



2025 Capital and Operating Budget (1st Review)

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Finance Director
October 21, 2024

Today's Presentation

Advisory Only – No action requested

- Capital Investment Plan & Operating Budget (1st Review)



Agenda

- IOUs
- Remaining Schedule
- 2025 Budget Assumptions
- Capital Investment Plan (CIP)
- 2025 Budget Overview
- 2025 Operating Budget by Business
- Tax Levy and Non-Operations (including Environmental, Commission and Other Non-Ops)
- Questions and Comments



Prior IOUs

- Average home value in Thurston County and tax impact for proposed Levy.
 - 2025 average value = \$524K, Tax Levy effect is an annual increase of \$1.14 for a total of \$65.14 for the average home value.
- Are any business line environmental costs included under 'Environmental Administration'?
 - None of the costs under 'Environmental Admin' are duplicated elsewhere.
 - Environmental expenses are correctly recorded as direct costs to each business line and are reviewed on an ongoing basis.
- Small Cities corrected to \$50K from \$40K presented on September 23rd.
- Port Event Sponsorships Resolution 2015-09 sent to Commissioners
 - Sent to Commissioner and included in meeting materials.

IOU's

- No new items

2025 Budget Timeline

OCTOBER 28, 2024

2025 Budget and Capital Investment Plan Draft Operating Budget, (2nd Review)

NOVEMBER 12, 2024

2025 Budget and Capital Investment Plan
Introduce Budget Resolutions – 2025 Budget and 2025 Tax Levy
Budget Presentation and Public Hearing

NOVEMBER 18, 2024

Final adjustments (if needed)

NOVEMBER 25, 2024

2025 Budget and 2025 Tax Levy Resolutions Adoption

2025 Budget Assumptions

Operating Budget (2024 Adopted vs. 2025 Proposed)

- Operating Revenues Increase of 6.4%
- Operating & Maintenance Expenses Increase of 3.2%

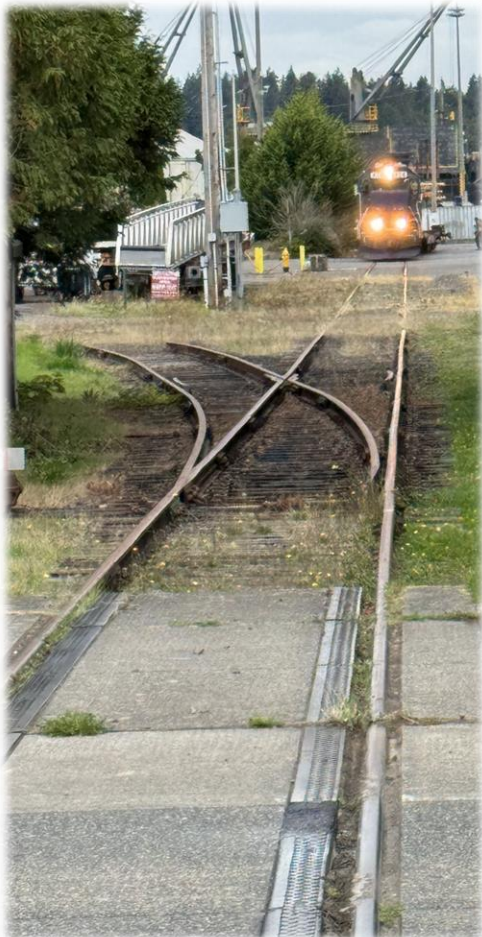
- Grants, \$4.6M in 2024 to anticipated \$9.5M in 2025

- Rates and Fees
 - Airport Increase of 5.0%
 - Marina Increase of 5.0%
 - Marine Terminal Tariff 3.6%

