



SPECIAL COMMISSION MEETING
Tuesday, October 24, 2023, at 8:00 am
338 West First Street, Port Angeles, WA 98362
AGENDA

The Regular Commission Meeting will be available to the public in person and remotely. For instructions on how to connect to the meeting remotely, please visit <https://portofpa.com/about-us/agenda-center/>

- I. CALL TO ORDER / PLEDGE OF ALLEGIANCE**
- II. EARLY PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES)**
- III. APPROVAL OF AGENDA**
- IV. WORK SESSION**
 - A. 3rd Quarter Cash & Investment Report.....1
 - B. Community Partner Programs Discussion.....2
 - C. 2024 Operating Budget Review.....3-74
- V. APPROVAL OF CONSENT AGENDA**
 - A. Special Commission Meeting Minutes, October 17, 2023.....75-77
 - B. Vouchers in the amount of \$309,698.15.....78
- VI. COMPLETION OF RECORDS**
 - A. 3rd Quarter Financial Report.....79-98
- VII. PLANNING AND CAPITAL PROJECTS**
No items
- VIII. LOG YARD**
No items
- IX. MARINE TRADES AND MARINE TERMINALS**
No items
- X. PROPERTY**
 - A. CRTC Lease – 2nd Touch.....99-125
 - B. Item for Consideration – Helm Property Purchase.....126-130



XI. MARINAS

No items

XII. AIRPORTS

No items

XIII. OTHER BUSINESS

No items

XIV. COMMISSIONER REPORTS

XV. PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES)

XVI. FUTURE AGENDA.....131

XVII. NEXT MEETINGS

- A. November 7, 2023 - Special Commission Meeting – Open Public Hearing
- B. November 14, 2023 – Regular Commission Meeting - Close Public Hearing
- C. December 12, 2023 – Regular Commission Meeting

XVIII. UPCOMING EVENTS

- A. Carbon Friendly Forestry Conference – November 1/8/15, 2023 – Virtual
- B. Pacific Marine Expo – November 8-10, 2023 – Seattle, WA
- C. International Workboat Show- November 29-December 1 - New Orleans, LA
- D. WPPA Annual Meeting – December 6-8, 2023 – Vancouver, WA

BROWN BAG LUNCH AND OPEN DISCUSSION WITH THE COMMISSION (TIME PERMITTING)

XIX. EXECUTIVE SESSION

The Board may recess into Executive Session for those purposes authorized under Chapter 42.30 RCW, The Open Public Meetings Act.

XX. ADJOURN



RULES FOR ATTENDING COMMISSION MEETING

- Signs, placards, and noise making devices including musical instruments are prohibited.
- Disruptive behavior by audience members is inappropriate and may result in removal.
- Loud comments, clapping, and booing may be considered disruptive and result in removal at the discretion of the Chair.

RULES FOR SPEAKING AT A COMMISSION MEETING

- Members of the public wishing to address the Board on general items may do so during the designated times on the agenda or when recognized by the Chair.
- Time allotted to each speaker is determined by the Chair and, in general, is limited to 3 minutes.
- Total time planned for each public comment period is 20 minutes, subject to change by the Chair.
- All comments should be made from the speaker's rostrum and any individual making comments shall first state their name and address for the official record.
- Speakers should not comment more than once per meeting unless their comments pertain to a new topic they have not previously spoken about.
- In the event of a contentious topic with multiple speakers, the Chair will attempt to provide equal time for both sides.

Investments & Cash held as of 9/30/2023

			9/30/22	12/31/22	3/31/23	6/30/23	9/30/23					
<u>Name</u>	<u>Type</u>	<u>Interest Rate</u>	<u>Face Value</u>	<u>Face Value</u>	<u>Face Value</u>	<u>Face Value</u>	<u>Face Value</u>	<u>Annual Interest</u>	<u>Maturity Date</u>	<u>Invst Rating</u>	<u>Call</u>	<u>Acquisition Date</u>
FHLB 5-year step up**	Bond	2.50%	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	50,000	3/29/2027	Aaa	qtrly	3/29/2022
FHLB 3-year doubler***	Bond	2.750%	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	55,000	3/28/2025	Aaa	qtrly	3/28/2022
FNMA 1-year	Bond	5.40%	-	-	-	-	2,000,000	108,000	7/19/2024	Aaa	6-mo	7/19/2023
FNMA 1-year	Bond	5.20%	-	-	2,000,000	2,000,000	2,000,000	104,000	3/28/2024	Aaa	qtrly	3/30/2023
FHLB 1-year	Bond	5.10%	-	2,000,000	2,000,000	2,000,000	2,000,000	102,000	12/20/2023	Aaa	qtrly	12/20/2022
FHLB 9-month	Bond	4.00%	2,000,000	2,000,000	2,000,000	2,000,000	-	-	6/30/2023	Aaa	qtrly	9/30/2022
FHLB 6-month	Bond	3.00%	2,000,000	2,000,000	-	-	-	-	1/27/2023	Aaa	qtrly	7/29/2022
1st Security Bnk 2 Yr CD	CD	0.45%	4,031,565	4,036,130	-	-	-	-	12/31/2022	n/a	no	12/31/2022
First Federal Invst	Cash	5.40%	2,095,686	2,114,391	6,219,047	6,366,009	6,450,758	348,341				
LGIP Balance	Cash	5.40%	2,011,142	1,532,115	2,617,694	3,656,204	3,457,341	186,696				
Umpqua Bank Account	Cash	0.30%	855,666	607,620	111,235	352,954	359,595	1,079				
			16,994,059	18,290,256	18,947,976	20,375,167	20,267,694	955,116				

Investments Called or Matured in 2023

<u>Name</u>	<u>Type</u>	<u>Interest Rate</u>					<u>Annual Interest</u>	<u>Maturity Date</u>	<u>Invst Rating</u>	<u>Call</u>	<u>Redemption Date</u>
FHLB 6-month	Bond	3.00%	2,000,000	2,000,000	-	-	60,000	1/27/2023	Aaa	qtrly	1/27/2023
FHLB 9-month	Bond	4.00%	2,000,000	2,000,000	2,000,000	2,000,000	-	6/30/2023	Aaa	qtrly	6/30/2023

Outstanding Debt

		9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	
	<u>Rate</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	
2015 PABH 2006 refi	2.29%	1,384,420	1,050,169	1,050,169	1,050,169	1,050,169	10 year note, final annual payment 12/01/2025
CERB Washdown	2.00%	706,310	706,310	673,324	673,324	673,324	20 year, 1st annual payment made Jan 2021
CERB Cofferdam	2.00%	70,530	70,530	70,530	70,530	-	Project delayed, loan repaid in Aug 2023
CARB Airport Utilities	2.00%	718,968	718,968	687,480	687,480	687,480	20 year, 1st annual payment made Jan 2022
		2,880,228	2,545,977	2,481,503	2,481,503	2,410,973	

* Cash balances shown do not include funds held as the Harbor Group treasurer or funds reserved for K-Ply monitoring activities.

* Cash and investments do include \$517,500 received from Shell for upcoming environmental cleanup at 220 Tumwater (former longshore parking lot)

** 5-year step up rates by year are 2%, 2.5%, 3%, 4%, 5%

*** 3-year doubler rates by year are 1.375%, 2.75%, 5.5%



2024 BUDGET

DRAFT as of 10/24/2023

Port of Port Angeles

2024 Budget

<u>Operations</u>	<u>Log Yard & Marine Term</u>	<u>PABH & JWM Marinas</u>	<u>Marine Trades & Rental Prop</u>	<u>FIA & Sekiu Airports</u>	<u>Total</u>
Revenues	3,920,750	4,065,819	2,719,680	490,074	11,196,323
Direct Expenses	(2,538,279)	(2,087,303)	(1,096,888)	(588,628)	(6,311,098)
Overhead Support	(1,282,466)	(887,851)	(775,703)	(284,916)	(3,230,936)
Net Margin	100,005	1,090,665	847,089	(383,470)	1,654,289
Less Depreciation	(936,568)	(519,615)	(653,408)	(629,412)	(2,739,003)
Op Surplus (Deficit)	(836,563)	571,049	193,681	(1,012,881)	(1,084,714)
Non-Operating Items					
Property Tax Revenue					1,725,000
Capital Grant Income					7,856,388
Timber/Other Tax Revenue					140,000
Interest Expense					(43,426)
Interest Earnings					850,000
Net other Non-Op Items					(351,000)
Total Non-Operating					10,176,962
Total Net Surplus					9,092,248

Cash Flow / Fund Analysis

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Total Port Funds</u>
Beginning Balance	4,771,017	15,017,689	19,788,705
Plus Cash Flow from Operations	1,654,289	-	1,654,289
Net Non-Op Cash flow	639,000	-	639,000
Plus Capital Grant Revenue	-	7,776,200	7,776,200
Plus Property Tax Revenue	-	1,725,000	1,725,000
Plus Loan Proceeds	-	-	-
Less Debt Service Payments	-	(533,101)	(533,101)
Less 2022 Capital Expenditures	-	(14,270,200)	(14,270,200)
Transfer excess of 1/2-yr op expenses	(2,198,306)	2,198,306	-
Projected Ending Balance	4,866,000	11,913,894	16,779,894

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 using 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. 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 and the Sequim Design Review Board. Today she serves on boards for the following statewide organizations: 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 and her husband, David Gilles, live in Sequim and are very proud of their four adult sons.

COMMISSIONER STEVEN D. BURKE (District 2)



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

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

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

COMMISSIONER CONNIE L. BEAUVAIS (District 3)



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

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

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

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

EXECUTIVE DIRECTOR PAUL JARKIEWICZ



BOARD OF PORT COMMISSIONERS

CONNIE L. BEAUVAIS, PRESIDENT

Term Expires 2023

COLLEEN M. MCALEER, VICE PRESIDENT

Term Expires 2025

STEVEN D. BURKE, SECRETARY

Term Expires 2025

PORT MANAGEMENT STAFF

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Director of Finance & Administration.....JOHN B. NUTTER
Director of Engineering.....CHRIS R. HARTMAN
Director of Economic DevelopmentCALEB MCMAHON
Director of OperationsVACANT
IT DirectorSTEVEN ROSE
Environmental Manager JESSE W. WAKNITZ
Airport & Marina Manager..... JON PICKER
Manager of Finance & Accounting.....JENNIFER BAKER
Real Estate AdministratorCHERIE GOTTSCHALK
Human Resource Specialist/Clerk of the Board BRAEDI JOUTSEN

TABLE OF CONTENTS

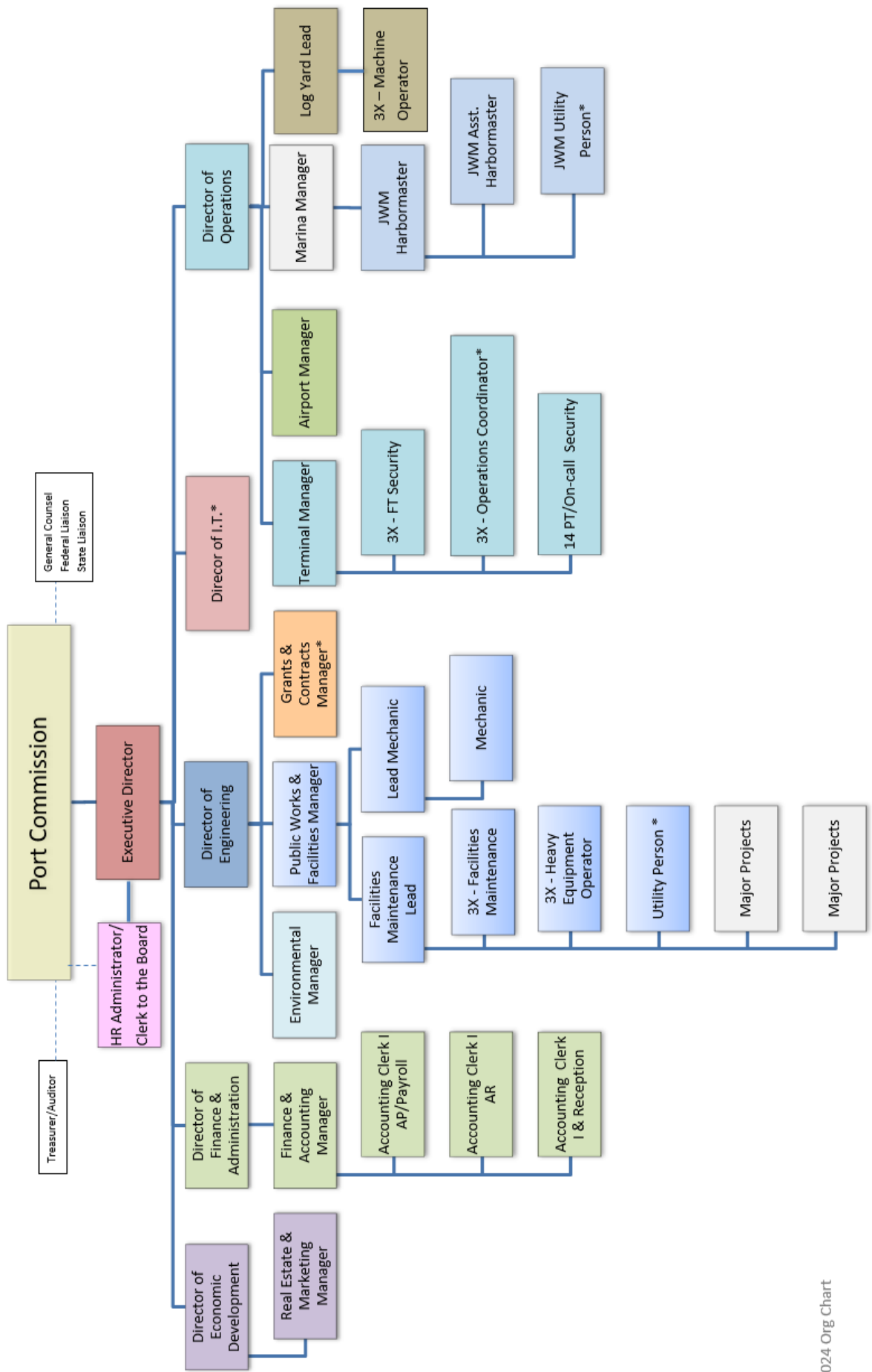
<u>I. INTRODUCTION</u>	<u>PAGE</u>
BUDGET MESSAGE (PLACEHOLDER)	I - 1
STRATEGIC PLAN (PLACEHOLDER)	I - 3
5 YEAR CAPITAL PLAN - GRAPH	I - 5
<u>II. PERSONNEL SUMMARY</u>	
ORGANIZATIONAL CHART	II - 1
PERSONNEL SUMMARY	II - 2
SALARIES & BENEFITS TREND	II - 3
<u>III. BUDGET OVERVIEW & FUND BALANCE</u>	
WHERE DOES THE MONEY COME FROM?	III - 1
WHERE DOES THE MONEY GO?	III - 1
SUMMARY BY TYPES OF REVENUES & EXPENSES	III - 2
FUND BALANCE – CASH BASED	III - 3
5 YEAR PROJECTED FUND BALANCE	III - 4
REVENUE BY TYPE – TREND GRAPH	III - 5
EXPENSE BY TYPE – TREND GRAPH	III - 7
<u>IV. OPERATING BUDGET</u>	
2023 YEAR-END PROJECTED ASSUMPTIONS	IV - 2
2024 OPERATING BUDGET ASSUMPTIONS	IV - 4
SUMMARY BY DEPARTMENT	IV - 7
MARINE TERMINAL (MT 11)	IV - 9
MARINE TRADES AREA (MTA 15)	IV - 11
LOG YARD (LY 21)	IV - 13
WILLIAM R. FAIRCHILD INTERNATIONAL AIRPORT (FIA 31)	IV - 15
AIRPORT RENTAL PROPERTIES (ARP 33)	IV - 17
SEKIU AIRPORT (SEK 32)	IV - 19
PORT ANGELES BOAT HAVEN (PABH 41)	IV - 21
JOHN WAYNE MARINA (JWM 43)	IV - 23
* BOAT YARD (BY 45) – SEE MARINE TRADES AREA (MTA 15)	
* PUBLIC BOAT RAMPS (PBR 51) – SEE PABH & JWM	
RENTAL PROPERTY (RP 61)	IV - 25
MECHANICAL MAINTENANCE (MM 91)	IV - 27
FACILITIES MAINTENANCE (FM 92)	IV - 29
ADMINISTRATIVE & GENERAL (ADMIN 80)	IV - 31
ECONOMIC & BUSINESS DEVELOPMENT (BD 81)	IV - 33
NON-OPERATING (NON-OP 90)	IV - 35

TABLE OF CONTENTS (Continued)

V. <u>CAPITAL PROJECTS BUDGET (PLACEHOLDER)</u>	<u>PAGE</u>
CAPITAL PROJECTS SUMMARY	V - 1
CAPITAL EXPENDITURES BY DEPARTMENT	V - 3
CAPITAL PROJECTS BUDGET	V - 4
FIVE YEAR CAPITAL IMPROVEMENT PLAN	V - 5
FIVE YEAR CAPITAL STRATEGIC GOAL	V - 10
VI. <u>TAX LEVY (PLACEHOLDER)</u>	
TAX LEVY USES	VI - 1
HISTORY OF PROPERTY TAX	VI - 2
ASSESSED VALUATION & LEVY	VI - 3
TAX LEVY SOURCES	VI - 4
PORT USE OF TAX LEVY	VI - 5
VII. <u>OTHER FUNDS: DEBT SERVICE AND BOND FUNDS (PLACEHOLDER)</u>	
DEBT CAPACITY	VII - 1
OUTSTANDING LONG-TERM DEBT	VII - 2
LONG-TERM DEBT SERVICE SCHEDULE	VII - 3
VIII. <u>SUPPLEMENTAL INFORMATION</u>	
PORT OPERATING AREA MAPS	VIII - 1
TRAVEL AND TRAINING	VIII - 5
CONSULTING & SPECIAL PROJECTS	VIII - 6
NON-STANDARD EXPENSES	VIII - 6
MEMBERSHIPS – PROFESSIONAL ORGANIZATIONS	VIII - 7
OUTSIDE SERVICES	VIII - 8
SALARY DISTRIBUTION TO DEPTS	VIII - 9
ALLOCATED EXPENSES AND ESTIMATED DEPRECIATION	VIII - 10
COST ALLOCATION – MODIFIED TOTAL DIRECT COST	VIII - 11
EMPLOYEE WAGE SCALE – REPRESENTED	VIII - 12
EMPLOYEE WAGE SCALE – NON-REPRESENTED	VIII - 13
LEASE REVENUES - HISTORY	VIII - 14
LIST OF ABBREVIATIONS	VIII - 15
2024 BUDGET RESOLUTION	VIII - 16
END OF 2024 BUDGET	VIII - 17

SECTION II

PERSONNEL SUMMARY



2024 Org Chart

PORT OF PORT ANGELES PERSONNEL SUMMARY

All Departments - Actual & Budgeted Employees

		2016	2017	2018	2019	2020	2021	2022	2023	2023	2024	2024 -2023
Department		Actual FTEs	Actual FTEs	Actual FTEs	Actual FTEs	Actual FTEs	Actual FTEs	Actual FTEs	Budget FTEs	Projected FTEs	Budget FTEs	Budget Change In FTEs
MT	Marine Terminal <i>(Includes PT & FT Security)</i>	5.30	6.15	5.90	5.78	5.43	6.26	7.45	5.20	7.06	7.25	2.05
MTA	Marine Trades Area <i>(Formerly Boat Yard & Travel Lift Pier)</i>	0.94	0.85	1.30	1.44	0.91	1.01	1.04	0.95	0.84	0.85	(0.10)
LY	Log Yard	6.59	7.87	7.94	4.96	4.63	4.81	5.94	3.65	4.83	4.70	1.05
FIA	William R. Fairchild Int'l Airport	2.38	2.99	2.15	2.96	1.68	2.06	2.20	1.20	1.58	1.15	(0.05)
ARP	Airport Rental Properties	1.41	0.63	1.40	1.03	1.21	1.66	1.84	1.30	1.49	1.20	(0.10)
SEK	Sekiu Airport	0.03	0.05	0.05	0.03	0.09	0.08	0.14	0.05	0.06	0.05	-
PABH	Port Angeles Boat Haven	0.74	0.81	0.82	1.30	1.09	1.28	1.64	1.20	1.43	1.55	0.35
JWM	John Wayne Marina <i>(Includes PT & FT Security)</i>	3.89	4.47	4.55	4.29	4.40	4.81	2.12	4.85	4.29	5.40	0.55
RP	Rental Properties	0.72	1.84	0.60	0.61	0.54	0.51	0.52	0.45	0.52	0.45	-
A&G	Administration & General <i>(Includes PT & FT Security)</i>	10.26	8.39	9.32	10.80	9.63	10.92	9.34	8.31	10.33	11.65	3.35
BD	Business (Economic) Development	0.73	0.24	0.45	0.45	1.05	1.43	1.42	1.15	1.10	1.15	-
MM	Mechanical Maintenance	2.13	2.27	2.24	2.21	2.45	2.34	1.47	2.25	2.16	2.30	0.05
FM	Facilities Maintenance	7.96	6.92	8.81	8.33	8.45	7.46	8.30	9.75	7.66	11.80	2.05
NOP	Non-Operating	0.13	0.12	0.35	0.33	0.38	0.36	0.36	0.29	0.03	0.15	(0.14)
Total		43.21	43.60	45.88	44.52	41.94	44.99	43.78	40.59	43.38	49.65	9.06

Significant changes from 2023 Budget to 2024 Budget:

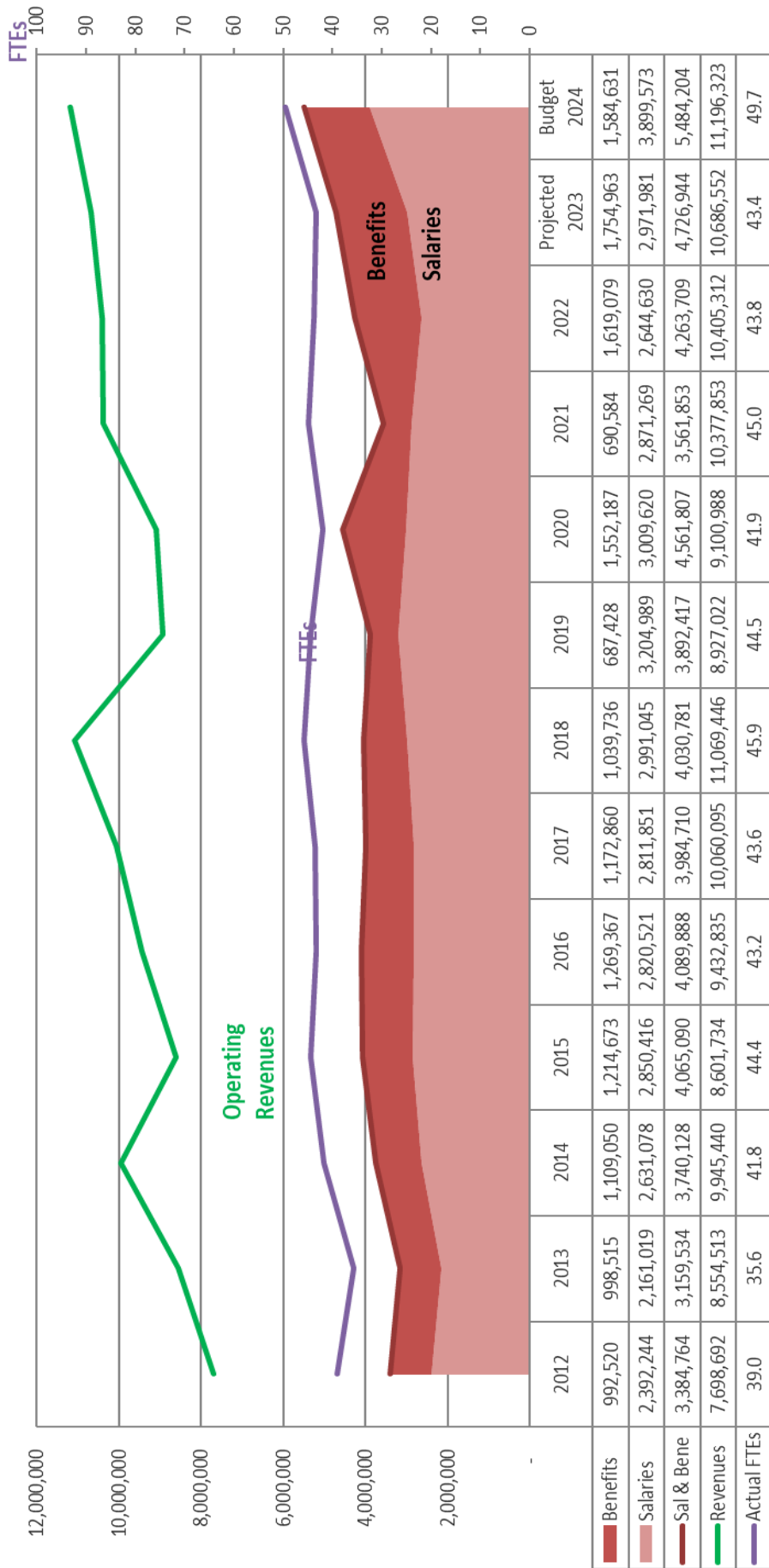
MT	2 new positions created
MTA	N/A
LY	N/A
FIA	N/A
ARP	N/A
SEK	N/A
PABH	N/A
JWM	N/A
RP	N/A
A&G	Hired for new positions IT Director and Grants & Contracts Manager. Hired an additional security position
BD	N/A
MM	N/A
FM	Projected to hire 2 new employees
NOP	N/A

FTEs = Full time equivalent

FT = Full Time

PT = Part Time

2012 thru 2024 Operating Activity Salaries & Benefits Trend



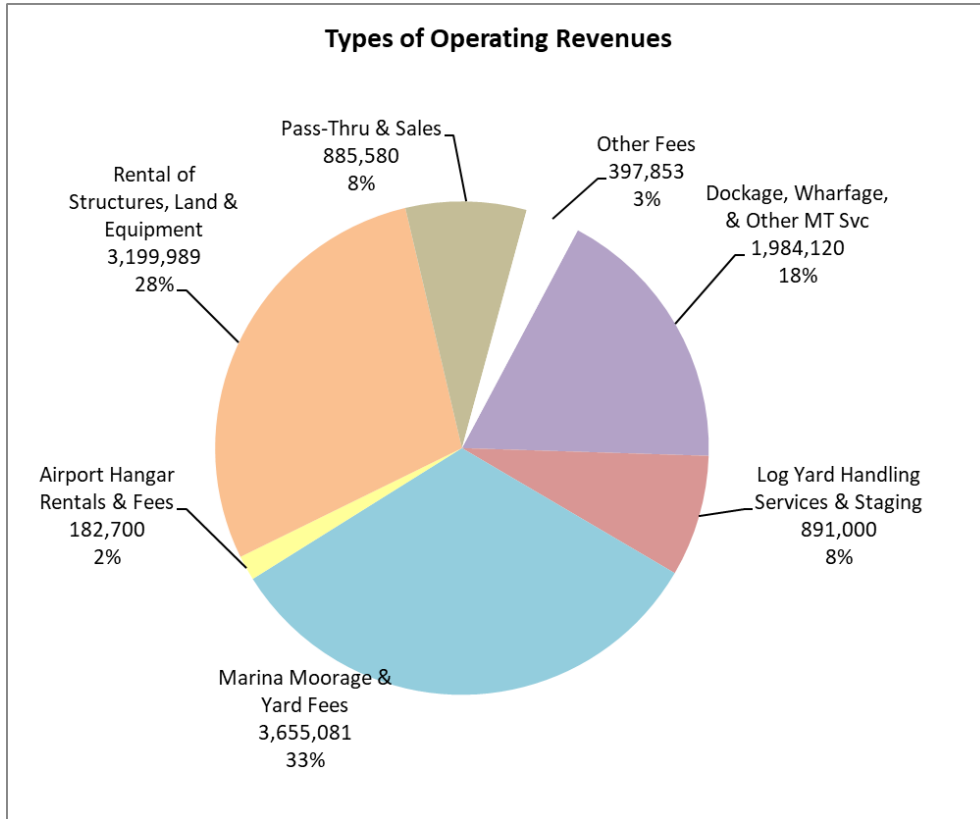
SECTION III

BUDGET OVERVIEW

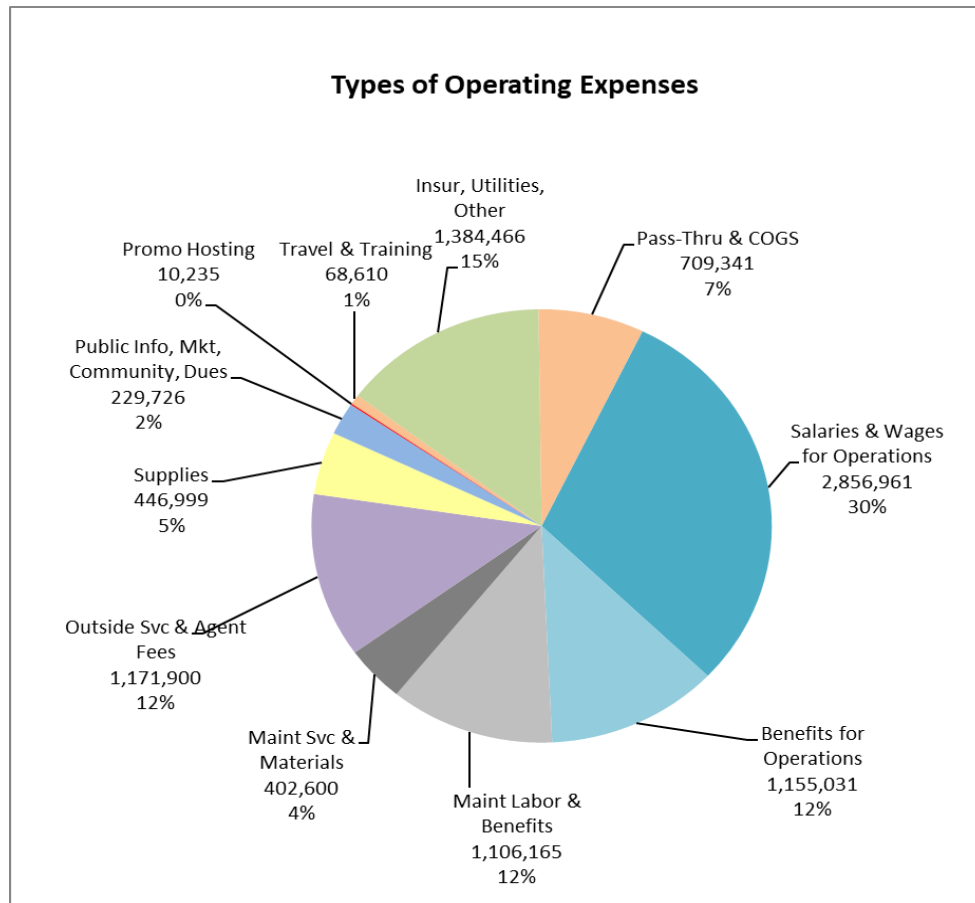
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FUND BALANCE

2024 - WHERE DOES THE MONEY COME FROM?



2024 - WHERE DOES THE MONEY GO?



**Port of Port Angeles
Summary by Type of Revenues & Expenses
2024 Budget**

	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2023 PROJECTED	2024 BUDGET	2023 Proj Over/(Under) 2023 Budget	2024 Budget Over/(Under) 2023 Proj
OPERATING REVENUES								
DOCKAGE	1,121,886	1,193,422	1,170,426	950,000	949,000	880,000	(1,000)	(69,000)
WHARFAGE	410,985	631,514	519,803	489,056	439,060	554,120	(49,996)	115,060
SERVICE & FACILITIES	249,399	391,478	322,669	290,000	270,000	330,000	(20,000)	60,000
LOADING & UNLOADING	0	0	0	0	0	0	0	0
MT HANDLING	234,655	241,326	15,279	10,000	0	0	(10,000)	0
LABOR SERVICES	215,475	314,486	304,314	295,000	210,000	220,000	(85,000)	10,000
LOG YARD STAGING	31,891	46,501	45,968	45,000	48,046	46,000	3,046	(2,046)
LOG YARD LAND SERVICES	350,956	440,602	690,189	485,000	800,000	750,000	315,000	(50,000)
LOG YARD WATER SERVICES	68,715	23,539	69,299	95,000	105,000	95,000	10,000	(10,000)
MOORAGE	2,402,035	2,574,618	2,735,213	3,050,955	2,973,532	3,172,759	(77,423)	199,227
MARINA & YARD FEES	327,633	350,869	398,627	436,290	467,642	482,322	31,352	14,680
LANDING/PARKING FEES	7,295	9,454	12,545	9,100	12,466	13,100	3,366	634
HANGAR/TIE DOWN	127,083	139,967	151,818	164,212	161,520	169,600	(2,692)	8,080
STORAGE	0	0	0	0	0	0	0	0
OTHER USER FEES	286,922	294,853	180,899	100,280	353,435	361,253	253,155	7,818
EQUIPMENT RENTAL	268,431	333,547	316,958	306,084	311,195	289,273	5,111	(21,922)
LAND LEASE/RENT	597,006	707,193	662,546	671,130	727,721	757,381	56,591	29,660
STRUCTURE LEASE/RENT	1,561,523	1,637,093	1,758,916	1,724,181	1,937,700	2,030,947	213,519	93,247
USE AGMT AND OTHER RENT	76,905	117,707	107,277	108,291	121,041	122,388	12,750	1,347
UTILITY PASS THRU & PRODUCT SALES	755,203	918,329	929,364	897,926	759,487	885,580	(138,439)	126,093
MISC & INTERDEPT REVENUE	6,991	11,353	13,201	26,313	39,707	36,600	13,394	(3,107)
TOTAL OPERATING REVENUES	9,100,988	10,377,853	10,405,312	10,153,818	10,686,552	11,196,323	532,734	509,771
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	3,493,102	2,214,431	2,401,276	3,237,862	3,471,909	4,011,992	234,047	540,083
SUPPLIES	242,308	305,826	380,122	356,384	452,952	446,999	96,568	(5,953)
OUTSIDE SERVICES	2,098,767	2,011,425	1,060,855	1,066,929	1,105,542	1,171,900	38,613	66,358
PUBLIC INFORMATION	124,939	132,439	155,889	125,795	138,400	130,170	12,605	(8,230)
MARKETING	20,716	6,820	13,220	23,005	17,950	58,505	(5,055)	40,555
COMMUNITY RELATIONS	0	332	0	2,500	6,000	2,500	3,500	(3,500)
ADS, DUES & PUBLICATIONS	43,309	42,792	32,423	33,542	34,366	38,551	824	4,185
TRAVEL MEETINGS	13,023	14,701	15,258	29,410	32,792	37,210	3,382	4,418
TRAINING/TRAVEL	12,129	27,580	16,103	25,100	27,495	31,400	2,395	3,905
PROMOTIONAL HOSTING	1,167	2,068	1,126	9,500	7,009	10,235	(2,491)	3,226
RENT, UTILITIES, INSURANCE, TAXES	1,188,764	1,256,668	1,283,436	1,307,984	1,281,152	1,315,578	(26,832)	34,427
UTILITY (Pass Thru) & COST OF GOODS SOLD	601,171	699,122	672,181	720,988	555,722	709,341	(165,266)	153,619
OTHER EXPENSES (Misc & Interdept)	153,911	140,200	97,293	66,304	71,469	68,888	5,165	(2,581)
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	915,320	917,225	952,798	940,166	1,068,535	1,106,165	128,369	37,629
MAINTENANCE (Materials & Services)	475,666	329,406	451,418	345,550	423,707	402,600	78,157	(21,107)
TOTAL DIRECT EXPENSES	9,384,292	8,101,033	7,533,398	8,291,017	8,695,000	9,542,034	403,983	847,034
ALLOCATED EXPENSES - ADMIN & MAINT	0	0	10	0	0	0	0	(0)
NET SURPLUS (DEFICIT) - Before Depreciation	(283,304)	2,276,820	2,871,904	1,862,801	1,991,552	1,654,289	128,751	(337,263)
ALLOCATED DEPRECIATION	0	0	0	0	0	(0)	0	(0)
DEPRECIATION	2,681,169	2,729,045	2,735,993	2,791,572	2,689,003	2,739,003	(102,569)	50,000
NET SURPLUS (DEFICIT) - After Depreciation	(2,964,473)	(452,226)	135,910	(928,771)	(697,451)	(1,084,714)	231,320	(387,263)
NON-OP (GENERAL)								
NON-OP REV (General)	527,553	263,591	308,731	649,500	987,054	1,202,000	337,554	214,946
NON-OP EXP (General)	346,336	156,481	2,759,303	658,000	114,800	563,000	(543,200)	448,200
NON-OP (General) SURPLUS (DEFICIT)	181,217	107,110	(2,450,572)	(8,500)	872,254	639,000	880,754	(233,254)
NON-OP (CAPITAL)								
NON-OP REV (Capital)	1,990,277	2,271,529	2,583,163	9,129,950	8,959,916	9,581,388	(170,034)	621,472
NON-OP EXP (Capital)	262,128	57,773	55,329	126,175	59,557	43,426	(66,618)	(16,131)
NON-OP (Capital) SURPLUS (DEFICIT)	1,728,149	2,213,756	2,527,834	9,003,775	8,900,359	9,537,962	(103,416)	637,603
NET NON-OP SURPLUS (DEFICIT)	1,909,366	2,320,865	77,262	8,995,275	9,772,613	10,176,962	777,338	404,349
TOTAL NET SURPLUS (DEFICIT)	(1,055,107)	1,868,639	213,171	8,066,504	9,075,162	9,092,248	1,008,658	17,086

CASH BASED FUND BALANCE

(Approximates Cash Flow)

Projected 2023	DESIGNATED FUNDING	GENERAL FUND	CAPITAL IMPR.	G.O. DEBT SERVICE	TOTAL FUNDS
CASH BALANCE, JANUARY 1, 2023					
Operating Cash		2,704,863			
Investment Fund Balance		2,252,185	12,933,870	0	
Beginning Balance		4,957,048	12,933,870	0	17,890,918
PROJECTED GENERAL FUND ENDING BALANCE					
Operating Revenues		10,686,552			
Operating Expenses before Depreciation		(8,695,000)			
Operating Surplus (Deficit) before Depreciation		1,991,552			1,991,552
Beginning General Fund Balance + Op Surplus (Deficit)		6,948,600			
Net Non-Operating General Surplus (Deficit)		872,254			872,254
Projected General Fund Ending Balance		7,820,854			
GENERAL FUND TARGET FUND BALANCE					
Next Year Operating Expense Budget		4,771,017			
Projected Ending Balance over (under) Target Balance		3,049,837			
TRANSFER EXCESS GENERAL FUNDS TO CAPITAL FUND					
		(3,049,837)	3,049,837		0
Capital Fund is "approximately" reimbursing General Fund for:					
Community Partner Program	25,000				
New Bond Issue/Loan Proceeds					
General Property Tax Levy				1,688,362	
Less: Debt Service (Principal & Interest)				(458,934)	
Excess Property Tax Levy				1,229,428	1,229,428
TRANSFER EXCESS TAX LEVY TO CAPITAL FUND			1,229,428	(1,229,428)	0
Capital Grants					
Less: Capital Project Expenses (before grant funding)			(9,467,000)		(9,467,000)
CASH BALANCE, DECEMBER 31, 2023		4,771,017	15,017,689	0	19,788,705
Budget 2024					
	DESIGNATED FUNDING	GENERAL FUND	CAPITAL IMPR.	G.O. DEBT SERVICE	TOTAL FUNDS
CASH BALANCE, JANUARY 1, 2024					
		4,771,017	15,017,689	0	19,788,705
PROJECTED GENERAL FUND ENDING BALANCE					
Operating Revenues		11,196,323			
Operating Expenses before Depreciation		(9,542,034)			
Operating Surplus (Deficit) before Depreciation		1,654,289			1,654,289
Beginning General Fund Balance + Op Surplus (Deficit)		6,425,306			
Net Non-Operating General Surplus (Deficit)		639,000			639,000
Projected General Fund Ending Balance		7,064,306			
GENERAL FUND TARGET FUND BALANCE					
6 Months of Next Year Operating Budget (budget year plus 2%)		4,866,000			
Projected Ending Balance over (under) Target Balance		2,198,306			
TRANSFER EXCESS GENERAL FUNDS TO CAPITAL FUND					
		(2,198,306)	2,198,306		0
Capital Fund support for Economic Development					
- Community Partner Program	25,000				
New Bond Issue/Loan Proceeds					
General Property Tax Levy				1,725,000	
Less: Debt Service (Principal & Interest)				(533,101)	
Excess Property Tax Levy				1,191,899	1,191,899
TRANSFER EXCESS TAX LEVY TO CAPITAL FUND			1,191,899	(1,191,899)	0
Capital Grants					
Less: Capital Project Expenses			(14,270,200)		(14,270,200)
CASH BALANCE, DECEMBER 31, 2024		4,866,000	11,913,894	0	16,779,894

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

Operating Expenses do not include depreciation because it is a non-cash expense.

