



## **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 1<sup>st</sup> 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.

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## 2018 PORT OF KINGSTON BUDGET

	<u>2018 Proposed</u>
<b>MARINA USER CHARGES:</b>	
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
<b>Total Marina User Charges</b>	<b><u>\$911,893</u></b>
<b>PARKING CHARGES</b>	
Parking	\$254,712
Ramp/Parking	\$12,000
Parking Ticket Income	\$5,200
<b>Total Parking Fees</b>	<b><u>\$271,912</u></b>
<b>PROPERTY RENTALS - FACILITIES</b>	
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
<b>Total Property Rentals</b>	<b><u>\$256,478</u></b>
<b>FUEL SALES</b>	
Gasoline/Diesel Sales	\$465,000
Cost of Fuel	\$359,000
Gasoline/Diesel Sales (net)	\$106,000
<b>Total Fuel Sales (net)</b>	<b><u>\$106,000</u></b>
<b>RETAIL SALES</b>	
Retail Sales	\$3,100
Cost of Goods	\$1,950
<b>Total Retail Sales (net)</b>	<b><u>\$1,150</u></b>
<b>OPERATING REVENUES</b>	
Marina User Charges	\$911,893
Parking Fees	\$271,912
Property Rentals	\$256,478
Fuel Sales (net)	\$106,000
Retail Sales (net)	\$1,150
<b>Total Operating Revenues</b>	<b><u>\$1,547,433</u></b>

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

**2018 Proposed****OPERATING EXPENSES**

Accounting	\$25,850
Advertising & Promotion	\$28,000
Audit	-
B&O/Excise/SSWM (less 50%) ferry property	\$15,105
Commissioner Medical	\$15,000
Commissioner Salary	\$9,144
Commissioner Travel/Training & Education	\$8,100
Commissioners Compensation	\$21,888
Computer Supplies/Expenses	\$10,220
Consulting	\$10,000
Credit Card Fees	\$18,440
Dues & Subscriptions	\$6,640
Electricity	\$42,870
Employee Medical	\$162,120
Environmental Inspections	\$1,275
Equipment Rental	\$5,050
In-Kind Advertising (SKC)	\$2,250**
Insurance	\$66,000
Landscaping	\$10,000
Legal	\$85,000
Litigation	-
Miscellaneous	\$2,300
Office Supplies	\$10,100
Operating Supplies	\$19,080
Parking Expenses	\$14,250
Payroll Taxes	\$79,615
Pension Expense	\$63,156
Repair & Maintenance	\$60,000
Salaries & Wages	\$555,261
Soundrunner Expenses (Including Possible Disposition)	\$165,000
Storage Rent	\$1,348
Telephone/Internet	\$8,400
Training/Education	\$10,000
Travel	\$6,000
Water, Sewer, Garbage	\$46,030

**Total Operating Expense**\$1,581,242\*\**\*\* Total Operating Expense does not include In-Kind Advertising***NON-OPERATING REV/EXP**

Interest Income	\$19,500
Property Tax Receipts	\$200,000
Service Charges	\$7,224

**Total Non-Operating Rev**\$226,724



PORT OF KINGSTON

## 2018 Capital Budget

Adopted on October 24, 2017 by Resolution No. 10-03-2017

2018 Capital Budget	
Description	Amount
Passenger Ferry Terminal Upgrades <sup>1</sup>	\$ 800,000.00
Gates & Dock Entrances	\$ 70,000.00
Washington Blvd. Park <sup>2</sup>	\$ 425,000.00
Restroom & Laundry Facility Renovations	\$ 75,000.00
Additional Ventek Machine	\$15,000.00
<b>Pre-reimbursement Total:</b>	<b>\$ 1,385,000.00</b>
<b>Total:</b>	<b>\$ 160,000.00</b>

<sup>1</sup> Passenger Ferry Terminal Upgrades to be reimbursed by Kitsap Transit. Estimated costs will be reimbursed by Kitsap Transit, although final figures have not yet been established.

<sup>2</sup> Washington Blvd. Park to be reimbursed by RCO Grant monies. This estimate based on current designs. Commission may wish to revisit if additional features are required.