

BUDGET STRATEGY

The Port of Friday Harbor is pleased to present the 2022 Citizen Budget Guide. The budget represents our priorities in the continuing effort to enhance the conditions that contribute to a healthy economy, and improve the social economic, and natural environment of San Juan Island.

The strategic objective of 2022 is to pursue the highest and best use of all Port personnel, facilities, and properties. Full utilization of our assets allows for the upgrade and maintenance of our existing assets, and funds the investment in new recreation, conservation, and economic development projects.

BUDGET DEVELOPMENT

Increases to user charges are adjusted annually by the most recent August Consumer Price Index (CPI) of Seattle-Tacoma-Bremerton area. The August 2021 increase is 4.94% which will be reflected in the 2022 rates.

The Port has elected to contribute \$50,000 to its reconstruction fund. The marina reconstruction will be funded \$30,000, and the hangar reconstruction will be funded \$20,000.

2022 will be a year that the Port draws down on the current hangar reconstruction fund, with the replacement of the Ports oldest open T-hangars.

CAPITAL BUDGET

AIRPORT

- In 2021 the Port had hoped to be well on its way with the hangar rebuild project. Due to Covid-19 the supply chain for the hangar kit has tremendously slowed the process, so the construction of the hangar will occur in 2022. The costs allocated in 2022 total \$291,000 and will be funded by reserves in our Hangar Reconstruction Fund.

- The Port has elected to build a greenhouse on airport property to grow our own flowers for our spring/summer flower baskets that are provided to all Port facilities. The hope is to be able to sell our flowers to the Town of Friday Harbor for their baskets as well. A portion of the greenhouse cost will be expended in 2021, followed up with the remaining \$20,000 in 2022.

MARINAS

- The Jensen marina dock replacement is expected to be complete in 2022. The replacement of the damaged boathouses, a new breakwater and additional moorage will likely not be completed until 2023, pending Army Corp of Engineers and National Marine Fisheries permitting processes.
- The Port has been awarded grant funds from the Recreation Conservation Organization (RCO) for improvements to the guest showers. The design of the improvements will be completed by 2021 and construction will occur in 2022. The budget funds are \$160,000 with a grant match of 75%.
- RCO is also providing grant funds for the Jackson Beach restroom replacement and paving of the entire parking area. Construction for this project should be completed by year end 2022. The total cost of this project is expected to be \$441,000 with a 75% grant match.
- Our primary focus for new projects in 2022 will be the design and permitting of Shipyard Cove marina expansion, and the relocation and improvement of the travel lift pier and barge landing. The Port funds expended are expected to be \$230,000 within the 2022 fiscal year.

