PORT OF PORT TOWNSEND

2015

Operating & Capital Budget

November 17, 2014

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Who We Are

The Port of Port Townsend is a municipal corporation of the State of Washington created in 1924 under provision of the Revised Code of Washington (R.C.W. Title 53 et seq.). The Port is authorized by statute of the State of Washington to provide for the development and maintenance of harbors and terminals, promote tourism and foster economic activity in its district. The Port is independent from other local or state governments and shares the same geographic boundaries as Jefferson County.

A three-member Board of Commissioners elected for four-year terms by Port District voters governs the Port. The Commission delegates administrative authority to an Executive Director and staff to conduct operations of the Port. The County levies and collects taxes on behalf of the Port as determined by the Board of Commissioners and acts as treasurer for the Port as defined under the Revised Code of Washington 53.36.010.

Our Mission

The Mission of the Port of Port Townsend is to serve the citizens of Jefferson County by responsibly maintaining and developing property and facilities to promote sustainable economic growth, to provide community access to Port facilities and services, and to protect and maintain our community resources and maritime heritage.

What We Do

The Port is authorized by Washington law (R.C.W. Title 53.08) to provide and charge rentals, tariffs and other fees for docks, wharves and similar harbor facilities, including associated storage and traffic handling facilities for waterborne commerce. The Port may also provide freight and passenger terminals and transfer and storage facilities for other modes of transportation, including air, rail and motor vehicles. The Port may acquire and improve lands for sale or lease for industrial or commercial purposes, and may create industrial development districts.

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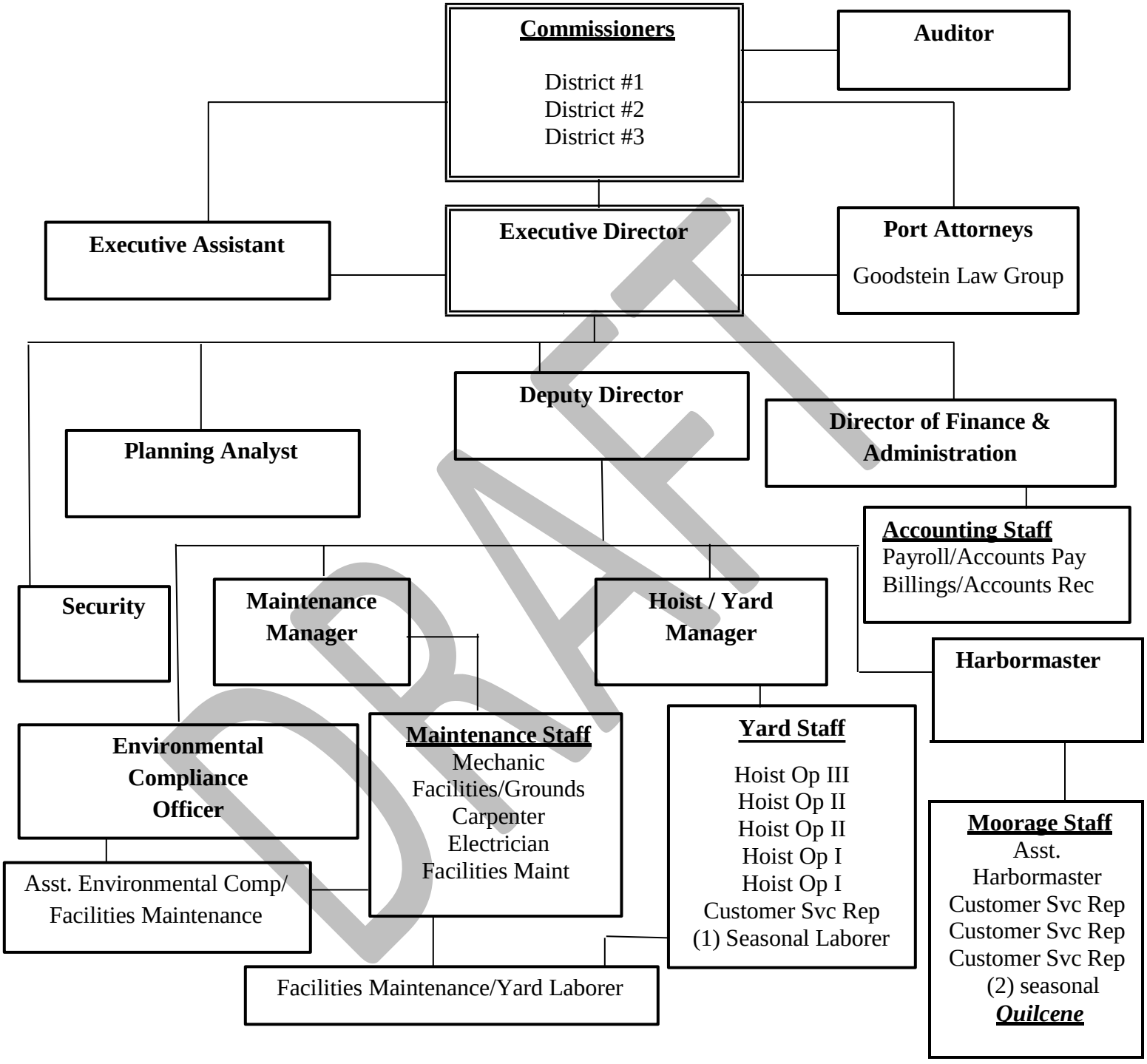

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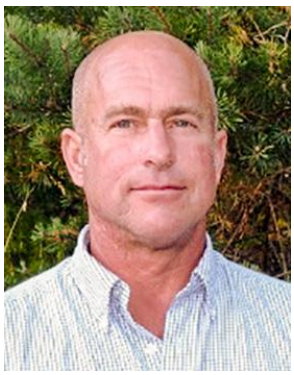
Stephen R. Tucker, President District 1 Term Expires: December 31, 2015

Commissioner Tucker was elected Port Commissioner in 2011. Mr. Tucker is a retired business owner and an avid boater and fisherman. Over the years, through the Coast Guard Auxiliary and the Power Squadron, Steve has taught many courses in boating safety, maintenance, navigation and electronics.

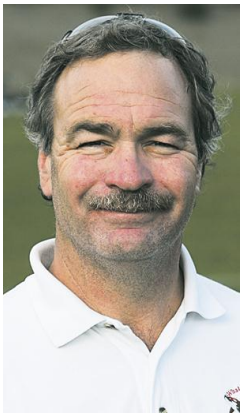
Brad A. Clinefelter, Vice-President District 2 Term Expires: December 31, 2017

Commissioner Clinefelter was elected Port Commissioner in 2013. Mr. Clinefelter owns and operates Mystery Bay Charters and Services, providing marine consulting and support services. He holds a U.S. Coast Guard 100-Ton Inland Masters License and is a 2009 graduate of the Northwest School of Wooden Boat Building.



Peter W. Hanke, Secretary District 3 Term Expires: December 31, 2017

Commissioner Hanke was elected Port Commissioner in 2013. Mr. Hanke owns and operates; Puget Sound Express, a family-owned passenger ferry and whale watch operation located at the Point Hudson Marina. Besides being a boat captain and a business owner, Pete is also a pilot who has enjoyed flying out of Jefferson County International Airport since 1998.



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Revenue Accounts

Moorage: Charges for use of a boat slip by either recreational boats or commercial vessels.

Electric: Charges for KWh usage

Hoist Revenue: Charges for lifting boats out of water or off-trailer.

Yard Revenue: Charges for storing boats on land.

Marine Trades Contribution: This is a 3% charge to all shipyard repair projects that are not completed by the boat owner. This is capped at $15,000 per project.

Clean Up Revenue: Charges passed on to customers for environmental spill clean-up.

Lease Revenue: Revenue from leasing buildings or land.

Hangar Revenue/Aircraft Parking: Rental of hangar space for inside aircraft storage or outside tie down space.

Commercial Landing Fee: Fees charged for commercial aircraft to land.

Expense Accounts

Salaries & Wages: Salaries associated with the operations of the departments, including maintenance, commission, executive and accounting staff.

Taxes & Benefits: Employer share of taxes and benefits associated with Port employees.

Contract Services: Payments for service contracts, including janitorial services, water testing, environmental, information technology and phone consultants.

Legal & Auditing: Payments for legal services and the state audit.

Operating Supplies: Cost of supplies and small tools that are essential in performing day to day operations.

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Moorage Credit System: The percentage of revenue associated with the rental of a slip when tenants notify us they will be gone for a week or longer.

Promotion: The value of items given away including, disabled veteran boat launch passes.

Community Relations: The cost associated with community outreach.

Bad Debt: The accounts written off as uncollectable.

Repair & Maintenance: The operating costs associated with maintaining our facilities, not including capital maintenance.

Economic Development: The costs associated with supporting the local Economic Development Council.

Revenue Bond: Debt that is secured by the Port's revenues.

Limited Tax General Obligation (LTGO) Debt: Debt that is secured by property tax receipts.

Administrative & General: The costs associated with the Commission, Executive and Accounting that are passed on to the departments. The allocation is based on the percentage of the departments operating revenues compared to the total operating revenues. These amounts are shown in the consolidated financials within the individual line item expenses. On the Departmental financials they are shown as a lump sum below operating income with depreciation expense.

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Operating Revenues (excluding operating grants)

The 2015 budget reflects total operating revenues of $5,171,600, an increase of 6% from the 2014 budget. Overall, the Port's revenues are spread throughout the operating units with Boat Haven providing 29%, Yard 31.7%, Environment .2%, PTBH Properties 10.9%, Point Hudson 22.2%, Quilcene 2.7%, Ramps .7%, and Airport 2.6%.

Operating Expenses

Port wide operating expenses are budgeted to be $4,376,813 in 2015, a 13% increase from the 2014 budget. While some departments are seeing increases and some are seeing decreases the largest increases are coming from Boat Haven, the Yard, Ramps, Point Hudson and Maintenance. Most of this is attributed to the new staff positions in those departments. General and Administrative expenses total $1,126,884 or 26% of total operating expenses, and are allocated to each operating unit based on a percentage of that units operating revenues.

Operating Income

The 2015 budget reflects a net operating income of $792,637 before depreciation, a decrease when compared to the 2014 budgeted net income. The majority of this decrease in operating income over prior year is based on rising expenses.

Non-Operating Revenues & Expenses

The 2015 budget reflects a $930,900 tax levy, which is an increase of 2.38%. This is taking the banked capacity from the prior year years. Interest income is budgeted conservatively at $15,000 for 2015. Grant revenue is budgeted at $25,000 from the FAA and $339,000 in anticipation of the boat ramp expansion. Non-operating expenses consist of interest expense on the debt service of $473,526 as well as election expense of $16,000.

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Budget Summary Income Statement 2015

	Operating Revenues	Operating Expenses	Depreciation	Net Operating Income/(Loss)
OPERATING REVENUES				
Boat Haven	1,502,200	722,826	255,000	524,374
Yard	1,639,300	1,066,616	305,000	267,684
Environmental	10,000	179,200	32,000	(201,200)
PTBH Property	563,000	157,947	125,000	280,053
Quilcene	141,500	100,046	75,000	(33,546)
Ramps	36,350	37,807	25,000	(26,457)
Point Hudson	1,145,800	701,670	385,000	59,130
Airport	133,450	131,151	250,000	(247,701)
TOTAL OPERATING REVENUES	5,171,600	3,097,262	1,452,000	622,338
ADDITIONAL OPERATING EXPENSES				
Maintenance Shop				228,166
Administrative & General				1,126,884
NET OPERATING LOSS				(732,712)
Non-Operating Revenues				1,396,400
Non-Operating Expenses				(491,726)
NET INCOME				171,962

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Budget Explanations

PTBH:

Regular Moorage has been increased while Monthly Guest is decreasing as we plan to assign more regular slips instead of using them as guest monthly. In addition we are adjusting the base fee in an effort to remove extra fees for items such as environmental and electrical base fee. We have proposed a 2% rate increase to the regular moorage which will bring in an additional $21,000.

