

2024 OPERATING & CAPITAL BUDGET

Approved by Port Commission on November 8, 2023

Resolution 802-23 Exhibit A

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MESSAGE FROM THE EXECUTIVE DIRECTOR

Introduction

2024 is the 100th year for the Port of Port Townsend which was created by vote of the people of Jefferson County on November 4, 1924, by a vote of 690 in favor and 414 opposed. Ports were created following the passage of the Port District Act by the legislature in 1911 as a way to stave off privatization of maritime thoroughfares and marine terminal infrastructure that were so vitally important to this region's economic success. The Port's first comprehensive scheme of harbor improvements was approved by the voters in 1926 and included five priorities: (1) an Overseas Dock, (2) the Whidbey Ferry, (3) the Quilcene Dock, (4) Farmers' Cold Storage, and (5) Fisherman's Haven. Some of these priorities have been realized while others remain unfulfilled or have been replaced by other priorities.

In 1911, the threat was privatization of waterways. Today the threats may be a changing climate, rising seas and privatization of other critical resources like drinking water and productive farmland. The Port plays a vital role in maintaining the fabric of this place, particularly as it relates to the working waterfront and maritime culture, and the Port will seek to serve the community in other areas where the Port's participation could make the difference for future generations. One such area is in supporting Jefferson County's agricultural sector both for the purpose of job creation and retention and resiliency through maintaining local capability to produce and process food. In 2023, the Port, with the help of the taxpayers of the State of Washington, purchased the 253-acre Short's Farm in Chimacum. In 2024, the Port will engage in a robust, farmer-heavy, community planning process to develop a farm plan to be implemented later in 2024 and beyond.

The Port welcomes and encourages your participation in the development of our priorities and I encourage your engagement.

Economic & Financial Outlook

It is really difficult to meaningfully forecast the future, particularly with so many challenges facing humanity today. With that in mind, the 2024 budget assumes steady growth in business at the Port, rate growth generally at 4.6% with additional growth in the Port Townsend Boat Yard. The Boat Yard remains a shining star in the region, both because of the large number of highly qualified marine tradespeople and the dwindling number of capable boat yards in Puget Sound.

Planned 2024 Capital Investments

The Port continues with its aggressive capital improvement program. The updated five-year plan starts on page 35; the 2024 projects are as follows:

• Construction of the North Point Hudson jetty	\$1,600,000
• Port Equipment/Vehicle Replacement.....	\$3,078,000
• Northwest Boatyard Expansion	\$1,000,000
• Gardiner Boat Launch Ramp w/Seasonal Float.....	\$800,000
• Boat Haven Main Breakwater – permitting/design	\$500,000
• Southwest Boat Yard Expansion.....	\$500,000
• Point Hudson Building/Facility Preservation (incl. Roofs, Cupola, Duplex).....	\$450,000
• JCIA Eco-Industrial Park – design, engineering, permitting	\$450,000
• Boat Haven Linear Dock Replacement - design.....	\$400,000
• Boat Haven Treatment Compliance Upgrade – permitting/design	\$250,000
• Port Wide Dock Renovations.....	\$250,000
• Sea-level Rise Project.....	\$220,000
• JCIA Airport Master Plan Update.....	\$222,000
• JCIA Fuel System Improvement – design.....	\$200,000
• Quilcene Campground.....	\$200,000

• Boat Haven Bulkhead Repair/Replacement.....	\$200,000
• Quilcene Ramp Upgrade, Bathroom Remodel, Parking Improvements	\$170,000
• Point Hudson Shoreline Repair.....	\$150,000
• Point Hudson Marina Revetment Repair.....	\$150,000
• City Dock Repair.....	\$150,000
• JCIA Airport Terminal.....	\$140,000
• Small Capital Projects.....	\$100,000
• Boat Haven Pavement Repair.....	\$100,000
• Quilcene Marina Dredging.....	\$80,000
• Port Wide Piling Replacement.....	\$75,000
• Port Wide Yard/Parking/RV Resurfacing	\$75,000
• Boat Haven Sperry Buildings Capital Maintenance.....	\$50,000
• Mats Mats Facilities	\$30,000
• JCIA Stormwater Management	\$25,000
• Boat Haven Building/Facility Preservation.....	<u>\$25,000</u>

Total:..... \$11,640,000

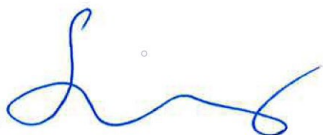
Capital projects generally take years between the identification of need, project development, community engagement, permitting, funding, designing, bidding and construction. This year's budget adds one new employee to support capital projects in the engineering department, a financial analyst to manage grant reimbursements, publicly bid projects, assist with state and federal audits and direct project support.

2024 Budget Priorities

Our key priorities are becoming thematic and 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 and other planned capital projects.
3. Continuing and expanding the trend of enhanced maintenance at all Port properties to both keep our infrastructure working and sustainable, and to improve their appearance.
4. Maintaining strong customer service throughout the Port.
5. Celebrating the Port's 100th year, with the community, across Jefferson County.

This 2024 budget is again ambitious and on behalf of the staff team, we appreciate the help and support of our tenants and the community. It is truly felt as a tailwind on our mission.



INTRODUCTION

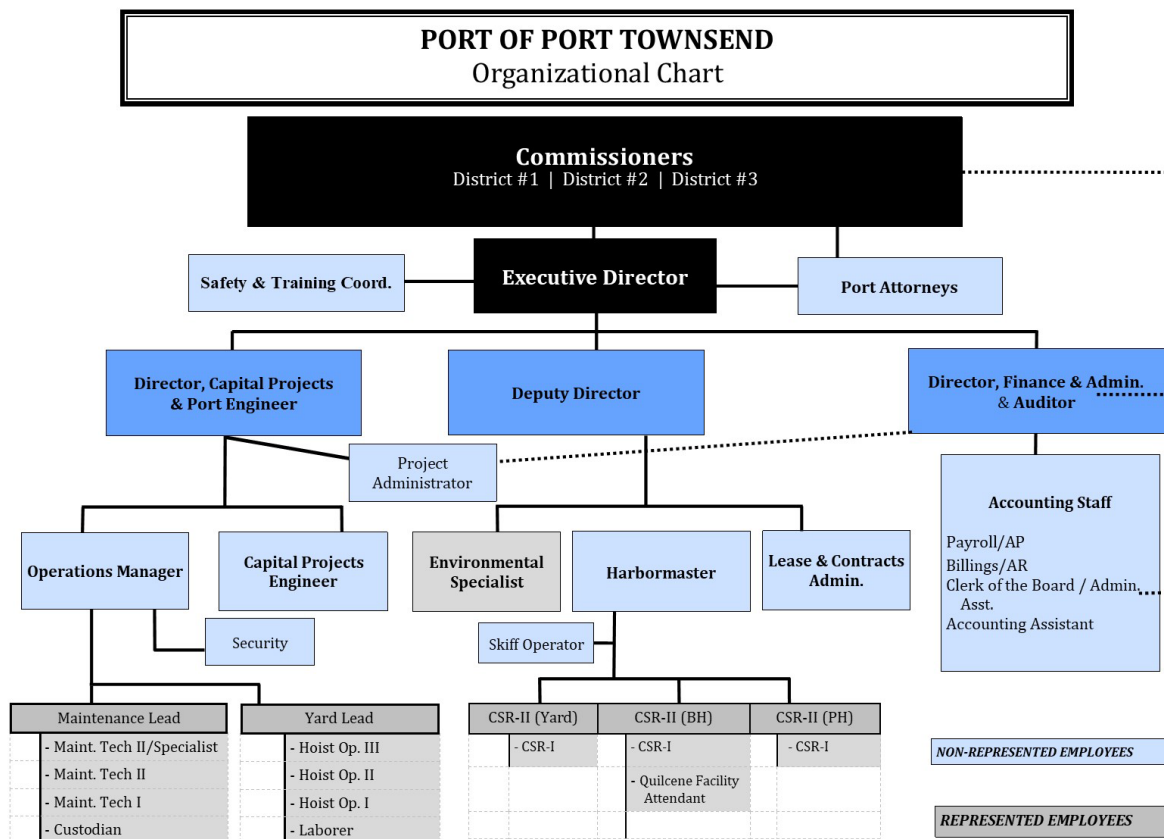
About Us

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 environment, community resources, and maritime heritage.



Draft 10/27/2023

Port Commissioners

District 1 Commissioner: *Pamela Petranek, President*



Term of Office: *January 1, 2020 – December 31, 2023, re-elected November 7, 2023*

A lifelong resident of Washington State, Commissioner Petranek settled in Port Townsend in 2006. Pam earned a BA in Education at Western Washington University and taught for 30 years, most recently as a music teacher for the Port Townsend School District. Pam earned her U.S. Coast Guard Captain's License in 2010 and teaches sailing lessons. Pam currently is a commercial fisherman with Cape Cleare Fishery; she delivers the fish by bicycle year-round to our community. In 2018, Pam was nominated for Citizen of the Year for co-leading the Jefferson County Maritime Trades Economic Study. Pam served four years on the board of the Port Townsend Marine Trades Association & has led several citizen advisory groups. She currently serves on the board of the JC Economic Development Council. Pam co-hosts a monthly KPTZ radio show called "Our Working Waterfront."



District 2 Commissioner: *Carol Hasse, Vice President*

Term of Office: *January 1, 2022 – December 31, 2025*

Carol Hasse sailed into Port Townsend in 1975, helped launch the Wooden Boat Festival and opened her business, Port Townsend Sails. In the ensuing four decades, she has become a well-known educator, teaching on vessels across the Puget Sound and Pacific Ocean, while serving on multiple nonprofit boards and turning her sail loft into an internationally renowned company.

She decided to become a Port of Port Townsend Port Commissioner because she is a passionate advocate for Jefferson County. She wants to promote our unique community of small businesses and marine trades, preserve the health of our environment, and protect our maritime heritage and world-class working waterfront.

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

Term of Office: *January 1, 2022 – December 31, 2025*



Commissioner Hanke was elected Port Commissioner in 2013 and re-elected in 2017 and again in 2021. 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 2024

Overview

The goal of the 2024 Operating Budget and 5-year Capital Improvement Program is to continue 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 or at least maintaining our net cash position.

Organizational Initiatives

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

- Update the Strategic Plan.
- Continue to modernize business and administrative procedures across our operations to both improve customer service and effectively utilize staff time.
- Implement our robust Capital Improvement Program while planning for successive projects in the future.
- 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.
- Continue to maintain a communications plan regarding upcoming major capital projects and their potential timing and impact to tenants, customers, and the community.
- Continue to market the Port to successfully attract businesses and customers.
- Continue to fine-tune the Port's existing pricing structures across all business operations.

Revenue from Operations

The 2024 budget reflects total revenue from operations of \$8,335,132, a 11.4% increase over the 2023 Budget. Most port rates will be increased by 4.6% for 2024. The long-awaited Point Hudson Jetty replacement project will be completed in early 2024 and Point Hudson operations should return closer to normal. The goal is to continue to grow all Port revenue from operations while controlling expenses to contribute to our Capital Improvement Program. Overall, the Port's operating revenues are generated by Port departments with the Yard providing 35.3%, Boat Haven Moorage 25.8%, Point Hudson 20.6%, PTBH properties 12.6%, Airport 2.6%, Quilcene 2.3%, Ramps 0.6%, and Short Farm 0.3% of total operating revenue.

Expenses from Operations

The budget for port-wide operating expenses is \$7,093,094 in 2024, a 7.2% increase when compared to the 2023 YTD actuals plus remaining budget. Much of this increase is due to gaining capacity for planning and executing capital projects with an FTE increase for a project administrator, and the 4.6% COLA for port staff effective January 1, 2024, as well as potential step and merit increases throughout the year. These personnel and compensation changes drive increases to payroll taxes, and benefits. Other increases in the 2024 operating expenses when compared to the YTD July plus remaining budget for 2023 include a \$64,993 anticipated increase in insurance costs, a \$20,705 increase in economic development, a \$18,547 increase in community relations, and audit costs budgeted \$17,162 higher which is more closely aligned with the timing of the audit performed this year. Facilities and operations costs increased \$82,142 and includes a multitude of different line items, with the largest anticipated increases to be in bank charges (\$28,865), and repair &

maintenance (\$22,000). General & Administrative (G&A) expenses total \$1,996,955 or 28% of total operating expenses, the same as the 2023 budget. G&A costs are allocated quarterly based on each department's weighted average percentage of total actual YTD operating revenues.

Net Operating Income

The 2024 budget reflects a net operating income of \$1,242,038, this is an increase of 6.6% when compared to the 2023 YTD actual plus remaining budget.

Other Increases & Decreases in Fund Resources

The 2024 budget includes \$1,134,000 in the general property tax levy, an increase of 2% from 2023. This is a 1% increase on the prior year plus new construction, as calculated by the County Assessor. The IDD tax levy will be \$2,634,289 for 2024, for the third consecutive year, to maintain the IDD reserve for capital projects. Interest income is budgeted at almost twice the 2023 budget at \$297,952 since interest rates have progressively risen over the past year. It also includes the American Recovery & Reinvestment Act (ARRA) Bond Interest Subsidy received semi-annually on the 2010 Limited Tax General Obligation (LTGO) bond (approximately \$32,000 annually). Grant revenue is budgeted at \$2,687,054; details can be seen on page 37 of this budget.

Other Increases in Fund Resources also include Deposits & Retainage Collected (\$80,254) and Taxes Collected (\$751,901). Taxes Collected include leasehold, sales, and hotel/motel taxes.

