

PORT OF NEWPORT REGULAR COMMISSION MEETING AGENDA

Tuesday, December 21, 2021, 6:00 p.m.

Microsoft Teams

Newport, OR 97365

This will be a virtual meeting, which means you can attend by registering or you can view the live stream of this meeting on our website: <https://portofnewport.specialdistrict.org/2021-12-21-commission-meetings-2021-december-21-2021-6-00-p-m>

Anyone interested in making public comment must complete the form on our website and submit it by 11:00 a.m. on Monday, December 20, 2021: <https://portofnewport.specialdistrict.org/2021-12-21-commission-meetings-2021-december-21-2021-6-00-p-m>

I. Call to Order

II. Changes to the Agenda

III. Public Comment (3-minute limit per person)

IV. Consent Calendar

A. Minutes	2021	
1. Regular Commission Meeting.....	November 16.....	Page 3
B. Financial Reports.....		Page 9
C. Accounts Paid.....		Page 28
D. Approval of Affirmative Action Plan.....		Page 42
E. Approval of Pay Practices Update to the Employee Handbook.....		Page 80
F. Approval of Notice of Dryer Surplus.....		Page 87
G. Approval of Copier Contract.....		Page 88
H. Approval of HDR Contract Extension to close out PD5 Pier Project.....		Page 89

V. Old Business

A. Items Removed from Consent Calendar	
B. Goals and Objectives Discussion – <i>Miranda</i>	Page 91
C. Port Dock 7 Update – <i>Bretz</i>	Page 115
D. Authorize Port Grant Submissions – <i>Miranda</i>	Page 133
E. Approval of Swede’s Dock Emergency Piling Project – <i>Bretz</i>	Page 135
F. Approval of Business Oregon Loan – Admin Building – <i>Miranda</i>	Page 136
G. Assignment and Amendment to Lease Agreement – Craven Enterprises, LLC dba Newport Marina Store – <i>Miranda</i>	Page 140

VI. New Business

A. Approval and Acceptance of FY 2020-2021 Audit – <i>Brown</i>	Page 145
B. Janitorial Services Contract Selection – <i>Bretz</i>	Page 214
C. Authorize Lease Agreement – Matheson Marine Services – <i>Bretz</i>	Page 215

VII. Staff Reports

A. General Manager – <i>Miranda</i>	Page 229
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- 1. Director of Finance & Business Services – *Brown*.....Page 233
 - a) November Occupancy Report.....Page 238
- 2. Director of Operations – *Bretz*.....Page 240

VIII. Calendar/Future Considerations 2022

- Christmas, Port Office ClosedDecember 24, 2021
- New Year’s, Port Office ClosedDecember 31, 2021
- Martin Luther King Jr. Day, Port Office ClosedJanuary 17, 2022
- Next meeting dateJanuary 24, 2022
- SDAO Annual Conference (Hybrid)February 10-12, 2022

IX. Public Comment (3-minute limit per person)

X. Adjournment

PORT OF NEWPORT COMMISSION MINUTES

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

The Port of Newport Commission met on the above date and time virtually via Microsoft Teams. In attendance were Commissioners Lackey, Burke, Retherford, and Sylvia. Commissioner Chuck was excused. Also in attendance were General Manager Paula Miranda, Operations Director Aaron Bretz, Finance Director Mark Brown, Administrative Assistant Gloria Tucker, and PR Consultant Angela Nebel.

PUBLIC COMMENT

Public Comment. Miranda reported she and the Commission received an email from Pat Ruddiman. She noted she replied to him that that public comment should go through the website, as the form is posted under each meeting. She indicated people should put their names with their comments. She read Ruddiman's comments into the record. She added Midwater Trawlers was supposed to present at the joint meeting with the City of Newport, and Ruddiman made similar comments then.

Miranda reported if the longshoremen have a presentation which impacts the Port district, they are more than welcome to share that information with the Commission, and staff would put them on the agenda. She explained Midwater Trawlers approached her and asked if their economic analysis for the seafood industry could be on the agenda. She noted it is information the Port needs to hear. She indicated she will address Ruddiman's comments on the Administration Building during that part of the meeting.

