



2011 BUDGET

PORT OF PORT ANGELES

2011

FINAL BUDGET

COMMISSIONER GEORGE H. SCHOENFELDT



Commissioner George Schoenfeldt has served on the Port Commission since January 2006 and represents the central area of the Port District. George has been a lifetime resident of Clallam County and has lived in all 3 Port Districts. George had owned and operated a successful logging and land development company for over 25 years. He was also the Joint Dispatcher for the Pacific Maritime Association & International Longshore and Warehouse Union for 21 years, before retiring from that position in 2005. George resides in Port Angeles with his wife Ellen.

COMMISSIONER JAMES McENTIRE

Jim McEntire represents District 1 (east) and has served as a Port Commissioner since January 2008. He is twice retired – the first time after 32 years in the U.S. Coast Guard, retiring in the grade of Captain, and again from the Federal Senior Executive Service after an additional 6 years of civilian service in the Departments of Transportation, Labor, and Homeland Security. Jim commanded three ships and has long experience in program planning, budget preparation, agency strategic planning, and business transformation. He holds a Bachelor's of Science degree from the U.S. Coast Guard Academy, a Master's of Public Administration degree from George Washington University and was the first Coast Guard member of the Secretary of Defense Strategic Studies Group. He and his wife Sherry live in Sequim.



COMMISSIONER JOHN M. CALHOUN



Commissioner Calhoun has been a member of the Port Commission since January 2004 and represents the western part of the Port district. He has a Bachelor of Science degree in Forest Management from the University of California at Humboldt. With nearly three decades of experience at the State Department of Natural Resources and another decade with the University of Washington as Director of the Olympic Natural Resources Center, Mr. Calhoun has long been active in state and regional natural resource policy issues. He is especially interested in rural economic development and enjoys local volunteer work. Mr. Calhoun lives in Forks with his wife Judy.

JEFFERY K. ROBB, EXECUTIVE DIRECTOR

Executive Director Jeff Robb has been employed by the Port of Port Angeles since 1984 with his first position as Resident Engineer for the construction of John Wayne Marina. He has held a number of additional positions including, Project Engineer, Mechanical Maintenance Manager, Public Works Manager and Director of Airports and Marinas until recently appointed Executive Director in August of 2009. He is actively involved in professional organizations and in his community. He served as President of the Washington Airport Management Association, President of Port Angeles Rotary Club and is active in the Boy Scouts of America. He is a second generation Sequim native and lives with his wife Laura in Sequim with daughter Danielle and son Colby.



BOARD OF PORT COMMISSIONERS

GEORGE H. SCHOENFELDT, PRESIDENT

Term Expires 2011

JIM McENTIRE, VICE PRESIDENT

Term Expires 2013

JOHN M. CALHOUN, SECRETARY

Term Expires 2015

PORT MANAGEMENT STAFF

Executive DirectorJEFFERY K. ROBB

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SECTION I

EXECUTIVE DIRECTOR SUMMARY

BUDGET MESSAGE

TO: BOARD OF PORT COMMISSIONERS
PORT OF PORT ANGELES

FROM: JEFFERY ROBB, EXECUTIVE DIRECTOR

It is with pleasure the 2011 Budget for the Port of Port Angeles is forwarded to you. This budget provides a management plan for the forthcoming year, an operating budget to meet the goals, objectives and strategies established by the Board, the strategic and capital budget for 2011, and the outline for a five-year improvement plan.

This document provides the guidance for both the Port's short-term and long-term plans for utilization of its limited resources. The 2011 budget estimates gross revenues of \$6,906,400, expenses of \$6,228,900 and capital expenditures of \$1,641,000.

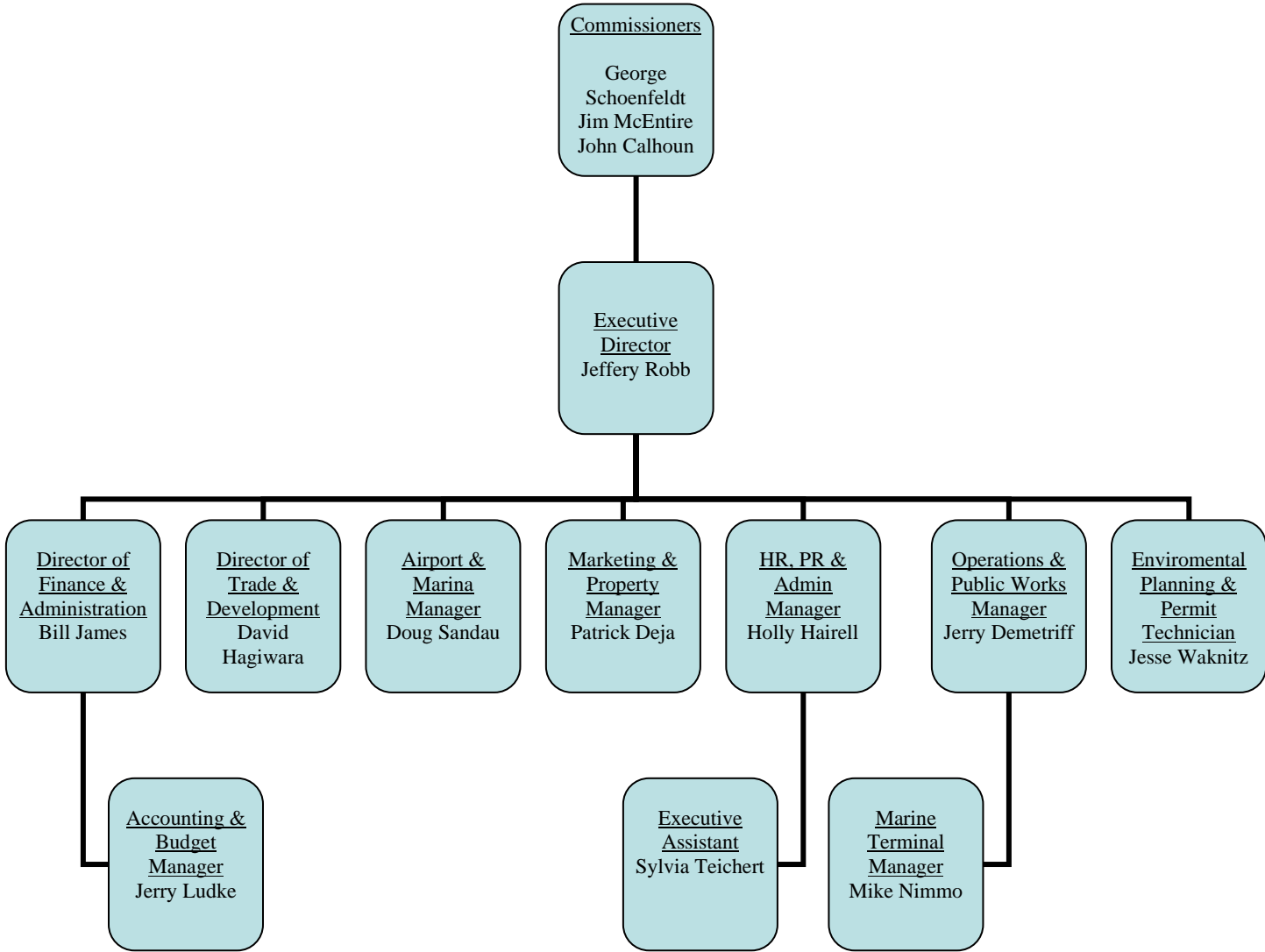
The Port by direction of the Board of Commissioners continues to maintain reserves and a good financial position. The Port continues to serve the Citizens of Clallam County by focusing on the goals and objectives established by the Board of Commissioners.

MISSION STATEMENT

The Port of Port Angeles is a public enterprise organization committed to serving the citizens of Clallam County in the following ways:

- The Port is a provider and developer of facilities and services required to support waterborne and airborne transportation and commerce.
- Port policies and management are directed to achieve a high standard of professionalism and leadership in the Community by forming partnerships for the purpose of expanding economic development opportunities and sustainable family wage jobs.
- The Port is guided by the public trust in matters of fiduciary and environmental stewardship.
- The Port will demonstrate technical proficiency in planning and promotion of industrial, commercial, and recreational opportunities in a manner that will enhance the quality of life within the Port District.

PORT OF PORT ANGELES
ORGANIZATIONAL CHART



**PORT OF PORT ANGELES
PERSONNEL SUMMARY**

ALL DIVISIONS

Department	Employees	
	Full-Time	Part-Time
Administration	9	
Airports	1	2
Economic Development & Marketing	2	
Facilities Maintenance	7	
John Wayne Marina	2	
John Wayne Marina Security	1	1
Log Yard	5	
Marine Terminal	1	
Mechanical Maintenance	2	
Public Works	2	
Security	3	11
Total	35	14

SECTION II

STRATEGIC PLAN

STRATEGIC PLAN

2011 – 2015

Our Vision:

“To become the recognized leader of economic development in Clallam County.”

The Strategic Goals of the Port of Port Angeles

The Port has identified several strategic goals that reach beyond a single department and may require Port-wide actions and efforts for success. Work on these goals is expected to expand beyond 2015. These goals reflect our core values, support our mission and help us realize our visions:

- Promote economic growth
- Avoid duplication of effort
- Give priority to projects that are uniquely Port-related
- Recognize stewardship responsibility with respect to transportation
- Be a leader in industrial development and zoning
- Encourage public and private partnerships to develop infrastructure
- Utilize assets and financing to achieve economic development goals
- Practice sound environmental stewardship

The Strategic Projects of the Port of Port Angeles

The Port Commission has identified 12 strategic projects that are vital for future economic growth and job creation in Clallam County and flow naturally from the Port’s strategic goals.

Summarized on pages II – 2 and 3, these strategic projects compete with other desired capital and major maintenance projects for the limited funds available to the Port (based on criteria such as job creation, environmental stewardship and return on investment). While many strategic projects will be funded in 2011, others will remain on the “drawing board” until funding and resources are available.

The Strategic Projects of the Port of Port Angeles

	Strategic Project	Cost
1	Composite Manufacturing Campus	\$8,500,000
2	Design Ship Dockage Facility (T3) (Eng/Permit)	3,900,000
3	Flexible Projects	200,000
4	GA Expansion - Phase I Site Prep	646,000
5	JWM Upland Development	TBD
6	PA Mid-Harbor Shore Power to Mooring Buoys	TBD
7	PABH Upland Development	1,800,000
8	Sequim Industrial & Tourism Infrastructure	TBD
9	T5 Development (Site Dev/Coffer Dam)	100,000
10	Tumwater Creek Bridge - Option 1 - 150 ton load	450,000
11	West End Tourism Infrastructure (Shooting Sports Park)	TBD
12	Waterfront or Industrial Property Purchase	1,000,000

For the complete Port capital budget, see pages V-1 through V-10

STRATEGIC AND 2011 FUNDED CAPITAL PROJECTS SUMMARY

Rating / Project	2011				2012				2013				2014				2015				2016+			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
1 Composite Mfr. Campus	→																							
1 Design Ship Dock (T3)	→																							
1 Flexible Projects	→																							
3 GA Expansion – Phase I	→																							
3 JWM Upland Dev.	→																							
3 PA Power to Buoys	→																							
2 PA Upland Dev.	→																							
2 Sequim Ind./Tourism Inf.	→																							
1 T5 Development	→																							
2 Tumwater Bridge – 150 ton	→																							
3 West Tourism/Shoot Park	→																							
3 Property Purchase	→																							
- MT Stormwater Imp.	→																							
- RP 1908 'O' St HVAC Rep.	→																							
- BY Stormwater Imp.	→																							
- FIA Lincoln Pk MP & Dev.	→																							
- FIA GA Exp. – Env/P-Eng.	→																							
- MT Security Imp.	→																							
- RP Int'l Ferry Terminal	→																							
- BLR W. Boat Ramp Exp.	→																							
- MT Bulkhead Eng./Const.	→																							

Issues: \$ come in gradually, lack of manpower, 10 yr capital projects **for additional \$16.4 million not included**

SECTION III

BUDGET OVERVIEW

TOTAL FUNDS AVAILABLE

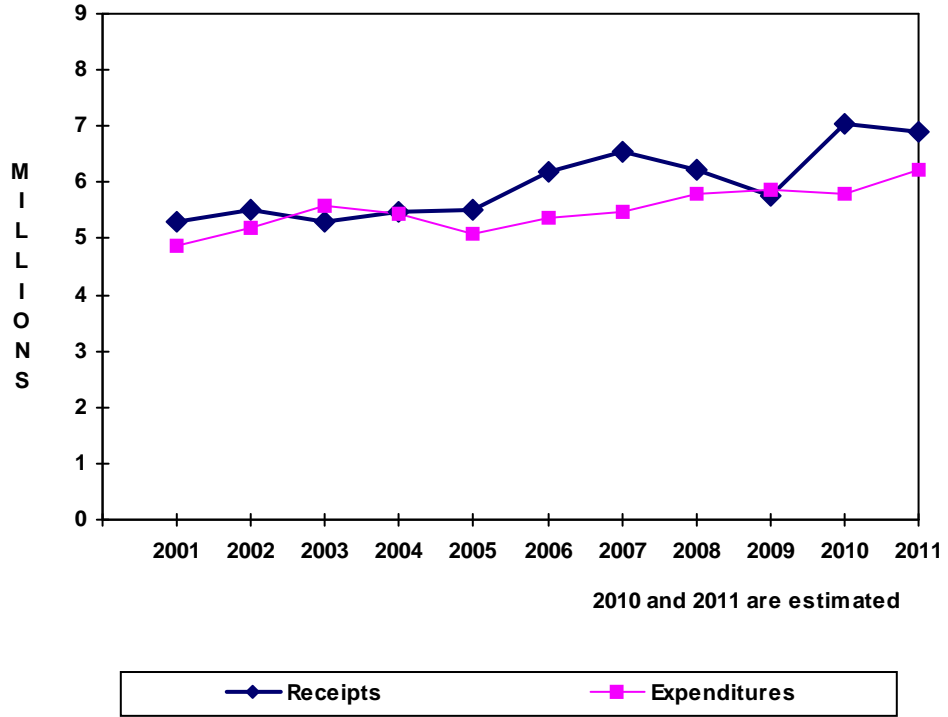
TOTAL FUNDS AVAILABLE IS A SUMMARY OF ALL CASH AND INVESTMENTS HELD BY THE PORT

	GENERAL FUND	CAPITAL IMPR.	G.O. DEBT SERVICE	TOTAL FUNDS
BALANCE, JANUARY 1, 2011	5,590,300	9,300,000	374,300	15,264,600
OPERATING RECEIPTS (1)	6,906,400			
OPERATING EXPENDITURES (2)	(6,228,900)			
OPERATING SURPLUS	677,500			677,500
OPS SURPLUS TRANSFER TO CAPITAL IMPROVEMENT	(677,500)	677,500		0
GENERAL TAX LEVY			1,341,998	1,341,998
TRANSFER TO CAP. IMPR. - DEBT SERVICE REDUCTION		174,300	(174,300)	0
TRANSFER TO CAP. IMPR. - GEN. TAX LEVY SURPLUS		423,895	(423,895)	0
CAPITAL PROJECT EXPENDITURES		(1,641,000)		(1,641,000)
GENERAL OBLIGATION DEBT SERVICE			(918,103)	(918,103)
BALANCE, DECEMBER 31, 2011	5,590,300	8,934,695	200,000	14,724,995

