



2021 OPERATING & CAPITAL BUDGET



Photo credit to Bill Curtsinger, December 2019

Approved by Port Commission on November 10, 2020
Resolution No. 731-20

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MESSAGE FROM THE EXECUTIVE DIRECTOR

Introduction

I am new to the Port of Port Townsend as of March 16, 2020. This year has been a remarkable year that began optimistically with celebrating and planning to use the voter approved Industrial Development District (IDD) levy, shifted rapidly into uncertain times with the outbreak of corona virus, and is finishing with mixed forecasts for the future. As we continue to weather the pandemic and all of its fears, worries and uncertainties, we also continue to look forward to major capital improvements that will maintain the Port's viability for future generations. The Port's facilities and services provide the basis for our thriving marine trades industries which represent more than 400 jobs and 20% of Jefferson County's economy, a wide variety of outdoor public recreational opportunities (including marinas, boat ramps, an RV park and public beaches), as well as important air and water transportation links to the world.

The Port has two primary missions: (1) creating good jobs for our community, and (2) providing access to the world. Most of our mission is achieved through the stewardship of major properties in Jefferson County. Port facilities encompass some 550 total acres in East Jefferson County and include three marinas, six boat ramps, two large public docks, an international airport, 30 buildings leased to private businesses and three sandy beaches that are favorites in Port Townsend: at the trailhead for the Larry Scott Trail, at Point Hudson and at Fort Worden.

In my first six months here at the port, three messages from the community have been completely clear: (1) people actively use and love Port properties, (2) marine trades are not just vitally important for the economy, but are also core elements of the fabric of this community, and (3) the community expects the Port to maintain its properties so future generations may enjoy the same or similar opportunities as exist today. The Port exists not just to manage real estate, but to provide trusted stewardship of vitally important community assets.

Economic & Financial Outlook

This letter is written in late October, before a significant national election and during a third spike in COVID-19 cases. The economic and financial outlook is unclear and the Port's 2021 budget makes a number of assumptions based on 2020 actual experiences. A core assumption is that Port operations will not be disrupted in 2021 as they were in the spring of 2020 by a total, temporary closure of our tourist-oriented enterprises. Most revenue items for 2021 are budgeted to fall between 2018 and 2019 revenue, marking a steady recovery from the lows of this spring. The marine trades have remained a bright spot during this pandemic and this budget continues to focus support for that sector of the Jefferson County economy.

Planned 2021 Capital Investments

The 2021 capital budget includes a 5-year plan with critical projects that are funded, partially funded or unfunded at this time. 2021 projects that are funded are as follows:

- Design phase work on the North and South Point Hudson jetties:.....\$226,700
- Repair 2018 storm damage to the Main Breakwater at Boat Haven:\$350,000
- Boat Haven Boatyard resurfacing (to maintain stormwater compliance):.....\$90,000
- Develop a plan for Quilcene:\$ 50,000
- Sperry Building annual rehab project at Boat Haven:\$70,000
- Annual repairs to C, D and Linear Docks at Boat Haven Marina:\$150,000
- Moorage office relocation or reconfiguration:\$60,000
- Design phase work for electrical upgrades at Boat Haven Marina and Boatyard:\$30,000
- Point Hudson landscaping:\$40,000
- Jefferson County International Airport (JCIA) terminal:..... \$100,000
- JCIA runway reconstruction closeout:\$22,661

• Equipment/vehicle purchases:	\$205,000
• Paint fuel dock office at Boat Haven:.....	\$10,000
Total:.....	\$1,504,361

Major projects in the 5-year plan that still require additional funding include the construction phase work for the Point Hudson Jetty, a \$14.1 million project, and the Gardiner Launch Ramp at \$1.0 million. The Port is positioned well thanks to the voter approved IDD Levy from November 2019 which provides a significant amount of money for capital investment, both to fully fund certain projects and to provide grant match for other projects.

2021 Budget Priorities

Key priorities in the 2021 budget include:

1. Maintaining core lines of revenue for the Port by focusing on the basics (i.e., increasing business and holding the line on costs).
2. Faithfully executing IDD Levy funded projects.
3. Continuing and expanding the trend of enhanced maintenance at all Port properties to both keep our infrastructure working and to improve the appearance of Port properties.
4. Improving customer service throughout the Port with a focus on: (a) implementing a new marina management software that includes customer access, (b) adding new part-time positions to greet guests and tenants at Point Hudson, (c) setting up a volunteer program to welcome guests and tenants at Boat Haven and provide additional eyes on the docks, (d) staff training, (e) a new website designed for ease of use and access and (f) the addition of WIFI at Boat Haven and Point Hudson.

Without a doubt, 2021 will include unforeseen challenges and opportunities for the Port of Port Townsend. On behalf of the Port staff, we look forward to working collaboratively with our community partners, in particular the City, County and PUD, operating transparently, engaging the community, and pulling together to achieve the Commission’s vision for our future.

Full speed ahead!

Eron Berg
Executive Director



INTRODUCTION

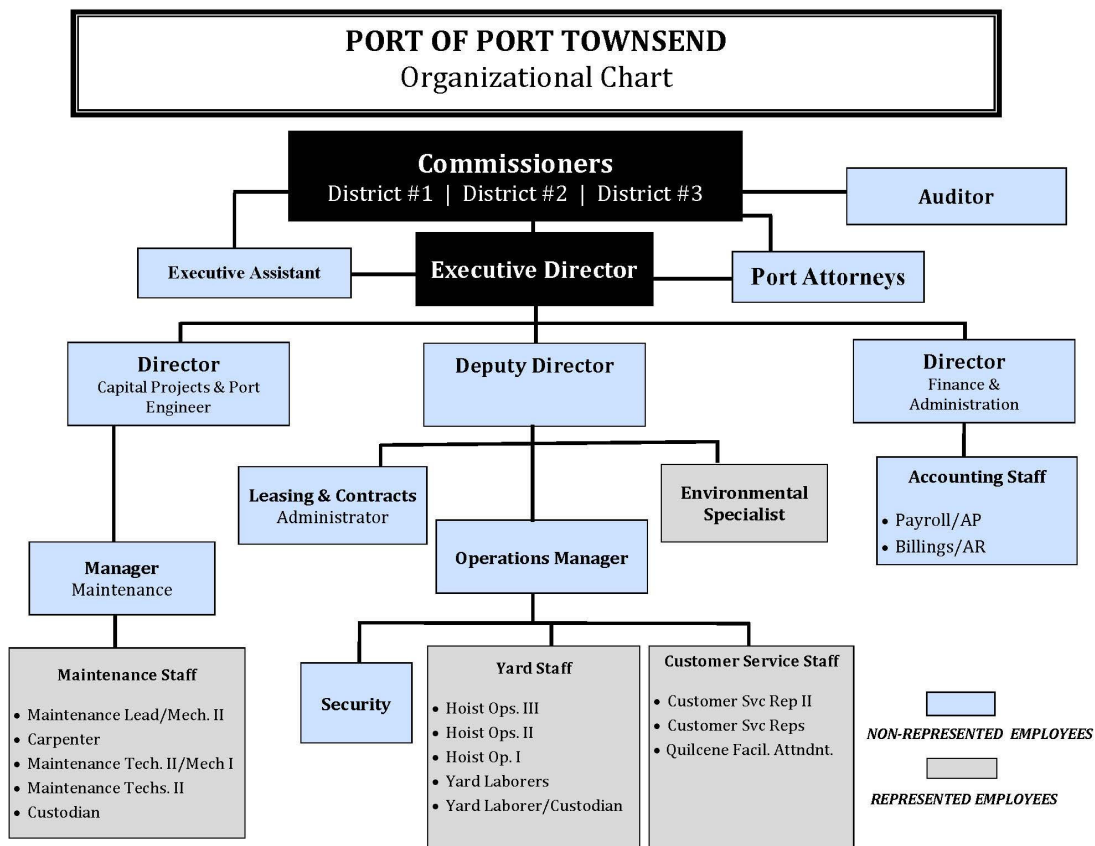
About Us

The Port of Port Townsend is a municipal corporation authorized by Washington State statute (Revised Code of Washington [RCW] Title 53) to provide for the development and maintenance of harbors and terminals and to promote tourism and foster economic activity. Created in 1924, the Port is a special purpose district independent from other local or state governments. The Port's geographical boundaries consist of all of Jefferson County, Washington.

The Port is governed by a 3-member Board of Commissioners; each elected to a 4-year term. The Commission delegates administrative authority to an Executive Director who manages staff to conduct operations of the Port. The County levies and collects taxes on the Port District's behalf, as determined by the Board of Commissioners, and acts as treasurer for the Port as defined under RCW 53.36.010.

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.



