



2010 BUDGET

PORT OF PORT ANGELES

2010

FINAL BUDGET

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.

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.

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

JOHN M. CALHOUN, PRESIDENT

Term Expires 2009

GEORGE H. SCHOENFELDT, VICE PRESIDENT

Term Expires 2011

JIM McENTIRE, SECRETARY

Term Expires 2013

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 2010 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 2010, and the outline for a 5-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 2010 budget estimates gross revenues of \$6,063,900, expenses of \$6,364,350 and capital expenditures of \$1,590,000.

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

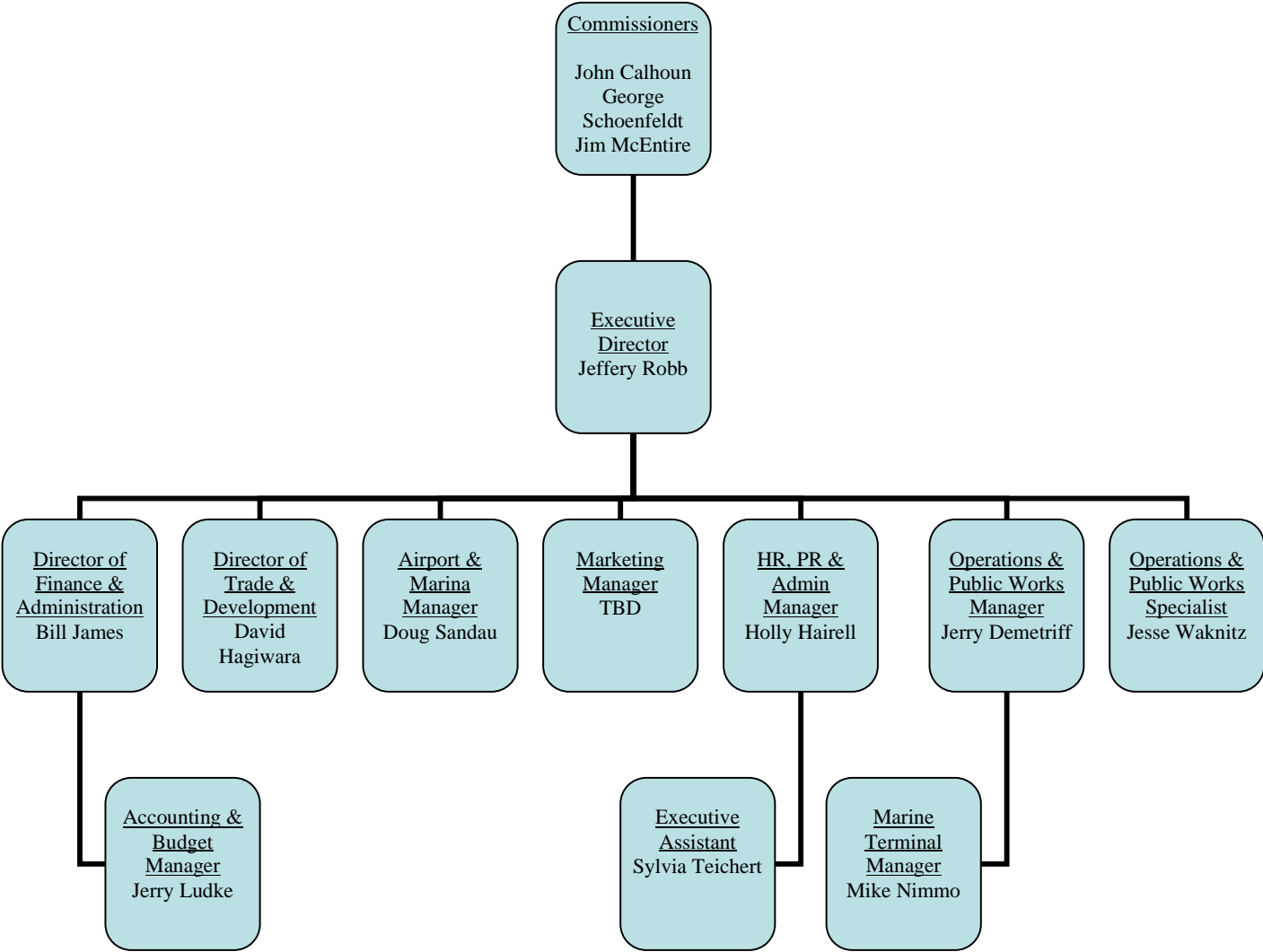
The Port of Port Angeles is a public enterprise organization committed to serving the citizens of Clallam County in the following ways:

- 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

(as of 11/23/2009)



**PORT OF PORT ANGELES
PERSONNEL SUMMARY
(as of 11/23/2009)**

ALL DIVISIONS

Department	Employees	
	Full-Time	Part-Time
Administration	10	
Airports	1	2
Economic Development & Marketing	1	
Facilities Maintenance	7	
John Wayne Marina	2	
John Wayne Marina Security	1	2
Log Yard	5	
Marine Terminal	1	
Mechanical Maintenance	2	
Public Works	2	
Security	3	10
Total	35	14

SECTION II

STRATEGIC PLAN

STRATEGIC PLAN

2010 – 2014

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 2014. 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 18 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 growth, safety and rate of return). While many strategic projects will be funded in 2010, 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
ACTI and Industrial Infrastructure	\$9,115,000
Bio Mass Facility Phase II	TBD
Dock Improvements	TBD
Edgewood Drive Industrial Park Infrastructure	750,000
Enhance Ship Dockage Facilities (T3)	5,000,000
JWM Fishing Pier	TBD
JWM Mooring Buoys	TBD
JWM Upland Development	TBD
PA Harborworks	TBD
PA Mid-Harbor Shore Power to Mooring Buoys	TBD
PABH Upland Development (Central WF MP)	1,900,000
Sequim Industrial & Tourism Infrastructure	TBD
Sewer Development and Corporate Hangars	1,700,000
T5 Development (Dock Imp/Site Dev/Coffer Dam)	300,000
Tumwater Creek Bridge	800,000
West End Tourism Infrastructure (Shooting Sports Park)	TBD
Waterfront or Industrial Property Purchase	1,000,000
Workforce Housing in Carlsborg UGA	TBD

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

STRATEGIC AND 2010 FUNDED CAPITAL PROJECTS SUMMARY

Rating / Project	2010				2011				2012				2013				2014				2015+			
	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 ACTI & Ind. Infrastructure	→																							
2 Bio Mass Facility	→																							
1 Dock Improvements	→																							
3 Edgewood Dr. Ind. Park	→																							
1 Enhance Ship Dock (T3)	→																							
2,4 JWM Fishing Pier	→																							
3 JWM Mooring Buoys	→																							
3 JWM Upland Dev.	→																							
1 PA Harborworks	→				- - - -				→															
3 PA Power to Buoys	→																							
2 PABH Upland Dev.	→																							
2 Sequim Ind./Tourism Inf.	→																							
2 Sewer/Corporate Hangars	→																							
1 T5 Development	→																							
2 Tumwater Creek Bridge	- - - -				→																			
3 West Tourism/Shoot Park	→																							
3 Property Purchase	→																							
3 Workforce Housing	→																							
- Blackball Improvement	→																							
- Lincoln Park Avigation	→																							
- FIA Site Development	→																							
- BY Stormwater Imp.	→																							

Issues: \$ come in gradually, lack of manpower, 10 yr capital projects for additional \$15.8 million not included

SECTION III

BUDGET OVERVIEW

TOTAL FUNDS AVAILABLE

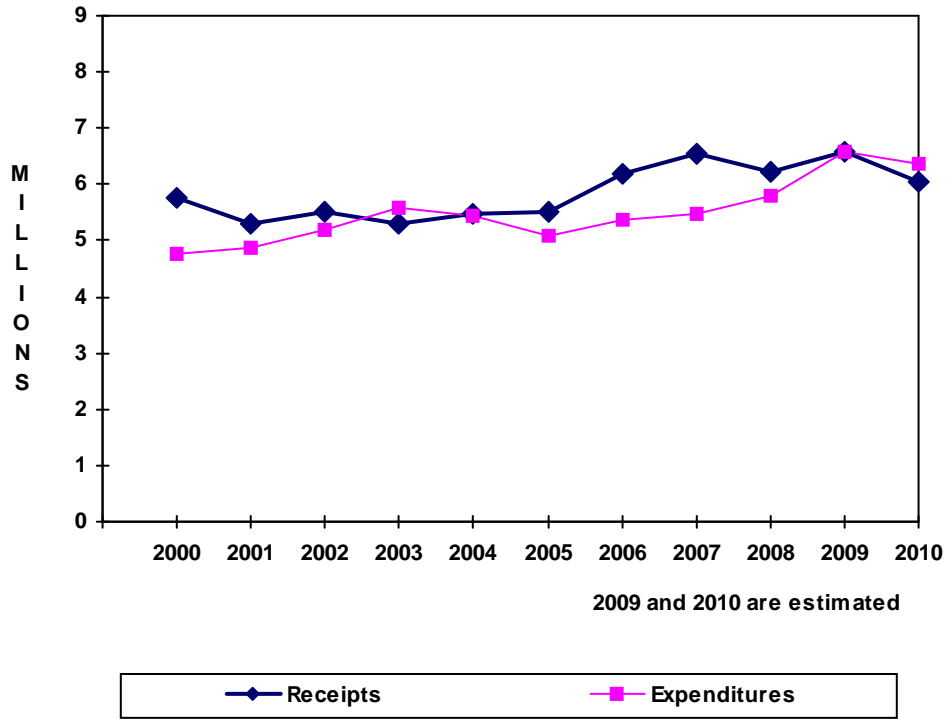
TOTAL FUNDS AVAILABLE IS A SUMMARY OF ALL CASH AND INVESTMENTS HELD BY THE PORT

	GENERAL FUND	CAPITAL IMPR.	G.O. DEBT SERVICE	TOTAL FUNDS
BALANCE, JANUARY 1, 2010	4,600,000	10,200,000	750,000	15,550,000
OPERATING RECEIPTS (1)	6,063,900			
OPERATING EXPENDITURES (2)	(6,364,350)			
OPERATING DEFICIT	(300,450)			(300,450)
GENERAL TAX LEVY			1,317,097	1,317,097
TRANSFER TO CAP. IMPR. - DEBT SERVICE REDUCTION		550,000	(550,000)	0
TRANSFER TO CAP. IMPR. - GEN. TAX LEVY SURPLUS		395,594	(395,594)	0
CAPITAL PROJECT EXPENDITURES		(1,590,000)		(1,590,000)
GENERAL OBLIGATION DEBT SERVICE			(921,503)	(921,503)
BALANCE, DECEMBER 31, 2010	4,299,550	9,555,594	200,000	14,055,144

1. TOTAL RECEIPTS ON PAGE IV-2 (\$6,063,900) IS SOLELY OPERATING RECEIPTS
2. TOTAL EXPENDITURES ON PAGE IV-2 (\$6,364,350) IS SOLELY OPERATING EXPENDITURES

