



# 2025 OPERATING & CAPITAL BUDGET

Port of Port Townsend Commission

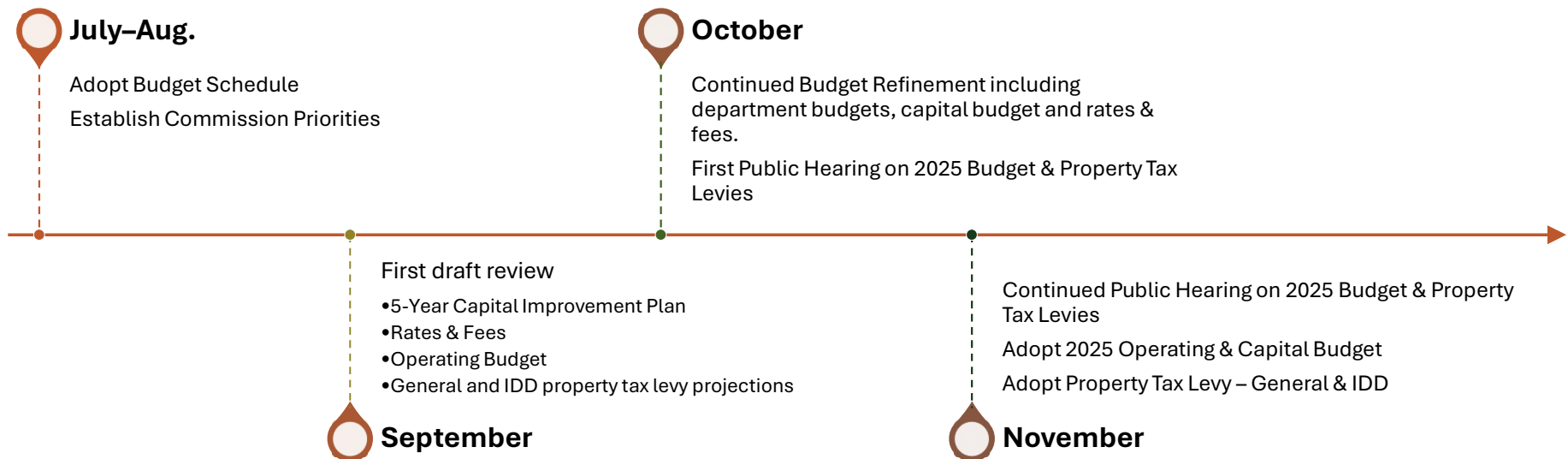
Business Meeting

November 13, 2024

# Overview

- 2025 Proposed Operating and Capital Budget
- 2025 Property Tax Levies
  - ✓ General
  - ✓ IDD

# Budget Schedule: Preparing the 2025 Budget



# What is a budget?

The budget is an economic plan that focuses the entity's financial and human resources on the accomplishment of specific goals and objectives established by the policy makers.

The budget establishes the annual revenue and expenditure levels, called appropriations, for the port.  
Revenue includes the use of cash reserves.

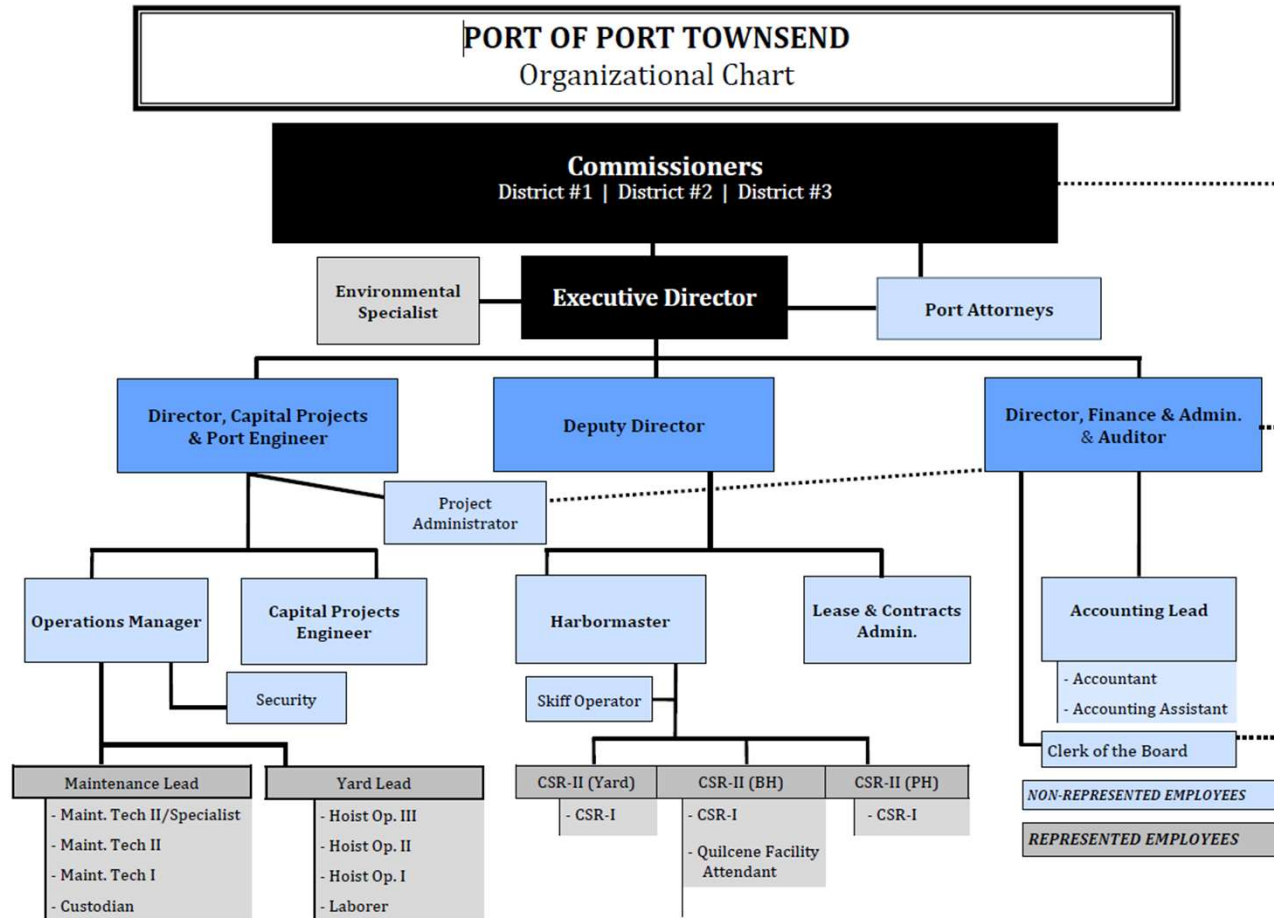
The Port's budget must be balanced.

