



Budget 2017-2018

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PORT OF NEWPORT BUDGET COMMITTEE MEETING AGENDA

Tuesday, May 9, 2017, 6:00 p.m.
South Beach Activities Room
2120 SE Marine Science Drive, Newport, OR 97365

FREEHOLDER MEMBERS

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

PORT COMMISSION MEMBERS

Walter Chuck (Pos. #1), President; Ken Brown (Pos. #4), Vice President; Patricia Patrick-Joling (Pos. #5), Secretary/Treasurer; Stewart Lamerdin (Pos. #3); and Steve Beck (Pos. #2)

- I. Call to Order/Introductions
- II. Election of Budget Committee Presiding Officer

SAMPLE MOTION: I move to select [enter name] as budget committee president.

- III. Receive Budget Message
- IV. Budget Officer Reviews Budget Document with Committee
- V. Open the Meeting to Public for Questions or Comments
- VI. Approval of Budget (or schedule additional meeting)

SAMPLE MOTION: I move that the budget committee approve the proposed budget [as presented/amended] for the 2017-18 fiscal year.

- VII. Approval of Tax Rate to Submit to Assessor

SAMPLE MOTION: I move that the budget committee approve the tax rate of six-point-zero nine cents (.0609) per \$1000 of assessed value for operating purposes in the General Fund and in the amount of \$1,000,000 for payment of general obligation bond principal and interest in the International Terminal Debt Fund for the 2017-18 fiscal year.

- VIII. Adjournment

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.

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2017 - 18 B U D G E T M E S S A G E

D A T E: *May 9, 2017*
RE: *2017-18 Fiscal Year Budget Presentation*
TO: *Port of Newport Budget Committee*
ISSUED BY: *Kevin Greenwood, General Manager/Budget Officer*

INTRODUCTION

As budget officer, it is my responsibility to prepare the proposed budget, post the necessary notices, hold the committee and budget hearings, and deliver the budget message. There are, however, several people who have helped me develop this budget including Stephen Larrabee, Director of Finance; Mark Harris, Accountant; and Jim Durkee, interim Director of Operations, who also serves as the Port's NOAA MOC-P Facilities Manager. Our other facility managers (Chris Urbach, South Beach Harbormaster; Pete Zerr, International Terminal Manager; and Kent Gibson, North Commercial Harbormaster) also provided valuable input. Karen Hewitt, Administrative Assistant, helped ensure that all notices were published and the budget documents distributed. Management met several times to review this document and without their help and understanding, I would not be able to present this budget.

The budget is the Port's financial plan. The proposed budget figures are based on the best estimate of what the Port will receive (resources) and what the port will spend (requirements) from July 1, 2017 to June 30, 2018. To prepare this estimate, we use past budget years' financial history to estimate future income and schedule our expenditures to balance with expected revenue.

The taxpayers of the district provide financial support to the Port District at a combined rate of 58.96-cents per \$1,000 of Assessed Value (AV). 6.09-cents is the district's permanent rate and 52.87-cents is the district's millage rate for the general obligation bonds (GO) for the terminal remediation and repair. In Lincoln County, the Assessed Value (AV) is 90% of Real Market Value (RMV). A new home in the port district with an appraised value (RMV) of \$300,000 is taxed approximately \$159 this year for port services ($\$300,000 \times 90\% / \$1,000 \times \$0.5896 = \159 .)

The inspiration for this budget comes from a number of Commission sanctioned policy documents. In 2013, the board adopted the Port's Strategic Business and Capital Facilities Plans and updates the capital improvements lists annually. The Commission adopted goals in February covering all aspects of the Port's operation. In addition, the Port Commission conducted a public work session on April 4th to review personnel-related cost estimates and prioritize capital projects. Input from that meeting also aided staff in drafting this budget.

In addition to the budget resolution that will ultimately be adopted in June, there are three other resolutions that should be adopted as part of the Port's budget process: (1) a rate, fee and charges resolution that has been reviewed monthly since December, (2) an employment compensation

resolution that summarizes and authorizes staff wages and benefits, and (3) a capital improvement list prioritizing projects. Copies of those draft resolutions are included in this packet.

The proposed budget is a document comprised of five separate funds: Bonded Debt Fund, Facilities Maintenance Reserve Fund, Construction Fund, NOAA Lease Revenue Fund, and General Operating Fund. All day-to-day operations are accounted for in the General and NOAA Funds. Below is a break- down of the proposed budget by business unit.

FIG 1. - BUDGET 2017-2018 BY OPERATIONAL DEPARTMENT

	GENERAL						NOAA
	Admin.	NIT	So. Beach	No. Comm.	Maint.	Total	Total
OPERATING							
Income	\$665,178	\$388,000	\$1,687,000	\$784,000	\$0	\$3,524,178	\$2,552,500
Expense	\$928,962	\$652,627	\$1,253,133	\$645,190	\$119,688	\$3,599,600	\$2,390,589
<i>Personal Service</i>	\$539,210	\$77,575	\$363,262	\$255,535	\$113,788	\$1,349,370	\$82,385
<i>Materials & Service</i>	\$371,900	\$137,400	\$673,550	\$352,800	\$5,900	\$1,541,550	\$306,470
<i>Debt Service</i>	\$17,852	\$437,652	\$216,321	\$36,855	\$0	\$708,680	\$2,001,734
NET OPERATING	(\$263,784)	(\$264,627)	\$433,867	\$138,810	(\$119,688)	(\$75,422)	\$161,911
NON-OPERATING							
Income	\$226,000	\$0	\$0	\$0	\$0	\$226,000	\$500,000
Expense	\$345,000	\$6,900	\$75,000	\$0	\$20,000	\$446,900	\$666,000
<i>Capital Outlay</i>	\$0	\$6,900	\$75,000	\$0	\$20,000	\$101,900	\$66,000
<i>Transfers</i>	\$160,000	\$0	\$0	\$0	\$0	\$160,000	\$500,000
<i>Other</i>	\$185,000	\$0	\$0	\$0	\$0	\$185,000	\$100,000
NET NON-OPERATING	(\$119,000)	(\$6,900)	(\$75,000)	\$0	(\$20,000)	(\$220,900)	(\$166,000)
NET INCOME	(\$382,784)	(\$271,527)	\$358,867	\$138,810	(\$139,688)	(\$296,322)	(\$4,089)

HIGHLIGHTS

International Terminal Shipping Facility. Developing the Port’s 9-acre parcel at McLean Point into a leasable shipping facility has been the Commission’s top priority for several years. The International Terminal business unit has been losing hundreds of thousands of dollars a year since the facility was completed five years ago. Our FY 15-16 audit showed the International Terminal losing \$220,000 with an outstanding debt balance of \$5.2-million. Other port activities (primarily South Beach) have subsidized the loss. The losses are driven by the annual debt service payments which are budgeted to be \$437,000 in FY 17-18.

FIG. 2 - TERMINAL OPERATING PROFIT AND LOSS (FY 15-18)

Shipping operations not included.

		FY 15-16	FY 16-17	FY 17-18
		Audit	Budget	Budget
OPERATING REVENUE				
	Operational Income	\$383,325	\$285,000	\$388,000
		\$383,325	\$285,000	\$388,000
OPERATING EXPENSE				
	Debt Service	\$441,442	\$437,756	\$437,652
	Materials & Service	\$102,130	\$108,100	\$137,400
	Personal Services	\$59,543	\$71,486	\$77,575
		\$603,115	\$617,342	\$652,627
	NET OPERATING	(\$219,790)	(\$332,342)	(\$264,627)
	LONG TERM DEBT BALANCE	\$5,241,416	\$5,005,206	\$4,753,281
<i>Balances at end of fiscal year</i>				

Since the terminal construction was completed in 2013 and with the absence of shipping, the distant water fleet and midwater trawlers have expanded their use of the facility. In 2014, those Oregon vessels generated \$128-million in fish landings in Alaska and are an economic driver for Lincoln County, but have not generated enough revenue to make up the negative net operating income at the terminal. The Port is committed to working with the distant water fleet and midwater trawlers so that they are part of the process as this project develops.

OPPORTUNITY FOR NEW CASH FLOW AND ECONOMIC DEVELOPMENT

The Port has generated a number of market studies (ref. Shipping Facility Feasibility Study, June 2016; Terminal Renovation Project Economic Analysis, January 2012; and Haglund Softwood Log Export Analysis, April 2014) that show that the log market in Lincoln County is strong.

- Teevin Bros., who will lease the Port's 9-acre facility, is a proven operator and has signed a lease for up to 20-years.
- Ten shipments per year is sustainable and only account for 5% of the private market proving the log market is valid.
- Teevin's heavy equipment would provide opportunities for other commodities.
- Even though the market is lower than during the recession (a boom time for exports), demand continues at the Ports of Astoria and Coos Bay.
- There is a significant transportation cost savings by shipping out of Newport, since most of the timber is within 30-50 miles of Newport.
- The development of a maritime industrial park with private and city urban renewal investment would leverage the Port's investment and provide additional warehousing and laydown areas for the commercial fishing fleet.
- An estimated 50 new jobs would be created with the addition of this shipping facility.

Each Handysize vessel would generate over \$100,000 in tariffs and there would be approximately \$5,000 in direct shipping costs to the Port. In our negotiations with Teevin and their log provider, they anticipate an average of ten shipments a year supported by the market analysis.

Of course there will be expenses related to the venture and the Port will be investing in its future as significant net cash flow won't be realized until the seventh year. Our analysis also takes into account a slower start-up (5-7 shipments in first year), the additional state loan payment (\$118k), the hiring of an additional terminal employee (\$75k), loss of some fishing vessel revenue (\$38-95k), setting aside annual cash for maintenance/dredging reserves (\$100k), and cost sharing with our private financial investor.

The specific operational costs will be approved as a supplemental budget later this calendar year, but staff has produced a tentative budget for the committee's review as an appendix to this document.

This opportunity, however, will make immediate offsets to the current negative cash flow and within 7-8 years net \$500,000-600,000 annually that would be used to replace the Port's depreciated commercial fishing docks, buy down the Port's debt, or other goals to be determined by the Port Commission.

FINANCING SUMMARY

In 2015, the Port received a \$2-million U.S. Dept. of Transportation (TIGER) grant, but other grant applications were not successful. The State of Oregon did agree to loan the Port an additional \$2-million which would add debt to the terminal's liabilities and an \$118,000 annual loan payment to its operational expenses. Late last year, the Port met with Silvan Forestry Inc., a Bellevue, Wash. log broker with a presence in six northwest ports including Coos Bay. Silvan has been interested in gaining access to the Lincoln County log market and has agreed to loan the Port \$2.5-million repaid through a 50% reduction in its tariff rate and is a non-recourse contribution meaning that the Port is not restricting its full faith and credit or collateral in exchange. Last year, a transfer of \$2-million from the NOAA Fund was budgeted, but not utilized. I am recommending a \$500,000 transfer this year to serve as a construction – or bridge – loan to facilitate payments prior to reimbursement.

The aforementioned agreements could be approved at any moment and a supplemental budget for the current year would be brought forward so that construction could begin in advance of the 2017-18 fiscal year.

Port Dock 5 Pier Approach Engineering. Last year the Port Commission prioritized, budgeted, contracted and received a Conceptual Alternatives Analysis for the replacement of the Port Dock 5 (PD5) Pier Approach from OBEC Consulting Engineers. During the year-long study, it was determined that the access could fail in the next few years and a gate was installed to limit truck traffic on the pier. It quickly became a priority for the Commercial Fishermen's User Group (CFUG) as the pier is the only access to the 150 berths located on PD5. Alternative 1 included the replacement of the entire sub-structure while maintaining as much of the current decking as possible. Alternative 2 included a full replacement of the wooden deck with a concrete and steel deck. Alt. 3 included replacing and expanding the entire structure to allow for upwards of 12 trucks to park on the access. Both Alt. 1 and 2 would allow for Alt. 3 to be added at some point in the future.

Following the path forward in the engineer's report, the \$118,000 engineering exercise proposed for this budget would include:

- Perform a condition assessment of the existing timber deck.
- Perform a geotechnical investigation.

- Develop permitting strategies.
- Perform 30% design for Alternative 2.
- Work with CFUG on 30% design input.
- Prepare permitting documents and agency applications.
- Submit permit applications.

This is the first step in what would be a \$1.9-million replacement of another critical piece of port infrastructure.

Upgraded Marketing Materials. During the Commission goal setting, marketing and public relations was discussed. This budget includes \$25,000 (offset by grants) to re-design the Port's website, develop materials for boat and trade shows, and develop better press relations with the community. Both the Oregon Tourism Commission and Oregon Business have grants that could help assist with funding.

BONDED DEBT FUND

The Bonded Debt Fund exists to receive property tax and make general obligation bond payments related to the \$15-million remediation and reconstruction of the International Terminal (IT) passed by district voters in 2006. (The final cost of the project totaled over \$27-million.) This is a fairly simple fund to budget as income may only be used to make debt payments.

It is not necessary to carry a beginning fund balance since most of the property tax is collected in November with plenty of time for the first payment due in January. As such, the Port shows zero fund balances in the budget.

There is good news this year as the Port refinanced the 2007 issuance and that has resulted in a \$50,000 annual savings to district taxpayers. The overall transaction will save taxpayers \$1-million during the 21-year life of the bonds. The higher amounts in the last two fiscal years are accounted for in the transition of paying off the old bond and incurring the new. The Port's finance staff annually researches opportunities for refinancing the Port's debt.

FACILITIES MAINTENANCE RESERVE FUND

The Facilities Maintenance Reserve Fund was created by Res. No. 5-1998 to purchase and repair existing Port infrastructure and property. Resources for this fund are generated through a transfer from the General Fund. Positive operating income from FY 16-17 becomes the basis for transfers into this reserve fund in FY 17-18. Management anticipates transferring \$160,000 from the General Fund in FY 17-18. Priorities for this fund are developed through annual review of the Port's Capital Facilities Plan. In April, the Port Commission reviewed staff's recommendations and will ultimately adopt a resolution identifying the Port's capital priorities in late May. In addition, the Commercial Fishing Users Group (CFUG) also reviewed projects and suggested priorities. The resolution prioritizing projects is included as an appendix to this document and includes a list of all capital needs totaling tens of millions of dollars.

There are a number of capital projects being budgeted this year, but only three of those projects are replacing existing assets: beginning the engineering and permitting for the capital replacement of the Port Dock 5 access pier (\$115k), replacing two forklifts at the North Commercial facility and the International Terminal (\$24k), replacing asphalt at the terminal (\$13k) and replacing/relocating the South Beach RV dump (\$26k). Those project budgets total \$178,000.

It should be noted that we have \$50,000 available for repairs to the terminal structure that were transferred into the fund after the terminal construction was completed, but we do not anticipate using that budget item.

All funds are available for reprioritization in case of maintenance emergencies. For example, in 2014-15, the Port used Maintenance Reserve Funds to replace an emergency failure of the South Beach fuel line which cost \$80,000.

All activities in this fund require Commission approval.

CONSTRUCTION FUND

The Construction Fund receives and expends monies related to construction projects. Most recently it was used for the construction of the International Terminal which is now complete.

The Port has used some unspent proceeds from the terminal construction to pay for pre-construction soft costs related to the development of the shipping facility on 9-acres owned by the Port on McLean Pt. The balance (\$50k) was transferred into the Facilities Maintenance Reserve Fund for future repairs and maintenance of the terminal.

Management is recommending that income and expenses related to the construction of the International Terminal Shipping Facility (ITSF) – once formally approved by the Commission – be accounted for out of the Construction Fund.

The NOAA transfer will be used as a construction loan. This means that the cash from this resource would be used to fund monthly construction expenditures before grant and loan reimbursements are received by the Port. The intent is that NOAA will be repaid as the resources from TIGER and IFA are received. This transfer may also be used as a contingency with repayment in future years determined by the Port Commission.

All activities in this fund require Commission approval.

NOAA FUND

The Port of Newport and the federal government are currently preparing for the sixth year of operations in our twenty year lease. The Marine Operations Center is currently 65% occupied providing working space for 56 federal employees. Though only two vessels (the Rainier and Shimada) are officially homeported in Newport, MOC-P hosts the other five vessels in the Pacific fleet including the Fairweather, Lasker, Hi'iaklakai, Dyson and Sette during the course of the year. The Port is responsible for maintaining six berths capable of mooring these vessels. NOAA pays \$2.5-million annually the vast majority of which pays of the revenue bonds that were used to the build center.

The NOAA fund is a major component of the Port's budget, but is a relatively minor contributor to covering other much-needed improvements around the Port, but, of course, is a great source of pride for Newport and the state. This year's budget anticipates positive operating income of over \$161,000. Positive operating income is normally held in the ending fund balance for a year and then used to either dredge or complete other capital maintenance projects the following year. Dredging the berths is becoming an every other year event and was completed this past winter at a cost of \$300,000.

Management anticipates a beginning fund balance of \$5.68-million of which \$2-million is restricted, and amount which we should increase year. It is critical that these cash reserves stay healthy so ensure

that dredging and repairs to the pier and buildings can be done to the highest standard especially as we near the end of the 20 year lease.

Last year, the Port included a \$2,000,000 placeholder transfer for the shipping facility project that was not used. I am recommending that the budget committee reduce that transfer to \$500,000 into the Construction Fund this year that would serve as bridge financing and/or contingency.

Other capital maintenance projects that the Port is obligated to perform include interior painting (\$60k) and pile cap replacement (\$6k). Since these projects are contractually obligated, they do not appear on the Port's Capital Improvement List.

The Port will be obtaining permits to increase the prism for future dredging efforts. This will increase initial maintenance dredging costs but allow for less frequent dredging.

GENERAL OPERATING FUND

The General Operating Fund will budget for the use of approximately \$300,000 of its reserves, much less than the \$670,000 that was budgeted last year. The Port is anticipating beginning working capital of just over \$1.57-million. Last year we anticipated beginning the year with just over \$1.6-million.

When we focus solely on our net operating income (income and expenses based upon our day-to-day activities), the negative amount is reduced to \$75,000; \$155,000 less than last year.

The Port is budgeting for a 12% increase in Operating Revenue compared to last year's budget estimate. Our projected budget in FY 16-17 was \$3.134-million and we project finishing much stronger based upon an increased number of visitors to the RV Park, more aggressive pricing during high-traffic events, and vigilant CPI adjustments to leases, moorage and service fees.

FIG. 3 - HISTORICAL OPERATING REVENUE (FY 13-18)

	FY 13-14	FY 14-15	%	FY 15-16	%	FY 16-17	%	FY 17-18	%
	Audit	Audit	Δ	Audit	Δ	Projected	Δ	Budget	Δ
Operating Revenue	\$3,062,865	\$3,154,462	3%	\$3,346,165	6%	\$3,485,952	4%	\$3,524,178	1%

This budget does not take into account any operational revenues from the proposed International Terminal Shipping Facility.

