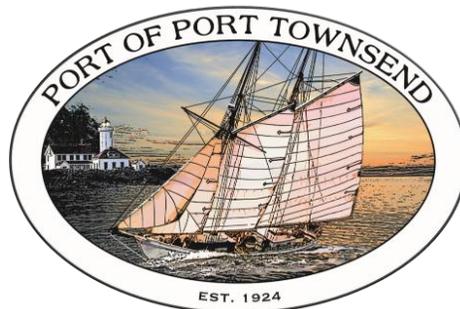




2026 OPERATING & CAPITAL BUDGET

Adopted by Port Commission on November 12, 2025





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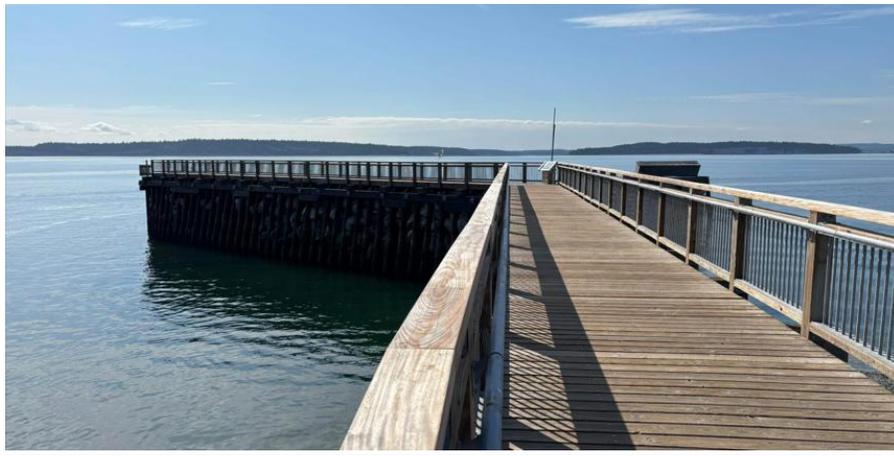
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MESSAGE FROM THE EXECUTIVE DIRECTOR

Introduction

The Port reached a significant milestone at the end of 2025 and begins 2026 without any long-term debt. Longstanding practice at this and many ports and local governments is to use long-term debt to finance projects. This Port's most recent debt was issued in 2015 and was a refunding of debt issued in 2005 to reconstruct Point Hudson's docks. That debt and the 2010 debt issued to reconstruct the A & B docks at Boat Haven have cost the port about \$1.1M per year for decades. These dollars, equivalent to the property taxes received by the port annually, are now available to support economic development, public access and more capital projects.

With massive power generated by the voter approval of the Industrial Development District levy in 2019, the port is midway through more than \$60M in capital improvement projects, all funded without debt. The IDD levy will end in 2027 and will have provided the port with \$16.9M in revenue to support, start and match grant funding for so many projects. As the final tally of projects is becoming more clear, the 2019 IDD levy has been a massive success, and there are a few key projects that will remain incomplete. Those projects include the C, D and Linear Docks replacement at Boat Haven, the Herb Beck Marina replacement, the JCIA rural light industrial park and other new, job creating projects that have yet to be identified. With this in mind, I will be recommending that the commission begin discussions about a possible IDD levy ask to the voters in 2027 to continue the reinvestment and strengthening of port infrastructure.

Finally, while the economy is difficult to read and maybe more difficult to interpret, the Port's lines of revenues remained strong in 2025. The heart of the action is at Boat Haven where the Boat Haven Marina and Port Townsend Boatyard represent the majority of the Port's earned revenue and represent the most jobs supported by the port. We expect that to continue in 2026.

2026 Budget Priorities

Our key priorities are becoming thematic and include:

1. Maintain core lines of revenue for the Port by focusing on the basics (i.e., increasing business and holding the line on costs).
2. Faithfully execute IDD Levy funded and other planned capital projects.
3. Continue and expand the trend of enhanced maintenance at all Port properties to both keep our infrastructure working and sustainable, and to improve their appearance.
4. Maintain strong customer service throughout the Port.
5. Consider future projects to support economic development across Jefferson County.
6. Avoid long-term debt to ensure the port remains in a strong financial position now and in the future.

This 2026 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.



PORT 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 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 the 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.

Purpose

To promote a vibrant and healthy Jefferson County community.

Mission

To serve the citizens of Jefferson County by responsibly maintaining and developing property and facilities to promote sustainable economic growth, provide community access to Port facilities and services, and protect and maintain our environment, community resources, and maritime heritage.

Core Values

Integrity

We never compromise our integrity. To be honest, fair, reliable, and sincere in our communication is the way we earn each other's trust and build long-term relationships that serve the public.

Transparency

For democracy to be successful, the public must have access to information. We strive to be open and accessible in serving the public, and not to keep secrets from them.

Accountability

We are employed by the public and expect to be held accountable for our words and actions. We strive to be professional, dependable, and maintain the public's trust by doing what we say we are going to do.

Public Service

We serve the people of Jefferson County and are committed to looking beyond narrow interests and serving the community.

Leadership

Our vision motivates and inspires others and gives us the courage to act on our values, make tough decisions, and advance the common good.

Excellence

Each day, we strive to be the best that we can be, using our talents and abilities to fulfill our individual and collective potentials.

Respect

We respect the public we serve and each other as government officials and staff. We listen to gain understanding, strive to enrich the lives of those with whom we work, and celebrate each other's successes.



Port Commissioners

District 2 Commissioner: *Carol Hasse, President*

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



Commissioner Carol Hasse sailed into Port Townsend in 1975, helped launch the Wooden Boat Festival, and became part of the working waterfront. She was honored with the Wooden Boat Foundation’s Lifetime Achievement Award for Community Spirit and Culture in 2012 and chosen Jefferson County’s 2021 Citizen of the Year for her work over four decades in maritime education, on non-profit boards and in her internationally renowned sailmaking business, Port Townsend Sails.

Elected in 2021, Hasse is grateful for the opportunity to serve Jefferson County’s citizens by advocating for its marine trades and small business culture, historic beauty and natural environment.

District 1 Commissioner: *Pamela Petranek, Vice President*

Term of Office: *January 1, 2024 – December 31, 2027*



A lifelong resident of Washington State, Pam settled in Port Townsend in 2006 along with her three children who are now young adults. Pam earned a BA in Education at Western Washington University and worked as a public and home-school teacher for 30 years, most recently as a music teacher for the Port Townsend School District.

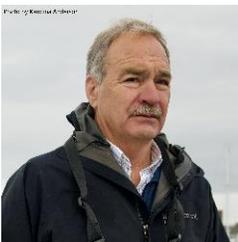
Pam earned a U.S. Coast Guard Captain’s License. She has experienced a lifetime of living, working, and playing on the waters of the Pacific Northwest & beyond, including sailboat deliveries & racing, sailing instruction, and commercial fishing.

Pam was nominated Citizen of the Year for co-leading the Jefferson County Maritime Trades Economic Study, which demonstrated the marine trades represent 20% of living wage jobs; a vital contributor to our culture and economy.

Pam has served on the boards of the Port Townsend Marine Trades Association, Jefferson County Marine Resource Committee, & has led several citizen advisory groups. She currently serves on the board of JC Economic Development Council. Pam co-hosts a monthly KPTZ radio show called “Our Working Waterfront” to highlight our local people and businesses.

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

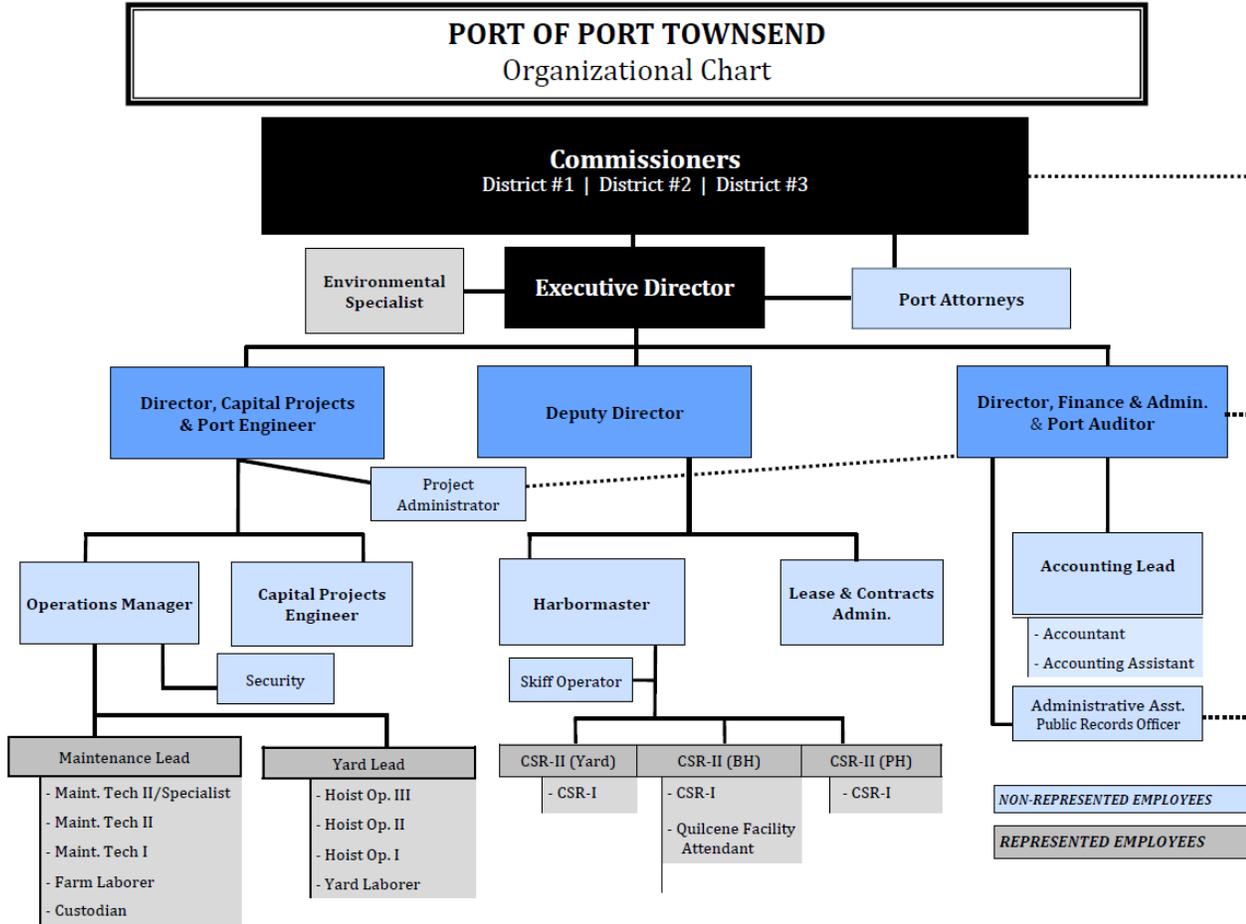
Term of Office: *January 1, 2022 – December 31, 2025*



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.



Port of Port Townsend Organizational Chart



As of 10/22/2025





2026 OPERATING AND CAPITAL BUDGET OVERVIEW

Overview

The goal of the 2026 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 a baseline net operating income.

Organizational Initiatives

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

- Maintain core lines of revenue for the Port by focusing on the basics (i.e., increasing business and holding the line on costs).
- Faithfully execute IDD Levy funded and other planned capital projects.
- Continue and expand the trend of enhanced maintenance at all Port properties to both keep our infrastructure working and sustainable, and to improve their appearance.
- Maintain strong customer service throughout the Port.
- Consider future projects to support economic development across Jefferson County.
- Avoid long-term debt to ensure the port remains in a strong financial position now and in the future.

Revenue from Operations

The 2026 budget reflects total revenue from operations of \$9,798,995, an 8% increase over the 2025 Budget. Most Port rates will be increased by approximately 2.7% for 2026. Operational revenues were calculated with an approximate 2.7% increase to the Port's rates & fees as well as an estimated 2% tenant rate increase. Revenue projections include the return to normal operations in the Boat Yard following the completion of the stormwater treatment project. The West Boat Yard expansion project will have some impact on the large vessel storage area, but the impact should be less than the construction phase of the BH Stormwater project. In addition, new revenue streams have been proposed including a new fueling center at the airport as well as establishing a contract for short-term rental in the newly remodeled PH Duplex facility. It is anticipated that the Liveaboard rules and regulations will be reviewed, updated and reestablished in early 2026

Expenses from Operations

The budget for port-wide operating expenses is \$8,983,523 in 2026, a 10% increase when compared to the 2025 Budget. Increased costs are anticipated in energy (9%), fuel (4-5%), utilities (10-13%), construction materials, operating supplies, shipping materials, and travel costs for contractors. In general, operational expenses will be estimated to increase by 3%. Staffing levels remain the same as in 2025. A few adjustments are recommended to the current staffing allocations to provide service and Support where they are needed within the Port organization. Adjustments include the elimination of CSR I and Yard Labor positions and the addition of a Farm Laborer and Maintenance Specialist - Stormwater/Sewer/Water (hired September 2025). Seasonal and temporary staff will be utilized for the records management project as well as to fill roles at the farm, moorage, docks and manning the pump out boat during peak season. A 2.7% cost-of-living adjustment and specific position and grade adjustments have been included.

Net Operating Income

The 2026 budget projects the net operating income to be \$815,472, in line with the 2025 Budget.



Other Increases & Decreases in Fund Resources

The 2026 budget includes \$1,167,000 in the general property tax levy, an increase of 1% from 2024. 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 2026, for the fifth consecutive year, to maintain the IDD reserve for capital projects. Interest income is budgeted at \$240,000 with a lower rate of return anticipated in the coming year. Grant revenue is budgeted at \$7,003,460; details can be seen in the Capital Budget section.

Other Increases in Fund Resources also include Deposits & Retainage Collected (\$80,303) and Taxes Collected (\$849,000). Tax collected is received from port activity and includes leasehold, sales, and hotel/motel taxes.

Other Decreases in Fund Resources include Deposits & Retainage Paid (\$77,500), Taxes Remitted (\$827,630) which are the remittances of leasehold, sales, and hotel/motel taxes collected), Line of Credit Principal and Interest (\$1,332,200), Capital Expenses (\$14,035,664), Bond Management, Issuance & Investment (\$14,950), and Election costs (\$50,000).

Increase /(Decrease) in Cash

The budgeted number in the amount of (\$4,051,348) as presented on the Consolidated Sources and Uses of Cash represents the estimated decrease in cash for 2026 Port activity overall. This number is also reflected in the 5 Year projected cash flow. The increased use of cash in 2026 reflects planned capital activity and the use of capital reserves to meet the Port’s strategic plan to address the deferred maintenance of the Port’s capital infrastructure.

