

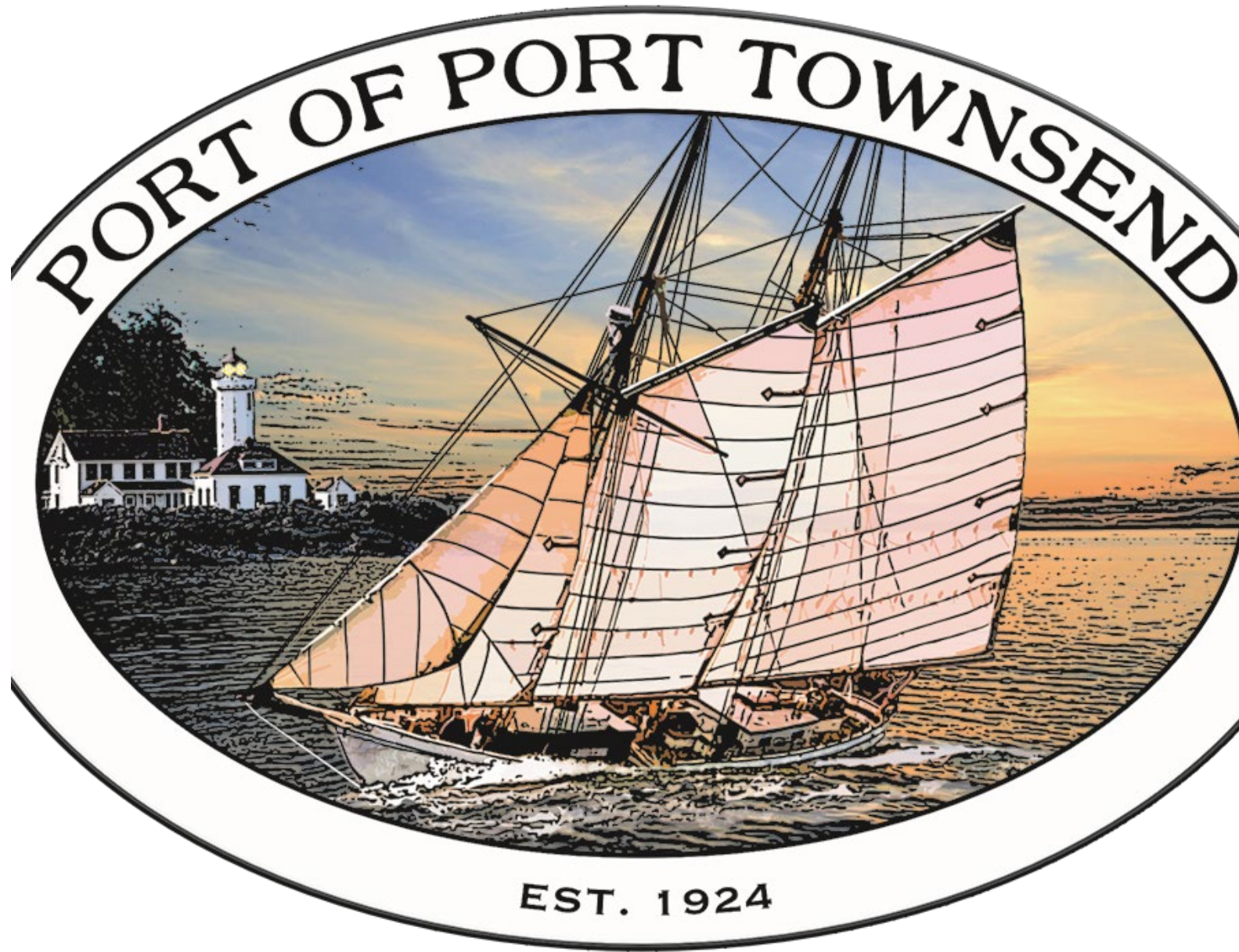
# Capital Planning & Budgeting

PORT OF PORT TOWNSEND

Connie Anderson

Director of Finance & Administration

June 2026 - WPPA Finance Conference



# Port of PT – Lines of Business

- Port Townsend Marine Industrial Park, Boat Haven and Boat Yard
  - Provide marina & dock facilities
  - Marine related commercial/industrial business property (land & building leases)
  - Vessel haul out & services to vessels up to 300 tons
  - Last open public boatyard in the Pacific Northwest
- Point Hudson Marina & RV Park
  - Boat moorage
  - Recreational vehicle site
  - Marine related commercial business property (land & building leases)
- Jefferson County International Airport
  - Small aircraft airport, land & hanger lease property
  - AV fueling center
- Quilcene Marina
  - Boat moorage
  - Marine related commercial business property (land & building leases)
- Short's Farm
  - 253-acre farm
  - Tenant and agricultural leases
  - Hunting and bird watching licenses
- Additional recreational docks & ramps
  - Gardiner, MatsMats, Port Hadlock, City Dock, Union Wharf