Net Non-Operating (General) includes investment interest and timber taxes. It excludes Property Taxes.

Includes grant funding and expenses for legacy environmental projects; net expenses are reimbursed by Capital Fund.

This transfer is "what it takes" to leave an ending fund balance to meet the 1 year reserve requirement.

Because of legacy environmental projects and CRTS, the Capital Fund is reimbursing the General Fund.

Capital expenses are the total project costs before grant funding. It also includes capital purchase of equipment.

5 Year Projected Fund Balance

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

(Approximates Cash Flow)

	2024	2025	2026	2027	2028
GENERAL FUND					
Beginning Fund Balance	4,771,017	4,873,500	4,970,820	5,070,086	5,171,338
Op Surplus/(Deficit) (before Depreciation)	1,654,289	1,750,000	1,750,000	1,750,000	1,750,000
Net Non-Operating Surplus (before grant funds)	639,000	250,000	250,000	250,000	250,000
Non-Operating Unidentified Grants	-	-	-	-	-
Projected Ending Fund Balance	7,064,306	6,873,500	6,970,820	7,070,086	7,171,338
TRANSFER EXCESS TO CAPITAL FUND	(2,190,806)	(1,902,680)	(1,900,734)	(1,898,748)	(1,896,723)
Estimated Ending Fund Balance	4,873,500	4,970,820	5,070,086	5,171,338	5,274,615
Explanation of Reserves					
General Reserve for Adverse Conditions & to obtain strong bond rating					
Res 19-1203: 6 Mos Next Yr Op Budget (2% increase)	4,866,000	4,963,320	5,062,586	5,163,838	5,267,115
Self-insurance reserves for unemployment	7,500	7,500	7,500	7,500	7,500
Target Reserve Balance	4,873,500	4,970,820	5,070,086	5,171,338	5,274,615
Estimated Over (Under) Target	-	-	-	-	-

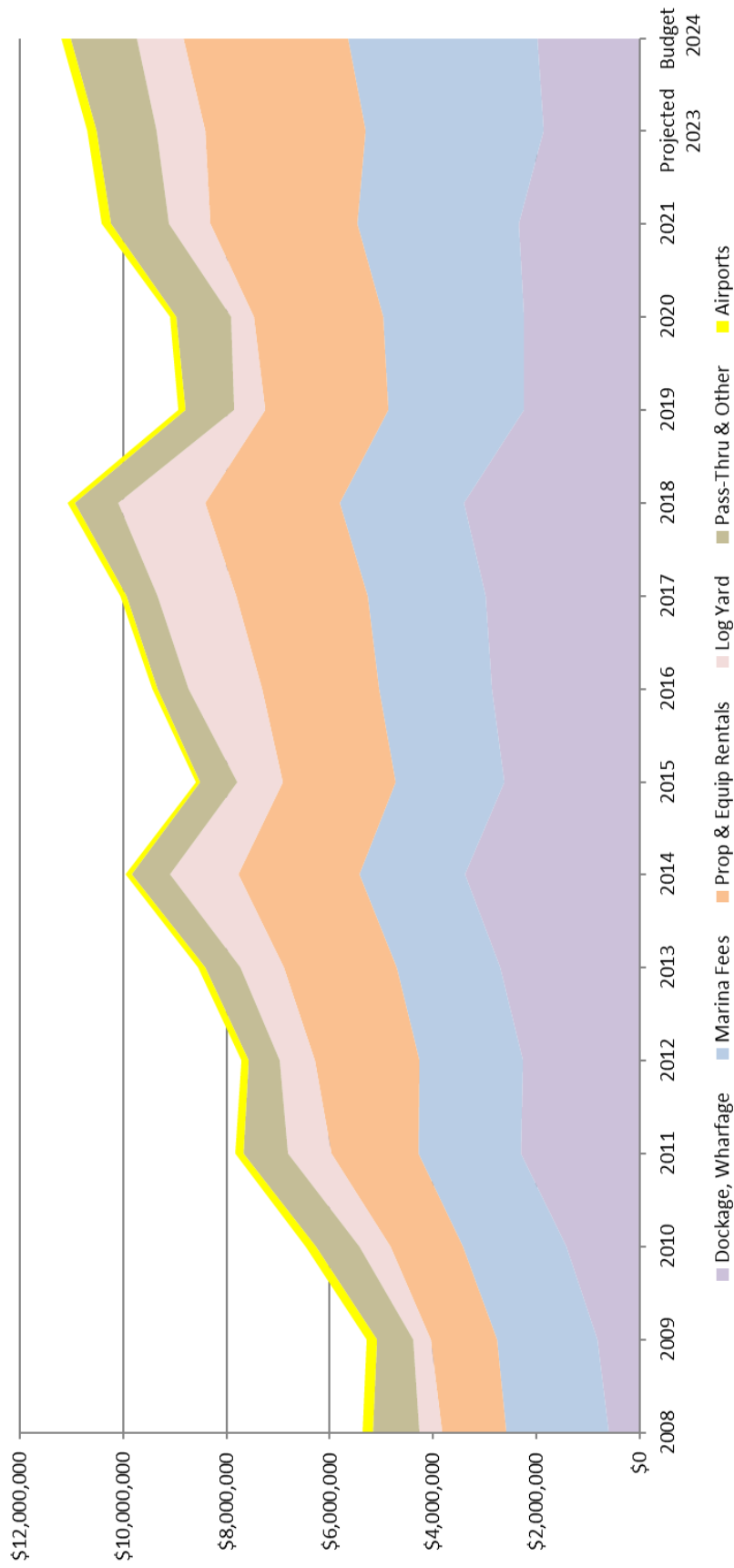
	2024	2025	2026	2027	2028
CAPITAL IMPROVEMENT FUND					
Beginning Fund Balance	15,017,689	11,980,561	7,085,777	6,391,059	7,464,888
Transfer from General Fund	2,190,806	1,902,680	1,900,734	1,898,748	1,896,723
Transfer from Debt Service Fund	1,266,066	1,224,149	1,245,861	1,262,081	1,645,546
Capital Grants for Committed Projects	7,776,200	7,714,626	12,436,812	806,000	570,000
Unidentified Capital Grants	-	-	-	-	-
Funds Available for Capital Projects	26,250,761	22,822,016	22,669,183	10,357,888	11,577,158
Capital Projects per 5 Yr Capital Plan	(14,270,200)	(15,736,239)	(16,278,124)	(2,893,000)	(2,750,000)
Estimated Ending Fund Balance	11,980,561	7,085,777	6,391,059	7,464,888	8,827,158
			Reduce Reserves and/or issue debt.		
0					
Environmental Liability GASB49	68,375	122,000	66,500	66,500	9,500
Environmental Projects (non-capital) Reserves	50,000	50,000	50,000	50,000	50,000
Emergency Repair or Unfortunate Event	500,000	500,000	500,000	500,000	500,000
Job Creation Opportunity	500,000	500,000	500,000	500,000	500,000
Target Capital Reserves	1,118,375	1,172,000	1,116,500	1,116,500	1,059,500
Estimated Over (Under) Target	10,862,186	5,913,777	5,274,559	6,348,388	7,767,658

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.

	2024	2025	2026	2027	2028
DEBT SERVICE FUND					
Beginning Fund Balance	-	-	-	-	-
Property Tax Levy: 1% in 2022-2025	1,725,000	1,742,250	1,759,673	1,777,269	1,795,042
Increase new Construction + Refunds	included above	15,000	15,000	15,000	15,000
Less: Debt Service	(458,934)	(533,101)	(528,812)	(530,188)	(164,496)
Projected Ending Fund Balance	1,266,066	1,224,149	1,245,861	1,262,081	1,645,546
TRANSFER EXCESS TO CAPITAL FUND	(1,266,066)	(1,224,149)	(1,245,861)	(1,262,081)	(1,645,546)
Estimated Ending Fund Balance	-	-	-	-	-
New Debt using "Excess" Prop Tax (30 yr at 2.0%)	\$ 28,510,000	\$ 27,570,000	\$ 28,050,000	\$ 28,420,000	\$ 37,060,000

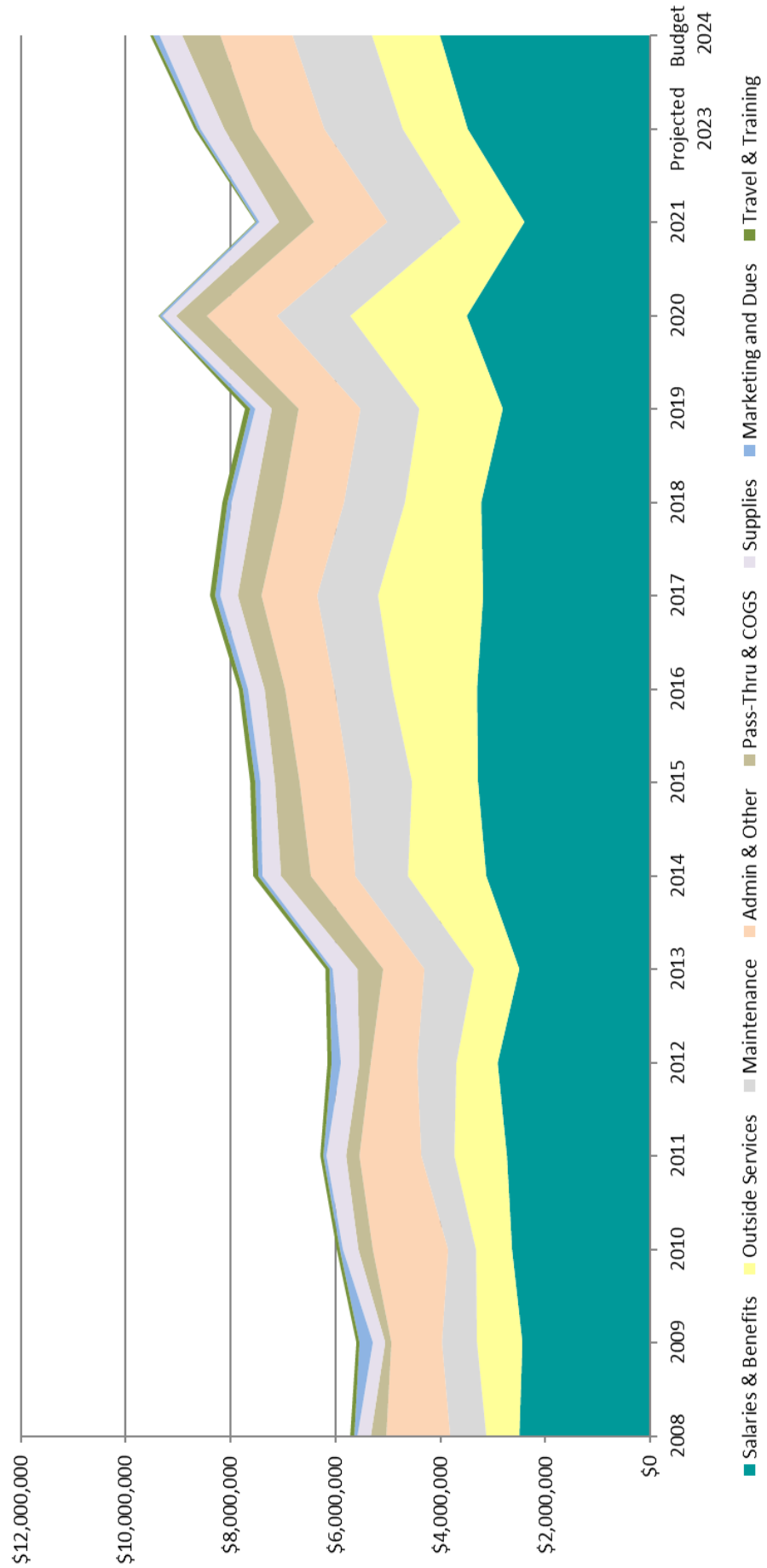
Revenue Trend - by Revenue Type



Revenue Type - Descriptions

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

Operating Expense Trend - by Expense Type



Expense Type - Descriptions

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

SECTION IV

OPERATING BUDGET

2023 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 - 2023 Projected

1. Rates, fees, and applicable leases were increased by CPI, except as specifically identified. This is consistent with the 2023 budget assumptions.
2. Marine Terminal revenues are projected to be below budget by approximately \$100K in part due to a reduction in log ship cargo volume. Q4 cargo volume for logs is projected to approx. 6 million, bringing total volume for 2023 to approx. 27 million (disbursed across 5 log ships). Wood chip export volume is projected to be back near traditional averages with approx. 14 total barges for 2023, up from the 6 barges in 2022. Chip handling fees were amended significantly early in 2023 to better capture chip pile management and mob/demo costs.
3. Marine Terminal revenues for dockage is projected to be close to budget as a result of having an approximate 6-month topside side repair project on Terminal 1S. This helped offset two deployments of CABLE INNOVATOR. We understand CABLE INNOVATOR currently standing by to be possibly dispatched to on another lengthy assignment in Sept/Oct. Up to 3 TORM tanker re-flagging projects, potentially totaling approx. 42 additional tanker days will contribute to 2023 revenues.
4. Marine Trades revenues will be higher than budget due to higher than planned activity levels in the boatyard, haul-out facility, haul-out pier, and washdown pad.
5. Airport revenues have remained consistent in 2023 due to hangar occupancy remaining at or near 100%. DASH Air Shuttle is expected to commence service in November 2023. AIP 42 was executed in 2023 and should be complete by November 2023.
6. Lease revenue, across all departments, is projected to be slightly higher than budget. This is due to rental rate increases and new tenants.
7. Airport Rental Property revenue is projected to be over budget. This is due to rental rate increases and new tenants. There is an increase in maintenance and outside services due to high occupancy.
8. Marina moorage revenues at PABH and JWM have remained consistent due to relatively high occupancy. Revenue increases are primarily due to normal rate increases.

2023 PROJECTED YEAR END - ASSUMPTIONS All Departments - continued

Expenses – 2023 Projected

1. Marine Terminal expenses are projected to be below budget by approximately \$250K due to the lower volume of cargo being exported across Terminal 3 resulting in lower costs to operate the terminal. In addition, the Port is no longer acting as stevedores, reducing longshore labor costs outside of some residual carryover benefits for previous employment.
2. Marine Trades expenses are under budget across a variety of categories; notably lower than budgeted in Facilities Maintenance, Mechanical Maintenance charge-out expenses, and general salary charged to the department.
3. Log Yard expenses, in total, are expected to be over budget by year-end. The primary unplanned cost drivers have been equipment maintenance and the cost of diesel fuel. Log Yard revenues are expected to be over budget due to an increase in barge traffic and tows.
4. Airport expenses are projected to be on budget.
5. Airport Rental Property expenses are projected to be under budget mainly due to decreased maintenance expenses.
6. Marina expenses are on track with budget projections.
7. Mechanical Maintenance (MM) expenses are projected to be slightly over budget. Mostly due to increased petroleum prices and machinery breakdowns. Facilities Maintenance (FM) is projected to be on track with the projected budget.
8. Administration expenses are projected to be 3% over budget by approximately \$75K mainly due to salaries and benefits which have increased with the addition of internal IT support and a Grants and Contracts Manager position.
9. Business Development expenses are projected to be right at budget. There was an increase of funds earmarked to travel meetings, public information for 2023. The outside services budget is set to come in \$20,000 under budget.
10. Insurance Renewals - all Port - occur twice a year with property insurance renewing in July of each year and liability insurance renewing in October of each year. The property insurance premium increased by \$28k in July 2022 due to rate increases in the property insurance market. The property insurance renewal in October is expected to increase at a rate of 15%.
11. Non-Operating Significantly above budget due to higher interest earnings, limited environmental legal issue in the current year, and lower interest expense on outstanding debt.

2024 BUDGET - ASSUMPTIONS All Departments

General

1. CPI: August 2023 CPI West–Size Class B/C–All Urban Consumer (CPI-U) was 3.7% with an 4.9% average over the first 6 months of 2023. The Commission can adopt one of these or another as the benchmark rate for annual rate increases.
2. Inflation: General Inflation outlook is currently at 3.5 – 4.0%.

Revenues – 2024 Budget

1. In general, rates, fees and applicable leases will increase by the rate factor set by the Commission with additional adjustments made based on market factors.
2. Marine Terminal tariff rates will be reevaluated based on the August 2023 CPI in combination with a tariff increase of approx.6%, which takes into consideration the lower rate implementation of 5% for 2023. The tariff rate adjustments include Dockage, Vessel Repair Dockage, Equipment Rental, Wharfage, Service and Facilities Charges, Passenger Fees, Security and Environmental Fees.
3. Marine Terminal activity includes revenue and associated expenditures based on an initial estimate of 32 mmbf of log exports (6 vessels), approx. 30 days of top side repair dockage, and 14 chip barges (approx. 80,000 tons). Two potential cruise vessels are expected in late spring/summer of 2024.
4. Marine Trades revenue for use of the Travel-Lift Pier and Wash-Down will increase in accordance with the published rates for 2024. Travel-Lift Pier fees are calculated based on the overall length of the vessel.
5. Marine Trades Most fees at the Marine Trades Area will be increased by not less than the rate factor set by the Commission. Most Boat Yard and MTC charges are based on the overall length of the vessel.
6. Log Yard - Land Services revenue is anticipated to be lower than EOY 2023. Further, barging operations are expected to decrease due to the market slowdown.
7. Log Yard - Water Services include revenue from rafting, round booming and dewatering of log volume via raft or barge. Log volumes and associated revenues are expected to be below 2023 levels due to lack of interest in “salty” wood from log yard customers due to difficulties dealing with salt impregnated hog fuel from the debarking/milling process, and due to a market slow down.
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 50 mmbf loaded at terminal 3. Equipment rental revenue is expected to equal or be slightly lower than 2023.
9. Log Yard rates for log handling services are projected to be increased by 3.7% in the initial budget to keep pace with the CPI.
10. Marina moorage rates will increase as determined by the Commissioners. Expected increase to be CPI (3.7%) plus 3% for slips under 50 feet and CPI + 4% (capped at 7%) for slips 50 feet and above.
11. FIA and Airport Rental Property revenues will see an increase in existing rents based on contractual CPI driven increases along with increased occupancy.

2024 BUDGET – ASSUMPTIONS

All Departments (continued)

12. Property Tax Revenues The Port will continue to use property tax revenues for new capital projects, debt service for prior capital projects, the Community Partner Program and the Commission approved Special Economic Initiative to support the return of passenger air service to the William R. Fairchild International Airport (\$133k match for \$200k USDOT grant award).

Expenses – 2024 Budget

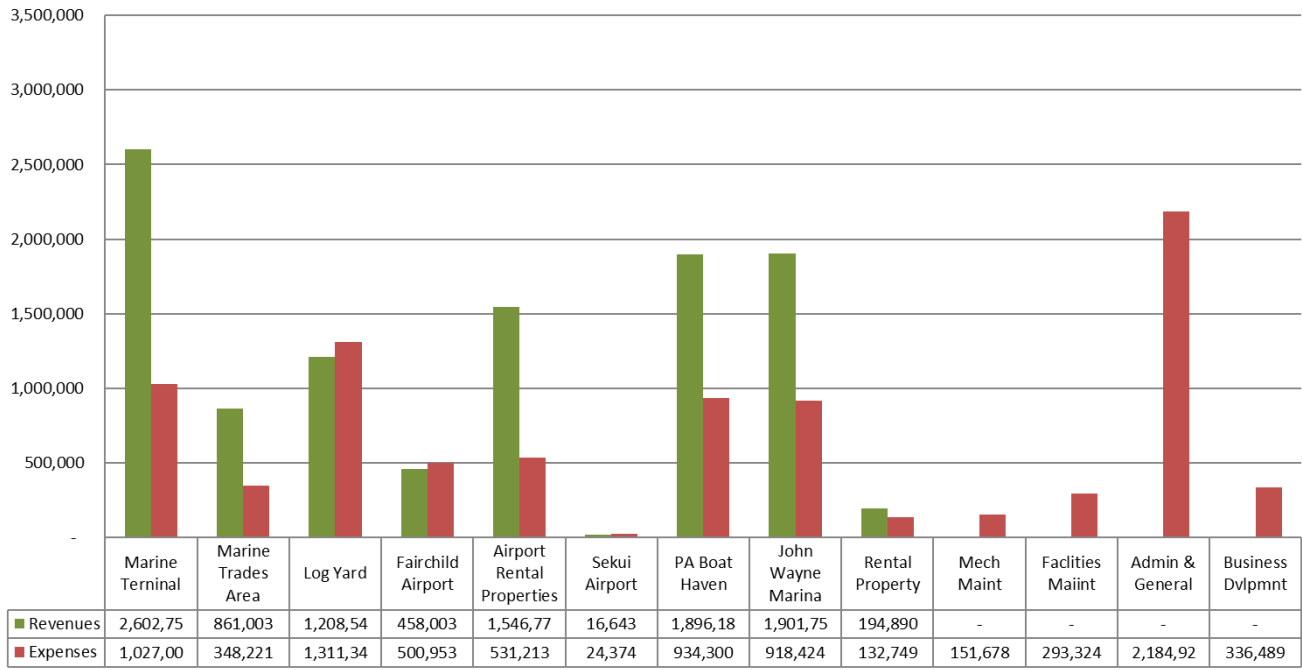
1. Salaries & Wages The August 2022 CPI West-Size Class B/C-All Urban Consumer (CPI-U) is 3.7%. Traditionally, the August CPI-U has generally been used to determine salary and wage increases. The 2023 projected and 2024 operating budget present challenging financial times. During such challenging financial times in the past, the Port Commission would not finalize the salary and wage increases until near the end of the budget development process. The Commission may approve none, partial or a full CPI increase. The CPI in the draft budget will assume a 3.7% increase subject to Commission approval. The proposed merit pool for non-represented staff will remain at \$15k, unchanged from last year. Represented staff will receive pay step increases per the applicable collective bargaining agreement, which is approximately \$5,423 (step increases are at 2.5% spread over multiple years).
2. Health Insurance Premiums will go down for monthly premiums during January 1, 2024, to June 30, 2024. Premiums for July 1, 2024, to December 31, 2024, are projected to remain stable with no increase. The PERS (Public Employee Retirement System) premiums are on a yearly cycle (September 1, 2023 – August 31, 2024). The current employer contribution rate is 9.53% which will remain until August of 2024.
3. Paid Family Leave In 2019, the State of Washington implemented RCW 50A.04 which created a state Paid Family Medical Leave (PFML) plan. Unpaid FMLA has been an employee benefit dictated by federal regulations for a 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 \$5,400 or 27% of the total premium, with the remainder of the premium paid by the employee.
4. Washington Labor and Industries Rates The Port's Labor and Industries rates are expected to increase slightly in 2024.
5. Legal Services on environmental legacy issues will continue for litigation/negotiations with third parties.
6. Outside Services include all services contracted by the Port including legal services, environmental consulting and various services associated with normal Port operations. All services are currently under review by staff.

2024 BUDGET – ASSUMPTIONS
All Departments (continued)

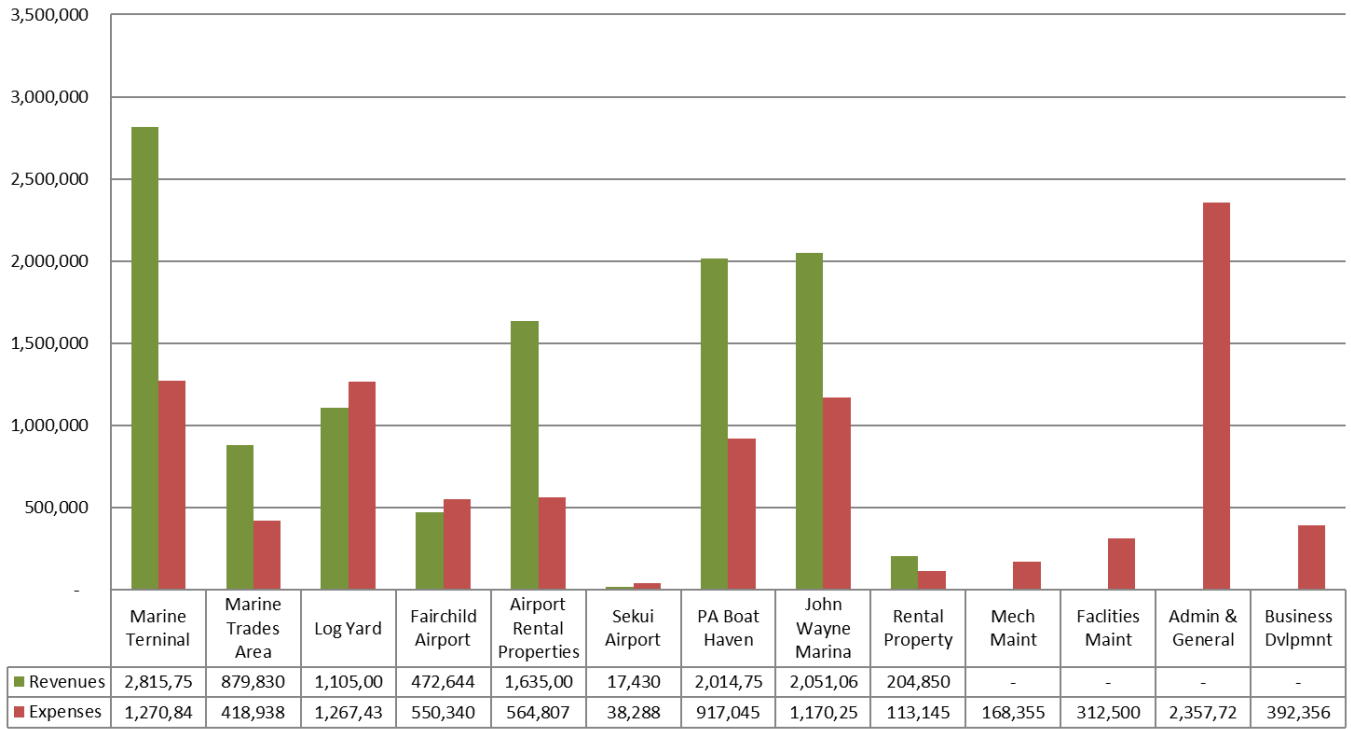
7. Insurance Renewals - All Port - occur twice a year with property insurance renewing in July of each year and liability insurance renewing in October of each year. Over the past few years, the insurance rates have been increasing at a rate of approximately 20% per year. To mitigate the cost increases staff continues to work with our insurance broker to adjust deductibles and coverage while maintaining appropriate insurance of Port assets. This active management approach will continue into 2024. The July 2023 property insurance policy renewed at \$442K which was \$25K (5%) below the previous year. This decrease was the result of extensive negotiations and selection of a new carrier.
 - a. Property insurance is distributed to the departments based on the value of the land, improvements, and buildings.
 - b. Liability insurance is distributed based on the pro rata share of operating expenses.
 - c. Other insurance is charged to the departments using an appropriate base (i.e., auto insurance is allocated by vehicle use; airport liability is charged to Airport; skiff (owned small vessel) insurance is charged to Log Yard).
8. Washington State Audit Washington State Auditor's Office Annual Report Audit will be approximately \$42k. A Single Federal Audit is expected to be needed due to the receipt of more than \$750k Federal grant funds. This will result in an additional audit fee of approximately \$10K.
9. Operating Contingency The 2024 budget does not currently contain an operating contingency.

***Continue to the next page*

2023 Projected Operating Activity



2023 Operating Budget



**Port of Port Angeles
Summary by Department
2024 Budget**

	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2023 PROJECTED	2024 BUDGET	2023 Proj Over/(Under) 2023 Budget	2024 Budget Over/(Under) 2023 Proj
<u>OPERATING REVENUES</u>								
11 MARINE TERMINAL	2,974,359	3,572,883	2,989,919	2,600,000	2,602,757	2,815,750	2,757	212,993
15 MARINE TRADES AREA	602,040	769,838	778,212	793,000	861,003	879,830	68,003	18,827
21 LOG YARD	698,893	809,401	1,068,956	860,000	1,208,546	1,105,000	348,546	(103,546)
31 FAIRCHILD INTERNATIONAL AIRPORT	365,768	465,361	433,869	413,312	458,003	472,644	44,691	14,641
33 AIRPORT RENTAL PROPERTIES	1,292,971	1,389,530	1,397,664	1,380,688	1,546,776	1,635,000	166,088	88,224
32 SEKIU AIRPORT	14,726	14,194	15,782	16,630	16,643	17,430	13	787
41 PA BOAT HAVEN	1,564,474	1,656,064	1,747,878	1,953,579	1,896,183	2,014,754	(57,396)	118,571
43 JOHN WAYNE MARINA	1,490,605	1,622,428	1,827,097	2,000,317	1,901,751	2,051,065	(98,566)	149,314
61 RENTAL PROPERTY	97,153	78,153	145,935	136,291	194,890	204,850	58,599	9,960
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	9,100,988	10,377,853	10,405,312	10,153,817	10,686,552	11,196,323	532,735	509,771
<u>OPERATING EXPENSES</u>								
11 MARINE TERMINAL	2,127,840	2,128,202	960,049	995,498	1,027,004	1,270,846	31,506	243,842
15 MARINE TRADES AREA	442,298	362,345	366,465	415,151	348,221	418,938	(66,930)	70,717
21 LOG YARD	992,726	1,060,941	1,100,266	1,048,840	1,311,348	1,267,433	262,508	(43,915)
31 FAIRCHILD INTERNATIONAL AIRPORT	643,018	666,322	615,965	606,558	500,953	550,340	(105,605)	49,387
33 AIRPORT RENTAL PROPERTIES	408,820	508,928	417,500	465,471	531,213	564,807	65,742	33,594
32 SEKIU AIRPORT	30,704	30,113	39,307	30,156	24,374	38,288	(5,782)	13,914
41 PA BOAT HAVEN	769,623	762,445	929,786	785,350	934,300	917,045	148,951	(17,255)
43 JOHN WAYNE MARINA	850,719	972,365	1,007,213	1,061,634	918,424	1,170,258	(143,210)	251,834
61 RENTAL PROPERTY	118,395	102,572	110,585	92,582	132,749	113,145	40,167	(19,604)
91 MECHANICAL MAINTENANCE	146,069	132,945	164,703	143,193	151,678	168,355	8,485	16,677
92 FACILITIES MAINTENANCE	321,151	247,361	316,266	285,584	293,324	312,500	7,740	19,176
80 ADMINISTRATION & GENERAL	2,226,879	781,641	1,104,591	2,021,137	2,184,922	2,357,725	163,785	172,803
81 BUSINESS (Economic) DEVELOPMENT	306,051	344,855	400,705	339,866	336,489	392,356	(3,377)	55,867
TOTAL DIRECT EXPENSES	9,384,292	8,101,035	7,533,400	8,291,017	8,695,000	9,542,034	403,983	847,034
ALLOCATED EXPENSES - ADMIN & MAIN	0	0	0	0	0	0	0	(0)
NET SURPLUS (DEFICIT) - Before Depreciation	(283,304)	2,276,818	2,871,912	1,862,800	1,991,552	1,654,289	128,752	(337,263)
ALLOCATED DEPRECIATION	-	-	-	0	0	0	(0)	0
DEPRECIATION EXPENSE	2,681,169	2,729,045	2,735,993	2,791,572	2,689,003	2,739,003	(102,569)	50,000
NET SURPLUS (DEFICIT) - After Depreciation	(2,964,473)	(452,227)	135,919	(928,771)	(697,451)	(1,084,714)	231,320	(387,263)
<u>NON-OP (GENERAL)</u>								
NON-OP REV (General)	527,553	263,591	308,731	649,500	987,054	1,202,000	337,554	214,946
NON-OP EXP (General)	346,336	156,481	2,759,303	658,000	114,800	563,000	(543,200)	448,200
NON-OP (General) SURPLUS (DEFICIT)	181,217	107,110	(2,450,572)	(8,500)	872,254	639,000	880,754	(233,254)
<u>NON-OP (CAPITAL)</u>								
NON-OP REV (Capital)	1,990,277	2,271,529	2,583,163	9,129,950	8,959,916	9,581,388	(170,034)	621,472
NON-OP EXP (Capital)	262,128	57,773	55,329	126,175	59,557	43,426	(66,618)	(16,131)
NON-OP (Capital) SURPLUS (DEFICIT)	1,728,149	2,213,756	2,527,834	9,003,775	8,900,359	9,537,962	(103,416)	637,603
NET NON-OP SURPLUS (DEFICIT)	1,909,366	2,320,866	77,262	8,995,275	9,772,613	10,176,962	777,338	404,349
TOTAL NET SURPLUS (DEFICIT)	(1,055,107)	1,868,639	213,181	8,066,504	9,075,162	9,092,248	1,008,658	17,086

MARINE TERMINAL (MT 11)

The Port of Port Angeles operates and maintains 2 deep water operating terminals and related equipment that support marine cargo operations, topside vessel repair and lay berth. Additionally, the MT department leases to private companies an industrial building, warehouse, office space and two piers. The objectives of the marine terminal department 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 berth.
- Reinvest 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.

2023 PROJECTED

Revenue Assumptions

1. Dockage, Wharfage and Service and Facilities will be less than budget with projected end year cargo volumes of 27 mmbf of raw logs and approximately 72K tons of wood chips in approximately 14 chip barges, which is below the budgeted 32 million board feet and 32 chip barges/80K tons respectively. Chip handling rates were amended in early 2023.
2. Vessel Repair Dockage revenue will be close to budget as a result an approximate a 6-month and shorter 3-month topside repair projects on T1 South in combination approximately 25 tanker days, 15 large ATB days and approximately 8 days of smaller compared to the budgeted 40 days.
3. Labor Services associated revenues will be less than budget due to decrease primarily in timber cargo.
4. Tariff rates were held constant with no increase on July 1, 2023.

Expense Assumptions

1. Utility and Cost of Goods Sold less than budget due to decrease electrical use for long term lay berth vessels (corresponding revenue recognized in Utility Pass Thru and Product Sales).
2. Overall Marine Terminal expenses are less than budget primarily due to decreases in reduced log ship traffic.
3. The Port is no longer acting as stevedores, reducing longshore labor costs outside of some residual carryover benefits for previous employment.

2024 BUDGET

Revenue Assumptions

1. Projected cargo activity and associated revenue in 2024 is based on 6 cargo vessel calls (32 million board feet) and 80,000 metric tons of chips.
2. 30 days for large tanker top-side repair with smaller vessel repair projects inclusive.
3. Two cruise ships are expected in late spring/summer 2024.
4. Marine Terminal tariff rates will be adjusted based on the applicable CPI rate, estimated to be approximately 6% for Dockage, Wharfage, Service and Facilities Charges, Equipment Rental, Stormwater Fee Passenger Fee, security, and fuel Handling Fee.

Expense Assumptions

1. Overall direct expense is increasing from previous years due in part to the projected staff increases, outside services, rent/utilities, and maintenance.
2. MT expenses include setup and removal of cargo loading equipment as well as cleaning and maintenance of equipment, docks, grounds, and buildings.

