



Capital Planning & Budgeting

Aaron Schielke, CFO

Our Port – Lines of Business

- **Airport**
- **Recreational Marinas (2)**
- **Industrial Park**

Our Port – Key Numbers

- **2026 Operating (M&O) Budget - \$8.8 million**
- **2026 Tax Levy - \$4.5 million**
- **2026 Capital Budget (including reserve activity) - \$4.1 million**
- **Headcount - 34**

Capital Budgeting Process

Step 1 – Prepare Preliminary Sources and Uses of Funds

SOURCES OF FUNDS:

Operating Revenues	\$ 6,640,349
Tax Levy	\$ 4,455,513
Interest Income	\$ 833,000
TOTAL - Sources of Funds	<u>\$ 11,928,862</u> (A)

USES OF FUNDS:

Operating Expenses	\$ 8,738,413
Interest Expense	\$ 14,939
Debt Service	\$ 51,797
TOTAL - Uses of Funds	<u>\$ 8,805,149</u> (B)
INTERNAL FUNDS AVAILABLE FOR CAPITAL BUDGET	<u>\$ 3,123,713</u> (A-B)



Capital Budgeting Process

Step 2 - Calculate impact of rollover projects on current year budget

Segment	Rollover Projects from prior years	Rollover from prior year capital budgets (Estimated)	Prior Year Grants/Appropriations	Prior Year Restricted Reserves	2026 Project Budget Increases/(Decreases)	Net \$ 2026
Airport	East Side Environmental Assessment/EIS (AIP 2026)	\$ 52,558	\$ (52,558)			\$ -
Airport	Monument Access/SR 3 Beautification	\$ 216,973				\$ -
BM	Finger Pier Repair/Replacement A Dock	\$ 68,332			\$ 200,000	\$ 200,000
BM	Pile Coatings Slash Zone Repairs (40 piles/Year)	\$ 189,000				\$ -
POM	Pile Coatings Slash Zone Repairs (20 piles/Year)	\$ 62,000				\$ -
POM	North and East Breakwater	\$ 5,116,094	\$ (5,116,094)			\$ -
Airport	Airport Layout Plan, including Feasibility Study Phase 2	\$ 1,114,633	\$ (719,915)		\$ (377,520)	\$ (377,520)
BM	Restroom showers remodel	\$ 12,000				\$ -
PO Prop	Marina Park restroom/lift station design	\$ 100,000				\$ -
Airport	South Apron Taxiway (Repurposed from '25 budget: was Hangar 11-16 Ramp Rehabilitation)	\$ 500,000				\$ -
POM	Fuel tank lining & refit	\$ 185,000				\$ -
Airport	OWS Shop (Stormwater)	\$ 54,551		\$ (54,551)		\$ -
APT/OVIP	Small Wastewater debris screen & removal	\$ 200,000			\$ 125,000	\$ 125,000
BM	Fuel Pumps Maintenance Shop	\$ 50,000				\$ -
PO Prop	Marina Park ADA Improvements (Grant Received)	\$ 170,000	\$ (86,000)			\$ -
	SUB TOTAL	\$ 8,091,141	\$ (5,974,567)	\$ (54,551)	\$ (52,520)	\$ (52,520)



Capital Budgeting Process

Step 3A – Select new projects for current year budget

Segment	Project Description	Prior Year Rollover Project Budget Increases/(Decreases)	Project Budgets - New 2026 Projects	Grants/ Appropriations /Restricted Reserves	Net \$ 2026
BM	Finger Pier Repair/Replacement A Dock	\$ 200,000			\$ 200,000
Airport	Airport Layout Plan, including Feasibility Study Phase 2	\$ (377,520)			\$ (377,520)
APT/OVIP	Small Wastewater debris screen & removal	\$ 125,000			\$ 125,000
POM	North and East Breakwater	\$ 358,000			\$ 358,000
Airport	Pavement Re-hab Runway and Taxiway Design		\$ 324,444	\$ (292,000)	\$ 32,444
Airport	Hangars 1-3 Roof Replacement		\$ 400,000		\$ 400,000
APT/OVIP	Maintenance Roof - Overlay		\$ 200,000		\$ 200,000
APT/OVIP	Security Camera's		\$ 20,000		\$ 20,000
APT/OVIP	Truck Replacement		\$ 55,000		\$ 55,000
APT/OVIP	Dump Truck		\$ 100,000		\$ 100,000
APT/OVIP	Design Review Airport Way Phase 2.2		\$ 30,000		\$ 30,000
APT/OVIP	Rear Discharge Mower		\$ 10,000		\$ 10,000
PO Prop	Marina Park Restroom lift station CN		\$ 400,000	\$ (300,000)	\$ 100,000
BM/POM	Security Camera's		\$ 20,000		\$ 20,000
BM/POM	Truck Replacement		\$ 55,000		\$ 55,000
BM/POM	New Engine for Pumpout Boat		\$ 25,000		\$ 25,000
POM	PE Marina Restroom replacement		\$ 125,000		\$ 125,000
POM	A- Dock design and F-Dock design and permitting		\$ 375,000		\$ 375,000
POM	Electrification Infrastructure Charging Stations		\$ 200,000	\$ (200,000)	\$ -
GA	IT Server Replacement		\$ 20,000		\$ 20,000
Airport	Electrification Infrastructure Charging Stations		\$ 200,000	\$ (200,000)	\$ -
	SUB TOTAL	\$ 305,480	\$ 2,559,444	\$ (992,000)	\$ 1,872,924