# Port of PT – Key Numbers



- 2026 Operating (O&M) Budget
  - 2026 Operating Revenue - \$9,789,995
  - 2026 Operating Expenses – 8,983,523
- 2026 Capital Budget (including reserve activity) - \$12,420,664
- Assessed Value - \$10,220,933,831
  - 2026 Operating Tax Levy      \$1,167,000  
(Levy Rate = 0.1164)
  - 2026 IDD Tax Levy                \$2,634,289  
(Levy Rate = 0.2684)
- Headcount - 42

# Creating a Capital Plan – Decisions That Made a Difference



# 2010 - 2015



## 2010 - Strategic Plan

- Existing Infrastructure aging & in need of repair
- Inadequate policy & planning framework, including the absence of longer-term capital plan

## 2010 - Capital Project Approach

- Add money to operational budget to take care of larger “capital” projects that addressed infrastructure needs
- LTGO Bonds with debt paid by General Property Tax levy

## 2014 - Critical Infrastructure Failure (PH Jetty)

## 2014 - Hired Engineer to create Comprehensive Repair & Replacement Plan (CRRP)

- Port Wide Needs Assessment including project list, estimated costs and preliminary priorities
- Initiated tough discussions – NEEDS versus FUN PROJECTS

## December 2015

- Initial 2016 – 2021 Capital Repair & Replacement Plan drafted
- Drafted & prioritized based on policy guidance provided by the Port’s 2010 Strategic Plan

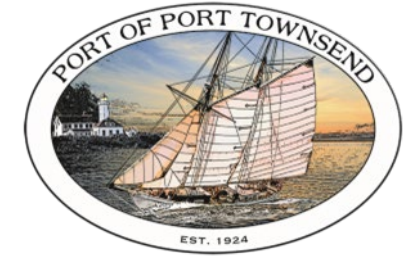
## December 2015 - CRRP established a roadmap

..... although full plan was not adopted



# Capital Infrastructure

## 2014 - A Call to Action

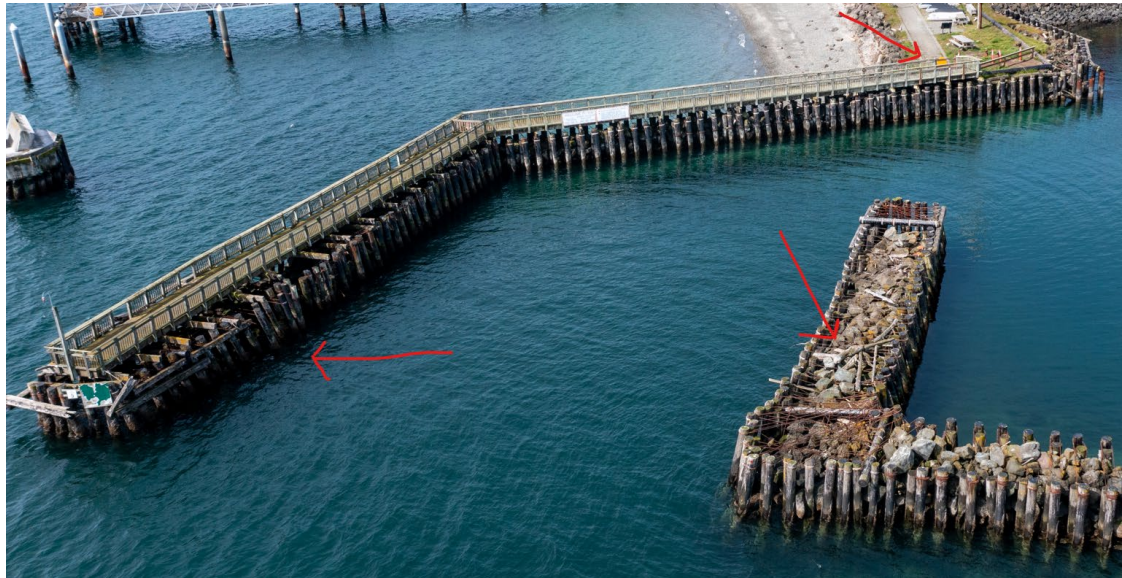


Point Hudson Breakwater / Jetties

Initially built in the Mid-1930's

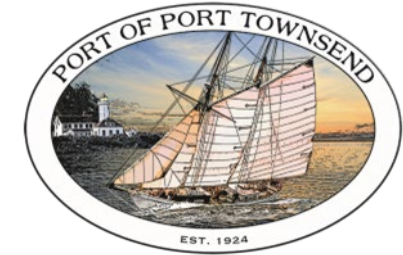
Initial 2014 estimates to complete the project = \$3.5m

