

PORT OF EDMONDS

2027 Preliminary Budget Workshop

John Peterman, Director of Finance & Administration

2027 Preliminary Budget – Budget Schedule

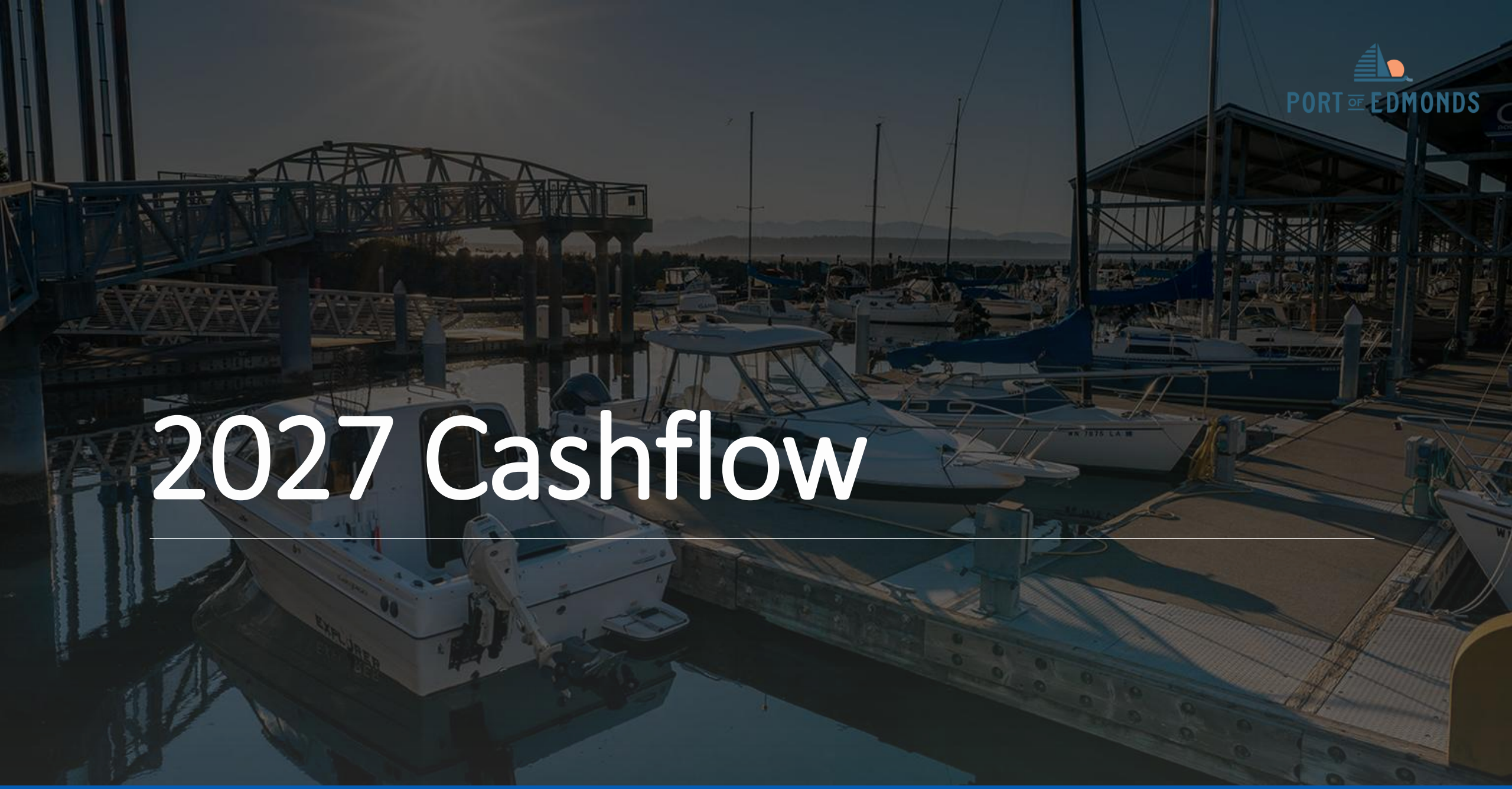
Port of Edmonds 2027 Budget Schedule Draft		
Date	**Group**	**Event**
7/20/2026	Staff	Staff meeting to discuss 2027 Operating and Capital Budget expectations and processes
8/7/2026	Staff	Staff workshop session to discuss budgeted items
8/17/2026	Staff	Preliminary 2027 OPEX Budget Draft Compiled
8/17/2026 - 8/19/2026	Finance Committee	Finance Committee to discuss Budget Baseline Conditions and Property Taxes
8/24/2026	Staff	Preliminary 2027 Capital Improvement Plan Draft Compiled
8/25/2026	**Commission Meeting**	**Workshop to Discuss: Budget Baseline Conditions, Property Taxes, and Marina Rates**
9/4/2026	Staff	Draft 2027 Preliminary Budget to Executive Director
9/14/2026	**Commission Meeting**	
9/16/2026-9/18/2026	Finance Committee + Commissioners	Meet with individual Commissioners to review 2027 Preliminary Budget
9/29/2026	**Commission Meeting**	
9/29/2026	Staff	2027 Preliminary Budget Posted to website
10/12/2026	**Commission Meeting**	**Workshop to Discuss 2027 Preliminary Budget**
10/23/2026	Staff	First Notice of Public Hearing
10/27/2026	**Commission Meeting**	**Workshop to Discuss 2027 Preliminary Budget**
10/30/2026	Staff	Second Notice of Public Hearing
11/9/2026	**Commission Meeting**	**Public Hearing:** **Approve 2027 Tax Levy** **Approve 2027 Budget (Budget Resolution)** **Approve 2027 Moorage Rates, Dry Storage Rates, and Marina Operations Fees**