Other Decreases in Fund Resources include Deposits & Retainage Paid (\$26,198), Taxes Remitted (\$743,923 which are the remittances of leasehold, sales, and hotel/motel taxes collected), Bond Principal and Interest (\$1,020,788), Capital Expenses (\$6,967,000), Bond Management, Issuance & Investment (\$14,950), and Election costs (\$15,500).

Increase/(Decrease) in Cash

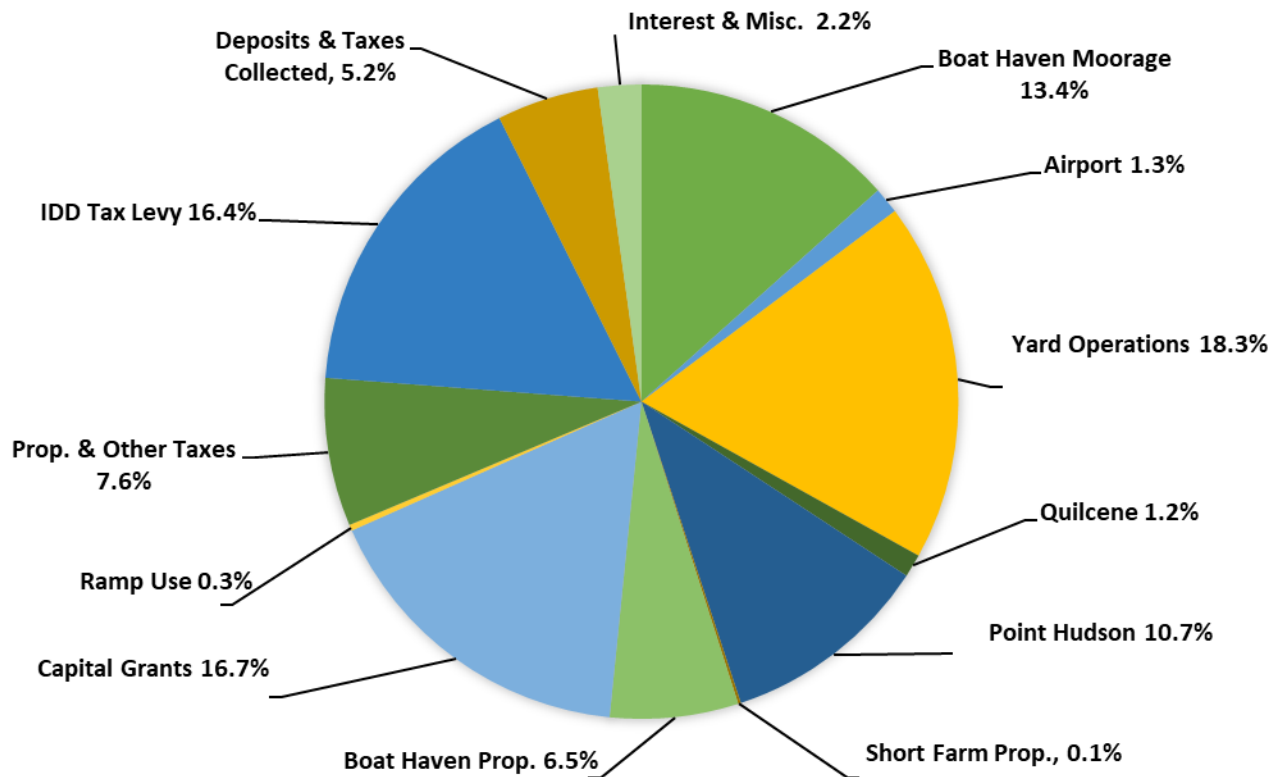
The budgeted number in the amount of \$75,454 as presented on page 12, represents the estimated increase in cash for 2024 port activity overall. This number is also reflected in the cashflow on page 40 as "Net Inflow/Outflow – Change in Cash Balance."

Estimated Ending Cash

The ending cash balances are estimated to total \$10,132,728, including \$8,689,705 in Reserves and \$1,443,023 in Unreserved Cash. The estimated composition of ending reserves for year ending 2024 is as follows:

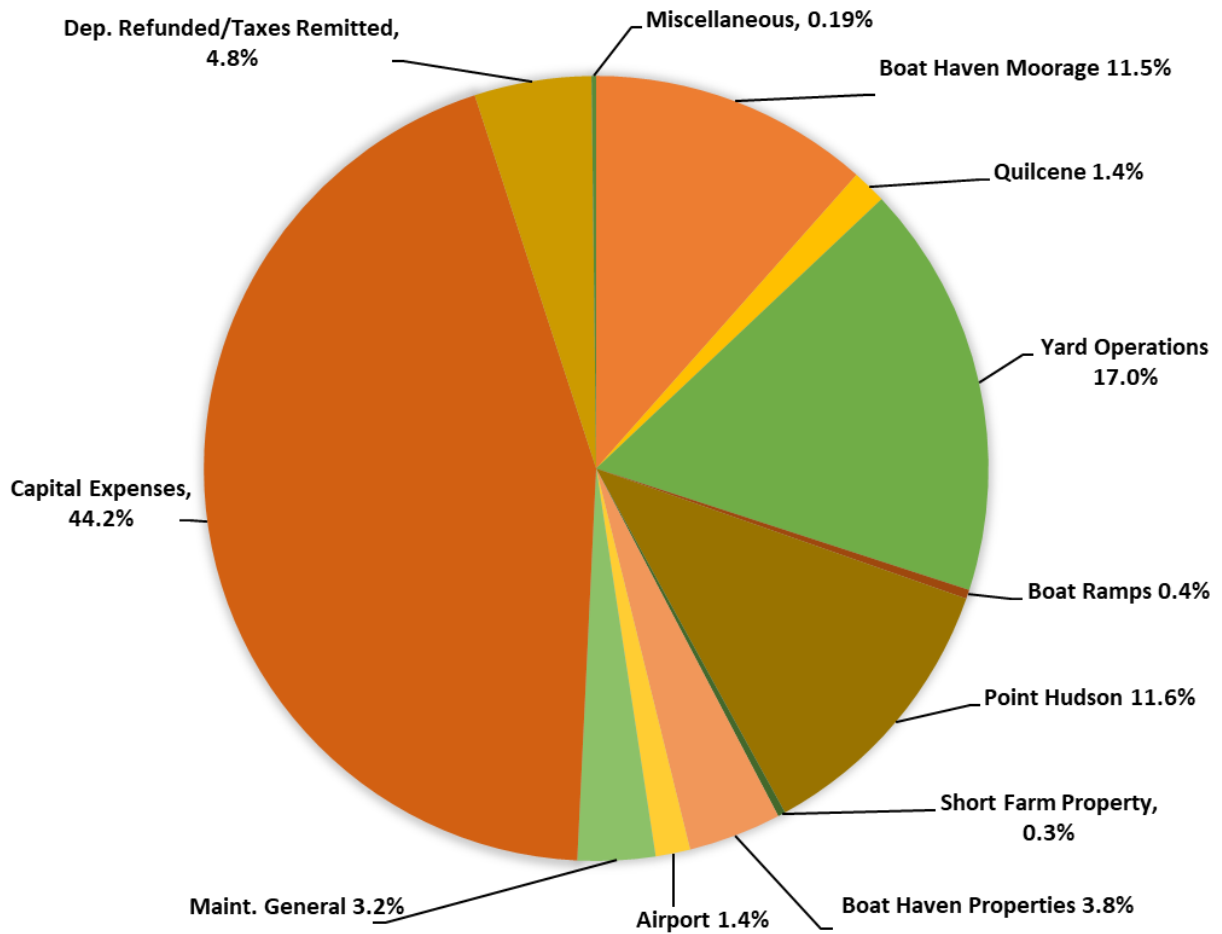
<u>Estimated Ending Cash Reserves for 2024</u>	
IDD Levy Capital Reserve	\$6,214,993
Port-Wide Capital Reserve	191,438
Operations Reserve	1,773,274
Emergency Reserve	500,000
Unemployment Reserve	10,000
	<u>\$8,689,705</u>

Graphic Summary of Budget

2024 "WHERE THE MONEY COMES FROM?"**2024 Budget - All Incoming Resources**

Boat Haven Moorage	\$ 2,152,585	13.4%
Yard Operations	2,942,641	18.3%
Point Hudson	1,715,272	10.7%
Boat Haven Prop.	1,050,151	6.5%
Quilcene	188,558	1.2%
Ramp Use	48,909	0.3%
Airport	214,715	1.3%
Short Farm Prop.	22,300	0.1%
Capital Grants	2,687,054	16.7%
Prop. & Other Taxes	1,213,272	7.6%
IDD Tax Levy	2,634,289	16.4%
Deposits & Taxes Collected	832,155	5.2%
Interest & Misc.	355,005	2.2%
Total	\$ 16,056,906	

2024 "WHERE THE MONEY GOES"



2024 Budget - All Outgoing Resources

Boat Haven Moorage *	\$ 1,845,396	11.5%
Yard Operations *	2,724,317	17.0%
Point Hudson *	1,857,628	11.6%
Boat Haven Properties	612,221	3.8%
Quilcene	226,296	1.4%
Boat Ramps	59,666	0.4%
Airport	228,155	1.4%
Short Farm Property	49,689	0.3%
Maint. General	510,514	3.2%
Capital Expenses	7,067,000	44.2%
Dep. Refunded/Taxes Remitted	770,121	4.8%
Miscellaneous	30,450	0.19%
	\$ 15,981,453	

* These include the debt services costs related to their departments which total \$1,020,788.

Consolidated Sources & Uses of Cash 2024 Budget

with comparison to Prior Years

	2021 Actual	2022 Actual	2023 Budget	2023 YTD July + remaining budget	2024 Budget	2023 YTD-2024 Bdgt Variance
OPERATING REVENUES						
Boat Haven Moorage	1,917,967	2,015,492	2,048,710	2,057,921	2,152,585	94,664
Yard Operations	2,306,196	2,645,795	2,578,591	2,828,119	2,942,641	114,522
Point Hudson Marina/RV/Prop.	1,690,255	1,532,331	1,521,485	1,501,411	1,715,272	213,861
Boat Haven Properties	819,708	808,584	922,134	969,673	1,050,151	80,478
Quilcene Herb Beck Marina	172,256	175,104	175,567	188,055	188,558	503
Jefferson County Intl Airport	166,996	185,371	181,246	190,663	214,715	24,052
Short Farm Property	-	-	-	-	22,300	22,300
Ramp Use	52,437	48,277	52,367	46,404	48,909	2,505
Total Operating Revenues	\$ 7,125,815	\$ 7,410,955	\$ 7,480,100	\$ 7,782,246	\$ 8,335,132	\$ 552,886
OPERATING EXPENDITURES						
Salaries & Wages	2,339,530	2,656,298	2,897,787	2,831,091	3,120,651	289,560
Payroll Taxes	234,924	274,816	304,268	314,919	330,789	15,870
Employee Benefits	811,661	836,047	832,286	867,783	834,785	(32,998)
Uniform Expense	9,283	19,386	14,100	12,755	12,135	(620)
Contract Services	278,143	283,814	306,276	374,621	361,474	(13,147)
Legal fees	51,480	49,388	42,786	48,826	48,826	-
Audit	32,403	6,798	17,838	17,838	35,000	17,162
Insurance	365,552	453,023	451,442	452,520	517,513	64,993
Facilities & Operations	671,215	1,035,778	768,382	834,356	916,498	82,142
Utilities	605,456	648,719	631,227	660,245	662,851	2,606
Marketing & Advertising	52,608	62,705	69,465	95,089	94,545	(544)
Economic Development	15,000	30,000	65,000	46,295	67,000	20,705
Travel & Training	15,387	38,985	35,214	26,433	38,028	11,595
Community Relations	3,997	1,276	56,304	34,453	53,000	18,547
Total Operating Expenditures	\$ 5,486,640	\$ 6,397,033	\$ 6,492,375	\$ 6,617,224	\$ 7,093,094	\$ 475,870
NET OPERATING INCOME	\$ 1,639,174	\$ 1,013,923	\$ 987,725	\$ 1,165,022	\$ 1,242,038	\$ 77,016
OTHER INCREASES IN FUND RESOURCES						
Deposits & Retainage Collected	112,997	38,338	80,254	82,559	80,254	(2,305)
Taxes Collected	673,826	715,892	691,008	731,508	751,901	20,393
Capital Contributions/Grants	413,082	288,217	4,464,322	7,133,753	2,687,054	(4,446,699)
Interest	52,859	153,383	65,161	312,655	297,952	(14,703)
Property & other taxes	2,764,518	3,912,590	3,785,061	4,176,647	3,847,561	(329,086)
Misc. Incr. in Fund Resources	57,215	122,956	55,553	196,143	57,053	(162)
Total Incr. in Other Fund Resources	\$ 4,074,496	\$ 5,231,377	\$ 9,141,359	\$ 12,633,265	\$ 7,721,775	\$ (4,772,562)
OTHER DECREASES IN FUND RESOURCES						
Deposits & Retainage Paid	26,221	92,269	55,164	36,707	26,198	(10,509)
Taxes Remitted	675,339	714,381	682,698	731,446	743,923	12,477
Bond Principal & Interest	1,280,328	1,025,338	1,021,088	1,461,303	1,020,788	(440,515)
Bond Mgmt, Issuance, Invstmnt	60,302	50,601	14,750	51,877	14,950	(36,927)
Capital Project Expenses	4,491,246	1,847,887	10,069,000	9,011,000	7,067,000	(1,944,000)
Election Expense	15,674	17,561	15,500	15,500	15,500	-
Total Other Decr. in Fund Resources	\$ 6,549,109	\$ 3,748,036	\$ 11,858,200	\$ 11,307,833	\$ 8,888,359	\$ 2,339,250
Net Other Incr./Decr. in Fund Resource	\$ (2,474,613)	\$ 1,483,341	\$ (2,716,841)	\$ 1,325,432	\$ (1,166,584)	\$ (7,111,812)
Increase/(Decrease) in Cash	\$ (835,438)	\$ 2,497,263	\$ (1,729,116)	\$ 2,490,454	\$ 75,454	\$ (7,034,796)

2024 DEPARTMENTAL OPERATING BUDGETS

Boat Haven Moorage

Boat Haven Moorage revenues are estimated to increase \$94,664 which is a 4.6% increase when compared to 2023 YTD July actuals plus remaining budget.

