

Port of Bremerton

2018 BUDGET



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Planning Calendar For 2018 Budget

July 10 to August 4	August 7 to September 15	September 18 to October 6	October 24	November 8 to 16	November 28
<ul style="list-style-type: none"> • Finance distributes budget worksheets to department directors . • CFO meets department directors to review prior year budgets, and to discuss new operating and capital budgets. • CFO reports CEO the status of budget preparation. 	<ul style="list-style-type: none"> • Finance completes preliminary budget. • Finance distributes preliminary budget to department directors for review and revision. 	<ul style="list-style-type: none"> • Finance reviews feedback from department directors. • Finance provides budget draft for CEO and departmental director' review. • 9/26, budget workshop. 	<ul style="list-style-type: none"> • 10/24, Preliminary Budget presented to Commissioners. 	<ul style="list-style-type: none"> • 11/14, Second Preliminary Budget Presented for Approval. • 11/15, first Public Hearing Notice (Kitsap Sun). • 11/22, second Public Hearing Notice (Kitsap Sun). 	<ul style="list-style-type: none"> • Public Hearing / Final Budget Approval. • Resolutions due to Kitsap County per RCW.

Cary Bozeman, Commissioner, January 1, 2016 - December 31, 2021

District 1: West Bremerton, portions of East Bremerton, Kitsap Lake and Chico

Previously the Chief Executive Officer of the Port of Bremerton from 2009-2011, Cary returned as Port Commissioner in 2015 for a six year term (2016-2021). He has also served as mayor of Bellevue and Bremerton, where he has lived since 1997. In addition, Cary is the founder of The Bozeman Group, a consulting firm that works with cities to create economically viable downtown urban neighborhoods. Bozeman has received several honors throughout his career including being named by Seattle Magazine as one of the most influential people of 2007 and receiving the Governor's 2004 Economic Development Award.

Larry Stokes, Commissioner, January 1, 2014 - December 31, 2019

District 2: Downtown Port Orchard, portions of Eastern South Kitsap

Larry Stokes was first elected to the Board of Commissioners in 1979, serving as a Commissioner until 1989. In 2008 and 2014, Commissioner Stokes was reelected to the Port Board of Commissioners. Key priorities for Commissioner Stokes are to work to boost public outreach and increase the occupancy of the Port's marina and existing facilities to create new jobs and grow the revenue generated by Port businesses. Commissioner Stokes is a firm believer that the taxpayers, "who are the owners of the Port of Bremerton," should get a reasonable and fair return on their investment. Larry is a 20-year Navy veteran who specialized in the medical aspects in deep sea diving. After retiring from the Navy, he founded Stokes Auction Inc., a well-known Kitsap auction company.

Axel Strakeljahn, Commissioner, December 31, 2017 – January 1, 2023

District 3: Portions of South Kitsap, Southwest Bremerton, Seabeck/Holly/Crosby

Axel Strakeljahn has spent the past 30 years working and living on the shores of the Kitsap Peninsula. After years of leading successful businesses in the community, he also actively supports community organizations such as Boys and Girls Club and Habitat for Humanity. The retired director of one of Kitsap County's largest retail corporations, Axel explains that his decision to run for commissioner was based on a desire to offer his extensive business knowledge in the public service arena. After successfully operating several large businesses, he hopes to bring decades of experience in producing and managing large budgets, controlling expenses, establishing more promotional events, and bringing new business to the Port of Bremerton.

Message From the CEO

In 2018, Port of Bremerton business plan will focus on efficiencies, preparation for growth, and upgrades that benefit our community. As we prepare the budget for the coming year, we emphasize responsible spending, proper management of the assets we have, active development of properties to promote business growth and generation of family wage jobs, and opportunities to partner on quality of life enhancements that will benefit the community.

Property development and job growth are the top priorities at the Industrial Park. The Port will invest in site preparation of properties to create shovel ready opportunities for businesses demanding user friendly sites that take minimal time for development. We find customers are looking for shorter turnaround times for their business to be up and running. The Port wants to get ahead of the curve to create sites that have certainty in cost and time for completion. A major portion will be dedicated to development of industrial lots and utility extension along Airport Industrial Way in the Puget Sound Industrial Center – Bremerton. The Port also plans to construct its own building in the Industrial Park, designed for companies looking for an immediate location that might fit its needs. The building will be designed for flexibility in use to provide businesses with various requirements in size, structure, costs, and time of use. The Port is also investing in an asset management system that will allow the maintenance group to improve in planning and increase efficiencies in the overall maintenance and future repairs of Port assets.

