



## **2012 BUDGET**



**PORT OF PORT ANGELES**

**2012**

**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*

**JAMES D. HALLETT, COMMISSIONER ELECT**

*Term Expires 2017*

## **PORT MANAGEMENT STAFF**

Executive Director .....JEFFERY K. ROBB  
Director of Finance & Administration .....WILLIAM R. JAMES  
Director of Trade & Development .....DAVID H. HAGIWARA  
Accounting & Budget Manager .....JERRY A. LUDKE  
Airport & Marina Manager .....DOUGLAS B. SANDAU  
Environmental Planning & Permit Technician .....JESSE W. WAKNITZ  
HR, PR & Admin Manager .....HOLLY M. HAIRELL  
Marine Terminal Manager .....MICHAEL V. NIMMO  
Marketing & Property Manager .....COLLEEN M. McALEER  
Operations & Public Works Manager .....GERALD A. DEMETRIFF

# TABLE OF CONTENTS

<b>I. <u>EXECUTIVE DIRECTOR SUMMARY</u></b>	<b><u>PAGE</u></b>
BUDGET MESSAGE	I - 1
MISSION STATEMENT	I - 1
ORGANIZATIONAL CHART	I - 2
PERSONNEL SUMMARY	I - 3
<b>II. <u>STRATEGIC PLAN</u></b>	
OUR VISION	II - 1
STRATEGIC GOALS	II - 1
STRATEGIC PROJECTS	II - 2
STRATEGIC PROJECTS SUMMARY	II - 3
<b>III. <u>BUDGET OVERVIEW</u></b>	
TOTAL FUNDS AVAILABLE SUMMARY	III - 1
HISTORICAL GENERAL FUND RECEIPTS & EXPENDITURES	III - 2
EXPENDITURE CATEGORY DESCRIPTIONS	III - 3
EXPENDITURES SUMMARIZED BY ACCOUNT CATEGORY	III - 4
<b>IV. <u>OPERATING BUDGETS</u></b>	
GENERAL FUND GRAPHIC SUMMARY	IV - 1
RECEIPTS/EXPENDITURES SUMMARY	IV - 2
MARINE TERMINAL	IV - 3
LOG YARD	IV - 5
WILLIAM R. FAIRCHILD INTERNATIONAL AIRPORT	IV - 7
SEKIU AIRPORT	IV - 9
PORT ANGELES BOAT HAVEN	IV - 11
JOHN WAYNE MARINA	IV - 13
BOAT YARD	IV - 15
PUBLIC BOAT RAMPS	IV - 17
RENTAL PROPERTY	IV - 19
MECHANICAL MAINTENANCE	IV - 21
FACILITIES MAINTENANCE	IV - 23
ECONOMIC DEVELOPMENT & MARKETING	IV - 25
ADMINISTRATIVE & GENERAL	IV - 27
NON-OPERATING	IV - 29

## TABLE OF CONTENTS (Continued)

<b>V. <u>CAPITAL PROJECTS BUDGET</u></b>	<b><u>PAGE</u></b>
CAPITAL PROJECTS SUMMARY	V - 1
CAPITAL IMPROVEMENT BUDGET	V - 3
FIVE YEAR CAPITAL IMPROVEMENT PLAN	V - 4
CAPITAL PROJECT PRIORITIZATION CHART	V - 7
MAJOR MAINTENANCE CHART	V - 8
<b>VI. <u>TAX LEVY</u></b>	
TAX LEVY RATE AND COLLECTIONS	VI - 1
PROPOSED TAX LEVY	VI - 2
TAX LEVY SOURCES	VI - 3
TAX LEVY USES	VI - 4
TAX LEVY COMPARISON WITH OPERATING RECEIPTS	VI - 5
COMPARABLE TAX LEVIES	VI - 6
<b>VII. <u>OTHER FUNDS: DEBT SERVICE AND BOND FUNDS</u></b>	
G.O. DEBT SERVICE FUND	VII - 1
SUMMARY OF ALL SPECIAL PURPOSE FUNDS AND CERB LOAN FUNDS	VII - 2
OUTSTANDING LONG-TERM DEBT, AS OF 1/1/2012	VII - 3
LONG-TERM DEBT SERVICE, 2012 – 2021+	VII - 4
<b>VIII. <u>SUPPLEMENTAL INFORMATION</u></b>	
TRAVEL AND TRAINING BUDGET	VIII - 1
MEMBERSHIPS BUDGET	VIII - 2
COMMUNITY SUPPORT BUDGET	VIII - 3
ESTIMATED DEPRECIATION	VIII - 4



## **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 2012 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 2012, 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 2012 budget estimates gross receipts of \$8,738,700, expenditures of \$6,406,100 and capital expenditures of \$1,837,300.

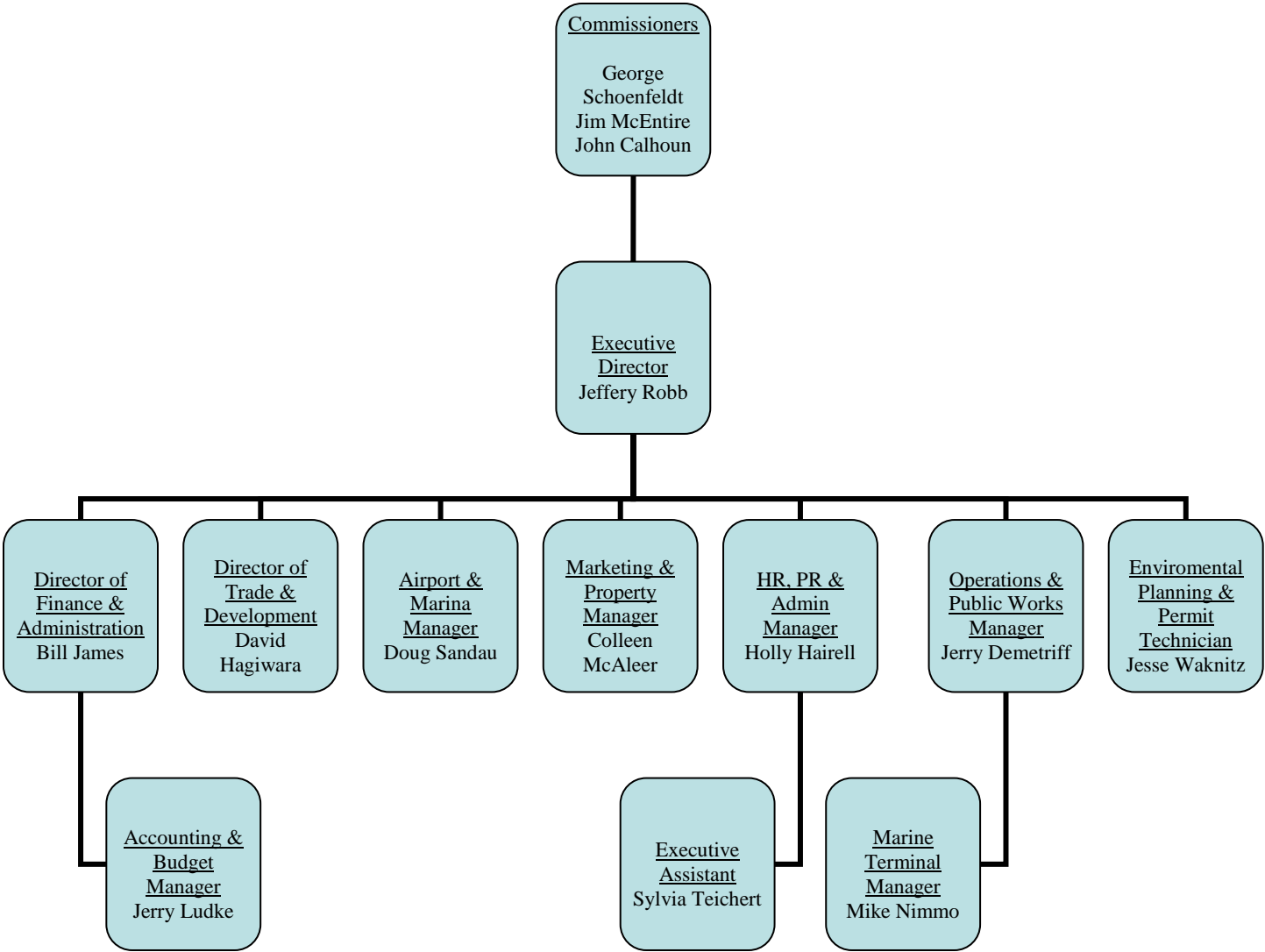
The Port by direction of the Board of Commissioners continues to maintain reserves and a good financial position. The Port continues to serve the Citizens of Clallam County by focusing on the goals and objectives established by the Board of Commissioners.

## **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**

<b>Department</b>	<b>Employees</b>	
	<b>Full-Time</b>	<b>Part-Time</b>
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
<b>Total</b>	<b>35</b>	<b>14</b>

## **SECTION II**

### **STRATEGIC PLAN**

# **STRATEGIC PLAN**

**2012 – 2016**

## **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 2016. 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 10 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 2012, others will remain on the “drawing board” until funding and resources are available.

## The Strategic Projects of the Port of Port Angeles

	<b>Strategic Project</b>	<b>Cost</b>
1	Alternative Energy Development	TBD
2	Composite Manufacturing Campus	4,500,000
3	Design Ship Dockage Facility (T3) (Eng/Permit)	3,800,000
4	Flexible Projects	200,000
5	JWM Development (Upland & Fishing Pier)	TBD
6	PABH Upland Development	1,800,000
7	Sequim Industrial & Tourism Infrastructure	TBD
8	T1 Programmatic Redevelopment	400,000
9	West End Tourism (Shooting & Motor Sports Park)	TBD
10	Waterfront or Industrial Property Purchase	1,000,000

For the complete Port capital budget, see pages V-1 through V-8

## STRATEGIC AND 2012 FUNDED CAPITAL PROJECTS SUMMARY

Rating / Project	2012				2013				2014				2015				2016				2017+			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
2 Alternative Energy Dev.	→																							
1 Composite Mfr. Campus	→																							
1 Design Ship Dock (T3)	→																							
1 Flexible Projects	→																							
3 JWM Dev. (upland& fish pier)	→																							
2 PABH Upland Dev.	→																							
2 Sequim Ind./Tourism Inf.	→																							
1 T1 Programmatic Redev.	→																							
3 W. Tourism (Shoot/MS Park)	→																							
3 Property Purchase	→																							
- MT Haz. Mat. Mitigation	→																							
- MT Security Imp.	→																							
- FIA Lincoln Pk MP & Dev.	→																							
- FIA Replace Taxi Lights	→																							
- FIA AIP 28 Final Design	→																							
- Sekiu ALP Update	→																							
- RP Pen Ply Stormwater	→																							
- MT/PABH/JWM Sec. Imp.	→																							
- PABH Marine Security Imp.	→																							
- MT Cargo Loading Shovel	→																							
- RP Blake Improvements	→																							
- LY Boom Boat	→																							
- LY Drainage & Surfacing	→																							

