

PORT OF BREMERTON

2020

BUDGET



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Mission Statement

Our mission is to increase the economic opportunity for all of Kitsap County by generating jobs, developing infrastructure and improving local quality of life. We are a regional leader in creating economic and recreational opportunities for our community. We support a sustainable local economy through strategic public investments and stewardship of our natural environment.

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 2016 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. He 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.

Gary Anderson, Commissioner, January 1, 2020 - December 31, 2025

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

Born and raised on a family farm in Kitsap County, Gary Anderson has more than 30 years of experience in land use and development issues. He worked at residential real estate before starting his own company focusing on commercial property development. He has served on the Board of Directors for the Port Orchard Chamber, as President of the Association of Realtors, and as a member of the Port Orchard Rotary. "I have held a desire to improve our community's way of life and have put that desire into my efforts as a commercial real estate broker." Anderson said, "[I] have considered running for Port Commission for the past 10 years to further meet that desire."

Anderson was elected to serve as Port Commissioner in 2020 for a six-year term and is looking forward to supporting the Port of Bremerton to create economic opportunity and jobs in Kitsap County. He's focused on helping to improve the quality of life for residents and to uphold the commitment to fiscal responsibility to taxpayers investing in our community.

Axel Strakeljahn, Commissioner, January 1, 2018 – January 1, 2023

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

Axel Strakeljahn was first elected to the Board of Commissioners in 2012 and was reelected in 2018. Commissioner 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

The Port of Bremerton continues its progressive plans in 2020 of building infrastructure to create opportunities for economic development, job creation and improved quality of life. The growth we have had in the last few years is testimony that our pattern of creating shovel ready sites is showing results for growth. In the last five years, the number of companies in the Industrial park has increased from 35 businesses to over 60, and the number of people employed by these companies has increased from 900 to almost 2500. This is a balance of responsible investments that have allowed this to happen. As we have researched the potential growth pattern and needs of the community, the strategic planning by the Port Commissioners has been critical to this success.

At the airport we are engineering site plans to add hangars to an airport that is currently at 100% capacity. The expansion is designed to add 8 box hangars, 12 T hangars and 3 corporate hangars. Part of the reason for the full capacity is the amenities which make the airport one of the most convenient and user-friendly small airports for corporate and general aviation markets. Some of these amenities to be upgraded this year will be LED runway lighting and taxiway signs, a brand-new multipurpose facility that will include a new hangar, pilot facilities and a remodeled restaurant, site development for aeronautical use buildings and upgraded security gates. In 2020, the airport will participate in the Northwest Aviation Conference, the National Business Aviation Association conference, Pacific Northwest Aerospace Alliance, and other shows as part of its marketing efforts.

The Port has been proactively marketing its two marinas in Port Orchard and Bremerton, increasing its volume over the last 5 years from 40% occupancy to 100% occupancy. Its state-of-the-art marina facilities are attracting boaters from all over the country. The focus of the new marina director is to create a more efficient operation by increasing revenues while maintaining its current top customer service and well-maintained marina. Some of the upgraded amenities will be undercover parking in Bremerton, an activity float replacement in Port Orchard, as well as electric metering and surface upgrades at both marinas. The budget also includes funding for the engineering and design of the Port Orchard Marina breakwater, which is expected to be replaced within the next five years. We also expect to have increased activities available to the visiting boaters during the summer months.

The Port recently invested in a study to determine the economic impact that the Port provides its community. The results were that Port tenants provide almost \$1.2 billion in sales in Kitsap County. Over the last 5 years the number of tenants in the industrial park increase from 35 to 63 businesses and employees that work in the park rose from 953 to over 2400 jobs. This is a very significant increase in that time span. A lot of this was driven by available buildings, pad ready sites and an increase in the work being done by the Navy shipyard which required additional space for subcontractors. The current buildings in the industrial park are currently at full capacity, which promoted the decision of the Port Commission to construct a new 17,500 square foot building to help with the increasing demand for space and to promote job development. New signage and monuments were added as part of the efforts to create a more professional design. There is interest through a current tenant to create a racing and training facility on over 200 acres of Port property. This

private investment will not only involve racing facilities, but provide amenities for the local community for various recreational activities which may include a walking track, go-karting, and a concert area. As part of the overall investment, there is interest in the construction of a STEM educational and training facility which would incorporate training in the automotive, marine and aerospace industries. Also included in the design is an Emergency Vehicle Operations Course to support the training needed in the area for police, fire and other driver training. Should this project move forward, it will create an entire new opportunity for businesses in the industrial park. Also in the plans this year is site development for 11 acres along the highway frontage of the park which will include at least one building constructed by the Port.

