fish & Wildlife	\$ 550,000	\$490,000	\$ 1,040,000
TOTAL 2022 GRANT FUNDS =			\$ 6,679,000	

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

2022 CAPITAL PROJECTS

Dept.	Project Description	Port Funds	Grant Funds	Total
11-MT	Surveillance/Access Control (P)	\$ 20,000		\$ 20,000
11-MT	T1 - T3 Repairs (P)	\$ 150,000		\$ 150,000
11-MT	731 Marine Dr. Roof Rehab.	\$ 200,000		\$ 200,000
15-MTA	*MTC Site Development (G) (P)	\$ 145,000	\$275,000	\$ 420,000
15-MTA	MTC Paint Building (P)	\$ 50,000		\$ 50,000
15-MTA	435 Marine Dr. Roof Replace	\$ 30,000		\$ 30,000
21-LY	Cofferdam Rehab. (G) (L)	\$ 2,072,000	\$168,000	\$ 2,240,000
21-LY	LY Site & S.W. Impts (G) (P)	\$ 25,000	\$75,000	\$ 100,000
31-FIA	Terminal Roof Replace (P)	\$ 15,000		\$ 15,000
31-FIA	Runway 26 - Taxiway "A" (G)	\$ 475,000	\$5,671,000	\$ 6,146,000
33-ARP	1010-1050 Roof Replace (P)	\$ 60,000		\$ 60,000
33-ARP	MTIB Roof Replacement (P)	\$ 50,000		\$ 50,000
41-PABH	Fuel Float Replacement (G)	\$ 550,000	\$490,000	\$ 1,040,000
41-PABH	W. Restroom Replace	\$ 275,000		\$ 275,000
43-JWM	Fuel System Upgrades	\$ 100,000		\$ 100,000
43-JWM	Gutter & Soffit Repairs	\$ 50,000		\$ 50,000
80-AD	Capital Budget Contingency	\$ 200,000		\$ 200,000
92-FM	Equip. Trailer Replace	\$ 45,000		\$ 45,000
				\$ -
	TOTALS =	\$4,512,000	\$6,679,000	\$11,191,000

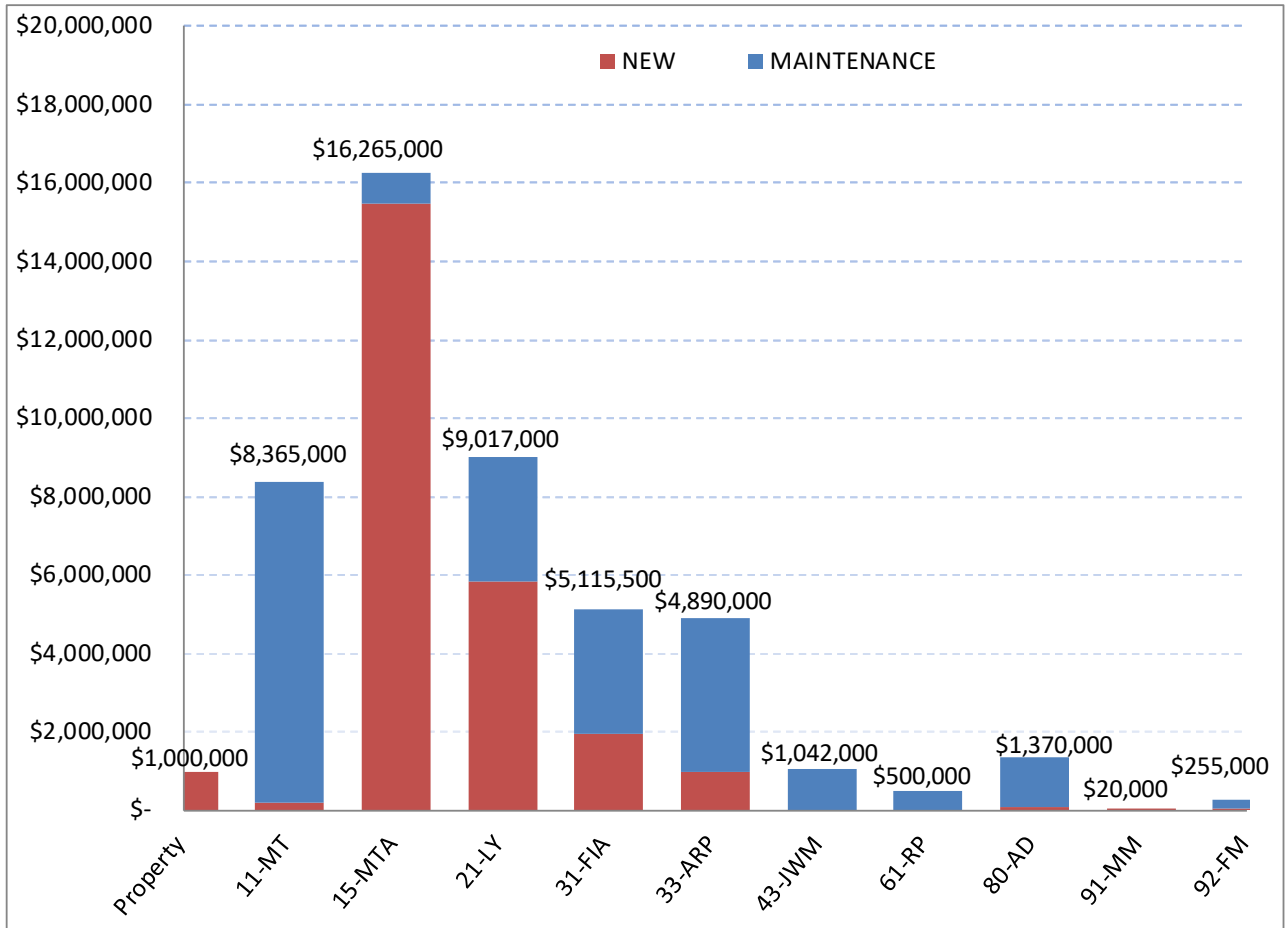
*: Project is dependent on the Port receiving an EDA grant

G: Grant funding

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

P: Planning work such as engineering, design and permitting

2022 – 2026 CAPITAL IMPROVEMENT PLAN BY DEPARTMENT



Dept.	New	Maintenance	Total
Property	\$ 1,000,000	\$ -	\$ 1,000,000
11-MT	\$ 205,000	\$ 8,160,000	\$ 8,365,000
15-MTA	\$ 15,475,000	\$ 790,000	\$ 16,265,000
21-LY	\$ 5,825,000	\$ 3,192,000	\$ 9,017,000
31-FIA	\$ 1,953,000	\$ 3,162,500	\$ 5,115,500
33-ARP	\$ 1,000,000	\$ 3,890,000	\$ 4,890,000
43-JWM	\$ -	\$ 1,042,000	\$ 1,042,000
61-RP	\$ -	\$ 500,000	\$ 500,000
80-AD	\$ 100,000	\$ 1,270,000	\$ 1,370,000
91-MM	\$ 20,000	\$ -	\$ 20,000
92-FM	\$ 50,000	\$ 205,000	\$ 255,000
TOTAL =	\$ 25,628,000	\$ 22,211,500	\$ 47,839,500

2022 – 2026 CAPITAL IMPROVEMENT PLAN

Dept.	Project Description	2022	2023	2024	2025	2026
	Industrial Prop. Acquisition		\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
11-MT	T3 Electrical Improvements				\$ 80,000	
11-MT	Surveillance/Access Control (G)	\$ 20,000	\$ 15,000		\$ 100,000	
11-MT	T1 - T3 Repairs	\$ 150,000	\$ 200,000	\$ 4,000,000	\$ 2,000,000	
11-MT	T1 Asphalt Resurfacing			\$ 50,000	\$ 50,000	\$ 50,000
11-MT	T1 Warehouse Rehab.					\$ 1,000,000
11-MT	Fender Float System		\$ 30,000			
11-MT	Replace Forklift		\$ 75,000			
11-MT	Entrance Sign				\$ 30,000	
11-MT	731 Marine Dr. Roof Rehab	\$ 200,000				
11-MT	Tumwater Creek Stabilization (G)		\$ 90,000	\$ 10,000	\$ 105,000	
11-MT	85' Boom Lift		\$ 65,000			
11-MT	Security Vehicle Replace		\$ 45,000			
15-MTA	MTC Site Development (G)	\$ 145,000	\$ 145,000	\$ 3,500,000		
15-MTA	B.Y. Building Roof Replace		\$ 160,000			
15-MTA	MTC Travelift			\$ 2,500,000		
15-MTA	MTC Fabric Building				\$ 250,000	\$ 260,000
15-MTA	MTC Boat Transporter				\$ 800,000	
15-MTA	MTC Paint Building (30k sf)	\$ 50,000	\$ 400,000	\$ 200,000	\$ 7,000,000	
15-MTA	S.W. Conveyance Impts.		\$ 400,000			
15-MTA	Primary Power Upgrade				\$ 150,000	
15-MTA	Container Work Space			\$ 20,000		
15-MTA	Portable Access Stairs				\$ 15,000	
15-MTA	Trash Compactor			\$ 40,000		
15-MTA	B.Y. Utility Services			\$ 30,000		
15-MTA	B.Y. T.L. Pier Repairs		\$ 20,000	\$ 150,000		
15-MTA	435 Marine Dr. Roof Replace	\$ 30,000				
21-LY	Cofferdam Rehab. (G) (L)	\$ 2,072,000				
21-LY	LY Site & S.W. Impts (G)	\$ 25,000	\$ 2,500,000		\$ 3,000,000	
G: Grant Funding / L: 20 year term low interest loan						

2022 - 2026 CAPITAL IMPROVEMENT PLAN (continued)

Dept.	Project Description	2022	2023	2024	2025	2026
21-LY	Swifter Repairs		\$ 20,000			
21-LY	Sweeper Truck			\$ 300,000		
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	
31-FIA	Hangar Pad E Site Prep		\$ 100,000			
31-FIA	Hangar Pad G Site Prep			\$ 60,000		
31-FIA	Terminal Roof Replace	\$ 15,000	\$ 130,000			
31-FIA	FIA Forklift Replacement		\$ 15,000			
31-FIA	Aviation Art		\$ 8,000			
31-FIA	Runway 26 - Taxiway "A" (G)	\$ 475,000	\$ 335,000			
31-FIA	Runway 8/26 Ext. Rehab.				\$ 1,700,000	
31-FIA	26 Obst. Removal (G)		\$ 80,000		\$ 200,000	\$ 200,000
31-FIA	Security Fencing		\$ 200,000			
31-FIA	Hangar Building				\$ 70,000	\$ 1,500,000
31-FIA	Snow Removal Equipment		\$ 15,000			
31-FIA	General Pavement Maint.			\$ 12,500		
33-ARP	1010-1050 Roof Replacement	\$ 60,000		\$ 1,500,000		
33-ARP	FM Warehouse		\$ 500,000			
33-ARP	1050 Paint Booth Repairs		\$ 30,000			
33-ARP	MTIB Roof Replacement	\$ 50,000	\$ 500,000			
33-ARP	Building Site Development			\$ 500,000		
33-ARP	Misc. Building Impvts		\$ 50,000	\$ 50,000		
33-ARP	1020 Bldg. Roof Replace				\$ 50,000	\$ 500,000
33-ARP	1030 Bldg. Roof Replace				\$ 50,000	\$ 500,000
33-ARP	1040 Bldg. Roof Replace				\$ 50,000	\$ 500,000
41-PABH	Boat Launch Restroom (G)		\$ 20,000			
G: Grant Funding / L: 20 year term low interest loan						