- Staffing
 - COLA salary adjustment 3.0%
 - 3 additional FTE

2025 Capital Budget - DRAFT

Capital Budget



Business Unit		Project Name	Capital Budget	PORT Funds	Grant/Outside Funds
Airport	1	A: Runway 17-35 (South) Pavement and Electrical Rehabilitation *	\$4,500,000	\$225,000	\$4,275,000
	2	A: Apron & Taxiway Repair and Striping	\$327,800	\$32,800	\$295,000
	3	A: Gate Electronics & Motor Replacement	\$160,000	\$160,000	\$0
	4	A: Equipment - Stand-Behind Blower	\$15,000	\$15,000	\$0
	5	A: Equipment - Zero Turn mower	\$23,000	\$23,000	\$0
	6	A: Equipment - Scissor Lift	\$23,000	\$23,000	\$0
			Subtotal Airport	\$5,048,800	\$478,800
Marina & Boatworks	7	BW: Boatyard Stormwater Pond Media Replacement *	\$40,000	\$40,000	\$0
	8	BW: Stormwater Treatment System *	\$400,000	\$400,000	\$0
	9	BW: Boatworks Yard Expansion	\$400,000	\$400,000	\$0
	10	BW: Boatworks Derelict Vessel Demolition Pit	\$50,000	\$50,000	\$0
	11	BW: Equipment - Forklift	\$25,000	\$25,000	\$0
	12	SM: Equipment - Vehicle	\$15,000	\$15,000	\$0
			Subtotal Marina & Boatworks	\$930,000	\$930,000
Marine Terminal	13	MT: Berth 1 Repairs - MARAD*	\$60,000	\$60,000	\$0
	14	MT: Maintenance Facility - MARAD*	\$60,000	\$60,000	\$0
	15	MT: Asphalt Paving - MARAD*	\$60,000	\$60,000	\$0
	16	MT: Storage Facility	\$3,000,000	\$3,000,000	\$0
	17	MT: Warehouse Lighting System Upgrade	\$25,000	\$25,000	\$0
			Subtotal Marine Terminal	\$3,205,000	\$3,205,000
		Subtotal Properties	\$0	\$0	\$0
Non-Ops	18	Marine Drive NE Asphalt (Heavy)*	\$1,500,000	\$200,000	\$1,300,000
	19	Waterfront Development - Site D*	\$897,654	\$652,654	\$245,000
	20	IT - Annual Capital Projects	\$20,000	\$20,000	\$0
	21	IT- Fiber to Port Cyber Security*	\$195,000	\$48,750	\$146,250
	22	Building TI	\$1,750,000	\$1,750,000	\$0
	23	Contingency Equipment / Project(s)	\$100,000	\$100,000	\$0
			Subtotal Non Ops & Admin	\$4,462,654	\$2,771,404
			Capital Total	Port Total	Grants/Other Total
			\$13,646,454	\$7,385,204	\$6,261,250
		* Multi-Year Project			

Cash 2025 Statutory Budget

(in 000's)

	2025 Budget
Beginning Cash & Investments	\$ 31,291
Operating Revenues	16,624
Operating Expense	(15,108)
Income from Operations	1,516
Property tax revenue	7,981
Grant Revenue	9,461
Non Operating Revenue	246
Operations & Other Income	19,204
Debt Service Payments	(4,231)
Capital Investments - Planned Projects	(13,646)
Non Operating Expenses	(9,526)
Projected Uses of Income	(27,403)
Ending Cash & Investments	\$ 23,092

CASH AVAILABLE FOR OPERATIONS - CASH BASED

PROJECTED 2024	General Operations	Capital Improvements	LTGO Debt Service	Total
CASH BALANCE, JANUARY 1, 2024				
Beginning Balance Operating Cash	12,600,000	8,696,076		21,296,076
PROJECTED GENERAL OPERATIONS ENDING BALANCE				
Operating Revenues	16,732,955			
Operating Expenses before Depreciation	(13,928,862)			
Operating Surplus (Deficit) before Depreciation	2,804,093	8,696,076	-	11,500,169
Beginning General Operations Balance (or Deficit)	15,404,093			
Net Non-Operating General Surplus (Deficit)	5,107,446			
Projected General Operations Ending Balance	20,511,539	8,696,076	-	29,207,615
GENERAL OPERATIONS TARGET BALANCE				
Next Year Operating Expense Budget	(15,108,138)			
Projected Ending Balance over (under) Target Balance	5,403,401	8,696,076	-	14,099,477
Cash Received from Sale of Property	9,680,000			9,680,000
New Bond Issue Proceeds			-	
General Property Tax Levy			7,858,167	
Less: Debt Service (Principal & Interest)			(4,553,131)	
Less: Bond Defeasance			(5,227,556)	
Excess Property Tax Levy (Deficit)			(1,922,520)	(1,922,520)
Environmental / Capital Grants	1,474,491	1,430,000		2,904,491
Less: Capital Project Expenses (before grant funding)		(1,605,454)		(1,605,454)
CASH BALANCE, DECEMBER 31, 2024	16,557,892	8,520,622	(1,922,520)	23,155,994

