



2020 BUDGET

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Port of Port Angeles
2020 Budget Summary

<u>Operations</u>	Marine Trades,				Total
	Log Yard & Marine Term	PABH & JWM Marinas	Rental Prop	FIA & Sekiu Airports	
Revenues	3,348,165	3,124,511	1,994,332	370,545	8,837,553
Direct Expenses	(2,959,820)	(1,637,157)	(1,145,908)	(712,446)	(6,455,331)
Overhead Support	(1,284,033)	(584,109)	(721,209)	(292,871)	(2,882,222)
Op Surplus (Deficit) before Depreciation	(895,688)	903,245	127,215	(634,772)	(500,000)
Less Depreciation	(920,851)	(411,243)	(604,332)	(539,889)	(2,476,315)
Op Surplus (Deficit)	(1,816,539)	492,002	(477,117)	(1,174,661)	(2,976,315)
Non-Operating Items					
				Property Tax Revenue	1,569,883
				Capital Grant Income	958,500
				Timber/Other Tax Revenue	144,000
				Interest Expense	(252,939)
				Interest Earnings	306,700
				Net other Non-Op Items	(249,544)
				Total Non-Operating	2,476,600
				Total Net Surplus (Deficit)	(499,715)

Cash Flow / Fund Analysis

	General Fund	Capital Fund	Total Port Funds
Beginning Balance	9,337,553	7,727,743	17,065,296
Cash Flow from Operations	(500,000)	-	(500,000)
Net Non-Op Cash flow	215,856	-	215,856
Capital Grant Revenue	-	958,500	958,500
Property Tax Revenue	-	1,569,883	1,569,883
Debt Service Payments	-	(742,431)	(742,431)
2020 Projected Cash Flow from Total Port Operations	(284,144)	1,785,952	1,501,808
<i>(Excluding Capital Expenditures)</i>			
Less 2020 Capital Expenditures	-	(2,807,000)	(2,807,000)
Transfer excess of 1/2-yr op expenses	(4,291,409)	4,291,409	-
Projected Ending Balance	4,762,000	10,998,104	15,760,104
Change in Total Port Fund Balance			(1,305,192)



COMMISSIONER COLLEEN M. MCALEER (District 1)

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

In Colleen's full-time capacity, she serves as the Executive Director of the Clallam County Economic Development Council. Prior to her current position, her full-time role was serving as the President of the Washington Business Alliance, a statewide business organization focused on advocating for more effective government through a business lens. As President, she led a team of professional experts to manage the business non-profit, its communications, government affairs and organizational development with members and partner organizations.

Prior to her position at the Business Alliance Colleen served on the Port of Port Angeles staff where she served initially as the Port's Marketing and Property Manager and then later as the Director of Business Development. During this time, she became deeply familiar with the operations of the Port and the business opportunities that exist for Clallam County. With state and community partners, Colleen spearheaded what became the Composites Recycling Technology Center Advanced Composites Center. This brought Clallam County into the state and national spotlight as a proactive community partner supporting advanced composite technologies and innovative manufacturing processes.

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

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

Education & Military Service:

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

Colleen has two terrific boys, Jack and Nicholas. Both boys are attending college studying electrical engineering. Jack is a senior attending California State Polytechnic University, Pomona and Nicholas is a freshman attending Gonzaga University on a full Army ROTC scholarship.

COMMISSIONER STEVEN D. BURKE (District 2)

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



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

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

COMMISSIONER CONNIE L. BEAUVAIS (District 3)



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

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

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

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

EXECUTIVE DIRECTOR KAREN F. GOSCHEN



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

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

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

BOARD OF PORT COMMISSIONERS

CONNIE L. BEAUVAIS, PRESIDENT

Term Expires 2023

STEVEN D. BURKE, VICE PRESIDENT

Term Expires 2021

COLLEEN M. MCALEER, SECRETARY

Term Expires 2021

PORT MANAGEMENT STAFF

Executive Director.....KAREN F. GOSCHEN
Port Counsel In-house.....BRIAN P. WENDT
Director of Engineering.....CHRIS R. HARTMAN
Director of Property, Marinas & Airports.....JOHN B. NUTTER
Director of Finance & Administration.....Open until filled
Maritime ManagerMICHAEL V. NIMMO
Public Works & Operations Manager.....CHRISTOPHER L. RASMUSSEN
Environmental Manager.....JESSE W. WAKNITZ
Airport Manager..... DANIEL E. GASE
Real Estate Administrator.....SUSAN SCOTT
Executive Assistant/Clerk to the Board.....BRAEDI BROWN
Finance Manager.....TRISHA L. MILLER
Accounting Manager.....DIANE C. BARTH

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SECTION I

INTRODUCTION

2020 BUDGET MESSAGE

DATE: November 6, 2019
TO: Board Of Port Commissioners, Port Of Port Angeles
FROM: Karen F. Goschen, Executive Director

We are pleased to submit to the Board this 2020 Budget for the Port of Port Angeles. The budget is an important planning document and includes both an operations budget and a capital project budget. The operations budget estimates our revenues and expenses for the coming year based on our line of business activities. The capital project budget provides for investments in maintaining our current facilities and building new infrastructure for 2020, as well as our best estimate of projects over the next five years.

2020 Strategic Plan Priorities are determined by the Commission and the budgets have been prepared to support the following priorities:

- expand maritime commerce through the development of the Marine Trades Industrial Park and additional acres of industrial zoned waterfront properties.
- establish and maintain sustainable air service at Fairchild International Airport. Secure TSA service if available.
- promote innovative value-added wood products manufacturing while working to achieve a reliable and sustainable timber harvest
- market and leverage the Composite Recycling Technology Center (CRTC) to bring composite companies, research and investment dollars to Clallam County
- actively market Port properties to move toward 90% occupancy of Port owned buildings.

2020 Economic Conditions remain uncertain and the budget assumes a \$2.2 million decrease in operating revenues compared to the 2019 budget. This is primarily due to a decrease in log exports as a result of the continuation of China tariffs and a decline in the domestic timber markets related to mill closures and reduced private timber harvests. This decline was also reflected in the 2019 projected year end. The United States' ongoing trade war with China continues to negatively impact exporters and consumers throughout Washington and the rest of the nation. We were fortunate to have a strong log export market from 2014 through 2018 which added to our reserves. Since the Port has healthy reserves, the budget reflects a measured approach to reducing expenses in 2020. The Log Yard staff will be gradually reduced by two positions saving \$125k. The Port's long-time Maritime & Operations Manager will be transitioning out of operations and into a half-time Business Development position for 3 to 6 months to focus on MTIP. His operating responsibilities will be absorbed by existing staff instead of replacing his position. Consulting, training, and travel expenses have been reduced by \$245k compared to an ideal budget. We will be prepared to further adjust course if necessary.

2020 Budget Development Goal was to strive for a balanced cash flow budget from operations, and if practical, to set aside some reserves for future capital replacement. The Port needs to dredge its cargo terminal, which has not been done for 40 years. It is expensive but cannot be capitalized because the Port does not own the land (they are the aquatic lands of the state). The cash flow from business operations, which includes the \$1 million dredging cost, is a negative <\$.5> million. The cash flow from total Port operations (which includes non-operating activity such as taxes, grants, interest, debt service, legacy environmental, etc.) is \$1.5 million. The budget includes the 1% increase in property tax levy that is allowed by statute.

2020 BUDGET MESSAGE (continued)

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

2020 Operating Revenues are budgeted at \$8.84 million, slightly higher than 2019 projected year-end of \$8.60 million. 2019 projected year-end was <\$2.5> million or <22%> under budget primarily due to the negative impact of trade tariffs by China. Marine terminal revenue reflects lower log exports, lower tanker days, and increased chip barges. Log Yard revenue is lower due to tariffs and other market conditions. Marine Trades reflects increased revenue associated with the new washdown facility. Marina revenue reflects the continuation of gradual planned market adjustments for moorage rates. Airport revenue reflects higher revenue for the terminal and a large hangar rental. Airport Rental property reflects market rate adjustments but limited rents for a large manufacturing building vacated in early 2019 that will be difficult to lease.

2020 Operating Expenses before depreciation are budgeted at \$9.34 million, which is significantly higher than 2019 projected year-end, primarily due to \$1 million in dredging for the Port's cargo terminal. Cost of living increases for staff are budgeted at 2.5% per our standard index. Some unusual or infrequent outside services expenses include \$50k broker fees for the 1010-1050 building; \$85k broadband study offset by a \$50k CERB grant and \$25k partner contributions; \$50k runway approach/obstruction tree removal to maintain a safe runway approach path. Property insurance premiums increased \$70k or 24% due to the largest insured losses in recorded history, both domestically and globally due to catastrophic natural disasters. The operating contingency was reduced from \$150k to \$104k.

2020 Non-Operating budget includes \$1.57 million in property tax receipts (includes the 1% increase) to be used for \$742,431 in debt service (principal and interest payments), \$70,000 in Small Community Partner Program and the remainder will go towards capital projects. Investment income and other taxes are budgeted lower due to changing markets. There are no special revenue or expense items budgeted. Capital grants of \$.96 million are included.

2020 Capital Budget is not as ambitious as prior years. The long-term goal of the capital budget is to provide a balance between maintenance of existing infrastructure and building new infrastructure to expand economic opportunities. Over the long term, maintenance capital projects should approximate annual depreciation of \$2.5 million. The maintenance capital budget is \$2.83 million, which includes the \$1 million dredging project and \$.75 million in grant funding primarily for the airport runway rehab design work and some funding towards the replacement of the PABH fuel float. Other maintenance projects include building upgrades and starting the cofferdam rehab project. The new capital project budget is \$1 million, which includes \$.2 million in grant funding for log yard stormwater design and boat launch surveillance. Other new capital projects include airport sewer extension to support hangar expansion, CMC industrial park gate, new oversize hangar door, PABH entrance sign, boat yard portable workspace, and a few other small projects.

2020 Total Port Fund Balance is budgeted at \$15.8 million. This is a decrease of \$1.3 million based on \$1.5 million total cash flow from Port activity less \$2.8 million in capital expenditures. Within the total Port Fund balance, the Capital Fund balance will increase, and the General Fund balance will decrease due to a fund reserve policy change. The Port Commission decided to reduce the General Fund operating reserves from 12 months budgeted expenses to six months budgeted expenses. The excess General Funds will be transferred to the Capital Fund.

2020 BUDGET MESSAGE (continued)

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

2020 Debt Outstanding is \$6.2 million and the Non-Voted Debt Availability is \$18.2 million for a Total Non-Voted Debt Capacity of \$24.4 million. In 2019 the debt increased by \$765k due to a CERB Loan for the construction of the Marine Trades Area Washdown Facility. Additional debt is not anticipated for 2020. Property taxes in excess of debt payments and the Community Partner Program is \$757k. Depending on interest rates and bond terms, plus using banked capacity, the excess property taxes could support \$7 million to \$14 million of additional long-term debt.

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



Port of Port Angeles

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STRATEGIC PLAN

Our Mission

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

Our Vision

“A Prosperous Clallam County.”

Our Targets: Five in Five Years

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

Our Goals & Initiatives

- 1. Aggressively market the Port and invest in strategic infrastructure to foster living wage jobs**
 - 1.1. Expand maritime commerce through the development of the Marine Trades industrial park and additional acres of industrial zoned waterfront properties.
 - 1.2. Promote innovative value-added wood products manufacturing while working to achieve a reliable and sustainable timber harvest.
 - 1.3. Market and leverage the Composite Recycling Technology Center (CRTC) to bring composite companies, research and investment dollars to Clallam County.
 - 1.4. Establish and maintain sustainable air service at Fairchild International Airport. Secure TSA service if available.
 - 1.5. Develop 25 acres of industrial airport property.

2. Assure Sound Financial and Economic Return on Port Assets

- 2.1. Annually generate a positive cash flow.
- 2.2. Actively market available Port properties and move towards 90% occupancy in Port owned buildings.
- 2.3. Preserve and create asset value through strategic investments.
- 2.4. Leverage Port resources to attract public and private capital.

3. Improve Environmental Performance

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

4. Enhance Stakeholder Engagement and Outreach Efforts

- 4.1. Provide excellent customer service.
- 4.2. Foster partnerships with other public agencies in furtherance of economic development.
- 4.3. Engage citizens in Port activities.
- 4.4. Collaborate with regional partners to advocate and advance the development and retention of a diversified and skilled workforce within the County.

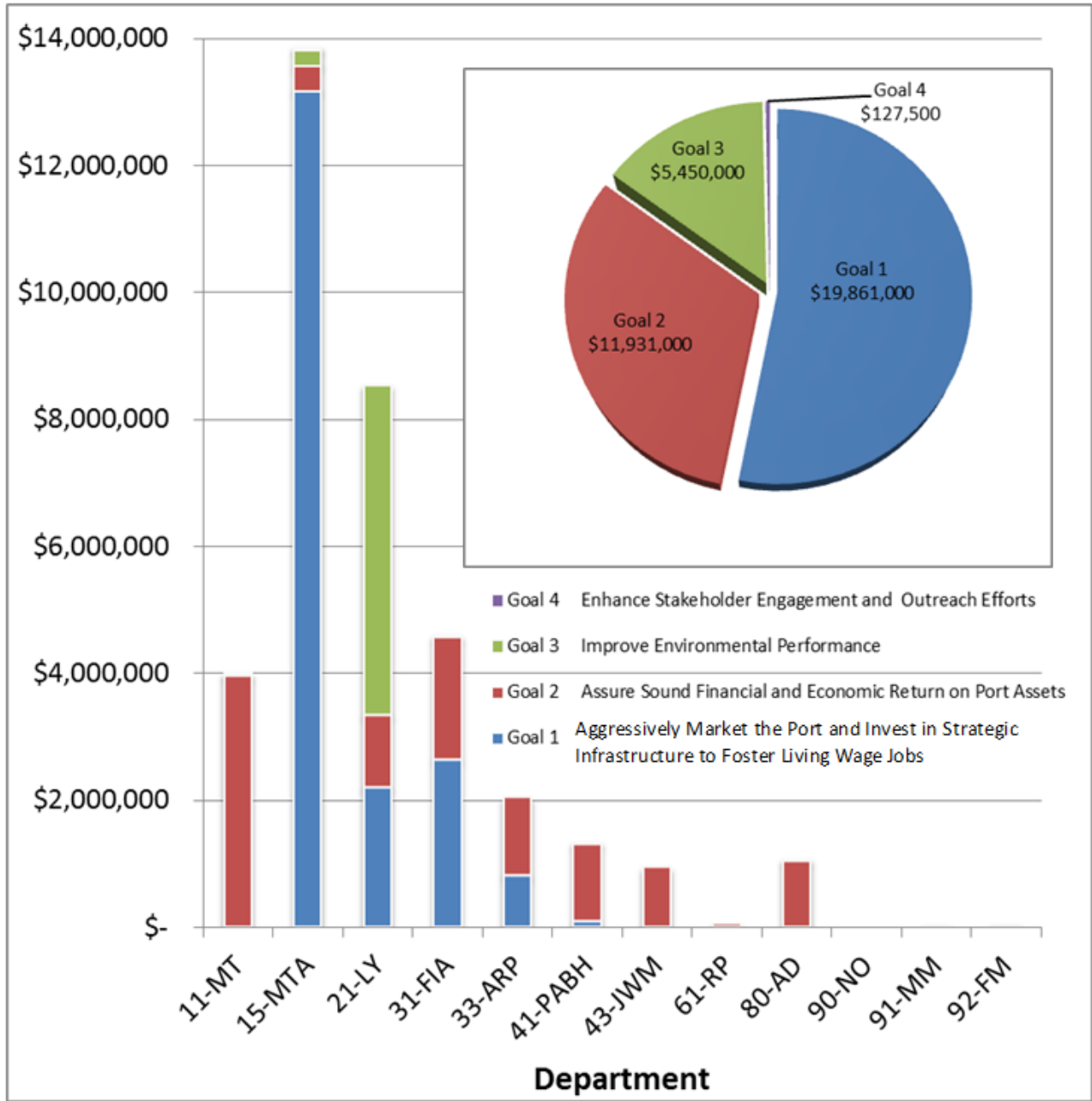
Port of Port Angeles 2020 Action Plan

The following strategic plan items have been identified as priority action items for 2020:

- Expand maritime commerce through the development of the Marine Trades Industrial Park and additional acres of industrial zoned waterfront properties.
- Establish and maintain sustainable air service at Fairchild International Airport. Secure TSA service if available.
- Promote innovative value-added wood products manufacturing while working to achieve a reliable and sustainable timber harvest.
- Market and leverage the Composite Recycling Technology Center (CRTC) to bring composite companies, research and investment dollars to Clallam County.
- Actively market available Port properties to move toward 90% occupancy of Port owned buildings.

5 Year Capital Improvement Plan

2019-2023 CAPITAL EXPEDITURES BY STRATEGIC GOAL AND DEPARTMENT

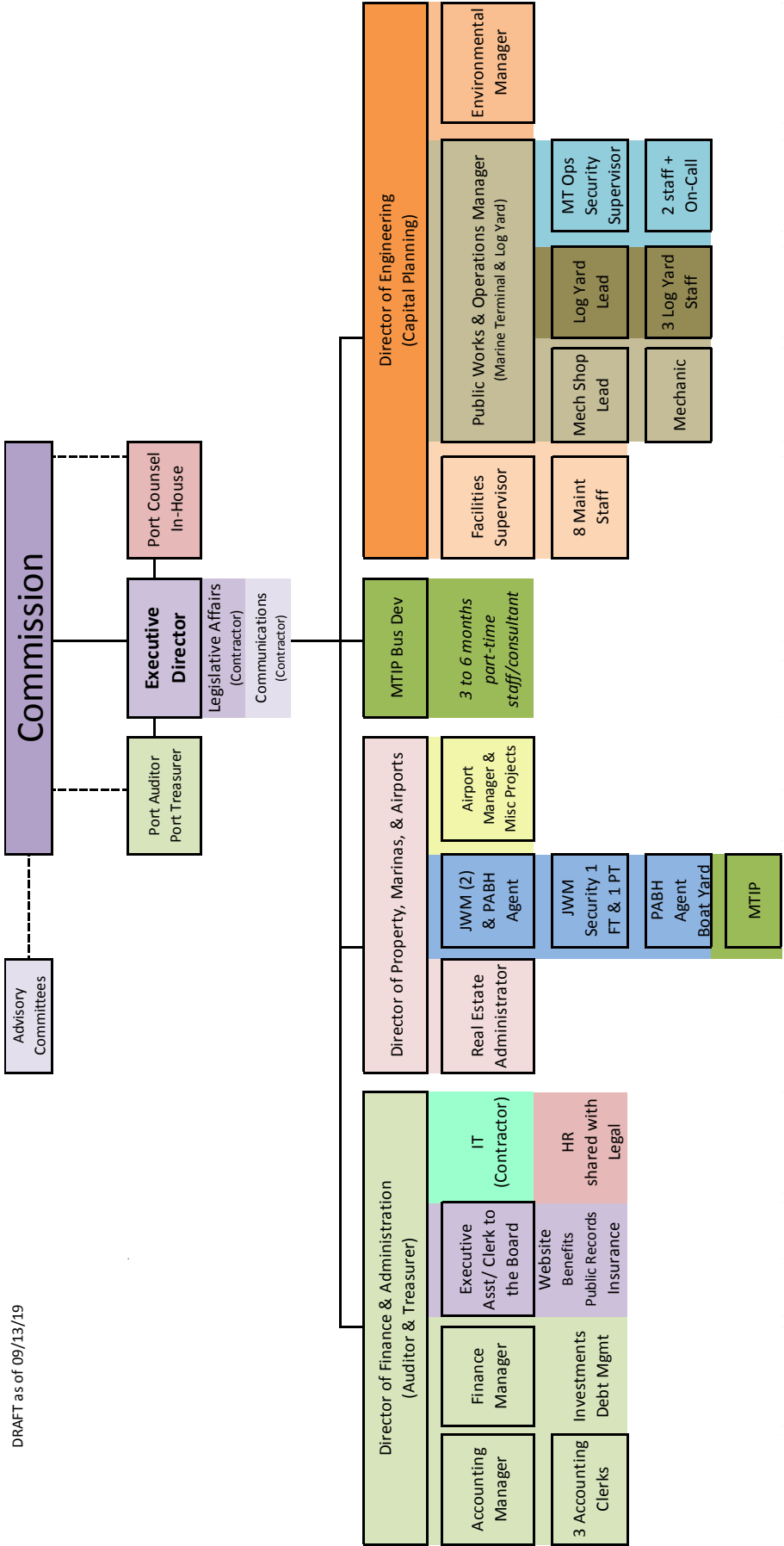


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SECTION II

PERSONNEL SUMMARY



DRAFT as of 09/13/19

PORT OF PORT ANGELES PERSONNEL SUMMARY

All Departments - Actual & Budgeted Employees

		2014	2015	2016	2017	2018	2019	2019	2020	2020
		Actual	Actual	Actual	Actual	Actual	Budget	Projected	Budget	Budget
Department		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	5.68	5.83	5.25	(0.43)
MTA	Marine Trades Area <i>(Formerly Boat Yard & Travel Lift Pier)</i>	0.45	1.00	0.94	0.85	1.30	1.28	1.43	1.00	(0.28)
LY	Log Yard	6.38	6.00	6.59	7.87	7.94	6.77	6.93	4.90	(1.87)
FIA	William R. Fairchild Int'l Airport	2.66	2.50	2.38	2.99	2.15	1.59	1.60	1.85	0.26
ARP	Airport Rental Properties	0.32	1.50	1.41	0.63	1.40	1.44	1.42	1.65	0.21
SEK	Seki Airport	0.05	0.05	0.03	0.05	0.05	0.05	0.05	0.05	-
PABH	Port Angeles Boat Haven	0.80	0.75	0.74	0.81	0.82	1.04	1.03	1.15	0.11
JWM	John Wayne Marina <i>(Includes PT & FT Security)</i>	3.14	4.05	3.89	4.47	4.55	4.83	4.83	4.73	(0.10)
RP	Rental Properties	1.18	1.00	0.72	1.84	0.60	0.51	0.53	0.55	0.04
A&G	Administration & General <i>(Includes PT & FT Security)</i>	11.03	10.77	10.26	8.39	9.32	9.61	8.78	9.40	(0.21)
BD	Business (Economic) Development	0.40	1.00	0.73	0.24	0.45	0.65	0.85	0.50	(0.15)
MM	Mechanical Maintenance	2.30	2.07	2.13	2.27	2.24	2.22	2.23	2.25	0.03
FM	Facilities Maintenance	7.05	7.73	7.96	6.92	8.81	8.70	8.12	9.17	0.47
NOP	Non-Operating	0.16	0.12	0.13	0.12	0.35	0.40	0.40	0.20	(0.20)
Total		41.84	44.44	43.21	43.60	45.88	44.77	44.03	42.65	(2.12)

Significant changes from 2019 Budget to 2020 Budget:

MT	Slight decrease due to less cargo ships resulting in less security hours; management changes with anticipated retirement
MTA	Decrease due to reallocating some staff time for Marine Trades Industrial Park to Business Development
LY	Decrease due to reduction in staff to reflect decreased activity
FIA	Slight increase reflects fluctuation in activity
ARP	Slight increase better reflects ongoing activity
SEK	Remains steady
PABH	Slight increase reflects additional oversight due to management changes
JWM	Slight decrease reflects fluctuation in activity
RP	Slight increase reflects fluctuation in activity
A&G	Slight decrease due to shifting of staff responsibilities
BD	Slight decrease due to staff changes
MM	Remains steady
FM	Increase due to less FM support needed for Log Yard
NOP	Decrease reflects less activity due to progress in legacy environmental sites

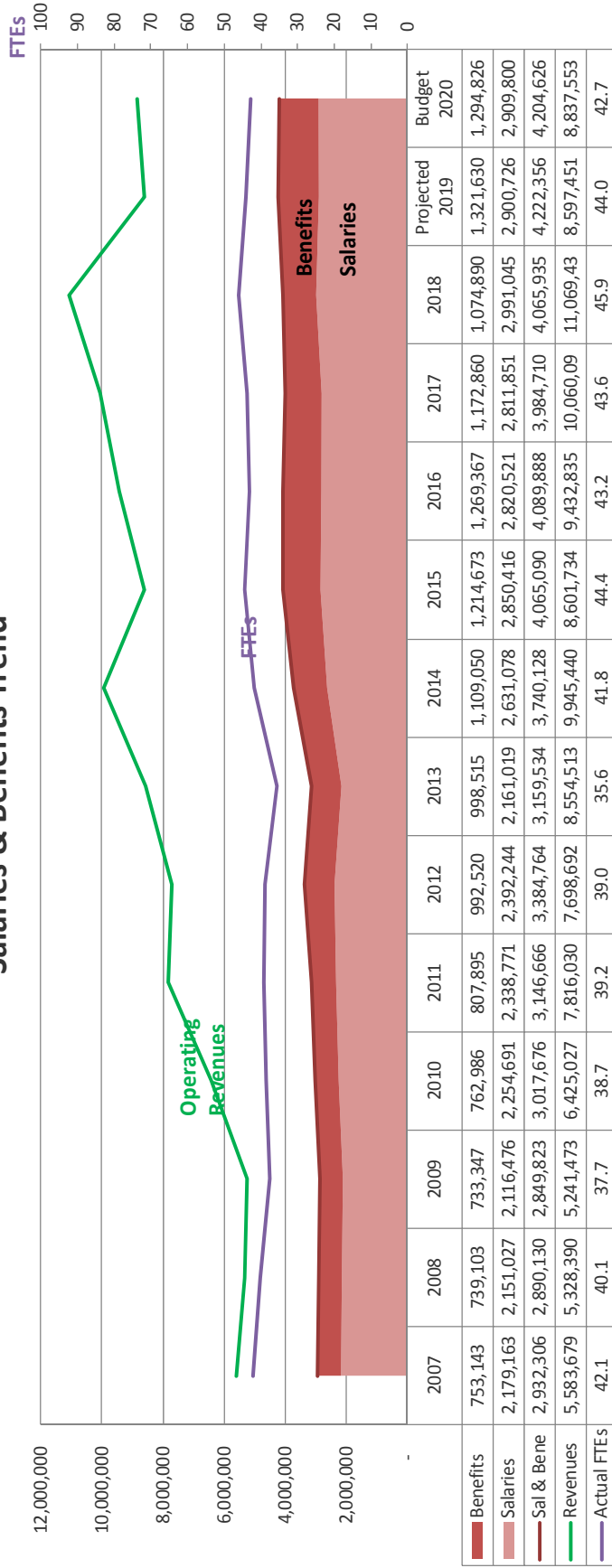
2020 Budget decreases are driven by continued economic uncertainty with trade tariffs imposed on logs originating in the U.S. The Log Yard will be reduced by approximately 2 FTE's as a result. Staff changes and anticipated retirements will result in reallocation of staff time across various departments. The marketing for the development of a new Marine Trades Industrial Park (in MTA) is reflected in Business Development since this is a major initiative beyond ongoing operations.

FTEs = Full time equivalent employees

FT = Full Time

PT = Part Time

2007 thru 2020 Operating Activity Salaries & Benefits Trend



Average Annual Growth

Operating Revenues	4.5%
Salaries	2.6%
Benefits	5.5%
Salaries & Benefits	3.3%
FTEs	0.1%

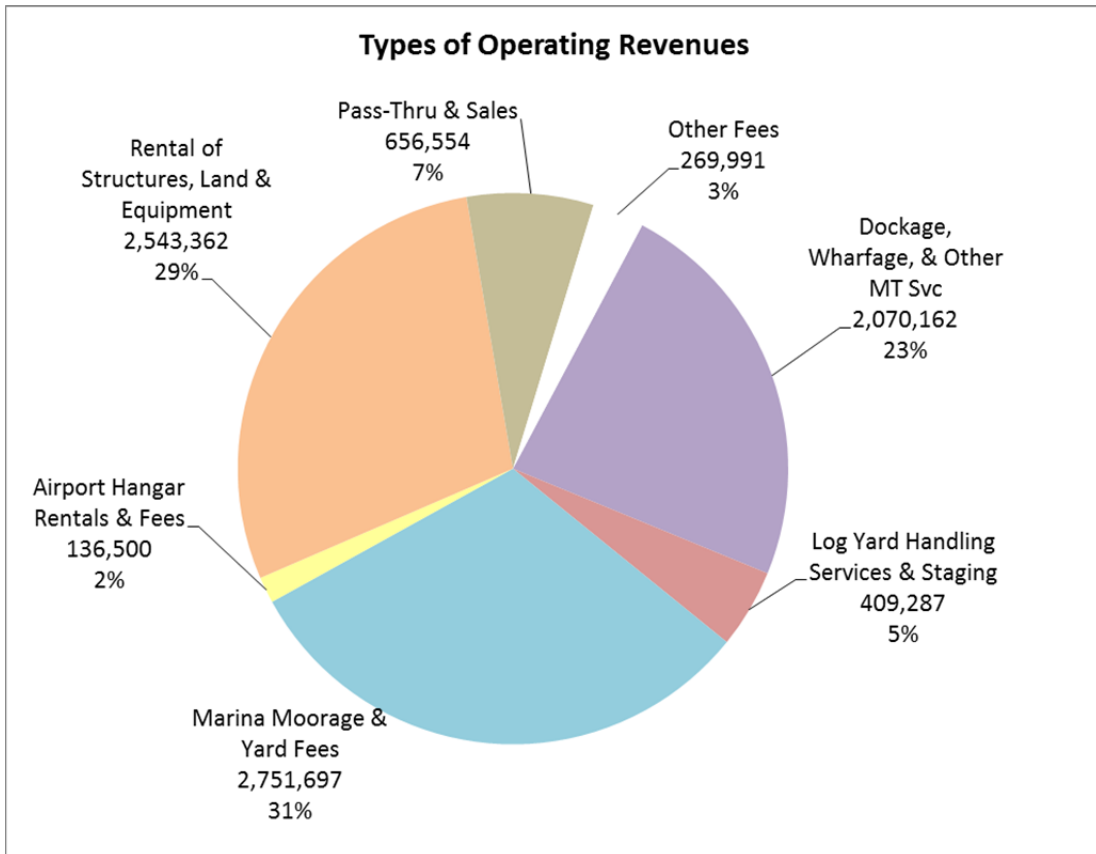
SECTION III

BUDGET OVERVIEW

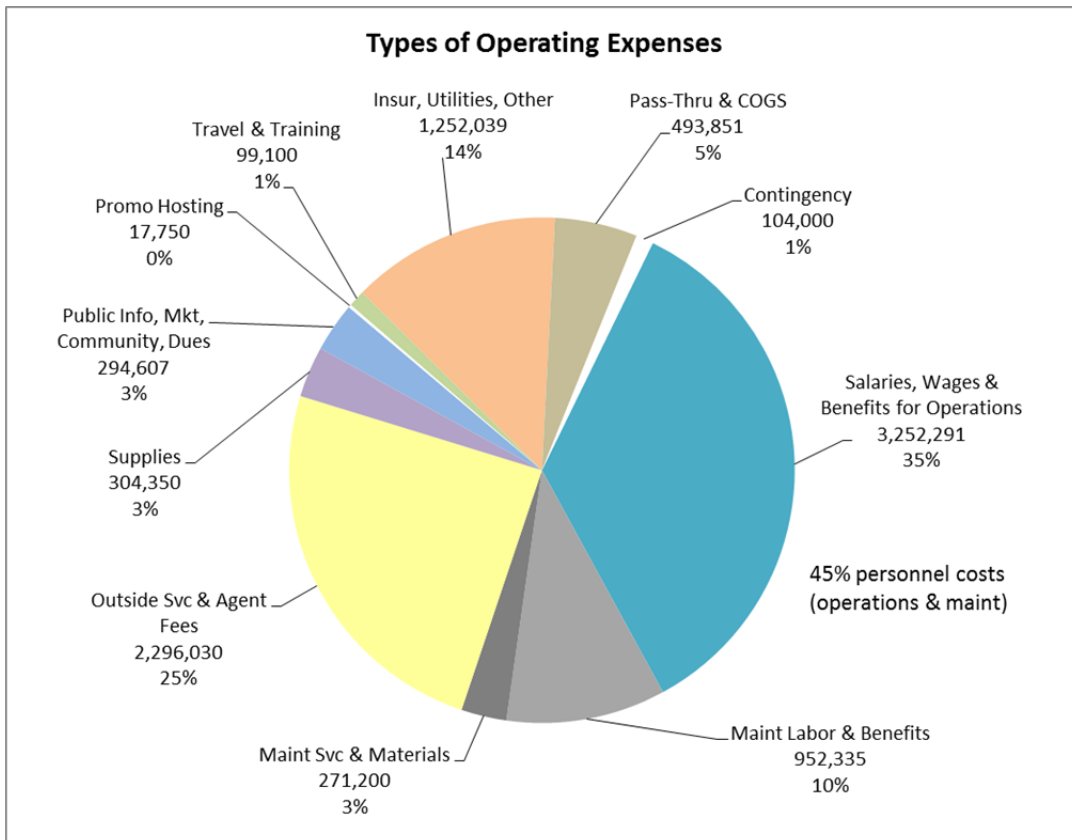
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FUND BALANCE

2020 - WHERE DOES THE MONEY COME FROM?



