



INTRODUCTION

Each year the Port produces the Citizen Budget Guide to show projections of revenues and expenditures and major projects that will occur in the fiscal year.

BUDGET STRATEGY

The budget represents the Port’s priorities for the next year in support of its mission to: “Help create and maintain a healthy, Island-wide economy by promoting long-term economic development in balance with environmental stewardship and sustainability. The Port shall provide outstanding service to our customers, tenants, and the general public.”

The strategic objective of 2024 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 2023 increase is 5.4% which will be reflected in the 2024 rates.

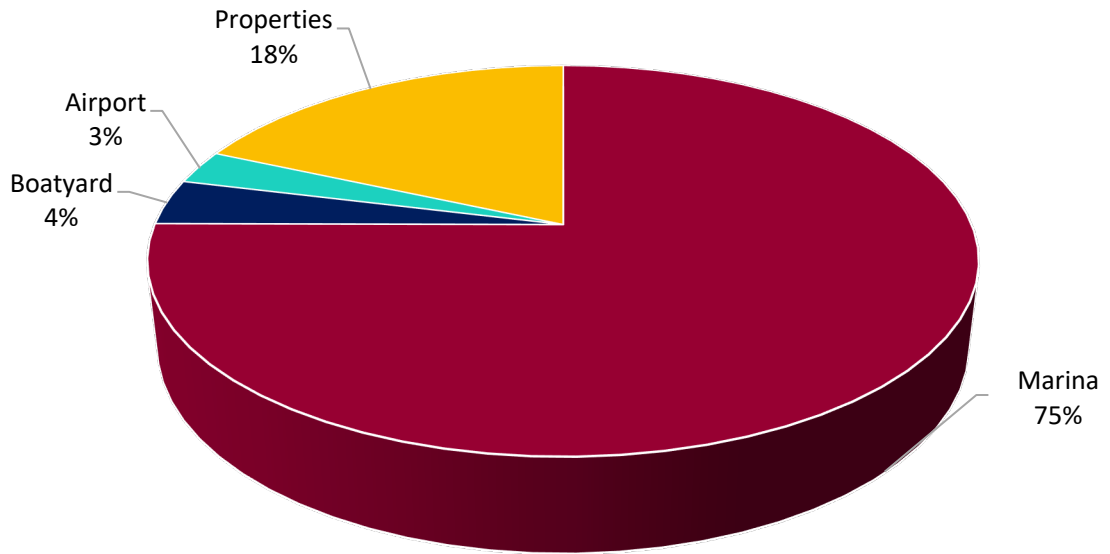
OPERATING BUDGET

The operating budget is built based on historical trends and projected economic outlook. We estimate revenues conservatively to guarantee the expenses will be covered during the fiscal year. The results of the operating budget are used to fund the capital expenditure of the Port. Operating expenses consist of costs incurred to provide the service and maintenance to the Port’s different business locations.