Our operating expenses (personal services, materials and services and debt services) are about 5% more than last budget cycle which includes a 7% increase in budgeted personnel services and 9% increase in Materials and Service (M&S).

FIG. 4 - HISTORICAL OPERATING EXPENSES (FY 13-18)

	FY 13-14	FY 14-15	%	FY 15-16	%	FY 16-17	%	FY 17-18	%
	Audit	Audit	Δ	Audit	Δ	Projected	Δ	Budget	Δ
Operating Expenses	\$2,805,065	\$2,750,612	(2%)	\$2,875,632	5%	\$3,183,635	11%	\$3,599,600	13%

Last year, the Commission added a Maintenance Department that has not been hired with the absence of a Director of Operations. The increases in M&S this year are driven by an increase in materials that

will be purchased in order for the maintenance crew to complete its work. The budgeted addition of this maintenance crew will add life to our assets but also decrease the amount available for capital projects.

Personnel Services jumped 7% this year driven by an 8% increase in health care premiums and PERS increases. Public boards should be aware that the State of Oregon is pushing retirement costs on to local governments. Last year we budgeted \$16,665 for PERS expenses. This year it has tripled to \$53,614. I anticipate that these drastic jumps will continue every biennium as the state attempts to balance their budget.

Materials and Services has increased 4%. The highlights here include increased training (+\$15k) for accounting, hazardous materials, customer service, forklift/crane and safety protocols. Management has agreed that investing in our employees is a way to help retention and has made it a priority. Increased information technology and software will increase (+\$5k) to add security cameras to South Beach and upgrade our deficient marina software. Repairs and Maintenance will see the largest increase (+\$74k) which will provide materials for the Maintenance Dept. The Maintenance Dept. is its own unit, but completes work at the various other facilities which still have to budget for the materials. Most of this increase will be seen in the purchase of dock materials, building materials like siding and roofing. In addition, the increased RV Park landscaping (+\$30k) based upon collecting high-traffic event surcharges can be found here as a special project. I would also note that in the past we have shown the collected room tax revenue (+\$51k) but our auditor has suggested not budgeting for that as a pass through.

Regarding non-operating net activity, the Port will receive \$98,500 in permanent taxes which is used for non-operating expenses such as capital outlay and grant related expenses. We are also showing a \$25,000 grant for upgrading the Port's website and marketing efforts, a \$37,500 grant toward our new fish cleaning table in South Beach, and a \$10,000 safety grant. I am also recommending a \$100,000 contingency for emergencies and a \$160,000 transfer out of the General Fund into the Facilities Maintenance Reserve Fund.

Capital Outlay will see \$101,900 in non-operating activity this year, including acquisition of a maintenance truck, installation of an additional fish cleaning station in South Beach, and installation of a water stand pipe at the International Terminal

At the end of the year, we are budgeting \$1,275,816 left in cash reserves. Last year's budget showed an ending fund balance of \$944,866 but this year should be much tighter with the increased operational costs.

CONCLUSION

The revenues and expenditures submitted to you are my recommendations based upon valuable input from our management team and review by the commission. As members of the budget committee, you may adjust these numbers. Once you decide on acceptable budget numbers and approve the budget, the Port Commission may not adjust these figures by more than 10% without a supplemental budget.

As in the past, we will approach spending decisions with strict direction to the revenue side and will take into consideration only the absolute needs and resource limitations of the Port prior to executing a decision to spend. Commissioners and staff will continue to demand a focused operation on the expenditure side of the budget, not only due to our newest developments and challenges but also to allow us to meet the goals and visions of the commission and management as described above.

Finally, I would like to thank the Port Commission for setting clear goals and direction and Port staff for implementing their priorities. Also, thanks for the hundreds of hours volunteered by the Commission this past year. Because of this combined effort, the Port will continue to be focused and successful.

Sincerely,

A handwritten signature in black ink that reads "Kevin M. Greenwood". The signature is written in a cursive style with a large, stylized 'K' and 'G'.

Kevin M. Greenwood
General Manager/Budget Officer

Enclosures

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**Port of Newport
Bonded Debt Fund
Budget 2017-2018
(General Obligation Bonds issued for Terminal Construction)**

	<u>Actuals</u> <u>2015-16</u>	<u>Approved</u> <u>2016-17</u> <u>Budget</u>	<u>Proposed</u> <u>2017-18</u> <u>Budget</u>
<u>Resources</u>			
Beginning Working Capital	\$ 166,326	\$ -	\$ -
Interest Income and Bond Refinance Proceeds	\$ 4,736	\$ 700	\$ 1,000
Previous Levied Taxes	\$ 34,870	\$ 31,000	\$ 25,000
Taxes Tax levy will be similar to last fiscal year at \$1,000,000. The goal is to levy just enough taxes to pay debt without collecting more than necessary.	\$ 938,185	\$ 1,340,334	\$ 850,000
Proceeds of Refunding Bonds	\$ 8,348,134	\$ -	\$ -
Total Resources	<u>\$ 9,492,251</u>	<u>\$ 1,372,034</u>	<u>\$ 876,000</u>
<u>Appropriations</u>			
2007 Bond Principal	\$ 120,000	\$ 125,000	\$ -
2008 Bond Principal	\$ 115,000	\$ 120,000	\$ 125,000
2011 Bond Principal	\$ 65,000	\$ 65,000	\$ 65,000
2016 Bond Principal	\$ -	\$ 155,000	\$ 135,000
2007 Bond Interest	\$ 90,339	\$ 170,878	\$ -
2008 Bond Interest	\$ 93,870	\$ 173,340	\$ 3,000
2011 Bond Interest	\$ 272,580	\$ 271,605	\$ 271,000
2016 Bond Interest	\$ -	\$ 291,211	\$ 277,000
Fund Transfer		\$ -	\$ -
Refunded Bond Payment	\$ 8,348,134	\$ -	\$ -
Ending Working Capital	\$ 387,328	\$ -	\$ -
Total Requirements	<u>\$ 9,492,251</u>	<u>\$ 1,372,034</u>	<u>\$ 876,000</u>

**Port of Newport
Facilities Maintenance Reserve Fund
Budget 2017-2018**

	<u>Actuals</u> <u>2015-16</u>	<u>Approved</u> <u>2016-17</u> <u>Budget</u>	<u>Proposed</u> <u>2017-18</u> <u>Budget</u>
<u>Resources</u>			
Beginning Working Capital	\$ 48,378	\$ 85,000	\$ 75,500
Interest Income	\$ 185	\$ 125	\$ 199
Loans	\$ -	\$ -	\$ -
Grants	\$ -	\$ -	\$ -
Transfers In	\$ 125,000	\$ 85,000	\$ 160,000
Transfer in from General Fund			\$ -
Transfer in from Constrution Fund			\$ -
 Total Resources	 <u>\$ 173,563</u>	 <u>\$ 170,125</u>	 <u>\$ 235,699</u>
<u>Appropriations</u>			
Repairs & Maintenance	\$ 99,785	\$ 120,125	\$ 177,699
Any expenditures from this fund are approved in advance by the Board of Commissioners.			
Contingency	\$ -	\$ -	\$ 8,000
Reserved for Future Expenditure	\$ 73,778	\$ 50,000	\$ 50,000
Repairs for Int'l Terminal Docks*			
 Total Requirements	 <u>\$ 173,563</u>	 <u>\$ 170,125</u>	 <u>\$ 235,699</u>

* \$50,000 assigned fund balance for international terminal dock repairs.

**Port of Newport
Construction Fund
Budget 2017-2018**

	<u>Actuals</u> <u>2015-16</u>	<u>Approved</u> <u>2016-17</u> <u>Budget</u>	<u>Proposed</u> <u>2017-18</u> <u>Budget</u>
<u>Resources</u>			
Beginning Working Capital	\$ 183,267	\$ 75,000	\$ -
Interest Income Bank balance winding down so reduced interest earnings.	\$ 376	\$ 100	\$ 100
Intergovernmental Grants and Loans	\$ -	\$ -	\$ 4,000,000
Private Loan Proceeds			\$ 2,500,000
Transfers In Interfund Loan from NOAA Fund	\$ -	\$ 2,000,000	\$ 500,000
Total Resources	<u>\$ 183,643</u>	<u>\$ 2,075,100</u>	<u>\$ 7,000,100</u>
<u>Appropriations</u>			
Capital Outlays	\$ 79,414	\$ 2,050,100	\$ 6,500,000
Transfers Out Transfer to Facility Maint. Reserve Fund	\$ 25,000	\$ 25,000	\$ -
Repayment of Interfund Loan from NOAA Fund	\$ -	\$ -	\$ 500,000
Unappropriated Ending Fund Balance	\$ 79,229	\$ -	\$ 100
Total Requirements	<u>\$ 183,643</u>	<u>\$ 2,075,100</u>	<u>\$ 7,000,100</u>

All expenses in this Fund require approval by the Board of Commissioners.

**Port of Newport
NOAA Fund
Budget 2017-2018
Budget Summary**

Beginning Working Capital \$ 5,678,779

Operating Activity

Operating Revenues \$ 2,552,500

Operating Expenses

Personnel Services \$ 82,385

Materials and Services 306,470

Debt Service 2,001,734

Total Operating Expenses 2,390,589

Operating Revenue Over/(Under) Expenses \$ 161,911

Nonoperating Activity

Nonoperating Revenues \$ 500,000

Nonoperating Expenses

Materials & Services \$ 60,000

Capital Outlay 6,000

Interfund Loan to Construction Fund 500,000

Contingency 100,000

Total Nonoperating Expenses 666,000

Nonoperating Revenue Over/(Under) Expenses \$ (166,000)

Unappropriated Ending Fund Balance \$ 5,674,690

**Port of Newport
NOAA Fund
Budget 2017-2018
Resources**

	Actuals	Approved	Proposed
	2015-16	2016-17	2017-18
	_____	_____	_____
Working Capital	\$ 5,565,928	\$ 5,565,928	\$ 5,678,779
Lease Revenue	\$ 2,541,138	\$ 2,542,000	\$ 2,542,000
Land and building leases			
Interest	\$ 10,572	\$ 10,500	\$ 10,500
Bank interest earned on Port funds			
Transfers In			
Interfund loan repayment from Construction Fund	\$ -	\$ -	\$ 500,000
Miscellaneous Revenue	\$ 14,845	\$ -	\$ -
Total Resources	<u><u>\$ 8,132,483</u></u>	<u><u>\$ 8,118,428</u></u>	<u><u>\$ 8,731,279</u></u>

**Port of Newport
NOAA Fund
Budget 2017-2018
Appropriations**

	<u>Actuals</u> <u>2015-16</u>	<u>Approved</u> <u>2016-17</u> <u>Budget</u>	<u>Proposed</u> <u>2017-18</u> <u>Budget</u>
<u>Personnel Services</u>			
Wages	\$ 75,153	\$ 53,290	\$ 55,994
Federal Payroll Taxes	\$ 5,748	\$ 4,077	\$ 4,285
Oregon Unemployment	\$ 1,300	\$ 1,438	\$ 1,454
PERS	\$ -	\$ 240	\$ 2,581
Worker's Comp	\$ 7,401	\$ 7,359	\$ 7,729
Health Insurance	\$ 7,792	\$ 7,655	\$ 7,992
Health Reimbursement Arrangement	\$ -	\$ 1,500	\$ 2,000
Employee Incentives & Other	\$ -	\$ 200	\$ 350
Total Personnel Service Expenses	<u>\$ 97,394</u>	<u>\$ 75,759</u>	<u>\$ 82,385</u>
<u>Materials and Services (Operating Expenses)</u>			
Insurance	\$ 107,298	\$ 126,000	\$ 134,500
Flood - Admin Bldg. & Warehouse	\$ 1,700		
Environment Liability - DSL Land	\$ 1,800		
Flood & Earthquake	\$ 78,000		
Property	\$ 37,000		
General Liability	<u>\$ 16,000</u>		
	\$ 134,500		
Professional Services	\$ 9,436	\$ 5,400	\$ 20,000
Administration & Marketing Expenses			
Office Supplies & Materials	\$ 690	\$ 1,000	\$ 1,000
IT Hardware & Software	\$ 2,925	\$ 3,000	\$ 3,000
Dues & Subscriptions	\$ -	\$ 200	\$ 200
Meeting Supplies	\$ 95	\$ 450	\$ 450
Education & Travel	\$ 770	\$ 500	\$ 500
Postage & Shipping	\$ -	\$ 100	\$ 100
Bank & Payroll Fees	\$ 30	\$ 1,200	\$ 1,500
Loan Fee Administration	\$ 650	\$ 850	\$ 1,000
Bond Rating Fee	\$ 10,000	\$ 10,000	\$ 10,000
Licenses & Permits	\$ 105	\$ 2,200	\$ 2,200
Dredging and other permit costs			
Contracted Services	\$ 68,997	\$ 92,900	\$ 45,000
Annual service requirements			

**Port of Newport
NOAA Fund
Budget 2017-2018
Appropriations**

	<u>Actuals</u> <u>2015-16</u>	<u>Approved</u> <u>2016-17</u> <u>Budget</u>	<u>Proposed</u> <u>2017-18</u> <u>Budget</u>
Utilities			
Electricity	\$ 961	\$ 900	\$ 7,000
Refuse & Recycling	\$ 4,346	\$ 4,500	\$ 5,000
Telecommunications	\$ 3,522	\$ 3,800	\$ 4,500
Water & Sewer	\$ 920	\$ 820	\$ 4,000
Materials and Supplies	\$ 18,184	\$ 16,350	\$ 20,000
Fuel (Gas, Diesel, Oil, Lubes)	\$ 363	\$ 1,200	\$ 1,100
Small Tools & Equipment	\$ 204	\$ 1,000	\$ 1,000
Equipment Rental	\$ 1,537	\$ 1,650	\$ 1,200
Office Rent & DSL Leases	\$ 10,157	\$ 13,580	\$ 9,500
Repair & Maintenance Reserves	\$ 55,596	\$ 33,720	\$ 33,720
Total Materials and Services (Operating Expenses)	<u>\$ 296,786</u>	<u>\$ 321,320</u>	<u>\$ 306,470</u>
<u>Debt Service</u>			
Revenue Bond Series 2010	<u>\$ 1,999,434</u>	<u>\$ 1,997,335</u>	<u>\$ 2,001,734</u>
<u>Nonoperating Expenses</u>			
Capital Outlay/Maintenance	\$ 10,090		
Dredging		\$ 310,000	
Recreation mitigation, improvements		\$ 58,000	
Steel pile caps, painting			\$ 66,000
Transfers Out	\$ -	\$ 2,000,000	\$ 500,000
Interfund loan To Construction Fund			
Contingency		\$ 100,000	\$ 100,000
Contingency set aside in case of unexpected expenses. Commission must approve transfer of Contingency to one of the appropriation sections (Personnel Services, Materials and Services, or Capital Outlay).			
Total Nonoperating Expenses	<u>\$ 10,090</u>	<u>\$ 2,468,000</u>	<u>\$ 666,000</u>
Total Appropriations	<u>\$ 2,403,704</u>	<u>\$ 4,862,414</u>	<u>\$ 3,056,589</u>

**Port of Newport
General Operating Fund
Budget 2017-2018
Budget Summary**

Beginning Working Capital \$ 1,572,138

Operating Activity

Operating Revenues \$ 3,524,178

Operating Expenses

Personnel Services	\$ 1,349,370
Materials and Services	\$ 1,541,550
Debt Service	<u>\$ 708,680</u>

Total Operating Expenses \$ 3,599,600

Operating Revenue Over/(Under) Expenses \$ (75,422)

Nonoperating Activity

Nonoperating Revenues \$ 226,000

Nonoperating Expenses

Materials and Services	\$ 85,000
Capital	\$ 101,900
Contingency	\$ 100,000
Transfer Out to Facility Maint. Reserve	\$ 160,000

Total Nonoperating Expenses \$ 446,900

Nonoperating Revenue Over/(Under) Expenses \$ (220,900)

Unappropriated Ending Fund Balance \$ 1,275,816

**Port of Newport
General Operating Fund
Budget 2017-2018
Resources**

	<u>Actuals</u>	<u>Approved</u>	<u>Proposed</u>
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
		<u>Budget</u>	<u>Budget</u>
<u>Operating Revenues</u>			
Beginning Fund Balance	\$ 1,415,035	\$ 1,615,035	\$ 1,572,138
Lease Revenue	\$ 611,004	\$ 616,081	\$ 665,178
Land and building leases			
Captains Charters	\$ 14,255		
Carson Oil - Terminal Fueling	\$ 6,000		
Carver - Port Dock 5 Fuel Dock	\$ 8,998		
Carver - South Beach Fuel Dock	\$ 6,995		
Chelsea Rose	\$ 5,798		
Englund Marine	\$ 75,134		
Foulweather Trawl	\$ 20,742		
J. Lamb Marine Electric	\$ 7,290		
Leslie Lee, Inc.	\$ 6,426		
Newport Belle B & B	\$ 9,942		
Newport Marina Store	\$ 36,313		
Newport Marine Co. (Embarcadero)	\$ 2,772		
Northern Refrigeration	\$ 4,092		
Oregon Brewing Company	\$ 348,011		
Pacific Draggers, Inc.	\$ 5,028		
Pacific Shrimp	\$ 3,400		
Patty Mae	\$ 4,757		
Seafarer Brokerage	\$ 3,769		
Seafood & Wine Festival	\$ 5,510		
Trident Seafoods Corp.	\$ 70,001		
US Customs	\$ 8,748		
Yaquina Bay Yacht Club	\$ 6,156		
Yaquina Trawlers, Inc.	\$ 5,041		
	<u>\$ 665,178</u>		
*CPI adjustments, fuel gallons, and % of sales estimated			
International Terminal Moorage	\$ 94,570	\$ 80,000	\$ 100,000
International Terminal Shipping	\$ -	\$ -	\$ -
International Terminal Services	\$ 282,143	\$ 205,000	\$ 278,000
Electricity	\$ 8,000		
Forklifts Services	\$ 25,000		
F/V Fueling	\$ 8,000		
Hydro Crane Services	\$ 60,000		
Labor & Misc	\$ 50,000		
Lot Storage	\$ 80,000		
Net Repair	\$ 2,000		
Service Dock Tie ups	\$ 45,000		
	<u>\$ 278,000</u>		