2020 - WHERE DOES THE MONEY GO?



Port of Port Angeles
Summary by Type of Revenues & Expenses
2020 Budget

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 BUDGET	2019 Proj Over/(Under) 2019 Budget	2020 Budget Over/(Under) 2019 Proj
OPERATING REVENUES								
DOCKAGE	1,213,266	1,153,036	1,308,082	1,342,754	757,147	811,074	(585,607)	53,927
WHARFAGE	919,810	1,018,672	1,061,311	1,013,179	499,044	520,640	(514,135)	21,596
SERVICE & FACILITIES	539,137	615,374	593,138	639,389	282,060	325,052	(357,329)	42,992
LOADING & UNLOADING	0	0	0	0	0	0	-	0
MT HANDLING	0	14,025	162,526	202,200	195,005	230,000	(7,195)	34,995
LABOR SERVICES	180,947	178,416	283,979	264,305	186,302	183,396	(78,003)	(2,906)
LOG YARD STAGING	37,178	25,666	71,694	46,779	50,100	18,712	3,321	(31,388)
LOG YARD LAND SERVICES	1,279,681	1,419,622	1,556,546	1,377,966	550,000	306,872	(827,966)	(243,128)
LOG YARD WATER SERVICES	118,994	79,201	65,382	220,985	78,021	83,703	(142,964)	5,682
MOORAGE	1,942,984	2,030,458	2,114,058	2,227,111	2,321,498	2,449,181	94,387	127,683
MARINA & YARD FEES	246,205	253,948	277,481	275,021	293,444	302,516	18,423	9,072
LANDING/PARKING FEES	6,709	6,864	6,949	7,500	7,500	7,500	-	0
HANGAR/TIE DOWN	100,866	111,289	135,131	122,000	120,000	129,000	(2,000)	9,000
STORAGE	0	0	0	0	0	0	-	0
OTHER USER FEES	23,042	45,994	86,099	74,366	187,998	198,241	113,632	10,243
EQUIPMENT RENTAL	343,886	438,624	408,403	437,871	284,809	294,767	(153,062)	9,958
LAND LEASE/RENT	561,029	593,053	598,887	623,150	635,266	630,526	12,116	(4,740)
STRUCTURE LEASE/RENT	1,307,992	1,473,186	1,546,329	1,370,444	1,401,793	1,521,679	31,349	119,886
USE AGMT AND OTHER RENT	46,773	47,393	47,596	61,902	70,200	96,390	8,298	26,190
UTILITY PASS THRU & PRODUCT SALES	495,961	548,431	716,604	639,013	604,728	656,554	(34,285)	51,826
MISC & INTERDEPT REVENUE	68,375	6,842	29,243	110,445	72,536	71,750	(37,909)	(786)
TOTAL OPERATING REVENUES	9,432,835	10,060,095	11,069,438	11,056,379	8,597,451	8,837,553	(2,458,928)	240,102
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	3,294,986	3,187,901	3,254,285	3,631,436	3,389,225	3,252,291	(242,211)	(136,934)
SUPPLIES	321,670	349,637	421,281	380,209	293,523	304,350	(86,686)	10,827
OUTSIDE SERVICES	1,579,495	1,895,976	1,305,032	2,988,210	1,358,460	2,296,030	(1,629,750)	937,570
PUBLIC INFORMATION	50,712	114,112	163,689	153,764	172,960	171,800	19,196	(1,160)
MARKETING	31,168	29,840	31,741	37,200	35,634	52,000	(1,566)	16,366
COMMUNITY RELATIONS	4,484	3,144	11,982	10,000	24,800	25,101	14,800	301
ADS, DUES & PUBLICATIONS	43,808	39,017	35,087	45,069	38,714	45,706	(6,355)	6,992
TRAVEL MEETINGS	30,126	50,592	56,994	65,600	60,044	52,450	(5,556)	(7,594)
TRAINING/TRAVEL	60,911	46,060	39,968	64,080	48,850	46,650	(15,230)	(2,200)
PROMOTIONAL HOSTING	7,926	10,240	5,584	19,750	13,494	17,750	(6,256)	4,256
RENT, UTILITIES, INSURANCE, TAXES	909,891	963,710	1,003,783	1,027,942	1,114,722	1,160,586	86,780	45,864
UTILITY (Pass Thru) & COST OF GOODS SOLD	378,402	453,294	548,874	508,786	481,317	493,851	(27,469)	12,534
OTHER EXPENSES (Misc & Interdept)	38,448	90,740	161,409	83,203	84,750	91,453	1,547	6,703
CONTINGENCY	0	0	494	150,000	0	104,000	(150,000)	104,000
MAINT LABOR, BENEFITS & INTER-DEPT	794,902	796,809	812,010	927,508	833,131	952,335	(94,377)	119,204
MAINTENANCE (Materials & Services)	300,762	353,523	346,921	337,000	267,982	271,200	(69,018)	3,218
TOTAL DIRECT EXPENSES	7,847,691	8,384,597	8,199,135	10,429,756	8,217,606	9,337,553	(2,306,528)	1,119,947
ALLOCATED EXPENSES - ADMIN & MAINT	(0)	0	(0)	0	0	(0)	(0)	(0)
NET SURPLUS (DEFICIT) - Before Depreciation	1,585,145	1,675,497	2,870,304	626,622	379,845	(500,000)	(152,400)	(879,844)
ALLOCATED DEPRECIATION	(0)	(0)	(0)	0	0	0	0	(0)
DEPRECIATION	2,229,745	2,479,588	2,624,637	2,523,354	2,428,075	2,476,315	(95,279)	48,240
NET SURPLUS (DEFICIT) - After Depreciation	(644,600)	(804,091)	245,667	(1,896,732)	(2,048,230)	(2,976,315)	(57,121)	(928,084)
NON-OP (GENERAL)								
NON-OP REV (General)	2,134,327	474,143	545,946	596,711	975,550	479,814	378,839	(495,736)
NON-OP EXP (General)	(1,194,693)	107,500	222,092	433,594	(1,331,421)	278,658	(1,765,015)	1,610,079
NON-OP (General) SURPLUS (DEFICIT)	3,329,020	366,643	323,854	163,117	2,306,971	201,156	2,143,854	(2,105,815)
NON-OP (CAPITAL)								
NON-OP REV (Capital)	6,531,004	2,306,238	1,610,591	1,873,216	1,633,935	2,528,383	(239,281)	894,448
NON-OP EXP (Capital)	292,071	287,044	276,023	263,994	263,994	252,939	0	(11,055)
NON-OP (Capital) SURPLUS (DEFICIT)	6,238,933	2,019,194	1,334,567	1,609,222	1,369,941	2,275,444	(239,281)	905,503
NET NON-OP SURPLUS (DEFICIT)	9,567,953	2,385,837	1,658,422	1,772,339	3,676,912	2,476,600	1,904,573	(1,200,312)
TOTAL NET SURPLUS (DEFICIT)	8,923,354	1,581,746	1,904,088	(124,393)	1,628,682	(499,715)	1,847,453	(2,128,397)

CASH BASED FUND BALANCE

(Approximates Cash Flow)

Projected 2019	DESIGNATED FUNDING	GENERAL FUND	CAPITAL IMPR.	G.O. DEBT SERVICE	TOTAL FUNDS
CASH BALANCE, JANUARY 1, 2019					
Operating Cash		1,862,119			
Investment Fund Balance		8,747,636	5,166,741	0	
Beginning Balance		10,609,756	5,166,741	0	15,776,497
PROJECTED GENERAL FUND ENDING BALANCE					
Operating Revenues		8,597,451			
1 Operating Expenses before Depreciation		(8,217,606)			
Operating Surplus (Deficit) before Depreciation		379,845			379,845
Beginning General Fund Balance + Op Surplus		10,989,601			
2 Net Non-Operating General Surplus (Deficit)		2,306,971			2,306,971
Projected General Fund Ending Balance		13,296,572			
GENERAL FUND TARGET FUND BALANCE					
Next Year Operating Expense Budget		9,337,553			
Projected Ending Balance over (under) Target Balance		3,959,019			
3 TRANSFER EXCESS GENERAL FUNDS TO CAPITAL FUND		(3,959,019)	3,959,019		0
Capital Fund is "approximately" reimbursing General Fund for:					
Community Partner Program	70,000				
New Bond Issue Proceeds				0	
General Property Tax Levy				1,530,216	
Less: Debt Service (Principal & Interest)				(693,009)	
Excess Property Tax Levy				837,207	837,207
TRANSFER EXCESS TAX LEVY TO CAPITAL FUND			837,207	(837,207)	0
Capital Grants			103,719		103,719
4 Less: Capital Project Expenses (before grant funding)			(2,338,943)		(2,338,943)
CASH BALANCE, DECEMBER 31, 2019		9,337,553	7,727,743	0	17,065,296
Budget 2020					
	DESIGNATED FUNDING	GENERAL FUND	CAPITAL IMPR.	G.O. DEBT SERVICE	TOTAL FUNDS
CASH BALANCE, JANUARY 1, 2020					
		9,337,553	7,727,743	0	17,065,296
PROJECTED GENERAL FUND ENDING BALANCE					
Operating Revenues		8,837,553			
1 Operating Expenses before Depreciation		(9,337,553)			
Operating Surplus (Deficit) before Depreciation		(500,000)			(500,000)
Beginning General Fund Balance - Op Surplus (Deficit)		8,837,553			
2 Net Non-Operating General Surplus (Deficit)		215,856			215,856
Projected General Fund Ending Balance		9,053,409			
GENERAL FUND TARGET FUND BALANCE					
6 Months of Next Year Operating Budget (budget year plus 2%)		4,762,000			
Projected Ending Balance over (under) Target Balance		4,291,409			
3 TRANSFER EXCESS GENERAL FUNDS TO CAPITAL FUND		(4,291,409)	4,291,409		0
Capital Fund support for Economic Development					
- Community Partner Program	70,000				
New Bond Issue Proceeds				0	
General Property Tax Levy				1,569,883	
Less: Debt Service (Principal & Interest)				(742,431)	
Excess Property Tax Levy				827,452	827,452
TRANSFER EXCESS TAX LEVY TO CAPITAL FUND			827,452	(827,452)	0
Capital Grants			958,500		958,500
4 Less: Capital Project Expenses			(2,807,000)		(2,807,000)
CASH BALANCE, DECEMBER 31, 2020		4,762,000	10,998,104	0	15,760,104

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

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

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

(Approximates Cash Flow)

	2020	2021	2022	2023	2024
GENERAL FUND					
Beginning Fund Balance	9,337,553	4,762,000	4,857,240	4,954,385	5,053,472
Op Surplus/(Deficit) (before Depreciation)	(500,000)	500,000	500,000	500,000	500,000
Net Non-Operating Surplus (before grant funds)	215,856	300,000	300,000	300,000	300,000
Non-Operating Unidentified Grants	-	698,000	17,000,000	1,800,000	1,950,000
Projected Ending Fund Balance	9,053,409	5,562,000	5,657,240	5,754,385	5,853,472
TRANSFER EXCESS TO CAPITAL FUND	(4,291,409)	(704,760)	(702,855)	(700,912)	(698,931)
Estimated Ending Fund Balance	4,762,000	4,857,240	4,954,385	5,053,472	5,154,542
Explanation of Reserves					
General Reserve for Adverse Conditions & to obtain strong bond rating					
Res 19-1203: 6 Mos Next Yr Op Budget (2% increase)	4,762,000	4,857,240	4,954,385	5,053,472	5,154,542
Includes Self-insurance reserves	7,500	7,500	7,500	7,500	7,500 ¹
Target Reserve Balance	4,762,000	4,857,240	4,954,385	5,053,472	5,154,542
Estimated Over (Under) Target	-	-	-	-	-

¹ Unemployment.

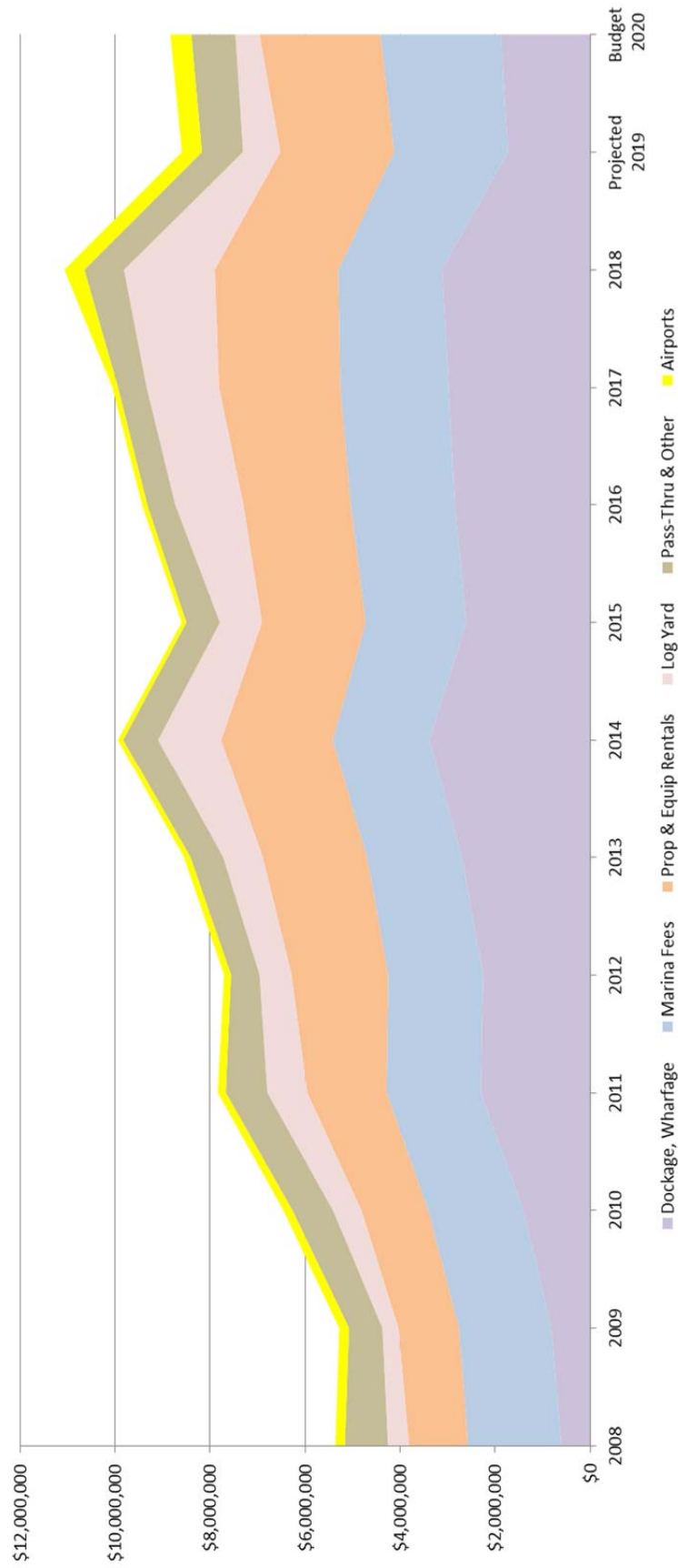
	2020	2021	2022	2023	2024
CAPITAL IMPROVEMENT FUND					
Beginning Fund Balance	7,727,743	10,998,104	6,838,387	(7,107,784)	(13,914,584)
Transfer from General Fund	4,291,409	704,760	702,855	700,912	698,931
Transfer from Debt Service Fund	827,452	861,023	875,974	892,288	908,827
Capital Grants for Committed Projects	958,500	-	-	-	-
Unidentified Capital Grants	-	698,000	20,000,000	1,800,000	1,950,000
Funds Available for Capital Projects	13,805,104	13,261,887	28,417,216	(3,714,584)	(10,356,827)
Capital Projects per 5 Yr Capital Plan	(2,807,000)	(6,423,500)	(35,525,000)	(10,200,000)	(6,820,000)
Estimated Ending Fund Balance	10,998,104	6,838,387	(7,107,784)	(13,914,584)	(17,176,827)
			↑ Reduce Reserves and/or issue debt.		
Explanation of Reserves					
Environmental Liability GASB49	89,563	540,125	79,500	17,500	17,500 ²
Environmental Projects (non-capital) Reserves	550,000	550,000	550,000	500,000	500,000 ²
Emergency Repair or Unfortunate Event	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Job Creation Opportunity	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Target Capital Reserves	2,639,563	3,090,125	2,629,500	2,517,500	2,517,500
Estimated Over (Under) Target	8,358,541	3,748,262	(9,737,284)	(16,432,084)	(19,694,327)

² 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.

	2020	2021	2022	2023	2024
DEBT SERVICE FUND					
Beginning Fund Balance	-	-	-	-	-
Property Tax Levy: 1% in 2020-2024	1,569,883	1,585,582	1,601,438	1,617,452	1,633,627
Increase new Construction (\$83 mil) + Refunds	included above	15,000	15,000	15,000	15,000
Less: Debt Service	(742,431)	(739,559)	(740,464)	(740,164)	(739,800)
Projected Ending Fund Balance	827,452	861,023	875,974	892,288	908,827
TRANSFER EXCESS TO CAPITAL FUND	(827,452)	(861,023)	(875,974)	(892,288)	(908,827)
Estimated Ending Fund Balance	-	-	-	-	-
Explanation of Reserves					
Cushion for fluctuations in property taxes					
Target Reserve Balance	200,000	200,000	200,000	200,000	200,000
Estimated Over (Under) Target	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
New Debt using "Excess" Prop Tax (20 yr at 2.5%)	\$ 12,990,000	\$ 13,520,000	\$ 13,750,000	\$ 14,010,000	\$ 14,270,000

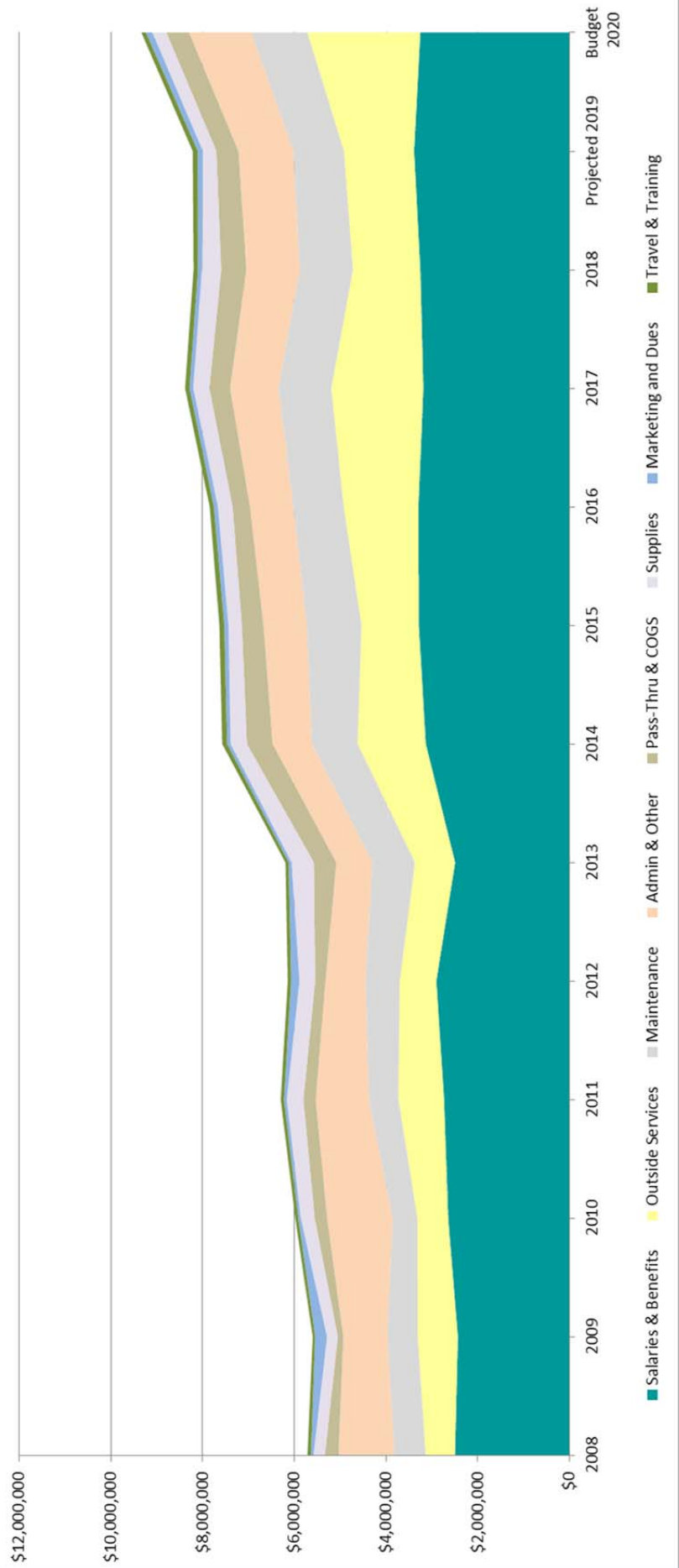
10-year Revenue Trend - by Revenue Type



Revenue Type - Descriptions

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

10-year Expense Trend - by Expense Type



Expense Type - Descriptions

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

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SECTION IV

OPERATING BUDGET

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2019 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 - 2019 Projected

1. Rates, fees and applicable leases were increased by not less than the 3.0% CPI, except as specifically identified. This is consistent with the 2019 budget assumptions.
2. Marine Terminal revenues are projected to be under budget around \$1.5 million. Cargo volume will be approximately 43.3 million board feet with 2 additional cargo vessels projected for Q3 & Q4 (8 total vessels projected). 2019 Budget was 84.0 million board feet at 14 vessels. Import tariffs on logs originating from the U.S continue to affect end of year volume and associated revenue. The CPI increase for wharfage, S&F and equipment rental charges were not implemented due to the significant impact of tariff increases on our customers.
3. Marine Terminal activity includes 5 additional tanker days through the end of year (total 35 days for 2019). 2019 Budget was 60 days. Vessels are going to dry-dock in Asia on a more frequent basis, resulting in less maintenance work occurring at Terminal 1 and other domestic shipyards. Higher oil production in the Alaska pipeline system has resulted in less out-of-service days for tankers that are keeping up with the demand for deliveries.
4. Marine Trades revenues are higher than budgeted due to general boat yard activity increase as well as revenues realized from the new wash down facility.
5. Log Yard activities and associated revenues are projected to be under budget around \$1.2 million. This is due to domestic mill closures (reducing barge volumes) and reduced export log handling as a result of trade tariffs imposed on logs originating from the U.S. The CPI increase for log handling services of 3% was implemented January 1, 2019 and rolled back to 2018 rates effective September 1, 2019, in an effort to lessen the significant negative impact of tariff increases and timber market conditions on our customers.
6. Airport revenues are slightly higher than budget due to new structure lease with medical emergency transport provider.
7. Lease revenue, across all departments, is projected to be slightly higher than budget but less than 2018.
8. Airport Rental Property is projected to be under budget due to one lease terminating early, partially offset by a new lease and a short carryover of the 1010-1050 building which was projected in the budget to be vacant all year.
9. Marina moorage revenues at PABH and JWM projected to be higher than budget primarily due to favorable recreational fishing opportunities.

2019 PROJECTED YEAR END - ASSUMPTIONS All Departments - continued

Expenses - 2019 Projected

1. Marine Terminal expenses are projected to be under budget around \$1.0 million because Terminal 3 dredging will be delayed until 2020. Permits have been obtained, but the process took longer than expected and the project could not get started within the in-water work window.
2. Marine Trades expenses are slightly under budget across a variety of line items.
3. Log Yard expenses such as supplies, supplemental FM labor and other expenses are projected to be under budget by around \$.5 million due to the decrease in overall activity.
4. Airport expenses are projected to be under budget because the FIA tree removal project was delayed after a forestry consultant found the trees were growing taller at a slower rate than previously believed. This savings was partially offset by increased salaries related to maintaining a higher level of staffing than what was budgeted due to the increase work associated with the master planning process.
5. Airport Rental Property expenses projected to be under budget by \$176k because a broker fee has not yet been incurred since staff has continued to use internal marketing and negotiating with a potential partial tenant.
6. Marina expenses are essentially on track with budget.
7. Mechanical Maintenance (MM) and Facilities Maintenance (FM) are on track with budget.
8. Administration expenses are projected to be under budget by approximately \$450K because several consulting projects were postponed (strategic plan, grant writing, job analysis) and because \$150k contingency amount is budgeted in Administration as a placeholder but was not used. Additionally, salaries are expected to be under budget by approximately \$117k due to staff transitions.
9. Business Development expenses are projected to be over budget by approximately \$175k because of the opportunity to participate with other partners in a market feasibility of combining recycled carbon fiber with thermally modified hemlock for a niche CLT (cross laminated timber) opportunity. The Commission approved increasing the overall expenses of the Port even though this was not included as part of the budget.
10. Insurance increases are projected to be \$43,000 more than budgeted. Insurance renewals occur twice a year with property insurance renewing in July of each year and liability insurance renewing in October of each year. The property insurance premiums increased \$70k or 24% in July 2019. An increase of 20% is attributed to two years of the largest insured losses in recorded history, both domestically and globally, which have occurred due to catastrophic natural disasters. An additional 4% increase is due to rising property values in general and the fact that the Port insures for replacement cost. Liability insurance is projected to increase approximately 4% beginning October 1, 2019.
11. Non-Operating: A settlement was reached regarding environmental insurance coverage for legacy projects for approximately \$2,000,000. This was not included in the budget.

2020 BUDGET - ASSUMPTIONS All Departments

General

1. CPI: August 2019 CPI West–Size Class B/C–All Urban Consumer (CPI-U) is 2.5%.
2. Inflation. General Inflation outlook at 2.0%.

Revenues

1. In general, rates, fees and applicable leases will increase by 2.5% CPI-U.
2. Marine Terminal tariff rates will be adjusted based on the August 2019 CPI West - All Urban Consumers (CPI-U), as adopted by NWMTA member ports, with a floor of not less than 2.6% (Please note, the CPI category used by NWMTA is different than the CPI category used by the Port of Port Angeles). This includes rate adjustments for Dockage, Vessel Repair Dockage, Equipment Rental, Wharfage, Service and Facilities Charges, Passenger Fees and Environmental Fees. No increase for Security Fees and Electrical Service Fees in 2020. Continued retaliatory trade tariffs on logs originating from the U.S. will continue to affect log exports and could delay scheduled 2020 rate increases for Wharfage, Service and Facilities, and Equipment Rental.
3. Marine Terminal activity includes associated revenue and expenditures based on 42 million board feet of log exports (7 vessels), 35 days of tanker repair dockage, and 32 chip barges. No cruise vessel calls are expected in 2020.
4. Marine Trades revenue for use of the Travel-Lift Pier will increase in accordance with the published ramp-up rates for 2019 and 2020 Effective 06-01-2019 where the Travel-Lift Pier usage rates were changed from a flat fee to a fee based on the overall length of the vessel. The Travel-lift Pier is an essential component of the Marine Trades Area. It is used by the local marine industry to transport vessels in and out of the water for both maintenance and repair.
5. Marine Trades fee for Wash Down facility usage will be increased based on CPI of 2.5%. Charges are based on the overall length of the vessel.
6. Log Yard Land Services revenue anticipated to be below EOY 2019. Trade tariffs on logs originating from the U.S. are assumed to continue into 2020.
7. Log Yard Water Services include revenue from rafting, round booming and dewatering of log volume via raft or barge. Log volumes and associated revenues expected to be at or near EOY 2019.
8. Log Yard Equipment Rental includes revenue for loading equipment used at the marine terminal for cargo operations. Equipment Rental revenue is based on a volume of 42 million board feet loaded X-dock.
9. Log Yard rates for log handling services (and fees) will increase not less than the CPI. Currently 2018 log handling rates are in effect to aid in relieving additional customer's expenses due to tariffs and other market conditions. Upon tariff relief, rates will resume at 2019 and additional incremental adjustments will be made until log handling service rates reflect the 2019-3% and 2020-2.5%.
10. Moorage rates for most slips will increase by CPI plus 3.0%; CPI plus 4% with a 7% cap for 50 foot slips and greater for PA Boat Haven and John Wayne Marina.

2020 BUDGET – ASSUMPTIONS (continued)

11. FIA and Airport Rental Property revenues will see an increase in existing rents plus the addition of new tenants which will reduce the impact of the 1010-1050 building vacated in early 2019.
12. Property Tax Revenues. The Port will continue to use property tax revenues for new capital projects, debt service for prior capital projects, the Community Partner program and Commission approved special economic initiatives (none are planned for 2020).

Expenses

1. Salaries & Wages. The August 2019 CPI West-Size Class B/C-All Urban Consumer (CPI-U) is 2.5%. This rate has generally been used to determine salary and wage increases. The 2019 projected and 2020 operating budget present challenging financial times. During such challenging financial times in the past, the Port Commission would not finalize the salary and wage increases until near the end of the budget development process. The Commission may approve none, partial or a full CPI increase. The CPI in the draft budget will assume the full CPI increase subject to Commission approval. The proposed merit pool for non-represented staff has been reduced from \$30k to \$15k. Represented staff will receive pay step increases per the applicable collective bargaining agreement, which is approximately \$7,600 (step increases are at 2.5% spread over multiple years).

There will be several adjustments to staffing to reduce overall labor costs. The Port's long-time Maritime & Operations Manager will be transitioning out of operations to Business Development at a half-time position for 3 to 6 months to focus on MTIP. His operations responsibilities will be absorbed by existing staff. Two log yard positions will be eliminated through early retirement incentives to adjust for the decline in timber activity.

