

PORT OF NEWPORT MINUTES

May 14, 2019

Budget Committee Meeting

This is not an exact transcript. The audio of the session is available on the Port's website.

Agenda Item

**Audio
Time**
0:00

I. CALL TO ORDER/INTRODUCTIONS

Commission Vice-President Sara Skamser called the Budget Committee Meeting of the Port of Newport to order at 6:02 pm at the South Beach Activities Room, 2120 SE Marine Science Drive, Newport, Oregon. Skamser commented on the rigorous process undertaken by staff and the Commission to date in preparing the proposed budget. Staff and Committee Members introduced themselves.

Commissioners Present: Walter Chuck (Pos. #1), Secretary/Treasurer; Sara Skamser (Pos. #2), Vice President; Jeff Lackey (Pos. #4); and Jim Burke (Pos. #5). Stewart Lamerdin (Pos. #3), President, attended by speaker phone (6:07 pm).

Freeholder Members Present: Alan Brown (Pos. #3), and Gil Sylvia (Pos. #4).

Management and Staff: Paula J. Miranda, General Manager and Budget Officer; Aaron Bretz, Director of Operations; Mark Harris, Accounting Supervisor; Becca Bishop, Accounting Clerk; and Karen Hewitt, Administrative Supervisor.

Members of the Public and Media: Jim Cline, Rogue.

II. ELECTION OF BUDGET COMMITTEE PRESIDING OFFICER

1:37

There was a brief discussion about choosing the Committee President.

A motion was made by Sylvia and seconded by Chuck to appoint Alan Brown Budget Committee President. The motion passed 6 – 0.

III. RECEIVE BUDGET MESSAGE

3:55

Miranda introduced the Budget Message, included in the Meeting Packet, which had been drafted by Teri Dresler, who had served as Interim General Manager. Miranda noted Dresler's thanks to staff, and added thanks to Dresler for her work in preparing the budget. Miranda remarked that the Strategic Business Plan, which served as a focus for the budget, was at final draft to be for approval in the near future. Miranda reviewed highlights as included in the Budget Message.

IV. BUDGET OFFICER REVIEWS BUDGET DOCUMENTS WITH COMMITTEE

12:50

Miranda introduced the Budget Documents and asked if the Committee had questions.

V. COMMITTEE DISCUSSION OF BUDGET

13:20

Harris explained how the General Operating Fund (GOF) available cash on hand was projected. Miranda noted that GOF revenue came from several sources, and Harris added this reflected all operations except NOAA. Harris said this budget numbers were based more closely on actual numbers than previously budgeted numbers for more accurate projections. Miranda added that most capital projects budgets already included a contingency, so the separate contingency item of \$150K from FY 18-19 budget was not included in this proposal.

Brown asked about Figs. 1 and 2 on page 9 of the Meeting Packet, showing an approximate \$218K loss for FY 19-20. Lackey referred to the budgeted match that would be required for the PD5 Pier Approach Project. Miranda said that additional grants would be sought, but if the EDA grant were received and other grants were not received, the \$1.2MM match would come out of the general fund. This was also reflected in the projected Unappropriated Ending Fund Balance (UEFB). Bretz said that the EDA grant application was going forward to committee for review, who would also receive input from Cascades West, with whom the Port had been working closely. The Port would also be sending additional information to EDA, and there was additional discussion about grants funding and how they were shown in the documents. There was some discussion about the increase in PERS expense. Bretz explained some of the steps that had been taken in evaluating rate increase, and Burke added the rates also reflected recommendations from the Commercial Fishing Users Group (CFUG) Committee.

Chuck commented that the Port would be reviewing leases this upcoming year. Skamser commented on the fisheries that increased revenue in the current fiscal year, and that there were CFUG discussions about rates and planned electrical updates at Port Docks 5 and 7. Brown asked about the maintenance concerns of the Port. Chuck commented that the new General Manager would be able to address concerns moving forward, and will look to create revenue and address needed projects. Lackey acknowledged there were challenges ahead, and the Port will look for State and Federal grants in addition to the resources currently available.

There was some discussion about the possibility of using unappropriated revenues from the NOAA bond to retire more debt or for other purposes, if allowed. Miranda will research. Sylvia asked about continuing fee increases, and there was discussion about how increases were determined and where additional market research would be useful. Miranda spoke about some of the complex factors in these determinations. There was additional discussion about moorage capacity at the commercial marina. Sylvia asked about the increased DSL fees on page 15, line 16, which Bretz said reflected the royalty payments that would be required when Rondys would be using accumulated fill.

VI. PUBLIC QUESTIONS/COMMENTS

There was no public comment.

VII. APPROVAL OF BUDGET

1:04:55

A motion was made by Sylvia and seconded by Skamser that the Budget Committee approve the proposed budget as presented for the 2019-2020 fiscal year. The motion passed 7 - 0.

VIII. APPROVAL OF TAX RATE TO SUBMIT TO ASSESSOR..... 1:05:30

A motion was made by Chuck and seconded by Skamser 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 eight-hundred-thousand U.S. Dollars (i.e. \$800,000.00) for payment of general obligation bond principal and interest in the Bonded Debt Fund for the 2019-2020 fiscal year. The motion passed 7 - 0.

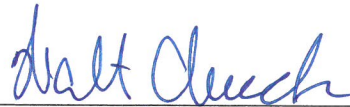
IX. ADJOURNMENT 1:06:35

Having no further business, Committee President Brown adjourned the meeting at 7:08 pm.

ATTESTED:



Sara Skamer, Vice-President



Walter Chuck, Secretary/Treasurer