**Note:** 2012 Capital Improvement Plan: \$1,837,300

2012-2021 Capital Improvement Plan: \$19,720,500

## **SECTION III**

### **BUDGET OVERVIEW**

## TOTAL FUNDS AVAILABLE

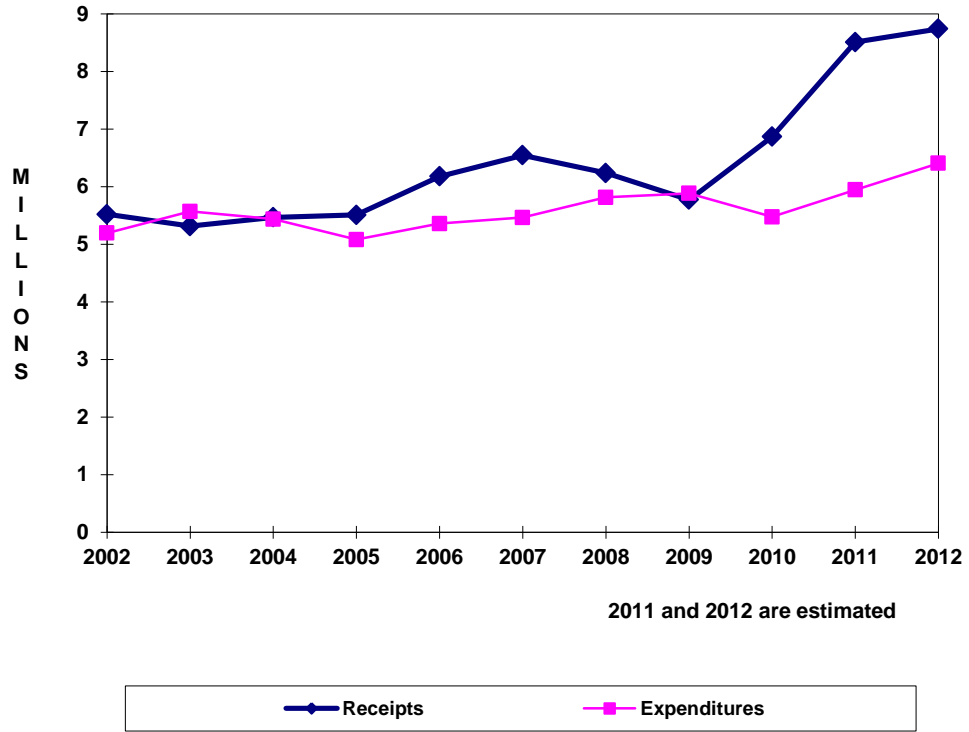
TOTAL FUNDS AVAILABLE IS A SUMMARY OF ALL CASH AND INVESTMENTS HELD BY THE PORT

	GENERAL FUND	CAPITAL IMPR.	G.O. DEBT SERVICE	TOTAL FUNDS
<b>BALANCE, JANUARY 1, 2012</b>	<b>5,480,000</b>	<b>10,175,000</b>	<b>250,000</b>	<b>15,905,000</b>
OPERATING RECEIPTS (1)	8,738,700			
OPERATING EXPENDITURES (2)	(6,406,100)			
OPERATING SURPLUS	2,332,600			2,332,600
OPS SURPLUS TRANSFER TO CAPITAL IMPROVEMENT	(1,632,530)	1,632,530		0
GENERAL TAX LEVY			1,357,927	1,357,927
TRANSFER TO CAP. IMPR. - GEN. TAX LEVY SURPLUS		215,099	(215,099)	0
CAPITAL PROJECT EXPENDITURES		(1,837,300)		(1,837,300)
GENERAL OBLIGATION DEBT SERVICE			(1,142,828)	(1,142,828)
<b>BALANCE, DECEMBER 31, 2012</b>	<b>6,180,070</b>	<b>10,185,329</b>	<b>250,000</b>	<b>16,615,399</b>

1. TOTAL RECEIPTS ON PAGE IV-2 (\$8,738,700) IS SOLELY OPERATING RECEIPTS
2. TOTAL EXPENDITURES ON PAGE IV-2 (\$6,406,100) IS SOLELY OPERATING EXPENDITURES

# HISTORICAL GENERAL FUND RECEIPTS & EXPENDITURES

2002 - 2012



## **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 receipts reflected in airport operating budget
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 expenditures, 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 expenditures by the Port
11. Travel & Training  
Includes all normal travel expenditures including mileage, airfare expenditures, hotel and meal reimbursements, and conference registration expenditures
12. Utilities  
Includes cost of all utilities

**GENERAL FUND  
EXPENDITURES SUMMARIZED BY  
ACCOUNT CATEGORY**

<b>CATEGORY</b>	<b>ACTUAL 2010</b>	<b>% OF</b>	<b>BUDGET 2011</b>	<b>% OF</b>	<b>PROJECTED 2011</b>	<b>% OF</b>	<b>BUDGET 2012</b>	<b>% OF</b>
AGENTS FEES	213,740	3.9%	212,000	3.4%	213,000	3.6%	214,000	3.3%
LABOR	818,282	14.9%	898,600	14.4%	894,000	15.0%	991,000	15.5%
MATERIALS	166,564	3.0%	289,500	4.6%	256,000	4.3%	327,000	5.1%
DUES & SUBSCRIPTIONS	19,193	0.4%	18,500	0.3%	17,500	0.3%	19,100	0.3%
EST FRINGE BENEFITS	1,124,396	20.5%	1,175,800	18.9%	1,188,400	20.0%	1,284,100	20.0%
MARKETING & PUBLIC INFORMATION	23,625	0.4%	75,000	1.2%	37,000	0.6%	75,000	1.2%
INSURANCE & TAXES	341,651	6.2%	316,300	5.1%	323,400	5.4%	319,800	5.0%
INTERDEPARTMENTAL EXPENSE	50,479	0.9%	59,000	0.9%	58,500	1.0%	62,500	1.0%
INTEREST EXPENSE	10,446	0.2%	0	0.0%	0	0.0%	0	0.0%
MISCELLANEOUS EXPENSE	113,340	2.1%	336,500	5.4%	256,700	4.3%	265,900	4.1%
OUTSIDE SERVICES	448,385	8.2%	765,600	12.3%	458,000	7.7%	503,100	7.8%
PRINCIPAL PAYMENTS	46,300	0.8%	0	0.0%	0	0.0%	0	0.0%
PROMOTIONAL HOSTING	5,783	0.1%	10,000	0.2%	8,000	0.1%	10,000	0.2%
SALARIES & WAGES	1,074,998	19.6%	1,087,300	17.4%	1,086,600	18.3%	1,149,200	17.9%
SUPPLIES	581,746	10.6%	470,300	7.5%	641,300	10.8%	616,300	9.6%
TRAVEL & TRAINING	66,024	1.2%	104,500	1.7%	69,700	1.2%	104,000	1.6%
UTILITIES	372,322	6.8%	416,000	6.7%	440,000	7.4%	468,100	7.3%
<b>TOTAL EXPENDITURES (note 3)</b>	<b>5,477,274</b>	<b>100%</b>	<b>6,234,900</b>	<b>100%</b>	<b>5,948,100</b>	<b>100%</b>	<b>6,409,100</b>	<b>100%</b>

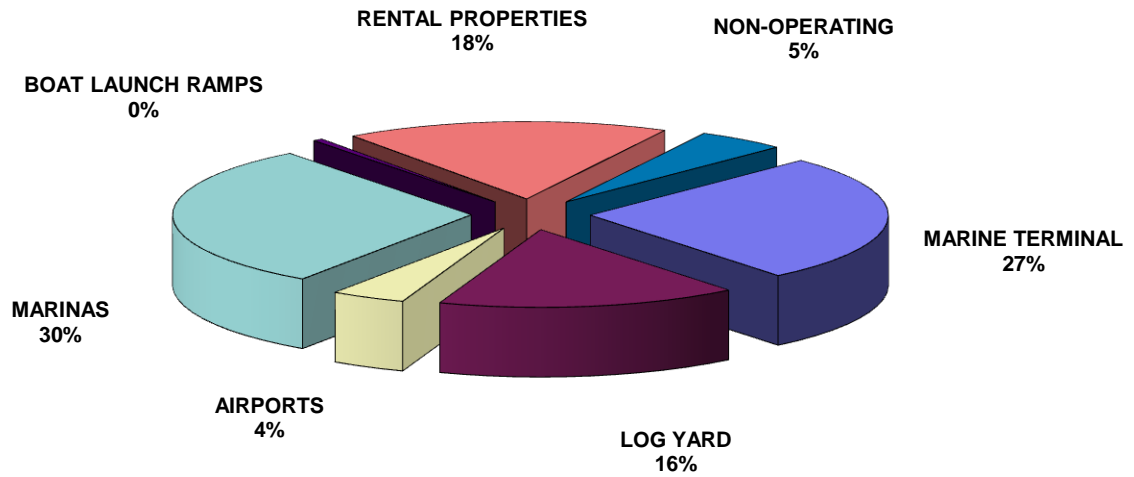
- 1) ADDITIONAL MAINTENANCE LABOR IS CHARGED TO CAPITALIZED PROJECTS
- 2) INTERDEPARTMENTAL TRANSFER EXPENDITURES ARE OFFSET BY INTERDEPARTMENTAL TRANSFER RECEIPTS UNDER RECEIPT CATEGORIES
- 3) DOES NOT INCLUDE MAINTENANCE RECEIPTS (\$3,000 FOR 2012 BUDGET)



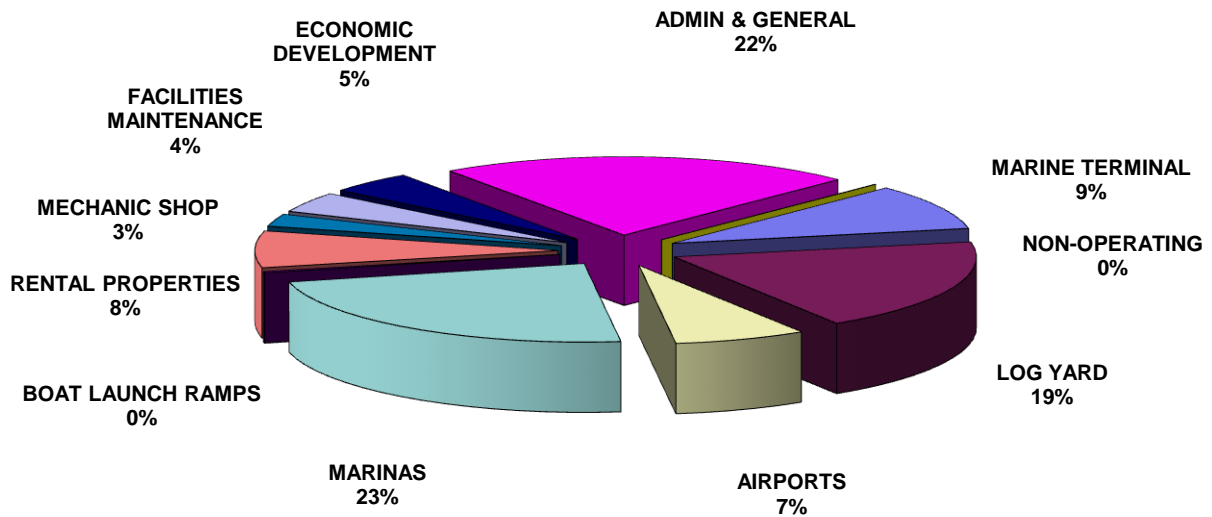
## **SECTION IV**

### **OPERATING BUDGETS**

## 2012 GENERAL FUND RECEIPTS



## 2012 GENERAL FUND EXPENDITURES



## GENERAL FUND SUMMARY

### RECEIPTS

DIVISION	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
MARINE TERMINAL	1,556,078	1,330,000	2,592,000	2,332,000
LOG YARD	864,886	1,009,400	1,271,000	1,424,000
AIRPORTS	353,265	365,900	346,200	353,500
MARINAS	2,585,189	2,619,900	2,674,000	2,627,200
BOAT LAUNCH RAMPS	44,777	46,000	44,000	45,000
RENTAL PROPERTIES	1,020,122	1,081,300	1,136,000	1,534,000
<b>TOTAL OPERATIONS</b>	<b>6,424,317</b>	<b>6,452,500</b>	<b>8,063,200</b>	<b>8,315,700</b>
NON-OPERATING AND A&G	442,050	453,900	445,000	423,000
<b>SUB TOTAL</b>	<b>6,866,368</b>	<b>6,906,400</b>	<b>8,508,200</b>	<b>8,738,700</b>

### EXPENDITURES

DIVISION	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
MARINE TERMINAL	564,503	740,100	605,600	604,400
LOG YARD	964,224	924,200	1,132,200	1,224,000
AIRPORTS	416,282	486,900	444,100	450,300
MARINAS	1,253,383	1,397,500	1,404,100	1,482,200
BOAT LAUNCH RAMPS	12,956	23,700	7,300	16,800
RENTAL PROPERTIES	383,642	491,600	397,800	482,100
MECHANICAL MAINTENANCE	104,088	138,300	152,000	163,200
FACILITIES MAINTENANCE	179,893	280,000	265,000	268,100
<b>TOTAL - OPERATIONS</b>	<b>3,878,972</b>	<b>4,482,300</b>	<b>4,408,100</b>	<b>4,691,100</b>
ECONOMIC DEVELOPMENT	277,800	295,800	192,400	290,000
ADMIN & GENERAL	1,260,608	1,450,100	1,343,800	1,424,200
NON-OPERATING	57,313	700	800	800
<b>SUB TOTAL</b>	<b>5,474,693</b>	<b>6,228,900</b>	<b>5,945,100</b>	<b>6,406,100</b>

### NET SURPLUS (DEFICIT)

	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
<b>NET SURPLUS (DEFICIT)</b>	<b>1,391,675</b>	<b>677,500</b>	<b>2,563,100</b>	<b>2,332,600</b>

NOTES: NO DEPRECIATION INCLUDED IN THESE CALCULATIONS; SEE SEPARATE PRESENTATION ON PAGE VIII - 4

PROJECTED 2011 EXPENDITURES INCLUDE MAJOR MAINTENANCE PROJECTS OF \$654,000  
 BUDGET 2012 EXPENDITURES INCLUDE MAJOR MAINTENANCE PROJECTS OF \$418,500

## **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 receipts over expenditures to fund Port activities and projects
- To obtain a competitive return on the public investment in these facilities