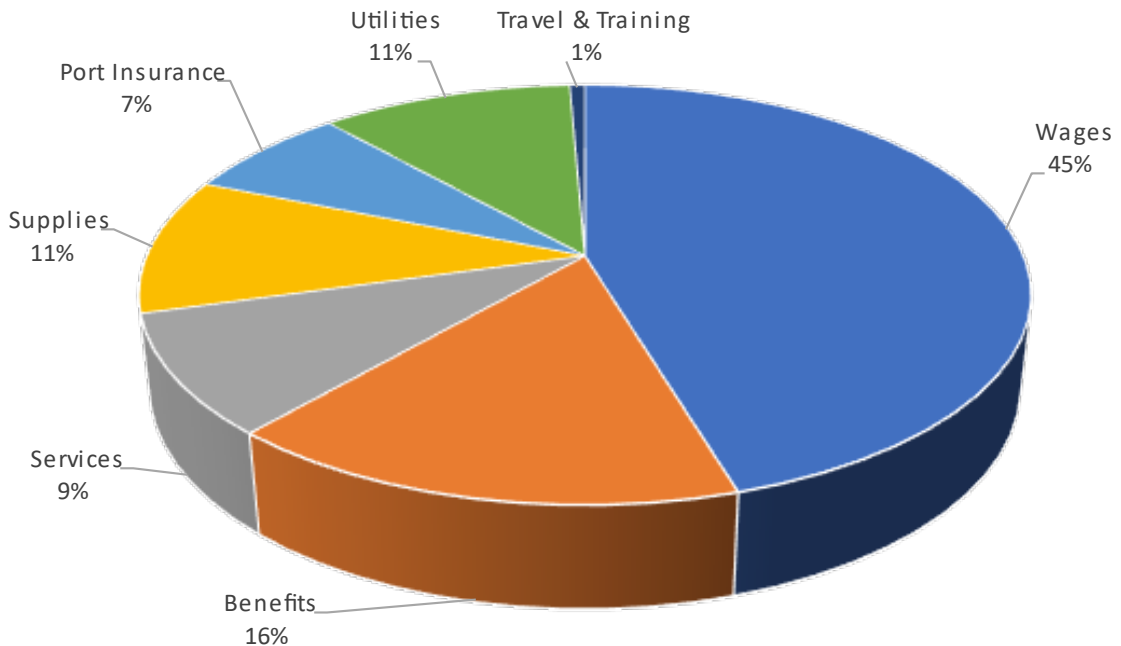
ADMINISTRATIVE EXPENSES

- 2024 has a significant increase of administrative expenses resulting from the decision to publish and mail a Port newsletter twice a year. The Port has increased software subscription services, including the new marina management program which is used for guest reservation, moorage, and lease billing system. We have also increased the budget amount for the cost of the State financial audit due to inflation and new federal reporting requirements.

2024 Operating Revenue

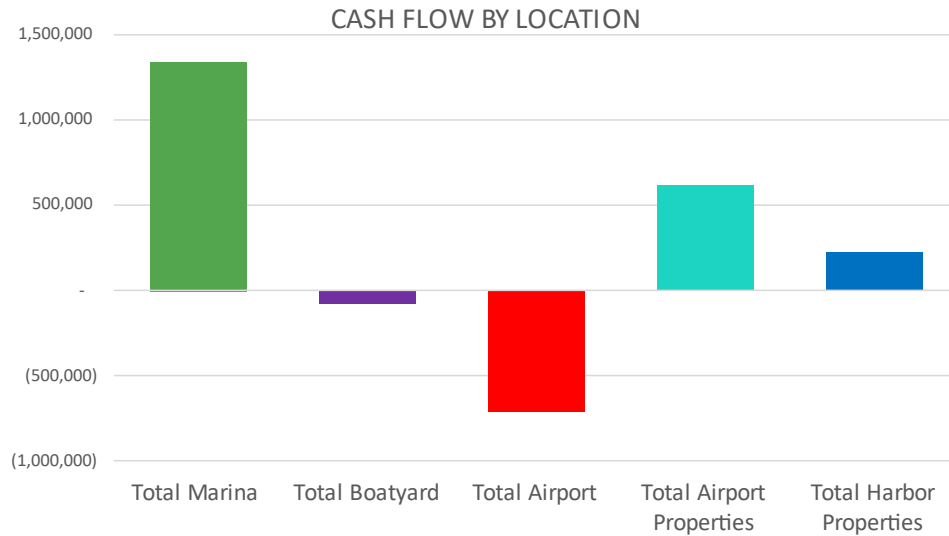


2024 Expenditures by Category



**PORT OF FRIDAY HARBOR
2024 OPERATING BUDGET**

	2024 Budget
OPERATING	
Revenues	
Marina	\$ 4,206,850
Boatyard	210,400
Airport	156,800
Properties	1,028,830
Total Revenues	5,602,880
 Expenses	
Wages	2,299,760
Benefits	813,860
Services	467,480
Supplies	534,400
Port Insurance	366,320
Utilities	554,250
Travel & Training	33,500
Total Expenses	5,069,570
 NET INCOME FROM OPERATIONS	 533,310
 NON-OPERATING INCOME	
Grant Revenue - COVID Recovery	500,000
Grant Revenue - Remediation	250,000
Property Taxes	554,000
Other	624,900
Total Non-Operating Income	1,928,900
 NON-OPERATING EXPENSES	
Bond Interest	393,760
Bond Principal	267,120
Jensen's Environmental Cleanup	360,000
Other	400
Total Non-Operating Expenses	1,021,280
 NET INCOME	 \$ 1,440,930



