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<b>Updates to Budget Binder Documents</b>		
Port of Newport (FY2018-2019)		
2nd Budget Committee Meeting (13 June 2018)		
<u>Page</u>	<u>Line or Item</u>	<u>Description of Update</u>
Table of Contents	VIII.D.	Notes and Questions
Agenda		Replaces agenda for 1st Budget Committee Meeting
Budget Message		Values and tables updated. Added explanatory paragraph in "Rates, Fees and Charges" section (p. 7 of 13).
State Budget Forms	pp. 4 --> 7	Updates
Making Appropriations	p. 15	Updated
To Make Budget Changes after Adoption	p. 16	Clarifications
Summary of Most Recent Years' Appropriations	p. 17	Updated values for FY2018-2019
Detailed Forms -- General Operating Fund	pp. 24 --> 28	Updated
Detailed Forms -- General Operating Fund	p. 26 (Line 4)	Auditor (\$23,800) + Todd Kimball (\$64,000) = \$87,800.
Detailed Forms -- General Operating Fund	p. 27 (Line 38)	DSL and State Land Fees increased from \$25,000 to \$38,500.
Detailed Forms -- Personnel Services	pp. 35 --> 41	Updated. Removed Handyperson position. Added footnote for Project Engineer position.
Detailed Forms -- Personnel Services	pp. 35 --> 41	Director of Finance made 1/2 time position; balance of this salary (\$43,350) applied to salaries of the 14 lowest paid staff (no supervisors or managers) to make their salaries more competitive with local fast-food and housekeeping positions.
Detailed Forms -- Personnel Services	p. 35	Updated values and FTE numbers (27 reduced to 25.5).
Remaining Capital Improvement (FY2017-2018)	p. 39 (Item 2)	Removed automatic gate arm.
Recommended Capital Improvements	p. 40	Added heading "Individual projects subject to modification(s) throughout FY2018-2019 by Board of Commissioners.
Recommended Capital Improvements	p. 40 (Item 2)	Hoist dock 110v Additions decreased from \$38,194 to \$12,981.
Recommended Capital Improvements	p. 40 (Item 15)	"west" corrected to "east"
Recommended Capital Improvements	p. 40	Footnote [4] "Dulse" corrected to "DulsEnergy".
Recommended Capital Improvements	p. 41	First item changed from \$38,194 to \$12,981.
Proposed Rates (Sections 1, 2, & 3)	pp. 45 --> 48	Updated to same line item percent rate increases as FY2017-2018.
Proposed Rates (Sections 4 --> 9)	pp. 49 --> 54	Updated to reflect compromise of Port stakeholder's feedback.
Projected Incremental Service Revenue	p. 55	Updated to reflect Proposed Rates. Added "% of Total Revenue" column to provided additional insights.
FY2018-2019 Budget by Profit Center	p. 56	Updated values. Added footnotes for clarity.
Restricted and Unrestricted Cash by Account	p. 61	Updated values
Budget Calendar	p. 127	Updated dates



**PORT OF NEWPORT**  
**2<sup>nd</sup> BUDGET COMMITTEE MEETING AGENDA**

Wednesday, 13 June 2018, 6:00 p.m.  
South Beach Activities Room  
2120 SE Marine Science Drive, Newport, OR 97365

**FREEHOLDER MEMBERS**

Fred Postelwait (Pos. #1), Budget Committee President; Brian Barth (Pos. #2); Alan Brown (Pos. #3); Ron Benfield (Pos. #4); and Mark Collson (Pos. #5).

**PORT COMMISSION MEMBERS**

Walter Chuck (Pos. #1), Secretary/Treasurer Pro-Tempore; Sara Skamser (Pos. #2), Vice President Pro-Tempore; Stewart Lamerdin (Pos. #3), President Pro-Tempore; and Jeff Lackey (Pos. #4).

- I. Call to Order by Fred Postelwait, Presiding Officer
- II. Receive Updated Budget Message from Doug Parsons, Budget Officer
- III. Final Review of Proposed Budget for FY 2018-2019
- IV. Public Questions/Comments (5 minute limit per person)
- V. Approval of Budget

*SAMPLE MOTION: I move that the Budget Committee approve the proposed Budget [as presented/amended] for the Port of Newport's 2018-2019 fiscal year.*

- VI. Approval of Tax Rate for the Port's FY 2018-2019 to Submit to Assessor

*SAMPLE MOTION: Based on the Port's Bonded Debt Fund balance of three-hundred-thirty-four-thousand four-hundred U.S. Dollars (i.e. \$334,400.00) per its audited financials as of 30 June 2017, I move that the Budget Committee approve the tax rate of six-point-zero-nine-cents (\$0.0609) per \$1,000.00 of assessed value for operating purposes in the General Operating Fund and in the fixed amount of five-hundred-twenty-thousand U.S. Dollars (i.e. \$520,000.00) for payment of general obligation bond principal and interest in the Bonded Debt Fund for the 2018-2019 fiscal year.*

- VII. Adjournment

The Port Newport South Beach Marina and RV Park Activity Room is accessible to people with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours in advance of the meeting to  
Port of Newport Administration Office at 541-265-7758.

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## FY2018-2019 BUDGET MESSAGE

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**DATE:** *16 May 2018 (Updated 12 June 2018)*  
**RE:** *Fiscal Year 2018-2019 Budget*  
**TO:** *Port of Newport Budget Committee*  
**ISSUED BY:** *Doug Parsons, General Manager / Budget Officer*  
[dparsons@portofnewport.com](mailto:dparsons@portofnewport.com) (541) 265-7758

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### **ACKNOWLEDGEMENT**

As Budget Officer, it is my responsibility to solicit budget-related input from the Port of Newport (“PON”) staff and Port Commissioners; prepare the proposed budget; participate in the Port Commission budget priorities work sessions; prepare this Budget Message; participate in the Budget Committee meeting(s); and prepare/file the requisite budget-related documents. There are multiple PON staff who helped develop the FY2018-2019 budget. Chris Urbach, Recreational Marina (South Beach) Harbormaster; Kent Gibson, Commercial Marina Harbormaster; Jim Durkee, NOAA MOC-P Facilities Manager; and Don Moon, International Terminal Manager, each provided valuable planning input. Aaron Bretz, Director of Operations; Mark Harris, Accounting Supervisor; Becca Bishop, Accounting Clerk; and Karen Hewitt, Administrative Supervisor, each made major contributions toward developing the budget documents. Without their efforts I would not be able to present this budget. Karen also arranged the various budget-related meetings, assembled the Budget Binders, distributed the electronic version of the budget documents, and ensured that the appropriate notices were posted and published.

### **INTRODUCTION**

The budget document ultimately submitted to the State of Oregon is the Port’s financial plan for its next fiscal year. The proposed budget figures herein are the best estimate of what the Port expects to receive (i.e. “Resources” in public agency jargon; “Revenue” in corporate business jargon) and what the port plans to spend (i.e. “Requirements” in public agency jargon; “Expenses” in corporate business jargon) from 1 July 2018 through 30 June 2019. To prepare this budget we used the Port’s past budget years’ financial history to estimate future income and expenditures for our upcoming FY2018-2019.

The inspiration for this budget comes from a number of Port Commission sanctioned policy documents. The Board adopted the Port’s Strategic Business Plan and the Port’s Capital Facilities Plan (collectively referred to as the “5-Year Plan”) in 2013, and has committed to updating this document in 2018. In February 2017 the Commission adopted goals covering many aspects of the Port’s operation.

The following two budget-related resolutions will be considered as part of the Port's budget process:

- [1] A Resolution Adopting a Compensation Plan for Port Employees; and
- [2] A Resolution Setting Rates, Fees, and Charges.

The Budget Resolution will ultimately be adopted at the Regular Monthly Commission Meeting currently scheduled for 26 June 2018.

### **RECENT INTERNATIONAL TERMINAL HISTORY**

In November 2006 voters authorized the Port of Newport to issue bonds not to exceed \$15,452,000 to fund the reconstruction and environmental cleanup of the inoperable Marine Terminal. Work on the project began in 2010, with an occupancy permit issued in December 2013. The total price of the project was over \$27M. Since the project completion there has been an absence of shipping from the renamed Newport International Terminal ("NIT"), but the distant water fleet and midwater trawlers expanded their use of the facility. Unfortunately, the moorage fees and service charges to these fishing vessels have not generated enough revenue to make up the NIT's negative operating income which is largely driven by the substantial debt service associated with rebuilding the terminal.

In 2015 the City of Newport formed the McLean Point Urban Renewal Plan which includes the NIT within the plan boundaries. Also in 2015 the Port received a \$2M Transportation Investment Generating Economic Recovery ("TIGER") grant from the U.S. Department of Transportation, as part of a proposed International Terminal Shipping Facility ("ITSF") project of approximately \$6.5M. Other grant applications were not successful. The TIGER grant program is now the newly named Better Utilizing Investments to Leverage Development ("BUILD") grant program. In August 2017 the Board voted to reject the agreements which were part of a proposal to develop a log shipping facility using the NIT and other Port property at McLean Point. Shortly thereafter the Port withdrew its application for the already rewarded TIGER grant since the rest of the financial pieces for the shipping project were not in place.

Because the planned ITSF project was not implemented, the proposed budget appropriations for the Port's upcoming FY2018-2019 much more closely correspond to those of FY2015-2016 rather than those of FY2016-2017. When comparing the proposed values for this coming fiscal year on both the State LB forms and the Port's forms which feed the LB forms, you will find that they generally correlate with those of the "First Preceding Year (FY2016-2017)".

The Port staff and Commissioners intend to seek and secure a varied customer base for the NIT, and will fairly evaluate all financially viable projects which are equitable to all parties involved and don't exclude other users. The Port is committed to working with all NIT stakeholders including the distant water fleet, midwater trawlers, other commercial fishermen, seafood buyers, log and finished lumber shippers, container shippers, ILWU, research vessels, cruise ships, and various other marine-related customers so that they are each part of the process as this asset is developed.



## BUDGET “SNAPSHOT”

Funds. The proposed budget to be submitted to the State is a document comprised of five (5) separate funds including the General Operating Fund (“GOF”), Bonded Debt Fund (“BDF”), Facilities Maintenance Reserve Fund (“FMRF”), Construction Fund (“CF”), and the NOAA Lease Revenue Fund (“NOAA”). All day-to-day operations are accounted for in the GOF and NOAA funds.

Figure 1 is a compilation of the totals on the Local Budget (“LB”) forms required by the State of Oregon:

Historical Data		Adopted Budget		Proposed by			
Actual		This Year		Budget Officer			
Second Preceding Year	First Preceding Year	FY2017-2018	Fund	Description	State Form	FY2018-2019	
FY2015-2016	FY2016-2017	FY2017-2018					
1	\$4,870,090	\$5,935,741	\$5,418,316	1	GOF Total Resources	LB-20	\$5,842,668
2	\$4,870,090	\$5,935,741	\$5,418,316	2	GOF Total Requirements	LB-30	\$5,842,668
3	\$1,040,549	\$1,134,147	\$1,349,370	3	GOF Total Personnel Services	LB-31	\$1,597,956
4	\$1,199,989	\$1,337,289	\$1,626,550	4	GOF Total Materials & Services	LB-31	\$1,677,199
5	\$9,492,251	\$1,371,140	\$876,000	5	BDF Total Resources & Total Requirements	LB-35	\$910,955
6	\$173,563	\$133,939	\$235,699	6	FMRF Total Resources & Total Requirements	LB-11	\$802,625
7	\$183,643	\$105,732	\$7,250,100	7	CF Total Resources & Total Requirements	LB-10	\$106,000
8	\$8,132,483	\$8,273,171	\$8,731,279	8	NOAA Total Resources & Total Requirements	LB-10	\$8,275,100

Figure 1 – Compilation of the Port’s Local Budget Forms to be submitted to the State

In recent years the detailed information underlying the Port’s Budget was provided to the Port Commissioners, Budget Committee Members (a.k.a. Freeholders), Port stakeholders, the public, and the media in the form of spreadsheets requiring readers to dig deeply to reach much of the desired details. Beginning with this proposed FY2018-2019 Budget, the Port’s finance department has provided the same information in the form of new LB-like detail forms which feed into the State’s LB forms. Additionally, multiple new summary forms have been compiled to provide the supporting budget details in a clearer, more intuitive manner. Both efforts are expected to speed up the development of future Port budgets.

Profit Centers. Beginning in FY2018-2019 all of the Port of Newport’s resources and requirements (a.k.a. revenue and expenses) will be budgeted, booked and tracked in one of seven (7) separate profit centers including Administration (“ADM”), Recreational Vehicle Park (“RV”), Recreational Marina (“RM”), Commercial Marina (“CM”), Newport International Terminal (“NIT”), Leased Properties [all but NOAA] (“LP”), and NOAA MOC-P (“NOAA”). This is expected to greatly clarify the Port’s financial situation, identifying problem areas as well as opportunities to improve customer services.

Figure 2 provides the abbreviations used herein for the Port’s funds and profit centers. The order of the funds is that used in both our QuickBooks Chart of Accounts and our audited financials for FY2016-2017.

Abbreviations			
Funds (5)		Profit Centers (7)	
GOF	General Operating Fund	ADM	Administration
BDF	Bonded Debt Fund	RV	Recreational Vehicle Park
FMRF	Facilities Maintenance Reserve Fund	RM	Recreational Marina
CF	Construction Fund	CM	Commercial Marina
NOAA	NOAA Lease Revenue Fund	NIT	Newport International Terminal
Other		LP	Leased Properties (all but NOAA)
UEFB	Unappropriated Ending Fund Balance	NOAA	NOAA MOC-P

Figure 2 -- Abbreviations

Figure 3 shows the proposed FY2018-2019 Budget apportioned by profit centers. This is the equivalent of a private-sector Profit & Loss Statement for each of the Port's seven profit centers.


Port of Newport FY2018-2019 Budget by Profit Center <sup>[1]</sup> Updated: 12 June 2018										Proposed by Budget Officer FY2018-2019
Year	Historical Data <sup>[2]</sup>		Description	PROFIT CENTERS						
	Actual	Adopted Budget This Year		ADM <sup>[3]</sup>	RV	RM	CM	NIT	LP	
FY2015-2016	FY2016-2017	FY2017-2018		Administration	RV Park	Recreational Marina	Commercial Marina	Newport International Terminal	Leased Properties All but NOAA	NOAA
\$6,999,962	\$7,189,298	\$7,178,977	Operating Revenues	\$660,155	\$1,041,700	\$905,500	\$797,300	\$414,600	\$687,000	\$2,556,950
\$1,137,943	\$1,209,475	\$1,431,755	Expenses:							
\$1,496,775	\$1,779,647	\$2,243,020	Personnel Services	\$635,920	\$111,933	\$314,032	\$385,045	\$145,126	\$5,900	\$78,306
\$3,393,292	\$3,734,008	\$3,610,414	Materials & Services	\$493,050	\$408,350	\$305,897	\$308,200	\$143,702	\$18,000	\$750,500
\$6,028,010	\$6,723,130	\$7,285,189	Debt Service	\$1,002,305	\$214,383	\$29,950	\$11,450	\$506,581	\$0	\$1,997,271
			Total Operating Expenses	\$2,131,275	\$734,666	\$649,879	\$704,695	\$795,409	\$23,900	\$2,826,077
\$971,952	\$466,168	(\$106,212)	Operating Income (Loss)	(\$1,471,120)	\$307,034	\$255,621	\$92,605	(\$380,809)	\$663,100	(\$269,127)
\$125,000	\$489,173	\$8,006,000	Non-operating Revenues (Transfers In & Grants)	\$844,117	\$0	\$1,800	\$0	\$86,250	\$0	\$0
\$209,634	\$781,635	\$6,881,599	Capital Outlay	\$0	\$18,000	\$90,680	\$655,606	\$260,000	\$25,600	\$86,000
\$125,000	\$60,000	\$1,410,000	Transfers Out	\$809,617	n/a	n/a	n/a	n/a	n/a	\$0
(\$209,634)	(\$352,462)	(\$285,599)	Non-operating Income (Loss)	\$34,500	(\$18,000)	(\$88,880)	(\$655,606)	(\$173,750)	(\$25,600)	(\$86,000)
\$762,318	\$113,706	(\$391,811)	Total Net Income (Loss) <sup>[4]</sup>	(\$1,436,620)	\$289,034	\$166,741	(\$563,001)	(\$554,559)	\$637,500	(\$355,127)

Figure 3 – FY2018-2019 Budget by Profit Center

[1] This page is merely meant to provide the reader with an overview of the Operating Income (or Loss) for each of the Port's 7 profit centers.

[2] Data taken from the "Schedule of Revenues, Expenditures and Changes in Fund Balances (Budgetary Basis)" in the "Supplemental Information" section of the Port's audited financials. These are not financial statements prepared using the accrual basis of accounting in conformity with Generally Accepted Accounting Principles (GAAP). They do not include adjustments for depreciation, GASB-68 pension adjustments, GAAP adjustments to capital outlay and debt, etc.

[3] The Administration profit center includes both the "Revenue" and the "Debt Service" components of the Bonded Debt Fund. It also presently includes multiple management and supervisory salaries, taxes, and benefits. Some or all of these items will likely be apportioned to the various other profit centers at a future point in time.

[4] Don't try to compare the "actual" values on the left to the "budgeted" values on the right. For the reasons explained in footnote [2] it would be like comparing apples and oranges.

Capital Improvements. Figure 4 shows the recommended capital improvement projects ranked in order of priority.


							
RECOMMENDED CAPITAL IMPROVEMENTS (By Priority)							
Fiscal Year 2018-2019							
PON Staff Recommendations							
(Individual projects subject to modification(s) throughout FY 2018-2019 by Board of Commissioners)							
Item #	Priority	Sub-priority	Fund	Project	Dept.	Cost Estimate	
1	S	1	FMRF	Replace fuel dock solenoid valve	RM	\$ 15,000	
2	S	2	GOF	Hoist Dock 110v additions/moves	CM	12,981	
3	S	3	FMRF	Relocate Hoist Dock electrical lines beneath pier	CM	102,000	
4	S	4	FMRF	PD5 pier engineering - Phase III <sup>[1]</sup> (OBEC)	CM	86,625	
5	S	5	FMRF	Replace electric load centers - Recreational Marina (first 3 of 9)	RM	38,000	
6	S	6	GOF	Replace waste water pump station	RM	32,680	
7	S	7	FMRF	Port Dock 7 replace 8 mid-pilings and 2 end-pilings; PD 5 replace 2 pilings	CM	120,000	
8	S	8	CF	Evaluate Rogue Brewery seawall	LP	10,000	
9	S	9	NOAA	Repair/replace steel pile caps (contract requirement)	NOAA	6,000	
10	S	10	NOAA	Camel system repairs & modifications	NOAA	80,000	
11	S	11	GOF	Security Cameras & Network <sup>[2]</sup>	NIT	115,000	
12	S	12	GOF	Security Cameras & Network <sup>[3]</sup>	CM	15,000	
13	S	13	GOF	Security Cameras & Network	RM	5,000	
14	S	14	GOF	Two water line extensions to west wharf	NIT	6,000	
15	S	15	GOF	Purchase and install 2nd swing hoist for use on East Wharf	NIT	130,000	
16	S	16	GOF	Facility repairs and improvements to create PON Business Incubator <sup>[4]</sup>	LP	15,600	
17	S	17	GOF	Concrete pad for waste oil/bilge tank	NIT	9,000	
18	S	18	FMRF	Port Dock 7 new floats, ≈ 160 linear ft. (Sections E & F) <sup>[5]</sup>	CM	288,000	
19	S	19	FMRF	Port Dock 7 section F restoration of utilities	CM	23,000	
20	S	20	CF	Fenced, auto-access long-term public parking lot (≈ 30 vehicles)	CM	8,000	
21	S	21	CF	Design of RV Park Annex full upgrade - Phase I	RV	18,000	
<b>Total:</b>						<b>\$</b>	<b>1,135,886</b>
<sup>[1]</sup> Includes permitting costs ( \$115,000 expended in FY 2016-2017). <sup>[2]</sup> Homeland Security 75% matching grant for NIT (Port pays 25%). <sup>[3]</sup> Partial cost match of \$5,000 from SDAO <sup>[4]</sup> Old Yaquina Fruit Processing Building (partial buildout, ≈ 600 ft <sup>2</sup> , including office for DulsEnergy); now called "Port of Newport Business Incubator". <sup>[5]</sup> This is only 27.7% of the floats we actually need for this section of PD7. We plan to acquire & install others in FY 2019-2020 (pilings to be installed in FY 2018-2019).							
<b>Priorities</b>							
S - Short term (next budget year)							
N - Near term (2 to 5 years)							
M - Mid term (6 to 10 years)							
L - Long term (11 to 20 years)							

Figure 4 – Recommended Capital Improvements (by Priority)

The actual start dates for the individual projects will depend upon a variety of indeterminate factors including evolving perceived needs, contractor and material availability, permitting and licensing timelines, staff workloads, etc.

While last year’s budget was focused on creating new revenue at the International Terminal, this year’s proposed budget represents a paradigm shift to completing capital improvements which are first safety-related (both for personnel and the environment), followed by those that have the potential to generate increased revenue for the Port from a cross-section of profit centers. Rather than focusing on a single large capital project, this year’s proposed budget encompasses 21 smaller capital improvement projects. It is our intention to implement these projects while we concurrently search for significant grants to enable larger capital improvement projects in FY2019-2020.

## **BUDGET HIGHLIGHTS**

Some notable highlights of the Port's FY2018-2019 Budget include:

- 21 separate Capital Improvement projects including:
  - \$431,000 in replacement and additions of pilings and floats to repair and increase moorage space for commercial fishing vessels, and
  - over \$270,000 in repairs and additions to hoists at the Commercial Marina and the International Terminal
- Reduction of property taxes to Port District homeowners from about \$1,000,000 to about \$515,000 in FY2018-2019 only
- A 25% matching reduction (about \$34,500) of the Port's unfunded PERS obligation from the State of Oregon if the Port pays about \$103,500 against its unfunded PERS obligation
- A 60% matching grant of about \$86,250 from Homeland Security if the Port invests about \$56,250 to acquire and install security cameras and the associated computer network assets at the International Terminal
- Implementation of an Employee Assistance Program for all Port staff and family members
- Approximately doubling the annual training budget to \$48,000
- Increasing the contingency amount in the General Operating Fund from \$100,000 to \$300,000
- Increasing the contingency amount in the Facilities Maintenance Reserve Fund from \$8,000 to \$80,000
- Placing an initial contingency amount of \$70,000 in the Construction Fund for unforeseen maintenance at the International Terminal
- Placing a contingency amount of \$100,000 in the NOAA Fund, and placing the amount of \$150,000 in the Future Reserves of the NOAA Fund.

Each of these items are addressed within the Budget Message section of the particular fund they affect.

## **GENERAL OPERATING FUND ("GOF")**

The Port's General Operating Fund is projected to start the upcoming FY2018-2019 with a net working capital of about \$1.729M (accrual basis) vs. about \$1.572M budgeted for FY2017-2018. Total Resource (i.e. revenue) into the GOF, and Total Requirements (i.e. expenses) out of the GOF, are balanced and projected to be about \$5.842M, as opposed to about \$5.418M budgeted for the previous year.

For FY2018-2019 Personnel Services are projected to be about \$1.598M (vs. about \$1.349M budgeted for the previous year); Materials & Services are projected to be about \$1.647M (vs. about \$1.627 budgeted for the previous year); and our Debt Service & Transfers are projected to be about \$1.693M (vs. about \$892.7K budgeted for the previous year). There are only two transfers from the GOF, one in the amount of \$747,792 to the Facilities Maintenance Reserve Fund, and one in the amount of \$61,825 to the Construction Fund.

The capital improvement projects, and their budgeted amounts planned to be funded by the GOF fund in FY2018-2019, are shown below in Figure 5:

	Profit Center	Budget	Resources (Grant/Loan)	Projected Cash Requirement
<b>General Operating Fund (GOF)</b>				
Hoist Dock 110v additions/moves	CM	\$ 12,981	\$ -	\$ 12,981
Replace waste water pump station	RM	32,680	-	32,680
Security cameras & network	NIT	115,000	86,250	28,750
Security cameras & network	CM	15,000	-	15,000
Security cameras & network	RM	5,000	-	5,000
Two water line extensions to west wharf	NIT	6,000	-	6,000
Purchase and install 2nd swing hoist for use on West Wharf	NIT	130,000	-	130,000
Facility repairs and improvements to create PON Business Incubator	LP	15,600	-	15,600
Pad for waste oil/bilge tank	NIT	9,000	-	9,000
	Subtotal	341,261	86,250	255,011

Figure 5 – Capital Improvements to be funded by the General Operating Fund

The GOF has thirteen (13) separate debt instruments with a projected debt service in FY2018-2019 of about \$884K. As of 30 June 2018, the projected outstanding balance on these debts is \$8,349,567. A debt service requirement details sheet for all of the Port's debt (16 instruments in total) is provided in the budget package.

Port management recommend increasing the contingency amount in the General Operating Fund from \$100,000 to \$300,000 for FY2018-2019.

Rates, Fees and Charges. The Port's infrastructure is in serious need of both repair and maintenance. The Port is faced with the nearly overwhelming task of closing a deferred maintenance gap of around \$42M, as well as addressing identified future capital improvements of around \$28M. The Port recently reexamined its rates, many of which have become outdated, and Port staff proposed an updated rate structure which is in line with the current rates of our closest regional competitors. The incremental revenue from the proposed rate increases in the 11 June 2018 draft of the rate document was projected to amount to about \$569K/year, bringing the Port's projected revenue from services to about \$3.416M in FY2018-2019. The purpose of the proposed rate increases is to enable the Port to increase facility maintenance and repairs; fund the most pressing infrastructure capital projects; keep up with increasing expenses; and maintain or increase customer services in the near future.

To date, the various Port stakeholders have been unable to reach consensus on the proposed rates for FY2018-2019. Rather than delay the proposed budget, a compromise has been reached to use rate increases identical to those used in FY2017-2018 for the individual line items in sections 1, 2, and 3 (i.e. Service Rates, Commercial Marina, and International Terminal) of the rate document. The incremental revenue from these proposed rate increases is expected to amount to about \$348K/year, bringing the Port's projected revenue from services to about \$3.195M in FY2018-2019.

Tenant Leases. The Port presently leases property to 27 lessees, receiving lease payments of about \$3.171M/year. Our largest tenant is the U.S. Government's National Oceanic and Atmospheric Administration ("NOAA") which pays the Port approximately \$2.544M/year. There are 8 other tenants in South Beach which pay the Port a combined total of about \$417K/year, slightly over \$350K/year of which comes from Oregon Brewing Company's Rogue Brewery. The Port has 9 tenants on the bayfront paying a combined total of slightly over \$83K/year, and another 9 tenants at the Newport International Terminal property paying a combined total of just under \$127K/year. A detailed Schedule of Leases is provided in the budget package.

Public Employees Retirement System ("PERS"). In FY2017-2018 the Port's budgeted PERS expenses more than tripled to \$53,614, and is budgeted to increase to \$65,886 for FY2018-2019. The Port's unfunded PERS liability (i.e. our "Net Pension Liability") recorded in our audited financials for FY2017-2018 was \$689,933 effective 30 June 2017. GASB-68, which about two years ago required smaller organizations such as the Port to begin reporting their Net Pension Liability, added 10 pages to the Port's audited financials. Under SB 1566, signed by Governor Brown on 10 April 2018, participating public employers will have an opportunity to deposit at least \$25,000 (up to a maximum of 5.0% of their unfunded PERS liability) and receive 25% matching contributions from the State's soon-to-be created Employer Incentive Fund ("EIF") to offset a portion of their unfunded PERS liability. It is expected that the Port will be eligible to participate in this matching program in the second half of our FY2018-2019. We have budgeted a payment by the Port of \$103,500, and a match by the State of \$34,500, to reduce our unfunded PERS liability by the amount of \$138,000. Interestingly, this maximum allowed State match is about the same amount that our PERS expenses jumped by in our last fiscal year.

### **BONDED DEBT FUND ("BDF")**

The Bonded Debt Fund exists solely to receive property tax and make General Obligation ("GO") bond payments related to the remediation and reconstruction of the International Terminal. This is a fairly simple fund to budget as income may only be used to make debt payments. Principal payments are typically made once a year (on or before January 1<sup>st</sup>), and interest payments are typically made twice a year (on or before January 1<sup>st</sup> and July 1<sup>st</sup>). The Port currently has two GO bonds, one of which is from 2011 (\$5,452,000 with a projected outstanding balance of \$5,065,000 as of 30 June 2018), and the other is from 2016 (\$7,610,000 with a projected outstanding balance of \$7,320,000 as of 30 June 2018).

It is normally not necessary to carry a beginning balance in the Bonded Debt Fund since most of the property tax is collected in November with plenty of time to make the first payments which are due by January 1st. For this reason, the Port generally shows an Unappropriated Ending Fund Balance ("UEFB") of zero for this fund in the budget. However, this year is an exception since a substantial balance was kept here following the bond refunding in 2016 of the 2007 issuance, to facilitate the transition of paying off the 2007 bond and incurring the new 2016 bond. Because of the previously mentioned restrictions on the use of funds in the Bonded Debt Fund, there is no reason to maintain a substantial balance in this fund. In our FY2018-2019 budget we plan on using a major portion of this FY2017-2018 UEFB to substantially reduce property taxes to Port District homeowners from about \$1,000,000 to about \$515,000 in FY2018-2019 only, conservatively leaving a FY2018-2019 UEFB of \$30,000 in the Bonded Debt Fund.

## **FACILITIES MAINTENANCE RESERVE FUND (“FMRF”)**

The Facilities Maintenance Reserve Fund was created by the Board in 1998 to purchase and repair existing Port infrastructure and property. Resources for this fund are typically generated through transfers from the General Operating Fund. It has been previously suggested that the Board create a new landed poundage-based fee to be charged to seafood buyers operating on Port property, and that this fee stream be assigned to the Facilities Maintenance Reserve Fund.

All monies in this fund are available for reprioritization in case of maintenance emergencies at the Port. All activities in the Facilities Maintenance Reserve Fund require Board approval.

The Port’s FMRF is projected to start the upcoming FY2018-2019 with a beginning working capital (a.k.a. retained earnings) of \$54,733 (accrual basis) vs. \$75,500 budgeted for FY2017-2018. Total Resource (i.e. revenue) into the FMRF, and Total Requirements (i.e. expenses) out of the FMRF, are balanced and projected to be \$802,625, as opposed to \$235,699 budgeted for the previous year.

The capital improvement projects, and their budgeted amounts planned to be funded by the FMRF fund in FY2018-2019, are shown below in Figure 6:

	Profit Center	Budget	Resources (Grant/Loan)	Projected Cash Requirement
<b>Facilities Maintenance Reserve Fund (FMRF)</b>				
Replace fuel dock solenoid valve	RM	15,000	-	15,000
Relocate Hoist Dock electrical lines beneath pier	CM	102,000	-	102,000
PD5 pier engineering - Phase III	CM	86,625	-	86,625
Replacing electric load centers - Recreational Marina	RM	38,000	-	38,000
Port Dock 7 replace 8 mid-pilings and 2 end-pilings; PD 5 replace 2 pilings	CM	120,000	-	120,000
Port Dock 7 new floats, ≈ 180 linear ft. (Sections E & F)	CM	288,000	-	288,000
Port Dock 7 section F restoration of utilities	CM	23,000	-	23,000
	Subtotal	672,625	-	672,625

Figure 6 – Capital Improvements to be funded by FMRF

The largest capital improvement project to be funded by the FMRF this coming fiscal year is for new pilings (about \$10K apiece) to be acquired and driven during the upcoming “In Water” work period (i.e. 1 November → 15 February). This work will enable us to acquire and install new floats at Port Dock 7 to create additional commercial moorage space. The Port has reached a moorage occupancy for semi-annual and annual moorage in the Commercial Marina of about 95% (over 100% if you assume 10’ between boats and/or take into account transient vessels). Aaron Bretz, the Port’s Director of Operations, will be providing a summary of this situation at the next Regular Monthly Commission Meeting later this month.

For our FY2018-2019, Port staff recommend that a contingency amount of \$80,000 be allocated to the Facilities Maintenance Reserve Fund for unforeseen repairs and any unplanned maintenance issues occurring at the Port’s infrastructure and properties.

Computerized Maintenance Management System. The Port uses a computerized maintenance management system (“CMMS”) developed by Hippo CMMS. The package is particularly useful for projecting maintenance costs and tracking deferred maintenance projects. The Port’s Director of Operations feels that the Port is presently using just over half of the capabilities of this software, and plans to enroll our assets at the Recreational Marina and the International Terminal during FY2018-2019.

**CONSTRUCTION FUND (“CF”)**

The Construction Fund receives and expends monies related to the Port’s construction and reconstruction projects. Most recently this fund was used for the reconstruction of the International Terminal. All activities in the Construction Fund require Commission approval. For our FY2018-2019, Port staff recommend that an initial contingency amount of \$70,000 be allocated to the Construction Fund for unforeseen repairs and any unplanned maintenance issues occurring at the International Terminal.

The Port’s Construction Fund is projected to start the upcoming FY2018-2019 with a beginning working capital of \$44,055 (accrual basis) vs. \$0 budgeted for FY2017-2018. Total Resource into the CF, and Total Requirements out of the CF, are balanced and projected to be \$106,000, as opposed to \$7,250,100 budgeted for the previous year.

The capital improvement projects, and their budgeted amounts planned to be funded by the CF fund in FY2018-2019, are shown below in Figure 7:

	Profit Center	Budget	Resources (Grant/Loan)	Projected Cash Requirement
<b>Construction Fund (CF)</b>				
Evaluate Rogue Brewery seawall	LP	10,000	-	10,000
Fenced, auto-access long-term public parking lot (≈ 30 vehicles)	CM	8,000	-	8,000
Design of RV Park Annex full upgrade - Phase I	RV	18,000	-	18,000
		36,000	-	36,000

Figure 7 – Capital Improvements to be funded by Construction Fund

A time-critical capital outlay to be funded early in our FY2018-2019 is the professional evaluation of the seawall at our lessee Rogue Brewery’s facility, budgeted at \$10,000.

**NOAA LEASE REVENUE FUND (“NOAA”)**

The 20-year contract for the National Oceanic and Atmospheric Administration Marine Operations Center - Pacific (“NOAA MOC-P”) facility between the Port of Newport and the U.S. Government was signed in August 2009. The 40,852 ft.<sup>2</sup> facility (rentable space in administration building and warehouse) is currently about 66% occupied, providing working space for 58 federal employees. There are presently two NOAA vessels (the Rainier and the Bell M. Shimada) officially homeported in Newport. The NOAA MOC-P facility hosts four other NOAA ships (the Fairweather, Reubin Lasker, Oscar Dyson, and the Surveyor) during the course of the year.

The Port is responsible for maintaining an approximately 1,300 foot long pier with six berths capable of mooring these vessels; for dredging to a depth of at least 24 feet at the face of the NOAA pier; for maintaining the NOAA MOC-P buildings and a small boat dock; and for providing a full-time Facilities Manager. The U.S. Government pays the Port a lease payment of slightly over \$2.54M per year (projected to be \$2,544,000 in FY2018-2019), nearly all of which is used to pay the debt service on the revenue bond issued in 2010 to build the NOAA facility (projected to be \$1,997,271 in FY2018-2019); dredging approximately every other year (projected to be about \$490,000 in FY2018-2019); and material, services, and capital outlays (together projected to be about \$346,500 in FY2018-2019).

The NOAA fund is a major component of the Port’s budget, is a great source of pride for Newport and the State of Oregon, but doesn’t generally contribute to covering any of the much-needed improvements elsewhere around the Port. In years like FY2018-2019 involving dredging at the pier face, relatively high materials and services, and obligated capital outlays for repairs, the NOAA lease has a negative operating income which reduces the bond fund’s working capital balance. For our FY2018-2019, Port staff recommend that a contingency amount of \$100,000 be allocated to the NOAA Fund for unforeseen repairs and any unplanned maintenance issues occurring at the NOAA MOC-P facility.



