

BUDGET SUMMARY

DATE: May 12, 2020
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. More public meetings may be needed to achieve this process.

DOCUMENTS

- Proposed Budget, pkg.

PROPOSED BUDGET

GENERAL FUND

Page 1 - Resources Summary – Detail

- Line 1, Cash Carryover - estimated cash balance as of 07/01/2020
- Line 2, Previously levied taxes, these tax receipts are property taxes from prior years
- Line 3, Interest – Interest on funds held in LGIP (Local Gov. Investment Pool)
- Line 4, Interfund Transfer from Capital Projects (Due To/From)
During the process of a project, the Capital Projects Fund receives advances from the General Fund to finance the projects. These advances are then submitted for reimbursements from governmental funding agencies. When the reimbursements are received, the Capital Projects Fund then returns/repays the advancements to the General Fund.
- Line 6-11, Resources from Program Revenues were estimated using prior 32 months of past historical data and adjusted with the consideration of the aftereffects of COVID-19 Pandemic for the near and projected future. At this time there is no way of knowing all financial repercussions. *See Table on next page for breakout into each department/program.*

- Line 14, Resources from the Sale of Assets – Resources were estimated lower than the 32 month average as no assets are planned for disposal for upcoming year.
- Line 15, Miscellaneous - Resources are based on projected amounts received from prior years from Coos Curry Electrical CO-OP Patronage, Longevity Credit and other.
- Line 16, Long Term Debt Borrowings– Anticipated loan for funding Beachfront RV Park Restroom/Laundry Facility and Upgrades.
- Line 24, Taxes estimated in year levied – These tax appropriations are property taxes from current year levied.

Administration/Moorage/Marina	\$675,255
Beachfront RV Park	\$546,700
Boatyard	\$120,720
Commercial Retail	\$515,000
Fuel Dock	\$900,000
Land Use Events	\$8,540
Asset Sales	\$6,000
Miscellaneous Income	\$29,652
Long Term Borrowings	\$715,000

TOTAL RESOURCES \$7,869,762

page 1, line item #26

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

- Line 1 Salary Port Manager - The budget includes 7% wage increase for Port Manager *(previously approved by the board)*
- Line 2-5, Salaries for Office and Operations Staff – On April 29, 2020, Port staff was reduced due to the COVID-19 Pandemic and loss of revenue for the near and projected future. For the staff, a 3% wage increase is included in the budget. This percentage is based on annual CPI *(Consumer Price Index)*.
- Line 6-8 Costs & Benefits, Workers Comp, and HealthCare & Dental - HealthCare rates increased 18%, this increase is reflected in the budget. All other costs and benefits are in proportion to the wage increases.
- **Line 9 Total Personnel Services 616,830**
- Line 11-22 Materials & Services – Expenditures were estimated using prior 32 months of past historical data. *See accompanying detail sheets for each program/department in the schedule A section for further description on these expenditures.*
- Line 12 Repairs and Maintenance – In addition to recurring expenditures, the repairs and maintenance account includes 178,500 to fund projects. See Schedule Page 13-15 for a complete list of planned projects grouped by year. Below is the list for upcoming fiscal year.

Install Security Fencing at Gear Storage	40,000
Install Catch Basin at Steel Wall	10,000
New Restroom & Pull-Thru Sites & Laundry Building	
N Dock Rebuilding	10,000
O Dock Rebuilding	10,000

P Dock Rebuilding	10,000
Dredging Basins 1 & 2 (FEMA) 38,000 CY	
Basin 2 Slope Repair (FEMA)	
Dredging (FEMA)	
Visitor Building Roof Repair / Replace	10,000
Sealcoat and Stripe Boat Launch Parking Lot	25,000
Retail Trash Bin Enclosure	7,500
Resurface All Land to Dock Ramps (2 Each)	6,000
Install Ramp and Rebuild Work Dock	
Install Security Camera System (Half Port)	45,000
Replace Electrical Enclosure (Port Office)	5,000
2020 Total	178,500

- Line 13 Fuel purchased for resale – Expenditures were estimated proportionally with the Fuel Dock Revenue.
- Line 14 Utilities – Budget includes a 3% increase from previous year’s data.
- Line 16 Bank Services & Finance Fees – This expenditure consists of mainly Merchant Service Fees for credit card processing. The budget shows an increase from prior years, as more customers use this method of payment.
- Line 18 Permits, License, Taxes, Misc. – This account decreased significantly based on the removal of lodging taxes as an expenditure. As of October 1, 2019, Lodging Taxes are accounted as a liability and paid accordingly.
- **Line 25, Total Materials and Services 1,751,740**
- Line 24-30, Capital Outlay – At this time only one major project is planned under the General Fund, RV Park Restroom/Laundry Facility and Upgrades.
- **Line 33 Total Capital Outlay 715,00**

TOTAL ALLOCATED REQUIREMENTS \$3,083,570

page 2, line item #42

Page 3 - Not Allocated Requirement Totals

- Lines 15-19 Interfund Transfers from General Fund to other funds.
- **Line 20 - Total Interfund Transfers 4,706,192.**
- Line 21 – Operating Contingency – Funds reserved for emergencies or as needed. If over 15% is spent, a supplemental budget is needed.
- Line 22 - Total Requirements Not Allocated – Includes interfund transfers and contingency.
- **Line 23 - Total Program/Departments Allocated Requirements – 3,083,5770**
- Line 25 - Unappropriated Ending Fund Balance
 - 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 26 – Total Requirements 7,869,762**

GENERAL FUND TOTAL REQUIREMENTS \$7,869,762

page 3, line item #26

USDA REVENUE BOND FUND

Page 4 – USDA Revenue Bond Fund

- Lines 1 - Cash Carry Over - estimated cash balance as of 07/01/2020
- Line 2 - Interest – Interest on funds held in LGIP (Local Gov. Investment Pool)
- Line 3 Transfers from General Fund
- **Line 4 – Total Resources 230,515**
- Line 5 -10 Requirements: Principal and Interest
- Line 13 – Unappropriated Ending Fund Balance

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- **Line – 14 Total Requirements 230,515**

USDA Revenue Bond NOTES

The fund starts with a working capital of 98,395. The primary source of revenue is interfund transfers from the General Fund. Most of the funds are saved monthly and placed into LGIP account drawing interest.