The two heavy revenue generators for the Port, Boat Haven Moorage, and the Yard, will experience significant increases in salaries and wages for 2024. They are higher than the 2023 budget but will not be significantly more than expected by year end 2023 when reviewing the actual trends YTD and projecting with those actuals, not the remaining budget numbers. In 2024, the moorage staff compensation will be impacted by a 4.6% COLA, potential step increases, and an allocation of an additional ½ FTE; this represents a change in staff allocation, not an additional FTE. As with previous years, current debt service cost, both principal and interest, is included. 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 after year. The total increase in estimated moorage expenses is \$158,895. Most of this is related to salaries & wages, general & administrative, maintenance costs, and contract services.



Boat Haven Moorage

	2021 Actual	2022 Actual	2023 Budget	2023 YTD July + remaining budget	2024 Budget	2023 YTD to 2024 Bdg Variance
OPERATING REVENUES						
PTBH - Permanent Moorage	1,215,832	1,285,755	1,292,556	1,305,760	1,365,825	60,065
PTBH - Monthly Guest	228,447	264,914	296,951	277,921	290,705	12,784
PTBH - Nightly Guest	290,585	306,607	290,227	293,011	306,490	13,479
PTBH - Electric	102,113	101,445	105,202	104,231	109,026	4,795
PTBH - Liveaboard Fee	21,209	21,219	22,403	26,163	27,366	1,203
PTBH - Liveaboard Background Ck Fe	60	480	-	189	198	9
PTBH - Work Float/Lift Pier Usage	15,698	8,816	252	13,404	14,021	617
PTBH - Miscellaneous Revenue	25,140	6,588	7,522	8,393	8,779	386
PTBH - Showers	9,228	9,433	12,829	10,823	11,321	498
PTBH - Laundry	7,511	7,709	9,773	8,262	8,642	380
PTBH - Kayak Racks	54	1,673	5,177	6,101	6,382	281
PTBH - Key Fobs	195	530	2,760	1,774	1,856	82
PTBH - Promotional Sales	257	387	298	889	930	41
PTBH - Port Labor	1,639	(63)	2,760	1,000	1,046	46
Total Operating Revenues	\$1,917,967	\$2,015,492	\$2,048,710	\$ 2,057,921	\$2,152,585	\$ 94,664
OPERATING EXPENSES						
Moorage Salaries & Wages	166,054	211,881	194,494	209,698	285,908	76,210
Moorage Payroll Taxes	18,247	25,696	23,151	27,310	30,306	2,996
Moorage Employee Benefits	57,888	66,298	61,699	70,885	76,481	5,596
Uniform Expense	668	1,963	1,200	1,458	1,650	192
Maint Salaries & Wages	28,808	29,410	34,412	31,453	27,203	(4,250)
Maint Payroll Taxes	3,295	3,562	3,613	3,857	2,883	(974)
Maint Employee Benefits	10,093	9,167	9,884	9,445	7,277	(2,168)
Enviro Salaries & Wages	1,939	824	1,000	420	-	(420)
Enviro Payroll Taxes	230	101	105	45	-	(45)
Enviro Employee Benefits	663	253	284	120	-	(120)
Contract Services	8,951	25,535	18,346	31,562	44,990	13,428
Insurance	93,338	114,889	127,500	127,552	127,308	(244)
Facilities & Operations	98,011	118,666	101,904	97,942	112,029	14,087
Utilities	178,494	185,851	178,226	193,993	188,768	(5,225)
Marketing & Advertising	12,784	12,544	16,294	23,631	22,000	(1,631)
Travel & Training	4,137	2,847	1,190	527	2,800	2,273
2010 LTGO Bond Princ/Int (83%)	402,914	399,635	400,133	400,133	400,070	(63)
General & Administrative	403,904	317,445	475,272	456,470	515,723	59,253
Total Operating Expenses	\$1,490,415	\$1,526,566	\$1,648,707	\$ 1,686,501	\$1,845,396	\$ 158,895
NET OPERATING INCOME	\$ 427,552	\$ 488,926	\$ 400,003	\$ 371,420	\$ 307,189	\$ (64,231)

Boat Haven Yard

Overall, Yard revenue is expected to increase by \$114,522 over 2023 YTD July actuals plus remaining budget. Demand for the Yard has continued to be strong during 2023. The old “long-term yard” storage area was converted to active working yard space in 2023 and will help maintain strong revenues even with the Northwest Yard Expansion project construction phase planned for 2024.

The two heavy revenue generators for the Port, Boat Haven Moorage, and the Yard, will experience significant increases in salaries and wages for 2024. They are higher than the 2023 budget but will not be significantly more than expected by year end 2023 when reviewing the actual trends YTD and projecting with those actuals, not the remaining budget numbers. In 2024, staff will receive a 4.6% COLA and potential step increases are budgeted. Comparing the 2024 budget to 2023 YTD plus remaining budget reflects full staff in 2024. As with previous years, the current debt service cost, both principal and interest, is included. 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 after year. An increase in operating expenses of \$221,684 is projected in the 2024 budget, and with the estimated increase in operating revenue, the net effect is a profit of \$218,324.



Boat Haven Yard

	2021 Actual	2022 Actual	2023 Budget	2023 YTD July + remaining budget	2024 Budget	2023 YTD to 2024 Bdgt Variance
OPERATING REVENUES						
Yard - 70/75 Ton Yard Revenue	934,644	1,174,655	1,017,215	1,235,353	1,327,179	91,826
Yard - 70/75 Ton Hoist Revenue	337,016	355,988	362,052	388,907	406,797	17,890
Yard - 300 Ton Yard Revenue	455,530	479,899	506,702	510,901	534,402	23,501
Yard - 300 Ton Hoist Revenue	204,905	235,758	224,965	250,139	261,645	11,506
Yard - Washdown Revenue	78,798	85,991	100,070	119,403	124,896	5,493
Yard - Bilge Water Revenue	3,750	5,257	6,000	7,251	6,000	(1,251)
Yard - L/T Storage	75,812	68,930	84,601	34,858	-	(34,858)
Yard - Blocking Rent	46,197	50,883	56,673	57,062	56,673	(389)
Yard - 70/75 Ton Electric	36,990	41,102	47,560	48,154	42,560	(5,594)
Yard - 300 Ton Electric	26,589	25,613	53,840	48,243	50,462	2,219
Yard - Off Port Prop. Tarp Fee	1,009	1,434	815	4,381	4,381	-
Yard - Liveaboard Fee	2,811	600	2,205	924	600	(324)
Yard - Miscellaneous Revenue	1,200	368	701	718	751	33
Yard - 70/75 Ton Port Labor	6,769	13,584	9,577	10,173	10,641	468
Yard - 300 Ton Port Labor	2,486	9,539	6,931	8,348	8,732	384
Yard - Environmental Fee	90,390	96,218	98,272	101,933	106,622	4,689
Yard - Garbage	-	-	-	1,013	200	(813)
Yard - Enviro Clean-Up Fee	1,300	(24)	412	358	100	(258)
Total Operating Revenues	\$2,306,196	\$2,645,795	\$2,578,591	\$ 2,828,119	\$2,942,641	\$ 114,522
OPERATING EXPENSES						
Yard Salaries & Wages	554,648	628,743	648,893	646,640	768,718	122,078
Yard Payroll Taxes	62,789	74,034	70,863	79,691	81,484	1,793
Yard Employee Benefits	197,397	196,144	186,371	195,478	205,635	10,157
Uniform Expense	4,281	6,260	6,650	5,296	4,800	(496)
Maint Salaries & Wages	60,119	93,220	103,235	82,351	62,566	(19,785)
Maint Payroll Taxes	6,847	10,976	10,840	12,609	6,632	(5,977)
Maint Employee Benefits	21,038	28,953	24,313	21,602	16,737	(4,865)
Enviro Salaries & Wages	23,444	20,317	26,188	26,615	39,774	13,159
Enviro Payroll Taxes	2,804	2,721	2,750	3,484	4,216	732
Enviro Employee Benefits	8,197	6,244	7,522	7,948	10,640	2,692
Contract Services	26,597	32,089	43,373	65,176	35,139	(30,037)
Insurance	86,891	107,963	101,580	101,580	102,468	888
Facilities & Operations	242,832	450,072	391,747	411,630	425,857	14,227
Utilities	130,829	137,949	146,023	154,233	156,643	2,410
Marketing & Advertising	12,048	11,151	-	9,501	13,079	3,578
Travel & Training	483	5,554	1,902	1,005	2,980	1,975
2010 LTGO Bond Princ/Int (17%)	82,524	81,853	81,955	81,955	81,942	(13)
General & Administrative	493,391	423,494	525,524	595,839	705,007	109,168
Total Operating Expenses	\$2,017,157	\$2,317,737	\$2,379,729	\$ 2,502,633	\$2,724,317	\$ 221,684
NET OPERATING INCOME	\$ 289,039	\$ 328,058	\$ 198,862	\$ 325,486	\$ 218,324	\$ (107,162)

Point Hudson

Overall, Point Hudson revenue is expected to increase by \$213,861 over the 2023 YTD July actuals plus remaining budget. With the completion of the full replacement of both the north and south jetties at Point Hudson in early 2024, we should start to return to more normal revenue amounts similar to before the construction commenced, yet still not fully back in business for the year.

Total estimated increases in operating expenses, when compared to 2023 YTD July actuals plus remaining budget, is estimated at \$86,497, most of which is due to increased general & administrative costs, contract services, general liability, property, and marina insurance, and repair & maintenance costs. However, there are many other reductions anticipated that will offset some of those increases.



Point Hudson

	2021 Actual	2022 Actual	2023 Budget	2023 YTD July + remaining budget	2024 Budget	2023 YTD to 2024 Bdgt Variance
OPERATING REVENUES						
Pt Hudson - Building Lease Revenue	422,218	442,756	443,596	453,827	464,703	10,876
Pt Hudson - Parking	19,267	15,644	18,048	19,270	21,238	1,968
Pt Hudson - Event Facility Rev	949	26,449	30,675	34,770	48,369	13,599
Pt Hudson - Janitorial	35,643	15,120	15,781	15,473	16,185	712
Pt Hudson - Water, Sewer, Storm	-	27,287	30,602	31,036	32,464	1,428
Pt Hudson - Permanent Moorage	157,330	104,511	133,347	119,682	132,330	12,648
Pt Hudson - Liveaboard Fee	8,743	5,381	9,129	420	8,500	8,080
Pt Hudson - Liveaboard Backgrnd Ck Fe	2,700	1,980	945	1,125	2,100	975
Pt Hudson - Monthly Guest	126,449	93,274	97,427	15,301	96,000	80,699
Pt Hudson - Nightly Guest	247,981	198,751	198,587	209,423	225,590	16,167
City Pier & Union Wharf Usage	16,920	19,157	5,195	14,239	14,894	655
Pt Hudson - Monthly R.V.	72,824	78,662	67,461	54,676	75,191	20,515
Pt Hudson - Nightly R.V.	436,538	382,320	364,580	430,693	439,151	8,458
Pt Hudson - Kayak Racks	19,571	16,480	16,065	16,320	20,250	3,930
Pt Hudson - Reservation Fee	49,058	43,937	35,277	40,681	46,156	5,475
Pt Hudson - Showers	6,677	5,983	6,015	5,783	6,049	266
Pt Hudson - Laundry	10,626	8,108	7,616	6,133	6,415	282
Pt Hudson - Key Fobs	-	-	-	265	500	235
Pt Hudson - Passenger Fee	19,544	20,595	14,568	17,578	21,554	3,976
Union Wharf - Cruise Ship Garbage	2,085	1,039	1,269	1,123	1,175	52
Pt Hudson - Promotional Sales	538	1,328	1,212	1,173	1,227	54
Pt Hudson - Miscellaneous Rev	2,923	6,087	3,188	1,490	1,559	69
Pt Hudson - Electric	31,673	17,484	20,902	10,930	33,673	22,743
Total Operating Revenues	\$1,690,255	\$1,532,331	\$1,521,485	\$ 1,501,411	\$1,715,272	\$ 213,861
OPERATING EXPENSES						
Point Hudson Salaries & Wages	156,701	188,897	221,585	201,154	202,092	938
Point Hudson Payroll Taxes	18,921	21,983	23,267	26,119	21,422	(4,697)
Point Hudson Employee Benefits	54,690	52,714	63,642	63,232	54,060	(9,172)
Uniform Expense	300	987	800	1,221	600	(621)
Maint Salaries & Wages	110,051	124,710	137,647	124,832	106,091	(18,741)
Maint Payroll Taxes	13,444	16,442	14,453	16,443	11,246	(5,197)
Maint Employee Benefits	38,533	38,999	39,534	36,791	28,380	(8,411)
Enviro Salaries & Wages	1,070	2,714	4,872	4,603	4,045	(558)
Enviro Payroll Taxes	127	365	512	581	429	(152)
Enviro Employee Benefits	364	842	1,399	1,385	1,082	(303)
Contract Services	31,038	27,690	15,503	38,655	53,127	14,472
Insurance	56,117	71,013	88,196	88,196	98,584	10,388
Facilities & Operations	104,324	141,168	84,436	79,923	97,987	18,064
Utilities	200,350	212,825	198,754	203,268	204,754	1,486
Marketing & Advertising	12,537	14,194	15,837	23,862	22,204	(1,658)
Travel & Training	389	1,222	525	200	1,800	1,600
2015 LTGO Principal & Int pmts	543,325	543,850	539,000	539,000	538,775	(225)
General & Administrative	355,950	273,774	309,058	321,666	410,950	89,284
Total Operating Expenses	\$1,698,230	\$1,734,389	\$1,759,020	\$ 1,771,131	\$1,857,628	\$ 86,497
NET OPERATING INCOME	\$ (7,976)	\$ (202,058)	\$ (237,535)	\$ (269,720)	\$ (142,356)	\$ 127,364

Boat Haven Properties

Properties at Boat Haven are expected to have an increase in revenues of \$80,478 when compared to the 2023 YTD July actuals plus remaining budget, primarily due to the occasional leasehold step increases, market rate adjustments, and CPI increases. Most properties are marine dependent or related uses for manufacturing, warehousing, and office requirements.