The Port's NOAA Fund is projected to start the upcoming FY2018-2019 with a beginning working capital of \$5,718,150 (accrual basis) vs. \$5,678,779 budgeted for FY2017-2018. Total Resource into the NOAA Fund, and Total Requirements out of the NOAA Fund, are balanced and projected to be \$8,275,100, as opposed to \$8,731,279 budgeted for the previous year.

The capital improvement projects, and their budgeted amounts planned to be funded by the NOAA fund in FY2018-2019, are shown below in Figure 8:

	Profit Center	Budget	Resources (Grant/Loan)	Projected Cash Requirement
<b>NOAA Fund (NOAA)</b>				
Repair/replace steel pile caps (contract requirement)	NOAA	6,000	-	6,000
Camel system repairs & modifications	NOAA	80,000	-	80,000
	Subtotal	86,000	-	86,000

Figure 8 – Capital Improvements to be funded by the NOAA fund

As a result of currently low interest rates, it may be possible to achieve a bond refunding of our 2010 NOAA Revenue Bond during FY2018-2019. This bond was initially issued in the amount of \$24,095,000 and is projected to have an outstanding balance of \$19,105,000 (\$16,120,000 callable) as of 30 June 2018. Earlier this month KeyBanc noted that the Port could potentially save about \$1,188,224 in interest upon a bond refunding at the current interest rate, but both the Director of SDAO's Advisory Services and the Port's Bond Counsel noted that there are legal issues involved and that this won't be a simple refunding. To be conservative, the expected saving from such a refunding of the NOAA Revenue Bond is not factored into our FY2018-2019 budget.

Dredging. Earlier this year the U.S. Army Corps of Engineers ("USACE") dredged for 36 days at the Yaquina Bay bar, jetty, and harbor (about 362,000 cubic yards) plus another 21,000 cubic yards inside of the USACE-maintained breakwater at the Port's Recreational Marina. For FY2018-2019 the Corps plans 30 days of dredging at Newport (they've been allocated about \$3,096,000 for this 280,000 → 300,000 cubic yards) beginning early summer and just before winter. For FY2019-2020 they've been allocated about \$3,080,000 for dredging at Newport. Congress provides these federal allocations to USACE for the purpose of keeping the Port of Newport safe and operational for commercial and recreational vessels, facilitating the coastal economy. Although these funds are critical to the Port, they are not part of the Port's budget.

Periodic dredging required within the Port (e.g. at the face of the NOAA pier and both International Terminal wharfs, inside of the recreational and commercial marinas, adjacent to the various Port docks, etc.) must be paid for from the Port's budget and are typically large expenses.

## **FUND BALANCE REPORTING**

At the end of the accounting period ending 31 March 2018, about half of the Port's cash assets were restricted. At that time the Port had restricted cash in the amount of \$4,301,818 and unrestricted cash in the amount of \$4,401,167. We are in the process of examining these restrictions to better understand their covenants. Discussions about these restrictions have led to inquiries regarding fund restrictions by fund types. The following background information on fund balance reporting is meant to provide some clarity on this issue.

Fund balance reporting is governed by the Governmental Accounting Standards Board (specifically GASB Statement #54). A concise excerpt from a GASB #54 fact sheet is provided below. I've added some associated notes [in brackets]:

"Fund balance will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Nonspendable fund balance*—amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- *Restricted fund balance*—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. [These are external restrictions, not restrictions by the Port.]
- *Committed fund balance*—amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint. [These restrictions may be implemented by the Board using either a motion or a resolution.]
- *Assigned fund balance*—amounts a government *intends* to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority [These restrictions may be implemented by either the Board or the GM giving e-mail direction to either the Director of Finance or the Accounting Supervisor.]
- *Unassigned fund balance*—amounts that are available for any purpose; these amounts are reported only in the general fund."

In the Port's accounting system (the non-profit version of QuickBooks), we simply need to create separate line items in the "Funds Balance" section of the Balance Sheet to report restricted, committed, assigned, and unassigned (i.e. unrestricted) fund balances. Appropriated "Contingencies" and "Future Reserves" remaining at the end of the current fiscal year (i.e. FY2017-2018) do not automatically carry forward to the budget for the next fiscal year (i.e. FY2018-2019); they must be adjusted as necessary and re-appropriated as part of the budget adoption process. Incidentally, Unappropriated Ending Fund Balances (UEFB) adopted in our FY2018-2019 budget will not be available for any use in FY2018-2019 (except for emergency situations followed by a supplemental budget), and will be the starting fund balances for our FY2019-2020.

## **CONCLUSION**

The finance staff's efforts at implementing new detailed Port budget forms to feed the State's required Local Budget forms will significantly speed up next year's budget process. In addition, the apportionment of the Port's revenue and expenses to our seven separate profit centers will provide a valuable financial monitoring and control tool in future years, and enable more timely and better informed decisions related to the Port's finances and operations.

As do other active Ports in Oregon, our organization faces a broad cross section of issues including aging infrastructure, unfunded but necessary capital improvement projects, securing infrastructure grants, backlogs of administrative and accounting work, rising benefit and State PERS retirement rates, growing regulation of water-related activities, differentiating ourselves from our competitors, improving customer service, and even addressing a growing number of sea lions! In particular the Port of Newport is saddled with a high debt service load, and is ranked among the lowest in salary rates amongst Oregon and regional ports.

I would like to thank the entire Port staff for their high quality, professionalism, and great attitudes. Across the board they are all committed to sustain and improve customer service despite the significant resource challenges we must overcome on a daily basis. Likewise, the Port Commissioners continue to make significant contributions in setting Port policy, serving as stewards of the Port's assets, and providing me with direction and guidance.

In the coming year we need to secure grants; add new revenue sources; automate some of our key operational and accounting tasks; increase our investments in staff through both their compensation and training; position our organization to take advantage of new opportunities; and protect our existing growing revenue streams across multiple profit centers which are each focused on very different customer bases with sometimes diverging needs.

The proposed FY2018-2019 Budget will not cure decades of deferred maintenance, nor will it greatly reduce the backlog of identified capital improvement projects, but it's a good start toward enabling the Port to move forward and prosper.

Sincerely,

A handwritten signature in cursive script that reads "Douglas J. Parsons". The signature is written in black ink and is positioned above the typed name and title.

Doug Parsons  
General Manager / Budget Officer  
12 June 2018



**Compilation of State Budget Form Totals**

Updated: 16 May 2018



	Historical Data		Adopted Budget This Year FY2017-2018	Fund Description			State Form	Proposed by Budget Officer FY2018-2019
	Actual							
	Second Preceding Year FY2015-2016	First Preceding Year FY2016-2017						
1	\$4,870,090	\$5,935,741	\$5,418,316	1	GOF	Total Resources	LB-20	\$5,842,668
2	\$4,870,090	\$5,935,741	\$5,418,316	2	GOF	Total Requirements	LB-30	\$5,842,668
3	\$1,040,549	\$1,134,147	\$1,349,370	3	GOF	Total Personnel Services	LB-31	\$1,597,956
4	\$1,199,989	\$1,337,289	\$1,626,550	4	GOF	Total Materials & Services	LB-31	\$1,677,199
5	\$9,492,251	\$1,371,140	\$876,000	5	BDF	Total Resources & Total Requirements	LB-35	\$910,955
6	\$173,563	\$133,939	\$235,699	6	FMRF	Total Resources & Total Requirements	LB-11	\$802,625
7	\$183,643	\$105,732	\$7,250,100	7	CF	Total Resources & Total Requirements	LB-10	\$106,000
8	\$8,132,483	\$8,273,171	\$8,731,279	8	NOAA	Total Resources & Total Requirements	LB-10	\$8,275,100

Abbreviations				
Funds (5)		State Fund Type	Profit Centers (7)	
GOF	General Operating Fund	General Fund	ADM	Administration
BDF	Bonded Debt Fund	Debt Service Fund	RV	Recreational Vehicle Park
FMRF	Facilities Maintenance Reserve Fund	Reserve Fund	RM	Recreational Marina
CF	Construction Fund	Capital Project Fund	CM	Commercial Marina
NOAA	NOAA Lease Revenue Fund	Special Revenue Fund	NIT	Newport International Terminal
Other			LP	Leased Properties (all but NOAA)
UEFB	Unappropriated Ending Fund Balance		NOAA	NOAA MOC-P

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Oregon Department of Revenue  
Local Budget (LB) State Forms  
FY 2018-2019

Prepared By  
Port of Newport  
Finance Department

	Historical Data			RESOURCES	Budget for Fiscal Year 2018-2019		
	Actual		Adopted Budget This Year 2017-2018		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
	Second Preceding Year 2015-2016	First Preceding Year 2016-2017					
1				1 Available cash on hand (cash basis) or			1
2	1,415,035	1,872,138	1,572,138	2 Net working capital (accrual basis)	1,729,218		2
3	3,922	4,051	7,100	3 Previously levied taxes estimated to be received	4,000		3
4	6,850	8,195	5,000	4 Interest	8,000		4
5				5 Transfers IN, from other funds			5
6				6 <b>OTHER RESOURCES</b>			6
7				7 Operating Revenues			7
8	611,004	631,802	665,178	8 Lease Revenue	687,000		8
9				9 Newport International Terminal			9
10	94,570	111,743	100,000	10 Moorage	100,000		10
11	282,143	353,639	288,000	11 Services	314,600		11
12				12 Commercial Marina			12
13	456,691	420,801	460,000	13 Moorage	454,800		13
14	279,284	278,849	324,000	14 Services	342,500		14
15				15 Recreational Marina			15
16	669,626	737,536	700,000	16 Moorage	746,400		16
17	0	10,530	0	17 Services	21,800		17
18	12,610	13,804	14,000	18 Live-aboard Revenue	20,100		18
19	63,320	44,368	50,000	19 Launch Ramp Revenue	86,200		19
20	10,276	21,542	20,000	20 Boat and Trailer Storage	26,000		20
21				21 RV Park			21
22	533,883	586,231	627,500	22 Paved Site Fees	730,000		22
23	188,667	155,139	160,000	23 Annex Site Fees	186,300		23
24	45,196	44,602	42,500	24 Dry Camping Site Fees	73,700		24
25	0	0	0	25 Services	51,700		25
26	1,298	3,086	2,000	26 Surplus Property and Dredge Sales	5,000		26
27	97,597	98,187	71,000	27 Miscellaneous Revenue	34,800		27
28				28			28
29				29 Non-operating Revenues			29
30	1,800	10,828	122,500	30 Grants and Other	88,050		30
31	0	218,878	0	31 Capital Contributions	34,500		31
32	0	210,295	96,000	32 Loan Proceeds	0		32
33				33			33
34	4,773,772	5,836,244	5,326,916	34 Total resources, except taxes to be levied	5,744,668		34
35			91,400	35 Taxes estimated to be received	98,000		35
36	96,318	99,497		36 Taxes collected in year levied			36
37	4,870,090	5,935,741	5,418,316	37 <b>TOTAL RESOURCES</b>	5,842,668		37



**REQUIREMENTS SUMMARY**  
**General Operating Fund**  
(Fund)

**Port of Newport**  
(Name of Municipal Corporation)

Historical Data			REQUIREMENTS DESCRIPTION	Budget for Fiscal Year 2018-2019			
Actual		Adopted Budget This Year 2017-2018		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
Second Preceding Year 2015-2016	First Preceding Year 2016-2017						
1			1	<b>PERSONNEL SERVICES</b>			1
2	1,040,549	1,134,147	2	Personnel Services	1,597,956		2
3			3				3
4			4				4
5	<b>1,040,549</b>	<b>1,134,147</b>	5	<b>TOTAL PERSONNEL SERVICES</b>	<b>1,597,956</b>		5
6		<b>22</b>	6	<b>Total full-time equivalent (FTE)</b>	<b>24.5</b>		6
7			7	<b>MATERIALS AND SERVICES</b>			7
8	1,199,989	1,337,289	8	Materials and Services	1,677,199		8
9			9				9
10			10				10
11	<b>1,199,989</b>	<b>1,337,289</b>	11	<b>TOTAL MATERIALS AND SERVICES</b>	<b>1,677,199</b>		11
12			12	<b>CAPITAL OUTLAY</b>			12
13	20,345	654,831	13	Capital Outlay	341,261		13
14			14				14
15			15				15
16	<b>20,345</b>	<b>654,831</b>	16	<b>TOTAL CAPITAL OUTLAY</b>	<b>341,261</b>		16
17			17	<b>DEBT SERVICE AND TRANSFERS</b>			17
18	637,069	699,934	18	Debt Service	883,714		18
19	100,000	60,000	19	Transfers OUT, to Other Funds	809,617		19
20			20				20
21	<b>737,069</b>	<b>759,934</b>	21	<b>Total Debt Service and Transfers</b>	<b>1,693,331</b>		21
22		100,000	22	Operating Contingency	300,000		22
23	1,872,138	2,049,540	23	Ending Balance (Prior Years)			23
24		0	24	Unappropriated Ending Fund Balance (UEFB)	232,921		24
25	<b>4,870,090</b>	<b>5,935,741</b>	25	<b>TOTAL REQUIREMENTS</b>	<b>5,842,668</b>		25

**FORM  
LB-31**

**DETAILED REQUIREMENTS  
General Operating Fund  
(Fund)**

**Port of Newport**  
(Name of Municipal Corporation)

	Historical Data			PERSONNEL SERVICES	Number of Employees	Range	Budget for Fiscal Year 2018-2019				
	Actual		Adopted Budget This Year 2017-2018				Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body		
	Second Preceding Year 2015-2016	First Preceding Year 2016-2017									
1	767,818	848,595	931,603	1	Wages	24.5 FTE	13.37-56.77	1,146,026			1
2	77,471	82,558	91,685	2	Payroll Tax Expense			107,492			2
5	137,456	151,650	184,127	5	Health Insurance			198,144			5
6	7,939	3,687	18,500	6	Health Reimbursement Arrangement			6,288			6
3	14,573	7,845	53,614	3	PERS - Retirement			65,886			3
4	27,187	30,991	65,191	4	Workers' Compensation Insurance			65,900			4
5	0	0	0	5	Employee Assistance Program			3,120			5
7	8,105	8,821	4,650	7	Employee Incentives and Other			5,100			7
9				9							9
10				10							10
<b>11</b>	<b>1,040,549</b>	<b>1,134,147</b>	<b>1,349,370</b>	<b>11</b>	<b>TOTAL PERSONNEL SERVICES</b>			<b>1,597,956</b>			<b>11</b>

**FORM  
LB-31**

**DETAILED REQUIREMENTS**  
**General Operating Fund**  
(Fund)

**Port of Newport**  
(Name of Municipal Corporation)

Historical Data			MATERIALS & SERVICES	Budget for Fiscal Year 2018-2019			
Actual		Adopted Budget This Year 2017-2018		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
Second Preceding Year 2015-2016	First Preceding Year 2016-2017						
1		172,300	1 Insurance	165,300			1
2		58,000	2 Professional Fees	163,575			2
3		25,000	3 Marketing and Promotion	19,500			3
4		22,300	4 Dues and Subscriptions	17,150			4
5		25,100	5 Training and Education	48,000			5
6		15,500	6 Travel	17,450			6
7		98,100	7 Office and Admin Expense	126,400			7
8		0	8 Bad Debt Expense	6,000			8
9		12,000	9 Licenses and Permit Fees	9,500			9
10		507,850	10 Utilities	505,000			10
11		256,200	11 Contract and Support Services	292,574			11
12		190,700	12 Repairs and Maintenance	151,700			12
13		16,800	13 Equipment	15,900			13
14		83,700	14 Materials and Operating Supplies	80,150			14
15		7,000	15 Shipping Expenses - ILWU Wages (Billed to Ships)	7,000			15
16		37,000	16 DSL and State Land Fees	38,500			16
17		14,000	17 Trailer and Land Leases	13,500			17
18		85,000	18 Grant Expenses	0			18
19			19				19
20			20				20
21	<b>1,199,989</b>	<b>1,337,289</b>	<b>21 TOTAL MATERIALS &amp; SERVICES</b>	<b>1,677,199</b>			<b>21</b>

**BONDED DEBT  
RESOURCES AND REQUIREMENTS**

**Bond Debt Payments are for:**

- Revenue Bonds or
- General Obligation Bonds

**Port of Newport**

**Bonded Debt Fund**

(Name of Municipal Corporation)

(Fund)

Historical Data			DESCRIPTION OF RESOURCES AND REQUIREMENTS	Budget for Fiscal Year 2018-2019		
Actual		Adopted Budget This Year 2017-2018		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
Second Preceding Year 2015-2016	First Preceding Year 2016-2017					
1			1	<b>Resources</b>		1
2			2	Cash on Hand (Cash Basis), or		2
3	166,326	387,328	3	Working Capital (Accrual Basis)		395,700
4	0	0	4	Previously Levied Taxes to be Received		25,000
5	1,031	1,248	5	Interest		1,800
6	0	0	6	Transferred from Other Funds		0
7	8,351,839	0	7	Proceeds from Refunding Bonds		0
8	8,519,196	388,576	8	Total Resources, Except Taxes to be Levied		422,500
9		850,000	9	Taxes Estimated to be Received *		488,455
10	973,055	982,564	10	Taxes Collected in Year Levied		
11	<b>9,492,251</b>	<b>1,371,140</b>	11	<b>TOTAL RESOURCES</b>		<b>910,955</b>
				<b>Requirements</b>		
				<b>Bond Principal Payments</b>		
12			12	Bond Issue	Budgeted Payment Date	
13	120,000	125,000	13	2007		0
14	115,000	120,000	14	2008	N/A	0
15	65,000	65,000	15	2011	January 1	70,000
16	0	155,000	16	2016	January 1	270,000
17	<b>300,000</b>	<b>465,000</b>	17	<b>Total Principal</b>		<b>340,000</b>
				<b>Bond Interest Payments</b>		
18			18	Bond Issue	Budgeted Payment Date	
19	90,339	2,500	19	2007		0
20	93,870	7,400	20	2008	N/A	0
21	272,580	270,630	21	2011	July 1 and January 1	267,055
22	0	291,210	22	2016	July 1 and January 1	273,900
23	<b>456,789</b>	<b>571,740</b>	23	<b>Total Interest</b>		<b>540,955</b>
				<b>Unappropriated Balance for Following Year By</b>		
24			24	Bond Issue	Projected Payment Date	
25			25			
26			26			
27			27			
28	387,328	334,400	28	Ending Balance (Prior Years)		
29		0	29	Total Unappropriated Ending Fund Balance (UEFB)		30,000
30	8,348,134	0	30	Payment to Refunded Bond Escrow Agent		0
31	<b>9,492,251</b>	<b>1,371,140</b>	31	<b>TOTAL REQUIREMENTS</b>		<b>910,955</b>

\*If this form is used for revenue bonds, property tax resources may not be included.

**FORM  
LB-11**

This fund is authorized and established by Resolution No. 1998-05 on 23 June 1998 for the following specified purpose:  
Repair and replace Port infrastructure and facilities.

**RESERVE FUND  
RESOURCES AND REQUIREMENTS**

This reserve fund must be reviewed at least every 10 years to be continued or abolished.  
Reviewed in 2008; next review in 2018.

**Facilities Maintenance Reserve Fund**  
(Fund)

**Port of Newport**  
(Name of Municipal Corporation)

Historical Data				DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Fiscal Year 2018-2019			
Actual		Adopted Budget Year 2017-2018	Proposed By Budget Officer		Approved By Budget Committee	Adopted By Governing Body		
Second Preceding Year 2015-2016	First Preceding Year 2016-2017							
1			1	RESOURCES				1
2			2	Cash on Hand (Cash Basis), or				2
3	48,378	73,778	75,500	3 Working Capital (Accrual Basis)	54,733			3
4	0	0	0	4 Previously Levied Taxes Estimated to be Received	0			4
5	185	161	199	5 Interest	100			5
6	125,000	60,000	160,000	6 Transferred IN, from Other Funds	747,792			6
7	173,563	133,939	235,699	7 Total Resources, Except Taxes to be Levied	802,625			7
8			0	8 Taxes Estimated to be Received	0			8
9	0	0		9 Taxes Collected in Year Levied				9
<b>10</b>	<b>173,563</b>	<b>133,939</b>	<b>235,699</b>	<b>10 TOTAL RESOURCES</b>	<b>802,625</b>			<b>10</b>
11				11 REQUIREMENTS				11
12				12 Object Classification				12
13	0	0	0	13 Materials and Services	0			13
14	99,785	61,616	177,699	14 Capital Outlay	672,625			14
15	0	0	8,000	15 Contingency	80,000			15
16	0	0	0	16 Transferred OUT, to Other Funds	0			16
17				17				17
18				18				18
19	73,778	72,323		19 Ending Balance (Prior Years)				19
20	0	0	50,000	20 Reserved for Future Expenditure	50,000			20
21			0	21 Unappropriated Ending Fund Balance (UEFB)	0			21
<b>22</b>	<b>173,563</b>	<b>133,939</b>	<b>235,699</b>	<b>22 TOTAL REQUIREMENTS</b>	<b>802,625</b>			<b>22</b>

**SPECIAL FUND  
RESOURCES AND REQUIREMENTS**

**Construction Fund**  
(Fund)

**Port of Newport**

(Name of Municipal Corporation)

Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Fiscal Year 2018-2019			
Actual		Adopted Budget Year 2017-2018		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
Second Preceding Year 2015-2016	First Preceding Year 2016-2017						
1			1	RESOURCES			1
2			2	Cash on Hand (Cash Basis), or			2
3	183,267	79,229	3	Working Capital (Accrual Basis)	44,055		3
4	0	0	4	Previously Levied Taxes Estimated to be Received	0		4
5	376	62	5	Interest	120		5
6	0	0	6	Transferred IN, from Other Funds	61,825		6
7	0	0	7	Loan Proceeds	0		7
8	0	0	8	Intergovernmental	0		8
9	0	26,441	9	Grants	0		9
10	183,643	105,732	10	Total Resources, Except Taxes to be Levied	106,000		10
11			11	Taxes Estimated to be Received	0		11
12	0	0	12	Taxes Collected in Year Levied			12
13	<b>183,643</b>	<b>105,732</b>	<b>13</b>	<b>TOTAL RESOURCES</b>	<b>106,000</b>		<b>13</b>
14			14	REQUIREMENTS			14
15			15	Object Classification			15
16	0	0	16	Materials and Services	0		16
17	79,414	52,892	17	Capital Outlay	36,000		17
18	0	0	18	Contingency	70,000		18
19	25,000	0	19	Transferred OUT, to Other Funds	0		19
20			20				20
21			21				21
22	79,229	52,840	22	Ending Balance (Prior Years)			22
23			23	Unappropriated Ending Fund Balance (UEFB)	0		23
24	<b>183,643</b>	<b>105,732</b>	<b>24</b>	<b>TOTAL REQUIREMENTS</b>	<b>106,000</b>		<b>24</b>

**FORM  
LB-10**

**SPECIAL FUND  
RESOURCES AND REQUIREMENTS**

**NOAA Lease Revenue Fund**

(Fund)

**Port of Newport**

(Name of Municipal Corporation)

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Fiscal Year 2018-2019			
	Actual		Adopted Budget Year 2017-2018		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2015-2016	First Preceding Year 2016-2017						
1				1	RESOURCES			1
2				2	Cash on Hand (Cash Basis), or			2
3	5,565,928	5,728,779	5,678,779	3	Working Capital (Accrual Basis)	5,718,150		3
4	0	0	0	4	Previously Levied Taxes Estimated to be Received	0		4
5	10,572	10,962	10,500	5	Interest	12,000		5
6	0	0	500,000	6	Transferred IN, from Other Funds	0		6
7	2,541,138	2,533,302	2,542,000	7	Lease Revenue	2,544,000		7
8	14,845	128	0	8	Grants and Other	950		8
9	0	0	0	9	Revenue Bond Proceeds	0		9
10	8,132,483	8,273,171	8,731,279	10	Total Resources, Except Taxes to be Levied	8,275,100		10
11			0	11	Taxes Estimated to be Received	0		11
12	0	0		12	Taxes Collected in Year Levied			12
13	<b>8,132,483</b>	<b>8,273,171</b>	<b>8,731,279</b>	13	<b>TOTAL RESOURCES</b>	<b>8,275,100</b>		13
14				14	REQUIREMENTS			14
15				15	Object Classification			15
16	97,394	75,328	82,385	16	Personnel Services (1 FTE)	78,306		16
17	296,786	442,358	366,470	17	Materials and Services <sup>[1]</sup>	750,500		17
18	10,090	12,296	6,000	18	Capital Outlay	86,000		18
19	1,999,434	1,997,334	2,001,734	19	Debt Service	1,997,271		19
20	0	0	100,000	20	Contingency	100,000		20
21	0	0	750,000	21	Transferred OUT, to Other Funds	0		21
23				23				23
28				28				28
29	5,728,779	5,745,855		29	Ending Balance (Prior Years)			29
22	0	0	0	22	Reserved for Future Expenditure	150,000		22
30			5,424,690	30	Unappropriated Ending Fund Balance (UEFB)	5,113,023		30
31	<b>8,132,483</b>	<b>8,273,171</b>	<b>8,731,279</b>	31	<b>TOTAL REQUIREMENTS</b>	<b>8,275,100</b>		31

[1] Includes \$490,000 for dredging in FY 2018-2019.

**Notice of Property Tax and Certification of Intent to Impose a Tax, Fee, Assessment or Charge on Property**

To assessor of Lincoln County

**FORM LB-50  
2018-2019**

- Be sure to read instructions in the Notice of Property Tax Levy Forms and Instruction booklet  Check here if this is an amended form.

The Port of Newport has the responsibility and authority to place the following property tax, fee, charge or assessment on the tax roll of Lincoln County. The property tax, fee, charge or assessment is categorized as stated by this form.

<u>600 SE Bay Boulevard</u> Mailing Address of District	<u>Newport</u> City	<u>OR</u> State	<u>97365</u> ZIP code	<u>26 May 2018</u> Date
<u>Douglas J. Parsons</u> Contact Person	<u>General Manager</u> Title	<u>541-265-7758</u> Daytime Telephone	<u>dparsons@portofnewport.com</u> Contact Person E-Mail	

**CERTIFICATION** - You **must** check one box if your district is subject to Local Budget Law.  
 The tax rate or levy amounts certified in Part I are within the tax rate or levy amounts approved by the budget committee.  
 The tax rate or levy amounts certified in Part I were changed by the governing body and republished as required in ORS 294.456.

**PART I: TOTAL PROPERTY TAX LEVY**

		<u>Subject to General Government Limits</u> Rate -or- Dollar Amount		
1. Rate per \$1,000 or Total dollar amount levied (within permanent rate limit) . . .	1	0.0609		
2. Local option operating tax . . . . .	2			<b>Excluded from Measure 5 Limits</b> Dollar Amount of Bond Levy
3. Local option capital project tax . . . . .	3			
4. Levy for pension and disability obligations . . . . .	4			
5a. Levy for bonded indebtedness from bonds approved by voters <b>prior</b> to October 6, 2001 . . . . .	5a.			
5b. Levy for bonded indebtedness from bonds approved by voters <b>on or after</b> October 6, 2001 . . . . .	5b.	520,000		
5c. Total levy for bonded indebtedness not subject to Measure 5 or Measure 50 (total of 5a + 5b) . . . . .	5c.	<b>520,000</b>		

**PART II: RATE LIMIT CERTIFICATION**

6. Permanent rate limit in dollars and cents per \$1,000 . . . . .	6	<b>0.0609</b>
7. Election date when your <b>new district</b> received voter approval for your permanent rate limit . . . . .	7	
8. <b>Estimated</b> permanent rate limit for newly <b>merged/consolidated district</b> . . . . .	8	

**PART III: SCHEDULE OF LOCAL OPTION TAXES** - Enter all local option taxes on this schedule. If there are more than two taxes, attach a sheet showing the information for each.

Purpose (operating, capital project, or mixed)	Date voters approved local option ballot measure	First tax year levied	Final tax year to be levied	Tax amount -or- rate authorized per year by voters

**Part IV. SPECIAL ASSESSMENTS, FEES AND CHARGES**

Description	Subject to General Government Limitation	Excluded from Measure 5 Limitation
1		
2		

If fees, charges, or assessments will be imposed on specific property within your district, you must attach a complete listing of properties, by assessor's account number, to which fees, charges, or assessments will be imposed. Show the fees, charges, or assessments uniformly imposed on the properties. If these amounts are not uniform, show the amount imposed on each property.  
**The authority for putting these assessments on the roll is ORS \_\_\_\_\_ (Must be completed if you have an entry in Part IV)**



**FORM LB-1**

**PORT OF NEWPORT NOTICE OF BUDGET HEARING**

A public meeting of the **PORT OF NEWPORT** Commission will be held at the Port's South Beach Marina & RV Park Office at 2120 SE Marine Science Dr., Newport, Oregon on June 26, 2018 at 6:00 pm. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2018 as approved by the Port of Newport Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at 600 SE Bay Blvd, between the hours of 8:30 a.m. and 4:30 p.m. or online at [www.portofnewport.com](http://www.portofnewport.com). This budget is for an annual budget period. This budget was prepared on a basis of accounting that is the same as used the preceding year.

Contact: Doug Parsons, General Manager

Telephone: 541-265-7758

Email: [dparsons@portofnewport.com](mailto:dparsons@portofnewport.com)

<b>FINANCIAL SUMMARY - RESOURCES</b>			
<b>TOTAL OF ALL FUNDS</b>	Actual Amount	Adopted Budget	Approved Budget
	2016-17	This Year 2017-18	Next Year 2018-19
1 Beginning Fund Balance/Net Working Capital			
2 Fees, Licenses, Permits, Fines, Assessments & Other Service Charges			
3 Federal, State and All Other Grants, Gifts, Allocations and Donations			
4 Revenue from Bonds and Other Debt			
5 Interfund Transfers / Internal Service Reimbursements			
6 All Other Resources Except Current Year Property Taxes			
7 Current Year Property Taxes Estimated to be Received			
<b>8 Total Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION</b>			
9 Personnel Services			
10 Materials and Services			
11 Capital Outlay			
12 Debt Service			
13 Interfund Transfers			
14 Contingencies			
15 Special Payments			
16 Unappropriated Ending Balance and Reserved for Future Expenditure			
<b>17 Total Requirements</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM *</b>			
Name of Organizational Unit or Program	FTE for that unit or program		
NOAA MOC-P Facility			
FTE			
General Operating Fund			
FTE			
Non-Departmental / Non-Program			
FTE			
<b>Total Requirements</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total FTE</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING</b>			
<b>PROPERTY TAX LEVIES</b>			
	Rate or Amount Imposed	Rate or Amount Imposed	Rate or Amount Approved
Permanent Rate Levy (rate limit 0.0609 per \$1,000)	\$ .0609/1,000	\$ .0609/1,000	\$ .0609/1,000
Local Option Levy			
Levy For General Obligation Bonds			

<b>STATEMENT OF INDEBTEDNESS</b>		
LONG TERM DEBT	Estimated Debt Outstanding on July 1.	Estimated Debt Authorized, But Not Incurred on July 1
General Obligation Bonds		\$0
Other Bonds		\$0
Other Borrowings		\$0
<b>Total</b>		<b>\$0</b>

INTENTIONALLY BLANK



**Making Appropriations**

Amounts for the fiscal year beginning 1 July 2018 and for the purposes shown below are hereby appropriated:

<b>General Operating Fund (GOF)</b>	
Personnel Services	\$1,597,956
Materials & Services	1,677,199
Capital Outlay	341,261
Debt Service	883,714
Transfers Out	809,617
Contingency	300,000
<b>Subtotal</b>	<b>5,609,747</b>
UEFB	232,921
<b>Total Budget</b>	<b>\$5,842,668</b>

<b>Bonded Debt Fund (BDF)</b>	
Debt Service	\$880,955
<b>Subtotal</b>	<b>880,955</b>
UEFB	30,000
<b>Total Budget</b>	<b>\$910,955</b>

<b>Facilities Maintenance Reserve Fund (FMRF)</b>	
Capital Outlay	\$672,625
Contingency	80,000
<b>Subtotal</b>	<b>752,625</b>
Future Reserves	50,000
UEFB	0
<b>Total Budget</b>	<b>\$802,625</b>

<b>Construction Fund (CF)</b>	
Capital Outlay	\$36,000
Contingency	70,000
<b>Subtotal</b>	<b>106,000</b>
UEFB	0
<b>Total Budget</b>	<b>\$106,000</b>

<b>NOAA Lease Revenue Fund (NOAA)</b>	
Personnel Services	\$78,306
Materials & Services	750,500
Capital Outlay	86,000
Debt Service	1,997,271
Transfers Out	0
Contingency	100,000
<b>Subtotal</b>	<b>3,012,077</b>
Future Reserves	150,000
UEFB	5,113,023
<b>Total Budget</b>	<b>\$8,275,100</b>

<b>TOTAL, All Funds</b>	
Personnel Services	\$1,676,262
Materials & Services	2,427,699
Capital Outlay	1,135,886
Debt Service	3,761,940
Transfers Out	809,617
Contingency	550,000
<b>Total Appropriations</b>	<b>10,361,404</b>
Future Reserves	200,000
UEFB	5,375,944
<b>Total Budget</b>	<b>\$15,937,348</b>

Abbreviations		
Funds (5)		State Fund Type
GOF	General Operating Fund	General Fund
BDF	Bonded Debt Fund	Debt Service Fund
FMRF	Facilities Maintenance Reserve Fund	Reserve Fund
CF	Construction Fund	Capital Project Fund
NOAA	NOAA Lease Revenue Fund	Special Revenue Fund
Other		
UEFB	Unappropriated Ending Fund Balance	



## To Make Budget Changes after Adoption

### Contingency and Unappropriated Ending Fund Balances

#### To Use Contingency

- May transfer **up to 15%** of a fund's total appropriations out of Contingency:
  - Requires resolution by Board
  - Transfer only to another existing appropriation category within the fund
  - Limit is cumulative for the fiscal year
  
- May transfer **more than 15%** of a fund's total appropriations out of Contingency:
  - Requires supplemental budget by Board
  - Public hearing must be held and public comment taken
  - Publishing requirements must be met
  - Transfer only to another existing appropriation category within the fund

#### To Use Unappropriated Ending Fund Balance (UEFB)

- No expenditures can be made from UEFB **except for**:
  - Appropriations needed to respond to an emergency situation:
    - Involuntary conversion (theft, vandalism, accident, etc.)
    - Civil disturbance
    - Natural disaster
  - Requires supplemental budget to appropriate any UEFB assets
  - Public hearing must be held and public comment taken
  - Publishing requirements must be met



### Summary of Most Recent Years' Appropriations

	Budget FY 2015-2016	Budget FY 2016-2017	Budget FY 2017-2018	Proposed Budget FY 2018-2019
<b>General Operating Fund (GOF)</b>				
Personnel Services	\$1,147,035	\$1,300,616	\$1,349,370	\$1,597,956
Materials & Services	1,524,407	1,425,200	1,626,550	1,677,199
Capital Outlay	215,000	500,000	197,900	341,261
Debt Service	637,033	684,934	732,680	883,714
Transfers Out	100,000	60,000	160,000	809,617
Contingency	200,000	100,000	100,000	300,000
<b>Subtotal</b>	<b>3,823,475</b>	<b>4,070,750</b>	<b>4,166,500</b>	<b>5,609,747</b>
UEFB	919,859	944,866	1,251,816	232,921
<b>Total Budget</b>	<b>\$4,743,334</b>	<b>\$5,015,616</b>	<b>\$5,418,316</b>	<b>\$5,842,668</b>
<b>Bonded Debt Fund (BDF)</b>				
Debt Service	\$927,172	\$925,823	\$876,000	\$880,955
<b>Subtotal</b>	<b>927,172</b>	<b>925,823</b>	<b>876,000</b>	<b>880,955</b>
UEFB	0	0	0	30,000
<b>Total Budget</b>	<b>\$927,172</b>	<b>\$925,823</b>	<b>\$876,000</b>	<b>\$910,955</b>
<b>Facilities Maintenance Reserve Fund (FMRF)</b>				
Materials & Services	\$166,125	\$0	\$0	\$0
Capital Outlay	0	120,125	177,699	672,625
Contingency	24,000	0	8,000	80,000
<b>Subtotal</b>	<b>190,125</b>	<b>120,125</b>	<b>185,699</b>	<b>752,625</b>
Future Reserves	100,000	50,000	50,000	50,000
<b>Total Budget</b>	<b>\$290,125</b>	<b>\$170,125</b>	<b>\$235,699</b>	<b>\$802,625</b>
<b>Construction Fund (CF)</b>				
Capital Outlay	\$500,100	\$2,050,100	\$6,500,000	\$36,000
Transfers Out	150,000	25,000	500,000	0
Contingency	0	0	0	70,000
<b>Subtotal</b>	<b>650,100</b>	<b>2,075,100</b>	<b>7,000,000</b>	<b>106,000</b>
UEFB	0	0	100	0
<b>Total Budget</b>	<b>\$650,100</b>	<b>\$2,075,100</b>	<b>\$7,000,100</b>	<b>\$106,000</b>
<b>NOAA Lease Revenue Fund (NOAA)</b>				
Personnel Services	\$109,660	\$75,759	\$82,385	\$78,306
Materials & Services	605,120	689,320	366,470	750,500
Capital Outlay	56,000	0	6,000	86,000
Debt Service	1,999,434	1,997,335	2,001,734	1,997,271
Transfers Out	500,000	2,000,000	500,000	0
Contingency	100,000	100,000	100,000	100,000
<b>Subtotal</b>	<b>3,370,214</b>	<b>4,862,414</b>	<b>3,056,589</b>	<b>3,012,077</b>
Future Reserves	0	0	0	150,000
UEFB	4,784,596	3,256,014	5,674,690	5,113,023
<b>Total Budget</b>	<b>\$8,154,810</b>	<b>\$8,118,428</b>	<b>\$8,731,279</b>	<b>\$8,275,100</b>
<b>TOTAL, All Funds</b>				
Personnel Services	\$1,256,695	\$1,376,375	\$1,431,755	\$1,676,262
Materials & Services	2,295,652	2,114,520	1,993,020	2,427,699
Capital Outlay	771,100	2,670,225	6,881,599	1,135,886
Debt Service	3,563,639	3,608,092	3,610,414	3,761,940
Transfers Out	750,000	2,085,000	1,160,000	809,617
Contingency	324,000	200,000	208,000	550,000
<b>Total Appropriations</b>	<b>8,961,086</b>	<b>12,054,212</b>	<b>15,284,788</b>	<b>10,361,404</b>
Future Reserves	100,000	50,000	50,000	200,000
UEFB	5,704,455	4,200,880	6,926,606	5,375,944
<b>Total Budget</b>	<b>\$14,765,541</b>	<b>\$16,305,092</b>	<b>\$22,261,394</b>	<b>\$15,937,348</b>

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# Provided for historical reference. . .