## **RECEIPT ASSUMPTIONS**

### 2011 Projected:

1. 145 tanker days for top-side repair and 85 million board feet of log exports
2. Rate increase of 2% plus CPI for dockage, vessel repair dockage, equipment rental, wharfage, electrical service fee, passenger fee and security fee
3. 55 Marine Travel-Lift haul out operations
4. No cruise vessels anticipated in 2011
5. Man-hour handling rates adjusted per ILWU contract effective 7/1/2011

### 2012 Budget:

1. 135 tanker days for top-side repair and 65 million board feet of log exports
2. Rate increase of 2% for dockage, vessel repair dockage, wharfage, electrical service fee, service and facility charges, passenger fee, and security fee
3. 65 Marine Travel-Lift haul out operations
4. Rate increase of 5% for Equipment Rental (receipts recognized in Log Yard)
5. Two cruise vessels anticipated in 2012
6. Man-hour handling rates adjusted per ILWU contract effective 7/1/2012

## **EXPENDITURE ASSUMPTIONS**

### 2011 Projected:

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. Utilities as projected
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

### 2012 Budget:

1. 2% increase for labor and salary & wages
2. Continue estimated fringe benefits (including leave) at 60%
3. 4% increase budgeted for utilities
4. 2% decrease for insurance and taxes
5. Major maintenance cost for Dock Repairs/Bulkhead, Camel Logs/Walking Sticks and Gangway System Improvements. See page V - 8 for additional information on all major maintenance items listed in Section IV
6. Utilities reflect City of Port Angeles' combined sewer overflow (CSO) charges

## MARINE TERMINAL

### RECEIPTS

CATEGORY	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
DOCKAGE	1,014,779	754,000	1,116,000	1,090,000
EQUIPMENT RENTAL	63,341	82,600	50,000	39,000
HANDLING	3,607	2,500	1,000	2,000
LEASE/RENTAL INCOME	35,043	32,200	37,000	37,000
MISCELLANEOUS INCOME	1,130	2,400	6,000	6,000
SECURITY FEE	151,194	108,800	164,000	145,000
SERVICE CHARGE	81,434	115,500	433,000	354,000
STORAGE	3,780	3,800	4,000	4,000
UTILITY SALES	49,450	35,000	38,000	35,000
WHARFAGE	152,320	193,200	743,000	620,000
<b>TOTAL RECEIPTS</b>	<b>1,556,078</b>	<b>1,330,000</b>	<b>2,592,000</b>	<b>2,332,000</b>

### EXPENDITURES

CATEGORY	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
LABOR	96,220	90,100	88,000	70,000
MATERIALS	41,902	45,000	39,000	50,000
DUES & SUBSCRIPTIONS	989	1,000	2,000	2,000
EST FRINGE BENEFITS	121,051	122,800	147,600	146,400
INSURANCE & TAXES	56,375	52,100	57,000	56,000
MISCELLANEOUS EXPENSE	13,487	12,000	21,000	20,000
OUTSIDE SERVICES	50,634	250,000	9,000	10,000
SALARIES & WAGES	107,608	122,100	158,000	174,000
SUPPLIES	40,015	10,000	13,000	12,000
TRAVEL & TRAINING	4,012	5,000	5,000	5,000
UTILITIES	32,210	30,000	66,000	59,000
<b>TOTAL EXPENDITURES</b>	<b>564,503</b>	<b>740,100</b>	<b>605,600</b>	<b>604,400</b>

	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
<b>NET SURPLUS (DEFICIT)</b>	<b>991,574</b>	<b>589,900</b>	<b>1,986,400</b>	<b>1,727,600</b>

## **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 receipts over expenditures to fund Port activities and projects
- To obtain a competitive return on the public investment in these facilities

## **RECEIPT ASSUMPTIONS**

### 2011 Projected:

1. Rafting/Decked/Round Boom volume of 7 / 10 / 12 million board feet (mmbf)
2. Handling revenue includes: 9.5 / 3.0 mmbf inbound log volume via raft / containers; 1.2 mmbf of Green Creek Roll Out; Pen Ply log handling license fee; and receipts from DNR Aquatic Log Storage
3. Assumes 3% increase on rafting, round boom, container loading & thru-put deck charge
4. Miscellaneous income recognizes storage fee for chip loading tower
5. Equipment Rental includes receipts from log stackers used for cargo operations at MT

### 2012 Budget:

1. Rafting / Decked / Round Boom volume of 18 / 10.8 / 4 million board feet (mmbf)
2. Handling revenue includes: 10 / 4 / 18.8 mmbf inbound log volume via raft / containers / decked volume which includes volume for export loading operations; 1.2 mmbf of Green Creek Roll Out; Pen Ply log handling license fee; DNR Aquatic Log Storage receipts; and DTC Op Agreement receipts
3. Assumes 2% increase on rafting and round boom charges
4. Assumes 5% increase on container loading charges and a \$0.75 per load increase for thru-put deck charges
5. No increase in banding charges
6. Miscellaneous income recognizes storage fee for chip loading tower
7. Equipment Rental includes receipts from log stackers used for cargo operations at MT

## **EXPENDITURE ASSUMPTIONS**

### 2011 Projected:

1. 0.7% CPI increase to all labor and 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. 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 included in misc. expense

### 2012 Budget:

1. 2% increase for labor and salary & wages
2. Continue estimated fringe benefits (including leave) at 60%
3. 4% increase budgeted for utilities
4. 2% decrease for insurance and taxes
5. Major maintenance cost for Aquatic Storage and Log Boom Sidestick replacement
6. Utilities reflect City of Port Angeles' combined sewer overflow (CSO) charges

## LOG YARD

### RECEIPTS

CATEGORY	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
BANDING REVENUE	129,015	106,300	115,000	95,000
EQUIPMENT RENTAL	3,085	2,000	171,000	150,000
HANDLING	303,333	389,200	645,000	745,000
LEASE/RENTAL REVENUE	81,000	81,000	54,000	62,000
MISCELLANEOUS REVENUE	60,571	100,500	60,000	60,000
RAFTING REVENUE	183,189	252,000	107,000	272,000
ROUND BOOM REVENUE	104,693	78,400	119,000	40,000
<b>TOTAL RECEIPTS</b>	<b>864,886</b>	<b>1,009,400</b>	<b>1,271,000</b>	<b>1,424,000</b>

### EXPENDITURES

CATEGORY	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
LABOR	309,914	327,000	365,000	416,000
MATERIALS	38,129	40,000	90,000	75,000
EST FRINGE BENEFITS	214,495	223,300	247,200	282,000
INSURANCE & TAXES	48,707	41,600	52,000	51,000
INTERDEPARTMENTAL EXPENSE	0	500	0	1,000
MISCELLANEOUS EXPENSE	35,004	25,000	28,000	43,000
OUTSIDE SERVICES	16,447	30,000	18,000	30,000
SALARIES & WAGES	51,257	46,600	47,000	54,000
SUPPLIES	240,528	181,700	275,000	261,000
UTILITIES	9,744	8,500	10,000	11,000
<b>TOTAL EXPENDITURES</b>	<b>964,224</b>	<b>924,200</b>	<b>1,132,200</b>	<b>1,224,000</b>

	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
<b>NET SURPLUS (DEFICIT)</b>	<b>(99,338)</b>	<b>85,200</b>	<b>138,800</b>	<b>200,000</b>

## **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 receipts to cover expenditures of providing aviation facilities for the convenience of the Port District constituency

### **RECEIPT ASSUMPTIONS**

#### 2011 Projected:

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

#### 2012 Budget:

1. 2% increase to rates and fees
2. Continue landing fee waiver for commercial passenger service subject to Commission approval
3. PFC receipts transferred to capital budget - expected to be 40% less than previous year
4. Same hangar receipts as in 2011

### **EXPENDITURE ASSUMPTIONS**

#### 2011 Projected:

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

#### 2012 Budget:

1. 2% increase for labor and salary & wages
2. Continue estimated fringe benefits (including leave) at 60%
3. 4% increase budgeted for utilities
4. 2% decrease for insurance and taxes
5. Anticipate outside services to remain at 2011 level
6. Utilities reflect City of Port Angeles' combined sewer overflow (CSO) charges
7. Tenant rental rates increase if included in contract

# WILLIAM R. FAIRCHILD INTERNATIONAL AIRPORT

## RECEIPTS

CATEGORY	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
EQUIPMENT RENTAL	0	0	0	0
FUEL SALES & HANDLING	9,761	12,000	10,000	10,000
HANGARS & TIE DOWNS	115,900	117,500	104,000	102,000
INTERDEPARTMENTAL REVENUE	46,979	45,000	55,000	58,000
LANDING FEES/ETC	15,180	18,000	16,000	16,000
LEASE/RENTAL INCOME	130,557	130,000	131,000	132,000
MISCELLANEOUS INCOME	64	4,300	100	3,000
PARKING CHARGES	25,204	24,000	18,000	18,400
<b>TOTAL RECEIPTS</b>	<b>343,645</b>	<b>350,800</b>	<b>334,100</b>	<b>339,400</b>

## EXPENDITURES

CATEGORY	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
LABOR	96,285	100,000	92,000	100,000
MATERIALS	9,844	12,000	3,000	12,000
DUES & SUBSCRIPTIONS	1,845	1,500	500	600
EST FRINGE BENEFITS	86,725	91,300	80,000	85,200
INSURANCE & TAXES	63,506	60,000	60,000	60,000
INTERDEPARTMENTAL EXPENSE	3,500	3,500	3,500	3,500
MISCELLANEOUS EXPENSE	3,626	5,000	2,000	4,000
OUTSIDE SERVICES	11,545	47,000	45,000	25,000
SALARIES & WAGES	49,744	56,700	41,400	42,000
SUPPLIES	14,288	14,000	25,000	22,000
TRAVEL & TRAINING	1,280	1,500	2,400	2,000
UTILITIES	53,590	61,200	63,000	66,000
<b>TOTAL EXPENDITURES</b>	<b>395,779</b>	<b>453,700</b>	<b>417,800</b>	<b>422,300</b>

	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
<b>NET SURPLUS (DEFICIT)</b>	<b>(52,133)</b>	<b>(102,900)</b>	<b>(83,700)</b>	<b>(82,900)</b>

## **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

## **RECEIPT ASSUMPTIONS**

### 2011 Projected:

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

### 2012 Budget:

1. Anticipate slight increase to hangar receipts due to reorganization of hangar facilities in 2011
2. 2% increase in rates and fees

## **EXPENDITURE ASSUMPTIONS**

### 2011 Projected:

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
3. 15% increase in outside services due to new Inter Local agreement with Clallam County Fire District #5

### 2012 Budget:

1. 2% increase for labor and salary & wages
2. Continue estimated fringe benefits (including leave) at 60%
3. 4% increase budgeted for utilities
4. 2% decrease for insurance and taxes
5. Continue Inter Local agreement with fire district

## SEKIU AIRPORT

### RECEIPTS

CATEGORY	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
HANGARS & TIE DOWNS	9,570	15,000	12,000	14,000
LEASE/RENTAL INCOME	50	100	100	100
<b>TOTAL RECEIPTS</b>	<b>9,620</b>	<b>15,100</b>	<b>12,100</b>	<b>14,100</b>

### EXPENDITURES

CATEGORY	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
LABOR	801	7,000	4,000	4,000
MATERIALS	0	2,000	2,000	2,000
EST FRINGE BENEFITS	5,048	9,000	5,400	5,500
INSURANCE & TAXES	2,792	2,700	3,000	3,000
MISCELLANEOUS EXPENSE	780	600	600	800
OUTSIDE SERVICES	362	600	3,000	3,600
SALARIES & WAGES	7,700	8,000	5,000	5,200
SUPPLIES	0	200	300	300
UTILITIES	3,021	3,100	3,000	3,600
<b>TOTAL EXPENDITURES</b>	<b>20,504</b>	<b>33,200</b>	<b>26,300</b>	<b>28,000</b>

	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
<b>NET SURPLUS (DEFICIT)</b>	<b>(10,884)</b>	<b>(18,100)</b>	<b>(14,200)</b>	<b>(13,900)</b>

## **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 receipts in excess of expenditures to assist in funding Port activities and projects
- To obtain a competitive return on the public investment in these facilities

## **RECEIPT ASSUMPTIONS**

### 2011 Projected:

1. No rate increase with future rate review
2. Over all marina receipts for past five years has risen approximately 4% over each previous year. Recent downturn in economy has seen a tapering off in receipt 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

### 2012 Budget:

1. Project no change in moorage receipts for 2012
2. No increase in rates and fees per Commission directive until 12/31/2012

## **EXPENDITURE ASSUMPTIONS**

### 2011 Projected:

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

### 2012 Budget:

1. 2% increase for labor and salary & wages
2. Continue estimated fringe benefits (including leave) at 60%
3. 4% increase budgeted for utilities
4. 2% decrease for insurance and taxes
5. Agent's fee increase by appropriate CPI per contract
6. Scheduled maintenance to replace water line on west floats
7. Utilities reflect City of Port Angeles' combined sewer overflow (CSO) charges