1. TOTAL RECEIPTS ON PAGE IV-2 (\$6,906,400) IS SOLELY OPERATING RECEIPTS
2. TOTAL EXPENDITURES ON PAGE IV-2 (\$6,228,900) IS SOLELY OPERATING EXPENDITURES

HISTORICAL GENERAL FUND RECEIPTS & EXPENDITURES

2001 - 2011



Expenditure Category Descriptions

1. Agents Fees
Contracted services for management of Shipyard and Boat Haven
2. Labor/Salaries & Wages
Includes all wages/salaries associated with full or part-time Port employees
3. Materials
Materials provided by the Facilities Maintenance and Mechanic Shop to operating centers
4. Estimated Fringe Benefits
Related fringe benefits associated with Port employees
5. Insurance & Taxes
Includes all insurance costs and taxes paid, such as excise taxes, by the Port
6. Interdepartmental Transfers
Reflects interdepartmental transfers, such as a transfer from Rental Properties to Fairchild International Airport, offsetting revenue reflected in airport receipts
7. Miscellaneous Expense
Includes costs which are individually too small or too infrequent to track separately; examples include irrigation district payments, compactor services, public meeting expenses, and delivery service charges
8. Outside Services
Payments made for personal services contracts, including legal services, auditing, marketing, and weather, log hauling, maintenance, etc.
9. Promotional Hosting
Reflects expenditures made in developing Port business in conformity with RCW, Chapter 53.36.130
10. Supplies
Includes costs of all supplies and small tools normally expensed by the Port
11. Travel & Training
Includes all normal travel expenses including mileage, airfare expenses, hotel and meal reimbursements, and conference registration expenses
12. Utilities
Includes cost of all utilities

**GENERAL FUND
EXPENDITURES SUMMARIZED BY
ACCOUNT CATEGORY**

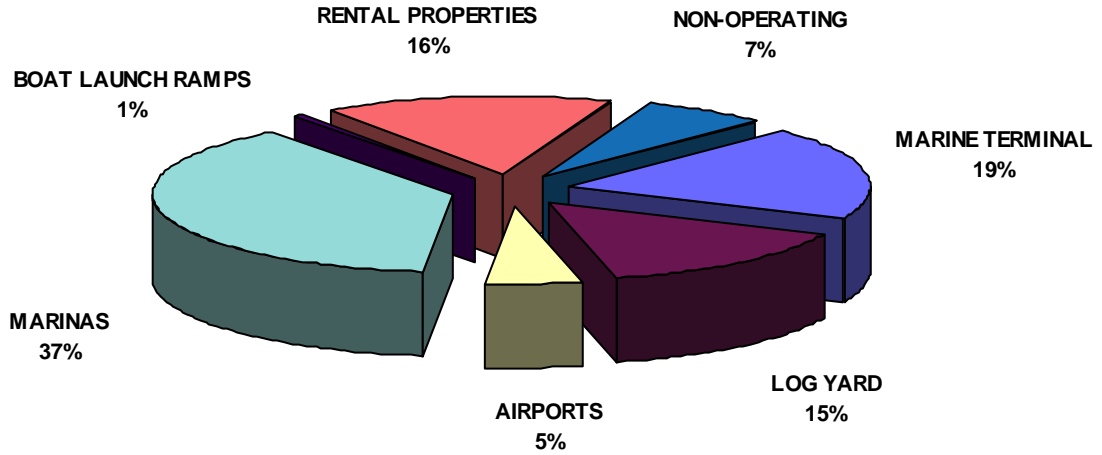
CATEGORY	ACTUAL 2009	% OF	BUDGET 2010	% OF	PROJECTED 2010	% OF	BUDGET 2011	% OF
AGENTS FEES	207,087	3.5%	207,700	3.3%	211,500	3.6%	212,000	3.4%
LABOR	836,916	14.2%	898,700	14.1%	826,800	14.2%	898,600	14.4%
MATERIALS	249,391	4.2%	299,500	4.7%	167,700	2.9%	289,500	4.6%
DUES & SUBSCRIPTIONS	26,210	0.4%	21,500	0.3%	18,700	0.3%	18,500	0.3%
EST FRINGE BENEFITS	1,102,285	18.7%	1,310,300	20.6%	1,157,000	19.9%	1,175,800	18.9%
MARKETING & PUBLIC INFORMATION	213,647	3.6%	125,000	2.0%	27,600	0.5%	75,000	1.2%
INSURANCE & TAXES	365,286	6.2%	346,850	5.4%	332,900	5.7%	316,300	5.1%
INTERDEPARTMENTAL EXPENSE	53,591	0.9%	59,000	0.9%	53,500	0.9%	59,000	0.9%
INTEREST EXPENSE	15,706	0.3%	15,400	0.2%	13,600	0.2%	0	0.0%
MISCELLANEOUS EXPENSE	308,109	5.2%	388,900	6.1%	142,200	2.4%	336,500	5.4%
OUTSIDE SERVICES	681,310	11.6%	446,800	7.0%	485,200	8.3%	765,600	12.3%
PRINCIPAL PAYMENTS	46,300	0.8%	46,300	0.7%	327,600	5.6%	0	0.0%
PROMOTIONAL HOSTING	9,103	0.2%	20,000	0.3%	5,300	0.1%	10,000	0.2%
SALARIES & WAGES	910,622	15.5%	1,202,500	18.9%	1,039,300	17.9%	1,087,300	17.4%
SUPPLIES	356,573	6.1%	383,200	6.0%	539,400	9.3%	470,300	7.5%
TRAVEL & TRAINING	54,586	0.9%	118,000	1.9%	73,100	1.3%	104,500	1.7%
UTILITIES	453,595	7.7%	480,700	7.5%	392,100	6.7%	416,000	6.7%
TOTAL EXPENDITURES (note 3)	5,890,319	100%	6,370,350	100%	5,813,500	100%	6,234,900	100%

- 1) ADDITIONAL MAINTENANCE LABOR IS CHARGED TO CAPITALIZED PROJECTS
- 2) INTERDEPARTMENTAL TRANSFER EXPENDITURES ARE OFFSET BY INTERDEPARTMENTAL TRANSFER RECEIPTS UNDER REVENUE CATEGORIES
- 3) DOES NOT INCLUDE MAINTENANCE REVENUE (\$6,000 FOR 2011 BUDGET)

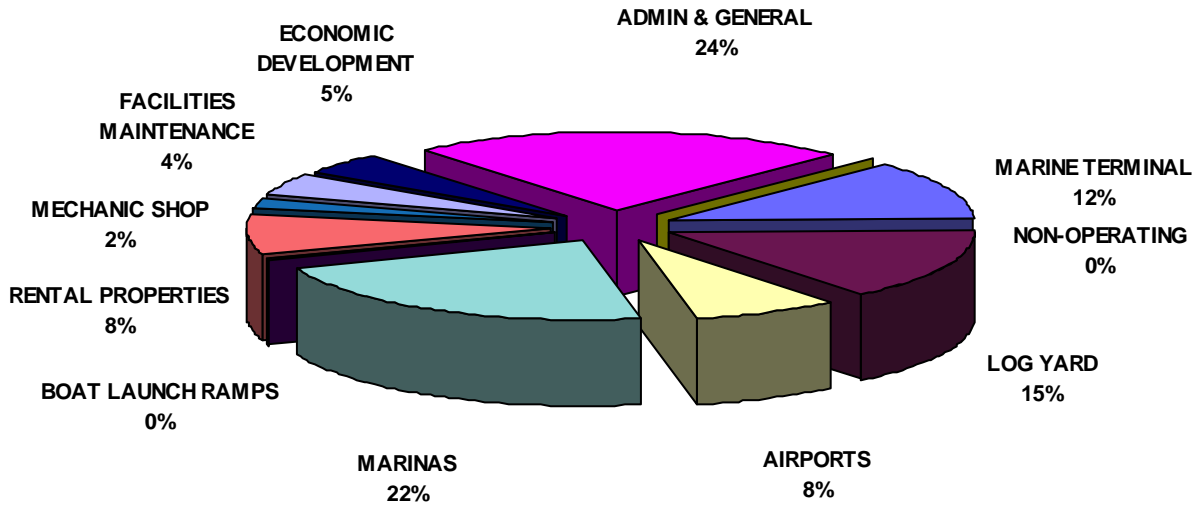
SECTION IV

OPERATING BUDGETS

2011 GENERAL FUND RECEIPTS



2011 GENERAL FUND EXPENDITURES



GENERAL FUND SUMMARY

RECEIPTS

DIVISION	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
MARINE TERMINAL	910,397	793,700	1,656,400	1,330,000
LOG YARD	480,722	628,600	828,100	1,009,400
AIRPORTS	363,242	389,100	359,500	365,900
MARINAS	2,516,470	2,644,400	2,572,500	2,619,900
BOAT LAUNCH RAMPS	44,851	45,000	56,300	46,000
RENTAL PROPERTIES	932,269	955,100	979,500	1,081,300
TOTAL OPERATIONS	5,247,951	5,455,900	6,452,300	6,452,500
NON-OPERATING AND A&G	524,799	608,000	582,900	453,900
SUB TOTAL	5,772,749	6,063,900	7,035,200	6,906,400

EXPENDITURES

DIVISION	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
MARINE TERMINAL	406,466	513,600	596,500	740,100
LOG YARD	895,630	803,600	887,300	924,200
AIRPORTS	654,875	492,100	425,800	486,900
MARINAS	1,296,844	1,355,300	1,281,600	1,397,500
BOAT LAUNCH RAMPS	19,689	16,100	19,900	23,700
RENTAL PROPERTIES	531,446	589,200	420,800	491,600
MECHANICAL MAINTENANCE	71,321	162,300	120,100	138,300
FACILITIES MAINTENANCE	183,780	325,200	205,500	280,000
TOTAL - OPERATIONS	4,060,052	4,257,400	3,957,500	4,482,300
ECONOMIC DEVELOPMENT	373,765	473,100	258,500	295,800
ADMIN & GENERAL	1,387,576	1,571,400	1,248,900	1,450,100
NON-OPERATING	62,561	62,450	341,900	700
SUB TOTAL	5,883,954	6,364,350	5,806,800	6,228,900

NET SURPLUS (DEFICIT)

	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
NET SURPLUS (DEFICIT)	(111,204)	(300,450)	1,228,400	677,500

NOTES: NO DEPRECIATION INCLUDED IN THESE CALCULATIONS; SEE SEPARATE PRESENTATION ON PAGE VIII - 4
 PROJECTED 2010 EXPENSES INCLUDE MAJOR MAINTENANCE PROJECTS OF \$215,000
 BUDGET 2011 EXPENSES INCLUDE MAJOR MAINTENANCE PROJECTS OF \$654,000

MARINE TERMINAL

Marine terminals provide five deep water berths - three dockside and two dolphin berths and related equipment. The terminals have limited warehouse and cargo staging areas

The objectives of the marine terminals are:

- To provide the service and facilities for the efficient handling and loading of marine cargo, topside repairs and lay berthing
- To operate in a manner that will provide an excess of revenues over expenses to fund Port activities and projects
- To obtain a competitive return on the public investment in these facilities

REVENUE ASSUMPTIONS

2010 Projected:

1. 185 tanker days for top-side repair and 20.3 million board feet of log exports
2. No increase on dockage and repair dockage; no increase on equipment rental, wharfage, service and facilities charge, passenger fee and security fee
3. 100 Marine Travel-Lift haul outs and two cruise vessels
4. Electrical service infrastructure fee recognized in miscellaneous income
5. Rate review scheduled for mid-2010 adjusted man-hour rate handling rates per ILWU contract effective July 1. No other increases for MT rates and fees

2011 Budget:

1. 130 tanker days for top-side repair and 24 million board feet of log exports
2. Rate Increases of 2% plus CPI for dockage, vessel repair dockage, wharfage, equipment rental, electrical service fee and service and facility charges
3. 75 Marine Travel-Lift haul outs
4. No cruise vessels anticipated in 2011
5. Increase in security fee

EXPENSE ASSUMPTIONS

2010 Projected:

1. No increase in salaries and wages, insurance costs or utilities
2. Increase in medical insurance premiums reflected in estimated fringe benefits
3. One programmed replacement fleet vehicle; reflected in miscellaneous expense
4. Major maintenance cost for Dock Repairs included in labor, materials and outside services

