

Port of Umpqua

Budget Meeting Minutes

Wednesday, May 17, 2017 at 7 p.m.

Port of Umpqua Annex

1841 Winchester Ave

Reedsport, OR

THESE MINUTES ARE FINAL and APPROVED.

Commissioners Present:

President Steve Reese
Vice President Keith Tymchuk
Secretary Barry Nelson
Treasurer Lee Bridge
Asst. Secretary Carey Jones

Budget Committee Members Present:

Deb Yates
Jessica Terra
James Skaggs
Lori Groves

Budget Committee Members Not Present:

Sunnie Hedden

Port Staff Present:

Port Manager Charmaine Vitek
Administrative Assistant Karen Halstead

Proceedings:

Called to Order: Port President Steve Reese called the meeting to order at 6:00 p.m.

Introductions:

- ✓ Elect current year Chair:
Commissioner Tymchuk made a motion to elect Budget Committee Member Jessica Terra as chair of the budget committee and proceedings, 2nd by Budget Committee Member Lori Groves. Motion was passed by unanimous vote.

PORT BUDGET:

1. Receive budget document and budget message from budget officer:

Budget Officer Charmaine Vitek went through the Budget Message line by line highlighting any areas where there were changes from previous years or may need additional information.

2. General Fund > Resources:

Line Item #11 – Ice Machine Revenue - This is a new line item this year. The Ice machine became available to the fishermen in September 2016 and so far has made \$5,757.

Line Item #15 – Grant/Loan IP Marketing – There are no funds in there because the IP property sold this year. Next year that line item will fall off. It is listed as income on this line because The Port was looking to get a grant from IFA to help with the marketing. The Port would've paid 25% and the grant would've covered the additional 75% for a total of \$100,000 which will show on the expenditures. That is why there is \$75,000 on this line.

Line Item #19 – Cooperative Community Marketing Project –

Commissioner Tymchuk:

About 3 years ago when it looked like the Jordan Cove facility was ready to go, a group of local leaders got together and reached out to folks and various groups within the community in an effort to raise funds that have been set aside for a marketing fund with the specific intent of reaching out to the union shops and labor that would be coming in to work on the Jordan Cove facility. A marketing plan has already been created and the funds will sit there until a final decision is made on whether Jordan Cove will happen or not. The group who created this fund decided The Port would be designated as the “keeper” of the monies. If funds are needed they will be handled like a pass through.

General Fund > Detailed Expenditures > Personal Services >

Line Item #17 – Ice Machine Maintenance – This is a new line item this year.

General Fund > Capital Outlay > Questions:

Line #35 – Commercial Dock Repair

Carey: Since The Port is going to replace the lower dock below the hoist, shouldn't that amount be more?

CV: Money for that project will come out of the Dock Reserve Fund.

Total Organizational Requirements > \$467,700

Total Debt Service > The Port has no debt therefore there is nothing on this line. The Commissioners have worked very hard over the last few years to get The Port completely out of debt.

Special Payments >

Line Item #2 - Grant Funding Available > Over the last few years there have been requests for grant funding from The Port. This year \$21,500 was requested. Next year \$45,000 has been budgeted with \$20,000 of that already designated to The City for the boat launch project.

The Reserve Funds > Charmaine explained the specific purpose of each Reserve Fund.

Keith: The Dock Reserve Fund exists because it was a stipulation in the agreement from The State when The Port received grant dollars to build the dock. The arrangement was for The Port to set money aside in a reserve fund for dock maintenance and other costs. It was never stipulated how much money had to be saved or if there was a certain total amount that needed to be reached.

Steve: When Keith and I first came on the board there were no Reserve Funds. So, systematically The Port has been able to put money away into these reserve funds and now The Port is in good shape financially.

Financial Summary > A list showing all of the funds together not just the Reserve Funds. There is also a total of all of these funds combined.

The total proposed budget for The Port of Umpqua is \$1,679,726.00.

