



Serving All of Thurston County

Commission Work Session
Tuesday, February 17, 2026
4:00 PM

Percival Plaza - Olympics Room
626 Columbia Street NW, Suite 1-B
Olympia, WA 98501

The meeting agenda is available on the Port's website as of February 11, 2026.

<https://www.portolympia.com/commission>

AGENDA

- A. Call to Order
- B. Approval of Agenda
- C. Budget Discussion
- D. Agenda Setting Topics
- E. Adjourn

The public may join the meeting from their computer, tablet or smartphone at:

<https://us06web.zoom.us/j/83222401163?pwd=3JXdV3PtzdsUZpYktXbPtAnf7wUDWs.1>

or Telephone: 1 253 215 8782

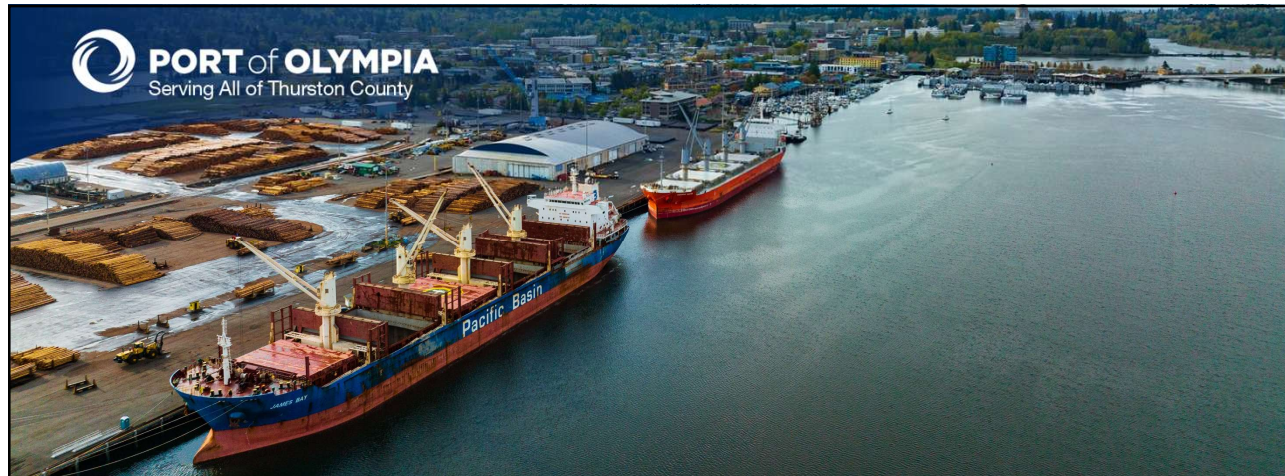
Webinar ID: 832 2240 1163

Passcode: 351225

No public comment or commission action will be taken at this Work Session.

Port of Olympia Mission

Creating economic opportunities and building community for all of Thurston County through responsible resource use.



Understanding Asset Depreciation in Local Government

Brent Barnes
Director of Enterprise Services
February 17, 2026



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Why We're Talking About This

Advisory Only – No Action Required

- Supports long-term planning for equipment and facilities
- Strengthens transparency and accountability

