Port of Port Angeles

Port Angeles, Washington

Commissioner's Resolution No. 26-1356

A RESOLUTION OF THE PORT COMMISSION OF THE POR OF PORT ANGELES ADOPTING THE FINAL BUDGET FOR 2027

WHEREAS, the preliminary budget of the Port of Port Angeles was prepared and filed on the 27th day of October 2026; and

WHEREAS, in accordance with R.C.W. 53.35.045 a public hearing was held on November 10th, 2026; and

WHEREAS, the preliminary budget was adopted as the final budget on the 17th day of November 2026.

NOW THEREFORE, BE IT RESOLVED that the budget herein is the Final Budget of the Port of Port Angeles for the calendar year 2027.

		2027 BUDGET
Beginning Cash Balance	**$**	**13,933,144**
Sources of Cash		
Revenues - Operating		12,416,847
Revenues - Non-Operating		702,932
Property Tax Levy		1,915,436
Grants for Capital Projects		21,390,326
Debt Proceeds		36,784,141
Total Sources		73,209,682
Uses of Cash		
Expenses - Operating		12,536,480
Expenses - Non-Operating		45,600
Debt Service (Principal & Interest)		176,386
Capital Projects		63,844,821
Total Uses		76,603,287
Ending Cash Balance	**$**	**10,539,539**
Change in Cash Balance	$	(3,393,605)
RCW 53.36.120 & 53.36.130 Specific Budget Items		
Promotion Hosting	$	6,700

ADOPTED by the Port Commission of the Port of Port Angeles at a Special Commission Meeting thereof held this 17th day of November 2026.

PORT OF PORT ANGELES
BOARD OF COMMISSIONERS

Connie L. Beauvais, President

Colleen M. McAleer, Vice President

Kelly G. Kidwell, Secretary

PORT of Port Angeles

2027 BUDGET



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2027 BUDGET OVERVIEW

On behalf of the Port Commissioners and the entire Port of Port Angeles Team, I am pleased to present the 2027 Budget. The Annual Budget remains the Port's principal financial and operating plan, bringing together our day-to-day operations, capital investments, and long-range priorities into one coherent view of where we are going and how we intend to get there.

The 2027 Budget reflects an important evolution in how we plan and manage the Port. Our adopted budget should be understandable, supportable, and grounded in realistic assumptions. At the same time, our Team must continue working aggressively to outperform those assumptions through business development, increased utilization of Port assets, new customers and partnerships, and disciplined execution.

Put simply, our approach for 2027 is to budget honestly, manage aggressively, and invest selectively.

ECONOMIC AND OPERATING OUTLOOK

The past several years have reinforced both the opportunity and uncertainty inherent in the businesses in which the Port operates. Cargo activity can change quickly. Interest rates and construction costs influence when major capital projects make sense. Industrial opportunities develop at different speeds, and grant funding does not always align with the timing or priorities of the Port.

That reality calls for discipline, not lowered ambition.

Our 2027 baseline distinguishes between revenues and expenses we can reasonably support and the additional opportunities our Team is working to create. We will continue actively pursuing new cargo, economic and industrial development, marine trades activity, aviation opportunities, partnerships, and better utilization of existing Port assets. But opportunity alone should not become a budget assumption.

This distinction is important. A credible budget establishes the baseline against which management performance can be measured. Stretch opportunities belong in our business-development pipeline, where we can pursue them aggressively and incorporate them into our financial outlook as they become sufficiently tangible.

STRATEGIC DIRECTION

The Port's fundamental mission remains unchanged: to use our assets and authorities to strengthen the economy of Clallam County, support family-wage employment, maintain critical transportation and industrial infrastructure, and create opportunities for private investment.

Our work in 2027 continues to focus on the strategic priorities established by the Port Commission:

- Operational Excellence & Service
- Thriving Industry & Job Growth
- Stewardship of Public Resources
- Community Leadership & Collaboration
- Modern Infrastructure for a Competitive Future

These priorities provide the framework for both our operating decisions and capital investments.

But strategy also requires choices. We cannot pursue every potential project simply because it has merit. People, capital, borrowing capacity, grant match, and management attention are finite resources. Our responsibility is to direct those resources toward the opportunities that can create the greatest durable value for the Port District.

CAPITAL INVESTMENT: FOLLOW THE BUSINESS CASE

The 2027 capital program represents a significant investment in Port infrastructure and economic opportunity. It includes projects across our maritime, marine trades, aviation, industrial, and technology assets, supported through a combination of Port resources, grants, partnerships, and project-specific financing.

The size of that program makes disciplined capital allocation particularly important.

Capital investment must follow a business case.

Placement of a project in the Port's long-range Capital Improvement Plan does not, by itself, constitute a commitment to build it. Projects must continue to demonstrate strategic value, realistic funding, appropriate timing, and a credible economic rationale before advancing into the current capital program.

Circumstances can also change. Markets change. Customers change. Grant opportunities change. Construction costs change. Projects that once appeared ready may need to be deferred, reshaped, or removed, while new opportunities may warrant greater priority.

That is not a retreat from long-range planning. It is responsible capital management.

For 2027, our objective is therefore not simply to build infrastructure. It is to invest in infrastructure that supports real economic activity, strengthens Port businesses and assets, attracts or retains private investment, and produces durable value for the people of the Port District.

FINANCIAL DISCIPLINE AND RESERVES

The opportunities before the Port are substantial, but our financial capacity is not unlimited.

The Port has deliberately built reserves over time to prepare for major capital needs and economic-development opportunities. Those resources give us the ability to act when appropriate, provide local match that can leverage outside funding, and protect essential Port operations during periods of uncertainty.

Their existence, however, does not make them disposable.

The same discipline that went into building our reserves must govern their use. We will continue matching the right financing tool to the right investment: grants where projects compete successfully for outside funding, Port resources where the economic return, strategic value, or operational necessity

justifies the investment, partnerships where costs and benefits can appropriately be shared, and debt where the useful life and economic value of an asset warrant financing it over time.

We will also continue looking beyond individual projects to understand their cumulative effect on Port liquidity, debt capacity, operating performance, and future flexibility.

Our goal is not simply to fund the 2027 Budget. It is to maintain the financial capacity to pursue opportunities well beyond it.

OPERATING EXCELLENCE AND ACCOUNTABILITY

Capital investment alone does not create a successful Port. The performance of our existing businesses and assets matters just as much.

Throughout 2027, we will continue strengthening the connection between operational activity and financial performance. That means understanding utilization, pricing, cost drivers, customer pipelines, and leading indicators rather than relying solely on financial results after the fact.

It also means continuing to ask straightforward questions.

Are our assets producing the economic value they should? Are our rates aligned with the services we provide? Are we controlling costs where we reasonably can? Are we pursuing customers and opportunities that fit our capabilities? And when performance differs from the budget, do we understand why and have a plan to respond?

Those are management questions as much as financial ones.

The purpose of the budget is therefore not merely to predict the next twelve months. It establishes the framework through which we manage them.

ECONOMIC DEVELOPMENT AND PARTNERSHIPS

The Port does not create economic prosperity alone.

Our success depends upon the businesses that operate at Port facilities, the employees who work there, the customers who use our infrastructure, and the many public and private partners who help turn opportunities into investment and employment.

In 2027, we will continue working closely with tenants, Tribes, municipalities, state and federal agencies, educational institutions, utilities, businesses, and other regional partners to advance opportunities that strengthen the economic foundation of the North Olympic Peninsula.

The Port occupies a unique position in that work. Our maritime terminals, airports, marine trades facilities, industrial properties, and other public assets provide platforms upon which private economic activity can take root, grow, and prosper.

Our responsibility is to ensure those platforms remain competitive, useful, and positioned for the industries and opportunities ahead.

PEOPLE

None of this work happens without the Port Team.

The complexity of the Port's operations continues to grow, as do the expectations placed upon our organization. Our success depends upon people who understand both the public responsibility entrusted to us and the commercial realities of the businesses in which we operate.

We will continue investing in the skills, systems, accountability, and organizational capacity necessary to manage that responsibility well.

We will also continue looking for opportunities to improve how we work, challenge assumptions, solve problems internally where doing so makes sense, and empower our Team to make thoughtful decisions in service to the Port and the community.

CLOSING

The 2027 Budget is ambitious, but ambition alone is not a strategy.

Our responsibility is to couple ambition with discipline: to distinguish between expectations and aspirations, to pursue opportunities without assuming their success, and to invest public resources where we can demonstrate a compelling reason for doing so.

That means **budgeting honestly, managing aggressively, and investing selectively.**

It also means being willing to change course when the facts change. Good stewardship is not measured by how many projects we build or how much money we spend. It is measured by whether the decisions we make strengthen the Port, support economic opportunity, create and sustain family-wage employment, protect the public's investment, and leave the organization better positioned for the future.

We enter 2027 with significant opportunities ahead of us and with a clear understanding of the work required to realize them. Thank you for the privilege of serving this Port District. We will continue to steward its assets carefully, communicate candidly, pursue economic opportunity aggressively, and invest with purpose.