CONSENT CALENDAR

MOTION was made by Lackey, seconded by Sylvia, to approve the consent calendar as presented. The motion carried unanimously in a voice vote.

OLD BUSINESS

Accounts Paid. MOTION was made by Lackey, seconded by Retherford, to approve accounts paid as presented. The motion carried unanimously in a voice vote.

Admin Building Contract Selection. Miranda noted Dustin Capri, architect for the project, is present in the meeting. She reported she had a question from a commissioner on why the Port did not present all three bids in the packet. She stated the main reason is because staff put out a request for quotes, with the concept everything will be ready, the engineering and architect work, and whoever bids on this, will do the building exactly as presented. She indicated the concept was the lowest bid would be selected as long as they have proper qualifications. She added the Port has a consultant working on this to make sure the Port is properly following procedure.

Miranda reported the Port received three bids due on November 10. She stated the lowest bid is Baldwin General Contracting, Inc. at \$2,031,000; the next was \$2,048,000; and the last was

close to \$2.3 million. She noted staff haven't seen anything that disqualifies Baldwin, and they will go through the process of negotiating a contract if the Commission approves going forward. She indicated a few months ago, a consultant gave the Port a general estimate for the cost of the building at \$2,085,000. She added the bid is in line with what was expected.

Miranda reported looking at the numbers, staff are looking to do the building as it was bid. She noted originally she explained to Ruddiman that this is not an overly expensive building. She emphasized staff looked at this very closely to address the necessities of the Port currently. She stated the original cost was \$2.4 million, and staff stripped this down as much as they possibly could. She indicated at this level; the Port is not completely finishing the rentable portion of the building with the concept that whoever decided to rent that portion would finish it as they want. She added she is asking for a 10 percent contingency, and if that money is not used, the Port could possibly finish that part of the building.

Miranda reported staff worked with Business Oregon to receive a loan with an interest rate of 2.25 percent. She stated she has requested assurance from the state that the interest rate is locked. She noted a contract should be coming at any moment. She explained this project will be contingent upon the funding. She indicated a lot of information was included in the newsletter about why the Port needs a building, and other than this public comment, she has not heard anything negative. She added in fact, it has been the opposite; a lot of people have expressed support. Burke praised the newsletter and the talking points.

Lackey stated having a small, temporary, portable building is not a good situation and past due for a permanent solution. He noted it was not a good workspace pre-COVID, and it is worse after. He indicated a permanent structure is required long-term for the Port. He added to him it is not a question of if, but when to take the necessary step. Lackey stated experience with large capital expenditures and maintenance teaches that investments only get more expensive over time. He noted the industry is seeing an inflationary period where that dynamic is accelerating, leaving the future even more uncertain. He indicated Port staff have worked through the process with the architects during the bid process to minimize costs, be thorough in the bid process, and set the Port up for a successful workspace for the long-term. He added Port staff have been diligent in managing the Port so that it is in a good financial position to proceed on the building while still making great progress on other infrastructure projects.

Lackey stated the down payment with the secured loan from the state with a low interest rate is advantageous. He noted for these reasons, he fully supports proceeding at this time. Retherford stated she is also in favor of doing this. She noted it has been a long process, well-thought out, with many involved, and plenty of opportunity for public comment. She indicated there is such a need there, and the Port planned to be at this place at this time. She added it will be neat to see the project through. She thanked everyone who has been diligent on this project.

Sylvia stated there has been a multi-decade process to get here. He noted the due diligence has been done. He indicated this is a reasonable price, and it's not a luxurious building, but very practical. He asked if the alternative bids had any statements about or recommended changes for the structure. He asked if anything came out of the bids that suggests changes or issues. Capri replied the bid prices were within range. He stated he would be concerned if one of the contractor's bids was very low or very high. He noted he does not have experience with Baldwin, but they do have great references. He indicated he reached out to Chris Janigo at the City of Newport, where Baldwin did the fire station retrofit. He added Chris' comments were they were very good to work with, they addressed issues as they arose, and all positive.