2027 Budget Changes since September 29th - Variance

Port of Edmonds 2027 Budget Summary September 29th			Port of Edmonds 2027 Budget Summary October 27th			Variance	
Revenues			Revenues				
Marina	$10,058,000		Marina	$10,058,250		$ 250	
Rental Properties	3,240,000		Rental Properties	3,240,000		$ -	
Total Operating Revenues		$13,298,000	Total Operating Revenues		$13,298,250		$ 250
Operating Expenses			Operating Expenses				
Marina	8,688,950		Marina	8,721,810		$ 32,860	
Rental Properties	2,575,800		Rental Properties	2,622,900		$ 47,100	
Overhead	3,555,200		Overhead	3,584,160		$ 28,960	
Total Operating Expenses		14,819,950	Total Operating Expenses		14,928,870		$ 108,920
Capital Grant	684,900		Capital Grant	684,900		$ -	
Property Taxes	650,000		Property Taxes	650,000		$ -	
Other Non-Operating Re	1,098,000		Other Non-Operating Revenue	1,098,000		$ -	
		2,432,900			2,432,900		$ -
Net Income		$ 910,950	Net Income		$ 802,280		$ (108,670)

2027 Budget Changes since September 29th – Line Item Changes

Business unit	P&L Category	Class	Class Desc	Original	New	Difference	Notes
Commission	ELECTION COSTS			10,000	25,000	15,000	Increase for primary election
OH	ECONOMIC DEVELOPMENT & TOURISM	OH SEA NOTES AT THE MARINA	Sea Notes at the Marina	4,500	5,500	1,000	Increased stipend
OH	PROFESSIONAL SERVICES	OH IT SECURITY CONSULTANTS	IT Security Consultants	35,000	39,000	4,000	Updated rates
OH	PROFESSIONAL SERVICES	OH COMPUTER TECHNICAL SUPPORT	Computer Technical Support	45,000	50,000	5,000	Updated rates
Rental Properties	PROFESSIONAL SERVICES	HS BLD 2 FIRE SPRINKLER TEST	10 year Sprinkler Testing	-	4,000	4,000	Required Sprinkler testing
Rental Properties	REPAIR & MAINTENANCE	HS BLD 2 FIRE SPRINKLER	Sprinkler Mitigation*	-	40,000	40,000	Possible mitigation from sprinkler testing
All	UTILITIES	WATER	WATER	185,080	195,000	9,920	Increase YOY expense from 3% to 8%
All	PROFESSIONAL SERVICES		OpexContingency Engineering	20,000	50,000	30,000	Increased engineering contigency to 20% overall
			Total			108,920	