PROPERTIES

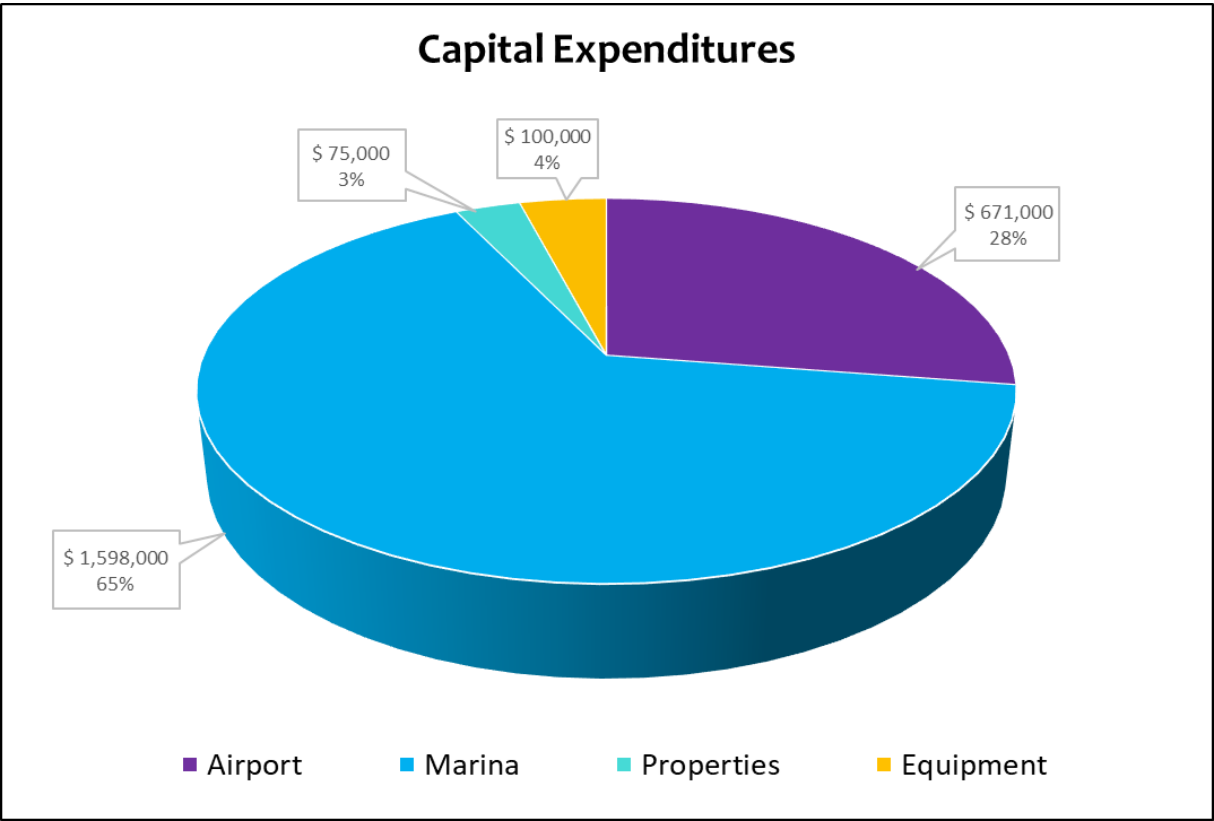
- At the Jensen facility we anticipate the completion of an upgraded transformer within the first quarter of 2022. The new transformer will provide upgraded electrical services for the Jensen marina, and the future Marine Technical Center.

EQUIPMENT

- The Port is looking at purchasing various equipment: An additional TROPO electric vehicle for staff transportation to various Port locations, a used forklift for Jensen's Boatyard and welding tools for equipment repair and fabrication.

OVERVIEW

- The 2022 capital budget totals \$1,293,250 with grant funds and reconstruction funds applied. This is significantly greater than prior years which typically total \$500,000. This is primarily due to the replacement of the collapsed boathouses and the continued replacement of the docks at Jensen's marina.



Travel Lift Pier Piling Repair

PORT OF FRIDAY HARBOR

2022 CAPITAL BUDGET

AIRPORT

SW Hangar Development	\$ 350,000
Hangar Rebuild Foundation	291,000
Greenhouse	20,000
Miscellaneous Airport Projects	10,000
TOTAL AIRPORT PROJECTS	671,000
FAA Grant Funding	(342,000)
Hangar Reconstruction Fund	(291,000)
NET COST OF AIRPORT PROJECTS	38,000

MARINA

> Shower Improvements (waterside)	160,000
> Eco Barge Tank and Lift	67,000
> Jensen Breakwater and Reconfiguration	250,000
> Continued Collapse Rebuild	400,000
Jackson Beach Restroom and Paving	441,000
Design and Permitting of SYC Expansion	130,000
Design and Permitting of Barge Landing	100,000
Miscellaneous Marina Projects	50,000
TOTAL MARINA PROJECTS	1,598,000
RCO Grant Funding	(450,750)
WA Parks Clean Vessel Program	(50,250)
National Fish and Wildlife Foundation	(16,750)
NET COST OF MARINA PROJECTS	1,080,250

HARBOR PROPERTIES

Transformer for Marine Trade Center	75,000
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ADMINISTRATION

HVAC System	15,000
Tech Upgrades	15,000
TOTAL COST ADMINISTRATION PROJECTS	30,000