Capri reported having a local municipality who had a good experience working with them is a good start. He stated he wants something in writing from Baldwin that they are comfortable signing a contract for the bid amount and complying with construction documents. He noted that helps with contract negotiation and future change orders. He indicated once he has that, the only question mark is the time it takes to build. He added there were no big concerns from any of the contractors that proposed.

Miranda reported staff did an initial pre-bid meeting in which all the contractors had opportunities to address any concerns, issues, or questions. She noted all of those things made it into an amendment. She thanked the architects, consultants, and staff for their efforts. Capri reported there were 18 or 19 items that came up in an addendum. He explained those were clarifications on items like shelving, type of carpet, and door schedules. He noted great specific questions came from that pre-bid meeting.

Sylvia asked if change orders fall into the 10 percent contingency. He also asked what happens if the Port runs into serious problems above 10 percent. Miranda replied the chance of having change orders on a brand-new building is less likely than a retrofit. She stated with a brand-new building, chances of something going wrong is very minimal, however, this is a world where it can be hard to get supplies and there is a bit of uncertainty. She noted projects generally have a contingency, and most of the time it is 20 percent. She indicated the chances of this project going beyond 10 percent is unlikely.

Capri reported the availability of materials and delay in shipping are concerns. He stated his biggest concern is the geotechnical report; the soil conditions are always the wildcard. He noted, fortunately, the building is not digging down that deep, so he is not anticipating a problem, but he said he will feel a lot better once the foundation has been poured. Sylvia confirmed the contractor will have to stick to the prices quoted.

Burke stated the optics may not be clear to some people, but the talking points in the newsletter are great to share as commissioners hear questions and comments. He noted this is a pretty utilitarian building, not anything fancy. He indicated staff did value engineering on anything they could. He added it will help the health and productivity of the staff. He asked if Baldwin cited any local subs. Capri replied there are regional subs, but not a lot directly in Newport. He added the concrete was out of Lincoln City. Miranda noted according to the state, local means Oregon, not a specific region. Burke added he understands Newport's small pool of contractors are swamped.

MOTION was made by Retherford, seconded by Sylvia, to direct the General Manager to enter into a contract with Baldwin General Contracting, Inc. pending negotiations in an amount not to exceed \$2,031,000 plus a 10% contingency. The motion carried unanimously in a voice vote.

MOTION was made by Retherford, seconded by Sylvia, to approve additional expenditure in the amount of \$120,000 for additional costs related to the administration building as described above. The motion carried unanimously in a voice vote.

NEW BUSINESS

Fishing Industry Economic Activity Tends (Presentation). Heather Mann, Executive Director of Midwater Trawlers Cooperative, presented the report included in the packet. Retherford thanked Mann for such a complete and thorough presentation. She stated this is such important knowledge that the Commission can take forward, for commercial and recreational, in

meeting with legislators. She added she is thankful Mann saw a need for this economic data, and for the partnership with Lincoln County Commission and everyone who has contributed to the report. She emphasized the report will be huge going forward and an asset to the community. Mann added previous Lincoln County Commissioner Terry Thompson helped get the report going too. Miranda thanked Mann. She stated as far as chasing funds for fixing docks, dredging, or any other project, everything is factored on the needs of and economic impact to the area. She noted this report is very helpful. She explained staff use this kind of information when chasing money, especially on the federal level. She added this reflects not just a regional impact, but a nationwide impact. She explained the fleet that is housed here goes beyond the state of Oregon to create an economic impact in the nation.

Lackey agreed with Retherford. He thanked Mann for providing the information in a digestible form. Sylvia agreed with the Commission. He suggested before the Port does its next strategic plan, they do some strategic thinking about the future. He explained the Port makes decisions lasting 20 to 40 to 50 years. He indicated the Port's plan may be five years, but that is built on the vision for 40 years. He added a lot of Port infrastructure is designed to last 40 years.