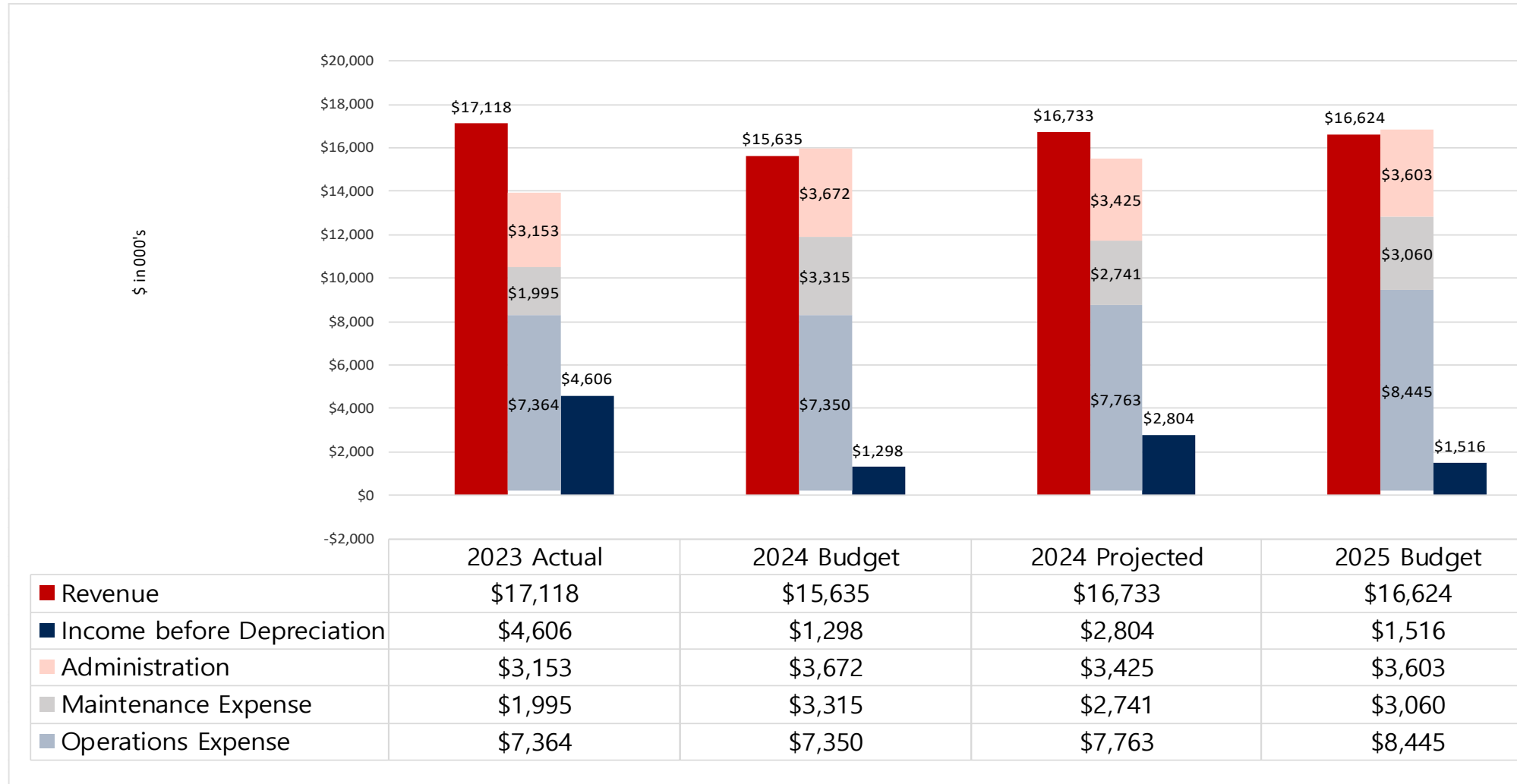
BUDGET 2025	General Operations	Capital Improvements	LTGO Debt Service	Total
CASH BALANCE, JANUARY 1, 2025	16,557,892	8,520,622	(1,922,520)	23,155,994
PROJECTED GENERAL FUND ENDING BALANCE				
Operating Revenues	16,623,716			
Operating Expenses before Depreciation	15,108,138			
Operating Surplus (Deficit) before Depreciation	1,515,578			
Beginning General Fund Balance (or Deficit)	18,073,470			
Net Non-Operating General Surplus (Deficit)	(1,221,923)			
Projected General Fund Ending Balance	16,851,547	8,520,622	(1,922,520)	23,449,649
GENERAL FUND TARGET FUND BALANCE				
Calculated Reserve Target-Resolution 2015-16	(12,600,000)			
Projected Ending Balance over (under) Target Balance	4,251,547	8,520,622	(1,922,520)	10,849,649
Cash Received from Sale of Property				-
New Bond Issue Proceeds				-
General Property Tax Levy			8,058,601	
Less: Debt Service (Principal & Interest)			(4,230,584)	
Excess Property Tax Levy (Deficit)			3,828,017	3,828,017
TRANSFER EXCESS / (DEFICIT) TAX LEVY TO GENERAL FUND				
Environmental / Capital Grants	3,200,000	6,261,250		
Less: Capital Project Expenses (before grant funding)		(13,646,454)		
	3,200,000	(7,385,204)		(4,185,204)
CASH BALANCE, DECEMBER 31, 2025	7,451,547	1,135,418	1,905,497	10,492,462

2025 Operating Budget

Income Statement (in 000's)

	Airport & New Market	Swantown Marina	Marine Terminal	Properties	General Admin.	2025 Budget
Operating Revenues	3,547	4,985	7,674	1,094		\$ 17,300
Operations & Maintenance Expenses	(1,965)	(3,576)	(5,293)	(556)		(11,390)
Contribution Margin	1,582	1,409	2,381	538	-	5,910
Administration Expenses	(1,037)	(1,036)	(1,117)	(413)	-	(3,603)
Operating Expenses	(3,002)	(4,612)	(6,410)	(969)	-	(14,993)
Operating Income before depreciation	545	373	1,264	125		2,307
Depreciation	(977)	(535)	(1,451)	(190)	(281)	(3,434)
Operating Income (loss)	(432)	(162)	(187)	(65)	(281)	(1,127)