**Port of Newport
General Operating Fund
Budget 2017-2018
Resources**

	Actuals <u>2015-16</u>	Approved 2016-17 <u>Budget</u>	Proposed 2017-18 <u>Budget</u>
ILWU Labor	\$ -	\$ -	\$ 10,000
Fees collected for longshoreman loading shipping containers.			
Bay Front Moorage	\$ 456,691	\$ 440,000	\$ 460,000
Vessel use of Port Docks 1, 3, 5, 7, & Swede's.			
Bay Front Marina Services	\$ 279,284	\$ 251,000	\$ 324,000
Electrical	\$ 1,500		
Labor	\$ 80,000		
Waste Oil Dump	\$ 2,000		
Pallets (New Charge \$5.62/pallet)	\$ 500		
Restroom Keys & Misc	\$ 4,000		
Port Operated Hoists (1 & 3)	\$ 4,000		
Forklift Services	\$ 25,000		
Lot Storage	\$ 100,000		
Service Dock Tie up	\$ 100,000		
Comm. Marina Parking Passes	\$ 7,000		
	<u>\$ 324,000</u>		
South Beach Moorage	\$ 669,626	\$ 655,000	\$ 700,000
Moorage within the South Beach Marina			
Liveaboard Revenue	\$ 12,610	\$ 14,000	\$ 14,000
Surcharge for living on vessel in SB Marina.			
Launch Ramp			
Use of South Beach Marina launch ramp.	\$ 73,596	\$ 70,000	\$ 70,000
\$6 per launch, \$80 annual pass (\$65 for Port District Residents)			
RV Park Space Rentals	\$ 767,746	\$ 700,000	\$ 830,000
Rates vary by season and length of stay.			
Main RV Park	\$ 670,000		
Annex RV Park	\$ 160,000		
	<u>\$ 830,000</u>		
Marina & RV Park Online Booking Fees	\$ -	\$ -	\$ -
Not charging fee - want to encourage online booking.			
Property & Dredge Sales	\$ 1,298	\$ 2,000	\$ 2,000
Dredged sand \$2/yard (1,000 yards)			
Miscellaneous Revenue	\$ 97,597	\$ 47,000	\$ 71,000
Late Fees & Cancellation Fees	\$ 14,000		
Lot Storage	\$ 17,000		
South Beach Marina Showers	\$ 9,000		

**Port of Newport
General Operating Fund
Budget 2017-2018
Resources**

		<u>Actuals</u> <u>2015-16</u>	<u>Approved</u> <u>2016-17</u> <u>Budget</u>	<u>Proposed</u> <u>2017-18</u> <u>Budget</u>
SB Marina & RV Park Laundry	\$ 20,000			
Pet Fees	\$ 4,000			
Other (DVD sales, office fees, etc.)	\$ 7,000			
	<u>\$ 71,000</u>			
Total Operating Revenue		<u>\$ 3,346,165</u>	<u>\$ 3,134,081</u>	<u>\$ 3,524,178</u>
<u>Nonoperating Revenues</u>				
Grants & Other		\$ 1,800	\$ 393,295	\$ 122,500
Any possible grants are included in this section with the corresponding expenses (including match) included in Capital.				
Marketing Grant	\$ 25,000			
Other Grants	\$ 50,000			
Fillet Table	\$ 37,500			
SDAO Safety Grant	\$ 10,000			
	<u>\$ 122,500</u>			
Interest		\$ 6,850	\$ 4,000	\$ 5,000
Bank interest earned on Port funds. Checking earning .1% & Savings .15% to .30%				
Property Tax - Current Year		\$ 96,318	\$ 87,400	\$ 91,400
Defined by law to be \$.0609/\$1,000. 6/30/17 value for the Port District is \$1,729,196,391 Historically collect 85.3% of current year.				
Property Tax - Prior Years		\$ 3,922	\$ 7,100	\$ 7,100
Historically collect 7.1% from past years.				
Transfers In from Other Funds		\$ -	\$ -	\$ -
Total Nonoperating Revenue		<u>\$ 108,890</u>	<u>\$ 491,795</u>	<u>\$ 226,000</u>
Total Resources		<u>\$ 4,870,090</u>	<u>\$ 5,240,911</u>	<u>\$ 5,322,316</u>

**Port of Newport
General Operating Fund
Budget 2017-2018
Personnel Services**

	<u>Actuals</u>	<u>Approved</u>	<u>Proposed</u>
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
		<u>Budget</u>	<u>Budget</u>
Salaries & Wages	\$ 767,818	\$ 895,554	\$ 931,603
Full-Time Employees			
Estimated 24 Full-Time			
Federal Payroll Tax Expense	\$ 58,738	\$ 71,570	\$ 71,268
6.2% - Social Security	\$ 931,603	\$ 57,759	
1.45% - Medicare	\$ 931,603	\$ 13,508	
		<u>\$ 71,268</u>	
Unemployment Expense	\$ 18,733	\$ 21,168	\$ 20,417
State of Oregon Unemployment - .1% of Wages			
2.7% of first \$35,000 - OR Unemployment			
Workers Compensation	\$ 27,187	\$ 65,455	\$ 65,191
Special Districts - percentage of salaries times 1.38 (Experience Mod)			
Employee Health Insurance	\$ 135,726	\$ 170,704	\$ 184,127
Port paid health, vision, dental, and life insurance coverage through SDAO - Regence Red PPO L.			
\$665.44/pp/mo. Increase of 4.2% from last year			
Health Reimbursement Arrangement (HRA)	\$ 9,669	\$ 15,500	\$ 18,500
Employee reimbursement for medical expenses above \$1,000 deductible with an annual maximum reimbursement of \$3,500.			
PERS Expense	\$ 14,573	\$ 16,665	\$ 53,614
Retirement contribution by employer for eligible employees.			
Employees in Tier 1 and Tier 2 are 13.54% of wages.			
Employees in OPSRP system are at 4.61% of wages.			
Employee Incentives & Other	\$ 8,105	\$ 4,000	\$ 4,650
Birthday cards, employee meetings, holiday party and miscellaneous costs			
Total Personnel Services	<u><u>\$ 1,040,549</u></u>	<u><u>\$ 1,260,616</u></u>	<u><u>\$ 1,349,370</u></u>

**Port of Newport
General Operating Fund
Budget 2017-2018
Materials and Services**

	Actuals 2015-16	Approved 2016-17 Budget	Proposed 2017-18 Budget
<u>Operating Expenses</u>			
Insurance	\$ 175,423	\$ 169,200	\$ 172,300
SDAO - Gen. Liability, Property, Auto, Flood	\$ 126,000		
Western Surety - Notary Public Bond	\$ 300		
Servco Pacific - Docks & Port Vessels	\$ 46,000		
	\$ 172,300		
Professional Fees	\$ 51,135	\$ 57,000	\$ 58,000
Audit & Accounting	\$ 25,000		
Legal	\$ 33,000		
Marketing & Promotion	\$ 16,067	\$ 24,500	\$ 25,000
Advertising & Publications	\$ 16,200		
Good Sam membership & advertising			
Public notices, newspaper ads, DVD's			
Promotional & Sponsorships Expenses	\$ 8,800		
Promotional items			
Sponsorships			
Dues & Subscriptions	\$ 16,048	\$ 20,150	\$ 22,300
Assoc. of Pacific Ports, Greater Newport Chamber, Newport Rotary Club, OR Cascade West Council of Govts, OR Coastal Zone Mgmt. Assoc., OR Municipal Finance Offers Assn., Pacific Coast Congress of Harbormasters, Pacific NW Waterway Assn., State Purchasing, YB Economic Foundation, Family Motor Coach Assn., Central OR Coast Assoc.			
Employee Education	\$ 8,098	\$ 9,500	\$ 25,100
Conferences, seminars, maintenance training & misc. education			
Travel			
Travel expenses to conferences, Mission to Washington, etc.	\$ 13,343	\$ 14,700	\$ 15,500
Office Expenses			
Office Supplies	\$ 16,899	\$ 14,800	\$ 16,000
IT Hardware/Software & Supplies	\$ 16,348	\$ 25,600	\$ 31,000
For new marina software and Hercules renewal fee			
Equipment Rental & Leases	\$ 5,104	\$ 6,900	\$ 6,900
Leases for copiers & postage meter			

**Port of Newport
General Operating Fund
Budget 2017-2018
Materials and Services**

	<u>Actuals</u> 2015-16	<u>Approved</u> 2016-17 Budget	<u>Proposed</u> 2017-18 Budget
Postage	\$ 2,136	\$ 2,500	\$ 3,200
Bank Fees Primarily credit card processing fees	\$ 36,621	\$ 40,500	\$ 39,000
Bond Fees Fees charged to service bond debt	\$ 420	\$ 2,000	\$ 2,000
Licenses & Permit Fees Air quality, DEQ, DSL, fire protection, land use fees, City use fees	\$ 10,657	\$ 9,300	\$ 12,000
Utilities			
Electric	\$ 220,992	\$ 236,500	\$ 259,000
Water & Sewer	\$ 100,332	\$ 115,000	\$ 128,000
Natural Gas	\$ 3,086	\$ 4,000	\$ 4,000
Refuse	\$ 64,617	\$ 72,000	\$ 77,000
Telephone	\$ 7,410	\$ 6,750	\$ 7,650
Cell	\$ 4,631	\$ 6,150	\$ 6,700
Cable/Satellite TV (RV parks)	\$ 11,715	\$ 11,500	\$ 14,000
Internet (S. Beach RV Park & Marina Wi-Fi bandwidth)	\$ 9,984	\$ 11,500	\$ 11,500
	<u>\$ 422,767</u>	<u>\$ 463,400</u>	<u>\$ 507,850</u>
Contract & Support Services			
IT Services	\$ 11,775	\$ 11,800	\$ 13,000
Payroll Services	\$ 1,630	\$ 1,200	\$ 1,200
Janitorial	\$ 39,758	\$ 40,300	\$ 41,600
Grounds & Parking Lots	\$ 36,490	\$ 46,100	\$ 46,100
Security	\$ 80,462	\$ 87,000	\$ 92,000
Portable Restrooms	\$ 7,710	\$ 7,250	\$ 9,500
Other (Plumbing, HVAC, & Electrical...)	\$ 20,878	\$ 53,300	\$ 52,800
	<u>\$ 198,703</u>	<u>\$ 246,950</u>	<u>\$ 256,200</u>
Repairs & Maintenance			
Buildings	\$ 20,239	\$ 25,000	\$ 29,000
Vehicles	\$ 2,932	\$ 4,200	\$ 5,700
Heavy Equipment (Crane, Forklifts, Hoists...)	\$ 19,498	\$ 11,000	\$ 13,400
Equipment (Mowers, Dumpsters, Landscaping Equipment...)	\$ 6,474	\$ 27,100	\$ 25,600
Vessels (Tug & Boston Whaler)	\$ 927	\$ 7,500	\$ 6,000
Docks	\$ 10,810	\$ 23,000	\$ 46,000
Grounds	\$ 14,129	\$ 17,500	\$ 28,500
Special Projects (Landscaping in RV park)	\$ -	\$ -	\$ 30,000
Repairs & Maintenance - Other	\$ 1,431	\$ 1,000	\$ 6,500
	<u>\$ 76,440</u>	<u>\$ 116,300</u>	<u>\$ 190,700</u>

**Port of Newport
General Operating Fund
Budget 2017-2018
Materials and Services**

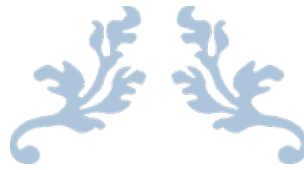
	<u>Actuals</u> <u>2015-16</u>	<u>Approved</u> <u>2016-17</u> <u>Budget</u>	<u>Proposed</u> <u>2017-18</u> <u>Budget</u>
Equipment & Small Tools			
Small Tools & Equipment	\$ 15,073	\$ 16,500	\$ 13,000
Equipment Lease/Rentals	\$ 797	\$ 3,400	\$ 3,800
Operating Supplies & Fuel			
Electrical Supplies	\$ 8,773	\$ 10,300	\$ 12,900
Restroom & Cleaning Supplies	\$ 21,565	\$ 29,300	\$ 30,000
Safety Equip & Uniforms	\$ 7,745	\$ 10,100	\$ 11,300
Operating Supplies	\$ 9,891	\$ 11,800	\$ 13,500
Equipment Fuel, Propane, Lubes & Misc.	\$ 10,192	\$ 15,500	\$ 16,000
	<u>\$ 58,166</u>	<u>\$ 77,000</u>	<u>\$ 83,700</u>
Shipping Expenses			
ILWU Wages	\$ 2,066	\$ -	\$ 7,000
DSL & State Land Fees	\$ 28,307	\$ 35,000	\$ 37,000
<p>Oregon Department of State Lands - leases for submerged lands under marinas and review fees for dredging. 3% of gross income for Bayfront Port Docks & Terminal \$ 0.257 per square foot of South Beach Marina (394,218 sq. ft.) \$.85/yard of dredged sand the Port sells</p>			
Building & Land Leases	\$ 14,093	\$ 14,000	\$ 14,000
Portable building leases			
Bad Debt Expense	\$ 13,303	\$ -	\$ -
Room Tax			
Short-term RV rental taxes collected	\$ -	\$ 51,000	\$ -
Materials & Services Expenses (Operating)	<u>\$ 1,198,014</u>	<u>\$ 1,420,200</u>	<u>\$ 1,541,550</u>
<hr/>			
<u>Nonoperating Expenses</u>			
Grants & Other			
Grants - Marketing, SDAO Safety, and other	\$ 1,975	\$ 45,000	\$ 85,000
Total Materials & Services	<u>\$ 1,199,989</u>	<u>\$ 1,465,200</u>	<u>\$ 1,626,550</u>

**Port of Newport
General Operating Fund
Budget 2017-2018
Capital Outlay**

	Actuals	Approved	Proposed
	2015-16	2016-17	2017-18
	_____	_____	_____
Capital Outlay	\$ 20,345	\$ 710,295	\$ 101,900
	=====	=====	=====
Water stand pipe at west berth	\$ 6,900		
Fillet table at F-dock	\$ 75,000		
Vehicle(s) for maintenance crew	\$ 20,000		
	<u>\$ 101,900</u>		

**Port of Newport
General Operating Fund
Budget 2017-2018
Debt Service**

	Actuals 2015-16	Approved 2016-17 Budget	Proposed 2017-18 Budget	
	<u>\$ 637,069</u>	<u>\$ 699,934</u>	<u>\$ 708,680</u>	
Loan	June 30, 2017 Outstanding Balance	Principal	Interest	2017-18 Debt Service
OR Port Revolving Loan #520161 1999 Loan (\$202,985) to build Serven building in South Beach. Building leased to OR Brewing Co. 6% Interest, 20 years	\$ 33,408	\$ 16,208	\$ 1,644	\$ 17,852
OR Special Public Works Loan #L00012 2004 loan (\$86,683) - Terminal dock remediation and geotechnical investigation and engineering. Project was funded as half grant, half loan. 6% Interest, 21 years	\$ 46,643	\$ 4,721	\$ 2,799	\$ 7,520
OR Special Public Works Loan #Q10001 2010 (\$1,300,000) EPA Coalition Brownfields Loan: Remediation of hazardous materials. Amortization calculated at \$1,300,000 (\$1.5MM with \$200,000 in loan forgiveness possible) 3% Interest, 21 years	\$ 1,130,334	\$ 60,563	\$ 33,037	\$ 93,600
OR Special Public Works Loan #L12005 2012 Terminal loan (\$3,500,000). 3.87% Interest, 21 years	\$ 2,681,657	\$ 114,432	\$ 103,780	\$ 218,212
Series 2013 FF&C Obligations 2013 loan (\$3,410,000) South Beach RV Park debt refinancing and \$890,000 new debt for Terminal construction. Interest varies between 3 - 3.5%, 20 years	\$ 3,075,000	\$ 190,000	\$ 98,559	\$ 288,559
Oregon Coast Bank #10021575 & #10032077 2010 loan (\$465,811) - Terminal Buildings Variable Interest (6% minimum), 15 years	\$ 347,072	\$ 22,809	\$ 20,486	\$ 43,295
Toyota Financial Services 2012 South Beach Forklift (\$24,767) 5 year capital lease (\$1 buyout)	\$ 2,751	\$ 2,751	\$ 36	\$ 2,787
2013 Commercial Marina Forklift (\$31,357) 5 year capital lease (\$1 buyout)	\$ 10,088	\$ 6,601	\$ 304	\$ 6,905
Oregon Brewing Company 2016 loan (\$210,295) 49% of costs for South Beach multi-use area. No interest, 5 years	\$ 195,320	\$ 29,950	\$ -	\$ 29,950
				<u><u>\$ 708,680</u></u>



2017 PORT OF NEWPORT COMMISSION GOAL SETTING

Including Mission, Vision and Organization Values



ADOPTED FEBRUARY 28, 2017
PORT OF NEWPORT
600 SE Bay Blvd., Newport, OR 97365

Mission, Vision and Governing Values

A. Mission Statement

Build and maintain waterfront facilities, and promote projects and programs in cooperation with other community organizations and businesses that will retain and create new jobs and increase community economic development.

B. Vision Statement

The Port of Newport will serve as the premier Oregon coast port for the commercial fishing fleets, for recreational fishing and tourism, and for ocean observation and marine research support. We will be one of the top two Oregon coast ports for waterborne commerce while protecting and enhancing the beauty and integrity of the natural environment which is the foundation of our working waterfront community.

C. Governing Values

- 1) **Leadership.** The Port of Newport accepts **responsibility** for taking the lead role on behalf of the citizens of the Port District in actively pursuing **economic progress**, which we believe means building and maintaining an economically diverse and thriving community that is resilient in its ability to respond positively to changing conditions and circumstances.
- 2) **Service.** Our business is public service – to the commercial and recreational fishing fleets, to the tourist and marine industries, to our lessees and visitors, and to the citizens of the Port District. Our intent is to strive constantly for **quality** in all the services we provide.
- 3) **Collaboration.** We pursue and maintain mutually supportive partnerships with our neighbors, including the private sector and local, state and federal government agencies. In the Port’s experience, the greater Newport community owes a significant part of its success to the foundational belief of governments and citizens alike to work with determination toward common goals in a spirit of mutual respect and cooperation.
- 4) **Accountability.** The Port serves as a steward of public resources. We manage our properties in a responsible manner, and support our personnel – our human resources – through regular feedback and evaluations designed to improve competence and performance.
- 5) **Sustainability.** The Port recognizes that we must manage the resources of the built environment and the natural environment in a manner that does not compromise the ability of future generations to meet their needs. To that end, we will maintain our capital facilities in working order, we will manage the funds entrusted to us wisely, prudently and ethically, and we will maintain policies that guide us in helping nurture a healthy estuary that is the foundation of our working waterfront.
- 6) **Optimism.** We have confidence in the importance of our mission, and in our ability to overcome obstacles, seize opportunities, and pursue our vision through steadfastness of purpose, awareness of our core values, and persistent focus on achievement.

2017 Port of Newport Goal Setting Summary

1. Fund the International Terminal Shipping Facility

This includes completing the financing for the ITSF project as well as developing markets for the facility when complete.

2. Marketing and Public Relations

This includes updating the website, along with improving marketing through Facebook and Yelp!

3. Review Port Agreements

This includes reviewing Moorage License agreements for all facilities for completeness, strengthen enforceability of moorage and storage agreements and reviewing agreements for environmental policy.