Onwards and Upwards,

Paul Jarkiewicz
Chief Executive Officer
Port of Port Angeles



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.

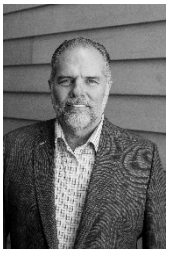
Prior to her position at the Business Alliance, Colleen served on the Port of Port Angeles staff where she served as the Port's Director of Business Development. During this time, she became deeply familiar with the operations of the Port and the business opportunities that exist for Clallam County.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

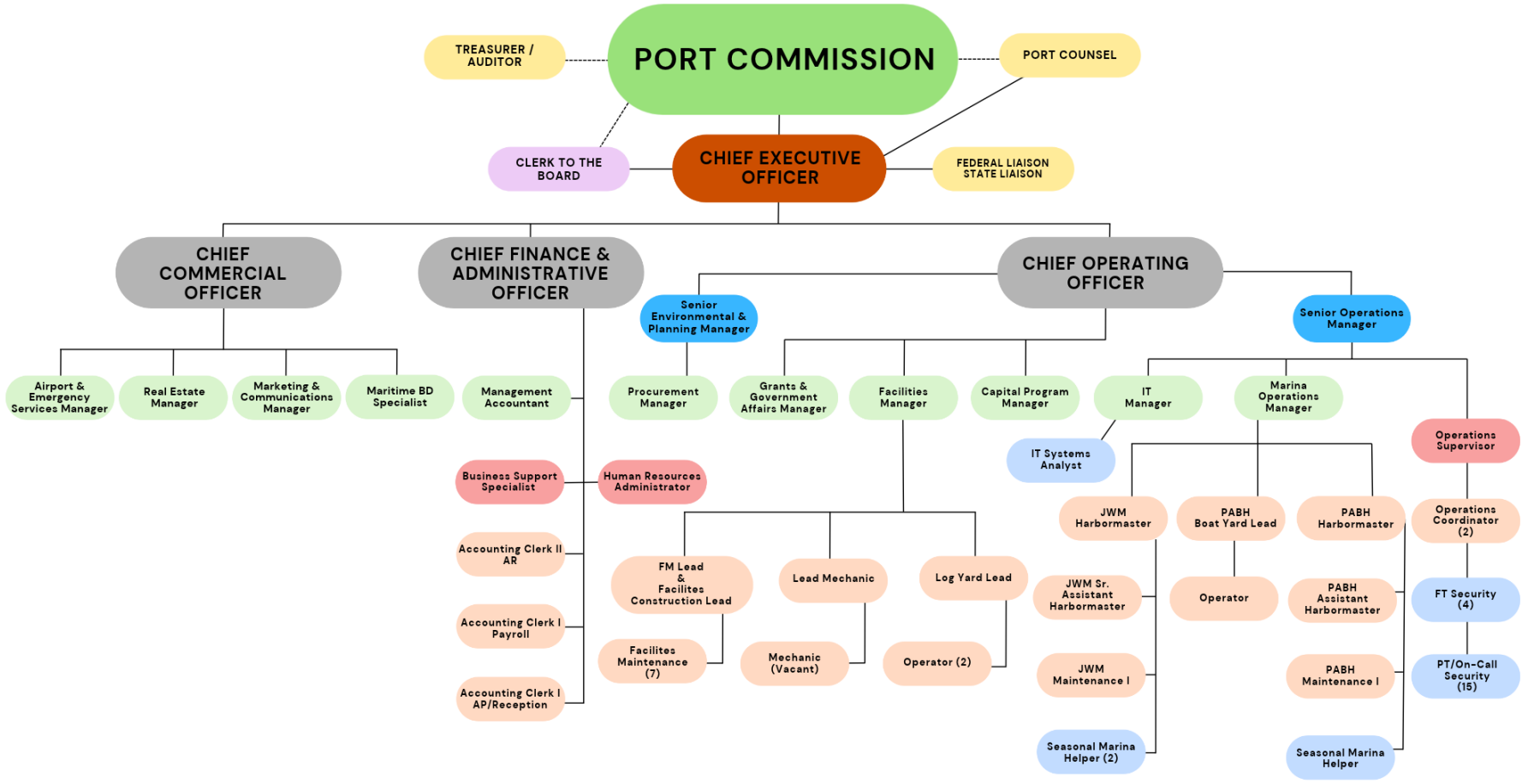
CONNIE L. BEAUVAIS, PRESIDENT
Term Expires 2027

COLLEEN M. MCALEER, VICE PRESIDENT
Term Expires 2029

KELLY G. KIDWELL, SECRETARY
Term Expires 2027

PORT MANAGEMENT TEAM

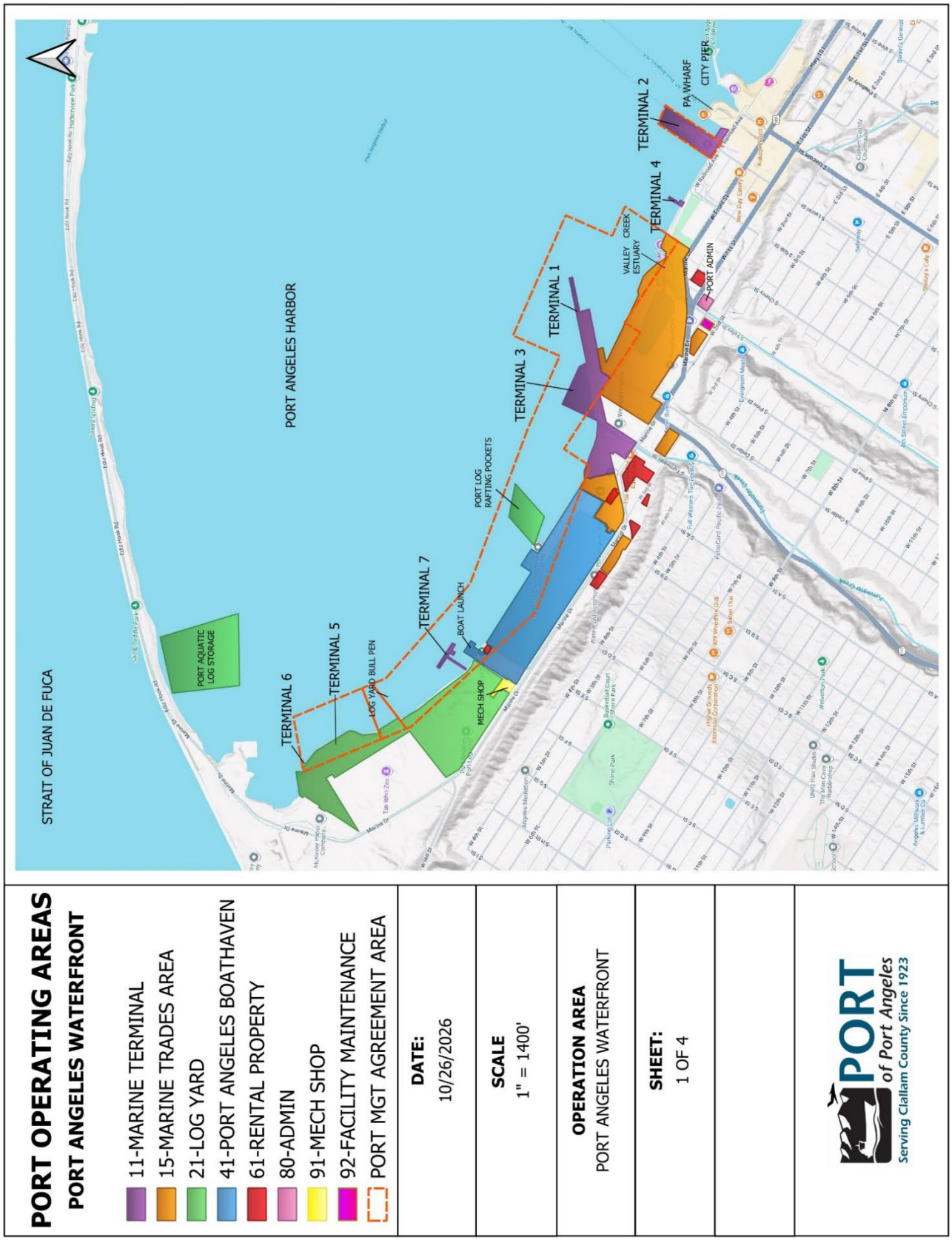
Chief Executive Officer …….…….…….. PAUL JARKIEWICZ
Chief Finance & Administrative Officer……..…….. BRADLEY FLUETSCH, CFA
Chief Operating Officer……..…….. CHRIS R. HARTMAN
Chief Commercial Officer ..……,,,,.…… CALEB MCMAHON
Airport & Emergency Services Manager…….……..…… JAMES ALTON
Capital Program Manager…….…….. ZACHREY HOLSTED
Senior Environmental & Planning Manager…….. JESSE W. WAKNITZ
Facilities Manager…….……... WILSON EASTON
Grants & Government Affairs Manager …..... KATHARINE FRAZIER
IT Manager……..... STEVEN ROSE
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 Manager……..……. CHERIE GOTTSCHALK



