

Port of Umpqua

Budget Meeting Minutes

Wednesday, April 16, 2025 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:

- ✓ Call to Order at 6:00 pm: by Port President Carey Jones
 - ✓ **There was a quorum of Commissioners & Budget Committee members present for this meeting.**
- ✓ Elect current year Chair:
Commissioner Mulkey made a motion to elect Carey Jones as chair of the budget committee and proceedings, 2nd by Budget Committee Member Jame Swafford. The motion was passed by unanimous vote.

PORT BUDGET:

1. Received Budget Document and Budget Message from budget officer, Scott Kent.

Note: The complete Budget Message as presented is at the end of these minutes and all documents are available via public records request

Scott: Thanked everyone for their service to the Port of Umpqua by serving on the Budget Committee.

The Port Financial structure and budget are in four funds.

- ✓ **The General Fund** is the operating fund where most expenditures are made and resources deposited.
- ✓ **The 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.
- ✓ **The Dock Reserve Fund** was established for maintenance, repairs, and capital improvements to docks.
- ✓ **The 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 in the budget document titled Current: Budget at 75% of year through March 2025. This will enable a comparison of last year's adopted budget and this year's proposed budget and shows how each account has performed through the end of March 2025.

Port of Umpqua Recent History and Basis for the Proposed Budget:

Tenants at the Port of Umpqua Business Center and Parcel 2 (downtown Reedsport) include Tyree Oil, Grayguns, Day Pubs, Hideaway Project, and Reedsport Massage. The total annual lease revenue is in excess of \$30,000 per year. Additionally, the Port receives monthly payments of \$900 from Northwest Landscape Management from the sale of Parcel 3 (downtown Reedsport). These funds are deposited in the Capital Reserve Fund. The Port leases land located in Winchester Bay, known as the "Umpqua Spit" to Pacific Dream Seafoods in the amount of \$2,204 per month. The Port receives 0.03 \$/lb. for fish and crab, 0.01 \$/lb. for squid, and 0.015 \$/lb. for shrimp; these funds are deposited in the General Fund account. Revenue from moorage at the wharf in downtown Reedsport is deposited in the Dock Reserve fund account.

To expand the Port's economic development goal, the Port is considering purchasing property in Reedsport, Oregon, with the goal of building an income generating business. Preliminary analysis suggests that the Port can afford property in the \$500,000 range with a 20-year mortgage. The cost of the building and mitigation, if required, is yet to be determined.

The Port has retained SHN Engineering to provide surveying services in the area of the downtown wharf to determine if there is legal access from the public right of way to the actual wharf. Legal access is in question due to ambiguous legal descriptions and surveying from the 1991 sale of the Reedsport Shipyard.

The Port will be constructing a fence between Northwest Landscape Management and the Tyree leased property.

Staffing at the Port has not changed in the last year. Currently there are two employees: Scott Kent (Port Manager, 1.0 FTE) and Karen Halstead (Senior Administrative Assistant, 0.75 FTE).

At this point, Scott asked that the committee flip past the text of the budget message and turn to the table titled "Resources General Fund".

At this point Scott gave the definition of each line item as the committee followed along on the budget spreadsheet.

General Fund > Resources > Questions:

No questions.

General Fund > Requirements Summary (Allocated) > Questions:

Carey: On line #36 – Commercial Dock Repairs, does that cover repairs for both docks?

Scott: Yes, that can be used for both.

Donna: On line #16 – Forklift Maintenance, you said the forklifts had sold, where does it show the money that was received from that sale?

Scott: The forklifts were declared Surplus Property and the money received from the sales was deposited into the General Fund.

Cindy Simmons: On line #35 – Permit Fees, that number is quite a bit more than the number that has been on that line in the past.

Scott: That is correct, The Port is looking to buy property to build on and in anticipation of this Scott put in that number to cover general building permits plus the land that The Port is looking at is possible wetlands, so we'd have to do a delineation and mitigation.

Cindy Simmons: She doesn't see a line that shows The Port is planning on spending money this year for the actual purchase of land.

Scott: We may in the next budget cycle. If The Port were to buy property it would be paid for from money out of the Capital Reserve Fund. It's not reflected in this budget because it is an unknown at this time but if The Port were to find property it would be paid for out of the Capital Reserve Fund. If you look at line #8 – Professional Services, that is for engineering and an architect.

Deb: What is the percentage of increase for the salaries?

Scott: Karen received a raise earlier this year and will not be getting an increase until the next budget cycle. Scott's salary increase will be 3-4%, which is reflected in the numbers.

General Fund > Requirements Summary (Unallocated) > Questions:

There were none.

Reserve Funds –

Maintenance Reserve Fund Resources and Requirements: Cash on hand (this is based on the audit) in that fund is \$45,960. The Port is expecting about \$1,000 in interest. Total resources except taxes to be levied \$46,960.

Dock Reserve Fund Resources and Requirements: Cash on hand is \$182,231 and we expect about \$4,000 in interest on this account.