Comparative Total Port Operating Budget

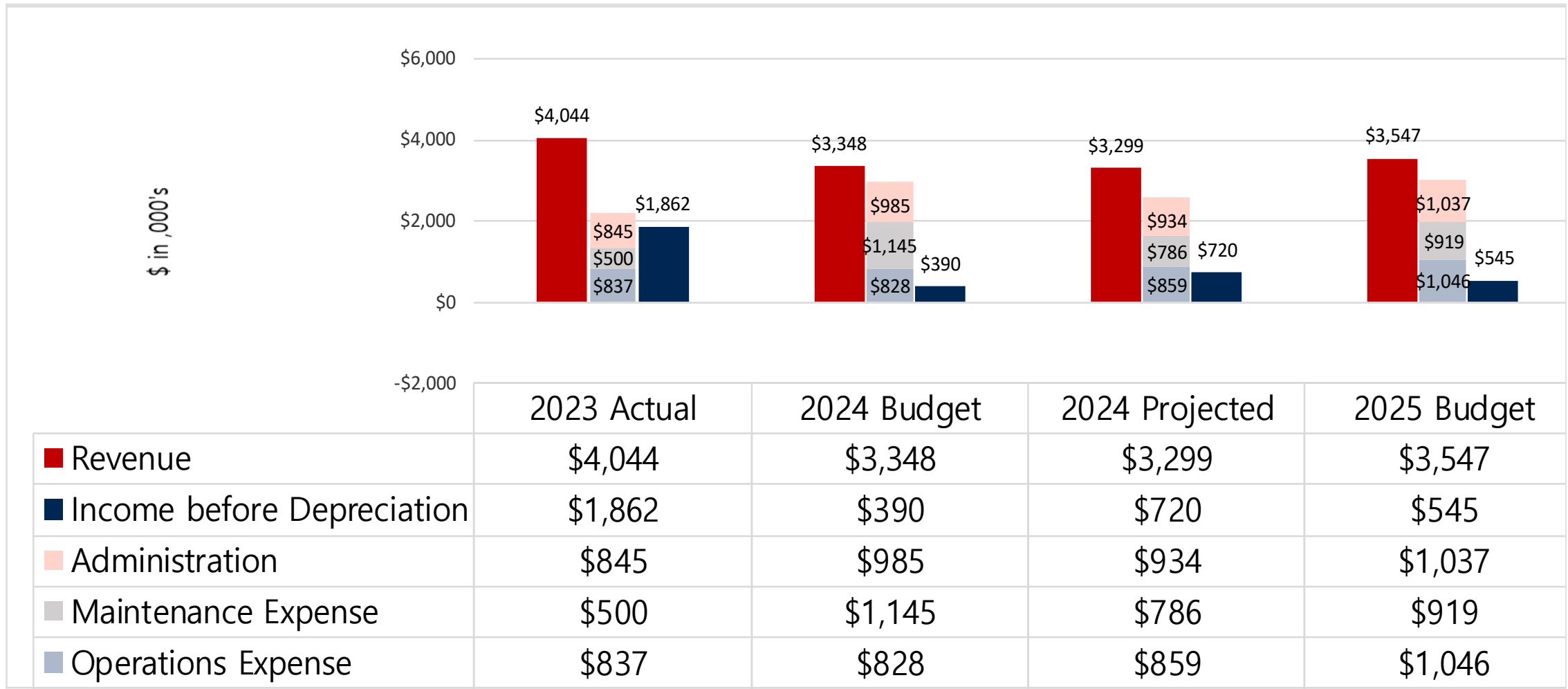


2025 Budget Overview

Airport, NMIC and Cleanwater Center (in 000's)

Operating Revenues	\$3,547	<i>Increase of</i>	<i>6.9%</i>
Operating Expenses	\$1,046	<i>Increase of</i>	<i>26.3%</i>
Maintenance Expenses	\$919	<i>Increase of</i>	<i>10.6%</i>
Airport Capital Investment Plan	\$5,049		
Net Income (Before Depreciation)	\$545		
Net Income (After Depreciation)	(\$432)		