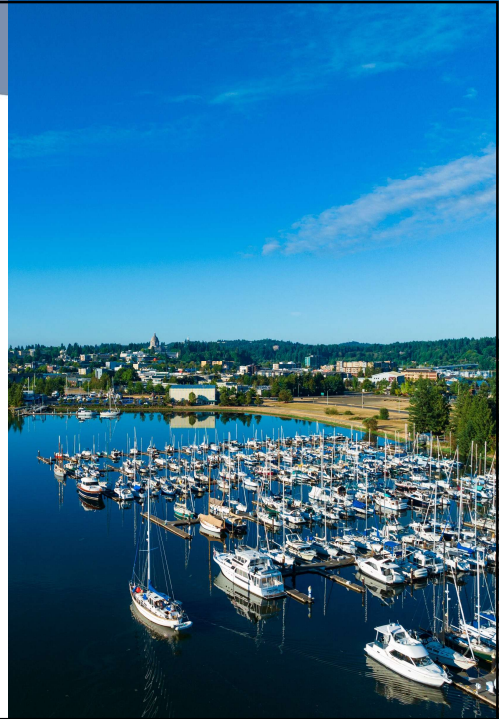


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What Depreciation Is

- A non-cash expense that reduces the value of a fixed asset over time
- Depreciation calculation: $\text{asset cost} / \text{estimated useful life} = \text{cost to expense annually}$
- Shows how much of an asset's service value has been used
- Not a current cash expense — a planning and reporting tool tied to past asset purchase

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Public vs. Private Sector

- Private Sector
 - Reduces taxable income
 - Helps measure profit
- Public Sector
 - No tax impact
 - Helps to make informed decisions about asset management and resource allocation

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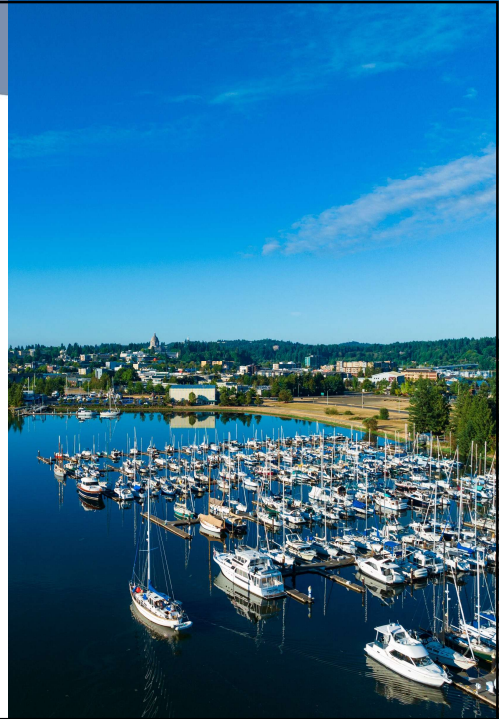
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Why the Port Uses Depreciation

- Required by GASB and BARS manual
- Tracks aging infrastructure such as docks, piers, infrastructure and buildings
- Helps in the planning for major capital replacements
- Supports responsible budgeting and accountability to the public

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What Depreciation Looks Like in Port Reports

- Appears in Port-wide financial statements
- Not current cash outlay when considering operational net profit
- Used in conjunction with capital planning to:
 - Identify deferred maintenance on assets
 - Provide a long-term view of infrastructure health

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2026 Income Statement

	2024 Final Unaudited	2025 Adopted Budget	2025 End of Year Projected	2026 Proposed Budget
Continued from previous page:				
Operations Gross Profit / (Loss)	\$5,053,298	\$5,963,097	\$6,154,545	\$4,989,960
Consolidated Administrative Expenses:				
Salaries	(\$1,533,806)	(\$1,835,456)	(\$1,699,613)	(\$1,884,394)
Benefits	(\$535,908)	(\$658,753)	(\$609,553)	(\$594,489)
Outside Professional Services	(\$612,310)	(\$748,000)	(\$750,137)	(\$809,060)
Supplies	(\$50,852)	(\$58,300)	(\$50,057)	(\$139,262)
Equipment Rentals	(\$10,189)	(\$10,000)	(\$9,905)	(\$15,000)
Facility Rental	(\$278,560)	(\$248,000)	(\$267,489)	(\$282,876)
General & Admin - Direct	(\$333,784)	(\$411,235)	(\$388,686)	(\$469,862)
Utilities	(\$308,399)	(\$146,300)	(\$161,677)	(\$304,015)
Maintenance and Repairs	(\$8,002)	(\$3,250)	(\$9,315)	(\$8,500)
Other Misc Expenses	(\$24,534)	(\$25,000)	(\$14,112)	(\$17,000)
Total Consol. Admin Expenses	(\$3,696,344)	(\$4,144,294)	(\$3,960,544)	(\$4,524,458)
Ops Net Profit / (Loss) After G&A Alloc.	\$1,356,954	\$1,818,803	\$2,194,001	\$465,502
Depreciation - Ops and Consol. Admin.	(\$4,187,807)	(\$3,714,833)	(\$3,742,615)	(\$3,788,635)
Ops Net Profit / (Loss) After Depr.	(\$2,830,853)	(\$1,896,030)	(\$1,548,614)	(\$3,323,133)