Forecasted payoff date is November 6, 2030. USDA Bond originated in 2000 for Basin 1 reconstruction for \$2,000,000. See attached Schedule C, Page 8 and 9 for payment schedules and year end balances (estimated). A reserve of 10% is required to remain in account.

TOTAL REQUIREMENTS \$230,515

page 4, line item #14

DEBT SERVICE FUND

Page 5 – Debt Service Fund

- Lines 1 - Cash Carry Over - estimated cash balance as of 07/01/2020
- Line 2 - Interest – Interest on funds held in LGIP (Local Gov. Investment Pool)
- Line 3 Transfers from General Fund
- **Line 5 – Total Resources 452,349**
- Line 6 -10 Requirements: Principal
- Line 12 Total Principal
- Line 13-17 Requirements: Interest
- Line 18 Total Interest
- Line 22 – Unappropriated Ending Fund Balance

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through a supplemental budget, unless necessitated by a qualifying emergency (ORS 294.398).

- **Line – 23 Total Requirements 452,349**

Debt Service Fund NOTES

The fund start with a working capital of 23,602. The primary source of revenue is interfund transfers from the General Fund. Most of the funds are saved monthly and placed into LGIP account drawing interest.

Infrastructure Finance Authority (IFA) The majority of debt includes multiple loans under the IFA Business Oregon. These loans original 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. The deferred interest may be forgiven at the end of the term in 2030. At the end of the term, interest amount will be 3,045,171. If this amount is forgiven, the Port will be unable to take out any loans for five years with the State.
- The Port is currently six quarterly payments or approximately 280,038 behind due to the 2011 tsunami. To decrease this debt, the budget reflects increase of 10,000 in quarterly payments, if financially possible. The total quarterly payment has increased from 62,500 to 72,500 to be paid until September 2025.
- Forecasted payoff date is March 31, 2030.

Other Notes Payable

- Other debt within the fund include the Travelift with m2Lease, the Genie Telehandler with Umpqua Bank and a 'new loan' with Umpqua Bank for the RV Park Restroom/Laundry Facility and Upgrade project.
- The note for the Land Purchase with Tindwinds/Kyle Aubin was paid in full on 04/24/2020.

See attached Schedule C, Page 8 & 9 for payment schedules and year end balances (estimated).

TOTAL REQUIREMENTS \$452,349

page 5, line item #23

CAPITAL PROJECTS FUND

Page 6 – Capital Projects

- Lines 1 - Cash Carry Over - estimated cash balance as of 07/01/2020
- Line 3 – Interfund Transfer from General Funds. These funds estimated to be transferred from the General Fund to fund Capital Projects, with no re-payment.
- Line 4 – Interfund Transfer from General Funds. These funds estimated to be transferred from the General Fund to fund Capital Projects. When the project is reimbursed from designated government entity, the Capital Project Fund will satisfy the debt to the General Fund.

- Line 8 – 18 Resources estimated to be received from various government entities for each project.
- **Line 19 - Total Resources 8,177,150**
- Line 20 – 30 Requirements for each project.
- Line 31 - Interfund Transfer to General Funds - These funds estimated to be transferred from the General Fund to fund Capital Projects. When the project is reimbursed from designated government entity, the Capital Project Fund will satisfy the debt to the General Fund.
- Line 33 – Unappropriated Ending Fund Balance
 - 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 34 Total Requirements 8,177,150**

Capital Projects NOTES

The fund starts with a working capital of 2,500. The primary source of revenue is interfund transfers from the General Fund. 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 grant funding.

For a breakout of projects slated for fiscal year 2020-2021 see LB-11 on Budget Page 6 and/or Schedule E, Page 13 – 15, Future Project Planning.

TOTAL REQUIREMENTS \$8,177,150

page 6, line item #34

RESERVE FUND

Page 7 – Reserve Fund

- Lines 1 - Cash Carryover - estimated cash balance as of 07/01/2020
- Line 2 - Interest – Interest on funds held in LGIP (Local Gov. Investment Pool)
- Line 3 – Interfund Transfer from General Funds. The interfund transfers were significantly reduced due to planned projects for upcoming year, overhead increases, the aftereffects of COVID-19 Pandemic and loss of revenue.
- **Line 7 - Total Resources 157,000**
- Line 15 – Unappropriated Ending Fund Balance
 - 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 16 Total Requirements 157,000**

Reserve Fund NOTES

The fund starts with a working capital of 130,000. The primary source of revenue is interfund transfers from the General Fund. Transfers in from General Fund of 24,000 to reserve funds for future expenditures including the following:

- Port Assets, Schedule D, pages 10-12 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.

TOTAL REQUIREMENTS \$157,000

page 7, line item #16

BUDGET COMMITTEE ACTION

- **Recommended Motions:**

1. *Motion to approve the proposed Budget [as presented] for the Port of Brookings Harbor's 2020-2021 fiscal year.*
2. *Motion to 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 2020-2021 for operating purposes in the General Fund.*