

Port of Umpqua

Budget Meeting Minutes

Wednesday, May 16, 2018 at 7 p.m.

Port of Umpqua Annex

1841 Winchester Ave

Reedsport, OR

THESE MINUTES ARE FINAL and APPROVED.

Commissioners Present:

President Steve Reese

Treasurer Lee Bridge

Asst. Secretary Carey Jones

Budget Committee Members Present:

Deb Yates

Sunnie Hedden

Lori Groves

Jessica Terra

Budget Committee Members & Commissioners Not Present:

Vice President Keith Tymchuk

Secretary Barry Nelson

Port Staff Present:

Port Manager Charmaine Vitek

Administrative Assistant Karen Halstead

Proceedings:

- ✓ The meeting was called to order at 6:00 p.m. by Port President Steve Reese.
 - ✓ **There was a quorum of Budget Committee members present for this meeting.**

- ✓ **Elect current year Chair:**
Commissioner Jones made a motion to elect Jessica Terra as chair of the budget committee and proceedings, 2nd by Commissioner Bridge. Motion was passed by unanimous vote.

PORT BUDGET:

1. Receive budget document and budget message from the budget officer – Charmaine Vitek:

As mentioned in the Introduction to the Budget Message, The Ice machine that was installed last year has brought in \$22,626 in revenue so far. The floating dock that supports the commercial dock in Winchester Bay was recently replaced with a whole new dock that was built by Bellingham Marine. The total cost of the project so far is \$70,434.

BUDGET MESSAGE HIGHLIGHTS

2. General Fund/Resources/Other Resources:

In previous years Tyree Oil leased two parcels in the industrial park. Last year Tyree decided to drop one of the leases so the revenue from Tyree has dropped by about half.

General Fund/Allocated Requirements/Personal Services:

The “Total Full Time Employees” increased from 2.75 to 3. The Port is looking to hire someone to assist Larry, depending on the season there can be a lot of work needed at the dock.

General Fund/Materials & Services:

The Port purchased a 2014 Yale fork lift for \$12,000 which was paid for from Capital Outlay. This fork lift is being used along with the existing Toyota fork lift at the commercial dock.

General Fund/Membership Dues & Subscriptions:

This line increased when The Port became members of the South Coast Development Council (SCDC).

General Fund/Legal Services:

Attorney Fees will be increasing July 1st from \$200 to \$235 / hour.

3. Debt Service:

The Port has had no debt for the past few years.

Interfund Transfers Out/Operation Reserve Fund:

Steve: The Operation Reserve Fund established in 1997 was to ultimately have \$200,000 in the account by 2002. Each year The Port was transferring \$40,000 into the fund until it reached the \$200,000 mark. Right now there is only \$119,005, what happened to this?

Charmaine: It may have reached \$200,000 and then was used at some point. When asked if the fund should be built back up, Charmaine answered that the board is going to have to make some decisions about that fund which will be discussed at the regular meeting later this evening.

Questions or Comments:

Carey: On page 6, looking at the Capital Reserve Fund/Resources & Requirements, the proposed budget for 2018-2019 is almost \$100,000 less than what has been budgeted for in the past. Last year and the year before \$429,000 was budgeted; this year \$326,000 is budgeted. Why is that?

Charmaine: The cost of the Ice machine came out of that which left less at the end of the year to the start the next year. It's because funds were used from there.

Carey: In 2016-2017 we budgeted \$429,000 and in 2017-2018 we budgeted \$429,000. This year it's being budgeted for \$326,000. There was no ice machine in 2016-2017. What has changed?

Charmaine: Looking at the detail in the Capital Reserve Fund there is \$103,643 that was spent between the end of one fiscal year and the start of the next. This entails all of the stuff for the ice machine; Johnson Rock, Highland Refrigeration, Reese Electric, Ladd Electric, PacVan.... (See the on-line packet "Capital Outlay Detail" for a detailed breakdown).

4. Receive Public comment

There were no public comments.