CASH FLOW BY LOCATION

<i>Marina Revenue</i>	4,206,850
<i>Marina Op Expense</i>	(1,464,880)
<i>Marina Maint Expense</i>	(1,401,790)
Total Marina	1,340,180
<i>Boatyard Revenue</i>	210,400
<i>Boatyard Op Expense</i>	(229,970)
<i>Boatyard Maint Expense</i>	(61,450)
Total Boatyard	(81,020)
<i>Airport Revenue</i>	156,800
<i>Airport Op Expense</i>	(523,680)
<i>Airport Maint Expense</i>	(346,930)
Total Airport	(713,810)
<i>Airport Properties Revenue</i>	646,540
<i>Airport Properties Expense</i>	(36,200)
Total Airport Properties	610,340
<i>Harbor Properties Revenue</i>	382,290
<i>Harbor Properties Expenses</i>	(160,220)
Total Harbor Properties	222,070
<i>Administrative</i>	(844,450)
OPERATING INCOME	533,310

GRANTS

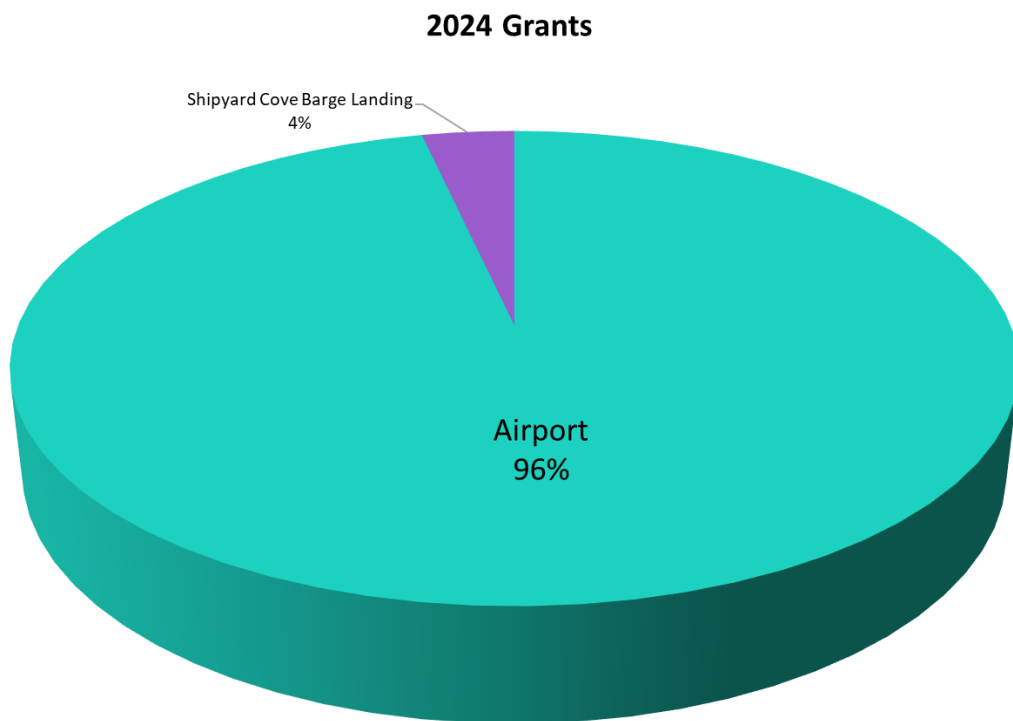
The Port is always looking for grants to help fund our projects. Below are grants active for 2024.

The Federal Aviation Administration (FAA) funding through the Bipartisan Infrastructure Law (BIL) has allotted over \$5M to Friday Harbor Airport for major renovations and expansion projects. The funds are available between the years 2022-2026. This funding is alongside the normal Airport Improvement Funds of \$1M annually the Port receives.

We have also secured Washington State Department of Transportation (WSDOT) funds to match our electric vehicle charging system at the airport. This is a 5% match added to the FAA 90% funding, leaving the final 5% to be paid with Port funds.

