

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

June 1, 2017

The meeting of the FY 2018 Budget and Personnel Committee of America's Central Port District was held at the Port District offices on June 1, 2017 at 12:00 p.m.

Those present were Committee members Chip King, Board Chairman, Tyrone Echols, Board Secretary, and Steve Signall, 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 several large unbudgeted expenditures including Red Dock Rehab costing \$500,000 and construction of the Granite City Terminal office at \$140,000. The refinancing of the Madison Harbor helped to stabilize the principal and interest payments, but the overall debt of the Port District stands at about \$28 million when the Foundation's debt service is taken into account. Financial Manager, Judy Truskowski, explained that several line items in the budget changed significantly this year due to the re-categorization of items, including creating a separate line item for Subcontracted Mowing, which was previously listed under Mosquito Control/Mowing. The budget shows an overall net loss of \$674,000 on \$10.8 million in revenues, and \$11.5 million in expenses. Wilmsmeyer stated that this does not take into account the need to dredge in FY18, which will need to be determined on how to handle that expenditure. Board Chairman, Chip King, stated that the loss of Fairfield Processing as a tenant this year certainly had a large negative effect on the budget.

Anticipated revenues for FY18 remained fairly stable from the prior year with the exception of the addition of the payments from the Foundation to the Port District, and the addition of Celta and Gateway Legacy as tenants. Overall, total operating revenue is forecast to decrease by about \$300,000 to \$8.7 million. Grant revenue also is expected to decrease by about \$500,000.

On the expense side, significant costs include payroll and overhead, and health and property insurance at a combined \$4.4 million. Health insurance and property insurance costs have actually decreased slightly from the prior year. Total operating expenses are anticipated to be \$9.9 million with depreciation of assets totaling \$3.5 million, and debt service payments totaling \$1.5 million. Planned capital projects as approved by the full Board in April were discussed in addition to three projects to purchase new equipment, potentially purchase some homes in the area, and perform some projects in the expanded area of the District.

King asked about the need to dredge the Madison Harbor. Wilmsmeyer stated that not knowing what the current flood will do to the Harbor, that dredging will need to begin as soon as possible when the river cooperates. Secretary Tyrone Echols and Commissioner Steve Signall stated that we need to keep the Harbor in operation during low water and the only way to do that today is to dredge. Wilmsmeyer discussed other long-term plans that could include water turbines which

could reduce the need to dredge in the future, but it will not eliminate it. King asked that \$750,000 be added to the budget for dredging for FY18 and that staff prepare a memo on the current revenues and expenses of the operation of the Madison Harbor and distribute it with the budget.

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.

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 12, 2017 meeting.

There being no additional business to come before the Budget and Personnel Committee, the meeting was adjourned at 12:50 p.m.