

PORT OF KENNEWICK

RESOLUTION 2018-27

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK ADOPTING THE
BUDGET, FINANCIAL AND OPERATIONAL PHILOSOPHY**

WHEREAS, on September 9, 2014 the Board of Commissioners approved a Budget, Financial and Operational Philosophy; and

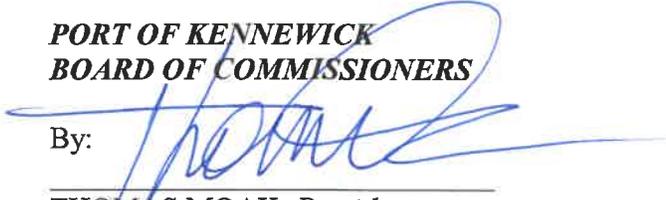
WHEREAS, the Board of Commissioners desires to add to this policy with the addition of financial reserve requirements; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick hereby adopts the Budget, Financial and Operational Philosophy (attached); and

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Board of Commissioners of the Port of Kennewick hereby rescinds Resolution 2014-31.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 11th day of December, 2018.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

By: 

THOMAS MOAK, *President*

By: 

DON BARNES, *Vice President*

By: 

SKIP NOVAKOVICH, *Secretary*

PORT OF KENNEWICK

BUDGET, FINANCIAL, & OPERATIONAL PHILOSOPHY

This Budget, Financial & Operational Philosophy assists port commissioners in their analyses of information; assisting them in making the assumptions and estimates required to formulate high quality, timely and fiscally-responsible financial and operational plans, resulting in a well-run port that increases community confidence in port leadership and meets the needs of district residents.

- Produce and maintain a balanced budget;
- Provide a fiscally sound approach to finances by ensuring that expenditures and debt repayments do not exceed available resources in current budget and future years impacted;
- Provide for financial stability by:
 - ✓ Funding projects that provide a positive return on investment or which provide important identifiable non-economic benefits to the port district at large;
 - ✓ Eliminating or transferring to private sector, holdings which provide minimal economic or community benefit;
 - ✓ Reducing costs and enhancing revenues when feasible while maintaining acceptable service levels;
 - ✓ Ensure the Port's portfolio includes diversity of revenue streams to offset risk adverse projects;
 - ✓ Accurately forecasting funding sources;
 - ✓ Creating successful strategies for capital acquisitions;
 - ✓ Closely monitoring and accurately reporting all revenues and expenditures;
 - ✓ Leveraging funds by seeking grants and matching funds from the public and private sectors;
 - ✓ Accurately and honestly identifying potential financial issues and providing feasible potential solutions;
 - ✓ Identifying and recommending potential improvements;
 - ✓ Learning and sharing ideas for improvement.
- Promoting fiscal responsibility among departments;
- Focusing on long-term financial planning;
- Support intergovernmental cooperation by partnering with entities which demonstrate support; (e.g. matching funds; previous successes; political and taxpayer support; and enthusiasm);
- Provide the public with high quality projects and services within a healthy work environment by encouraging efficiency, cooperation, honesty, integrity, and respect;

- Evaluate economic development opportunities based on results to be derived district-wide versus project-specific or jurisdiction-specific results;
- Acknowledge the Port's limited staff and financial resources;
- Establish a project ranking and selection process which focuses on producing a limited number of projects in order to ensure successful and timely implementation;
- Encourage open competition and equal project consideration, fostering a reputation for fairness with the local business community;
- Seek to fund projects with available resources;
- Incur debt only when both the level and rate of growth of public debt is fundamentally sustainable, can be serviced under appropriate circumstances while meeting cost and risk objectives, can withstand economic uncertainties, while identifying in advance any legal or commission-directed restrictions on its use;
- Maintain reserves of \$2.5M in order to ensure financial stability and mitigate any potential financial hardships. If reserve funds are utilized, funds must be replenished during the current or next budget cycle. The reserve fund may be used for the following:
 - ✓ Debt service;
 - ✓ Environmental pollution claims against the Port;
 - ✓ Unemployment Claims;
 - ✓ Paid Family & Medical Leave Claims;
 - ✓ Any other uses deemed necessary by the Commission
- Identify and report the return on investment (ROI) on projects as appropriate; and
- Share with the public port audited financial and operating data through print and online resources.