4. Financial Strength

This includes better defining of profit centers, reviewing contracted services for best value, determining how much Port is making/losing in a given area, and identifying strengths and liabilities.

5. Review Capital Plan & Priorities

In particular, moving the repair of the Rogue sea wall up on the priority list.

6. Port of Newport Administrative Office

This includes exploring options for building a new structure and looking at South Beach Annex as a potential location.

7. Store Out of Date Gear to Make Room for Gear in Use

This includes looking at both the International Terminal and the North Commercial lot for out of date gear or unusable materials.

8. Security Cameras

This includes installing additional cameras in the South Beach parking lot and Multi-Use areas.

9. Convene Commercial Fishing Users Group Committee

Start meetings for the newly established advisory committee.

10. Annex Revamp

This includes looking at the cost and feasibility of updating the Annex or using it for another purpose, perhaps as a location for the Port office.

11. Rate Survey for Services and Equipment

This includes looking at fees at the International Terminal and Commercial Marina, considering public facility vs. private rental fees, making sure we are charging appropriately and for all areas where charges would be applicable.

12. Emergency Response Plans

This includes reviewing and/or establishing emergency response plans for major events and determining responsibilities for the Port and Port Lessees.

13. Increase Communication with TCB

This includes providing the Commission with reports on safety related issues via daily reports, a monthly summary of TCB activities, and perhaps a Commission liaison with TCB.

14. Property Donations to the Port of Newport

This includes exploring the feasibility of soliciting and accepting property donations.

15. Review Facilities to Make Self-sustaining

This includes determining what it would take for each facility to break even on income/expenses.

16. Partner with Other Agencies

This includes looking at options for partnering with the City of Newport and/or others for training, maintenance and work sharing.

17. Continue Exploring a Landing Fee

This includes evaluating who and in what amount a landing fee may be assessed at the Commercial Hoist Dock.

18. Annual Training for Commission

Training to consider may include ethics, public records, SDAO.

19. Develop Criteria for Future Use of Remaining Port Property

This includes all remaining undeveloped parcels or re-vamp options.

20. Guidelines for Hoist Usage

This may include an on/off control allowing for PIN #s or key cards, posting “best practices” guidelines, and hoist safety training.

21. Contract Out Services

Services to consider may include cleaning and/or NCom forklift.

22. Succession Planning

This includes looking at future personnel needs at all facilities.

23. Monthly Reporting to Commission of RV Park Customer Feedback

24. Consider & Cost Out Equipment Operation to lease out to Private Operator

25. Schedule Quarterly Meetings with Individual Commissioners and Operations to go over Port Overall Perspective from their POV

26. Set aside \$50K-\$100K at end of fiscal year for SB Projects

27. Consider GO bond to fund all Ncom repairs & dredging (2 - 5 year) and run by Users Group

28. Deepen Triangle/Prism for NOAA Dredging

29. **Ordinance Review Group with TCB & Commission**
30. **NCom inventory completed by Port Personnel to free up TCB to Focus on Safety Issues**
31. **Cross Training of All Jobs at the Port**
32. **Move NOAA MOC-P Port Supervisor into an Office Inside the NOAA Building**
33. **Maximize Insurance Discounts**
34. **SB Dock Replacement/Refurbishment Every 1 - 2 years**
35. **Evaluate Port Potential Liability re: Charter Boats, etc/Addl insured Port of Newport**
36. **Better Boat/RV Inventory, Inventory Management Program**
37. **Equipment and Facility Damage Recoupment Policy**
38. **SB Vision Part of 2017 Goal Setting as a Separate Category**
39. **Marine Science Community Growth Outreach**
This would include non-professional community involvement
40. **Rewrite Mission and Vision Statement**
41. **Update Strategic Business Plan**
42. **2 - 5 years - Bring new Revenue Producing Interest - Out of the Box**
43. **Utilize the YFP Property by Renting Space to Fishermen**
44. **Identify all Dredging Needs for the Port**
45. **NIT - Have Rates Equal for All Users**

Port of Newport Commission Goals for 2017
 Goal Matrix by Oregon Administrative Rule for Port Strategic Business Plans
 Adopted Feb. 28, 2017

Overall Rank	GOAL	FINANCIAL	CAPITAL & MAINTENANCE	MANAGEMENT	ENVIRONMENTAL	MARKETING
1	Fund ITSF	1				
2	Marketing & Public Relations					1
3	Review MLAs and Agreements			1		
4	Financial Strength	2				
5	Review Capital Priorities/Rogue Sea Wall		1			
6	Port of Newport Office			2		
7	Store out of date gear/make room for gear in use			3		
8	Security Cameras			4		
9	Convene Commercial Users Group			5		
10	Rate Survey for Services & Equipment	3		6		
11	Annex Revamp		2			
12	Emergency Response Plans			7	1	
13	Increase Communication with TCB			8		
14	Property Donations to the Port	4				
15	Review Facilities to make Self-sustaining		3			
16	Partner with other Agencies			9		2
17	Continue Exploring a Landing Fee	5				
18	Annual Training for Commission			10		
19	Criteria for Future Use of Port Property		4			3
20	Guidelines for Hoist Usage			11		
21	Contract out Services	6				
22	Succession Planning			12		
23	RV Park Feedback report to Commission monthly			13		4
24	Consider and cost out Equipment lease to private operator	7				
25	Schedule Quarterly Meetings with Individual Commissioners and Operations to go over Port Overall Perspective from their POV			14		
26	Set aside \$50K-\$100K at end of fiscal year for SB Projects	8				
27	Consider GO bond to fund all Nicoma repairs & dredging (2 - 5 year) and run by Users Group	9				
28	Deepen Triangle/Prism for NOAA Dredging		5		2	
29	Ordinance Review Group with TCB & Commission			15		
30	NCom inventory completed by Port Personnel to free up TCB to Focus on Safety Issues	10		16		
31	Cross Training of All Jobs at the Port			17		
32	Move NOAA MOC-P Port Supervisor into an Office Inside the NOAA Building			18		
33	Maximize Insurance Discounts	11				
34	SB Dock Replacement/Refurbishment Every 1 - 2 years		6			
35	Evaluate Port Potential Liability re: Charter Boats, etc./Addl insured Port of Newport	12		19		
36	Better Boat/RV Inventory, Inventory Management Program	13				
37	Equipment and Facility Damage Recoupment Policy		7			
38	SB Vision Part of 2017 Goal Setting as a Separate Category			20		
39	Marine Science Community Growth Outreach					5
40	Rewrite Mission and Vision Statement			21		

Port of Newport Commission Goals for 2017
 Goal Matrix by Oregon Administrative Rule for Port Strategic Business Plans
 Adopted Feb. 28, 2017

Overall Rank	GOAL	FINANCIAL	CAPITAL & MAINTENANCE	MANAGEMENT	ENVIRONMENTAL	MARKETING
41	Update Strategic Business Plan			22		
42	2 - 5 years - Bring new Revenue Producing Interest - Out of the Box					6
43	Utilize the YFP Property by Renting Space to Fishermen	14		23		
44	Identify all Dredging Needs for the Port		8		3	
45	NIT - Have Rates Equal for All Users	15		24		

**PORT OF NEWPORT
RESOLUTION NO. 2017-__**

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) and 2.10(c)(6) require the Commission to set rates and charges for moorage and electrical usage by the adoption of a “fee schedule” by resolution; and

WHEREAS, the Port Commission last adjusted rates, fees and charges via Res. No. 2016-02 on May 24, 2016; and

WHEREAS, the Port Commission feels that user fees should help to offset those costs related to the depreciation and on-going maintenance of the port; NOW THEREFORE,

THE PORT OF NEWPORT BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:

Section 1. Service Rates. Rates apply to all Port of Newport locations unless otherwise noted. Rates become effective July 1, 2017. Port owned equipment to be operated by port personnel. Rates are per hour, ¾ hour minimum, in 15 minute increments, unless otherwise noted.

	OLD	NEW	+/-
A. <u>Forklift.</u> In addition to labor rate.			
1. Small. Toyotas.			
a. Per hour.....	\$11.33	\$12.00	6%
b. Minimum charge	\$ 7.21	\$9.00	25%
2. Large. All at International Terminal (IT).			
a. Per hour.....	\$28.33	\$30.00	6%
b. Minimum charge	\$17.00	\$22.50	32%
B. <u>Hoist Dock.</u> Tie up fee, per hour. Includes use of hoist.			
1. One hour minimum, up to 3 hrs.	\$37.34	\$39.00	4%
2. After 3 hours.....	\$44.29	\$47.00	6%
C. <u>Hoist Dock Cranes.</u> In addition to hoist dock rate.			
1. Large Capacity. In addition to labor rate.			
a. Per hour.....	\$39.66	\$42.00	6%
b. Minimum charge	\$30.64	\$31.50	3%
2. Launch Sail Boats. Includes recovery, per launch.....	\$42.49	\$45.00	6%
D. <u>Service Docks.</u>			
1. Swede’s. In addition to moorage. daily moorage rate		same	
E. <u>City Water.</u>at city’s rate		same	
F. <u>Fuel Surcharge.</u> International Terminal only. Per gallon	\$ 0.031	\$0.033	6%
G. <u>Electricity.</u> Swede’s Dock, Dock 1, and IT. Per day charge.			
1. 208/220 v, single phase & 208 v three phase.	\$15.19	\$16.00	5%
2. 120v. IT	\$ 6.44	\$7.00	9%
3. PD 7 Service Dock, 110v pumps.....	\$ 6.44	\$7.00	9%
4. PD 7 Yard Charge, trucks	\$11.59	\$12.00	4%
H. <u>Hydraulic Crane.</u> In addition to labor rate. 30 ton capacity, per hour, min 1 hr.	\$132.61	\$139.00	5%

	OLD	NEW	+/-
I. <u>Pump/Line Service.</u> Includes one Port employee only. Additional staff required will be billed at the established hourly labor rate. Per hour.....	\$58.45	\$62.00	6%
J. <u>Storage.</u>			
1. Outside Lot Storage			
a. Per square foot, monthly charge	\$0.216	\$0.23	6%
b. Minimum monthly charge	\$21.63	\$23.00	6%
c. Boat trailer only, per night.....	\$ 2.16	\$2.50	16%
d. Boat on trailer, per night, 10 days limit	\$ 7.42	\$8.00	8%
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) Charge for improper use of parking lot (i.e. boat repair)	\$21.63	\$23.00	6%
K. <u>Gear Work.</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 rate.			
1. Commercial Marina, per day	\$18.80	\$20.00	6%
2. Terminal Lot, per day. Short term use only	\$18.80	\$20.00	6%
3. South Beach Marina, per day	\$18.80	\$20.00	6%
L. <u>Work Barge.</u> In addition to labor rate.			
1. Work Boat, per hour. Licensed captain extra.	\$124.63	\$131.00	5%
2. Wood Barge, per day (work boat extra).....	\$23.69	\$25.00	6%
3. Skiff, per hour	\$13.39	\$14.00	5%
M. <u>Clean-up.</u> Fees will be charged for each man-hour at the established labor. Equipment charges are extra			
1. Oil Spills, per hour	\$92.70	\$97.00	5%
N. <u>Disposal Fees.</u>			
1. Just Oil, per gallon.....	\$ 0.300	\$0.50	67%
2. Oil-Water Mix, per gallon	\$ 0.760	\$1.00	32%
3. Net Disposal and/or Related Gear, per pound	\$ 0.165	\$0.18	9%
4. Garbage, per pound	\$ 0.113	\$0.15	33%
O. <u>Port Labor.</u> Includes administration staff and fully burdened.			
1. Per hour; 3/4 hour minimum, in 15 min. increments..	\$50.50	\$53.00	5%
2. Overtime. Any services required outside the established working hours, unless otherwise posted, will be charged at one and one-half times (1.5) the normal rate for labor. Per hour, 1 hour minimum.....	\$75.75	\$79.50	
3. Emergency Call-out. Any services requiring a port employee not currently on duty to report to duty after hours, will be charged at twice (2.0) the normal rate for labor. Per hour.....	\$100.94	\$106.00	5%
P. <u>Pallet Charge.</u> Any Port owned pallet leaving yard, each.	\$ 5.46	\$6.00	10%
Q. <u>Dredge Spoils.</u> Includes state fees; may be waived for other public agencies or beneficial uses. Per cubic yard.....	\$ 2.00	\$2.50	25%
R. <u>Keys/Cards.</u>			
1. South Beach Facilities. Cards.			
a. Original/first two	free	free	n/a
b. Replacement/additional	\$ 5.67	\$6.00	6%
2. Bay Front Facilities. Keys.			

	OLD	NEW	+/-
a. Original/first one	\$15.97	\$17.00	6%
b. Replacement/additional	\$28.33	\$30.00	6%

Section 2. Bay Front Charges. Per linear foot. All charges for greater length between dock and boat.

	OLD	NEW	+/-
A. <u>Moorage</u> . Per linear foot.			
1. Daily	\$ 0.45	\$0.50	11%
2. Calendar Month	\$ 8.25	\$9.00	9%
3. Semi-Annual	\$31.31	\$33.00	5%
4. Annual	\$41.56	\$44.00	6%
B. <u>Annual Parking Permit</u> . Permit effective for calendar year starting April 1 st . Commercial Fisherman only	\$21.00	\$22.00	5%

Section 3. International Terminal Charges. International Terminal Tariff No. 1 adopted via Res. No. 2014-03 on May 22, 2014. All fees authorized via Tariff No. 1. Effective July 1, 2014.

A. <u>Port Security Fee</u> . (§I.13). Per three 8-hour shifts	\$895.00	\$895.00	0%
B. <u>Materials & Supplies</u> . (§I.31). Cost plus	25%	25%	0%
C. <u>Dockage Charges</u> . (§III.13). Rate per day, by length.			
1. 000.00 – 351.05 ft.	\$1,627.00	\$1,627.00	0%
2. 351.05 – 371.02 ft.	\$1,792.00	\$1,792.00	0%
3. 371.02 – 400.26 ft.	\$1,981.00	\$1,981.00	0%
4. 400.26 – 426.51 ft.	\$2,203.00	\$2,203.00	0%
5. 426.51 – 449.48 ft.	\$2,373.00	\$2,373.00	0%
6. 449.48 – 475.72 ft.	\$2,607.00	\$2,607.00	0%
7. 475.72 – 498.69 ft.	\$2,960.00	\$2,060.00	0%
8. 498.69 – 524.93 ft.	\$3,527.00	\$3,527.00	0%
9. 524.93 – 551.18 ft.	\$3,639.00	\$3,639.00	0%
10. 551.18 – 574.15 ft.	\$3,822.00	\$3,822.00	0%
11. 574.15 – 600.39 ft.	\$4,373.00	\$4,373.00	0%
12. 600.39 – 626.64 ft.	\$5,092.00	\$5,092.00	0%
13. 626.64 – 649.99 ft.	\$5,787.00	\$5,787.00	0%
14. Above 650 ft., added on top of above rate, per ft.	\$ 8.90	\$8.90	0%
15. Exceptions for certain vessels (§II.14) per ft. per day	\$ 0.80	\$0.80	0%
D. <u>Service and Facility Charges</u> . (§III.2). Per 1000 board feet, unless noted.			
1. Logs. Scribner scale, ex dock.....	\$ 7.75	\$7.75	0%
2. Cants.	\$ 6.00	\$6.00	0%
3. Lumber. Packaged rough.	\$ 5.22	\$5.22	0%
4. Lumber. Packaged surfaced.	\$ 4.63	\$4.63	0%
5. Plywood, Veneer, corestock & hardboard, /1000 kilos	\$ 5.87	\$5.87	0%
6. Pulp, Linerboard, bales or rolls, 2000 kilos.....	\$ 3.49	\$3.49	0%
7. Other commodities, per metric ton or 1000 bf	\$ 6.83	\$6.83	0%
8. Other commodities, per cubic meter.....	\$ 5.69	\$5.69	0%
E. <u>Wharfage Assessment</u> . (§III.6). Minimum charge for any single bill of lading.	\$10.00	\$10.00	0%
F. <u>Wharf Charges</u> . (§III.7). Per 1000 board feet, unless noted. In addition to Service and Facility Charges.			
1. Logs. Scribner scale, ex dock.....	\$ 9.50	\$9.50	0%

	OLD	NEW	+/-
2. Cants.....	\$ 6.00	\$6.00	0%
3. Lumber. Packaged rough.....	\$ 4.55	\$4.55	0%
4. Lumber. Packaged surfaced.....	\$ 4.03	\$4.03	0%
5. Plywood, Veneer, corestock and hardboard, per 1000K.....	\$ 3.96	\$3.96	0%
6. Pulp, Linerboard, bales or rolls.....	\$ 2.72	\$2.72	0%
7. Other commodities, per 1000 kilos.....	\$ 5.57	\$5.57	0%
8. Other commodities, per cubic meter.....	\$ 4.57	\$4.57	0%
G. <u>Cargo Staging Area.</u> (§IV.2). Base rent for 3-acre surge area.			
1. Per week, seven days.....	\$2,000.00	\$2,000.00	0%
2. Per day, less than seven days.....	\$300.00	\$300.00	0%
H. <u>Line Service.</u> (§V.3). Labor will be charged at the rates set out in the current ILWU/PMA West Coast Contract. Rate schedule per day.			
1. 2 men.....	\$520-\$656	\$520-\$656	0%
2. 4 men.....	\$1,061-\$1,317	\$1,061-\$1,317	0%
3. 6 men.....	\$1,575-\$1,973	\$1,575-\$1,973	0%
4. 8 men.....	\$2,153-\$2,631	\$2,153-\$2,631	0%

Section 4. South Beach Charges. Per linear foot. All charges for greater length between dock and boat except for F-Dock which is boat length only. Effective October 1, 2017.

	OLD	NEW	+/-
A. <u>Moorage.</u> Per linear foot.			
1. Daily.....	\$ 0.64	\$0.70	9%
2. Weekly.....	\$ 3.82	\$4.00	5%
3. Calendar Month.....	\$ 9.79	\$10.50	7%
4. Semi-Annual.....	\$36.04	\$38.00	5%
5. Annual.....	\$57.02	\$60.00	5%
6. Electrical Surcharge, per extra plug on dock.			
a. Weekly.....	n/a	\$25.00	n/a
b. Monthly.....	\$30.90	\$100.00	224%
7. Live aboard. Monthly rate by agreement only.			
a. First person.....	\$49.95	\$53.00	6%
b. Each Additional.....	\$43.26	\$46.00	6%
B. <u>South Beach Charter Rates.</u>			
1. Annual Moorage, per linear foot (PONFC).....	\$44.92	\$47.00	5%
2. Charter License.....	\$300.00	\$315.00	5%
C. <u>Dock Box.</u> Following Harbormaster specs.....	\$309.00	\$325.00	5%
D. <u>Electrical Upgrade.</u> From 20 to 30 amp. One-time.....	\$53.05	\$56.00	6%
E. <u>Line Replacement.</u> Per foot, per time.....	\$ 1.00	\$1.25	25%
F. <u>Launch Fee.</u>			
1. Daily.....	\$ 6.00	\$7.00	16%
2. Annual			
a. Resident.....	\$55.00	\$65.00	18%
b. Resident Senior.....	\$50.00	\$60.00	20%
c. Non-resident.....	\$75.00	\$80.00	7%

Section 5. Recreational Vehicle Park Fees. Effective October 1, 2017. Applicable state and municipal lodging tax will be an additional charge.

