

**RESOLUTION # 2009-22**  
**RESOLUTION OF THE PORT COMMISSION OF THE PORT OF CHELAN**  
**COUNTY APPROVING THE 2010 FINAL BUDGET**

WHEREAS, the proposed 2010 final budget has been presented to and reviewed by the Port Commission; and

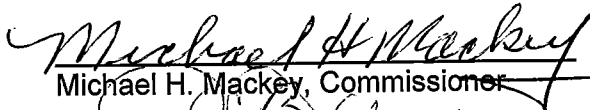
WHEREAS, the proposed 2010 final budget, including the current expense budget for the Port of Chelan County was reviewed at an open public hearing held on November 17, 2009, notice of which was published as required by law. Possible increases in property tax revenues, as permitted by law were considered at the hearing;

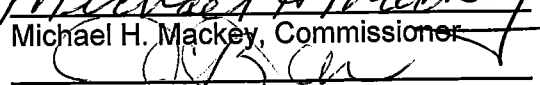
BE IT RESOLVED BY THE COMMISSIONERS OF THE PORT OF CHELAN COUNTY that the proposed 2010 final budget in the form submitted to the Commissioners on this date, a copy of which is attached hereto as Exhibit "A" and incorporated herein by this reference, is hereby approved.

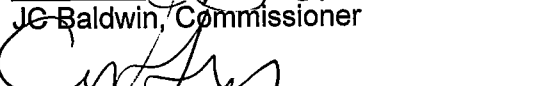
This Resolution shall become effective immediately upon its adoption.

ADOPTED by the Commission of the Port of Chelan County at a regular meeting thereof held this 3<sup>rd</sup> day of December, 2009.