The airport continues to have increase in usage with over 65,000 operations per year. Not only the runway, but the surrounding amenities such as the hangar space, office space, restaurant and playground park continue to increase in attention and needs. The primary projects at the airport this year will be completing the design of an upgrade for runway and taxiway lighting and signs, corporate hangar pad design, and increase office space development. The Port is also looking to partner with private interest in creating a grass runway for specific aircraft that favors this type of landing surface. There is also the partnering potential for hangar development, as there is currently a waiting list for certain hangar space needs. There are also plans for upgrading the security gates and continued improvement to the airport playground which has become a very popular spot to take kids to play and observe the landing and taking off of aircraft. In 2018, the airport will participate in the Northwest Aviation Conference, the National Business Aircraft Association conference, as well as hosting the annual Bremerton Fly-In, formation flying clinics, military exercises and the weekly classic car cruise.

On the marina side, the Port has had great success in its efforts to increase boater occupancy. The occupancy rates have increased to as high as 98% for permanent moorage, which is a significant jump from 37% just 4 years ago, and up from 83% in 2016. This is primarily due to the quality and upkeep of the marinas, the many events held at the waterfronts, the excellent customer service provided, as well as the efforts in marketing at boats show events which give interested boaters an opportunity to learn about our moorage incentives,

rendezvous packages and guest boating. The larger capital investments in the marina and surrounding waterfront assets include the design of the eventual replacement of the breakwater at the Port Orchard marina. This engineering work will give the Port a better understanding of the life span of the current breakwater. This eventual breakwater replacement is expected to be a significant cost to the Port in the near future.

The overall Port marketing efforts will be to complete the new Port website which is planned to launch early in 2018. The new site will be faster and easier to navigate than our current design, will have easier access to more data and will be mobile friendly. Other goals in 2018 will be to continue to keep a presence at several major shows and conferences that focus in the industrial development, marina, and airport sectors. It is important to maintain that presence, knowing that at any time people could be searching for resources similar to what the Port has to offer, and we want to be first in their mind.

Jim Rothlin
Chief Executive Officer

MISSION

**“Good Jobs for
Our Community”**

2018 Port Directive

- ➡ Responsible spending that looks after tax payer's interests through operating efficiencies.
- ➡ Take good care of what we own (asset management).
- ➡ Actively develop property and market shovel-ready site.
- ➡ Look for property and/or facilities improvements that will generate family wage jobs and positive ROI.
- ➡ Look for opportunities to partner on quality of life enhancements that will benefit the community.

The Budget and Budget Process

The budget translates the Port's policies and plans into a reality that delivers services and capital improvement projects. The budget communicates the plans to the general public by outlining the costs of Port services and projects, and the revenues that will support these services and projects. Once the Commission adopted the budget, it became the work plan to be accomplished for the coming year.

Preparation of the budget involves stakeholders. Each of them has the opportunity and responsibility to contribute suggestions for projects and processes that would improve the use of Port's resources more efficiently.

The budget provides four functions:

Function 1

The budget as a policy guideline

Fiscal policies provide guidelines for the Port Commissioners and Management Team to make sound business decisions. These policies help ensure that the Port's day-to-day operations are maintained and the Commissioners' vision for the community is achieved.

Function 2

The budget as a fiscal plan

Fiscal planning is an aspect of the budget and is also a legal requirement by the State. Revenues and beginning fund balances are estimated to determine resources available in the Port operations. Expenditures and project commitments, and ending fund balances are measured against available resources to determine the Port's fund appropriations.

Function 3

The budget as an operational guideline

The total expenditures including staffing time to complete the objective of operations should be reported out by department or division. The process ensures to maintain the operations of the Port and how they reach goals of the Port Commissioners.

Function 4

The budget as a communication tool

The budget encourages the general public review of the Port operations, and invites citizens to provide input to the budget. Citizens are welcome to discuss challenges and opportunities with the Port Commissioners.

Sherman Hu
Chief Financial Officer

➔ **Fiscal Management Belief:**

The Port can meet the public requirements through continual improvement of internal processes. Tax increase should be used as the last resort.

