



PUBLIC MEETING: Budget Committee Meeting

DATE: Thursday **May 30, 2023, 6 PM**

LOCATION: Cascade Locks City Hall 140 Wa Na Pa St, Cascade Locks, OR 97014

<https://us02web.zoom.us/j/85806615790>

MINUTES

- 1) Commission meeting called to order 6:03 PM
 - a. Pledge of Allegiance
- 2) Roll Call
 - a. President Groves
 - b. Vice-President Lorang
 - c. Commissioner Caldwell
 - d. Commissioner Stipan (excused)
 - e. Commissioner Bump
 - f. Community Representatives (CR) – BCVP Albert Nance and Donna Mohr
 - g. Members of the Staff – IGM Jeremiah Blue, Accountant Chuck Mosher, Accounting Specialist Melissa Warren, Secretary Keriane Stocker, Maintenance and Construction Manager Todd Mohr; Zoom Attendees – Matt Apken Managing Consultant Merina+Co
 - h. Members of the Public – Zoom Attendees – Olga Kaganova
- 3) Declarations of Potential Conflicts of Interest
 - a. Community Representative (CR) Mohr and C Caldwell declare potential conflicts of interests.
- 4) GM Follow-ups from Previous Meeting
 - a. In reply to the committee's questions during the last meeting, GM Blue states that, in Administration, the \$100,000 in Contracted Services is for the Port's copier lease, MCEDD contract, SDAO services and Moss Adams services. In General, the \$15,000 in Revenue is from memorial benches and trees. The \$287,500 in Repairs & Maintenance is for rentals, repairs, electrical work, building repairs, plant and pest control, janitorial and landscaping. As a reminder, the committee approved to put \$500 in Promotion and Advertising, in Campground. And in Marina, the committee approved to put an additional \$50,000 in Contracted Services for dredging.
- 5) Continuation of Review of the Budget Detail
 - g. Sternwheeler
 - i. CR Mohr asks if the plan is to run the boat for one month and see how it does. GM Blue replies that at this point in time, there is not a plan to operate the Sternwheeler. The last direction given by the Commission was to continue to look for an operator. However, just the process of keeping the boat ready to be a vessel that could be operated is moving the Port down the path of having to do one or the other, find an operator or for the Port to operate the vessel. He admits that he is in a bit of a spot where he has to plan for what the Commission could potentially say. The budget is presented based on the scenario that the Sternwheeler would be running from July to October, with multiple cruises throughout the week, probably Thursday, Friday, Saturday, Sunday, but again, sort of those business decisions are going to get made probably after the fact He feels the revenue is potentially a little on the conservative side, but I would definitely rather err on the conservative side in this particular year because he had a really tough time judging the expenses because AWI did not given

them a lot of information on the costs that they have. GM Blue states that the Sternwheeler would basically be a break-even boat. C Caldwell asks who will be in charge of [managing] and the advertising, if it will be Brittany (Berge, Special Projects Coordinator). GM Blue replies that he will have to see, there is a plan to have a Sternwheeler Manager (position) outside of what Berge will do. For the most part, he believes that he and Berge will probably play a large role. He states that the Sternwheeler has the potential to be a fairly huge revenue generator, however figuring out what it can generate, what makes the most money, how the Port is going to advertise it and the best places to advertise it, he does not know if that is something Berge can take on or the even the Port can take on themselves. BCVP Nance asks, if the presumption is that the Sternwheeler will be a resource from July (2023) to June (2024), from a money coming in standpoint, should they assume that July would be used for preparation and operations would only be from August to September. GM Blue replies that the Sternwheeler is as close to the position of the Port to take it over starting in July, if that is the wish of the Commission. He explains that a lot of those things have not been done with the intention of (the Port running it), it is just what the Port has to do to jump through these hoops with the Coast Guard. Regardless of if the Commission puts the brakes on it or an operator comes and wants to run the boat, it needed to be done for the Sternwheeler to be able to run in July. CR Mohr asks if all of that, the \$70,000, was spent out of last year's budget. P Groves answers that it is coming out of the ARPA funds. GM Blue clarifies that it currently came out of Contingency. He is working on another grant source and if the Port is awarded that money, the costs will come out of that fund rather than ARPA. BCVP Nance summarizes that at the end of the day, there are huge asterisks next to this budget but also that the income and outgoing are basically even.

h. Other

i. This department was discussed in the previous Budget Meeting on May 25th.