Estimated Ending Cash Balance and Reserves

The ending cash balance estimates for 2025 total \$12,731,954, including \$9,117,835 in Reserved Cash and \$3,614,119 in Unreserved Cash. The estimated composition of ending Reserved Cash balances for 2025 is as follows:

Estimated Ending Reserved Cash for 2025

IDD Levy Capital Reserve	\$7,341,616
Port-Wide Capital Reserve	806,746
Boat Haven Renovation	436,068
Operations Reserve	23,405
Emergency Reserve	500,000
Unemployment Reserve	10,000
	<hr/>
	\$9,117,835



Consolidated Sources & Uses of Cash

2026 Proposed Budget with Comparison to Prior Years, Resolution No. 860-25

	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2026 Bdgt- 2025 Bdgt Variance	% incr.
OPERATING REVENUES							
Boat Haven Moorage	2,015,492	2,134,590	2,164,523	2,255,339	2,396,483	141,144	6%
Yard Operations	2,684,332	2,772,630	2,726,844	2,887,504	3,038,670	151,166	5%
Boat Haven Properties	911,589	1,011,207	1,112,763	1,371,980	1,427,385	55,405	4%
Point Hudson Marina, RV & Prop.	1,512,136	1,543,207	1,818,137	1,907,056	2,099,317	192,261	10%
Quilcene Herb Beck Marina	175,104	186,274	177,848	181,925	202,492	20,567	11%
Water Access	68,472	66,713	72,442	91,732	111,399	19,667	21%
Jefferson County Intl Airport	185,371	198,345	218,725	230,537	474,949	244,412	106%
Short Farm Property	-	-	6,284	47,500	48,300	800	2%
Total Operating Revenues	\$ 7,552,497	\$ 7,912,967	\$ 8,297,566	\$ 8,973,573	\$ 9,798,995	\$ 825,421	9%
OPERATING EXPENDITURES							
Salaries & Wages	2,656,298	2,836,385	3,292,180	3,613,243	3,753,786	140,543	4%
Payroll Taxes	274,816	320,289	377,296	473,775	477,717	3,942	1%
Employee Benefits	836,047	903,223	980,175	1,048,227	1,079,383	31,156	3%
Uniform Expense	19,386	15,555	14,909	13,170	13,234	64	0%
Contract Services	269,195	426,487	286,564	373,633	464,278	90,645	24%
Enviro Contract Services	10,554	18,190	47,546	29,930	47,200	17,270	58%
Legal and Fire fees	59,405	48,309	48,647	47,050	51,060	4,010	9%
Audit	6,798	32,528	39,724	42,000	46,200	4,200	10%
Insurance	453,023	492,726	546,491	564,850	607,517	42,667	8%
Facilities & Operations	1,035,778	916,445	931,622	984,478	1,289,696	305,218	31%
Utilities	648,719	664,656	645,607	688,039	832,948	144,909	21%
Marketing & Advertising	62,705	128,522	113,009	98,138	129,397	31,259	32%
Economic Development	30,000	40,045	41,200	69,546	71,633	2,087	3%
Travel & Training	38,985	20,307	31,350	40,973	53,061	12,088	30%
Community Relations	1,276	15,649	49,137	55,014	66,413	11,399	21%
Total Operating Expenditures	\$ 6,402,983	\$ 6,879,316	\$ 7,445,458	\$ 8,142,065	\$ 8,983,523	\$ 841,458	10%
NET OPERATING INCOME	\$ 1,149,514	\$ 1,033,651	\$ 852,109	\$ 831,508	\$ 815,472	\$ (16,037)	-2%
OTHER INCREASES IN FUND RESOURCES							
Deposits & Retainage Collected	38,338	39,058	106,653	80,254	80,303	49	0%
Taxes Collected	715,892	740,926	788,814	791,600	849,000	57,400	7%
Capital Contributions/Grants	251,643	8,500,495	6,272,654	9,534,929	7,003,460	(2,531,469)	-27%
Interest	153,383	530,953	604,573	432,952	240,000	(192,952)	-45%
Debt Proceeds-20/21 LOC	-	1,171,644	1,737,000	-	-	-	-
Property & other taxes	3,912,590	4,132,293	3,982,073	3,884,561	3,883,361	(1,200)	0%
Misc. Incr. in Fund Resources	122,956	285,885	63,290	57,053	75,000	17,947	31%
Total Incr. in Other Fund Resources	\$ 5,194,802	\$ 15,401,253	\$ 13,555,057	\$ 14,781,349	\$ 12,131,124	\$ (2,650,225)	-18%
OTHER DECREASES IN FUND RESOURCES							
Deposits & Retainage Paid	101,465	39,376	78,208	26,198	77,500	51,302	196%
Taxes Remitted	714,381	742,076	774,119	765,130	827,630	62,500	8%
Bond Principal & Interest	1,025,338	1,063,625	2,197,814	2,259,361	1,332,200	(927,161)	-41%
Bond Mgmt, Issuance, Investment	50,601	180,542	2,426	14,950	14,950	-	0%
Capital Equipment & Vehicles	808,227	1,789,321	2,865,869	1,200,000	1,615,000	415,000	35%
Capital Project Expenses	1,847,887	2,373,792	5,430,672	14,851,555	12,420,664	(2,430,891)	-16%
Election Expense	17,561	-	47,331	15,500	50,000	34,500	223%
Total Other Decr. In Fund Resources	\$ 4,565,460	\$ 6,188,731	\$ 11,856,420	\$ 19,792,694	\$ 16,997,944	\$ (2,794,750)	-14%
Net Other Incr./Decr. In Fund Resources	\$ 629,342	\$ 9,212,521	\$ 1,698,636	\$ (5,011,345)	\$ (4,866,820)	\$ 144,525	-3%
Increase/(Decrease) in Cash	\$ 1,778,856	\$ 10,246,172	\$ 2,550,745	\$ (4,179,837)	\$ (4,051,348)	\$ 128,488	-3%



Port of Port Townsend 2026 Operating & Capital Budget

5-Year Projected Cash Flow (2026 – 2030) ~ With 2025 Forecast baseline

	2025 Forecast Projection	2026 Projection	2027 Projection	2028 Projection	2029 Projection	2030 Projection
Capital Project Funding Summary						
(2026 Budget, 5-Year CIP)						
Total Capital Project Total		17,749,664	18,739,500	12,613,500	4,562,000	4,802,000
Anticipated Grant		287,000	93,363			
Secured Grant		5,916,460	1,315,500			
Port Wide Capital Reserve		270,000				
Boat Haven Capital Reserve		200,000				
Industrial Development District Levy		5,371,222	2,864,637	1,303,500	112,500	100,000
Unreserved Cash		1,190,982	606,000	720,000	600,000	600,000
Mitigation Credits		800,000	-	240,000		
Secured Funding		14,035,664	4,879,500	2,263,500	712,500	700,000
Unsecured Funding		3,714,000	13,860,000	10,350,000	3,849,500	4,102,000
Projected Beginning Year Cash	14,430,100	12,731,954	9,341,106	8,377,927	7,921,454	8,582,020
OPERATIONS						
Total Operating Revenues (a)	8,910,212	9,799,495	10,367,865	10,969,202	11,605,415	12,278,529
Total Operating Expenditures (d)	8,061,242	8,983,523	9,756,106	10,595,131	11,506,312	12,495,855
Net Operating Income	848,971	815,972	611,759	374,071	99,103	(217,326)
OTHER INCREASES IN FUND RESOURCES						
Deposits & Retainage Collected	43,374	80,303	60,000	60,000	60,000	60,000
Taxes Collected	846,971	849,000	750,000	772,500	795,675	819,545
Capital Contributions/Grants	5,923,135	7,003,460	1,408,863	240,000	-	-
Interest	548,900	240,000	210,000	225,000	250,000	265,000
IDD Tax Levy	2,494,946	2,634,289	1,369,000			
Gen'l Property & other taxes	1,118,161	1,249,072	1,223,670	1,235,907	1,248,266	1,260,748
Misc. Incr. in Fund Resources	1,625,820	75,000	25,000	25,750	26,523	27,318
Total Incr. in Other Fund Resources (b,c)	12,601,306	12,131,124	5,046,533	2,559,157	2,380,463	2,432,612
OTHER DECREASES IN FUND RESOURCES						
Deposits & Retainage Paid	66,954	77,500	60,000	60,000	60,000	60,000
Taxes Remitted	876,713	827,630	750,000	765,000	780,300	795,906
LOC Principal & Interest	1,330,550	1,332,200	665,271	-	-	-
LTGO Bond Principal & Interest	2,671,742	-	-	-	-	-
Bond Mgmt, Issuance, Investment	2,431	14,950	1,700	1,200	1,200	1,200
Capital Equipment & Vehicles	1,211,553	1,615,000	250,000	250,000	250,000	250,000
Capital Project Expenses	8,972,981	12,420,664	4,879,500	2,263,500	712,500	700,000
Election Expense	15,500	50,000	15,000	50,000	15,000	50,000
Total Other Decr. In Fund Resources (e,f,g)	15,148,424	16,337,944	6,621,471	3,389,700	1,819,000	1,857,106
Net Other Increases/Decreases in Fund Resources	(2,547,117)	(4,206,820)	(1,574,938)	(830,543)	561,463	575,506
Total INFLOW	\$ 21,511,519	\$ 21,930,619	\$ 15,414,398	\$ 13,528,358	\$ 13,985,879	\$ 14,711,141
Total OUTFLOW	\$ 23,209,665	\$ 25,321,467	\$ 16,377,577	\$ 13,984,831	\$ 13,325,312	\$ 14,352,961
Net INFLOW / OUTFLOW - Change in Cash Balance	\$ (1,698,146)	\$ (3,390,848)	\$ (963,179)	\$ (456,473)	\$ 660,566	\$ 358,180
RESERVE BALANCES						
IDD Levy Reserve (h)	7,341,616	4,604,683	3,109,046	1,805,546	1,693,046	1,593,046
Port Wide Capital Reserve (i)	806,746	536,746	536,746	536,746	536,746	536,746
Boat Haven Renovation (j)	436,068	236,068	236,068	236,068	236,068	236,068
Operating Reserve (k)	23,405	23,405	23,405	23,405	23,405	23,405
Emergency Reserve (l)	500,000	500,000	500,000	500,000	500,000	500,000
Unemployment Reserve (m)	10,000	10,000	10,000	10,000	10,000	10,000
Property Tax Reserve (n, o)	-	749,072	1,472,742	2,208,649	2,956,914	3,717,663
Total Ending Cash Reserves	9,117,835	6,659,974	5,888,007	5,320,413	5,956,179	6,616,928
Total Unreserved Cash	3,614,119	2,681,132	2,489,920	2,601,041	2,625,841	2,323,273
Total Ending Year Cash & Investments	\$ 12,731,954	\$ 9,341,106	\$ 8,377,927	\$ 7,921,454	\$ 8,582,020	\$ 8,940,200



5 Year Projected Cash Flow Notes

5 Year Projected Cashflow Notes:

- a.) Revenues - Operating were increased each year by 5.8% after 2026, based on averaging the Port's most recent update to its 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 year's 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 8.6% after 2026, based on averaging the Port's most recent update to its 5-year historical activity, based on current economic conditions.
- e.) Expenses - Bond Principal & Interest are based on bond amortization schedules and the intent to retire the remaining LTGO debt in December 2025.
The Port obtained a \$7 million Line of Credit in 2021 as a cashflow bridge between capital expenditures and grant reimbursements. The LOC expires March 2027.
- 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 2026 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 restricted. (Res. 712-19)
- 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 2026 budget. (Res. 693-19)
- j.) If the capital expenditures on the Boat Haven centric projects planned in 2026 reach or exceed the funding amounts budgeted for 2026, this reserve should be extinguished. (Res. 433-04)
- 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, which is fully funded. (res. 692-19)
The Commission authorized use of \$1,600,000 to pay off 2010 LTGO debt on 10/22/2025.
- l.) In November 2020, the Port commission passed resolution 730-20 to fund an Emergency Fund for \$500,000. (Res. 730-20)
- m.) The Port commission approved an Unemployment Reserve of \$10,000 by motion.
- n.) The Port commission passed resolution 863-25 establishing a Property Tax Reserve Fund from general property tax receipts. (Res. 863-25)
- o.) Reserve account balance reflects € \$500,000 in business line subsidy and economic development support annually.



Port Operational and Capital Reserves

Res. No.	Reserve Policy	Reserve Purpose	Balance As of 8/31/2025
OPERATIONAL RESERVES			
692-19	Establishing an Operating Fund	Establish Operating Reserves equivalent to three (3) months of operating and general administrative expenses; or approx. 25% of total budgeted operating expenses. 10/22/2025 -Commission authorized use of \$1,600,000 to pay off 2010 LTGO debt by motion between Dec. 1, 2025 – Jan. 31, 2026.	1,623,405
730-20	Emergency Reserve Fund	Consolidate contingency (\$75k) and hazardous waste (\$25k) reserve to establish Emergency Reserve Fund	500,000
	Unemployment Reserve	Mandatory reserve required by WA State Auditors; no resolution, it was approved by motion in 2014.	10,000
	TOTAL OPERATIONAL RESERVES		\$2,133,405
CAPITAL RESERVES			
433-04	Boat Haven Renovation	Establish PTBH Renovation Reserve Fund, funded by new revenues generated in excess of projected CPI increases. Per Res. 693-19, cease funding BH Capital reserve and redirect reserve payments to the Port-wide Capital Reserve	436,068
693-19	Port-wide Capital Reserve	Establish Port-wide Capital Reserve fund and cease funding the Boat Haven Capital Reserve Fund	806,746
863-25	Property Tax Reserve	Establish a Property Tax Reserve Fund from general property tax receipts to be used for specific purpose outlined in Res. No. 863-25 (eff. 01/01/2026)	0
	TOTAL CAPITAL RESERVES		\$1,242,814
CAPITAL IDD RESERVES			
712-19	IDD Levy Reserve	Establish a separate fund for the collection of the IDD Levy revenues. This will be an IDD Capital Reserve Fund with the County Treasurer and tracked separately in the Port's accounting system.	\$7,866,616
	TOTAL CAPITAL IDD RESERVES		\$7,866,616



2026 DEPARTMENTAL OPERATING BUDGETS

Boat Haven Marina

Description: This full-service marina provides permanent and transient moorage year-round. It is home to 475 commercial and recreational vessels and each year provides more than 6,000 overnight guest moorage accommodations for visiting vessels. Boat Haven amenities include a fuel dock, pump-out station, showers and a laundry, a net float for fisherman, a seafood loading dock, and a crane to support the fishing fleet in the commercial basin. The U.S. Coast Guard Cutter Osprey is stationed here. The Port's first developed property, Boat Haven is a 19-acre rectangle protected by a riprap breakwater. The first pile was driven in 1931, and the floating moorage has been expanded several times to produce the present facility.

Revenues: Boat Haven Moorage revenues are estimated to increase \$141,144 which is a 6% increase when compared to the 2025 Budget. Increased revenues are primarily related to the annual rate adjustment as well as policy decisions that will impact the best use of the available dock space for each relevant season.

Expenses: Total estimated increases in operating expenses, when compared to 2025 Budget, is estimated to decrease by \$27,256. The overall expenses decreased due to the reduction of one Customer Service (CSR) position. The 2010 Limited Tax General Obligation (LTGO) Bond used for Boat Haven Moorage reconstruction of the A/B docks in the Boat Haven Marina was paid in full December 2025. Including the 83% share of the debt payment in prior year departmental budget allows management to see the true picture of the department's gain/loss in operations year after year.

Net Operating Income (w/o debt): The 2026 budget estimates a Net Operating Income of \$477,543. This is a decrease of \$231,048, which reflects increased salaries and benefits, general & administrative costs, maintenance costs, contract services, general liability, property, and marina insurance, and repair & maintenance costs.





Boat Haven Moorage

	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2026 Bdgt- 2025 Bdgt Variance	% incr.
PTBH - Permanent Moorage	1,285,755	1,322,162	1,394,116	1,515,952	1,556,884	40,932	3%
PTBH - Monthly Guest	264,914	273,049	288,151	274,265	281,669	7,404	3%
PTBH - Nightly Guest	306,607	348,311	282,903	273,000	336,000	63,000	23%
PTBH - Electric	101,445	112,214	106,753	109,026	130,831	21,805	20%
PTBH - Liveaboard Fee	21,219	28,770	26,625	29,004	29,784	780	3%
PTBH - Liveaboard Background Ck Fee	480	315	252	204	300	96	47%
PTBH - Work Float/Lift Pier Usage	8,816	13,855	12,815	13,000	13,352	352	3%
PTBH - Miscellaneous Revenue	6,588	9,306	19,921	11,850	12,170	320	3%
PTBH - Showers	9,433	9,220	8,643	9,000	10,000	1,000	11%
PTBH - Laundry	7,709	6,630	7,070	7,500	7,703	203	3%
PTBH - Kayak Racks	1,673	8,797	12,011	8,700	13,000	4,300	49%
PTBH - Key Fobs	530	310	242	1,856	120	(1,736)	-94%
PTBH - Promotional Sales	387	1,499	4,779	936	3,600	2,664	285%
PTBH - Port Labor	(63)	152	240	1,046	1,070	24	2%
Total Operating Revenues	\$ 2,015,492	\$ 2,134,590	\$ 2,164,523	\$ 2,255,339	\$ 2,396,483	\$ 141,144	6%
OPERATING EXPENSES							
Moorage Salaries & Wages	211,881	228,360	249,120	286,076	310,000	23,924	8%
Moorage Payroll Taxes	25,696	31,343	33,972	38,450	38,450	-	0%
Moorage Employee Benefits	66,298	79,479	81,553	95,601	79,824	(15,777)	-17%
Uniform Expense	1,963	1,704	179	1,650	1,662	12	1%
Maint Salaries & Wages	29,410	28,396	26,083	30,739	35,000	4,261	14%
Maint Payroll Taxes	3,562	3,907	3,666	3,979	3,984	5	0%
Maint Employee Benefits	9,167	8,770	7,438	9,096	8,992	(104)	-1%
Enviro Salaries & Wages	824	-	-	-	-	-	-
Enviro Payroll Taxes	101	-	-	-	-	-	-
Enviro Employee Benefits	253	280	-	-	-	-	-
Contract Services	25,535	41,395	34,328	32,240	50,378	18,138	56%
Insurance	114,889	130,599	140,010	141,820	146,075	4,255	3%
Facilities & Operations	118,666	119,788	135,481	121,374	155,895	34,521	28%
Marketing & Advertising	12,544	25,261	20,608	22,836	30,150	7,314	32%
Travel & Training	2,847	1,415	5,519	2,906	3,050	144	5%
2010 LTGO Bond Princ/Int (83%)	399,635	400,133	400,071	399,448	-	(399,448)	-100%
Maintenance Alloc.	-	-	-	-	183,308	183,308	-
General & Administrative	317,445	218,834	528,209	564,039	634,072	70,033	12%
Total Operating Expenses	\$ 1,526,566	\$ 1,519,800	\$ 1,858,286	\$ 1,946,196	\$ 1,918,940	\$ (27,256)	-1%
NET OPERATING INCOME	\$ 488,926	\$ 614,790	\$ 306,236	\$ 309,143	\$ 477,543	\$ 168,400	54%
						0	
Net Operating Income w/o debt	888,561	1,014,923	706,307	708,591	477,543	(231,048)	-33%

* 2010 LTGO debt paid in full December 2025





Boat Haven Yard

Description: Featuring a heavy boat haul-out facility, the Port Townsend Boat Yard has a regional reputation for quality and economy and is a destination of choice for vessel maintenance, refits and new construction of all types. It provides access to more than 100 marine trades businesses in the Port Townsend area. The Port operates four travel lifts, the largest of which can lift vessels up to 150 feet long and weigh up to 330 tons. The Yard's 17-acre dry-land work yard area can hold more than 200 vessels "on the hard," and owners are allowed to work on their own boats (something most work-yards prohibit).