PORT OF EDMONDS

2027 Cashflow

2027 Preliminary Budget – Cashflow Forecast – Year 1

2026 Ending Cash Balance
35,000,000

Year	2027
Sources of Cash:	(A)
Marina	10,058,250
Rental Properties	3,240,000
Property Taxes	650,000
Interest and Investments	1,098,000
Grants	684,902
Bonds	-
Total	$ 15,731,152
Uses of Cash:	
Marina	6,656,010
Marina Special Operating Projects	1,250,000
Rental Properties	1,364,900
Rental Properties Operating Projects	650,000
Overhead	2,919,420
Capital Projects	
Marina	2,272,000
Rental Properties	40,000
Overhead	320,000
Debt Service	-
Total	$ 15,472,330
Increase/(Decrease) In Cash	$ 258,822
Projected Cash at Year End	$ 35,258,822
Required Cash Reserves	12,735,330
Operating Reserve	10,940,330
Environmental Mitigation Reserve	1,000,000
Tenants Deposit Reserve	795,000

Net Operating Cash Inflow (Outflow)	
Marina	3,402,240
Rental Properties	1,875,100
Overhead	(2,919,420)
Total Net Operating Cash Inflow (Outflow)	$ 2,357,920

Cash Inflow From Operations	13,298,250
Cash Inflow From Taxes	650,000
Total	13,948,250
Cash Outflow from Operations	10,940,330
Net	3,007,920
Less Special Operating Projects	1,900,000
Cash Inflow From Interest and Investments	1,098,000
Net	2,205,920
Less Capital Projects	2,632,000
Grants	684,902
Net	258,822

***Operating Reserve equals full year of operating expenses**

2027 Preliminary Budget – Cashflow Forecast – Year 1 to 10

2026 Ending Cash Balance
35,000,000

	Year 1 through 10									
Year	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
Sources of Cash:	**(A)**	**(A)**	**(A)**	**(B)**						
Marina	10,058,250	10,410,000	10,774,000	11,151,000	11,541,000	11,945,000	12,363,000	12,796,000	13,244,000	13,708,000
Rental Properties	3,240,000	3,337,000	3,437,000	3,540,000	3,646,000	3,755,000	3,868,000	3,984,000	4,104,000	4,227,000
Property Taxes	650,000	657,000	664,000	671,000	678,000	685,000	692,000	699,000	706,000	713,000
Interest and Investments	1,098,000	1,234,000	1,353,000	1,158,000	703,000	784,000	915,000	1,040,000	1,174,000	854,000
Grants	**684,902**	**100,000**	**150,000**	**1,398,237**	-	-	-	-	-	-
Bonds	-	-	-	**10,000,000**	-	-	-	-	-	-
Total	$ 15,731,152	$ 15,738,000	$ 16,378,000	$ 27,918,237	$ 16,568,000	$ 17,169,000	$ 17,838,000	$ 18,519,000	$ 19,228,000	$ 19,502,000
Uses of Cash:										
Marina	6,656,010	6,856,000	7,062,000	7,274,000	7,492,000	7,717,000	7,949,000	8,187,000	8,433,000	8,686,000
Marina Special Operating Projects	1,250,000	106,090	273,182	844,132	-	-	-	-	-	-
Rental Properties	1,364,900	1,406,000	1,448,000	1,491,000	1,536,000	1,582,000	1,629,000	1,678,000	1,728,000	1,780,000
Rental Properties Operating Projects	650,000	212,180	-	-	-	-	-	-	-	-
Overhead	2,919,420	2,873,000	2,959,000	3,048,000	3,139,000	3,233,000	3,330,000	3,430,000	3,533,000	3,639,000
Capital Projects										
Marina	2,272,000	767,031	10,020,802	27,364,767	1,159,274	-	-	-	12,982,493	13,607,153
Rental Properties	40,000	42,436	43,709	45,020	46,371	47,762	418,157	430,702	835,055	403,175
Overhead	320,000	79,568	136,591	-	-	-	55,344	114,009	-	120,952
Debt Service	-	-	-	865,000	865,000	865,000	865,000	865,000	865,000	865,000
Total	$ 15,472,330	$ 12,342,304	$ 21,943,283	$ 40,931,919	$ 14,237,645	$ 13,444,762	$ 14,246,501	$ 14,704,711	$ 28,376,548	$ 29,101,281
Increase/(Decrease) In Cash	$ 258,822	$ 3,395,696	$ (5,565,283)	$ (13,013,682)	$ 2,330,355	$ 3,724,238	$ 3,591,499	$ 3,814,289	$ (9,148,548)	$ (9,599,281)
Projected Cash at Year End	$ 35,258,822	$ 38,654,518	$ 33,089,235	$ 20,075,553	$ 22,405,908	$ 26,130,146	$ 29,721,644	$ 33,535,933	$ 24,387,385	$ 14,788,104
Required Cash Reserves	12,735,330	12,960,000	13,324,000	13,699,000	14,084,000	14,481,000	14,890,000	15,311,000	15,745,000	16,191,000
Operating Reserve	10,940,330	11,135,000	11,469,000	11,813,000	12,167,000	12,532,000	12,908,000	13,295,000	13,694,000	14,105,000
Environmental Mitigation Reserve	1,000,000	1,010,000	1,020,000	1,030,000	1,040,000	1,050,000	1,061,000	1,072,000	1,083,000	1,094,000
Tenants Deposit Reserve	795,000	815,000	835,000	856,000	877,000	899,000	921,000	944,000	968,000	992,000

