

Port of Umpqua

Budget Meeting Minutes

Wednesday, May 20, 2015 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 Donna Train
Carey Jones

Budget Committee Members Present:

Lee Bridge
Robin Triplett

Budget Committee Members Not Present:

Sunnie Hedden
Simi Hoover
Deb Yates

Port Staff Present:

Port Manager Charmaine Vitek
Administrative Assistant Karen Halstead

Proceedings:

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

✓ **OATH OF OFFICE FOR NEW COMMISSIONER:**

Port Manager Vitek who is authorized by the State of Oregon as a notary, and one of her duties is the ability to swear and administer the oath of office to public officials, administered the oath of office to newly appointed Commissioner Carey Jones.

✓ **Elect current year Chair:**

Commissioner Reese made a motion to elect Commissioner Train as chair of the budget committee and proceedings, 2nd by Commissioner Tymchuk. Motion was passed by unanimous vote.

PORT BUDGET:

NOTE* The Budget Message is attached to the end of these minutes.

1. Receive budget document and budget message from budget officer

Charmaine said very little has changed. She then explained the Budget Message and budget document line by line.

General Fund > Resources > Questions:

There is a new line in anticipation of potential revenue from a new ice machine that The Port and Salmon Harbor are working together to try and get. At this point we don't know how much revenue that may bring in.

Carey: Why is there a specific line item for cleaning deposits for Annex rentals, couldn't that money go into a general account? Some budgets do that, but we have everything as a line item. It makes it a lot easier to track or identify.

#19 – Grants is a new line item. This was originally put there for the ice machine grant currently being applied for but instead of specifically naming it “Ice Machine Grant” Charmaine named the line “Grants” to make it more generic in case there are other grants that The Port may apply for in the future.

General Fund > Detailed Expenditures > Personal Services > Questions:

Charmaine pointed out that this is quite a bit higher than last year and it's because the Port Commission generously approved a retirement contribution of 9% of their earnings for staff that work 30 hours or more.

Donna: On the Dock Assistant line we have already used \$14,154 this year, do you think we may need to have two people doing that job in the future if we are getting more product coming across our dock? We really can't anticipate what the seasons will be like next year. The Sardine season wasn't expected and has already been shut down for next year and it could possibly be a two year shut down, we don't know.

General Fund > Detailed Expenditures > Materials & Services > Questions:

The new line here is #17 – Ice Machine Maintenance.

The line items in this category are very specific so we can keep track of items that may be needing more maintenance than others.

Robin: Under Ice Machine maintenance, if it's a new machine shouldn't it come with maintenance for a year? It probably does, that line item is there just in case there is a need to do anything to it then we have someplace to draw the money from.

Carey: If the ice machine does happen, who will be in charge of filling the personnel services for that? That is something will have to be worked out. Right now the focus is getting that grant in.

Carey suggested that Personnel Services may need to be increased by a certain percentage to cover any extra salary. Charmaine's hope is that Salmon Harbor may initially use some of their existing maintenance staff to cover that. That will have to be determined sometime in the future.

Donna: Salmon Harbor was looking at a system similar to the fuel dock. When someone shows up that wants ice they can push a button that will call maintenance to come over there and help them.

Keith: Asked about the where was the amount and information about The Port's contribution to a marketing plan for the Jordan Cove Project. It's further down under "Special Payments".

General Fund > Capital Outlay > Questions:

General Fund > Capital Outlay > Debt Service > Questions:

The Port has no debt at this time.

General Fund > Capital Outlay > Special Payments > Questions:

Here is the location in the budget where the project to market our area to Jordan Cove is included. It's labeled "Grant Funding Available" because there are other grants that have been requested of The Port, so instead of naming each on a separate line item they are all included here.

Keith explained to the Budget Committee Members exactly what the idea is behind this marketing plan for Jordan Cove. An ad hoc committee was put together and came up with a plan to actively market our local community directly to the Jordan Cove Unions. So far a number of local groups have already made financial commitments and they plan to speak to more groups in an effort to raise between twenty and forty thousand dollars.

