REGULAR COMMISSION MEETING
Tuesday, October 27, 2026, at 9:00 a.m.
338 W. First St, 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

**Comm. Kidwell Excused Absence*

II. EARLY PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES)

III. APPROVAL OF AGENDA

IV. WORK SESSION

A. September Financial Report.....1-2

B. Present Preliminary 2027 Budget & Tax Levy.....3-25

V. APPROVAL OF CONSENT AGENDA

A. Regular Commission Meeting Minutes – October 13, 2026.....26-29

B. Vouchers in the amount of $2,030,902.54.....30

VI. COMPLETION OF RECORDS

A. 3rd Quarter Operations Report.....31-44

VII. PLANNING AND CAPITAL PROJECTS

A. 2027 Draft Final Capital Budget.....45-54

B. Item for Consideration – Port Angeles Composite (PAC) Project Pre-Engineered Metal Building Purchase Order for CHG Building Systems, Inc.....55-56

C. Item for Consideration – Nelson Worldwide Professional Services Agreement Amendment 02.....57-58

VIII. LOG YARD

No items

IX. MARINE TRADES AND MARINE TERMINALS

No items

PORT of Port Angeles
Serving Clallam County Since 1923

X. PROPERTY

No items

XI. MARINAS

No items

XII. AIRPORTS

No items

XIII. OTHER BUSINESS

A. Item for Consideration – Community Aviation Revitalization Board (CARB) Loan Application for Port Angeles Composite (PAC) Project……..59-60

B. Item for Consideration – Community Economic Revitalization Board (CERB) Committed Private Partner (CPP) Program Application for Port Angeles Composite (PAC) Project and Resolution 26-1352…….61-64

C. Item for Discussion – US-101 Simdars Interchange Project…….65-66

D. Item for Consideration – Res 26-1353 Revising Investment Policy……..67-72

E. Item for Consideration – Res 26-1354 Revising Capital Improvement Policy……73-82

XIV. ITEMS NOT ON THE AGENDA

XV. COMMISSIONER REPORTS

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

XVII. FUTURE AGENDA……..……83

XVIII. NEXT MEETINGS

A. November 10, 2026 – Regular Commission Meeting
[Open Public Hearing on 2027 Budget and Tax Levy]

B. November 17, 2026 – Special Commission Meeting (**Comm. Kidwell Excused Absence*)
[Close Public Hearing & Adopt 2027 Budget and Tax Levy]

C. November 24, 2026 – Regular Commission Meeting – **MEETING CANCELED**

D. December 8, 2026 – Regular Commission Meeting

E. December 22, 2026 – Regular Commission Meeting

XIX. UPCOMING EVENTS

A. November 19-21, 2026 – Pacific Marine Expo (Seattle, WA)

B. December 2-4, 2026 – International Workboat Show (New Orleans, LA)

C. December 9-11, 2026 – Washington Public Ports Association (WPPA) Annual Meeting (Vancouver, WA – Hilton Vancouver)

XX. EXECUTIVE SESSION

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

XXI. 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.

Port of Port Angeles
P&L Summary by Department
9/30/2026

	Monthly						
	September Actual	September Budget	Actual vs Budget Variance	Actual vs Budget Variance %	September Forecast	Actual vs Re-Forecast Variance	Actual vs Re-Forecast Variance %
Marine Terminal							
Operating Revenue	92,607	314,344	(221,737)	▼70.54%	186,023	(93,416)	▼50.22%
Operating Expense	(87,080)	(125,608)	38,527	▼30.67%	(119,532)	32,452	▼27.15%
Total	**5,527**	**188,737**	**(183,210)**		**66,491**	**(60,964)**	
Marine Trades Area							
Operating Revenue	91,542	67,202	24,340	▲36.22%	66,502	25,040	▲37.65%
Operating Expense	(46,360)	(33,737)	(12,623)	▲37.42%	(42,641)	(3,719)	▲8.72%
Total	**45,182**	**33,465**	**11,717**		**23,861**	**21,321**	
Intermodal Handling & Transfer Facility							
Operating Revenue	86,402	102,448	(16,046)	▼15.66%	68,752	17,650	▲25.67%
Operating Expense	(73,703)	(94,588)	20,885	▼22.08%	(97,582)	23,879	▼24.47%
Total	**12,699**	**7,860**	**4,839**		**(28,830)**	**41,529**	
Fairchild International Airport							
Operating Revenue	45,328	39,436	5,892	▲14.94%	40,168	5,160	▲12.85%
Operating Expense	(53,266)	(58,967)	5,701	▼9.67%	(62,423)	9,157	▼14.67%
Total	**(7,937)**	**(19,531)**	**11,594**		**(22,255)**	**14,318**	
Sekiu							
Operating Revenue	1,528	1,564	(36)	▼2.33%	1,564	(36)	▼2.33%
Operating Expense	(1,388)	(3,692)	2,304	▼62.40%	(3,685)	2,297	▼62.33%
Total	**140**	**(2,128)**	**2,268**		**(2,121)**	**2,261**	
Airport Rental Properties							
Operating Revenue	126,824	140,109	(13,285)	▼9.48%	128,888	(2,064)	▼1.60%
Operating Expense	(45,978)	(50,038)	4,060	▼8.11%	(52,901)	6,923	▼13.09%
Total	**80,846**	**90,071**	**(9,225)**		**75,987**	**4,859**	
Port Angeles Boat Haven							
Operating Revenue	462,845	186,242	276,603	▲148.52%	316,842	146,003	▲46.08%
Operating Expense	(365,382)	(76,091)	(289,291)	▲380.19%	(192,042)	(173,340)	▲90.26%
Total	**97,463**	**110,151**	**(12,688)**		**124,800**	**(27,337)**	
John Wayne Marina							
Operating Revenue	210,414	190,644	19,770	▲10.37%	186,644	23,770	▲12.74%
Operating Expense	(104,522)	(90,618)	(13,904)	▲15.34%	(96,420)	(8,102)	▲8.40%
Total	**105,892**	**100,026**	**5,865**		**90,224**	**15,668**	
Rental Properties							
Operating Revenue	18,177	13,265	4,912	▲37.03%	16,723	1,453	▲8.69%
Operating Expense	(9,248)	(7,880)	(1,368)	▲17.36%	(10,829)	1,581	▼14.60%
Total	**8,928**	**5,385**	**3,543**		**5,894**	**3,034**	
Administrative							
Operating Expense	**(228,335)**	**(233,961)**	**5,626**	▼2.40%	**(231,923)**	**3,588**	▼1.55%
Economic Development							
Operating Expense	**(37,688)**	**(46,153)**	**8,465**	▼18.34%	**(65,289)**	**27,601**	▼42.28%
Information Technology							
Operating Expense	**(7,807)**	**(8,025)**	**218**	▼2.72%	**(12,325)**	**4,518**	▼36.66%
Mechanical Maintenance							
Operating Expense	**(13,950)**	**(17,953)**	**4,003**	▼22.29%	**(19,332)**	**5,382**	▼27.84%
Facilities Maintenance							
Operating Expense	**(30,318)**	**(48,011)**	**17,693**	▼36.85%	**(53,580)**	**23,262**	▼43.42%
TOTAL OPERATING REVENUES	**1,135,666**	**1,055,254**	**80,412**	▲7.62%	**1,012,106**	**123,560**	▲12.21%
TOTAL DIRECT EXPENSES	**(1,105,026)**	**(895,322)**	**(209,704)**	▲23.42%	**(1,060,504)**	**(44,522)**	▲4.20%
ALLOCATED EXPENSES - ADMIN & MAINT	-		-	-	-	-	-
NET SURPLUS (DEFICIT) - Before Depreciation	***30,640***	***159,932***	***(129,291)***		***(48,398)***	***79,038***	
ALLOCATED DEPRECIATION	-		-	-	-	-	-
DEPRECIATION EXPENSE	(316,573)	(388,968)	72,395	▼18.61%	(369,548)	52,975	▼14.34%
NET SURPLUS (DEFICIT) - After Depreciation	**(285,933)**	**(229,036)**	**(56,897)**		**(417,946)**	**132,013**	
NON-OP (GENERAL)							
NON-OP REV (General)	63,875	83,000	(19,125)	▼23.04%	83,000	(19,125)	▼23.04%
NON-OP EXP (General)	(4,227)	(4,695)	467	▼9.96%	(4,695)	468	▼9.97%
NON-OP (General) SURPLUS (DEFICIT)	***59,648***	***78,305***	***(18,657)***		***78,305***	***(18,657)***	
NON-OP (CAPITAL)							
NON-OP REV (Capital)	1,231,062	2,036,810	(805,748)	▼39.56%	1,231,062	(0)	▼0.00%
NON-OP EXP (Capital)	(3,829)	(3,877)	48	▼1.24%	(3,877)	48	▼1.25%
NON-OP (Capital) SURPLUS (DEFICIT)	***1,227,233***	***2,032,933***	***(805,700)***		***1,227,185***	***48***	
NET NON-OP SURPLUS (DEFICIT)	***1,286,881***	***2,111,239***	***(824,358)***		***1,305,490***	***(18,609)***	
TOTAL NET SURPLUS (DEFICIT)	***1,000,948***	***1,882,203***	***(881,254)***		***887,544***	***113,404***	

Port of Port Angeles
P&L Summary by Department
9/30/2026

	YTD						
	YTD Actual	YTD Budget	Actual vs Budget Variance	Actual vs Budget Variance %	YTD Forecast	Actual vs Re-Forecast Variance	Actual vs Re-Forecast Variance %
Marine Terminal							
Operating Revenue	1,123,976	2,319,980	(1,196,004)	▼51.55%	1,240,647	(116,671)	▼9.40%
Operating Expense	(1,003,336)	(1,190,303)	186,966	▼15.71%	(1,012,996)	9,660	▼0.95%
Total	**120,640**	**1,129,678**	**(1,009,038)**		**227,651**	**(107,011)**	
Marine Trades Area							
Operating Revenue	636,509	649,822	(13,313)	▼2.05%	559,133	77,376	▲13.84%
Operating Expense	(461,791)	(317,912)	(143,880)	▲45.26%	(418,497)	(43,295)	▲10.35%
Total	**174,718**	**331,910**	**(157,193)**		**140,637**	**34,081**	
Intermodal Handling & Transfer Facility							
Operating Revenue	512,624	797,262	(284,638)	▼35.70%	514,136	(1,512)	▼0.29%
Operating Expense	(805,742)	(933,432)	127,691	▼13.68%	(849,977)	44,235	▼5.20%
Total	**(293,118)**	**(136,170)**	**(156,948)**		**(335,841)**	**42,723**	
Fairchild International Airport							
Operating Revenue	368,737	359,534	9,203	▲2.56%	361,200	7,537	▲2.09%
Operating Expense	(454,281)	(529,935)	75,654	▼14.28%	(475,353)	21,072	▼4.43%
Total	**(85,544)**	**(170,401)**	**84,857**		**(114,153)**	**28,609**	
Sekiu							
Operating Revenue	14,664	14,028	636	▲4.54%	14,699	(35)	▼0.24%
Operating Expense	(24,768)	(28,622)	3,854	▼13.46%	(30,061)	5,293	▼17.61%
Total	**(10,104)**	**(14,594)**	**4,490**		**(15,362)**	**5,258**	
Airport Rental Properties							
Operating Revenue	1,102,352	1,215,073	(112,721)	▼9.28%	1,110,674	(8,322)	▼0.75%
Operating Expense	(504,145)	(496,016)	(8,130)	▲1.64%	(486,949)	(17,196)	▲3.53%
Total	**598,207**	**719,057**	**(120,851)**		**623,725**	**(25,518)**	
Port Angeles Boat Haven							
Operating Revenue	2,288,359	1,652,080	636,279	▲38.51%	1,988,990	299,369	▲15.05%
Operating Expense	(1,511,850)	(733,817)	(778,033)	▲106.03%	(1,173,800)	(338,050)	▲28.80%
Total	**776,509**	**918,263**	**(141,754)**		**815,190**	**(38,681)**	
John Wayne Marina							
Operating Revenue	1,658,722	1,665,262	(6,540)	▼0.39%	1,616,000	42,722	▲2.64%
Operating Expense	(958,726)	(885,847)	(72,879)	▲8.23%	(919,944)	(38,782)	▲4.22%
Total	**699,996**	**779,415**	**(79,419)**		**696,056**	**3,940**	
Rental Properties							
Operating Revenue	168,144	134,304	33,840	▲25.20%	167,356	788	▲0.47%
Operating Expense	(149,776)	(99,923)	(49,853)	▲49.89%	(132,554)	(17,222)	▲12.99%
Total	**18,368**	**34,381**	**(16,013)**		**34,802**	**(16,434)**	
Administrative							
Operating Expense	**(2,278,642)**	**(2,127,889)**	**(150,753)**	▲7.08%	**(2,233,685)**	**(44,957)**	▲2.01%
Economic Development							
Operating Expense	**(386,369)**	**(332,889)**	**(53,480)**	▲16.07%	**(429,011)**	**42,642**	▼9.94%
Information Technology							
Operating Expense	**(138,100)**	**(92,725)**	**(45,375)**	▲48.94%	**(128,245)**	**(9,855)**	▲7.68%
Mechanical Maintenance							
Operating Expense	**(135,252)**	**(166,193)**	**30,941**	▼18.62%	**(155,028)**	**19,776**	▼12.76%
Facilities Maintenance							
Operating Expense	**(266,878)**	**(436,957)**	**170,079**	▼38.92%	**(325,627)**	**58,749**	▼18.04%
TOTAL OPERATING REVENUES	**7,874,086**	**8,807,345**	**(933,259)**	▼10.60%	**7,572,835**	**301,251**	▲3.98%
TOTAL DIRECT EXPENSES	**(9,079,656)**	**(8,372,458)**	**(707,197)**	▲8.45%	**(8,771,727)**	**(307,929)**	▲3.51%
ALLOCATED EXPENSES - ADMIN & MAINT	-		-	-	-	-	-
NET SURPLUS (DEFICIT) - Before Depreciation	***(1,205,570)***	***434,886***	***(1,640,456)***		***(1,198,891)***	***(6,679)***	
ALLOCATED DEPRECIATION	-		-	-	-	-	-
DEPRECIATION EXPENSE	(2,837,581)	(3,215,901)	378,320	▼11.76%	(2,941,693)	104,112	▼3.54%
NET SURPLUS (DEFICIT) - After Depreciation	**(4,043,151)**	**(2,781,015)**	**(1,262,136)**		**(4,140,584)**	**97,433**	
NON-OP (GENERAL)							
NON-OP REV (General)	716,316	727,500	(11,184)	▼1.54%	750,301	(33,985)	▼4.53%
NON-OP EXP (General)	(90,956)	(49,751)	(41,205)	▲82.82%	(93,359)	2,403	▼2.57%
NON-OP (General) SURPLUS (DEFICIT)	***625,360***	***677,749***	***(52,389)***		***656,942***	***(31,582)***	
NON-OP (CAPITAL)							
NON-OP REV (Capital)	6,716,743	7,469,465	(752,722)	▼10.08%	6,766,188	(49,445)	▼0.73%
NON-OP EXP (Capital)	(34,458)	(35,015)	557	▼1.59%	(34,593)	135	▼0.39%
NON-OP (Capital) SURPLUS (DEFICIT)	***6,682,285***	***7,434,450***	***(752,165)***		***6,731,595***	***(49,310)***	
NET NON-OP SURPLUS (DEFICIT)	***7,307,644***	***8,112,199***	***(804,555)***		***7,388,537***	***(80,893)***	
TOTAL NET SURPLUS (DEFICIT)	***3,264,493***	***5,331,184***	***(2,066,691)***		***3,247,953***	***16,541***	

PORT of Port Angeles

2027 BUDGET
Preliminary as of 10/27/26



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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.

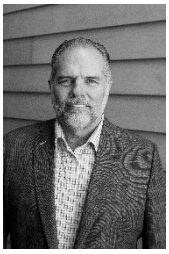
Prior to her position at the Business Alliance, Colleen served on the Port of Port Angeles staff where she served as the Port's Director of Business Development. During this time, she became deeply familiar with the operations of the Port and the business opportunities that exist for Clallam County. With state and community partners, Colleen spearheaded what became the Composites Recycling Technology Center.

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, 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 a 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 KELLY G. KIDWELL (District 2)

Commissioner Kidwell represents District 2 (central) and was appointed to the Port Commission in June 2026. Kelly is the Founder and CEO of Citizen Air, a Port Angeles-based aviation company working to restore commercial air service and create living-wage jobs at William R. Fairchild International Airport.

An entrepreneur since 1987, Kidwell also founded and led Pacific Advisors, a national financial-services firm that grew into a top-ranked agency with offices across seven Western states. His business career spans aviation and wealth management, bringing financial discipline, executive leadership, and a track record of investing in the kind of economic opportunity that changes lives in communities like Port Angeles.

He is a Certified Financial Planner with additional credentials in estate and charitable planning, and has held national leadership roles in the financial services industry, including as the founding chairman of a national association representing financial security professionals



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.



CHIEF EXECUTIVE OFFICER, PAUL JARKIEWICZ

Paul Jarkiewicz was appointed Executive Director of the Port of Port Angeles in July 2023, following his service as Interim Executive Director and as Director of Operations. With a career rooted in maritime and port operations, Paul is widely recognized as a positive influencer and strategic leader.

He brings a wealth of expertise in personal development, industry processes, and operational strategy to the Port, helping guide its mission to connect people, resources, and industry in support of economic prosperity and living-wage jobs.

Paul holds a Master of Business Administration (MBA) in Shipping and Logistics from Middlesex University in London, England. He has earned multiple executive certifications from Harvard Business School in Boston, Massachusetts. Earlier in his career, he sailed as a Master Mariner, gaining global experience that informs his leadership today.

Originally from Maine, Paul spent many years living abroad before settling in Port Angeles, which he now proudly calls home. He is actively involved in community service and enjoys all that life on the Olympic Peninsula has to offer.

BOARD OF PORT COMMISSIONERS

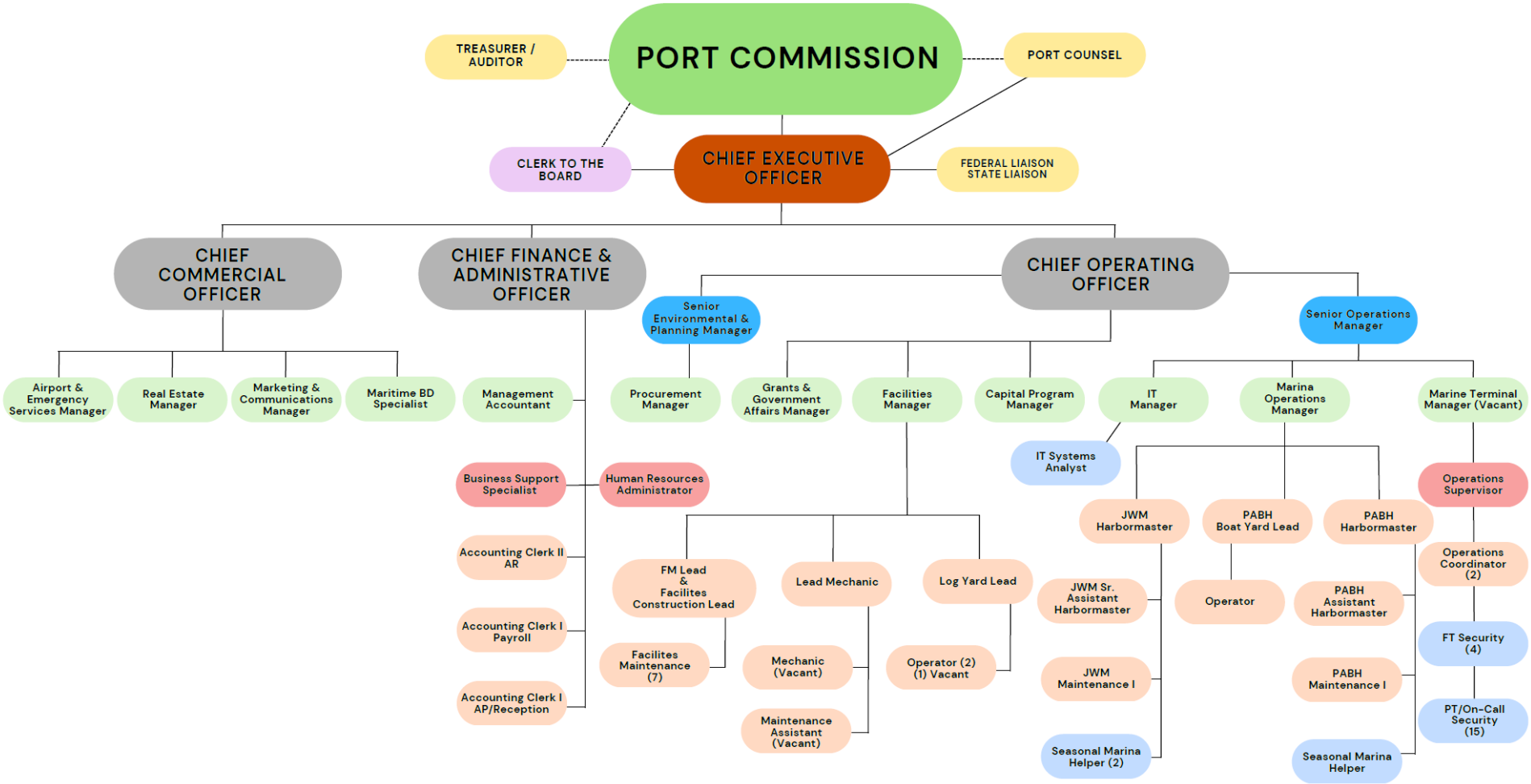
CONNIE L. BEAUVAIS, PRESIDENT
Term Expires 2027

COLLEEN M. MCALEER, VICE PRESIDENT
Term Expires 2029

KELLY G. KIDEWELL, SECRETARY
Term Expires 2027

PORT MANAGEMENT TEAM

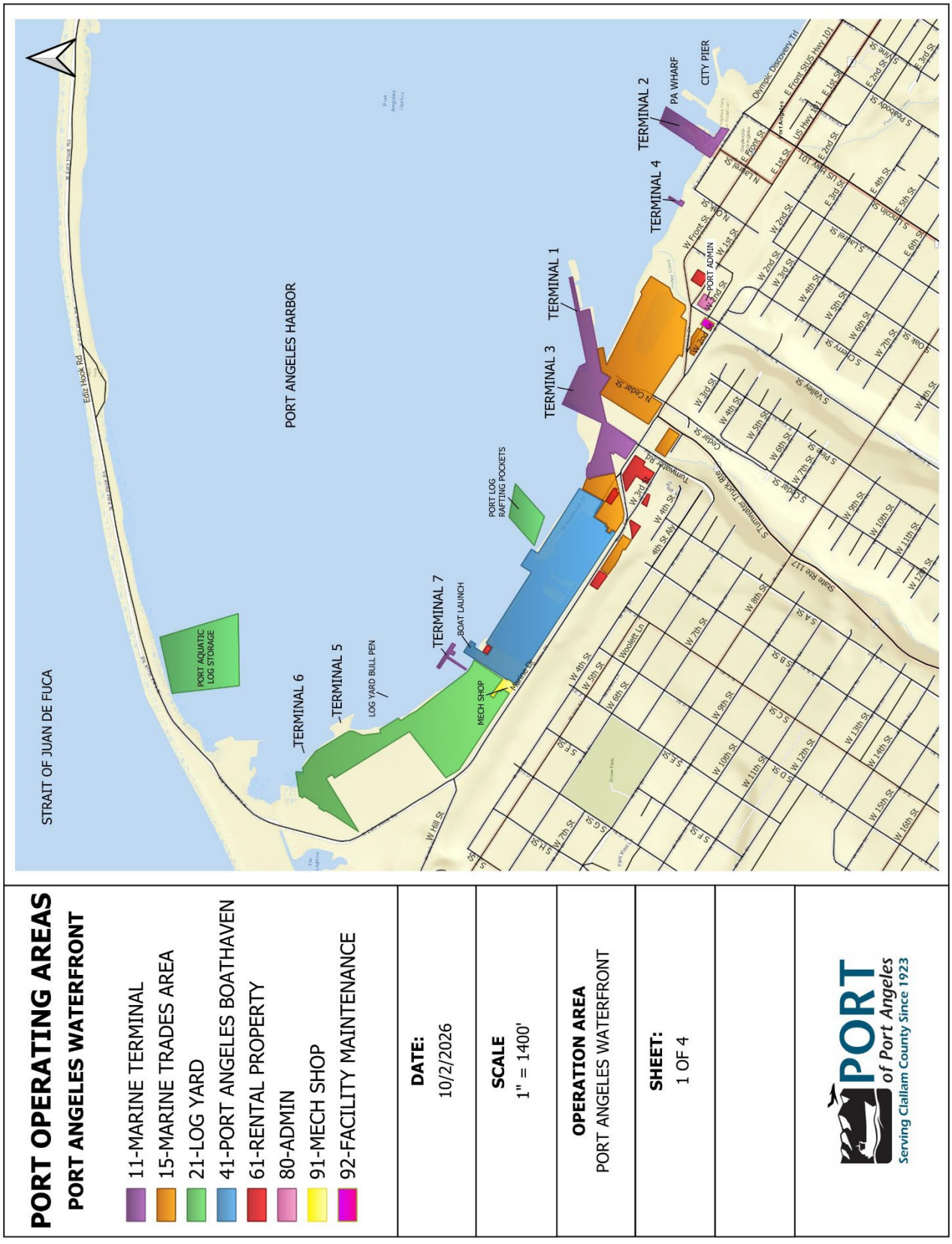
Chief Executive Officer …….. PAUL JARKIEWICZ
Chief Finance & Administrative Officer…….. JENNIFER BAKER
Chief Operating Officer……..…….. CHRIS R. HARTMAN
Chief Commercial Officer ..……,,,,.…… CALEB MCMAHON
Airport & Emergency Services Manager……..…… JAMES ALTON
Capital Program Manager…….. ZACHREY HOLDEN
Senior Environmental & Planning Manager…….. JESSE W. WAKNITZ
Facilities Manager……... WILSON EASTON
Grants & Government Affairs Manager …..... KATHARINE FRAZIER
IT Manager……..... STEVEN ROSE
Marine Terminal Manager…….....VACANT
Marina Operations Manager…… RON AMUNDSON
Management Accountant……. SARAH KUH
Marketing & Communications Manager…… MICHAELA FUJITA-CONRADS
Senior Operations Manager…….. SCOTT HOUGH
Procurement Manager/Clerk to the Board……. JENNA RILEY
Real Estate & Marketing Manager……..…… CHERIE GOTTSCHALK