Port of Port Angeles
MARINE TERMINAL (MT - DEPT 11)
2024 Budget

	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2023 PROJECTED	2024 BUDGET	2023 Proj Over/(Under) 2023 Budget	2024 Budget Over/(Under) 2023 Proj
OPERATING REVENUES								
DOCKAGE	1,121,886	1,193,422	1,170,426	950,000	949,000	880,000	(1,000)	(69,000)
WHARFAGE	409,173	628,955	515,786	485,000	435,000	550,000	(50,000)	115,000
SERVICE & FACILITIES	249,399	391,479	322,670	290,000	270,000	330,000	(20,000)	60,000
MT HANDLING	234,655	241,326	15,279	10,000	0	0	(10,000)	0
LABOR SERVICES	215,475	314,486	304,314	295,000	210,000	220,000	(85,000)	10,000
LOG YARD STAGING	0	0	0		0		0	0
LOG YARD LAND SERVICES	0	0	0		0		0	0
LOG YARD WATER SERVICES	0	0	0		0		0	0
MOORAGE	0	0	0		0		0	0
MARINA & YARD FEES	0	0	0		0		0	0
LANDING/PARKING FEES	0	0	0		0		0	0
HANGAR/TIE DOWN	0	0	0		0		0	0
OTHER USER FEES	237,194	234,679	101,346	25,000	261,547	280,000	236,547	18,453
EQUIPMENT RENTAL	30,236	26,161	6,579	20,000	7,500	7,250	(12,500)	(250)
LAND LEASE/RENT	57,035	43,284	41,004	50,000	38,210	40,000	(11,790)	1,790
STRUCTURE LEASE/RENT	229,961	218,751	231,355	230,000	255,000	265,000	25,000	10,000
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	199,638	298,075	283,984	250,000	175,000	242,000	(75,000)	67,000
MISC & INTERDEPT REVENUE	(10,293)	(17,736)	(2,824)	(5,000)	1,500	1,500	6,500	0
TOTAL OPERATING REVENUES	2,974,359	3,572,883	2,989,919	2,600,000	2,602,757	2,815,750	2,757	212,993
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	328,663	395,214	356,150	340,863	398,666	529,848	57,803	131,182
SUPPLIES	13,005	10,031	5,809	10,000	6,800	10,000	(3,200)	3,200
OUTSIDE SERVICES	1,191,840	1,075,728	46,770	33,000	32,150	53,400	(850)	21,250
PUBLIC INFORMATION	0	0	303	250	250	250	0	0
MARKETING	0	0	0	0	0	0	0	0
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	2,119	2,261	875	1,777	1,777	1,800	0	23
TRAVEL MEETINGS	160	90	38	3,000	750	3,000	(2,250)	2,250
TRAVEL/TRAINING	234	2,191	0	1,600	1,550	2,800	(50)	1,250
PROMOTIONAL HOSTING	101	275	44	500	200	1,000	(300)	800
RENT, UTILITIES, INSURANCE, TAXES	227,458	265,314	241,779	243,508	284,355	303,508	40,847	19,153
UTILITY (Pass Thru) & COST OF GOODS SOLD	137,150	186,675	179,882	200,000	131,250	181,500	(68,750)	50,250
OTHER EXPENSES (Misc & Interdept)	15,326	36,015	988	1,000	1,000	1,000	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	158,179	118,964	101,997	130,000	155,239	158,240	25,239	3,001
MAINTENANCE (Materials & Services)	53,605	35,444	25,414	30,000	13,017	24,500	(16,983)	11,483
TOTAL DIRECT EXPENSES	2,127,840	2,128,202	960,049	995,498	1,027,004	1,270,846	31,506	243,842
ALLOCATED EXPENSES - ADMIN & MAIN	1,024,543	491,414	310,358	441,528	487,204	598,098	45,676	110,894
NET SURPLUS (DEFICIT) - Before Depreciation	(178,024)	953,266	1,719,512	1,162,974	1,088,549	946,806	(74,425)	(141,743)
ALLOCATED DEPRECIATION	26,200	26,152	12,675	14,008	15,242	17,435	1,234	2,193
DEPRECIATION (includes donated assets)	631,475	640,991	642,331	653,985	638,767	650,644	(15,218)	11,877
NET SURPLUS (DEFICIT) - After Depreciation	(835,699)	286,123	1,064,506	494,981	434,540	278,726	(60,441)	(155,814)

MARINE TRADES AREA (MTA 15)

The Marine Trades Area (MTA) department primary focus is to promote economic opportunity and growth in the vessel repair and manufacturing sector of our local economy. Port waterfront facilities that are dedicated to marine trades include the Port Angeles Boat Yard and the 18-acre Marine Trades Center. Services offered include vessel haul-out capability up to 500 metric 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 dry storage of commercial, government and recreational boats.
- Provide repair facilities and infrastructure for tenants of the Port Angeles Boat Haven.
- Obtain a competitive return on the public investment in these facilities which include two Travel Lift Piers, a 70 Ton TraveLift, two wash-down facilities and a full-service boat yard.
- Support maritime commerce and associated jobs through development of the 18-acre Marine Trades Center (MTC).

2023 PROJECTED

Revenue Assumptions

1. Equipment Rental, which includes Travel-Lift & Hydro-wash activities are higher than budget due to an increase in activity at the Port Angeles Boat Yard (PABY).
2. Lease Revenues will be higher than budget due to higher than planned activity levels and near continuous use of the boat yard work buildings.

Expense Assumptions

1. Expenses lower than budget primarily due to staffing changes which resulted in less staff time being allocation to the Marine Trades Area.

2024 BUDGET

Revenue Assumptions

1. MTA rates and fees will generally increase by the West Coast CPI factor for the month of August, which is 3.7%.
2. Equipment Rental includes revenue for use of the boatyard travel lift and boatyard hydro-wash.
3. Use Agreement and Other Rent includes fees for the use of the Travel Lift Pier and Wash Facility. Budget anticipates 250 operations (haul out and launches using the Port's Travel Lift Pier). Approximately 90% of haul-outs also utilize the wash facility.

Expense Assumptions

1. Budget includes Marketing Expenses associated with participation at the Pacific Marine Expo in Seattle. Efforts to market the Port's available waterfront industrial properties may also include attendance at the International Work Boat Show in New Orleans, LA. (travel expenses are budgeted in Business Development Department).
2. MTA expenses include agent fees, labor and materials required for equipment maintenance, wastewater & stormwater treatment facility operations, maintenance of grounds and buildings and waste disposal.

Port of Port Angeles
MARINE TRADES AREA (MTA - DEPT 15)
2024 Budget

	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2023 PROJECTED	2024 BUDGET	2023 Proj Over/(Under) 2023 Budget	2024 Budget Over/(Under) 2023 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	204,318	219,051	253,113	243,000	269,730	277,822	26,730	8,092
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
OTHER USER FEES	5,366	4,570	5,814	8,000	4,712	4,853	(3,288)	141
EQUIPMENT RENTAL	126,074	139,122	133,376	145,000	162,400	165,648	17,400	3,248
LAND LEASE/RENT	109,354	206,994	182,718	190,000	188,511	192,281	(1,489)	3,770
STRUCTURE LEASE/RENT	92,882	103,697	112,024	115,000	121,900	124,338	6,900	2,438
USE AGMT AND OTHER RENT	64,984	96,124	90,987	91,500	113,750	114,888	22,250	1,138
UTILITY PASS THRU & PRODUCT SALES	1,102	590	340	500	0	0	(500)	0
MISC & INTERDEPT REVENUE	(2,039)	(310)	(161)	0	0	0	0	0
TOTAL OPERATING REVENUES	602,040	769,838	778,212	793,000	861,003	879,830	68,003	18,827
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	67,675	93,055	64,613	115,187	70,263	107,148	(44,924)	36,885
SUPPLIES	5,133	7,865	3,918	7,000	4,859	6,000	(2,141)	1,141
OUTSIDE SERVICES	148,990	101,748	143,282	100,000	82,314	100,000	(17,686)	17,686
PUBLIC INFORMATION	375	0	0	500	0	500	(500)	500
MARKETING	2,349	0	0	3,000	0	3,000	(3,000)	3,000
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	500	1,600	941	2,000	1,007	2,525	(993)	1,518
TRAVEL MEETINGS	0	0	42	1,000	67	1,000	(933)	933
TRAVEL/TRAINING	0	0	0	1,000	584	1,000	(416)	416
PROMOTIONAL HOSTING	0	223	0	1,000	0	1,000	(1,000)	1,000
RENT, UTILITIES, INSURANCE, TAXES	53,756	55,908	63,584	74,000	64,326	68,000	(9,674)	3,674
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	1,433	4,096	1,326	2,000	2,964	3,000	964	36
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	90,738	73,981	64,527	73,464	89,861	92,765	16,397	2,904
MAINTENANCE (Materials & Services)	71,350	23,871	24,232	35,000	31,976	33,000	(3,024)	1,024
TOTAL DIRECT EXPENSES	442,298	362,345	366,465	415,151	348,221	418,938	(66,930)	70,717
ALLOCATED EXPENSES - ADMIN & MAINT	204,798	99,953	144,965	237,380	189,399	230,015	(47,981)	40,616
NET SURPLUS (DEFICIT) - Before Depreciation	(45,056)	307,540	266,782	140,469	323,383	230,877	182,914	(92,506)
ALLOCATED DEPRECIATION	5,227	5,300	5,961	7,531	5,925	6,705	(1,606)	780
DEPRECIATION (includes donated assets)	152,672	159,967	163,343	166,322	163,343	166,380	(2,979)	3,037
NET SURPLUS (DEFICIT) - After Depreciation	(202,955)	142,273	97,478	(33,384)	154,115	57,792	187,499	(96,323)

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.

2023 PROJECTED

Revenue Assumptions

1. Log Yard Staging is expected to be slightly higher than the 2023 Budget.
2. Log Yard Land Services are over budget due to increased LY domestic handling volume.
3. Log Yard Water Service revenues are above budget due to domestic handling associated with rafting, round booming and dewatering.
4. Equipment rental is expected to be on track with 2023 Budget.

Expenditure Assumptions

1. Maintenance Materials & Labor are higher than budget due to increased usage of log handling equipment and facilities.
2. Cost of Goods Sold is on track with 2023 budget.
3. Utilities are lower due to decreased sanitation and debris removal.

2024 BUDGET

Revenue Assumptions

1. Log Yard rates for log handling services (and fees) will increase at a minimum by the West Cost CPI factor for the month of August, which is 3.7% on January 1.
2. Log Yard Land Services revenue is budgeted to decrease from projected EOY 2023. 2024 budget is still significantly higher than previous years, but it is unknown if the Log Yard will see the same level of elevated activity as 2023.
3. Demand for domestic barging is expected to remain the same, or possibly decrease in the coming years.
4. Log Yard Water Services include revenue from rafting, round booming and dewatering of log volume originating from Canada (via raft) or Oregon (barge). Log volumes and associated revenues expected to stay the same or decrease from EOY 2023 due to domestic raft and barge activity.
5. Equipment Rental rate from loading equipment used at the marine terminal for on-dock cargo operations will be adjusted at a minimum by 3.7% with revenue based on 32 MMBF of log cargo volume.

Expenditure Assumptions

1. Log Yard handling is performed with 4 FTE and supported by 1 FTE from FM when operations require. FM & MM personnel will continue to support LY workforce as needed.
2. Log Yard expenses include labor and materials required for equipment maintenance, stormwater treatment facility operations, grounds maintenance and woody debris collection and disposal.

**Port of Port Angeles
LOG YARD (LY - DEPT 21)
2024 Budget**

	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2023 PROJECTED	2024 BUDGET	2023 Proj Over/(Under) 2023 Budget	2024 Budget Over/(Under) 2023 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	31,891	46,501	45,968	45,000	48,046	46,000	3,046	(2,046)
LOG YARD LAND SERVICES	350,956	440,602	690,189	485,000	800,000	750,000	315,000	(50,000)
LOG YARD WATER SERVICES	68,715	23,539	69,299	95,000	105,000	95,000	10,000	(10,000)
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
OTHER USER FEES	23,343	33,275	51,016	45,000	66,000	50,000	21,000	(16,000)
EQUIPMENT RENTAL	92,288	152,107	160,286	125,000	125,000	100,000	0	(25,000)
LAND LEASE/RENT	48,091	46,588	10	0	0	0	0	0
STRUCTURE LEASE/RENT	45,328	46,949	52,071	50,000	49,500	49,000	(500)	(500)
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	40,009	24,557	11,168	15,000	15,000	15,000	0	0
MISC & INTERDEPT REVENUE	(1,728)	(4,717)	(11,051)	0	0	0	0	0
TOTAL OPERATING REVENUES	698,893	809,401	1,068,956	860,000	1,208,546	1,105,000	348,546	(103,546)
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	435,434	466,590	507,756	438,840	602,923	598,632	164,083	(4,291)
SUPPLIES	82,901	115,195	168,288	150,000	232,685	211,500	82,685	(21,185)
OUTSIDE SERVICES	37,656	50,820	43,065	50,000	36,200	60,000	(13,800)	23,800
PUBLIC INFORMATION	0	0	0	0	0	0	0	0
MARKETING	0	0	1,000	1,000	0	1,000	(1,000)	1,000
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	0	0	0	0	0	0	0	0
TRAVEL MEETINGS	13	17	1,239	1,000	0	1,300	(1,000)	1,300
TRAVEL/TRAINING	(900)	988	1,236	1,000	1,161	1,300	161	139
PROMOTIONAL HOSTING	0	35	32	2,000	35	2,035	(1,965)	2,000
RENT, UTILITIES, INSURANCE, TAXES	90,146	106,362	94,976	119,000	59,972	81,500	(59,028)	21,528
UTILITY (Pass Thru) & COST OF GOODS SOLD	42,814	19,788	12,240	20,000	19,960	20,960	(40)	1,000
OTHER EXPENSES (Misc & Interdept)	4,179	34,619	1,560	1,000	1,000	1,000	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	114,173	158,642	141,032	150,000	186,115	138,206	36,115	(47,909)
MAINTENANCE (Materials & Services)	186,311	107,885	127,842	115,000	171,297	150,000	56,297	(21,297)
TOTAL DIRECT EXPENSES	992,726	1,060,941	1,100,266	1,048,840	1,311,348	1,267,433	262,508	(43,915)
ALLOCATED EXPENSES - ADMIN & MAINT	494,340	264,504	426,732	571,040	702,391	684,368	131,351	(18,023)
NET SURPLUS (DEFICIT) - Before Depreciation	(788,173)	(516,044)	(458,042)	(759,880)	(805,193)	(846,801)	(45,313)	(41,608)
ALLOCATED DEPRECIATION	12,696	14,206	17,701	18,117	21,974	19,950	3,857	(2,024)
DEPRECIATION (includes donated assets)	359,475	348,215	318,452	324,261	244,002	248,539	(80,259)	4,537
NET SURPLUS (DEFICIT) - After Depreciation	(1,160,344)	(878,465)	(794,195)	(1,102,258)	(1,071,169)	(1,115,290)	31,089	(44,121)

FAIRCHILD INTERNATIONAL AIRPORT (FIA 31)

The airport provides aviation support facilities for general, commercial, corporate, medical evacuation and military aviation activities. The objectives of FIA are:

- To provide safe and efficient support to aviation activities.
- To provide support facilities for economic activity generated by aviation.
- To generate sufficient aviation receipts to cover expenditures of providing aviation facilities for the convenience of the Port District constituency.
- To provide aviation facilities and support for emergency response activities.
- To engage in and seek out aviation related planning and development opportunities.

2023 PROJECTED

Revenue Assumptions

1. Airport rates were increased by 10% over 2022 rates. All 2023 rates were Commission approved. This was consistent with past practices for rate increases: AUG CPI plus 1 to 1.5%.
2. Commercial passenger service was suspended in November 2014. New airline will potentially begin service in November 2023.

Expense Assumptions

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

2024 BUDGET

Revenue Assumptions

1. Rates and fees are normally increased by CPI plus 1%. All rates are established and approved by the Commission.
2. It is anticipated that Dash Air Shuttle will begin service in November 2023. There is a projected minor revenue increase based upon expected fuel flowage charges.

Expense Assumptions

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

Port of Port Angeles
FAIRCHILD INTL AIRPORT (FIA - DEPT 31)
2024 Budget

	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2023 PROJECTED	2024 BUDGET	2023 Proj Over/(Under) 2023 Budget	2024 Budget Over/(Under) 2023 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	7,295	9,454	12,545	9,100	11,826	12,500	2,726	674
HANGAR/TIE DOWN	112,957	125,690	136,635	148,212	145,520	152,800	(2,692)	7,280
OTHER USER FEES	8,599	10,773	10,910	13,000	8,000	13,000	(5,000)	5,000
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	49,404	50,105	63,540	52,000	87,500	91,000	35,500	3,500
STRUCTURE LEASE/RENT	141,092	142,590	147,737	145,000	153,000	153,144	8,000	144
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	20,875	29,776	29,557	26,000	30,157	30,200	4,157	43
MISC & INTERDEPT REVENUE	25,545	96,973	32,945	20,000	22,000	20,000	2,000	(2,000)
TOTAL OPERATING REVENUES	365,768	465,361	433,869	413,312	458,003	472,644	44,691	14,641
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	193,176	166,715	163,965	115,504	102,756	112,338	(12,748)	9,582
SUPPLIES	7,169	7,481	10,268	10,000	10,719	10,750	719	31
OUTSIDE SERVICES	61,321	23,544	13,915	9,860	8,518	15,500	(1,342)	6,982
PUBLIC INFORMATION	1,703	752	2,306	2,420	2,000	2,420	(420)	420
MARKETING	703	476	1,160	550	550	550	0	0
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	2,599	872	2,435	150	2,828	2,972	2,678	144
TRAVEL MEETINGS	1,380	795	1,435	4,165	2,310	4,165	(1,855)	1,855
TRAVEL/TRAINING	0	894	0	1,500	342	2,500	(1,158)	2,158
PROMOTIONAL HOSTING	0	36	0	0	100	100	100	0
RENT, UTILITIES, INSURANCE, TAXES	170,576	200,159	154,563	205,435	115,534	114,750	(89,901)	(784)
UTILITY (Pass Thru) & COST OF GOODS SOLD	20,803	24,022	24,840	23,108	25,235	26,364	2,128	1,128
OTHER EXPENSES (Misc & Interdept)	11,715	3,258	1,976	0	27	0	27	(27)
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	140,685	198,040	194,228	195,866	200,115	223,431	4,249	23,316
MAINTENANCE (Materials & Services)	31,189	39,278	44,874	38,000	29,918	34,500	(8,082)	4,582
TOTAL DIRECT EXPENSES	643,018	666,322	615,965	606,558	500,953	550,340	(105,605)	49,387
ALLOCATED EXPENSES - ADMIN & MAINT	294,974	125,377	184,451	298,240	241,858	265,514	(56,382)	23,656
NET SURPLUS (DEFICIT) - Before Depreciation	(572,224)	(326,338)	(366,547)	(491,486)	(284,808)	(343,210)	206,678	(58,402)
ALLOCATED DEPRECIATION	8,360	8,643	9,613	10,274	8,095	8,386	(2,179)	292
DEPRECIATION (includes donated assets)	601,754	626,069	628,209	640,169	606,469	617,746	(33,700)	11,277
NET SURPLUS (DEFICIT) - After Depreciation	(1,182,338)	(961,050)	(1,004,369)	(1,141,929)	(899,372)	(969,342)	242,557	(69,970)

AIRPORT RENTAL PROPERTIES (ARP 33)

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

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

The objectives of the Airport Rental Property activities are to:

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

2023 PROJECTED

Revenue Assumptions

1. Airport Rental Properties-Structure revenues are higher due to CPI increases, new clientele and expansion of existing clientele.
2. Airport Rental Properties-Land lease revenues are higher due to CPI increases, new clientele and expansion of existing clientele.

Expense Assumptions

1. Maintenance on facilities is projected to be higher due to higher occupancy and normal repairs and preparing space for lease such as the 1010/1050 space.
2. Marketing and Outside services were slightly over budget due to strategic change.

2024 BUDGET

Revenue Assumptions

1. The 2024 budget is forecasted to see a slight increase due to CPI adjustment included in some leases and additional leases.

Expense Assumptions

1. Overall expenses should stay primarily unchanged due to forecasted maintenance.

Port of Port Angeles
AIRPORT RENTAL PROPERTIES (ARP - DEPT 33)
2024 Budget

	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2023 PROJECTED	2024 BUDGET	2023 Proj Over/(Under) 2023 Budget	2024 Budget Over/(Under) 2023 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
OTHER USER FEES	0	0	0	0	276	0	276	(276)
EQUIPMENT RENTAL	16,032	15,882	15,867	15,000	15,000	15,000	0	0
LAND LEASE/RENT	251,462	275,794	288,491	293,771	300,000	315,000	6,229	15,000
STRUCTURE LEASE/RENT	979,162	1,040,645	1,068,408	1,050,417	1,200,000	1,275,000	149,583	75,000
USE AGMT AND OTHER RENT	4,630	14,293	9,000	9,500	0	0	(9,500)	0
UTILITY PASS THRU & PRODUCT SALES	42,735	51,640	14,779	12,000	30,000	30,000	18,000	0
MISC & INTERDEPT REVENUE	(1,050)	(8,724)	1,119	0	1,500	0	1,500	(1,500)
TOTAL OPERATING REVENUES	1,292,971	1,389,530	1,397,664	1,380,688	1,546,776	1,635,000	166,088	88,224
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	67,687	107,625	86,354	113,190	95,326	113,621	(17,865)	18,296
SUPPLIES	327	912	680	2,500	500	2,500	(2,000)	2,000
OUTSIDE SERVICES	28,415	57,192	27,397	37,000	56,425	68,000	19,425	11,575
PUBLIC INFORMATION	0	0	0	0	0	0	0	0
MARKETING	5,565	4,500	5,515	4,500	6,500	6,500	2,000	0
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	373	0	1,523	0	0	0	0	0
TRAVEL MEETINGS	0	0	0	1,000	1,000	1,000	0	0
TRAVEL/TRAINING	0	0	0	500	500	500	0	0
PROMOTIONAL HOSTING	0	0	0	1,000	1,000	1,000	0	0
RENT, UTILITIES, INSURANCE, TAXES	162,026	160,882	190,940	174,500	207,624	209,000	33,124	1,376
UTILITY (Pass Thru) & COST OF GOODS SOLD	39,199	59,635	2,234	12,000	2,467	8,000	(9,533)	5,533
OTHER EXPENSES (Misc & Interdept)	1,658	1,212	729	1,000	800	1,000	(200)	200
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	84,252	90,346	83,722	96,281	105,920	118,686	9,639	12,766
MAINTENANCE (Materials & Services)	19,318	26,624	18,406	22,000	53,152	35,000	31,152	(18,152)
TOTAL DIRECT EXPENSES	408,820	508,928	417,500	465,471	531,213	564,807	65,742	33,594
ALLOCATED EXPENSES - ADMIN & MAINT	247,477	160,019	201,872	408,232	458,210	484,829	49,978	26,619
NET SURPLUS (DEFICIT) - Before Depreciation	636,674	720,583	778,292	506,985	557,353	585,364	50,368	28,011
ALLOCATED DEPRECIATION	4,968	6,054	6,759	7,985	8,997	8,912	1,012	(85)
DEPRECIATION (includes donated assets)	442,696	446,215	443,042	451,122	447,298	455,615	(3,824)	8,317
NET SURPLUS (DEFICIT) - After Depreciation	189,008	268,314	328,491	47,878	101,058	120,837	53,180	19,780

SEKIU AIRPORT (SEK 32)

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

The objectives of the Sekiu Airport are:

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

2023 PROJECTED

Revenue Assumptions

1. Rates and fees will be collected as scheduled based on CPI.

Expense Assumptions

1. Continue inter-local agreement with Clallam County Fire District #5 to assist with supervision and maintenance of the airport facilities.

2024 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)
2024 Budget**

	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2023 PROJECTED	2024 BUDGET	2023 Proj Over/(Under) 2023 Budget	2024 Budget Over/(Under) 2023 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	14,126	14,276	15,182	16,000	16,000	16,800	0	800
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	630	630	630	0	0
MISC & INTERDEPT REVENUE	0	(682)	0	0	13	0	13	(13)
TOTAL OPERATING REVENUES	14,726	14,194	15,782	16,630	16,643	17,430	13	787
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	14,370	7,039	6,757	5,832	7,403	6,566	1,571	(837)
SUPPLIES	0	188	0	150	0	150	(150)	150
OUTSIDE SERVICES	3,600	3,800	3,600	3,780	3,780	3,780	0	0
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	140	0	155	245	0	245	(245)	245
TRAVEL/TRAINING	0	0	0	0	0	0	0	0
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	6,794	6,742	7,815	6,649	8,852	8,873	2,203	21
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	31	0	0	0	0	0	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	5,740	9,207	18,559	8,500	4,340	13,674	(4,160)	9,334
MAINTENANCE (Materials & Services)	29	3,137	2,421	5,000	0	5,000	(5,000)	5,000
TOTAL DIRECT EXPENSES	30,704	30,113	39,307	30,156	24,374	38,288	(5,782)	13,914
ALLOCATED EXPENSES - ADMIN & MAINT	14,562	5,849	12,274	15,415	12,392	19,402	(3,023)	7,010
NET SURPLUS (DEFICIT) - Before Depreciation	(30,540)	(21,768)	(35,799)	(28,941)	(20,123)	(40,260)	8,818	(20,136)
ALLOCATED DEPRECIATION	413	404	640	531	415	613	(116)	198
DEPRECIATION (includes donated assets)	3,690	2,618	2,618	2,666	2,618	2,667	(48)	49
NET SURPLUS (DEFICIT) - After Depreciation	(34,643)	(24,790)	(39,057)	(32,138)	(23,156)	(43,539)	8,982	(20,383)

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

2023 PROJECTED

Revenue Assumptions

1. Marina moorage rates were increased by 10% over 2022 rates. All 2023 rates were Commission approved. This was consistent with past practices for rate increases: AUG CPI plus 1 to 1.5%.
2. Other rates and fees to increase by CPI or market.

Expense Assumptions

1. PetroCard (formerly Masco Petroleum) will continue as the Port's agent in 2024.
2. Expense increases were calculated based upon Aug 2023 CPI rate.

2024 BUDGET

Revenue Assumptions

1. Expected increase to be CPI (3.7%) plus 3% for slips under 50 feet and CPI + 4% (capped at 7%) for slips 50 feet and above.

Expense Assumptions

1. Outside service expenses will continue to rise in parallel to CPI increases.
2. Maintenance labor will continue to increase as dictated by market expenses.
3. PetroCard (formerly Masco Petroleum) will continue as the Port's agent in 2024. Per the agent agreement, the base agent fee will increase by 8.3%.

Port of Port Angeles
PORT ANGELES BOAT HAVEN (PABH - DEPT 41)
2024 Budget

	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2023 PROJECTED	2024 BUDGET	2023 Proj Over/(Under) 2023 Budget	2024 Budget Over/(Under) 2023 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	1,660	1,709	3,739	3,836	3,840	3,900	4	60
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	1,310,119	1,396,023	1,470,152	1,641,037	1,593,195	1,699,939	(47,842)	106,744
MARINA & YARD FEES	56,309	61,906	71,038	91,060	97,638	99,500	6,578	1,862
LANDING/PARKING FEES	0	0	0	0	40	0	40	(40)
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
OTHER USER FEES	12,422	10,711	9,803	9,280	10,400	10,900	1,120	500
EQUIPMENT RENTAL	3,800	275	850	1,084	770	850	(314)	80
LAND LEASE/RENT	12,125	11,919	12,579	13,459	12,600	13,200	(859)	600
STRUCTURE LEASE/RENT	18,647	40,694	46,243	40,764	33,300	34,965	(7,464)	1,665
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	146,169	132,824	129,618	146,796	135,800	142,500	(10,996)	6,700
MISC & INTERDEPT REVENUE	3,223	3	3,856	6,263	8,600	9,000	2,337	400
TOTAL OPERATING REVENUES	1,564,474	1,656,064	1,747,878	1,953,579	1,896,183	2,014,754	(57,396)	118,571
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	96,671	86,646	85,812	113,182	113,517	159,714	335	46,197
SUPPLIES	7,939	5,277	6,850	5,015	8,563	9,000	3,548	437
OUTSIDE SERVICES	327,124	313,051	337,134	354,903	437,500	376,500	82,597	(61,000)
PUBLIC INFORMATION	1,343	0	303	2,625	750	1,000	(1,875)	250
MARKETING	0	224	305	480	0	480	(480)	480
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	712	1,354	1,735	263	504	750	242	246
TRAVEL MEETINGS	0	0	524	500	22	500	(478)	478
TRAVEL/TRAINING	128	766	501	0	1,618	800	1,618	(818)
PROMOTIONAL HOSTING	0	0	0	0	74	100	74	26
RENT, UTILITIES, INSURANCE, TAXES	137,647	146,457	153,642	134,954	137,818	138,455	2,864	637
UTILITY (Pass Thru) & COST OF GOODS SOLD	115,383	109,721	105,184	103,340	105,340	108,000	2,000	2,660
OTHER EXPENSES (Misc & Interdept)	5,412	4,116	29,733	4,888	4,888	4,888	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	53,824	66,825	104,122	44,500	96,575	89,658	52,075	(6,917)
MAINTENANCE (Materials & Services)	23,440	28,008	103,941	20,700	27,132	27,200	6,432	69
TOTAL DIRECT EXPENSES	769,623	762,445	929,786	785,350	934,300	917,045	148,951	(17,255)
ALLOCATED EXPENSES - ADMIN & MAINT	341,043	164,285	404,020	378,538	450,875	444,201	72,337	(6,674)
NET SURPLUS (DEFICIT) - Before Depreciation	453,808	729,334	414,072	789,692	511,008	653,507	(278,684)	142,500
ALLOCATED DEPRECIATION	8,765	8,833	16,772	12,010	14,105	12,949	2,095	(1,156)
DEPRECIATION (includes donated assets)	334,059	346,736	377,726	387,280	422,461	430,316	35,181	7,855
NET SURPLUS (DEFICIT) - After Depreciation	110,984	373,765	19,574	390,402	74,441	210,242	(315,960)	135,801

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.

2023 PROJECTED

Revenue Assumptions

1. Marina moorage rates were increased by 10% over 2022 rates. All 2023 rates were Commission approved. This was consistent with past practices for rate increases: AUG CPI plus 1 to 1.5%.
2. Other rates and fees to increase by CPI or market.

Expense Assumptions

1. Expense increases were calculated based upon Aug 2023 CPI rate.
2. Forecasted maintenance labor increased in anticipation of significant maintenance and repair work on the deteriorating soffit and gutter system.

2024 BUDGET

Revenue Assumptions

1. Expected increase to be CPI (3.7%) plus 3% for slips under 50 feet and CPI + 4% (capped at 7%) for slips 50 feet and above.

Expense Assumptions

1. Outside services expected to increase in 2024 due to needed maintenance work on the fuel distribution system. This expense was originally scheduled for 2023.
 1. Outside service expenses will continue to rise in parallel to CPI increases.
 2. Maintenance labor will continue to increase as dictated by market expenses.

**Port of Port Angeles
JOHN WAYNE MARINA (JWM - DEPT 43)
2024 Budget**

	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2023 PROJECTED	2024 BUDGET	2023 Proj Over/(Under) 2023 Budget	2024 Budget Over/(Under) 2023 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	152	850	278	220	220	220	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	1,091,916	1,178,595	1,265,061	1,409,917	1,380,337	1,472,820	(29,580)	92,483
MARINA & YARD FEES	67,006	69,912	74,476	102,230	100,274	105,000	(1,956)	4,726
LANDING/PARKING FEES	0	0	0	0	600	600	600	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
OTHER USER FEES	0	125	450	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	525	525	525	0
LAND LEASE/RENT	869	890	949	900	900	900	0	0
STRUCTURE LEASE/RENT	34,160	30,330	41,747	40,000	45,000	45,000	5,000	0
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	303,355	378,926	454,327	442,000	367,900	420,000	(74,100)	52,100
MISC & INTERDEPT REVENUE	(6,853)	(37,200)	(10,191)	5,050	5,995	6,000	945	5
TOTAL OPERATING REVENUES	1,490,605	1,622,428	1,827,097	2,000,317	1,901,751	2,051,065	(98,566)	149,314
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	401,641	413,672	370,366	429,901	385,794	497,822	(44,107)	112,028
SUPPLIES	12,236	11,640	13,460	11,920	17,844	18,800	5,924	956
OUTSIDE SERVICES	14,926	15,348	7,721	15,000	18,407	28,554	3,407	10,147
PUBLIC INFORMATION	787	1,000	697	0	400	1,000	400	600
MARKETING	0	224	305	475	0	475	(475)	475
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	537	510	924	263	0	0	(263)	0
TRAVEL MEETINGS	210	230	573	0	73	0	73	(73)
TRAVEL/TRAINING	128	766	501	0	1,698	1,800	1,698	102
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	92,454	100,049	97,670	105,929	107,834	108,842	1,905	1,008
UTILITY (Pass Thru) & COST OF GOODS SOLD	244,817	297,971	347,081	361,740	269,970	362,217	(91,770)	92,247
OTHER EXPENSES (Misc & Interdept)	30,729	47,838	37,487	36,606	36,600	37,500	(6)	900
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	34,894	58,975	75,041	62,800	46,481	74,748	(16,319)	28,267
MAINTENANCE (Materials & Services)	17,360	24,142	55,387	37,000	33,323	38,500	(3,677)	5,177
TOTAL DIRECT EXPENSES	850,719	972,365	1,007,213	1,061,634	918,424	1,170,258	(143,210)	251,834
ALLOCATED EXPENSES - ADMIN & MAINT	316,867	169,782	258,520	388,464	352,697	443,650	(35,767)	90,953
NET SURPLUS (DEFICIT) - Before Depreciation	323,019	480,281	561,364	550,220	630,630	437,157	80,411	(193,473)
ALLOCATED DEPRECIATION	8,143	9,129	10,732	12,324	11,034	12,933	(1,290)	1,899
DEPRECIATION (includes donated assets)	65,231	64,371	63,864	67,352	62,260	63,418	(5,092)	1,158
NET SURPLUS (DEFICIT) - After Depreciation	249,645	406,781	486,768	470,544	557,337	360,807	86,793	(196,530)

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.

2023 PROJECTED

Expense Assumptions

1. 2023 structure lease revenue is projected to be higher than budgeted due to CPI increases, new tenants and tenant expansion.
2. 2023 land lease revenue is CPI increases, new tenants and tenant expansion.
3. 2023 expenses are higher due to higher maintenance and repair requirements.

2024 BUDGET

Revenue Assumptions

1. A slight increase expected in current miscellaneous leases due to CPI. Department 61 – Rental Properties consists of the land & structure leases that are not easily categorized into the physical locations of other Port departments.

Expense Assumptions

1. Maintenance and staff salary allocations budgeted conservatively for 2024 but are considerably higher.

Port of Port Angeles
RENTAL PROPERTIES (RP - DEPT 61)
2024 Budget

	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2023 PROJECTED	2024 BUDGET	2023 Proj Over/(Under) 2023 Budget	2024 Budget Over/(Under) 2023 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
OTHER USER FEES	0	720	1,560	0	2,500	2,500	2,500	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	68,666	71,618	73,254	71,000	100,000	105,000	29,000	5,000
STRUCTURE LEASE/RENT	20,291	13,438	59,332	53,000	80,000	84,500	27,000	4,500
USE AGMT AND OTHER RENT	7,291	7,291	7,291	7,291	7,291	7,500	0	209
UTILITY PASS THRU & PRODUCT SALES	720	1,340	4,990	5,000	5,000	5,250	0	250
MISC & INTERDEPT REVENUE	185	(16,254)	(492)	0	99	100	99	1
TOTAL OPERATING REVENUES	97,153	78,153	145,935	136,291	194,890	204,850	58,599	9,960
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	52,496	46,827	32,932	36,948	42,030	35,762	5,082	(6,268)
SUPPLIES	109	79	0	0	0	0	0	0
OUTSIDE SERVICES	273	2,280	17,258	1,800	6,300	6,500	4,500	200
PUBLIC INFORMATION	0	0	0	0	0	0	0	0
MARKETING	4,600	0	0	0	0	0	0	0
COMMUNITY RELATIONS	0	0	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	140	140	90	0	0	0	0	0
TRAVEL MEETINGS	0	0	0	0	50	0	50	(50)
TRAVEL/TRAINING	0	0	0	0	0	0	0	0
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	36,068	38,831	39,955	30,534	37,250	42,250	6,716	5,000
UTILITY (Pass Thru) & COST OF GOODS SOLD	720	720	720	800	1,500	2,300	700	800
OTHER EXPENSES (Misc & Interdept)	3,210	0	1,021	500	0	1,000	(500)	1,000
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT MAINTENANCE (Materials & Services)	14,779	11,996	11,543	14,500	30,837	14,333	16,337	(16,504)
	6,000	1,699	7,066	7,500	14,782	11,000	7,282	(3,782)
TOTAL DIRECT EXPENSES	118,395	102,572	110,585	92,582	132,749	113,145	40,167	(19,604)
ALLOCATED EXPENSES - ADMIN & MAINT	61,545	25,617	43,075	50,942	71,387	60,859	20,445	(10,528)
NET SURPLUS (DEFICIT) - Before Depreciation	(82,787)	(50,036)	(7,725)	(7,233)	(9,246)	30,846	(2,013)	40,093
ALLOCATED DEPRECIATION	1,582	1,378	1,788	1,616	2,233	1,774	617	(459)
DEPRECIATION (includes donated assets)	13,763	13,767	13,767	14,018	13,766	14,022	(252)	256
NET SURPLUS (DEFICIT) - After Depreciation	(98,132)	(65,181)	(23,280)	(22,867)	(25,246)	15,050	(2,379)	40,296

MECHANICAL MAINTENANCE (MM 91)

The Port Mechanical Maintenance department is responsible for the maintenance and upkeep of the Port's equipment and vehicles. This equipment includes rolling stock and boom boats for log handling and cargo operations, maintenance related equipment, airport firefighting and snow removal equipment, marina and boatyard equipment and the Port's fleet of vehicles.

The Port maintains the following equipment:

- 6 - Log stackers
- 4 - Hydraulic grapple log loaders
- 1 - 980 Caterpillar wheel loaders
- 2 - John Deere Gators
- 1 - John Deere Backhoe
- 3 - Boom boats
- 1 - Tymco Vacuum Sweeper and 1 Broce Broom
- 2 - 10-yard dump trucks and 1 5-yard dump truck
- 1 - John Deere Grader
- 1 - 2-ton flatbed truck
- 1 - Water truck
- 1- 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) 19 Fleet vehicles (mostly pickup trucks)

2023 BUDGET

Expense Assumptions

1. Increased labor dollars and replacement parts for mechanical repairs; especially in the Log Yard, where aging equipment failures are inevitable.
2. Mandatory mechanical overtime pay for on-call and unforeseen breakdowns.
3. Petroleum prices continue upward causing our "supplies" to go over budget.
4. Labor hours continue to climb during cargo loading operations.
5. Expenses overall are expected to be higher than the 2023 budget as inflation cost have increased over the last 6 months.

2024 BUDGET

Expense Assumptions

1. Workload will to be accomplished with 2 FTE's.
2. Supplies purchased for MM are to replace aging equipment and improve safety & efficiency of daily tasks.
3. There are several projects slated for 2024 involving log yard equipment rebuilds. Specifically, stackers and one Letourneau. Total cost approximately \$39,000.