They have an agreement with a marketing firm who already has excellent contacts with Jordan Cove and the Unions who they will reach out to and tell them the reasons for coming to Reedsport and do business.

They are also trying to get local businesses to participate in the plan and do some individual marketing efforts together with possibly providing some incentives to

attract people to the area. Steve added that even if the Jordan Cove project were to not get approval, there is still very much a need for a promotional package for our local area to help bring in business.

General Fund > Capital Outlay > Interfund Transfers Out > Questions:

The Port hasn't done any transfers out for the last three years, but this year there is fifteen thousand dollars in the Maintenance Reserve Fund.

This last year the State of Oregon entered into an agreement with the South Coast Ports Coalition that the state would buy a dredge that they could use within their marinas and harbors. It won't be able to do the federal projects that the Corp does, but it will be perfect for the smaller jobs that aren't getting done. In order for the State to buy the dredge they asked for assurance that the Ports were putting away enough money annually so when their turn came around for dredging, they could afford the operations of the dredge. The Port of Umpqua has an intergovernmental agreement with Salmon Harbor, who could use the dredge within the harbor. Salmon Harbor is putting money away for this annually, and Charmaine is recommending that The Port put ten to fifteen thousand dollars a year in the Maintenance Reserve Fund just in case Salmon Harbor isn't able to pay their amount when their time comes.

Barry: Will they be able to use that dredge to open up some of the IP Property? Steve said they wouldn't because it's a federal channel, and would probably be beyond the reach of the dredge they are getting.

2. Questions/Comments/changes regarding proposed budget

It was commented by most of the committee that the budget seemed a lot easier to follow this year. It was done in a very understanding format. There were no further questions or comments regarding the proposed budget.

3. Receive Public comment

There was none.

- Commissioner Reese made a motion that the budget committee of the Port of Umpqua district approve the fiscal year 2015-2016 budget in the amount of one million, six hundred twenty three thousand, four hundred ninety dollars (\$1,623,490.00) and approve the permanent tax levy rate of \$0.3441 per \$1,000.00 of the district assessed value, 2nd by Budget Committee Member Bridge. The budget motion was passed by unanimous vote.

The budget meeting was adjourned at 6:36 p.m.

Steve Reese, President

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Karen Halstead, Admin. Assistant

Budget Meeting Minutes– May 20, 2015
Recorder – Karen Halstead

BUDGET MESSAGE

Fiscal Year 2015-2016

(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 2015-2016, 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 2015-2016 budget based on the following

➤ **GENERAL FUND**
➤ **RESOURCES**

BEGINNING FUND BALANCE:

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

OTHER RESOURCES

- | | |
|---|---|
| 6. <u>Industrial Park lease:</u> | <u>Lease income from Tyree Oil this increases annually with the CPI</u> |
| 7. <u>Lease/Rent income Business Center</u> | <u>At this time, our business center is not fully occupied. Marketron is paying \$130 mo, for one office USWCD \$638 mo.</u> |
| 8. <u>Lease/Rent income N 4th Street</u> | <u>Bauman & Sons purchased the Port building for \$119,000. After the payoff of the loan to Umpqua Bank, \$75,111.67 was deposited into the Operation Reserve Fund, carries over for two years.</u> |
| 9. <u>Miscellaneous:</u> | <u>Most revenue should be identified as other resources.</u> |
| 10. <u>Poundage:</u> | <u>Poundage is .03 for product coming across the commercial dock at Salmon Harbor.</u> |
| 11. <u>Ice Machine Revenue</u> | <u>Revenue from the ice machine the Port and Salmon Harbor are working to obtain.</u> |
| 12. <u>Keycard/Hoist Receipts:</u> | <u>Use of the hoist at the commercial fish dock at Salmon Harbor. \$20.00 per hour for hoist fees \$12.00 for staff</u> |
| 13. <u>Annex Rental:</u> | <u>Anticipated revenue from rental of the Port Annex a charge of \$75.00 per day for functions</u> |
| 14. <u>Deposits: This is a deposit account.</u> | <u>Revenue is accumulated if the cleaning fee for use of the Annex is not reimbursed.</u> |
| 15. <u>Winchester Bay Lease:</u> | <u>Monthly lease payment for Umpqua bait Win Bay @ \$10 per mo</u> |
| 16. <u>Grant/Loans Master Plan Marketing IP</u> | <u>Possible funding for International Paper Co property marketing, development, master planning.</u> |
| 17. <u>Coos Bay Wagon Road funds:</u> | <u>A pass through from Douglas County to Salmon Harbor, no revenue was passed through last year.</u> |