The Port of Port Townsend currently operates on an annual budget and adopts the budget at the fund level. All appropriations are for that calendar year alone.

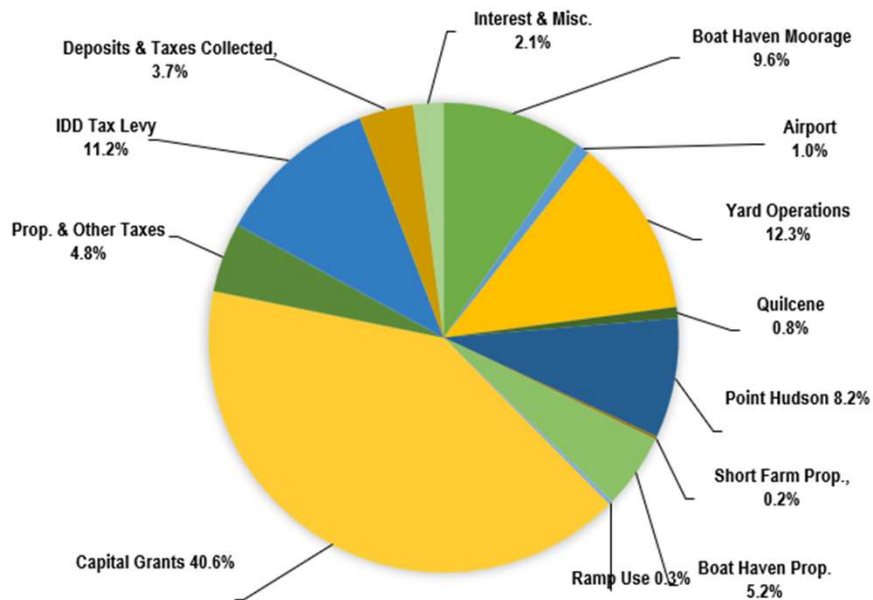
## What is the purpose of a budget?

- ✓ Legal requirement
- ✓ Accountability and transparency
  - How the Port spends taxpayer and ratepayer money
- ✓ Sharing accomplishments
  - ✓ Performance evaluation
  - ✓ Performance measures
- ✓ Management Tool
- ✓ Planning document

# 2025 Organizational Chart



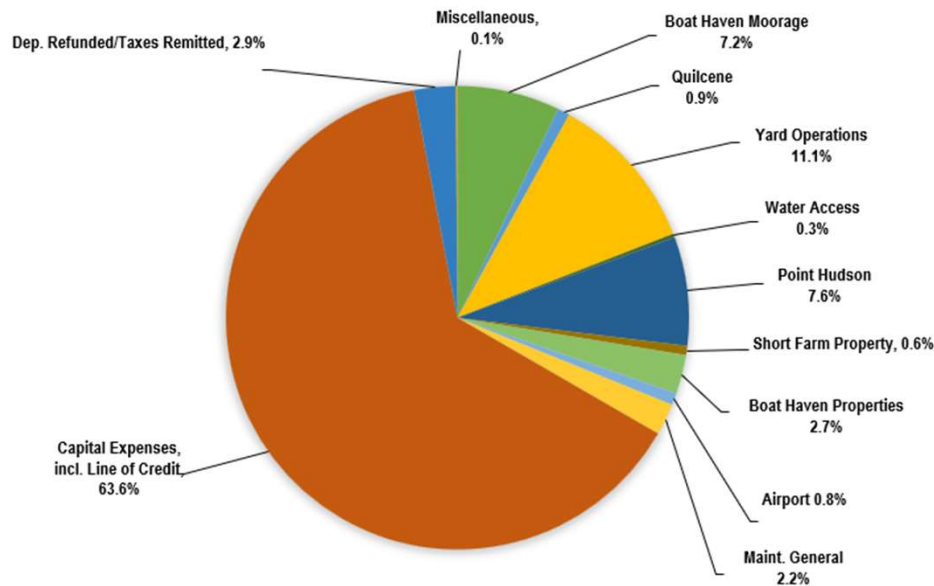
# Revenue: Where Will the Money Come From?