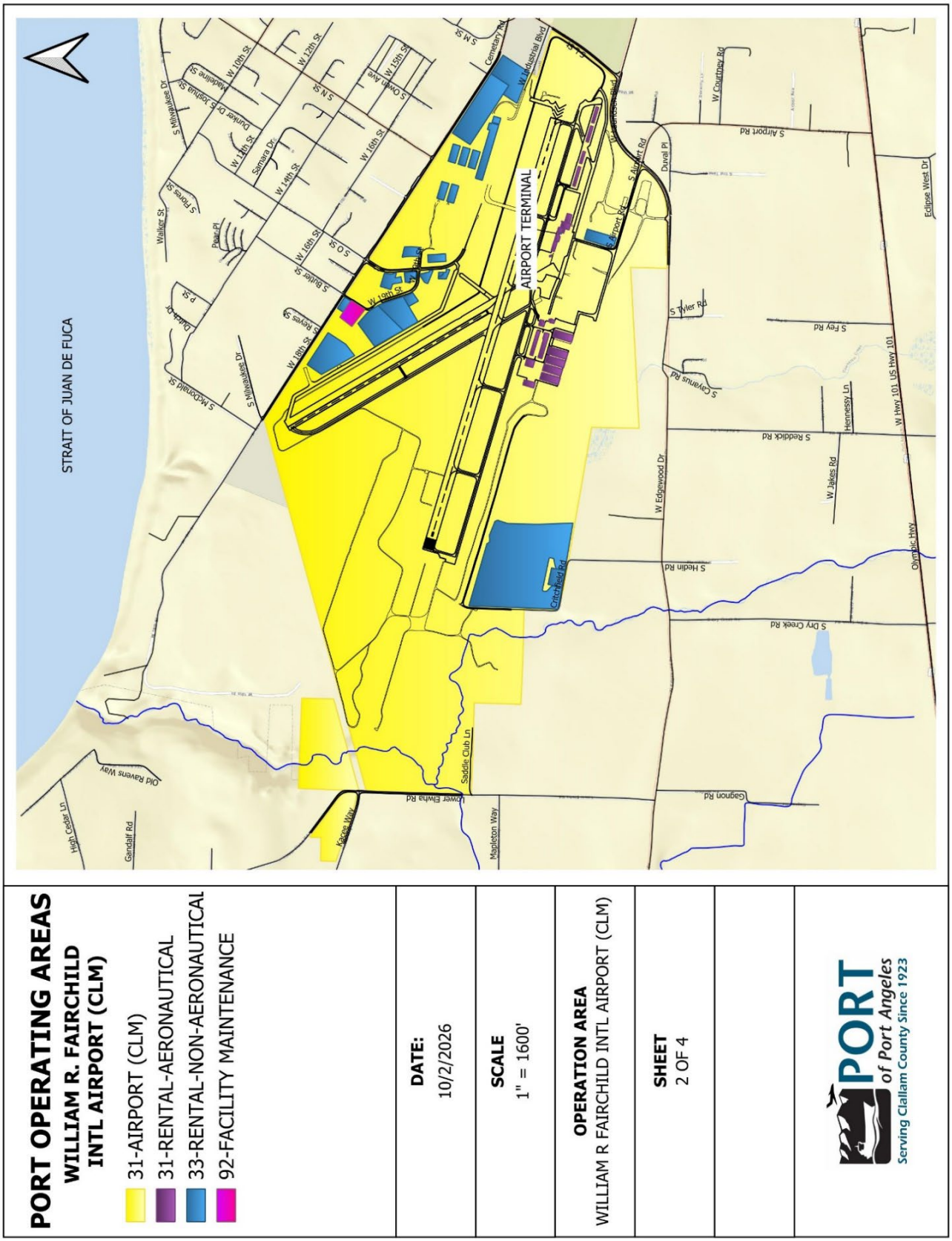
PORT of Port Angeles
Serving Clallam County Since 1923

2027 ORGANIZATIONAL CHART

PORT OPERATING AREAS



PORT OPERATING AREAS – continued



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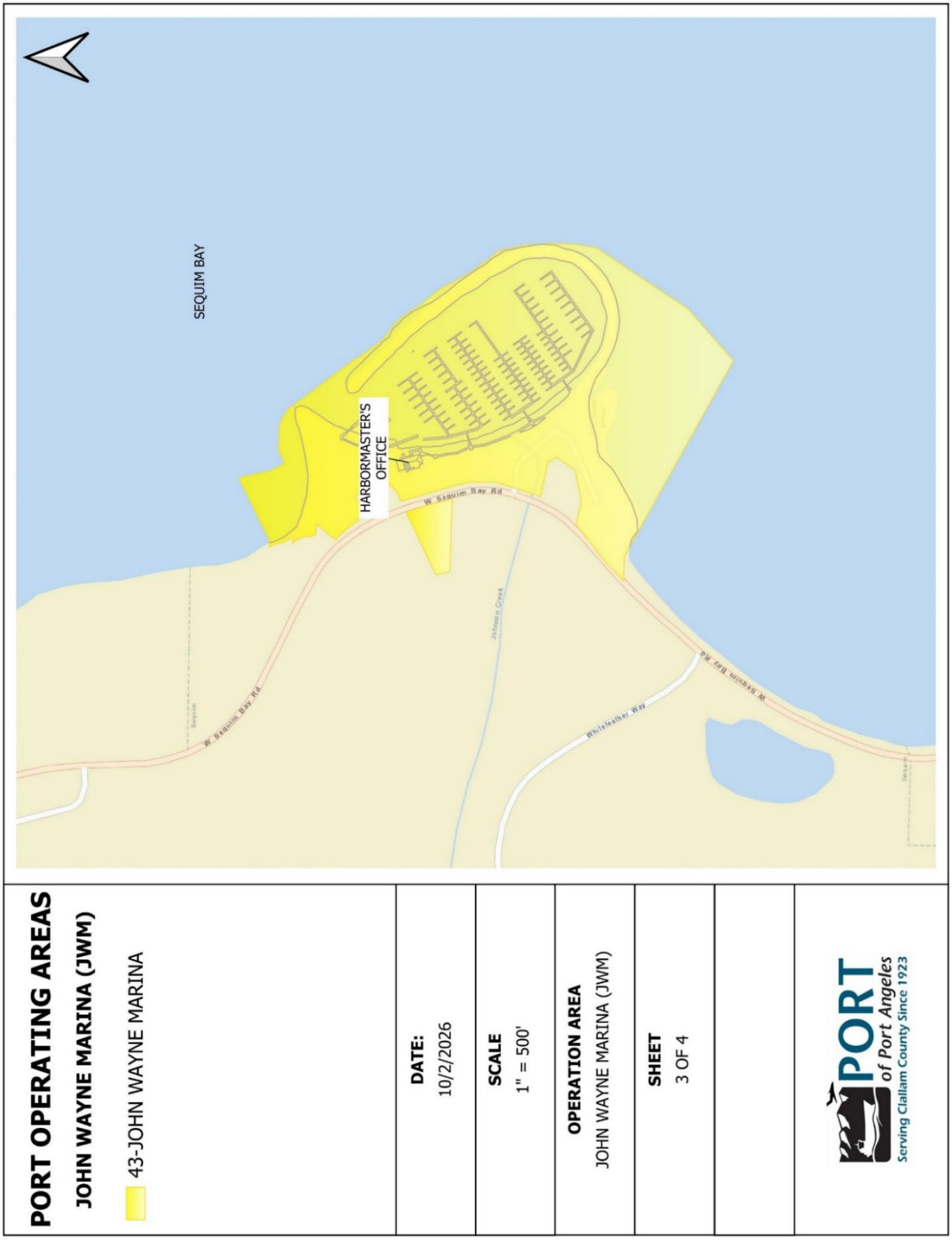
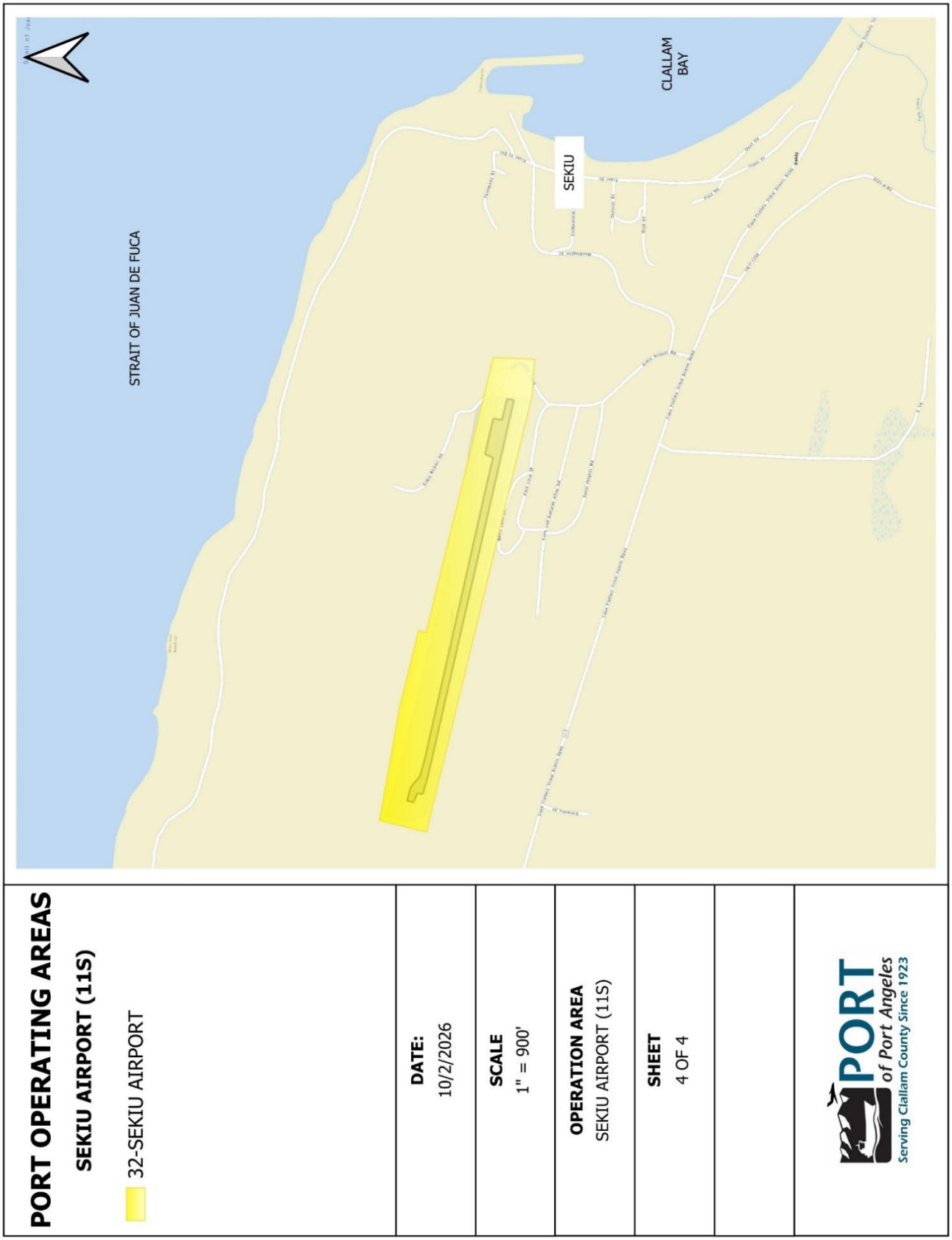