Revenue: Overall, Yard revenue is expected to increase by \$151,166 over the 2025 Budget. Increased revenues are primarily related to the annual rate adjustment as well as policy decisions that will impact the best use of the available yard space for each relevant season.

Expenses: Total operating expenses, when compared to the 2025 Budget, is estimated to decrease by \$20,237. The overall expenses decreased due to the reduction of one yard position. The 2026 budget includes full staffing to support the haul out activity that supports the marine trade activity in the Yard. The 2010 Limited Tax General Obligation (LTGO) Bond used for the 75-ton Lift Pier was paid in full December 2025. Including the 17% share of the debt payment in prior year departmental budget allows management to see the true picture of the department's gain/loss in operations year after year.

Net Operating Income (w/o debt): The 2026 budget estimates a Net Operating Income of \$29,761. The change in Net Operating Income reflects increased salaries and benefits, general & administrative costs, maintenance costs, contract services, general liability, property, and marina insurance, and repair & maintenance costs.





Boat Haven Yard

	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2026 Bdgt- 2025 Bdgt Variance	% incr.
70/75T BOAT YARD - LIVEABOARD FEE	600	-	-	-	21,600	21,600	
70/75T BOAT YARD - LIVEABOARD BCKGRD CHECK	-	-	-	-	600	600	
70/75T BOAT YARD - ENVIRONMENTAL FEE	76,828	77,770	86,730	85,496	87,807	2,311	3%
70/75T BOAT YARD - HOIST REVENUE	355,988	375,847	403,269	382,500	413,880	31,380	8%
70/75T BOAT YARD - STORAGE REVENUE	1,174,655	1,321,713	1,250,732	1,366,994	1,403,903	36,909	3%
70/75T BOAT YARD - L/T STORAGE	68,930	(393)	(1,230)	-	-	-	
70/75T BOAT YARD - ELECTRIC BASE FEE	47,485	49,885	57,310	54,325	65,190	10,865	20%
70/75T BOAT YARD - BLOCKING RENT	30,119	29,940	28,775	30,971	31,807	836	3%
70/75T BOAT YARD - OWNER WASHDOWN	45,799	47,828	49,836	60,389	62,019	1,630	3%
70/75T BOAT YARD - PORT WASHDOWN	15,740	16,482	18,721	20,854	21,418	564	3%
70/75T BOAT YARD - MISCELL REVENUE	368	421	1,471	751	1,800	1,049	140%
70/75T BOAT YARD - PORT LABOR	13,584	11,651	12,670	10,641	12,000	1,359	13%
70/75T BOAT YARD - TARP POOL FEE	975	4,925	6,201	4,381	6,000	1,619	37%
300T BOAT YARD - ENVIRONMENTAL FEE	19,390	21,645	23,628	21,126	21,695	569	3%
300T BOAT YARD - HOIST REVENUE	235,758	244,690	269,169	271,588	278,923	7,335	3%
300T BOAT YARD - STORAGE REVENUE	479,899	457,892	415,212	462,500	474,988	12,488	3%
300T BOAT YARD - ELECTRIC BASE FEE	25,928	21,908	18,582	30,900	37,080	6,180	20%
300T BOAT YARD - ELECTRIC KWH CHARGES	22,061	12,928	16,565	-	6,000	6,000	
300T BOAT YARD - OWNER WASHDOWN	24,452	34,334	26,885	43,654	44,831	1,177	3%
300T BOAT YARD - PORT WASHDOWN	9,754	6,333	10,461	-	5,000	5,000	
300T BOAT YARD - BLOCKING RENT	20,764	19,710	18,438	25,702	26,398	696	3%
300T BOAT YARD - BILGE WATER REVENUE	5,257	5,229	3,829	6,000	6,163	163	3%
300T BOAT YARD - GARBAGE	-	1,013	-	-	-	-	
300T BOAT YARD - PORT LABOR	9,539	8,839	7,780	8,732	8,968	236	3%
300T BOAT YARD - TARP POOL FEE	460	2,043	1,811	-	600	600	
Total Operating Revenues	\$ 2,684,332	\$ 2,772,630	\$ 2,726,844	\$ 2,887,504	\$ 3,038,670	\$ 151,166	5%
OPERATING EXPENSES							
Yard Salaries & Wages	628,743	676,464	776,208	868,651	724,000	(144,651)	-17%
Yard Payroll Taxes	74,034	88,410	106,281	112,448	112,446	(2)	0%
Yard Employee Benefits	196,144	211,455	222,349	257,044	208,848	(48,196)	-19%
Uniform Expense	6,260	5,959	5,224	5,200	5,227	27	1%
Maint Salaries & Wages	93,220	65,406	35,694	70,700	50,000	(20,700)	-29%
Maint Payroll Taxes	10,976	11,742	5,129	9,152	9,152	(0)	0%
Maint Employee Benefits	28,953	19,467	10,386	20,921	13,932	(6,989)	-33%
Enviro Salaries & Wages	20,317	25,355	27,032	44,945	30,000	(14,945)	-33%
Enviro Payroll Taxes	2,721	3,788	4,118	5,818	5,818	(0)	0%
Enviro Employee Benefits	6,244	7,597	7,784	13,300	9,108	(4,192)	-32%
Contract Services	27,486	39,799	20,935	33,746	55,229	21,483	64%
Enviro Contract Services	4,603	11,570	41,486	23,000	40,000	17,000	74%
Insurance	107,963	100,015	129,081	131,232	145,169	13,937	11%
Facilities & Operations	450,072	384,262	338,967	449,646	485,818	36,172	8%
Utilities	137,949	146,237	134,943	162,595	197,446	34,851	21%
Marketing & Advertising	11,151	17,040	15,317	13,576	15,946	2,370	17%
Travel & Training	5,554	2,377	3,459	3,093	3,245	152	5%
2010 LTGO Bond Princ/Int (17%)	81,853	81,955	-	81,942	-	(81,942)	-100%
Maintenance Alloc.	-	-	-	-	216,090	216,090	
General & Administrative	423,494	333,077	663,484	722,136	681,435	(40,701)	-6%
Total Operating Expenses	\$ 2,317,737	\$ 2,231,976	\$ 2,547,879	\$ 3,029,146	\$ 3,008,909	\$ (20,237)	-1%
NET OPERATING INCOME	\$ 366,595	\$ 540,655	\$ 178,966	\$ (141,642)	\$ 29,761	\$ 171,403	-121%
Net Operating Income w/o debt	448,448	622,610	178,966	(59,700)	29,761	89,461	-150%

* 2010 LTGO debt paid in full December 2025



Boat Haven Properties

Description: Constructed in 1997, the western portion of the Boat Yard provides a variety of spaces and buildings for the marine trades. It supports over 450 people working in approximately 100 marine trades businesses, comprising the third-largest employment sector in Jefferson County. The security of long-term leases has encouraged many marine boat building and repair businesses to construct specialized facilities for their operations. In 2025, the Port constructed a new central stormwater collection and treatment facility to ensure that runoff from industrial activities complies with the requirements of the Boatyard General Stormwater Permit, and to safeguard the waters of Port Townsend Bay. In addition to myriad industrial tenants, the Yard is also home to marine supply and equipment retailers, and several eateries.

Revenue: Properties at Boat Haven are expected to have an increase in revenues of \$55,405 when compared to the 2025 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.

Expenses: Overall, operating expenses are expected to increase by \$242,724 when compared to the 2025 Budget. Increases are related to salaries and benefits, contract services and utilities as well as maintenance and general & administrative costs.

Net Operating Income (w/o debt): The 2026 budget estimates a Net Operating Income of \$446,313. The change in Net Operating Income reflects increased salaries and benefits, general & administrative costs, maintenance costs, contract services, general liability, property, and marina insurance, and repair & maintenance costs.





Boat Haven Properties

	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2026 Bdgt- 2025 Bdgt Variance	% incr.
OPERATING REVENUES							
PTBH Prop - Lease Revenue	828,040	934,210	1,035,236	1,289,722	1,330,000	40,278	3%
PTBH Prop - Fuel Dock Lease	19,758	17,161	17,523	20,531	20,943	412	2%
PTBH Prop - Electric	(443)	(2,482)	168	(1,145)	6,000	7,145	-624%
PTBH Prop - Garbage	3,550	4,217	4,829	4,142	4,250	108	3%
PTBH Prop - Water	38,381	35,262	32,799	33,970	40,764	6,794	20%
PTBH Prop - Stormwater Fees	9,519	8,856	8,440	10,434	10,717	283	3%
PTBH Prop - Storage Unit Revenue	12,035	12,696	13,067	12,972	13,319	347	3%
PTBH Prop - Miscellaneous	675	1,234	701	1,354	1,392	38	3%
Total Operating Revenues	\$ 911,514	\$ 1,011,152	\$ 1,112,763	\$ 1,371,980	\$ 1,427,385	\$ 55,405	4%
OPERATING EXPENSES							
PTBH Property Salaries & Wages	70,110	72,961	80,581	75,272	102,000	26,728	36%
PTBH Property Payroll Taxes	6,316	6,431	7,566	9,744	9,740	(4)	0%
PTBH Property Employee Benefits	21,901	22,208	22,791	22,274	30,600	8,326	37%
Maint Salaries & Wages	76,839	72,553	84,705	76,848	96,000	19,152	25%
Maint Payroll Taxes	10,523	11,834	13,689	9,948	15,000	5,052	51%
Maint Employee Benefits	24,496	22,472	24,906	22,740	28,560	5,820	26%
Enviro Salaries & Wages	16,824	12,166	15,442	18,282	19,323	1,041	6%
Enviro Payroll Taxes	2,247	1,815	2,359	2,367	2,400	33	1%
Enviro Employee Benefits	5,166	3,778	4,423	5,410	6,120	710	13%
Contract Services	2,060	46,037	2,531	18,310	12,504	(5,806)	-32%
Insurance	34,738	53,315	44,302	42,594	43,872	1,278	3%
Facilities & Operations	55,553	42,567	44,488	35,233	48,723	13,490	38%
Utilities	57,952	49,987	42,637	51,332	61,795	10,463	20%
Marketing & Advertising	331	-	-	161	166	5	3%
Travel/Training	155	174	132	228	238	10	4%
Maintenance Alloc.	-	-	-	-	111,203	111,203	
General & Administrative	142,623	110,301	275,597	347,605	392,828	45,223	13%
Total Operating Expenses	\$ 527,834	\$ 528,598	\$ 666,150	\$ 738,348	\$ 981,072	\$ 242,724	33%
NET OPERATING INCOME	\$ 383,680	\$ 482,554	\$ 446,613	\$ 633,632	\$ 446,313	\$ (187,319)	-30%





Point Hudson

Description: Built out in the early 1930s as a federal quarantine station but instead used as a Coast Guard station, the property was deeded to the Port in 1956. The 4-acre marina has 44 slips, and 700 feet of linear docks dedicated to transient guest moorage. The 24 upland acres owned by the Port house a recreational RV park with 48 spots as well as several marine trades businesses - including a rigging loft, canvas shop, and marine architects, all in the historic Armory Building. The facility is also home to a small bodega, State DNR field offices, a historic B&B, several restaurants, and several small professional offices. In 2023, the Port completed replacement of the overlapping breakwaters that protect the entrance to this historic facility. Since 1978, Point Hudson has played host to the annual Wooden Boat Festival. The festival is now produced by Northwest Maritime whose campus lies immediately adjacent to the Port's facility.

Revenue: Overall, Point Hudson revenue is expected to increase by \$192,261 over the 2025 Budget. Increased revenues are related to the annual rate adjustment as well as policy decisions that will make the best use of the available dock space, RV space and parking space for each relevant season.

Expenses: Total operating expenses, when compared to the 2025 Budget, is estimated to decrease by \$172,891. The 2015 Limited Tax General Obligation (LTGO) Bond used for the Point Hudson Marina Reconstruction paid in full July 2025. Including the debt payment in prior year departmental budget allows management to see the true picture of the department's gain/loss in operations year after year.

Net Operating Income (w/o debt): The 2026 budget estimates a Net Operating Income of \$206,343. The change in Net Operating Income reflects increased salaries and benefits, general & administrative costs, maintenance costs, contract services, general liability, property, and marina insurance, and repair & maintenance costs.





Point Hudson

	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2026 Bdg- 2025 Bdg Variance	% incr.
OPERATING REVENUES							
Pt Hudson - Building Lease Revenue	442,756	448,552	491,831	519,320	582,000	62,680	12%
Pt Hudson - Parking	15,644	17,672	43,608	57,650	59,214	1,564	3%
Pt Hudson - Event Facility Rev	26,449	33,681	38,030	48,369	49,675	1,306	3%
Pt Hudson - Janitorial	15,120	15,248	15,339	16,185	16,621	436	3%
Pt Hudson - Water, Sewer, SW	27,287	29,659	28,493	32,464	37,987	5,523	17%
Pt Hudson - Miscellaneous Rev	-	-	5,809	-	-	-	-
Pt Hudson - Permanent Moorage	104,511	108,315	146,542	132,330	188,000	55,670	42%
Pt Hudson - Liveaboard Fee	5,381	420	2,970	8,500	8,730	230	3%
Pt Hudson - Liveaboard Backgrnd Ck	1,980	1,692	1,386	2,100	2,157	57	3%
Pt Hudson - Monthly Guest	93,274	12,766	66,975	110,000	112,972	2,972	3%
Pt Hudson - Nightly Guest	198,751	208,784	269,448	264,804	271,954	7,150	3%
Pt Hudson - Electric	6,292	7,160	6,368	24,418	29,302	4,884	20%
Pt Hudson - Electric KWH Charges	11,192	2,802	5,003	9,255	15,000	5,745	62%
City Pier & Union Wharf Usage							
Union Wharf - Cruise Ship Garbage							
Pt Hudson - Monthly R.V.	78,662	72,484	63,499	75,191	77,221	2,030	3%
Pt Hudson - Nightly R.V.	382,320	475,210	470,871	465,000	477,556	12,556	3%
Pt Hudson - RV Cancellation Fee	-	-	8,306	-	7,500	7,500	-
Pt Hudson - Kayak Racks	16,480	14,963	20,767	21,020	21,591	571	3%
Pt Hudson - Reservation Fee	43,937	51,309	73,649	60,000	75,000	15,000	25%
Pt Hudson - Showers	5,983	6,091	5,519	6,049	6,211	162	3%
Pt Hudson - Laundry	8,108	7,488	9,626	6,415	9,000	2,585	40%
Pt Hudson - Keys & Fobs	-	276	22	200	208	8	4%
Pt Hudson - Passenger Fee	20,595	27,186	33,977	45,000	46,217	1,217	3%
Pt Hudson - Promotional Sales	1,328	1,239	3,672	1,227	3,600	2,373	193%
Pt Hudson - Miscellaneous Rev	6,087	210	12,236	1,559	1,601	42	3%
Pt Hudson - Enviro Clean-up	-	-	-	-	-	-	-
Total Operating Revenues	\$ 1,512,136	\$ 1,543,207	\$ 1,823,946	\$ 1,907,056	\$ 2,099,317	\$ 192,261	10%
OPERATING EXPENSES							
Point Hudson Salaries & Wages	167,072	173,598	193,127	227,606	260,000	32,394	14%
Point Hudson Payroll Taxes	19,904	25,427	28,275	28,048	28,046	(2)	0%
Point Hudson Employee Benefits	45,943	54,365	55,736	59,589	61,200	1,611	3%
Uniform Expense	987	1,496	600	800	801	1	0%
PH Prop Salaries & Wages	21,825	16,767	17,550	20,747	24,000	3,253	16%
PH Prop Payroll Taxes	2,079	1,337	1,403	4,888	4,887	(1)	0%
PH Prop Employee Benefits	6,771	5,213	5,058	7,988	7,896	(92)	-1%
Maint Salaries & Wages	124,710	107,677	137,491	136,886	153,000	16,114	12%
Maint Payroll Taxes	16,442	16,638	21,222	15,521	21,312	5,791	37%
Maint Employee Benefits	38,999	33,538	39,524	36,825	40,056	3,231	9%
Enviro Salaries & Wages	2,714	3,390	3,285	4,571	7,837	3,266	71%
Enviro Payroll Taxes	2,676	3,111	3,244	592	3,588	2,996	506%
Enviro Employee Benefits	842	1,052	940	-	1,020	1,020	-
Contract Services	27,690	58,332	38,223	25,786	62,201	36,415	141%
Insurance	71,013	111,620	120,224	121,777	125,430	3,653	3%
Facilities & Operations	141,168	94,273	129,609	102,122	128,595	26,473	26%
Utilities	212,825	209,680	214,606	212,535	256,207	43,672	21%
Marketing & Advertising	14,194	22,975	20,229	23,048	26,142	3,094	13%
Travel & Training	1,222	88	179	1,868	1,962	94	5%
2015 LTGO Principal & Int pmts	551,200	546,500	-	551,050	-	(551,050)	-100%
Maintenance Alloc.	-	-	-	-	156,198	156,198	-
General & Administrative	273,774	167,138	448,668	483,620	522,596	38,976	8%
Total Operating Expenses	\$ 1,744,049	\$ 1,654,215	\$ 1,479,193	\$ 2,065,865	\$ 1,892,974	\$ (172,891)	-8%
NET OPERATING INCOME	\$ (231,913)	\$ (111,008)	\$ 344,753	\$ (158,809)	\$ 206,343	\$ 365,152	-230%
Net Operating Income w/o debt	319,287	435,492	344,753	392,241	206,343	(185,898)	-47%

