### **RESOLUTION NO. 500-07**

A Resolution of the Commission of the Port of Port Townsend

RESOLUTION ESTABLISHING THE YEAR 2008 OPERATING BUDGET, AND AUTHORIZING CERTAIN DISBURSEMENTS TO MEET EXPENSES OF THE PORT OF PORT TOWNSEND FOR THE YEAR 2008.

**WHEREAS:** under the provisions of RCW 53.35.030 the Port Commission of the Port of Port Townsend is authorized to adopt a final budget for the year 2008, and;

**WHEREAS:** the required filing, notice and public hearing on the preliminary budget as provided in RCW 53.35.020 have been met;

**NOW, THEREFORE BE IT HEREBY RESOLVED** by the Port Commission of the Port of Port Townsend, that receipts and disbursements for the Port of Port Townsend operations for the year 2008 shall be as per the attached marked "Exhibit A", Port of Port Townsend Year 2008 Operating Budget.

ADOPTED this 7<sup>th</sup> day of November 2007, by the Commission of the Port of Port Townsend and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission duly affixed.

ATTES#

Herbert F. Beck, Secretary

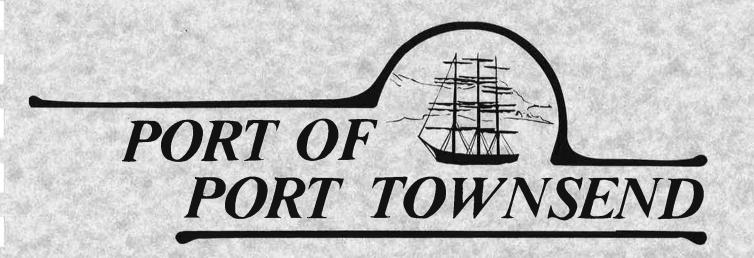
Robert H. Šokol. President

APPROVED AS TO FORM:

David H. Thompson, Vice President

Malcolm S. Harris, Port Attorney





# 2008 Operating Budget

Adopted: November 7, 2007 Resolution No. 500-07

### Port of Port Townsend

### 2008 Operating Budget

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Operations: (360) 385-2355

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#### INTRODUCTION

Date:

November 15, 2007

To:

All Port Patrons, Jefferson County Taxpayers, Port Commissioners,

Port Staff, and All Other Interested Individuals

This adopted 2008 Operating Budget for the Port of Port Townsend is the product of discussions held in our budget workshops, of July 11<sup>th</sup>, August 8<sup>th</sup>, September 12<sup>th</sup>, and October 10<sup>th</sup>, and was developed around the assumptions as they were discussed during those workshops and regular Commission meetings, and as they are summarized at the back of this document.

The budget was formally presented, reviewed and discussed at the Commission workshop on October 10<sup>th</sup> and at the October 24<sup>th</sup> and November 7<sup>th</sup> regular Commission meetings. A formal Public Hearing was held on November 7<sup>th</sup>, as per RCW 53.35.030. This Budget was adopted on November 7<sup>th</sup>, by Resolution No. 500-07.

#### Overview:

The Port's 2008 Operating Budget is balanced, and forecasts \$778,850 (16.0%) in additional gross Operating Revenues over the 2007 Budget. This increase is tied directly to the Port buy-out of the operational lease on the PTBH Fuel Dock on March 15, 2007. This change in operations necessitated separating the PTBH Fuel Dock operation into its own cost center, which occurred as of the acquisition date, and which is now included in the 2008 Budget.

The Port has taken what it believes to be a conservative approach to forecasting revenues for 2008, especially in those areas that are most subject to economic and other fluctuations, including PTBH Guest Moorage, Work Yard and Ship Yard activity, Hudson Point activities, and fuel sales at PTBH, Quilcene, and JCIA.

Adjustments to operating rates for 2008 have been deferred until May 1, 2008, by Commission action on October 24, 2007.

The PTBH Fuel Dock operation is forecast to generate \$866K in gross revenues. The other major change in budgeted revenues for 2008 comes from a reduction in the Work Yard of \$170K from the 2007 Budget. For 2007 we budgeted an increase of \$432K over 2006 in the Work Yard, however, based on September 30<sup>th</sup> Y-T-D actual revenues, it appears we will be under budget by approximately \$100K.

The decision on 2008 PTBH Permanent Moorage rates has been deferred, until a process to adopt a new moorage rate structure, based on more definitive information available, can be completed, with a May 1, 2008 implementation date. Hudson Point should see increased moorage revenues from the first full year of operation of the newly re-constructed marina. Most other revenue sources are budgeted for relatively flat growth.

Operating expenses are forecast to increase by \$1,089,743 (32.6%) in 2008. The largest change in expense items is the direct cost of fuel sold at the Fuel Dock, which amounts to \$687K (63%) of this increase. The next largest increase is in total staff costs, which represent \$253K (23%). This budget funds the addition of one new permanent staff position in the Finance Department, as well as one additional seasonal moorage position, plus funding for one permanent and two seasonal positions, which were added during 2007, for the Fuel Dock operations, but which were not budgeted for in 2007.

Most other expense categories are budgeted for relatively minor increases.

Net Income for 2008 is budgeted to be \$389,830, down from the 2007 Budget forecast of \$649,350, however, \$160K of this decrease is from the increase in Depreciation Expense, which does not affect cash flow.

This Draft Budget calls for positive cash flow, after required debt service principal payments, equipment purchases, and staff costs budgeted to capital, of approximately \$765K, to put toward capital projects and/or to fund reserves in 2008, compared to \$843K forecast from the 2007 Operating Budget.

This budget document includes actual operating results for 2007, through September 30<sup>th</sup>. At September 30<sup>th</sup>, Income From Operations is approximately \$254K after depreciation, which is about \$185K behind our seasonal budget, and about \$420K behind last years actual for the same time period. Overall Net Income is approximately \$538K after depreciation, which represents approximately 83% of our yearly budget for 2007, of \$649,350, however, it is \$455K behind last years actual for the same time period.

One un-budgeted expense item which affects these actuals, is the buy-out of the Fuel Dock lease, which has increased 2007 Operating Expenses by \$161K.

The Consolidated Operating Budget-By Department on page #6 is a one page summary of all of the Cost Center budgets presented on pages #13-26. Additionally, the charts on pages #7-11 are intended to present much of the financial data in an easier to read and comparative format.

For additional budget detail information, please refer to the Budget Assumptions beginning on page #29. If you have questions regarding the Port's 2008 Operating Budget, please contact the Port at 360-385-0656, or email <a href="mailto:info@portofpt.com">info@portofpt.com</a>.

#### Port of Port Townsend 2008 Consolidated Operating Budget Adopted November 7, 2007

| Revenues:       \$738,936       \$599,796         PTBH - Ship Moorage       36,539       27,453         PTBH - Environmental Fee       13,321       12,839         PTBH - Liveaboard Fee       13,950       8,855         PTBH - Electric       77,223       55,907         PTBH - Monthly Guest       136,310       81,498         PTBH - Nightly Guest       165,428       166,896         PTBH - Showers       18,569       11,745 | \$825,000 45,000 13,500 14,000 75,000 115,000 20,000 6,000 500 20,000 0 0 2,400 10,000   | \$870,000<br>45,000<br>17,000<br>12,000<br>78,000<br>80,000<br>150,000<br>18,000<br>6,000<br>200<br>0<br>620,000<br>235,000<br>11,000<br>2,500<br>2,500<br>12,000 |
|---|--|---|
| PTBH - Perm Moorage       \$738,936       \$599,796         PTBH - Ship Moorage       36,539       27,453         PTBH - Environmental Fee       13,321       12,839         PTBH - Liveaboard Fee       13,950       8,855         PTBH - Electric       77,223       55,907         PTBH - Monthly Guest       136,310       81,498         PTBH - Nightly Guest       165,428       166,896  | 45,000<br>13,500<br>14,000<br>75,000<br>115,000<br>175,000<br>20,000<br>6,000<br>500<br>20,000<br>0<br>0<br>0<br>2,400<br>10,000 | 45,000<br>17,000<br>12,000<br>78,000<br>80,000<br>150,000<br>18,000<br>200<br>0<br>620,000<br>235,000<br>11,000<br>2,500  |
| PTBH - Ship Moorage       36,539       27,453         PTBH - Environmental Fee       13,321       12,839         PTBH - Liveaboard Fee       13,950       8,855         PTBH - Electric       77,223       55,907         PTBH - Monthly Guest       136,310       81,498         PTBH - Nightly Guest       165,428       166,896  | 45,000<br>13,500<br>14,000<br>75,000<br>115,000<br>175,000<br>20,000<br>6,000<br>500<br>20,000<br>0<br>0<br>0<br>2,400<br>10,000 | 45,000<br>17,000<br>12,000<br>78,000<br>80,000<br>150,000<br>18,000<br>200<br>0<br>620,000<br>235,000<br>11,000<br>2,500  |
| PTBH - Environmental Fee       13,321       12,839         PTBH - Liveaboard Fee       13,950       8,855         PTBH - Electric       77,223       55,907         PTBH - Monthly Guest       136,310       81,498         PTBH - Nightly Guest       165,428       166,896  | 13,500<br>14,000<br>75,000<br>115,000<br>175,000<br>20,000<br>6,000<br>500<br>20,000<br>0<br>0<br>0                              | 17,000<br>12,000<br>78,000<br>80,000<br>150,000<br>18,000<br>6,000<br>200<br>0<br>620,000<br>235,000<br>11,000<br>2,500   |
| PTBH - Liveaboard Fee       13,950       8,855         PTBH - Electric       77,223       55,907         PTBH - Monthly Guest       136,310       81,498         PTBH - Nightly Guest       165,428       166,896   | 14,000<br>75,000<br>115,000<br>175,000<br>20,000<br>6,000<br>500<br>20,000<br>0<br>0<br>0  | 12,000<br>78,000<br>80,000<br>150,000<br>18,000<br>200<br>0<br>620,000<br>235,000<br>11,000<br>2,500  |
| PTBH - Electric       77,223       55,907         PTBH - Monthly Guest       136,310       81,498         PTBH - Nightly Guest       165,428       166,896  | 75,000<br>115,000<br>175,000<br>20,000<br>6,000<br>500<br>20,000<br>0<br>0<br>0<br>2,400<br>10,000                               | 78,000<br>80,000<br>150,000<br>18,000<br>6,000<br>200<br>0<br>620,000<br>235,000<br>11,000<br>2,500   |
| PTBH - Monthly Guest 136,310 81,498 PTBH - Nightly Guest 165,428 166,896  | 115,000<br>175,000<br>20,000<br>6,000<br>500<br>20,000<br>0<br>0<br>0<br>0<br>2,400<br>10,000                                    | 80,000<br>150,000<br>18,000<br>6,000<br>200<br>620,000<br>235,000<br>11,000<br>2,500  |
| PTBH - Nightly Guest 165,428 166,896  | 175,000<br>20,000<br>6,000<br>500<br>20,000<br>0<br>0<br>0<br>2,400<br>10,000  | 150,000<br>18,000<br>6,000<br>200<br>0<br>620,000<br>235,000<br>11,000<br>2,500   |
| PTBH - Showers 18.569 11.745  | 20,000<br>6,000<br>500<br>20,000<br>0<br>0<br>0<br>2,400<br>10,000   | 18,000<br>6,000<br>200<br>0<br>620,000<br>235,000<br>11,000<br>2,500  |
|   | 500<br>20,000<br>0<br>0<br>0<br>0<br>2,400<br>10,000   | 200<br>0<br>620,000<br>235,000<br>11,000<br>2,500<br>2,500  |
| PTBH - Laundry 5,594 4,754  | 20,000<br>0<br>0<br>0<br>0<br>2,400<br>10,000  | 0<br>620,000<br>235,000<br>11,000<br>2,500<br>2,500   |
| PTBH - Passenger Fee 103 0  | 0<br>0<br>0<br>0<br>2,400<br>10,000  | 620,000<br>235,000<br>11,000<br>2,500<br>2,500  |
| PTBH - Fish 'N Hole Commission         20,056         2,247           PTBH - Fuel Sales - Diesel         0         399,640  | 0<br>0<br>0<br>2,400<br>10,000   | 235,000<br>11,000<br>2,500<br>2,500   |
| PTBH - Fuel Sales - Diesel       0       399,640         PTBH - Fuel Sales - Gas       0       170,702  | 0<br>0<br>2,400<br>10,000  | 11,000<br>2,500<br>2,500  |
| PTBH - Fuel Dock - Miscellaneous 0 10,357   | 0<br>2,400<br>10,000   | 2,500<br>2,500  |
| Work Float Usage 642 2,310  | 10,000   |   |
| Lift Pier Usage 2,100 1,975   |  | 12.000  |
| PTBH - Miscellaneous 13,828 10,434  | 1 321 400  | 12,000  |
| Total Moorage Revenue 1,242,599 1,567,408   | 1,521,400  | 2,159,200   |
| Work Yard - Hoist Revenue 230,559 202,951   | 235,000  | 235,000   |
| Work Yard - Washdown Revenue 27,087 32,487  | 37,000   | 37,000  |
| Work Yard - Yard Revenue 667,097 584,412  | 845,000  | 675,000   |
| Work Yard - Credit From Moorage 10,777 6,560  | 14,500   | 12,000  |
| Work Yard - Environmental Fee 18,296 15,912   | 18,000   | 20,000  |
| Work Yard - Electric 3,285 2,717  | 1,500  | 3,000   |
| Work Yard - Liveaboard Fee 6,788 3,699  | 42.000   | 5,000<br>18,000   |
| Work Yard - Tarp Pool Fee       11,516       13,165         Work Yard - L/T Storage       55,244       45,898   | 12,000<br>65,000   | 65,000  |
| Work Yard - Blocking Rent 0 7,818   | 12,000   | 9,000   |
| Work Yard - Miscellaneous Revenue 19,311 10,922   | 10,000   | 10,000  |
| Total Work Yard Revenue 1,049,960 926,541   | 1,250,000  | 1,089,000   |
| Chia Vand Haist Dayanus   | 400,000  | 400.000   |
| Ship Yard - Hoist Revenue         91,521         60,015           Ship Yard - Washdown Revenue         10,500         6,336   | 100,000<br>9,500   | 100,000<br>9,500  |
| Ship Yard - Washdown Revenue       10,500       6,336         Ship Yard - Yard Revenue       253,531       189,956  | 260,000  | 260,000   |
| Ship Yard - Environmental Fee 8,143 6,059   | 7,500  | 7,500   |
| Ship Yard - Electric 14,536 11,023  | 12,000   | 14,000  |
| Ship Yard - Blocking Rent 0 0   | 5,000  | 1,000   |
| Ship Yard - Miscellaneous Revenue 6,501 3,683   | 5,000  | 5,000   |
| Ship Yard - Bilge Water Revenue 1,136 2,836   | 1,000  | 1,000   |
| Marine Trades 3% Revenue 75,539 25,634  | 75,000   | 75,000  |
| Total Ship Yard Revenue 461,407 305,542   | 475,000  | 473,000   |
| PTBH Prop - Lease Revenue 283,622 214,395   | 300,000  | 300,000   |
| PTBH Prop - Electric 2,073 (203)  | 2,000  | 2,000   |
| PTBH Prop - Ind Park Bldg Lease 119,224 113,185   | 150,000  | 158,000   |
| PTBH Prop - Storage Unit Revenue 7,524 5,491  | 15,000   | 10,000  |
| PTBH Prop - Indus Park Utility Reimb 14,774 11,359  | 16,000   | 15,000  |
| Quilcene - Permanent Moorage 28,742 37,275  | 75,000   | 52,000  |
| Quilcene - Liveaboard Fee 400 495   | 660  | 660   |
| Quilcene - Environmental Fee 0 1,286 Quilcene - Nightly Moorage 2,403 2,403   | 0<br>2,200   | 1,500<br>2,500  |
| Quilcene - Nightly Moorage 2,403 2,403 Quilcene - Nightly R.V. 1,561 1,277  | 1,400  | 1,500   |
| Quilcene - Fuel Sales - Diesel 1,737 1,715  | 2,000  | 1,500   |
| Quilcene - Fuel Sales - Gas 12,355 11,055   | 10,000   | 10,500  |
| Quilcene - Electric 1,619 1,863   | 4,000  | 3,000   |
| Quilcene - Rental Property Revenue 4,000 4,500  | 6,000  | 6,000   |
| Quilcene - Showers 0 0  | 5,000  | 5,000   |
| Quilcene - Lease Revenue 38,455 28,081  | 37,500<br>6 500  | 38,500  |
| Quilcene - Water 7,485 6,054 Quilcene - Miscellaneous Revenue 320 575   | 6,500<br>0   | - 7,000<br>500  |
| Ramps - Ramp/Parking Fee 16,153 15,634  | 15,000   | 16,000  |
| Total Property Revenue 542,447 456,440  | 648,260  | 631,160   |