Administratively, the Port is focusing on operational efficiencies and improved customer service and will be investing in upgraded data technology to achieve this goal. The ability to administer to three different business sectors in a timely and user-friendly fashion as well as remain in compliance with all state and federal regulations requires an efficient infrastructure. This significant upgrade will allow the Port to continue in that manner.

Within these investments mentioned above lies several underlying components which continues to be the backbone of the Commissioners' direction for 2020;

- To be responsible with taxpayer investment
- To continue the vision of job growth and quality of life to the community
- To create a professional looking industrial park
- To be the leader in industrial economic development
- To accommodate needs of current tenants
- To be better prepared for future tenants

To meet these goals requires a progressive strategy as well as teamwork from all Port employees. With this budget plan for 2020 and the current workforce and leadership at the Port of Bremerton, we believe we are positioned to accomplish those goals.

Jim Rothlin
Chief Executive Officer

Message From the CFO

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:**

The Port can meet the public requirements through continual systems improvement, automation and innovation.

➔ **Budget Development Process:**

The Commissioners, chief executive officer, chief operations officer, chief financial officer, directors, and managers participated in the 2020 Budget Development Process.

They have the opportunities and responsibilities to address how to use the Port's resources more efficiently and effectively.

➔ **Budget Oversight/Monitoring:**

The Office of Chief Financial Officer provides monthly financial status reports to the directors and managers to review the cost activities to ensure all costs staying within the budget limits.

Property Tax Comparison - 2019 to 2020			
2019 (2019 Tax Payment)		2020 (2020 Tax Payment)	
2018 Levied Amount	\$ 3,685,007	2019 Levied Amount	\$ 3,756,225
0% Increase	-	0% Increase	-
New Construction	52,530	New Construction	53,985
Utilities	4,161	Utilities	-
Refunds	14,527	Refunds	24,829
Total 2019 Levy	\$ 3,756,225	Total 2020 Levy	\$ 3,835,039

Sources: Kitsap County Assessor's Office

2020 TAX YEAR LEVY LIMIT CALCULATION

PORT OF BREMERTON

District # 8800

Previous Year's Levy Including Any Refunds & Canceled Taxes Levied = 3,756,225

The district's resolution or ordinance must authorize any increase in terms of both the dollars and percentage over the previous year's levy. This increase is exclusive of new construction, increases in state assessed property (utilities), any annexations and refunds requested.

Highest Allowed Levy Since 1986 = 4,006,311

Differences between this amount and the previous year's levy are refunds and canceled taxes levied last year which are not included in this amount and/or any banked capacity your district may have.

1% Increase to Highest Allowed Levy = 4,046,374

This is the maximum allowed but may change to match what is authorized by resolution or is lawfully allowed for your district. It is exclusive of the items listed under the previous year's levy. The dollar and percent increase over the previous year's actual levy to collect this amount is \$290,149 and 7.7245%.

Amount due to New Construction = 53,985

New construction assessed value 183,431,887 X .294305 (the prior year's levy rate) = 53,985

Amount due to Increase in Utilities = 0

This amount will be zero until the values are received from the Department of Revenue. Since this amount may be unknown when you have your budget hearings, you may want to add an amount in your budget or levy certification in order to collect any unknown amount due to an increase in utilities.

AV of Annexed Property = 0

Amount due to Annexations = 0

The amount due for annexations is set when assessed values are final in January. Districts with annexations may want to add an amount in the budget or levy certification for any increases allowed.

Current Total Assessed Value = 14,030,081,660

This amount may fluctuate until values are final in January.

Tax Refunds & Canceled Taxes less Supplements = 24,829

Please include a dollar amount for refunds and canceled taxes in your budget and or levy certification to show the district's intent to collect these amounts.

Projected Levy Rate = .292255

Maximum Levy Rate = .45

Maximum levy rates for cities are estimated until final levy rates for Fire and Library Districts are known.