* 2015 LTGO debt paid in full July 1 2025



Herb Beck Marina, Quilcene

Description: At the south end of Linger Longer Road on the west shore of Quilcene Bay, the Port owns about 50 acres of waterfront and uplands. The major tenant is Coast Seafoods (Pacific Shellfish), which operates a large shellfish hatchery and processing facility. The Herb Beck Marina (formerly Quilcene Boat Haven) primarily provides permanent moorage to accommodate about 50 small vessels. The marina's small manmade harbor also has a boat launch ramp which, along with the docks and floats is slated to be replaced over the next three years. In 2008 the Port replaced the site's septic system and sized it with extra capacity for future industry and possible expanded RV use. Parking and restroom facilities are provided next to the only warm water swimming beach in the county.

Revenue: Revenue is expected to increase by \$13,934 over the 2025 Budget. Increased revenues are related to the annual rate adjustment as well as the budget for the recreational ramp fees.

Expenses: Total operating expenses, when compared to the 2025 Budget, are estimated to increase by \$39,718. Increased expenses are due to salaries and benefits, general & administrative costs, maintenance costs, contract services, general liability, property, and marina insurance, and repair & maintenance costs.

Net Operating Income: The 2026 budget estimates a negative Net Operating Income of \$61,097. The Net Operating Income will be subsidized by the newly established Property Tax reserve account, to cover the expenses that exceed actual revenues.





Quilcene

	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2026 Bdgt- 2025 Bdgt Variance	% incr.
OPERATING REVENUES							
Quilcene - Lease Revenue	70,832	76,306	81,981	84,968	89,000	4,032	5%
Quilcene - Permanent Moorage	67,435	74,118	62,047	73,272	75,252	1,980	3%
Quilcene - Liveaboard Fee	-	271	-	-	-	-	
Quilcene - Nightly Moorage	1,878	6,380	6,564	4,180	4,296	116	3%
Quilcene - Showers	2,262	2,152	2,491	2,812	2,889	77	3%
Quilcene - Reservations	198	-	-	-	-	-	
Quilcene - Miscellaneous Revenue	980	158	125	200	206	6	3%
Quilcene - Water	11,274	8,732	10,074	12,922	15,508	2,586	20%
Quilcene - Electric	2,653	1,785	2,048	2,371	2,721	350	15%
Quilcene - Recreational Ramp Fees	11,622	10,026	10,294	-	10,000	10,000	
Quilcene - Commercial Use Fees	5,030	5,400	1,300	-	2,500	2,500	
Quilcene - Empty Trailer Parking	687	945	924	1,200	120	(1,080)	-90%
Quilcene - Kayak Racks	254	-	-	-	-	-	
Total Operating Revenues	\$ 175,104	\$ 186,274	\$ 177,848	\$ 181,925	\$ 202,492	\$ 20,567	11%
OPERATING EXPENSES							
Quilcene Salaries & Wages	37,156	59,495	61,086	73,500	75,000	1,500	2%
Quilcene Payroll Taxes	4,615	8,145	8,709	10,949	10,950	1	0%
Quilcene Employee Benefits	11,632	18,474	17,582	23,500	23,231	(269)	-1%
Quilcene Uniforms	710	328	300	300	300	-	0%
Maint Salaries & Wages	10,771	5,745	9,811	12,296	10,000	(2,296)	-19%
Maint Payroll Taxes	1,336	796	1,370	1,591	1,586	(5)	0%
Maint Employee Benefits	3,511	1,796	2,761	3,639	3,595	(44)	-1%
Enviro Salaries & Wages	614	471	789	762	900	138	18%
Enviro Payroll Taxes	83	65	122	98	120	22	22%
Enviro Employee Benefits	187	149	228	225	240	15	7%
Contract Services	8,240	17,372	8,481	10,717	12,204	1,487	14%
Insurance	9,691	11,169	11,794	11,941	12,299	358	3%
Facilities & Operations	25,018	17,691	14,119	15,195	21,018	5,823	38%
Utilities	13,534	15,704	16,737	16,339	19,754	3,415	21%
Marketing & Advertising	4,597	8,593	10,877	5,294	6,594	1,300	25%
Travel & Training	219	320	59	311	324	13	4%
Maintenance Alloc.	-	-	-	-	15,066	15,066	
General & Administrative	28,481	21,983	43,332	45,498	50,408	4,910	11%
Total Operating Expenses	\$ 160,395	\$ 188,297	\$ 208,155	\$ 232,154	\$ 263,589	\$ 31,435	14%
NET OPERATING INCOME	\$ 14,710	\$ (2,023)	\$ (30,307)	\$ (50,229)	\$ (61,097)	\$ (10,868)	22%





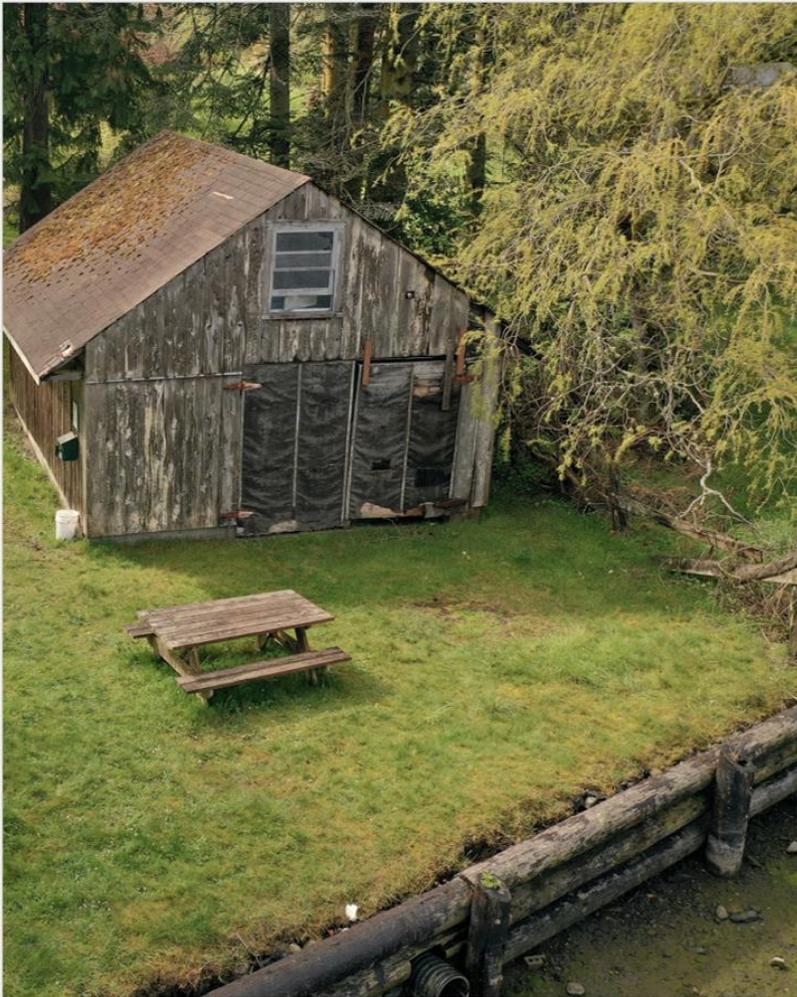
Water Access

Description: The Port owns and operates three boat launch ramps outside of its Quilcene and Port Townsend marinas. They are located at Gardiner on the western shore of Discovery Bay, at the southern end of Mats Mats Bay (a small embayment north of Port Ludlow), and at Port Hadlock on Port Townsend Bay. The Gardiner ramp provides access to an extensive salmon sport fishing area in Discovery Bay and is being fully renovated in 2025. The launch facilities at Mats Mats include a 150-foot loading float and a paved parking lot for about seven vehicles and trailers. The Port Hadlock ramp is adjacent to the Northwest School of Wooden Boatbuilding's Heritage Campus, and the launch facilities include a timber pier and two loading floats. In addition, Union Wharf and City Dock provide access and tie up for vessels.

Revenue: Revenue is expected to increase by \$18,992 over the 2025 Budget. Increased revenues are related to the annual rate adjustment including increased docking fees for cruise ships.

Expenses: Total operating expenses, when compared to the 2025 Budget, are estimated to increase by \$21,843. Increased expenses are due to salaries and benefits, general & administrative costs, maintenance costs, contract services, general liability, property, and marina insurance, and repair & maintenance costs.

Net Operating Income: The 2026 budget estimates a Net Operating Income of \$90,210, a net increase of \$21,843.





Water Access

	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2026 Bdgt- 2025 Bdgt Variance	% incr.	
OPERATING REVENUES								
Ramp Fees	41,192	40,191	38,159	54,175	61,582	7,407	14%	
City Pier & Union Wharf Usage	19,157	20,897	23,754	28,000	40,000	12,000	43%	
Union Wharf - Cruise Ship Garbage	1,039	1,458	559	1,175	500	(675)	-57%	
PTBH - Commercial Use Fees	7,030	3,990	9,660	8,000	8,217	217	3%	
Dinghy Float Revenue	1,093	1,636	870	1,557	1,600	43	3%	
Total Operating Revenues	\$ 69,511	\$ 68,172	\$ 73,002	\$ 92,907	\$ 111,899	\$ 18,992	20%	
OPERATING EXPENSES								
Ramps Salaries & Wages	3,516	5,475	10,500	9,000	10,000	1,000	11%	
Ramps Payroll Taxes	472	841	1,627	1,251	1,600	349	28%	
Ramps Employee Benefits	1,118	1,707	3,037	2,448	3,672	1,225	50%	
Maint Salaries & Wages	6,431	7,402	4,173	9,222	6,000	(3,222)	-35%	
Maint Payroll Taxes	813	1,044	598	1,194	600	(594)	-50%	
Maint Employee Benefits	1,860	2,311	1,204	2,729	1,224	(1,505)	-55%	
Enviro Salaries & Wages	1,795	2,787	3,660	3,809	3,600	(209)	-5%	
Enviro Payroll Taxes	242	415	561	493	492	(1)	0%	
Enviro Employee Benefits	542	866	1,053	1,128	1,119	(9)	-1%	
Contract Services	3,159	4,084	4,907	3,116	7,500	4,384	141%	
Insurance	7,439	11,009	8,673	8,701	8,962	261	3%	
Facilities & Operations	11,726	3,958	2,604	4,275	3,619	(656)	-15%	
Utilities	4,837	3,753	3,353	4,112	4,518	406	10%	
Marketing & Advertising	300	1,202	1,050	1,246	1,284	38	3%	
Maintenance Alloc.	-	-	-	-	8,289	8,289		
General & Administrative	8,894	3,930	11,710	15,645	27,731	12,086	77%	
Total Operating Expenses	\$ 53,145	\$ 50,783	\$ 58,710	\$ 68,367	\$ 90,210	\$ 21,843	32%	
NET OPERATING INCOME	\$ 16,366	\$ 17,388	\$ 14,291	\$ 24,540	\$ 21,689	\$ (2,851)	-12%	





Jefferson County International Airport (JCIA)

Description: Begun by the US Army in 1920 as a grass strip at “Station Prairie” four miles southwest of Port Townsend, the JCIA is the county’s only general aviation airport. It was originally developed as an auxiliary military training field prior to World War II and was transferred first to Jefferson County and then to the Port in 1959. In 1990, the FAA funded construction of a 3,000 foot long, 75-foot-wide runway and supporting taxiway. Until that time, JCIA was the only international airport in the lower 48 states without a paved runway.

The Port has more than doubled its initial landholding at JCIA to 316 acres, and in 2020 the original paved runway was completely reconstructed.

Airport tenants offer a wide range of aviation support services, including aircraft rentals, flight instruction, aviation fuel, airframe and power plant maintenance and repair, and a restaurant. The Airport is both home to and a popular destination for recreational pilots and is an international airport of entry, used frequently by Canadian pilots. More than 154 aircraft are presently based at JCIA. Private developers began construction in 2007 on 8 new hangar sites. Today, JCIA hosts 20 separate hangar buildings with 133 individual units, along with seven individual “T-Hangar” pads. In 2008 the Port Townsend Aero Museum opened its doors at JCIA, with a mission devoted to preserving the Pacific Northwest’s aviation heritage and the future of flight.

In 2008, Jefferson County rezoned 24-acres of Port-owned land south of the runway for non-aviation-related light industrial development. This zoning was expanded to include a further 43.5 acres of Port-owned land (67.5 acres total) in 2024. Planning and development of this rural light industrial park is presently underway, and 12-acres have already been leased for industrial wood processing activities and the sale of products manufactured on-site.

Revenue: Revenue is expected to increase by \$244,412 over the 2025 Budget. Increased revenues are primarily related to the new fueling service center anticipated to open Spring 2026. Also included are increases related to the annual rate adjustments.

Expenses: Total operating expenses, when compared to the 2025 Budget, are estimated to increase by \$273,922. Increased expenses are primarily due to the new fueling service center but also include increases for salaries and benefits, general & administrative costs, maintenance costs, contract services, general liability, property, and marina insurance, and repair & maintenance costs.

Net Operating Income: The 2026 budget estimates a negative Net Operating Income of \$55,617. The Net Operating Income will be subsidized by the newly established Property Tax reserve account, to cover the expenses that exceed actual revenues.





Jefferson County International Airport (JCIA)

	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2026 Bdgt- 2025 Bdgt Variance	% incr.
OPERATING REVENUES							
JCIA - Lease Revenue	116,958	128,490	145,636	178,050	260,000	81,950	46%
JCIA - Hangar Revenue	38,890	40,502	44,138	45,452	50,000	4,548	10%
JCIA - Fuel Lease Revenue	2,054	2,016	2,438	2,086	2,128	42	2%
JCIA - Fuel Sales Revenue	-	-	-	-	156,250	156,250	
JCIA - Electric	1,220	-	-	-	-	-	
JCIA - Vehicle Parking Revenue	800	1,420	80	1,402	1,439	37	3%
JCIA - Aircraft Parking	1,588	4,539	3,894	2,642	4,200	1,558	59%
JCIA - Miscellaneous Revenue	4,746	755	1,062	905	932	27	3%
Total Operating Revenues	\$ 166,256	\$ 177,722	\$ 197,248	\$ 230,537	\$ 474,949	\$ 244,412	106%
OPERATING EXPENSES							
JCIA Salaries & Wages	13,944	15,982	14,437	17,150	17,500	350	2%
JCIA Payroll Taxes	1,682	2,201	1,967	1,900	1,900	-	0%
JCIA Employee Benefits	4,364	4,974	4,162	5,823	5,761	(62)	-1%
JCIA Fuel Salaries & Wages	-	-	-	-	10,000	10,000	
JCIA Fuel Payroll Taxes	-	-	-	-	2,000	2,000	
JCIA Fuel Employee Benefits	-	-	-	-	1,000	1,000	
Maint Salaries & Wages	30,228	35,146	38,695	43,035	42,000	(1,035)	-2%
Maint Payroll Taxes	3,762	5,062	5,660	5,571	6,000	429	8%
Maint Employee Benefits	9,353	10,853	11,039	12,735	12,588	(147)	-1%
Enviro Salaries & Wages	2,331	2,435	2,984	3,818	3,600	(218)	-6%
Enviro Payroll Taxes	313	364	457	493	488	(5)	-1%
Enviro Employee Benefits	715	756	855	1,128	1,119	(9)	-1%
Contract Services	21,120	21,176	15,679	14,836	19,500	4,664	31%
Insurance	40,487	50,376	63,098	64,160	76,085	11,925	19%
JCIA Fueling Operations	2,480	276	-	-	133,471	133,471	
Facilities & Operations	13,660	11,106	22,738	11,702	23,793	12,091	103%
Utilities	15,101	14,431	15,511	15,394	18,634	3,240	21%
Marketing & Advertising	-	-	1,271	1,246	1,557	311	25%
Maintenance Alloc.	-	-	-	-	35,338	35,338	
General & Administrative	28,465	21,447	53,219	57,655	118,232	60,577	105%
Total Operating Expenses	\$ 188,005	\$ 196,585	\$ 251,771	\$ 256,644	\$ 530,566	\$ 273,922	107%
NET OPERATING INCOME	\$ (21,749)	\$ (18,862)	\$ (54,524)	\$ (26,107)	\$ (55,617)	\$ (29,510)	113%





Short's Farm Property

Description: In the summer of 2023, the Port acquired the 253-acre Short's Family Farm in Chimacum, one of the largest contiguous agricultural land holdings in the County. The Commission authorized the purchase of the farm with the objective of developing and maintaining infrastructure and establishing uses of the property that will help sustain and expand agriculture in Jefferson County.