2. Health insurance premiums will remain at the current rates for monthly premiums during January 1, 2020 to June 30, 2020. Premiums for July 1, 2020 to December 31, 2020 are projected to remain stable with no increase. The PERS (Public Employee Retirement System) premiums are on a biennium cycle (July 1, 2019 – June 30, 2021). The current employer contribution rate is 12.86% which will remain until July of 2020.
3. Paid Family Leave. In 2019, the State of Washington implemented RCW 50A.04 which created a state Paid Family Medical Leave (FMLA) plan. Unpaid FMLA has been an employee benefit dictated by federal regulations for number of years. However, the new state plan is for Paid FMLA. Employees and employers began contributing to the Paid Family Leave plan beginning January 1, 2019. As of January 1, 2020, eligible employees will be able to utilize this benefit. The employer premium is approximately \$4,550 or 37% of the total premium. The remaining 63% of the premium will be paid by the employee.
4. Washington Labor and Industries Rates. The Port's Labor and Industries rates are expected to increase slightly in 2020.
5. Legal services on environmental legacy issues will continue for litigation/negotiations with third parties.

2020 BUDGET – ASSUMPTIONS (continued)

6. Outside services include a major non-capital maintenance project of \$1.0 million for Terminal 3 dredging. Other unusual or infrequent outside services expenses include \$50k broker fees for the 1010-1050 building; \$85k broadband study offset by a \$50k CERB grant and \$25k partner contributions; \$50k runway approach/obstruction tree removal.

7. Insurance renewals occur twice a year with property insurance renewing in July of each year and liability insurance renewing in October of each year. The annual property insurance premiums increased \$70k or 24% in July 2019 for the period from July 2019 through June 2020. An increase of 20% is attributed to two years of the largest insured losses in recorded history, both domestically and globally, which have occurred due to catastrophic natural disasters. An additional 4% increase is due to rising property values in general and the fact that the Port insures for replacement cost. Liability insurance is projected to increase approximately 4.4% beginning October 2019 through September 2020. The annual increase will be approximately \$6,100.
 - a. Property insurance is distributed to the Divisions based on the value of the land, improvements and buildings.

 - b. Liability insurance is distributed based on the pro rata share of operating expenses.

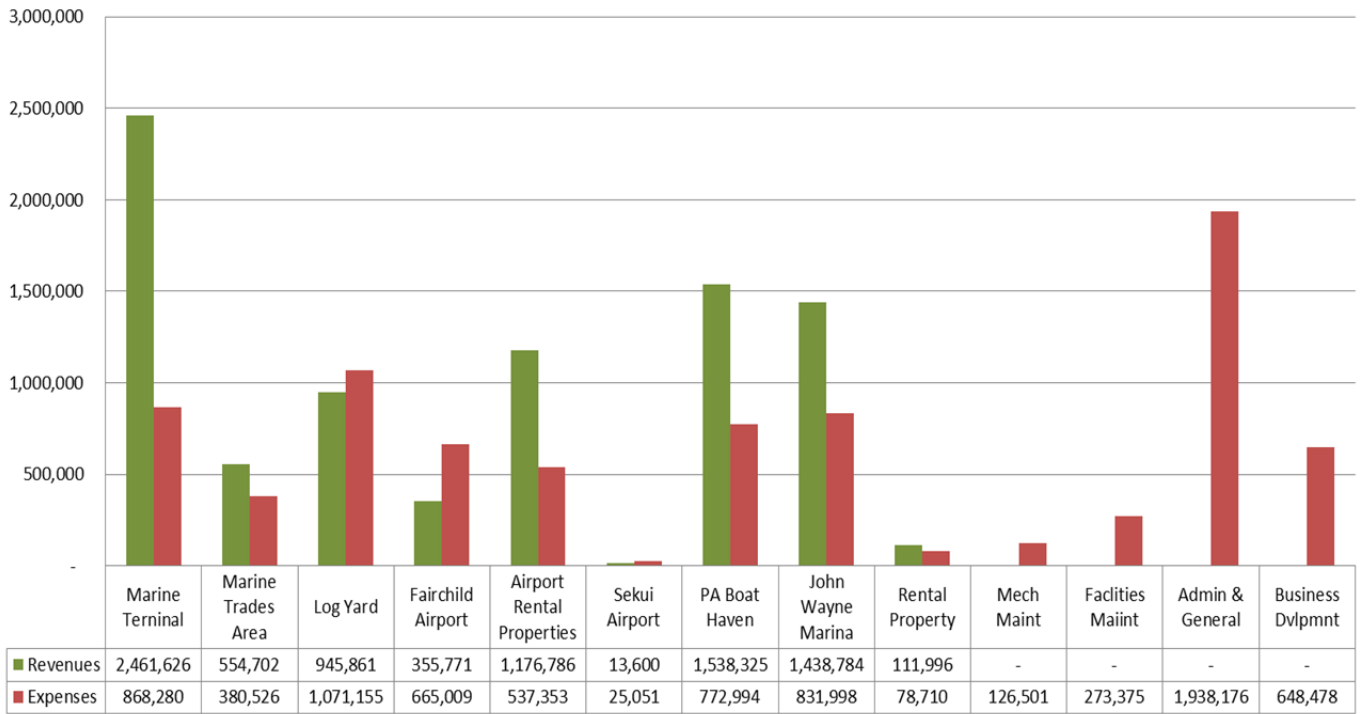
 - c. Other insurance is charged to the Divisions using an appropriate base (i.e., auto insurance is allocated by vehicle use; airport liability is charged to Airport; skiff (owned small vessel) insurance is charged to Log Yard).

8. Washington State Audit. Washington State Auditor's Office Annual Report Audit will be approximately \$35k-\$40k. A Single Federal Audit is not expected (\$750k Federal grant funds threshold will not be met for 2019 Annual Report).

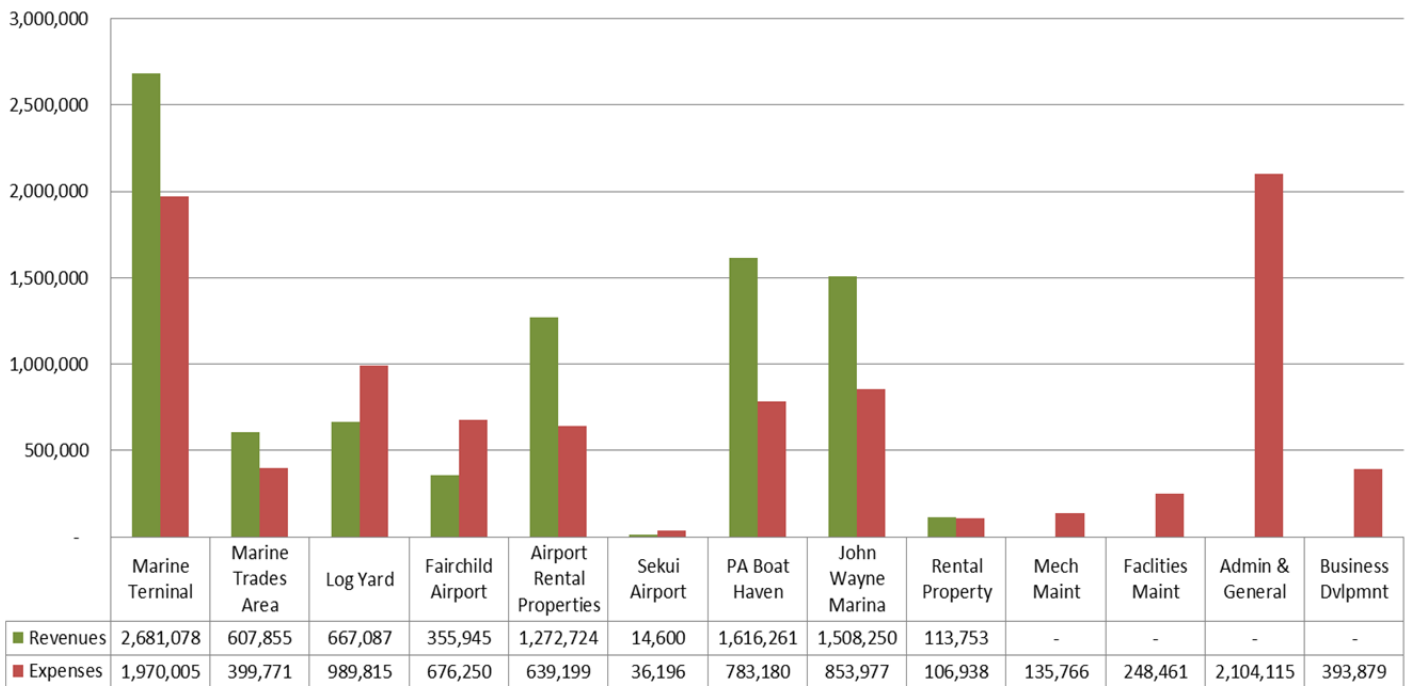
9. Operating Contingency. All department contingency will be budgeted at \$104k, reduced for 2020.

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2019 Projected Operating Activity



2020 Operating Budget



**Port of Port Angeles
Summary by Department
2020 Budget**

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 BUDGET	2019 Proj Over/(Under) 2019 Budget	2020 Budget Over/(Under) 2019 Proj
<u>OPERATING REVENUES</u>								
11 MARINE TERMINAL	3,173,011	3,335,355	3,785,936	3,858,426	2,461,626	2,681,078	(1,396,800)	219,452
15 MARINE TRADES AREA	432,325	457,929	461,827	478,540	554,702	607,855	76,162	53,153
21 LOG YARD	1,786,523	1,922,935	2,163,905	2,184,136	945,861	667,087	(1,238,275)	(278,774)
31 FAIRCHILD INTERNATIONAL AIRPORT	242,406	258,938	303,078	325,587	355,771	355,945	30,184	174
33 AIRPORT RENTAL PROPERTIES	1,170,554	1,296,289	1,383,884	1,174,336	1,176,786	1,272,724	2,450	95,938
32 SEKIU AIRPORT	15,130	15,682	14,973	15,600	13,600	14,600	(2,000)	1,000
41 PA BOAT HAVEN	1,334,291	1,371,598	1,433,218	1,513,873	1,538,325	1,616,261	24,452	77,936
43 JOHN WAYNE MARINA	1,198,648	1,289,799	1,420,938	1,386,885	1,438,784	1,508,250	51,899	69,466
61 RENTAL PROPERTY	79,947	111,569	101,680	118,996	111,996	113,753	(7,000)	1,757
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	9,432,835	10,060,095	11,069,438	11,056,379	8,597,451	8,837,553	(2,458,928)	240,102
<u>OPERATING EXPENSES</u>								
11 MARINE TERMINAL	598,449	723,336	1,065,180	1,934,330	868,280	1,970,005	(1,066,050)	1,101,725
15 MARINE TRADES AREA	422,235	331,532	353,212	406,679	380,526	399,771	(26,153)	19,245
21 LOG YARD	1,274,511	1,618,641	1,683,624	1,493,582	1,071,155	989,815	(422,427)	(81,340)
31 FAIRCHILD INTERNATIONAL AIRPORT	521,793	648,163	580,135	816,315	665,009	676,250	(151,306)	11,241
33 AIRPORT RENTAL PROPERTIES	300,306	327,200	476,246	638,383	537,353	639,199	(101,030)	101,846
32 SEKIU AIRPORT	20,813	20,802	24,789	35,688	25,051	36,196	(10,637)	11,145
41 PA BOAT HAVEN	629,001	666,776	706,287	763,866	772,994	783,180	9,128	10,186
43 JOHN WAYNE MARINA	707,891	782,081	916,666	830,277	831,998	853,977	1,721	21,979
61 RENTAL PROPERTY	152,360	185,320	143,942	99,402	78,710	106,938	(20,692)	28,228
91 MECHANICAL MAINTENANCE	154,646	128,514	129,202	136,895	126,501	135,766	(10,394)	9,265
92 FACILITIES MAINTENANCE	226,283	228,922	245,370	229,706	273,375	248,461	43,669	(24,914)
80 ADMINISTRATION & GENERAL	1,895,435	1,695,440	1,559,750	2,325,870	1,938,176	2,104,115	(387,694)	165,939
81 BUSINESS (Economic) DEVELOPMENT	943,968	1,027,871	314,730	718,762	648,478	393,879	(70,284)	(254,599)
TOTAL DIRECT EXPENSES	7,847,691	8,384,597	8,199,135	10,429,756	8,217,606	9,337,553	(2,212,150)	1,119,947
ALLOCATED EXPENSES - ADMIN & MAINT	(0)	0	(0)	0	0	(0)	0	(0)
NET SURPLUS (DEFICIT) - Before Depreciation	1,585,145	1,675,497	2,870,304	626,622	379,845	(500,000)	(246,777)	(879,844)
ALLOCATED DEPRECIATION	(0)	(0)	(0)	0	0	0	(0)	0
DEPRECIATION EXPENSE	2,229,745	2,479,588	2,624,637	2,523,354	2,428,075	2,476,315	(95,279)	48,240
NET SURPLUS (DEFICIT) - After Depreciation	(644,600)	(804,091)	245,667	(1,896,732)	(2,048,230)	(2,976,315)	(151,498)	(928,085)
<u>NON-OP (GENERAL)</u>								
NON-OP REV (General)	2,134,327	474,143	545,946	596,711	975,550	479,814	378,839	(495,736)
NON-OP EXP (General)	(1,194,693)	107,500	222,092	433,594	(1,331,421)	278,658	(1,765,015)	1,610,079
NON-OP (General) SURPLUS (DEFICIT)	3,329,020	366,643	323,854	163,117	2,306,971	201,156	2,143,854	(2,105,815)
<u>NON-OP (CAPITAL)</u>								
NON-OP REV (Capital)	6,531,004	2,306,238	1,610,591	1,873,216	1,633,935	2,528,383	(239,281)	894,448
NON-OP EXP (Capital)	292,071	287,044	276,023	263,994	263,994	252,939	0	(11,055)
NON-OP (Capital) SURPLUS (DEFICIT)	6,238,933	2,019,194	1,334,567	1,609,222	1,369,941	2,275,444	(239,281)	905,503
NET NON-OP SURPLUS (DEFICIT)	9,567,953	2,385,837	1,658,422	1,772,339	3,676,912	2,476,600	1,904,573	(1,200,312)
TOTAL NET SURPLUS (DEFICIT)	8,923,354	1,581,746	1,904,088	(124,388)	1,628,682	(499,715)	1,753,070	(2,128,397)

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.

2019 PROJECTED

Revenue Assumptions

1. Dockage, Wharfage and Service and Facilities will be less than budget with projected end of year cargo volume of 43.3 million board feet (8 cargo vessels). 2019 Budget is 84.0 million board feet (14 total cargo vessels). Import tariffs, higher ocean freight rates, higher log prices and unfavorable currency exchange rates will continue to affect end of year volume shipped from the Port's terminal facilities. Estimate 29 total chip barges loaded for 2019.
2. Vessel Repair Dockage revenue will be lower than budget with a total of 35 repair vessel calls. 2019 Budget is 60 days. Lower projected tanker days is due to the increasing average age of the Alaska trade tanker fleet resulting in ships going to dry-dock in Asia on a more frequent basis. This results in less dockside work at Terminal 1 and other domestic shipyards.
3. Labor Services associated revenues for vessel security also lower than budget due to decrease in cargo and tanker repair vessel calls.
4. Other User Fees reflects higher revenue due to the storage and handling of chips in the "surge area".

Expense Assumptions

1. Outside Services include longshoremen labor used in support of chip barge operation (corresponding revenue recognized in MT handling).
2. Utility and Cost of Goods Sold higher than budget due to increased electrical use for chip loading equipment and long term lay berth vessels (corresponding revenue recognized in Utility Pass Thru and Product Sales).

2020 BUDGET

Revenue Assumptions

1. Projected cargo activity and associated revenue in 2020 is based on 7 cargo vessel calls (42 million board feet) and 32 chip barges.
2. 35 tanker days for top-side repair and no cruise vessel calls in 2020.
3. Marine Terminal tariff rates will be adjusted based on the August 2019 CPI West - All Urban Consumers (CPI-U), as adopted by NWMTA member ports with a floor of not less than 2.6%. This includes increases for Cargo Dockage, Vessel Repair Dockage, Wharfage, Service and Facilities Charges, Passenger Fee and Fuel Handling Fee. No increase for Security Fee and Electrical Service Fee in 2020.

Expense Assumptions

1. Outside Services - T3 dredging operating expense is estimated at \$1 million. Dredging has not been done in 40 years.
2. Under the category line item: Utility (Pass Thru) & Cost of Goods Sold - the \$25k increase for 2020 is due to a new long term lay berth customer using shore power. This expense is offset under Utilities revenue.

**Port of Port Angeles
MARINE TERMINAL (MT - DEPT 11)
2020 Budget**

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 BUDGET	2019 Proj Over/(Under) 2019 Budget	2020 Budget Over/(Under) 2019 Proj
OPERATING REVENUES								
DOCKAGE	1,213,266	1,153,036	1,308,082	1,342,754	757,147	811,074	(585,607)	53,927
WHARFAGE	889,870	1,016,168	1,057,523	1,011,028	497,044	518,640	(513,984)	21,596
SERVICE & FACILITIES	539,137	615,374	593,138	639,389	282,060	325,052	(357,329)	42,992
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	14,025	162,526	202,200	195,005	230,000	(7,195)	34,995
LABOR SERVICES	176,358	169,344	278,225	257,922	186,302	183,396	(71,620)	(2,906)
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	3,027	6,443	37,198	22,800	126,398	149,416	103,598	23,018
EQUIPMENT RENTAL	26,503	15,163	19,367	15,000	11,795	12,000	(3,205)	205
LAND LEASE/RENT	57,096	51,485	55,362	59,958	54,811	55,682	(5,147)	871
STRUCTURE LEASE/RENT	180,319	201,014	214,868	227,679	223,263	227,318	(4,416)	4,055
USE AGMT AND OTHER RENT	8,270	9,205	5,758	8,650	0	0	(8,650)	0
UTILITY PASS THRU & PRODUCT SALES	83,419	87,610	58,382	81,000	137,510	177,500	56,510	39,990
MISC & INTERDEPT REVENUE	(4,253)	(3,511)	(4,492)	(9,954)	(9,709)	(9,000)	245	709
TOTAL OPERATING REVENUES	3,173,011	3,335,355	3,785,936	3,858,426	2,461,626	2,681,078	(1,396,800)	219,452
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	295,721	291,391	398,758	369,955	343,710	320,979	(26,245)	(22,731)
SUPPLIES	7,187	11,637	14,849	11,250	11,231	15,000	(19)	3,769
OUTSIDE SERVICES *	20,490	129,323	321,570	1,169,050	120,000	1,179,250	(1,049,050)	1,059,250
PUBLIC INFORMATION	627	1,396	438	1,000	500	500	(500)	0
MARKETING	0	136	1,160	0	0	0	0	0
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	1,841	1,800	2,601	1,716	2,600	1,716	884	(884)
TRAVEL MEETINGS	1,002	2,965	1,041	1,500	1,500	1,600	0	100
TRAVEL/TRAINING	2,501	1,957	1,438	1,000	1,000	1,000	0	0
PROMOTIONAL HOSTING	1,098	4,879	1,081	2,500	500	2,000	(2,000)	1,500
RENT, UTILITIES, INSURANCE, TAXES	105,554	97,890	140,820	162,637	160,000	161,327	(2,637)	1,327
UTILITY (Pass Thru) & COST OF GOODS SOLD	62,680	66,006	35,897	67,500	88,854	114,516	21,354	25,662
OTHER EXPENSES (Misc & Interdept)	(15,039)	2,388	14,744	4,000	1,000	4,000	(3,000)	3,000
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	97,286	91,631	117,587	120,222	118,200	147,117	(2,022)	28,917
MAINTENANCE (Materials & Services)	17,502	19,938	13,196	22,000	19,185	21,000	(2,815)	1,815
TOTAL DIRECT EXPENSES	598,449	723,336	1,065,180	1,934,330	868,280	1,970,005	(1,066,050)	1,101,725
ALLOCATED EXPENSES - ADMIN & MAINT	323,374	314,231	435,564	851,339	449,857	841,900	(401,482)	392,043
NET SURPLUS (DEFICIT) - Before Depreciation	2,251,188	2,297,788	2,285,192	1,072,757	1,143,489	(130,826)	70,732	(1,274,315)
ALLOCATED DEPRECIATION	11,655	11,119	16,840	26,307	15,254	22,889	(11,053)	7,635
DEPRECIATION (includes donated assets)	296,285	403,110	481,796	599,233	476,302	559,734	(122,931)	83,432
NET SURPLUS (DEFICIT) - After Depreciation	1,943,248	1,883,560	1,786,556	447,217	651,933	(713,449)	204,716	(1,365,382)

*Outside Services - 2020 Budget includes an estimated \$1.0 million operating expense for Dredging at Terminal 3. 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 Industrial Park and 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 facilities for tenants of the Port Angeles Boat Haven.
- Obtain a competitive return on the public investment in these facilities which include two Travel Lift Piers, a 70 Ton TravelLift and full service boat yard. Support maritime commerce and associated jobs through the ongoing development of the 18 acre Marine Trades Industrial Park (MTIP).

2019 PROJECTED

Revenue Assumptions

1. Listed within Equipment Rental, Travel-Lift & Hydro-wash activity greater than budget.

Expense Assumptions

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

2020 BUDGET

Revenue Assumptions

1. Boatyard rates and fees adjusted by not less than CPI of 2.5%.
2. Use Agreement and Other Rent includes revenue based on Marine Travel Lift Pier operations (300 and 500 Ton Travel Lifts use the Port's Travel Lift Pier). 130 operations expected.
3. Wash-down facility revenue budgeted for full year (construction completed early 2019). Approximately 90% of haul-outs involve a wash-down.

Expense Assumptions

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

Port of Port Angeles
MARINE TRADES AREA (MTA - DEPT 15)
2020 Budget

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 BUDGET	2019 Proj Over/(Under) 2019 Budget	2020 Budget Over/(Under) 2019 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	158,152	169,081	179,236	172,700	188,000	192,700	15,300	4,700
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	12,509	18,160	20,926	21,701	21,000	21,525	(701)	525
EQUIPMENT RENTAL	92,864	103,129	94,699	98,175	123,000	126,075	24,825	3,075
LAND LEASE/RENT	81,550	81,550	86,050	81,550	92,350	104,813	10,800	12,463
STRUCTURE LEASE/RENT	51,876	58,246	54,954	53,912	64,052	64,052	10,140	0
USE AGMT AND OTHER RENT	34,726	26,726	26,226	47,752	64,000	96,390	16,248	32,390
UTILITY PASS THRU & PRODUCT SALES	859	1,102	1,102	1,250	800	800	(450)	0
MISC & INTERDEPT REVENUE	(210)	(65)	(1,365)	1,500	1,500	1,500	0	0
TOTAL OPERATING REVENUES	432,325	457,929	461,827	478,540	554,702	607,855	76,162	53,153
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	91,780	110,625	95,551	163,160	135,264	111,079	(27,896)	(24,185)
SUPPLIES	2,411	3,262	8,115	3,100	4,620	5,000	1,520	380
OUTSIDE SERVICES	199,365	103,415	86,379	72,700	71,696	73,700	(1,004)	2,004
PUBLIC INFORMATION	125	0	815	900	50	500	(850)	450
MARKETING	6,175	2,600	4,651	5,000	284	5,000	(4,716)	4,716
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	0	0	349	650	350	1,550	(300)	1,200
TRAVEL MEETINGS	508	3,320	3,629	1,500	1,500	2,000	0	500
TRAVEL/TRAINING	0	0	0	2,000	1,500	2,500	(500)	1,000
PROMOTIONAL HOSTING	637	257	253	5,000	300	5,000	(4,700)	4,700
RENT, UTILITIES, INSURANCE, TAXES	35,044	43,688	52,598	37,075	48,696	47,325	11,621	(1,371)
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	1,000	680	667	(320)	(13)
OTHER EXPENSES (Misc & Interdept)	4,825	620	2,038	2,500	3,500	2,600	1,000	(900)
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	55,918	48,306	57,883	81,094	80,059	106,850	(1,035)	26,791
MAINTENANCE (Materials & Services)	25,447	15,438	40,953	31,000	32,027	36,000	1,027	3,973
TOTAL DIRECT EXPENSES	422,235	331,532	353,212	406,679	380,526	399,771	(26,153)	19,245
ALLOCATED EXPENSES - ADMIN & MAINT	255,208	158,537	136,648	185,003	219,234	181,087	34,231	(38,146)
NET SURPLUS (DEFICIT) - Before Depreciation	(245,117)	(32,140)	(28,034)	(113,142)	(45,058)	26,997	68,084	72,055
ALLOCATED DEPRECIATION	9,198	5,619	5,331	5,717	7,434	4,923	1,717	(2,511)
DEPRECIATION (includes donated assets)	63,920	65,399	64,814	66,659	64,813	138,267	(1,846)	73,454
NET SURPLUS (DEFICIT) - After Depreciation	(318,236)	(103,158)	(98,179)	(185,518)	(117,304)	(116,193)	68,213	1,111

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.

2019 PROJECTED

Revenue Assumptions

1. Log Yard Staging is expected to be above 2019 Budget.
2. Log Yard Land Services are under budget due to reduced usage of LY handling (export and domestic volume).
3. Log Yard Water Service revenues are under budget due to decrease in log handling associated with rafting, round booming and dewatering.
4. Equipment rental is expected to be below 2019 Budget.

Expenditure Assumptions

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

2020 BUDGET

Revenue Assumptions

1. Log Yard rates for log handling services (and fees) will increase not less than the 2.5% CPI-U. Currently 2018 log handling rates are in affect to aid in relieving additional customer's expenses due to tariffs and other market conditions. Upon tariff relief, rates will resume at 2019 and additional incremental cost adjustments will be made until log handling service rates reflect the 2019-3% and 2020-2.5%.
2. Log Yard Land Services revenue anticipated to decrease from EOY 2019 by \$240k due to decreased handling activity of both export and domestic log volume.
3. Log Yard Water Services include revenue from rafting, round booming and dewatering of log volume originating from Canada (via raft or barge). Log volumes and associated revenues expected to be at or near EOY 2019 due to consistent domestic raft activity.
4. Equipment Rental rate from loading equipment used at the marine terminal for on-dock cargo operations will be adjusted by not less than 2.6% with revenue based on 42 MMBF of log cargo volume.

Expenditure Assumptions

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

**Port of Port Angeles
LOG YARD (LY - DEPT 21)
2020 Budget**

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 BUDGET	2019 Proj Over/(Under) 2019 Budget	2020 Budget Over/(Under) 2019 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	37,178	25,666	71,694	46,779	50,100	18,712	3,321	(31,388)
LOG YARD LAND SERVICES	1,279,681	1,419,622	1,556,546	1,377,966	550,000	306,872	(827,966)	(243,128)
LOG YARD WATER SERVICES	118,994	79,201	65,382	220,985	78,021	83,703	(142,964)	5,682
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	903	300	4,402	4,000	18,000	4,000	14,000	(14,000)
EQUIPMENT RENTAL	211,339	303,285	272,170	307,347	133,161	139,410	(174,186)	6,249
LAND LEASE/RENT	32,092	36,092	46,142	44,192	47,348	47,348	3,156	0
STRUCTURE LEASE/RENT	43,726	42,863	43,099	47,364	47,042	47,042	(322)	0
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	27,187	24,345	115,302	97,500	22,189	20,000	(75,311)	(2,189)
MISC & INTERDEPT REVENUE	35,424	(8,439)	(10,832)	38,003	0	0	(38,003)	0
TOTAL OPERATING REVENUES	1,786,523	1,922,935	2,163,905	2,184,136	945,861	667,087	(1,238,275)	(278,774)
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	639,359	735,628	823,264	729,141	607,349	534,131	(121,792)	(73,218)
SUPPLIES	130,036	156,988	190,182	164,500	82,000	85,000	(82,500)	3,000
OUTSIDE SERVICES	13,529	32,628	103,249	22,000	38,000	35,000	16,000	(3,000)
PUBLIC INFORMATION	1,125	57	0	0	0	0	0	0
MARKETING	1,986	1,844	1,500	1,500	1,500	1,500	0	0
COMMUNITY RELATIONS	1,000	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	604	3,604	0	0	0	0	0	0
TRAVEL MEETINGS	1,746	2,748	2,442	3,000	2,000	2,200	(1,000)	200
TRAVEL/TRAINING	6,151	2,619	4,640	3,000	4,000	2,500	1,000	(1,500)
PROMOTIONAL HOSTING	2,600	2,884	1,731	2,500	3,444	2,500	944	(944)
RENT, UTILITIES, INSURANCE, TAXES	119,111	172,056	106,847	116,587	109,336	115,968	(7,251)	6,632
UTILITY (Pass Thru) & COST OF GOODS SOLD	21,880	50,949	96,343	75,000	17,068	15,385	(57,932)	(1,683)
OTHER EXPENSES (Misc & Interdept)	2,901	13,120	16,610	2,000	2,000	2,000	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	205,477	233,144	196,615	224,354	112,005	116,631	(112,349)	4,626
MAINTENANCE (Materials & Services)	127,007	210,372	140,201	150,000	92,453	77,000	(57,547)	(15,453)
TOTAL DIRECT EXPENSES	1,274,511	1,618,641	1,683,624	1,493,582	1,071,155	989,815	(422,427)	(81,340)
ALLOCATED EXPENSES - ADMIN & MAINT	742,052	741,726	661,245	646,922	608,381	442,133	(38,541)	(166,249)
NET SURPLUS (DEFICIT) - Before Depreciation	(230,039)	(437,432)	(180,964)	43,632	(733,675)	(764,861)	(777,307)	(31,186)
ALLOCATED DEPRECIATION	26,745	26,279	26,049	19,991	20,629	12,020	638	(8,609)
DEPRECIATION (includes donated assets)	335,735	332,578	350,570	334,280	345,475	326,208	11,195	(19,267)
NET SURPLUS (DEFICIT) - After Depreciation	(592,519)	(796,289)	(557,583)	(310,639)	(1,099,780)	(1,103,089)	(789,141)	(3,310)

FAIRCHILD INTERNATIONAL AIRPORT (FIA 31)

Provides aviation support facilities for general and commercial aviation activities. The objectives of FIA are:

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

2019 PROJECTED

Revenue Assumptions

1. Rates and fees increased by CPI.
2. Commercial passenger service was suspended in November 2014 and has not resumed.
3. Hangar/Tie Down revenue expected to be over budget for the year due to increased occupancy of Port hangars.
4. Land & Structure leases expected to slightly exceed budget due to new air medical tenant.

Expense Assumptions

1. Lower than expected expenses primarily due to delay in tree removal until 2020.
2. Marketing efforts at NW Aviation Conference and Trade Shows have increased.
3. Utility meter review & changes result in higher pass-thru expenses to lease tenants.

2020 BUDGET

Revenue Assumptions

1. Rates and fees are increased by CPI.
2. \$9k decrease due to FAA policy change, the FAA will no longer pay monthly lease payments for Port owned buildings in which the FAA provides services to the airport.
3. Commercial passenger service carrier search continues, no anticipated revenue budgeted.
4. The former FBO location will generate higher revenue with a full year of occupancy by the air medical tenant.

Expense Assumptions

1. Marketing incentive removed from budget while carrier search continues.
2. The removal of any airport tree obstructions is delayed due to slower than expected growth rate. \$50k tree contingency amount included in the budget.