The combination of king tides & winter winds blew through the Point Hudson Marina before the old jetties were placed. Construction Project started in Fall 2022 and was completed Spring 2024.



The combination of king tides and winter winds blew through the Point Hudson Marina before the old jetties were replaced, starting in 2022.

# 2016 - 2020



## 2017 Port Combined Operating & Capital Budget

- Official transition to multi-year planning that included capital projects and funding sources

## 2018 Updated Lease Policy

- Market Rent or appraisal, updated by adjusting for inflation
- Annual rent adjustments, applied annually based on prior year CPI

## 2019 Updated Reserve Policies

- Port-Wide Capital Reserve
- Operational Reserve
- Set Target Balance with prescribed annual contributions

## 2019 IDD Levy (Industrial Development District)

- \$16.9 million
- IDD Levy passed with 53% voter approval
- Voter approval reflected community support
- Community support has been a key factor when seeking grant funds

Operating & Capital Budget						2017
Capital Improvements Budget 2017-2020						
PORT OF PORT TOWNSEND -- CAPITAL IMPROVEMENTS 2017-2020						
	2017	2018	2019	2020	Total	
TOTALS	\$1,691,000	\$3,901,500	\$1,558,500	\$2,203,000	\$9,354,000	
PLANNED FUNDING SOURCES						
2017-2020	Unreserved Cash	Boat Haven Reserves	Capital Reserves	Grants	Gen. Oblig. Bond	Revenue Bond
	\$440,250	\$515,000	\$0	\$3,177,750	\$1,908,000	\$3,313,000

