

PORT OF ASTORIA

BUDGET COMMITTEE MEETING

JUNE 11, 2009

**1. CALL TO ORDER/ROLL CALL**

Commissioner Larry Pfund, President, called the Budget Committee Meeting to order at 4:07 pm.

Persons present were:

Commissioners: Larry Pfund, President; Bill Hunsinger, Vice President; Floyd Holcom, Treasurer; and Dan Hess, Alt. Secretary/Treasurer.

Budget Committee Community Members: Chris Connaway, Richard Lee, Bill Harris, John Lansing, Clarke Powers and Andrew Bornstein, Alt.

Staff: Jack Crider, Executive Director and Colleen Browne, Finance Manager  
Janet Farstad

**2. BUDGET COMMITTEE ELECTION OF OFFICERS**

Dan Hess nominated John Lansing as Chair, seconded by Richard Lee and unanimously approved. Meeting was then turned over to John.

Clarke Powers questioned:

1. if John Lansing is an agent of the Port thereby excluding him from participation. Jack Crider responded that was he is an agent of SeaPort, no direct benefit being on the Budget Committee. Floyd Holcom said even though the committee makes recommendations, the board makes the decisions.

2. not an equal number of commissioners to community members due to vacancy. Janet Farstad responded that a quorum was needed allowing for 1 or 2 to be missing.

**3. PROPOSED BUDGET FOR FY 2009-2010 PRESENTATION**

**3.A. BUDGET MESSAGE**

Colleen Browne read the Budget Message that included four goals:

1. Control of North Tongue Point through purchase or lease.
2. Rehabilitation of Piers and buildings to increase revenues.
3. Financial recovery of past environmental and property losses.
4. Strategic Planning, Administrative structure and controls.

Floyd Holcom said it should be supplemental goals to existing Strategic Plan.

**3.B. BUDGET**

Jack Crider started the budget detail that it was a large budget to try and include a cushion to cover any potential expenditure.

RESOURCE SUMMARY

Operating revenues	\$5,199,376
Property/timber tax	\$1,087,903

Loans	\$5,220,000
Grants	\$7,359,900

**EXPENDITURE SUMMARY**

Operating Expenses	\$4,641,389
Debt Service	\$2,056,736
Capital Projects	\$12,917,000

<b>TOTAL BUDGET</b>	<b>\$21,022,001</b>
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Jack then went over existing projects that will go into next year and future projects, showing photos of the sites.

**PIERS**

Pier 1

Ballards	\$20,000
Electrical re-routed	\$18,000
Yokahoma for larger cruise ships	\$50,000
Bull rail repair	\$1,000
Guard shack power	\$5,000
Public access safety system	\$3,000
Bouys	\$2,000

Pier 2

Parking lot (required by City)	\$5,000
Fender pile replaced on east side	\$50,000
Fender hoops replaced	\$6,000
East side deck, replace w/concrete	\$50,000
Light repair	\$4,000
Face camel	\$10,000
Fire system	\$5,000
Bull rail repair	\$7,000
Face – Connect II	\$485,000

**PROPERTIES**

Volcano cover	\$1,000
Overbay roof	\$12,000
Dredge repairs	\$8,000
Restaurant roof/paint	\$12,000
Front end loader	\$10,000

**MARINA-BOAT YARD-HARBOR**

West Boat Basin

Entrance hump testing	\$5,000
Wireless internet	\$8,000
T-dock electrical	\$120,000
Entrance lights/signs	\$5,000

East Boat Basin

Causeway approach	\$7,000
Causeway railing	\$8,000
Breakwall dock	\$400,000
Security cameras	\$5,000
Sea lion island/railing	\$10,000
<u>Boatyard</u>	
Electrical	\$60,000
Vessel pump out	\$15,000
Recycle center	\$5,000
Stripping/signs	\$3,000
<u>Harbor Services</u>	
Vessel fire pump	\$15,000

### **AIRPORT**

New T-Hangar Taxiway	\$350,000
New T-Hangar	\$400,000
Terminal Heating	\$2,000
Ditching/Brush cutting/Chemicals	\$7,000
AV/Jet truck repair	\$4,000
Fuel tanks painted	\$1,000
Runway stripping	\$40,000
Bar Pilot building remodel	\$20,000
T-Hangar electric access panels	\$3,000
Backup generators x 4	\$20,000
Truck shelter x 3	\$6,000
New rotation beacon, safety issue	\$100,000
Fire truck improvements/training	\$10,000
Sweeper, snow plow, mower	\$25,000
Industrial park fill	\$5,000

