

**MINUTES
MAY 12, 2015**

**PORT OF ASTORIA
BUDGET COMMITTEE MEETING
PORT COMMISSION CHAMBERS**

Call to order

Chair Lansing called the Budget Committee meeting to order.

Roll Call

Committee members present: John Lansing; Mary Iverson; Richard Lee; and Frank Spence.

Committee members absent: Chris Connaway.

Commissioners present; John Raichl; Bill Hunsinger; Steve Fulton; Jim Campbell; and Robert Mushen.

Staff present: Jim Knight; Mike Weston; Matt McGrath; Jim Grey; Robert Evert; Janice Burk; Will Isom; and Judy Farfan.

Introduction

Chair Lansing expressed his appreciation to the public volunteers for the time and service that they give to the Port Budget Committee.

Chair Lansing also noted the presence of more Port staff attending the Budget Committee meeting this year than have been in recent years.

Chair Lansing turned the floor over to Executive Director/Budget Officer Jim Knight and Finance Manager Jim Grey, who explained that due to last minute budgeting changes by staff necessitated the need to update the budget binders.

New Business

1. Election of Chair/Officers

Richard Lee nominated John Lansing to reside as Chair for the Budget Committee. Frank Spence seconded.

Motion carried unanimously.

2. Read Budget Message for Fiscal Year 2015/2016

Mr. Knight read the Budget Message for Fiscal Year 2015/2016 to those assembled. The Budget Message gave an overview of the Port's main areas of concern and concentration for fiscal year 2015/2016.

3. Review Budget for Fiscal year 2015/2016

Mr. Knight went over the first few sections of the budget binder, which included the Schedule Checklist; the Employee Organizational Chart; and Capital Expenditures. The Capital Expenditures section contained the Master Capital Plan, which included all Port infrastructure needs listed by area and cost; and a list of the most pressing needs, selected by Port staff, for the fiscal year 2015/2016.

Mr. Knight then gave the floor to Mr. Grey. Noting that they were working with a balanced budget, Mr. Grey began to review the budget with the assembly.

The sections reviewed were the General Fund; Special Revenue Fund; Piers; Property; Marina; Airport; Boatyard; Tongue Point; Security; and Administration. Staff was available to explain their sections of the budget, and answer questions from the committee members.

Review Budget for Fiscal year 2015/2016 (Continued)

An overview of the sections is as follows:

General Fund:

- Includes a transfer of \$120,000 from the Special Revenue Fund, in anticipation of costs incurred for AOC4.
- An estimated increase has been included in the Property Tax Revenue, as the statements have not been received as of yet.

Special Revenue Fund:

- Excluding the transfer to the General Fund, the Special Revenue Fund is expected to be more than \$600,000 at fiscal year-end.

Piers:

- The proposed revenue for Piers is estimated to be almost \$3.5 million.
- Labor Rebilled revenue shows a decrease, and ILWU Labor Rebilled revenue shows an increase, due to incorrect categorization.
- An increase of approximately \$150,000 in Lease/Month-to-Month Rental Income due to the addition of a few pier 2 tenant rents that were previously incorrectly categorized to Property.
- Other Income shows a decrease, and Dockage revenue shows an increase, due to incorrect categorization.
- Piers Labor expense shows a decrease, and Longshore Labor expense shows an increase, due to incorrect categorization.
- Other Professional Fees shows an increase due to expected costs for Areawide, and Cruise Ship marketing.
- The proposed expenditures for Piers are estimated to be \$953,387.

During the Piers review, there was discussion regarding proposed tariff rates; seafood rate income being applied to the Boatyard; the dredge sinking fund; DSL land rents; the 10% OBD set-aside; pier 3 improvements; cruise ship expense; and legal fees expense for piers.

Properties:

- The proposed revenue for Properties is estimated to be about \$2.6 million.
- Other Income is now at zero due to allocation to GSA.
- The amounts for Property Labor and benefits have decreased due to reallocations, and Legal Fees have increased due to reallocation as well.
- A sharp decrease in Capital Projects Expense due to the completion of GSA.
- The proposed expenditures for Properties are estimated to be \$391,777.