## PORT ANGELES BOAT HAVEN

### RECEIPTS

CATEGORY	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
FUEL SALES & HANDLING	0	1,200	1,000	1,200
LEASE/RENTAL INCOME	4,084	4,100	4,000	4,000
MISCELLANEOUS INCOME	14,499	22,000	24,000	22,000
MOORAGE	1,058,285	1,065,000	1,073,000	1,050,000
UTILITY SALES	132,872	134,200	139,000	145,000
WHARFAGE	6,678	4,500	5,000	5,000
<b>TOTAL RECEIPTS</b>	<b>1,216,417</b>	<b>1,231,000</b>	<b>1,246,000</b>	<b>1,227,200</b>

### EXPENDITURES

CATEGORY	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
AGENTS FEES	149,618	147,000	148,000	149,000
LABOR	31,437	40,000	26,000	41,000
MATERIALS	12,504	31,000	12,000	46,000
EST FRINGE BENEFITS	42,874	49,900	41,200	50,300
INSURANCE & TAXES	48,302	44,900	44,000	44,000
MISCELLANEOUS EXPENSE	1,430	4,000	5,000	6,000
OUTSIDE SERVICES	7,752	14,000	26,000	20,000
SALARIES & WAGES	40,755	50,800	42,600	42,800
SUPPLIES	20,151	16,000	23,000	22,000
UTILITIES	139,602	145,000	161,000	169,000
<b>TOTAL EXPENDITURES</b>	<b>494,425</b>	<b>542,600</b>	<b>528,800</b>	<b>590,100</b>

	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
<b>NET SURPLUS (DEFICIT)</b>	<b>721,992</b>	<b>688,400</b>	<b>717,200</b>	<b>637,100</b>

## **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 receipts to cover expenditures and eventually have an excess of receipts over expenditures to help fund Port activities and projects
- To obtain a competitive return on the public investment in these facilities

## **RECEIPT ASSUMPTIONS**

### 2011 Projected:

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

### 2012 Budget:

1. Anticipate no substantive change in moorage occupancy for 2012
2. No increase in rates and fees per Commission directive until 12/31/2012
3. Reduced moorage due to Navy lease cancellation

## **EXPENDITURE ASSUMPTIONS**

### 2011 Projected:

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

### 2012 Budget:

1. 2% increase for labor and salary & wages
2. Continue estimated fringe benefits (including leave) at 60%
3. 4% increase budgeted for utilities
4. 2% decrease for insurance and taxes
5. One programmed replacement fleet vehicle reflected in misc. expense
6. Major maintenance cost for Building and Ground Maintenance reflected in labor, materials and miscellaneous expense

# JOHN WAYNE MARINA

## RECEIPTS

CATEGORY	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
FUEL SALES & HANDLING	166,392	160,000	195,000	190,000
LEASE/RENTAL INCOME	31,702	32,500	37,000	35,000
MISCELLANEOUS INCOME	65,718	65,500	57,000	60,000
MOORAGE	889,633	895,000	888,000	895,000
UTILITY SALES	1,736	1,700	1,000	1,500
<b>TOTAL RECEIPTS</b>	<b>1,155,180</b>	<b>1,154,700</b>	<b>1,178,000</b>	<b>1,181,500</b>

## EXPENDITURES

CATEGORY	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
LABOR	182,628	184,000	191,000	195,000
MATERIALS	23,347	45,000	42,000	30,000
EST FRINGE BENEFITS	122,664	130,700	132,000	135,000
INSURANCE & TAXES	42,164	39,600	34,000	35,000
MISCELLANEOUS EXPENSE	3,678	11,000	2,600	25,000
OUTSIDE SERVICES	27,858	58,000	43,000	43,000
SALARIES & WAGES	23,916	29,900	29,000	30,000
SUPPLIES	163,886	158,000	202,000	190,000
TRAVEL & TRAINING	0	500	700	500
UTILITIES	33,343	33,600	34,000	37,000
<b>TOTAL EXPENDITURES</b>	<b>623,484</b>	<b>690,300</b>	<b>710,300</b>	<b>720,500</b>

	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
<b>NET SURPLUS (DEFICIT)</b>	<b>531,696</b>	<b>464,400</b>	<b>467,700</b>	<b>461,000</b>

## **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 receipts in excess of expenditures 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

## **RECEIPT ASSUMPTIONS**

### 2011 Projected:

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

### 2012 Budget:

1. 5% increase in rates for stormwater regulatory improvements
2. 6% increase to rates and fees to cover CPI and utilities
3. Anticipate slight increase in storage receipts due to increase in available storage area in 2011
4. Anticipate miscellaneous revenue to be on par with 2011 amounts

## **EXPENDITURE ASSUMPTIONS**

### 2011 Projected:

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

### 2012 Budget:

1. 2% increase for labor and salary & wages
2. Continue estimated fringe benefits (including leave) at 60%
3. 4% increase budgeted for utilities
4. 2% decrease for insurance and taxes
5. Agent's fee increase by appropriate CPI per contract
6. Scheduled maintenance for seal coat of Boat Yard included in labor and materials categories
7. Utilities reflect City of Port Angeles' combined sewer overflow (CSO) charges

## BOAT YARD

### RECEIPTS

CATEGORY	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
LEASE/RENTAL INCOME	5,237	5,200	6,000	5,500
MISCELLANEOUS INCOME	206,698	226,800	242,000	210,000
UTILITY SALES	1,657	2,200	2,000	3,000
<b>TOTAL RECEIPTS</b>	<b>213,592</b>	<b>234,200</b>	<b>250,000</b>	<b>218,500</b>

### EXPENDITURES

CATEGORY	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
AGENTS FEES	64,122	65,000	65,000	65,000
LABOR	15,427	25,000	25,000	25,000
MATERIALS	2,591	12,000	12,000	12,000
EST FRINGE BENEFITS	14,003	20,200	19,900	19,900
INSURANCE & TAXES	7,056	6,300	7,000	7,000
MISCELLANEOUS EXPENSE	1,773	2,500	3,000	3,500
OUTSIDE SERVICES	4,671	3,500	7,000	12,000
SALARIES & WAGES	8,151	10,200	8,100	8,200
SUPPLIES	4,579	5,500	5,000	5,000
UTILITIES	13,100	14,400	13,000	14,000
<b>TOTAL EXPENDITURES</b>	<b>135,473</b>	<b>164,600</b>	<b>165,000</b>	<b>171,600</b>

	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
<b>NET SURPLUS (DEFICIT)</b>	<b>78,119</b>	<b>69,600</b>	<b>85,000</b>	<b>46,900</b>

## **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

## **RECEIPT ASSUMPTIONS**

### 2011 Projected:

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

### 2012 Budget:

1. Assume same activity level as 2011
2. 2% rate increase

## **EXPENDITURE ASSUMPTIONS**

### 2011 Projected:

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)

### 2012 Budget:

1. 2% increase for labor
2. 4% increase budgeted for utilities
3. 2% decrease for insurance and taxes
4. Normal operating maintenance costs

## PUBLIC BOAT RAMPS

### RECEIPTS

CATEGORY	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
MISCELLANEOUS INCOME	44,777	46,000	44,000	45,000
<b>TOTAL RECEIPTS</b>	<b>44,777</b>	<b>46,000</b>	<b>44,000</b>	<b>45,000</b>

### EXPENDITURES

CATEGORY	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
LABOR	2,311	5,000	2,000	5,000
MATERIALS	2,212	5,000	1,000	5,000
EST FRINGE BENEFITS	1,373	3,000	1,200	3,000
INSURANCE & TAXES	1,474	1,400	1,600	1,200
MISCELLANEOUS EXPENSE	522	400	500	600
OUTSIDE SERVICES	4,198	7,500	0	1,000
SUPPLIES	866	1,400	1,000	1,000
<b>TOTAL EXPENDITURES</b>	<b>12,956</b>	<b>23,700</b>	<b>7,300</b>	<b>16,800</b>

	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
<b>NET SURPLUS (DEFICIT)</b>	<b>31,822</b>	<b>22,300</b>	<b>36,700</b>	<b>28,200</b>

## **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

## **RECEIPT ASSUMPTIONS**

### 2011 Projected:

1. Budgeted receipts increase reflects contractual lease agreements due to positive lease re-negotiations of Murrey's Olympic Disposal and other tenants
2. Rental adjustments where appropriate per Commission direction

### 2012 Budget:

1. New lease with ACTI and several other lease increases will provide additional gross receipts
2. Rental adjustments where appropriate per Commission direction
3. Continue to maximize highest and best use of Port land and facilities
4. Blackball receipts reduced in anticipation of major investment by Blackball (subject to final lease approval by Commission)

## **EXPENDITURE ASSUMPTIONS**

### 2011 Projected:

1. Under budget due to redirected workload of staff to waterfront projects.
2. HVAC analysis for outside services

### 2012 Budget:

1. 2% increase for labor and salary & wages
2. Continue estimated fringe benefits (including leave) at 60%
3. 4% increase budgeted for utilities
4. 2% decrease for insurance and taxes
5. Additional emphasis on maintenance enhancement of AIP facilities
6. Added maintenance with new composite campus and facility/land purchases on waterfront
7. Utilities reflect City of Port Angeles' combined sewer overflow (CSO) charges
8. Major maintenance cost for HVAC replacement reflected in outside services
9. Tenant rental rates increase if included in contract

## RENTAL PROPERTY

### RECEIPTS

CATEGORY	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
LEASE/RENTAL INCOME	986,595	1,041,300	1,097,000	1,494,000
MISCELLANEOUS INCOME	33,527	40,000	39,000	40,000
<b>TOTAL RECEIPTS</b>	<b>1,020,122</b>	<b>1,081,300</b>	<b>1,136,000</b>	<b>1,534,000</b>

### EXPENDITURES

CATEGORY	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
LABOR	36,749	45,000	44,000	45,000
MATERIALS	19,754	25,000	20,000	25,000
EST FRINGE BENEFITS	51,261	67,400	63,300	70,800
INSURANCE & TAXES	36,944	35,800	34,000	33,300
INTERDEPARTMENTAL EXPENSE	41,979	50,000	50,000	53,000
MISCELLANEOUS EXPENSE	14,307	30,000	19,000	22,000
OUTSIDE SERVICES	109,752	100,000	72,000	105,000
SALARIES & WAGES	49,564	73,400	61,500	73,000
TRAVEL & TRAINING	0	5,000	0	5,000
UTILITIES	23,334	60,000	34,000	50,000
<b>TOTAL EXPENDITURES</b>	<b>383,642</b>	<b>491,600</b>	<b>397,800</b>	<b>482,100</b>

	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
<b>NET SURPLUS (DEFICIT)</b>	<b>636,480</b>	<b>589,700</b>	<b>738,200</b>	<b>1,051,900</b>

## **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 firefighting 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.

## **EXPENDITURE ASSUMPTIONS**

### 2011 Projected:

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. Increase in maintenance labor and materials due to building renovation

### 2012 Budget:

1. 2% increase for labor and salary & wages
2. Continue estimated fringe benefits (including leave) at 60%
3. 4% increase budgeted for utilities
4. 2% decrease for insurance and taxes
5. Add one temporary mechanic for 2012
6. Utilities reflect City of Port Angeles' combined sewer overflow (CSO) charges

## MECHANICAL MAINTENANCE

### EXPENDITURES

OVERHEAD COSTS	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
LABOR	8,836	17,000	21,000	27,000
MATERIALS	362	20,000	22,000	20,000
EST FRINGE BENEFITS	24,456	29,400	32,400	37,200
INSURANCE & TAXES	3,323	3,200	3,000	2,500
MISCELLANEOUS EXPENSE	381	1,000	1,000	1,000
OUTSIDE SERVICES	8,665	7,500	6,000	6,000
SALARIES & WAGES	32,344	32,000	33,000	35,000
SUPPLIES	9,135	8,500	12,000	12,000
TRAVEL & TRAINING	229	500	600	500
UTILITIES	16,357	19,200	21,000	22,000
TOTAL OVERHEAD COSTS	104,088	138,300	152,000	163,200
MECH SHOP REVENUE	0	0	0	0
<b>NET OVERHEAD COSTS</b>	<b>104,088</b>	<b>138,300</b>	<b>152,000</b>	<b>163,200</b>

## **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.

## **RECEIPT ASSUMPTIONS**

### 2011 Projected:

1. Forklift Training

### 2012 Budget:

1. Forklift Training

## **EXPENDITURE ASSUMPTIONS**

### 2011 Projected:

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 misc. expense
6. Salaries and wages reflect reallocation of personnel

### 2012 Budget:

1. 2% increase for labor and salary & wages
2. Continue estimated fringe benefits (including leave) at 60%
3. 4% increase budgeted for utilities
4. 2% decrease for insurance and taxes
5. One programmed replacement fleet vehicle; reflected in misc. expense
6. Utilities reflect City of Port Angeles' combined sewer overflow (CSO) charges