### **TONGUE POINT**

Acquisition/fender pile	\$6,000,000
Rail access	\$500,000

### **SECURITY**

<u>Environmental</u>	
Sediment testing	\$20,000
Dredge compliance	\$7,000
Storm water filters	\$4,000
WOW wetland	\$2,000
Upland disposal site	\$10,000
Core vibratory lease	\$5,000
<u>Security</u>	
Electric gates, card readers, fencing, And cameras	\$200,000

## ADMINISTRATION

Director of Operations	\$100,000
Office Administrator/Accounting	\$75,000
Audit/financial prep.	\$55,000
Old property taxes	\$10,000
Legal – regular	\$75,000
Legal – Property for AWC	\$25,000
Consultants (PS)	\$60,000
P. Gerin legal	\$40,000
Past wharfing	\$20,000
Office carpet	\$12,000
County loan repay	\$100,000
Strategic Business Plan	\$65,000
Computers/server	\$10,000
Print advertisements	\$25,000
Radio advertisements	\$5,000
Federal lobbyist	\$25,000
CEDR	\$3,000
Violations	\$100,000
Web site	\$10,000
Associations	\$12,000
WOW repayment	\$12,000
Insurance deductions	\$20,000
Fish Expo	\$5,000
Fiber optics line	\$10,000
Pedestrian Trail lighting	\$400,000
Pedestrian Trail	\$732,000
MSRC building	\$800,000
Pier 1 building	\$1,800,000

## 4. DISCUSSION OF BUDGET

### 4.A. Committee Recommendations

- Meeting times start at 6:00 pm
- Budget Message included with budget document
- Loan balance on detail sheets
- FTE total seems out of balance
- Page 4 – Boat Yard x 2
- Carry East Basin line item for federal audit requirements
- Notice of meetings 10 days in advance

### 4.B. Discussions

Personnel cost increase by 20% due to 2 new positions, FTE down 1.  
Need to add \$60,000 to payroll for Union contract renewal (July 2010).  
If LNG goes in, they will need to install ILS per FAA requirements.

Page 19. Other Resource this year is FEMA reimbursement.

Dredge contracts normally \$10/yard, looking for \$3-\$4/yard.

Page 21. DSL land lease is for submerged lands, quite an issue. DSL ownership is questionable and the Port has hired attorneys to look at case law. Need to sever Port DSL land issues from State land issues.

Page 26 Utilities rebilling is more under control and generating positive cash flow. Some tenants in buildings have cost included in rent, no meter.

Taxes are from old tenants vacating and not paying them, negotiated amount down to one half. Budget moved all lease rents to Properties, along with their loans.

Page 30. Pedestrian Trail is following railroad right-of-way, condition for moving if necessary.

Page 32. T-dock will increase revenue.

Marina expenses were cut in half for Boatyard fund.

Page 35. Other is for paint balls being used on sea lions (as approved by USDF&W).

Page 49. Fire truck training by Coos Bay Fire Dept. after modifying to allow for nozzle to turn from inside truck. US Coast Guard will only respond if available, need Port to be ready for emergencies even though it's not required by FAA for the passenger service. Newport trains at Moses Lake.

Working on Air Cargo, locating by Lektro.

SeaPort currently under contract to buy fuel from another vendor. Plans to buy fuel from Port when the contract expires.

Page 56. Port has potential tenants but they can't wait forever. Imperative to find funding for purchase. It went from Letter of Intent to Purchase Sale Agreement and then stopped at exercising the Agreement. The Principle vetoed the sale for "internal issues".

Page 60. Increase due to more cruise ships. Need to install finger print scanner and electronic gates. Security camera's seemed low.

Page 69. Year 2008/09 includes FEMA work.

Other:

Timber taxes decreased due to no market for timber sales.

Past due tenant accounts are being caught up, not a real issue.

Bad debt is low as almost all charges are collected, only budgeted \$1,000.

Budget presentation was complimented as being best ever.

## **5. ADDITIONAL MEETINGS**

Thursday, June 18 at 6:00 pm.

## **6. ADJOURN at 6:30 pm.**

Submitted by Janet Farstad


APPROVED



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John Lansing, Budget Committee Chair

ATTEST:



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Dan Hess, Commission Alt. Secretary/Treasurer