2011 Budget:

1. 0.7% CPI increase to all labor, salaries and wages
2. 2% decrease reflected in fringe benefits due to a decrease in the Port's medical insurance premiums attributable to contraction in medical service providers
3. 2.5% increase budgeted for utilities
4. 5% decrease budgeted for insurance and taxes
5. Major maintenance cost for Dock Repairs and Camel Logs/Walking Sticks. See page V - 10 for additional information on all major maintenance items listed in Section IV

MARINE TERMINAL

RECEIPTS

CATEGORY	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
DOCKAGE	699,885	571,300	1,084,200	754,000
EQUIPMENT RENTAL	26,582	21,900	69,700	82,600
HANDLING	4,859	10,000	5,000	2,500
LEASE/RENTAL INCOME	33,126	33,000	36,700	32,200
MISCELLANEOUS INCOME	2,149	21,500	3,000	2,400
SECURITY FEE	103,249	83,600	148,700	108,800
SERVICE CHARGE	0	0	86,600	115,500
STORAGE	3,780	3,800	3,800	3,800
UTILITY SALES	25,529	29,000	56,800	35,000
WHARFAGE	11,238	19,600	161,900	193,200
TOTAL RECEIPTS	910,397	793,700	1,656,400	1,330,000

EXPENDITURES

CATEGORY	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
LABOR	73,600	55,000	108,100	90,100
MATERIALS	46,972	50,000	40,600	45,000
DUES & SUBSCRIPTIONS	989	1,000	1,000	1,000
EST FRINGE BENEFITS	94,083	94,900	132,100	122,800
INSURANCE & TAXES	47,627	45,100	54,800	52,100
MISCELLANEOUS EXPENSE	11,187	32,000	18,000	12,000
OUTSIDE SERVICES	5,087	70,000	55,000	250,000
SALARIES & WAGES	75,557	115,600	105,000	122,100
SUPPLIES	8,437	10,000	49,600	10,000
TRAVEL & TRAINING	3,553	5,000	4,000	5,000
UTILITIES	39,373	35,000	28,300	30,000
TOTAL EXPENDITURES	406,466	513,600	596,500	740,100

	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
SUB TOTAL SURPLUS (DEFICIT)	503,931	280,100	1,059,900	589,900

LOG YARD

The Log Yard provides facilities for the efficient movement of logs from land to water for loading from the water into vessels, and for rafting of logs for towing to other locations.

The objectives of the Log Yard are:

- To provide log handling facilities and services at cost effective rates
- To operate in a manner that will provide an excess of revenues over expenses to fund Port activities and projects
- To obtain a competitive return on the public investment in these facilities

REVENUE ASSUMPTIONS

2010 Projected:

1. Rafting/decked/round boom volume of 11.0 / 12.2 / 11.0 million board feet
2. Revenue for handling includes 7.4 mmbf inbound log volume via barge/raft and revenue from DNR aquatic log storage fee
3. Containers – 290 @ \$145 per container (1.2 mmbf)
4. No increase in rafting, round boom and banding charges
5. Recognizes new land lease with Interfor
6. Miscellaneous income includes storage fee for chip loading tower, Pen Ply log handling license fee and Dunlap aquatic log storage operating agreement.

2011 Budget:

1. Rafting/Decked/Round Boom volume of 17.0 / 17.4 / 8.0 million board feet
2. Revenue for Handling includes 10 mmbf inbound log volume via barge/raft and revenue from DNR Aquatic Log Storage fee
3. Containers – 240 @ \$150 per container (1.0 mmbf)
4. Assumes 3.0% + CPI increase for rafting, round boom, container loading and thru-put decking charges
5. Banding charges adjusted to reflect cost of materials
6. Miscellaneous income includes storage fee for chip loading tower, Pen Ply log handling license fee and Dunlap aquatic log storage operating agreement

EXPENSE ASSUMPTIONS

2010 Projected:

1. No increase in salaries and wages, insurance costs or utilities
2. Increase in medical insurance premiums reflected in estimated fringe benefits
3. DNR harbor area lease for log storage recognized in miscellaneous expense for from May through December of 2010
4. Increase in direct labor and benefits due to an increase in log volume

2011 Budget:

1. Assumes CPI increase to all labor, estimated fringe benefits, salaries and wages
2. A decrease in fringe benefits due to a small decrease in the Port's medical insurance premiums attributable to contraction in medical service providers
3. Major maintenance cost for Piling and Log Boom Sidestick replacement
4. Increase budgeted for utilities and decrease budgeted for insurance and taxes
5. DNR harbor area lease for log storage & future monitoring recognized in misc. expense

LOG YARD

RECEIPTS

CATEGORY	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
BANDING REVENUE	14,479	36,700	119,200	106,300
EQUIPMENT RENTAL	1,344	5,700	1,200	2,000
HANDLING	281,219	306,900	270,600	389,200
LEASE/RENTAL INCOME	64,500	81,000	80,400	81,000
MISCELLANEOUS INCOME	70,878	63,000	87,600	100,500
RAFTING REVENUE	48,187	135,300	177,600	252,000
ROUND BOOM REVENUE	114	0	91,500	78,400
TOTAL RECEIPTS	480,722	628,600	828,100	1,009,400

EXPENDITURES

CATEGORY	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
LABOR	294,106	275,100	282,700	327,000
MATERIALS	75,541	46,000	38,200	40,000
EST FRINGE BENEFITS	228,131	206,500	206,800	223,300
INSURANCE & TAXES	91,684	63,800	43,800	41,600
INTERDEPARTMENTAL EXPENSE	80	500	0	500
MISCELLANEOUS EXPENSE	29,185	30,000	17,400	25,000
OUTSIDE SERVICES	12,324	10,000	23,800	30,000
SALARIES & WAGES	67,567	52,700	50,800	46,600
SUPPLIES	67,519	94,600	214,600	181,700
UTILITIES	29,493	24,400	9,200	8,500
TOTAL EXPENDITURES	895,630	803,600	887,300	924,200

	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
NET SURPLUS (DEFICIT)	(414,908)	(175,000)	(59,200)	85,200

WILLIAM R. FAIRCHILD INTERNATIONAL AIRPORT

Provides aviation support facilities for general aviation and commercial aviation activities.

The objectives of FIA are:

- To provide safe and efficient support to aviation activities
- To provide support facilities for economic activity generated by aviation
- To generate sufficient aviation revenues to cover expenses of providing aviation facilities for the convenience of the Port District constituency

REVENUE ASSUMPTIONS

2010 Projected:

1. No change to rates and fees
2. Continued landing fee waiver for commercial passenger service
3. PFC revenues transferred to capital budget

2011 Budget:

1. No change to rates and fees
2. Continued landing fee waiver for commercial passenger service
3. PFC revenues transferred to capital budget

EXPENSE ASSUMPTIONS

2010 Projected:

1. No increase in salaries and wages, insurance costs or utilities
2. Increase in medical insurance premiums reflected in estimated fringe benefits

2011 Budget:

1. CPI increase in salaries and wages
2. Moderate reduction in medical cost to be reflected in fringe benefits
3. Colder than normal weather predicted for 2011 anticipate increase in labor costs for snow removal
4. Small Community Air Service Development Program - total duration of 24 months. 38% (9 months) of the program will have been completed in 2010. An additional 12 months will be completed in 2011 with an estimated cost to the Port of \$3,400

WILLIAM R. FAIRCHILD INTERNATIONAL AIRPORT

RECEIPTS

CATEGORY	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
EQUIPMENT RENTAL	0	5,000	0	0
FUEL SALES & HANDLING	10,362	14,000	10,000	12,000
HANGARS & TIE DOWNS	114,307	115,500	116,200	117,500
INTERDEPARTMENTAL REVENUE	45,011	50,000	45,000	45,000
LANDING FEES/ETC	15,593	17,000	20,300	18,000
LEASE/RENTAL INCOME	130,557	132,000	130,600	130,000
MISCELLANEOUS INCOME	4,583	6,000	4,400	4,300
PARKING CHARGES	28,491	34,000	23,900	24,000
TOTAL RECEIPTS	348,904	373,500	350,400	350,800

EXPENDITURES

CATEGORY	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
LABOR	110,086	90,000	98,800	100,000
MATERIALS	17,182	14,000	5,300	12,000
DUES & SUBSCRIPTIONS	854	1,500	2,200	1,500
EST FRINGE BENEFITS	114,712	100,500	93,100	91,300
INSURANCE & TAXES	67,880	65,000	63,200	60,000
INTERDEPARTMENTAL EXPENSE	3,500	3,500	3,500	3,500
MISCELLANEOUS EXPENSE	5,183	9,400	4,700	5,000
OUTSIDE SERVICES	165,703	25,000	9,400	47,000
SALARIES & WAGES	71,776	79,600	51,300	56,700
SUPPLIES	13,227	12,000	14,500	14,000
TRAVEL & TRAINING	562	3,000	1,600	1,500
UTILITIES	59,696	63,000	56,200	61,200
TOTAL EXPENDITURES	630,360	466,500	403,800	453,700

	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
NET SURPLUS (DEFICIT)	(281,456)	(93,000)	(53,400)	(102,900)

SEKIU AIRPORT

Provides a general aviation link for the Neah Bay, Clallam Bay and Sekiu area.

The objectives of the Sekiu Airport are:

- To continue to provide light aviation support for the West end
- To maximize revenue opportunities to help defray operating costs

REVENUE ASSUMPTIONS

2010 Projected:

1. No change to rates and fees
2. Hangar occupancy fell this year as a direct result of a record delay in Puget Sound salmon run. Fisherman took boats home rather than store at airport

2011 Budget:

1. Annual hangar revenue of \$14,900 in the past five years; assumes revenue will return to previous level of occupancy in 2011

EXPENSE ASSUMPTIONS

2010 Projected:

1. No increase in salaries and wages, insurance costs or utilities
2. Increase in medical insurance premiums reflected in estimated fringe benefits

2011 Budget:

1. Direct labor will be up over previous year due largely to removal of tree obstructions located on Port property
2. Decrease in fringe benefits due to a decrease in the Port's medical insurance premiums

SEKIU AIRPORT

RECEIPTS

CATEGORY	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
HANGARS & TIE DOWNS	14,288	15,500	9,000	15,000
LEASE/RENTAL INCOME	50	100	100	100
TOTAL RECEIPTS	14,338	15,600	9,100	15,100

EXPENDITURES

CATEGORY	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
LABOR	2,937	3,000	1,100	7,000
MATERIALS	1,132	2,000	500	2,000
EST FRINGE BENEFITS	6,593	5,600	5,300	9,000
INSURANCE & TAXES	2,827	2,700	2,800	2,700
MISCELLANEOUS EXPENSE	0	1,000	1,200	600
OUTSIDE SERVICES	358	1,000	500	600
SALARIES & WAGES	7,515	6,900	7,500	8,000
SUPPLIES	0	100	200	200
UTILITIES	3,152	3,300	2,900	3,100
TOTAL EXPENDITURES	24,515	25,600	22,000	33,200

	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
NET SURPLUS (DEFICIT)	(10,178)	(10,000)	(12,900)	(18,100)

PORT ANGELES BOAT HAVEN

Provides moorage facilities for the commercial fishermen and the recreational boater.

The objectives of the PABH are:

- To provide moorage facilities and to upgrade and enhance the quality of the facility
- To generate revenues in excess of expenses to assist in funding Port activities and projects
- To obtain a competitive return on the public investment in these facilities

REVENUE ASSUMPTIONS

2010 Projected:

1. Rate increases deferred for review in 2010 for possible adjustment in 2011
2. Marina occupancy fluctuated first seven months of 2010 with occupancy for September 2010 increasing approximately 23% over year previous. Contributing factors: below normal economy and late surge in Puget Sound salmon run

2011 Budget:

1. No rate increase with future rate review
2. Over all marina revenue for past five years has risen approximately 4% over each previous year. Recent downturn in economy has seen a tapering off in revenue growth in 2010 but anticipate some improvement in 2011
3. Marina now able to accommodate larger boats, resulting in a decrease in smaller boat occupancy

EXPENSE ASSUMPTIONS

2010 Projected:

1. No increase in salaries and wages, insurance costs or utilities
2. Increase in medical insurance premiums reflected in estimated fringe benefits
3. No change in Agent's fees
4. Major maintenance for Repair Work Hoist Pier rescheduled to 2011 due to priority of Supplemental Flotation project at the boat haven

2011 Budget:

1. Major maintenance cost for Repair Work Hoist Pier included in labor and materials categories
2. Reduction in medical cost reflected in fringe benefit

PORT ANGELES BOAT HAVEN

RECEIPTS

CATEGORY	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
FUEL SALES & HANDLING	0	0	0	1,200
LEASE/RENTAL INCOME	4,273	4,500	4,100	4,100
MISCELLANEOUS INCOME	22,147	24,000	13,200	22,000
MOORAGE	987,392	1,112,000	1,043,900	1,065,000
UTILITY SALES	133,801	137,000	128,000	134,200
WHARFAGE	5,476	5,000	4,900	4,500
TOTAL RECEIPTS	1,153,089	1,282,500	1,194,100	1,231,000

EXPENDITURES

CATEGORY	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
AGENTS FEES	132,640	144,700	146,900	147,000
LABOR	41,667	39,000	36,700	40,000
MATERIALS	22,696	31,000	16,700	31,000
EST FRINGE BENEFITS	39,315	38,100	47,400	49,900
INSURANCE & TAXES	24,511	28,000	47,300	44,900
MISCELLANEOUS EXPENSE	2,640	5,000	2,800	4,000
OUTSIDE SERVICES	29,341	15,000	12,700	14,000
SALARIES & WAGES	20,662	21,500	39,700	50,800
SUPPLIES	16,931	15,000	22,900	16,000
UTILITIES	147,035	160,000	141,400	145,000
TOTAL EXPENDITURES	477,438	497,300	514,500	542,600

	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
NET SURPLUS (DEFICIT)	675,651	785,200	679,600	688,400

JOHN WAYNE MARINA

Provide moorage facilities for the East end of the Port district for the recreational boater, for charter fishing activities, and commercial fishing vessels.