ESTIMATED TOTAL LEVY LIMIT AMOUNT = 4,125,188

Budget Summary	2019 Final Budget	2020 Final Budget
Revenue	11,445,301	11,833,526
2019 Carry Forward	4,642,090	11,298,578
Total Sources	\$ 16,087,391	\$ 23,132,104
Operating Expense	6,430,084	6,598,545
Capital Expense	9,657,307	16,533,559
Total Uses	\$ 16,087,391	\$ 23,132,104

Revenues	2019 Final Budget	2020 Final Budget
Airport	493,782	475,809
Industrial Parks	1,194,660	1,359,700
Port Orchard Marina	1,544,730	1,657,348
Bremerton Marina	1,055,811	977,700
Tax and Grants	7,156,317	7,362,969
Total Revenues	\$ 11,445,301	11,833,526

Operating Expenses	2019 Final Budget	2020 Final Budget
Airport	1,228,589	735,910
Industrial Parks	978,448	972,003
Port Orchard Marina	1,880,954	1,383,279
Bremerton Marina	1,225,712	1,071,529
Other Marinas	76,705	79,626
General & Administrative	1,039,676	2,356,198
Sub-total Operating Expenses	\$ 6,430,084	6,598,545

2020 Operating Budget Details								
	Airport	Industrial Park	Port Orchard Marina	Bremerton Marina	Other Marinas	General Admin	Non-Operating	Totals
OPERATING REVENUES								
Hangars & Tie Downs	\$ 248,585							\$ 248,585
Ground & Space Leases	213,124	1,359,700						1,572,824
Moorage & Others			1,179,018	977,700				2,156,718
Fuel	10,810		478,330					489,140
Licenses, Concessions, Misc Fees	3,290							3,290
TOTAL OPERATING REVENUES	475,809	1,359,700	1,657,348	977,700				4,470,557
OPERATING EXPENSES								
Salaries & Benefits	389,255	365,855	678,121	678,121		1,201,252		3,312,603
General & Administrative	240,594	142,213	50,314	50,993		1,154,946		1,639,060
Fuel			358,747					358,747
Facilities & Operations	106,061	463,935	296,097	342,415	79,626			1,288,134
TOTAL OPERATING EXPENSES	735,910	972,003	1,383,279	1,071,529	79,626	2,356,198		6,598,545
NON-OPERATING								
Taxes							3,835,039	3,835,039
Grants							3,425,930	3,425,930
Misc. Interest Income							102,000	102,000
TOTAL NON-OPERATING							7,362,969	7,362,969
PROFIT or LOSS	\$ (260,101)	\$ 387,697	\$ 274,069	\$ (93,829)	\$ (79,626)	\$ (2,356,198)	\$ 7,362,969	\$ 5,234,981

Capital Projects	2019 Final Budget	2020 Final Budget
Airport	3,631,826	9,029,783
Industrial Parks	3,235,000	3,626,245
Port Orchard Marina	81,000	1,073,430
Bremerton Marina	2,279,000	2,402,000
General & Administrative	430,481	402,101
Sub-total Capital Expenses	\$ 9,657,307	16,533,559
Total Operating & Capital	\$ 16,087,391	23,132,104

2020 Capital Budget Details	
Project has to happen	Airport 2020 Capital Budget
Replace HIRL Runway 02/20, MITL, & Taxiway Signs	\$ 2,499,335.00
South Apron Site Pad Ready Development	\$ 2,067,526.00
Airport Diner (Engineering)	\$ 157,805.00
New Airport Monument Plus Upgrades	\$ 138,186.00
100LL Fuel Truck	\$ 30,000.00
Airport Diner (Construction)	\$ 2,763,861.00
North Corporate Hangar Site (Design + Construction)	\$ 900,000.00
FBO Roof Repair	\$ 50,000.00
Sky Park Final Design (Engineering)	\$ 183,570.00
Skid Steer Accessories (50 ~ 50 split AP & OVIP)	\$ 60,000.00
Hangar Building Upgrades	\$ 50,000.00
Security Gates 1 & 12 Upgrade	\$ 48,500.00
New Airport Monument - SOUTH	\$ 81,000.00
Airport Grand Total	\$ 9,029,783.00

2020 Capital Budget Details	
Project has to happen	Industrial Park 2020 Capital Budget
New Port Industrial Bldg	\$ 817,230.00
SR3 Frontage Development	\$ 1,788,990.00
SR3 Frontage Starter Building	\$ 719,025.00
OVIP Sewer Lift Station 3-Phase Conversion	\$ 196,500.00
Paint Port Buildings (OVIP 1, 2 or 6)	\$ 29,500.00
Industrial Park Master Plan	\$ 75,000.00
Industrial Park Grand Total	\$ 3,626,245.00

2020 Capital Budget Details	
Project has to happen	Bremerton Marina 2020 Capital Budget
Washington Ave Parking Lot	\$ 2,200,000.00
Pile Coatings Splash Zone Repairs (40 piles/Year)	\$ 150,000.00
Vehicle Replacement (1/2 Ton Pickup) 50 % share w/PO	\$ 25,000.00
Electric Automated Meter Upgrades	\$ 15,000.00
Fish Cleaning Station (RCO Grant)	\$ 3,000.00
Portable Pump Out Pump (RCO Grant)	\$ 9,000.00
Bremerton Marina Grand Total	\$ 2,402,000.00