➔ **Budget Development Process:**

Preparation of the budget should have all stakeholders involved. Each stakeholder has the opportunity and responsibility to contribute suggestions for projects and processes that would use the Port's resources more efficiently.

The stakeholders include the Port's Directors, Program Managers, Staff, Commissioners and Citizen Groups.

➔ **Budget Oversight/Monitoring:**

Every month, Finance meets with Directors and Managers to review the spending activities to ensure staying within the budget limits.

Every quarter, Finance conducts a financial forecast. The purpose of this forecast is to determine whether the limited revenue streams cover operational and capital programs, and also to facilitate strategic planning that go beyond the budget year.

Property Tax Comparison - 2017 to 2018

2017		2018	
2016 Levied Amount	\$ 3,561,823	2017 Levied Amount	\$ 3,613,961
0% Increase	-	0% Increase	-
New Construction	38,164	New Construction	44,017
Utilities (Est.)	4,500	Utilities (Est.)	1,366
Refunds	13,823	Refunds	25,663
2017 Levy	\$ 3,618,310	2018 Levy	\$ 3,685,007

Budget Summary	2018 Final Budget
Revenue	8,258,094
Use of Net Position (Reserves)	3,560,447
Total Sources	\$ 11,818,540
Operating Expense	6,120,789
Capital Expense	5,697,751
Total Uses	\$ 11,818,540

Revenues	2018 Final Budget
Airport	464,757
Industrial Parks	1,039,960
Port Orchard Marina	1,626,107
Bremerton Marina	1,065,551
Non-Operating	4,061,719
Total Revenues	8,258,094

Operations and Maintenance	2018 Final Budget
Airport	1,264,440
Industrial Parks	991,917
Port Orchard Marina	1,966,537

Bremerton Marina	1,360,739
Minor Marinas	87,367
General & Administrative	449,789
Sub-total O & M Expenses	6,120,789

Capital Projects	2018 Final Budget
Airport	1,493,155
Industrial Parks	3,368,500
Port Orchard Marina	354,095
Bremerton Marina	119,100
Minor Marinas	5,800
General & Administrative	357,101
Sub-total Capital Expenses	5,697,751
Total Operating & Capital	11,818,540

AIRPORT OPERATING BUDGET	
OPERATING REVENUES	
Hangars & Tie Downs	240,893
Ground & Space Leases	207,597
Fuel Flowage	9,865
Licenses, Concessions, Misc Fees	6,402
Total Operating Revenues	<u>464,757</u>
OPERATING EXPENSES	
Operation Administration	522,125
Administrative Professional Services	145,520
Structures & Grounds Maintenance	129,597
Operating System Maintenance	467,198
Total Operating Expenses	<u>1,264,440</u>
GAIN (LOSS)	(799,683)

INDUSTRIAL PARK OPERATING BUDGET	
OPERATING REVENUES	
Ground Leases	438,876
Building Leases & Property	601,084
Total Operating Revenues	<u>1,039,960</u>
OPERATING EXPENSES	
Operation Administration	447,701
Administrative Professional Services	117,970
Structures & Grounds Maintenance	113,554
Operating System Maintenance	312,692
Total Operating Expenses	<u>991,917</u>
GAIN (LOSS)	48,043

Port Orchard Marina OPERATING BUDGET	
OPERATING REVENUES	
Monthly Moorage	874,380
Reinstatement Fees-Moorage	2,933
Transient Moorage	69,199
Electric Sales	56,913
Live Aboard Fees	23,920
Miscellaneous Sales	20,937
Marina Parking	2,040
Concessions	2,147
Fuel Sales	573,637
Total Operating Revenues	<u>1,626,106</u>
OPERATING EXPENSES	
Marina Admin Operating Expenses	712,340
Facility Operations & Maintenance	196,470
Property Protection	29,683
Administrative Professional	511,606
Cost of Fuel Sales	516,439
Total Operating Expenses	<u>1,966,538</u>
GAIN (LOSS)	(340,432)