#### Port of Port Townsend 2008 Consolidated Operating Budget Adopted November 7, 2007

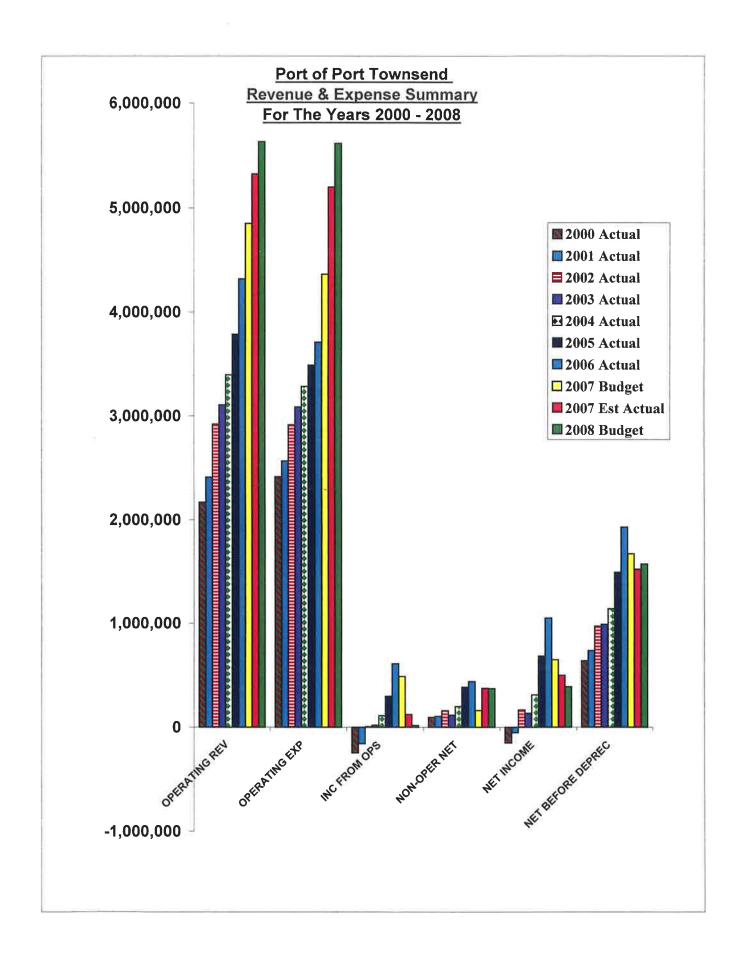
|                                | 2006<br>Actual to<br>12-31-06 | 2007<br>Actual to<br>9-30-07 | 2007<br>Adopted<br>Budget | 2008<br>Adopted<br>Budget |
|--------------------------------|-------------------------------|------------------------------|---------------------------|---------------------------|
| Revenues: con't                |                               |                              |                           |                           |
| HP - Perm Moorage              | \$48,963                      | \$12,420                     | \$35,000                  | \$62,000                  |
| H P - Environmental Fee        | 1,207                         | 128                          | 1,000                     | 2,100                     |
| HP - Liveaboard Fee            | 2,900                         | 0                            | 2,000                     | 3,800                     |
| H P - Monthly Guest            | 22,561                        | 0                            | 21,500                    | 60,000                    |
| H P - Nightly Guest            | 136,709                       | 141,470                      | 137,500                   | 195,000                   |
| HP - Monthly R.V.              | 41,010                        | 22,679                       | 40,000                    | 26,000                    |
| HP - Nightly R.V.              | 172,506                       | 160,285                      | 220,000                   | 215,000                   |
| H P - Reservation Fee          | 0                             | 17,331                       | 35,000                    | 18,000                    |
| HP - Kayak Racks               | 0                             | 1,325                        | 0                         | 2,000                     |
| HP - Electric                  | 16,582                        | 9,422                        | 13,600                    | 15,000                    |
| H P - Utility Reimbursement    | 2,805                         | 1,831                        | 3,000                     | 3,000                     |
| HP - Showers                   | 6,993                         | 7,373                        | 5,500                     | 7,500                     |
| HP - Laundry                   | 7,156                         | 4,911                        | 8,000                     | 9,000                     |
| HP - Passenger Fee             | 2,564                         | 5,589                        | 4,500                     | 6,000                     |
| HP - Fuel Commission           | 2,290                         | 378                          | 1,600                     | 2,000                     |
| HP - Bldg Lease Revenue        | 208,816                       | 168,394                      | 228,000                   | 238,000                   |
| H P - Event Facility Revenue   | 800                           | 100                          | 1,000                     | 500                       |
| H P - Miscellaneous Revenue    | 13,589                        | 15,872                       | 15,000                    | 15,000                    |
| Total Hudson Point Revenue     | 687,451                       | 569,508                      | 772,200                   | 879,900                   |
| JCIA - Lease Revenue           | 72,865                        | 53,445                       | 78,000                    | 93,000                    |
| JCIA - Hangar Revenue          | 29,530                        | 22,731                       | 31,500                    | 33,200                    |
| JCIA - Vehicle Parking Revenue | 255                           | 280                          | 500                       | 500                       |
| JCIA - Aircraft Parking        | 3,169                         | 2,376                        | 4,000                     | 3,000                     |
| JCIA - Landing Fee             | 688                           | 405                          | 500                       | 500                       |
| JCIA - Rental Property Revenue | 6,600                         | 4,559                        | 6,600                     | 4,250                     |
| JCIA - Fuel Sales Revenue      | 223,402                       | 192,502                      | 265,000                   | 265,000                   |
| JCIA - Miscellaneous Revenue   | 323                           | 287                          | 0                         | 100                       |
| Total JCIA Revenues            | 336,832                       | 276,585                      | 386,100                   | 399,550                   |
| Total Operating Revenue        | 4,320,696                     | 4,102,024                    | 4,852,960                 | 5,631,810                 |

#### Port of Port Townsend 2008 Consolidated Operating Budget Adopted November 7, 2007

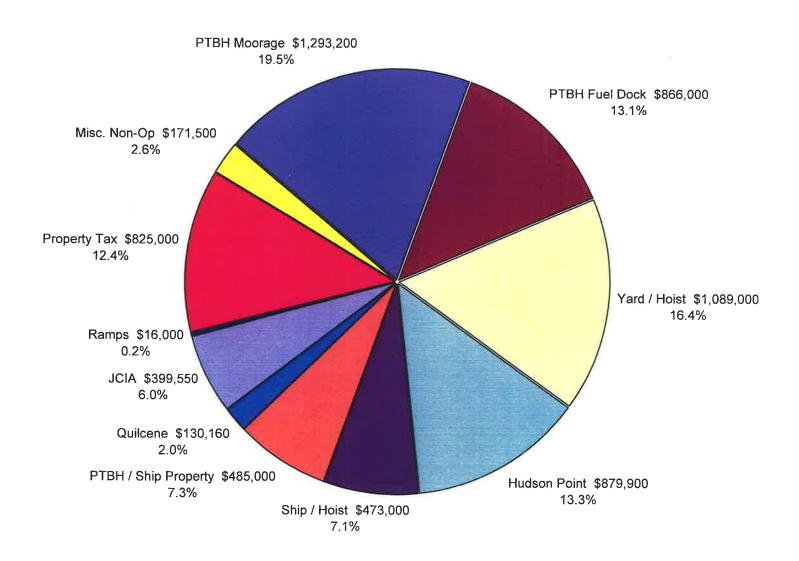
|  | 60 ·              |                   |                   |                          |
|--|-------------------|-------------------|-------------------|--------------------------|
|  | 2006<br>Actual to | 2007<br>Actual to | 2007<br>Adopted   | 2008<br>Adopted          |
| -  | 12-31-06          | 9-30-07           | Budget            | Budget                   |
| Operating Expenses:  |                   |                   |                   |                          |
| Salaries & Wages   | \$1,067,043       | \$907,275         | \$1,239,393       | \$1,415,09               |
| Payroll Taxes  | 99,214            | 87,853            | 131,396           | 151,01                   |
| Employee Benefits  | 256,598           | 243,875           | 336,157           | 393,37                   |
| Uniform Expense<br>Contract Services   | 6,126             | 3,092             | 7,560             | 7,99                     |
| Legal & Auditing   | 121,661<br>56,395 | 109,621           | 100,960           | 148,86                   |
| Operating Supplies   | 160,241           | 20,145<br>122,595 | 70,000<br>141,700 | 75,00<br>164,00          |
| Cost of Fuel Sold - JCIA   | 189,626           | 166,983           | 227,000           | 227,00                   |
| Cost of Fuel Sold - PTBH Fuel Dock   | 0                 | 469,951           | 22.,000           | 679,00                   |
| Cost of Fuel Sold - Quilcene   | 11,409            | 11,121            | 10,200            | 9,7                      |
| Cost of Miscell Retail Sales - Fuel Dock   | 0                 | 7,566             | 0                 | 8,00                     |
| Equipment Rental   | 1,734             | 3,460             | 4,815             | 4,8                      |
| Travel - 2008 (Travel & Training - 2006 & 2007)<br>Training - 2008   | 25,468            | 16,157            | 32,000            | 21,70                    |
| Insurance  | 0<br>155,184      | 440.773           | 470.000           | 18,40                    |
| Claims & Damages   | 2,767             | 119,773<br>5,868  | 170,000<br>5,500  | 172,50<br>5,50           |
| Advertising  | 38,100            | 26,602            | 34,800            | 40,00                    |
| Promotion  | 1,887             | 1,720             | 3,500             | 8,00                     |
| Membership & Dues  | 12,523            | 9,192             | 12,000            | 13,50                    |
| Bank Charges   | 34,297            | 38,999            | 32,650            | 48,00                    |
| Utilitles  | 405,900           | 307,238           | 396,850           | 434,60                   |
| Excise Tax   | 18,404            | 19,893            | 19,525            | 24,65                    |
| Bad Debt   | 18,901            | 17,064            | 25,000            | 25,00                    |
| Miscellaneous Expense Repair & Maintenance   | 3,532             | 3,165             | 4,125             | 4,17                     |
| Cost of Moorage Credit System  | 118,672<br>22,286 | 184,326<br>14,989 | 300,000           | 300,00                   |
| Economic Development   | 2,690             | 14,909            | 30,000<br>5,000   | 25,00<br>5,00            |
| Buy-Out of Fuel Dock Lease   | 2,030             | 161,000           | 0,000             | 3,00                     |
| Depreciation Expense   | 878,645           | 768,750           | 1,025,000         | 1,185,00                 |
| Total Operating Expense  | 3,709,303         | 3,848,273         | 4,365,131         | 5,614,87                 |
| Income From Operations   | 611,393           | 253,751           | 487,829           | 16,93                    |
| Non-Operating Revenues:  |                   | -6                |                   |                          |
| Investment Interest  | 327,379           | 171,177           | 75,000            | 100,00                   |
| Operating Tax Levy   | 762,211           | 593,685           | 797,500           | 825,00                   |
| State Forest Revenues  | 31,503            | 6,461             | 25,000            | 25,00                    |
| State Timber Excise Tax  | 46,563            | 41,301            | 20,000            | 20,00                    |
| Leasehold Excise Tax   | 7,765             | 4,370             | 6,500             | 6,50                     |
| Gain (Loss) on Dispositon of Asset   | (69,591)          | 11,800            | 0                 |                          |
| Finance Charges  | 68,576<br>24,533  | 3,354<br>16,995   | 20,000            | 20,00                    |
| Total Non-Operating Revenue  |                   | 849,143           |                   |                          |
|  | 1,198,939         | 649,143           | 944,000           | 996,50                   |
| Non-Operating Expenses:  |                   |                   |                   |                          |
| nterest Exp - 1997 LTGO Bond   | 12,734            | 4,713             | 5,838             |                          |
| nterest Exp - 2005 LTGO Bond   | 207,897           | 153,230           | 204,834           | 203,52                   |
| Interest Exp - 2006 LTGO Ref Bond  | 80,158            | 60,793            | 80,230            | 79,10                    |
| nterest Exp - 2005 Revenue Ref Bond<br>nterest Exp - LOCAL Fund  | 194,774           | 139,987           | 184,812           | 173,62                   |
| nterest Exp - COAL rund  | 6,596<br>60,844   | 4,515<br>36,781   | 6,002<br>43,656   | 5,27<br>26,12            |
| nterest Exp - WA State - DFW   | 13,378            | 9,813             | 13,040            | 12,68                    |
| nterest Exp - Frontier Bank  | 31,373            | 25,075            | 33,267            | 32,15                    |
| Bond Management Fees   | 2,173             | 605               | 2,000             | 2,00                     |
| nvestment Fees   | 1,250             | 1,114             | 1,200             | 1,20                     |
| Election Expense   | 0                 | 12,841            | 20,000            | ·                        |
|  | 47,000            | 60,003            | 80,000            | 80,00                    |
| ransfer to PTBH Renov Res Fund   | •                 |                   | 100,000           |                          |
| ransfer to PTBH Renov Res Fund<br>ransfer to Hudson Pt Renov Res Fund  | 100,000<br>0      | 49,998<br>5,697   | 7,600             | 7.92                     |
| Transfer to PTBH Renov Res Fund Transfer to Hudson Pt Renov Res Fund Trans 1% Tax \$ to PTBH Renov Reserve Total Non-Operating Expense | 100,000           |                   |                   |                          |
| Fransfer to PTBH Renov Res Fund Fransfer to Hudson Pt Renov Res Fund Frans 1% Tax \$ to PTBH Renov Reserve                             | 100,000           | 5,697             | 7,600             | 7,92<br>623,60<br>372,89 |

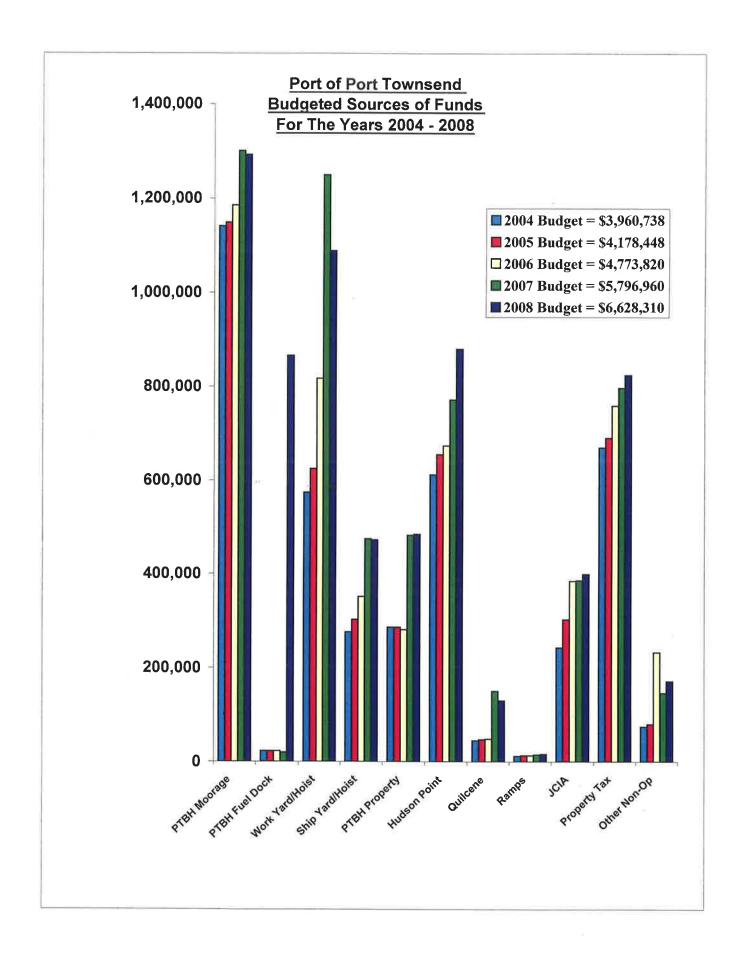
## PORT OF PORT TOWNSEND 2008 Consolidated Operating Budget - By Department

|                                       | PTBH / SHIP<br>MOORAGE | PTBH<br>FUEL DOCK | WORK YARD / | SHIP YARD /<br>HOIST | PTBH / SHIP<br>PROPERTY | HUDSON PT | QUILCENE | RAMPS    | J.C.I.A.  | MAINTENANCE<br>(Direct) | ADMIN. &<br>GENERAL | NON-<br>OPERATING  | TOTAL<br>2008<br>BUDGET |
|---------------------------------------|------------------------|-------------------|-------------|----------------------|-------------------------|-----------|----------|----------|-----------|-------------------------|---------------------|--------------------|-------------------------|
| Operating Personne                    |                        |                   |             |                      |                         |           |          |          |           |                         |                     |                    |                         |
| Operating Revenues User Charges (Net) | 1,293,200              | 0                 | 1,089,000   | 473,000              | 2,000                   | 641,400   | 73,660   | 16,000   | 36,500    | 0                       | 0                   | 0                  | 3,624,760               |
| Property Rentals                      | 1,233,200              | 0                 | 0           | 473,000              | 483,000                 | 238,500   | 44,500   | 0,000    | 98,050    | 0                       | 0                   | 0                  | 864,050                 |
| Fuel Sales                            |                        | 866,000           |             | ő                    | 0                       | 200,000   | 12,000   | ō        | 265,000   | 0                       | ő                   |                    | 1,143,000               |
|                                       |                        |                   |             |                      |                         |           |          |          |           |                         |                     |                    |                         |
| Total Operating Revenue               | 1,293,200              | 866,000           | 1,089,000   | 473,000              | 485,000                 | 879,900   | 130,160  | 16,000   | 399,550   | 0                       | 0                   | 0                  | 5,631,810               |
| Operating Expenses                    |                        |                   |             |                      |                         |           |          |          |           |                         |                     |                    |                         |
| Salaries/Wages                        | 177,587                | 60,810            | 288,335     | 115,994              | 66,229                  | 191,230   | 25,455   | 5,040    | 58,604    | 60,786                  | 365,027             | 0                  | 1,415,097               |
| Benefits/Payroll Taxes                | 70,214                 | 24,056            | 115,564     | 46,515               | 26,173                  | 75,403    | 10,180   | 2,018    | 23,201    | 26,258                  | 132,795             | 0                  | 552,377                 |
| Contract Services                     | 34,500                 | 1,500             | 3,000       | 2,000                | 1,000                   | 34,000    | 15,000   | 360      | 11,500    | 250                     | 120,750             | 0                  | 223,860                 |
| Supplies                              | 31,565                 | 3,000             | 45,700      | 20,500               | 3,500                   | 15,650    | 3,400    | 800      | 2,200     | 14,600                  | 27,900              | 0                  | 168,815                 |
| Cost of Fuel/Misc Sold                | 0                      | 687,000           | 0           | 0                    | 0                       | 0         | 9,700    | 0        | 227,000   | 0                       | 0                   | 0                  | 923,700                 |
| Travel                                | 2,800                  | 100               | 1,000       | 700                  | 1,200                   | 800       | 1,000    | 0        | 1,200     | 200                     | 12,700              | 0                  | 21,700                  |
| Training                              | 2,000                  | 1,600             | 2,700       | 700                  | 300                     | 1,100     | 1,500    | 0        | 600       | 2,200                   | 5,700               | 0                  | 18,400                  |
| Insurance                             | 37,100                 | 6,000             | 16,650      | 11,500               | 20,225                  | 22,500    | 6,500    | 500      | 24,225    | 6,100                   | 21,200              | 0                  | 172,500                 |
| Advertising & Promotion               | 8,500                  | 1,500             | 8,000       | 9,000                | 300                     | 13,000    | 500      | 0        | 300       | 0                       | 1,900               | 0                  | 43,000                  |
| Utilities                             | 123,400                | 3,200             | 75,550      | 28,350               | 31,800                  | 126,000   | 11,800   | 2,450    | 10,400    | 5,250                   | 16,400              | 0                  | 434,600                 |
| Bad Debt                              | 2,000                  | 0                 | 19,300      | 2,000                | 500                     | 500       | 500      | 0        | 200       | 0                       | 0                   | 0                  | 25,000                  |
| Repair/Maintenance                    | 70,000                 | 10,000            | 43,000      | 25,000               | 47,000                  | 30,000    | 40,000   | 5,000    | 15,000    | 15,000                  | 0                   | 0                  | 300,000                 |
| Other Direct Expenses                 | 36,600                 | 16,000            | 19,700      | 9,700                | 800                     | 18,000    | 1,100    | 375      | 8,150     | 300                     | 20,100              | 0                  | 130,825                 |
| Total Operating Expenses              | 596,266                | 814,766           | 638,499     | 271,959              | 199,027                 | 528,183   | 126,635  | 16,543   | 382,580   | 130,944                 | 724,472             | 0                  | 4,429,874               |
| Operating Income Before Deprec        | 696,934                | 51,234            | 450,501     | 201,041              | 285,973                 | 351,717   | 3,525    | (543)    | 16,970    | (130,944)               | (724,472)           | 0                  | 1,201,936               |
| Depreciation                          | 145,000                | 2,000             | 79,500      | 139,500              | 113,500                 | 239,500   | 57,500   | 14,000   | 375,500   | 19,000                  | 0                   | 0                  | 1,185,000               |
| Depreciation                          | 1,10,1000              |                   |             |                      |                         |           |          |          |           | 7                       |                     |                    |                         |
| Net Operating Income                  | 551,934                | 49,234            | 371,001     | 61,541               | 172,473                 | 112,217   | (53,975) | (14,543) | (358,530) | (149,944)               | (724,472)           | 0                  | 16,936                  |
| Non-Operating Revenue/Expense         |                        |                   |             |                      |                         |           |          |          |           |                         |                     |                    |                         |
| Interest Income                       |                        |                   |             |                      |                         |           |          |          |           |                         |                     | 100,000            | 100,000                 |
| Property Tax Levy                     |                        |                   |             |                      |                         |           |          |          |           |                         |                     | 825,000            | 825,000                 |
| State Forest Revenue                  |                        |                   |             |                      |                         |           |          |          |           |                         |                     | 25,000             | 25,000                  |
| Timber Excise Tax                     |                        |                   |             |                      |                         |           |          |          |           |                         |                     | 20,000             | 20,000                  |
| State Leasehold Excise Tax            |                        |                   |             |                      |                         |           |          |          |           |                         |                     | 6,500              | 6,500                   |
| Finance Charges                       |                        |                   |             |                      |                         |           |          |          |           |                         |                     | 20,000             | 20,000                  |
| Interest Expense                      |                        |                   |             |                      |                         |           |          |          |           | *1                      |                     | (532,486)          | (532,486)               |
| Election Expense                      |                        |                   |             |                      |                         |           |          |          |           |                         |                     | 0                  | 0                       |
| Transfer to Reserves<br>Other         | (80,000)               |                   |             |                      |                         |           |          |          |           |                         |                     | (7,920)<br>(3,200) | (87,920)<br>(3,200)     |
| Net Non-Operating Revenue             | (80,000)               | 0                 | 0           | 0                    | 0                       | 0         | 0        | 0        | 0         | 0                       | 0                   | 452,894            | 372,894                 |
| NET INCOME                            | 471,934                | 49,234            | 371,001     | 61,541               | 172,473                 | 112,217   | (53,975) | (14,543) | (358,530) | (149,944)               | (724,472)           | 452,894            | 389,830                 |
| Distribution of Admin & Gen Exp       | (130,050)              | (44,535)          | (211,155)   | (84,945)             | (48,500)                | (140,040) | (18,640) | (3,690)  | (42,917)  | 00                      | 724,472             | 0                  | 0                       |
| NET INCOME AFTER A & G                | 341,884                | 4,699             | 159,846     | (23,404)             | 123,973                 | (27,823)  | (72,615) | (18,233) | (401,447) | (149,944)               | 0                   | 452,894            | 389,830                 |
|                                       |                        |                   |             |                      |                         |           |          |          |           |                         |                     |                    |                         |