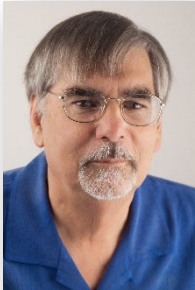
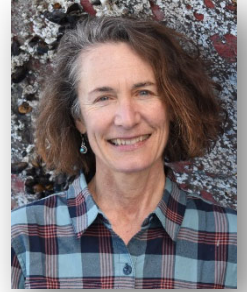
Adopted: 9/9/2020

Port Commissioners

District 1 Commissioner: *Pamela Petranek, Secretary*

Term of Office: *January 1, 2020 – December 31, 2023*

Commissioner Petranek was first elected Port Commissioner in November 2019. She has a B.A. in Education, earned a U.S. Coast Guard Captain's license, teaches sailing and is a commercial fisherwoman for wild catch salmon in Alaska. Pam co-leads the Port Citizens Advisory Group and serves on the board of the Port Townsend Marine Trades Association.



District 2 Commissioner: *William W. Putney III, Vice President*

Term of Office: *January 1, 2018 – December 31, 2021*

Commissioner Putney is serving his first term as Port Commissioner. He is a retired technologist and entrepreneur. Since his retirement in 2009, he has devoted himself to volunteering. Currently, Bill serves as the Chief Engineer at KPTZ, and volunteers for PTFE, Northwind Art Center and AAUW. He has his private pilot's license and holds an FAA Airframe and Powerplant Mechanic's certificate.

District 3 Commissioner: *Peter W. Hanke, President*

Term of Office: *January 1, 2018 – December 31, 2021*

Commissioner Hanke was elected Port Commissioner in 2013 and re-elected in 2018. 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.



OPERATING BUDGET 2021

Overview

The goal of the 2021 Operating and 5-year Capital Budget is to align our business practices and objectives to support both our organizational capital needs and our short and long-term financial sustainability. The Port Commission has instructed staff to prepare a budget that supports economic vitality while increasing our net cash position.

This 2021 budget format is modeled after a cash basis presentation so that all estimated incoming and outgoing cash is identified on one document. There are some changes in terminology and additional items added to this model that are explained in the areas to which they were added as noted below.

Organizational Initiatives

As part of our efforts to improve the Port's financial position over the course of the coming year, we intend to:

- Develop a comprehensive set of planning documents that reflect Commission direction.
- Continue to develop a comprehensive review of all Port business operations, carefully examining the value proposition each provides to the Port and to our customers.
- Modernize business and administrative procedures across our operations.
- Continue to develop a robust Capital Plan and funding strategies for the near term.
- Directly pursue and develop business to increase the Port's revenues by utilizing capacity in the boatyard, marinas, RV park, airport, and properties in Boat Haven and Point Hudson.
- Develop marketing and brand strategies to better position the Port in successfully attracting businesses and customers.
- Continue to fine-tune the Port's existing pricing structures across all business operations.

Revenue from Operations

The 2021 budget reflects total revenue from operations of \$6,194,243, a 4% increase over the 2020 Covid-19 Model Budget. The key aspect of Port revenue is that it had trended upward over the past few years; however, when the pandemic hit in early 2020, this trend was broken. The goal is to continue to grow revenue from operations by approximately \$200,000 or more year over year while controlling expenses to contribute to our Capital Improvement Program. Overall, the Port's revenues are generated throughout the operating units with Boat Haven Moorage providing 18.5%, the Yard 18.4%, Point Hudson 13.7%, PTBH properties 7.5%, Quilcene 1.6%, Ramps 0.5%, and Airport 1.6% of total revenues.

Expenses from Operations

Port-wide expenses from operations are budgeted to be \$5,266,804 in 2021, a 5.7% increase from the 2020 Covid-19 Model Budget. Much of this increase is due to gaining capacity for planning and executing capital projects by establishing a new position for a Director of Capital Projects/Port Engineer as well as contracts for grant writing and lobbying. In addition, there are unavoidable staff cost increases (COLA, healthcare and pension contributions), and some moderate increases in other expenses. General & Administrative (G&A) expenses total \$1,377,356 or 26% of total operating expenses. This is an increase of 6% over 2020's Covid-19 Model Budget, yet lower from the 2019 budget by \$191,797. Most of this is due to staffing changes over the past year and a half. G&A costs are allocated quarterly to each operating unit based on a weighted percentage of that unit's actual YTD operating revenues.

Net Operating Income

The 2021 budget reflects a net operating income of \$927,439, a slight decrease – less than 1% - when compared to 2020. We estimate an increase in operations revenue, while also estimating an increase in

operating expenses that will enable the Port to position itself to better plan and execute much needed capital projects.

Other Increases & Decreases in Fund Resources

The 2021 budget reflects a \$1,048,500 property tax levy, an increase of 1.8% from 2020, which includes a 1% increase and new construction, as calculated and recommended by the County Assessor. The IDD tax levy is estimated at \$1,634,289 for 2021, double from 2020, in an effort to build cash reserves for capital projects and pay for current projects without incurring additional debt. Interest income is budgeted conservatively at \$46,000 for 2021, which includes the ARRA Bond Interest Subsidy received semi-annually on the 2010 Limited Tax General Obligation (LTGO) bond which is approximately \$32,000. Grant revenue is budgeted at \$361,055 which is primarily for the close-out process of the FAA grant for the completion of the Jefferson County International Airport Runway Reconstruction and Taxiway Connector project.

New this year with the cash basis budget format, there is a change from terminology from “Non-Operating Income” to “Other Increases in Fund Resources” which are additional “sources of cash”. Specifically, these are Deposits & Retainage Collected and Taxes Collected (which includes Leasehold, Sales and Hotel/Motel Taxes).

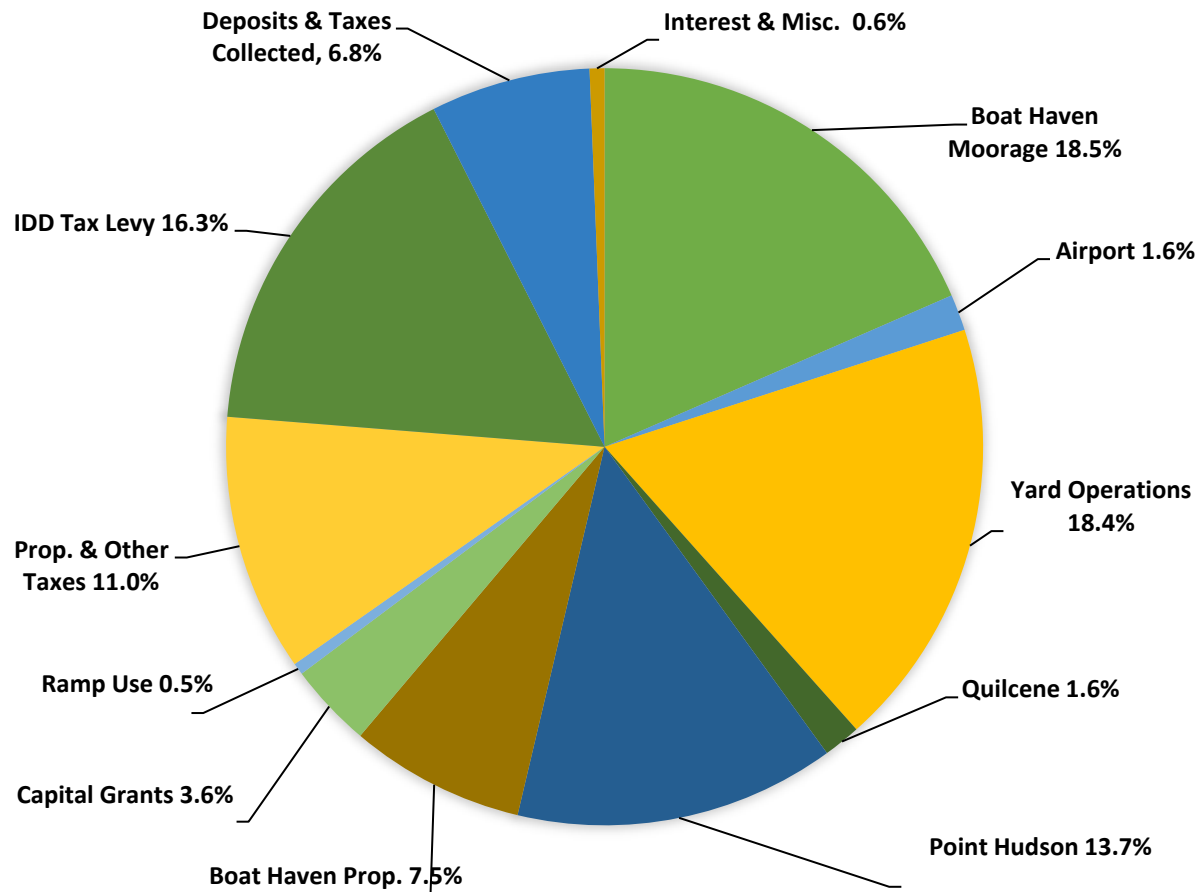
Similarly, there is a change in terminology from “Non-Operating Expense” to “Other Decreases in Fund Resources”. Specifically, these are Deposits & Retainage Paid, and Taxes Remitted (e.g. Leasehold, Sales and Hotel/Motel taxes). Other additions to the cash basis budget format are the principal paid on debt (interest has historically always been in the budget), and Capital Expenses. Other decreases in fund resources consist of Bond Management, Issuance & Investment costs of \$1,475, and Election costs of \$22,000.