In purchasing and managing the farm, the Port's central objective is to strengthen the agricultural sector of our local economy and support the health of our local food system.

Since purchasing the farm, the Port has focused on addressing critical maintenance issues (e.g., electrical upgrades, improving drainage by removing reed canary grass in the creek, water line and pump improvements, etc.), and entering into short-term lease agreements to put the land and farm buildings back into active agricultural use. By spring of 2024, the Port had leased more than half of the acreage, mainly for livestock, hay and crops, as well as a few farm buildings. Because two salmon-bearing creeks traverse the property, the farm also presents an unprecedented opportunity for the Port to improve habitat conditions for migratory fish.

Revenue: Revenues for the 2026 Budget are estimated at \$48,300, similar to 2025 Budget. The operating revenues include lease revenues for the farm structures, agricultural land and WDFW use license fees.

Expenses: Total operating expenses, when compared to the 2025 Budget, are estimated to increase by \$63,287. Increased expenses are primarily due to the addition of a permanent farm laborer position as well as a part-time temporary farm workers plus increased budget for maintenance staff to address deferred maintenance of the property. In addition to the operational budget, capital work is planned for the farmhouse remodel as well as other capital projects around the farm.

Net Operating Income: The 2026 budget estimates a negative Net Operating Income of \$55,617. The Net Operating Income will be subsidized by the newly established Property Tax reserve account, to cover the expenses that exceed actual revenues.





Short Farm Property

	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2026 Bdg- 2025 Bdg Variance	% incr.
OPERATING REVENUES							
SHORT FARM - AG Leases	-	-	2,113	7,500	15,000	7,500	100%
SHORT FARM - Bldg Lease / Rental	-	-	454	-	6,000	6,000	
SHORT FARM - Land Lease / Rental	-	-	3,717	-	18,000	18,000	
SHORT FARM - Leases	-	-	-	30,000	-	(30,000)	-100%
SHORT FARM - WDFW License Fee	-	-	-	10,000	9,000	(1,000)	-10%
SHORT FARM - Electric	-	-	-	-	300	300	
Total Operating Revenues	\$ -	\$ -	\$ 6,284	\$ 47,500	\$ 48,300	\$ 800	2%
OPERATING EXPENSES							
SALARIES & WAGES: SHORT	-	-	8,882	83,400	75,000	(8,400)	-10%
PAYROLL TAXES: SHORT	-	-	1,248	18,000	7,500	(10,500)	-58%
EMPLOYEE BENEFITS: SHORT	-	-	2,491	8,940	20,400	11,460	128%
REPAIR/MAINT SALARIES-SHORT	-	-	37,330	12,000	48,000	36,000	300%
REPAIR/MAINT TAXES-SHORT	-	-	5,303	1,800	10,000	8,200	456%
REPAIR/MAINT BENEFITS: SHORT	-	-	10,536	4,000	18,360	14,360	359%
ENVIRO SALARIES-SHORT FARM	-	-	2,821	3,809	4,026	217	6%
ENVIRO TAXES-SHORT FARM	-	-	426	493	493	-	0%
ENVIRO BENEFITS-SHORT FARM	-	-	819	1,128	1,128	-	0%
Contracted Services: SHORT FARM	-	-	471	7,500	15,000	7,500	100%
OPERATING SUPPLIES-SHORT FARM	-	-	2,198	6,000	-	(6,000)	-100%
INSURANCE: SHORT	-	-	1,450	15,806	22,000	6,194	39%
UTILITIES - ELECTRIC: SHORT	-	-	988	2,595	3,112	517	20%
Maintenance Alloc.	-	-	-	-	3,594	3,594	
General & Administrative	-	-	-	11,879	12,024	145	1%
Total Operating Expenses	\$ -	\$ -	\$ 74,963	\$ 177,350	\$ 240,637	\$ 63,287	36%
NET OPERATING INCOME	\$ -	\$ -	\$ (68,678)	\$ (129,850)	\$ (192,337)	\$ (62,487)	48%





Maintenance – General

Description: The Port’s Maintenance department is responsible for maintaining Port facilities located at Boat Haven, Point Hudson, JCIA, Quilcene, Port Hadlock, Mats Mats, Gardiner, City Dock, Union Wharf and the 253 Acre Short’s Farm as well as the completing maintenance on the Port’s vehicle and equipment fleet. In addition to regular maintenance, the maintenance department supports capital project work and has completed many renovation and preservation projects around the Port.

Expenses: 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 or capital projects are included here under Maintenance - General. Variances between the 2026 budget and 2025 budget show year-to-year activity variances for non-specific departmental maintenance activity. It is anticipated the 2026 budget in Maintenance will increase by 17% increase in overall spending. Increased spending is related to completing deferred maintenance improvements of the Port’s infrastructure. Maintenance costs are distributed to the operational units based on YTD revenues.





Maintenance - General

	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2026 Bdgt- 2025 Bdgt Variance	% incr.
OPERATING EXPENSES							
Salaries & Wages	226,207	243,158	330,217	305,325	350,000	44,675	15%
Payroll Taxes	22,234	25,230	36,474	36,909	39,000	2,091	6%
Employee Benefits	71,178	76,585	95,296	82,384	96,900	14,516	18%
Uniform Expense	9,466	5,877	8,606	5,220	5,244	24	0%
Contract Services	1,314	1,757	1,995	3,406	9,000	5,594	164%
Insurance	30,774	13,317	18,952	17,884	18,421	537	3%
Facilities & Operations	122,217	133,031	126,252	134,923	169,933	35,010	26%
Utilities	7,137	9,293	7,190	11,079	13,327	2,248	20%
Advertising (legal)	-	2,028	285	311	321	10	3%
Travel & Training	3,176	1,226	1,222	1,848	1,940		5%
Maintenance Allocation	-	-	-	-	(704,086)	(704,086)	
Total Operating Expenses	493,703	511,504	626,489	599,289	-	\$ (599,289)	-100%





Administration

The Port's administration consists of the Commission, Executive Director and staff, engineering department and accounting department. Prior to 2024, engineering expenses were included in the executive budget. Administration provides overall support to the operations and capital work of the Port. The General and Administrative costs are distributed to the operational units based on YTD revenues. Time and materials spent on capital are directly charged to individual projects and the costs are reflected in the capital budget.

	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget	2026 Bdgt- 2025 Bdgt Variance	% incr.
OPERATING EXPENSES							
Acctg Salaries & Wages	352,916	394,612	480,347	559,742	562,000	2,258	0%
Acctg Payroll Taxes	27,702	31,107	37,924	72,460	72,465	5	0%
Acctg Employee Benefits	117,174	138,488	153,685	165,634	163,740	(1,894)	-1%
Exec Salaries & Wages	432,038	503,543	428,568	527,976	450,000	(77,976)	-15%
Exec Payroll Taxes	30,843	35,851	29,342	68,347	48,000	(20,347)	-30%
Exec Employee Benefits	140,318	152,566	121,161	156,234	159,120	2,886	2%
Comm Salaries & Wages	73,762	77,042	49,078	87,078	75,000	(12,078)	-14%
Comm Payroll Taxes	5,742	6,008	6,246	11,272	7,200	(4,072)	-36%
Comm Employee Benefits	22,887	24,027	22,255	25,768	25,474	(294)	-1%
Eng Salaries & Wages	-	-	131,398	-	200,000	200,000	
Eng Payroll Taxes	-	-	11,082	-	15,000	15,000	
Eng Employee Benefits	-	-	40,825	-	44,556	44,556	
Contract Services	162,607	206,105	168,309	233,524	229,699	(3,825)	-2%
Legal Expense	49,388	38,737	34,386	37,500	40,560	3,060	8%
Insurance	36,030	11,306	8,907	8,935	9,204	269	3%
Audit Expense	6,798	32,528	39,724	42,000	46,200	4,200	10%
Facilities & Operations	44,303	47,986	49,854	50,151	63,686	13,535	27%
Utilities	13,533	15,434	13,535	16,118	19,335	3,217	20%
Marketing & Advertising	27,402	54,503	47,612	37,196	55,229	18,033	48%
Travel & Training	58,003	57,534	54,617	73,582	86,445	12,863	17%
Community Relations	1,276	15,649	49,137	55,014	66,413	11,399	21%
General & Administrative	(1,223,177)	(876,710)	(2,024,219)	(2,248,079)	(2,439,326)	(191,247)	9%
Total Operating Expenses	\$ 379,544	\$ 966,315	\$ (46,228)	\$ (19,550)	\$ -	\$ 19,550	-100%

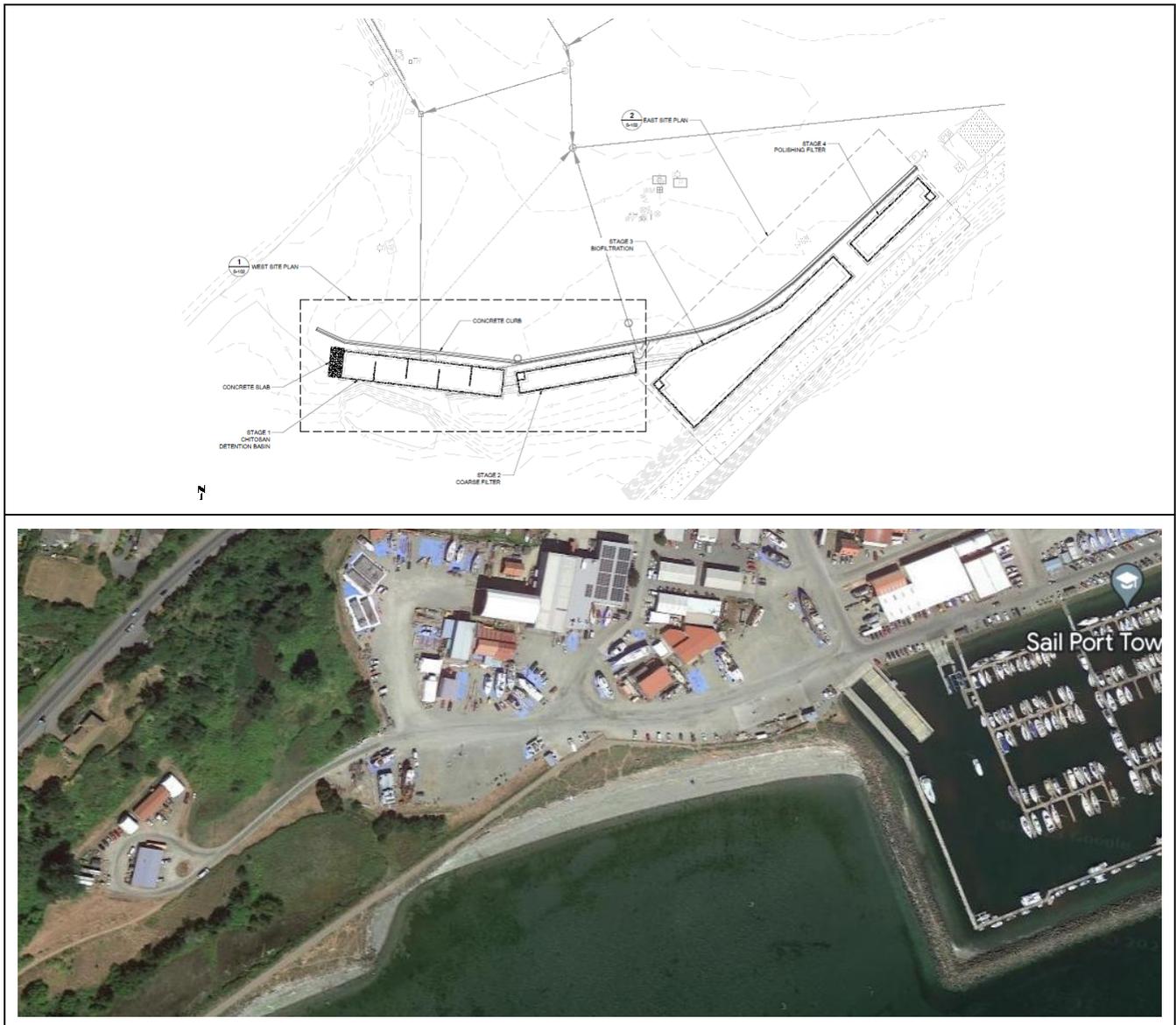




2026 CAPITAL BUDGET

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 29 planned projects in various stages of development in the 2026 budget, amounting to \$18,084,164 in capital expenditures and approximately \$2,714,000 in unsecured funding. We have \$6,273,460 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 2026 budgeted projects.





2026 CAPITAL PROJECT SCOPE

Boat Haven

Boat Haven Main Breakwater Repair

The eastern 580 feet of the main breakwater at Boat Haven was originally constructed in 1935. Portions of this section of breakwater suffered considerable damage during a storm on December 20, 2018, that requires repair. Federal permits have been issued, and the Port successfully secured an \$800,000 grant from the Maritime Administration (USDOT) through their Port Infrastructure Development Program (PIPD). Repair construction is planned for 2026 and is estimated to cost \$2,800,000, with Port match comprised by funding from the Boat Haven Capital Reserve, Industrial Development District Levy, and mitigation credits earned through the removal of creosote piles that were a part of the old Point Hudson Breakwater structure.

Marina Dredging

The Marina Dredge project aims to dredge select areas of the Boat Haven Marina to maintain navigational access. Dredging will occur along the south edge of the navigation channel near the entrance by New Day Fisheries, near the 300-ton and 75-ton haul-out piers, and along the inside corner of the breakwater near the linear dock.

Sea Level Rise Project

In 2024 and 2025, the Port worked with KPFF Consulting to complete 10% preliminary design plans with the expectation of submitting a grant application for Building Resilience in Communities (BRIC) through FEMA in hopes of securing funding for design and construction. In 2025, the BRIC program was cancelled. The money programmed in 2026 has been allocated to allow Port staff to pursue other potential funding opportunities to advance design and construction.

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 severe weather events. The project is to follow the City of Port Townsend’s Shoreline Master Program and will aim to incorporate pedestrian access referred to as the “Waterwalk” along the entire project’s coastal frontage.

Sims Gateway & North Boatyard Expansion

The boatyard expansion to the northwest and gateway improvements along the south side of Sims Way (SR 20) is a partnership project with the PUD and City to expand the boatyard, improve power infrastructure, and implement the City’s Gateway Development Plan. The expansion of the boatyard will provide additional workspace for the marine trades and improve the safety and flexibility of boatyard operations. The project estimates in the Capital Improvement Program are inclusive of City and Port costs only, since the tree removal and power infrastructure improvements are managed by PUD will occur prior to and will be managed separately from yard widening and landscape improvements. The Port’s portion of the project is estimated at \$1.37M in 2025. The Port, PUD, and City obtained two separate grants through the County Public Infrastructure Fund (PIF) in 2021 and 2023 for this project, totaling \$1.3M; the Port’s portion of this grant is \$450,000, with the balance of the Port’s funding obligations covered by IDD reserves.

Boat Haven Stormwater System Improvement

The Boat Haven Boatyard operates under a Boatyard General Stormwater Permit, which establishes specific requirements for treating stormwater runoff from industrial boatyard activities. These requirements are more stringent than the General Stormwater Permits that apply to municipalities in the City and County, and they are updated every five years.