Airport, New Market and Cleanwater Center

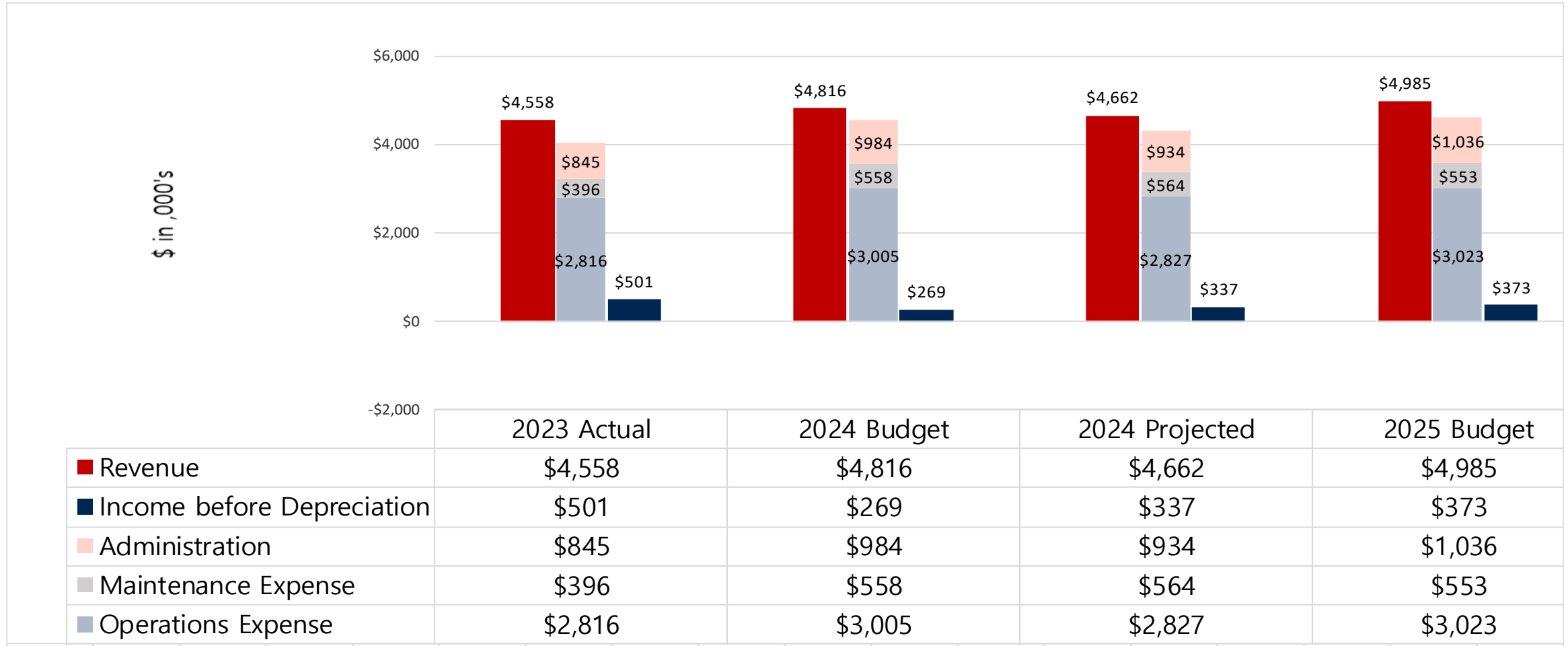


2025 Budget Overview

Marina, Boatworks and Fuel Dock in (000's)

Operating Revenues	\$4,985	<i>Increase of 4.7%</i>
Operating Expenses	\$3,023	<i>Increase of 0.1%</i>
Maintenance Expenses	\$553	<i>Decrease of 0.1%</i>
Marina Capital Investment Plan	\$930	
Net Income (Before Depreciation)	\$373	
Net Income (After Depreciation)	(\$162)	