Keith: The Port of Umpqua is one of only two ports in the State who are debt free. There has been a real effort to pay off all outstanding debt including all prior projects that could have been paid on their payment plan(s) that were already setup. Now The Port has a large amount of money it can use to invest into the community and region.

Receive Public comment:

There was none.

- **Commissioner Tymchuk made a motion that the budget committee of the Port of Umpqua district approve the fiscal year 2017-2018 budget in the amount of one million, six hundred seventy nine thousand, seven hundred twenty six dollars (\$1,679,726.00) and approve the permanent tax levy rate of \$0.3441 per \$1,000.00 of the district assessed value, motion 2nd simultaneously by Commissioners Bridge and Nelson. Motion was passed by unanimous vote.**

The budget meeting was adjourned by Budget Committee Chair Jessica Terra at 6:36 p.m.

Steve Reese, President

Karen Halstead, Admin. Assistant

****The Full Budget Message begins on the next page****

BUDGET MESSAGE

Fiscal Year 2017-2018

(TIP: The format of the budget message is such that it is best Understood by simultaneously referencing the budget document)

The Port of Umpqua budget for Fiscal Year 2017-2018, as proposed by the Budget Officer, has been prepared as directed by the Board of Commissioners and in accordance with Oregon Budget Law.

The Budget Officer prepared the proposed Fiscal Year 2017-2018 budget based on the following

- **GENERAL FUND**
- **RESOURCES**

BEGINNING FUND BALANCE:

1. Available cash on hand*(cash) Anticipated beginning balance comes from audit
2. Net working capital*(accrual)
3. Previously levied taxes Delinquent past taxes paid late and dispersed to District
4. Interest Interest earned saving and checking accounts
5. Transfers IN from other funds From Reserve Funds, none budget this year

OTHER RESOURCES

6. Industrial Park lease: Lease income from Tyree Oil this increases annually with the CPI
7. Lease/Rent income Business Center At this time, our business center is not fully occupied. Marketron is paying \$145 mo. for one office, USWCD \$677 mo. We have a new lease with Pacific Forest Management for one office at \$150.mo.
8. Miscellaneous: Most revenue should be identified as other resources.
9. Poundage: Poundage is .03 for product coming across the commercial dock at Salmon Harbor.
10. Keycard/Hoist Receipts: Use of the hoist at the commercial fish dock at Salmon Harbor. \$20.00 per hour for hoist fees, staff fees increased to \$15.00 per hour
11. Ice Machine Revenue Revenue from the ice machine, we charge \$50/tote
12. Annex Rental: Anticipated revenue from rental of the Port Annex a charge of \$75.00 per day for functions
13. Deposits: This is a deposit account. Revenue is accumulated if the cleaning fee for use of the Annex is not reimbursed.
14. Winchester Bay Lease: Monthly lease payment for Umpqua bait Win Bay @ \$10 per mo
15. Grant/Loans Master Plan Marketing IP This property has been sold, this line item will drop off
16. Coos Bay Wagon Road funds: A pass through from Douglas County to Salmon Harbor.

- 17. Sale of Forest Products: Funds from the county if there is sale of Forest Products. This is uncertain and difficult to anticipate
- 18. Grants Possible grants received
- 19. Cooperative Community Marketing Project: this is a pass through for the Pioneer Group, a marketing firm local entities engaged to market the Reedsport/Winchester Bay/Gardiner areas to Jordan Cove union workers working on the LNG plant in North Bend
- 20. Total resources, except taxes to be levied: Total Revenue minus levied taxes
- 21. Taxes necessary to balance: Anticipated tax revenue from County Assessor's office
- 22. Taxes collected in year levied: N/A
- 23. **TOTAL RESOURCES:** Total Taxes and other revenue

- **GENERAL FUND**
- **ALLOCATED REQUIREMENTS**

PERSONAL SERVICES

- 1. Manager: Manager Salary
- 2. Administrative Assistant: Hourly wage not to exceed 30 hours per week
- 3. Dock Maintenance staff: Dock maintenance staff has been increased due to increased activity and the addition of the ice machine.
- 4. Payroll Expenses: Employer portion of Payroll liability expenses, health insurance premiums and retirement compensation. The Port Board approved increasing staff retirement contribution to 9% of earnings.
- 5. **TOTAL PERSONAL SERVICES**
- 6. **Total FTE** 2.75

