



PUBLIC MEETING: **Port Commission Meeting**

DATE: **Thursday May 26<sup>th</sup>, 2022, 6 pm**

LOCATION: **House 3**

**1. Meeting called to order at 6:11 pm**

**2. Roll Call**

- President Groves
- Vice President Lorang
- Commissioner Caldwell
- Commissioner Stipan
  1. Budget Chairperson VanWinkle
  2. Budget Chairperson Peterson
  3. Budget Chairperson Zwanziger

**3. Declaration of Potential Conflict of Interest**

**4. Public Comment**

**5. Review of Revised Budget**

- Format of the budget has changed to be able to have more clarity. Per committee request, financial information has been separated by asset. Administrative is the first function and has been separated to show to indirect expenses; not easily attributable to any specific asset but include office and staff.
- General and other includes other activities that the Port is apart of but are not essential such as membership fees for professional organizations and community services.
- The Toll Bridge section is an asset that remains as stated in the previous budget.
- Marine Park properties is a group of assets that includes revenue and expenses as well as Business Park and Harvey Road recreational areas. BC VanWinkle asks if the other section of the Marine is the same as the section to do with Marine Park and Recreational. GM Kaganova says it is different. BC VanWinkle asks about the overhead labor, GM Kaganova says it is not distributing over columns. BC VanWinkle says that Maintenance is distributed per row instead of column, GM Kaganova says that is correct. It helps to show which assets work for us and which ones do not. BC VanWinkle says it helps to have things organized like that incase something doesn't go well.
- Events and Parking

- Marina has been separated, Campground has stated the same as presented, as well as Commercial Properties. Sternwheeler was separated from other activities and includes revenues from the operation of the sternwheeler and expenses associated with it.
- P Groves asks the other column, GM Kaganova says it deals with landscaping, staffing, pipes, is apart of Park but everything that has to do with security is in another section. P Groves asks how GM Kaganova came about the number from "Other" under the Marine Park section. It starts with \$3,500 from the Marine Board that helps upkeep restrooms. OM Blue asks if we charged an amount to come in, it would fall under park, GM Kaganova says yes. If Maintenance moves chairs for a wedding, it goes into Events. P Groves says that this is the first time he's been able to see Park costs on paper. P Groves asks where the amount from General Fund came from, BC VanWinkle asks if this is also what we will start with for the fiscal year, GM Kaganova replies that yes this is what we are projecting to start with. BC Zwanziger says he remembers having a different amount from last, BC VanWinkle asks if this is going to be a surprise going into the year with the new amount. GM Kaganova says that it has to do with budget cuts such as the Accountant Position which has been open for about 9 months. It also deals with Debt Service not beginning yet, it will have about a \$50,000 positive instead of \$150,000 negative. C Caldwell asks if it changed with not having the Marketing position since 2020-2021 and not employing the Event Coordinator as well and that it always changes.
- Last meeting, the committee discussed a cash toll increase to match POHR rates for box truck vehicles and axel classes 3-8 per dollar with either BreezeBy or cash. This increase will move some people towards BreezeBy and adjusted the revenue to reflect the drop. The projected amount increased \$500,000 from the last amount discussed.
- City indicated interest of sharing Security Costs; revenue is reflected in the Parking Program column. To begin with, the Security program was going to be taken away but with City involvement, they can bring it back.
- Accountant position has been reflected into the budget due to the importance.
- SBP is in progress and to be able to have extra help from the accountant, instead of the current Accounting Specialist doing all the work. GM Kaganova had a concern about leaving the Bridge Reserve Fund as low as it was, Bridge Toll increase allows it to become \$700,000 more. This allows for painting projects and \$500,000 left over from the previous year that was incurred, but not paid, for ODOT helping with the repair in the last

year. P Groves asks about the Flex 6 reserve fund, GM Kaganova says it would be used in case that we won't have loans from tenant. The reserve fund shows that it can be paid towards the letter of credit fully.

