



**SEA THE
FUTURE
WITH US**

2021 Budget

Eric Russell | Chief Financial Officer

November 3, 2020



@portofeverett | #portofeverett



2021 BUDGET

Operating Highlights

2020 Budget vs 2021 Budget

- 9.1% decrease in revenues
- 6.5% decrease in expenses
- Operating Margin decreased 13.2%

2020 Estimated Year End vs 2021 Budget

- 4.1% growth in revenues
- 5.2% increase in expenses
- Operating margin increase 2.3%

Capital Investments

\$28.5m gross in 2021

- Commence construction of Norton Terminal
- New construction at Waterfront Place Central
- Completion of Blue Heron Slough and Baywood shoreline restoration
- New gate access security and parking management equipment

\$93.6m from 2021 – 2025

2021 **BUDGET**

Financing Plan

- \$2.2m decrease in cash during 2021
- Sale of Baywood property and KC parking lots

Risks

- Loss of discipline on spending
- Aggressive assumptions on property sale receipts and grant funding

Opportunity projects for further review and Commission approval prior to on-ramp

2021 OPERATING BUDGET

	2018	2019	2020	2020	2021 Budget	2020 Bdgt to 2021 Bdgt		2020 Est to 2021 Bdgt	
	Actual	Actual	Budget	Est YE		\$	%	\$	%
Operations									
Revenue	29.5	33.2	32.3	28.4	29.7	(2.6)	-9.1%	1.3	4.1%
Expense	25.7	27.7	25.1	22.3	23.4	1.6	6.5%	(1.2)	-5.2%
Income before Depreciation	3.8	5.5	7.2	6.1	6.3	(4.2)	-15.6%	0.2	9.3%
Depreciation	10.2	10.5	11.2	12.8	13.0	(1.8)	-15.8%	(0.2)	-1.4%
Net Operating Income	(6.4)	(4.9)	(4.0)	(6.7)	(6.7)	(2.4)	0.2%	(0.0)	10.7%
Non-Operating									
Revenue	5.8	5.6	5.4	5.1	5.2	(0.2)	-4.3%	0.1	1.5%
Expenses	3.0	2.9	6.7	4.8	4.7	2.0	29.9%	0.1	2.2%
Net non-operating income	2.8	2.7	(1.3)	0.3	0.5	(2.2)	-34.2%	0.2	-0.7%
Net Income	(3.6)	(2.2)	(5.3)	(6.4)	(6.3)	(4.7)	-34.0%	0.2	10.0%

In millions

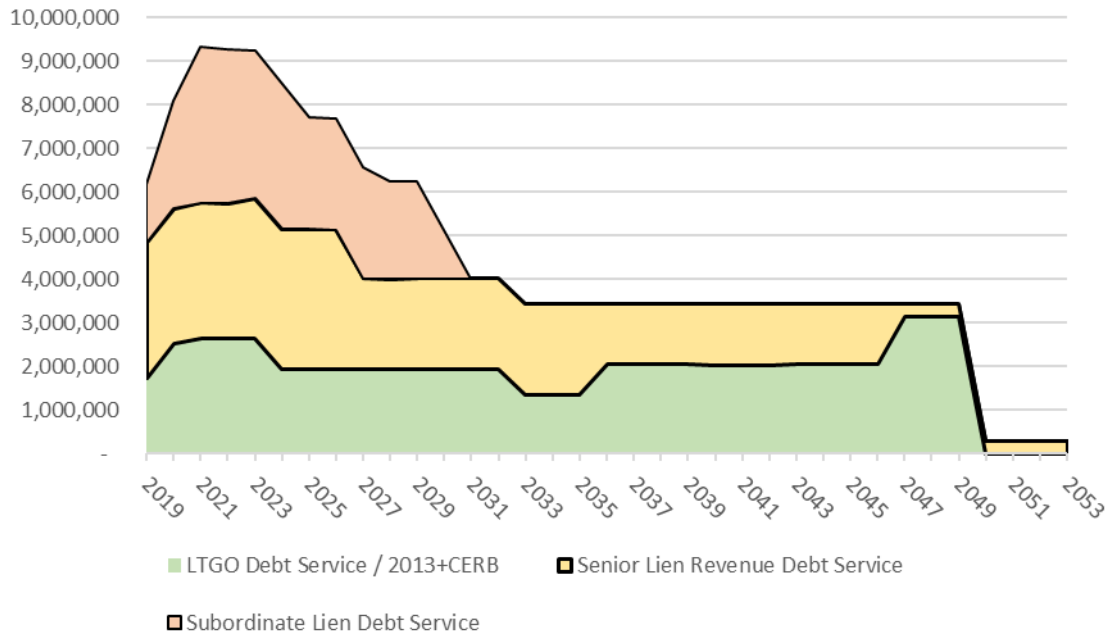
FINANCING PLAN

	2021	2022	2023	2024	2025
Cash at Beginning of Year	18.0	15.7	25.6	26.1	27.8
Sale of property / new grants	6.5	17.5	6.5	1.0	1.0
Net Operating Income before Depreciation & Interest	6.3	6.5	7.1	7.8	8.1
Net Non-operating Income before Depreciation & Interest	4.5	4.4	4.2	4.1	3.9
Net Debt Service	(8.4)	(9.3)	(9.2)	(8.5)	(7.7)
Net Capital Improvements	(11.1)	(9.2)	(8.1)	(2.7)	(2.4)
Cash at End of Year	15.7	25.6	26.1	27.8	30.7

In millions

DEBT FORECAST

Current Debt Service



2020 Balance

2013 LTGO	11,420,000
2020 LTGO	26,325,000
2007 Revenue	5,000
2015 Revenue	7,550,000
2016 Revenue	22,965,000
RRIF	5,727,677
Rail Bank	13,663,809
CERB	1,810,391
Leases	12,257,703
	<u>101,724,580</u>

PROPERTY TAX

Ports authorized to levy up to \$.45 per thousand

Used for:

- Debt Service

- Environmental Remediation

- Public Access

General Obligation Bonds have lien on levy

Estimate levy at \$5.1m (increase \$50,358 over 2020)

plus new construction and other adjustments

- Levy rate estimated at \$.227/1000, down from \$.236/1000

- (tax on \$450,000 house would be \$102.15, approximately \$4 less than 2020)

BUDGET **APPROVAL**

October 23

- Posted draft budget on website

October 25

- Advertised for Public Hearing

November 3

- Open Public Hearing for comments

November 10

- Close public hearing
- Consider adoption of budget resolutions
 - Resolution 1158 (2020) – 2021 Property Tax Levy
 - Resolution 1159 (2020) – Substantial Need for Property Tax Levy
 - Resolution 1160 (2020) – 2021 Operating Budget and 2021-2025 Capital Improvement Plan

December 1 deadline to file budget with Snohomish County