HISTORICAL GENERAL FUND RECEIPTS & EXPENDITURES

2000 - 2010



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**

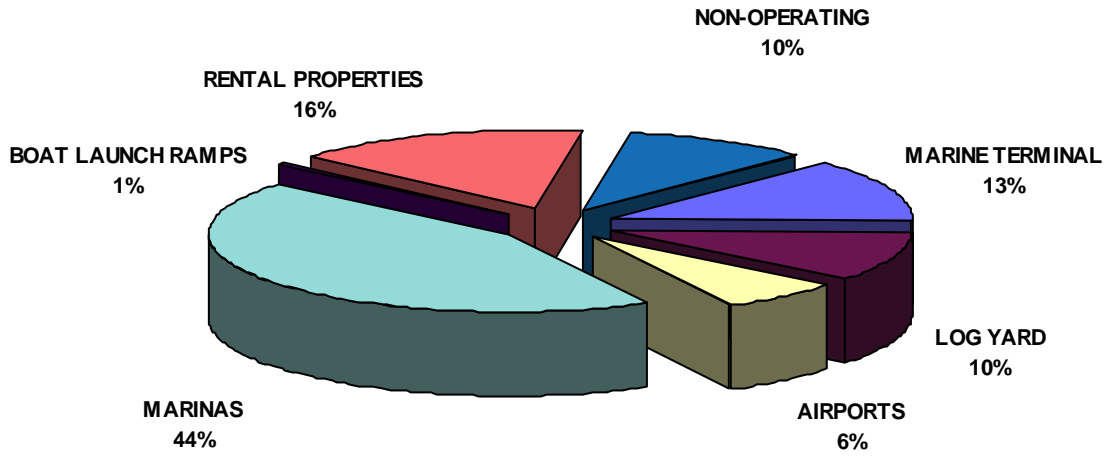
CATEGORY	ACTUAL 2008	% OF	BUDGET 2009	% OF	PROJECTED 2009	% OF	BUDGET 2010	% OF
AGENTS FEES	224,313	3.9%	216,900	3.3%	226,700	3.7%	207,700	3.3%
LABOR	790,937	13.6%	1,005,400	15.2%	867,700	14.3%	898,700	14.1%
MATERIALS	284,486	4.9%	378,000	5.7%	264,400	4.3%	299,500	4.7%
DUES & SUBSCRIPTIONS	31,677	0.5%	33,000	0.5%	25,400	0.4%	21,500	0.3%
EST FRINGE BENEFITS	1,092,252	18.8%	1,286,200	19.5%	1,144,600	18.8%	1,310,300	20.6%
INDUSTRIAL MARKETING & PUBLIC INFO	11,259	0.2%	125,000	1.9%	225,900	3.7%	125,000	2.0%
INSURANCE & TAXES	334,838	5.8%	322,300	4.9%	369,100	6.1%	346,850	5.4%
INTERDEPARTMENTAL EXPENSE	53,624	0.9%	54,000	0.8%	56,100	0.9%	59,000	0.9%
INTEREST EXPENSE	16,534	0.3%	17,200	0.3%	17,200	0.3%	15,400	0.2%
MISCELLANEOUS EXPENSE	528,485	9.1%	409,300	6.2%	448,200	7.4%	388,900	6.1%
OUTSIDE SERVICES	404,963	7.0%	410,000	6.2%	526,100	8.6%	446,800	7.0%
PRINCIPAL PAYMENTS	46,300	0.8%	46,300	0.7%	46,300	0.8%	46,300	0.7%
PROMOTIONAL HOSTING	3,398	0.1%	15,000	0.2%	7,500	0.1%	20,000	0.3%
SALARIES & WAGES	1,006,683	17.3%	1,069,300	16.2%	977,300	16.1%	1,202,500	18.9%
SUPPLIES	542,483	9.3%	578,600	8.8%	349,200	5.7%	383,200	6.0%
TRAVEL & TRAINING	74,941	1.3%	101,500	1.5%	56,100	0.9%	118,000	1.9%
UTILITIES	371,422	6.4%	530,300	8.0%	477,400	7.8%	480,700	7.5%
TOTAL EXPENDITURES (note 3)	5,818,594	100%	6,598,300	100%	6,085,200	100%	6,370,350	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 2010 BUDGET)

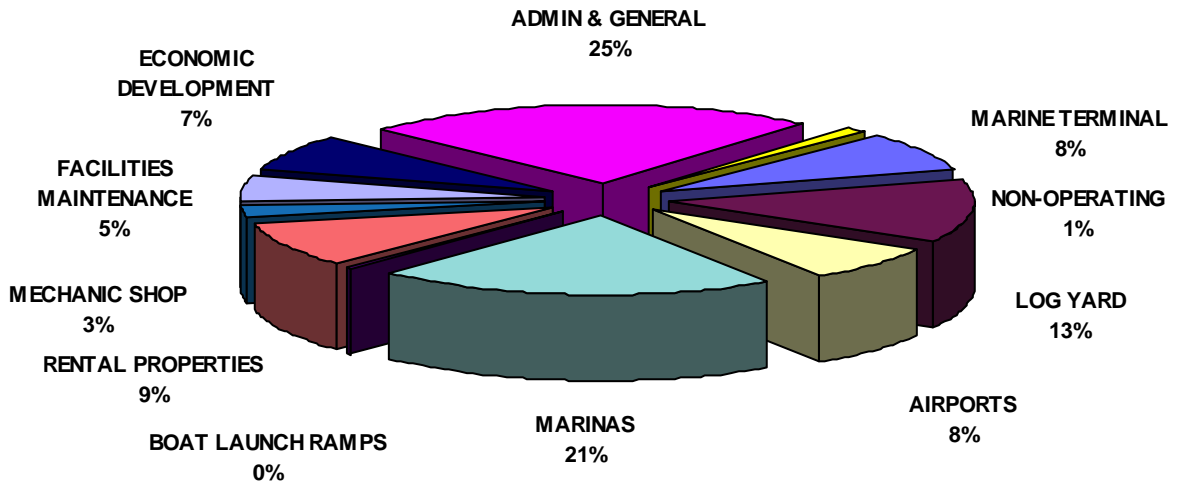
SECTION IV

OPERATING BUDGETS

2010 GENERAL FUND RECEIPTS



2010 GENERAL FUND EXPENDITURES



GENERAL FUND SUMMARY

RECEIPTS

DIVISION	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
MARINE TERMINAL	683,670	839,100	863,800	793,700
LOG YARD	723,794	1,145,800	549,200	628,600
AIRPORTS	355,613	377,700	380,600	389,100
MARINAS	2,643,495	2,745,800	2,646,300	2,644,400
BOAT LAUNCH RAMPS	40,887	40,050	44,500	45,000
RENTAL PROPERTIES	916,249	824,700	871,500	955,100
TOTAL OPERATIONS	5,363,709	5,973,150	5,355,900	5,455,900
NON-OPERATING AND A&G	871,661	624,600	652,200	608,000
SUB TOTAL	6,235,370	6,597,750	6,008,100	6,063,900

EXPENDITURES

DIVISION	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
MARINE TERMINAL	490,735	516,300	387,300	513,600
LOG YARD	873,376	1,049,400	917,400	803,600
AIRPORTS	509,634	514,100	549,400	492,100
MARINAS	1,296,001	1,497,300	1,266,100	1,355,300
BOAT LAUNCH RAMPS	2,479	23,700	21,500	16,100
RENTAL PROPERTIES	417,097	614,200	703,100	589,200
MECHANICAL MAINTENANCE	113,552	180,000	115,900	162,300
FACILITIES MAINTENANCE	169,734	229,000	242,700	325,200
TOTAL - OPERATIONS	3,872,608	4,624,000	4,203,400	4,257,400
ECONOMIC DEVELOPMENT	101,370	327,300	394,400	473,100
ADMIN & GENERAL	1,776,134	1,576,500	1,415,400	1,571,400
NON-OPERATING	63,182	64,500	64,000	62,450
SUB TOTAL	5,813,295	6,592,300	6,077,200	6,364,350

NET SURPLUS (DEFICIT)

	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
NET SURPLUS (DEFICIT)	422,075	5,450	(69,100)	(300,450)

NOTES: NO DEPRECIATION INCLUDED IN THESE CALCULATIONS; SEE SEPARATE PRESENTATION ON PAGE VIII - 4
 PROJECTED 2009 EXPENSES INCLUDE MAJOR MAINTENANCE PROJECTS OF \$430,290
 BUDGET 2010 EXPENSES INCLUDE MAJOR MAINTENANCE PROJECTS OF \$215,000

MARINE TERMINAL

Marine terminals provide five deep water berths - three dockside and two dolphin berths and related equipment. The marine 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

2009 Projected:

1. Tankers for topside repair – 146 days
2. No log ships projected
3. CPI + 2.5% rate increase on dockage and repair dockage; CPI increase on equipment rental, wharfage, service & facilities charge, passenger & security fee
4. 40 Marine Travel-Lift haulouts and two cruise ships
5. Electrical service infrastructure fee recognized in miscellaneous income

2010 Budget:

1. Tankers for topside repair – 115 days
2. No log ships projected
3. No increase on dockage and repair dockage; no increase on equipment rental, wharfage, service and facilities charge, passenger fee and security fee
4. 45 Marine Travel-Lift haulouts and two cruise vessels
5. Electrical service infrastructure fee recognized in miscellaneous income
6. Rate review schedule for mid-2010

EXPENSE ASSUMPTIONS

2009 Projected:

1. 2.8% CPI increase on all salaries, labor and estimated fringe benefits
2. 10% decrease for insurance expense; reallocation of Port insurance expenses
3. No increase budgeted for taxes; CPI increase budgeted for utilities
4. Major maintenance of \$165,000 for Dock Repairs included in labor and materials

2010 Budget:

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 of \$50,000 for Dock Repairs included in labor, materials and outside services. Also refer to page V - 10

MARINE TERMINAL

RECEIPTS

CATEGORY	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
DOCKAGE	524,059	564,000	664,200	571,300
EQUIPMENT RENTAL	31,157	32,000	18,100	21,900
HANDLING	99	2,500	5,000	10,000
LEASE/RENTAL INCOME	26,568	31,000	32,000	33,000
MISCELLANEOUS INCOME	1,342	37,800	2,400	21,500
SECURITY FEE	72,846	77,000	98,000	83,600
SERVICE CHARGE	0	0	0	0
STORAGE	3,780	3,800	3,800	3,800
UTILITY SALES	19,078	80,500	29,000	29,000
WHARFAGE	4,742	10,500	11,300	19,600
TOTAL RECEIPTS	683,670	839,100	863,800	793,700

EXPENDITURES

CATEGORY	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
LABOR	65,748	70,600	67,400	55,000
MATERIALS	75,375	52,000	38,500	50,000
DUES & SUBSCRIPTIONS	1,689	1,500	1,000	1,000
EST FRINGE BENEFITS	88,103	112,500	90,800	94,900
INSURANCE & TAXES	118,607	39,800	45,100	45,100
MISCELLANEOUS EXPENSE	11,712	12,000	9,700	32,000
OUTSIDE SERVICES	11,098	12,000	7,800	70,000
SALARIES & WAGES	79,250	110,900	79,000	115,600
SUPPLIES	6,589	10,000	8,000	10,000
TRAVEL & TRAINING	2,832	5,000	5,000	5,000
UTILITIES	29,732	90,000	35,000	35,000
TOTAL EXPENDITURES	490,735	516,300	387,300	513,600

	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
SUB TOTAL SURPLUS (DEFICIT)	192,935	322,800	476,500	280,100

LOG YARD

The LY 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 LY 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

Some log handling activities occur at Terminal 5 located at the west end of the harbor.

