

PORT OF BROOKINGS HARBOR
Budget Committee Meeting
Tuesday, May 10, 2022 • 10am
Teleconference / Meeting Room
16350 Lower Harbor Road Suite 202, Harbor, OR 97415

Teleconference Call-In Number: 1 (253) 215-8782

Meeting ID: 771 205 4017

Passcode: 76242022 (to mute/unmute: * 6)

Budget Committee

Board of Commission

Position 1 – Joseph Speir
Position 2 – Sharon Hartung
Position 3 – Larry Jonas
Position 4 – Richard Heap
Position 5 – Kenneth Range

Members at Large

Position 6 – Al Cornell
Position 7 – Wayne King
Position 8 – Richard Contestabile
Position 9 – Sven Erik Rodne
Position 10 – Brett Hester

AGENDA

1. Call Meeting to Order by Richard Heap, President

- Pledge of Allegiance
- Roll Call

2. Vote for Budget Committee President

3. Receive Budget Message

4. Presentation of Proposed Budget for Fiscal Year 2022-2023

- Gary Dehlinger, Port Manager
- Travis Webster, Harbormaster
- Kim Boom, Director of Finance and Accounting, Budget Officer

5. Budget Discussion by Budget Committee and Public Comments - (Limited to a maximum of three minutes per person. Please email your comments to danielle@portofbrookingsharbor.com prior to the meeting,

6. Approval of Budget

SAMPLE MOTION: I move that the Budget Committee approve the proposed Budget [as presented] for the Port of Brookings Harbor's 2022-2023 fiscal year in the amount of 9,364,670.

7. Approval of Tax Rate for the Port's FY 2022-2023 to Submit to Assessor

SAMPLE MOTION: I move that the Budget Committee approve the tax rate of 0.1316 per \$1000.00 upon the assessed value of all taxable property within the district for the tax year 2022-2023 for operating purposes in the General Fund.

8. Adjournment

A request for an interpreter for the hearing impaired, for those who want to participate but do not have access to a telephone, or for other accommodations for persons with disabilities should be made at least 48 hours in advance of the meeting to Port of Brookings Harbor Office at 541-469-2218.

BUDGET SUMMARY

DATE: May 10, 2022
RE: Budget Summary
TO: Budget Committee
ISSUED BY: Kim Boom, Budget Officer

OVERVIEW

- The Budget process begins at the first of each year. Information, along with past historical data and a projection of future revenue, are used to prepare the proposed budget
- The Budget Officer prepares and reviews the budget with staff for the needs and goals of upcoming year.
- The proposed budget is then presented to the Budget Committee. The committee meets publicly to discuss and hear public comments on the proposed budget. Recommendations and changes are made to the proposed budget at this time.
- The Budget Committee approves the budget and the tax rate. More public meetings may be needed to achieve this process.

DOCUMENTS

- Proposed Budget, pkg.

Proposed Budget

GENERAL FUND

Page 1 – General Fund Resources Summary Detail

- Line 1, Cash Carryover - The fund starts with a working capital of 490,000, estimated cash balance as of 07/01/2022.
- Line 2, Previously levied, these tax receipts are property taxes from prior years.
- Line 3, Interest on funds held in LGIP (Local Government Investment Pool)
- Line 4, Interfund Transfer from Capital Projects
- Line 6-11, Resources from four Revenue Centers were estimated using prior 12 months of past historical data with some exceptions. The approved rate increases were factored in. *See Table on next page for breakout into each department/program.*
- Line 14, Resources from the Sale of Assets was estimated lower than the prior 12-month average as no assets are planned for disposal for upcoming year.
- Line 15, Miscellaneous Income is based on projected amounts received from prior years from Coos Curry Electrical CO-OP Patronage, SDAO Longevity Credit, Monies received from collections and other miscellaneous revenue.
- Line 16, Long Term Debt Borrowings – No loans are anticipated for FY 2022-23.

Budget Summary

- Line 17, Grants & Other Funding – Resources received from applied Grants and other funding. Included in these resources is the OSMB MAG Grant.
- Line 23, Total resources, except taxes to be levied 3,925,000.
- Line 24, Taxes estimated in year levied– These tax receipts are property taxes from current year levied.
- **Line 26, General Fund Total Resources 4,175,000**

General Fund Revenue Centers

Marina: Moorage, Storage, Marine Services & Events	842,000
Beachfront RV Park	800,000
Commercial Retail	635,000
Fuel Dock	1,050,000

Other Resources

Asset Sales	10,000
Miscellaneous Income	66,000
Long Term Borrowings	0.00
Grants & Other Funding	20,000

Page 2 - Allocated Requirement Totals (includes all program requirements) Detail

Allocated Requirements: Distribution of Expenditures. Allocated Object Classifications include Personnel Services (expenses related to employees), Material & Services (Consumables and service expenses) and Capital Outlay (items with a useful life of a year or more)