Yard:

We are anticipating a 7% rate increase in work yard revenues. We are also moving the additional fees such as tarp pool fee and environmental fee into the yard or haul-out rates. The base electric charge for the shipyard is being incorporated in the yard fees. In addition discounts will not be given after 31 days of being in the yard.

Environmental:

The environmental fees are being incorporated into the base charges of the various departments. The only revenue source for the environmental department will be the charges associated with spill response clean-up.

PTBH Property:

While the budgeted lease revenue has decreased it is a more accurate reflection of the anticipated revenue taking into account the CPI increases.

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	2011 Actual	2012 Actual	2013 Actual	2014 Annual Budget	2015 Annual Budget	
Revenues						
PTBH - Regular Moorage	816,797	914,245	910,829	993,000	1,080,000	*
PTBH - Ship Moorage	27,815	31,840	23,835	30,000	30,000	
PTBH - Liveaboard Fee	18,575	19,110	18,335	20,000	18,000	
Work Float/Lift Pier Usage	2,021	2,678	2,505	3,000	3,000	
PTBH - Monthly Guest	80,212	98,298	123,946	95,000	95,000	
PTBH - Nightly Guest	161,089	151,356	160,214	170,000	190,000	
PTBH - Electric	79,420	83,067	80,949	90,000	50,000	**
PTBH - Miscellaneous Revenue	7,855	6,008	7,879	10,200	10,200	
PTBH - Showers	19,627	19,652	21,088	20,000	20,000	
PTBH - Laundry	6,266	6,117	6,176	6,000	6,000	
Total Moorage Revenue	1,219,678	1,332,371	1,355,756	1,437,200	1,502,200	
Yard - Liveaboard Fee	1,571	2,194	1,593	1,200	1,500	
Yard - Miscellaneous Revenue	7,440	26,903	7,749	11,800	15,000	
Yard - 70/75 Ton Hoist Revenue	219,893	228,557	241,384	240,000	267,000	
Yard - 300 Ton Hoist Revenue	107,971	128,075	123,144	112,000	177,000	
Yard - Washdown Revenue	55,056	55,811	59,088	59,000	60,000	
Yard - Bilge Water Revenue	1,796	1,992	3,025	1,800	2,800	
Yard - Work Yard Revenue	497,737	508,830	529,299	550,000	600,000	
Yard - Ship Yard Revenue	252,290	322,992	361,084	320,000	345,000	
Yard - L/T Storage	64,990	58,811	60,921	65,000	60,000	
Yard - Electric	21,471	18,095	25,049	17,500	25,000	
Yard - Blocking Rent (Off Port Property)	9,413	9,149	9,437	11,000	11,000	
Marine Trades 3% Revenue	52,507	91,100	108,861	55,000	75,000	
Total Work Yard Revenue	1,292,133	1,452,508	1,530,633	1,444,300	1,639,300	
Environmental - Clean Up Revenue	0	0	10,109	0	10,000	
Total Environmental Revenue	0	0	10,109	0	10,000	
PTBH Prop - Lease Revenue	495,991	494,980	476,915	525,000	518,500	
PTBH Prop - Storage Unit Revenue	8,663	8,860	7,075	10,000	10,000	
PTBH Prop - Fuel Dock Lease	20,214	21,305	19,961	20,000	20,000	
PTBH Prop - Electric	14,838	13,802	13,551	14,500	14,500	
PTBH Prop - Miscellaneous	50	0	300	0	0	
Total PTBH Property Revenue	539,756	538,947	517,802	569,500	563,000	

*This includes the base electric fee as well as environmental fee and assumes discounts are discontinued

**This is only Kwh the base electric is included in regular moorage

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Budget Explanations

Quilcene:

The usage continues to decline in Quilcene and the budgeted revenues have been adjusted accordingly.

Ramps:

The ramp revenue has remained fairly constant over the years.

Point Hudson:

CPI adjustments have been accounted for within the lease revenues. We are anticipating moderate increases in the revenue streams associated with the Marina & RV Park.

JCIA:

The lease revenues remain fairly constant with CPI increases being built in. The fuel lease revenue continues to decrease slightly and is not expected to rebound.

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	2011 Actual	2012 Actual	2013 Actual	2014 Annual Budget	2015 Annual Budget	
Quilcene - Regular Moorage	46,666	43,439	37,506	42,500	34,000	*
Quilcene - Nightly Moorage	1,361	1,843	2,662	1,600	2,600	
Quilcene - Nightly R.V.	802	1,072	1,116	1,000	1,200	
Quilcene - Electric	3,520	2,577	2,079	3,000	2,000	
Quilcene - Showers	1,950	2,650	2,580	2,500	2,500	
Quilcene - Fuel Sales	37,938	26,458	34,491	28,000	28,000	
Quilcene - Lease Revenue	44,924	52,033	55,399	58,000	58,000	
Quilcene - Rental Property Revenue	6,000	6,000	6,000	6,000	6,000	
Quilcene - Water	8,461	8,624	6,898	8,500	7,000	
Quilcene - Miscellaneous Revenue	25	0	0	200	200	
Total Quilcene Revenue	151,646	144,697	148,731	151,300	141,500	
Ramps - Ramp/Parking Fee	30,371	33,245	33,504	35,000	35,000	
Dinghy Float Revenue	1,462	1,047	838	1,800	1,350	
Total Ramp Revenue	31,833	34,292	34,342	36,800	36,350	
Pt Hudson - Building Lease Revenue	227,633	238,983	316,458	400,000	400,000	
Pt Hudson - Regular Moorage	103,369	94,702	109,312	112,000	111,500	
Pt Hudson - Liveaboard Fee	2,850	3,380	3,705	4,300	4,300	
Pt Hudson - Monthly Guest	25,962	41,594	56,038	40,000	50,000	
Pt Hudson - Nightly Guest	190,836	201,656	220,103	200,000	210,000	
Wharf Usage	0	0	6,150	5,000	8,000	
Pt Hudson - Monthly R.V.	31,610	29,300	21,654	30,000	35,000	
Pt Hudson - Nightly R.V.	216,104	221,824	240,553	225,000	250,000	
Pt Hudson - Kayak Racks	3,589	3,722	4,936	4,000	5,000	
Pt Hudson - Reservation Fee	24,164	26,873	27,293	23,000	26,000	
Pt Hudson - Showers	6,757	6,331	8,112	8,000	8,000	
Pt Hudson - Laundry	6,047	6,591	7,022	7,000	7,500	
Pt Hudson - Passenger Fee	3,848	0	4,132	4,000	4,000	
Pt Hudson - Electric	20,994	20,351	22,402	22,000	22,000	
Pt Hudson - Miscellaneous Revenue	1,995	3,227	1,680	2,500	2,500	
Pt Hudson - Event Facility Revenue	632	1,007	1,946	1,000	2,000	
Total Pt Hudson Marina & R.V Revenue	866,389	899,541	1,051,496	1,087,800	1,145,800	
JCIA - Miscellaneous Revenue	25	0	0	100	100	
JCIA - Lease Revenue	92,967	96,823	100,950	105,000	105,000	
JCIA - Hangar Revenue	19,468	23,741	22,179	23,000	23,000	
JCIA - Vehicle Parking Revenue	790	930	720	750	750	
JCIA - Aircraft Parking	2,186	1,555	1,229	2,000	1,000	
JCIA - Commercial Landing Fee	0	53	32	100	100	
JCIA - Fuel Lease Revenue	3,805	4,315	3,369	4,000	3,500	
Total JCIA Revenue	119,241	127,417	128,478	134,950	133,450	
Total Operating Revenue	4,220,676	4,529,772	4,777,348	4,861,850	5,171,600	

*We are not recommending a rate increase at Quilcene due to the decreased usage.

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Budget Explanations

Salaries & Benefits:

There has been a 2% increase built in for all staff as well as anticipated merit increases. We have budgeted for 1 extra yard employee and have already hired another moorage and maintenance employee. This includes salaries and benefits for all departments, including maintenance & administration.

Legal:

We anticipate spending less on legal fees as the claims against the Port have been settled.

Moorage Credit System:

We will continue to offer credit to regular tenants when they are gone for a week or longer and we have access to their slip.

Membership and Dues:

We don't anticipate large increases in the membership and dues. The Washington Public Ports continues to be the largest amount accounting for approximately 63% of the total.

Community Relations:

We anticipate a decrease in the community relations expenses as we move from printed community newsletters to online versions.

Repair & Maintenance:

We have decreased the amount budgeted for repair and maintenance as many items are being accounted for within the capital maintenance budget.

Income from Operations:

Income from Operations is derived from taking Operating Income less Operating Expenses.

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	2011 Actual	2012 Actual	2013 Actual	2014 Annual Budget	2015 Annual Budget	
Operating Expenses						
Salaries & Wages	1,393,301	1,449,986	1,545,533	1,586,045	1,787,000	*
Payroll Taxes	161,529	164,257	171,241	192,797	226,399	
Employee Benefits	377,866	411,601	478,003	493,283	586,421	
Uniform Expense	7,839	9,610	6,176	8,000	9,000	
Contract Services	128,279	150,070	208,082	137,000	206,585	
Legal & Auditing	57,731	108,325	122,584	120,000	101,000	
Operating Supplies	128,243	157,523	161,744	140,550	157,350	
Cost of Fuel Sold - Quilcene	33,800	24,162	31,541	24,000	20,000	
Moorage Credit System - PTBH	36,551	39,608	37,766	35,000	37,000	
Travel & Training	27,947	27,279	25,041	25,000	25,400	
Insurance	162,240	162,294	169,811	172,168	187,663	
Claims & Damages	2,011	1,593	5,585	5,000	7,000	
Advertising	37,638	58,178	51,524	40,000	54,050	
Promotion	4,878	3,271	4,025	5,000	5,000	
Membership & Dues	16,712	11,663	11,972	21,570	14,670	
Community Relations	10,482	7,288	6,227	8,000	4,000	
Bank Charges	37,008	41,505	54,896	39,000	63,800	
Utilities	473,884	466,108	483,853	488,300	562,850	
Excise Tax	19,015	21,380	24,514	17,825	22,925	
Bad Debt	25,283	19,634	(1,857)	20,000	19,300	
Miscellaneous Expense	3,921	2,539	(572)	4,000	4,400	
Repair & Maintenance	218,826	157,912	171,134	275,000	250,000	
Economic Development	22,467	36,996	25,000	25,000	25,000	
Operating Expenses w/o Depreciation	3,387,450	3,532,782	3,793,823	3,882,539	4,376,813	
Income from Operations w/o Depreciation	833,227	996,990	983,525	979,311	794,787	
Depreciation Expense	1,287,240	1,317,076	1,408,315	1,508,314	1,527,500	
Income (Loss)from Operations with Depreciation	(454,013)	(320,086)	(424,790)	(529,003)	(732,713)	

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*This includes three new staff people over the 2013 budget within Moorage, Yard and Maintenance.

Budget Explanations

Grants – FAA:

We are budgeting $25,000 for the completion of the AWOS project.

Grants:

We have budgeted $339,000 in anticipation of a grant from RCO for the boat launch expansion project.