REVENUE ASSUMPTIONS

2009 Projected:

1. Rafting volume – 3.6 million board feet
2. Decked volume – 1.8 million board feet
3. Round boom volume - none
4. Revenue for handling includes 2.5 million b.f. inbound log volume via barge/raft
5. Containers – 1,600 @ \$145 per container (6.4 million board feet)

2010 Budget:

1. Rafting volume – 9.4 million board feet
2. Decked volume – 4.7 million board feet
3. Round boom volume - none
4. Revenue for handling includes 3.8 million b.f. inbound log volume via barge/raft
5. Containers – 1,450 @ \$145 per container (5.8 million board feet)
6. No increase in rafting, round boom and banding charges
7. Recognizes new land lease with InterFor
8. Miscellaneous income includes storage fee for chip loading tower

EXPENSE ASSUMPTIONS

2009 Projected:

1. 2.8% CPI increase added to all labor, est. fringe benefits, salaries and wages
2. CPI increase budgeted for utilities; no increase budgeted for taxes
3. Insurance expense recognizes reallocation of total Port insurance expenses
4. DNR harbor area lease for log storage recognized in miscellaneous expense
5. Major maintenance cost of \$35,000 for Piling Replacement and Boom Sidesticks included in labor and materials categories

2010 Budget:

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

LOG YARD

RECEIPTS

CATEGORY	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
BANDING REVENUE	100,756	183,200	14,700	36,700
EQUIPMENT RENTAL	1,128	800	1,000	5,700
HANDLING	105,823	226,300	340,200	306,900
LEASE/RENTAL INCOME	63,000	93,000	66,000	81,000
MISCELLANEOUS INCOME	120,812	59,000	73,000	63,000
RAFTING REVENUE	332,275	583,500	54,100	135,300
ROUND BOOM REVENUE	0	0	200	0
TOTAL RECEIPTS	723,794	1,145,800	549,200	628,600

EXPENDITURES

CATEGORY	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
LABOR	265,425	329,800	295,500	275,100
MATERIALS	71,313	93,000	85,800	46,000
EST FRINGE BENEFITS	201,384	234,600	226,700	206,500
INSURANCE & TAXES	32,344	59,500	89,900	63,800
INTERDEPARTMENTAL EXPENSE	113	500	100	500
MISCELLANEOUS EXPENSE	13,458	30,000	36,900	30,000
OUTSIDE SERVICES	4,769	10,000	17,900	10,000
SALARIES & WAGES	66,011	48,600	70,200	52,700
SUPPLIES	183,322	219,000	63,400	94,600
UTILITIES	35,240	24,400	31,000	24,400
TOTAL EXPENDITURES	873,376	1,049,400	917,400	803,600

	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
NET SURPLUS (DEFICIT)	(149,582)	96,400	(368,200)	(175,000)

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

2009 Projected:

1. CPI increase on hangars rentals
2. No increase in landing fees
3. Obstruction removal (contracted services) deferred to 2010 - 2011
4. Assumes continued landing fee waiver for commercial passenger service
5. PFC revenues transferred to capital budget

2010 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

2009 Projected:

1. 2.8% CPI added to all labor, estimated fringe benefits and salaries and wages
2. Insurance and taxes based on new allocations
3. CPI increase budgeted for utilities

2010 Budget:

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

WILLIAM R. FAIRCHILD INTERNATIONAL AIRPORT

RECEIPTS

CATEGORY	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
EQUIPMENT RENTAL	0	5,000	5,000	5,000
FUEL SALES & HANDLING	16,423	16,000	12,000	14,000
HANGARS & TIE DOWNS	108,122	114,000	115,500	115,500
INTERDEPARTMENTAL REVENUE	45,011	45,000	45,000	50,000
LANDING FEES/ETC	16,687	16,500	17,000	17,000
LEASE/RENTAL INCOME	119,469	127,000	132,000	132,000
MISCELLANEOUS INCOME	5,999	7,000	5,500	6,000
PARKING CHARGES	28,337	30,000	33,000	34,000
TOTAL RECEIPTS	340,049	360,500	365,000	373,500

EXPENDITURES

CATEGORY	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
LABOR	102,704	88,200	98,000	90,000
MATERIALS	16,074	17,000	14,500	14,000
DUES & SUBSCRIPTIONS	410	1,500	1,000	1,500
EST FRINGE BENEFITS	117,078	103,600	114,300	100,500
INSURANCE & TAXES	41,429	69,500	65,000	65,000
INTERDEPARTMENTAL EXPENSE	3,500	3,500	3,500	3,500
MISCELLANEOUS EXPENSE	6,779	10,000	9,300	9,400
OUTSIDE SERVICES	26,873	25,000	44,200	25,000
SALARIES & WAGES	89,982	78,900	86,400	79,600
SUPPLIES	16,850	12,000	15,000	12,000
TRAVEL & TRAINING	3,473	5,000	1,000	3,000
UTILITIES	52,005	64,000	62,500	63,000
TOTAL EXPENDITURES	477,156	478,200	514,700	466,500

	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
NET SURPLUS (DEFICIT)	(137,107)	(117,700)	(149,700)	(93,000)

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

2009 Projected:

1. CPI rate increase on hangars and other fees
2. Assumes timber revenue neutral (contracted services)

2010 Budget:

1. No change to rates and fees
2. Assumes same occupancy in hangars

EXPENSE ASSUMPTIONS

2009 Projected:

1. 2.8% CPI added to all labor, estimated fringe benefits and salaries and wages
2. Insurance and taxes adjusted to new allocation tables

2010 Budget:

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

SEKIU AIRPORT

RECEIPTS

CATEGORY	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
HANGARS & TIE DOWNS	15,515	17,100	15,500	15,500
LEASE/RENTAL INCOME	50	100	100	100
TOTAL RECEIPTS	15,565	17,200	15,600	15,600

EXPENDITURES

CATEGORY	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
LABOR	5,384	4,900	7,600	3,000
MATERIALS	5,486	2,000	2,600	2,000
EST FRINGE BENEFITS	8,127	8,400	9,700	5,600
INSURANCE & TAXES	1,323	3,000	2,700	2,700
MISCELLANEOUS EXPENSE	572	1,000	0	1,000
OUTSIDE SERVICES	915	5,000	800	1,000
SALARIES & WAGES	7,992	8,600	8,000	6,900
SUPPLIES	0	100	0	100
UTILITIES	2,679	2,900	3,300	3,300
TOTAL EXPENDITURES	32,478	35,900	34,700	25,600

	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
NET SURPLUS (DEFICIT)	(16,913)	(18,700)	(19,100)	(10,000)

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

2009 Projected:

1. Moorage and liveaboard rate increase as approved by Port Commission (fourth year of five year rate plan)
2. Assumes occupancy at 72% percentage due to current economic climate and high fuel costs

2010 Budget:

1. Rate increases deferred for review in 2010 for possible adjustment in 2011
2. Occupancy same level as 2009

EXPENSE ASSUMPTIONS

2009 Projected:

1. 2.8% CPI added to all labor, estimated fringe benefits and salaries and wages
2. Insurance and taxes adjusted to new allocation tables
3. CPI increase budgeted for utilities
4. Increased salaries and wages cost with reallocation of security and operational personnel to department
5. Major maintenance costs of \$10,000 for Repair Work Float Pier included in labor and materials categories.

2010 Budget:

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 cost of \$10,000 for Repair Work Float Pier included in labor and materials categories. Also included in labor and materials categories are dock numbering and fish cleaning station projects. Also refer to page V - 10

PORT ANGELES BOAT HAVEN

RECEIPTS

CATEGORY	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
FUEL SALES & HANDLING	245	0	0	0
LEASE/RENTAL INCOME	3,664	3,500	4,400	4,500
MISCELLANEOUS INCOME	19,655	24,000	24,000	24,000
MOORAGE	1,071,935	1,098,800	1,111,500	1,112,000
UTILITY SALES	133,244	142,800	137,000	137,000
WHARFAGE	3,265	3,500	6,000	5,000
TOTAL RECEIPTS	1,232,008	1,272,600	1,282,900	1,282,500

EXPENDITURES

CATEGORY	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
AGENTS FEES	144,698	151,800	144,700	144,700
LABOR	44,655	51,900	35,900	39,000
MATERIALS	21,951	26,000	26,000	31,000
EST FRINGE BENEFITS	40,660	62,700	35,600	38,100
INSURANCE & TAXES	24,211	22,800	28,200	28,000
MISCELLANEOUS EXPENSE	9,819	10,000	3,000	5,000
OUTSIDE SERVICES	10,955	15,000	20,000	15,000
SALARIES & WAGES	22,263	49,300	21,500	21,500
SUPPLIES	16,323	15,000	17,000	15,000
UTILITIES	136,968	165,400	159,000	160,000
TOTAL EXPENDITURES	472,502	569,900	490,900	497,300

	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
NET SURPLUS (DEFICIT)	759,506	702,700	792,000	785,200

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 (i.e. park, boat launch and meeting rooms) 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

2009 Projected:

1. Rate increase as approved by Port Commission (fourth year of five year rate plan)
2. No change in occupancy of 95% annual average
3. CPI increase budgeted for utilities

2010 Budget:

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

EXPENSE ASSUMPTIONS

2009 Projected:

1. 2.8% CPI added to all labor, estimated fringe benefits and salaries and wages
2. Insurance and taxes adjusted to new allocation tables
3. Increased labor cost with reallocation of security and operational personnel to department
4. CPI increase budgeted for utilities

2010 Budget:

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 costs of \$16,500 for Building Maintenance and \$11,500 for Ground Maintenance included in labor and materials categories. Also refer to page V - 10

JOHN WAYNE MARINA

RECEIPTS

CATEGORY	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
FUEL SALES & HANDLING	218,918	225,000	145,500	150,000
LEASE/RENTAL INCOME	31,058	32,500	32,500	32,500
MISCELLANEOUS INCOME	65,358	65,000	69,500	69,000
MOORAGE	845,668	953,700	900,600	900,500
UTILITY SALES	1,160	1,400	2,000	1,600
TOTAL RECEIPTS	1,162,163	1,277,600	1,150,100	1,153,600

EXPENDITURES

CATEGORY	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
LABOR	157,450	223,900	175,000	220,700
MATERIALS	8,388	32,000	10,000	35,000
EST FRINGE BENEFITS	108,859	152,800	124,900	155,700
INSURANCE & TAXES	29,464	43,300	44,500	44,500
MISCELLANEOUS EXPENSE	2,862	5,500	8,500	5,500
OUTSIDE SERVICES	21,477	22,000	15,000	10,000
SALARIES & WAGES	21,711	22,500	26,500	26,500
SUPPLIES	225,411	235,000	155,000	160,000
TRAVEL & TRAINING	44	1,000	0	1,000
UTILITIES	26,789	35,700	42,200	42,500
TOTAL EXPENDITURES	602,454	773,700	601,600	701,400

	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
NET SURPLUS (DEFICIT)	559,708	503,900	548,500	452,200