**PORT OF NEWPORT  
RESOLUTION 2015-10**

**A RESOLUTION ADOPTING THE 2015-16 FISCAL YEAR BUDGET, MAKING APPROPRIATIONS,  
LEVYING AND CATEGORIZING THE TAX**

**THE PORT OF NEWPORT BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:**

**Section 1. Adopting the Budget**

The Commission hereby adopts the budget for fiscal year 2015-16 in the sum of ..... \$14,765,541  
now on file at the Port District office, 600 SE Bay Blvd., Newport, OR 97365.

**Section 2. Making Appropriations**

Amounts for the fiscal year beginning July 1, 2015 and for the purposes shown below are hereby appropriated

<table border="0" style="width: 100%; border-collapse: collapse;"> <tr><td colspan="2"><b>General Operating Fund</b></td></tr> <tr><td>Personnel Services.....</td><td style="text-align: right;">1,147,035</td></tr> <tr><td>Materials &amp; Services.....</td><td style="text-align: right;">1,524,407</td></tr> <tr><td>Capital Outlay.....</td><td style="text-align: right;">215,000</td></tr> <tr><td>Debt Service .....</td><td style="text-align: right;">637,033</td></tr> <tr><td>Transfers Out.....</td><td style="text-align: right;">100,000</td></tr> <tr><td>Contingency.....</td><td style="text-align: right;">200,000</td></tr> <tr><td><b>Total.....</b></td><td style="text-align: right;"><b>\$3,823,475</b></td></tr> <tr><td>UEFB.....</td><td style="text-align: right;">\$919,859</td></tr> <tr><td><b>Total Budget.....</b></td><td style="text-align: right;"><b>\$4,743,334</b></td></tr> </table> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr><td colspan="2"><b>Bonded Debt Fund</b></td></tr> <tr><td>Debt Service</td><td style="text-align: right;">927,172</td></tr> <tr><td><b>Total.....</b></td><td style="text-align: right;"><b>\$927,172</b></td></tr> <tr><td>UEFB.....</td><td style="text-align: right;">\$0</td></tr> <tr><td><b>Total Budget.....</b></td><td style="text-align: right;"><b>\$927,172</b></td></tr> </table> <table border="0" style="width: 100%; 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**Section 3. Imposing the Tax**

The Commission hereby imposes the following ad valorem property taxes upon the assessed value of all taxable property within the district for tax year 2015-16:

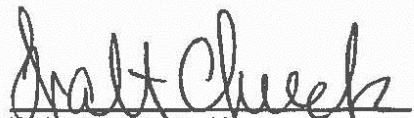
- (A) At the rate of \$0.0609 per \$1,000 of assessed value for the permanent tax rate; and
- (B) In the amount of \$1,000,000 for debt service on general obligation bonds.

**Section 4. Categorizing the Tax**

The taxes imposed in Section 3, above, are hereby categorized for purposes of Article XI section 11b as:

- (A) Subject to the General Government Limitation. Permanent Tax Rate ..... \$0.0609/\$1,000
- (B) Excluded from Limitation. General Obligation Bond Debt Service ..... \$1,000,000

**APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 23rd day of June, 2015**

  
Walter Chuck, President

ATTEST:  
  
Ken Brown, Secretary/Treasurer

# Provided for historical reference. . .

**PORT OF NEWPORT  
RESOLUTION 2016-~~xx~~  
05**

**A RESOLUTION ADOPTING THE 2016-17 FISCAL YEAR BUDGET, MAKING APPROPRIATIONS,  
LEVYING AND CATEGORIZING THE TAX**

**THE PORT OF NEWPORT BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:**

**Section 1. Adopting the Budget**

The Commission hereby adopts the budget for fiscal year 2016-17 in the sum of ..... \$16,305,092 now on file at the Port District office, 600 SE Bay Blvd., Newport, OR 97365.

**Section 2. Making Appropriations**

Amounts for the fiscal year beginning July 1, 2016 and for the purposes shown below are hereby appropriated:

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**Section 3. Imposing the Tax**

The Commission hereby imposes the following ad valorem property taxes upon the assessed value of all taxable property within the district for tax year 2016-17:

- (A) At the rate of \$0.0609 per \$1,000 of assessed value for the permanent tax rate; and
- (B) In the amount of \$1,000,000 for debt service on general obligation bonds.

**Section 4. Categorizing the Tax**

The taxes imposed in Section 3, above, are hereby categorized for purposes of Article XI section 11b as:

- (A) Subject to the General Government Limitation. Permanent Tax Rate ..... \$0.0609/\$1,000
- (B) Excluded from Limitation. General Obligation Bond Debt Service ..... \$1,000,000

**APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 21st day of June, 2016.**

  
Walter Chuck, President

ATTEST:  
  
Patricia Patrick Joling, Secretary/Treasurer



# Provided for historical reference. . .

**PORT OF NEWPORT  
RESOLUTION 2017-09**

**A RESOLUTION ADOPTING THE 2017-18 FISCAL YEAR BUDGET, MAKING APPROPRIATIONS,  
LEVYING AND CATEGORIZING THE TAX**

**THE PORT OF NEWPORT BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:**

**Section 1. Adopting the Budget**

The Commission hereby adopts the budget for fiscal year 2017-18 in the sum of ..... \$22,261,394 now on file at the Port District office, 600 SE Bay Blvd., Newport, OR 97365.

**Section 2. Making Appropriations**

Amounts for the fiscal year beginning July 1, 2017 and for the purposes shown below are hereby appropriated:

<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2"><b><u>General Operating Fund</u></b></td> </tr> <tr> <td>Personnel Services</td> <td style="text-align: right;">\$ 1,349,370</td> </tr> <tr> <td>Materials &amp; Services</td> <td style="text-align: right;">1,626,550</td> </tr> <tr> <td>Capital Outlay</td> <td style="text-align: right;">197,900</td> </tr> <tr> <td>Debt Service</td> <td style="text-align: right;">732,680</td> </tr> <tr> <td>Transfers Out</td> <td style="text-align: right;">160,000</td> </tr> <tr> <td>Contingency</td> <td style="text-align: right;">100,000</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>4,166,500</b></td> </tr> <tr> <td>UEFB</td> <td style="text-align: right;">1,251,816</td> </tr> <tr> <td><b>Total Budget</b></td> <td style="text-align: right;"><b>\$ 5,418,316</b></td> </tr> </table> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2"><b><u>Bonded Debt Fund</u></b></td> </tr> <tr> <td>Debt Service</td> <td style="text-align: right;">\$ 876,000</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>876,000</b></td> </tr> <tr> <td>UEFB</td> <td style="text-align: right;">-</td> </tr> <tr> <td><b>Total Budget</b></td> <td style="text-align: right;"><b>\$ 876,000</b></td> </tr> </table> <table border="0" style="width: 100%; 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**Section 3. Imposing the Tax**

The Commission hereby imposes the following ad valorem property taxes upon the assessed value of all taxable property within the district for tax year 2017-18:

- (A) At the rate of \$0.0609 per \$1,000 of assessed value for the permanent tax rate; and
- (B) In the amount of \$1,000,000 for debt service on general obligation bonds.

**Section 4. Categorizing the Tax**

The taxes imposed in Section 3, above, are hereby categorized for purposes of Article XI section 11b as:

- (A) Subject to the General Government Limitation. Permanent Tax Rate ..... \$0.0609/\$1,000
- (B) Excluded from Limitation. General Obligation Bond Debt Service ..... \$1,000,000

**APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 27th day of June, 2017.**

  
Walter Chuck, President

ATTEST:  
  
Patricia Patrick-Joling, Secretary/Treasurer

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Additional Budget Information  
Port of Newport's Detailed Forms  
FY 2018-2019

Prepared By  
Port of Newport  
Finance Department

## RESOURCES DETAIL (1 of 2)

**General Operating Fund**  
(Fund)

**Port of Newport**  
(Name of Municipal Corporation)

Historical Data			DESCRIPTION	Budget for Fiscal Year 2018-2019			
Actual		Adopted Budget This Year 2017-2018		Proposed By Budget Officer	% +/- from Prior Year	Approved By Budget Committee	Adopted By Governing Body
Second Preceding Year 2015-2016	First Preceding Year 2016-2017						
1			1	RESOURCES (a.k.a. REVENUES)			1
2	\$1,415,035	\$1,872,138	2	Working Capital (Accrual Basis)	\$1,729,218	10.0%	2
3			3				3
4			4	Operating Revenues <sup>[1]</sup>			4
5	\$611,004	\$631,802	5	Lease Revenue (all but NOAA)	\$687,000	3.3%	5
6			6	Newport International Terminal			6
7	94,570	111,743	7	Moorage	100,000	0.0%	7
8	282,143	353,639	8	Services	314,600	9.2%	8
9	\$376,713	\$465,382	9	Subtotal - Newport International Terminal	\$414,600	6.9%	9
10			10	Commercial Marina			10
11	456,691	420,801	11	Moorage	454,800	-1.1%	11
12	279,284	278,849	12	Services	342,500	5.7%	12
13	\$735,975	\$699,650	13	Subtotal - Commercial Marina	\$797,300	1.7%	13
14			14	Recreational Marina			14
15	669,626	737,536	15	Moorage	746,400	6.6%	15
16	0	10,530	16	Services (Lot Storage, Laundry, Showers, Etc.) <sup>[2]</sup>	21,800	n/a	16
17	12,610	13,804	17	Live-aboard Revenue	20,100	43.6%	17
18	63,320	44,368	18	Launch Ramp Revenue	86,200	72.4%	18
19	10,276	21,542	19	Boat and Trailer Storage	26,000	30.0%	19
20	\$755,832	\$827,780	20	Subtotal - Recreational Marina	\$900,500	14.9%	20
21			21	RV Park			21
22	533,883	586,231	22	Paved Site Fees	730,000	16.3%	22
23	188,667	155,139	23	Annex Site Fees	186,300	16.4%	23
24	45,196	44,602	24	Dry Camping Site Fees	73,700	73.4%	24
25	0	0	25	Propane	16,000	n/a	25
26	0	0	26	Other Services (Laundry, Etc.) <sup>[2]</sup>	35,700	n/a	26
27	\$767,746	\$785,972	27	Subtotal - RV Park	\$1,041,700	25.5%	27

## RESOURCES DETAIL (2 of 2)

**General Operating Fund**  
(Fund)

**Port of Newport**  
(Name of Municipal Corporation)

	Historical Data				DESCRIPTION	Budget for Fiscal Year 2018-2019				
	Actual		Adopted Budget This Year 2017-2018			Proposed By Budget Officer	% +/- from Prior Year	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2015-2016	First Preceding Year 2016-2017								
					RESOURCES (a.k.a. REVENUES)					
28	1,298	3,086	2,000	28	Surplus Property and Dredge Sales	5,000	150.0%			28
29	97,597	98,187	71,000	29	Miscellaneous Revenue (Admin Fees and Refunds) <sup>[2]</sup>	34,800	-51.0%			29
30	\$3,346,165	\$3,511,859	\$3,524,178	30	Total Operating Revenues	\$3,880,900	10.1%			30
31				31	Non-operating Revenues					31
32	\$1,800	\$10,828	\$122,500	32	Grants and Other	\$88,050	-28.1%			32
33	0	218,878	0	33	Capital Contributions (PERS EIF Match)	34,500	n/a			33
34	0	210,295	96,000	34	Loan Proceeds	0	n/a			34
35	6,850	8,195	5,000	35	Interest	8,000	60.0%			35
36				36	Property Taxes Estimated to be Received					36
37	96,318	99,497	91,400	37	Current Year	98,000	7.2%			37
38	3,922	4,051	7,100	38	Previously Levied Taxes	4,000	-43.7%			38
39	\$100,240	\$103,548	\$98,500	39	Subtotal	\$102,000	3.6%			39
40	\$108,890	\$551,744	\$322,000	40	Total Non-operating Revenues	\$232,550	-27.8%			40
41				41						41
42	\$3,455,055	\$4,063,603	\$3,846,178	42	Total Revenues	\$4,113,450	6.9%			42
43				43						43
44	<b>\$4,870,090</b>	<b>\$5,935,741</b>	<b>\$5,418,316</b>	44	<b>TOTAL RESOURCES</b>	<b>\$5,842,668</b>	<b>7.8%</b>			44

[1] 8-months actual (1 July 2017 to 28 February 2018), plus last 4-months projected from same 4 months in 2017 to address seasonality.

[2] Recreational Marina and RV Park services were budgeted as Miscellaneous Revenue in prior fiscal years.

## REQUIREMENTS DETAIL (1 of 2)

General Operating Fund

(Fund)

Port of Newport

(Name of Municipal Corporation)

Historical Data			DESCRIPTION	Budget for Fiscal Year 2018-2019			
Actual		Adopted Budget This Year 2017-2018		Proposed By Budget Officer	% +/- from Prior Year	Approved By Budget Committee	Adopted By Governing Body
Second Preceding Year 2015-2016	First Preceding Year 2016-2017						
			MATERIALS AND SERVICES				
		\$172,300	1 Insurance	\$165,300	-4.1%		
			2 Professional Fees				
		33,000	3 Legal	49,500	50.0%		
		25,000	4 Audit and Accounting	87,800	251.2%		
		0	5 Update Strategic Business and Capital Facilities Plans	25,000	n/a		
		0	6 Tenant Screening Services	1,275	n/a		
		\$58,000	7 Subtotal - Professional Fees	\$163,575	182.0%		
		25,000	8 Marketing and Promotion	19,500	-22.0%		
		22,300	9 Dues and Subscriptions	17,150	-23.1%		
		25,100	10 Training and Education	48,000	91.2%		
		15,500	11 Travel	17,450	12.6%		
			12 Office and Admin Expense				
		41,000	13 Bank Fees	44,300	8.0%		
		0	14 Accounting Automation	25,000	n/a		
		31,000	15 IT Hardware/Software and Supplies	30,000	-3.2%		
		14,000	16 Office Supplies	13,700	-2.1%		
		5,900	17 Equipment Rental and Leases	5,800	-1.7%		
		3,000	18 Meeting Supplies	5,225	74.2%		
		3,200	19 Postage and Shipping	2,375	-25.8%		
		\$98,100	20 Subtotal - Office and Admin Expense	\$126,400	28.8%		
		0	21 Bad Debt Expense	6,000	n/a		
		12,000	22 Licenses and Permit Fees	9,500	-20.8%		
			23 Utilities				
		259,000	24 Electricity	255,500	-1.4%		
		128,000	25 Water and Sewer	131,500	2.7%		
		4,000	26 Natural Gas	3,300	-17.5%		
		77,000	27 Refuse and Recycling	73,500	-4.5%		
		39,850	28 Telecommunications	41,200	3.4%		
		\$507,850	29 Subtotal - Utilities	\$505,000	-0.6%		

## REQUIREMENTS DETAIL (2 of 2)

**General Operating Fund**

(Fund)

**Port of Newport**

(Name of Municipal Corporation)

Historical Data			DESCRIPTION	Budget for Fiscal Year 2018-2019			
Actual		Adopted Budget This Year 2017-2018		Proposed By Budget Officer	% +/- from Prior Year	Approved By Budget Committee	Adopted By Governing Body
Second Preceding Year 2015-2016	First Preceding Year 2016-2017						
			MATERIALS AND SERVICES				
30			30 Contract and Support Services				30
31		\$92,000	31 Security and Facilities Code Enforcement	\$86,652	-5.8%		31
32		164,200	32 Contract and Support Services - Other	205,922	25.4%		32
33		\$256,200	33 Subtotal - Contract and Support Services	\$292,574	14.2%		33
34		190,700	34 Repairs and Maintenance	151,700	-20.5%		34
35		16,800	35 Equipment	15,900	-5.4%		35
36		83,700	36 Materials and Operating Supplies	80,150	-4.2%		36
37		7,000	37 Shipping Expenses - ILWU Wages (Billed to Ships)	7,000	0.0%		37
38		37,000	38 DSL and State Land Fees	38,500	4.1%		38
39		14,000	39 Trailer and Land Leases	13,500	-3.6%		39
40		85,000	40 Grant Expenses	0	n/a		40
41			41				41
42	\$1,199,989	\$1,337,289	42 TOTAL MATERIALS & SERVICES	\$1,677,199	3.1%		42

**REQUIREMENTS DETAIL**

**General Operating Fund**

(Fund)

**Port of Newport**

(Name of Municipal Corporation)

Historical Data				DESCRIPTION	Budget for Fiscal Year 2018-2019			
Actual		Adopted Budget 2017-2018	Proposed By Budget Officer		% +/- from Prior Year	Approved By Budget Committee	Adopted By Governing Body	
Second Preceding Year 2015-2016	First Preceding Year 2016-2017							
1			1	CAPITAL OUTLAY				1
2			2	Hoist Dock 110v Additions/Moves	\$12,981			2
3			3	Replace Waste Water Pump Station	32,680			3
4			4	Security Cameras & Network - NIT	115,000			4
5			5	Security Cameras & Network - CM	15,000			5
6			6	Security Cameras & Network - RM	5,000			6
7			7	Two Water Line Extensions to West Wharf	6,000			7
8			8	Purchase and Install 2nd Swing Hoist for Use on West Wharf	130,000			8
9			9	Facility Repairs and Improvements to Create PON Business Incubator	15,600			9
10			10	Pad for Waste Oil/Bilge Tank	9,000			10
11			11					11
12	\$20,345	\$654,831	\$197,900	<b>TOTAL CAPITAL OUTLAY</b>	<b>\$341,261</b>	<b>72.4%</b>		<b>12</b>
13			13	DEBT SERVICE AND TRANSFERS OUT				13
14	\$637,069	\$699,934	\$732,680	Debt Service	\$883,714	20.6%		14
15			15					15
16			16	Transferred OUT				16
17			17	To Facilities Maintenance Reserve Fund	\$747,792			17
18			18	To Construction Fund	61,825			18
19	\$100,000	\$60,000	\$160,000	Total Transferred OUT, to Other Funds	\$809,617	406.0%		19
20			20					20
21	\$737,069	\$759,934	\$892,680	<b>TOTAL DEBT SERVICE AND TRANSFERS OUT</b>	<b>\$1,693,331</b>	<b>89.7%</b>		<b>21</b>



**RESERVE FUND  
RESOURCES AND REQUIREMENTS DETAIL**

**Facilities Maintenance Reserve Fund**

(Fund)

**Port of Newport**

(Name of Municipal Corporation)

Historical Data				DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Fiscal Year 2018-2019				
Actual		Adopted Budget Year 2017-2018	Proposed By Budget Officer		% +/- from Prior Year	Approved By Budget Committee	Adopted By Governing Body		
Second Preceding Year 2015-2016	First Preceding Year 2016-2017								
1			1	RESOURCES (a.k.a. REVENUES)				1	
2	\$48,378	\$73,778	\$75,500	2	Beginning Working Capital (a.k.a. Retained Earnings)	\$54,733	-27.5%		2
3				3					3
4				4	Revenues				4
5	\$185	\$161	\$199	5	Interest	\$100	-49.7%		5
6	125,000	60,000	160,000	6	Transferred IN, from Other Funds	747,792	367.4%		6
7				7					7
8	\$125,185	\$60,161	\$160,199	8	Total Revenues	\$747,892	366.9%		8
9				9					9
10	<b>\$173,563</b>	<b>\$133,939</b>	<b>\$235,699</b>	10	<b>TOTAL RESOURCES</b>	<b>\$802,625</b>	<b>240.5%</b>		10
11				11	REQUIREMENTS (a.k.a. EXPENSES)				11
12				12	Expenses				12
13				13	Capital Outlay				13
14				14	Replace fuel dock solenoid valve	\$15,000			14
15				15	Relocate Hoist Dock electrical lines beneath pier	102,000			15
16				16	PD5 pier engineering - Phase III	86,625			16
17				17	Electric load centers - Recreational Marina	38,000			17
18				18	Port Dock 7 replace 8 mid-pilings and 2 end-pilings;				18
19				19	PD5 replace 2 pilings	120,000			19
20				20	Port Dock 7 new floats, ≈ 180 linear ft. (Sections E & F)	288,000			20
21				21	Port Dock 7 section F restoration of utilities	23,000			21
22	\$99,785	\$61,616	\$177,699	22	Total Capital Outlay	\$672,625	278.5%		22
23				23					23
24	0	0	8,000	24	Contingency	80,000	900.0%		24
25	0	0	0	25	Transferred OUT, to Other Funds	0	n/a		25
26				26					26
27	\$99,785	\$61,616	\$185,699	27	Total Expenses	\$752,625	305.3%		27
28				28					28
29	73,778	72,323		29	Ending Balance (Prior Years)				29
30	0	0	50,000	30	Reserved for Future Expenditure	50,000	n/a		30
31			0	31	Unappropriated Ending Fund Balance (UEFB)	0	n/a		31
32	<b>\$173,563</b>	<b>\$133,939</b>	<b>\$235,699</b>	32	<b>TOTAL REQUIREMENTS</b>	<b>\$802,625</b>	<b>240.5%</b>		32

**SPECIAL FUND  
RESOURCES AND REQUIREMENTS DETAIL**

**Construction Fund**

(Fund)

**Port of Newport**

(Name of Municipal Corporation)

Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Fiscal Year 2018-19					
Actual		Adopted Budget Year 2017-2018		Proposed By Budget Officer	% +/- from Prior Year	Approved By Budget Committee	Adopted By Governing Body		
Second Preceding Year 2015-2016	First Preceding Year 2016-2017								
1			1	RESOURCES (a.k.a. REVENUES)				1	
2	\$183,267	\$79,229	\$0	2	Beginning Working Capital (a.k.a. Retained Earnings)	\$44,055	n/a		2
3				3					3
4				4	Non-operating Revenues				4
5	\$376	\$62	\$100	5	Interest	\$120	20.0%		5
6	0	26,441	0	6	Grants and Other Revenues	0	n/a		6
7	0	0	750,000	7	Transferred IN, from Other Funds	61,825	-91.8%		7
8	0	0	2,500,000	8	Loan Proceeds	0	n/a		8
9	0	0	4,000,000	9	Intergovernmental	0	n/a		9
10	\$376	\$26,503	\$7,250,100	10	Total Non-operating Revenues	\$61,945	-99.1%		10
11				11					11
12	\$376	\$26,503	\$7,250,100	12	Total Revenues	\$61,945	-99.1%		12
13				13					13
14	<b>\$183,643</b>	<b>\$105,732</b>	<b>\$7,250,100</b>	14	<b>TOTAL RESOURCES</b>	<b>\$106,000</b>	<b>-98.5%</b>		14
15				15	REQUIREMENTS (a.k.a. EXPENSES)				15
16				16	Expenses				16
17	\$0	\$0	\$250,000	17	Materials and Services	\$0	n/a		17
18				18					18
19				19	Capital Outlay				19
20				20	Evaluate Rogue Brewery seawall	10,000			20
21				21	Fenced, auto-access long-term public parking lot	8,000			21
22				22	Design of RV Park Annex full upgrade - Phase I	18,000			22
23	\$79,414	\$52,892	\$6,500,000	23	Total Capital Outlay	\$36,000	-99.4%		23
24				24					24
25	0	0	0	25	Contingency	70,000	n/a		25
26	25,000	0	500,000	26	Transferred OUT, to Other Funds	0	n/a		26
27				27					27
28	\$104,414	\$52,892	\$7,250,000	28	Total Expenses	\$106,000	-98.5%		28
29				29					29
30	79,229	52,840		30	Ending Balance (Prior Years)				30
31			100	31	Unappropriated Ending Fund Balance (UEFB)	0	n/a		31
32	<b>\$183,643</b>	<b>\$105,732</b>	<b>\$7,250,100</b>	32	<b>TOTAL REQUIREMENTS</b>	<b>\$106,000</b>	<b>-98.5%</b>		32

**SPECIAL FUND  
RESOURCES AND REQUIREMENTS DETAIL**

**NOAA Lease Revenue Fund**

(Fund)

**Port of Newport**

(Name of Municipal Corporation)

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Fiscal Year 2018-2019				
	Actual		Adopted Budget Year 2017-2018		Proposed By Budget Officer	% +/- from Prior Year	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2015-2016	First Preceding Year 2016-2017							
1				1	RESOURCES (a.k.a. REVENUES)				1
2	\$5,565,928	\$5,728,779	\$5,678,779	2	Beginning Working Capital (a.k.a. Retained Earnings)	\$5,718,150	0.7%		2
3				3					3
4				4	Operating Revenues				4
5	2,541,138	2,533,302	2,542,000	5	Lease Revenue	2,544,000	0.1%		5
6				6					6
7				7	Non-operating Revenues				7
8	10,572	10,962	10,500	8	Interest	12,000	14.3%		8
9	14,845	128	0	9	Grants and Other Revenues	950	n/a		9
10	0	0	500,000	10	Transferred IN, from Other Funds	0	n/a		10
11	\$25,417	\$11,090	\$510,500	11	Total Non-operating Revenues	\$12,950	-97.5%		11
12				12					12
13	\$2,566,555	\$2,544,392	\$3,052,500	13	Total Revenues	\$2,556,950	-16.2%		13
14				14					14
15	<b>\$8,132,483</b>	<b>\$8,273,171</b>	<b>\$8,731,279</b>	15	<b>TOTAL RESOURCES</b>	<b>\$8,275,100</b>	<b>-5.2%</b>		15
16				16	REQUIREMENTS (a.k.a. EXPENSES)				16
17				17	Operating Expenses				17
18				18	Personnel Services (1 FTE)				18
19	\$75,153	\$57,949	\$55,994	19	Wages	\$55,713	-0.5%		19
20	7,048	5,420	5,739	20	Payroll Tax Expense	5,048	-12.0%		20
21	7,792	7,811	7,992	21	Health Insurance	8,256	3.3%		21
22	0	0	2,000	22	Health Reimbursement Arrangement	262	-86.9%		22
23	0	363	2,581	23	PERS - Retirement	2,568	-0.5%		23
24	7,401	3,687	7,729	24	Workers' Compensation Insurance	6,142	-20.5%		24
25	0	0	0	25	Employee Assistance Program	120	n/a		25
26	0	98	350	26	Employee Incentives and Other	197	-43.7%		26
27	\$97,394	\$75,328	\$82,385	27	Total Personnel Services	\$78,306	-5.0%		27

**SPECIAL FUND  
RESOURCES AND REQUIREMENTS DETAIL**

**NOAA Lease Revenue Fund**

(Fund)

**Port of Newport**

(Name of Municipal Corporation)

Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Fiscal Year 2018-2019				
Actual		Adopted Budget Year 2017-2018		Proposed By Budget Officer	% +/- from Prior Year	Approved By Budget Committee	Adopted By Governing Body	
Second Preceding Year 2015-2016	First Preceding Year 2016-2017							
28			28	Materials and Services				28
29	\$107,298	\$118,774	29	Insurance	\$125,000	-7.1%		29
30	9,436	3,262	30	Professional Services	19,000	-5.0%		30
31	0	0	31	Dues & Subscriptions	50	-75.0%		31
32	770	140	32	Education and Travel <sup>[1]</sup>	1,000	100.0%		32
33			33	Office and Administration Expenses				33
34	710	526	34	Office Supplies	800	-20.0%		34
35	95	88	35	Meeting Supplies	100	-77.8%		35
36	0	0	36	Postage and Shipping	100	0.0%		36
37	2,925	1,301	37	IT Hardware and Software	3,000	0.0%		37
38	30	60	38	Bank and Payroll Fees <sup>[2]</sup>	100	-93.3%		38
39	650	650	39	Loan Fee Administration (US Bank)	750	-25.0%		39
40	10,000	10,000	40	Bond Rating Fee	10,000	0.0%		40
41	\$14,410	\$12,625	41	Subtotal - Office and Administration Expenses	\$14,850	-12.9%		41
42	105	1,370	42	Licenses and Permits (For Dredging and Other Costs)	2,400	9.1%		42
43			43	Utilities <sup>[3]</sup>				43
44	961	3,235	44	Electricity	6,000	-14.3%		44
45	920	1,100	45	Water and Sewer	2,500	-37.5%		45
46	4,346	4,805	46	Refuse and Recycling	4,800	-4.0%		46
47	3,522	3,288	47	Telecommunications	3,800	-15.6%		47
48	\$9,749	\$12,428	48	Subtotal - Utilities	\$17,100	-16.6%		48
49	68,977	51,952	49	Contracted Services (Annual Service Requirements) <sup>[4]</sup>	51,800	-50.7%		49
50	0	210,588	50	Dredging	490,000	n/a		50
51	0	6,563	51	Recreational Mitigation	0	0.0%		51
52	204	592	52	Small Tools and Equipment	1,000	0.0%		52
53	1,537	1,227	53	Equipment Rental	1,400	16.7%		53
54	18,184	11,743	54	Materials and Supplies	16,000	-20.0%		54
55	363	653	55	Fuel (Gas, Diesel, Oil, Lubes)	1,100	0.0%		55
56	10,157	10,441	56	Trailer Office Rent and DSL Leases <sup>[5]</sup>	9,800	3.2%		56
57	55,596	0	57	Repair and Maintenance Reserve <sup>[6]</sup>	0	n/a		57
58	\$296,786	\$442,358	58	Total Materials and Services	\$750,500	104.8%		58

**SPECIAL FUND  
RESOURCES AND REQUIREMENTS DETAIL**

**NOAA Lease Revenue Fund**

(Fund)

**Port of Newport**

(Name of Municipal Corporation)

Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Fiscal Year 2018-2019				
Actual		Adopted Budget Year 2017-2018		Proposed By Budget Officer	% +/- from Prior Year	Approved By Budget Committee	Adopted By Governing Body	
Second Preceding Year 2015-2016	First Preceding Year 2016-2017							
59			59	Debt Service (Principal + Interest)				59
60	\$840,000	\$870,000	60	Principal (Payment Date: August 1)	\$945,000	3.8%		60
61	1,159,434	1,127,334	61	Interest (Payment Dates: August 1 and February 1)	1,052,271	-3.6%		61
62	\$1,999,434	\$1,997,334	62	Total Debt Service	\$1,997,271	-0.2%		62
63	\$2,393,614	\$2,515,020	63	Total Operating Expenses	\$2,826,077	15.3%		63
64			64					64
65			65	Non-operating Expenses				65
66			66	Capital Outlay				66
67			67	Camel System Repairs and Modification	80,000			67
68			68	Steel Pile Caps	6,000			68
69	\$10,090	\$12,296	69	Total Capital Outlay	\$86,000	1,333.3%		69
70			70					70
71	0	0	71	Contingency	100,000	0.0%		71
72	0	0	72	Transferred OUT, to Other Funds	0	n/a		72
73			73					73
74	\$2,403,704	\$2,527,316	74	Total Expenses	\$3,012,077	-8.9%		74
75			75					75
76	5,728,779	5,745,855	76	Ending Balance (Prior Years)				76
77	0	0	77	Reserved for Future Expenditure	150,000	n/a		77
78			78	Unappropriated Ending Fund Balance (UEFB)	5,113,023	-5.7%		78
<b>79</b>	<b>\$8,132,483</b>	<b>\$8,273,171</b>	<b>79</b>	<b>TOTAL REQUIREMENTS</b>	<b>\$8,275,100</b>	<b>-5.2%</b>		<b>79</b>

- [1] Includes crane training recertification for NOAA MOC-P Manager.
- [2] Budget for bank fees only. Payroll fees are budgeted in the General Operating Fund.
- [3] Proposed requirements based on FY 2017-2018 projected actuals.
- [4] Included painting NOAA offices in FY 2017-2018.
- [5] Trailer office rent expense only before FY 2018-2019.
- [6] Misclassification of "Reserved for Future Expenditures" budgeted in prior fiscal years.