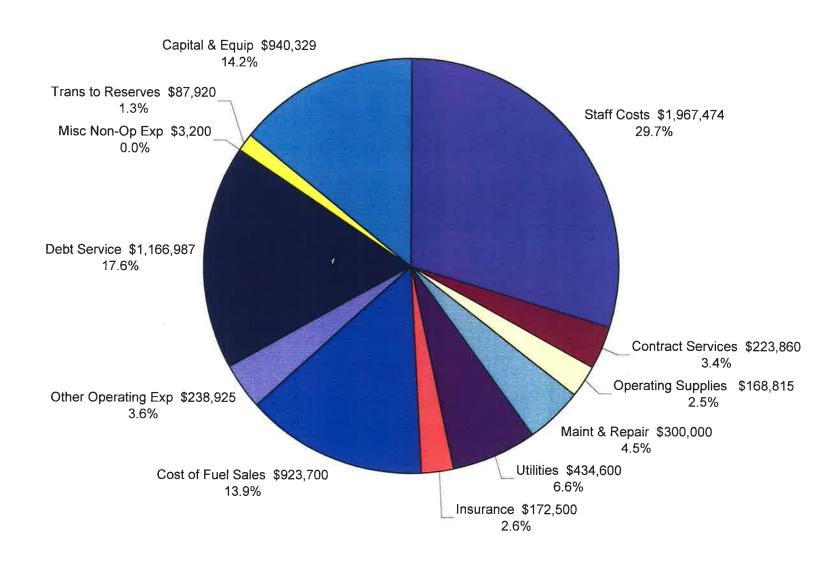


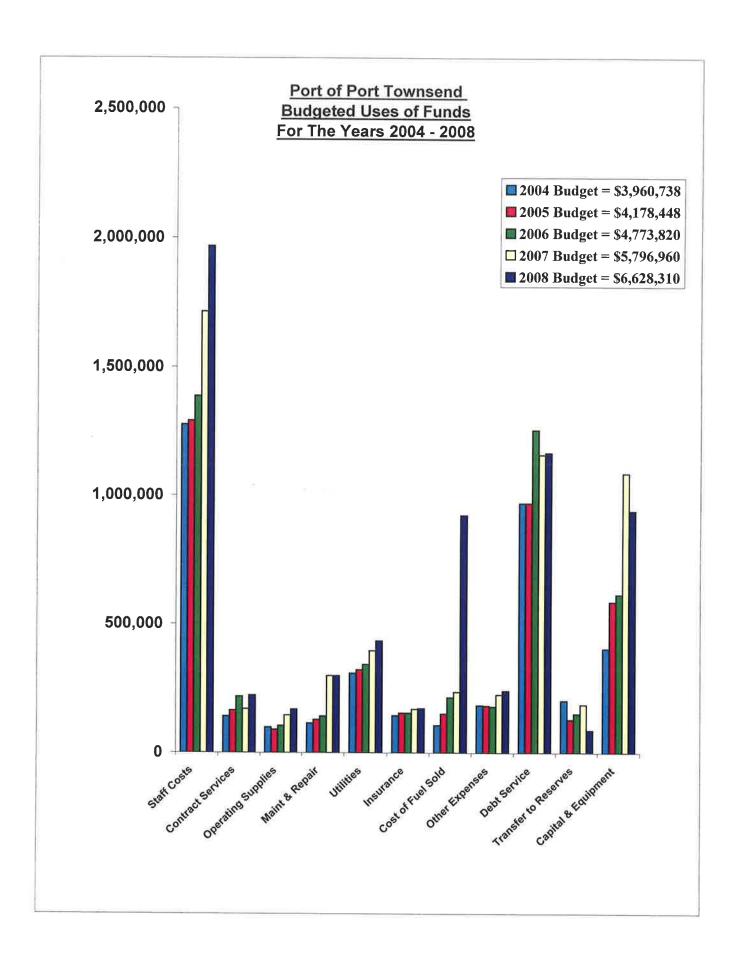
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### 2008 Uses of Funds Total = \$6,628,310





# PORT OF PORT TOWNSEND DIRECT CASH FLOW ANALYSIS - 2008

|  | • • | 2008<br>RELIMINARY<br>ESTIMATE |
|--|-----|--------------------------------|
| SOURCES OF FUNDS:                                      |     |                                |
|  | 9   |                                |
| NET INCOME FROM OPERATING BUDGET                       | \$  | 389,830                        |
| ADD BACK: DEPRECIATION EXPENSE                         |     | 1,185,000                      |
| × ·  |     |                                |
| NET CASH FLOW PROJECTED FROM OPERATING BUDGET FOR 2008 | \$  | 1,574,830                      |
| USES OF FUNDS:   |     |                                |
| REQUIRED PRINCIPAL DEBT SERVICE PAYMENTS               |     | 634,501                        |
| PROPOSED EQUIPMENT PURCHASES                           |     | 75,000                         |
| STAFF COSTS BUDGETED TO CAPITAL PROJECTS FOR 2008      | :(  | 100,835                        |
| POTENTIAL FUNDS AVAILABLE FOR CAPITAL PROJECTS         |     |                                |
| AND RESERVES FROM 2008 OPERATING BUDGET                | \$  | 764,494                        |