Estimated Ending Cash

The ending cash balances are estimated to total \$4,579,599 that includes \$2,922,791 in Reserves and \$1,656,808 in Unreserved Cash. The estimated composition of ending reserves is as follows:

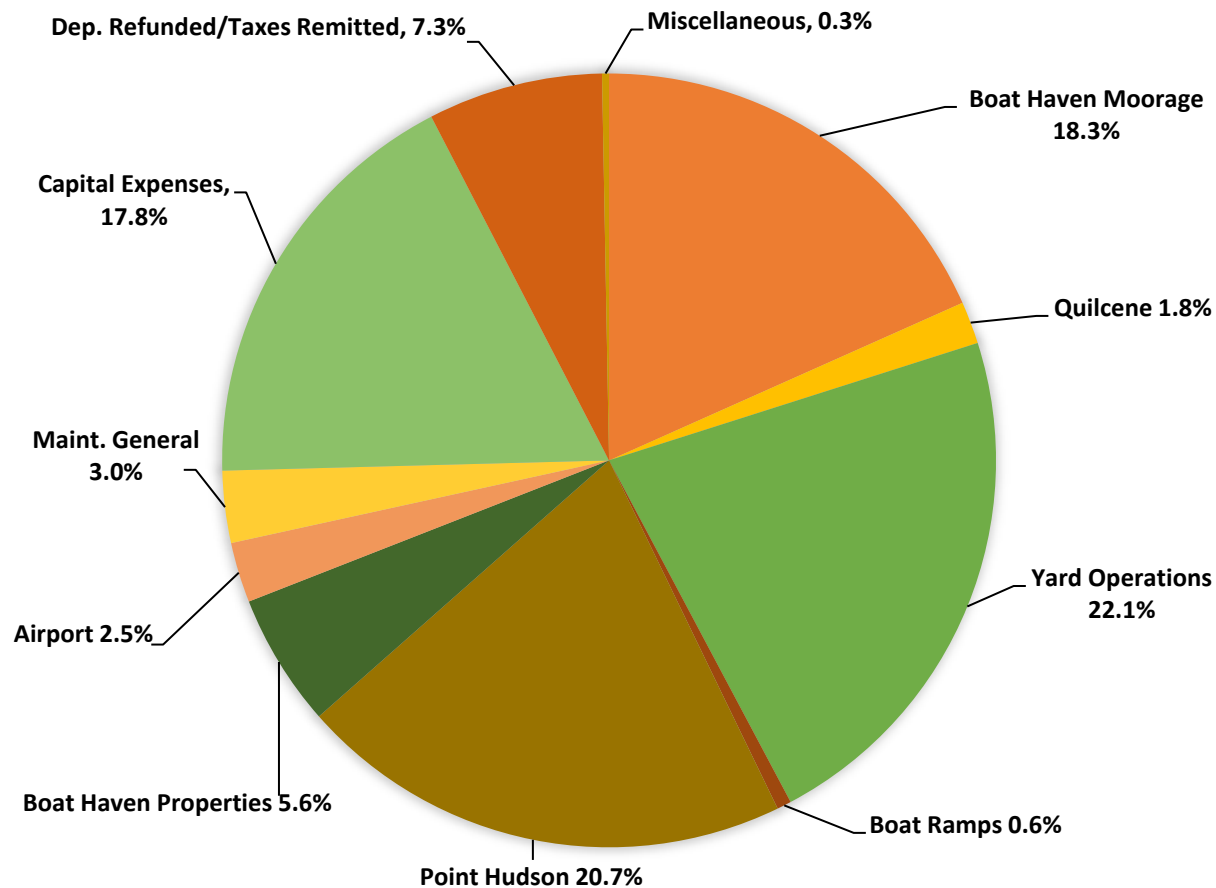
<u>Estimated Ending Cash Reserves for 2021</u>	
IDD Levy Capital Reserve	\$1,051,321
Port-Wide Capital Reserve	628,984
Boat Haven Capital Reserve	331,236
Operations Reserve	551,250
Emergency Reserve	350,000
Unemployment Reserve	10,000
	<u>\$2,922,791</u>

Graphic Summary of Budget

2021 "WHERE THE MONEY COMES FROM?"**2021 Budget - Revenue**

Boat Haven Moorage	\$ 1,853,219	18.5%
Yard Operations	1,849,605	18.4%
Point Hudson	1,375,227	13.7%
Boat Haven Prop.	750,817	7.5%
Quilcene	159,080	1.6%
Ramp Use	50,539	0.5%
Airport	155,757	1.6%
Capital Grants	361,055	3.6%
Prop. & Other Taxes	1,104,590	11.0%
IDD Tax Levy	1,634,289	16.3%
Deposits & Taxes Collected	685,298	6.8%
Interest & Misc.	64,000	0.6%
	<u>\$10,043,476</u>	

2021 "WHERE THE MONEY GOES"



2021 Budget - Expenses

Boat Haven Moorage *	\$ 1,546,666	18.3%
Yard Operations *	1,868,079	22.1%
Point Hudson *	1,744,178	20.7%
Boat Haven Properties	469,882	5.6%
Quilcene	149,458	1.8%
Boat Ramps	50,596	0.6%
Airport	211,892	2.5%
Maint. General	253,928	3.0%
Capital Expenses	1,504,361	17.8%
Dep. Refunded/Taxes Remitted	617,338	7.3%
Miscellaneous	24,363	0.3%
	<u>\$ 8,440,741</u>	

* Note: These include the debt services costs related to their departments which total \$1,028,763.

Consolidated Sources & Uses of Cash 2021 Budget
with comparison to Prior Years

	2018 Actual	2019 Actual	2020 Covid-19 YTD Aug Actual & Remaining Budget	2021 Budget	2020-2021 variance
Beginning Cash & Investments					
Reserved			1,233,195	1,263,977	
Unreserved			1,683,435	1,915,396	
OPERATING REVENUES					
Boat Haven Moorage	1,815,115	1,900,981	1,812,569	1,853,219	40,650
Yard Operations	1,668,362	1,853,163	1,830,684	1,849,605	18,921
Point Hudson Marina, RV & Property	1,432,198	1,482,287	1,230,010	1,375,227	145,217
Boat Haven Properties	668,897	695,788	694,126	750,817	56,691
Quilcene Herb Beck Marina	156,455	166,058	165,105	159,080	(6,025)
JCIA Operations	134,721	150,635	150,221	155,757	5,536
Ramp Use	43,211	47,586	50,458	50,539	81
Total Operating Revenues	\$ 5,918,959	\$ 6,296,498	\$ 5,933,173	\$ 6,194,243	\$ 261,070
OPERATING EXPENDITURES					
Salaries & Wages	2,163,134	2,051,190	2,201,169	2,332,936	131,767
Payroll Taxes	218,246	223,337	230,545	251,957	21,412
Employee Benefits	745,646	777,463	815,677	889,398	73,721
Uniform Expense	7,395	8,627	8,650	8,950	300
Contract Services	320,140	277,935	268,072	296,906	28,834
Consulting Services	59,756	49,769	15,000	-	(15,000)
Legal fees	212,589	93,541	30,203	40,000	9,797
Audit	24,273	-	27,475	27,750	275
Insurance	237,198	276,190	313,720	316,857	3,137
Facilities & Operations	440,397	488,838	433,597	451,751	18,154
Utilities	566,976	568,049	555,716	565,773	10,057
Marketing & Advertising	83,834	57,243	50,121	52,622	2,501
Economic Development	30,000	-	-	-	-
Travel & Training	31,623	32,184	21,667	24,939	3,272
Cost of Goods - Fuel	15,112	16,255	2,035	-	(2,035)
Community Relations	-	1,025	6,896	6,965	69
Total Operating Expenditures	\$ 5,156,321	\$ 4,921,647	\$ 4,980,543	\$ 5,266,804	\$ 286,261
NET OPERATING INCOME	\$ 762,638	\$ 1,374,852	\$ 952,630	\$ 927,439	(25,191)
OTHER INCREASES IN FUND RESOURCES					
Deposits & Retainage Collected	75,380	109,925	77,728	78,505	777
Taxes Collected	668,488	709,204	580,617	606,794	26,177
Capital Contributions/Grants	113,113	402,793	3,476,852	361,055	(3,115,797)
Interest	56,046	64,159	46,049	46,000	(49)
Debt Proceeds - 2020 Line of Credit	-	-	1,650,000	-	(1,650,000)
Property & other taxes	1,089,297	1,094,866	1,912,147	2,738,879	826,732
Misc. Incr. in Fund Resources	61,639	255,568	128,478	18,000	(110,478)
Total Incr. in Other Fund Resources	\$ 2,063,964	\$ 2,636,514	\$ 7,871,871	\$ 3,849,233	\$ (4,022,638)
OTHER DECREASES IN FUND RESOURCES					
Deposits & Retainage Paid	81,115	89,766	39,262	10,544	(28,718)
Taxes Remitted	548,586	719,151	580,593	606,794	26,201
Bond Principal & Interest	1,083,483	1,368,345	2,682,831	1,028,763	(1,654,068)
Bond Mgmt, Issuance, Investment	1,558	1,500	10,448	1,475	(8,973)
Capital Project Expenses	617,531	818,185	5,031,040	1,504,361	(3,526,679)
Election Expense	-	10,021	15,674	22,000	6,326
Total Other Decr. In Fund Resources	\$ 2,332,273	\$ 3,006,967	\$ 8,359,848	\$ 3,173,937	\$ (5,185,911)
Increase (Decrease) in Cash			\$ 464,653	\$ 1,602,736	\$ 1,138,083
Estimated Balance Sheet Adjustments			\$ (201,910)	\$ (201,910)	
Beginning Cash & Investments			\$ 2,916,630	\$ 3,179,373	\$ 262,743
Total Ending Cash & Investments			3,179,373	4,580,199	1,400,826
		Reserved	\$ 1,263,977	\$ 2,922,791	
		Unreserved	1,915,396	1,657,408	
		Total Ending Cash	\$ 3,179,373	\$ 4,580,199	

2021 Departmental Operating Budgets

Boat Haven Moorage

Boat Haven Moorage revenues are estimated to increase \$40,650, which includes a 1% rate increase, adding permanent moorage customers, and sunseting legacy rates. Similar to 2020, this increase in permanent moorage decreases the nightly moorage revenues.