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

2009 Projected:

1. Reduced dry storage due to Boat Haven completion and available slips

2010 Budget:

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

EXPENSE ASSUMPTIONS

2009 Projected:

1. CPI added to Agent's fees per contract; Agent's fees reflect contractual commitment
2. 2.8% CPI added to all labor, estimated fringe benefits and salaries and wages
3. Insurance and taxes adjusted to new allocation tables
4. CPI increase for utilities
5. Major maintenance cost of \$10,000 for Seal Coat of Boat Yard deferred to 2010

2010 Budget:

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 cost of \$10,000 for Seal Coat of Boat Yard included in labor and materials categories. Also refer to page V - 10

BOAT YARD

RECEIPTS

CATEGORY	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
INTERDEPARTMENTAL REVENUE	0	0	0	0
LEASE/RENTAL INCOME	10,925	13,000	5,500	5,500
MISCELLANEOUS INCOME	236,023	180,000	205,000	200,000
UTILITY SALES	2,375	2,600	2,800	2,800
TOTAL RECEIPTS	249,324	195,600	213,300	208,300

EXPENDITURES

CATEGORY	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
AGENTS FEES	79,615	65,100	82,000	63,000
LABOR	17,287	19,600	18,500	15,000
MATERIALS	7,692	10,000	8,900	8,000
EST FRINGE BENEFITS	12,808	17,800	16,700	14,800
INSURANCE & TAXES	5,234	3,600	5,800	5,800
MISCELLANEOUS EXPENSE	73,789	5,000	2,700	5,000
OUTSIDE SERVICES	3,040	5,000	7,700	17,500
SALARIES & WAGES	3,792	9,100	8,500	8,500
SUPPLIES	5,645	2,500	9,800	6,000
UTILITIES	12,144	16,000	13,000	13,000
TOTAL EXPENDITURES	221,045	153,700	173,600	156,600

	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
NET SURPLUS (DEFICIT)	28,279	41,900	39,700	51,700

PUBLIC BOAT RAMPS

Provides and maintains three 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

2009 Projected:

1. Assumes economic climate to remain constant with 2008

2010 Budget:

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

EXPENSE ASSUMPTIONS

2009 Projected:

1. 2.8% CPI added to all labor, estimated fringe benefits and salaries and wages
2. Insurance and taxes adjusted to new allocation tables

2010 Budget:

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

PUBLIC BOAT RAMPS

RECEIPTS

CATEGORY	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
MISCELLANEOUS INCOME	40,887	40,050	44,500	45,000
TOTAL RECEIPTS	40,887	40,050	44,500	45,000

EXPENDITURES

CATEGORY	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
LABOR	244	7,800	6,200	4,000
MATERIALS	0	5,000	5,000	5,000
EST FRINGE BENEFITS	148	4,800	3,900	2,500
INSURANCE & TAXES	1,021	1,100	1,600	1,600
MISCELLANEOUS EXPENSE	365	1,000	500	1,000
OUTSIDE SERVICES	0	2,000	0	0
SUPPLIES	699	2,000	4,300	2,000
TOTAL EXPENDITURES	2,479	23,700	21,500	16,100

	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
NET SURPLUS (DEFICIT)	38,408	16,350	23,000	28,900

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 K-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

2009 Projected:

1. ACTI increase to reflect amortization of HVAC system (\$27,500)
2. Cowlitz Clean Sweep Lease (8 months)
3. No Peninsula Plywood lease payments (24 month deferral)
4. Include Homeland Security Lease (6 months)
5. Rental adjustments included for Westport

2010 Budget:

1. Rental adjustments where appropriate per Commission direction
2. Homeland Security Lease full year
3. Reduced Peninsula Plywood lease payments
4. Rental of old mechanical maintenance facility

EXPENSE ASSUMPTIONS

2009 Projected:

1. K Ply redevelopment costs are in the capital budget
2. K Ply maintenance expense of \$150,000 for the first six months of 2009 included in labor (\$42,000), outside services (\$48,000) and utilities (\$60,000)
3. Refer to page V - 3 for K Ply Redevelopment costs in the Capital Budget

2010 Budget:

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

RENTAL PROPERTY

RECEIPTS

CATEGORY	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
LEASE/RENTAL INCOME	874,809	791,500	825,000	908,600
MISCELLANEOUS INCOME	41,440	33,200	46,500	46,500
TOTAL RECEIPTS	916,249	824,700	871,500	955,100

EXPENDITURES

CATEGORY	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
LABOR	54,082	117,600	88,500	88,500
MATERIALS	38,491	36,000	45,000	36,000
EST FRINGE BENEFITS	63,193	103,700	85,900	87,300
INSURANCE & TAXES	56,680	52,000	57,000	59,900
INTERDEPARTMENTAL EXPENSE	45,011	45,000	47,500	50,000
MISCELLANEOUS EXPENSE	38,906	40,000	45,000	45,000
OUTSIDE SERVICES	40,322	83,000	200,000	85,000
SALARIES & WAGES	49,921	49,700	50,000	50,000
TRAVEL & TRAINING	0	5,000	2,000	5,000
UTILITIES	30,492	82,200	82,200	82,500
TOTAL EXPENDITURES	417,097	614,200	703,100	589,200

	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
NET SURPLUS (DEFICIT)	499,152	210,500	168,400	365,900

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

2009 Projected:

1. 2.8% CPI added to all labor, estimated fringe benefits and salaries and wages
2. 10% decrease budgeted for insurance
3. CPI increase budgeted for utilities
4. One programmed replacement fleet vehicle (change in budgeting philosophy); reflected in miscellaneous expense

2010 Budget:

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 cost of \$10,000 for Equipment Repairs (forklifts/other) included in labor and materials. Also refer to page V - 10

MECHANICAL MAINTENANCE

EXPENDITURES

OVERHEAD COSTS	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
LABOR	25,332	39,200	11,500	32,000
MATERIALS	10,006	40,000	1,200	20,000
EST FRINGE BENEFITS	28,847	33,400	17,200	40,500
INSURANCE & TAXES	2,095	2,000	3,200	3,200
MISCELLANEOUS EXPENSE	1,941	28,000	38,600	5,000
OUTSIDE SERVICES	1,458	4,000	10,900	5,800
SALARIES & WAGES	22,145	14,700	16,300	32,300
SUPPLIES	15,112	11,000	8,400	8,500
TRAVEL & TRAINING	0	500	0	0
UTILITIES	6,615	7,200	8,600	15,000
TOTAL OVERHEAD COSTS	113,552	180,000	115,900	162,300
MECH SHOP REVENUES	0	0	0	0
NET OVERHEAD COSTS	(113,552)	(180,000)	(115,900)	(162,300)

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

2009 Projected:

1. Forklift Training

2010 Budget:

1. Forklift Training

EXPENSE ASSUMPTIONS

2009 Projected:

1. 2.8% CPI added to all labor, estimated fringe benefits and salaries and wages
2. 10% decrease budgeted for insurance
3. CPI added budgeted for utilities
4. One programmed replacement fleet vehicle (change in budgeting philosophy); reflected in miscellaneous expense

2010 Budget:

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

FACILITIES MAINTENANCE

EXPENDITURES

OVERHEAD COSTS	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
LABOR	30,269	39,200	53,200	65,400
MATERIALS	17,312	40,000	19,400	27,500
EST FRINGE BENEFITS	38,860	33,400	47,800	76,400
INSURANCE & TAXES	6,763	6,700	8,400	8,500
INTERDEPARTMENTAL EXPENSE	5,000	5,000	5,000	5,000
MISCELLANEOUS EXPENSE	6,184	55,000	47,500	50,000
OUTSIDE SERVICES	2,294	2,000	2,900	2,500
SALARIES & WAGES	33,686	14,700	23,900	55,900
SUPPLIES	23,664	25,000	27,200	25,000
TRAVEL & TRAINING	1,367	3,000	4,500	4,000
UTILITIES	9,634	11,000	10,900	11,000
TOTAL OVERHEAD COSTS	(175,033)	(235,000)	(250,700)	(331,200)
FACILITY MAINT REVENUES	5,299	6,000	8,000	6,000
NET OVERHEAD COSTS	(169,734)	(229,000)	(242,700)	(325,200)

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

2009 Projected:

1. Outside services includes \$25,000 for Clallam County EDC, Biofuel Study, Forks Motor Sports Park study, NOAA materials and ACTI proposal
2. Anticipate OPVB in-kind services of \$5,000 and NOTAC in-kind services of \$2,500. OPVB provides marketing support and NOTAC provides support for the timber community
3. Increase in Industrial Marketing for NOAA and ACTI projects
4. Increase in Promotional Hosting for recruitment of industrial tenants in fulfillment of strategic plan development objectives

2010 Budget:

1. No increase in salaries and wages
2. Salaries and wages, fringe benefits, travel and training, and promotional hosting reflect new marketing position
3. Increase in medical insurance premiums reflected in estimated fringe benefits
4. Continued support for CCEDC, OPVB, NOTAC
5. Marketing materials for PABH, JWM
6. Continued outreach to customers, tenants and new prospects

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 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
EST FRINGE BENEFITS	22,444	60,600	41,000	90,100
INDUSTRIAL MARKETING	0	100,000	200,900	100,000
OUTSIDE SERVICES	26,370	25,000	53,000	35,000
PROMOTIONAL HOSTING*	3,398	15,000	7,500	20,000
PUBLIC INFORMATION	11,259	25,000	25,000	25,000
SALARIES & WAGES	36,938	97,700	65,000	143,000
SUPPLIES	961	2,000	2,000	10,000
TRAVEL & TRAINING	0	2,000	0	50,000
TOTAL EXPENDITURES	(101,370)	(327,300)	(394,400)	(473,100)

* Promotional Hosting Legal Limit Under RCW 53.36.130:
 $(\$2,500,000 \times 0.01) + (\$2,500,000 \times 0.005) + (\$1,063,900 \times 0.0025) = \$40,159$

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

2009 Projected:

1. 2.8% CPI added to all labor, salaries and estimated fringe benefits; Salaries and Wages reflect step adjustments
2. 10% decrease budgeted for insurance
3. Dues and subscriptions remain unchanged
4. Travel reflects increased cost of outreach and marketing efforts
5. CPI increase budgeted for utilities
6. Miscellaneous expense includes severance pay
7. Major maintenance costs of \$103,500 for Network Equipment, Office Equipment, Software and System Support are included in labor, materials and outside services categories

2010 Budget:

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 costs of \$7,000 for Network Equipment, \$20,000 for Seal Coat Parking, \$15,000 for Software and \$65,000 for System Support included in labor, materials and outside services categories. Also included in the supplies category is purchase of office equipment. Also refer to page V - 10

ADMINISTRATION AND GENERAL

EXPENDITURES

CATEGORY	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
LABOR	22,358	12,700	10,400	11,000
MATERIALS	12,398	25,000	7,500	25,000
DUES & SUBSCRIPTIONS	29,578	30,000	23,400	19,000
EST FRINGE BENEFITS	361,741	357,900	330,100	397,400
INSURANCE & TAXES	15,320	18,000	17,200	18,000
MISCELLANEOUS EXPENSE	362,098	211,800	246,500	200,000
OUTSIDE SERVICES	255,391	200,000	145,900	170,000
SALARIES & WAGES	572,993	564,600	522,000	610,000
SUPPLIES	47,907	45,000	39,100	40,000
TRAVEL & TRAINING	67,226	80,000	43,600	50,000
UTILITIES	29,125	31,500	29,700	31,000
TOTAL EXPENDITURES	(1,776,134)	(1,576,500)	(1,415,400)	(1,571,400)