## 2025 Budget - All Incoming Resources

Boat Haven Moorage	\$ 2,255,339	9.6%
Yard Operations	2,887,504	12.3%
Point Hudson	1,933,781	8.2%
Boat Haven Prop.	1,209,980	5.2%
Quilcene	181,925	0.8%
Ramp Use	62,557	0.3%
Airport	230,537	1.0%
Short Farm Prop.	47,500	0.2%
Capital Grants	9,534,929	40.6%
Prop. & Other Taxes	1,121,872	4.8%
IDD Tax Levy	2,634,289	11.2%
Deposits & Taxes Collected	871,854	3.7%
Interest & Misc.	490,005	2.1%
	<b>\$ 23,462,072</b>	

# Expenses: Where will the Money Go?



## 2025 Budget - All Outgoing Resources

Boat Haven Moorage *	\$ 1,946,196	7.2%
Yard Operations *	3,017,383	11.1%
Point Hudson *	2,065,865	7.6%
Boat Haven Properties	738,348	2.7%
Quilcene	232,431	0.9%
Water Access	68,367	0.3%
Airport	227,454	0.8%
Short Farm Property	172,971	0.6%
Maint. General	599,289	2.2%
Capital Expenses, incl. Line of Credit	17,311,555	63.6%
Dep. Refunded/Taxes Remitted	791,328	2.9%
Miscellaneous	30,450	0.11%