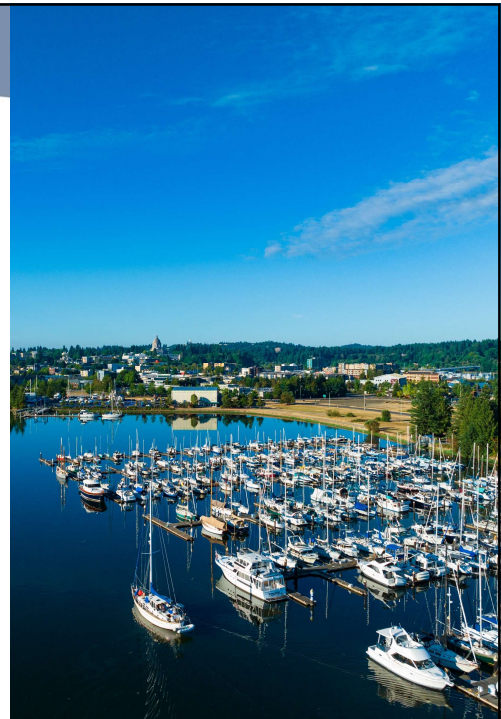
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Budgeting Implications

- What Depreciation Does Not Do
 - Does not authorize spending
 - Does not affect annual cash budgets
- What It Does Do
 - Provides financial gage of estimated useful life vs. actual replacement needs
 - Supports multi-year capital improvement planning




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2026 Cash Budget

Beginning Cash & Investments	\$ 24,694,000
Projected Sources of Funds:	
Revenues	17,194,567
Operating Expense	(8,661,589)
Maintenance Expense	(3,543,018)
Administration Expense	(4,524,458)
Funds Provided by Operations	465,502
Ad valorem tax revenue	8,325,455
Grant Revenue	7,493,972
Other Non Operating revenue	926,000
Projected Sources of Funds	16,745,427
Projected Uses of Funds:	
Debt Service Payments - Existing Debt	(4,194,477)
Capital Spending - Planned Projects	(15,678,485)
Government Services	(1,875,050)
Environmental Remediation	(6,239,931)
Other Non Operating expenses	(435,705)
Projected Uses of Funds	(28,423,648)
Projected Borrowing	-
none	-
Total Borrowing	-
Projected Ending Cash & Investments	\$ 13,481,281




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Port Example

- Boatworks
 - The Port depreciates its boat handling equipment (e.g., travel lift)
 - Depreciation helps track remaining useful life
 - Supports planning for future replacement or major refurbishment

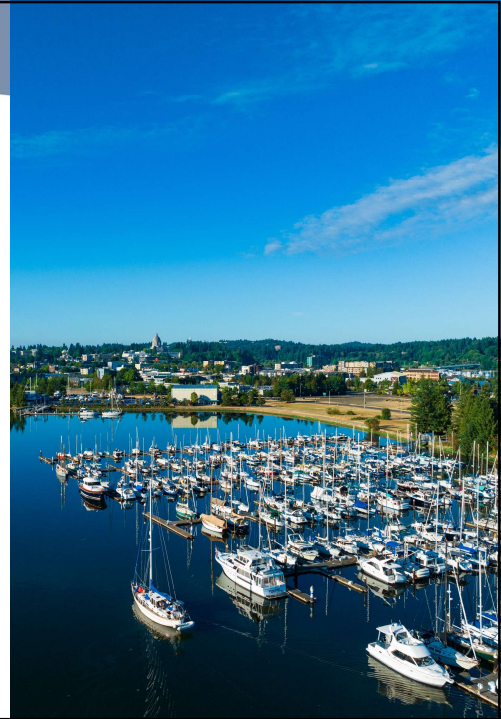


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Port Example

- Swantown Marina & Boatworks
 - Marina docks, floats, utilities, and boatyard equipment all depreciate
 - Depreciation helps identify when dock sections need replacement
 - Supports planning for marina modernization and customer service improvements
 - Ensures long-term viability of a key community waterfront asset