Sylvia stated there are lots of elements that come together to create all the assets fishermen and processors need to be successful in a port, and the Port of Newport has a lot of those elements. He noted the research and education sector are unique elements to Newport. He explained a lot of the fishermen here participate in research, which makes this port unique. He indicated there are a lot of unique synergies between these different sectors, tourism, marine science, education, fishing, and other sectors. He added exploiting those with strategic thinking is important. Sylvia suggested the strategic planning use this kind of material. He noted there's lots of challenges and risks going forward, and if the Port doesn't plan for those, then the Port could be in a problem 10 to 20 years from now. He recommended creating risk-adverse strategies going forward.

Resolution No. 2021-09 Liveboard Policy. Bretz reported through the Facilities Code, the Port can pass resolutions to administer the Port's facilities, especially regarding liveboard vessels in the recreational marina. He noted there is a Code section for the commercial marina, but that isn't in this resolution because the Port does not have any liveboards in the commercial marina. He indicated this resolution is only about the recreational marina. He explained in the Facilities Code, the Port may set a maximum number of liveboard vessels allowed in the recreational marina and eligibility criteria for liveboard vessels including, without limitation, the size, type, and condition of the vessel, as well as the creditworthiness, criminal, and rental history of the party seeking enter the liveboard agreement. He indicated this resolution is not a change of anything but trying to manage people's expectations and make it clear for Port users the criteria looked at when granting liveboards. He added people often enter into a MLA, and they think they have one next year. He explained that is not the case; having a current MLA does not entitle people to have one the following year.

Bretz reported this resolution allows staff to scrutinize vessel seaworthiness and operability, and it directs staff to scrutinize the behavior of the people attending the vessel. He noted he ran this by the Port's lawyer. He stated the wording is adequate. He indicated he doesn't want to get into liveboard agreements with people whose conduct is not conducive to a community environment. He added staff chose 21 days as the start of a liveboard because that length of time is long enough it does not bother the people passing through for a week or two. He explained at the 21-day mark, staff will expect someone to apply for liveboard status.

Miranda provided background on liveboard issues at the Port. She explained people are selling their boats with the expectation that the new owner could have a liveboard. She stated there is a laundry list of things the Port has to check to make sure they take care of their boats and their rent. She noted a lot of those liveboards tend to turn into derelict boats, and the Port has to pay steep fees for the Port of Toledo to take them. She explained liability-wise, when dealing with liveboard, the Port is creating a landlord-tenant agreement, almost like the Port owning an apartment complex. She indicated certain laws are applicable that are not typically applicable to boat agreements. She added, for instance, during COVID, if a tenant didn't pay, there was nothing the Port could do. She emphasized the laws are complex when dealing with a liveboard, so it is important to have the policy finalized when they start and end.

Sylvia asked why the Port has liveboards. He also asked how many liveboards are there and how much does that change. Bretz replied there are 21 liveboards, and that has not changed in the last several years. He noted the Port stopped granting new ones. He noted it is traditional that people live on their boats and move them from port to port regularly. He indicated the Facility Code is made to address operational boats. He explained the concept as a high-class marina with a bunch of yachts, and it would be common for some folks to live on their yacht for several months of the year. He added the key thing is to pay attention to the material condition of the boat and the frequency of people coming and going.

Miranda reported there is a concept that liveboard folks can be a watchdog, and they keep a lookout when port staff are not there. She noted the Port did not set a maximum number of liveboards, because then people will expect there to be that many. She indicated the Port wants to shrink liveboards to a point that the ones who stay are amazing tenants. She stated it's not a bad idea to have a few. She added every port has some liveboard of some kind. Bretz emphasized the Port is not compelled to do this, so staff can use judgement. Retherford asked how do liveboards work with liability and guests with extended stays. Bretz replied there is not a formal process for checking in when going to a boat, but staff know pretty well who is down there and have a good idea when someone is there for a while. He added it's pretty evident. Miranda replied the general liability required by the MLA covers it.

