

Executive Director's Budget Message

I am pleased to present the following proposed budget for the Port of Astoria 2020-21 fiscal year. The proposed budget figures are based on the revenue that will be generated (resources) and expenses that will be made (requirements) beginning July 1, 2020 through June 30, 2021. This budget represents our best estimation as to the resources, operational and capital requirements for the upcoming year. More importantly, this budget represents our desire to move the Port forward, even as we face unprecedented challenges.

Challenges

Revenues from the various industries we support, such as cruise lines, hospitality, recreational/commercial fishing and aviation, have been decimated due to COVID-19. This will likely continue to deeply impact the Port and make it imperative that Port management be frugal and fiscally responsible in order to weather this storm. It is important that the Port look for opportunities that may arise through this pandemic that can position us to be in the best position possible when the economy begins to reopen and recover.

Budget Overview

The proposed budget places an emphasis on prudent management of Port operations, while still providing for significant investment into Port capital and infrastructure that is in alignment with our recently conditionally-approved strategic business plan. Of the Port's \$15.7 million budget, less than 5% of resources are generated through property tax levy, which is estimated at \$783K based on \$.1256 per \$1,000 of assessed value. Total capital expenditures are budgeted at \$8.6 million, an increase of \$2.8 million over prior year. Conversely, personnel services, materials and services and debt service are budgeted at \$1.6 million less than prior year. Overall operating expenses are projected to decrease by 18.4%. Full time equivalencies for the upcoming year are projected at 27 FTE. This is a 12% reduction over prior year and a 20% reduction since the 2019 fiscal year.

Grants & Capital Projects

The Port of Astoria has recently agreed to terms with Business Oregon that will defer debt payments until May of 2021 and freeze interest. This will allow the Port the cashflow necessary to leverage grant funds and invest in our assets. The Port has also contracted with a grant writer and will be aggressively pursuing grant opportunities in the coming year. Additionally, the Port will continue to work with Business Oregon to get a final approval for the Strategic Plan. Significant projects in the coming year include rebuilding the airport apron, west marina dredging, pier 2 repairs, piling replacements and east basin causeway repairs. The level of outside funding the Port is able to secure will determine the time frame in which the Port can complete the many deferred maintenance projects that exist.

Due to the current economic circumstances and the urgency of capital needs, I am recommending that the Port transfer \$532K from the special revenue fund to the general fund to cover a portion of capital needs in the coming year. The Special Revenue Fund is a commission-earmarked fund that was originally setup to account for timber tax receipts to be generally used for capital outlay.



Conclusion

In consultation with Port management and staff, the proposed FY 2020-21 budget is my recommendation to the Budget Committee for approval. As Budget Committee members, you may adjust the proposed budget before approval. I would like to extend my gratitude towards the community volunteers on our budget committee. Your input and feedback are vitally crucial as a check and balance mechanism to ensure that the public assets the Port is tasked with managing are done so in a fiscally responsible manner.

Lastly, I want to thank the Port of Astoria Commission and staff for their continued dedication to the Port. The Port faces great challenges, but with that challenge comes great opportunity. I feel fortunate to work with such great people, that despite facing a global pandemic, has kept the Port functional and moving forward. Their commitment, persistence, and willingness to adapt is commendable. Even in the most difficult of times, it is important that the Port carries out its mission of safely and environmentally responsibly managing our assets in a manner that leads to economic growth and job creation.

Will Isom
Executive Director