**\$ 27,201,637**

# Consolidated Sources & Uses of Cash 2025 Budget

with Comparison to Prior Years

4th DRAFT	2021	2022	2023	2024 Forecast	2024	2025	2025 Bdgt-2024	
	Actual	Actual	Actual	(2024 YTD AUG + 4 months of budget)	Budget	Budget	Forecast Variance	% incr.
<b>OPERATING REVENUES</b>								
Boat Haven Moorage	1,917,967	2,015,492	2,134,590	2,172,776	2,152,587	2,255,339	82,563	4%
Yard Operations	2,312,259	2,652,493	2,753,370	2,756,910	2,942,641	2,887,504	130,594	5%
Point Hudson Marina /RV/Prop.	1,690,255	1,532,331	1,565,563	1,706,631	1,715,273	1,933,781	227,150	13%
Boat Haven Properties	819,708	808,584	899,538	1,020,762	1,050,151	1,209,980	189,219	19%
Quilcene Herb Beck Marina	172,256	175,104	186,274	185,828	188,558	181,925	(3,903)	-2%
Jefferson County Intl Airport	166,996	185,371	198,345	216,585	214,715	230,537	13,952	6%
Short Farm Property	-	-	-	18,200	22,300	47,500	29,300	161%
Water Access	52,437	48,277	44,358	54,298	48,909	62,557	8,259	15%
<b>Total Operating Revenues</b>	<b>\$ 7,131,877</b>	<b>\$ 7,417,654</b>	<b>\$ 7,782,038</b>	<b>\$ 8,131,989</b>	<b>\$ 8,335,134</b>	<b>\$ 8,809,123</b>	<b>\$ 677,134</b>	<b>8%</b>
<b>OPERATING EXPENDITURES</b>								
Salaries & Wages	2,339,530	2,656,298	2,836,385	3,298,939	3,120,651	3,613,243	314,304	10%
Payroll Taxes	234,924	274,816	320,289	371,158	331,289	473,775	102,617	28%
Employee Benefits	811,661	836,047	903,223	954,235	834,785	1,048,227	93,991	10%
Uniform Expense	9,283	19,386	15,555	14,887	12,135	13,170	(1,717)	-12%
Contract Services	264,073	269,195	426,487	296,749	348,698	373,633	76,884	26%
Enviro Contract Services	12,916	15,157	30,321	60,942	12,600	52,930	(8,012)	-13%
Legal and Fire fees	61,792	59,405	48,309	48,732	58,026	47,050	(1,682)	-3%
Audit	32,403	6,798	32,528	40,273	35,000	42,000	1,727	4%
Insurance	365,552	453,023	492,726	546,491	517,513	564,850	18,359	3%
Facilities & Operations	671,215	1,035,778	916,445	996,963	916,497	984,478	(12,485)	-1%
Utilities	605,456	648,719	664,656	641,810	662,851	688,039	46,229	7%
Marketing & Advertising	52,608	62,705	128,522	98,814	94,545	98,138	(677)	-1%
Economic Development	15,000	30,000	40,045	53,233	67,000	69,546	16,313	31%
Travel & Training	15,387	38,985	20,307	32,206	38,028	40,973	8,767	27%
Community Relations	3,997	1,276	15,649	46,803	53,000	55,014	8,211	18%
<b>Total Operating Expenditures</b>	<b>\$ 5,495,798</b>	<b>\$ 6,407,586</b>	<b>\$ 6,891,446</b>	<b>\$ 7,502,237</b>	<b>\$ 7,102,618</b>	<b>\$ 8,165,065</b>	<b>\$ 662,828</b>	<b>9%</b>
<b>NET OPERATING INCOME</b>	<b>\$ 1,636,080</b>	<b>\$ 1,010,067</b>	<b>\$ 890,591</b>	<b>\$ 629,752</b>	<b>\$ 1,232,516</b>	<b>\$ 644,058</b>	<b>\$ 14,306</b>	<b>2%</b>
<b>OTHER INCREASES IN FUND RESOURCES</b>								
Deposits & Retainage Collected	112,997	38,338	39,058	90,629	80,254	80,254	(10,375)	-11%
Taxes Collected	673,826	715,892	740,926	776,620	751,901	791,600	14,980	2%
Capital Contributions/Grants	413,082	288,217	8,570,046	7,384,694	2,687,054	9,534,929	2,150,235	29%
Interest	52,859	153,383	530,953	534,943	297,952	432,952	(101,991)	-19%
Debt Proceeds-20/21 LOC	-	-	-	1,737,000	-	-	(1,737,000)	-
Property & other taxes	2,764,518	3,912,590	4,132,293	3,818,099	3,847,561	3,756,161	(61,938)	-2%
Misc. Incr. in Fund Resources	57,215	122,956	285,885	76,585	57,053	57,053	(19,532)	-26%
<b>Total Incr. in Other Fund Resources</b>	<b>\$ 4,074,496</b>	<b>\$ 5,231,377</b>	<b>\$14,299,160</b>	<b>\$ 14,418,571</b>	<b>\$ 7,721,775</b>	<b>\$ 14,652,949</b>	<b>\$ 234,378</b>	<b>2%</b>
<b>OTHER DECREASES IN FUND RESOURCES</b>								
Deposits & Retainage Paid	26,221	92,269	38,573	47,626	26,198	26,198	(21,428)	-45%
Taxes Remitted	675,339	714,381	742,076	739,145	743,923	765,130	25,985	4%
Bond Principal & Interest	1,280,328	1,025,338	1,063,625	2,205,740	1,020,788	2,259,361	53,621	2%
Bond Mgmt, Issuance, Invstmnt	60,302	50,601	180,542	6,726	14,950	14,950	8,224	122%
Capital Project Expenses	4,491,246	1,847,887	2,029,448	6,726,847	6,822,000	14,191,555	7,464,708	111%
Capital Project Labor Expenses	-	-	-	-	-	660,000	660,000	-
Capital Equipment & Vehicles	337,556	808,227	1,789,321	1,853,168	245,000	1,200,000	(653,168)	-35%
Election Expense	15,674	17,561	-	52,498	15,500	15,500	(36,998)	-70%
<b>Total Other Decr. In Fund Resources</b>	<b>\$ 6,886,665</b>	<b>\$ 4,556,263</b>	<b>\$ 5,843,585</b>	<b>\$ 11,631,749</b>	<b>\$ 8,888,359</b>	<b>\$ 19,132,694</b>	<b>\$ 7,500,945</b>	<b>64%</b>
<b>Net Other Incr./Decr. In Fund Resources</b>	<b>\$ (2,812,169)</b>	<b>\$ 675,113</b>	<b>\$ 8,455,575</b>	<b>\$ 2,786,822</b>	<b>\$ (1,166,584)</b>	<b>\$ (4,479,745)</b>	<b>\$ (7,266,567)</b>	
<b>Increase/(Decrease) in Cash</b>	<b>\$ (1,176,089)</b>	<b>\$ 1,685,181</b>	<b>\$ 9,346,166</b>	<b>\$ 3,416,574</b>	<b>\$ 65,932</b>	<b>\$ (3,835,687)</b>	<b>\$ (7,252,261)</b>	