Overall, operating expenses are expected to increase by \$2,632 when compared to the 2023 YTD July actuals plus remaining budget. Most expenses are expected to be lower, except for the larger dollar amounts for G&A, and general liability, and property insurance. The anticipated lower costs for salaries and wages (and the related payroll taxes and benefits) are based on actual work percentages YTD in 2023.

	2021 Actual	2022 Actual	2023 Budget	2023 YTD July + remaining budget	2024 Budget	2023 YTD to 2024 Bdgt Variance
OPERATING REVENUES						
PTBH Prop - Lease Revenue	746,964	725,035	839,257	889,972	967,893	77,921
PTBH Prop - Fuel Dock Lease	20,239	19,758	20,531	16,512	20,531	4,019
PTBH Prop - Electric	2,819	(443)	1,623	(1,095)	(1,145)	(50)
PTBH Prop - Garbage	28,141	3,550	14,114	8,137	4,142	(3,995)
PTBH Prop - Water	-	-	23,297	32,476	33,970	1,494
PTBH Prop - Stormwater	9,727	9,519	10,667	9,975	10,434	459
PTBH Prop - Storage Unit Revenue	11,196	12,035	11,820	12,402	12,972	570
PTBH Prop - Miscellaneous	623	750	825	1,294	1,354	60
Total Operating Revenues	\$ 819,708	\$ 770,203	\$ 922,134	\$ 969,673	\$ 1,050,151	\$ 80,478
OPERATING EXPENSES						
PTBH Property Salaries & Wages	60,929	70,110	72,085	71,304	66,614	(4,690)
PTBH Property Payroll Taxes	5,399	6,316	2,366	4,669	7,061	2,392
PTBH Property Employee Benefits	21,300	21,901	20,704	21,590	17,819	(3,771)
Maint Salaries & Wages	72,403	76,839	96,353	77,427	68,007	(9,420)
Maint Payroll Taxes	10,574	10,523	10,117	10,036	7,209	(2,827)
Maint Employee Benefits	25,632	24,496	27,674	23,230	18,192	(5,038)
Enviro Salaries & Wages	22,714	16,824	22,534	18,823	16,179	(2,644)
Enviro Payroll Taxes	2,716	2,247	2,608	2,350	1,715	(635)
Enviro Employee Benefits	7,977	5,166	6,472	5,671	4,328	(1,343)
Contract Services	1,167	2,060	5,775	34,484	18,014	(16,470)
Insurance	26,061	34,738	45,100	45,100	51,751	6,651
Facilities & Operations	23,273	55,553	32,848	35,494	33,906	(1,588)
Utilities	43,136	57,952	46,883	48,607	49,453	846
Marketing & Advertising	43	331	155	100	155	55
Travel/Training	80	155	120	189	220	31
General & Administrative	172,622	142,623	200,426	210,515	251,598	41,083
Total Operating Expenses	\$ 496,026	\$ 527,834	\$ 592,220	\$ 609,589	\$ 612,221	\$ 2,632
NET OPERATING INCOME	\$ 323,682	\$ 242,369	\$ 329,914	\$ 360,084	\$ 437,930	\$ 77,846

Quilcene

Quilcene revenues are projected to increase by \$503 in 2024 when compared to the 2023 YTD July actuals plus remaining budget estimates.

Overall, operating expenses are budgeted to increase by \$7,332. Most of this increase is in departmental staffing costs, general & administrative costs. There are no other significant increases in costs estimated for the facility in 2024, except for capital expenditures estimated for the marina dredge, ramp upgrade, bathroom remodel, and parking improvement projects that are on the docket.



Quilcene

	2021 Actual	2022 Actual	2023 Budget	2023 YTD July + remaining budget	2024 Budget	2023 YTD to 2024 Bdgt Variance
OPERATING REVENUES						
Quilcene - Lease Revenue	65,936	70,832	72,192	74,443	77,279	2,836
Quilcene - Permanent Moorage	67,051	67,435	63,443	71,638	73,272	1,634
Quilcene - Liveaboard Fee	2,590	-	-	-	-	-
Quilcene - Nightly Moorage	1,876	1,878	1,687	5,711	1,887	(3,824)
Quilcene - Showers	2,521	2,262	2,812	2,486	2,812	326
Quilcene - Reservations	352	198	277	35	-	(35)
Quilcene - Miscellaneous Revenue	240	980	673	799	200	(599)
Quilcene - Water	12,835	11,274	12,922	11,242	12,922	1,680
Quilcene - Electric	3,971	2,653	3,680	2,742	2,371	(371)
Quilcene - Recreational Ramp Fees	11,300	11,622	10,913	11,680	10,913	(767)
Quilcene - Commercial Use Fees	2,200	5,030	5,702	6,100	5,702	(398)
Quilcene - Empty Trailer Parking	1,196	687	1,059	1,080	1,200	120
Quilcene - Kayak Racks	189	254	207	99	-	(99)
Total Operating Revenues	\$ 172,256	\$ 175,104	\$ 175,567	\$ 188,055	\$ 188,558	\$ 503
OPERATING EXPENSES						
Quilcene Salaries & Wages	29,327	37,156	56,742	62,408	76,258	13,850
Quilcene Payroll Taxes	3,267	4,615	5,958	7,603	8,083	480
Quilcene Employee Benefits	10,284	11,632	16,297	17,494	20,399	2,905
Quilcene Uniforms	66	710	300	150	300	150
Maint Salaries & Wages	16,743	10,771	20,647	13,020	10,881	(2,139)
Maint Payroll Taxes	1,961	1,336	2,168	1,894	1,153	(741)
Maint Employee Benefits	5,819	3,511	5,930	4,856	2,911	(1,945)
Enviro Salaries & Wages	743	614	-	230	674	444
Enviro Payroll Taxes	89	83	-	34	71	37
Enviro Employee Benefits	263	187	-	73	180	107
Contract Services	8,843	8,240	8,917	17,586	10,207	(7,379)
Insurance	8,309	9,691	9,295	9,295	11,903	2,608
Facilities & Operations	30,304	25,018	16,130	20,483	14,535	(5,948)
Utilities	14,512	13,534	14,045	14,277	15,741	1,464
Marketing & Advertising	1,425	4,597	1,400	7,512	7,200	(431)
Travel & Training	400	219	325	435	625	190
General & Administrative	36,275	28,481	39,024	41,495	45,175	3,680
Total Operating Expenses	\$ 168,630	\$ 160,395	\$ 197,178	\$ 218,845	\$ 226,296	\$ 7,332
NET OPERATING INCOME	\$ 3,626	\$ 14,710	\$ (21,611)	\$ (30,790)	\$ (37,738)	\$ (6,829)

Ramps

The Port has boat launch ramps located in Port Townsend, Port Hadlock, Gardiner, Quilcene* and Mats Mats in Port Ludlow. (*The Quilcene ramp is listed under the Quilcene facility.) All these boat ramps are single ramps, except for the one in Port Townsend at Boat Haven, which is a double ramp. These revenues are expected to increase by \$2,505 when compared to 2023 YTD July actuals plus remaining budget.

Increased operating expenses are expected for Ramps in the amount of \$4,792. Most of that increase is for general liability, property, and marina insurance.



	2021 Actual	2022 Actual	2023 budget	2023 YTD July + remaining budget	2024 Budget	2023 YTD to 2024 Bdgt Variance
OPERATING REVENUES						
Ramp Fees	42,901	40,154	45,229	43,098	45,229	2,131
PTBH - Commercial Use Fees	8,682	7,030	5,581	1,430	2,123	693
Dinghy Float Revenue	854	1,093	1,557	1,876	1,557	(319)
Total Operating Revenues	\$ 52,437	\$ 48,277	\$ 52,367	\$ 46,404	\$ 48,909	\$ 2,505
OPERATING EXPENSES						
Ramps Salaries & Wages	2,767	3,516	4,500	5,982	7,318	1,336
Ramps Payroll Taxes	363	472	473	831	776	(55)
Ramps Employee Benefits	984	1,118	1,292	1,836	1,958	122
Maint Salaries & Wages	9,545	6,431	6,882	7,996	8,161	165
Maint Payroll Taxes	1,107	813	723	1,027	865	(162)
Maint Employee Benefits	3,341	1,860	1,977	2,432	2,183	(249)
Enviro Salaries & Wages	610	1,795	2,654	3,101	3,371	270
Enviro Payroll Taxes	73	242	279	415	357	(58)
Enviro Employee Benefits	210	542	766	943	902	(41)
Contract Services	3,241	3,159	2,510	3,541	2,968	(573)
Insurance	5,705	7,439	6,590	6,590	9,315	2,725
Facilities & Operations	10,457	11,726	5,021	4,033	4,613	580
Utilities	2,448	4,837	5,261	4,276	3,961	(315)
Marketing & Advertising	1,700	300	-	1,097	1,200	103
General & Administrative	11,043	8,894	13,688	10,774	11,718	944
Total Operating Expenses	\$ 53,593	\$ 53,145	\$ 52,616	\$ 54,874	\$ 59,666	\$ 4,792
NET OPERATING INCOME	\$ (1,156)	\$ (4,868)	\$ (249)	\$ (8,470)	\$ (10,757)	\$ (2,287)

Jefferson County International Airport (JCIA)

JCIA revenues are estimated to increase by \$24,052 when compared to 2023 YTD July actuals plus remaining budget. The largest increase is anticipated in Lease revenue because the majority of JCIA lease tenants are due for base rate adjustments.

Expenses are estimated to be less by \$2,619, when compared to the 2023 YTD July actuals plus remaining budget. Departmental salaries and wages are estimated to slightly increase, but maintenance salaries and wages are anticipated to drop, these are based on current YTD actual activity.



Jefferson County International Airport (JCIA)

	2023 YTD July +					2023 YTD to 2024
	2021 Actual	2022 Actual	2023 Budget	remaining budget	2024 Budget	Bdgt Variance
OPERATING REVENUES						
JCIA - Lease Revenue	120,582	136,074	135,560	141,657	167,379	25,722
JCIA - Hangar Revenue	34,414	38,890	39,449	41,951	41,028	(923)
JCIA - Fuel Lease Revenue	2,159	2,054	1,699	1,543	1,699	156
JCIA - Electric	1,570	1,220	1,746	703	-	(703)
JCIA - Vehicle Parking Revenue	736	800	1,062	1,242	1,062	(180)
JCIA - Aircraft Parking	1,402	1,588	1,100	2,662	2,642	(20)
JCIA - Miscellaneous Revenue	6,133	4,746	630	905	905	-
Total Operating Revenues	\$ 166,996	\$ 185,371	\$ 181,246	\$ 190,663	\$ 214,715	\$ 24,052
OPERATING EXPENSES						
JCIA Salaries & Wages	9,603	13,944	8,565	14,215	17,414	3,199
JCIA Payroll Taxes	1,228	1,682	899	1,771	1,846	75
JCIA Employee Benefits	3,356	4,364	2,460	4,139	4,658	519
Maint Salaries & Wages	47,294	30,228	55,059	45,821	38,084	(7,737)
Maint Payroll Taxes	5,381	3,762	5,781	5,128	4,037	(1,091)
Maint Employee Benefits	16,517	9,353	15,815	12,602	10,188	(2,414)
Enviro Salaries & Wages	1,538	2,331	3,654	3,364	3,371	7
Enviro Payroll Taxes	183	313	384	436	357	(79)
Enviro Employee Benefits	529	715	1,050	1,015	902	(113)
Contract Services	19,084	21,120	20,683	17,893	14,235	(3,658)
Insurance	34,164	40,487	50,500	50,500	52,786	2,286
Facilities & Operations	18,743	16,140	11,675	16,683	12,280	(4,403)
Utilities	16,414	15,101	15,472	14,774	14,830	56
Marketing & Advertising	-	-	2,048	1,710	1,725	15
General & Administrative	35,168	28,465	38,554	40,723	51,442	10,719
Total Operating Expenses	\$ 209,201	\$ 188,005	\$ 232,599	\$ 230,774	\$ 228,155	\$ (2,619)
NET OPERATING INCOME	\$ (42,206)	\$ (2,633)	\$ (51,353)	\$ (40,111)	\$ (13,440)	\$ 26,671

Short Farm Property

The Port purchased the Short Farm on September 1, 2023. A planning process involving the community and key agricultural and environmental stakeholders will be performed in early 2024 with the hope of being ready to lease parts of the property to farmers by September 1, 2024. The 2024 budget below shows the activity anticipated for the last four (4) months of 2024.

