

RESOLUTION 2024-08
 PORT OF CLARKSTON
2025 BUDGET

WHEREAS, the Port Commission held a public hearing November 20, 2024, in accordance with RCW 53.35.030, on its revenue sources, operating, maintenance, and capital needs for the year 2025, 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 2025, as follows:

Budget category	Budget 2025
Source of Funds:	
Total Operating Revenues	934,488
Interest Income	100,000
Property Tax Revenue	416,000
Passthrough Taxes (Leasehold & Sales)	93,968
Capital Contributions	435,100
Non-Operating Revenues	-
Capital Asset Disposal	-
Transfer from Savings	205,655
Total Revenues	2,185,211
Use of Funds:	
Freight Terminal Expenses	70,602
Marina Operating Expenses	19,807
Cruise Boat L-O-B Expenses	104,860
T. P & Granite Park Expenses	115,872
Leased Property Expenses	357,400
G & A Expenses	589,171
Debt Redemption (P & I)	71,777
Non-Operating Expense	120,257
Capital Expense	735,465
Transfer to Reserves	-
Total Expenses	2,185,211


ADOPTED IN OPEN SESSION this 20th day of November 2024.

ATTEST




 Kim Petrie, Port Auditor

COMMISSIONERS



 Mark Brigham



 Jay Backus



 Dayna Weatherly-Wilson



Budget Narrative 2025

November 20, 2024

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 2025 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 2024 budget year finds the Port of Clarkston on solid ground. The Port has cash and reserves of nearly \$3,750,000 as of this date. This balance does not include the second collection of property tax income for 2024.

Port of Clarkston lease properties are at 90% occupancy and building leases are at 85% occupancy. Two capital projects, partially grant-funded, were underway in 2024, with one being completed in April 2024 and the second expected to be completed in December 2024.

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 2025 operating, non-operating, and capital budget was held on November 20, 2024, at 3:05 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 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 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

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.

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

The anticipated revenues have been identified for 2025:

BARS Revenue Account No.	Description	2025 Budget
630.00	Total Marine Terminal Revenues	\$600
632.00	Total Marina Revenues	0
640.00	Total Cruise Boat Revenues	\$146,848
645.00	Total Granite Lake Park Revenues	\$200
662 & 664	Property Lease Revenues, excluding broadband	\$594,278
669.9	Broadband Lease Revenues	\$192,562
	Total Operating Revenues	\$934,488
651.00	Capital Contributions	\$435,100
672.10	Proceeds from Sale of Investments	0
699.10	Interest Income	\$100,000
699.20	Ad Valorem & Excise Taxes	\$416,000
699.30	Passthrough Taxes	\$93,968
699.80	Proceeds of Capital Asset Disposal	0
699.90	Transfer from Savings	\$205,655
650/690	Total Non-operating Revenues	\$1,250,723
600.00	Total Revenues	\$2,185,211

The following schedule of anticipated expenses has been identified for 2025:

BARS Expense Account No.	Expense Account Description	2025 Budget
730.00	Total Marine Terminal Expenses	\$70,602
732.00	Marina Expenses	\$19,807
740.00	Total Cruise Boat Line of Business Expenses	\$104,860
750.00	Total Park Expenses	\$115,872
760.00	Leased Property Expenses	\$357,400
771.00	Debt Redemption (Principal + Interest)	\$71,777
773.00	Capital Assets Disbursements	\$735,465
780.00	General & Administrative Operating Expenses	\$589,171
799.00	Leasehold Tax & Other Non-operating Expenses	\$120,257
700.00	Total Expenses	\$2,185,211

CAPITAL PROJECTS

773 – Capital Projects wrapped up in 2024

- Broadband fiber-to-the-home for Grantham Elementary School Service Area
- Broadband fiber-to-the-home for Census Tract 9604 Service Area
- Administration Building Exterior Paint and Gutters
- Administration Building HVAC Replacement
- 5000# Forklift for Maintenance Department
- Zero-Turn Mower for Maintenance Department

773 - Capital Projects in 2024 carried over into 2025

- Assessment of condition of 14th Street dock, with potential implementation of infrastructure improvements anticipated on the horizon
- Complete grading plan design for Turning Pointe Business Park (11 parcels)
- Design and permit of in-water asset improvements as 7th Street Cruise Ship Dock

773 - New Capital Projects in 2025

- Expand telecommunications infrastructure incrementally where business case can be made for expansion
- Purchase John Deere Utility Vehicle for Facilities Maintenance
- Asphalt Maintenance at multiple Port properties (patching, sealing and striping)
- Asphalt Paving Project
- Purchase of 8 x 40 storage container for operations
- Purchase of equipment and materials for operation and maintenance (O&M) of Broadband Network
- Capital Project Contingency Fund

Capital Projects on the horizon

- Reinforce west end of 14th Street dock for future heavy freight movement (Conditions assessment to occur in 2025)
- 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 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 2024

- Waterfront signage replacement/upgrades

NON-OPERATING NON-RECURRING PROJECTS

779/799.9 - Non-Operating non-recurring projects wrapped up in 2024

- NONE

779/799.9 - Non-Operating non-recurring projects carried over to 2025

- Explore infrastructure alternatives for improvements to accommodate growing cruise industry (usage/redevelopment of 14th dock facility, shore power)
- Study Port infrastructure for maintenance efficiency
- Dispose of crane at 14th Street freight dock
- Update/improve/expand port security system to cover marina and 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 2026 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 2025 is expected to be lower than the 2024 rate due to new construction and other expansion of the property tax base.

The 2025 tax levy rate will not be available until December 2024 or January 2025, so we are unable to predict the revised rate applicable to 2025. For reference purposes, it is helpful to know that the rate for 2024 was \$0.182168739808 per \$1,000 of assessed property value within the Port District, which equates to a total tax of \$36.43 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



Kim Petrie, Finance and Accounting Manager, and Port Auditor