

The Port
OF PORT TOWNSEND
SERVING ALL OF JEFFERSON COUNTY

Port of Port Townsend
1st Monthly Business Meeting – SPECIAL MEETING
Thursday, October 11, 2018, 1:00 p.m.
Port Commission Building
333 Benedict Street
Port Townsend, WA

- I. Call to Order / Pledge of Allegiance
- II. Approval of Agenda
- III. Public Comments (related to/not related to the agenda)
- IV. Consent Agenda
 - A. Approval of Regular Business Meeting Minutes – September 26, 2018.....1-4
 - B. Approval of Warrants
- V. Second Reading
- VI. First Reading
- VII. Regular Business
 - A. Capital Projects Discussion.....5-6
 - B. 2019 Draft Operating Budget – (second draft).....7-22
- VIII. Staff Comments
- IX. Commissioner Comments
- X. Next Public Workshop / Business Meeting:
PUBLIC WORKSHOP: Wednesday, October 24, 2018, 3:00 pm
BUSINESS MEETING: Wednesday, October 24, 2018, 5:30 pm
Port Commission Building, 333 Benedict Street, Port Townsend, WA
- XI. Executive Session
- XII. Adjournment

PORT COMMISSION REGULAR BUSINESS MEETING– September 26, 2018

The Port of Port Townsend Commission met in regular session at the Commission Building, 333 Benedict Street, Port Townsend, WA

Present: Commissioners – Tucker, Hanke and Putney
Interim Executive Director Pivarnik
Auditor Berg
Attorney Chmelik (via Skype audio/visual)
Minutes – Nelson

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Tucker called the meeting to order at 5:30 p.m.

II. APPROVAL OF AGENDA:

Commissioner Putney moved to approve the Agenda as presented.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

III. PUBLIC COMMENTS (00:00:52):

Jeff Kelety, long-time Port moorage tenant, welcomed Mr. Pivarnik and said moorage tenants look forward to a partnership with the Port in support of preserving maritime culture, providing fair access to Port resources, facilitating partnership and stewardship. Bertram Levy discussed attachments he sent to the Commissioners. He discussed comparable moorage rates, a chart on Boat Haven tenancy, and an attachment on separation of RVs and Marinas and of guest and permanent moorage and other issues. Gwendolyn Tracy presented the ad the Marine Trades Association placed in the 48 North publication on the fall/winter boatyard rate changes.

IV. CONSENT AGENDA (00:07:36):

- A. Approval of Public Workshop Minutes – September 12, 2018
Approval of Regular Business Meeting Minutes – September 12, 2018

- B. Approval of Warrants

Warrant #059573 through #059579 in the amount of \$12,781.30 for Payroll & Benefits
Electronic Payment in the Amount of \$64,868.69 for Payroll & Benefits

Warrant #059580 through #059626 in the amount of \$242,729.70 for Accounts Payable
Electronic Payment in the amount of \$13,486.51 for WA State Dept. of Revenue

Combined Excise Tax Return for August 2018

Commissioner Putney moved to approve the Consent Agenda as presented.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

V. SECOND READING (Action Items):

VI. FIRST READING (Discussion Only):

- A. Rate Policy Discussion (00:07:50):

As the newly hired Interim Executive Director, Mr. Pivarnik asked the Commission how they would prefer rates to be set. He recommended that staff propose any rate changes and present to the Commission for approval. Discussion ensued.

Commissioner Tucker moved to direct staff to present rates to the Commission for First and Second Readings on the Commission Meeting Agendas.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

Commissioner Hanke moved to direct staff to provide the Commission with rate changes for approval.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

VII. REGULAR BUSINESS:

A. Seasonal Yard Discount (00:13:48):

Last year offered a 10% discount in the shipyard October-April. Mr. Pivarnik stated he met with Mr. Englin and Mr. Khile to get their feedback. Staff recommends implementing the 10% winter shipyard discount again this year.

Commissioner Hanke would like to see an aggressive campaign to market the shipyard and to possible coordinate with the marine trades.

Ms. Tracy discussed ideas on marine trades and marketing. Discussion ensued on marketing plans and ideas.

Commissioner Hanke moved to approve the 10% shipyard discount for the winter months (October through April).

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

B. 1st Draft 2019 Operational Budget (00:18:29):

Mr. Pivarnik explained he and Ms. Berg have been working together on the budget. Goals are to build the net operating income and bring expenses down to 2017 levels, which they have reduced beyond 2017 levels. He explained an administrative position has been eliminated (Communications Coordinator), and they looked at reducing consultant contracts, other contracts and utilities. Staff is proposing a \$4.971M budget for 2019, down from 2018. Mr. Pivarnik explained numbers were strong this year at \$5.8M M and budgeted \$6.2M for income in 2019. He reviewed projects for 2019, including the airport runway rehab, advances in the stormwater system and the Point Hudson Jetty, which still needs addressing.