2022 - 2026 CAPITAL IMPROVEMENT PLAN (continued)

Dept.	Project Description	2022	2023	2024	2025	2026
41-PABH	W. Restroom Replace	\$ 275,000				
41-PABH	Fuel Float Replacement (G)	\$ 550,000				
41-PABH	Container Workspace		\$ 15,000			
43-JWM	Slope Stabilization				\$ 50,000	
43-JWM	Fuel System Upgrades	\$ 100,000				
43-JWM	Dumpster Enclosures		\$ 20,000			
43-JWM	Fence Repairs / Replacement		\$ 25,000		\$ 25,000	
43-JWM	Float & Pile Repairs			\$ 300,000		\$ 260,000
43-JWM	Gutter & Soffit Repairs	\$ 50,000				
43-JWM	S. Restroom Furnace Replace		\$ 10,000			
43-JWM	Sewer Pump Out Replace				\$ 70,000	
43-JWM	Ductless Heat Pump		\$ 12,000			
43-JWM	Boat Launch Float Replace (G)			\$ 75,000		
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	Admin Building Maint./Repair					\$ 270,000
80-AD	Standby Generator					\$ 100,000
91-MM	Equip. / Tools		\$ 10,000			\$ 10,000
92-FM	Dump Truck Replace				\$ 80,000	
92-FM	Backhoe Replace			\$ 80,000		
92-FM	Boom Truck		\$ 50,000			
92-FM	Equip. Trailer Replace	\$ 45,000				
Total	not including grant funds =	\$ 4,512,000	\$ 6,740,000	\$ 13,857,500	\$ 17,175,000	\$ 6,415,000
	Grant Funds =	\$ 6,679,000	\$ 11,505,000	\$ 7,222,500	\$ 7,415,000	\$ 1,800,000
	TOTAL = (including grant funds)	\$ 11,191,000	\$ 18,245,000	\$ 21,080,000	\$ 24,590,000	\$ 8,215,000
	5 YEAR TOTAL = (not including grant funds)	\$ 48,699,500	5 YEAR TOTAL = (including grant funds) \$ 83,321,000			
G: Grant Funding / L: 20 year term low interest loan						

Cleanup Expenditures for Active Cleanup Sites 2022 - 2026

Dept.	Project Description	2022	2023	2024	2025	2026
90-NO	KPLY Monitoring (Total)	\$ 40,000	\$ 43,000	\$ 43,000	\$ 45,000	\$ 45,000
	KPLY Monitoring (Port)	\$ -	\$ -			
90-NO	MTA (Total)	\$ 340,000	\$ 965,000	\$ 115,000	\$ 115,000	\$ 115,000
	MTA (Port)	\$ -	\$ -	\$ -	\$ -	\$ -
90-NO	Fmr Shell Oil Bulk Plant - 220 Tumwater Truck Rt (Total)	\$ 80,000	\$ 600,000	\$ 45,000	\$ 2,000	\$ 2,000
	Fmr Shell Oil Bulk Plant - 220 Tumwater Truck Rt (Port)	\$ 15,000	\$ 60,000	\$ 15,000	\$ 2,000	\$ 2,000
90-NO	Fmr Pettit Oil - 220 Tumwater Truck Rt (Total)	\$ 30,000	\$ 185,000	\$ 45,000	\$ 7,500	\$ 7,500
	Fmr Pettit Oil - 220 Tumwater Truck Rt (Port)	\$ 12,000	\$ 50,000	\$ 15,000	\$ 4,000	\$ 4,000
90-NO	T5, T6, T7 Upland (Total)	\$ 150,000	\$ 150,000	\$ 30,000	\$ 30,000	\$ 30,000
	T5, T6, T7 Upland (Port)	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
90-NO	Harbor (Total)	\$ 1,830,000	\$ 3,400,000	\$ 9,400,000	\$ 9,400,000	\$ 9,400,000
	Harbor (Port)	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000
<p style="text-align: center;">5 Year Total = \$36,300,000</p> <p style="text-align: center;">** 5 Year Port Total = \$ 454,000</p> <p>** Estimated Port funds after reimbursements received from other Potential Liable Parties. Port funds are in a dedicated account as a result of a recent settlement agreement with the Port's insurance companies.</p>						

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2027 - 2042 CAPITAL IMPROVEMENT PLAN

DEPT.	Project Description	2021 \$	Project Year	Project Year \$	Purpose
21-LY	Equip. Replace 1	\$ 1,500,000	2027	\$ 1,880,204	Maint.
43-JWM	Parking Lot Rehab. 1	\$ 450,000	2027	\$ 564,061	Maint.
43-JWM	Connect to Sequim Sewer	\$ 800,000	2027	\$ 1,002,775	Maint.
92-FM	Equip. / Vehicle Replace 1	\$ 120,000	2028	\$ 155,350	Maint.
43-JWM	Parking lot Rehab. 2	\$ 465,000	2028	\$ 601,981	Maint.
41-PABH	W. PABH Float / Pile Replace	\$ 10,500,000	2028	\$ 13,593,119	Maint.
41-PABH	Breakwater Rehabilitation	\$ 2,500,000	2028	\$ 3,236,457	Maint.
15-MTA	Marine Dr. Intersection	\$ 1,500,000	2029	\$ 1,941,874	Maint.
31-FIA	Hangar Site Design / Permit	\$ 200,000	2029	\$ 267,409	Jobs / ROI
31-FIA	Hangar Site Development	\$ 750,000	2030	\$ 1,035,675	Jobs / ROI
33-ARP	Site Preparation for Building	\$ 1,650,000	2030	\$ 2,278,485	Jobs / ROI
33-ARP	Manufacturing Facility	\$ 8,500,000	2030	\$ 11,737,652	Jobs / ROI
33-ARP	Industrial Bldg. (25,000 s.f.)	\$ 6,500,000	2031	\$ 9,270,259	Jobs / ROI
15-MTA	Replace B.Y. Travel Lift	\$ 550,000	2031	\$ 784,407	Maint.
91-MM	Mech. Shop Maint. / Impts	\$ 115,000	2031	\$ 164,012	Maint.
15-MTA	MTC Boat Lift Pier	\$ 7,750,000	2032	\$ 11,415,540	Jobs
21-LY	Equip. Replace 2	\$ 500,000	2031	\$ 713,097	Maint.
92-FM	Equip. / Vehicle Replace 2	\$ 120,000	2033	\$ 182,554	Maint.
43-JWM	Admin. Building Maint.	\$ 250,000	2033	\$ 380,322	Maint.
11-MT	Terminal 1 /3 Repairs	\$ 4,500,000	2034	\$ 7,070,331	Maint.
21-LY	Boom Boat Replace	\$ 280,000	2035	\$ 454,361	Maint.
43-JWM	Float / Pile Replacement	\$ 15,500,000	2035	\$ 25,152,151	Maint.
43-JWM	Electrical & Lighting Replace	\$ 1,400,000	2035	\$ 2,271,807	Maint.
43-JWM	Shoreline & Breakwater	\$ 1,150,000	2035	\$ 1,866,127	Maint.
21-LY	General Equip. Replace 3	\$ 1,350,000	2036	\$ 2,262,525	Maint.
92-FM	Equip. / Vehicle Replace 3	\$ 220,000	2037	\$ 380,801	Maint.
41-PABH	E. PABH Jetty Stabilization	\$ 2,200,000	2038	\$ 3,932,917	Maint.
31-FIA	New FBO Building	\$ 1,600,000	2040	\$ 3,051,017	Jobs / ROI

TOTAL = \$ 72,920,000

\$ 107,647,272

R.O.I. = Return on Investment Inflation Rate = 3.28% (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 2022, there will be a 1.0% increase to the Port tax levy as directed by the Commission. 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 2022 Port tax levy rate is \$ 0.13 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 \$27.88 per year in Port taxes, which is based on a rate of \$0.14 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
2021	\$ 200,000	\$ 2,338.80	\$ 27.88	1.19%	\$ 0.13941	\$ 1,599,291
2022 Property Tax w/1% increase						\$ 1,615,284
2022 Property Tax Calculated on New Construction & Other						\$ 23,434
2022 Total Property Tax (estimate)			\$ 25.39		\$ 0.12697	\$ 1,638,718
2022 Total Property Tax Increase (estimate)						\$ 39,427

