

PORT OF NEWPORT COMMISSION AGENDA
BUDGET PRIORITIES WORK SESSION

Tuesday, March 2, 2021, 6:00 pm

This meeting will be virtual by invitation only.

You can view the live stream of this meeting on our YouTube Channel, Port of Newport Meetings Audio, <https://www.youtube.com/channel/UCCAo3VCV9Yt4coXK7pUXAIQ>

Live chat will not be monitored.

To submit public comment, please complete the form on our website here, no later than 4:00 pm on Monday, March 1st: [Public Comment Budget Priorities Work Session 3/2/2021 - Port of Newport](#)

Your comment, up to 3 minutes, will be read into the meeting at the appropriate time.

- I. Call to Order
- II. Changes to the Agenda
- III. Public Comment (3 minute limit per person)
- IV. Review Budget Priorities Message
- V. Discussion of Project Priorities
- VI. Set Budget Committee Meeting Date
- VII. Hand out Preliminary Budget (no discussion)
- VIII. Adjournment

Regular monthly meetings are scheduled for the fourth Tuesday of every month at 6:00 p.m.

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STAFF REPORT

DATE: 02 March 2021
RE: Budget Priorities Workshop
TO: Paula Miranda
ISSUED BY: Mark A. Brown, Director of Finance and Business Services

BUDGET PRIORITIES WORK SESSION

INTRODUCTION

The intent today is to share with you some anticipated costs for fiscal year 2021-2022, and a list of project priorities for the Commission's review and comment. Though no decisions can be made, the input will be helpful as we finish preparing the budget for the Budget Committee Meeting/Hearing.

These are in draft form, input from today may be used to modify the budget documents, and to prioritize the Port project work in the budget year 2021-2022.

- A Project Priority List

The Project Priorities list gives staff direction in finishing the budget document. Please note: Some of the projects in this year's project list were also on last year's project list. This is purposeful, regardless of the ability to complete all the projects, all potential projects were included in the budget. We are doing the same this year. One of the reasons; if unanticipated grant funds become available, generally speaking, budgeted projects are more likely to receive grant funding. Secondly, staff may have anticipated completing a project, but time has run out, and the project is not complete, or there is uncertainty about being able to complete the project by years end, so the Port needs to budget for the project in the new fiscal year.

PROJECT PRIORITIES

I have included a list of projects (both Capital and Non-Capital) that Port staff has recommended be completed in fiscal year 2021-2022. For the General Fund, the list is prioritized from 1 to 16, no priority for projects has been placed on the NOAA funds, as the projects are required by contract. In the General Fund project list, several projects are marked with a one (1) or a two (2). It very difficult to discern a different priority for these projects. Projects coded with one (1) are the most critical projects, the lowest priority projected is coded listed as the 16th priority. The projects are listed in the Strategic plan and/or were brought forth by the department heads and their staff.

The Port General Manager and Directors have reviewed all projects, modified costs, and

projects, and if appropriate, moved projects to different years. Those items moved are not listed here but may be presented at a later date as part of the strategic plan.

The listed projects are in alignment with the Port Strategic Plan. The Port continues to seek grant funding on some of the projects, more specifically, planning projects. To receive grant funds for the most urgent project, the replacement of port dock 7, the Port will need to complete the planning on Port Dock 7.

For Fiscal year 2021-2022, Port staff have identified \$5.93 million in General Fund projects and 1.28 million in projects for NOAA, for a total of \$ 7.2 million (this includes 2.4 million for an administrative building, funded by a low interest rate loan), however, we do not anticipate being able to complete this extensive list of projects in one year. Port staff will prioritize the highest rated projects and projects where grant funding is received.

CONCLUSION

All listed projects have been included in the initial budget, with realistic projections of potential grants. The budget will include \$1.2 million in restricted General Funds for future use and plus an operating contingency.

Based upon input from today's work session, Staff will modify, if necessary, the project list, the budget, and budget resolution. The budget resolution will be modified as changes are made to the budget, until the budget has been adopted by the Commission.

