

Budget Message Fiscal Year 2025–2026

Dear Budget Committee Members,

As always, the Port Commissioners and Port staff sincerely appreciate the time and effort that each of you dedicates to the budget process. The Port is especially grateful that members of the community have volunteered to serve on the Budget Committee in this important capacity.

The budget process always involves a degree of informed forecasting, and this year is no exception. With a new Port Manager in place, much of the past year has been spent reviewing historical budgets and learning the Port’s financial and operational context. While this transition presents a learning curve, the Port Manager has made it a priority to understand both the financial history and the broader community and political implications tied to the Port’s operations.

While there have been discussions of a potential recession, there remains no clear consensus on its timing or severity. It is not feasible to construct a budget around uncertainty. Therefore, the proposed budget for Fiscal Year 2025–2026 is based on actual revenues and expenditures from the most recent twelve-month period: April 2024 through March 2025.

In accordance with Oregon Budget Law, the Port Manager, serving as the Budget Officer, is required to submit this Budget Message to the Budget Committee. This message includes the following required elements:

1. Explanation of the Budget Documents

The budget documents are comprised of revenue and expenditure projections across the Port's funds:

- **LB-31:** Detailed breakdown of Materials & Services
- **LB-20:** General Fund: Revenue estimates
- **LB-30:** Summary of LB-31, including Payroll and Contingency allocations
- **LB-35:** Bond Fund: Revenue and expenditure projections
- **LB-50:** Property tax certification indicating the amount to collect for Bond Funds

The Bond Fund exists to repay principal and interest to bondholders from the 2018 bond issuance. As was the case last year, LB-50 must be approved by the Budget Committee and submitted to the County.

The Port has recently hired a new Port Manager following the retirement of Roxie Cuellar, who served with distinction. To assist in this leadership transition, the outgoing Port Manager has been retained on a consulting basis for a limited time. To date, there has been no need to utilize those consulting hours.

A thorough review of current contracts has resulted in significant cost-saving measures. Unnecessary contracts have been eliminated, and others renegotiated for improved terms, leveraging the Port Manager's experience in the private sector. Vendor relationships, point-of-sale systems, and merchant services have all been evaluated with a focus on reducing expenses.

The Port Manager has determined that no wage increases will be implemented this fiscal year. Temporary seasonal workers will start at \$16.00 per hour, based on experience.

2. Proposed Budget Policies for the Coming Fiscal Year

Modest improvements were recently completed at the Dock of the Bay, including the installation of a long-planned awning on the north side of the building. This enhancement improves the customer and staff experience, particularly during peak crab season.

Revenue enhancement will be a key focus area in 2025–2026. The Port plans to:

- Expand email and web-based marketing outreach
- Improve and promote online booking for boat moorage
- Streamline the process for ODF&W license sales
- Enhance the hourly boat rental experience
- Modernize inventory systems for Dock of the Bay retail operations

In recent years, inventory management has led to excess stock becoming expired and wasted. To counter this, the Port is reinvesting in high-demand items and key staples, coupled with real-time inventory tracking, to ensure both efficiency and customer satisfaction.

One of the Port's financial goals is to set aside \$50,000 annually from Dock of the Bay profits to fund future dredging projects as a critical investment in maintaining safe and navigable waters for users.

3. Important Features of the Budget Document in Connection with the Fiscal Policies of the Local Government

The Port of Alsea continues to operate on a cash basis, as it has in the past. The Port's guiding policies remain focused on increasing revenue while reducing expenditures. By adhering to these principles, we aim to ensure the financial stability and growth of the Port. This approach allows us to effectively manage our resources, invest in necessary infrastructure, and provide high-quality services to our community.

This proposed budget reflects both a realistic assessment of our current financial state and a forward-thinking strategy for sustainability and growth. With a renewed commitment to working with and alongside our local governments and community partners, the Port is better equipped to navigate economic fluctuations and future challenges. By banding together and leveraging our

commitment to our community, district, and taxpayers, we can weather any storm and be ready for whatever comes our way. We look forward to discussing these proposals further during the Budget Committee meeting.

As always, the Port Commissioners and Port staff sincerely appreciate the time and dedication each of you brings to the budget process. If there is any additional information you would like to receive prior to the Budget Committee meeting, please don't hesitate to reach out—I'll be happy to provide it.

We look forward to seeing everyone at 2:00 PM on Thursday, April 23, 2025. Thank you again for your time, insight, and continued support in shaping the Port of Alsea's Fiscal Year 2025–2026 budget.

Respectfully submitted,

Dean O'Byrne
Port Manager/Budget Officer