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

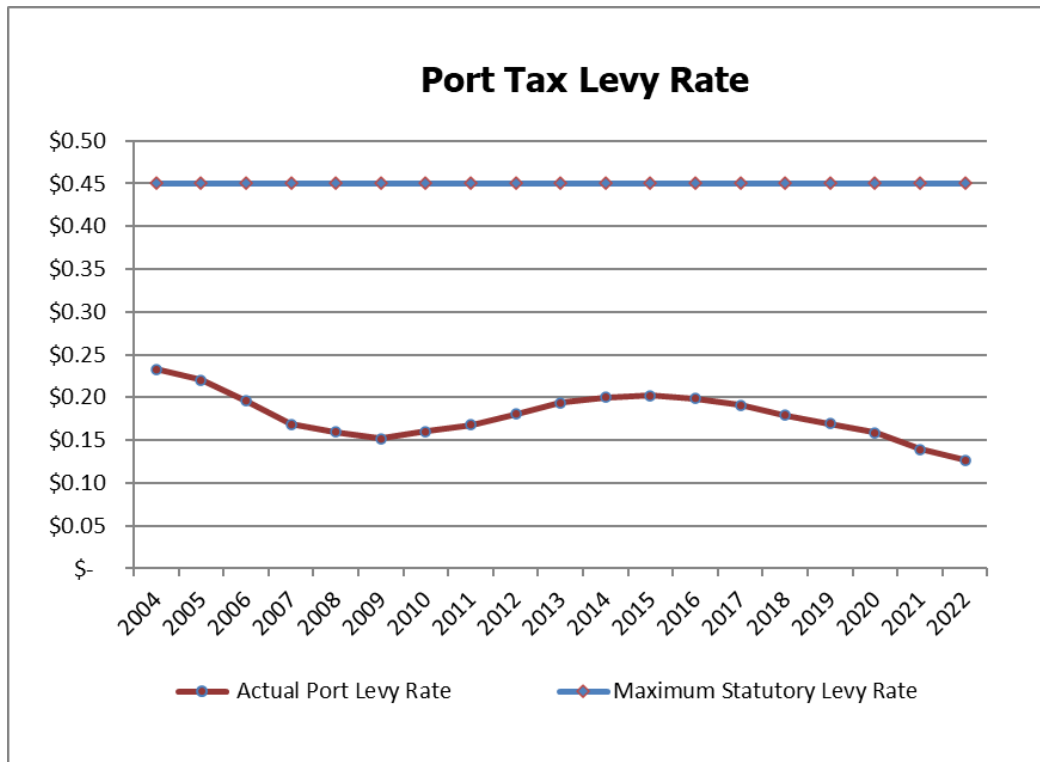
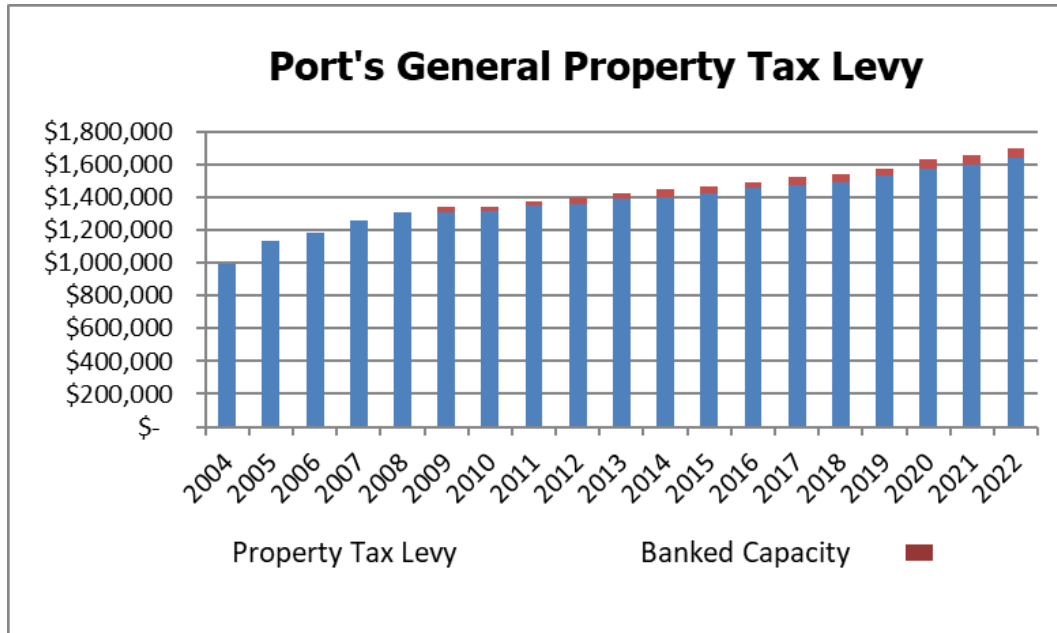
2022 TAX LEVY USES

Debt Service Payments (principal & interest)	\$ 458,934	28%
Community Partner Program	70,000	4%
Capital Improvement Fund - Construction	1,109,784	68%
Total Port Property Tax Levy	<u>\$ 1,638,718</u>	<u>100%</u>

History of Property Tax Increases & Banked Tax Balances

	2015	2016	2017	2018	2019	2020	2021	2022
Tax Levy % Increase	1%	1%	Banked	Banked	1%	1%	0.6%	1%
Banked Capacity	40,314	38,765	50,606	47,438	45,148	60,516	56,234	54,999

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 2022, is \$54,999**. To use the banked capacity, the Port would need to levy more than 1%.



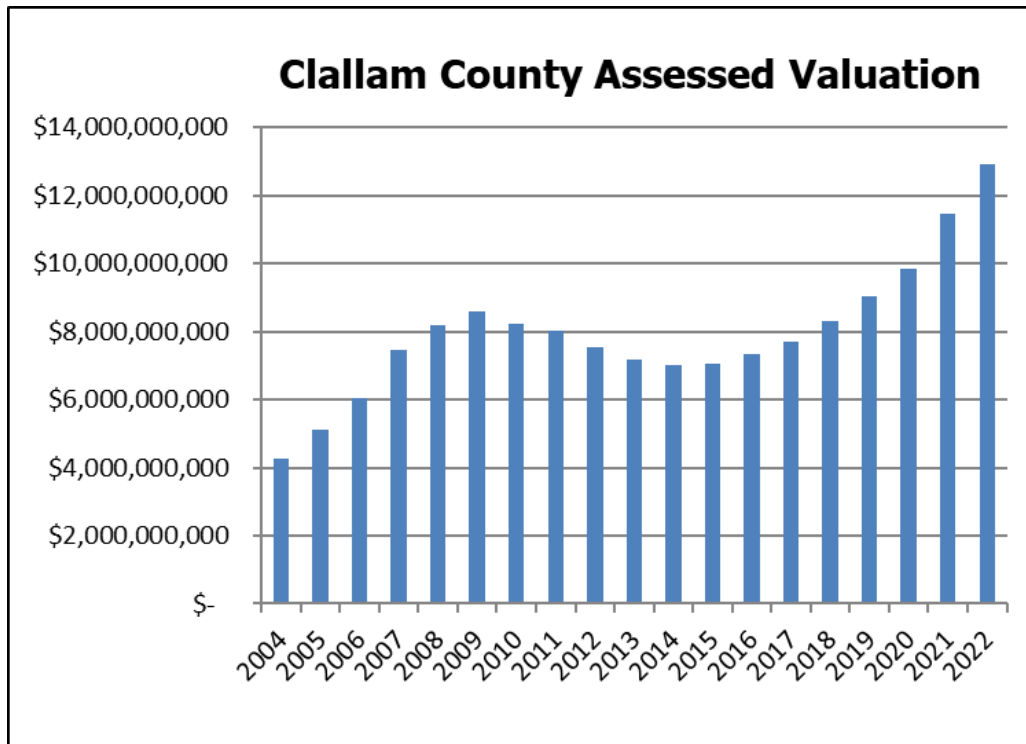
ASSESSED VALUATION & PROPERTY TAX LEVY

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	\$ 1,599,023	0.1393893401
2021	\$ 12,906,254,568	2022 est*	\$ 1,638,718	0.1269708343

* 2022 – increase of 1.0%.

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 2022, the Port general levy rate has ranged from 13-23¢ 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 2022 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 2022, the IPD is greater than 1%. The Port Property Tax Levy will be increased by 1% in 2022, 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.

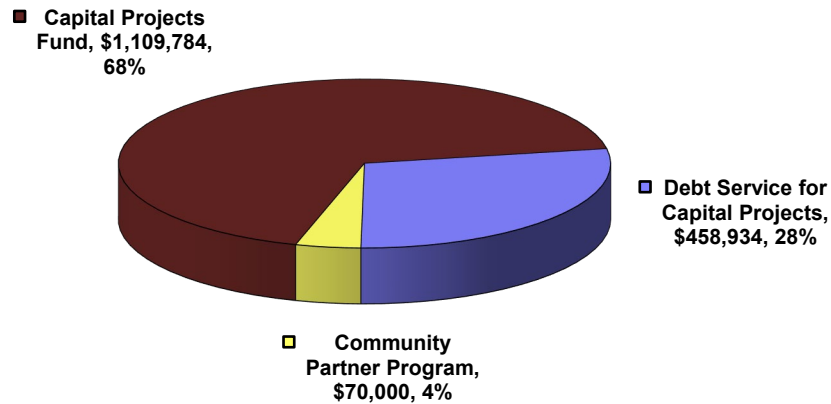
Industrial Development District (IDD) Tax Levies

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

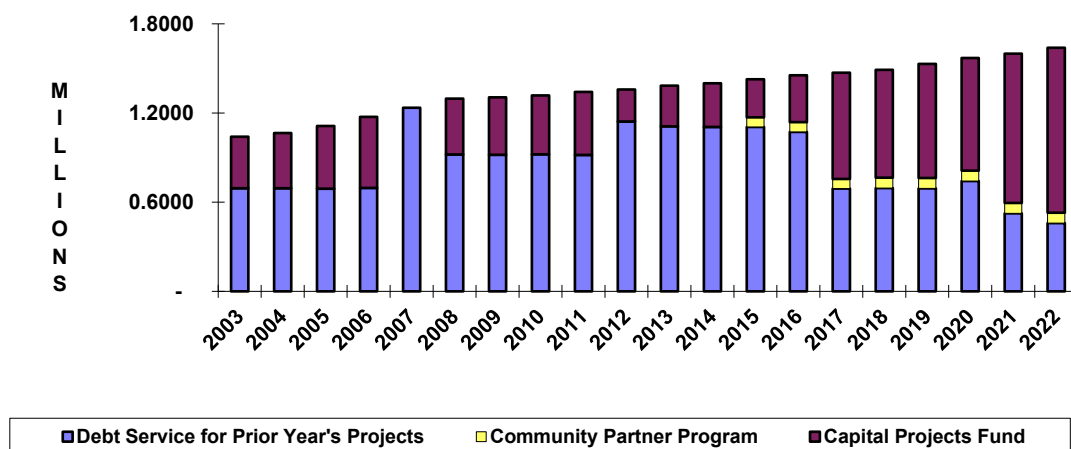
The general tax levy will be used for debt service on general obligation bonds & low interest loans which relates to prior years' capital construction for capital projects, the capital improvement fund, and the community partner program. By law, the property tax levy could also be used for Port operating 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 2022 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

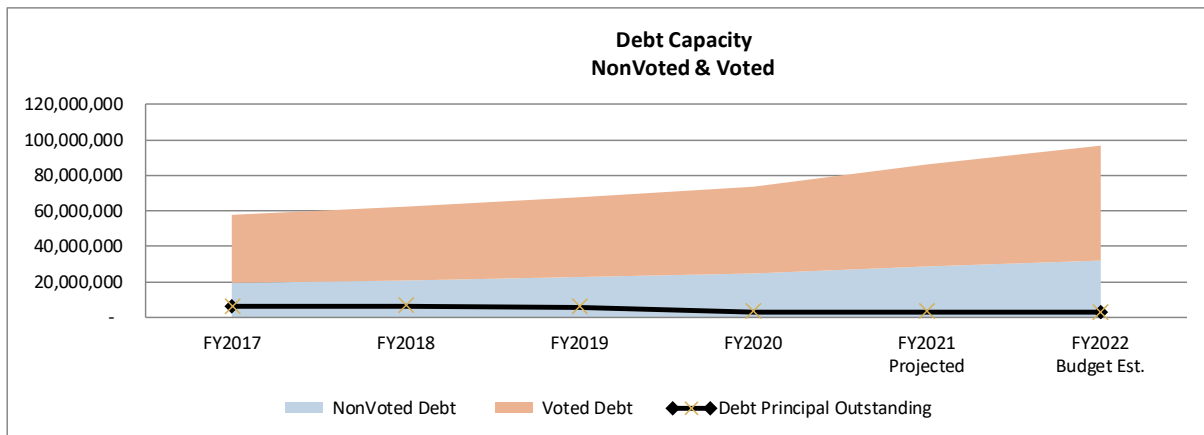


SECTION VII

OTHER FUNDS:

DEBT SERVICE AND BOND FUNDS

Debt Capacity



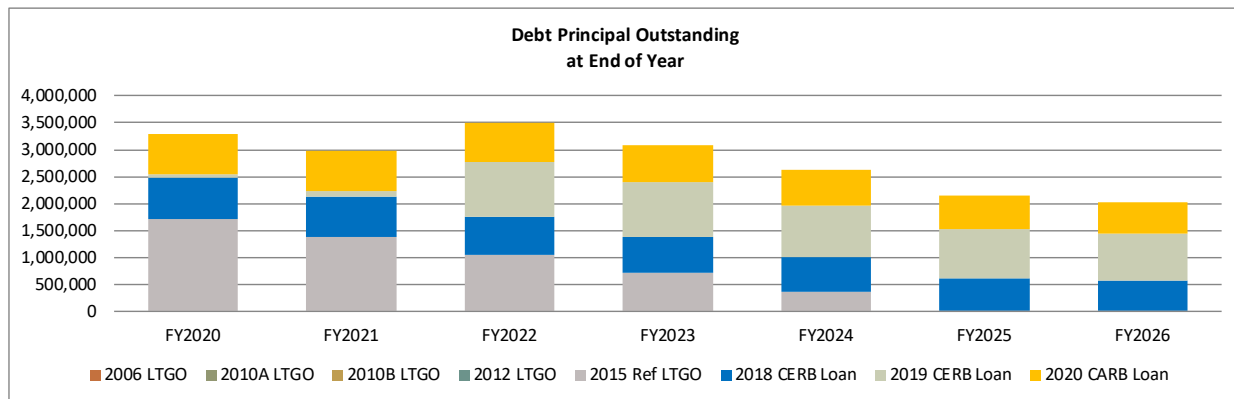
	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021 Projected</u>	<u>FY2022 Budget Est.</u>
Prior Year Assessed Value (AV)	7,697,314,552	8,321,650,465	9,041,260,634	9,863,835,562	11,471,631,886	12,906,254,568
Debt Capacity						
NonVoted Debt	19,243,286	20,804,126	22,603,152	24,659,589	28,679,080	32,265,636
Voted Debt	38,486,573	41,608,252	45,206,303	49,319,178	57,358,159	64,531,273
Total Debt Capacity	57,729,859	62,412,378	67,809,455	73,978,767	86,037,239	96,796,909
<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	6,158,261	6,332,706	5,905,899	3,284,795	3,284,795	2,973,070
NonVoted Debt Availability	13,085,025	14,471,420	16,697,252	21,374,794	25,394,285	29,292,567
Debt as of % of AV	0.08%	0.08%	0.07%	0.03%	0.03%	0.02%
Property Taxes	1,470,970	1,490,112	1,530,215	1,569,838	1,599,291	1,638,718
Debt Payments (Prin + Int)	691,496	694,734	693,009	4,445,646	416,761	458,934
Small Communities Program	70,000	70,000	70,000	70,000	70,000	70,000
Property Taxes Available	709,473	725,378	767,206	(2,945,808)	1,112,530	1,109,784

Property Taxes Available for New Debt	<i>(as of 11/9/20 A rated)</i>		\$ 1,109,784
Potential New Debt	int %	# Yrs	Potential New Debt
based on "A" Rated Municipal Bond Interest Rates	3.20%	10	\$ 9,470,000
	3.75%	20	\$ 15,570,000
	3.95%	30	\$ 19,460,000

Property Taxes Available	<i>(as of 11/9/20 A rated)</i>		Banked Capacity Estimate	\$ 1,164,783
Potential New Debt using Banked Capacity	int %	# Yrs	54,999	Potential New Debt
	3.20%	10		\$ 9,900,000
Banked Capacity Tax Increase*	3.75%	20		\$ 16,290,000
	3.95%	30		\$ 20,370,000

* 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)						
		FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Bond/Loan Name	Project Name							
2006 LTGO	PABH	----- see 2015 Refunding LTGO -----						
2010A LTGO	Composite Mfg-Site	-	Paid off Dec 2020					
2010B LTGO	Composite Mfg-Bldg	-	Paid off Dec 2020					
2012 LTGO	25 Projects 1993-98	Paid off Dec 2016						
2015 Ref LTGO	Refunded 2006 PABH	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	570,354
2019 CERB Loan	LY Cofferdam Barge Facility	54,995	100,000	1,020,000	1,020,000	971,027	918,931	865,793
2020 CARB Loan	FIA Utility Extension	750,000	750,000	719,132	687,648	655,533	622,776	589,364
Total Principal Outstanding		3,284,795	2,973,070	3,495,612	3,088,686	2,623,743	2,147,067	2,025,512
Decrease/(Increase) in Principal		2,621,104	311,725	(522,542)	406,926	464,943	476,676	121,555

		Fiscal Years (FY)		
		2022 thru 2041		
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	1,384,420	Dec 1, 2025
2018 CERB Loan	MTA Washdown Facility	765,000	738,650	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	Jan 1, 2041
		16,806,350	3,893,070	

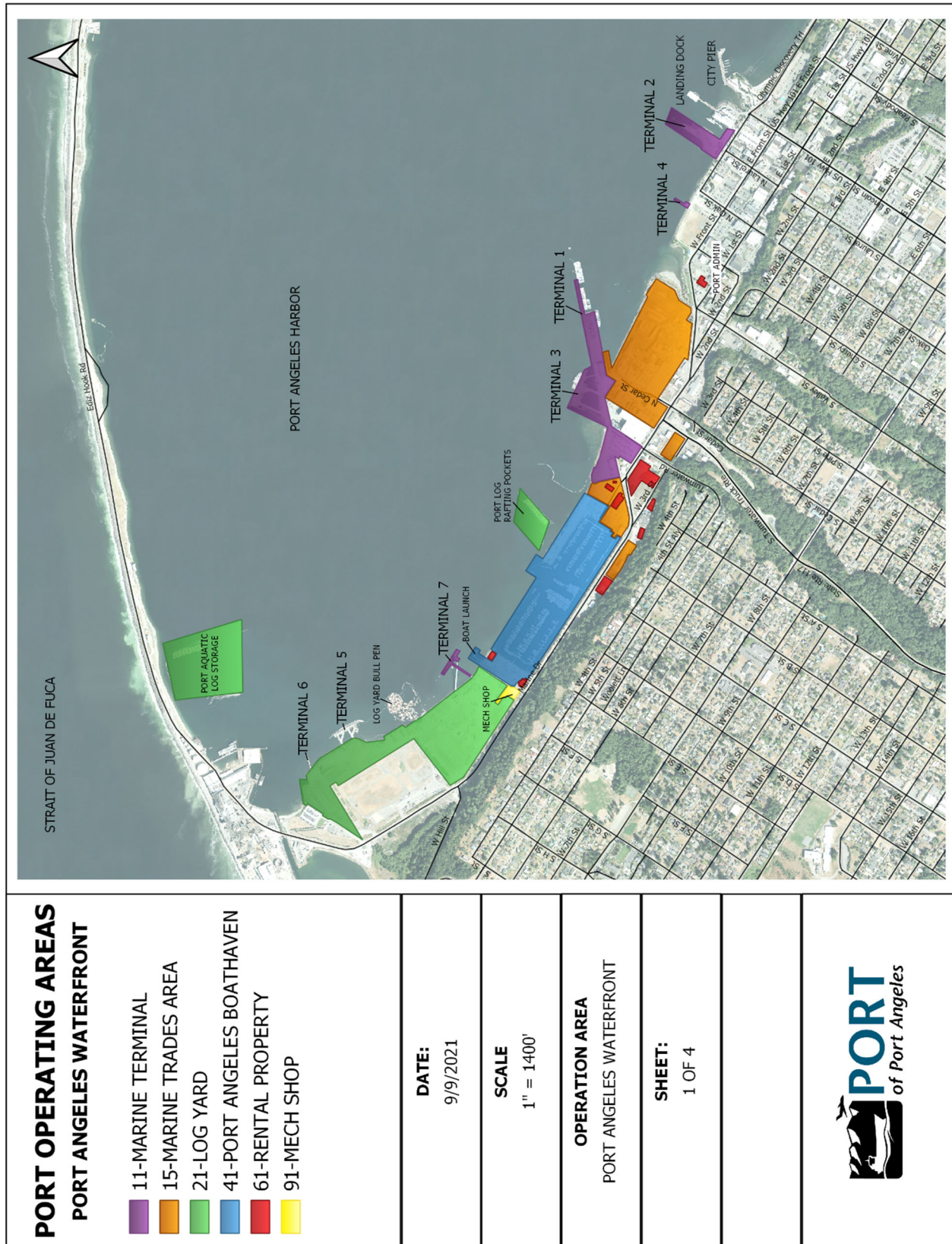
Long-Term Debt Service Schedule

DEBT PRINCIPAL PAYMENTS									
Bond/Loan Name	Project Name	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027 +
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	321,099	330,380	334,251	342,455	350,210	357,505	-	-
2018 CERB Loan	MTA Washdown Facility								
2019 CERB Loan	LY Cofferdam Barge Facility		26,350	32,339	32,986	33,646	34,319	35,005	570,354
2020 CARB Loan	FIA Utility Extension		-	-	-	48,973	52,096	53,138	865,793
			-	30,868	31,485	32,115	32,757	33,412	589,364
TOTAL	Debt Principal Outstanding	4,191,099	356,730	397,458	406,926	464,943	476,676	121,555	2,025,512
DEBT INTEREST PAYMENTS									
Bond/Loan Name	Project Name	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027 +
2006 LTGO	PABH	----- see 2015 Refunding LTGO -----							
¹ 2010A LTGO	Composite Mfg-Site	57,000	Paid off Dec 2020						
² 2010B LTGO	Composite Mfg-Bldg	150,925	Paid off Dec 2020						
2012 LTGO	25 Projects 1993-98	Paid off Dec 2016							
2015 Ref LTGO	Refunded 2006 PABH	46,622	39,269	31,703	24,049	16,207	8,187	-	-
2018 CERB Loan	MTA Washdown Facility		20,762	14,773	14,426	13,466	12,794	12,107	89,219
2019 CERB Loan	LY Cofferdam Barge Facility		-	-	73,617	20,442	19,421	18,379	135,434
2020 CARB Loan	FIA Utility Extension		-	15,000	14,383	13,753	13,111	12,456	97,750
TOTAL	Interest	254,547	60,031	61,476	126,175	63,868	53,512	42,941	322,403
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	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027 +
2006 LTGO	PABH	----- see 2015 Refunding LTGO -----							
2010A LTGO	Composite Mfg-Site	817,000	Paid off Dec 2020						
2010B LTGO	Composite Mfg-Bldg	3,260,925	Paid off Dec 2020						
2012 LTGO	25 Projects 1993-98	Paid off Dec 2016							
2015 Ref LTGO	Refunded 2006 PABH	367,721	369,649	365,954	366,504	366,416	365,691	-	-
2018 CERB Loan	MTA Washdown Facility		47,112	47,112	47,112	47,112	47,112	47,112	659,573
2019 CERB Loan	LY Cofferdam Barge Facility		-	-	73,617	69,415	71,516	71,516	1,001,227
2020 CARB Loan	FIA Utility Extension		-	45,868	45,868	45,868	45,868	45,868	687,114
TOTAL	Debt Payments (Prin + Int)	4,445,646	416,761	458,934	533,101	528,812	530,188	164,496	2,347,914
									4,563,445