#### Port of Port Townsend PTBH / SHIP MOORAGE Adopted November 7, 2007

| Mooraga - Permanent   \$738,446   \$598,917   \$42,000   \$45,000   | _                                 | 2006<br>Actual to<br>12-31-06 | 2007<br>Actual to<br>9-30-07 | 2007<br>Adopted<br>Budget | 2008<br>Adopted<br>Budget |
|---|-----------------------------------|-------------------------------|------------------------------|---------------------------|---------------------------|
| Moorage - Ship  | Revenues                          |                               |                              |                           |                           |
| Moorago - Ship  | Moorage - Permanent               | \$738,446                     | \$598.917                    | \$825,000                 | \$870,000                 |
| Liveaboard Fee         13,950         8,855         14,000         12,000           Work Float Usage         642         2,310         0         2,500           Liff Pier Usage         2,00         1,975         2,400         2,500           Monthiy Guest Moorage         165,428         166,896         175,000         80,000           Night Yound         155,428         166,896         175,000         150,000           Miscellaneous Revenue         13,828         10,434         10,000         12,000           Miscellaneous Revenue         13,828         10,434         10,000         12,000           Showers         16,859         11,745         20,000         18,000           Laundry         5,844         4,754         6,000         6,000           Passenger Fee         103         0         500         200           Fuel Sales - Olesel - Taxablo         14,627         1,945         14,000         0           Operating Exponses         12,245,988         986,708         1,321,400         1,293,200           Operating Exponses         12,2469         10,951         16,146         177,557           Salaries & Wages         12,245         30,00         1,000 <td< td=""><td>Moorage - Ship</td><td>•</td><td></td><td></td><td></td></td<>   | Moorage - Ship                    | •                             |                              |                           |                           |
| Work Float Usage         642         2,310         2,500         2,500           Monthly Guest Mocrage         136,310         81,498         115,000         80,000           Monthly Guest Mocrage         156,428         168,686         175,000         150,000           Moorage - Non LET         490         379         7,000         75,000           Electric         172,232         55,907         75,000         76,000           Showers         18,589         11,745         10,000         12,000           Showers         18,589         11,745         10,000         20,000           Passanger Fee         103         0         500         20,000           Passanger Fee         103         0         500         20,000           Passanger Fee         103         0         500         20,000           Passanger Fee         103         9,60         1,321,400         0           Operating Expenses         1,242,598         986,708         1,321,400         1,229,200           Operating Expenses         1,245,914         10,951         18,619         20,280           Salaries & Wages         1,35,311         113,874         164,146         177,587      P   |                                   | 13,321                        |                              |                           |                           |
| Lift Pier Usage*  |                                   | 13,950                        | 8,855                        | 14,000                    | 12,000                    |
| Monthiy Guest Moorage         156,310         81,498         115,000         80,000           Moorage - Non LET         490         879         0         0           Moorage - Non LET         490         879         0         0           Electric         77,223         55,007         75,000         78,000           Showars         18,288         10,434         10,000         20,000           Passenger Fee         103         4,754         6,000         60,000           Passenger Fee         103         4,754         6,000         0           Fuel Sales - Osaoline         5,428         301         6,000         0           Fuel Sales - Gasoline         1,242,598         966,708         1,321,400         1,293,200           Operating Expenses         1,242,598         966,708         1,321,400         1,293,200           Operating Expenses         1,242,598         966,708         1,321,400         1,293,200           Operating Expenses         1,264         10,951         16,146         177,587           Salarlea & Wagoe         1,35,351         113,874         164,146         177,587           Payrolf Taxes         12,649         10,951         16,146         177   |                                   | 642                           | 2,310                        | 0                         | 2,500                     |
| Nightly Guest Moorage   185,428   168,896   175,000   150,000   Moorage - Non LET   490   879   0   0   0   0   0   0   0   0   0   |                                   |                               | 1,975                        | 2,400                     | 2,500                     |
| Mocrage - Non LET   |                                   |                               |                              |                           |                           |
| Electric   77,223   55,907   75,000   76,000   Miscoellanous Revenue   13,828   10,434   10,000   12,000   Showers   18,569   11,745   20,000   18,000   Laundry   5,594   4,745   4,000   6,000   0,000   Passenger Fee   103   0   500   200   Fuel Sales - Olssel - Taxable   14,627   1,945   14,000   0   0   0   0   0   0   0   0   0  |                                   |                               | •                            |                           | 150,000                   |
| Miscellaneous Revenue   |                                   |                               |                              | 7                         | 0                         |
| Showers   |                                   | •                             |                              | •                         |                           |
| Laundry   |                                   |                               |                              | -                         |                           |
| Passanger Fee   |                                   |                               |                              |                           |                           |
| Fuel Sales - Gasoline         14,627 b.els 2.es         1,945 b.es         14,000 b.es         0           Total Revenues         1,242,598         986,708         1,321,400         1,293,200           Operating Expenses           Salaries & Wages         135,351         113,874         164,146         177,587           Payroll Taxes         12,649         10,951         18,619         20,238           Employee Benefits         32,914         30,643         44,520         49,366           Uniform Expense         242         84         550         550           Contract Services         35,884         31,691         21,000         34,500           Legal Expense         2,640         0         0         0         0           Operating Supplies         11,415         14,918         12,000         13,000         7,000         13,000         7,000         13,000         7,000         13,000         7,000         13,000         7,000         13,000         7,000         13,000         7,000         13,000         7,000         13,000         7,000         13,000         7,000         13,000         7,000         13,000         7,000         13,000         7,000         14,000         12,000   | •                                 |                               | 4,754                        |                           |                           |
| Fuel Sales - Gasoline   |                                   |                               | 4.045                        |                           |                           |
| Total Revenues 1,242,598 986,708 1,321,400 1,293,200  Operating Expenses  Salaries & Wages 135,351 113,874 164,146 177,587 Payroll Taxes 12,649 10,951 18,619 20,298 Employee Benefits 32,914 30,643 44,520 49,366 Uniforn Expense 242 84 550 550 Contract Services 33,5984 31,691 21,000 34,500 Legal Expense 2,640 0 0 0 0 0 0 Operating Supplies 11,1415 14,918 12,000 13,000 Postage 2,945 2,652 3,500 4,000 Postage 2,945 2,652 3,500 4,000 Postage 10,045 9,105 12,000 12,000 Postage 1,045 9,105 12,000 12,000 Postage 2,945 2,652 3,500 4,000 Postage 1,045 9,105 12,000 12,000 Fuels & Lubricants 132 450 0 2,500 Equipment Rental 65 65 65 65 Travel -2008 (Travel & Training - 2006 & 2,000 Insurance 34,556 24,412 43,100 37,100 Insurance 34,556 24,412 43,100 37,100 Insurance 34,556 24,412 43,100 37,100 Insurance 43,556 24,412 43,100 37,100 Insurance 33,556 24,412 43,100 37,100 Insurance 44,550 5,566 46,500 5,500 Promotion 336 114 500 500 Bank Charges 4,561 5,566 4,800 6,000 Bank Charges 4,561 5,566 4,800 6,000 Utilities - Water 9,385 8,126 8,500 10,000 Utilities - Sewer 10,849 9,309 9,500 15,000 Utilities - Sewer 10,849 9,309 9,500 10,000 Utilities - Sewer 10,849 9,309 9,500 11,000 Utilities - Sewer 10,849 9,309 9,500 10,000 Utilities - Sewer 10,849 9,309 9,500 10,000 Utilities - Sewer 10,849 9,309 9,500 10,000 Utilities - Telephone 8,820 7,437 9,000 10,000 Utilities - Telephone 10,000 7,000 Miscellaneous Expense 128 137 100 100 Excise Tax 4,745 4,012 4,700 5,000 Miscellaneous Expense 128 137 100 100 Utilities - Telephone 10,000 7,000 Miscellaneous Expense 128 137 100 1000 Repair & Maintenance 15,617 26,182 100,000 70,000 Miscellaneous Expense 128 137 100 1000 Repair & Maintenance 15,617 26,182 100,000 70,000 Miscellaneous Expense 10,000 70,000 Miscellaneous Expense 110,679 134,575 167,700 145,000 Direct Operating Expenses 734,978 592,132 867,685 871,316 Net Income (Loss) From Operations 507,620 394,576 453,715 421,884 Transfer |                                   |                               |                              | •                         |                           |
| Salarles & Wages   135,351   113,874   164,146   177,587   Payroll Taxes   12,649   10,951   18,619   20,298   Employee Benefits   32,914   30,643   44,520   49,386   Uniform Expense   242   84   550     | ; <del></del>                     |                               |                              |                           |                           |
| Salaries & Wages         135,351         113,874         164,146         177,587           Payroll Taxes         12,649         10,951         18,619         20,288           Employee Benefits         32,914         30,643         44,520         49,366           Uniform Expense         242         84         550         550           Contract Services         35,884         31,891         21,000         34,500           Legal Expense         2,640         0         0         0         0           Operating Supplies         11,415         14,918         12,000         13,000           Operating Supplies         11,415         14,918         12,000         13,000           Janitorial Supplies         10,045         9,105         12,000         12,000           Prelis & Lubricants         132         450         0         0         2,000           Equil prent Rental         65  |                                   | 1,242,598                     | 986,708                      | 1,321,400                 | 1,293,200                 |
| Payroll Taxes         12,649         10,951         18,619         20,288           Employee Benefits         3,2914         3,0843         34,520         49,366           Uniform Expense         242         84         550         550           Contract Services         3,5884         31,691         21,000         34,500           Legal Expense         2,640         0         0         0         30,000           Operating Supplies         11,415         14,918         12,000         13,000           Postage         2,945         2,652         3,500         4,000           Janitorial Supplies         10,045         9,105         12,000         12,000           Fuels & Lubricants         132         450         0         0         2,000           Equipment Rental         65 <t< td=""><td>Operating Expenses</td><td></td><td></td><td></td><td></td></t<>   | Operating Expenses                |                               |                              |                           |                           |
| Employee Benefits         32,914         30,643         44,520         49,366           Uniform Expense         242         84         550         550           Contract Services         35,984         31,691         21,000         34,500           Cegal Expense         2,640         0         0         0           Operating Supplies         11,415         14,918         12,000         13,000           Postage         2,945         2,652         3,500         4,000           Postage         2,945         2,665         65         65         65         65         65         65         65         65         65         65         65         65         65         65         7         7         0         0         0         0         0         2,000         1,000         1,000         1,000         1,000         1,000         1,000   | Salaries & Wages                  | 135,351                       | 113,874                      | 164,146                   | 177,587                   |
| Uniform Expense         242         84         550         550           Contract Services         35,884         31,891         21,000         34,500           Legal Expense         2,640         0         0         0         0           Operating Supplies         11,415         14,948         12,000         13,000           Postage         2,945         2,652         3,500         4,000           Janitorial Supplies         10,045         9,105         12,000         12,000           Equipment Rental         65         65         65         65         65         65           Equipment Rental         65 </td <td></td> <td></td> <td></td> <td></td> <td></td>   |                                   |                               |                              |                           |                           |
| Contract Services         35,984         31,691         21,000         34,500           Legal Expense         2,640         13,000         13,000         13,000         13,000         13,000         13,000         13,000         13,000         13,000         13,000         13,000         13,000         12,000         12,000         12,000         12,000         12,000         12,000         12,000         2,500         Equipment Rental         65         65         65         65         65         65         76         75         77         0         0         0         2,000         2,000         10         0         2,000         10         10         2,000         10         0         2,000         10         0         2,000         10         0         0         0         2,000         10         0         2,000         10         0         0         0         0         0         0         0         0 </td <td></td> <td></td> <td>30,643</td> <td>44,520</td> <td>49,366</td>   |                                   |                               | 30,643                       | 44,520                    | 49,366                    |
| Legal Expense         2,240         13,000         13,000         12,000 <td></td> <td>242</td> <td>84</td> <td>550</td> <td>550</td>  |                                   | 242                           | 84                           | 550                       | 550                       |
| Operating Supplies         11,415         14,918         12,000         13,000           Postage         2,945         2,652         3,500         4,000           Janitorial Supplies         10,045         9,105         12,000         12,000           Fuels & Lubricants         132         450         0         2,000           Equipment Rental         65         65         65         65         65           Travel - 2008 (Travel & Training - 2006 & 2007)         3,794         1,164         4,500         2,800           Training - 2008         0         0         0         0         2,000           Insurance         34,556         24,412         43,100         37,100           Claims & Damages         70         0         500         500           Advertising         6,679         3,647         7,000         8,000           Promotion         336         114         500         500           Bank Charges         4,561         5,696         4,800         6,000           Utilities - Vater         9,385         8,126         8,500         10,000           Utilities - Sewer         10,849         9,309         9,500         11,000      <   |                                   |                               | 31,691                       | 21,000                    | 34,500                    |
| Postage   |                                   |                               | •                            | -                         | -                         |
| Janitorial Supplies   10,045   9,105   12,000   |                                   |                               |                              | •                         |                           |
| Fuels & Lubricants         132         450         0         2,500           Equipment Rental         65         65         65         65           Travel - 2008 (Travel & Training - 2006 & 2007)         3,794         1,164         4,500         2,800           Training - 2008         0         0         0         0         2,000           Insurance         34,556         24,412         43,100         37,100           Claims & Damages         70         0         500         500           Advertising         6,679         3,647         7,000         8,000           Promotion         336         114         500         500           Bank Charges         4,561         5,996         4,800         6,000           Utilities - Water         9,385         8,126         8,500         10,000           Utilities - Electricity         60,088         39,617         52,000         55,000           Utilities - Sewer         10,849         9,309         9,500         11,000           Utilities - Fuels         6,948         4,032         7,000         7,000           Utilities - Fuels         6,948         4,032         7,000         3,000   |                                   |                               | •                            |                           |                           |
| Equipment Rental         65         65         65         65           Travel - 2008 (Travel & Training - 2006 & 2007)         3,794         1,164         4,500         2,800           Training - 2008         0         0         0         0         2,000           Insurance         34,556         24,412         43,100         37,100           Claims & Damages         70         0         500         500           Advertising         6,679         3,647         7,000         8,000           Promotion         336         114         500         500           Bank Charges         4,561         5,996         4,800         6,000           Utilities - Water         9,385         8,126         8,500         10,000           Utilities - Water         9,385         8,126         8,500         10,000           Utilities - Sewer         10,849         9,309         9,500         11,000           Utilities - Garbage         29,818         24,594         28,000         30,000           Utilities - Telephone         8,920         7,437         9,000         10,000           Utilities - Telephone         8,920         7,437         9,000         10,000   |                                   |                               |                              |                           |                           |
| Travel - 2008 (Travel & Training - 2006 & 2007)         3,794         1,164         4,500         2,800           Training - 2008         0         0         0         2,000           Insurance         34,556         24,412         43,100         37,100           Claims & Damages         70         0         500         500           Advertising         6,679         3,647         7,000         8000           Promotion         336         114         500         500           Bank Charges         4,561         5,966         4,800         6,000           Utilities - Water         9,385         8,126         8,500         10,000           Utilities - Electricity         60,088         39,617         52,000         55,000           Utilities - Garbage         29,818         24,594         28,000         30,000           Utilities - Fuels         6,948         4,032         7,000         7,000           Utilities - Telephone         8,920         7,437         9,000         10,000           Utilities - Telephone         8,920         7,437         9,000         10,000           Excise Tax         4,745         4,012         4,700         5,000   |                                   |                               |                              | -                         |                           |
| Training - 2008         0         0         0         2,000           Insurance         34,556         24,412         43,100         37,100           Claims & Damages         70         0         500         500           Advertising         6,679         3,647         7,000         8,000           Promotion         336         114         500         500           Bank Charges         4,561         5,696         4,800         6,000           Utilities - Water         9,385         8,126         8,500         10,000           Utilities - Electricity         60,088         39,617         52,000         55,000           Utilities - Sewer         10,849         9,309         9,500         11,000           Utilities - Garbage         29,818         24,594         28,000         30,000           Utilities - Telephone         8,920         7,437         9,000         10,000           Utilities - Telephone         8,920         7,437         9,000         10,000           Utilities - Telephone         4,745         4,012         4,700         5,000           Excise Tax         4,745         4,012         4,700         5,000           Miscellane   | • •                               |                               |                              |                           |                           |
| Insurance         34,556         24,412         43,100         37,100           Claims & Damages         70         0         500         500           Advertising         6,679         3,647         7,000         8,000           Promotion         336         114         500         500           Bank Charges         4,561         5,696         4,800         6,000           Utilities - Water         9,385         8,126         8,500         10,000           Utilities - Electricity         60,088         39,617         52,000         55,000           Utilities - Sewer         10,849         9,309         9,500         11,000           Utilities - Garbage         29,818         24,594         28,000         30,000           Utilities - Fuels         6,948         4,032         7,000         7,000           Utilities - Fuelphone         8,920         7,437         9,000         10,000           Utilities - Telephone         8,920         7,437         9,000         10,000           Utilities - Cable/I.T. Service         0         75         275         400           Excise Tax         4,745         4,012         4,700         5,000 <t< td=""><td></td><td>•</td><td>1,164</td><td></td><td></td></t<>   |                                   | •                             | 1,164                        |                           |                           |
| Claims & Damages         70         0         500         500           Advertising         6,679         3,647         7,000         8,000           Promotion         336         114         500         500           Bank Charges         4,561         5,696         4,800         6,000           Utilities - Water         9,385         8,126         8,500         10,000           Utilities - Electricity         60,088         39,617         52,000         55,000           Utilities - Sewer         10,849         9,309         9,500         11,000           Utilities - Garbage         29,818         24,594         28,000         30,000           Utilities - Fuels         6,948         4,032         7,000         7,000           Utilities - Telephone         8,920         7,437         9,000         10,000  |                                   | _                             | 0                            | •                         |                           |
| Advertising         6,679         3,647         7,000         8,000           Promotion         336         114         500         500           Bank Charges         4,561         5,996         4,800         6,000           Utilities - Water         9,385         8,126         8,500         10,000           Utilities - Electricity         60,088         39,617         52,000         55,000           Utilities - Sewer         10,849         9,309         9,500         11,000           Utilities - Garbage         29,818         24,594         28,000         30,000           Utilities - Fuels         6,948         4,032         7,000         7,000           Utilities - Telephone         8,920         7,437         9,000         10,000           Utilities - Cable/LT. Service         0         75         275         400           Excise Tax         4,745         4,012         4,700         5,000           Utilities - Cable/LT. Service         0         75         275         400           Excise Tax         4,745         4,012         4,700         5,000           Bad Bebt Expense         128         137         100         100           Cos   |                                   |                               |                              |                           |                           |
| Promotion         336         114         500         500           Bank Charges         4,561         5,696         4,800         6,000           Utilities - Water         9,385         8,126         8,500         10,000           Utilities - Electricity         60,088         39,617         52,000         55,000           Utilities - Sewer         10,849         9,309         9,500         11,000           Utilities - Sewer         10,849         9,309         9,500         11,000           Utilities - Sewer         10,849         9,309         9,500         11,000           Utilities - Sewer         29,818         24,594         28,000         30,000           Utilities - Fuels         6,948         4,032         7,000         7,000           Utilities - Telephone         8,920         7,437         9,000         10,000           Utilities - Scabiell. T. Service         0         75         275         400           Excise Tax         4,745         4,012         4,700         5,000           Bad Bebt Expense         459         813         3,000         2,000           Miscellaneous Expense         128         137         100         100 <tr< td=""><td></td><td></td><td>-</td><td></td><td></td></tr<>  |                                   |                               | -                            |                           |                           |
| Bank Charges         4,561         5,696         4,800         6,000           Utilities - Water         9,385         8,126         8,500         10,000           Utilities - Electricity         60,088         39,617         52,000         55,000           Utilities - Sewer         10,849         9,309         9,500         11,000           Utilities - Garbage         29,818         24,594         28,000         30,000           Utilities - Fuels         6,948         4,032         7,000         7,000           Utilities - Telephone         8,920         7,437         9,000         10,000           Utilities - Cable/I.T. Service         0         75         275         400           Excise Tax         4,745         4,012         4,700         5,000           Excise Tax         4,745         4,012         4,700         5,000           Bad Bebt Expense         128         137         100         100           Cost of Moorage Credit System         22,286         14,989         30,000         25,000           Repair & Maintenance         15,617         26,182         100,000         70,000           Allocated A & G Expense         110,879         77,568         111,110  |                                   |                               |                              |                           |                           |
| Utilities - Water         9,385         8,126         8,500         10,000           Utilities - Electricity         60,088         39,617         52,000         55,000           Utilities - Garbage         10,849         9,309         9,500         11,000           Utilities - Garbage         29,818         24,594         28,000         30,000           Utilities - Fuels         6,948         4,032         7,000         7,000           Utilities - Telephone         8,920         7,437         9,000         10,000           Utilities - Cable/I.T. Service         0         75         275         400           Excise Tax         4,745         4,012         4,700         5,000           Bad Bebt Expense         459         813         3,000         2,000           Miscellaneous Expense         128         137         100         100           Cost of Moorage Credit System         22,286         14,989         30,000         25,000           Repair & Maintenance         15,617         26,182         100,000         70,000           Allocated A & G Expense         110,878         77,568         111,110         130,050           Depreciation Expense         734,978         592,132   |                                   |                               |                              |                           |                           |
| Utilities - Electricity         60,088         39,617         52,000         55,000           Utilities - Sewer         10,849         9,309         9,500         11,000           Utilities - Garbage         29,818         24,594         28,000         30,000           Utilities - Fuels         6,948         4,032         7,000         7,000           Utilities - Telephone         8,920         7,437         9,000         10,000           Utilities - Cable/I.T. Service         0         75         275         400           Excise Tax         4,745         4,012         4,700         5,000           Bad Bebt Expense         459         813         3,000         2,000           Miscellaneous Expense         128         137         100         100           Cost of Moorage Credit System         22,286         14,989         30,000         25,000           Repair & Maintenance         15,617         26,182         100,000         70,000           Allocated A & G Expense         110,878         77,568         111,110         130,050           Depreciation Expense         734,978         592,132         867,685         871,316           Net Income (Loss) From Operations         507,620  |                                   |                               | •                            |                           | •                         |
| Utilities - Sewer         10,849         9,309         9,500         11,000           Utilities - Garbage         29,818         24,594         28,000         30,000           Utilities - Fuels         6,948         4,032         7,000         7,000           Utilities - Telephone         8,920         7,437         9,000         10,000           Utilities - Cable/I.T. Service         0         75         275         400           Excise Tax         4,745         4,012         4,700         5,000           Bad Bebt Expense         459         813         3,000         2,000           Miscellaneous Expense         128         137         100         100           Cost of Moorage Credit System         22,286         14,989         30,000         25,000           Repair & Maintenance         15,617         26,182         100,000         70,000           Allocated A & G Expense         110,878         77,568         111,110         130,050           Depreciation Expense         160,479         125,775         167,700         145,000           Direct Operating Expenses         734,978         592,132         867,685         871,316           Net Income (Loss) From Operations         507,620 <td></td> <td></td> <td></td> <td></td> <td></td>  |                                   |                               |                              |                           |                           |
| Utilities - Garbage       29,818       24,594       28,000       30,000         Utilities - Fuels       6,948       4,032       7,000       7,000         Utilities - Telephone       8,920       7,437       9,000       10,000         Utilities - Cable/I.T. Service       0       75       275       400         Excise Tax       4,745       4,012       4,700       5,000         Bad Bebt Expense       459       813       3,000       2,000         Miscellaneous Expense       128       137       100       100         Cost of Moorage Credit System       22,286       14,989       30,000       25,000         Repair & Maintenance       15,617       26,182       100,000       70,000         Allocated A & G Expense       110,878       77,568       111,110       130,050         Depreciation Expense       160,479       125,775       167,700       145,000         Direct Operating Expenses       734,978       592,132       867,685       871,316         Net Income (Loss) From Operations       507,620       394,576       453,715       421,884         Transfer to PTBH Renov Res Fund       47,000       60,003       80,000       80,000         Total Tr   |                                   |                               |                              |                           |                           |
| Utilities - Fuels         6,948         4,032         7,000         7,000           Utilities - Telephone         8,920         7,437         9,000         10,000           Utilities - Cable/I.T. Service         0         75         275         400           Excise Tax         4,745         4,012         4,700         5,000           Bad Bebt Expense         459         813         3,000         2,000           Miscellaneous Expense         128         137         100         100           Cost of Moorage Credit System         22,286         14,989         30,000         25,000           Repair & Maintenance         15,617         26,182         100,000         70,000           Allocated A & G Expense         110,878         77,568         111,110         130,050           Depreciation Expense         160,479         125,775         167,700         145,000           Direct Operating Expenses         734,978         592,132         867,685         871,316           Net Income (Loss) From Operations         507,620         394,576         453,715         421,884           Transfer to PTBH Renov Res Fund         47,000         60,003         80,000         80,000  |                                   |                               |                              |                           |                           |
| Utilities - Telephone         8,920         7,437         9,000         10,000           Utilities - Cable/I.T. Service         0         75         275         400           Excise Tax         4,745         4,012         4,700         5,000           Bad Bebt Expense         459         813         3,000         2,000           Miscellaneous Expense         128         137         100         100           Cost of Moorage Credit System         22,286         14,989         30,000         25,000           Repair & Maintenance         15,617         26,182         100,000         70,000           Allocated A & G Expense         110,878         77,568         111,110         130,050           Depreciation Expense         160,479         125,775         167,700         145,000           Direct Operating Expenses         734,978         592,132         867,685         871,316           Net Income (Loss) From Operations         507,620         394,576         453,715         421,884           Transfer to PTBH Renov Res Fund         47,000         60,003         80,000         80,000           Total Transfers         47,000         60,003         80,000         80,000  |                                   |                               |                              |                           |                           |
| Utilities - Cable/I.T. Service         0         75         275         400           Excise Tax         4,745         4,012         4,700         5,000           Bad Bebt Expense         459         813         3,000         2,000           Miscellaneous Expense         128         137         100         100           Cost of Moorage Credit System         22,286         14,989         30,000         25,000           Repair & Maintenance         15,617         26,182         100,000         70,000           Allocated A & G Expense         110,878         77,568         111,110         130,050           Depreciation Expense         160,479         125,775         167,700         145,000           Direct Operating Expenses         734,978         592,132         867,685         871,316           Net Income (Loss) From Operations         507,620         394,576         453,715         421,884           Transfer to PTBH Renov Res Fund         47,000         60,003         80,000         80,000           Total Transfers         47,000         60,003         80,000         80,000   |                                   |                               |                              |                           |                           |
| Excise Tax       4,745       4,012       4,700       5,000         Bad Bebt Expense       459       813       3,000       2,000         Miscellaneous Expense       128       137       100       100         Cost of Moorage Credit System       22,286       14,989       30,000       25,000         Repair & Maintenance       15,617       26,182       100,000       70,000         Allocated A & G Expense       110,878       77,568       111,110       130,050         Depreciation Expense       160,479       125,775       167,700       145,000         Direct Operating Expenses       734,978       592,132       867,685       871,316         Net Income (Loss) From Operations       507,620       394,576       453,715       421,884         Transfer to PTBH Renov Res Fund       47,000       60,003       80,000       80,000         Total Transfers       47,000       60,003       80,000       80,000   |                                   |                               |                              |                           |                           |
| Bad Bebt Expense       459       813       3,000       2,000         Miscellaneous Expense       128       137       100       100         Cost of Moorage Credit System       22,286       14,989       30,000       25,000         Repair & Maintenance       15,617       26,182       100,000       70,000         Allocated A & G Expense       110,878       77,568       111,110       130,050         Depreciation Expense       160,479       125,775       167,700       145,000         Direct Operating Expenses       734,978       592,132       867,685       871,316         Net Income (Loss) From Operations       507,620       394,576       453,715       421,884         Transfer to PTBH Renov Res Fund       47,000       60,003       80,000       80,000         Total Transfers       47,000       60,003       80,000       80,000  |                                   | _                             |                              |                           |                           |
| Miscellaneous Expense         128         137         100         100           Cost of Moorage Credit System         22,286         14,989         30,000         25,000           Repair & Maintenance         15,617         26,182         100,000         70,000           Allocated A & G Expense         110,878         77,568         111,110         130,050           Depreciation Expense         160,479         125,775         167,700         145,000           Direct Operating Expenses         734,978         592,132         867,685         871,316           Net Income (Loss) From Operations         507,620         394,576         453,715         421,884           Transfer to PTBH Renov Res Fund         47,000         60,003         80,000         80,000           Total Transfers         47,000         60,003         80,000         80,000   |                                   |                               |                              |                           |                           |
| Cost of Moorage Credit System         22,286         14,989         30,000         25,000           Repair & Maintenance         15,617         26,182         100,000         70,000           Allocated A & G Expense         110,878         77,568         111,110         130,050           Depreciation Expense         160,479         125,775         167,700         145,000           Direct Operating Expenses         734,978         592,132         867,685         871,316           Net Income (Loss) From Operations         507,620         394,576         453,715         421,884           Transfer to PTBH Renov Res Fund         47,000         60,003         80,000         80,000           Total Transfers         47,000         60,003         80,000         80,000   |                                   |                               |                              |                           |                           |
| Repair & Maintenance         15,617         26,182         100,000         70,000           Allocated A & G Expense         110,878         77,568         111,110         130,050           Depreciation Expense         160,479         125,775         167,700         145,000           Direct Operating Expenses         734,978         592,132         867,685         871,316           Net Income (Loss) From Operations         507,620         394,576         453,715         421,884           Transfer to PTBH Renov Res Fund         47,000         60,003         80,000         80,000           Total Transfers         47,000         60,003         80,000         80,000   |                                   |                               |                              |                           |                           |
| Allocated A & G Expense       110,878       77,568       111,110       130,050         Depreciation Expense       160,479       125,775       167,700       145,000         Direct Operating Expenses       734,978       592,132       867,685       871,316         Net Income (Loss) From Operations       507,620       394,576       453,715       421,884         Transfer to PTBH Renov Res Fund       47,000       60,003       80,000       80,000         Total Transfers       47,000       60,003       80,000       80,000   |                                   |                               |                              |                           |                           |
| Depreciation Expense         160,479         125,775         167,700         145,000           Direct Operating Expenses         734,978         592,132         867,685         871,316           Net Income (Loss) From Operations         507,620         394,576         453,715         421,884           Transfer to PTBH Renov Res Fund         47,000         60,003         80,000         80,000           Total Transfers         47,000         60,003         80,000         80,000  |                                   |                               |                              |                           |                           |
| Net Income (Loss) From Operations         507,620         394,576         453,715         421,884           Transfer to PTBH Renov Res Fund         47,000         60,003         80,000         80,000           Total Transfers         47,000         60,003         80,000         80,000   |                                   |                               |                              | 167,700                   |                           |
| Transfer to PTBH Renov Res Fund         47,000         60,003         80,000         80,000           Total Transfers         47,000         60,003         80,000         80,000   | Direct Operating Expenses         | 734,978                       | 592,132                      | 867,685                   | 871,316                   |
| Total Transfers 47,000 60,003 80,000 80,000   | Net Income (Loss) From Operations | 507,620                       | 394,576                      | 453,715                   | 421,884                   |
|   | Transfer to PTBH Renov Res Fund   | 47,000                        | 60,003                       | 80,000                    | 80,000                    |
| Net Income (Loss) 460,620 334,573 373,715 341,884   | Total Transfers                   | 47,000                        | 60,003                       | 80,000                    | 80,000                    |
|   | Net Income (Loss)                 | 460,620                       | 334,573                      | 373,715                   | 341,884                   |