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

2009 Projected:

1. Budgeted interest income reflects lower investment balances
2. Miscellaneous income reflects lower timber-related collections
3. Lower Contract Sales receipts reflect payments on two remaining Carlsborg contracts

2010 Budget:

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

EXPENSE ASSUMPTIONS

2009 Projected:

1. Interest and principal expenditures are contractual obligations on RTA and CERB III loans
 - RTA loan financed Marine Facilities study
 - CERB III loan financed portion of cost of Multi-Tenant building
 - Note: Interest and principal payments on LTGO bonds reflected in Capital Projects budget

2010 Budget:

1. Interest and principal expenditures are contractual obligations on RTA loan (financed Marine Facilities study)
2. Large principal expenditure on CERB III loan (financial portion of Multi-Tenant building) reflects potential retirement of CERB III loan

NON-OPERATING

RECEIPTS

CATEGORY	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
CONTRACT SALES	4,443	4,600	4,600	36,000
INTEREST INCOME	595,272	450,000	412,600	372,000
MISCELLANEOUS REVENUE	271,946	170,000	235,000	200,000
TOTAL RECEIPTS	871,661	624,600	652,200	608,000

EXPENDITURES

CATEGORY	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
INSURANCE & TAXES	348	1,000	500	750
INTEREST EXPENSE	16,534	17,200	17,200	15,400
PRINCIPAL PAYMENTS	46,300	46,300	46,300	46,300
TOTAL EXPENDITURES	63,182	64,500	64,000	62,450

	ACTUAL 2008	BUDGET 2009	PROJECTED 2009	BUDGET 2010
NET SURPLUS (DEFICIT)	808,478	560,100	588,200	545,550

SECTION V

CAPITAL PROJECTS BUDGET

CAPITAL PROJECTS BUDGET

The Capital Projects Budget includes a 2010 Capital Improvement Budget, Five Year Improvement Plan, 2010 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 – 2010", and the Capital Improvement Budget estimates approximately \$11,145,594 of funds available for capital projects in 2010 (see page V-3).

A. 2010 CAPITAL IMPROVEMENT BUDGET

The Capital Improvement Budget includes new construction projects planned for completion in 2010. 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 2014 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. 2010 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) return on investment; 2) safety; 3) job growth; 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. 2010 MAJOR MAINTENANCE CHART

The Major Maintenance Chart summarizes projects to be carried out in 2010. 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

2010 CAPITAL IMPROVEMENT BUDGET

ACCOUNTS/PROJECTS	TOTAL COST 2010	NET COST 2010	2010 CAPITAL BUDGET
ESTIMATED BALANCE, 1/1/2010			\$10,200,000
FUND TRANSFERS (Reserve Reductions):			
Transfer from Debt Service Fund			550,000
CAPITAL IMPROVEMENT FUND BALANCES			\$10,750,000
ESTIMATED SOURCES - 2010			
Available from Operating Divisions			\$0
General Tax Levy (net of GO debt service)*			395,594
SOURCES AVAILABLE FOR USE - 2010			\$11,145,594
ESTIMATED CAPITAL EXPENDITURES:			
STRATEGIC PROJECTS			
ACTI & Industrial Infrastructure	\$615,000	\$615,000	
Flexible Projects	200,000	200,000	
T5 Development (Dock Imp/Site Dev/Coffer Dam)	300,000	300,000	
OTHER PROJECTS			
RP - Blackball Improvement	\$300,000	\$300,000	
FIA - Lincoln Park - Avigation Easement (AIP)	25,000	25,000	
FIA - Site Development (FBO/Corp.) (AIP)	50,000	50,000	
BY - Stormwater Improvements	100,000	100,000	
ESTIMATED CAPITAL EXPENDITURES	\$1,590,000	\$1,590,000	(\$1,590,000)
ESTIMATED BALANCE, 12/31/2010 CAPITAL IMPROVEMENT FUND			\$9,555,594
*General Tax Levy Calculation			
1. 2009 Tax Levy	\$1,305,694		
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	75,000,000		
5. 2009 Levy Rate (per thousand)	<u>0.15204</u>		
6. New construction adjustment	11,403		
2010 Tax Levy (1 + 3 + 6) - estimated	\$1,317,097		
2010 LTGO Debt Service	<u>(921,503)</u>		
General Tax Levy (net of GO debt service)	\$395,594		

FIVE YEAR IMPROVEMENT PLAN

	2010	2011	2012	2013	2014 Forward	Total
STRATEGIC PROJECTS:						
ACTI & Industrial Infrastructure	615,000	8,500,000				9,115,000
Bio Mass Facility Phase II		TBD				
Dock Improvements						
Edgewood Dr. Ind. Park Infrastructure		20,000	100,000	630,000		750,000
Enhance Ship Dockage Facilities (T3)		400,000	2,300,000	2,300,000		5,000,000
Flexible Projects	200,000	210,000	220,000	230,000	1,590,000	2,450,000
JWM Fishing Pier		TBD				
JWM Mooring Buoys		TBD				
JWM Upland Development		TBD				
PA Harborworks	0	TBD				
PA Mid-Harbor Shore Power to Buoys		TBD				
PABH Upland Development (CW MP)		200,000	500,000	1,200,000		1,900,000
Sequim Industrial & Tourism Infrastructure		TBD				
Sewer Dev. and Corporate Hangars		250,000	200,000	1,250,000		1,700,000
T5 Dev. (Dock Imp/Site Dev/Coffer Dam)	300,000					300,000
Tumwater Creek Bridge		800,000				800,000
W. End Tourism Infra. (Shooting Sports Park)		TBD				
Waterfront or Ind. Property Purchase		1,000,000				1,000,000
Workforce Housing in Carlsborg UGA		TBD				
Total Strategic Projects	1,115,000	11,380,000	3,320,000	5,610,000	1,590,000	23,015,000
MARINE TERMINAL:						
Camel Logs/Walking Sticks*		11,000	11,500	12,000	82,500	117,000
Dock Repairs*	50,000	175,000	180,000	185,000	1,215,000	1,805,000
Equipment Purchase (forklifts/other)		70,000		75,000	80,000	225,000
Equipment Repair (forklifts/other)*		32,000	38,000		126,000	196,000
Haz. Mat. Mitigation (subject to ins.)		TBD				
Marine Terminal Gangway (cruise ship)		50,000				50,000
Security Improvements (25% grant match)		78,500	14,000	14,500	97,500	204,500
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	50,000	966,500	243,500	876,500	1,601,000	3,737,500
LOGYARD:						
Boom Boat		170,000	175,000		180,000	525,000
Drainage & Paving		385,000	90,000	95,000	800,000	1,370,000
Dredging/Woodwaste Remediation*			120,000			120,000
Equipment/Swifter Repairs				42,500		42,500
Piling Replacement/Boom Sidesticks*		45,000	50,000	55,000	435,000	585,000
Vacuum Sweeper		150,000				150,000
Total Logyard	0	750,000	435,000	192,500	1,415,000	2,792,500

FIVE YEAR IMPROVEMENT PLAN

	2010	2011	2012	2013	2014 Forward	Total
FAIRCHILD INTERNATIONAL AIRPORT:						
De-icing Facility Improvements (AIP)		10,000				10,000
FBO Hangar Building		1,000,000				1,000,000
Lincoln Park - Avigation Easement (AIP)	25,000					25,000
Lincoln Park - MP and Mitigation (AIP)						
New Access Road to Terminal (AIP)		67,000				67,000
New Parking Machine		15,000				15,000
Obstruction Removal		10,000				10,000
Passenger Facility Charges	-35,000	-45,000	-45,000	-45,000	-270,000	-440,000
Remove/Replace Hangars (4)		325,000	350,000	375,000	400,000	1,450,000
Replace Vehicle Electric Gate		25,000				25,000
Security Gate Access (AIP)		75,000				75,000
Signage		15,000				15,000
Site Development (FBO/Corporate) (AIP)	50,000					50,000
Slurry Seal X Wind Runway		25,000				25,000
Taxilane F and GA Taxiway (AIP)		75,000				75,000
Terminal Heat Pump		25,000				25,000
Vacuum Sweeper (AIP)		10,000				10,000
Total Fairchild International Airport	40,000	1,632,000	305,000	330,000	130,000	2,437,000
PORT ANGELES BOAT HAVEN:						
Breakwater Facing Repairs					200,000	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
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
Repair Work Float Pier*	10,000					10,000
Restrooms - Center Section			60,000			60,000
Security Imp. E/W BH (25% grant match)		30,000				30,000
Signage		15,000				15,000
Trash Compactors (2)				35,000		35,000
Total Port Angeles Boat Haven	10,000	1,045,000	60,000	35,000	200,000	1,350,000

FIVE YEAR IMPROVEMENT PLAN

	2010	2011	2012	2013	2014 Forward	Total
JOHN WAYNE MARINA:						
JWM Admin Building Boardwalk		75,000				75,000
Armor Rock Stabilization		100,000				100,000
Breakwater Security Gates - Completion		3,000				3,000
Building Maintenance*	16,500	3,000				19,500
Electrical Breakwater Float Installation		7,500				7,500
Fencing on N.W. Property Line		5,000				5,000
Fuel Pumps Replacement		30,000				30,000
Ground Maintenance*	11,500	11,500				23,000
HVAC Replacement		30,000	15,000			45,000
Meeting Room - Chair Replacement		6,500				6,500
Parking Lot Lighting		10,000	10,000			20,000
Resurface Interior Roads			200,000			200,000
Security Improvements (25% grant match)		30,000				30,000
Vending Machine - Pop/Snack		2,800				2,800
Total John Wayne Marina	28,000	314,300	225,000	0	0	567,300
BOATYARD						
Pave Dry Storage Yard		100,000				100,000
Power Line Relocation		TBD				
Seal Coat Boatyard*	10,000					10,000
Stormwater Improvements	100,000					100,000
Vacuum Sweeper		25,000				25,000
Total Boatyard	110,000	125,000	0	0	0	235,000
BOAT LAUNCH RAMPS:						
Piling West Boat Launch		15,000				15,000
Replace Floats - East PABH (IAC)		15,000				15,000
Replace Floats - West PABH (IAC)		25,000				25,000
Resurface Ramp - West PABH		30,000				30,000
Total Boat Launch Ramps	0	85,000	0	0	0	85,000
RENTAL PROPERTIES:						
1010 Building HVAC Replacement		150,000				150,000
1020 Building HVAC		100,000				100,000
Blackball Improvement	300,000	7,000,000				7,300,000
Forks Infrastructure Development		TBD				
Marine Drive Bluff Stabilization*		100,000	50,000	50,000		200,000
Signage		15,000				15,000
T5 Triangle Improvement		200,000				200,000
Terminal 4 Redecking		50,000				50,000
West End Waterfront Property Access		TBD				
Total Rental Properties	300,000	7,615,000	50,000	50,000	0	8,015,000