Operating Tax Levy:

The budget is based on taking the banked capacity which is a 2.38% increase in the property tax levy for a total of $930,900. This is 14% of our gross revenues

State Timber Excise Tax:

This is an estimate from the County Assessor.

Election Expense:

The District 1 Commission seat is up for re-election.

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Operating Budget: Consolidated Financials 2015

	2011 Actual	2012 Actual	2013 Actual	2014 Annual Budget	2015 Annual Budget	
Non-Operating Revenue						
Grants - FAA	105,018	120,200	337,626	25,000	25,000	
Grants	0	0	0	0	339,000	
Capital Contributions - Non-Operating	0	166,596	2,268,257	0	0	
Investment Interest	20,169	14,542	13,377	15,000	15,000	
Operating Tax Levy	870,581	877,783	884,622	906,000	930,900	
State Forest Revenues	59,751	24,831	9,196	20,000	23,000	
State Timber Excise Tax	35,919	35,357	37,593	20,000	36,500	
Leasehold Excise Tax	7,027	6,979	6,912	7,000	7,000	
Finance Charges	19,400	18,433	16,584	20,000	20,000	
Other Non-Operating Revenues	0	0	1,500	0	0	
Total Non-Operating Revenue	1,117,864	1,264,721	3,575,668	1,013,000	1,396,400	
Non-Operating Expenses						
Interest Expense - Local Fund	3,072	2,278	1,451	665	0	1
Interest Expense - CERB Loan	17,875	15,125	12,375	9,625	7,104	2
Interest Expense - 2005 Rev Ref Bond	133,674	118,232	101,812	83,625	57,974	3
Interest Expense - 2005 LTGO Bond	195,959	193,059	189,559	185,560	175,329	4
Interest Expense - 2006 LTGO Refund Bond	59,180	51,924	44,456	36,792	24,630	5
Interest Expense - 2010 LTGO Bond	203,332	202,428	200,910	198,943	190,735	6
Interest Expense - 2013 Revenue Bond	0	0	11,250	17,754	17,754	7
Bond Management Fees	2,116	1,506	1,872	1,200	1,200	
Investment Fees	479	211	220	1,000	1,000	
Election Expense	6,987	0	16,438	0	16,000	
Total Non-Operating Expenses	622,674	584,763	587,239	535,164	491,726	
Net Non-Operating Income(Expense)	495,190	679,958	2,988,429	477,836	904,674	
Net Income(Loss)	41,176	359,872	2,563,639	(51,167)	171,961	

1- Purchase of 75 ton travelift
2- Purchase of 300 ton travelift
3- Refunding 1996 bonds for various capital improvements
4- Reconstruction of Point Hudson Marina
5- Advance refunding of the 1997 bonds for shipyard development
6- Reconstruction of A/B Dock and 75-ton travelift pier
7- Construction of a new Administration Building

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Overview: This full-service marina provides permanent and transient moorage year-round. It is home to 475 commercial and recreational vessels and each year provides more than 6,000 overnight guest moorage accommodations for visiting vessels. Boat Haven amenities include a fuel dock, pump-out station, showers and a laundry. A net float for fishermen, a seafood loading dock and a crane support the fishing fleet in the commercial basin. The U.S. Coast Guard Cutter Osprey is stationed here as well. The Port's first developed property, Boat Haven is a 19-acre rectangle protected by a riprap breakwater. In 2010 and 2011 the entire A/B Dock system with its 175 slips was replaced in its entirety.

The total debt service related to the boat haven for 2015 is $332,951.

2015 Proposed Maintenance & Capital Projects:

- Engineering Assessment of "Old" portion of Breakwater, Estimated at $15,000
- Condition Assessment/Load Rating of New Day Dock, Estimated at $25,000
- Restroom Capital Maintenance, See page 47

Operating Budget: Boat Haven 2015

Revenues	2011 Actual	2012 Actual	2013 Actual	2014 Annual Budget	2015 Annual Budget
Regular Moorage	816,797	914,245	910,829	993,000	1,080,000
PTBH - Ship Moorage	27,815	31,840	23,835	30,000	30,000
Liveaboard Fee	18,575	19,110	18,335	20,000	18,000
Work Float/Lift Pier Usage	2,021	2,678	2,505	3,000	3,000
Monthly Guest	80,212	98,298	123,946	95,000	95,000
Nightly Guest	161,089	151,356	160,214	170,000	190,000
Electric	79,420	83,067	80,949	90,000	50,000
Miscellaneous Revenue	7,855	6,008	7,879	10,200	10,200
Showers	19,627	19,652	21,088	20,000	20,000
Laundry	6,266	6,117	6,176	6,000	6,000
Total Revenues	1,219,678	1,332,371	1,355,756	1,437,200	1,502,200
Expenses					
Salaries & Wages	202,159	200,783	194,974	164,430	211,000
Payroll Taxes	27,602	27,441	23,523	23,022	31,141
Employee Benefits	54,773	57,624	60,464	51,140	69,979
Uniform Expense	460	664	622	600	830
Contract Services	33,601	35,451	36,907	29,100	35,000
Operating Supplies	20,590	27,884	25,571	23,400	25,000
Travel & Training	936	110	-	1,100	1,100
Insurance	36,725	34,913	37,784	45,643	47,827
Claims & Damages	-	1,545	-	500	500
Advertising	6,624	9,911	9,932	10,600	10,600
Promotion	90	-	345	250	250
Bank Charges	7,325	6,929	10,148	6,900	11,000
Utilities	147,577	149,219	147,967	144,900	172,000
Excise Tax	4,678	4,766	4,762	4,000	5,000
Bad Debt Expense	1,044	1,002	(1,746)	2,000	2,000
Miscellaneous Expense	(80)	(100)	(917)	100	100
Credit System	36,551	39,608	37,766	35,000	37,000
Repair & Maintenance	45,046	30,506	56,432	80,000	62,500
Operating Expenses	625,700	628,257	644,532	622,685	722,826
Operating Income/(Expense)	593,978	704,114	711,224	814,515	779,374
Allocated Administrative & General	207,655	258,382	269,869	282,623	335,911
Depreciation Expense	219,658	285,357	271,237	336,003	255,000
Net Income (Loss)	166,665	160,375	170,118	195,889	188,463

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Overview: Featuring a heavy boat haul-out facility, the Port Townsend Yard has a regional reputation for quality and economy and is a destination of choice for vessel maintenance, refits and new construction of all types. It provides access to more than 100 marine trades businesses in the Port Townsend area. The Port operates three travel lifts; the largest one can lift vessels up to 150 feet long and weighing up to 330 tons. The Yard's 17-acre dry-land storage area can hold up to 200 vessels "on the hard," and owners are allowed to work on their own boats (something many work-yards prohibit). Constructed in 1997, the Shipyard portion of the Yard provides a variety of spaces and buildings for the marine trades. It supports over 450 people working in approximately 100 marine trades businesses, comprising the third-largest employment sector in Jefferson County. The security of long-term leases has encouraged many marine boat-building and repair businesses to construct specialized facilities for their operations. Other Yard tenants include marine supply and equipment retailers, several eateries, and the County's hazardous waste collection facility.

Total debt service related to the yard for 2015 is $371,178

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Operating Budget: Yard 2015

	2011 Actual	2012 Actual	2013 Actual	2014 Annual Budget	2015 Annual Budget
Revenues					
Electric	21,471	18,095	25,049	17,500	25,000
Liveaboard Fee	1,571	2,194	1,593	1,200	1,500
Miscellaneous Revenue	7,440	26,903	7,749	11,800	15,000
300 Ton Hoist Revenue	107,971	128,075	123,144	112,000	177,000
70/75 Ton Hoist Revenue	219,893	228,557	241,384	240,000	267,000
Washdown Revenue	55,056	55,811	59,088	59,000	60,000
Bilge Water Revenue	1,796	1,992	3,025	1,800	2,800
Ship Yard Revenue	252,290	322,992	361,084	320,000	345,000
Work Yard Revenue	497,737	508,830	529,299	550,000	600,000
Blocking Rent (Off Port Property)	9,413	9,149	9,437	11,000	11,000
Long Term Storage Yard	64,990	58,811	60,921	65,000	60,000
Marine Trades Contribution	52,507	91,100	108,861	55,000	75,000
Total Revenues	1,292,133	1,452,508	1,530,633	1,444,300	1,639,300
Operating Expenses					
Salaries & Wages	407,457	427,500	387,032	362,769	440,000
Payroll Taxes	51,147	53,860	50,314	50,791	64,061
Employee Benefits	111,006	123,742	120,973	112,827	143,955
Uniform Expense	3,599	3,979	2,113	3,140	3,500
Contract Services	9,182	16,625	4,162	10,700	25,000
Operating Supplies	13,872	21,838	16,034	16,500	18,000
Tarp Pool Expense	15,699	16,508	16,402	12,000	20,000
Postage	918	1,043	615	1,025	1,025
Janitorial Supplies	2,511	2,583	2,903	2,600	2,600
Fuel & Lubricants	21,106	20,052	11,934	16,000	20,000
Shipyard Permit	675	707	-	700	700
Travel & Training	3,122	1,359	-	1,800	1,800
Insurance	33,876	35,060	34,920	33,365	34,325
Claims & Damages	308	48	5,585	3,000	5,000
Advertising	14,416	20,783	11,812	13,200	13,000
Promotion	2,223	804	1,129	2,500	2,500
Bank Charges	15,099	18,161	25,928	17,000	30,000
Utilities	111,506	107,816	110,759	107,900	148,050
Excise Tax	6,748	8,921	8,347	6,500	8,500
Bad Debt Expense	23,548	9,068	(624)	15,700	15,000
Miscellaneous Expense	-	-	-	200	600
Repair & Maintenance - 300 Ton	5,753	11,906	20,102	14,000	14,000
Repair & Maintenance - 70 Ton	4,408	3,257	2,142	7,000	7,000
Repair & Maintenance - 75 Ton	11,398	3,897	3,713	9,000	9,000
Repair & Maintenance	13,423	29,569	5,174	39,000	39,000
Operating Expenses	882,998	939,086	841,469	859,217	1,066,616

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Operating Budget: Yard 2015

	2011 Actual	2012 Actual	2013 Actual	2014 Annual Budget	2015 Annual Budget
Operating Income/(Expense)	409,135	513,422	689,165	585,083	572,684
Allocated Administrative & General	220,000	283,616	317,283	275,549	339,734
Depreciation Expense	251,418	264,121	277,472	300,283	305,000
Net Income (Loss)	(62,283)	(34,314)	94,409	9,251	(72,050)

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Overview: The Port recognizes that we are caretakers of very special public properties. We are dedicated to safeguarding our historic character, community assets, and environmental resources for current and future generations.

The Port of Port Townsend has become a national leader in environmental stewardship, successfully building partnerships with private business, public agencies, and nonprofit groups to apply a "triple bottom line" approach in all its activities – where economic, environmental and social consequences are factored into decision-making. By honoring these principles of sustainability, the Port has been able to make possible economic development that is supported by a wide cross-section of Jefferson County residents.

The Port seeks to protect our community's shorelines, improve stormwater management techniques, and safeguard Jefferson County's maritime culture. We are dedicated to protecting the historic character of our properties and their important ecological features for current and future generations.