# Capital Infrastructure

- IDD's First Major Success: Rebuild of Point Hudson Jetties



Project Completion: April 2024

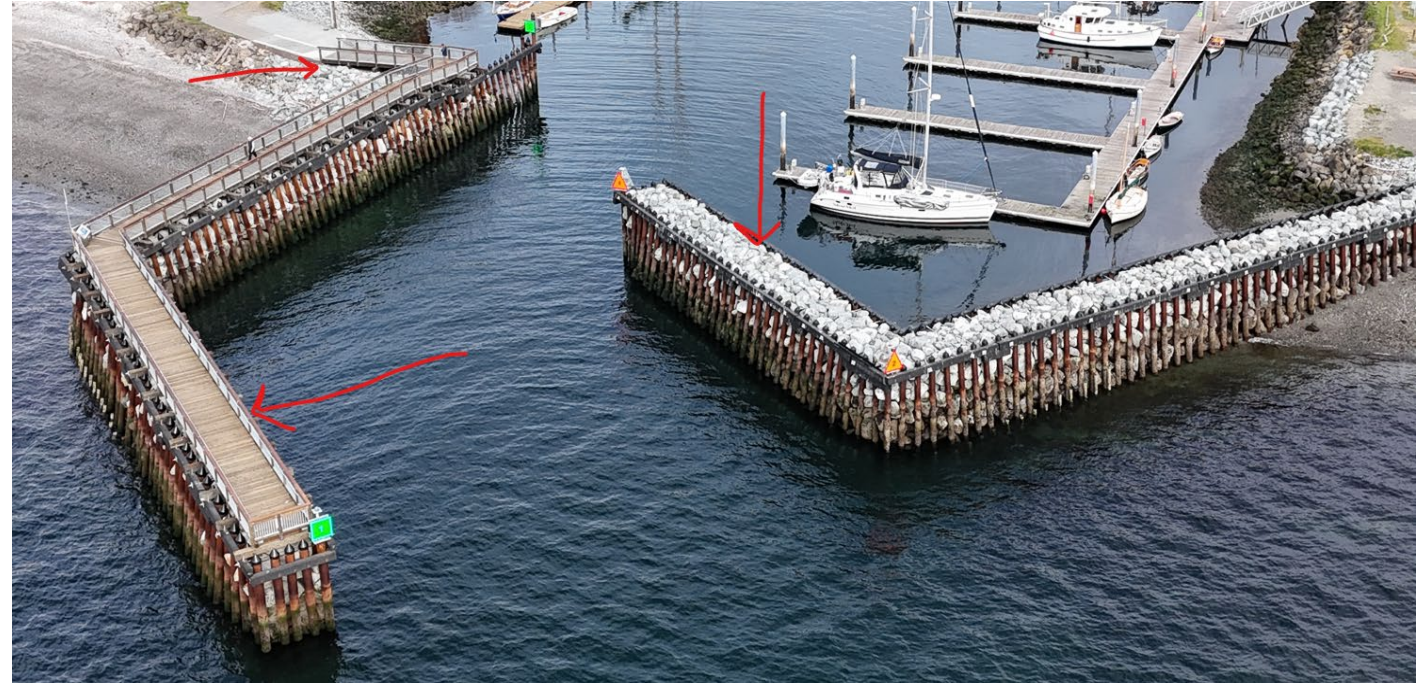
Point Hudson Jetty Replacement

Total Project Cost: \$13.0m

Grant Funding: \$10.3m

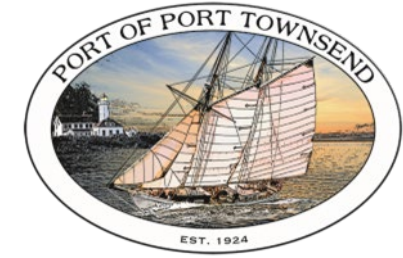
Local IDD Funding: \$ 2.7m

The PH jetty project became the poster child of the Port's ability to leverage outside funds with IDD levy money.

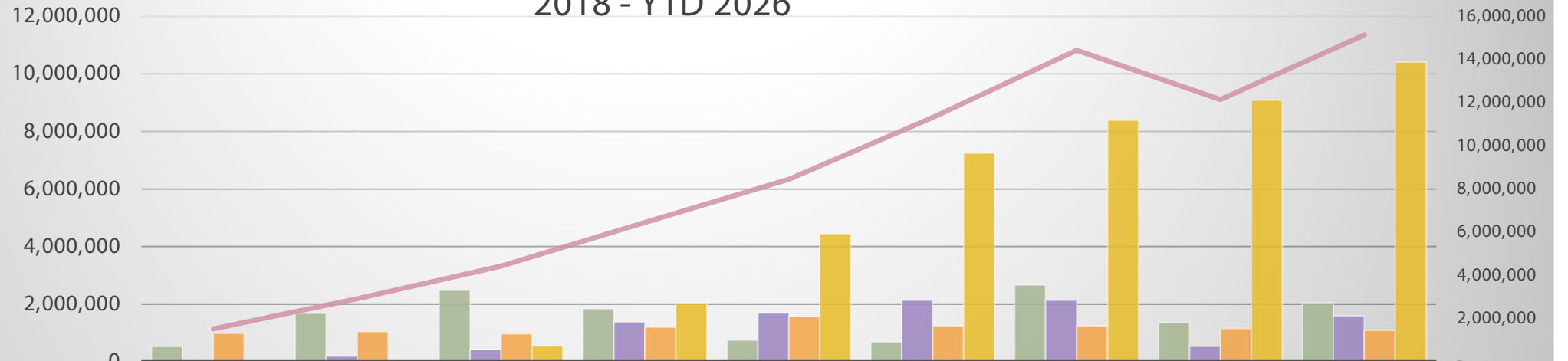


“The PH Jetty project was the ‘sine qua non’ of why the IDD was approved by the voters. They did not want to lose the jewel in the crown of Port Townsend.” Deputy Director Eric Toews