**PORT OF CHELAN COUNTY**

  
\_\_\_\_\_  
Michael H. Mackey, Commissioner

  
\_\_\_\_\_  
JG Baldwin, Commissioner

  
\_\_\_\_\_  
Craig N. Larsen, Commissioner

**PORT DISTRICT OF CHELAN COUNTY**  
 2009 Supplemental and 2010 Revised Final Budgets  
 November 17, 2009

**Exhibit A**

|   | 2009<br>Supplemental<br>Budget | 2010<br>Revised<br>Final<br>Budget |
|---|--------------------------------|------------------------------------|
| Reserves on hand, January 1                               | \$ 4,188,673                   | \$ 7,037,067                       |
| <b>Receipts</b>   |                                |                                    |
| Current tax levy  | 2,158,146                      | 2,246,222                          |
| Lesser of 1% or limit factor allowed by law               | 21,581                         | (19,048)                           |
| Tax on new construction                                   | 55,106                         | 48,038                             |
| Rental income   | 1,212,400                      | 1,052,050                          |
| Utility & operating expense reimbursements                | -                              | 107,500                            |
| Leasehold tax collected                                   | 218,375                        | 218,965                            |
| Interest income   | 115,000                        | 65,000                             |
| Other income  | 26,500                         | 5,000                              |
| ADO Contract  | 29,453                         | 65,421                             |
| Dept of Commerce Cashmere feasibility study               | 50,000                         | -                                  |
| CTC salary & benefits reimbursement                       | 129,500                        | 129,500                            |
| Fire protection assessment                                | 15,024                         | 15,000                             |
| Stormwater utility district                               | 7,636                          | 7,750                              |
| Pangborn repayment of loans                               | 26,982                         | 32,209                             |
| Sale of fixed assets                                      | 4,022,187                      | -                                  |
| Total receipts  | 8,087,890                      | 3,973,607                          |
| Funds Available   | 12,276,563                     | 11,010,674                         |
| <b>Disbursements</b>                                      |                                |                                    |
| <b>Maintenance and operations</b>                         |                                |                                    |
| Port  | 2,026,763                      | 2,237,281                          |
| Lake Chelan Airport                                       | 54,750                         | 52,015                             |
| Pangborn Memorial Airport                                 | 175,307                        | 173,722                            |
| Peshastin Property  | 12,500                         | 12,500                             |
| Confluence Tech Center                                    | 98,604                         | 39,906                             |
| Total maintenance & operations                            | 2,367,924                      | 2,515,424                          |
| <b>Business Development &amp; Marketing</b>               |                                |                                    |
| Clean Technologies  | 26,000                         | 26,000                             |
| Tourism Marketing   | 140,000                        | 14,000                             |
| Port Marketing  | 45,000                         | 50,000                             |
| Information Technologies                                  | 3,000                          | 8,000                              |
| Ag Tech Cluster   | -                              | 12,000                             |
| Wen Val Vis Bur-E3NCW (2010 Olympics Tourism Development) | 6,000                          | -                                  |
| Other Cluster Development                                 | 10,000                         | 7,000                              |
| Opportunity Placeholder                                   | -                              | 20,000                             |
| Total Business Development & Marketing                    | 230,000                        | 137,000                            |
| <b>Economic Development Contracts</b>                     |                                |                                    |
| Chelan County Historical Society                          | 6,000                          | 4,000                              |
| Wen Valley Conv & Vis Bur                                 | 12,300                         | 12,300                             |
| Lake Chelan Chamber                                       | 10,000                         | 10,000                             |
| Wenatchee Valley Chamber                                  | 10,000                         | 10,000                             |
| Leavenworth Chamber                                       | 10,000                         | 10,000                             |
| Cashmere Chamber  | 10,000                         | 10,000                             |
| Entiat Valley Chamber                                     | 5,000                          | 5,000                              |
| Other Contracts   | 3,500                          | -                                  |
| Wine Alliance   | -                              | 60,000                             |
| Cascade Foothills Farmland Assoc.                         | -                              | 44,000                             |
| Greater Wenatchee Area Technology Alliance                | -                              | 20,000                             |
| Small Business Development Center                         | -                              | 20,000                             |
| Total Economic Development Contracts                      | 66,800                         | 205,300                            |
| <b>Community Partnership Projects</b>                     |                                |                                    |
| Leavenworth Rail Initiative                               | 75,000                         | -                                  |
| Leavenworth Rail - Additional Funding Request             | 100,000                        | 50,000                             |
| Leavenworth Visitor Center Acquisition                    | 80,000                         | -                                  |
| City of Wen.-Orondo Moorage & Parking (1 of 3)            | 100,000                        | 100,000                            |
| City of Wen. - Wen Recl Bridge Project                    | 10,000                         | -                                  |
| City of Chelan-Public Marina Expansion (1 of 3)           | 80,000                         | 80,000                             |
| Chelan Community Economic Development Project             | -                              | **                                 |
| Chelan County (Cashmere) Airport                          | 5,000                          | -                                  |
| Entiat Waterfront Project (1 of 3)                        | 66,667                         | 66,667                             |
| Leasehold tax payments in lieu of taxes                   | 218,375                        | 218,965                            |
| Operating loans to Pangborn Memorial Airport              | 59,191                         | -                                  |
| <b>Debt payments</b>                                      |                                |                                    |
| Principal   | 490,380                        | 440,380                            |
| Interest  | 264,293                        | 237,222                            |
| <b>Capital improvements</b>                               |                                |                                    |
| Lake Chelan Airport                                       | -                              | -                                  |
| Pangborn Sewer ULID                                       | 10,850                         | 10,850                             |
| Pangborn Capital Projects                                 | 298,361                        | 102,112                            |
| Pybus Public Market - Land Acqu. and Site Impr.           | -                              | 2,000,000                          |
| Cashmere Mill Site Preparation - Phase I and II           | 250,000                        | 1,600,000                          |
| Peshastin Master Planning                                 | -                              | 75,000                             |
| Confluence Technology Center                              | 18,750                         | -                                  |
| CTC Maintenance Building                                  | 113,000                        | -                                  |
| CTC VC Equip Replacement/Upgrades                         | 45,000                         | 259,685                            |
| Vehicles & Equipment (Pickup/Lawn Mower)                  | 10,000                         | 40,000                             |
| Telecommunications & Equipment                            | 62,500                         | 10,650                             |
| Asset Management Plan and Software                        | 18,300                         | 10,000                             |
| IB #3 Landscaping   | -                              | 5,000                              |
| IB #5 HVAC, Fire Alarm, Carpet                            | 169,050                        | 6,000                              |
| IB #13 Roofing  | 5,055                          | 12,000                             |
| Landscaping, Irrigation, Plantings                        | -                              | 75,000                             |
| Signage   | -                              | 100,000                            |
| Miscellaneous O.S.B.P. Improvements                       | 25,000                         | 50,000                             |
| Total debt, capital improvements, and other               | 2,574,772                      | 5,549,531                          |
| Total disbursements                                       | 5,239,496                      | 8,407,255                          |
| Excess (deficit) of receipts over disbursements           | 2,848,394                      | (4,433,648)                        |
| Funds on hand, December 31                                | \$ 7,037,067                   | \$ 2,603,419                       |

