

RESOLUTION 2020-11
PORT OF CLARKSTON
2021 BUDGET

WHEREAS, the Port Commission held a public hearing November 12, 2020 in accordance with RCW 53.35.030, on its revenue sources, operating, maintenance, and capital needs for the year 2020, 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 2021, as follows:

<i>Revenues:</i>	
Total Operating Revenues	\$ 729,700
Interest Income	8,000
Property Tax Revenue	330,000
Leasehold & Other Misc Taxes	80,000
Capital Contributions	36,750
Non-Operating Revenues	245,000
Capital Asset Disposal	250
Transfer from Savings	512,184
Total Revenues	\$ 1,941,884
<i>Expenses:</i>	
Freight Terminal Expenses	\$ 14,115
Tour Boat Dock Expenses	47,000
Granite Park Expenses	48,550
Leased Property Expenses	145,000
G & A Operating Expenses	349,500
G & A Maintenance Expenses	55,000
Debt Redemption (P & I)	94,219
Non-Operating Expense	318,500
Capital Expense	870,000
Total Expenses	\$ 1,941,884

ADOPTED IN OPEN SESSION this 12th day of November 2020.

ATTEST

COMMISSIONERS

Wanda Keefer, Port Auditor

Wayne Tippett

Marvin Jackson

Mark Brigham

November 12, 2020

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 2021 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 2020 budget year finds the Port of Clarkston on solid ground. The Port has cash and reserves of over \$2,500,000 as of this date. This balance does not include the second collection of property tax income for 2020.

All but one of the Port's buildings are presently under 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 2021 operating, non-operating, and capital budget was held on November 12, 2020 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 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 cost accounting for lines of business; therefore, the old system is transferred to 2015 prescribed numbers only for annual reporting to the state.

Commissioners seek to apply property taxes to long-term investments, usually capital projects, and not day-to-day operations/staffing; this is determined on a revolving average basis as there may be anomalies in a given year. In this way, constituents are investing in the future. If the funds are well-invested, they will generate operating income sufficient to cover operating costs.

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 2021.

In addition to staff time, where costs are directly connected to creating assets with a life of more than 3 years, such as use of pre-purchased fiber optic cable, staff completion of building expansions, 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 2021:

<i>BARS Revenue Account No.</i>	<i>Description</i>	<i>2021 Budget</i>
630.00	Total Marine Terminal Revenues	-
640.00	Total Cruise Ship Revenues	10,000
645.00	Total Granite Lake Park Revenues	100
660.00	Total Property Lease/Rental Revenues	719,600
	Total Operating Revenues	729,700
651.00	Capital Contributions	36,750

672.10	Proceeds from Sale of Investments	512,184
699.10	Interest Income	8,000
699.20	Ad Valorem & Excise Taxes	330,000
699.30	Leasehold & Other Miscellaneous Taxes	80,000
699.80	Proceeds of Capital Asset Disposal	250
699.90	Other Non-operating Revenues	245,000
650/690	Total Non-operating Revenues	1,284,184
600.00	Total Revenues	\$ 1,941,884

The following schedule of anticipated expenses has been identified for 2021:

BARS Revenue Account No.	Expense Account Description	2021 Budget
730.00	Total Marine Terminal Expenses	14,115
740.00	Total Cruise Boat Dock Expenses	47,000
750.00	Total Granite Park Expenses	48,550
760.00	Total Property Lease/Rental Expenses	145,000
771.00	Debt Redemption (Principal + Interest)	94,219
773.00	Capital Assets Disbursements	870,000
781.00	General & Administrative Operating Expenses	349,000
783.00	General & Administrative Maintenance Expenses	55,000
799.00	Leasehold Tax & Other Non-operating Expenses	318,500
700.00	Total Expenses	\$1,941,884

CAPITAL PROJECTS

773 - New Capital Projects in 2020 carried over into 2021

- None

773 - New Capital Projects in 2021

- Construct auxiliary float at 14th St. Dock to aid cruise passenger transition
- Maintain water access to Port docks (dredging/sediment management)
- Continue to improve aesthetics at docks used by cruise boats
- Replace three dock sections at cruise boat dock
- Expand telecommunications infrastructure
- Chip seal and paint roadway (Port Way)
- Assist with match for Regional Stormwater grant to WA Department of Ecology, if grant successful
- Create improvements at Turning Pointe Business Park to make more parcels "shovel ready"
- Acquire small used pick-up
- Plant 100 trees/year

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 2021 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.

