

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 5/8/2024
TO: Commission, Executive Staff
FROM: Connie Anderson, Director of Finance & Administration
SUBJECT: YTD January 2024 Financial Report

Attached is the YTD January 2024 financial report of Port activities. This consolidated report shows the variance between the current period as compared to the prior year and the variance to budget YTD. Additional detailed information not included in the attached financial report, but key to fully understanding the Port's financial status is included on the following pages.

Year to Date Cash Balances

<u>Ending Cash Balances</u>		<u>2023 Actuals</u>	<u>2024 YTD</u>
Reserved Cash & Investments – IDD		7,252,497	6,187,596
Reserved Cash & Investments – Other, see detail below*		3,376,219	3,376,219
Unreserved Cash & Investments		644,440	1,807,415
Total Cash & Investments		11,273,156	11,371,229
*Other Reserves detail:			
	<u>Target balance</u>	<u>2023 Actuals</u>	<u>2024 YTD</u>
Unemployment Reserve	NA	10,000	10,000
Operating Reserve (a)	1,773,274	1,623,405	1,623,405
Boat Haven Renovation Reserve (b)	NA	436,068	436,068
Emergency Reserve	500,000	500,000	500,000
Port-Wide Capital Reserve (c)	NA	806,746	806,746
Total Other Reserves		\$3,376,219	\$3,376,219

Cash Balance Notes:

Reserved cash and investments are invested in the WA State Local Government Investment Pool (LGIP). Total interest earned in January 2024 was \$48,919.74. The interest rate earned was 5.4220% before investment fees.

Other Reserves detail:

- (a) The target for the Operating Reserve is 25%, or three (3) months, of operating expenses, per current budget. The above target is based on the 2024 Operating Budget. See resolution 692-19 for more detail.*
- (b) This reserve is for use on Boat Haven Moorage projects until it is extinguished. It was replaced by the Port-Wide Capital Reserve in resolution 693-19.*
- (c) Resolution 693-19 did not set a target for this reserve; however, in 2024 a long-term projection will be developed for funding future projects by location.*

Debt Service for the Year

2010 LTGO Bond – (83% paid A/B Dock Reconstruction, 17% paid 75 Ton Lift Pier)

June 1 – interest only	\$ 66,006
December 1 – principal and interest	416,006

2015 LTGO Refunding Bond- (paid for Point Hudson Marina Reconstruction – 2005 LTGO Bonds refunded in 2015)

July 1 – principal and interest	530,750
December 31 – interest only	<u>15,750</u>
Total Debt Service for the year	<u>\$ 1,028,513</u>

Remaining Debt for years 2024-2029

2010 LTGO Bond – principal and interest	\$ 2,847,463	payoff December 2029
2015 LTGO Bond – principal and interest	<u>1,081,800</u>	payoff July 2025
Total	<u>\$ 3,929,263*</u>	

Port staff recommends use of annual property tax levy to extinguish all the above debt obligations two years earlier in 2027, rather than the legal obligation of 2029.

2021 LTGO Line of Credit

date	draw no.	Beginning Balance	Draw	Redemption - Principal	Redemption - Interest	Ending Principal Balance
Nov-22	1st draw	-	2,633,967	-	-	2,633,967
Dec-22	2nd draw	2,633,967	1,189,677	-	-	3,823,644
Mar-23	na	3,823,644	-	423,734	16,481	3,399,910
Aug-23	na	3,399,910	-	3,399,910	26,057	-
Oct-23	3rd draw	-	335,000	-	-	335,000
Nov-23	4th draw	-	1,000,000	-	-	1,335,000
Dec-23	5th draw	-	1,317,000	-	-	2,652,000
Jan-24	6th draw	-	888,000	-	-	3,540,000
	totals		\$ 7,363,644	\$ 3,823,644	\$ 42,538	\$ 3,540,000 *

Note: Interest payments are calculated just prior to loan due dates.

The 2021 LTGO LOC's required debt redemptions are due in March, and September each year until the end of the bond term, March 1, 2027. This debt instrument serves as a bridge between project expenditure payments, grant reimbursements, and reconciliations with the IDD Levy Reserve, as applicable. The Port plans to re-pay this debt prior to the term date in March 2027. There are no penalties for pre-payment. The interest rate on the LOC is 1.55% through March 1, 2025, and increases to 1.65% thereafter through the end of bond term.