\* Based on revised interlocal agreement, not to exceed \$280,000.

\*\* Funds to be determined based on availability of reserves.

**PORT DISTRICT OF CHELAN COUNTY**  
 2009 Supplemental and 2010 Revised Final Budgets  
 November 17, 2009

**Exhibit A**

|  | <u>2009<br/>Supplemental<br/>Budget</u> | <u>2010<br/>Revised<br/>Final<br/>Budget</u> |
|--|---|--|
| <b>MAINTENANCE AND OPERATIONS</b>              |   |  |
| Operating Expenses                             |   |  |
| Business Park                                  |   |  |
| Property insurance                             | \$ 47,778                               | \$ 48,500                                    |
| Maintenance and repairs                        | 41,150                                  | 124,500                                      |
| Fire protection in lieu of taxes               | 22,160                                  | 22,500                                       |
| Stormwater utility district                    | 29,675                                  | 29,500                                       |
| Utilities                                      | <u>11,850</u>                           | <u>82,500</u>                                |
| Total operating expenses                       | 152,613                                 | 307,500                                      |
| Administrative Expenses                        |   |  |
| Salaries                                       | 721,500                                 | 748,750                                      |
| Commissioners' compensation                    | 47,952                                  | 47,952                                       |
| Employee benefits                              | 171,500                                 | 168,500                                      |
| Payroll taxes                                  | 61,675                                  | 63,600                                       |
| Professional services                          |   |  |
| Legal  | 146,500                                 | 146,500                                      |
| Accounting                                     | 75,500                                  | 75,500                                       |
| Engineering                                    | 60,000                                  | 60,000                                       |
| Telecommunications and computer services       | 110,750                                 | 112,970                                      |
| State audit                                    | 10,500                                  | -  |
| Other  | 126,750                                 | 126,750                                      |
| Election costs                                 | 14,245                                  | -  |
| Training and continuing education              | 7,500                                   | 7,500  |
| Community relations                            | 7,420                                   | 7,420  |
| Conferences and meetings                       | 24,485                                  | 22,050                                       |
| Memberships                                    | 27,500                                  | 27,500                                       |
| Travel   | 23,500                                  | 21,150                                       |
| Subscriptions                                  | 750                                     | 750  |
| Office expense                                 |   |  |
| Supplies                                       | 17,900                                  | 17,900                                       |
| Maintenance and repairs                        | 15,750                                  | 15,750                                       |
| Utilities                                      | 13,750                                  | 13,750                                       |
| Telephone                                      | 12,500                                  | 13,500                                       |
| Miscellaneous                                  | 1,500                                   | 1,500  |
| Insurance                                      | 23,425                                  | 24,000                                       |
| Auto expense                                   | <u>3,000</u>                            | <u>3,100</u>                                 |
| Total administrative expense                   | 1,725,852                               | 1,726,392                                    |
| General operating contingency                  | <u>148,298</u>                          | <u>203,389</u>                               |
| Total maintenance and operation expense        | <u>\$ 2,026,763</u>                     | <u>\$ 2,237,281</u>                          |
| <b>CONFLUENCE TECHNOLOGY CENTER OPERATIONS</b> |   |  |
| Rental income                                  | \$ 646,750                              | \$ 681,010                                   |
| Video-Conferencing rentals                     | 70,000                                  | 90,000                                       |
| Utility & operating expense reimbursements     | <u>213,150</u>                          | <u>210,000</u>                               |
| Total income                                   | 929,900                                 | 981,010                                      |
| Expenses                                       |   |  |
| Dues   | 338,892                                 | 340,794                                      |
| Reserve account                                | 14,250                                  | 10,660                                       |
| Operating expenses                             | 165,900                                 | 165,900                                      |
| Special assessments                            | 35,900                                  | 30,000                                       |
| Principal on debt                              | 223,971                                 | 235,705                                      |
| Interest on debt                               | <u>249,591</u>                          | <u>237,857</u>                               |
| Total expenses                                 | 1,028,504                               | 1,020,916                                    |
| Excess (deficit)                               | <u>\$ (98,604)</u>                      | <u>\$ (39,906)</u>                           |