- ✓ Commissioner Steve Reese made a motion that the budget committee of the Port of Umpqua district approves the fiscal year 2018-2019 budget in the amount of one million, five hundred twenty five thousand one hundred sixty one dollars (\$1,525,161.00) and approve the permanent tax levy rate of \$0.3441 per \$1,000.00 of the district assessed value, 2nd by Commissioner Bridge. Motion passed by unanimous vote.

The budget meeting was adjourned at 6:27 p.m.

Steve Reese, President

Karen Halstead, Admin. Assistant

BUDGET MESSAGE

Fiscal Year 2018-2019

(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 2018-2019, 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 2018-2019 budget based on the following

➤ **GENERAL FUND**

➤ **RESOURCES**

BEGINNING FUND BALANCE:

- | | |
|-----------------------------------------|------------------------------------------------------------------|
| 1. <u>Available cash on hand*(cash</u> | <u>Anticipated beginning balance</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 \$150 mo. for one office, USWCD \$703 mo. Pacific Forest Management for one office at \$150.mo.</u> |
| 8. <u>Miscellaneous:</u> | <u>Most revenue should be identified as other resources.</u> |
| 9. <u>Poundage:</u> | <u>Poundage is .03 for product coming across the commercial dock at Salmon Harbor.</u> |
| 10. <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, staff fees \$15.00 per hour</u> |
| 11. <u>Ice Machine Revenue</u> | <u>Revenue from the ice machine, we charge \$50/tote</u> |
| 12. <u>Annex Rental:</u> | <u>Anticipated revenue from rental of the Port Annex a charge of \$75.00 per day for functions</u> |
| 13. <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> |
| 14. <u>Winchester Bay Lease:</u> | <u>Monthly lease payment for Umpqua bait Win Bay @ \$10 per mo</u> |
| 15. <u>Coos Bay Wagon Road funds:</u> | <u>A pass through from Douglas County to Salmon Harbor.</u> |
| 16. <u>Sale of Forest Products:</u> | <u>Funds from the county if there is sale of Forest Products. This is uncertain and difficult to anticipate</u> |
| 17. <u>Grants</u> | <u>Possible grants received</u> |
| 18. <u>Cooperative Community Marketing Project: this is a pass through for the Pioneer Group, a marketing firm local entities engaged to market the</u> | <u>Reedsport/Winchester Bay/Gardiner areas to Jordan Cove union workers working on the LNG plant in North Bend.</u> |
| 19. <u>Total resources, except taxes to be levied: Total Revenue minus levied taxes</u> | |
| 20. <u>Taxes necessary to balance:</u> | <u>Anticipated tax revenue from County Assessor's office</u> |
| 21. <u>Taxes collected in year levied:</u> | <u>N/A</u> |
| 22. <u>TOTAL RESOURCES:</u> | <u>Total Taxes and other revenue</u> |

- **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** 3

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 @ \$235/hr. 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. Commercial Dock repair: Major repairs or maintenance to the docks
35. Capital Outlay: This included work on the ice machine and the purchase of an additional fork lift for the dock in Winchester Bay. A 2014 Yale brand fork lift for \$12,000
36. **TOTAL CAPITAL OUTLAY**
37. **TOTAL ORGANIZATIONAL REQUIREMENTS**

DEBT SERVICE:

None at this time

SPECIAL PAYMENTS

2. Coos Bay Wagon Road funds Pass through to Salmon Harbor
3. Grant Funding Available Requests for funding from others
4. 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
5. **TOTAL SPECIAL PAYMENTS**

INTERFUND TRANSFERS OUT

6. Maintenance Reserve Fund None budgeted this year
For possible dredging assistance to Salmon Harbor if necessary
7. Dock Reserve Fund None budgeted
8. Capital Reserve Fund None budgeted
9. Operation Reserve Fund None budgeted
10. **TOTAL INTERFUND TRANSFERS OUT**
11. **CONTINGENCY:** Unforeseen expenditures
12. TOTAL Requirements Not Allocated
13. Total Requirements Allocated to an Organization
14. Reserve for future expenditure
15. Ending balance prior years
16. **TOTAL GENERAL FUND REQUIREMENTS**