

MINUTES
 PORT OF SIUSLAW
 Budget Committee Meeting
 Thursday, 8 May 2014
 100 Harbor St, Florence, OR

ATTENDANCE:

Commission: Commissioner Ron Caputo (Caputo), Commissioner Bill Fleenor (Fleenor), Commissioner Terry Duman (Duman), Commissioner Jay Cable (Cable), Commissioner Nancy Rickard (Rickard).

Committee: Wesley Voth (Voth), Jay Nefcy (Nefcy), Karla Holloway (Holloway); Attending via conference call: Rick Cox (Cox), Absent: Brien Mill

Staff: Port Manager Robert Forsythe (Forsythe), Recording Secretary Dina McClure (McClure)

Budget Officer Robert Forsythe called the meeting to order at 5:32 p.m.

- 1) Introductions were made.
- 2) Nomination of Budget Committee President:
 - Fleenor nominated Holloway. Holloway declined.
 - Holloway nominated Fleenor.
 - Cable nominated Caputo.

There were 4 votes for Fleenor and 4 votes for Caputo. Due to the tie, Fleenor withdrew. Caputo accepted.
- 3) Approval of the Minutes: There are four new board members, one new committee member, and one committee member not present. The Minutes from 6 May 2013 will be incorporated into the record but unapproved due to a lack of a quorum from those who were present at the 2013 budget meeting.
- 4) The Budget Message (attached to these Minutes) was read by Budget Officer Forsythe.

Budget Committee President Caputo opened the Public Hearing.

There being no Public comments, Budget Committee President Caputo closed the Public Hearing.

Forsythe gave updates on the following from FY12-13:

- the kayak rental business operating on port property,
- restructuring the \$250K PVIP loan,
- full cost recovery on fuel costs,
- status of the OSMB funded floating restroom
- the Siuslaw Estuary Trail

There was discussion about adding end of year net profits, in addition to the designated annual \$15K, into the Capital Maintenance Reserve Fund.

Form LB 20:

Fleenor said fuel income covers the cost of fuel but not all fuel related expenses. There was discussion on fuel retail pricing which turned into discussion about full cost recovery. Fleenor emphasized that when other sources of revenue are used to cover the cost of a certain expense, the sources should be identified. Caputo and Duman disagreed on that level of detail and said the bottom line is overall revenue sources cover overall expenses. Fleenor said the port is doing the tax payers a disservice by not having a detailed policy of what revenue sources cover individual expenses. Fleenor re-emphasized the importance of putting funds into a Capital Maintenance Reserve Fund (CMRF) in case of an emergency repair. Holloway said there was \$100K in the Contingency Fund for emergencies. Fleenor suggested allocating 70% of the net/net (after taxes) profit into the CMRF and the remaining 30% put into an employee profit sharing fund. Fleenor added that staff would be more careful with spending if there was a deferred compensation account for their saving efforts. Cable disagreed saying staff may take advantage of the new policy and he advised against it. Fleenor then suggested 50% of the net profit be allocated to CMRF to get it started. McClure said the budget is prepared in April and that number will not be known until June. Holloway said previous fiscal year reports will provide estimate numbers. Fleenor stressed the importance of having substantial funds set aside in a dedicated account for large projects or matching grant funds. Forsythe agreed with the idea of setting aside additional funds and suggested continued conversation be discussed at future board meetings. Fleenor suggested a follow up Budget Committee meeting in October and have staff bring information (cost recovery, capital projects, etc.) for review.

Caputo asked for identification on prior years Miscellaneous Income. McClure only had current year information available at the meeting.

Fleenor asked about surplus property status and Forsythe said he would provide the board with an update in the next scheduled executive session.

Form LB 30:

There was discussion about Debt Service. McClure handed out a detailed report of the port loan status. Fleenor said if there was money in a CMRF, taking out a loan with interest for marina dredging wouldn't have been necessary.

Rickard complimented Forsythe on positive progress. Forsythe said the changes in accounting procedures and consolidating two offices into one has helped.

LB 31 Personnel Services:

There was discussion about Workers Comp and Health Insurance. McClure said Special Districts is going self-funded so higher rates are expected this year but it's still the best deal going.

LB 31 Materials & Services:

McClure said utilities were under budgeted last year so this year's amount has been increased.

Duman asked why Contracted Services is less this year and McClure said the Strategic Business Plan was prepared in house by Susy Lacer instead of hiring outside.

Nefcy asked why the port pays property tax. McClure said the port pays for leased property and Mo's is the only lease that reimburses the port. Nefcy suggested adding the word Leased to the Property Tax line item.

Voth asked what MAP (line 21) was. McClure said these are the recreational boating expenses paid for by the OSMB (Maintenance Assistance Program).

LB 31 Capital Outlay:

McClure said \$145K of the \$217K budgeted for Marine Facilities is for the grant funded floating restroom.

Nefcy said Capital Reserves should be increased in the future as previously discussed.

Holloway asked why there is more budgeted for Facilities than last year. McClure distributed a list of the Capital projects budgeted and said all of the projects, with the exception of getting started on the new campground restroom, the grant funded floating restroom, and the \$15K allocated for CMRF, are contingent on the sale of surplus property.

Cable asked how Forsythe will prioritize the projects when surplus property sells. Forsythe said staff gives recommendations that he will bring to the board. Forsythe added that paying off Debt should be considered as well.

Fleenor asked where on the priority list is the debris boom replacements. Forsythe said staff has found less expensive material and it remains a high priority.

Voth thanked port staff for the maintenance done at Mapleton.

LB 31 Debt Service: Already discussed.

On the MOTION, made by Fleenor, and seconded by Cox, the Budget Committee unanimously approved the FY14-15 Budget as presented, and approved a tax rate of \$0.1474 per \$1000 of assessed value.

Fleenor thanked staff for their hard work on the financials and budget.

ADJOURN 8:25pm.

Budget Committee President