The Port has received \$428K in funds from the Washington State Department of Commerce for completion of the Island Oil Spill Association (IOSA) Building.

The Port has received \$650K Congressional Funds for the Barge Landing Project. The funds are available to use by June 2026. In 2024 the Port expects to use \$180,000 of the funds to go towards the barge landing access road design and permitting.



CAPITAL BUDGET

AIRPORT

- Our planned projects include energy efficiency and electric vehicle charging, runway drainage, reconstruction of our older hangars, new fuel systems, and design and environmental work for the new hangar field in the southwest portion of the airport. The Port will begin several projects 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 in-progress construction of the Island Oil Spill Association (IOSA) Headquarters on Airport land. This property was selected due to the large storage needs required for the program.
- Of the many different projects that will occur at the airport for 2024, expenditures total \$5,195,042 with \$4,675,538 being funded by grants. The timing of project 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

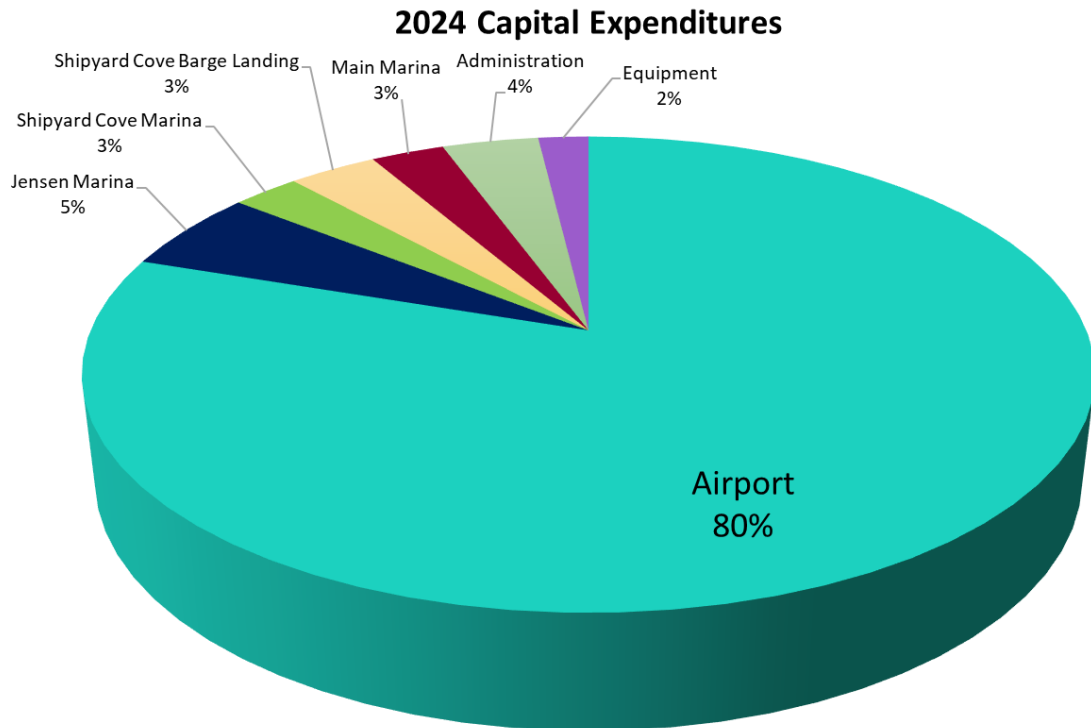
- The Jensen marina collapsed due to a snowstorm in February of 2021. 2024 will see the completion of this project which includes a new breakwater, reconfigured floats between the collapsed area and the breakwater, and new covered slips replacing the old boathouse slips.
- Shipyard Cove Marina will see the beginning of the multi-year process of replacing the existing walkway and float decking with fiberglass grating. This project improves the safety and user experience while reducing the environmental impact of the facility. Design and permitting work will continue for an expansion and new breakwater for the marina.
- Permitting will take place for replacing the older portions of the Friday Harbor Marina walkways and floats on C, E, & F docks. Manufacturing of the C dock floats will be accomplished using Port crews.
- Design and permitting for the relocation and improvement of the travel lift pier is scheduled for completion in 2024.