Port of Port Angeles
MECHANICAL MAINTENANCE (MM - DEPT 91)
2024 Budget

	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2023 PROJECTED	2024 BUDGET	2023 Proj Over/(Under) 2023 Budget	2024 Budget Over/(Under) 2023 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
OTHER USER FEES	0	0	0	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	0	0	0	0	0	0	0	0
STRUCTURE LEASE/RENT	0	0	0	0	0	0	0	0
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	0	0	0	0	0	0	0	0
MISC & INTERDEPT REVENUE	0	0	0	0	0	0	0	0
TOTAL OPERATING REVENUES	0	0	0	0	0	0	0	0
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	22,394	12,325	16,641	20,217	25,000	22,428	4,783	(2,572)
SUPPLIES	40,129	60,471	65,438	51,000	65,000	70,000	14,000	5,000
OUTSIDE SERVICES	5,273	9,283	8,698	4,700	11,500	7,800	6,800	(3,700)
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	469	0	0	0	0	0	0	0
TRAVEL MEETINGS	0	0	0	0	0	0	0	0
TRAVEL/TRAINING	0	6,906	0	500	0	500	(500)	500
PROMOTIONAL HOSTING	0	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	28,379	7,998	25,626	22,700	30,955	22,700	8,255	(8,255)
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	0	27	0	0	0	0	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	39,256	29,131	34,179	38,876	14,066	36,927	(24,810)	22,861
MAINTENANCE (Materials & Services)	10,169	6,804	14,121	5,200	5,157	8,000	(43)	2,843
TOTAL DIRECT EXPENSES	146,069	132,945	164,703	143,193	151,678	168,355	8,485	16,677
ALLOCATED EXPENSES - ADMIN & MAINT	(146,069)	(132,945)	(164,703)	(143,193)	(151,678)	(168,355)	(8,485)	(16,677)
NET SURPLUS (DEFICIT) - Before Depreciation	0	0	0	0	0	0	0	0
ALLOCATED DEPRECIATION	(15,658)	(16,005)	(16,005)	(16,297)	(13,447)	(13,697)	2,850	(250)
DEPRECIATION (includes donated assets)	15,658	16,005	16,005	16,297	13,447	13,697	(2,850)	250
NET SURPLUS (DEFICIT) - After Depreciation	0	0	0	0	0	0	0	0

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

FACILITIES MAINTENANCE (FM 92)

The Facilities Maintenance (FM) department provides for the maintenance and upkeep of numerous Port buildings and facilities including the Marine Terminals, William R. Fairchild International and Sekiu Airports, John Wayne Marina, Port Angeles Boat Haven, the Marine Trades Area, T1 & T3 Pier, PABH & JWM Boat Launch Ramps, the Port Log Yard and various rental properties. FM also provides maintenance and upkeep of the MTA Washdown Facility and all Port storm water filtration systems.

Primary services provided by the FM department include carpentry, electrical, plumbing, HVAC, fire safety, stormwater, material handling, equipment operations, grounds maintenance and a wide variety of capital improvement projects. The FM crew also provides a reservoir of labor that can be called upon by the Log Yard during busy periods including operation of boom boats, loading logs, watering, etc.

2023 PROJECTED

Expense Assumptions

1. Capital projects for the rest of the year include, but are not limited to, repair of the path for the travel lift in the PABY by replacing sunken asphalt with concrete runners.
2. FM activities through the end of year will include routine and seasonal maintenance. Be the sole provider of labor for the log yard over burden removal. (there are still several hundred yards of material) Crack sealing FIA asphalt, and sealcoating compromised areas. Provide labor to the log yard an average of 3 days a week. Lay TPO roofing at FIA roof portions that are leaking. Assist with the chain replacement at the aquatic storage rental area.

2024 BUDGET

Expense Assumptions

1. Workload will be accomplished with 8 FTE's.
2. FM assistance with LY Operations continues regularly. FM Labor services also utilized to assist with: LY dust control, Bark/rock hauling, and over burden removal. Chip set up and tear down and associated pier clean up, after chip/log loading operations.
3. Maintenance expenses vary across departments, generally following trend, but punctuated with larger maintenance projects. These projects include landscaping at various Port owned rental properties, airport/main terminal and hanger areas, grounds keeping all properties, black top maintenance for airport and port owned parking lots. Expense increases as we encounter more homeless camp site clean-ups. There will also be increased material cost and manpower time for our 4 storm water treatment facilities.
4. FM has proposed the erection of a pole building on Butler St. that will serve as dry storage for our equipment stored there.
5. FM will be tackling several larger projects that outside services could be justified. We will perform these construction projects with our in-house crew.

-FIA terminal roof replacement

-800 total feet of gutter replacement throughout the port properties

Port of Port Angeles
FACILITIES MAINTENANCE (FM - DEPT 92)
2024 Budget

	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2023 PROJECTED	2024 BUDGET	2023 Proj Over/(Under) 2023 Budget	2024 Budget Over/(Under) 2023 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
OTHER USER FEES	0	0	0	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	0	0	0	0	0	0	0	0
STRUCTURE LEASE/RENT	0	0	0	0	0	0	0	0
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	0	0	0	0	0	0	0	0
MISC & INTERDEPT REVENUE	0	0	0	0	0	0	0	0
TOTAL OPERATING REVENUES	0	0	0	0	0	0	0	0
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	74,942	67,808	93,399	86,885	80,342	91,374	(6,543)	11,032
SUPPLIES	34,485	41,667	60,459	48,799	48,302	48,299	(497)	(3)
OUTSIDE SERVICES	5,284	6,266	5,743	5,886	2,218	6,886	(3,668)	4,668
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	540	0	950	450	0	250	(450)	250
TRAVEL MEETINGS	6	91	0	0	20	0	20	(20)
TRAVEL/TRAINING	5,402	249	3,515	4,000	42	5,200	(3,958)	5,158
PROMOTIONAL HOSTING	82	0	0	0	0	0	0	0
RENT, UTILITIES, INSURANCE, TAXES	25,088	23,909	29,802	12,875	31,221	19,800	18,346	(11,421)
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	2,505	3,298	2,629	2,310	2,690	2,500	380	(190)
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	140,224	81,181	105,504	105,379	106,399	114,691	1,020	8,291
MAINTENANCE (Materials & Services)	32,593	22,892	14,265	19,000	22,090	23,500	3,090	1,410
TOTAL DIRECT EXPENSES	321,151	247,361	316,266	285,584	293,324	312,500	7,740	19,176
ALLOCATED EXPENSES - ADMIN & MAINT	(321,151)	(247,361)	(316,266)	(285,584)	(293,324)	(312,500)	(7,740)	(19,176)
NET SURPLUS (DEFICIT) - Before Depreciation	0	(0)	(0)	0	0	0	(0)	0
ALLOCATED DEPRECIATION	(22,599)	(23,856)	(26,420)	(27,150)	(24,272)	(24,723)	2,878	(451)
DEPRECIATION (includes donated assets)	22,599	23,856	26,420	27,150	24,272	24,723	(2,878)	451
NET SURPLUS (DEFICIT) - After Depreciation	0	(0)	(0)	0	0	0	(0)	0

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

ADMINISTRATIVE AND GENERAL (A&G 80)

Administration includes the Commission, Executive Management, Finance and Accounting, Human Resources, Public Relations, Engineering, Environmental and Security, and Port Counsel services to all departments. Activities include accounting, budgeting, financial reporting, debt financing, investment management, insurance/risk management, audit functions, engineering, capital project management, environmental stewardship and legal services.

The objectives of the Administration of the Port are:

- To provide quality information and support to the Commission and all departments.
- To be responsive to inquiries and changing requirements of the Commission, the public, customers, and employees.
- To provide transparency in financial reporting to the Commission, the public, staff and compliance with regulations.

2023 PROJECTED

Expense Assumptions

1. Salaries and benefits combined are expected to be higher than the budget due to staffing changes.
2. Outside services are under budget due to lower use of specialized consulting support (regulatory, grant writing assistance, marketing, strategic plan).
3. Contingency funds budgeted for 2023 have not been utilized.

2024 BUDGET

Expense Assumptions

1. Staffing costs reflect cost of living increases.
2. Outside services include a base level for legal, technology, general consulting, janitorial, state audit, etc.
3. Public information includes community outreach and state/federal legislative advocacy.
4. Rent, Utilities, Insurance and Taxes are expected to be slightly higher in 2024.

**Port of Port Angeles
ADMINISTRATION (ADMIN - DEPT 80)
2024 Budget**

	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2023 PROJECTED	2024 BUDGET	2023 Proj Over/(Under) 2023 Budget	2024 Budget Over/(Under) 2023 Proj
OPERATING REVENUES								
DOCKAGE	0	0	0	0	0	0	0	0
WHARFAGE	0	0	0	0	0	0	0	0
SERVICE & FACILITIES	0	0	0	0	0	0	0	0
MT HANDLING	0	0	0	0	0	0	0	0
LABOR SERVICES	0	0	0	0	0	0	0	0
LOG YARD STAGING	0	0	0	0	0	0	0	0
LOG YARD LAND SERVICES	0	0	0	0	0	0	0	0
LOG YARD WATER SERVICES	0	0	0	0	0	0	0	0
MOORAGE	0	0	0	0	0	0	0	0
MARINA & YARD FEES	0	0	0	0	0	0	0	0
LANDING/PARKING FEES	0	0	0	0	0	0	0	0
HANGAR/TIE DOWN	0	0	0	0	0	0	0	0
OTHER USER FEES	0	0	0	0	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0
LAND LEASE/RENT	0	0	0	0	0	0	0	0
STRUCTURE LEASE/RENT	0	0	0	0	0	0	0	0
USE AGMT AND OTHER RENT	0	0	0	0	0	0	0	0
UTILITY PASS THRU & PRODUCT SALES	0	0	0	0	0	0	0	0
MISC & INTERDEPT REVENUE	0	0	0	0	0	0	0	0
TOTAL OPERATING REVENUES	0	0	0	0	0	0	0	0
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	1,582,854	118,745	435,102	1,226,647	1,351,829	1,529,313	125,182	177,485
SUPPLIES	38,875	44,912	44,952	60,000	57,332	60,000	(2,668)	2,668
OUTSIDE SERVICES	184,143	299,142	255,113	368,500	350,000	368,500	(18,500)	18,500
PUBLIC INFORMATION	109,530	123,682	110,689	105,000	110,000	105,000	5,000	(5,000)
MARKETING	1,881	0	120	2,500	500	2,500	(2,000)	2,000
COMMUNITY RELATIONS	0	197	0	2,500	6,000	2,500	3,500	(3,500)
ADS, DUES & PUBLICATIONS	32,120	29,680	20,375	22,640	22,500	24,504	(140)	2,004
TRAVEL MEETINGS	7,187	10,515	9,381	10,000	12,500	10,000	2,500	(2,500)
TRAVEL/TRAINING	8,237	11,827	10,516	10,000	15,000	10,000	5,000	(5,000)
PROMOTIONAL HOSTING	30	141	161	0	600	0	600	(600)
RENT, UTILITIES, INSURANCE, TAXES	157,832	141,845	181,532	177,200	194,711	197,200	17,511	2,489
UTILITY (Pass Thru) & COST OF GOODS SOLD	285	590	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	40,598	(29,196)	4,856	5,000	9,500	5,000	4,500	(4,500)
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	39,004	19,937	18,344	20,000	32,588	30,808	12,588	(1,780)
MAINTENANCE (Materials & Services)	24,303	9,623	13,450	11,150	21,863	12,400	10,713	(9,463)
TOTAL DIRECT EXPENSES	2,226,879	781,641	1,104,591	2,021,137	2,184,922	2,357,725	163,785	172,803
ALLOCATED EXPENSES - ADMIN & MAINT	(2,226,879)	(781,641)	(1,104,591)	(2,021,137)	(2,184,922)	(2,357,725)	(163,785)	(172,803)
NET SURPLUS (DEFICIT) - Before Depreciation	0	(0)	0	0	0	0	0	0
ALLOCATED DEPRECIATION	(38,097)	(40,235)	(40,216)	(40,949)	(50,300)	(51,235)	(9,351)	(935)
DEPRECIATION (includes donated assets)	38,097	40,235	40,216	40,949	50,300	51,235	9,351	935
NET SURPLUS (DEFICIT) - After Depreciation	0	(0)	0	0	0	0	0	0

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

ECONOMIC & BUSINESS DEVELOPMENT (BD 81)

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

The objectives of business development activity are:

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

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

2023 PROJECTED

Expense Assumptions

1. The Economic Development department is projected to be at or under budget for 2023.

2024 BUDGET

Expense Assumptions

1. Outside Services are forecasted to expand due to maintenance.
2. The marketing budget has been increased for MTC rollout.

**Port of Port Angeles
ECONOMIC & BUSINESS DEVELOPMENT (BD - DEPT 81)
2024 Budget**

	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2023 PROJECTED	2024 BUDGET	2023 Proj Over/(Under) 2023 Budget	2024 Budget Over/(Under) 2023 Proj
OPERATING EXPENSES								
SALARIES, BENEFITS & INTERDEPT CHRGS	155,100	232,169	181,429	194,666	196,061	207,426	1,395	11,365
SUPPLIES	0	108	0	0	348	0	348	(348)
OUTSIDE SERVICES	89,923	53,222	151,159	82,500	60,230	76,480	(22,270)	16,250
PUBLIC INFORMATION	11,201	7,005	41,591	15,000	25,000	20,000	10,000	(5,000)
MARKETING	5,618	1,396	4,815	10,500	10,400	44,000	(100)	33,600
COMMUNITY RELATIONS	0	135	0	0	0	0	0	0
ADS, DUES & PUBLICATIONS	3,200	6,375	2,575	6,000	5,750	5,750	(250)	0
TRAVEL MEETINGS	3,928	2,963	1,871	8,500	16,000	16,000	7,500	0
TRAVEL/TRAINING	(1,100)	2,994	(165)	5,000	5,000	5,000	0	0
PROMOTIONAL HOSTING	954	1,359	890	5,000	5,000	5,000	0	0
RENT, UTILITIES, INSURANCE, TAXES	540	2,212	1,552	700	700	700	0	0
UTILITY (Pass Thru) & COST OF GOODS SOLD	0	0	0	0	0	0	0	0
OTHER EXPENSES (Misc & Interdept)	37,115	34,917	14,988	12,000	12,000	12,000	0	0
CONTINGENCY	0	0	0	0	0	0	0	0
MAINT LABOR, BENEFITS & INTER-DEPT	(428)	0	0	0	0	0	0	0
MAINTENANCE (Materials & Services)	0	0	0	0	0	0	0	0
TOTAL DIRECT EXPENSES	306,051	344,855	400,705	339,866	336,489	392,356	(3,377)	55,867
ALLOCATED EXPENSES - ADMIN & MAINT	(306,051)	(344,855)	(400,705)	(339,866)	(336,489)	(392,356)	3,377	(55,867)
NET SURPLUS (DEFICIT)	0	0	0	0	0	0	0	0
ALLOCATED DEPRECIATION	0	0	0	0	0	0	0	0
DEPRECIATION (includes donated assets)	0	0	0	0	0	0	0	0
NET SURPLUS (DEFICIT) - After Depreciation	0	0	0	0	0	0	0	0

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

Promotional Hosting Maximum								
Per RCW 53.36.130, funds for promotional hosting expenditures shall be expended only from gross operating revenues and shall not exceed one percent (1%) thereof upon the first two million five hundred thousand dollars (\$2,500,000.00) of such gross operating revenues, one-half of one percent (.5%) upon the next two million five hundred thousand dollars (\$2,500,000.00) of such gross operating revenues, and one-fourth of one percent (.25%) on the excess over five million dollars (\$5,000,000.00) of such revenues:								
PROVIDED, HOWEVER, that in no case shall these limitations restrict the Port District to less than twenty-five hundred dollars (\$2,500.00) per year from any funds available to the Port.								
		2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 Budget	2023 Projected	2024 Budget
Gross Operating Revenue Budget		8,927,022	9,100,988	10,377,853	10,405,312	6,760,818	10,686,552	11,196,323
\$.00 to \$2,500,000	1.00%	25,000	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	12,500
. Excess over \$5,000,000	0.25%	9,818	10,252	13,445	13,513	4,402	14,216	15,491
Allowed Promotional Hosting per RCW		47,318	47,752	50,945	51,013	41,902	51,716	52,991
		2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 Budget	2023 Projected	2024 Budget
Promotional Hosting by Line of Business								
Marine Terminal		434	101	275	44	500	200	1,000
Marine Trades Area		262	0	223	0	1,000	0	1,000
Log Yard		1,770	0	35	32	2,000	35	2,035
Fairchild International Airport & Airport Rental Prop.		221	0	36	0	1,000	1,100	1,100
Business Development		3,430	984	1,500	1,051	5,000	5,600	5,000
Total Promotional Hosting		6,116	1,085	2,069	1,127	9,500	6,935	10,135
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.								
		2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 Budget	2023 Projected	2024 Budget
Industrial Development & Trade Promotion								
Marketing Line Item								
Fairchild International Airport & Airport Rental Prop.		7,458	6,268	4,976	6,675	5,050	7,050	7,050
Marine Trades Area & Log Yard		1,500	2,349	0	1,000	4,000	0	4,000
Port Angeles Boat Haven & John Wayne Marina		1,616	0	448	610	955	0	955
Rental Properties		500	4,600	0	0	0	0	0
Administration		703	1,881	0	120	2,500	500	2,500
Business Development		15,759	5,618	1,396	4,815	10,500	10,400	44,000
Total Industrial Dev & Trade Promotion		27,537	20,716	6,820	13,220	23,005	17,950	58,505
In addition to the above, the Port contracts for Economic Development Services (currently) & CRTC in Outside Services (ended 2017)								
Economic Development Corporation		30,000	40,000	50,000	50,000	50,000	50,000	50,000
CRTC		n/a	n/a	n/a	n/a	n/a	n/a	n/a

NON-OPERATING (NONOP 90)

These activities generate revenues and require expenditures that are outside normal Port operating activities. Revenues consist of interest earnings on investments, grant funds for operations and capital projects, and tax receipts distributed by the county (property tax, timber tax, leasehold tax). Timber tax applies to all timber harvested on private, state and federal lands. Leasehold tax is imposed for the private use of publicly owned real or personal property. The expenditures consist of environmental costs from historical operations (investigation, feasibility study, and cleanup), other unusual gains/losses or settlements and debt interest payments.

2023 PROJECTED

Revenue Assumptions

General:

1. Other taxes (timber harvest taxes) are slightly lower than budget due to unpredictable harvest activities. Interest earnings are higher than budgeted due rising interest rates.

Capital:

1. Property tax revenues are on track with budget.

Expense Assumptions

General:

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

Capital:

1. Interest expense continues to decrease due to lower debt levels.

2024 BUDGET

Revenue Assumptions

General:

1. Interest earnings are projected to be similar to 2023 due to stabilizing market interest rates of short and long-term investments. The Local Government Investment Pool (LGIP) and Money Market account rates increased in 2023 and are forecasted to stay stable. Investments are managed with the goal of realizing maximum interest revenue while maintaining needed liquidity. Other taxes (timber harvest taxes) are budgeted conservatively; they are difficult to predict. Misc expenses include \$333k for airline support, partially offset by \$200k misc income from the related grant program.

Capital:

1. The Port property tax levy will be increased in 2023 by 1% as directed by the Commission. The property tax levy calculation assumes approximately \$XXX million of new construction (as reported by the Clallam County Assessor).

Expense Assumptions

General:

1. Net Environmental line item includes specialized consulting expenses \$200k, reduced by insurance payments (\$200k). Expenses that are not covered by insurance result in estimated, higher than 2022 actuals. The \$290k estimated net expense is a compilation of staff administrative work, continued litigation, consulting fees and environmental settlement. Values used are estimates using historical data including the cleanup of the 220 Tumwater site. Misc. expenses include \$25k funding for the Community Partner Program.

Capital:

1. See Section V – Capital Budget for details of the estimated \$7.8 million grant revenue.

Port of Port Angeles
NON-OPERATING (NONOP - DEPT 90)
2024 Budget


	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2023 PROJECTED	2024 BUDGET	2023 Proj Over/(Under) 2023 Budget	2024 Budget Over/(Under) 2023 Proj
NON-OP GENERAL REVENUES								
INTEREST EARNINGS	258,573	42,430	220,740	300,000	850,000	850,000	550,000	0
OTHER TAX RECEIPTS	142,293	142,799	142,013	140,000	110,031	140,000	(29,969)	29,969
MISC NON OP REVENUES	43,787	22,793	10,357	7,000	9,953	9,500	2,953	(453)
GRANTS - OPERATIONS	153,745	76,404	126,470	201,000	1,000	201,000	(200,000)	200,000
PASSENGER FACILITY CHARGES (PFC'S)	882	1,548	1,743	1,500	1,500	1,500	0	0
GAIN (LOSS) & SPECIAL ITEMS	(71,727)	(22,384)	(192,592)	0	14,570	0	14,570	(14,570)
TOTAL NON-OP GENERAL REV	527,553	263,590	308,731	649,500	987,054	1,202,000	337,554	214,946
NON-OP GENERAL EXPENSES								
NET ENVIRONMENTAL (see narrative)	250,260	109,860	2,714,417	290,000	87,000	200,000	(203,000)	113,000
MISC NON OP EXPENSE	96,076	46,621	44,886	368,000	27,800	363,000	(340,200)	335,200
TOTAL NON-OP GENERAL EXP	346,336	156,481	2,759,303	658,000	114,800	563,000	(543,200)	448,200
NET NON-OP GENERAL SURPLUS (DEFICIT)	181,217	107,109	(2,450,572)	(8,500)	872,254	639,000	880,754	(233,254)
NON-OP CAPITAL REVENUES								
PROPERTY TAX RECEIPTS	1,580,760	1,608,294	1,640,431	1,670,000	1,688,362	1,725,000	18,362	36,638
GRANTS - CAPITAL	409,517	663,235	942,732	7,459,950	7,271,554	7,856,388	(188,396)	584,834
TOTAL NON-OP CAPITAL REV	1,990,277	2,271,529	2,583,163	9,129,950	8,959,916	9,581,388	(170,034)	621,472
NON-OP CAPITAL EXPENSES								
BOND COSTS & INTEREST EXPENSE	262,128	57,773	55,329	126,175	59,557	43,426	(66,618)	(16,131)
TOTAL NON-OP CAPITAL EXP	262,128	57,773	55,329	126,175	59,557	43,426	(66,618)	(16,131)
NET NON-OP CAPITAL SURPLUS (DEFICIT)	1,728,149	2,213,756	2,527,834	9,003,775	8,900,359	9,537,962	(103,416)	637,603
NET NON-OP SURPLUS (DEFICIT)	1,909,366	2,320,865	77,262	8,995,275	9,772,613	10,176,962	777,338	404,349
TOTAL NET NON-OP SURPLUS (DEFICIT)	1,909,366	2,320,865	77,262	8,995,275	9,772,613	10,176,962	777,338	404,349

SECTION VIII

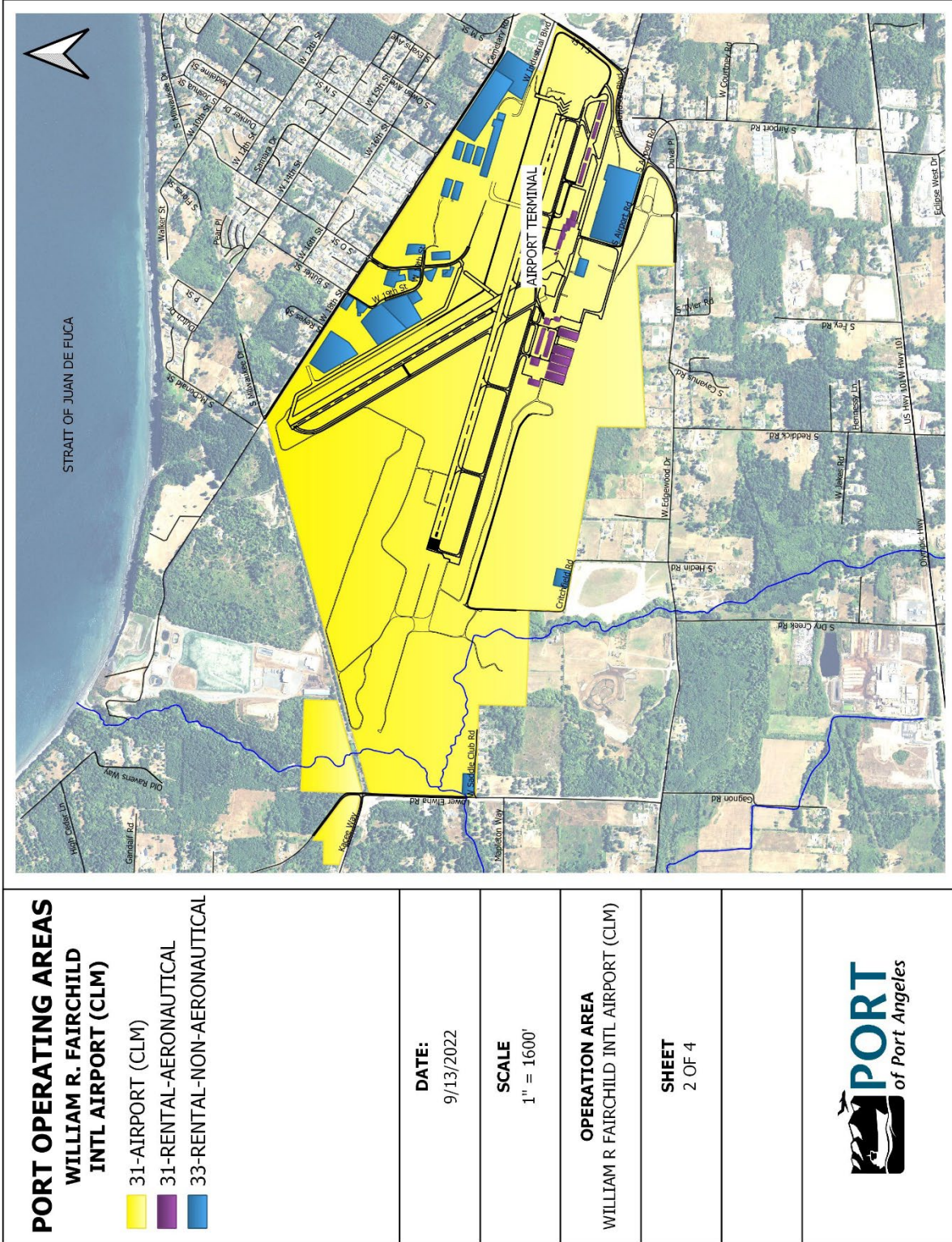
SUPPLEMENTAL INFORMATION

PORT OPERATING AREAS

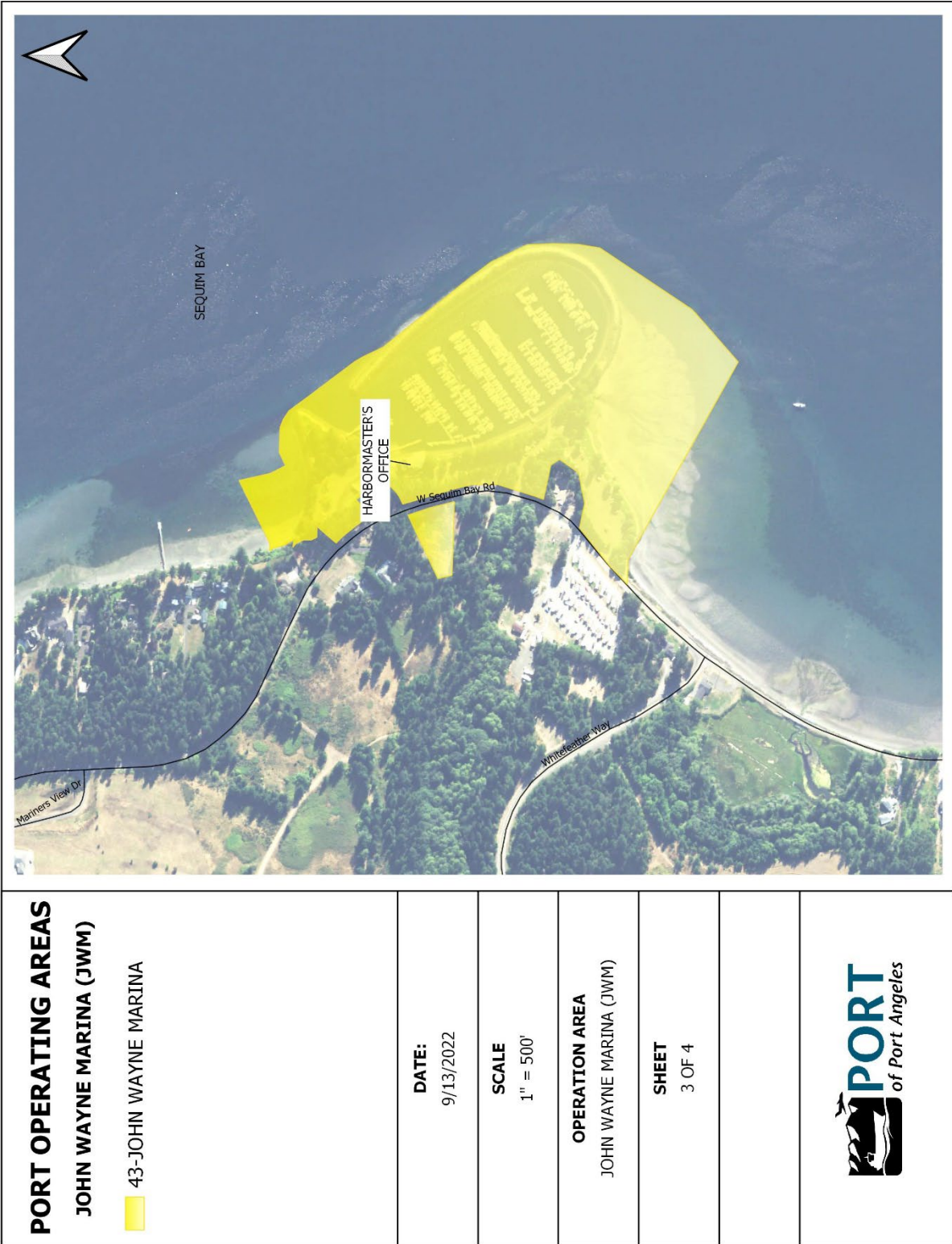


<p>PORT OPERATING AREAS PORT ANGELES WATERFRONT</p>	<ul style="list-style-type: none"> 11-MARINE TERMINAL 15-MARINE TRADES AREA 21-LOG YARD 41-PORT ANGELES BOATHAVEN 61-RENTAL PROPERTY 91-MECH SHOP 	<p>DATE: 9/13/2022</p>	<p>SCALE 1" = 1400'</p>	<p>OPERATION AREA PORT ANGELES WATERFRONT</p>	<p>SHEET: 1 OF 4</p>	
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PORT OPERATING AREAS – continued



PORT OPERATING AREAS – continued



PORT OPERATING AREAS – continued



PORT OPERATING AREAS

SEKIU AIRPORT (11S)

 32-SEKIU AIRPORT

DATE:
9/13/2022

SCALE
1" = 900'

OPERATION AREA
SEKIU AIRPORT (11S)

SHEET
4 OF 4



TRAVEL & TRAINING BUDGET
(includes Training Fees)
2024 Budget

Travel - Meetings	2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2023 PROJCTD	2024 BUDGET
MT	1,332	160	90	38	3,000	750	3,000
MTA	485	0	0	42	1,000	67	1,000
LY	846	13	17	1,239	1,000	0	1,300
FIA	5,081	1,380	795	1,435	4,165	2,310	4,165
ARP	0	0	0	0	1,000	1,000	1,000
SEK	278	140	0	155	245	0	245
PABH	463	0	0	524	500	22	500
JWM	711	210	230	573	0	73	0
RP	0	0	0	0	0	50	0
MM	48	0	0	0	0	0	0
FM	0	6	92	0	0	20	0
ADM	18,647	7,187	10,515	9,381	10,000	12,500	10,000
BD	25,116	3,928	2,962	1,871	8,500	16,000	16,000
Subtotal	53,007	13,024	14,701	15,258	29,410	32,792	37,210
Travel - Training	2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2023 PROJCTD	2024 BUDGET
MT	400	234	2,191	0	1,600	1,550	2,800
MTA	0	0	0	0	1,000	584	1,000
LY	6,963	(900)	988	1,236	1,000	1,161	1,300
FIA	1,712	0	894	0	1,500	342	2,500
ARP	57	0	0	0	500	500	500
SEK	0	0	0	0	0	0	0
PABH	355	128	766	501	0	1,618	800
JWM	0	128	765	501	0	1,698	1,800
RP	895	0	0	0	0	0	0
MM	0	0	6,906	0	500	0	500
FM	983	5,402	249	3,515	4,000	42	5,200
ADM	27,859	8,237	11,827	10,516	10,000	15,000	10,000
BD	2,316	(1,100)	2,994	(165)	5,000	5,000	5,000
Subtotal	41,540	12,129	27,580	16,104	25,100	27,495	31,400
TOTAL	94,547	25,153	42,281	31,362	54,510	60,287	68,610

**COMMUNITY SUPPORT
2024 Budget**

RECIPIENT	2024 CONTRIBUTION	REMARKS	In Kind	Cash
Clallam County EDC	\$ 30,000	Cash: Operating Costs		\$ 30,000
Center for Inclusive Entrepreneurship	\$ 6,565	In-Kind: Office Space & Utilities Annual Rent	\$ 6,565	
First Step Family Support Center	\$ 270	In Kind: \$0.02 SF Reduction in Lease Price (11/2023-10/2024)		\$ 270
Port Angeles Yacht Club	\$ 4,312	50% Ground Lease rate (written directly in lease) 50% moorage on a 30' slip	\$ 2,780 \$ 1,532	
Sequim Bay Yacht Club	\$ 17,011	Waived fees for the Hendricks Room (NTE 9/year) 50% rate for club space and storage area(s) 50% rate for mooring float including waiving of two moorages	\$ 4,703 \$ 7,035 \$ 5,273	
Sea Scout - Marvin Shields	\$ 5,844	Waived moorage on a single 50' slip	\$ 5,844	
Olympic Peninsula Rowing Assoc.	\$ 1,958	50% moorage on 2 limited access 20' slips (seasonal use)	\$ 1,958	
CRTC	\$ 12,000	Waived Equipment Rental	\$ 12,000	
Jamestown Klallam Tribe	\$ 3,064	Waived: 30' slip for patrol activities ('83 Agreement)	\$ 3,064	
Community Partner Program	\$ 25,000	Grant winners will be chosen and notified in October		\$ 25,000
TOTAL:	\$ 106,023			

COMMUNITY EVENTS	2024 CONTRIBUTION
Community Event Fund	\$ 6,000
Miscellaneous Fee/Waivers/Sponsorships	\$ 10,000
Total:	\$ 16,000

**PROFESSIONAL MEMBERSHIPS
2024 Budget**

Line #	DEPT	PROFESSIONAL ORGANIZATION (alphabetical order)	2021	2022	2023	2024
			ACTUAL	ACTUAL	BUDGET	BUDGET
1	ADMIN	Washington Public Ports Association (WPPA)	15,419	14,810	14,786	16,500
2	ADMIN	Municipal Research & Services Center (MRSC thru WPPA)	0	950	950	1,050
3	ADMIN	American Forest Resource Council	600	600	600	600
4	ADMIN	Government Finance Officers Association (GFOA -1)	150	75	150	160
5	ADMIN	Society for Human Resources Management (SHRM)	219	229	219	244
6	ADMIN	Washington Finance Officers Association (WFOA -1)	400	75	75	75
7	ADMIN	Engineering License	116	116	110	125
8	FIA	Washington Airport Managers Association (WAMA)	140	140	150	150
9	FM	American Public Works Association (APWA) - 2	480	254	450	250
10	MT	Northwest Marine Trades Association (NWMTA)	1,216	1,277	1,277	1,300
11	MT	Marine Exchange of Puget Sound	500	300	500	500
12	MTA	Super Yachts Northwest (NMTA)	0	1,000	1,000	0
13	MTA	U.S. Superyacht Association	600	575	500	0
14	MTA	Puget Sound Ship Repair Association (PSSRA)	500	500	500	500
15	MTA	Northwest Marine Trade Association (NMTA)	475	515	525	525
		TOTAL PROFESSIONAL ORGANIZATIONS	20,815	21,416	21,792	21,979

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.

