

**RESOLUTION 2023-10
PORT OF CLARKSTON
2024 BUDGET**

WHEREAS, the Port Commission held a public hearing November 15, 2023, in accordance with RCW 53.35.030, on its revenue sources, operating, maintenance, and capital needs for the year 2024, 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 2024, as follows:

Budget category	Budget 2024
Source of Funds:	
Total Operating Revenues	993,097
Interest Income	96,000
Property Tax Revenue	404,560
Passthrough Taxes (Leasehold & Sales)	95,671
Capital Contributions	2,206,113
Non-Operating Revenues	-
Capital Asset Disposal	-
Transfer from Savings	185,777
Total Revenues	3,981,218
Use of Funds:	
Freight Terminal Expenses	63,753
Marina Operating Expenses	9,541
Cruise Boat L-O-B Expenses	104,255
T. P & Granite Park Expenses	111,461
Leased Property Expenses	335,433
G & A Expenses	561,342
Debt Redemption (P & I)	71,378
Non-Operating Expense	116,396
Capital Expense	2,607,659
Transfer to Reserves	
Total Expenses	3,981,218

ADOPTED IN OPEN SESSION this 15th day of November 2023.

ATTEST



Wanda Keefer, Port Auditor

COMMISSIONERS



Mark Brigham



Jay Backus



Dayna Weatherly-Wilson



Budget Narrative 2024

November 15, 2023

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 2024 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 2023 budget year finds the Port of Clarkston on solid ground. The Port has cash and reserves of nearly \$3,200,000 as of this date. This balance does not include the second collection of property tax income for 2023.

All of the Port's buildings available for lease are presently under lease. Several capital, partially grant-funded, projects are underway, and berth maintenance dredging was completed February 28, 2023.

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 for completed and anticipated future expenditures that are non-operating or capital projects. Lastly, it provides explanations on 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 2024 operating, non-operating, and capital budget was held on November 15, 2023, 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 \$5,000 at the time of acquisition. Several 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 ensure 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 managerial 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 current BARS Manual does not work as a Port management tool as it fails to allow cost

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, particularly in years in which dredging occurs. 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 going forward.

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. 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 frequently 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. 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 2024.

In addition to staff time, where costs are directly connected to creating assets with a life of more than three 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.

accounting for lines of business; therefore, the old system is translated into current prescribed accounting only for annual reporting to the state.



Budget Narrative 2024

The anticipated revenues have been identified for 2024:

<i>BARS Revenue Account No.</i>	<i>Description</i>	<i>2024 Budget</i>
630.00	Total Marine Terminal Revenues	\$600
632.00	Total Marina Revenues	0
640.00	Total Cruise Boat Revenues	184,400
645.00	Total Granite Lake Park Revenues	200
662 & 664	Property Lease Revenues, excluding broadband	665,015
669.9	Broadband Lease Revenues	142,882
	Total Operating Revenues	993,097
651.00	Capital Contributions	2,206,113
672.10	Proceeds from Sale of Investments	0
699.10	Interest Income	96,000
699.20	Ad Valorem & Excise Taxes	404,560
699.30	Passthrough Taxes	95,671
699.80	Proceeds of Capital Asset Disposal	0
699.90	Transfer from Savings	185,777
650/690	Total Non-operating Revenues	2,988,121
600.00	Total Revenues	\$ 3,981,218

The following schedule of anticipated expenses has been identified for 2024:

<i>BARS Revenue Account No.</i>	<i>Expense Account Description</i>	<i>2024 Budget</i>
730.00	Total Marine Terminal Expenses	63,753
732.00	Marina Expenses	9,541
740.00	Total Cruise Boat Line of Business Expenses	104,255
750.00	Total Park Expenses	111,461
760.00	Leased Property Expenses	335,433
771.00	Debt Redemption (Principal + Interest)	71,378
773.00	Capital Assets Disbursements	2,607,659
780.00	General & Administrative Operating Expenses	561,342
799.00	Leasehold Tax & Other Non-operating Expenses	116,396
700.00	Total Expenses	\$ 3,981,218

CAPITAL PROJECTS

773 – Capital Projects wrapped up in 2023

- Broadband fiber-to-the-home for Northwest Clarkston Heights
- Slurry seal, crack seal and stripe parking lots adjacent to Administration Building and 7th Street dock

773 - Capital Projects in 2023 carried over into 2024

- Broadband fiber-to-the-home projects for: a) Grantham Elementary School Service Area; and b) Census Tract 9604.
- Assessment of condition of 14th Street dock, with potential implementation of infrastructure improvements anticipated on the horizon.
- Complete grading plan for Turning Pointe Business Park

773 - New Capital Projects in 2024

- Expand telecommunications infrastructure incrementally where business case can be made for expansion.
- Develop grading plan set for Turning Pointe Business Park to make more parcels "shovel ready".
- Purchase equipment trailer for Maintenance Department
- Purchase Forklift for Maintenance Department
- Purchase Mower for Maintenance Department
- Administration Building Maintenance and Repairs
- Plant 100 trees/year
- Create park-like feel to Turning Pointe Business Park along Dry Gulch

Capital Projects on the Horizon

- Reinforce west end of 14th Street dock for future heavy freight movement (Conditions assessment to occur in 2024)
- Expand telecommunications infrastructure to cell tower south of Asotin.
- Parkway Elementary School service area fiber-to-the-home
- Peola Road to Silcott fiber loop
- Expand shovel ready land for sale or lease at Turning Pointe Business Park through a series of grading projects.
- Update port security equipment and explore the need for expansion.
- Potential to purchase land and/or existing buildings: Land and/or buildings being offered for sale may present opportunities for the Port to expand its inventory.
- Encourage development of a multi-tenant or incubator building to further economic development objectives.

OPERATING NON-RECURRING PROJECTS

730/740/750/760 – Operating infrequent projects completed in 2023

- Dredge berthing areas at 7th St & 14th Street docks, recreation dock and Lewis Clark Terminal

NON-OPERATING NON-RECURRING PROJECTS

779/799.9 - Non-Operating non-recurring projects wrapped up in 2023

- Completed Market lease rate study Port properties.

779/799.9 - Non-Operating non-recurring projects carried over to 2024

- Explore infrastructure alternatives for improvements to accommodate growing cruise industry (concrete docks, electricity)
- Study Port infrastructure for maintenance efficiency
- Dispose of crane at 14th Street freight dock
- Update/improve/expand port security system to cover the area west of 14th Street dock and elsewhere as needed.

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

- Advocacy for changes to Water Resources Development Act language for its next iteration in 2024 to assure that turning basins are well defined in front of the Port of Clarkston

PROPERTY TAX LEVY

The property tax levy rate applicable for 2024 is expected to be lower than the 2023 rate due to new construction and other expansion of the property tax base.

The 2024 tax levy rate will not be available until December 2023 or January 2024, so we are unable to predict the revised rate applicable to 2024. For reference purposes, it is helpful to know that the rate for 2023 was \$0.192163 per \$1,000 of assessed property value within the Port District, which equates to a total tax of \$38.44 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 well under half of the maximum rate.



Chris Rasmussen, Executive Director



Wanda Keefer, Director of Special Projects, and Port Auditor