

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 11/9/2022
TO: Commission, Executive Staff
FROM: Abigail Berg, Director of Finance & Administration
SUBJECT: August 2022 Financial Report

Attached is the August 2022 financial report of Port activities. This is a consolidated report that shows the variance between the current period as compared to the prior year and the variance to budget year-to-date. The following is additional information not included in the attached financial report, but key in fully understanding the Port's financial status:

<u>2022 YTD Project Expenses</u>	Budget	Year-to-date
PH Replacement of North & South Jetties	\$ 6,000,000	\$ 200,449
Dock Renovations & Piling Replacement	200,000	0
BH Main Breakwater Repairs	350,000	633
PH Pavilion Bldg. Remodel ^(a)	148,434	161,406
FEMA – Yard Stormwater Materials Replacement ^(b)	0	2,537
FEMA – City Dock ^(b)	0	24
FEMA – JCIA Hangar Repair	80,000	6,268
Reconstruct Old Coast Guard Building	191,250	196,776
AWOS – Replace Present Weather Sensor	30,000	26,884
FEMA - BH Marina Pavement Repair ^(b)	0	93,373
NORTH west Yard Expansion (Sims Way)	450,000	27,785
WEST Yard Expansion (by Shipyard)	0	12,723
BH Stormwater Treatment	2,650,000	3,420
Gardiner Boat Ramp Renovation	0	49,671
Sperry Bldg. #4 – ACI (was Dave's Mobile Welding) ^(c)	50,000	14,424
Sperry Bldg. #6 – Pete's Marine ^(c)	50,000	14,526
Total Capital Expenses YTD	<u>\$ 10,099,684</u>	<u>\$ 810,899</u>

Non-Capital use of funds

DNR – Vessel Destruction \$ 43,067

2022 Capital Purchases or Contracted Capital Services

<u>Equipment/Vehicle replacement (total \$818,000)</u>		
Kendrick Equipment, Inc. (final on 75-Ton lift)	\$ 398,000	\$ 403,338
Northsound Auto Group, LLC (3 RAM trucks)	90,000	86,704
Auxiliary Vehicles (2 Gators for the Yard)	30,000	26,573
Hydraulic Lift Trailer (transporter)	300,000	0
XPERT Jet – Sign Machine	0	18,089
Boat Haven Environmental Center Fob system ^(b)	0	21,535
Point Hudson Environmental Center Fob system ^(b)	0	13,356
Point Hudson RV Park 3 Phase Power ^(b)	0	19,626
Point Hudson Offices – Heat Pump installation	0	16,500
<u>Land Acquisition – for SouthWEST Yard Expansion ^(d)</u>	<u>0</u>	<u>147,914</u>
Total Capital Purchases or Contracted Capital Services YTD	<u>\$ 818,000</u>	<u>\$ 753,635</u>

Notes:

- (a) Project budgeted for 2021 and carried over into 2022 due to supply chain back logs.
- (b) Not in the 2022 budget since the event or idea either hadn't occurred, or the certainty of the grant hadn't been determined.
- (c) Two (2) Sperry buildings per year were budgeted for several years and the estimated total cost was \$100,000 annually. The true cost allocated per building is subject to each particular building's capital improvement needs.
- (d) Not in the 2022 "capital" budget since it is not a capital project; Vessel Destruction is a non-operating project, and SouthWEST Yard Expansion Land Acquisition was expected to close by 12/31/21 but was delayed.

<u>Ending Cash Balances as of August 31</u>	<u>2022</u>	<u>2021</u>
Reserved Cash & Investments – Other*	\$ 3,106,686	\$ 2,224,462
Reserved Cash & Investments – IDD	3,456,826	\$ 1,513,028
Unreserved Cash & Investments	925,832	\$ 2,026,300
Total Cash & Investments	<u>\$ 7,489,344</u>	<u>\$ 5,763,790</u>

*Other Reserves detail:

	<u>Current balance</u>	<u>Target balance</u>
Unemployment Reserve	\$ 10,000	na
Operating Reserve (a)	1,110,988	\$ 1,470,609
Boat Haven Renovation Reserve (b)	442,397	na
Emergency Reserve	500,000	\$500,000
Port-Wide Capital Reserve (c)	<u>1,043,301</u>	na
Total Other Reserves	<u>\$ 3,106,686</u>	

- (a) The target for the Operating Reserve is 25%, or three (3) months, of operating expenses, per current budget. See resolution 692-19 for more detail.
- (b) The plan for this reserve is to use it on Boat Haven Moorage projects until it is extinguished. It was replaced by the Port-Wide Capital Reserve in resolution 693-19.
- (c) Resolution 693-19 did not set a target for this reserve.

Debt Service for the Year

2010 LTGO Bond – (83% paid A/B Dock Reconstruction, 17% paid 75 Ton Lift Pier)

June 1 – interest only	\$ 80,744	PAID
December 1 – principal and interest	400,744	

2015 LTGO Refunding Bond- (paid for Point Hudson Marina Reconstruction – 2005 LTGO Bonds refunded in 2015)

July 1 – principal and interest	520,600	PAID
December 31 – interest only	<u>23,250</u>	
Total Debt Service for the year	<u>\$ 1,025,338</u>	

Remaining Debt for years 2023-2029

2010 LTGO Bond – principal and interest	\$ 3,329,550	payoff December 2029
2015 LTGO Bond – principal and interest	<u>1,620,800</u>	payoff July 2025

Total \$ 4,950,350*

**Port staff hopes to extinguish all debt obligations two years early in 2027.*

DISCUSSION

As requested by Commission.

FISCAL IMPACT

NA

RECOMMENDATIONS

For discussion only.