# Cash Reserves



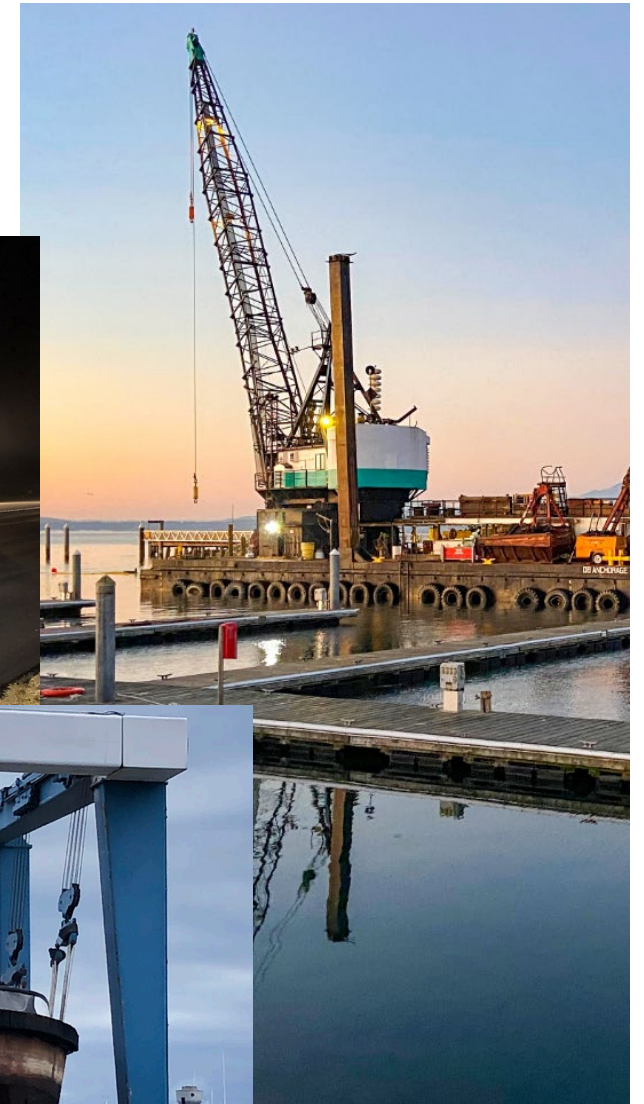
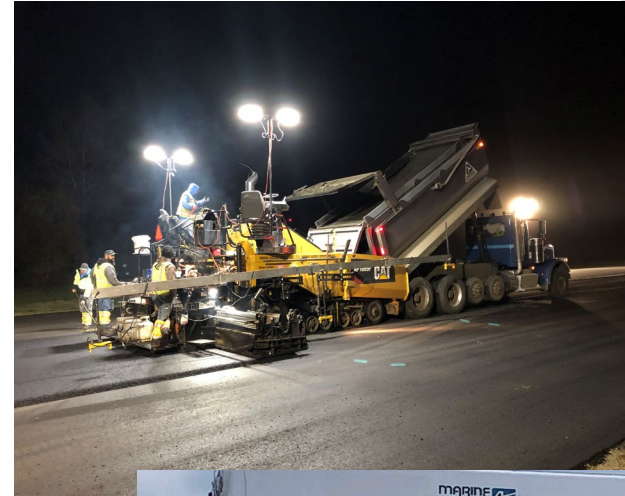
Multi-Year Cash & Investment Trend  
2018 - YTD 2026

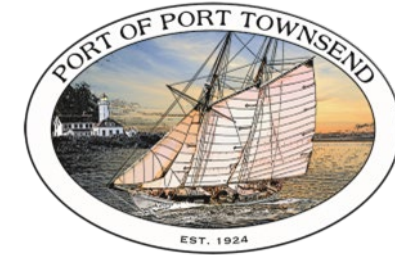


	2018	2019	2020	2021	2022	2023	2024	2025	2026 YTD
Unreserved Cash & Investments	524,268	1,683,435	2,487,262	1,838,584	742,991	688,676	2,663,636	1,361,734	2,051,899
Reserved Cash & Investments - Operational Reserves	10,000	190,000	425,000	1,373,440	1,691,716	2,133,405	2,133,405	533,405	1,590,284
Reserved Cash & Investments - Capital Reserves	982,234	1,043,195	970,090	1,199,524	1,568,148	1,242,814	1,242,814	1,151,285	1,085,907
Reserved Cash & Investments - IDD	-	-	548,531	2,037,678	4,448,299	7,252,497	8,390,244	9,094,287	10,411,692
Total Cash & Investments	1,516,502	2,916,630	4,430,883	6,449,226	8,451,155	11,317,392	14,430,099	12,140,711	15,139,782

# Port of PT - Capital Project Process

1. Review Roll Forward Projects
2. Identify New and Emerging Projects
3. Update Priorities with Commission
4. Identify Capital Funding
  - Grants (Secured & Anticipated)
  - Capital Reserves
  - Industrial Development District (IDD) Levy
  - Unreserved Cash
5. Prepare Combined Operating and Capital Budget
6. Prepare 5 Year Cash Flow



