

PORT OF NEWPORT REGULAR MONTHLY COMMISSION MEETING AGENDA

Tuesday, July 23, 2019, 6:00 p.m.
South Beach Activities Room
2120 SE Marine Science Drive, Newport, OR 97365

If you want to comment on a particular agenda item during the meeting, please complete a comment form and submit before the meeting is called to order.

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Fridays Shop at the Dock, Oregon Sea Grant	Aug 2 – 30
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Regular Commission Meeting Aug 27
Labor Day, Port Office Closed Sep 2

- XI. Public Comment (3 minutes limit per person)
- XII. Adjournment

Regular Monthly Meetings are scheduled for the fourth Tuesday of every month at 6:00 pm.

The Port of 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.

Link for directions to the RV Park Activity Room:
<https://www.portofnewport.com/recreational-marina-rv-parks-maps>

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S T A F F R E P O R T

D A T E: July 16, 2019
RE: Newport International Terminal 30 Ton Crane Annual Service
TO: Paula Miranda, General Manager
ISSUED BY: Aaron Bretz, Director of Operations

BACKGROUND

Each year we request that our nearest Grove dealership send a technician to perform critical maintenance on our 30-ton mobile crane. The tasks vary depending on the number of hours on the machine, and the price generally increases for service each year. This year the quote came in at \$7,739 for total service from the working gear down to the hubs and transmission.

We are due for annual servicing, and this is an opportune time to perform the maintenance. This work will take the crane out of service for a full day, pending the outcome of inspections.

The technicians who come out to service the Crane come from the nearest Grove dealer, and should be considered a sole-source.

BUDGET IMPLICATIONS

This year, we budgeted for \$11,000 in the crane maintenance account, so this work was planned and budgeted.

ALTERNATIVES

We could wait to perform the maintenance, but I don't recommend deferring annual servicing on weight handling equipment. This maintenance directly affects the safety of crane operations.

RECOMMENDATIONS

I recommend a motion to authorize the General Manager to hire Coast Crane to perform annual servicing on the 30-Ton crane, with an estimated cost of \$7,739.



FINANCE DEPARTMENT MONTHLY REPORT

DATE: July 23, 2019
PERIOD: June 2019
TO: Paula Miranda, General Manager
ISSUED BY: Mark Harris, Accounting Supervisor

June 2019 Financial Reports

Financial reports as of June 30, 2019 have been included. Following are conservative year-end budget to actual projections for FY 2018-19:

Profit and Loss - Budget to Actual Reports

General Operating Fund (GOF)

- Operating revenues are projected to exceed the year's budget by \$400k or 11% with the largest increases in revenue coming from dock services and equipment rental, RV park, and moorage revenues.
- Operating expenses will likely come in nearly \$220k under budget with the highest portion of this difference due to additional debt service appropriations that were not realized in the fiscal year.
- Non-operating revenue and expense totals are projected to remain within budget.
- The GOF is projected to see a budget basis net income for the year of nearly \$475k - a \$106k increase over the prior year along with an increase in cash and cash equivalents of nearly \$500k.

NOAA Lease Revenue Fund (NOAA)

- 2018-19 revenue and expense totals are projected to come in at or under budget.
- This fund is projected to see a budget basis net loss of nearly \$100k, the bulk of which is due to maintenance dredging costs.

Facility Maintenance Reserve Fund (FMRF)

- The FMRF revenue and expense totals are projected to remain within budget.
- Of the \$265k budgeted to be transferred in from the GOF to resource the year's activity, only \$137k was needed resulting in a \$128k savings in the GOF.
- This fund should see a budget basis net income for the year of nearly \$19k.

Construction Fund (CF)

- There was little activity in the CF.
- This fund should see a budget basis net loss for the year of nearly \$13k due to a budgeted transfer in of \$10k from the GOF that was not made. The projected resulting fund balance of \$25k ties to the net working capital budgeted in the 2019-20 fiscal year.

Bonded Debt Fund (BDF)

- As a restricted fund, revenue and expense totals are projected to come in at budget.
- In FY 2018-19, only \$520k in property tax was levied for bonded indebtedness (as opposed to \$1MM the year before). This allowed the Port to use the \$440k fund balance that had accumulated over several prior years toward debt service payments. As a result, this fund is projected to see a budget basis net loss of \$400k.

Profit and Loss - Current Year to Prior Year Comparison Reports

As requested, profit and loss reports for all 5 funds comparing FY 2018-19 to the prior FY 2017-18 have been included.