- 18. Sale of Forest Products: Funds from the county if there is sale of Forest Products. This is uncertain and difficult to anticipate
- 19. Grants Possible grant for an ice machine
- 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 Assistant: Hourly wage not to exceed 80 hours per month
- 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 to be implemented with the 2015-2016 budget.
- 5. **TOTAL PERSONAL SERVICES**
- 6. **Total FTE** 2.25

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. 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. School Assistance Officer Grant: City of Reedsport request for community partners to
fund a Resource officer at the School. Additional
information included for your review. * See request from city
- 30. Real Property taxes liability: In the event that the Port must pay a portion of real
property taxes on the Business Center office space
- 31. 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
- 32. STEP: Annual contribution to the Salmon Trout Enhancement Project
- 33. **TOTAL MATERIALS & SERVICES**

CAPITAL OUTLAY

- 34. Master Plan International Paper Co Property Plan to facilitate the sale and
development of the International Paper
Co Property
- 35. Commercial Dock repair: Major repairs or maintenance to the docks
- 36. Capital Outlay: Capital Purchases this has been
increased to include the possible ice
machine the Port and Salmon Harbor may
purchase for the fishermen.

37. TOTAL CAPITAL OUTLAY

38. TOTAL ORGANIZATIONAL REQUIREMENTS

DEBT SERVICE:

- 1. Douglas County Ind. Dev. Board loan: Loan from DCIDB for infrastructure improvements to
the industrial park site. This obligation was met in full in 2013.
- 2. SPWF construction loan (Industrial Park): began December 1999 to the Special Public
Works Fund loan of \$293,200.00 for the Industrial Park Wharf Repair Project. This obligation
was paid in full in July 2012 as budgeted.
- 3. SPWF construction loan (Winchester bay dock) began December 2002 to the Special Public
Works Fund land of \$104,178.00 for the Winchester Bay Commercial Dock facility and new
hoist. This obligation was paid in full in July 2012 as budgeted.
- 4. Umpqua Bank Port building: Bank loan for the Port building. Original loan amount was
\$93,500.00 at 5% interest. This building was sold to Bauman & Sons and the balance of the
loan paid off two years ago.
- 5. **TOTAL DEBT SERVICE**

SPECIAL PAYMENTS

- 6. Coos Bay Wagon Road funds Pass through to Salmon Harbor
- 7. Grant Funding Available Requests for funding from others
- 8. **TOTAL SPECIAL PAYMENTS**

INTERFUND TRANSFERS OUT

- 9. Maintenance Reserve Fund For possible dredging assistance to Salmon Harbor if necessary
- 10. Dock Reserve Fund None budgeted
- 11. Capital Reserve Fund None budgeted
- 12. Operation Reserve Fund None budgeted
- 13. **TOTAL INTERFUND TRANSFERS OUT**
- 14. **CONTINGENCY:** Unforeseen expenditures
- 15. **TOTAL Requirements Not Allocated**
- 16. **Total Requirements Allocated to an Organization**

20. TOTAL GENERAL FUND REQUIRMENTS