PORT OPERATING AREAS – continued



2027 BUDGET - ASSUMPTIONS
All Departments

General

CPI: August 2026
Bremerton-Silverdale-Port Hadlock, WA-All Urban Consumer (CPI-U) is 4.4%,

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 lay berth 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 lay berth 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. The travel lift schedule is consistently booked out for 90+ days. New seasonal customers in the MTC area are also increasing, highlighting 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 as we replace 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 include 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 material costs.

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
80 ADMINISTRATIVE	-	-	-			-
90 NON-OPERATING	-	-	-			-
92 FACILITIES MAINTENANCE	-	-	-			-
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
90 NON-OPERATING	-	-	-	-	-	-
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	702,932	(298,869)
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***	***657,332***	***(459,417)***
NON-OP (CAPITAL)						
NON-OP REV (Capital)	8,822,521	7,671,334	6,293,516	25,140,659	23,305,762	(1,834,897)
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***	***23,347,236***	***(1,839,647)***
NET NON-OP SURPLUS (DEFICIT)	***10,615,544***	***11,241,742***	***7,441,979***	***26,303,632***	***24,004,568***	***(2,299,064)***
TOTAL NET SURPLUS (DEFICIT)	***10,695,974***	***9,456,173***	***4,935,349***	***21,189,682***	***19,442,954***	***(1,746,729)***

2027 Cash Flow Assumptions

Starting Reserve - The Port begins 2027 with a cash balance of $13,933,144

Property Tax Receipts – Based on the 2027 Tax Levy

Interest Income - Reserve funds are split equally between LGIP and First Federal accounts.
Interest rates used:
2026–2027: LGIP at 3.99%, First Federal at 3.99%
**Interest is calculated annually on the starting reserve for each year.

Grants - Capital - Based on Capital Budget 2027

Bond Proceeds - The Port estimates receiving $25,000,271 in bond proceeds in 2027. This is for the Composite Manufacturing Campus and other capital projects, net Bond Cost of $409,425 and capitalized interest of $1,885,304.36. Repayment begins in 2028.

Loan Proceeds -
2027 Loans from CERB/CARB for Composite Manufacturing Campus
CERB $5,000,000
CERB $5,000,000
CARB $1,200,000
2027 Loans - Other
$250,000 for West BH Design
$333,870 for the Marine Trades Multi-User Building
2027 Total $11,738,870

Debt Service -
CERB - $47,112 year
CARB - $45,868 year
Treasury - $83,405
Repayment for $5,000,000 CARB loan beginning in 2028
Repayment for $5,000,000 CARB loan beginning in 2028
Repayment for $1,200,000 CERB loan beginning in 2028
Repayment for $250,000 loans beginning in 2028
Repayment for $333,870 loans beginning in 2028

Capital Projects - Based on Capital Budget 2027, total capital expenditures (including grant-funded portions) for 2027: $63,844,821

Port of Port Angeles

2027 Budget

BEGINNING CASH BALANCE		**13,933,144**
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	1,915,436	
OTHER TAX RECEIPTS	132,000	
INTEREST EARNINGS	555,932	
GRANTS - CAPITAL	21,390,326	
BOND PROCEEDS	25,000,271	
LOAN FUNDING	11,783,870	
MISCELLANEOUS	15,000	
GAIN (LOSS) & SPECIAL ITEMS		
TOTAL NON-OPERATING REVENUES	**60,792,835**	
TOTAL REVENUES		**73,209,682**
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	63,844,821	
ENVIRONMENTAL	30,000	
MISCELLANEOUS	15,600	
TOTAL NON-OPERATING EXPENSES	***64,066,807***	
TOTAL EXPENSES		**76,603,287**
ENDING CASH BALANCE		**10,539,539**
CHANGE IN CASH POSITION		**(3,393,605)**

CAPITAL BUDGET

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	$ 657,332 (interest earnings less environmental cleanup)
Net Operating Deficit	$ (119,633)
Capital Expenditures	$(63,844,821)
Debt	$ 36,784,141
Grant Reimbursement	$ 21,390,326
Impact to Cash Reserves	$ (3,393,605)

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 expected fiscal impacts are projected to remain above the reserve threshold for the coming 5-year plan. Debt service for the bonds and loans taken out must be offset by revenue from the improvements they fund to avoid further impacting the cash reserve. 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 (2032-2046). 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 one more grant 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.