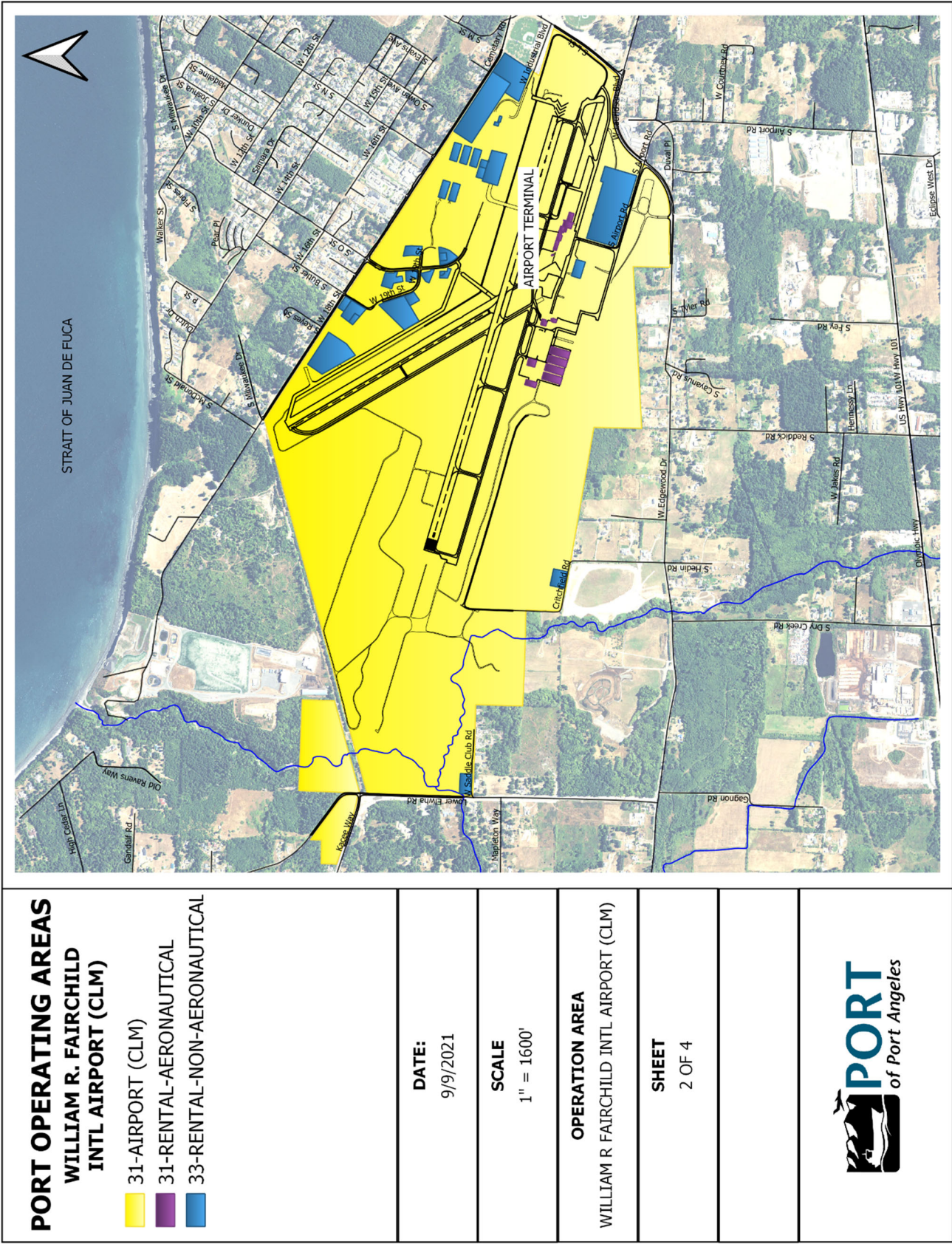
SECTION VIII

SUPPLEMENTAL INFORMATION

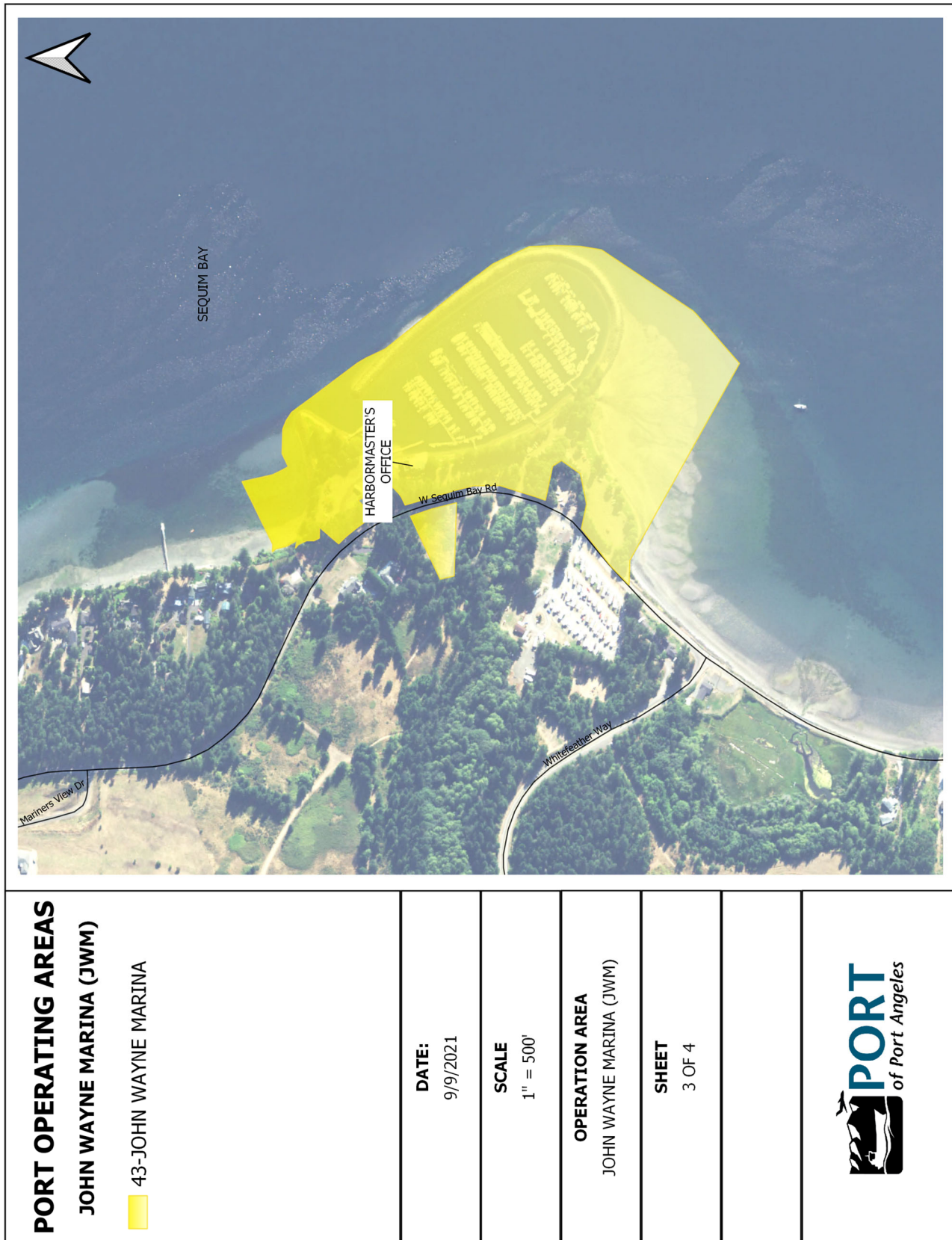
PORT OPERATING AREAS



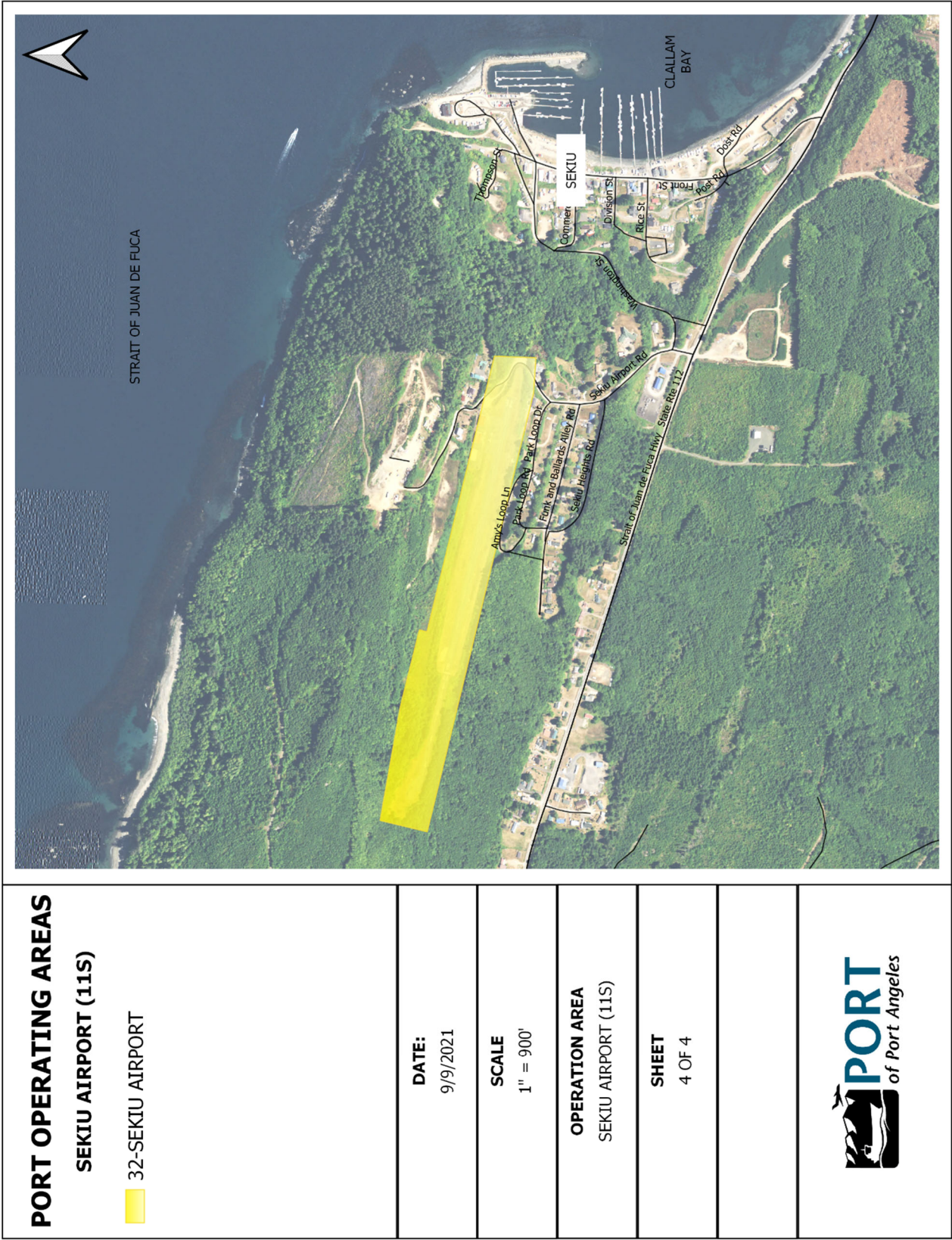
PORT OPERATING AREAS – continued



PORT OPERATING AREAS – continued



PORT OPERATING AREAS – continued



TRAVEL & TRAINING BUDGET
(includes Training Fees)
2022 Budget

Travel - Meetings	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2021 PROJCTD	2022 BUDGET
MT	2,965	1,041	1,332	160	1,600	150	3,000
MTA	3,320	3,629	485	0	2,500	0	1,000
LY	2,748	2,442	846	13	150	50	1,000
FIA	6,066	2,379	5,081	1,380	4,000	2,365	5,000
ARP	2,507	876	0	0	1,000	0	1,000
SEK	127	122	278	140	240	200	0
PABH	14	0	463	0	500	500	500
JWM	914	2,553	711	210	500	300	500
RP	174	0	0	0	0	0	0
MM	0	22	48	0	0	0	0
FM	152	6	0	6	0	0	0
ADM	20,682	22,704	18,647	7,187	20,000	10,000	20,000
BD	10,924	21,350	25,116	3,928	10,000	8,000	11,000
Subtotal	50,592	57,124	53,007	13,024	40,490	21,565	43,000
Travel - Training	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2021 PROJCTD	2022 BUDGET
MT	1,957	1,438	400	234	1,000	1,200	1,600
MTA	0	0	0	0	2,500	0	0
LY	2,619	4,640	6,963	(900)	1,500	1,200	2,200
FIA	4,256	2,201	1,712	0	600	4,165	600
ARP	0	0	57	0	560	0	500
SEK	0	0	0	0	0	0	0
PABH	1,500	0	355	128	500	150	500
JWM	0	0	0	128	500	0	500
RP	2,189	529	895	0	0	0	0
MM	727	0	0	0	500	7,000	500
FM	3,452	3,519	983	5,402	4,000	500	4,000
ADM	26,814	24,379	27,859	8,237	24,000	10,000	20,000
BD	2,547	4,159	2,316	(1,100)	5,000	3,000	5,000
Subtotal	46,060	40,865	41,540	12,129	40,660	27,215	35,400
TOTAL	96,652	97,989	94,547	25,153	81,150	48,780	78,400

CONSULTING & SPECIAL PROJECTS

2022 Budget

Line #	DEPT	PURPOSE	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2021 PROJECTED	2022 BUDGET
1	MT	Terminal 1 Pile Survey	n/a	0	200,000	200,000	0
2	MT	Terminal 7 Pier Assessment	n/a	0	35,000	0	0
3	MT	On call structural engineer			0		15,000
4	MTA	Boat Yard Travel Lift Pier Assessment	0	0	30,000	30,000	0
5	BusDev	Marine Trades Development Assistance (recruitment, rates, grant writing, etc.)	15,000		50,000	0	20,000
6	BusDev	Market/Feasibility analysis for new opportunity	30,000		30,000	0	10,000
7	BusDev	New web page development	0	0	0	0	30,000
8	BusDev	Sustainable Harvest, Advanced Wood Products & Other Timber Advocacy efforts	1,701	6,300	10,000	1,800	5,000
9	BusDev	CERB Broadband Grant	0	65,000	10,000	17,500	0
10	BusDev	Communications Plan - Business development	0	0	5,000	0	0
11	BusDev	Design services for Port Pilot & misc marketing/public information (BD portion)	7,609		10,000	10,000	5,000
12	BusDev	Advanced Wood Products Economic Development Services - CRTC	214,950	0	0	15,050	0
13	Admin	Design services for Port Pilot & misc marketing/public information (Admin portion)	7,640	0	10,000	0	0
14	Admin	Govt Affairs/Lobbying for Port	99,327	98,378	100,000	100,000	100,000
15	Admin	Strategic Plan (followup); 2020-2025	0	0	0	0	0
16	Admin	LOB analysis and economic impacts	0		0	0	5,000
17	Admin	Grant writing assistance	0		0	0	0
18	Admin	Stakeholder Facilitation Stormwater	0	1,925	0	11,000	10,000
19	Finance	GASB 49 Environmental Pollution Liabilities requires a change in methodology to fair value	7,000	7,000	7,500	7,500	8,000
20	Non Op	Tumwater Truck Route Cleanup Sites (Shell & Pettit Sites)	0	25,574	0	88,311	88,311
		TOTAL CONSULTING & SPECIAL PROJECTS	383,227	204,177	497,500	481,161	296,311

		NON-STANDARD EXPENSES (see table below)	280,750	65,000	295,000	232,550	50,000
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		TOTAL 2022 BUDGET LESS NON-STANDARD EXPENSES	102,477	139,177	202,500	248,611	246,311
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EXPENSES: NON-STANDARD

2022 Budget

Line #	Dept	Non-standard Expenses	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2021 PROJECTED	2022 BUDGET
1	MT	Terminal 1 Pile Survey	n/a	0	200,000	200,000	0
2	MT	Terminal 7 Pier Assessment	n/a	0	35,000	0	0
3	Airport	Runway approach/obstruction tree removal	0	0	0	0	0
4	ARP	Broker Services	0	0	0	0	0
5	BusDev	Bus Dev assistance for the Marine Trades/MTIP	15,000	0	50,000	0	50,000
6	BusDev	CERB Planning Project Thermally Modified Hemlock and RCF (recycled carbon fiber)	50,800	0	0	0	0
7	BusDev	CERB Broadband Grant	0	65,000	10,000	17,500	0
8	BusDev	Advanced Wood Products Economic Development Services - CRTC	214,950	0	0	15,050	0
		Total Non-Standard Expenses	280,750	65,000	295,000	232,550	50,000

PROFESSIONAL MEMBERSHIPS
2022 Budget