Net Operating Cash Inflow (Outflow)										
Marina	3,402,240	3,554,000	3,712,000	3,877,000	4,049,000	4,228,000	4,414,000	4,609,000	4,811,000	5,022,000
Rental Properties	1,875,100	1,931,000	1,989,000	2,049,000	2,110,000	2,173,000	2,239,000	2,306,000	2,376,000	2,447,000
Overhead	(2,919,420)	(2,873,000)	(2,959,000)	(3,048,000)	(3,139,000)	(3,233,000)	(3,330,000)	(3,430,000)	(3,533,000)	(3,639,000)
Total Net Operating Cash Inflow (Outflow)	$ 2,357,920	$ 2,612,000	$ 2,742,000	$ 2,878,000	$ 3,020,000	$ 3,168,000	$ 3,323,000	$ 3,485,000	$ 3,654,000	$ 3,830,000

Notes

(A) To date, the Port has secured external funding to support these efforts, including a $0.5 million grant from the Recreation and Conservation Office (RCO) awarded in 2023, and a $1.5 million Electrification Competitive Grant from WSDOT for Phase II. The project is expected to start in October 2026 through May 2027 being the latest completion date.

(B) Estimating $10.0 million for bond issuance. The Port's current statutory debt limit for non-voted (LTGO) bonds is based on Current Year Assessed Value ('AV') * 0.25% or 9,871,450,284 * 0.25 = $24,678,625.71

(C) Estimating $10.0 million in bond issuance to sustain cash on hand.

2027 Cashflow Presentation – 2035 to 2036 Major Projects

Project Name	Location	Funding Source	Condition	Evaluation	2035	2036
MARINA - COMMITTED						
Mid-Marina Breakwater Replacement	Mid Marina	Reserve*	Poor	B	$ -	$ 13,439,164
TOTALS					**$ -**	**$ 13,439,164**
MARINA - PROSPECTIVE						
Public Sling Launchers	Public Launch	Reserve*	Fair	B	$ 587,148	$ -
Forklift Replacement	Dry Storage	Reserve*	Good		$ 652,387	$ -
Travelift	Travelift	Reserve*	Good	B	$ 652,387	$ -
Dry Storage Launchers	Dry Storage	Reserve*	Fair	B	$ 1,957,160	$ -
Underground Storage Tanks	Fuel Dock	Reserve*	Fair	B	$ 2,609,546	$ -
Marina Breakwall Rocks	North Marina	Reserve*	Fair	B	$ 6,523,866	$ -
Tenant Restroom Upgrades (Central and South Marina)	Restrooms	Reserve*	Fair		$ -	$ 167,990
TOTALS					**$ 12,982,493**	**$ 288,942**