- Line 1-5, Staff Compensation includes 5% wage increase based on Consumer Price Index (CPI).
- Line 6, Costs & Benefits includes increases in proportion to the wage increases.
- Line 7, Worker's Compensation increase based on actual estimate from SDIS.
- Line 8, HealthCare & Dental includes 2.5% increase for Dental Plan and no increase for Medical Insurance based on agreement for services/policies with SDAO.
- **Line 9, Total Personnel Services 886,700** Requirements have been dispersed amongst the four revenue centers listed above.
- Line 10, Total Full Time Equivalent (FTE) 12, includes 11 Full-Time and 2 Part-Time Employees
- Line 11-20, Materials and Services for all program operation expenditures. Requirement estimates are based on prior nine months actuals (FY 2021-22 July 1, 2021-March 31, 2022) with 5% added. Fuel purchased for resale increase based on the state of the economy at this time. The administrative expenditures, including Personnel Services, Advertising & Notifications, Office Expense and Professional Fees, have been dispersed amongst the four Revenue Centers. See accompanying detail sheets for each Revenue Center in the schedule A section for further description on these requirements.
- **Line 21, Total Materials and Services 2,415,300**
- Line 22, Capital Outlay Land Improvement for fencing at the Beachfront RV Park.
- **Line 25, Total Capital Outlay 25,000**
- Line 27 - 32, Requirements: General Fund Revenue Centers

Budget Summary

Marina: Moorage, Storage, Marine Services & Events	1,066,000
Beachfront RV Park	515,000
Commercial / Retail Leases	514,000
Fuel Dock	1,232,000

- **Line 33, General Fund Total Allocated Requirements 3,327,000**
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Page 3 - Not Allocated Requirement Totals (includes all program requirements)

Not Allocated Requirements: Expenditures NOT distributed. Not Allocated Object Classifications include Interfund Transfers, Debt Service, Special Payments, Operating Contingency, Reserves for Future Expenditure and Unappropriated Ending Fund Balances.

- Lines 13-18, Interfund Transfers from General Fund to other funds.
- **Line 19, Total Interfund Transfers 605,324**
- Line 20, Operating Contingency – A special amount set aside in the upcoming year for unforeseen expenses.
- Line 21, Total Requirements Not Allocated 823,000
- Line 22, Total Program/Operations Allocated Requirements 3,327,000
- Line 23, Total Appropriations 4,150,000
- Line 23, Unappropriated Ending Fund Balance 25,000

Definition of Unappropriated Ending Fund Balance: Amount set aside in the budget to be used as a cash carryover to the next year's budget. It provides the local government with operating cash until tax money is received from the county treasurer in November. This amount cannot be transferred by resolution or used through a supplemental budget, unless necessitated by a qualifying emergency (ORS 294.398).

- **Line 25 – General Fund Total Requirements 4,175,000**
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REVENUE BOND DEBT SERVICE FUND - USDA

Page 4 – REVENUE BOND DEBT SERVICE FUND - USDA

- Line 1, Cash Carry Over - The fund starts with a working capital of 102,820. The primary source of revenue is interfund transfers from the General Fund. Most of the funds are saved monthly and placed into LGIP account which draws interest.
- Line 2, Interest
- Line 3, Transferred from General Fund
- **Line 4, Total Resources 233,780**
- Line 5 – 7, Requirements: Principal 83,913
- Lines 8-10, Requirements: Interest 46,207
- Line 12, Total Appropriations 130,120
- Line 13, Unappropriated Ending Fund Balance 103,660
- **Line 14, Total Requirements 233,780**

USDA Revenue Bond NOTES

Forecasted payoff date is November 6, 2030. USDA Bond originated in 2000 for Basin 1 reconstruction for 2,000,000. See attached Schedule B for payment schedules and year end balances (estimated). A reserve of 10% is required to remain in account.

DEBT SERVICE FUND

Page 5 – Debt Service Fund

- Line 1, Cash Carry Over - The fund starts with a working capital of 23,100. The primary source of revenue is interfund transfers from the General Fund. Most of the funds are saved monthly and placed into LGIP account which draws interest.
- Line 2, Interest
- Line 3, Transferred from General Fund
- **Line 5, Total Resources 415,200**

- Lines 6-9, Requirements: Principal Payments to 3 loans, see schedule B for detailed amortization schedules for all debtors.
- Line 10, TOTAL PRINCIPAL 386,667
- Lines 11-14, Requirements: Interest Payments to 3 loans, see schedule B for detailed amortization schedules for all debtors.
- Line 15, TOTAL INTEREST 4,833
- Line 16, Total Appropriations 391,500
- Line 17, Unappropriated Ending Fund Balance 23,700
- **Line 18, Total Requirements 415,200**

Debt Service Fund NOTES

Infrastructure Finance Authority/Business Oregon, the majority of debt includes multiple loans under the IFA Business Oregon. These loans original combined total was 4,710,825.