Mr. Pivarnik added the Commission set a CPI + 1% rate increase, and that 1% represents about \$27K. This can be discussed at a future meeting, he added. He stated yard rates will hold steady until September of 2019 and then will see a CPI + 1% increase, per discussions with the yard rate advisory group (aka the "task force").

Marketing for 2019 was discussed. Mr. Pivarnik stated he would take the lead there. Other subjects were discussed included passenger fees (marina and airport), community relations, marketing vs. promo, parking, environmental fees, available properties, ramp use and commercial box truck fees fees, etc.

C. Professional Services Agreement – Boat Haven Stormwater Compliance (00:42:31)

Mr. Pivarnik explained ongoing stormwater system work continues for DOE compliance. The Port has worked with Landau for the past eight years and this is a continuation of their work – a \$32K contract, scope of work included.

Commissioner Hanke moved to approve the contract and scope of work as presented with Landau Associates.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

D. Port Organizational Chart Amendment:

Mr. Pivarnik noted the changes: Mr. Aase retires as Maintenance Manager on October 31, 2018 and Chris Sparks has been hired in his place, as an exempt employee. Maintenance Mechanic Shawn Wiles was promoted to Maintenance Lead/Mechanic II. It was noted that the Port lost our electrician in May and a new Maintenance Tech II/Mechanic I will assist Mr. Wiles, allowing him time to perform electrical work as well. Staff will put out a Request for Proposals for a three-year on-call contract with an electrical firm for major work.

Commissioner Hanke moved to adopt the amended Organizational Chart as presented.

Commissioner Putney seconded the motion.

Motion carried by unanimous vote.

E. August 2018 Financials (00:52:05):

Ms. Berg announced revenue is the highest Port-wide in the past five years, and is 8.6% over 2017. Marinas & RVs continue to do well, yard is catching up, properties and leases are down as well as fuel sales in Quilcene. She explained operation expenses exceed 2017 but are below budget. Net income at \$1.4M, and ahead of 2017. Mr. Pivarnik asked the Commission if they would be content with a quarterly financial report, rather than monthly, as he believes it is easier to see trends. The commission agreed to go with a full quarterly financial report and a monthly financial statement and cash flow report, which will be posted to the web site.

VIII. STAFF COMMENTS:

Ms. Nelson announced the Port will soon be sending out an email to marine trades for sign-up to share the Port's booth space for the November 2018 Pacific Marine Expo. She also announced the records clean-out and organization project has been delayed due to some employee absences.

Ms. Berg stated she continues to work on the budget and human resources issues.

Mr. Pivarnik stated former Port Commissioner Dave Thompson approached him, suggesting the Port look into six-year terms for Commissioners, instead of four-year terms. Attorney Chmelik weighed in and explained RCW 53.12.175 allows for the terms to be decreased from six-year to four, but does not allow for a term increase. He offered his theories on how to approach this. Commissioner Hanke suggested bringing this discussion up at the WPPA Small Ports Conference in October.

Mr. Pivarnik announced ORCAA (Olympic Regional Clean Air Agency) visited with Port staff recently and will begin requiring workers in the yard to have permits for boat work, and will charge fines to violators.

Last, Mr. Pivarnik received a call from Lizanne Coker of the Jefferson Homebuilders Association, offering the former Chamber of Commerce building to the Port at no cost, as long as it was moved off-site. Mr. Pivarnik discussed a few possibilities for use and stated he would investigate further.

IX. COMMISSIONER COMMENTS (01:16:51):

Commissioner Putney stated he has been busy with the Film Festival, so doesn't have much to report. He announced he would attend the NODC meeting tomorrow and a Broadband meeting in Port Angeles on Friday.

Commissioner Tucker announced he would attend a meeting next Monday with EDC Director Brian Kuh, County Commissioner Kate Dean and City Mayor Deb Stinson for a bathroom summit. They will discuss collaborating on an application to receive County PIF (Public Infrastructure Funds). Discussion ensued on public restroom issues.

X. NEXT PUBLIC WORKSHOP / REGULAR BUSINESS MEETING:

Workshop: Wednesday, October 10, 2018, 9:30 am

Meeting: Wednesday, October 10, 2018, 1:00 pm

Port Commission Building, 333 Benedict St, Port Townsend.

XI. EXECUTIVE SESSION:

The regular session recessed at 6:55 pm and entered into Executive Session at 7:00 pm to discuss a personnel matter, pursuant to RCW 42.30.110 (g), duration of thirty minutes with no action. The Executive Session was extended by ten minutes.

XII. ADJOURNMENT:

The meeting reconvened and adjourned at 7:40 pm there being no further business to come before the Commission.

ATTEST:

Stephen R. Tucker, President

William W. Putney III, Secretary

Peter W. Hanke, Vice President

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	October 11, 2018
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. A) Capital Project Discussion
STAFF LEAD	Jim Pivarnik
REQUESTED	<input type="checkbox"/> Motion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	A. Capital Project List Info Memo

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 10/11/2018
TO: Commission
FROM: Jim Pivarnik, Interim Executive Director
SUBJECT: Capital Project List

ISSUE

As the 2019 Budget takes shape, staff would like to have a discussion on the capital budget and capital maintenance requirements anticipated next year. In addition to the three big projects that the Port faces, there are additional capital maintenance issues that need to be addressed.

