

**PORT OF BROOKINGS HARBOR
CURRY COUNTY, OREGON**

RESOLUTION NO. 2024-03

**A RESOLUTION OF THE BOARD OF PORT COMMISSIONERS FOR
THE PORT OF BROOKINGS HARBOR REESTABLISHING RESERVE FUND**

WHEREAS, the Port of Brookings Harbor is a port district, organized and operated under the provisions of ORS Chapter 777, and has authority to set goals for its reserve balances for long range financial and strategic planning; and

WHEREAS, the Port has reviewed its reserve requirements and determined that it is necessary to establish a reserve policy to define certain reserves and cash balances.

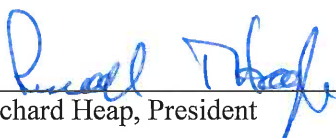
NOW, THEREFORE, be it resolved by the Board of Commissioners of the Port of Brookings Harbor, Curry County, Oregon as the following finding and establish the reserve fund as list below.

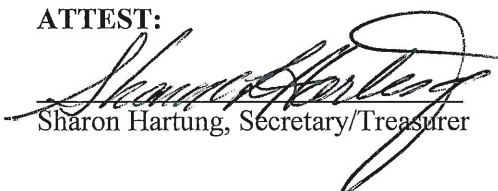
- General Reserve
- Capital Replacement Reserve
- Dredging Reserve
- Landing Fee Reserve

Each of these reserves are defined in Exhibit A Reserve Policy attached to this resolution. The Board of Commissioners shall review the Reserve Policy and the level of reserves in each fund on an annual basis.

All previous reserve funds adopted by resolution that conflict with this resolution is hereby repealed.

APPROVED AND ADOPTED and made effective the same day by the Board of Port Commissioners of the Port of Brookings Harbor this 20th day of March 2024.


Richard Heap, President

ATTEST:

Sharon Hartung, Secretary/Treasurer

**PORT OF BROOKINGS HARBOR
RESOLUTION NO. 2024-03
RESERVES POLICY
EXHIBIT A**

Purpose

The purpose of the Port of Brookings Harbor Reserve Policy is to ensure that the Port has sufficient funding available at all times to meet its operating, capital, and debt service obligations. Reserves should be managed in a manner to fund costs consistent with its annual budget, forward-looking financial plan, and other long-term plans while avoiding significant cash flow requirements.

The Board of Commissioners of the Port of Brookings Harbor may establish reserve funds and reserve minimum balances as it determines to be in the best interest of the Port. The reserve balances are intended to ensure that the Port has sufficient reserves to meet current and future needs. Such balances shall be reviewed by the Board of Commissioners on an annual basis as part of the budget process.

With this Policy, the Port established and segregates the reserve fund to protect the investment in various assets and to meet its financial, regulatory, and contractual obligations. The proper management of these reserves will provide additional assurances that current levels of service quality and reliability will be met now and into the future.

This Reserve Policy establishes the reserve fund and the level of reserves necessary for adequately providing for the following.

- Funding infrastructure replacement
- Cash flow requirements
- Economic uncertainty
- Local disasters or catastrophic events
- Unfunded mandates and regulatory changes and requirements

Reserve Fund

The Port's reserve fund may be generally classified as operating, capital, and restricted funds. A "fund" is a segregation within the Port's accounting system to keep sources and uses of funds easily identifiable and reportable. The reserve fund established with this Reserve Policy is for Port facility.

The cash reserve balance is to be maintained in a separate fund within the accounting system in a manner that ensures accurate tracking of transactions and transparency to the Port's consumers. The Port will follow the standardized methods of financial reporting.

The target reserve levels are considered to be minimum levels for each fund. The minimum reserve balances are intended to support a sustainable financial condition, recognizing the risk and long-range financial planning perspective that is acceptable to the Port. It is intended that interest income generated from the reserve fund remain in such fund.

The following reserve targets are established with this Reserve Policy.

General Reserve

Purpose: The purpose of the General Reserve is to provide working capital to meet cash flow needs during normal operations and to support the operation, maintenance, and administration of the Port. The reserve is intended to reduce impacts from unforeseen events such as increased utility costs, loss of the Port’s customers, severe storm impacts, litigation, and legislative actions. This reserve ensures that operations can continue should there be significant events that impact cash flows.

Target Reserve: The Target Reserve is established as a range between a minimum of 60 days (2 months) of annual operation and maintenance expense and a maximum of 90 days (3 months). (monthly expenses approximately \$189,000)

Capital Replacement Reserve

Purpose: The Capital Replacement Reserve is used to fund future replacement of capital assets and capital projects. The reserve provides for timely repair and replacement of Port capital facilities.

Target Reserve: The Target Reserve amount established is 2 percent of the fixed asset value. (\$19,066,617 Port 22/23 Asset List)

Dredging Reserve

Purpose: The purpose of the Dredging Reserve is to provide funds for yearly maintenance dredging within Basins 1 & 2. Two percent of moorage fees are transferred monthly into the dredging reserve.

Target Reserve: The Target Reserve amount established is \$100,000.

Landing Fee Reserve

Purpose: The purpose of the Landing Fee Reserve is to repair, maintain, and upgrade existing receiving docks.

Target Reserve: The Target Reserve amount established is 10 percent of the fixed asset value of the receiving docks. (\$4,880,470 Port 22/23 Asset List)

Target Reserve Summary

Reserve Type	Reserve Target	Current Proposed Reserves
General Reserve	\$378,000	\$300,000*
Capital Replacement Reserve	\$450,000	\$123,736
Dredging Reserve	\$100,000	\$50,000
Landing Fee Reserve	\$488,000	\$2,500
Total Target Reserves	\$1,416,000	\$476,236

* Property sale money (\$139,388.80) intended for WWTP matching funds, remaining would be \$160,611.20.