i. Events

i. GM Blue admits that there has been some strategic oversight with the Events department but is definitely an area that has to be considered. There has to be someone that goes around, getting the keys and making sure [clients have] cleaned up. GM Blue states that it is a fact that the Port undervalue the park a little bit. He explains that they fall somewhere in between a white-glove service kind of place and a public park. There is nothing cooler than getting married on an island in the middle of a river but it is also a public park, so there could be someone barbecuing or playing the guitar, just all the weird things that have happened when weddings are happening. GM Blue states that he would like to see the Port go after more events like PCT days and Blues, Brews and BBQ. He would like to see more single events where they come in and it's all the responsibilities are on them, security, port-a-potties, parking, and then charge a higher fee for those. He expresses the challenges is that it takes a lot of effort and work for what constitutes not a huge return. CR Mohr suggests raises the fees on weddings. GM Blue states that it is definitely a possibility, however the Port is still figuring out a happy medium. BCVP Nance inquires about the bridge that goes to Thunder Island, wondering if there are plans to repave it or make it bigger. MCM Mohr replies that he does not know a ton of the history of it, but it is supposedly at the end of its lifespan. To his knowledge, there is a 10,000-pound weight limit and the backhoe the Maintenance department would like to get exceeds. P Groves admits that it has been a concern of his, as there is no engineered weight limit. BCVP Nance adds that he feels it would be greatly beneficial to the community if the Port considered updating the bridge for

weddings, reinforcing it so Maintenance can get across, and potentially putting up nets so incidents like what happened recently does not happen again. VP Lorang comments that he also did some concept sketches several years back. CR Mohr points out some issues with CGRA (Columbia Gorge Racing Association), including that they have been taking advantage of the Port for years and have gotten a lot of services for free over the years. GM Blue replies that, in recent years, they do not get nearly as much for free as they used to the Port has also spoken with CGRA about the view the community recently has of them and CGRA has connected with GCC (Gorge Canoe Club) to work with them. C Caldwell states that the Port put money into studies to also make the Business Park a recreational site, for swimming, sailing and canoe, and the Port has not put the energy into working out that vision. BCVP Nance asks about the disc golf course in the Business Park. GM Blue replies that it is his knowledge that when it was originally put in, there was the understanding that the area would not always stay a disc golf course. MCM Mohr adds that it does get used, but nominal. Warren also interjects that the Port provide \$10,000 to pay for all the baskets but would not fund the upkeep. BCVP Nance asks about easyCLIMB. P Groves and MCM Mohr reply that Northwest Trail Alliance (NWTA) helps with the bike trails. P Groves points out that a lot of groups approach the Port, requesting help and wanting something from the Port. The commissioners have to decide what they are going to do, they want to strengthen community relations and they want to do things but after a period of time, it comes down to who is going to pay for it and who is going to do the upkeep. Before moving on, CR Mohr makes one last comment that the figures are misleading because there is no maintenance listed in the Events fund, and does not show setting up chairs, taking down chairs, cleaning the pavilion, putting up a tent, etcetera. GM Blue explains that they had to make that decision because, like with the Bridge, there are things that maintenance just does that is their function but they don't really make money. He states that if anything, it would be better to put some of this revenue back in on their side and so that they help generate revenue as well, but he understands what CR Mohr is saying. P Groves asks, in the fees that they charge for events, if there are any maintenance fees charged as well. CM Mohr explains that there is a \$75.00 per hour fee figured into the (wedding) packages, and there is also the deposit fee that they can pull from if the cleanup is excessive. P Groves says that those fees should be reflected in the figures. GM Blue explains that this goes back to the public budgeting process and what needs to be reflected to the government compared to actual business decision-making, Excel spreadsheets that Chuck can create. P Groves then suggests the commissioners should be provided a separate document along with the budget document for them to correlate to.

j. Parking

- i.** CR Mohr questions, if the Port can make \$60,000 doing nothing, why would they hire someone and only pay \$1,000. GM Blue admits that when he did the Resources for Parking, he did not have his 2022-2023 estimates, so he is quite surprised at how much it made this year without enforcement. He probably would have increased that by maybe another \$20,000-\$25,000. He also explains that there was a little trepidation because he did not know what the Sternwheeler was going to be doing and a fairly large part of the parking fees, they collected for us and then gave it to us and it was a fairly decent sized number. He was pleasantly surprised with \$76,000, and \$80,000 is probably very conservative. The Port also spent a very large amount of money into security programs together, as that has always been sort of the direction of the Commission, that they wanted a security guard. This (parking) project was supposed to