MOTION was made by Lackey, seconded by Retherford, to adopt Resolution No. 2021-09 as presented. The motion carried unanimously in a voice vote.

STAFF REPORTS

General Manager Report. Sylvia asked when the report for Port Dock 7 improvements will be available. Bretz reported the consultant is reviewing the draft report, and it should be available by next meeting. Sylvia noted the federal government passed the bill for infrastructure. He asked if that means additional funding support beyond traditional agencies. Miranda replied current federal and state agencies will receive those funds. She explained she is working with the grant writer on conversations with those agencies. She noted the folks she has been working with are very aware of those funds coming around. She emphasized the need to have plans and reports so that projects are eligible for funding. Retherford asked if staff have heard anything on grant applications for Port Dock 7. Miranda replied she has not heard back yet. She added the budget this fiscal year includes Port Dock 7, and she would rather use grant money, but if at the last hour that does come through, the Port has some funding and should not delay it any further. She added she is working so the budget and goals and objectives are in sync this time. She explained the goal is to have more of a chance to brainstorm before making the budget this year.

Calendar/Future Considerations. Miranda reported there will be a seafood cook off next year, and she is working with Fishermen's Wives and Jim Myers. She noted the tentative date is July 23. She asked if that date will work, since that's how they will reach out to sponsors. The Commission agreed that date seemed fine. Miranda added the event won't come before Commission until she has a better handle on the sponsors. Retherford thanked the Port staff who helped on Fishermen's Appreciation Day. She added the community needs to know the Port is involved in the community.

ADJOURNMENT

Having no further business, the meeting adjourned at 7:42 p.m.

Port of Newport - General Operating Fund

Balance Sheet

As of November 30, 2021

	Nov 30, 21	Nov 30, 20	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
100 · General Operating Funds	3,709,758	3,859,169	(149,411)	(4)%
Total Checking/Savings	3,709,758	3,859,169	(149,411)	(4)%
Accounts Receivable				
11200 · Accounts Receivable	493,615	485,366	8,249	2%
11225 · Grants Receivable	2,776	9,077	(6,301)	(69)%
Total Accounts Receivable	496,391	494,443	1,948	0%
Other Current Assets				
11250 · Property Tax Receivable	13,723	53,819	(40,096)	(75)%
11255 · Allow for Bad Debt - CM	(20,000)	(20,000)	0	0%
11260 · Allow for Bad Debt - SB	(10,000)	(10,000)	0	0%
11270 · Undeposited Funds	18,600	4,298	14,302	333%
11300 · Prepaid Expenses	130,304	139,180	(8,876)	(6)%
11400 · Due from Other Funds	70,181	(328)	70,509	21,518%
11480 · PERS - NPA(L)	(647,914)	(647,914)	0	0%
11485 · PERS - Deferred OF	193,254	193,254	0	0%
11490 · Assets Held For Sale	0	2,126	(2,126)	(100)%
Total Other Current Assets	(251,851)	(285,564)	33,713	12%
Total Current Assets	3,954,298	4,068,048	(113,750)	(3)%
Fixed Assets				
11500 · Capital Assets	48,876,282	46,878,546	1,997,736	4%
Total Fixed Assets	48,876,282	46,878,546	1,997,736	4%
TOTAL ASSETS	52,830,580	50,946,594	1,883,986	4%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
12000 · Accounts Payable	94,960	182,338	(87,378)	(48)%
Total Accounts Payable	94,960	182,338	(87,378)	(48)%
Other Current Liabilities				
12016 · Retainage Payable	114,509	361	114,148	31,598%
12018 · Unclaimed Property Payable	4,555	3,564	991	28%
12020 · Lodging/Room Tax Payable	5,947	18,654	(12,707)	(68)%
12100 · Payroll Liabilities	143,645	99,262	44,382	45%
12200 · Due to other Funds	700,000	0	700,000	100%
12250 · Deferred Revenue	292,643	231,898	60,745	26%
12300 · Accrued Interest Payable	14,011	15,147	(1,136)	(8)%
12320 · Current Portion-Long Term Debt	550,980	535,814	15,166	3%
Total Other Current Liabilities	1,826,290	904,700	921,589	102%
Total Current Liabilities	1,921,249	1,087,038	834,211	77%
Long Term Liabilities				
12350 · Long Term Debt	5,178,590	5,756,882	(578,291)	(10)%
12800 · Bond Premiums	100,621	100,621	0	0%