2015 Proposed Maintenance & Capital Projects:

- Tidal Gate Replacement, See page 47
- Stormwater System Maintenance, See page 47
- Vault 1 Sandfilter Replacement, See page 47

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Operating Budget: Environmental 2015

	2011 Actual	2012 Actual	2013 Actual	2014 Annual Budget	2015 Annual Budget
Revenues					
Clean Up Revenue	0	0	10,109	0	10,000
Total Revenues	0	0	10,109	0	10,000
Expenses					
Salaries & Wages	0	0	52,051	129,919	88,000
Payroll Taxes	0	0	6,368	18,190	12,963
Employee Benefits	0	0	16,250	40,407	29,130
Uniform Expense	0	0	618	150	500
Contract Services	0	0	36,951	17,150	20,000
Operating Supplies	0	0	16,200	10,000	10,000
Postage	0	0	55	0	100
Permits	0	0	1,067	0	1,600
Travel & Training	0	0	1,284	1,000	1,500
Insurance	0	0	2,822	3,556	3,757
Claims & Damages	0	0	0	0	0
Advertising	0	0	187	0	150
Utilities	0	0	4,427	2,000	2,000
Excise Tax	0	0	0	0	2,000
Bad Debt Expense	0	0	0	0	0
Repair & Maintenance	0	0	2,731	0	7,500
Operating Expenses	0	0	141,012	222,372	179,200
Operating Income/(Expense)	0	0	(130,903)	(222,372)	(169,200)
Allocated Administrative & General	0	0	24,364	30,914	2,236
Depreciation Expense	0	0	31,757	35,061	32,000
Net Income (Loss)	0	0	(187,024)	(288,346)	(203,436)

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Overview: The diverse upland development and land uses at Boat Haven include many marine-related and non-marine related structures and uses. Marine-related uses include the following: boat storage; boat building, repair, sales and service; fish processing; a yacht club; a U.S. Coast Guard station; and marine related offices and manufacturing. Non-marine related uses include the following: several restaurants; offices; manufacturing; a moderate risk waste disposal facility; and other assorted commercial and retail businesses. There are approximately 60+ structures on site, ranging from small sheds to tall shops.

2015 Proposed Maintenance & Capital Projects:

- Engineering Assessment/Estimation of Remaining Useful Life: Sperry Buildings, Estimated at $10,000

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Operating Budget: PTBH Properties 2015

	2011 Actual	2012 Actual	2013 Actual	2014 Budget	2015 Annual Budget
Revenues					
PTBH Prop - Lease Revenue	495,991	494,980	476,915	525,000	518,500
PTBH Prop - Storage Units	8,663	8,860	7,075	10,000	10,000
PTBH Prop - Fuel Dock Lease	20,214	21,305	19,961	20,000	20,000
PTBH Prop - Electric	14,838	13,802	13,551	14,500	14,500
Total Revenues	539,706	538,947	517,502	569,500	563,000
Expenses					
Salaries & Benefits	48,260	39,795	39,448	44,637	45,000
Payroll Taxes	6,110	5,014	4,906	6,250	6,615
Employee Benefits	13,236	11,480	12,253	13,883	14,866
Uniform Expense	37	60	0	90	0
Contract Services	2,972	963	3,615	1,330	4,000
Operating Supplies	52	400	534	1,000	1,000
Postage	692	835	494	750	750
Travel	0	0	0	100	0
Insurance	15,584	17,279	14,736	11,809	11,316
Bank Charges	96	503	722	250	1,000
Utilities	33,172	33,330	33,344	32,500	32,500
Excise Tax	267	249	240	200	300
Bad Debt Expense	0	1,730	312	500	500
Miscellaneous Expense	29	29	29	100	100
Repair & Maintenance	41,232	21,666	9,152	51,000	40,000
Operating Expenses	161,738	133,330	119,786	164,399	157,947
Operating Income/(Expense)	377,968	405,617	397,717	405,101	405,053
Allocated Administrative & General	92,815	106,075	97,657	112,405	125,894
Depreciation Expense	147,880	138,637	138,832	144,884	125,000
Net Income (Loss)	137,272	160,904	161,228	147,812	154,159

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Overview: Constructed in the early 1930s as a federal quarantine station, but soon repurposed as a U.S. Coast Guard station, the property was deeded to the Port in 1956. The 4-acre marina has 44 slips and 700 lineal feet of linear docks dedicated to transient guest moorage. The 24 upland acres owned by the Port accommodates a RV park with 48 spaces. The marina's dock system was completely replaced in 2007.

In addition to the regional offices of the Washington State Department of Fish and Wildlife, Washington State University Extension offices as well as U.S. Customs, Point Hudson is home to the Wooden Boat Foundation, the Northwest Maritime Center and the annual Wooden Boat Festival. Point Hudson is also home to three restaurants as well as several maritime related businesses.

Total debt service related to Point Hudson for 2015 is $292,245

2015 Proposed Maintenance & Capital Projects:

- Permitting for Jetty Replacement, See page 47
- Structural Assessment of Point Hudson Station Buildings, Estimated at $10,000
- Exterior painting of the Station Buildings, See page 47
- Roof Maintenance

Operating Budget: Point Hudson 2015

	2011 Actual	2012 Actual	2013 Actual	2014 Annual Budget	2015 Annual Budget
Revenues					
Pt Hudson - Building Lease Rev	227,633	238,983	316,458	400,000	400,000
Pt Hudson - Regular Moorage	103,369	94,702	109,312	112,000	111,500
Pt Hudson - Electric	0	0	0	0	0
Pt Hudson - Liveaboard Fee	2,850	3,380	3,705	4,300	4,300
Pt Hudson - Monthly Guest	25,962	41,594	56,038	40,000	50,000
Pt Hudson - Utility Reimb	0	0	0	0	0
Pt Hudson - Nightly Guest	190,836	201,656	220,103	200,000	210,000
Wharf Usage	0	0	6,150	5,000	8,000
Pt Hudson - Monthly R.V.	31,610	29,300	21,654	30,000	35,000
Pt Hudson - Nightly R.V.	216,104	221,824	240,553	225,000	250,000
Pt Hudson - Kayak Racks	3,589	3,722	4,936	4,000	5,000
Pt Hudson - Reservation Fee	24,164	26,873	27,293	23,000	26,000
Pt Hudson - Showers	6,757	6,331	8,112	8,000	8,000
Pt Hudson - Laundry	6,047	6,591	7,022	7,000	7,500
Pt Hudson - Passenger Fee	3,848	0	4,132	4,000	4,000
Pt Hudson - Electric	20,994	20,351	22,402	22,000	22,000
Pt Hudson - Miscellaneous Rev	1,995	3,227	1,680	2,500	2,500
Pt Hudson - Event Facility Rev	632	1,007	1,946	1,000	2,000
Total Revenues	866,389	899,541	1,051,496	1,087,800	1,145,800
Expenses					
Salaries & Wages	191,411	172,163	218,945	225,584	252,000
Payroll Taxes	25,302	23,812	27,946	31,584	37,050
Employee Benefits	51,376	48,947	67,530	70,160	83,256
Uniform Expense	533	797	229	690	675
Contract Services	30,808	34,171	36,310	30,480	31,830
Operating Supplies	3,771	7,363	8,528	9,000	9,000
Postage	824	904	501	850	850
Janitorial Supplies	6,372	7,051	7,660	7,000	7,000
Travel & Training	262	110	0	600	600
Insurance	24,924	26,381	29,716	29,546	37,609
Claims and Damages	0	0	0	500	500
Advertising	15,547	22,569	23,562	15,000	25,000
Promotion	518	508	1,321	250	250
Bank Charges	13,489	14,922	16,583	14,100	20,000
Utilities	129,869	128,043	132,284	150,850	158,850
Excise Tax	5,950	5,942	7,661	6,000	6,000
Bad Debt Expense	616	7,605	96	1,000	1,000
Miscellaneous Expense	0	(89)	(1,583)	200	200

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Operating Budget: Point Hudson | 2015

	2011 Actual	2012 Actual	2013 Actual	2014 Annual Budget	2015 Annual Budget
Repair & Maintenance	48,385	28,281	40,839	22,000	30,000
Operating Expenses	549,957	529,480	618,127	615,393	701,670
Operating Income/(Expense)	316,432	370,061	433,369	472,407	444,130
Allocated Administrative & General	142,830	167,145	215,100	219,093	253,979
Depreciation Expense	267,421	281,839	317,337	319,622	385,000
Net Income (Loss)	(93,818)	(78,923)	(99,069)	(66,308)	(194,849)

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Overview: At the south end of Linger Longer Road on the west shore of Quilcene Bay, the Port owns about 50 acres of waterfront and uplands. The major tenant is Coast Seafoods, which operates a large shellfish hatchery and processing facility. A mix of transient, permanent and commercial moorage is provided at Herb Beck Marina (formerly the Quilcene Boat Haven Marina," renamed in 2005 to honor the long-serving former Port Commissioner, a Quilcene resident). The marina's small manmade harbor has floating docks to accommodate about 50 boats, plus a boat launch ramp and fuel and water service. In 2008 the Port rebuilt 80 feet of docks that were damaged in a storm, and replaced the sites failing septic system with one with extra capacity for future industry and possible expanded RV use. Parking and a public restroom are provided next to the only warm-water swimming beach in the county.

2015 Proposed Maintenance & Capital Projects

- Water Distribution System Pressure Testing, Estimated Cost $5,000
- Quilcene Beach Picnic Area Renovation, Estimated Cost $2,500

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Operating Budget: Herb Beck Marina, Quilcene 2015

	2011 Actual	2012 Actual	2013 Actual	2014 Annual Budget	2015 Annual Budget
Revenues					
Quilcene - Regular Moorage	46,666	43,439	37,506	42,500	34,000
Quilcene - Nightly Moorage	1,361	1,843	2,662	1,600	2,600
Quilcene - Nightly R.V.	802	1,072	1,116	1,000	1,200
Quilcene - Electric	3,520	2,577	2,079	3,000	2,000
Quilcene - Showers	1,950	2,650	2,580	2,500	2,500
Quilcene - Fuel Sales	37,938	26,458	34,491	28,000	28,000
Quilcene - Lease Revenue	44,924	52,033	55,399	58,000	58,000
Quilcene - Rental Property Rev	6,000	6,000	6,000	6,000	6,000
Quilcene - Water	8,461	8,624	6,898	8,500	7,000
Quilcene - Miscellaneous Rev	25	0	0	200	200
Total Revenues	151,646	144,697	148,731	151,300	141,500
Expenses					
Salaries & Wages	18,803	16,001	11,059	15,255	16,000
Payroll Taxes	2,328	2,022	1,358	2,136	2,358
Employee Benefits	5,105	4,560	3,462	4,745	5,299
Uniform Expense	21	13	0	90	0
Contract Services	18,587	18,386	19,110	18,275	18,275
Fire Protection	1,000	1,000	1,000	1,000	1,000
Operating Supplies	405	1,088	625	500	500
Postage	225	300	150	300	300
Janitorial Supplies	1,237	881	1,356	800	800
Cost of Fuel Sold	33,800	24,162	31,541	24,000	20,000
Travel & Training	268	110	0	500	500
Insurance	6,804	6,684	6,606	6,221	6,115
Claims & Damages	0	0	0	500	500
Advertising	120	281	0	300	300
Bank Charges	403	321	911	250	1,000
Utilities	10,949	11,198	14,357	11,000	11,000
Excise Tax	694	688	646	500	500
Bad Debt Expense	76	0	0	500	500
Miscellaneous Expense	18	18	0	100	100
Repair & Maintenance	8,718	2,927	6,702	20,000	15,000
Operating Expenses	109,563	90,641	98,884	106,972	100,046
Operating Income/(Expense)	42,084	54,056	49,847	44,328	41,454
Allocated Administrative & General	25,657	27,871	29,192	30,164	31,216
Depreciation Expense	90,833	69,506	68,746	74,633	75,000
Net Income (Loss)	(74,407)	(43,320)	(48,091)	(60,469)	(64,763)

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Overview: The Port owns and operates five ramps within its properties. The ramps are located at the Boat Haven and Quilcene marinas as well as Gardiner, Mats Mats Bay and Port Hadlock7. These facilities were constructed for the benefit of the public as a whole, and are intended to provide waterfront access and recreational opportunities for a wide variety of persons.