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Food for Thought About Depreciation

- Grants
 - Required to depreciate by policy, same as all Port capital assets
 - May be value add, but not something we would have done w/o grant funding
- May contain items we don't intend to replace once retired
 - MT mobile crane
 - MT log loaders
- Example: Airport annual depreciation for 2025 was ~\$745k, but 58% of that was grant funded improvements or equipment

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Key Takeaways

- Depreciation is a required accounting method for capital asset purchases
- A tool to help with planning, not a plan to spend
- It supports long-term capital planning for marine, aviation, and marina facilities
- Understanding depreciation helps shape policy and support the community

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Questions and Comments



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PORT of OLYMPIA
Serving All of Thurston County

Tax Levy and Non-Operations Budget

Brent Barnes
Director of Enterprise Services
February 17, 2026



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Today's Presentation


Advisory Only

- Port Tax Levy Policy
- Tax Levy Uses
- Non-Operations Budget



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Tax Levy Uses – Policy 1201

 PORT of OLYMPIA POLICIES & PROCEDURES MANUAL		Page:	2 of 2
Section:	1200 FINANCIAL	Revision Date:	9/2015
Policy:	TAXATION	Policy No.	1201
Approver:	COMMISSION	Resolution	Yes

B. **Authorized Uses:** The Port plans to use the levy revenues to provide for any or all of the following, together with such other purposes as shall be provided for in such budget as is adopted by the Commission:

1. General obligation bond principal and interest payments;
2. Environmental costs;
3. Capital asset acquisitions such as Port facilities, public facilities, roads, and infrastructure;
4. Operation and maintenance of public facilities where user fees are set below cost (such as the Port Pavilion);
5. Operation and maintenance of public spaces and roads such as East Bay waterfront trail, Marine Drive;
6. Real estate acquisition fund; and
7. Special projects as established by the Commission.

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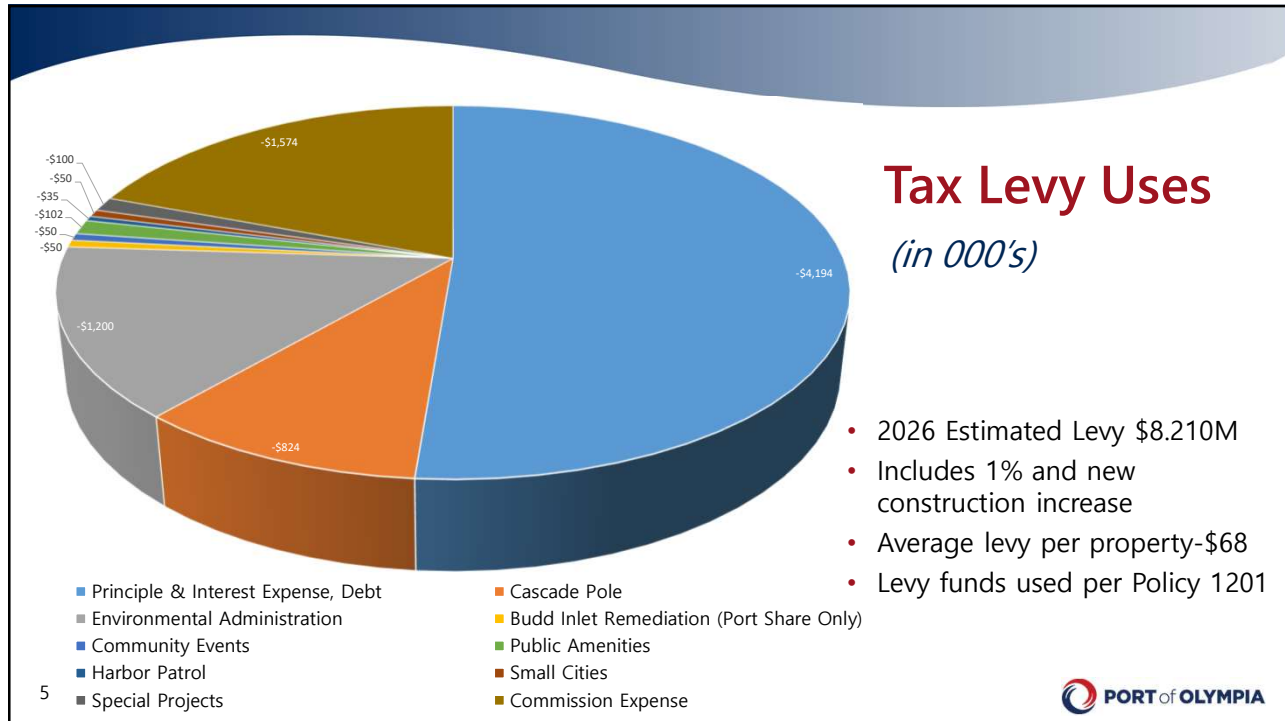
Tax Levy Uses – Policy 1201