The objectives of the JWM are:

- To provide public facilities for area residents
- To continue to provide quality moorage facilities
- To increase the number of slips to maximum capacity when feasible
- To continue increasing revenue opportunities and to generate revenues to cover expenses and eventually have an excess of revenues over expenses to help fund Port activities and projects
- To obtain a competitive return on the public investment in these facilities

REVENUE ASSUMPTIONS

2010 Projected:

1. Rate increases deferred review in 2010 for possible adjustment in 2011
2. Occupancy projected same as 2009
3. No change in utility fees

2011 Budget:

1. No increase for marina rates
2. Increase budgeted for utilities
3. Annual marina occupancy fluctuates approximately 10% returning to near or full capacity for 3-4 months each year. Anticipate same occupancy rate for 2011

EXPENSE ASSUMPTIONS

2010 Projected:

1. No increase in salaries and wages, insurance costs or utilities
2. Increase in medical insurance premiums reflected in estimated fringe benefits
3. Major maintenance for Building and Ground Maintenance included in labor and materials categories

2011 Budget:

1. CPI increase in salaries and wages
2. Decrease in medical insurance premiums reflected in fringe benefits
3. Increase budgeted for utilities
4. Major maintenance cost for Fencing on N.W Property Line, Parking Lot Lighting, Refuse Containment and Building Maintenance, Ground Maintenance and Meeting Room – Chair Replacement included in labor, materials and miscellaneous expense categories

JOHN WAYNE MARINA

RECEIPTS

CATEGORY	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
FUEL SALES & HANDLING	155,894	150,000	166,300	160,000
LEASE/RENTAL INCOME	31,360	32,500	33,200	32,500
MISCELLANEOUS INCOME	67,697	69,000	65,400	65,500
MOORAGE	897,476	900,500	894,700	895,000
UTILITY SALES	1,781	1,600	2,100	1,700
TOTAL RECEIPTS	1,154,208	1,153,600	1,161,700	1,154,700

EXPENDITURES

CATEGORY	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
LABOR	180,033	220,700	183,200	184,000
MATERIALS	7,465	35,000	21,700	45,000
EST FRINGE BENEFITS	129,979	155,700	128,400	130,700
INSURANCE & TAXES	46,250	44,500	41,700	39,600
MISCELLANEOUS EXPENSE	6,894	5,500	4,400	11,000
OUTSIDE SERVICES	56,920	10,000	35,900	58,000
SALARIES & WAGES	26,033	26,500	23,900	29,900
SUPPLIES	159,622	160,000	158,300	158,000
TRAVEL & TRAINING	0	1,000	0	500
UTILITIES	45,558	42,500	31,200	33,600
TOTAL EXPENDITURES	658,754	701,400	628,700	690,300

	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
NET SURPLUS (DEFICIT)	495,455	452,200	533,000	464,400

BOAT YARD

Provides haulout facilities and a dry storage area for maintenance of commercial and recreational boats.

The objectives of the boatyard are:

- To continue to provide quality haulout service for maintenance and dry storage
- To generate revenues in excess of expenses to permit funding Port activities and projects
- To provide facilities for tenants of the Port Angeles Boat Haven
- To obtain a competitive return on the public investment in these facilities

REVENUE ASSUMPTIONS

2010 Projected:

1. No increase in rates and fees
2. No change in utility fees
3. Activity level same as 2009

2011 Budget:

1. Small increase in rates for stormwater regulatory improvements and sheet pile work yielding a 2% return on investment
2. No change in utility fees
3. Activity level anticipated to be same as in 2010

EXPENSE ASSUMPTIONS

2010 Projected:

1. No increase in salaries and wages
2. Increase in medical insurance premiums reflected in estimated fringe benefits no change in other insurance costs or utilities
3. No change in Agent's fees
4. Major maintenance for Seal Coat of Boat Yard deferred to 2011

2011 Budget:

1. CPI increase in salaries and wages
2. Decrease in medical insurance premiums to be reflected in estimated fringe benefits no change in other insurance costs or utilities
3. No change in Agent's fees
4. Major maintenance for Seal Coat of Boat Yard included in labor and materials categories

BOAT YARD

RECEIPTS

CATEGORY	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
LEASE/RENTAL INCOME	5,220	5,500	5,000	5,200
MISCELLANEOUS INCOME	201,449	200,000	209,900	226,800
UTILITY SALES	2,504	2,800	1,800	2,200
TOTAL RECEIPTS	209,173	208,300	216,700	234,200

EXPENDITURES

CATEGORY	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
AGENTS FEES	74,447	63,000	64,600	65,000
LABOR	17,469	15,000	18,000	25,000
MATERIALS	6,443	8,000	2,000	12,000
EST FRINGE BENEFITS	16,141	14,800	16,100	20,200
INSURANCE & TAXES	6,226	5,800	6,600	6,300
MISCELLANEOUS EXPENSE	2,429	5,000	1,900	2,500
OUTSIDE SERVICES	11,251	17,500	2,500	3,500
SALARIES & WAGES	8,120	8,500	8,000	10,200
SUPPLIES	6,564	6,000	4,700	5,500
UTILITIES	11,563	13,000	14,000	14,400
TOTAL EXPENDITURES	160,653	156,600	138,400	164,600

	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
NET SURPLUS (DEFICIT)	48,520	51,700	78,300	69,600

PUBLIC BOAT RAMPS

Provides and maintains two launching facilities for use by the public at John Wayne Marina and Port Angeles Boat Haven.

The objectives of the Public Boat Ramps are:

- To provide facilities for Clallam County's recreational boaters and an amenity to attract tourist boaters into the area
- To continue to maintain and upgrade existing facilities

REVENUE ASSUMPTIONS

2010 Projected:

1. Assumes same activity level as 2009
2. Activity levels dependent on recreational fishing
3. No increase in rates

2011 Budget:

1. Assumes same activity level as 2010
2. Activity levels dependent on recreational fishing
3. No rate increase

EXPENSE ASSUMPTIONS

2010 Projected:

1. No increase in insurance costs
2. Increase in medical insurance premiums reflected in estimated fringe benefits
3. No major maintenance anticipated

2011 Budget:

1. No increase in insurance costs
2. Slight decrease in medical insurance premiums reflected in fringe benefits
3. No major maintenance anticipated but subject to Commission direction concerning design, permitting and engineering related to an all-weather boat launch ramp at west PABH – included in Capital Projects Budget (section V)

PUBLIC BOAT RAMPS

RECEIPTS

CATEGORY	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
MISCELLANEOUS INCOME	44,851	45,000	56,300	46,000
TOTAL RECEIPTS	44,851	45,000	56,300	46,000

EXPENDITURES

CATEGORY	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
LABOR	6,541	4,000	4,900	5,000
MATERIALS	5,087	5,000	3,400	5,000
EST FRINGE BENEFITS	4,126	2,500	3,000	3,000
INSURANCE & TAXES	1,719	1,600	1,500	1,400
MISCELLANEOUS EXPENSE	324	1,000	300	400
OUTSIDE SERVICES	0	0	6,300	7,500
SUPPLIES	1,893	2,000	500	1,400
TOTAL EXPENDITURES	19,689	16,100	19,900	23,700

	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
NET SURPLUS (DEFICIT)	25,162	28,900	36,400	22,300

RENTAL PROPERTY

Provides a wide range of industrial and commercial property to support various economic activities of the private sector. Examples of these properties are: Land and buildings located at Fairchild International Airport Industrial Park; land and facilities along the Port Angeles waterfront such as the Ferry Terminal; land leased to Pen-Ply Mill; and buildings and land along Marine Drive.

The objectives of the Rental Property activity are:

- To provide land and facilities to accommodate a wide range of industrial and commercial activity
- To maximize utilization of Port assets
- To provide facilities for the creation of family wage jobs

REVENUE ASSUMPTIONS

2010 Projected:

1. Rental adjustments where appropriate per Commission direction
2. Reduced Peninsula Plywood lease payments
3. Rental of old mechanical maintenance facility

2011 Budget:

1. Budgeted revenue reflects contractual lease agreements
2. Rental adjustments where appropriate per Commission direction
3. Continue to maximize highest and best use of Port land and facilities

EXPENSE ASSUMPTIONS

2010 Projected:

1. No increase in salaries and wages, insurance costs or utilities
2. Decrease in medical insurance premiums reflected in estimated fringe benefits
3. Additional cost outside service for Pen-Ply development

2011 Budget:

1. Additional emphasis on maintenance enhancement of AIP facilities and land
2. CPI increase in salaries and wages
3. Decrease in insurance costs and increase in utilities
4. Continue the development of the Composite Manufacturing Campus

RENTAL PROPERTY

RECEIPTS

CATEGORY	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
LEASE/RENTAL INCOME	905,043	908,600	939,500	1,041,300
MISCELLANEOUS INCOME	27,227	46,500	40,000	40,000
TOTAL RECEIPTS	932,269	955,100	979,500	1,081,300

EXPENDITURES

CATEGORY	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
LABOR	44,454	88,500	42,900	45,000
MATERIALS	41,469	36,000	18,000	25,000
EST FRINGE BENEFITS	51,294	87,300	54,400	67,400
INSURANCE & TAXES	47,114	59,900	37,600	35,800
INTERDEPARTMENTAL EXPENSE	45,011	50,000	45,000	50,000
MISCELLANEOUS EXPENSE	28,900	45,000	17,000	30,000
OUTSIDE SERVICES	166,227	85,000	110,000	100,000
SALARIES & WAGES	36,866	50,000	44,900	73,400
TRAVEL & TRAINING	0	5,000	1,000	5,000
UTILITIES	70,111	82,500	50,000	60,000
TOTAL EXPENDITURES	531,446	589,200	420,800	491,600

	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
NET SURPLUS (DEFICIT)	400,824	365,900	558,700	589,700

MECHANICAL MAINTENANCE

The Port Mechanical Maintenance department is responsible for the maintenance and upkeep of the Port's equipment and vehicles. This equipment includes rolling stock and boom boats for log handling and cargo operations, maintenance related equipment, airport fire fighting and snow removal equipment, marina and boatyard equipment and the Port's fleet of vehicles.

The Port also operates a welding shop with certified welders for maintenance and fabrication.

EXPENSE ASSUMPTIONS

2010 Projected:

1. No increase in salaries and wages, insurance costs or utilities
2. Increase in medical insurance premiums reflected in estimated fringe benefits
3. Transfer electrical charges that were previously charged to log yard for running the Terminal 7 Truck Shop
4. Major maintenance for Equipment Repairs (forklifts/other) included in labor and materials

2011 Budget:

1. CPI increase in salaries and wages
2. Decrease in fringe benefits due to a decrease in medical insurance premiums
3. Decrease budgeted for insurance and taxes
4. Increase in City of Port Angeles electrical charges

MECHANICAL MAINTENANCE

EXPENDITURES

OVERHEAD COSTS	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
LABOR	11,292	32,000	12,500	17,000
MATERIALS	1,764	20,000	6,000	20,000
EST FRINGE BENEFITS	16,870	40,500	27,200	29,400
INSURANCE & TAXES	3,288	3,200	3,500	3,200
MISCELLANEOUS EXPENSE	427	5,000	500	1,000
OUTSIDE SERVICES	6,752	5,800	11,800	7,500
SALARIES & WAGES	15,453	32,300	31,400	32,000
SUPPLIES	7,991	8,500	8,700	8,500
TRAVEL & TRAINING	0	0	300	500
UTILITIES	7,484	15,000	18,200	19,200
TOTAL OVERHEAD COSTS	71,321	162,300	120,100	138,300
MECH SHOP REVENUES	0	0	0	0
NET OVERHEAD COSTS	71,321	162,300	120,100	138,300

FACILITIES MAINTENANCE

The Facilities Maintenance department provides for the maintenance and upkeep of numerous Port buildings and facilities as well as the Marine Terminals, William R. Fairchild International Airport, John Wayne Marina, Port Angeles Boat Haven, Port Angeles Boatyard, Launch Ramps, Port Log Yard and other improvements.

The primary services provided by the Facilities Maintenance department include carpentry, electrical, plumbing, machine operations and other general maintenance functions. In addition, the department undertakes a wide variety of capital improvement projects.

REVENUE ASSUMPTIONS

2010 Projected:

1. Forklift Training

2011 Budget:

1. Forklift Training

EXPENSE ASSUMPTIONS

2010 Projected:

1. No increase in salaries and wages, insurance costs or utilities
2. Increase in medical insurance premiums reflected in estimated fringe benefits
3. One programmed replacement fleet vehicle; reflected in miscellaneous expense
4. Salaries and wages reflects reallocation of personnel

2011 Budget:

1. CPI increase in salaries and wages
2. Decrease in fringe benefits due to a decrease in medical insurance premiums
3. Decrease budgeted for insurance and taxes
4. Increase in City of Port Angeles electrical charges
5. Two programmed replacement fleet vehicles; reflected in miscellaneous expense
6. Salaries and wages reflect reallocation of personnel

FACILITIES MAINTENANCE

EXPENDITURES

OVERHEAD COSTS	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
LABOR	43,808	65,400	29,400	45,000
MATERIALS	15,309	27,500	13,100	27,500
EST FRINGE BENEFITS	44,347	76,400	44,300	52,500
INSURANCE & TAXES	8,703	8,500	9,400	9,000
INTERDEPARTMENTAL EXPENSE	5,000	5,000	5,000	5,000
MISCELLANEOUS EXPENSE	3,909	50,000	34,000	65,000
OUTSIDE SERVICES	2,242	2,500	2,500	2,500
SALARIES & WAGES	26,500	55,900	42,000	42,500
SUPPLIES	25,819	25,000	21,600	25,000
TRAVEL & TRAINING	4,481	4,000	1,200	2,000
UTILITIES	10,026	11,000	9,700	10,000
TOTAL OVERHEAD COSTS	190,145	331,200	212,200	286,000
FACILITY MAINT REVENUES	(6,365)	(6,000)	(6,700)	(6,000)
NET OVERHEAD COSTS	183,780	325,200	205,500	280,000

ECONOMIC DEVELOPMENT & MARKETING

Provides resources to support activities promoting the economic growth, diversification and promotion of new industry throughout the county.