2023 POPA Budgeted Outside Services

		2021	2022	2023
Dept	Description	Budget	Budget	Budget
41-PABH	PABH Agent Fee	318,500	331,112	340,353
80-ADM	Est legal services	120,000	150,000	150,000
80-ADM	IT support services	54,200	54,200	72,500
15-MTA	Boatyard Agent Fees	53,000	57,228	63,000
80-ADM	SAO Audit Fees	44,000	56,500	50,000
81-BD	Clallam County EDC	50,000	50,000	30,000
33-ARP	Janitorial for Homeland / GSA	35,000	26,000	26,000
80-ADM	Admin Janitorial	19,000	25,000	22,000
11-MT	Stormwater system maintenance	-	-	20,000
21-LY	Stormwater system maintenance	20,000	20,000	20,000
80-ADM	Synergy IT support for Dynamics	25,000	20,000	20,000
81-BD	MTC Business Development	50,000	20,000	20,000
15-MTA	Legal expense	-	15,000	16,000
15-MTA	Cultural Site Investigation / Misc	-	12,000	15,000
21-LY	Legal and Consulting		20,000	15,000
21-LY	Boomground maintenance			15,000
43-JWM	Fuel System Maint / Pump septic tanks	15,000	15,000	15,000
80-ADM	General consulting - TBD	50,000	15,000	15,000
41-PABH	Waste oil and Pacific Breeze	9,500	9,500	14,550
11-MT	On call structural engineer	-	15,000	10,000
81-BD	Market analysis for maritime	-	10,000	10,000
33-ARP	Fire alarm monitoring	-	9,000	9,000
80-ADM	GASB 49 Environmental reporting	7,500	8,000	8,000
81-BD	Center for Incl. Entrep cash support	10,000	10,000	7,500
80-ADM	Acct software annual license	6,500	6,500	7,000
31-FIA	Terminal Janatorial Svcs	-	-	6,476
80-ADM	Rackspace (email and MS Office)	5,500	5,500	6,200
15-MTA	Washwater disposal fees	5,700	5,700	6,000
80-ADM	Centennial Celebration Fund	-	-	6,000
80-ADM	Olympic Laundry - floor mats	15,000	9,000	6,000
80-ADM	LOB followup / economic impact	5,000	5,000	5,000
81-BD	Web page development	-	30,000	5,000
81-BD	Misc TBD	10,000	5,000	5,000
81-BD	Sustainable Havest / Adv Wood Products	10,000	5,000	5,000
32-SEK	Agent Fee	3,600	3,600	3,780
31-FIA	Weather monitoring / runway inspections	3,000	3,000	3,300
91-MM	Olympic Laundry - Coveralls	9,600	4,500	2,700
11-MT	Olympic Laundry - floor mats	3,000	2,500	2,600
92-FM	Work order software service	2,200	2,200	2,386
33-ARP	Legal and misc	-	2,000	2,000
91-MM	Waste oil processing	500	4,200	2,000
92-FM	Olympic Laundry - Coveralls	8,000	6,000	2,000
61-RP	Legal and Misc	-	1,800	1,800
92-FM	Hearing tests	500	500	1,000
80-ADM	Copier maintenance	800	800	800
92-FM	CDL drug screening	100	100	500
11-MT	Hearing tests	250	250	400
31-FIA	Access control system maintenance	84	84	84
11-MT	Longshore Labor for Chip Barges	196,750	196,750	-
31-FIA	Airport Appreciation Day	10,000	5,000	-
11-MT	Terminal 1 Pile Assessment	200,000	-	-
11-MT	Terminal 7 Pier Assessment (1/2 of cost)	35,000	-	-
15-MTA	Boatyard Travel lift pier assessment	30,000	-	-
31-FIA	Air service business development	5,000	-	-
31-FIA	Aircraft tracking services	2,000	-	-
81-BD	SBDC cash support	23,000	-	-
	Total	1,471,784	1,253,524	1,066,929

2024 - Department Direct Cost		11	15	21	31	33	32	41	43	61	80	81	90	91	92	TOTAL
Salary % Split	Home Dept.	MT	MTA	LY	FIA	ARP	SEK	PABH	JWM	RP	A&G	BD	NOP	MM	FM	
Director of Engineering	A&G	15%	15%	5%		5%		5%	5%		35%	5%	5%		5%	100%
Environmental Manager	A&G	10%	10%	10%	5%	5%		5%	5%		35%		10%		5%	100%
Director of Operations	A&G	20%	15%	10%	5%	5%		10%	10%		15%			5%	5%	100%
AR Clerk	A&G	10%		10%	5%	5%			20%	5%	45%					100%
All Security	A&G	20%	5%	5%	10%	10%		10%	10%	5%	15%			5%	5%	100%
Lease Administrator	ARP	10%	10%	5%	5%	40%		5%	5%	10%	10%					100%
Airport Manager	FIA				95%		5%									100%
Marina Manager	JWM							50%	50%							100%
Facilities Maintenance Supervisor	FM	10%	10%	5%	10%	10%		5%	5%	5%					40%	100%
Operations Supervisor	MT	80%	20%													100%
Operations Coordinator	MT	50%									50%					100%
Operations Coordinator	MT	75%									25%					100%

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

Split Methodology by Position

- Director of Engineering
Budget based on planned capital projects and ops oversight with actual time tracked & recorded
- Environmental Manager
Estimate based on environmental compliance needs in each area with actual time tracked & recorded
- Director of Operations
Estimate based on planned public works, LY and MT activities
- AR Clerk
Budget based on estimates with actual time tracked & recorded
- All Security
Based on the standard operating plan for security presence in each area
- Lease Administrator
Budget based on estimates with actual time tracked & recorded
- 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
- Operations Coordinator
Based on estimated time to be spent in each area plus supporting security

ALLOCATED EXPENSES

Line of Business	2020 Actual	2021 Actual	2022 Actual	2023 Budget	2023 Projected	2024 Budget
Marine Terminal	1,024,544	491,415	310,358	441,528	487,204	598,098
Marine Trades Area	204,798	99,953	144,965	237,380	189,399	230,015
Log Yard	494,340	264,504	426,732	571,040	702,391	684,368
FIA	294,974	125,377	184,451	298,240	241,858	265,514
Airport Rental Properties	247,477	160,019	201,872	408,232	458,210	484,829
Sekiu Airport	14,562	5,850	12,274	15,415	12,392	19,402
Port Angeles Boat Haven	341,043	164,284	404,020	378,538	450,875	444,201
John Wayne Marina	316,867	169,782	258,520	388,464	352,697	443,650
Rental Property	61,545	25,617	43,075	50,942	71,387	60,859
Total	3,000,150	1,506,801	1,986,267	2,789,780	2,966,414	3,230,936

DEPRECIATION

Line of Business & Departments	2020 Actual	2021 Actual	2022 Actual	2023 Budget	2023 Projected	2024 Budget
Marine Terminal	631,475	640,991	642,331	653,985	638,767	650,644
Marine Trades Area	152,672	159,967	163,343	166,322	163,343	166,380
Log Yard	359,475	348,215	318,452	324,261	244,002	248,539
FIA	601,754	626,069	628,209	640,169	606,469	617,746
Airport Rental Properties	442,696	446,215	443,042	451,122	447,298	455,615
Sekiu Airport	3,690	2,618	2,618	2,666	2,618	2,667
Port Angeles Boat Haven	334,059	346,736	377,726	387,280	422,461	430,316
John Wayne Marina	65,231	64,371	63,864	67,352	62,260	63,418
Rental Property	13,763	13,767	13,767	14,018	13,766	14,022
Mechanical Maintenance	15,658	16,005	16,005	16,297	13,447	13,697
Facilities Maintenance	22,599	23,856	26,420	27,150	24,272	24,723
Administration & General	38,097	40,235	40,216	40,949	50,300	51,235
Total	2,681,169	2,729,045	2,735,993	2,791,571	2,689,003	2,739,003

ALLOCATED DEPRECIATION

Line of Business & Departments	2020 Actual	2021 Actual	2022 Actual	2023 Budget	2023 Projected	2024 Budget
Marine Terminal	26,200	26,151	12,675	14,008	15,242	17,435
Marine Trades Area	5,227	5,300	5,961	7,531	5,925	6,705
Log Yard	12,695	14,206	17,701	18,117	21,974	19,950
Fairchild International Airpoc	8,360	8,643	9,613	10,274	8,095	8,386
Airport Rental Properties	4,968	6,054	6,759	7,985	8,997	8,912
Sekiu Airport	413	403	640	531	415	613
Port Angeles Boat Haven	8,765	8,834	16,772	12,010	14,105	12,949
John Wayne Marina	8,143	9,129	10,732	12,324	11,034	12,933
Rental Property	1,582	1,377	1,788	1,616	2,233	1,774
Total	76,353	80,097	82,641	84,395	88,019	89,656

Port of Port Angeles - Support Function Cost Allocation - for 2024 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	1,270,846	(181,500)	1,089,346	19%	32,739	60,770	458,495
Marine Trades	418,938	-	418,938	7%	12,591	23,371	176,327
Log Yard	1,267,433	(20,960)	1,246,473	22%	37,461	69,536	524,628
FIA Airport	550,340	(26,364)	523,976	9%	15,748	29,231	220,536
Airport Rentals	564,807	(8,000)	556,807	10%	16,734	31,062	234,355
Sekiu Airport	38,288	-	38,288	1%	1,151	2,136	16,115
PA Boat Haven	917,045	(108,000)	809,045	14%	24,315	45,133	340,519
JW Marina	1,170,258	(362,217)	808,041	14%	24,285	45,077	340,096
Rental Property	113,145	(2,300)	110,845	2%	3,331	6,184	46,654
Total	6,311,100	(709,341)	5,601,759	100%	168,355	312,500	2,357,725

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	1,270,846	(181,500)	1,089,346	24%	46,094
Marine Trades	418,938	-	418,938	9%	17,727
Log Yard	1,267,433	(20,960)	1,246,473	28%	52,743
PA Boat Haven	917,045	(108,000)	809,045	18%	34,234
JW Marina	1,170,258	(362,217)	808,041	18%	34,191
Rental Property	113,145	(2,300)	110,845	2%	4,690
Total	5,157,665	(674,977)	4,482,688	100%	189,678

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	564,807	(8,000)	556,807	100%	202,678

Total Support Costs Allocated	Total Support Cost Allocation by Line of Business
Mech Maint	168,355
Facility Maint	312,500
Admin & General	2,357,725
General Bus Dev	189,678
Airport Bus Dev	202,678
Total	3,230,936
	598,098 Marine Terminal
	230,015 Marine Trades
	684,368 Log Yard
	265,514 FIA Airport
	484,829 Airport Rentals
	19,402 Sekiu Airport
	444,201 PA Boat Haven
	443,650 JW Marina
	60,859 Rental Property
	3,230,936 Total

Employee Wage Scale - Represented 2024 Budget

IT IS HEREBY AGREED between the PORT OF PORT ANGELES, and the ILWU Local 27 and Teamsters Local 589, PORT EMPLOYEES UNITS, that the following rate of pay matrix shall be effective January 1, 2024 (3.7%)

Job Title	Range Number	Step Number									
		1	2	3	4	5	6	7	8	9	10
	1										
	2							15.45	15.83	16.22	16.63
	3	14.01	14.36	14.71	15.08	15.45	15.83	16.22	16.63	17.03	17.46
	4	14.71	15.08	15.45	15.83	16.22	16.63	17.03	17.46	17.88	18.33
	5	15.45	15.83	16.22	16.63	17.03	17.46	17.88	18.33	18.78	19.25
	6	16.22	16.63	17.03	17.46	17.88	18.33	18.78	19.25	19.72	20.21
	7	17.03	17.46	17.88	18.33	18.78	19.25	19.72	20.21	20.70	21.22
	8	17.88	18.33	18.78	19.25	19.72	20.21	20.70	21.22	21.74	22.28
	9	18.78	19.25	19.72	20.21	20.70	21.22	21.74	22.28	22.82	23.39
	10	19.72	20.21	20.70	21.22	21.74	22.28	22.82	23.39	23.96	24.56
Facilities Maintenance Janitorial (PT)	11	20.70	21.22	21.74	22.28	22.82	23.39	23.96	24.56	25.16	25.79
	12	21.74	22.28	22.82	23.39	23.96	24.56	25.16	25.79	26.42	27.08
Utility Person	13	22.82	23.39	23.96	24.56	25.16	25.79	26.42	27.08	27.74	28.44
	14	23.96	24.56	25.16	25.79	26.42	27.08	27.74	28.44	29.13	29.86
Accounting Clerk I	15	25.16	25.79	26.42	27.08	27.74	28.44	29.13	29.86	30.59	31.35
Accounting Clerk II, Assistant Harbormaster	16	26.42	27.08	27.74	28.44	29.13	29.86	30.59	31.35	32.11	32.92
Accounting Lead	17	27.74	28.44	29.13	29.86	30.59	31.35	32.11	32.92	33.72	34.56
Machine Operator	18	29.13	29.86	30.59	31.35	32.11	32.92	33.72	34.56	35.41	36.29
	19	30.59	31.35	32.11	32.92	33.72	34.56	35.41	36.29	37.18	38.11
	20	32.11	32.92	33.72	34.56	35.41	36.29	37.18	38.11	39.04	40.01
Facilities Maintenance, Mechanic	21	33.72	34.56	35.41	36.29	37.18	38.11	39.04	40.01	40.99	42.01
Facilities Maintenance Lead, Mechanic Lead, Log Yard Lead, Harbormaster	22	35.41	36.29	37.18	38.11	39.04	40.01	40.99	42.01	43.04	44.11
	23	37.18	38.11	39.04	40.01	40.99	42.01	43.04	44.11	45.19	46.32
	24	39.04	40.01	40.99	42.01	43.04	44.11	45.19	46.32	47.45	48.63
	25	40.99	42.01	43.04	44.11	45.19	46.32	47.45	48.63	49.82	51.07
	26	43.04	44.11	45.19	46.32	47.45	48.63	49.82	51.07	52.31	53.62

***Continue on to next page*

Employee Wage Scale – Non-Represented 2024 Budget

Port of Port Angeles
2024 Budget
Non-Represented Salary Scale

Job Title	Grade	85%	100%	115%
		2024 Range Minimum	2024 Range Midpoint	2024 Range Maximum
Executive Director	19	\$161,799	\$190,351	\$218,904
Port Counsel	18	\$144,464	\$169,957	\$195,450
Deputy Executive Director	17	\$128,946	\$151,702	\$174,456
Director II*	16	\$115,177	\$135,503	\$155,828
Director I*	15	\$102,830	\$120,976	\$139,122
Manager III*	14	\$95,156	\$107,991	\$124,189
Manager II*	13	\$81,957	\$96,420	\$110,883
Manager I*	12	\$74,527	\$87,679	\$100,830
Admin/Supervisor II*	11	\$67,752	\$79,707	\$91,664
Admin/Supervisor I*	10	\$61,577	\$72,444	\$83,311
	9	\$56,004	\$65,887	\$75,771
	8	\$50,922	\$59,909	\$68,896
	7	\$46,278	\$54,445	\$62,612
Security Full Time	6	\$42,071	\$49,496	\$56,920
	5	\$38,247	\$44,996	\$51,746
Security Part Time	4	\$34,804	\$40,947	\$47,088
JWM Summer Help	3	\$31,935	\$37,219	\$42,802
N/A due to minimum wage	2			
N/A due to minimum wage	1			

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

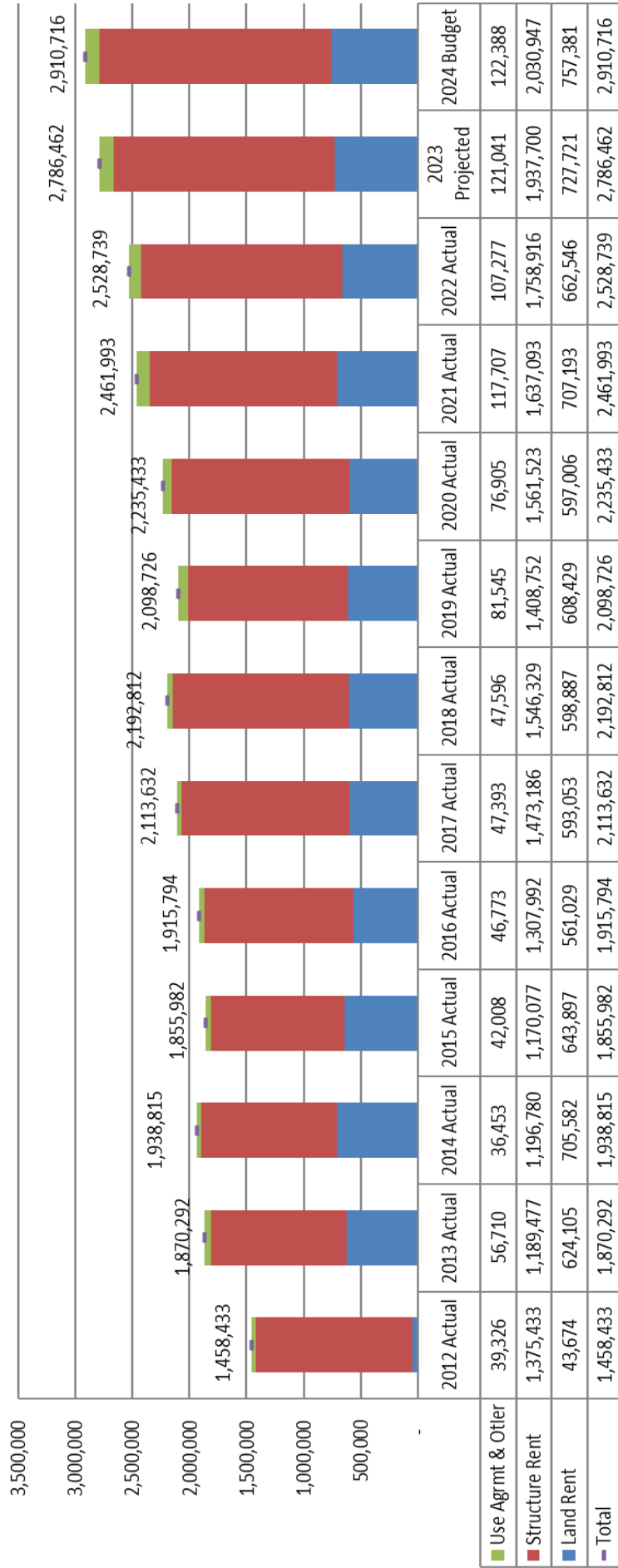
Managers & Professional Staff:

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

Senior Management:

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

Lease Revenues - All Lines of Business



List of Abbreviations

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



SPECIAL COMMISSION MEETING
Tuesday, October 17, 2023, at 9:00 am
338 West First Street, Port Angeles, WA 98362
MINUTES

The Regular Commission Meeting will be available to the public in person and remotely. For instructions on how to connect to the meeting remotely, please visit <https://portofpa.com/about-us/agenda-center/>

Connie Beauvais, Commissioner	Chris Hartman, Dir. of Engineering
Steve Burke, Commissioner	Caleb McMahon, Dir. of Econ. Development
Colleen McAleer, Commissioner	Braedi Joutsen, Clerk to the Board
Paul Jarkiewicz, Executive Director	John Nutter, Dir. of Finance & Admin

I. CALL TO ORDER / PLEDGE OF ALLEGIANCE (0:00-0:32)

Comm. Beauvais called the meeting to order at 9:00 am.

II. EARLY PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES) (0:33-3:25)

Jeff Well, Port Angeles, WA – As officer of Rite Bros. made comment regarding chart air services.

III. APPROVAL OF AGENDA (3:26-3:35)

- Motion to approve the agenda as presented: Comm. McAleer
- 2nd: Comm. Beauvais
- Vote: 3-0 (Unanimous)

IV. WORK SESSION (3:36-1:51:40)

A. Tariff/Rate Discussion

- Presentation: Paul Jarkiewicz & John Nutter
- Discussion
- No Action

B. Introduce Operating Budget

- Presentation: John Nutter
- Discussion
- No Action

V. APPROVAL OF CONSENT AGENDA (1:51:41-1:52:17)

A. Regular Commission Meeting Minutes, October 10, 2023

B. Vouchers in the amount of \$98,004.13

- Motion to approve the consent agenda: Comm. McAleer
- 2nd: Comm. Beauvais
- Vote: 3-0 (Unanimous)

VI. COMPLETION OF RECORDS

No items

VII. PLANNING AND CAPITAL PROJECTS (1:52:18-1:59:47)

A. Fairchild Int'l Airport Runway Rehabilitation – Contract Change Order Approval

- Presentation: Chris Hartman
- Discussion
- Motion to authorize the Executive Director to execute Change Order 06 with Lakeside Industries Inc. for the William R. Fairchild International Airport Runway 8-26 Rehabilitation Project for a total amount of Ninety Thousand Six Hundred and Fifty-Eight Dollars and Fifty-Nine Cents (\$90,658.59), which includes Washington State Sales Tax: Comm. Burke
- 2nd: Comm. McAleer
- Vote: 3-0 (Unanimous)



VIII. LOG YARD

No items

IX. MARINE TRADES AND MARINE TERMINALS

No items

X. PROPERTY (1:59:48-2:03:04)

- A. CRTC Lease – First Touch
 - Presentation: Caleb McMahon
 - Discussion
 - No Action

XI. MARINAS

No items

XII. AIRPORTS

No items

XIII. OTHER BUSINESS

No items

XIV. COMMISSIONER REPORTS (2:03:05-2:12:35)

Comm. Beauvis and Comm. McAleer shared that they both attended the National Maritime Heritage Launch meeting last week. The meeting was put on by the National Park Service to set up more maritime heritage areas throughout the states.

Comm. Burke attended the EDC Roundtable meeting on Maritime last week and felt the meeting was very good. The meeting was well attended by a plethora of local maritime constituents.

XV. PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES) (2:12:37-2:12:52)

None

XVI. FUTURE AGENDA

XVII. NEXT MEETINGS (2:12:53-2:17:29)

- A. October 23, 2023 – Special Joint Meeting with BOCC @ County at 11:00 am
- B. October 24, 2023 – Special Commission Meeting – Starting at 8:00 am
- C. November 7, 2023 - Special Commission Meeting – Open Public Hearing
- D. November 14, 2023 – Regular Commission Meeting – Close Public Hearing
- E. December 12, 2023 – Special Commission Meeting @ FIA Airport Meeting Room

XVIII. UPCOMING EVENTS (2:17:30-2:18:20)

- A. Carbon Friendly Forestry Conference – November 1/8/15, 2023 – Virtual
- B. Pacific Marine Expo – November 8-10, 2023 – Seattle, WA
- C. International Workboat Show- November 29-December 1 - New Orleans, LA
- D. WPPA Annual Meeting – December 6-8, 2023 – Vancouver, WA

BROWN BAG LUNCH AND OPEN DISCUSSION WITH THE COMMISSION (TIME PERMITTING)

XIX. EXECUTIVE SESSION (2:18:21-2:20:23)



The Board may recess into Executive Session for those purposes authorized under Chapter 42.30 RCW, The Open Public Meetings Act.

- Comm. Beauvais advised that the Commission would convene an executive session; the anticipated length of the executive session is 45 minutes. The Commission may take action in public sessions following the executive session.
- Discussion: One (1) item concerning real estate sale, purchase, or lease if a likelihood that disclosure would increase the price. Discussing such matters in executive session is appropriate pursuant to RCW 42.30.110(1)(b). Two (2) items concerning the legal risk of a proposed action that the agency has identified when public discussion of the legal risks is likely to result in an adverse legal or financial consequence to the Port. Discussing such matters in executive session is appropriate pursuant to RCW 42.30.110(1)(i).
- Start Time: 11:25 am
- Recess: 7 minutes
- Extended: 1 hour
- End Time: 1:10 pm

Public Session of Commission Meeting Reconvened: 1:10 pm

XX. ADJOURN (2:20:24-2:20:28)

Comm. Beauvais adjourned the meeting at 1:10 pm

PORT OF PORT ANGELES
BOARD OF COMMISSIONERS

Connie Beauvais, President

Steven Burke, Secretary

**PORT OF PORT ANGELES
GENERAL FUND – LETTER OF TRANSMITTAL
VOUCHER APPROVAL**

We, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due, and unpaid obligation against the Port of Port Angeles, and that we are authorized to authenticate and certify to said claim.

SUMMARY TRANSMITTAL October 12, 2023 – October 19, 2023

Accounts Payable

	Begin Check #	End Check #		
For General Expenses and Construction				
Accts Payable Checks (computer)	417643	417658	\$	62,148.07
VOIDED/ZERO PAYABLE CHECKS			\$	-
Accts Payable ACH	001978	001997	\$	203,963.51
Wire Transfer – Excise Tax				
Wire Transfer - Leasehold Tax				
Total General Expenses and Construction			\$	266,111.58
Payroll				
Employee Payroll – Draws Checks	807376	807398	\$	33,475.00
Voided Payroll Check			\$	-
Voided Checks ==Stub Overrun==				
Employee Payroll Checks PPD (Direct Dep)			\$	-
Voided direct deposit chks			\$	-
Wire Transfer – (Payroll Taxes, Retirement, Deferred Comp, L&I, OASI, PMFL)			\$	10,111.57
Total Payroll			\$	43,586.57
Total General Exp & Payroll			\$	309,698.15

Date: October 24, 2023

Port Representative

Port Representative

Commissioner, Steven D. Burke

Commissioner, Connie Beauvais

Commissioner, Colleen McAleer

3rd Quarter 2023 Financial Summary

- > Primary economic driver continues to be timber and wood product exports
- > 4 log ships YTD - 4 full loads 21.9 mmbf - annual budget 32mmbf / 6 ships (1 more in Oct)
- > 12 chips barges YTD loading 56.2K metric tons - annual budget is 32 barges and 80K metric tons
- > Total log ship revenue = \$856,823, total chip barge revenue = \$230,422
- > YTD Q3 2023 operating revenue and operating surplus strongest in 5 years
- > Log yard has been exceptionally busy - revenue 42% over budget with significant equipment repairs

Department Specific Comments:

Marine Terminal

Operating surplus \$150K (12%) above budget due to high activity levels
Other user fees \$181K over budget due to new billing method for wood chip management, was previously included in the wharfage revenue.

Marine Trades Area

Boatyard, travel lift pier, and washdown pad all busier than budgeted, revenue \$38K over budget
Limited maintenance needs and other costs resulted in operating surplus \$101k above budget

Log Yard

Revenue \$271K (42%) over budget due to high volumes and activity levels
Supplies \$68K over budget - \$38K for fuel and \$30K for one time expense for chains and bouys
Machine maintenance \$85K over budget for repairs needed for current and future volumes

Airports

Revenues above budget and expenses below budget resulting in \$95K positive variance
Airport Rentals Properties - Marketing and demand has resulted in a surplus \$136K over budget

Marinas

Total revenues on budget, consistent with seasonal expectations
PABH outside service expense includes \$77K that was grant reimbursed, also more maint labor
JWM fuel sales have been slow (partly seasonal) leading to offsetting variances (rev & exp)

Maintenance

Mechanical maint \$22K over budget - some infrequent expenses and tools for new equipment
Facility maintenance \$55K under budget for the department. All but \$26K of \$740K charged out

Administration

Admin / Econ Dev combined expenses within \$81K (5%) of budget, mainly due to new hires
YTD Interest earnings of \$655K - \$430K over budget (YTD Sept 2022 was \$103K)
YTD Interest expense (all depts) = \$14K, well below budget. Did not execute \$1M coffer dam loan
Environmental expenses \$88k (61%) under budget, may reverse in second half of the year
Overall operating financial result for YTD Q3 2023 - Op surplus of \$1.8M, \$456K over budget

Port of Port Angeles**YTD Qtr3 Financial Report - 2019 to 2023**

	YTD Q3 <u>2019</u>	YTD Q3 <u>2020</u>	YTD Q3 <u>2021</u>	YTD Q3 <u>2022</u>	YTD Q3 <u>2023</u>
<u>OPERATING REVENUES</u>					
DOCKAGE	671,415	851,206	937,212	829,083	817,173
WHARFAGE	387,279	356,979	448,444	302,984	346,719
SERVICE & FACILITIES	239,759	217,245	277,999	187,346	214,286
MT HANDLING	180,785	181,914	195,506	15,279	0
LABOR SERVICES / SECURITY FEE	150,023	186,917	250,169	221,987	170,959
LOG YARD STAGING	37,596	29,479	32,490	33,410	31,837
LOG YARD LAND SERVICES	366,589	217,088	313,492	508,901	601,169
LOG YARD WATER SERVICES	74,506	59,972	23,539	36,552	84,797
MOORAGE	1,752,481	1,838,924	1,984,848	2,101,966	2,287,803
MARINA & YARD FEES	256,681	257,776	286,297	320,242	352,765
LANDING/PARKING FEES	5,389	5,437	6,746	7,909	16,474
HANGAR/TIE DOWN	90,423	94,045	104,434	114,581	121,973
OTHER USER FEES	134,224	221,769	240,935	99,528	275,054
EQUIPMENT RENTAL	213,390	209,459	250,529	227,593	226,983
LAND LEASE/RENT	473,351	463,402	544,116	489,428	540,053
STRUCTURE LEASE/RENT	1,053,916	1,157,375	1,244,480	1,273,191	1,502,936
USE AGMT AND OTHER RENT	60,190	73,206	88,296	89,516	96,861
UTILITY PASS THRU & PRODUCT SALES	570,027	546,301	691,619	679,820	611,787
MISC & INTERDEPT REVENUE	13,925	6,287	10,453	10,595	13,926
TOTAL OPERATING REVENUES	<u>6,731,949</u>	<u>6,974,781</u>	<u>7,931,604</u>	<u>7,549,911</u>	<u>8,313,555</u>
<u>OPERATING EXPENSES</u>					
SALARIES, WAGES & BENEFITS	2,574,225	2,511,781	2,453,747	2,355,868	2,614,432
SUPPLIES	226,711	170,363	247,709	280,897	378,960
OUTSIDE SERVICES	1,017,045	955,375	1,646,904	764,731	776,299
PUBLIC INFORMATION	126,755	96,670	99,473	96,347	112,915
MARKETING	23,913	15,861	10,370	11,664	14,300
COMMUNITY RELATIONS	15,903	0	1,813	0	5,785
ADS, DUES & PUBLICATIONS	42,847	37,496	33,017	30,635	27,436
TRAVEL MEETINGS	37,908	11,623	9,869	9,876	13,133
TRAVEL/TRAINING	34,950	10,488	19,267	8,953	20,062
PROMO HOSTING, TRADE & INDUSTRIAL DEV	4,891	801	1,328	948	3,197
RENT, UTILITIES, INSURANCE, TAXES	825,175	892,826	932,604	940,415	919,558
UTILITY (Pass Thru) & COST OF GOODS SOLD	409,706	431,189	522,135	480,932	441,875
OTHER EXPENSES (Misc & Interdept)	72,959	59,718	71,799	53,035	63,391
MAINTENANCE LABOR & BENEFITS	611,315	587,036	680,286	688,658	740,129
MAINTENANCE (Materials & Services)	205,518	306,079	251,906	325,963	337,874
TOTAL OPERATING EXPENSES	<u>6,229,821</u>	<u>6,087,306</u>	<u>6,982,227</u>	<u>6,048,922</u>	<u>6,469,346</u>
OPERATING SURPLUS (DEFICIT) (before Depr)	502,128	887,475	949,377	1,500,989	1,844,209
DEPRECIATION (includes donated assets)	1,919,351	1,998,886	2,037,763	2,039,916	2,014,010
OPERATING SURPLUS (DEFICIT) (after Depr)	<u>(1,417,223)</u>	<u>(1,111,411)</u>	<u>(1,088,386)</u>	<u>(538,927)</u>	<u>(169,801)</u>

Port of Port Angeles - 2023

OPERATING REVENUES	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
DOCKAGE	34,205	99,013	43,442	93,303	81,358	81,363	193,422	87,398	103,670	817,174
WHARFAGE	5,489	73,887	11,511	74,449	5,429	11,499	151,436	4,171	8,847	346,718
SERVICE & FACILITIES	3,126	45,389	7,161	45,773	3,712	7,861	92,367	2,852	6,045	214,286
MT HANDLING	0	0	0	0	0	0	0	0	0	0
LABOR SERVICES / SECURITY FEE	12,830	23,860	7,475	16,250	26,596	8,354	27,684	22,560	25,350	170,959
LOG YARD STAGING	5,128	885	7,528	1,354	3,763	4,942	4,426	3,811	0	31,837
LOG YARD LAND SERVICES	47,035	41,671	93,191	65,729	74,949	90,201	54,750	79,147	54,497	601,170
LOG YARD WATER SERVICES	10,743	632	22,382	0	2,534	18,642	16,048	13,816	0	84,797
MOORAGE	221,668	225,769	232,142	251,729	262,536	279,130	281,410	268,348	265,071	2,287,803
MARINA & YARD FEES	36,552	24,621	46,393	55,956	36,626	58,828	39,725	35,191	18,873	352,765
LANDING/PARKING FEES	1,834	1,649	1,695	1,712	1,528	1,901	1,657	1,486	3,013	16,475
HANGAR/TIE DOWN	13,403	13,330	13,501	13,682	13,950	13,272	13,712	13,601	13,521	121,972
OTHER USER FEES	28,685	16,227	52,409	28,199	28,296	40,587	17,971	27,597	35,084	275,055
EQUIPMENT RENTAL	9,145	27,875	18,456	36,825	27,138	22,681	57,294	13,697	13,872	226,983
LAND LEASE/RENT	58,177	64,392	58,829	58,829	59,577	59,659	59,946	60,273	60,372	540,054
STRUCTURE LEASE/RENT	155,786	162,089	172,440	167,881	167,968	164,424	168,563	174,045	169,741	1,502,937
USE AGMT AND OTHER RENT	9,816	7,693	13,800	12,993	9,068	12,870	9,967	10,218	10,435	96,860
UTILITY PASS THRU & PRODUCT SALES	62,572	46,058	45,772	42,293	86,692	75,407	99,675	75,412	77,906	611,787
MISC & INTERDEPT REVENUE	1,068	1,275	2,148	2,297	2,512	916	961	1,323	1,425	13,925
TOTAL OPERATING REVENUES	717,262	876,315	850,275	969,254	894,232	952,537	1,291,014	894,946	867,722	8,313,557
OPERATING EXPENSES										
SALARIES, WAGES & BENEFITS	298,111	279,177	281,628	281,274	285,816	288,510	291,187	302,655	306,074	2,614,432
SUPPLIES	34,021	33,426	33,860	65,109	41,001	41,346	30,363	42,030	57,804	378,960
OUTSIDE SERVICES	85,742	85,530	151,790	67,778	66,900	77,050	92,297	78,135	71,077	776,299
PUBLIC INFORMATION	11,003	10,456	10,923	10,432	15,306	15,994	17,299	9,967	11,535	112,915
MARKETING	510	510	3,960	827	510	645	4,095	1,095	2,148	14,300
COMMUNITY RELATIONS	0	0	0	0	0	1,495	4,290	0	0	5,785
ADS, DUES & PUBLICATIONS	22,914	1,371	549	185	762	0	169	800	685	27,435
TRAVEL MEETINGS	1,918	1,654	771	812	553	552	4,517	1,171	1,185	13,133
TRAVEL/TRAINING	951	2,638	767	1,364	3,858	4,505	3,635	1,672	671	20,061
PROMO HOSTING, TRADE & INDUSTRIAL DEV	121	0	161	247	77	213	2,076	248	53	3,196
RENT, UTILITIES, INSURANCE, TAXES	106,385	105,453	106,283	135,483	101,496	97,687	92,191	80,114	94,466	919,558
UTILITY (Pass Thru) & COST OF GOODS SOLD	45,991	35,438	38,865	31,118	55,861	53,517	72,486	55,295	53,304	441,875
OTHER EXPENSES (Misc & Interdept)	4,435	6,476	3,344	4,645	5,647	6,877	5,714	18,163	8,090	63,391
MAINTENANCE LABOR & BENEFITS	79,728	74,835	104,026	81,091	71,701	77,198	80,175	89,554	81,819	740,127
MAINTENANCE (Materials & Services)	27,846	18,312	35,564	31,050	35,955	49,123	54,742	42,531	42,752	337,875
TOTAL OPERATING EXPENSES	719,676	655,276	772,491	711,415	685,443	714,712	755,236	723,430	731,663	6,469,342
OPERATING SURPLUS (DEFICIT) (before Depr)	(2,414)	221,039	77,784	257,839	208,789	237,825	535,778	171,516	136,059	1,844,215
DEPRECIATION (includes donated assets)	223,360	223,640	223,642	223,402	223,417	224,983	225,017	223,188	223,325	2,013,974
OPERATING SURPLUS (DEFICIT) (after Depr)	(225,774)	(2,601)	(145,858)	34,437	(14,628)	12,842	310,761	(51,672)	(87,266)	(169,759)
% of depreciation covered by operating surplus	-1%	99%	35%	115%	93%	106%	238%	77%	61%	92%

Port of Port Angeles
Summary of All Units
Account Summary: Budget to Actual Variance
For the Nine Months Ending Saturday, September 30, 2023

	September 2023 Variance Report				
	YTD ACTUAL	YTD BUDGET	OVER (UNDER) BUDGET \$	OVER (UNDER) BUDGET %	ANNUAL BUDGET
OPERATING REVENUES					
DOCKAGE	817,173	712,508	104,665	15%	950,000
WHARFAGE	346,719	366,794	(20,075)	(5%)	489,056
SERVICE & FACILITIES	214,286	217,496	(3,210)	(1%)	290,000
MT HANDLING	0	7,504	(7,504)	(100%)	10,000
LABOR SERVICES / SECURITY FEE	170,959	221,242	(50,283)	(23%)	295,000
LOG YARD STAGING	31,837	33,750	(1,913)	(6%)	45,000
LOG YARD LAND SERVICES	601,169	363,752	237,417	65%	485,000
LOG YARD WATER SERVICES	84,797	71,252	13,545	19%	95,000
MOORAGE	2,287,803	2,288,209	(406)	0%	3,050,954
MARINA & YARD FEES	352,765	327,227	25,538	8%	436,290
LANDING/PARKING FEES	16,474	6,823	9,651	141%	9,100
HANGAR/TIE DOWN	121,973	123,158	(1,185)	(1%)	164,212
OTHER USER FEES	275,054	75,206	199,848	266%	100,280
EQUIPMENT RENTAL	226,983	229,566	(2,583)	(1%)	306,084
LAND LEASE/RENT	540,053	503,350	36,703	7%	671,130
STRUCTURE LEASE/RENT	1,502,936	1,293,138	209,798	16%	1,724,181
USE AGMT AND OTHER RENT	96,861	81,222	15,639	19%	108,291
UTILITY PASS THRU & PRODUCT SALES	611,787	673,451	(61,664)	(9%)	897,926
MISC & INTERDEPT REVENUE	13,925	19,737	(5,812)	(29%)	26,313
TOTAL OPERATING REVENUES	8,313,555	7,615,385	698,170	9%	10,153,817
OPERATING EXPENSES					
SALARIES, WAGES & BENEFITS	2,614,432	2,428,396	186,036	8%	3,237,861
SUPPLIES	378,960	267,290	111,670	42%	356,385
OUTSIDE SERVICES	776,299	800,216	(23,917)	(3%)	1,066,929
PUBLIC INFORMATION	112,915	94,354	18,561	20%	125,795
MARKETING	14,300	17,254	(2,954)	(17%)	23,005
COMMUNITY RELATIONS	5,785	1,872	3,913	209%	2,500
ADS, DUES & PUBLICATIONS	27,436	25,170	2,266	9%	33,543
TRAVEL MEETINGS	13,133	22,044	(8,911)	(40%)	29,410
TRAVEL/TRAINING	20,062	18,830	1,232	7%	25,100
PROMOTIONAL HOSTING, TRADE & INDUSTRIAL DEV	3,197	7,126	(3,929)	(55%)	9,500
RENT, UTILITIES, INSURANCE, TAXES	919,558	980,967	(61,409)	(6%)	1,307,984
UTILITY (Pass Thru) & COST OF GOODS SOLD	441,875	540,765	(98,890)	(18%)	720,988
OTHER EXPENSES (Misc & Interdept)	63,391	49,735	13,656	27%	66,304
MAINTENANCE LABOR & BENEFITS	740,129	714,537	25,592	4%	952,702
MAINTENANCE (Materials & Services)	337,875	259,169	78,706	30%	345,550
TOTAL OPERATING EXPENSES	6,469,346	6,227,725	241,621	4%	8,303,556
OPERATING SURPLUS (DEFICIT) (before Depr)	1,844,209	1,387,660	456,549	33%	1,850,261
DEPRECIATION (includes donated assets)	2,014,010	2,093,673	(79,663)	(4%)	2,791,570
OPERATING SURPLUS (DEFICIT) (after Depr & before Allocation)	(169,801)	(706,013)	536,212	(76%)	(941,309)
ALLOCATED EXPENSES	0	1	(1)	(100%)	(2)
NET OPERATING SURPLUS (DEFICIT)	(169,801)	(706,014)	536,213	(76%)	(941,307)
NON-OP GENERAL REVENUES					
INTEREST EARNINGS	655,508	225,000	430,508	191%	300,000
OTHER TAX RECEIPTS	127,638	105,003	22,635	22%	140,000
MISC NON OP REVENUES	3,198	5,247	(2,049)	(39%)	7,000
GRANTS - OPERATIONS	77,024	3,830,475	(3,753,451)	(98%)	7,660,950
PASSENGER FACILITY CHARGES (PFC'S)	0	1,125	(1,125)	(100%)	1,500
GAIN (LOSS) & SPECIAL ITEMS	4,893	0	4,893	0%	0
TOTAL NON-OP GENERAL REV	868,262	4,166,850	(3,298,588)	(79%)	8,109,450

Report: _Bud v Act Sum - by CATEGORY TYPE Printed on: 10/19/2023 3:42 PM
Row: Inc Stmt Acct Sum with Salaries Condensed Column: ACTUAL TO BUDGET

Port of Port Angeles
Summary of All Units
Account Summary: Budget to Actual Variance
For the Nine Months Ending Saturday, September 30, 2023

