



BUDGET STRATEGY

The Port of Friday Harbor is pleased to present the 2023 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 2023 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 2022 increase is 9% which will be reflected in the 2023 rates.

CAPITAL BUDGET

AIRPORT

- The Federal Aviation Administration (FAA) has a new program known as the Bipartisan Infrastructure Law (BIL). This program is available from 2023 to 2027 for infrastructure projects. In 2023 the Port will begin several projects utilizing these funds such as replacing the underground fuel system with an above ground system, runway 16/34 drainage improvements, airport power source improvements, and an energy efficiency study.
- The Port will complete the hangar apron and driveways to the new/rebuilt A & B hangars. Taxiway improvements will occur in 2023 as well.
- The Port will begin building the Island Oil Spill Association (IOSA) Headquarters on Airport land. This property was selected due to the large storage needs required for the program. This project is funded by grants of the Washington State Department of Commerce in the

amount of \$225,000 and the National Fish and Wildlife Foundation (NFWF) in the amount of \$375,000. This project is 100% grant funded.

- Of the many different projects that will occur at the airport for 2023, expenditures total \$5,347,223 while grant funds total \$4,900,000. The total out of pocket cost at the airport may total \$447,223. The timing of projects start dates and completion dates can be a moving target when FAA is involved, many times projects overlap years and do not get completed within the calendar year.

MARINAS

- The Jensen marina dock replacement is expected to be completed in 2023, except for the covered slips which await the Army Corp of Engineers and National Marine Fisheries permitting processes. The addition of new slips within the existing breakwater are also waiting on Federal permitting.
- The Port has been awarded grant funds from the Recreation Conservation Organization (RCO) for improvements to the guest showers in 2022. Due to an extended permit process with the Town of Friday Harbor, it is likely the project will roll into early 2023.
- 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 2023. The total cost of this project is expected to be \$441,000 with a 75% grant match.
- Our primary focus for new projects in 2023 will be the design and permitting of a 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 \$175,000 within the 2023 fiscal year.

PROPERTIES

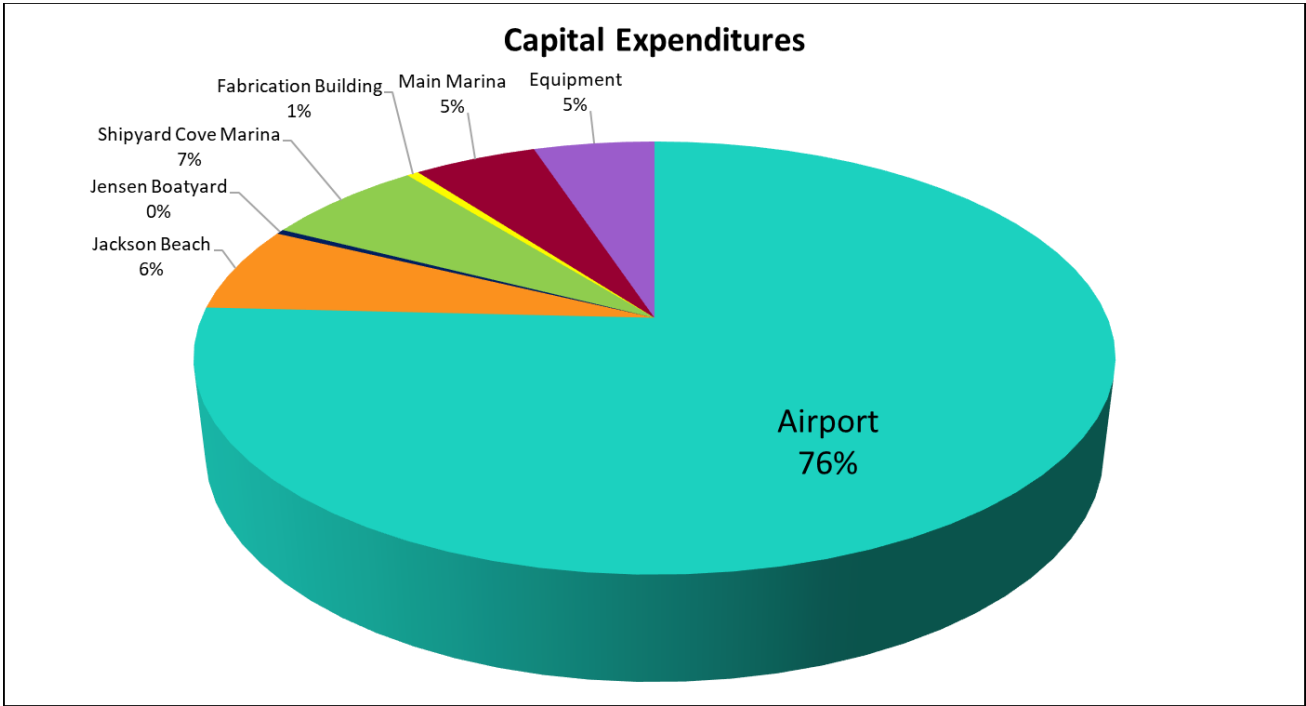
- At the Jensen facility the environmental cleanup process will continue during 2023 and well beyond. This year we anticipate completing the soil and sediment testing required to complete the step known as the Remedial Investigation. This step fully categorized the nature and extents of any contamination. Our next step, which is scheduled for 2024, will be the Feasibility Study which details what cleanup activities are required and projects the cost of the actual cleanup.