Key Highlights

GOF

- Operating revenues increased by \$438k or 11% with the largest increases in dock services and equipment rentals, RV park, and moorage revenues. Non-operating interest income increase by \$25k or 256% due to increases in bank interest rates.
- Operating expenses increased by \$348k or 10%.

- Preliminary figures on the report show a \$144k or 39% increase in budget basis net income over the prior year.

Revenue Comparison Details Report

- **A more detailed analysis of the sources of increases in operating revenues was compiled. In the 3 left-hand columns, actual revenues by source are reported for FY 2018-19 and prior FY 2017-18 along with the dollar amount of increases.**
- **In the right-hand columns, the amount of increase in revenues for FY 2018-19 was compared to the projected amount of increase based on the FY 2018-19 rate changes to determine the portion of the revenue increases that resulted from the rate changes and the portion that resulted from operations. Please note that this analysis does not take into account any possible changes in the quantity of services provided.**
- **Of the \$437k increase in revenues, an estimated \$208k can be attributed to rate changes and \$229k can be attributed to results of operations.**

NOAA

- Revenues consist of lease revenues per agreement and interest income. Interest income increased by \$50k or 379% due to increases in bank interest rates.
- Operating expenses increased by \$372k or 16% due to maintenance dredging costs that are not incurred every year.
- Preliminary figures show a \$313k or 147% decrease in budget basis net income over the prior year, again, solely due to maintenance dredging costs.

BDF

- Revenues from property taxes levied for bonded indebtedness and the fund's budget basis net income decreased by \$452k or 46% for reasons outlined above.

Proposals for Annual Audit Services

Six audit firms submitted proposals to provide audit services per our posted RFP. The proposals have been reviewed and scored on three categories (experience and qualifications, approach and understanding, and cost proposal) with a possible score of 100 points. The highest scoring firm with 96 points and the recommendation to the Board of Commissioners is Kern & Thompson, LLC. The 1st runner up scored 87 points.

Debt Service Payment

A debt service payment of \$1,510,024 on the Port's Revenue Bonds (Series 2010) is due on July 31, 2018 from appropriations in the NOAA Lease Revenue Fund.

A review of all debt service payments budgeted and due in fiscal year 2018-19 has been conducted. All debt service payments were made for the correct amounts by their respective due dates.

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8:54 PM

Port of Newport - General Operating Fund

Profit & Loss Previous Year Comparison

July 2018 through June 2019

07/18/19

Accrual Basis

	Jul '18 - Jun 19	Jul '17 - Jun 18	\$ Change	% Change
Ordinary Income/Expense				
Income				
14000 · Lease Revenues	707,138	684,094	23,043	3%
14100 · Moorage	1,421,631	1,316,951	104,680	8%
14200 · Hoist Dock & Services	874,634	671,757	202,877	30%
14300 · Shipping Terminal Revenues	1,572	15,181	(13,609)	(90)%
14400 · RV Parks	1,083,609	969,120	114,489	12%
14500 · Launch Ramp & Trailer Storage	82,560	78,812	3,749	5%
14600 · Miscellaneous Revenue	113,330	111,008	2,321	2%
Total Income	4,284,474	3,846,924	437,551	11%
Gross Profit	4,284,474	3,846,924	437,551	11%
Expense				
15000 · Personnel Services				
15010 · Salaries & Wages	1,034,785	889,755	145,030	16%
15015 · Payroll Taxes & Benefits	365,370	292,879	72,491	25%
Total 15000 · Personnel Services	1,400,155	1,182,634	217,521	18%
16000 · Materials & Services				
16010 · Insurance	157,962	150,316	7,647	5%
16050 · Professional Fees	155,565	137,557	18,008	13%
16100 · Marketing & Promotion	18,721	18,474	247	1%
16150 · Dues & Subscriptions	29,208	15,707	13,501	86%
16170 · Training & Education	10,461	13,298	(2,837)	(21)%
16190 · Travel	17,402	8,787	8,615	98%
16200 · Office & Admin Expenses	116,244	117,616	(1,371)	(1)%
16250 · Bad Debt Write-off	7,895	4,718	3,177	67%
16270 · License & Permit Fees	19,342	8,738	10,604	121%
16300 · Utilities	558,766	500,333	58,433	12%
16350 · Contract & Support Services	245,900	251,648	(5,748)	(2)%
16400 · Repairs & Maintenance	108,202	165,419	(57,217)	(35)%
16550 · Equipment	23,549	9,090	14,458	159%
16600 · Materials & Operating Supplies	69,940	53,683	16,257	30%
16650 · Shipping Expenses - ILWU Wages	984	0	984	100%
16670 · DSL & State Land Fees	96,261	67,830	28,431	42%
16680 · Building & Land leases	13,639	13,971	(332)	(2)%
16700 · Grant Expenses	2	0	2	100%
16850 · Miscellaneous Expense	8,957	2,275	6,682	294%
Total 16000 · Materials & Services	1,659,000	1,539,460	119,540	8%
17000 · Debt Service				
17100 · Principal	490,869	466,997	23,872	5%
17600 · Interest Expense	253,274	265,722	(12,448)	(5)%
Total 17000 · Debt Service	744,143	732,719	11,423	2%
Total Expense	3,803,298	3,454,814	348,484	10%
Net Ordinary Income	481,176	392,110	89,066	23%