- Other anticipated expenses that haven't been specified yet, have been moved to contingency. The amount in contingency for next year is \$907,311. BC Zwanziger asks if that would be for grant money towards the museum. GM Kaganova says that in the second column of general and other, these are the services the Port provides that aren't essential but part of our mission. Community Services has \$53,600. She gives an example of the museum putting in a grant for the museum. C Caldwell asks where we are ending in the contingency fund even if we haven't reached June 30. GM Kaganova says that it is for the unidentified expenses but there won't necessarily be an amount left from the previous year. P Groves says that to the public, these amounts and line items may not make sense. GM says that is why she has it explained in the budget addendum. BC Zwanziger says the museum is losing the Magical History Tour and that they will not be able to give tickets with museum admission. It sets them back \$23,000. BC VanWinkle asks for the reason of these ending, GM says Port and AWI are in contract negotiations and apart of the agreement is to include the Magical History Tour be included, meanwhile AWI is not able to commit to it without a contract in hand. BC Peterson says for the big expenses that changed from 21 to now, the Legal Services of \$320,000 wasn't there previously and asks if it will now be there for the next following years. GM says that it was trying to be avoided the past 2 years, but costs came up. BC Peterson asks if the Commission fee for the Flex 6 is common, GM says that it isn't historically but helps to be able to plan for these costs. P Groves asks why the Port would pay \$150,000 upfront and why not per year, GM says it doesn't work like that, they said it would not help to have it spread out over 5 years. When we have a tenant and have an agreement, we can negotiate the Commission fees but expected expense for 5 years at 5%. GM says that this would be the only way we get a tenant into Flex 6. GM gives an example of buying a house without needing a broker/real estate agent, but with the building being vacant, we have a bigger risk of payments. BC Peterson points out the materials and services with Debt Services, comparing it to 2021 of \$606,113, versus 22-23 proposed amount of \$1,043,787. This year, we are planning on having a Flex 6 payment of \$446,814. BC Peterson asks if we have a grant payment period that doesn't need to be paid until the end of the year. GM replies yes but this also gives an opportunity to use it. BC Peterson asks if we have paid a commission fee for the pFriem building, GM says no because it was built

to pFriem specs and haven't had this happen to where they needed to find a tenant for the building. BC Peterson asks if the cash increase affects CL residents with BreezeBy, GM says that they are matching it to POHR with box trucks and up. Locals for CL and Stevenson won't see the dollar amount.

## **6. Public Comment**

- BC VanWinkle likes what she sees and the changes. She adds that the bridge is basically a business and with a business this large does need to have an accountant. She also says she hopes that Port would meet quarterly to discuss the bridge, GM says we do, we have this presentation at the Commission meetings.
- P Groves asks about the
- BC Peterson says that there have been quite a few expenses, but we are also coming back from COVID. There is flexibility potential in the commission fee and agrees this looks like a good budget for 22-23. He says that we should try to find more ways to find an accountant and paying the Flex 6 loans, trying to stay from bridge tolls. He says it would be nice to see revenue coming from other ways such as Flex building tenants.
- C Caldwell asks how much we have in the contingency; GM says we have spent about \$130,000. C Caldwell asks where the remaining amount of the contingency will go, GM says it moves to General Fund. C Caldwell says we are expecting \$700,000 more for contingency and where it comes from. GM says that it comes from both the projected \$1.5 million and the total resources amount of \$6,543,635. Following these amounts, total materials and services, total personnel and wages, total capital outlay, and total requirements coming to \$6.1 million, ending the fiscal year with \$402,127. P Groves thinks Port should pay for pFriem expansion from the \$2.4 million grant amount. P Groves says he believes it's a loan we can pull from, GM says that typically the loans are reimbursement based. VP Lorang says that with pFriem and we pay for everything, why would we pay it towards that instead of using it for infrastructure to get a business plan together to build something to generate money on the East side of town, to offset the debt from the bridge. P Groves what he is looking at is if we own the building, and they pay every month, we can use the payments because it will be more fluid. VP Lorang says that it will take us a long time to be able to have any ground to use it for anything and with the money we have now, we should use it for something new in the way of infrastructure. BC Peterson agrees we should use it towards infrastructure and with the new toll rise, we can use it towards the interest rate from the

loan. GM points out that this discussion is a great way to show what we will need to strategically think through for the next year. We will jump into SBP in July. BC Peterson says we should have a plan together by the end of the year to be able to spend the 2.4 million, by 2024. P Groves says we have a lot of plans but just aren't sure what they will cost.

- VP Lorang likes this plan, and it helps to have funds for items we don't know and when they come up. BC Peterson asks if the 2.4 million will be used to t build the sidewalk on the bridge, GM says it will go towards buildings. C Caldwell wants to wait a week to look at it and come back and vote.

#### **7. Approval of 2022-2023 Budget or Set Another Meeting Date**

**VP LORANG MOTIONS TO APPROVE THIS BUDGET**

**BC PETERSON SECONDS**

**P Groves – Yes**

**VP Lorang - Yes**

**C Caldwell – No**

**C Stipan – Yes**

**BC VanWinkle – Yes**

**BC Peterson – Yes**

**BC Zwanziger - Yes**

#### **8. Approval of 2022-2023 Taxes**

**VP LORANG MOTIONS TO APPROVE THE CURRENT TAX RATE**

**C CALDWELL SECONDS**

**Unanimous 6-0**

#### **9. Adjournment at 7:26 pm**