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**Recommended Personnel Services  
Fiscal Year 2018-2019**

	General Operating Fund (GOF)									NOAA Fund			Combined
	Admin	RV Park	Recreational Marina	Commercial Marina	International Terminal	Maintenance Department <sup>[1]</sup>	2017-2018 Budget	2018-2019 Proposed	GOF % +/-	2017-2018 Budget	2018-2019 Proposed	NOAA % +/-	GOF + NOAA % +/-
<b>Salaries and Wages</b>	\$ 495,031	\$ 77,023	\$ 199,624	\$ 203,846	\$ 54,619	\$ 115,885	\$ 931,603	1,146,026	23.0%	\$ 55,994	\$ 55,713	-0.5%	21.7%
Personnel Count (FTE)	8.5	2.0	5.0	5.0	1.0	3.0	22.0	24.5		1.0	1.0		25.5
<b>Payroll Taxes and Benefits</b>													
Total Payroll Tax Expense	44,812	7,433	18,949	20,152	4,964	11,183	91,685	107,493	17.2%	5,739	5,048	-12.0%	15.5%
Health Insurance	66,048	16,512	41,280	41,280	8,256	24,768	184,127	198,144	7.6%	7,992	8,256	3.3%	7.4%
Health Reimbursement Arrangement <sup>[2]</sup>	2,096	524	1,310	1,310	262	786	18,500	6,288	-66.0%	2,000	262	-86.9%	-68.0%
PERS - Retirement	22,821	3,551	17,340	14,314	2,518	5,342	53,614	65,886	22.9%	2,581	2,568	-0.5%	21.8%
Workers' Compensation Insurance <sup>[3]</sup>	2,237	323	22,059	22,522	6,022	12,737	65,191	65,900	1.1%	7,729	6,142	-20.5%	-1.2%
Employee Assistance Program	1,040	260	650	650	130	390	n/a	3,120	n/a	n/a	120	n/a	n/a
Employee Incentives	1,836	408	1,020	1,020	204	612	4,650	5,100	9.7%	350	196	-44.0%	5.9%
Total Payroll Taxes and Benefits	140,890	29,011	102,608	101,248	22,356	55,818	417,767	451,931	8.2%	26,391	22,593	-14.4%	6.8%
<b>Total Personnel Services</b>	\$ 635,920	\$ 106,033	\$ 302,231	\$ 305,094	\$ 76,975	\$ 171,702	\$ 1,349,370	\$ 1,597,956	18.4%	\$ 82,385	\$ 78,306	-5.0%	17.1%



**Recommended Personnel Services  
Fiscal Year 2018-2019**

	General Operating Fund (GOF)									NOAA Fund			Combined
	Admin	RV Park	Recreational Marina	Commercial Marina	International Terminal	Maintenance Department <sup>(1)</sup>	2017-2018 Budget	2018-2019 Proposed	GOF % +/-	2017-2018 Budget	2018-2019 Proposed	NOAA % +/-	GOF + NOAA % +/-
<b>Salaries and Wages</b>													
<i>Port Administration</i>													
General Manager	120,443												
Administrative Supervisor	38,189												
Director of Finance (Half-time)	43,350												
Accounting Supervisor	53,358												
Accounting Specialist II	38,168												
Accounting Specialist II	36,682												
Accounting Specialist III	32,567												
Director of Operations	85,713												
Project Engineer <sup>(4)</sup>	41,562												
Overtime	5,000												
	495,031						\$ 410,465	\$ 495,031	20.6%				
<i>RV Park (South Beach)</i>													
RV Park Supervisor		\$ 40,141											
Accounting Specialist II		33,882											
Overtime		3,000											
		77,023					77,370	77,023	-0.4%				
<i>Recreational Marina (South Beach)</i>													
Recreational Harbormaster		\$ 55,056											
Maintenance II		36,067											
Maintenance II		34,667											
Maintenance II		34,667											
Maintenance II		34,667											
Overtime		4,500											
		199,624					157,173	199,624	27.0%				
<i>Commercial Marina (North Beach)</i>													
Commercial Harbormaster			\$ 55,056										
Maintenance II			36,789										
Maintenance II			36,067										
Maintenance II			36,067										
Maintenance II			35,367										
Overtime			4,500										
			203,846				160,501	203,846	27.0%				



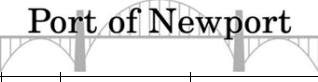
	General Operating Fund (GOF)									NOAA Fund			Combined
	Admin	RV Park	Recreational Marina	Commercial Marina	International Terminal	Maintenance Department <sup>[1]</sup>	2017-2018 Budget	2018-2019 Proposed	GOF % +/-	2017-2018 Budget	2018-2019 Proposed	NOAA % +/-	GOF + NOAA % +/-
<b>Salaries and Wages (continued)</b>													
<i>International Terminal</i>													
NIT Supervisor					\$ 51,619								
Overtime					3,000								
					54,619		52,358	54,619	4.3%				
<i>Maintenance Department</i>													
Maintenance Supervisor						39,822							
Maintenance II						37,531							
Maintenance II						37,531							
Overtime						1,000							
						115,885	73,736	115,885	57.2%				
<b>NOAA</b>													
MOC-P Manager										\$ 55,994	\$ 55,713	-0.5%	
<b>Total Salaries and Wages</b>	\$ 495,031	\$ 77,023	\$ 199,624	\$ 203,846	\$ 54,619	\$ 115,885	\$ 931,603	1,146,026	23.0%	\$ 55,994	\$ 55,713	-0.5%	21.7%
Personnel Count (FTE)	8.5	2.0	5.0	5.0	1.0	3.0	22.0	24.5		1.0	1.0		25.5
<b>Payroll Taxes and Benefits</b>													
Total Payroll Tax Expense	44,812	7,433	18,949	20,152	4,964	11,183	91,685	107,493	17.2%	5,739	5,048	-12.0%	15.5%
Health Insurance	66,048	16,512	41,280	41,280	8,256	24,768	184,127	198,144	7.6%	7,992	8,256	3.3%	7.4%
Health Reimbursement Arrangement <sup>[2]</sup>	2,096	524	1,310	1,310	262	786	18,500	6,288	-66.0%	2,000	262	-86.9%	-68.0%
PERS - Retirement	22,821	3,551	17,340	14,314	2,518	5,342	53,614	65,886	22.9%	2,581	2,568	-0.5%	21.8%
Workers' Compensation Insurance <sup>[3]</sup>	2,237	323	22,059	22,522	6,022	12,737	65,191	65,900	1.1%	7,729	6,142	-20.5%	-1.2%
Employee Assistance Program	1,040	260	650	650	130	390	n/a	3,120	n/a	n/a	120	n/a	n/a
Employee Incentives	1,836	408	1,020	1,020	204	612	4,650	5,100	9.7%	350	196	-44.0%	5.9%
Total Payroll Taxes and Benefits	140,890	29,011	102,608	101,248	22,356	55,818	417,767	451,931	8.2%	26,391	22,593	-14.4%	6.8%
<b>Total Personnel Services</b>	\$ 635,920	\$ 106,033	\$ 302,231	\$ 305,094	\$ 76,975	\$ 171,702	\$ 1,349,370	\$ 1,597,956	18.4%	\$ 82,385	\$ 78,306	-5.0%	17.1%

[1] Maintenance Supervisor; matrixed Maintenance Department. (Maintenance personnel physically located in the profit centers.)

[2] Revised estimate of \$262/year per employee based on actual 5-year historical expenditures.

[3] Updated by PayneWest Insurance (March 2018).

[4] Will shepherd capital improvement projects and write grant applications. Estimated October 2018 start date.

Port of Newport														
<b>Recommended Hourly Wage Steps</b>														
Updated: 12 June 2018 (FY 2018-2019)														
Step Increment (%)	2.0%													
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>Annual Range</b>	
<b>Administration</b>														
General Manager	\$54.57	\$55.66	\$56.77	\$57.91	\$59.07	\$60.25	\$61.45	\$62.68	\$63.94	\$65.22	\$66.52	\$67.85	\$113,505.60	\$141,129.95
Administrative Supervisor	\$17.30	\$17.65	\$18.00	\$18.36	\$18.73	\$19.10	\$19.48	\$19.87	\$20.27	\$20.68	\$21.09	\$21.51	\$35,984.00	\$44,741.58
<b>Finance</b>														
Director of Finance	\$37.01	\$37.75	\$38.51	\$39.28	\$40.06	\$40.86	\$41.68	\$42.51	\$43.36	\$44.23	\$45.11	\$46.02	\$76,980.80	\$95,715.95
Accounting Supervisor	\$24.17	\$24.65	\$25.15	\$25.65	\$26.16	\$26.69	\$27.22	\$27.76	\$28.32	\$28.89	\$29.46	\$30.05	\$50,273.60	\$62,508.90
Accounting Specialist I	\$17.29	\$17.64	\$17.99	\$18.35	\$18.72	\$19.09	\$19.47	\$19.86	\$20.26	\$20.66	\$21.08	\$21.50	\$35,964.66	\$44,717.53
Accounting Specialist II	\$13.63	\$13.91	\$14.18	\$14.47	\$14.76	\$15.05	\$15.35	\$15.66	\$15.97	\$16.29	\$16.62	\$16.95	\$28,357.89	\$35,259.47
Accounting Specialist III	\$10.75	\$10.97	\$11.18	\$11.41	\$11.64	\$11.87	\$12.11	\$12.35	\$12.60	\$12.85	\$13.10	\$13.37	\$22,360.00	\$27,801.85
<b>Operations</b>														
Director of Operations	\$36.59	\$37.32	\$38.07	\$38.83	\$39.61	\$40.40	\$41.21	\$42.03	\$42.87	\$43.73	\$44.60	\$45.50	\$76,107.20	\$94,629.74
Project Engineer	\$26.12	\$26.64	\$27.18	\$27.72	\$28.27	\$28.84	\$29.42	\$30.00	\$30.60	\$31.22	\$31.84	\$32.48	\$54,329.60	\$67,552.03
MOC-P Manager	\$22.86	\$23.32	\$23.78	\$24.26	\$24.74	\$25.24	\$25.74	\$26.26	\$26.78	\$27.32	\$27.87	\$28.42	\$47,548.80	\$59,120.96
Commercial Harbormaster	\$22.59	\$23.04	\$23.50	\$23.97	\$24.45	\$24.94	\$25.44	\$25.95	\$26.47	\$27.00	\$27.54	\$28.09	\$46,987.20	\$58,422.68
Recreational Harbormaster	\$20.87	\$21.29	\$21.71	\$22.15	\$22.59	\$23.04	\$23.50	\$23.97	\$24.45	\$24.94	\$25.44	\$25.95	\$43,409.60	\$53,974.38
NIT Supervisor	\$22.04	\$22.48	\$22.93	\$23.39	\$23.86	\$24.33	\$24.82	\$25.32	\$25.82	\$26.34	\$26.87	\$27.40	\$45,843.20	\$57,000.26
RV Park Supervisor	\$15.22	\$15.52	\$15.83	\$16.15	\$16.47	\$16.80	\$17.14	\$17.48	\$17.83	\$18.19	\$18.55	\$18.92	\$31,657.60	\$39,362.25
Maintenance I	\$18.77	\$19.15	\$19.53	\$19.92	\$20.32	\$20.72	\$21.14	\$21.56	\$21.99	\$22.43	\$22.88	\$23.34	\$39,042.56	\$48,544.52
Maintenance II	\$14.80	\$15.10	\$15.40	\$15.71	\$16.02	\$16.34	\$16.67	\$17.00	\$17.34	\$17.69	\$18.04	\$18.40	\$30,784.79	\$38,277.02
Maintenance III	\$11.67	\$11.90	\$12.14	\$12.38	\$12.63	\$12.88	\$13.14	\$13.41	\$13.67	\$13.95	\$14.23	\$14.51	\$24,273.60	\$30,181.17



**REMAINING CAPITAL IMPROVEMENTS**  
**4th Fiscal Quarter 2017-2018 (April - June)**

**PON Staff Recommendations**

Item #	Priority	Sub-priority	Fund	Project	Dept.	Cost Estimate	Ref. Document
1	S	1	GOF	Fire and security automatic detection system (2 buildings)	NIT	12,100	
2	S	2	GOF	Extend asphalt in Port Dock 7 Lot	CM	16,000	
3	S	3	GOF	Paving of long-term public parking (≈ 30 vehicles at Port Dock 7)	CM	35,300	
<b>Total:</b>						<b>\$63,400</b>	

Priority \_\_\_\_\_

S - Short term (current budget year)

Abbreviations			
Funds (5)		Profit Centers (7)	
GOF	General Operating Fund	ADM	Administration
BDF	Bonded Debt Fund	RV	Recreational Vehicle Park
FMRF	Facilities Maintenance Reserve Fund	RM	Recreational Marina
CF	Construction Fund	CM	Commercial Marina
NOAA	NOAA Lease Revenue Fund	NIT	Newport International Terminal
Other		LP	Leased Properties (all but NOAA)
		NOAA	NOAA MOC-P
UEFB	Unappropriated Ending Fund Balance		



**RECOMMENDED CAPITAL IMPROVEMENTS (By Priority)**  
**Fiscal Year 2018-2019**

**PON Staff Recommendations**

(Individual projects subject to modification(s) throughout FY 2018-2019 by Board of Commissioners)

Item #	Priority	Sub-priority	Fund	Project	Dept.	Cost Estimate
1	S	1	FMRF	Replace fuel dock solenoid valve	RM	\$ 15,000
2	S	2	GOF	Hoist Dock 110v additions/moves	CM	12,981
3	S	3	FMRF	Relocate Hoist Dock electrical lines beneath pier	CM	102,000
4	S	4	FMRF	PD5 pier engineering - Phase III <sup>[1]</sup> (OBEC)	CM	86,625
5	S	5	FMRF	Replace electric load centers - Recreational Marina (first 3 of 9)	RM	38,000
6	S	6	GOF	Replace waste water pump station	RM	32,680
7	S	7	FMRF	Port Dock 7 replace 8 mid-pilings and 2 end-pilings; PD 5 replace 2 pilings	CM	120,000
8	S	8	CF	Evaluate Rogue Brewery seawall	LP	10,000
9	S	9	NOAA	Repair/replace steel pile caps (contract requirement)	NOAA	6,000
10	S	10	NOAA	Camel system repairs & modifications	NOAA	80,000
11	S	11	GOF	Security Cameras & Network <sup>[2]</sup>	NIT	115,000
12	S	12	GOF	Security Cameras & Network <sup>[3]</sup>	CM	15,000
13	S	13	GOF	Security Cameras & Network	RM	5,000
14	S	14	GOF	Two water line extensions to west wharf	NIT	6,000
15	S	15	GOF	Purchase and install 2nd swing hoist for use on East Wharf	NIT	130,000
16	S	16	GOF	Facility repairs and improvements to create PON Business Incubator <sup>[4]</sup>	LP	15,600
17	S	17	GOF	Concrete pad for waste oil/bilge tank	NIT	9,000
18	S	18	FMRF	Port Dock 7 new floats, ≈ 160 linear ft. (Sections E & F) <sup>[5]</sup>	CM	288,000
19	S	19	FMRF	Port Dock 7 section F restoration of utilities	CM	23,000
20	S	20	CF	Fenced, auto-access long-term public parking lot (≈ 30 vehicles)	CM	8,000
21	S	21	CF	Design of RV Park Annex full upgrade - Phase I	RV	18,000
<b>Total:</b>						<b>\$ 1,135,886</b>

<sup>[1]</sup> Includes permitting costs ( \$115,000 expended in FY 2016-2017).

<sup>[2]</sup> Homeland Security 75% matching grant for NIT (Port pays 25%).

<sup>[3]</sup> Partial cost match of \$5,000 from SDAO

<sup>[4]</sup> Old Yaquina Fruit Processing Building (partial buildout, ≈ 600 ft<sup>2</sup>, including office for DulsEnergy); now called "Port of Newport Business Incubator".

<sup>[5]</sup> This is only 27.7% of the floats we actually need for this section of PD7. We plan to acquire & install others in FY 2019-2020 (pilings to be installed in FY 2018-2019).

Priorities

S - Short term (next budget year)

N - Near term (2 to 5 years)

M - Mid term (6 to 10 years)

L - Long term (11 to 20 years)

<b>Port of Newport</b>				
Recommended Capital Projects (By Fund)				
FY 2018-2019				
	<b>Profit</b>		<b>Resources</b>	<b>Projected Cash</b>
	<b>Center</b>	<b>Budget</b>	<b>(Grant/Loan)</b>	<b>Requirement</b>
<b>General Operating Fund (GOF)</b>				
Hoist Dock 110v additions/moves	CM	\$ 12,981	\$ -	\$ 12,981
Replace waste water pump station	RM	32,680	-	32,680
Security cameras & network	NIT	115,000	86,250	28,750
Security cameras & network	CM	15,000	-	15,000
Security cameras & network	RM	5,000	-	5,000
Two water line extensions to west wharf	NIT	6,000	-	6,000
Purchase and install 2nd swing hoist for use on West Wharf	NIT	130,000	-	130,000
Facility repairs and improvements to create PON Business Incubator	LP	15,600	-	15,600
Pad for waste oil/bilge tank	NIT	9,000	-	9,000
	Subtotal	341,261	86,250	255,011
<b>Facilities Maintenance Reserve Fund (FMRF)</b>				
Replace fuel dock solenoid valve	RM	15,000	-	15,000
Relocate Hoist Dock electrical lines beneath pier	CM	102,000	-	102,000
PD5 pier engineering - Phase III	CM	86,625	-	86,625
Replacing electric load centers - Recreational Marina	RM	38,000	-	38,000
Port Dock 7 replace 8 mid-pilings and 2 end-pilings; PD 5 replace 2 pilings	CM	120,000	-	120,000
Port Dock 7 new floats, ≈ 180 linear ft. (Sections E & F)	CM	288,000	-	288,000
Port Dock 7 section F restoration of utilities	CM	23,000	-	23,000
	Subtotal	672,625	-	672,625
<b>Construction Fund (CF)</b>				
Evaluate Rogue Brewery seawall	LP	10,000	-	10,000
Fenced, auto-access long-term public parking lot (≈ 30 vehicles)	CM	8,000	-	8,000
Design of RV Park Annex full upgrade - Phase I	RV	18,000	-	18,000
		36,000	-	36,000
<b>NOAA Fund (NOAA)</b>				
Repair/replace steel pile caps (contract requirement)	NOAA	6,000	-	6,000
Camel system repairs & modifications	NOAA	80,000	-	80,000
	Subtotal	86,000	-	86,000
	<b>Total</b>	<b>\$ 1,135,886</b>	<b>\$ 86,250</b>	<b>\$ 1,049,636</b>

Identified Future Capital Improvements  
(From Department Heads)

INTERNATIONAL TERMINAL					
Item #	Priority	Sub-priority	Project	Cost Estimate	Ref. Document
1	S		Oil/bilge above-ground waste containment tank	\$ 61,000	
2	S		Grading of Port's 9.85-acre lot	55,000	2015 quote of \$51,596.
3	L		Replace H250 with "newer" used model	65,000	
4	L		International Terminal fire water line loop	138,732	2013 CFP
5	L		Asphalt parking lot area west of shop	110,000	2014 quote
6	L		Re-asphalt northwest end of lot	84,000	2016 quote
<b>SUBTOTAL</b>				<b>\$ 513,732</b>	

COMMERCIAL MARINA					
Item #	Priority	Sub-priority	Project	Cost Estimate	Ref. Document
7	S		Replace Hoist #3 (manned crane desired to add 10' reach)	\$ 135,000	
8	S		Replace rods/Rub boards/ Dock 5X <sup>[1]</sup>	25,000	
9	N		Replace Rods/ 1-Whaler/Rub boards/new bumpers/ triangles/PD-5C <sup>[1]</sup>	270,000	
10	N		Replace rods/UHMW rub boards/Dock 3 <sup>[1]</sup>	110,000	
11	N		Replace rods/bumpers/rub boards/6 whalers Dock 5B <sup>[1]</sup>	350,000	
12	N		Replace finger rods/triangle tops/ wooden rub boards Dock 7 fingers <sup>[1]</sup>	30,443	
13	N		Replace floats on PD-7 E/F Docks <sup>[1]</sup>	1,031,921	FY 2016-2017 REQ
14	N		Marina Dredging	2,230,323	2013 CFP
15	N		Replace pilings on Swedes dock/ move dock 50' to the West	195,356	
16	N		Hoist Dock Expansion (east or west)	1,547,882	FY 2016-2017 REQ
17	M		Port Dock 5 Pier Improvements/ Alt 1+3	3,241,281	
18	M		Hoist Dock (Center Section)	694,447	FY 2016-2017 REQ
19	L		Port Dock 1 Replacement	816,997	2013 CFP
20	L		Replace Used Oil Tanks & Purchase Oil/Water Separator	100,000	
<b>SUBTOTAL</b>				<b>\$ 10,778,650</b>	

<sup>[1]</sup> Labor not included.

Priorities

S - Short term (next budget year)

N - Near term (2 to 5 years)

M - Mid term (6 to 10 years)

L - Long term (11 to 20 years)

**Identified Future Capital Improvements  
(From Department Heads)**

**RECREATIONAL MARINA**

Item #	Priority	Sub-priority	Project	Current Cost	Ref. Document
21	S		Repair Transient Service Dock	\$ 100,000	
22	S		Re-side buildings in marina (south, central)	50,000	FY 2016-2017 REQ
23	S		Landing float repair on bottom of A Dock	50,000	
24	S		Replace electric load centers - Recreational Marina (last 6 of 9)	70,000	
25	N		Install New Fillet Table Top of F-Dock (covered, screened, with lighting)	75,000	
26	N		New electrical pedestals at marina	144,469	FY 2016-2017 REQ
27	N		Marina Dredging	2,924,712	2013 CFP
28	N		Reconstruction of Recreational Marina Docks	141,613	2013 CFP
29	N		Pavement Reconstruction/Seal Coating (all areas)	435,756	2013 CFP
30	N		OSMB Service Dock Trail Connection (service dock) <sup>[2]</sup>	3,100,000	OSMB WAG
31	N		South Beach Storm Water Outfall	2,000,000	
32	L		Fishing Pier Replacement	3,600,000	2013 CFP
33	L		South Beach Marina Fuel Facility - Tank Replacement	228,759	2013 CFP
<b>SUBTOTAL</b>				<b>\$ 12,920,309</b>	

**RV PARK**

34	N		Renovate RV Park Annex	\$ 300,000	2013 CFP
<b>SUBTOTAL</b>				<b>\$ 300,000</b>	

**LEASED PROPERTIES**

35	N		Paint OPS building and marina store	10,319	FY 2016-2017 REQ
36	N		Picnic Bunker rebuild (Day Use area)	39,216	2013 CFP
37	N		Rogue Brewery (Dry Moorage Building) North Wall/Siding Replacement	300,000	2013 CFP
38	N		Rogue Brewery (Dry Moorage Building) Foundation/Seawall Stabilization	2,100,000	2013 CFP
<b>SUBTOTAL</b>				<b>\$ 2,449,535</b>	

**ADMINISTRATION**

Item #	Priority	Sub-priority	Project	Estimate	Ref. Document
39	L		New Port Offices/Parking Area/Customs Office	\$ 900,000	Capri 2014
<b>SUBTOTAL</b>				<b>\$ 900,000</b>	

<sup>[2]</sup> Significant grant funds available.

**TOTAL \$ 27,862,226**

Priorities

S - Short term (next budget year)

N - Near term (2 to 5 years)

M - Mid term (6 to 10 years)

L - Long term (11 to 20 years)

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**PORT OF NEWPORT RESOLUTION NO. 2018-07 (DRAFT)**  
**A RESOLUTION SETTING RATES, FEES AND CHARGES**

**WHEREAS**, ORS 294.160 requires the governing body of a unit of local government to provide an opportunity for interested persons to comment on the enactment of any ordinance or resolution prescribing a new fee or a fee increase; and

**WHEREAS**, Port of Newport Facilities Code Sec. 1.2(f) requires the Commission to set moorage and other appropriate rates, fees and charges by the adoption of a "fee schedule" by resolution; and

**WHEREAS**, the Port Commission last adjusted rates, fees and charges via Resolution 2017-08 on 23 May 2017; and

**WHEREAS**, the Port is a single enterprise similar to a commercial entity; and

**WHEREAS**, the Port Commission intends that user fees should cover the costs of the Port; NOW THEREFORE,

**THE PORT OF NEWPORT BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:**

Unless otherwise noted, all Rates, Fees & Charges are effective 1 July 2018.

*[ For Sections 1, 2 and 3, the FY 2018-2019 proposed percent changes are calculated using the same formula used in FY 2017-2018.]*

**SECTION 1. SERVICE RATES.**

Rates apply to all Port of Newport locations unless otherwise noted. Port owned equipment shall be operated only by port personnel. Rates are per hour, one hour minimum, in 15 minute increments, unless otherwise noted.

	PREVIOUS	NEW	% CHG
A. <u>Forklifts</u> . In addition to labor rate.			
1. Small. Toyotas.			
Per Hour.....	\$12.00	\$12.75	6.3%
2. Large. All at Newport International Terminal (NIT)			
Per Hour.....	\$30.00	\$32.00	6.7%
B. <u>Hoist Docks</u> . Tie up fee, per hour. Includes use of hoist.			
1. One hour minimum, up to 3 hours.....	\$39.00	\$41.00	5.1%
2. After 3 hours.....	\$47.00	\$49.00	4.3%
C. <u>Hoist Dock Cranes</u> . In addition to hoist dock rate.			
1. Large Capacity. In addition to labor rate.			
Per Hour.....	\$42.00	\$44.00	4.8%
2. Launch Sail Boats. Includes recovery, per launch.....	\$45.00	\$47.00	4.4%
D. <u>Service Docks</u> .			
1. Swede's Dock. In addition to moorage.			
Per day, per linear foot (double transient rate)...	\$1.00	\$1.04	4.0%
E. <u>City Water</u> .....			City's rate
			+ 5.0% Administration Fee

	PREVIOUS	NEW	% CHG
F. <u>Fuel Surcharge</u> . NIT only. Per gallon.	\$0.033	\$0.034	3.0%
G. <u>Electricity</u> . Swede's Dock, Dock 1, and NIT. Per day charge. One day minimum.			
1. 208/220 v, single phase & 208 v three phase.....	\$16.00	\$16.75	4.7%
2. 120 v NIT.....	\$7.00	\$7.25	3.6%
3. PD7 Service Dock, 110 v pumps.....	\$7.00	\$7.25	3.6%
4. PD7 Yard Charge, trucks.....	\$12.00	\$12.75	6.3%
H. <u>Hydraulic Crane</u> . In addition to labor rate. 30 ton capacity. Per hour.....	\$139.00	\$146.00	5.0%
I. <u>Personnel Lift</u> . In addition to labor rate. Local rental cost + 5% administrative fee.....			n/a
J. <u>Pump/Line Service</u> . Includes one Port employee only. Additional staff required will be billed at the established hourly labor rate. Per hour .....	\$62.00	\$65.00	4.8%
K. <u>Storage</u> .			
1. Outside Lot Storage. Any Port of Newport Lot.			
a. Per square foot, monthly charge.....	\$0.23	\$0.24	4.3%
b. Minimum monthly charge, for ≤ 10 ft <sup>2</sup> .....	\$23.00	\$24.00	4.3%
a. Boat trailer only, per night.....	\$2.50	\$2.65	6.0%
b. Boat on trailer, per night, 10 days limit.....	\$8.00	\$8.50	6.3%
2. Emergency Storage Fee. Per day billed as guest. For vehicles, boats or trailers prior to being considered unclaimed property in possession (ORS 98.245). 1st day free. Each additional day.....	--	\$30.00	n/a
Charge for improper use of parking lot. (e.g. boat repair) Per day.....	\$23.00	\$24.00	4.3%
L. <u>Net &amp; Gear Maintenance</u> . Boat crew is responsible for clean-up. If Port employees are required to clean up area, the boat account will be billed at the established hourly labor rates.			
1. Commercial Marina, per day.....	\$20.00	\$21.00	5.0%
2. NIT, per day. (7 calendar days max).....	\$20.00	\$21.00	5.0%
3. South Beach Marina, per day.....	\$20.00	\$21.00	5.0%
M. <u>Work Barge</u> . In addition to labor rate.			
1. Work boat, per hour.....	\$131.00	\$138.00	5.3%
2. Wood Barge, per day (work boat extra).....	\$25.00	\$26.00	4.0%
3. Skiff, per hour.....	\$14.00	\$14.50	3.6%
N. <u>Clean-up</u> . Equipment charges are extra.			
1. Oil Spills, per hour ..... (HAZWOPER trained staff)	\$97.00	\$102.00	5.2%
O. <u>Disposal Fees</u> .			
1. Just oil, per gallon.....	\$0.50	\$0.52	4.0%
2. Oil-Water mix, per gallon.....	\$1.00	\$1.05	5.0%
3. Net Disposal and/or related gear, per pound.....	\$0.18	\$0.19	5.6%
4. Garbage, per pound.....	\$0.15	\$0.16	6.7%

	PREVIOUS	NEW	% CHG
P. <u>Port Labor</u> . Includes all staff and fully burdened. Per hour, one hour minimum, in 15 minute increments.			
1. Standard			
a. Regular Hours.....	\$53.00	\$56.00	5.7%
b. Overtime. Any services required outside the established working hours, unless otherwise posted.....	\$79.50	\$84.00	5.7%
c. Emergency Call-out. Any services requiring a port employee not currently on duty to report to duty after hours.....	\$100.94	\$106.00	5.0%
2. 30-ton Crane Operation, International Terminal Only			
a. Regular Hours.....	\$53.00	\$56.00	5.7%
b. Overtime. Any services required outside the established working hours, unless otherwise posted.....	\$79.50	\$84.00	5.7%
c. Emergency Call-out. Any services requiring a port employee not currently on duty to report to duty after hours.....	\$100.94	\$106.00	5.0%
Q. <u>Pallet Charge</u> . Any Port owned pallet leaving yard, each	\$6.00	\$6.50	8.3%
R. <u>Dredge Spoils</u> . Includes state fees; may be waived for other public agencies or beneficial uses.			
Per cubic yard.....	\$2.50	\$2.65	6.0%
S. <u>Keys/Cards</u> .			
1. South Beach Facilities, cards.			
a. Original (1st one).....	free	free	n/a
b. Replacement/additional (each).....	\$6.00	\$6.50	8.3%
2. Bay Front Facilities, keys.			
a. Original/first one.....	\$17.00	\$18.00	5.9%
b. Replacement/additional.....	\$30.00	\$32.00	6.7%

**SECTION 2. COMMERCIAL MARINA (BAY FRONT) CHARGES.** (Port Docks 1, 3, 5 and 7)

A. <u>Moorage</u> . Per linear foot.			
1. Daily (transient).....	\$0.50	\$0.52	4.0%
2. Weekly, to be paid in advance.....	--	\$5.00	n/a
3. Calendar Month, to be paid in advance .....	\$9.00	\$9.50	5.6%
4. Semi-Annual, to be paid in advance .....	\$33.00	\$35.00	6.1%
5. Annual, to be paid in advance .....	\$44.00	\$46.00	4.5%
B. <u>Parking Permits</u> . To be paid in advance. (Will be prorated monthly for existing permit holders.)			
1. Commercial Fishermen only.			
c. Annual: January → December.....	\$22.00	\$23.00	4.5%
2. Public Parking. Limited availability. Assigned. To be paid in advance.			
a. Quarterly: Jan → Mar, Apr → Jun, Jul → Sep, or Oct → Dec [≈ \$5/day].....		\$325.00	n/a
b. Semi-Annual: January → June or July → December [≈ \$4/day].....		\$520.00	n/a
c. Annual: January → December [≈ \$3/day].....		\$780.00	n/a

**SECTION 3. INTERNATIONAL TERMINAL CHARGES.**

International Terminal Tariff No. 1 adopted via Resolution No. 2014-03 on 22 May 2014. All fees authorized via Tariff No. 1 effective 1 July 2014.

A. Port Security Fee. (§I.13) Per three 8-hour shifts.

B. Materials & Supplies. (§I.31). Cost + 5% Administration Fee.

C. Dockage Charges. (§III.31). Rate per day, by length.

1. 000.00 - 351.05 ft.....	\$1,627.00	\$1,627.00	0.0%
2. 351.05 - 371.05 ft.....	\$1,792.00	\$1,792.00	0.0%
3. 371.02 - 400.26 ft.....	\$1,981.00	\$1,981.00	0.0%
4. 400.26 - 426.51 ft.....	\$2,203.00	\$2,203.00	0.0%
5. 426.51 - 449.48 ft.....	\$2,373.00	\$2,373.00	0.0%
6. 449.48 - 475.72 ft.....	\$2,607.00	\$2,607.00	0.0%
7. 475.72 - 498.69 ft.....	\$2,960.00	\$2,960.00	0.0%
8. 498.69 - 524.93 ft.....	\$3,527.00	\$3,527.00	0.0%
9. 524.93 - 551.18 ft.....	\$3,639.00	\$3,639.00	0.0%
10. 551.18 - 574.15.....	\$3,822.00	\$3,822.00	0.0%
11. 574.15 - 600.39 ft.....	\$4,373.00	\$4,373.00	0.0%
12. 600.39 - 626.64 ft.....	\$5,092.00	\$5,092.00	0.0%
13. 626.64 - 650.00 ft.....	\$5,787.00	\$5,787.00	0.0%
14. Above 650 ft., added on top of above rate, per ft.....	\$8.90	\$8.90	0.0%
15. Exceptions for certain vessels (§II.14) [Including all fishing vessels] Per linear foot.			
Daily.....	\$0.80	\$0.80	0.0%
Weekly [\$1/day] .....	--	\$7.00	n/a

*Commercial Fishing vessels directed by Port staff to the International Terminal for the Port's convenience will only be charged at the Commercial Marina rates for that specific trip.*

D. Service and Facility Charges. (§III.2).

Per 1000 board feet, unless noted.

1. Logs. Scribner scale, ex dock.....	\$7.75	\$7.75	0.0%
2. Cants.....	\$6.00	\$6.00	0.0%
3. Lumber, packaged rough.....	\$5.22	\$5.22	0.0%
4. Lumber, packaged surfaced.....	\$4.63	\$4.63	0.0%
5. Plywood, veneer, corestock & harbord, /1000 kilos.....	\$5.87	\$5.87	0.0%
6. Pulp, Linerboard, bales or rolls, 2000 kilos.....	\$3.49	\$3.49	0.0%
7. Other commodities, per metric ton or 1000 bf.....	\$6.83	\$6.83	0.0%
8. Other commodities, per cubic meter.....	\$5.69	\$5.69	0.0%

E. Wharfage Assessment. (§III.6).

Minimum charge for any single bill of lading.....	\$10.00	\$10.00	0.0%
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F. Wharf Charges. (§III.7)

Per 1000 board feet, unless noted. In addition to Service & Facility charges.

1. Logs. Scribner scale, ex dock.....	\$9.50	\$9.50	0.0%
2. Cants.....	\$6.00	\$6.00	0.0%
3. Lumber, packaged rough.....	\$4.55	\$4.55	0.0%
4. Lumber, packaged surfaced.....	\$4.03	\$4.03	0.0%

	PREVIOUS	NEW	% CHG
5. Plywood, veneer, corestock & harbord, /1000 kilos.....	\$3.96	\$3.96	0.0%
6. Pulp, Linerboard, bales or rolls, 2000 kilos.....	\$2.72	\$2.72	0.0%
7. Other commodities, per metric ton or 1000 bf.....	\$5.57	\$5.57	0.0%
8. Other commodities, per cubic meter.....	\$4.57	\$4.57	0.0%
<b>G. <u>Cargo Staging Area.</u> (§IV.2). Base rent for 3-acre surge area.</b>			
1. Per week, seven days	\$2,000.00	\$2,000.00	0.0%
2. Per day, less than seven days	\$300.00	\$300.00	0.0%
<b>H. <u>Line Service.</u> (§V.3). Labor will be charged at the rates set out in the current ILWU/PMA West Coast Contract + 5.0% for overhead. Rate schedule per day.</b>			
1. 2 individuals.....	\$520 - \$656		0.0%
2. 4 individuals.....	\$1,061 - \$1,317		0.0%
3. 6 individuals.....	\$1,575 - \$1,973		0.0%
4. 8 individuals.....	\$2,153 - \$2,631		0.0%

**[Sections 4 - 11, updates since 3 May 2018 are highlighted in gray.]**

**SECTION 4. RECREATIONAL MARINA (SOUTH BEACH) CHARGES.** Rates become effective October 1, 2018.

<b>A. <u>Moorage.</u> Per linear foot. Charge based on boat length or slip length, whichever is greater. Charge at F-Dock based on boat length.</b>			
1. Daily.....	\$0.70	\$0.80	14.3%
2. Weekly [≈ 10% discount].....	\$4.00	\$5.00	25.0%
3. Calendar Month [≈ 50% discount].....	\$10.50	\$12.00	14.3%
4. Semi-Annual, [≈ 73% discount]..... to be paid in advance..	\$38.00	\$40.00	5.3%
5. Annual, [≈ 79% discount]..... to be paid in advance..	\$60.00	\$60.00	n/a
<b>6. Electric Surcharge, per extra plug on dock.</b>			
a. Weekly.....	\$25.00	\$30.00	20.0%
b. Monthly.....	\$100.00	\$120.00	20.0%
<b>7. Live-aboard, by written agreement only. Monthly rate per person.</b>			
a. Existing live-aboards as of 1 May 2018 "grandfathered", with scheduled increase of 2.0% per year beginning 1 July 2019.....	\$53.00	\$80.00	50.9%
b. New live-aboards.....	\$25.00	\$125.00	n/a
<b>B. <u>South Beach Charter Rates.</u></b>			
1. Annual Charter Operating Fee.....	\$315.00	\$350.00	11.1%
2. Annual Moorage, per linear foot .....	\$47.00	\$50.00	6.4%
<b>C. <u>Dock Box.</u> Purchase.....</b>	\$325.00	\$375.00	15.4%
<b>D. <u>Electrical Upgrade.</u> From 20 to 30 amp. One time fee.....</b>	\$56.00	\$75.00	33.9%
<b>E. <u>Service Fee Reimbursement.</u> For electric pedestal amperage overloads.</b>			
May be charged at actual cost to the Port + 5.0% Admin. Fee	\$83.00	\$100.00	20.5%
<b>F. <u>Line Replacement.</u> Per foot, per time.....</b>	\$1.25	\$1.50	20.0%
<b>G. <u>Launch Fee.</u> Includes use of launch ramp, boat washdown, and fish cleaning stations.</b>			
1. Daily.....	\$6.00	\$10.00	66.7%
<b>2. Annual</b>			
a. Resident .....	\$60.00	\$70.00	16.7%
b. Resident Senior (60+).....	\$50.00	\$50.00	n/a
c. Non-resident .....	\$85.00	\$100.00	17.6%
d. Non-resident Senior. (60+).....	\$75.00	\$85.00	13.3%
e. Military Veterans Disabled, Retired, or Active Duty; with ID Proof	--	\$50.00	n/a

**SECTION 5. RECREATIONAL VEHICLE PARK FEES.** Effective 1 July 2018. Applicable State and Municipal Lodging Tax will be an additional charge. Prepaid Reservations at the FY 2017-2018 may be made for the 2018 calendar year through 1 July 2018. Reservations for the Seafood and Wine Festival, 2-night minimum, open for online reservations only starting at 6:00 am on 7 January 2019. Any cancellations of a Seafood & Wine reservation will be charged for a 2-night stay.