The objectives of economic development activity are:

- To increase industrial and commercial activity
- To create new family wage jobs
- To continue economic development and marketing activities

EXPENSE ASSUMPTIONS

2010 Projected:

1. Continued support for CCEDC, OPVB, NOTAC
2. Marketing materials for PABH, JWM completed
3. Continued outreach to customers, tenants and new prospects
4. Reduced industrial marketing budget due to funds not used for NOAA

2011 Budget:

1. Continue target market focus on composite and alternative energy companies
2. Continue support for CCEDC, OPVB, NOTAC
3. Marketing materials brochures for composites and alternative energy recruitment
4. Continued outreach to customers, tenants and new prospects
5. Expand web page /social media content to increase Port message market
6. Continued onsite visits to targeted industries creating business relationships
7. Staff participation in seminars, conferences, trade shows and other promotional events, including the Boat Show in Seattle in January 2011

PROMOTIONAL HOSTING

These are marketing activities which are designed to promote and enhance the Port's revenue generating business activities.

The objectives of the Trade Development and Promotional Hosting efforts are:

- To continue to maintain and improve relations between the Port and its customers and to promote new business. The proposed budget for this activity is in conformance with R.C.W. 53.36.130.

ECONOMIC DEVELOPMENT & MARKETING

EXPENDITURES

CATEGORY	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
EST FRINGE BENEFITS	34,518	90,100	71,200	47,200
MARKETING	200,845	100,000	5,000	35,000
OUTSIDE SERVICES	60,037	35,000	29,800	45,000
PROMOTIONAL HOSTING*	9,103	20,000	5,300	10,000
PUBLIC INFORMATION	12,801	25,000	22,600	40,000
SALARIES & WAGES	54,724	143,000	114,800	78,600
SUPPLIES	1,736	10,000	4,800	10,000
TRAVEL & TRAINING	0	50,000	5,000	30,000
TOTAL EXPENDITURES	373,765	473,100	258,500	295,800

* Promotional Hosting Legal Limit Under RCW 53.36.130:
 $(\$2,500,000 \times 0.01) + (\$2,500,000 \times 0.005) + (\$1,906,400 \times 0.0025) = \mathbf{\$42,266}$

ADMINISTRATIVE AND GENERAL

Provides administrative and general services to the Port Commission, staff and operating divisions of the Port.

The objectives of the A&G Section of the Port are:

- To provide superior support to the Commission, Staff and operating divisions
- To improve the quality and responsiveness to requirements of the Commission, Staff and operating divisions

EXPENSE ASSUMPTIONS

2010 Projected:

1. No increase in salaries and wages rates, insurance costs or utilities
2. Increases in salaries and wages and fringe benefits reflect: reallocation of personnel, step increases, and additional security allocations
3. Increase in medical insurance premiums reflected in estimated fringe benefits
4. No changes in dues and subscriptions
5. Travel reflects increased cost of outreach and marketing efforts
6. Major maintenance for Network Equipment, Software and System Support included in labor, materials and outside services categories. Also included in the supplies category is purchase of office equipment

2011 Budget:

1. CPI increase in salaries and wages
2. Decrease in insurance and taxes
3. Increase in utilities
4. Decrease in fringe benefits
5. No changes in dues and subscriptions
6. Increase in travel and training for marketing and seminars for new employees
7. Major maintenance cost for Network Equipment, Software and System Support, including a new operating system and a new Microsoft Office suite for all PCs and laptops, reflected in labor, materials, outside services and miscellaneous expense categories

ADMINISTRATION AND GENERAL

EXPENDITURES

CATEGORY	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
LABOR	10,923	11,000	8,500	13,500
MATERIALS	8,332	25,000	2,200	25,000
DUES & SUBSCRIPTIONS	24,367	19,000	15,500	16,000
EST FRINGE BENEFITS	322,176	397,400	327,700	329,100
INSURANCE & TAXES	16,902	18,000	20,000	19,000
MISCELLANEOUS EXPENSE	217,032	200,000	40,000	180,000
OUTSIDE SERVICES	165,068	170,000	185,000	200,000
SALARIES & WAGES	499,848	610,000	520,000	536,500
SUPPLIES	46,834	40,000	39,000	40,000
TRAVEL & TRAINING	45,991	50,000	60,000	60,000
UTILITIES	30,104	31,000	31,000	31,000
TOTAL EXPENDITURES	1,387,576	1,571,400	1,248,900	1,450,100

NON-OPERATING

These activities generate revenue and require expenditures that are outside normal Port operating activities. Revenues consist of interest income on investments, distribution of funds from the county such as Port share of sales of county property and Port share of leasehold tax collected by the state. The expenditures are debt service payments on revenue bonds and other classes of debt excluding General Obligation Bonds.

REVENUE ASSUMPTIONS

2010 Projected:

1. Budgeted interest income reflects lower investment balances; capital expenditures assumed to be made from reserves
2. Contract sales receipts reflect payments on two remaining Carlsborg contracts
3. Receipt of Harborworks settlement of \$84,000

2011 Budget:

1. Continued low interest income
2. No change in Carlsborg contracts

EXPENSE ASSUMPTIONS

2010 Projected:

1. Interest and principal expenditures are contractual obligations on RTA loan (financed Marine Facilities study)
2. CERB III loan (financial portion of Multi-Tenant building) retired in October 2010
3. Write-off of \$650,000 Harborworks loan, less settlement funds received, as noted above, will be reflected in Financial Statements; it is not a cash flow item for the 2010 budget or the 2011 budget

2011 Budget:

1. RTA loan retired in 2010
2. CERB III loan retired in 2010

NON-OPERATING

RECEIPTS

CATEGORY	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
CONTRACT SALES	3,605	36,000	3,900	3,900
INTEREST INCOME	345,791	372,000	315,000	300,000
MISCELLANEOUS REVENUE	175,403	200,000	264,000	150,000
TOTAL RECEIPTS	524,799	608,000	582,900	453,900

EXPENDITURES

CATEGORY	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
INSURANCE & TAXES	554	750	700	700
INTEREST EXPENSE	15,706	15,400	13,600	0
PRINCIPAL PAYMENTS	46,300	46,300	327,600	0
TOTAL EXPENDITURES	62,561	62,450	341,900	700

	ACTUAL 2009	BUDGET 2010	PROJECTED 2010	BUDGET 2011
NET SURPLUS (DEFICIT)	462,238	545,550	241,000	453,200

SECTION V

CAPITAL PROJECTS BUDGET

CAPITAL PROJECTS BUDGET

The Capital Projects Budget includes a 2011 Capital Improvement Budget, Five Year Improvement Plan, 2011 Capital Project Prioritization Chart and a Major Maintenance Chart. The Capital Improvement Budget identifies balances at the beginning of the budget year and recognizes transfers of money from the Debt Service Fund to the Capital Improvement Fund. These funds are from existing balances and expenditure of these funds without replenishment from new revenue sources will diminish the Port's reserves. New revenues are identified under "Estimated Sources – 2011", and the Capital Improvement Budget estimates approximately \$10,575,695 of funds available for capital projects in 2011 (see page V-3).

A. 2011 CAPITAL IMPROVEMENT BUDGET

The Capital Improvement Budget includes new construction projects planned for completion in 2011. Outside funding sources include grants from the federal Airport Improvement Program (AIP) which are 90% FAA Grant funded.

B. FIVE YEAR CAPITAL IMPROVEMENT PLAN

The Five Year Capital Improvement Plan identifies new construction and major maintenance projects through the year 2015 and forward which are anticipated at this time. Project costs will be separately tracked to assure compliance with budget estimates.

The estimated costs in the Five Year Capital Improvement plan are net of any projected outside funding sources. Each year's projects are independent of one another, and funding for a specific year's projects does not obligate or commit the Port to funding later years' projects.

C. 2011 CAPITAL PROJECT PRIORITIZATION CHART

In accordance with the Port's Strategic Plan, staff annually ranks traditional, strategic, and major maintenance projects according to four criteria: 1) job creation; 2) environmental stewardship; 3) return on investment; and 4) strategic planning importance.

The highest ranking projects are added to the Capital Improvement Budget one by one until all available funds are expended (see page V-8).

D. 2011 MAJOR MAINTENANCE CHART

The Major Maintenance Chart summarizes projects to be carried out in 2011. They are organized as expenses in various divisional budgets.

Each funded projects achieves at least one of the following Port Strategic Plan Guiding Principles:

1. Promote economic growth
2. Avoid duplication of effort
3. Give priority to projects that are uniquely Port-related
4. Recognize stewardship responsibility with respect to transportation
5. Be a leader in industrial development and zoning
6. Encourage public and private partnerships to develop infrastructure
7. Utilize assets and financing to achieve economic development goals
8. Practice sound environmental stewardship

2011 CAPITAL IMPROVEMENT BUDGET

ACCOUNTS/PROJECTS	TOTAL COST 2011	NET COST 2011	2011 CAPITAL BUDGET
ESTIMATED BALANCE, 1/1/2011			\$9,300,000
FUND TRANSFERS (Reserve Reductions):			
Transfer from Debt Service Fund			174,300
CAPITAL IMPROVEMENT FUND BALANCES			\$9,474,300
ESTIMATED SOURCES - 2011			
Available from Operating Divisions			\$677,500
General Tax Levy (net of GO debt service)*			423,895
SOURCES AVAILABLE FOR USE - 2011			\$10,575,695
ESTIMATED CAPITAL EXPENDITURES:			
STRATEGIC PROJECTS			
GA Expansion - Phase I Site Prep (AIP-18%)	\$193,000	\$193,000	
Design Ship Dockage Facility (T3)	400,000	400,000	
Flexible Projects	200,000	200,000	
Tumwater Creek Bridge - Option 1 - 150 ton load	450,000	450,000	
T5 Development (Site Dev. / Cofferdam)	100,000	100,000	
OTHER PROJECTS			
MT - Stormwater Improvement	\$20,000	\$20,000	
RP - 1908 "O" Street HVAC Replacement	30,000	30,000	
BY - Stormwater Improvements	75,000	75,000	
FIA - Lincoln Park Master Plan (AIP-10%)	22,000	22,000	
FIA - GA Expansion - Environ./Pre. Eng. (AIP-23%)	36,000	36,000	
MT - Security Improvements (25% grant match)	30,000	30,000	
RP - International Ferry Terminal Imp. (permitting)	20,000	20,000	
BLR - West Boat Ramp Expansion (Eng./Permitting)	50,000	50,000	
MT - Bulkhead Engineering	50,000	50,000	
Passenger Facility Charge (PFC) Revenue	-35,000	-35,000	
ESTIMATED CAPITAL EXPENDITURES	\$1,641,000	\$1,641,000	(\$1,641,000)
ESTIMATED BALANCE, 12/31/2010 CAPITAL IMPROVEMENT FUND			\$8,934,695
*General Tax Levy Calculation			
1. 2010 Tax Levy	\$1,318,250		
2. CPI adjustment percent, per county (I-747)	1.000%		
3. CPI adjustment dollars, per county (I-747)	13,183		
4. Estimated New Construction	66,072,545		
5. 2010 Levy Rate (per thousand)	0.1599		
6. New construction adjustment	10,565		
2011 Tax Levy (1 + 3 + 6) - estimated	\$1,341,998		
2011 LTGO Debt Service	(918,103)		
General Tax Levy (net of GO debt service)	\$423,895		

FIVE YEAR IMPROVEMENT PLAN

	2011	2012	2013	2014	2015 Forward	Total
STRATEGIC PROJECTS:						
Composite Manufacturing Campus	4,000,000				4,500,000	8,500,000
Design Ship Dockage Fac. (T3) (Eng/Permit)	400,000		3,500,000			3,900,000
Flexible Projects	200,000	200,000	200,000	200,000	1,200,000	2,000,000
GA Expansion - Phase I Site Prep (AIP-18%)	193,000	125,000	89,000	239,000		646,000
JWM Upland Development		TBD				
PA Mid-Harbor Shore Power to Buoys		TBD				
PABH Upland Development		100,000	500,000	1,200,000		1,800,000
Sequim Industrial & Tourism Infrastructure		TBD				
T5 Dev. (Site Dev/Coffer Dam)	100,000					100,000
Tumwater Creek Bridge-Option 1-150 ton load	450,000					450,000
W. End Tourism Infra. (Shooting Sports Park)		TBD				
Waterfront or Ind. Property Purchase		1,000,000				1,000,000
Total Strategic Projects	5,343,000	1,425,000	4,289,000	1,639,000	5,700,000	18,396,000
MARINE TERMINAL:						
Bulkhead Engineering/Construction	50,000	400,000				450,000
Cargo Loading Equipment (988F)		300,000				300,000
Equipment Purchase (forklifts/other)		70,000	75,000		80,000	225,000
Haz. Mat. Mitigation (subject to ins.)		TBD				
Headline Dolphin Repairs		250,000				250,000
Marine Terminal Gangway System Imp.		25,000				25,000
Security Imp. (25% grant match) - #8 - 2011	30,000	55,000	0	160,000	100,500	345,500
Stormwater Improvement	20,000					20,000
Terminal 6 Finger Pier			470,000			470,000
Terminal Warehouse Improvements		300,000		120,000		420,000
Wash Down Facility/Marine Trades Dev.		250,000				250,000
Total Marine Terminal	100,000	1,650,000	545,000	280,000	180,500	2,755,500
LOGYARD:						
Boom Boat		170,000	175,000		180,000	525,000
Drainage & Paving		150,000	95,000	100,000	700,000	1,045,000
Equipment/Swifter Repairs			42,500			42,500
Vacuum Sweeper		150,000				150,000
Total Logyard	0	470,000	312,500	100,000	880,000	1,762,500