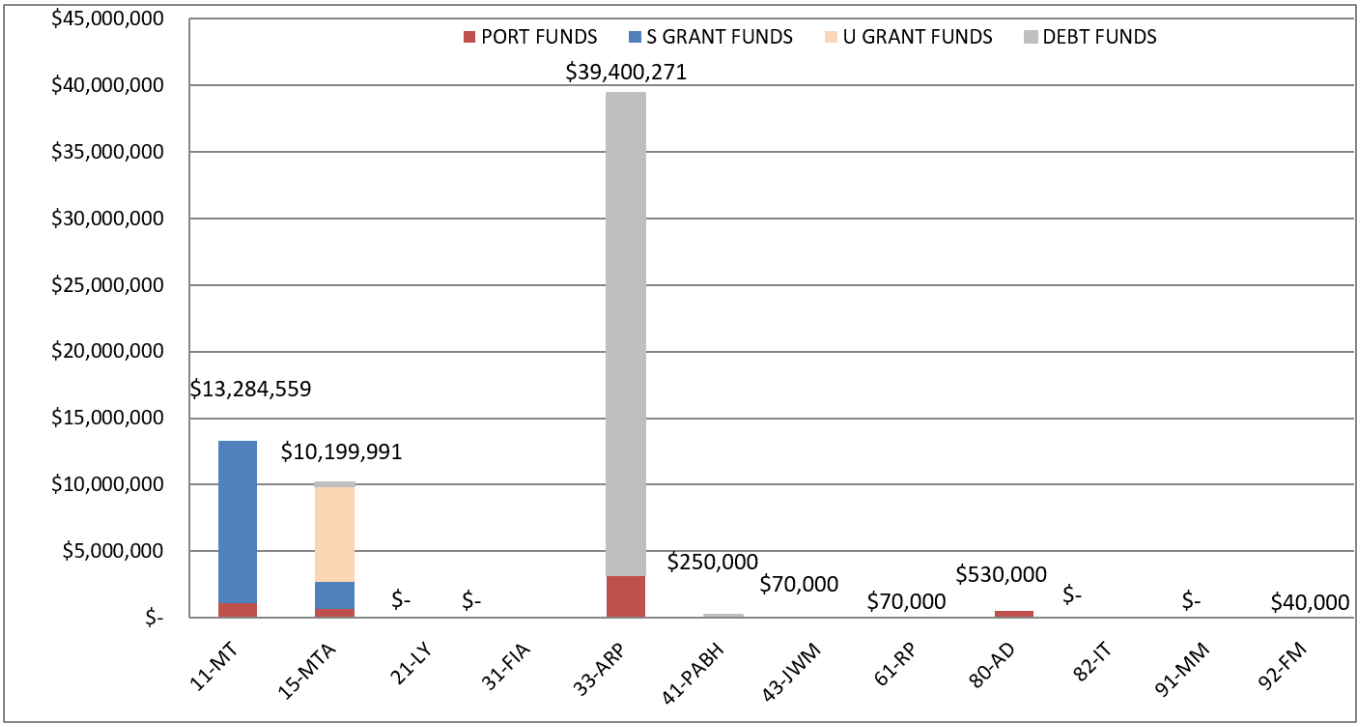
FEDERAL AND STATE GRANTS – SECURED AND PENDING

Grant Agency	Program	Project	Grant Funds	Match Funds	Funded Year
U.S. Environmental Protection Agency	Clean Ports Program	Shore Power Service Upgrades & Zero Emission Equipment	$9,457,350	$525,408	2027 2028
Washington State Department of Transportation	Port Electrification	Shore Power Service Upgrades & Zero Emission Equipment	$525,408		2027 2028
U.S. Dept of Transportation – Maritime Admin.	FY2024 Port Infrastructure Development Program	Cargo Handling Equipment	$9,000,000	$2,250,000	2027
U.S. Dept. of Commerce – Economic Development Admin.	Recompete	Three (3) barges for Marine Transportation	$6,000,000	$0	2027 2028 2029
U.S. Dept. of Homeland Security	Port Security Grant Program	Security Operations Center TWIC Readers	$230,000 $10,948	$80,000 $2,737	2028
Dept of Housing and Urban Development	Congressional Appropriation – Emily R.	Tse-Whit-Zen Restoration	$850,000	$0	2028
Washington State Dept. of Commerce	WA Commerce (Proviso)	Multi-user Building	$2,000,000	$0	2027
*U.S. Dept. of Commerce – Economic Development Admin.	2025 Disaster Supplement	Multi-user Building MTC Building	$17,670,664	$417,666	2027 2028

Total = $45,744,370 $3,275,811

* 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

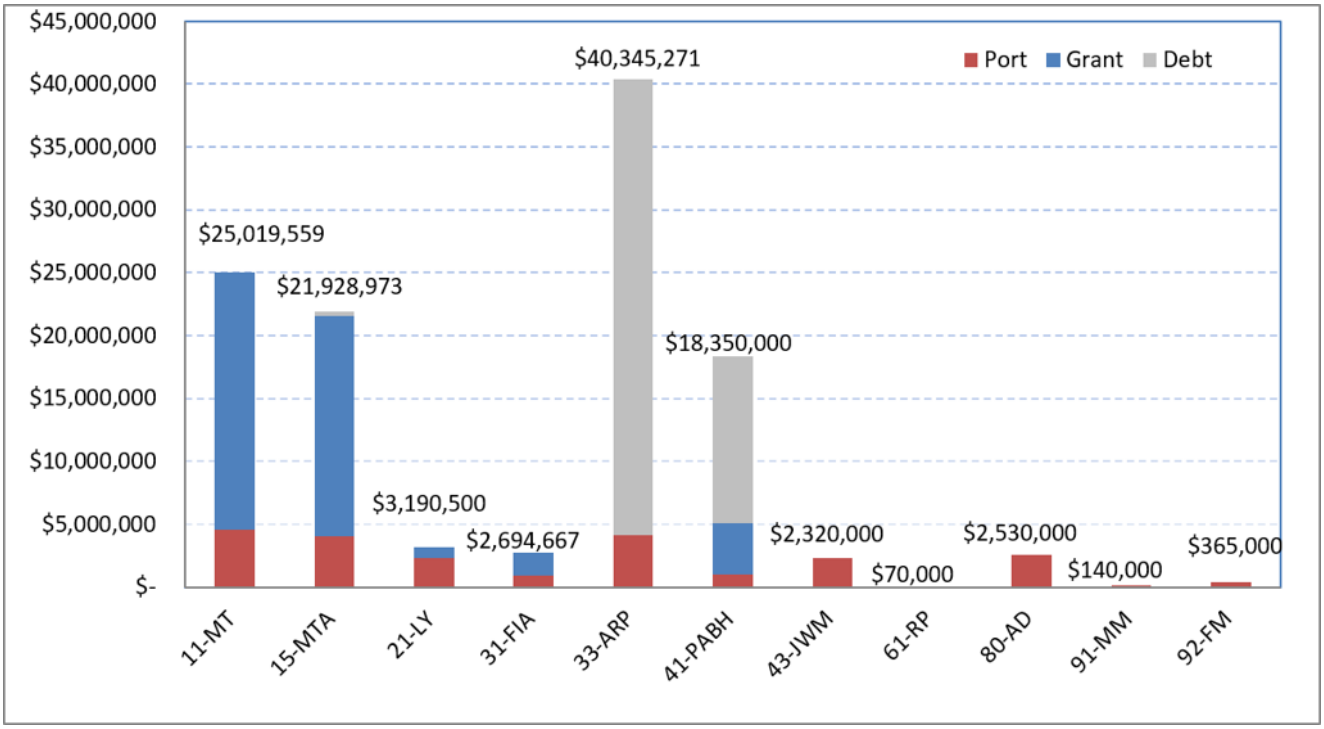
Dept.	2026 Port Projected	2026 Grant Projected	2026 Total Projected	2027 Port Budget	2027 Secured Grant	2027 Unsecured Grant	2027 Debt Budget	2027 Total Budget
11-MT	$ 1,148,554	$ 4,487,286	$ 5,635,840	$ 1,090,354	$ 12,194,205	$ -	$ -	$ 13,284,559
15-MTA	$ 344,855	$ -	$ 344,855	$ 670,000	$ 2,000,000	$ 7,196,121	$ 333,870	$ 10,199,991
21-LY	$ 2,535,100	$ 12,508,390	$ 15,043,490	$ -	$ -	$ -	$ -	$ -
31-FIA	$ 3,505,226	$ 7,194,188	$ 10,699,414	$ -	$ -	$ -	$ -	$ -
33-ARP	$ 707,003	$ -	$ 707,003	$ 3,200,000	$ -	$ -	$ 36,200,271	$ 39,400,271
41-PABH	$ 656,466	$ -	$ 656,466	$ -	$ -	$ -	$ 250,000	$ 250,000
43-JWM	$ 40,270	$ -	$ 40,270	$ 70,000	$ -	$ -	$ -	$ 70,000
61-RP	$ 26,483	$ -	$ 26,483	$ 70,000	$ -	$ -	$ -	$ 70,000
80-AD	$ 91,291		$ 91,291	$ 530,000	$ -	$ -	$ -	$ 530,000
82-IT	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
91-MM	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
92-FM	$ 35,200	$ -	$ 35,200	$ 40,000	$ -	$ -	$ -	$ 40,000
Total	$ 9,090,448	$ 24,189,864	$ 33,280,312	$ 5,670,354	$ 14,194,205	$ 7,196,121	$ 36,784,141	$ 63,844,821

2027 CAPITAL PROJECTS

#	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	Telestackers	$48,750	$926,250			$975,000
2.08	11-MT	Conveyor System	$473,724	$1,894,895			$2,368,619
2.09	15-MTA	Marine Trades Multi-User Building (G)		$2,000,000	$7,196,121	$333,870	$9,529,991
2.10	15-MTA	S.W. Conveyance Impts. (SP)	$70,000				$70,000
2.11	43-JWM	Beach Access Improvement (SP)	$45,000				$45,000
2.12	80-AD	Capital Budget Contingency	$450,000				$450,000
3.01	11-MT	T1 Zone 2 Fire Sprinkler Maintenance	$20,000				$20,000
3.02	33-ARP	MTIB Roof Replacement (SP)	$400,000				$400,000
3.03	11-MT	T1 Warehouse South (SP)	$100,000				$100,000
4.01	92-FM	Asphalt Seal Coat Equipment	$40,000				$40,000
4.02	33-ARP	PAC - Improvements Phase I	$1,400,000			$16,350,271	$17,750,271
4.03	33-ARP	PAC - Improvements Phase II	$1,400,000			$19,850,000	$21,250,000
4.04	41-PABH	W. PABH Design (P)				$250,000	$250,000
4.05	43-JWM	Fiber to Gates (SP)	$25,000				$25,000
4.06	61-RP	313 W 1st St Improvements (SP)	$70,000				$70,000
4.07	80-AD	Admin Bldg Façade Impts (SP)	$80,000				$80,000
4.08	15-MTA	MTC Site Development	$600,000				$600,000
		TOTALS	**$ 5,670,354**	**$ 14,194,205**	**$ 7,196,121**	**$ 36,784,141**	**$ 63,844,821**