Good Sam 10% discount only on daily rates in the RV Park Marina Sites.

Military Veterans' (Disabled, Retired or Active Duty with ID Proof) 10% discount only on daily rates in the RV Park Marina Sites.

**A. High Traffic Surcharge.** Per night (2-night minimum). Added to all RV Park stays in the Marina RV Park, RV Park Annex, and Dry Camping (tents allowed).

1. Memorial Day, Labor Day, 4th of July .....	\$20.00	\$25.00	25.0%
2. Seafood & Wine Festival, Marina RV Park & Annex .....	\$50.00	\$50.00	n/a
3. Seafood & Wine Festival, Dry Camp .....	\$50.00	\$50.00	n/a
4. Other Special Events .....	varies	varies	

**B. Peak Season (Summer).** 1 May - 31 October. Base rate before taxes.

1. All Marina RV Park Sites			
a. Daily			
Regular.....	\$42.00	\$50.00	19.0%
[Good Sam OR Military Veterans (not both)].....	\$37.80	\$45.00	19.0%
b. Monthly.....	\$823.00	\$900.00	9.4%
2. The Annex RV Sites			
a. Daily.....			
Regular.....	\$33.00	\$38.00	15.2%
b. Monthly.....	\$651.00	\$750.00	15.2%
3. Dry Camping, daily (tents allowed).....			
Regular.....	\$22.00	\$27.00	22.7%

**C. Off Season (Spring).** 1 February - 30 April.

1. All Marina RV Park Sites			
a. Daily			
Regular.....	\$38.00	\$43.00	13.2%
[Good Sam OR Military Veterans (not both)].....	\$34.20	\$38.70	13.2%
b. Monthly.....	\$706.00	\$750.00	6.2%
2. The Annex RV Sites			
a. Daily.....			
Regular.....	\$33.00	\$37.00	12.1%
b. Monthly.....	\$651.00	\$730.00	12.1%
3. Dry Camping, daily (tents allowed).....			
Regular.....	\$22.00	\$25.00	13.6%

**D. Off Season (Winter).** 1 November - 31 January.

1. All Marina RV Park Sites			
a. Daily			
Regular.....		\$36.00	n/a
[Good Sam OR Military Veterans (not both)].....		\$32.40	n/a
b. Monthly.....		\$600.00	n/a
2. The Annex RV Sites			
a. Daily.....			
Regular.....		\$30.00	n/a
b. Monthly.....		\$585.00	n/a
3. Dry Camping, daily (tents allowed).....			
Regular.....		\$22.00	n/a

	PREVIOUS	NEW	% CHG
E. <u>South Beach Meeting Room</u> . Must be pre-arranged and authorized. Keys must be obtained and returned.			
1. 1/3 Day (morning, afternoon or evening).....	\$30.00	\$40.00	33.3%
2. Full Day.....	\$80.00	\$100.00	25.0%
F. <u>Pet Fee</u> . Pets free (3 pet limit).			
G. <u>Individual Fee</u> . First two people free; each additional person charged.			
a. Daily.....	\$3.00	\$4.00	33.3%
b. Monthly.....	\$32.00	\$42.00	31.3%
H. <u>Vehicle Fee</u> . Any combination of three axle pieces or equipment (e.g.			
a. Daily.....	\$7.00	\$10.00	42.9%
b. Monthly.....	\$35.00	\$50.00	42.9%
I. <u>Reservation Deposit</u> . Payable at booking. Deposit will be applied to actual stay, subject to cancellation fee if			
a. Daily .....		First night's rate	
b. Monthly.....		First month's rate	
J. <u>Cancellation Fee</u> .			
1. Daily reservation, except holiday or special event.			
a. 72 hours or more before check-in date.....	\$11.00	\$15.00	36.4%
b. Less than 72 hours before check-in date.....		First night's rate	
2. Daily reservation, holiday or special event other than Seafood & Wine Festival			
a. 14 days or more before check-in date.....	\$11.00	\$15.00	36.4%
b. Fewer than 14 days before check-in date.....		First night's rate	
3. Monthly reservation.			
a. 30 days or more before check-in date.....	\$50.00	\$53.00	6.0%
b. Less than 30 days before check-in, or early checkout.....	\$100.00	\$105.00	5.0%
4. Seafood & Wine Festival. All cancellations are charged for a 2-nights' rate, no grace period.			
K. <u>RV Storage Fee</u> . To be paid in advance. RV must be in good condition. Per linear foot. (min. 20 ft.)			
1. Monthly.....	--	\$3.00	n/a
2. Semi-Annual, per month.....	--	\$2.50	n/a
L. <u>Laundry Machines</u> . Per Load.....	\$2.00	\$2.00	n/a
M. <u>Showers</u>			
1. Marina RV Park and Annex RV Sites.....	free	free	n/a
2. Marina Slips & Dry Camping (including tents), per 5 minutes	\$1.50	\$1.50	n/a

**SECTION 6. CIVIL PENALTIES.** Penalties found in PONFC (§7.4(a)). Paid in full. Effective July 1, 2018.

A. <u>Class A Violation</u>			
1. 0 - 14 days, per day.....	\$300.00	\$315.00	5.0%
2. 15 - 29 days, per day.....	\$600.00	\$630.00	5.0%
3. 30+ days, per day.....	\$1,000.00	\$1,050.00	5.0%
B. <u>Class B Violation</u> .			
1. 0 - 14 days, per day.....	\$150.00	\$158.00	5.3%
2. 15 - 29 days, per day.....	\$300.00	\$315.00	5.0%
3. 30+ days, per day.....	\$500.00	\$525.00	5.0%

	PREVIOUS	NEW	% CHG
<b>C. Class C Violation.</b>			
1. 0 - 14 days, per day.....	\$30.00	\$32.00	6.7%
2. 15 - 29 days, per day.....	\$60.00	\$63.00	5.0%
3. 30+ days, per day.....	\$100.00	\$105.00	5.0%
<b>D. Class D Violation.</b>			
1. 0 - 14 days, per day.....	\$15.00	\$16.00	6.7%
2. 15 - 29 days, per day.....	\$30.00	\$32.00	6.7%
3. 30+ days, per day.....	\$50.00	\$53.00	6.0%
<b>E. Parking Violation.</b>			
1. 0 - 10 days, paid within.....	\$40.00	\$42.00	5.0%
2. 11 - 20 days, paid within.....	\$85.00	\$89.00	4.7%
3. 21+ days, paid within.....	\$125.00	\$131.00	4.8%
<b>F. Dumping Violation.</b>			
Per Event.....	\$500.00	\$525.00	5.0%

**SECTION 7. ADMINISTRATIVE FEES.** Staff may require payment or deposit in advance of service (ORS)

<b>A. Public Records Request Fee Schedule.</b>			
1. Copies of Public Records. Per page.....	\$0.25	\$0.50	100.0%
2. Copies of Nonstandard documents, per page.....	\$20.00	\$21.00	5.0%
3. Copies of Sound Recordings (each).....	\$10.00	\$12.00	20.0%
<b>B. Faxes/Emailing/Copies. Per page.</b>			
1. Local.....	\$1.00	\$1.10	10.0%
2. Long Distance.....	\$1.50	\$2.00	33.3%
3. Incoming.....	\$1.00	\$1.50	50.0%
4. Copies .....	\$0.25	\$0.30	20.0%
<b>C. Long Distance Phone Calls. 5 minutes maximum.</b> .....			
	\$2.00	\$2.50	25.0%
<b>D. Lamination.</b> Per page. Letter size.....			
	\$2.00	\$2.50	25.0%
<b>E. Notice Posting.</b> For non-payment of lease or moorage.....			
	\$65.00	\$75.00	15.4%
<b>F. Failure to Register.</b> For research related to unregistered boats.....			
	\$33.00	\$40.00	21.2%
<b>G. International Terminal Meeting Room.</b> Must be pre-arranged and			
1. Half day.....	\$30.00	\$40.00	33.3%
2. Full day.....	\$60.00	\$80.00	33.3%
<b>H. Returned Check Fee.</b> Bank fees will be added.....			
	\$50.00	\$50.00	0.0%
<b>I. Per Annum Interest Rate.</b> Applied to past due accounts. ....			
	18.0%	19.0%	5.6%
<b>L. Impound Seizure Fee.</b>			
1. Vessel Impounding.....	\$750.00	\$850.00	13.3%
2. Car/Truck/Trailer.....	\$100.00	\$125.00	25.0%
3. Towing.....	Actual Cost + 5% Admin. Fee		
<b>M. Process Fees.</b>			
Any additional fees incurred by the Port as part of an eviction process.			
1. Notice.....	\$50.00	\$75.00	50.0%
2. FED Complaint.....	\$200.00	\$250.00	25.0%
3. Court Hearing.....	\$165.00	\$200.00	21.2%
4. Writ of Execution.....	\$140.00	\$160.00	14.3%



	PREVIOUS	NEW	% CHG
N. <u>Special Use Permit Fee</u> . The General Manager has authority to adjust or waive usage fee based upon non-			
1. <u>Application Fee</u> .....	\$100.00	\$110.00	10.0%
2. <u>Usage Fee</u> . Number of Participants, Attendees, Contestants,			
a. 1 - 200.....	\$400.00	\$420.00	5.0%
b. 201 - 500.....	\$650.00	\$683.00	5.1%
c. 501-1000.....	\$900.00	\$945.00	5.0%
d. 1001 - 5000.....	\$1,400.00	\$1,470.00	5.0%
e. 5001 - 10,000.....	\$1,900.00	\$1,995.00	5.0%
f. 10,001 - 20,000 .....	\$2,400.00	\$2,520.00	5.0%
f. More than 20,000.....	\$5,000.00	\$5,250.00	5.0%
3. Vendors, per each.....	\$40.00	\$50.00	25.0%
4. Insurance Certificate Limits.			
a. General Liability, per occurrence.....	\$2MM	\$2MM	0.0%
b. General Liability, in aggregate.....	\$2MM	\$2MM	0.0%
O. <u>Security</u> . (TCB) costs reviewed and passed along to applicant, + 5.0% Administrative Fee.			
P. <u>Background Check</u> .....	\$25.00	\$40.00	60.0%
Q. <u>Credit Check</u> . .....	\$35.00	\$40.00	14.3%
R. <u>Notary Fees</u> (OAR 160-100-0410).			
Affidavit/Jurat, Oath/Affirmation, Witness/Attest, per document.....	\$10.00	\$10.00	0.0%
S. <u>Package Handling Fee</u> . Per item.			
1. Envelope. ....	--	free	n/a
2. Package. 1st one free. Fee for each additional package.....	--	\$5.00	n/a

**SECTION 8. INSURANCE CERTIFICATE MINIMUM LIMITS.** Effective July 1, 2018. Limits are subject

A. Leases/Tenants.

1. General Liability, each occurrence.....	\$2MM
2. Damage to rented premises, each occurrence.....	\$300K
3. Medical expenses, any one person.....	\$5K
4. Person and adverse injury.....	\$2MM
5. General Aggregate.....	\$2MM
6. Products - Comp/Op aggregate.....	\$2MM

B. Commercial Vessels. Port of Newport to be named as an additional insured on Liability

1. Protection & Indemnity, must not exclude Wreck Removal.....	\$250K
2. Pollution Liability.....	\$300K
3. If Pollution/Protection & Indemnity Combined.....	\$600K

C. Recreational Vessels. Port of Newport to be named as an additional insured on Liability

1. Protection & Indemnity, must not exclude Wreck Removal.....	
2. Pollution Liability.....	
3. -or- Watercraft Liability, must include both wreck removal and pollution liability coverage. Umbrella clauses must identify boats exceeding 25 ft.....	\$500K

D. Charter/Guide Vessels.

1. General Liability.....	\$2MM
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Subject to periodic review by Insurance Agent, and subsequent changes by the Port's Board of Commissioners.

E. International Terminal Vessels (Tariff No. 1(\$17))

1. Maritime Employer's Liability (Jones Act).....	\$1MM
2. Commercial and/or Comprehensive Marine General Liability.....	\$5MM

F. Visiting NOAA Vessels.

1. Commercial and/or Comprehensive Marine General Liability.....	\$5MM
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G. Vendors. (reserved)

**SECTION 9. RETAIL SALES, GIFT CERTIFICATES, PROMOTIONS, SPONSORSHIPS, AND SUNDRIES.**

Commission delegates to the General Manager the ability to set prices.

**SECTION 10. DELEGATION OF RESPONSIBILITY.**

The Commission delegates to the General Manager the ability to adjust these rates on a temporary basis to better manage services at the Port. Any adjustments to these rates will be reported to the Commission at its next Regular Meeting.

**SECTION 11. ANNUAL REVIEW.**

The Commission, through assistance by Port staff, shall at least annually review and adopt a new Rate, Fees and Charges Resolution prior to the subsequent budget's adoption.

**SECTION 12. REPEALER.** All previous rates and/or rate resolutions are hereby repealed.

**APPROVED AND ADOPTED** by the Board of Commissioners this 26th day of June 2018.

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Stewart Lamerdin  
President Pro-Tempore

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Walter Chuck  
Secretary/Treasurer Pro-Tempore



Profit Center	Actual Revenues Mar. 2017 to Feb. 2018	% of Total Revenue	% Increase Per Proposed Rate Schedule	Extrapolated Revenues FY2018-2019	Projected Increased Revenues FY2018-2019
<b>RV Park</b>					
RV Park Fees	\$884,998	30.2%	12.0%	\$991,198	<b>\$106,200</b>
Cancellation Fees	11,760	0.4%	13.4%	13,336	<b>1,576</b>
Subtotal - RV Park	<u>\$896,758</u>	<u>30.6%</u>		<u>\$1,004,534</u>	<u><b>\$107,776</b></u>
<b>Recreational Marina</b>					
Moorage	\$770,620	26.3%	14.1%	\$879,277	<b>\$108,657</b>
Moorage Cancellation Fees	2,282	0.1%	13.4%	2,588	<b>306</b>
Lot Storage	5,180	0.2%	6.0%	5,491	<b>311</b>
Live-aboard Fees	14,830	0.5%	50.9%	22,378	<b>7,548</b>
SB Launch Ramp	51,830	1.8%	66.7%	86,401	<b>34,571</b>
Boat and Trailer Storage	24,330	0.8%	8.0%	26,276	<b>1,946</b>
Propane Sales	n/a	0.0%	n/a	16,000	<b>16,000</b>
Subtotal - Recreational Marina	<u>\$869,072</u>	<u>29.7%</u>		<u>\$1,038,411</u>	<u><b>\$169,339</b></u>
<b>Commercial Marina</b>					
Moorage	\$391,370	13.4%	6.0%	\$414,852	<b>\$23,482</b>
Disposal Fees	4,718	0.2%	32.0%	6,228	<b>1,510</b>
Hoist Dock Cranes	6,079	0.2%	6.0%	6,444	<b>365</b>
Hoist Dock Tie-up	113,532	3.9%	4.0%	118,073	<b>4,541</b>
Labor	82,151	2.8%	5.0%	86,259	<b>4,108</b>
Lot Storage	86,409	2.9%	6.0%	91,594	<b>5,185</b>
Parking Permits - Commercial Fishermen	6,133	0.2%	5.0%	6,440	<b>307</b>
Parking - Public	n/a	0.0%	n/a	15,000	<b>15,000</b>
Small Forklifts	15,363	0.5%	6.0%	16,285	<b>922</b>
Service Dock Tie-up (Swede's Dock)	11,075	0.4%	6.0%	11,740	<b>665</b>
Subtotal - Commercial Marina	<u>\$716,830</u>	<u>24.5%</u>		<u>\$772,913</u>	<u><b>\$56,083</b></u>
<b>Newport International Terminal (NIT)</b>					
Moorage	\$86,553	3.0%	0.0%	\$86,553	<b>\$0</b>
Electricity	15,426	0.5%	5.0%	16,197	<b>771</b>
Hydraulic Crane	57,933	2.0%	5.0%	60,830	<b>2,897</b>
Lot Storage	128,424	4.4%	6.0%	136,129	<b>7,705</b>
Large Forklift	11,288	0.4%	6.0%	11,965	<b>677</b>
Labor	13,131	0.4%	5.0%	13,787	<b>657</b>
Service Dock Tie-up	51,276	1.8%	4.0%	53,327	<b>2,051</b>
Subtotal - NIT	<u>\$364,030</u>	<u>12.4%</u>		<u>\$378,788</u>	<u><b>\$14,758</b></u>
<b>Total</b>	<u>\$2,846,690</u>	<u>97.2%</u>		<u>\$3,194,647</u>	<u><b>\$347,956</b></u>
<b>Total Actual Revenue</b>	<u><u>\$2,929,702</u></u>				



Historical Data <sup>[2]</sup>				PROFIT CENTERS							
Actual		Adopted Budget		ADM <sup>[3]</sup>	RV	RM	CM	NIT	LP		
Year	Year	This Year	Description	Recreational		Commercial	International	Leased Properties		Proposed by Budget Officer FY2018-2019	
FY2015-2016	FY2016-2017	FY2017-2018		Administration	RV Park	Marina	Marina	Terminal	All but NOAA		NOAA
\$6,999,962	\$7,189,298	\$7,178,977	<b>Operating</b>								
			Revenues	\$660,155	\$1,041,700	\$905,500	\$797,300	\$414,600	\$687,000	\$2,556,950	\$7,063,205
			Expenses:								
\$1,137,943	\$1,209,475	\$1,431,755	Personnel Services	\$635,920	\$111,933	\$314,032	\$385,045	\$145,126	\$5,900	\$78,306	\$1,676,262
\$1,496,775	\$1,779,647	\$2,243,020	Materials & Services	\$493,050	\$408,350	\$305,897	\$308,200	\$143,702	\$18,000	\$750,500	\$2,427,699
\$3,393,292	\$3,734,008	\$3,610,414	Debt Service	\$1,002,305	\$214,383	\$29,950	\$11,450	\$506,581	\$0	\$1,997,271	\$3,761,940
\$6,028,010	\$6,723,130	\$7,285,189	Total Operating Expenses	\$2,131,275	\$734,666	\$649,879	\$704,695	\$795,409	\$23,900	\$2,826,077	\$7,865,901
\$971,952	\$466,168	(\$106,212)	Operating Income (Loss)	(\$1,471,120)	\$307,034	\$255,621	\$92,605	(\$380,809)	\$663,100	(\$269,127)	(\$802,696)
			<b>Non-operating</b>								
\$125,000	\$489,173	\$8,006,000	Revenues (Transfers In & Grants)	\$844,117	\$0	\$1,800	\$0	\$86,250	\$0	\$0	\$932,167
\$209,634	\$781,635	\$6,881,599	Capital Outlay	\$0	\$18,000	\$90,680	\$655,606	\$260,000	\$25,600	\$86,000	\$1,135,886
\$125,000	\$60,000	\$1,410,000	Transfers Out	\$809,617	n/a	n/a	n/a	n/a	n/a	\$0	\$809,617
(\$209,634)	(\$352,462)	(\$285,599)	Non-operating Income (Loss)	\$34,500	(\$18,000)	(\$88,880)	(\$655,606)	(\$173,750)	(\$25,600)	(\$86,000)	(\$1,013,336)
\$762,318	\$113,706	(\$391,811)	Total Net Income (Loss) <sup>[4]</sup>	(\$1,436,620)	\$289,034	\$166,741	(\$563,001)	(\$554,559)	\$637,500	(\$355,127)	(\$1,816,032)

[1] This page is merely meant to provide the reader with an overview of the Operating Income (or Loss) for each of the Port’s 7 profit centers.

[2] Data taken from the “Schedule of Revenues, Expenditures and Changes in Fund Balances (Budgetary Basis)” in the “Supplemental Information” section of the Port’s audited financials. These are not financial statements prepared using the accrual basis of accounting in conformity with Generally Accepted Accounting Principles (GAAP). They do not include adjustments for depreciation, GASB-68 pension adjustments, GAAP adjustments to capital outlay and debt, etc.

[3] The Administration profit center includes both the "Revenue" and the "Debt Service" components of the Bonded Debt Fund. It also presently includes multiple management and supervisory salaries, taxes, and benefits. Some or all of these items will likely be apportioned to the various other profit centers at a future point in time.

[4] Don’t try to compare the “actual” values on the left to the “budgeted” values on the right. For the reasons explained in footnote [2] it would be like comparing apples and oranges.

Port of Newport								
Schedule of Leases								
April 2018								
LOCATION/LESSEE		START DATE	END DATE	LEASED PROPERTY	CURRENT MONTHLY RATE	PROJECTED ANNUAL REVENUE	DATE OF LAST INCREASE	NOTES
<b>SOUTH BEACH</b>								
ANDERSEN CONSTRUCTION	a	2/21/2018	3/31/2020	SB LOT	\$ 985.00	\$ 11,820.00	N/A	Lease expires 3/31/2020
CARVER INC - SOUTH BEACH FUEL DOCK	b	1/1/2010	12/31/2019	SB FUEL DOCK & EQUIP	600.25	7,203.00	1/1/2018	Lease expires 12/31/2019
HATFIELD MARINE SCIENCE CENTER		11/1/1962	3/30/2061	SB LAND	N/A	N/A	N/A	\$1/term: 50 yr. term with 49 yr. extension-expires 3/30/2061
NEWPORT BELLE B&B		3/1/1999	3/31/2018	SB H-DOCK MOORAGE	824.39	10,090.00	4/1/2017	2nd of 4 - 1 year extensions expires 3/31/2018
NEWPORT MARINA STORE & CHARTER OREGON BREWING COMPANY		2/1/1991	4/30/2026	SB STORE	3,011.02	36,800.00	5/1/2017	1st of 1 - 10 year extension to 4/30/2026
HOUSE OF SPIRITS	c	4/25/2006	4/25/2026	SB BLDG	2,455.15	29,461.80	5/1/2017	1st of 1 - 10 year extension to 4/25/2026
DISTILLERY/COOPERAGE	c	4/25/2006	6/30/2021	SB BLDG	6,809.46	81,713.52	5/1/2017	1st of 4 - 5 year extensions to 6/30/2021
BREWERY/WAREHOUSE	c	5/1/1992	6/30/2022	SB LAND & BLDG	20,032.53	240,390.36	1/1/2017	2nd of 5 - 5 year extensions to 6/30/2022
TOTAL OREGON BREWING COMPANY					29,297.14	351,565.68		
OREGON COAST AQUARIUM				SB LAND	N/A	N/A	N/A	\$1/year;
STATE OF OREGON DAS (OSP GUARDIAN)		2018	2023	SB MOORAGE	(TBD)	(TBD)	(TBD)	WIP
TOTAL SOUTH BEACH					34,717.80	417,478.68		
<b>NORTH BEACH</b>								
CAPTAIN'S CHARTERS		11/1/1987	10/31/2024	CM PD1 LAND	1,187.92	14,255.04	11/1/2014	Lease expires 10/31/2024
CARVER INC - PORT DOCK 5 FUEL DOCK		6/1/1996	2/28/2019	CM PD5 FUEL DOCK	764.71	9,176.52	3/1/2017	Lease expires 2/28/2019
CHELSEA ROSE		7/1/2014	6/30/2019	CM PD3 MOORAGE	473.69	5,800.00	7/1/2015	Lease expires 6/30/2019
EMBARCADERO (aka NEWPORT MARINE CO)	a	9/9/1974	9/8/2038	CM LAND	231.00	2,771.95	8/1/2015	Lease expires 9/8/2038*
ENGLUND MARINE	b	9/1/1997	8/31/2027	CM LAND	1,844.48	22,133.76	Pre-2012	Lease expires 8/31/2027
PACIFIC SHRIMP-RAMP	a	12/1/1991	11/30/2018	CM PD3 LAND	283.33	3,400.00	Pre-2012	Lease expires 12/1/2011 (hold-over)
PATTY MAE BARGE		7/1/2014	6/30/2019	CM PD7 DOCK SPACE	390.22	4,775.00	7/1/2016	1 possible 5 year extension to 6/30/2024
US GOVERNMENT - CUSTOMS	d	1/1/1994	12/31/2017	CM LAND & TRAILER	859.21	10,310.52	1/1/2018	5 year extension to 12/31/2022
YAQUINA BAY YACHT CLUB		7/1/2004	6/30/2024	CM LAND & LOT STORAGE	889.00	10,668.00	7/1/2017	Lease expires 6/30/2024
TOTAL NORTH BEACH					6,923.56	83,290.79		
<b>INTERNATIONAL TERMINAL</b>								
FOULWEATHER TRAWL		10/1/2010	9/30/2020	NIT WAREHOUSE	1,758.11	21,097.32	10/1/2017	1st of 1 - 5 year extension to 9/30/2020
J LAMB MARINE ELECTRIC		5/1/2002	4/30/2019	NIT OFFICE	628.30	7,539.60	5/1/2017	Annual extension expires 4/30/2019
LESLIE LEE		1/1/2003	12/31/2017	NIT STORAGE UNIT	551.47	6,617.64	1/1/2018	Annual extension expires 12/31/2017 - not renewed
NORTHERN REFRIGERATION		7/8/1998	7/8/2018	NIT WAREHOUSE	340.97	4,173.00	12/1/2015	2 possible 10 year extensions to 7/8/2038
PACIFIC DRAGGERS INC		12/29/1997	12/29/2017	NIT LAND	417.99	5,120.00	11/1/2015	2 possible 10 year extensions to 12/29/2037
SEAFARER BROKERAGE		3/14/2011	5/31/2018	NIT OFFICE	318.67	3,824.04	6/1/2017	Annual extension to 5/31/2018
TNMP PROPERTIES LLC		1/1/2018	12/31/2022	NIT LAND (MEAL PLANT)	4,628.00	55,536.00	5/1/2017	1st of 4 - 5 year extensions to 12/31/2022
TNMP PROPERTIES LLC		1/1/2018	12/31/2022	NIT STORAGE UNITS (2)	1,497.15	17,965.80	5/1/2017	1st of 4 - 5 year extensions to 12/31/2022
YAQUINA TRAWLERS INC		1/5/1998	1/31/2018	NIT LAND	417.99	5,120.00	8/1/2015	2 possible 10 year extensions to 1/31/2038
TOTAL INTERNATIONAL TERMINAL					10,558.65	126,993.40		
<b>OTHER</b>								
ENGLUND MARINE - % OF SALES						54,000.00		
GREATER NEWPORT CHAMBER OF COMMERCE - SEAFOOD & WINE FESTIVAL						5,600.00		
TOTAL OTHER						59,600.00		
Total GOF						\$ 687,362.87		
<b>NOAA</b>								
US GOVERNMENT - NOAA	e	5/1/2011	4/30/2031	NOAA FACILITIES	212,055.12	2,544,661.44	1/1/2018	Lease expires 4/30/31
TOTAL					\$ 264,255.13	\$ 3,232,024.31		
	a	Paid annually.						*(Their portion of State water lease)
	b	Lessee also pays a percentage of sales.						
	c	No CPI increases for 5 years beginning 1/1/17 per LOU related to construction of SB multi-use area.						
	d	5-year fixed rate negotiated with 1/1/18 renewal.						
	e	Annual lease rate calculated by US GSA.						

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Port of Newport  
2018-2019 Budget  
Debt Service Requirements Detail

General Operating Fund (GOF)

Item #	Profit Center	Loan	30 June 2018 Outstanding Balance	Principal	Interest	2018-2019 Debt Service
1	ADM	<b>OR Port Revolving Loan #520161</b> 1999 Loan (\$202,985) to build Serven building in South Beach. Building leased to OR Brewing Co. 6% Interest, 20 years	\$ 17,200	\$ 17,200	\$ 650	\$ 17,850
2	NIT	<b>OR Special Public Works Loan #L00012</b> 2004 loan (\$86,683) - International Terminal dock remediation and geotechnical investigation and engineering. Project was funded as half grant, half loan. 6% Interest, 21 years	41,922	5,005	2,515	7,520
3	NIT	<b>OR Special Public Works Loan #Q10001</b> 2010 (\$1,300,000) EPA Coalition Brownfields Loan: Remediation of hazardous materials at NIT. Amortization calculated at \$1,300,000 (\$1.5MM with \$200,000 in loan forgiveness possible) 3% Interest, 21 years	1,069,632	62,406	31,194	93,600
4	NIT	<b>OR Special Public Works Loan #L12005</b> 2012 International Terminal loan (\$3,500,000). 3.87% Interest, 21 years	2,567,225	118,860	99,352	218,212
5	NIT	<b>OR Business Development Loan</b> 2013 International Terminal loan (\$400,000) secured by promissory note with loan forgiveness of entire balance possible. No interest, 15 years	400,000	40,000	-	40,000
6	RV - 74% NIT - 26%	<b>Series 2013 FF&amp;C Obligations</b> 2013 loan (\$3,410,000) RV Park debt refinancing and \$890,000 new debt for International Terminal construction. Interest varies between 3 - 3.5%, 20 years	2,885,000	200,000	89,707	289,707
7	NIT	<b>Oregon Coast Bank #10021575 &amp; #10032077</b> 2010 loan (\$465,811) - International Terminal Buildings Variable Interest (6% minimum), 15 years	323,997	24,236	19,059	43,295
8	CM	2013 Commercial Marina Forklift (\$31,357) 5 year capital lease (\$1 buyout)	3,487	3,487	43	3,530
9	CM	2017 Commercial Marina Forklift (\$35,303) 5 year capital lease (\$1 buyout)	29,867	6,640	1,280	7,920
10	NIT	2018 International Terminal Forklift (\$54,393) 5 year capital lease (\$1 buyout)	50,403	9,940	2,380	12,320
11	NIT	<b>City of Newport SDC #13743</b> 2015 City of Newport levied system development charges (\$124,140 related to a building permit to develop shipping yard). 5.5% Interest, 20 years	114,531	10,710	5,600	16,310
12	SB	<b>Oregon Brewing Company</b> 2016 loan (\$210,295) 49% of costs for South Beach multi-use area. No interest, 5 years	165,370	29,950	-	29,950
13	ADM	<b>Unfunded PERS Liability</b> SB 1566 incentivizes employers to contribute to its unfunded PERS liability by offering a 25% matching contribution by the State (i.e. \$34,500).	\$ 680,933	n/a	n/a	\$ 103,500
Subtotal General Operating Fund			<u>\$ 8,349,567</u>			<u>\$ 883,714</u>



Port of Newport  
2018-2019 Budget  
**Debt Service Requirements Detail**

**Bonded Debt Fund (BDF)**

Item #	Profit Center	Loan	30 June 2018 Outstanding Balance	Principal	Interest	2018-2019 Debt Service
14	n/a	<b>General Obligation Bond Series 2011</b> 2011 (\$5,452,000) direct obligation that pledges the full faith and credit of the Port. Interest varies between 2 - 5.5%, 30 years	5,065,000	70,000	267,055	337,055
15	n/a	<b>General Obligation Bond Series 2016</b> 2016 (\$7,610,000) direct obligation that pledges the full faith and credit of the Port. Interest varies between 2 - 4%, 20 years	7,320,000	270,000	273,900	543,900
		Subtotal Bonded Debt Fund	<u>\$ 12,385,000</u>			<u>\$ 880,955</u>

**NOAA Lease Revenue Fund (NOAA)**

Item #	Profit Center	Loan	30 June 2018 Outstanding Balance	Principal	Interest	2018-2019 Debt Service
16	NOAA	<b>Revenue Bond Series 2010</b> 2010 (\$24,095,000) bond to build NOAA Marine Operations Center-Pacific. Secured by lease revenue.	19,105,000	945,000	1,052,271	1,997,271
		Subtotal NOAA Lease Revenue Fund	<u>\$ 19,105,000</u>			<u>\$ 1,997,271</u>
		Total	<u>\$ 39,839,567</u>			<u>\$ 3,761,940</u>





Port of Newport  
**Restricted and Unrestricted Cash by Account**

	Year Ending 30 June 2017 (Audited)		9 Months Ending 31 March 2018 (Reconciled)	
	Restricted	Unrestricted	Restricted	Unrestricted
<b>Cash &amp; Cash Equivalents</b>				
<b>General Operating Fund (GOF)</b>				
11005		\$488,369		\$623,133
11010		979,952		921,591
11015		19,930		19,724
11020		17,744		9,883
11025		165,300		165,362
11030		1,375		1,375
11075				
Reserve Money Market	581,564		862,875	
11270		2,150		
Total General Operating Fund	<u>\$581,564</u>	<u>\$1,674,820</u>	<u>\$862,875</u>	<u>\$1,741,068</u>
<b>Bonded Debt Fund (BDF)</b>				
21050		\$247,481		\$582,192
<b>Facilities Maintenance Reserve (FMRF)</b>				
31060		\$72,323		\$72,404
<b>Construction Fund (CF)</b>				
41070		\$24,446		\$13,277
41075		28,874		30,749
Total Construction Fund		<u>\$53,320</u>		<u>\$44,026</u>
<b>NOAA Lease Revenue Fund (NOAA)</b>				
51080	\$1,498,690		\$1,084,901	
51085		1,959,270		1,961,477
51086	2,048,988		2,054,544	
51087	212,628		238,532	
Total NOAA Lease Revenue Fund	<u>\$3,760,306</u>	<u>\$1,959,270</u>	<u>\$3,377,977</u>	<u>\$1,961,477</u>
Subtotals	<u>\$4,341,870</u>	<u>\$4,007,214</u>	<u>\$4,240,852</u>	<u>\$4,401,167</u>
Total Cash & Cash Equivalents		<u>\$4,341,870</u>		<u>\$4,240,852</u>
<b>Investments</b>				
<b>NOAA Lease Revenue Fund</b>				
51088	\$60,722		\$60,966	
Total Restricted and Unrestricted Cash and Investments	<u>\$4,402,592</u>	<u>\$4,007,214</u>	<u>\$4,301,818</u>	<u>\$4,401,167</u>
<b>Total Cash and Investments</b>		<u><u>\$8,409,806</u></u>	<u><u>\$8,702,985</u></u>	

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**PORT OF NEWPORT  
OREGON**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2017**

Prepared By  
**SIGNE GRIMSTAD**  
Certified Public Accountant  
530 NW 3rd, Suite E  
PO Box 1930  
Newport, Oregon 97365

**PORT OF NEWPORT, OREGON**

**BOARD OF COMMISSIONERS**

Walter Chuck, President  
Newport, Oregon  
Position No. 1

Serving since November 22, 2011  
Term Expires June 30, 2019

Ken Brown, Vice-President  
Newport, Oregon  
Position No. 4

Serving since January 13, 2014  
Term Expires June 30, 2017

Patricia Patrick-Joling, Secretary/Treasurer  
Newport, Oregon  
Position No. 5

Serving since July 1, 2015  
Term Expires June 30, 2019

Stewart Lamerdin  
Newport, Oregon  
Position No. 3

Serving since July 1, 2015  
Term Expires June 30, 2019

Steve Beck  
Newport, Oregon  
Position No. 2

Serving since June 21, 2016  
Term Expires June 30, 2017

Aaron Bretz, Interim General Manager  
600 SE Bay Boulevard  
Newport, OR 97365

PORT OF NEWPORT, OREGON

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**GRIMSTAD & ASSOCIATES**  
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

Newport Office:  
P.O. Box 1930  
530 N.W. 3rd St. Ste E  
Newport, OR 97365  
(541) 265-5411  
Fax (541) 265-9255  
info@grimstad-assoc.com

Lincoln City Office:  
1349 N.W. 15th Street  
Lincoln City, OR 97367  
(541) 994-5252  
Fax (541) 994-2105

Board of Commissioners  
Port of Newport  
Newport, Oregon

**Report on the Financial Statements**

I have audited the accompanying financial statements of the business-type activities of the Port of Newport (Port) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Port of Newport as of June 30, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussions and analysis and defined employee pension plan (PERS) schedules and notes, listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.