NON-OPERATING NON-RECURRING PROJECTS

779/799.9 - Non-operating non-recurring projects wrapped up in 2020

- EDA Cruise Boat Industry Economic Impact Study

779/799.9 - Non-operating non-recurring projects carried over to 2021

- EDA Cruise Boat Needs Assessment
- Surveying property in north Clarkston
- Study Port infrastructure for maintenance efficiency
- 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

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 2021 is expected to be lower than the 2020 rate due to new construction. *Commissioners decided to forego any increase in the regular property tax levy for 2021.*

The 2021 tax levy rate will not be available until December 2020 or January 2021, so we are unable to predict the revised rate for 2021. For reference purposes, it is helpful to know that the rate for 2020 was \$0.207405 per \$1,000 of assessed property value within the Port District, which equates to a total tax of \$41.48 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

RESOLUTION 2020-11

**A RESOLUTION FOR THE PORT OF CLARKSTON
SETTING A LEVY AMOUNT FOR THE YEAR 2021**

WHEREAS, the Port District of Asotin County (aka Port of Clarkston) has met and considered its budget for the calendar year 2021; and

WHEREAS, the District's actual levy amount from the previous year (2020) was Three Hundred Eighty-Three Thousand, Five Hundred Ninety-One Dollars (\$383,591); and,

WHEREAS, the population of this district is more than 10,000; and now, therefore,

BE IT RESOLVED, by the Port District of Asotin County that no increase in the regular property tax levy will hereby be authorized for the 2021, and this equates to a percentage increase of 0% from the previous year.

This is exclusive of additional revenue resulting from the addition of new construction value, improvements to property, newly constructed wind turbines or other alternative energy facilities, any increase in the value of state assessed utility values, and any additional amounts resulting from any annexations that have occurred and refunds made.

ADOPTED this 12th day of November, 2020.

COMMISSIONERS

Wayne Tippet

Marvin Jackson

Mark Brigham

LEVY CERTIFICATION

In accordance with RCW 84.52.020, I, **Wanda Keefer**, Manager for the Port of Clarkston, do hereby certify to the Asotin County legislative authority that the Commissioners of said district requests that the following levy amount be collected in 2021 as provided in the district's budget, which was adopted following a public hearing on November 12, 2020. This is exclusive of additional revenue resulting from the addition of new construction, improvements to property, newly constructed wind turbines or other alternative energy facilities, any increase in state assessed utility values, and any additional amounts resulting from any annexations that have occurred and refunds made.

REGULAR LEVY \$383,591

EXCESS LEVY: -0-

Signature: _____ Date: November 12, 2020

WORKSHEET

Starting Point for 2021 Budget -- Port of Clarkston

Budget category	Budget 2020	2020 as of 9-30-2020	Projected actual 2020	2021 - Suggested starting point
Revenues:				
Total Operating Revenues				
Freight Terminal Revenue	150	-	250	-
Tour Boat Dock Revenue	40,000	1,550	1,550	10,000
Granite Lake Park Revenue	2,000	80	90	100
Leased Property Revenue	707,000	552,972	695,854	719,600
Interest Income	20,000	8,991	9,990	8,000
Property Tax Revenue	363,000	217,371	345,000	330,000
Leasehold & Misc Taxes	76,000	64,825	85,000	80,000
Capital Asset Disposal	-	473,698	473,690	250
Capital Contributions	374,000	187,590	187,590	36,750
Non-Operating Revenues	226,500	235,372	235,372	245,000
Transfer from Savings	26,350			512,184
Total Revenues	1,835,000	1,742,449	2,034,386	1,941,884
Expenses:				
Freight Terminal Expenses	30,000	12,173	15,500	14,115
Tour Boat Dock Expenses	97,000	27,608	30,000	47,000
Granite Park Expenses	79,000	33,153	40,000	48,550
Leased Property Expenses	241,000	126,600	145,000	145,000
G & A Operating Expenses	370,000	264,929	305,000	349,500
G & A Maintenance Exp	65,000	15,583	20,000	55,000
Debt Redemption (P & I)	83,000	80,462	80,500	94,219
Non-Operating Expense	125,000	95,871	119,030	318,500
Capital Expense	745,000	329,239	335,000	870,000
Transfer to Savings		756,831	944,356	
Total Expenses	1,835,000	1,742,449	2,034,386	1,941,884

a = CERB grant & loan on telecom

b = ISP contrib on telecom

c = stormwater project match for DOE grant--Port Drive (\$20,000 allocated)

d = significant expansion of telecommunications infrastructure (\$450,000 allocated)

e = cruise boat economic impact study & needs assessment (\$7,500)

f = surveying for short plat map

g = chip seal, striping (\$35,000)

h = increase for Succession planning for maintenance crew; diff between permanent and

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