Port of Newport - General Operating Fund

Balance Sheet

As of November 30, 2021

	Nov 30, 21	Nov 30, 20	\$ Change	% Change
12900 · PERS - Deferred IF	246,841	246,841	0	0%
Total Long Term Liabilities	5,526,052	6,104,343	(578,291)	(10)%
Total Liabilities	7,447,301	7,191,381	255,920	4%
Equity				
13003 · Committed Grant Match Funds	667,000	0	667,000	100%
13010 · GOF - Unassigned FB	36,677,896	36,402,710	275,186	1%
13015 · GOF - Contributed Capital FB	7,130,788	7,130,788	0	0%
Net Income	907,595	221,715	685,880	309%
Total Equity	45,383,279	43,755,213	1,628,066	4%
TOTAL LIABILITIES & EQUITY	52,830,580	50,946,594	1,883,986	4%

Port of Newport
General Operating Fund - Budget vs. Actual
 July through November 2021

	<u>Jul - Nov 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
14000 · Lease Revenues	355,842	327,200	28,642	109%
14100 · Moorage	925,942	766,536	159,406	121%
14200 · Hoist Dock & Services	354,007	306,327	47,680	116%
14300 · Shipping Terminal Revenues	2,175	12,005	(9,830)	18%
14400 · RV Parks	753,408	689,745	63,663	109%
14500 · Launch Ramp & Trailer Storage	52,493	45,310	7,182	116%
14600 · Miscellaneous Revenue	85,398	4,958	80,440	1,722%
14700 · Permit Revenues	0	1,000	(1,000)	0%
Total Income	<u>2,529,266</u>	<u>2,153,083</u>	<u>376,183</u>	<u>117%</u>
Gross Profit	2,529,266	2,153,083	376,183	117%
Expense				
15000 · Personnel Services	822,827	976,616	(153,789)	84%
16000 · Materials & Services	893,343	1,725,690	(832,347)	52%
16990 · Depreciation Expense	703,415	703,415	0	100%
17000 · Debt Service	374,172	425,560	(51,388)	88%
Total Expense	<u>2,793,757</u>	<u>3,831,281</u>	<u>(1,037,524)</u>	<u>73%</u>
Net Ordinary Income	(264,492)	(1,678,198)	1,413,707	16%
Other Income/Expense				
Other Income				
18100 · Property Tax Revenue	115,756	35,605	80,151	325%
18200 · Interest Income	3,435	625	2,810	550%
18300 · Grants	60,834	0	60,834	100%
18600 · Gain/(Loss) on Sale of Assets	1,000			
18700 · Property & Dredge Sales	0	18,125	(18,125)	0%
18800 · Miscellaneous - Non-operating	126	0	126	100%
18900 · Transfers In from Other Funds	667,000	667,000	0	100%
Total Other Income	<u>848,152</u>	<u>721,355</u>	<u>126,797</u>	<u>118%</u>
Other Expense				
19000 · Capital Outlay	99,197	505,000	(405,803)	20%
19700 · Transfers Out to Other Funds	0	100,000	(100,000)	0%
19890 · Overhead Allocation	(1,108)	(1,107)	(1)	100%
Total Other Expense	<u>98,090</u>	<u>603,893</u>	<u>(505,803)</u>	<u>16%</u>
Net Other Income	<u>750,062</u>	<u>117,462</u>	<u>632,600</u>	<u>639%</u>
Net Income	<u><u>485,570</u></u>	<u><u>(1,560,736)</u></u>	<u><u>2,046,306</u></u>	<u><u>(31)%</u></u>