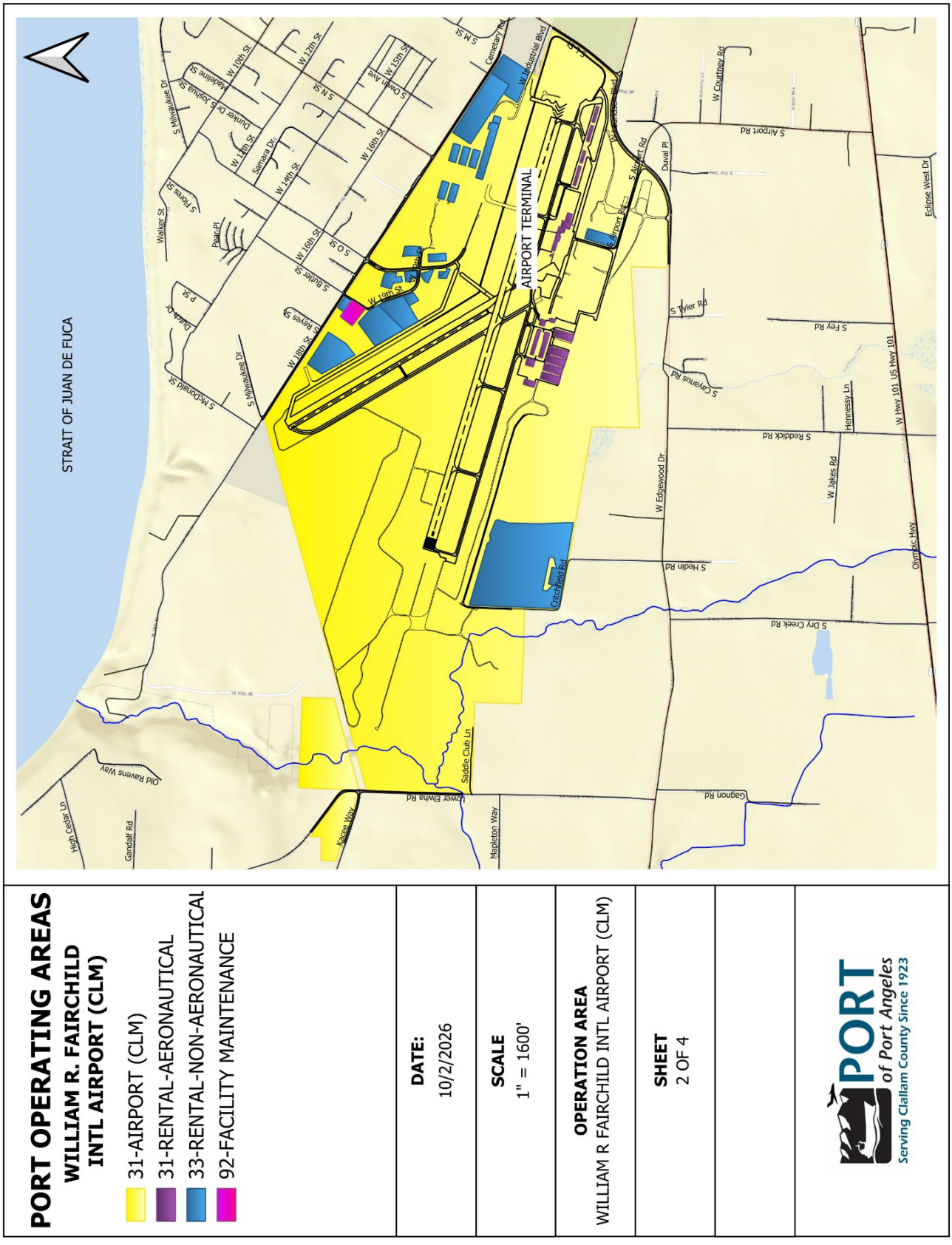
PORT of Port Angeles
Serving Clallam County Since 1923

2026 ORGANIZATIONAL CHART

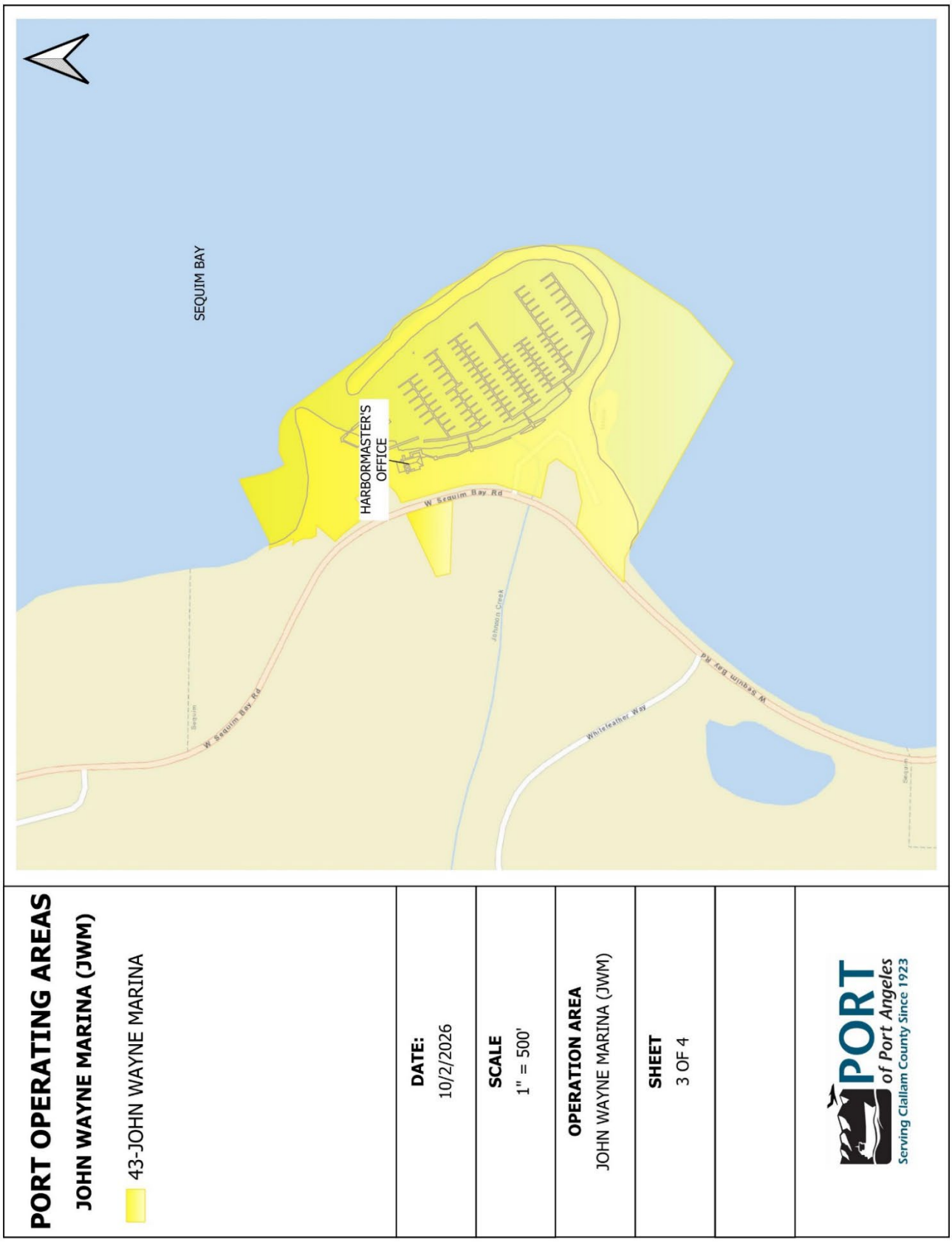
PORT OPERATING AREAS



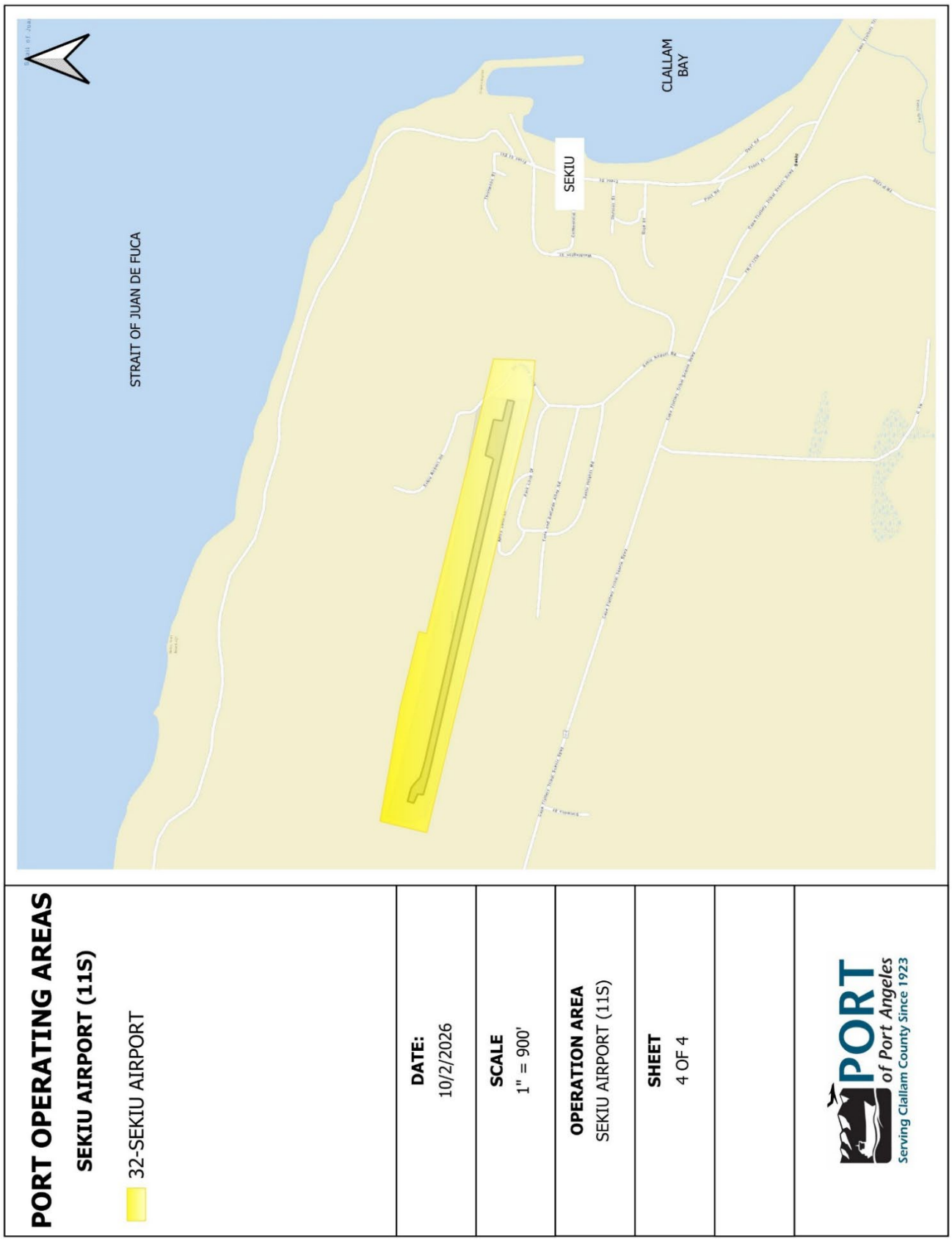
PORT OPERATING AREAS – continued



PORT OPERATING AREAS – continued



PORT OPERATING AREAS – continued



2027 BUDGET - ASSUMPTIONS
All Departments

General

1. CPI: August 2026
   - Bremerton-Silverdale-Port Hadlock, WA-All Urban Consumer (CPI-U) is 4.4%, with a 4.4% average over the first 6 months.
2. Inflation:
   - Operating: The general inflation outlook for 2026 is 4.6% in Seattle, per the Washington State Economic and Revenue Forecast Council in the quarterly June 2026 publication.
   - Capital: Rate of 3.16% from the Washington State Office of Financial Management.
3. The Commission will adopt one of these or another as the benchmark rate for annual rate increases.

Revenues – 2027 Budget

11- Marine Terminal 2027 budget is projected to be higher than the 2026 projected year-end. The reduction from the 2026 budget is primarily due to the RRF vessel contracts not materializing this fiscal year, Cable vessel layberth at 20%, and wood chip exports at 25% of the 2026 budget. Chip exports look to ramp back up to an estimated 90,000 mt in 2027. Long-term layberth of 150+ days, and tanker/barge/research dockage also increasing. Several initiatives are underway to continue to diversify our marine terminal mix and bring in alternate lines of business.

15- Marine Trades Area revenues will increase with new management in place. The financial/operational controls will continue to increase utilization rates at the lift, boat yard, and storage. Travel lift schedule is consistently booked out for 90+ days. New seasonal customers in the MTC area are also increasing, bringing attention to the available potential there. The rate sheet for all Marine Trades services is under review for a Jan. 1 implementation.

21 – Intermodal Yard revenues are predicted to be higher than in 2026. Land services and cans are projected to be higher. Water services are going to be slower than in 2026 but will be offset by an influx of barges for Alta and PA hardwoods.

31- Fairchild International Airport hangar and structure lease fees are projected to increase in accordance with the Consumer Price Index (CPI). Hangar E is expected to become available for lease during the first quarter and is anticipated to achieve full occupancy shortly thereafter. FIA's enclosed hangars currently maintain nearly 100% occupancy, and this strong demand trend is expected to continue through 2027. Landing fee revenues are projected to remain consistent with 2026 levels. Additionally, the arrival of Citizen Air may contribute to increased fuel surcharge revenues at FIA as they increase their marketing campaigns.

32- Sekiu revenues are projected to be slightly higher than 2026 revenues, primarily due to increased hangar rental rates. While available space is limited, we will continue marketing vacancies throughout the year to maximize occupancy and generate additional revenue.

33- Airport Rental Properties are budgeted to be lower than previous years due to renovations being performed on typically occupied rental spaces.

41- Port Angeles Boat Haven marine/moorage revenues should climb as our crews continue reviewing agreements and work to maintain fair, accurate invoicing for everyone using the facilities. Fuel sales are robust and look to continue along seasonal lines.

43- John Wayne Marina moorage revenues will remain consistent, with a waitlist that remains backlogged. We are looking to increase fuel sales this coming year as our link with PABH brings new opportunities to serve our customers. *Coming soon….our new JWM swag shop!!!*

61- Rental Properties are expected to decrease due to the replacement of structure leases with reduced-rate land leases.

Expenses – 2027 Budget

11- Marine Terminal expenses for 2027 across many categories are forecast at or below budget. Notable exceptions would be for business development, which will continue to take center stage.

15- Marine Trades Area expenses will be higher due to in-house personnel, training, and an upfitting of tools and required equipment. Pending potential project cargo opportunities, additional expenses may be incurred, but will also result in increased revenue.

21. Intermodal Yard expenses are projected to be slightly lower than 2026; Labor costs will be down due to one less FTE, balanced out with higher yard maintenance costs with the new surface. Fuel costs will also be down with new equipment; non-maintenance charge-out and security expenses are projected to be up.

31- Fairchild International Airport expenses are projected to increase compared to 2026. This increase is primarily attributable to higher maintenance charge-out and reimbursement costs associated with necessary maintenance projects on airport facilities, hangars, and aprons. Additional factors include rising material costs and planned asphalt repair work throughout the year.

32- Sekiu Airport expenses are projected to remain relatively consistent with 2026 levels, with total expenditures anticipated to come in slightly below the prior year's budget.

33- Airport Rental Property- budgeted expenses are expected to increase due to rising costs and improvements planned.

41- Port Angeles Boat Haven expenses are expected to increase as our new crews identify operational shortfalls and deferred maintenance. The regular maintenance routine for the docks and working gates will continue to migrate in-house with the marina staff. COGS for fuel remains a difficult target to hit; this could drastically affect expenses but will also increase revenue. We are also looking at some increased IT expenses related to security updates.

43- John Wayne Marina expenses should be consistent, except for COGS, which will be slightly elevated due to increased fuel sales. Maintenance will be required early in the year, including potential landscape repairs due to water supply issues in 2026.

61- Rental Properties expenses are expected to decrease due to fewer structure leases to maintain.

80- Administrative expenses will increase due to CPI increases and training costs.

81- Economic Development budgeted expenses are expected to increase due to a higher employee headcount.

82 - Information Technology (IT) expenses are expected to increase in 2027 as the Port's technology, cybersecurity, software licensing, and cloud service needs continue to grow. The adoption of artificial intelligence (AI) and other emerging technologies presents opportunities, as well as future costs. Funding includes training, regulatory compliance, cybersecurity readiness, and specialized professional services.

91. Mechanical Maintenance (MM) expenses are projected to decrease due to increased mechanical maintenance charge-out and the department restructuring to only two FTEs.

92- Facilities Maintenance (FM) Expenses are projected to be higher than in 2026 due to less charge-out and reimbursement, and inflationary costs for materials.

Port of Port Angeles
Summary by Department
2027 Budget

	2023 ACTUAL	2024 ACTUAL	2025 ACTUAL	2026 PROJECTED	2027 BUDGET	2027 Budget Over/(Under) 2026 Proj
OPERATING REVENUES						
11 MARINE TERMINAL	2,846,433	2,634,703	2,297,297	1,759,711	2,014,791	255,080
15 MARINE TRADES AREA	821,015	772,418	833,070	769,045	1,326,069	557,024
21 INTERMODAL HANDLING & TRANSFER FACI	1,135,513	1,184,428	997,986	676,281	715,199	38,918
31 FAIRCHILD INTL AIRPORT	479,705	471,260	480,887	525,583	606,461	80,878
32 SEKIU	17,609	17,584	17,488	19,403	19,682	279
33 AIRPORT RENTAL PROPERTIES	1,606,642	1,643,242	1,695,274	1,497,038	1,383,243	(113,795)
41 PORT ANGELES BOAT HAVEN	1,899,803	2,005,237	2,055,787	2,870,057	3,880,780	1,010,723
43 JOHN WAYNE MARINA	1,958,326	2,083,868	2,089,599	2,149,028	2,246,292	97,264
61 RENTAL PROPERTIES	200,305	220,599	226,822	217,526	224,330	6,804
TOTAL OPERATING REVENUES	**10,965,351**	**11,033,339**	**10,694,210**	**10,483,672**	**12,416,847**	**1,933,175**
OPERATING EXPENSES						
11 MARINE TERMINAL	1,083,930	1,534,132	1,502,157	1,374,339	1,378,780	4,441
15 MARINE TRADES AREA	406,469	333,139	400,755	554,617	741,920	187,304
21 INTERMODAL HANDLING & TRANSFER FACI	1,285,171	1,321,518	1,285,024	1,162,822	1,042,786	(120,036)
31 FAIRCHILD INTL AIRPORT	513,566	628,723	641,155	622,861	695,469	72,608
32 SEKIU	27,222	36,879	27,673	37,126	35,902	(1,224)
33 AIRPORT RENTAL PROPERTIES	641,728	518,119	547,345	665,811	695,086	29,275
41 PORT ANGELES BOAT HAVEN	999,922	863,478	943,681	1,757,366	2,455,489	698,123
43 JOHN WAYNE MARINA	971,564	1,111,273	1,187,191	1,225,402	1,206,573	(18,829)
61 RENTAL PROPERTIES	134,084	161,781	137,458	182,118	175,534	(6,584)
80 ADMINISTRATIVE	1,373,609	2,349,244	2,106,124	2,476,319	2,625,231	148,912
81 ECONOMIC DEVELOPMENT	335,219	348,341	432,302	599,878	673,454	73,576
82 IT			81,044	167,820	218,640	50,820
91 MECH SHOP	173,928	169,695	228,465	207,674	36,791	(170,883)
92 FACILITIES MAINTENANCE	246,008	302,370	384,220	477,674	554,825	77,151
TOTAL DIRECT EXPENSES	**8,192,421**	**9,678,692**	**9,904,594**	**11,511,827**	**12,536,480**	**1,024,653**
ALLOCATED EXPENSES	(0)	(0)	-	-		-
NET SURPLUS (DEFICIT) - Before Depreciation	***2,772,930***	***1,354,647***	***789,617***	***(1,028,154)***	***(119,633)***	***908,522***
ALLOCATED DEPRECIATION	0	0	-	-		-
DEPRECIATION	2,692,500	3,140,216	3,296,247	4,085,795	4,441,982	356,187
NET SURPLUS (DEFICIT) - After Depreciation	**80,430**	**(1,785,569)**	**(2,506,630)**	**(5,113,949)**	**(4,561,614)**	**552,335**
NON-OP (GENERAL)						
NON-OP REV (General)	1,308,753	1,330,849	1,218,764	1,001,801	891,000	(110,801)
NON-OP EXP (General)	(529,498)	(2,275,334)	22,223	(114,948)	45,600	160,548
NON-OP (General) SURPLUS (DEFICIT)	***1,838,251***	***3,606,184***	***1,196,541***	***1,116,749***	***845,400***	***(271,349)***
NON-OP (CAPITAL)						
NON-OP REV (Capital)	8,822,521	7,671,334	6,293,516	25,140,659	15,917,802	(9,222,857)
NON-OP EXP (Capital)	(45,228)	(35,776)	(48,077)	(46,224)	(41,474)	4,750
NON-OP (Capital) SURPLUS (DEFICIT)	***8,777,293***	***7,635,558***	***6,245,439***	***25,186,883***	***15,959,276***	***(9,227,607)***
NET NON-OP SURPLUS (DEFICIT)	***10,615,544***	***11,241,742***	***7,441,979***	***26,303,632***	***16,804,676***	***(9,498,956)***
TOTAL NET SURPLUS (DEFICIT)	***10,695,974***	***9,456,173***	***4,935,349***	***21,189,682***	***12,243,062***	***(8,946,621)***

Port of Port Angeles

Cash Flow Summary

2027 Budget

BEGINNING CASH BALANCE		**15,422,334**
OPERATING REVENUES		
11 MARINE TERMINAL	2,014,791	
15 MARINE TRADES AREA	1,326,069	
21 INTERMODAL HANDLING & TRANSFER FACILITY	715,199	
31 FAIRCHILD INTL AIRPORT	606,461	
32 SEKIU	19,682	
33 AIRPORT RENTAL PROPERTIES	1,383,243	
41 PORT ANGELES BOAT HAVEN	3,880,780	
43 JOHN WAYNE MARINA	2,246,292	
61 RENTAL PROPERTIES	224,330	
TOTAL OPERATING REVENUES	**12,416,847**	
NON-OPERATING REVENUE		
PROPERTY TAX RECEIPTS	1,847,076	
OTHER TAX RECEIPTS	132,000	
INTEREST EARNINGS	744,000	
GRANTS - CAPITAL	14,070,726	
BOND	38,415,000	
MISCELLANEOUS	15,000	
GAIN (LOSS) & SPECIAL ITEMS		
TOTAL NON-OPERATING REVENUES	**55,223,802**	
TOTAL REVENUES		**67,640,649**
OPERATING EXPENSES		
11 MARINE TERMINAL	1,378,780	
15 MARINE TRADES AREA	741,920	
21 INTERMODAL HANDLING & TRANSFER FACILITY	1,042,786	
31 FAIRCHILD INTL AIRPORT	695,469	
32 SEKIU	35,902	
33 AIRPORT RENTAL PROPERTIES	695,086	
41 PORT ANGELES BOAT HAVEN	2,455,489	
43 JOHN WAYNE MARINA	1,206,573	
61 RENTAL PROPERTIES	175,534	
80 ADMINISTRATIVE	2,625,231	
81 ECONOMIC DEVELOPMENT	673,454	
82 IT	218,640	
91 MECH SHOP	36,791	
92 FACILITIES MAINTENANCE	554,825	
TOTAL OPERATING EXPENSES	**12,536,480**	
NON-OPERATING EXPENSES		
DEBT SERVICE (PRINCIPAL & INTEREST)	176,386	
CAPITAL PROJECTS	65,923,350	
ENVIRONMENTAL	30,000	
MISCELLANEOUS	15,600	
BOND COSTS & INTEREST EXPENSE	41,474	
TOTAL NON-OPERATING EXPENSES	***66,186,810***	
TOTAL EXPENSES		**78,723,289**
ENDING CASH BALANCE		**4,339,694**
CHANGE IN CASH POSITION		**(11,082,640)**

PROPERTY TAX LEVY
YOUR TAX LEVY AT WORK

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

- debt service used to fund infrastructure investments
- direct funding of capital improvements
- environmental restoration of legacy sites
- property acquisition
- economic development initiatives

For 2027, there will be a 1.0% increase to the Port tax levy as directed by the Commission. The dollar increase in the Port's tax revenue (reflected below) is a result of the elected tax levy and the values of new construction properties, as reported by the Clallam County Assessor. The estimated 2027 Port tax levy rate is $ 0.1086 per $1,000.