#### Port of Port Townsend PTBH FUEL DOCK Adopted November 7, 2007

| <u>≅</u>  | 2006<br>Actual to<br>12-31-06 | 2007<br>Actual to<br>9-30-07 | 2007<br>Adopted<br>Budget               | 2008<br>Adopted<br>Budget |
|---|-------------------------------|------------------------------|---|---------------------------|
| Revenues  |                               |                              |   |                           |
| Fuel Sales - Diesel - Taxable                   | \$0                           | \$323,308                    | \$0                                     | \$620,000                 |
| Fuel Sales - Diesel - Non-Txble                 | 0                             | 76,333                       | 0                                       | 0                         |
| Fuel Sales - Gasoline                           | 0                             | 170,702                      | 0                                       | 235,000                   |
| Oil Product Sales                               | 0                             | 1,653                        | 0                                       | 2,000                     |
| Tackle Sales                                    | 0                             | 3,691                        | 0                                       | 4,000                     |
| Bait Sales                                      | 0                             | 3,030                        | 0                                       | 3,000                     |
| Ice Sales                                       | 0                             | 854                          | 0                                       | 1,000                     |
| Pop & Snacks - Taxable                          | 0                             | 460                          | 0                                       | 500                       |
| Pop & Snacks - Non-Txble                        | 0                             | 670                          | 0                                       | 500                       |
| Total Revenues                                  | 0                             | 580,701                      | 0                                       | 866,000                   |
| Operating Expenses                              |                               |                              |   |                           |
| Salaries & Wages                                | 0                             | 32,299                       | 0                                       | 60,810                    |
| Payroll Taxes                                   | Ō                             | 3,146                        | 0                                       | 6,962                     |
| Employee Benefits                               | Ö                             | 8,589                        | 0                                       | 16,904                    |
| Uniform Expense                                 | 0                             | 200                          | 0                                       | 190                       |
| Contract Services                               | Ō                             | 6,798                        | 0                                       | 1,500                     |
| Operating Supplies                              | 0                             | 4,230                        | 0                                       | 3,000                     |
| Cost of Fuel Sold                               | 0                             | 469,951                      | 0                                       | 679,000                   |
| Cost of Miscell Retail Sales                    | 0                             | 7,566                        | 0                                       | 8,000                     |
| Travel - 2008 (Travel & Training - 2006 & 2007) | 0                             | 0                            | 0                                       | 100                       |
| Training - 2008                                 | 0                             | 0                            | 0                                       | 1,600                     |
| Insurance                                       | 0                             | 2,125                        | 0                                       | 6,000                     |
| Advertising                                     | 0                             | 241                          | 0                                       | 1,500                     |
| Bank Charges                                    | 0                             | 6,494                        | 0                                       | 11,000                    |
| Utilities - Water                               | 0                             | 0                            | 0                                       | 200                       |
| Utilities - Electricity                         | 0                             | 0                            | 0                                       | 1,800                     |
| Utilities - Sewer                               | 0                             | 0                            | 0                                       | 400                       |
| Utilities - Telephone                           | 0                             | 353                          | 0                                       | 700                       |
| Utilities - Cable/I.T. Service                  | 0                             | 25                           | 0                                       | 100                       |
| Excise Tax                                      | 0                             | 3,419                        | 0                                       | 5,000                     |
| Miscellaneous Expense                           | 0                             | 161,000                      | 0                                       | (                         |
| Repair & Maintenance                            | 0                             | 2,026                        | 0                                       | 10,000                    |
| Allocated A & G Expense                         | 0                             | 20,818                       | 0                                       | 44,535                    |
| Depreciation Expense                            | 0                             | 0                            | 0                                       | 2,000                     |
| Direct Operating Expenses                       | 0                             | 729,280                      | 0                                       | 861,301                   |
| Net Income (Loss) From Operations               | 0                             | (148,579)                    | 0                                       | 4,699                     |
|   |                               |                              | ======================================= |                           |
| Net Income (Loss)                               | 0                             | (148,579)                    | 0                                       | 4,699                     |

#### Port of Port Townsend WORK YARD Adopted November 7, 2007

| -<br>-  | 2006<br>Actual to<br>12-31-06 | 2007<br>Actual to<br>9-30-07 | 2007<br>Adopted<br>Budget | 2008<br>Adopted<br>Budget |
|---|-------------------------------|------------------------------|---------------------------|---------------------------|
| Revenues  |                               |                              |                           |                           |
| Work Yard Credit From Moorage                   | \$10,777                      | \$6,560                      | \$14,500                  | \$12,000                  |
| Environmental Fee                               | 18,296                        | 15,912                       | 18,000                    | 20,000                    |
| Electric  | 3,285                         | 2,717                        | 1,500                     | 3,00                      |
| Liveaboard Fee                                  | 6,788                         | 3,699                        | 0                         | 5,00                      |
| Miscellaneous Revenue                           | 19,311                        | 10,922                       | 10,000                    | 10,00                     |
| Hoist Revenue                                   | 230,559                       | 202,951                      | 235,000                   | 235,00                    |
| Washdown Revenue                                | 27,087                        | 32,487                       | 37,000                    | 37,00                     |
| Yard Revenue                                    | 615,119                       | 526,739                      | 845,000                   | 675,00                    |
| Yard Revenue - Non LET                          | 51,978                        | 57,673                       | 0                         |                           |
| Long-Term Storage Yard                          | 55,244                        | 45,898                       | 65,000                    | 65,000                    |
| Blocking Rent                                   | 0                             | 6,927                        | 12,000                    | 9,00                      |
| Blocking Rent - Non LET                         | 0                             | 891                          | 0                         |                           |
| Tarp Pool Revenue                               | 11,516                        | 13,165                       | 12,000                    | 18,000                    |
| Total Revenues                                  | 1,049,960                     | 926,541                      | 1,250,000                 | 1,089,000                 |
| Operating Expenses                              |                               |                              |                           |                           |
| Salaries & Wages                                | 221,507                       | 204,509                      | 271,595                   | 288,33                    |
| Payroll Taxes                                   | 20,874                        | 19,955                       | 30,677                    | 33,01                     |
| Employee Benefits                               | 54,109                        | 55,603                       | 73,663                    | 80,15                     |
| Uniform Expense                                 | 2,025                         | 1,312                        | 2,250                     | 2,40                      |
| Contract Services                               | 3,047                         | 3,695                        | 3,000                     | 3,00                      |
| Operating Supplies                              | 20,501                        | 16,333                       | 20,000                    | 22,00                     |
| Tarp Pool Expense                               | 8,025                         | 9,426                        | 8,000                     | 12,00                     |
| Postage   | 705                           | 664                          | 800                       | 1,00                      |
| Janitorial Supplies<br>Fuels & Lubricants       | 1,330                         | 1,138                        | 1,500                     | 1,50 <sup>0</sup><br>9,00 |
| Equipment Rental                                | 8,569<br>129                  | 7,528<br>108                 | 8,000<br>500              | 20                        |
| Travel - 2008 (Travel & Training - 2006 & 2007) | 732                           | 818                          | 2,000                     | 1,00                      |
| Training - 2008                                 | 732                           | 0                            | 2,000                     | 2,70                      |
| Insurance                                       | 15,452                        | 11,701                       | 16,650                    | 16,65                     |
| Claims & Damages                                | 700                           | 4,604                        | 1,500                     | 1,50                      |
| Advertising                                     | 8,698                         | 4,412                        | 6,000                     | 7,00                      |
| Promotion                                       | 0                             | 1,224                        | 500                       | 1,00                      |
| Bank Charges                                    | 12,515                        | 10,192                       | 10,000                    | 12,00                     |
| Utilities - Water                               | 1,267                         | 963                          | 1,200                     | 1,40                      |
| Utilities - Electricity                         | 29,885                        | 16,945                       | 26,000                    | 26,00                     |
| Utilities - Sewer                               | 7,713                         | 7,236                        | 8,200                     | 10,00                     |
| Utilities - Garbage                             | 27,124                        | 23,397                       | 28,000                    | 32,00                     |
| Utilities - Telephone                           | 4,978                         | 4,678                        | 5,000                     | 6,00                      |
| Utilities - Cable/I.T. Service                  | 0                             | 25                           | 175                       | 15                        |
| Excise Tax                                      | 5,424                         | 4,982                        | 5,500                     | 6,00                      |
| Bad Bebt Expense                                | 16,275                        | 14,349                       | 18,300                    | 19,30                     |
| Miscellaneous Expense                           | 165                           | 0                            | 200                       | 20                        |
| Repair & Maint - 70-Ton                         | 10,350                        | 3,725                        | 12,000                    | 12,00                     |
| Repair & Maint - 75-Ton                         | 5,552<br>11 FG7               | 3,637                        | 5,500<br>25,000           | 6,00<br>25,00             |
| Repair & Maintenance                            | 11,567                        | 24,808<br>140,110            | 25,000<br>183 843         | 25,00<br>211,15           |
| Allocated A & G Expense<br>Depreciation Expense | 182,045<br>79,914             | 60,127                       | 183,843<br>80,170         | 79,50                     |
| Direct Operating Expenses                       | 761,177                       | 658,204                      | 855,723                   | 929,15                    |
| Net Income (Loss) From Operations               | 288,783                       | 268,337                      | 394,277                   | 159,84                    |
| Nieklassass (Lass)                              | 000 700                       | 000 007                      | 204 277                   | 159,84                    |
| Net Income (Loss)                               | 288,783                       | 268,337                      | 394,277                   | 100,04                    |

#### Port of Port Townsend SHIP YARD Adopted November 7, 2007

| _   | 2006<br>Actual to<br>12-31-06 | 2007<br>Actual to<br>9-30-07 | 2007<br>Adopted<br>Budget | 2008<br>Adopted<br>Budget |
|---|-------------------------------|------------------------------|---------------------------|---------------------------|
| Revenues  |                               |                              |                           |                           |
| Environmental Fee                               | \$8,143                       | \$6,059                      | \$7,500                   | \$7,500                   |
| Electric  | 14,536                        | 11,023                       | 12,000                    | 14,000                    |
| Miscellaneous Revenue                           | 6,501                         | 3,683                        | 5,000                     | 5,000                     |
| Hoist Revenue                                   | 91,521                        | 60,015                       | 100,000                   | 100,000                   |
| Washdown Revenue                                | 10,500                        | 6,336                        | 9,500                     | 9,500                     |
| Bilge Water Revenue                             | 1,136                         | 2,836                        | 1,000                     | 1,000                     |
| Yard Revenue                                    | 219,721                       | 160,656                      | 260,000                   | 260,000                   |
| Yard Revenue - Non LET                          | 33,809                        | 29,300                       | 200,000                   | 200,000                   |
| Blocking Rent                                   | 00,003                        | 23,500                       | 5.000                     | 1,000                     |
| Marine Trades 3% Revenue                        | 75,539                        | 25,634                       | 75,000                    | 75,000                    |
| Total Revenues                                  | 461,406                       | 305,542                      | 475,000                   | 473,000                   |
| Operating Expenses                              |                               |                              |                           |                           |
| Salaries & Wages                                | 82,848                        | 69,492                       | 122,850                   | 115,994                   |
| Payroll Taxes                                   | 7,740                         | 6,667                        | 13,876                    | 13,280                    |
| Employee Benefits                               | 20,096                        | 18,633                       | 33,320                    | 32,245                    |
| Uniform Expense                                 | 1,024                         | 437                          | 950                       | 990                       |
| Contract Services                               | 449                           | 2,801                        | 500                       | 2,000                     |
| Operating Supplies                              | 19,386                        | 10,287                       | 15,000                    | 15,000                    |
| Postage   | 0                             | 33                           | 100                       | 100                       |
| Janitorial Supplies                             | 595                           | 569                          | 750                       | 800                       |
| Fuels & Lubricants                              | 3,393                         | 3,346                        | 3,000                     | 4,000                     |
| Ship Yard Permit                                | 531                           | 555                          | 550                       | 600                       |
| Travel - 2008 (Travel & Training - 2006 & 2007) | 421                           | 741                          | 1,500                     | 700                       |
| Training - 2008                                 | 0                             | 0                            | 0                         | 700                       |
| Insurance                                       | 11,585                        | 8,669                        | 11,500                    | 11,500                    |
| Claims & Damages                                | 0                             | O                            | 1,500                     | 1,500                     |
| Advertising                                     | 8,555                         | 4,033                        | 8,000                     | 8,000                     |
| Promotion                                       | 1,164                         | 0                            | 1,000                     | 1,000                     |
| Bank Charges                                    | 4,018                         | 4,165                        | 3,500                     | 5,000                     |
| Utilities - Water                               | 601                           | 489                          | 800                       | 800                       |
| Utilities - Electricity                         | 19,880                        | 15,292                       | 17,000                    | 20,000                    |
| Utilities - Sewer                               | 816                           | 635                          | 850                       | 950                       |
| Utilities - Garbage                             | 6,481                         | 4,579                        | 8,500                     | 6,500                     |
| Utilities - Cable/I.T. Service                  | , O                           | <sup>25</sup>                | 100                       | 100                       |
| Excise Tax                                      | 3,478                         | 2,074                        | 3,700                     | 3,000                     |
| Bad Bebt Expense                                | 304                           | 0                            | 2,000                     | 2,000                     |
| Miscellaneous Expense                           | 65                            | Ō                            | 200                       | 200                       |
| Repair & Maint - 300-Ton                        | 3,139                         | 10,689                       | 14,000                    | 15,000                    |
| Repair & Maintenance                            | 6,919                         | 5,072                        | 10,000                    | 10,000                    |
| Allocated A & G Expense                         | 69,128                        | 47,641                       | 83,158                    | 84,945                    |
| Depreciation Expense                            | 141,165                       | 105,172                      | 140,230                   | 139,500                   |
| Direct Operating Expenses                       | 413,781                       | 322,096                      | 498,434                   | 496,404                   |
| Net Income (Loss) From Operations               | 47,625                        | (16,554)                     | (23,434)                  | (23,404                   |
| Not Income (Long)                               | 47.005                        | /40 EE 4\                    | 102 424\                  | /22 404                   |
| Net Income (Loss)                               | 47,625                        | (16,554)                     | (23,434)                  | (23,404                   |

#### Port of Port Townsend PTBH PROPERTY RENTAL Adopted November 7, 2007

| 2 ←   | 2006<br>Actual to<br>12-31-06 | 2007<br>Actual to<br>9-30-07 | 2007<br>Adopted<br>Budget | 2008<br>Adopted<br>Budget |
|---|-------------------------------|------------------------------|---------------------------|---------------------------|
| Revenues  |                               |                              |                           |                           |
| Property Lease Revenue                          | \$283,622                     | \$214,395                    | \$300,000                 | \$300,000                 |
| Ind Park Bldg Lease Revenue                     | 119,224                       | 113,185                      | 150,000                   | 158,000                   |
| Storage Unit Revenue                            | 7,524                         | 5,491                        | 15,000                    | 10,000                    |
| Electric  | 2,073                         | (203)                        | 2,000                     | 2,000                     |
| Utility Reimbursement                           | 14,774                        | 11,359                       | 16,000                    | 15,000                    |
| Total Revenues                                  | 427,217                       | 344,227                      | 483,000                   | 485,000                   |
| Operating Expenses                              |                               |                              |                           |                           |
| Salaries & Wages                                | 46,934                        | 38,345                       | 56,586                    | 66,229                    |
| Payroll Taxes                                   | 4,249                         | 3,695                        | 6,391                     | 7,583                     |
| Employee Benefits                               | 11,012                        | 10,296                       | 15,348                    | 18,410                    |
| Uniform Expense                                 | 57                            | 0                            | 180                       | 180                       |
| Contract Services                               | 10,196                        | 647                          | 2,500                     | 1,000                     |
| Operating Supplies                              | 2,919                         | 649                          | 2,500                     | 2,500                     |
| Postage   | 689                           | 653                          | 850                       | 1,000                     |
| Travel - 2008 (Travel & Training - 2006 & 2007) | 1,908                         | 16                           | 1,800                     | 1,200                     |
| Training - 2008                                 | 0                             | 0                            | 0                         | 300                       |
| Insurance                                       | 20,270                        | 15,437                       | 20,225                    | 20,225                    |
| Claims & Damages                                | 0                             | 0                            | 500                       | 500                       |
| Advertising                                     | 349                           | 0                            | 0                         | 300                       |
| Bank Charges                                    | 390                           | 38                           | 300                       | 200                       |
| Utilities - Water                               | 5,161                         | 4,116                        | 5,000                     | 5,800                     |
| Utilities - Electricity                         | 2,968                         | 3,603                        | 2,400                     | 4,000                     |
| Utilities - Sewer                               | 10,443                        | 9,323                        | 9,500                     | 12,000                    |
| Utilities - Garbage                             | 9,905                         | 5,870                        | 9,000                     | 9,000                     |
| Utilities - Fuels                               | 90                            | 211                          | 0                         | 300                       |
| Utilities - Telephone                           | 716                           | 479                          | 700                       | 700                       |
| Excise Tax                                      | 1                             | 0                            | 0                         | 0                         |
| Bad Debt Expense                                | 1,304                         | 0                            | 500                       | 500                       |
| Miscellaneous Expense                           | 0                             | 0                            | 100                       | 100                       |
| Repair & Maintenance                            | 9,088                         | 56,300                       | 30,000                    | 47,000                    |
| Allocated A & G Expense                         | 39,135                        | 26,223                       | 38,303                    | 48,500                    |
| Depreciation Expense                            | 112,985                       | 87,825                       | 117,100                   | 113,500                   |
| Direct Operating Expenses                       | 290,769                       | 263,726                      | 319,783                   | 361,027                   |
| Net Income (Loss) From Operations               | 136,448                       | 80,501                       | 163,217                   | 123,973                   |
| Net Income (Loss)                               | 136,448                       | 80,501                       | 163,217                   | 123,973                   |
| Tet IIIcome (2005)                              | 130,440                       | 00,001                       | 103,217                   | 123,313                   |