## FACILITIES MAINTENANCE

### EXPENDITURES

<b>OVERHEAD COSTS</b>	<b>ACTUAL 2010</b>	<b>BUDGET 2011</b>	<b>PROJECTED 2011</b>	<b>BUDGET 2012</b>
LABOR	27,541	45,000	25,000	50,000
MATERIALS	11,870	27,500	8,000	25,000
EST FRINGE BENEFITS	43,846	52,500	42,000	57,600
INSURANCE & TAXES	9,377	9,000	9,000	7,500
INTERDEPARTMENTAL EXPENSE	5,000	5,000	5,000	5,000
MISCELLANEOUS EXPENSE	3,315	65,000	86,000	35,000
OUTSIDE SERVICES	2,101	2,500	2,000	2,500
SALARIES & WAGES	46,288	42,500	45,000	46,000
SUPPLIES	23,009	25,000	34,000	30,000
TRAVEL & TRAINING	830	2,000	1,000	1,000
UTILITIES	9,298	10,000	11,000	11,500
TOTAL OVERHEAD COSTS	182,475	286,000	268,000	271,100
FACILITY MAINT REVENUE	(2,581)	(6,000)	(3,000)	(3,000)
<b>NET OVERHEAD COSTS</b>	<b>179,893</b>	<b>280,000</b>	<b>265,000</b>	<b>268,100</b>

## **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

## **EXPENDITURE ASSUMPTIONS**

### 2011 Projected:

1. Completed composite campus brochure and related ads
2. Continue support for CCEDC, OPVB, NOTAC
3. Continued onsite visits to targeted industries creating business relationships
4. Reduced industrial marketing budget due to additional focus on composite campus support and increased leasing activities and property purchases

### 2012 Budget:

1. Continue target market focus on composite and energy companies
2. Continue support for CCEDC, OPVB, NOTAC
3. Targeted direct mail for composites companies with follow up meetings
4. Outreach to tenants and local companies on supply chain recruitment.
5. Expand web page /social media content to increase Port message market
6. Staff participation in seminars, conferences, trade shows

## **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 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
EST FRINGE BENEFITS	74,589	47,200	41,400	45,000
MARKETING	0	35,000	5,000	35,000
OUTSIDE SERVICES	38,318	45,000	28,000	45,000
PROMOTIONAL HOSTING*	5,783	10,000	8,000	10,000
PUBLIC INFORMATION	23,625	40,000	32,000	40,000
SALARIES & WAGES	125,594	78,600	69,000	75,000
SUPPLIES	5,697	10,000	1,000	10,000
TRAVEL & TRAINING	4,195	30,000	8,000	30,000
<b>TOTAL EXPENDITURES</b>	<b>277,800</b>	<b>295,800</b>	<b>192,400</b>	<b>290,000</b>

\*Promotional Hosting Legal Limit Under RCW 53.36.130:  
 $(\$2,500,000 \times 0.01) + (\$2,500,000 \times 0.005) + (\$3,738,700 \times 0.0025) = \mathbf{\$46,846}$

## **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

## **EXPENDITURE ASSUMPTIONS**

### 2011 Projected:

1. CPI increase in salaries and wages
2. Decrease in insurance and taxes
3. Utilities as projected
4. Decrease in fringe benefits (health care premiums)
5. No changes in dues and subscriptions
6. 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

### 2012 Budget:

1. 2% increase for labor and salary & wages
2. Continue estimated fringe benefits (including leave) at 60%
3. 4% increase budgeted for utilities
4. 2% decrease for insurance and taxes
5. No change in Dues and Subscriptions
6. Reduced major maintenance costs for Network Equipment, Software, System Support and Building Maintenance reflected in labor, materials, outside services and miscellaneous expense categories
7. Utilities reflect City of Port Angeles' combined sewer overflow (CSO) charges

## ADMINISTRATION AND GENERAL

### EXPENDITURES

CATEGORY	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
LABOR	10,133	13,500	11,000	13,000
MATERIALS	4,051	25,000	5,000	25,000
DUES & SUBSCRIPTIONS	16,359	16,000	15,000	16,500
EST FRINGE BENEFITS	322,012	329,100	334,800	346,200
INSURANCE & TAXES	21,064	19,000	18,000	18,500
MISCELLANEOUS EXPENSE	35,037	180,000	88,000	105,000
OUTSIDE SERVICES	166,082	200,000	199,000	200,000
SALARIES & WAGES	532,078	536,500	547,000	564,000
SUPPLIES	59,592	40,000	50,000	51,000
TRAVEL & TRAINING	55,478	60,000	52,000	60,000
UTILITIES	38,723	31,000	24,000	25,000
<b>TOTAL EXPENDITURES</b>	<b>1,260,608</b>	<b>1,450,100</b>	<b>1,343,800</b>	<b>1,424,200</b>

## **NON-OPERATING**

These activities generate receipts and require expenditures that are outside normal Port operating activities. Receipts 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.

### **RECEIPT ASSUMPTIONS**

#### 2011 Projected:

1. Continued low interest income
2. No change in Carlsborg contracts
3. Miscellaneous revenue reflects taxes on timber harvest

#### 2012 Budget:

1. Reduced Interest Income due to continued reductions in market yield rates and aggressive calls by U.S. Agencies
2. No change in Carlsborg contracts
3. Miscellaneous revenue reflect taxes on timber harvest

### **EXPENDITURE ASSUMPTIONS**

#### 2011 Projected:

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

#### 2012 Budget:

1. Principal and Interest payments will remain the same (\$0); only revenue bond principal and interest is included in the Operating Budgets section. Principal and Interest payments on 2010 LTGO bond issue (Composite Manufacturing Campus) is included in sections V (Capital Projects) and VI (Tax Levy)

## NON-OPERATING

### RECEIPTS

CATEGORY	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
CONTRACT SALES	3,186	3,900	3,000	3,000
INTEREST INCOME	284,505	300,000	258,000	240,000
MISCELLANEOUS REVENUE	154,359	150,000	184,000	180,000
<b>TOTAL RECEIPTS</b>	<b>442,050</b>	<b>453,900</b>	<b>445,000</b>	<b>423,000</b>

### EXPENDITURES

CATEGORY	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
INSURANCE & TAXES	567	700	800	800
INTEREST EXPENSE	10,446	0	0	0
PRINCIPAL PAYMENTS	46,300	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>57,313</b>	<b>700</b>	<b>800</b>	<b>800</b>

	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	BUDGET 2012
<b>NET SURPLUS (DEFICIT)</b>	<b>384,738</b>	<b>453,200</b>	<b>444,200</b>	<b>422,200</b>



## **SECTION V**

### **CAPITAL PROJECTS BUDGET**

## **CAPITAL PROJECTS BUDGET**

The Capital Projects Budget includes a 2012 Capital Improvement Budget, Five Year Improvement Plan, 2012 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 – 2012", and the Capital Improvement Budget estimates approximately \$12,022,629 of funds available for capital projects in 2012 (see page V-3).

### **A. 2012 CAPITAL IMPROVEMENT BUDGET**

The Capital Improvement Budget includes new construction projects planned for completion in 2012. Outside funding sources include grants from the federal Airport Improvement Program (AIP) which are 95% 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 2016 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. 2012 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-7).

### **D. 2012 MAJOR MAINTENANCE CHART**

The Major Maintenance Chart summarizes projects to be carried out in 2012. They are organized as expenditures 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

## 2012 CAPITAL IMPROVEMENT BUDGET

ACCOUNTS/PROJECTS	TOTAL COST 2012	NET COST 2012	CAPITAL BUDGET 2012
<b>ESTIMATED BALANCE, 1/1/2012</b>			<b>\$10,175,000</b>
<b>ESTIMATED SOURCES - 2012</b>			
Available from Operating Divisions			<b>\$1,632,530</b>
General Tax Levy (net of GO debt service)*			<b>215,099</b>
<b>SOURCES AVAILABLE FOR USE - 2012</b>			<b>\$12,022,629</b>
<b>ESTIMATED CAPITAL EXPENDITURES:</b>			
<b>STRATEGIC PROJECTS</b>			
Design Ship Dockage Facility (T3)	\$300,000	\$300,000	
Flexible Projects	200,000	200,000	
T1 Redevelopment - Design, Permitting, Engineering	400,000	400,000	
Alternative Energy Development	TBD	TBD	
<b>OTHER PROJECTS</b>			
MT - Hazardous Material Mitigation (s.t. insurance)	TBD	TBD	
MT - Security Improvements (25% grant match)	160,000	160,000	
FIA - Lincoln Park Master Plan & Dev. (AIP - 5%)	7,500	7,500	
FIA - Replace Taxiway Edge Lights/Eqpt (AIP - 5%)	18,000	18,000	
FIA - AIP 28 Final Design (AIP - 5%)	6,800	6,800	
SEK - ALP Update (DOT - 12.5%)	5,000	5,000	
RP - Pen Ply Stormwater Imp. (\$250k-Commerce Dept)	0	0	
MT - Security Imp. (25% grant match - #8)	30,000	30,000	
PABH - Security Imp. (25% grant match - #8)	30,000	30,000	
JWM - Security Imp. (25% grant match - #8)	30,000	30,000	
PABH - Marine Security Improvements (s.t. lease)	100,000	100,000	
MT - Cargo Loading Equipment (Shovel)	295,000	295,000	
RP - Blake Improvements	25,000	25,000	
LY - Boom Boat	100,000	100,000	
LY - Drainage & Surfacing	150,000	150,000	
Passenger Facility Charge (PFC) Revenue	-20,000	-20,000	
<b>ESTIMATED CAPITAL EXPENDITURES</b>	<b>\$1,837,300</b>	<b>\$1,837,300</b>	<b>(\$1,837,300)</b>
<b>ESTIMATED BALANCE, 12/31/2012 CAPITAL IMPROVEMENT FUND</b>			<b>\$10,185,329</b>
<b>*General Tax Levy Calculation</b>			
1. 2011 Tax Levy	\$1,347,598		
2. CPI adjustment percent, per county (I-747)	<u>0.000%</u>		
3. CPI adjustment dollars, per county (I-747)	0		
4. Estimated New Construction	61,552,143		
5. 2011 Levy Rate (per thousand)	<u>0.1676</u>		
6. New construction adjustment	10,328		
2012 Tax Levy (1 + 3 + 6) - estimated	\$1,357,927		
2012 LTGO Debt Service	<u>(1,142,828)</u>		
General Tax Levy (net of GO debt service)	\$215,099		

## FIVE YEAR CAPITAL IMPROVEMENT PLAN

	2012	2013	2014	2015	2016 Forward	Total
<b>STRATEGIC PROJECTS:</b>						
Alternative Energy Development	TBD					
Composite Manufacturing Campus				4,500,000		4,500,000
Design Ship Dockage Fac. (T3) (Eng/Permit)	300,000	3,500,000				3,800,000
Flexible Projects	200,000	200,000	200,000	200,000	1,200,000	2,000,000
JWM Development (Upland & Fishing Pier)		TBD				
PABH Upland Development		100,000	500,000	1,200,000		1,800,000
Sequim Industrial & Tourism Infrastructure		TBD				
T1 Programmatic Redevelopment						
Design / Permitting / Engineering	400,000					400,000
Breasting Dolphin	TBD					
Bulkhead	TBD					
Headline Dolphin	TBD					
Terminal Warehouse	TBD					
W End Tourism (Shooting&Motor Sports Park)		TBD				
Waterfront or Ind. Property Purchase		1,000,000				1,000,000
<b>Total Strategic Projects</b>	<b>900,000</b>	<b>4,800,000</b>	<b>700,000</b>	<b>5,900,000</b>	<b>1,200,000</b>	<b>13,500,000</b>
<b>MARINE TERMINAL:</b>						
Cargo Loading Equipment (Shovel)	295,000					295,000
Equipment Purchase (forklifts/other)		70,000	75,000		80,000	225,000
Haz. Mat. Mitigation (subject to ins.)	TBD					
Security Imp. (25% grant match) - #8	30,000					30,000
Security Imp. (25% grant match) - #9 (T7)	160,000	15,500	16,000	16,500	109,500	317,500
T6 Finger Pier		470,000				470,000
Wash Down Facility/Marine Trades Dev.		250,000				250,000
<b>Total Marine Terminal</b>	<b>485,000</b>	<b>805,500</b>	<b>91,000</b>	<b>16,500</b>	<b>189,500</b>	<b>1,587,500</b>
<b>LOGYARD:</b>						
Boom Boat	100,000	175,000		180,000		455,000
Drainage & Surfacing	150,000	95,000	100,000	105,000	860,000	1,310,000
Equipment/Swifter Repairs		42,500				42,500
<b>Total Logyard</b>	<b>250,000</b>	<b>312,500</b>	<b>100,000</b>	<b>285,000</b>	<b>860,000</b>	<b>1,807,500</b>