Capital Budgeting Process

Step 3B – Budget for Capital Reserve Activity

Segment	Project Description	Prior Year Rollover Project Budget Increases/(Decreases)	Project Budgets - New 2026 Projects	Grants/ Appropriations /Restricted Reserves	Net \$ 2026
	SUB TOTAL	\$ 305,480	\$ 2,559,444	\$ (992,000)	\$ 1,872,924
	Capital Reserve Replenishment:				
	Site, Utility, Building Improvements (\$200,000 target)		\$ 114,401	\$	114,401
	Business Development Opportunities (\$50,000 target)		\$ -	\$	-
	Software Upgrades, System Expansion (\$150,000 target)		\$ -	\$	-
	Other Capital Reserve Activity:				
	New Building Funding - 8390 SW Barney White Road		\$ 737,294	\$	737,294
	Future Capital Projects - Port Orchard Dock Construction		\$ 325,000	\$	325,000
	Contribution to Capital Reserves		\$ 74,094	\$	74,094
	Total Capital Projects, including Reserve Activity	\$ 305,480	\$ 3,810,233	\$ (992,000)	\$ 3,123,713



Budget Summary – Capital and Reserves

New 2026 Projects	\$	2,559,444
Prior year project rollover increases/decreases	\$	305,480
Site, Utility, Building Improvements Reserve Replenishment	\$	114,401
Total 2026 Capital Projects	\$	2,979,325
<u>Other Capital Reserve Activity:</u>		
- <i>New Building Funding - 8390 SW Barney White Road</i>	\$	737,294
- <i>Future Capital Projects - Port Orchard Dock Construction</i>	\$	325,000
- <i>Contribution to Capital Reserves</i>	\$	74,094
Less: Grants/Appropriations/Restricted Reserves	\$	(992,000)
Total 2026 Capital Projects and Reserve Activity	\$	3,123,713



Budget Summary – Combined Operating and Capital

	2025 Budget	2026 Budget
Total Operating Revenues	6,165,812	6,640,349
Total Non-Operating Revenues	7,387,262	6,280,513
Total Revenues (Sources)	13,553,074	12,920,862
Total Operating Expenses	8,518,372	8,738,413
Total Non-Operating Expenses	433,771	66,736
Total Expenses	8,952,143	8,805,149
Total Capital Expenses	4,437,790	2,979,325
Net Transfers to Reserves	163,141	1,136,388
Total Expenses & Capital (Uses)	13,553,074	12,920,862

Debt – a Brief Note

Statutory Debt Limitation	
As of December 31, 2025	
Total assessed value	\$ 22,238,275,416
Non-voted debt limit	0.25%
LTGO Debt capacity	55,595,689
Less: Outstanding Debt	796,199
Remaining GO debt capacity	<u>\$ 54,799,490</u>
Percentage of non-voted debt capacity issued	1.43%

Reserves – a Slightly Longer Note

Port of Bremerton - Schedule of Reserves
As of December 31, 2025 and 2024

	12/31/2025	12/31/2024
Total Cash and Investments	21,538,131	20,344,259
Total Restricted/Reserved Funds:	(9,662,831)	(8,777,879)
Total Capital Projects - Internally funded	(2,324,860)	(2,616,312)
Total Reserves at Year End	9,550,440	8,950,068
Less: Operating Reserves	(4,402,575)	(4,476,072)
Reserves Available For Capital Use	5,147,866	4,473,997



Questions?
