



STAFF REPORT

DATE: 29-September-2020
RE: Cash Flow with Projects
TO: Paula Miranda, General Manager
ISSUED BY: Mark A. Brown, Director of Finance and Business Services

BACKGROUND

The Port of Newport is considering a new administrative building at an estimated cost of \$1.5-1.8 million, in addition to the other projects the Port currently completing. To determine the feasibility of financing the building, I prepared a cash flow statement.

DETAIL

Please find included in this report the estimated General Operating Funds cash flow (Diagram 3) for fiscal years 2013 through 2026. The projection is conservative, capturing actual revenues and overestimating expenses. Additionally, the cash flow does not account for any potential new revenue streams, including freight and/or cargo. All known projects and project costs have been included through June 30, 2024.

The cash flow incorporates the cost of a Full Faith and Credit bond or a new loan to fund the new administrative building at an annual cost of \$116,000.

To help you understand the cash flow, the solid black line represents Port revenue and excludes grants related to projects. The solid red line represents port base expense and includes projects at full cost and excludes potential grant or loan funding.

The dotted black line is base revenue plus additional revenue, either guaranteed or potential grants and loans. If a grant or loan did not materialize, the Port would have to make a determination on the project, stop, wait for funding, or move forward without the anticipated funding.

The dotted red line represents 105% of the base expenditures plus any modification to expenses. For example, if the Port borrowed 2.6 million (increase in revenue) and then made \$200,000 per year (increase in expenses) payments to pay off the loan, this would be represented in the dotted redline.

Therefore, the focus is all on the dotted lines, not the solid lines. In Diagram 2, revenues exceed expenditures for each fiscal year.

I have assumed the following:

- In the current fiscal year feasibility analysis begins for dredging the commercial marina,
 - The Army Corp pays 50%, the Port pays 50%
- The Port will pay 20% of the cost of the RV Park reconfiguration and finance 2.57 million.
- Commercial Marina Dredging

- 90% (\$2.7 Million) is paid for by the Army Corp
- 10% by the Port
- the Port can opt to defer the estimated \$300,000 for 30 years or pay this in full, I have assumed the Port will pay this portion in full.

Diagram 1 contains funding assumptions. Diagram 2 is a list of projects, Diagram 3 is cash flow, and Diagram 4 is the fund balance information for the general operating fund.

Diagram 1

↓		BACK TO TOP						
<input checked="" type="checkbox"/>	SOURCES:	RV Park reconfiguration Loan			2,594,800			
	USES:	RV Park reconfiguration Loan				200,000	200,000	
<input type="checkbox"/>	TOTAL SOURCES:		-	-	2,594,800	-	-	
	TOTAL USES:		-	-	-	200,000	200,000	
R CATEGORY NAME >		COST REDUCTION PLAN	2021	2022	2023	2024	2025	
↓		BACK TO TOP						
<input type="checkbox"/>	R CATEGORY NAME >	GRANT REVENUE ADJUSTMENTS	2021	2022	2023	2024	2025	
↓		BACK TO TOP						
<input checked="" type="checkbox"/>	SOURCES:	Grants for Dredging	400,000			2,700,000		
	USES:							
<input checked="" type="checkbox"/>	SOURCES:	Assume some grants not received	(1,300,000)					
	USES:							
<input checked="" type="checkbox"/>	SOURCES:	Bus Oregon No Funds, No Planning funds	(150,000)					
	USES:		(50,000)					
<input checked="" type="checkbox"/>	SOURCES:	COVID-19 Grants	55,000					
	USES:							
<input checked="" type="checkbox"/>	SOURCES:	PD 7 Grant, swedes Dock Grant @ 50%				5,067,500		
	USES:							
<input checked="" type="checkbox"/>	SOURCES:	Mitigation Project Grant @ 50%				500,000		
	USES:							
<input type="checkbox"/>	TOTAL SOURCES:		(995,000)	-	-	8,267,500	-	
	TOTAL USES:		(50,000)	-	-	-	-	