2015 Proposed Maintenance & Capital Projects:

- Boat Ramp Expansion Project, See page 47

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Operating Budget: Boat Ramps 2015

	2011 Actual	2012 Actual	2013 Actual	2014 Annual Budget	2015 Annual Budget
Revenues					
Ramps - Ramp/Parking Fee	30,371	33,245	33,504	35,000	35,000
Dinghy Float Revenue	1,462	1,047	838	1,800	1,350
Total Revenues	31,833	34,292	34,342	36,800	36,350
Expenses					
Salaries & Wages	12,963	13,373	15,495	11,604	16,000
Payroll Taxes	1,636	1,661	1,910	1,625	2,354
Employee Benefits	3,552	3,858	4,838	3,609	5,291
Uniform Expense	6	34	0	90	0
Operating Supplies	679	1,070	1,396	800	800
Insurance	768	768	1,248	1,281	1,362
Promotion	2,048	1,959	630	1,500	1,500
Bank Charges	304	273	364	300	600
Utilities	3,969	3,946	3,885	4,250	4,250
Excise Tax	520	598	567	525	525
Bad Debt Expense	0	0	0	100	100
Miscellaneous Expense	18	18	0	25	25
Repair & Maintenance	1,049	1,278	200	5,000	5,000
Operating Expenses	27,511	28,836	30,534	30,709	37,807
Operating Income/(Expense)	4,322	5,456	3,808	6,091	(1,457)
Allocated Administrative & General	5,045	6,148	6,314	7,460	8,128
Depreciation Expense	15,786	15,935	14,357	15,572	25,000
Net Income (Loss)	(16,509)	(16,627)	(16,862)	(16,941)	(34,585)

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Overview: Jefferson County's only general aviation airport is located four (4) miles southwest of Port Townsend, between State Routes 19 and 20. It was originally developed as an auxiliary military training facility prior to World War II, and was transferred first to Jefferson County, and then to the Port of Port Townsend in 1959. The Port has more than doubled the initial landholding to 316 acres and in 1990 constructed a single 3,000-foot east-west paved runway. Airport tenants offer a wide range of aviation support services, including passenger, cargo and scenic flights, aircraft rentals; flight instruction; aviation fuel; airframe and power plant maintenance and repair; and a restaurant. The Airport is both home to and a popular destination for recreational pilots, and is an international airport of entry used frequently by Canadian pilots. More than 100 aircraft are presently based at the JCIA. Private developers began construction in 2008 on 65 new airplane hangars, 23 of which have now been completed and are for sale. A significant addition at the Airport is the nonprofit Port Townsend Aero Museum, which opened in 2009 and is dedicated to historic aviation in the Pacific Northwest.

2015 Proposed Maintenance & Capital Projects:

- Finalize AWOS project, See page 47
- Main drainage ditch cleaning, Estimated Cost $8,000
- Taxiway drainage repair

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Operating Budget: Airport 2015

Revenues	2011 Actual	2012 Actual	2013 Actual	2014 Annual Budget	2015 Annual Budget
Miscellaneous Revenue	25	0	0	100	100
Lease Revenue	92,967	96,823	100,950	105,000	105,000
Hangar Revenue	19,468	23,741	22,179	23,000	23,000
Vehicle Parking Revenue	790	930	720	750	750
Aircraft Parking	2,186	1,555	1,229	2,000	1,000
Commercial Landing Fees	0	53	32	100	100
Fuel Lease Revenue	3,805	4,315	3,369	4,000	3,500
	119,241	127,417	128,478	134,950	133,450
Expenses					
Salaries & Wages	34,270	31,892	38,795	44,445	44,000
Payroll Taxes	5,606	3,982	4,820	6,223	6,165
Employee Benefits	9,383	9,125	12,233	13,823	13,853
Uniform Expense	11	40	0	90	0
Contract Services	4,138	450	12,215	435	12,000
Fire Protection	9,261	9,255	9,289	9,180	9,180
Operating Supplies	229	1,138	23	200	200
Postage	277	334	198	300	300
Fuel & Lubricants	886	2,400	85	1,200	1,200
Permits	0	657	0	0	0
Travel & Training	102	0	0	200	200
Insurance	19,727	17,584	19,037	18,871	20,083
Claims & Damages	0	0	0	500	500
Membership & Dues	150	225	150	70	70
Bank Charges	177	239	241	100	100
Utilities	11,262	11,244	12,138	11,300	12,000
Excise Tax	156	216	2,291	100	100
Bad Debt Expense	0	230	105	200	200
Miscellaneous Expense	1,417	817	615	1,000	1,000
Repair & Maintenance	33,331	21,397	12,227	13,000	10,000
Operating Expenses	130,381	111,476	128,954	121,236	131,151
Operating Income/(Expense)	(11,141)	15,941	(475)	13,714	2,299
Allocated Administrative & General	20,546	24,965	26,681	27,356	29,785
Depreciation Expense	276,198	250,644	260,260	270,552	250,000
Net Income (Loss)	(307,884)	(259,668)	(287,416)	(284,195)	(277,486)

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Overview: The Maintenance Shop includes all of the expenses for the Maintenance Staff that are not allocated to the various departments. The majority of the staff time is charged out to the various departments, however there is also staff time as well as materials associated with running the maintenance shop. Those expenses are shown on the next page.

The total cost of Maintenance included within this budget is $930,262. This includes the total cost of salaries and benefits of the Maintenance staff as well as the other expenses included within the maintenance shop, repair and maintenance, and operating supplies.

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Operating Budget: Maintenance Shop 2015

	2011 Actual	2012 Actual	2013 Actual	2014 Annual Budget	2015 Annual Budget
Salaries & Wages	103,211	113,833	113,413	74,006	115,000
Payroll Taxes	12,544	13,635	12,705	10,361	16,809
Employee Benefits	27,628	31,817	32,275	23,017	37,773
Uniform Expense	2,941	3,167	2,594	2,610	3,045
Contract Services	98	880	385	300	300
Operating Supplies	3,245	2,542	3,982	4,700	4,700
Janitorial Supplies	837	861	968	800	800
Fuel & Lubricants	13,904	13,878	11,732	12,000	12,000
Repair & Maintenance	5,996	2,879	8,090	15,000	11,000
Travel & Training	626	344	330	700	700
Insurance	5,676	5,544	4,061	4,300	4,338
Advertising	0	174	339	0	0
Membership & Dues	0	100	170	0	0
Utilities	6,599	7,166	9,759	6,100	6,600
Miscellaneous Expense	0	0	0	100	100
Depreciation Expense	18,046	11,038	11,582	11,703	15,000
Total Expenses	201,350	207,858	212,385	165,698	228,166

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Overview: The Administration includes expenses for the Commission, Executive Staff and Accounting Staff. Overall expenses have increased 58% since 2011, however a significant reason for this is the way in which salaries are being allocated. In 2011 the Executive Staff salaries were being allocated to the various departments. Beginning in mid-2013 all Administrative salaries where charged to Administration. The actual increase in administrative staff salaries since 2011 is 14%. The allocation is now being done through the quarterly Administrative and General (A & G) allocation process. The A & G allocation is done based on each department's revenues. In addition there has been a 12.5% increase in health care costs since 2011.

Total debt service related to administration for 2015 is $17,754.

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Operating Budget: Administration 2015

	2011 Actual	2012 Actual	2013 Actual	2014 Annual Budget	2015 Annual Budget
Salaries & Wages	374,767	434,646	474,320	513,396	560,000
Payroll Taxes	29,254	32,829	37,390	42,618	46,883
Employee Benefits	101,807	120,449	147,725	159,674	183,020
Uniform Expense	230	855	0	450	450
Contract Services	18,633	32,890	48,137	19,050	50,000
Legal Expense	57,731	92,719	122,375	100,000	100,000
Audit Expense	0	15,606	209	20,000	1,000
Operating Supplies	17,360	22,638	31,398	16,125	16,125
Community Relations	10,482	7,288	6,227	8,000	4,000
Publications	174	174	135	200	200
Postage	1,658	1,949	1,197	1,800	1,800
Repair & Maintenance	87	349	602	0	0
Promotional Hosting	0	0	600	500	500
Travel & Training	22,631	24,995	23,427	19,000	19,000
Insurance	18,157	18,081	18,881	17,574	20,932
Advertising	932	4,252	4,230	900	5,000
Membership & Dues	16,562	11,338	11,652	21,500	14,600
Bank Charges	116	158	0	100	100
Economic Development	22,467	36,996	25,000	25,000	25,000
Utilities	18,980	14,146	14,934	17,500	15,600
Miscellaneous Expense	2,519	1,846	1,284	2,175	2,175
Allocated A & G	(714,548)	(874,201)	(986,459)	(985,563)	(1,126,884)
Depreciation Expense	0	0	16,736	0	60,500
Total Expenses	0	0	(0)	(2)	1

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Overview: The budget is based on taking a 2.38% increase on the property tax levy and receiving a $339,000 grant for the boat ramp expansion project. All other non-operating revenues are budgeted rather conservatively. The non-operating expenses include interest expense over the year as well as election expense for the Commission seat up for election.

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Operating Budget: Non-Operating 2015

	2011 Actual	2012 Actual	2013 Actual	2014 Annual Budget	2015 Annual Budget	
Non-Operating Revenue						
Grants - FAA	105,018	120,200	337,626	25,000	25,000	
Grants	0	0	0	0	339,000	
Capital Contributions - Non-Operating	0	166,596	2,268,257	0	0	
Investment Interest	20,169	14,542	13,377	15,000	15,000	
Operating Tax Levy	870,581	877,783	884,622	906,000	930,900	
State Forest Revenues	59,751	24,831	9,196	20,000	23,000	
State Timber Excise Tax	35,919	35,357	37,593	20,000	36,500	
Leasehold Excise Tax	7,027	6,979	6,912	7,000	7,000	
Finance Charges	19,400	18,433	16,584	20,000	20,000	
Other Non-Operating Revenues	0	0	1,500	0	0	
Total Non-Operating Revenue	1,117,864	1,264,721	3,575,668	1,013,000	1,396,400	
Non-Operating Expenses						
Interest Expense - Local Fund	3,072	2,278	1,451	665	0	1
Interest Expense - CERB Loan	17,875	15,125	12,375	9,625	7,104	2
Interest Expense - 2005 Rev Ref Bond	133,674	118,232	101,812	83,625	57,974	3
Interest Expense - 2005 LTGO Bond	195,959	193,059	189,559	185,560	175,329	4
Interest Expense - 2006 LTGO Refund Bond	59,180	51,924	44,456	36,792	24,630	5
Interest Expense - 2010 LTGO Bond	203,332	202,428	200,910	198,943	190,735	6
Interest Expense - 2013 Revenue Bond	0	0	11,250	17,754	17,754	7
Bond Management Fees	2,116	1,506	1,872	1,200	1,200	
Investment Fees	479	211	220	1,000	1,000	
Election Expense	6,987	0	16,438	0	16,000	
Total Non-Operating Expenses	622,674	584,763	587,239	535,164	491,726	
Net Non-Operating Income(Expense)	495,190	679,958	2,988,429	477,836	904,674	
Net Income(Loss)	41,176	359,872	2,563,639	(51,167)	171,961	