	<i>September 2023 Variance Report</i>				
	<u>YTD</u> ACTUAL	<u>YTD</u> BUDGET	<u>OVER (UNDER)</u> BUDGET \$	<u>OVER (UNDER)</u> BUDGET %	<u>ANNUAL</u> BUDGET
NON-OP GENERAL EXPENSES					
ENVIRONMENTAL	69,247	217,494	(148,247)	(68%)	290,000
MISC NON OP EXPENSE	6,962	192,750	(185,788)	(96%)	368,000
TOTAL NON-OP GENERAL EXP	76,210	410,244	(334,034)	(81%)	658,000
NET NON-OP GENERAL SURPLUS (DEFICIT)	792,052	3,756,606	(2,964,554)	(79%)	7,451,450
NON-OP CAPITAL REVENUES					
PROPERTY TAX RECEIPTS	1,266,272	1,252,503	13,769	1%	1,670,000
GRANTS - CAPITAL	5,130,461	0	5,130,461	0%	0
TOTAL NON-OP CAPITAL REV	6,396,733	1,252,503	5,144,230	411%	1,670,000
NON-OP CAPITAL EXPENSES					
BOND COSTS & INTEREST EXPENSE	35,687	94,630	(58,943)	(62%)	126,175
TOTAL NON-OP CAPITAL EXP	35,687	94,630	(58,943)	(62%)	126,175
NET NON-OP CAPITAL SURPLUS (DEFICIT)	6,361,046	1,157,873	5,203,173	449%	1,543,825
NET NON-OP SURPLUS (DEFICIT)	7,153,098	4,914,479	2,238,619	46%	8,995,275
TOTAL NET SURPLUS (DEFICIT) (before Depr)	8,997,307	6,302,139	2,695,168	43%	10,845,536
TOTAL NET SURPLUS (DEFICIT) (after Depr & Alloc)	6,983,297	4,208,465	2,774,832	66%	8,053,968

Port of Port Angeles
MARINE TERMINAL
Account Summary: Budget to Actual Variance
For the Nine Months Ending Saturday, September 30, 2023

	September 2023 Variance Report				
	YTD ACTUAL	YTD BUDGET	OVER (UNDER) BUDGET \$	OVER (UNDER) BUDGET %	ANNUAL BUDGET
OPERATING REVENUES					
DOCKAGE	817,173	712,508	104,665	15%	950,000
WHARFAGE	345,233	363,752	(18,519)	(5%)	485,000
SERVICE & FACILITIES	214,286	217,496	(3,210)	(1%)	290,000
MT HANDLING	0	7,504	(7,504)	(100%)	10,000
LABOR SERVICES / SECURITY FEE	170,959	221,242	(50,283)	(23%)	295,000
OTHER USER FEES	200,550	18,748	181,802	970%	25,000
EQUIPMENT RENTAL	5,438	14,996	(9,558)	(64%)	20,000
LAND LEASE/RENT	28,811	37,502	(8,691)	(23%)	50,000
STRUCTURE LEASE/RENT	190,867	172,502	18,365	11%	230,000
UTILITY PASS THRU & PRODUCT SALES	145,761	187,504	(41,743)	(22%)	250,000
MISC & INTERDEPT REVENUE	968	(3,752)	4,720	(126%)	(5,000)
TOTAL OPERATING REVENUES	2,120,047	1,950,002	170,045	9%	2,600,000
OPERATING EXPENSES					
SALARIES, WAGES & BENEFITS	307,134	255,641	51,493	20%	340,863
SUPPLIES	4,768	7,498	(2,730)	(36%)	10,000
OUTSIDE SERVICES	15,459	24,750	(9,291)	(38%)	33,000
PUBLIC INFORMATION	0	189	(189)	(100%)	250
ADS, DUES & PUBLICATIONS	1,277	1,333	(56)	(4%)	1,777
TRAVEL MEETINGS	473	2,250	(1,777)	(79%)	3,000
TRAVEL/TRAINING	1,065	1,198	(133)	(11%)	1,600
PROMOTIONAL HOSTING, TRADE & INDUSTRIAL DEV	90	377	(287)	(76%)	500
RENT, UTILITIES, INSURANCE, TAXES	212,991	182,639	30,352	17%	243,508
UTILITY (Pass Thru) & COST OF GOODS SOLD	97,544	150,002	(52,458)	(35%)	200,000
OTHER EXPENSES (Misc & Interdept)	1,805	748	1,057	141%	1,000
MAINTENANCE LABOR & BENEFITS	116,429	97,498	18,931	19%	130,000
MAINTENANCE (Materials & Services)	7,477	22,500	(15,023)	(67%)	30,000
TOTAL OPERATING EXPENSES	766,510	746,623	19,887	3%	995,498
OPERATING SURPLUS (DEFICIT) (before Depr)	1,353,537	1,203,379	150,158	12%	1,604,502
DEPRECIATION (includes donated assets)	480,266	490,491	(10,225)	(2%)	653,985
OPERATING SURPLUS (DEFICIT) (after Depr & before Allocation)	873,271	712,888	160,383	22%	950,517
ALLOCATED EXPENSES	378,086	341,647	36,439	11%	455,536
NET OPERATING SURPLUS (DEFICIT)	495,185	371,241	123,944	33%	494,981
NON-OP GENERAL REVENUES					
GRANTS - OPERATIONS	0	39,750	(39,750)	(100%)	79,500
TOTAL NON-OP GENERAL REV	0	39,750	(39,750)	(100%)	79,500
NET NON-OP GENERAL SURPLUS (DEFICIT)	0	39,750	(39,750)	(100%)	79,500
NET NON-OP SURPLUS (DEFICIT)	0	39,750	(39,750)	(100%)	79,500
TOTAL NET SURPLUS (DEFICIT) (before Depr)	1,353,537	1,243,129	110,408	9%	1,684,002
TOTAL NET SURPLUS (DEFICIT) (after Depr & Alloc)	495,185	410,991	84,194	20%	574,481

Report: _Bud v Act Sum - by CATEGORY TYPE Printed on: 10/19/2023 3:42 PM
Row: Inc Stmt Acct Sum with Salaries Condensed Column: ACTUAL TO BUDGET

Port of Port Angeles
MARINE TRADES AREA
Account Summary: Budget to Actual Variance
For the Nine Months Ending Saturday, September 30, 2023

	<i>September 2023 Variance Report</i>				
	YTD ACTUAL	YTD BUDGET	OVER (UNDER) BUDGET \$	OVER (UNDER) BUDGET %	ANNUAL BUDGET
OPERATING REVENUES					
MARINA & YARD FEES	188,578	182,250	6,328	3%	243,000
OTHER USER FEES	5,493	6,002	(509)	(8%)	8,000
EQUIPMENT RENTAL	114,657	108,748	5,909	5%	145,000
LAND LEASE/RENT	141,449	142,498	(1,049)	(1%)	190,000
STRUCTURE LEASE/RENT	91,856	86,248	5,608	7%	115,000
USE AGMT AND OTHER RENT	91,393	68,625	22,768	33%	91,500
UTILITY PASS THRU & PRODUCT SALES	0	377	(377)	(100%)	500
TOTAL OPERATING REVENUES	633,426	594,748	38,678	7%	793,000
OPERATING EXPENSES					
SALARIES, WAGES & BENEFITS	50,873	86,390	(35,517)	(41%)	115,187
SUPPLIES	8,455	5,248	3,207	61%	7,000
OUTSIDE SERVICES	63,815	74,998	(11,183)	(15%)	100,000
PUBLIC INFORMATION	0	377	(377)	(100%)	500
MARKETING	0	2,250	(2,250)	(100%)	3,000
ADS, DUES & PUBLICATIONS	757	1,502	(745)	(50%)	2,000
TRAVEL MEETINGS	67	748	(681)	(91%)	1,000
TRAVEL/TRAINING	484	748	(264)	(35%)	1,000
PROMOTIONAL HOSTING, TRADE & INDUSTRIAL DEV	0	748	(748)	(100%)	1,000
RENT, UTILITIES, INSURANCE, TAXES	44,756	55,496	(10,740)	(19%)	74,000
OTHER EXPENSES (Misc & Interdept)	1,976	1,502	474	32%	2,000
MAINTENANCE LABOR & BENEFITS	55,098	64,496	(9,398)	(15%)	86,000
MAINTENANCE (Materials & Services)	31,944	26,252	5,692	22%	35,000
TOTAL OPERATING EXPENSES	258,225	320,755	(62,530)	(19%)	427,687
OPERATING SURPLUS (DEFICIT) (before Depr)	375,201	273,993	101,208	37%	365,313
DEPRECIATION (includes donated assets)	122,507	124,740	(2,233)	(2%)	166,322
OPERATING SURPLUS (DEFICIT) (after Depr & before Allocation)	252,694	149,253	103,441	69%	198,991
ALLOCATED EXPENSES	145,696	183,686	(37,990)	(21%)	244,911
NET OPERATING SURPLUS (DEFICIT)	106,998	(34,433)	141,431	(411%)	(45,920)
NON-OP GENERAL REVENUES					
GRANTS - OPERATIONS	0	250,000	(250,000)	(100%)	500,000
GAIN (LOSS) & SPECIAL ITEMS	(2,725)	0	(2,725)	0%	0
TOTAL NON-OP GENERAL REV	(2,725)	250,000	(252,725)	(101%)	500,000
NET NON-OP GENERAL SURPLUS (DEFICIT)	(2,725)	250,000	(252,725)	(101%)	500,000
NON-OP CAPITAL EXPENSES					
BOND COSTS & INTEREST EXPENSE	10,595	0	10,595	0%	0
TOTAL NON-OP CAPITAL EXP	10,595	0	10,595	0%	0
NET NON-OP CAPITAL SURPLUS (DEFICIT)	(10,595)	0	(10,595)	0%	0
NET NON-OP SURPLUS (DEFICIT)	(13,320)	250,000	(263,320)	(105%)	500,000
TOTAL NET SURPLUS (DEFICIT) (before Depr)	361,881	523,993	(162,112)	(31%)	865,313

Report: _Bud v Act Sum - by CATEGORY TYPE Printed on: 10/19/2023 3:42 PM
Row: Inc Stmt Acct Sum with Salaries Condensed Column: ACTUAL TO BUDGET

Port of Port Angeles
LOG YARD
Account Summary: Budget to Actual Variance
For the Nine Months Ending Saturday, September 30, 2023

	September 2023 Variance Report				
	YTD ACTUAL	YTD BUDGET	OVER (UNDER) BUDGET \$	OVER (UNDER) BUDGET %	ANNUAL BUDGET
OPERATING REVENUES					
LOG YARD STAGING	31,837	33,750	(1,913)	(6%)	45,000
LOG YARD LAND SERVICES	601,169	363,752	237,417	65%	485,000
LOG YARD WATER SERVICES	84,797	71,252	13,545	19%	95,000
OTHER USER FEES	52,206	33,750	18,456	55%	45,000
EQUIPMENT RENTAL	94,501	93,752	749	1%	125,000
STRUCTURE LEASE/RENT	41,175	37,502	3,673	10%	50,000
UTILITY PASS THRU & PRODUCT SALES	11,023	11,250	(227)	(2%)	15,000
MISC & INTERDEPT REVENUE	0	0	0	0%	0
TOTAL OPERATING REVENUES	916,708	645,008	271,700	42%	860,000
OPERATING EXPENSES					
SALARIES, WAGES & BENEFITS	443,838	329,124	114,714	35%	438,840
SUPPLIES	180,730	112,500	68,230	61%	150,000
OUTSIDE SERVICES	19,196	37,502	(18,306)	(49%)	50,000
MARKETING	0	748	(748)	(100%)	1,000
TRAVEL MEETINGS	0	748	(748)	(100%)	1,000
TRAVEL/TRAINING	1,161	748	413	55%	1,000
PROMOTIONAL HOSTING, TRADE & INDUSTRIAL DEV	0	1,502	(1,502)	(100%)	2,000
RENT, UTILITIES, INSURANCE, TAXES	35,432	89,240	(53,808)	(60%)	119,000
UTILITY (Pass Thru) & COST OF GOODS SOLD	18,928	15,002	3,926	26%	20,000
OTHER EXPENSES (Misc & Interdept)	7,139	748	6,391	854%	1,000
MAINTENANCE LABOR & BENEFITS	142,048	112,500	29,548	26%	150,000
MAINTENANCE (Materials & Services)	142,139	86,254	55,885	65%	115,000
TOTAL OPERATING EXPENSES	990,610	786,616	203,994	26%	1,048,840
OPERATING SURPLUS (DEFICIT) (before Depr)	(73,902)	(141,608)	67,706	(48%)	(188,840)
DEPRECIATION (includes donated assets)	182,805	243,198	(60,393)	(25%)	324,261
OPERATING SURPLUS (DEFICIT) (after Depr & before Allocation)	(256,707)	(384,806)	128,099	(33%)	(513,101)
ALLOCATED EXPENSES	538,421	441,873	96,548	22%	589,157
NET OPERATING SURPLUS (DEFICIT)	(795,129)	(826,679)	31,550	(4%)	(1,102,258)
NET NON-OP SURPLUS (DEFICIT)	0	0	0	0%	0
TOTAL NET SURPLUS (DEFICIT) (before Depr)	(795,129)	(826,679)	67,706	(48%)	(188,840)
TOTAL NET SURPLUS (DEFICIT) (after Depr & Alloc)	(795,129)	(826,679)	31,550	(4%)	(1,102,258)

**Port of Port Angeles
FAIRCHILD AIRPORT
Account Summary: Budget to Actual Variance
For the Nine Months Ending Saturday, September 30, 2023**

	September 2023 Variance Report				
	YTD ACTUAL	YTD BUDGET	OVER (UNDER) BUDGET \$	OVER (UNDER) BUDGET %	ANNUAL BUDGET
OPERATING REVENUES					
LANDING/PARKING FEES	15,670	6,823	8,847	130%	9,100
HANGAR/TIE DOWN	109,201	111,160	(1,959)	(2%)	148,212
OTHER USER FEES	5,171	9,748	(4,577)	(47%)	13,000
LAND LEASE/RENT	51,255	38,998	12,257	31%	52,000
STRUCTURE LEASE/RENT	116,992	108,748	8,244	8%	145,000
UTILITY PASS THRU & PRODUCT SALES	22,475	19,502	2,973	15%	26,000
MISC & INTERDEPT REVENUE	439	15,002	(14,563)	(97%)	20,000
TOTAL OPERATING REVENUES	321,203	309,981	11,222	4%	413,312
OPERATING EXPENSES					
SALARIES, WAGES & BENEFITS	75,615	86,628	(11,013)	(13%)	115,504
SUPPLIES	15,092	7,498	7,594	101%	10,000
OUTSIDE SERVICES	9,273	7,397	1,876	25%	9,860
PUBLIC INFORMATION	0	1,817	(1,817)	(100%)	2,420
MARKETING	0	414	(414)	(100%)	550
ADS, DUES & PUBLICATIONS	1,856	114	1,742	1528%	150
TRAVEL MEETINGS	742	3,123	(2,381)	(76%)	4,165
TRAVEL/TRAINING	342	1,125	(783)	(70%)	1,500
RENT, UTILITIES, INSURANCE, TAXES	77,574	154,083	(76,509)	(50%)	205,435
UTILITY (Pass Thru) & COST OF GOODS SOLD	21,133	17,327	3,806	22%	23,108
OTHER EXPENSES (Misc & Interdept)	246	0	246	0%	0
MAINTENANCE LABOR & BENEFITS	150,086	146,898	3,188	2%	195,866
MAINTENANCE (Materials & Services)	23,259	28,502	(5,243)	(18%)	38,000
TOTAL OPERATING EXPENSES	375,219	454,926	(79,707)	(18%)	606,558
OPERATING SURPLUS (DEFICIT) (before Depr)	(54,016)	(144,945)	90,929	(63%)	(193,246)
DEPRECIATION (includes donated assets)	454,527	480,125	(25,598)	(5%)	640,169
OPERATING SURPLUS (DEFICIT) (after Depr & before Allocation)	(508,543)	(625,070)	116,527	(19%)	(833,415)
ALLOCATED EXPENSES	180,677	231,382	(50,705)	(22%)	308,514
NET OPERATING SURPLUS (DEFICIT)	(689,220)	(856,452)	167,232	(20%)	(1,141,929)
NON-OP GENERAL REVENUES					
GRANTS - OPERATIONS	0	3,425,000	(3,425,000)	(100%)	6,850,000
TOTAL NON-OP GENERAL REV	0	3,425,000	(3,425,000)	(100%)	6,850,000
NET NON-OP GENERAL SURPLUS (DEFICIT)	0	3,425,000	(3,425,000)	(100%)	6,850,000
NON-OP CAPITAL REVENUES					
GRANTS - CAPITAL	5,125,961	0	5,125,961	0%	0
TOTAL NON-OP CAPITAL REV	5,125,961	0	5,125,961	0%	0
NON-OP CAPITAL EXPENSES					
BOND COSTS & INTEREST EXPENSE	10,785	0	10,785	0%	0
TOTAL NON-OP CAPITAL EXP	10,785	0	10,785	0%	0
NET NON-OP CAPITAL SURPLUS (DEFICIT)	5,115,176	0	5,115,176	0%	0
NET NON-OP SURPLUS (DEFICIT)	5,115,176	3,425,000	1,690,176	49%	6,850,000

Report: _Bud v Act Sum - by CATEGORY TYPE Printed on: 10/19/2023 3:42 PM
Row: Inc Stmt Acct Sum with Salaries Condensed Column: ACTUAL TO BUDGET

Port of Port Angeles
FAIRCHILD AIRPORT
Account Summary: Budget to Actual Variance
For the Nine Months Ending Saturday, September 30, 2023

	<i>September 2023 Variance Report</i>				
	YTD	YTD	OVER (UNDER)	OVER (UNDER)	ANNUAL
	ACTUAL	BUDGET	BUDGET \$	BUDGET %	BUDGET
TOTAL NET SURPLUS (DEFICIT) (before Depr)	5,061,160	3,280,055	1,781,105	54%	6,656,754
TOTAL NET SURPLUS (DEFICIT) (after Depr & Alloc)	4,425,956	2,568,548	1,857,408	72%	5,708,071

**Port of Port Angeles
SEKIU AIRPORT**
Account Summary: Budget to Actual Variance
For the Nine Months Ending Saturday, September 30, 2023

	September 2023 Variance Report				
	YTD ACTUAL	YTD BUDGET	OVER (UNDER) BUDGET \$	OVER (UNDER) BUDGET %	ANNUAL BUDGET
OPERATING REVENUES					
HANGAR/TIE DOWN	12,773	11,998	775	6%	16,000
UTILITY PASS THRU & PRODUCT SALES	450	471	(21)	(4%)	630
MISC & INTERDEPT REVENUE	13	0	13	0%	0
TOTAL OPERATING REVENUES	13,236	12,469	767	6%	16,630
OPERATING EXPENSES					
SALARIES, WAGES & BENEFITS	6,318	4,374	1,944	44%	5,832
SUPPLIES	0	117	(117)	(100%)	150
OUTSIDE SERVICES	2,700	2,835	(135)	(5%)	3,780
TRAVEL MEETINGS	0	180	(180)	(100%)	245
RENT, UTILITIES, INSURANCE, TAXES	6,543	4,986	1,557	31%	6,649
MAINTENANCE LABOR & BENEFITS	3,255	6,372	(3,117)	(49%)	8,500
MAINTENANCE (Materials & Services)	289	3,753	(3,464)	(92%)	5,000
TOTAL OPERATING EXPENSES	19,105	22,617	(3,512)	(16%)	30,156
OPERATING SURPLUS (DEFICIT) (before Depr)	(5,869)	(10,148)	4,279	(42%)	(13,526)
DEPRECIATION (includes donated assets)	1,964	1,998	(34)	(2%)	2,666
OPERATING SURPLUS (DEFICIT) (after Depr & before Allocation)	(7,833)	(12,146)	4,313	(36%)	(16,192)
ALLOCATED EXPENSES	9,757	11,965	(2,208)	(18%)	15,947
NET OPERATING SURPLUS (DEFICIT)	(17,589)	(24,111)	6,522	(27%)	(32,139)
NET NON-OP SURPLUS (DEFICIT)	0	0	0	0%	0
TOTAL NET SURPLUS (DEFICIT) (before Depr)	(5,869)	(10,148)	4,279	(42%)	(13,526)
TOTAL NET SURPLUS (DEFICIT) (after Depr & Alloc)	(17,589)	(24,111)	6,522	(27%)	(32,139)

Port of Port Angeles
FIA NON AERONAUTICAL
Account Summary: Budget to Actual Variance
For the Nine Months Ending Saturday, September 30, 2023

	September 2023 Variance Report				
	YTD ACTUAL	YTD BUDGET	OVER (UNDER) BUDGET \$	OVER (UNDER) BUDGET %	ANNUAL BUDGET
OPERATING REVENUES					
OTHER USER FEES	276	0	276	0%	0
EQUIPMENT RENTAL	11,911	11,253	658	6%	15,000
LAND LEASE/RENT	234,164	220,329	13,835	6%	293,771
STRUCTURE LEASE/RENT	934,917	787,815	147,102	19%	1,050,417
USE AGMT AND OTHER RENT	0	7,127	(7,127)	(100%)	9,500
UTILITY PASS THRU & PRODUCT SALES	21,754	9,000	12,754	142%	12,000
MISC & INTERDEPT REVENUE	1,172	0	1,172	0%	0
TOTAL OPERATING REVENUES	1,204,194	1,035,524	168,670	16%	1,380,688
OPERATING EXPENSES					
SALARIES, WAGES & BENEFITS	68,306	84,899	(16,593)	(20%)	113,190
SUPPLIES	414	1,872	(1,458)	(78%)	2,500
OUTSIDE SERVICES	43,834	27,756	16,078	58%	37,000
MARKETING	5,775	3,375	2,400	71%	4,500
TRAVEL MEETINGS	0	747	(747)	(100%)	1,000
TRAVEL/TRAINING	0	378	(378)	(100%)	500
PROMOTIONAL HOSTING, TRADE & INDUSTRIAL DEV	0	747	(747)	(100%)	1,000
RENT, UTILITIES, INSURANCE, TAXES	143,449	130,869	12,580	10%	174,500
UTILITY (Pass Thru) & COST OF GOODS SOLD	1,692	9,000	(7,308)	(81%)	12,000
OTHER EXPENSES (Misc & Interdept)	3,315	747	2,568	344%	1,000
MAINTENANCE LABOR & BENEFITS	79,400	72,208	7,192	10%	96,281
MAINTENANCE (Materials & Services)	41,163	16,497	24,666	150%	22,000
TOTAL OPERATING EXPENSES	387,348	349,095	38,253	11%	465,471
OPERATING SURPLUS (DEFICIT) (before Depr)	816,846	686,429	130,417	19%	915,217
DEPRECIATION (includes donated assets)	332,600	338,343	(5,743)	(2%)	451,122
OPERATING SURPLUS (DEFICIT) (after Depr & before Allocation)	484,246	348,086	136,160	39%	464,095
ALLOCATED EXPENSES	269,030	312,171	(43,141)	(14%)	416,217
NET OPERATING SURPLUS (DEFICIT)	215,216	35,915	179,301	499%	47,878
NET NON-OP SURPLUS (DEFICIT)	0	0	0	0%	0
TOTAL NET SURPLUS (DEFICIT) (before Depr)	816,846	686,429	130,417	19%	915,217
TOTAL NET SURPLUS (DEFICIT) (after Depr & Alloc)	215,216	35,915	179,301	499%	47,878

Port of Port Angeles
PA BOAT HAVEN (PABH)
Account Summary: Budget to Actual Variance
For the Nine Months Ending Saturday, September 30, 2023

	September 2023 Variance Report				
	YTD ACTUAL	YTD BUDGET	OVER (UNDER) BUDGET \$	OVER (UNDER) BUDGET %	ANNUAL BUDGET
OPERATING REVENUES					
WHARFAGE	1,485	2,879	(1,394)	(48%)	3,836
MOORAGE	1,233,261	1,230,772	2,489	0%	1,641,037
MARINA & YARD FEES	79,638	68,299	11,339	17%	91,060
LANDING/PARKING FEES	78	0	78	0%	0
OTHER USER FEES	9,153	6,958	2,195	32%	9,280
EQUIPMENT RENTAL	475	817	(342)	(42%)	1,084
LAND LEASE/RENT	9,458	10,096	(638)	(6%)	13,459
STRUCTURE LEASE/RENT	29,209	30,573	(1,364)	(4%)	40,764
UTILITY PASS THRU & PRODUCT SALES	98,034	110,097	(12,063)	(11%)	146,796
MISC & INTERDEPT REVENUE	6,619	4,698	1,921	41%	6,263
TOTAL OPERATING REVENUES	1,467,411	1,465,189	2,222	0%	1,953,579
OPERATING EXPENSES					
SALARIES, WAGES & BENEFITS	83,086	84,886	(1,800)	(2%)	113,182
SUPPLIES	6,001	3,762	2,239	60%	5,015
OUTSIDE SERVICES	338,302	266,184	72,118	27%	354,903
PUBLIC INFORMATION	280	1,971	(1,691)	(86%)	2,625
MARKETING	0	360	(360)	(100%)	480
ADS, DUES & PUBLICATIONS	670	198	472	238%	263
TRAVEL MEETINGS	80	378	(298)	(79%)	500
TRAVEL/TRAINING	1,862	0	1,862	0%	0
PROMOTIONAL HOSTING, TRADE & INDUSTRIAL DEV	74	0	74	0%	0
RENT, UTILITIES, INSURANCE, TAXES	114,755	101,213	13,542	13%	134,954
UTILITY (Pass Thru) & COST OF GOODS SOLD	73,695	77,508	(3,813)	(5%)	103,340
OTHER EXPENSES (Misc & Interdept)	648	3,663	(3,015)	(82%)	4,888
MAINTENANCE LABOR & BENEFITS	72,431	33,372	39,059	117%	44,500
MAINTENANCE (Materials & Services)	19,210	15,525	3,685	24%	20,700
TOTAL OPERATING EXPENSES	711,093	589,020	122,073	21%	785,350
OPERATING SURPLUS (DEFICIT) (before Depr)	756,318	876,169	(119,851)	(14%)	1,168,229
DEPRECIATION (includes donated assets)	318,079	290,458	27,621	10%	387,280
OPERATING SURPLUS (DEFICIT) (after Depr & before Allocation)	438,239	585,711	(147,472)	(25%)	780,949
ALLOCATED EXPENSES	355,840	292,909	62,931	21%	390,546
NET OPERATING SURPLUS (DEFICIT)	82,399	292,802	(210,403)	(72%)	390,403
NON-OP GENERAL REVENUES					
MISC NON OP REVENUES	(7,561)	0	(7,561)	0%	0
GRANTS - OPERATIONS	77,024	108,875	(31,851)	(29%)	217,750
TOTAL NON-OP GENERAL REV	69,463	108,875	(39,412)	(36%)	217,750
NET NON-OP GENERAL SURPLUS (DEFICIT)	69,463	108,875	(39,412)	(36%)	217,750
NET NON-OP SURPLUS (DEFICIT)	69,463	108,875	(39,412)	(36%)	217,750
TOTAL NET SURPLUS (DEFICIT) (before Depr)	825,781	985,044	(159,263)	(16%)	1,385,979
TOTAL NET SURPLUS (DEFICIT) (after Depr & Alloc)	151,862	401,677	(249,815)	(62%)	608,153

Report: _Bud v Act Sum - by CATEGORY TYPE Printed on: 10/19/2023 3:42 PM
Row: Inc Stmt Acct Sum with Salaries Condensed Column: ACTUAL TO BUDGET

Port of Port Angeles
JOHN WAYNE MARINA (JWM)
Account Summary: Budget to Actual Variance
For the Nine Months Ending Saturday, September 30, 2023

	September 2023 Variance Report				
	YTD ACTUAL	YTD BUDGET	OVER (UNDER) BUDGET \$	OVER (UNDER) BUDGET %	ANNUAL BUDGET
OPERATING REVENUES					
WHARFAGE	0	163	(163)	(100%)	220
MOORAGE	1,054,542	1,057,437	(2,895)	0%	1,409,917
MARINA & YARD FEES	84,549	76,678	7,871	10%	102,230
LANDING/PARKING FEES	725	0	725	0%	0
OTHER USER FEES	525	0	525	0%	0
LAND LEASE/RENT	748	675	73	11%	900
STRUCTURE LEASE/RENT	35,175	29,998	5,177	17%	40,000
UTILITY PASS THRU & PRODUCT SALES	307,790	331,498	(23,708)	(7%)	442,000
MISC & INTERDEPT REVENUE	4,114	3,789	325	9%	5,050
TOTAL OPERATING REVENUES	1,488,168	1,500,238	(12,070)	(1%)	2,000,317
OPERATING EXPENSES					
SALARIES, WAGES & BENEFITS	296,449	322,426	(25,977)	(8%)	429,901
SUPPLIES	18,312	8,937	9,375	105%	11,920
OUTSIDE SERVICES	17,805	11,250	6,555	58%	15,000
PUBLIC INFORMATION	280	0	280	0%	0
MARKETING	0	360	(360)	(100%)	475
ADS, DUES & PUBLICATIONS	0	198	(198)	(100%)	263
TRAVEL MEETINGS	385	0	385	0%	0
TRAVEL/TRAINING	2,025	0	2,025	0%	0
RENT, UTILITIES, INSURANCE, TAXES	64,627	79,452	(14,825)	(19%)	105,929
UTILITY (Pass Thru) & COST OF GOODS SOLD	227,602	271,323	(43,721)	(16%)	361,740
OTHER EXPENSES (Misc & Interdept)	29,019	27,459	1,560	6%	36,606
MAINTENANCE LABOR & BENEFITS	34,861	47,106	(12,245)	(26%)	62,800
MAINTENANCE (Materials & Services)	25,265	27,747	(2,482)	(9%)	37,000
TOTAL OPERATING EXPENSES	716,629	796,258	(79,629)	(10%)	1,061,634
OPERATING SURPLUS (DEFICIT) (before Depr)	771,539	703,980	67,559	10%	938,683
DEPRECIATION (includes donated assets)	46,659	50,515	(3,856)	(8%)	67,351
OPERATING SURPLUS (DEFICIT) (after Depr & before Allocation)	724,880	653,465	71,415	11%	871,332
ALLOCATED EXPENSES	271,844	300,583	(28,739)	(10%)	400,788
NET OPERATING SURPLUS (DEFICIT)	453,036	352,882	100,154	28%	470,544
NON-OP GENERAL REVENUES					
GRANTS - OPERATIONS	0	6,850	(6,850)	(100%)	13,700
GAIN (LOSS) & SPECIAL ITEMS	(800)	0	(800)	0%	0
TOTAL NON-OP GENERAL REV	(800)	6,850	(7,650)	(112%)	13,700
NET NON-OP GENERAL SURPLUS (DEFICIT)	(800)	6,850	(7,650)	(112%)	13,700
NET NON-OP SURPLUS (DEFICIT)	(800)	6,850	(7,650)	(112%)	13,700
TOTAL NET SURPLUS (DEFICIT) (before Depr)	770,739	710,830	59,909	8%	952,383
TOTAL NET SURPLUS (DEFICIT) (after Depr & Alloc)	452,236	359,732	92,504	26%	484,244

Port of Port Angeles
RENTAL PROPERTY
Account Summary: Budget to Actual Variance
For the Nine Months Ending Saturday, September 30, 2023

	September 2023 Variance Report				
	YTD ACTUAL	YTD BUDGET	OVER (UNDER) BUDGET \$	OVER (UNDER) BUDGET %	ANNUAL BUDGET
OPERATING REVENUES					
OTHER USER FEES	1,680	0	1,680	0%	0
LAND LEASE/RENT	74,168	53,252	20,916	39%	71,000
STRUCTURE LEASE/RENT	62,745	39,752	22,993	58%	53,000
USE AGMT AND OTHER RENT	5,468	5,470	(2)	0%	7,291
UTILITY PASS THRU & PRODUCT SALES	4,502	3,752	750	20%	5,000
MISC & INTERDEPT REVENUE	599	0	599	0%	0
TOTAL OPERATING REVENUES	149,162	102,226	46,936	46%	136,291
OPERATING EXPENSES					
SALARIES, WAGES & BENEFITS	31,345	27,714	3,631	13%	36,948
OUTSIDE SERVICES	10,449	1,350	9,099	674%	1,800
TRAVEL MEETINGS	50	0	50	0%	0
RENT, UTILITIES, INSURANCE, TAXES	25,450	22,896	2,554	11%	30,534
UTILITY (Pass Thru) & COST OF GOODS SOLD	1,281	603	678	112%	800
OTHER EXPENSES (Misc & Interdept)	0	378	(378)	(100%)	500
MAINTENANCE LABOR & BENEFITS	23,128	10,872	12,256	113%	14,500
MAINTENANCE (Materials & Services)	11,088	5,625	5,463	97%	7,500
TOTAL OPERATING EXPENSES	102,791	69,438	33,353	48%	92,582
OPERATING SURPLUS (DEFICIT) (before Depr)	46,372	32,788	13,584	41%	43,709
DEPRECIATION (includes donated assets)	10,325	10,512	(187)	(2%)	14,018
OPERATING SURPLUS (DEFICIT) (after Depr & before Allocation)	36,046	22,276	13,770	62%	29,691
ALLOCATED EXPENSES	56,743	39,419	17,324	44%	52,558
NET OPERATING SURPLUS (DEFICIT)	(20,696)	(17,143)	(3,553)	21%	(22,867)
NON-OP GENERAL REVENUES					
MISC NON OP REVENUES	4,124	0	4,124	0%	0
TOTAL NON-OP GENERAL REV	4,124	0	4,124	0%	0
NET NON-OP GENERAL SURPLUS (DEFICIT)	4,124	0	4,124	0%	0
NET NON-OP SURPLUS (DEFICIT)	4,124	0	4,124	0%	0
TOTAL NET SURPLUS (DEFICIT) (before Depr)	50,496	32,788	17,708	54%	43,709
TOTAL NET SURPLUS (DEFICIT) (after Depr & Alloc)	(16,572)	(17,143)	571	(3%)	(22,867)

Port of Port Angeles
MECHANICAL MAINTENANCE
Account Summary: Budget to Actual Variance
For the Nine Months Ending Saturday, September 30, 2023

	September 2023 Variance Report				
	YTD ACTUAL	YTD BUDGET	OVER (UNDER) BUDGET \$	OVER (UNDER) BUDGET %	ANNUAL BUDGET
OPERATING EXPENSES					
SALARIES, WAGES & BENEFITS	19,394	15,162	4,232	28%	20,217
SUPPLIES	61,288	38,250	23,038	60%	51,000
OUTSIDE SERVICES	8,437	3,528	4,909	139%	4,700
TRAVEL/TRAINING	0	378	(378)	(100%)	500
RENT, UTILITIES, INSURANCE, TAXES	24,108	17,028	7,080	42%	22,700
OTHER EXPENSES (Misc & Interdept)	30	0	30	0%	0
MAINTENANCE LABOR & BENEFITS	12,710	29,167	(16,457)	(56%)	38,876
MAINTENANCE (Materials & Services)	4,419	3,897	522	13%	5,200
TOTAL OPERATING EXPENSES	130,386	107,410	22,976	21%	143,193
OPERATING SURPLUS (DEFICIT) (before Depr)	(130,386)	(107,410)	(22,976)	21%	(143,193)
DEPRECIATION (includes donated assets)	13,052	12,222	830	7%	16,297
OPERATING SURPLUS (DEFICIT) (after Depr & before Allocation)	(143,437)	(119,632)	(23,805)	20%	(159,490)
ALLOCATED EXPENSES	(143,438)	(119,619)	(23,819)	20%	(159,490)
NET OPERATING SURPLUS (DEFICIT)	0	(13)	13	(100%)	0
NON-OP GENERAL REVENUES					
GAIN (LOSS) & SPECIAL ITEMS	(270)	0	(270)	0%	0
TOTAL NON-OP GENERAL REV	(270)	0	(270)	0%	0
NET NON-OP GENERAL SURPLUS (DEFICIT)	(270)	0	(270)	0%	0
NET NON-OP SURPLUS (DEFICIT)	(270)	0	(270)	0%	0
TOTAL NET SURPLUS (DEFICIT) (before Depr)	(130,656)	(107,410)	(23,246)	22%	(143,193)
TOTAL NET SURPLUS (DEFICIT) (after Depr & Alloc)	(270)	(13)	(257)	1977%	0

**Port of Port Angeles
FACILITIES MAINTENANCE
Account Summary: Budget to Actual Variance
For the Nine Months Ending Saturday, September 30, 2023**

	September 2023 Variance Report				
	YTD ACTUAL	YTD BUDGET	OVER (UNDER) BUDGET \$	OVER (UNDER) BUDGET %	ANNUAL BUDGET
OPERATING EXPENSES					
SALARIES, WAGES & BENEFITS	58,055	65,170	(7,115)	(11%)	86,884
SUPPLIES	34,479	36,608	(2,129)	(6%)	48,800
OUTSIDE SERVICES	2,283	4,419	(2,136)	(48%)	5,886
ADS, DUES & PUBLICATIONS	0	342	(342)	(100%)	450
TRAVEL MEETINGS	20	0	20	0%	0
TRAVEL/TRAINING	42	3,006	(2,964)	(99%)	4,000
RENT, UTILITIES, INSURANCE, TAXES	22,113	9,648	12,465	129%	12,875
OTHER EXPENSES (Misc & Interdept)	1,319	1,737	(418)	(24%)	2,310
MAINTENANCE LABOR & BENEFITS	26,242	79,045	(52,803)	(67%)	105,379
MAINTENANCE (Materials & Services)	14,176	14,247	(71)	0%	19,000
TOTAL OPERATING EXPENSES	158,728	214,222	(55,494)	(26%)	285,584
OPERATING SURPLUS (DEFICIT) (before Depr)	(158,728)	(214,222)	55,494	(26%)	(285,584)
DEPRECIATION (includes donated assets)	18,202	20,361	(2,159)	(11%)	27,150
OPERATING SURPLUS (DEFICIT) (after Depr & before Allocation)	(176,931)	(234,583)	57,652	(25%)	(312,734)
ALLOCATED EXPENSES	(176,930)	(234,555)	57,625	(25%)	(312,734)
NET OPERATING SURPLUS (DEFICIT)	0	(28)	28	(98%)	0
NON-OP GENERAL REVENUES					
GAIN (LOSS) & SPECIAL ITEMS	(1,605)	0	(1,605)	0%	0
TOTAL NON-OP GENERAL REV	(1,605)	0	(1,605)	0%	0
NET NON-OP GENERAL SURPLUS (DEFICIT)	(1,605)	0	(1,605)	0%	0
NET NON-OP SURPLUS (DEFICIT)	(1,605)	0	(1,605)	0%	0
TOTAL NET SURPLUS (DEFICIT) (before Depr)	(160,334)	(214,222)	53,888	(25%)	(285,584)
TOTAL NET SURPLUS (DEFICIT) (after Depr & Alloc)	(1,606)	(28)	(1,578)	5635%	0

Port of Port Angeles
ADMINISTRATIVE & GENERAL
Account Summary: Budget to Actual Variance
For the Nine Months Ending Saturday, September 30, 2023

