

RESOLUTION 2021-22
 PORT OF CLARKSTON
2022 BUDGET

WHEREAS, the Port Commission held a public hearing November 18, 2021 in accordance with RCW 53.35.030, on its revenue sources, operating, maintenance, and capital needs for the year 2022, 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 2022, as follows:

<i>Revenues:</i>	
Total Operating Revenues	\$ 760,000
Interest Income	3,000
Property Tax Revenue	340,000
Leasehold & Other Misc Taxes	85,000
Capital Contributions	1,400,000
Non-Operating Revenues	90,000
Capital Asset Disposal	398,000
Transfer from Savings	544,219
Total Revenues	\$ 3,620,219
<i>Expenses:</i>	
Marina Operating Expenses	\$ 55,000
Freight Terminal Expenses	43,000
Tour Boat Dock Expenses	35,000
Granite Park Expenses	55,000
Turning Pointe Park Expenses	27,000
Leased Property Expenses	173,000
G & A Operating Expenses	449,500
G & A Maintenance Expenses	40,000
Debt Redemption (P & I)	86,219
Non-Operating Expense	298,500
Capital Expense	2,358,000
Total Expenses	\$ 3,620,219

ADOPTED IN OPEN SESSION this 18th day of November 2021.

ATTEST

COMMISSIONERS



Wanda Keefer, Port Auditor



Wayne Tippett



Marvin Jackson



Mark Brigham



Budget Narrative 2022

November 18, 2021

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 2022 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 2021 budget year finds the Port of Clarkston on solid ground. The Port has cash and reserves of over \$2,600,000 as of this date. This balance does not include the second collection of property tax income for 2021.

All but one of the Port's buildings available for lease 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 2022 operating, non-operating, and capital budget was held on November 18, 2021 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.

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. 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 have been identified for 2022:

<i>BARS Revenue Account No.</i>	<i>Description</i>	<i>2022 Budget</i>
630.00	Total Marine Terminal Revenues	-
632.00	Total Marina Revenues	\$ 2,000
640.00	Total Cruise Ship Revenues	24,000
645.00	Total Granite Lake Park Revenues	160
660.00	Total Property Lease/Rental Revenues	733,840
	Total Operating Revenues	760,000
651.00	Capital Contributions	1,400,000
672.10	Proceeds from Sale of Investments	544,219
699.10	Interest Income	3,000

699.20	Ad Valorem & Excise Taxes	340,000
699.30	Leasehold & Other Miscellaneous Taxes	85,000
699.80	Proceeds of Capital Asset Disposal	398,000
699.90	Other Non-operating Revenues	90,000
650/690	Total Non-operating Revenues	2,860,219
600.00	Total Revenues	\$ 3,620,219

The following schedule of anticipated expenses has been identified for 2022:

BARS Revenue Account No.	Expense Account Description	2022 Budget
730.00	Total Marine Terminal Expenses	43,000
732.00	Marina Expenses	55,000
740.00	Total Cruise Boat Dock Expenses	35,000
750.00	Total Granite Park Expenses	55,000
760.00	Total Property Lease/Rental Expenses	173,000
765.00	Turning Pointe Business Park – Park Expenses	27,000
771.00	Debt Redemption (Principal + Interest)	86,219
773.00	Capital Assets Disbursements	2,358,000
781.00	General & Administrative Operating Expenses	449,500
783.00	General & Administrative Maintenance Expenses	40,000
799.00	Leasehold Tax & Other Non-operating Expenses	298,500
700.00	Total Expenses	\$ 3,620,219

CAPITAL PROJECTS

773 - New Capital Projects in 2021 carried over into 2022

- Construct auxiliary float at 14th St. Dock to aid cruise passenger transition
- Fiber to the home for northwest Clarkston Heights (broadband project)
- Make significant repairs to the marina and launch at Red Wolf Marina
- Dredge around freight and cruise boat docks and marina/boat launch

773 - New Capital Projects in 2022

- Maintain water access to Port docks (dredging/sediment management)
- Continue to improve aesthetics at docks used by cruise boats
- Invest in improvements at Red Wolf Marina
- Expand telecommunications infrastructure
- Chip seal and paint roadways and parking lots
- Building infrastructure at Turning Pointe Business Park to make more parcels “shovel ready”
- Plant 100 trees/year
- Create park-like feel to Turning Pointe Business Park along Dry Gulch

Capital Projects on the horizon

- Relocate cruise docks to the west, possibly in combination with marina improvements
- Reinforce west end of 14th Street dock for future heavy freight movement

- Continue to expand broadband infrastructure
- The Port's buildings are nearly 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 2022 may present opportunities for the Port to expand its inventory of buildings.
- 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 2021

- EDA Cruise Boat Industry Needs Assessment

779/799.9 - Non-operating non-recurring projects carried over to 2022

- Create short plat map of property in north Clarkston
- Study Port infrastructure for maintenance efficiency
- Turn roadways over to City of Clarkston
- Dispose of crane
- Improve/expand port security system to cover marina and area west of 14th Street dock
- Help facilitate changes to Port Drive from 13th to 15th Street
- 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 2022 is expected to be lower than the 2021 rate due to new construction and the fact that property tax refunds are wrapped up.

The 2022 tax levy rate will not be available until December 2021 or January 2022, so we are unable to predict the revised rate for 2022. For reference purposes, it is helpful to know that the rate for 2021 was \$0.207405087 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, Executive Director & Port Auditor