

RESOLUTION 2018-15
PORT OF CLARKSTON
2019 BUDGET

WHEREAS, the Port Commission held a public hearing November 8, 2018 in accordance with RCW 53.35.030, on its revenue sources, operating, maintenance, and capital needs for the year 2019, and having considered budget proposals to meet said needs, due notice of said hearing having been published in a newspaper of general circulation in Asotin County.

NOW, THEREFORE BE IT RESOLVED that the Port Commission of the Port of Clarkston does hereby approve and adopt as the final Port Budget for Port of Clarkston for the year 2019, as follows:

Revenues:	
Total Operating Revenues	\$685,600
Interest Income	\$6,000
Total Tax Revenue	\$360,000
Leasehold & Other Miscellaneous Taxes	\$75,000
Capital Contributions	\$101,000
Other Non-Operating Non-Recurring Revenues	\$42,400
Transfer from Savings	\$614,500
Total Revenues	\$1,884,500
Expenses:	
Terminal Operating Expenses	\$47,000
Tour Boat Dock Expenses	\$66,000
Granite Park Expenses	\$73,000
Leased Property Expenses	\$231,000
G & A Operating Expenses	\$349,000
G & A Maintenance Expenses	\$61,000
Debt Redemption (P & I)	\$103,000
Non-Operating Expense	\$114,500
Capital Expense	\$840,000
Total Expenses	\$1,884,500

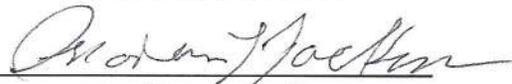
ADOPTED IN OPEN SESSION this 13th day of December 2018.

ATTEST

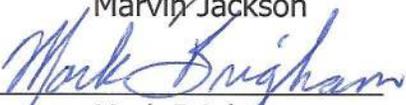


Wanda Keefer, Port Auditor

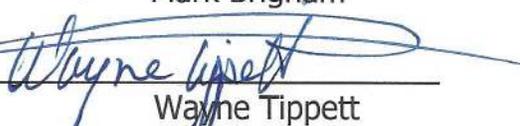
COMMISSIONERS



Marvin Jackson



Mark Brigham



Wayne Tippett



Budget Narrative 2019

December 13, 2018

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 2019 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.

Nearly at the end of the 2018 budget year finds the Port of Clarkston on solid ground. The Port has cash and reserves of over \$1,500,000 as of this date. This balance includes most of the second collection of property tax income for 2018.

All of the Port's buildings are presently under lease. In addition, one 5.4 acre parcel is in the final steps of leasing and a parcel of bare ground has an option to lease.

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 8, 2018 at 1:05 p.m. at the Port office, 849 Port Way, Clarkston, Washington. Public comments offered will be 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.

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

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: 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. This budget anticipates the need to do the same in 2019.

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 anticipated revenues, using BARS account numbers for Port Districts, have been identified for 2019:

<i>BARS Revenue Account No.</i>	<i>Description</i>	<i>2019 Budget</i>
630.00	Total Marine Terminal Revenues	-
640.00	Total Cruise Ship Revenues	25,600
645.00	Total Granite Lake Park Revenues	-
660.00	Total Property Lease/Rental Revenues	660,000
	Total Operating Revenues	685,600

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 work as a Port management tool as it fails to allow accounting for lines of business; therefore, the old system is transferred to 2015 prescribed numbers only for annual reporting to the state.

651.00	Capital Contributions	101,000
672.10	Proceeds from Sale of Investments	614,500
699.10	Interest Income	6,000
699.20	Ad Valorem & Excise Taxes	360,000
699.30	Leasehold & Other Miscellaneous Taxes	75,000
699.80	Proceeds of Capital Asset Disposal	-
699.90	Other Non-operating Revenues	42,400
650/690	Total Non-operating Revenues	1,198,900
600.00	Total Revenues	\$ 1,884,500

The following schedule of anticipated expenses has been identified for 2019:

BARS Revenue Account No.	Expense Account Description	2019 Budget
730.00	Total Marine Terminal Expenses	47,000
740.00	Total Cruise Boat Dock Expenses	66,000
750.00	Total Granite Park Expenses	73,000
760.00	Total Property Lease/Rental Expenses	231,000
771.00	Debt Redemption (Principal + Interest)	103,000
773.00	Capital Assets Disbursements	840,000
781.00	General & Administrative Operating Expenses	349,000
783.00	General & Administrative Maintenance Expenses	61,000
799.00	Leasehold Tax & Other Non-operating Expenses	114,500
700.00	Total Expenses	\$1,884,500

CAPITAL PROJECTS

773 - New Capital Projects in 2018 carried over into 2019

- Upgrade security camera system

773 - New Capital Projects in 2019

- Maintain water access to Port docks
- Continue to improve aesthetics at docks used by cruise boats
- Replace five dock sections at cruise boat dock
- Expand telecommunications infrastructure
- Assist with match for Regional Stormwater grant to WA Department of Ecology, if grant successful

Capital Projects on the horizon

- The Port's buildings are fully leased at the time this budget is being created. Current tenants, at various times, have offered to purchase from the Port buildings constructed on Port ground. In addition, other buildings being offered for sale in 2019 may present opportunities for the Port to expand its inventory of buildings.

- The Port desires to acquire one parcel of property that shares a boundary line with other 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.
- Continuing to grade parcels at Turning Pointe Business Park to make them ready for buildings is on the horizon.

NON-OPERATING NON-RECURRING PROJECTS

779/799.9 - Non-operating non-recurring projects wrapped up in 2018

- Aesthetic improvements (some) at docks where cruise boats call

779/799.9 - Non-operating non-recurring projects carried over to 2019

- More aesthetic improvements at docks where cruise boats call
- 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, as well as help with acquiring capital funding
- Assisting the City of Asotin in land conveyance authorized under WRRDA
- On-going support to the American Manufacturing Network and Northwest Intermountain Manufacturing Association
- On-going support to the Metal Supercluster—work being done through the Clearwater Economic Development Association
- On-going support to the Lewis-Clark Valley Wine Alliance and viticulture area
- Records management project

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 2019, even with an increase in 2019 tax revenues to be received by the Port, is expected to be lower than the 2018 rate. (This is because investments in the community and valuations are increasing at a faster level than the 1% increase over last year.) The 2019 tax levy rate will not be available until December 2018 or January 2019. For reference purposes, it is helpful to know that the rate for 2018 was \$0.2109 per \$1,000 of assessed property value within the Port District, which equates to a total tax of \$42.18 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 is expected to continue to be less than half of the maximum rate.



Wanda Keefer, Port Manager & Port Auditor