

Port of Port Townsend
 Consolidated Budget of Statement of Revenue & Expense
 2017 Budget with Comparison to Prior Years

1st DRAFT 9/27/16

Revenues	2014 Actual	2015 Actual	2016 Budget	2017 Budget
PTBH - Permanent Moorage	915,821	952,981	1,032,000	1,052,640
PTBH - Ship Moorage	22,516	3,465	-	-
PTBH - Liveaboard Fee	15,645	16,020	18,000	18,360
PTBH - Work Float/Lift Pier Usage	2,604	2,399	18,000	11,000
PTBH - Monthly Guest	136,405	165,602	159,500	168,690
PTBH - Nightly Guest	171,594	194,049	231,600	247,962
PTBH - Electric	74,802	86,630	80,000	86,000
PTBH - Parking	-	-	-	10,500
PTBH - Miscellaneous Revenue	8,612	10,527	10,000	10,000
PTBH - Showers	21,175	21,105	20,000	20,000
PTBH - Laundry	6,268	4,447	6,000	6,000
Total Moorage Revenue	1,375,441	1,457,226	1,575,100	1,631,152
Yard - Liveaboard Fee	1,715	140	500	510
Yard - Miscellaneous Revenue	19,385	7,575	15,000	15,300
Yard - 70/75 Ton Hoist Revenue	226,435	272,748	270,639	276,052
Yard - 300 Ton Hoist Revenue	100,237	129,292	186,735	190,470
Yard - Washdown Revenue	61,139	69,845	75,000	76,500
Yard - Bilge Water Revenue	2,292	7,016	12,000	12,240
Yard - Work Yard Revenue	498,910	531,201	600,000	600,000
Yard - Ship Yard Revenue	370,282	342,936	360,080	367,282
Yard - L/T Storage	61,254	62,279	70,322	71,728
Yard - Electric	30,076	18,471	25,000	25,500
Yard - Blocking Rent	12,795	13,771	16,000	16,320
Yard - Tarp Pool Fee	35,887	320	-	-
Marine Trades 3% Revenue	94,064	115,922	81,800	83,436
Total Work Yard Revenue	1,514,470	1,571,515	1,713,076	1,735,338
Pt Hudson - Building Lease Revenue	371,863	374,695	400,000	404,000
Pt Hudson - Property Utility Reimb	-	-	-	19,020
Pt Hudson - Landfall parking	-	-	-	10,500
Pt Hudson - Permanent Moorage	102,679	118,636	124,277	126,763
Pt Hudson - Electric	18,122	29,506	22,000	22,440
Pt Hudson - Liveaboard Fee	3,665	4,060	4,300	4,386
Pt Hudson - Monthly Guest	65,108	87,589	70,000	72,828
Pt Hudson - Nightly Guest	200,743	230,157	235,350	240,057
City Pier & Union Wharf Usage	7,063	6,778	10,000	10,200
Pt Hudson - Monthly R.V.	23,900	28,838	27,100	30,600
Pt Hudson - Nightly R.V.	248,948	300,069	290,126	310,725
Pt Hudson - Kayak Racks	6,319	9,021	6,000	6,000
Pt Hudson - Reservation Fee	31,227	33,348	26,000	26,520
Pt Hudson - Showers	7,628	8,467	8,000	8,000
Pt Hudson - Laundry	8,748	8,318	7,500	7,500
Pt Hudson - Passenger Fee	4,784	3,815	4,000	4,590
Pt Hudson - Electric	18,122	29,506	22,000	22,440
Pt Hudson - Miscellaneous Rev	2,683	3,345	2,500	2,550
Pt Hudson - Event Facility Rev	2,826	5,277	5,000	5,100
Total Point Hudson Marina & RV Park	1,124,427	1,281,425	1,264,153	1,334,218