Port of Port Angeles
FAIRCHILD INTL AIRPORT (FIA - DEPT 31)
2020 Budget

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 BUDGET	2019 Proj Over/(Under) 2019 Budget	2020 Budget Over/(Under) 2019 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	25	25	75	0	0	(75)	0
LANDING/PARKING FEES	6,709	6,864	6,949	7,500	7,500	7,500	0	0
HANGAR/TIE DOWN	86,336	96,207	120,758	107,000	107,000	115,000	0	8,000
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	5,032	6,378	6,328	5,100	5,100	5,300	0	200
EQUIPMENT RENTAL	0	0	5,486	0	0	0	0	0
LAND LEASE/RENT	33,045	33,261	33,227	43,904	47,398	48,454	3,494	1,056
STRUCTURE LEASE/RENT	86,721	86,721	77,902	110,602	137,928	129,737	27,326	(8,191)
USE AGMT AND OTHER RENT	0	0	220	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	10,305	10,795	12,822	12,502	12,700	12,954	198	254
MISC & INTERDEPT REVENUE	14,258	18,687	39,362	38,904	38,145	37,000	(759)	(1,145)
TOTAL OPERATING REVENUES	242,406	258,938	303,078	325,587	355,771	355,945	30,184	174
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	152,280	178,002	168,564	173,993	260,348	198,051	86,355	(62,297)
SUPPLIES	8,447	8,471	13,622	8,200	16,000	10,000	7,800	(6,000)
OUTSIDE SERVICES	34,596	105,270	30,646	263,000	6,000	65,000	(257,000)	59,000
PUBLIC INFORMATION	761	4,796	3,539	3,564	8,500	3,500	4,936	(5,000)
MARKETING	644	2,260	1,396	1,600	1,600	2,000	0	400
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	(221)	1,787	1,210	925	1,600	2,500	675	900
TRAVEL MEETINGS	573	6,066	2,379	1,200	2,944	3,250	1,744	306
TRAVEL/TRAINING	608	4,256	2,201	2,800	2,800	300	0	(2,500)
PROMOTIONAL HOSTING	98	491	49	2,000	500	1,000	(1,500)	500
RENT, UTILITIES, INSURANCE, TAXES	151,461	165,448	160,382	171,910	167,217	187,450	(4,693)	20,233
UTILITY (Pass Thru) & COST OF GOODS SOLD	10,364	10,786	13,469	10,500	11,400	10,795	900	(605)
OTHER EXPENSES (Misc & Interdept)	2,798	(7,192)	3,348	2,000	2,000	2,000	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	146,711	150,033	140,773	142,624	152,100	162,404	9,476	10,304
MAINTENANCE (Materials & Services)	12,672	17,688	38,558	32,000	32,000	28,000	0	(4,000)
TOTAL DIRECT EXPENSES	521,793	648,163	580,135	816,315	665,009	676,250	(151,306)	11,241
ALLOCATED EXPENSES - ADMIN & MAINT	275,117	259,098	204,587	333,291	321,737	277,763	(11,554)	(43,974)
NET SURPLUS (DEFICIT) - Before Depreciation	(554,503)	(648,323)	(481,644)	(824,019)	(630,975)	(598,068)	193,045	32,907
ALLOCATED DEPRECIATION	11,106	10,802	9,270	11,356	12,792	8,209	1,436	(4,583)
DEPRECIATION (includes donated assets)	489,978	511,233	534,096	522,218	521,209	527,537	(1,009)	6,328
NET SURPLUS (DEFICIT) - After Depreciation	(1,055,587)	(1,170,358)	(1,025,010)	(1,357,593)	(1,164,975)	(1,133,814)	192,618	31,161

AIRPORT RENTAL PROPERTIES (ARP 33)

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

Additional Port rental properties (outside of the airport boundary) fall within other lines of businesses.

The objectives of the Airport Rental Property activities are to:

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

2019 PROJECTED

Revenue Assumptions

1. Airport Rental Properties revenues are on budget, but slightly lower than previous years due to a vacancy in the 10.10 / 10.50 building.

Expense Assumptions

1. Outside Services is under budget due to broker services not being utilized as planned on 10.10 Building. Tenant is currently in holdover.
2. Combined total of all other expenses also projected to be under budget.

2020 BUDGET

Revenue Assumptions

1. Limited revenue from 10.10 / 10.50 building included in the budget. Multiple negotiations under way but none completed yet.
2. Revenue increase expected due lease renewal with an existing tenant along with market rate adjustments for other tenants.

Expense Assumptions

1. Broker services and/or marketing expenses for the 10.10 / 10.50 building included at \$50k, will only be used if current negotiations do not result in new leases.
2. Budgeted maintenance amounts include a continuing effort to improve the aesthetics of the Port's airport business parks.

Port of Port Angeles
AIRPORT RENTAL PROPERTIES (ARP - DEPT 33)
2020 Budget

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 BUDGET	2019 Proj Over/(Under) 2019 Budget	2020 Budget Over/(Under) 2019 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	887	104	153	0	0	0	0	0
EQUIPMENT RENTAL	6,005	16,023	16,032	16,350	16,653	17,082	303	429
LAND LEASE/RENT	293,667	307,662	301,706	300,260	311,007	291,877	10,747	(19,130)
STRUCTURE LEASE/RENT	860,297	970,457	1,057,405	814,605	809,218	926,565	(5,387)	117,347
USE AGMT AND OTHER RENT	3,602	3,779	4,821	5,500	2,500	0	(3,000)	(2,500)
UTILITY PASS THRU & PRODUCT SALES	1,044	1,044	3,104	1,261	2,008	2,200	747	192
MISC & INTERDEPT REVENUE	5,052	(2,778)	664	36,360	35,400	35,000	(960)	(400)
TOTAL OPERATING REVENUES	1,170,554	1,296,289	1,383,884	1,174,336	1,176,786	1,272,724	2,450	95,938
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	58,267	90,729	123,955	150,817	147,567	158,615	(3,250)	11,048
SUPPLIES	1,370	2,754	9,084	2,850	2,250	3,000	(600)	750
OUTSIDE SERVICES	49,321	46,446	59,486	186,350	50,000	87,080	(136,350)	37,080
PUBLIC INFORMATION	0	0	212	300	150	300	(150)	150
MARKETING	2,432	5,450	9,270	10,000	6,500	13,500	(3,500)	7,000
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	112	118	0	4,500	300	300	(4,200)	0
TRAVEL MEETINGS	1,075	2,507	876	0	200	1,000	200	800
TRAVEL/TRAINING	226	0	0	0	750	4,850	750	4,100
PROMOTIONAL HOSTING	23	371	0	2,500	2,000	2,000	(500)	0
RENT, UTILITIES, INSURANCE, TAXES	83,696	84,318	115,084	108,927	170,686	179,053	61,759	8,367
UTILITY (Pass Thru) & COST OF GOODS SOLD	1,044	969	1,034	1,192	1,900	1,834	708	(66)
OTHER EXPENSES (Misc & Interdept)	257	238	1,523	250	950	950	700	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	76,621	67,950	109,854	138,697	125,000	154,717	(13,697)	29,717
MAINTENANCE (Materials & Services)	25,862	25,351	45,867	32,000	29,100	32,000	(2,900)	2,900
TOTAL DIRECT EXPENSES	300,306	327,200	476,246	638,383	537,353	639,199	(101,030)	101,846
ALLOCATED EXPENSES - ADMIN & MAINT	885,500	868,872	232,869	768,854	611,814	491,978	(157,040)	(119,836)
NET SURPLUS (DEFICIT) - Before Depreciation	(15,252)	100,217	674,769	(232,901)	27,619	141,546	260,520	113,927
ALLOCATED DEPRECIATION	6,501	5,531	7,291	8,979	10,479	7,862	1,500	(2,617)
DEPRECIATION (includes donated assets)	372,496	469,343	487,874	439,638	458,830	438,203	19,192	(20,627)
NET SURPLUS (DEFICIT) - After Depreciation	(394,248)	(374,658)	179,604	(681,518)	(441,690)	(304,519)	239,828	137,171

SEKIU AIRPORT (SEK 32)

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

The objectives of the Sekiu Airport are:

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

2019 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.

2020 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)
2020 Budget**

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 BUDGET	2019 Proj Over/(Under) 2019 Budget	2020 Budget Over/(Under) 2019 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	14,530	15,082	14,373	15,000	13,000	14,000	(2,000)	1,000
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	0	0	0	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	0	0	0	0	0	0	0	0
STRUCTURE LEASE/RENT	0	0	0	0	0	0	0	0
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	600	600	600	600	600	600	0	0
MISC & INTERDEPT REVENUE	0	0	0	0	0	0	0	0
TOTAL OPERATING REVENUES	15,130	15,682	14,973	15,600	13,600	14,600	(2,000)	1,000
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	3,491	4,469	1,275	8,057	8,057	5,955	0	(2,102)
SUPPLIES	152	20	45	125	125	150	0	25
OUTSIDE SERVICES	3,600	3,600	3,600	3,600	3,600	3,600	0	0
PUBLIC INFORMATION	0	0	0	0	0	0	0	0
MARKETING	0	0	0	1,100	0	500	(1,100)	500
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	0	0	0	0	0	0	0	0
TRAVEL MEETINGS	0	127	122	0	400	400	400	0
TRAVEL/TRAINING	0	0	0	0	0	0	0	0
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	6,570	7,140	6,307	6,133	6,469	6,300	336	(169)
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	(14)	(8)	494	0	0	0	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	6,252	5,180	10,619	13,673	5,200	16,291	(8,473)	11,091
MAINTENANCE (Materials & Services)	762	274	1,054	3,000	1,200	3,000	(1,800)	1,800
TOTAL DIRECT EXPENSES	20,813	20,802	24,789	35,688	25,051	36,196	(10,637)	11,145
ALLOCATED EXPENSES - ADMIN & MAINT	11,232	8,458	8,515	14,761	12,331	15,108	(2,430)	2,777
NET SURPLUS (DEFICIT) - Before Depreciation	(16,916)	(13,578)	(18,331)	(34,849)	(23,782)	(36,704)	11,067	(12,922)
ALLOCATED DEPRECIATION	453	353	386	503	490	447	(13)	(44)
DEPRECIATION (includes donated assets)	3,699	3,699	3,699	3,699	3,699	3,695	0	(4)
NET SURPLUS (DEFICIT) - After Depreciation	(21,068)	(17,630)	(22,416)	(39,051)	(27,972)	(40,846)	11,080	(12,874)

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

2019 PROJECTED

Revenue Assumptions

1. Moorage rates for all slips were increased by 3% CPI plus 3% or 4%, as approved by the Commission.
2. Other rates and fees increased by CPI.
3. Moorage (monthly, transient & non-tax) receipts expected to be above budget.

Expense Assumptions

1. Total operating expenses within 1% of budget.
2. Port maintenance labor utilized for general miscellaneous tasks was less than original budget estimation.

2020 BUDGET

Revenue Assumptions

1. Moorage rates for most slips will increase by CPI plus 3.0%; CPI plus 4% with a 7% cap for 50 foot slips and greater. All established rates as approved by the Commission.
2. Annual Launch ramp fee to remain at \$50 after increasing from \$42 in 2019.
3. Boatyard volumes expected to remain stable with market based rate increases.
4. Other rates and fees increase by 2.5% CPI.

Expense Assumptions

1. Total 2020 expenses expected to remain within 1% of 2019 levels.
2. Masco Petroleum will continue as the Port's agent in 2020.
3. Marketing budget remains at \$5k with \$2.5k split to Public Information category.

Port of Port Angeles
PORT ANGELES BOAT HAVEN (PABH - DEPT 41)
2020 Budget

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 BUDGET	2019 Proj Over/(Under) 2019 Budget	2020 Budget Over/(Under) 2019 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	29,290	1,924	3,000	1,496	1,500	1,500	4	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	4,589	9,072	5,754	6,383	0	0	(6,383)	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	1,071,536	1,121,851	1,142,728	1,235,984	1,274,774	1,344,887	38,790	70,113
MARINA & YARD FEES	41,984	35,035	42,966	41,200	45,471	47,744	4,271	2,273
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	0	14,610	17,092	20,765	17,500	18,000	(3,265)	500
EQUIPMENT RENTAL	7,175	1,025	650	999	200	200	(799)	0
LAND LEASE/RENT	6,885	7,407	7,604	14,158	14,158	14,158	(0)	0
STRUCTURE LEASE/RENT	11,040	28,705	27,704	28,099	28,022	28,022	(77)	0
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	147,226	151,224	184,962	163,157	155,000	160,000	(8,157)	5,000
MISC & INTERDEPT REVENUE	14,565	746	757	1,632	1,700	1,750	68	50
TOTAL OPERATING REVENUES	1,334,291	1,371,598	1,433,218	1,513,873	1,538,325	1,616,261	24,452	77,936
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	95,532	75,149	72,056	109,735	105,120	109,567	(4,615)	4,447
SUPPLIES	23,707	23,907	22,073	22,000	22,000	23,000	0	1,000
OUTSIDE SERVICES	199,054	284,805	325,839	323,750	320,000	325,000	(3,750)	5,000
PUBLIC INFORMATION	4,451	2,861	2,056	0	2,500	2,500	2,500	0
MARKETING	875	2,968	1,626	5,000	2,500	2,500	(2,500)	0
COMMUNITY RELATIONS	0	276	8	0	0	0	0	0
ADS, DUES & PUBLICATIONS	1,970	1,190	483	1,000	1,000	1,000	0	0
TRAVEL MEETINGS	146	14	0	500	500	500	0	0
TRAVEL/TRAINING	98	1,500	0	1,000	1,000	500	0	(500)
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	119,382	108,623	121,522	124,119	133,556	138,549	9,437	4,993
UTILITY (Pass Thru) & COST OF GOODS SOLD	105,845	108,449	113,432	135,952	146,398	133,283	10,446	(13,115)
OTHER EXPENSES (Misc & Interdept)	(371)	2,908	718	0	500	500	500	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	55,656	42,870	35,552	29,310	28,100	32,581	(1,210)	4,481
MAINTENANCE (Materials & Services)	22,657	11,256	10,922	11,500	9,820	13,700	(1,680)	3,880
TOTAL DIRECT EXPENSES	629,001	666,776	706,287	763,866	772,994	783,180	9,128	10,186
ALLOCATED EXPENSES - ADMIN & MAINT	314,828	370,837	246,306	286,350	361,649	294,881	75,299	(66,768)
NET SURPLUS (DEFICIT) - Before Depreciation	390,461	333,986	480,625	463,657	403,682	538,201	(59,975)	134,518
ALLOCATED DEPRECIATION	11,347	13,142	9,708	8,849	12,263	8,017	3,414	(4,246)
DEPRECIATION (includes donated assets)	356,222	381,194	389,796	333,779	330,243	330,765	(3,536)	522
NET SURPLUS (DEFICIT) - After Depreciation	22,892	(60,351)	81,121	121,029	61,176	199,419	(59,853)	138,242

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.

2019 PROJECTED

Revenue Assumptions

1. Moorage rates for most slips increased by 3% CPI plus 3% or 4%, as approved by the Commission. Other rates and fees increase by CPI.
2. Moorage receipts higher than budget reflect increased recreational fishing activity (monthly & non-tax).

Expense Assumptions

1. Community relations expense over budget due to JWM Waterfront Days event expansion.
2. Total operating expenses expected to remain on budget.

2020 BUDGET

Revenue Assumptions

1. Moorage rates for most slips will increase by CPI plus 3.0%; CPI plus 4% with a 7% cap for 50 foot slips and greater. All established rates as approved by the Commission.
2. Annual Launch ramp fee to remain at \$50 after increasing from \$42 in 2019.
3. Other rates and fees to increase by 2.5% CPI.

Expense Assumptions

1. Maintenance labor increasing due to the use of existing personnel to perform summer work at the marina instead of hiring temporary employees.
2. Maintenance includes approximately \$65k for general repairs & maintenance by the Port Facilities Maintenance department to maintain existing infrastructure.

Port of Port Angeles
JOHN WAYNE MARINA (JWM - DEPT 43)
2020 Budget

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 BUDGET	2019 Proj Over/(Under) 2019 Budget	2020 Budget Over/(Under) 2019 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	650	581	788	655	500	500	(155)	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	871,448	908,606	971,330	991,127	1,046,724	1,104,294	55,597	57,570
MARINA & YARD FEES	46,069	49,807	55,254	61,046	59,973	62,072	(1,073)	2,099
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	0	0	0	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	0	0	557	0	0	0	0	0
STRUCTURE LEASE/RENT	53,698	58,564	50,082	52,365	53,286	54,884	921	1,598
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	223,701	270,090	338,711	278,192	273,301	281,500	(4,891)	8,199
MISC & INTERDEPT REVENUE	3,082	2,150	4,217	3,500	5,000	5,000	1,500	0
TOTAL OPERATING REVENUES	1,198,648	1,289,799	1,420,938	1,386,885	1,438,784	1,508,250	51,899	69,466
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	357,943	370,342	392,505	409,012	398,696	402,584	(10,317)	3,888
SUPPLIES	9,102	16,234	18,130	15,334	15,250	16,000	(84)	750
OUTSIDE SERVICES	9,870	14,084	38,604	15,000	15,000	15,000	0	0
PUBLIC INFORMATION	1,429	1,818	9,930	2,000	2,500	2,500	500	0
MARKETING	267	843	1,626	5,000	5,000	5,000	0	0
COMMUNITY RELATIONS	0	591	7,109	5,000	10,000	10,000	5,000	0
ADS, DUES & PUBLICATIONS	1,592	1,084	1,106	1,500	1,500	1,500	0	0
TRAVEL MEETINGS	228	914	2,553	1,000	1,000	1,000	0	0
TRAVEL/TRAINING	98	0	0	0	0	0	0	0
PROMOTIONAL HOSTING	82	82	52	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	88,831	83,964	97,536	89,728	96,803	98,903	7,075	2,100
UTILITY (Pass Thru) & COST OF GOODS SOLD	176,589	216,134	282,213	214,092	214,500	216,538	408	2,038
OTHER EXPENSES (Misc & Interdept)	11,202	25,049	23,711	20,000	20,000	20,000	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	25,801	36,240	23,717	38,111	37,100	47,452	(1,011)	10,352
MAINTENANCE (Materials & Services)	24,856	14,704	17,877	14,500	14,649	17,500	149	2,851
TOTAL DIRECT EXPENSES	707,891	782,081	916,666	830,277	831,998	853,977	1,721	21,979
ALLOCATED EXPENSES - ADMIN & MAINT	320,932	270,466	263,498	281,001	356,398	289,228	75,397	(67,169)
NET SURPLUS (DEFICIT) - Before Depreciation	169,825	237,252	240,773	275,607	250,389	365,045	(25,218)	114,656
ALLOCATED DEPRECIATION	11,567	9,729	10,385	8,683	12,085	7,863	3,402	(4,222)
DEPRECIATION (includes donated assets)	214,978	217,198	210,606	118,345	120,779	64,598	2,434	(56,181)
NET SURPLUS (DEFICIT) - After Depreciation	(56,719)	10,325	19,782	148,579	117,525	292,583	(31,054)	175,059

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

2019 PROJECTED

Revenue Assumptions

1. Rental Properties slightly under budget due to unanticipated changes.

Expense Assumptions

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

2020 BUDGET

Revenue Assumptions

1. Slight increase in lease revenue based on new lease of Marine Drive office space.

Expense Assumptions

1. Maintenance and staff salary allocation percentages to RP-61 increased in 2020 due to expected increased activity during 2020.

Port of Port Angeles
RENTAL PROPERTIES (RP - DEPT 61)
2020 Budget

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 BUDGET	2019 Proj Over/(Under) 2019 Budget	2020 Budget Over/(Under) 2019 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	684	0	0	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	56,694	75,596	68,239	79,128	68,194	68,194	(10,934)	0
STRUCTURE LEASE/RENT	20,316	26,616	20,316	35,818	38,982	44,059	3,164	5,077
USE AGMT AND OTHER RENT	175	7,684	10,571	0	3,700	0	3,700	(3,700)
UTILITY PASS THRU & PRODUCT SALES	1,620	1,620	1,620	3,550	620	1,000	(2,930)	380
MISC & INTERDEPT REVENUE	457	53	934	500	500	500	0	0
TOTAL OPERATING REVENUES	79,947	111,569	101,680	118,996	111,996	113,753	(7,000)	1,757
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	96,023	124,420	99,573	46,241	42,000	50,907	(4,241)	8,907
SUPPLIES	186	1,069	25	200	100	200	(100)	100
OUTSIDE SERVICES	7,780	26,500	10,961	6,500	3,000	2,500	(3,500)	(500)
PUBLIC INFORMATION	0	0	0	0	0	0	0	0
MARKETING	0	1,699	0	0	500	500	500	0
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS - 61	285	2,165	835	2,240	1,595	1,800	(645)	205
TRAVEL MEETINGS	0	174	0	500	0	500	(500)	500
TRAVEL/TRAINING - 61	965	2,189	529	4,780	0	500	(4,780)	500
PROMOTIONAL HOSTING	0	0	35	250	250	250	0	0
RENT, UTILITIES, INSURANCE, TAXES	22,506	20,702	21,760	22,341	23,788	25,236	1,447	1,448
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	180	3,550	517	833	(3,033)	316
OTHER EXPENSES (Misc & Interdept)	(802)	166	(104)	0	0	500	0	500
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	18,505	5,657	7,738	8,800	4,760	18,212	(4,040)	13,452
MAINTENANCE (Materials & Services)	6,911	581	2,410	4,000	2,200	5,000	(1,800)	2,800
TOTAL DIRECT EXPENSES	152,360	185,320	143,942	99,402	78,710	106,938	(20,692)	28,228
ALLOCATED EXPENSES - ADMIN & MAINT	92,089	88,521	59,820	43,712	45,130	48,144	1,418	3,014
NET SURPLUS (DEFICIT) - Before Depreciation	(164,503)	(162,272)	(102,082)	(24,118)	(11,844)	(41,329)	12,274	(29,485)
ALLOCATED DEPRECIATION	3,319	3,138	2,358	1,351	1,530	1,309	179	(221)
DEPRECIATION (includes donated assets)	4,542	10,123	13,768	13,768	13,768	13,768	0	0
NET SURPLUS (DEFICIT) - After Depreciation	(172,363)	(175,532)	(118,208)	(39,237)	(27,143)	(56,406)	12,095	(29,264)

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 (1970's)
- 1 - 2-ton flatbed truck
- 1 - Water truck
- 2 - ARFF Fire trucks and firefighting equipment
- 7 - Forklifts
- 4 - Tractors
- 1 - New Holland Tractor Mower
- 1 - John Deere Tractor w/mower deck
- 1 - International Tractor w/brush hog mower
- 3 - riding mowers
- 3 - push mowers
- 1 - Scissor lift
- 1 - boom lift
- 19 Fleet vehicles (mostly pickup trucks)

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

2019 PROJECTED

Expense Assumptions

1. Decreased log exports caused reduced work on Log Yard Equipment and labor charged to Log Yard.
2. Under in supplies due to decreased need for replenishment of filters, batteries and lubricants for heavy equipment maintenance (LY).

2020 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 2019.
3. Supplies purchased for MM are to replace aging equipment and improve safety & efficiency of daily tasks. There are no major purchases anticipated in 2020.

Port of Port Angeles
MECHANICAL MAINTENANCE (MM - DEPT 91)
2020 Budget

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 BUDGET	2019 Proj Over/(Under) 2019 Budget	2020 Budget Over/(Under) 2019 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	0	0	0	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	0	0	0	0	0	0	0	0
STRUCTURE LEASE/RENT	0	0	0	0	0	0	0	0
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	0	0	0	0	0	0	0	0
MISC & INTERDEPT REVENUE	0	0	0	0	0	0	0	0
TOTAL OPERATING REVENUES	0	0	0	0	0	0	0	0
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	42,298	15,186	18,368	19,174	23,031	17,479	3,857	(5,552)
SUPPLIES	30,853	41,178	43,355	40,000	30,000	35,000	(10,000)	5,000
OUTSIDE SERVICES	18,628	15,752	9,619	10,100	9,500	10,100	(600)	600
PUBLIC INFORMATION	0	0	0	0	0	0	0	0
MARKETING	0	0	0	0	0	0	0	0
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	0	0	0	0	0	0	0	0
TRAVEL MEETINGS	0	0	22	0	0	0	0	0
TRAVEL/TRAINING	1,641	727	0	500	0	500	(500)	500
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	15,735	19,008	18,844	21,384	23,280	23,801	1,896	521
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	0	145	0	250	0	250	(250)	250
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	30,770	30,673	32,014	36,487	37,542	44,136	1,055	6,594
MAINTENANCE (Materials & Services)	14,722	5,844	6,981	9,000	3,148	4,500	(5,852)	1,352
TOTAL DIRECT EXPENSES	154,646	128,514	129,202	136,895	126,501	135,766	(10,394)	9,265
ALLOCATED EXPENSES - ADMIN & MAINT	(154,646)	(128,513)	(129,202)	(136,895)	(126,501)	(135,766)	10,394	(9,265)
NET SURPLUS (DEFICIT) - Before Depreciation	0	(0)	(0)	0	0	0	0	0
ALLOCATED DEPRECIATION	(27,563)	(18,390)	(15,233)	(15,415)	(15,171)	(15,171)	244	0
DEPRECIATION (includes donated assets)	27,563	18,390	15,233	15,415	15,171	15,171	(244)	0
NET SURPLUS (DEFICIT) - After Depreciation	0	0	(0)	0	0	0	0	0

Note: All expenses for centralized services (overhead departments) are allocated to the lines of business based on each line of business's percent of total expenses. The resulting total in the Net Surplus (Deficit) After Depreciation line is \$0 for all centralized services. If there is an unusual or extraordinary expense in a line of business, the allocation method would be adjusted. Please refer to page VIII-16 in the Supplemental Section for an explanation of Support Function Cost Allocation.

FACILITIES MAINTENANCE (FM 92)

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

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

2019 PROJECTED

Expense Assumptions

1. Maintenance Labor over budget due to: Overtime associated with February 2019 snow storm; and more time spent within FM (not allocated to other departments as budgeted) - mostly due to work on the future FM Bldg, located at the Airport Industrial Park.
2. FM labor utilized for Port capital projects projected at \$150k to include the FIA terminal building remodel, MTIB improvements, MTA site work and the MTA washdown facility.
3. FM activities through the end of year will include routine and seasonal maintenance and purchase of small tools.

2020 BUDGET

Expense Assumptions

1. Workload will to be accomplished with 9 FTE's.
2. Capitalized labor cost will decrease from EOY 2019 to \$40k.
3. FM assistance with LY Operations continues based on need. FM Labor services also continue to assist with LY dust control, bark and rock hauling.
4. Maintenance costs vary across departments, generally following trend, but punctuated with larger maintenance projects. These projects include landscaping at various Port owned rental properties, Airport Rental Properties (ARP) parking lot seal coat and re-stripping, Terminal 1 dock ladders and JWM maintenance to concrete sidewalk repairs.
5. Supplies purchased for FM are to replace aging equipment and to improve safety & efficiency of daily tasks. There are no major purchases anticipated in 2020.

Port of Port Angeles
FACILITIES MAINTENANCE (FM - DEPT 92)
2020 Budget

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 BUDGET	2019 Proj Over/(Under) 2019 Budget	2020 Budget 2019 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	0	0	0	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	0	0	0	0	0	0	0	0
STRUCTURE LEASE/RENT	0	0	0	0	0	0	0	0
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	0	0	0	0	0	0	0	0
MISC & INTERDEPT REVENUE	0	0	0	0	0	0	0	0
TOTAL OPERATING REVENUES	0	0	0	0	0	0	0	0
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	83,863	75,848	88,880	62,477	62,787	70,031	310	7,244
SUPPLIES	36,431	27,883	44,313	35,650	38,000	35,000	2,350	(3,000)
OUTSIDE SERVICES	7,440	11,568	8,156	10,800	10,022	10,800	(778)	778
PUBLIC INFORMATION	265	137	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	1,336	517	1,000	2,000	2,000	2,000	0	0
TRAVEL MEETINGS	258	152	0	500	0	0	(500)	0
TRAVEL/TRAINING	8,338	3,452	2,500	6,500	2,800	4,000	(3,700)	1,200
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	21,715	22,964	27,000	24,998	27,818	27,100	2,820	(718)
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	4,171	3,113	3,000	5,500	5,500	5,500	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	52,926	62,351	55,693	66,282	106,209	75,030	39,927	(31,179)
MAINTENANCE (Materials & Services)	9,540	20,936	14,828	15,000	18,239	19,000	3,239	761
TOTAL DIRECT EXPENSES	226,283	228,922	245,370	229,706	273,375	248,461	43,669	(24,914)
ALLOCATED EXPENSES - ADMIN & MAINT	(226,283)	(228,922)	(245,370)	(229,706)	(273,375)	(248,461)	(43,669)	24,914
NET SURPLUS (DEFICIT) - Before Depreciation	0	(0)	(0)	0	0	0	0	0
ALLOCATED DEPRECIATION	(34,983)	(35,286)	(34,402)	(34,403)	(34,403)	(21,628)	0	12,775
DEPRECIATION (includes donated assets)	34,983	35,286	34,402	34,403	34,403	21,628	0	(12,775)
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 based on each line of business's percent of total expenses. The resulting total in the Net Surplus (Deficit) After Depreciation line is \$0 for all centralized services. If there is an unusual or extraordinary expense in a line of business, the allocation method would be adjusted. Please refer to page VIII-16 in the Supplemental Section for an explanation of Support Function Cost Allocation.

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.

2019 PROJECTED

Expense Assumptions

1. Salaries and benefits combined are expected to be under budget due to staff transitions and improved tracking of time for direct charging to other departments.
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 2019 have not been utilized.

2020 BUDGET

Expense Assumptions

1. Staffing costs reflect benefit increases as well as cost of living increases.
2. Outside services include a base level for legal, technology, general consulting, janitorial, state audit, etc. Additional outside services have been budgeted at a lower amount than prior year.
3. Public information includes community outreach and state/federal legislative advocacy.
4. Travel and Training has been budgeted slightly less than the 2019 projected.
5. Rent, Utilities, Insurance and Taxes is expected to be slightly higher than 2019.
6. The contingency budget for Port-wide unanticipated expenses is budgeted at \$104,000 compared to \$150,000 in prior years.

**Port of Port Angeles
ADMINISTRATION (ADMIN - DEPT 80)
2020 Budget**

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 BUDGET	2019 Proj Over/(Under) 2019 Budget	2020 Budget Over/(Under) 2019 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	0	0	0	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	0	0	0	0	0	0	0	0
STRUCTURE LEASE/RENT	0	0	0	0	0	0	0	0
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	0	0	0	0	0	0	0	0
MISC & INTERDEPT REVENUE	0	0	0	0	0	0	0	0
TOTAL OPERATING REVENUES	0	0	0	0	0	0	0	0
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	1,214,408	1,070,448	940,175	1,282,664	1,165,370	1,182,987	(117,294)	17,617
SUPPLIES	65,810	56,284	56,259	77,000	71,947	77,000	(5,053)	5,053
OUTSIDE SERVICES	344,323	251,279	181,424	408,360	280,500	309,000	(127,860)	28,500
PUBLIC INFORMATION	15,554	66,456	119,406	130,000	136,500	139,000	6,500	2,500
MARKETING	2,406	885	1,734	1,000	1,500	1,000	500	(500)
COMMUNITY RELATIONS	3,484	2,257	4,865	5,000	14,800	15,101	9,800	301
ADS, DUES & PUBLICATIONS	31,012	25,855	26,603	24,388	25,469	26,040	1,081	571
TRAVEL MEETINGS	17,639	20,682	22,704	22,000	18,000	20,000	(4,000)	2,000
TRAVEL/TRAINING	29,375	26,814	24,379	37,500	31,400	30,000	(6,100)	(1,400)
PROMOTIONAL HOSTING	555	0	0	0	2,500	0	2,500	(2,500)
RENT, UTILITIES, INSURANCE, TAXES	137,590	137,481	141,391	142,103	147,073	149,573	4,970	2,500
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	476	3,094	2,771	5,000	2,300	5,000	(2,700)	2,700
CONTINGENCY	0	0	0	150,000	0	104,000	(150,000)	104,000
MAINT LABOR, BENEFITS & INTER-DEPT	22,979	22,774	23,966	27,855	26,856	30,914	(999)	4,058
MAINTENANCE (Materials & Services)	9,824	11,130	14,075	13,000	13,961	14,500	961	539
TOTAL DIRECT EXPENSES	1,895,435	1,695,440	1,559,750	2,325,870	1,938,176	2,104,115	(387,694)	165,939
ALLOCATED EXPENSES - ADMIN & MAINT	(1,895,435)	(1,695,440)	(1,559,750)	(2,325,870)	(1,938,176)	(2,104,115)	387,694	(165,939)
NET SURPLUS (DEFICIT) - Before Depreciation	(0)	0	0	0	0	0	0	0
ALLOCATED DEPRECIATION	(29,345)	(32,037)	(37,983)	(41,917)	(43,383)	(36,741)	(1,466)	6,642
DEPRECIATION (includes donated assets)	29,345	32,037	37,983	41,917	43,383	36,741	1,466	(6,642)
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 based on each line of business's percent of total expenses. The resulting total in the Net Surplus (Deficit) After Depreciation line is \$0 for all centralized services. If there is an unusual or extraordinary expense in a line of business, the allocation method would be adjusted. Please refer to page VIII-16 in the Supplemental Section for an explanation of Support Function Cost Allocation.