PROPERTIES

- At the Jensen facility the environmental cleanup process will continue during 2024 and well beyond. 2023 was the completion of the soil and sediment testing required to complete the step known as the Remedial Investigation. This step fully categorized the nature and extents of the contamination. In 2024, we are planning to complete the Feasibility Study which details what cleanup activities are required and projects the cost of the actual cleanup.

ADMINISTRATION BUILDING

- The Port will begin the design and site preparation for a new administration building located on airport property. The building will house the official Port meeting room and administrative staff offices and a secure archive storage facility for Port historical records. This project will free up the desperately needed marina operations space at 204 Front Street.



Jackson Beach new pavement

**PORT OF FRIDAY HARBOR
2024 CAPITAL BUDGET**

	Budget	Grants	Net
AIRPORT PROJECTS			
> Runway 16/34 drainage improvements construction	1,530,000	1,377,000	153,000
> Southwest development environmental study	640,000	576,000	64,000
> Replacement fueling system equipment	1,000,000	900,000	100,000
> Energy efficiency assessment	8,820	7,938	882
Hangar development/major rehabilitation	1,044,000	939,600	104,400
South aircraft ramp expansion	750,000	675,000	75,000
EV charger to support future aircraft charging	222,222	200,000	22,222
TOTAL AIRPORT FAA AND WSDOT PROJECT	5,195,042	4,675,538	519,504
OTHER AIRPORT PROJECTS			
> IOSA building interior finishings	428,000	428,000	-
JENSEN MARINA PROJECTS			
> Phase II			
- Boathouse covers	50,000		50,000
- 45 ft fingers	90,000		90,000
- Piling	110,000		110,000
- Breakwater	200,000		200,000
TOTAL JENSEN MARINA PROJECTS	450,000	-	450,000
SHIPYARD COVE PROJECTS			
> Marina expansion design continued	175,000		175,000
Barge landing access road design and permitting	180,000	180,000	-
Demolish bait house	50,000		50,000
TOTAL SHIPYARD COVE PROJECTS	405,000	180,000	225,000
MAIN MARINA PROJECTS			
C-E-F Permitting and fabrication for C	75,000		75,000
Sewer pump station	75,000		75,000
Main pier kiosk buildings	40,000		40,000
TOTAL MAIN MARINA PROJECTS	190,000	-	190,000
ADMINISTRATION PROJECTS			
HQ Building			
- Design	60,000		60,000
- Well	30,000		30,000
- Septic	80,000		80,000
- Site Prep	20,000		20,000
- Foundation	60,000		60,000
TOTAL ADMINISTRATION PROJECTS	250,000	-	250,000
EQUIPMENT			
Flatbed utility truck	70,000		70,000
Pumpout Electrification	60,000		60,000
	\$ 7,048,042	\$ 5,283,538	\$ 1,764,504
	100%	75%	25%



Lady Washington visiting Friday Harbor

PROPERTY TAXES

- The Port collects Property Taxes from San Juan Island property owners. The assessed amount is .10328 per \$1,000 of assessed value. The estimated collection for 2024 is \$554,000. The Port allocates these funds to capital improvement projects. For context purpose the assessed amount in 1988 was .25550 per \$1,000 of assessed value, more than double the current rate.

NON-OPERATING REVENUE

- The non-operating income consists of FAA CARES grants used to combat airborne pathogens, along with financial assistance from Washington State Department of Ecology for identifying potential contamination of Jensen's boatyard. Expected in 2024 is the final insurance settlement of Jensen boat house collapse from the Port's insurance company. We also anticipate the settlement from the contractor's bond, due to the performance default of an airport project in 2021.

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. In 2024 the principal and interest payments total \$660,879. We are now focusing on new revenues and decreased construction costs to address the debt service.

CASH BALANCES

- At the end of 2024 the Port anticipates having the following cash balances:
 - Reserve Fund \$7M
 - Bond Fund \$1.2M
 - Bond Reserve Fund \$454,000. These are funds restricted for payment of the Revenue Bond as required by statute.



Thank you for showing an interest in the Port's activity in 2024. If you would like to learn more or offer suggestions please contact Todd Nicholson, the Port's Executive Director.