

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 6/16/2022
TO: Commission, Executive Staff
FROM: Abigail Berg, Director of Finance & Administration
SUBJECT: April 2022 Financial Report

Attached is the April 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>	<u>Budget</u>	<u>Year-to-date</u>
PH Replacement of North & South Jetties	\$ 6,000,000	\$ 74,224
Dock Renovations & Piling Replacement	200,000	0
BH Main Breakwater Repairs	350,000	633
PH Pavilion Bldg. Remodel (a)	148,434	34,587
FEMA – Yard Stormwater Materials Replacement (b)	0	2,482
FEMA – City Dock (b)	0	0
FEMA – JCIA Hangar Repair	80,000	2,482
Reconstruct Old Coast Guard Building	191,250	84,381
AWOS – Replace Present Weather Sensor	30,000	26,884
FEMA - BH Marina Pavement Repair (b)	0	716
NORTH west Yard Expansion (25-feet)	450,000	376
<u>DNR – Vessel Destruction (c)</u>	<u>0</u>	<u>39,151</u>
Total Capital Expenses YTD	<u>\$ 7,210,653</u>	<u>\$ 265,916</u>

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	\$ 403,337
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
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
<u>Land Acquisition – for SouthWEST Yard Expansion (c)</u>	<u>0</u>	<u>145,649</u>
Total Capital Purchases or Contracted Capital Services YTD	<u>\$ 818,000</u>	<u>\$ 716,780</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) Not in the 2022 "capital" budget since it is not a capital project; Vessel Destruction is a non-operating project, and South**WEST** Yard Expansion Land Acquisition was expected to close by 12/31/21 but was delayed. The vessel destruction will be reimbursed based on an agreement the Port has with DNR.

Ending Cash Balances as of April 30	2022	2021
Reserved Cash & Investments – Other*	\$ 2,721,541	\$ 1,847,700
Reserved Cash & Investments – IDD	3,189,128	\$ 1,376,498
Unreserved Cash & Investments	<u>1,714,579</u>	\$ 2,498,771
Total Cash & Investments	<u>\$ 7,625,248</u>	<u>\$ 5,722,969</u>

<i>*Other Reserves detail:</i>	<u>Current balance</u>	<u>Target balance</u>
<i>Unemployment Reserve</i>	\$ 10,000	na
<i>Operating Reserve (a)</i>	934,168	\$ 1,470,609
<i>Boat Haven Renovation Reserve (b)</i>	442,397	na
<i>Emergency Reserve</i>	500,000	\$500,000
<i>Port-Wide Capital Reserve (c)</i>	<u>834,976</u>	na
<i>Total Other Reserves</i>	\$ 2,721,541	

(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 does 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
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	<u>23,250</u>
Total Debt Service for 2021	<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	<u>\$ 4,950,350*</u>	

*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.