ECONOMIC & BUSINESS DEVELOPMENT (BD 81)

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

The objectives of business development activity are:

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

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

2019 PROJECTED

Expense Assumptions

1. The Business Development department has been in transition. Most expenses are under due to transitions which have resulted in a shift of resources.

2020 BUDGET

Expense Assumptions

1. Salaries & Benefits show a decrease from 2019 Budget but in line with 2019 Projection.
2. Outside Services are markedly less than the 2019 budget and projection due to two large contracts which commenced and were completed in 2019. Outside services include: support for development of MTIP; market analysis and grant writing for new opportunities; support for other economic development entities including Economic Development Council (EDC), Small Business Development Center (SBDC), North Olympic Peninsula Development (NODC), and Center for Inclusive Entrepreneurship (CIE); feasibility of recycled carbon fiber and thermally modified hemlock project; continued work on sustainable harvests and advanced wood products; continued efforts on communications outreach. See Supplemental Information for schedule on Consulting and Special Projects.
3. Travel for Meetings and Training has been reduced for 2020.
4. Other Expenses represent economic development incentives for discounted building rent to Peninsula College at CRTC and discounted oven equipment rental for CRTC.

Port of Port Angeles
ECONOMIC & BUSINESS DEVELOPMENT (BD - DEPT 81)
2020 Budget

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 BUDGET	2019 Proj Over/(Under) 2019 Budget	2020 Budget Over/(Under) 2019 Proj
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	164,022	45,665	31,362	107,009	89,926	89,926	(17,083)	0
SUPPLIES	5,978	(49)	0	0	0	0	0	0
OUTSIDE SERVICES	671,498	871,305	129,055	497,000	431,142	180,000	(65,858)	(251,142)
PUBLIC INFORMATION	26,375	36,592	23,694	16,000	22,260	23,000	6,260	740
MARKETING	16,383	11,156	8,779	7,000	16,250	20,500	9,250	4,250
COMMUNITY RELATIONS	0	20	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	5,277	900	900	6,150	2,300	7,300	(3,850)	5,000
TRAVEL MEETINGS	6,952	10,924	21,350	33,900	32,000	20,000	(1,900)	(12,000)
TRAVEL/TRAINING	10,912	2,547	4,159	5,000	3,600	0	(1,400)	(3,600)
PROMOTIONAL HOSTING	2,833	1,276	2,383	5,000	4,000	5,000	(1,000)	1,000
RENT, UTILITIES, INSURANCE, TAXES	2,695	428	0	0	0	0	0	0
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	28,043	47,100	93,050	41,703	47,000	48,153	5,297	1,153
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	0	0	0	0	0	0	0	0
MAINTENANCE (Materials & Services)	3,000	9	0	0	0	0	0	0
TOTAL DIRECT EXPENSES	943,968	1,027,871	314,730	718,762	648,478	393,879	(70,284)	(254,599)
ALLOCATED EXPENSES - ADMIN & MAINT	(943,968)	(1,027,871)	(314,730)	(718,762)	(648,478)	(393,879)	70,284	254,599
NET SURPLUS (DEFICIT) - Before Depreciation	0	0	0	0	0	0	0	0
ALLOCATED DEPRECIATION	0	0	0	0	0	0	0	0
DEPRECIATION (includes donated assets)	0	0	0	0	0	0	0	0
NET SURPLUS (DEFICIT) - After Depreciation	0	0	0	0	0	0	0	0

Note: All expenses for centralized services (overhead departments) are allocated to the lines of business based on each line of business's percent of total expenses. The resulting total in the Net Surplus (Deficit) After Depreciation line is \$0 for all centralized services. If there is an unusual or extraordinary expense in a line of business, the allocation method would be adjusted. Please refer to page VIII-16 in the Supplemental Section for an explanation of Support Function Cost Allocation.

Promotional Hosting Maximum									
Per RCW 53.36.130, funds for promotional hosting expenditures shall be expended only from gross operating revenues and shall not exceed one percent (1%) thereof upon the first two million five hundred thousand dollars (\$2,500,000.00) of such gross operating revenues, one-half of one percent (.5%) upon the next two million five hundred thousand dollars (\$2,500,000.00) of such gross operating revenues, and one-fourth of one percent (.25%) on the excess over five million dollars (\$5,000,000.00) of such revenues:									
PROVIDED, HOWEVER, that in no case shall these limitations restrict the Port District to less than twenty-five hundred dollars (\$2,500.00) per year from any funds available to the Port.									
	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 Budget	2019 Projected	2020 Budget		
Gross Operating Revenue Budget	8,601,734	9,432,835	10,060,095	11,069,438	11,056,379	8,597,451	8,837,553		
. \$0 to \$2,500,000	1.00%	25,000	25,000	25,000	25,000	25,000	25,000		
. Over \$2,500,000 to \$5,000,000	0.50%	12,500	12,500	12,500	12,500	12,500	12,500		
. Excess over \$5,000,000	0.25%	9,004	11,082	12,650	15,174	15,141	8,994	9,594	
Allowed Promotional Hosting per RCW	46,504	48,582	50,150	52,674	52,641	46,494	47,094		
	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 Budget	2019 Projected	2020 Budget
Promotional Hosting by Line of Business									
Marine Terminal	0	1,888	3,164	1,098	4,879	1,081	2,500	500	2,000
Marine Trades Area	0	0	489	637	257	253	5,000	300	5,000
Log Yard	1,981	3,535	2,501	2,600	2,884	1,731	2,500	3,444	2,500
Fairchild International Airport & Airport Rental Prop.	0	55	216	122	862	49	4,500	2,500	3,000
Business Development	5,248	1,513	5,303	2,833	1,276	2,470	5,250	6,750	5,250
Total Promotional Hosting	7,229	6,991	11,672	7,289	10,158	5,584	19,750	13,494	17,750
Per RCW 53.36.120, expenditures for industrial development and trade promotion are also specific budget items, but are not limited in amount per RCW. Industrial development and trade promotion are included in the Business Development budget as well as the Marketing line item across all departments.									
	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 Budget	2019 Projected	2020 Budget
Industrial Development & Trade Promotion									
Marketing Line Item									
Fairchild International Airport & Airport Rental Prop.	0	1,610	1,400	3,077	7,709	10,666	12,700	8,100	16,000
Marine Trades Area & Log Yard	0	0	1,640	8,161	4,579	7,311	6,500	1,784	6,500
Port Angeles Boat Haven & John Wayne Marina	0	300	2,160	1,142	3,811	3,252	10,000	7,500	7,500
Rental Properties	0	0	0	0	1,699	0	0	500	500
Administration	175	0	0	2,406	885	1,734	1,000	1,500	1,000
Business Development	17,255	12,094	10,985	16,383	11,156	8,779	7,000	16,250	20,500
Total Industrial Dev & Trade Promotion	17,430	14,004	16,186	31,168	29,840	31,741	37,200	35,634	52,000
In addition to the above, the Port contracts for Economic Development Services (currently) & CRTC in Outside Services (ended 2017)									
Economic Development Corporation	25,000	25,000	25,000	30,000	30,000	40,000	40,000	30,000	40,000
CRTC	n/a	n/a	97,500	615,000	615,000	n/a	230,000	230,000	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.

2019 PROJECTED

Revenue Assumptions

General:

1. Other taxes (timber harvest taxes) are slightly lower than budget due to unpredictable harvest activities.
2. Miscellaneous includes the 2010A bond rate subsidy which is lower due to the continued sequestration by United States Congress.
3. Grants are below budget due to a delay in projects.
4. Passenger Facility Charges are difficult to predict since it depends on the number of passengers using charter services.
5. Gain (Loss) includes unrealized gains or losses due to changes in market values as well as realized gains or losses with the sale of surplus assets. The 2019 projected numbers include a gain in the form of a legal settlement.
6. Interest earnings are higher than budgeted due to the improved performance of the (LGIP).

Capital:

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

Expense Assumptions

General:

1. Environmental expenses for historical cleanup sites were slightly higher than budget. However, because of a \$2 million settlement related to insurance coverage, the settlement revenue in excess of expenses is shown as a negative expense.

Capital:

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

2020 BUDGET

Revenue Assumptions

General:

1. Interest earnings are projected to be lower than 2019 as a result of dropping interest rates, both long-term and short-term. The Local Government Investment Pool (LGIP) is doing better than other investment rates, but the rates are expected to drop in 2020 slightly behind the other investment interest rates.
2. Other taxes (timber harvest taxes) are budgeted conservatively; they are difficult to predict.
3. Miscellaneous includes the 2010A bond rate subsidy reduced for continued sequestration.

Capital:

1. The Port property tax levy will be increased in 2020 by the allowable 1% and assumes approximately \$125 million of new construction (as reported by the Clallam County Assessor).

Expense Assumptions

General:

1. Environmental expenses are expected to be slightly higher than 2019 actual expenses (2019 expenses were offset by the \$2 million insurance settlement).
2. Misc. Expense includes \$70k funding for the Community Partner Program.

Capital:

1. Interest payments on LTGO (Limited Tax General Obligation) bonds and other debt are slightly higher than 2019 due to a new CERB loan obtained for the MTA wash-down facility.

Port of Port Angeles
NON-OPERATING (NONOP - DEPT 90)
2020 Budget

	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 BUDGET	2019 Proj Over/(Under) 2019 Budget	2020 Budget Over/(Under) 2019 Proj
NON-OP GENERAL REVENUES								
INTEREST EARNINGS	485,058	296,389	391,094	338,000	386,000	306,700	48,000	(79,300)
OTHER TAX RECEIPTS	219,760	201,551	112,207	179,700	170,000	144,000	(9,700)	(26,000)
MISC NON OP REVENUES	137,936	34,998	29,952	26,683	26,664	26,664	(19)	0
GRANTS - OPERATIONS	1,335,467	21,626	0	51,000	20,297	1,000	(30,703)	(19,297)
PASSENGER FACILITY CHARGES (PFC'S)	1,705	1,661	1,407	1,328	1,450	1,450	122	0
GAIN (LOSS) & SPECIAL ITEMS	(45,599)	(82,082)	11,286	0	371,139	0	371,139	(371,139)
TOTAL NON-OP GENERAL REV	2,134,327	474,143	545,946	596,711	975,550	479,814	378,839	(495,736)
NON-OP GENERAL EXPENSES								
NET ENVIRONMENTAL (see narrative)	(1,255,399)	26,879	170,476	336,594	(1,713,871)	203,658	(2,050,465)	1,917,529
MISC NON OP EXPENSE	60,706	80,621	51,615	97,000	382,450	75,000	285,450	(307,450)
TOTAL NON-OP GENERAL EXP	(1,194,693)	107,500	222,092	433,594	(1,331,421)	278,658	(1,765,015)	1,610,079
NET NON-OP GENERAL SURPLUS (DEFICIT)	3,329,020	366,643	323,854	163,117	2,306,971	201,156	2,143,854	(2,105,815)
NON-OP CAPITAL REVENUES								
PROPERTY TAX RECEIPTS	1,458,658	1,475,279	1,492,694	1,530,216	1,530,216	1,569,883	0	39,667
GRANTS - CAPITAL	5,072,346	830,959	117,897	343,000	103,719	958,500	(239,281)	854,781
TOTAL NON-OP CAPITAL REV	6,531,004	2,306,238	1,610,591	1,873,216	1,633,935	2,528,383	(239,281)	894,448
NON-OP CAPITAL EXPENSES								
BOND COSTS & INTEREST EXPENSE	292,071	287,044	276,023	263,994	263,994	252,939	0	(11,055)
TOTAL NON-OP CAPITAL EXP	292,071	287,044	276,023	263,994	263,994	252,939	0	(11,055)
NET NON-OP CAPITAL SURPLUS (DEFICIT)	6,238,933	2,019,194	1,334,567	1,609,222	1,369,941	2,275,444	(239,281)	905,503
NET NON-OP SURPLUS (DEFICIT)	9,567,953	2,385,837	1,658,422	1,772,339	3,676,912	2,476,600	1,904,573	(1,200,312)
TOTAL NET NON-OP SURPLUS (DEFICIT)	9,567,953	2,385,837	1,658,422	1,772,339	3,676,912	2,476,600	1,904,573	(1,200,312)

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SECTION V

CAPITAL BUDGET

CAPITAL BUDGET

The 2020 Capital Budget includes a 1-year Capital Projects Budget, a 5-year Capital Improvement Plan and a 6 to 20 year Capital Improvement Plan. The Capital Projects Budget is funded by a combination of grants, property tax surplus, operating surplus and reserves. Surplus from property taxes is net of general tax levies in excess of debt service expenditures. Surplus from Port operations results from the cumulative excess of revenues over expenses. The operating surplus that is transferred from the General Fund to the Capital Improvement Fund is the amount that exceeds the target fund balance for the General Fund. Periodically, the Port will also issue debt to fund projects.

A. CAPITAL PROJECTS BUDGET

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

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

- A. Regulatory Required Projects: These projects are required by a regulatory agency. The Port must complete these projects to remain in compliance with established regulations.
- B. Committed Projects: These projects are considered “committed” because of one or more of the following reasons:
 1. Port agreed to complete within a lease or other agreement.
 2. Receipt of outside grant funding.
 3. Project is critical to accomplishing a long-term Strategic Goal.
 4. Advisory Committee recommendation that has been accepted by the Commission to be included in the budget.
- C. Critical Maintenance Projects: In order to prevent further damage or stay on track with a multi-year programmatic maintenance schedule, these projects are included in the Capital Budget.
- D. Rated Projects: Following regulatory, committed and critical maintenance are the rated projects. These projects will be prioritized based on their total cumulative score. Commission and Staff 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.

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 \$2,400,000 per year of depreciation, which is used as an investment target for maintaining its assets.

B. 5 YEAR CAPITAL IMPROVEMENT PLAN

The Five-Year Capital Improvement Plan is a planning tool that identifies Capital Projects through the year 2024. Projects shown in future years do not commit the Port for funding. Each project will go through a more stringent prioritization analysis prior to being accepted in a current year Capital Budget.

C. 6 TO 20 YEAR CAPITAL IMPROVEMENT PLAN

This list represents projects that are major capital investments that the Port will likely make within the next 6 to 20 years (2025 - 2040). These projects are primarily infrastructure replacement projects, but there are a few new development projects that represent high priority strategic investments. This plan is intended to be used as a planning tool to help balance current capital investments and debt with the large capital needs in the future.

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2020 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	2020 \$	Future Project \$	Jobs New/Retain	R.O.I.	E.B.	S.P.	Project Total	Cumulative Total (\$)
1	21-LY	LY Site & S.W. Impts (G)	\$ 100,000	\$ 15,000,000	5	5	5	5		\$ 100,000
2	11-MT	*T3 Maintenance Dredge	\$ 1,000,000		Regulatory					\$ 1,100,000
3	11-MT	Emergency Radio (G)	\$ 10,000							\$ 1,110,000
4	21-LY	Cofferdam Rehab. (G)	123,000	\$ 2,165,000						\$ 1,233,000
5	33-ARP	CMC Gate & Security Fence	150,000							\$ 1,383,000
6	41-PABH	Entrance Signs	25,000							\$ 1,408,000
7	41-PABH	Boat Launch Surveillance (G)	10,000							\$ 1,418,000
8	31-FIA	Maint. Hangar Door Replace	\$ 100,000							\$ 1,518,000
9	80-AD	Capital Budget Contingency	\$ 200,000							\$ 1,718,000
10	31-FIA	Runway 8/26 Rehab. (G)	35,500	\$ 315,000						\$ 1,753,500
11	31-FIA	Maint. Hangar Roof Replace	60,000							\$ 1,813,500
12	41-PABH	E. Parking Lot Resurfacing	400,000							\$ 2,213,500
13	41-PABH	Fuel Float Replacement (G)	105,000							\$ 2,318,500
14	80-AD	Admin Parking Lot Rehab	35,000							\$ 2,353,500
15	33-ARP	1010-1050 Remodel	\$ 50,000	\$ 900,000	5	4	2	5	16	\$ 2,403,500
16	15-MTA	Portable Work Space	\$ 20,000		2	1	3	4	15	\$ 2,423,500
17	31-FIA	Sewer Extension	\$ 300,000		3	4	3	3	13	\$ 2,723,500
18	11-MT	Boom Lift	40,000		1	2	3	3	12	\$ 2,763,500
19	15-MTA	B.Y. Building Upgrades	50,000		3	3	3	3	12	\$ 2,813,500
20	11-MT	MT Suite 5 Remodel	20,000		2	1	1	2	6	\$ 2,833,500

Committed

Critical Maintenance

Rated

#	DEPT.	PROJECT	2020 \$	Future Project \$	Jobs New/Retain	R.O.I.	E.B.	S.P.	Project Total	Cumulative Total (\$)
21	31-FIA	Aviation Art	15,000		1	1	1	2	5	\$ 2,848,500
22	33-ARP	FM Warehouse	\$ 300,000						0	\$ 3,148,500
23	80-AD	Portable Event Booth	\$ 7,500						0	\$ 3,156,000
24	43-JWM	ADA Float Ramp	\$ 300,000						0	\$ 3,456,000
25	15-MTA	Boat Storage	\$ 250,000							\$ 3,706,000
Total 2020 Capital Budget =			\$ 2,848,500							

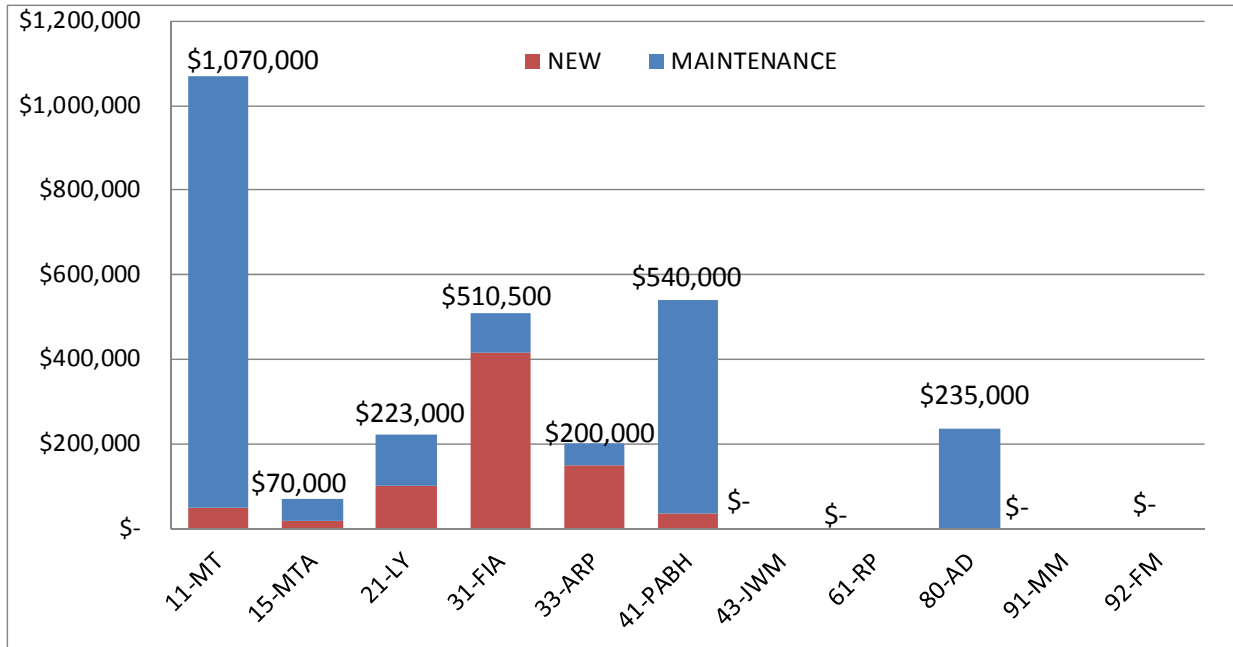
Projects below this line will be deferred to future years

*: Project cannot be capitalized and will show up as an operational expense

Totals by Category: Regulatory = \$100,000 / Committed = \$1,618,000 / Critical Maintenance = \$635,500 / Rated = \$495,000 / Deferred = \$857,500

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2020 CAPITAL EXPENDITURES BY DEPARTMENT



Dept.	Actual 2018	Budget 2019	Projected 2019	2020 New	2020 Maint.	2020 Total
11-MT	\$ 2,667,840	\$ 510,000	\$ 599,893	\$ 50,000	\$ 1,020,000	\$ 1,070,000
15-MTA	\$ 2,124,469	\$ 678,000	\$ 425,795	\$ 20,000	\$ 50,000	\$ 70,000
21-LY	\$ 798,785	\$ 1,070,000	\$ 637,361	\$ 100,000	\$ 123,000	\$ 223,000
31-FIA	\$ 48,621	\$ 187,000	\$ 212,638	\$ 415,000	\$ 95,500	\$ 510,500
33-ARP	\$ 59,785	\$ 555,000	\$ 119,136	\$ 150,000	\$ 50,000	\$ 200,000
41-PABH	\$ 59,223	\$ 360,000	\$ 105,835	\$ 35,000	\$ 505,000	\$ 540,000
43-JWM	\$ 53,723	\$ 55,000	\$ 50,000	\$ -	\$ -	\$ -
61-RP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80-AD	\$ 185,281	\$ 200,000	\$ 50,000	\$ -	\$ 235,000	\$ 235,000
91-MM	\$ 7,320	\$ 5,000	\$ -	\$ -	\$ -	\$ -
92-FM	\$ -	\$ 215,000	\$ 34,566	\$ -	\$ -	\$ -
Total	\$ 6,005,047	\$ 3,835,000	\$ 2,235,224	\$ 770,000	\$ 2,078,500	\$ 2,848,500

2020 OUTSIDE FUNDING ASSUMPTIONS

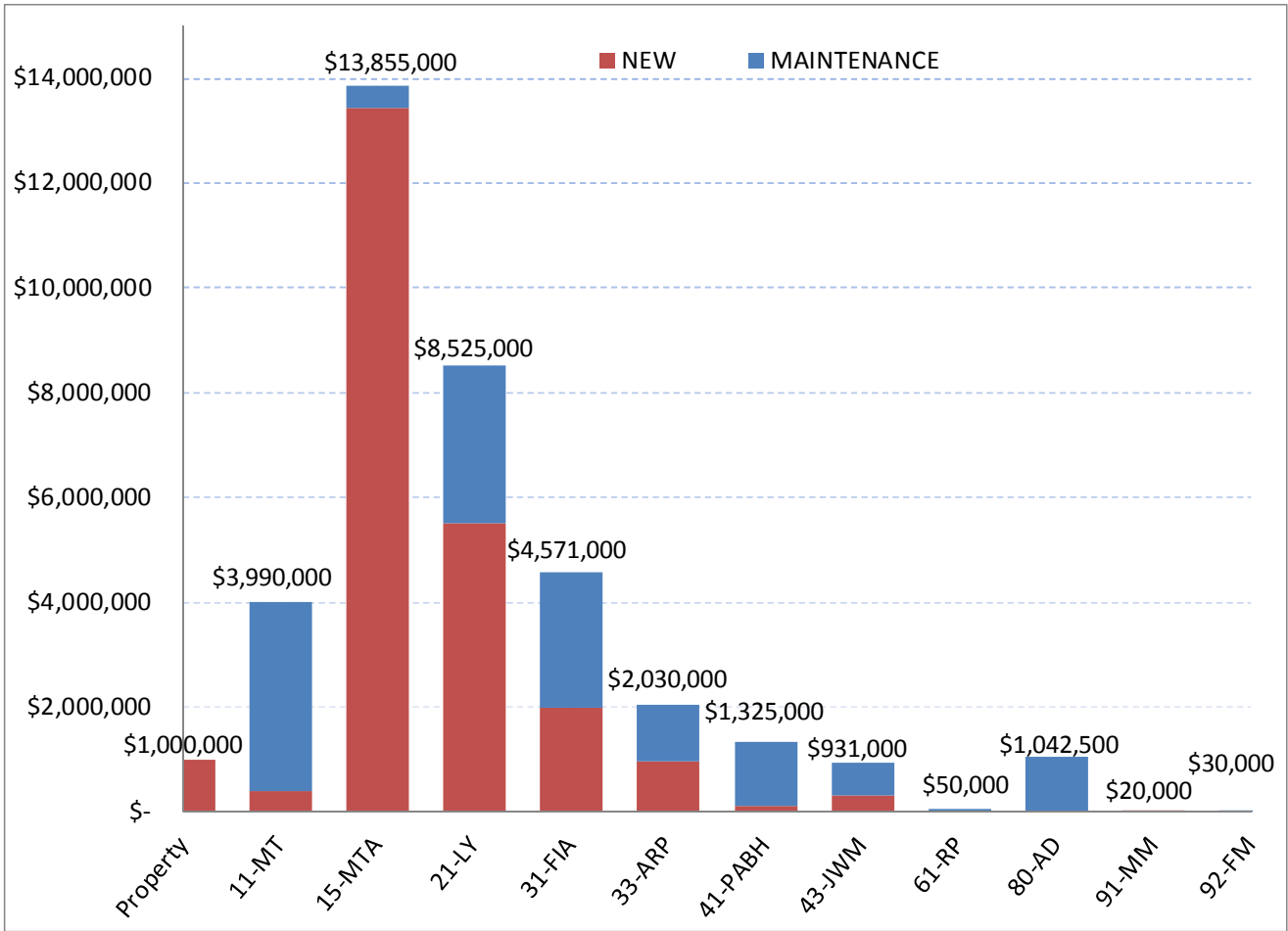
Project	Grantee	Port \$	Grant \$	Total \$
Emergency Radios	Dept. Homeland Security	\$ 10,000	\$ 30,000	\$ 40,000
Boat launch Surveillance	Dept. Homeland Security	\$ 10,000	\$ 30,000	\$ 40,000
Fuel Float Replacement	U.S. Fish & Wildlife	\$ 105,000	\$ 65,000	\$ 170,000
LY SW Impts Design	Wa. St. Dept. of Commerce	\$ 100,000	\$ 150,000	\$ 250,000
Runway 8/26 Rehab.	Federal Aviation Administration	\$ 35,500	\$ 673,500	\$ 709,000
Cofferdam	*Wa. St. Dept. of Commerce	\$ 123,000	\$ 10,000	\$ 133,000
TOTAL 2020 GRANT FUNDS =				\$ 958,500

* 50% of the Port funds will be financed through a 20 year low interest (2%) loan

2020 CAPITAL PROJECTS

Dept.	Project Description	Port Funds	Grant Funds	Total
11-MT	* T3 Maintenance Dredge	\$ 1,000,000		\$ 1,000,000
11-MT	MT Suite 5 Remodel	\$ 20,000		\$ 20,000
11-MT	Emergency Radio (G)	\$ 10,000	\$30,000	\$ 40,000
11-MT	Boom Lift	\$ 40,000		\$ 40,000
15-MTA	Portable Work Space	\$ 20,000		\$ 20,000
15-MTA	B.Y. Building Upgrades	\$ 50,000		\$ 50,000
21-LY	Cofferdam Rehab. (G)	\$ 123,000	\$10,000	\$ 133,000
21-LY	Site & Stormwater Improvements (G)	\$ 100,000	\$150,000	\$ 250,000
31-FIA	Sewer Extension	\$ 300,000		\$ 300,000
31-FIA	Maint. Hangar Roof Replace	\$ 60,000		\$ 60,000
31-FIA	Maint. Hangar Door Replace	\$ 100,000		\$ 100,000
31-FIA	Aviation Art	\$ 15,000		\$ 15,000
31-FIA	Runway 8/26 Rehab. (G)	\$ 35,500	\$ 673,500	\$ 709,000
33-ARP	1010-1050 Remodel	\$ 50,000		\$ 50,000
33-ARP	CMC Gate & Security Fence	\$ 150,000		\$ 150,000
41-PABH	Entrance Signs	\$ 25,000		\$ 25,000
41-PABH	East Parking Lot Resurfacing	\$ 400,000		\$ 400,000
41-PABH	Boat Launch Surveillance (G)	\$ 10,000	\$30,000	\$ 40,000
41-PABH	Fuel Float Replacement Design (G)	\$ 105,000	\$65,000	\$ 170,000
80-AD	Capital Budget Contingency	\$ 200,000		\$ 200,000
80-AD	Admin Parking Lot Rehabilitation	\$ 35,000		\$ 35,000
	PROJECT TOTALS =	\$2,848,500	\$958,500	\$3,807,000
11-MT	* T3 Maintenance Dredge	\$ 1,000,000		\$ 1,000,000
	CAPITAL PROJECT TOTALS =	\$1,848,500	\$958,500	\$2,807,000
G: Grant funding				
*Project cannot be capitalized and will show up as an operational expense				

2020 - 2024 CAPITAL IMPROVEMENT PLAN BY DEPARTMENT



Dept.	New	Maintenance	Total
Property	\$ 1,000,000	\$ -	\$ 1,000,000
11-MT	\$ 395,000	\$ 3,595,000	\$ 3,990,000
15-MTA	\$ 13,415,000	\$ 440,000	\$ 13,855,000
21-LY	\$ 5,500,000	\$ 3,025,000	\$ 8,525,000
31-FIA	\$ 1,985,000	\$ 2,586,000	\$ 4,571,000
33-ARP	\$ 950,000	\$ 1,080,000	\$ 2,030,000
41-PABH	\$ 110,000	\$ 1,215,000	\$ 1,325,000
43-JWM	\$ 300,000	\$ 631,000	\$ 931,000
61-RP	\$ -	\$ 50,000	\$ 50,000
80-AD	\$ 7,500	\$ 1,035,000	\$ 1,042,500
91-MM	\$ 20,000	\$ -	\$ 20,000
92-FM	\$ -	\$ 30,000	\$ 30,000
TOTAL =	\$ 23,682,500	\$ 13,687,000	\$ 37,369,500