MATERIALS AND SERVICES

- 7. Accounting: It is the intent to provide adequate funds to ensure the Port books stay current and provide for accounting assistance as the need may arise.
- 8. Professional Services: Engineering, Consultant, Professional service etc.
- 9. Executive expenses, Travel, Training: Travel, lodging, training and conferences. SDAO conferences, other conference and seminars, ongoing education for Port staff and Commissioners
- 10. Audit: Annual audit, a contracted price
- 11. Office machine upgrades: Upgrade of office equipment as necessary
- 12. Office supplies: Port Office supplies.
- 13. Building supplies: Building and grounds supplies.
- 14. Dock maintenance: Ongoing maintenance of commercial docks; includes annual hoist inspections
- 15. Facilities Maintenance/Services: Building and Grounds scheduled and one-time maintenances and services.
- 16. Fork Lift Maintenance: Maintenance on the fork lift at Port Dock at Salmon Harbor
- 17. Ice Machine Maintenance: Maintenance on the new ice machine at Salmon Harbor
- 18. Telephone: Landline, internet and cell phones: all on this line item
- 19. Utilities: Electricity, city water and sewer, trash pickup fees

- 20. Business Support Services: Information Technology for Port office operations support services, internet, computers etc.
- 21. Insurance: Property and Liability insurance coverage through Special Districts Assoc of Oregon
- 22. Election expense & legal ads: Newspaper: Legal notifications, election fees
- 23. Lobbying: Funds to help facilitate lobbying efforts for Port interests
- 24. Membership Dues and subscriptions: Annual membership dues and subscriptions
- 25. Permit fees: Have not had any permit fees recently
- 26. Legal Services: Attorney fees, the Port engaged legal services @ \$200. Per hour as needed.
- 27. Promotion and marketing:
- 28. Scholarships/Grants: Scholarship or grants to advance educational opportunities in business
- 29. Real Property taxes liability: In the event that the Port must pay a portion of real property taxes on the Business Center office space
- 30. DSL Lease & Salmon Harbor lease: This fee is a lease with Department of State Lands water way lease tide land under Umpqua River Dock this increases 3% per year, and the Salmon Harbor lease of 120.00 per year for the Port Dock
- 31. STEP: Annual contribution to the Salmon Trout Enhancement Project
- 32. **TOTAL MATERIALS & SERVICES**

CAPITAL OUTLAY

- 34. Master Plan IP Property This property has been sold, this line item will drop off
- 35. Commercial Dock repair: Major repairs or maintenance to the docks
- 36. Capital Outlay:
- 37. **TOTAL CAPITAL OUTLAY**
- 38. **TOTAL ORGANIZATIONAL REQUIREMENTS**

DEBT SERVICE:

None at this time

SPECIAL PAYMENTS

- 1. Coos Bay Wagon Road funds Pass through to Salmon Harbor
- 2. Grant Funding Available Requests for funding from others
- 3. Cooperative Community Marketing Project this is the expenditure part of the pass through for the Pioneer Group, a marketing firm local entities engaged to market the Reedsport/Winchester Bay/Gardiner areas to Jordan Cove union workers working on the LNG plant in North Bend
- 4. **TOTAL SPECIAL PAYMENTS**

INTERFUND TRANSFERS OUT

- 5. Maintenance Reserve Fund For possible dredging assistance to Salmon Harbor if necessary
- 6. Dock Reserve Fund None budgeted
- 7. Capital Reserve Fund None budgeted
- 8. Operation Reserve Fund None budgeted

9. TOTAL INTERFUND TRANSFERS OUT

10. CONTINGENCY: Unforeseen expenditures

11. TOTAL Requirements Not Allocated

12. Total Requirements Allocated to an Organization

16. TOTAL GENERAL FUND REQUIREMENTS