## FIVE YEAR CAPITAL IMPROVEMENT PLAN

	2012	2013	2014	2015	2016 Forward	Total
<b>FAIRCHILD INTERNATIONAL AIRPORT:</b>						
AIP 28 Final Design (AIP - 5%)	6,800					6,800
De-icing Facility Improvements (AIP-5%)				TBD		
GA Expansion-Environ./Pre.Eng. (AIP-23%)						
Lincoln Park - MP & Dev. (AIP-5%)	7,500	TBD	TBD			7,500
New Access Road to Terminal (AIP-5%)			TBD			
Passenger Facility Charge (PFC) Revenue	-20,000	-20,000	-20,000	-20,000	-120,000	-200,000
Remove/Replace Hangars (4)			TBD	TBD		
Replace Taxiway Edge Lights+Eqpt (AIP -5%)	18,000					18,000
Replace Vehicle Electric Gate		50,000	50,000	50,000		150,000
Runway 26 - Rehabilitate Pavement (AIP-5%)					335,100	335,100
Runway 26 - Reclaim Threshold (AIP-5%)					30,000	30,000
Sekiu ALP Update (DOT-12.5%)	5,000					5,000
Slurry Seal X Wind Runway		25,000				25,000
Taxilane F and GA Taxiway (AIP-5%)				150,000		150,000
Taxiway A - Slurry Seal Pavement (AIP-5%)				13,100		13,100
Terminal Heat Pump		25,000				25,000
<b>Total Fairchild International Airport</b>	<b>17,300</b>	<b>80,000</b>	<b>30,000</b>	<b>193,100</b>	<b>245,100</b>	<b>565,500</b>
<b>PORT ANGELES BOAT HAVEN:</b>						
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
Hydraulic Crane		50,000				50,000
Laundry Facilities East		200,000				200,000
Marine Security Improvements (s.t. lease)	100,000					100,000
Pave Parking East		300,000				300,000
Restrooms - Center Section		60,000				60,000
Security Imp. (25% grant match) - #8	30,000					30,000
Trash Compactors (2)		35,000				35,000
<b>Total Port Angeles Boat Haven</b>	<b>130,000</b>	<b>670,000</b>	<b>250,000</b>	<b>100,000</b>	<b>0</b>	<b>1,150,000</b>
<b>JOHN WAYNE MARINA:</b>						
Armor Rock Stabilization		100,000				100,000
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)		TBD				
Resurface Interior Roads		200,000				200,000
Security Imp. (25% grant match) - #8	30,000					30,000
<b>Total John Wayne Marina</b>	<b>30,000</b>	<b>385,000</b>	<b>45,000</b>	<b>25,000</b>	<b>25,000</b>	<b>510,000</b>

## FIVE YEAR CAPITAL IMPROVEMENT PLAN

	2012	2013	2014	2015	2016 Forward	Total
<b>BOATYARD</b>						
Pave Dry Storage Yard		100,000				100,000
Power Line Relocation		TBD				
Stormwater Improvements		75,000		50,000	150,000	275,000
<b>Total Boatyard</b>	<b>0</b>	<b>175,000</b>	<b>0</b>	<b>50,000</b>	<b>150,000</b>	<b>375,000</b>
<b>BOAT LAUNCH RAMPS:</b>						
<b>Total Boat Launch Ramps</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>RENTAL PROPERTIES:</b>						
1908 "O" Street HVAC Replacement						
Blake Improvements	25,000					25,000
Pen Ply Stormwater Improvements (net)	0					
T4 Redecking		50,000				50,000
T5 Triangle Improvement		75,000				75,000
<b>Total Rental Properties</b>	<b>25,000</b>	<b>125,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>150,000</b>
<b>FACILITIES MAINTENANCE:</b>						
<b>Total Facilities Maintenance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>MECHANICAL MAINTENANCE:</b>						
<b>Total Mechanical Maintenance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>ADMINISTRATION:</b>						
Emergency Planning		25,000				25,000
Heat Pump Purchase		50,000				50,000
<b>Total Administration</b>	<b>0</b>	<b>75,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75,000</b>
<b>TOTAL CAPITAL IMPROVEMENT PLAN</b>	<b>1,837,300</b>	<b>7,428,000</b>	<b>1,216,000</b>	<b>6,569,600</b>	<b>2,669,600</b>	<b>19,720,500</b>

## 2012 CAPITAL PROJECT PRIORITIZATION CHART

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

			↓			
			Individual Project Cost	Average Staff Rating	Cumulative Project Cost	Project Funding Priority*
Division	Project					
1	SP	Design Ship Dockage Fac. (T3) (Eng/Permit)	300,000	-	300,000	1
2	SP	Flexible Projects	200,000	-	500,000	1
3	SP	T1 Redevelopment - Design/Permit/Engineering	400,000	-	900,000	1
4	MT	Haz. Mat. Mitigation (subject to ins.)	TBD	-	900,000	1
5	MT	Security Imp. (25% grant match) - #9 (T7)	160,000	-	1,060,000	1
6	FIA	Lincoln Park - MP & Dev. (AIP-5%)	7,500	-	1,067,500	1
7	FIA	Replace Taxiway Edge Lights+Eqpt (AIP-5%)	18,000	-	1,085,500	1
8	FIA	AIP 28 Final Design (AIP-5%)	6,800	-	1,092,300	1
9	SEK	Sekiu ALP Update (DOT-12.5%)	5,000	-	1,097,300	1
10	RP	Pen Ply Stormwater Imp. (\$250k-Commerce Dept)	0	-	1,097,300	1
11	MT	Security Imp. (25% grant match) - #8	30,000	-	1,127,300	1
12	PABH	Security Imp. EW BH (25% grant match) - #8	30,000	-	1,157,300	1
13	JWM	Security Imp. (25% grant match) - #8	30,000	-	1,187,300	1
14	PABH	Marine Security Improvements (subject to lease)	100,000	-	1,287,300	1a
15	SP	Alternative Energy Development	TBD	7.70	1,287,300	2
16	MT	Cargo Loading Equipment (Shovel)	295,000	8.20	1,582,300	2
17	RP	Blake Improvements	25,000	8.70	1,607,300	2
18	LY	Boom Boat	100,000	8.70	1,707,300	2
19	LY	Drainage & Surfacing	150,000	8.80	1,857,300	2
-	FIA	Passenger Facility Charge (PFC) Revenue	-20,000	-	1,837,300	-
20	RP	T5 Triangle Improvement	75,000	8.80	1,912,300	2
21	SP	Waterfront or Ind. Property Purchase	1,000,000	8.90	2,912,300	3
22	RP	HVAC Replacement	150,000	9.30	3,062,300	3
23	JWM	Fuel Pumps Replacement	30,000	9.40	3,092,300	3
24	BY	Stormwater Improvements	75,000	9.40	3,167,300	3
25	SP	Sequim Industrial & Tourism Infrastructure	TBD	9.60	3,167,300	3
26	PABH	Hydraulic Crane	50,000	9.70	3,217,300	3
27	BY	Power Line Relocation	TBD	9.90	3,217,300	3
28	JWM	HVAC Replacement	30,000	10.00	3,247,300	3
29	ADMIN	Heat Pump Purchase	50,000	10.10	3,297,300	3
30	JWM	Resurface Interior Roads	200,000	10.30	3,497,300	3
31	PABH	Bulkhead Replacement/Dredging (w/City)	TBD	10.30	3,497,300	3
32	PABH	Dumpster Enclosures	25,000	10.40	3,522,300	3
33	ADMIN	Emergency Planning	25,000	10.50	3,547,300	3
34	SP	JWM Development (Upland & Fishing Pier)	TBD	10.50	3,547,300	3
35	JWM	Dumpster Enclosures	25,000	10.70	3,572,300	3
36	JWM	JWM Improvements (boardwalk/buoys)	TBD	10.90	3,572,300	3
37	PABH	Laundry Facilities East	200,000	11.20	3,772,300	3
38	SP	W. End Tourism (Shooting & Motor Sports Park)	TBD	11.30	3,772,300	3
		<b>Total</b>	<b>\$3,772,300</b>			

**\*Project Funding Priority**

- 1 = Committed projects - can be funded from tax levy and operating surplus
  - 1a = Committed projects, subject to lease - funded from tax levy and ops surplus
  - 2 = Can be funded from tax levy and operating surplus
  - 3 = Can only be funded by drawing down reserves
- Cost shown for (AIP) projects is Port's 5% match; the FAA pays remaining 95%
- Passenger Facility Charges represent recovery of prior year's projects costs

## 2012 MAJOR MAINTENANCE CHART

2012 MAJOR MAINTENANCE CHART				
			Individual Project Cost	Project Funding Priority*
	Division	Project		
1	MT	Camel Logs / Walking Sticks	\$11,500	4
2	MT	Dock Repairs / Bulkhead	75,000	4
3	MT	Gangway System Improvements	25,000	4
4	LY	Aquatic Storage / Log Boom Sidestick Replacement	50,000	4
5	JWM	Building Maintenance	10,000	4
6	JWM	Ground Maintenance	12,000	4
7	RP	HVAC Replacement	50,000	4
8	ADMIN	Network Equipment	10,000	4
9	ADMIN	Building Maintenance	25,000	4
10	ADMIN	Software	100,000	4
11	ADMIN	System Support	50,000	4
<b>Total Major Maintenance Projects</b>			<b>\$418,500</b>	
<b>* Project Funding Priority</b>				
4 = These costs are reflected in the individual divisions' operating expenses				

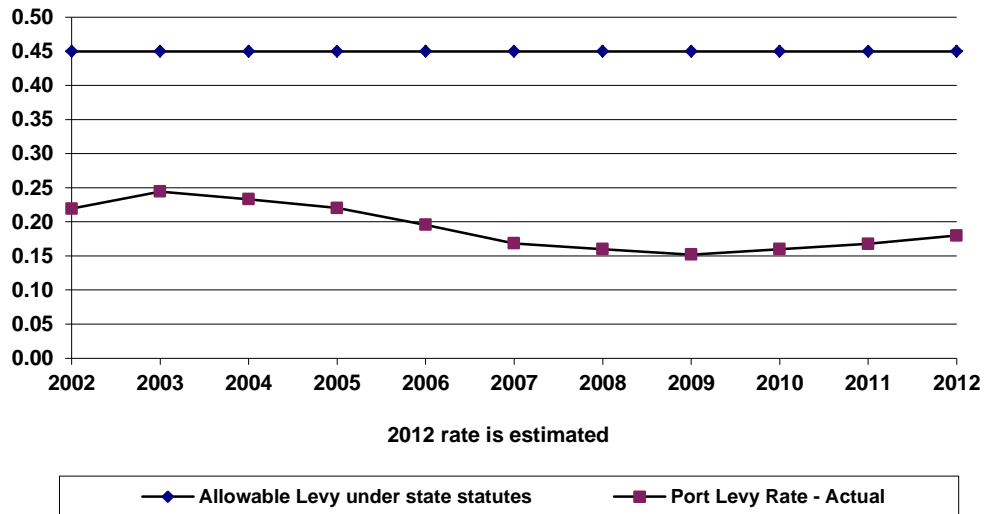


## **SECTION VI**

### **TAX LEVY**

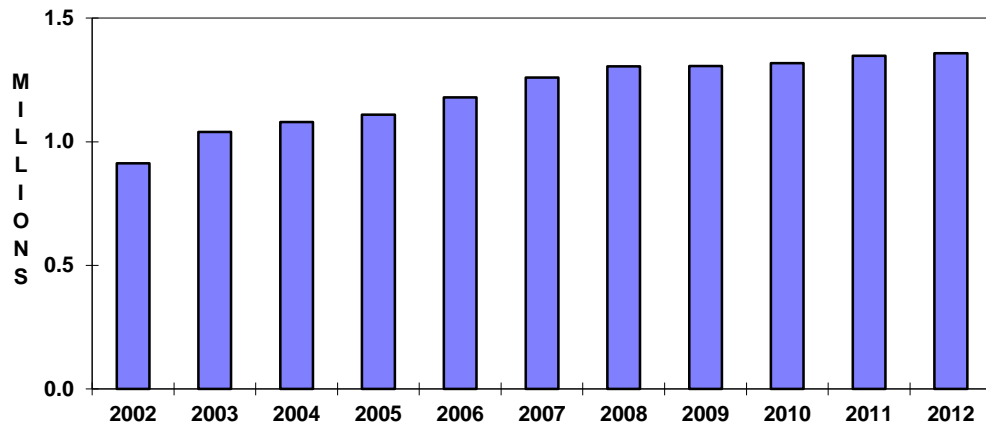
## Port General Tax Levy Rate

2002 - 2012



## Port's General Tax Levy Collections

2002 - 2012



## PROPOSED 2012 TAX LEVY

### LEVY RATES:

Estimated 2012 levy rate: **\$.18/\$1,000**

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

### Clallam County Total Assessed Valuation:

- 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	\$8,243,327,771
- 2010	\$8,031,011,937
- 2011	\$7,536,713,662

### TAX LEVY COLLECTIONS:

The Port will collect approximately **\$1,357,927** in 2012.