2020 - 2024 CAPITAL IMPROVEMENT PLAN

Line #	Dept.	Project Description	2020	2021	2022	2023	2024
1		Industrial Prop. Acquisition		\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
2	11-MT	* T3 Maintenance Dredge	\$ 1,000,000				
3	11-MT	MT Suite 5 Remodel	\$ 20,000				
4	11-MT	Emergency Radio (G)	\$ 10,000				
5	11-MT	Boom Lift	\$ 40,000				
6	11-MT	T3 Power Upgrades		\$ 50,000			
7	11-MT	Security Improvements (G)			\$ 50,000		\$ 50,000
8	11-MT	T1 Warehouse Rehab.			\$ 350,000		\$ 2,000,000
9	11-MT	T1 Asphalt Resurfacing			\$ 50,000	\$ 50,000	\$ 50,000
10	11-MT	Replace Forklift		\$ 75,000			
11	11-MT	Entrance Sign			\$ 30,000		
12	11-MT	Marine Dr. Intersection (G)				\$ 15,000	\$ 150,000
13	15-MTA	MTIP Site Development		\$ 300,000	\$ 5,000,000		
14	15-MTA	MTIP Boat Storage		\$ 250,000			
15	15-MTA	MTIP Fabric Building			\$ 250,000		
16	15-MTA	MTIP Boat Transporter		\$ 550,000			
17	15-MTA	MTIP Building			\$ 300,000	\$ 6,500,000	
18	15-MTA	S.W. Conveyance Impts.		\$ 250,000			
19	15-MTA	Primary Power Upgrade				\$ 150,000	
20	15-MTA	Portable Work Space	\$ 20,000		\$ 20,000		
21	15-MTA	Portable Access Stairs				\$ 15,000	
22	15-MTA	MTIP Admin Office Remodel		\$ 30,000			
23	15-MTA	Compactor / Enclosure			\$ 60,000		
24	15-MTA	B.Y. Utility Services			\$ 30,000		
25	15-MTA	B.Y. Building Upgrades	\$ 50,000				
26	15-MTA	B.Y. T.L. Pier Repairs		\$ 10,000	\$ 70,000		
27	21-LY	Cofferdam Rehab. (G)	\$ 123,000	\$ 2,072,000			
28	21-LY	LY Site & S.W. Impts (G)	\$ 100,000	\$ 100,000	\$ 5,000,000		
29	21-LY	Chip Moving Equipment		\$ 200,000			
30	21-LY	Mooring Buoy		\$ 30,000	\$ 70,000		
31	21-LY	Replace Wheel Loader				\$ 400,000	

2020 - 2024 CAPITAL IMPROVEMENT PLAN (continued)

Line #	Dept.	Project Description	2020	2021	2022	2023	2024
32	21-LY	Boom Boat Repairs			\$ 30,000		
33	21-LY	Hydraulic Loader Replace				\$ 400,000	
34	31-FIA	Sewer Extension	\$ 300,000				
35	31-FIA	Maint. Hangar Roof Replace	\$ 60,000				
36	31-FIA	Maint. Hangar Door Replace	\$ 100,000				
37	31-FIA	Aviation Art	\$ 15,000				
38	31-FIA	Runway 8/26 Rehab. (G)	\$ 35,500		\$ 315,000		
39	31-FIA	Rehab. Taxiway "A" (G)			\$ 30,500		
40	31-FIA	Runway 8/26 Ext. Rehab.			\$ 1,700,000		
41	31-FIA	26 Obst. E.A. (G)		\$ 35,000	\$ 10,000		
42	31-FIA	26 Obst. (G)				\$ 200,000	\$ 200,000
43	31-FIA	Hangar Building				\$ 70,000	\$ 1,500,000
44	33-ARP	1010-1050 Remodel	\$ 50,000	\$ 100,000	\$ 800,000		
45	33-ARP	FM Warehouse		\$ 300,000			
46	33-ARP	1050 Paint Booth Repairs		\$ 30,000			
47	33-ARP	Building Site Development			\$ 500,000		
48	33-ARP	Misc. Building Impvts				\$ 50,000	\$ 50,000
49	33-ARP	CMC Gate & Security Fence	\$ 150,000				
50	41-PABH	Tiny Stores (3)		\$ 75,000			
51	41-PABH	Entrance Signs	\$ 25,000				
52	41-PABH	E. Parking Resurfacing	\$ 400,000				
53	41-PABH	Boat Launch Surveillance (G)	\$ 10,000				
54	41-PABH	Fuel Float Replacement (G)	\$ 105,000	\$ 355,000	\$ 355,000		
55	43-JWM	ADA Float Ramp		\$ 300,000			
56	43-JWM	Slope Stabilization				\$ 50,000	
57	43-JWM	Replace Fuel Pumps		\$ 30,000			
58	43-JWM	Dumpster Enclosures		\$ 20,000			
59	43-JWM	Fence Repairs / Replacement			\$ 25,000		\$ 25,000
60	43-JWM	Float & Pile Repairs		\$ 35,000			\$ 260,000
61	43-JWM	Boat Launch Ramp Repairs		\$ 15,000			
62	43-JWM	Gutter & Soffit Repairs		\$ 36,000			
63	43-JWM	Replace Restroom Furnace		\$ 10,000			

2020 - 2024 CAPITAL IMPROVEMENT PLAN (continued)

Line #	Dept.	Project Description	2020	2021	2022	2023	2024
64	43-JWM	Sewer Pump Out Replace				\$ 50,000	
65	43-JWM	Heat Pump Replacement					\$ 30,000
66	43-JWM	Replace Bldg. Guardrails					\$ 45,000
67	61-RP	Misc. Building Impvts					\$ 50,000
68	80-AD	Capital Budget Contingency	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
69	80-AD	Portable Event Booth		\$ 7,500			
70	80-AD	Admin Parking Lot Rehab.	\$ 35,000				
71	91-MM	Equip. / Tools		\$ 10,000			\$ 10,000
72	92-FM	Equip. Trailer Replace			\$ 30,000		
		Total not including grant funds =	\$ 2,848,500	\$ 5,725,500	\$ 15,525,500	\$ 8,400,000	\$ 4,870,000
		Grant Funds =	\$ 958,500	\$ 798,000	\$ 16,999,500	\$ 1,800,000	\$ 1,950,000
		TOTAL = (including grant funds)	\$ 3,807,000	\$ 6,523,500	\$32,525,000	\$10,200,000	\$ 6,820,000
		5 YEAR TOTAL = (not including grant funds)	\$ 37,369,500				
		5 YEAR TOTAL = (including grant funds)	\$ 59,875,500				

Cleanup Expenditures for Active Cleanup Sites 2020 - 2024

DEPT.	Project Description	2020	2021	2022	2023	2024
90-NO	KPLY Monitoring (Total)	\$ 90,000	\$ 50,000	\$ 50,000	\$ 35,000	\$ 35,000
	KPLY Monitoring (Port)	\$ -	\$ -			
90-NO	MTA (Total)	\$ 200,000	\$ 1,700,000	\$ 230,000	\$ 180,000	\$ 180,000
	MTA (Port)	\$ -	\$ -	\$ -	\$ -	\$ -
90-NO	Fmr Shell Oil Bulk Plant - 220 Tumwater Truck Rt (Total)	\$ 80,000	\$ 600,000	\$ 90,000	\$ 5,000	\$ 5,000
	Fmr Shell Oil Bulk Plant - 220 Tumwater Truck Rt (Port)	\$ 15,000	\$ 60,000	\$ 10,000	\$ 500	\$ 500
90-NO	Fmr Pettit Oil - 220 Tumwater Truck Rt (Total)	\$ 36,000	\$ 185,000	\$ 45,000	\$ 5,000	\$ 5,000
	Fmr Pettit Oil - 220 Tumwater Truck Rt (Port)	\$ 12,000	\$ 50,000	\$ 15,000	\$ 500	\$ 500
90-NO	Harbor (Total)	\$ 360,000	\$ 500,000	\$ 800,000	\$ 2,000,000	\$ 2,000,000
	Harbor (Port)	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
5 Year Total =		\$ 9,466,000				
** 5 Year Port Total =		\$ 214,000				
<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>						

2025 - 2040 CAPITAL IMPROVEMENT PLAN

DEPT.	Project Description	2019 \$	Project Year	Project Year \$	Purpose
11-MT	Terminal 1 / 3 Repairs	\$ 520,000	2025	\$ 625,260	Maint.
21-LY	Barge Facility	\$ 3,600,000	2025	\$ 4,328,724	Jobs
21-LY	Boom Boat Replace	\$ 260,000	2025	\$ 312,630	Maint.
21-LY	Equip. Replace 1	\$ 1,050,000	2025	\$ 1,262,545	Maint.
33-ARP	Site Preparation for Building	\$ 1,550,000	2025	\$ 1,863,756	Jobs / ROI
43-JWM	Parking Lot Rehab. 1	\$ 415,000	2025	\$ 499,006	Maint.
15-MTA	MTIP Site Development	\$ 6,200,000	2026	\$ 7,687,622	Jobs / ROI
21-LY	Street Sweeper	\$ 260,000	2026	\$ 322,384	Maint.
43-JWM	Connect to Sequim Sewer	\$ 750,000	2026	\$ 929,954	Maint.
80-AD	Admin Building Maint.	\$ 260,000	2026	\$ 322,384	Maint.
92-FM	Equip. / Vehicle Replace 1	\$ 105,000	2026	\$ 130,194	Maint.
33-RP	Industrial Bldg. (25,000 s.f.)	\$ 6,000,000	2027	\$ 7,671,751	Jobs / ROI
43-JWM	Parking lot Rehab. 2	\$ 435,000	2027	\$ 556,202	Maint.
41-PABH	W. PABH Float / Pile Replace	\$ 9,800,000	2028	\$ 12,921,479	Maint.
41-PABH	Breakwater Rehabilitation	\$ 2,060,000	2028	\$ 2,716,148	Maint.
33-ARP	Manufacturing Facility	\$ 7,750,000	2029	\$ 10,537,334	Jobs / ROI
15-MTA	Replace B.Y. Travel Lift	\$ 515,000	2030	\$ 722,070	Maint.
91-MM	Mech. Shop Maint. / Impts	\$ 105,000	2030	\$ 147,218	Maint.
15-MTA	MTIP Boat Lift Pier	\$ 7,220,000	2031	\$ 10,438,835	Jobs
21-LY	Equip. Replace 2	\$ 415,000	2031	\$ 600,016	Maint.
92-FM	Equip. / Vehicle Replace 2	\$ 105,000	2032	\$ 156,548	Maint.
43-JWM	Admin. Building Maint.	\$ 200,000	2032	\$ 298,186	Maint.
11-MT	Terminal 1 /3 Repairs	\$ 4,150,000	2033	\$ 6,380,413	Maint.
43-JWM	Float / Pile Replacement	\$ 14,410,000	2035	\$ 23,558,653	Maint.
43-JWM	Electrical & Lighting Replace	\$ 1,290,000	2035	\$ 2,045,188	Maint.
43-JWM	Shoreline & Breakwater	\$ 1,030,000	2035	\$ 1,683,929	Maint.
21-LY	General Equip. Replace 3	\$ 1,250,000	2036	\$ 2,107,363	Maint.
92-FM	Equip. / Vehicle Replace 3	\$ 205,000	2037	\$ 356,391	Maint.
41-PABH	E. PABH Jetty Stabilization	\$ 2,060,000	2038	\$ 3,693,026	Maint.
TOTAL =		\$ 73,970,000		\$ 104,875,208	
R.O.I. = Return on Investment Inflation Rate = 3.12% (per Wa. St. Office of Financial Management)					

SECTION VI

PROPERTY TAX LEVY

YOUR TAX LEVY AT WORK

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

- debt service used to fund infrastructure investments
- the Community Partner Program, 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 2020, there will be a one percent (1%) increase to the Port tax levy. The dollar increase to the Port's tax revenue (reflected below) includes Clallam County Assessor reported values for existing and new construction properties.

TAX LEVY IMPACT ON HOMEOWNER

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

A residential property owner with a home value of \$200,000 is currently paying approximately \$33.84 per year in Port taxes, which is based on a rate of \$0.1692 per \$1,000. Port taxes as a percent of total property taxes vary per taxing district (see Property Tax Levy Distribution later in this section). *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
2019	\$ 200,000	\$ 2,295.38	\$ 33.84	1.47%	\$ 0.1692	\$ 1,530,215
2020 Property Tax w/ 1% increase						\$ 1,545,517
2020 Property Tax Calculated on New Construction & Other						\$ 24,366
2020 Total Property Tax (estimate)			\$ 31.83		\$ 0.15916	\$ 1,569,883
2020 Total Property Tax Increase (estimate)						\$ 39,668

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

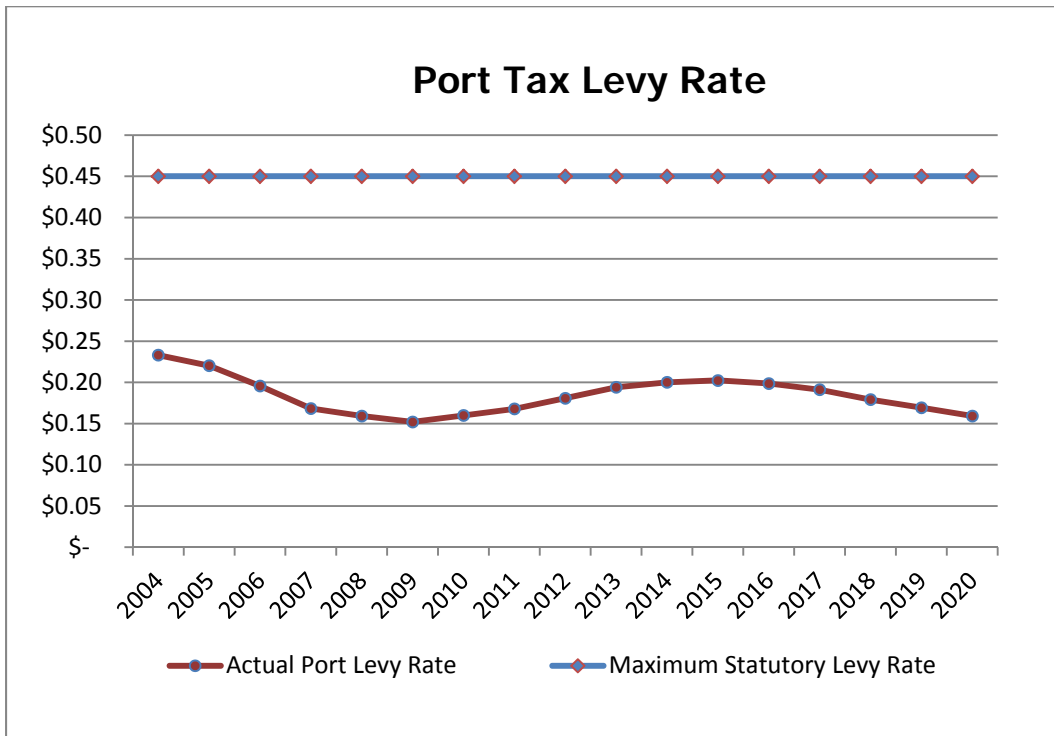
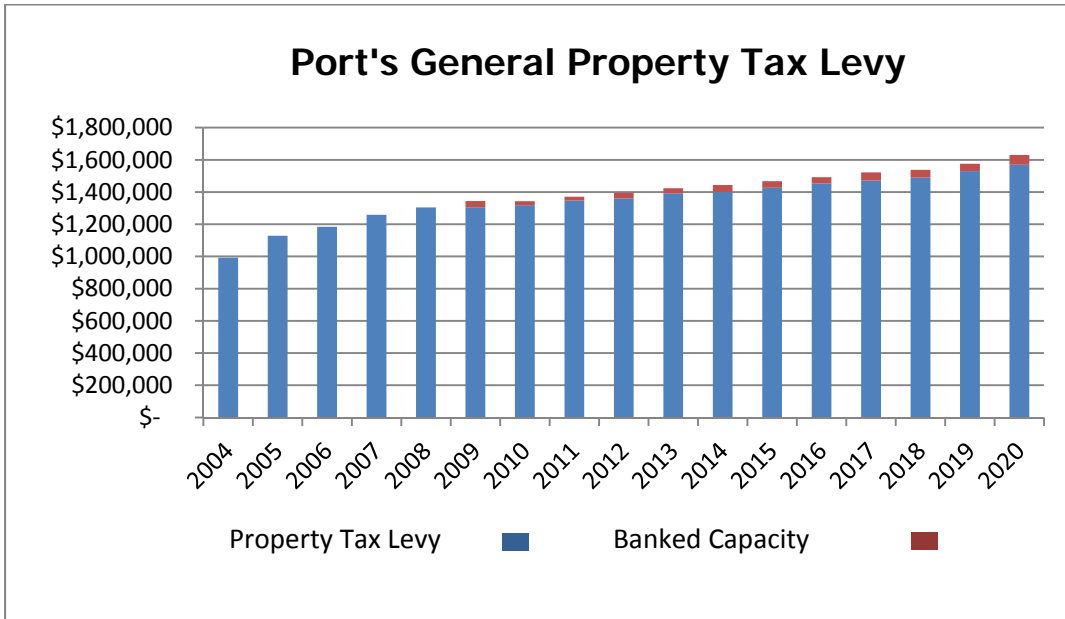
2020 TAX LEVY USES

Debt Service Payments (principal & interest)	\$ 742,431	47%
Community Partner Program	70,000	4%
Capital Improvement Fund - Construction	757,452	48%
Total Port Property Tax Levy	\$1,569,883	100%

History of Property Tax Increase

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Banked	Banked	1%	Banked	1%	Banked	1%	1%	Banked	Banked	1%	1%
38,118	24,791	23,184	34,815	32,415	43,043	40,314	38,765	50,606	47,438	45,148	60,516

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 2019, is \$60,516**. To use the banked capacity, the Port would need to levy more than 1%.



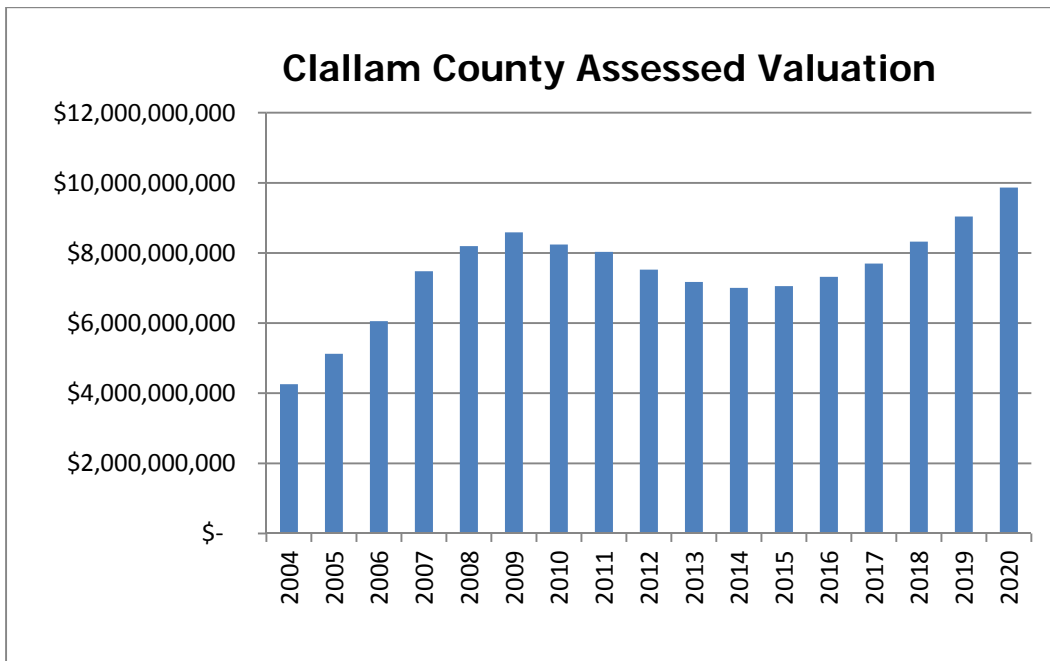
ASSESSED VALUATION & PROPERTY TAX LEVY

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	0.15916

* 2020 assumes 1.0% increase.

The levy rate fluctuates with changes in assessed valuations.



TAX LEVY SOURCES & USES

Tax Levy Sources

General Tax Levy

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

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

- Passage of Initiative 747 in November 2001 limits the growth to 1% per year, plus adjustments for new construction.
- If the assessed valuation increases due to revaluation, the levy rate will be decreased, and vice versa.

Over the period, 2004 to 2020, the Port general levy rate has ranged from 15-25¢ per \$1,000. The Property Tax Levy Rate graph shows the maximum levy permitted by law compared to the actual general levy of the Port from 2004 to 2020 estimate.

Each year, the Port is allowed, by law, to increase its tax levy by a maximum of 1% without voter pre-approval. The option of a 1% increase is affected by the Implicit Price Deflator (IPD). For 2020, the IPD is more than 1%. Therefore the Port may increase the Property Tax Levy the maximum allowable 1%. The Port Property Tax Levy will be increased by 1% in 2020 as directed by the Commission.

Special Tax Levies

Special levies approved by the voters are not subject to the above limitations. The Port can levy property taxes for dredging, canal construction, leveling or filling upon approval of the majority of voters within the Port District, not to exceed \$0.45 per \$1,000 of assessed value of taxable property within the Port District. The Port District has never levied this tax.

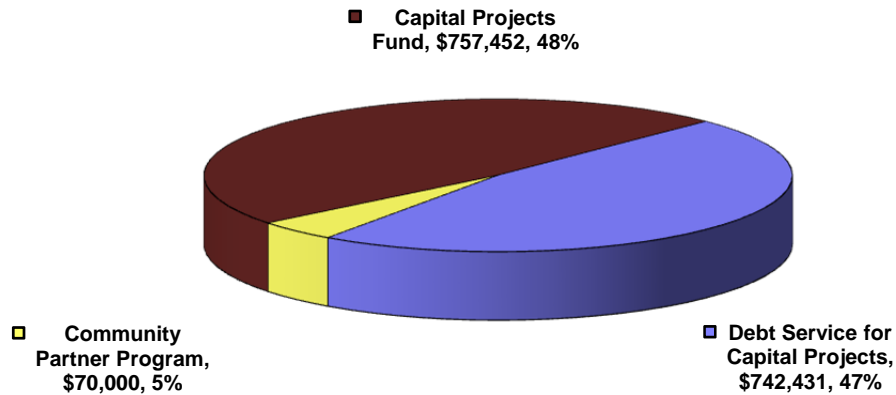
Industrial Development District (IDD) Tax Levies

Port districts may annually levy for industrial development district (IDD) purposes when they have adopted a comprehensive scheme of harbor improvements and industrial development. Levies for IDD purposes are treated as though they are separate regular property tax levies made by or for a separate taxing district. The Port may impose up to three periods of multiyear IDD levies. The multiyear levy periods do not have to be continuous, but they may not overlap. Except as otherwise provided, a multiyear levy period may not exceed twenty years from the date the first levy is made in the period. No levy in any period may exceed forty-five cents per thousand dollars of assessed value of the Port district. The Port has only utilized one of the available three, multiyear IDD levy periods, which occurred from 1986-1992. The Port does not intend to utilize this type of levy at this time.

Tax Levy Uses

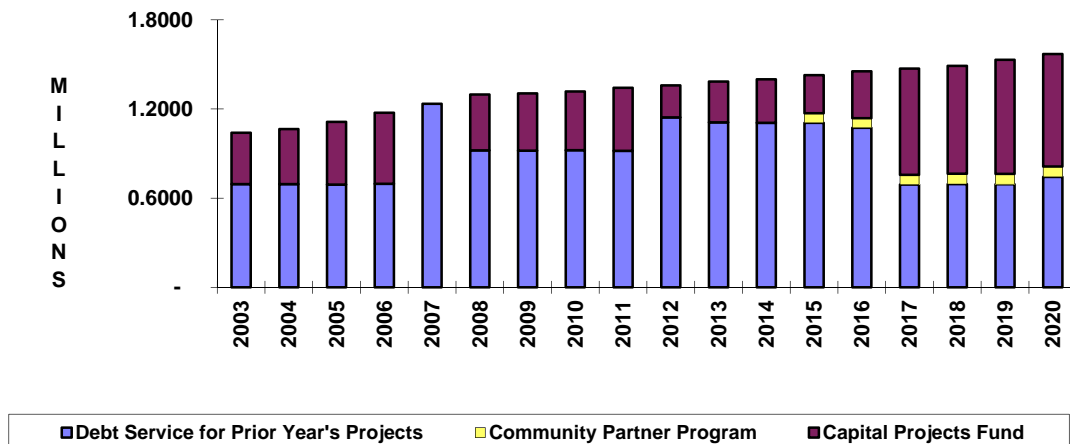
The general tax levy will be used for debt service on general obligation bonds which relates to prior years' capital construction for capital projects, the capital improvement fund, and the community partner program. By law, the property tax levy could also be used for Port operating expenditures. However,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

Proposed Use of 2020 Tax Levy



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

Historical Use of General Tax Levy



Tax Levy Comparison Reports based on 2019 Survey Data

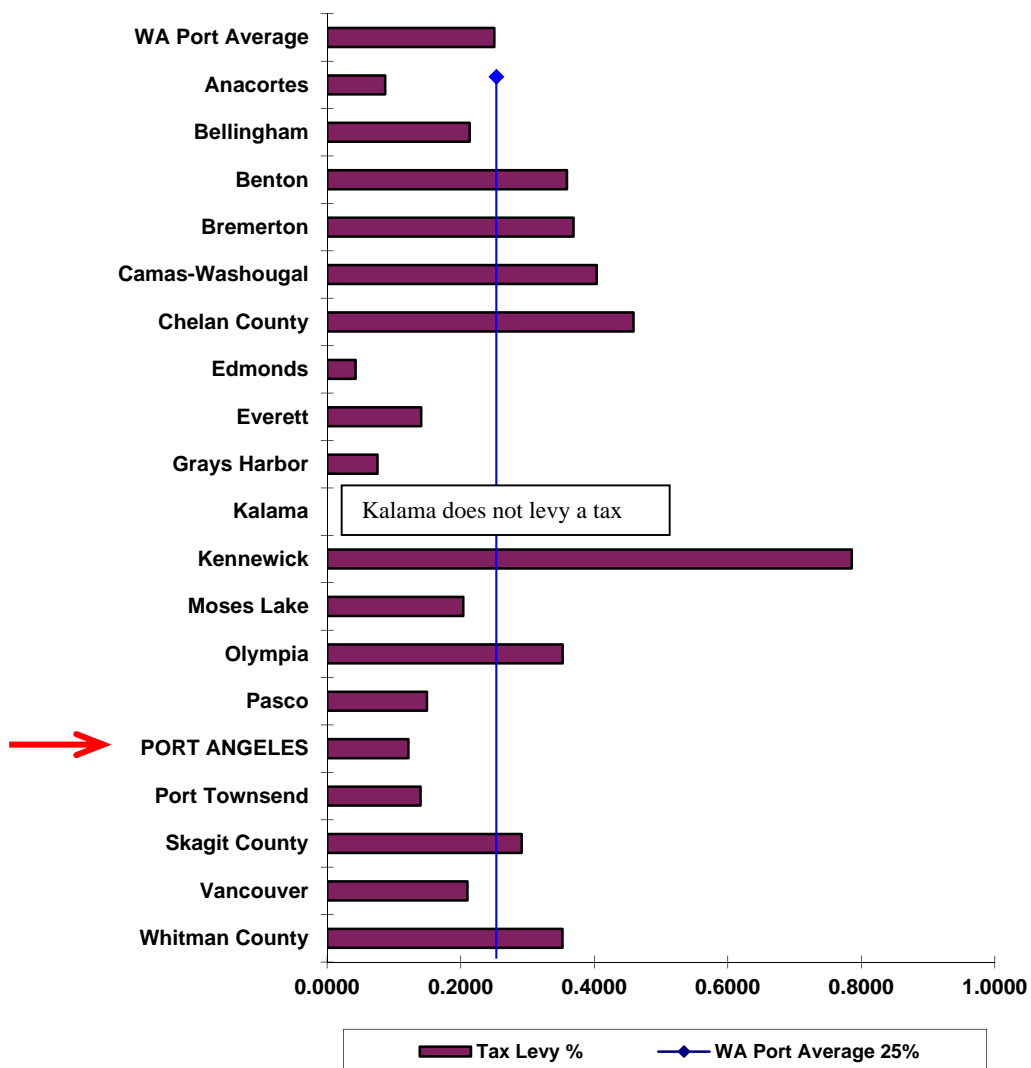
This section is based on data at the time of the survey, which was before the tax levy was certified. Therefore, data in this section will vary from other sections that report actual results.

Tax Levy Comparison with Operating Receipts

The following graph shows the relationship of tax levies to operating receipts for 19 Ports in Washington. Based on a simple average, tax levies are 25% of operating receipts; Port Angeles estimates its levy proceeds to be 12% of operating receipts. **Lower ratios** indicate **less reliance** on tax levy proceeds.

2019 Tax Levy Survey Comparison – WA Ports

Tax Levy as Percentage of Operating Receipts



Comparable Tax Levies

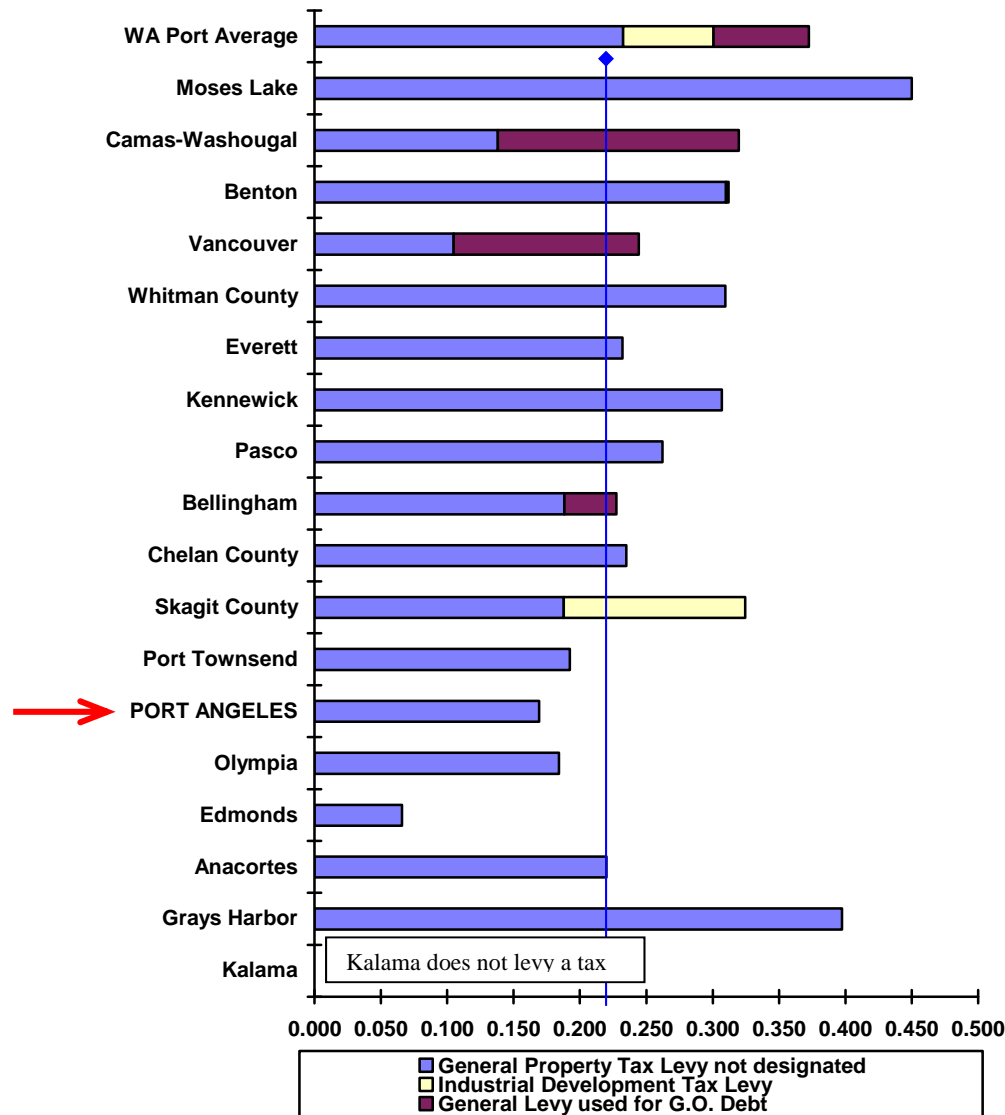
Port Districts' Comparisons

The Washington Public Ports Association survey of port districts' tax levies for 2019 indicates an average levy rate of \$0.26/\$1,000 for the 18 WA Ports which reported levied property taxes. The Port of Port Angeles had the fourth lowest levy rate at \$.1693 (Kalama elects a zero tax levy). Presented below are the effective levy rates for the 18 ports.