Port of Newport - General Operating Fund**Profit & Loss Previous Year Comparison**

July 2018 through June 2019

	<u>Jul '18 - Jun 19</u>	<u>Jul '17 - Jun 18</u>	<u>\$ Change</u>	<u>% Change</u>
Other Income/Expense				
Other Income				
18100 · Property Tax Revenue	111,416	117,227	(5,811)	(5)%
18200 · Interest Income	35,045	9,834	25,211	256%
18300 · Grants	1,800	2,773	(973)	(35)%
18400 · Loan Proceeds	0	89,396	(89,396)	(100)%
18600 · Gain/(Loss) on Sale of Assets	(8,374)	20,158	(28,531)	(142)%
18700 · Property & Dredge Sales	54,679	16,649	38,030	228%
Total Other Income	<u>194,566</u>	<u>256,037</u>	<u>(61,470)</u>	<u>(24)%</u>
Other Expense				
19000 · Capital Outlay	25,099	118,295	(93,196)	(79)%
19700 · Transfers Out to Other Funds	136,820	160,000	(23,180)	(15)%
Total Other Expense	<u>161,919</u>	<u>278,295</u>	<u>(116,376)</u>	<u>(42)%</u>
Net Other Income	<u>32,647</u>	<u>(22,258)</u>	<u>54,905</u>	<u>247%</u>
Net Income	<u>513,823</u>	<u>369,851</u>	<u>143,972</u>	<u>39%</u>

Port of Newport

Revenue Comparison

FY 2018-19 to FY 2017-18

	FY 2018-19	Prior FY 2017-18	\$ Change	FY 2018-19 % Increase in Rates	Projected Change in Revenues based on Rate Changes	+/- Revenues from Operations Above Rate Changes
Lease Revenues	\$ 707,138	\$ 684,094	\$ 23,043	0.0%	\$ -	\$ 23,043
Moorage Revenues						
Moorage	1,387,354	1,299,863	87,491	6.5%	84,491	3,000
Live Aboard	29,553	13,854	15,699	50.0%	6,927	8,772
Dock Boxes and Other	4,725	3,234	1,491	15.4%	498	993
Total Moorage Revenues	1,421,632	1,316,951	104,680		91,916	12,765
Dock Services & Equipment Rental						
Equipment Rental						
Small Forklift	134,565	100,436	34,129	6.3%	6,327	27,802
30 Ton Crane	85,157	64,052	21,105	5.0%	3,203	17,902
Large Forklift	70,592	35,560	35,032	6.7%	2,383	32,649
Labor	26,609	19,068	7,541	5.7%	1,087	6,454
Hoist Dock Cranes	11,427	8,088	3,339	4.8%	388	2,951
Other Equipment Rental	1,994	1,475	519	3.8%	56	463
Total Equipment Rental	330,344	228,679	101,665		13,444	88,221
Dock Services						
Lot Storage	248,658	226,273	22,385	4.3%	9,730	12,655
Service Dock Tie-up	182,955	179,099	3,856	4.7%	8,418	(4,562)
Wharfage	35,402	-	35,402	0.0%	-	35,402
Electricity	23,029	18,453	4,576	4.1%	757	3,819
Swede's Dock Tie-up	18,820	15,946	2,874	4.0%	638	2,236
F/V Fueling	11,768	1,167	10,601	3.0%	35	10,566
Net Repair	5,481	2,730	2,751	5.0%	137	2,615
Truck Toll	1,736	-	1,736	0.0%	-	1,736
Other Dock Services	18,013	14,591	1,852	4.5%	677	1,175
Total Dock Services	545,862	458,259	87,603		20,390	67,213
Total Dock Services & Equipment Rental	876,206	686,938	189,268		33,834	155,434