FIVE YEAR IMPROVEMENT PLAN

	2011	2012	2013	2014	2015 Forward	Total
FAIRCHILD INTERNATIONAL AIRPORT:						
De-icing Facility Improvements (AIP-10%)		20,000				20,000
FBO Hangar Building		1,000,000				1,000,000
GA Expansion-Environ./Pre.Eng. (AIP-23%)	36,000					36,000
GA Expansion - Phase II Final Design (AIP-10%)		40,000				40,000
Lincoln Park - MP & Dev. (AIP-10%)	22,000	77,000	68,000	209,000		376,000
New Access Road to Terminal (AIP-10%)				134,000		134,000
New Parking Machine		15,000				15,000
Passenger Facility Charge (PFC) Revenue	-35,000	-35,000	-35,000	-35,000	-210,000	-350,000
Remove/Replace Hangars (4)		325,000	350,000	375,000	400,000	1,450,000
Replace Taxiway Edge Lights (AIP-10%)		77,000				77,000
Replace Vehicle Electric Gate		50,000	50,000	50,000		150,000
Runway 26 - Rehabilitate Pavement (AIP-10%)					335,100	335,100
Runway 26 - Reclaim Threshold (AIP-10%)					30,000	30,000
Security Gate Access (AIP-10%)			150,000			150,000
Slurry Seal X Wind Runway		25,000				25,000
Taxilane F and GA Taxiway (AIP-10%)		150,000				150,000
Taxiway A - Slurry Seal Pavement (AIP-10%)					13,100	13,100
Terminal Heat Pump		25,000				25,000
Vacuum Sweeper (AIP-10%)		20,000				20,000
Total Fairchild International Airport	23,000	1,789,000	583,000	733,000	568,200	3,696,200
PORT ANGELES BOAT HAVEN:						
Breakwater Facing Repairs				100,000	100,000	200,000
Bulkhead Replacement/Dredging (w/City)		TBD				
Dredge A Float		65,000				65,000
Dredge M Float		60,000				60,000
Dumpster Enclosures		25,000	25,000			50,000
East Boat Ramp Removal		200,000				200,000
Fuel Float Replacement		300,000				300,000
Hydraulic Crane		50,000				50,000
Laundry Facilities East		200,000				200,000
Pave Parking East		300,000				300,000
Restrooms - Center Section		60,000				60,000
Security Imp. E/W BH (25% match) - #8- 2012		30,000				30,000
Trash Compactors (2)			35,000			35,000
Total Port Angeles Boat Haven	0	1,290,000	60,000	100,000	100,000	1,550,000

FIVE YEAR IMPROVEMENT PLAN

	2011	2012	2013	2014	2015 Forward	Total
JOHN WAYNE MARINA:						
Armor Rock Stabilization		100,000				100,000
Electrical Breakwater Float Installation		7,500				7,500
Fuel Pumps Replacement		30,000				30,000
Dumpster Enclosures		25,000	25,000	25,000	25,000	100,000
HVAC Replacement		30,000	20,000			50,000
JWM Improvements (boardwalk/buoys/f. pier)		TBD				
Resurface Interior Roads		200,000				200,000
Security Imp. (25% grant match) - #8 - 2013			30,000			30,000
Total John Wayne Marina	0	392,500	75,000	25,000	25,000	517,500
BOATYARD						
Pave Dry Storage Yard		100,000				100,000
Power Line Relocation		TBD				
Stormwater Improvements	75,000				150,000	225,000
Total Boatyard	75,000	100,000	0	0	150,000	325,000
BOAT LAUNCH RAMPS:						
West Boat Ramp Expansion (Eng/Permitting)	50,000		400,000			450,000
Total Boat Launch Ramps	50,000	0	400,000	0	0	450,000
RENTAL PROPERTIES:						
1010 Building HVAC Replacement		150,000				150,000
1908 "O" Street HVAC Replacement	30,000					30,000
International Ferry Terminal Imp. (permitting)	20,000	4,100,000	1,000,000			5,120,000
T5 Triangle Improvement		200,000				200,000
Terminal 4 Redecking		50,000				50,000
Total Rental Properties	50,000	4,500,000	1,000,000	0	0	5,550,000
FACILITIES MAINTENANCE:						
Total Facilities Maintenance	0	0	0	0	0	0
MECHANICAL MAINTENANCE:						
Lathe Purchase		25,000				25,000
Total Mechanical Maintenance	0	25,000	0	0	0	25,000

FIVE YEAR IMPROVEMENT PLAN

	2011	2012	2013	2014	2015 Forward	Total
ADMINISTRATION:						
Carpeting Third Floor		21,000				21,000
Emergency Planning		25,000				25,000
Heat Pump Purchase		50,000				50,000
Total Administration	0	96,000	0	0	0	96,000
TOTAL CAPITAL IMPROVEMENT PLAN	5,641,000	11,737,500	7,264,500	2,877,000	7,603,700	35,123,700

Note: The 2011 Total Capital Improvement Plan shown here (\$5,641,000) includes \$4,000,000 for the Composite Manufacturing Campus; it is therefore higher than the \$1,641,000 capital spending total noted on pages I - 1 and V - 8

2011 CAPITAL PROJECT PRIORITIZATION CHART

(Higher 'Average Staff Rating' ==> "Worse"; Lower 'Average Staff Rating' ==> "Better")

			↓			
	Division	Project	Individual Project Cost	Average Staff Rating	Cumulative Project Cost	Project Funding Priority*
1	MT	Stormwater Improvement	20,000	9.00	20,000	1
2	RP	1908 "O" Street HVAC Replacement	30,000	9.00	50,000	1
3	BY	Stormwater Improvements	75,000	9.13	125,000	1
4	FIA	Lincoln Park MP & Development (AIP-10%)	22,000	9.38	147,000	1
5	SP	GA Expansion - Phase I Site Prep (AIP-18%) (goes w/#6)	193,000	9.38	340,000	1
6	FIA	GA Expansion - Enviro/Pre. Eng. (AIP-23%) (goes w/#5)	36,000	9.63	376,000	1
7	MT	Security Improvements (25% grant match) - #8	30,000	10.38	406,000	1
8	SP	Design Ship Dockage Facility (T3) (Eng.&Permitting)	400,000	4.88	806,000	2a
9	SP	Composite Manufacturing Campus	4,000,000	6.00		2b
10	RP	International Ferry Terminal Imp. (permitting)	20,000	7.00	826,000	2a
11	SP	Flexible Projects	200,000	7.75	1,026,000	2a
12	BLR	West Boat Ramp Expansion (Eng./Permitting)	50,000	9.50	1,076,000	2a
13	MT	Bulkhead Engineering/Construction	50,000	-	1,126,000	2a
14	SP	Tumwater Creek Bridge - Option 1 - 150 ton load	450,000	7.88	1,576,000	2c
15	SP	T5 Dev. (Site Dev/Coffer Dam)	100,000	8.63	1,676,000	2c
-	FIA	Passenger Facility Charge (PFC) Revenue	-35,000	-	1,641,000	-
16	MT	Headline Dolphin Repairs (formerly #11)	250,000	7.50	1,926,000	3
17	SP	PABH Upland Development	100,000	8.63	2,026,000	3
18	SP	PA Mid-Harbor Shore Power to Buoys	TBD	8.63	2,026,000	3
19	PABH	Fuel Float Replacement	300,000	8.75	2,326,000	3
20	SP	JWM Upland Development	TBD	9.25	2,326,000	3
21	RP	1010 Building HVAC Replacement	150,000	9.38	2,476,000	3
22	MT	Cargo Loading Equipment (988F)	300,000	9.38	2,776,000	3
23	FIA	GA Expand-Phase II Final Design (AIP-10%)-goes w/#5&6	40,000	9.63	2,816,000	3
24	MT	Marine Terminal Gangway System Improvement	25,000	9.75	2,841,000	3
25	LY	Drainage & Paving	150,000	9.75	2,991,000	3
26	LY	Boom Boat	170,000	9.75	3,161,000	3
27	PABH	Bulkhead Replacement/Dredging (w/City)	TBD	9.75	3,161,000	3
28	LY	Vacuum Sweeper	150,000	9.88	3,311,000	3
29	SP	Waterfront or Ind. Property Purchase	1,000,000	9.88	4,311,000	3
30	PABH	Dumpster Enclosures	25,000	10.13	4,336,000	3
31	RP	T5 Triangle Improvement	200,000	10.13	4,536,000	3
32	ADMIN	Heat Pump Purchase	50,000	10.25	4,586,000	3
33	JWM	JWM Improvements (boardwalk, buoys, fishing pier)	TBD	10.25	4,586,000	3
34	JWM	HVAC Replacement	30,000	10.38	4,616,000	3
35	JWM	Dumpster Enclosures	25,000	10.50	4,641,000	3
36	MT	Equipment Purchase (forklifts/other)	70,000	10.50	4,711,000	3
37	MT	Haz. Mat. Mitigation (subject to ins.)	TBD	10.63	4,711,000	3
38	SP	Sequim Industrial & Tourism Infrastructure	TBD	10.63	4,711,000	3
39	MM	Lathe Purchase	25,000	10.88	4,736,000	3
40	JWM	Electrical Breakwater Float Installation	7,500	11.00	4,743,500	3
41	FIA	Terminal Heat Pump	25,000	11.13	4,768,500	3
42	FIA	Replace Vehicle Electric Gate	50,000	11.38	4,818,500	3
43	ADMIN	Emergency Planning	25,000	11.50	4,843,500	3

2011 CAPITAL PROJECT PRIORITIZATION CHART

(Higher 'Average Staff Rating' ==> "Worse"; Lower 'Average Staff Rating' ==> "Better")



	Division	Project	Individual Project Cost	Average Staff Rating	Cumulative Project Cost	Project Funding Priority*
44	SP	W. End Tourism Infra. (Shooting Sports Park)	TBD	11.63	4,843,500	3

Total Capital Projects	\$8,808,500
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<p>*Project Funding Priority</p> <p>1 = Committed projects - can be funded from operating surplus, PFC revenues and tax levy (net of GO debt service)</p> <p>2a = Can be funded from operating surplus, PFCs and net tax levy</p> <p>2b = Will be funded when bonding authority is approved</p> <p>2c = Can only be funded by drawing down reserves</p> <p>3 = Can only be funded by drawing down reserves</p> <p>Other Notes</p> <p>Cost shown for (AIP) projects is Port's 10% match; the FAA pays remaining 90%</p> <p>Passenger Facility Charges represent recovery of prior year's projects costs</p>	
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2011 MAJOR MAINTENANCE CHART

Division	Project	Individual Project Cost	Project Funding Priority*
ADMIN	Network Equipment	\$100,000	4
ADMIN	Software	100,000	4
ADMIN	System Support	70,000	4
JWM	Building Maintenance	30,000	4
JWM	Fencing on N.W. Property Line	5,000	4
JWM	Ground Maintenance	6,500	4
JWM	Meeting Room - Chair Replacement	6,500	4
JWM	Parking Lot Lighting	20,000	4
LY	Piling Replacement/Boom Sidesticks	45,000	4
MT	Camel Logs/Walking Sticks	11,000	4
MT	Dock Repairs	250,000	4
PABH	Repair Work Hoist Pier	10,000	4

Total Major Maintenance Projects	\$654,000
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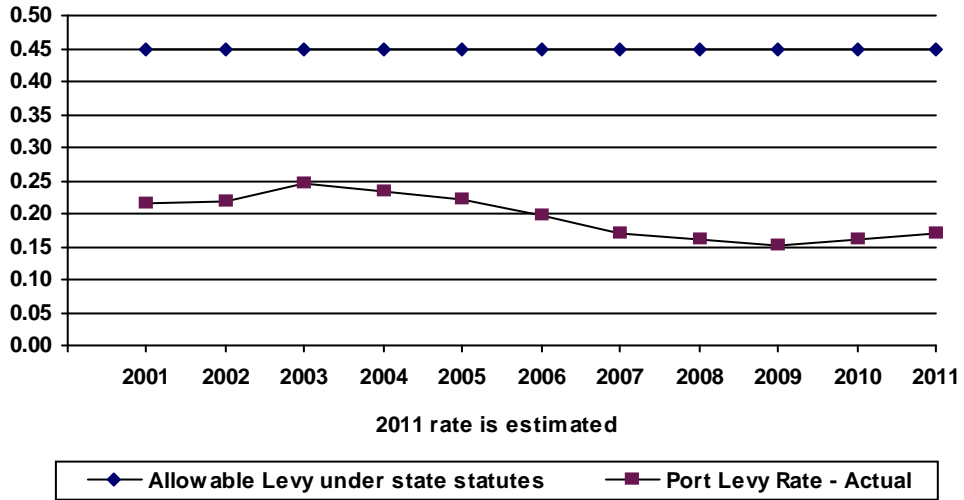
<p>* Project Funding Priority 4 = These costs are reflected in the individual divisions' operating expenses</p>

SECTION VI

TAX LEVY

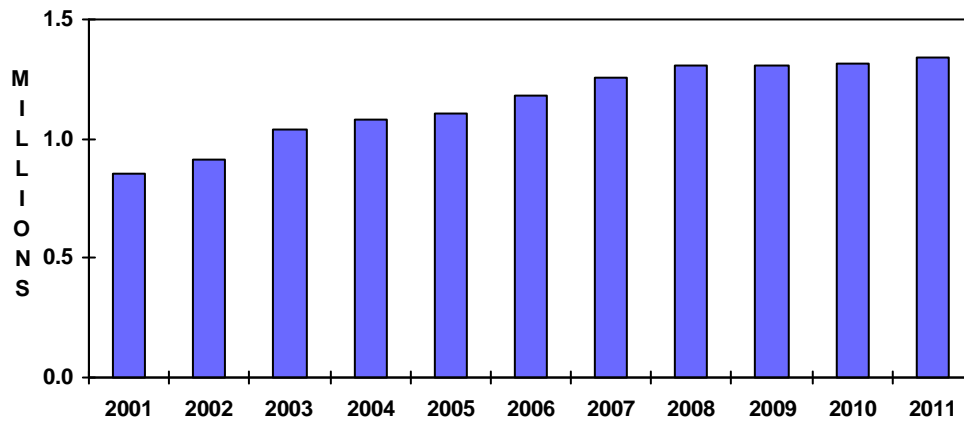
Port General Tax Levy Rate

2001 - 2011



Port's General Tax Levy Collections

2001 - 2011



PROPOSED 2011 TAX LEVY

LEVY RATES:

Estimated 2011 levy rate: **\$.1676**/\$1,000

2010 levy rate: \$.1599/\$1,000

Clallam County Total Assessed Valuation:

- 2001	\$4,162,059,263
- 2002	\$4,255,534,426
- 2003	\$4,633,750,176
- 2004	\$5,125,832,006
- 2005	\$6,053,545,616
- 2006	\$7,477,997,284
- 2007	\$8,196,577,906
- 2008	\$8,587,834,547
- 2009	\$8,662,834,547
- 2010	\$8,243,327,771

TAX LEVY COLLECTIONS:

The Port will collect approximately **\$1,341,998** in 2011.