New this year is the inclusion of the current debt service cost, both principal and interest. For Boat Haven Moorage, this is 83% of the 2010 Limited Tax General Obligation (LTGO) Bond used for reconstruction of the A/B docks. Including this in the departmental budget allows management to see the true picture of the department's gain/loss in operations year over year. The total increase in estimated moorage expenses is \$96,923. Most of this is related to staffing, specifically, an FTE was added March 9, of 2020 and in 2021 seasonal staff are anticipated for the full season, unlike during the pandemic in 2020.



BOAT HAVEN MOORAGE
2021 Budget with Comparison to Prior Years

	2018 Actual	2019 Actual	2020 Covid-19 YTD Aug Actual & Remaining Budget	2021 Budget	2020-2021 variance
OPERATING REVENUES					
PTBH - Permanent Moorage	1,122,610	1,151,242	1,188,331	1,216,467	28,136
PTBH - Monthly Guest	322,147	318,828	299,809	302,807	2,998
PTBH - Nightly Guest	194,524	259,395	171,027	172,737	1,710
PTBH - Electric	95,172	105,105	93,456	99,023	5,567
PTBH - Liveaboard Fee	26,397	24,512	26,897	26,826	(71)
PTBH - Work Float/Lift Pier Usage	11,911	8,042	3,758	4,942	1,184
PTBH - Miscellaneous Revenue	13,985	14,565	12,698	13,004	306
PTBH - Showers	21,364	10,443	9,726	10,102	376
PTBH - Laundry	6,252	6,549	5,974	6,268	294
PTBH - Key Fobs	-	1,270	550	646	96
PTBH - Promotional Sales	753	585	276	329	53
PTBH - Port Labor	-	445	67	68	1
Total Operating Revenues	\$ 1,815,115	\$ 1,900,981	\$ 1,812,569	\$ 1,853,219	\$ 40,650
OPERATING EXPENSES					
Moorage Pay	161,400	172,003	148,540	199,150	50,610
Moorage Taxes	19,612	20,860	17,890	21,508	3,618
Moorage Benefits	59,279	60,738	54,588	75,923	21,335
Uniform Expense	278	822	639	1,176	537
Maint Pay	34,517	39,433	51,832	46,081	(5,751)
Maint Taxes	4,250	4,803	6,304	4,977	(1,327)
Maint Benefits	12,722	16,185	17,316	17,568	252
Enviro Pay	-	4,158	2,640	1,000	(1,640)
Enviro Taxes	-	544	334	108	(226)
Enviro Benefits	-	1,368	1,373	381	(992)
Contract Services	38,032	34,506	27,375	25,700	(1,675)
Insurance	57,586	65,277	80,465	81,500	1,035
Facilities & Operations	71,340	72,727	63,267	73,184	9,917
Utilities	175,634	174,707	158,286	169,020	10,734
Marketing & Advertising	13,359	12,916	11,686	13,355	1,669
Travel & Training	1,791	2,007	856	1,000	144
2010 LTGO Bond Princ & Int pmts (83%)	367,057	384,155	400,257	402,913	2,656
General & Administrative	553,297	398,693	406,595	412,122	5,527
Total Operating Expenses	\$ 1,570,154	\$ 1,465,902	\$ 1,450,243	\$ 1,546,666	\$ 96,423
NET OPERATING INCOME	\$ 244,961	\$ 435,079	\$ 362,326	\$ 306,553	\$ (55,773)

Boat Haven Yard

Overall Yard revenue is expected to increase by \$18,921, over 2020. During the pandemic in 2020, there was a lull in Yard activity, but overall, it did not appear to greatly reduce revenues for this department. As such we budgeted a modest increase in revenues for the coming year.

The discounted Workyard rate of \$0.37/ft/day is continued through March 31, 2021; after which the discount rate will be published as a 50% off the regular rate with the same one (1) month pre-payment required. In 2020, as part of the Co-op exchange of assets and lease amendment, the Port obtained a 70' covered shed with electrical hook-ups to be used to work on vessels. This is now offered to customers at \$75/day plus electrical for vessel repair.

New this year is the inclusion of the current debt service cost, both principal and interest. For the Yard, this is 17% of the 2010 Limited Tax General Obligation (LTGO) Bond used for the 80-ton Lift Pier. Including this in the departmental budget allows management to see the true picture of the department's gain/loss in operations year over year. A slight reduction in operating expenses of \$1,022 is anticipated for the 2021 budget, however with the estimated increase in operating revenue, the net effect is a reduction in the loss in operations by \$19,943 when compared to 2020.



WORK & BOAT YARD
2021 Budget with Comparison to Prior Years

	2018 Actual	2019 Actual	2020 Covid-19 YTD Aug Actual & Remaining Budget	2021 Budget	2020-2021 variance
OPERATING REVENUES					
Yard - Work Yard Revenue	471,374	623,501	581,806	587,624	5,818
Yard - 70/75 Ton Hoist Revenue	308,865	340,124	290,144	293,045	2,901
Yard - Boat Yard Revenue	368,890	397,364	406,334	410,397	4,063
Yard - 300 Ton Hoist Revenue	217,684	177,846	184,803	186,651	1,848
Yard - Washdown Revenue	85,859	81,756	84,858	85,707	849
Yard - Bilge Water Revenue	5,869	6,463	5,321	5,374	53
Yard - L/T Storage	73,417	69,857	71,618	72,334	716
Yard - Blocking Rent	35,519	31,977	45,462	45,917	455
Yard - WY Electric	707	9,652	33,640	33,976	336
Yard - BY Electric	40,587	41,589	45,659	46,116	457
Yard - Off Port Property Tarp Fee	885	1,980	3,073	3,104	31
Yard - Liveaboard Fee	937	1,626	1,852	1,908	56
Yard - Miscellaneous Revenue	26,825	13,692	1,613	1,629	16
Yard - WY Port Labor	-	4,753	900	909	9
Yard - BY Port Labor	-	6,179	2,859	3,096	237
Yard - Enviro Fee Workyard	18,120	38,520	48,422	48,906	484
Yard - Enviro Fee Shipyard	2,900	6,100	19,310	19,871	561
Yard - Enviro Clean-Up Fee	610	185	3,010	3,040	30
Yard - Promo Sales	15	-	-	-	-
Marine Trades 3% Revenue	9,300	-	-	-	-
Total Operating Revenues	\$ 1,668,362	\$ 1,853,163	\$ 1,830,684	\$ 1,849,605	\$ 18,921
OPERATING EXPENSES					
Yard Pay	518,562	557,927	556,851	551,556	(5,295)
Yard Taxes	61,079	68,663	65,254	59,568	(5,686)
Yard Benefits	188,165	211,645	202,859	210,273	7,414
Uniform Expense	4,557	4,244	4,145	3,704	(441)
Maint Pay	39,838	53,674	75,167	64,514	(10,653)
Maint Taxes	4,800	6,524	9,467	6,967	(2,500)
Maint Benefits	14,668	19,633	27,629	24,595	(3,034)
Enviro Pay	-	14,645	21,747	24,947	3,200
Enviro Taxes	-	1,932	2,756	2,694	(62)
Enviro Benefits	-	5,656	7,865	9,511	1,646
Contract Services	25,231	28,433	24,125	30,600	6,475
Insurance	50,437	59,523	74,684	75,684	1,000
Facilities & Operations	213,166	238,764	170,743	183,026	12,283
Utilities	95,592	113,330	121,533	110,771	(10,762)
Marketing & Advertising	27,271	16,324	8,690	14,713	6,023
Travel & Training	2,982	2,968	2,947	1,113	(1,834)
2010 LTGO Bond Princ & Int pmts (17%)	75,180	78,682	81,980	82,524	544
General & Administrative	498,774	390,076	410,659	411,319	660
Total Operating Expenses	\$ 1,820,302	\$ 1,872,641	\$ 1,869,101	\$ 1,868,079	\$ (1,022)
NET OPERATING INCOME	\$ (151,940)	\$ (19,478)	\$ (38,417)	\$ (18,474)	\$ 19,943

Point Hudson

Overall, Point Hudson revenue is expected to increase by \$145,217 over the 2020 Covid-19 Model budget. Point Hudson Nightly RV Park revenue and Marina Nightly Guest revenues were both impacted severely due to the onset of the pandemic in 2020. Whereas we do not expect a complete rebound to pre-2020 levels, we anticipate an increase over 2020 as more is known on how to safely manage this pandemic. We estimate a similar, though smaller, rebound in Passenger Fee revenue. Building Lease revenues are expected to increase in part due to CPI, and in part due to new leases and lease renewals.