1- Purchase of 75 ton travelift

2- Purchase of 300 ton travelift

3- Refunding 1996 bonds for various capital improvements

4- Reconstruction of Point Hudson Marina

5- Advance refunding of the 1997 bonds for shipyard development

6- Reconstruction of A/B Dock and 75-ton travelift pier

7- Construction of a new Administration Building

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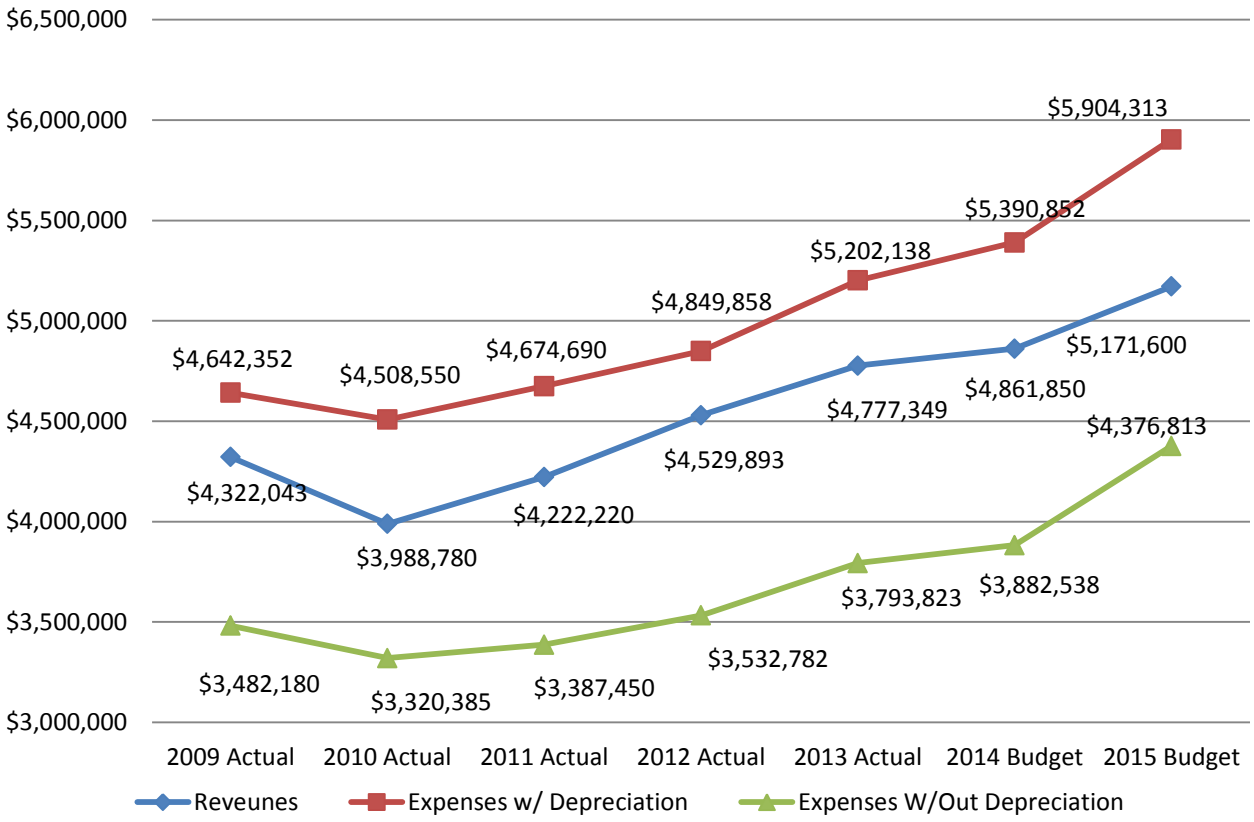
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$4,508,550
$4,674,690
$4,849,858
$5,202,138
$5,390,852
$5,904,313
$4,322,043
$3,988,780
$4,222,220
$4,529,893
$4,777,349
$4,861,850
$5,171,600
$3,482,180
$3,320,385
$3,387,450
$3,532,782
$3,793,823
$3,882,538
$4,376,813
2009 Actual
2010 Actual
2011 Actual
2012 Actual
2013 Actual
2014 Budget
2015 Budget
Reveunes
Expenses w/ Depreciation
Expenses W/Out Depreciation

The 2015 Capital Budget includes both a 1-year Capital Projects Budget and 4-year Capital Improvement Plan. The Capital Projects Budget is funded by a combination of grants, operating surplus and reserves. Surplus from operations results from the cumulative excess of revenues over expenses. When capacity allows the Port will also issue debt to fund capital projects.

Outside funding sources included in the 2015 budget include a grant from the Federal Aviation Administration for the completion of the AWOS project as well as a grant from the Washington State Recreation and Conservation Office for the proposed boat ramp expansion project.

We will look at re-financing our current bonded debt as well as taking on additional bonded debt to finance the Point Hudson Jetty in 2016. We have also applied for a grant from the Federal Recreation and Conservation Office.

Staff has performed a preliminary ranking of the proposed projects. Details of the 2015 projects are as follows:

Boat Ramp Expansion: In 2012 the Port began the process of design and permitting a boat ramp expansion to a two-lane facility to further meet the needs of the increasing number of trailer boaters and fishermen in the area. This project is scheduled to be completed in mid-2015 assuming partial grant funding from the RCO.

Permitting for Point Hudson Jetty: Although much of the permitting work has been completed in 2014, the submittal of all of the documents to all of the regulatory agencies will take place in early 2015 for this important project to protect that marina.

Exterior Painting of Station Building located at 141 Hudson Street Point Hudson: Every year we have targeted a building at Point Hudson to paint exterior. We have painted the Sail loft, the duplex and the Commanders beach house in past years. This year will focus on the building on the point that houses Doc's Marina Grill.

Boat Haven Restroom Capital Maintenance: Work is scheduled to replace the ceiling in the restrooms as well as improve the current ventilation systems.

Tidal Gate Replacement: Seawater intrusion into the stormwater system poses the risk of premature failure of upstream filtration media. Due to age and design limitations, the hinged-type tide gate will be replaced with a unit that employs advanced materials and that will provide 100% protection against seawater intrusion.

Stormwater System Maintenance: The system requires periodic cleaning where, by design, pollutants and silt settle in catch basins and vaults.

Vault 1 Sandfilter Replacement: Due to gradual compaction since installation in 1997, approximately 2/3rds of the Vault 1 Sandfilter does not function to design performance specifications. This section of filter will be replaced with a subgrade pipe and the addition of catch basins to convey stormwater to a three stage filtration system.

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Operating/Capital Budget: Cash Flow Projections 2015

Estimated Beginning Cash/Investment Balance **$2,500,000** **#**

INCOME

Property Tax Levy		$930,900
Facility Revenues		$5,171,600
Interest Income		$15,000
Non-Operating Income		$86,500
Grants	*	$25,000
	**	$339,000
Total Income		**$6,568,000**

EXPENSES

	Operations	Capital			Total
PTBH Marina	$722,826	$525,000	**	1	$1,247,826
Work/Ship Yard	$1,066,616				$1,066,616
Environmental	$179,200	$220,000		2	$399,200
PTBH Property	$157,947				$157,947
Point Hudson	$701,670	$58,000		3	$759,670
Quilcene	$100,046				$100,046
Boat Ramps	$37,807				$37,807
Airport	$131,151	$25,000	*	4	$156,151
Maintentance Shop	$213,166				$213,166
Administrative & General	$1,066,385				$1,066,385
Non-Operating					$18,200
Funds Transfers to Reserves					$120,000
Bond Interest					$470,368
Bond Principal					$1,019,000
Total Expenses	**$4,376,814**	**$828,000**			**$6,832,382**

Estimated Ending Cash/Investment Balance **$2,235,618**

# - Cash Balance made up of:		
	Operating Reserve	$1,300,000
	PTBH Renovation Res	$627,000
	Hazardous Waste Res	$25,000
	Contingency Res.	$75,000
	Revenue Bond Restricted	$473,000
	Total Cash/Investment	$2,500,000

* The $25,000 grant is to finalize the AWOS project at the Airport

** The $339,000 grant revenue is in anticipation of the boat ramp expansion project and will help offset the $490,000 of capital expenses included in the $525,000.

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Project Description	Capital Project Budget	Capital Maint. Budget	2015		2016	2017	2018
Boat Haven							
Boat Ramp Expansion	490,000		490,000	1			
Tidal Gate Replacement	30,000		30,000	2			
Replacement of Net Float on Commercial Dock	75,000						75,000
Stormwater System Maintenance		35,000	35,000	2			
C/D Dock Repairs (Laterals & Finger Floats)		475,000				475,000	
J & S Building Roof Replacement		50,000				50,000	
Boat Haven Restroom Renovation		35,000	35,000	1			
Boat Haven Yard Office Renovation		55,000				55,000	
Vault 1 Sandfilter Replacement	155,000		155,000	2			
Point Hudson							
Point Hudson Jetty Replacement	4,000,000				3,000,000	1,000,000	
Permitting Jetty Replacement	40,000		40,000	3			
Painting Station Buildings (Doc's)	18,000		18,000	3			
Road/Stormwater Improvement Plan, Design & Engineering	50,000						50,000
Asbestos Remediation (Shanghai, Commander's Beach House & Duplex)		150,000				150,000	
Replacement of City Dock Fire Suppression System		150,000					150,000
Replace Roofs on all Station Buildings		500,000					500,000
Union Wharf Roof Structure Repairs		15,000				15,000	
Quilcene							
Marina Dock Replacement	250,000					250,000	
Restroom/Moorage Office Renovation		50,000				50,000	
Chip-Seal Parking Lot & Turn Around		25,000				25,000	
Dredging of Marina Entrance Channel		140,000					140,000
Airport							
Finalize AWOS	25,000		25,000	4			

MAINTENANCE SUPERVISOR'S PROJECT RECOMMENDATIONS: 2015 OPERATIONS & CAPITAL BUDGETS				
Cost Center	**Project Description**	**Project Category**	**ROM Cost Estimate**	**Supervisor's Initial Priority Rating**
Boat Haven				
	Replacement of Net Float on Commercial Dock	Capital Replacement/ Major Renovation	$75,000	46.5/99 – Capital Projects Matrix
	Stormwater System Maintenance	Capital Maintenance	$35,000 (annually)	51.5/58.5 – Maintenance Matrix
	C/D Dock Repairs (Laterals & Finger Floats)	Capital Maintenance	$175,000	49/58.5 – Maintenance Matrix
	J& S Building Roof Replacement	Capital Maintenance	$50,000	48.5/58.5 – Maintenance Matrix
	Boat Haven Restroom Renovation	Capital Maintenance	$35,000	38.5/58.5 – Maintenance Matrix
	Boat Haven Yard Office Renovation	Capital Maintenance	$55,000	29/58.5 – Maintenance Matrix
	Marina Maintenance Dredging	Capital Maintenance	??? (periodic)	19.5/58.5 – Maintenance Matrix
	Engineering Assessment of "Old" Portion of Breakwater	Routine Operations/ Maintenance	$15,000	52.5/58.5 – Maintenance Matrix
	New Day Dock Condition Assessment/Load Rating	Routine Operations/ Maintenance	$25,000	42/58.5 – Maintenance Matrix
	Engineering Assessment/ Estimation of Useful Life of Sperry Buildings	Routine Operations/Maintenance	$10,000	40/58.5 – Maintenance Matrix
Point Hudson				
	Point Hudson Jetty Replacement Project	Capital Replacement/ Major Renovation	$4,000,000	89.5/99 - Capital Projects Matrix
	Road/Stormwater Improvement Plan, Design & Engineering	Capital Replacement/ Major Renovation	$50,000	46/99 – Capital Projects Matrix
	Asbestos Remediation in Shanghai, Commander's Beach House & Duplex Buildings	Capital Maintenance	$150,000	38.5/58.5 – Maintenance Matrix
	Replacement of City Dock Fire Suppression System	Capital Maintenance	$150,000	35/58.5 – Maintenance Matrix
	Replace Roofs on All Station Buildings	Capital Maintenance	$500,000	32.5/58.5 – Maintenance Matrix
	Union Wharf Roof Structure Repairs	Capital Maintenance	$15,000	32.5/58.5 – Maintenance Matrix
	Structural Assessment of Point Hudson Station Buildings – Peer Review of 2002 Architect's Report	Routine Operations/ Maintenance	$10,000	51.5/58.5 – Maintenance Matrix