The Port will collect **\$1,318,250** in 2010.

TAX LEVY USES:

The 2011 levy will be used for:

Debt Service - Prior Capital Construction Uses	\$918,103
Capital Construction	<u>423,895</u>
Total	<u><u>\$1,341,998</u></u>

The 2011 levy allocation will be:

Debt Service Fund	\$918,103
Capital Improvement Fund	<u>423,895</u>
Total	<u><u>\$1,341,998</u></u>

TAX LEVY SOURCES/USES

A. Tax Levy Sources:

1. General Tax Levy

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

The Port is permitted by law to levy up to 45 cents per \$1,000 of assessed valuation for general port purposes. The levy may go beyond the 45 cent limit to provide for G.O. bond debt service. The rate may be reduced for either of the following reasons:

Passage of Initiative 747 in November 2001 limits the growth to 1% per year, after adjustments for new construction.

If the assessed valuation increases by more than 1% due to revaluation, the levy rate will be decreased.

Over the period, 2001 to 2011, the Port general levy rate has trended downward to its 2011 projection of 16.76¢ per \$1,000. The upper graph on page VI - I shows the maximum levy permitted by law compared to the actual general levy of the Port from 2001 to 2011.

2. Special Tax Levies

Special levies approved by the voters are not subject to the above limitations. The Port can levy property taxes for dredging, canal construction, leveling or filling upon approval of the majority of voters within the Port District, not to exceed \$0.45 per \$1,000 of assessed value of taxable property within the Port District. The Port District has never levied this tax.

3. Industrial Development District (IDD) Tax Levies

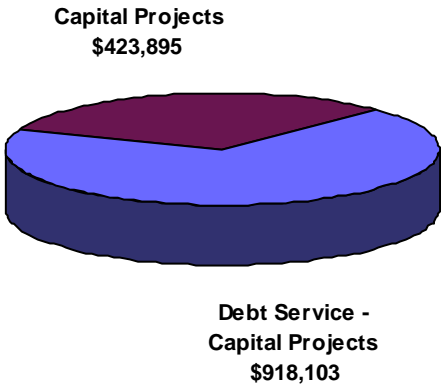
The Port may also levy property taxes for Industrial Development Districts (under a comprehensive scheme of harbor improvements); for twelve years only, not to exceed \$0.45 per \$1,000 of assessed value of taxable property within the Port District. If a Port District intends to levy this tax for one or more years after the first six years, the Port must publish notice of intent to impose such a levy and if signatures of at least eight percent (8%) of the voters protest the levy, a special election must be held with majority approval required.

The Industrial Development Levy, however, is not subject to the 106% limitation. The Port levied this tax from 1986-1992 and does not intend, at this time, to request a continuance.

B. Tax Levy Uses

The general tax levy will be used for 2011's debt service on G.O. Bonds which relates to prior years' capital construction uses and to fund capital projects. This tax levy could also be used for Port operating expenses or maintenance expenses, but Port Commission directives have determined that tax levy proceeds will not be used for operating expenses.

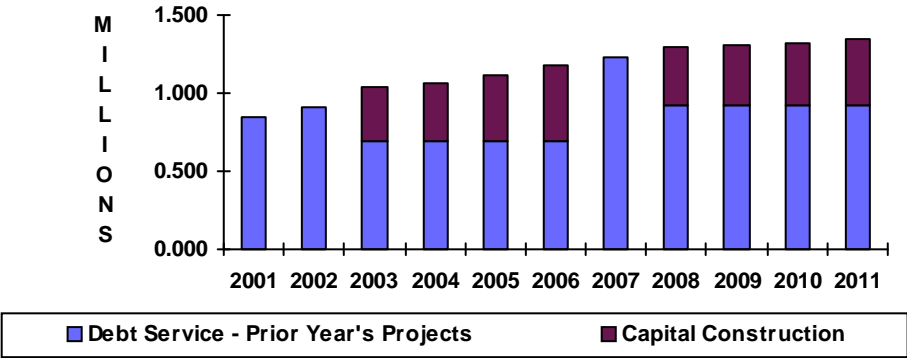
Proposed Use of 2011 Tax Levy



Over the last ten years, the Port has used the tax levy to pay for debt service on prior years' capital construction uses and capital construction. The levy has not been used for operations.

Historical Use of General Tax Levy

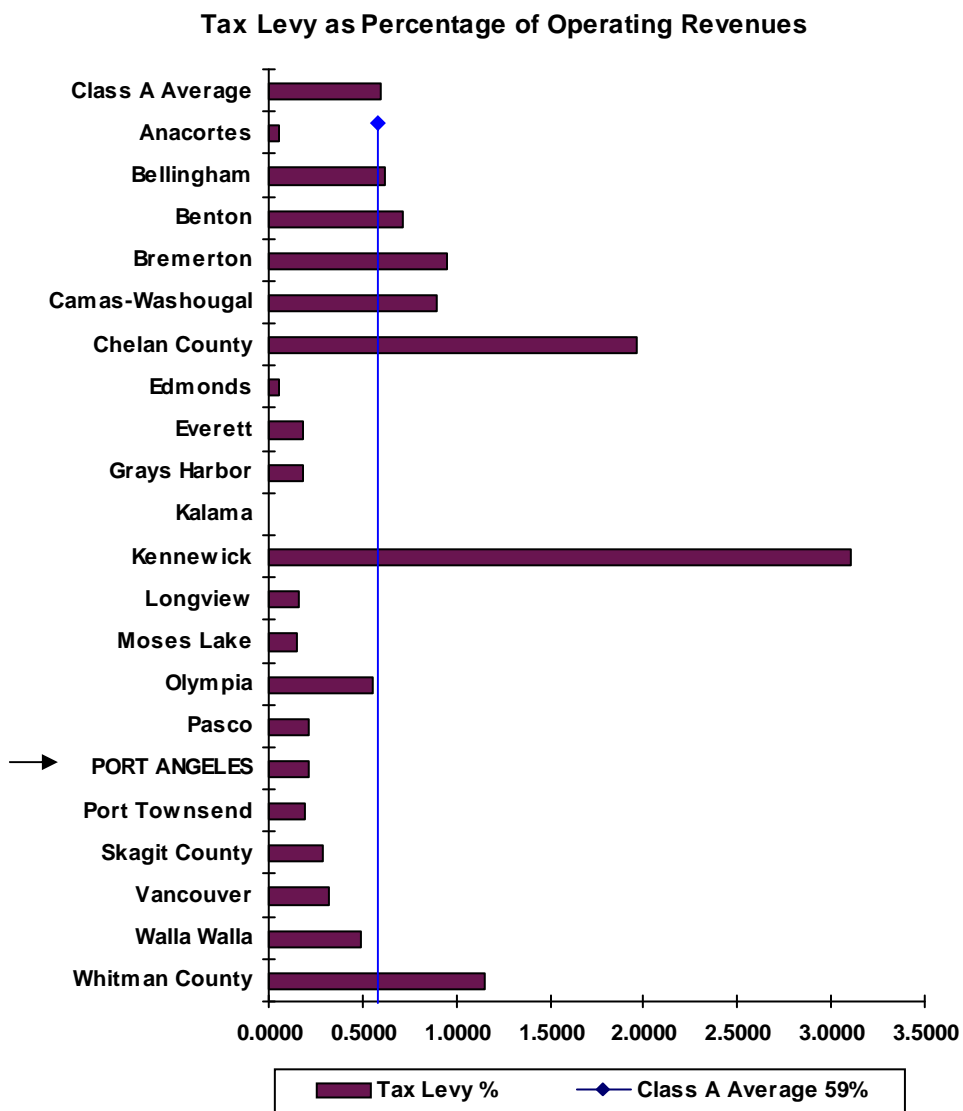
2001 - 2011



C. Tax Levy Comparison with Operating Receipts

The following graph shows the relationship of tax levies to operating receipts for 21 class A Ports in Washington. Based on a simple average, tax levies are 59% of operating receipts; Port Angeles estimates its levy proceeds to be 22% of operating receipts. **Lower ratios indicate less reliance** on tax levy proceeds.

2010 Tax Levy Comparison



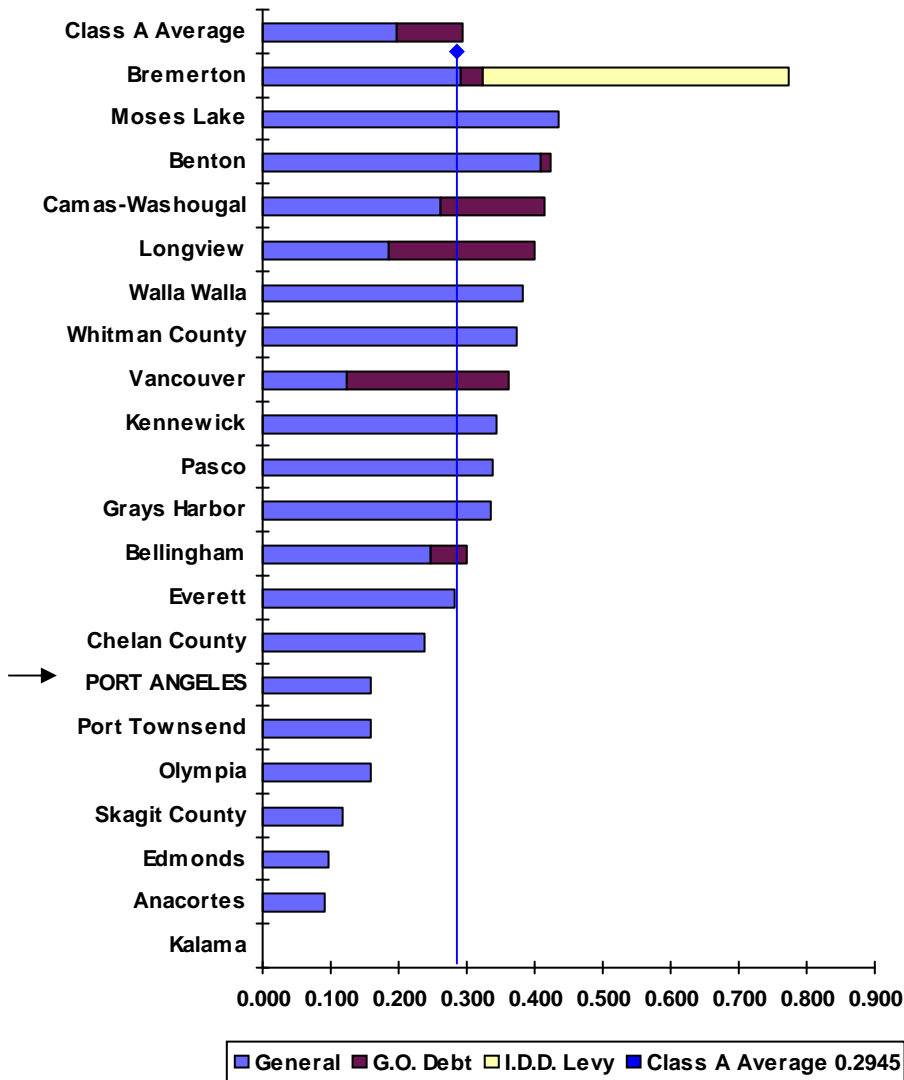
D. Comparable Tax Levies

1. Port Districts' Comparisons

The Washington Public Ports Association survey of port districts' tax levies for 2010 indicates an average levy rate of **\$.2945/\$1,000** for the 21 Class A Ports which levied property taxes. Of these ports, the Port of Port Angeles had the seventh lowest levy rate at **\$.1599**. Presented below are the effective levy rates for the 21 ports.

