

PORT OF NEWPORT
MINUTES
April 5, 2013
Supplemental Budget Hearing

I. CALL TO ORDER

Commission President JoAnn Barton called the Supplemental Budget Hearing to order at 12:00 p.m. in the South Beach Marina Activities Room, 2120 SE Marine Science Drive, Newport, OR, the same being within the boundaries of the Port District.

II. INTRODUCTIONS

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

Budget Committee Members Present: Ron Benfield, Alan Brown, Mark Collson.

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

Others Present: Newport resident Lloyd "Oly" Olson.

III. REVIEW SUPPLEMENTAL BUDGET DOCUMENT

Finance Director Pat Albaugh distributed copies of the Supplemental Budget Document. He stated that a notice of the public hearing on the proposed supplemental budget for the Port of Newport had been issued and advertised.

IV. DISCUSSION

There were three changes to the approved budget for the current fiscal year.

A. Construction Fund

The Port had refinanced two loans that were used to build the RV Park and at the same time arranged for additional funding to complete the International Terminal Project, resulting in a working, permitted, and insurable facility. The loan proceeds, \$900,000, should fund on April 15, 2013. Albaugh explained this was not a GO Bond but a loan; however, the debt is bonded to get the best financing. The new debt of \$60,000 per year will be paid out of the Port's operating fund, not tax revenue. General Manager Don Mann explained that over the next two years the Port will have about \$225,000 less in debt service, and it is structured that way to allow time for the terminal facility to begin producing a revenue stream. The supplemental budget is required in order to meet state budget law so the new loan proceeds can be expended within the current fiscal year. In answer to a question from Alan Brown, Commissioner Barton said the \$900,000 figure came from discussions with the general contractor, consultants, and Port commission and staff. Commissioner Fleck added that it was a "not to exceed" number, and does not mean that the full amount will be used.

B. NOAA Lease Revenue Fund

Albaugh explained that at the end of the NOAA construction there were unfinished items having to do with mitigation and dredged material that needed to be done over the next ten years. The Port has been able to complete more of those items than anticipated this fiscal year so an additional \$150,000 will be transferred from the NOAA Fund to cover materials and services. Albaugh emphasized that the Port is getting more work done on the "front end" and spending the money prudently on items for which it is intended, and there will be enough remaining funds to accomplish everything that is needed.

C. Facility Maintenance Fund

The Port received a Business Energy Tax Credit of \$93,500 from the Oregon Department of Energy, due to the NOAA facility's LEED certification. The tax credit has been sold to Oregon Brewing Company and the Port may realize up to \$70,000 from that sale. The Port is asking to deposit the proceeds into the Facility Maintenance Reserve Fund.

V. PUBLIC COMMENT (* Indicates no questions or additional comments.)

There was no public comment.

VI. ADOPT SUPPLEMENTAL BUDGET

Mark Collson moved to approve the supplemental budget recommendation. Ron Benfield seconded the motion and it passed unanimously.

VII. REVIEW 2013 BUDGET CALENDAR

Copies of the budget calendar were distributed. The first budget work session with the commission was scheduled for April 19. After some discussion, it was decided that the budget work session will be held at 5:00 p.m. on April 23, ahead of the regular meeting that starts at 6:00 p.m.

VIII. OTHER BUSINESS

There was nothing under Other Business.


IX. ADJOURNMENT

There being no further business to come before the board, the meeting adjourned at 12:30 p.m.

ATTEST:



JoAnn Barton, President



Walter Chuck, Secretary