The interest numbers are bigger this year than in the past on the savings account. The Port is now getting 2% interest in the savings account thanks to Commissioner DuVal's suggestion and working with Umpqua Bank. In the past The Port was only receiving 0.2%. Directly deposited funds will be about \$6,000. Total resources except taxes to be levied \$192,231.

Capital Project Reserve Fund Resources and Requirements: Cash on hand is \$449,427. Expecting \$10,000 in interest and \$10,800 in directly deposited funds. Total resources except taxes to be levied \$470,227.

Form LB-1 is a table that is published in The World Newspaper's Legal section. This provides numbers from previous years, the adopted budget for this year and the proposed budget for 2025-2026.

Form LB-50 Is a form Scott needs to file that gives The Port it's taxing authority of 0.3441 / \$1,000 from property taxes. This is another form that is published.

Resolution 25—01 is a summary of the General Fund, Maintenance Reserve Fund, Dock Reserve Fund and the Capital Project Reserve Fund. The total appropriation from all funds is \$2,071,221. This is sent to the tax assessors office with signatures from Commissioner Carey Jones and Commissioner Donna Train.

Scott completed his presentation of the budget. He asked the Committee to let him know if they saw any numbers under the requirements and resources that they felt needed to be changed.

2. Receive Public comment.

There was no public in attendance. No comments.

- Jamie Swafford made a motion, 2nd by Cindy Simmons that the budget committee of the Port of Umpqua district approve the fiscal year 2025-2026 budget in the amount of two million seventy-one thousand two hundred twenty-one dollars (\$2,071,221) and approve the permanent tax levy rate of \$0.3441 per \$1,000.00 of the district assessed value.

Joe: After the motion and second, Joe asked why line #15, Facilities Maintenance/Services in the Requirements Summary of Allocated Funds is so much more this year than in previous years?

Scott: Raised that amount in case The Port potentially purchased property needing upgrades to be made.

- **Motion was passed by a unanimous vote.**

The budget meeting was adjourned at 6:35 p.m.

Carey Jones, President

Karen Halstead, Admin. Assistant

BUDGET MESSAGE

Fiscal Year 2025-2026

(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 2025-2026, 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 2025-2026 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.
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

	<u>for ice, neither does the port pay for its maintenance, though it is not specifically noted in the lease agreement</u>
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. <u>Manager:</u> | <u>Manager Salary</u> |
| 2. <u>Administrative Assistant:</u> | <u>Sr. Administrative Assistant wages (0.75 FTE)</u> |
| 3. <u>Other Personnel:</u> | <u>Covers any additional employees hired</u> |
| 4. <u>Payroll Liabilities:</u> | <u>Employer portion of Payroll liability expenses, health insurance premiums and retirement compensation.</u> |
| 5. <u>TOTAL PERSONAL SERVICES</u> | <u>The total of lines 1 - 4</u> |
| 6. <u>Total FTE</u> | <u>1.75</u> |

MATERIALS AND SERVICES

- | | |
|---|--|
| 7. <u>Accounting:</u> | <u>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.</u> |
| 8. <u>Professional Services:</u> | <u>Engineering, Consultants</u> |
| 9. <u>Executive expenses, Travel, Training:</u> | <u>Travel, lodging, training, and conferences. SDAO conferences, other conference and seminars, ongoing education for Port staff and Commissioners</u> |
| 10. <u>Audit:</u> | <u>Annual audit, a contracted price</u> |
| 11. <u>Office machine upgrades:</u> | <u>Upgrade of office equipment as necessary</u> |
| 12. <u>Office supplies:</u> | <u>Port Office supplies.</u> |
| 13. <u>Building supplies:</u> | <u>Building and grounds supplies (lights, etc).</u> |
| 14. <u>Dock maintenance:</u> | <u>Ongoing maintenance of commercial docks</u> |
| 15. <u>Facilities Maintenance/Services:</u> | <u>Building and Grounds upkeep and repair</u> |
| 16. <u>Forklift Maintenance:</u> | <u>Maintenance on the forklifts at Port Dock at Salmon Harbor. Both forklifts have been deemed surplus property and have been sold</u> |
| 17. <u>Ice Machine Maintenance:</u> | <u>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</u> |
| 18. <u>Telephone:</u> | <u>Landline, internet</u> |
| 19. <u>Utilities:</u> | <u>Electricity, city water and sewer, trash pickup fees</u> |
| 20. <u>Business Support Services:</u> | <u>Information Technology for Port office operations support services, internet, computers etc.</u> |
| 21. <u>Insurance:</u> | <u>Property and Liability insurance coverage through Special Districts Assoc of Oregon</u> |
| 22. <u>Election expense & legal ads:</u> | <u>Legal notifications, election fees</u> |
| 23. <u>Lobbying:</u> | <u>Funds to help facilitate lobbying efforts for Port interests</u> |
| 24. <u>Membership Dues and subscriptions:</u> | <u>Annual membership dues and subscriptions</u> |
| 25. <u>Permit fees:</u> | <u>For construction as applicable</u> |
| 26. <u>Legal Services:</u> | <u>Attorney fees. The Port uses Local Government Law Group for legal services at \$270 per hour as needed.</u> |