# 5-Year Projected Cash Flow (2025 – 2029)

~ With 2024  
Forecast baseline

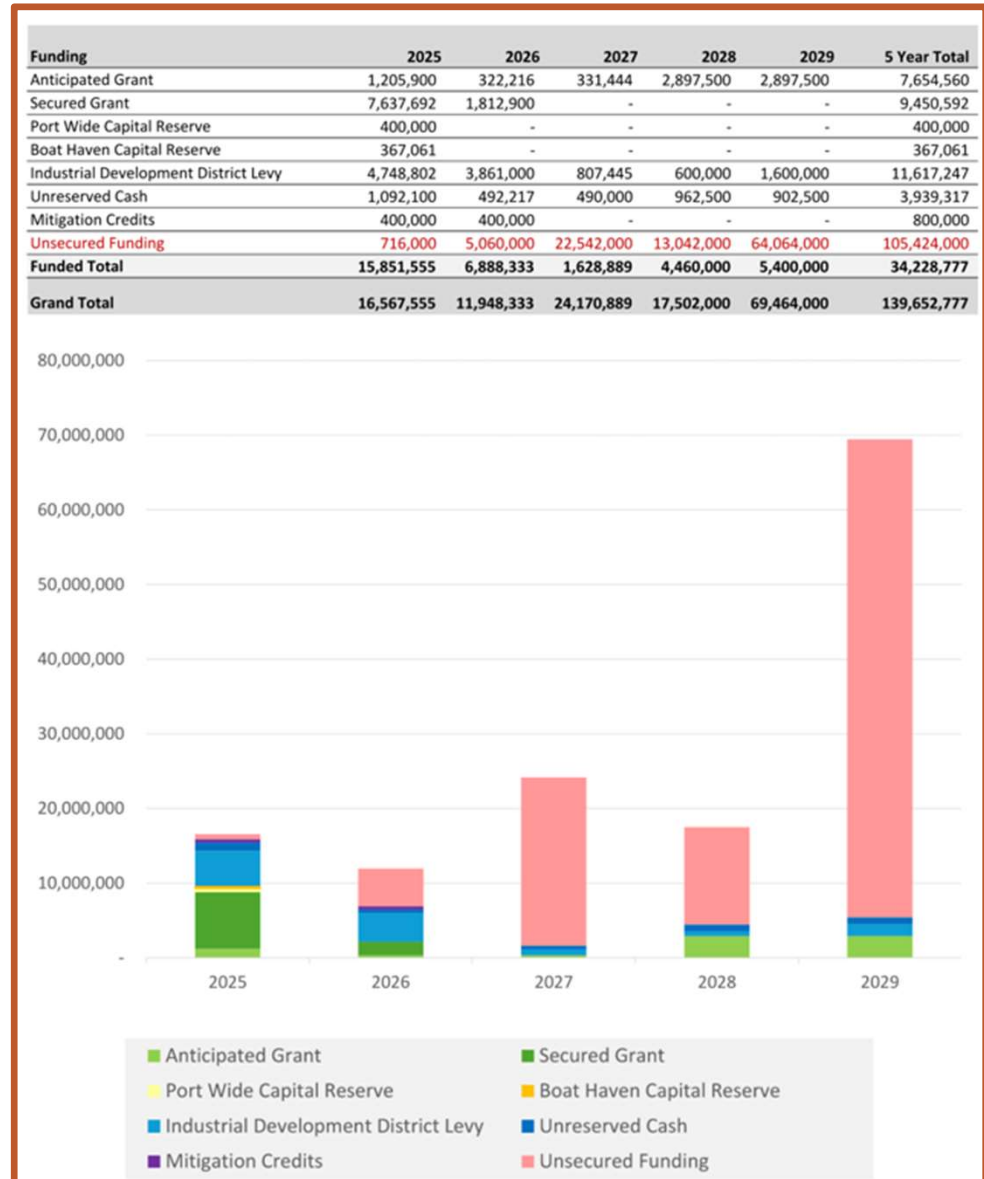
		2024 forecast Projection	2025 Projection	2026 Projection	2027 Projection	2028 Projection	2029 Projection
<b>Capital Project Funding Summary</b> (2025 Budget, pg. 49)							
Total Capital Project Total		11,640,000	16,567,555	11,948,333	24,170,889	17,502,000	69,464,000
Anticipated Grant			1,205,900	322,216	331,444	2,897,500	2,897,500
Secured Grant		2,687,054	7,637,692	1,812,900			
Port Wide Capital Reserve		400,000	400,000				
Boat Haven Capital Reserve		367,061	367,061				
Industrial Development District Levy		2,770,685	4,748,802	3,861,000	807,445	600,000	1,600,000
Unreserved Cash		842,200	1,092,100	492,217	490,000	962,500	902,500
Mitigation Credits			400,000	400,000			
Secured Funding		7,067,000	15,851,555	6,888,333	1,628,889	4,460,000	5,400,000
Unsecured Funding		4,573,000	716,000	5,060,000	22,542,000	13,042,000	64,064,000
<b>Projected Beginning Year Cash</b>		<b>11,317,392</b>	<b>14,733,966</b>	<b>10,898,278</b>	<b>12,299,689</b>	<b>13,627,502</b>	<b>14,871,033</b>
Revenues - Operations	note a	8,131,989	8,809,123	9,276,007	9,767,635	10,285,320	10,830,441
Revenues - General Property Tax Levy	b	1,132,694	1,150,000	1,161,500	1,173,115	1,184,846	1,196,695
Revenues - Industrial Development District (IDD) Tax Levy	b	2,634,377	2,634,289	2,634,289	1,315,375		
Revenues - Other Increases in Fund Resources	c	10,651,500	10,868,660	5,857,160	7,164,459	8,468,103	8,456,254
<b>Total INFLOW</b>		<b>22,550,560</b>	<b>23,462,072</b>	<b>18,928,956</b>	<b>19,420,584</b>	<b>19,938,269</b>	<b>20,483,390</b>
Expenses - Operations	d	7,502,237	8,165,066	8,695,795	9,261,022	9,862,988	10,504,083
Expenses - Bond Principal & Interest	e	2,162,472	2,259,361	1,601,886	1,313,225	449,674	447,645
Expenses - Capital Projects (secured funding)	f	6,822,000	15,851,555	6,888,333	1,628,889	4,460,000	5,400,000
Expenses - Other Decreases in Fund Resources	g	2,647,277	1,021,778	341,530	5,889,635	3,922,075	2,984,104
<b>Total OUTFLOW</b>		<b>19,133,986</b>	<b>27,297,760</b>	<b>17,527,544</b>	<b>18,092,771</b>	<b>18,694,737</b>	<b>19,335,832</b>
<b>Net INFLOW / OUTFLOW -- Change in Cash Balance</b>		<b>3,416,574</b>	<b>(3,835,688)</b>	<b>1,401,411</b>	<b>1,327,813</b>	<b>1,243,531</b>	<b>1,147,559</b>
<b>RESERVE BALANCES</b>							
IDD Levy Reserve	h	7,618,180	5,903,667	4,976,956	5,709,886	5,278,636	3,805,199
Port Wide Capital Reserve	i	406,745	6,745	6,745	6,745	6,745	6,745
Boat Haven Renovation	j	319,007	201,946	201,946	201,946	201,946	201,946
Operating Reserve	k	1,875,559	2,041,267	2,173,949	2,315,255	2,465,747	2,626,021
Emergency Reserve	l	500,000	500,000	500,000	500,000	500,000	500,000
Unemployment Reserve		10,000	10,000	10,000	10,000	10,000	10,000
<b>Total Ending Cash Reserves</b>		<b>10,729,491</b>	<b>8,663,624</b>	<b>7,869,596</b>	<b>8,743,832</b>	<b>8,463,074</b>	<b>7,149,910</b>
<b>Total Unreserved Cash</b>		<b>4,004,475</b>	<b>2,234,654</b>	<b>4,430,093</b>	<b>4,883,670</b>	<b>6,407,959</b>	<b>8,868,682</b>
<b>Total Ending Year Cash &amp; Investments</b>		<b>14,733,966</b>	<b>10,898,278</b>	<b>12,299,689</b>	<b>13,627,502</b>	<b>14,871,033</b>	<b>16,018,592</b>