	OLD	NEW	+/-
A. <u>High Traffic Surcharge</u> . Per night (2 night min.) Added to all RV Park stays in Marina RV Park, RV Park Annex, and Dry Camping.			
1. Memorial, Labor Day, 4 th of July.....	--	\$20.00	n/a
2. Seafood & Wine Festival	--	\$50.00	n/a
3. Other Special Events.....	--	Varies	
B. <u>Peak Season (Summer)</u> . May 1 – October 31. Base rate before taxes.			
1. All Marina Park Sites			
a. Daily			
i. Regular		\$44.50	
(Base Rate before taxes).....		\$39.98	\$42.00 5%
ii. Good Sam.....		\$40.05	
(Base Rate before taxes).....		\$35.98	\$37.80 5%
b. Weekly			
i. Regular		\$279.50	
(Base Rate before taxes).....		\$251.12	\$264.00 5%
ii. Good Sam.....		\$251.55	
(Base Rate before taxes).....		\$226.01	\$237.60 5%
c. Monthly Rate		\$783.00	\$823.00 5%
2. The Annex.			
a. Daily.....		\$34.50	
(Base Rate before taxes).....		\$31.00	\$33.00 6%
b. Weekly.....		\$209.00	
(Base Rate before taxes).....		\$187.78	\$198.00 5%
c. Monthly		\$620.00	\$651.00 5%
3. Dry Camping.		\$20.50	\$22.00 7%
C. <u>Off Season (Winter)</u> . November 1 – April 30.			
1. All Sites in the Marina Park			
a. Daily			
i. Regular		\$39.50	
(Base Rate before taxes).....		\$35.49	\$38.00 7%
ii. Good Sam.....		\$35.55	
(Base Rate before taxes).....		\$31.94	\$34.20 7%
b. Weekly			
i. Regular		\$237.00	
(Base Rate before taxes).....		\$212.94	\$224.00 5%
ii. Good Sam.....		\$213.31	
(Base Rate before taxes).....		\$191.64	\$201.60 5%
c. Monthly Rate		\$672.00	\$706.00 5%
2. The Annex.			
a. Daily.....		\$34.49	
(Base Rate before taxes).....		\$31.00	\$33.00 6%
b. Weekly.....		\$209.00	
(Base Rate before taxes).....		\$187.78	\$198.00 5%
c. Monthly		\$620.00	\$651.00 5%
3. Dry Camping.		\$20.50	\$22.00 7%
D. <u>South Beach Meeting Room</u> . Must be pre-arranged and authorized. Keys must be obtained and returned. Certain waivers by management.			

	OLD	NEW	+/-
1. Half day	--	\$40.00	
2. Full day	\$75.00	\$80.00	7%
E. <u>Pet Fee</u> . Charged additionally.			
1. Daily. First pet free; each additional	\$ 2.00	\$3.00	50%
2. Weekly. First pet free; each additional	\$10.00	\$11.00	10%
3. Monthly. Charged per pet including first	\$10.00	\$11.00	10%
F. <u>Individual Fee</u> . First two people free; each additional person charged.			
1. Daily.	\$ 2.00	\$3.00	50%
2. Weekly.....	\$10.00	\$11.00	10%
3. Monthly.....	\$30.00	\$32.00	7%
G. <u>Vehicle Fee</u> . Any combination of three axle pieces of equipment (i.e. trailer, fifth wheel, truck/car, storage trailer). Charged for fourth piece.			
1. Daily.	\$ 2.00	\$7.00	250%
2. Weekly.....	\$10.00	\$15.00	50%
3. Monthly.....	\$30.00	\$35.00	17%
H. <u>Reservation Deposit</u> . Payable at booking. Deposit will be applied to actual stay, subject to cancelation fee if applicable.			
1. Daily and Weekly.....	1 st night's rate	same	
2. Monthly.....	1 st month's rate	same	
I. <u>Cancelation Fee</u> .			
1. Daily or weekly reservation, non-holiday.			
a. 72 hours or more before check-in date.....	\$10.00	\$11.00	10%
b. Less than 72 hours before check in date. 1 st night's rate		same	
2. Daily or weekly reservation, holiday.			
a. 14 days or more before check-in date	\$10.00	\$11.00	10%
b. Fewer than 14 days before check-in date 1 st night's rate		same	
3. Monthly reservations.			
a. 30 days or more before check-in date.	---	\$50.00	n/a
b. Less than 30 days before check-in, or early check-out	---	\$100.00	n/a
4. High-Traffic reservation (\$5(A)), 1 st night's rate.....	---		n/a
J. <u>Service Fee Reimbursement</u> . For electric pedestal physical damage. First service call included in base rate. All other service reimbursements may be charged at actual cost to port.	\$79.00	\$83.00	5%
K. <u>Laundry Machines</u> . per load.....	\$ 2.00	\$2.00	0%
L. <u>Process Fees</u> . Any additional fees incurred by the Port as part of an eviction process.			
1. Notice.	\$50.00	\$50.00	0%
2. FED Complaint.....	\$200.00	\$200.00	0%
3. Court Hearing	\$165.00	\$165.00	0%
4. Writ of Execution.	\$140.00	\$140.00	0%

Section 6. Civil Penalties. Penalties found in PONFC (Sec. 7.4(a)). Paid in full. Effective July 1, 2017.

	OLD	NEW	+/-
A. <u>Class A Violation</u>			

	OLD	NEW	+/-
1. 0-14 days, per day.....	\$300.00	\$300.00	0%
2. 15-29 days, per day.....	\$600.00	\$600.00	0%
3. 30+ days, per day.....	\$1,000.00	\$1,000.00	0%
B. <u>Class B Violation</u>			
1. 0-14 days, per day.....	\$150.00	\$150.00	0%
2. 15-29 days, per day.....	\$300.00	\$300.00	0%
3. 30+ days, per day.....	\$500.00	\$500.00	0%
C. <u>Class C Violation</u>			
1. 0-14 days, per day.....	\$30.00	\$30.00	0%
2. 15-29 days, per day.....	\$60.00	\$60.00	0%
3. 30+ days, per day.....	\$100.00	\$100.00	0%
D. <u>Class D Violation</u>			
1. 0-14 days, per day.....	\$15.00	\$15.00	0%
2. 15-29 days, per day.....	\$30.00	\$30.00	0%
3. 30+ days, per day.....	\$50.00	\$50.00	0%
E. <u>Parking Violation</u>. Per event, both vehicles and trailers.			
1. 0-10 days, paid within.....	\$40.00	\$40.00	0%
2. 11-20 days, paid within.....	\$85.00	\$85.00	0%
3. 21+ days, paid within.....	\$125.00	\$125.00	0%
F. <u>Dumping Violation</u>. Per event.....	---	\$500.00	n/a

Section 7. Administrative Fees. Staff may require payment or deposit in advance of service (ORS 192.440(4)(a)). Effective July 1, 2017.

A. <u>Public Records Request Fee Schedule.</u>			
1. Copies of Public Records. Per Page.....	\$ 0.25	\$0.25	0%
2. Copies of Sound Recordings.....	\$10.00	\$10.00	0%
3. Copies of By-laws, Codes, Plans, bound documents.....	\$20.00	\$20.00	0%
4. Copies of Nonstandard documents.....	\$20.00	\$20.00	0%
B. <u>Research</u>. Written request required. Hourly rate. ½-hr. min..	\$50.50	\$53.00	5%
C. <u>Computer Time</u>. Port operator. Hourly rate. ½-hr. min.....	\$50.50	\$53.00	5%
D. <u>Faxes/Emailing/Copies</u>. Per Page			
1. Local.....	\$ 1.00	\$1.00	0%
2. Long Distance.....	\$ 1.50	\$1.50	0%
3. Incoming.....	\$ 1.00	\$1.00	0%
4. Copies.....	\$ 0.25	\$0.25	0%
E. <u>Long Distance Phone Call, 5 minute maximum</u>.....	\$ 2.00	\$2.00	0%
F. <u>Lamination</u>. Per Page, letter size.....	\$ 2.00	\$2.00	0%
G. <u>Notice Posting</u>. For non-payment of lease or moorage.....	\$62.00	\$65.00	5%
H. <u>Failure to Register</u>. For research related to unregistered boats.....	\$31.00	\$33.00	6%
I. <u>International Terminal Meeting Room</u>. Must be pre-arranged and authorized.			
1. Half day.....	--	\$30.00	n/a
2. Full day.....	--	\$60.00	n/a
J. <u>Returned Check Fee</u>. Plus bank fees.....	\$50.00	\$50.00	0%
K. <u>Per Annum Interest Rate</u>. Applied to past due accounts.....	18%	18%	0%
L. <u>POV Mileage Reimbursement Rate (IRS)</u>.....	current		
M. <u>Travel Reimbursement Rates</u> follow current IRS per diem rates.....	current		

	OLD	NEW	+/-
http://www.gsa.gov/portal/category/104711			
N. Impound Seizure Fee. Vessel impounding.	\$750.00	\$750.00	0%
O. Special Use Permit Fee. GM has authority to adjust usage fee based upon non-profit status and other criteria			
1. Application Fee.....	\$100.00	\$100.00	0%
2. Usage Fee, Number of Participants, Attendees, Contestants, Volunteers at Event			
a. 1-200	\$400.00	\$400.00	0%
b. 201-500	\$650.00	\$650.00	0%
c. 501-1000	\$900.00	\$900.00	0%
d. 1001-5000	\$1,400.00	\$1,400.00	0%
e. 5001-10,000	\$1,900.00	\$1,900.00	0%
f. 10,001-20,000	\$2,400.00	\$2,400.00	0%
g. More than 20,000	\$5,000.00	\$5,000.00	0%
3. Vendors, per each	\$40.00	\$40.00	0%
P. Insurance Certificate Limits			
1. General Liability, per occurrence.....	\$2MM	\$2MM	0%
2. General Liability, in aggregate.....	\$2MM	\$2MM	0%
Q. Security (TCB) costs reviewed and passed along to applicant.		same	
R. Impound Seizure Fee. Car/Truck/Trailer	\$100.00	\$100.00	0%
S. Background Check.....	\$25.00	\$25.00	0%
T. Credit Check	\$35.00	\$35.00	0%
U. Notary Fees (OAR 160-100-0410). Acknowledgement, Affidavit/Jurat, Oath/Affirmation, Witness/Attest.....	\$10.00	\$10.00	0%

Section 8. Insurance Certificate Minimum Limits. Effective July 1, 2017. Limits are subject to review and risk assessment by management and/or the Port's insurance agent of record. A certificate naming the Port as an additional insured is also required.

	OLD	NEW	+/-
A. <u>Leases/Tenants.</u>			
1. General Liability, Each Occurrence	\$2MM	\$2MM	0%
2. Damaged to Rented Premises (each occurrence)	\$300K	\$300K	0%
3. Medical Expense (any one person)	\$5K	\$5K	0%
4. Personal & Adverse Injury	\$2MM	\$2MM	0%
5. General Aggregate	\$2MM	\$2MM	0%
6. Products – Comp/Op Aggregate	\$2MM	\$2MM	0%
B. <u>Commercial Vessels, Liability Coverage Requirements</u>			
1. Protection & Indemnity, must not exclude Wreck Removal	\$250K	\$250K	0%
2. Pollution Liability.....	\$300K	\$300K	0%
3. If Pollution/Protection & Indemnity Combined	\$600K	\$600K	0%
4. Port of Newport to be named as additional insured on Liability Coverage			
C. <u>Recreational Vessels, Liability Coverage Requirements</u>			
1. Protection & Indemnity, must not exclude Wreck Removal	\$250K	\$250K	0%
2. Pollution Liability.....	\$300K	\$300K	0%
3. –or- Water Craft Liability, must include both wreck removal and pollution liability coverage. Umbrella clauses must identify boats exceeding 25 ft.	\$500K	\$500K	0%

	OLD	NEW	+/-
4. Port of Newport to be named an additional insured on Liability Coverage			
D. Charter/Guide Vessels			
1. General Liability.....	\$1.7MM	\$2MM	18%
E. International Terminal Vessels (Tariff No. 1(\$17))			
1. Maritime Employer's Liability (Jones Act).....	\$1MM	\$1MM	0%
2. Commercial and/or Comprehensive Marine General Liability	\$5MM	\$5MM	0%
F. . NOAA Visiting Vessels			
1. Commercial and/or Comprehensive Marine General Liability	\$5MM	\$5MM	0%
G. Vendors (reserved)			

Section 9. Retails Sales, Gift Certificates, Promotions, Sponsorships and Sundries. The Commission delegates to Manager the ability to set prices for sundries, cards, magnets, cups, DVDs, gift certificates, coupons, promotions, advertising, sponsorships and other retail and marketing items.

Section 10. Delegation of Responsibility. The Commission delegates to General Manager the ability to adjust these rates on a temporary basis to better manage services at the Port of Newport. 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 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 23rd day of May, 2017.

ATTEST:

Walter Chuck
President

Patricia Patrick-Joling
Secretary/Treasurer

**PORT OF NEWPORT
RESOLUTION NO. 2017-__**

**A RESOLUTION UPDATING THE PORT OF NEWPORT’S CAPITAL
IMPROVEMENT PROJECT PRIORITIZATION LIST AND IDENTIFYING THE
INTERNATIONAL TERMINAL SHIPPING FACILITY AS THE PORT’S TOP
CAPITAL PRIORITY.**

WHEREAS, the Port of Newport adopted a Strategic Business Plan (SBP) and a Capital Facility Sub-plan (CFP) January 14, 2013; and

WHEREAS, the Board of Commissioners last updated the Capital Improvement List (CIL) with Res. No. 2016-04 on May 24, 2016; and

WHEREAS, the Board of Commissioners as part of its annual budget work session on April 4, 2017 reviewed the Capital Improvement Project Prioritization List (CIL), including completed projects, and re-visited the list with the Port’s Budget Committee on May 9, 2017; and

WHEREAS, the CIL includes over \$30-million worth of capital projects; and

WHEREAS, the Port of Newport Board of Commissioners finds that the International Terminal Shipping Facility meets the goals and objectives stated within the Strategic Business Plan; and

WHEREAS, the Commission understands the importance of reviewing the CFP annually, removing completed projects, adding new projects, adjusting project planning level costs and re-prioritizing based upon public and staff input; NOW THEREFORE

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

Section 1. The following projects are identified as the top priorities for Fiscal Year 2016-17:

- A. International Terminal Shipping Facility (ITSF)\$6,500,000
- B. Port Dock 5 Approach Pier Engineering\$115,000
- C. Replace 3000 lb. Toyota Forklift (payment).....\$9,000
- D. Replace 9000 lb. Hyster H-90 Forklift (payment)\$15,000
- E. Maintenance Trucks.....\$20,000
- F. New Fish Fillet Table in South Beach\$75,000
- G. Asphalt Replacement at IT.....\$12,700
- H. Install West Berth Water Stand at IT\$6,900
- I. South Beach RV Sewage Dump\$26,000

Section 2. The Port of Newport’s Capital Improvement List is attached as Attachment “A”.

Section 3. Capital projects related to the Port’s lease with the NOAA Marine Operations Center are listed separately and can be found in the NOAA Fund budget.

Section 4. Res. No. 2016-04 and other Previous Capital Improvement Prioritization Lists are hereby repealed.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 23rd day of May, 2017.

ATTEST:

Walter Chuck, President

Patricia Patrick-Joling, Secretary/Treasurer

Port of Newport					
Capital Projects Over \$5,000					
FY 2017-18	Attachment B				
			Estimated	Resource	
	Dept.	Budget	Cost	(Grant/Loan)	Net
General Operating Fund					
<i>Materials & Services / Repairs & Maint.</i>					
Landscaping in RV Park	SB	30,000	30,000	-	30,000
<i>Capital Outlay</i>					
Compacted gravel lot expansion	CM	-	-	-	-
Water stand pipe at west berth	NIT	6,900	6,900	-	6,900
New fillet table at F-dock	SB	75,000	75,000	37,500	37,500
Vehicle(s) for maintenance crew	MD	20,000	20,000	-	20,000
Total		101,900	101,900	37,500	64,400
Facilities Maintenance Reserve Fund					
<i>Capital Outlay</i>					
PD5 engineering - preliminary work	CM	\$ 115,000	\$ 115,000	\$ -	\$ 115,000
Replacement forklift	CM	9,000	9,000	-	9,000
Replacement forklift	NIT	15,000	15,000	-	15,000
Asphalt spot repairs to 1,500 sq. ft.	NIT	12,699	12,699	-	12,699
Relocate RV sewer dump	SB	26,000	26,000	-	26,000
Total		177,699	177,699	-	177,699
Construction Fund					
<i>Capital Outlay</i>					
ITSF	NIT	6,500,000	6,500,000	6,500,000	-
NOAA Fund					
<i>Materials & Services / Maintenance</i>					
Painting		60,000	60,000	-	60,000
<i>Capital Outlay</i>					
Steel pile caps		6,000	6,000	-	6,000
Total Projects		\$ 6,875,599	\$ 6,875,599	\$ 6,537,500	\$ 338,099

Capital Improvements List From Department Heads

1. INTERNATIONAL TERMINAL				
Priority	CFP Priority	Project	Cost Estimate	Reference document
S	1	Consolidation lay-down yard for break-bulk, container shipping	\$6,657,779.00	2015 TIGER
S	1	Purchase used work truck for Terminal	\$8,000.00	
S	1	Grading of Hall Property (1)	\$515,961.00	2015 quote
S	1	Grading of Port's 9-acre lot (1)	\$51,596.00	2015 quote
S	1	Replace H90 Forklift	\$50,000.00	
S	1	Security Fencing	\$17,000.00	
S	1	Asphalt spot repairs to ~ 1,500 s.f.	\$12,699.00	R&D bid 1-20-17
S	1	Install water stand pipe at west berth, branching off of existing line	\$6,900.00	2-8-17 bid from Rau Plumbing
L	2	International Terminal Fire Water Line Loop	\$138,732.00	2013 CFP
N	2	Replace H250 with newer model	\$30,000.00	
L	2	Asphalt Parking Lot area west of shop	\$110,000.00	2014 quote
L	2	Re-Asphalt northwest end of lot	\$84,000.00	2016 quote
L	3	Purchase and install 2nd hoist for use on W berth	\$130,000.00	2013 quote
SUBTOTAL			\$7,812,667.00	