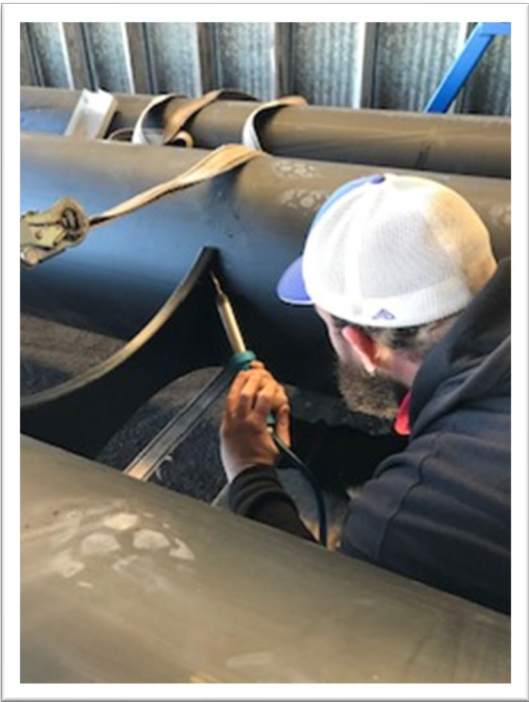
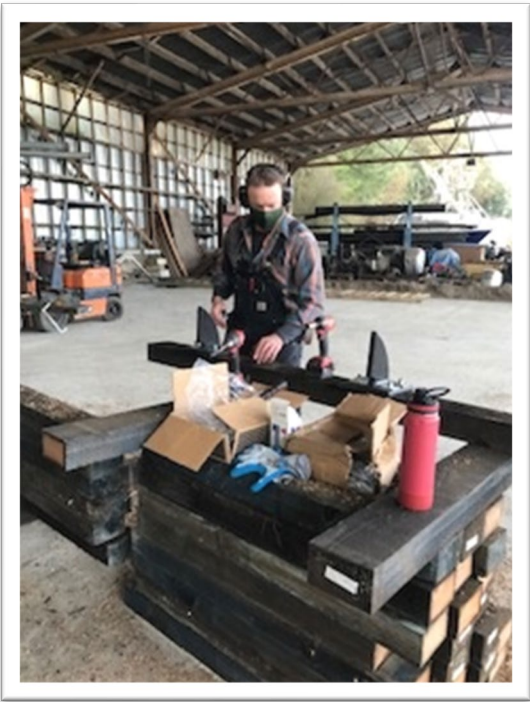
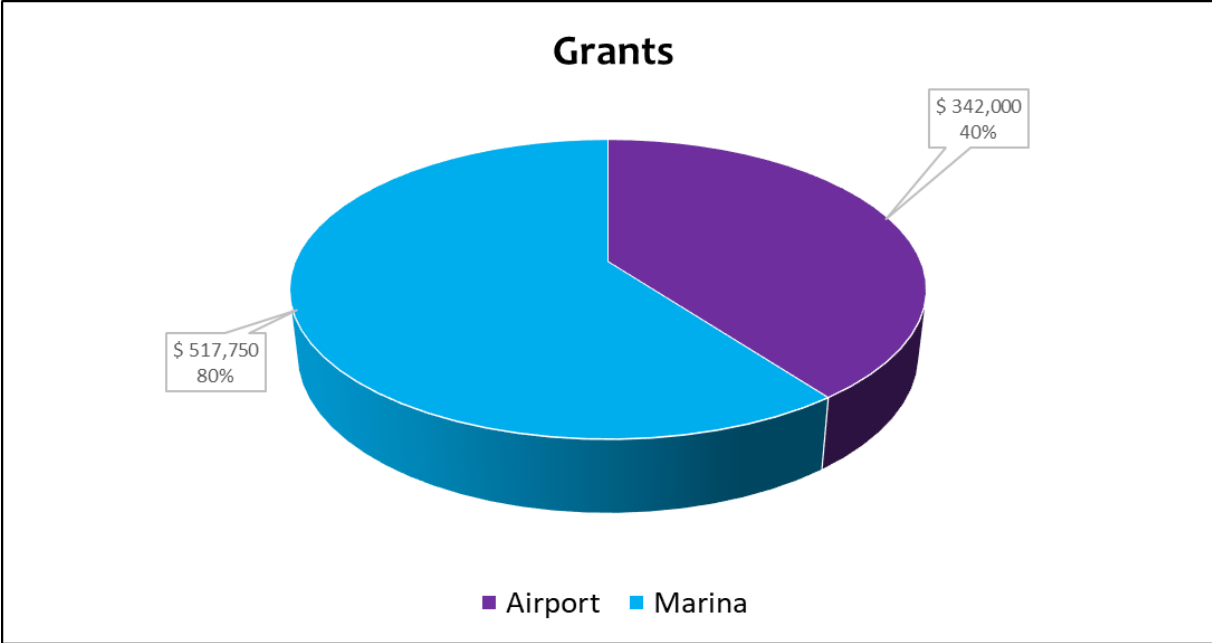
EQUIPMENT PURCHASES