TAX LEVY IMPACT ON HOMEOWNER

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

A residential property owner with a median home value of $415,000 is currently paying approximately $44.30 per year in Port taxes, based on a rate of $0.10676 per $1,000. Port taxes as a percent of total property taxes vary per taxing district. *Note: estimated numbers only.*

Year	City of Port Angeles Median Home Value	Total Annual Tax Bill	Port Share of Tax	Port %	Port Levy Rate
2026	$ 415,000	$ 3,693.50	$ 44.30	1.20%	$ 0.10676
2027	$ 415,000	TBD	$ 45.10	1.22%	$ 0.10866

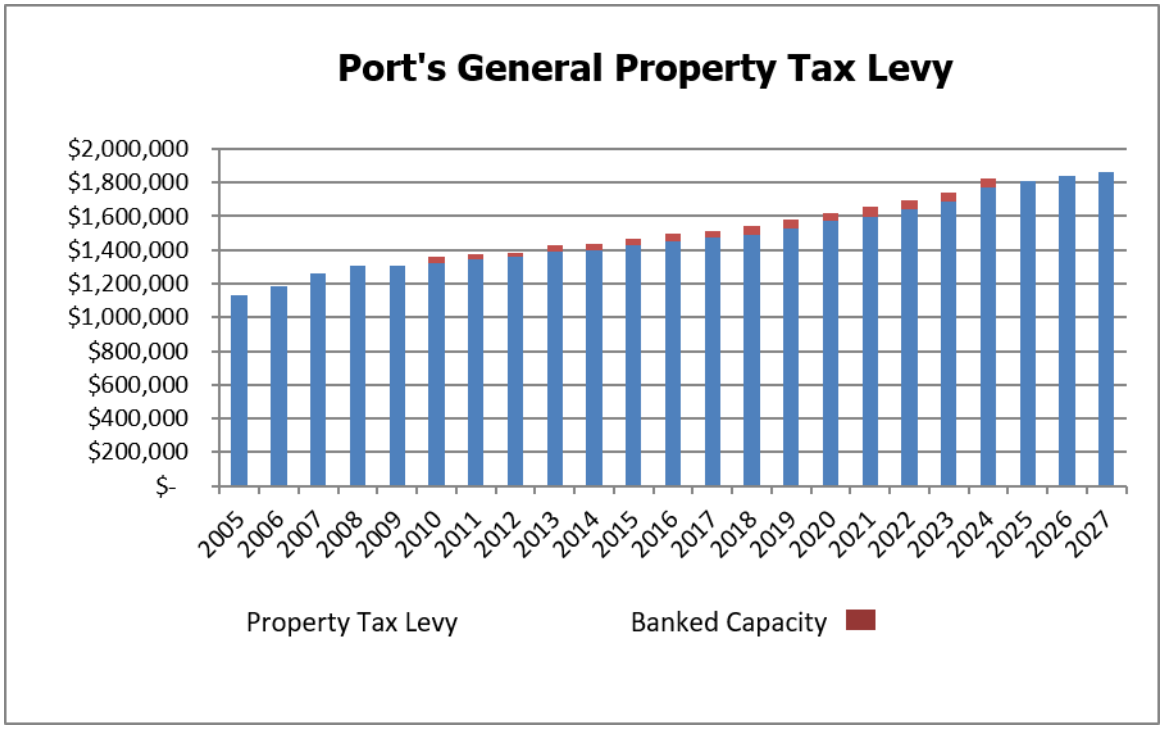
2026	Total Property Tax	$ 1,842,331
2027	1% increase	$ 18,423
2027	Banked Capacity	$ -
2027	New Construction	$ 14,442
2027	Refunds	$ 40,000
2027	State Adjustments	$ 240
2027	Total Property Tax	$ 1,915,436
2027	Net Increase	$ 73,105

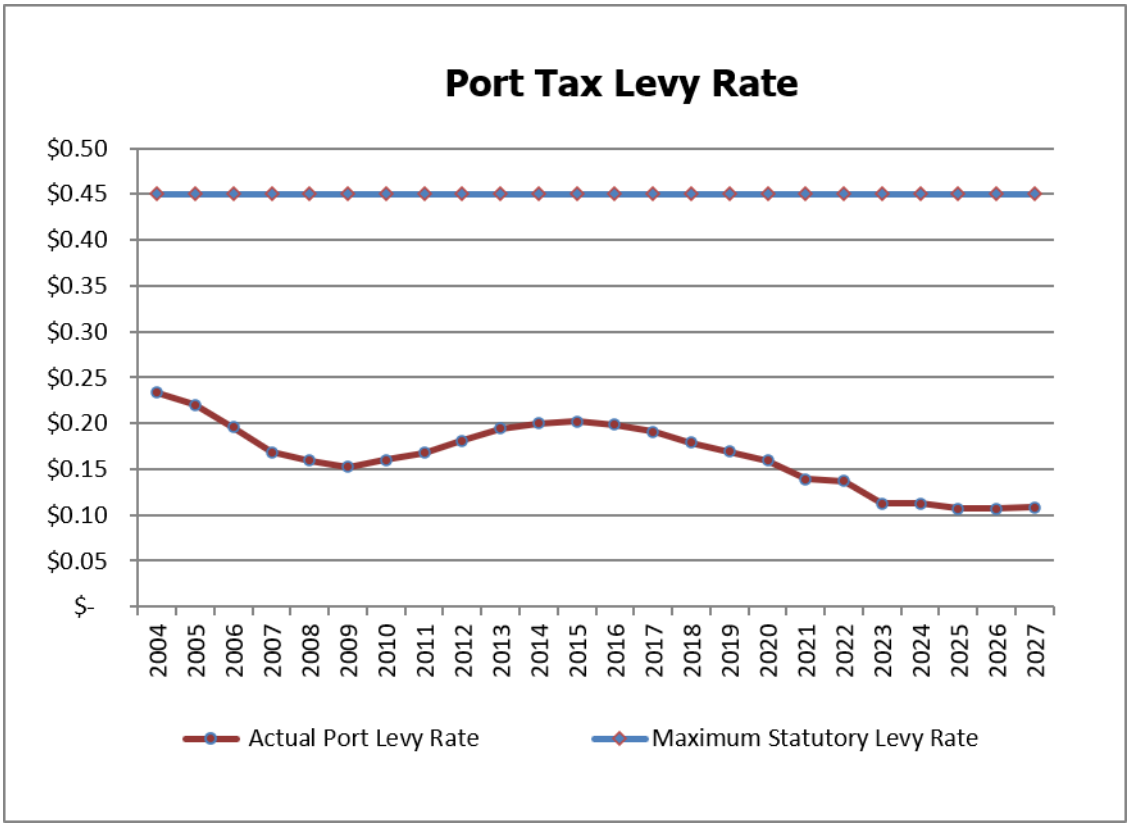
TAX LEVY USES

Debt Service Payments (principal & interest)	$ 176,180	9%
Capital Improvement Fund - Construction	$ 1,739,256	91%
Total Port Property Tax Levy	**$ 1,915,436**	100%

History of Property Tax Increases & Banked Tax Balances

If the district levies less than it could have (not levying the maximum 1% increase), the difference is considered "banked." The **Port's banked capacity, as of 2027, will be $0** after utilizing amounts banked in prior years.





ASSESSED VALUATION & PROPERTY TAX LEVY

The prior year's assessed valuation is used for the current year's tax levy.

Clallam County Prior Year Assessed Valuation		Port of Port Angeles General Tax Levy		Levy Rate
2005	$ 6,053,545,616	2006	$ 1,184,195	0.19562
2006	$ 7,477,997,284	2007	$ 1,258,397	0.16828
2007	$ 8,196,577,906	2008	$ 1,304,813	0.15919
2008	$ 8,587,834,547	2009	$ 1,305,694	0.15204
2009	$ 8,243,327,771	2010	$ 1,318,250	0.159917235
2010	$ 8,031,011,937	2011	$ 1,347,598	0.167799335
2011	$ 7,524,783,407	2012	$ 1,359,948	0.180729167
2012	$ 7,173,041,376	2013	$ 1,391,568	0.193999656
2013	$ 7,002,941,388	2014	$ 1,400,756	0.200023942
2014	$ 7,054,903,078	2015	$ 1,427,094	0.202283927
2015	$ 7,318,181,962	2016	$ 1,453,778	0.1986528659
2016	$ 7,697,314,552	2017	$ 1,470,970	0.1911016732
2017	$ 8,321,650,465	2018	$ 1,490,112	0.1790644748
2018	$ 9,041,260,634	2019	$ 1,530,215	0.1692480011
2019	$ 9,863,835,562	2020	$ 1,569,883	0.1591600000
2020	$11,471,631,886	2021	$ 1,599,023	0.1393893401
2021	$12,906,254,568	2022	$ 1,638,718	0.1269708343
2022	$14,967,504,004	2023	$ 1,688,363	0.11280
2023	$16,054,804,180	2024	$ 1,771,313	0.1105115197
2024	$16,625,611,367	2025	$ 1,810,790	0.10892
2025	$17,251,794,175	2026	$ 1,883,631	0.10687
2026	$17,256,940,521	2027	$ 1,915,436	0.10866

The levy rate fluctuates with changes in assessed valuations.

Tax Levy Sources

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

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

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

Over the period 2005 to 2026, the Port general levy rate has ranged from 10-20¢ per $1,000. The Property Tax Levy Rate graph shows the maximum levy permitted by law compared to the actual general levy of the Port from 2005 to 2027, estimated.

Each year, by law, the Port is allowed to increase its tax levy by a maximum of 1% plus any remaining banked capacity without voter pre-approval. The option of a 1% increase is affected by the Implicit Price Deflator (IPD). An IPD of less than 1% limits the maximum tax increase to the IPD percentage. In this situation, the Port Commission can only elect an increase above the IPD (up to 1%) by passing a resolution finding the substantial need for the maximum 1% increase. For 2027, the IPD is greater than 1%. The Port Property Tax Levy will be increased by 1%.

Special Tax Levies

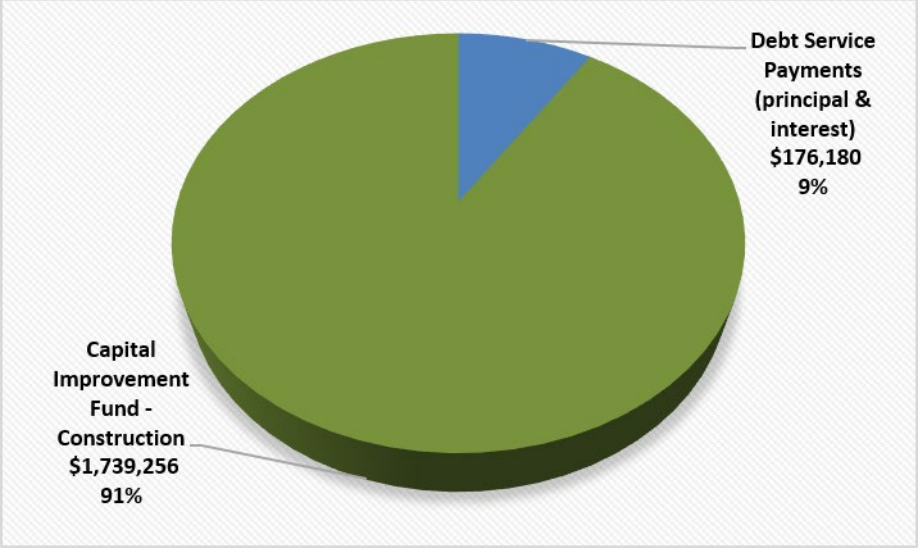
Special levies approved by the voters are not subject to the above limitations. The Port can levy property taxes for dredging, canal construction, leveling or filling upon approval of the majority of voters within the Port District, not to exceed $0.45 per $1,000 of assessed value of taxable property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

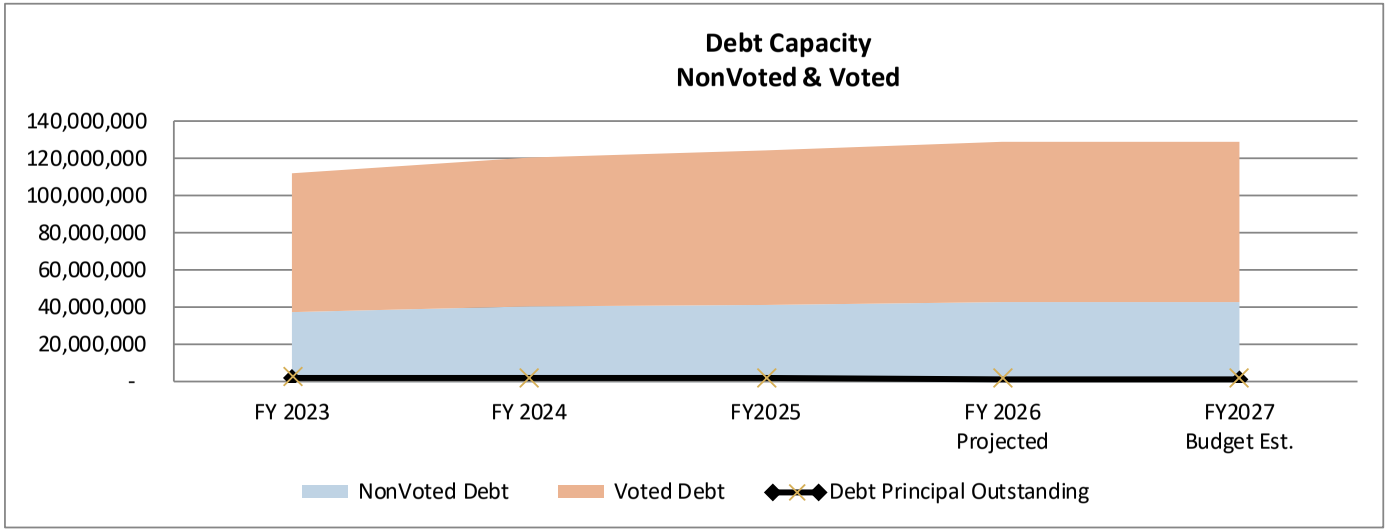
Industrial Development District (IDD) Tax Levies

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

Tax Levy Uses

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

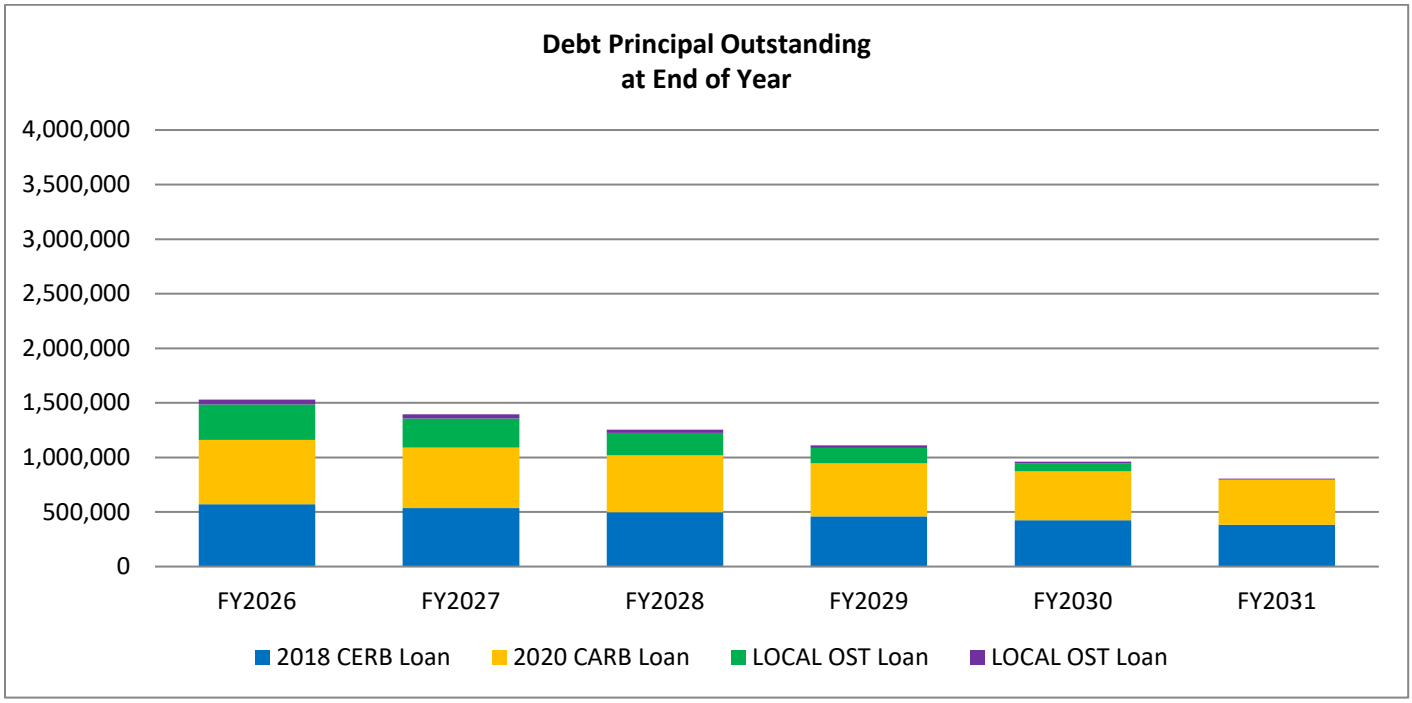




	FY 2023	FY 2024	FY2025	FY 2026 Projected	FY2027 Budget Est.
Prior Year Assessed Value (AV)	$ 14,975,332,854	$ 16,054,804,180	16,625,611,367	17,251,794,715	17,256,940,521
Debt Capacity					
NonVoted Debt	37,438,332	40,137,010	41,564,028	43,129,487	43,142,351
Voted Debt	74,876,664	80,274,021	83,128,057	86,258,974	86,284,703
Total Debt Capacity	112,314,996	120,411,031	124,692,085	129,388,460	129,427,054
Statutory Debt Limit: NonVoted debt cannot exceed .25% of AV; combined Non-Voted & Voted debt cannot exceed .75% of AV					
Debt Principal Outstanding	2,068,686	1,652,716	1,658,816	1,528,580	1,393,668
NonVoted Debt Availability	35,369,646	38,484,295	39,905,212	41,600,907	41,748,683
Debt as of % of AV	0.01%	0.01%	0.01%	0.01%	0.01%
Property Taxes	1,688,363	1,774,241	1,810,790	1,828,898	1,915,436
Debt Payments (Prin + Int)	459,484	459,396	531,562	176,180	176,386
Small Communities Program	25,000	25,000	25,000	25,000	25,000
Property Taxes Available	1,203,879	1,289,845	1,254,228	1,627,718	1,714,050

Property Taxes Available for New Debt		$ 1,714,050
Potential New Debt	***# Yrs***	**Potential New Debt**
based on "A" Rated Municipal Bond Interest Rates	10	$ 13,550,000
	20	$ 21,770,000
	30	$ 26,560,000

Long-Term Debt



Debt Outstanding (at end of year)

Bond/Loan Name	Project Name	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
2018 CERB Loan	MTA Washdown Facility	570,354	534,649	498,230	461,082	423,191	384,543
2020 CARB Loan	FIA Utility Extension	589,357	555,273	520,508	485,047	448,877	411,984
LOCAL OST Loan	Log Loader	325,197	266,495	204,783	139,906	71,702	-
LOCAL OST Loan	Lightning	43,672	37,251	30,510	23,431	15,998	8,194
	Total Principal Outstanding	**1,528,580**	**1,393,668**	**1,254,030**	**1,109,465**	**959,768**	**804,721**
	Decrease/(Increase) in Principal	130,236	134,912	139,638	144,564	149,697	155,047

Bond/Loan Name	Project Name	Maturity
2018 CERB Loan	MTA Washdown Facility	Jan 31, 2040
2020 CARB Loan	FIA Utility Extension	Jan 1, 2041
LOCAL OST Loan	Log Loader	Dec 1, 2031
LOCAL OST Loan	Lightning	Jun 1, 2032

Long-Term Debt Service Schedule

DEBT PRINCIPAL PAYMENTS

Bond/Loan Name	Project Name	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032+	Fiscal Years (FY) 2026 thru 2041 Remaining Principal	Maturity
2018 CERB Loan	MTA Washdown Facility	35,005	35,705	36,419	37,148	37,891	38,649	384,542	605,359	Jan 31, 2040
2020 CARB Loan	FIA Utility Extension	33,416	34,084	34,765	35,461	36,170	36,893	411,813	622,602	Jan 1, 2041
LOCAL OST Loan	Log Loader	55,838	58,702	61,712	64,877	68,204	71,702	-	381,035	Dec 1, 2031
LOCAL OST Loan	Lightning	5,977	6,420	6,742	7,079	7,433	7,804	8,194	49,648	Jun 1, 2032
TOTAL	**Debt Principal Outstanding**	**130,236**	**134,912**	**139,638**	**144,564**	**149,697**	**155,047**	**804,550**	**1,658,645**	

DEBT INTEREST PAYMENTS

Bond/Loan Name	Project Name	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032+	Fiscal Years (FY) 2026 thru 2041 Remaining Interest	Coupon Rate
2018 CERB Loan	MTA Washdown Facility	12,107	11,407	10,693	9,965	9,222	8,464	39,469	101,326	2.00%
2020 CARB Loan	FIA Utility Extension	12,452	11,784	11,102	10,407	9,698	8,974	46,624	111,041	2.00%
LOCAL OST Loan	Log Loader	19,052	16,260	13,325	10,239	6,995	3,585	-	69,456	2.96%
LOCAL OST Loan	Lightning	2,333	2,023	1,694	1,349	986	605	205	9,194	3.21%
TOTAL	**Interest**	**45,944**	**41,474**	**36,814**	**31,959**	**26,901**	**21,628**	**86,298**	**291,017**	

[1] Interest only until 2029; Federal subsidy reduces interest

[2] Interest only until 2017

* Interest rate is net of Federal subsidy (7.5% stated rate with 45% subsidy = 4.125% effective rate). Interest payment is amount before subsidy.

DEBT SERVICE PAYMENTS (PRIN + INT)

Bond/Loan Name	Project Name	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032+	Fiscal Years (FY) 2026 thru 2041 Remaining Payments
2018 CERB Loan	MTA Washdown Facility	47,112	47,112	47,112	47,112	47,112	47,112	424,012	706,686
2020 CARB Loan	FIA Utility Extension	45,868	45,868	45,867	45,868	45,868	45,867	458,437	733,643
LOCAL OST Loan	Log Loader	74,890	74,962	75,037	75,116	75,199	75,287	-	450,491
LOCAL OST Loan	Lightning	8,310	8,444	8,436	8,427	8,418	8,409	8,399	58,842
TOTAL	**Debt Payments (Prin + Int)**	**176,180**	**176,386**	**176,452**	**176,524**	**176,598**	**176,675**	**890,848**	**1,949,663**

COMMUNITY SUPPORT
2027 Budget

RECIPIENT	2027 CONTRIBUTION	REMARKS	In Kind	Cash
Clallam County EDC	$ 75,000	Cash: Operating Costs		$ 75,000
Olympic R-C Modelers	$ 5,046	In Kind: Lower than market rent $.10/SF vs .0139/SF	$ 5,046	
First Step Family Support Center	$ 405	Community Service Support: $0.02/SF and waiving CPI	$ 405	
WA Small Business Development Co.	$ 4,665	In-Kind: Office Space Rent	$ 4,665	
Port Angeles Yacht Club	$ 2,895	50% Ground Lease rate (written directly in lease)	$ 2,895	
	$ 1,724	50% moorage on a 30' slip	$ 1,724	
Sequim Bay Yacht Club	$ 19,109	Waived fees for the Hendricks Room (NTE 9/year)	$ 4,725	
		50% rate for club space and storage area(s)	$ 7,830	
		50% rate for mooring float including waiving of two moorages	$ 6,553	
DART (Callam Co Emergency)	$ 16,440	In-Kind: Office Space & Utilities Annual Rent	$ 16,440	
CRTC	$ 12,000	Waived Equipment Rental	$ 12,000	
Peninsula Trails Coalition	$ 3,000	200 SF Land + Conex Box Use at FIA Parking	$ 3,000	
Peninsula Rifle & Pistol Club	$ 12,216	17,860 SF Land	$ 12,216	
Sea Scout - Marvin Shields	$ 6,594	Waived moorage on a single 50' slip	$ 6,594	
Jamestown Klallam Tribe	$ 4,331	Waived: 30' slip for patrol activities ('83 Agreement)	$ 4,331	
Olympic Logging Show	$ 2,000	Sponsorship		$ 2,000
Olympic Logging Conference	$ 1,800	Sponsorship		$ 1,800
	$ 2,000	Community Event Fund		$ 2,000
	$ 10,000	Miscellaneous Fee/Waivers/Sponsorships	$ 5,000	$ 5,000
Community Partner Program	$ 25,000	Grant winners will be chosen and notified on an on going basis		$ 25,000
TOTAL:	**$ 204,224**		**$ 93,424**	**$ 110,800**

List of Abbreviations

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

REGULAR COMMISSION MEETING
Tuesday, October 13, 2026, at 9:00 am
338 W. First St, 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
Colleen McAleer, Commissioner
Kelly Kidwell, Commissioner ***via Zoom***
Paul Jarkiewicz, Chief Executive Officer
Chris Hartman, Chief Operating Officer
Caleb McMahon, Chief Commercial Officer
Sarah Kuh, Management Accountant
Zach Holsted, Capital Program Manager
Katharine Frazier, Grants & Gov't Affairs Manager
Jenna Riley, Procurement Manager / Clerk to the Board

I. CALL TO ORDER / PLEDGE OF ALLEGIANCE (0:00-0:58)

Time-specific Executive Session at 11:00 a.m.