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Environmental - Clean Up Revenue	9,868	-	-	-
Environmental - Point Hudson	6,080	-	-	-
Environmental - Moorage	38,203	-	-	-
Environmental - Quilcene	2,220	-	-	-
Environmental - Work Yard	73,590	-	-	-
Environmental - Ship Yard	19,389	-	-	-
Environmental - Stormwater Fee	8,342	-	-	-
Total Environmental Revenue	157,692	-	-	-
PTBH Prop - Lease Revenue	470,637	486,146	509,600	514,696
PTBH Prop - Parking	-	-	-	10,500
PTBH Prop - Storage Unit Revenue	5,850	5,096	5,000	5,000
PTBH Prop - Fuel Dock Lease	20,356	20,889	20,400	20,400
PTBH Prop - Electric	13,777	14,311	14,000	14,806
PTBH Prop - Stormwater Fees	-	7,485	8,200	8,200
PTBH Prop - Miscellaneous	24	3	-	-
Total PTBH Property Revenue	510,644	533,928	557,200	573,602
Quilcene - Permanent Moorage	34,276	29,616	33,150	33,150
Quilcene - Nightly Moorage	2,632	4,314	2,600	2,600
Quilcene - Nightly R.V.	1,304	1,243	1,200	1,200
Quilcene - Electric	1,799	1,043	2,000	2,000
Quilcene - Showers	2,300	2,310	2,500	2,500
Quilcene - Fuel Sales	26,683	20,456	28,000	24,000
Quilcene - Lease Revenue	56,445	56,894	59,160	59,752
Quilcene - Recreational Ramp Fees	-	-	-	3,040
Quilcene - Commercial Ramp Fees	-	-	-	-
Quilcene - Commercial Wharfage fees	-	-	-	-
Quilcene - Rental Property Revenue	6,000	6,000	6,000	6,000
Quilcene - Water	6,968	6,749	7,000	7,000
Quilcene - Miscellaneous Revenue	-	-	200	200
Total Quilcene Revenue	138,406	128,625	141,810	141,442
Ramp Fees	31,438	34,400	53,899	51,097
PTBH - Commercial Wharfage fees	-	-	-	4,000
PTBH - Washdown fees	-	-	-	500
Dinghy Float Revenue	870	840	1,350	1,350
Total Ramp Revenue	32,308	35,240	55,249	56,947
JCIA - Lease Revenue	102,733	103,917	105,264	106,317
JCIA - Hangar Revenue	23,562	22,314	22,404	22,404
JCIA - Vehicle Parking Revenue	705	720	750	750
JCIA - Aircraft Parking	891	582	1,000	1,000
JCIA - Fuel Lease Revenue	3,008	3,194	3,500	3,500
JCIA - Electric	-	-	-	-
JCIA - Miscellaneous Revenue	-	-	100	100
Total JCIA Revenue	130,899	130,727	133,018	134,071
Total Operating Revenue	4,984,287	5,138,685	5,439,606	5,606,769

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Operating Expenses				
Salaries & Wages	1,649,998	1,691,079	1,877,504	1,969,153
Payroll Taxes	177,891	177,053	221,100	228,192
Employee Benefits	537,404	594,030	670,101	739,740
Uniform Expense	8,478	9,072	9,908	9,185
Contract Services	249,713	303,668	201,310	201,310
Consulting Services	-	-	-	-
Legal & Auditing	145,169	45,694	81,600	97,000
Operating Supplies	184,289	172,326	154,854	154,854
Cost of Fuel Sold - Quilcene	24,055	18,060	20,000	12,000
Moorage Credit System - PTBH	44,223	53,581	40,000	54,000
Travel & Training	27,025	33,466	25,100	30,000
Insurance	184,124	190,346	189,175	199,500
Claims & Damages	66,000	-	7,000	7,000
Advertising	38,991	28,524	48,050	48,050
Promotion	4,476	6,627	5,000	6,400
Membership & Dues	13,463	12,935	14,670	13,070
Community Relations	6,959	1,374	4,000	4,000
Bank Charges	61,296	55,898	53,320	67,340
Utilities	532,241	473,673	530,347	554,180
Excise Tax	20,844	21,163	23,125	23,125
Bad Debt	44,815	14,477	19,200	19,200
Miscellaneous Expense	222	325	4,200	4,200
Repair & Maintenance Supplies	226,734	172,509	245,520	245,520
Economic Development	25,000	25,000	25,000	25,000
Operating Expenses w/o Depreciation	4,273,408	4,100,881	4,470,084	4,712,019
Income from Operations w/o Depreciation	710,879	1,037,804	969,522	894,750
Depreciation Expense	1,487,232	1,527,500	1,548,147	1,519,032
Income (Loss)from Operations with Depreciation	(776,353)	(489,696)	(578,625)	(624,282)

