



Budget Narrative 2027

November 10, 2026

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 2027 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 2026 budget year finds the Port of Clarkston on solid ground. The Port has cash and reserves of nearly \$4,754,500 as of this date. This balance does not include the second collection of property tax income for 2026.

Port of Clarkston lease properties are at 65% occupancy and building leases are at 82% occupancy. One capital project, fully grant-funded, is underway in 2026, with plans to be completed in November 2026.

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 2027 operating, non-operating, and capital budget was held on November 10, 2026, 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 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 2027.

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 oversight and management of public works projects, 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.

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The anticipated revenues have been identified for 2027:

BARS Revenue Account No.	Description	2027 Budget
630.00	Total Marine Terminal Revenues	\$9,096
632.00	Total Marina Revenues	\$0
640.00	Total Cruise Boat Revenues	\$142,392
645.00	Total Granite Lake Park Revenues	\$200
662 & 664	Property Lease Revenues, excluding broadband	\$593,602
669.9	Broadband Lease Revenues	\$272,306
	Total Operating Revenues	\$1,017,596
651.00	Capital Contributions	\$120,000
672.10	Proceeds from Sale of Investments	\$0
699.10	Interest Income	\$120,000
699.20	Ad Valorem & Excise Taxes	\$436,000
699.30	Passthrough Taxes	\$110,562
699.35	Misc. Non-Operating Revenue	\$135,000
699.80	Proceeds of Capital Asset Disposal	\$22,000
699.90	Transfer from Savings	\$0
650/690	Total Non-operating Revenues	\$943,562
600.00	Total Revenues	\$1,961,158

The following schedule of anticipated expenses has been identified for 2027:

BARS Expense Account No.	Expense Account Description	2027 Budget
730.00	Total Marine Terminal Expenses	\$44,044
732.00	Marina Expenses	\$5,376
740.00	Total Cruise Boat Line of Business Expenses	\$68,973
750.00	Total Park Expenses	\$101,311
760.00	Leased Property Expenses	\$404,945
771.00	Debt Redemption (Principal + Interest)	\$71,366
773.00	Capital Assets Disbursements	\$381,354
780.00	General & Administrative Operating Expenses	\$640,86
799.00	Leasehold Tax & Other Non-operating Expenses	\$242,928
700.00	Total Expenses	\$1,961,158

CAPITAL PROJECTS

773 – Capital Projects wrapped up in 2026

- 7th Street Cruise Dock Improvements
- Asphalt Maintenance at multiple Port properties (patching, sealing and striping)
- Land Purchase 1240 Fair Street
- Purchase of new staff vehicle

773 - Capital Projects in 2026 carried over into 2027

- Assessment of condition of 14th Street dock, with potential implementation of infrastructure improvements anticipated on the horizon
- Expand telecommunications infrastructure incrementally where business case can be made for expansion
- Purchase of equipment and materials for operation and maintenance (O&M) of Broadband Network

773 - New Capital Projects in 2027

- Continued growth of fiber optic network
- 14th Street Improvements Design
- 150 9th Street Suite A Improvements
- Realignment 14th Street (curb, gutter, sidewalk) Design
- Sidewalks east end of waterfront

Capital Projects on the horizon

- Redevelopment of 14th Street dock for future needs
- 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.
- Update/improve/expand port security system to cover marina and area west of 14th Street dock and elsewhere as needed

OPERATING NON-RECURRING PROJECTS

730/740/750/760 – Operating infrequent projects completed in 2026

- NONE

NON-OPERATING NON-RECURRING PROJECTS

779/799.9 - Non-Operating non-recurring projects wrapped up in 2026

- NONE

779/799.9 - Non-Operating non-recurring projects carried over to 2027

- Explore infrastructure alternatives for improvements to accommodate growing cruise industry (usage/redevelopment of 14th dock facility)
- Study Port infrastructure for maintenance efficiency
- Dispose of crane at 14th Street freight dock
- Dispose of 7th Street Dock Floats
- Website Design for ADA Compliance
- Property Appraisal

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

- Advocacy for changes to Water Resources Development Act language for its next iteration in 2028 to ensure that turning basins are well defined in front of the Port of Clarkston

PROPERTY TAX LEVY

The property tax levy rate applicable for 2027 is expected to be lower than the 2026 rate due to new construction and other expansion of the property tax base.

The 2027 tax levy rate will not be available until December 2026 or January 2027, so we are unable to predict the revised rate applicable to 2027. For reference purposes, it is helpful to know that the rate for 2026 was \$0.1577585456 per \$1,000 of assessed property value within the Port District, which equates to a total tax of \$31.55 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.

A handwritten signature in blue ink, appearing to read "Chris Rasmussen".

Chris Rasmussen, Executive Director

A handwritten signature in blue ink, appearing to read "Kim Petrie".

Kim Petrie, Finance and Accounting Manager, and Port Auditor