Total estimated increases in operating expenses when compared to 2020 are \$190,729. Staffing increases are the primary reason for expense increases in 2021 (personnel fully loaded cost totaling \$162,441). This includes an additional FTE at this location, as well as employing temporary staff for the entire season which was not done during the pandemic in 2020.



POINT HUDSON
2021 Budget with Comparison to Prior Years

	2018 Actual	2019 Actual	2020 Covid-19 YTD Aug Actuals & Remaining Budget	2021 Budget	2020-2021 variance
OPERATING REVENUES					
Pt Hudson - Building Lease Revenue	336,763	363,046	350,371	380,386	30,015
Pt Hudson - Parking	2,465	11,809	2,809	2,837	28
Pt Hudson - Event Facility Rev	30,756	25,479	77	78	1
Pt Hudson - Property Utility Reimb	38,116	41,839	35,582	35,938	356
Pt Hudson - Permanent Moorage	134,070	138,628	145,769	147,227	1,458
Pt Hudson - Liveaboard Fee	5,504	6,145	6,621	6,687	66
Pt Hudson - Monthly Guest	124,680	120,550	126,656	127,923	1,267
Pt Hudson - Nightly Guest	218,480	215,172	159,085	196,085	37,000
City Pier & Union Wharf Usage	14,608	17,093	4,378	4,422	44
Pt Hudson - Monthly R.V.	66,632	70,559	62,656	63,283	627
Pt Hudson - Nightly R.V.	343,354	355,115	239,229	309,621	70,392
Pt Hudson - Kayak Racks	10,548	11,879	13,349	13,482	133
Pt Hudson - Reservation Fee	41,970	39,120	30,748	31,055	307
Pt Hudson - Showers	8,267	8,031	6,812	6,880	68
Pt Hudson - Laundry	12,580	10,561	9,563	9,659	96
Pt Hudson - Passenger Fee	8,972	14,091	789	3,793	3,004
Pt Hudson - Promotional Sales	1,323	977	653	660	7
Pt Hudson - Miscellaneous Rev	1,160	1,860	665	672	7
Pt Hudson - Enviro Clean-up	-	-	212	214	2
Pt Hudson - Electric	31,951	30,334	33,986	34,326	340
Total Operating Revenues	\$ 1,432,198	\$ 1,482,287	\$ 1,230,010	\$ 1,375,227	\$ 145,217
OPERATING EXPENSES					
Point Hudson Pay	140,837	181,445	150,423	259,999	109,576
Point Hudson Taxes	18,229	23,306	17,952	28,079	10,127
Point Hudson Benefits	46,376	60,435	56,383	99,121	42,738
Uniform Expense	260	-	611	1,160	549
Maint Pay	104,923	88,096	108,294	96,770	(11,524)
Maint Taxes	13,144	10,987	13,500	10,451	(3,049)
Maint Benefits	38,376	32,859	39,992	36,892	(3,100)
Enviro Pay	-	1,916	3,589	4,827	1,238
Enviro Taxes	-	253	415	521	106
Enviro Benefits	-	769	1,262	1,840	578
Contract Services	36,928	26,142	24,909	30,600	5,691
Insurance	46,901	56,647	63,760	64,890	1,130
Facilities & Operations	62,048	83,408	64,262	66,308	2,046
Utilities	190,157	182,498	170,424	178,120	7,696
Marketing & Advertising	20,903	23,268	18,997	14,849	(4,148)
Travel & Training	898	74	160	600	440
2015 LTGO Principal & Int pmts	539,200	546,000	542,350	543,325	975
General & Administrative	430,118	310,880	275,916	305,826	29,910
Total Operating Expenses	\$ 1,689,298	\$ 1,628,986	\$ 1,553,199	\$ 1,744,178	\$ 190,979
NET OPERATING INCOME	\$ (257,100)	\$ (146,698)	\$ (323,189)	\$ (368,951)	\$ (45,762)

Boat Haven Properties

Properties are expected to increase by approximately \$57,000 with the increase in the number of leases and renewals, in addition to CPI increases. All assets are marine dependent or related uses for manufacturing, warehousing and office requirements.

Overall, operating expenses are expected to increase by \$63,548 when compared to the 2020 Covid-19 Budget Model. Most of this increase is staffing, both departmental (Leasing & Contract Administrator) and maintenance as they are regularly working to maintain the condition of these properties.

BOAT HAVEN PROPERTIES 2021 Budget with Comparison to Prior Years

	2018 Actual	2019 Actual	2020 Covid-19 YTD Aug Actuals & Remaining Budget	2021 Budget	2020-2021 variance
OPERATING REVENUES					
PTBH Prop - Lease Revenue	599,747	626,298	629,300	686,149	56,849
PTBH Prop - Fuel Dock Lease	20,788	21,198	20,311	20,514	203
PTBH Prop - Water, Swr, Garbage, Other	27,405	25,878	20,939	21,148	209
PTBH Prop - Electric	3,151	2,002	3,866	3,905	39
PTBH Prop - Stormwater Fees	7,196	9,174	10,875	10,984	109
PTBH Prop - Storage Unit Revenue	9,005	9,143	8,428	7,706	(722)
PTBH Prop - Miscellaneous	1,605	2,095	407	411	4
PTBH Prop - Parking	-	-	-	-	-
Total Operating Revenues	\$ 668,897	\$ 695,788	\$ 694,126	\$ 750,817	\$ 56,691
OPERATING EXPENSES					
PTBH Property Pay	4,192	19,927	58,003	68,675	10,672
PTBH Property Taxes	484	2,091	5,081	7,417	2,336
PTBH Property Benefits	1,690	8,898	21,251	26,181	4,930
Maint Pay	50,026	47,011	42,479	55,298	12,819
Maint Taxes	6,215	5,785	5,122	5,972	850
Maint Benefits	18,312	16,428	14,750	21,082	6,332
Enviro Pay	485	14,669	18,686	22,326	3,640
Enviro Taxes	-	1,937	2,430	2,411	(19)
Enviro Benefits	157	5,315	7,046	8,511	1,465
Contract Services	6,990	4,799	4,577	5,926	1,349
Insurance	12,079	16,911	14,008	15,100	1,092
Facilities & Operations	17,315	33,622	20,507	17,775	(2,732)
Utilities	43,631	43,475	36,338	45,790	9,452
Marketing & Advertising	639	-	100	200	100
Travel	-	-	172	250	-
General & Administrative	199,886	146,072	155,706	166,968	11,262
Total Operating Expenses	\$ 362,103	\$ 366,940	\$ 406,084	\$ 469,882	\$ 63,548
NET OPERATING INCOME	\$ 306,794	\$ 328,848	\$ 288,042	\$ 280,935	\$ (6,857)

Quilcene

Quilcene revenues are projected to decrease by \$6,025, largely due to the decommissioning of the fuel tanks at the marina which is a reduction of \$7,370. Other revenues are expected to be slightly higher than in 2020, thereby making up that variance of \$1,345.

Overall, operating expenses are budgeted to be reduced by \$23,985. Of that amount, \$8,135 is the cost of fuel that will no longer be purchased due to the decommissioned fuel tanks and the cost to decommission (\$5,660). The other significant reduction to expenses is repair and maintenance supplies for \$5,257. A long-term plan study will be executed in Quilcene to determine next steps in the full utilization of that facility.