BACKGROUND

The Port traditionally has only included large capital projects in their budget documents. With the low threshold that we're using to identify capital projects of \$5,000, we feel it necessary to list some of the most important maintenance issues facing the Port next year.

DISCUSSION

Staff would like to have a discussion with the Commission to make sure that our project expectations align for the coming year.

RECOMMENDATION

For discussion and direction.

ATTACHMENTS

PORT OF PORT TOWNSEND

AGENDA COVER SHEET

MEETING DATE	October 11, 2018
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. B) 2019 Operating Budget (second review)
STAFF LEAD	Abigail Berg / Jim Pivarnik
REQUESTED	<input type="checkbox"/> Motion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	A. 2019 Draft Operating Budget, 2 nd Draft

The Port OF PORT TOWNSEND SERVING ALL OF JEFFERSON COUNTY

From: Jim Pivarnik, Executive Director
RE: 2019 Budgets – A Look Ahead
Date: October 11, 2018

Introduction

The Port of Port Townsend provides many important services to the residents of Jefferson County: facilities and services that support the local marine trades industry; public recreational opportunities in the form of marinas, boat ramps, RV park; and air and water transportation links within the Puget Sound region. Maintaining and replacing the public infrastructure that supports these services is difficult at best. During periods of economic growth is the time that the Port needs to take a leadership role in making whatever headway we can for our future.

Economic Outlook

The economic outlook for Jefferson County for 2019 and beyond is one of cautious optimism. However, the new economic normal suggests that obtaining federal and state funding for capital projects is likely to remain highly constrained and competitive and we will need to rely on our community partners for help securing these scarce funds.

Capital Investment Needs – Present & Future

A series of major capital projects has been on the table for some time and needs to be addressed starting with this budget cycle. These are: a long-term fix for stormwater, a failing jetty at Point Hudson and a complete re-do of the runway at JCIA. In addition to these major capital needs there are several key capital maintenance projects outlined in the budget. I'm sure that we can all come up with several more necessary projects that are needed but we must remain focused on these major capital needs to be successful.

Our Issues Are Not Unique

Our situation mirrors that of the nation, and many state and local governments: underfunded legacy infrastructure. Many of our facilities, like those across the nation, were built during a "golden age" of infrastructure construction and subsequent economic growth between the 1930s and early 1960s (e.g., Point Hudson and the Boat Haven were constructed during this period). The challenge is easily stated, but difficult to remedy: we lack enough resources to restore, replace, or repair aging infrastructure. Obviously, this aging infrastructure is the backbone of the Port and enables us to generate the revenues we depend upon to fund ongoing operations, and theoretically, to repair and replace infrastructure at the end of its useful life. Port maintenance staff has done an admirable job over the years in conducting routine and ordinary maintenance to preserve and extend the useful life of our assets.

A Way Forward

To address these mounting issues, I recommend that the Port follow these six guiding goals.

- Build net operating revenues through a combination of growing revenue and reduce expenses.
- Continue to lease all vacant spaces in each of our port facilities.
- Complete infrastructure upgrades at Jefferson County International Airport while federal funds are still available.
- Create and adhere to a leasing policy for all Port properties.
- Develop and successfully execute a long-term stormwater solution to support our marine trades tenants
- Continue to cultivate, nurture and improve relationships with our community partners.

Prepare for Some Tough Choices

Adoption of the 2019 budget is only the beginning. Our current revenue streams and tax receipts are inadequate to fund the long-term maintenance, repair, and replacement of the suite of facilities and equipment we presently operate. This suggests that we will be required to undertake management responses that may include a combination of all the following:

- Increase rates and fees to recoup costs.
- Critically evaluate and potentially cut overhead expenses.
- Surplus non-performing assets that do not advance our central mission of economic development.
- Align expectations with realities.

My staff and I look forward to working with the Commission to ensure the continued financial stability of the Port of Port Townsend and to support a vibrant and healthy local economy.

Respectfully,

Jim Pivarnik
Executive Director

2019 Draft Operating Budget Assumptions – 2nd DRAFT

The following details specific areas of change for the 2019 Port Operating budget when compared to the 2018 Operating budget. Blue font indicates 2nd Draft.

Operating Revenue

1. The Port is obligated by its' Teamsters Local 589 Union contract to annually provide a CPI COLA increase, not to exceed 5% and not to be less than 2%, (CPI-All Urban Consumer Price Index for Seattle-Tacoma-Bellevue Bi-Monthly Data June to June) to the union wage table January 1 of each year (2018-2020). As such, the Port elected years ago to include this annual COLA increase to all Port employees (per the Port Policy Handbook). As of June 2018, this CPI was 3.3%.
2. Since the Port is obligated by contract to pay this CPI to its employees, it stands to reason this same CPI should be used when applying it to Port revenues.
3. Various other Operating Revenues were adjusted based on the activity YTD August 2018 and the planned business strategies for 2019.