	September 2023 Variance Report				
	YTD ACTUAL	YTD BUDGET	OVER (UNDER) BUDGET \$	OVER (UNDER) BUDGET %	ANNUAL BUDGET
OPERATING EXPENSES					
SALARIES, WAGES & BENEFITS	1,027,466	919,982	107,484	12%	1,226,647
SUPPLIES	46,282	45,000	1,282	3%	60,000
OUTSIDE SERVICES	215,690	276,372	(60,682)	(22%)	368,500
PUBLIC INFORMATION	85,001	78,750	6,251	8%	105,000
MARKETING	389	1,872	(1,483)	(79%)	2,500
COMMUNITY RELATIONS	5,785	1,872	3,913	209%	2,500
ADS, DUES & PUBLICATIONS	21,327	16,983	4,344	26%	22,640
TRAVEL MEETINGS	9,873	7,497	2,376	32%	10,000
TRAVEL/TRAINING	13,080	7,497	5,583	74%	10,000
PROMOTIONAL HOSTING, TRADE & INDUSTRIAL DEV	415	0	415	0%	0
RENT, UTILITIES, INSURANCE, TAXES	147,358	132,894	14,464	11%	177,200
OTHER EXPENSES (Misc & Interdept)	8,877	3,753	5,124	137%	5,000
MAINTENANCE LABOR & BENEFITS	24,441	15,003	9,438	63%	20,000
MAINTENANCE (Materials & Services)	17,446	8,370	9,076	108%	11,150
TOTAL OPERATING EXPENSES	1,623,432	1,515,845	107,587	7%	2,021,137
OPERATING SURPLUS (DEFICIT) (before Depr)	(1,623,432)	(1,515,845)	(107,587)	7%	(2,021,137)
DEPRECIATION (includes donated assets)	33,024	30,710	2,314	8%	40,949
OPERATING SURPLUS (DEFICIT) (after Depr & before Allocation)	(1,656,456)	(1,546,555)	(109,901)	7%	(2,062,086)
ALLOCATED EXPENSES	(1,656,456)	(1,546,562)	(109,894)	7%	(2,062,086)
NET OPERATING SURPLUS (DEFICIT)	0	7	(7)	(98%)	0
NON-OP GENERAL REVENUES					
GAIN (LOSS) & SPECIAL ITEMS	(4,546)	0	(4,546)	0%	0
TOTAL NON-OP GENERAL REV	(4,546)	0	(4,546)	0%	0
NET NON-OP GENERAL SURPLUS (DEFICIT)	(4,546)	0	(4,546)	0%	0
NON-OP CAPITAL REVENUES					
GRANTS - CAPITAL	4,500	0	4,500	0%	0
TOTAL NON-OP CAPITAL REV	4,500	0	4,500	0%	0
NET NON-OP CAPITAL SURPLUS (DEFICIT)	4,500	0	4,500	0%	0
NET NON-OP SURPLUS (DEFICIT)	(46)	0	(46)	0%	0
TOTAL NET SURPLUS (DEFICIT) (before Depr)	(1,623,478)	(1,515,845)	(107,633)	7%	(2,021,137)
TOTAL NET SURPLUS (DEFICIT) (after Depr & Alloc)	(46)	7	(53)	(760%)	0

**Port of Port Angeles
ECON DEV
Account Summary: Budget to Actual Variance
For the Nine Months Ending Saturday, September 30, 2023**

	September 2023 Variance Report				
	YTD ACTUAL	YTD BUDGET	OVER (UNDER) BUDGET \$	OVER (UNDER) BUDGET %	ANNUAL BUDGET
OPERATING EXPENSES					
SALARIES, WAGES & BENEFITS	146,552	146,000	552	0%	194,666
SUPPLIES	3,141	0	3,141	0%	0
OUTSIDE SERVICES	29,055	61,875	(32,820)	(53%)	82,500
PUBLIC INFORMATION	27,354	11,250	16,104	143%	15,000
MARKETING	8,136	7,875	261	3%	10,500
ADS, DUES & PUBLICATIONS	1,550	4,500	(2,950)	(66%)	6,000
TRAVEL MEETINGS	1,444	6,373	(4,929)	(77%)	8,500
TRAVEL/TRAINING	0	3,752	(3,752)	(100%)	5,000
PROMOTIONAL HOSTING, TRADE & INDUSTRIAL DEV	2,617	3,752	(1,135)	(30%)	5,000
RENT, UTILITIES, INSURANCE, TAXES	405	523	(118)	(23%)	700
OTHER EXPENSES (Misc & Interdept)	9,016	9,000	16	0%	12,000
TOTAL OPERATING EXPENSES	229,269	254,900	(25,631)	(10%)	339,866
OPERATING SURPLUS (DEFICIT) (before Depr)	(229,269)	(254,900)	25,631	(10%)	(339,866)
DEPRECIATION (includes donated assets)	0	0	0	0%	0
OPERATING SURPLUS (DEFICIT) (after Depr & before Allocation)	(229,269)	(254,900)	25,631	(10%)	(339,866)
ALLOCATED EXPENSES	(229,269)	(254,898)	25,629	(10%)	(339,866)
NET OPERATING SURPLUS (DEFICIT)	0	(2)	2	(87%)	0
NET NON-OP SURPLUS (DEFICIT)	0	0	0	0%	0
TOTAL NET SURPLUS (DEFICIT) (before Depr)	(229,269)	(254,900)	25,631	(10%)	(339,866)
TOTAL NET SURPLUS (DEFICIT) (after Depr & Alloc)	0	(2)	2	(87%)	0

Port of Port Angeles
NON OPERATING REV & EXP
Account Summary: Budget to Actual Variance
For the Nine Months Ending Saturday, September 30, 2023

	September 2023 Variance Report				
	YTD ACTUAL	YTD BUDGET	OVER (UNDER) BUDGET \$	OVER (UNDER) BUDGET %	ANNUAL BUDGET
DEPRECIATION (includes donated assets)	0	0	0	0%	0
ALLOCATED EXPENSES	0	0	0	0%	0
NET OPERATING SURPLUS (DEFICIT)	0	0	0	0%	0
NON-OP GENERAL REVENUES					
INTEREST EARNINGS	655,508	225,000	430,508	191%	300,000
OTHER TAX RECEIPTS	127,638	105,003	22,635	22%	140,000
MISC NON OP REVENUES	6,635	5,247	1,388	26%	7,000
PASSENGER FACILITY CHARGES (PFC'S)	0	1,125	(1,125)	(100%)	1,500
GAIN (LOSS) & SPECIAL ITEMS	14,840	0	14,840	0%	0
TOTAL NON-OP GENERAL REV	804,621	336,375	468,246	139%	448,500
NON-OP GENERAL EXPENSES					
ENVIRONMENTAL	69,247	217,494	(148,247)	(68%)	290,000
MISC NON OP EXPENSE	6,962	192,750	(185,788)	(96%)	368,000
TOTAL NON-OP GENERAL EXP	76,210	410,244	(334,034)	(81%)	658,000
NET NON-OP GENERAL SURPLUS (DEFICIT)	728,411	(73,869)	802,280	(1086%)	(209,500)
NON-OP CAPITAL REVENUES					
PROPERTY TAX RECEIPTS	1,266,272	1,252,503	13,769	1%	1,670,000
TOTAL NON-OP CAPITAL REV	1,266,272	1,252,503	13,769	1%	1,670,000
NON-OP CAPITAL EXPENSES					
BOND COSTS & INTEREST EXPENSE	14,308	94,630	(80,322)	(85%)	126,175
TOTAL NON-OP CAPITAL EXP	14,308	94,630	(80,322)	(85%)	126,175
NET NON-OP CAPITAL SURPLUS (DEFICIT)	1,251,964	1,157,873	94,091	8%	1,543,825
NET NON-OP SURPLUS (DEFICIT)	1,980,376	1,084,004	896,372	83%	1,334,325
TOTAL NET SURPLUS (DEFICIT) (before Depr)	1,980,376	1,084,004	896,372	83%	1,334,325
TOTAL NET SURPLUS (DEFICIT) (after Depr & Alloc)	1,980,376	1,084,004	896,372	83%	1,334,325

**ITEM FOR CONSIDERATION
OF THE
BOARD OF PORT COMMISSIONERS**

Date: October 24, 2023

Subject: Composite Recycling Technology Center

Presented by: Caleb McMahon, Director of Economic Development

Location: 2140 W. 18th Street, 1050 Building

RCW & POLICY REQUIREMENTS

Per RCW 53.08.08 Lease of Property, a district may lease all lands, wharves, docks, and real and personal property upon such terms as the port commission deems proper. No lease shall be for a period longer than fifty years with an option up to an additional thirty years.

Per RCW 53.08.085, security for rent is required for every lease of more than one year. Rent may be secured by rental insurance, bond, or other security satisfactory to the port commission in an amount equal to one-sixth the total rent, but in no case shall such security be less than one year's rent or more than three years' rent. If the security is not maintained, the lease shall be considered in default. The Port Commission may, at its discretion, waive the rent security requirement or lower the amount of such provision on the lease of real and/or personal port property.

Per Section I of the Ports Delegation of Authority, all term lease agreements of real property shall be leased only under an appropriate written lease instrument executed by the Commission. Per Section 1.B.4, Port Commission approval is required for any lease containing material or non-standard terms or conditions.

BACKGROUND:

Composite Recycling Technology Center (CRTC) has been a Port tenant since 2016. CRTC executed a temporary license for 4,000 square feet of warehouse in the 1050 Building in the summer of 2022.

CRTC now desires to expand the square footage of warehouse space to 23,957 square feet and execute a two-year term lease.

LEASE DETAILS:

Proposed Rate: \$0.43/SF x 23,957 SF = \$10,301.50/month plus leasehold excise tax. Utilities are a fixed fee of \$300.00/month.

Term: 2 years.

Options to Renew: One x 1-year option, at Port's consent.

Commencement Date: November 1, 2023.

Current Bond/Security: Port policy requires three months of the rental amount as a financial security deposit. The Port Commission reduced the financial security requirement for CRTC at this location to two months of rent at the Commission Meeting dated July 26, 2022.

Non-Standard (requires Commission approval) or Unique Terms:

We recommend continuing the reduced financial security deposit to two months (\$10,300.00 x 2 = \$20,600.00).

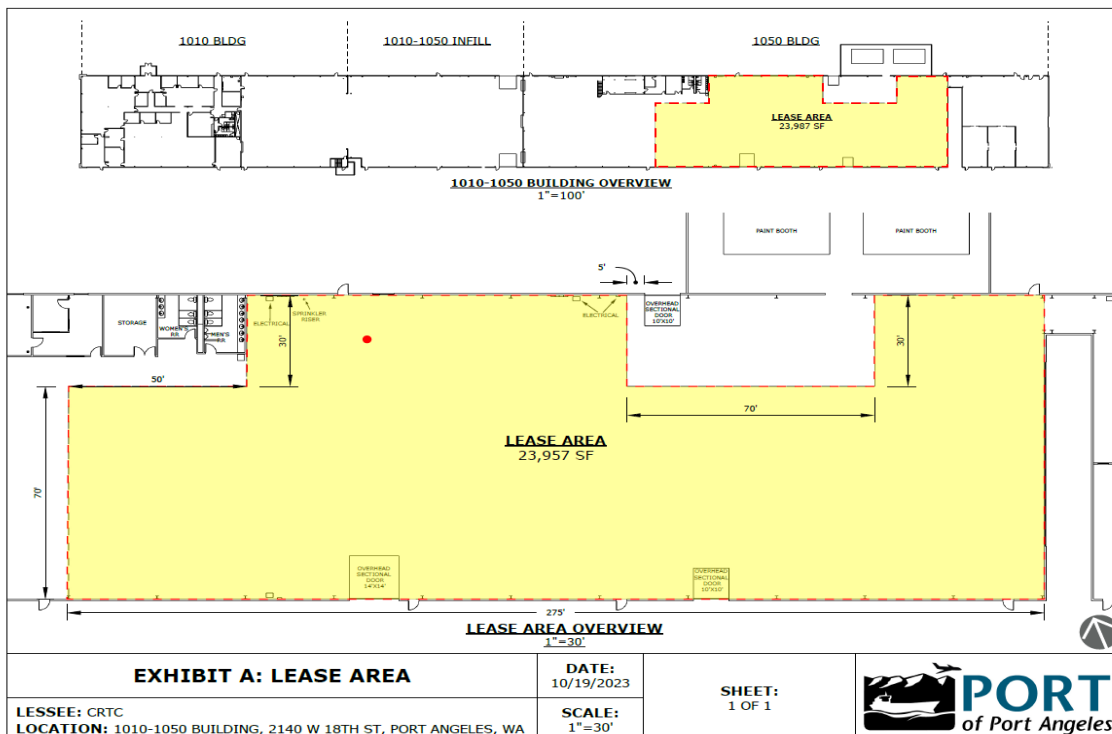
Additional Unique Terms and Conditions:

Lessee shall pay their proportionate share of electricity based on the pro-rate share of square footage minus sub-metered space by other tenants.

(Example: 1050 building = Approx 50,000 square feet
Electric Bill= \$1,500
Submeter= \$200
Subtotal=\$1,500- \$200=\$1,300
CRTC Portion=\$1,300*50%= \$650)

RECOMMENDED ACTION:

Staff recommends that the Commission approve the term lease as presented and outlined above.



COMMERCIAL LEASE

THIS COMMERCIAL LEASE (“Lease”) is made and entered into as of the date last written below, by and between the **PORT OF PORT ANGELES**, a Washington municipal corporation (the “**Port**”), and **COMPOSITE RECYCLING TECHNOLOGY CENTER**, a Washington nonprofit corporation, (“**Lessee**”).

ARTICLE I Summary of Lease Terms and Definitions

The Port: Port of Port Angeles
338 W First Street
Port Angeles, WA 98362

Lessee: Composite Recycling Technology Center
2200 W. 18th Street
Port Angeles, WA 98363

Premises: 23,957 square feet of warehouse in the 1050 Building, together with nonexclusive overhead door access adjacent to the premises, located at 2140 W. 18th Street, Port Angeles, Washington as depicted in the Map of Premises attached to this Lease as **Exhibit A.**

Lessee-owned Improvements:

As of the Commencement Date as defined herein, the following fixtures and improvements are owned by Lessee and are not part of this Lease:

None
Initials: _____
Port Lessee

Use of Premises: Production and working with Composite Laminated Timber and all processes associated.

Benefit to the Public: None.

Commencement Date: November 1, 2023

Term: Two Year. November 1, 2023 through October 31, 2025.

Renewals: One (1) one-year renewals.

- Lessee’s sole option
- Requires Port consent

Base Rent: The premises contain an area of 23,957 square feet within the 1050 building.

<u>Months of Lease Term</u>	<u>Rent Per Square ft. (per mo.)</u>	<u>Monthly Total</u>
Months: 12	\$0.43/SF x 23,957 SF	\$10,301.51 plus applicable Leasehold Excise Tax

Financial Security (see Section 5.4 for more information): Two months of rent or **\$20,600.00**. This amount approved by the Port Commissioners at the July 26, 2022 meeting.

Additional Unique Terms and Conditions:

Lessee shall pay their proportionate share of Electricity which will be based on pro-rate share of square footage, minus sub metered space by other tenants.

(Example: 1050 building= Approx 50,000 square feet
Electric Bill= \$1,500
Submeter= \$200
Subtotal=\$1,500- \$200=\$1,300
CRTC Portion=\$1,300*50%= \$650)

ARTICLE II
Premises, Term, Renewals

2.1 **PREMISES:** In consideration of the rents hereinafter reserved and of the covenants and conditions set forth herein to be performed by Lessee, the Port does hereby lease the Premises to Lessee.

2.2 **TERM:** The term of this Lease shall be for one (1) year beginning November 1, 2023, through October 31, 2024. If Lessee takes possession of the Premises before the Commencement Date, Lessee shall pay the pro rata rent for the period prior to commencement of the Lease term.

2.3 **RENEWAL:** Subject to the terms and conditions herein, Lessee may renew this Lease for two (2) consecutive one-year (1) year periods by giving written notice of such intention to the Port at least ninety (90) days prior to the expiration of the term of this Lease or any renewal thereof. Lessee shall not be entitled to renew this Lease unless the Lease is in good standing at the time of renewal and Lessee is not in default under the terms of this Lease or any other lease or agreement with the Port. The terms and conditions of any renewal shall be the same as set forth in this Lease, except that rent shall be recalculated as provided herein and the terms of this Lease shall be updated to be consistent with the terms and conditions then existing in the Port's Commercial Lease Agreement.

Lessee's right of renewal is likewise subject to and contingent upon the Port's acceptance of Lessee's renewal notice, which the Port may withhold in its sole discretion. Should the Port decline to accept Lessee's renewal notice, this Lease will terminate upon the expiration of the then-

existing term.

ARTICLE III
Rent, Rental Adjustment

3.1 **RENT**: The term “**Rent**” as used herein includes Base Rent, CAM Expenses (if any), applicable Washington State leasehold excise tax, and other fees and charges assessed herein. Base Rent and Washington State leasehold excise tax shall be paid without the requirement that the Port provide prior notice or demand, and shall not be subject to any counterclaim, setoff, deduction, defense or abatement. Any other fees and charges which may be assessed by the Port herein, the Port shall first provide written notice thereof, and Lessee shall pay such fees and/or charges within thirty (30) days of receipt of such written notice without any counterclaim, setoff, deduction, defense or abatement.

3.1.1 Rent shall be paid on or before the first (1st) day of each month beginning on the Commencement Date. A late charge of one percent (1%) per month will be assessed against past due Rent from the date such Rent became due. If Rent is not received by the twentieth (20th) day of any month, Lessee shall pay the Port an additional fee of \$100 or five percent (5%) of the delinquent payment, whichever is greater, to defray costs of collecting and handling such late payment. All accrued interest and late charges shall be paid no later than the twentieth (20th) day of the month following that month in which such interest or late charges accrued.

3.1.2 **Base Rent Adjustment**: The Port may, in its discretion, adjust the Base Rent hereunder upon the provision of written notice prior to the anniversary of the Commencement Date. Upon the provision of such notice, the rental rate shall be automatically adjusted effective upon the month of the anniversary of the Commencement Date to reflect the percentage change in the Consumer Price Index for All Items in West - Size Class B/C, All Urban Consumers, as issued by the U.S. Department of Labor, Bureau of Labor Statistics, or the closest comparable index if the above index is no longer published, over the last full 12-month period immediately preceding the anniversary of the Commencement Date for which such data are available. If the resulting rent rate adjustment is negative, then the rental rate shall not be decreased but shall remain the same as the preceding period.

3.2 **COMMON AREAS**:

3.2.1 **Common Areas; Definition**: “Reserved”

3.2.2 **Lessee’s Common Area Lease Rights**: “Reserved”

3.2.3 **Changes to Common Areas**: “Reserved”

3.2.4 **Common Area Maintenance Expenses; Definition**: “Reserved”

3.2.5 **Payment of CAM Expenses**: “Reserved”

3.2.6 **Adjustment of CAM Expenses**: “Reserved”

3.3 **ABATED RENT:** If this Lease provides for a postponement of any monthly rental payments or other rent concession, such postponed rent is called the “**Abated Rent.**” Lessee shall be credited with having paid all of the Abated Rent on the expiration of the term of this Lease only if Lessee has fully, faithfully and punctually performed all of Lessee’s obligations hereunder, including the payment of all Rent, including, if applicable, Abated Rent, and all other monetary obligations and the surrender of the Premises in the condition required by this Lease. If Lessee defaults and does not cure within any applicable grace period, the Abated Rent shall immediately become due and payable in full and this Lease shall be enforced as if there were no such rent abatement or other rent concession. In such case, Abated Rent shall be calculated based on the full initial rent payable under this Lease, plus interest thereon at the rate of twelve percent (12%) per annum from date each monthly rental payment was postponed.

3.4 **LEASEHOLD AND OTHER TAXES:** Throughout the term of this Lease, Lessee shall be liable for, and shall pay or, as applicable, reimburse the Port for, all license fees and excise and occupation taxes covering the business conducted on the Premises, all taxes on property of Lessee on the Premises, ad valorem taxes or taxes levied in lieu of an ad valorem tax, and any taxes on the leasehold interest created by this Lease and/or measured by the rent payments hereunder, whether imposed on Lessee or on the Port. With respect to the leasehold excise tax payable hereunder, Lessee shall pay to the Port with each rent payment an amount equal to the tax. All other tax amounts for which the Port is or will be entitled to reimbursement from Lessee shall be paid by Lessee to the Port at least fifteen (15) days prior to the due dates of the tax amounts involved, provided that Lessee shall be given at least ten (10) days’ prior written notice of the amounts payable by Lessee.

ARTICLE IV

Use of Premises, Condition of Property, Improvements, Removal of Property, Maintenance, and Utilities

4.1 **LESSEE’S USE OF THE PREMISES:** Lessee shall conduct only the following activity on the Premises: Production and working with Composite Laminated Timber and all processes associated with the Lessee’s business at 2200 W. 18th Street, Port Angeles (the “**Authorized Use**”) and such additional uses incidental or otherwise related to such Authorized Use.

4.1.1 Lessee shall be in default under this Lease if it: (i) ceases conducting the Authorized Use for any period of time exceeding one hundred twenty (120) consecutive days; or (ii) conducts any other business or activity on the Premises without first obtaining a validly executed lease modification. In conducting the Authorized Use, Lessee shall properly and fairly serve the public, providing reasonable hours of operation, and reasonably suitable service.

4.1.2 Notwithstanding the foregoing described use, the Premises shall not be used to store, distribute or otherwise handle flammable, dangerous or hazardous materials, excepting only those necessary to conduct the Authorized Use. At the request of the Port, Lessee shall provide a list of all flammable, dangerous or hazardous materials stored or used on the Premises.

4.2 **ACCEPTANCE OF PREMISES:** Lessee accepts the Premises, including all existing improvements thereon, “as is” without further maintenance liability on the part of the Port, except

as otherwise specifically noted herein. Lessee is not relying on any representations of the Port as to condition, suitability, zoning restrictions or usability, except the Port's right to grant a lease of the Premises.

4.3 **CONSTRUCTION OF TENANT IMPROVEMENTS**: Lessee shall abide by the following terms with regard to making any tenant improvements on the Premises ("**Tenant Improvements**"):

4.3.1 Subject to obtaining the Port's written approval, Lessee may make and install, at its own expense, such Tenant Improvements as are normal and customary in connection with the Authorized Use set forth herein. Lessee's contractor, if any, shall be subject to the Port's approval, not unreasonably withheld. The Port reserves the right to condition its approval upon Lessee providing payment and/or performance bonds satisfactory to the Port. Lessee shall submit plans to and obtain written approval from the Port before commencing any Tenant Improvements. The Port shall have a reasonable period of time to review such plans prior to issuing a decision. Upon the provision of written notice to Lessee that the Port's review of plans will require extraordinary staff review time, the Port may charge Lessee a reasonable pre-established fee for staff, consultant or attorney time required to review the plans. All Tenant Improvements which are to be designated fixtures shall be so designated by the Port upon the Port's approval of the plans for such improvements. Unless otherwise agreed, all improvements by Lessee shall conform to the requirements of the Americans with Disabilities Act of 1990, 42 U.S.C. §12101 *et seq.* (the "ADA").

4.3.2 **Unauthorized Improvements**: Any Tenant Improvements made on the Premises without the Port's prior written consent or which are not in conformance with the plans submitted to and approved by the Port ("**Unauthorized Improvements**") shall be subject to removal by Lessee upon sixty (60) days' written notice from the Port.

4.4 **TITLE TO LESSEE IMPROVEMENTS AND PERSONAL PROPERTY AT END OF LEASE**: Except as otherwise provided in the description of the Premises in Article I above, as of the Commencement Date, all existing structures, buildings, installations, and improvements of any kind located on the Premises are owned by and title thereto is vested in the Port. Prior to the conclusion of the Lease, Lessee shall remove the following from the Premises:

- a. All equipment;
- b. All personal property;
- c. All Tenant Improvements not designated as fixtures; and
- d. All Lessee Improvements not designated as fixtures in Article I above or pursuant to Section 4.3.1 above.

4.4.1 If any of the foregoing items are not removed from the Premises by the conclusion of the Lease or when the Port has the right of re-entry, then the Port may, at its sole option, elect any or all of the following remedies:

a. Upon the expiration of thirty (30) days' written notice to Lessee that equipment, personal property and/or Lessee Improvements remaining on the Premises will be removed therefrom, the Port may remove any or all of the items and dispose of them without liability to Lessee. The Port shall not be required to mitigate its damages, to dispose of the items in a commercially reasonable manner, or to make any effort whatsoever to obtain payment for such items. Lessee agrees to pay the Port's costs and damages associated with Lessee's failure to remove such items, including, but not limited to, the following: storage, demolition, removal, transportation and lost rent (collectively "**Disposal Costs**"); provided, however, that any net proceeds recovered by the Port in excess of its Disposal Costs will be deducted from Lessee's financial obligation set forth herein. Lessee's financial obligations herein shall survive the termination of this Lease;

b. Claim and take title in the Port to any or all such items; and

c. Commence suit against Lessee for damages or for specific performance.

4.4.2 During any period of time employed by Lessee under this Section to remove structures, buildings, installations, improvements, machines, appliances, equipment and trade fixtures, Lessee shall continue to pay a rent due and all other fees or expenses due and owing to the Port in accordance with this Lease on a prorated daily basis.

4.4.3 The foregoing remedies are cumulative, and the Port shall not be required to elect its remedies.

The Port and Lessee hereby acknowledge the rights, obligations and remedies set forth in this Section 4.4.

Initials:

Port

Lessee

4.5 **MAINTENANCE OF PREMISES:** The maintenance and repair of the Premises are the sole responsibility of Lessee, except as set forth in the Maintenance Inclusion List attached hereto as **Exhibit B** and incorporated herein by this reference; PROVIDED, however, that the Port shall be responsible for repairing at its own cost any interior damage resulting from a roof leak. Lessee shall notify the Port immediately upon discovering any indication of a roof leak. Lessee shall maintain the Premises in good condition, and shall repair all damage caused by Lessee, its employees, agents, licensees, invitees or anyone on the Premises as a result of Lessee's activities. In lieu of common area maintenance charges, Lessee's exterior Premises maintenance and repair responsibilities include, without limitation and by way of example only, mowing, general landscape maintenance, snow removal, parking lot sweeping, parking lot striping, and parking lot, curb and sidewalk repairs. The Port and Lessee specifically acknowledge and agree that the Port has no responsibility to maintain, repair or replace the Lessee-owned Improvements described in Article I above.

Initials:

Port

Lessee

4.6 **UTILITIES AND SERVICES**: Lessee shall pay their proportionate share of electricity which will be based on pro-rata share of square footage, minus sub metered space by other tenants.

(Example: 1050 building= Approx 50,000 square feet
Electric Bill= \$1,500
Submeter= \$200
Subtotal=\$1,500- \$200=\$1,300
CRTC Portion=\$1,300*50%= \$650)

Lessee shall be liable for and shall pay throughout the term of this Lease all charges for all utility services furnished to the Premises, including but not limited to, light, heat, gas, janitorial services, garbage, disposal, security, electricity, water, stormwater and sewerage, including any connection fees and any fire protection, police protection, or emergency health services as furnished by local authorities and as may be the subject of a contract between the Port and such local authorities or as imposed by ordinance or statute. The Lessee will ensure all utility services are transferred to their name upon commencement of this agreement. If the Premises are part of a building or part of any larger Premises to which any utility services are furnished on a consolidated or joint basis, Lessee agrees to pay to the Port Lessee's pro-rata share of the cost of any such utility services. Lessee's pro-rata share of any such services may be computed by the Port on any reasonable basis, and separate metering or other exact segregation of cost shall not be required. At the conclusion of this Lease, Lessee shall arrange for such utility services to be terminated and for the final bill to be sent to Lessee. Lessee shall be liable for all utility charges that accrue if it fails to so terminate services.

4.7 **COMPLIANCE WITH PORT REGULATIONS AND WITH ALL LAWS**:

4.7.1 Lessee agrees to take reasonable action to comply with all applicable rules and regulations of the Port pertaining to the Premises now in existence or hereafter promulgated for the general safety and convenience of the Port, its various lessees, invitees, licensees and the general public upon receipt of notice of the adoption of such regulations.

4.7.2 Lessee agrees to comply with all applicable federal, state and municipal laws, ordinances, and regulations, including without limitation those relating to environmental matters. Any fees for any inspection of the Premises during the Lease term by any federal, state or municipal officer related to Lessee use and occupancy of the Premises and the fees for any so-called "Certificate of Occupancy" shall be paid by Lessee.

ARTICLE V **Insurance and Financial Security**

5.1 **CASUALTY LOSS OF LESSEE**: The parties hereto agree that the Port shall not be responsible to Lessee for any property loss or damage done to Lessee's property, whether real, personal or mixed, occasioned by reason of any fire, storm or other casualty whatsoever. It shall

be Lessee's responsibility to provide its own protection against casualty losses of whatsoever kind or nature, regardless of whether or not such loss is occasioned by the acts or omissions of the Port, Lessee, third party, or act of nature.

5.2 **INSURANCE:**

5.2.1 **Liability:** Lessee shall procure and maintain during the term of this Lease and any extensions or renewals of this Lease a comprehensive general liability policy covering on an occurrence basis all claims for personal injury (including death) and property damage (including all real and personal property located on the Premises) arising on the Premises or arising out of Lessee's operations. This policy shall also include contractual liability coverage for all indemnities provided under this Lease. Limit per occurrence shall not be less than \$1,000,000, or the equivalent. General aggregate limit shall not be less than \$2,000,000, when applicable (and will be endorsed to apply separately to each site or location.) Limit per claim and in the aggregate shall not be less than \$1,000,000, or the equivalent. Annual aggregate limit shall not be less than \$2,000,000. The liability policies shall contain a cross-liability provision such that the policy will be construed as if separate policies were issued to Lessee and to the Port.

5.2.2 **Property:** Lessee shall procure and maintain during the term of this Lease and any extensions or renewals of this Lease fire and extended coverage property insurance for physical loss and damage, written on an "all risks" basis *excluding* earthquake and flood insurance, to the Leased Premises and to all Lessee-owned improvements, with the Port named as a loss payee. Such policy or policies shall be written in the form of replacement cost insurance in an amount not less than 100% of the full replacement value, which amount shall be adjusted not less frequently than annually. The proceeds of such insurance in case of loss or damage shall be first applied on account of the obligation of the Port to repair and/or rebuild the Leased Premises to the extent that such proceeds are required for such purpose. Lessee shall also procure and maintain during the term of this Lease and any extensions or renewals of this Lease business interruption insurance by which Rent will be paid to the Port for a period of up to one (1) year if the Premises are destroyed or rendered inaccessible by a risk insured against by a policy of fire and extended coverage property insurance, with vandalism and malicious mischief endorsements.

5.2.3 **Workers' Compensation; Employer's Liability/Stop Gap:** If Lessee has employees, Lessee shall obtain, at Lessee's expense, and keep in effect during the term of this Lease and any renewals or extensions of this Lease, Workers' Compensation as required by the State of Washington, with statutory limits, and Employer's Liability/Stop Gap Insurance with limits of not less than One Million Dollars (\$1,000,000) per accident for bodily injury or disease.

5.2.6 **Verification of Coverage:** For each insurance policy required herein, Lessee shall provide to the Port, prior to Lessee's occupancy of the Premises, original certificates of insurance, all required amendatory endorsements establishing coverage required under this Lease, a copy of each policy declarations and endorsements page, and complete copies of each policy. Provided, the Port's failure to obtain the required documents prior to Lessee's occupancy shall not be deemed a waiver of Lessee's obligation to provide them. Receipt of such certificate or policy by the Port does not constitute approval by the Port of the terms of such policy.

5.2.7 **Additional Insured; Primary Coverage; Non-Contributory:** Each insurance policy required herein shall name the Port, and only the Port, as an additional insured. For any claims related to this Lease, Lessee's insurance coverage shall be primary insurance coverage as to the Port. Any insurance or self-insurance maintained by the Port shall be excess of Lessee's insurance and shall not contribute with it.

5.2.8 **Changes in Coverage Requirements:** The Port reserves the right to modify any insurance requirements set forth herein, including limits, at the same time as revaluation of the annual Rent, as a condition of approval of assignment or sublease of this Lease, upon any breach of the environmental liability provision herein, upon a material change in the condition of any improvements, upon a change in the Authorized Use, or under other special circumstances as determined by the Port. Lessee shall obtain new or modified insurance coverage within thirty (30) days after changes are required by the Port.

5.2.9 **Substitute Coverage:** If Lessee fails to procure and maintain any insurance required herein, the Port shall have the right, but not the obligation, to procure and maintain substitute insurance and to pay the premiums, chargeable to Lessee. Lessee shall pay to the Port upon demand the full amount paid by the Port.

5.2.10 **Negligence of Lessee:** Each insurance policy required herein shall expressly provide that the insurance proceeds of any loss will be payable notwithstanding any act or negligence of Lessee which might otherwise result in a forfeiture of said insurance.

5.2.11 **Self-Insured Retentions:** If Lessee is self-insured, self-insured retentions must be declared to and approved by the Port. At the Port's option, either (i) Lessee shall obtain coverage to reduce or eliminate such self-insured retentions as respects the Port; or (ii) Lessee shall provide a financial guarantee satisfactory to the Port guaranteeing payment of losses and related investigation, claim administration and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or the Port.

5.2.12 **Acceptability of Insurers:** All insurance required herein shall be placed with insurers authorized to conduct business in the state of Washington with a current A.M. Best's rating of no less than A-VII, unless otherwise specifically authorized by the Port.

5.2.13 **Notice of Cancellation:** Each insurance policy required herein shall expressly provide that coverage shall not be canceled or changed except with prior written notice to the Port of no less than thirty (30) days. Lessee shall provide the Port with any revised endorsements, policy declarations and endorsements pages, and policies as soon as practicable after any changes are made to any policy.

5.3 **WAIVER OF SUBROGATION:** The Port and Lessee hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective insurance contracts including any extended coverage endorsements thereto provided that this paragraph shall be inapplicable to the extent it would have the effect of invalidating any insurance coverage of the Port or Lessee. Each party agrees to cause their

respective insurance carriers to include in its policies a waiver of subrogation clause or endorsement.

5.4 FINANCIAL SECURITY:

5.4.1 In compliance with the requirements of RCW 53.08.085 (as presently codified or hereafter amended) and other laws of the State of Washington, Lessee agrees it will secure its performance of all obligations under this Lease by procuring and maintaining, during the term of this Lease, a corporate surety bond (the “**Bond**”), or by providing other financial security satisfactory to the Port, in an amount totaling:

Two months of rent in the amount of **\$20,600.00**. This amount approved by Port Commission at the July 26, 2022 meeting.

5.4.2 The Bond shall be in a form and issued by a surety company acceptable to the Port and shall comply with the requirements of Washington law. Lessee shall obtain such Bond and forward evidence thereof to the Port or shall provide to the Port such other financial security as may be required hereunder, within thirty (30) days of execution of this Lease, but in no event later than the Commencement Date of this Lease. Such Bond shall be kept in effect during the term of this Lease.

5.4.3 If the financial security amount required hereunder is to be not less than 100% of the sum of annual Rent, that financial security amount is subject to increases to reflect any Base Rent adjustments as provided in Section 3 above. In that event, at no time may the security amount be less than 80% of the then-current annual Rent, and the Port may at any time require Lessee to provide sufficient additional security to restore the security amount to no less than 100% of the then-current total annual Rent due hereunder. No future amendment or extension to this Lease shall be effective until the adjusted financial security amount has been provided as required.

5.4.4 Upon any default by Lessee in its obligations under this Lease and Lessee’s failure to cure such default in accordance with its rights to do so under this Lease, the Port may collect on the Bond or other financial security to offset the liability of Lessee to the Port. Collection on the Bond or other financial security shall not relieve Lessee of liability for any amounts not offset by the amount collected, shall not limit any of the Port’s other remedies, and shall not reinstate or cure the default or prevent termination of the Lease because of the default.

5.4.5 Any Bond may provide for termination on the anniversary date thereof upon not less than one (1) year's written notice to the Port if the Lease is not in default at the time of said notice. In the event of any such termination, Lessee shall obtain a new Bond or other security, also subject to the Port approval, to replace the security being so terminated to be effective on or before the date of termination.

5.4.6 If the Port Commission exercises its discretion pursuant to RCW 53.08.085 to reduce or waive Lessee’s Bond requirement under this Lease, the Port may at any time make a determination that changes in the material circumstances related to Lessee no longer support such

reduction or waiver, and thereafter increase Lessee's Bond requirement up to that required by RCW 53.08.085.

ARTICLE VI

Environmental Liability

6.1 **ENVIRONMENTAL INDEMNIFICATION**: Lessee shall defend (with legal counsel suitable to the Port), indemnify and hold the Port harmless from any and all claims, demands, judgments, orders or damages resulting from Hazardous Substances on the Premises caused in whole or in part by the activity of Lessee, its agents or subtenants during any period of time that Lessee has occupied all or a portion of the Premises during the term of this Lease or any previous lease or agreement. The term "Hazardous Substances" as used herein shall mean any substance heretofore or hereafter designated as hazardous under the Resource Conservation and Recovery Act, 42 USC Sec. 6901 et seq.; the Federal Water Pollution Control Act, 33 USC Sec. 1257 et seq.; the Clean Air Act, 42 USC Sec. 2001 et seq.; the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 USC Sec. 9601 et seq.; or the Hazardous Waste Cleanup-Model Toxic Control Act, RCW 70.105D, all as amended and subject to all regulations promulgated there under.

6.1.1 Lessee's defense and indemnity obligations under this article are unconditional, shall not be discharged or satisfied by the Port's re-entry of the Premises or exercise of any other remedy for Lessee's default under this Lease, shall continue in effect after any assignment or sublease of this Lease, and shall continue in effect after the expiration or earlier termination of this Lease.

6.1.2 Although Lessee shall not be liable for any Hazardous Substances that existed on the Premises prior to commencement of its leasehold relationship with the Port (whether by this Lease or any prior lease agreements), Lessee shall be responsible for the costs of any environmental investigations or remediation arising from any development or use of the Premises by Lessee, and Lessee hereby releases the Port from any contribution claim for those costs. By way of example only, if Lessee excavates soil on the Premises which contains Hazardous Substances, then Lessee will be responsible for the cost associated with disposing of those disturbed soils.

6.2 **CURRENT CONDITIONS AND DUTY OF LESSEE**: The Port makes no representation about the condition of the Premises. Hazardous Substances may exist in, on, under or above the Premises. Lessee should, but is not required to, conduct environmental assessments or investigations of the Premises prior to or during this Lease to determine the existence, scope and location of any Hazardous Substances. If there are any Hazardous Substances in, on, under or above the Premises as of the Commencement Date, Lessee shall exercise the utmost care with respect to the Hazardous Substances, the foreseeable acts or omissions of third parties affecting the Hazardous Substances, and the foreseeable consequences of those acts or omissions.

6.2.1 Prior to conducting any environmental investigation of the subsurface of the Premises, Lessee shall provide prior written notice to the Port. Lessee shall provide the Port with the results of all such investigations.

