RESOLUTION NO. 10-01-2016

A Resolution of the Commission of the Port of Kingston

RESOLUTION ADOPTING 2017 BUDGET

BE IT RESOLVED by the Board of Commissioners of the Port of Kingston that the Port adopts the proposed 2017 Port of Kingston Budget as the final for the fiscal year 2017. A copy of such budget in final form is attached and is part of this resolution.

PASSED by the Board of Commissioners of the Port of Kingston, Kitsap County, Washington at a regular meeting held on this 26th day of October, 2016.

PORT OF KINGSTON
KITSAP COUNTY, WASHINGTON

ATTEST:

Walt Elliott - Commissioner

Jim Pivarnik - Executive Director

Bruce MacIntyre - Commissioner

Mary McClure - ~~Port Attorney~~ COMMISSIONER

PORT OF KINGSTON

2017 Budget Narrative

The Port of Kingston's proposed 2017 Budget of $1,500,000.00 represents an overall income increase of 5%, and an overall increase in expenses of 10%.

The Port's income is proposed to increase by 5% overall. Historically, the Port has increased Permanent Moorage rates by CPI, which is presently 2%. Open Moorage is proposed to increase from $5.56/ft. to $5.67/ft., and Covered Moorage is proposed to increase from $9.08/ft. to $9.26/ft. This will generate an additional $13,344.00 in overall income to offset our marina expenses.

In addition to Permanent Moorage increases, we are proposing a $7.00 fee for Launch Ramp use. This will allow us to continue to make improvements to our launch facility. Strong fuel sales and the rental of the Hill House property will also contribute to the income stream.

We will however see a temporary decrease in the Seasonal Monthly Guest Moorage income as we begin the building phase of our Covered Moorage repairs and start rotating tenants onto our guest dock during construction this winter. In addition, development of the Washington Blvd. Park site could have the potential for revenue loss at the conclusion of Diamond Parking's lease of that property from the Port. We are planning to create additional spaces for Monthly Parking within the Port to help offset that revenue loss.

Our overall income is expected to rise in 2017 from $1,423,000.00 to $1,489,524.00.

Looking at the expense side, our expenses are projected to increase by about 10%. This is due to the budgeting of a cost of living increase and the creation of a merit raise reserve for Port employees. Other expense categories that will see an increase are Repair/Maintenance and Advertising/Promotion, with budget increases of close to $10,000.00 each.

Medical and Business Insurance continues to rise annually, and as we encourage our tenants and guests to pay by credit card, our credit card service fees will rise as well.

The Port is budgeting for debt service payments of $7,000.00 per month starting in March for a potential $1,000,000.00 loan to be used for our Covered Moorage Project. 2017 is also an audit year. The Port is budgeting for an audit covering the period of 2015 through 2016 from the State Auditor's Office, with expected costs at $18,000.00.

Overall our expense budget is expected to increase from $1,245,000.00 to $1,411,000.00.

Even with these proposed changes our Port's financial position continues to be strong, with operations generating enough income to pay for all expenses. This leaves all of our non-operating income ($212,000.00) from taxes, interest and service charges to be used for Capital Projects. Capital Projects for 2017 include roof replacement on all of our covered moorage and a list of other enhancements to the marina that includes new gates and locks at the head of each gangway and new dock ladders. Plans are being developed for expansion of the Port office building to accommodate our staff and customers with a ground level facility.

Additional projects scheduled to move forward in 2017 include the beginning of construction of Washington Blvd. Park, with grant funding provided by the State of Washington RCO (Recreation & Conservation Office), as well as a feasibility study assessing potential development options for existing Port properties, funded mostly by grant funds provided by the State of Washington Department of Commerce CERB (Community Economic Revitalization Board).

The Port is looking to invest over $2,000,000.00 in Capital Projects in 2017, with $435,000.00 funded through various grant funds.