help fund that position so they were doing some parking enforcement and then some security work. It is something that the Commission will have to figure out, but that position was funded last year, partially. It was supposed to also be partially funded by the City, but that never happened, so that position never got filled. The City has reached out to the Port about splitting between parking enforcement and code enforcement, so there is a potential opportunity there to partner with the city, it may probably be parking enforcement in the summer and then security more towards in the winter. BCPV Nance asks if the Port \$77,000 on just the goodwill of people being scared of getting a ticket. GM Blue replies that essentially, yes, it was based off of goodwill. P Groves states that he is not aware of any place that has a parking program that does not also have parking enforcement. He also points out that the Port made this much money, (if they had security to enforce it), they could have made a lot more. He also adds that there is not a whole lot of law enforcement time in the town, so this [position] would not do law enforcement but they see, and they watch while they drive around in a marked vehicle. The position would be helpful to the community quite a bit to have that presence around. CR Mohr asks about the security truck. Warren replies that it has been 100% paid already for with money from COVID. C Caldwell inquires about cash payments and the iron ranger collection box as she noticed the back is open on it. GM Blue explains that if the back is open, they are done collecting for the day. The Port ran into trouble with people breaking into it, and if staff cannot collect the money, it can easily become a few days in between collection and the chances of it getting broken into is higher. They have decided to collect the money during the day and leave it open once the money has been collected. C Caldwell points out that she has seen the back open, and how does that prevent someone from not taking the money out right after. GM Blue explains that if the back is open, they are not collecting, and payment is not required. He admits that the Port is definitely missing out on parking money but is saving a lot more not having to constantly replace the lock because it was broken into.

k. Development Fund

- i.** CR Mohr confirms that the \$5.4M is no longer there because it was moved to Capital fund. Mosher concurs and explains that it was for the pFriem Expansion. Apken also adds that the reason it is shown as a Resource is because the Port refinanced the loan with Umpqua Bank. He also states that it is also listed in Debt Services in the Non-Allocated fund. CR Mohr asks if they spent the \$1M dollars for the pFriem expansion. P Groves replies that they spent a little more than that, about \$1.2M. CR Mohr points out then [\$1.2M] should be in the (2022-23) Estimate. Warren replies that it was not part of the same year. CR Mohr then asks if the \$200,00 was spent in the year before that. GM Blue answers that she is right, the 2022-23 Estimate should have been updated to \$1.2M. CR Mohr asks whether the Port has not spent any of the ARPA money for 2022-23. Warren replies that they have, explaining that it is in the Resolution (2023-2). GM Blue clarifies that it was intended that they use ARPA funds to pay for the repower and rehabilitation of the Sternwheeler, however if the Port is awarded the grant request that he is currently working on, the money will be reimbursed from there and not the ARPA funds. He states that the 2022-23 Estimate does not show how much they have spent, which is \$1.3M minus \$956,000, but it does not reflect it because there is a potential possibility that they will not have to take it out of ARPA. P Groves checks if the Port is using ARPA funds for Harvey Road. GM Blue and Warren concurs. Warren also interjects that she thought Harvey Road was being paid for with a grant. P Groves confirms that they used \$25,000 (from the Travel Oregon grant) to pay the City for infrastructure fees. CR Mohr asks what the \$956,000 is in the Proposed budget. GM Blue states that that is

what would be left if the Port is denied the grant he is working on. It would be used for specific developments, such as finishing up the parking lot and putting in the bathrooms that the Port currently does not have money for. There are specific earmarks with the ARPA funds, and they cannot spend the money anywhere. Warren adds that the \$900,000 can be spent next year and can sit there. P Groves also adds that that the Port petitioned for a \$200,000 for the Christmas Tree Bill. BCVP Nance inquires about the lottery funds, if it is transferring over or if it is specific to the Business Park infrastructure. Warren explains that it is repayment money, and must be spent on Business Park infrastructure, and specifically new infrastructure not finished infrastructure. CR Mohr inquires if it repays loans. P Groves admits that he does not know whether it can be used to repay loans but they will check on it. P Groves adds that if the Port had paid (upfront) for the pFriem expansion, they could have used the lottery funds to repay the Port back and then could have used the money pFriem paid the Port in other places. CR Mohr points out that 2022-2023 budgeted for \$149,000 but there is no estimate then asks what the \$140,000 in proposed is for. Warren answers that it is for engineering and work for Harvey Road parking lot. CR Mohr questions the loan monies again. Warren replies that the Port is not budgeting to receive any loan money for 2023-24. P Groves informs the committee that the Port helped the City acquire an economic development grant and is currently working with the City's electrical engineers to rebuild the electrical out in Business Park. The City asked the Port to fund \$1.2M. VP Lorang asks if its infrastructure into one of the Port's facilities. GM Blue explains that it is something that has to be done, and it will help the City but also benefit the Port. P Groves adds that it will help put an electrical loop in the park with, in the future, 29 megawatts available. MCM Mohr asks whether the Port can negotiate with the City to get some of that money back, adding that the Port keeps helping the City and expanding their project, and the City gets the income base. P Groves remarks that that is true and he could not agree with him more but probably once this is put together and ready to be presented, the project will become more clear to everyone. P Groves adds that he just wanted to throw that out there so everybody was aware. VP Lorang checks if that will be part of the \$2.4M in Business Park Infrastructure. P Groves concurs he also further states that the Port promised to help [the City] initially with \$110,00, reminding the committee that they had budgeted for it. He explains that then the Port was supposed to pay to have their own infrastructure. VP Lorang comments that he is assuming that at some point the Port will find out about the rest of the conditions. P Groves nods.