#:	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	$ 4,520,354	$ 20,499,205	$ -	$ 25,019,559
15-MTA	$ 4,063,817	$ 17,531,286	$ 333,870	$ 21,928,973
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	$ -	$ 36,200,271	$ 40,345,271
41-PABH	$ 1,025,000	$ 4,075,000	$ 13,250,000	$ 18,350,000
43-JWM	$ 2,320,000	$ -	$ -	$ 2,320,000
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 =	**$ 22,453,338**	**$ 44,716,491**	**$ 49,784,141**	**$ 116,953,970**

2027 – 2031 CAPITAL IMPROVEMENT PLAN BY DEPARTMENT

Year	Dept.	Project Description	Port Funds	Secured Grant Funds	Unsecured Grant Funds	Debt Funds
2027	11-MT	T1 Shorepower Improvement (G)	$ 240,000	$ 4,592,063		
	11-MT	Reach Stacker Cargo Equip (G)	$ 124,000	$ 1,702,781		
	11-MT	15-Ton Electric Forklift (G)	$ 19,950	$ 399,000		
	11-MT	5-Ton Electric Forklift (G)	$ 3,930	$ 78,600		
	11-MT	Cable Management Equip (G)	$ 60,000	$ 1,600,616		
	11-MT	Telestacker	$ 48,750	$ 926,250		
	11-MT	Conveyor System	$ 473,724	$ 1,894,895		
	11-MT	T1 Zone 2 Fire Sprinkler Maintenance	$ 20,000			
	11-MT	T1 Warehouse South (SP)	$ 100,000			
	11-MT	Barges (G)		$ 1,000,000		
	15-MTA	MTC Site Development	$ 600,000			
	15-MTA	Marine Trades Multi-User Building (G)		$ 2,000,000	$ 7,196,121	$ 333,870
	15-MTA	S.W. Conveyance Impts. (SP)	$ 70,000			
	33-ARP	MTIB Roof Replacement (SP)	$ 400,000			
	33-ARP	PAC Improvements - Phase I	$ 1,400,000			$ 16,350,271
	33-ARP	PAC Improvements - Phase II	$ 1,400,000			$ 19,850,000
	41-PABH	W. PABH Design (P)				$ 250,000
	43-JWM	Fiber to Gates	$ 25,000			
	43-JWM	Beach Access Improvement (SP)	$ 45,000			
	61-RP	313 W 1st St Improvements (SP)	$ 70,000			
	80-AD	Capital Budget Contingency	$ 450,000			
	80-AD	Admin Bldg Façade Impts	$ 80,000			
	92-FM	Asphalt Seal Coat Equipment	$ 40,000			
		TOTALS	**$ 5,670,354**	**$ 14,194,205**	**$ 7,196,121**	**$ 36,784,141**
2028	11-MT	Material Handlers x 2 (G)	$ 550,000	$ 2,200,000		
	11-MT	Barges (G)		$ 3,000,000		
	11-MT	Security Operations Center (G)	$ 80,000	$ 230,000		
	11-MT	Access Control Upgrades (G)	$ 25,000	$ 75,000		
	11-MT	T1 Zone 3 Fire Sprinkler Replace	$ 575,000			
	11-MT	Tumwater Bank Stabilization (G*)	$ 37,500		$ 262,500	
	11-MT	T1 Zone 2 Fire Sprinkler Replace	$ 705,000			
	15-MTA	Industrial Prop. Acquisition	$ 250,000			
	15-MTA	B.Y. Wash Pad Replace	$ 30,000			
	15-MTA	B.Y. Building Siding Repairs (SP)	$ 55,000			
	21-LY	Boom Boat Repairs	$ 30,000			
	21-LY	Tse-Whit-Zen Restoration (G)		$ 850,000		
	31-FIA	Airport Master Plan (G)	$ 50,000	$ 450,000		
	31-FIA	Electric Charging Stations (G*)	$ 150,000		$ 850,000	
	31-FIA	Transient Area Asphalt Repair	$ 50,000			
	31-FIA	Life Flight Roof Replacement (SP)	$ 100,000			
	33-ARP	1020 Bldg. Roof Coating	$ 300,000			
	41-PABH	Boat Launch Restroom (G)	$ 25,000	$ 75,000		
	41-PABH	W. PABH Design (P)	$ 500,000			
	43-JWM	Hendricks Room - Kitchen (SP)	$ 50,000			
	80-AD	Capital Budget Contingency	$ 500,000			
	82-IT	Cybersecurity Master Plan (G)	$ 22,000	$ 63,750		
	82-IT	Storage Area Network (G)	$ 25,000	$ 100,000		
	92-FM	Bulldozer	$ 100,000			
		TOTALS	**$ 4,209,500**	**$ 7,043,750**	**$ 1,112,500**	**$ -**

2027 – 2031 CAPITAL IMPROVEMENT PLAN

Year	Dept.	Project Description	Port Funds	Secured Grant Funds	Unsecured Grant Funds	Debt Funds
2029	11-MT	T1 Zone 4 Fire Sprinkler Replace	$ 605,000			
	15-MTA	Industrial Prop. Acquisition	$ 250,000			
	15-MTA	Multi-User Bldg. #2 (G)	$ 2,083,817		$ 8,335,165	
	15-MTA	B.Y. Building Roof Replace	$ 225,000			
	31-FIA	Asphalt Surface Repairs	$ 100,000			
	31-FIA	Runway Obst. Removal (G)	$ 17,000	$ 311,000		
	31-FIA	Airport Master Plan (G)	$ 16,667	$ 150,000		
	31-FIA	Transient Area Asphalt Repair	$ 450,000			
	33-ARP	1030 Bldg. Roof Coating	$ 315,000			
	41-PABH	W. PABH Design (P)	$ 500,000			
	41-PABH	W. PABH Float & Breakwater Replace (G*)			$ 2,000,000	$ 6,000,000
	80-AD	Capital Budget Contingency	$ 500,000			
	92-FM	Front End Loader	$ 150,000			
	92-FM	Dump Truck Replacement	$ 75,000			
		TOTALS	**$ 5,287,484**	**$ 461,000**	**$ 10,335,165**	**$ 6,000,000**
2030	11-MT	T1 Asphalt Patching	$ 150,000			
	11-MT	T1 Zone 5 Fire Sprinkler Replace	$ 340,000			
	11-MT	Tumwater Bank Stabilization (G*)	$ 362,500		$ 2,537,500	
	15-MTA	Industrial Prop. Acquisition	$ 250,000			
	21-LY	Hydraulic Loader Replace	$ 550,000			
	21-LY	Equip. Replace 1	$ 1,760,500			
	33-ARP	1040 Bldg. Roof Coating	$ 330,000			
	41-PABH	W. PABH Float & Breakwater Replace (G*)			$ 2,000,000	$ 7,000,000
	43-JWM	Parking lot Rehabilitation	$ 600,000			
	80-AD	Capital Budget Contingency	$ 500,000			
		TOTALS	**$ 4,843,000**	**$ -**	**$ 4,537,500**	**$ 7,000,000**
2031	15-MTA	Industrial Prop. Acquisition	$ 250,000			
	43-JWM	Float / Pile Replacement (P)	$ 500,000			
	43-JWM	Connect to Sequim Sewer	$ 1,100,000			
	80-AD	Capital Budget Contingency	$ 500,000			
	91-MM	Mech. Shop Maint. / Impts	$ 140,000			
		TOTALS	**$ 2,490,000**	**$ -**	**$ -**	**$ -**

	2027	2028	2029	2030	2031
Total not including grant/bond funds	**$ 5,670,354**	**$ 4,209,500**	**$ 5,287,484**	**$ 4,843,000**	**$ 2,490,000**
Grant and Debt Funds	**$ 58,174,467**	**$ 8,156,250**	**$ 16,796,165**	**$ 11,537,500**	**$ -**
TOTAL (including grant and debt funds)	**$ 63,844,821**	**$ 12,365,750**	**$ 22,083,649**	**$ 16,380,500**	**$ 2,490,000**
**** PORT ESTIMATED CASH RESERVE BALANCE**	**$ 10,539,539**	**$ 11,210,626**	**$ 10,707,879**	**$ 10,926,473**	**$ 10,214,025**

2027 – 2031 CAPITAL IMPROVEMENT PLAN

	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	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.
15-MTA	Marine Dr. Intersection	$ 1,600,000	2033	$ 1,989,296	Jobs
92-FM	Equip. / Vehicle Replace 2	$ 139,266	2033	$ 173,151	Maint.
43-JWM	Admin. Building Maint.	$ 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	$ 17,050,000	2035	$ 22,559,340	Maint.
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 =	**$ 98,896,986**		**$ 133,615,945**	