The proposed budget will be presented at the next Budget Committee Meeting, which will be scheduled prior to this work session ending.

Not included in this packet, but prior to leaving today, you will receive a "preliminary" budget – this is for your information and consideration but cannot be discussed in the workshop or outside of this meeting with other commissioners.

As stated earlier, adjustments may be made to this budget, based on input received today. The budget document is given to you to assist you in making decisions and having discussions at the formal budget hearing.

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Port of Newport Project Priorities
General Operating Funds

PROJECT	DESCRIPTION	Priority	2022	Funding Note
NIT MOVE DREDGE SPOILS (Contract Support Svcs)	This is an obligation the Port has to move the dredge material. The material includes dredge spoils from both NIT and NOAA, the total cost (\$350,000) is split between the two funds - 75% is NIT.	1	262,500	
CM PD 3 and 5 ELECTRICAL UPGRADE	Upgrade the electrical on Port Docks 3 and 5 to current standards, this protects the Port and meets expectations of Commercial Fishers	1	646,000	
CM PROJECT FOR DOCK REPLACEMENT (PROF SVCS)	This is a critical project to fully plan the replacement of Port Dock 7, without the preplanning the Port will be unable to fund the project via grants. This is a critical piece of infrastructure for the Port.	1	200,000	The Port is seeking Grant funding
CM FEASIBILITY STUDY DRGG CM	Port Portion \$475,000, feasibility study of dredging specific areas in the Marina to -20, to allow for larger vessels to dock.	1	950,000	50% is from General Funds/ 50% grants
AD ACCOUNTING SOFTWARE (Prof Services)	The current software causes large inefficiencies, and increased timelines to complete everyday tasks. Replacement of QuickBooks will allow the Port to enter orders while loading or unloading vessels, reduce the amount of time it takes to close the books each month, better track contract/lease/MLA/COI end dates among many other items. Depending on the software selected, the cost could be much lower (this would be the maximum)	2	175,000	
NIT ACQUIRE PROPERTY	Acquire the property the Shed at the NIT is located on.	2	30,000	
CM PD 3 Piling Repairs	Replace or repair pilings on Port Dock 3	2	50,000	

Port of Newport Project Priorities

General Operating Funds

PROJECT	DESCRIPTION	Priority	2022	Funding Note
RELOCATE ELECTRICAL HOIST DOCK	The electrical connection submerge on high tides causing an unnecessary risk to Port staff and Customers. This was on last years priority list, but with other projects the Port was unable to complete.	2	30,000	
SB REBUILD SERVICE DOCK, FLOATING DOCK, END TIES	The Service Dock and Floating docks pose a significant risk, rebuilding the docks reduce/mitigate the risk, and will show our constituents that we are continuing to improve our facilities and recognizing their concerns.	3	180,000	
CM PD 3/5 Maintenance projects Whalers, Rods, rub boards	These projects are necessary to assure the dock stays in good working order	4	357,000	
CM OIL BUILDING UPGRADES TANKS	In Fiscal year 2020-2021, we experienced one tank leaking and had to take this tank out of service, we are proposing the replacement of tanks, which is necessary for the vessels in Port.	5	86,000	
PORTWIDE TRACTOR	This is an asset that would be used Portwide, this replaces a piece of equipment that the Port has, but has been unusable, and is not repairable.	5	20,000	
ASSET CONDITON INSPECTION (PROFESSIONAL Svcs)	In the last two years the Port has experienced unexpected failures causing significant expenses, a sinkhole in South Beach, and an Oil Tank that began to leak. Some of this is due to delayed maintenance. To avoid this in the future, Port staff is proposing that over the next number of years, an external consultant will review Port assets and property to prioritize maintenance items, thus avoiding unexpected failures.	5	60,000	