BOATYARD

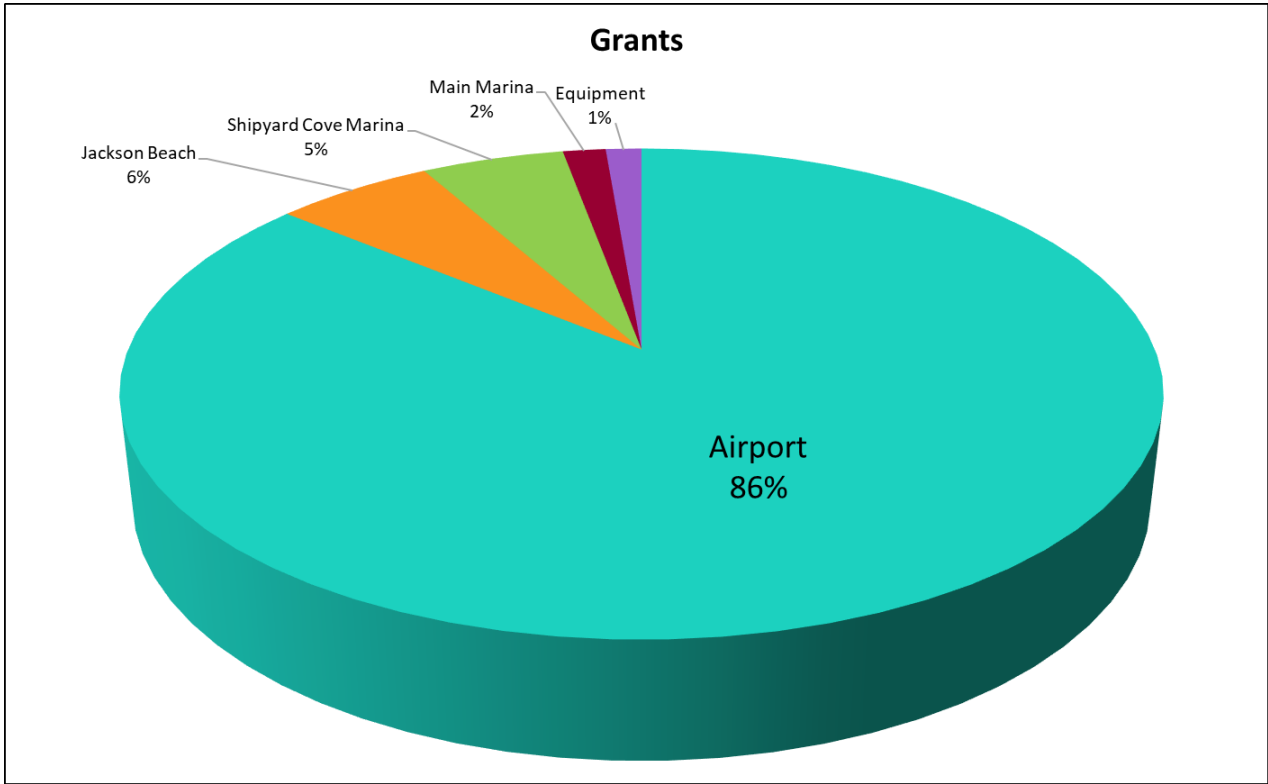
- In 2022, based on community input, the Port changed the operating model of the boatyard from contracted operations to Port staff operated. Due to space and tidal constraints, the boatyard is projected to be approximately revenue neutral for many years to come. Even at neutral revenues, the Port views the availability of a well-functioning boatyard as an essential facility for many island residents, businesses, and visitors. In 2023 we will be removing some derelict buildings and continuing design work to upgrade the boatyard infrastructure and create additional yard space. In the long term, with additional yard space and a travel lift pier that is usable at all tide levels, we project that the boatyard will be fully self-funded.

