



PO Box 1180 • Port Townsend, WA 98368

Administration: (360) 385-0656

Operations: (360) 385-2355

Fax: (360) 385-3988

To: Board of Commissioners  
From: Sam Gibboney, Executive Director  
Date: October 26, 2016  
RE: 2017 Budget

1. Attached for your review and public hearing are documents pertaining to the 2017 Budget including:
  - a. Draft 2017 Operating Budget
  - b. Draft 2017 Capital Budget
  - c. Projected Cash Flow 2017 – 2020
2. This presentation of the Draft Budget differs from years past. This presents the budget in a summary format with revenues and expenses summarized across the organization. This type of summary presentation is in keeping with other ports of similar size.
3. This budget is responsive to the Commission directive to produce recommended capital and operating budgets that result in no decrease in the overall cash position of the Port. The capital budget does propose use of Boat Haven reserved cash for eligible projects.
4. We plan to meet these budget goals through a variety of measures including:
  - a. Application of inflationary price indexing for various rates.
  - b. Recovery of revenue through more robust lease management and enforcement.
  - c. Modification of pricing structures to increase margins and competitiveness.
  - d. Active marketing of assets and services.
  - e. Application of LEAN and other methodologies to increase operational efficiencies and delivery of value to our tenants, customers, rate and tax payers.
5. It is important to note that adoption of an operating and capital budget is but one step in the complex financial management and oversight of the organization and its performance. Staff will continue to use the more detailed, monthly year-to-date reports and will regularly provide these to the Commission and public.
6. We will also be developing reports for other performance metrics and will introduce them throughout the coming year.
7. I believe that this level of budget presentation coupled with financial reporting will allow us to better monitor the three touchstones of financial stability: liquidity, profitability and sustainability.
8. I look forward to the public input and your deliberation and direction.