#### Port of Port Townsend HUDSON POINT Adopted November 7, 2007

| _  | 2006<br>Actual to<br>12-31-06 | 2007<br>Actual to<br>9-30-07 | 2007<br>Adopted<br>Budget | 2008<br>Adopted<br>Budget |
|--|-------------------------------|------------------------------|---------------------------|---------------------------|
| Revenues   |                               |                              |                           |                           |
| Moorage - Permanent  | \$41,943                      | \$10,291                     | \$35,000                  | \$62,000                  |
| Environmental Fee  | 1,207                         | 128                          | 1,000                     | 2,100                     |
| Liveaboard Fee   | 2,900                         | 0                            | 2,000                     | 3,800                     |
| Monthly Guest Moorage  | 22,561                        | 0                            | 21,500                    | 60,000                    |
| Nightly Guest Moorage  | 136,709                       | 141,470                      | 137,500                   | 195,000                   |
| Moorage - Non LET  | 7,020                         | 2,129                        | 0                         | 0                         |
| Monthly R.V. Revenue   | 41,010                        | 22,679                       | 40,000                    | 26,000                    |
| Nightly R.V. Revenue   | 172,506                       | 160,285                      | 220,000                   | 215,000                   |
| Kayak Racks  | 0                             | 1,325                        | 0                         | 2,000                     |
| Utility Reimbursement  | 2,805                         | 1,831                        | 3,000                     | 3,000                     |
| Miscellaneous Revenue  | 0                             | 17,331                       | 35,000                    | 18,000                    |
| Showers  | 6,993                         | 7,373                        | 5,500                     | 7,500                     |
| Laundry<br>Becommer Foo  | 7,156                         | 4,911                        | 8,000                     | 9,000                     |
| Passenger Fee  | 2,564                         | 5,589                        | 4,500                     | 6,000                     |
| Fuel Sales - Diesel - Non-Txble                                  | 2,290                         | 378                          | 1,600                     | 2,000                     |
| Property Lease Revenue   | 192,658                       | 155,893                      | 228,000                   | 238,000                   |
| Property Lease Rev - Non LET                                     | 16,158                        | 12,501                       | 0                         | 0                         |
| Event Facility Revenue Electric                                  | 800                           | 100                          | 1,000                     | 500                       |
| Miscellaneous Revenue  | 16,582                        | 9,422                        | 13,600                    | 15,000                    |
|  | 13,589                        | 15,872                       | 15,000                    | 15,000                    |
| Total Revenues Operating Expenses                                | 687,451                       | 569,508                      | 772,200                   | 879,900                   |
|  |                               |                              |                           |                           |
| Salaries & Wages   | 151,662                       | 119,645                      | 191,653                   | 191,230                   |
| Payroll Taxes  | 14,302                        | 11,514                       | 21,647                    | 21,894                    |
| Employee Benefits  | 36,914                        | 31,980                       | 51,985                    | 53,159                    |
| Uniform Expense  | 196                           | 0                            | 350                       | 350                       |
| Contract Services  | 39,805                        | 25,359                       | 25,500                    | 34,000                    |
| Operating Supplies   | 8,240                         | 4,009                        | 7,000                     | 8,000                     |
| Postage  | 719                           | 659                          | 900                       | 1,000                     |
| Janitorial Supplies  | 6,298                         | 3,443                        | 6,500                     | 6,500                     |
| Fuel & Lubricant   | 0                             | 55                           | 0                         | 0                         |
| Equipment Rental Travel - 2008 (Travel & Training - 2006 & 2007) | 200<br>631                    | 108                          | 150                       | 150                       |
| Training - 2008  | 031                           | 1,107<br>0                   | 1,500<br>0                | 800<br>1,100              |
| Insurance  | 18,168                        | 14,773                       | 22,500                    | 22,500                    |
| Claims & Damages   | 1,744                         | 1,264                        | 500                       | 500                       |
| Advertising  | 12,795                        | 12,536                       | 12,000                    | 13,000                    |
| Promotion  | 358                           | 382                          | 1,000                     | 5,000                     |
| Bank Charges   | 6,970                         | 8,339                        | 7,500                     | 8,000                     |
| Utilities - Water  | 9,901                         | 7,541                        | 10,000                    | 10,000                    |
| Utilities - Electricity  | 47,972                        | 26,637                       | 48,000                    | 50,000                    |
| Utilities - Sewer  | 17,098                        | 13.639                       | 17,000                    | 20,000                    |
| Utilities - Garbage  | 19,766                        | 17,563                       | 20,000                    | 24,000                    |
| Utilities - Fuels  | 11,494                        | 6,439                        | 10,000                    | 10,000                    |
| Utilities - Telephone  | 5,748                         | 4,740                        | 6,000                     | 6,000                     |
| Utilities - Cable/I.T. Service                                   | 886                           | 4,518                        | 5,000                     | 6,000                     |
| Excise Tax   | 3,513                         | 3,981                        | 4,000                     | 4,000                     |
| Bad Debt Expense   | 0                             | 1,828                        | 500                       | 500                       |
| Miscellaneous Expense  | 165                           | 0                            | 500                       | 500                       |
| Repair & Maintenance   | 24,966                        | 15,122                       | 30,000                    | 30,000                    |
| Allocated A & G Expense  | 123,001                       | 81,087                       | 129,730                   | 140,040                   |
| Depreciation Expense   | 50,534                        | 135,000                      | 180,000                   | 239,500                   |
| Direct Operating Expenses  | 614,046                       | 553,268                      | 811,415                   | 907,723                   |
| Net Income (Loss) From Operations                                | 73,405                        | 16,240                       | (39,215)                  | (27,823                   |
| Transfer to Hudson Pt Renov Res Fund                             | 100,000                       | 49,998                       | 100,000                   | 0                         |
| Total Transfers  | 100,000                       | 49,998                       | 100,000                   | 0                         |
| Net Income (Loss)  | (26,595)                      | (33,758)                     | (139,215)                 | (27,823                   |
|  |                               |                              |                           |                           |

#### Port of Port Townsend QUILCENE Adopted November 7, 2007

| ·-   | 2006<br>Actual to<br>12-31-06 | 2007<br>Actual to<br>9-30-07 | 2007<br>Adopted<br>Budget | 2008<br>Adopted<br>Budget |
|--|-------------------------------|------------------------------|---------------------------|---------------------------|
| Revenues   |                               |                              |                           |                           |
| Moorage - Permanent                                | \$28,742                      | \$37,275                     | \$75,000                  | \$52,00                   |
| Environmental Fee                                  | 0                             | 1,286                        | 0                         | 1,50                      |
| Liveaboard Fee                                     | 400                           | 495                          | 660                       | 66                        |
| Nightly Guest Moorage                              | 2,403                         | 2,403                        | 2,200                     | 2,50                      |
| Nightly R.V. Revenue                               | 1,561                         | 1,277                        | 1,400                     | 1,50                      |
| Electric   | 1,619                         | 1,863                        | 4,000                     | 3,00                      |
| Showers  | 0                             | 0                            | 5,000                     | 5,00                      |
| Fuel Sales - Diesel - Taxable                      | 1,737                         | 1,715                        | 2,000                     | 1,50                      |
| Fuel Sales - Gasoline                              | 12,355                        | 11,055                       | 10,000                    | 10,50                     |
| Property Lease Revenue                             | 38,455                        | 28,081                       | 37,500                    | 38,50                     |
| Rental Property Revenue                            | 4,000                         | 4,500                        | 6,000                     | 6,00                      |
| Water  | 7,485                         | 6,054                        | 6,500                     | 7,00                      |
| Miscellaneous Revenue                              | 320                           | 575                          | 0                         | 50                        |
| Total Revenues                                     | 99,077                        | 96,579                       | 150,260                   | 130,16                    |
| Operating Expenses                                 |                               |                              |                           |                           |
| Cost of Fuel Sold                                  | 11,409                        | 11,121                       | 10,200                    | 9,70                      |
| Salaries & Wages                                   | 20,918                        | 12,480                       | 20,800                    | 25,4                      |
| Payroll Taxes                                      | 1,980                         | 1,205                        | 2,349                     | 2,9                       |
| Employee Benefits                                  | 5,008                         | 3,305                        | 5,641                     | 7,0                       |
| Jniform Expense                                    | 11                            | 0                            | 190                       | 1:                        |
| Contract Services                                  | 9,150                         | 9,951                        | 13,500                    | 14,0                      |
| Contract Services                                  | 90                            | 0                            | 0                         |                           |
| Fire Protection                                    | 1,000                         | 1,000                        | 1,000                     | 1,0                       |
| Operating Supplies                                 | 3,435                         | 3,034                        | 2,500                     | 3,0                       |
| Operating Supp - Quil Water System                 | 0                             | 87                           | 0                         |                           |
| Postage  | 4                             | 75                           | 200                       | 3                         |
| Equipment Rental                                   | 43                            | 0                            | 100                       | 1.                        |
| Travel - 2008 (Travel & Training - 2006 & 2007)    | 1,229                         | 851                          | 2,000                     | 1,0                       |
| Fraining - 2008                                    | 0                             | 0                            | 0                         | 1,5                       |
| nsurance   | 5,561                         | 4,007                        | 4,000                     | 6,5                       |
| Claims & Damages                                   | 253                           | 0                            | 500<br>500                | 5<br>5                    |
| Advertising  | 0                             | 353                          | 100                       | 2                         |
| Bank Charges                                       | 87<br>534                     | 179<br>4,949                 | 4,500                     | 4,5                       |
| Jtilities - Electricity                            | 184                           | 4,545                        | 4,300                     | 7,0                       |
| Jtilities - Electricity<br>Jtilities - Electricity | 49                            | 0                            | Ö                         |                           |
| Julities - Sewer                                   | 2,867                         | 2,297                        | Ö                         |                           |
| Julities - Sewer                                   | 496                           | 2,237                        | 0                         |                           |
| Jtilities - Sewer                                  | 563                           | 0                            | Ö                         |                           |
| Juillities - Gewei<br>Juilities - Garbage          | 1,044                         | 1,059                        | 1,500                     | 1,5                       |
| Jtilities - Garbage                                | 141                           | 0                            | 0                         | ,,0                       |
| Jtilities - Fuels                                  | 0                             | ŏ                            | 4,000                     | 4,0                       |
| Jtilities - Telephone                              | 1,085                         | 1,308                        | 1,500                     | 1,8                       |
| Excise Tax   | 121                           | 305                          | 300                       | 3                         |
| Bad Debt Expense                                   | 365                           | 74                           | 500                       | 5                         |
| Miscellaneous Expense                              | 15                            | 15                           | 100                       | 1                         |
| Miscellaneous Expense                              | 15                            | 0                            | 0                         |                           |
| Repair & Maintenance                               | 9,518                         | 16,780                       | 40,000                    | 40,0                      |
| Repair & Maintenance - Hadlock                     | 375                           | 0                            | . 0                       |                           |
| Allocated A & G Expense                            | 16,224                        | 8,475                        | 14,080                    | 18,6                      |
| Depreciation Expense                               | 20,580                        | 21,375                       | 28,500                    | 57,5                      |
| Direct Operating Expenses                          | 114,354                       | 104,285                      | 158,560                   | 202,7                     |
| Net Income (Loss) From Operations                  | (15,277)                      | (7,706)                      | (8,300)                   | (72,6                     |
| Net Income (Loss)                                  | (15,277)                      | (7,706)                      | (8,300)                   | (72,6                     |

#### Port of Port Townsend BOAT RAMPS Adopted November 7, 2007

|                                   | 2006<br>Actual to<br>12-31-06 | 2007<br>Actual to<br>9-30-07 | 2007<br>Adopted<br>Budget | 2008<br>Adopted<br>Budget |
|-----------------------------------|-------------------------------|------------------------------|---------------------------|---------------------------|
| Revenues                          |                               |                              |                           |                           |
| Boat Ramp Fees                    | \$16,153                      | \$15,634                     | \$15,000                  | \$16,000                  |
| Total Revenues                    | 16,153                        | 15,634                       | 15,000                    | 16,000                    |
| Operating Expenses                |                               |                              |                           |                           |
| Salaries & Wages                  | 4,039                         | 7,001                        | 4,196                     | 5,040                     |
| Payroll Taxes                     | 372                           | 674                          | 474                       | 577                       |
| Employee Benefits                 | 1,007                         | 1,862                        | 1,138                     | 1,401                     |
| Uniform Expense                   | . 7                           | 0                            | 40                        | 40                        |
| Contract Services                 | 269                           | 269                          | 360                       | 360                       |
| Operating Supplies                | 11                            | 738                          | 500                       | 800                       |
| Insurance                         | 397                           | 461                          | 500                       | 500                       |
| Bank Charges                      | 73                            | 61                           | 100                       | 100                       |
| Utilities - Electricity           | 351                           | 338                          | 550                       | 500                       |
| Utilities - Electricity           | 99                            | 99                           | 150                       | 150                       |
| Utilities - Sewer                 | 304                           | 616                          | 900                       | 700                       |
| Utilities - Sewer                 | 304                           | 540                          | 900                       | 700                       |
| Utilities - Garbage               | 234                           | 301                          | 400                       | 400                       |
| Excise Tax                        | 29                            | 199                          | 225                       | 250                       |
| Miscellaneous Expense             | 0                             | 15                           | 25                        | 25                        |
| Repair & Maintenance - Mats Mats  | 317                           | 770                          | 1,000                     | 2,000                     |
| Repair & Maintenance - Gardiner   | 0                             | 0                            | 500                       | 1,000                     |
| Repair & Maintenance - Hadlock    | 225                           | 256                          | 2,000                     | 2,000                     |
| Allocated A & G Expense           | 3,511                         | 4,758                        | 2,840                     | 3,690                     |
| Depreciation Expense              | 11,338                        | 9,000                        | 12,000                    | 14,000                    |
| Direct Operating Expenses         | 22,887                        | 27,958                       | 28,798                    | 34,233                    |
| Net Income (Loss) From Operations | (6,734)                       | (12,324)                     | (13,798)                  | (18,233)                  |
| Net Income (Loss)                 | (6,734)                       | (12,324)                     | (13,798)                  | (18,233)                  |
| Het Illoome (LUSS)                | (0,734)                       | (12,324)                     | (10,730)                  | (10,200                   |

#### Port of Port Townsend JCIA Adopted November 7, 2007

| _   | 2006<br>Actual to<br>12-31-06 | 2007<br>Actual to<br>9-30-07 | 2007<br>Adopted<br>Budget | 2008<br>Adopted<br>Budget |  |
|---|-------------------------------|------------------------------|---------------------------|---------------------------|--|
| Revenues  |                               |                              |                           |                           |  |
| Lease Revenue                                   | \$72,865                      | \$53,445                     | \$78,000                  | \$93,000                  |  |
| Hangar Revenue                                  | 29,530                        | 22,731                       | 31,500                    | 33,200                    |  |
| Vehicle Parking Revenue                         | 255                           | 280                          | 500                       | 500                       |  |
| Aircraft Parking                                | 3,169                         | 2,376                        | 4,000                     | 3,000                     |  |
| Landing Fee                                     | 688                           | 405                          | 500                       | 500                       |  |
| Miscellaneous Revenue                           | 323                           | 287                          | 0                         | 100                       |  |
| Rental Property Revenue                         | 6,600                         | 4,559                        | 6,600                     | 4,250                     |  |
| Fuel Sales Revenue                              | 223,402                       | 192,502                      | 265,000                   | 265,000                   |  |
| Total Revenues                                  | 336,832                       | 276,585                      | 386,100                   | 399,550                   |  |
| Operating Expenses                              |                               |                              |                           |                           |  |
| Salaries & Wages                                | 33,953                        | 23,620                       | 61,714                    | 58,604                    |  |
| Payroli Taxes                                   | 3,225                         | 2,302                        | 6,970                     | 6,710                     |  |
| Employee Benefits                               | 8,263                         | 6,297                        | 16,738                    | 16,291                    |  |
| Uniform Expense                                 | 44                            | 0                            | 200                       | 200                       |  |
| Contract Services                               | 7,177                         | 7,530                        | 5,000                     | 7,000                     |  |
| Fire Protection                                 | 4,285                         | 4,292                        | 4,400                     | 4,500                     |  |
| Operating Supplies                              | 1,442                         | 498                          | 800                       | 800                       |  |
| Postage   | 275                           | 263                          | 350                       | 400                       |  |
| Fuels & Lubricants                              | 723                           | 172                          | 1,200                     | 1,000                     |  |
| Cost of Fuel Sold                               | 189,626                       | 166,983                      | 227,000                   | 227,000                   |  |
| Travel - 2008 (Travel & Training - 2006 & 2007) | 1,637                         | 1,663                        | 1,500                     | 1,200                     |  |
| Training - 2008                                 | 0                             | 0                            | 0                         | 600                       |  |
| Insurance                                       | 24,208                        | 17,967                       | 24,225                    | 24,225                    |  |
| Claims & Damages                                | 0                             | 0                            | 500                       | 500                       |  |
| Advertising                                     | 0                             | 632                          | 300                       | 300                       |  |
| Membership & Dues                               | 0                             | 50                           | 150                       | 150                       |  |
| Bank Charges                                    | 5,603                         | 3,792                        | 6,300                     | 5,400                     |  |
| Utilities - Water                               | 1,688                         | 238                          | 500                       | 400                       |  |
| Utilities - Electricity                         | 5,252                         | 3,868                        | 5,000                     | 5,000                     |  |
| Utilities - Sewer                               | 1,127                         | 1,080                        | 300                       | 1,800                     |  |
| Utilities - Garbage                             | 2,231                         | 1,901                        | 2,000                     | 2,000                     |  |
| Utilities - Telephone                           | 1,105                         | 1,093                        | 1,000                     | 1,200                     |  |
| Excise Tax                                      | 1,094                         | 920                          | 1,100                     | 1,100                     |  |
| Bad Debt  | 194                           | 0                            | 200                       | 200                       |  |
| Miscellaneous Expense                           | 1,085                         | 1,133                        | 1,000                     | 1,000                     |  |
| Repair & Maintenance                            | 9,985                         | 17,385                       | 15,000                    | 15,000                    |  |
| Allocated A & G Expense                         | 27,084                        | 15,740                       | 41,775                    | 42,917                    |  |
| Depreciation Expense                            | 279,149                       | 208,125                      | 277,500                   | 375,500                   |  |
| Direct Operating Expenses                       | 610,455                       | 487,544                      | 702,722                   | 800,997                   |  |
| Net Income (Loss) From Operations               | (273,623)                     | (210,959)                    | (316,622)                 | (401,447)                 |  |
| Nathanan (Lasa)                                 | (070 000)                     | (040.050)                    | (040,000)                 | [404 447]                 |  |
| Net Income (Loss)                               | (273,623)                     | (210,959)                    | (316,622)                 | (401,447)                 |  |