Port of Newport

Revenue Comparison

FY 2018-19 to FY 2017-18

	FY 2018-19	Prior FY 2017-18	\$ Change	FY 2018-19 % Increase in Rates	Projected Change in Revenues based on Rate Changes	+/- Revenues from Operations Above Rate Changes
RV Park Revenues						
Space Rentals	1,063,960	963,300	100,660	8.0%	77,064	23,596
Surcharge	16,354	2,735	13,619	8.0%	219	13,400
Other RV Park Revenues	3,295	3,085	210	0.0%	-	210
Total RV Park Revenues	<u>1,083,609</u>	<u>969,120</u>	<u>114,489</u>		<u>77,283</u>	<u>37,206</u>
Launch Ramp and Trailer Storage	<u>82,560</u>	<u>78,812</u>	<u>3,748</u>	6.0%	<u>4,729</u>	<u>(981)</u>
Miscellaneous Revenue	<u>113,329</u>	<u>111,010</u>	<u>2,319</u>	0.0%	<u>753</u>	<u>1,566</u>
Total Revenues	<u><u>\$ 4,284,474</u></u>	<u><u>\$ 3,846,924</u></u>	<u><u>\$ 437,551</u></u>		<u>208,515</u>	<u>229,036</u>
Total Increase in Revenues						<u><u>\$ 437,551</u></u>

Port of Newport - NOAA Fund
P&L Prev Year Comparison-Commission
July 2018 through June 2019

	<u>Jul '18 - Jun 19</u>	<u>Jul '17 - Jun 18</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
54000 · Lease Revenue	2,544,811	2,532,759	12,052	1%
Total Income	2,544,811	2,532,759	12,052	1%
Expense				
55000 · Personnel Services				
55010 · Salaries & Wages	58,574	52,108	6,466	12%
55015 · Taxes & Benefits	19,175	18,444	731	4%
Total 55000 · Personnel Services	77,749	70,552	7,197	10%
56000 · Materials & Services				
56010 · Insurance	120,357	96,978	23,379	24%
56050 · Professional Services	13,142	24,846	(11,704)	(47)%
56110 · Advertising & Publications	215	0	215	100%
56150 · Dues & Subscriptions	2,591	1,424	1,167	82%
56170 · Training & Travel	1,273	0	1,273	100%
56200 · Office & Admin Expenses	2,940	11,793	(8,853)	(75)%
56270 · Licenses & Permits	6,820	375	6,445	1,719%
56300 · Utilities	13,942	15,520	(1,578)	(10)%
56350 · Contracted Services	40,196	69,579	(29,383)	(42)%
56530 · Dredging	376,790	0	376,790	100%
56550 · Equipment	381	1,889	(1,509)	(80)%
56600 · Materials and Supplies	19,162	4,142	15,020	363%
56630 · Fuel (Gas, Diesel, Oil, Lubes)	424	371	54	15%
56670 · Office Rent & DSL Leases	9,902	11,492	(1,590)	(14)%
Total 56000 · Materials & Services	608,136	238,409	369,727	155%
57000 · Debt Service				
57100 · Principal	945,000	910,000	35,000	4%
57600 · Interest Expense	1,052,271	1,091,734	(39,463)	(4)%
Total 57000 · Debt Service	1,997,271	2,001,734	(4,463)	(0)%
Total Expense	2,683,156	2,310,695	372,462	16%
Net Ordinary Income	(138,346)	222,064	(360,410)	(162)%
Other Income/Expense				
Other Income				
58200 · Interest Income	62,349	13,022	49,327	379%
58800 · Miscellaneous Revenue	5,159	910	4,248	467%
Total Other Income	67,507	13,932	53,575	385%
Other Expense				
59000 · Capital Outlay	29,831	23,600	6,231	26%
Total Other Expense	29,831	23,600	6,231	26%
Net Other Income	37,676	(9,668)	47,344	490%
Net Income	(100,669)	212,396	(313,066)	(147)%

Facility Maintenance Reserve Fund
Profit & Loss Prev Year Comparison
 July 2018 through June 2019

	<u>Jul '18 - Jun 19</u>	<u>Jul '17 - Jun 18</u>	<u>\$ Change</u>	<u>% Change</u>
Other Income/Expense				
Other Income				
38200 · Interest Income	1,406	110	1,296	1,180%
38900 · Transfers In				
38902 · Transfers In from General Fund	136,820	160,000	(23,180)	(15)%
Total 38900 · Transfers In	<u>136,820</u>	<u>160,000</u>	<u>(23,180)</u>	<u>(15)%</u>
Total Other Income	<u>138,226</u>	<u>160,110</u>	<u>(21,884)</u>	<u>(14)%</u>
Other Expense				
39000 · Capital Outlay	119,214	101,387	17,826	18%
Total Other Expense	<u>119,214</u>	<u>101,387</u>	<u>17,826</u>	<u>18%</u>
Net Other Income	<u>19,012</u>	<u>58,722</u>	<u>(39,710)</u>	<u>(68)%</u>
Net Income	<u>19,012</u>	<u>58,722</u>	<u>(39,710)</u>	<u>(68)%</u>

