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## **Port Establishes Financial Reserve Policy**

**RICHLAND, Wash.** – Port of Benton Commissioners adopted a Financial Reserve Policy presented by staff that adheres to best practices for state and local governments and is consistent with its peer ports in Washington state. This strategic financial reserve will equip the port with options to address cash flow needs, tackle unexpected issues and provide a cushion against emergencies and changes in economic conditions.

“This initiative is another step in our ongoing efforts over the past few years to ensure we continually assess and improve our processes, maintaining our commitment to transparency and our role as effective custodians of taxpayer resources,” said Jeff Lubeck, port finance director.

Currently, the port maintains \$1.5 million in reserves and will immediately increase the formalized fund to \$2 million in alignment with the adopted policy targets. The funding to be held in reserve will adjust automatically each year based on the following policy cash reserve requirements for reserve levels and types:

- The port shall maintain enough cash on hand to pay between two to four months of average operating expenses to employees and outside vendors. This reserve is used to ensure timely payment in the event of any cash flow imbalances and provides a buffer against unforeseen financial exigencies.
- The port shall maintain an additional amount of \$500,000 for the purposes of financing emergencies. This amount shall be available for costs that have resulted from such emergencies as natural disasters, accidents, or environmental crises.

In Nov. 2023, the port engaged Moss Adams to analyze its operations and finances to determine the appropriate types of reserve funds. The consultants provided a comprehensive report, developed a draft reserve policy and recommended reserve levels based on industry standards and anticipated future needs.

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Port of Benton was established in 1958 and is celebrating its 65<sup>th</sup> anniversary in 2024. The port is committed to developing locally grown businesses, recruiting industrial and commercial companies, maintaining multi-modal transportation networks, and collaborating with partners to create regional economic prosperity.