

**ESTIMATED INCREASED REVENUE FOR 2017 RATE INCREASE  
EFFECTIVE JANUARY 1, 2017**

**Details:** The following revenues were identified for potential increases in rates based on usage, occupancy, as well as in some cases, ease of implementation (i.e. leases are not). Quilcene is the exception, however, since the rates at Quilcene haven't been increased for two (2) years (January 2015). The rate increase averages 5% which includes a 2.0% CPI. The CPI is the average reported CPI for the last 12 month period. The estimated annual increase in revenues over just a CPI increase is ~\$62,000.

Revenue		2017 budget BEFORE CPI & Rate Increase	5% rate increase (includes 2% CPI)	revised 2017 budgeted amt
PTBH - Perm Moorage		1,032,000	51,600	1,083,600
PTBH - Monthly Guest	A	165,500	8,275	173,775
PTBH - Nightly Guest	A	243,330	12,167	255,497
PTBH - Liveaboard Fees		18,000	900	18,900
Yard - Liveaboard Fees		500	25	525
Yard - Washdown Fees		75,000	3,750	78,750
PH - Perm Moorage		124,277	6,214	130,491
PH - Monthly Guest	B	72,828	3,641	76,469
PH - Nightly Guest		235,350	11,768	247,118
PH - Showers		8,000	400	8,400
PTBH Property - Storage Units		5,000	250	5,250
Quilcene - Perm Moorage		33,150	1,658	34,808
Quilcene - Nightly Moorage		2,600	130	2,730
Quilcene - Showers		2,500	125	2,625
Quilcene - Ramp fees		3,040	152	3,192
Ramp Fees (other locations)		46,859	2,343	49,202
total revenue		2,067,934	103,397	2,171,331

**Notes:**

A. In the first column, PTBH Monthly Guest was increased by \$6,000 over the 2016 budget and Nightly Guest was increased by \$11,730 over the 2016 budget based on the YTD 2016 increase in occupancy.

B. In the first column, PH Monthly Guest was increased by \$1,428 over the 2016 budget based on YTD 2016 occupancy.

C. The RV rate increased significantly for 2016 so that revenue line item wasn't included since comparative to other RV parks and accompanying amenities, the Port is already at a relatively high rate.

## Projections for Operating Revenue & Expense Performance without Depreciation

DETAILS: The following assumptions were made for these projections:

- 1.) The 2016 Budgeted Revenues were reduced by 5% (~\$270,000) due to our current expectation that 100% budget will not be achieved,
- 2.) 2016 Budgeted Expenses remain as budgeted, though those may also fall below budget,
- 3.) 2017 Budgeted Revenues and Expenses are as presented in the 2nd Draft of the 2017 Budget, in addition to the proposed rate increase,
- 4.) 2018-2020 have increases in Revenue each year of 5% and increases in Expenses each year of 3.25%. These percentage increases are based on the Port's most recent historical six (6) year average (2009-2015 actual performance). The historical 6 year average of Revenues is a 4% increase and we increased that by 1% based on re-capturing some revenues and creating others. We also anticipate creating additional new revenues over the next few years that will contribute to this 1% projected. The historical 6 year average of Expenses is a 4.4% increase. We would plan to mitigate those to 3.25% annually.

	<b>2016 budget</b>	<b>2017 budget</b>	<b>2018 budget</b>	<b>2019 budget</b>	<b>2020 budget</b>
Revenues	5,146,726	5,755,729	6,043,515	6,345,691	6,662,976
Expenses w/o Depr	4,470,917	4,875,019	5,033,457	5,197,044	5,365,948
Net Income w/o Depr	675,809	880,710	1,010,058	1,148,647	1,297,027
Revenue incr yr to yr		609,003	287,786	302,176	317,285
Exp incr yr to yr		404,102	158,438	163,587	168,904

## Projected Cashflow for 2017 through 2020

### With Proposed 2017 Rate Increases

	2017 Budgeted Cashflow	2018 Budgeted Cashflow	2019 Budgeted Cashflow	2020 Budgeted Cashflow
Estimated Ending Cash, 2016	2,722,401	2,584,816	2,492,890	3,355,445
Operating Revenues	5,755,729	6,043,515	6,345,691	6,662,976
Operating Expenses (w/o depreciation)	(4,875,019)	(5,033,457)	(5,197,044)	(5,365,948)
Non-Operating (net)	701,331	3,062,568	1,208,267	678,251
Debt service - principle	(1,094,026)	(1,192,052)	(914,859)	(960,899)
Issuance of Bond Debt	1,060,000	979,000	1,029,000	2,203,000
Capital expenses (paid from Grants)	(168,750)	(2,479,500)	(579,500)	-
Capital expenses (paid from Operating)	(297,250)	(193,000)	-	-
Capital expenses (paid from Reserves)	(159,600)	(300,000)	-	-
Capital expenses (paid from Bonds)	(1,060,000)	(979,000)	(1,029,000)	(2,203,000)
Increase/(Decrease in cash)	(137,585)	(91,926)	862,555	1,014,380
Estimated Ending Cash, 2017	2,584,816	2,492,890	3,355,445	4,369,825

#### Assumptions:

1. The Estimated Ending Cash for 2016 was calculated based on the actual 2015 ending cash, the YTD operational results through August 31, 2016 and adjusted for known and budgeted revenues and expenses through the 2016 year end.
2. Operating Revenues budgeted for 2016 were reduced to 95% of budget based on current activity and expected performance through year end.
3. 2017 Operating Revenues & Expenses have the 2nd Draft figures in addition to the proposed 5% rate increases. 2018-2020 projected estimates of Revenues and Expenses assume a 5% and 3.25% respective increase annually.
4. 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, such as issuance of new bond debt.
5. Capital Expenses are based on the Capital Budget for 2017 - 2020 and their projected funding sources.
6. Issuance of new Bond debt (both Revenue and GO bonds) are the principle amounts projected from the Capital Budget for 2017.
7. Debt Service principle was estimated on the new debt assuming amortization over a 20 year period at 3% interest with semi-annual payments. Those interest payments were included in the Non-Operating (net) figures for each year.