Operating Expenses

4. Personnel costs were calculated based on being fully staffed in accordance with the Organizational Chart as presented at today's meeting (September 26th). Salaries/Wages were calculated to include the 3.3% COLA, except for the Interim ED (since he just started mid-September) and the Director of Operations (since he received a raise in 2018).
5. There was a reduction in one (1) FTE in administration (the Communications Coordinator position).
6. A slight increase in personnel costs is the result of changing the Director of Planning to fulltime status as well as a placeholder for a seasonal yard employee to be hired, if we reach the anticipated volume of boats in the yard next summer.
7. Review of previous years' budgeted and actual amounts for Payroll Taxes led us to confidently reduce this amount for 2019.
8. The anticipated cost for Personnel Benefits was increased to 12.83% (from 12.7%) for employee PERS contributions.
9. Complete data has not been received for any potential cost increases for union employees' health insurance. There was no increase in 2018, so we estimated a potential increase of up to 10% which is included in the budget.
10. There is a slight decrease estimated for Contracting Services. Additional review will be done before the next draft to determine if more reductions can be made.
11. We anticipate a reduction in Consulting Services when compared to 2018 which resulted in a decrease of \$29,000.

12. Careful analysis of Utilities for the past year indicated that we needed to increase this line item. Increases in utilities are expected. However, we are hoping to capture savings here by recovery as well as some changes in the way utilities are managed.
13. No audit is scheduled for 2019, so that was removed from the budget. We anticipate a full audit in 2020, which will include a Federal Compliance, or Single Audit, as the result of the JCIA Runway Rehabilitation project.
14. Marketing was decreased by approximately \$25,000. This amount was added to the budget in 2018 to pay for an updated website.

Non-Operating Revenue

15. Capital Contributions/Grants projections are for the JCIA Runway Rehabilitation project, Phase II Final Design & Engineering (with bid support) and Phase III Construction and construction management.
16. The grant funding for the JCIA Runway Rehabilitation project increases overall net income by \$4,368,028. Net Income currently is \$4,759,025, and when you reduce it by the AIP grant funding, it comes to \$390,997. Of that total, the Port will have to pay approximately \$235,336 in grant/project match, thus lowering the ending net income to \$155,661. However, depreciation is included in the budget in the amount of \$1,665,300 and this is a non-cash item. See the cashflow projections for a better understanding.
17. The Port's budgeted Operating Tax Levy was increased to \$1,008,000 in accordance with the recommendation of the County Assessor at the September 12th Commission meeting.

Non-Operating Expenses

18. As expected, bond interest is reduced as there is one less debt obligation in 2019 (the 2013 Revenue Bond was paid off as of November 2018).
19. The District 1 Commission slot is open for election in the fall of 2019 and was estimated to cost \$9,500.

Port of Port Townsend
CONSOLIDATED OPERATING & NON-OPERATING
 2019 Budget with Comparison to Prior Years

2nd DRAFT 10/11/18

	2017 Actual	2018 Budget	2019 Budget	2018-2019 variance
REVENUES				
Marinas and RV Parks	2,549,880	2,604,539	2,891,318	286,779
Yard Operations	1,421,708	1,768,384	1,801,788	33,404
Property Leases & Use	1,153,884	1,166,522	1,196,011	29,489
Fuel Sales & Leases	45,056	47,100	38,865	(8,235)
Ramp Use	60,322	60,900	60,900	-
Utilities	219,199	227,630	232,644	5,014
Total Operating Revenues	5,450,049	5,875,075	6,221,526	346,451
OPERATING EXPENSES				
Salaries & Wages	2,103,069	2,128,656	2,118,527	(10,129)
Payroll Taxes	217,816	298,102	232,015	(66,087)
Employee Benefits	731,355	776,916	773,871	(3,045)
Uniform Expense	6,736	9,311	8,426	(885)
Contract Services	306,052	290,000	281,185	(8,815)
Consulting Services	177,941	165,000	136,000	(29,000)
Legal fees	120,027	130,000	100,000	(30,000)
Audit	3,034	7,500	-	(7,500)
Facilities & Operations	748,775	765,710	708,903	(56,807)
Utilities	552,180	525,000	553,383	28,383
Marketing & Advertising	32,737	81,450	53,805	(27,645)
Economic Development	30,000	30,000	30,000	-
Travel & Training	30,590	35,000	34,013	(987)
Cost of Goods - Fuel	16,730	18,000	10,965	(7,035)
Community Relations	2,610	4,000	-	(4,000)
Total Operating Expenses	5,079,651	5,264,645	5,041,093	(223,552)
Income from Operations w/o Depr	370,398	610,430	1,180,433	570,003
Depreciation Expense	1,585,632	1,605,300	1,665,300	60,000
Income (Loss) from Operations with Depr	(1,215,234)	(994,870)	(484,867)	510,003
Non-Operating Revenue				
Capital Contributions/Grants	280,658	1,187,727	4,368,028	3,180,301
Interest	45,108	41,000	42,200	1,200
Property & other taxes	1,037,038	1,041,000	1,064,490	23,490
Misc Non-Operating Revenue	535,856	35,000	35,000	-
Total Non-Operating Revenues	1,898,660	2,304,727	5,509,718	3,204,991
Non-Operating Expenses				
Bond Interest	341,943	332,127	293,838	(38,289)
Bond Mgmt, Issuance, Investment	1,458	1,500	1,500	-
Election Expense	11,951	-	9,500	9,500
Total Non-Operating Expenses	355,352	333,627	304,838	(28,789)
Net Non-Operating Income(Expense)	1,543,308	1,971,100	5,204,880	3,233,780
Net Income (Loss)	328,074	976,230	4,720,012	3,743,782