# CAPITAL PROJECT COSTS & FUNDING 2025 – 2029

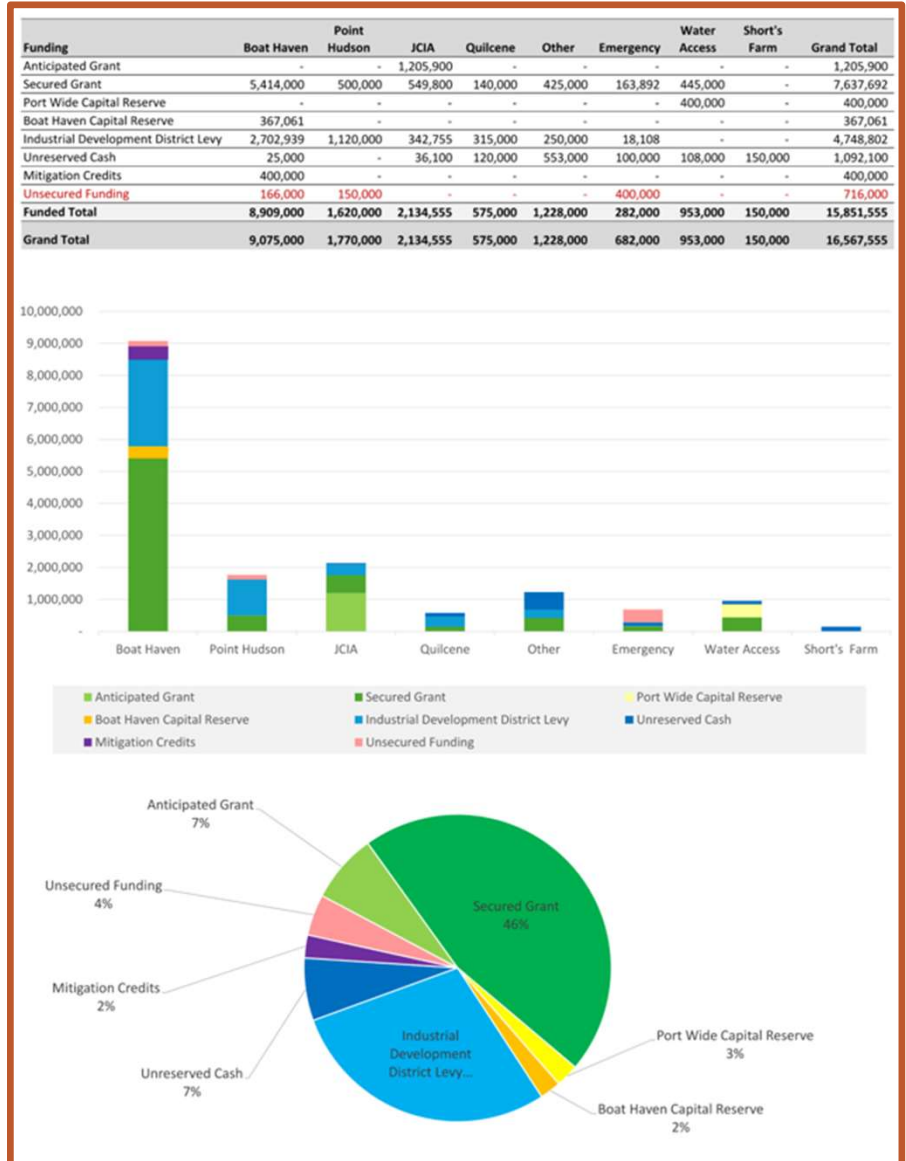
## Capital Project Costs

Project	2025	2026	2027	2028	2029	5 Year Total
<b>Boat Haven</b>	<b>9,075,000</b>	<b>3,550,000</b>	<b>8,925,000</b>	<b>5,450,000</b>	<b>61,133,000</b>	<b>88,133,000</b>
Linear Dock Replacement	-	-	-	-	4,533,000	4,533,000
Main Breakwater Project	1,700,000	1,400,000	-	-	-	3,100,000
Marina Dredging	-	150,000	550,000	-	-	700,000
Sea Level Rise Project	40,000	550,000	4,300,000	5,250,000	56,500,000	66,640,000
Sims Gateway & North Boatyard Expansion	1,955,000	-	-	-	-	1,955,000
Stormwater Improvement Project	5,230,000	-	-	-	-	5,230,000
Travelift Yard Electrical Upgrades (70/75/300T)	-	100,000	100,000	100,000	-	300,000
West Boatyard Expansion	50,000	1,250,000	3,875,000	-	-	5,175,000
Building/Facility Preservation (Interior Refurbishment, Exterior Improvements)	100,000	100,000	100,000	100,000	100,000	500,000
<b>Point Hudson</b>	<b>1,770,000</b>	<b>3,199,000</b>	<b>1,742,000</b>	<b>1,755,000</b>	<b>4,419,000</b>	<b>12,885,000</b>
Cantilevered Esplanade	-	-	-	375,000	3,275,000	3,650,000
Pavement Preservation (Grind & Overlay)	-	650,000	-	-	-	650,000
RV Park Restoration	-	500,000	-	-	-	500,000
Utility Rehabilitation (Mains)	-	500,000	-	-	-	500,000
Building/Facility Preservation & Energy Efficiency Improvement	730,000	549,000	1,742,000	1,380,000	1,144,000	5,545,000
Roof Replacement/Weatherization (Standing Seam Metal Roof)	1,040,000	1,000,000	-	-	-	2,040,000
<b>JCIA</b>	<b>2,134,555</b>	<b>1,239,333</b>	<b>4,073,889</b>	<b>6,775,000</b>	<b>3,075,000</b>	<b>17,297,777</b>
Taxilanes (Crack/Slurry Seal)	555,555	-	-	-	-	555,555
JCIA Fuel System Improvement	772,000	-	-	-	-	772,000
JCIA Master Plan Update	222,000	111,000	-	-	-	333,000
Airport Pilot Center	70,000	70,000	-	-	-	140,000
Renovate Port Owned Hangars	-	-	48,889	-	-	48,889
Shift/Widen Parallel Taxiway	-	333,333	300,000	3,050,000	3,050,000	6,733,333
Stormwater Management	25,000	25,000	25,000	25,000	25,000	125,000
Rural Light Industrial Park (24 acres)	380,000	700,000	3,700,000	3,700,000	-	8,480,000