### *Other Information*

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Port of Newport's basic financial statements. The accompanying supplemental information, budget and actual schedules and reconciliation to net position listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the budget and actual schedules and reconciliation to net position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Reporting Required by Oregon State Regulations

In accordance with the Minimum Standards Audit of Oregon Municipal Corporations, I have issued my report dated February 16, 2018 on my consideration of Port of Newport's compliance with certain laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of my testing of compliance and the results of that testing and not to provide an opinion on compliance.

  
**SIGNE GRIMSTAD**  
Certified Public Accountant  
Newport, Oregon  
February 16, 2018

# PORT OF NEWPORT, OREGON

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### INTRODUCTION

As management of the Port of Newport, Oregon, we offer readers this narrative overview and analysis of the financial activities of the Port for the fiscal year ended June 30, 2017. The readers are encouraged to read this narrative overview in conjunction with the accompanying financial statements.

### FINANCIAL HIGHLIGHTS (in thousands)

- Total assets of the Port are \$90,281 with capital assets of \$80,525 net of accumulated depreciation. Current assets are \$8,941 at June 30, 2017.
- The assets of the Port exceeded its liabilities at the close of the fiscal year by \$46,995 (Net Position). Of this amount \$4,035 (unrestricted net position) may be used to meet the Port's ongoing obligations.
- The Port's net position decreased by \$826 from June 30, 2016.
- Total operating revenue was \$6,016 which is an increase of 1.2% over the prior year.
- Total operating expenses for the year were \$6,301. This figure is .6% higher than the prior year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Port of Newport's basic financial statements. The Statement of Net Position presents information on all of the Port's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Port is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the Port's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing when the related cash flows occur. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e., uncollected taxes and earned but unused vacation leave).

Notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the Port's statements. The notes can be found on pages 6 through 26 of this report.



## PORT OF NEWPORT, OREGON

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### PORT-WIDE FINANCIAL STATEMENTS

##### Statement of Net Position (in thousands)

	<u>2017</u>	<u>Restated 2016</u>
<b>Assets</b>		
Current assets	\$ 8,941	\$ 8,865
Other assets	3	5
Capital assets	<u>80,525</u>	<u>82,731</u>
 Total assets	 89,469	 91,601
 Deferred outflows	 <u>812</u>	 <u>454</u>
 Total assets and deferred outflows	 <u>90,281</u>	 <u>92,055</u>
<b>Liabilities</b>		
Current liabilities	2,675	2,553
Noncurrent liabilities	<u>40,493</u>	<u>41,529</u>
 Total liabilities	 43,168	 44,082
 Deferred inflows	 <u>118</u>	 <u>152</u>
 Total liabilities and deferred inflows	 <u>43,286</u>	 <u>44,234</u>
<b>Net Position</b>		
Net invested in capital assets	39,020	40,061
Restricted	3,940	4,342
Unrestricted	<u>4,035</u>	<u>3,418</u>
 Total net position - restated	 <u>\$ 46,995</u>	 <u>\$ 47,821</u>

Restated – It was determined in the current year that accounts receivable was understated by \$35 in the previous year ending June 30, 2016. Also discovered was a system development charge assessed in December of 2015, resulting in capital assets and debt being understated by this amount. See Note 10.

By far the largest portion of the Port's net position (83%) reflects its investment in capital assets (i.e., land, dock infrastructure, marina, recreational vehicle park, construction in progress, etc.) less related outstanding debt used to acquire those assets. The Port uses these capital assets to provide services to facility patrons; consequently, these assets are not available for future spending. Although the Port's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

# PORT OF NEWPORT, OREGON

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### PORT-WIDE FINANCIAL STATEMENTS - Continued

#### Statement of Revenues, Expenses and Changes in Net Position (in thousands)

	<u>2017</u>	<u>Restated 2016</u>
<b>Revenues</b>		
Operating revenue from services	\$ 6,016	\$ 5,942
Nonoperating revenue:		
Grants	37	2
Property taxes	1,086	1,073
Interest	21	19
Gain (loss) on sale of equipment	(6)	1
Miscellaneous	<u>36</u>	<u>0</u>
Total revenues	<u>7,190</u>	<u>7,037</u>
<b>Expenses</b>		
Operating expenses	6,301	6,268
Other	<u>1,933</u>	<u>1,890</u>
Total expenses	<u>8,234</u>	<u>8,158</u>
Excess (def) of revenue over expenses before contribution	(1,044)	(1,121)
<b>Capital contribution</b>	<u>218</u>	<u>0</u>
<b>Change in net position</b>	(826)	(1,121)
<b>Net position - Beginning of the year</b>	<u>47,821</u>	<u>48,942</u>
<b>Net position - End of the year</b>	<u>\$ 46,995</u>	<u>\$ 47,821</u>

The Port recognized a loss in net position during the most recent fiscal year of \$(826). Operating revenues from moorages, leases, RV Park operations, and hoist dock revenue all increased compared to the prior fiscal year. Property taxes support the debt service for the General Obligation Bonds issued in 2007, 2008 and 2011 approved by voters for reconstructing the Newport International Terminal. Operating expenses increased as a result of increased operational services and projects.

# PORT OF NEWPORT, OREGON

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FINANCIAL ANALYSIS OF THE PORT'S FUNDS

The Port operates as a special-purpose entity, reporting all of its activities as a single enterprise function. It accounts for various activities in separate funds to ensure and demonstrate compliance with finance-related legal and budget requirements.

The Port rolls all of its individual funds together for a single presentation in the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position, as well as the Statement of Cash Flows for Port-wide presentation.

### GENERAL FUND BUDGETARY HIGHLIGHTS

A review of the Port's General Operating Fund indicates total revenues exceeded budgeted projections by \$234 and total expenses were 90% of budgeted levels.

### CAPITAL ASSETS (in thousands)

The following table lists the Port's capital assets and their values, net of depreciation, as of June 30:

	<u>2017</u>	Restated <u>2016</u>
Land	\$ 20,222	\$ 20,222
Construction	307	307
Land improvements	10,339	10,336
Buildings and docks	49,299	51,465
Equipment	<u>358</u>	<u>401</u>
Total	<u>\$ 80,525</u>	<u>\$ 82,731</u>

Restated – In the current year, it was discovered a system development charge in December 2015 was not recognized for \$124,140.

As shown in the table above, the Port's net capital assets decreased by \$2,206 during the current year. Current year activity included land improvements to redevelop a multi-use area at the south Beach Marina and RV Park with Oregon Brewing Company contributing half the cost; new pilings, Swede's Dock improvements, and access pier engineering in the Commercial Marina; storm water catch basins and security fencing at the International Terminal, and improvements at the NOAA MOC-P facility. The decline was caused by depreciation expense that exceeded current capital asset additions. For further information relating to the Port's capital assets, see Note 6 of the Notes to Basic Financial Statements.

# PORT OF NEWPORT, OREGON

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### DEBT OUTSTANDING

Figures presented in the following table illustrate balances outstanding (in the thousands) at June 30, 2017 and 2016.

	<u>2017</u>	<u>Restated 2016</u>
General obligation bonds	\$ 12,710	\$ 13,175
Revenue bond	20,015	20,885
Full faith and credit obligations	3,075	3,260
State of Oregon loans	4,292	4,482
Bank loans and others	666	492
Capital leases	<u>13</u>	<u>24</u>
Total	<u>\$ 40,771</u>	<u>\$ 42,318</u>

Restated – In December of 2015 the City of Newport issued a building permit to develop the shipping yard. Assessed were systems development charges of \$117,669, attaching as a lien to the real property.

In the fiscal year 2013, full faith and credit obligations of \$3,410,000 were issued to pay off two State of Oregon loans of \$2,624,942 at a lower interest rate and provide \$890,000 additional resources for the International Terminal project. An additional \$3,400,000 State of Oregon loans were taken out for the International Terminal reconstruction. Reductions in debt year to year represent scheduled principal payments.

In 2016 the Port issued refunding bonds of \$7,610,000 to pay off callable bonds in the 2007 and 2008 issues. The Port realized a net present value savings of approximately \$944,963.

In 2017 the Port partnered with Oregon Brewing Company for real property improvements, financing \$210,295 in a no interest obligation payable over five years.

For further information relating to the Port's debt, see Note 8 of the Notes to Basic Financial Statements.

### DESCRIPTION OF CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The Port placed plans to develop its property at McLean Point on hiatus after encountering unacceptable financial terms in the final iteration of documents that resulted from negotiations with Teevin Brothers Land and Timber Company and Sylvan Forest, LLC. Partial financing for the developments was rolled into that proposal and when the Port rejected the terms in the proposal, that financing was lost. Without enough time to renegotiate the terms, the Port returned the TIGER Grant to DOT with no fault and also returned the Oregon IRA loan. The Port would have had to leverage all of its unrestricted cash reserves in order to meet fund matching requirements for the TIGAR Grant. Without the TIGAR Grant, the Port could not accept the Oregon IRA loan.

## **PORT OF NEWPORT, OREGON**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The General Manager, Director of Finance, and International Terminal Supervisor each resigned during the fiscal year 2017-18. The Port is actively seeking to fill these positions with permanent personnel but is currently operating with interim personnel in those roles.

#### **REQUESTS FOR INFORMATION**

The Port's financial statements are designed to present district taxpayers, customers and creditors with a general overview of the Port's finances and to demonstrate the Port's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Port of Newport, 600 SE Bay Blvd., Newport, Oregon 97365.

**PORT OF NEWPORT. OREGON**

STATEMENT OF NET POSITION as of June 30, 2017

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 8,349,084
Investment	60,722
Accounts receivable, net of allowance for doubtful accounts	262,841
Property taxes receivable	97,260
Prepaid expenses	161,304
Other assets	<u>9,346</u>
Total current assets	<u>8,940,557</u>

**Capital Assets**

Land	20,221,521
Construction in progress	307,009
Buildings and equipment, net of depreciation	<u>59,996,774</u>
Total capital assets	<u>80,525,304</u>

**Other Assets**

Bond issue costs, net of amortization	<u>2,916</u>
Total other assets	<u>2,916</u>

Total assets	<u>89,468,777</u>
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**Deferred Outflows of Resources**

Advanced refunding outflows, net of amortization	416,150
Pension related outflows	<u>395,844</u>
Total deferred outflows of resources	<u>811,994</u>

Total assets and deferred outflows resources	<u>90,280,771</u>
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**LIABILITIES**

**Current Liabilities**

Accounts payable	133,948
Accounts payable from restricted assets	28,391
Accrued payroll expenses	155,118
Unearned revenue	185,507
Accrued interest payable	16,533
Accrued interest payable from restricted assets	462,477
Current portion of loans and capital leases payable	268,179
Current portion of bonds payable	<u>1,425,000</u>
Total current liabilities	<u>2,675,153</u>

**Long-term Liabilities**

Loans and capital leases payable, net	4,702,831
Bonds payable, net	35,108,905
Net pension liability	<u>680,933</u>
Total long-term liabilities	<u>40,492,669</u>

Total liabilities	43,167,822
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**Deferred Inflows of Resources**

Pension related inflows	<u>117,896</u>
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Total liabilities and deferred inflows of resources	<u>43,285,718</u>
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**Net Position**

Net invested in capital assets	39,020,389
Restricted	
Debt service	3,666,765
Maintenance reserve	273,350
Unrestricted	<u>4,034,549</u>

Total net position	<u>\$ 46,995,053</u>
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See accompanying notes to financial statements

**PORT OF NEWPORT, OREGON**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION for the Year Ended June 30, 2017**

<b>OPERATING REVENUES</b>	
Moorages and leases	\$ 4,448,988
RV Park	785,972
Terminals	22,252
Hoist dock	620,766
Launch ramp	65,910
Other	<u>71,967</u>
 Total operating revenues	 <u>6,015,855</u>
<b>OPERATING EXPENSES</b>	
Salaries and wages	1,012,114
Payroll taxes and benefits	302,931
Administration, promotion and marketing	130,967
Maintenance	305,640
Utilities	499,184
Insurance	278,801
Professional fees	85,666
Service fees	257,016
Supplies	78,020
Operating fees	60,841
Other	83,452
Depreciation	<u>3,206,692</u>
 Total operating expenses	 <u>6,301,324</u>
 Operating Income (Loss)	 <u>(285,469)</u>
<b>NONOPERATING REVENUE (EXPENSES)</b>	
Property taxes	1,086,112
Grants	37,269
Grant expense	(60)
Interest income	20,628
Interest expense	(1,912,066)
Gain/loss on sale of equipment	(5,856)
Amortization	(20,807)
Miscellaneous	<u>35,290</u>
 Total nonoperating revenue (expense)	 <u>(759,490)</u>
 Income (loss) before contributions	 <u>(1,044,959)</u>
 <b>Contributed capital</b>	 <u>218,878</u>
 Change in net position	 <u>(826,081)</u>
 <b>NET POSITION - Beginning of year</b>	 <u>47,785,214</u>
Prior period adjustment	<u>35,920</u>
 <b>NET POSITION - Revised beginning of year</b>	 <u>47,821,134</u>
 <b>NET POSITION - End of year</b>	 <u>\$46,995,053</u>

See accompanying notes to financial statements

**PORT OF NEWPORT. OREGON**

STATEMENT OF CASH FLOWS for the Year Ended June 30, 2017

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash receipts from customers	\$ 6,100,180
Cash payments for goods and services	(1,757,172)
Cash payments for employees and benefits	<u>(1,156,393)</u>
Net cash provided (used) by operating activities	<u>3,186,615</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Non capital grants	37,209
Property taxes collected	<u>1,086,112</u>
Net cash provided (used) by noncapital financing activities	<u>1,123,321</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from capital financing	210,295
Acquisition and construction of capital assets	(1,068,806)
Proceeds from sale of assets	62,435
Loss on sale of capital assets	196,695
Debt related payments	5,856
Principal paid on debt	(1,757,206)
Interest paid on debt	<u>(1,918,487)</u>
Net cash provided (used) by capital and related financing activities	<u>(4,269,218)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>20,325</u>
Net increase (decrease) in cash and cash equivalents	61,043
<b>Cash and cash equivalents - Beginning of year (restricted \$4,839,263)</b>	<u>8,288,041</u>
<b>Cash and cash equivalents - End of year (restricted \$4,402,592)</b>	<u>\$ 8,349,084</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ (285,469)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	3,206,692
Pension expense	105,569
(Increase) decrease in operating assets	
Accounts receivable	84,325
Prepaid expenses	(89,448)
Increase (decrease) in operating liabilities	
Other assets	(9,346)
Accounts payable	78,756
Accrued payroll liabilities	53,083
Accrued expenses	(6,390)
Unearned revenue	<u>48,843</u>
Net cash provided (used) by operating activities	<u>\$ 3,186,615</u>

See accompanying notes to financial statements.



**PORT OF NEWPORT, OREGON**  
**NOTES TO FINANCIAL STATEMENTS**  
as of June 30, 2017

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting framework and the more significant accounting principles and practices are disclosed below.

**Reporting Entity**

The Port is organized under the general laws of the State of Oregon. The governing body is a five-member elected Board of Commissioners (the Board). The daily management of the Port is under the supervision of the General Manager, who is appointed by the Board. The Port is the level of government financially accountable for all Port operations within its boundaries. As a result, all related activities have been included in the financial statements. There are various governmental agencies and special service districts that provide services within the Port's boundaries; however, the Port is not financially accountable for any of these entities, and accordingly their financial information is not included in these financial statements.

**Measurement Focus, Basis of Presentation and Accounting**

The Port is considered to be a single enterprise similar to a commercial entity for financial reporting purposes. Accordingly, these financial statements are maintained on the flow of economic resources measurement focus using the accrual basis of accounting and accounting principles applicable to commercial enterprises. This measurement focus provides that all assets and liabilities associated with operations are included on the Statement of Net Position. The Port's net position is segregated into net position invested in capital assets, restricted net assets and unrestricted net assets. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in net position.

The financial statements of the Port have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when liabilities are incurred.

**Operating Revenues, Non-Operating Revenues and Operating Expenses**

The Port has defined operating revenues to include lease fees, RV park fees, launch dock, hoist and moorage fees. Operating expenses are defined as those expenses directly related to providing the services reflected within operating revenues including depreciation and administration expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenue and expenses. This includes property taxes, investment interest, gain (loss) on sale of capital assets, and non-operating grant revenue and amortization costs.

**Deposits and Investments**

The Port's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

The Port's investment policies are governed by Oregon statutes. The statutes authorize the Port to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, high-grade commercial paper and the State Treasurer's Local Government Investment Pool (LGIP). See Note 3.

**PORT OF NEWPORT, OREGON**  
**NOTES TO FINANCIAL STATEMENTS**  
as of June 30, 2017

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Receivables**

Terminal, marina and lease receivables are shown net of an allowance for doubtful accounts. The allowance is judgmentally determined by management based on a collectability analysis.

Property taxes are levied and become a lien on all taxable property as of July 1. Property taxes are payable on November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Property taxes receivable are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

**Capital Assets**

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value on the date received. Interest costs are capitalized as part of the costs of capital assets during the period of construction based on borrowing costs incurred. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. The Port recognizes assets with an initial cost or donated value of more than \$5,000 and an estimated life of over more than one year.

Capital assets constructed with tax-exempt borrowing may include capitalized interest as part of the costs of capital assets. All interest costs of the borrowing less any interest earned on investments acquired with the proceeds of the borrowing are capitalized from the date of the borrowing until the assets are ready for their intended use.

Assets subject to depreciation are depreciated over their estimated useful lives on the straight-line basis. Estimated useful lives for land improvements (marina and RV park) are 10 to 20 years, buildings - 25 to 40 years, docks - 20 to 40 years, and equipment from 5 to 10 years.

**Compensated Absences**

Employees are permitted to accumulate earned but unused vacation and related employee benefits. Vacation and holiday pay are recognized as expense when earned. Compensated absences are reported and accrued in the Statement of Net Position.

**Interfund Transactions**

Transactions that constitute reimbursements to a fund for expenses initially made from it that are properly applicable to another fund are recorded as expenses in the reimbursing fund and as reductions of expenses in the fund that is reimbursed.

All other interfund transactions are reported as transfers and as a general rule are eliminated from the enterprise financial statements. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

**PORT OF NEWPORT, OREGON**  
**NOTES TO FINANCIAL STATEMENTS**  
as of June 30, 2017

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30 are recorded as prepaid items.

**Long-Term Liabilities**

General obligation bonds are payable from property taxes. All other long-term obligations are payable from operations.

**Pensions**

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27*, the Port's net pension (asset)/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the OPERS and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. The Port has one item that qualifies for reporting in this category, it's deferred amounts relating to pensions which consist of employer contributions to the Oregon Public Employees Retirement System (OPERS) after the measurement date, experience differences, and changes in proportion. This amount is deferred and recognized as an outflow of resources in the period when the Port recognizes pension expense/expenditures. Deferred outflows are included in the proprietary funds Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Port has one item that qualifies for reporting in this category, it's deferred amounts relating to pensions. This amount is deferred and recognized as an inflow of resources in the period when the Port's recognizes pension income. Deferred inflows are included in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position, if applicable.

**Net Position**

Net Position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the Port's financial statements.

Net position is divided into three components:

*Net investment in capital assets* - consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

*Restricted net assets* - consists of assets that are restricted by the Port's creditors, by enabling legislation, by grantors, and other contributors.

*Unrestricted* - all other net assets reported in this category.

**PORT OF NEWPORT, OREGON**

**NOTES TO FINANCIAL STATEMENTS**  
as of June 30, 2017

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Restricted Assets and Related Liabilities**

Assets whose use is restricted for construction related to the marine terminal redevelopment project, the National Oceanic and Atmospheric Administration (NOAA) Marine Operations Center - Pacific (MOC-P) project, the facilities maintenance reserve and the payment of bonded debt service, as well as all related liabilities are segregated on the Statement of Net Position.

Where both restricted and unrestricted resources are available for use, it is the Port's policy to use restricted resources to the limits of the policies and statutes governing them first, then unrestricted resources as they are needed.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budget Law and Practice**

The Port legally adopts an annual budget for each proprietary fund prior to July 1 through passage of a resolution in accordance with the legal requirements set forth in the Oregon Local Budget Law. The resolution authorizes fund appropriations at the following control levels: personnel services, materials and services, capital outlay, debt service, interfund transactions, operating contingency, and all other requirement levels. Expenditures cannot legally exceed appropriations at these control levels.

Budgets are prepared using the modified accrual basis of accounting. A reconciliation schedule brings the budget basis to full accrual for compliance with generally accepted accounting principles.

Unexpected additional resources may be added to the budget through the use of a supplemental budget. The supplemental budget process requires hearings before the public, publications in newspapers, and approval by the Board. Only the Board may modify original and supplemental budgets by the use of appropriation transfers between the levels of control. In addition, Oregon Local Budget Law provides certain specific exceptions to the supplemental budget process to increase appropriations. Such transfers and increases require Board's approval by adoption of a resolution.

Budget appropriation amounts shown in the financial statements include the original and revised budget appropriations as approved by the Board. Appropriations are limited to a single fiscal year; therefore, all spending authority of the Port lapse at year end.

*Over Expenditures*

The following funds over expended as follows:

	<u>Balance</u>
NOAA Lease Revenue Fund - Capital Outlay	<u>\$ 12,296</u>

**PORT OF NEWPORT, OREGON**

**NOTES TO FINANCIAL STATEMENTS**  
as of June 30, 2017

**NOTE 3 - DEPOSITS AND INVESTMENTS**

Cash, cash equivalents and investments as of June 30 consist of the following:

	<u>Balance</u>	<u>Restricted</u>	<u>Unrestricted</u>
Cash on hand	\$ 1,375	\$ 0	\$ 1,375
Deposits with financial institutions	<u>8,347,709</u>	<u>4,341,870</u>	<u>4,005,839</u>
Total cash and cash equivalents	8,349,084	4,341,870	4,007,214
Time certificate of deposit	<u>60,722</u>	<u>60,722</u>	<u>0</u>
Total cash, cash equivalents and time certificate of deposit	<u><u>\$8,409,806</u></u>	<u><u>\$4,402,592</u></u>	<u><u>\$ 4,007,214</u></u>

**Deposits**

At the end of the fiscal year, the Port's total deposits with financial institutions have a bank value of \$8,408,204 of which \$750,000 was covered by FDIC. See *Custodial Credit Risk*.

*Custodial Credit Risk*

As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at qualified depositories for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result the Port has no exposure to custodial credit risk for deposits with financial institutions.

*Interest rate risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Port does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit risk*

Oregon Statutes limit investments to general obligations of U.S. government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, high-grade commercial paper and the State Treasurer's Local Government Investment Pool. The Port has no investment policy that would further limit its investment choices.

*Concentration of Credit Risk*

The Port places no limit on the amount the Port may invest in any one investment or issuer. For the current year, the Port held 74% of funds in Oregon Coast Bank.

**PORT OF NEWPORT, OREGON**  
**NOTES TO FINANCIAL STATEMENTS**  
as of June 30, 2017

**NOTE 4 - RECEIVABLES**

Receivables at year end consist of the following:

	<u>Balance</u>	
Property taxes	\$ 97,260	Restricted
Accounts receivable, net	<u>262,841</u>	Unrestricted
 Total receivables	 <u>\$ 360,101</u>	

**NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**Transfers**

Operating transfers are for servicing debt. The following is a breakdown of these transfers:

	<u>Source</u>	<u>Use</u>
General Fund	\$ 0	\$ 60,000
Facilities Maintenance	<u>60,000</u>	<u>0</u>
 Total	 <u>\$ 60,000</u>	 <u>\$ 60,000</u>

The purpose of inter-fund transfers is to support capital expenditures.

**Interfund Payables/Receivables**

Below are interfund receivable/payable balances as of June 30:

	<u>Receivable</u>	<u>Payable</u>
Construction	\$ 0	\$ 480
NOAA	846	3,094
General Fund	<u>11,360</u>	<u>8,632</u>
 Total	 <u>\$ 12,206</u>	 <u>\$ 12,206</u>

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30 was as follows:

	<u>Restated 7/01 Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>6/30 Balance</u>
Capital assets not being depreciated				
Land	\$ 20,221,521	\$ 0	\$ 0	\$ 20,221,521
Construction in progress	<u>307,537</u>	<u>67,764</u>	<u>(68,292)</u>	<u>307,009</u>
 Total assets not being depreciated	 <u>20,529,058</u>	 <u>67,764</u>	 <u>(68,292)</u>	 <u>20,528,530</u>

**PORT OF NEWPORT, OREGON**  
**NOTES TO FINANCIAL STATEMENTS**  
as of June 30, 2017

**NOTE 6 - CAPITAL ASSETS - Continued**

	Restated 7/01 <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	6/30 <u>Balance</u>
Capital assets being depreciated				
Land improvements	19,173,376	468,226	0	19,641,602
Buildings	16,457,983	7,375	0	16,465,358
Docks and piers	54,203,222	487,761	0	54,690,983
Equipment	<u>1,069,026</u>	<u>37,680</u>	<u>0</u>	<u>1,106,706</u>
Total depreciable at historical cost	<u>90,903,607</u>	<u>1,001,042</u>		<u>91,904,649</u>
Accumulated depreciation				
Land improvements	(8,837,140)	(465,803)	0	(9,302,943)
Buildings	(4,854,082)	(521,162)	0	(5,375,244)
Docks and piers	(14,341,957)	(2,139,755)	0	(16,481,712)
Equipment	<u>(668,006)</u>	<u>(79,972)</u>	<u>0</u>	<u>(747,978)</u>
Total accumulated depreciation	<u>(28,701,185)</u>	<u>(3,206,692)</u>	<u>0</u>	<u>(31,907,877)</u>
Total depreciable capital assets	<u>62,202,422</u>	<u>(2,205,650)</u>	<u>0</u>	<u>59,996,772</u>
Total capital assets, net	<u>\$ 82,731,480</u>	<u>\$(2,137,886)</u>	<u>\$ (68,292)</u>	<u>\$ 80,525,304</u>

Depreciation expense for the year was \$3,206,692. The Port financed two fork lifts totaling \$56,124 through capital leases. Amortization of the leases is included in the depreciation expense. Restated - see Note 10.

**NOTE 7 - LEASES**

**Port as Lessor**

The Port, as a lessor, leases certain properties with a total approximate net capitalized cost of \$24,450,000 and annual depreciation expense of approximately \$1,290,000 under long-term operating leases. On August 7, 2009, the Port entered into a 20-year lease for a MOC-P with the United States of America, through the NOAA, expiring June 30, 2031, commonly referred to as the NOAA lease. NOAA lease revenue is pledged first to pay bond principal and interest, second to credit the reserve account to eliminate any deficiency in the required reserve and third for any other lawful Port purpose. The annual rent under this lease is approximately \$2,500,000 which is included in the schedule below.

The minimum future payments to be received under non-cancelable leases are as follows:

Year Ending June 30,	<u>Balance</u>
2018	\$ 3,150,000
2019	3,110,000
2020	3,090,000
2021	3,070,000
2022	2,980,000
Thereafter	<u>22,960,000</u>
Total	<u>\$ 38,360,000</u>

Total minimum future lease payments do not include amounts for lease payments based on the lessee's gross sales. These payments amounted to approximately \$60,000 for the fiscal year. Amounts for future lease extensions are not included as they are cancelable.

**PORT OF NEWPORT, OREGON**

**NOTES TO FINANCIAL STATEMENTS  
as of June 30, 2017**

**NOTE 8 - LONG TERM DEBT**

**Bonds, Loans and Capital Leases Payable**

Bonds, loans and capital leases payable are as follows:

	Restated 7/01 Balance	Increase	Decrease	6/30 Balance	Due in One Year		
					Principal	Interest	Total
<b>BONDED DEBT FUND</b>							
<b>General Obligation Bonds</b>							
Series 2007	\$ 125,000	\$ 0	\$ 125,000	\$ 0	\$ 0	\$ 0	\$ 0
Series 2008	245,000	0	120,000	125,000	125,000	2,500	127,500
Series 2011	5,195,000	0	65,000	5,130,000	65,000	269,655	334,655
Series 2016	<u>7,610,000</u>	<u>0</u>	<u>155,000</u>	<u>7,455,000</u>	<u>135,000</u>	<u>277,950</u>	<u>412,950</u>
Total Bonded Debt Fund	<u>13,175,000</u>	<u>0</u>	<u>465,000</u>	<u>12,710,000</u>	<u>325,000</u>	<u>550,105</u>	<u>875,105</u>
<b>GENERAL FUND</b>							
<b>Full Faith and Credit OB</b>							
Series 2013	3,260,000	0	185,000	3,075,000	190,000	95,588	285,588
<b>State of Oregon Loans</b>							
<b>Special Public Works Fund Loans</b>							
- L00012	51,097	0	4,454	46,642	4,721	2,799	7,520
- Q10010	1,189,110	0	58,915	1,130,195	60,563	33,037	93,600
- L12005	2,791,825	0	110,168	2,681,657	114,432	103,780	218,212
- Promissory	400,000	0	0	400,000	0	0	0
Oregon Port Revolving Loans	48,679	0	15,270	33,409	16,208	1,644	17,852
<b>Oregon Coast Bank Loans</b>							
Loan payable	368,538	0	21,732	346,806	22,809	20,486	43,295
<b>Toyota Financial Services</b>							
Capital lease	8,071	0	5,320	2,751	2,751	36	2,787
Capital lease	16,461	0	6,372	10,088	6,601	304	6,905
City of Newport - SDC	124,140	0	0	124,140	10,144	6,162	16,306
Oregon Brewing Company	<u>0</u>	<u>210,295</u>	<u>14,975</u>	<u>195,320</u>	<u>29,950</u>	<u>0</u>	<u>29,950</u>
Total General Fund	<u>8,257,921</u>	<u>210,295</u>	<u>422,206</u>	<u>8,046,010</u>	<u>458,179</u>	<u>263,836</u>	<u>722,015</u>
<b>NOAA FUND</b>							
<b>Revenue Bond</b>							
Series 2010	<u>20,885,000</u>	<u>0</u>	<u>870,000</u>	<u>20,015,000</u>	<u>910,000</u>	<u>1,091,734</u>	<u>2,001,734</u>
Total	<u>\$42,317,921</u>	<u>\$ 210,295</u>	<u>\$1,757,206</u>	<u>\$40,771,010</u>	<u>\$1,693,179</u>	<u>\$1,905,675</u>	<u>\$3,598,854</u>

Restated - see Note 10.



**PORT OF NEWPORT, OREGON**  
**NOTES TO FINANCIAL STATEMENTS**  
as of June 30, 2017

**NOTE 8 - LONG TERM DEBT - Continued**

**Bonds, Loans and Capital Leases Payable**

The general obligation bonds, full faith and credit obligation bond, and State of Oregon loans are direct obligations and pledge the full faith and credit of the Port. The revenue bonds are secured by the NOAA lease revenue and the required reserve was fully funded with bond proceeds. The funds provided by the obligations and the Oregon Coast Bank loans, were and continue to be used for the acquisition, repair and construction of capital assets.

In the fiscal year ending June 30, 2013, the Port obtained financing for construction of the International Terminal. The Port negotiated a \$3,000,000 loan with a \$500,000 grant from the Oregon Infrastructure Finance Authority (IFA), fully drawn down by June 30, 2013. Also additional financing was obtained under a forgivable loan from the State of Oregon Business Development in the amount of \$400,000. The no interest loan is secured by a promissory note and will be forgiven by the State upon meeting the creation of a number of jobs positions by September 2017. If that date is not met, Business Oregon indicated they are flexible on the terms.

In the fiscal year ending June 30, 2013, the Port refinanced two Special Public Works Fund Community Facility loans outstanding of \$2,624,942 and received new funding of \$890,000 deposited into the Construction Fund for improvements to the Port's International Terminal.

In December of 2015 the City issued a building permit to develop the shipping yard. With the permit the City levied systems development charges of \$117,669, attaching a lien to the real property.

On June 16, 2016 the Port issued Series 2016 refunding bonds for \$7,610,000. The amount of \$8,348,133 was sent to the escrow agent for refunding of GO Bond Series 2007 callable portion in the amount of \$4,135,878 and GO Bond Series 2008 callable portion in the amount of \$4,272,080. The Port realized a net present value savings of approximately \$944,963. As of June 30, 2017, remaining defeased GO bonds consist of 2008 series of \$4,070,000. In the prior year the bonds were legally turned over to an escrow agent with sufficient funding (principal received combined with the earnings on that principal during the time the agent holds the funds) to service this debt due January 1, 2018. Defeased debt is no longer a liability of the Port.

In January of 2017 the Port signed a letter of understanding with Oregon Brewing Company on improvements to property. The cost of the improvements were shared with the Port, resulting in the Port recognizing a contribution and a no interest obligation of \$210,295, payable over five years to Oregon Brewing Company.

The Port has various capital leases for certain equipment. The balance outstanding on these leases at June 30, 2017 was \$12,839. The cost of leased equipment was \$56,124, with accumulated depreciation of \$29,831 and net book value of \$26,283.

**PORT OF NEWPORT, OREGON**

**NOTES TO FINANCIAL STATEMENTS**  
as of June 30, 2017

**NOTE 8 - LONG TERM DEBT - Continued**

**Bonds, Loans and Capital Leases Payable**

	<u>Original Issue</u>	<u>Original Amount</u>	<u>Rates</u>	<u>Payoff Date</u>
<b>GO BONDS</b>				
Series 2007	2007	\$ 5,000,000	4 to 4.25%	7/1/2029
Series 2008	2008	5,000,000	3.5 to 4.25%	7/1/2038
Series 2011	2011	5,452,000	2 to 5.5%	7/1/2041
Series 2016	2016	7,610,000	2 to 4%	1/1/2037
<b>FULL FAITH AND CREDIT OB</b>				
Series 2013	2013	3,410,000	2.45%	6/1/2034
<b>STATE OF OREGON</b>				
<b>Special Public Works</b>				
Loan Q10010	2013	1,300,000	3%	6/1/2032
Loan L00012	2004	86,683	6%	12/1/2024
Loan L12005	2013	3,000,000	3.87%	7/1/2034
Promissory Note	2012	400,000		9/1/2017
Oregon Port Revolving	1999	366,065	6%	6/15/2019
<b>OREGON COAST BANK</b>				
Loan Payable	2014	79,879	7%	11/15/2015
Loan Payable	2014	412,352	6%	7/15/2025
<b>TOYOTA FINANCIAL SERVICES</b>				
Capital Lease	2012	24,767	4.75%	12/2/2017
Capital Lease	2013	31,357	4.30%	1/1/2019
<b>City of Newport - SDC</b>	2016	124,140	5.5%	12/5/2035
<b>Oregon Brewing Company</b>	2017	210,295	0%	12/1/2021
<b>REVENUE BOND</b>				
Series 2010	2010	24,095,000	3 to 6.125%	7/1/2032

\* Note that amounts do not represent variable interest debt, but rather stated rates related to various maturities for the respective issuances.

