

AMERICA'S CENTRAL PORT DISTRICT – MINUTES OF BUDGET AND PERSONNEL
COMMITTEE

May 17, 2016

The meeting of the FY 2017 Budget and Personnel Committee of America's Central Port District was held at the Port District offices on May 17, 2016 at 11:30 a.m.

Those present were Committee members Chip King, Board Secretary, Steve Signall, Board Commissioner and Ed Hagnauer, Board Commissioner; and Port District staff composed of Judy Truskowski, Salina Alfaro and Dennis Wilmsmeyer.

Executive Director, Dennis Wilmsmeyer, discussed the layout of the budget packet including a draft memo to the full Board that would recommend approval of the Budget, pending the outcome of the Committee meeting. He stated that it has been a difficult year financially with numerous bank loans being put in place, and with several unbudgeted, large expenditures. Wilmsmeyer explained that the largest change in this year's budget was reconciling the true depreciation cost over what has been actually budgeted for the past 12 years. The budget shows an overall net income of \$575,000 on \$11.8 million in revenues, and a net operating loss of approximately \$54,000.

Financial Manager, Judy Truskowski, discussed the anticipated revenues for FY17, including expected rail car revenues, potential new leases, and a decrease in anticipated revenue from several tenants. Overall, total operating revenue is forecast to increase by about \$500,000 to \$9.5 million. Grant revenue also is expected to increase by about \$1 million this year with a new rail grant from the US Department of Commerce Economic Development Administration that should be fully expended in FY17.

Bookkeeper, Salina Alfaro, discussed the expenses. Significant costs include payroll and overhead, and health and property insurance at a combined \$4 million. Health insurance costs continue to escalate and staff has had limited success in controlling those expenses. Total operating expenses are anticipated to be \$9.6 million with depreciation of assets totaling \$3.3 million, and debt service payments totaling \$1.7 million. Mayor Hagnauer suggested that additional funding be budgeted for mosquito spraying knowing that it will be a difficult year for that. He also suggested that we look at a multi-year agreement on rates with the Union when negotiations begin later in the year. He then asked about what utility rates we currently have, and suggested that we consider joining the City's consolidated utility rate plan in order to save costs in the future. Planned capital projects were discussed including the rehabilitation of W 7th Street to concrete standards in front of the new warehouse building, as well as installation of fender piles, drainage and some new pavement at the Granite City Harbor.

There being no more questions regarding the operating or capital portions of the budget, the Committee entered executive session in order to discuss personnel.

Upon conclusion of the executive session, the Committee returned to regular session and requested that a salary adjustment be made, and Wilmsmeyer requested that feedback be

provided from the Board on his performance. Hagnauer suggested that a written form be sent to all of the Board.

Based on the discussion and changes to the budget, the Committee is ready to recommend adoption of the full Budget to the Board at its June 13, 2017 meeting.

There being no additional business to come before the Budget and Personnel Committee, the meeting was adjourned at 12:25 p.m.