QUILCENE
2021 Budget with Comparison to Prior Years

	2018 Actual	2019 Actual	2020 Covid-19 YTD Aug Actuals & Remaining Budget	2021 Budget	2020-2021 variance
OPERATING REVENUES					
Quilcene - Lease Revenue	60,055	61,917	68,713	69,400	687
Quilcene - Permanent Moorage	46,875	47,547	53,280	53,813	533
Quilcene - Liveaboard Fee	377	743	2,656	2,683	27
Quilcene - Nightly Moorage	3,356	3,532	2,090	2,111	21
Quilcene - Showers	3,412	3,671	3,095	3,126	31
Quilcene - Reservations	330	770	383	387	4
Quilcene - Miscellaneous Revenue	247	20	76	77	1
Quilcene - Water	8,679	13,695	12,703	12,830	127
Quilcene - Electric	1,355	1,788	2,556	2,582	26
Quilcene - Recreational Ramp Fees	7,719	10,232	10,383	10,254	(129)
Quilcene - Commercial Use Fees	3,000	2,400	1,800	1,818	18
Quilcene - Fuel Sales	16,498	19,744	7,370	-	(7,370)
Quilcene - Monthly R.V.	3,545	-	-	-	-
Quilcene - Nightly R.V.	1,007	-	-	-	-
Total Operating Revenues	\$ 156,455	\$ 166,058	\$ 165,105	\$ 159,080	\$ (6,025)
OPERATING EXPENSES					
Quilcene Pay	19,755	35,386	34,860	31,907	(2,953)
Quilcene Taxes	2,784	4,678	4,259	3,446	(813)
Quilcene Benefits	3,808	12,857	12,639	12,164	(475)
Maint Pay	22,263	15,444	19,193	18,433	(760)
Maint Taxes	2,740	1,907	2,277	1,991	(286)
Maint Benefits	8,173	6,280	6,696	7,027	331
Enviro Pay	-	251	403	-	(403)
Enviro Taxes	-	31	52	-	(52)
Enviro Benefits	-	57	136	-	(136)
Contract Services	6,865	5,608	7,922	8,000	78
Insurance	4,783	5,686	6,98	7,080	100
Facilities & Operations	20,760	13,897	21,58	11,343	(10,242)
Utilities	12,196	12,155	10,97	11,890	920
Marketing & Advertising	-	131	300	700	400
Travel & Training	28	16	-	100	100
Cost of Fuel Sold	15,112	16,255	8,135	-	(8,135)
General & Administrative	46,771	34,894	37,036	35,377	(1,659)
Total Operating Expenses	\$ 166,038	\$ 165,532	\$ 173,443	\$ 149,458	\$ (23,985)
NET OPERATING INCOME	\$ (9,583)	\$ 526	\$ (8,338)	\$ 9,622	\$ 17,960

Ramps

The Port has boat launch ramps located in Port Townsend, Port Hadlock, Gardiner and Mats Mats in Port Ludlow. All these boat ramps are single ramps, except for the one in Port Townsend which is a double ramp. Ramp revenues are not expected to vary significantly from 2020 revenues.

Increased operating expenses are expected for Ramps in the amount of \$4,215, when compared to 2020. Most of that increase is in personnel, totaling \$3,342; as well as a \$1,079 in Contract Services for a camera system by the Boat Haven ramp, and kiosk costs. The Contract Services increase here has been reduced from Boat Haven Moorage.

BOAT RAMPS 2021 Budget with Comparison to Prior Years

	2018 Actual	2019 Actual	2020 Covid-19 YTD Aug Actuals & Remaining Budget	2021 Budget	2020-2021 variance
OPERATING REVENUES					
Ramp Fees	37,112	39,976	44,910	44,936	26
PTBH - Commercial Use Fees	5,800	5,500	4,383	4,427	44
Dinghy Float Revenue	299	2,110	1,165	1,177	12
Total Operating Revenues	\$ 43,211	\$ 47,586	\$ 50,458	\$ 50,539	\$ 81
OPERATING EXPENSES					
Ramps Pay	3,861	3,392	3,363	4,000	637
Ramps Taxes	547	487	456	432	(24)
Ramps Benefits	879	1,060	1,351	1,525	174
Maint Pay	6,705	14,194	9,689	9,216	(473)
Maint Taxes	822	1,767	1,184	995	(189)
Maint Benefits	2,459	6,339	2,864	3,513	649
Enviro Pay	-	1,431	2,712	3,620	908
Enviro Taxes	-	189	328	391	63
Enviro Benefits	-	574	1,057	1,380	323
Contract Services	-	905	1,121	2,200	1,079
Insurance	3,435	3,747	3,082	3,302	220
Facilities & Operations	3,234	4,863	4,320	4,749	429
Utilities	3,623	3,585	3,535	4,167	632
Marketing & Advertising	2,000	-	-	-	-
General & Administrative	13,246	10,626	11,319	11,106	(213)
Total Operating Expenses	\$ 40,811	\$ 53,153	\$ 46,381	\$ 50,596	\$ 4,215
NET OPERATING INCOME	\$ 2,400	\$ (5,567)	\$ 4,077	\$ (57)	\$ (4,134)



Jefferson County International Airport (JCIA)

JCIA revenues are estimated to increase by approximately 4% primarily due to applying CPI to leases. Overall, this is a \$5,536 increase when compared to 2020.

Expenses are estimated to be approximately 17% less, \$42,186, than in 2020. For 2020, there was a significant increase in maintenance staff work at the airport related to the runway rehabilitation project preparation, for a fully loaded cost variance of \$44,655. Another large difference was the expense of the airport terminal park model down payment in 2020 for \$6,828. Other expenses increased nominally to off-set those variances of \$9,047.

JEFFERSON COUNTY INTERNATIONAL AIRPORT
2021 Budget with Comparison to Prior Years

	2018 Actual	2019 Actual	2020 Covid-19 YTD Aug Actuals & Remaining Budget	2021 Budget	2020-2021 variance
OPERATING REVENUES					
JCIA - Lease Revenue	106,897	114,924	111,542	116,691	5,149
JCIA - Hangar Revenue	21,713	29,175	32,824	33,152	328
JCIA - Fuel Lease Revenue	3,313	2,605	1,708	1,725	17
JCIA - Electric	1,821	1,303	1,267	1,280	13
JCIA - Vehicle Parking Revenue	604	342	834	842	8
JCIA - Aircraft Parking	223	1,736	1,913	1,932	19
JCIA - Miscellaneous Revenue	150	550	133	134	1
Total Operating Revenues	\$ 134,721	\$ 150,635	\$ 150,221	\$ 155,757	\$ 5,536
OPERATING EXPENSES					
JCIA Pay	1,380	6,681	9,909	9,240	(669)
JCIA Taxes	202	893	1,247	998	(249)
JCIA Benefits	512	2,739	3,595	3,523	(72)
Maint Pay	35,278	42,536	70,954	41,473	(29,481)
Maint Taxes	4,625	5,502	8,655	4,479	(4,176)
Maint Benefits	12,906	16,891	26,799	15,811	(10,988)
Enviro Pay	1,562	1,430	2,783	3,620	837
Enviro Taxes	180	189	327	391	64
Enviro Benefits	568	564	1,085	1,380	295
Contract Services	16,943	18,821	14,122	18,280	4,158
Insurance	25,091	28,515	37,954	38,479	525
Facilities & Operations	6,579	14,787	20,470	14,030	(6,440)
Utilities	17,381	20,260	21,216	22,800	1,584
Marketing & Advertising	1,150	1,446	1,264	2,750	1,486
General & Administrative	40,274	31,593	33,698	34,638	940
Total Operating Expenses	\$ 164,631	\$ 192,847	\$ 254,078	\$ 211,892	\$ (42,186)
NET OPERATING INCOME	\$ (29,910)	\$ (42,213)	\$ (103,857)	\$ (56,135)	\$ 47,722

Maintenance - General

The Port's Maintenance department activity is typically recorded to the Port department in which it occurs. Maintenance costs not tied to any particular department are included here under Maintenance - General.

Variances between 2020 and 2021 simply show year-to-year activity variances for non-specific departmental maintenance activity as well as capital work performed by Maintenance staff.

MAINTENANCE - GENERAL

2021 Budget with Comparison to Prior Years

	2018 Actual	2019 Actual	2020 Covid-19 YTD Aug Actuals & Remaining Budget	2021 Budget	2020-2021 variance
OPERATING EXPENSES					
Salaries & Wages	168,681	134,267	148,823	129,028	(19,795)
Payroll Taxes	15,726	13,290	14,449	13,935	(514)
Employee Benefits	56,650	51,973	50,723	49,190	(1,533)
Uniform Expense	2,163	3,321	2,259	2,910	651
Contract Services	1,736	1,000	448	1,100	652
Insurance	12,282	20,187	11,598	12,100	502
Facilities & Operations	28,402	46,052	38,172	34,799	(3,373)
Utilities	7,879	7,343	6,155	10,270	2,855
Advertising (legal)	2,289	87	250	196	(54)
Travel & Training	265	2,063	50	400	350
Total Operating Expenses	296,072	279,583	272,927	253,928	(20,259)



CAPITAL BUDGET 2021

Overview

There are many relatively small-scale, capital projects (less than \$500,000) identified for 2021; all are fully funded. There may be additional capital projects not identified in this budget that would be examined on a case-by-case basis later. If a project can be funded through rents or on a reimbursable basis and will break even or better within the current fiscal year, it may be considered. Capital projects may also be funded by reallocating operating expenses currently categorized as “Maintenance & Repair” expenses to capital projects as needs warrant.

Jefferson County International Airport

Runway Reconstruction

The Jefferson County International Airport (JCIA) runway rehabilitation project is expected to be complete in late 2020 with only the remaining close-out grant costs budgeted for 2021. This amount totals \$22,661.

Airport Terminal

The airport is a precious, under-utilized asset of the Port. Although there are many private pilots who utilize this facility, the more transient customers are unable to do more than a simple, one-day fly-in because there are no facilities where they can rest, make future plans, use the bathroom (thereby removing the need for a porta-potty) and even wait for transportation to take them to local restaurants or shops. The airport terminal would provide such a location and help build that customer base. The estimated cost for this project is \$100,000.