Rural Light Industrial Park (43.5 acres)	110,000	-	-	-	-	110,000
<b>Quilcene</b>	<b>575,000</b>	<b>2,301,000</b>	<b>2,977,000</b>	<b>-</b>	<b>-</b>	<b>5,853,000</b>
Campground	200,000	-	-	-	-	200,000
Marina Dredge, Dock, and Gangway Replacement	-	191,000	2,977,000	-	-	3,168,000
Herb Beck Boat Launch & Facility Improvements	375,000	2,110,000	-	-	-	2,485,000
<b>Short's Family Farm</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>750,000</b>
Farm Property/Facility Maintenance	150,000	150,000	150,000	150,000	150,000	750,000
<b>Water Access</b>	<b>953,000</b>	<b>364,000</b>	<b>978,000</b>	<b>637,000</b>	<b>212,000</b>	<b>3,144,000</b>
Mats Mats Bay Facilities	-	30,000	-	-	-	30,000
Gardiner Launch Ramp with Seasonal Float	953,000	-	-	-	-	953,000
Hadlock Dock and Gangway Replacement	-	-	100,000	637,000	212,000	949,000
Union Wharf Electrification & Mooring Dolphins	-	334,000	878,000	-	-	1,212,000
<b>Other</b>	<b>1,228,000</b>	<b>145,000</b>	<b>125,000</b>	<b>435,000</b>	<b>375,000</b>	<b>2,308,000</b>
Port Equipment/Vehicle Replacement	953,000	120,000	100,000	160,000	100,000	1,433,000
Port Wide - Yard/Parking/RV Resurfacing	25,000	25,000	25,000	25,000	25,000	125,000
Port Wide - Dock Renovations & Piling Replacement	-	-	-	250,000	250,000	500,000
Comprehensive Routine Maintenance and Repair Program (CRAMP)	250,000	-	-	-	-	250,000
<b>Emergency</b>	<b>682,000</b>	<b>1,000,000</b>	<b>5,200,000</b>	<b>2,300,000</b>	<b>100,000</b>	<b>9,282,000</b>
Boat Haven Bulkhead Repair/Replacement	300,000	-	-	-	-	300,000
Boat Haven Pavement Repair	100,000	-	-	-	-	100,000
City Dock Repair	182,000	200,000	500,000	-	-	882,000
Mats Mats Bulkhead Repair	-	100,000	200,000	1,200,000	-	1,500,000
Point Hudson Marina Revetment Repair	-	250,000	1,600,000	-	-	1,850,000
Point Hudson Shoreline Repair	-	250,000	2,600,000	-	-	2,850,000
Quilcene Revetment Repair	-	100,000	200,000	1,000,000	-	1,300,000
Small Capital Projects	100,000	100,000	100,000	100,000	100,000	500,000
<b>Grand Total</b>	<b>16,567,555</b>	<b>11,948,333</b>	<b>24,170,889</b>	<b>17,502,000</b>	<b>69,464,000</b>	<b>139,652,777</b>