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

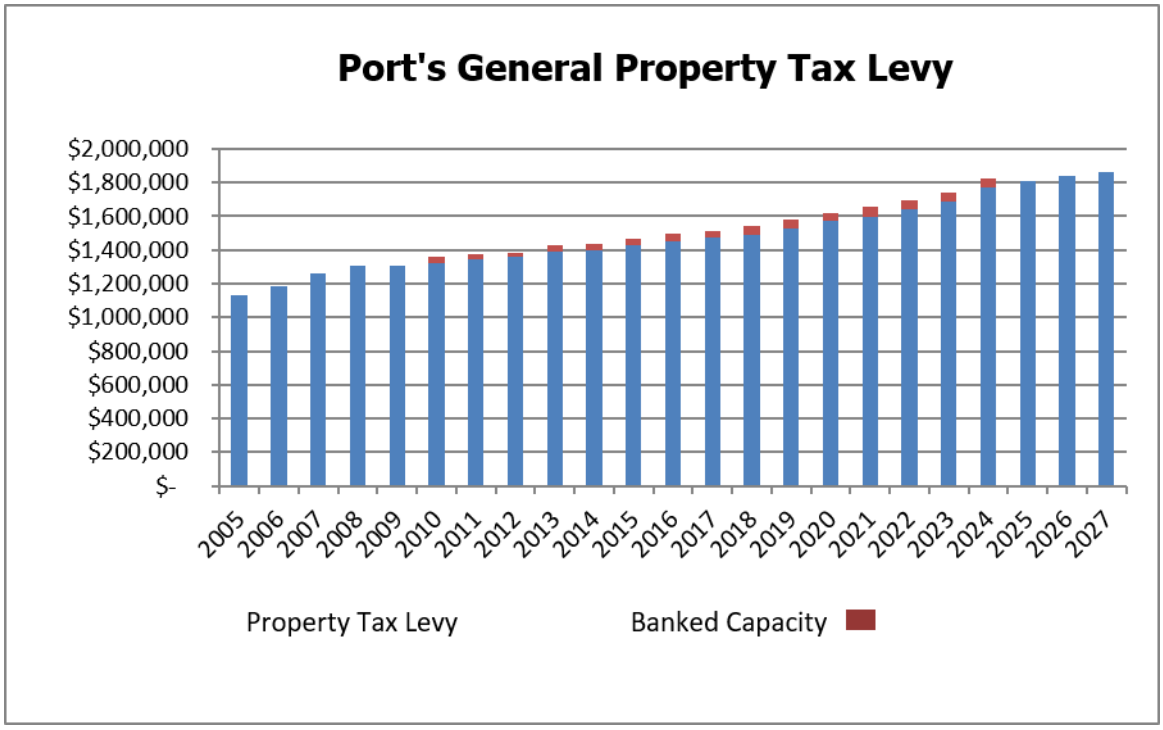
2026	Total Property Tax	$ 1,842,331
2027	1% increase	$ 18,423
2027	Banked Capacity	$ -
2027	New Construction	$ 14,442
2027	Refunds	$ 40,000
2027	State Adjustments	$ 240
2027	Total Property Tax	$ 1,915,436
2027	Net Increase	$ 73,105

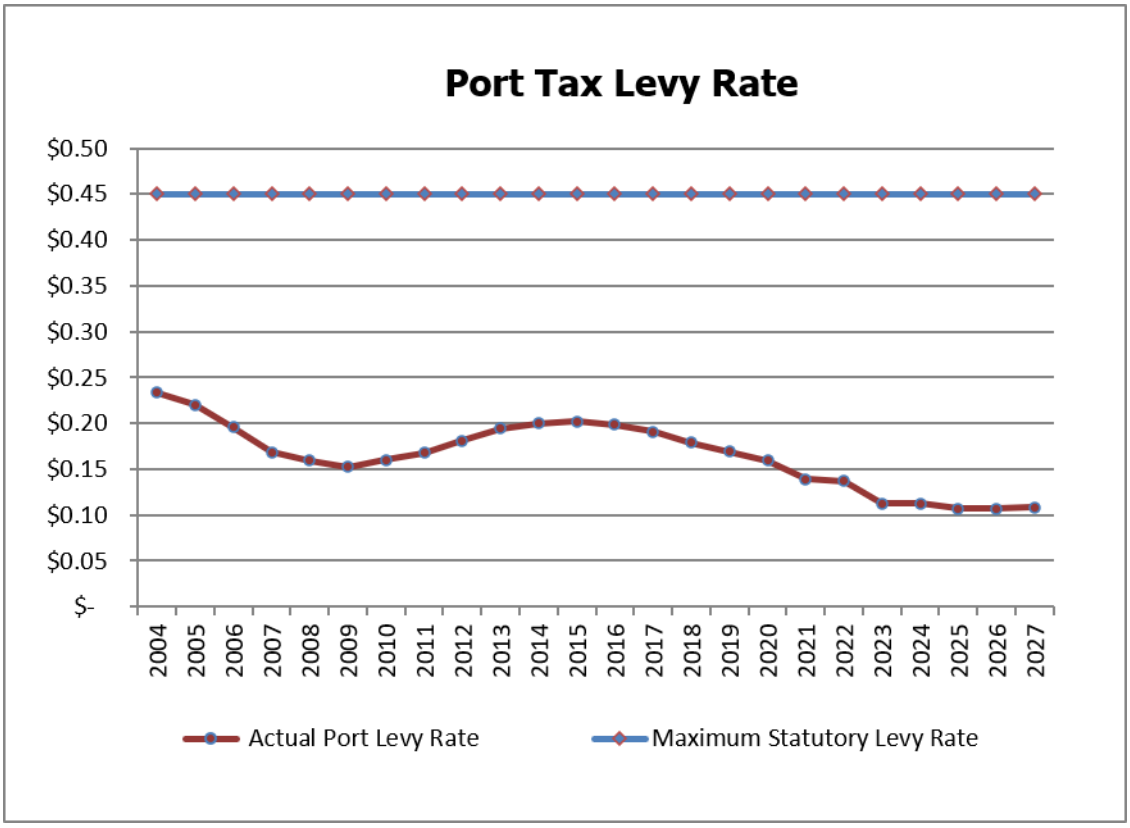
TAX LEVY USES

Debt Service Payments (principal & interest)	$	176,386	9%
Community Partner Program	$	25,000	1%
Capital Improvement Fund - Construction	$	1,714,050	89%
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

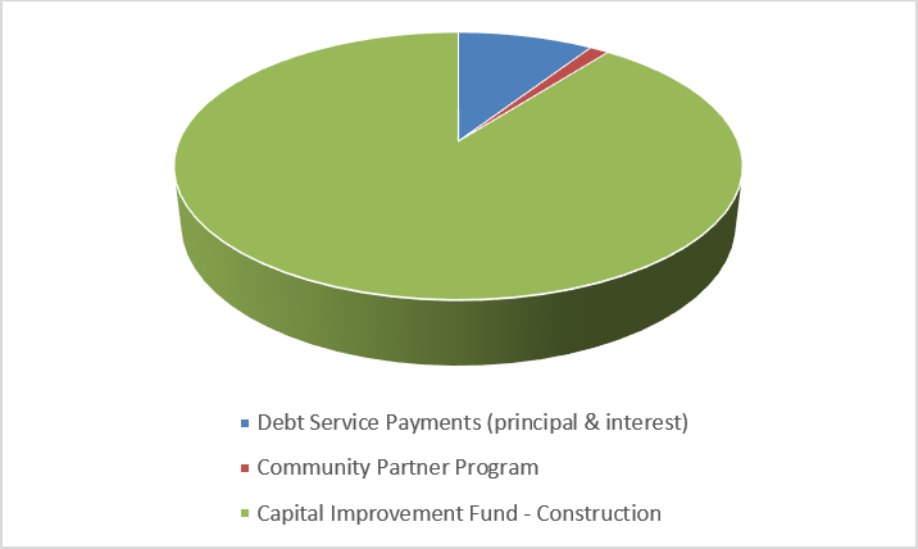
Special levies approved by the voters are not subject to the above limitations. The Port can levy property taxes for dredging, canal construction, leveling or filling upon approval of the majority of voters within the Port District, not to exceed $0.45 per $1,000 of assessed value of taxable property 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.

