

RESOLUTION 2015-15
PORT OF CLARKSTON
2016 BUDGET

The following financial information has been designated as the final 2016 budget figures proposed by the board of commissioners of the Port of Clarkston. A public hearing was held on November 17, 2015 in accordance with RCW 53.35.030.

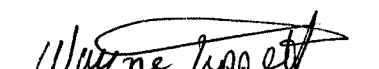
Revenues:	
Total Operating Revenues	\$628,809
Interest Income	\$1,850
Total Tax Revenue	\$351,784
Leasehold & Other Miscellaneous Taxes	\$72,430
Capital Contributions	\$1,600
Capital Asset Disposal	\$75,500
Other Non-Operating Non Recurring Revenues	\$65,500
Transfer from Savings	192,492
Total Revenues	\$1,389,965
Expenses:	
Terminal Operating Expenses	\$17,602
Tour Boat Dock Expenses	\$40,010
Granite Park Expenses	\$69,407
Leased Property Expenses	\$137,489
G & A Operating Expenses	\$353,956
G & A Maintenance Expenses	\$24,550
Debt Redemption	\$92,330
Non-Operating Expense	\$9,333
Non-Operating-Non-Recurring	\$106,776
Capital Expense	\$538,512
Total Expenses	\$1,389,965

ADOPTED this 10th day of December 2015.

COMMISSIONERS


Marvin Jackson


Rick Davis


Wayne Huppert

December 10, 2015

To the Port of Clarkston Commission:

PREFACE

The Port of Clarkston is a municipal corporation established to enhance the economic vitality and quality of life for the citizens of Asotin County by effectively managing and promoting the development of its industrial and waterfront properties. This 2016 budget for the Port of Clarkston, prepared by staff, at the will of the Commission, identifies the spending priorities necessary to maintain the existing infrastructure and to advance our mission within this community.

Three-quarters into the 2015 budget year finds the Port of Clarkston on solid ground. The Port has cash and reserves of over \$1 million as of this date. It does not yet reflect the second collection this year of property tax income. Also, some outstanding payments for the cost of dredging are not reflected in the cash and reserve balance.

All of the Port's buildings are presently under lease. At least two parcels of bare ground are being considered for lease, and a third parcel of bare ground has an option to lease. Also, some parties have expressed interest in purchasing parcels within Turning Pointe, the new business park.

This budget narrative draws distinctions among:

- 1) capital projects, which may overlap budget years;
- 2) non-operating, non-recurring costs (capacity-building and/or technical assistance) that do not result in creating an asset but do sometimes overlap budget years; and,
- 3) annual on-going operations and maintenance costs.

The budget narrative provides an explanation with regard to completed and anticipated future expenditures that are non-operating or capital projects. Lastly, it provides explanations with regard to allocations of staff time as they assist on projects (operating, non-operating and capital); staff time is reimbursable under some grant awards.

A public hearing on and the adoption of the 2016 operating, non-operating, and capital budget was held on November 17, 2015 at 1:00 p.m. at the Port office, 849 Port Way, Clarkston, Washington. Public comments offered were considered by the Commission.

Definitions

Capital projects: “Capital projects” consist of the purchase or creation of depreciable assets that have a projected life of more than three years and whose value exceeds \$1,000 at the time of acquisition. A number of expenses can go into creating depreciable assets, including Port-purchased materials, Port staff time, fuel to pick up materials, etc. The Port’s goal in capturing these costs is to assure that the full cost of creating the asset is included. Capital assets, per the 2015 BARS¹ manual, are categorized under the chart of accounts beginning with 773.

Non-operating non-recurring projects: “Non-operating non-recurring projects” consist of one-time planning, technical assistance, capacity building or other projects that are not expected to be part of recurring operations costs or result in an asset. Examples include: DACUM development for manufacturing workforce training and specific downtown revitalization initiatives that are not capital projects. Typically, these projects occur with some outside funding assistance, with the exception of technical assistance provided to the City of Asotin on its boat launch facilities. These types of projects could start and conclude within the same fiscal year, or could span over two or more fiscal years.

Using the 2015 BARS manual for guidance, we have placed non-operating “pass-through” revenues into the non-revenue category within the chart of accounts that begins with 670 and non-expenses in 779. If Port staff is actively involved and the project is more than simply passing funds through for a specific purpose, non-operating revenues are recorded under 699 and non-operating expenses under 799.

GENERAL OVERVIEW

Port staff have acted as the project manager--and once even as the general contractor—for constructing new Port assets. In other instances, Port staff time may be either reimbursed under grant awards or dedicated as “in-kind” donations, as approved by funders to assure that the recipient has sufficient commitment to the project. In order to assure appropriate matching of income and outflows, staff time directly dedicated to creating assets or time reimbursable under non-operating projects has been transferred from operating expenses to either capital or non-operating cost categories (i.e., BARS accounts 773 or 799), as appropriate. The detailed budget attached to this narrative anticipates the need to do the same in 2016.

¹ The Washington State Auditor’s Office prescribes budgeting, accounting and reporting (BARS) requirements for all local governments. BARS Manuals include the prescribed uniform charts of accounts, accounting and budgeting policies, guidance for preparing financial statements and instructions for preparing supplemental schedules required as part of the annual report to the state. The BARS manual is expected to change soon, and BARS account numbers unique to Port Districts will go away.

In addition to staff time, where costs are directly connected to creating assets, such as use of pre-purchased materials, fuel to pick up materials, etc., these costs are also expected to be billed to 773 or 799.

The detailed budget (attached) supports the following overview of anticipated revenues, using BARS account numbers for Port Districts.