Marina, Boatworks and Fuel Dock

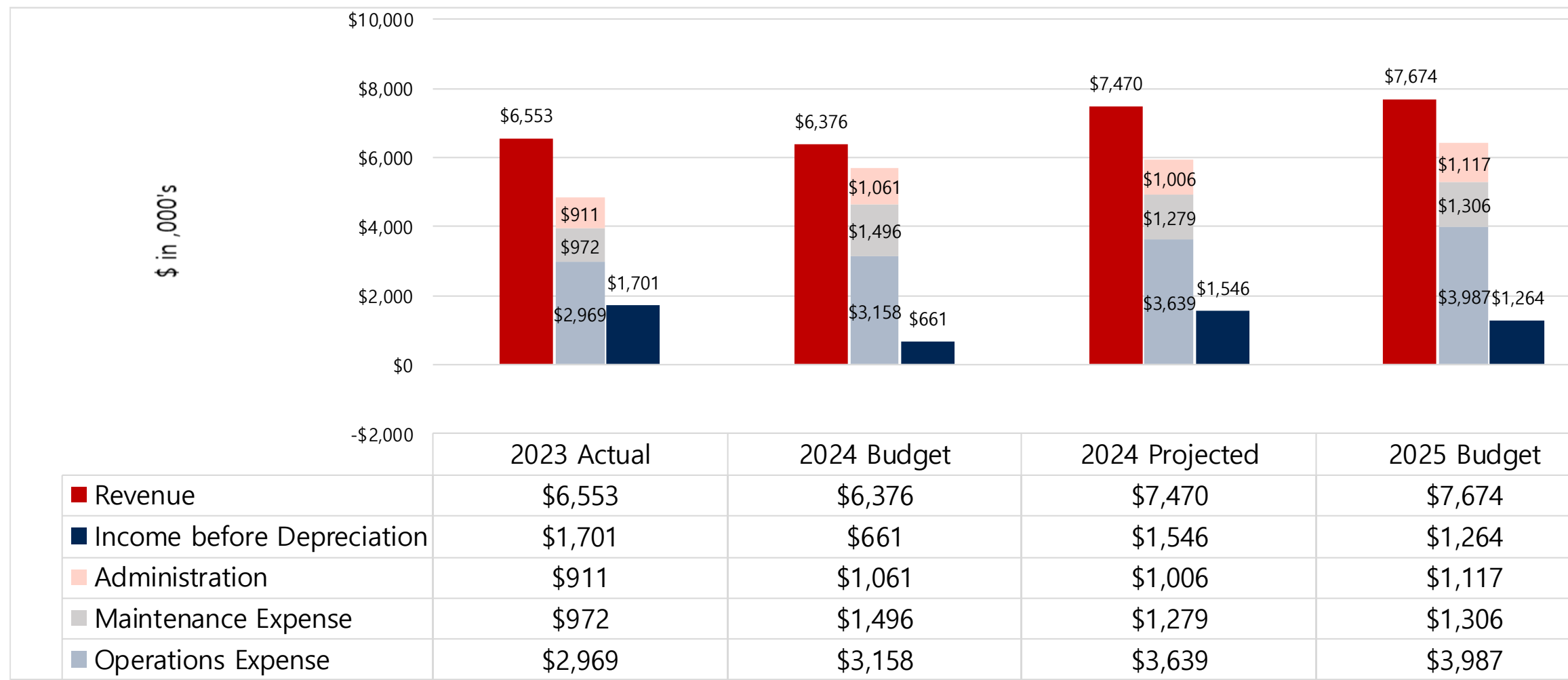


2025 Budget Overview

Marine Terminal (000's)

Operating Revenues	\$7,674	<i>Increase of 20.4%</i>
Operating Expenses	\$3,987	<i>Increase of 26.3%</i>
Maintenance Expenses	\$1,306	<i>Decrease of 12.7%</i>
Marine Terminal Capital Investment Plan	\$3,205	
Net Income (Before Depreciation)	\$1,294	
Net Income (After Depreciation)	(\$187)	

Marine Terminal

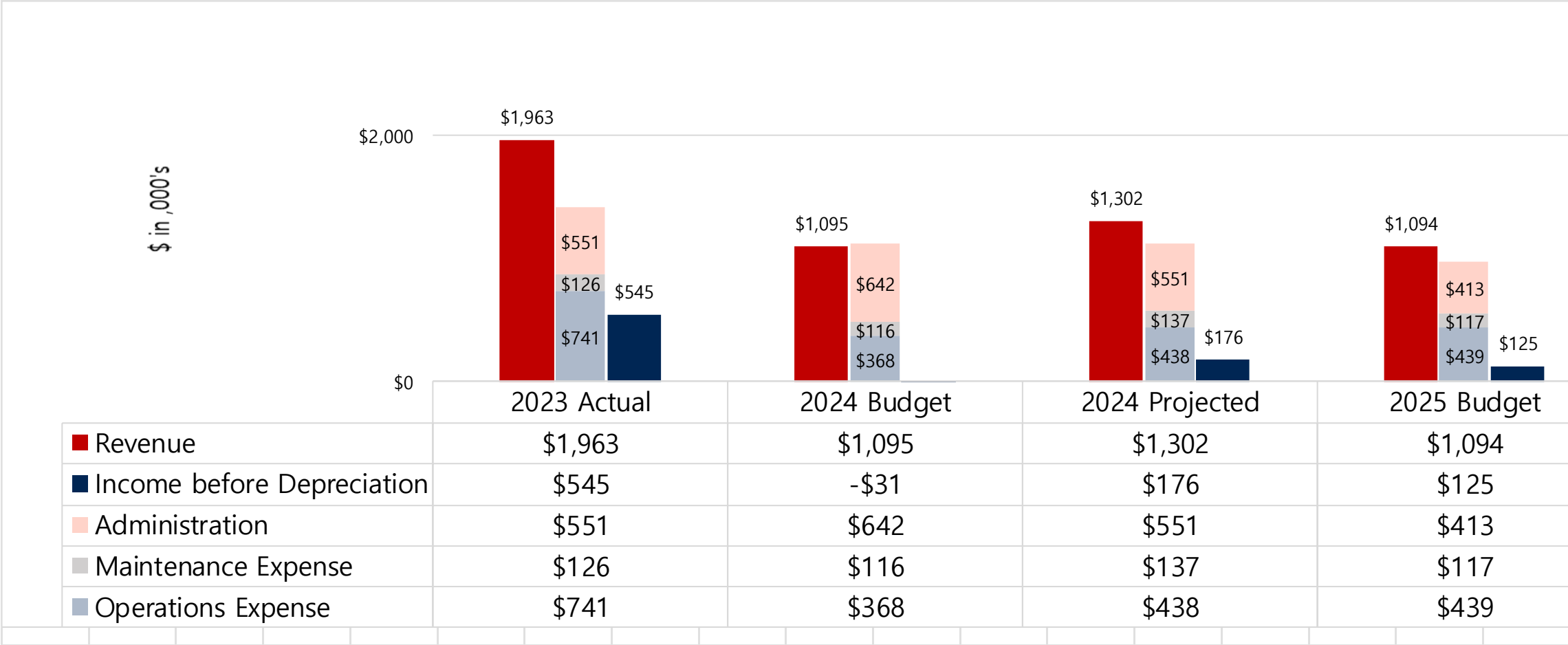


2025 Budget Overview

Properties in (000's)