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

2019 Tax Levy – Survey Rates

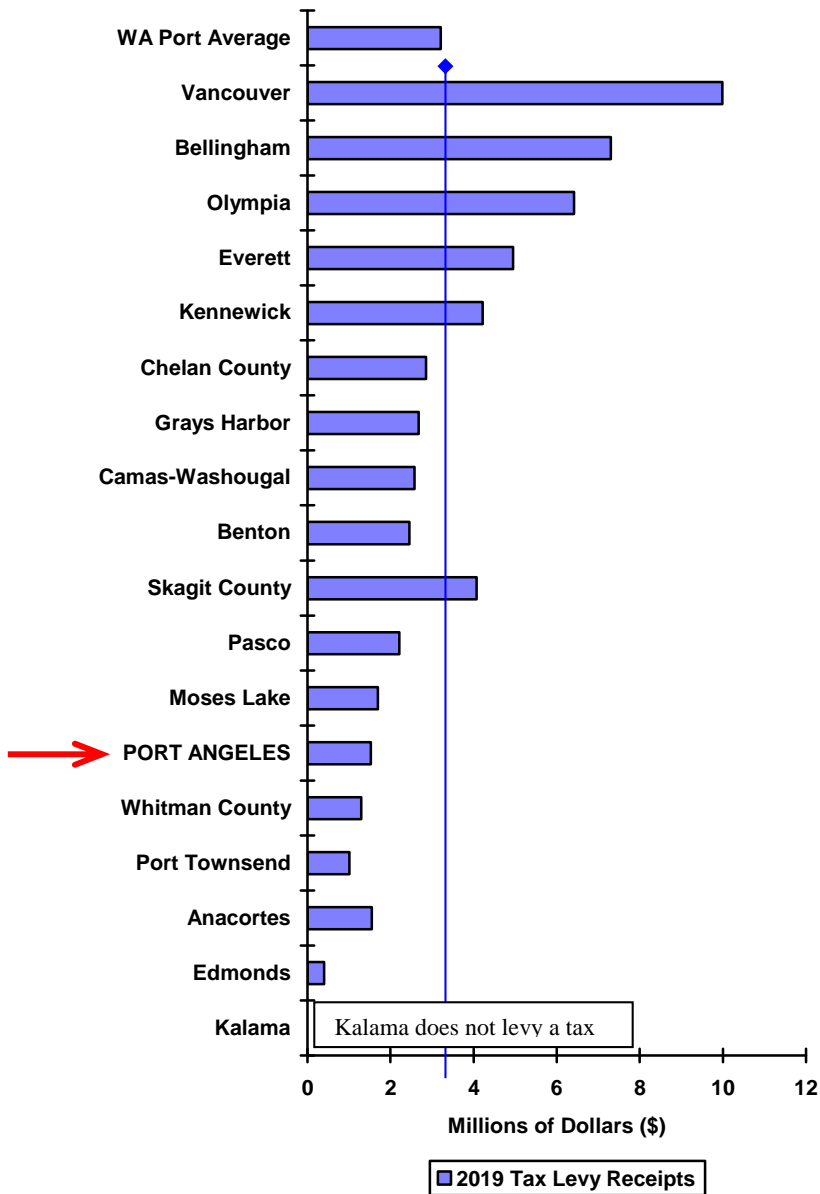
Washington Ports - Use of Levy



The same survey for 2019 indicates the average levy collection in dollars for WA ports is \$3,208,204. The Port of Port Angeles expects to collect \$1,530,215 in 2019.

2019 Tax Levy Survey – Receipts

Washington Ports



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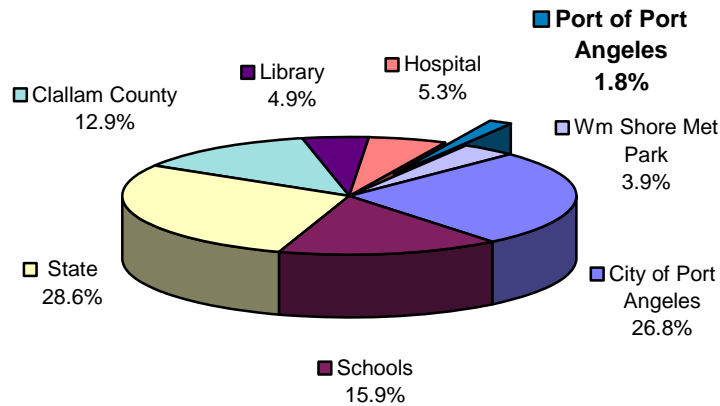
Clallam County Comparison

The graphs below show the Port's general tax levy as it compares to total taxes paid in 2019 by a typical resident in Port Angeles, Sequim and Forks. Taxing districts have not submitted their levy rates for 2020 yet; therefore, 2019 rates are the most current. The total 2019 levy for all Port Angeles taxing districts was \$9.46/\$1,000. The Port's levy for the City of Port Angeles was \$0.1692/\$1,000 which is 1.8% of the total levy rate.

2019 Property Tax Levy Distribution

City of Port Angeles Taxing Districts

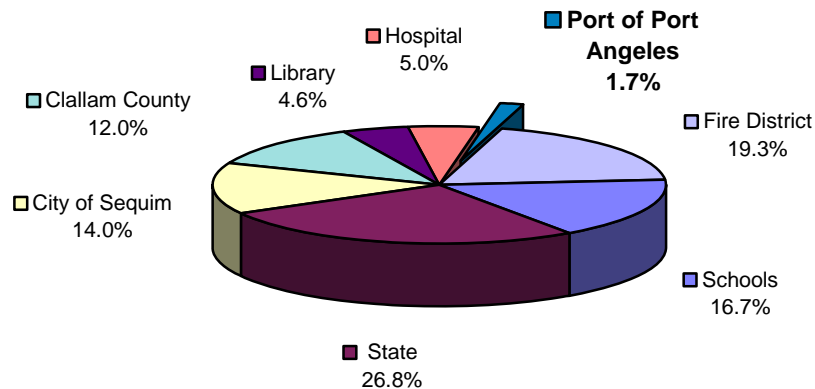
(Total Levy Rate per \$1,000 A.V. = \$9.46)



2019 Property Tax Levy Distribution

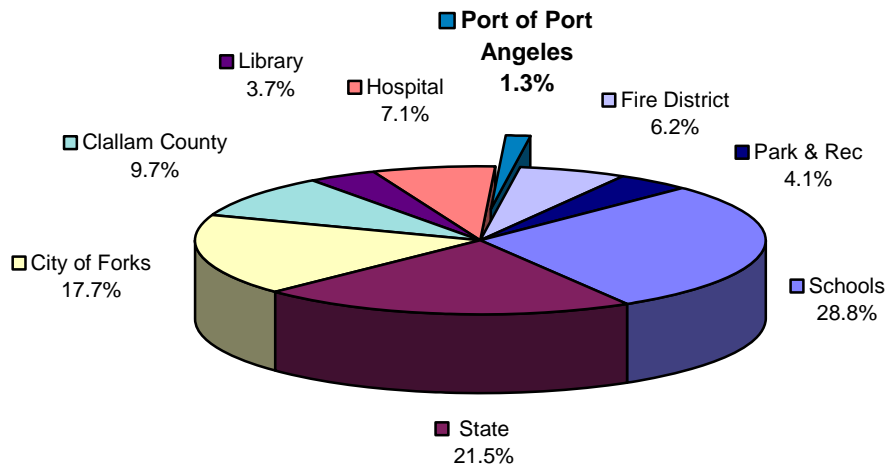
City of Sequim Taxing Districts

(Total Levy Rate per \$1,000 A.V. = \$10.12)



2019 Property Tax Levy Distribution

City of Forks Taxing Districts (Total Levy Rate per \$1,000 A.V. = \$12.61)



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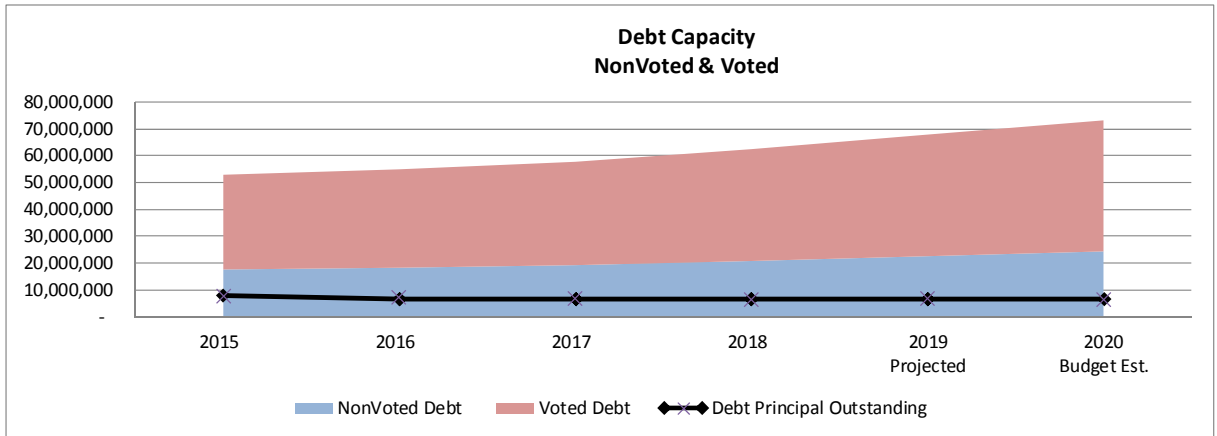
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SECTION VII

OTHER FUNDS:

DEBT SERVICE AND BOND FUNDS

Debt Capacity



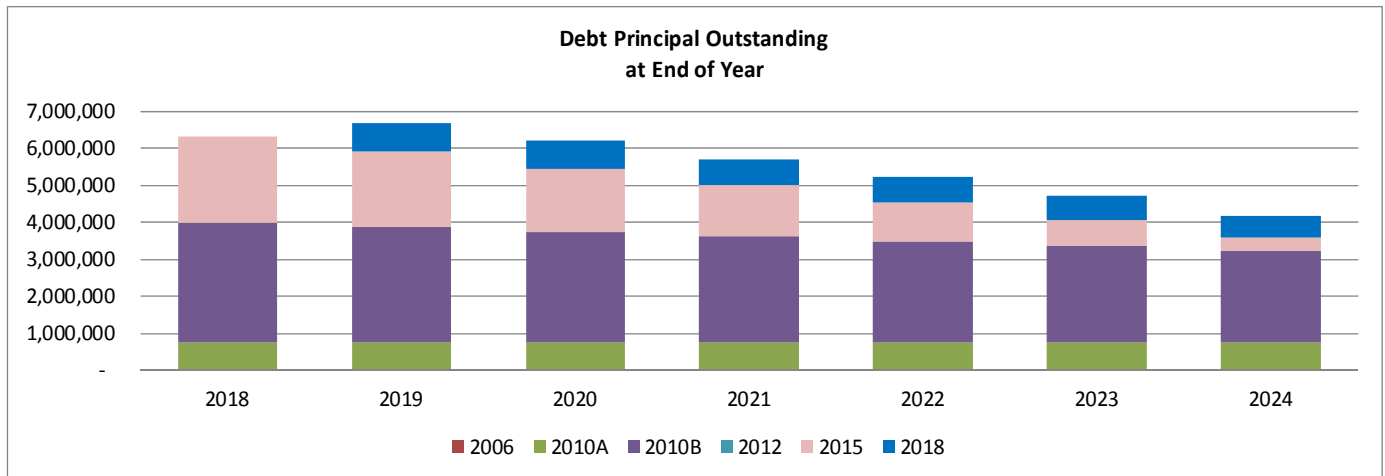
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u> Projected	<u>2020</u> Budget Est.
Prior Year Assessed Value (AV)	7,054,903,078	7,318,181,962	7,697,314,552	8,321,650,465	9,041,260,634	9,750,000,000
Debt Capacity						
NonVoted Debt	17,637,258	18,295,455	19,243,286	20,804,126	22,603,152	24,375,000
Voted Debt	35,274,515	36,590,910	38,486,573	41,608,252	45,206,303	48,750,000
Total Debt Capacity	52,911,773	54,886,365	57,729,859	62,412,378	67,809,455	73,125,000
<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	7,921,350	7,152,647	6,749,806	6,332,706	6,670,899	6,198,315
NonVoted Debt Availability	9,715,908	11,142,808	12,493,481	14,471,420	15,932,252	18,176,685
Debt as of % of AV	0.11%	0.10%	0.09%	0.08%	0.07%	0.06%
Property Taxes	1,427,093	1,453,778	1,470,970	1,490,112	1,530,215	1,565,000
Debt Payments (Prin + Int)	1,116,943	1,073,584	691,496	694,734	693,009	742,431
Small Communities Program	65,000	65,000	70,000	70,000	70,000	70,000
Property Taxes Available	245,151	315,194	709,473	725,378	767,206	752,569

Property Taxes Available for New Debt	<i>(as of 11/9/18 A rated)</i>		\$
Potential New Debt	int %	# Yrs	Potential New Debt
<i>based on "A" Rated Municipal Bond Interest Rates</i>	3.20%	10	\$ 6,420,000
	3.75%	20	\$ 10,560,000
	3.95%	30	\$ 13,190,000

Property Taxes Available	<i>(as of 11/9/18 A rated)</i>		Banked Capacity Estimate	\$
Potential New Debt using Banked Capacity	int %	# Yrs	45,148	Potential New Debt
	3.20%	10		\$ 6,780,000
Banked Capacity Tax Increase*	3.75%	20		\$ 11,150,000
	3.95%	30		\$ 13,950,000

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

Outstanding Long-Term Debt



Debt Outstanding (at end of year)	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
2006 PABH							
2010A Composite Mfg-Site	760,000	760,000	760,000	760,000	760,000	760,000	760,000
2010B Composite Mfg-Bldg	3,220,000	3,110,000	2,990,000	2,870,000	2,740,000	2,605,000	2,465,000
2012 25 Projects 1993-98	Paid off Dec 2016		-	-	-	-	-
2015 Refunded 2006 PABH	2,352,706	2,035,899	1,714,800	1,384,420	1,050,169	707,714	357,505
2018 CERB MTA Washdown Fac		765,000	733,515	701,400	668,643	635,231	601,151
Total Principal Outstanding	6,332,706	6,670,899	6,198,315	5,715,820	5,218,812	4,707,945	4,183,656
Decrease/(Increase) in Principal	417,099	(338,193)	472,584	482,495	497,008	1,007,875	1,035,157

		2020 thru 2040		
		Original	Remaining	
		Principal	Principal Pymts	Maturity
2006	PABH	4,995,000	-----see 2015 Refunding-----	
2010A	Composite Mfg-Site	760,000	760,000	Dec 1, 2030
2010B	Composite Mfg-Bldg	3,435,000	3,110,000	Dec 1, 2029
2012	25 Projects 1993-98	1,830,000	-----Paid off Dec 2016-----	
2015	Refunded 2006 PABH	3,251,350	2,035,899	Dec 1, 2025
2018	CERB MTA Washdown Fac	765,000	765,000	Jun 1, 2040
		15,036,350	6,670,899	

Long-Term Debt Service Schedule

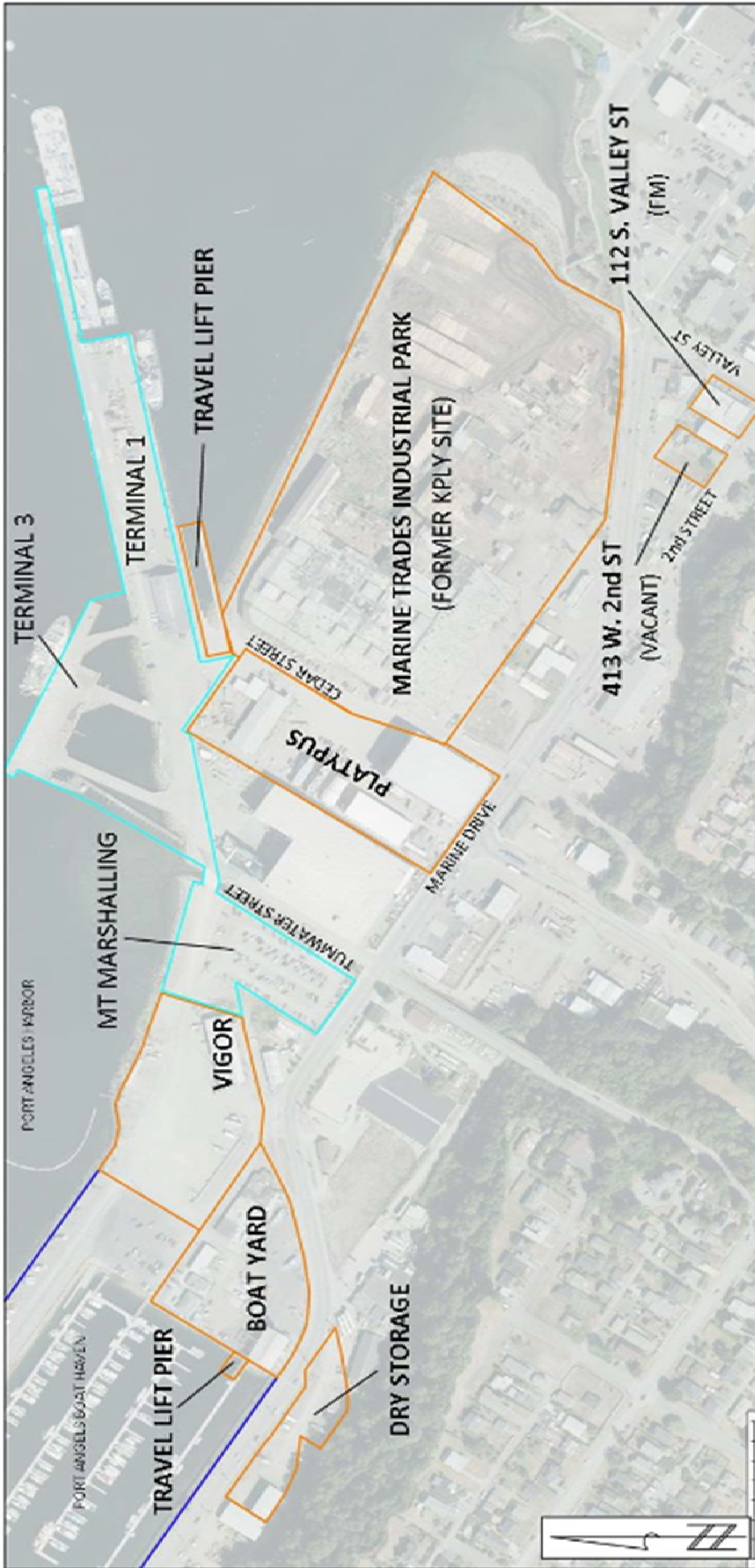
SUMMARY OF GENERAL OBLIGATION DEBT DEBT SERVICE PAYMENTS											
DEBT PRINCIPAL PAYMENTS	2018	2019	2020	2021	2022	2023	2024	2025 +	2020 thru 2040	Maturity	Remaining Principal
	-----see 2015 Refunding-----	-----Interest only-----									
2006 PABH											
2010A Composite Mfg-Site								760,000	760,000	Dec 1, 2030	
2010B Composite Mfg-Bldg	110,000	110,000	120,000	120,000	130,000	135,000	140,000	2,465,000	3,110,000	Dec 1, 2029	
2012 25 Projects 1993-98		Paid off Dec 2016								Dec 1, 2016	
2015 Refunded 2006 PABH	307,099	316,807	321,099	330,380	334,251	342,455	350,210	357,505	2,035,899	Dec 1, 2025	
2018 CERB MTA Washdown Fac			31,485	32,115	32,757	33,412	34,080	601,151	765,000	Jun 1, 2040	
TOTAL Debt Principal Outstanding	417,099	426,807	472,584	482,495	497,008	510,867	524,290	4,183,656	6,670,899		
INTEREST PAYMENTS											
DEBT SERVICE PAYMENTS (PRIN + INT)	2018	2019	2020	2021	2022	2023	2024	2025 +	2020 thru 2040	Coupon Rate	Remaining Interest
	-----see 2015 Refunding-----	-----Interest only-----									
2006 PABH											
¹ 2010A Composite Mfg-Site	57,000	57,000	57,000	57,000	57,000	57,000	57,000	335,625	620,625	4.40% - 4.75%	
² 2010B Composite Mfg-Bldg	159,725	155,325	150,925	146,125	140,725	134,875	128,800	413,000	1,114,450	4.125%*	
2012 25 Projects 1993-98		Paid off Dec 2016								2.00%	
2015 Refunded 2006 PABH	60,910	53,877	46,622	39,269	31,703	24,049	16,207	8,187	166,037	2.29%	
2018 CERB MTA Washdown Fac			15,300	14,670	14,028	13,373	12,705	100,620	170,696	2.00%	
TOTAL Interest	277,635	266,202	269,847	257,064	243,456	229,297	214,712	857,432	2,071,808		
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)											
DEBT SERVICE PAYMENTS (PRIN + INT)	2018	2019	2020	2021	2022	2023	2024	2025 +	2020 thru 2040	Remaining Payments	
	-----see 2015 Refunding-----	-----Interest only-----									
2006 PABH											
2010A Composite Mfg-Site	57,000	57,000	57,000	57,000	57,000	57,000	57,000	1,095,625	1,380,625		
2010B Composite Mfg-Bldg	269,725	265,325	270,925	266,125	270,725	269,875	268,800	2,878,000	4,224,450		
2012 25 Projects 1993-98		Paid off Dec 2016									
2015 Refunded 2006 PABH	368,009	370,684	367,721	369,649	365,954	366,504	366,416	365,691	2,201,936		
2018 CERB MTA Washdown Fac			46,785	46,785	46,785	46,785	46,785	701,771	935,696		
TOTAL Debt Payments (Prin + Int)	694,734	693,009	742,431	739,559	740,464	740,164	739,001	5,041,087	8,742,707		

SECTION VIII

SUPPLEMENTAL INFORMATION

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PORT OPERATING AREAS



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

PORT OPERATING AREAS - continued



SYMBOL	AREA DESCRIPTION
	LOG YARD
	PORT ANGELES BOAT HAVEN

PORT OPERATING AREAS – continued



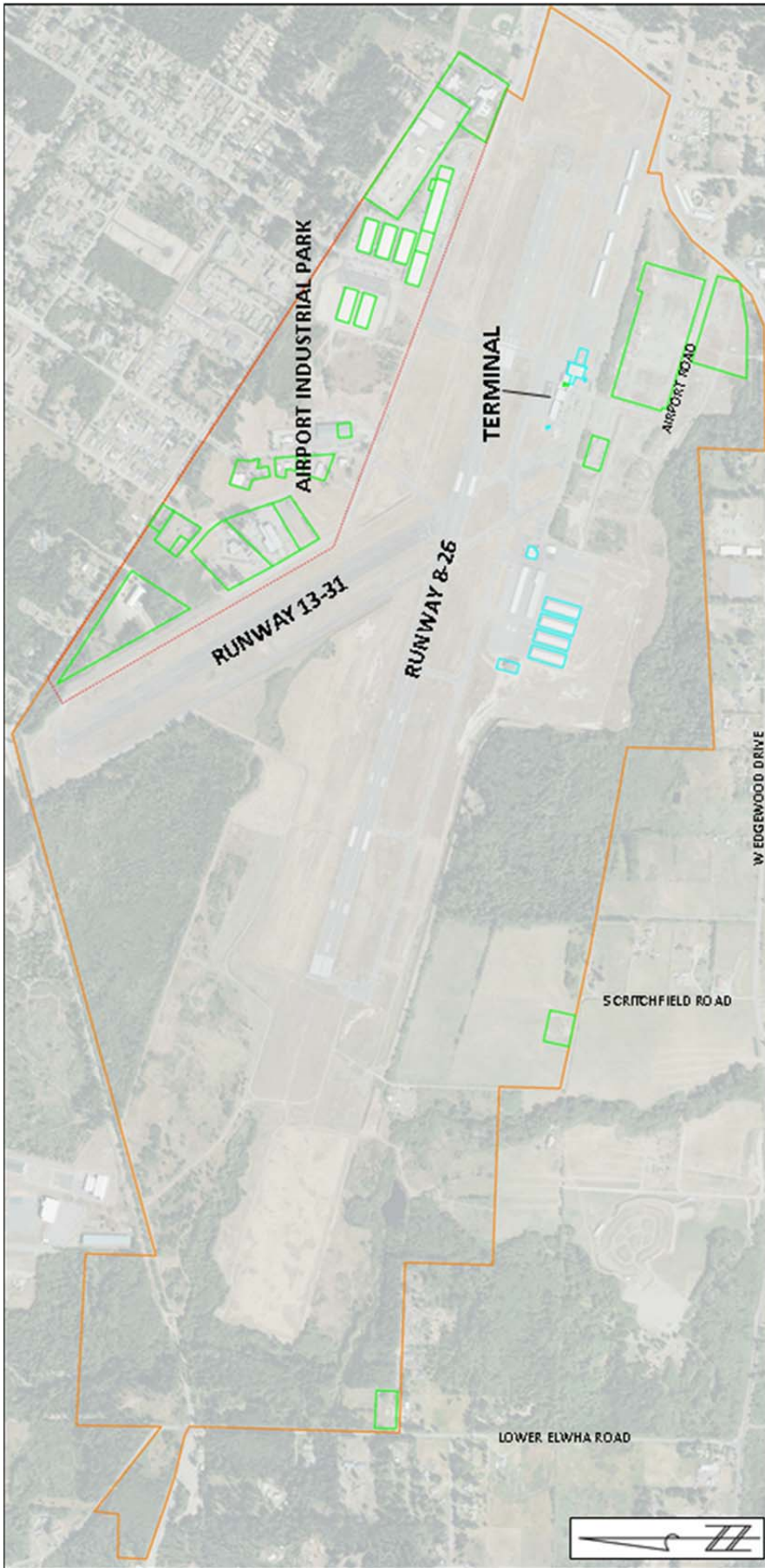
SYMBOL	AREA DESCRIPTION
	PORT ANGELES BOAT HAVEN
	LOG YARD
	MARINE TRADES AREA

PORT OPERATING AREAS – continued



SYMBOL	AREA DESCRIPTION
	JOHN WAYNE MARINA

PORT OPERATING AREAS – continued



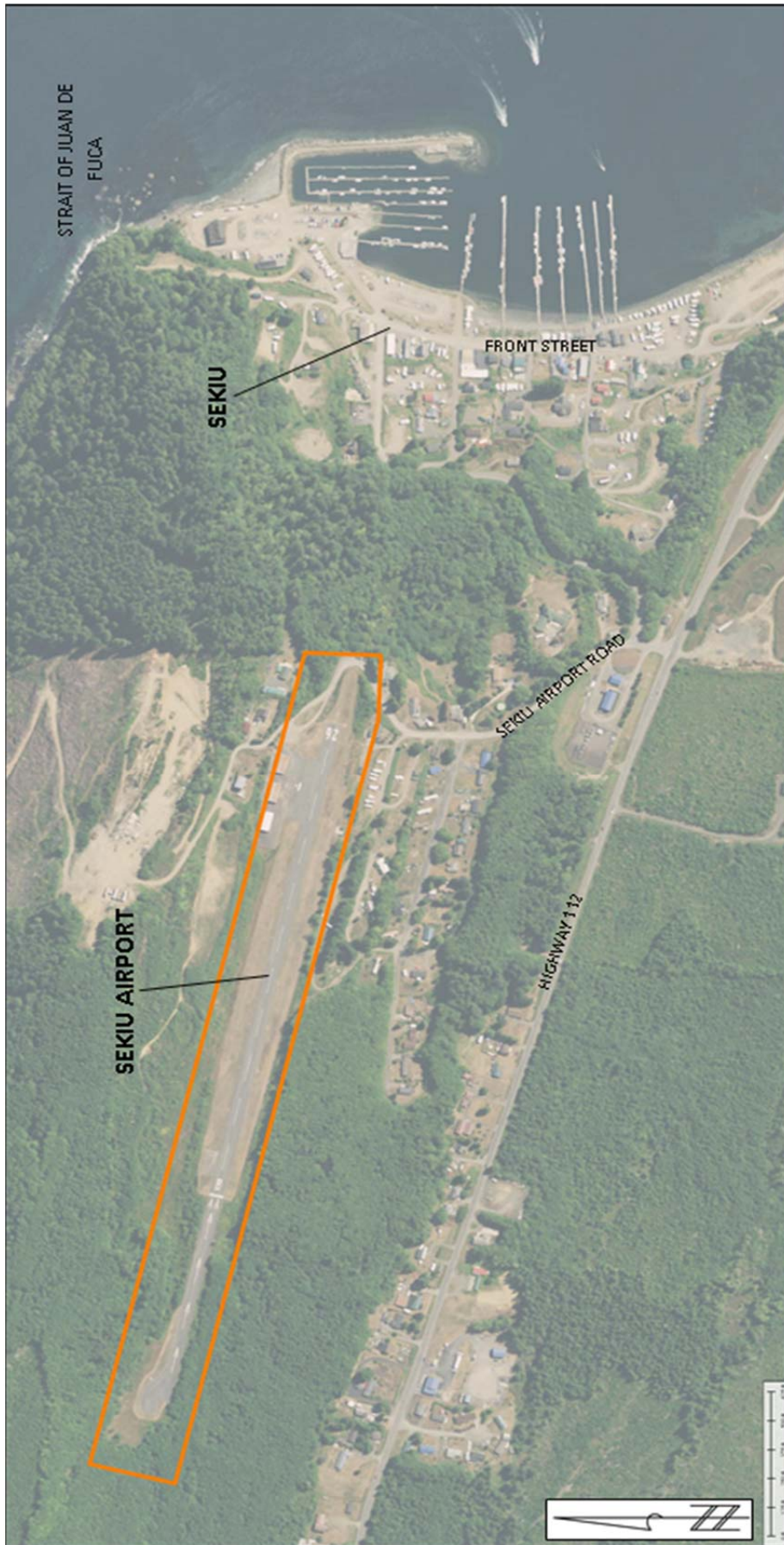
SYMBOL	AREA DESCRIPTION
	AIRPORT PROPERTY
	FIA AERONAUTICAL RENTAL PROPERTY
	FIA NON-AERONAUTICAL RENTAL PROPERTY

PORT OPERATING AREAS - continued



SYMBOL	AREA DESCRIPTION
	RENTAL PROPERTY

PORT OPERATING AREAS – continued



SYMBOL	AREA DESCRIPTION
	SEKIU AIRPORT

TRAVEL & TRAINING BUDGET
(includes Training Fees)