I. Reserve Fund

- i.** VP Lorang inquires whether the Vehicle Reserve is for an existing vehicle that the Port has or money they are reserving for a future vehicle. Mosher replies that it is money reserved for a future vehicle. Warren further explains that is what is left in the balance. In Resolution 2023-2, the Commission approved to take the money out of the reserve fund for the dump truck. CR Mohr asks what the Interfund Transfer is, confirming that it monies coming from the General Fund. Mosher concurs. BCVP inquires that there aren't funds reserved for Sternwheeler Improvements. GM replies that they will probably pay for improvements with money from the grant he is trying to get or the ARPA funds. CR Mohr questions that the Proposed Vehicle Reserve Fund is \$21,000 but the Proposed Restricted Vehicle Reserve Balance shows \$4,000. Warren answers that the truck payments that came out of there. She explains that it was \$39,000 at the beginning but and the Port has made two (2) payments already, the Commission approved in the resolution to pay the payments out of the Reserve Vehicle Fund and

so it will be reduced by that amount. CR Mohr comments that the payments are not shown there. Apken replies that she is correct as the payments are shown in Debt Services, instead.

m. Non-Allocated Fund

- i.** CR Mohr asks why the fund is called "Non-Allocated". Apken answers that it is a State of Oregon method of what they say is not allocated to specific departments. The State outlines that they can allocate Personnel Services, Materials and Services, and Capital Outlay and they can have additional Capital Outlay that is not allocated, Debt Service is non-allocated and Contingency is non-allocated for each fund. And since they put every funding to one (general fund), that is why those three are kind of sitting out there, separate. CR Mohr asks if that means the funds can be spent on anything. VP Lorang answers that it can as supplemental (budget). Warren also clarifies that the Contingency can. Apken further explains that, for instance, the \$705,000 in Capital Outlay, that is the Bridge 15-Year Plan. \$200,000 was spent on that, and then \$505,000 is for the ODOT bridge work from what I understand has already occurred. Things will go there that are planned that maybe just don't specifically fit in a specific fund. Additionally, they removed that overall reserve fund and it is now just a line item on the budget that essentially states "Here's the total". In the future, they will work on having a better schedule that shows how much is reserved for each different item, and here is what it is been reserved for. P Groves asks if they addressed paying off Cramblett Way.

VP LORANG MAKES A MOTION TO APPROVE TO PAY OFF THE LOAN ON CRAMBLETT WAY IMPROVEMENTS NOT TO EXCEED \$50,000 AND TO BE PAID OFF WITH THE ENDING FUND BALANCE; C CALDWELL SECONDS; Passed Unanimously

- ii.** BCVP Nance confirms that it is used to pay off the loan. C Caldwell answers that it is and comments that it been a 25-year loan. Warren adds that would not have been until 2026 so the Port will save interest over those years. C Caldwell states that it was a \$150,000 to be paid off over twenty-five (25) years. BCVP Nance comments that is very expensive asphalt. P Groves informs that they put in underground sewer and water. MCM Mohr checks that it also includes conduit. P Groves answers that it does. BCVP Nance asks what the interest payment is on it. Warren responds that the yearly payment is \$17,000 every December but she cannot remember off the top of her head the exact number. She offers to send him the amortization schedule. He replies that he was just curious. CR Mohr comments that it is just embarrassing that the Port has been paying for it for this long.

6) Public Comment (Speakers may be limited to three (3) minutes)

VP LORANG MAKES A MOTION TO APPROVE THE 2023-2024 BUDGET AS AMMENDED; C CALDWELL SECONDS; Passed Unanimously

Apken advises that the Committee needs to approve the tax rate that is charged to the citizens and so the permanent tax rate for the Port is \$.0256 per \$1,000. And so, the budget committee needs to approve that before it goes to the Commission to approve as well.

CR MOHR MAKES A MOTION TO APPROVE TAX RATE OF \$.0256 PER \$1,000; C CALDWELL SECONDS; Passed Unanimously

7) Adjournment 7:26 pm

Port of Cascade Locks

Port Commission President
Brad Lorang

Port Commission Secretary/Treasurer
Albert Nance

Date Signed

Date Signed