

RESOLUTION NO. 10-02-2017

A Resolution of the Commission of the Port of Kingston

RESOLUTION ADOPTING 2018 BUDGET

BE IT RESOLVED by the Board of Commissioners of the Port of Kingston that the Port adopts the proposed 2018 Port of Kingston Budget as the final for the fiscal year 2018. A copy of such budget in final form is attached and is part of this Resolution.

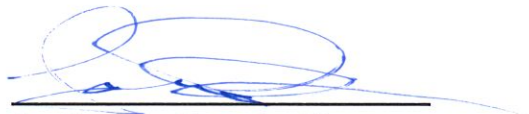
PASSED by the Board of Commissioners of the Port of Kingston, Kitsap County, Washington at a Special Meeting held on this 24th day of October, 2017.

**PORT OF KINGSTON
KITSAP COUNTY, WASHINGTON**

ATTEST:



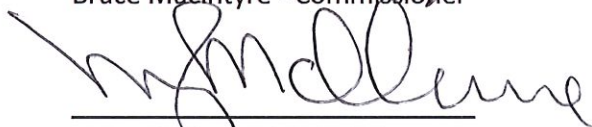
Walt Elliott - Commissioner



Jim Pivarnik - Executive Director



Bruce MacIntyre - Commissioner



Mary McClure - Commissioner



2018 Budget Narrative

Adopted on October 24, 2017 by Resolution No. 10-02-2017

EXECUTIVE SUMMARY - Essentially a flat budget. The Port of Kingston's proposed 2018 Budget represents an overall income increase of four and one-half percent, and an overall increase in operating expenses of twelve percent due to the projected disposition of the vessel "Kingston Express".

INCOME - Overall income is expected to increase from \$1,479,657 to \$1,547,433; or \$67,776.

Income is projected to increase from 2017 due mainly to rate increases for nightly guest moorage and permanent moorage. The proposed increase for nightly guest moorage reflects an increase from \$1/ft. to \$1.10/ft. The proposed increase for permanent moorage reflects a three percent increase for B, C, D and E docks; with open moorage rates rising from \$5.67/ft. to \$5.84/ft. and covered moorage rates increasing from \$9.26/ft. to \$9.43/ft. This will generate an additional \$32,247 in overall income. Additionally, restructuring the base rate for monthly guest moorage to ten percent above the open permanent moorage rate is projected to contribute an additional \$2,658 to the revenue stream.

In addition to moorage increases, we will be increasing the current \$5 parking rate to \$6 per 12-hour period — an \$.08 an hour increase — which will generate an additional \$42,452.

Projections for potential revenue loss from 2017 include lower than anticipated income from the Hill House property and a decreased fuel sales margin.

Development of the Washington Blvd. Park site will have the potential for revenue loss at the end of Diamond Parking's lease on that property. As the passenger ferry comes on line in 2018, a parking discussion will need to take place as to whether we continue with monthly parking or only offer daily parking.

EXPENSES - Expenses are expected to increase from \$1,413,567 to \$1,581,242; a \$167,675 increase.

This is largely due to a cost of living increase, the creation of a merit raise reserve for Port employees and commissioner compensation more in line with actual expenditures. Medical and business insurance also continue to rise.

Additional expenses anticipated for 2018 include both the disposition of vessel "Kingston Express" at an estimated cost \$165,000, and noted litigation costs, which will be determined during the 1st Quarter of 2018.

CAPITAL PROJECTS - The Port's financial position continues to be strong, with operations generating enough income to pay for expenses. This leaves non-operating income — \$226,724 from taxes, interest and service charges — to be used for capital projects and debt service.

The Port is looking to invest another \$1,385,000 in capital projects in 2018, with \$1,225,000 of that funded through other government entities, making the Port's share \$160,000.

2018 capital projects include the development of Washington Park (funded largely by a grant provided by the State of Washington Recreation & Conservation Office) and passenger ferry terminal upgrades (paid for by Kitsap Transit). Capital projects funded solely by the Port include new marina entrance gates, an additional Ventek payment machine for the parking lot, and bathroom and laundry improvements.

2018 PORT OF KINGSTON BUDGET

	<u>2018 Proposed</u>
MARINA USER CHARGES:	
Moorage - Permanent	\$700,940
Moorage - Transient	\$149,600
Kayak Facility	\$5,500
Winter Moorage	\$14,163
Electricity - Permanent	\$31,855
Electricity - Transient	-
Laundry Income	\$2,100
Deposits Forfeited	\$535
Reservation Fees	\$7,200
Total Marina User Charges	<u>\$911,893</u>
PARKING CHARGES	
Parking	\$254,712
Ramp/Parking	\$12,000
Parking Ticket Income	\$5,200
Total Parking Fees	<u>\$271,912</u>
PROPERTY RENTALS - FACILITIES	
Aviator Land Rent	\$3,924
Dept. of Transportation	\$203,850
Diamond Parking	\$2,890
Farmer's Market	\$722
Hill House	\$21,000
Sail Kingston Cove	\$750 **
Miscellaneous	\$7,862
Kingston Cove Yacht Club	\$15,480
Total Property Rentals	<u>\$256,478</u>
FUEL SALES	
Gasoline/Diesel Sales	\$465,000
Cost of Fuel	\$359,000
Gasoline/Diesel Sales (net)	\$106,000
Total Fuel Sales (net)	<u>\$106,000</u>
RETAIL SALES	
Retail Sales	\$3,100
Cost of Goods	\$1,950
Total Retail Sales (net)	<u>\$1,150</u>
OPERATING REVENUES	
Marina User Charges	\$911,893
Parking Fees	\$271,912
Property Rentals	\$256,478
Fuel Sales (net)	\$106,000
Retail Sales (net)	\$1,150
Total Operating Revenues	<u>\$1,547,433</u>

**+ \$2,250 In-Kind Advertising