**PORT DISTRICT OF CHELAN COUNTY**

2010 Revised Final Budget

November 17, 2009

|   | Port<br>M & O<br>Fund | General Economic<br>Development<br>Fund | Industrial/Commercial<br>Land Acquisition and<br>Infrastructure<br>Development | CTC<br>Financing<br>Reserve* | Pangborn<br>Capital<br>Reserve | Pangborn<br>M & O<br>Reserve | Total             |
|---|-----------------------|---|--|------------------------------|--------------------------------|------------------------------|-------------------|
| Reserves on hand, January 1   | \$ 1,000,000          | \$ 343,131                              | \$ 4,243,936   | \$ 1,000,000                 | \$ 350,000                     | \$ 100,000                   | \$ 7,037,067      |
| <b>Receipts</b>   |                       |   |  |                              |                                |                              |                   |
| Current tax levy  |                       | 2,246,222                               |  |                              |                                |                              | 2,246,222         |
| Lesser of 1% or limit factor allowed by law                           |                       | (19,048)                                |  |                              |                                |                              | (19,048)          |
| Tax on new construction   |                       | 48,038                                  |  |                              |                                |                              | 48,038            |
| Rental income   | 1,052,050             |   |  |                              |                                |                              | 1,052,050         |
| Utility & operating expense reimbursements                            | 107,500               |   |  |                              |                                |                              | 107,500           |
| Leasehold tax collected   | 218,965               |   |  |                              |                                |                              | 218,965           |
| Interest income   | 65,000                |   |  |                              |                                |                              | 65,000            |
| Other income  | 5,000                 |   |  |                              |                                |                              | 5,000             |
| ADO Contract  |                       | 65,421                                  |  |                              |                                |                              | 65,421            |
| Dept of Commerce Cashmere feasibility study                           |                       |   |  |                              |                                |                              | -                 |
| CTC salary & benefits reimbursement                                   | 129,500               |   |  |                              |                                |                              | 129,500           |
| Fire protection assessment  | 15,000                |   |  |                              |                                |                              | 15,000            |
| Stormwater utility district   | 7,750                 |   |  |                              |                                |                              | 7,750             |
| Pangborn repayment of loans   |                       |   |  |                              |                                | 32,209                       | 32,209            |
| Sale of fixed assets  |                       |   |  |                              |                                |                              | -                 |
| <b>Total receipts</b>   | <b>1,600,765</b>      | <b>2,340,633</b>                        | <b>-</b>   | <b>-</b>                     | <b>-</b>                       | <b>32,209</b>                | <b>3,973,607</b>  |
| <b>Funds Available</b>  | <b>2,600,765</b>      | <b>2,683,764</b>                        | <b>4,243,936</b>   | <b>1,000,000</b>             | <b>350,000</b>                 | <b>132,209</b>               | <b>11,010,674</b> |
| <b>Disbursements</b>  |                       |   |  |                              |                                |                              |                   |
| <b>Maintenance and operations</b>                                     |                       |   |  |                              |                                |                              |                   |
| Port  | 2,237,281             |   |  |                              |                                |                              | 2,237,281         |
| Lake Chelan Airport   | 52,015                |   |  |                              |                                |                              | 52,015            |
| Pangborn Memorial Airport   |                       |   |  |                              |                                | 173,722                      | 173,722           |
| Peshastin Property  | 12,500                |   |  |                              |                                |                              | 12,500            |
| Confluence Technology Center  | (433,656)             | 473,562                                 |  |                              |                                |                              | 39,906            |
| <b>Total maintenance and operations</b>                               | <b>1,868,140</b>      | <b>473,562</b>                          | <b>-</b>   | <b>-</b>                     | <b>-</b>                       | <b>173,722</b>               | <b>2,515,424</b>  |
| <b>Business Development &amp; Marketing</b>                           |                       |   |  |                              |                                |                              |                   |
| Clean Technologies  |                       | 26,000                                  |  |                              |                                |                              | 26,000            |
| Tourism Marketing   |                       | 14,000                                  |  |                              |                                |                              | 14,000            |
| Port Marketing  |                       | 50,000                                  |  |                              |                                |                              | 50,000            |