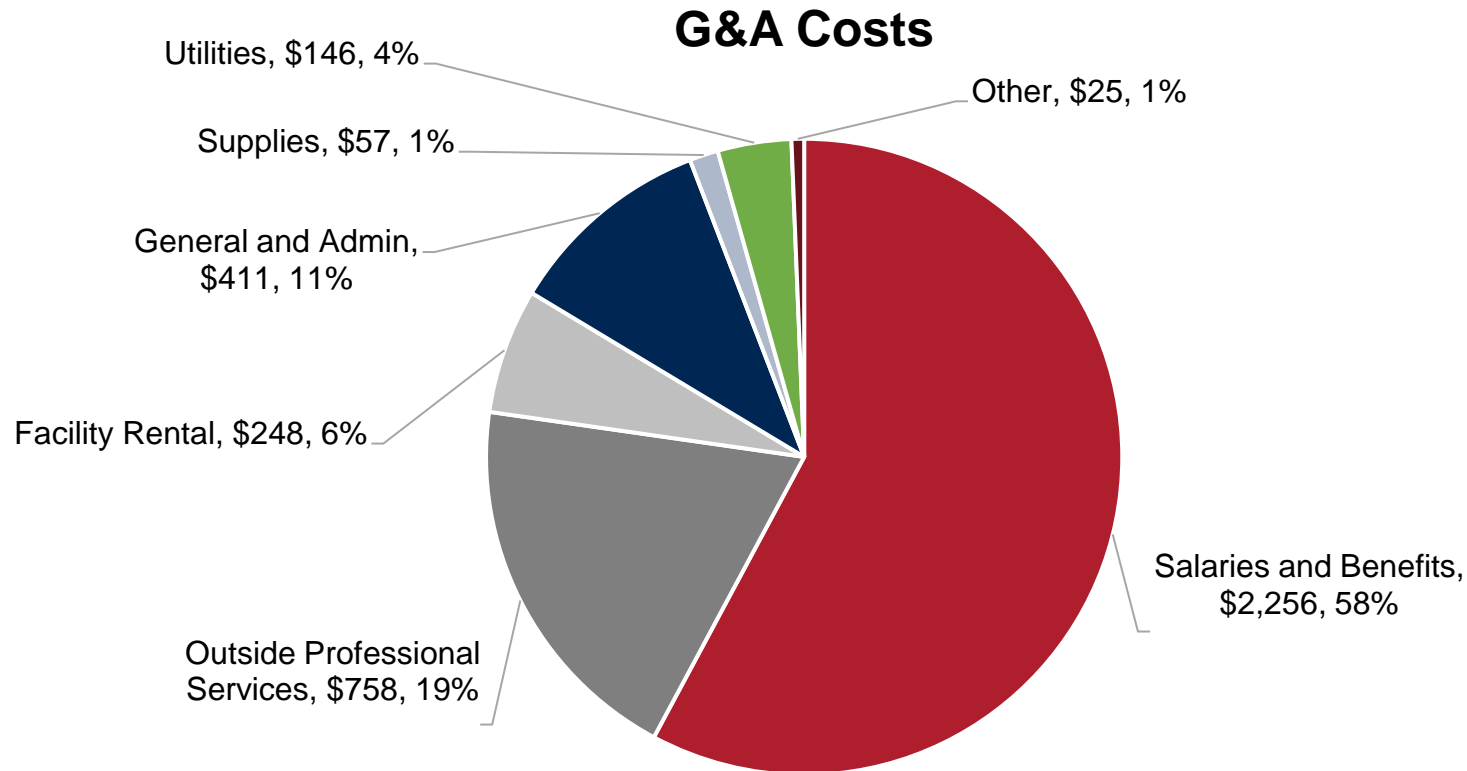
Operating Revenues	\$1,094	<i>Decrease of 0.0%</i>
Operating Expenses	\$439	<i>Increase of 1.9%</i>
Maintenance Expenses	\$117	<i>Decrease of 0.0%</i>
Real Estate Capital Investment Plan	\$0	
Net Income (Before Depreciation)	\$125	
Net Income (After Depreciation)	(\$65)	

Real Estate



Budget Overview

General and Admin. (in 000's)

