

PORT OF NEWPORT
MINUTES
April 20, 2012
BUDGET WORK SESSION

I. CALL TO ORDER

Commission President JoAnn Barton brought the Budget Work Session of the Port of Newport Board of Commissioners to order on Friday, April 20, 2012 at 9:00 AM in the Port Conference Room, 600 SE Bay Boulevard, Newport, OR, the same being within the boundaries of the Port District.

Commissioners Present: JoAnn Barton, President; David Jincks, Vice-President; Dean Fleck, Assistant Secretary-Treasurer.

Commissioners Excused: Walter Chuck, Secretary; Don Mathews, Treasurer.

Port of Newport Management and Staff: Don Mann, General Manager; Patti Britton, Finance Director; Patty Benjamin, Administrative Assistant.

II. BUDGET F/Y 2012-2013 (Discussion)

General Manager Don Mann reviewed the budget calendar and advertising requirements for the budget process. He and Finance Director Patti Britton distributed handouts that included a budget work sheet and summary sheets of revenue and expenses that were projected for F/Y 2012-2013. The summary sheets included comparisons of what had been budgeted for the current fiscal year and what was proposed for the upcoming year. Revenue and expenses did not include increases in commercial or sport moorage rates, RV Park rates, or hoist dock services. Overall lease revenue was up due to NOAA lease revenue and the expansion of the Rogue Brewery. Mann explained that he had also included a conservative estimate of shipping revenue. Commissioner Jincks commented that he really liked seeing that number but didn't like seeing it in the budget. A discussion followed on what costs to the Port might be associated with a log operation, whether the anticipated number of ship calls was reasonable and accurate, and whether the estimates of revenue to the Port were gross or net. The General Manager said that if there were three or four ships per year it would pay the loan that the Port has with the state; and if the shipping revenue showing in the overall budget is not realized, expenditures would be adjusted. "If we don't get the money", he said, "we don't spend it."

Related to shipping, a discussion followed about problems with a storm water drain line that runs under Bay Boulevard. The drain line was deteriorating and could be further damaged by the increased weight of truck traffic on the road. Mann suggested that the city could look into whether the repair would qualify as a project for funding by the Department of Transportation. Commissioner Barton expressed further concern about the safety of pedestrians, bicyclists, and tourist traffic along Bay Boulevard.

Commissioner Jincks said he would like to see a list of service charge increases over the last two budget cycles, along with a list of the increases in the Port's costs, such as water and electricity. Commissioner Barton emphasized that she didn't like to raise fees and rates but the Port's costs were going up too. She reiterated that a good goal would be for each revenue center to make enough money to fund its own repairs and maintenance.

Some salaries had gone down due to the retirement of personnel. Commissioner Jincks pointed out that, while the number of Port personnel had not gone up, costs were increasing due to outsourcing. Mann said he had included a 3% COL adjustment in personal services but was working on a step program for all positions. The step increase would be based on performance and would have a top end limit. A discussion followed about merit increases. The General Manager stated that they are not given on

an unfounded basis. He said the Port employs some good people and their pay range is within or lower than industry standards.

Commissioner Jincks had to leave for another meeting at 10:15 AM and Commissioner Fleck said he had to leave as well. A second budget work session was scheduled for Tuesday, April 24, 2012, at 9:00 AM. The Finance Director encouraged the commissioners to come to her with questions or for clarifications before the next work session.

III. PUBLIC COMMENT

There was no public comment.

IV. OTHER

There was no other business.

V. ADJOURNMENT

The Budget Work Session was adjourned at 10:20 AM.

ATTEST

JoAnn Barton, President

Walter Chuck, Secretary

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