

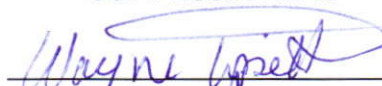
RESOLUTION 2017-06
PORT OF CLARKSTON
2018 BUDGET

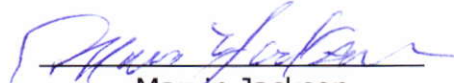
The following financial information has been designated as the final 2018 budget figures proposed by the board of commissioners of the Port of Clarkston. A public hearing was held on November 9, 2017 in accordance with RCW 53.35.030.

Revenues:	
Total Operating Revenues	\$662,470
Interest Income	\$650
Total Tax Revenue	\$358,855
Leasehold & Other Miscellaneous Taxes	\$72,000
PILT Taxes & Excise Tax Revenue	\$2,850
Capital Contributions	\$0
Other Non-Operating Non Recurring Revenues	\$12,200
Transfer from Savings	\$42,686
Total Revenues	\$1,151,711
Expenses:	
Terminal Operating Expenses	\$24,376
Tour Boat Dock Expenses	\$41,189
Granite Park Expenses	\$70,870
Leased Property Expenses	\$125,253
G & A Operating Expenses	\$358,513
G & A Maintenance Expenses	\$46,800
Debt Redemption (P & I)	\$130,052
Non-Operating Expense	\$72,400
Non-Operating-Non-Recurring	\$12,206
Capital Expense	\$270,052
Total Expenses	\$1,151,711

DONE this 14th day of December 2017.

COMMISSIONERS


Wayne Tippett


Marvin Jackson


Rick Davis

December 14, 2017

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 2018 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 2017 budget year finds the Port of Clarkston on solid ground. The Port has cash and reserves of over \$700,000 as of this date. It does not yet reflect the second collection this year of property tax income.

All except the newest purchase of the Port's buildings are presently under lease. In addition, a 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 2018 operating, non-operating, and capital budget was held on November 9, 2017 at 1:05 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 2014 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 creation of 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 2014 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 2017.

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.

¹ The Washington State Auditor's Office prescribes budgeting, accounting and reporting (BARS) requirements for all local governments. The Port of Clarkston developed its accounting system based upon the 2014 BARS Manual which 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. An accounting system based upon the new 2015 BARS Manual does not yield sufficient detail for use as a Port management tool; therefore, the old system is transferred to new subscribed numbers only for annual reporting to the state.

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

BARS Revenue Account No.	Description	2017 Budget
631.00	Marine Terminal User Charges	\$ -
630.00	<i>Total Marine Terminal Revenues</i>	-
641.10	Cruise Boat Dockage	12,500
641.80	Cruise Boat Utilities	9,100
640.00	<i>Total Cruise Ship Revenues</i>	<i>21,600</i>
645.10	Granite Lake Park Revenues	2,250
645.00	<i>Total Granite Lake Park Revenues</i>	<i>2,250</i>
661.80	Property Lease Utilities	4,050
662.90	Property Lease Late Fees	350
664.00	Real Property Rentals	593,793
669.90	Property Lease Revenue Misc	50
669.90	Broadband Lease Revenue	40,377
660.00	<i>Total Property Lease/Rental Revenues</i>	<i>638,620</i>
	Total Operating Revenues	662,470
651.00	Capital Contributions	0
672.10	Proceeds from Sale of Investments	42,686
699.10	Interest Income	650
699.20	Ad Valorem & Excise Taxes	360,805
699.30	Leasehold & Other Miscellaneous Taxes	72,900
699.80	Proceeds of Capital Asset Disposal	0
699.90	Other Non-operating Revenues	12,200
650/690	Total Non-operating Revenues	489,241
600.00	Total Revenues	\$ 1,151,711

The detailed budget also supports the following schedule of anticipated expenses for 2018.

BARS Revenue Account No.	Expense Account Description	2018 Budget
731.00	Marine Terminal Operations	\$ 23,150
733.00	Marine Terminal Maintenance	1,226
730.00	<i>Total Marine Terminal Expenses</i>	<i>24,376</i>
741.00	Cruise Boat Dock Operations	17,100
743.00	Cruise Boat Dock Maintenance	24,089
740.00	<i>Total Cruise Boat Dock Expenses</i>	<i>41,189</i>
751.00	Granite Park Operations	16,415
753.00	Granite Park Maintenance	54,455
750.00	<i>Total Granite Park Expenses</i>	<i>70,870</i>
761.00	Property Lease/Rental Operations	34,200
763.00	Property Lease/Rental Maintenance	84,093
769.00	Telecommunications Maintenance/Expenses	6,960
760.00	<i>Total Property Lease/Rental Expenses</i>	<i>125,253</i>
771.00	Debt Redemption (Principal)	114,540
773.00	Capital Assets Disbursements	270,052
779.00	Non-Operating Non-Recurring Obligations	12,206
770.00	<i>Total Other Obligations</i>	<i>396,798</i>
781.00	General & Administrative Operating Expenses	358,513
783.00	General & Administrative Maintenance Expenses	46,800
780.00	<i>Total General & Administrative Expenses</i>	<i>405,313</i>
799.90	Leasehold Tax & Other Non-operating Expenses	72,400
799.91	Interest Expense	15,512
799.92	Election Expense	0
790.00	<i>Total Non-operating Expenses</i>	<i>87,912</i>
700.00	Total Expenses	\$1,151,711

CAPITAL PROJECTS

773 - New Capital Projects in 2017 carried over into 2018

- Fish and Game Equipment Shelter
- Shop Expansion

773 - New Capital Projects in 2018

- Grading more lots at Turning Pointe Business Park
- Four new docks at cruise boat dock
- Expansion of telecommunications infrastructure

Capital Projects on the horizon

- The Port's buildings are fully leased at the time of the creation of this budget with the exception of the newest purchase at 1335 Port Drive. 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 2018 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.
- Constructing a multi-tenant or incubator building, in accordance with the feasibility study is in the range of possibility.

NON-OPERATING NON-RECURRING PROJECTS

779/799.9 - Non-operating non-recurring projects wrapped up in 2017

- Incubator feasibility study utilizing CERB resources

779/799.9 - Non-operating non-recurring projects carried over to 2018

- Assisting City of Asotin in permitting required under City of Asotin boat launch restoration project, with Port staff time committed as part of the match
- Assisting the City of Asotin in land conveyance authorized under WRRDA
- On-going support to the Metal Supercluster (through CEDA)
- On-going support to the Lewis-Clark Valley Wine Alliance and viticulture area

779/799.9 - New non-operating, non-recurring projects in 2018

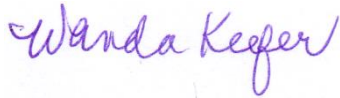
- Assist, as necessary, with strategic planning downtown revitalization projects

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

- Downtown revitalization opportunities, as yet not well defined
- Manufacturing cluster development projects

PROPERTY TAX LEVY

The property tax levy rate for 2018, even with an increase in 2017 tax revenues, is expected to be lower than the 2017 rate. (This is because investments in the community and valuations are increasing at a faster level than the 1% increase over last year.) The 2017 tax levy rate will not be available until December 2017 or January 2018. For reference purposes, it is helpful to know that the rate for 2017 was \$0.2178 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 continue to be less than half of the maximum rate.



Wanda Keefer
Port Manager



Jennifer Bly
Port Auditor