	2021 Actual	2022 Actual	2023 Budget	2023 YTD July + remaining budget	2024 Budget	2023 YTD to 2024 Bdgt Variance
OPERATING REVENUES						
SHORT FARM - AG Leases	-	-	-	-	7,500	7,500
SHORT FARM - Leases (w/Shorts)	-	-	-	-	4,800	4,800
SHORT FARM - WDFW License Fee	-	-	-	-	10,000	10,000
Total Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ 22,300	\$ 22,300
OPERATING EXPENSES						
Salaries & Wages	-	-	-	-	5,078	5,078
Payroll Taxes	-	-	-	-	538	538
Employee Benefits	-	-	-	-	1,358	1,358
Maint Salaries & Wages	-	-	-	-	10,881	10,881
Maint Payroll Taxes	-	-	-	-	1,153	1,153
Maint Employee Benefits	-	-	-	-	2,911	2,911
Insurance	-	-	-	-	19,927	19,927
Utilities	-	-	-	-	2,500	2,500
Marketing & Advertising	-	-	-	-	-	-
General & Administrative	-	-	-	-	5,343	5,343
Total Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ 49,689	\$ 49,689
NET OPERATING INCOME	\$ -	\$ -	\$ -	\$ -	\$ (27,389)	\$ (27,389)



Maintenance – General

Most of the Port's Maintenance department activity is recorded to the Port department in which the maintenance work is performed. Maintenance costs not tied to a specific department are included here under Maintenance - General. Variances between 2024 budget and 2023 YTD July actuals plus remaining budget show year-to-year activity variances for non-specific departmental maintenance activity, however the most significant cost increases are in staffing, facilities and operations, and general liability and property insurance.

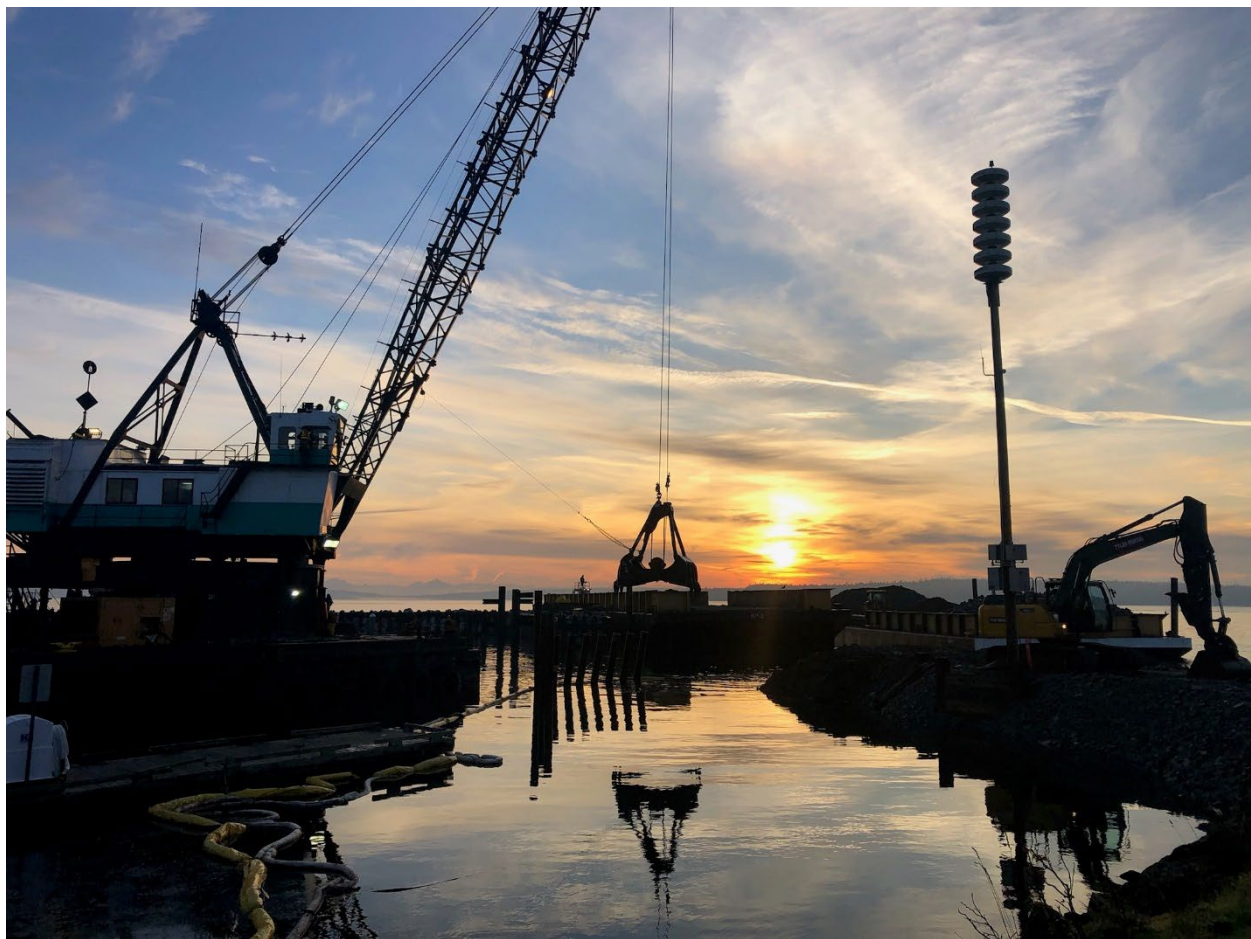


	2021 Actual	2022 Actual	2023 Budget	2023 YTD July + remaining budget	2024 Budget	2023 YTD to 2024 Budget variance
OPERATING EXPENSES						
Salaries & Wages	187,865	226,207	234,000	225,440	252,322	26,882
Payroll Taxes	17,370	22,234	24,070	23,286	26,746	3,460
Employee Benefits	57,706	71,178	67,208	69,083	67,497	(1,586)
Uniform Expense	3,968	9,466	5,150	4,630	4,785	155
Contract Services	909	1,314	859	2,316	3,244	928
Insurance	26,565	30,774	10,300	11,326	28,463	17,137
Facilities & Operations	75,729	122,217	51,885	79,162	114,704	35,542
Utilities	6,661	7,137	7,370	8,895	10,673	1,778
Advertising (legal)	544	-	300	2,237	300	(1,937)
Travel & Training	162	3,176	400	100	1,780	1,680
Total Operating Expenses	377,478	493,703	401,542	426,475	510,514	84,039

CAPITAL BUDGET 2024 – PROJECT SCOPE

Overview

Capital projects maintain, improve, and create new infrastructure within the Port. The Port has been successful in obtaining grant funding for capital projects and we will continue to look for funding assistance whenever feasible. We have 28 planned projects in various stages of development in the 2024 budget, amounting to just over \$11,640,000 in capital expenditures and approximately \$4,573,000 in unsecured anticipated grants and other funding. We have \$4,379,946 in local funding used to leverage \$2,687,054 in funding from Federal, State, and Local grants. If a project can be funded through rents or on a reimbursement basis and will break even or better with the current fiscal year, it may be considered. The following is a summary of the 2024 budgeted projects.



Jefferson County International Airport

Airport Terminal

The airport is a precious, under-utilized asset of the Port. Although there are many private pilots who utilize this facility, those more transient pilots are unable to do more than a simple, one-day fly-in because there are no facilities where they can rest, make flight plans, use the bathroom and or wait for transportation to take them to local restaurants, hotels, or shops. The Port is planning to build a new airport terminal building for \$140,000.

Fuel System Improvement

The underground fuel tank is approaching the end of its useful life and becoming more difficult to meet current insurance standards. The Port plans to use Federal Aviation Administration (FAA) Bipartisan Infrastructure Law (BIL) funding to design the replacement above ground fueling system, and construct in 2025. The design cost estimate is \$200,000 and replacement work is estimated to cost \$572,000.

Eco-Industrial Park

This project will advance design and permitting for an ecologically friendly, light industrial park on an undeveloped 24-acre parcel of Port-owned land adjacent to the Jefferson County International Airport. Upon completion, the project will provide up to eleven (11) one-acre “pad ready” sites with supporting infrastructure to attract new businesses and to allow existing businesses in our community to expand. Design, engineering, and permitting is estimated for 2024 at \$450,000 with as yet unsecured PIF grant from Jefferson County and match from the IDD reserve.

Stormwater Management

The Stormwater system at JCIA requires regular capital maintenance. This program budgets funding to repair damaged facilities, replace existing failed infrastructure, or install new facilities necessary to maintain proper airfield drainage. The cost over the next 5 years is estimated at \$25,000 annually.

Boat Haven

Boat Haven 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. The federal permitting process took much longer to complete than anticipated but was finally issued in 2022. Repair construction is planned for 2024 and estimated to be \$500,000, funded by the Boat Haven Renovation Reserve and the IDD.

Boat Haven Stormwater Treatment Compliance Upgrade

Boat Haven Yard stormwater is regulated by the Department of Ecology (DOE) under a Boatyard General Permit. The existing permit under which we operate was issued July 6, 2016, and expired July 31, 2021. We are operating under a temporary permit extension and a new permit is under consideration by DOE. The proposed permit reduces the allowable discharge limits for copper and adds new testing and reporting requirements for pH, turbidity, and oil. The proposed copper maximum benchmark is 15 ppb reduced from a seasonal benchmark of 50 ppb. Project design started in 2023 and will continue in 2024 and 2025, both years for \$250,000 each. Construction is scheduled for 2025, estimated at \$4.7m. Funding was obtained in the amount of \$1,988,500 in federal grant funds appropriated through the Washington State Capital Budget. Additional funding is being sought.

Northwest Boat Yard Expansion (along Sims Way)

The Yard expansion to the northwest adjacent to Sims Way (SR 20) is a partnership project with the PUD and City to remove the hazardous trees, underground the power and expand the Yard to fully utilize Port property. The Port's portion of the project is estimated at \$1m in 2024. The Port, PUD, and City obtained a

grant through the County Public Infrastructure Fund (PIF) to assist in funding this project; the Port's portion of the \$1m grant is \$450,000.

Southwest Boat Yard Expansion and Structures

The boat yard would fill the low land area north of the maintenance yard access road to allow for an additional 4.16 acres of usable Yard area. With the help of a Community Economic Revitalization Board (CERB) grant, the preliminary design/planning was completed in 2023. Permitting and design is estimated in both 2024 and 2025 for \$500,000 each year. During that time, we'll seek funding for construction.

Sperry Buildings Capital Maintenance

The Sperry buildings are the original Port Townsend Industrial Park buildings constructed in the early 1970's. Many have moderate to substantial condition issues and require repair. This is an annual repair program scheduled over several years. We plan to repair two (2) buildings per year. In 2024, the planned work is estimated to cost \$50,000 with most of the work to be performed by Port staff.

Boat Haven Building/Facility Preservation

The buildings and facilities at Boat Haven require regular upkeep to ensure they are safe and suitable for continued use, and viable assets for the Port's operation. This program budgets funding to renovate and refresh facilities periodically (once every ten years). The cost for 2024 – 2025 is estimated at \$25,000 per year, and in 2026 – 2028 this will increase to \$100,000 per year, to be funded through the IDD.

Boat Haven Linear Dock Replacement

The Linear Dock was constructed in the 1970's and needs replacement. The floats are at the end of their useful life. Project design is planned for 2024 in the amount of \$400,000. The Port has been awarded a federal Boating Infrastructure Grant (BIG) Tier II grant, administered by the Washington State Recreation & Conservation Office (RCO) to help fund replacement of this dock in the amount of \$872,487.

Point Hudson

Building/Facility Preservation (incl. roof replacements)

The historic buildings that occupy Point Hudson were built in the 1930's. Capital repair work is needed to extend their useful life and protect this historic property. This is an annual repair program scheduled over several years to address building repair. This program will be funded by the IDD reserve. Replacement of the original roofing, which was made with asbestos-laden materials, is a high priority for preservation of these buildings. In 2024, this project is estimated to cost \$450,000 and includes roof replacements, and remodel of the Cupola, and Duplex buildings.

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 maritime character. The jetty was originally built in the 1930s with subsequent repairs in the 1960s and 1990s. Permits were obtained in 2022 and construction commenced September 2022. Funding in 2023 and 2024 includes grants from the Economic Development Administration (EDA), and Recreational Conservation Office (RCO). Prior funding also included money from Jefferson County's Public Infrastructure Fund (PIF), as well as capital appropriation from the Washington State Legislature. The 2024 budget for the project construction completion is \$1,600,000 with an overall project construction cost estimate of \$14,100,000.

Quilcene

Campground

This project will restore the RV campground in the upland area above the Herb Beck Marina. The campsites will include utility connections (water, septic, power) and will implement low-impact development techniques such as gravel surfacing instead of asphalt pavement at each campsite. This project estimate is for \$200,000 and will be funded with NOI.

Marina Dredging

The marina channel requires periodic dredging to ensure vessel access during the full range of tide cycles. This project plans for a future dredge at the Herb Beck Marina. In 2024, we plan to spend \$80,000 for this project, and will fund it through the IDD Levy Reserve and NOI.

Ramp Upgrade

The boat launch replacement project at Herb-Beck marina aims to construct a wider and slightly less steep boat launch that includes a handling float. The improved facility will provide ADA access and improve the ease of launching a boat at that facility. The project is estimated to cost \$2,136,400, and an RCO boating facility grant has been awarded for \$1,000,000; the remainder to be paid by the IDD. In 2024, we plan to spend \$170,000 on this project.