| Information Technologies  |                       | 8,000                                   |  |                              |                                |                              | 8,000             |
| Tech Cluster  |                       | 12,000                                  |  |                              |                                |                              | 12,000            |
| Tech Cluster Development  |                       | 7,000                                   |  |                              |                                |                              | 7,000             |
| Opportunity Placeholder   |                       | 20,000                                  |  |                              |                                |                              | 20,000            |
| <b>Total Business Development &amp; Marketing</b>                     | <b>-</b>              | <b>137,000</b>                          | <b>-</b>   | <b>-</b>                     | <b>-</b>                       | <b>-</b>                     | <b>137,000</b>    |
| <b>Economic Development Contracts</b>                                 |                       |   |  |                              |                                |                              |                   |
| Chelan County Historical Society                                      |                       | 4,000                                   |  |                              |                                |                              | 4,000             |
| Wen Valley Conv & Vis Bur   |                       | 12,300                                  |  |                              |                                |                              | 12,300            |
| Lake Chelan Chamber   |                       | 10,000                                  |  |                              |                                |                              | 10,000            |
| Wenatchee Valley Chamber  |                       | 10,000                                  |  |                              |                                |                              | 10,000            |
| Leavenworth Chamber   |                       | 10,000                                  |  |                              |                                |                              | 10,000            |
| Cashmere Chamber  |                       | 10,000                                  |  |                              |                                |                              | 10,000            |
| Entiat Valley Chamber   |                       | 5,000                                   |  |                              |                                |                              | 5,000             |
| Other Contracts   |                       | -                                       |  |                              |                                |                              | -                 |
| Wine Alliance   |                       | 60,000                                  |  |                              |                                |                              | 60,000            |
| Cascade Foothills Farmland Assoc.                                     |                       | 44,000                                  |  |                              |                                |                              | 44,000            |
| Greater Wenatchee Area Technology Alliance                            |                       | 20,000                                  |  |                              |                                |                              | 20,000            |
| Small Business Development Center                                     |                       | 20,000                                  |  |                              |                                |                              | 20,000            |
| <b>Total Economic Development Contracts</b>                           | <b>-</b>              | <b>205,300</b>                          | <b>-</b>   | <b>-</b>                     | <b>-</b>                       | <b>-</b>                     | <b>205,300</b>    |
| <b>Community Partnership Projects</b>                                 |                       |   |  |                              |                                |                              |                   |
| Leavenworth Rail Initiative   |                       |   |  |                              |                                |                              | -                 |
| Leavenworth Rail - Additional Funding Request                         |                       | 50,000                                  |  |                              |                                |                              | 50,000            |
| Leavenworth Visitor Center Acquisition                                |                       |   |  |                              |                                |                              | -                 |
| City of Wen.-Orondo Moorage & Parking (1 of 3)                        |                       | 100,000                                 |  |                              |                                |                              | 100,000           |
| City of Wen. - Wen Recl Bridge Project                                |                       |   |  |                              |                                |                              | -                 |
| City of Chelan-Public Marina Expansion (1 of 3)                       |                       | 80,000                                  |  |                              |                                |                              | 80,000            |
| Chelan Community Economic Development Project                         |                       |   |  |                              |                                |                              | -                 |
| Chelan County (Cashmere) Airport                                      |                       |   |  |                              |                                |                              | -                 |
| Entiat Waterfront Project (1 of 3)                                    |                       | 66,667                                  |  |                              |                                |                              | 66,667            |