2010 Tax Levy Rates

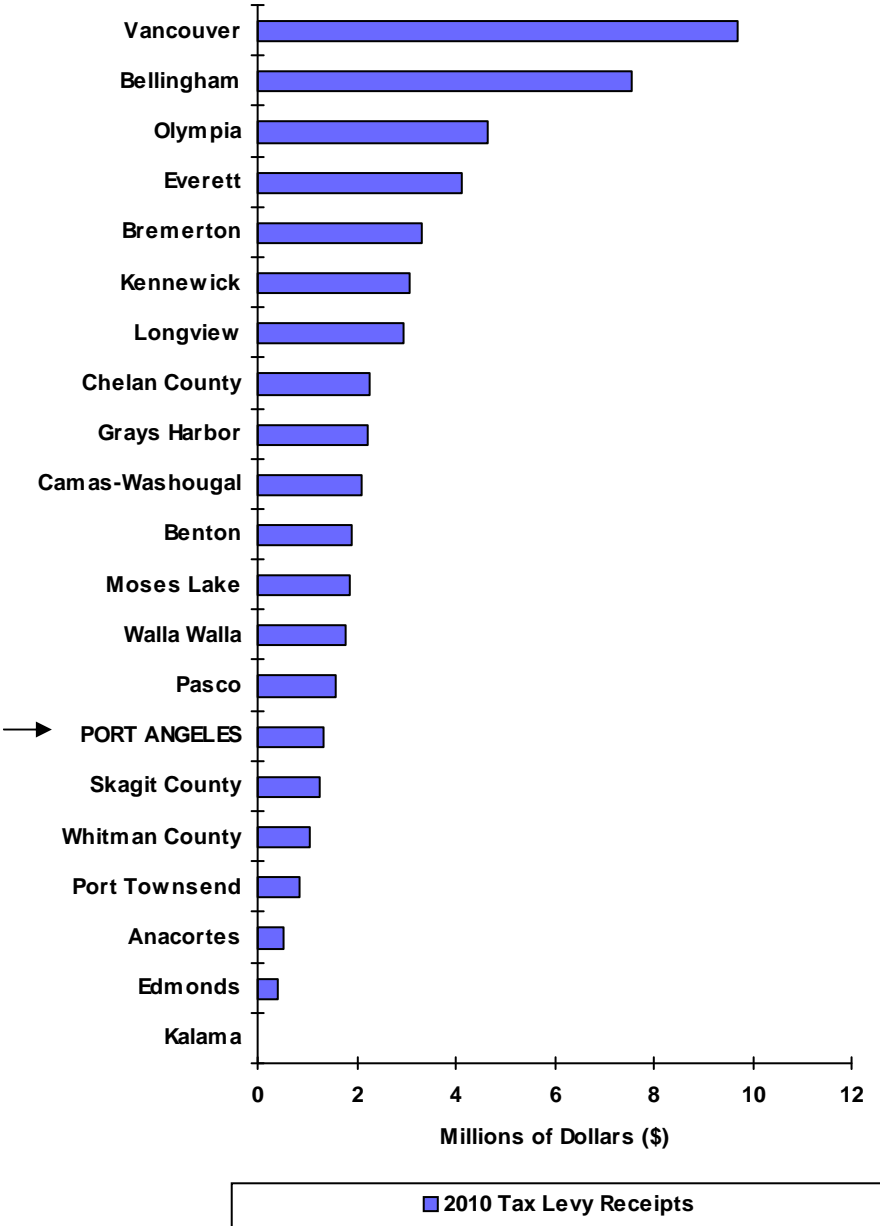
Washington Class A Ports



The same survey for 2010 indicates the average levy collection in dollars for Class A ports is \$2,589,307. The Port of Port Angeles expects to collect \$1,318,250 in 2010.

2010 Tax Levy Receipts

Washington Class A Ports

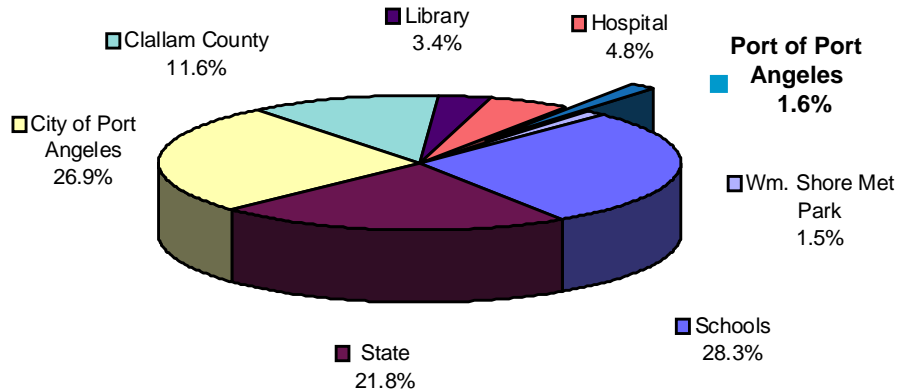


2. Clallam County Comparison

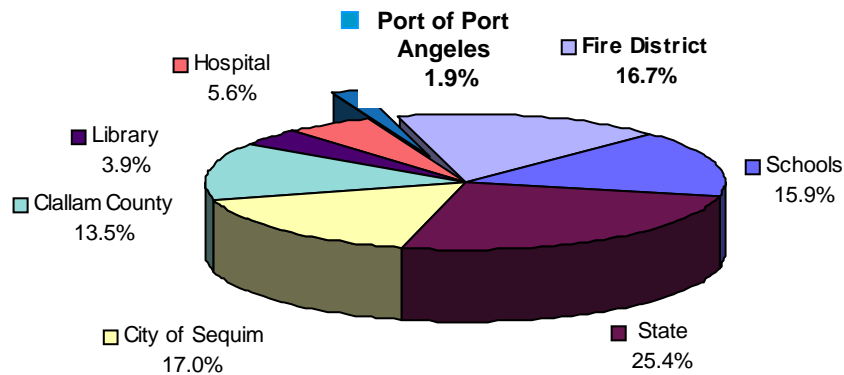
The graphs below show the Port's general tax levy as it compares to total taxes paid in 2010 by a typical resident in Port Angeles, Sequim and Forks. Taxing districts have not submitted their levy rates for 2011 yet; therefore, 2010 rates are the most current. The total 2010 levy for all Port Angeles taxing districts was \$9.785/\$1,000. The Port's levy for Port Angeles was \$.1599/\$1,000 which is less than 2% of the total levy rate.

2010 Property Tax Levy Distribution

Port Angeles Taxing Districts
(Total Levy Rate per \$1,000 A.V. = \$9.79)

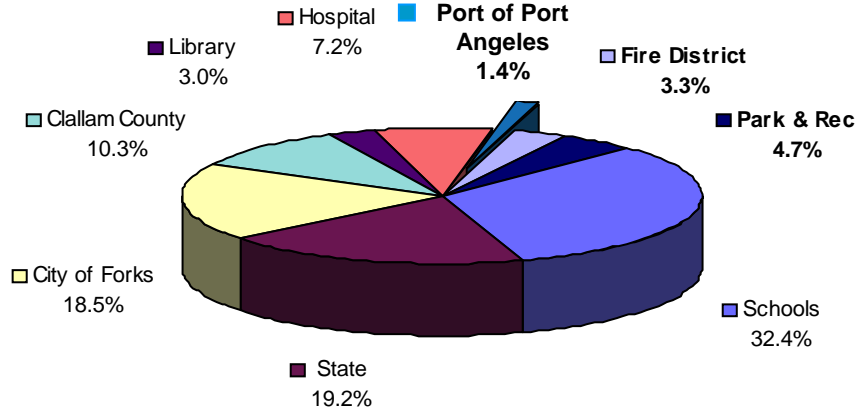


Sequim Taxing Districts
(Total Levy Rate per \$1,000 A.V. = \$8.42)



2010 Property Tax Levy Distribution

Forks Taxing Districts
(Total Levy Rate per \$1,000 A.V. = \$11.12)



SECTION VII

OTHER FUNDS:

DEBT SERVICE AND BOND FUNDS

G.O. DEBT SERVICE FUND

ESTIMATED BALANCE, JANUARY 1, 2011		\$374,300
ESTIMATED RECEIPTS:		
GENERAL TAX LEVY		\$1,341,998
AVAILABLE FUNDS		\$1,716,298
ESTIMATED EXPENDITURES:		
2002B PRINCIPAL & INTEREST - LTGO BONDS	512,398	
2006 PRINCIPAL & INTEREST - LTGO BONDS	405,705	
TRANSFER TO CAP. IMPR. FUND FROM DEBT SERVICE FUND	174,300	
TRANSFER TO CAP. IMPR. FUND FROM GEN TAX LEVY SURPLUS	423,895	(\$1,516,298)
ESTIMATED BALANCE, DECEMBER 31, 2011		\$200,000

**SUMMARY OF DEBT SERVICE
AND BOND FUNDS**

	1/1/2011 BALANCE	ADDITIONS	PAYMENTS	12/31/2011 BALANCE
G.O. DEBT SERVICE FUND	374,300	1,341,998	(1,516,298)	200,000
TOTAL	\$374,300	\$1,341,998	(\$1,516,298)	\$200,000

**GENERAL FUND PAYMENTS
OTHER BONDS/LOANS**

ESTIMATED BALANCE, JANUARY 1, 2011		\$0
ESTIMATED RECEIPTS:		
TRANSFER FROM GENERAL FUND		\$0
ESTIMATED EXPENDITURES:		
CERB III	\$0	
RTA (Revolving Technical Assistance Loan)	\$0	\$0
ESTIMATED BALANCE, DECEMBER 31, 2011		\$0

SEE PAGE IV - 29, NON-OPERATING SECTION OF GENERAL FUND

**SUMMARY OF OUTSTANDING LONG-TERM
DEBT PRINCIPAL
AS OF JANUARY 1, 2011**

DEBT CATEGORY	PURPOSE	ORIGINAL PRINCIPAL	1/1/2011 BALANCE	FINAL MATURITY
GENERAL OBLIGATION BONDS:				
2002B BOND FUND	CAPITAL CONSTRUCTION	915,000	715,700	2016
2002B BOND FUND	REFUND OF 1992	2,460,000	1,924,300	2016
2006 BOND FUND	CAPITAL CONSTRUCTION	4,995,000	<u>4,405,000</u>	2025
TOTAL - G.O. BONDS:			\$7,045,000	
OTHER BONDS/LOANS:				
TOTAL-OTHER DEBT			\$0	
TOTAL PRINCIPAL-PORT DEBT:			\$7,045,000	

**LONG TERM DEBT SERVICE
PRINCIPAL AND INTEREST**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020+	TOTAL
G.O. DEBT SERVICE (1)	918,103	921,903	924,863	920,310	922,758	923,085	401,243	403,680	406,355	2,415,963	9,158,260
OTHER DEBT SERVICE (2)	0	0	0	0	0	0	0	0	0	0	0
TOTAL	918,103	921,903	924,863	920,310	922,758	923,085	401,243	403,680	406,355	2,415,963	9,158,260

VII - 4

(1) SEE PAGE VII - 1, DEBT SERVICE FUND

(2) SEE PAGE IV - 29, NON-OPERATING SECTION OF GENERAL FUND

SECTION VIII

SUPPLEMENTAL INFORMATION

**TRAVEL AND TRAINING BUDGET
SUMMARIZED BY REVENUE/EXPENSE CENTER**

TRAVEL/TRAINING PURPOSE	2010 BUDGET	2010 PROJECTED	2011 BUDGET
Training	\$28,000	\$17,200	\$25,000
Travel – Public Meetings	3,000	2,000	3,000
Travel – Business Meetings	36,800	23,000	32,000
Travel - Conventions	28,000	17,200	25,000
Travel – Contract Reimbursement	7,200	4,400	6,500
Other Travel & Training	15,000	9,300	13,000
TOTAL	\$118,000	\$73,100	\$104,500

MEMBERSHIPS BUDGET

PROFESSIONAL ORGANIZATION	2010 BUDGET	2010 PROJECTED	2011 BUDGET
American Association of Airport Executives	\$225	\$225	\$225
American Association of Port Authorities	0	0	0
Government Finance Officers Association	160	160	175
Northwest Marine Terminal Association	990	990	1,000
Pacific NW Waterways Association	580	590	600
Washington Airport Managers Association	354	0	400
Washington Finance Officers Association	50	50	50
WPPA (including estimated assessments)	12,000	11,936	11,415
Resource Conservation & Development District	500	0	500
Miscellaneous Memberships (w/ Propeller Club)	100	0	100
TOTAL PROFESSIONAL ORGANIZATIONS	\$14,959	\$13,951	\$14,465

COMMUNITY SUPPORT BUDGET

COMMUNITY SUPPORT	2010 BUDGET	2010 PROJECTED	2011 BUDGET
Clallam County EDC Contract*	\$25,000	\$25,000	\$25,000
Sekiu Chamber of Commerce	100	100	100
Sequim Chamber of Commerce	450	450	450
Forks Chamber of Commerce	75	75	75
Port Angeles Chamber of Commerce	550	550	550
Port Angeles Association of Realtors	115	130	130
NOTAC	45	45	45
PABA	65	65	65
Rotary Clubs	450	222	225
TOTAL COMMUNITY SUPPORT	\$26,850	\$26,637	\$26,640

*Total 2011 Clallam County EDC Contract is \$25,000.

Only cash contributions shown in budget. Anticipate NOPVCB in-kind services of \$5,000 and NOTAC in-kind services of \$2,500.

The Port also includes individual memberships in organizations such as the Chamber of Commerce, Rotary, Soroptimist and Port Angeles Business Association (see Port Commissioners' Resolution No. 05-923).

ESTIMATED PORT DEPRECIATION, YEAR OF 2010

Division	Estimated 2010 Depreciation
Marine Terminal	\$341,054
Log Yard	190,771
FIA	494,226
Sekiu Airport	10,182
Port Angeles Boat Haven	327,971
John Wayne Marina	217,401
Boat Yard	3,621
Public Boat Ramps	5,530
Rental Property	216,119
Administration & General	52,748
Mechanical Maintenance	30,896
Facilities Maintenance	23,483
Total	\$1,914,002

Note: Total depreciation includes \$327,683 depreciation on donated assets