BARS Revenue Account No.	Description	2016 Budget
631.00	Marine Terminal User Charges	\$ -
630.00	<i>Total Marine Terminal Revenues</i>	-
641.10	Cruise Boat Dockage	16,500
641.80	Cruise Boat Utilities	3,590
640.00	<i>Total Cruise Ship Revenues</i>	<i>20,090</i>
645.10	Granite Lake Park Revenues	5,000
645.00	<i>Total Granite Lake Park Revenues</i>	<i>5,000</i>
661.80	Property Lease Utilities	3,855
662.90	Property Lease Late Fees	50
664.00	Real Property Rentals	572,504
669.90	Broadband Lease Revenue	27,310
660.00	<i>Total Property Lease/Rental Revenues</i>	<i>603,719</i>
	Total Operating Revenues	628,809
651.00	Capital Contributions	1,600
672.10	Proceeds from Sale of Investments	192,492
699.10	Interest Income	1,850
699.20	Ad Valorem & Excise Taxes	352,484
699.30	Leasehold & Other Miscellaneous Taxes	72,350
699.80	Proceeds of Capital Asset Disposal	74,380
699.90	Other Non-operating Revenues	66,000
650/690	Total Non-operating Revenues	761,156
600.00	Total Revenues	\$ 1,389,965

The detailed budget also supports the following schedule of anticipated expenses for 2016.

BARS Revenue Account No.	Expense Account Description	2016 Budget
731.00	Marine Terminal Operations	\$ 16,150
733.00	Marine Terminal Maintenance	1,452
730.00	<i>Total Marine Terminal Expenses</i>	<i>17,602</i>
741.00	Cruise Boat Dock Operations	22,870
743.00	Cruise Boat Dock Maintenance	17,140
740.00	<i>Total Cruise Boat Dock Expenses</i>	<i>40,010</i>
751.00	Granite Park Operations	16,134
753.00	Granite Park Maintenance	53,273
750.00	<i>Total Granite Park Expenses</i>	<i>69,407</i>
761.00	Property Lease/Rental Operations	29,050
763.00	Property Lease/Rental Maintenance	98,239
764.00	Telecommunications Maintenance/Expenses	4,700
760.00	<i>Total Property Lease/Rental Expenses</i>	<i>131,989</i>
771.00	Debt Redemption (Principal)	92,330
773.00	Capital Assets Disbursements	544,012
779.00	Non-Operating Non-Recurring Obligations	9,333
770.00	<i>Total Other Obligations</i>	<i>645,675</i>
781.00	General & Administrative Operating Expenses	353,956
783.00	General & Administrative Maintenance Expenses	24,550
780.00	<i>Total General & Administrative Expenses</i>	<i>378,506</i>
799.90	Leasehold Tax & Other Non-operating Expenses	88,950
799.91	Interest Expense	17,826
799.92	Election Expense	0
790.00	<i>Total Non-operating Expenses</i>	<i>106,776</i>
700.00	Total Expenses	\$1,389,965

CAPITAL PROJECTS

773 - Capital Projects completed in 2015

- FEMA Port Security award (FY2014)
- Avista's buried power lines at Granite Lake Park
- Port's new sustainable business park west of Evans Road

773 - New Capital Projects in 2016

- Complete a feasibility study on an incubator building at Turning Pointe Business Park
- Construct a small steel building (2,200 sq. ft.) for use by Port staff near the existing shop
- Grading specific lots at Turning Pointe Business Park

Capital Projects on the horizon

- The Port's buildings are fully leased at the time of the creation of this budget. Current tenants, at various times, have offered to the Port for purchase buildings constructed on Port ground. In addition, other buildings being offered for sale in 2016 may present opportunities for the Port to expand its inventory of buildings.
- The Port desires to acquire one parcel of property that is bounded on three sides by Port property. While terms for acquisition are not favorable today, those circumstances could change and the Port may wish to acquire that specific parcel, or potentially other parcels, to help advance economic development objectives.

NON-OPERATING NON-RECURRING PROJECTS

779/799.9 - Non-operating non-recurring projects wrapped up in 2015

- Washington PTAC (Procurement Technical Assistance) through Thurston EDC
- Securing planning assistance grant for City of Asotin boat launch restoration project

779/799.9 - Non-operating non-recurring projects carried over to 2016

- Assisting City of Asotin in permitting required under City of Asotin boat launch restoration project, with staff time committed as part of the match
- On-going support to the newly funded Metal Supercluster (through CEDA)

779/799.9 - New non-operating, non-recurring projects in 2016

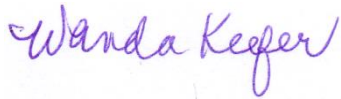
- Assist, as necessary, with strategic planning downtown revitalization projects

New non-operating, non-recurring projects on the horizon

- Downtown revitalization opportunities, as yet not well defined

PROPERTY TAX LEVY

The property tax levy rate for 2016, even with an increase in 2016 tax revenues, is expected to be lower than the 2015 rate. (This is because investments in the community and valuations are increasing at a faster level than the 1% increase over last year.) The 2015 tax levy rate will not be available until December 2015 or January 2016. For reference purposes, it is helpful to know that the rate for 2015 was \$0.21782 per \$1,000 of assessed property value within the Port District, which equates to a total tax of \$43.56 per year for a home valued at \$200,000. The maximum levy rate applicable to a Washington Public Port without special assessments is \$0.45 per \$1,000 of assessed value. The Port of Clarkston's levy rate will be less than half of the maximum rate.



Wanda Keefer
Port Manager



Jennifer Bly
Port Auditor