2024 Capital Project Expenses

Jefferson County Int'l Airport	Budget/Planned	Year-to-date
Airport Terminal	\$ 140,000	\$ 1,078
2nd Connector Taxiway - construction	\$ -	\$ 48,646
Fuel System Improvement - <i>Design</i>	\$ 200,000	
Airport Master Plan Update	\$ 222,000	
Eco-Industrial Park - <i>Design/Engineering/Permitting</i>	\$ 450,000	
JCIA Stormwater management	\$ 25,000	
Boat Haven		
Main Breakwater Repairs - <i>Permitting & Design</i>	\$ 500,000	
Stormwater Treatment Compliance Upgrade - <i>Permitting & Design</i> ^(b)	\$ 250,000	\$ 1,446
Moorage/Yard Office/Yard Shack		\$ 4,927
Northwest Yard Expansion (along Sims Way -- Boat Yard Construction)	\$ 1,000,000	\$ 4,795
West Yard Expansion (near shipyard)	\$ 500,000	\$ 4,384
Sperry bldg. #5 TAKU	\$ 50,000	
Sperry Bldg. #7 KEY CITY		\$ 57
Bldg. Fac. Presrv - Enviro Roof/Ext. Paint-Bathrm Ext. Paint	\$ 25,000	
BH Linear Dock Replacement - <i>Design</i>	\$ 400,000	
Point Hudson		
Breakwater Replacement	\$ 1,600,000	\$ 944,705
Bldg/Facility Preservation (Cupola Bldg. Remodel)	\$ 450,000	\$ 5,092
Bldg/Facility Preservation (Restroom Repair)	\$ -	\$ 2,641
PH Parking Update	\$ -	\$ 712
Quilcene		
Herb Beck Dredge	\$ 80,000	\$ 808
Ramp Upgrade & Bathroom Remodel	\$ 170,000	\$ 808
Quilcene Campground	\$ 200,000	
Other Projects		
Water Walk feasibility	\$ 220,000	\$ 16,040
Gardiner Boat Launch w/seasonal float - <i>Construction</i>	\$ 800,000	\$ 1,509
Mats Mats Bay Facilities	\$ 30,000	
Portwide Dock Reno - Piling Replacement	\$ 75,000	\$ 322
Portwide Dock Reno - (PH Linear Dock Repair) ^(a)	\$ -	\$ 12,103
Portwide Dock Reno -	\$ 250,000	
Portwide Yard/Prkg/RV Rsrfcg (Long Term Yard Rehab)	\$ 75,000	
Clean Vessel Boat build & pump outs	\$ -	\$ 1,653
Port Equipment / Vehicle Replacement		
300T Travelift	\$ 2,933,000	
Sprinter Van, Vacuum Dump Trailer, Gator	\$ 145,000	
Unplanned / Emergency Repairs		
Various Repairs & Replacement	\$ 850,000	
** Bulkhead, pavement, shoreline, marina		
Total	\$ 11,640,000	\$ 1,051,726

Notes to Capital Project Expenditures listed above:

- (a) This is a capital “program” that includes any port-wide dock renovations as needed each year. This program has \$250,000 budgeted annually for the next 5 years. Here we split the budgeted amount as was estimated for each project.
- (b) At the April 10, 2024, Business Meeting, Commission approved a motion to authorize revision to the Boat Haven Stormwater project to reflect \$661,500 of IDD funding and \$5,088,500 of grant funding in year 2024.

2024 Capital Equipment and Vehicle Purchases

Equipment / Vehicle	<u>Budget</u>	<u>2024 YTD</u>
(1) Sprinter Van	70,000	59,973
Vacuum/Dump Trailer	60,000	0
Gator (PH)	15,000	0
300T Travelift	<u>2,933,000</u>	<u>0</u>
Total Capital Vehicle and Equipment	\$3,078,000	\$ 59,973

DISCUSSION

As requested by the Commission.

FISCAL IMPACT

NA

RECOMMENDATIONS

For discussion only.