

Port of Umpqua
Budget Meeting Minutes
Wednesday, February 17, 2024 at 6 p.m.
Port of Umpqua Annex
1841 Winchester Ave
Reedsport, OR

THESE MINUTES ARE FINAL and APPROVED.

Commissioners Present:

President Carey Jones
Vice President Joe Mulkey
Secretary Donna Train
Treasurer Randy DuVal
Asst. Secretary Deb Yates

Budget Committee Members Present:

Linda McCollum
Jamie Swafford
Zack Francis
Naomie Tanner
Cindy Simmons

Port Staff Present:

Port Manager Scott Kent
Administrative Assistant Karen Halstead

Proceedings:

The meeting was called to order at 6:03 p.m. by President Carey Jones

- ✓ Elect current year Chair:
- ✓ Commissioner Mulkey made a motion to elect Commissioner Jones as chair of the budget committee and proceedings, 2nd by Budget Committee member Linda McCollum.
- ✓ Commissioner Yates made a motion to elect Budget Committee member Linda McCollum as chair of the budget committee, 2nd by Commissioner DuVal.

Vote for Carey Jones: 9 yay (Commissioners' Jones, Mulkey, Train and DuVal and Budget Committee members Linda McCollum, Jamie Swafford, Zack Francis, Naomie Tanner and Cindy Simmons) 1 no – (Commissioner Yates)

Vote for Linda McCollum: 1 yay (Commissioner Yates) 9 No (Commissioners' Jones, Mulkey, Train and DuVal and Budget Committee members Linda McCollum, Jamie Swafford, Zack Francis, Naomie Tanner and Cindy Simmons)

Commissioner Jones was chosen as Chair of the Budget Committee.

PORT BUDGET:

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

Note: The Budget Message as presented is at the end of these minutes

Scott: The two documents he asked everyone to look at were titled “Introduction to Budget Message” and “Budget Spreadsheet”. Scott started with the Intro to Budget Message and then asked that the Budget Committee follow the spreadsheet as he explained each line item from the Budget Message.

The Port Financial structure and budget are in four funds.

- ✓ **The General Fund** is the operating fund where most of the expenditures are made, and resources deposited.
- ✓ **Maintenance Reserve Fund** was established to save for general maintenance and repairs, including reserving funds to assist Salmon Harbor with dredging costs if it becomes necessary.
- ✓ **Dock Reserve Fund** was established for maintenance, repairs, and capital improvements to docks.
- ✓ **Capital Projects Reserve Fund** was established for capital improvements, acquisitions, investments, and operations.

The document titled: Budget Message is presented to describe and explain line items on the budget general fund. Each line number on the budget has a corresponding description in the Budget Message document. An additional column is included on the budget document titled Current: Budget at 75% of year through March 2024. This will enable comparison to last year’s adopted budget and this year’s proposed budget and how each account has performed through the end of March 2024.

Port of Umpqua Recent History and Basis for the Proposed Budget

Parcel 3 of the Industrial Park in downtown Reedsport was sold to Northwest Landscape Management in November of 2021 for \$135,000, \$95,000 of which is a loan from the Port of Umpqua. The Port carries the loan for a term of ten years at an interest rate of 1.5 percent. Monthly payments of \$900, which includes principal, interest, and extra principal are being made to the Port. These payments are deposited in the Capital Reserve fund.

The Port purchased a parcel of land from Dougals County, known as the “Umpqua Spit” for \$65,000, in April of 2021, which was previously leased from Douglas County for approximately \$580 per month (nearly \$7,000 annually). This parcel, including the commercial dock, is leased to Pacific Dream Seafoods, who also purchased Umpqua Bait. Pacific Dream started management of the spit in September 2021. Monthly lease payments are \$2,140 and are deposited into the general fund.

Revenue derived from moorage fees at the Umpqua River Wharf is deposited directly into the Dock Reserve. This provides the interest earned in each fund to compound in that fund. It should be noted that revenue from the Umpqua River Wharf has been substantially less than in the past due to Fred Wahl moving operations to the Bolon Island site. Vessel moorage is \$50 per day; \$125 per week, and \$500 per month for vessels less than 65 feet; for vessels greater than 65 feet, the moorage is \$100 per day, \$250 per week, and \$1000 per month. Fred Wahl Marine Construction manages the moorage and for their work,

they retain 10 percent of the fees. Moorage fees can vary between zero to \$3000 per month, depending on use.

Tenants at the Port of Umpqua Business Center and Parcel 2 (downtown Reedsport) include: *Reedsport Massage* (leases two offices for a total of \$320 per month) , *Hideaway Project* (leases one office for a total of \$170 per month), *STEP and DayPubs* (leases two offices for a total of \$285 per month), *BlueJet* (leases a suite for a total of \$550 per month, that lease will be finishing in April 2024), *GrayGuns* (leases a suite for a total of \$675 per month), and *Tyree Oil* (leases Parcel 2 for a total of \$655 per month). The total annual lease revenue is in excess of \$30,000 per year.