Port of Port Townsend
BOAT HAVEN MOORAGE OPERATIONS
 2019 Budget with Comparison to Prior Years

2nd DRAFT 10/11/18

	2017 Actual	2018 Budget	2019 Budget	2018-2019 variance
REVENUES				
PTBH - Permanent Moorage	1,050,478	1,103,000	1,197,469	94,469
PTBH - Liveaboard Fee	20,006	21,840	27,526	5,686
PTBH - Work Float/Lift Pier Usage	12,417	13,520	7,081	(6,439)
PTBH - Monthly Guest	268,583	283,171	335,144	51,973
PTBH - Nightly Guest	211,180	219,200	211,659	(7,541)
PTBH - Miscellaneous Revenue	13,139	14,036	11,575	(2,461)
PTBH - Showers	21,777	22,570	21,510	(1,060)
PTBH - Laundry	687	6,000	6,864	864
PTBH - Electric	82,340	88,500	93,500	5,000
Total Operating Revenues	1,680,606	1,771,837	1,912,328	140,491
OPERATING EXPENSES				
Moorage Pay	217,225	174,334	218,692	44,358
Moorage Taxes	26,769	32,676	23,832	(8,844)
Moorage Benefits	75,195	69,096	79,954	10,858
Uniform Expense	122	1,076	1,076	-
Maint Pay	44,123	47,292	34,404	(12,888)
Maint Taxes	5,337	7,824	3,785	(4,039)
Maint Benefits	15,626	16,740	10,686	(6,054)
Contract Services	33,480	37,200	36,000	(1,200)
Consulting Services	1,750	-	-	-
Facilities & Operations	162,137	158,496	161,852	3,356
Utilities	169,432	165,400	172,441	7,041
Marketing & Advertising	7,856	11,160	7,615	(3,545)
Travel & Training	1,361	1,000	1,000	-
General & Administrative	488,855	546,974	482,314	(64,660)
Total Operating Expenses	1,249,267	1,269,268	1,233,651	(35,617)
Income from Operations w/o Depr	431,340	502,569	678,677	176,108

Port of Port Townsend
WORK & SHIP YARD OPERATIONS
 2019 Budget with Comparison to Prior Years

2nd DRAFT 10/11/18

	2017 Actual	2018 Budget	2019 Budget	2018-2019 variance
REVENUES				
Yard - Work Yard Revenue	489,139	549,017	559,293	10,276
Yard - 70/75 Ton Hoist Revenue	300,863	305,460	332,758	27,298
Yard - Ship Yard Revenue	276,768	435,251	415,022	(20,229)
Yard - 300 Ton Hoist Revenue	148,530	169,295	196,408	27,113
Yard - Washdown Revenue	68,896	83,095	96,158	13,063
Yard - Bilge Water Revenue	4,162	6,000	6,971	971
Yard - L/T Storage	63,134	60,000	72,326	12,326
Yard - Blocking Rent	29,397	30,576	36,943	6,367
Yard - Off Port Property Tarp Fee	400	57,000	29,405	(27,595)
Customer Revenue Share	-	60,000	30,000	(30,000)
Yard - Liveaboard Fee	35	140	140	-
Yard - Miscellaneous Revenue	7,325	7,550	6,364	(1,186)
Yard - Enviro Fee	140	5,000	20,000	15,000
Marine Trades 3% Revenue	32,919	-	-	-
Yard - Electric	29,663	28,500	28,500	-
Total Operating Revenues	1,451,371	1,796,884	1,830,288	33,404
OPERATING EXPENSES				
Yard Pay	518,842	557,033	549,500	(7,533)
Yard Taxes	58,411	82,596	60,445	(22,151)
Yard Benefits	181,853	199,656	208,835	9,179
Uniform Expense	4,215	3,480	3,480	-
Maint Pay	56,727	58,560	42,891	(15,669)
Maint Taxes	6,717	9,572	4,718	(4,854)
Maint Benefits	20,019	20,510	13,321	(7,189)
Contract Services	75,011	43,000	45,440	2,440
Facilities & Operations	215,723	222,654	239,119	16,465
Utilities	90,976	85,200	91,579	6,379
Marketing & Advertising	10,494	13,350	17,896	4,546
Travel & Training	2,184	2,400	3,413	1,013
General & Administrative	439,750	554,706	461,622	(93,084)
Total Operating Expenses	1,680,923	1,852,717	1,742,259	(110,458)
Income from Operations w/o Depr	(229,553)	(55,833)	88,029	143,862