#### Port of Port Townsend MAINTENANCE Adopted November 7, 2007

|   | 2006<br>Actual to<br>12-31-06 | 2007<br>Actual to<br>9-30-07 | 2007<br>Adopted<br>Budget | 2008<br>Adopted<br>Budget |  |  |
|---|-------------------------------|------------------------------|---------------------------|---------------------------|--|--|
| Revenues                                      |                               |                              |                           |                           |  |  |
| Operating Expenses                            |                               |                              |                           |                           |  |  |
| Salaries & Wages                              | \$64,537                      | \$50,287                     | \$42,055                  | \$60,786                  |  |  |
| Payroll Taxes                                 | 5,776                         | 4,837                        | 4,750                     | 6,960                     |  |  |
| Employee Benefits                             | 15,098                        | 13,486                       | 11,406                    | 16,898                    |  |  |
| Uniform Expense                               | 2,095                         | 1,060                        | 2,400                     | 2,400                     |  |  |
| Contract Services                             | 572                           | 408                          | 500                       | 250                       |  |  |
| Operating Supplies                            | 6,589                         | 4,183                        | 5,000                     | 6,000                     |  |  |
| Janitorial Supplies                           | 294                           | 569                          | 500                       | 600                       |  |  |
| Fuels & Lubricants                            | 7,300                         | 6,356                        | 7,000                     | 8,000                     |  |  |
| Repair & Maintenance                          | 10,829                        | 1,482                        | 15,000                    | 15,000                    |  |  |
| Travel - 2008 (Travel & Training 2006 & 2007) | 29                            | 382                          | 200                       | 200                       |  |  |
| Training - 2008                               | 0                             | 0                            | 0                         | 2,200                     |  |  |
| Insurance                                     | 6,343                         | 6,274                        | 6,100                     | 6,100                     |  |  |
| Utilities - Water                             | 238                           | 184                          | 300                       | 300                       |  |  |
| Utilities - Electricity                       | 1,615                         | 1,290                        | 1,700                     | 1,700                     |  |  |
| Utilities - Sewer                             | 1,325                         | 1,146                        | 1,300                     | 1,400                     |  |  |
| Utilities - Garbage                           | 91                            | 112                          | 0                         | 100                       |  |  |
| Utilities - Telephone                         | 1,405                         | 972                          | 1,500                     | 1,500                     |  |  |
| Utilities - Cable/IT Service                  | 0                             | 20                           | 250                       | 250                       |  |  |
| Miscellaneous Expense                         | 353                           | 373                          | 250                       | 300                       |  |  |
| Depreciation Expense                          | 22,502                        | 16,350                       | 21,800                    | 19,000                    |  |  |
| Direct Operating Expenses                     | 146,991                       | 109,771                      | 122,011                   | 149,944                   |  |  |

#### Port of Port Townsend COMMISSION Adopted November 7, 2007

|   | 2006<br>Actual to<br>12-31-06 | 2007<br>Actual to<br>9-30-07 | 2007<br>Adopted<br>Budget | 2008<br>Adopted<br>Budget |  |  |  |  |  |  |  |  |
|---|-------------------------------|------------------------------|---------------------------|---------------------------|--|--|--|--|--|--|--|--|
| Perating Expenses  alaries & Wages            |                               |                              |                           |                           |  |  |  |  |  |  |  |  |
| Operating Expenses                            |                               |                              |                           |                           |  |  |  |  |  |  |  |  |
| Salaries & Wages                              | \$35,498                      | \$30,282                     | \$48,508                  | \$57,382                  |  |  |  |  |  |  |  |  |
| Payroll Taxes                                 | 3,359                         | 2,958                        | 4,008                     | 4,738                     |  |  |  |  |  |  |  |  |
| Employee Benefits                             | 8,693                         |                              |                           | 15,95                     |  |  |  |  |  |  |  |  |
| Uniform Expense                               | 46                            | 0                            | 150                       | 150                       |  |  |  |  |  |  |  |  |
| Contract Services                             | 2,695                         | 776                          | 4,500                     | 8,750                     |  |  |  |  |  |  |  |  |
| Legal Expense                                 | 36,551                        | 20,145                       |                           | 50,000                    |  |  |  |  |  |  |  |  |
| Audit Expense                                 | 17,205                        | 0                            |                           | 25,000                    |  |  |  |  |  |  |  |  |
| Operating Supplies                            | 6,917                         | 1,288                        | 1.200                     | 1,500                     |  |  |  |  |  |  |  |  |
| Newsletter                                    | 158                           | 20                           | 2,500                     | 2,500                     |  |  |  |  |  |  |  |  |
| Postage                                       | 375                           | 342                          | 400                       | 500                       |  |  |  |  |  |  |  |  |
| Office/Space Rent                             | 60                            | 0                            | 0                         | (                         |  |  |  |  |  |  |  |  |
| Promotional Hosting                           | 0                             | 0                            | 250                       | 250                       |  |  |  |  |  |  |  |  |
| Travel - 2008 (Travel & Training 2006 & 2007) | 7,356                         | 2,817                        | 7,500                     | 5,50                      |  |  |  |  |  |  |  |  |
| Training - 2008                               | 0                             | 0                            | 0                         | 2,500                     |  |  |  |  |  |  |  |  |
| Insurance                                     | 15,346                        | 11,480                       | 17,000                    | 17,000                    |  |  |  |  |  |  |  |  |
| Advertising                                   | 148                           | 313                          | 500                       | 500                       |  |  |  |  |  |  |  |  |
| Membership & Dues                             | 9,708                         | 7,279                        | 9,400                     | 10,560                    |  |  |  |  |  |  |  |  |
| Economic Development                          | 2,690                         | 0                            | 5,000                     | 5,000                     |  |  |  |  |  |  |  |  |
| Utilities - Water                             | 0                             | 67                           | 100                       | 100                       |  |  |  |  |  |  |  |  |
| Utilities - Electricity                       | 34                            | 87                           | 200                       | 200                       |  |  |  |  |  |  |  |  |
| Utilitles - Sewer                             | 0                             | 134                          | 200                       | 200                       |  |  |  |  |  |  |  |  |
| Utilities - Fuels                             | 120                           | 281                          | 0                         | 30                        |  |  |  |  |  |  |  |  |
| Utilities - Telephone                         | 370                           | 124                          | 500                       | 200                       |  |  |  |  |  |  |  |  |
| Miscellaneous Expense                         | 108                           | 0                            | 100                       | 100                       |  |  |  |  |  |  |  |  |
| Allocated A & G Expense                       | (147,439)                     | (86,505)                     | (185,173)                 | (208,881                  |  |  |  |  |  |  |  |  |
| Direct Operating Expenses                     | (2)                           | 0                            | 0                         | (                         |  |  |  |  |  |  |  |  |

#### Port of Port Townsend EXECUTIVE Adopted November 7, 2007

|  | 2006<br>Actual to<br>12-31-06 | 2007<br>Actual to<br>9-30-07 | 2007<br>Adopted<br>Budget | 2008<br>Adopted<br>Budget |
|--|-------------------------------|------------------------------|---------------------------|---------------------------|
| Revenues   |                               |                              |                           |                           |
| Operating Expenses   |                               |                              |                           |                           |
|  | <b>*</b> 400.000              | TT0 003                      | \$40F 747                 | \$444 A4E                 |
| Salaries & Wages   | \$123,233                     | \$92,277                     | \$125,717                 | \$141,415                 |
| Payroll Taxes  | 11,381                        | 9,020                        | 10,611                    | 11,897                    |
| Employee Benefits  | 29,115                        | 24,738                       | 34,098                    | 39,310                    |
| Uniform Expense  | 182                           | U<br>E 020                   | 150                       | 150<br>27,000             |
| Contract Services  | 3,922                         | 5,620                        | 15,000                    |                           |
| Operating Supplies<br>Newsletter                                     | 15,631                        | 6,632<br>20                  | 6,000                     | 6,500                     |
| Newsletter<br>Publications   | 158<br>167                    | 220                          | 2,500<br>200              | 2,500<br>300              |
|  | 475                           | 651                          | 600                       | 800                       |
| Postage  |                               |                              |                           | 4,300                     |
| Equipment Rental   | 1,296<br>195                  | 3,179<br>71                  | 4,000<br>0                | 4,300                     |
| Repair & Maintenance   | 29                            | (1                           | 250                       | 250                       |
| Promotional Hosting<br>Travel - 2008 (Travel & Training 2006 & 2007) | 5,637                         | 3,943                        | 6,500                     | 4,800                     |
| Training - 2008  | 5,637                         | 3,943<br>0                   | 0,500                     | 1,800                     |
| Insurance  | 1,593                         | 1,197                        | 2,100                     | 2,100                     |
| Advertising  | 876                           | 434                          | 500                       | 900                       |
| Membership & Dues  | 2,765                         | 1,826                        | 2,300                     | 2,640                     |
| Utilities - Water  | 122                           | 200                          | 300                       | 300                       |
| Utilities - Electricity  | 2,941                         | 477                          | 3,000                     | 800                       |
| Utilities - Sewer  | 292                           | 400                          | 800                       | 600                       |
| Utilities - Sewei<br>Utilities - Fuels                               | 661                           | 1,548                        | 0                         | 2,500                     |
| Utilities - Telephone  | 6,378                         | 5,750                        | 6,000                     | 7,000                     |
| Utilities - Telephone Utilities - Cable/IT Service                   | 0,378                         | 3,730<br>15                  | 200                       | 300                       |
| Miscellaneous Expense  | 1,449                         | 1,493                        | 1,500                     | 1,500                     |
| Allocated A & G Expense  | (208,499)                     | (159,711)                    | (222,326)                 | (259,662                  |
| Direct Operating Expenses  | (1)                           | 0                            | 0                         | 0                         |

#### Port of Port Townsend ACCOUNTING Adopted November 7, 2007

| _   | 2006<br>Actual to<br>12-31-06 | 2007<br>Actual to<br>9-30-07 | 2007<br>Adopted<br>Budget | 2008<br>Adopted<br>Budget |
|---|-------------------------------|------------------------------|---------------------------|---------------------------|
| Revenues                                      |                               |                              |                           |                           |
| Operating Expenses                            |                               |                              |                           |                           |
| Salaries & Wages                              | \$146,562                     | \$113,164                    | \$129,573                 | \$166,230                 |
| Payroll Taxes                                 | 13,308                        | 10,929                       | 11,024                    | 14,190                    |
| Employee Benefits                             | 34,369                        | 30,331                       | 35,143                    | 46,20                     |
| Uniform Expense                               | 196                           | 0                            | 150                       | 20                        |
| Contract Services                             | 3,109                         | 8,784                        | 4,200                     | 10,00                     |
| Operating Supplies                            | 9,159                         | 6,086                        | 6,500                     | 8,00                      |
| Postage                                       | 689                           | 656                          | 800                       | 1,00                      |
| Repair & Maintenance                          | 0                             | 20                           | 0                         |                           |
| Travel - 2008 (Travel & Training 2006 & 2007) | 2,094                         | 2,654                        | 3,000                     | 2,40                      |
| Training - 2008                               | 0                             | 0                            | 0                         | 1,40                      |
| Insurance                                     | 1,704                         | 1,271                        | 2,100                     | 2,10                      |
| Membership & Dues                             | 50                            | 38                           | 150                       | 15                        |
| Bank Charges                                  | 80                            | 43                           | 50                        | 10                        |
| Utilities - Water                             | 151                           | 200                          | 300                       | 30                        |
| Utilities - Electricity                       | 755                           | 130                          | 1,200                     | 30                        |
| Utilities - Sewer                             | 305                           | 400                          | 600                       | 60                        |
| Utilitles - Fuels                             | 180                           | 422                          | 0                         | 70                        |
| Utilities - Telephone                         | 2,359                         | 1,077                        | 2,500                     | 2,00                      |
| Miscellaneous Expense                         | 0                             | 0                            | 50                        | 5                         |
| Allocated A & G Expense                       | (215,068)                     | (176,204)                    | (197,340)                 | (255,92                   |
| Direct Operating Expenses                     | 2                             | 1                            | 0                         |                           |

#### Port of Port Townsend Non-Operating Adopted November 7, 2007

| se.                                      | 2006<br>Actual to<br>12-31-06 | 2007<br>Actual to<br>9-30-07 | 2007<br>Adopted<br>Budget | 2008<br>Adopted<br>Budget |  |
|--|-------------------------------|------------------------------|---------------------------|---------------------------|--|
| Revenues                                 |                               |                              |                           |                           |  |
| Investment Interest                      | \$327,379                     | \$171,177                    | \$75,000                  | \$100,000                 |  |
| Operating Tax Levy                       | 762,211                       | 593,685                      | 797,500                   | 825,000                   |  |
| State Forest Revenues                    | : 31,503                      | 6,461                        | 25,000                    | 25,000                    |  |
| State Timber Excise Tax                  | 46,563                        | 41,301                       | 20,000                    | 20,000                    |  |
| Leasehold Excise Tax                     | 7,765                         | 4,370                        | 6,500                     | 6,500                     |  |
| Grant - WA Sec of State - Archives       | 1,720                         | 0                            | 0                         | 0                         |  |
| Gain (Loss) on Disposition of Asset      | (69,591)                      | 11,800                       | - 0                       | 0                         |  |
| Insurance Recovery                       | 68,576                        | 3,354                        | 0                         | 0                         |  |
| Finance Charges                          | 24,533                        | 16,995                       | 20,000                    | 20,000                    |  |
| Other Non-Operating Revenues             | 2,660                         | 4                            | 0 =                       | 0                         |  |
| Total Non-Operating Revenue              | 1,203,319                     | 849,147                      | 944,000                   | 996,500                   |  |
| Expenses                                 |                               |                              |                           |                           |  |
| Interest Expense - 1997 LTGO Bond        | 12,734                        | 4,713                        | 5,838                     | 0                         |  |
| Interest Expense - 2005 LTGO Bond        | 207,897                       | 153,230                      | 204,834                   | 203,522                   |  |
| Interest Expense - 2006 LTGO Ref Bond    | 80,158                        | 60,793                       | 80,230                    | 79,104                    |  |
| Interest Expense - 2005 Revenue Ref Bond | 194,774                       | 139,987                      | 184,812                   | 173,624                   |  |
| Interest Expense - LOCAL Fund            | 6,596                         | 4,515                        | 6,002                     | 5,271                     |  |
| Interest Expense - CERB Loan             | 60,844                        | 36,781                       | 43,656                    | 26,125                    |  |
| Interest Expense - WA State - DFW        | 13,378                        | 9,813                        | 13,040                    | 12,684                    |  |
| Interest Expense - Frontier Bank         | 31,373                        | 25,075                       | 33,267                    | 32,156                    |  |
| Bond Management Fees                     | 2,173                         | 605                          | 2,000                     | 2,000                     |  |
| Investment Fees                          | 1,250                         | 1,114                        | 1,200                     | 1,200                     |  |
| Election Expense                         | 0                             | 12,841                       | 20,000                    | 0                         |  |
| Trans to Empl Merit Pay Fund             | 5,000                         | 0                            | 0                         | 0                         |  |
| Trans 1% Tax \$ to PTBH Renov Reserve    | 0                             | 5,697                        | 7,600                     | 7,920                     |  |
| Total Non-Operating Expense              | 616,177                       | 455,164                      | 602,479                   | 543,606                   |  |
| Net Non-Operating                        | 587,142                       | 393,983                      | 341,521                   | 452,894                   |  |

### Port of Port Townsend 2008 Equipment Budget

| eplacement full-size pick-up truck for Maintenance eplacement pick-up truck for Yard mergency generator on trailer   | •  | 2008<br>oproved<br><u>let Amount</u>                          |
|--|----|---|
| Security monitoring camera systems for PTBH / Hudson Pt / JCIA Replacement full-size pick-up truck for Maintenance Replacement pick-up truck for Yard Emergency generator on trailer Additional vehicle for Security staff | \$ | 25,000 **<br>15,000 **<br>10,000 **<br>15,000 ** #1<br>10,000 |
| Total Equipment Budget   | \$ | 75,000  |

<sup>\*\*</sup> Carry-over from 2007 Equipment Budget #1 In 2007 Budget at \$10,000