2017 PORT OF KINGSTON DRAFT BUDGET

		2017 Proposed	2016 Budget
MARINA USER CHARGES:			
Moorage - Permanent		**$682,092**	$668,722
Moorage - Transient		**$136,201**	$134,484
Kayak Facility		**$4,645**	$3,863
Winter Moorage		**$11,505**	$14,474
Electricity - Permanent		**$30,976**	$31,855
Electricity - Transient		**$9,375**	$10,085
Laundry Income		**$2,160**	$1,860
Deposits Forfeited		**$535**	$1,825
Reservation Fees		**$5,960**	$1,576
Total Marina User Charges		**$883,449**	$868,744
PARKING CHARGES			
Parking		**$215,672**	$223,321
Ramp/Parking		**$10,950**	$0
Parking ticket income		**$4,890**	$4,800
Total Parking Fees		**$231,512**	$228,121
PROPERTY RENTALS-FACILITIES:			
Aviator Land Rent		**$3,760**	$3,491
Dept. of Transportation		**$199,770**	$199,870
Diamond Parking		**$2,835**	$7,311
Farmers Market		**$702**	$684
Hill House		**$31,800**	$0
Kingston Cove Sailing	$2,250 in-kind	**$3,000**	
Miscellaneous		**$6,224**	$7,862
Yacht Club		**$15,036**	$14,952
Total Property Rentals		**$ 260,877**	**$234,170**
FUEL SALES:			
Gasoline/Diesel Sales		**$422,304**	$513,809
Cost of Fuel		**$319,466**	$421,638
Gas/Diesel Sales (net)		**$111,955**	$92,170
Total Fuel Sales (net)		**$ 111,955**	**$92,170**
RETAIL SALES:			
Retail Sales		**$4,302**	$3,630
Cost of Goods		**$2,571**	$3,453
Total Retail Sales (net)		**1,731**	**$176**
OPERATING REVENUES:			
Marina User Charges		**$883,449**	$868,744
Parking Fees		**$231,512**	$228,121
Property Rentals		**$260,877**	$234,170
Fuel Sales (net)		**$111,955**	$92,170
Retail Sales (net)		**$1,731**	$176
Total Operating Revenues		**$ 1,489,524**	**$1,423,381**

OPERATING EXPENSES:		
Accounting	**$25,750**	$24,450
Advertising & Promotion	**$24,000**	$15,000
Audit	**$18,000**	$0
B&O/Excise/SSWM (less 50%) ferry property	**$11,525**	$12,448
Commissioner Medical	**$4,244**	$16,368
Commissioner Salary	**$7,200**	$7,200
Commissioner Travel/Training & Education	**$8,100**	$9,200
Commissioners Compensation	**$5,400**	$4,902
Computer Supplies/Expenses	**$8,575**	$16,200
Consulting	**$10,000**	$20,000
Credit Card Fees	**$26,010**	$12,780
Debt Service ($1,000,000)	**$70,000**	$0
Dues & Subscriptions	**$10,106**	$9,252
Electricity	**$40,240**	$39,230
Employee Medical	**$156,180**	$123,840
Environmental Inspections	**$1,275**	$4,500
Equipment Rental	**$2,780**	$2,425
In-Kind Advertising (KCS)	**$2,250**	
Insurance	**$63,250**	$54,996
Landscaping	**$8,805**	$12,000
Legal	**$100,000**	$107,100
Miscellaneous	**$1,500**	$2,844
Office Supplies	**$12,000**	$12,260
Operating Supplies	**$19,080**	$14,220
Parking expenses	**$11,520**	$11,208
Payroll Taxes	**$74,340**	$58,020
Pension Expense	**$53,484**	$51,828
Repair & Maintenance	**$48,000**	$36,768
Salaries & Wages	**$509,160**	$489,447
Soundrunner Expenses (Insurance)	**$12,000**	$12,000
Storage Rent	**$1,235**	$1,146
Telephone/Internet	**$4,644**	$4,644
Training/Education	**$10,000**	$10,000
Travel	**$6,000**	$6,000
Water, Sewer, Garbage	**$44,628**	$43,380
Total Operating Expense	**$1,411,281**	$1,246,846
Income from Operation	**$78,243**	
NON-OPERATING REV/EXP		
Interest Income	$15,601	$15,601
Property Tax Receipts	$194,868	$188,863
Service Charges	$7,224	$7,224
Total Non-operating rev	**$217,692**	**$211,688**
Net Revenue	**$295,935**	