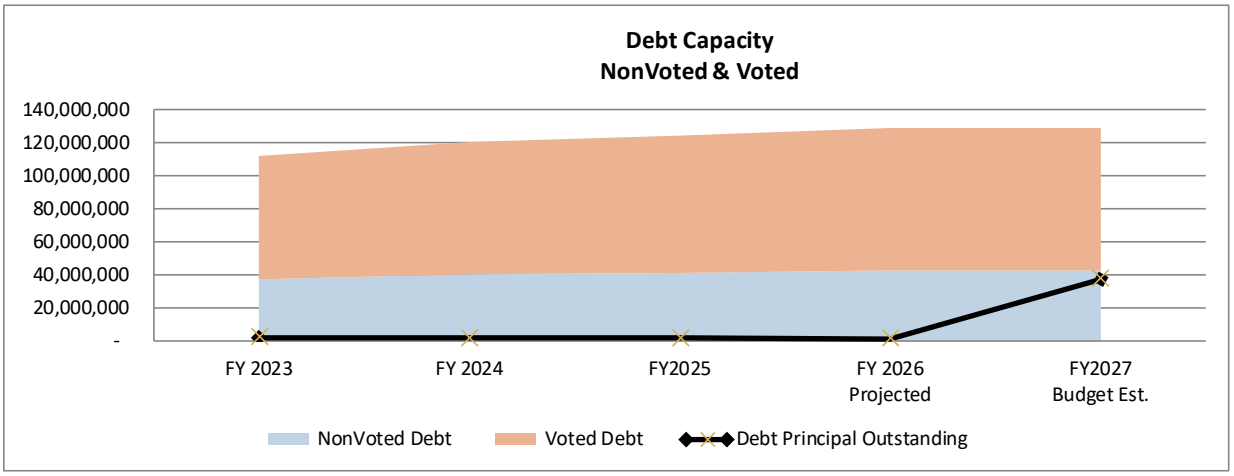
Tax Levy Uses

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.



DEBT SERVICE AND BOND FUNDS

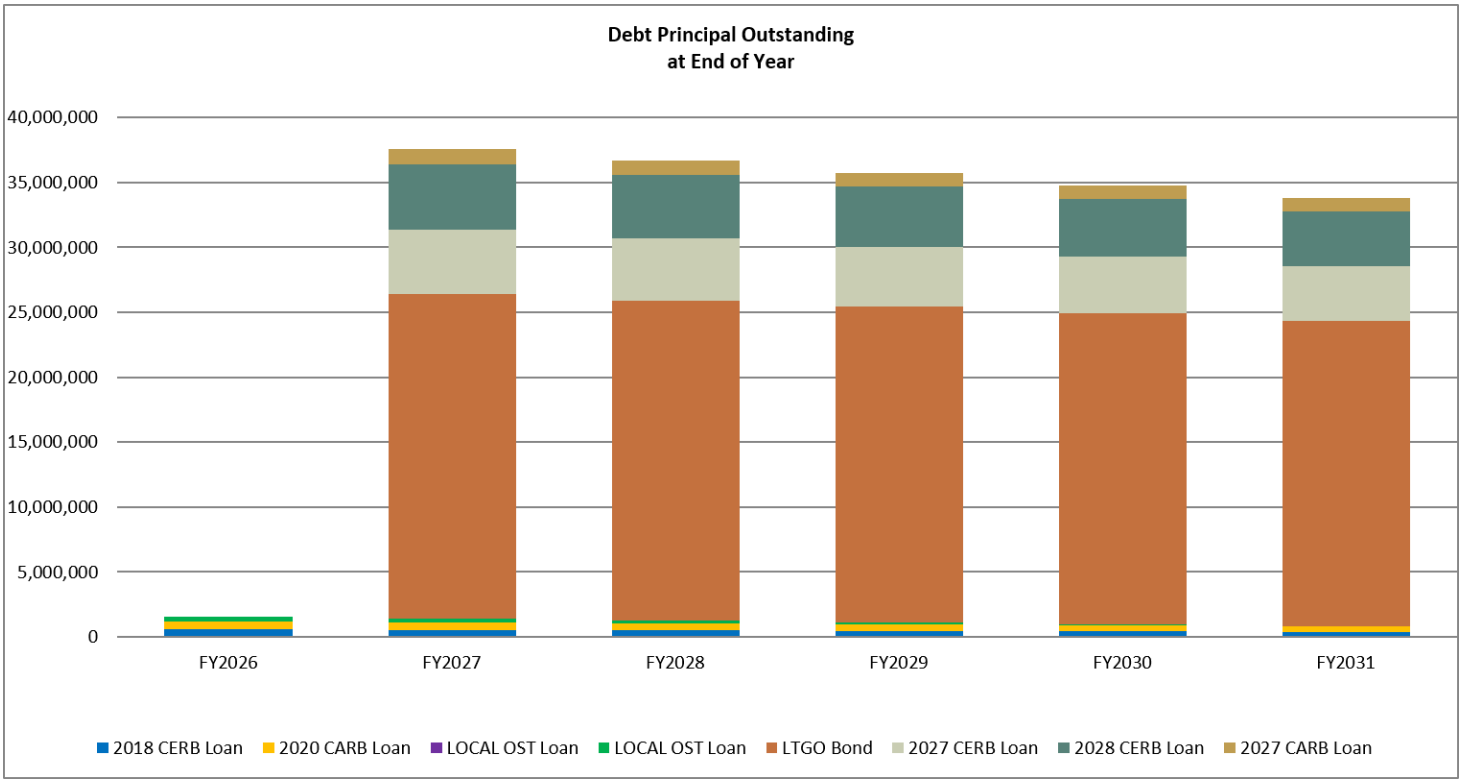
Debt Capacity



	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	37,593,939
NonVoted Debt Availability	35,369,646	38,484,295	39,905,212	41,600,907	5,548,412
Debt as of % of AV	0.01%	0.01%	0.01%	0.01%	0.22%
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
LTGO Bond	Composite Manufacturing		25,000,271	24,665,271	24,310,271	23,935,271	23,540,271
2027 CERB Loan	Composite Manufacturing		5,000,000	4,813,921	4,622,261	4,424,850	4,221,517
2028 CERB Loan	Composite Manufacturing		5,000,000	4,813,921	4,622,261	4,424,850	4,221,517
2027 CARB Loan	Composite Manufacturing		1,200,000	1,150,612	1,100,236	1,048,853	996,442
	Total Principal Outstanding	**1,528,580**	**37,593,939**	**36,697,756**	**35,764,494**	**34,793,592**	**33,784,467**
	Decrease/(Increase) in Principal	130,236	(36,065,359)	896,183	933,262	970,902	1,009,124

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
LTGO Bond	Composite Manufacturing	Dec 1, 2056
2027 CERB Loan	Composite Manufacturing	Jan 1, 2046
2028 CERB Loan	Composite Manufacturing	Jan 1, 2047
2027 CARB Loan	Composite Manufacturing	Jan 1, 2047

DEBT PRINCIPAL PAYMENTS

Bond/Loan Name	Project Name	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032+	Fiscal Years (FY) 2026 thru 2058 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
LTGO Bond	Composite Manufacturing		-	335,000	355,000	375,000	395,000	25,835,000	27,295,000	Dec 1, 2056
2027 CERB Loan	Composite Manufacturing		-	186,079	191,661	197,411	203,333	4,221,517	5,000,000	Jan 1, 2046
2028 CERB Loan	Composite Manufacturing		-	186,079	191,661	197,411	203,333	4,221,517	5,000,000	Jan 1, 2047
2027 CARB Loan	Composite Manufacturing		-	49,388	50,376	51,383	52,411	996,442	1,200,000	Jan 1, 2047
TOTAL	**Debt Principal Outstanding**	**130,236**	**134,912**	**896,183**	**933,262**	**970,902**	**1,009,124**	**36,079,025**	**40,153,645**	

DEBT INTEREST PAYMENTS

Bond/Loan Name	Project Name	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032+	Fiscal Years (FY) 2026 thru 2058 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%
LTGO Bond	Composite Manufacturing		-	1,885,304	1,865,750	1,844,411	1,821,458	29,624,640	37,041,564	6.97%
2027 CERB Loan	Composite Manufacturing		-	150,000	144,418	138,668	132,746	1,155,740	1,721,571	3.00%
2028 CERB Loan	Composite Manufacturing		-	150,000	144,418	138,668	132,746	1,155,740	1,721,571	3.00%
2027 CARB Loan	Composite Manufacturing		-	24,000	23,012	22,005	20,977	177,767	267,761	2.00%
TOTAL	**Interest**	**45,944**	**41,474**	**2,246,118**	**2,209,557**	**2,170,652**	**2,129,553**	**32,200,185**	**41,043,484**	

[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 2058 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
LTGO Bond	Composite Manufacturing	-	-	2,220,304	2,220,750	2,219,411	2,216,458	55,459,640	64,336,564
2027 CERB Loan	Composite Manufacturing	-	-	336,079	336,079	336,079	336,079	5,377,257	6,721,571
2028 CERB Loan	Composite Manufacturing	-	-	336,079	336,079	336,079	336,079	5,377,257	6,721,571
2027 CARB Loan	Composite Manufacturing	-	-	73,388	73,388	73,388	73,388	1,174,209	1,467,761
TOTAL	**Debt Payments (Prin + Int)**	**176,180**	**176,386**	**3,142,302**	**3,142,819**	**3,141,554**	**3,138,678**	**68,279,210**	**81,197,129**

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	$ 7,080	Waived moorage on a single 50' slip	$ 7,080	
Jamestown Klallam Tribe	$ 4,651	Waived: 30' slip for patrol activities ('83 Agreement)	$ 4,651	
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:	**$ 205,031**		**$ 94,231**	**$ 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