This project is designed to treat boatyard stormwater before it is discharged into Port Townsend Bay to meet permit requirements. The system will provide treatment for more than 31 acres of boatyard area, including 7 acres planned for future expansion. Construction began in 2025 and is anticipated to be completed in 2026.

West Boatyard Expansion

This project aims to expand the boatyard to fill the undeveloped area north of the maintenance yard access road and west of the current boatyard work area to potentially increase the usable yard area up to an additional 4.16 acres. With the help of a



Community Economic Revitalization Board (CERB) grant through the WA Department of Commerce planning and stakeholder outreach was completed in 2023. The Port intends to pursue yard expansion in a phased approach, with permitting and design moving forward in 2026 and 2027. During this time, the Port is actively seeking funding for the first phase of construction with the goal of beginning construction in 2027.

Boat Haven Building/Facility Preservation

The buildings and facilities at Boat Haven require regular maintenance and upkeep to ensure they remain viable for marine trade use. This program budgets \$100,000 of funding annually to renovate and refresh these facilities periodically (once every 10 years), with the majority of work performed by Port staff.

Included in this program are the Sperry buildings constructed in the early 1970s. Due to their moderate to substantial condition issues, their repair has been prioritized through 2027, with an estimated two buildings addressed each year. The Sperry building repairs and renovations will be covered by IDD levy funds and are estimated to cost \$50,000 in 2026.

Yard Electrical Upgrades

This project aims to improve electrical service to support marine trades at Boat Haven. The improvements include, but are not limited to, more receptacles, larger amp circuits, additional access to 240-volts circuits, and access to 3-phase 240/480 power.

Puget Sound to Pacific (PS2P) Trail Project (planning only)

The Port of Port Townsend is a co-recipient along with 13 other jurisdictions of the RAISE grant for the Puget Sound to Pacific Trail from Kitsap County to Neah Bay. The Port has received planning dollars for pre-design work for two segments: J-282, known as the “Larry Scott Trail Spur” between the boatyard and the Haines Place Park and Ride facility, and J-284, the segment of trail connecting Boat Haven with the Washington State Ferry Terminal. The grant award amounts for the two segments are \$250,000 and \$300,000, respectively

Point Hudson

Building/Facility Preservation & Energy Efficiency Improvement Project

As outlined in the Point Hudson Rehabilitation Plan (2020), this program is dedicated to the restoration of Point Hudson’s original Quarantine and Naval Station buildings. This rehabilitation includes, but is not limited to indoor air quality, heat pump air conditioning and heating, barrier-free accessibility, interior finishes, plumbing and electrical upgrades and energy efficiency, including decarbonization.

Point Hudson Roof Replacement/Weatherization

Using Heritage Capital Project grant funding from the State of Washington, this project will replace existing asbestos-cement shingle and asphalt shingle roofing, nearing the end of their service life, for nine buildings on the north and east side of the Point Hudson harbor. The project, which will result in standing seam metal roof protection for the nine buildings, includes asbestos remediation and re-installation of gutters, downspouts, and other architectural features.

Sail Loft Building Structural Repairs

The Sail Loft Building, also known as the Armory Building, or historically as the Signal Tower Building, needs structural repairs focused on the building’s foundation systems and the overhead door structural support at the south wall of the building. A structural engineer has been enlisted to evaluate the structure and to recommend design solutions to be packaged into a project to be constructed by a contractor.

Mariners’ Memorial

The Port of Port Townsend in partnership with Port Townsend Foundry and other community partners plans to install a memorial honoring Jefferson County residents lost at sea. The project fulfills a vision long held by retired marine trades professional Bernie Arthor. The Mariners’ Memorial is planned to be installed at the Point Hudson breakwater walkway.



Jefferson County International Airport

Airport Master Plan Update

The airport master plan update is a periodic planning document for JCIA. The last master plan was completed in 2014. The upcoming update will outline the necessary facility improvements for the next 5, 10, and 20 years. This master plan is crucial for securing capital project funding from the Federal Aviation Administration.

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 of this work over the next 5 years is estimated at \$25,000 annually and will be performed by Port staff.

Rural Light Industrial Park (24 acres)

This project advances 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. The remaining design, engineering, and permitting scheduled for 2026 is estimated at \$75,000 and will advance design plans from 90% to 100%, funded by a PIF grant from Jefferson County. A second PIF grant from Jefferson County is intended to fund road access construction in 2026 with match from the IDD reserve. The Port plans to pursue additional funding for construction with the intention of beginning site development in 2027.

Airport Pilot Center

The Jefferson County International Airport (JCIA) is a Port owned asset. The Pilot Center project will provide transient “fly-in” and local pilots based and JCIA a space to make flight plans, use the bathroom (only a porta-potty is now available) and or wait for transportation to take them to local restaurants, hotels, or shops. The Port plans to build a new pilot center building or site a prefabricated modular building, complete with a septic system, for \$300,000.

Fuel System Improvement

The Port worked with the Pollution Liability Insurance Agency (PLIA) to decommission the underground fuel tank in 2025 which was at the end of its useful life and did not meet current insurance standards. The Port has secured Federal Aviation Administration (FAA) Bipartisan Infrastructure Law (BIL) funding and Airport Improvement Program (AIP) funding to design and construct the replacement above ground fueling system in 2026. The Port will be providing match from the IDD reserve in the amount of \$60,245 after final retroactive reimbursements from FY27 AIP funding.

Airport Wide Pavement Preservation (Crack/Slurry Seal)

This project aims to enhance the longevity and functionality of JCIA pavement infrastructure through targeted preservation efforts. Key activities will include sealing cracks and slurry sealing to prevent water infiltration and further deterioration, which is essential for maintaining the integrity of the pavement surfaces. The project also includes re-stripping the taxiway, taxi lanes, and apron.

Quilcene

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 permeable gravel surfacing instead of asphalt pavement at each campsite. Design is scheduled for 2026 and will be performed in house.



Boat Launch & Facility Improvements

The boat launch replacement project at Herb Beck Marina aims to replace the deteriorating existing structure with a new ramp and handling float. The upgraded facility will provide ADA access and improve the ease of use of this facility. Additional upgrades at Herb Beck Marina include renovation of the bathroom facilities, performed by Port staff, and parking lot improvements

Short's Family Farm

Farm Property/Facility Maintenance

This program at the Short's Family Farm maintains and restores structures, facilities, and habitat at the property recently acquired by the Port. Examples of this work include maintenance and restoration of the main farmhouse and barns, site grading, and vegetation management.

Other Capital

Port Equipment/Vehicle Replacement

In 2025, the Port was awarded \$1.33M for a new 75 Ton Electric Travelift, with the first payment installment made in October of 2025. Final payments will be remitted and the Travelift will be constructed and delivered by late 2026. Port match is \$270K coming from the Port Wide Capital Reserve.

Additional planned equipment includes a new (used) dump truck, an excavator and trailer, two (2) used trucks/vans for maintenance team's use on jobsite, a remote controlled mower, and budget for necessary computer replacements/upgrades. Additionally, money has been programmed for 2026 to implement an electronic records management system, for which the Port is pursuing a grant for approximately \$30k of the total cost.

Port-Wide – Yard/Parking/RV Resurfacing

This ongoing capital program aims to grade, resurface with gravel, or repave with asphalt various Port-owned properties as part of continued capital asset management. The estimated cost is \$25,000 per year for the next 5 years with funding from unreserved cash balances.

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 but may also be performed by hired consultants and contractors. Examples might include replacing the coin-based laundry and shower payment system with a card/phone-based payment system or creating, upgrading the network servers or creating a work order system for maintenance.

Boat Haven Bulkhead Repair/Replacement

In 2022, prolonged king tide events caused the 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.

Boat Haven 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.

City Dock Repair

In 2021, dock support piles, beams, and connections to the decking were damaged at City Dock, causing the entire end section of the facility to sway laterally, compromising the structural integrity of the facility. In October 2024, the Port received a grant from FEMA to complete preliminary engineering to a 40% level for repairs to the damaged dock.

Point Hudson Shoreline Repair

During the federally declared disaster of November 3-8, 2022 (DR 4682), damage was experienced at Point Hudson's shoreline at the marina harbor's eastern, western and northern banks and the shoreline along the Centennial Trail in front of the Commander's Beach House. The Port is working with FEMA to receive Public Assistance (PA) Funds to make the necessary repairs.





CAPITAL PROJECT COSTS & FUNDING

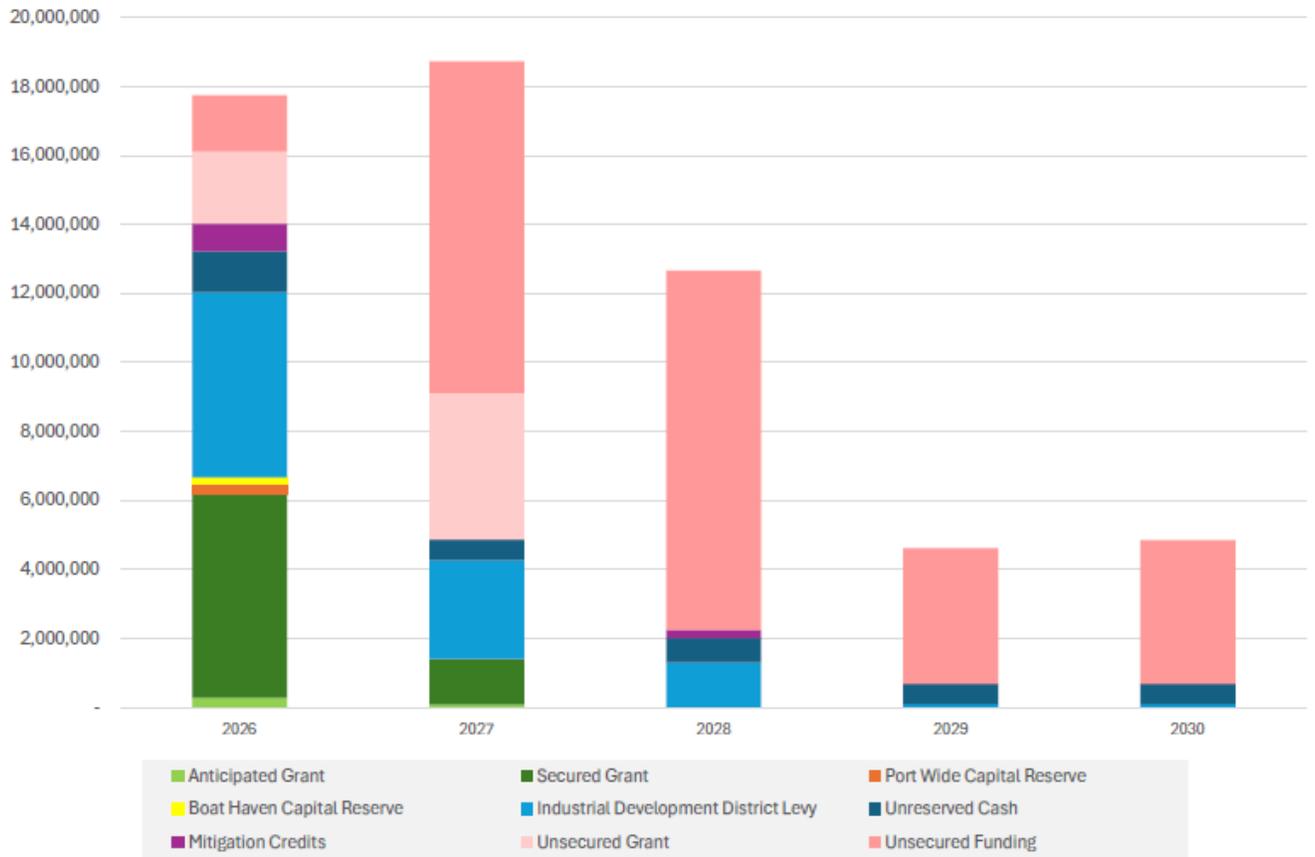
2026 – 2030 Capital Project Costs

Project	2026	2027	2028	2029	2030	5 Year Total
Boat Haven	8,590,000	6,676,000	200,000	100,000	600,000	16,166,000
Main Breakwater Project	2,800,000	-	-	-	-	2,800,000
Marina Dredging	150,000	550,000	-	-	-	700,000
Sea Level Rise Project	25,000	-	-	-	-	25,000
Sims Gateway & North Boatyard Expansion	1,900,000	-	-	-	-	1,900,000
Stormwater Improvement Project	2,800,000	-	-	-	-	2,800,000
West Boatyard Expansion	705,000	5,370,000	-	-	-	6,075,000
Building/Facility Preservation (Interior Refurbishment, Exterior Improvements)	100,000	100,000	100,000	100,000	100,000	500,000
Yard Electrical Upgrades	100,000	100,000	100,000	-	-	300,000
Puget Sound to Pacific (PS2P) Trail Project	10,000	556,000	-	-	-	566,000
C and D Dock Rehabilitation	-	-	-	-	500,000	500,000
Point Hudson	2,850,000	2,110,000	1,935,000	1,500,000	3,652,000	12,047,000
Cantilevered Esplanade	-	-	-	375,000	3,275,000	3,650,000
Building/Facility Preservation & Energy Efficiency Improvement	645,000	1,110,000	1,285,000	1,125,000	377,000	4,542,000
Roof Replacement/Weatherization (Standing Seam Metal Roof)	2,005,000	-	-	-	-	2,005,000
Sail Loft Building Structural Repairs	100,000	-	-	-	-	100,000
RV Park Upgrades & Restoration	-	1,000,000	650,000	-	-	1,650,000
Mariners' Memorial	100,000	-	-	-	-	100,000
JCIA	2,814,664	3,725,000	3,725,000	25,000	25,000	10,314,664
JCIA Master Plan Update	229,632	-	-	-	-	229,632
Airport Pilot Center	300,000	-	-	-	-	300,000
Stormwater Management	25,000	25,000	25,000	25,000	25,000	125,000
Rural Light Industrial Park (24 acres)	775,000	3,700,000	3,700,000	-	-	8,175,000
Fuel System Improvement	911,133	-	-	-	-	911,133
Pavement Preservation	573,899	-	-	-	-	573,899
Quilcene	1,085,000	1,689,500	2,713,500	-	-	5,488,000
Campground	20,000	-	180,000	-	-	200,000
Marina Dredge, Dock, and Gangway Replacement	-	634,500	2,533,500	-	-	3,168,000
Herb Beck Boat Launch & Facility Improvements	1,065,000	1,055,000	-	-	-	2,120,000
Short's Family Farm	150,000	150,000	150,000	150,000	150,000	750,000
Farm Property/Facility Maintenance	150,000	150,000	150,000	150,000	150,000	750,000
Water Access	-	464,000	1,515,000	212,000	-	2,191,000
Mats Mats Bay Facilities	-	30,000	-	-	-	30,000
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
Other	1,590,000	275,000	275,000	275,000	275,000	2,690,000
Port Equipment/Vehicle Replacement	1,565,000	-	-	-	-	1,565,000
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	250,000	250,000	1,000,000
Emergency	670,000	3,650,000	2,100,000	2,300,000	100,000	8,820,000
Small Capital Projects	100,000	100,000	100,000	100,000	100,000	500,000
Boat Haven Bulkhead Repair (FEMA DR-4650)	100,000	-	-	-	-	100,000
Boat Haven Pavement Repair (FEMA DR-4650)	20,000	-	-	-	-	20,000
City Dock Repair (FEMA DR-4593)	200,000	500,000	-	-	-	700,000
Mats Mats Bulkhead Repair (FEMA DR-4682)	-	100,000	200,000	1,200,000	-	1,500,000
Point Hudson Marina Revetment Repair (FEMA DR-4682)	-	250,000	1,600,000	-	-	1,850,000
Point Hudson Shoreline Repair (FEMA DR-4682)	250,000	2,600,000	-	-	-	2,850,000
Quilcene Revetment Repair (FEMA DR-4682)	-	100,000	200,000	1,000,000	-	1,300,000
Grand Total	17,749,664	18,739,500	12,613,500	4,562,000	4,802,000	58,466,664