FIVE YEAR IMPROVEMENT PLAN

	2010	2011	2012	2013	2014 Forward	Total
FACILITIES MAINTENANCE:						
Brush Hog Purchase		5,000				5,000
Canopies		1,000				1,000
Flatbed Truck		25,000				25,000
Total Facilities Maintenance	0	31,000	0	0	0	31,000
MECHANICAL MAINTENANCE:						
Lathe Purchase		25,000				25,000
Equipment Repairs (forklifts/other)*	10,000					10,000
Total Mechanical Maintenance	10,000	25,000	0	0	0	35,000
ADMINISTRATION:						
Admin Building Locks		10,000				10,000
Carpeting Second Floor		21,000				21,000
Commission Room Carpet		7,500				7,500
Emergency Planning		25,000				25,000
Heat Pump Purchase		30,000				30,000
Network Equipment*	7,000	7,000	150,000	7,000	44,000	215,000
New Phone System		40,000				40,000
Seal Coat Parking*	20,000					20,000
Software*	15,000	15,000	300,000	17,000	123,000	470,000
System Support*	65,000	70,000	75,000	80,000	585,000	875,000
Total Administration	107,000	225,500	525,000	104,000	752,000	1,713,500
TOTAL IMPROVEMENT PLAN	1,770,000	24,194,300	5,163,500	7,198,000	5,688,000	44,013,800
Total Major Maintenance in Operations	-215,000	-469,500	-974,500	-406,000	-2,610,500	-4,675,500
Total Capital Improvement Plan	1,555,000	23,724,800	4,189,000	6,792,000	3,077,500	39,338,300
Note: The 2010 Total Capital Improvement Plan shown here (\$1,555,000) includes \$35,000 in Passenger Facility Charge (PFC) receipts and is therefore lower than the \$1,590,000 capital spending total noted on pages I - 1 and V - 8						

2010 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	SP	ACTI & Industrial Infrastructure	\$615,000	5.43	\$615,000	1
2	SP	Flexible Projects	200,000	5.71	815,000	1
3	SP	T5 Dev. (Dock Imp/Site Dev/Coffer Dam)	300,000	7.00	1,115,000	1
4	RP	Blackball Improvement	300,000	7.00	1,415,000	1
5	FIA	Lincoln Park - Avigation Easement (AIP)	25,000	8.57	1,440,000	1
6	FIA	Site Development (FBO/Corp.) (AIP) (goes w/ #15)	50,000	9.57	1,490,000	1
7	BY	Stormwater Improvements	100,000	8.57	1,590,000	1
8	SP	Enhance Ship Dockage Facilities (T3)	400,000	5.86	1,990,000	2
9	SP	Tumwater Creek Bridge	800,000	7.29	2,790,000	2
10	ADMIN	New Phone System	40,000	8.14	2,830,000	2
11	SP	PABH Upland Development (CW MP)	200,000	8.43	3,030,000	2
12	JWM	JWM Admin Building Boardwalk	75,000	8.57	3,105,000	2
13	LY	Vacuum Sweeper	150,000	8.57	3,255,000	2
14	MT	Marine Terminal Gangway (cruise ship)	50,000	8.71	3,305,000	2
15	SP	Sewer Dev. and Corporate Hangars (goes w/ #6)	250,000	8.71	3,555,000	2
16	BY	Vacuum Sweeper	25,000	8.86	3,580,000	2
17	SP	Bio Mass Facility Phase II	TBD	8.86	3,580,000	2
18	FIA	Obstruction Removal	10,000	9.43	3,590,000	2
19	FIA	Terminal Heat Pump	25,000	9.43	3,615,000	2
20	BLR	Replace Floats - West PABH (IAC)	25,000	9.57	3,640,000	2
21	FM	Flatbed Truck	25,000	9.71	3,665,000	2
22	MM	Lathe Purchase	25,000	9.71	3,690,000	2
23	FM	Brush Hog Purchase	5,000	9.86	3,695,000	2
24	ADMIN	Admin Building Locks	10,000	9.86	3,705,000	2
25	FM	Canopies/Tents	10,000	9.86	3,715,000	2
26	PABH	Dumpster Enclosures	25,000	10.00	3,740,000	2
27	JWM	Breakwater Security Gates - Completion	3,000	10.14	3,743,000	2
28	JWM	Fuel Pumps Replacement	30,000	10.14	3,773,000	2
29	MT	Security Improvements (25% grant match)	65,000	10.14	3,838,000	2
30	BY	Power Line Relocation	TBD	10.14	3,838,000	2
31	PABH	Bulkhead Replacement/Dredging (w/City)	TBD	10.14	3,838,000	2
32	JWM	Electrical Breakwater Float Installation	7,500	10.29	3,845,500	2
33	JWM	Security Improvements (25% grant match)	30,000	10.29	3,875,500	2
34	MT	Wash Down Facility/Marine Trades Dev.	250,000	10.29	4,125,500	2
35	SP	Waterfront or Ind. Property Purchase	1,000,000	10.29	5,125,500	2
36	RP	West End Waterfront Property Access	TBD		5,125,500	2
37	SP	Sequim Industrial & Tourism Infrastructure	TBD	10.29	5,125,500	2
38	JWM	Parking Lot Lighting	10,000	10.43	5,135,500	2
39	PABH	Security Imp. E/W BH (25% grant match)	30,000	10.43	5,165,500	2
40	LY	Drainage & Paving	300,000	10.71	5,465,500	2
41	MT	Haz. Mat. Mitigation (subject to ins.)	TBD	10.71	5,465,500	2
42	SP	Forks Motor Sports Park	TBD	10.71	5,465,500	2
43	RP	Signage	15,000	10.86	5,480,500	2
44	JWM	HVAC Replacement	30,000	10.86	5,510,500	2

2010 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*
45	FIA	Vacuum Sweeper (AIP)	10,000	11.00	5,520,500	2
46	FIA	Signage	15,000	11.00	5,535,500	2
47	PABH	Signage	15,000	11.00	5,550,500	2
48	JWM	Fencing on N.W. Property Line	5,000	11.57	5,555,500	2
49	JWM	Meeting Room - Chair Replacement	6,500	11.71	5,562,000	2
50	RP	1010 Building HVAC Replacement	150,000		5,712,000	2

Gross Capital Projects	\$5,712,000	\$5,712,000	
Passenger Facility Charges	<u>-35,000</u>		
Net Capital Projects	<u>\$5,677,000</u>		

<p>*Project Funding Priority</p> <p>1 = Can be funded from tax levy and reserves</p> <p>2 = Can only be funded by drawing down reserves</p> <p>Other Notes</p> <p>Cost shown for (AIP) projects is Port's 5% match; the FAA pays remaining 95%</p> <p>Passenger Facility Charges represent recovery of prior year's projects costs</p>	
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2010 MAJOR MAINTENANCE CHART

Division	Project	Individual Project Cost	Project Funding Priority*
ADMIN	Network Equipment	\$7,000	3
ADMIN	Seal Coat Parking	20,000	3
ADMIN	Software	15,000	3
ADMIN	System Support	65,000	3
BY	Seal Coat Boatyard	10,000	3
JWM	Building Maintenance	16,500	3
JWM	Ground Maintenance	11,500	3
MM	Equipment Repair (forklifts/other)	10,000	3
MT	Dock Repairs	50,000	3
PABH	Repair Work Float Pier	10,000	3

Total Major Maintenance Projects	\$215,000
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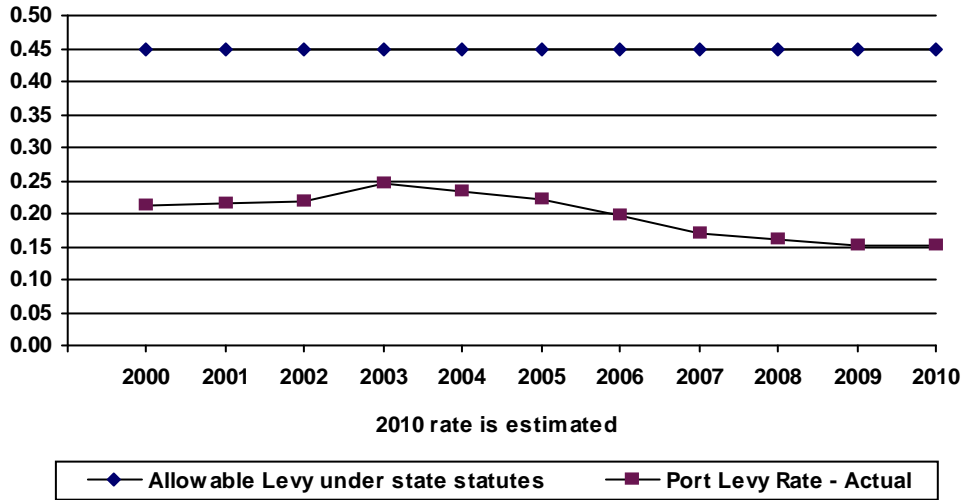
<p>* Project Funding Priority 3 = These costs are reflected in the individual divisions' operating expenses</p>

SECTION VI

TAX LEVY

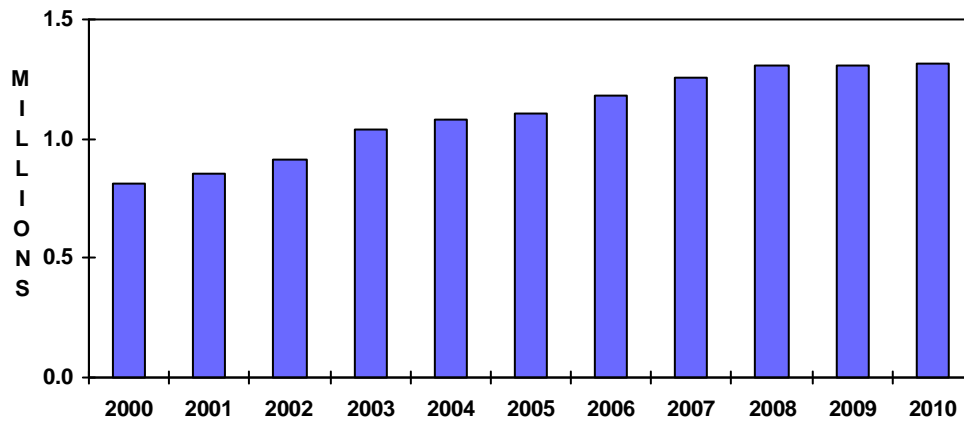
Port General Tax Levy Rate

2000 - 2010



Port's General Tax Levy Collections

2000 - 2010



PROPOSED 2010 TAX LEVY

LEVY RATES:

Estimated 2010 levy rate: **\$.15204**/\$1,000

2009 levy rate: \$.15204/\$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	Preliminary Estimate: \$8,662,834,547

TAX LEVY COLLECTIONS:

The Port will collect approximately **\$1,317,097** in 2010.

The Port will collect **\$1,305,694** in 2009.

TAX LEVY USES:

The 2010 levy will be used for:

Debt Service - Prior Capital Construction Uses	\$921,503
Capital Construction	<u>395,594</u>
Total	<u>\$1,317,097</u>

The 2010 levy allocation will be:

Debt Service Fund	\$921,503
Capital Improvement Fund	<u>395,594</u>
Total	<u>\$1,317,097</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, 2000 to 2010, the Port general levy rate has trended downward to its 2010 projection of 15.204¢ 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 2000 to 2010.