Construction Fund - Port of Newport
Profit & Loss Prev Year Comparison
 July 2018 through June 2019

	<u>Jul '18 - Jun 19</u>	<u>Jul '17 - Jun 18</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Expense				
46000 · Materials & Services				
46350 · Contract & Support Services	0	5,682	(5,682)	(100)%
Total 46000 · Materials & Services	<u>0</u>	<u>5,682</u>	<u>(5,682)</u>	<u>(100)%</u>
Total Expense	<u>0</u>	<u>5,682</u>	<u>(5,682)</u>	<u>(100)%</u>
Net Ordinary Income	0	(5,682)	5,682	100%
Other Income/Expense				
Other Income				
48200 · Interest Income	91	127	(36)	(29)%
Total Other Income	<u>91</u>	<u>127</u>	<u>(36)</u>	<u>(29)%</u>
Other Expense				
49000 · Capital Outlay				
49400 · Construction & Management	879	0	879	100%
49410 · Professional Services				
49418 · Engineering	0	2,195	(2,195)	(100)%
Total 49410 · Professional Services	<u>0</u>	<u>2,195</u>	<u>(2,195)</u>	<u>(100)%</u>
49440 · Licenses, Permits & Fees	0	188	(188)	(100)%
49450 · Contracted Services	2,563	2,970	(408)	(14)%
49500 · Rogue Brewery Seawall Eval	10,000	0	10,000	100%
Total 49000 · Capital Outlay	<u>13,441</u>	<u>5,353</u>	<u>8,088</u>	<u>151%</u>
Total Other Expense	<u>13,441</u>	<u>5,353</u>	<u>8,088</u>	<u>151%</u>
Net Other Income	<u>(13,350)</u>	<u>(5,226)</u>	<u>(8,124)</u>	<u>(156)%</u>
Net Income	<u><u>(13,350)</u></u>	<u><u>(10,908)</u></u>	<u><u>(2,443)</u></u>	<u><u>(22)%</u></u>

Bonded Debt Fund - Port of Newport
Profit & Loss Prev Year Comparison
July 2018 through June 2019

	<u>Jul '18 - Jun 19</u>	<u>Jul '17 - Jun 18</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
28100 · Bond Levy Proceeds				
28110 · Current Year	491,391	942,646	(451,255)	(48)%
28120 · Prior Years	35,504	36,027	(524)	(2)%
28130 · Interest and Other	392	339	53	16%
Total 28100 · Bond Levy Proceeds	<u>527,286</u>	<u>979,012</u>	<u>(451,726)</u>	<u>(46)%</u>
Total Income	<u>527,286</u>	<u>979,012</u>	<u>(451,726)</u>	<u>(46)%</u>
Gross Profit	527,286	979,012	(451,726)	(46)%
Expense				
27000 · Debt Service				
27100 · Principal				
27410 · 2008 GO Bond Principal	0	125,000	(125,000)	(100)%
27415 · 2011 GO Bond Principal	70,000	65,000	5,000	8%
27420 · 2016 GO Bond Principal	270,000	135,000	135,000	100%
Total 27100 · Principal	<u>340,000</u>	<u>325,000</u>	<u>15,000</u>	<u>5%</u>
27600 · Interest Expense				
27910 · 2008 GO Bond Interest	0	2,500	(2,500)	(100)%
27915 · 2011 GO Bond Interest	265,655	268,355	(2,700)	(1)%
27920 · 2016 GO Bond Interest	269,756	275,925	(6,169)	(2)%
Total 27600 · Interest Expense	<u>535,411</u>	<u>546,780</u>	<u>(11,369)</u>	<u>(2)%</u>
Total 27000 · Debt Service	<u>875,411</u>	<u>871,780</u>	<u>3,631</u>	<u>0%</u>
Total Expense	<u>875,411</u>	<u>871,780</u>	<u>3,631</u>	<u>0%</u>
Net Ordinary Income	(348,125)	107,232	(455,357)	(425)%
Other Income/Expense				
Other Income				
28200 · Bank Interest Income	4,605	1,843	2,762	150%
Total Other Income	<u>4,605</u>	<u>1,843</u>	<u>2,762</u>	<u>150%</u>
Net Other Income	<u>4,605</u>	<u>1,843</u>	<u>2,762</u>	<u>150%</u>
Net Income	<u>(343,519)</u>	<u>109,076</u>	<u>(452,595)</u>	<u>(415)%</u>