Bremerton Marina OPERATING BUDGET	
OPERATING REVENUES	
Monthly Moorage	708,158
Reinstatement Fees-Moorage	1,600
Transient Moorage	100,209
Electric Sales	6,700
Live Aboard Fees	29,127
Miscellaneous Sales	13,343
Marina Parking	203,511
Concessions	2,904
Total Operating Revenues	<u>1,065,552</u>
OPERATING EXPENSES	
Marina Admin Operating Expenses	740,963
Facility Operations & Maintenance	156,746
Property Protection	29,762
Administrative Professional	433,268
Total Operating Expenses	<u>1,360,739</u>
GAIN (LOSS)	(295,187)

Other Marinas OPERATING BUDGET	
OPERATING EXPENSES	
Harper Pier	
Marina Admin Operating Expenses	2,069
Facility Operations & Maintenance	11,257
Total Operating Expenses	13,326
Chico Boat Ramp	
Marina Admin Operating Expenses	0
Facility Operations & Maintenance	1,250
Total Operating Expenses	1,250
Port Orchard Marina Park	
Marina Admin Operating Expenses	188
Facility Operations & Maintenance	45,496
Property Protection	206
Total Operating Expenses	45,890
Turner Joy Harbor	
Marina Admin Operating Expenses	1,166
Facility Operations & Maintenance	5,300
Total Operating Expenses	6,466
Water Street Park Harbor	
Marina Admin Operating Expenses	2,035
Facility Operations & Maintenance	11,100
Property Protection	50
Total Operating Expenses	13,185
Rental Property Port Orchard	
Marina Admin Operating Expenses	0
Facility Operations & Maintenance	5,250
Total Operating Expenses	5,250
GENERAL & ADMINISTRATIVE	
General & Administrative	1,284,091
Outside Service Expenses	363,261
General & Admin Transferred Out	(1,197,563)
Total General & Admin Expenses	449,789

2018 Final Capital Budget Summary

Number of Projects	Cost Center	2018 Project Budget	2019	2020	2021	2022	2023	6-Year Total
22	Bremerton National Airport	\$ 1,493,155	\$ 2,925,000	\$ 449,000	\$ 2,987,500	\$ 3,305,000	\$ 4,280,950	\$ 15,440,605
8	Olympic View Industrial Park	3,368,500	310,000	5,000	67,500	5,000	5,000	3,761,000
8	Port Orchard Marina	354,095	404,000	1,267,500	10,495,000	1,715,000	68,371	14,303,966
6	Bremerton Marina	119,100	2,361,000	57,500	45,000	9,000	45,000	2,636,600
1	Marinas - Other	5,800	6,000	6,000	6,000	6,000	6,000	35,800
3	General & Administrative	357,101	-	-	-	-	-	357,101
48	Total Dollars for All Projects	\$ 5,697,751	\$ 6,006,000	\$ 1,785,000	\$ 13,601,000	\$ 5,040,000	\$ 4,405,321	\$ 36,535,072

2018 Final Capital Budget Details

Airport Project	2018 Project Budget	2019	2020	2021	2022	2023
Asphalt Contingency	20,000	20,000	20,000	20,000	20,000	20,000
Asset Management System	30,000	5,000	5,000	5,000	5,000	5,000
Replace HIRL Runway 02/20 & MITL Taxi A Signs	250,000	2,000,000		-	-	-
Hangar Building Envelope & Exterior Upgrades	100,000	30,000	25,000	25,000	70,000	25,000
Grass Runway Installation	30,000					
Airport-Industrial Way Industrial Lots Utility Extension	290,000	300,000	-	-	-	-
Airport - Industrial Way Industrial Pad Engineering	153,645	250,000	-	-	-	-
Airport Front Entry Landscaping / Improvements	54,010	15,000	15,000	15,000	15,000	15,000
MOB Equipment Parking Shelter	75,000	25,000	-	-	-	-
Second Floor Deck FBO Build Out	20,000	-	-	-	-	-
Install Compass Rose	8,000					
Upgrade Security Gates	50,000	50,000				
Improvements to Playground Area	30,000	30,000				
Corporate Hangar Pad Design/CN	330,000					
Demolition of Navy Butler Hut	45,000		-	-	-	-
Zero Turn Mower (50% Split w/OVIP)	7,500					
45' articulated lift (50% Split w/OVIP)	-			22,500		
Replace Waterline to Terminal Building		100,000				
Hangar Restroom Facility	-	-	80,000	-	-	-
Sewer Upgrades	-	45,000	15,000	-	-	-
Misc. Airport Building Upgrades	-	25,000	25,000	25,000	-	-
Aprons North & South-Rehab/Reconfigure	-	-	-	215,000	1,980,000	-
Rehab Taxilanes in Hangar area					1,000,000	
Convert Ramp Lighting to LED		30,000				
South Hangar Area Access Road	-	-	-	-	-	388,500
South Hangar Area Access Taxiway	-	-	-	-	-	181,650
South Hangar Area Stub Taxi Lanes (2)	-	-	-	-	-	265,800
South Hangar Area Site Prep Stormwater	-	-	-	-	-	140,000
T-Hangar (10 Unit)	-	-	-	-	-	610,000
SKIA Utility Planning	-	-	-	200,000	-	-
Planning - EA or EIS East Side Development	-	-	-	-	-	330,000
Airport/Ind Road Phase 2 Design	-	-	264,000	-	215,000	-
Airport/Ind Road Phase 2 Construction (2.2,2.3)	-	-	-	2,460,000	-	2,300,000
Totals	\$ 1,493,155	\$ 2,925,000	\$ 449,000	\$ 2,987,500	\$ 3,305,000	\$ 4,280,950