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Non-Operating Revenue				
Grants - FAA	209,681	18,364	-	112,500
Other Capital Grants	65,539	207,991	223,740	585,750
ARRA Bond Interest Subsidy				32,000
Investment Interest	11,357	3,327	4,200	6,000
Operating Tax Levy	900,279	922,286	948,000	965,000
State Forest Revenues	37,644	51,141	25,000	18,000
State Timber Excise Tax	47,048	52,469	39,000	30,000
Insurance Recovery	58,930	10,847	-	-
Leasehold Excise Tax	5,035	7,253	7,000	7,000
Finance Charges	18,393	17,287	14,000	16,200
Other Non-Operating Revenues	1,937	9,912	-	-
Total Non-Operating Revenue	1,355,844	1,300,878	1,260,940	1,772,450
Non-Operating Expenses				
Interest Expense - Local Fund	591	-	-	-
Interest Expense - CERB Loan	9,625	5,959	5,500	2,750
Interest Expense - 2005 Rev Ref Bond	76,703	61,875	-	-
Interest Expense - 2005 LTGO Bond	179,246	2,299	-	-
Interest Expense - 2006 LTGO Refund Bond	31,989	21,689	17,532	9,000
Interest Expense - 2010 LTGO Bond	194,389	225,672	226,836	217,638
Interest Expense - 2015 LTGO Refund Bond	-	63,260	130,651	117,678
Interest Expense - 2013 Revenue Bond	17,754	17,754	17,754	22,273
Bond Management Fees	1,553	5,259	1,200	2,760
Bond Issue Costs	-	67,338	-	152,000
Investment Fees	102	106	1,000	180
Election Expense	-	6,398	-	17,340
Total Non-Operating Expenses	511,952	477,608	400,473	541,619
Net Non-Operating Income(Expense)	843,892	823,270	860,467	1,230,832
Net Income(Loss)	67,539	333,574	281,842	606,550

2017 Draft Operating Budget Assumptions

As has been discussed at the prior Commissioners' meetings and workshops, we implemented the following changes for the 2017 Port Operating budget:

1. No rate increases have been determined yet, however, we assumed at a minimum there would be an across the board revenue increase by the current CPI, which is approximately 2% (*the first half of 2016 is at 2.2% according to the Bureau of Labor Statistics as of August*).
2. The CPI mentioned in item 1 did not include leases since those receive CPI increases based on the anniversary date of the lease. As such, we've added a 1% CPI increase to the lease revenue line items in an attempt to capture some of what will be increased in 2017.
3. We identified approximately \$18,000 in leasees' water and electric utility revenues that could be captured by the Port were lease compliance enforced. This was at Point Hudson, Boat Haven, and JCIA.
4. All employee pay was increased from their current pay by a 2% CPI as of January 1, 2017, in accordance with union contract and Port policy. In addition, we increased employee pay in accordance with the salary survey conducted in 2015. For the 2016 budget, it was agreed the Port would split those increases in 1/3 and apply those increases annually as budget allowed.
5. The Port portion of PERS contributions typically increases every two years therefore last year's increase to 11.18% is still in effect through June 30, 2017. The prior three increases have averaged 0.0195%. We anticipate a potential such increase effective July 1, 2017 and included that in the budget starting July 1, 2017. This increased Employee Benefit costs by approximately \$19,000.
6. Port insurance coverage is from September 1 – August 31 annually. Actual insurance premiums for Port property, general liability, marina, etc. coverage increased by 1% when comparing 2015-2016 to 2016-2017 coverage periods, however, the 2016 budget didn't accurately estimate the amounts. We have budgeted the 2017 premiums reflecting the 2016-2017 period with an additional 1% for the potential increase September 1, 2017.
7. The Port has two Commissioners that will be up for election in November, 2017. As such we have added the election costs the Port will be responsible to pay to the Jefferson County Auditor. The County Auditor has notified all junior taxing districts of a

change in election cost sharing to be implemented effective January 1, 2017. Ms. Berg will be attending a meeting on this topic on October 10, 2017 at which time more detail will be provided to the Port on the 2017 estimated election costs. For this draft we have used an estimate are based on prior history plus 2%, for a total of \$17,340.

8. We anticipate getting staff more training which may also necessitate more travel. As such, we've increased this line item to \$30,000.
9. We are working on the following projections for 2017: Contract Services, Operating Supplies, and Advertising. We've made some adjustments to Utilities, but this also needs additional work.

Projected Cashflow for 2017

	2017 Budgeted Cashflow
Estimated Ending Cash, 2016 (per budget)	3,091,412
Operating Revenues	5,606,769
Operating Expenses (w/o depreciation)	(4,707,119)
Non-Operating (net)	1,230,832
Debt service - principle	(1,074,493)
Capital expenses (paid from Grants)	(698,250)
Capital expenses (paid from Operating)	(317,250)
Capital expenses (paid from Reserves)	(159,600)
Increase/(Decrease in cash)	<u>(119,111)</u>
Estimated Ending Cash, 2017	2,972,301

Assumptions:

1. The beginning cash number is based on the 2016 budget. For the next Commission meeting, a more accurate estimated amount will be calculated based on YTD activity.
2. Operating Revenues and Expenses are both increased each year by 2%.
3. Non-Operating (net) is based on 2017 projections, with adjustments made in accordance with projections made for the Capital Expenses in the 2016 Capital Budget.
4. Capital Expenses are based on the Capital Budget for 2017.