Diagram 2

CAPITAL IMPROVEMENTS PROGRAM						2020B	2021F	2022F	2023F	2024F
FUND	PROJECT	ACCTTYPE								
100 - GENERAL FUNDS	CM PD 5 REBUILD					2,400,000				
100 - GENERAL FUNDS	CM PD 5 ELECTRICAL ENGINEERING Planning					25,000				
100 - GENERAL FUNDS	CM PD 5 ELECTRICAL UPGRADE						300,000			
100 - GENERAL FUNDS	CM PROJECT PLANNING FOR DOCK REPLACEMENT					200,000				
100 - GENERAL FUNDS	CM Channel Dredging									3,000,000
100 - GENERAL FUNDS	CM Feasibility Study					800,000				
100 - GENERAL FUNDS	CM DOCK & Furnish and Drive Steel Piles									9,800,000
100 - GENERAL FUNDS	CM Swedes Dock Pilings									120,000
100 - GENERAL FUNDS	CM SWEDES DOCK OTHER									215,000
100 - GENERAL FUNDS	SB ROGUE SEAWALL STUDY INCLUDES GEOTECH PL					60,000				
100 - GENERAL FUNDS	AD NEW HQ BUILDING					1,800,000				
100 - GENERAL FUNDS	CM PD 3 ELECTRICAL ENGINEERING/POWER UPGRA					25,000				
100 - GENERAL FUNDS	REPLACE SERVER									
100 - GENERAL FUNDS	CM Mitigation Projects									1,000,000
100 - GENERAL FUNDS	SB MARINA ELECTRIC LOAD CENTERS					200,000	200,000	200,000		
100 - GENERAL FUNDS	CM RELOCATE HOIST DOCK ELECTRICAL					30,000				
100 - GENERAL FUNDS	REPLACE CARPET WITH FLOORING IN RV PARK OFF					50,000				
100 - GENERAL FUNDS	SB DRYERS FOR SOUTH BEACH					15,000				
100 - GENERAL FUNDS	SB STEERABLE AND TRAINABLE 2 YD CONTAINERS					12,000				
100 - GENERAL FUNDS	NIT ASPHALT					95,000				
100 - GENERAL FUNDS	NIT CONSULTANT TO DETERMINE BEST OPPORTUN						30,000			
100 - GENERAL FUNDS	SB EXPO (OR OTHER NAME) CENTER PLANNING FU						30,000			
100 - GENERAL FUNDS	CM PD3 RAMP TREAD REPLACEMENT					7,000				
100 - GENERAL FUNDS	CM PD 7 AND PD 5 REPLACE PILINGS					80,000				
100 - GENERAL FUNDS	CM PD 5 PROJECTS TO KEEP DOCK IN WORKING CO					30,000				
100 - GENERAL FUNDS	CM FORKLIFT (DEBT SERVICE \$50000)					12,000				
100 - GENERAL FUNDS	SB RV PARK ANNEX CONCEPTUAL DESIGN AND REC						250,000			
100 - GENERAL FUNDS	SB RV Annex Reconfiguration							2,600,000		
100 - GENERAL FUNDS	NIT - PROCURE PROPERTY WITH SHED AND READJU					20,000				
100 - GENERAL FUNDS	AD ACCOUNTING SOFTWARE						150,000			
100 - GENERAL FUNDS	NIT GRADE 9 ACRES						170,000			
100 - GENERAL FUNDS	CM REPLACE #3 MANNED CRANE						150,000			
100 - GENERAL FUNDS	NIT MUTUALLY BENEFICIAL PROJECT MCCLEAN POI						50,000			
100 - GENERAL FUNDS						-	5,861,000	1,330,000	2,800,000	14,135,000
TOTAL >						125,000	6,695,500	1,334,000	3,905,000	14,700,000

Diagram 3

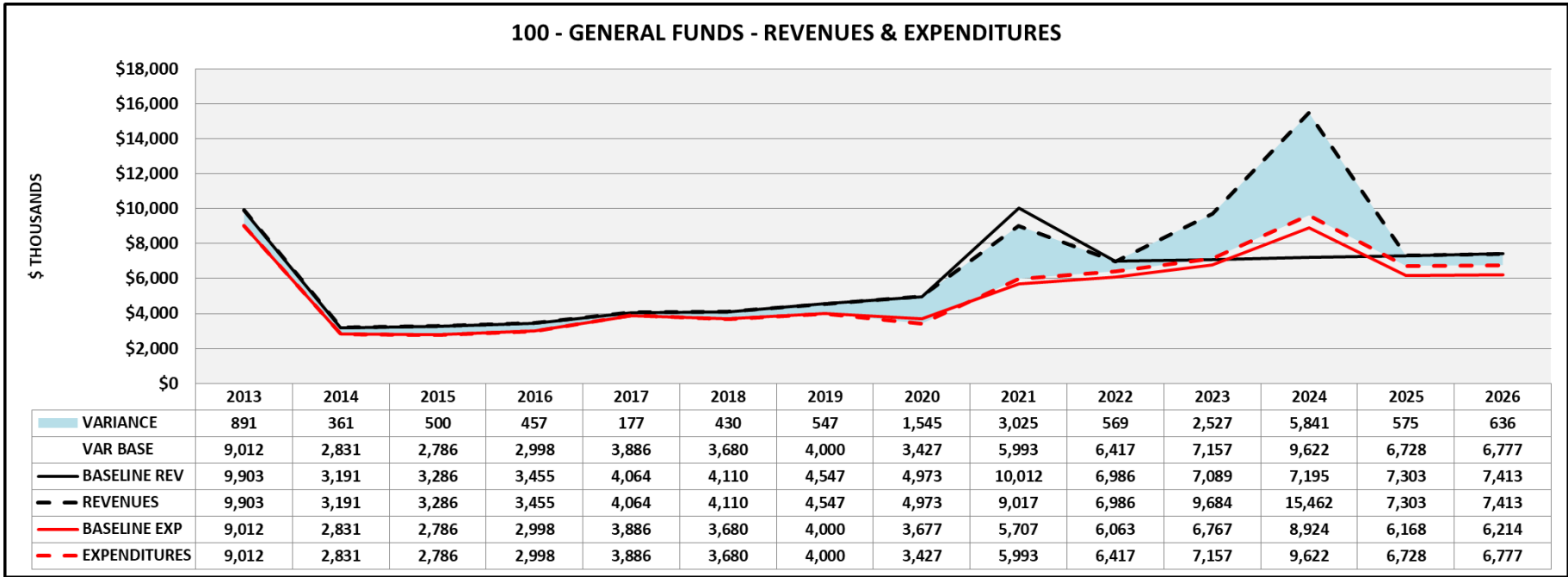


Diagram 4