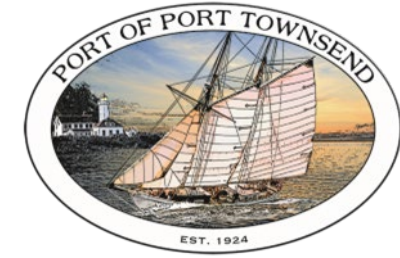


# Capital Improvement Plan

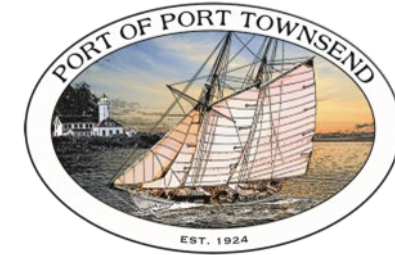
2026 – 2030  
Capital Project Plan

Project	2026	2027	2028	2029	2030	5 Year Total
<b>Boat Haven</b>	<b>8,590,000</b>	<b>6,676,000</b>	<b>200,000</b>	<b>100,000</b>	<b>600,000</b>	<b>16,166,000</b>
Main Breakwater Project	2,800,000	-	-	-	-	2,800,000
Marina Dredging	150,000	550,000	-	-	-	700,000
Sea Level Rise Project	25,000	-	-	-	-	25,000
Sims Gateway & North Boatyard Expansion	1,900,000	-	-	-	-	1,900,000
Stormwater Improvement Project	2,800,000	-	-	-	-	2,800,000
West Boatyard Expansion	705,000	5,370,000	-	-	-	6,075,000
Building/Facility Preservation (Interior Refurbishment, Exterior Improvements)	100,000	100,000	100,000	100,000	100,000	500,000
Yard Electrical Upgrades	100,000	100,000	100,000	-	-	300,000
Puget Sound to Pacific (PS2P) Trail Project	10,000	556,000	-	-	-	566,000
C and D Dock Rehabilitation	-	-	-	-	500,000	500,000
<b>Point Hudson</b>	<b>2,850,000</b>	<b>2,110,000</b>	<b>1,935,000</b>	<b>1,500,000</b>	<b>3,652,000</b>	<b>12,047,000</b>
Cantilevered Esplanade	-	-	-	375,000	3,275,000	3,650,000
Building/Facility Preservation & Energy Efficiency Improvement	645,000	1,110,000	1,285,000	1,125,000	377,000	4,542,000
Roof Replacement/Weatherization (Standing Seam Metal Roof)	2,005,000	-	-	-	-	2,005,000
Sail Loft Building Structural Repairs	100,000	-	-	-	-	100,000
RV Park Upgrades & Restoration	-	1,000,000	650,000	-	-	1,650,000
Mariners' Memorial	100,000	-	-	-	-	100,000
<b>JCIA</b>	<b>2,814,664</b>	<b>3,725,000</b>	<b>3,725,000</b>	<b>25,000</b>	<b>25,000</b>	<b>10,314,664</b>
JCIA Master Plan Update	229,632	-	-	-	-	229,632
Airport Pilot Center	300,000	-	-	-	-	300,000
Stormwater Management	25,000	25,000	25,000	25,000	25,000	125,000
Rural Light Industrial Park (24 acres)	775,000	3,700,000	3,700,000	-	-	8,175,000
Fuel System Improvement	911,133	-	-	-	-	911,133
Pavement Preservation	573,899	-	-	-	-	573,899
<b>Quilcene</b>	<b>1,085,000</b>	<b>1,689,500</b>	<b>2,713,500</b>	<b>-</b>	<b>-</b>	<b>5,488,000</b>
Campground	20,000	-	180,000	-	-	200,000
Marina Dredge, Dock, and Gangway Replacement	-	634,500	2,533,500	-	-	3,168,000
Herb Beck Boat Launch & Facility Improvements	1,065,000	1,055,000	-	-	-	2,120,000
<b>Short's Family Farm</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>750,000</b>
Farm Property/Facility Maintenance	150,000	150,000	150,000	150,000	150,000	750,000
<b>Water Access</b>	<b>-</b>	<b>464,000</b>	<b>1,515,000</b>	<b>212,000</b>	<b>-</b>	<b>2,191,000</b>
Mats Mats Bay Facilities	-	30,000	-	-	-	30,000
Hadlock Dock and Gangway Replacement	-	100,000	637,000	212,000	-	949,000
Union Wharf Electrification & Mooring Dolphins	-	334,000	878,000	-	-	1,212,000
<b>Other</b>	<b>1,590,000</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>	<b>2,690,000</b>
Port Equipment/Vehicle Replacement	1,565,000	-	-	-	-	1,565,000
Port Wide - Yard/Parking/RV Resurfacing	25,000	25,000	25,000	25,000	25,000	125,000
Port Wide - Dock Renovations & Piling Replacement	-	250,000	250,000	250,000	250,000	1,000,000
<b>Emergency</b>	<b>670,000</b>	<b>3,650,000</b>	<b>2,100,000</b>	<b>2,300,000</b>	<b>100,000</b>	<b>8,820,000</b>
Small Capital Projects	100,000	100,000	100,000	100,000	100,000	500,000
Boat Haven Bulkhead Repair (FEMA DR-4650)	100,000	-	-	-	-	100,000
Boat Haven Pavement Repair (FEMA DR-4650)	20,000	-	-	-	-	20,000
City Dock Repair (FEMA DR-4593)	200,000	500,000	-	-	-	700,000
Mats Mats Bulkhead Repair (FEMA DR-4682)	-	100,000	200,000	1,200,000	-	1,500,000
Point Hudson Marina Revetment Repair (FEMA DR-4682)	-	250,000	1,600,000	-	-	1,850,000
Point Hudson Shoreline Repair (FEMA DR-4682)	250,000	2,600,000	-	-	-	2,850,000
Quilcene Revetment Repair (FEMA DR-4682)	-	100,000	200,000	1,000,000	-	1,300,000
<b>Grand Total</b>	<b>17,749,664</b>	<b>18,739,500</b>	<b>12,613,500</b>	<b>4,562,000</b>	<b>4,802,000</b>	<b>58,466,664</b>