Estimated 2026 Tax Levy Revenues		\$8,210,162
Uses of Taxes:		
Debt, Principal and Interest		(4,616,000)
Environmental Expense:		
Cascade Pole		(824,458)
Environmental Administration		(1,200,000)
Budd Inlet Remediation (Port Share Only)		(50,000)
Government Services		
Community Events		(57,000)
Small Cities Program		(100,000)
Special Projects		(100,000)
Harbor Patrol		(35,000)
Membership and Partner Costs		(175,000)
Total Use of Taxes		(8,565,508)
Net Levy Funds		(355,346)
Funds from Operations/Reserves		\$355,346

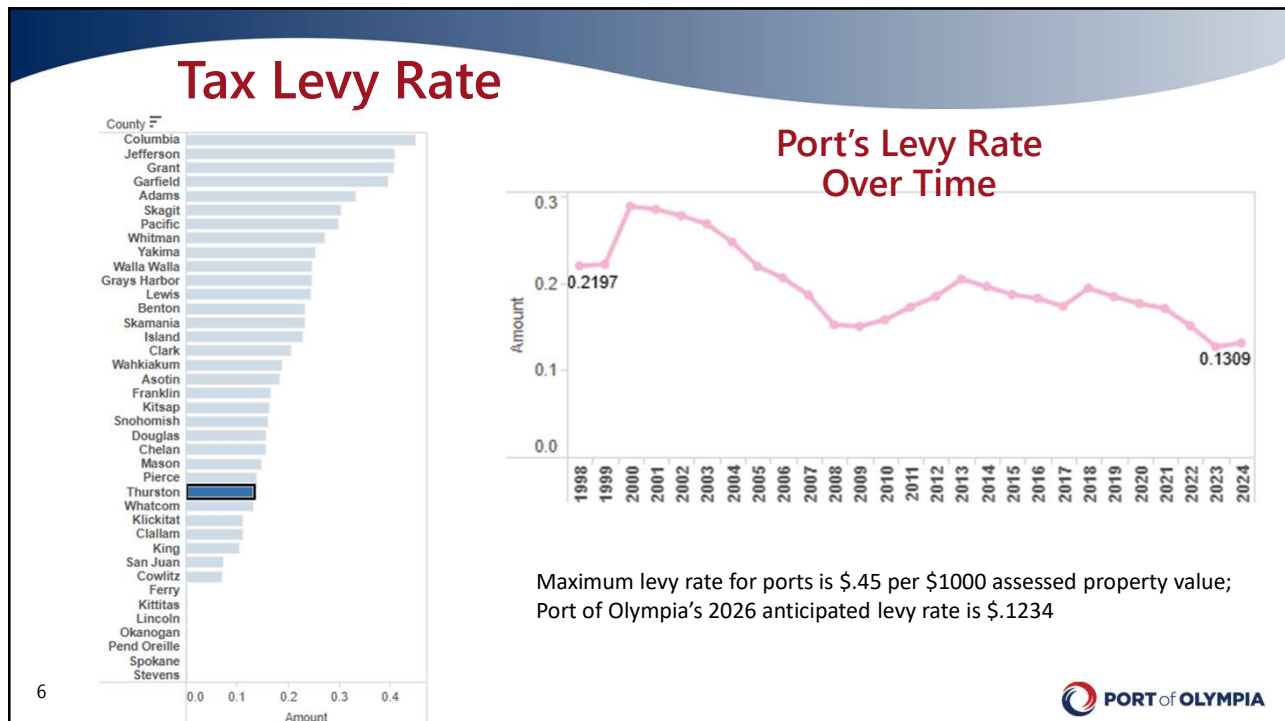