The Port will collect **\$1,347,598** in 2011.

### TAX LEVY USES:

The 2012 levy will be used for:

Debt Service - Prior Capital Construction Uses	\$1,142,828
Capital Construction	<u>215,099</u>
Total	<u>\$1,357,927</u>

The 2012 levy allocation will be:

Debt Service Fund	\$1,142,828
Capital Improvement Fund	<u>215,099</u>
Total	<u>\$1,357,927</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, 2002 to 2012, the Port general levy rate has trended downward to a range of 16-18¢ 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 2002 to 2012.

#### 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

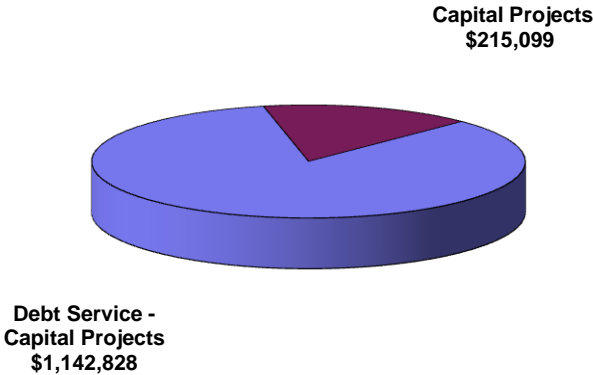
The Port may also levy property taxes for Industrial Development Districts (under a comprehensive scheme of harbor improvements); for twelve years only, not to exceed \$0.45 per \$1,000 of assessed value of taxable property within the Port District. If a Port District intends to levy this tax for one 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**

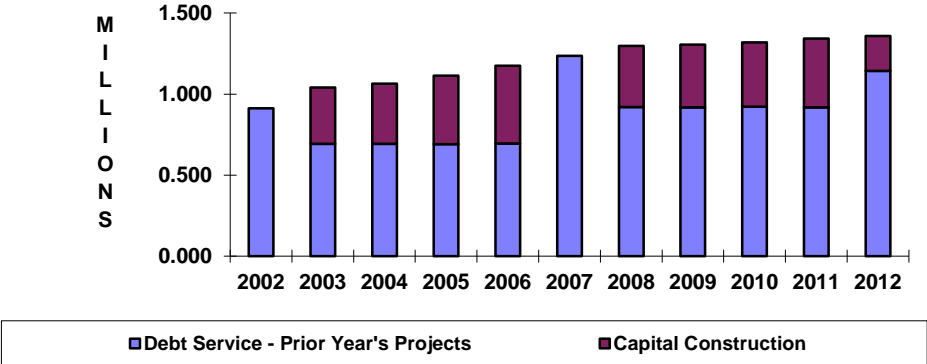
The general tax levy will be used for 2012's debt service on G.O. Bonds which relates to prior years' capital construction uses and to fund capital projects. This tax levy could also be used for Port operating or maintenance expenditures, but Port Commission directives have determined that tax levy proceeds will not be used for operating expenses.

Proposed Use of 2012 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.

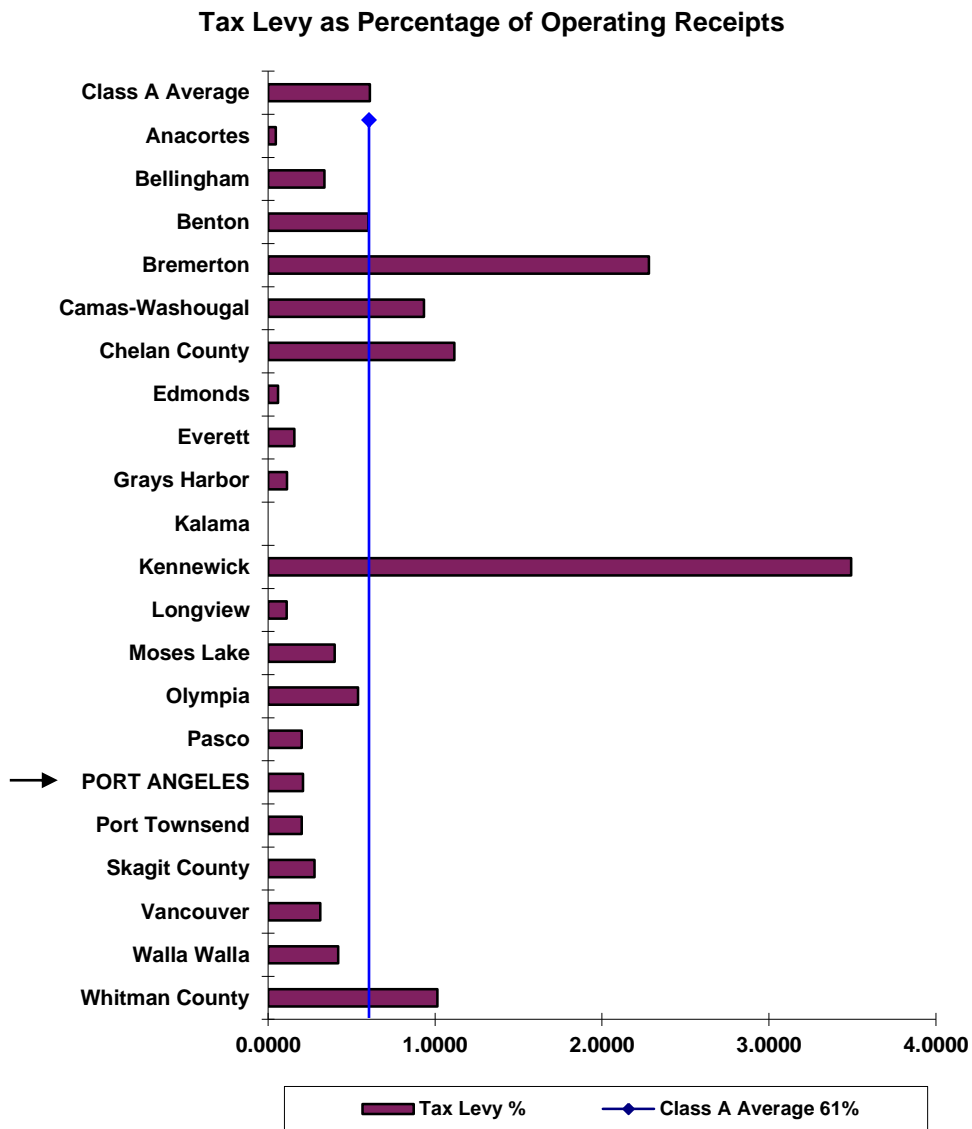
Historical Use of General Tax Levy  
2002 - 2012



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 61% of operating receipts; Port Angeles estimates its levy proceeds to be 21% of operating receipts. **Lower ratios** indicate **less reliance** on tax levy proceeds.

2011 Tax Levy Comparison



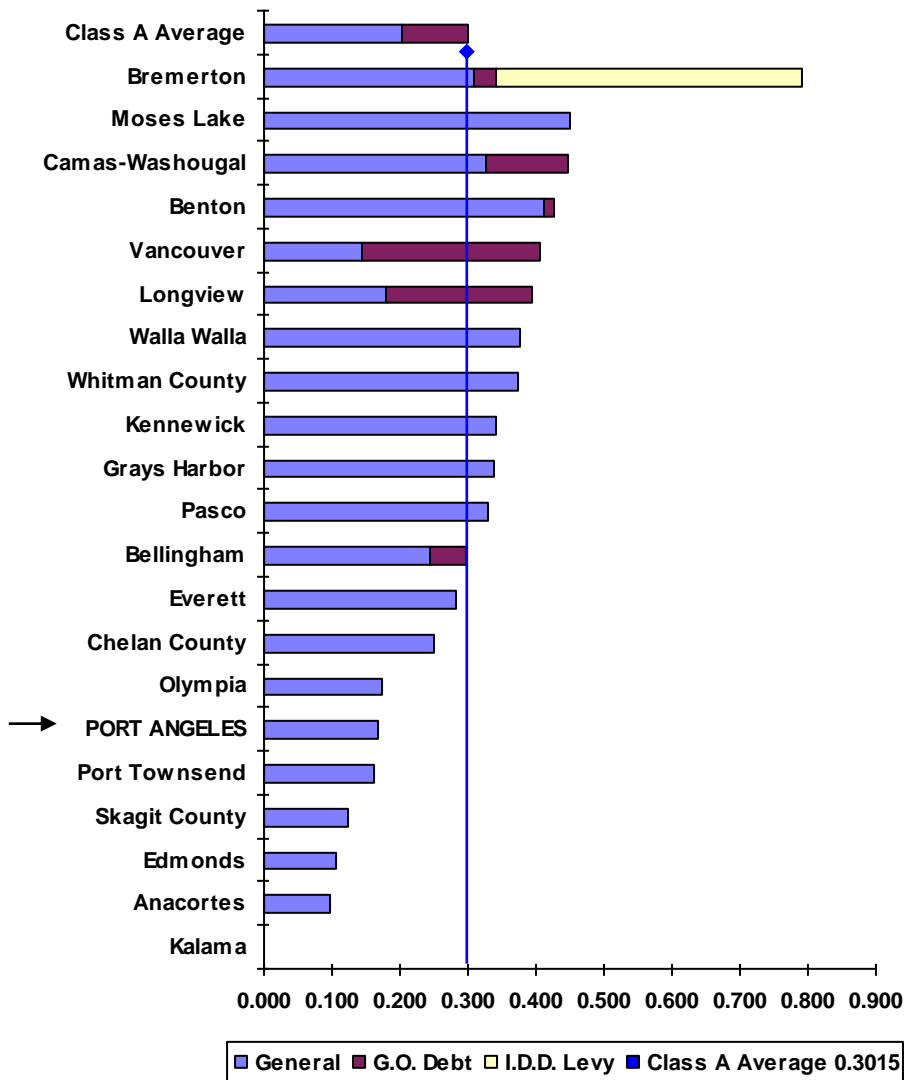
D. Comparable Tax Levies

1. Port Districts' Comparisons

The Washington Public Ports Association survey of port districts' tax levies for 2011 indicates an average levy rate of **\$.3015**/\$1,000 for the 21 Class A Ports which levied property taxes. Of these ports, the Port of Port Angeles had the sixth lowest levy rate at **\$.1676**. Presented below are the effective levy rates for the 21 ports.

2011 Tax Levy Rates

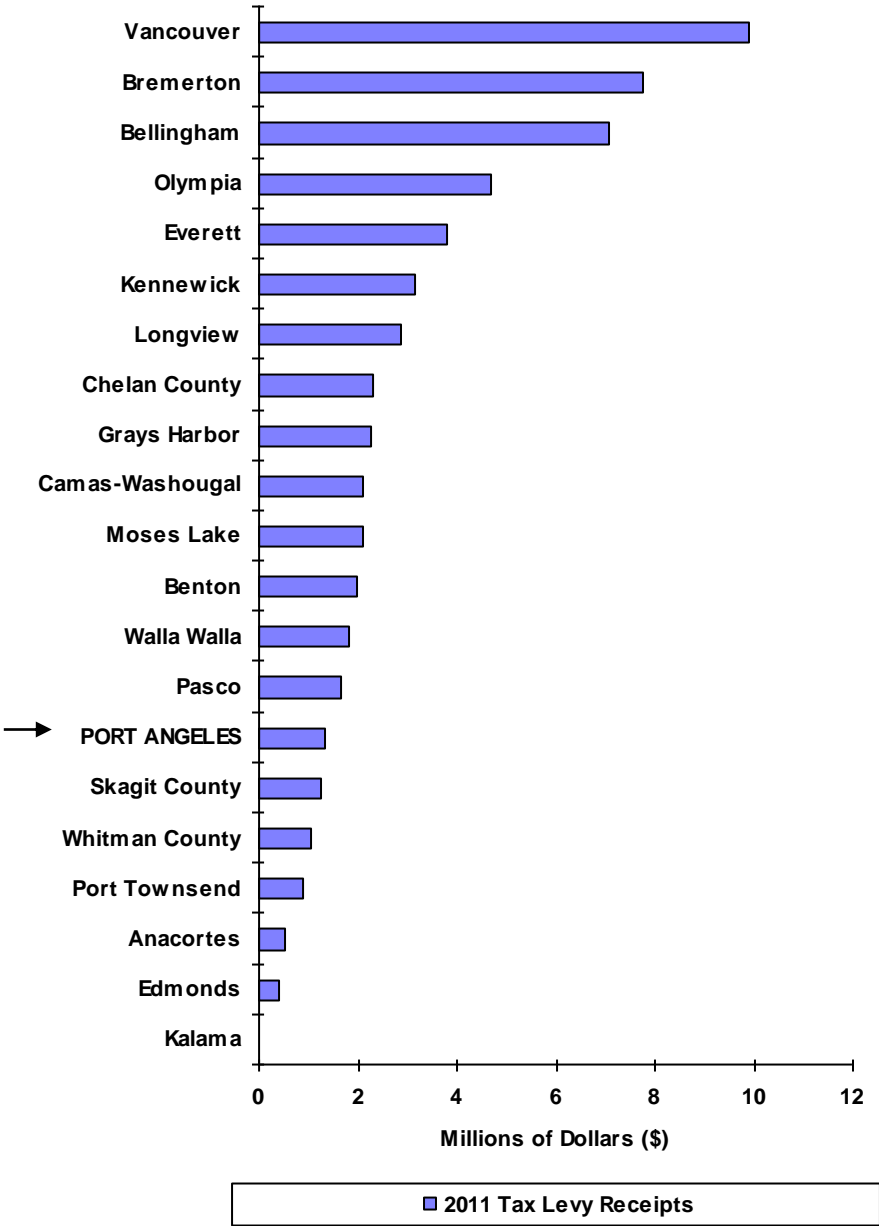
Washington Class A Ports



The same survey for 2011 indicates the average levy collection in dollars for Class A ports is \$2,801,295. The Port of Port Angeles expects to collect \$1,347,598 in 2011.

