

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

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

Attached is the January 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 year-to-date. 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	\$ 1,352,988
JCIA Connector Taxiway A2	646,000	0
BH Main Breakwater Repairs	400,000	0
FEMA – PH Emergency Repairs	0	13,514
Reconstruct Old Coast Guard Building	150,000	1,940
NORTH Yard Expansion (Sims Way)	200,000	102
WEST Yard Expansion (by Shipyard)	80,000	0
BH Stormwater Treatment	450,000	0
Gardiner Launch Ramp w/Seasonal Float	110,000	102
JCIA – 2 nd Connector Taxiway Design	90,000	0
Herb Beck Dredge	20,000	408
Clean Vessel Build – WA State Parks & Recreation	0	0
Total Capital Expenses YTD	<u><u>\$ 8,146,000</u></u>	<u><u>\$ 1,369,054</u></u>

Non-Capital use of funds

DNR – Vessel Destruction	<u><u>\$ 6,365</u></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	\$ 0
1 Ton pick-up truck	65,000	0
Dump trailer	25,000	0
Gator (PH)	15,000	0
Total Capital Purchases or Contracted Capital Services YTD	<u><u>\$ 175,000</u></u>	<u><u>\$ 0</u></u>

<u>Ending Cash Balances as of January 31</u>	2023	2022
Reserved Cash & Investments – Other*	\$ 3,259,864	\$ 2,572,964
Reserved Cash & Investments – IDD	4,471,932	2,050,918
Unreserved Cash & Investments	2,052,082	1,436,884
Total Cash & Investments	<u><u>\$ 9,783,878</u></u>	<u><u>\$ 6,060,766</u></u>

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

- (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 is it 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 (LOC)

November 2022	1 st draw to pay Orion Construction	\$2,633,967
December 2022	2 nd draw to pay Orion Construction	<u>1,189,677</u>
	Total 2022 Draws	\$3,823,644

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

The 2021 LTGO'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. As of 12/31/2022, a debt service amortization schedule was prepared by the County Treasurer, though the Port plans to re-pay prior to the schedule outlined in the bond issuance. 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.