Future maturities are as follows:

Year Ending June 30	General Obligation Bonds	Full Faith & Credit Obl. Bond	State of Oregon Loans	Oregon Coast Bank Loans	Capital Leases	Revenue Bond	SDC & Oregon Brewing	Total	Total Interest
2018	\$ 325,000	\$ 190,000	\$ 202,592	\$ 22,809	\$ 9,352	\$ 910,000	\$ 49,703	\$ 1,709,456	\$ 1,912,342
2019	340,000	200,000	243,471	24,236	3,487	945,000	40,660	1,796,854	1,841,342
2020	350,000	205,000	233,069	25,704	0	995,000	58,357	1,867,130	1,767,650
2021	355,000	210,000	240,121	27,360	0	1,045,000	76,088	1,953,569	1,688,860
2022	375,000	215,000	247,436	29,071	0	1,100,000	36,823	2,003,330	1,607,269
2023-27	2,115,000	1,150,000	1,341,277	217,626	0	6,465,000	57,830	11,346,733	6,548,433
2028-32	2,605,000	785,000	1,371,602	0	0	8,555,000	0	13,316,602	3,476,294
2033-37	3,230,000	120,000	412,336	0	0	0	0	3,762,336	1,240,077
2038-41	3,015,000	0	0	0	0	0	0	3,015,000	450,450
<b>Total</b>	<b><u>\$12,710,000</u></b>	<b><u>\$3,075,000</u></b>	<b><u>\$4,291,904</u></b>	<b><u>\$ 346,806</u></b>	<b><u>\$12,839</u></b>	<b><u>\$20,015,000</u></b>	<b><u>\$319,461</u></b>	<b>40,771,010</b>	<b><u>\$20,532,717</u></b>

**PORT OF NEWPORT, OREGON**  
**NOTES TO FINANCIAL STATEMENTS**  
as of June 30, 2017

**NOTE 8 - LONG TERM DEBT - Continued**

**Bonds, Loans and Capital Leases Payable**

	<b>Total</b>
Carryover total debt	40,771,010
Adjustment - premium/discounts	733,905
Subtotal	41,504,915
Adjustment - current portion	(1,693,179)
Total long-term debt, net	<b>\$39,811,736</b>

Total interest expense is \$1,912,066 and \$6,421 was capitalized.

**NOTE 9 - RETIREMENT BENEFITS**

**A. PENSION PLAN - Defined Benefit**

**Oregon Public Employees Retirement System (PERS)**

***Plan Description***

Employees of the Port are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan, the Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report (CAFR) and Actuarial Valuation that can be obtained by writing to: Oregon PERS, PO Box 23700, Tigard OR 97281-3700 or at: [http://www.oregon.gov/PERS/EMP/Pages/section/er\\_general\\_information/gasb-68.aspx](http://www.oregon.gov/PERS/EMP/Pages/section/er_general_information/gasb-68.aspx).

**1. PERS Tier One/Tier Two Pension (Chapter 238)**

***Pension Benefits*** - The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options including survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for general service members) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981), or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or had reached at least 50 years of age before ceasing employment with a participating employer (age 55 for general service members). Participants are eligible for retirement after reaching age 55 for general service members. Tier One general service member benefits are reduced if retirement occurs prior to age 58 with fewer than 25 years of service, Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

***Death Benefits*** - Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided that one or more of the following conditions is met:

**PORT OF NEWPORT, OREGON**  
**NOTES TO FINANCIAL STATEMENTS**  
as of June 30, 2017

**NOTE 9 - RETIREMENT BENEFITS - Continued**

**A. PENSION PLAN - DEFINED BENEFIT**

**Oregon Public Employees Retirement System (OPERS)**

1. The member was employed by a OPERS employer at the time of death,
2. The member died within 120 days of after termination of OPERS-covered employment,
3. The member died as a result of injury sustained while employed in a OPERS-covered job, or
4. The member was on an official leave of absence from an OPERS-covered job at the time of death.

*Disability Benefits* - A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job related injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty-related disability, service time is computed to age 58 for general service members when determining the monthly benefit.

*Benefit Changes After Retirement* - Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustments (COLA). The COLA is capped at 2.0 percent.

**2. OPSRP Defined Benefit Pension Program (238A)**

*Pension Benefits* - The ORS 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age.

General Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65 or age 58 with 30 years of retirement credit.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes at least 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

*Death Benefits* - Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

*Disability Benefits* - A member who has accrued 10 or more years of retirement credit before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

*Benefit Changes After Retirement* - Under ORS 238A.210, monthly benefits are adjusted annually through COLAs. The COLA is capped at 2.0 percent.

**PORT OF NEWPORT, OREGON**

**NOTES TO FINANCIAL STATEMENTS**  
as of June 30, 2017

**NOTE 9 - RETIREMENT BENEFITS - Continued**

**A. PENSION PLAN - DEFINED BENEFIT**

**Oregon Public Employees Retirement System (OPERS)**

**3. OPSRP Individual Account Program (238A)**

*Pension Benefits* - An OPSRP Individual Account Program (IAP) member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement a member of the OPSRP IAP may receive amounts in his or her employee, rollover, and vested employer accounts as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20- year period or an anticipated lifespan option. Each distribution option has a \$200 minimum distribution limit.

*Death Benefits* - Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account, rollover account, and vested employer optional contribution account balances. If a retired member dies before the instalment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump sum payment.

*Recordkeeping* - PERS contracts with Voya Financial to maintain IAP participant records.

***Contributions:***

The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature. OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the OPERS defined benefit plan and the other Post-Employment Benefit Plans. In some circumstances, payments are made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements. This was not the case for the Port for the year ending June 30, 2017 or for any other periods reflected in these Financial Statements, the Notes to the Financial Statements, or the Supplementary Information section. Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation. The rates, expressed as a percentage of payroll, first became effective July 1, 2015. Port contributions for the year ending June 30, 2017 were \$2,682, excluding amounts to fund employer specific liabilities. The rates in effect for the year ended June 30, 2017 were 13.54 percent for Tier One/Tier Two General Service Members, 4.61 percent of OPSRP General Service Members, and 6 percent for OPSRP Individual Account Members.

**PORT OF NEWPORT, OREGON**  
**NOTES TO FINANCIAL STATEMENTS**  
as of June 30, 2017

**NOTE 9 - RETIREMENT BENEFITS - Continued**

**A. PENSION PLAN - DEFINED BENEFIT**

**Oregon Public Employees Retirement System (OPERS)**

***Net Pension Liability***

At June 30, 2017, the Port reported a net pension liability of \$680,933 for its proportionate share of the system-wide pension liability. The net pension liability was measured as of June 30, 2016, and the system-wide pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to June 30, 2016. The Port's proportionate share of the system-wide net pension liability was based on a projection of the Port's long-term share of contributions to the pension plan relative to the projected long-term contributions of all participating employers, actuarially determined. These proportion percentages for the Port were 0.00453583 and 0.00284764 for the years ending June 30, 2016 and 2015 respectively. For the year ended June 30, 2017, the Port recognized pension expense (income) of \$105,570. At June 30, 2017, the Port reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 22,528	\$ 0
Changes of assumptions	145,227	0
Net difference between projected and actual earnings on investments	134,524	0
Changes in proportionate share	90,883	62,080
Contributions made subsequent to measurement date	2,682	0
Differences between employer contributions and employer's proportionate share of system contributions	<u>0</u>	<u>55,816</u>
Total	<u>\$ 395,844</u>	<u>\$ 117,896</u>

Deferred outflows of resources of \$2,682 relates to pensions resulting from Port contributions subsequent to the measurement date to be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other pension amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expenses as follows:

**PORT OF NEWPORT, OREGON**  
**NOTES TO FINANCIAL STATEMENTS**  
as of June 30, 2017

**NOTE 9 - RETIREMENT BENEFITS - Continued**

**A. PENSION PLAN - DEFINED BENEFIT**

**Oregon Public Employees Retirement System (OPERS)**

Year Ended <u>June 30</u>	Deferred Outflow/(Inflow) of resources (prior to post- <u>measurement date contributions)</u>
2018	\$ 40,759
2019	40,759
2020	93,517
2021	84,934
2022	15,298
Thereafter	<u>0</u>
Total	<u>\$ 275,267</u>

***Actuarial Valuations***

The employer contribution rates effective July 1, 2015, through June 30, 2017 and July 1, 2017, through June 30, 2019, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by employees during the current service year) and (2), an amount for the amortization of unfunded accrued actuarial liabilities, which are being amortized over a fixed period with new unfunded accrued actuarial liabilities being amortized over 20 years. For the OPSRP Pension Program component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by employees during the current service year) and (b) an amount for the amortization of unfunded accrued actuarial liabilities, which are being amortized over a fixed period with new unfunded accrued actuarial liabilities being amortized over 16 years. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

**PORT OF NEWPORT, OREGON**  
**NOTES TO FINANCIAL STATEMENTS**  
as of June 30, 2017

**NOTE 9 - RETIREMENT BENEFITS - Continued**

**A. PENSION PLAN - DEFINED BENEFIT**

**Oregon Public Employees Retirement System (OPERS)**

***Actuarial Valuations***

Valuation date	December 31, 2014
Measurement date	June 30, 2016
Experience study	2014, published September 2015
<b>Actuarial Assumptions:</b>	
Inflation rate	2.50% (reduced from 2.75%)
Long-term expected rate of return	7.50% (reduced from 7.75%)
Discount Rate	7.50% (reduced from 7.75%)
Projected salary increases	3.50% (reduced from 3.75%)
Cost of living adjustments (COLA)	Blend of 2.00% COLA and grade COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><i>Healthy retirees and beneficiaries:</i>  RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p><i>Active members:</i>  Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p><i>Disabled retirees:</i>  Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000, Sex-distinct, generational per Scale BB, disabled mortality table.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probabilities of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about future results. Experience studies were performed as of December 31 on even numbered years. The methods and assumptions shown above are based on the 2015 experience study, which reviewed experience for the four-year period ending December 31, 2015.



**PORT OF NEWPORT, OREGON**  
**NOTES TO FINANCIAL STATEMENTS**  
as of June 30, 2017

**NOTE 9 - RETIREMENT BENEFITS - Continued**

**A. PENSION PLAN - DEFINED BENEFIT**

**Oregon Public Employees Retirement System (OPERS)**

***Long-Term Expected Rate of Return***

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class/Strategy</u>	<u>Assumed Asset Allocation</u>		
	<u>Low Range</u>	<u>High Range</u>	<u>OIC Target</u>
Cash	0.0%	3.0%	0.0%
Debt securities	15.0	25.0	20.0
Public equity	32.5	42.5	37.5
Private equity	13.5	21.5	17.5
Real estate	9.5	15.5	12.5
Alternative equity	0	12.5	12.5
Opportunity portfolio	0	3.0	0
Total			100.0%

**PORT OF NEWPORT, OREGON**  
**NOTES TO FINANCIAL STATEMENTS**  
as of June 30, 2017

**NOTE 9 - RETIREMENT BENEFITS - Continued**

**A. PENSION PLAN - DEFINED BENEFIT**

**Oregon Public Employees Retirement System (OPERS)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	8.00%	4.00%
Short-Term Bonds	8.00%	3.61%
Bank/Leveraged Loans	3.00%	5.42%
High Yield Bonds	1.00%	6.20%
Large/Mid Cap US Equities	15.75%	6.70%
Small Cap US Equities	1.31%	6.99%
Micro Cap US Equities	1.31%	7.01%
Developed Foreign Equities	13.13%	6.73%
Emerging Foreign Equities	4.12%	7.25%
Non-US Small Cap Equities	1.88%	7.22%
Private Equity	17.50%	7.97%
Real Estate (Property)	10.00%	5.84%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	2.50%	4.64%
Hedge Fund - Event-driven	0.63%	6.72%
Timber	1.88%	5.85%
Farmland	1.88%	6.37%
Infrastructure	3.75%	7.13%
Commodities	<u>1.88%</u>	4.58%
Total	<u><u>100.02%</u></u>	
Assumed Inflation - Mean		2.50%

**PORT OF NEWPORT, OREGON**  
**NOTES TO FINANCIAL STATEMENTS**  
as of June 30, 2017

**NOTE 9 - RETIREMENT BENEFITS - Continued**

**A. PENSION PLAN - DEFINED BENEFIT**

**Oregon Public Employees Retirement System (OPERS)**

***Discount Rate***

The discount rate used to measure the total pension liability was 7.50 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity to Discount Rate***

The following presents the Port's net pension liability calculated using the discount rate of 7.50 percent, as well as what the Port's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent) and one percentage point higher (8.50 percent) than the current rate:

	<u>1% Decrease (6.50)%</u>	<u>Current Disc. Rate (7.50)%</u>	<u>1% Increase (8.50)%</u>
Net Pension Liability (Asset)	\$ 1,099,480	\$ 680,933	\$ 331,101

***Changes in Plan Provisions from Prior Measurement Date***

We are aware of no changes in plan provisions from the June 30, 2015 measurement date.

***Changes in Plan Provisions Subsequent to Measurement Date***

We are aware of no changes in plan provisions subsequent to the June 30, 2016 measurement date.

**OPSRP IAP (INDIVIDUAL ACCOUNT PROGRAM) DESCRIPTION**

**Record Keeping**

PERS contracts with VOYA Financial to maintain IAP participant records.

**PORT OF NEWPORT, OREGON**  
**NOTES TO FINANCIAL STATEMENTS**  
as of June 30, 2017

**NOTE 9 - RETIREMENT BENEFITS - Continued**

**B. RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA)**

*Plan Description*

As a member of OPERS, the Port contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing, multiple-employer defined benefit other post-employment benefit plan (OPEB) administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. OPERS issues a publicly available financial report that may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700.

*Funding Policy*

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating municipal corporations are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.53 and 0.45 percent of annual covered payroll for OPERS members and OPSRP respectively. The OPERS Board of sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Port's contributions to RHIA for the years ended June 30, 2017, 2016, and 2015 were paid and equaled the required contributions for each year.

**PORT OF NEWPORT, OREGON**

**NOTES TO FINANCIAL STATEMENTS**  
as of June 30, 2017

**NOTE 10 - PRIOR PERIOD ADJUSTMENT**

During the current year two items arose, determined to be a prior period events. The first is the Port, in the permit process, was assessed System Development Charges of \$124,140 in December of 2015. This event was not recorded, resulting in assets (capitalized fee) and debt being understated by this amount. The second was the determination software was not reflecting total receivables when specific areas were being requested. This reporting became apparent when staff was reviewing and tracking unearned revenue monthly. As a result, accounts receivable and revenue were understated June of 2016 by \$35,920.

**NOTE 11 - OTHER INFORMATION**

**Risk Management**

The Port is exposed to various risks of loss related to theft of; damage to and destruction of assets; torts; errors and omissions; injuries to employees; and natural disasters. The Port purchases commercial insurance for such risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Evaluation of Subsequent Events**

In the fall of 2017 the General Manager Kevin Greenwood resigned from his position, followed by the Director of Finance and the International Terminal Supervisor. Interim personnel have filled these positions; however the Port is seeking to fill these positions permanently.

The Port has evaluated subsequent events through February 16, 2018, the date which the financial statements were available to be issued.

**PORT OF NEWPORT  
OREGON**

**REQUIRED SUPPLEMENTAL INFORMATION**

**PORT OF NEWPORT, OREGON**

**SCHEDULE OF THE PORT'S PROPORTIONATE SHARE OF THE NET  
PENSION LIABILITY (ASSET) as of June 30, 2017**

**OREGON PUBLIC EMPLOYEE RETIREMENT SYSTEM  
Last Ten Fiscal Years**

<b>Fiscal Year Ended</b>	<b>Port's Proportion of the Net Pension (Asset)/Liability</b>	<b>Port's Proportionate Share of the Net Pension (Asset)/Liability</b>	<b>Port's Covered Employee Payroll</b>	<b>Port's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/Liability</b>
2014	0.00753%	\$ 384,108	\$ 771,581	49.78%	90.7%
2015	0.00753%	(170,613)	689,517	(24.74)	103.6
2016	0.00285%	163,496	607,922	26.89	91.9
2017	0.00454%	680,933	736,082	92.51	80.5

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date for each year presented.

The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**PORT OF NEWPORT, OREGON**

**SCHEDULE OF THE PORT'S CONTRIBUTIONS  
as of June 30, 2017**

**OREGON PUBLIC EMPLOYEE RETIREMENT SYSTEM  
Last Ten Fiscal Years**

<b>Fiscal Year Ended</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency /(Excess)</b>	<b>Port's Covered Employee Payroll</b>	<b>Contributions as a Percentage of Covered Employee Payroll</b>
2014	\$ 24,249	\$ 25,214	\$ (965)	\$ 689,517	3.66%
2015	21,005	21,371	(366)	607,922	3.52
2016	8,986	9,108	(122)	736,082	1.24
2017	2,682	2,682	0	817,153	0.33

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date for each year presented.

The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.



## PORT OF NEWPORT, OREGON

### NOTES TO THE SCHEDULES OF THE PORT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AND CONTRACTUALLY REQUIRED CONTRIBUTIONS for the Year Ended June 30, 2017

#### ***Changes in Benefit Terms***

We are aware of no changes in plan provisions from the June 30, 2015 measurement date.

#### ***Changes in Assumptions***

Details and a comprehensive list of changes and methods and assumptions can be found in the 2012, 2014, and 2016 Experience Studies for the System, which were published on September 18, 2013, September 23, 2015, and July 26, 2017 respectively. These reports can be found at: <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

**PORT OF NEWPORT  
OREGON**

**SUPPLEMENTAL INFORMATION**

## PORT OF NEWPORT, OREGON

### DESCRIPTION OF BUDGETARY FUNDS

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances requires budget and actual be displayed for each fund where legally adopted budgets are required:

Budgetary comparison schedules include the following funds:

#### **General Operating Fund**

The fund is used to account for the financial resources of the Port that are not accounted for in any other fund. Principal sources of revenue are from property taxes, service fees and lease revenue. Primary expenditures are for maintenance and general administration.

#### **Bonded Debt Fund**

The fund accounts for the redemption of general obligation bonds and interest thereon. The principal source of revenue is property taxes.

#### **Facilities Maintenance Fund**

The fund is used to account for the accumulation of funds for the maintenance, repairs and capital improvements.

#### **Construction Fund**

The fund is used for capital improvements and acquisitions.

#### **NOAA Lease Revenue Fund**

The fund accounts for expenditures relating to capital improvements for the NOAA MOC-P facility. Primary resources were initially proceeds from the Revenue Bond and grant funding. Current resources consist primarily of lease payments. This fund services the bond repayment and covers facilities maintenance costs over the term of the lease.

PORT OF NEWPORT, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL for the Year Ended June 30, 2017

GENERAL OPERATING FUND

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Moorage	\$ 1,175,000	\$ 1,175,000	\$ 1,283,884	\$ 108,884
Leases	616,081	616,081	631,802	15,721
RV park	700,000	700,000	785,972	85,972
Terminals	205,000	205,000	22,252	(182,748)
Hoist dock	265,000	265,000	620,766	355,766
Intergovernmental	168,000	168,000	10,828	(157,172)
Launch ramp	70,000	70,000	65,910	(4,090)
Property taxes	94,500	94,500	103,548	9,048
Interest	4,000	4,000	8,195	4,195
Miscellaneous	103,000	103,000	101,273	(1,727)
Total revenues	<u>3,400,581</u>	<u>3,400,581</u>	<u>3,634,430</u>	<u>233,850</u>
<b>EXPENDITURES</b>				
Personnel services	1,300,616	1,260,616	1,134,147	126,469
Materials and services	1,425,200	1,465,200	1,337,289	127,911
Capital outlay	500,000	710,295	654,831	55,464
Debt service	684,934	699,934	699,934	0
Operating contingency	100,000	100,000	0	100,000
Total expenditures	<u>4,010,750</u>	<u>4,236,045</u>	<u>3,826,201</u>	<u>409,844</u>
Excess (def) of revenues over expenditures	<u>(610,169)</u>	<u>(835,464)</u>	<u>(191,771)</u>	<u>643,693</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital contributions	0	0	218,878	218,878
Loan proceeds	0	225,295	210,295	(15,000)
Transfers out	(60,000)	(60,000)	(60,000)	0
Total other financing sources (uses)	<u>(60,000)</u>	<u>165,295</u>	<u>369,173</u>	<u>233,850</u>
Excess (def) of revenues over expenditures and other financing sources (uses)	<u>(670,169)</u>	<u>(670,169)</u>	<u>177,402</u>	<u>847,571</u>
Unappropriated ending fund balance	(944,866)	(944,866)	0	944,866
FUND BALANCE - Beginning of year (Budget)	<u>1,615,035</u>	<u>1,615,035</u>	<u>1,872,138</u>	<u>257,103</u>
FUND BALANCE - End of year (Budget)	<u>\$ 0</u>	<u>\$ 0</u>	<u>2,049,540</u>	<u>\$ 2,049,540</u>
<b>GAAP ADJUSTMENTS - Reconciled to June 2016</b>			74,373,189	
Capital asset activity acquisitions				
Additions			654,831	
Depreciation			(3,206,692)	
Debt principal			422,204	
Loan proceeds			(210,295)	
Interest expense			(13,658)	
Interfund transfers			116,290	
Pension activity, net			(78,399)	
Prior period adjustment			<u>35,920</u>	
FUND BALANCE - End of year (GAAP)			<u>\$ 74,142,930</u>	

**PORT OF NEWPORT, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL for the Year Ended June 30, 2017**

**BONDED DEBT FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Property taxes	\$ 925,123	\$ 1,371,334	\$ 982,564	\$ (388,770)
Interest	<u>700</u>	<u>700</u>	<u>1,248</u>	<u>548</u>
Total revenues	925,823	1,372,034	983,812	(388,222)
<b>EXPENDITURES</b>				
Debt service	<u>925,823</u>	<u>1,372,034</u>	<u>1,036,740</u>	<u>335,294</u>
Excess (def) of revenues over expenditures	0	0	(52,928)	(52,928)
FUND BALANCE - Beginning of year (Budget)	<u>0</u>	<u>0</u>	<u>387,328</u>	<u>387,328</u>
FUND BALANCE - End of year (Budget)	<u>\$ 0</u>	<u>\$ 0</u>	334,400	<u>\$ 334,400</u>
<b>GAAP ADJUSTMENTS - Reconciled to June 2016</b>			(13,577,195)	
Bond principal			465,000	
Bond premium/discount			49,598	
Amortization			<u>(20,807)</u>	
FUND BALANCE - End of Year (GAAP)			<u>\$ (12,749,004)</u>	

**PORT OF NEWPORT, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL for the Year Ended June 30, 2017**

**FACILITIES MAINTENANCE FUND**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest	\$ 125	\$ 161	\$ 36
<b>EXPENDITURES</b>			
Capital outlay	<u>170,125</u>	<u>61,616</u>	<u>108,509</u>
Excess (def) of revenues over expenditures	(170,000)	(61,455)	108,545
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>85,000</u>	<u>60,000</u>	<u>(25,000)</u>
Excess (def) of revenues over expenditures and transfers	(85,000)	(1,455)	83,545
FUND BALANCE - Beginning of year (Budget)	<u>85,000</u>	<u>73,778</u>	<u>(11,222)</u>
FUND BALANCE - End of year (Budget)	<u>\$ 0</u>	72,323	<u>\$ 72,323</u>
<b>GAAP ADJUSTMENTS</b>			
Asset additions		61,616	
Interfund transfers		<u>(61,616)</u>	
FUND BALANCE - End of year (GAAP)		<u>\$ 72,323</u>	

**PORT OF NEWPORT, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL for the Year Ended June 30, 2017**

**CONSTRUCTION FUND**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Grants	\$ 0	\$ 26,441	\$ 26,441
Interest	<u>100</u>	<u>62</u>	<u>(38)</u>
Total revenues	100	26,503	26,403
<b>EXPENDITURES</b>			
Capital outlay	<u>2,050,100</u>	<u>52,892</u>	<u>1,997,208</u>
Excess (def) of revenues over expenditures	<u>(2,050,000)</u>	<u>(26,389)</u>	<u>2,023,611</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,000,000	0	(2,000,000)
Transfers out	<u>(25,000)</u>	<u>0</u>	<u>25,000</u>
Total other financing sources (uses)	<u>1,975,000</u>	<u>0</u>	<u>(1,975,000)</u>
Excess (def) of revenues over expenditures and transfers	(75,000)	(26,389)	48,611
FUND BALANCE - Beginning of year (Budget)	<u>75,000</u>	<u>79,229</u>	<u>4,229</u>
FUND BALANCE - End of year (Budget)	<u>\$ 0</u>	52,840	<u>\$ 52,840</u>
<b>GAAP ADJUSTMENTS</b>			
Capital asset acquisition		52,892	
Interfund transfers		<u>(52,412)</u>	
FUND BALANCE - End of Year (GAAP)		<u>\$ 53,320</u>	

**PORT OF NEWPORT, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL for the Year Ended June 30, 2017**

**NOAA LEASE REVENUE FUND**

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
Leases	\$ 2,542,000	\$ 2,533,302	\$ (8,698)
Interest	10,500	10,962	462
Miscellaneous	<u>0</u>	<u>128</u>	<u>128</u>
Total revenues	<u>2,552,500</u>	<u>2,544,392</u>	<u>(8,107)</u>
<b>EXPENDITURES</b>			
Personnel services	75,759	75,328	431
Materials and services	689,320	442,358	246,962
Capital outlay	0	12,296	(12,296)
Debt service	1,997,335	1,997,334	1
Contingency	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total expenditures	<u>2,862,414</u>	<u>2,527,316</u>	<u>335,098</u>
Excess (def) of revenues over expenditures	(309,914)	17,076	326,990
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(2,000,000)</u>	<u>0</u>	<u>2,000,000</u>
Excess (def) of revenues over expenditures and transfers	(2,309,914)	17,076	2,326,990
Unappropriated ending fund balance	(3,256,014)	0	3,256,014
FUND BALANCE - Beginning of year (Budget)	<u>5,565,928</u>	<u>5,728,779</u>	<u>162,851</u>
FUND BALANCE - End of year (Budget)	<u>\$ 0</u>	5,745,855	<u>\$ 5,745,855</u>
<b>GAAP ADJUSTMENTS - Reconciled to June 2016</b>		(21,152,032)	
Capital asset activity			
Additions		12,296	
Interest expense		28,798	
Bond payment		870,000	
Pension activity, net		(27,171)	
Interfund transfers		<u>(2,262)</u>	
FUND BALANCE - End of year (GAAP)		<u>\$ (14,524,516)</u>	



**PORT OF NEWPORT, OREGON**

**RECONCILIATION OF REVENUES AND EXPENDITURES (BUDGETARY BASIS) TO THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION for the Year Ended June 30, 2017**

	<u>Total</u> <u>Revenues</u>	<u>Total</u> <u>Expenditures</u>	<u>Net</u>
<b>Budgetary Basis</b>			
General Operating Fund	\$ 4,063,603	\$ 3,886,201	\$ 177,402
Bonded Debt Fund	983,812	1,036,740	(52,928)
Facilities Maintenance Fund	60,161	61,616	(1,455)
Construction Fund	26,503	52,892	(26,389)
NOAA Lease Revenue Fund	<u>2,544,392</u>	<u>2,527,316</u>	<u>17,076</u>
 Total budgetary basis	 <u>\$ 7,678,471</u>	 <u>\$ 7,564,765</u>	 113,706
 <b>Add (Deduct) Items to Reconcile to Net Income on a Financial Reporting Basis</b>			
Capital asset activity			
Capital outlay			781,635
Depreciation			(3,206,692)
Payment of long-term debt			1,757,204
Accrued interest expense			10,866
Advance refund amortization			(20,807)
Loan proceeds			(210,295)
Debt issue costs			53,872
Pension			<u>(105,570)</u>
 Change in net position			 <u>(826,081)</u>
 NET POSITION - Beginning of year			 47,785,214
Prior period adjustment			<u>35,920</u>
 NET POSITION - Revised beginning of year			 <u>47,821,134</u>
 NET POSITION - End of year			 <u>\$ 46,995,053</u>

**PORT OF NEWPORT  
OREGON**

**COMPLIANCE SECTION**

# GRIMSTAD & ASSOCIATES

Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Commissioners  
Port of Newport  
Newport, Oregon

I have audited the basic financial statements of the Port of Newport as of and for the year ended June 30, 2017, and have issued my report thereon February 16, 2018. I conducted my audit in accordance with auditing standards generally accepted in the United States of America.

### Compliance

As part of obtaining reasonable assurance about whether the Port of Newport financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion.

I performed procedures to the extent I considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Accounting records and related internal control structure.
- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).
- Programs funded from outside sources.

In connection with my testing nothing came to my attention that caused me to believe the Port of Newport was not in substantial compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the following as noted below:

#### *Budget Compliance*

NOAA Lease Revenue Fund - Capital Outlay overexpended by \$12,296.

Members:  
AICPA OSCP & OAIA

## Internal Control Over Financial Reporting

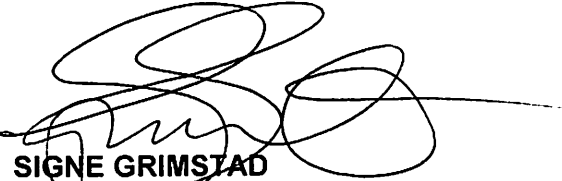
In planning and performing my audit of the financial statements, I considered Port of Newport's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Port of Newport's internal control. Accordingly, I do not express an opinion on the effectiveness of Port of Newport's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Purpose of This Report

This report is intended solely for the information and use by the Commissioners and management of Port of Newport, Oregon and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



**SIGNE GRIMSTAD**  
Certified Public Accountant  
Newport, Oregon  
February 16, 2018



Unaudited Financial Reports  
as of 31 March 2018

(i.e. First 9 months of FY 2017-2018)

Prepared By  
Port of Newport  
Finance Department

# Port of Newport - General Operating Fund

## Balance Sheet

As of March 31, 2018

	Mar 31, 18	Mar 31, 17	\$ Change
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Checking/Savings</b>			
11000 · Available Cash & Equivalents	1,741,067.71	1,704,933.50	36,134.21
11070 · Restricted Cash & Equivalents	862,875.08	497,370.62	365,504.46
<b>Total Checking/Savings</b>	2,603,942.79	2,202,304.12	401,638.67
<b>Accounts Receivable</b>			
11200 · Accounts Receivable	301,811.92	210,617.92	91,194.00
<b>Total Accounts Receivable</b>	301,811.92	210,617.92	91,194.00
<b>Other Current Assets</b>			
11250 · AR Property Tax	10,334.60	10,334.60	0.00
11255 · Allow for Bad Debt - CM	(20,000.00)	(20,000.00)	0.00
11260 · Allow for Bad Debt - SB	(10,000.00)	(10,000.00)	0.00
11270 · Undeposited Funds	24,970.16	5,836.09	19,134.07
11300 · Prepaid Expenses	96,885.48	129,026.75	(32,141.27)
11400 · Due from Other Funds	107,516.34	56,915.28	50,601.06
11480 · PERS - NPA(L)	(163,496.00)	(163,496.00)	0.00
11485 · PERS - Deferred OF	17,803.00	17,803.00	0.00
<b>Total Other Current Assets</b>	64,013.58	26,419.72	37,593.86
<b>Total Current Assets</b>	2,969,768.29	2,439,341.76	530,426.53
<b>Fixed Assets</b>			
11500 · Capital Assets	80,614,999.70	82,731,482.28	(2,116,482.58)
<b>Total Fixed Assets</b>	80,614,999.70	82,731,482.28	(2,116,482.58)
<b>TOTAL ASSETS</b>	<b>83,584,767.99</b>	<b>85,170,824.04</b>	<b>(1,586,056.05)</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Accounts Payable</b>			
12000 · Accounts Payable	208,731.73	271,186.65	(62,454.92)
<b>Total Accounts Payable</b>	208,731.73	271,186.65	(62,454.92)
<b>Other Current Liabilities</b>			
12020 · Lodging/Room Tax Payable	1,579.95	0.00	1,579.95
12100 · Payroll Liabilities	50,767.98	60,887.52	(10,119.54)
12200 · Due to other Funds	0.00	8,153.79	(8,153.79)
12250 · Deferred Revenue	293,921.52	227,666.43	66,255.09
12300 · Accrued Interest Payable	9,833.12	6,209.00	3,624.12
12350 · Current Portion-Long Term Debt	458,179.00	406,827.00	51,352.00
<b>Total Other Current Liabilities</b>	814,281.57	709,743.74	104,537.83
<b>Total Current Liabilities</b>	1,023,013.30	980,930.39	42,082.91
<b>Long Term Liabilities</b>			
2013 FF&C Bond Premium	105,116.75	105,116.75	0.00
12400 · Long Term Debt	7,667,917.97	7,851,095.25	(183,177.28)
12900 · PERS - Deferred IF	151,722.00	151,722.00	0.00
<b>Total Long Term Liabilities</b>	7,924,756.72	8,107,934.00	(183,177.28)
<b>Total Liabilities</b>	8,947,770.02	9,088,864.39	(141,094.37)

# Port of Newport - General Operating Fund

## Balance Sheet

As of March 31, 2018

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	<u>Mar 31, 18</u>	<u>Mar 31, 17</u>	<u>\$ Change</u>
<b>Equity</b>			
13000 · Fund Balance	67,111,271.80	69,114,539.32	(2,003,267.52)
13050 · FB - Contributed Capital	7,130,788.00	7,130,788.00	0.00
13075 · FB - GAAP-Prior Period Adj	0.00	35,919.81	(35,919.81)
13730 · FB - GAAP-Pension Expense	0.00	(1.00)	1.00
Net Income	394,938.17	(199,286.48)	594,224.65
<b>Total Equity</b>	<u>74,636,997.97</u>	<u>76,081,959.65</u>	<u>(1,444,961.68)</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>83,584,767.99</b></u>	<u><b>85,170,824.04</b></u>	<u><b>(1,586,056.05)</b></u>

## Port of Newport - General Operating Fund

### Profit & Loss Budget vs. Actual

July 2017 through March 2018

	Jul '17 - Mar 18	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
14000 · Lease Revenues	501,737.59	665,178.00	(163,440.41)	75.4%
14100 · Moorage	821,997.78	1,274,000.00	(452,002.22)	64.5%
14200 · Hoist Dock & Services	480,516.45	615,000.00	(134,483.55)	78.1%
14300 · Shipping Terminal Revenues	9,945.00	10,000.00	(55.00)	99.5%
14400 · RV Parks	671,056.47	830,000.00	(158,943.53)	80.9%
14500 · Launch Ramp & Trailer Storage	59,689.00	70,000.00	(10,311.00)	85.3%
14600 · Miscellaneous Revenue	81,341.41	58,000.00	23,341.41	140.2%
<b>Total Income</b>	<u>2,626,283.70</u>	<u>3,522,178.00</u>	<u>(895,894.30)</u>	<u>74.6%</u>
<b>Gross Profit</b>	2,626,283.70	3,522,178.00	(895,894.30)	74.6%
<b>Expense</b>				
15000 · Personnel Services	829,354.02	1,349,370.00	(520,015.98)	61.5%
16000 · Materials & Services	1,122,271.56	1,626,550.00	(504,278.44)	69.0%
17000 · Debt Service	408,056.81	732,680.00	(324,623.19)	55.7%
<b>Total Expense</b>	<u>2,359,682.39</u>	<u>3,708,600.00</u>	<u>(1,348,917.61)</u>	<u>63.6%</u>
<b>Net Ordinary Income</b>	266,601.31	(186,422.00)	453,023.31	(143.0)%
<b>Other Income/Expense</b>				
<b>Other Income</b>				
18100 · Property Tax Revenue	101,760.18	98,500.00	3,260.18	103.3%
18200 · Interest Income	7,761.73	5,000.00	2,761.73	155.2%
18300 · Grants	2,772.50	122,500.00	(119,727.50)	2.3%
18400 · Loan Proceeds	89,696.19	96,000.00	(6,303.81)	93.4%
18600 · Gain/(Loss) on Sale of Assets	19,154.09	0.00	19,154.09	100.0%
18700 · Property & Dredge Sales	9,149.00	2,000.00	7,149.00	457.5%
<b>Total Other Income</b>	<u>230,293.69</u>	<u>324,000.00</u>	<u>(93,706.31)</u>	<u>71.1%</u>
<b>Other Expense</b>				
19000 · Capital Outlay	101,956.83	197,900.00	(95,943.17)	51.5%
19600 · Contingency	0.00	100,000.00	(100,000.00)	0.0%
19700 · Transfers Out to Other Funds	0.00	160,000.00	(160,000.00)	0.0%
<b>Total Other Expense</b>	<u>101,956.83</u>	<u>457,900.00</u>	<u>(355,943.17)</u>	<u>22.3%</u>
<b>Net Other Income</b>	128,336.86	(133,900.00)	262,236.86	(95.8)%
<b>Net Income</b>	<u><u>394,938.17</u></u>	<u><u>(320,322.00)</u></u>	<u><u>715,260.17</u></u>	<u><u>(123.3)%</u></u>