**PORT OF FRIDAY HARBOR
2023 CAPITAL BUDGET**

	BUDGET	GRANTS	NET
AIRPORT			
> IOSA building	\$ 600,000	\$ 600,000	\$ -
> Taxiway	1,400,000	1,400,000	-
> Hangar apron & driveways	125,000	-	125,000
Replacement fueling system equipment	800,000	720,000	80,000
Engery efficiency assessment	55,556	50,000	5,556
Airport power source efficiency & improvement	1,111,111	1,000,000	111,111
Runway 16/34 drainage improvements	700,000	630,000	70,000
Southwest development environmental study	555,556	500,000	55,556
JACKSON BEACH			
> Vault toilet and parking lot improvements	450,000	333,000	117,000
JENSEN BOATYARD			
Prop shop demo	15,000		15,000
Boat shed demo	5,000		5,000
Boathouse demo	5,000		5,000
SHIPYARD COVE MARINA			
> Barge landing and road design and permitting	100,000	100,000	-
Barge landing & marina transformer construction	200,000	200,000	-
Marina expansion design and permitting	175,000		175,000
FABRICATION BUILDING			
Construction and equipment	35,000		35,000
MAIN MARINA			
> Shower remodel	250,000	90,000	160,000
Decommission portables	10,000		10,000
BWB Bullrail rehabilitation	40,000		40,000
Paint SSL terminal building	25,000		25,000
E Walkway Improvements	40,000		40,000
EQUIPMENT			
> Office HVAC	15,000		15,000
Marina software	135,000		135,000
Telephone and IT systems	30,000		30,000
Boatyard compactor	25,000		25,000
Truck	35,000		35,000
Monarch	75,000	75,000	-
Aquarium replacement	22,000		22,000
Toro commercial mower	12,000		12,000
Picnic table and benches	9,000		9,000
	\$ 7,055,223	\$ 5,698,001	\$ 1,357,222



Dock Manufacturing



Hangar Reconstruction

**PORT OF FRIDAY HARBOR
OPERATING BUDGET
2023**

OPERATING

Revenues

Marina	\$ 3,975,850
Boatyard	239,000
Airport	138,200
Properties	1,020,251
Total Revenues	5,373,301

Expenses

Wages	2,067,553
Benefits	773,111
Services	376,550
Supplies	393,350
Insurance	294,725
Utilities	536,900
Travel & Training	33,000
Total Expenses	4,475,189