Other Capital

Sea Level Rise Project

The Sea Level Rise Project aims to provide protection for Boat Haven and the low-lying “Flats District” from the bluff west of Boat Haven northeastward to the Port Townsend-Coupeville Ferry from coastal flooding due to king-tides and other storm events. The project is to follow the City of Port Townsend’s Shoreline Master Program and will incorporate a pedestrian facility referred to as the “Waterwalk” along the entire project’s coastal frontage. In 2024, we expect to spend \$220,000 on this project which will be funded by the IDD reserve. Currently, a grant application for Building Resilience in Communities (BRIC) is being prepared to fund the design and construction.

Gardiner Launch Ramp with Seasonal Float

The boat launch replacement project in Gardiner aims to replace the deteriorated boat launch with a new launch that includes a handling float. The new facility will provide ADA access and improve the ease of launching a boat at that location. The cost estimated for 2024 is \$800,000; the RCO grant award is \$539,877 and the match for the project is NOI.

Mats Mats Bay Facilities & Boat Ramp Rehab

This project aims to repurpose an existing outbuilding for kayak storage. The building is currently in need of refreshment and renovation. Estimated cost in 2024 is \$30,000, with funding from the IDD Levy Reserve. In later years, the plan is to rehabilitate the existing boat ramp and to secure an RCO grant as funding.

Port-wide Piling Program

This program aims to replace piles at Port-owned marina locations nearing the end of their service life as part of ongoing capital asset management. The estimated cost starting in 2024 is \$75,000 per year for the next 5 years; funding is planned from the IDD Levy Reserve.

Port-wide Dock Renovations

This is an ongoing capital program that aims to replace marina piles at Port-owned properties nearing the end of their service life as part of ongoing capital asset management. The estimated cost starting in 2024 is \$250,000 per year for the next 5 years with funding from NOI.

Port-wide – Yard/Parking/RV Resurfacing

Another ongoing capital program that aims to grade, resurface with gravel, or repave with asphalt various Port-owned properties as part of continued capital asset management. The estimated cost starting in 2024 is \$75,000 per year for the next 5 years with funding from NOI.

Equipment & Vehicles

In 2024, we plan to continue to update the Port fleet with a sprinter van, a vacuum/dump trailer, and another gator with an enclosed cab; these are budgeted for \$145,000. In addition, we are waiting for a response on an EDA grant application to fund the purchase of a 300T variable width Travelift© for the Yard; the cost was originally estimated at \$2,932,292, but the manufacturer has notified the Port that the price will rise soon. The grant is for \$2,345,833. We are also researching the possibility of moving to a card-based access system for showers and laundry thereby eliminating the use of quarters which is time consuming to manage and uses antiquated equipment that is increasingly a challenge to maintain. There is no estimate in the budget for a card-based, or card/phone-based system.

Unplanned / Emergency Repairs

Small Capital projects

This is a placeholder for small, unidentified projects that may arise during the year and are often performed by Port maintenance staff. Examples may include replacing the coin-based laundry and shower payment system with a card/phone-based payment system, or a sound system upgrade at the Pavilion building.

BH Bulkhead Repair/Replacement

In 2022, prolonged king tide events caused inundation of the Port's Boat Haven bulkhead. Flood waters flooded the upland areas behind the bulkhead, causing the soil to become overly saturated. Then, the tide surge receded piping of the soil behind the bulkhead, resulting in subgrade failures along the bulkhead. This project repairs the marina bulkhead.

BH Pavement Repair

In 2022, prolonged king tide events caused both surface flooding and supersaturated subsurface conditions at the Boat Haven Marina Parking lot. The Port has monitored the effects of the conditions and has determined damage occurred to sections of the parking lot and subsurface. Damage to the subsurface material has caused the asphalt to settle, creating dips in the parking lot surface. This project repairs the damaged pavement.

Point Hudson Shoreline Repair

In 2023, extreme winter wind activity caused intense wave action to beat against the shoreline adjacent to the Port's Point Hudson RV campsites and the Rotary Centennial Beach Trail, washing away and exposing the bank. This project repairs the damaged shoreline.

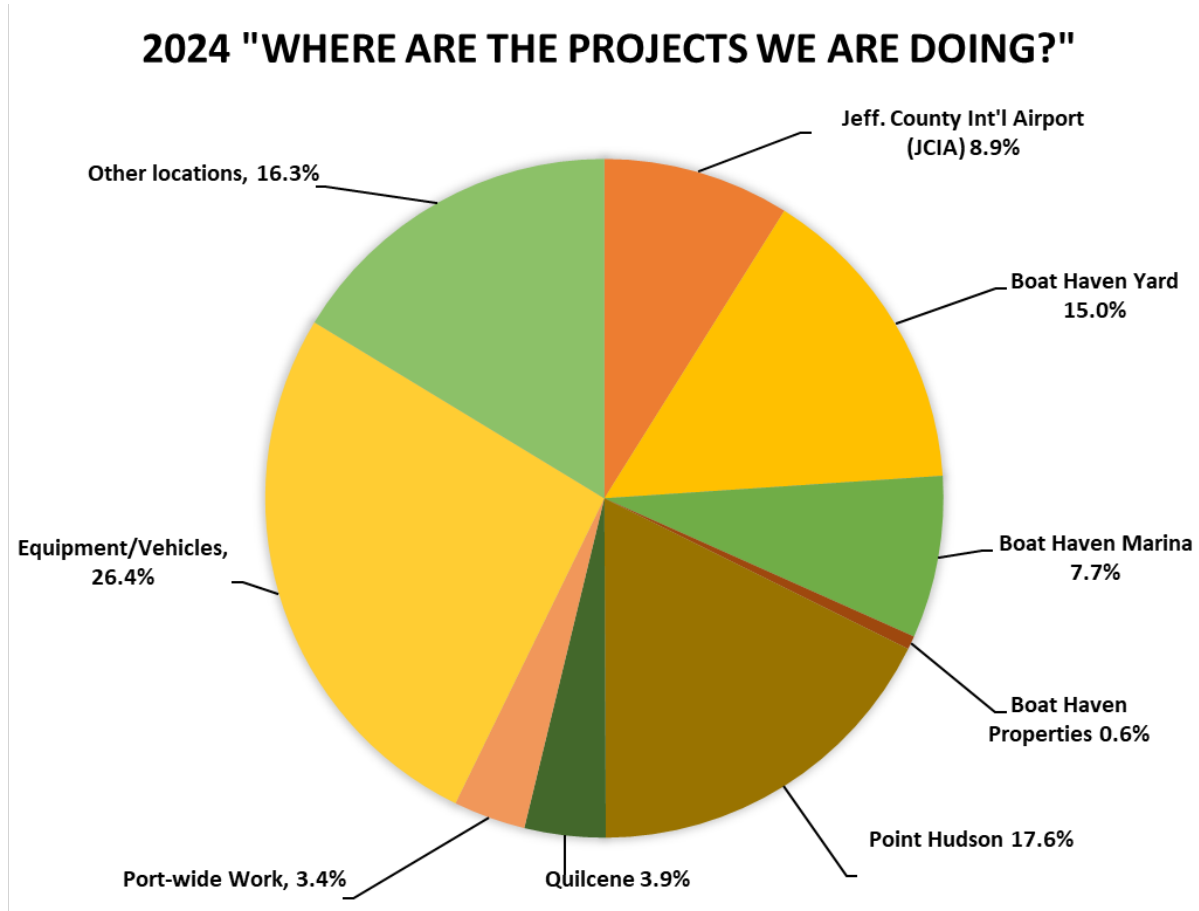
Point Hudson Marina Revetment Repair

In 2023, sections of the bulkhead in the Point Hudson marina washed away during severe winter storms. This project repairs the damaged revetment (retaining wall) slopes.

City Dock Repair

In 2021, dock support piles, beams, and connections to the decking were damaged at City Dock, which is owned by the Port, causing the entire end section of the facility to sway laterally, compromising the structural integrity of the facility. This project repairs the damaged dock.

CAPITAL PROJECTS FOR 2024 – GRAPHIC



2024 Budget - Capital Projects

Jeff. County Int'l Airport (JCIA)	\$ 1,037,000	8.9%
Boat Haven Yard	1,750,000	15.0%
Boat Haven Marina	900,000	7.7%
Boat Haven Properties	75,000	0.6%
Point Hudson	2,050,000	17.6%
Quilcene	450,000	3.9%
Port-wide work ¹	400,000	3.4%
Equipment/Vehicles ²	3,078,000	26.4%
Other locations ³	1,900,000	16.3%
	\$ 11,640,000	

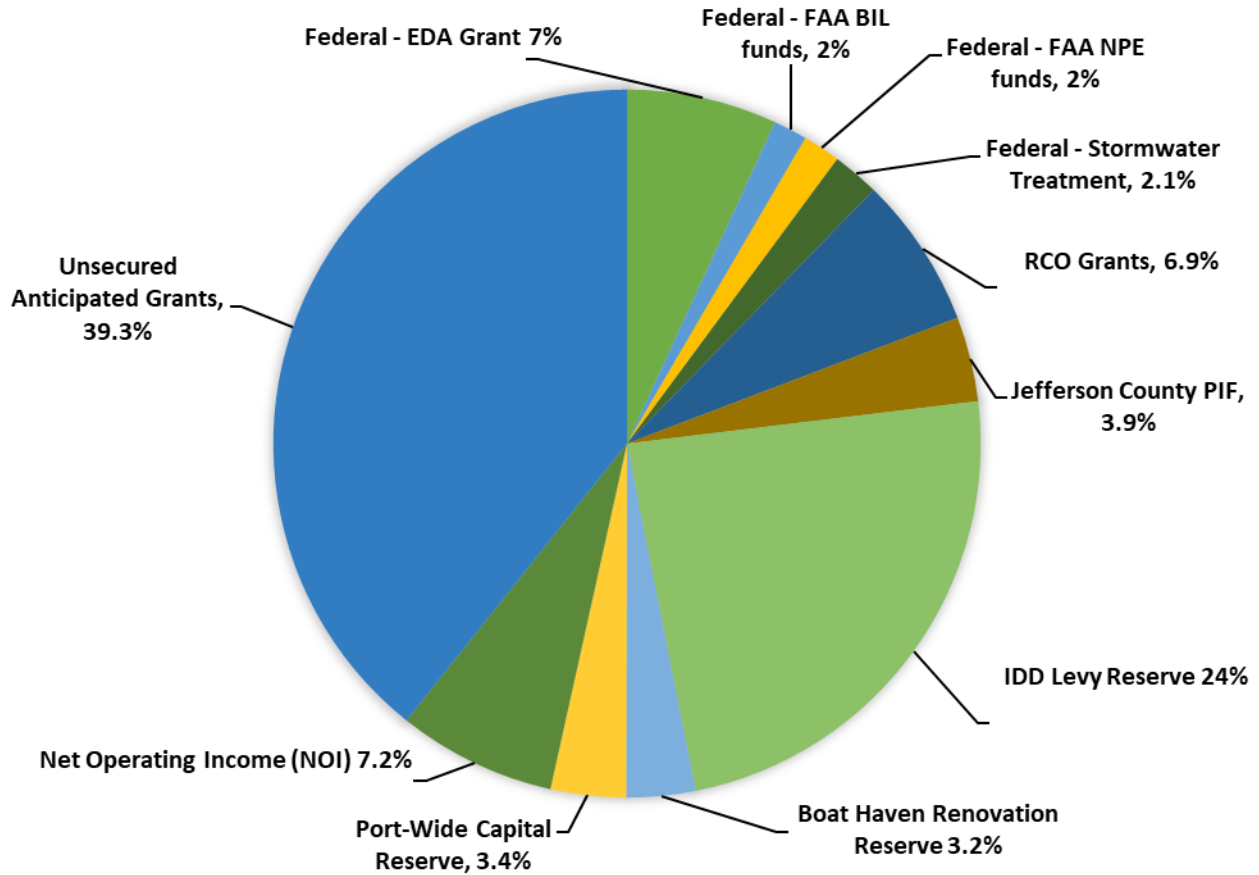
¹ Includes piling replacement, dock renovations, and yard, parking and RV resurfacing.

² An EDA grant was applied for and the Port is being considered to partially fund the Travelift for \$2,933,000. Other equipment include a Sprinter van, Vacuum/Dump Trailer, and an Auxiliary vehicle.

³ Includes Sea Level Rise project, Gardiner Boat Launch w/Seasonal Float, and various unplanned/emergency repair projects.

CAPITAL PROJECT FUNDING FOR 2024 - GRAPHIC

2024 "HOW ARE PROJECTS FUNDED?"



