**BUDGET MESSAGE FOR FISCAL YEAR 2024 / 2025**

The Port of Alsea lost a significant amount of money in the fiscal year 2022 / 2023 – approximately $30,000. Part of that loss was because of a small reduction in revenues but the bulk of the loss was because of greater expenditures due to a year of significant inflation. The current fiscal year has seen a stabilization of revenues and expenditures and the proposed budget assumes that trend will continue.

As always, the Port is very grateful that the community members of the Budget Committee volunteer to serve in this capacity. As all of you know, Oregon budget law requires that the budget officer / port manager prepare a budget message to submit to the Budget Committee. At a minimum, the budget message must contain the following discussions:

**I. An Explanation of the Budget Documents**

Essentially, the budget documents are made up of those predicting revenues (LB-20 for the general fund and LB-35 for the bond fund) and expenditures (LB-31 for a detailed itemization of material and services, LB-30 for a summary of LB-31, payroll expenditures, and contingency funds, and LB-35 which identifies anticipated bond expenditures). LB-50 must also be approved by the Budget Committee. LB-50 is filed with the county and tells the county how much to collect in property taxes for the general fund and the bond fund. The latter funds are used to pay the bondholders for the interest and principal owed to them because they purchased the bonds sold in September, 2018. As was done last year, the payroll costs are higher than would normally be expected to make sure that personnel costs can be paid without a supplemental budget.

The current port manager is retiring about five months into the FY 2024 / 2025. She will be training a selected successor, which will add some to the payroll costs. In addition, the Port may choose to have the current manager continue as a consultant at an agreed upon compensation and for an agreed upon period of time. Those possible costs would need to come out of personnel costs in some fashion.

The Port has looked at ways to increase revenues and has made modest increases in the cost of annual launch passes and moorage fees. The current manager is looking to make a stronger effort to increase the number of crab measures sold by extending the range of visits to potential buyers on the Oregon, Washington, and northern California costs. There are virtually no new costs in producing the crab measures because the Port made that investment in 2022 by purchasing the molds and blanks needed to produce the crab measures. The goal this year will be in increase the number of new customers to purchase the crab measures.

In addition, the Port is looking at ways to contain expenditures. The Port raised the hourly wage for the seasonal employees every year, with a more substantial increase after the year of high inflation. While the budget itself does not show the wages of the seasonal employees, the port manager has determined there will not be a wage increase this year. It will remain at $19.00 per hour. During the FY 2022 / 2023, the port manager and the Dock of the Bay manager did not receive salary increases, but instead received $2,500 bonuses. After the year of high inflation of 8.5%, the port manager and the Dock of the Bay manager received 5% increases in salary. The port manager proposes a 3% increase in their salaries to keep them from losing more purchasing power.

**II. A Brief Description of the Proposed Budget Policies for the Coming Fiscal Year**

The Port of Alsea operates on a cash basis rather than an accrual basis. As has been the case in the past, the Port of Alsea always looks for ways to increase the cash received and attempts to reduce the expenditures going out. Last year, the Port made some modest improvements to the Port facilities and the Dock of the Bay. The Port anticipates that there will be some changes to where some of the equipment is currently located, which will require the rental of equipment to move some of the machinery, such as the machine that makes the crab measures. The Port will also need to rent equipment to fill potholes in the east gravel parking lot. The largest capital project, should the Port choose to do it, is th replacement of the Dock of the Bay roof with a metal roof that would extend over the crab cooking area. The bid for that project is $10,190 and is included in the budget as the Port’s only capital project.