### 2011 Tax Levy Receipts

Washington Class A Ports

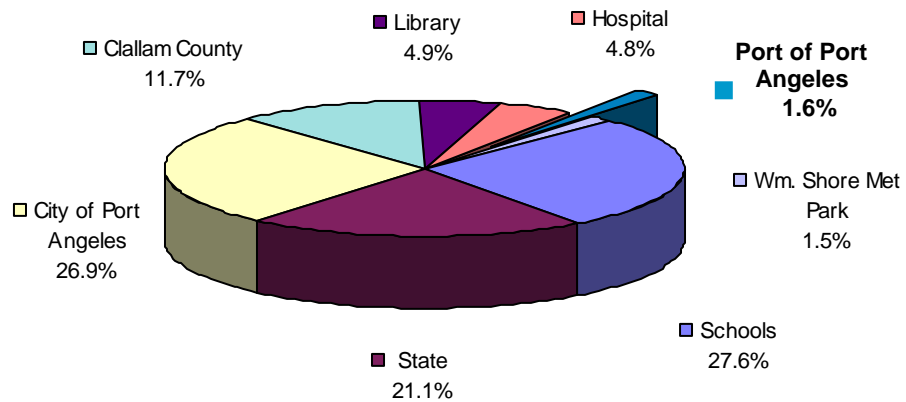


2. Clallam County Comparison

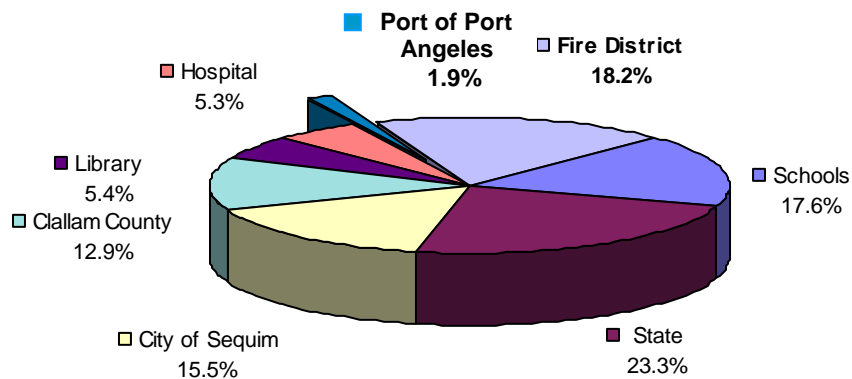
The graphs below show the Port's general tax levy as it compares to total taxes paid in 2011 by a typical resident in Port Angeles, Sequim and Forks. Taxing districts have not submitted their levy rates for 2012 yet; therefore, 2011 rates are the most current. The total 2011 levy for all Port Angeles taxing districts was \$10.233/\$1,000. The Port's levy for Port Angeles was \$.1676/\$1,000 which is less than 2% of the total levy rate.

**2011 Property Tax Levy Distribution**

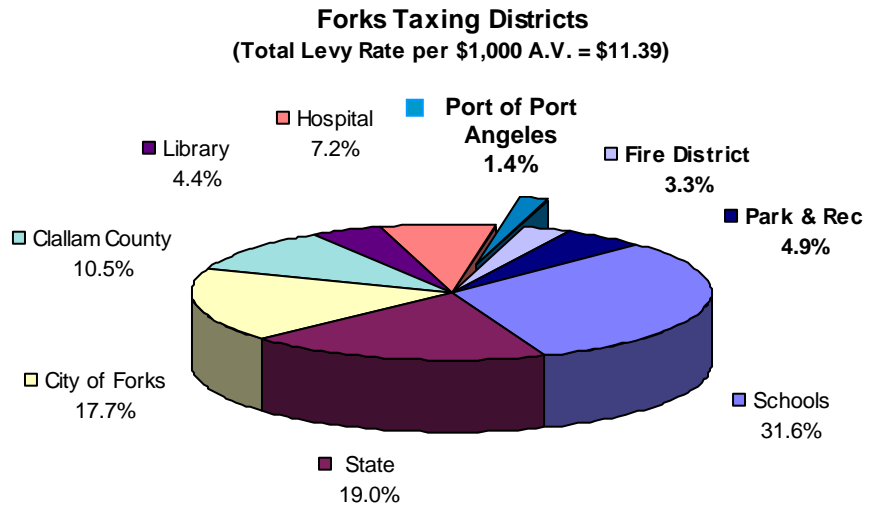
**Port Angeles Taxing Districts**  
(Total Levy Rate per \$1,000 A.V. = \$10.23)



**Sequim Taxing Districts**  
(Total Levy Rate per \$1,000 A.V. = \$9.26)



# 2011 Property Tax Levy Distribution



## **SECTION VII**

### **OTHER FUNDS:**

### **DEBT SERVICE AND BOND FUNDS**

**G.O. DEBT SERVICE FUND**

<b>ESTIMATED BALANCE, JANUARY 1, 2012</b>		<b>\$250,000</b>
<b>ESTIMATED RECEIPTS:</b>		
GENERAL TAX LEVY		\$1,357,927
AVAILABLE FUNDS		\$1,607,927
<b>ESTIMATED EXPENDITURES:</b>		
2002B PRINCIPAL & INTEREST - LTGO BONDS	\$515,335	
2006 PRINCIPAL & INTEREST - LTGO BONDS	406,568	
2010A PRINCIPAL & INTEREST - LTGO BONDS	57,000	
2010B PRINCIPAL & INTEREST - LTGO BONDS	163,925	
TRANSFER TO CAP. IMPR. FUND FROM GEN TAX LEVY SURPLUS	215,099	(\$1,357,927)
<b>ESTIMATED BALANCE, DECEMBER 31, 2012</b>		<b>\$250,000</b>

**SUMMARY OF DEBT SERVICE  
AND BOND FUNDS**

	1/1/2012 BALANCE	ADDITIONS	PAYMENTS	12/31/2012 BALANCE
G.O. DEBT SERVICE FUND	250,000	1,357,927	(1,357,927)	250,000
<b>TOTAL</b>	<b>\$250,000</b>	<b>\$1,357,927</b>	<b>(\$1,357,927)</b>	<b>\$250,000</b>

**GENERAL FUND PAYMENTS  
OTHER BONDS/LOANS**

<b>ESTIMATED BALANCE, JANUARY 1, 2012</b>		<b>\$0</b>
<b>ESTIMATED RECEIPTS:</b>		
TRANSFER FROM GENERAL FUND		\$0
<b>ESTIMATED EXPENDITURES:</b>		
CERB (Community Economic Revitalization Board)	\$0	
RTA (Revolving Technical Assistance) Loan	\$0	\$0
<b>ESTIMATED BALANCE, DECEMBER 31, 2012</b>		<b>\$0</b>

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

**SUMMARY OF OUTSTANDING LONG-TERM  
DEBT PRINCIPAL  
AS OF JANUARY 1, 2012**

<b>DEBT CATEGORY</b>	<b>PURPOSE</b>	<b>ORIGINAL PRINCIPAL</b>	<b>1/1/2012 BALANCE</b>	<b>FINAL MATURITY</b>
<b>GENERAL OBLIGATION BONDS:</b>				
2002B BOND FUND	CAPITAL CONSTRUCTION	915,000	610,000	2016
2002B BOND FUND	REFUND OF 1992	2,460,000	1,640,000	2016
2006 BOND FUND	CAPITAL CONSTRUCTION	4,995,000	4,190,000	2025
2010A BOND FUND	CAPITAL CONSTRUCTION	760,000	760,000	2030
2010B BOND FUND	CAPITAL CONSTRUCTION	3,435,000	<u>3,435,000</u>	2029
<b>TOTAL - G.O. BONDS:</b>			<b>\$10,635,000</b>	
<b>OTHER BONDS/LOANS:</b>				
<b>TOTAL-OTHER DEBT</b>			<b>\$0</b>	
<b>TOTAL PRINCIPAL-PORT DEBT:</b>			<b>\$10,635,000</b>	

**LONG TERM DEBT SERVICE  
PRINCIPAL AND INTEREST**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021+	TOTAL
G.O. DEBT SERVICE (1)	1,142,828	1,145,788	1,141,235	1,143,683	1,144,010	727,168	730,405	728,680	731,318	7,289,718	15,924,833
OTHER DEBT SERVICE (2)	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>1,142,828</b>	<b>1,145,788</b>	<b>1,141,235</b>	<b>1,143,683</b>	<b>1,144,010</b>	<b>727,168</b>	<b>730,405</b>	<b>728,680</b>	<b>731,318</b>	<b>7,289,718</b>	<b>15,924,833</b>

(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 RECEIPT/EXPENDITURE CENTER**

<b>TRAVEL/TRAINING PURPOSE</b>	<b>2011 BUDGET</b>	<b>2011 PROJECTED</b>	<b>2012 BUDGET</b>
Training	\$25,000	\$8,000	\$20,000
Travel - Public Meetings	3,000	4,000	3,000
Travel - Business Meetings	32,000	20,000	32,500
Travel - Conventions	25,000	14,000	25,000
Travel - Contract Reimbursement	6,500	7,200	6,500
Other Travel & Training	13,000	16,700	17,000
<b>TOTAL TRAVEL/TRAINING</b>	<b>\$104,500</b>	<b>\$69,900</b>	<b>\$104,000</b>

## MEMBERSHIPS BUDGET

PROFESSIONAL ORGANIZATION	2011 BUDGET	2011 PROJECTED	2012 BUDGET
American Association of Airport Executives	\$225	\$275	\$275
Government Finance Officers Association	175	160	160
Miscellaneous Memberships (w/ Propeller Club)	100	100	100
Northwest Marine Terminal Association	1,000	989	1,000
Pacific NW Waterways Association	600	600	600
Resource Conservation & Development District	500	500	500
Washington Airport Managers Association	400	340	350
Washington Finance Officers Association	50	50	50
WPPA (including estimated assessments)	11,415	11,415	13,100
<b>TOTAL PROFESSIONAL ORGANIZATIONS</b>	<b>\$14,465</b>	<b>\$14,429</b>	<b>\$16,135</b>

## COMMUNITY SUPPORT BUDGET

COMMUNITY SUPPORT	2011 BUDGET	2011 PROJECTED	2012 BUDGET
Clallam County EDC Contract*	\$25,000	\$25,000	\$25,000
Sekiu Chamber of Commerce	100	100	100
Sequim Chamber of Commerce	450	450	500
Forks Chamber of Commerce	75	100	100
Port Angeles Chamber of Commerce	550	550	600
Port Angeles Association of Realtors	130	130	150
NOTAC	45	45	50
PABA	65	65	100
Rotary Clubs	225	220	250
<b>TOTAL COMMUNITY SUPPORT</b>	<b>\$26,640</b>	<b>\$26,660</b>	<b>\$26,850</b>

\*Total 2012 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 2011 DEPRECIATION

Division	Estimated 2011 Depreciation
Marine Terminal	\$288,501
Log Yard	187,627
FIA	519,665
Sekiu Airport	10,169
Port Angeles Boat Haven	383,979
John Wayne Marina	217,627
Boat Yard	3,621
Public Boat Ramps	5,530
Rental Property	216,097
Administration & General	59,144
Mechanical Maintenance	30,749
Facilities Maintenance	27,347
Total	\$1,950,056

Note: Total depreciation includes \$318,890 depreciation on donated assets