2026 – 2030 Capital Project Funding Sources

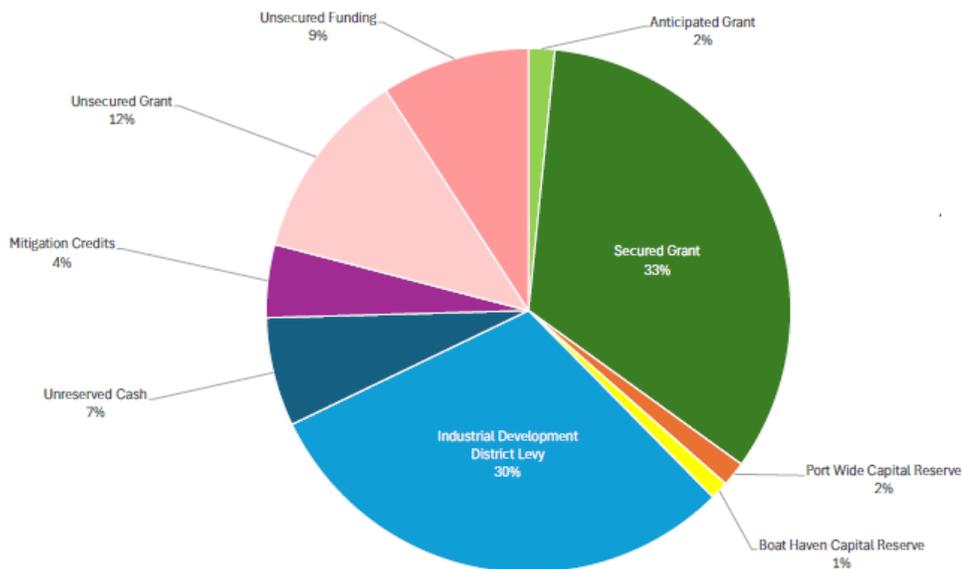
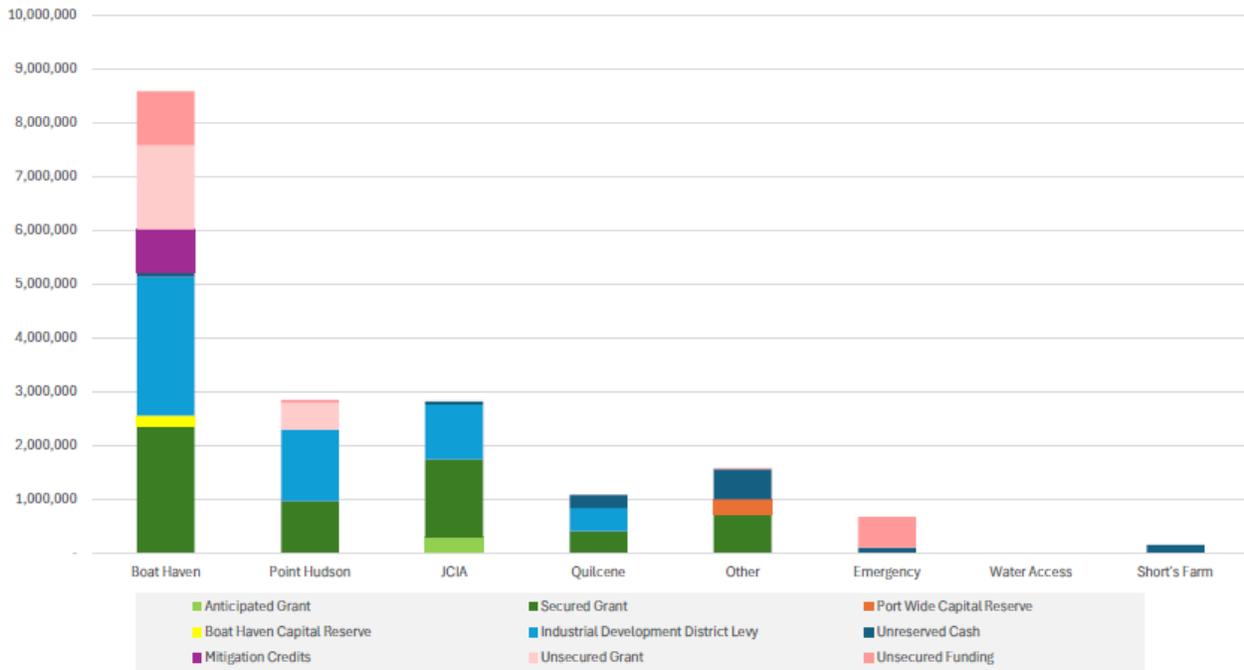
Row Labels	2026	2027	2028	2029	2030	5 Year Total
Anticipated Grant	287,000	93,363	-	-	-	380,363
Secured Grant	5,916,460	1,315,500	-	-	-	7,231,960
Port Wide Capital Reserve	270,000	-	-	-	-	270,000
Boat Haven Capital Reserve	200,000	-	-	-	-	200,000
Industrial Development District Levy	5,371,222	2,864,637	1,303,500	100,000	100,000	9,739,359
Unreserved Cash	1,190,982	606,000	720,000	600,000	600,000	3,716,982
Mitigation Credits	800,000	-	240,000	-	-	1,040,000
Unsecured Grant	2,094,000	4,246,000	(50,000)	(50,000)	(50,000)	6,190,000
Unsecured Funding	1,620,000	9,614,000	10,400,000	3,912,000	4,152,000	29,698,000
Funded Total	14,035,664	4,879,500	2,263,500	700,000	700,000	22,578,664
Funded Percentage	79%	26%	18%	15%	15%	39%
Grand Total	17,749,664	18,739,500	12,613,500	4,562,000	4,802,000	58,466,664





2026 Capital Project Funding by Location

Row Labels	Boat Haven	Point Hudson	JCIA	Quilcene	Other	Emergency	Water Access	Short's Farm	2026 Total
Anticipated Grant	-	-	287,000	-	-	-	-	-	287,000
Secured Grant	2,354,000	970,000	1,455,960	406,500	730,000	-	-	-	5,916,460
Port Wide Capital Reserve	-	-	-	-	270,000	-	-	-	270,000
Boat Haven Capital Reserve	200,000	-	-	-	-	-	-	-	200,000
Industrial Development District Levy	2,587,000	1,330,000	1,025,722	428,500	-	-	-	-	5,371,222
Unreserved Cash	85,000	-	45,982	250,000	560,000	100,000	-	150,000	1,190,982
Mitigation Credits	800,000	-	-	-	-	-	-	-	800,000
Unsecured Grant	1,564,000	500,000	-	-	30,000	-	-	-	2,094,000
Unsecured Funding	1,000,000	50,000	-	-	-	570,000	-	-	1,620,000
Funded Total	6,026,000	2,300,000	2,814,664	1,085,000	1,560,000	100,000	-	150,000	14,035,664
Funded Percentage	70%	81%	100%	100%	98%	15%	N/A	100%	79%
Grand Total	8,590,000	2,850,000	2,814,664	1,085,000	1,590,000	670,000	-	150,000	17,749,664





5-YEAR CAPITAL IMPROVEMENT PROGRAM (2026 – 2030)

Project	2026	2027	2028	2029	2030	5 Year Total
Boat Haven	-	-	-	-	-	-
Main Breakwater Project	-	-	-	-	-	-
(CA) Construction Administration	167,000	-	-	-	-	167,000
(CN) Environmental Mitigation	800,000	-	-	-	-	800,000
(CN) Construction	1,833,000	-	-	-	-	1,833,000
(S) Mitigation Credits	(800,000)	-	-	-	-	(800,000)
(S) MARAD PIPD Grant	(800,000)	-	-	-	-	(800,000)
(BH) Boat Haven Capital Reserve	(100,000)	-	-	-	-	(100,000)
(BH) Staff Compensation (Environmental)	(30,000)	-	-	-	-	(30,000)
(BH) Staff Compensation (Engineering)	(70,000)	-	-	-	-	(70,000)
(U) CERB Rural Ports Program	(1,000,000)	-	-	-	-	(1,000,000)
Marina Dredging	-	-	-	-	-	-
(PE) Design	150,000	-	-	-	-	150,000
(CN) Construction	-	550,000	-	-	-	550,000
(IDD) Port Funds	(100,000)	(525,000)	-	-	-	(625,000)
(IDD) Staff Compensation (Engineering)	(50,000)	(25,000)	-	-	-	(75,000)
Sea Level Rise Project	-	-	-	-	-	-
(PL) Planning	25,000	-	-	-	-	25,000
(URC) Port Funds	(25,000)	-	-	-	-	(25,000)
Sims Gateway & North Boatyard Expansion	-	-	-	-	-	-
(PE) Design	20,000	-	-	-	-	20,000
(CA) Construction Administration	117,000	-	-	-	-	117,000
(CN) Construction (Yard Widening, Pathway, Landscaping)	1,763,000	-	-	-	-	1,763,000
(S) Jefferson County PIF Grant 2021 (Port + City)	(213,000)	-	-	-	-	(213,000)
(S) Jefferson County PIF Grant 2023 (City)	(500,000)	-	-	-	-	(500,000)
(IDD) Port Funds	(1,117,000)	-	-	-	-	(1,117,000)
(IDD) Staff Compensation (Engineering)	(70,000)	-	-	-	-	(70,000)
Stormwater Improvement Project	-	-	-	-	-	-
(CN) Construction (Sims Way Component)	2,800,000	-	-	-	-	2,800,000
(S) WA Dept. Commerce ARPA Grant	(200,000)	-	-	-	-	(200,000)
(S) WA Dept. Commerce MTCA Grant	(500,000)	-	-	-	-	(500,000)
(IDD) Port Funds	(1,100,000)	-	-	-	-	(1,100,000)
(U) Unsecured Funding	(1,000,000)	-	-	-	-	(1,000,000)



Project	2026	2027	2028	2029	2030	5 Year Total
West Boatyard Expansion	-	-	-	-	-	-
(PE) Design	705,000	-	-	-	-	705,000
(CA) Construction Administration	-	200,000	-	-	-	200,000
(CN) Construction	-	5,170,000	-	-	-	5,170,000
(S) WA Commerce 2025 Local and Community Projects Grant	(141,000)	(359,000)	-	-	-	(500,000)
(IDD) Port Funds	-	(665,000)	-	-	-	(665,000)
(IDD) Staff Compensation (Engineering)	-	(50,000)	-	-	-	(50,000)
(U) EDA Grant	(564,000)	(4,296,000)	-	-	-	(4,860,000)
Building/Facility Preservation (Interior Refurbishment, Exterior Improvements)	-	-	-	-	-	-
Capital Maintenance	50,000	50,000	50,000	50,000	50,000	250,000
(URC) Staff Compensation (Maintenance)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(82,500)
(URC) Port Funds	(33,500)	(33,500)	(33,500)	(33,500)	(33,500)	(167,500)
Capital Maintenance (Sperry Buildings)	50,000	50,000	50,000	50,000	50,000	250,000
(IDD) Port Funds	(33,500)	(33,500)	(33,500)	(33,500)	(33,500)	(167,500)
(IDD) Staff Compensation (Maintenance)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(82,500)
Yard Electrical Upgrades	-	-	-	-	-	-
(CN) Electrical Upgrades	100,000	100,000	100,000	-	-	300,000
(IDD) Port Funds	(100,000)	(100,000)	(100,000)	-	-	(300,000)
Puget Sound to Pacific (PS2P) Trail Project	-	-	-	-	-	-
(PL) Planning (J282 Segment - Larry Scott Trail to Park & Ride)	5,000	253,000	-	-	-	258,000
(PL) Planning (J284 Segment - Boat Haven to Ferry Terminal)	5,000	303,000	-	-	-	308,000
(S) USDOT FHWA RAISE Program Grant J282	-	(250,000)	-	-	-	(250,000)
(S) USDOT FHWA RAISE Program Grant J284	-	(300,000)	-	-	-	(300,000)
(URC) Port Funds	(10,000)	(6,000)	-	-	-	(16,000)
C and D Dock Rehabilitation	-	-	-	-	-	-
(PE) Design	-	-	-	-	500,000	500,000
(U) Unsecured Funding	-	-	-	-	(500,000)	(500,000)
Point Hudson	-	-	-	-	-	-
Sail Loft Building Structural Repairs	-	-	-	-	-	-
Capital Maintenance	100,000	-	-	-	-	100,000
(IDD) Port Funds	(100,000)	-	-	-	-	(100,000)
RV Park Upgrades & Restoration	-	-	-	-	-	-
(CN) RV Park Restoration (incl. Electrical)	-	500,000	-	-	-	500,000
(CN) Utility Rehabilitations (Mains)	-	500,000	-	-	-	500,000
(CN) Pavement Preservation (Grind & Overlay)	-	-	650,000	-	-	650,000
(U) Unsecured Funding	-	(1,000,000)	(650,000)	-	-	(1,650,000)



Project	2026	2027	2028	2029	2030	5 Year Total
Cantilevered Esplanade	-	-	-	-	-	-
(PE) Design	-	-	-	375,000	-	375,000
(CN) Construction	-	-	-	-	3,275,000	3,275,000
<i>(U) Unsecured Funding</i>	-	-	-	(375,000)	(3,275,000)	(3,650,000)
Building/Facility Preservation & Energy Efficiency Improvement	-	-	-	-	-	-
(CN) Duplex Building Interior Furnishing	65,000	-	-	-	-	65,000
(CN) Annex Building Exterior Improvements (Paint)	20,000	-	-	-	-	20,000
(PE) Commander's Beach House HVAC/DOAS Design	20,000	-	-	-	-	20,000
(CN) Commander's Beach House HVAC/DOAS Installation	170,000	-	-	-	-	170,000
(CN) Commander's Beach House Interior Improvements	175,000	-	-	-	-	175,000
(CN) Commander's Beach House Exterior Improvements (Paint)	45,000	-	-	-	-	45,000
(CN) Hospital Building Exterior Improvements (Paint)	70,000	-	-	-	-	70,000
(CN) Armory Tower/Sail Loft Building Exterior Improvements (Paint)	80,000	-	-	-	-	80,000
(CN) Salish Grill Building Exterior Improvements (Paint)	-	60,000	-	-	-	60,000
(CN) Main Building Exterior Improvements (Paint)	-	80,000	-	-	-	80,000
(CN) PSE Building Exterior Improvements (Paint)	-	20,000	-	-	-	20,000
(CN) Schooner Martha Building Exterior Improvements (Paint)	-	20,000	-	-	-	20,000
(PE) Main Building HVAC/DOAS Design	-	30,000	-	-	-	30,000
(CN) Main Building HVAC/DOAS Installation	-	600,000	-	-	-	600,000
(CN) Main Building Interior Improvements	-	300,000	-	-	-	300,000
(PE) Salish Grill Building HVAC/DOAS Design	-	-	22,500	-	-	22,500
(CN) Salish Grill Building HVAC/DOAS Installation	-	-	180,000	-	-	180,000
(CN) Salish Grill Building Interior Improvements	-	-	215,000	-	-	215,000
(PE) Hospital Building HVAC Design	-	-	22,500	-	-	22,500
(CN) Hospital Building HVAC Installation	-	-	525,000	-	-	525,000
(CN) Hospital Building Interior Improvements	-	-	320,000	-	-	320,000
(PE) Armory Tower/Sail Loft Building HVAC Design	-	-	-	25,000	-	25,000
(CN) Armory Tower/Sail Loft Building HVAC Installation	-	-	-	675,000	-	675,000
(CN) Armory Tower/Sail Loft Building Interior Improvements	-	-	-	425,000	-	425,000
(PE) PSE Building HVAC Design	-	-	-	-	11,500	11,500
(CN) PSE Building HVAC Installation	-	-	-	-	85,000	85,000
(CN) PSE Building Interior Improvements	-	-	-	-	92,000	92,000
(PE) Schooner Martha Building HVAC Design	-	-	-	-	11,500	11,500
(CN) Schooner Martha Building HVAC Installation	-	-	-	-	85,000	85,000
(CN) Schooner Martha Building Interior Improvements	-	-	-	-	92,000	92,000
<i>(IDD) Port Funds</i>	(585,000)	(180,000)	-	-	-	(765,000)
<i>(IDD) Staff Compensation (Maintenance)</i>	(50,000)	-	-	-	-	(50,000)
<i>(IDD) Staff Compensation (Engineering)</i>	(10,000)	-	-	-	-	(10,000)
<i>(U) Unsecured Funding</i>	-	(930,000)	(1,285,000)	(1,125,000)	(377,000)	(3,717,000)