Boat Haven

Workyard Resurfacing

Although the Port is in compliance with the Boatyard General Stormwater Permit administered by the Washington State Department of Ecology, on-going maintenance of the Workyard surface is necessary both to improve the working conditions for customers, and to remove and/or cap soils and sediments containing high concentrations of regulated substances (e.g., copper and zinc). The work will involve scarification of the existing surface, excavation to transition and blend existing edges and establish a new gravel surface grade. The effort is anticipated to maintain or improve stormwater system performance and compliance and be performed for 3-years consecutive with 2-years off, as conditions dictate.

Main Breakwater Repairs

The eastern 600 feet of the main breakwater at Boat Haven was originally constructed in 1935. This portion of the breakwater suffered considerable damage during a storm on December 20, 2018. The damage is similar in nature to storm damage that occurred in 2016. Permitting for this project is not yet complete. Ongoing maintenance and repair of the breakwater is critical to all operations and activities at Boat Haven.

Dock Renovations and Piling Replacement

The C, D and Linear docks at Boat Haven Marina need capital maintenance work over the next several years. Port Maintenance staff can perform this work once a permit is obtained from the U.S. Army Corp of Engineers. This capital work includes removal of dock sections, brought one at a time upland for maintenance, while replacement piles are driven; then subsequently having the dock sectionals re-installed onto the new piles. Once the permitting is obtained, and this initial year's work is executed, it will be clear how many sections may be completed annually. This project is included each year over the next 5-years. It will likely take several years after 2025 to complete this capital maintenance project.

Main Stormwater Pump Station

Perhaps the most critical infrastructure at the Boat Haven Yard is the stormwater collection and treatment system. This system must be maintained in order for the Port to preserve in good standing its Boat Yard General Permit with the WA State Dept. of Ecology. This pump station was installed in 1997 and is well past its expected useful life. It requires a major rehabilitation to ensure its continued proper functioning. The project is estimated to cost \$100,000 in 2021.

Boat Yard Electrical Design

Design work is required for the upgrade of the Boat Yard's electrical conduits, wiring, transformers, pedestals and meters. This project will include industrial grade lighting in certain key areas for improved security and safety. Design is scheduled in 2021 for an estimated \$30,000 with subsequent construction in 2022.

Sperry Buildings (2)

These are nearly all the original Port Townsend Industrial Park buildings constructed in the early 1970s. Many have moderate to substantial condition issues and require attention. This is a progressive project scheduled over several years, estimating completion of two (2) buildings per year by Port maintenance crew. In 2021, this project is estimated to cost \$70,000 and may include such structural condition issues as foundations, bearing and exterior walls, subflooring and roofs, unexposed electrical, plumbing and sewage systems, doors, windows, etc.

Moorage Office

In December 2018, Port Moorage staff were moved into the Yard office to increase efficiencies and customer service to port tenants and customers. While this has increased customer satisfaction, it has proved to be too small of a space for staff which was amplified by the onset of the pandemic in early 2020. The project for 2021, in the amount of \$60,000, is to relocate or rehabilitate this office. It is anticipated that Port Maintenance crew would perform this work.

Fuel Dock Building Painted

This project is to be performed by Port Maintenance crew and estimated to cost \$10,000.

Point Hudson

North & South Jetties Replacement

The replacement of the Point Hudson Jetty is among the Port's highest capital priorities due to the importance of Point Hudson to the community's economic vitality and character. The existing structure is severely compromised and in need of complete renovation (i.e., either progressive reconstruction or replacement) in the near term in order to maintain uninterrupted use of the historic marina. The work for 2021 involves continuing to advance the engineering design and permitting process for replacement of both jetties, which is currently estimated to cost \$14.1 million.

Landscaping

This project is planned in order to beautify this gem of the city of Port Townsend, Point Hudson. It will include landscaping surrounding buildings on the east side and around the RV Park where the public accesses the area for walking. Port Maintenance crew are performing this work and estimate the cost to be \$40,000 in 2021.

Quilcene

Planning & Preliminary Engineering

Quilcene facility planning and preliminary engineering is budgeted for 2021 in the amount of \$50,000. A bathymetric survey will have been performed in 2020 that will assist in this future planning of the facility. The entrance channel to the Quilcene Marina requires periodic maintenance dredging to ensure safe navigation and continued recreational and commercial use of this important south Jefferson County facility; however, the Port does not want to move forward without a plan that ensures long-term facility sustainability. This project anticipated for 2021 involves retaining a consultant/engineer to scope the future potential for Quilcene.

Equipment & Vehicles

During 2021, the Port is planning to continue upgrading its fleet by purchasing two (2) pick-up trucks, replacing a forklift in the Yard, and purchasing a mini-excavator for Maintenance crew work.



5-Year Capital Projections

1 Year Capital Improvement Program & 5 Year Capital Plan
years 2021-2025
as of October 28, 2020

	2021 estimate	2022 estimate	2023 estimate	2024 estimate	2025 estimate	Total 5 year estimate
JEFFERSON COUNTY INTERNATIONAL AIRPORT (JICA)						
2020 Runway Rehabilitation - grant close-out	22,661	-	-	-	-	22,661
Airport Terminal	100,000	-	-	-	-	100,000
Fuel Tank Replacement	-	325,000	-	-	-	325,000
Renovate Hangars	-	-	-	-	600,000	600,000
BOAT HAVEN						
Work & Boat Yard Resurfacing	90,000	-	100,000	100,000	100,000	390,000
Dock Renovations & Piling Replacement	150,000	150,000	150,000	150,000	150,000	750,000
Main Breakwater Repairs - Construction	350,000	-	-	-	-	350,000
Main Stormwater Pump Station repairs	100,000	-	-	-	-	100,000
Moorage Office	60,000	-	-	-	-	60,000
Work & Boat Yard Electrical Upgrades	-	-	-	-	-	-
<i>Design</i>	30,000	-	-	-	-	30,000
<i>Construction</i>	-	350,000	-	75,000	-	425,000
Sperry Buildings Capital Maintenance (planned 2/year)	70,000	100,000	100,000	100,000	100,000	470,000
POINT HUDSON						
Building Preservation (incl. roof replacements)	-	100,000	100,000	100,000	100,000	400,000
Replacement of North & South Jetties	-	-	-	-	-	-
<i>Design & Permitting</i>	226,700	-	-	-	-	226,700
<i>Construction</i>	-	7,050,000	7,050,000	-	-	14,100,000
Cantilevered Esplanade	-	-	-	-	2,000,000	2,000,000
QUILCENE						
Facility Planning & Preliminary Engineering	50,000	-	-	-	-	50,000
Implementation of Quilcene Plan	-	400,000	-	-	-	400,000
Marina Dock Repairs	-	256,000	-	-	-	256,000
Ramp Upgrade	-	-	300,000	-	-	300,000
OTHER CAPITAL						
Gardiner Launch Ramp w/Seasonal Float	-	500,000	500,000	-	-	1,000,000
Small Capital projects	-	140,000	140,000	140,000	140,000	560,000
Paint Boat Haven Fuel dock	10,000	-	-	-	-	10,000
Point Hudson Landscaping	40,000	-	-	-	-	40,000
Port Equipment/Vehicle replacement	205,000	300,000	40,000	40,000	40,000	625,000
Total Estimated Project Expenses	1,504,361	9,671,000	8,480,000	705,000	3,230,000	23,590,361