Welding Tools	15,000
Electric Vehicles	35,000
Forklift	20,000
TOTAL EQUIPMENT PURCHASES	70,000

TOTAL PORT CAPITAL BUDGET FOR 2021

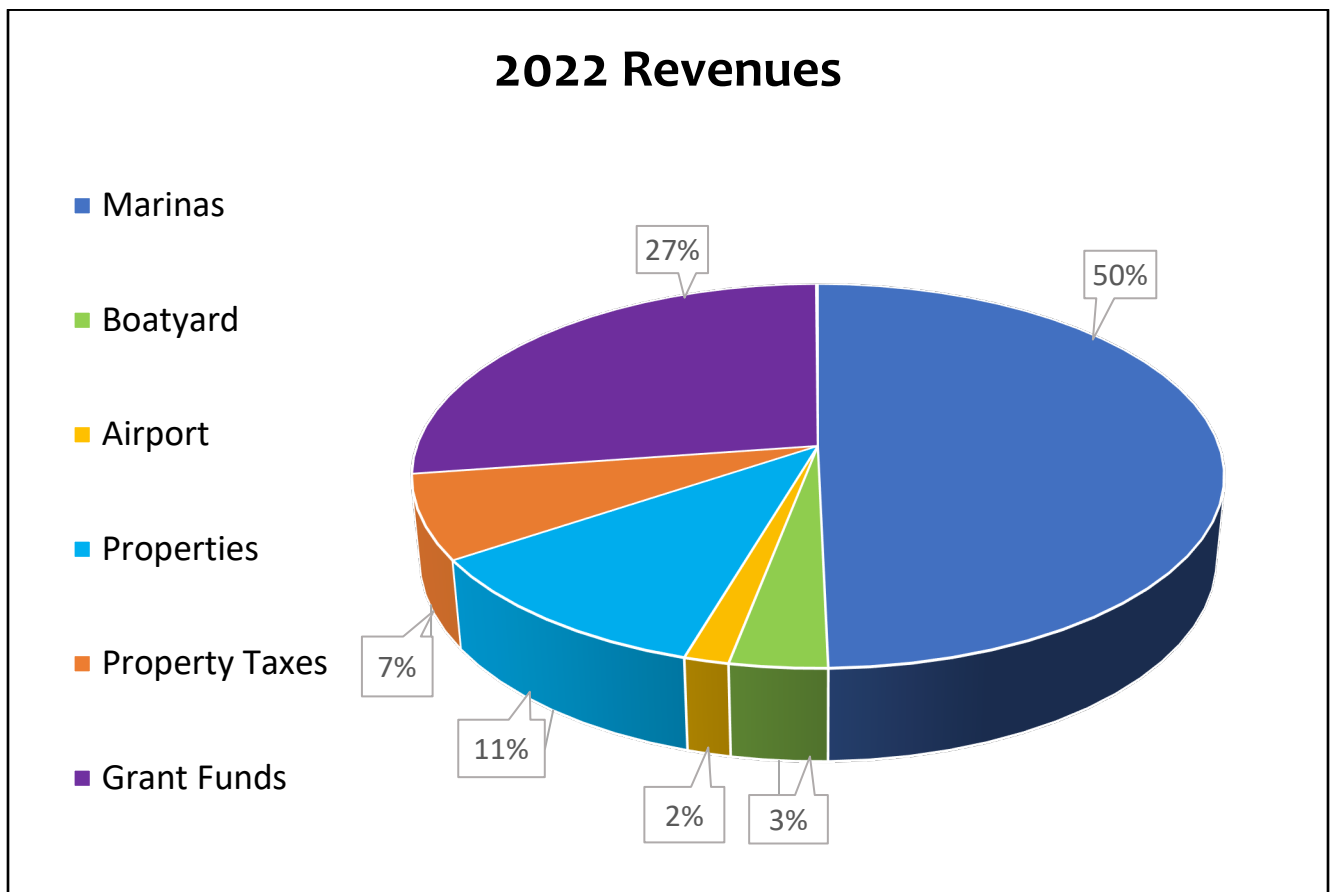
\$ 1,293,250

> *Carryover from 2021*



Port Crew Manufacturing Jensen Dock Replacement

2022 Revenues by Location		
Marinas	\$ 3,720,000	50%
Boatyard	252,200	3%
Airport	116,000	2%
Properties	826,080	11%
Property Taxes	531,000	7%
Grant Funds	2,040,750	27%
Other	6,370	0%
	\$ 7,492,400	100%