Port of Newport Project Priorities

General Operating Funds

PROJECT	DESCRIPTION	Priority	2022	Funding Note
SB ACQUIRE PROPERTY FROM ARMY CORP	In South Beach a piece of property that is being used by Rogue actually belongs to the Army corp. The GM has had initial discussion with the Army Corp about acquiring the property.	5	30,000	
SB CONSTRUCTION AND REDESIGN ANNEX	The annex in South Beach is in need of critical infrastructure upgrades, the electric grid is sub par, the water system and the sewage piping are beginning to show their age. Staff is proposing having a third party prepare an evaluation of the cost of fully redesigning the RV Park Annex to maximize the usage of the space proposing alternatives and providing the Port an ROI. Much of this project is proposed to be grant funding.	7	250,000	The Port is seeking Grant funding
COMPUTER REPLACEMENTS	Each year the Port should replace a portion of their computers, rather than replace all computers every 3-5 years. There are a limited number of computers that are older (CM Operations, Some South Beach). The computer will be replaced with laptop or tablets - we might also use this to purchase tablets for input of orders.	9	5,000	

Port of Newport Project Priorities

General Operating Funds

PROJECT	DESCRIPTION	Priority	2022	Funding Note
CM FORKLIFT 3,500 lb	The Port replace the higher load CM forklift in Fiscal Year 2020-21, based on hours in our capital asset replacement plan this is a second forklift that should be replaced, however the port is examining the downtime of the forklift, and the maintenance and repair cost to determine the best course of action, but keeping this in the budget.	10	38,000	
CM PICKUP	The existing pickup has low mileage, but has transmission issues, making it impossible to use the vehicle anywhere but locally. Odds are that this purchase will not occur in the current year, but it is important that the commissioners be aware of the need to replace the vehicle.	11	25,000	
CM HOIST DOCK FENDERS	The hoist dock fenders are in need of replacement, they protect both the dock and vessels.	12	35,000	
AD NEW HQ BUILDING	This has been placed low on the list as Port staff evaluates the cost of the building versus the current interest rate. The current facility was only designed for short term use, and will need to be replaced in the next few years. It does not provide for privacy needed, nor does it present a good face to those visiting the Port.	13	2,400,000	Low interest rate loan
AD GIS with EZRI MAPS	This Software gives the Port the ability to track leases, where utilities are located, and much more.	14	20,000	

Port of Newport Project Priorities

General Operating Funds

PROJECT	DESCRIPTION	Priority	2022	Funding Note
SB EXPO CENTER (Prof Services)	This is a very low priority at this time, grant funding for this might be difficult to obtain because of the nature of the project, and indoor events are currently discourage, plus the cost of building such a facility is expensive. This would provide the Port important details if it is desirable to put a facility in South Beach to host large events, such as a boat show, Special Events requiring an indoor space, it would also house the Newport Wine and Seafood festival (which might largely pay for the facility)	15	30,000	The Port is seeking Grant funding
NIT MUTUALLY BENEFICIAL PROJECT MCCLEAN POINT	This a contractual obligation with Rondy's	16	50,000	
Total General Operating Fund Projects		-	5,929,500	
Total NOAA projects			1,278,500	
Total all Projects:			7,208,000	

PORT OF NEWPORT Project Priorities
NOAA FUND

PROJECT	Project Description	2022
CARPET & FLOORING (5 YRS)	Every 5 years the Port must replace the carpet in the NOAA facility	100,000
STORM FILTER SYSTEM	In order to keep the filtering systems in working order these must be replace periodically	6,000
BERTH DREDGING	The Port is proposing to dredge the existing berth , but also to expand the dredging, the result of which should result in less frequent dredging and a more satisfied NOAA.	1,000,000
ASPHALT COATING/STRIPE	This is periodic maintenance, to defer replacement of the asphalt	20,000
CONCRETE REPAIR /REPLACE	This is periodic maintenance.	15,000
HVAC SYSTEM(S)	These are critical maintenance items	10,000
CRITICAL AC SYSTEMS	These are critical maintenance items	10,000
FIRE SAFETY	These are critical maintenance items	30,000
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Move Dredge Spoils (Prof Servs)	This is an obligation the Port has to move the dredge material. The material includes dredge spoils from both NIT and NOAA, the total cost (\$350,000) is split between the two funds - 75% is NIT.	87,500
	-	
	-	1,278,500