**Port of Newport - General Operating Fund**

**Profit & Loss Budget vs. Actual - Admin**

July 2017 through March 2018

	<u>Jul '17 - Mar 18</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
14000 · Lease Revenues	501,737.59	665,178.00	(163,440.41)	75.4%
14100 · Moorage	1,512.00	0.00	1,512.00	100.0%
14200 · Hoist Dock & Services	4,122.00	0.00	4,122.00	100.0%
14600 · Miscellaneous Revenue	27,028.48	0.00	27,028.48	100.0%
<b>Total Income</b>	<u>534,400.07</u>	<u>665,178.00</u>	<u>(130,777.93)</u>	<u>80.3%</u>
<b>Gross Profit</b>	534,400.07	665,178.00	(130,777.93)	80.3%
<b>Expense</b>				
15000 · Personnel Services	313,898.69	539,210.00	(225,311.31)	58.2%
16000 · Materials & Services	344,563.37	452,000.00	(107,436.63)	76.2%
17000 · Debt Service	35,851.83	47,802.00	(11,950.17)	75.0%
<b>Total Expense</b>	<u>694,313.89</u>	<u>1,039,012.00</u>	<u>(344,698.11)</u>	<u>66.8%</u>
<b>Net Ordinary Income</b>	(159,913.82)	(373,834.00)	213,920.18	42.8%
<b>Other Income/Expense</b>				
<b>Other Income</b>				
18100 · Property Tax Revenue	101,760.18	98,500.00	3,260.18	103.3%
18200 · Interest Income	7,761.73	5,000.00	2,761.73	155.2%
18300 · Grants	0.00	122,500.00	(122,500.00)	0.0%
18600 · Gain/(Loss) on Sale of Assets	(7,345.91)	0.00	(7,345.91)	100.0%
<b>Total Other Income</b>	<u>102,176.00</u>	<u>226,000.00</u>	<u>(123,824.00)</u>	<u>45.2%</u>
<b>Other Expense</b>				
19000 · Capital Outlay	0.00	75,000.00	(75,000.00)	0.0%
19600 · Contingency	0.00	100,000.00	(100,000.00)	0.0%
19700 · Transfers Out to Other Funds	0.00	160,000.00	(160,000.00)	0.0%
<b>Total Other Expense</b>	<u>0.00</u>	<u>335,000.00</u>	<u>(335,000.00)</u>	<u>0.0%</u>
<b>Net Other Income</b>	<u>102,176.00</u>	<u>(109,000.00)</u>	<u>211,176.00</u>	<u>(93.7)%</u>
<b>Net Income</b>	<u><b>(57,737.82)</b></u>	<u><b>(482,834.00)</b></u>	<u><b>425,096.18</b></u>	<u><b>12.0%</b></u>

## Port of Newport - General Operating Fund

### Profit & Loss Budget vs. Actual - NIT

July 2017 through March 2018

	<u>Jul '17 - Mar 18</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
14100 · Moorage	54,176.40	100,000.00	(45,823.60)	54.2%
14200 · Hoist Dock & Services	206,729.18	278,000.00	(71,270.82)	74.4%
14300 · Shipping Terminal Revenues	9,945.00	10,000.00	(55.00)	99.5%
14600 · Miscellaneous Revenue	263.00	0.00	263.00	100.0%
<b>Total Income</b>	<u>271,113.58</u>	<u>388,000.00</u>	<u>(116,886.42)</u>	<u>69.9%</u>
<b>Gross Profit</b>	271,113.58	388,000.00	(116,886.42)	69.9%
<b>Expense</b>				
15000 · Personnel Services	48,992.17	77,575.00	(28,582.83)	63.2%
16000 · Materials & Services	78,478.97	137,400.00	(58,921.03)	57.1%
17000 · Debt Service	182,585.08	452,652.00	(270,066.92)	40.3%
<b>Total Expense</b>	<u>310,056.22</u>	<u>667,627.00</u>	<u>(357,570.78)</u>	<u>46.4%</u>
<b>Net Ordinary Income</b>	(38,942.64)	(279,627.00)	240,684.36	13.9%
<b>Other Income/Expense</b>				
<b>Other Income</b>				
18400 · Loan Proceeds	54,393.15	60,000.00	(5,606.85)	90.7%
<b>Total Other Income</b>	54,393.15	60,000.00	(5,606.85)	90.7%
<b>Other Expense</b>				
19000 · Capital Outlay	64,393.15	66,900.00	(2,506.85)	96.3%
<b>Total Other Expense</b>	64,393.15	66,900.00	(2,506.85)	96.3%
<b>Net Other Income</b>	(10,000.00)	(6,900.00)	(3,100.00)	144.9%
<b>Net Income</b>	<u><u>(48,942.64)</u></u>	<u><u>(286,527.00)</u></u>	<u><u>237,584.36</u></u>	<u><u>17.1%</u></u>

## Port of Newport - General Operating Fund

### Profit & Loss Budget vs. Actual - SB

July 2017 through March 2018

	Jul '17 - Mar 18	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
14100 · Moorage	463,252.42	714,000.00	(250,747.58)	64.9%
14200 · Hoist Dock & Services	5,375.57	17,000.00	(11,624.43)	31.6%
14400 · RV Parks	671,056.47	830,000.00	(158,943.53)	80.9%
14500 · Launch Ramp & Trailer Storage	59,689.00	70,000.00	(10,311.00)	85.3%
14600 · Miscellaneous Revenue	52,243.46	54,000.00	(1,756.54)	96.7%
<b>Total Income</b>	<u>1,251,616.92</u>	<u>1,685,000.00</u>	<u>(433,383.08)</u>	<u>74.3%</u>
<b>Gross Profit</b>	1,251,616.92	1,685,000.00	(433,383.08)	74.3%
<b>Expense</b>				
15000 · Personnel Services	289,326.10	363,262.00	(73,935.90)	79.6%
16000 · Materials & Services	453,323.19	673,550.00	(220,226.81)	67.3%
17000 · Debt Service	179,786.20	216,321.00	(36,534.80)	83.1%
<b>Total Expense</b>	<u>922,435.49</u>	<u>1,253,133.00</u>	<u>(330,697.51)</u>	<u>73.6%</u>
<b>Net Ordinary Income</b>	329,181.43	431,867.00	(102,685.57)	76.2%
<b>Other Income/Expense</b>				
<b>Other Income</b>				
18300 · Grants	2,772.50	0.00	2,772.50	100.0%
18700 · Property & Dredge Sales	9,149.00	2,000.00	7,149.00	457.5%
<b>Total Other Income</b>	<u>11,921.50</u>	<u>2,000.00</u>	<u>9,921.50</u>	<u>596.1%</u>
<b>Other Expense</b>				
19000 · Capital Outlay	260.64	0.00	260.64	100.0%
<b>Total Other Expense</b>	<u>260.64</u>	<u>0.00</u>	<u>260.64</u>	<u>100.0%</u>
<b>Net Other Income</b>	<u>11,660.86</u>	<u>2,000.00</u>	<u>9,660.86</u>	<u>583.0%</u>
<b>Net Income</b>	<u><u>340,842.29</u></u>	<u><u>433,867.00</u></u>	<u><u>(93,024.71)</u></u>	<u><u>78.6%</u></u>

**Port of Newport - General Operating Fund**

**Profit & Loss Budget vs. Actual - CM**

July 2017 through March 2018

	<u>Jul '17 - Mar 18</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
14100 · Moorage	303,056.96	460,000.00	(156,943.04)	65.9%
14200 · Hoist Dock & Services	264,289.70	320,000.00	(55,710.30)	82.6%
14600 · Miscellaneous Revenue	1,806.47	4,000.00	(2,193.53)	45.2%
<b>Total Income</b>	<u>569,153.13</u>	<u>784,000.00</u>	<u>(214,846.87)</u>	<u>72.6%</u>
<b>Gross Profit</b>	569,153.13	784,000.00	(214,846.87)	72.6%
<b>Expense</b>				
15000 · Personnel Services	177,137.06	255,535.00	(78,397.94)	69.3%
16000 · Materials & Services	245,906.03	357,700.00	(111,793.97)	68.7%
17000 · Debt Service	9,833.70	15,905.00	(6,071.30)	61.8%
<b>Total Expense</b>	<u>432,876.79</u>	<u>629,140.00</u>	<u>(196,263.21)</u>	<u>68.8%</u>
<b>Net Ordinary Income</b>	<u>136,276.34</u>	<u>154,860.00</u>	<u>(18,583.66)</u>	<u>88.0%</u>
<b>Other Income/Expense</b>				
<b>Other Income</b>				
18400 · Loan Proceeds	35,303.04	36,000.00	(696.96)	98.1%
18600 · Gain/(Loss) on Sale of Assets	26,500.00	0.00	26,500.00	100.0%
<b>Total Other Income</b>	<u>61,803.04</u>	<u>36,000.00</u>	<u>25,803.04</u>	<u>171.7%</u>
<b>Other Expense</b>				
19000 · Capital Outlay	37,303.04	36,000.00	1,303.04	103.6%
<b>Total Other Expense</b>	<u>37,303.04</u>	<u>36,000.00</u>	<u>1,303.04</u>	<u>103.6%</u>
<b>Net Other Income</b>	<u>24,500.00</u>	<u>0.00</u>	<u>24,500.00</u>	<u>100.0%</u>
<b>Net Income</b>	<u><b>160,776.34</b></u>	<u><b>154,860.00</b></u>	<u><b>5,916.34</b></u>	<u><b>103.8%</b></u>

**Port of Newport - NOAA Fund**  
**Balance Sheet**  
As of March 31, 2018

	Mar 31, 18	Mar 31, 17	\$ Change
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
51000 · Cash & Equivalents	5,400,420.18	5,186,968.60	213,451.58
Total Checking/Savings	5,400,420.18	5,186,968.60	213,451.58
Other Current Assets			
51300 · Prepaid Expenses	61,756.14	91,818.19	(30,062.05)
51400 · Due from Other Funds	0.00	2,956.25	(2,956.25)
Total Other Current Assets	61,756.14	94,774.44	(33,018.30)
Total Current Assets	5,462,176.32	5,281,743.04	180,433.28
<b>TOTAL ASSETS</b>	<b>5,462,176.32</b>	<b>5,281,743.04</b>	<b>180,433.28</b>
<b>LIABILITIES &amp; EQUITY</b>			
Liabilities			
Current Liabilities			
Accounts Payable			
52000 · Accounts Payable	11,646.51	23,341.48	(11,694.97)
Total Accounts Payable	11,646.51	23,341.48	(11,694.97)
Other Current Liabilities			
52110 · Accrued PTO	5,703.67	8,587.82	(2,884.15)
52200 · Due to Other Funds	6,788.96	5,299.38	1,489.58
52300 · Accrued Interest Payable	462,477.40	476,972.00	(14,494.60)
52350 · Current Portion Long-Term Debt	910,000.00	810,000.00	100,000.00
Total Other Current Liabilities	1,384,970.03	1,300,859.20	84,110.83
Total Current Liabilities	1,396,616.54	1,324,200.68	72,415.86
Long Term Liabilities			
52400 · Long-Term Debt	19,855,587.00	20,725,587.00	(870,000.00)
52800 · Less Current Portion LT Debt	(910,000.00)	(810,000.00)	(100,000.00)
Total Long Term Liabilities	18,945,587.00	19,915,587.00	(970,000.00)
Total Liabilities	20,342,203.54	21,239,787.68	(897,584.14)
Equity			
53000 · Fund Balance	(14521682.95)	(15423252.85)	901,569.90
Net Income	(358,344.27)	(534,791.79)	176,447.52
Total Equity	(14880027.22)	(15958044.64)	1,078,017.42
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>5,462,176.32</b>	<b>5,281,743.04</b>	<b>180,433.28</b>

**Port of Newport - NOAA Fund**  
**Profit & Loss Budget vs. Actual**  
July 2017 through March 2018

	<u>Jul '17 - Mar 18</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
54000 · Lease Revenue	1,896,593.16	2,542,000.00	(645,406.84)	74.6%
<b>Total Income</b>	1,896,593.16	2,542,000.00	(645,406.84)	74.6%
<b>Expense</b>				
55000 · Personnel Services	50,793.35	82,385.00	(31,591.65)	61.7%
56000 · Materials & Services	188,980.58	366,470.00	(177,489.42)	51.6%
57000 · Debt Service	2,001,733.76	2,001,734.00	(0.24)	100.0%
<b>Total Expense</b>	2,241,507.69	2,450,589.00	(209,081.31)	91.5%
<b>Net Ordinary Income</b>	(344,914.53)	91,411.00	(436,325.53)	(377.3)%
<b>Other Income/Expense</b>				
<b>Other Income</b>				
58200 · Interest Income	9,259.81	10,500.00	(1,240.19)	88.2%
58800 · Miscellaneous Revenue	910.45	0.00	910.45	100.0%
58900 · Transfers In from Other Funds	0.00	500,000.00	(500,000.00)	0.0%
<b>Total Other Income</b>	10,170.26	510,500.00	(500,329.74)	2.0%
<b>Other Expense</b>				
59000 · Capital Outlay	23,600.00	6,000.00	17,600.00	393.3%
59600 · Contingency	0.00	100,000.00	(100,000.00)	0.0%
59700 · Transfers Out to Other Funds	0.00	750,000.00	(750,000.00)	0.0%
<b>Total Other Expense</b>	23,600.00	856,000.00	(832,400.00)	2.8%
<b>Net Other Income</b>	(13,429.74)	(345,500.00)	332,070.26	3.9%
<b>Net Income</b>	<u>(358,344.27)</u>	<u>(254,089.00)</u>	<u>(104,255.27)</u>	<u>141.0%</u>

**Port of Newport - Facility Maintenance Reserve Fund**

**Balance Sheet**

As of March 31, 2018

	<u>Mar 31, 18</u>	<u>Mar 31, 17</u>	<u>\$ Change</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Checking/Savings</b>			
<b>31000 · Cash &amp; Cash Equivalents</b>			
<b>31060 · FMR Money Market - Umpqua Bank</b>	72,404.24	133,890.86	(61,486.62)
<b>Total 31000 · Cash &amp; Cash Equivalents</b>	<u>72,404.24</u>	<u>133,890.86</u>	<u>(61,486.62)</u>
<b>Total Checking/Savings</b>	<u>72,404.24</u>	<u>133,890.86</u>	<u>(61,486.62)</u>
<b>Total Current Assets</b>	<u>72,404.24</u>	<u>133,890.86</u>	<u>(61,486.62)</u>
<b>TOTAL ASSETS</b>	<b><u>72,404.24</u></b>	<b><u>133,890.86</u></b>	<b><u>(61,486.62)</u></b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Accounts Payable</b>			
<b>32000 · Accounts Payable</b>	100,727.38	51,615.90	49,111.48
<b>Total Accounts Payable</b>	<u>100,727.38</u>	<u>51,615.90</u>	<u>49,111.48</u>
<b>Total Current Liabilities</b>	<u>100,727.38</u>	<u>51,615.90</u>	<u>49,111.48</u>
<b>Total Liabilities</b>	<u>100,727.38</u>	<u>51,615.90</u>	<u>49,111.48</u>
<b>Equity</b>			
<b>33000 · Fund Balance</b>	22,322.76	48,777.66	(26,454.90)
<b>33020 · FB - Assigned for Future Expend</b>	50,000.00	25,000.00	25,000.00
<b>Net Income</b>	(100,645.90)	8,497.30	(109,143.20)
<b>Total Equity</b>	<u>(28,323.14)</u>	<u>82,274.96</u>	<u>(110,598.10)</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>72,404.24</u></b>	<b><u>133,890.86</u></b>	<b><u>(61,486.62)</u></b>

# Port of Newport - Construction Fund

## Balance Sheet

As of March 31, 2018

	Mar 31, 18	Mar 31, 17	\$ Change
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Checking/Savings</b>			
41000 · Cash & Cash Equivalents	44,025.84	56,540.37	(12,514.53)
<b>Total Checking/Savings</b>	44,025.84	56,540.37	(12,514.53)
<b>Total Current Assets</b>	44,025.84	56,540.37	(12,514.53)
<b>TOTAL ASSETS</b>	<b>44,025.84</b>	<b>56,540.37</b>	<b>(12,514.53)</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Accounts Payable</b>			
42000 · Accounts Payable	0.00	4,392.00	(4,392.00)
<b>Total Accounts Payable</b>	0.00	4,392.00	(4,392.00)
<b>Total Current Liabilities</b>	0.00	4,392.00	(4,392.00)
<b>Total Liabilities</b>	0.00	4,392.00	(4,392.00)
<b>Equity</b>			
43000 · Fund Balance	52,839.66	79,229.46	(26,389.80)
43110 · FB - Capital Asset Additions	0.00	124,140.51	(124,140.51)
43210 · FB - Loan Proceeds	0.00	(124,140.51)	124,140.51
Net Income	(8,813.82)	(27,081.09)	18,267.27
<b>Total Equity</b>	44,025.84	52,148.37	(8,122.53)
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>44,025.84</b>	<b>56,540.37</b>	<b>(12,514.53)</b>



# Port of Newport - Bonded Debt Fund

## Balance Sheet

As of March 31, 2018

	Mar 31, 18	Mar 31, 17	\$ Change
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Checking/Savings</b>			
21000 · Cash & Cash Equivalents	582,192.32	477,336.39	104,855.93
<b>Total Checking/Savings</b>	582,192.32	477,336.39	104,855.93
<b>Other Current Assets</b>			
21270 · Property Tax Receivable	86,925.12	86,925.12	0.00
21400 · Due from Other Funds	0.00	5,197.54	(5,197.54)
<b>Total Other Current Assets</b>	86,925.12	92,122.66	(5,197.54)
<b>Total Current Assets</b>	669,117.44	569,459.05	99,658.39
<b>Other Assets</b>			
21800 · Bond Issue costs, net of amort.	4,662.00	4,662.00	0.00
21825 · Advance Refunding Valuation	436,957.00	436,957.00	0.00
<b>Total Other Assets</b>	441,619.00	441,619.00	0.00
<b>TOTAL ASSETS</b>	<b>1,110,736.44</b>	<b>1,011,078.05</b>	<b>99,658.39</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Other Current Liabilities</b>			
22350 · Bonds Payable - Current	325,000.00	465,000.00	(140,000.00)
<b>Total Other Current Liabilities</b>	325,000.00	465,000.00	(140,000.00)
<b>Total Current Liabilities</b>	325,000.00	465,000.00	(140,000.00)
<b>Long Term Liabilities</b>			
22505 · 2007 Series Bonds	0.00	124,830.00	(124,830.00)
22510 · 2008 Series Bonds	124,995.00	244,995.00	(120,000.00)
22515 · 2011 Series Bonds	5,093,243.00	5,158,243.00	(65,000.00)
22520 · 2016 Series Bonds	7,455,000.00	7,610,000.00	(155,000.00)
22590 · Bond Premiums	880,746.00	880,746.00	0.00
22800 · Less Current Portion LTD	(325,000.00)	(465,000.00)	140,000.00
<b>Total Long Term Liabilities</b>	13,228,984.00	13,553,814.00	(324,830.00)
<b>Total Liabilities</b>	13,553,984.00	14,018,814.00	(464,830.00)
<b>Equity</b>			
23000 · Fund Balance	(12,777,958.93)	(13,189,865.77)	411,906.84
Net Income	334,711.37	182,129.82	152,581.55
<b>Total Equity</b>	(12,443,247.56)	(13,007,735.95)	564,488.39
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,110,736.44</b>	<b>1,011,078.05</b>	<b>99,658.39</b>

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**CALENDAR, BUDGET COMMITTEE AND OFFICERS FOR FY 2018-2019**

**BUDGET CALENDAR**

**TUESDAY, 23 JANUARY 2018**

Approve calendar, Committee, and Budget Officer.

**MONDAY, 26 FEBRUARY 2018**

Dept. Heads receive direction on identifying priorities/operational changes.

**TUESDAY, 13 MARCH 2018**

Management Team convenes to discuss budget.

**TUESDAY, 27 MARCH 2018**

Finance Officer presents working budget for Management Team review. Commission Work Session packet distributed.

**TUESDAY, 3 APRIL 2018**

Commission Budget Priorities Work Session, Noon. Review Personnel Services, Revenues and Capital priorities.

**TUESDAY, 8 MAY 2018**

Publish notice of budget committee meeting. (Notice to *Newport News-Times* by 8 May 2018) (Add Notice to Port's web site or public second notice)

**FRIDAY, 18 MAY 2018**

Budget Committee meets, 6:00 p.m. Agenda, budget message, and proposed budget delivered to Budget Committee members prior to meeting.

**WEDNESDAY, 20 JUNE 2018**

Publish Budget Hearing notice and summary (LB-1). (Notice to *Newport News-Times* by 18 June 2018)

**WEDNESDAY, 13 JUNE 2018**

2<sup>nd</sup> Budget Committee Meeting 6:00 pm. Agenda, Budget Message, and Proposed Budget delivered to Budget Committee members prior to meeting.

**TUESDAY, 26 JUNE 2018**

Public hearing and adopt budget resolution, 6:00 p.m.

**TUESDAY, 10 JULY 2018**

Submit budget documents to County Assessor  
- LB-50 (2 copies)  
- Budget Resolution (2 copies)

**TUESDAY, 25 SEPTEMBER 2018**

Submit budget documents to County Clerk.  
- Budget Message (from General Manager)  
- Budget Detail (LB forms from June meeting)  
- Meeting affidavit (from newspaper)

**BUDGET COMMITTEE MEMBERS**

(Freeholder positions are three-year terms)

**FREEHOLDERS**

1. Fred Postelwait (1994)..... 30 June 2018
2. Brian Barth (1996) ..... 30 June 2020
3. Alan Brown (2003)..... 30 June 2019
4. Ron Benfield (1990)..... 30 June 2020
5. Mark Collson (2012) ..... 30 June 2018

**COMMISSIONERS**

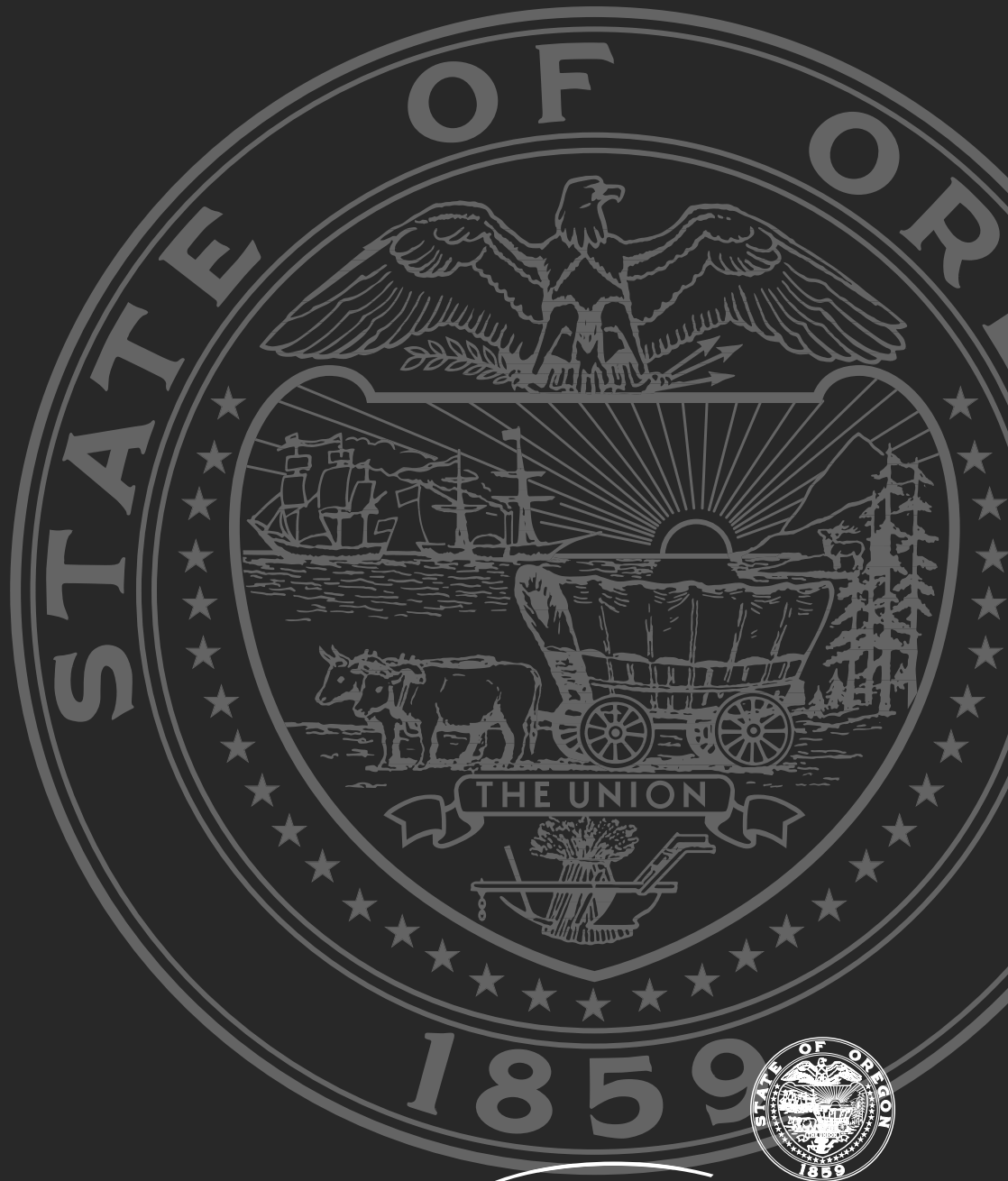
1. Walter Chuck (2011) ..... 30 June 2019
2. Sara Skamser (2017) ..... 30 June 2021
3. Stewart Lamerdin (2015)..... 30 June 2019
4. Jeff Lackey (2017) ..... 30 June 2021
5. Vacant..... 30 June 2019

*All budget meetings will be held at the South Beach RV Park Activities Room.*

**BUDGET OFFICER**

Doug Parsons, General Manager  
FY 2018-2019

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OREGON  
DEPARTMENT  
OF REVENUE

# Local Budgeting Manual

PROPERTY TAX DIVISION

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## Questions?

**On the internet**.....[www.oregon.gov/dor/ptd/pages/localb.aspx](http://www.oregon.gov/dor/ptd/pages/localb.aspx)  
 By telephone.....503-945-8293  
 By e-mail ..... [finance.taxation@state.or.us](mailto:finance.taxation@state.or.us)

### Asistencia en español:

Salem.....503-378-4988  
 Gratis de prefijo de Oregon..... 1-800-356-4222

### TTY (hearing or speech impaired; machine only):

Salem.....503-945-8617  
 Toll-free from an Oregon prefix..... 1-800-886-7204

**Americans with Disabilities Act (ADA):** Call one of the help numbers for information in alternative formats.

**2018**  
**Local Budget Law**  
**Training**



**Oregon Department of Revenue**  
**Finance, Taxation, & Exemptions Team**

**503-945-8293**

**[finance.taxation@oregon.gov](mailto:finance.taxation@oregon.gov)**

**Oregon Department of Revenue  
Property Tax Division  
Finance, Taxation & Exemptions**

**Contact information:**

Danette Benjamin  
(971) 301-1149  
[danette.m.benjamin@oregon.gov](mailto:danette.m.benjamin@oregon.gov)

Melanie Cutler  
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Jean Jitan  
(971) 600-4097  
[jean.jitan@oregon.gov](mailto:jean.jitan@oregon.gov)

**FT&E Message Phone: (503) 945-8293**

**Fax: (503) 945-8737**

**Email: [finance.taxation@oregon.gov](mailto:finance.taxation@oregon.gov)**

**Local Budget Law forms and information online:**

<http://www.oregon.gov/DOR/programs/property/Pages/local-budget.aspx>

**Sign up for the Local Budget Announcement Mail List:**

<http://listsmart.osl.state.or.us/mailman/listinfo/localbudget>



**Please route this booklet to your budget officer, finance officer, bookkeeper, or other person responsible for preparing your budget.**

# 2018–2019 Local Budget Law and Notice of Property Tax

## Forms and Instructions for Municipal Corporations

This booklet contains forms and instructions that a county, city or special district uses to publish notice of its budget committee meetings and its budget hearing and financial summary in order to comply with Oregon’s Local Budget Law.<sup>1,2</sup> It also contains the forms necessary to certify property taxes to the county assessor and to publish notice for a supplemental budget hearing.

The booklet is arranged with the instructions and examples in the front and the blank forms in the back.

**Urban renewal agencies** are subject to Local Budget Law and must complete the process separately from the parent municipality (county or city). A booklet with the forms designed specifically for urban renewal agencies, *Local Budget Law and Notice of Property Tax Forms and Instructions for Urban Renewal Agencies*, 150-504-076, is available on our website at: [www.oregon.gov/dor/forms](http://www.oregon.gov/dor/forms), search by form number, or by scrolling down to “Local budget”.

**School districts, education service districts, and community colleges** are also subject to Local Budget Law, but the forms differ somewhat. A booklet designed specifically for these districts, *Local Budget Law and Notice of Property Tax Forms and Instructions for Education Districts*, 150-504-075, is available at: [www.oregon.gov/dor/forms](http://www.oregon.gov/dor/forms), search by form number, or by scrolling down to “Local budget”.

### Budget detail sheets

Budget detail sheets are used to prepare your municipal corporation’s budget. These forms are not included in this booklet but are available for down-

load in fillable PDF or Microsoft Excel format on our website at: [www.oregon.gov/dor/forms](http://www.oregon.gov/dor/forms), scroll down to “Local budget”.

You may create your own computer-produced versions of these forms as long as the formats are the same as the detail sheets provided by the department.

### Forms included in this booklet Page

- *Notice of Budget Committee Meeting*, 150-504-073-1 .....19
- *Form LB-1, Notice of Budget Hearing*, 150-504-073-2 .....21
- *Resolutions*, 150-504-073-6 .....23
- *Form LB-50, Notice of Property Tax*, 150-504-073-7 .....25
- *Notice of Supplemental Budget Hearing*, 150-504-073-8 .....27

### Finance & Taxation contact information:

**Finance & Taxation** .....(503) 945-8293  
[finance.taxation@oregon.gov](mailto:finance.taxation@oregon.gov)

**Melanie Cutler** .....(971) 301-1128  
[melanie.cutler@oregon.gov](mailto:melanie.cutler@oregon.gov)

**Danette Benjamin** .....(971) 301-1149  
[danette.m.benjamin@oregon.gov](mailto:danette.m.benjamin@oregon.gov)

**Jean Jitan** .....(971) 600-4097  
[jean.jitan@oregon.gov](mailto:jean.jitan@oregon.gov)

1—Local Budget Law is found in Oregon Revised Statutes (ORS) 294.305 to 294.565.

2—Not all special districts are subject to Local Budget Law. See page 4 for information about those districts that are not subject to the law.

## General information

### Required forms and publications:

All districts subject to local budget law must publish the following notices:

- *Notice of Budget Committee Meeting*, 150-504-073-1 (see page \_\_\_ for details)
- LB-1, *Notice of Budget Hearing*, 150-504-073-2 (see page \_\_\_ for details)
- *Notice of Supplemental Budget Hearing*, 150-504-073-8 (as needed, see page \_\_\_ for details)

Each taxing district imposing a property tax must notify the county assessor of its property tax levy by July 15.

**Districts subject to Local Budget Law** must submit:

- Form LB-50, *Notice of Property Tax and Certification*, 150-504-073-2 (see page \_\_\_ for details), **and**
- Governing body resolutions that adopt the budget, make appropriations, impose property taxes, and categorize those taxes as to their Measure 5 category.

**Districts not subject Local Budget Law** must submit:

- Form LB-50, *Notice of Property Tax and Certification*, 150-504-073-2 (see page \_\_\_ for details), **and**
- Governing body resolutions that impose property taxes and categorize those taxes as to their Measure 5 category.

Electronic versions of the forms are found on our website at: [www.oregon.gov/dor/forms](http://www.oregon.gov/dor/forms), scroll down to "Local budget". Paper versions of the forms are found at the back of this booklet. Computer produced versions of these forms may be used as long as the format is the same as the forms provided in this booklet

**Be sure to use the new forms for 2018–2019 provided in this booklet or on our website. Read the instructions in this booklet carefully. If you use forms generated by your computer, revise your forms accordingly.**

### How to publish

Publication is defined in ORS 294.311(35) as being one of the following actions:

- Printing in one or more newspapers of general circulation within the boundaries of the district; or
- Mailing through the U.S. Postal Service by first class mail, postage prepaid to each street address, PO Box and rural route number within the boundaries of the district; or
- Hand delivery to each street address within the boundaries of the district.

When this booklet says "publish" it means by any of the methods described above, unless otherwise noted.

## Filling out the forms

You may fill out the forms on our website. There is a "fillable" PDF version and a Microsoft Excel version of each form. The "fillable" PDF version can be filled in online and then printed. However, it can't be edited once you have saved it to your computer, so every time you access a form online, you must begin with the blank form. The Excel version can be downloaded to your computer and then filled in, saved, and edited later. If you use the Excel version you may insert lines (rows) as necessary to make more room, for example on the Form LB-1 for all of your organizational units/programs. You may also delete any blank lines.

Alternatively, you may cut out and fill in the paper versions of the blank forms found in this booklet or download and print the blank forms from our website and then fill in your information by hand. If you prepare a paper version of a form, you may cut and paste to add more space or to delete blank lines.

### Biennial budgets

Local governments may budget either for a one-year (fiscal year) or a two-year (biennial) budget period. Except as noted, all requirements for publishing notices and certifying property tax are the same for both. If a district adopts a biennial budget, the financial summary of the budget as approved by the budget committee that is published on Form LB-1, *Notice of Budget Hearing*, must show actual revenues and expenditures for the biennial budget period preceding the current budget period, the estimated resources and requirements in the budget adopted for the current biennial budget period, and the estimated resources and requirements for the ensuing biennial budget period.

The governing body must pass a resolution or ordinance to levy and categorize any property taxes **for each year of the ensuing budget period.**

Regardless of whether a budget is for a single fiscal year or for a biennium, Form LB-50, *Notice of Property Tax and Certification*, and a copy of the resolution or ordinance levying and categorizing taxes for the ensuing year must be submitted to the county assessor **every year by July 15.**

Districts that are required to submit their budgets to the Tax Supervising and Conservation Commission must do so **only during the first year of a biennial budget period.**

## Quorum example

### Governing Body

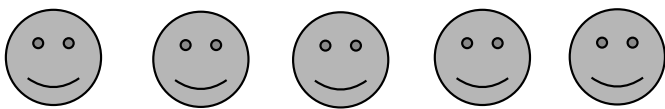
### Electors



If your full budget committee is 10 people quorum = 6



Vacancies on the governing body side still count toward the quorum. Quorum = 6



Vacancies on the electors side are not counted. Quorum = 5

## What the Budget Committee Does

- Receives the budget document
- Hears the budget message
- Hears & considers public comment
- Discusses and revises the budget as needed
- Approves the budget
- Approves the property taxes