Port of Port Townsend
2008 Budgeted Salary Distribution
By % of Salary Distribution - Does Not Reflect FTE's

| Position                     | PTBH/Ship<br>Moorage | PTBH<br>Fuel Dock | QUILCENE | RAMPS | PTBH<br>Yard / Hoist | SHIP<br>Yard / Hoist | PTBH<br>Prop. | Hudson<br>Point | JCIA  | Maint. | Comm, | Exec. | Acctg. | Operating<br>Distribution | Cap.<br>Proj. | Total Port<br>Distribution |
|------------------------------|----------------------|-------------------|----------|-------|----------------------|----------------------|---------------|-----------------|-------|--------|-------|-------|--------|---------------------------|---------------|----------------------------|
|                              |                      |                   |          |       |                      |                      |               |                 |       |        |       |       | riougi | Pistipation               | 110,1         | Distribution               |
| Maintenance Supervisor       | 5%                   |                   | 5%       |       |                      |                      | 15%           | 20%             | 5%    | 25%    |       |       |        | 75%                       | 25%           | 1.00                       |
| Security                     | 30%                  |                   |          |       | 25%                  | 20%                  | 7%            | 15%             | 3%    |        |       |       |        | 100%                      |               | 1.00                       |
| Commissioner                 |                      |                   |          |       |                      |                      |               |                 |       |        | 100%  |       |        | 100%                      |               | 1.00                       |
| Cust Service Rep - HP        | 5%                   | 5%                |          |       |                      |                      |               | 90%             |       |        |       |       |        | 100%                      |               | 1.00                       |
| Moorage Clerk                | 60%                  | 25%               |          | 5%    | 5%                   |                      |               | 5%              |       |        |       |       |        | 100%                      |               | 1.00                       |
| Executive Director           |                      |                   |          |       |                      |                      |               |                 |       |        | 5%    | 85%   |        | 90%                       | 10%           | 1.00                       |
| Yard Laborer                 | 5%                   |                   |          |       | 65%                  | 30%                  |               |                 |       |        |       |       |        | 100%                      |               | 1.00                       |
| Fuel Dock Supervisor         | 20%                  | 80%               |          |       |                      |                      |               |                 |       |        |       |       |        | 100%                      |               | 1.00                       |
| Facilities Maintenance       | 15%                  |                   |          |       |                      |                      | 15%           | 30%             | 15%   | 10%    |       |       |        | 85%                       | 15%           | 1.00                       |
| Staff Accountant             |                      |                   |          |       |                      |                      |               |                 |       |        |       |       | 100%   | 100%                      |               | 1.00                       |
| Yard Clerk                   | 15%                  |                   |          |       | 65%                  | 20%                  |               |                 |       |        |       |       |        | 100%                      |               | 1.00                       |
| Facilities Maintenance       | 15%                  |                   | 20%      |       | 5%                   | 5%                   | 10%           | 25%             | 20%   |        |       |       |        | 100%                      |               | 1,00                       |
| Senior Accountant            | 1070                 |                   | 2070     |       | 0,10                 | 0,0                  | 1070          | 2070            |       |        | 3%    |       | 97%    |                           |               | 1.00                       |
| Maintenance - Carpenter      | 15%                  |                   |          |       |                      |                      | 15%           | 30%             | 15%   | 10%    | 0.0   |       | 0.70   | 85%                       | 15%           | 1.00                       |
| Facilities Maintenance       | 20%                  |                   | 5%       |       | 5%                   |                      | 15%           | 20%             | 20%   | 15%    |       |       |        | 100%                      | 1070          | 1.00                       |
| Hoist Operator III / Enviro  | 15%                  | 5%                |          |       | 40%                  | 20%                  | 5%            | 5%              | 5%    | 1070   |       |       |        | 100%                      |               | 1.00                       |
|                              |                      | 376               | 376      |       | 60%                  | 35%                  | 5 /0          | 3 /0            | 3 70  |        |       |       |        | 100%                      |               | 1.00                       |
| Hoist/Yard Supervisor        | 5%                   |                   |          |       | 00%                  | 3576                 |               |                 |       |        | 10%   | 90%   |        | 100%                      |               | 1.00                       |
| Receptionist/Staff Assistant |                      |                   |          |       | 750/                 | 250/                 |               |                 |       |        | 1070  | 30 /0 |        | 100%                      |               | 1.00                       |
| Hoist Operator I             | 2201                 |                   |          |       | 75%                  | 25%                  | 70/           | 450/            | 20/   |        |       |       |        | 100%                      |               | 1.00                       |
| Security                     | 30%                  |                   |          |       | 25%                  | 20%                  | 7%            | 15%             | 3%    | 200/   |       | 200/  |        | 80%                       | 20%           | 1.00                       |
| Deputy Director              |                      |                   | 4.007    | 52    | 4.004                | F0/                  | 30%           | 5%              | 5%    | 20%    |       | 20%   |        | 90%                       |               |                            |
| Marine Facilities Director   | 28%                  | 4%                | 10%      | 00/   | 10%                  | 5%                   |               | 28%             | 5%    |        |       |       |        |                           | 10%           | 1.00                       |
| Moorage Supervisor           | 80%                  | 4%                | 3%       | 2%    |                      | 4500                 |               | 3%              | 3%    |        |       |       |        | 100%                      |               | 1.00                       |
| Hoist Operator II            |                      |                   |          |       | 85%                  | 15%                  |               |                 |       |        | 4000/ |       |        | 100%                      |               | 1.00                       |
| Commissioner                 |                      |                   |          |       |                      |                      |               |                 |       |        | 100%  |       |        | 100%                      |               | 1.00                       |
| Hoist Operator II            |                      |                   |          |       | 80%                  | 20%                  |               |                 | = 0.4 |        | 4.007 | 4.00/ | 500/   | 100%                      | 4.504         | 1.00                       |
| Director of Finance & Admi   | n                    | (+                |          |       |                      |                      |               |                 | 5%    |        | 12%   | 12%   | 56%    |                           | 15%           | 1.00                       |
| Commissioner                 |                      |                   |          |       |                      |                      |               |                 |       |        | 100%  |       |        | 100%                      |               | 1.00                       |
| Hoist Operator II            |                      |                   |          |       | 70%                  | 30%                  |               |                 |       |        |       |       |        | 100%                      |               | 1.00                       |
| Facilities Supervisor - HP   | 5%                   | 5%                |          |       |                      |                      |               | 90%             |       |        |       |       |        | 100%                      |               | 1.00                       |
| Maintenance - Mechanic       | 10%                  |                   | 5%       | 5%    | 15%                  | 10%                  | 10%           | 10%             | 5%    | 30%    |       |       |        | 100%                      |               | 1.00                       |
| Accounting Assistant         |                      |                   |          |       |                      |                      |               |                 |       |        |       |       | 100%   |                           |               | 1.00                       |
| Yard Hoist Op I              |                      |                   |          |       | 75%                  | 25%                  |               |                 |       |        |       |       |        | 100%                      |               | 1.00                       |
| Seasonal Moorage             | 25%                  | 25%               |          |       |                      |                      |               | 50%             |       |        |       |       |        | 100%                      |               | 1.00                       |
| Seasonal Moorage             | 25%                  | 25%               |          |       |                      |                      |               | 50%             |       |        |       |       |        | 100%                      |               | 1.00                       |
| Seasonal Moorage             | 25%                  | 25%               |          |       |                      |                      |               | 50%             |       |        |       |       |        | 100%                      |               | 1.00                       |
| Seasonal JCIA                |                      |                   |          |       |                      |                      |               |                 | 100%  |        |       |       |        | 100%                      |               | 1.00                       |
| Fuel Dock Helper             | 50%                  | 50%               |          |       |                      |                      |               |                 |       |        |       |       |        | 100%                      |               | 1.00                       |
| Port recorder                | -                    | -11               |          |       |                      |                      |               |                 |       |        | 100%  |       |        | 100%                      |               | 1.00                       |
| Over Time - Dept specific    | 40%                  | 10%               |          |       | 20%                  | 5%                   |               | 20%             |       | 5%     |       |       |        | 100%                      |               | 1.00                       |
|                              | 5.43                 | 2.63              | 0.53     | 0.12  | 7.30                 | 2.85                 | 1.29          | 5.61            | 2.09  | 1.15   | 4.30  | 2.07  | 3.53   |                           | 1.10          | 40.00<br>40.00             |
| 2008 Budgeted FTE's          | 4.40                 | 1.82              | 0,53     | 0.12  | 7,15                 | 2.81                 | 1.29          | 4.67            | 1,46  | 1.10   | 0.36  | 2.07  | 3.53   |                           | 1.10          | 32.4                       |
| 2007 Projected FTE's         | 3.49                 | 1.86              | 0.36     | 0.18  | 7.29                 | 2.30                 | 0.80          | 3.95            | 0.82  | 1.34   | 0.27  | 1.91  | 2.86   |                           | 1.72          | 29.16                      |
| o<br>2007 Budgeted FTE's     | 4.08                 | 0.00              | 0.48     | 0.10  | 6.90                 | 2.95                 | 1.10          | 4.70            | 1.56  | 0.90   | 0.32  | 2.02  | 2.55   |                           | 1.50          | 29.16                      |

#### **2008 Operating Budget Assumptions**

#### Revenue Issues

Permanent Moorage – The original proposal for 2008 was a one-year continuation or extension of the formula that was used to develop the three-year rate plan that was adopted in November, 2004, for the years 2005 - 2007. After lengthy discussions in several Commission meetings, the Commission did, on October 24, 2007, by a 2-0 vote, with one Commissioner abstaining, decide to defer any decision on 2008 moorage rates, and enter into a process running thru early 2008, to adopt a new moorage rate structure based on more definitive information available, and to be adopted and to become effective May 1, 2008.

For the purpose of this budget, the 2008 Permanent Moorage revenue estimate is based on the above described proposal, effective May 1, while continuing the 2007 rates through April 30, 2008.

<u>Guest Moorage</u> – No changes in Nightly Guest Moorage rates were proposed for 2008.

For Monthly Guest Moorage at PTBH, a progressive rate structure, similar to that currently in place for Permanent Moorage, was adopted for 2007. Winter rates are set at 125% of the Permanent Moorage rate, for each particular size boat.

The inter-action of the mix of Permanent Moorage, Monthly Guest Moorage and Nightly Guest Moorage, can have a substantial affect on total moorage revenues. The aggregate total revenue from these three moorage sources tends to normally be quite close to budget forecasts.

For Monthly Guest Moorage at Hudson Point, which is only available during the winter season, the same 125% formula as above is currently in place.

PTBH Hoist / Yard - As of August 31, 2007, we were at 632 haul-outs, which was 1 vessel less than 2006. Comparable numbers for 2006, 2005, 2004, and 2003 were 633, 561, 574, and 510 respectively, so as far as #'s of vessels, we were still doing very well.

However, at September 30<sup>th</sup> our Work Yard revenues, although being up about \$87K from the same period in 2006, were running about \$50K below budget, due mainly to the fact that some long-term projects had been launched, and others were not staying in the Yard as long as in the past.

The 2007 Budget did away with the two-tier rate program developed for 2006, and increased the Yard rate to \$.50/ft/day for all vessels in the Work Yard, which represented a 40% rate increase.

At the October 10, 2007 Commission Meeting, the Commissioners authorized returning to the 2006 two-tier plan, of short-term (under 30 day stay), and long-term (30+ day stay) rates, and set them at \$ .50 and \$ .42 respectively, which equals a 16% reduction, with approximately 90% of total Work Yard revenues coming from the 30+ day vessels.

What affect this rate change will have on Work Yard Revenues for 2008, is yet to be seen. The 2008 Budget, which staff believes to be a conservative estimate is calculated on anticipated 2007 actual revenues, less this reduction, and with an increase of approximately 10%, to represent some positive increases in both numbers of vessels and longer stays, as a result of the rate reduction.

<u>Long-Term Yard</u> - The 2008 Budget does not change this rate, after an increase of 21% in 2007.

Shipyard - As of August 31, 2007, we were at 80 haul-outs, which was down 14 vessels (15%) from 2006. Comparable August 31<sup>st</sup> numbers for 2006, 2005, 2004, and 2003 were 94, 88, 76, and 67 respectively, with year-end totals of 128, 110, 107, and 92, for those years.

At September 30<sup>th</sup> our total Ship Yard revenues were about \$51K below budget, and about \$18K down from the same period in 2006.

With the relatively low number of vessels hauled in the Ship Yard, the length of the individual vessels, as well as their length of stay, has a much greater affect on revenues than does the actual number of vessels.

The 2008 Budget does not change any Ship Yard rates, after increases of 7% - 33%, depending on vessel length, in 2007.

Hudson Point Operations – The 2008 Budget is based on a full year with the new marina configuration, which adds about 800 additional feet of moorage. Revenue projections are based on our actual service levels of the last six summer seasons, and adjusted accordingly for the additional new moorage space.

- <u>Hudson Point RV Rates</u> The 2008 Budget does not change any RV rates, after increases of 13% 20% for 2007. 2007 service levels, which were running 10% below 2006, are estimated to recover to 95% of 2006 levels for 2008, which will make them very close to 2005 actual levels.
- JCIA Fuel Sales 2007 flowage was down 5% from 2006 flowage, and down 24% from 2005, through September 30<sup>th</sup>. For 2008 we budgeted for sales of 65,000 gallons, which is the same as the 2007 budget, but down from 80,000 gallons budgeted for in 2006, with a Gross Profit target after bank card fees of \$.50/gallon. With the construction of new hangars about to begin, the assumption is that the number of based aircraft will be increasing during 2008, and fuel sales will also increase.
- <u>JCIA Hangar Rates</u> The 2008 Budget proposal for Port owned hangars was to increase by current CPI, however, this was deferred along with all other rate changes until May 1, 2008.
- New Operating Revenue Items New revenue items appearing in the 2008 Budget, not in the 2007 Budget, include all items associated with the PTBH Fuel Dock Operation, which was added to Port operations on March 15, 2007, and the Kayak Rack Rental item at Hudson Point, which was added August 1, 2007.
- <u>PTBH Fuel Dock</u> For 2008 we have budgeted for sales of 275,000 gallons of gas and diesel fuel, with a Gross Profit target after bank card fees of \$ .60/gallon. Flowage is estimated to be 25% gas sales, and 75% diesel sales.
- Investment Interest This revenue item was adjusted down considerably for 2008, due to the fact that all of the proceeds of the L.T.G.O. Bonds issued in November 2005 for Hudson Point re-construction, which have been invested during 2006 and 2007, have now been expended.
- Property Tax Levy For 2008, the Ports maximum Property Tax Levy capacity, (based on Jefferson County Assessor's estimate of new construction as of September, 2007) will be approximately \$824,000, with a budgeted amount of \$825,000, making approximately \$32,000 in additional tax levy funds available to the Port in 2008. (\$7,916 (1% increase) + new construction & adjustments).

#### **Expense Issues**

Staffing Levels – The 2008 Budget adds funding for one new permanent staff position in the Finance Department, and one permanent staff position in the PTBH Moorage/Fuel Dock operation. This position was actually created April 1, 2007, to help staffing of the PTBH Fuel Dock operation which the Port assumed on March 15, 2007, but which was not included in the 2007 Budget. The 2008 Budget also re-budgets for the Environmental/Safety position which was budgeted for in 2007, but which was not filled in 2007. The current proposal is to fill this position from within current Port Work Yard Staff and to hire a new Lift Operator. Additionally, this budget funds a third Seasonal Moorage position, split between PTBH & Hudson Point, and increases each of these three positions from 765 hours/year (.37 FTE) to 975 hours/year (.47FTE), and adds a Seasonal Dock Helper on the PTBH Fuel Dock for 700 hours/year (.35 FTE). This staffing mix increases Port staff FTE's from 29.15 budgeted for in 2007 to 32.4 in 2008.

<u>Salaries & Wages</u> – Based on the above staffing levels and using our current best estimate of what the re-negotiated Teamsters Contract may require for salary increases on July 1, 2008, along with other known and anticipated wage changes, salary expense is budgeted to increase by approximately \$175K in 2008.

<u>Health Care</u> – The 2008 Budget includes published increases in current health care plan premiums averaging approximately 3.5%.

<u>Retirement</u> – The Washington State Department of Retirement Systems has adopted a multi-year rate adjustment plan for both employer and employee contributions to the State Retirement System. Employer contribution rates increased from 3.69% in 2006 to 6.13% currently.

<u>Contract Services</u> – Major services currently contracted for include fire protection at JCIA & Quilcene, janitorial services at PTBH & Hudson Point, computer and software support, copy machine maintenance, water quality testing, Port newsletter production, web site management, property appraisals, on-going land use consultant issues, etc.

For 2008, we have budgeted for updating our 2001 Property Rental Market Analysis for JCIA, and for updating our Employee Personnel Handbook. Both of these items were carried forward from the 2007 Budget.

Additional items added for 2008, include \$10,000 for a public relations/ marketing position, and \$5,000 for outside accounting assistance to include verification and certification, for on-going long-term bond debt analysis and reporting, required by the IRS and our Bond Covenants.

- <u>Legal</u> This expense item continues to fluctuate as issues and projects come and go, however, it has been lower in 2006 & 2007 than some previous years, therefore, the 2008 Budget has reduced this item from the \$70,000 budgeted amount in 2007 to \$50,000.
- <u>Auditing</u> 2008 will be an audit year. The receipt in 2007 of Federal Grant funds in excess of \$500,000, associated with the JCIA Taxilane & Hangar Pad construction project, will require us to have a Federal Single Audit in 2008. We have budgeted \$25K for this audit.
- Operating Supplies With the fluctuating levels of service we are experiencing, especially in Hudson Point and our Yard operations, our Operating Supplies Expense is somewhat hard to forecast, especially in areas such as janitorial supplies. Additionally, we are now budgeting for the anticipated opening of the Quilcene restrooms and showers, with an unknown level of usage. Also, we have seen a large increase in vehicle and equipment fuel costs. Additionally, starting in 2007, we increased our capitalization rate for fixed assets, to \$1,000. Therefore, all purchases of equipment, furniture, fixtures, etc. with an individual item cost up to \$1,000 are expensed to operating supplies, rather than being capitalized and depreciated. This means that almost all technology upgrades are now expensed when placed in service.
- <u>Travel & Training</u> This item, which includes Port staff and Commissioner travel to conferences and training, as well as to trade shows, was increased by approximately 25% to reflect the true costs experienced in recent years, as well as to cover the higher cost of vehicle travel. For 2008 we are separating training costs into their own line item, and have budgeted for additional training costs for appropriate staff, as well as some department specific training, for security, safety and environmental personnel. These new costs were estimated at approximately \$8,000 for 2008.
- Insurance Except for one small policy, all of our insurance policies have been adjusted so that they have September 1<sup>st</sup> policy renewal dates. Therefore, we have the most current data at budget time. September 1, 2007 renewals for primary liability policies, which are tied to employee FTE's and gross operating revenues saw proportionate increases and our property policy increased by about 4%. We are forecasting to end 2007, about \$8K under budget, so there is very little budget impact for 2008, from additional policy increases.
- <u>Advertising & Promotion</u> These budgets were increased for 2008, with the intent of specific advertising and some type of promotion to highlight the newly renovated Hudson Point facilities.

- <u>Bad Debt</u> This item will continue to be budgeted at the higher level of 2007. This is an anticipated direct result of the clean-up in the Work Yard, brought about by the 2006 & 2007 increases in Work Yard rates, as a number of long-term projects have become abandoned, and the Port is left with the auction and/or disposal of these vessels.
- <u>Utilities</u> The 2008 Budget is based on an estimate of our year-end actual costs for 2007, plus an additional 5% to cover anticipated inflation rate increases and fluctuations in activity levels, mainly in the Work Yard, Ship Yard and Hudson Point, where utility costs are tied very closely to levels of service.
- Repair and Maintenance For 2008 we have budgeted to continue with our 2007 Maintenance budget amount of \$300K, which was doubled from the 2006 amount of \$150K, to try to do a better job of handling some of the many deferred maintenance issues which currently exist at all of the Port's facilities.
- <u>Transfers to Reserves</u> The PTBH Renovation Reserve Fund is budgeted to be funded with \$80,000 in 2008. This continues the 2007 Budget amount, until a new Permanent Moorage rate structure for 2008 is adopted, which ultimately may affect the amount of this transfer.

Additional funding to the PTBH Renovation Reserve Fund is budgeted for in 2008, in the amount of \$7,920. This represents the 1% Property Tax increase amount for 2008, which was authorized by the Port Commission. This transfer will be consistent with the way the 1% tax money was handled in 2007.

- <u>Debt Service</u> Our total debt service for 2008 is \$1,166,987. This is an increase of \$8K from the 2007 budget, and includes a \$39K decrease in interest expense in our Operating Budget, offset by a \$47K increase in required principal payments, as shown on our Cash Flow Analysis.
- <u>Depreciation</u> Our total Depreciation Expense for 2008 is estimated at \$1,185,000. This is an increase of \$160K from the 2007 budget, and has a significant impact on our budgeted Net Income, however, this expense item does not impact our cash flow.

2008 is the third consecutive year of substantial increases in Depreciation Expense, as the Port has invested over \$8MM in capital asset construction and renovation during the last three years, including the Hudson Point Marina project and related uplands improvements, the JCIA taxilane and hangar pad development project, septic system improvements in Quilcene, replacement of the Coast Guard Dock at the Boat Haven Marina, dock replacements in Quilcene and Hadlock, and the renovation of the Port Administration Building at Hudson Point.