Current significant projects include Replacement of the Providence Creek Tide Gate, which is expected to start construction in 2026; Moving a hoist to the Umpqua River Wharf in Reedsport to facilitate commercial fishermen to sell their product to buyers other than Pacific Dream Seafoods; and replacing the wood curb around a portion of the perimeter of the Reedsport Wharf.

At this time Scott turned to the spreadsheet (budget) and the numbers proposed by the Budget Officer are on the far right.

2. Questions/Comments/changes regarding proposed budget

General Fund > Resources > Questions:

Donna: On line #7, does the lease agreement with Tyree for the Industrial Park include cost of living increases to that lease rate? Last year the amount was the same as this year.

Scott: That lease increases every couple of years and a new lease hasn't been written this year.

General Fund > Detailed Expenditures > Personal Services > Questions:

Carey: He asked if the Administrative Assistant would be receiving a raise this year as the number hasn't changed.

Scott: We are giving a raise of 4%. The reason the number didn't change is because the number that was in there in the past was inflated and the number currently on the budget will cover the Administrative Assistant's 4% raise even though it hasn't changed in the past couple of years.

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

Carey: On the line item #22 – "Election expenses & Legal Notices", that is used every 3rd year, right? Will that money just be stored in that account line because there won't be any elections this year?

Scott: Yes, that is correct.

Carey: Where will the money come out of the budget to cover the wood curb replacement that we are planning to do at the Umpqua River Wharf?

Scott: That is represented on Line #14, Dock Maintenance; there is \$50,000 budgeted and the bids came in were much lower than that so there is more than enough to cover the curb replacement.

Carey: Didn't we also discuss outlet boxes, lights, and waterline repairs? We discussed this when we looked at The Wharf the other day, plus if we buy the property from Fred Wahl, The Port will need to move the fence and add some stuff to that.

Scott: Those costs would come out of the Capital Project Reserve fund, there is \$437,757 in there. If The Port doesn't get any grant money to help with the project to move the hoist, this is where it will come out of.

Carey: Why wouldn't that come out of the Dock Maintenance fund?

Scott: One reason is the fact the Dock Maintenance fund doesn't have enough money to cover all of it.

Joe: Why would that come out of the General Fund and not the Dock Reserve Fund?

Scott: It can actually come out of either one.

Carey: Have you checked with the auditor, Signe, to make sure it is coming out of the correct fund?

Scott: The dock repair will come out of the dock repair fund. Scott said he considers the hoist move a capital improvement project and that is why he is using that fund. He will check with Signe on that. He has no way of knowing how much the hoist move is going to cost, yet.

General Fund > Requirements Summary > Questions:

Cindy: What is the \$125,000 "Grant Funding Available" on line #3 actually used for?

Scott: That is money that The Port could use if The Port decided to give a grant to a 3rd party, there is \$125,000 put aside for that. For someone to qualify they would need to come before the board and request it. This number is consistent with how it's been budgeted for the last 2-3 years of the budget cycles. To his knowledge it has not been used in the past.

General Fund > Capital Outlay > Questions: No questions.

Form LB1:

Scott: This is the form that will be published in the newspaper after the budget hearing. It describes last year's actual budget numbers, the adopted budget for this year and the proposed budget. The thing to look for on this form is that the resources equal the requirements.

Scott noted that any of the numbers on the requirements side can be changed; that is the purpose of this meeting and now would be the time to do it if necessary.

3. Receive Public comment.

There was none.

- ✓ Budget Committee member Jamie Swafford made a motion that the budget committee of the Port of Umpqua district approve the fiscal year 2024-2025 budget in the amount of one million, seven hundred ninety-eight thousand four hundred forty-seven dollars (\$1,798,447) and approve the permanent tax levy rate of \$0.3441 per \$1,000.00 of the district assessed value, 2nd by Budget Committee member Zack Francis. The motion was passed unanimously.

The budget meeting was adjourned at 6:43 p.m.

Carey Jones, President

Karen Halstead, Admin. Assistant

BUDGET MESSAGE

Fiscal Year 2024-2025

(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 2024-2025, 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 2024-2025 budget based on the following

➤ GENERAL FUND RESOURCES

BEGINNING FUND BALANCE:

1. Available cash on hand*(cash): Anticipated beginning balance based on audit numbers
2. Net working capital*(accrual): The Port operates on a cash basis, therefore this line item is zero
3. Previously levied taxes: Delinquent past taxes paid late and dispersed
4. Interest: Interest earned from delinquent tax payments
5. Transfers IN from other funds: Transfer from Reserve Funds

OTHER RESOURCES:

6. Industrial Park lease parcel 3: Income from Northwest Landscape Maintenance lease ended due to their purchase of the property. The mortgage payment is deposited in the Capital Project Reserve Fund
7. Industrial Park lease parcel 2: Lease income from Tyree Oil
8. Lease/Rent income Business Center: The Port currently has five businesses leasing office space in the Business Center. Current leases included: Grayguns, STEP / DayPubs, Reedsport Massage, Hideaway Project, and BlueJet Hosting (ending April 2024)
9. Miscellaneous: Most revenue should be identified as other resources.
10. Poundage: Pacific Dream pays poundage of 0.03 dollars per pound for product coming across the commercial dock at Salmon Harbor, except for squid and shrimp, which is 0.01 and 0.015 dollars per pound, respectively.
11. Keycard/Hoist Receipts: Use of the hoist at the commercial fish dock at Salmon Harbor is no longer charged for by the Port. Hoist operations are managed by Pacific Dream Seafoods
12. Ice Machine Revenue: Revenue from the ice machine is being managed by Pacific Dream. The Port no longer receives payments for ice, neither does the port pay for its maintenance, though it is not specifically noted in the lease agreement

13. <u>Annex Rental:</u>	<u>Anticipated revenue from the rental of the Port Annex</u>
14. <u>Deposits:</u>	<u>Cleaning deposit account for use of the annex</u>
15. <u>Winchester Bay Lease:</u>	<u>For Umpqua Bait. No further revenue after PDS lease will be received from the Umpqua Bait lease</u>
16. <u>Umpqua Spit revenue (PDS):</u>	<u>New property in Winchester Bay, leased to Pacific Dream Seafoods. This line item is for their lease payments</u>
17. <u>Property Insurance Proceeds:</u>	<u>Insurance proceeds as applicable</u>
18. <u>Coos Bay Wagon Road funds:</u>	<u>A pass through from Douglas County to Salmon Harbor. No longer receiving Wagon Road Funds</u>
19. <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>
20. <u>Grants:</u>	<u>Possible grants received</u>
21. <u>Total resources, except taxes to be levied:</u>	<u>Total Revenue minus levied taxes</u>
22. <u>Taxes expected to be received:</u>	<u>Anticipated tax revenue from County Assessor's office</u>
23. <u>Taxes collected in year levied:</u>	<u>N/A</u>
24. <u>TOTAL RESOURCES:</u>	<u>Total Taxes and other revenue</u>

➤ **GENERAL FUND ALLOCATED REQUIREMENTS**

PERSONAL SERVICES

1. Manager: Manager Salary
2. Administrative Assistant: Administrative Assistant wages (0.75 FTE)
3. Other Personnel: Covers any additional employees hired
4. Payroll Liabilities: Employer portion of Payroll liability expenses, health insurance premiums and retirement compensation.

5. **TOTAL PERSONAL SERVICES** The total of lines 1 - 4
6. **Total FTE** 1.75

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, Consultants
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 (lights, etc).
14. Dock maintenance: Ongoing maintenance of commercial docks
15. Facilities Maintenance/Services: Building and Grounds upkeep and repair
16. Forklift Maintenance: Maintenance on the forklifts at Port Dock at Salmon Harbor. Both forklifts have been deemed surplus property and have been sold
17. Ice Machine Maintenance: Maintenance on the ice machine at Salmon Harbor. Pacific Dream Seafoods is operating the ice machine. This line item will be kept in case necessary
18. Telephone: Landline, internet
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: 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: For construction as applicable

- 26. Legal Services: The Port uses Local Government Law Group for legal services at \$270 per hour as needed.
- 27. Promotion and marketing: Expenses related to promotion and marketing of services for the Port
- 28. Strategic Business Plan The Ports strategic business plan was last done in 2023. Worked with LCOG
- 29. Scholarships/Grants: Scholarship or grants to advance educational opportunities for local students
- 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 This fee is a lease with Department of State Lands water way lease for tide land under Umpqua River Dock
- 32. Umpqua Spit Expenses Place holder for expenses at the spit
- 33. STEP: Possible contribution to the Salmon Trout Enhancement Project, usually \$5000 per year
- 34. Property Insurance expenses Possible insurance expenses (water damage, etc)
- 35. **TOTAL MATERIALS & SERVICES**

CAPITAL OUTLAY

- 36. Commercial Dock repair: Major repairs or maintenance to the docks
- 37. Capital Outlay: Typically for repair and maintenance of capital items such as roof and hoist repair or the purchase of small capital items or equipment
- 38. **TOTAL CAPITAL OUTLAY** **Total of capital outlay**
- 39. **TOTAL ORGANIZATIONAL REQUIREMENTS: Sum of requirements**

➤ **REQUIREMENTS NOT ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM**

DEBT SERVICE

1. Debt service None budgeted

SPECIAL PAYMENTS

2. Coos Bay Wagon Road funds No longer applicable

3. Grant Funding Available Requests for funding from others

4. **TOTAL SPECIAL PAYMENTS**

INTERFUND TRANSFERS OUT

5. Maintenance Reserve Fund None budgeted

6. Dock Reserve Fund None budgeted

7. Capital Projects Reserve Fund None budgeted

8. **TOTAL INTERFUND TRANSFERS OUT** Transfers between funds

9. **CONTINGENCY:** Unforeseen expenditures

10. Total Requirements Not Allocated

11. Total Requirements Allocated

12. Reserve for future expenditure None budgeted

13. Ending balance prior years None budgeted, based on previous years

14. Unappropriated ending fund balance

15. **TOTAL GENERAL FUND REQUIREMENTS**