# 2025 – 2029 Capital Project Funding Sources



# 2025 Capital Project Funding by Location



# Recommendation

Adopt Resolution 829-24 Establishing the 2025  
Operating and Capital Budget



# 2024 PROPERTY TAX LEVY Public Hearing

Port of Port Townsend Commission  
Business Meeting  
November 13, 2024

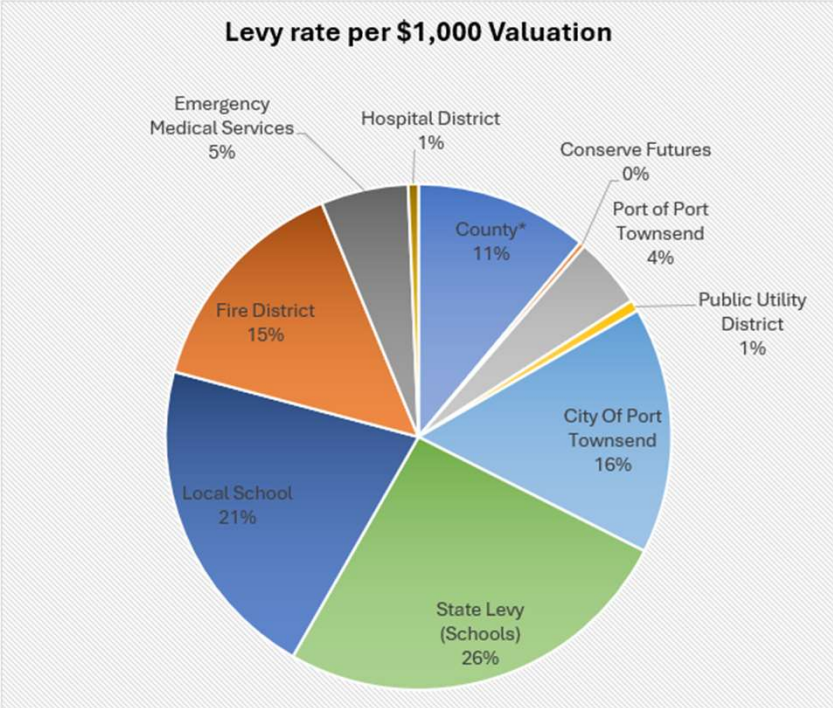
# State Max Rate

\$10 Property Tax Limit  
In Washington



# Property Tax Detail

# 2024 Levy Rate



2024 Levy Rate	Levy rate per \$1,000	% of Levy	Tax on \$500k
County*	0.990	11%	495.01
Conserve Futures	0.030	0%	14.84
Port of Port Townsend	0.409	5%	204.46
Public Utility District	0.065	1%	32.51
City Of Port Townsend	1.415	16%	707.29
State Levy (Schools)	2.314	26%	1,156.80
Local School	1.872	21%	935.90
Fire District	1.309	15%	654.51
Emergency Medical Services	0.500	6%	250.00
Hospital District	0.059	1%	29.41
<b>Totals</b>	<b>8.961</b>	<b>100%</b>	<b>4,480.74</b>



# Property Tax Levy Calculations

## • General Tax Levy

- 2024 Actual Levy = \$1,123,299
- 1% Increase = \$ 11,233
- New Construction = \$ 15,468
  - Including utilities and refunds
- 2025 Requested Levy = \$1,150,000

## • Industrial Development District (IDD) Tax Levy

- 2024 Actual Levy = \$ 2,634,289
- 0% Increase = \$0
- 2025 Requested Levy = \$2,634,289

# Recommendation

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Adopt Resolution 827-24 fixing the amount of general property tax to be levied for collection in the year 2025

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Adopt Resolution 828-24 fixing the amount of IDD tax to be levied for collection in the year 2025