Comm. Beauvais called the meeting to order at 9:00 am.
Comm. Beauvais noted Comm. Kidwell was attending via Zoom as he is attending the Marine Highway conference for the Port.

II. EARLY PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES) (0:59-1:58)

None

III. APPROVAL OF AGENDA (1:35-1:58)

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

IV. WORK SESSION (1:59-21:38)

A. Monthly Cash & Investment Report
- Presentation By: Paul Jarkiewicz
- Discussion
- No Action

B. Introduce 2027 Operating Budget
- Presentation By: Paul Jarkiewicz
- Discussion
- No Action

V. APPROVAL OF CONSENT AGENDA (21:39-23:45)

A. Regular Commission Meeting Minutes – September 22, 2026

B. Special Commission Meeting Minutes – September 24, 2026

C. Vouchers in the amount of $2,439,433.87
- Discussion
- Motion to approve the consent agenda as presented: Comm. McAleer
- 2nd: Comm. Beauvais
- Vote: 3-0 (Unanimous)

VI. COMPLETION OF RECORDS (23:46-27:26)

A. Monthly Delegation of Authority
- Presentation By: Paul Jarkiewicz
- Discussion
- No Action

VII. PLANNING AND CAPITAL PROJECTS (27:27-1:08:28)

A. Q3 Grant Update
- Presentation By: Katharine Frazier
- Discussion
- No Action

B. 2026 Capital Projects Projected Year End
- Presentation By: Zach Holsted
- Discussion
- No Action

C. Public Hearing for Resolution 26-1351 for LTGO Bond & Second Consideration
- **Public Hearing Opened: 9:51 a.m.**
  - Presentation By: Paul Jarkiewicz
  - Discussion
  - No Action
- **Public Comment:** None
- **Public Hearing Closed: 10:06 a.m.**
- Motion to adopt Resolution 26-1351, a Resolution of the Port Commission of the Port of Port Angeles, Washington, providing for the issuance and sale of limited tax general obligation bonds of the Port for the purpose of providing funds to pay all or a portion of the cost of constructing additions and improvements to Port properties for Port tenants and other projects of the Port and to pay the costs of issuance and sale of the bonds; fixing or setting parameters for certain terms and covenants of the bonds; appointing the Port's designated representative to approve the final terms of the issuance and sale of the bonds; and providing for other related matters: Comm. McAleer
- 2nd: Comm. Beauvais
- Vote: 3-0 (Unanimous)

VIII. LOG YARD (1:08:29-1:20:18)

A. Log Yard Site and Stormwater Improvements Monthly Project Update
- Presentation By: Zach Holsted
- Discussion
- Action: The Commissioners requested a similar update be provided for the current Airport projects

IX. MARINE TRADES AND MARINE TERMINALS

No items

X. PROPERTY

No items

XI. MARINAS

No items

XII. AIRPORTS

No items

XIII. OTHER BUSINESS (1:20:19-1:42:59)

A. Sponsorship Request – North Olympic Development Council's Energy and Environmental Resilience Conference

- Presentation By: Katharine Frazier
- Discussion
- Action: All Commissioners agreed to donate $100 to the North Olympic Development Council's Energy and Environmental Resilience Conference

B. Sponsorship Request – Port Angeles Yacht Club's Deck out the Docks Event

- Presentation By: Katharine Frazier
- Discussion
- Action: All Commissioners agreed to donate $100 to the Port Angeles Yacht Club's Deck out the Docks Event

C. Item for Discussion – Clallam County Economic Development Council 2027 Contract

- *Comm. McAleer recused herself from the discussion*
- Presentation By: Paul Jarkiewicz & Caleb McMahon
- Discussion
- Action: Paul will circulate the Q2 results to the Commissioners for further consideration

XIV. ITEMS NOT ON THE AGENDA (1:43:00-1:45:18)

A. Item for Consideration – Lease Extension – Public Utility District No. 1 of Clallam County (PUD) Regarding New Operational Center

- Presentation By: Paul Jarkiewicz & Caleb McMahon
- Discussion
- Motion to authorize the Chief Executive Officer to amend the current lease with the Clallam County PUD to allow for two one-year options instead of two ten-year options: Comm. McAleer
- 2nd: Comm. Kidwell
- Vote: 3-0 (Unanimous)

XV. COMMISSIONER REPORTS (1:45:19-1:46:40)

Comm. Kidwell spoke on attending the Marine Highway Conference in Vancouver and noted it was a great learning experience.

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

None

XVII. FUTURE AGENDA (1:46:41-1:51:13)

XVIII. NEXT MEETINGS

A. October 26, 2026 – Special Joint Meeting with Board of County Commissioners, The Clallam County Public Utility District, and City of Port Angeles City Council (Held at Field Arts & Event Hall) (**Comm. Kidwell via Zoom*)

B. October 27, 2026 – Regular Commission Meeting (**Comm. Kidwell Excused Absence*)
[Draft Final Capital Budget / Present Prelim 2027 Operating Budget & Tax Levy]

C. November 10, 2026 – Regular Commission Meeting
[Open Public Hearing on 2027 Budget and Tax Levy]

D. November 17, 2026 – Special Commission Meeting (**Comm. Kidwell Excused Absence*)
[Close Public Hearing & Adopt 2027 Budget and Tax Levy]

E. November 24, 2026 – Regular Commission Meeting – ***MEETING CANCELLED***

XIX. UPCOMING EVENTS

A. October 13-15, 2026 – Pacific Northwest Waterways Assoc. (PNWA) Annual Meeting (Vancouver, WA)

B. October 18-21, 2026 – National Association of Foreign Trade Zones (NAFTZ) Annual Conference & Exposition (San Diego, CA)

C. October 22-23, 2026 – Washington Public Ports Association (WPPA) Small Ports (Chelan – Campbell's Resort Lake Chelan)

D. November 19-21, 2026 – Pacific Marine Expo (Seattle, WA)

E. December 2-4, 2026 – International Workboat Show (New Orleans, LA)

F. December 9-11, 2026 – Washington Public Ports Association (WPPA) Annual Meeting (Vancouver, WA – Hilton Vancouver)

XX. EXECUTIVE SESSION – TIME SPECIFIC – 11:00 A.M. (1:51:14-1:52:54)

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

- Comm. Beauvais recessed the meeting to convene an executive session with an anticipated length of 50 minutes. Following the executive session, the Commission is expected to take action as the Commissioners work through the agenda.
- Discussion:
  - Four (4) items concerning legal or financial risk. Discussing such matters in executive session is appropriate pursuant to RCW 42.30.110(1)(i)
- Recessed Regular Meeting at 10:51 a.m.
- Start Time: 10:55 a.m.
- Estimated End Time: 11:55 a.m.
- Extended: 40 minutes
- End Time: 12:42 p.m.

Public Session of Commission Meeting Reconvened: 12:42 p.m.

Comm. Beauvais noted that no action will be taken on any agenda items as a result of the executive session.

XXI. ADJOURN (1:52:55-1:52:57)

Comm. Beauvais adjourned the meeting at 12:42 p.m.

PORT OF PORT ANGELES
BOARD OF COMMISSIONERS

_____
Connie Beauvais, President

_____
Kelly Kidwell, 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.

This process is in compliance with the applicable RCWs and the State Auditor's Budget Accounting and Reporting System (BARS) requirements. Further, the Port maintains effective internal controls to ensure that all disbursements are valid obligations authorized in accordance with the Delegation of Authority Policy.

SUMMARY TRANSMITTAL October 7, 2026 – October 20, 2026

CERTIFICATION

Accounts Payable				
	Begin	**End**		
For General Expenses and Construction	**Check #**	**Check #**		
Accts Payable Checks (computer)	420936	420978	$	318,312.26
Voided/Zero Payable				
Accts Payable ACH	008747	008788	$	1,502,164.44
VOIDED/ZERO PAYABLE ACH				
Wire Transfer - Expenses			$	14,177.12
Wire Transfer - Excise Tax				
Wire Transfer - Leasehold Tax				
Total General Expenses and Construction			**$**	**1,834,653.82**
Payroll				
Employee Payroll Checks PPD (Direct Deposit)	008673	008746	$	144,665.74
Voided Payroll Check	008704, 008705, 008723, 008734		$	-
Voided Payroll Check	008700		$	(599.38)
Wire Transfer - (Payroll Taxes, Retirement, Deferred Comp, L&I, PFML)			$	52,182.36
Total Payroll			**$**	**196,248.72**
Total General Exp & Payroll			**$**	**2,030,902.54**

I, the Port Auditor or Deputy Auditor, do hereby clarify that the claims listed above are true and valid obligations and that appropriate and effective internal controls are in place to ensure that the outstanding obligations have been processed in accordance with the Port of Port Angeles procurement/payment policies and delegation of authority.

_____
Auditor / Deputy Auditor

_____
Commissioner, Connie Beauvais

_____
Commissioner, Colleen McAleer

_____
Commissioner, Kelly Kidwell

* Detail is available upon request to Jennifer Baker, Chief Finance & Administrative Officer: jenniferb@portofpa.com

REPORT TO THE BOARD OF PORT COMMISSIONERS
3rd QUARTER 2026

QUARTERLY OPERATIONS REPORT

REPORT	NO ACTION	ATTACHED
Rental Property Occupancy		X
Travel Approved Within WA, OR, ID, and BC, Canada	X	
Marina and Boat Yard Operations		X
Port Angeles Boat Haven Occupancy		X
John Wayne Marina Occupancy		X
Marine Terminal Operations		X
Marine Terminal Utilization		X
Log Yard Operations		X
Log Yard Loads		X

Port Property Inventory / Status - Q3 2026			Improved	Improved	Not	Total
Property	**Location**	**SF**	**Rented**	**Rent Ready**	**Rent Ready**	**Rented**
Port Operations Facilities						
Port Administration Building	338 W. First Street	11,828				
Facilities Maintenance Annex	112 S. Valley Street	9,375				
Facilities Maintenance	2604 W 18th Street (small red bldg)	420				
Facilities Maintenance	2604 W. 19th ST B (Pole Building)	2,880				
Log Scale Building (Removed for construction)	1500 Blk Marine Drive (Was 2,600 SF - will replace)	0				
Operations for Terminals and Security	Marine Terminal, 202 N. Cedar St., Suite 6 upstairs	1,322				
Mechanic Shop	1301 Marine Drive	20,900	500			
John Wayne Marina, Harbormaster Office	2577 W. Sequim Bay Road	3,001	200			
FIA Airport Manager's Office	Fairchild International Airport	900				
FIA Airport Terminal Space - Conference Room	Fairchild International Airport	672				
PABH Jetty Office	937 Boathaven Drive	624				
PABH Harbormaster Office	832 Boathaven Drive	165				
PABH Boatyard Building	Boatyard retail store	125				
PABH	A-4 Storage	420				
PABH Fuel Float and Land						
Garage	Critchfield Rd @ Saddle Club	780				
	TOTAL PORT OPS BUILDINGS SF	**53,412**				
Port Rental Properties						
For Rent						
Airport Coffee Shop	1402 William R Fairchild Airport Rd	840			840	0.00
Admin Building Office, Lower Level	338 W. First Street, #101	230		230		
1010 Building	2140 W 18th Street (15,000 office, 10,000 warehouse)	25,000	10,935		14,065	0.25
1010 Phase II Transition (access to OH doors unrented)	2140 W 18th Street (16,600 warehouse)	16,600	12,690		3,910	0.29
1050 Building	2140 W 18th Street (40,000 SF)	40,000	32,250		14,000	0.74
1050 Building Paint Booths	2140 W 18th Street Paintbooths	2,924			2924	
1050 Phase I Addition	2140 W 18th Street (2 tenants in this Phase)	8400	3,926		4,474	0.09
MTIB Suite A	2007 S O Street (A) - 1,750 SF Offices/ 3,250 SF Warehouse	5,000	1,750	3,250		
MTIB Suite B	2007 S O Street (B) - 1,250 SF Offices/ 3,750 SF Warehouse	5,000	3,750	1,250		
Marine Terminal Office	202 N. Cedar Street, Suite 4	270		270		
Radio Station Office	313 N. 1st Street	2,400			2400	
19th St Warehouse (was Murrey's Disposal)	2548 19th Street	115,671			19,800	0.45
Fenced (outside storage) available	220 Tumwater Truck Rte - Parking Lot	1,000	0			0.00
	AVAILABLE PROPERTIES TOTAL SF	**223,335**	**65,301**	**5,000**	62,413	1.50
Rented Properties	**North Airport Industrial Park (NAIP)**					
Armstrong Consolidated, LLC	2007 S. O Street, Suites C,D,E		16,800			1.60
Atlas Tower 1, LLC	2600 W. 18th Street (Land for Cell Tower)		0			0.06
Barhop Brewing LLC	2506 W. 19th Street		2,952			0.07
ACTI 10.20	2138 W 18th St		25,000			0.57
ACTI 10.30	2138 W 18th St		25,000			0.57
ACTI 10.40	2138 W 18th St		25,000			0.57

Port Property Inventory / Status - Q3 2026			Improved	Improved	Not	Total
Property	**Location**	**SF**	**Rented**	**Rent Ready**	**Rent Ready**	**Rented**
ACTI 2230	2230 W 18th St		25,000			0.57
City Parks & Recreation	2602 W 18th St; Buildings 6,407 SF; Land 167,871 SF		6,407			3.85
Clallam County Youth Services	1912 West 18th Street (T.I.)		0			3.84
CRTC	2220 W 18th Street - Main Bldg and Lab Space		21,374			0.49
CRTC	2140 W 18th Street (1050)		26,000			0.00
CRTC Bldg front offices	2220 W 18th Street - CRTC Building Offices	2,318	2318			0.00
First Step Family Support Center	2140 W 18th Street (1050)		1,125			0.03
GSA - USDHS	1908 South O Street		6,028			0.14
Insitu Ecosystems LLC	2140 W 18th Street (1050 Phase 1 Addition)		989		1,812	0.02
FKC Co., Ltd	2708 W 18th St (T.I.)		0			4.94
Knight Fire Protection	2509 W 19th St Land (T.I.)		0			0.51
Lifeflight Network LLC	2530 W 19th Street- Office		2,500			0.06
Lifeflight Network LLC	2530 W 19th Street- Land		0			0.44
Natural Systems Design	2032 S. O Street (Office and fenced land)		861			0.11
Port Angeles Hardwood, LLC	2140 W 18th Street (1010)		23,625			0.54
Peninsula Rifle & Pistol Club	2600 W 18th St (T.I.)		0			0.41
Public Utility District #1	1936 W 18th Street (T.I.)		0			6.89
Renaissance Property Holdings LLC	914, 916, 930 Marine Drive	10,612	10,612			2.26
Kendrick (Nick) Ross	2032 S. O Street (Garage)		2,350			0.12
Waterfront Rental Properties						
30 Gold LLC (Cane Corso Coffee Shop)	436 Marine Drive (Land only)		0			0.19
A.M. Holdings, Inc. (Platypus) Area C	102 N. Cedar (Area C Bldg and Land)		900			0.31
A.M. Holdings, Inc. (Platypus) Area A & B	102 N. Cedar (T.I.) Area A&B Land		0			3.95
A.M. Holdings, Inc. (Platypus)	Terminal 1 dock		11,000			0.25
Accurate Angle Crane	Boat Yard Dry Storage		0			0.01
Andy Choi	801 Marine Drive		10,322			0.24
Arrow Marine	435 Marine Drive		6,549			0.15
Biobased Trading LLC	202 N Cedar Suite 1 (office)		399			0.01
Biobased Trading LLC	Terminal 1 conveyor storage		2400			0.06
Black Ball Transport, Inc.	101 East Railroad Ave - Terminal 2		0			3.85
Bluewater Boatworks, LLC	830 W Boat Haven Drive		1,500			0.03
ConocoPhillips (outside storage)	220 Tumwater Truck Rte - Parking Lot	2,000	0			0.05
Global Diving & Salvage, Inc.	202 N Cedar, Suite 2 and 300 SF Warehouse		635			0.01
Olympic Peninsula Seafood	3rd Ave Lot Storage		0			0.07
Olympic Peninsula Seafood	820 Marine Drive		6,000			0.14
John Eric Bert	812 Boat Haven Drive		945			0.02
Landing and Wharf LLC	220 Tumwater Truck Rte - Parking Lot Conex Box	600	0			0.14
MRSC (outside storage)	220 Tumwater Truck Rte - Parking Lot	21,080	0			0.48
Motive Power Marine, LLC	731 Marine Drive		10,000			0.23
MSRC - Berthage on T1	T1 - Berthage	300 LF	300			
MSRC - Storage on T1	T1 - 2 conex box storage and 2 vehicles		500			0.00

Port Property Inventory / Status - Q3 2026			Improved	Improved	Not	Total
Property	**Location**	**SF**	**Rented**	**Rent Ready**	**Rent Ready**	**Rented**
National Response Corporation	Terminal 7 Berthage	248 LF	248			0.01
Olympic Hiking Co.	720 Marine Drive		1,300			0.34
Project Macoma LLC	1301 Marine (portion of Mech Shop)		500			0.00
Project Macoma LLC	Terminal 7 Berthage	80 LF	80			0.00
PetroCard, Inc.	801 Marine Drive (NW portion of warehouse)		1,683			0.00
PA Yacht Club	1305 Marine Drive (T.I.)		0			0.20
WA Fish & Wildlife	202 N Cedar, Suite 3 Office		380			0.01
Westport LLC.	Sign lease - Marine Dr / Tumwater	570				0.01
Westport LLC. 720 Marine Dr	720 Marine Dr Parking (land only)	60,000				1.38
Westport LLC, Boatyard Dry Storage	Ground lease @ BY dry storage					0.32
John Wayne Marina						
Sequim Bay Yacht Club - Room Space	2577 West Sequim Bay Rd		951			0.02
Sequim Bay Yacht Club - Outside Storage	2577 West Sequim Bay Rd					0.04
Baranof Yacht Sales	2577 West Sequim Bay Rd (Upper Floor Crow's Nest)		220			
JMS Hospitality (Dockside Grill)	2577 West Sequim Bay Rd		2,154			
Downtown Port Angeles/Sekiu						
North Olympic Healthcare Network	323 W First St, 20 parking spaces	7,400				0.17
WA Small Business Development Ctr	338 W First St, Admin Office Suite 202		177			0.00
Clallam County Fire District #5	Sekiu Airport Hangar		3,200			0.07
South Airport Rental Properties						
Angeles Communications, Inc.	1402 William R. Fairchild Airport		750			0.02
Citizen Air LLC	FIA Terminal		1,000			0.02
Citizen Air LLC	FIA East Block Hangar		2,300			0.05
Citizen Air LLC	FIA West Block Hangar		2,560			0.05
Citizen Air LLC	FIA East Corporate Hangar		3,844			0.09
Fairchild Fuel LLC	FIA Fuel Farm; 11,700 SF land		0			0.27
DART (Clallam Co. Emergency Mgmt)	FIA terminal		970			0.02
FAA Antenna & Rack Space	1402 William R. Fairchild Airport		360			0.01
Fedex - 1 tie down	1402 William R. Fairchild Airport		0			0.11
Fedex - hangar	1402 William R. Fairchild Airport		9,600			0.22
Fedex - office	1402 William R. Fairchild Airport		1,432			0.03
High Flyer Owners Assn Condo A	Hangar Pad A (T.I.)		0			0.29
High Flyer Owners Assn Condo C	Hangar Pad C (T.I.)		0			0.29
Josh Borte	Critchfield Road (30 acres) in-kind services		0			30.00
Lifeflight Network LLC	1405 Airport Road - Hangar		2,750			0.06
Lifeflight Network LLC	1405 Airport Road - Office		792			0.02
Lifeflight Network LLC	1406 Airport Road - Hangar		2,160			0.05
Lifeflight Network LLC	1406 Airport Road - Office		1,256			0.03
Lifeflight Network LLC	1407 Airport Road - Hangar		2,160			0.05
Lifeflight Network LLC	1407 Airport Road - Office		280			0.01
Merrill & Ring	Airport Log Yard		0			1.00

Port Property Inventory / Status - Q3 2026			Improved	Improved	Not	Total
Property	**Location**	**SF**	**Rented**	**Rent Ready**	**Rent Ready**	**Rented**
Olympic R/C Modelers	Critchfield Road (T.I.)		0			1.30
PA Nieuport Group	Hangar Pad D (T.I.)		0			0.29
Peninsula Trails Coalition	Conex box at long term parking		0			0.004
R&B Properties and Investments	Hangar Pad B (T.I.)		0			0.29
US Coast Guard	Taxiway	5,000	0			0.11
US Customs & Border Protection (In Kind Service)	1402 Airport Road (Terminal Office/Runway Lobby)	560				
Welldone Aviation, LLC	1402 Airport Road, Hangar Pad F Building 900 (T.I.)	17,500	0			0.40
	TOTAL RENTED SQUARE FOOTAGE		**936,312**			
	VACANT - NOT RENT READY		**62,413**			
	TOTAL VACANT & RENT READY SF		**5,000**			
IMPROVED PROPERTY	**OVERALL OCCUPANCY FACTOR**		**99.47%**			
IMPROVED PROPERTY	**RENT READY OCCUPANCY FACTOR**		**1%**			
DEVELOPED ACREAGE (shovel ready)						
South Airport						
South Airport	Hangar Pad E (under construction Q3-Q4 2026)	17,500				
Business Park Acreage						
35.5 Acres	(Zoned Light Industrial)			35.50		
Waterfront						
18 Acres	Marine Trade Center			18.00		
Vacant lot near Chevron (was Armstrong)	413 W 2nd Street			0.33		
	TOTAL DEVELOPED ACREAGE			**53.83**		
UNDEVELOPED ACREAGE (awaiting capital improvement)						
FIA						
72 Acres Land SE Airport Terminal	(Zoned IL Industrial Light)				72.00	
126 Acres Land SW Airport Terminal	(Aviation Related)				126.00	
	TOTAL UNDEVELOPED ACREAGE				**198.00**	

Report to the Board of Port Commissioners
Operations Report for
July
2026

Port Angeles Boat Haven

Slip Length	No. of Slips	Occupied	Vacant	Occupancy Rate	Wait List	2025 Occupied Monthly
20'	57	57	0	100%	0	70
25'	24	24	0	100%	4	24
30'	77	77	0	100%	6	79
36'	29	29	0	100%	10	29
40'	32	32	0	100%	9	32
46'	22	18	4	82%	0	17
50'	90	90	0	100%	3	88
Side/End Tie	59	52	7	88%	4	52
Boathouses	36	36	0	100%	0	44
Sub-Total	**426**	**415**	**11**	**97%**	**36**	**435**
Limited 20'	13	13	0	100%	0	9
TOTAL	**439**	**428**	**11**	**97%**	**36**	**444**

Boat Yard Report

	Jul-26	Jul-25	YTD 2026	YTD 2025
Boats into the yard this month	23	15	134	142
Boats into the water this month	13	18	117	80
Total Travel Lift Operations This Month	**36**	**33**	**251**	**222**
Year-To-Date Launch Ramp Permit Sales			408	504

John Wayne Marina

Slip Length	No. of Slips	Occupied	Vacant	Occupancy Rate	Wait List	2025 Occupied Monthly
28'	72	65	7	90%	0	72
30'	46	36	10	78%	0	45
32'	28	28	0	100%	0	25
36'	22	19	3	86%	0	22
40'	19	19	0	100%	3	19
42'	21	21	0	100%	1	21
45'	10	9	1	90%	0	10
50'	27	26	1	96%	4	27
End Tie 49'	25	25	0	100%	4	25
Sub-Total	**270**	**248**	**22**	**92%**	**12**	**266**
Limited 20'	30	22	8	73%	0	29
TOTAL	**300**	**270**	**30**	**90%**	**12**	**295**

Report to the Board of Port Commissioners
Operations Report for
August
2026

Port Angeles Boat Haven

Slip Length	No. of Slips	Occupied	Vacant	Occupancy Rate	Wait List	2025 Occupied Monthly
20'	57	57	0	100%	0	66
25'	24	24	0	100%	4	24
30'	77	77	0	100%	6	78
36'	29	29	0	100%	10	29
40'	32	32	0	100%	9	32
46'	22	17	5	77%	0	17
50'	90	90	0	100%	3	87
Side/End Tie	59	48	11	81%	4	61
Boathouses	36	36	0	100%	0	44
Sub-Total	**426**	**410**	**16**	**96%**	**36**	**438**
Limited 20'	13	13	0	100%	0	13
TOTAL	**439**	**423**	**16**	**96%**	**36**	**451**

Boat Yard Report

	Aug-26	Aug-25	YTD 2026	YTD 2025
Boats into the yard this month	17	22	151	149
Boats into the water this month	22	17	139	79
Total Travel Lift Operations This Month	**39**	**39**	**290**	**228**
Year-To-Date Launch Ramp Permit Sales			424	440