2020 Budget

Travel Meetings	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJCTD	2020 BUDGET
MT	1,002	2,965	1,041	1,500	1,500	1,600
MTA	508	3,320	3,629	1,500	1,500	2,000
LY	1,746	2,748	2,442	3,000	2,000	2,200
FIA	573	6,066	2,379	1,200	2,944	3,250
ARP	1,075	2,507	876	0	200	1,000
SEK	0	127	122	0	400	400
PABH	146	14	0	500	500	500
JWM	228	914	2,553	1,000	1,000	1,000
RP	0	174	0	500	0	500
MM	0	0	22	0	0	0
FM	258	152	6	500	0	0
ADM	17,639	20,682	22,704	22,000	18,000	20,000
BD	6,952	10,924	21,350	33,900	32,000	20,000
Subtotal	30,126	50,592	57,124	65,600	60,044	52,450

Travel -Training (includes Training Fees)						
MT	2,501	1,957	1,438	1,000	1,000	1,000
MTA	0	0	0	2,000	1,500	2,500
LY	6,151	2,619	4,640	3,000	4,000	2,500
FIA	608	4,256	2,201	2,800	2,800	300
ARP	226	0	0	0	750	4,850
SEK	0	0	0	0	0	0
PABH	98	1,500	0	1,000	1,000	500
JWM	98	0	0	0	0	0
RP	965	2,189	529	4,780	0	500
MM	1,641	727	0	500	0	500
FM	8,338	3,452	3,519	6,500	2,800	4,000
ADM	29,375	26,814	24,379	37,500	31,400	30,000
BD	10,912	2,547	4,159	5,000	3,600	0
Subtotal	60,911	46,060	40,865	64,080	48,850	46,650
TOTAL	91,037	96,652	97,989	129,680	108,894	99,100

2020 Salary % Split	Home Dept.	11 MT	15 MTA	21 LY	31 FIA	33 ARP	32 SEK	41 PABH	43 JWM	61 RP	80 A&G	81 BD	90 NOP	91 MM	92 FM	TOTAL
Port Counsel	A&G	5%	5%	5%	5%	5%		5%	5%	5%	50%	5%	5%			100%
Director of Engineering	A&G	15%	5%	15%		5%		5%	5%		35%	5%	5%		5%	100%
Environmental Manager	A&G	10%	10%	10%	5%	5%		5%	5%		35%		10%		5%	100%
Public Works & Ops Mgr (LY and MT)	A&G	20%	15%	20%	5%	5%		5%	5%		15%			5%	5%	100%
A/R Clerk	A&G	10%		10%	5%	5%			20%	5%	45%					100%
All Security	A&G	20%	5%	5%	10%	15%		15%		5%	15%			5%	5%	100%
Director of Property, Marinas & Airports	ARP		10%		20%	20%		20%	20%	5%		5%				100%
Real Estate Administrator	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%
MTIP Business Development	BD											100%				100%
MT Operations & Security 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

- Port Counsel
Based on estimated time to be spent in each area with actual time tracked & recorded
- 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
- Public Works & Ops Mgr (LY and MT)
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 (not JWM)
Based on the standard operating plan for security presence in each area
- Director of Property, Marinas & Airports
Based on estimated time to be spent in each area
- Real Estate Administrator
Based on estimated time to be spent in each area
- 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
- MTIP Business Development
Based on estimated time to be spent in each area
- MT Operations & Security Supervisor
Based on estimated time to be spent in each area plus supporting security

**CONSULTING & SPECIAL PROJECTS
2020 Budget**

Line #	DEPT	PURPOSE	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 BUDGET
1	MTA	Boat Yard Travel Lift Pier Assessment	0	0	15,000	0	0
2	MTA	Cathodic Protection Analysis	15,134	0	0	0	0
3	LY	Condition Assessment of Coffe Dam	0	68,000	0	0	0
4	Airport	Runway approach/obstruction tree removal	0	0	250,000	0	50,000
5	Airport	Design services for marketing/public information	3,725	1,024	5,000	5,000	2,000
6	Airport	Airport terminal development - conceptual design	0	0	0	0	0
7	ARP	Broker Services - 1010 Bldg & 2210 site	0	0	176,350	0	50,000
8	Marina	Design services for marketing/public information	2,125	2,938	10,000	1,000	2,000
9	Marina	JWM analysis/community facilitation	0	15,915	0	0	10,000
10	BusDev - MTA	Marine Trades Development Assistance (recruitment, rates, grant writing, etc.)	990	6,855	55,000	15,000	30,000
11	BusDev	Port promotional video	3,100	0	0	0	0
12	BusDev	Signage - design consultant	0	0	0	0	0
13	BusDev	CRTC Contract for economic development services (investment from Capital Reserves)	732,911	0	0	0	0
14	BusDev	Market/Feasibility analysis for new opportunity	0	0	25,000	0	0
15	BusDev	Sustainable Harvest, Advanced Wood Products & Other Timber Advocacy efforts	23,940	11,328	30,000	10,000	15,000
16	BusDev	CERB Planning Project Thermally Modified Hemlock and rCF (recycled carbon fiber)	0	19,200	67,000	50,800	0
17	BusDev	Advanced CLT panel feasibility study	0	0	0	230,000	0
18	BusDev	CERB Broadband Grant	0	0	0	0	85,000
19	BusDev	Communications Plan - Business development	0	0	15,000	15,000	0
20	BusDev	Design services for Port Pilot & misc marketing/public information (BD portion)	17,016	8,188	15,000	15,000	10,000
21	Admin	Communications Plan - Community outreach	0	0	15,000	15,000	5,000
22	Admin	Design services for Port Pilot & misc marketing/public information (Admin portion)	11,266	10,060	30,000	25,000	10,000
23	Admin	Govt Affairs/Lobbying for Port	37,158	100,274	105,000	100,000	100,000
24	Admin	Strategic Plan (followup); create 2020-2025	5,010	4,783	50,000	0	0
25	Admin	LOB analysis and economic impacts	0	0	10,000	6,000	5,000
26	Admin	Grant writing assistance	0	0	25,000	0	0
27	Admin	HR job analysis and market data	0	0	15,000	0	0
28	Admin	Stakeholder Facilitation Stormwater	0	0	0	30,000	30,000
29	Finance	GASB 49 Environmental Pollution Liabilities requires a change in methodology to fair value	6,253	6,996	7,000	7,000	7,000
30	Tech	Cybersecurity (75% grant funded) 2019: existing grant ended, likely to apply in 2019 for 2020+	0	0	0	0	0
		TOTAL CONSULTING & SPECIAL PROJECTS	858,628	255,561	920,350	524,800	411,000
		NON-STANDARD EXPENSES (see table below)	738,911	30,838	598,350	295,800	215,000
		TOTAL 2020 BUDGET LESS NON-STANDARD EXPENSES	119,717	224,723	322,000	229,000	196,000

**PORT OF PORT ANGELES
EXPENSES: NON-STANDARD
2020 Budget**

Line #	Dept	Non-standard Expenses	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJCTD	2020 BUDGET
1	Airport	Marketing campaign new air service	0	0	0	0	0
2	Airport	Runway approach/obstruction tree removal	0	0	250,000	0	50,000
3	ARP	Broker Services	0	0	176,350	0	50,000
4	BusDev - MTA	Bus Dev assistance for the Marine Trades/MTIP	990	6,855	55,000	15,000	30,000
5	BusDev	CRTC economic development services	732,911	0	0	0	0
6	BusDev	CERB Planning Project Thermally Modified Hemlock and rCF (recycled carbon fiber)	0	19,200	67,000	50,800	0
7	BusDev	Advanced CLT panel feasibility study	0	0	0	230,000	0
8	BusDev	CERB Broadband Grant	0	0	0	0	85,000
9	Admin	Strategic Plan	5,010	4,783	50,000	0	0
		Total Non-Standard Expenses	738,911	30,838	598,350	295,800	215,000

Note: In addition to the above, Marine Terminal (MT) includes \$1 million in Operating Expense for Terminal 3 Dredging. The Dredging activities will be managed as a project; for details, see Section V - Capital Projects.

***Continue on to next page*

MEMBERSHIPS – PROFESSIONAL ORGANIZATIONS

2020 Budget

Line #	DEPT	PROFESSIONAL ORGANIZATION (alphabetical order)	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2020 BUDGET
1	ADMIN	Agriculture and Forestry Education Foundation	500	500	500	500
2	FIA	American Association of Airport Executives	0	275	275	275
3	ADMIN	American Forest Resource Council	600	600	600	600
4	ADMIN	American Payroll Association	219	219	219	254
5	FM	American Public Works Association (APWA) - 2	430	442	800	450
6	FIA	Certified Commercial Investment Member (CCIM)	770	770	800	900
7	FIA	Clallam County Pilots Association	56	Free	50	Free
8	ADMIN	Dynamics SL User Group	450	450	450	450
9	ADMIN	Engineering License	110	110	110	110
10	ADMIN	Government Finance Officers Association (GFOA -3)	300	150	450	300
11	ADMIN	International Living Future Institute	0	0	150	50
12	MT	Marine Exchange of Puget Sound	300	300	500	500
13	ADMIN	Municipal Research & Services Center (MRSC thru WPPA)	870	897	950	950
14	FIA	National Business Aviation Association (NBAA)	189	0	0	0
15	MT	Northwest Marine Terminal Association (NWMTA)	1,216	1,216	1,216	1,216
16	MTA	Northwest Marine Trade Association (NMTA)	440	500	650	550
17	ADMIN	Olympic Region Municipal Clerks Association	0	0	100	100
18	ARP	Port Angeles Association of Realtors	136	136	90	136
19	MTA	Puget Sound Ship Repair Association (PSSRA)	0	0	0	500
20	ARP	Sequim Association of Realtors	115	115	70	115
21	ADMIN	Society for Human Resources Management (SHRM)	190	0	209	209
22	MTA	Super Yachts Northwest (NMTA)	0	0	0	500
23	ADMIN	Washington Agriculture & Forestry Leadership Program	500	500	500	500
24	FIA	Washington Airport Managers Association (WAMA)	250	250	300	250
25	ADMIN	Washington Bar Association	n/a	n/a	500	500
26	ADMIN	Washington Finance Officers Association (WFOA -3)	50	50	150	150
27	ADMIN	Washington Maritime Federation	Free	250	Free	Free
28	FIA	Washington Pilots Association	65	40	40	45
29	ADMIN	Washington Public Ports Association (WPPA)	16,448	18,878	18,264	19,000
30	ADMIN	Washington Public Treasurers Association (WPTA - 4) Note: Name change in 2018, prior name was Washington Municipal Treasurers Association (WMTA)	0	40	160	80
31	ARP	Washington Realtor Association (thru PA Realtor Assoc)	50	50	50	50
32	FIA	Washington State Aviation Alliance (WSAA)	0	0	0	200
33	FIA	Washington State Community Airports Association (WSCAA)	n/a	n/a	250	Free
		TOTAL PROFESSIONAL ORGANIZATIONS	24,254	26,738	28,403	29,440

2020 Budget COMMUNITY SUPPORT

Line #	COMMUNITY SUPPORT SERVICES	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 BUDGET
1	Clallam County EDC Contract	30,000	40,000	40,000	30,000	40,000
2	Center for Inclusive Entrepreneurship	0	0	0	10,000	10,000
3	Community Partner Program	57,570	57,300	70,000	60,000	70,000
4	North Olympic Development Council (NODC)	0	0	12,000	12,000	10,000
5	Small Business Development Center (SBDC)	23,000	23,000	23,000	23,000	23,000
	TOTAL COMMUNITY SUPPORT - CASH	110,570	120,300	145,000	135,000	153,000

Line #	COMMUNITY SUPPORT - IN KIND	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 BUDGET
1	CRTC - Waived Equipment Rental	12,000	12,000	12,000	12,000	12,000
2	Clallam Economic Development Corporation (CEDC) - Waived Rent	0	0	0	5,188	10,505
3	North Olympic Development Council (NODC) - Waived Rent	0	3,096	2,208	3,025	3,175
4	Peninsula College space at CRTC - 12 months waived rent in 2017 & 2018; partial waived in 2019	35,100	33,345	27,261	27,203	36,153
5	Port Angeles Yacht Club (2019 discounted rent)	0	0	TBD	4,471	4,740
6	Port Angeles Yacht Club (2017-18 waived moorage)	2,610	2,610	TBD	2,610	TBD
7	Sequim Bay Yacht Club (2018 - rent discount begins with Lease renewal) (2019: 50% rent discount)	0	4,018	5,724	6,175	6,333
8	Sequim Bay Yacht Club (2019: 50% moorage discount)	5,080	3,860	3,361	3,955	4,055
9	Sequim Bay Yacht Club waived Hendrick's Room Fees	3,905	4,980	5,166	5,150	5,300
10	SBDC (office space) waived rent	6,792	6,995	6,800	7,200	7,385
11	Miscellaneous Fee Waivers & Discounts (2017 actual)	8,219	7,089	13,000	9,800	10,000
	TOTAL COMMUNITY SUPPORT - IN KIND	73,706	77,993	75,520	86,777	99,646

Line #	COMMUNITY MEMBERSHIPS	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 BUDGET
1	North Olympic Development Council (NODC)	900	900	1,000	900	900
2	Forks Chamber of Commerce	100	100	100	100	100
3	Port Angeles Chamber of Commerce	300	372	600	372	372
4	Port Angeles Business Association (PABA)	70	0	65	50	65
5	Sequim Chamber of Commerce	450	450	450	450	450
6	North Olympic Legislative Alliance (NOLA)	100	0	0	0	100
7	Seki/Clallam Bay Chamber of Commerce	0	0	100	100	100
8	Rotary Clubs & Other Service Groups	180	180	320	200	200
	TOTAL COMMUNITY MEMBERSHIPS	2,100	2,002	2,635	2,172	2,287

MEMBERSHIP & DUES POLICY

In Resolutions 727 & 05-923 the Commissioners encourage administrative staff to participate in civic and service organizations as part of the commitment of the Port to serve the citizens of Clallam County. This resolution authorizes staff to be reimbursed for reasonable costs associated with participation in civic

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

Memberships List:

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

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

ALLOCATED EXPENSES

Line of Business	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Marine Terminal	393,969	323,374	314,231	432,332	851,339	449,857	841,900
Marine Trades Area	172,537	255,208	158,537	136,648	185,003	219,234	181,087
Log Yard	663,859	742,052	741,726	661,245	646,922	608,381	442,133
FIA	362,259	275,117	259,098	204,287	333,291	321,737	277,763
Airport Rental Properties	545,593	885,500	868,872	232,869	768,854	611,814	491,978
Seki Airport	12,482	11,232	8,458	8,515	14,761	12,331	15,108
Port Angeles Boat Haven	285,149	314,828	370,837	246,306	286,350	361,649	294,881
John Wayne Marina	390,615	320,932	270,466	263,498	281,001	356,398	289,228
Rental Property	93,424	92,089	88,521	63,353	43,712	45,130	48,144
Total	2,919,887	3,220,332	3,080,746	2,249,053	3,411,233	2,986,530	2,882,222

DEPRECIATION

Line of Business & Department	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Marine Terminal	275,249	296,285	403,110	481,796	599,233	476,302	559,734
Marine Trades Area	64,050	63,920	65,399	64,814	66,659	64,813	138,267
Log Yard	299,349	335,735	332,578	350,570	334,280	345,475	326,208
FIA	450,416	489,978	511,233	534,096	522,218	521,209	527,537
Airport Rental Properties	322,452	372,496	469,343	487,874	439,638	458,830	438,203
Seki Airport	3,699	3,699	3,699	3,699	3,699	3,699	3,695
Port Angeles Boat Haven	350,343	356,222	381,194	389,796	333,779	330,243	330,765
John Wayne Marina	213,700	214,978	217,198	210,606	118,345	120,779	64,598
Rental Property	5,424	4,542	10,123	13,768	13,768	13,768	13,768
Mechanical Maintenance	26,866	27,563	18,390	15,233	15,415	15,171	15,171
Facilities Maintenance	40,399	34,983	35,286	34,402	34,403	34,403	21,628
Administration & General	25,622	29,345	32,037	37,983	41,917	43,383	36,741
Total	2,077,569	2,229,745	2,479,588	2,624,637	2,523,354	2,428,075	2,476,315

ALLOCATED DEPRECIATION

Line of Business & Department	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Marine Terminal	14,228	11,655	11,119	16,840	26,307	15,254	22,889
Marine Trades Area	6,233	9,198	5,619	5,331	5,717	7,434	4,923
Log Yard	23,976	26,745	26,279	26,049	19,991	20,629	12,020
FIA	13,965	11,106	10,802	9,270	11,356	12,792	8,209
Airport Rental Properties	6,225	6,501	5,531	7,291	8,979	10,479	7,862
Seki Airport	481	453	353	386	503	490	447
Port Angeles Boat Haven	10,298	11,347	13,142	9,708	8,849	12,263	8,017
John Wayne Marina	14,107	11,567	9,729	10,385	8,683	12,085	7,863
Rental Property	3,374	3,319	3,138	2,358	1,351	1,530	1,309
Total	92,887	91,891	85,713	87,618	91,736	92,957	73,540

Port of Port Angeles - Support Function Cost Allocation - for 2020 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

All LOB Depts	(see note 1)		Total MTDC Expense	Total MTDC Ratios	Total MTDC Ratios used to split Support Function Expenses		
	Total LOB Expense	Less COGS Expense			Mech Maint	Facility Maint	Admin & General
Marine Terminal	1,970,005	(114,516)	1,855,489	31%	42,257	77,333	654,898
Marine Trades	399,771	(667)	399,104	7%	9,089	16,634	140,864
Log Yard	989,815	(15,385)	974,430	16%	22,192	40,612	343,927
FIA Airport	676,250	(10,795)	665,455	11%	15,155	27,735	234,874
Airport Rentals	639,199	(1,834)	637,365	11%	14,515	26,564	224,959
Sekiu Airport	36,196	-	36,196	1%	824	1,509	12,775
PA Boat Haven	783,180	(133,283)	649,897	11%	14,801	27,086	229,382
JW Marina	853,977	(216,538)	637,439	11%	14,517	26,567	224,985
Rental Property	106,938	(833)	106,105	2%	2,416	4,422	37,450
Total	6,455,331	(493,851)	5,961,480	100%	135,766	248,461	2,104,115

Excluding Airports	Total LOB Expense	Less COGS Expense	Total MTDC Expense	Non-Airport MTDC Ratios	Non-Airport MTDC Ratios used to split (see note 2)
					General Bus Dev
Marine Terminal	1,970,005	(114,516)	1,855,489	40%	67,412
Marine Trades	399,771	(667)	399,104	9%	14,500
Log Yard	989,815	(15,385)	974,430	21%	35,402
PA Boat Haven	783,180	(133,283)	649,897	14%	23,612
JW Marina	853,977	(216,538)	637,439	14%	23,159
Rental Property	106,938	(833)	106,105	2%	3,855
Total	5,103,686	(481,222)	4,622,464	100%	167,940

Airport Only	Total LOB Expense	Less COGS Expense	Total MTDC Expense	Airport Only MTDC Ratios	100% Direct Allocation to Airport Area
					Airport Bus Dev
Airport Rentals	639,199	(1,834)	637,365	100%	225,940

Total Support Costs Allocated	Total Support Cost Allocation by Line of Business
Mech Maint	135,766
Facility Maint	248,461
Admin & General	2,104,115
General Bus Dev	167,940
Airport Bus Dev	225,940
Total	2,882,222
	841,900 Marine Terminal
	181,087 Marine Trades
	442,133 Log Yard
	277,763 FIA Airport
	491,978 Airport Rentals
	15,108 Sekiu Airport
	294,881 PA Boat Haven
	289,228 JW Marina
	48,144 Rental Property
	2,882,222 Total

2020 Budget

Employee Wage Scale - Represented

IT IS HEREBY AGREED between the PORT OF PORT ANGELES, and the ILWU Local 27 and Teamsters Local 589, PORT EMPLOYEES UNITS, that the following rate of pay matrix shall be effective January 1, 2020 (2.5%)

Job Title	Range Number	Step Number									
		1	2	3	4	5	6	7	8	9	10
	1	11.13	11.41	11.69	11.98	12.27	12.58	12.89	13.21	13.53	13.87
	2	11.69	11.98	12.27	12.58	12.89	13.21	13.53	13.87	14.21	14.56
	3	12.27	12.58	12.89	13.21	13.53	13.87	14.21	14.56	14.92	15.29
	4	12.89	13.21	13.53	13.87	14.21	14.56	14.92	15.29	15.66	16.05
	5	13.53	13.87	14.21	14.56	14.92	15.29	15.66	16.05	16.45	16.86
	6	14.21	14.56	14.92	15.29	15.66	16.05	16.45	16.86	17.27	17.70
	7	14.92	15.29	15.66	16.05	16.45	16.86	17.27	17.70	18.13	18.59
	8	15.66	16.05	16.45	16.86	17.27	17.70	18.13	18.59	19.04	19.51
	9	16.45	16.86	17.27	17.70	18.13	18.59	19.04	19.51	19.99	20.49
	10	17.27	17.70	18.13	18.59	19.04	19.51	19.99	20.49	20.99	21.51
Facilities Maintenance Janitorial (PT)	11	18.13	18.59	19.04	19.51	19.99	20.49	20.99	21.51	22.04	22.59
	12	19.04	19.51	19.99	20.49	20.99	21.51	22.04	22.59	23.14	23.72
Utility Person	13	19.99	20.49	20.99	21.51	22.04	22.59	23.14	23.72	24.30	24.91
	14	20.99	21.51	22.04	22.59	23.14	23.72	24.30	24.91	25.51	26.15
Accounting Clerk I	15	22.04	22.59	23.14	23.72	24.30	24.91	25.51	26.15	26.79	27.46
Accounting Clerk II, Assistant Harbormaster	16	23.14	23.72	24.30	24.91	25.51	26.15	26.79	27.46	28.13	28.83
Accounting Lead	17	24.30	24.91	25.51	26.15	26.79	27.46	28.13	28.83	29.54	30.27
Machine Operator	18	25.51	26.15	26.79	27.46	28.13	28.83	29.54	30.27	31.01	31.79
	19	26.79	27.46	28.13	28.83	29.54	30.27	31.01	31.79	32.56	33.38
	20	28.13	28.83	29.54	30.27	31.01	31.79	32.56	33.38	34.19	35.05
Facilities Maintenance, Mechanic	21	29.54	30.27	31.01	31.79	32.56	33.38	34.19	35.05	35.90	36.80
Facilities Maintenance Lead, Mechanic Lead, Log Yard Lead, Harbormaster	22	31.01	31.79	32.56	33.38	34.19	35.05	35.90	36.80	37.70	38.64
	23	32.56	33.38	34.19	35.05	35.90	36.80	37.70	38.64	39.58	40.57
	24	34.19	35.05	35.90	36.80	37.70	38.64	39.58	40.57	41.56	42.60
	25	35.90	36.80	37.70	38.64	39.58	40.57	41.56	42.60	43.64	44.73
	26	37.70	38.64	39.58	40.57	41.56	42.60	43.64	44.73	45.82	46.96

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2020 Budget

Employee Wage Scale – Non-Represented

Job Title	Grade	85%	100%	115%
		2020 Range Minimum	2020 Range Midpoint	2020 Range Maximum
Executive Director	19	\$141,717	\$166,726	\$191,735
Port Counsel	18	\$126,533	\$148,863	\$171,192
Deputy Executive Director	17	\$112,942	\$132,873	\$152,804
Director II*	16	\$100,882	\$118,685	\$136,487
Director I*	15	\$90,066	\$105,960	\$121,855
Manager III*	14	\$80,399	\$94,587	\$108,776
Manager II*	13	\$71,785	\$84,453	\$97,121
Manager I*	12	\$65,277	\$76,796	\$88,315
Admin/Supervisor II*	11	\$59,342	\$69,815	\$80,287
Admin/Supervisor I*	10	\$53,935	\$63,452	\$72,971
	9	\$49,054	\$57,710	\$66,367
	8	\$44,602	\$52,474	\$60,345
	7	\$40,535	\$47,688	\$54,842
Security Full Time	6	\$36,850	\$43,353	\$49,855
	5	\$33,500	\$39,411	\$45,323
Security Part Time	4	\$30,485	\$35,864	\$41,245
JWM Summer Help	3	\$27,710	\$32,599	\$37,489
	2	\$25,173	\$29,615	\$34,057
N/A due to minimum wage	1	-	-	-

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

Managers & Professional Staff:

Public Works & Operations Manager
 Environmental Manager
 Airport Manager
 Finance Manager
 Accounting Manager
 MT Ops & Security Supervisor
 Facilities Supervisor
 Real Estate Administrator
 Executive Assistant/Clerk to the Board

Senior Management:

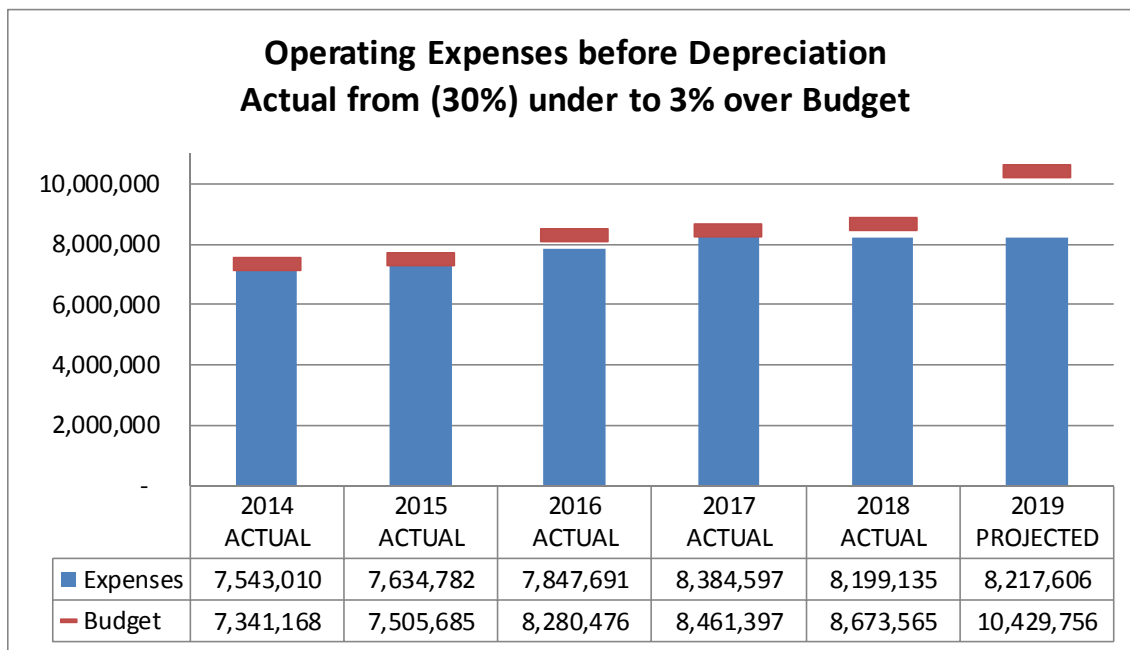
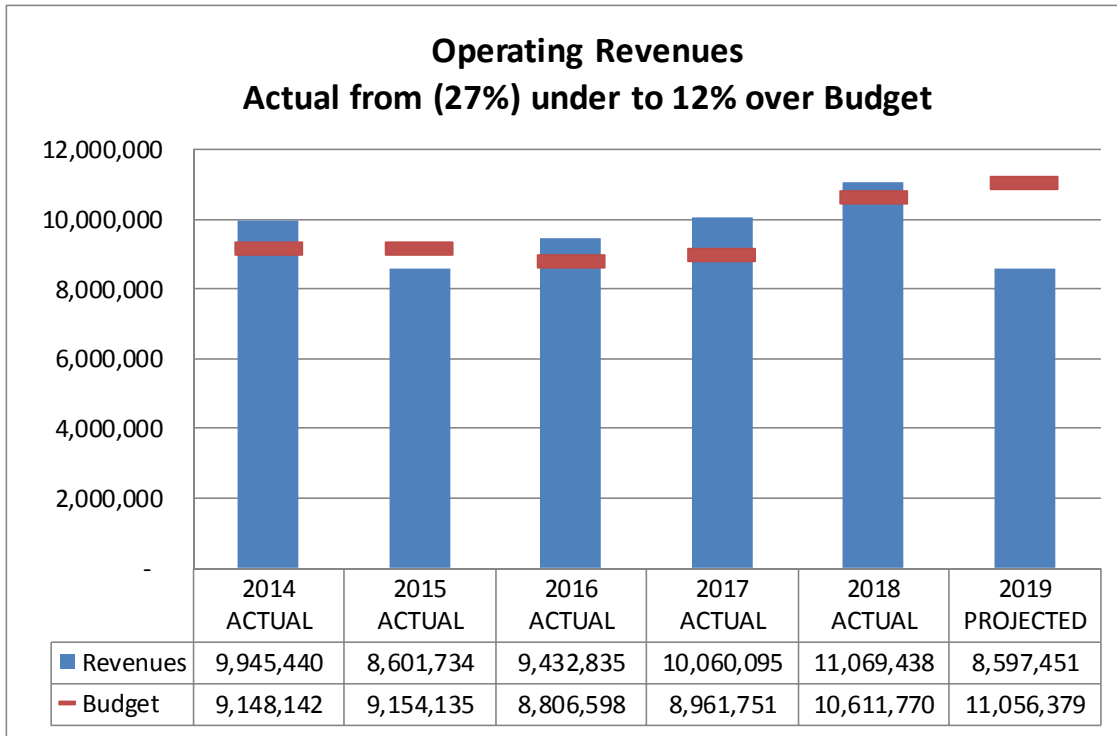
Executive Director
 Port Counsel
 Director of Engineering
 Director of Property, Marinas & Airports
 Maritime Manager
 Director of Finance & Administration

Lease Revenues - All Lines of Business



Budget to Actual History

On average, the Port's actual revenue has exceeded budget and the Port has managed expenses close to budget. In 2019, trade tariffs on logs originating from the US caused an economic slowdown for LY & MT.



List of Abbreviations

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

Port of Port Angeles

Port Angeles, Washington

Commissioners' Resolution No. 19-1206

A RESOLUTION ADOPTING FINAL BUDGET FOR 2020

WHEREAS, the preliminary budget of the Port of Port Angeles was prepared and filed on the 22nd day of October and a revised preliminary budget was filed on the 6th day of November, 2019; and

WHEREAS, in accordance with R.C.W. 53.35.045 a public hearing was held on November 6th 2019; and

WHEREAS, the preliminary revised budget was adopted as the final budget on the 13th day of November, 2019.

NOW, THEREFORE BE IT RESOLVED, that the budget herein is the Final Budget of the Port of Port Angeles for the calendar year 2020.

	2020 BUDGET
Cash Balance Jan 1, 2020	\$ 17,065,296
<u>Sources of Cash</u>	
Revenues - Operating	8,837,553
Revenues - Non-Operating	479,814
Property Tax Levy	1,569,883
Grants for Capital Projects	958,500
Bond Proceeds	-
Total Sources	11,845,750
<u>Uses of Cash</u>	
Expenses - Operating	9,337,553
Expenses - Non-Operating	263,958
Debt Service (Principal & Interest)	742,431
Capital Projects	2,807,000
Total Uses	13,150,942
Cash Balance Dec 31, 2020	\$ 15,760,104
Increase (Decrease) in Cash during year	\$ (1,305,192)
<u>RCW 53.36.120 & 53.36.130 Specific Budget Items</u>	
Promotional Hosting	\$ 17,750

ADOPTED by the Port Commission of the Port of Port Angeles, at a Commission meeting thereof held this 13th day of November, 2019.

*END OF 2020 BUDGET
PORT OF PORT ANGELES*