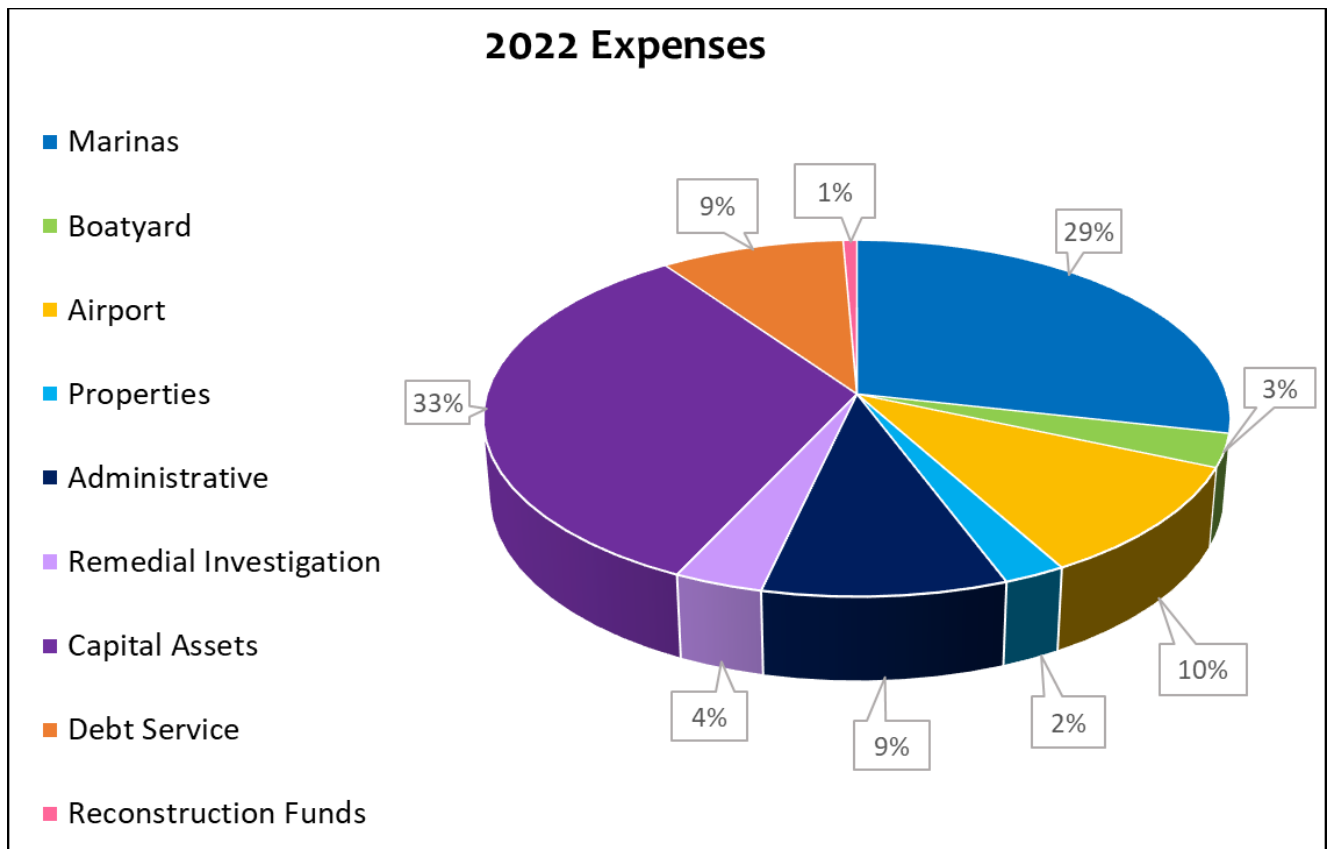


PORT OF FRIDAY HARBOR 2022 OPERATING BUDGET

OPERATING

Operating Revenues	
Marina	\$ 3,720,000
Boatyard	252,200
Airport	116,000
Properties	826,080
Total Operating Revenue	<u>4,914,280</u>
Expenses	
Wages	1,796,880
Benefits	654,120
Services	325,436
Supplies	408,964
Insurance	170,780
Utilities	549,800
Travel & Training	35,500
Total Expenses	<u>3,941,480</u>
INCOME FROM OPERATIONS	\$ 972,801
NON-OPERATING INCOME	
Grant Revenue - Operating	600,000
Grant Revenue - Remediation	290,000
Property Taxes	531,000
Other	6,370
Total Non-Operating Income	<u>1,427,370</u>
NON-OPERATING EXPENSES	
Bond Interest	408,572
Bond Principal	259,153
Environmental	250,000
Other	50,000
	<u>967,725</u>
NET INCOME	\$ 1,432,446
CAPITAL PROJECTS	(1,293,250)
INCREASE (DECREASE) IN RESERVES	<u>\$ 139,196</u>

2022 Expenses by Location		
Marinas	\$ 2,096,230	29%
Boatyard	222,020	3%
Airport	762,790	10%
Properties	174,300	2%
Administrative	686,140	9%
Remedial Investigation	250,000	3%
Capital Assets	2,444,000	33%
Debt Service	667,725	9%
Reconstruction Funds	50,000	1%
	\$ 7,353,205	100%



MARINA OPERATING REVENUE

- In 2020 the Port Commission elected to a phased in multi-year rate increase for Shipyard Cove tenants. This increase would result in rates equal to 85% of the moorage rates of the Ports main marina. No single year increase will be in excess of 12.50%.

BOATYARD REVENUE

- The Albert Jensen and Son's Boatyard was previously operated by an independent business. Effective October 31, 2021, the lease was mutually terminated. Beginning January, 2022 the facility will be operated by the Port. The initial budget is conservative for both revenue and expenses.

AIRPORT REVENUES