Line #	DEPT	PROFESSIONAL ORGANIZATION (alphabetical order)	2019	2020	2021	2022
			ACTUAL	ACTUAL	BUDGET	BUDGET
1	ADMIN	Washington Public Ports Association (WPPA)	19,000	20,348	14,445	20,000
2	ADMIN	Municipal Research & Services Center (MRSC thru WPPA)	950	950	950	950
3	ADMIN	American Forest Resource Council	600	600	600	600
4	ADMIN	Dynamics SL User Group	450	450	450	450
5	ADMIN	Government Finance Officers Association (GFOA -3)	300	150	300	300
6	ADMIN	Society for Human Resources Management (SHRM)	209	219	209	219
7	ADMIN	Washington Finance Officers Association (WFOA -3)	150	125	150	150
8	ADMIN	Engineering License	110	110	110	110
9	ADMIN	Washington Public Treasurers Association (WPTA - 4) Note: Name change in 2018, prior name was Washington Municipal Treasurers Association (WMTA)	80	80	80	80
10	ADMIN	International Living Future Institute	50	50	50	50
11	ADMIN	American Payroll Association	219	0	254	0
12	ADMIN	Olympic Region Municipal Clerks Association	0	0	0	0
13	ADMIN	Washington Agriculture & Forestry Leadership Program	500	500	0	0
14	ADMIN	Washington Bar Association	500	0	0	0
15	ADMIN	Washington Maritime Federation	Free	Free	Free	Free
16	ARP	Port Angeles Association of Realtors	136	372	136	0
17	ARP	Sequim Association of Realtors	115	0	115	0
18	ARP	Washington Realtor Association (thru PA Realtor Assoc)	50	50	50	0
19	FIA	Certified Commercial Investment Member (CCIM)	770	705	900	0
20	FIA	American Association of Airport Executives	275	275	275	0
21	FIA	Washington Airport Managers Association (WAMA)	125	125	250	275
22	FIA	Washington State Aviation Alliance (WSAA)	200	0	200	0
23	FIA	Washington Pilots Association	45	40	45	45
24	FIA	Clallam County Pilots Association	Free	Free	Free	40
25	FIA	National Business Aviation Association (NBAA)	0	725	375	0
26	FIA	Washington State Community Airports Association	Free	Free	Free	Free
27	FM	American Public Works Association (APWA) - 2	450	240	450	450
28	MT	Northwest Marine Terminal Association (NWMTA)	1,216	1,216	1,216	1,216
29	MT	Marine Exchange of Puget Sound	500	300	500	0
30	MTA	Super Yachts Northwest (NMTA)	500	500	500	1,000
31	MTA	Northwest Marine Trade Association (NMTA)	500	460	550	500
32	MTA	U.S. Superyacht Association	0	600	600	500
33	MTA	Puget Sound Ship Repair Association (PSSRA)	500	500	500	500
		TOTAL PROFESSIONAL ORGANIZATIONS	28,500	29,690	24,260	27,435

COMMUNITY SUPPORT 2022 Budget

Line #	COMMUNITY SUPPORT SERVICES	2019 ACTUAL	2020 ACTUAL	2021 PROJECTED	2022 BUDGET
1	Clallam County EDC Contract	30,000	40,000	50,000	50,000
2	Center for Inclusive Entrepreneurship	30,000	10,000	5,000	10,000
3	Community Partner Program	60,000	0	70,000	70,000
4	North Olympic Development Council (NODC)	12,000	8,520	0	0
5	Small Business Development Center (SBDC)	23,000	23,000	0	0
	TOTAL COMMUNITY SUPPORT - CASH	155,000	81,520	125,000	130,000

Line #	COMMUNITY SUPPORT - IN KIND	2019 ACTUAL	2020 ACTUAL	2021 PROJECTED	2022 BUDGET
1	Center for Inclusive Entrepreneurship (CIE)	n/a	3,583	3,631	3,813
2	CRTC - Waived Equipment Rental	12,000	12,000	12,000	12,000
3	Clallam Economic Development Corporation (CEDC) - Waived Rent	5,860	6,139	5,957	6,255
4	North Olympic Development Council (NODC) - Waived Rent	3,370	3,647	3,752	3,940
5	Peninsula College space at CRTC - 12 months waived rent in 2017 & 2018; partial waived in 2019, 20 & 21	21,674	22,634	28,293	0
6	Port Angeles Yacht Club (2019 discounted rent)	2,057	2,135	0	2,516
7	Port Angeles Yacht Club (2017-18 waived moorage)	2,206	1,254	1,645	1,727
8	Sequim Bay Yacht Club (2018 - rent discount begins with Lease renewal) (2019: 50% rent discount)	6,166	6,320	0	6,796
9	Sequim Bay Yacht Club (2019: 50% moorage discount)	3,664	3,800	3,940	4,137
10	Sequim Bay Yacht Club waived Hendrick's Room Fees	4,835	0	500	3,000
11	SBDC (office space) waived rent	7,843	7,409	3,076	2,983
12	Miscellaneous Fee Waivers & Discounts	8,842	9,000	9,800	10,000
	TOTAL COMMUNITY SUPPORT - IN KIND	78,517	77,921	72,594	57,167

Line #	COMMUNITY MEMBERSHIPS	2019 ACTUAL	2020 ACTUAL	2021 PROJECTED	2022 BUDGET
1	North Olympic Development Council (NODC)	900	2,000	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)	65	55	55	65
5	Sequim Chamber of Commerce	450	295	450	450
6	North Olympic Legislative Alliance (NOLA)	100	0	0	100
7	Seki/Clallam Bay Chamber of Commerce	100	0	100	100
8	Rotary Clubs & Other Service Groups	200	180	180	200
	TOTAL COMMUNITY MEMBERSHIPS	2,287	3,002	3,257	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.