NET INCOME FROM OPERATIONS	898,112
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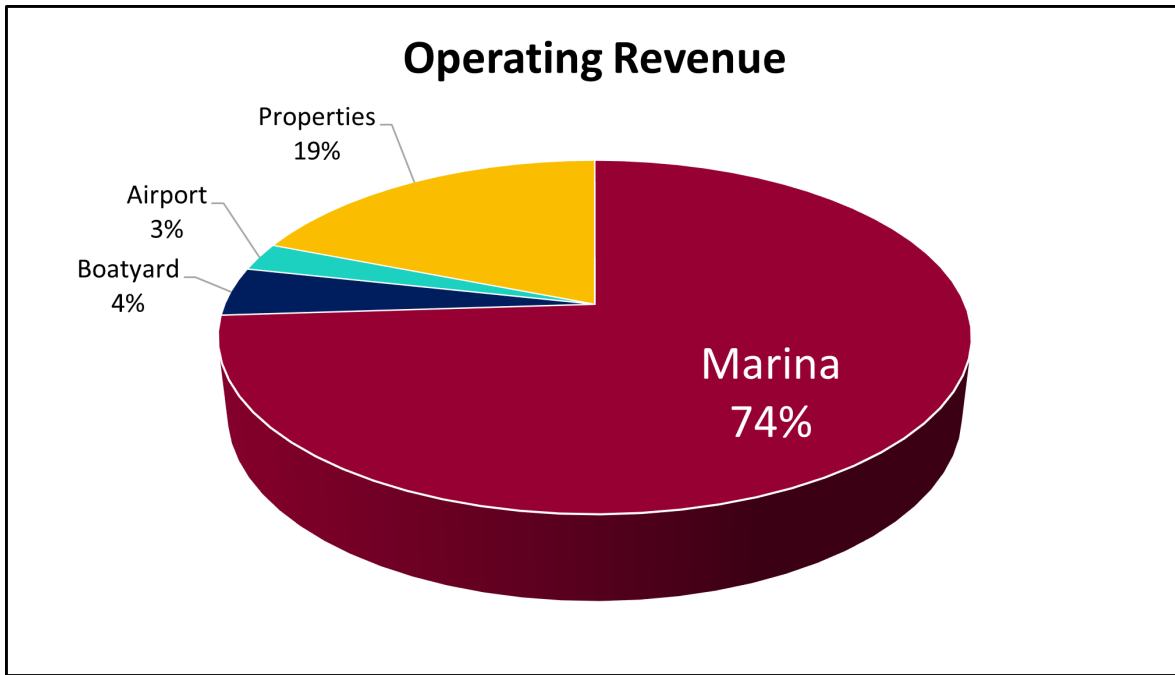
NON-OPERATING INCOME

Grant Revenue - COVID Recovery	450,000
Grant Revenue - Remediation	135,000
Property Taxes	545,000
Other	30,100
Total Non-Operating Income	1,160,100

NON-OPERATING EXPENSES

Bond Interest	400,689
Bond Principal	263,105
Environmental	150,000
Total Non-Operating Expenses	813,794

NET INCOME	\$ 1,244,418
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OPERATING INCOME BY LOCATION

<i>Marina Revenue</i>	3,975,850
<i>Marina Op Expense</i>	(1,370,623)
<i>Marina Maint Expense</i>	(1,171,463)
	1,433,764
<i>Boatyard Revenue</i>	239,000
<i>Boatyard Op Expense</i>	(236,367)
<i>Boatyard Maint Expense</i>	(60,641)
	(58,008)
<i>Airport Revenue</i>	138,200
<i>Airport Op Expense</i>	(553,817)
<i>Airport Maint Expense</i>	(221,288)
	(636,905)
<i>Harbor Prop Rev</i>	379,378
<i>Harbor Prop Exp</i>	(136,850)
	242,528
<i>Airport Prop Revenue</i>	640,873
<i>Airport Prop Expense</i>	(34,800)
	606,073
<i>Admin</i>	(689,340)
OPERATING INCOME	898,112