# Planned Capital Funding



Row Labels	2026	2027	2028	2029	2030	5 Year Total
Anticipated Grant	287,000	93,363	-	-	-	<b>380,363</b>
Secured Grant	5,916,460	1,315,500	-	-	-	<b>7,231,960</b>
Port Wide Capital Reserve	270,000	-	-	-	-	<b>270,000</b>
Boat Haven Capital Reserve	200,000	-	-	-	-	<b>200,000</b>
Industrial Development District Levy	5,371,222	2,864,637	1,303,500	100,000	100,000	<b>9,739,359</b>
Unreserved Cash	1,190,982	606,000	720,000	600,000	600,000	<b>3,716,982</b>
Mitigation Credits	800,000	-	240,000	-	-	<b>1,040,000</b>
<b>Unsecured Grant</b>	<b>2,094,000</b>	<b>4,246,000</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>6,190,000</b>
<b>Unsecured Funding</b>	<b>1,620,000</b>	<b>9,614,000</b>	<b>10,400,000</b>	<b>3,912,000</b>	<b>4,152,000</b>	<b>29,698,000</b>
<b>Funded Total</b>	<b>14,035,664</b>	<b>4,879,500</b>	<b>2,263,500</b>	<b>700,000</b>	<b>700,000</b>	<b>22,578,664</b>
<b>Funded Percentage</b>	<b>79%</b>	<b>26%</b>	<b>18%</b>	<b>15%</b>	<b>15%</b>	<b>39%</b>
<b>Grand Total</b>	<b>17,749,664</b>	<b>18,739,500</b>	<b>12,613,500</b>	<b>4,562,000</b>	<b>4,802,000</b>	<b>58,466,664</b>



# 5-Year Projected Cash Flow 2026 – 2030

~ with 2025 Forecast Baseline  
Operating & Capital

Port of Port Townsend  
5-Year Projected Cash Flow (2026 - 2030)  
~ With 2025 Forecast Baseline  
Proposed Budget as of 11-12-2025