During the Properties review, there was discussion regarding which properties are included in the category; grant income; lease and rental income; and ownership of Gateway Avenue.

Marina:

- The proposed revenue for the Marina is estimated to be \$1,381,800.
- Moorage revenue shows an increase due to a 30% increase in moorage rates.
- Other Income has increased due to the inclusion of parking revenue.
- Capital Projects Expense funds of \$170,000 are allocated for marina dredge permits.
- DSL Land Rent shows an increase, however this amount will decrease as the Riverwalk Inn is moved from Marina to Properties.
- Outside Services expense shows an increase due to the anticipation of contracting employees for the summer season.
- Materials and Parts expense shows an increase due to costs for sea lion deterrents.
- An increase in Advertising and Promotion expense for the pamphlets and updating the Port's display booth.
- The proposed expenditures for the Marina are estimated to be at a deficit of \$138,932, due to a current debt load of \$305,418.

Marina (Continued):

Discussion during the Marina review included moorage rates increases; fuel sales; a sinking fund for marina dredging; parking meters; marina restrooms; and creating separate line items for parking revenue, and credit card fees.

Airport:

- The proposed revenue for the Airport is estimated to be \$6,263,825.
- Utilities Rebilled shows an increase in anticipation of capturing more of the tenant utilities.
- Fuel Sales revenue shows an increase due to the addition of Life Flight at the airport.
- The Grants income covers three projects; AIP 20, AIP 21, and AIP 22.
- Airport Labor expense shows an increase which is allotted to grant writing.
- The amount shown for AV Fuel for Resale is a combination of AV Gas and Jet-A fuel for resale, which will need to be separated.
- The proposed expenditures for the Airport are estimated to be at a deficit of \$40,785, due to a current debt load of \$303,224.

Discussion during the Airport review included striping of the airport road; airport utilities; and Lektro.

Boatyard:

- The proposed revenue for the Boatyard is estimated to be \$223,000.
- The Benefits expenses show an increase as the amount is 50% of the Boatyard Wages expense of \$146,070.
- Outside Services expense shows an increase due to the use of contracted equipment.
- Computer and Internet expense increased due to the need to replace the boatyard computer.
- Materials and Parts expense increased due to the need to replace parts on the travelift.
- The proposed expenditures for the Boatyard are estimated to be at a deficit of \$88,408.

Discussion during the Boatyard review included the utilization of available space; and an impending recommendation from the Boatyard Committee.

Tongue Point:

- The proposed revenue for Tongue Point is estimated to be \$627,000.
- Utilities Rebilled shows a decrease due to a lack of vessels.
- Wages and Benefits expenses show an increase due to a reallocation of labor.
- The amount for Capital Projects Expense is allocated to improvements for the Pier 4 approach.
- The proposed expenditures for Tongue Point are estimated to be at a deficit of \$246,800, due to a previous lack of allocating labor to Tongue Point.

Discussion during the Tongue Point review included the electric demand charge; and a need for management at Tongue Point.

Security:

- The proposed revenue for Security is estimated to be \$200,175.
- Wages and Benefits expenses show an increase due to additional part-time personnel.
- Materials and Parts expense shows an increase for estimated repairs for Security vehicles.
- The proposed expenditures for Security are estimated to be at a deficit of \$168,138.

Discussion during the Security review included rebilling for labor; the Security grant from last year; and contracting for security.

Administration:

- The proposed revenue for Administration is estimated to be \$674,500.
- Ticket Revenue has been moved to Marina to offset the new parking meters.
- Insurance Expense of \$175,000 covers several departments.
- The proposed expenditures for Administration are estimated to be at a deficit of \$662,102.

Discussion during the Administration review included the Security grant which had previously been lumped in with the Administration budget.

Adjourned

Next Meeting Dates

- Budget Committee Meeting: Tuesday, May 19, 2015 at 12:00 PM

Adjourned

APPROVED:

John Lansing, Chair

Respectfully submitted by:
Judy Farfan, Executive Assistant

Date Approved