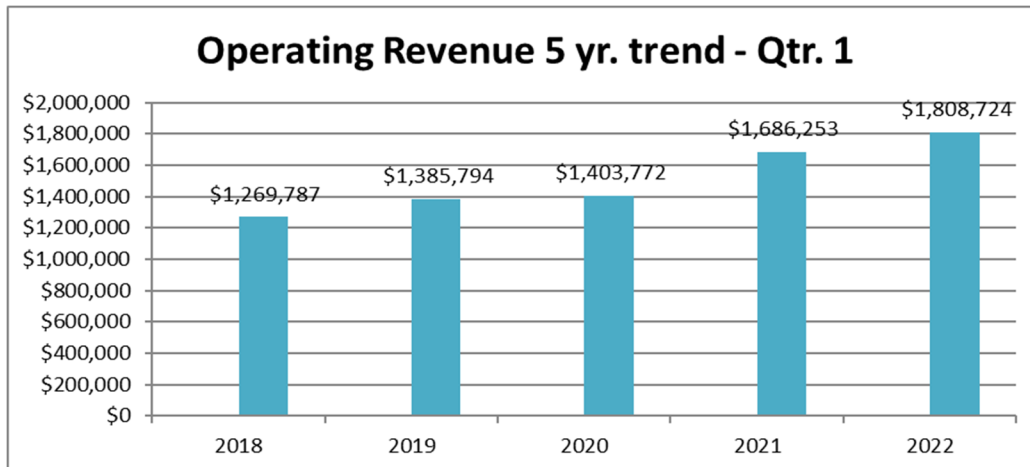


PORT OF PORT TOWNSEND INFORMATIONAL MEMO

DATE: 4/21/2022 – ~~Corrected 4/29/2022~~
TO: Commission
FROM: Abigail Berg, Director of Finance & Administration
SUBJECT: March YTD (Qtr. 1) 2022 Financial Report

Highlights of year-to-date operating revenue performance:

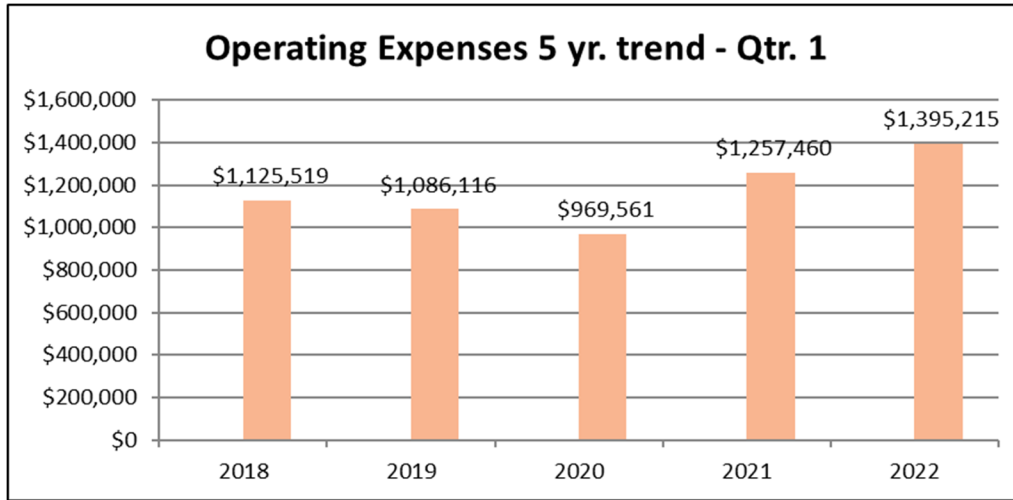


Increases/(Decreases) in Operating Revenues over the last 5 years are:

Year	Oper. Rev.	Incr./Decr.
2018-2019	\$116,007	9.1%
2019-2020	\$17,978	1.3%
2020-2021	\$282,481	20.1%
2021-2022	\$122,471	7.3%

These year-to-year increases in Operating Revenue average out to 9.5%. Yard Operations continue to lead the pack with a 12% increase, or \$68,150, over 2021, and Point Hudson coming in next at 7%, or \$21,611. Overall, Operating Revenues increased 7.3%, or \$122,471 over 2021, and are more than budgeted by 12%, or \$183,499. There are notes with more detail on these year-to-year YTD variances that follow the financial statement attached.

Highlights of year-to-year operating expenses activity:



Increases/(Decreases) in Operating Expenses over the last 5 years are:

Year	Oper. Expenses	Incr./Decr.
2018-2019	(\$39,403)	-3.5%
2019-2020	(\$116,555)	-10.7%
2020-2021	\$287,899	29.7%
2021-2022	\$137,755	11.0%

The year-to-year changes in Operating Expenses average out to a 6.6% increase over the 5-year period. The year-to-year numbers are impacted not only by rising prices and costs but also increases in the FTE count. During this 5-year span, the Port has gone from 30 FTE in 2018 to 36 FTE in 2021. Other year-to-year increases are due to increased spending in repair & maintenance, insurance, legal/auditing, environmental materials/supplies, bank charges, operating supplies, and office/computer supplies.

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
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
December 31 – interest only	23,250

Total Debt Service for current year \$ 1,025,338

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	<u>\$ 4,950,350</u>	

2022 YTD Capital Project Expenses

Point Hudson Jetties	\$ 58,135
Dock Renovations & Piling Replacement	0
BH Breakwater Repair	633
PH Pavilion Bldg. Remodel	18,426
FEMA Grant – Yard Stormwater Materials Replacement	0
FEMA Grant – City Dock	0
FEMA Grant – JCIA Asbestos Roof	0
North Yard Expansion	176
Reconstruct Old Coast Guard Building	34,292
Total Capital Expenses YTD	<u>\$ 111,662</u>

Non-Capital use of funds

DNR – Vessel Destruction	\$30,233
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2022 Capital Purchase

Kendrick Equipment, Inc. (final payment on 75-Ton lift, and crane rental to build)	403,338
Northsound Auto Group, LLC (3 RAM pick-up trucks)	86,704
Land Acquisition – West Yard Expansion	5,949
Total Capital Purchases YTD	<u>\$ 495,991</u>

Ending Cash Balances as of March 31	2022	2021
Reserved Cash & Investments – Other*	\$2,727,022	\$1,847,700
Reserved Cash & Investments – IDD	2,413,121	866,322
Unreserved Cash & Investments	<u>1,410,605</u>	<u>2,029,123</u>
Total Cash & Investments	<u>\$6,550,748</u>	<u>\$4,743,145</u>

*Other Reserves detail:	Current balance	Target balance
Operating Reserve (a)	\$ 934,168	\$ 1,316,701
Boat Haven Renovation Reserve (b)	447,878	na
Emergency Reserve	500,000	500,000
Port-Wide Capital Reserve (c)	834,976	na
Unemployment Reserve	<u>10,000</u>	10,000
Total Other Reserves	<u>\$ 2,727,022</u>	

(a) The target for the Operating Reserve is 25%, or three (3) months, of operating expenses. 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 does not set a target for this reserve.

DISCUSSION: As requested by Commission.

FISCAL IMPACT: NA

RECOMMENDATIONS: For discussion only.