Project Name	Location	Fund Source			2035	2036
HARBOR SQUARE BUSINESS COMPLEX - PROSPECTIVE						
Harbor Square HVAC Units	Harbor Square Complex	Reserve*	Fair		$ 52,191	$ -
Harbor Square Roof Replacements	Harbor Square Complex	Reserve*	Good		$ 391,432	$ 403,175
Anthony's Building Roof	Anthony's	Reserve*	Fair		$ 391,432	$ -
TOTALS					**$ 835,055**	**$ 403,175**

Marina:

- Major updates to public and dry storage launchers. Marina Breakwall Rocks in 2035 followed by Mid-Marina Breakwall Replacement in 2036
  - Grant opportunities would be pursued for both of these projects

Harbor Square:

- Roof Replacements for all five buildings currently forecasted at one per year between 2033 through 2037, at a non-inflated cost of $300K each.
- Without redevelopment, additional site improvements and renovations may be incurred during this timeframe.

2027 Preliminary Budget – Cashflow Forecast – Year 11 to 20

2026 Ending Cash Balance
35,000,000

	Year 11 through 20									
Year	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**
Sources of Cash:				(C)						
Marina	14,188,000	14,685,000	15,199,000	15,731,000	16,282,000	16,852,000	17,442,000	18,052,000	18,684,000	19,338,000
Rental Properties	4,354,000	4,485,000	4,620,000	4,759,000	4,902,000	5,049,000	5,200,000	5,356,000	5,517,000	5,683,000
Property Taxes	720,000	727,000	734,000	741,000	748,000	755,000	763,000	771,000	779,000	787,000
Interest and Investments	518,000	636,000	797,000	972,000	503,000	656,000	805,000	982,000	1,171,000	1,257,000
Grants	-	-	-	-	-	-	-	-	-	-
Bonds	-	-	-	10,000,000	-	-	-	-	-	-
Total	$ 19,780,000	$ 20,533,000	$ 21,350,000	$ 32,203,000	$ 22,435,000	$ 23,312,000	$ 24,210,000	$ 25,161,000	$ 26,151,000	$ 27,065,000
Uses of Cash:										
Marina	8,947,000	9,215,000	9,491,000	9,776,000	10,069,000	10,371,000	10,682,000	11,002,000	11,332,000	11,672,000
Marina Special Operating Projects	-	-	-	-	-	-	-	-	-	-
Rental Properties	1,833,000	1,888,000	1,945,000	2,003,000	2,063,000	2,125,000	2,189,000	2,255,000	2,323,000	2,393,000
Rental Properties Operating Projects	-	-	-	-	-	-	-	-	-	-
Overhead	3,748,000	3,860,000	3,976,000	4,095,000	4,218,000	4,345,000	4,475,000	4,609,000	4,747,000	4,889,000
Capital Projects										
Marina	449,876	-	-	27,982,910	-	-	-	-	3,507,012	-
Rental Properties	415,270	-	-	-	-	-	-	-	-	-
Overhead	124,581	128,318	66,084	-	-	481,412	74,378	153,219	70,140	-
Debt Service	865,000	865,000	865,000	1,730,000	1,730,000	1,730,000	1,730,000	1,730,000	1,730,000	1,730,000
Total	$ 16,382,727	$ 15,956,318	$ 16,343,084	$ 45,586,910	$ 18,080,000	$ 19,052,412	$ 19,150,378	$ 19,749,219	$ 23,709,152	$ 20,684,000
Increase/(Decrease) In Cash	$ 3,397,273	$ 4,576,682	$ 5,006,916	$ (13,383,910)	$ 4,355,000	$ 4,259,588	$ 5,059,622	$ 5,411,781	$ 2,441,848	$ 6,381,000
Projected Cash at Year End	$ 18,185,377	$ 22,762,059	$ 27,768,975	$ 14,385,065	$ 18,740,065	$ 22,999,653	$ 28,059,275	$ 33,471,056	$ 35,912,903	$ 42,293,903
Required Cash Reserves	16,650,000	17,121,000	17,607,000	18,107,000	18,621,000	19,151,000	19,697,000	20,258,000	20,836,000	21,431,000
Operating Reserve	14,528,000	14,963,000	15,412,000	15,874,000	16,350,000	16,841,000	17,346,000	17,866,000	18,402,000	18,954,000
Environmental Mitigation Reserve	1,105,000	1,116,000	1,127,000	1,138,000	1,149,000	1,160,000	1,172,000	1,184,000	1,196,000	1,208,000
Tenants Deposit Reserve	1,017,000	1,042,000	1,068,000	1,095,000	1,122,000	1,150,000	1,179,000	1,208,000	1,238,000	1,269,000
Net Operating Cash Inflow (Outflow)										
Marina	5,241,000	5,470,000	5,708,000	5,955,000	6,213,000	6,481,000	6,760,000	7,050,000	7,352,000	7,666,000
Rental Properties	2,521,000	2,597,000	2,675,000	2,756,000	2,839,000	2,924,000	3,011,000	3,101,000	3,194,000	3,290,000
Overhead	(3,748,000)	(3,860,000)	(3,976,000)	(4,095,000)	(4,218,000)	(4,345,000)	(4,475,000)	(4,609,000)	(4,747,000)	(4,889,000)
Total Net Operating Cash Inflow (Outflow)	$ 4,014,000	$ 4,207,000	$ 4,407,000	$ 4,616,000	$ 4,834,000	$ 5,060,000	$ 5,296,000	$ 5,542,000	$ 5,799,000	$ 6,067,000

