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## Introduction to Budget Message

**April 16, 2025**

Port of Umpqua FY 2025-2026

Budget Committee Member:

Thank you for your service to the Port of Umpqua. The Commission appreciates your willingness to contribute your time, effort, and expertise by participating in the public process of local government and help create a responsible budget for the Port.

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
- ✓ **Maintenance Reserve Fund** was established to save for general maintenance and repairs, including reserving funds to assist Salmon Harbor with dredging cost 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 message document.

An additional column is included on the budget document titled Current: Budget at 75% of year through March 2025. 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.

## **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, Greyguns, Daypubs, 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 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 ).

# 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

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## ➤ GENERAL FUND RESOURCES

### BEGINNING FUND BALANCE:

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

### OTHER RESOURCES:

- |                                              |                                                                                                                                                                                                                                                  |
|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6. <u>Industrial Park lease parcel 3:</u>    | <u>Income from Northwest Landscape Maintenance</u><br><u>lease ended due to their purchase of the property. The</u><br><u>mortgage payment is deposited in the Capital Project</u><br><u>Reserve Fund</u>                                        |
| 7. <u>Industrial Park lease parcel 2:</u>    | <u>Lease income from Tyree Oil</u>                                                                                                                                                                                                               |
| 8. <u>Lease/Rent income Business Center:</u> | <u>The Port currently has five businesses leasing office</u><br><u>space in the Business Center. Current leases included:</u><br><u>Grayguns, STEP / DayPubs, Reedsport Massage, Hideaway</u><br><u>Project.</u>                                 |
| 9. <u>Miscellaneous:</u>                     | <u>Most revenue should be identified as other resources.</u>                                                                                                                                                                                     |
| 10. <u>Poundage:</u>                         | <u>Pacific Dream pays poundage of 0.03 dollars per pound</u><br><u>for product coming across the commercial dock at Salmon</u><br><u>Harbor, except for squid and shrimp, which is 0.01 and 0.015</u><br><u>dollars per pound, respectively.</u> |
| 11. <u>Keycard/Hoist Receipts:</u>           | <u>Use of the hoist at the commercial fish dock at Salmon</u><br><u>Harbor is no longer charged for by the Port. Hoist</u><br><u>operations are managed by Pacific Dream Seafoods</u>                                                            |
| 12. <u>Ice Machine Revenue:</u>              | <u>Revenue from the ice machine is being managed by</u><br><u>Pacific Dream. The Port no longer receives payments</u>                                                                                                                            |

	<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. <b><u>TOTAL RESOURCES:</u></b>	<b><u>Total Taxes and other revenue</u></b>

➤ **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. <b><u>TOTAL PERSONAL SERVICES</u></b>	<u>The total of lines 1 - 4</u>
6. <b><u>Total FTE</u></b>	<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 &amp; 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>

27. <u>Promotion and marketing:</u>	<u>Expenses related to promotion and marketing of services for the Port</u>
28. <u>Strategic Business Plan</u>	<u>The Ports strategic business plan was last done in 2023. Worked with LCOG</u>
29. <u>Scholarships/Grants:</u>	<u>Scholarship or grants to advance educational opportunities for local students</u>
30. <u>Real Property taxes liability:</u>	<u>In the event that the Port must pay a portion of real property taxes on the Business Center office space</u>
31. <u>DSL Lease</u>	<u>This fee is a lease with Department of State Lands water way lease for tide land under Umpqua River Dock</u>
32. <u>Umpqua Spit Expenses</u>	<u>Place holder for expenses at the spit</u>
33. <u>STEP:</u>	<u>Possible contribution to the Salmon Trout Enhancement Project, usually \$5000 per year</u>
34. <u>Property Insurance expenses</u>	<u>Possible insurance expenses (water damage, etc)</u>
35. <b><u>TOTAL MATERIALS &amp; SERVICES</u></b>	

### **CAPITAL OUTLAY**

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

➤ **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**