Port of Port Townsend
POINT HUDSON OPERATIONS
 2019 Budget with Comparison to Prior Years

2nd DRAFT 10/11/18

	2017 Actual	2018 Budget	2019 Budget	2018-2019 variance
REVENUES				
Pt Hudson - Permanent Moorage	136,068	141,711	142,891	1,180
Pt Hudson - Liveaboard Fee	4,720	5,096	4,750	(346)
Pt Hudson - Monthly Guest	100,122	86,300	110,038	23,738
Pt Hudson - Nightly Guest	214,362	115,840	209,348	93,508
City Pier & Union Wharf Usage	9,262	24,000	20,692	(3,308)
Pt Hudson - Monthly R.V.	41,249	43,100	65,620	22,520
Pt Hudson - Nightly R.V.	325,204	360,360	368,038	7,678
Pt Hudson - Kayak Racks	9,271	9,000	9,304	304
Pt Hudson - Reservation Fee	38,696	40,150	44,240	4,090
Pt Hudson - Showers	7,087	9,000	8,428	(572)
Pt Hudson - Laundry	9,218	10,000	12,201	2,201
Pt Hudson - Passenger Fee	6,110	21,500	14,324	(7,176)
Pt Hudson - Promotional Sales	-	-	327	327
Pt Hudson - Miscellaneous Rev	3,814	4,100	2,420	(1,680)
Pt Hudson - Building Lease Revenue	379,917	383,000	374,464	(8,536)
Pt Hudson - Parking	122	10,380	3,760	(6,620)
Pt Hudson - Event Facility Rev	24,974	24,700	28,415	3,715
Pt Hudson - Electric	32,987	36,730	31,850	(4,880)
Pt Hudson - Property Utility Reimb	35,406	36,700	38,010	1,310
Total Operating Revenues	1,378,588	1,361,667	1,489,120	127,453
OPERATING EXPENSES				
Point Hudson Pay	125,237	134,580	152,674	18,094
Point Hudson Taxes	16,997	19,231	16,073	(3,158)
Point Hudson Benefits	41,575	45,312	53,815	8,503
Uniform Expense	164	960	960	-
Maint Pay	108,459	110,400	120,660	10,260
Maint Taxes	13,218	14,124	13,273	(851)
Maint Benefits	38,850	39,852	37,473	(2,379)
Contract Services	41,588	42,500	46,989	4,489
Facilities & Operations	90,335	151,201	115,922	(35,279)
Utilities	184,839	178,750	188,481	9,731
Marketing & Advertising	6,399	14,040	9,355	(4,685)
Travel & Training	274	600	600	-
General & Administrative	387,524	420,352	375,576	(44,776)
Total Operating Expenses	1,055,458	1,171,902	1,131,851	(40,051)
Income from Operations w/o Depr	323,130	189,765	357,269	167,504

Port of Port Townsend
BOAT HAVEN PROPERTIES OPERATIONS
 2019 Budget with Comparison to Prior Years

2nd DRAFT 10/11/18

	2017 Actual	2018 Budget	2019 Budget	2018-2019 variance
REVENUES				
PTBH Prop - Lease Revenue	549,067	556,620	584,918	28,298
PTBH Prop - Water, Swr, Garbage, Other	21,308	20,300	20,300	-
PTBH Prop - Stormwater Fees	7,493	7,500	7,500	-
PTBH Prop - Electric	1,802	1,800	2,662	862
PTBH Prop - Fuel Dock Lease	21,158	21,000	21,000	-
PTBH Prop - Storage Unit Revenue	6,334	6,650	8,280	1,630
PTBH Prop - Miscellaneous	4,688	-	-	-
PTBH Prop - Parking	-	-	-	-
Total Operating Revenues	611,849	613,870	644,660	30,790
OPERATING EXPENSES				
PTBH Property Pay	2,708	2,705	6,188	3,483
PTBH Property Taxes	368	527	681	154
PTBH Property Benefits	969	1,238	2,730	1,492
Maint Pay	44,446	45,792	49,018	3,226
Maint Taxes	5,454	7,440	5,392	(2,048)
Maint Benefits	15,782	16,326	15,224	(1,102)
Contract Services	13,164	9,000	9,000	-
Facilities & Operations	77,083	58,112	36,966	(21,146)
Utilities	38,203	35,200	43,724	8,524
Marketing & Advertising	-	-	639	639
General & Administrative	180,640	189,504	162,592	(26,912)
Total Operating Expenses	378,818	365,844	332,154	(33,690)
Income from Operations w/o Depr	233,030	248,026	312,506	64,480