2024 Budget - Capital Project Funding

Federal - EDA Grant	\$	800,000	6.9%
Federal - FAA BIL funds		180,000	1.5%
Federal - FAA NPE funds		199,800	1.7%
Federal - Stormwater Treatment		250,000	2.1%
RCO Grants		807,254	6.9%
Jefferson County PIF		450,000	3.9%
IDD Levy Reserve		2,770,685	23.8%
Boat Haven Renovation Reserve		367,061	3.2%
Port-Wide Capital Reserve		400,000	3.4%
Net Operating Income (NOI)		842,200	7.2%
Unsecured Anticipated Grants		4,573,000	39.3%
	\$	11,640,000	

5-YEAR CAPITAL IMPROVEMENT PROGRAM

	note	2024 estimate	2025 estimate	2026 estimate	2027 estimate	2028 estimate	Total 5 year estimate
JEFFERSON COUNTY INTERNATIONAL AIRPORT (JCIA)							
Airport Terminal	a	140,000	-	-	-	-	140,000
Fuel System Improvement							
<i>Phase 1 Design</i>		200,000	-	-	-	-	200,000
<i>Phase 2 Construction</i>		-	572,000	-	-	-	572,000
Airport Master Plan Update		222,000	111,000	-	-	-	333,000
Eco-Industrial Park - <i>Design/Engineering/Permitting</i>		450,000	-	-	-	-	450,000
Airport Wide Rehabilitate Apron, Taxiways, and Taxilanes (Crack/Slurry Seal)		-	556,000	-	-	-	556,000
Shift/Widen Parallel Taxiway							
<i>Phase 1 Environmental Assessment</i>		-	-	333,000	-	-	333,000
<i>Phase 2 Design</i>		-	-	-	300,000	-	300,000
<i>Phase 3 Construction (2028 - \$6.1M)</i>		-	-	-	-	6,100,000	6,100,000
Renovate Port Owned Hangars	a	-	-	-	225,000	-	225,000
Maintenance Storage Building/County Building relocate	a	-	200,000	-	-	-	200,000
JCIA Stormwater Management	a	25,000	25,000	25,000	25,000	25,000	125,000
BOAT HAVEN							
BH Main Breakwater Project						-	
<i>Permitting & Design</i>		500,000	500,000	-	-	-	1,000,000
<i>Construction</i>		-	-	6,700,000	-	-	6,700,000
BH Stormwater Treatment Compliance Upgrade						-	
<i>Permitting & Design</i>		250,000	250,000	-	-	-	500,000
<i>Construction</i>		-	-	4,668,000	-	-	4,668,000
70/75 Ton & 300 Ton Yard Electrical Upgrades		-	100,000	100,000	100,000		300,000
Northwest Boat Yard Expansion (along Sims Way -- Boat Yard Construction)		1,000,000	-	-	-	-	1,000,000
Southwest Boat Yard Expansion and Structures (near shipyard)							
<i>Permitting & Design</i>		500,000	500,000	-	-	-	1,000,000
<i>Construction</i>		-	-	8,600,000	-	-	8,600,000
Sperry Buildings Capital Maintenance (estimated 2 buildings/year)	a	50,000	75,000	25,000	-	-	150,000
BH Building/Facility Preservation	a	25,000	25,000	100,000	100,000	100,000	350,000
BH Linear Dock Replacement							
<i>Design</i>		400,000	125,000	-	-	-	525,000
<i>Construction</i>		-	1,000,000	1,200,000	-	-	2,200,000
BH Marina Dredging		-	-	-	-	700,000	700,000

	note	2024 estimate	2025 estimate	2026 estimate	2027 estimate	2028 estimate	Total 5 year estimate
POINT HUDSON							
PH Building/Facility Preservation (incl. roof replacements, Cupola, Duplex)		450,000	450,000	450,000	450,000	450,000	2,250,000
Replacement of North & South Jetties							
<i>Construction</i>		1,600,000	-	-	-	-	1,600,000
PH-RV Park Restoration	a	-	500,000	-	-	-	500,000
PH Utility Rehabilitation (Mains)		-	500,000	-	-	-	500,000
PH Pavement Preservation (Grind & Overlay)		-	-	650,000	-	-	650,000
PH Cantilevered Esplanade		-	-	-	375,000	3,275,000	3,650,000
QUILCENE							
Quilcene Campground	a	200,000	-	-	-	-	200,000
Quilcene Marina Dredging		80,000	210,000	210,000	-	-	500,000
Quilcene Ramp Upgrade, Bathroom Remodel, Parking Improvements		170,000	1,072,500	902,500	-	-	2,145,000
OTHER CAPITAL							
Sea Level Rise Project							
<i>Planning/Engagement/Preliminary Design</i>		220,000	550,000	550,000	-	-	1,320,000
<i>Design Development/Permitting</i>		-	-	3,750,000	3,750,000	-	7,500,000
<i>Right-of-Way Acquisition</i>		-	-	-	1,500,000	1,500,000	3,000,000
<i>Construction</i>		-	-	-	-	55,000,000	55,000,000
Gardiner Launch Ramp w/Seasonal Float - <i>Construction</i>		800,000	-	-	-	-	800,000
Mats Mats Bay Facilities	a	30,000	-	-	-	-	30,000
Port Wide - Piling Replacement		75,000	75,000	75,000	75,000	75,000	375,000
Port Wide - Dock Renovations	a	250,000	250,000	250,000	250,000	250,000	1,250,000
Port Wide - Yard/Parking/RV Resurfacing	a	75,000	75,000	75,000	75,000	75,000	375,000
Port Equipment/Vehicle Replacement (Incl. New 300T-Lift)		3,078,000	-	120,000	100,000	160,000	3,458,000
UNPLANNED / EMERGENCY REPAIRS							
Small Capital Projects		100,000	100,000	100,000	100,000	100,000	500,000
Boat Haven Bulkhead Repair/Replacement		200,000	300,000	4,000,000	-	-	4,500,000
Boat Haven Pavement Repair		100,000	-	-	-	-	100,000
Point Hudson Shoreline Repair		150,000	250,000	2,600,000	-	-	3,000,000
Point Hudson Marina Revetment Repair		150,000	250,000	1,600,000	-	-	2,000,000
City Dock Repair		150,000	350,000	3,500,000	-	-	4,000,000
Mats Mats Bulkhead Repair		-	100,000	200,000	1,200,000	-	1,500,000
Quilcene Marina Revetment Repair		-	100,000	200,000	1,000,000	-	1,300,000
Total Estimated Project Expenses		11,640,000	9,171,500	40,983,500	9,625,000	67,810,000	139,230,000

a - all or a portion of work to be performed by Port Maintenance Staff

Capital Funding Sources

FUNDING SOURCES	note	2024 estimate	2025 estimate	2026 estimate	2027 estimate	2028 estimate	Total 5 year estimate
GRANTS -- Secured							
Fuel System Improvement							
<i>Phase 1 Design (FAA BIL funds)</i>		(180,000)	-	-	-	-	(180,000)
<i>Phase 2 Construction (FAA BIL funds)</i>		-	(514,800)	-	-	-	(514,800)
<i>WSDOT Construction match (to FAA BIL funds)</i>		-	(28,600)	-	-	-	(28,600)
FAA NPE - Airport Master Plan Update		(199,800)	(99,900)	-	-	-	(299,700)
FAA NPE - Airport Wide Rehabilitate Apron, Taxiways, and Taxilanes (Crack/Slurry Seal)		-	(500,400)	-	-	-	(500,400)
Shift/Widen Parallel Taxiway							
<i>Phase 1 Enviromental Assessment (FAA NPE funds)</i>		-	-	(299,700)	-	-	(299,700)
<i>Phase 2 Design (FAA NPE funds)</i>		-	-	-	(270,000)	-	(270,000)
<i>Phase 3 Construction (2028 - \$6.1M)</i>		-	-	-	-	(5,490,000)	(5,490,000)
<i>WSDOT Construction match (to FAA NPE funds)</i>		-	-	-	-	(305,000)	(305,000)
Renovate Port Owned Hangars (FAA BIL Funds)		-	-	-	(44,200)	-	(44,200)
Fed/State - Stormwater Treatment Compliance Upgrade		(250,000)	(250,000)	(1,500,000)	-	-	(2,000,000)
Jefferson County PIF Grant - Northwest Boat Yard Expansion (along Sims Way)		(450,000)	-	-	-	-	(450,000)
US Fish/RCO - PH North & South Jetties Replacement - Environmental Monitoring		(200,000)	-	-	-	-	(200,000)
Fed EDA - PH North & South Jetties Replacement - Construction		(800,000)	-	-	-	-	(800,000)
RCO - BH Linear Dock Replacement		(128,000)	(360,000)	(384,000)	-	-	(872,000)
RCO - Quil. Ramp Upgrade, Bathroom Remodel, Parking Improvements		(79,254)	(500,000)	(420,746)	-	-	(1,000,000)
RCO -Gardiner Launch Ramp - Construction		(400,000)	-	-	-	-	(400,000)
Fed EDA - 300T Lift (anticipated/unsecured)		-	-	-	-	-	-
TOTAL PROJECTED GRANT FUNDS USE		(2,687,054)	(2,253,700)	(2,604,446)	(314,200)	(5,795,000)	(13,654,400)
PORT WIDE CAPITAL RESERVE							
Gardiner Launch Ramp w/Seasonal Float - Construction		(400,000)	-	-	-	-	(400,000)
BOAT HAVEN RESERVE							
BH Main Breakwater Project		(200,000)	-	-	-	-	(200,000)
BH Linear Dock Replacement		(167,061)	-	-	-	-	(167,061)

Capital Funding Sources, page 2

FUNDING SOURCES	note	2024 estimate	2025 estimate	2026 estimate	2027 estimate	2028 estimate	Total 5 year estimate
IDD LEVY RESERVE							
Airport Terminal		(140,000)	-	-	-	-	(140,000)
Fuel System Improvement							
<i>Phase 1 Design (match to FAA BIL funds)</i>		(20,000)	-	-	-	-	(20,000)
<i>Phase 2 Construction (Match to FAA BIL funds)</i>		-	(28,600)	-	-	-	(28,600)
Renovate Port Owned Hangars (<i>match to FAA BIL Funds</i>)		-	-	-	(180,800)	-	(180,800)
Maintenance Storage Building/County Building relocate		-	(200,000)	-	-	-	(200,000)
Eco-Industrial Park - Design/Engineering/Permitting		(100,000)	-	-	-	-	(100,000)
BH Main Breakwater Project		(300,000)	-	(661,500)	-	-	(961,500)
70/75 Ton & 300 Ton Yard Electrical Upgrades		-	(100,000)	(100,000)	(100,000)	-	(300,000)
Northwest Boat Yard Expansion (along Sims Way -- Boat Yard Construction)		(550,000)	-	-	-	-	(550,000)
Sperry Buildings Capital Maintenance (estimated 2 buildings/year)		(50,000)	(75,000)	(25,000)	-	-	(150,000)
BH Linear Dock Replacement		(104,939)	(765,000)	(816,000)	-	-	(1,685,939)
PH Building Preservation (including roofs)		(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(2,250,000)
PH North & South Jetties Replacement							
<i>Construction</i>		(600,000)	-	-	-	-	(600,000)
PH-RV Park Restoration	<i>Seeking RCO grant for \$1M for these projects combined.</i>	-	(500,000)	(150,000)	-	-	(650,000)
PH Utility Rehabilitation (Mains)		-	-	-	-	-	-
PH Pavement Preservation (Grind & Overlay)		-	-	-	-	-	-
Quilcene Marina Dredging		(40,000)	(105,000)	(105,000)	-	-	(250,000)
Quilcene Ramp Upgrade, Bathroom Remodel, Parking Improvements		(90,746)	(572,500)	(481,754)	-	-	(1,145,000)
Sealevel Rise Project		(220,000)	-	-	-	-	(220,000)
Mats Mats Bay Facilities		(30,000)	-	-	-	-	(30,000)
Port Wide - Piling Replacement		(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(375,000)
TOTAL PROJECTED IDD LEVY FUNDS USE		(2,770,685)	(2,871,100)	(2,864,254)	(805,800)	(525,000)	(9,836,839)
NET OPERATING INCOME (NOI)							
Airport Master Plan Update (<i>match to FAA NPE funds</i>)		(22,200)	(11,100)	-	-	-	(33,300)
Airport Wide Rehabilitate Apron, Taxiways, and Taxilanes (<i>match to FAA NPE funds</i>)		-	(55,600)	-	-	-	(55,600)
Shift/Widen Parallel Taxiway							
<i>Phase 1 Environmental Assessment (match to FAA NPE funds)</i>		-	-	(33,300)	-	-	(33,300)
<i>Phase 2 Design (match to FAA NPE funds)</i>		-	-	-	(30,000)	-	(30,000)
<i>Phase 3 Construction (2028 - \$610K)</i>		-	-	-	-	(305,000)	(305,000)
JCIA Stormwater Management		(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(125,000)
BH Building/Facility Preservation		(25,000)	(25,000)	(100,000)	(100,000)	(100,000)	(350,000)
Quilcene Campground		(200,000)	-	-	-	-	(200,000)
Port Wide - Dock Renovations		(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(1,250,000)
Port Wide - Yard/Parking/RV Resurfacing		(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(375,000)
Port Equipment/Vehicle Replacement (NOT Travelift)		(145,000)	-	(120,000)	(100,000)	(160,000)	(525,000)
Small Capital Projects		(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(500,000)
TOTAL PROJECTED NOI FUNDS USE		(842,200)	(541,700)	(703,300)	(680,000)	(1,015,000)	(3,782,200)
Total Funding Sources Secured		(7,067,000)	(5,666,500)	(6,172,000)	(1,800,000)	(7,335,000)	(28,040,500)