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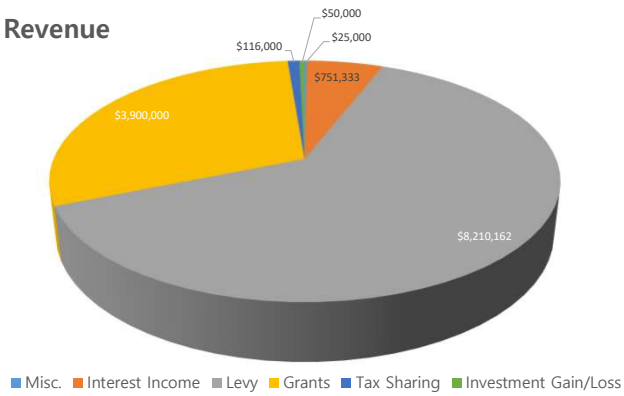
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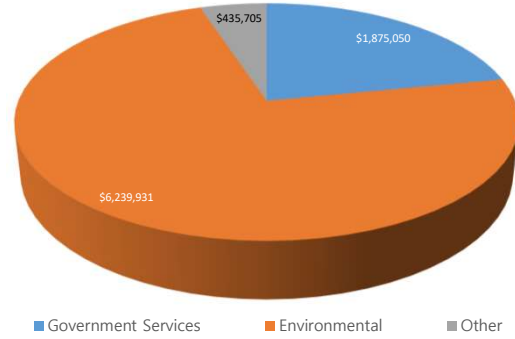
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2026 Non-Operations

Revenue



Expenses

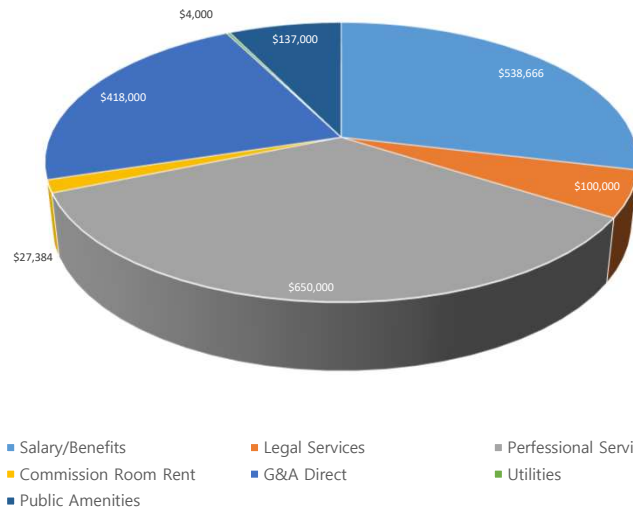


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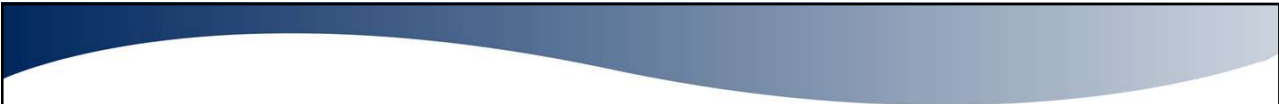
2026 Government Services



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Questions and Comments

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