Original quarterly payments were 98,767. Restructuring plan in 2009 reduced the quarterly payments to 62,500. These payments are applied to principal only. The Port was granted COVID-19 relief in March 2020. Interest was frozen and will no longer be accruing unless the Port misses any future payments.

The deferred interest may be forgiven at the end of the term in 2030. At the end of the term, interest amount will be 3,148,768. **If this deferred interest is forgiven, the Port will be unable to take out any loans for five years with the State.**

The Port is behind on payments due to State relief from the 2011 tsunami. To decrease this debt, the budget reflects increase of 15,000 to the required 62,500, in quarterly payments, if approved by the board and if financially possible. The total quarterly payment would increase from 62,500 to 77,500. Also, with sale of Port Property and in accordance with the 2009 Restructured Agreement, 80% of the net profit from sales will be submitted.

Forecasted payoff date is March 2030.

Budget Summary

See schedule B for more detailed explanation.

Other Notes Payable, Other debt within the Debt Service Fund includes:

- 50T Marine Travel Lift with m2Lease with a forecast payoff date of February 2025.
- Genie Reach Forklift with Umpqua Bank with a forecast payoff date of November 2023.

See attached Schedule B for payment schedules and year end balances (estimated).

RV PARK IMPROVEMENT DEBT SERVICE FUND

Page 6 – RV Park Improvement Debt Service Fund

- Line 1, Cash Carry Over - The fund starts with a working capital of 0. The primary source of revenue is interfund transfers from the General Fund
- Line 3, Transferred from General Fund
- **Line 5, Total Resources 57,720**
- Lines 6-8, Requirements: Principal Payments to Umpqua Bank/OR FFC Agreement 2020, see schedule B for detailed amortization schedule.
- Line 8, TOTAL PRINCIPAL 39,900
- Lines 9-11, Requirements: Interest Payments to Umpqua Bank/OR FFC Agreement 2020, see schedule B for detailed amortization schedule.
- Line 12, TOTAL INTEREST 17,820
- Line 16, Total Appropriations 57,720
- **Line 18, Total Requirements 57,720**

RV Park Improvement Debt Service Fund NOTES

The RV Park Improvement Debt Service Fund was established per the Full Faith and Credit Financing Agreement with Umpqua Bank in July 2020. Resolution 547 was approved by the Board of Commissioners to achieve a proper matching of revenues of the Port and payment of debt service on the Financing Agreement within each Bond Year. Funds received are budgeted for construction project to Beachfront RV Park.

CAPITAL PROJECTS FUND

Page 7 – Capital Projects

- Lines 1, Cash Carry Over - The fund starts with a working capital of 2,500.
- Line 6, Resources estimated to be received from FEMA for FEMA DR-4432-OR an DR-4452-OR project.
- Line 7, Resources estimated to be received from IFA Business Oregon/State Matching Funds for FEMA DR-4432-OR and DR-4452-OR project.

Budget Summary

- **Line 10, Total Resources 3,582,500**
- Line 12, Requirements for FEMA DR-4432-OR an DR-4452-OR project.
- Line 18, Total Appropriations 3,580,000
- Line 19 – Unappropriated Ending Fund Balance 2,500
- **Line 20 Total Requirements 3,582,500**

Capital Projects NOTES

Primary source of revenue is from State and Federal Grants and transfers from the General Fund for matches to those grants. The Port is always searching for possible grant funding.

PORT CONSTRUCTION FUND

Page 8 – Port Construction Fund

- Line 1, Cash Carry Over - The fund starts with a working capital of 572,000.
- Line 2, Interest
- **Line 5, Total Resources 573,170**

- Lines 6-11, Requirements for the RV Park Restroom and Site Improvements. The Port accepted and executed bid from McLennan Excavation, Inc. and project is scheduled to be completed by the end of 2022.
- Line 12, Total Appropriations 573,170
- **Line 14, Total Requirements 573,170**

Port Construction Fund NOTES

The Port Construction Fund was established per the Full Faith and Credit Financing Agreement with Umpqua Bank in July 2020. Resolution 547 was approved by the Board of Commissioners to segregate accounting apart from other funds of the Port for construction project to Beachfront RV Park.

RESERVE FUND

Page 9 – Reserve Fund

- Line 1, Cash Carryover - The fund starts with a working capital of 215,700. The primary source of revenue is interfund transfers from the General Fund.
- Line 2, Interest
- Line 3, Interfund Transfer from General Funds.
- **Line 7, Total Resources 243,200**

- Line 13, Reserved for Future Expenditures 243,200

Budget Summary

- Line 15, Unappropriated Ending Fund Balance 0.
- **Line 16 Total Requirements 243,000**

Reserve Fund NOTES

Transfers in from General Fund of 24,000 to reserve funds for future expenditures including the following.

- Port Assets, Schedule C, pages 8-10 in schedule section, shows all Port assets, values, equipment and building life expectancy, current value and amount currently saved.
- Matching funds for planned Capital/Grant Projects.

BUDGET COMMITTEE ACTION

1. Approval of Budget

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