Port of Port Townsend
QUILCENE MARINA & RV OPERATIONS
 2019 Budget with Comparison to Prior Years

2nd DRAFT 10/11/18

	2017 Actual	2018 Budget	2019 Budget	2018-2019 variance
REVENUES				
Quilcene - Permanent Moorage	38,028	40,800	48,117	7,317
Quilcene - Liveaboard Fee	-	-	225	225
Quilcene - Nightly Moorage	4,397	5,630	3,645	(1,985)
Quilcene - Monthly R.V.	-	-	2,985	2,985
Quilcene - Nightly R.V.	1,209	1,400	1,208	(192)
Quilcene - Showers	2,451	2,600	3,074	474
Quilcene - Miscellaneous Revenue	-	215	215	-
Quilcene - Reservations	345	400	400	-
Quilcene - Rental Property Revenue	1,000	-	-	-
Quilcene - Lease Revenue	58,760	58,752	62,028	3,276
Quilcene - Fuel Sales	20,629	23,100	14,700	(8,400)
Quilcene - Recreational Ramp Fees	9,512	9,600	9,600	-
Quilcene - Commercial Use Fees	4,600	4,600	4,600	-
Quilcene - Water	5,431	5,500	7,486	1,986
Quilcene - Electric	888	900	1,189	289
Total Operating Revenues	147,250	153,497	159,472	5,975
OPERATING EXPENSES				
Quilcene Pay	24,166	29,286	19,998	(9,288)
Quilcene Taxes	4,061	4,350	2,116	(2,234)
Quilcene Benefits	3,755	3,950	4,544	594
Maint Pay	29,942	18,960	23,566	4,606
Maint Taxes	3,589	2,552	2,592	40
Maint Benefits	10,913	6,156	7,319	1,163
Contract Services	24,127	13,600	9,120	(4,480)
Facilities & Operations	44,730	13,834	20,773	6,940
Utilities	14,386	13,980	12,015	(1,965)
Marketing & Advertising	72	700	700	-
Travel & Training	-	200	200	-
Cost of Fuel Sold	16,730	18,000	10,965	(7,035)
General & Administrative	41,712	47,385	40,222	(7,163)
Total Operating Expenses	201,455	154,953	154,130	(11,787)
Income from Operations w/o Depr	(54,205)	(1,456)	5,342	17,762

Port of Port Townsend
BOAT RAMP OPERATIONS
 2019 Budget with Comparison to Prior Years

2nd DRAFT 10/11/18

	2017 Actual	2018 Budget	2019 Budget	2018-2019 variance
REVENUES				
Ramp Fees	37,868	40,000	40,000	-
PTBH - Commercial Use Fees	7,200	5,600	5,600	-
Dinghy Float Revenue	1,142	1,100	1,100	-
Total Operating Revenues	46,210	46,700	46,700	-
OPERATING EXPENSES				
Ramps Pay	4,849	5,460	4,800	(660)
Ramps Taxes	551	850	480	(370)
Ramps Benefits	1,199	1,380	1,752	372
Maint Pay	10,504	12,504	7,070	(5,434)
Maint Taxes	1,268	2,500	778	(1,722)
Maint Benefits	3,742	4,380	2,196	(2,184)
Facilities & Operations	5,912	6,466	7,458	992
Utilities	3,726	3,750	3,750	-
Marketing & Advertising	2,350	3,000	2,900	(100)
General & Administrative	15,230	14,416	11,778	(2,638)
Total Operating Expenses	49,331	54,706	42,962	(11,744)
Income from Operations w/o Depr	(3,121)	(8,006)	3,738	11,744

Port of Port Townsend
JEFFERSON COUNTY INTERNATIONAL AIRPORT OPERATIONS
 2019 Budget with Comparison to Prior Years

2nd DRAFT 10/11/18

	2017 Actual	2018 Budget	2019 Budget	2018-2019 variance
REVENUES				
JCIA - Lease Revenue	106,350	104,400	110,287	5,887
JCIA - Hangar Revenue	20,362	20,000	22,424	2,424
JCIA - Vehicle Parking Revenue	540	720	720	-
JCIA - Aircraft Parking	1,471	1,200	615	(585)
JCIA - Fuel Lease Revenue	3,270	3,000	3,165	165
JCIA - Electric	1,883	1,200	1,647	447
JCIA - Miscellaneous Revenue	300	100	100	-
Total Operating Revenues	134,175	130,620	138,958	8,338
OPERATING EXPENSES				
JCIA Pay	3,601	3,672	6,188	2,516
JCIA Taxes	482	740	681	(59)
JCIA Benefits	1,280	1,284	2,730	1,446
Maint Pay	29,424	30,336	34,878	4,542
Maint Taxes	3,731	4,876	3,837	(1,039)
Maint Benefits	10,587	9,840	9,840	-
Contract Services	21,272	19,680	19,680	-
Facilities & Operations	33,267	32,100	30,030	(2,070)
Utilities	19,362	18,020	18,693	673
General & Administrative	40,909	40,323	35,048	(5,275)
Total Operating Expenses	163,915	160,871	161,605	734
Income from Operations w/o Depr	(29,739)	(30,251)	(22,647)	7,604