2020 Capital Budget Details	
Project has to happen	Port Orchard 2020 Capital Budget
North & East Breakwater (Design)(DOC Grant)*	\$ 808,430.00
Pile Coatings Splash Zone Repairs (20 piles/Year)	\$ 40,000.00
Electric Automated Meter Upgrades	\$ 20,000.00
Resurface/Upgrades A-Dock/Misc Interior Floatation (Eng)*	\$ 30,000.00
North Breakwater (Crack seal/floatation)*	\$ 100,000.00
East Breakwater (crack seal/floatation)*	\$ 50,000.00
Small Craft Activity Float/Program	\$ 25,000.00
Port Orchard Marina Grand Total	\$ 1,073,430.00

2020 Capital Budget Details	
Project has to happen	General Admin 2020 Capital Budget
Site, Utility, Building Improvements	\$ 127,101.00
Business Development Opportunities	\$ 75,000.00
Software Upgrades, System Expansion	\$ 200,000.00
TOTAL	\$ 402,101.00

Supplemental Information



Planning Calendar For 2020 Budget

July 19 to August 30	September 4 to 16	September 16 to September 20	September 20 to October 22	November 12 to 21	November 26 to 27
<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. 	<ul style="list-style-type: none"> • 9/24, budget work shop. • 10/22 first Preliminary Budget presented (work study session). 	<ul style="list-style-type: none"> • 11/12 second Preliminary Budget Presented (work study session). • 11/13, first Public Hearing Notice (Kitsap Sun). • 11/20, second Public Hearing Notice (Kitsap Sun). 	<ul style="list-style-type: none"> • 11/26 Public Hearing and Final Budget and related Resolutions Approval. • 11/27 Resolutions due to Kitsap County per RCW.

2020 Commissioners' Community Activities					
	2016	2017	2018	2019	2020
	Final Budget	Final Budget	Final Budget	Final Budget	Final Budget
Allocation of Port Resources to Community Agencies / Groups					
Kitsap Regional Coordinating Council	8,800.00	9,199.00	9,658.95	9,336.10	9,336.00
Puget Sound Regional Council	4,766.00	4,957.00	5,155.28	5,361.49	5,365.00
Washington Public Ports Assn.	11,125.00	11,125.00	11,125.00	11,125.00	11,558.00
Kitsap Economic Development Alliance (KEDA)	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Kitsap Aerospace & Defense Alliance (KADA)	10,000.00	10,000.00	10,000.00	10,000.00	15,000.00
Leadership Kitsap		1,000.00	1,000.00	1,000.00	1,000.00
Visit Kitsap Peninsula	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Sub -Totals	51,716.00	53,306.00	53,964.23	53,822.59	59,259.00
Other Community Events					
Blackberry Festival/Bremerton Rotary	1,000.00	1,000.00	1,000.00	2,500.00	2,500.00
Airport Fly-In & Car Show	1,000.00	1,000.00	5,000.00	2,500.00	7,500.00
Wing of Freedom					
Bremerton Pilots Association	3,500.00	3,500.00	3,500.00	5,250.00	7,000.00
Bremerton Bridge Blaster					6,000.00
Explore Port Orchard	1,000.00	1,000.00	1,000.00	0.00	1,000.00
Fathoms of Fun (POM) Concerts by the Bay	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
Fathoms of Fun (POM) Fireworks			2,500.00	2,500.00	6,000.00
KEDA Decision Makers I & II	850.00	850.00	850.00	850.00	
Kitsap Peninsula Water Trails			250.00	250.00	
Kitsap Harbor Festival	5,000.00	4,000.00	3,000.00	2,500.00	2,500.00
Legislative Luncheon			2,000.00	2,000.00	
Puget Sound Naval Association			15,000.00	0.00	
Future Economic Development Opportunities				10,000.00	
Rock the Dock (Bremerton Marina)	5,000.00	5,000.00	5,000.00	2,500.00	2,500.00
West Sound Expo	300.00	300.00	150.00	-	
Other	350.00	1,000.00	1,000.00	-	2,000.00
Sub -Totals	23,500.00	20,150.00	42,750.00	33,350.00	39,500.00
TOTAL	75,216.00	73,456.00	96,714.23	87,172.59	98,759.00

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.