6.3 **NOTIFICATION AND REPORTING:** Lessee shall immediately notify the Port if Lessee becomes aware of any of the following:

a. A release or threatened release of Hazardous Substances in, on under or above the Premises, any adjoining property, or any other property subject to use by Lessee in conjunction with its use of the Premises;

b. Any problem or liability related to or derived from the presence of any Hazardous Substance in, on under or above the Premises, any adjoining property or any other property subject to use by Lessee in conjunction with its use of the Premises;

c. Any actual or alleged violation of any federal, state or local statute, ordinance, rule, regulation or other law pertaining to Hazardous Substances with respect to the Premises, any adjoining property, or any other property subject to use by Lessee in conjunction with its use of the Premises; or

d. Any lien or action with respect to any of the foregoing.

6.3.1 Lessee shall, at the Port's request, provide the Port with copies of any and all reports, studies or audits which pertain to environmental issues or concerns and to the Premises, and which are or were prepared by or for Lessee and submitted to any federal, state or local authorities pursuant to any federal, state or local permit, license or law. These permits include, but are not limited to, any National Pollution Discharge and Elimination System permit, any Army Corps of Engineers permit, any State Hydraulics permit, any State Water Quality certification, or any Substantial Development permit.

6.3.2 Upon expiration or sooner termination of this Lease, Lessee shall remove from the Premises any soils or other media impacted by Hazardous Substances where such materials were deposited on the Premises by Lessee or its employees, representatives or agents. Any failure to complete such removal by the expiration or sooner termination of this Lease, and upon the expiration of thirty (30) days' notice that such materials remain on the Premises, Lessee shall be deemed a holding over by Lessee subject to the provision of Section 7.21 (HOLDING OVER). Lessee shall represent and warrant that, upon termination of the Lease, all Hazardous Substances that Lessee is required to remove from the Premises pursuant to this subsection have been removed from the Premises.

ARTICLE VII

Miscellaneous Provisions

7.1 **LESSEE WILL OBTAIN PERMITS:** Lessee agrees to obtain and comply with all necessary permits for any Authorized Use or leasehold improvement. If Lessee fails to obtain and comply with such permits, then Lessee accepts full responsibility for any and all resulting costs incurred by the Port, including actual attorneys' fees. In this way, Lessee agrees to be solely responsible for all damages, costs and expenses incurred as a result of Lessee's failure to fully comply with any necessary permit process and requirements.

7.2 **LIENS**: Lessee agrees to keep the Premises free and clear of all liens and charges whatsoever. Lessee shall not allow any mechanics' and materialmen's or other liens to be placed upon the Premises. If such a lien is placed or recorded, Lessee shall cause it to be discharged of record, at its own expense, within thirty (30) days of the Port's demand. Failure to comply with the Port's demand within thirty (30) days shall be a default under the terms of this Lease. Notwithstanding the foregoing, the Port acknowledges that Lessee may use its Tenant Improvements as security for a loan, and the Port agrees to reasonably cooperate with Lessee and its creditor(s) to allow such creditor(s) to obtain such security.

7.3 **INDEMNIFICATION AND HOLD HARMLESS**: The Port, its employees and/or agents shall not be liable for any injury (including death) to any persons or for damage to any property regardless of how such injury or damage be caused, sustained or alleged to have been sustained by Lessee or by others as a result of any condition (including existing or future defects in the Premises) or occurrence whatsoever related in any way to the Premises and the areas adjacent thereto or related in any way to Lessee's use or occupancy of the Premises and of the areas adjacent thereto. Lessee agrees to defend and to hold and save the Port (including its commissioners, employees and/or agents) harmless from all liability or expense (including attorneys' fees, costs and all other expenses of litigation) in connection with any such items of actual or alleged injury or damage. Lessee specifically agrees that any bond or other security provided pursuant to any provisions of this Lease shall extend to the indemnity agreed to herein. Lessee acknowledges that it expressly and specifically waives immunity under the industrial insurance statute of the state of Washington, Title 51 RCW, for purposes of this indemnification provision and further acknowledges that this waiver was mutually negotiated by the parties.

7.4 **LAWS AND REGULATIONS**: Lessee agrees to conform to and abide by all applicable rules, codes, laws, regulations and Port policies in connection with its use of the Premises and the construction of improvements and operation of Lessee's business thereon and not to permit said Premises to be used in violation of any applicable rule, code, law, regulation, Port policy, or other authority.

7.4.1 Lessee's obligations herein shall include, but in no way be limited to, the obligation to comply with all State and Federal environmental laws and regulations.

7.5 **WASTE AND REFUSE**: Lessee agrees not to allow conditions of waste and refuse to exist on the Premises and to keep the Premises in a neat, clean and orderly condition and to be responsible for all damages caused to the Premises by Lessee, its agents, or any third party on the Premises.

7.6 **DAMAGE AND DESTRUCTION**:

7.6.1 **Port Owned Buildings/Improvements**: Except as otherwise stated herein, should the Premises be partially damaged by fire or other casualty, or rendered partially unfit for use by reason of fire or other casualty, the Premises shall be repaired with due diligence by the Port, and in the meantime the Rent (as defined in Section 3.1 above) shall be abated in the same proportion that the untenable portion of the Premises bears to the whole thereof, for the period from the

occurrence of the damage to the completion of the repairs. Lessee shall cooperate fully in obtaining and making available proceeds of insurance provided by Lessee in furtherance of such repairs.

7.6.2 Lessee Owned Buildings/Improvements: If any building or improvement erected by Lessee on the Premises or any part thereof shall be damaged or destroyed by fire or other casualty during the term of this Lease, Lessee may, at its option and at its sole cost and expense, repair or restore the same according to the original plans thereof or according to such modified plans as shall be previously approved in writing by the Port. Lessee shall provide the Port notice of its intention to repair or restore the Premises within sixty (60) days after the damage or loss occurs. Such work of repair or restoration shall be commenced within one hundred twenty (120) days after the damage or loss occurs and shall be completed with due diligence but not longer than one (1) year, if possible, or as soon thereafter as is reasonably possible after such work is commenced, and such work shall be otherwise done in accordance with the requirements of the provisions hereof pertaining to the construction of improvements upon the Premises. All insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration, or if Lessee elects not to repair or restore, to the cost of removing, demolishing, or clearing off the building or improvements. If (i) there are not insurance proceeds, or (ii) the same shall be insufficient for said purpose, Lessee shall make up the deficiency out of its own funds. Should Lessee fail or refuse to make the repair, restoration or removal as hereinabove provided, then in such event said failure or refusal shall constitute a default under the covenants and conditions hereof, and all insurance proceeds so collected shall be forthwith paid over to and be retained by the Port on its own account, and the Port may, but shall not be required to, sue and apply the same for and to the repair, restoration or removal of said improvements, and the Port may, at its option, terminate this Lease as elsewhere provided herein.

7.6.3 Except as otherwise stated herein, should the Premises be completely destroyed by fire or other casualty, or should they be damaged to such an extent that the Premises are rendered wholly unfit for their accustomed uses, the Port shall have the option to terminate this Lease on thirty (30) days' notice, effective as of any date not more than thirty (30) days after the occurrence. In the event that this Section shall become applicable, the Port shall advise Lessee within thirty (30) days after the happening of any such damage whether the Port has elected to continue the Lease in effect or to terminate it. If the Port shall elect to continue this Lease, it shall commence and prosecute with due diligence any work necessary to restore or repair the Premises. If the Port shall fail to notify Lessee of its election within said thirty (30) day period, the Port shall be deemed to have elected to terminate this Lease, and the Lease shall automatically terminate thirty (30) days after the occurrence of the damage. For the period from the occurrence of the damage to the Premises as described in this Section to the date of completion of the repairs to the Premises (or to the date of termination of the Lease if the Port shall elect not to restore the Premises), Rent due hereunder shall be abated in the same proportion as the untenable portion of the Premises bears to the whole thereof.

7.7 SIGNS: Lessee may place in or upon the Premises only such signs as are related to the Authorized Use of the Premises, PROVIDED that Lessee shall first obtain Port's written consent as to size, location, materials, method of attachment, and appearance. Lessee shall install any approved signs at Lessee's sole expense and in compliance with all applicable laws, ordinances,

rules and regulations. Lessee shall not damage or deface the Premises in installing or removing signs and shall repair any damage to the Premises caused by such installation or removal.

7.8 **ATTORNEYS' FEES AND COURT COSTS:** In any litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this Lease (whether in contract, tort, or both) or seeks a declaration of any rights or obligations under this Lease, the prevailing party shall be awarded its reasonable attorney fees, and costs and expenses incurred.

7.9 **ASSIGNMENT OF LEASE:** Lessee shall not assign, rent or sublease any portions of this Lease or any extension thereof, without the prior written consent of the Port, which consent shall not be unreasonably withheld, and no rights hereunder in or to said Premises shall pass by operation of law or other judicial process, or through insolvency proceedings. Otherwise, the rights and obligations hereof shall extend to and be binding upon their respective successors, representatives and assigns, as the case may be. Lessee shall furnish the Port with copies of all such proposed assignment, sublease or rental documents. For the purposes of this Lease, any change of ownership including sale, liquidation or other disposition of some or all of the corporate stock or limited liability company units will be considered an assignment. Should the Port consent to an assignment made by Lessee for the purposes of obtaining a loan or other consideration from a third party, then the Port's consent shall be made in accordance with the consent to assignment document used by the Port for these specific assignments. A copy of this consent form shall be provided by the Port upon request of Lessee.

7.9.1 If the Port refuses to consent to an assignment, Lessee's sole remedy shall be the right to bring a declaratory action to determine whether the Port was entitled to refuse such assignment under the terms of this Lease.

7.9.2 No consent by the Port to any assignment or sublease shall be a waiver of the requirement to obtain such consent with respect to any other or later assignment or sublease. Acceptance of Rent or other performance by the Port following an assignment or sublease, whether or not the Port has knowledge of such assignment or sublease, shall not constitute consent to the same nor a waiver of the requirement to obtain consent to the same.

7.9.3 A minimum handling and transfer fee ("Transfer Fee Deposit") of Three Hundred Dollars (\$300.00) shall be payable by Lessee to the Port if Lessee requests the Port's consent to a proposed assignment (including an assignment to a creditor for security purposes), sublease or modification of this Lease. The Port reserves the right to increase the Transfer Fee Deposit up to Five Hundred Dollars (\$500.00) if, in the Port's sole judgment, the transaction will necessitate the expenditure of substantial time and expense on the part of the Port. Such Transfer Fee Deposit shall be submitted to the Port at the same time that Lessee requests the Port's consent to the proposed sublease, assignment or modification. If the Port's reasonable and customary attorneys' fees exceed the Transfer Fee Deposit, then Lessee agrees to reimburse the Port for such additional reasonable and customary attorneys' fees. Lessee's failure to remit this additional amount within sixty (60) days of the mailing of the notice of such charges, shall constitute a default under this Lease. Notwithstanding anything to the contrary herein, Lessee shall not be obligated to reimburse the Port in any case where an assignment, sublease or modification is not accomplished due to total refusal on the part of the Port to grant its consent to the request.

7.9.4 If, pursuant to any assignment or sublease, Lessee receives rent, either initially or over the term of the assignment or sublease, in excess of the Rent called for hereunder, or in the case of a sublease, a portion of the Premises in excess of such Rent fairly allocable to such portion, after appropriate adjustments to assure that all other payments called for hereunder are appropriately taken into account, Lessee shall pay to the Port, as additional rent expenses hereunder, fifty percent (50%) of the excess of each such payment of Rent received by Lessee after its receipt.

7.9.5 If this Lease is assigned, or if the underlying beneficial interest of Lessee is transferred, or if the Premises or any part thereof is sublet to or occupied by anybody other than Lessee, the Port may collect Rent from the assignee, subtenant or occupant and apply the net amount collected to the Rent herein reserved, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as tenant, or a release of Lessee from the further performance by Lessee of covenants on the part of Lessee herein contained. No assignment or subletting shall affect the continuing primary liability of Lessee (which, following assignment, shall be joint and several with the assignee), and Lessee shall not be released from performing any of the terms, covenants and conditions of this Lease.

7.9.6 Notwithstanding any assignment or sublease, or any indulgences, waivers or extensions of time granted by the Port to any assignee or sublessee or failure of the Port to take action against any assignee or sublease, Lessee hereby agrees that the Port may, at its option, and upon not less than three (3) days' notice to Lessee, proceed against Lessee without having taken action against or joined such assignee or sublessee, except that Lessee shall have the benefit of any indulgences, waivers and extensions of time granted to any such assignee or sublessee.

7.10 **REIMBURSEMENT FOR EXPENSES:** Should Lessee seek to assign this Lease to any creditor as security for a loan or forbearance from such creditor, or attempt to otherwise assign, sublease, or modify this Lease between the parties during the term of this Lease or any renewal thereof, then Lessee agrees to reimburse the Port for all customary and reasonable attorney fees paid by the Port for the review and opinion of such attorney acting on the request. A failure to reimburse the Port within sixty (60) days of the mailing of notice of such charges shall constitute a default under the terms of this Lease. Notwithstanding anything to the contrary herein, Lessee shall not be obligated to reimburse the Port in any case where an assignment, sublease, or modification is not accomplished due to total refusal on the part of the Port to grant its consent to the request.

7.11 **TERMINATION:** Upon expiration or sooner termination of this Lease or any extension thereof, whether by expiration of the stated term or sooner termination thereof, as herein provided, Lessee shall surrender to the Port the Premises peaceably and quietly. Lessee shall restore the Premises to the condition existing at the time of initiation of this Lease, except for: (i) normal wear and tear, and (ii) any improvements which the Port permits to remain on the Premises.

7.11.1 If the Port, at its sole discretion, shall require the use of the Premises for a public use in connection with the business of the Port not involving the lease thereof to another private

lessee or in the event that the Port, at its sole discretion, shall require the use of the Premises for a major capital improvement for public or private use in connection with the operation of the business of the Port, then this Lease may be terminated by the Port by written notice delivered or mailed by the Port to Lessee not less than ninety (90) days before the termination date specified in the notice, unless the need for such use constitutes an emergency, in which case this Lease shall terminate as soon as is practicable.

7.11.2 If the United States Government, the State of Washington, or any agency or instrumentality of said government shall take title, possession, the rights of the Premises or any part thereof, the Port shall have the option to terminate this Lease, and if the taking has substantially impaired the utility of the Premises to Lessee, Lessee shall have the option to terminate this Lease. Both options shall be exercisable as of the date of said taking. If Lessee is not in default under any of the provisions of this Lease on the date of such taking, any rental prepaid by Lessee shall be promptly refunded to Lessee to the extent allocable to any period subsequent to said date, and all further obligations of the parties shall terminate except liabilities, which shall be accrued prior to such date. To the extent Lessee owns certain improvements upon the Premises and is not otherwise directly compensated therefore by the taking entity, Lessee shall receive a fair allocation of any award received by the Port due to termination for government use. Nothing herein contained shall preclude Lessee from independently pursuing a direct claim for compensation from the taking entity for the value of its improvements to the Premises or its leasehold interest therein.

7.11.3 If any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by the Port of any of its obligations under this Lease, then either party hereto may terminate this Lease by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that occurred prior to the effective date of termination) shall thereupon terminate. If Lessee is not in default under any of the provisions of this Lease on the effective date of such termination, any rent prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.

7.12 **DEFAULT, CROSS DEFAULT, AND REMEDIES:** Failure to pay Rent or any other monetary obligations by the first day of each month shall constitute a default under the terms of this Lease. If Lessee is in default in the payment of Rent or other monetary obligations then, at the Port's sole option, upon three (3) days' written notice, this Lease may be terminated and the Port may enter upon and take possession of the Premises. Without limiting the generality of the foregoing, Lessee expressly authorizes the Port to obtain a prejudgment writ of restitution in the event of default by Lessee. This remedy is in addition to and is not exclusive of any other remedies provided either by this Lease or by law.

7.12.1 If Lessee shall fail to perform any term or condition of this Lease, other than the payment of Rent or other monetary obligations, then upon providing Lessee thirty (30) days' written notice of such default, and if Lessee fails to cure such default within the thirty (30) day notice thereof, the Port may terminate this Lease and enter upon and take possession of the Premises. This remedy is in addition to and is not exclusive of any other remedies provided either by this Lease or by law.

7.12.2 If within any one (1) year period, the Port serves upon Lessee three notices requiring Lessee either to: (i) comply with the terms of this Lease or to vacate the Premises or (ii) pay Rent or vacate (collectively referred to herein as “Default Notices”), then Lessee shall, upon a subsequent violation of any term of this Lease by Lessee (including failure to pay Rent), be deemed to be in unlawful detainer, and the Port may, in addition to any other remedies it may have, immediately terminate the Lease and/or commence an unlawful detainer action without further notice to Lessee.

7.12.3 The following shall also constitute a default under the terms of this Lease: (i) A default by Lessee under any other agreement or lease with the Port; (ii) insolvency of Lessee; (iii) an assignment by Lessee for the benefit of creditors; (iv) the filing by Lessee of a voluntary petition in bankruptcy; (v) an adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; (vi) the filing of an involuntary petition of bankruptcy and failure of Lessee to secure a dismissal of the petition within thirty (30) days after filing; and (vii) attachment of or the levying of execution on the leasehold interest and failure of Lessee to secure a discharge of the attachment or release of the levy of execution within ten (10) days.

7.12.4 A default under this Lease shall constitute a default under any other lease or agreement which Lessee has with the Port (hereinafter such other agreements shall be referred to as “Collateral Agreements”). Likewise, any material breach or default under any Collateral Agreements shall be deemed a material breach or default under the terms of this Lease. If any Collateral Agreements are terminated for a material breach or default of Lessee, then the Port shall, without limiting any other remedies it may have, be entitled to terminate this Lease upon five (5) days’ written notice to Lessee.

7.12.5 In addition to the foregoing remedies specified in this article, the Port may exercise any remedies or rights under the laws of the State of Washington. Under no circumstances shall the Port be held liable in damages or otherwise by reason of any lawful re-entry or eviction. The Port shall not, by any re-entry or other act, be deemed to have accepted any surrender by Lessee of the Premises or be deemed to have otherwise terminated this Lease or to have relieved Lessee of any obligation hereunder.

7.12.6 The Port shall be under no obligation to observe or perform any covenant of this Lease after the date of any material default by Lessee unless and until Lessee cures such default.

7.12.7 A fee of Five Hundred Dollars (\$500.00) shall be assessed to Lessee for each Default Notice issued to Lessee to defray the costs associated with preparing, issuing, and serving such notice. This fee shall be payable on the first (1st) day of the month following the issuance of the notice.

7.13 **NON WAIVER:** Neither the acceptance of Rent nor any other act or omission of the Port after a default by Lessee shall operate as a waiver of any past or future default by Lessee, or to deprive the Port of its right to terminate this Lease, or be construed to prevent the Port from promptly exercising any other right or remedy it has under this Lease. Any waiver by the Port shall be in writing and signed by the Port in order to be binding on the Port.

7.14 **NOTICES**: Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party shall be in writing addressed to the other party at the addresses as follows:

TO THE PORT Port of Port Angeles
 P.O. Box 1350
 Port Angeles, WA 98362

TO LESSEE: Composite Recycling Technology Center
 2200 W. 18th Street
 Port Angeles, WA 98363

or such address as may have been specified by notifying the other party of the change of address. Notice shall be deemed served on the date of actual delivery or the first attempted delivery as shown on the return receipt if mailed with the United States Postal Service by certified mail, return receipt requested.

7.15 **AGENT FOR SERVICE**: Lessee agrees that if Lessee is in unlawful detainer, pursuant to Chapter 59.12 RCW, and the Port is unable to serve Lessee with the unlawful detainer pleadings after one service attempt, then the Port shall be deemed to have complied with the service requirements of Chapter 59.12 RCW if it mails such pleadings via certified mail to the address set forth in the notice section of this Lease and posts such pleadings in a conspicuous location on the Premises. Service shall be deemed complete on the next third day following the day of mailing.

7.16 **SECURITY**: Lessee specifically acknowledges that the Port has no duty to provide security for any portion of the Premises or surrounding areas. Lessee assumes sole responsibility and liability for the security of itself, its employees, customers, and invitees, and their respective property in or about the Premises. Lessee agrees that to the extent the Port elects to provide any security, the Port is not warranting the effectiveness of any such security personnel, services, procedures or equipment and that Lessee is not relying and shall not hereafter rely on such security personnel, services, procedures or equipment. The Port shall not be responsible or liable in any manner for failure of any such security personnel, services, procedures or equipment to prevent or control, or apprehend anyone suspected of personal injury or property damage in, on or around the Premises.

7.17 **QUIET ENJOYMENT**: The Port acknowledges that it has ownership of the Premises and that it has the legal authority to lease the Premises to Lessee. The Port covenants that Lessee shall have quiet enjoyment of the Premises during the term of this Lease so long as the terms are complied with by Lessee and subject to the Port's right of entry onto the Premises as set forth herein.

7.17.1 The Port reserves the right to grant easements and other land uses on the Premises to others when the easement or other land uses applied for will not unduly interfere with the use to which Lessee is putting the Premises or interfere unduly with the approved plan of development

for the Premises. No easement or other land uses shall be granted to third parties, until damages to the Lessee have been dealt with appropriately, or waiver signed by Lessee.

7.17.2 Lessee understands that various federal agencies, including the Department of Homeland Security and U.S. Coast Guard, have the authority to restrict access to certain areas on property owned by the Port in order to counter a terrorist or other threat. Such restrictions could impact Lessee's ability to access the Premises for an indefinite period of time. Since such restrictions on access are outside the control of the Port, Lessee agrees that such interruptions shall not be deemed a violation of this Lease or the Covenant of Quiet Enjoyment.

7.18 **PORT MAY ENTER PREMISES; INSPECTION**: The Port reserves the right to inspect the Premises after written notice (except where the Port reasonably believes there exists or is about to exist an emergency, in which case no notice is required) at any and all reasonable times throughout the term of this Lease, provided that it shall not unduly interfere with Lessee's operations. The right of inspection reserved to the Port hereunder shall impose no obligation on the Port to make inspections to ascertain the condition of the Premises, and shall impose no liability upon the Port for failure to make such inspections. The Port shall have the right to place and maintain "For Rent" signs in conspicuous places on the Premises for a reasonable period of time prior to the expiration or sooner termination of the Lease.

7.19 **TIME**: It is mutually agreed and understood that time is of the essence of this Lease and that a waiver of any default of Lessee shall not be construed as a waiver of any other default.

7.20 **INTERPRETATION**: This Lease has been submitted to the scrutiny of the parties hereto and their counsel, if desired. In any dispute between the parties, the language of this Lease shall, in all cases, be construed as a whole according to its fair meaning and not for or against either the Port or Lessee. If any provision is found to be ambiguous, the language shall not be construed against either the Port or Lessee solely on the basis of which party drafted the provision. If any word, clause, sentence, or combination thereof for any reason is declared by a court of law or equity to be invalid or unenforceable against one party or the other, then such finding shall in no way affect the remaining provisions of this Lease.

7.21 **HOLDING OVER**: If Lessee remains in possession of said Premises after the date of expiration of this Lease without the Port's prior written consent, such holding over shall constitute and be construed as tenancy at sufferance only, at a monthly rent equal to one hundred fifty percent (150%) of the rent owed during the immediately preceding month under this Lease and otherwise upon the terms and conditions in this Lease and shall continue to be responsible for payment of applicable CAM Expenses and leasehold excise tax obligations. If Lessee holds over with the Port's prior written consent, then until such time as a new written Lease is executed by the parties hereto, Lessee shall continue to make payments to the Port on a month-to-month basis as provided for in this Lease. Such holdover tenancy may be terminated by either party at the end of any such monthly period by sending written notice not less than five (5) days before the end of such period. Such holdover tenancy shall be subject to all terms and conditions contained herein.

7.22 **PROMOTION OF PORT COMMERCE**: Lessee agrees that throughout the term of this Lease it will, insofar as practicable, promote the activities of the Port.

7.23 **SURVIVAL**: All obligations of Lessee, as provided for in the Lease, shall not cease upon the termination of this Lease and shall continue as obligations until fully performed. All clauses of this Lease, which require performance beyond the termination date, shall survive the termination date of this Lease.

7.24 **GOVERNING LAW**: This Lease, and the right of the parties hereto, shall be governed by and construed in accordance with the laws of the State of Washington, and the parties agree that in any such action jurisdiction and venue shall lie exclusively in Clallam County, Washington.

7.25 **ESTOPPEL CERTIFICATES**: At Lessee's request, the Port agrees to execute and deliver to Lessee or its lender(s), a customary estoppel certificate in a form acceptable to the Port which sets forth the following information: (i) the terms and conditions of this Lease, (ii) the status of the Rent payments under the Lease; and (iii) the Port's knowledge of any breaches or anticipated breaches of the Lease. The Port shall have no obligation to execute an estoppel certificate which requests any information other than as set forth above. Lessee agrees to reimburse the Port for all attorneys' fees paid by the Port for the review and opinion of such attorney acting on the request for such estoppel certificate and in negotiating acceptable language in the estoppel certificate. A failure to reimburse the Port within sixty (60) days of the mailing of notice of such charges shall constitute a default under the terms of this Lease.

7.26 **ATTORNTMENT**: In the event the Premises are sold, Lessee shall attorn to the purchaser upon the sale provided that the purchaser expressly agrees in writing that, so long as Lessee is not in default under the Lease, Lessee's possession and occupancy of the Premises will not be disturbed and that such purchaser will perform all obligations of the Port under the Lease.

7.27 **ENTIRE AGREEMENT**: This Lease contains all of the understandings between the parties. Each party represents that no promises, representations or commitments have been made by the other as a basis for this Lease which have not been reduced to writing herein. No oral promises or representations shall be binding upon either party, whether made in the past or to be made in the future, unless such promises or representations are reduced to writing in the form of a modification to this Lease executed with all necessary legal formalities by the Commission of the Port of Port Angeles, or its designee.

7.28 **COMMISSIONS AND FEES**: In the absence of any agreement between the parties to the contrary, each party represents and warrants to the other that it has not been represented by, or introduced to the other by, any broker or agent. In the absence of any agreement between the parties to the contrary, each party hereby agrees to indemnify and hold the other harmless from and against any and all fees, commissions, costs, expenses (including attorneys' fees) obligations and causes of actions arising against or incurred by the other party by reason of any claim for a real estate commission or a fee or finder's fee by reason of any contract, agreement or arrangement with, or services rendered at the request of, the indemnifying party.

7.29 **VALIDATION**: IN WITNESS WHEREOF, the Port has caused this instrument to be signed by its Executive Director, or other designee, by authority of the Commission of the Port of

Port Angeles, and this instrument has been signed and executed by Lessee, on the day and written below.

LESSOR:

PORT OF PORT ANGELES

Paul Jarkiewicz
Its: Executive Director

Date: _____

LESSEE:

COMPOSITE RECYCLING TECHNOLOGY CENTER

David Walter
Its: Chief Executive Officer

Date: _____

For Final Approval

STATE OF WASHINGTON)
) ss.
County of Clallam)

On this ____ day of _____, 2023, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared **David Walter**, to me known to be the **Chief Executive Officer of Composite Recycling Technology Center**, the entity that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said entity for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.

NOTARY PUBLIC in and for the
State of Washington, residing
at _____
My Commission Expires: _____

STATE OF WASHINGTON)
) ss.
County of Clallam)

On this ____ day of _____, 2022, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared **Paul Jarkiewicz**, to me known to be the **Executive Director of the Port of Port Angeles**, the entity that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said entity for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.

NOTARY PUBLIC in and for the
State of Washington, residing
at _____
My Commission Expires: _____

EXHIBIT A – Leased Premises

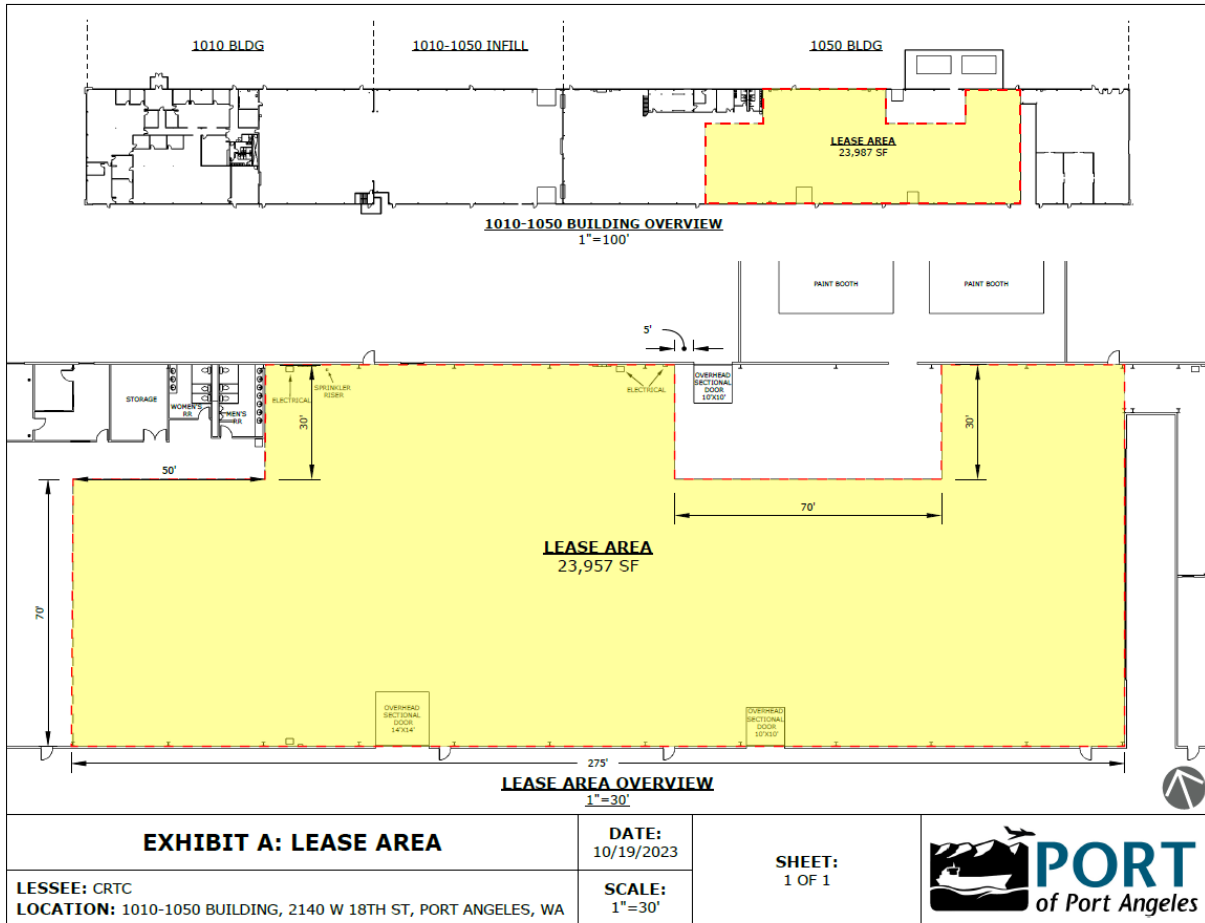



EXHIBIT A: LEASE AREA		DATE: 10/19/2023	
LESSEE: CRTC LOCATION: 1010-1050 BUILDING, 2140 W 18TH ST, PORT ANGELES, WA		SCALE: 1"=30'	

FOR FILING

EXHIBIT B

Repair and Maintenance Inclusion List for All Properties

Premises improvements to be repaired and maintained by the Port of Port Angeles as follows:

- ACCESS ROADS & PARKING
- PAVING & SURFACING
- PAVEMENT MARKING
- SIDEWALKS/CURBS
- MANHOLES & CLEANOUTS
- HYDRANTS
- WATER DISTRIBUTION (EXTERIOR MAINS)
- FOUNDATION DRAINAGE
- STORM SYSTEMS
- CATCH BASINS, GRATES, FRAME
- DRAINAGE PIPE
- SANITARY SEWAGE SYSTEMS (EXTERIOR MAINS)
- PLUMBING (OUTSIDE OF TENANT LEASED SPACE)
- FIRE EXTINGUISHERS & CABINETS
- ROOFING SYSTEMS (DECKING)
- GUTTERS & DOWNSPOUTS
- SEALANTS & CAULKING/EXTERIOR
- WEATHERSTRIPPING & SEALS
- GLAZING
- SIDING
- PAINTING (EXTERIOR)
- THERMAL & MOISTURE PROTECTION
- INSULATION
- ENTRANCES & STOREFRONTS EXTERIOR WINDOWS
- EXTERIOR DOOR HARDWARE
- HANDRAILS AND RAILINGS
- ELECTRICAL SERVICE & DISTRIBUTION
- HVAC
- MOWING

Lessee shall be responsible for repair and maintenance of all Premises improvements not identified on this Exhibit B.

Initials: _____
Port

Lessee: _____
CRTC

ITEM FOR CONSIDERATION
OF THE
PORT OF PORT ANGELES COMMISSION

Date: October 24, 2023
Subject: Property Acquisition
Presented by: Caleb McMahon, Director of Economic Development

BACKGROUND

Port districts are authorized by RCW 53.08.010 to acquire real property.

RCW 53.08.010 Acquisition of property—Levy of assessments.

A port district may acquire by purchase, for cash or on deferred payments for a period not exceeding twenty years, or by condemnation, or both, all lands, property, property rights, leases, or easements necessary for its purposes and may exercise the right of eminent domain in the acquirement or damaging of all such lands, property, and property rights, and may levy and collect assessments upon property for the payment of all damages and compensation in carrying out its purposes, and such right shall be exercised in the same manner and by the same procedure as provided for cities of the first class insofar as consistent with this title, and in connection therewith the county treasurer shall perform the duties of the treasurers of such cities.

STATUS: Port staff has negotiated the purchase price of **\$225,000** for land and improvements owned by Frank Helm and Paulette Helm, Trustees. This property is adjacent to the Port's unimproved lot at 413 W. 2nd Street immediately to the east. Across the street is the future Marine Trades Center, and the Helm property's location is valuable as a Port asset for uses related to the Center. Staff requests the review of the Commission to move forward with the purchase.

LOCATION: 430 Marine Drive, Port Angeles.

PROPERTY DESCRIPTION:

Clallam County Assessor Parcels: 063000003554, 063000000035600000.

The property consists of two adjacent parcels containing 21,344 sf, situated on the south side of Marine Drive. The improvement consists of a garage of 1,150 sf constructed in 1961, having two garage doors, a small office, and a restroom. An oversized air compressor and vehicle lift were also noted. The property is also improved with perimeter chain-link fencing and a small shed. This flat lot is zoned Commercial Arterial with the City of Port Angeles and is connected to city utilities. Current assessments are below:

CLALLAM COUNTY ASSESSED VALUE:		
0630000035600000	\$157,524	Improvements
	<u>\$ 35,000</u>	Land
Total	\$192,524	

CLALLAM COUNTY ASSESSED VALUE:		
0630000035540000	\$0	Improvements
	<u>\$99,984</u>	Land
Total	\$99,984	

Grand Total Assessed Value: \$292,508

APPRAISED VALUE: \$390,000. The Port hired an independent appraiser to determine the property's fair market value. Jonquille de Chantel, MAI, SRA, provided the July 20, 2023 appraisal report. The report assumes zero environmental contamination. (Page 33 of the appraisal report, section Hazardous Material states in part, "The appraiser does not guarantee the absence of hazardous material or environmental contamination. For the purpose of this report, it is assumed that the site is free of hazardous material and/or site contamination.")

ENVIRONMENTAL FACTORS: Landau Associates conducted a Phase 1 Environmental Site Assessment Report on September 7, 2023. The report found gasoline and benzene contamination on other properties located west and northwest of the subject. A PetroCard gasoline station is across the street to the north, and a Chevron gasoline station is at the end of the block to the east.

ANALYSIS: The Helm property has been identified by staff as property that supports the mission of the Port's strategic plan and allows for expansion of the Port's industrial/commercial land holdings on and near Marine Drive, Port Angeles.

FISCAL IMPACT: The purchase price is \$225,000 plus title and escrow fees at closing. Costs already expended are the Appraisal Report of \$3,500.00 and Phase 1 Environmental Site Assessment of \$11,600.00.

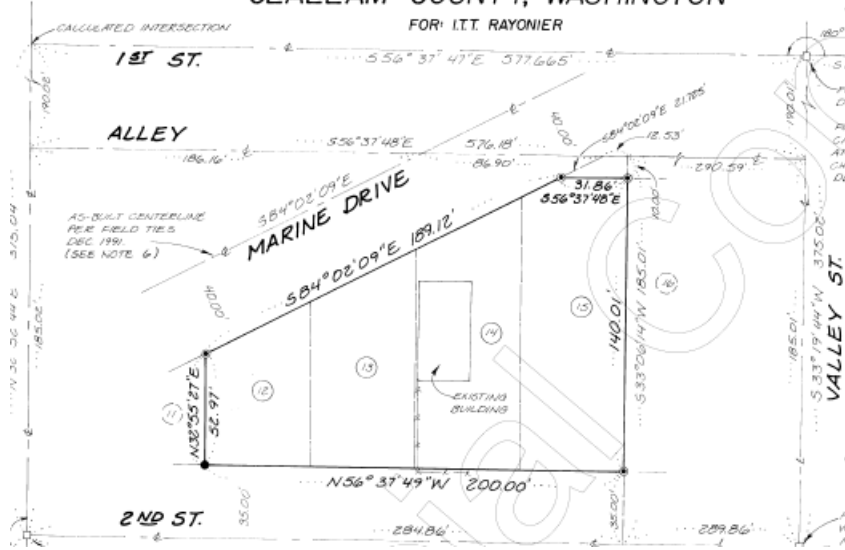
RECOMMENDED ACTION: Staff recommends that the Commission approve the purchase of the Helm property for a Port asset due to the proximity to existing Port property and its prime location near the future Marine Trade Center.



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RECORD OF SURVEY

LOTS 12-15 BLOCK 35, TOWNSITE OF PORT ANGELES
CLALLAM COUNTY, WASHINGTON







Future Agenda Items –Commission Meeting

10/24/23 Special Commission Meeting

November 7, 2023 (Special Commission Meeting – non regular date)

- Open Public Hearing on Budget, Levy, & Comp Scheme

November 14, 2023 (Regular Commission Meeting)

- Monthly DofA Report
- Close Public Hearing on Budget, Levy, & Comp Scheme
- Adopt Budget & Tax Levy
- Resolutions for Annual Budget, Levy, & Comp Scheme

November 21, 2023 - cancelled

November 28, 2023 – cancelled

December 12th, 2023 (Special Commission Meeting – location at airport)

- Auditor Exit Conference (?)
- Monthly DofA Report
- PA Yacht Club year-end presentation
- 2024 Legislative Priorities (?)

Upcoming Events/Announcements

- Carbon Friendly Forestry Conference – November 1/8/15 – Virtual
- Pacific Marine Expo – November 8-10, 2023 – Seattle, WA
- International Workboat Show – November 29-December 1, 2023 – New Orleans, LA
- WPPA Annual Meeting – December 6-8, 2023 – Vancouver, WA

Future

- Boatyard and Marina Rules & Regulations
- Port Emergency Response Plans and Activities
- Employee Handbook Update and Resolutions