

# PORT OF PORT TOWNSEND

## INFORMATIONAL MEMO

**DATE:** 5/3/2023  
**TO:** Commission, Executive Staff  
**FROM:** Abigail Berg, Director of Finance & Administration  
**SUBJECT:** March 2023 Financial Report

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Attached is the YTD 2023 financial report of Port activities. This is a consolidated report that shows the variance between the current period as compared to the prior year and the variance to budget YTD. The following is additional information not included in the attached financial report, but key in fully understanding the Port's financial status:

<u>2023 YTD Project Expenses</u>	Budget	Year-to-date
PH Replacement of North & South Jetties	\$ 6,000,000	\$ 1,897,846
PH – Pavilion Building	0	756
JCIA – Runway Rehabilitation <sup>(a)</sup>	0	15,166
JCIA – 2 <sup>nd</sup> Connector Taxiway (A2) - design	90,000	36,152
JCIA – 2 <sup>nd</sup> Connector Taxiway (A2) - construction	556,000	0
BH Main Breakwater Repairs	400,000	2,667
FEMA – PH Emergency Repairs	0	86,760
FEMA – BH Marina Pavement Repair	0	2,109
Reconstruct Old Coast Guard Building	150,000	60,494
NORTH Yard Expansion (Sims Way)	200,000	510
WEST Yard Expansion (by Shipyard)	80,000	6,597
BH Stormwater Treatment	450,000	15,603
Gardiner Launch Ramp w/Seasonal Float	110,000	10,800
Herb Beck Dredge	20,000	3,487
Clean Vessel Build – WA State Parks & Recreation	0	0
<u>BH Enviro/Bathrm Roofs &amp; Painting</u>	<u>0</u>	<u>7,156</u>
<b>Total Capital Expenses YTD</b>	<b><u>\$ 8,146,000</u></b>	<b><u>\$ 2,146,103</u></b>

Non-Capital use of funds

DNR – Vessel Destruction	<u>\$ 19,419</u>
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2023 Capital Purchases or Contracted Capital Services

Equipment/Vehicle replacement (total \$175,000)		
(2) ½ Ton pick-up trucks	\$ 70,000	\$ 88,284
1 Ton pick-up truck	65,000	52,652
Dump trailer	25,000	0
Gator (PH)	15,000	0
<b>Total Capital Purchases or Contracted Capital Services YTD</b>	<b><u>\$ 175,000</u></b>	<b><u>\$ 140,936</u></b>

Notes to Capital Expenditures

(a) We've completed 2 of the 3 grant close-outs with the FAA for this project. This expenditure is the final payment to Reid Middleton for that work which should be completed in May.

Ending Cash Balances as of March 31	2023	2022
Reserved Cash & Investments – Other*	\$ 3,259,864	\$ 2,727,022
Reserved Cash & Investments – IDD	4,918,291	2,413,121
Unreserved Cash & Investments	<u>1,364,115</u>	<u>1,410,605</u>
Total Cash & Investments	<u>\$ 9,542,270</u>	<u>\$ 6,550,748</u>

<i>*Other Reserves detail:</i>	<i>Current balance</i>	<i>Target balance</i>
<i>Unemployment Reserve</i>	<i>\$ 10,000</i>	<i>na</i>
<i>Operating Reserve (a)</i>	<i>1,181,716</i>	<i>\$ 1,623,095</i>
<i>Boat Haven Renovation Reserve (b)</i>	<i>441,517</i>	<i>na</i>
<i>Emergency Reserve</i>	<i>500,000</i>	<i>\$500,000</i>
<i>Port-Wide Capital Reserve (c)</i>	<i><u>1,126,631</u></i>	<i>na</i>
<i>Total Other Reserves</i>	<i><u>\$ 3,259,864</u></i>	

(a) The target for the Operating Reserve is 25%, or three (3) months, of operating expenses, per current budget. See resolution 692-19 for more detail.

(b) The plan for this reserve is to use it on Boat Haven Moorage projects until it is extinguished. It was replaced by the Port-Wide Capital Reserve in resolution 693-19.

(c) Resolution 693-19 did not set a target for this reserve.

#### Debt Service for the Year

2010 LTGO Bond – (83% paid A/B Dock Reconstruction, 17% paid 75 Ton Lift Pier)

June 1 – interest only	\$ 73,544
December 1 – principal and interest	408,544

2015 LTGO Refunding Bond- (paid for Point Hudson Marina Reconstruction – 2005 LTGO Bonds refunded in 2015)

July 1 – principal and interest	523,250
December 31 – interest only	<u>15,750</u>

Total Debt Service for the year \$ 1,021,088

#### Remaining Debt for years 2024-2029

2010 LTGO Bond – principal and interest	\$ 2,847,463	payoff December 2029
2015 LTGO Bond – principal and interest	<u>1,081,800</u>	payoff July 2025
Total	<u>\$ 3,929,363*</u>	

\*Port staff hopes to extinguish all debt obligations two years early in 2027.

#### 2021 LTGO Line of Credit

date	draw no.	Beginning Balance	Principal paid	Interest paid	Ending Balance
Nov-22	1st draw	\$ 2,633,967	\$ 290,802	\$ 12,588	\$ 2,330,577
Dec-22	2nd draw	\$ 1,189,677	\$ 132,932	\$ 3,893	\$ 1,052,852
	<b>totals</b>	<b>\$ 3,823,644</b>	<b>\$ 423,734</b>	<b>\$ 16,481</b>	<b>\$ 3,383,429</b>

There have been no additional draws since December. Dept. of Commerce grant reimbursements were used to pay the January Orion Construction bill in the amount of \$1,346,260.82, and the February bill for \$332,332.03.

The 2021 LTGO LOC's required debt redemptions are due in March, and September each year until the end of the bond term, March 1, 2027. This debt instrument serves as a bridge between project expenditure payments, grant reimbursements, and reconciliations with the IDD Levy Reserve. The Port plans to re-pay this debt prior to the term date in March 2027. There are no penalties for pre-payment. The interest rate on the LOC is 1.55% through March 1, 2025, and goes to 1.65% thereafter through the end of bond term.

**DISCUSSION**

As requested by Commission.

**FISCAL IMPACT**

NA

**RECOMMENDATIONS**

For discussion only.