2. COMMERCIAL MARINA				
Priority	CFP Priority	Project	Cost Estimate	Reference document
S		PD-5 Pier Engineering - Preliminary Work	\$115,000.00	OBEC
S		PD-5 Pier Engineering - Shovel Ready Alternative	\$200,000.00	OBEC
S		New/additional /Forklift	\$36,000.00	FY1516 REQ
S		replace Rods/ 1-Waler/Rub boards/new bumpers/ triangles/PD-5C	\$270,000.00	+
S		Port Dock 5 Pier Improvements/ Alt 1+3	\$3,241,281.00	
S		replace rods/Rub boards/ Dock 5X	\$25,000.00	
S		Replace rods/UHMW rub boards/Dock 3	\$110,000.00	
S		replace rods/bumpers/rub boards/6 walers Dock 5B	\$350,000.00	
S		replace finger rods/triangle tops/ wooden rub boards Dock 7 fingers	\$30,443.00	
N		Hoist dock electrical replacement	\$25,000.00	
N		PD-7 E/F Docks (1)	\$1,031,921.00	FY1516 REQ
N		Marina Dredging	\$2,230,323.00	2013 CFP
N		Port Dock 7 Replacement	\$3,703,719.00	2013 CFP
N		replace pilings on Sweeds dock/ move dock 50' to the West	\$195,356.00	
N		New Swing #4 Hoist w/ Extension	\$17,479.00	FY1516 REQ
N		#3 Hoist Replacement	\$134,150.00	FY1516 REQ
M		Hoist Dock (Center Section) Replacement w/ Hoist upgrade (2)	\$694,447.00	FY1516 REQ
L		Port Dock 1 Replacement	\$816,997.00	2013 CFP
L		40' x 60' x 14' New Shop	\$165,107.00	FY1516 REQ
L		Hoist Dock Expansion (to west)	\$1,547,882.00	FY1516 REQ
L		Replace Used Oil Tanks & Purchase Oil/Water Separator	?	
SUBTOTAL			\$14,625,105.00	

3. RECREATIONAL MARINA & RV PARK				
Priority	CFP Priority	Project	Current Cost	Reference document
S		Relocate RV SS dump site	\$12,000	FY17 request
S		Landscaping in Marina RV Park	\$30,000	
S		Install New Fillet Table Top of F-Dock	\$75,000	
S		Repair Service Dock	\$100,000	
S		Replace rip rap in SW corner of marina/fishing pier walkway	\$30,958	FY1516 REQ
N		Electrical Load Centers South Beach Marina	\$108,933	2013 CFP
N		Residing buildings in marina (south, central)	\$50,000	FY1516 REQ
N		Paint OPS building and marina store	\$10,319	FY1516 REQ

N		Picnic Bunker Rebuild	\$39,216	2013 CFP
		Landing Float Repair Bottom of A-Dock	\$50,000	
N		Wastewater Pump Station Replacement - South Beach	\$32,680	2013 CFP
N		New electrical pedestals	\$144,469	FY1516 REQ
N		Marina Dredging	\$2,924,712	2013 CFP
N		Reconstruction of Recreational Marina Docks	\$141,613	2013 CFP
N		Pavement Reconstruction/Seal Coating (all areas)	\$435,756	2013 CFP
L		Renovate RV Park Annex	\$300,000	2013 CFP
L		South Beach Marina Fuel Facility - Tank Replacement	\$228,759	2013 CFP
L		OSMB Service Dock Trail Connection	\$3,100,000	OSMB WAG
?		Oregon State Police dock (\$39,500 total assume \$20,000 fund from OSP)	\$20,000	FY17 request
SUBTOTAL			\$7,834,415	

4. OTHER FACILITIES				
Priority	CFP Priority	Project	Original Cost Estimate	Reference document
N		New Port Offices/Parking Area/Customs Office	\$900,000	Capri 2014
N		Rogue Brewery (Dry Moorage Building) North Wall/Siding Replacement	\$300,000	2013 CFP
N		Rogue Brewery (Dry Moorage Building) Foundation/Seawall Stabilization	\$2,100,000	2013 CFP
L		Fishing Pier Replacement	\$3,600,000	2013 CFP
SUBTOTAL			6,900,000	

5. VEHICLES				
Priority		Project	Original Cost Estimate	Reference document
S		Maint Dept - 1 utility trucks	\$20,000	FY16 request
N		utility truck for Commercial side	\$20,000	FY1516 REQ
N		Maint Dept - 1 utility trucks	\$20,000	FY16 request
SUBTOTAL			\$60,000.00	

Total **\$37,232,187**

S = Short Term (This Fiscal Year)
N = Near Term (1 - 5 yrs)
L = Long Term (5+ years)



PORT DOCK 5 CONCEPTUAL ALTERNATIVES ANALYSIS SUMMARY REPORT
For the
Port Dock 5 Pier Approach – Structural Renovation Design Project
Newport, Oregon
October 11, 2016



OBEC Consulting Engineers

Corporate Office:
920 Country Club Road, Suite 100B
Eugene, Oregon 97401
541.683.6090

PORT DOCK 5 CONCEPTUAL ALTERNATIVES ANALYSIS SUMMARY REPORT
For the
Port Dock 5 Pier Approach – Structural Renovation Design Project
Newport, Oregon
October 11, 2016



Prepared by:
Jenny Carlson, PE, SE

Reviewed by:
Nick Robertson, PE, SE

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Table 2: Alternative 2 Cost Estimate
Table 3: Alternative 1+3 Cost Estimate
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Table 5a: Professional Services Estimate – Alternative 1
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APPENDICES

Appendix 1: 2011 Port Dock 5 Inspection Survey
Appendix 2: Geotechnical Memorandum

PORT DOCK 5 CONCEPTUAL ALTERNATIVES ANALYSIS SUMMARY REPORT
For the
Port Dock 5 Pier Approach – Structural Renovation Design Project
Newport, Oregon

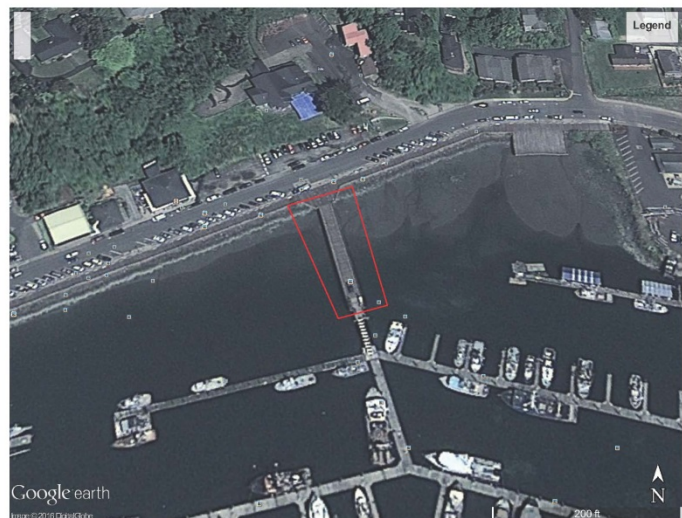
Executive Summary

The Port of Newport's Port Dock 5 is in need of structural rehabilitation. OBEC Consulting Engineers (OBEC) conducted an evaluation of alternatives to implement the rehabilitation. Three alternatives were considered: 1) repairing the existing structure; 2) replacing the existing structure; and 3) replacing the structure with an enlarged and enhanced structure. The results of the OBEC's analysis led to the recommendation for implementing Alternative 2, with the following caveats. Alternative 2 meets a majority of the Port's goals and would be the most expeditious in allowing full function of the dock for the long term. Alternative 3 rated highest overall in the evaluation process. Due to the existing structural condition of the Dock 5 piles, the anticipated lengthy permitting time frame, and the significant cost of Alternative 3, the logical path to achieving Alternative 3 is to approach it in phases. If grant funding for Alternative 3 appears likely within a few years, the Port should consider implementing Alternative 1 for the lowest cost in the near future and then expanding to Alternative 3. Another solution could be to approach the renovation in three phases, beginning with Alternative 1 as Phase 1, installing a new deck as detailed for Alternative 2 as Phase 2, then expanding the deck and adding piles as detailed in Alternative 3 for Phase 3. Throughout this evaluation it is assumed either Alternative 1 or Alternative 2 has been constructed prior to Alternative 3 and is incorporated into the Alternative 3 structure.

Introduction

The mission of the Port of Newport (Port) is to provide and maintain marine infrastructure to support commercial and sporting vessels that drive economic development in Yaquina Bay. Port Dock 5, a vintage timber structure, is a critical piece of the Port's infrastructure and provides access to the marina that is home to the largest commercial fishing fleet in Oregon. Port Dock 5 is used primarily by the commercial fishing fleet, and serves as the only access to approximately 80 vessel moorings and a floating fuel facility. In order to serve the fleet, 24/7 access to the dock system must be maintained.

Port Dock 5 is approximately 210-feet-long by 20-feet-wide. The timber dock is supported by 11 bents. Ten of the bents consist of five timber piles and diagonal braces. The furthest offshore bent consists of two steel pipe piles. The dock connects to a City-owned boardwalk at the shore side and connects to the floating docks with a ramp system. In 2011, the Port conducted an



internal inspection of the dock and concluded that the Port Dock 5 timber substructure, including piles and cross bracing, is in critical condition and needs to be replaced.

The inspection was performed by Pete Dale, a former Port Project Manager. OBEC reviewed Mr. Dale's summary report, which is included as Appendix 1. Several contributing factors lead us to believe that the current condition of the Dock 5 timber pile support system is not serviceable, including: the extensive pile structural deterioration noted in the original report; the five years since the inspection during which the deterioration has certainly progressed; our own visual assessment of the deteriorated structural bracing system for the piles; and witness accounts of the offshore end of the dock swaying side to side when vehicular traffic drives on the dock. Repair of timber piles or bracing in this advanced state of deterioration is not practical or cost effective.

In 2012, the ramp to the floating docks was replaced with a new aluminum ramp system supported by steel piles. Due to the unknown current structural capacity, vehicular traffic on the dock is currently restricted to the first 50 feet.

OBEC was retained by the Port in August of 2016 to perform an alternatives analysis to identify a preferred structural rehabilitation and/or replacement strategy for Port Dock 5. On August 31st, OBEC led a kickoff workshop with key stakeholders, including dock users, Port staff, and other key community members, to help better define the problem, determine the overall project goals, communicate the design criteria, and brainstorm structural repair and replacement alternatives. Following the project kickoff workshop, OBEC completed an alternatives analysis looking at three alternatives that represented: 1) a cost- and safety-driven rehabilitation replacing only the deteriorated pile support system; 2) a complete replacement of the dock in kind; and 3) a complete replacement and improvement of the dock. This report presents our summary of the evaluation method, results, and recommendations of the alternatives analysis.

Project Goals

During the kickoff workshop, seven key project goals were identified: safety, function, environment, cost, maintenance, access during construction, and future expandability. Each of these goals will be used to evaluate the three design alternatives. Below is a summary of how each of these goals is addressed. A number of additional project preferences were noted during the kickoff workshop that could potentially be implemented with any of the three alternatives at additional project cost.

Safety – The primary purpose of this project is to replace the deteriorated substructure of the existing dock. A successful project alternative will address long-term durability and stability issues with the existing dock, restore the full existing functionality of the dock, including vehicle access, and provide a minimum design life of at least 40 years.

Function – This goal represents the dock's ability to meet the needs of the commercial fishing fleet, such as commercial dock sales, and vehicle and pedestrian access. It also represents the dock's ability to meet code requirements, such as fire suppression and ADA requirements. In order of priority, preferences for enhancements to be addressed include upgraded utilities (both fire suppression and electrical capacity), vehicular parking on the dock, an offshore turn-around to improve vehicular circulation, a more functional receiving and staging area at the offshore end of the dock, and a permanent bathroom facility on the dock.

Environmental – Each alternative was evaluated on a basis of the likely environmental and permitting challenges that must be overcome to allow construction. Evaluation will be based on cost, time, risk, and overall project feasibility. Special consideration was given to project concepts that were more likely to meet permitting requirements through self-mitigation.

Cost – This goal represents the up-front capital costs required to construct each alternative. As part of this evaluation, a planning-level cost estimate was completed for the three alternatives. Understanding that grants and other external funding sources are considered a likely means of financing the project, each alternative has been evaluated based on its likelihood to qualify for federal or state funding.

Maintenance – Long-term costs associated with upkeep and maintenance were assessed qualitatively for each of the alternatives. This category was evaluated based on the predicted lifespan of each alternative and what long-term maintenance needs are predicted over the desired 40-year lifespan. Additionally, each alternative's maintenance requirements were evaluated based on the likelihood of future temporary closures to the dock as a result of deterioration or maintenance activities.

Construction Access – It is imperative that the floating docks remain open 24/7 during construction and that both pedestrian access and utilities are maintained with minimal disruption. Each alternative was evaluated on the basis of keeping access open throughout construction. Each alternative was evaluated for constructability, and requirements such as: necessary temporary accesses, construction staging, and short-term dock closures (<24 hour).

Future Expansion – Each of the alternatives were evaluated on their ability to incorporate future phases of construction to reach a full build out solution. The evaluation criteria for this goal includes how readily the structure can be expanded, as well as how easily the future expansion can be conducted in a manner that achieves each of the other six project goals.

Additional Stakeholder Notes:

- The driveway and any future parking needs to accommodate large pickup trucks and delivery vans.
- The dock will need to integrate with existing City of Newport facilities at the shore.
- The dock should maintain an industrial/commercial feel to best serve the fishing community and minimize tourist loitering.
- Restricting access with gates is not considered a benefit.
- Providing a hoist is not considered a benefit.
- An evaluation of the best option for extending the lifespan of the piles (galvanizing vs. coated vs. cathodic protection), is separate from the alternatives evaluation.
- Current landing area for the ramp is structurally and functionally obsolete; consideration should be made for replacement in the future. This will not be considered in the alternatives evaluation.
- At this time, no viable alternate permanent access to the dock could be identified.
- Tsunami loading will not be considered in the evaluation.

Design Criteria

The following criteria were used for the analytical and objective concept evaluations:

- 2015 IBC with Oregon Amendments
 - Basic Wind Speed, 3 sec gust = 115 MPH
 - Wind Exposure = D
 - Risk Category = I
 - Importance Factors $I_w = 1$, $I_e = 1$, $I_s = 1$
 - Seismic Site Class = D
 - Seismic Design Category = D, $S_{ds} = 1.14g$, $S_1 = 0.71g$
- Pile capacities – proposed piles are 24" dia x .500" open end pipe embedded 30 feet into the siltstone
 - Allowable bearing capacity = 120 tons
 - Allowable uplift capacity = 47 tons
- Tsunami – do not design for tsunami
- Live Loads:
 - Vehicle loads
 - F350 extended bed/quad cab five-ton truck, max axle load = 7,000 lbs
 - Box Van 10-ton vehicle, max axle load = 16,000 lbs
 - Solid tire forklift, Hyster S50CT (assumed), 5,000 lbs capacity, max axle load = 12,000 lbs
 - Distributed load on deck = 50 PSF (pedestrian and minor permanent loads such as dumpsters, totes, and portable toilets)
 - Ground snow load = 2 PSF
- No mooring or berthing loads
- Design Life = 40 years (Alternatives 2 and 3 will realistically provide a structural design life of 75 years due to modern design codes and materials)
- Datum used for site elevations is MLLW. Top of deck and mudline elevations are based on measurements taken by Kent Gibson, the Port Harbormaster, on 9-8-16.
- Top of siltstone bedrock is assumed to be elevation -23.5 feet MLLW based on a nearby 2000 boring log, the 2012 pile driving log, and jet probe data from 1992. (See Appendix 2)

Conceptual Alternatives

Three alternatives were considered for this evaluation process. Conceptual design was performed for each of the three alternatives (approximately 10 to 15% design completion). The design incorporated the above goals and design criteria. A construction cost estimate was then prepared for each alternative. The anticipated accuracy of the cost estimate and the contingency allowance is based on the Association for the Advancement of Cost Engineering (AACE) recommended practice 18R-97. Using these guidelines, and the 10 to 15% design completion level, a reasonable expectation of accuracy is +/- 30%. Structural analysis for wind, seismic, and vehicle loads was performed using RISA and L-Pile software.

Alternative 1 – Replace Existing Substructure

Summary – The concept proposes to replace each of the 10 remaining timber pile bents with two 24-inch pipe piles and a steel beam cap spanning between the piles. The footprint of the deck will remain the same. The timber deck, stringers, and railings would remain in place. Figures 1a and 1b present the plan and section of Alternative 1. The distance between new piles is dictated by the distance required to clear the embedded tips of the outside timber batter piles.

Safety – OBEC understands from the Port that the existing dock timber decking and stringers have been maintained and are in serviceable condition. Our assessment of the safety goal for Alternative 1 is based on the assumption that the existing deck timber is in serviceable condition. OBEC has not conducted a condition assessment to verify the existing condition. We recommend a condition assessment including representative testing of deck and stringer timbers be performed prior to proceeding with Alternative 1. A cost for this assessment has been included in Table 5a. The proposed replacement piles and pile caps will provide structural integrity for the substructure. This alternative does not address utilities, so no safety enhancement will be realized for the utilities.

Function – Alternative 1 will allow vehicle access to be re-instated on the dock to pre-closure levels. No improvement in traffic flow or structural capacity will be included. ADA access and the fire suppression system will not be addressed. None of the preferred enhancements to function would be addressed with this alternative.

Environmental – The proposed 20 replacement piles will be installed outside the existing dock footprint, which will be considered an impact by the regulatory agencies. The additional area is approximately 170 SF, or a 4% increase. OBEC believes this impact will be mitigated by the removal of 50 creosote timber piles and approximately 30 creosote timber braces. This project should fall within the regulatory agencies programmatic maintenance permit. It is estimated it will take approximately one year to procure environmental permits from the time design work begins. OBEC does not believe Alternative 1 will trigger a requirement to provide stormwater treatment. However, there is a risk that NMFS will require it. The pile driving must take place within the in-water work window, which is currently November 1 through February 15th.

Pile installation will require an impact hammer. Noise dampening methods, such as a bubble curtain and/or a cushion, will be employed. A marine mammal watch will be required.

Cost – The cost estimate for Alternative 1 is presented in Table 1. Alternative 1 is the lowest cost alternative.

Maintenance – We propose to apply a high quality, corrosion-resistant coating on the piles and caps. Over the 40 year life of the piles and caps, this coating may need to be touched up on occasion if it is damaged. The timber deck will most likely need periodic replacement of deteriorated elements, if not complete replacement, within the 40-year life of the piles. We estimate the average annual cost of replacing deteriorated timber deck elements to be \$20,000. This cost is not included in the cost estimate for Alternative 1. The Port should expect maintenance costs to vary year-by-year and a maintenance plan and budget should be established for the timber deck.