Project	2026	2027	2028	2029	2030	5 Year Total
Roof Replacement/Weatherization (Standing Seam Metal Roof)	-	-	-	-	-	-
(CN) Construction	2,005,000	-	-	-	-	2,005,000
<i>(S) Heritage Capital Projects Grant</i>	(970,000)	-	-	-	-	(970,000)
<i>(IDD) Port Funds</i>	(530,000)	(50,000)	(50,000)	(50,000)	(50,000)	(730,000)
<i>(IDD) Staff Compensation (Engineering)</i>	(5,000)	-	-	-	-	(5,000)
<i>(U) WA Dept of Ecology Asbestos Abatement Loan (50% forgivable)</i>	(500,000)	50,000	50,000	50,000	50,000	(300,000)
Mariners' Memorial	-	-	-	-	-	-
(CN) Memorial	100,000	-	-	-	-	100,000
<i>(IDD) Port Funds</i>	(50,000)	-	-	-	-	(50,000)
<i>(U) Donations</i>	(50,000)	-	-	-	-	(50,000)
JCIA	-	-	-	-	-	-
JCIA Master Plan Update	-	-	-	-	-	-
(PL) Master Plan Update	177,000	-	-	-	-	177,000
(PL) Environmental Wetland Delineation	52,632	-	-	-	-	52,632
<i>(S) FAA AIP Funding (FY24) 90%</i>	(150,300)	-	-	-	-	(150,300)
<i>(S) FAA AIP Funding (FY25) 95%</i>	(50,000)	-	-	-	-	(50,000)
<i>(S) WSDOT Aviation Airport Aid Program Funding (FY24) 5%</i>	(8,350)	-	-	-	-	(8,350)
<i>(URC) Port Funds</i>	(10,982)	-	-	-	-	(10,982)
<i>(URC) Staff Compensation (Engineering)</i>	(10,000)	-	-	-	-	(10,000)
Airport Pilot Center	-	-	-	-	-	-
(CN) Construction	300,000	-	-	-	-	300,000
<i>(IDD) Port Funds</i>	(300,000)	-	-	-	-	(300,000)
Stormwater Management	-	-	-	-	-	-
Stormwater Management	25,000	25,000	25,000	25,000	25,000	125,000
<i>(URC) Staff Compensation (Maintenance)</i>	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(125,000)
Rural Light Industrial Park (24 acres)	-	-	-	-	-	-
(PE) Design (90-100%)	75,000	-	-	-	-	75,000
(CN) Construction (Road Access)	700,000	-	-	-	-	700,000
(CN) Construction (Site Development)	-	3,700,000	3,700,000	-	-	7,400,000
<i>(S) Jefferson County PIF Grant (2024; Road Access)</i>	(233,969)	-	-	-	-	(233,969)
<i>(IDD) Port Funds</i>	(531,031)	-	-	-	-	(531,031)
<i>(IDD) Staff Compensation (Engineering)</i>	(10,000)	-	-	-	-	(10,000)
<i>(U) Unsecured Funding</i>	-	(3,700,000)	(3,700,000)	-	-	(7,400,000)



Project	2026	2027	2028	2029	2030	5 Year Total
Fuel System Improvement	-	-	-	-	-	-
(CA) Construction Administration	62,725	-	-	-	-	62,725
(CN) Construction	848,408	-	-	-	-	848,408
(S) FAA AIG Funding (FY25) 95%	(470,525)	-	-	-	-	(470,525)
(A) FAA AIG Funding (FY26) 95% retroactive reimbursement	(137,000)	-	-	-	-	(137,000)
(A) FAA AIP Funding (FY26) 95% retroactive reimbursement	(150,000)	-	-	-	-	(150,000)
(A) FAA AIP Funding (FY27) 90% retroactive reimbursement	-	(93,363)	-	-	-	(93,363)
(IDD) Port Funds	(143,608)	93,363	-	-	-	(50,245)
(IDD) Staff Compensation (Engineering)	(10,000)	-	-	-	-	(10,000)
Pavement Preservation	-	-	-	-	-	-
(CA) Construction Administration	64,000	-	-	-	-	64,000
(CN) Construction	509,899	-	-	-	-	509,899
(S) FAA AIP Funding (FY25) 95%	(528,995)	-	-	-	-	(528,995)
(S) WSDOT Aviation Airport Aid Program Funding (FY25) 5%	(13,821)	-	-	-	-	(13,821)
(IDD) Port Funds	(31,083)	-	-	-	-	(31,083)
Quilcene	-	-	-	-	-	-
Campground	-	-	-	-	-	-
(PE) Design	20,000	-	-	-	-	20,000
(CN) Construction	-	-	180,000	-	-	180,000
(URC) Port Funds	-	-	(120,000)	-	-	(120,000)
(IDD) Staff Compensation (Maintenance)	-	-	(60,000)	-	-	(60,000)
(IDD) Staff Compensation (Engineering)	(20,000)	-	-	-	-	(20,000)
Herb Beck Boat Launch & Facility Improvements	-	-	-	-	-	-
(PE) Design (Bathroom Remodel and Parking Lot)	10,000	-	-	-	-	10,000
(CN) Construction (Boat Launch)	683,000	683,000	-	-	-	1,366,000
(CN) Construction (Parking Lot)	271,000	271,000	-	-	-	542,000
(CN) Construction (Bathroom)	101,000	101,000	-	-	-	202,000
(S) RCO Boating Facilities Program Grant	(406,500)	(406,500)	-	-	-	(813,000)
(URC) Port Funds (from Port Wide Dock Renovations/Piling Replacement Program)	(250,000)	-	-	-	-	(250,000)
(IDD) Staff Compensation (Maintenance; Bathroom Remodel)	(16,000)	(16,000)	-	-	-	(32,000)
(IDD) Staff Compensation (Environmental)	(18,750)	(18,750)	-	-	-	(37,500)
(IDD) Port Funds	(332,250)	(582,250)	-	-	-	(914,500)
(IDD) Staff Compensation (Engineering)	(41,500)	(31,500)	-	-	-	(73,000)



Project	2026	2027	2028	2029	2030	5 Year Total
Marina Dredge, Dock, and Gangway Replacement	-	-	-	-	-	-
(PE) Design	-	191,000	200,000	-	-	391,000
(CN) Marina Dredge	-	-	498,000	-	-	498,000
(CN) Demolition, Removal, Gangway and Piling Replacement	-	-	1,152,000	-	-	1,152,000
(CN) Construction (Docks incl. Mitigation; performed by Maintenance Staff)	-	443,500	683,500	-	-	1,127,000
(A) Mitigation Credits	-	-	(240,000)	-	-	(240,000)
(IDD) Port Funds	-	(443,100)	(817,100)	-	-	(1,260,200)
(IDD) Staff Compensation (Maintenance)	-	(177,400)	(177,400)	-	-	(354,800)
(IDD) Staff Compensation (Engineering)	-	(14,000)	(49,000)	-	-	(63,000)
(U) Unsecured Funding	-	-	(1,250,000)	-	-	(1,250,000)
Short's Family Farm	-	-	-	-	-	-
Farm Property/Facility Maintenance	-	-	-	-	-	-
Capital Maintenance	150,000	150,000	150,000	150,000	150,000	750,000
(URC) Staff Compensation (Maintenance)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(250,000)
(URC) Port Funds	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(500,000)
Water Access	-	-	-	-	-	-
Mats Mats Bay Facilities	-	-	-	-	-	-
(CN) Facility Refurbishment for Kayak Storage	-	30,000	-	-	-	30,000
(IDD) Port Funds	-	(30,000)	-	-	-	(30,000)
Hadlock Dock and Gangway Replacement	-	-	-	-	-	-
(PE) Design	-	100,000	205,000	-	-	305,000
(CN) Construction	-	-	432,000	212,000	-	644,000
(U) Unsecured Funding	-	(100,000)	(637,000)	(212,000)	-	(949,000)
Union Wharf Electrification & Mooring Dolphins	-	-	-	-	-	-
(PE) Design	-	334,000	-	-	-	334,000
(CN) Construction	-	-	878,000	-	-	878,000
(U) Unsecured Funding	-	(334,000)	(878,000)	-	-	(1,212,000)



Project	2026	2027	2028	2029	2030	5 Year Total
Other	-	-	-	-	-	-
Port Equipment/Vehicle Replacement	-	-	-	-	-	-
New (Used) Dump Truck	200,000	-	-	-	-	200,000
Excavator and Trailer	200,000	-	-	-	-	200,000
Two (2) Trucks/Vans for Maintenance Use on Jobsite	40,000	-	-	-	-	40,000
Remote Controlled Mower	50,000	-	-	-	-	50,000
Electronic Records Management System	65,000	-	-	-	-	65,000
Port-Wide Computer Replacement	10,000	-	-	-	-	10,000
Electric Travelift	1,000,000	-	-	-	-	1,000,000
(S) WA State Dept. Commerce CERB Grant (Travelift)	(730,000)	-	-	-	-	(730,000)
(URC) Port Funds	(535,000)	-	-	-	-	(535,000)
(PW) Port Wide Capital Reserve (Travelift)	(270,000)	-	-	-	-	(270,000)
(U) Unsecured Grant (Records Management System)	(30,000)	-	-	-	-	(30,000)
Port Wide - Yard/Parking/RV Resurfacing	-	-	-	-	-	-
Yard/Parking/RV Resurfacing	25,000	25,000	25,000	25,000	25,000	125,000
(URC) Port Funds	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(125,000)
Port Wide - Dock Renovations & Piling Replacement	-	-	-	-	-	-
Dock Renovations & Piling Replacement	-	250,000	250,000	250,000	250,000	1,000,000
(URC) Port Funds	-	(250,000)	(250,000)	(250,000)	(250,000)	(1,000,000)
Emergency	-	-	-	-	-	-
Small Capital Projects	-	-	-	-	-	-
Unplanned Small Capital Projects	100,000	100,000	100,000	100,000	100,000	500,000
(URC) Port Funds	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(500,000)
Boat Haven Bulkhead Repair (FEMA DR-4650)	-	-	-	-	-	-
Bulkhead Backfill Repair	100,000	-	-	-	-	100,000
(U) Unsecured Funding	(100,000)	-	-	-	-	(100,000)
Boat Haven Pavement Repair (FEMA DR-4650)	-	-	-	-	-	-
Pavement Repair	20,000	-	-	-	-	20,000
(U) Unsecured Funding	(20,000)	-	-	-	-	(20,000)
City Dock Repair (FEMA DR-4593)	-	-	-	-	-	-
(PE) Final Design	200,000	-	-	-	-	200,000
(CN) Construction	-	500,000	-	-	-	500,000
(U) Unsecured Funding	(200,000)	(500,000)	-	-	-	(700,000)
Mats Mats Bulkhead Repair (FEMA DR-4682)	-	-	-	-	-	-
Bulkhead Repair	-	100,000	200,000	1,200,000	-	1,500,000
(U) Unsecured Funding	-	(100,000)	(200,000)	(1,200,000)	-	(1,500,000)



Project	2026	2027	2028	2029	2030	5 Year Total
Point Hudson Marina Revetment Repair (FEMA DR-4682)	-	-	-	-	-	-
Marina Revetment Repair	-	250,000	1,600,000	-	-	1,850,000
<i>(U) Unsecured Funding</i>	-	(250,000)	(1,600,000)	-	-	(1,850,000)
Point Hudson Shoreline Repair (FEMA DR-4682)	-	-	-	-	-	-
Shoreline Repair	250,000	2,600,000	-	-	-	2,850,000
<i>(U) Unsecured Funding</i>	(250,000)	(2,600,000)	-	-	-	(2,850,000)
Quilcene Revetment Repair (FEMA DR-4682)	-	-	-	-	-	-
Revetment Repair	-	100,000	200,000	1,000,000	-	1,300,000
<i>(U) Unsecured Funding</i>	-	(100,000)	(200,000)	(1,000,000)	-	(1,300,000)





PROPERTY TAXES

Regular Tax Levy

The preliminary total assessed value (AV) for the Port District for 2025, as of this budget version, is \$10,202,471,145 per the County Assessor. The total recommended general tax levy to budget for 2026 is projected to be approximately \$0.1135 per \$1,000 of AV, which calculates to \$1,158,022, including estimations for new construction, utilities, and refunds.

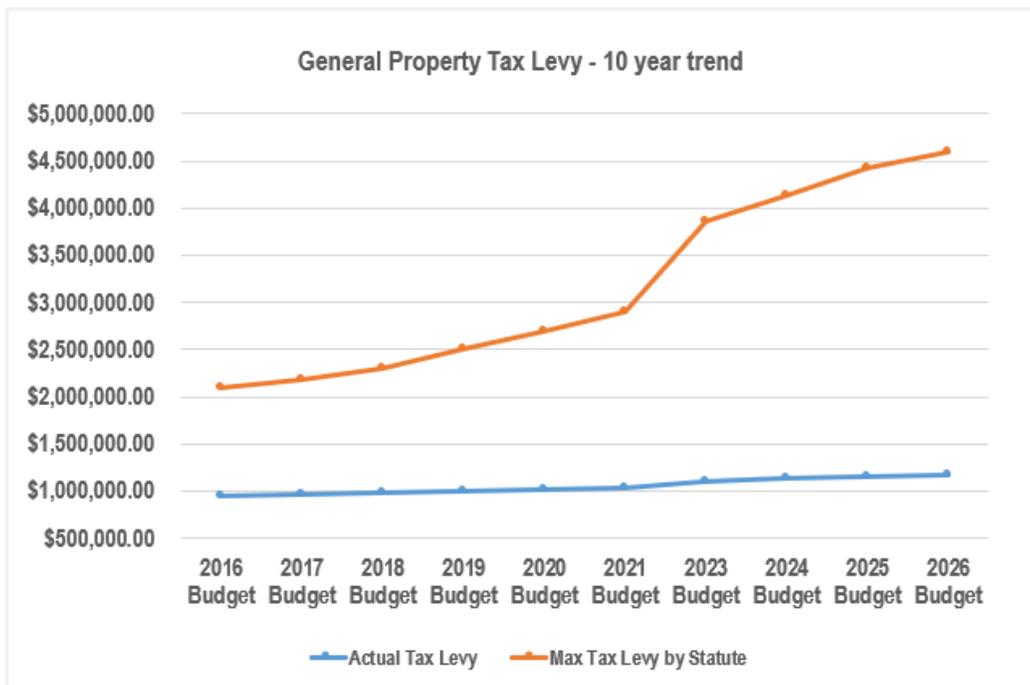
The Jefferson County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Taxes are levied annually on January 1 using the property value listed as of the prior year. Assessed values are established by the County Assessor at 100% of fair market value. 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.

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. 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.





Tax Levy Uses

Funds collected by the regular tax levy will be set aside in the general property tax reserve account as established by Resolution No. 863-25. The property tax reserve funds may be used for any of the following purposes:

- Subsidize Port lines of business to cover operational expenses that exceed generated revenues
- Fund strategic opportunities that support economic development
- Fund capital projects that support general Port infrastructure
- Fund capital grant match
- Fund economic development
- Fund Port operational and capital reserve accounts
- Pay or retire scheduled general obligation debt

The 2026 budget proposes the following revenue estimates and reserve account uses as follows:

PROPERTY TAX RESERVE ACCOUNT	
Revenue Estimates	2026 BUDGET
Operating Tax Levy	\$1,167,000
State Forest Revenue	48,000
State Timber Excise Tax	25,000
Leasehold Excise Tax	9,072
Total Property Tax & Other Taxes	\$1,249,072
Reserve Account Uses	
Property Tax Subsidies Paid	\$397,624
Bond Principal & Interest	--
Economic Development	71,633
Strategic & Capital Opportunities Paid	--
Total Reserve Account Uses	\$469,257
Net Property Tax Reserve Balance	\$843,388

Special Tax Levies

Special levies approved by the voters are not subject to the above limitations. 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. As a result, 2019 is the base year from which the total permissible levy amount is calculated and is anticipated to generate up to \$16,905,740 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	Tax Year	Levy Amount
1	2020	\$ 809,354
2	2021	\$ 1,634,289
3	2022	\$ 2,634,289
4	2023	\$ 2,634,289
5	2024	\$ 2,634,289
6	2025	\$ 2,634,289
7	2026	\$ 2,634,289
Total to Date		\$ 15,615,088
Max Remaining Levy Amount		\$1,290,652

The Port Commission has decided to levy the same amount in 2026 as for the prior four (4) years - \$2,634,289. The same AV is used for purposes of calculating the IDD levy; the levy rate is estimated to be \$0.258 per \$1,000 of AV.





DEBT SERVICE RETIREMENT

The Port acquired bonds in 2010 to pay for reconstruction of Boat Haven A/B Docks and an 80-Ton Lift Pier. These bonds were scheduled to be paid in full in 2029. This debt, along with additional debt acquired in 2015 for the Point Hudson Marina Reconstruction, was paid semi-annually using the general obligation property tax receipts. In 2025, the final payment was made on the 2015 LTGO bonds to retire those bonds in full.

Debt retirement of the Port’s 2010B LTGO debt was authorized by the Commission on October 22, 2025. The Commission authorized the Executive Director to use \$1,600,000 of Operational Reserves to pay off the 2010 LTGO Bond. The debt will be paid in full no later than January 31, 2026, and the Port will be debt free from all long-term obligation debt. Paying the debt in full will save the Port approximately \$155,793 in net interest savings.

Name of Debt	Outstanding Principal	Estimated Interest Savings	Interest Subsidy	Estimated Net Interest Savings
2010 LTGO Bond	\$1,630,000	\$244,758	(\$88,966)	\$155,793

Point Hudson Marina Reconstruction



Boat Haven A/B Docks and an 80-Ton Lift Pier