2018 Final Capital Budget Details

Industrial Park Project	2018 Project Budget	2019	2020	2021	2022	2023
Asset Management System	30,000	5,000	5,000	5,000	5,000	5,000
Road Repairs	40,000	-	-	-	-	-
OVIP 4 Roof Repairs	56,000	-	-	-	-	-
OVIP 8 Tenant Improvements(3 Phase)	50,000	-	-	-	-	-
OVIP 8 SCT Potential Biomass Plant Site Plan	50,000	-	-	-	-	-
OVIP 5 Exterior Paint	50,000					
Zero Turn Mower (50% Split w/APT)	7,500					
45' articulated lift (50% Split w/APT)	-			22,500		
OVIP Sewer Lift Station Pump & Panel Upgrade	85,000					
OVIP 2 Roof Replacement	-	55,000	-	-	-	-
SR3 Frontage Development	-	250,000	-	-	-	-
RV Park / Dump Station	-	-	-	40,000	-	-
New Port Industrial Bldg	3,000,000	-	-		-	-
Totals	\$ 3,368,500	\$ 310,000	\$ 5,000	\$ 67,500	\$ 5,000	\$ 5,000

2018 Final Capital Budget Details

Port Orchard Marina Project	2018 Project Budget	2019	2020	2021	2022	2023
Dock Box Replacement (10 Boxes), BBQ, Heaters	\$ 5,700	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Pile Coatings Splash Zone Repairs (20 piles/Year)	40,000	40,000	40,000	40,000	40,000	40,000
Dock/Chain Upgrades & Repair	-	10,000	10,000	10,000	10,000	10,000
Electrical Upgrades to Docks 30 & 50 amp	-	-	-	-	60,000	-
Resurface & Upgrades A-Dock/Misc Interior/Floatation	30,000	-	-	-	250,000	-
North Breakwater (Crack seal/floatation)	140,000	100,000	600,000	5,970,000		
East Breakwater (crack repair/floatation)	70,000	50,000	600,000	4,470,000	1,250,000	-
F Dock (Crack Repair/Floatation)		25,000				
Reserve Sign Replacement		4,000				
Fuel Dock Dispenser Replacement	44,895					
Play Area Turf		20,000				
Children's Park Pavilion (Main Support Replacement X 4)	1,000					
Marina Park Lift Station Upgrade		150,000				
Vehicle Replacement (1/2 Ton Pickup) (50% share w/BREM)	12,500	-	12,500	-	-	-
Pump Out Work Boat Kicker Motor	-	-	-	-	-	13,371
Activity Float Structure Replacement	10,000	-	-	-	-	-
Mobile Activity Float & Tent	-	-	-	-	100,000	-
Totals	\$ 354,095	\$ 404,000	\$ 1,267,500	\$ 10,495,000	\$ 1,715,000	\$ 68,371