PROPERTY TAXES

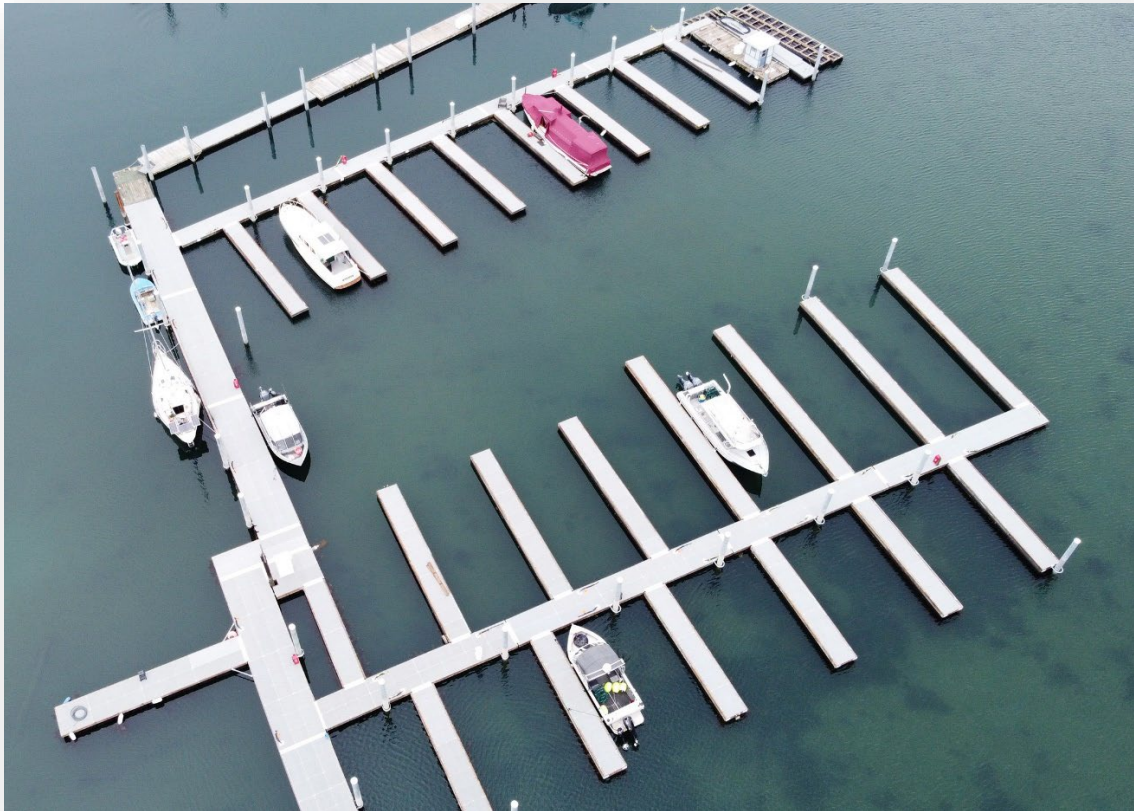
- The Port collects Property Taxes from San Juan Island property owners. The assessed amount is .12674 per \$1,000 of assessed value. The estimated collection for 2023 is \$545,000.

GRANT FUNDS

- The Port is continuously looking for grant opportunities to help fund improvements. In 2023 we have received grant commitments from Federal Aviation Administration, Recreation Conservation Organization, Northwest Fish and Wildlife Foundation, Washington State Parks Clean Vessel program, Washington State Department of Ecology and San Juan County Public Facilities Finance Assistance Program (PFFAP). A big THANK YOU to the awarding agencies!!

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.



Jensen Marina Reconstructed Slips



Thank you for showing an interest in the Port's activity in 2023. If you would like to learn more or offer suggestions please contact Todd Nicholson, the Port's Executive Director.