| Ohme Gardens Master Plan  |                       |   |  |                              |                                |                              | -                 |
| Leasehold tax payments in lieu of taxes                               | 218,965               |   |  |                              |                                |                              | 218,965           |
| Operating loans to Pangborn Memorial Airport                          |                       |   |  |                              |                                |                              | -                 |
| <b>Debt payments</b>  |                       |   |  |                              |                                |                              |                   |
| Principal   |                       | 440,380                                 |  |                              |                                |                              | 440,380           |
| Interest  |                       | 237,222                                 |  |                              |                                |                              | 237,222           |
| <b>Capital Improvements</b>   |                       |   |  |                              |                                |                              |                   |
| Chelan Airport  |                       |   |  |                              |                                |                              | -                 |
| Pangborn Sewer ULID   |                       |   |  |                              | 10,850                         |                              | 10,850            |
| <b>Pangborn Capital Projects</b>                                      |                       |   |  |                              |                                |                              |                   |
| Pybus Public Market - Land Acq. and Site Impr.                        |                       |   | 2,000,000  |                              |                                |                              | 2,000,000         |
| Cashmere Mill Site Preparation - Phase I and II                       |                       |   | 1,600,000  |                              |                                |                              | 1,600,000         |
| Peshastin Master Planning   |                       |   | 75,000   |                              |                                |                              | -                 |
| Confluence Technology Center  |                       |   |  |                              |                                |                              | -                 |
| CTC Maintenance Building  |                       |   |  |                              |                                |                              | -                 |
| CTC VC Equip Replacement/Upgrades                                     | 259,685               |   |  |                              |                                |                              | 259,685           |
| Vehicles & Equipment (Pickup/Lawn Mower)                              | 40,000                |   |  |                              |                                |                              | 40,000            |
| Telecommunications & Equipment  | 10,650                |   |  |                              |                                |                              | 10,650            |
| Asset Management Plan and Software                                    | 10,000                |   |  |                              |                                |                              | 10,000            |
| IB #3 Landscaping   |                       |   | 5,000  |                              |                                |                              | 5,000             |
| IB #5 HVAC, Fire Alarm, Carpet  |                       |   | 6,000  |                              |                                |                              | 6,000             |
| IB #13 Roofing  |                       |   | 12,000   |                              |                                |                              | 12,000            |
| Landscaping, Irrigation, Plantings                                    |                       |   | 75,000   |                              |                                |                              | 75,000            |
| Signage   |                       |   | 100,000  |                              |                                |                              | 100,000           |
| Miscellaneous O.S.B.P. Improvements                                   |                       |   | 50,000   |                              |                                |                              | 50,000            |
| <b>Total debt, capital improvements, and other</b>                    | <b>539,300</b>        | <b>974,269</b>                          | <b>3,923,000</b>   | <b>-</b>                     | <b>112,962</b>                 | <b>-</b>                     | <b>5,474,531</b>  |
| <b>Total Disbursements</b>  | <b>2,407,440</b>      | <b>1,790,131</b>                        | <b>3,923,000</b>   | <b>-</b>                     | <b>112,962</b>                 | <b>173,722</b>               | <b>8,332,255</b>  |
| Excess (deficit) of receipts over disbursements                       | (806,675)             | 550,502                                 | (3,923,000)  | -                            | (112,962)                      | (141,513)                    | (4,358,648)       |
| Funds on hand, December 31  | 193,325               | 893,633                                 | 320,936  | 1,000,000                    | 237,038                        | (41,513)                     | 2,603,419         |
| Fund Transfers  | 806,675               | (740,214)                               | (320,936)  |                              | 112,962                        | 141,513                      | -                 |
| Funds on hand, December 31  | \$ 1,000,000          | \$ 153,419                              | \$ -   | \$ 1,000,000                 | \$ 350,000                     | \$ 100,000                   | \$ 2,603,419      |
| <b>Notes:</b>   |                       |   |  |                              |                                |                              |                   |
| * CTC financing reserve per bond agreement with Cashmere Valley Bank. |                       |   |  |                              |                                |                              |                   |