2018 Final Capital Budget Details

Bremerton Marina Project	2018 Project Budget	2019	2020	2021	2022	2023
Dock Box Replacement (10 ea)	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Pile Coatings Splash Zone Repairs (40 piles/Year)	\$ 100,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 4,000	\$ 40,000
Washington Ave Parking Lot		\$ 2,200,000				
Reserve Sign Replacement		\$ 6,000				
Mannette Yacht Club Roof Replacement	\$ 1,600					
Vehicle Replacement (1/2 Ton Pickup) 50% Share w/PO	\$ 12,500		\$ 12,500			
Security Upgrades/ Art Glass Barrier	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Breakwater Guest Pavilion		\$ 60,000	\$ -	\$ -	\$ -	\$ -
Totals	\$ 119,100	\$ 2,361,000	\$ 57,500	\$ 45,000	\$ 9,000	\$ 45,000

2018 Final Capital Budget Details

Minor Marinas Project	2018 Project Budget	2019	2020	2021	2022	2023
Piling Anodes @ Harper & Water Street	\$ 5,800	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Totals	\$ 5,800	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000

2018 Final Capital Budget Details

General and Administrative Project	2018 Project Budget	2019	2020	2021	2022	2023
Admin Space Upgrade	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -
Software Upgrade & System Expansion	\$ 150,000					
Site, Utility, Building Improvements	127,101	-	-	-	-	-
Business Development Opportunities	75,000	-	-	-	-	-
Totals	\$ 357,101	\$ -	\$ -	\$ -	\$ -	\$ -

Glossary

Accounting System

The set of records and procedures that are used to record, classify, and report information as to the financial status and operating conditions of an entity.

Accrual Basis of Accounting

Under this accounting method, transactions are recognized when they occur, regardless of the timing of related cash receipts and disbursements. Proprietary (enterprise and internal service) and non-expendable trust funds use this basis of accounting.

Adopted Budget

Adopted, as used in the fund summaries and department and division summaries within the budget document, represents the final budget approved by the Port Commissioners. The adopted budget becomes effective January 1st. Subsequent to adoption Commissioners may make changes throughout the year.

Appropriation

An authorization made by the Commissioners that permits officials to make expenditures or incur obligations against governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one year period. Multi-year appropriations can also be established for capital project and other special purpose funds. Multi-year appropriation authority remains in effect until the amount appropriated has been totally expended or until the fund, program, or project is closed because its assigned purpose has been changed or accomplished.

Assessed Valuation

The assessed value (AV) set on taxable property as a basis for levying property taxes placed upon real and personal property by the Kitsap County Assessor.

Assets

Resources having a monetary value and that are owned or held by an entity.

Audit

An annual financial report prepared by an independent auditor. A comprehensive audit document contains a summary statement of the scope of the audit, explanatory comments concerning any exceptions to generally accepted auditing standards, explanatory comments concerning verification procedures, financial statements and schedules, statistical information, supplemental comments, and any finding or recommendations.

B.A.R.S.

The prescribed "Budgeting, Accounting and Reporting System" where compliance is required for all governmental entities within the State of Washington.

Balanced Budget

Revenues (include Beginning Fund Balance) equals or exceeds expenditures (include Ending fund Balance).

Beginning Fund Balance

The beginning fund balance is the residual fund balances representing unused funds brought forward from the previous financial year (ending fund balance).

Bond

A debt instrument with a written promise to pay a specified principal amount along with periodic interest at specific future dates. Bonds are typically used for financing of specific capital expenditures.

Budget

A budget is a financial operational plan including an estimate of proposed expenditures and the means of financing them. The budget designates the financial plan presented for adoption and finally approved. It is usually to specify whether the budget under consideration is preliminary and proposed, or whether the appropriating body has approved it.

Budget Amendment

A change to a budget adopted in accordance with State law. A budget may be amended to increase expenditures/expenses at the fund level by ordinance without public notice or public hearing requirements,

Budgetary Basis

Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP), with the exception that neither depreciation nor amortization is budgeted for proprietary funds and bond principal in the enterprise funds is subject to appropriation.

Capital (Outlay/Asset)

Expenditures made to acquire, reconstruct, or construct major fixed or capital assets. A fixed asset is a tangible object of a long-term, will continue to be held or used such as land, buildings, machinery, furniture, and other equipment. A capital asset must exceed \$5,000 in cost and have an expected live expectancy of 12 months.

Capital Improvement Fund

Account for the acquisition or construction of major capital facilities, with exception to those facilities financed by proprietary and trust funds.

Capital Improvement Program (CIP)

A plan for a capital expenditure to be incurred each year over a period of five or more future years setting forth each capital project, the amount to be expended in each year, and the method of funding those expenditures.