- Airport revenues are user fees of visitors and local islanders use of the facility.

PROPERTIES REVENUE

- Properties revenue is generated by land and building leases.

PROPERTY TAXES

- The Port collects Property Taxes from San Juan Island property owners. The assessed amount is .1338 per \$1,000 of assessed value.

GRANT FUNDS

- The Port is continuously looking for grant opportunities to help fund improvements. In 2022 we have received grant commitments from Federal Aviation Administration, Recreation Conservation Organization, Northwest Fish and Wildlife Foundation, and Washington State Parks Clean Vessel program. A big THANK YOU to the awarding agencies!!

MARINA EXPENSES

- These expenses include operating and maintenance costs of all three marinas and Jackson Beach.

AIRPORT EXPENSES

- The Airports largest expenses are administrative overhead for capital projects, insurance, engineering and utility costs.

PROPERTIES EXPENSES

- The expenditures for Port's properties are primarily utility operating costs and routine maintenance.

OTHER LOCATION EXPENSES

- The other location expenses remain comparable to past years budget.

DEBT SERVICE

- The Port currently carries general obligation and revenue bond debt in two of the three marina's which total \$12 Million. The repayment of the bond debt is scheduled through 2040. The general obligation bond is interest only until 2026.



*The Port's New Boardwalk Built with Grant Funds from San Juan County
Public Facilities Financing Assistance Program (PFFAP)*



Thank you for showing an interest in the Port's activity in 2022. If you would like to learn more or offer suggestions please contact Todd Nicholson, the Port's Executive Director.