John Wayne Marina

Slip Length	No. of Slips	Occupied	Vacant	Occupancy Rate	Wait List	2025 Occupied Monthly
28'	72	65	7	90%	0	72
30'	46	36	10	78%	0	46
32'	28	28	0	100%	0	28
36'	22	19	3	86%	0	22
40'	19	19	0	100%	3	19
42'	21	21	0	100%	1	21
45'	10	9	1	90%	0	10
50'	27	26	1	96%	4	27
End Tie 49'	25	25	0	100%	4	25
Sub-Total	**270**	**248**	**22**	**92%**	**12**	**270**
Limited 20'	30	22	8	73%	0	30
TOTAL	**300**	**270**	**30**	**90%**	**12**	**300**

Report to the Board of Port Commissioners
Operations Report for
September
2026

Port Angeles Boat Haven

Slip Length	No. of Slips	Occupied	Vacant	Occupancy Rate	Wait List	2025 Occupied Monthly
20'	57	26	31	46%	0	40
25'	24	24	0	100%	0	23
30'	77	70	7	91%	0	75
36'	29	27	2	93%	0	29
40'	32	32	0	100%	1	32
46'	22	22	0	100%	2	17
50'	90	88	2	98%	2	83
Side/End Tie	59	46	13	78%	0	49
Boathouses	36	36	0	100%	0	44
Sub-Total	**426**	**371**	**55**	**87%**	**5**	**392**
Limited 20'	13	13	0	100%	0	13
TOTAL	**439**	**384**	**55**	**87%**	**5**	**405**

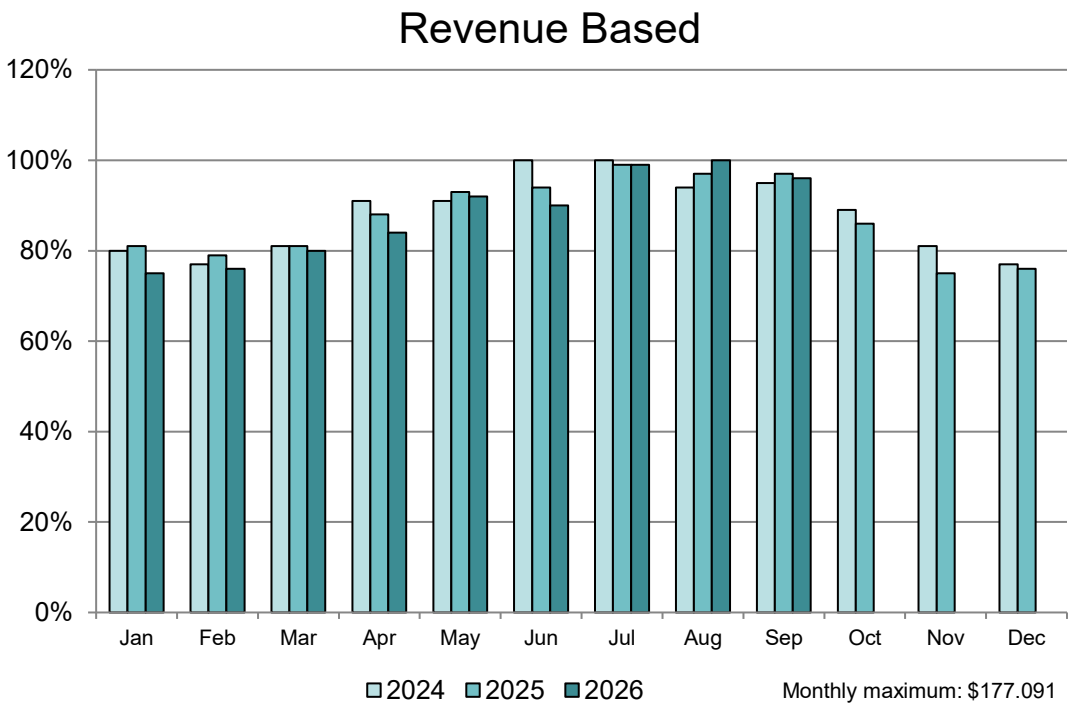
Boat Yard Report

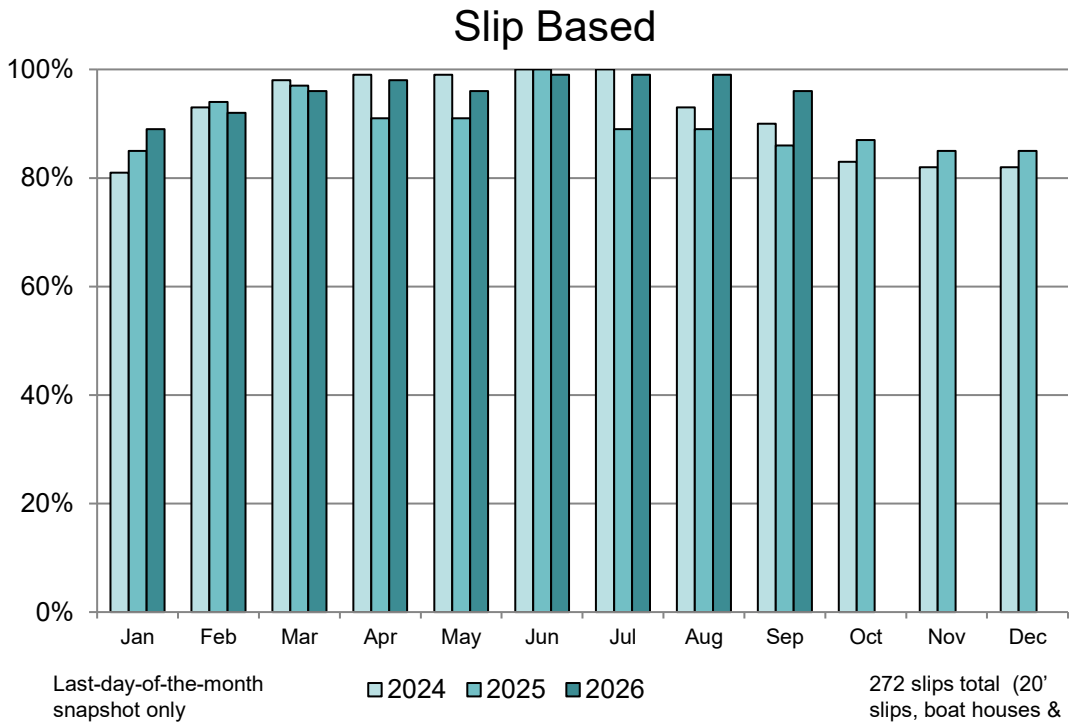
	Sep-26	Sep-25	YTD 2026	YTD 2025
Boats into the yard this month	29	21	180	148
Boats into the water this month	21	21	160	83
Total Travel Lift Operations This Month	**50**	**42**	**340**	**231**
Year-To-Date Launch Ramp Permit Sales			427	440

John Wayne Marina

Slip Length	No. of Slips	Occupied	Vacant	Occupancy Rate	Wait List	2025 Occupied Monthly
28'	72	49	23	68%	0	55
30'	46	29	17	63%	0	37
32'	28	24	4	86%	0	25
36'	22	21	1	95%	0	22
40'	19	19	0	100%	3	19
42'	21	20	1	95%	1	21
45'	10	9	1	90%	0	10
50'	27	26	1	96%	4	27
End Tie 49'	25	7	18	28%	4	25
Sub-Total	**270**	**204**	**66**	**76%**	**12**	**241**
Limited 20'	30	22	8	73%	0	21
TOTAL	**300**	**226**	**74**	**75%**	**12**	**262**

PABH Occupancy

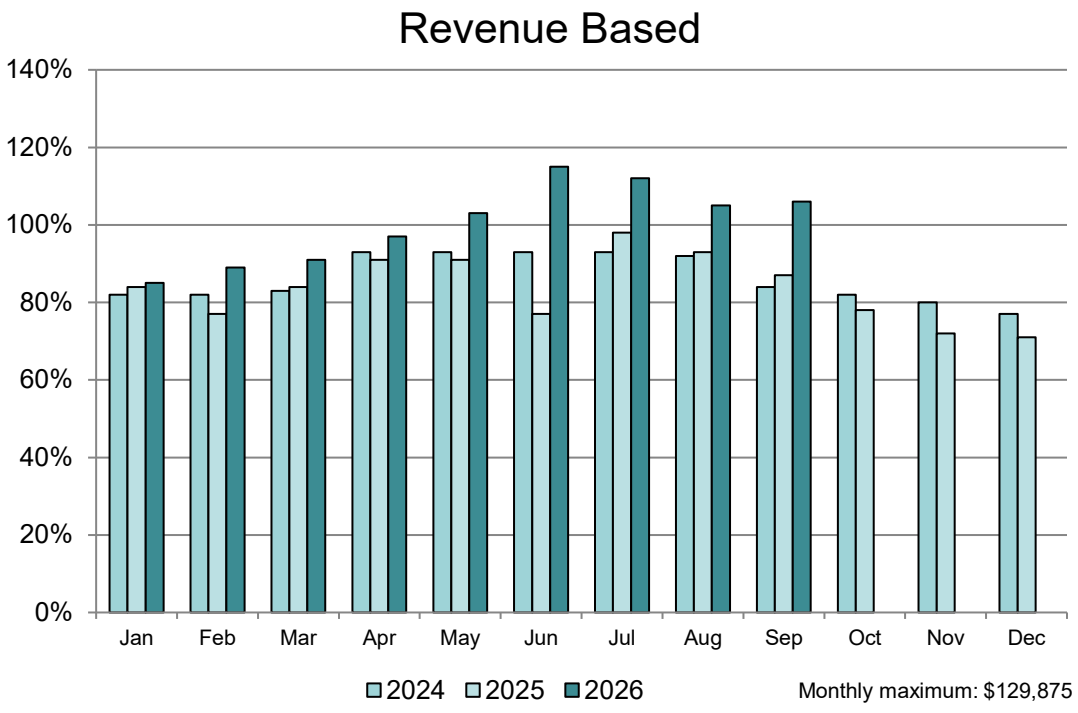


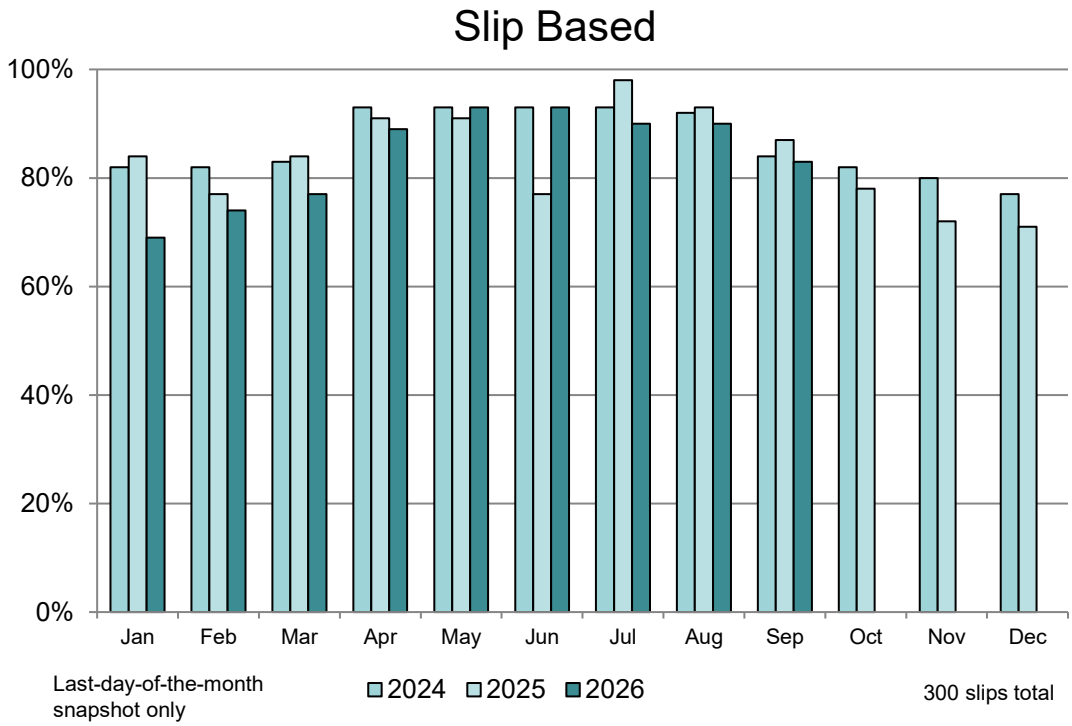


Last-day-of-the-month snapshot only

272 slips total (20' slips, boat houses & side tie not included)

JWM Occupancy

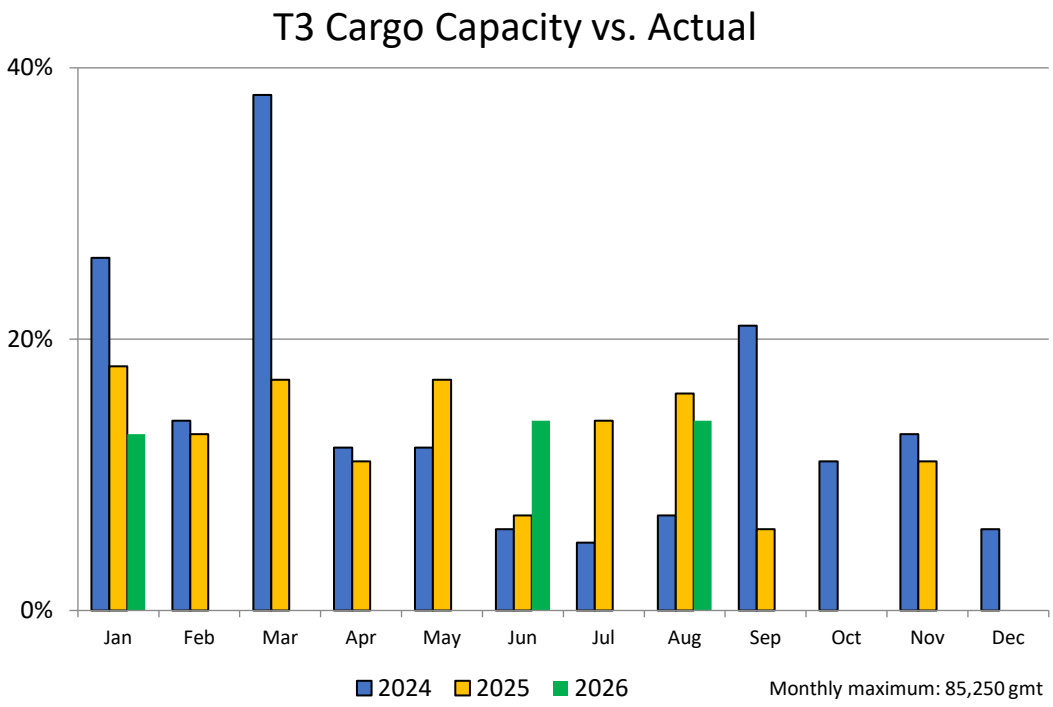


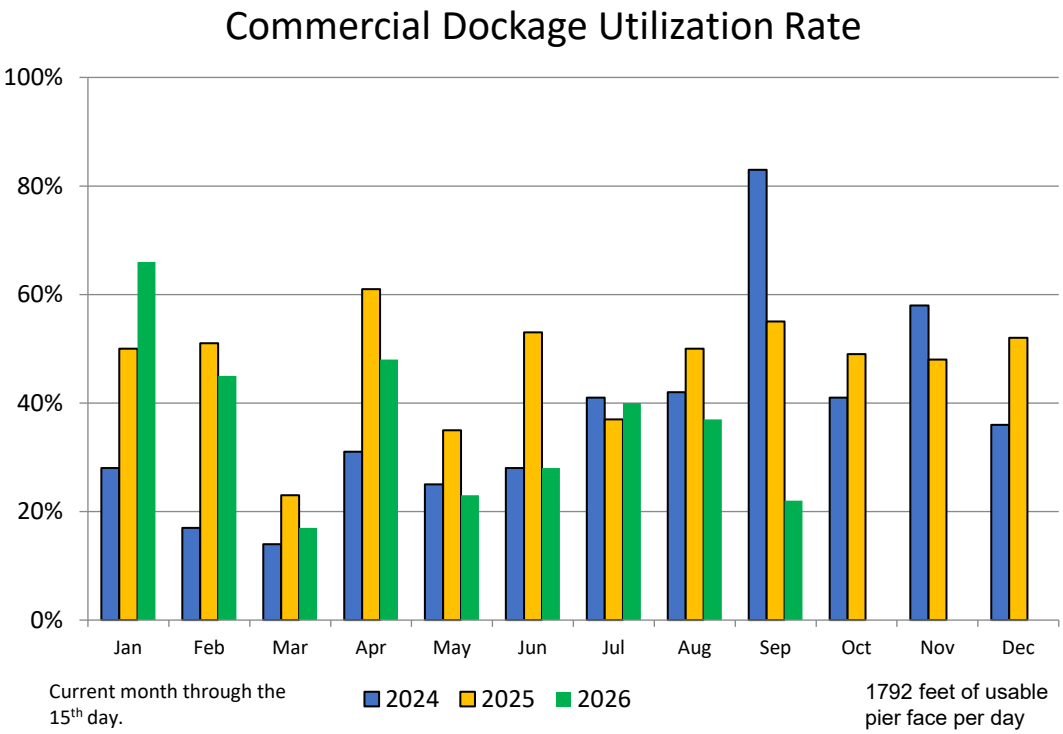


REPORT TO THE BOARD OF PORT COMMISSIONERS
MARINE TERMINAL OPERATIONS
Q3 2026

Terminals #1 & #3	Q3 2026	Q3 2025	Q3 2024
Terminal Activity			
Repair Vessels - Tanker	0	3	1
Repair Vessels - Other+	8	1	1
Cargo Vessels -Log Ship	0	0	1
Cargo Vessels - Chip Barges	2	7	1
Tug (Assist) Vessels	18	19	3
Other (lay berth)	12	15	16
TOTAL # VESSELS	40	45	23
TOTAL # DOCK DAYS	149	255	311

T1/T3 Utilization





REPORT TO THE BOARD OF PORT COMMISSIONERS
LOG HANDLING OPERATIONS
3rd Quarter 2026

Log Handling	3rd Quarter 2024	3rd Quarter 2025	3rd Quarter 2026
Log Operation:			
Dumped Loads**	0	0	0
Decked Loads	2,210	3,113	490
Green Crow Roll Out - Camp Run	214	262	59
T-7 Container Operations			
# Containers Loaded	522	548	94
T-7/T-5 Log Operations-Discharge (Inbound/DeWater)			
# of Barges	79	51	12
# Barge Loads	4,175	4,138	898
# DeWater Loads	1,861	234	0
TOTAL LOADS	8,982	8,295	1,541

**LOADS DOWN AS ROUNDBOOM (DUMPED LOADS)

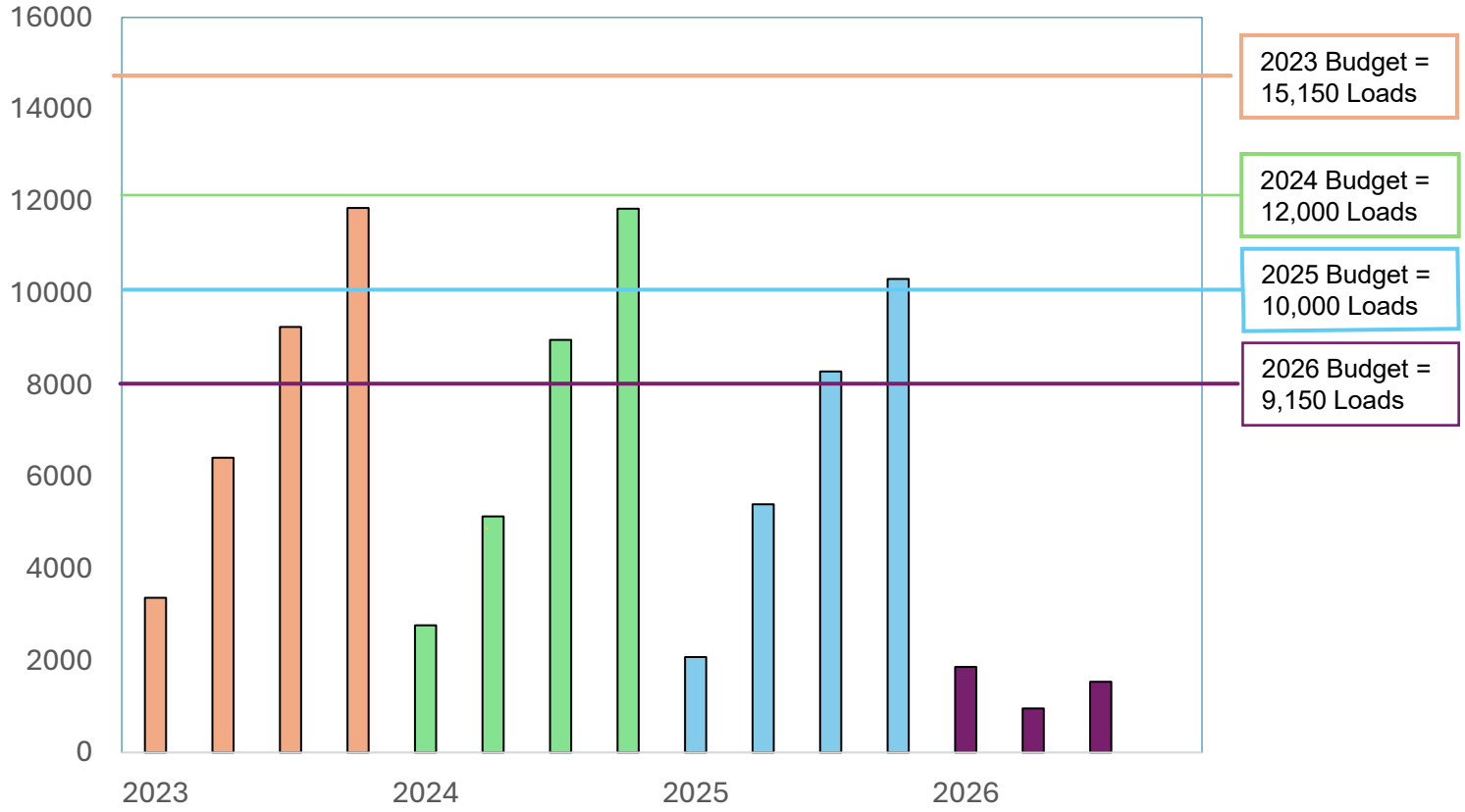
3rd Quarter 2024	3rd Quarter 2025	3rd Quarter 2026
Inbound	Inbound	Inbound
37 - PA Hardwood	23 - PA Hardwood	6 - PA Hardwood
0 - Interfor	0 - Interfor	0 - Interfor
0 - Herman	0 - Hermann	0 - Herman
5 - Alta	7 - Alta	2 - Alta
1 - Zoeffel	0 - Zoeffel	0 - Zoeffel
0 - Alcan	1 - Alcan	0 - Alcan
		0 - Krume
Outbound	Outbound	Outbound
0 - Georgia Pacific	0 - Georgia Pacific	0 - Georgia Pacific
26 - Sierra Pacific	14 - Sierra Pacific	2 - Sierra Pacific
1 - Southport	0 - Southport	0 - Southport
0 - Hampton	1 - Hampton	0 - Hampton
1 - Roseburg	0 - Roseburg	0 - Roseburg
4 - Buse	3 - Buse	0 - Buse
4 - Canyon	4 - Canyon	2 - Canyon
	7 - Paper Excellence	0 - Paper Excellence

NOTE: Unaudited Information

Port of Port Angeles

LY Loads - Cumulative

January 2023 – September 2026



Year	Q1	Q2	Q3	Q4
2023	3,369	6,417	9,264	11,854
2024	2,770	5,140	8,982	11,838
2025	2,079	5,404	8,295	10,309
2026	1,864	961	1,541	

FINAL DRAFT CAPITAL BUDGET

(as presented during the 10/27/2026 Commission Meeting)

The 2027 Capital Budget includes a 1-year Capital Projects Budget, a 5-year Capital Improvement Plan, and a 20-year Capital Improvement Plan. The Capital Projects Budget is funded by grants, property tax surplus, operating surplus, and reserves. The surplus from property taxes is net of general tax levies in excess of debt service expenditures. Surplus from Port operations results from the cumulative excess of revenues over expenses. The Port will also issue debt to fund projects. Below is a breakdown of the sources of funding for this year's capital budget.

Property Tax Levy	$ 1,915,436
Debt Service	$ (176,386)
Misc. & Non-Op	$ 891,000 (interest earnings less environmental cleanup)
Net Operating Deficit	$ (119,633)
Capital Expenditures	$(63,930,597)
Debt	$ 36,200,000
Grant Reimbursement	$ 20,416,847
Impact to Cash Reserves	$ (4,803,333)

A. CAPITAL PROJECTS BUDGET

For a project to be included in the capital budget, the total project cost must exceed $10,000, and the asset must have a minimum useful life of five (5) years. If it is a maintenance project, then the life of the asset must be extended by a minimum of five (5) years.

Capital projects are included in the budget according to a descending list of priorities. The four main priority categories for projects are:

1. **Regulatory Required Projects**: These projects are required by a regulatory agency. The Port must complete these projects to remain in compliance with established regulations.
2. **Committed Projects**: These projects are considered "committed" because of one or more of the following reasons:
    a. Port agreed to complete the project within a lease or other agreement.
    b. Port has accepted grant funding and committed the matching funds by resolution.
    c. Contingency budget to accommodate unbudgeted projects is programmed as 10% of the Port's annual depreciation amount.