Cash Management

Management of cash necessary to pay for Port services while investing temporary cash excesses in order to earn investment income. Include forecasting inflows and outflows of cash, establishing and maintaining banking relationships, and investing funds in accordance with the Port's investment policy objectives.

Contingency

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted. Contingency may be appropriated for a specific purpose by the Commissioners upon the approval of a resolution.

Debt Service

Principal and Interest on outstanding bonds due and payable, during the calendar or fiscal year.

Debt Service Fund

Established to account for the accumulation of resources and for the payment of general obligation debt that have been approved by the voters. It would exclude Enterprise fund debt and contractual obligations accounted for in other individual funds.

Depreciation

Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of physical elements, inadequacy or obsolescence.

Employee Benefits

Contributions made by a government to meet commitments or obligations for employee related expenses. Included is the government's share of costs for social security and the pension, medical and life insurance plans.

Encumbrance

Amount of money committed and set aside, but not yet expended, for the purchases of goods or services.

Ending Fund Balance

The residual non-restricted funds that is spendable or available for appropriation after the end of the fiscal or calendar year, or during the fiscal or calendar year.

Expenditures/Expenses

The type of accounts that record transactions for the cost of goods received or services rendered whether cash payments have been made or not. These accounts are called expenditures on the modified accrual basis of accounting and expenses on the accrual basis.

General Fund

Accounts for all receipts and disbursement transactions associated with ordinary Port operations. This fund is tax general revenue supported. Major revenue sources for the General Fund include property, sales, excise taxes, and miscellaneous permits and fees.

G.O. Bonds

Governmental Obligation Bonds (G.O. Bond) are secured by the full faith and credit of the issuer. G.O. bond issued by local units of government are secured by a pledge of the issuer's property taxing power. Usually issued G.O Bond pays for general capital improvements such as parks and Port facilities.

Grant

A contribution by one governmental entity to another entity. The contribution is usually made to aid in the support of a specified function. Infrastructure Public domain capital assets such as roads, bridges, streets, sidewalks and similar assets that is immovable.

Indirect Charges

Administrative and overhead costs that are incurred in one area, and charged to the rest of the agency. These charges are budgeted as inter-fund transfers.

Inter-local Agreement

A contract between two government entities whereby one government assumes the lead responsibility of a project that overlaps both jurisdictions.

Levy

Gross amount of property taxes imposed on the assessed value of taxable property. The net amount received by a government will be less than the gross levy as a result of delinquent or uncollectible payments or early payment discounts. Budgets are developed on the basis of the projected amount of property taxes receivable.

Line Item Budget

The individual account lines of budget, where proposed appropriations are based on individual objects of expense within a department or program.

Operating Budget

The operating budget is the primary means by which most of the acquisition, spending, and service delivery activities of a government are controlled. Law requires the use of annual operating budgets.

Operating Transfer

Routine or recurring transfers of assets between funds that support the normal operations of the recipient fund.

Outstanding Debt

The balance due at any given time resulting from the borrowing of money or from the purchase of goods and services.

Personnel Benefits

Employer contributions paid by the Port as part of the conditions of employment. Examples include health/dental/vision insurance, state public employee's retirement system, and employment security.

Property Tax

Based off of the assessed value of property times the permanent tax rate and are used as the source of monies to pay general obligation debt and core city services.

Proposed Budget

Combines the operating, non-operating and reserve estimated prepared by the Chief Financial Officer, then presented to the Port Commissioners for their review, recommendation and approval.

Resource

Total dollars available for appropriations including estimated revenues, fund transfers, and beginning fund balances.

Revenue

Income received by the Port in support of a program of services to the local community. It includes such items as property taxes, fees, user charges, grants, interest income, and miscellaneous revenue.

Services and Charges

An expenditure classification that includes professional services, communication, travel, advertising, rentals, leases, insurance, public utility services, and repairs and maintenance.

Supplies

An expenditure classification for articles and commodities purchased for consumption or resale. Examples include office and operating supplies, fuel, power, water, gas, inventory, resale items, small tools and equipment.

Tax Levy

The total amount of property taxes needed to pay for basic government operations as well as sufficient amounts to pay for principal and interest on voter-approved bond issues.

Tax Rate

The amount of tax levied for each \$1,000 of assessed valuation as determined by the Kitsap County Assessor's office.