MAINTENANCE SUPERVISOR'S PROJECT RECOMMENDATIONS, CONT.				
Cost Center	**Project Description**	**Project Category**	**ROM Cost Estimate**	**Supervisor's Initial Priority Rating**
Quilcene				
	Marina Dock Replacement Project	Capital Replacement/ Major Renovation	$250,000	73/99 – Capital Projects
	Restroom/Moorage Office Renovation	Capital Maintenance	$50,000	39.5/58.5 - Maintenance Matrix
	Chip-Seal Parking Lot & Turn-Around	Capital Maintenance	$25,000	29/58.5 - Maintenance Matrix
	Dredging of Marina Entrance Channel	Capital Maintenance	$140,000 (every 7 yrs)	26.5/58.5 - Maintenance Matrix
	Water Distribution System Pressure Testing	Routine Operations/ Maintenance	$5,000	45.5/58.5 - Maintenance Matrix
	Quilcene Beach Picnic Area Renovation	Routine Operations/ Maintenance	$2,500	32.5/58.5 - Maintenance Matrix
Jefferson County International Airport				
	Main Drainage Ditch Cleaning	Routine Operations/ Maintenance	$8,000	23/58.5 - Maintenance Matrix

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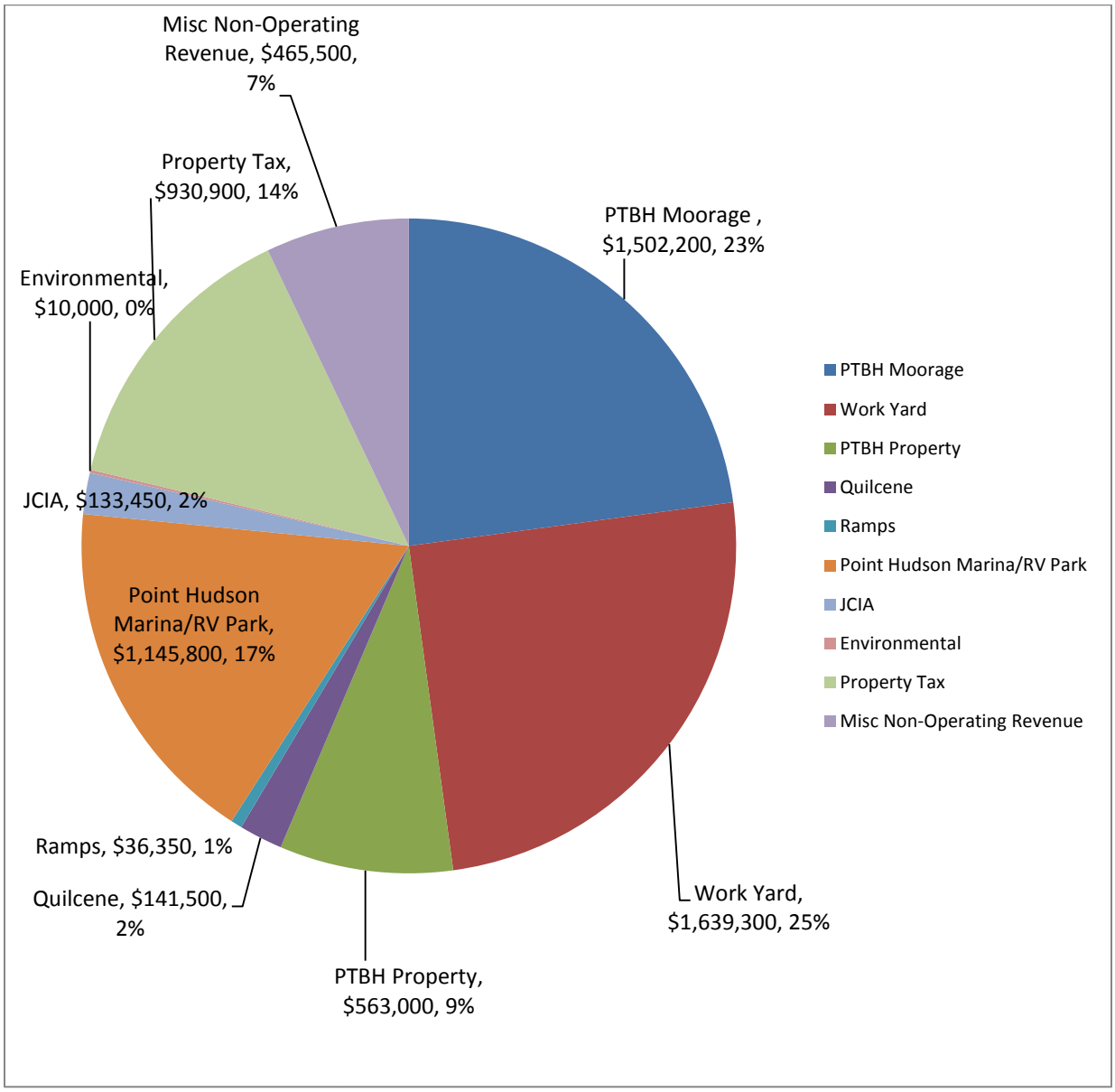
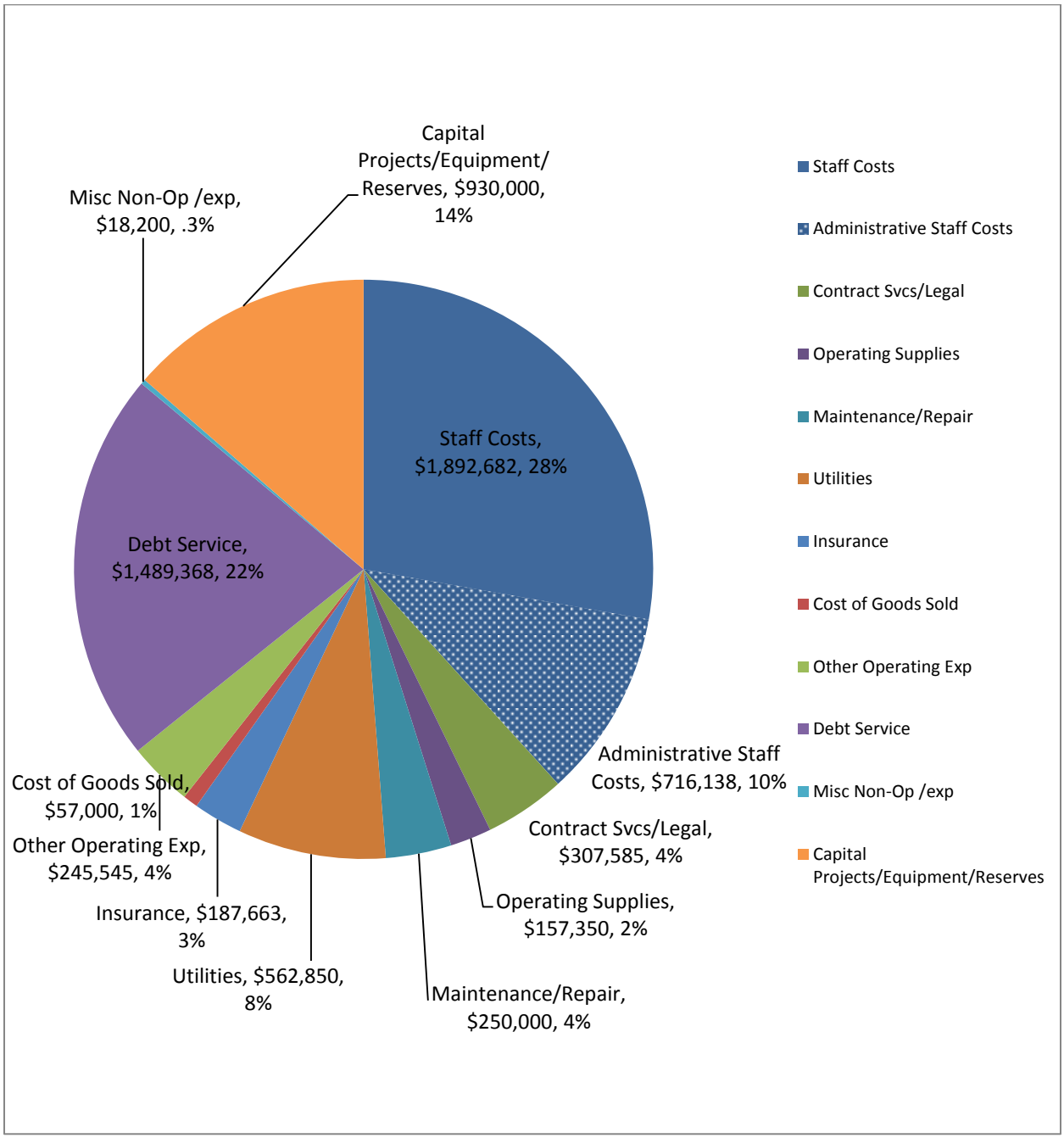
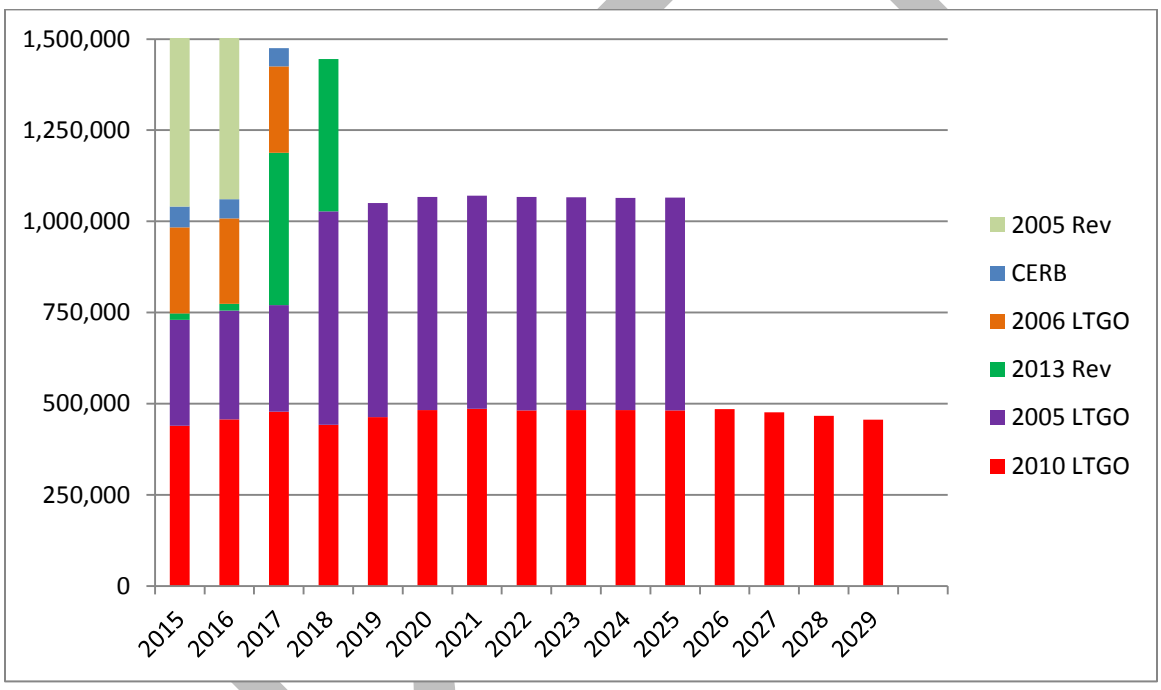
Total = $6,568,000