3. **Critical Maintenance Projects**: These projects are included in the capital budget to prevent further damage to a Port asset. Delaying these projects will result in more costly repairs.

4. **Strategic Investment Projects**: These projects will be prioritized based on a combination of the following factors: 1) Job Creation and Retention, 2) Return on Investment, 3) Environmental Benefit, and 4) Preventive Maintenance. Preventive maintenance projects are those that, if deferred until next year, will not result in further damage to the assets.

B. 5-YEAR CAPITAL IMPROVEMENT PLAN

The 5-Year Capital Improvement Plan (CIP) is a planning tool that identifies Capital Projects through the year 2031. The Port has established a target cash reserve balance of $10 million. The current list of projects is expected to reduce the cash reserve balance below the target by the end of 2028 and become negative by the end of 2030, with no other revenue (Op and Non-Op) inflows. The Port will need to identify other sources of funding, which could include debt and/or grants, to complete this list of projects. Projects shown in future years do not commit the Port to funding. Each project will undergo a prioritization and a return on investment (ROI) analysis before being accepted into the current year's Capital Budget.

C. 20-YEAR CAPITAL IMPROVEMENT PLAN

This list represents significant capital investments that the Port is likely to make within the next six (6) to twenty (20) years (2032-2047). These projects are primarily infrastructure replacement projects and new development projects that represent high-priority strategic investments. This plan is designed to help balance current capital investments and debt with an understanding of future investment needs. Project estimates are escalated using an annual average inflation rate of 3.16% in accordance with the Washington State Department of Financial Management Cost Estimating Form C-100.

D. GRANTS

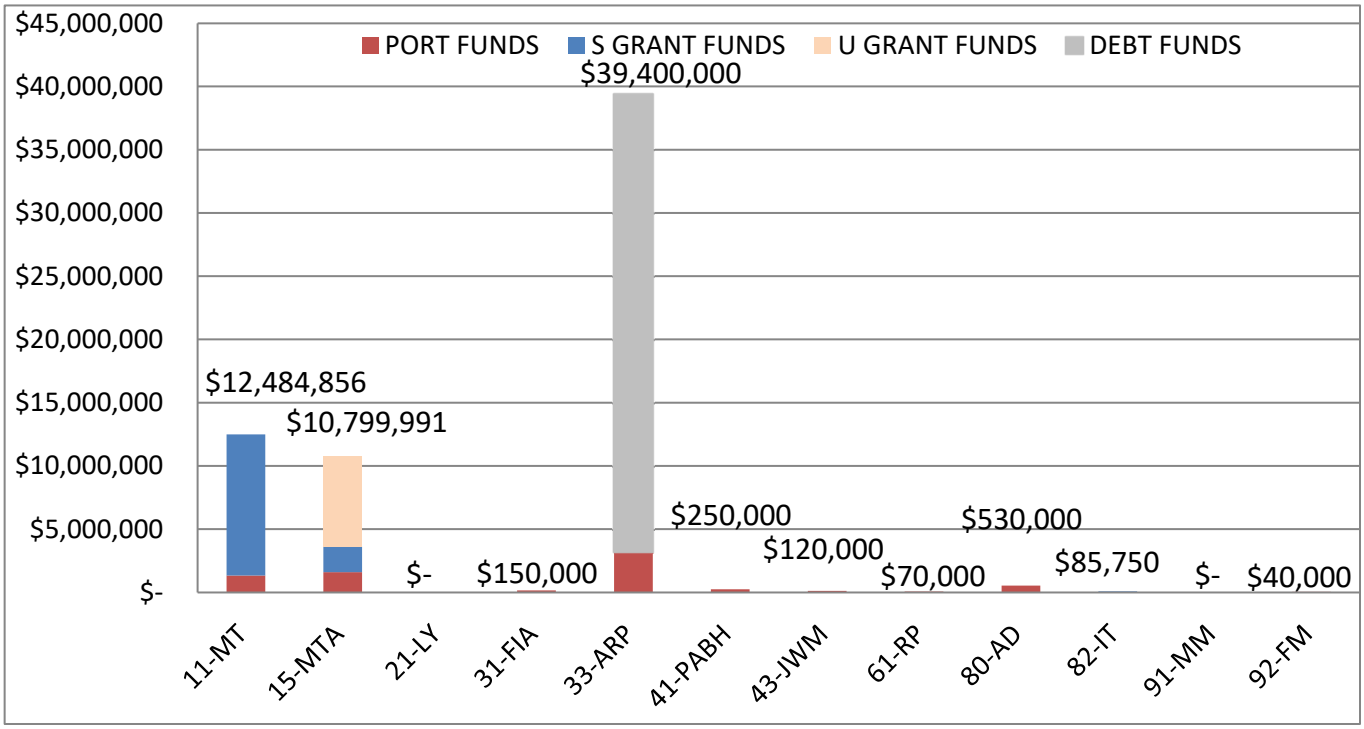
The Port has been awarded seven (7) separate state and federal grants and should likely receive determinations on two (2) more grants by the end of the first quarter of 2027. Each grant carries its own unique conditions and matching funds requirements. See the table below for details regarding the awarded and pending grants.

FEDERAL AND STATE GRANTS – SECURED AND PENDING

Grant Agency	Program	Project	Grant Funds	Match Funds
U.S. Environmental Protection Agency	Clean Ports Program	Shore Power Service Upgrades & Zero Emission Equipment	$9,457,350	$525,408
Washington State Department of Transportation	Port Electrification	Shore Power Service Upgrades & Zero Emission Equipment	$525,408	
U.S. Dept of Transportation – Maritime Admin.	FY2024 Port Infrastructure Development Program	Cargo Handling Equipment	$9,000,000	$2,250,000
U.S. Dept. of Commerce – Economic Development Admin.	Recompete	Three (3) barges for Marine Transportation	$6,000,000	$0
U.S. Dept. of Homeland Security	Port Security Grant Program	Security Operations Center TWIC Readers	$230,000 $10,948	$80,000 $2,737
Dept of Housing and Urban Development	Congressional Appropriation – Emily R.	Tse-Whit-Zen Restoration	$850,000	$0
* U.S. Dept of Transportation – Maritime Admin.	FY2025 Port Infrastructure Development Program	Terminal 3 Cargo Efficiency Upgrades	$11,249,995	$2,990,505
Washington State Dept. of Commerce	WA Commerce (Proviso)	Multi-user Building	$2,000,000	$0
*U.S. Dept. of Commerce – Economic Development Admin.	2025 Disaster Supplement	Multi-user Building MTC Building	$17,670,664	$417,666
		Total =	$56,994,365	$6,266,316

* The Port has submitted a grant application, but the grant agency has not made a funding determination at the time the budget was adopted.

2027 CAPITAL EXPENDITURES BY DEPARTMENT



S = Secured Grant , U = Unsecured Grant

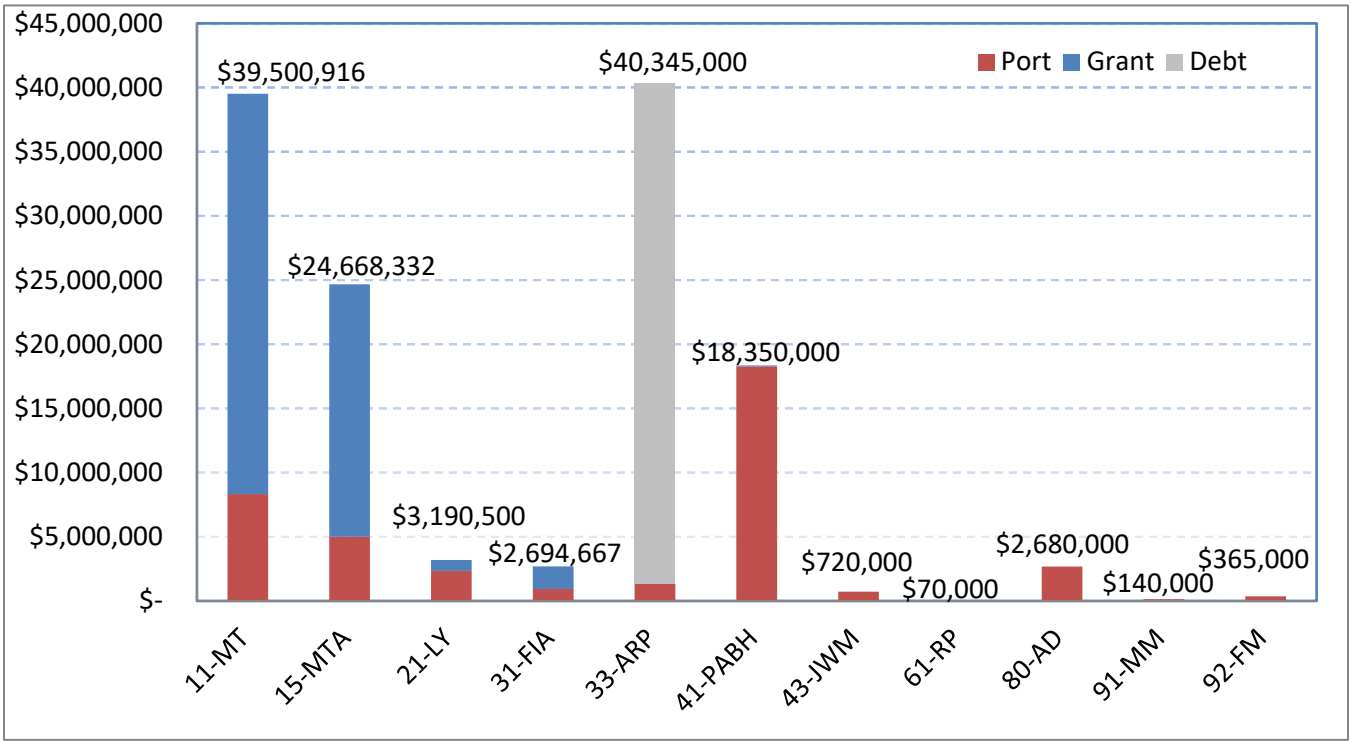
Dept.	2026 Port Projected	2026 Grant Projected	2026 Total Projected	2027 Port Budget	2027 Secured Grant Budget	2027 Unsecured Grant Budget	2027 Debt Budget	2027 Total Budget
11-MT	$ 1,148,554	$ 4,487,286	$ 5,635,840	$ 1,327,880	$ 11,156,976	$ -	$ -	$ 12,484,856
15-MTA	$ 344,855	$ -	$ 344,855	$ 1,603,870	$ 2,000,000	$ 7,196,121	$ -	$ 10,799,991
21-LY	$ 2,535,100	$ 12,508,390	$ 15,043,490	$ -	$ -	$ -	$ -	$ -
31-FIA	$ 3,505,226	$ 7,194,188	$ 10,699,414	$ 150,000	$ -	$ -	$ -	$ 150,000
33-ARP	$ 707,003	$ -	$ 707,003	$ 3,200,000	$ -	$ -	$ 36,200,000	$ 39,400,000
41-PABH	$ 656,466	$ -	$ 656,466	$ 250,000	$ -	$ -	$ -	$ 250,000
43-JWM	$ 40,270	$ -	$ 40,270	$ 120,000	$ -	$ -	$ -	$ 120,000
61-RP	$ 26,483	$ -	$ 26,483	$ 70,000	$ -	$ -	$ -	$ 70,000
80-AD	$ 91,291	$ -	$ 91,291	$ 530,000	$ -	$ -	$ -	$ 530,000
82-IT	$ -	$ -	$ -	$ 22,000	$ 63,750	$ -	$ -	$ 87,750
91-MM	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
92-FM	$ 35,200	$ -	$ 35,200	$ 40,000	$ -	$ -	$ -	$ 40,000
Total	$ 9,090,448	$ 24,189,864	$ 33,280,312	$ 7,313,750	$ 13,220,726	$ 7,196,121	$ 36,200,000	$ 63,930,597

2027 CAPITAL PROJECT PRIORITIZATION TABLE

#	Dept.	Project Description	Port Funds	Secured Grant Funds	Unsecured Grant Funds	Debt Funds	Total
2.01	11-MT	T1 Shorepower Improvement (G)	$240,000	$4,592,063			$4,832,063
2.02	11-MT	Reach Stacker Cargo Equip (G)	$124,000	$1,702,781			$1,826,781
2.03	11-MT	15-Ton Electric Forklift (G)	$19,950	$399,000			$418,950
2.04	11-MT	5-Ton Electric Forklift (G)	$3,930	$78,600			$82,530
2.05	11-MT	Cable Management Equip (G)	$60,000	$1,600,616			$1,660,616
2.06	11-MT	Barges (G)		$1,000,000			$1,000,000
2.07	11-MT	Telestacker		$682,500			$682,500
2.08	11-MT	Conveyor System		$1,101,416			$1,101,416
2.09	82-IT	Cybersecurity Master Plan (G)	$22,000	$63,750			$85,750
2.10	15-MTA	Marine Trades Multi-User Building (G)	$333,870	$2,000,000	$7,196,121		$9,529,991
2.11	15-MTA	S.W. Conveyance Impts. (SP)	$70,000				$70,000
2.12	43-JWM	Beach Access Improvement (SP)	$45,000				$45,000
2.13	80-AD	Capital Budget Contingency	$450,000				$450,000
3.01	11-MT	T1 Zone 2 Fire Sprinkler Replace	$705,000				$705,000
3.02	33-ARP	MTIB Roof Replacement	$400,000				$400,000
3.03	11-MT	T1 Warehouse South (SP)	$175,000				$175,000
4.01	92-FM	Asphalt Seal Coat Equipment	$40,000				$40,000
4.02	31-FIA	Life Flight Roof Replacement (SP)	$100,000				$100,000
4.03	33-ARP	PAC - Improvements Phase I	$1,400,000			$16,350,000	$17,750,000
4.04	33-ARP	PAC - Improvements Phase II	$1,400,000			$19,850,000	$21,250,000
4.05	41-PABH	W. PABH Design (P)	$250,000				$250,000
4.06	43-JWM	Fiber to Gates (SP)	$25,000				$25,000
4.07	43-JWM	Hendricks Room - Kitchen (SP)	$50,000				$50,000
4.08	61-RP	313 W 1st St Improvements (SP)	$70,000				$70,000
4.09	80-AD	Admin Bldg Façade Impts (SP)	$80,000				$80,000
4.10	31-FIA	Transient Area Asphalt Repair (SP)	$50,000				$50,000
4.11	15-MTA	MTC Site Development	$1,200,000				$1,200,000
		TOTALS	**$ 7,313,750**	**$ 13,220,726**	**$ 7,196,121**	**$ 36,200,000**	**$ 63,930,597**

#:	Priority Ranking. The first number is the project category (see description on Page V-1) and the second number is its priority number within that category.
G:	Grant funds have been awarded.
G*:	Grant funds have not yet been awarded.
P:	Planning work such as engineering, design, permitting, bid document preparation, ect…
IHTF:	Intermodal Handling and Transfer Facility.
SP:	Self Perform. These projects will be completed with Port labor.

2027 – 2031 CAPITAL IMPROVEMENT PLAN BY DEPARTMENT



Dept.	Port	Grant	Debt	Total
11-MT	$ 8,321,000	$ 31,179,916	$ -	$ 39,500,916
15-MTA	$ 4,997,687	$ 19,670,645	$ -	$ 24,668,332
21-LY	$ 2,340,500	$ 850,000	$ -	$ 3,190,500
31-FIA	$ 933,667	$ 1,761,000	$ -	$ 2,694,667
33-ARP	$ 4,145,000	$ -	$ 36,200,000	$ 40,345,000
41-PABH	$ 18,275,000	$ 75,000	$ -	$ 18,350,000
43-JWM	$ 720,000	$ -	$ -	$ 720,000
61-RP	$ 70,000	$ -	$ -	$ 70,000
80-AD	$ 2,530,000	$ -	$ -	$ 2,530,000
91-MM	$ 140,000	$ -	$ -	$ 140,000
92-FM	$ 365,000	$ -	$ -	$ 365,000
TOTAL =	**$ 42,837,854**	**$ 53,536,561**	**$ 36,200,000**	**$ 132,574,415**

2027 – 2031 CAPITAL IMPROVEMENT PLAN

Dept.	Project Description	2027	2028	2029	2030	2031
11-MT	T1 Shorepower Improvement (G)	$240,000				
11-MT	Reach Stacker Cargo Equip (G)	$124,000				
11-MT	15-Ton Electric Forklift (G)	$35,000				
11-MT	5-Ton Electric Forklift (G)	$7,000				
11-MT	Cable Management Equip (G)	$60,000				
11-MT	Telestacker					
11-MT	Conveyor System					
11-MT	Material Handlers x 2 (G)		$550,000			
11-MT	Barges (G)					
11-MT	Security Operations Center (G)		$80,000			
11-MT	T1 Asphalt Patching		$150,000			
11-MT	Access Control Upgrades (G)		$25,000			
11-MT	T1 Zone 2 Fire Sprinkler Replace	$705,000				
11-MT	T1 Zone 3 Fire Sprinkler Replace		$575,000			
11-MT	T1 Zone 4 Fire Sprinkler Replace			$605,000		
11-MT	T1 Zone 5 Fire Sprinkler Replace				$340,000	
11-MT	Tumwater Bank Stabilization (G*)		$37,500		$362,500	
11-MT	Terminal 3 Expansion (G*)		$750,000	$1,750,000	$1,750,000	
11-MT	T1 Warehouse South (SP)	$175,000				
15-MTA	Industrial Prop. Acquisition		$250,000	$250,000	$250,000	$250,000
15-MTA	MTC Site Development	$1,200,000				
15-MTA	Multi-User Bldg. (G)	$333,870		$2,083,817		
15-MTA	B.Y. Wash Pad Replace		$30,000			
15-MTA	B.Y. Building Roof Replace		$225,000			
15-MTA	B.Y. Building Siding Repairs		$55,000			
15-MTA	S.W. Conveyance Impts. (SP)	$70,000				
21-LY	Boom Boat Repairs		$30,000			
21-LY	Hydraulic Loader Replace				$550,000	
21-LY	Equip. Replace 1				$1,760,500	
21-LY	Tse-Whit-Zen Restoration (G)					
31-FIA	Asphalt Surface Repairs			$100,000		
31-FIA	Transient Area Asphalt Repair	$50,000	$450,000			
31-FIA	Runway Obst. Removal (G)			$17,000		
31-FIA	Airport Master Plan (G)		$50,000	$16,667		
31-FIA	Electric Charging Stations (G*)		$150,000			

2027 – 2031 CAPITAL IMPROVEMENT PLAN

31-FIA	Life Flight Roof Replacement	$100,000				
33-ARP	MTIB Roof Coating	$400,000				
33-ARP	1020 Bldg. Roof Coating		$300,000			
33-ARP	1030 Bldg. Roof Coating			$315,000		
33-ARP	1040 Bldg. Roof Coating				$330,000	
33-ARP	PAC Improvements - Phase I	$1,400,000				
33-ARP	PAC Improvements - Phase II	$1,400,000				
41-PABH	Boat Launch Restroom (G)		$25,000			
41-PABH	W. PABH Design (P)	$250,000	$500,000	$500,000		
41-PABH	W. PABH Float & Breakwater Replace (G*)			$8,000,000	$9,000,000	
43-JWM	Fiber to Gates	$25,000				
43-JWM	Parking lot Rehabilitation				$600,000	
43-JWM	Beach Access Improvement (SP)	$45,000				
43-JWM	Hendricks Room Kitchen (SP)	$50,000				
61-RP	Baby Store Improvements (SP)	$70,000				
80-AD	Capital Budget Contingency	$450,000	$500,000	$500,000	$500,000	$500,000
80-AD	Admin Bldg Façade Impts	$80,000				
82-IT	Cybersecurity Master Plan (G)	$22,000				
82-IT	Storage Area Network (G)		$25,000			
91-MM	Mech. Shop Maint. / Impts					$140,000
92-FM	Front End Loader		$150,000			
92-FM	Dump Truck Replacement			$75,000		
92-FM	Asphalt Seal Coat Equipment	$40,000				
92-FM	Bulldozer		$100,000			
	Total not including grant/bond funds	**$7,331,870**	**$5,007,500**	**$14,212,484**	**$15,443,000**	**$890,000**
	Grant and Bond Funds	**$59,225,396**	**$14,342,500**	**$13,796,165**	**$2,537,500**	**$-**
	TOTAL (including grant and bond funds)	**$66,557,266**	**$19,350,000**	**$28,008,649**	**$17,980,500**	**$890,000**
	**** PORT ESTIMATED CASH RESERVE BALANCE**	**$18,179,329**	**$14,548,331**	**$13,856,289**	**$21,821,672**	**$13,602,668**

Cash Reserves are being finalized

2027 – 2031 CAPITAL IMPROVEMENT PLAN

	Site Name	2027	2028	2029	2030	2031
	Cleanup Expenditures for Active Cleanup Sites 2027 - 2031					
90-NO	KPLY Monitoring (Total)	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000
	KPLY Monitoring (Port)	$ -	$ -	$ -	$ -	$ -
90-NO	MTA (Total)	$ 300,000	$ 2,000,000	$ 150,000	$ 150,000	$ 150,000
	MTA (Port)	$ -	$ -	$ -	$ -	$ -
90-NO	Fmr Shell Oil Bulk Plant - 220 Tumwater Truck Rt (Total)	$ 140,000	$ 3,200,000	$ 75,000	$ 75,000	$ 75,000
	Fmr Shell Oil Bulk Plant - 220 Tumwater Truck Rt (Port)	$ -	$ -	$ -	$ -	$ -
90-NO	Fmr Pettit Oil - 220 Tumwater Truck Rt (Total)	$ 100,000	$ 1,500,000	$ 50,000	$ 50,000	$ 50,000
	Fmr Pettit Oil - 220 Tumwater Truck Rt (Port)	$ -	$ -	$ -	$ -	$ -
90-NO	T5, T6, T7 Upland (Total)	$ 150,000	$ 500,000	$ 1,500,000	$ 3,500,000	$ 500,000
	T5, T6, T7 Upland (Port)	$ -	$ -	$ -	$ -	$ -
90-NO	Harbor (Total)	$ 1,500,000	$ 1,500,000	$ 2,500,000	$ 2,500,000	$ 10,000,000
	Harbor (Port)	$ -	$ -	$ -	$ -	$ -
	5 Year Total =	**$ 32,590,000**				
	**** 5 Year Port Total =**	**$ -**				

2032 – 2046 CAPITAL IMPROVEMENT PLAN

DEPT.	Project Description	2026 $	Project Year	Project Year $	Purpose
15-MTA	Marine Dr. Intersection	$ 1,650,560	2032	$ 1,989,296	Maint.
15-MTA	MTC Industrial Building	$ 20,632,000	2032	$ 24,866,195	Jobs / ROI
15-MTA	MTC Boat Lift Pier	$ 8,794,390	2032	$ 10,599,215	Jobs
21-LY	Equip. Replace 2	$ 567,380	2032	$ 683,820	Maint.
92-FM	Equip. / Vehicle Replace 2	$ 139,266	2033	$ 173,151	Maint.
43-JWM	Admin. Building Maintenance	$ 386,850	2033	$ 480,974	Maint.
33-ARP	Site Preparation for Building	$ 1,910,000	2033	$ 2,374,722	Jobs / ROI
33-ARP	Industrial Bldg. (25,000 s.f.)	$ 9,390,000	2034	$ 12,043,598	Jobs / ROI
11-MT	Terminal 1 /3 Repairs	$ 5,673,800	2034	$ 7,277,206	Maint.
43-JWM	Float / Pile Replacement	$ 17,588,780	2035	$ 23,272,215	Maint/New
43-JWM	Connect to Sequim Sewer	$ 938,756	2036	$ 1,281,345	Maint/New
11-MT	Terminal 4 Rehabilitation	$ 1,237,920	2037	$ 1,743,080	Maint
15-MTA	MTC Industrial Building	$ 20,632,000	2038	$ 29,969,350	Jobs / ROI
43-JWM	Electrical & Lighting Replace	$ 1,547,400	2040	$ 2,392,000	Maint.
43-JWM	Shoreline & Breakwater	$ 1,392,660	2041	$ 2,220,829	Maint.
21-LY	General Equip. Replace 3	$ 1,650,560	2042	$ 2,715,268	Maint.
92-FM	Equip. / Vehicle Replace 3	$ 257,900	2043	$ 437,667	Maint.
41-PABH	E. PABH Jetty Stabilization	$ 2,682,160	2045	$ 4,843,954	Maint.
31-FIA	New Terminal Building	$ 3,352,700	2046	$ 6,246,279	Jobs / ROI
	TOTAL =	**$ 100,425,082**		**$ 135,610,165**	

ITEM FOR CONSIDERATION
BY THE
BOARD OF PORT COMMISSIONERS

October 27, 2026

SUBJECT: PAC PRE-ENGINEERED METAL BUILDING – PURCHASE ORDER – CHG BUILDING SYSTEMS, INC.

PORT LEAD: Zach Holsted, Capital Program Manager

RCW & POLICY REQUIREMENTS:

The Port's Delegation of Administrative Authority, Resolution 26-1336, Section VI.A requires purchase orders in excess of $75,000 to be awarded by the Commission.

BACKGROUND:

On April 28, 2026, the Commission approved beginning design on the new PAC (Port Angeles Composites) facility at the CMC (Composite Manufacturing Campus). The design is progressing past the 30% phase and includes a new 40,000-square-foot building. To maintain the project timeline, the Port is breaking out certain portions of the project to proceed while the design continues. Because of steel manufacturing lead times, purchasing the pre-engineered metal building material is a critical path item.