Notes

(A) To date, the Port has secured external funding to support these efforts, including a $0.5 million grant from the Recreation and Conservation Office (RCO) awarded in 2023, and a $1.5 million Electrification Competitive Grant from WSDOT for Phase II. The project is expected to start in October 2026 through May 2027 being the latest completion date.

(B) Estimating $10.0 million for bond issuance. The Port's current statutory debt limit for non-voted (LTGO) bonds is based on Current Year Assessed Value ('AV') * 0.25% or 9,871,450,284 * 0.25 = $24,678,625.71

(C) Estimating $10.0 million in bond issuance to sustain cash on hand.

2027 Cashflow Presentation – 2040 Major Projects

Project Name	Location	Funding Source	Condition	Evaluation	2040
MARINA - PROSPECTIVE					
I-Dock Fuel Float Replacement	I-Dock	Reserve*	Fair	B	$ 3,025,179
Dry Storage Bulkhead	Dry Storage	Reserve*	Good	B, E	$ 4,537,769
Mid-Marina Dock System	Mid Marina	Reserve*	Fair	B	$ 20,419,961
TOTALS					**$ 27,982,910**

Marina:

- Major updates to the Mid-Marina Dock System and Fuel Float

2027 Cashflow Presentation – Key Highlights

1. **Strong Saving Discipline**
   - The Port of Edmonds is forecast to hold approximately $35M in cash by the end of 2026.

1. **Strong Baseline Operating Cashflow**
   - Operating cashflow from baseline operations, excluding major projects, is projected at approximately $3M annually.

2. **Key Decision: 2030**
   - Based upon all current, known data, avoiding a bond issuance for Phase III would save $7.3M in debt service expense. The Port's operating reserve would fall to 9 months before recovering to a full year in 2031.

3. **Key Decision: 2035**
   - Grant opportunities for Marina Breakwall Rocks & Mid-Marina Breakwall Replacement.
   - Harbor Square redevelopment versus renovation will significantly affect future cash flow requirements.

4. **Key Decision: 2040**
   - A phased replacement of the Mid-Marina Dock System is estimated to begin and can be supported through current capital allocations.