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

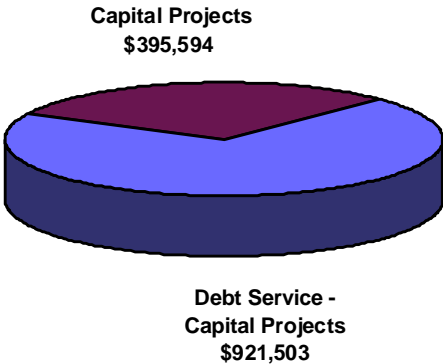
The Port may also levy property taxes for Industrial Development Districts (under a comprehensive scheme of harbor improvements); for twelve years only, not to exceed \$0.45 per \$1,000 of assessed value of taxable property within the Port District. If a Port District intends to levy this tax for one 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 2010'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.

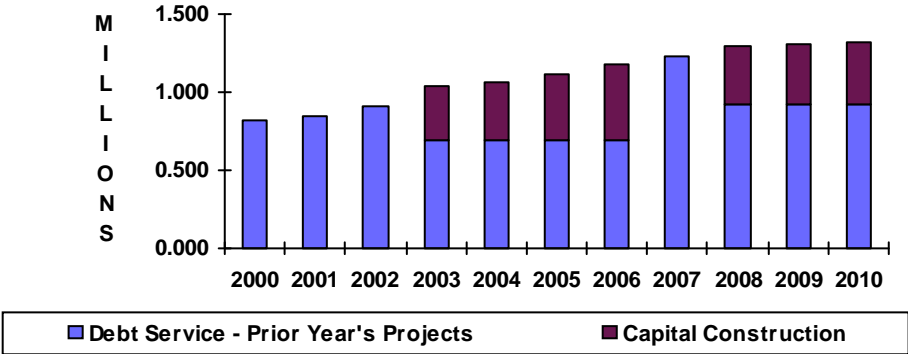
Proposed Use of 2010 Tax Levy



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

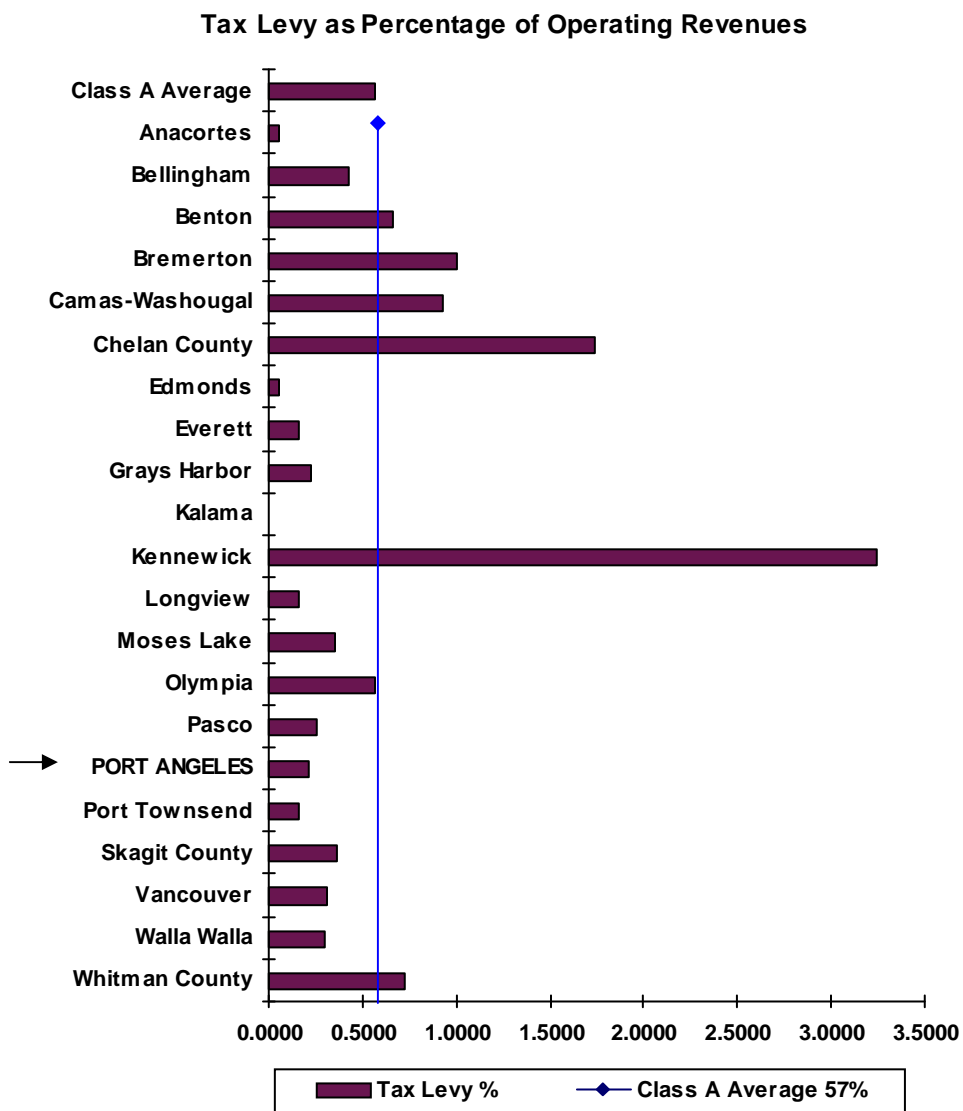
2000 - 2010



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 57% of operating receipts; Port Angeles estimates its levy proceeds to be 22% of operating receipts. **Lower ratios indicate less reliance** on tax levy proceeds.

2009 Tax Levy Comparison



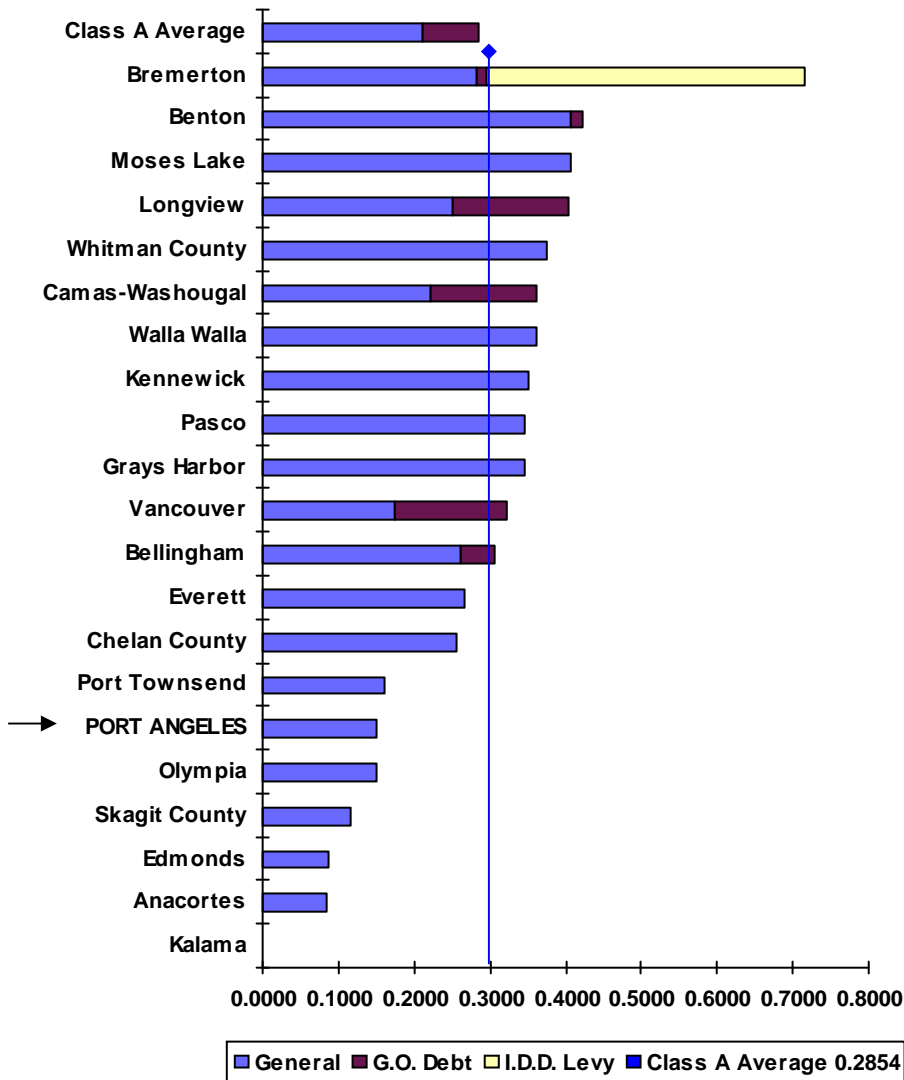
D. Comparable Tax Levies

1. Port Districts' Comparisons

The Washington Public Ports Association survey of port districts' tax levies for 2009 indicates an average levy rate of **\$.2854**/\$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 **\$.15204**. Presented below are the effective levy rates for the 21 ports.

2009 Tax Levy Rates

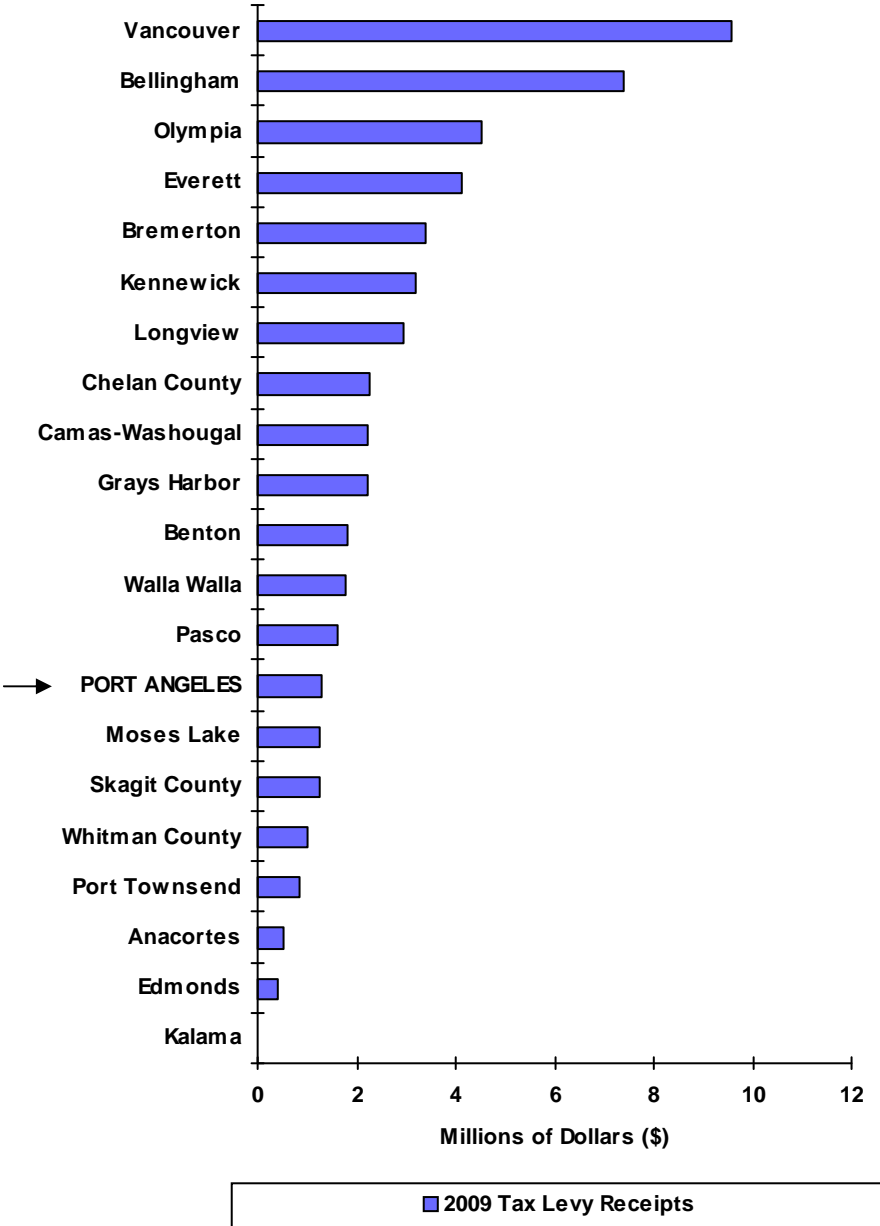
Washington Class A Ports



The same survey for 2009 indicates the average levy collection in dollars for Class A ports is \$2,550,962. The Port of Port Angeles expects to collect \$1,305,694 in 2009.