2021/2022 POPA Budgeted Outside Services

		2021	2022
Dept	Description	Budget	Budget
41-PABH	PABH Agent Fee	318,500	331,112
11-MT	Longshore Labor for Chip Barges	196,750	196,750
80-ADM	Est legal services	120,000	150,000
15-MTA	Boatyard Agent Fees	53,000	57,228
80-ADM	SAO Audit Fees	44,000	56,500
80-ADM	IT support services	54,200	54,200
81-BD	Clallam County EDC	50,000	50,000
81-BD	Web page development	-	30,000
33-ARP	Janitorial for Homeland / GSA	35,000	26,000
80-ADM	Admin Janitorial	19,000	25,000
81-BD	MTC Business Development	50,000	20,000
21-LY	Stormwater system maintenance	20,000	20,000
21-LY	Legal and Consulting		20,000
80-ADM	Synergy IT support for Dynamics	25,000	20,000
11-MT	On call structural engineer	-	15,000
15-MTA	Legal expense	-	15,000
43-JWM	Fuel System Maint / Pump septic tanks	15,000	15,000
80-ADM	General consulting - TBD	50,000	15,000
15-MTA	Cultural Site Investigation	-	12,000
33-ARP	Legal and other	-	11,000
81-BD	Market analysis for maritime	-	10,000
81-BD	Center for Incl. Entrep cash support	10,000	10,000
41-PABH	Waste oil and Pacific Breeze	9,500	9,500
80-ADM	Olympic Laundry - floor mats	15,000	9,000
80-ADM	GASB 49 Environmental reporting	7,500	8,000
80-ADM	Acct software annual license	6,500	6,500
92-FM	Olympic Laundry - Coveralls	8,000	6,000
15-MTA	Washwater disposal fees	5,700	5,700
80-ADM	Rackspace (email and MS Office)	5,500	5,500
81-BD	Misc TBD	10,000	5,000
31-FIA	Airport Appreciation Day	10,000	5,000
80-ADM	LOB followup / economic impact	5,000	5,000
81-BD	Sustainable Havest / Adv Wood Products	10,000	5,000
91-MM	Olympic Laundry - Coveralls	9,600	4,500
91-MM	Waste oil processing	500	4,200
32-SEK	Agent Fee	3,600	3,600
31-FIA	Weather monitoring / runway inspections	3,000	3,000
11-MT	Olympic Laundry - floor mats	3,000	2,500
92-FM	Work order software service	2,200	2,200
61-RP	Legal and Misc	-	1,800
80-ADM	Copier maintenance	800	800
92-FM	Hearing tests	500	500
11-MT	Hearing tests	250	250
92-FM	CDL drug screening	100	100
31-FIA	Access control system maintenance	84	84
11-MT	Terminal 1 Pile Assessment	200,000	-
11-MT	Terminal 7 Pier Assessment (1/2 of cost)	35,000	-
15-MTA	Boatyard Travel lift pier assessment	30,000	-
81-BD	SBDC cash support	23,000	-
31-FIA	Air service business development	5,000	-
31-FIA	Aircraft tracking services	2,000	-
	Total	1,471,784	1,253,524

2022 - Department Direct Cost		Home	11	15	21	31	33	32	41	43	61	80	81	90	91	92	TOTAL
Salary % Split		Dept.	MT	MTA	LY	FIA	ARP	SEK	PABH	JWM	RP	A&G	BD	NOP	MM	FM	
Director of Engineering		A&G	15%	15%	5%		5%		5%	5%		35%	5%	5%		5%	100%
Environmental Manager		A&G	10%	10%	10%	5%	5%		5%	5%		35%		10%		5%	100%
Director of Operations		A&G	20%	15%	10%	5%	5%		10%	10%		15%			5%	5%	100%
A/R Clerk		A&G	10%		10%	5%	5%			20%	5%	45%					100%
All Security (except JWM)		A&G	20%	5%	5%	10%	15%		15%		5%	15%			5%	5%	100%
Director of Finance & Administration		A&G				10%			10%	10%		70%					100%
Property Assistant		ARP	10%	10%	5%	15%	40%		5%	5%	10%						100%
Airport Manager		FIA				75%	10%	5%					10%				100%
Facilities Maintenance Supervisor		FM	10%	10%	5%	10%	10%		5%	5%	5%					40%	100%
Director of Economic Development		BD											100%				100%
Operations Supervisor		MT	65%	15%		5%			5%	5%	5%						100%

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

Split Methodology by Position

Director of Engineering	Budget based on planned capital projects and ops oversight with actual time tracked & recorded
Environmental Manager	Estimate based on environmental compliance needs in each area with actual time tracked & recorded
Director of Operations	Estimate based on planned public works, LY and MT activities with actual time tracked & recorded
A/R Clerk	Budget based on estimates with actual time tracked & recorded
All Security (except JWM)	Based on the standard operating plan for security presence in each area
Director of Finance & Administration	Based on estimated time to be spent in each area
Property Assistant	Based on estimated time to be spent in each area
Airport Manager	Based on estimated time to be spent in each area
Facilities Maintenance Supervisor	Estimated based on the planned maintenance projects for the year with actual tracked and recorded
Director of Economic Development	Based on estimated time to be spent in each area
Operations Supervisor	Based on estimated time to be spent in each area plus supporting security

ALLOCATED EXPENSES

Line of Business	2018 Actual	2019 Actual	2020 Actual	2021 Budget	2021 Projected	2022 Budget
Marine Terminal	432,332	452,464	1,024,544	591,185	854,340	524,595
Marine Trades Area	136,648	171,374	204,798	213,760	167,458	230,094
Log Yard	661,245	501,257	494,340	452,027	428,933	511,581
FIA	204,287	219,971	294,974	271,477	253,818	293,880
Airport Rental Properties	232,869	248,903	247,477	478,414	406,743	435,241
Sekiu Airport	8,515	10,549	14,562	13,602	13,757	14,883
Port Angeles Boat Haven	246,306	307,836	341,043	327,748	283,804	356,293
John Wayne Marina	263,498	294,751	316,867	318,578	294,664	393,105
Rental Property	63,353	39,125	61,545	48,729	46,197	46,694
Total	2,249,053	2,246,230	3,000,150	2,715,519	2,749,714	2,806,367

DEPRECIATION

Line of Business & Departments	2018 Actual	2019 Actual	2020 Actual	2021 Budget	2021 Projected	2022 Budget
Marine Terminal	481,796	561,034	631,475	629,779	640,405	652,149
Marine Trades Area	64,814	88,464	152,672	170,742	159,164	162,082
Log Yard	350,570	359,343	359,475	420,773	348,385	354,774
FIA	534,096	554,609	601,754	604,516	627,522	639,029
Airport Rental Properties	487,874	461,672	442,696	444,836	444,715	452,870
Sekiu Airport	3,699	3,699	3,690	3,690	2,618	2,666
Port Angeles Boat Haven	389,796	334,318	334,059	364,684	345,411	351,745
John Wayne Marina	210,606	120,836	65,231	67,731	65,253	66,449
Rental Property	13,768	13,768	13,763	13,763	13,767	14,020
Mechanical Maintenance	15,233	15,171	15,658	15,171	16,005	16,299
Facilities Maintenance	34,402	35,374	22,599	23,299	23,856	24,293
Administration & General	37,983	43,524	38,097	37,625	39,515	40,240
Total	2,624,637	2,591,811	2,681,169	2,796,609	2,726,616	2,776,616

ALLOCATED DEPRECIATION

Line of Business & Departments	2018 Actual	2019 Actual	2020 Actual	2021 Budget	2021 Projected	2022 Budget
Marine Terminal	16,840	18,204	26,200	17,651	26,385	15,931
Marine Trades Area	5,331	6,917	5,227	6,382	5,172	6,987
Log Yard	26,049	20,383	12,695	13,496	13,247	15,536
Fairchild International Airpc	9,270	12,129	8,360	9,026	8,585	9,807
Airport Rental Properties	7,291	9,743	4,968	8,337	6,230	7,899
Sekiu Airport	386	582	413	452	465	497
Port Angeles Boat Haven	9,708	12,526	8,765	9,785	8,765	10,820
John Wayne Marina	10,385	11,993	8,143	9,512	9,100	11,938
Rental Property	2,358	1,592	1,582	1,455	1,427	1,418
Total	87,618	94,069	76,353	76,095	79,376	80,832

Port of Port Angeles - Support Function Cost Allocation - for 2022 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	1,139,743	(170,417)	969,326	20%	25,444	48,290	403,669
Marine Trades	425,159	-	425,159	9%	11,160	21,181	177,054
Log Yard	962,890	(17,612)	945,278	19%	24,813	47,092	393,654
FIA Airport	617,561	(20,863)	596,698	12%	15,663	29,726	248,491
Airport Rentals	501,461	(20,833)	480,628	10%	12,616	23,944	200,154
Sekiu Airport	30,218	-	30,218	1%	793	1,505	12,584
PA Boat Haven	770,844	(112,500)	658,344	13%	17,281	32,798	274,163
JW Marina	1,003,287	(276,923)	726,364	15%	19,067	36,186	302,489
Rental Property	87,113	(833)	86,280	2%	2,265	4,298	35,930
Total	5,538,276	(619,981)	4,918,295	100%	129,103	245,021	2,048,189

	Total LOB Expense	Less COGS Expense	MTDC Expense	Non-Airport MTDC Ratios	Non-Airport MTDC Ratios used to split (see note 2)	
<u>Excluding Airports</u>					General	Bus Dev
Marine Terminal	1,139,743	(170,417)	969,326	25%	47,192	
Marine Trades	425,159	-	425,159	11%	20,699	
Log Yard	962,890	(17,612)	945,278	25%	46,021	
PA Boat Haven	770,844	(112,500)	658,344	17%	32,052	
JW Marina	1,003,287	(276,923)	726,364	19%	35,363	
Rental Property	87,113	(833)	86,280	2%	4,201	
Total	4,389,036	(578,285)	3,810,751	100%	185,527	

	Total LOB Expense	Less COGS Expense	MTDC Expense	Airport Only MTDC Ratios	100% Direct Allocation to Airport Area	
<u>Airport Only</u>					Airport	Bus Dev
Airport Rentals	501,461	(20,833)	480,628	100%	198,527	