Total = $6,814,382



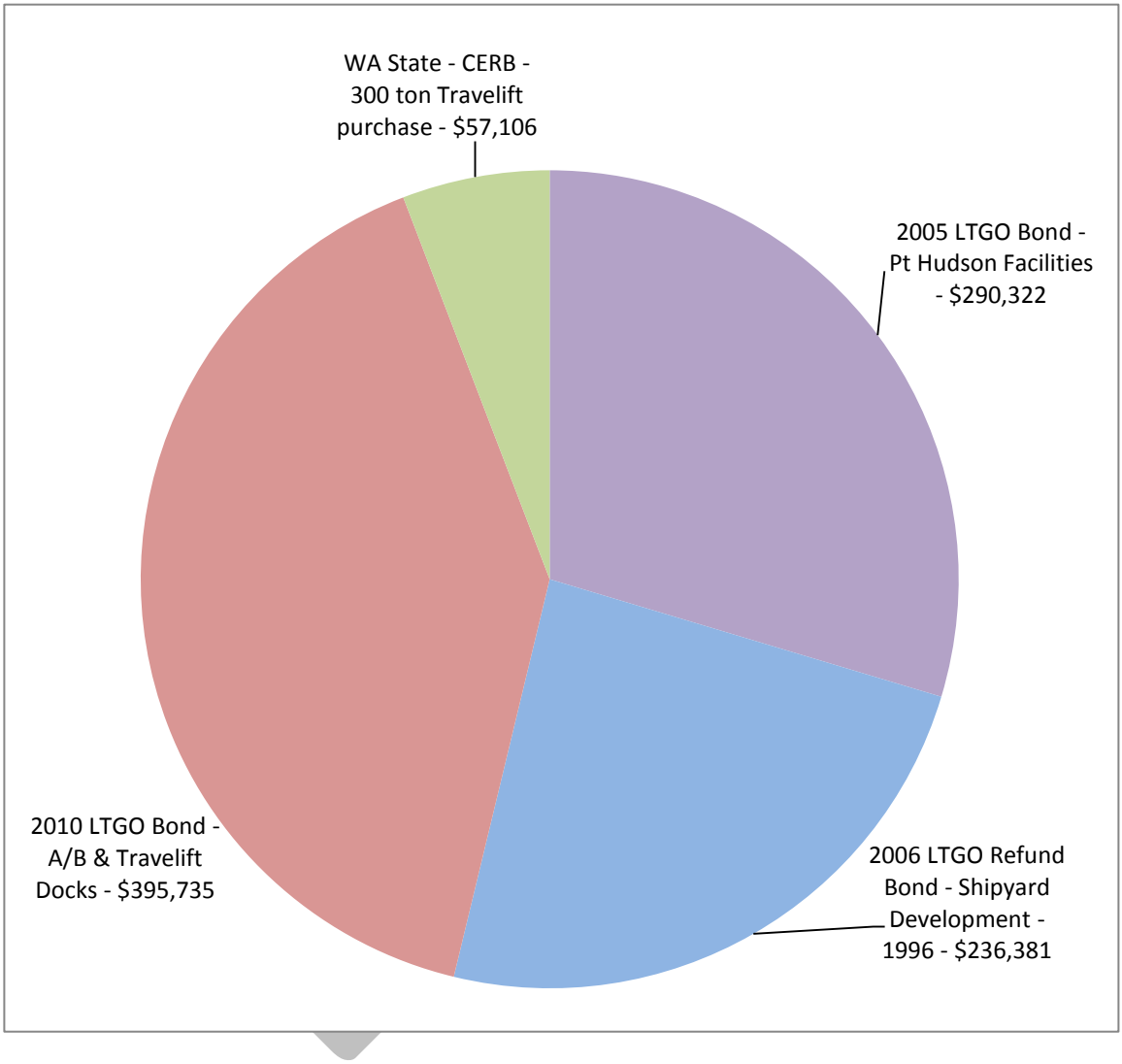
Debt	Principal Balance	Interest Balance	Pay-Off Date
2005 Revenue Refund Bond (1)	$ 890,000	$ 64,000	November 2016
CERB Loan (2)	$ 150,000	$ 10,312	July 2017
2006 LTGO (3)	$ 666,000	$ 41,613	July 2017
2013 Revenue Bond (4)	$ 807,000	$ 64,516	November 2018
2005 LTGO (5)	$4,350,000	$1,209,700	July 2025
2010 LTGO (6)	$4,800,000	$2,258,300	December 2029
Total	$11,663,000	$ 3,648,441	
		$15,311,441	



1-Refunding 1996 bonds for various capital improvements
2- Purchase of 300 ton travelift
3- Advance refunding of the 1997 bonds for shipyard development
4- Construction of a new Administration Building
5- Reconstruction of Point Hudson Marina
6- Reconstruction of A/B Dock and 75-ton travelift pier

Total Tax = $930,900

Total G.O. Debt Service = $979,554



Tax Levy Sources

General Tax Levy

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. Assessed values are established by the County Assessor 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 assessed valuation for general port purposes. The levy may go beyond the 45 cent limit to provide for G.O. bond debt service. The rate may be reduced for either of the following reasons:

Passage of Initiate 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 2014, the Port general levy rate has ranged from $.15836 to $.22038 per $1,000. The graph on page 53 shows the maximum levy permitted by law compared to the actual general levy of the Port from 2005 to 2014.

Special Tax Levies

Special tax 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 with the Port District, not to exceed $0.45 per $1,000 of assessed value of taxable property with the Port District. The Port District has never levied this tax.

Industrial Development District (IDD) Tax Levies

The Port may also levy property taxes for Industrial Development Districts (under a comprehensive scheme of harbor improvements); for twelve years only, not to exceed $0.45 per $1,000 of assessed value of taxable property within the Port District. If a Port District intends to levy this tax for one or more years after the first six years, the Port must publish notice of intent to impose such a levy and if signatures of at least eight percent (8%) of the voters protest the levy, a special election must be held with majority approval required.

The Industrial Development Levy, however, is not subject to the 101% limitation. The Port has never levied this tax.

Tax Levy Uses

In the last ten years the Port has used the tax levy to pay for debt service on Limited Tax General Obligation Bonds, which related to prior years' capital construction.

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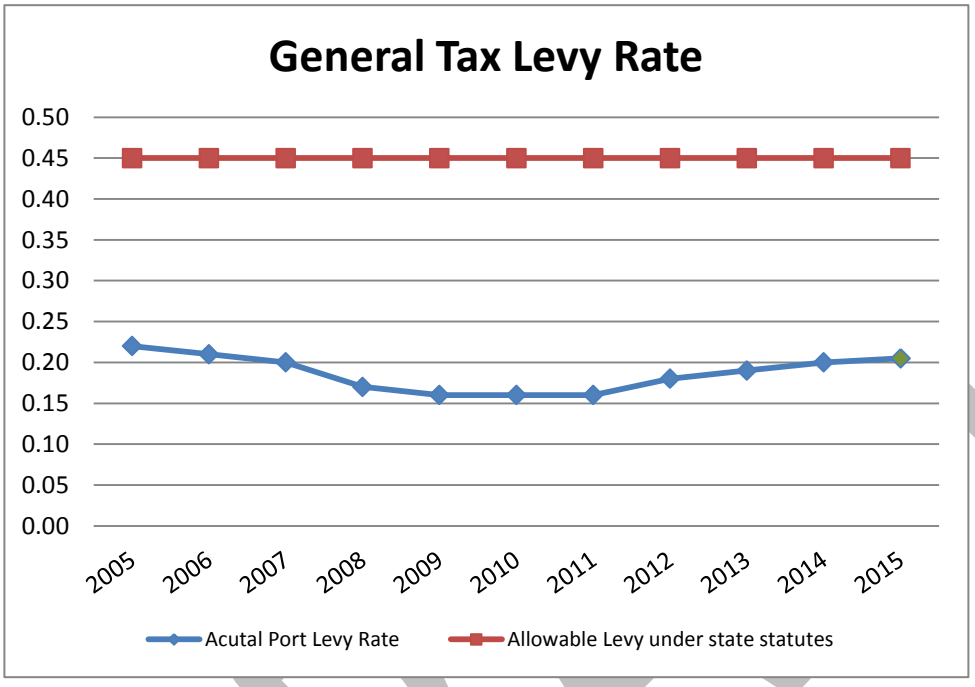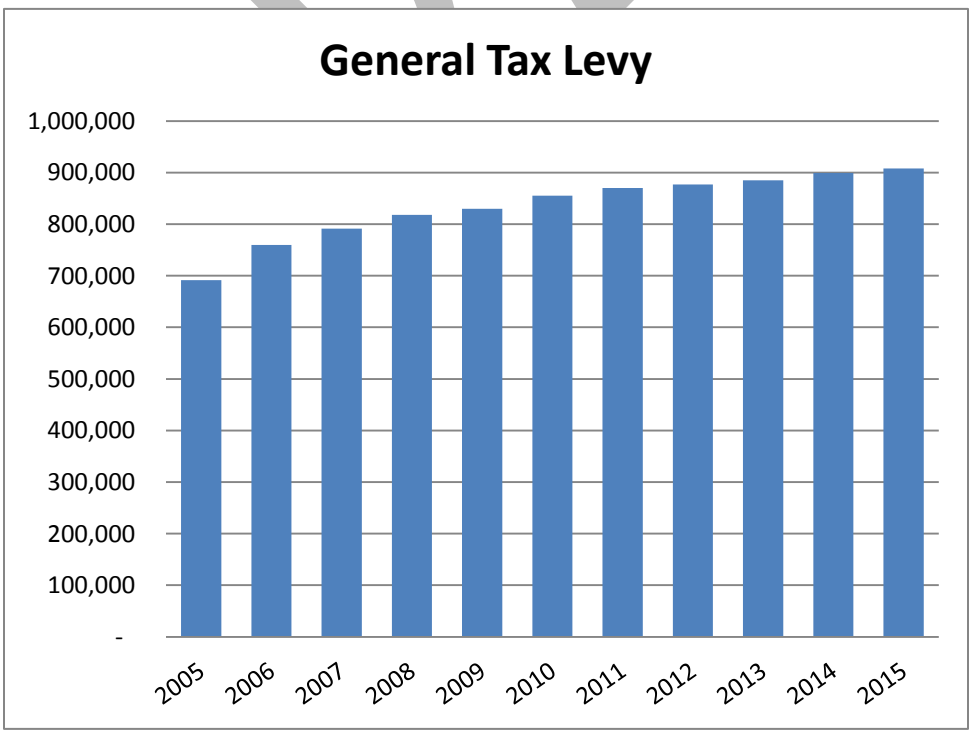
Total proposed general levy rate for 2015 is $.20832. The total assessed value for the Port District was not available from Jefferson County prior to publication of the budget.