Port of Newport - General Operating Fund

Administration - Budget vs. Actual

July through November 2021

	<u>Jul - Nov 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
14600 · Miscellaneous Revenue	2,118	1,000	1,118	212%
14700 · Permit Revenues	0	1,000	(1,000)	0%
Total Income	<u>2,118</u>	<u>2,000</u>	<u>118</u>	<u>106%</u>
Gross Profit	2,118	2,000	118	106%
Expense				
15000 · Personnel Services	312,921	385,023	(72,102)	81%
16000 · Materials & Services	301,480	324,877	(23,396)	93%
16990 · Depreciation Expense	2,110	2,110	0	100%
17000 · Debt Service	0	196,436	(196,436)	0%
Total Expense	<u>616,512</u>	<u>908,446</u>	<u>(291,934)</u>	<u>68%</u>
Net Ordinary Income	(614,394)	(906,446)	292,052	68%
Other Income/Expense				
Other Income				
18100 · Property Tax Revenue	115,756	35,605	80,151	325%
18200 · Interest Income	3,435	625	2,810	550%
18300 · Grants	10,000	0	10,000	100%
18600 · Gain/(Loss) on Sale of Assets	1,000			
18900 · Transfers In from Other Funds	667,000	667,000	0	100%
Total Other Income	<u>797,191</u>	<u>703,230</u>	<u>93,961</u>	<u>113%</u>
Other Expense				
19000 · Capital Outlay	25,473	155,000	(129,527)	16%
19700 · Transfers Out to Other Funds	0	100,000	(100,000)	0%
19890 · Overhead Allocation	(455,504)	(455,504)	(0)	100%
Total Other Expense	<u>(430,032)</u>	<u>(200,504)</u>	<u>(229,528)</u>	<u>214%</u>
Net Other Income	<u>1,227,223</u>	<u>903,734</u>	<u>323,489</u>	<u>136%</u>
Net Income	<u><u>612,829</u></u>	<u><u>(2,712)</u></u>	<u><u>615,541</u></u>	<u><u>(22,597)%</u></u>

Port of Newport
International Terminal - Budget vs. Actual
 July through November 2021

	<u>Jul - Nov 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
14000 · Lease Revenues	64,479	72,267	(7,788)	89%
14100 · Moorage	102,241	70,469	31,772	145%
14200 · Hoist Dock & Services	185,386	160,681	24,705	115%
14300 · Shipping Terminal Revenues	2,175	12,005	(9,830)	18%
14600 · Miscellaneous Revenue	56	0	56	100%
Total Income	<u>354,338</u>	<u>315,422</u>	<u>38,916</u>	<u>112%</u>
Gross Profit	354,338	315,422	38,916	112%
Expense				
15000 · Personnel Services	82,588	91,743	(9,155)	90%
16000 · Materials & Services	111,755	240,193	(128,438)	47%
16990 · Depreciation Expense	531,475	531,475	0	100%
17000 · Debt Service	172,578	213,347	(40,769)	81%
Total Expense	<u>898,397</u>	<u>1,076,758</u>	<u>(178,361)</u>	<u>83%</u>
Net Ordinary Income	(544,059)	(761,336)	217,277	71%
Other Income/Expense				
Other Income				
18300 · Grants	0	0	0	0%
18800 · Miscellaneous - Non-operating	126			
Total Other Income	126	0	126	100%
Other Expense				
19000 · Capital Outlay	0	0	0	0%
19600 · Contingency	0	0	0	0%
19700 · Transfers Out to Other Funds	0	0	0	0%
19890 · Overhead Allocation	13,473	13,473	(0)	100%
Total Other Expense	<u>13,473</u>	<u>13,473</u>	<u>(0)</u>	<u>100%</u>
Net Other Income	(13,347)	(13,473)	126	99%
Net Income	<u>(557,406)</u>	<u>(774,809)</u>	<u>217,404</u>	<u>72%</u>

Port of Newport
International Terminal - Budget vs. Actual
 July through November 2021