2009 Tax Levy Receipts

Washington Class A Ports

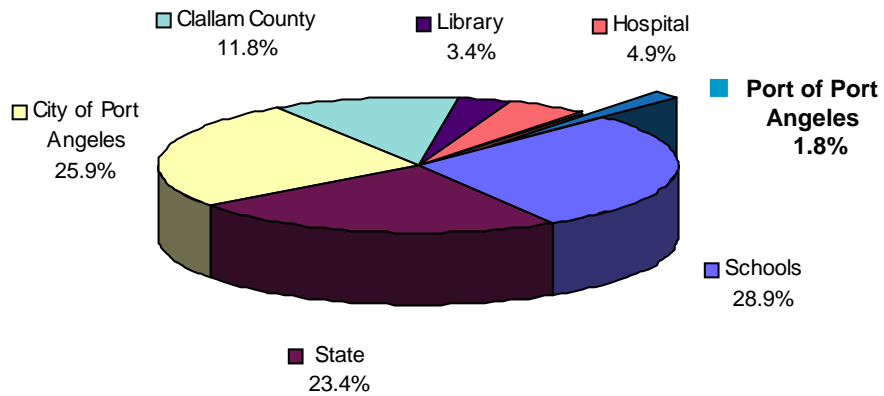


2. Clallam County Comparison

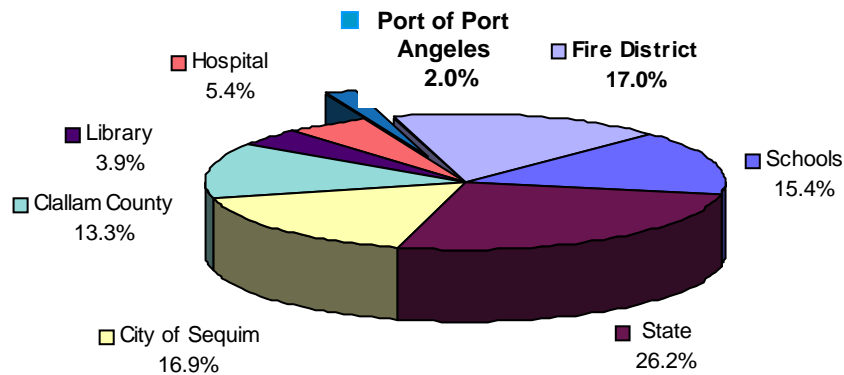
The graphs below show the Port's general tax levy as it compares to total taxes paid in 2009 by a typical resident in Port Angeles, Sequim and Forks. Taxing districts have not submitted their levy rates for 2010 yet; therefore, 2009 rates are the most current. The total 2009 levy for all Port Angeles taxing districts was \$9.08/\$1,000. The Port's levy for Port Angeles was \$.15204/\$1,000 which is less than 2% of the total levy rate.

2009 Property Tax Levy Distribution

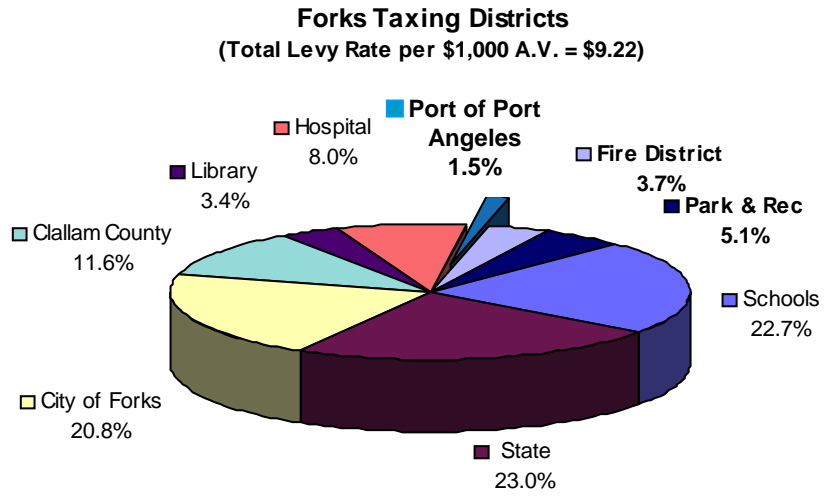
Port Angeles Taxing Districts
(Total Levy Rate per \$1,000 A.V. = \$9.08)



Sequim Taxing Districts
(Total Levy Rate per \$1,000 A.V. = \$8.09)



2009 Property Tax Levy Distribution



SECTION VII

OTHER FUNDS:

DEBT SERVICE AND BOND FUNDS

G.O. DEBT SERVICE FUND

ESTIMATED BALANCE, JANUARY 1, 2010		\$750,000
ESTIMATED RECEIPTS:		
GENERAL TAX LEVY		\$1,317,097
AVAILABLE FUNDS		\$2,067,097
ESTIMATED EXPENDITURES:		
2002B PRINCIPAL & INTEREST - LTGO BONDS	517,085	
2006 PRINCIPAL & INTEREST - LTGO BONDS	404,418	
TRANSFER TO CAP. IMPR. FUND FROM DEBT SERVICE FUND	550,000	
TRANSFER TO CAP. IMPR. FUND FROM GEN TAX LEVY SURPLUS	395,594	(\$1,867,097)
ESTIMATED BALANCE, DECEMBER 31, 2010		\$200,000

**SUMMARY OF DEBT SERVICE
AND BOND FUNDS**

	1/1/2010 BALANCE	ADDITIONS	PAYMENTS	12/31/2010 BALANCE
G.O. DEBT SERVICE FUND	750,000	1,317,097	(1,867,097)	200,000
TOTAL	\$750,000	\$1,317,097	(\$1,867,097)	\$200,000

**GENERAL FUND PAYMENTS
OTHER BONDS/LOANS**

ESTIMATED BALANCE, JANUARY 1, 2010		\$0
ESTIMATED RECEIPTS:		
TRANSFER FROM GENERAL FUND		\$61,669
ESTIMATED EXPENDITURES:		
CERB III	\$46,281	
RTA (Revolving Technical Assistance Loan)	\$15,388	(\$61,669)
ESTIMATED BALANCE, DECEMBER 31, 2010		\$0

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

**SUMMARY OF OUTSTANDING LONG-TERM
DEBT PRINCIPAL
AS OF JANUARY 1, 2010**

DEBT CATEGORY	PURPOSE	ORIGINAL PRINCIPAL	1/1/2010 BALANCE	FINAL MATURITY
GENERAL OBLIGATION BONDS:				
2002B BOND FUND	CAPITAL CONSTRUCTION	915,000	815,000	2016
2002B BOND FUND	REFUND OF 1992	2,460,000	2,200,000	2016
2006 BOND FUND	CAPITAL CONSTRUCTION	4,995,000	4,610,000	2025
TOTAL - G.O. BONDS:			\$7,625,000	
OTHER BONDS/LOANS:				
CERB III	MULTI-TENANT INDUSTRIAL BUILDING	\$500,000	\$312,500	2019
RTA	MARINE FACILITY UTILIZATION STUDY	75,000	15,000	2010
TOTAL-OTHER DEBT			\$327,500	
TOTAL PRINCIPAL-PORT DEBT:			\$7,952,500	

**LONG TERM DEBT SERVICE
PRINCIPAL AND INTEREST**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019+	TOTAL
G.O. DEBT SERVICE (1)	921,503	918,103	921,903	924,863	920,310	922,758	923,085	401,243	403,680	2,822,318	10,079,766
OTHER DEBT SERVICE (2)	61,619	44,778	43,275	41,772	40,269	38,766	37,263	35,759	34,256	32,753	410,510
TOTAL	983,122	962,881	965,178	966,635	960,579	961,524	960,348	437,002	437,936	2,855,071	10,490,276

(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	2009 BUDGET	2009 PROJECTED	2010 BUDGET
Training	\$33,500	\$14,500	\$28,000
Travel – Public Meetings	2,700	8,500	3,000
Travel – Business Meetings	18,200	4,500	36,800
Travel - Conventions	29,000	10,900	28,000
Travel – Contract Reimbursement	13,000	6,500	7,200
Other Travel & Training	5,100	9,500	15,000
TOTAL	\$101,500	\$55,400	\$118,000

MEMBERSHIPS BUDGET

PROFESSIONAL ORGANIZATION	2009 BUDGET	2009 PROJECTED	2010 BUDGET
American Association of Airport Executives	\$225	\$225	\$225
American Association of Port Authorities	6,0000	6,000	0
Government Finance Officers Association	150	160	160
Northwest Marine Terminal Association	1,000	990	990
Pacific NW Waterways Association	575	580	580
Washington Airport Managers Association	371	354	354
Washington Finance Officers Association	50	50	50
WPPA (including estimated assessments)	12,474	12,474	12,000
Resource Conservation & Development District	500	500	500
Miscellaneous Memberships (w/ Propeller Club)	550	100	100
TOTAL PROFESSIONAL ORGANIZATIONS	\$21,895	\$21,433	\$14,959

COMMUNITY SUPPORT BUDGET

COMMUNITY SUPPORT	2009 BUDGET	2009 PROJECTED	2010 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	100	75	75
Port Angeles Chamber of Commerce	550	550	550
Port Angeles Association of Realtors	100	115	115
NOTAC	45	45	45
PABA	65	65	65
Rotary Clubs	450	450	450
TOTAL COMMUNITY SUPPORT	\$26,860	\$26,850	\$26,850

*Total 2010 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 2009

Division	Estimated 2009 Depreciation
Marine Terminal	\$330,804
Log Yard	191,437
FIA	470,550
Sekiu Airport	10,503
Port Angeles Boat Haven	331,669
John Wayne Marina	217,820
Boat Yard	3,621
Public Boat Ramps	5,530
Rental Property	207,209
Administration & General	53,711
Mechanical Maintenance	26,164
Facilities Maintenance	20,900
Total	\$1,869,917

Note: Total depreciation includes \$333,467 depreciation on donated assets