Total Support Costs Allocated		Total Support Cost Allocation by Line of Business	
Mech Maint	129,103	524,595	Marine Terminal
Facility Maint	245,021	230,094	Marine Trades
Admin & General	2,048,189	511,581	Log Yard
General Bus Dev	185,527	293,880	FIA Airport
Airport Bus Dev	198,527	435,241	Airport Rentals
Total	2,806,367	14,883	Sekiu Airport
		356,293	PA Boat Haven
		393,105	JW Marina
		46,694	Rental Property
		2,806,367	Total

Employee Wage Scale - Represented 2022 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, 2022 (3.0%)

Job Title	Range Number	Step Number									
		1	2	3	4	5	6	7	8	9	10
	1										
	2							14.19	14.54	14.90	15.27
	3	12.87	13.19	13.51	13.85	14.19	14.54	14.90	15.27	15.64	16.03
	4	13.51	13.85	14.19	14.54	14.90	15.27	15.64	16.03	16.42	16.83
	5	14.19	14.54	14.90	15.27	15.64	16.03	16.42	16.83	17.24	17.68
	6	14.90	15.27	15.64	16.03	16.42	16.83	17.24	17.68	18.11	18.56
	7	15.64	16.03	16.42	16.83	17.24	17.68	18.11	18.56	19.01	19.49
	8	16.42	16.83	17.24	17.68	18.11	18.56	19.01	19.49	19.96	20.46
	9	17.24	17.68	18.11	18.56	19.01	19.49	19.96	20.46	20.96	21.48
	10	18.11	18.56	19.01	19.49	19.96	20.46	20.96	21.48	22.01	22.56
Facilities Maintenance Janitorial (PT)	11	19.01	19.49	19.96	20.46	20.96	21.48	22.01	22.56	23.11	23.69
	12	19.96	20.46	20.96	21.48	22.01	22.56	23.11	23.69	24.26	24.87
Utility Person	13	20.96	21.48	22.01	22.56	23.11	23.69	24.26	24.87	25.48	26.12
	14	22.01	22.56	23.11	23.69	24.26	24.87	25.48	26.12	26.75	27.42
Accounting Clerk I	15	23.11	23.69	24.26	24.87	25.48	26.12	26.75	27.42	28.09	28.79
Accounting Clerk II, Assistant Harbormaster	16	24.26	24.87	25.48	26.12	26.75	27.42	28.09	28.79	29.49	30.23
Accounting Lead	17	25.48	26.12	26.75	27.42	28.09	28.79	29.49	30.23	30.97	31.74
Machine Operator	18	26.75	27.42	28.09	28.79	29.49	30.23	30.97	31.74	32.52	33.33
	19	28.09	28.79	29.49	30.23	30.97	31.74	32.52	33.33	34.14	35.00
	20	29.49	30.23	30.97	31.74	32.52	33.33	34.14	35.00	35.85	36.75
Facilities Maintenance, Mechanic	21	30.97	31.74	32.52	33.33	34.14	35.00	35.85	36.75	37.64	38.58
Facilities Maintenance Lead, Mechanic Lead, Log Yard Lead, Harbormaster	22	32.52	33.33	34.14	35.00	35.85	36.75	37.64	38.58	39.52	40.51
	23	34.14	35.00	35.85	36.75	37.64	38.58	39.52	40.51	41.50	42.54
	24	35.85	36.75	37.64	38.58	39.52	40.51	41.50	42.54	43.58	44.67
	25	37.64	38.58	39.52	40.51	41.50	42.54	43.58	44.67	45.76	46.90
	26	39.52	40.51	41.50	42.54	43.58	44.67	45.76	46.90	48.04	49.24

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Employee Wage Scale – Non-Represented 2022 Budget

Port of Port Angeles
2022 Budget
Non-Represented Salary Scale

		85%	100%	115%
Job Title	Grade	2022 Range Minimum	2022 Range Midpoint	2022 Range Maximum
Executive Director	19	\$148,596	\$174,819	\$201,042
Port Counsel	18	\$132,675	\$156,088	\$179,501
Deputy Executive Director	17	\$118,424	\$139,323	\$160,221
Director II*	16	\$105,779	\$124,446	\$143,112
Director I*	15	\$94,439	\$111,104	\$127,769
Manager III*	14	\$87,391	\$99,179	\$114,055
Manager II*	13	\$75,269	\$88,552	\$101,835
Manager I*	12	\$68,446	\$80,524	\$92,602
Admin/Supervisor II*	11	\$62,223	\$73,203	\$84,184
Admin/Supervisor I*	10	\$56,552	\$66,533	\$76,513
	9	\$51,434	\$60,510	\$69,588
	8	\$46,767	\$55,021	\$63,274
	7	\$42,502	\$50,002	\$57,503
Security Full Time	6	\$38,638	\$45,457	\$52,276
	5	\$35,126	\$41,325	\$47,523
Security Part Time	4	\$31,964	\$37,605	\$43,246
JWM Summer Help	3	\$29,329	\$34,182	\$39,309
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.

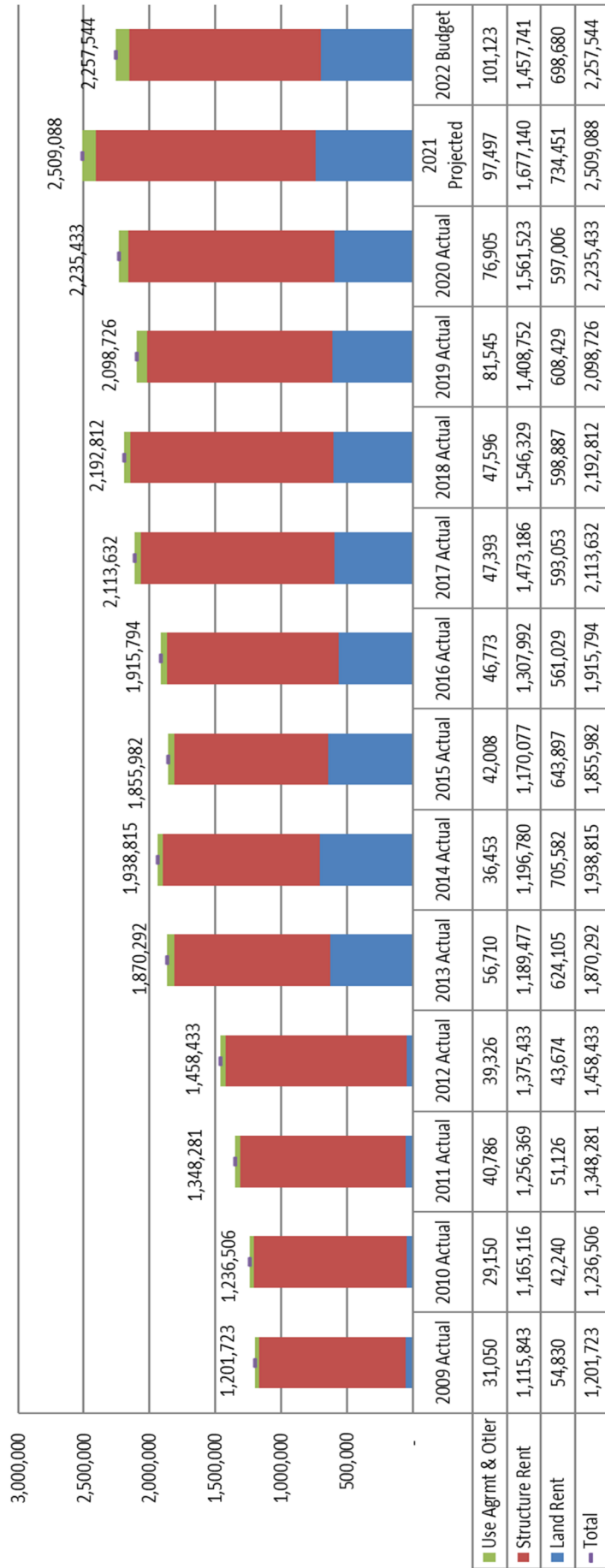
Managers & Professional Staff:

Public Works Manager
Environmental Manager
Airport Manager
Manager of Finance & Accounting
Finance Manager
Operations Supervisor
Facilities Supervisor
Lease Administrator
Human Resources/Clerk of the Board

Senior Management:

Executive Director
Director of Finance and Administration
Director of Engineering
Director of Economic Development
Director of Projects
Director of Operations

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
AV	Audio / Visual	SEK	Sekiu Airport
BD	Business (Economic) Development	SP	Strategic Plan
BL	Boat Launch	T1	Terminal #1 Main Terminal
BY	Boat Yard	T2	Terminal #2 Black Ball Ferry
CMC	Composite Manufacturing Campus	T3	Terminal #3 Concrete Cargo Pier
CPI	Consumer Price Index	T4	Terminal #4 Timber Dock Oak Street
CRTC	Composite Recycling Technology Center	T5	Terminal #5 Old M&R Pier
CSO	Combined Sewer Overflow	T6	Terminal #6 Barge Berth Pier
DOT	Department of Transportation	T7	Terminal #7 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		
KPly	Site of PenPly location		
LOB	Line of Business		
LY	Log Yard		
MM	Mechanical Maintenance		
MT	Marine Terminal		
MTA	Marine Trades Area		
MTIB	Multi-Tenant Industrial Building		
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

Commissioner's Resolution No.

21-1243

A RESOLUTION ADOPTING FINAL BUDGET FOR 2022

WHEREAS, the preliminary budget of the Port of Port Angeles was prepared and filed on the 22nd day of October 2021; and

WHEREAS, in accordance with R.C.W. 53.35.045 a public hearing was held on November 9th, 2021; and


WHEREAS, the preliminary budget was adopted as the final budget on the 16th day of November 2021.


NOW, THEREFORE BE IT RESOLVED, that the budget herein is the Final Budget of the Port of Port Angeles for the calendar year 2022.


	2022 BUDGET
Cash Balance Jan 1, 2022	\$ 15,720,948
Sources of Cash	
Revenues - Operating	10,099,486
Revenues - Non-Operating	424,560
Property Tax Levy	1,638,718
Grants for Capital Projects	6,679,000
Loan Proceeds	965,005
Total Sources	19,806,769
Uses of Cash	
Expenses - Operating	8,344,641
Expenses - Non-Operating	550,470
Debt Service (Principal & Interest)	458,934
Capital Projects	11,191,000
Total Uses	20,545,045
Cash Balance Dec 31, 2022	\$ 14,982,672
Increase (Decrease) in Cash during year	\$ (738,276)
RCW 53.36.120 & 53.36.130 Specific Budget Items	
Promotional Hosting	\$ 11,200

ADOPTED by the Port Commission of the Port of Port Angeles, at a Commission meeting thereof held this 16th day of November 2021.

PORT OF PORT ANGELES
BOARD OF COMMISSIONERS


Steven D. Burke, President


Colleen M. McAlear, Vice-President


Connie L. Beaulvais, Secretary

*END OF 2022 BUDGET
PORT OF PORT ANGELES*

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