Capital Funding Sources, page 3

FUNDING SOURCES	note	2024 estimate	2025 estimate	2026 estimate	2027 estimate	2028 estimate	Total 5 year estimate
Unsecured Anticipated Grants and other funding							
Eco-Industrial Park - Design/Engineering/Permitting (PIF)		(350,000)	-	-	-	-	(350,000)
BH Breakwater - design (Congressional Designated Spending)		-	(500,000)	-	-	-	(500,000)
BH Breakwater project - construction		-	-	(6,700,000)	-	-	(6,700,000)
BH Stormwater Treatment Compliance Upgrade - construction		-	-	(2,506,500)	-	-	(2,506,500)
Southwest Boat Yard Expansion and Structures (near shipyard)		(500,000)	(500,000)	(8,600,000)	-	-	(9,600,000)
BH Marina Dredging		-	-	-	-	(700,000)	(700,000)
PH-RV Park Restoration	Seeking RCO grant for \$1M for these projects combined.	-	(500,000)	(500,000)	-	-	(1,000,000)
PH Utility Rehabilitation (Mains)		-	-	-	-	-	-
PH Pavement Preservation (Grind & Overlay)		-	-	-	-	-	-
PH Cantilevered Esplanade		-	-	-	(375,000)	(3,275,000)	(3,650,000)
Sea Level Rise Project		-	(550,000)	(4,300,000)	(5,250,000)	(56,500,000)	(66,600,000)
Quilcene Marina Revetment Repair		-	(100,000)	(200,000)	(1,000,000)	-	(1,300,000)
Quilcene Marina Dredging		(40,000)	(105,000)	(105,000)	-	-	(250,000)
Port Equipment/Vehicle Replacement - grant for New 300T lift		(2,345,833)	-	-	-	-	(2,345,833)
Port Equipment/Vehicle Replacement - match for grant for New 300T lift		(587,167)	-	-	-	-	(587,167)
Boat Haven Bulkhead Repair/Replacement		(200,000)	(300,000)	(4,000,000)	-	-	(4,500,000)
Boat Haven Pavement Repair		(100,000)	-	-	-	-	(100,000)
Point Hudson Shoreline Repair		(150,000)	(250,000)	(2,600,000)	-	-	(3,000,000)
Point Hudson Marina Revetment Repair		(150,000)	(250,000)	(1,600,000)	-	-	(2,000,000)
City Dock Repair		(150,000)	(350,000)	(3,500,000)	-	-	(4,000,000)
Mats Mats Bulkhead Repair		-	(100,000)	(200,000)	(1,200,000)	-	(1,500,000)
Total Unsecured Anticipated Grants		(4,573,000)	(3,505,000)	(34,811,500)	(7,825,000)	(60,475,000)	(111,189,500)
Total Funding Sources Secured & Unsecured		(11,640,000)	(9,171,500)	(40,983,500)	(9,625,000)	(67,810,000)	(139,230,000)

5-Year Projected Cash Flow

		2024	2025	2026	2027	2028
	note	Projection	Projection	Projection	Projection	Projection
Revenues - Operations	a	8,335,132	8,776,894	9,242,069	9,731,899	10,247,690
Revenues - General Property Tax Levy	b	1,134,000	1,145,340	1,156,793	1,168,361	1,180,045
Revenues - Industrial Development District (IDD) Tax Levy	b	2,634,289	2,634,289	2,634,289	1,287,679	-
Revenues - Other Increases in Fund Resources	c	3,953,486	3,440,860	3,791,606	1,501,360	6,982,160
Total INFLOW		16,056,907	15,997,383	16,824,758	13,689,299	18,409,895
Expenses - Operations	d	7,093,094	7,554,145	8,045,165	8,568,100	9,125,027
Expenses - Bond Principal & Interest	e	1,020,788	1,024,288	484,838	1,399,350	-
Expenses - Capital Projects (secured funding)	f	7,067,000	5,666,500	6,172,000	1,800,000	7,335,000
Expenses - Other Decreases in Fund Resources	g	800,571	816,582	832,914	849,572	866,564
Total OUTFLOW		15,981,453	15,061,516	15,534,917	12,617,023	17,326,591
Net INFLOW / OUTFLOW -- Change in Cash Balance		75,454	935,867	1,289,841	1,072,277	1,083,304
Projected Beginning Year Cash		10,057,274	10,132,728	11,068,595	12,358,437	13,430,713
Total Ending Year Cash & Investments		10,132,728	11,068,595	12,358,437	13,430,713	14,514,017
Total Ending Cash Reserves		8,689,705	8,818,156	8,960,946	9,823,559	9,687,791
Total Unreserved Cash		1,443,023	2,250,439	3,397,490	3,607,154	4,826,227
RESERVE BALANCES						
IDD Levy Reserve	h	6,214,993	5,978,182	5,748,217	6,230,096	5,705,096
Port Wide Capital Reserve	i	191,438	441,438	691,438	941,438	1,191,438
Boat Haven Renovation	j	-	-	-	-	-
Operating Reserve	k	1,773,274	1,888,536	2,011,291	2,142,025	2,281,257
Emergency Reserve	l	500,000	500,000	500,000	500,000	500,000
Unemployment Reserve		10,000	10,000	10,000	10,000	10,000

5 Year Projected Cashflow Notes:

- a.) Revenues - Operating were increased each year by 5.3% after 2024, based on averaging the Port's most recent update to it's 10 year historical activity.
- b.) Revenues - General Property Tax Levy was increased annually by 1.0% as allowed by statute (actual may vary due to changes in the AV and new construction estimates calculated annually by County Assessor). The IDD levy is held at the proposed 2022 level to support significant capital projects until it is anticipated to expire in 2027.
- c.) Revenues - Other Increases in Fund Resources in all periods, are based on the previous years similar regular recurring revenues less prior year projected grants and adding the current year's projected grants, per the 5 Year Capital Improvement Program.
- d.) Expenses - Operating is increased annually at 6.5% after 2024, based on averaging the Port's most recent update to it's 10 year historical activity. Given the current economic uncertainty, these numbers may increase.
- e.) Expenses - Bond Principal & Interest is based on bond amortization schedules of current debt. Due to the uncertainty of grant reimbursement timing, the Port obtained a \$7 million Line of Credit in 2021 as a bridge.
- f.) Expenses - Capital Projects are shown separately from the "Other" category so as to be easily identified and matched to the 5 Year Capital Improvement Program, as projected.
- g.) Expenses - Other Decreases in Fund Resources start with 2024 budget estimates. Subsequent years are based on non-capital costs that are known, regular and recurring expenses increased annually by 2%, based on the Port's most recent 10 year historical average.
- h.) In November 2019, Jefferson County voters approved the Industrial Development District Levy for the Port's use in most of Jefferson county's Port projects; the Gardiner area is not in the Industrial Development District. This reserve is a restricted.
- i.) In January 2019, the Commission passed Res. 693-19, establishing the Port-Wide Capital Reserve. It currently extends only through 2023 to be funded \$250,000 per year. Here we have extended that through 2027, however, a planned revision will be prepared for the 2025 budget.
- j.) If the capital expenditures on the Boat Haven centric projects planned in 2024 reach or exceed the funding amounts budgeted for 2024, this reserve should be extinguished.
- k.) In January 2019, the Port commission approved a minimum cash reserve for operations to ensure the long term sustainability of the Port. The target is 25% of annual operating expenses. With progressive savings, we anticipate that this reserve will be fully funded by the end of 2024, with small annual increases to keep up with the target as operations expenses increase.
- l.) In November 2020, the Port commission passed resolution 730-20 to fund an Emergency Fund for \$500,000.

PROPERTY TAXES

Regular Tax Levy

The preliminary total assessed value (AV) for the Port District for 2024, as of this budget version, is \$9,192,675,404. Per the County Assessor, the total recommended general tax levy to budget for 2024 is projected to be approximately \$0.12 per \$1,000 of AV, which calculates to \$1,134,000, including estimations for new construction, utilities, and refunds.

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 using 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 majority voter approval 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 up to 3 multiyear levy periods. (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 of the initial levy, and the levy rate in any year may not exceed \$0.45 per \$1,000 of AV.

Jefferson County voters authorized the Port's 2nd IDD levy by a 53% to 47% margin in November of 2019. In consequence, 2019 is the base year from which the total permissible levy amount is calculated and is anticipated to generate up to \$16,902,767 in revenue during the allowable levy period (i.e., up to 20 years). Each year during the budget process, the Commission determines the amount to be levied (if any) during the following year. The total IDD levies budgeted to date are:

Year 1 (2020)	\$ 809,054
Year 2 (2021)	1,634,289
Year 3 (2022)	2,634,289
Year 4 (2023)	<u>2,634,289</u>
Total to date:	\$7,712,221

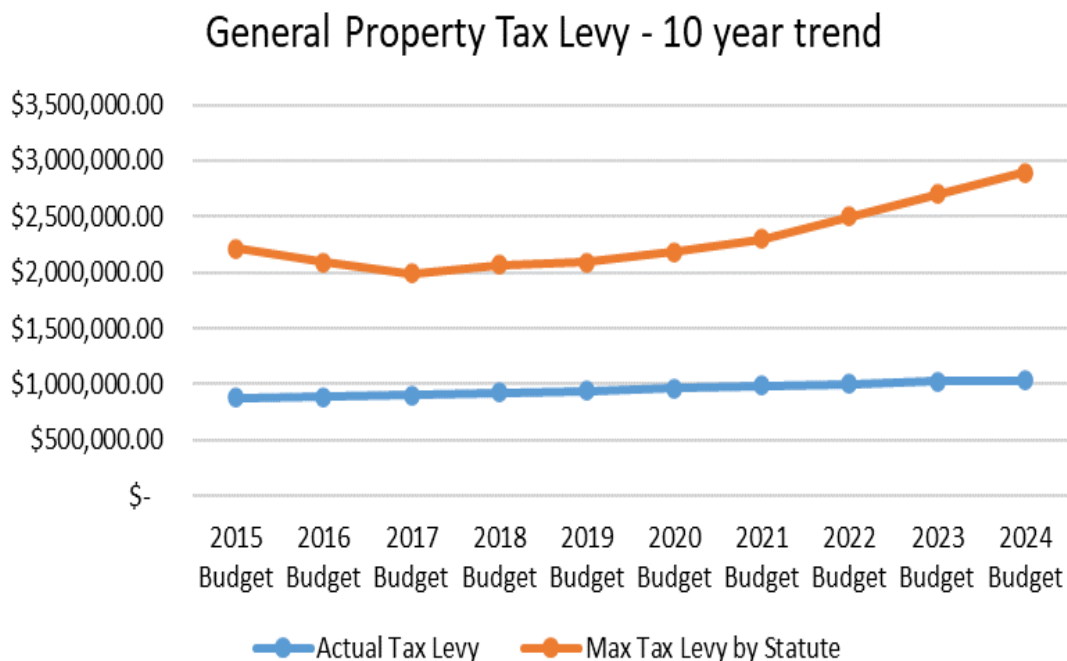
The Port Commission has decided to levy the same amount in 2024 as for the prior two (2) years - \$2,634,289. The same AV is used for purposes of calculating the IDD levy; the levy rate is estimated to be \$0.287 per \$1,000 of AV.

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. It is anticipated that this use will result in zero long-term debt by the end of 2027, freeing these dollars for reinvestment in capital improvements, economic development, or other commission-approved Port purposes.

Tax Levy Graph

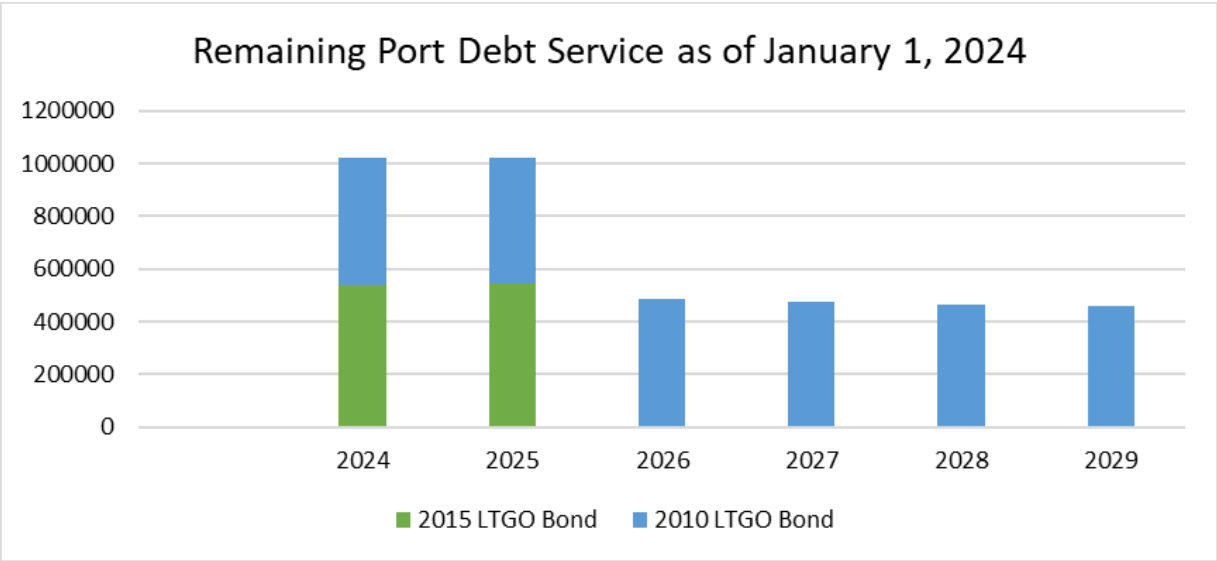
The following graph depicts the actual regular property tax levy for the last 10 years (blue line) as compared to the statutory maximum rate for the same period. This maximum by statute depicted by the graph's orange line, would require approval of the Port District's voters, as discussed above. Annually, 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 (legal obligation)

Balances remaining as of January 1, 2024

Name of Debt	Principal balance	Interest balance	Retirement
2015 LTGO Refunding Bond	\$ 1,050,000	\$ 31,800	December 2025
2010 LTGO Bond	2,345,000	502,463	December 2029
totals	\$ 3,395,000	\$ 534,263	
collective total		\$ 3,929,263	



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%)

DEBT SERVICE RETIREMENT TARGET

As an alternative to paying off currently obligated debt in accordance with the amortization schedules, staff recommends the Port move more quickly to extinguish that debt. Starting in 2026, if the Port were to continue to use the general property tax levy receipts received annually (which will be just over \$1 million) to pay down current debt, it could be paid off by the end of 2027. Starting in 2028, this would free up those tax dollars to use on capital projects, community economic development, etc. to better serve the community and maintain or increase the Port's infrastructure.