ANALYSIS:

Port staff advertised a Request for Pricing (RFP) for qualified suppliers from 9/29 through 10/13. Additionally, the Port team reached out directly to several manufacturers through recommendations of the design team on the PAC project, which included:

1. American Buildings
2. Nucor
3. Star Building Systems
4. Varco-Pruden

At the close of the RFP period, only one proposal was received, despite comments received from other groups that did not provide final bids. The lone bid came from CHG Building Systems, Inc. (CHG), with **Varco-Pruden** as the manufacturer.

The Port and architectural team reviewed the bid based on the following criteria:

- Requirements Met
- Cover Letter
- Narrative
- Experience

- Schedule
- Fee

The bid package received from CHG was deemed acceptable and qualified for the project by both teams.

ENVIRONMENTAL IMPACT:

Procurement of the pre-engineered metal building does not create any direct environmental impacts to the project.

FISCAL IMPACT:

The pre-engineered metal building bid from CHG totals $2,161,770 without Washington State Sales Tax and is broken out as follows:

Design Assistance Meetings	$ 25,000.00
Deliver Permit Drawings and Reactions	$ 540,443.00
Deliver Final Erection Drawings and Calcs	$ 324,266.00
Deliver PEMB Building Package	$1,272,062.00
Total	$2,161,770.00

This cost aligns with early estimates and maintains the project's overall cost projections. A portion of the design cost will occur in 2026, with the material production and delivery costs occurring in 2027.

RECOMMENDED ACTION:

Authorize the Chief Executive Officer to execute a Purchase Order with CHG Building Systems, Inc. for the PAC – Pre-Engineered Metal Building in the amount of Two Million One Hundred Sixty-One Thousand Seven Hundred Seventy Dollars and No Cents ($2,161,770) plus applicable Washington State Sales Tax.

ITEM FOR CONSIDERATION
BY THE
BOARD OF PORT COMMISSIONERS

October 27, 2026

Subject: PROFESSIONAL SERVICE AGREEMENT AMENDMENT 02 – NELSON WORLDWIDE
PORT ANGELES BOAT YARD MULTI-USER BUILDING DESIGN

Presenter: Jenna Riley, Procurement Manager

RCW & POLICY REQUIREMENTS

Nelson Worldwide was selected by the Port through a "Qualification-Based Selection" process, as required by RCW 39.80, for "professional services." Per Commission Resolution 26-1336, Delegation to the Chief Executive Officer, Section VI.B.1, aggregate changes and all other charges that exceed the specific approved budgetary line item of $75,000, or 10% of the original Commission-approved contract amount, require Commission approval.

BACKGROUND:

The Port of Port Angeles is undertaking a project to develop a 20,000 square foot (sf) structural steel industrial building at the Port Angeles Boat Yard (PABY).

The Port engaged multiple small and medium-sized marine trades businesses and identified the need for a new covered work facility in the PABY. The multi-user building will be used for boat retrofit, repair, maintenance, and construction. It is anticipated that boats will be hauled to the building by a 70- to 75-ton mobile boat hoist or self-propelled transporter.

The Port has planned a 20,000 square foot (sf) building composed of four 5,000 sf bays. One 5,000 sf bay will be designed and constructed with proper systems to accommodate spray painting and vessel blasting activities.

ANALYSIS:

The Port has received $2 million from the 2026 State Capital Budget to construct the planned building. Projects receiving funds from the Capital Budget are required to either meet the LEED Silver Standard or obtain a LEED exemption. Nelson Worldwide and its subcontractor, ArchEcology, evaluated whether the project would be eligible for a LEED exemption. The project was deemed ineligible for an exemption. This feasibility study was completed under Amendment 01 for $2,750.00.

To finalize the contracting process with the state, the Port must begin the LEED certification process. This does not need to be completed prior to contract execution, but the Port must indicate its commitment to obtaining LEED Silver status in order to receive the funds.

This amendment will enable Nelson Architects to make design modifications needed for LEED certification, as well as contract with a LEED specialist to manage the certification process.

ENVIRONMENTAL IMPACT:

LEED Silver certification demonstrates a commitment to environmental performance through measurable improvements in energy and water efficiency, materials use, and indoor environmental quality, thereby directly reducing the building's ecological footprint.

FISCAL IMPACT:

Amendment 02 with Nelson Worldwide is a total not-to-exceed amount of $104,104.00. Below is a high-level breakdown of the costs associated with each discipline.

Task	Fee
ArchEcology Fee (LEED Specialist)	$ 51,854
Hultz BHU Fee (MEP)	$ 40,700
AHBL Fee (Civil & Structural)	$ 2,750
Nelson Worldwide (Architect)	$ 8,800
Total	**$ 104,104**

Additionally, the 2027 Capital Budget includes the Multi-User Building, with LEED construction costs already incorporated.

RECOMMENDED ACTION:

Authorize the Chief Executive Officer to execute Amendment 02 of the Professional Services Agreement with Nelson Worldwide Architects for the "Port Angeles Boat Yard Multi-User Building Design" project for an amount not to exceed One Hundred Four Thousand One Hundred Four Dollars and Zero Cents ($104,104.00) and to make minor modifications that might be necessary. The execution of this amendment will set the total contract amount at Five Hundred Forty-Six Thousand Eight Hundred Fifty-Four Dollars and Zero Cents ($546,854.00).

ITEM FOR CONSIDERATION
BY THE
BOARD OF PORT COMMISSIONERS

October 27, 2026

SUBJECT: Community Aviation Revitalization Board (CARB) Loan Application for Port Angeles Composite (PAC) Project

PORT LEAD: Katharine Frazier, Grants & Government Affairs Manager

RCW & POLICY REQUIREMENTS:

The Port's Delegation of Administrative Authority, Resolution 26-1336, Section XX requires the Executive Director to receive Commission authorization to apply for grants or loans exceeding $75,000.

BACKGROUND:

Port Angeles Composites (PAC), an existing tenant, has requested the Port to enhance existing facilities and build an additional structure within the Composites Manufacturing Campus (CMC). This new building will be used for aerospace composite manufacturing.

To help fund this expansion/renovation project, the Port is applying to the Community Aviation Revitalization Board (CARB)'s low-interest loan program. CARB, which is housed within the state-level Department of Transportation – Aviation Division, offers low-interest loans for revenue-generating projects at or adjacent to public airports. The Port team has confirmed with the CARB Program Manager that business park projects adjacent to airports are covered by this loan program.

ANALYSIS:

The Port's application for CARB loan funding will cover the following scope of work:

- Demolition of the existing connector between the 1010 and 1050 buildings (approximately 27,500 square feet)
- Construction of a ~40,500 square foot pre-engineered metal building, which will replace the demolished connector and join the 1010-1050 building with the adjacent 1020 building
- Construction of necessary infrastructure (electrical, foundations, etc.) for specialty equipment purchased by PAC
- Construction of a demising wall
- Interior improvements to the existing 1010 building, which will be used for offices

This scope constitutes Phase 1 of the Port Angeles Composite project.

The next CARB application deadline is November 20, 2026. The CARB Loan program does not require an authorizing resolution as part of the application package.

ENVIRONMENTAL IMPACT:

The Port's application for a CARB loan has no environmental impact.

FISCAL IMPACT:

The Port will apply for the maximum level of CARB funding available, which is $1.2 million per project. There is no match requirement for CARB loans.

CARB loans are offered at a fixed 2.0% rate for 20 years. The following table provided by WSDOT estimates the loan payments and total interest over a 20-year period.

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	EXTRA PAYMENT	TOTAL PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	CUMULATIVE INTEREST
1	1/1/2029	$1,200,000.00	$73,388.06	$0.00	$73,388.06	$49,388.06	$24,000.00	$1,150,611.94	$24,000.00
2	1/1/2030	$1,150,611.94	$73,388.06	$0.00	$73,388.06	$50,375.82	$23,012.24	$1,100,236.12	$47,012.24
3	1/1/2031	$1,100,236.12	$73,388.06	$0.00	$73,388.06	$51,383.34	$22,004.72	$1,048,852.78	$69,016.96
4	1/1/2032	$1,048,852.78	$73,388.06	$0.00	$73,388.06	$52,411.01	$20,977.06	$996,441.77	$89,994.02
5	1/1/2033	$996,441.77	$73,388.06	$0.00	$73,388.06	$53,459.23	$19,928.84	$942,982.54	$109,922.85
6	1/1/2034	$942,982.54	$73,388.06	$0.00	$73,388.06	$54,528.41	$18,859.65	$888,454.13	$128,782.50
7	1/1/2035	$888,454.13	$73,388.06	$0.00	$73,388.06	$55,618.98	$17,769.08	$832,835.15	$146,551.59
8	1/1/2036	$832,835.15	$73,388.06	$0.00	$73,388.06	$56,731.36	$16,656.70	$776,103.79	$163,208.29
9	1/1/2037	$776,103.79	$73,388.06	$0.00	$73,388.06	$57,865.99	$15,522.08	$718,237.81	$178,730.36
10	1/1/2038	$718,237.81	$73,388.06	$0.00	$73,388.06	$59,023.31	$14,364.76	$659,214.50	$193,095.12
11	1/1/2039	$659,214.50	$73,388.06	$0.00	$73,388.06	$60,203.77	$13,184.29	$599,010.73	$206,279.41
12	1/1/2040	$599,010.73	$73,388.06	$0.00	$73,388.06	$61,407.85	$11,980.21	$537,602.88	$218,259.63
13	1/1/2041	$537,602.88	$73,388.06	$0.00	$73,388.06	$62,636.00	$10,752.06	$474,966.88	$229,011.68
14	1/1/2042	$474,966.88	$73,388.06	$0.00	$73,388.06	$63,888.72	$9,499.34	$411,078.16	$238,511.02
15	1/1/2043	$411,078.16	$73,388.06	$0.00	$73,388.06	$65,166.50	$8,221.56	$345,911.66	$246,732.58
16	1/1/2044	$345,911.66	$73,388.06	$0.00	$73,388.06	$66,469.83	$6,918.23	$279,441.83	$253,650.82
17	1/1/2045	$279,441.83	$73,388.06	$0.00	$73,388.06	$67,799.23	$5,588.84	$211,642.60	$259,239.65
18	1/1/2046	$211,642.60	$73,388.06	$0.00	$73,388.06	$69,155.21	$4,232.85	$142,487.39	$263,472.51
19	1/1/2047	$142,487.39	$73,388.06	$0.00	$73,388.06	$70,538.31	$2,849.75	$71,949.08	$266,322.25
20	1/1/2048	$71,949.08	$73,388.06	$0.00	$73,388.06	$71,949.08	$1,438.98	$0.00	$267,761.24
					$1,467,761.23	$1,200,000.00	$267,761.24		

The entire Phase 1 budget is expected to fall between $15 and $20 million. While the CERB request will only cover a small part of the total cost, the Port values any opportunity to reduce the overall project cost by pursuing low-interest funding sources.

RECOMMENDED ACTION:

Authorize the Chief Executive Officer to apply for $1.2 million in CARB loan funding for the PAC project, and to make minor modifications to the application as might be necessary.

ITEM FOR CONSIDERATION
BY THE
BOARD OF PORT COMMISSIONERS

October 27, 2026

SUBJECT: CERB Committed Private Partner (CPP) Program Application for Port Angeles Composite (PAC) Project

PORT LEAD: Katharine Frazier, Grants & Government Affairs Manager

RCW & POLICY REQUIREMENTS:

The Port's Delegation of Administrative Authority, Resolution 26-1336, Section XX requires the Executive Director to receive Commission authorization to apply for grants or loans exceeding $75,000.

BACKGROUND:

Port Angeles Composites (PAC), an existing tenant, has requested the Port to enhance existing facilities and build an additional structure within the Composites Manufacturing Campus (CMC). This new building will be used for aerospace composite manufacturing.

To help fund this expansion/renovation project, the Port is applying to the Community Economic Revitalization Board (CERB)'s Committed Private Partner (CPP) Program. CERB, which is housed within the state-level Department of Commerce, offers low-interest loans and partial grants for eligible economic development projects that will create new family-wage jobs. The CPP Program focuses on projects that include the involvement of a private entity partner (such as a for-profit business) that is investing money and/or resources into the project. The next CPP Program deadline is November 16, 2026.

ANALYSIS:

The Port's application for CERB funding will cover the following scope of work:

- Demolition of the existing connector between the 1010 and 1050 buildings (approximately 27,500 square feet)
- Construction of a ~40,500 square foot pre-engineered metal building, which will replace the demolished connector and join the 1010-1050 building with the adjacent 1020 building
- Construction of necessary infrastructure (electrical, foundations, etc.) for specialty equipment purchased by PAC
- Construction of a demising wall
- Interior improvements to the existing 1010 building, which will be used for offices

This scope constitutes Phase 1 of the Port Angeles Composite project. The Port anticipates applying for additional rounds of CERB funding to cover later phases of work, which will include interior improvements to other existing buildings and the construction of additional infill buildings.

CERB's CPP Program prefers applications that include private investments which match (or exceed) the state's funding level. With PAC's investment in specialized equipment dedicated to the project, the Port's application will meet this criteria.

ENVIRONMENTAL IMPACT:

The Port's application for CERB funding has no environmental impact.

FISCAL IMPACT:

The Port will apply for the maximum level of CERB funding available, which is $5 million per project.

CERB will evaluate the Port's finances and debt service to coverage ratio (DSCR) to determine the loan interest rate and whether any of the awarded funds will take the form of a grant. Currently, the Port team expects that the funding – if awarded – will be 100% loan, without any grant coverage. The CERB interest rate will fall between 1 and 3%. The maximum term for a CERB loan is 20 years.

The entire Phase 1 budget is expected to fall between $15 and $20 million. While the CERB request will only cover a small part of the total cost, the Port values any opportunity to reduce the overall project cost by pursuing low-interest funding sources.

CERB funding must be matched by 20% local funding. For a $5 million project, this amounts to $1.25 million. The Port expects to exceed this 20% contribution requirement because the overall project cost is above $ 6.25 million. The local match can come from the Port's capital budget, bonds, or other non-CERB sources.

RECOMMENDED ACTION:

Introduce Resolution 26-1352 authorizing the Chief Executive Officer to apply for $5 million in CERB funding for the PAC project and commit $1.25 million in local match funds. If unanimous, make a motion to adopt Resolution 26-1352.

A RESOLUTION OF THE PORT OF PORT ANGELES, WASHINGTON, AUTHORIZING SUBMISSION OF AN APPLICATION FOR A COMMUNITY ECONOMIC REVITALIZATION BOARD LOAN/GRANT IN THE AMOUNT OF $5,000,000 TO FUND BUILDING IMPROVEMENTS FOR AN EXISTING TENANT, PORT ANGELES COMPOSITE.

26-1352

A RESOLUTION OF THE PORT OF PORT ANGELES, WASHINGTON AUTHORIZING SUBMISSION OF AN APPLICATION FOR A COMMUNITY ECONOMIC REVITALIZATION BOARD LOAN/GRANT IN THE AMOUNT OF $5,000,000 TO FUND BUILDING IMPROVEMENTS FOR AN EXISTING TENANT, PORT ANGELES COMPOSITE.

WHEREAS, Community Economic Revitalization Board (CERB) funds are provided by the Washington State Department of Commerce to support a broad array of projects across the state in furtherance of economic development; and

WHEREAS, CERB offers the Committed Private Partner (CPP) program specifically for projects that involve a private partner, including for-profit entities, so long as the project results in increased family-wage employment in the region; and

WHEREAS, the Port of Port Angeles has partnered with an existing tenant, Port Angeles Composite (PAC), to undertake a significant expansion project that will bring new employment and manufacturing opportunities to Clallam County; and

WHEREAS, the PAC expansion project is in alignment with CERB's core funding principles and mission; and

WHEREAS, PAC has committed to investing private funds into the purchase of manufacturing equipment, and has also committed to creating new jobs that will exceed the County's average wage; and

WHEREAS, the project represents a commitment of resources toward enhancing the vitality of the area and expansion of economic and employment opportunities for Port Angeles and Clallam County, together with increased tax revenues; and

WHEREAS, in the event the application for CERB funding is approved, and the grant is accepted by the Port, the Port will comply with all applicable federal and State requirements in regard to environmental impact of the project; and

WHEREAS, the project will not result in the transfer/relocation of jobs from one part of the state of Washington to another; and

WHEREAS, the Port intends to apply for $5,000,000 in CERB funds; and

WHEREAS, the matching portion of the grant is minimum of 20% of the project amount, and the Port intends to provide at least this amount ($1,250,000) to support project goals; and

WHEREAS, the Port finds that an application should be submitted for consideration by CERB, and that such submission will promote economic development within Port Angeles and Clallam County.

NOW THEREFORE, BE IT RESOLVED by the Port of Port Angeles, Washington, as follows:

1. That the Chief Executive Officer is hereby authorized to submit an application to the Community Economic Revitalization Board, for and on behalf of the Port, for CERB funding in the approximate amount of $6,250,000 (including local match) for the CERB Project; and

2. That the Chief Executive Officer is hereby further authorized to provide such additional information as may be necessary to secure approval of such application; and

3. That, in the event such application is approved, the Chief Executive Officer is authorized to enter into an agreement for such funding; and

4. That this Resolution shall be effective upon passage and signatures heron in accordance with law.

ADOPTED this 27th day of October, 2026.

PORT OF PORT ANGELES
BOARD OF COMMISSIONERS

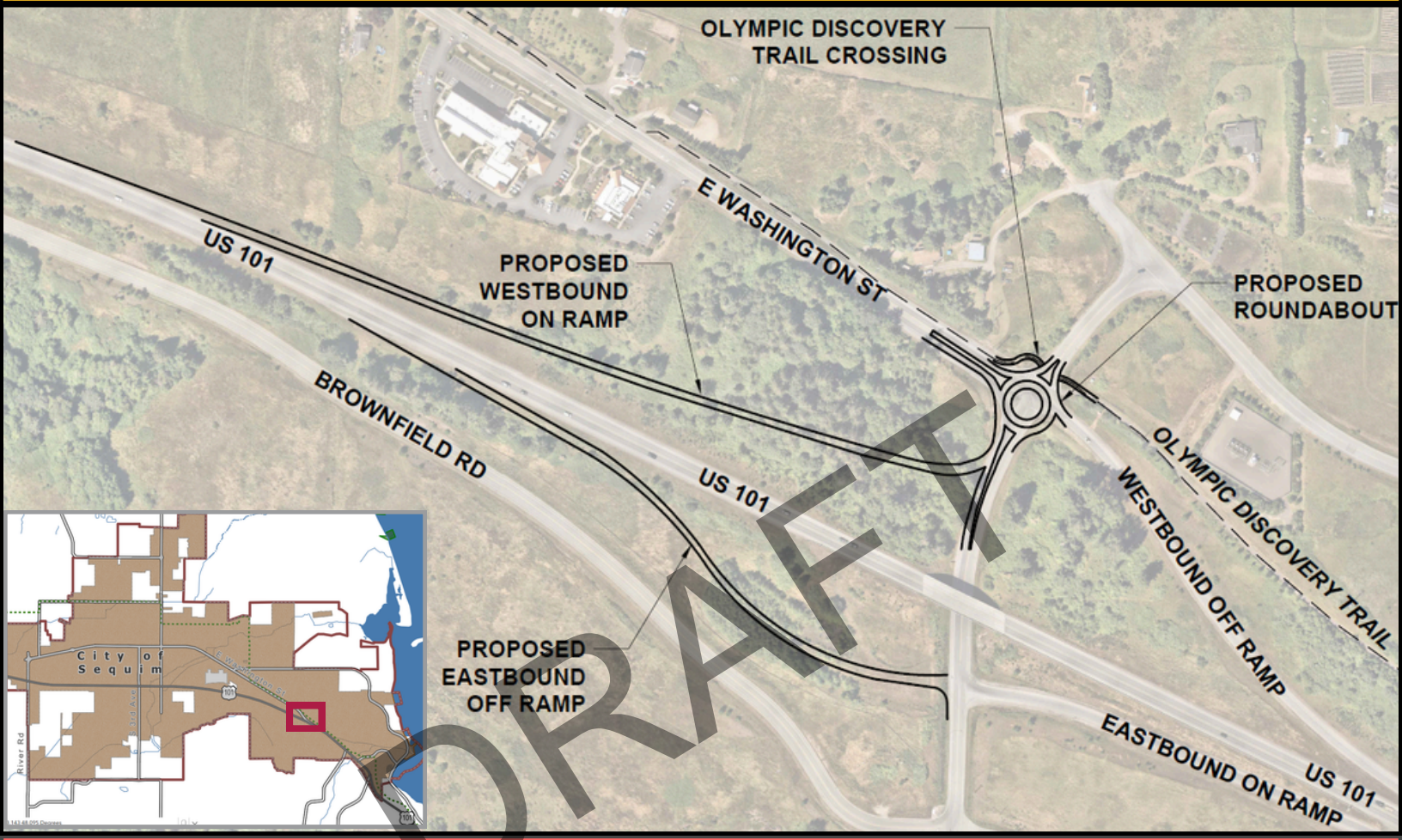
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Connie L. Beauvais, President

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Colleen M. McAleer, Vice President

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Kelly G. Kidwell, Secretary

US-101 SIMDARS INTERCHANGE PROJECT

Phase 1 of corridor improvements for safety, access, mobility, economic opportunity and emergency response



FINISH CONSTRUCTION OF A CRITICAL INTERCHANGE

PHASE 1 PROJECT COST

Design $2.2M
Construction $15.5 M

PROJECT TIMELINE

'25-'27 Secure Design Funding
'27-'29 Design
'29-'31 Construction*
'31-'33 Phase 2 Begins*

*Funding dependent

Phase 1 Simdars Interchange will complete the full diamond interchange at Sequim's eastern gateway, left unfinished due to underfunding in 1999, constructing:

- New westbound on-ramp
- New eastbound off-ramp
- New local roundabout at Simdars Road & Washington Street

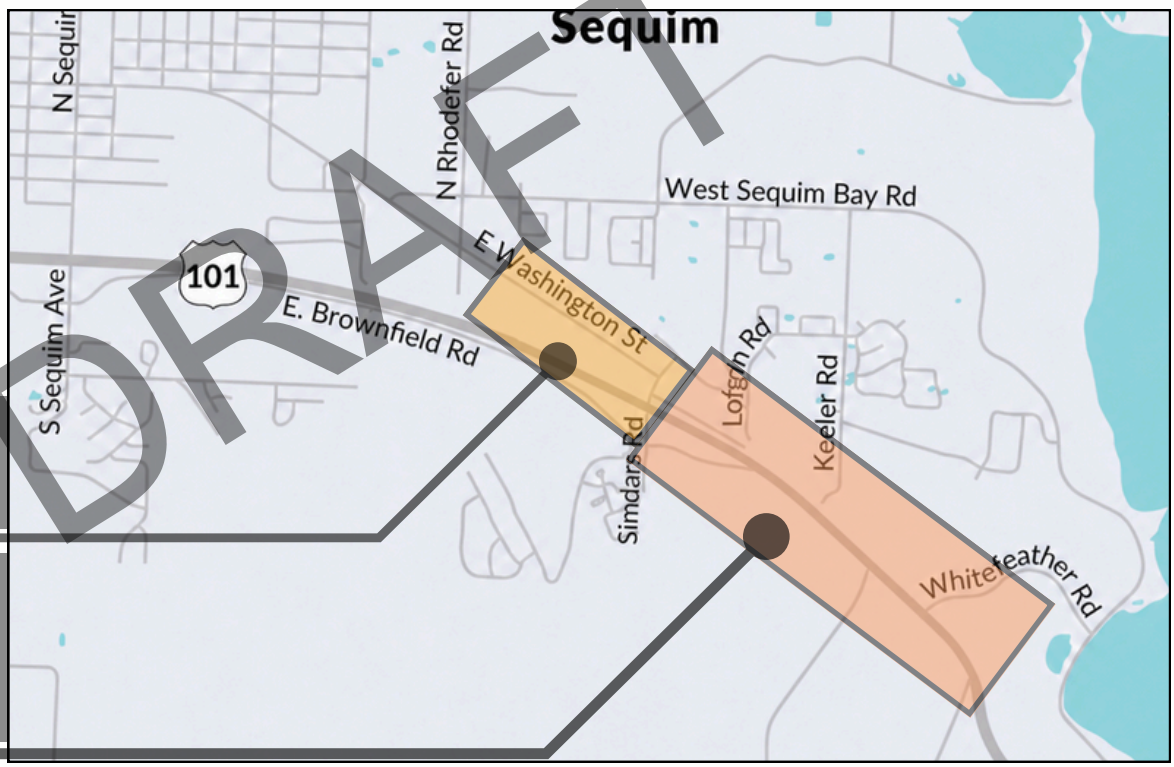
WSDOT constructed the overpass and secured right-of-way for remaining work, readying the project for quicker advancement to construction. Completing these improvements supports safe, multimodal connection between local roads, US-101 and the Olympic Discovery Trail.