	2025 Forecast Projection	2026 Projection	2027 Projection	2028 Projection	2029 Projection	2030 Projection
<b>Capital Project Funding Summary</b>						
<b>(2026 Budget, 5-Year CIP)</b>						
<b>Total Capital Project Total</b>		17,749,664	18,739,500	12,613,500	4,562,000	4,802,000
Anticipated Grant		287,000	93,363			
Secured Grant		5,916,460	1,315,500			
Port Wide Capital Reserve		270,000				
Boat Haven Capital Reserve		200,000				
Industrial Development District Levy		5,371,222	2,864,637	1,303,500	112,500	100,000
Unreserved Cash		1,190,982	606,000	720,000	600,000	600,000
Mitigation Credits		800,000	-	240,000		
Secured Funding		14,035,664	4,879,500	2,263,500	712,500	700,000
Unsecured Funding		3,714,000	13,860,000	10,350,000	3,849,500	4,102,000
<b>Projected Beginning Year Cash</b>	14,430,100	12,731,954	9,341,106	8,377,927	7,921,454	8,582,020
<b>OPERATIONS</b>						
Total Operating Revenues ( a )	8,910,212	9,799,495	10,367,865	10,969,202	11,605,415	12,278,529
Total Operating Expenditures ( d )	8,061,242	8,983,523	9,756,106	10,595,131	11,506,312	12,495,855
Net Operating Income	848,971	815,972	611,759	374,071	99,103	(217,326)
<b>OTHER INCREASES IN FUND RESOURCES</b>						
Deposits & Retainage Collected	43,374	80,303	60,000	60,000	60,000	60,000
Taxes Collected	846,971	849,000	750,000	772,500	795,675	819,545
Capital Contributions/Grants	5,923,135	7,003,460	1,408,863	240,000	-	-
Interest	548,900	240,000	210,000	225,000	250,000	265,000
IDD Tax Levy	2,494,946	2,634,289	1,369,000			
Gen'l Property & other taxes	1,118,161	1,249,072	1,223,670	1,235,907	1,248,266	1,260,748
Misc. Incr. in Fund Resources	1,625,820	75,000	25,000	25,750	26,523	27,318
Total Incr. in Other Fund Resources ( b,c )	12,601,306	12,131,124	5,046,533	2,559,157	2,380,463	2,432,612
<b>OTHER DECREASES IN FUND RESOURCES</b>						
Deposits & Retainage Paid	66,954	77,500	60,000	60,000	60,000	60,000
Taxes Remitted	876,713	827,630	750,000	765,000	780,300	795,906
LOC Principal & Interest	1,330,550	1,332,200	665,271	-	-	-
LTGO Bond Principal & Interest	2,671,742	-	-	-	-	-
Bond Mgmt, Issuance, Investment	2,431	14,950	1,700	1,200	1,200	1,200
Capital Equipment & Vehicles	1,211,553	1,615,000	250,000	250,000	250,000	250,000
Capital Project Expenses	8,972,981	12,420,664	4,879,500	2,263,500	712,500	700,000
Election Expense	15,500	50,000	15,000	50,000	15,000	50,000
Total Other Decr. in Fund Resources ( e,f,g )	15,148,424	16,337,944	6,621,471	3,389,700	1,819,000	1,857,106
Net Other Increases/Decreases in Fund Resources	(2,547,117)	(4,206,820)	(1,574,938)	(830,543)	561,463	575,506
<b>Total INFLOW</b>	\$ 21,511,519	\$ 21,930,619	\$ 15,414,398	\$ 13,528,358	\$ 13,985,879	\$ 14,711,141
<b>Total OUTFLOW</b>	\$ 23,209,665	\$ 25,321,467	\$ 16,377,577	\$ 13,984,831	\$ 13,325,312	\$ 14,352,961
<b>Net INFLOW / OUTFLOW - Change in Cash Balance</b>	\$ (1,698,146)	\$ (3,390,848)	\$ (963,179)	\$ (456,473)	\$ 660,566	\$ 358,180
<b>RESERVE BALANCES</b>						
IDD Levy Reserve ( h )	7,341,616	4,604,683	3,109,046	1,805,546	1,693,046	1,593,046
Port Wide Capital Reserve ( i )	806,746	536,746	536,746	536,746	536,746	536,746
Boat Haven Renovation ( j )	436,068	236,068	236,068	236,068	236,068	236,068
Operating Reserve ( k )	23,405	23,405	23,405	23,405	23,405	23,405
Emergency Reserve ( l )	500,000	500,000	500,000	500,000	500,000	500,000
Unemployment Reserve ( m )	10,000	10,000	10,000	10,000	10,000	10,000
Property Tax Reserve ( n, o )	-	749,072	1,472,742	2,208,649	2,956,914	3,717,663
<b>Total Ending Cash Reserves</b>	9,117,835	6,659,974	5,888,007	5,320,413	5,956,179	6,616,928
<b>Total Unreserved Cash</b>	3,614,119	2,681,132	2,489,920	2,601,041	2,625,841	2,323,273
<b>Total Ending Year Cash &amp; Investments</b>	\$ 12,731,954	\$ 9,341,106	\$ 8,377,927	\$ 7,921,454	\$ 8,582,020	\$ 8,940,200



# Questions?