Construction Access – OBEC has spoken to two marine contractors with experience driving piles in Yaquina Bay, and at Port Dock 5 in particular, regarding contractor and pedestrian access during the pile replacement work. It is feasible to get a derrick barge adjacent to the near shore end of the dock during high tide. Looking at the predicted tide gages in November of 2017, it appears that near-shore work on the piles would be able to proceed during daylight hours three days a week for about 10 hours a day. It would not be safe to have pedestrians on the dock while pile setting and driving is taking place. Therefore, a temporary alternate access will be required. Installing a float in the existing gap between Dock 5 and Dock 3 floats is recommended to provide access when the contractor is required to block access to Dock 5. It is estimated blocking access to Dock 5 will be required for 15 to 20 days, total, or two to three days a week over a six-week period between November and February. We understand the Port has floats available that could be used for the alternate access. The cost of installing the floats is included in the mobilization estimate.

Future Expansion – The Alternative 1 piles and pile caps are designed to accommodate future construction of a concrete deck to replace the timber deck, upgrade utilities, and/or expand the footprint of the dock to enhance traffic flow and add parking. Therefore, Alternative 1 could form the foundation for proceeding with Alternative 2 and then Alternative 3 in the long term. No changes in the Alternative 1 design or cost estimate would be required to proceed with Alternatives 2, and eventually 3, in the future. The new Alternative 1 piles would be installed with extra height to allow raising the elevation of the deck in the future to accommodate stormwater drainage for Alternatives 2 and 3.

Alternative 2 – Replace Entire Structure in the Existing Alignment

Summary – This concept proposes to replace the entire fixed dock structure in the same location with steel piles, steel pile caps, and a concrete deck. The dock plan dimensions will not change. Figures 2a and 2b present the plan and section of Alternative 2.

Safety – The proposed complete replacement will provide structural integrity for a 40-year life. The traffic flow will remain unchanged. Electric and fire suppression upgrades will enhance safety for tenants.

Function – Alternative 2 will allow vehicle access to be re-instated on the dock in accordance with the project design criteria. ADA access conforming to the ADA-ABA Chapter 10 will be required. It is not practical for Port Dock 5 to meet the general ADA gangway slope requirements. Section 1003.2.1.3 allows an exception for which gangways 80 feet or longer are not required to meet the 1V:12H slope requirement. We recommend shortening the fixed dock to allow an 80-foot-long gangway. This will require deleting 38 feet of the dock, or two structural bents. The 80-foot gangway would have a slope at MLLW of approximately 1V:5H. (The existing gangway slope is approximately 1V:3H).

Installing the 80-foot gangway will most likely necessitate modifying the main marina landing floatation to accommodate the additional gangway load. A cost estimate has been included in Table 2 to modify the float.

The fire suppression system will be upgraded to comply with current NFPA requirements to a standpipe at the offshore end of the dock. The electrical power supply is proposed to be upgraded to a system capable of serving two 50 amp 125/250V receptacles per vessel. The

cost estimate includes only providing the service to the offshore end of the gangway. Slip pedestals and float conduit/cable are not included. Parking on the dock, traffic circulation, and bathroom facilities on the dock will not be addressed.

Environmental – The proposed 20-foot-wide by 172-foot-long deck, longer gangway, and 18 new piles (3630 SF) will result in a footprint reduction of 570 SF from the existing timber dock. Although construction of the new dock will be considered an impact by the regulatory agencies, OBEC believes this impact will be mitigated by the removal of 50 creosote timber piles, approximately 30 creosote timber braces, treating stormwater, and the reduced overall footprint. This project should fall within the regulatory agencies programmatic maintenance permit. It is estimated to require approximately one year to procure environmental permits from the time design work starts.

The intention for stormwater treatment reflected in the cost estimate is to collect the runoff at the shore end of the dock by sloping the deck towards shore. The runoff will be collected in catch basins draining to a filter vault installed beneath the boardwalk. The filtered runoff would be returned to the bay through an outfall pipe. Several other options for treatment should be explored in the next phase of design.

Similar to Alternative 1, pile driving must be completed during the in-water work window and pile installation will require an impact hammer. Noise dampening methods, such as a bubble curtain and/or a cushion, will be employed. A marine mammal watch will be required.

Cost – The cost estimate for Alternative 2 is presented in Table 2.

Maintenance – We propose to apply a high quality, corrosion-resistant coating on the piles and cap steel. Over the 40-year life of the piles and caps, this coating may need to be touched up on occasion if it is damaged. The concrete deck should not require maintenance except for routine cleaning. Periodic inspection and maintenance will be required for the upgraded fire suppression system, the new stormwater collection system, and the upgraded electrical system.

Construction Access – Similar to Alternative 1, it would not be safe to have pedestrians on the dock while pile setting and driving is taking place. Therefore, a temporary alternate access will be required. Installing a float in the existing gap between Dock 5 and Dock 3 floats is recommended to provide access when the contractor is required to block access to Dock 5. It is estimated blocking access to Dock 5 will be required for nine to ten days, total, or two to three days a week over a four-week period between November and February. Piles would be installed very close to each side of the existing timber deck. Once the piles are installed, a temporary four-foot-wide walkway will be installed on knee braces at each new pile along the east side of the existing dock. This will allow pedestrian access during construction of the new deck. The temporary access walkway could be made permanent to enhance pedestrian safety; however, permitting impacts would have to be considered. New utilities would be installed along-side existing utilities. The existing utilities would remain in use during construction. After switching over to new utilities, the old utilities would be removed. There will be an interruption of utility services during the switch, which should be kept to less than one day.

Removing the offshore 38 feet of the existing timber dock will require a temporary installation of the new 80-foot gangway to one side of the dock and perhaps a temporary float to connect to the main floating dock. Temporary support for utilities would also be required.

Future Expansion – The proposed new structure is designed to accommodate expanding the footprint of the dock to enhance traffic flow and add parking. Alternative 2 could precede Alternative 3 and serve as the eastern portion of Alternative 3.

Alternative 3 – Replace and Expand Entire Structure

Summary – This concept proposes to replace the entire fixed dock structure with a wider concrete deck supported with steel piles and steel pile caps. The wider deck will allow two-way traffic, space for a vehicle to turn around at the offshore end, parking for 12 vehicles, and a five-foot-wide sidewalk. Figures 3a and 3b present the plan and section of Alternative 3. Due to the anticipated length of time required to obtain permits and funding for this alternative, it is assumed that Alternative 1 or 2, or both 1 and 2, would have already been implemented before an Alternative 3 project begins.

Safety – The proposed replacement and expansion will provide structural integrity for a 40-year life. Two-way traffic, the turnaround area, and the pedestrian sidewalk will greatly enhance dock safety. Electric and fire suppression upgrades will enhance safety for tenants.

Function – Similar to Alternative 2, we recommend shortening the fixed dock to allow an 80-foot-long gangway to comply with ADA requirements.

Fire suppression and electrical service functions and limitations are the same as Alternative 2. Alternative 3 will allow two-way vehicle traffic and 12 parking spaces on the dock. The proposed layout will accommodate an F350 quad cab long bed truck performing a three-point turn around at the offshore end. The traffic plan is presented in Figures 4a and 4b. Permanent bathroom facilities were not included at the Port's request. Portable toilets are proposed for Port Dock 5 due to difficulties with unauthorized use of permanent bathroom at other Port facilities. The proposed vehicle access will require coordination with the City of Newport. The existing boardwalk and Bay Street access to the dock may need to be modified. Lighting has been added along the dock to improve safety.

Environmental – The proposed 50'-4"-wide by 172-foot-long deck, longer gangway, and 27 new piles (8600 SF) will result in a footprint increase of 4400 SF from the existing timber dock. Removal of 50 creosote timber piles, approximately 30 creosote timber braces, and treating stormwater will provide mitigation, but we believe further mitigation will be required. There will be impact pile driving and marine mammal watches required. Alternative 3 will require a formal consultation and biological assessment along with mitigation proposals and implementation. It is estimated to require approximately two years to procure environmental permits from the time design work starts. Stormwater treatment and pile driving concerns are similar to Alternative 2.

Cost – The cost estimate for Alternative 3 is presented in Tables 3 and 4. Table 3 presents cost data for Alternative 3 as an expansion of Alternative 1. Table 4 presents cost data for Alternative 3 as an expansion of Alternative 2.

Maintenance – Alternative 3 maintenance is similar to Alternative 2. Additionally, Alternative 3 offers the potential for optimizing access to utilities. Perhaps a utility trench with a removable cover could be formed into the concrete deck or utilities could be routed under the sidewalk and could be accessed with a manlift.

Construction Access – The footprint would expand to the west of the existing dock since the mudline is shallower to the west and less likely to be useful for vessels. The construction sequence envisioned for Alternative 3 starts with building the new western portion first along-side the existing dock (which has been repaired with Alternative 1 or 2). The new piles required will be 15 to 20 feet from the existing dock, so the existing dock could remain in operation throughout construction of the western portion. For Alternative 1+3, once the western portion is complete, dock operations would transfer to the western portion, and the existing timber deck would be demolished and replaced. All utilities would be newly routed in the western portion and switched over from the existing dock with only a few hours of interrupted service. For Alternative 2+3, all utilities would already be replaced under the existing dock footprint, so no interruption of utilities will occur.

Future Expansion – Alternative 3 will be the ultimate build-out. No expansion for this alternative is being considered.

Evaluation of Alternatives

The process of evaluating the above alternatives was done using a framework for rating how each alternative meets the goals of the Port Dock 5 stakeholders. Each goal was assigned a "weight" relative to the other goals based on the goal's importance to the stakeholders. Each alternative was assessed with a score from 1 to 5 for each goal. That score was then multiplied by the weight assigned to each goal. The sum of the weighted goal scores for each alternative were compared to determine which alternative rated the highest.

The scoring is based on the following:

1. Unacceptable – likely not feasible
2. Undesirable – very difficult
3. Neutral
4. Favorable
5. Superior

The evaluation results are presented in Table 6. Stakeholders reviewed the draft issue of this report and shared some concerns with the assigned goal weights. We increased the weight for the seventh goal "Future Expansion" from 3 to 4 to address stakeholder concerns. Please see the note on Table 6. This change did not impact the overall evaluation results.

As stated above, constructing Alternative 3 independent of Alternative 1 or 2 is not considered feasible. The following Alternatives were evaluated:

- Alternative 1
- Alternative 2
- Alternative 1 and 3
- Alternative 2 and 3

Miscellaneous Items

- GRI performed a brief preliminary evaluation of site geotechnical conditions and pile load capacities. The site is prone to liquefaction and lateral spread of the sloping mudline during a seismic event. Liquefaction could occur during seismic events that are lower in

magnitude than the infamous subduction zone event. The conceptual design for the three Alternatives did consider liquefaction and lateral spread loads.

- OBEC considered other concepts that may be of interest to the Port, but would require further study to evaluate.
 - For Alternate 2, expanding the deck over the tops of the piles would provide an extra four to six feet of deck width for minimal expense. The concern would be the environmental impacts of increasing the footprint.
 - Lengthening the gangway is required to meet ADA requirements. Another option for maintaining the deck footprint would be to shorten the length perpendicular to shore and expand into a marginal wharf along the shoreline.
 - For Alternatives 2 and 3, it may be possible to utilize the existing steel bent piles supporting the existing gangway as an intermediate support for the new longer gangway. This could reduce the cost of the new gangway.
 - It may be possible to optimize the design for Alternatives 2 and 3 to be more cost-effective using longer free spans between piles.

Conclusions and Recommendations

The evaluation results clearly show Alternative 3 is the alternative that best meets all the stakeholders' goals and objectives. As stated above, in terms of time to procure permits and grant funding, the current critical structural condition of the dock makes moving directly to Alternative 3 unfeasible. The Port should consider Alternative 1 or 2 as the solution or a first phase of the solution. Another solution could be to approach the renovation in 3 phases, beginning with Alternative 1 as Phase 1, installing a new deck as detailed for Alternative 2 as Phase 2, then expanding the deck and adding piles as detailed in Alternative 3 for Phase 3. This alternative would result in a higher total project cost than going directly from Alternative 1 to Alternative 3 and has not been studied in detail at the time of this report.

Alternative 2 is the next highest rated alternative. This alternative will provide complete structural integrity and new or upgraded utilities. The drawbacks are that no improvements are provided for vehicles and pedestrians, and access during construction will be problematic.

Alternative 1 has the lowest ratings due to safety and function limitations, maintenance concerns, and construction access problems. There is risk associated with the existing timber deck, which would remain in place with Alternative 1. The timber deck is assumed in a serviceable condition, but will certainly require maintenance over the design life of this project. The Port should initialize an annual maintenance plan if Alternative 1 is selected.

In the scenario where the Port does not foresee future grant funding availability for Alternative 3, Alternative 2 will serve the Port and stakeholders as a long-term solution better than Alternative 1. In the converse scenario, where the Port does see grant funding opportunities for Alternative 3 within three years, Alternative 1 will be the most cost-effective first phase.

Path Forward

The Port now has alternative solutions and cost data in hand to use as tools to start project planning. To assist the Port in finding project funding, we have assembled a list of grant or loan opportunities (see Table 7). This list includes resources that have been used for similar projects by

the Port of Newport and other Oregon ports, that OBEC is aware of through other clients, and state and federal opportunities that appear to be applicable to the Port Dock 5 Renovation Project. There are most likely other resources available not included here, so further research is recommended.

The alternative concepts presented in Figures 1 through 4 and discussed above are the result of an abbreviated design process. We estimate the current design to be between 10% and 15% complete. There are many details and options to be refined and developed for all the alternatives. At the completion of design, the details may differ from what is currently shown in the figures.

In order to present a potential path forward, an alternative must be chosen and an extrapolated schedule of activities must be established. We have chosen the option of renovating in two phases with Alternatives 1+3 as a representative project timeline. This path could be adjusted to fit any of the alternatives. The costs shown are taken from Tables 1 to 5. The following steps are recommended to progress this project as funding resources become available.

Year 1* Approximate Professional Services = \$110,000

- Perform a condition assessment of the existing timber deck
- Perform geotechnical investigation
- Develop permitting strategies
- Perform preliminary design (approximately 30% completion) for Alternative 1
- Solicit stakeholder input on 30% design (this will be used for permit submittal so need agreement with stakeholders)
- Prepare permitting documents and applications for Federal, State, and local agencies for Alternative 1
- Submit permit applications for Alternative 1.

Year 2* Approximate Professional Services = \$85,600; Construction = \$1,085,000

- Coordinate permitting for Alternative 1
- Perform final design (100% complete) for Alternative 1
- Prepare bid package for Alternative 1
- Solicit bids for Alternative 1
- Perform construction for Alternative 1

Note: If Alternative 2 was considered in lieu of Alternative 1, the Year 1 and Year 2 steps would be similar. The cost for Year 1 Professional Services = \$118,000. The cost for Year 2 Professional Services = \$160,000; Construction = \$1,608,000

Year 3 Approximate Professional Services = \$71,600

- Develop permitting strategies for Alternative 3, including mitigation
- Perform preliminary design (approximately 30% completion) for Alternative 3
- Solicit stakeholder input on 30% design (this will be used for permit submittal so need agreement with stakeholders)
- Prepare permitting documents and applications for Federal, State, and local agencies for Alternative 3 including mitigation proposals and biological assessment
- Submit permit applications for Alternative 3.

Year 5 Approximate Professional Services = \$165,100 Construction = \$1,725,000

- Coordinate permitting for Alternative 3
- Perform final design (100% complete) for Alternative 3
- Implement mitigation
- Prepare bid package for Alternative 3
- Solicit bids for Alternative 3
- Perform construction for Alternative 3

*Year 1 and Year 2 steps could potentially be completed within a 12 month period

**PORT OF NEWPORT
RESOLUTION NO. 2017-___**

A RESOLUTION ADOPTING A COMPENSATION PLAN FOR PORT EMPLOYEES

WHEREAS, Resolution No. 2000-01 adopted Personnel Rules for public officials of the Port of Newport; and

WHEREAS, the Board of Commissioners believes that a Compensation Plan should be reviewed annually and adopted by resolution; and

WHEREAS, the Plan shall include rates of pay, entrance salaries, step increases and other employment benefits; and,

WHEREAS, elements of this plan were reviewed by the Port Commission at their April 4, 2017 budget priorities work shop and again by the Budget Committee at their May 9, 2017 meeting; and,

WHEREAS, the Budget Committee approved the FY 2017-18 budget as presented; NOW THEREFORE,

THE PORT OF NEWPORT BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:

Section 1. Purpose. The purpose of this resolution is to establish a Compensation Plan for employees in the career service of the port beginning July 1, 2017 and shall appear as an appendix in the Personnel Rules of the Port of Newport along with other supporting documentation.

Section 2. Cost of Living Adjustment (COLA). The port shall not issue a COLA for Fiscal Year 2017-18. The rate as identified in the most recent completed calendar year as published by the U.S. Bureau of Labor Statistics, Portland Consumer Price Index-U was 2.15%. All rates, categories and steps noted in this resolution shall not be adjusted. The state's minimum wage increased to \$10.25 per hour.

Section 3. Rates of Pay. Each employee shall be paid an hourly rate of pay within the salary range for the class in which he/she is employed. Rates of pay include twelve steps for eligible employees pursuant to Personnel Rules. The percent increase between steps shall be two-and-one-half percent (2.5%). Temporary or part-time employment rates start at Oregon state minimum wage unless approved by the General Manager.

	HOURLY	
	LOW	HIGH
A. <u>General Manager</u>	\$44.55	\$58.45
B. <u>Finance Director</u>	\$33.65	\$44.16
C. <u>Operations Director</u>	\$33.65	\$44.16
D. <u>Facilities Manager (MOC-P)</u>	\$23.21	\$30.45

E. <u>Harbor Master</u>	\$19.48	\$25.56
F. <u>Terminal Manager</u>	\$19.48	\$25.56
G. <u>Accounting Specialist I</u>	\$18.09	\$23.73
H. <u>Maintenance I</u>	\$15.94	\$20.91
I. <u>Accounting Specialist II</u>	\$13.45	\$17.65
J. <u>RV Park Manager</u>	\$13.45	\$17.65
K. <u>Administrative Assistant</u>	\$12.50	\$16.40
K. <u>Maintenance II</u>	\$11.85	\$15.55
L. <u>Accounting Specialist III</u>	\$10.25	\$13.12
M. <u>Maintenance III</u>	\$10.25	\$11.60

Section 4. Health Care Insurance. The port shall cover the monthly premium for employees' health care insurance though coverage will be available for employees' spouse and dependents if fully paid by the employee unless otherwise stated within an employment contract. Coverage is provided through Regence Blue Shield Insurance as negotiated by Special Districts Association of Oregon (SDAO). The medical plan includes a \$5,000 annual deductible, \$10,000 for family coverage.