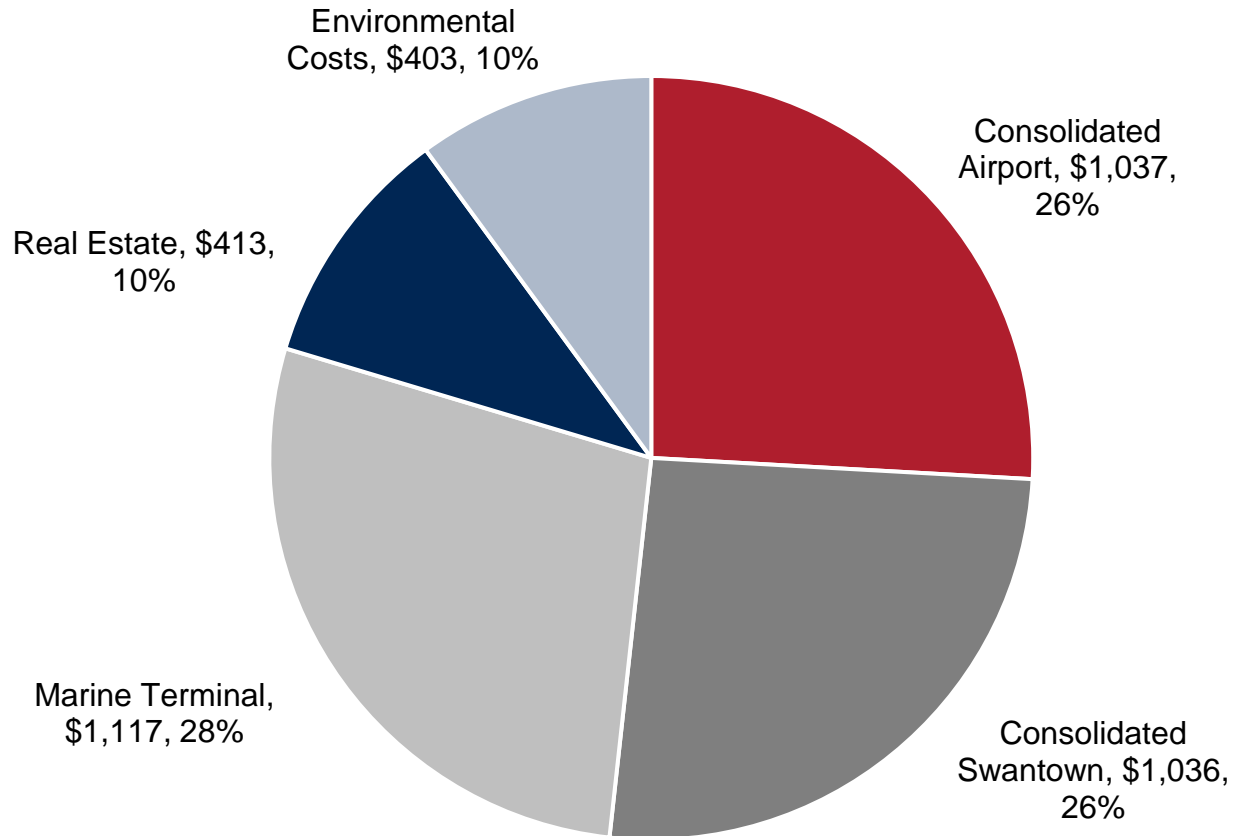


■ Salaries and Benefits ■ Outside Professional Services ■ Facility Rental ■ General and Admin ■ Supplies ■ Utilities ■ Other

Budget Overview

*General and Admin.
(in 000's)*

G&A Allocation To Department



- Consolidated Airport
- Consolidated Swantown
- Marine Terminal
- Real Estate
- Environmental Costs

Tax Levy

*Calculated
Proposed
Amount*

1% + New Construction		
2024 levy amount		\$ 7,858,167
Increase on prior year levy	1%	79,367
Levy increase for new construction		121,067
Proposed 2025 tax levy		\$ 8,058,601
Increase (Decrease)		200,434
2025 Millage rate (Calculated)		\$ 0.1244
2024 Millage rate		\$ 0.1309
2025 average home value \$524K	\$ 523,818	\$ 65.14
2024 average home value \$	\$ 494,766	\$ 64.76
Annual Increase (Decrease)		\$ 0.38

Tax Levy Uses

(in 000's)

Total Tax Levy Revenues	\$8,058
Uses of Taxes:	
Principle & Interest Expense, Debt	(4,231)
Environmental Expense:	
Cascade Pole	(972)
Environmental Administration	(1,027)
Budd Inlet Remediation <i>(Port Share Only)</i>	(800)
Government Services <i>(Formerly, Commission Expense)</i>	(1,732)
Community Events	(57)
Small Cities	(50)
Special Projects	-
Membership and Partner Costs	(175)
Total Use of Taxes	(9,044)
Net Levy Funds	(986)
Funds Required From Operations / Reserves	986

2025 Budget FTE Overview

Groups	2025 Budget	2024 Budget
Airport, New Market, Cleanwater Center	7.14	5.84
Swantown Marina	14.96	13.96
Marine Terminal	9.33	9
Properties	2.25	2.25
Administration	14.6	15.73
Environmental Admin / Cascade Pole	3.77	4.1
Public Amenities	0.45	0.45
Government Services	1.5	0
Total FTEs	55	51.33

Next Steps

OCTOBER 28, 2024

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NOVEMBER 12, 2024

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NOVEMBER 25, 2024

2025 Budget and 2025 Tax Levy Resolutions Adoption

Questions and Comments