

PORT OF NEWPORT
MINUTES
April 23, 2013
Work Session

I. CALL TO ORDER

Commission President JoAnn Barton called the work session of the Port of Newport Board of Commissioners to order at 5:00 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.

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

Port of Newport Management and Staff: Don Mann, General Manager; Pat Albaugh, Finance Director; Jim Durkee, Terminal Operations Supervisor; Rick Fuller, NOAA Facilities Manager; Maureen Keeler, Special Projects Manager; Barb Martin, Accounting Clerk; Patty Benjamin, Administrative Assistant.

II. BUDGET F/Y 2013-2014

The purpose of the work session was to discuss the budget for F/Y 2013-2014 and to familiarize the commission with the new format for the budget documents.

Starting with the NOAA Fund, Finance Director Pat Albaugh outlined details of the various summaries. The budget summary showed an ending fund balance of \$2,665,386, which Commissioner Barton pointed out had been arrived at by the commission and staff as a cautionary measure from the beginning, until it was apparent what sort of flow would be necessary to maintain the NOAA facility. The budget summary included a contingency of \$100,000. The next statement, Budget Resources, showed lease revenue and a \$30,000 grant from the Oregon Business Development Port Planning & Marketing Fund for an economic study on NOAA's impact on the community. The grant would require a 25% match. Appropriations for the NOAA Fund included contracted services, construction closeout services, personnel services, and insurance. A 20% increase was estimated for SDAO's health insurance, and Albaugh noted that the Port's insurance agent of record was shopping for less expensive coverage. The estimate for dredging in front of the NOAA pier was \$250,000. The General Manager said he was working with the Army Corps of Engineers on the dredging. A brief discussion followed about the NOAA Repair and Maintenance Reserves, which was shown at an annual funding of \$33,720. Transfers to Other Funds included a proposed transfer of \$25,000 to the General Fund and \$125,000 to the Maintenance Reserve Fund to use toward the entire Port facility.

Moving on to the Bonded Debt Fund document, Albaugh explained that the formula used to calculate the tax levy in previous years, which has come out close in the past, failed in the current fiscal year, resulting in a shortfall of approximately \$40,000 on the bonded debt payment that would be due on July 1. He suggested that one solution could be an inter-fund loan from the NOAA Fund, and then enough taxes would be levied in the next year to cover the debt service and repay the loan. He stressed that the taxes collected are never 100%, because there are always people who don't pay their bills on time; the goal is to levy just enough to make the bond payment, since that is revenue that cannot legally be used for any other purpose.

The proposed budget for the Maintenance Reserve Fund for FY 2013-14 was \$240,025. That amount would allow for the \$40,000 inter-fund loan repayment. Expenditures from the Maintenance Reserve Fund must be approved in advance by the Port Commission. Commissioner Jincks said he did not like taking money from that fund to cover bonded debt, when the Port had deferred so many important maintenance projects for so long.

The Finance Director explained that the Construction Fund is being used specifically for the International Terminal Renovation Project and reflected the legal aspects of Oregon State budget law as it applied to a public agency. He went on to say that the total resources in the Construction Fund at the end of the current fiscal year would depend on the amount of work that had been completed.

The General Operating Fund reflected lease revenue estimated at \$534,471. Two leases had ended during the current fiscal year. No shipping revenue had been budgeted. Moorage rates

at the International Terminal would return to their pre-construction rates. Estimates for commercial and recreational numbers were the same as the current and previous fiscal years. Commercial marina services included a new \$5 charge for each Port-provided pallet taken away by moorage holders. The Finance Director said the estimate for grant revenue was driven by the capital improvement plan the Port had done, and included only those projects that were thought to qualify for a grant. Commissioner Jincks said he still wanted a 5-year spread sheet showing cost increases specific to each area of the Port's facilities.

The General Manager and Finance Director encouraged the commissioners to stop by the Port office individually or two at a time to discuss any questions they had on the budget documents so far.

III. PUBLIC COMMENT

There was no public comment.

IV. OTHER

There was no other business.

V. ADJOURNMENT

The work session was adjourned at 6:00 p.m.

ATTEST:

JoAnn Barton, President

Walter Chuck, Secretary

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