	MONTHLY
A. <u>Medical</u> . "Red" Plan. PPO L	\$610.49 / \$1,739.90
B. <u>Dental</u> . Incentive Plan	\$54.95 / \$146.19

Section 5. Retirement Plan. The port shall provide employees with a retirement plan funded through the State of Oregon Public Employees Retirement System (PERS). The employee shall be responsible for their portion (6%) of the plan.

	MONTHLY
A. <u>Tier I</u>	13.54%
B. <u>Tier II</u>	13.54%
C. <u>OPSRP (Tier III)</u>	4.61%

Section 6. Health Reimbursement Arrangement (HRA). The port agrees to reimburse employees for eligible expenses (i.e. out-of-pocket expenses) above the \$1,000 deductible with an annual maximum reimbursement of \$3,500; \$2,000 deductible with an annual maximum reimbursement of \$7,000. The unused reimbursement may not be liquidated by the employee nor may it be carried over to the following fiscal year.

Section 7. Deferred Compensation. The port shall provide a deferred compensation plan for its employees through the Oregon Growth Savings retirement account. This plan is entirely funded through employee contributions.

Section 8. Section 125 Pre-tax Medical Plan. The port shall provide employees' access to a Flexible Spending Account or other Section 125 plan for dependent health care coverage paid for through employment agreements or by the benefitting employee.

Section 9. Bonus Consideration. The General Manager shall have the authority to issue on behalf of the port a holiday bonus to employees in an amount not to exceed \$100 based upon financial and other considerations. Commission grants General Manager an equal bonus as may be issued to other career service employees.

Section 10. Delegation of Responsibility. The manager shall have the authority to adjust these rates or benefits on a temporary basis due to changes in any of the contractual agreements related to the aforementioned benefits. Any adjustments to these rates or benefits will be reported to the commission at its next regular meeting.

Section 11. Annual Review. The commission shall annually review and adopt a new Compensation Plan prior to the subsequent budget's adoption. A one page summary of the financial implications of this plan shall be included as a part of the proposed budget.

Section 12. Repealer. All previous rates and benefits are hereby repealed.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 23rd day of May, 2017.

Walter Chuck, President

ATTEST:

Patricia Patrick-Joling, Secretary/Treasurer

**Definition of Personnel Services
Fiscal Year 2017-18**



Payroll Taxes:

Federal Taxes on total wages
6.2% - Social Security
1.45% - Medicare
Oregon State Unemployment
Rates are 2.6% of first \$35,000

Employee Health Insurance:

Health, vision, and dental (\$665 per employee per month)

Health Reimbursement Arrangement (HRA):

Employee reimbursement for medical expenses above the \$1,000 deductible with an annual maximum reimbursement of \$3,500.

PERS:

Employees are in one of three different PERS programs based on when they were hired. The following rates are good through June 2019.
Tier 1 & 2 = 13.54% of wages, OPSRP = 4.61%
Employees also pay 6% of their wages to PERS.

Workers Compensation Insurance:

Latest rates are 11.88% of wages for operations staff, .42% for General Manager and Commission (calculated at \$2,400 for volunteer time), and .25% for office staff.
The state adds a 6.4% assessment on total insurance coverage and also charges \$.033 for every hour worked.

Employee Incentives & Other:

Birthday cards, employee meetings, holiday bonus and party and miscellaneous costs.

Employee Education:

Continuing education classes for Port related business operations.

Employee Paid Benefits:

Employees accrue 20 days of PTO per year for employment years 1-5, 25 days for employment years 6-10 and 30 days after 10 years.

Additional programs available to employees at their cost include Aflac supplemental insurance, pretax 125 plan for medical expenses, and Oregon Growth Savings retirement account.

**Hourly Wage Steps
Fiscal Year 2017-18**



Steps

1	2	3	4	5	6	7	8	9	10	11	12
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Maintenance

Maintenance III - T3							\$ 10.25	\$ 10.51	\$ 10.77	\$ 11.04	\$ 11.31	\$ 11.60
Maintenance II - T3	\$ 11.85	\$ 12.15	\$ 12.45	\$ 12.76	\$ 13.08	\$ 13.41	\$ 13.74	\$ 14.09	\$ 14.44	\$ 14.80	\$ 15.17	\$ 15.55
Maintenance I - T3	\$ 15.94	\$ 16.34	\$ 16.74	\$ 17.16	\$ 17.59	\$ 18.03	\$ 18.48	\$ 18.94	\$ 19.42	\$ 19.90	\$ 20.40	\$ 20.91
Terminal Manager - T2	\$ 19.48	\$ 19.97	\$ 20.47	\$ 20.98	\$ 21.50	\$ 22.04	\$ 22.59	\$ 23.16	\$ 23.73	\$ 24.33	\$ 24.94	\$ 25.56
Harbor Master - T2												
Marina Manager - T2	\$ 19.48	\$ 19.97	\$ 20.47	\$ 20.98	\$ 21.50	\$ 22.04	\$ 22.59	\$ 23.16	\$ 23.73	\$ 24.33	\$ 24.94	\$ 25.56
MOC-P Manager - T2	\$ 23.21	\$ 23.79	\$ 24.39	\$ 24.99	\$ 25.62	\$ 26.26	\$ 26.92	\$ 27.59	\$ 28.28	\$ 28.99	\$ 29.71	\$ 30.45

Administration

Accounting Specialist III - T3		\$ 10.25	\$ 10.51	\$ 10.77	\$ 11.04	\$ 11.31	\$ 11.60	\$ 11.89	\$ 12.18	\$ 12.49	\$ 12.80	\$ 13.12
Accounting Specialist II - T3	\$ 13.45	\$ 13.79	\$ 14.13	\$ 14.48	\$ 14.85	\$ 15.22	\$ 15.60	\$ 15.99	\$ 16.39	\$ 16.80	\$ 17.22	\$ 17.65
Accounting Specialist I - T2	\$ 18.09	\$ 18.54	\$ 19.00	\$ 19.48	\$ 19.96	\$ 20.46	\$ 20.98	\$ 21.50	\$ 22.04	\$ 22.59	\$ 23.15	\$ 23.73
Administrative Assistant - T3	\$ 12.50	\$ 12.81	\$ 13.13	\$ 13.46	\$ 13.80	\$ 14.14	\$ 14.50	\$ 14.86	\$ 15.23	\$ 15.61	\$ 16.00	\$ 16.40
RV Park Manager - T2	\$ 13.45	\$ 13.79	\$ 14.13	\$ 14.48	\$ 14.85	\$ 15.22	\$ 15.60	\$ 15.99	\$ 16.39	\$ 16.80	\$ 17.22	\$ 17.65

Management

General Manager- T1	\$ 44.55	\$ 45.66	\$ 46.81	\$ 47.98	\$ 49.17	\$ 50.40	\$ 51.66	\$ 52.96	\$ 54.28	\$ 55.64	\$ 57.03	\$ 58.45
Finance Director - T1	\$ 33.65	\$ 34.50	\$ 35.36	\$ 36.24	\$ 37.15	\$ 38.08	\$ 39.03	\$ 40.00	\$ 41.00	\$ 42.03	\$ 43.08	\$ 44.16
Operations Director - T1	\$ 33.65	\$ 34.50	\$ 35.36	\$ 36.24	\$ 37.15	\$ 38.08	\$ 39.03	\$ 40.00	\$ 41.00	\$ 42.03	\$ 43.08	\$ 44.16



Personnel Services

	Admin & Property Mgmt	SB Admin	CM OPS	SB OPS	Maint Crew	International Terminal	NOAA	Proposed 2017-18 Total	2016-17 Budget	Percentage Change
General Manager	\$ 121,576									
Operations Director	\$ 83,200									
Finance Director	\$ 83,200									
Accounting Specialist I	\$ 48,152									
Admin Assistant	\$ 31,678									
Accounting Specialist III	\$ 22,963									
Accounting Specialist III (1/2 time)	\$ 14,695									
Overtime	\$ 5,000									
	<u>\$ 410,465</u>							\$ 410,465	\$ 401,996	2.1%
RV Park Manager/Acct Spec II		\$ 34,944								
Accounting Specialist III		\$ 24,731								
Accounting Specialist III (1/2 time)		\$ 14,695								
Overtime		\$ 3,000								
		<u>\$ 77,370</u>						\$ 77,370	\$ 81,328	-4.9%
Harbormaster			\$ 51,875							
Maintenance II			\$ 26,541							
Maintenance II			\$ 26,541							
Maintenance II			\$ 25,272							
Maintenance II			\$ 25,272							
Overtime			\$ 5,000							
			<u>\$ 160,501</u>					\$ 160,501	\$ 155,058	3.5%
Harbormaster			\$ 51,875							
Maintenance II			\$ 26,541							
Maintenance II			\$ 26,541							
Maintenance II			\$ 25,896							
Maintenance III			\$ 21,320							
Overtime			\$ 5,000							
			<u>\$ 157,173</u>					\$ 157,173	\$ 141,234	11.3%
Maintenance I					\$ 41,392					
Maintenance II					\$ 32,344					
					<u>\$ 73,736</u>			\$ 73,736	\$ 106,080	-30.5%
Terminal Manager						\$ 49,358				
Overtime						\$ 3,000				
						<u>\$ 52,358</u>		\$ 52,358	\$ 49,858	5.0%
*MOC-P Manager							\$ 55,994	\$ 55,994	\$ 53,290	5.1%
								<u>\$ 987,597</u>	<u>\$ 988,843</u>	-0.1%
Payroll Taxes & Benefits	\$ 38,268	\$ 7,930	\$ 16,451	\$ 16,110	\$ 7,558	\$ 5,367	\$ 5,739	\$ 97,424	\$ 98,254	
Health Insurance	\$ 65,112	\$ 15,984	\$ 39,960	\$ 39,960	\$ 15,984	\$ 7,992	\$ 7,992	\$ 197,984	\$ 178,358	
PERS - Retirement	\$ 18,692	\$ 3,428	\$ 11,801	\$ 14,018	\$ 3,399	\$ 2,275	\$ 2,581	\$ 56,195	\$ 16,905	
Worker's Compensation Ins.	\$ 2,174	\$ 459	\$ 22,322	\$ 21,828	\$ 10,311	\$ 7,232	\$ 7,729	\$ 72,920	\$ 72,814	
Employee Incentives & Other	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 300	\$ 350	\$ 350	\$ 5,000	\$ 4,200	
Health Reimbursement Arrangement	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 2,500	\$ 2,000	\$ 2,000	\$ 20,500	\$ 17,000	
Totals	<u>\$ 539,211</u>	<u>\$ 109,673</u>	<u>\$ 255,535</u>	<u>\$ 253,589</u>	<u>\$ 113,788</u>	<u>\$ 77,575</u>	<u>82,385</u>	<u>1,431,755</u>	<u>1,376,375</u>	4.0%

* Paid out of the NOAA Fund

**PORT OF NEWPORT
RESOLUTION NO. 2017-XX - DRAFT**

**A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET
FOR FISCAL YEAR 2017-18 AND MAKING APPROPRIATIONS**

WHEREAS, the Port of Newport Board of Commissioners finds that circumstances exist which were not foreseen at the time the fiscal year 2017-18 budget was adopted and which require a supplemental budget creating additional appropriations in the General Operating Fund in accordance with local budget law (ORS 274.471); and

WHEREAS, ORS 274.471 authorizes a supplemental budget without public hearing when the proposed budget changes will not increase a fund's expenditures by more than ten percent from the most recent amended budget prior to the supplemental budget. The Board of Commissioners may adopt the supplemental budget at a regular meeting; and

WHEREAS, _____; and

NOW, THEREFORE, THE PORT OF NEWPORT BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:

Section 1. Adopt the following supplemental budget and make appropriations for fiscal year 2017-2018 in the General Operating Fund relating to _____.

GENERAL OPERATING FUND

	<u>Adopted Budget</u>	<u>Change</u>	<u>Supplemental Budget</u>
Tariff Proceeds	\$0	\$211,726	\$211,726
TOTAL RESOURCES	\$5,322,316	\$211,726	\$5,534,042
Personnel Services	\$1,349,370	\$37,500	\$1,386,870
Debt Service	\$708,680	\$59,364	\$768,044
Materials & Services	\$1,541,550	\$10,000	\$1,551,550
Unappropriated Ending Fund Balance	\$1,275,816	\$104,862	\$1,380,678
TOTAL REQUIREMENTS	\$5,322,316	\$211,726	\$5,534,042

Section 3. Effective Date. Resolution shall take effect immediately.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this _____ day of _____, 2017.

ATTEST:

Walter Chuck, President

Patricia Patrick-Joling, Secretary/Treasurer

OLD BUSINESS AGENDA ITEM

DATE: 4/24/2017
RE: International Terminal Shipping Facility / Real Property Transactions
TO: Port of Newport Board of Commissioners
ISSUED BY: Kevin Greenwood, General Manager

FINANCING UPDATE

TIGER Marine Administration:

- Agreement received and ready for Commission approval. Document shared with Commission on 4/17.

IFA Loan:

- Agreement received and ready for Commission approval. Document shared with Commission on 4/17.
- Terms of the lease are 25 years at 3.3% interest.
- The State added to Section 4(B) that the rate would be reduced by 1% if the port ships two additional products (something other than log exports) through the facility within the first five years of the loan agreement.
- This is a reimbursement program meaning that the Port will submit qualifying invoices to be paid from loan proceeds. The Port only pays interest on the released portion of the loan.
- The State is requiring a Commission resolution to complete the transaction.
- Page 6 includes the requirement of an Operations plan which staff will develop using the recently adopted FMOP and CMMS software. It will be funded by taking \$100k annually from next tariff proceeds and placed into a reserve line for dredging and shipping facility maintenance.
- Page 8 requires that the Port produce a report on the project's progress at the one year anniversary.
- Exhibit B states that the Port is securing the loan with a "Full Faith and Credit Pledge" meaning that payments can be made from any port revenues. There is also a lien on the 9-acre parcel as collateral on the loan.

Silvan Forest LLC:

- Pete Gintner has completed the Port's draft and the agreement was shared with the Commission on 4/17. It was also shared with Silvan and I have not heard comments back.
- I was asked about the \$60k charge for the Port's use of Silvan's money. On an unsecured loan, I think 6% interest would be the best the Port could do. I compared the 6% interest on the remaining annual balance projection to the \$60k cost and the difference is about \$70k in the Port's favor. (\$360k to \$430k).

Teevin Bros.:

- Gintner is working on lease.

RISK ASSESSMENT UPDATE

- I met with Commissioner Beck, CPA/Attorney Dick Kilbride and Walter Chuck on Friday, April 14th to listen to concerns about the financing plan.
- I believe that the risk is shared jointly between the Port and Silvan. If something happened that drastically changed the market, Silvan would not be paid back on their invest and the Port would have to make the \$117k annual payment. That being said, the Port would have a \$6.5-million shipping facility and could certainly market other user to the facility.
- Neither Teevin nor the Port will have any exclusivity clauses with Silvan.
- The Feasibility Study from June 2016 also reported strong findings for log exports from Newport.
 - Teevin is a proven operator
 - Teevin paid \$300k from engineering work for the lease option.
 - Sustainable 10 shipments per year within 20-40 miles of Newport. Includes less than 5% of the privately held timber.
 - Teevin's equipment is the barrier to entry. Having their equipment in Newport makes all other products and users possible.
 - Even though the Asian export market is less than in past years, demand still currently exists.
 - Transportation cost savings harvesting from Newport area/
 - Opens up potential for industrial park and other market support (private and urban renewal).
 - Log market is valid.

RONDYS UPDATE

- Easements have been forwarded to Evan Hall for review.
- Wetland mitigation site will be a deed restriction on Rondys property and will be described after the site is built.
- Dredge Spoils removal will also be a component, however, they will be retaining most of the material for construction on their property.
- Port will berm top soil along southern portion of their property. We will not be trucking top soil from site.

ENGINEERING UPDATE

- Easements have been completed.
- Wetland mitigation site will be a deed restriction on Rondys property.
- Dredge Spoils removal will also be a component, however, they will be retaining most of the material for construction on their property.

TENTATIVE TIMELINE

- Final Agreement w/ TIGER..... May 1, 2017
- Final Agreement w/ IFA..... May 1, 2017
- Final Agreement w/Silvan..... May 1, 2017
- Lease w/Teevin..... May 1, 2017
- Receive SOW from engineer for (1) final engineering, (2) bid development, (3) project management..... April 15, 2017
- Distribute Bid documents May 15, 2017
- Award General Contract..... July 1, 2017
- Project Completion.....late fall 2017

TERMINAL USERS GROUP UPDATE

Draft Operations Plan:

- Pete Zerr, Terminal Manager, has returned from medical leave. However, he has been working on the draft document which should be completed for internal review during the week of the commission meeting.
- Staff will produce a PowerPoint and we can begin scheduling for a meeting by mid-May.

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International Terminal Shipping Facility Financial Analysis

Year	1	2	3	4	5	6	7	8
Number of shipments	6	10	10	10	10	10	10	10
Tariff Proceeds	635,178	1,058,630	1,058,630	1,058,630	1,058,630	1,058,630	1,058,630	1,058,630
Agreement Costs	(192,462)	(192,462)	(192,462)	(192,462)	(192,462)	(192,462)	(192,462)	(192,462)
Net Tariff Proceeds	442,716	866,168	866,168	866,168	866,168	866,168	866,168	866,168
Abatement (@ 50%)	(221,358)	(433,084)	(433,084)	(433,084)	(433,084)	(433,084)	(113,222)	0
Reserve/Overhead/Loss	(168,000)	(245,000)	(245,000)	(245,000)	(245,000)	(245,000)	(245,000)	(245,000)
Income After Abatement	53,358	188,084	188,084	188,084	188,084	188,084	507,946	621,168
Amount Owed on Abatement	2,278,642	1,845,558	1,412,474	979,390	546,306	113,222	0	0
	136,719	110,733	84,748	58,763	32,778	6,793	0	0
	60,000	60,000	60,000	60,000	60,000	60,000		

* 6 shipments in the 1st year and 10 in each year after based on Sylvan projections. Average Tariff is \$105,863 per shipment

Overhead Dredging/Maint. (\$100k) and Ancillary Costs (\$5k/ship).

* Agreement Costs include Loan Payment (\$117k), Personnel Expenses (\$75k)

* Lost service revenue is 10% per 5 & 6 shipments (\$38k), 20% per 7 & 8 shipments and 25% per 9 and 10 shipments (\$95k)

* Net Operating Income includes tariff proceeds - additional costs - lost service revenue

* Abatement includes 50-50 split after subtracting \$192,462 for loan pmt. and personnel which are included in Additional Costs

* no tariff or lease rate increases over the abatement period

The International Terminal lost \$220k in FY15-16. The loss will be improved by adding the income after abatement line item.