PROJECT PARTNERSHIP CONTACT
Matthew Huish
Sequim City Manager
Mhuish@sequimwa.gov
360.912.4400

US-101 SIMDARS INTERCHANGE PROJECT

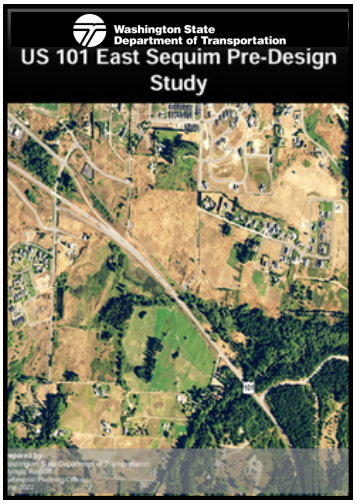
Phase 1: US-101 East Sequim Corridor Project

PROJECT BENEFITS	
SAFETY	Improves emergency response time. Reduces serious crash risks with a local roundabout that keeps traffic moving and improves pedestrian and cyclist safety.
ACCESS	Completes missing highway connections to improve access between east Sequim and US 101 for improved emergency response and freight and traffic mobility.
IMPROVED TRAVEL TIME	Reduces congestion at downtown intersections that are at capacity by providing increased access at Simdars. Improves level of service and mobility.
ECONOMIC OPPORTUNITY	Improves access for expanded residential, commercial and agricultural activity in east Sequim and Clallam County.



Phase 1: Simdars Interchange Project

Phase 2: US-101 East Sequim Corridor Safety & Access



PROGRESS & NEXT STEPS	
2019-22	WSDOT US-101 East Sequim Pre-Design Study funded and completed
2022-25	$30 M for project in "Move Ahead WA"; now delayed to "future" budget
2025-27	City & Tribe applied for (3) federal funding programs-no awards
2027-29	**Fund & Design Phase 1 Simdars Interchange**
2029-31	Fund & Construct Phase 1 Simdars Interchange
2031-33	Begin Design Phase 2 US-101 E Sequim Corridor Safety & Access Project

26-1353

RESOLUTION OF THE PORT OF PORT ANGELES REVISING THE PORT OF PORT ANGELES INVESTMENT POLICY

WHEREAS, the Board of Commissioners (the "Port Commission") of the Port of Port Angeles (the "Port") has statutory authority to adopt from time to time resolutions authorizing the investment of Port District funds which are not required for immediate expenditures and which are in the custody of the Port Treasurer and to specify, subject to statutory constraints, permitted investment of said funds; and

WHEREAS, the Port Commission has from time to time enacted various resolutions for the purposes and uses aforesaid; and

WHEREAS, the Port Commission deems it advisable to enact a new resolution governing the investment policy with regard to funds of the Port District not needed for immediate expenditure; and

WHEREAS, the Port Commission deems it advisable to rescind the current Port of Port Angeles resolution governing investment policy of such funds, to wit: Resolution No. 10-987, and to replace the same with a new investment policy as hereinafter set forth;

NOW, THEREFORE, BE IT RESOLVED, that the Port Commission of the Port of Port Angeles hereby rescinds Resolution No. 10-987 and adopts the following investment policy to govern investment of Port funds not needed for immediate expenditure, and authorizes the investment of such funds by the Port Treasurer in accordance with the terms and provisions herein.

Treasury & Investment Policy

I. Governing Authority

The treasury and investment programs shall be operated in conformance with federal and Washington State legal requirements, including Revised Code of Washington (RCW) Ch. 53.36 Finances, Ch. 36.29 County Treasurer, Ch. 39.58 Public Funds – Deposits and Investments – Public Depositaries, and Ch. 39.59 Public Funds – Authorized Investments.

II. Scope

This policy applies to the investment of all funds. Proceeds from certain bond issues may be covered by the bond covenants and will be managed accordingly.

III. Delegation of Authority

Authority to manage the investment program is derived from RCW 53.36.010, authorizing the appointment of a Port Treasurer, and Port Resolution 24-1302, appointing the Port Treasurer and Deputy Treasurer. Management responsibility for the investment program is hereby delegated to the Port

Treasurer, who shall establish written procedures, including internal controls, for the operation of the investment program consistent with this investment policy. The internal controls shall be designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in the financial markets, or imprudent actions by employees and officers of the Port. The internal controls shall be reviewed with an independent auditor.

The Port Treasurer may delegate authority to other Port staff hereafter identified as an "Investment Officer," such as, for example, the Executive Director or the Deputy Treasurer, depending on qualifications and as the need arises. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Port Treasurer. The Port Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities. Procedures should include references to: investment accounting, wire transfer agreements, and collateral/depository agreements.

The Port has established an approach for determining the minimum amount of cash on hand and investments to meet its financial obligations during a period of severe, adverse operating conditions that would substantially impair its revenue stream. It has based the components of this approach on prudent financial management considerations. This minimum amount also serves to guide the Port as to when it needs to borrow for its capital program. The minimum is a dynamic amount, which changes with its components below:

1. Six months of cash on hand for operating expenses based on the current year Port budget; funds should be readily accessible at a bank or LGIP;
2. Any self-insurance reserves (if applicable); and
3. All bond debt service reserve funds per their bond covenants.

Any amount in excess of this minimum amount is hereby deemed to be in excess of the Port's current needs at the time the minimum amount is calculated. Such excess amounts, as identified by the Port Treasurer in accordance with the factors set forth above, may be invested by the Port Treasurer in accordance with applicable law.

IV. Authorized Financial Dealers and Institutions

The Treasurer will maintain a list of financial institutions authorized to provide investment services and a list of authorized security broker/dealers with acceptable credit worthiness. No public deposits shall be made except in qualified public depositaries as provided in Chapter 39.58 RCW, Public Funds.

V. Commercial Bank

The Port Treasurer shall lead the selection of the Port's commercial bank. The Treasurer will report to the Port Commission the status of the commercial banking relationship every five to ten years and will seek Commission direction regarding the need to seek bids from qualifying banks that have a branch in Clallam County, Washington.

VI. Investment Program Objectives

The primary objectives of investment activities, in priority order, shall be safety, liquidity, and yield:

1. *Safety:*
Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To obtain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

2. *Liquidity*
The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

3. *Yield or Market Rate of Return*
The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

VII. Standards of Care

1. *Prudence*
The standard of care to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. When acting in accordance with written procedures and this investment policy and exercising due diligence, the Port Treasurer and any Investment Officer designated by the Port Treasurer shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

The "prudent person" standard states that, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

In determining whether a Port investment official has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds over which the official had responsibility rather than a consideration as to the prudence of a single investment, and, whether the investment decision was consistent with the written investment policy of the entity.

2. *Ethics and Conflicts of Interest*
Port investment officials involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Port investment officials shall disclose any material interests in financial institutions with which they conduct business, and shall disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Port investment officials shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Port.

VIII. Safekeeping and Custody

1. *Delivery vs. Payment*
All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

2. Safekeeping
Securities will be held by an independent third-party custodian selected by the Port as evidenced by safekeeping receipts in the Port's name. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

IX. Authorized Investments

1. *Investment Types*
As authorized by RCW 39.59.040 and RCW 39.58.130, the Port may invest in the following:

A. Bonds of the state of Washington and any local government in the state of Washington;
B. General obligation bonds of a state and general obligation bonds of a local government of a state, which bonds have at the time of investment one of the three highest credit ratings of a nationally recognized rating agency (A, AA, AAA or equivalent ratings as determined by specific rating agencies. Sub-ratings within each rating category, such as +, -, or 1, 2, 3, are not considered in this criteria);
C. Subject to compliance with RCW 39.56.030. Issuing Officer to Fix Rate, registered warrants of a local government in the same county as the government making the investment;
D. Certificates, notes, or bonds of the United States, or other obligations of the United States or its agencies, or of any corporation wholly owned by the government of the United States; or United States dollar denominated bonds, notes, or other obligations that are issued or guaranteed by supranational institutions, provided that, at the time of investment, the institution has the United States government as its largest shareholder;
E. Federal home loan bank notes and bonds, federal land bank bonds and federal national mortgage association notes, debentures and guaranteed certificates of participation, or the obligations of any other government sponsored corporation whose obligations are or may become eligible as collateral for advances to member banks as determined by the board of governors of the federal reserve system;
F. Bankers' acceptances purchased on the secondary market;
G. Commercial paper purchased in the secondary market, provided that any local government of the state of Washington that invests in such commercial paper must adhere to the investment policies and procedures adopted by the state investment board;
H. Corporate notes purchased on the secondary market, provided that any local government of the state of Washington that invests in such notes must adhere to the

investment policies and procedures adopted by the state investment board; and

I. A public depositary as defined in RCW 39.58.010, so long as any funds so deposited are secured by collateral in accordance with the provisions of Ch. 39.58 RCW.

X. Investment Parameters

1. *Diversification*

It is the policy of the Port to diversify its investment portfolios. To eliminate risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, or class of securities, all cash and cash equivalent assets in all Port funds shall be diversified by maturity, issuer, and class of security. Diversification strategies shall be determined and revised periodically by the Port Treasurer for all funds.

Any other provision of this resolution notwithstanding, the aggregate total investment portfolio is constrained by the following provisions at the time of purchase. No more than 50% of the Port's direct portfolio shall be invested in a single financial institution or any one security except as noted below:

A. Investment in the Local Government Investment Pool may comprise up to 80% of the total portfolio;
B. U.S. Treasury and U.S. Government agency securities may comprise up to 80% of the total portfolio, and U.S. Government agency securities shall be restricted so that no more than 60% of the total portfolio is invested in any one agency;
C. Washington State and local municipal bonds may comprise up to 60% of the total portfolio;
D. Repurchase agreements and commercial paper may not comprise more than 10% of the total portfolio;
E. Certificates of deposit shall be limited to 50% of net worth of the issuing institution;
F. Deposits at the Port’s bank for investment holdings are to be separately identified and will exclude the amount in the day-to-day checking accounts;
G. The Treasurer shall at all times manage the Port’s portfolio in a manner that will assure adequate cash flow to meet all reasonably foreseeable circumstances.

2. *Maximum Maturities*

To the extent possible, the Port shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Port will not directly invest in securities maturing more than the lesser of five (5) years from the date of purchase or the maturity period authorized in applicable state and local statutes and ordinances.

Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years, but no more than ten (10) years, if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds. The intent to invest in securities with maturities exceeding five (5) years shall be disclosed in writing to the Port Commission.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as local government investment pools,

money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

3. Competitive Bids
In general, the Port Treasurer should attempt to obtain competitive bids from at least two brokers or financial institutions on all purchases of investment instruments purchased on the secondary market.

XI. Reporting

1. *Methods*
The Port Treasurer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio. This management summary will be prepared in a manner that will allow the Port to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the Port's Executive Director and the Port Commission. The report will include the following:

A. Listing of individual securities held at the end of the reporting period;
B. Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until maturity (in accordance with Governmental Accounting Standards Board (GASB) requirements);
C. Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks;
D. Listing of investment by maturity date; and
E. Percentage of the total portfolio, which each type of investment represents.

2. *Performance Standards*
The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established.

XII. Rescission of Prior Resolutions
This Resolution No. 26-1353 supersedes Resolution 19-1203 and all other prior resolutions related to the subject matter hereof, and said prior resolutions are hereby rescinded.

PASSED and ADOPTED this 27th day of October 2026.

PORT OF PORT ANGELES
BOARD OF COMMISSIONERS

_____
Connie L. Beauvais, President

_____
Colleen M. McAleer, Vice President

_____
Kelly G. Kidwell, Secretary

26-1354

RESOLUTION OF THE PORT OF PORT ANGELES REVISING THE GUIDELINES FOR CAPITAL IMPROVEMENT POLICIES

WHEREAS, the Port of Port Angeles' (Port) mission is to be the primary leader in economic development in Clallam County by marketing and developing properties for the long-term benefit of Port District Stakeholders while fulfilling the Port's environmental stewardship role; and

WHEREAS, the Port Commission is committed to pursuing those capital investments which:

A. Create Family Wage Jobs;
B. Promote sustainable environmental practices;
C. Generate adequate Return on Investment in the long-term.

WHEREAS, the Port Commission is charged with providing capital investment guidance to facilitate sound financial choices and to meet the objectives outlined in the Port's Strategic Plan; and

WHEREAS, the capital investment guidance will address the formulation of (a) the Port's long-term Five-Year Capital Improvement Plan, (b) the yearly Capital Improvement Plan within the annual budget, and (c) Project Financing and Evaluation programs;

WHEREAS, this Resolution No. 26-1354 supersedes Resolution 13-1059 and all other prior resolutions related to the subject matter hereof, and said prior resolutions are hereby rescinded.

NOW, THEREFORE, BE IT RESOLVED, that:

1. Capital Improvement Plan – This is a five-year projection of the proposed major capital expenditures, including major maintenance. This plan attempts to identify current and future needs for major construction (building and infrastructure), land acquisition and equipment to improve the economic potential within the Port district. Funding sources, such as reserves, grants, or debt, will be identified as appropriate. The Port may decide to limit its investment in infrastructure projects due to funding sources.

2. Capitalization Threshold – Capital expenditures include both capital assets and major repairs. Capital assets include expenditures for buildings, land, improvements, and equipment with a cost of $10,000 or more and a useful life of at least five years. Major repairs include expenditures with a value in excess of $10,000 and have a useful life of at least five years.

3. Annual Capital Projects Budget – The Annual Capital Improvement Plan is an important outcome of the long-term Capital Improvement Plan. It aligns capital needs with net surplus generated by operating divisions, property taxes in excess of debt service and capital reserves. It considers the cash flows generated by capital projects with their costs and related ongoing financing requirements along with ongoing maintenance costs.

    a. Annual Budget – The annual Capital Improvement Plan implements the current year spending plan for capital projects.

    b. Authorization – While individual capital projects expenditures will require Commission authorization before they proceed, projects in this Plan are budgeted to be undertaken.

4. "Triple Bottom Line" Objectives – This measures how the Capital Budget and individual capital projects delivery on the Port's Mission Statement. The following factors will be considered in prioritizing and funding projects.

    a. Job Creation – Port projects will focus on jobs that generate enough income to support a spouse and two dependents in Clallam County. Additional considerations are community enhancement, support of a clustering effect of existing businesses, and alignment with local government goals.

    b. Environmental Stewardship – Port projects will promote sustainable environmental practices. These projects endeavor to do no harm and curtail environmental impact. The Port will build projects that support clean technology, conserve energy and use renewable resources items whenever feasible.

    c. Return on Investment – Port projects will provide an acceptable return on investment based on the focus of a project. Job creation, environmental stewardship and preservation of infrastructure assets that support ongoing economic activity are important considerations in determining an acceptable rate of return. There are many performance measures used to evaluate and compare investment opportunities. The appropriate measure will depend on the project.

5. Property Taxes – The Commission intends to use property tax levy proceeds for debt service incurred in the funding of capital improvements and for capital improvement projects. The Commission does not intend to use tax levy proceeds for operational purposes. If economic conditions change or other circumstances arise for an unanticipated use of the tax levy, then the project and/or use must be approved by the Commission.

6. Use of Debt – The Port may use debt to pay for capital projects subject to the Port's Debt Management Policy (future policy). Any use of debt to fund capital projects must be approved by the Port Commissioners. In all situations, term of debt will be less than estimated project life.

7. Administration – The Chief Executive Officer, Chief Operating Officer or his/her designee shall adopt such procedures as may be necessary or desirable to implement the provisions of this resolution. This includes procedures for budgeting and planning of capital assets, determining the return on investment criteria, evaluating the return on investment, maintaining capital asset records and other monitoring and reporting procedures.

ADOPTED by the Port Commission of the Port of Port Angeles, at a Commission meeting thereof held this 27th day of October 2026.

Attachment – Capital Improvement Policy

PORT OF PORT ANGELES
BOARD OF COMMISSIONERS

_____
Connie L. Beauvais, President

_____
Colleen M. McAleer, Vice President

_____
Kelly G. Kidwell, Secretary

Approval Required (check box)	Approved By:	Approval Reference (if applicable)
☒ Commissioners (Policy) ☒ Chief Executive Officer ☒ Chief Operating Officer Approval Date: _____	_____ Paul Jarkiewicz, Chief Executive Officer _____ Chris Hartman, Chief Operating Officer	Res 26-1354 Effective Date: Jan 1, 2013 Updated: October 27, 2026

I. PURPOSE

The purpose of the Capital Improvement Policy is to provide guidance in managing the development of the Port's infrastructure and capital assets. Adherence to this policy helps the Port preserve, maintain, and improve its capital investments and avoid emergency and unexpected major costs in the future. It provides guidance on appropriate rates of return and consideration for selecting the best use of Port funds for capital investments.

The Capital Improvement Plan (CIP) provides a multi-year list of proposed major capital expenditures, including major maintenance. This plan attempts to identify current and future needs for major construction, land acquisition and equipment to improve the economic potential within the Port district. Funding sources, such as grants or debt, will be identified as appropriate.

II. POLICY (Per Resolution 26-1354)

1. Capital Improvement Plan – This is a five-year projection of the proposed major capital expenditures, including major maintenance. This plan attempts to identify current and future needs for major construction (building and infrastructure), land acquisition and equipment to improve the economic potential within the Port district. Funding sources, such as reserves, grants or debt, will be identified as appropriate. The Port may decide to limit its investment in infrastructure projects due to funding sources.

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5. Property Taxes –The Commission intends to use property tax levy proceeds for debt service incurred in the funding of capital improvements and for capital improvement projects. The Commission does not intend to use tax levy proceeds for operational purposes. If economic conditions change or other circumstances arise for an unanticipated use of the tax levy, then the project and/or use must be approved by the Commission.

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7. Administration – The Chief Executive Officer, Chief Operating Officer or his/her designee shall adopt such procedures as may be necessary or desirable to implement the provisions of this resolution. This includes procedures for budgeting and planning of capital assets, determining the return on investment criteria, evaluating the return on investment, maintaining capital asset records and other monitoring and reporting procedures.

III. PROCEDURE

1. Annual Budgeting – The capital improvement budget is constructed annually based on first year of the capital improvement plan. The capital improvement plan is updated annually at a minimum, and reflects changes in the timing of projects, financing constraints, availability of grants, and priorities.

   a. Strategic Planning – Based on the "Triple Bottom Line" and the Port's current strategic plan, the highest ranking projects are added to the Capital Improvement Budget for consideration by the Port Commissioners.

   b. Tracking Multi-Year Projects – Many Port projects require more than one calendar year to complete. When the Commission has approved a multi-year project in a prior year and the project still is in process, the budget and spending to date roll forward into the current year Capital Budget.

   c. Budgeting Financing Costs – The financing costs of all projects (current year as well as projects approved in prior years) will be presented to the Commission on a Port-wide basis for the current budget year.

2. Capital Improvement Plan Budgeted and Future Projects – The Capital Improvement Plan includes both budgeted projects and projects that are contemplated even if the cost of the project cannot be determined at the time of developing the plan.

    a. Planned (Budgeted) projects are ready to proceed. These projects have customer commitment, permits and are likely to progress this budget year. The Port has reviewed these projects and they meet or exceed its "triple bottom line" requirements. These projects will form the bulk of the Port's annual Capital Improvement Plan.

    b. Projected projects identify a business need or opportunity; however, these projects have not been fully developed in scope, cost or permits. These projects are part of the long-term Capital Improvement Plan.

    c. Potential projects are in the conceptual stage with very rough cost estimates. These projects lack customer commitment, permits and design. These projects are part of the long-term Capital Improvement Plan.

3. Types of Capital Improvements – Not all capital improvements will generate revenue. The return on investment measurement will vary depending on the project.

    a. New Revenue Generating Improvements – These projects are developed for a specific purpose or customer(s) that will result in a new revenue stream.

    b. Replacements of Revenue Generating Improvements – These projects are developed to renovate or replace obsolete or aging revenue-producing assets. These projects serve to extend existing revenue streams and may offer additional revenue if replacements enhance the efficiencies of operations or offer additional capabilities or value.

    c. Infrastructure Improvements and Plans – These projects generally do not directly generate revenue, although they may indirectly benefit a revenue-generating project. These projects are developed to support multiple or future customers or to enhance public infrastructure. Examples are public access areas, roads, bridges, public parking, and multi-year capital improvement plans such as the Airport Master Plan.

4. Funding Sources – All projects will be examined to determine the appropriate type of funding. There are several sources of financing capital improvements. In general, the Port will attempt to match the outflows of cash on projects with the cash inflows from funding sources. The most common sources include:

- Cash from Operations
- Reductions in Reserves
- Cash from Tax Levy
- Issuance of Revenue Bonds
- Issuance of General Obligation Bonds
- Grants

5. Return on Investment Criteria – Project performance measures will be established for each project in order to determine an acceptable return on investment or to compare projects. Performance measures will consider the following:

   a. Acceptable Return or "Hurdle Rate" – Determining an acceptable return will depend on the amount of new money invested, the highest and best use of an asset, the time value of money, inflation, opportunity cost of money, cost of capital, level of risk, desired profit and appropriate adjustments for creation of family wage jobs, environmental stewardship and overall economic activity supported by the project. A negative rate of return may be acceptable depending on the total economic benefit to the community.

   b. Net Present Value (NPV) – This method discounts future cash flows by the Port's "hurdle rate" and compares that amount to the cost of the investment.

   c. Internal Rate of Return (IRR) – This method calculates the percentage rate earned on each dollar that remains invested each year. It is the discount rate at which the sum of the present value of future cash flows equals the initial capital investment. Typically a project's internal rate of return is higher than the Port's "hurdle rate" to be accepted.

   d. Return on Investment (Assets) or Rate of Return (ROI, ROA, ROR) – This method takes the cash flow (net profit or loss) from an investment over a specified period of time and calculates the percentage return based on capital invested. The average return (arithmetic mean) uses the sum of net profits or losses divided by the number of years before dividing it by the cost of the investment. This is used when the amount invested is fixed. Another calculation includes the effect of compounding (geometric mean) which is used when the net profit or losses in one period will affect the net profit or loss in the next period (e.g., money invested in an interest bearing account; earning interest on interest).

   e. Payback Period – This is the number of years it will take to recover the cash invested in a project. The payback calculation uses cash flows, not net income. It does not address a project's total profitability.

f. Economic Profit – This method uses the dollar amount of net operating profit minus a charge for the opportunity cost of the capital investment. It measures the difference, in monetary terms, between the return on the Port's capital and the cost of that capital.

g. Revenue Bond Debt Service Coverage – This is the number of times net revenues available for debt service (revenue minus operating, maintenance and administration expense excluding depreciation) can pay the bond debt service (principal plus interest). A revenue bond issue typically has a mandatory coverage covenant ranging from 1.00 to 1.35.

IV. CONTROL

1. Accounting for Capital Assets – All expenses related to approved capital projects shall be made out of the Capital Improvement Fund.

2. Capital Asset Inventory – The Port shall develop and maintain an inventory of all capital assets and record the appropriate depreciation. A physical inventory will be conducted periodically to monitor the condition of the assets, review appropriate levels of insurance and support planning for maintenance, repair and replacement.

   a. Federally Funded Assets – A physical inventory shall be conducted on all capital assets of $10,000 or more every two years (or as amended per Federal requirements). All federally funded assets below $10,000 shall be tracked via the Small and Attractive Asset policy. The disposal of any federally funded asset shall follow the federal disposal requirements including any required communication with the original funding agency.

3. Capital Project Evaluation – The evaluation and reporting process provides a basis for approving a project for inclusion in the Capital Improvement Plan as well as reviewing status of projects over a longer term.

   a. Cash Flow – Capital Improvements should be evaluated in terms of cash flow before being approved in the annual capital budget.

   b. Lease Negotiations – Potential Projects should be reassessed during customer lease negotiations.

   c. Lease Approval – Potential Projects should be again reassessed before Commission approval of lease

   d. After Project Completion – Projects should be evaluated periodically after being put into service for accountability and understanding of return on investment.

4. Reporting – Periodic reports shall be provided for ongoing capital projects. The reports may include the following information:

    - Actual to budgeted expenditures, including inception-to-date costs
    - Level of project completion, key milestones, change orders, and project timeline
    - Continued availability of funding sources
    - Results compared to project or port-wide rate of return based on appropriate performance measures

V. REFERENCES

1. Port Resolution No. 26-1354 – Capital Improvement Policy

2. RCW 53.36.020 – Tax levy – Limitation

3. State Auditor's Office BARS – Capital Assets and Physical Inventories (includes information on inventory threshold for Federally funded assets)

4. Government Finance Officers Association

    - Best Practice: Establishing Appropriate Capitalization Thresholds (2006)
    - Best Practice: Establishing the Estimated Useful Lives (2019)
    - Best Practice: Incorporating a Capital Project Budget in the Budget Process (2018)
    - Best Practice: Capital Project Monitoring and Reporting (2017)

Future Agenda Items – Commission Meeting

10/27/2026

November 10, 2026 (Regular Commission Meeting)

- Monthly Delegation of Authority Report
- Monthly Cash and Investment Report
- Log Yard Site & Stormwater Project – October Update
- Open Public Hearing on 2027 Budget and Tax Levy

November 17, 2026 (Special Commission Meeting)

- Close Public Hearing & Adopt 2027 Budget and Tax Levy

November 24, 2026 (Regular Commission Meeting) – ***Meeting Canceled***

December 8, 2026 (Regular Commission Meeting)

- October Financial Report
- Monthly Delegation of Authority Report
- Monthly Cash and Investment Report
- Log Yard Site & Stormwater Project – November Update
- Q4 Grant Update

December 22, 2026 (Regular Commission Meeting)

- November Financial Report

Upcoming Events

November 19-21: Pacific Marine Expo (Seattle, WA – Seattle Convention Center Arch Building)

December 2-4: International Workboat Show (New Orleans, LA)

December 9-11: Washington Public Ports Association (WPPA) Annual Meeting (Vancouver, WA – Hilton Vancouver)

Future

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