Capital Funding

FUNDING SOURCES	2021 estimate	2022 estimate	2023 estimate	2024 estimate	2025 estimate	Total 5 year estimate
GRANTS -- Secured						
FAA - JCIA Runway Rehabilitation Grant close-out	(22,661)	-	-	-	-	(22,661)
RCO - PH North & South Jetties Replacement - Construction	-	(882,611)	-	-	-	(882,611)
BOAT HAVEN RESERVE						
Main Breakwater Repairs - Construction	(45,025)	-	-	-	-	(45,025)
IDD LEVY RESERVE						
PH North & South Jetties Replacement	-	-	-	-	-	-
<i>Design & Permitting</i>	(226,700)	-	-	-	-	(226,700)
<i>Construction</i>	-	(1,233,478)	(1,410,000)	-	-	(2,643,478)
Work & Boat Yard Resurfacing	(90,000)	-	(100,000)	(100,000)	(100,000)	(390,000)
Main Stormwater Pump Station repairs	(100,000)	-	-	-	-	(100,000)
JCIA Fuel Tank Replacement	-	(325,000)	-	-	-	(325,000)
Dock Renovation & Piling Replacement	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(750,000)
Sperry Buildings Capital Maintenance (planned 2/year)	(70,000)	(100,000)	(100,000)	(100,000)	(100,000)	(470,000)
Work & Boat Yard Electrical Design	(30,000)	-	-	-	-	(30,000)
Work & Boat Yard Electrical Construction	-	(350,000)	-	(75,000)	-	(425,000)
Quilcene Implementation of Plan	-	(400,000)	-	-	-	(400,000)
Quilcene Marina Dock Repairs	-	(256,000)	-	-	-	(256,000)
Quilcene Ramp Upgrade	-	-	(300,000)	-	-	(300,000)
PH Building Preservation (including roofs)	-	(100,000)	(100,000)	(100,000)	(100,000)	(400,000)
JCIA Renovate Hangars	-	-	-	-	(600,000)	(600,000)
TOTAL PROJECTED IDD LEVY FUNDS USE 2021-2025	(666,700)	(2,914,478)	(2,160,000)	(525,000)	(1,050,000)	(7,316,178)
NET OPERATING INCOME (NOI)						
Main Breakwater Repairs - Construction	(304,975)	-	-	-	-	(304,975)
JCIA Airport Terminal	(100,000)	-	-	-	-	(100,000)
Moorage Office	(60,000)	-	-	-	-	(60,000)
Quilcene Facility Planning & Prelim. Eng.	(50,000)	-	-	-	-	(50,000)
Paint Boat Haven Fuel dock	(10,000)	-	-	-	-	(10,000)
Point Hudson Landscaping	(40,000)	-	-	-	-	(40,000)
Small Capital projects - unidentified	-	(140,000)	(140,000)	(140,000)	(140,000)	(560,000)
Port Equipment/Vehicle replacement	(205,000)	(300,000)	(40,000)	(40,000)	(40,000)	(625,000)
Total Funding Sources Secured	(1,504,361)	(4,237,089)	(2,340,000)	(705,000)	(1,230,000)	(10,016,450)
Unsecured Anticipated Grants						
PH Cantilevered Esplanade	-	-	-	-	(2,000,000)	(2,000,000)
PH North & South Jetties Replacement - Construction	-	(4,933,911)	(5,640,000)	-	-	(10,573,911)
Gardiner Launch Ramp	-	(500,000)	(500,000)	-	-	(1,000,000)
Total Unsecured Anticipated Grants	-	(5,433,911)	(6,140,000)	-	(2,000,000)	(13,573,911)
Total Funding Sources Secured & Unsecured	(1,504,361)	(9,671,000)	(8,480,000)	(705,000)	(3,230,000)	(23,590,361)

PROPERTY TAX LEVY

Regular Tax Levy

The preliminary total assessed value (AV) for the Port District for 2021, as of this budget version, is \$6,428,473,807. Per the County Assessor, the total recommended general tax levy to budget for 2021 is projected to be approximately \$0.16 per \$1,000 of AV, which calculates to \$1,048,500, including new construction estimates.

The Jefferson 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 annually, which includes physical inspections every six-years while the remainder is performed with a combination of statistics, sales studies and inspections.

The Port is permitted by law to levy up to 45 cents per \$1,000 of assessed valuation for general port purposes. The rate may be reduced for either of the following reasons:

1. Washington State Law in Revised Code (RCW) 84.55.010 limits tax growth to 1% per year, plus adjustments for new construction,
2. If the assessed valuation increases by more than the tax limitations due to revaluation, the levy rate is decreased accordingly so that no more than the tax limit is collected.

Special Tax Levies

Special levies approved by the voters are not subject to the above limitation. The Port can levy property taxes for dredging, canal construction, leveling or filling upon approval of the majority of voters within the Port District, not to exceed \$0.45 per \$1,000 of AV of taxable property. The Port currently has no such levies.

Industrial Development District (IDD) Tax Levy

The Port may also levy property taxes for Industrial Development Districts (under a comprehensive scheme of harbor improvements), for 2-multiyear levy periods only. (A third multiyear levy is allowed for counties bordering the Pacific Ocean, such as Jefferson County, but first must be brought to the voters for approval.) The IDD levy may not exceed the sum of \$2.70 per \$1,000 of AV for taxable property in the Port District for taxes collected in the base year and the maximum allowable amount that could have been collected under RCW 84.55.010 for the first six (6) collection years of the levy period. The levy period may not exceed 20-years from the date the initial levy is made, and the levy rate in any year may not exceed \$0.45 per \$1,000 of AV. If a Port District intends to levy this tax over a second multiyear levy period, the Port must publish notice of intent to impose such a levy, and if signatures of at least eight (8) percent of the voters protest the levy, a special election must be held with a majority approval required.

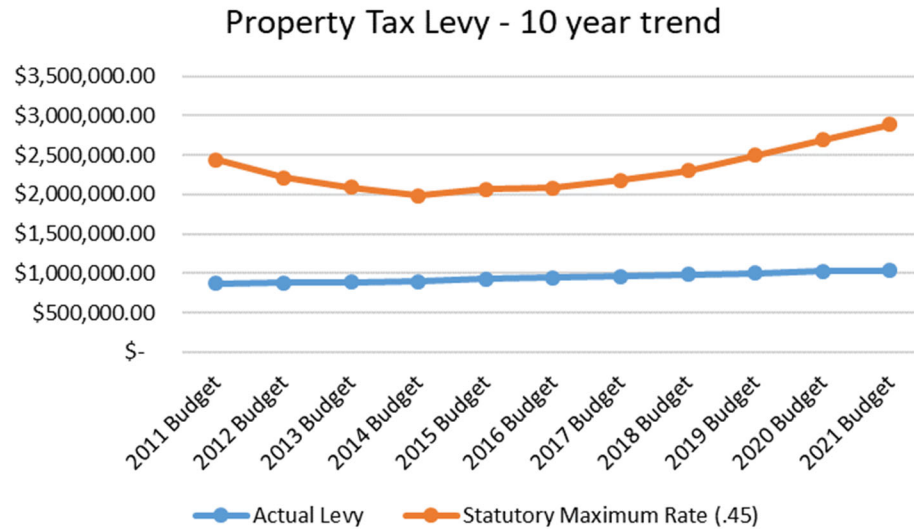
In August 2019, a sufficient number of signatures were obtained for the IDD levy question to be placed on the November special election ballot. Subsequently, Jefferson County voters authorized the Port's 2nd IDD levy by a 53% to 47% margin. In consequence, 2019 is the base year from which the total permissible levy amount is calculated and is anticipated to generate up to \$16,167,993 in revenue during the allowable levy period (i.e., up to 20 years). Each year during the budget process, the Commission will determine the amount to be levied (if any) during the ensuing year. During the first year (2020), the Port levied \$809,054 in IDD tax. In 2021 the Port is levying \$1,634,289 in IDD tax.

Tax Levy Uses

The Port Commission has directed that the funds collected by the regular tax levy will be used for debt service for general obligation bonds.

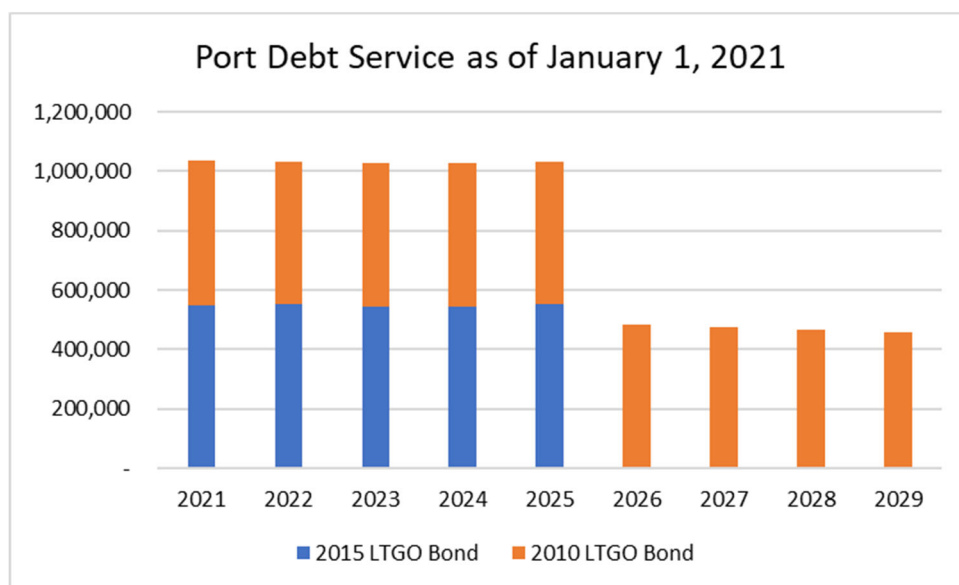
Tax Levy Graph

The following graph depicts the actual tax levy for the last 10 years (blue line) as compared to the statutory maximum rate for the same period. This maximum by statute depicted by the graph's orange line, would require approval of the Port District's voters, as discussed above. Annually, the Port is restricted to increases in the levy by 1% (RCW 84.55.010) or more if there is banked capacity. A banked capacity can only occur when a taxing district opts not to take an increase in any given tax year. The Port does not have any banked capacity.



DEBT SERVICE

Name of Debt	Principal balance	Interest balance	Retirement
2015 LTGO Refunding Bond	\$ 2,515,000	\$ 192,975	December 2025
2010 LTGO Bond	3,310,000	986,475	December 2029
totals	\$ 5,825,000	\$ 1,179,450	
collective total		\$ 7,004,450	



Schedule and Purpose of Debt:

2015 LTGO Bond – Refunding of 2005 LTGO Bond used for Point Hudson Marina Reconstruction

2010 LTGO Bond – Reconstruction of Boat Haven A/B Dock (83%) and 80-Ton Lift Pier (17%)