Port of Port Townsend
MAINTENANCE - GENERAL OPERATIONS
 2019 Budget with Comparison to Prior Years

2nd DRAFT 10/11/18

	2017 Actual	2018 Budget	2019 Budget	2018-2019 variance
OPERATING EXPENSES				
Salaries & Wages	126,330	95,062	137,157	42,095
Payroll Taxes	11,445	12,748	15,087	2,339
Employee Benefits	43,080	30,756	42,597	11,841
Uniform Expense	2,235	2,910	2,910	-
Facilities & Operations	35,302	39,417	37,430	(1,987)
Utilities	8,223	6,800	6,800	-
Advertising (legal)	-	-	500	500
Travel & Training	266	800	400	(400)
Total Operating Expenses	226,880	188,493	242,881	54,388

Projected Cashflow for 2019 through 2021

DRAFT Budgeted Cashflow 10-11-18

Estimated Beginning Year Cash & Investments, per 9/10/18 estimates			
Unreserved Cash & Investments	707,290	1,329,239	2,144,337
Reserved Cash & Investments	957,423	1,027,423	1,097,423
Operating Revenues (after 2019, includes 3% annual increase)	6,221,526	6,408,172	6,600,417
Operating Expenses (w/o depreciation, after 2019, includes 3% annual increase)	(5,041,093)	(5,192,326)	(5,348,096)
2020 one (1) year Federal and two (2) year Financial & Accountability Audit	-	(26,300)	-
Non-Operating Revenues			
Grants - JCIA Airport Improvmt (AIP) grant	4,318,028	-	-
Grants - Quilcene CERB	50,000	-	-
Interest (bond rebate and investment interest)	42,200	44,200	46,200
Property Tax Levy & other taxes (conservative)	1,064,490	1,074,490	1,084,490
Miscellaneous	35,000	35,000	35,000
Non-Operating Expenses			
Bond interest (per bond amortization schedules)	(293,838)	(276,488)	(250,888)
Bond management fees	(1,500)	(1,650)	(1,750)
Elections (2019 district 1, 2021 districts 2 & 3)	(9,500)	-	(13,750)
Debt service - principle payments	(715,000)	(755,000)	(785,000)
Capital expenses (from Grants)			
JCIA AIP - remainder of Phase II Engineering	(138,028)	-	-
JCIA AIP - Phase III Construction (90%)	(3,960,000)	-	-
JCIA WSDOT - Phase III Construction (5%)	(220,000)	-	-
Capital expenses (from Unreserved Cash)			
JCIA Port match - remainder of Phase II Engineering (10%)	(15,336)	-	-
JCIA Port match - Phase III Construction (5%)	(220,000)	-	-
Small capital projects	(125,000)	(125,000)	(130,000)
Capital expenses (from Reserves) - vehicle replacement	(50,000)	(50,000)	(50,000)
Contingency funds - Emergency repair on Point Hudson Jetty	(250,000)	(250,000)	(250,000)
Increase/(Decrease) in Cash	691,949	885,098	936,623
Total Estimated Ending Cash & Investments	2,356,662	3,241,760	4,178,383
Unreserved Cash & Investments	1,329,239	2,144,337	3,010,960
Reserved Cash & Investments	1,027,423	1,097,423	1,167,423
Total Estimated Ending Cash & Investments	2,356,662	3,241,760	4,178,383

2019 Draft Capital Projects

JCIA Runway	4,318,028	Approved by Commission
JCIA Stormwater & Ditch Cleaning	15,000	Required for FAA compliance?
Boat Haven Workyard Resurfacing	100,000	Required for DOE Stormwater Compliance
Tide Gate Repair / Replacement	30,000	Required for DOE Stormwater Compliance
Point Hudson Jetty – Repair and Maintenance	250,000	Contingency fund for emergency repair
WDFW Building Creosote Mitigation	95,000	50% of total \$190K for this effort
New Day Fisheries Roof	38,000	Revenue stream offsets this cost
Boat Haven Backflow Preventer	30,500	Required by City of Port Townsend
Boat Haven Water Meters Installation	30,000	Expense should be offset over time with savings
Boat Haven Restroom	18,000	
Boat Haven Envirocenter Controls	20,000	Capital Expense but generates revenue through savings
Coast Seafoods - Roof Repair	48,000	Revenue Stream offsets this cost
Fleet - Replacement	50,000	One (1) Truck lost in 2018; maybe purchase one per year at \$35K
Subtotal	5,042,528	