	<u>Jul - Nov 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
14000 · Lease Revenues	64,479	72,267	(7,788)	89%
14100 · Moorage	102,241	70,469	31,772	145%
14200 · Hoist Dock & Services	185,386	160,681	24,705	115%
14300 · Shipping Terminal Revenues	2,175	12,005	(9,830)	18%
14600 · Miscellaneous Revenue	56	0	56	100%
Total Income	<u>354,338</u>	<u>315,422</u>	<u>38,916</u>	<u>112%</u>
Gross Profit	354,338	315,422	38,916	112%
Expense				
15000 · Personnel Services	82,588	91,743	(9,155)	90%
16000 · Materials & Services	111,755	240,193	(128,438)	47%
16990 · Depreciation Expense	531,475	531,475	0	100%
17000 · Debt Service	172,578	213,347	(40,769)	81%
Total Expense	<u>898,397</u>	<u>1,076,758</u>	<u>(178,361)</u>	<u>83%</u>
Net Ordinary Income	(544,059)	(761,336)	217,277	71%
Other Income/Expense				
Other Income				
18300 · Grants	0	0	0	0%
18800 · Miscellaneous - Non-operating	126			
Total Other Income	<u>126</u>	<u>0</u>	<u>126</u>	<u>100%</u>
Other Expense				
19000 · Capital Outlay	0	0	0	0%
19600 · Contingency	0	0	0	0%
19700 · Transfers Out to Other Funds	0	0	0	0%
19890 · Overhead Allocation	13,473	13,473	(0)	100%
Total Other Expense	<u>13,473</u>	<u>13,473</u>	<u>(0)</u>	<u>100%</u>
Net Other Income	<u>(13,347)</u>	<u>(13,473)</u>	<u>126</u>	<u>99%</u>
Net Income	<u><u>(557,406)</u></u>	<u><u>(774,809)</u></u>	<u><u>217,404</u></u>	<u><u>72%</u></u>

Port of Newport
Commercial Marina - Budget vs. Actual
 July through November 2021

	<u>Jul - Nov 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
14000 · Lease Revenues	89,615	65,350	24,265	137%
14100 · Moorage	315,744	283,026	32,718	112%
14200 · Hoist Dock & Services	145,394	142,059	3,335	102%
14600 · Miscellaneous Revenue	32,895	0	32,895	100%
Total Income	<u>583,648</u>	<u>490,435</u>	<u>93,213</u>	<u>119%</u>
Gross Profit	583,648	490,435	93,213	119%
Expense				
15000 · Personnel Services	176,273	207,663	(31,390)	85%
16000 · Materials & Services	134,313	588,665	(454,352)	23%
16990 · Depreciation Expense	21,500	21,500	0	100%
17000 · Debt Service	3,298	3,298	(0)	100%
Total Expense	<u>335,384</u>	<u>821,126</u>	<u>(485,742)</u>	<u>41%</u>
Net Ordinary Income	248,265	(330,691)	578,955	(75)%
Other Income/Expense				
Other Income				
18300 · Grants	10,543	0	10,543	100%
Total Other Income	10,543	0	10,543	100%
Other Expense				
19000 · Capital Outlay	32,699	150,000	(117,301)	22%
19890 · Overhead Allocation	200,901	200,901	(0)	100%
Total Other Expense	<u>233,600</u>	<u>350,901</u>	<u>(117,301)</u>	<u>67%</u>
Net Other Income	<u>(223,057)</u>	<u>(350,901)</u>	<u>127,844</u>	<u>64%</u>
Net Income	<u>25,208</u>	<u>(681,592)</u>	<u>706,800</u>	<u>(4)%</u>

Port of Newport
South Beach - Budget vs. Actual
 July through November 2021

	<u>Jul - Nov 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
14000 · Lease Revenues	201,748	189,583	12,164	106%
14100 · Moorage	499,156	413,041	86,115	121%
14200 · Hoist Dock & Services	11,130	3,587	7,543	310%
14400 · RV Parks	753,408	689,745	63,663	109%
14500 · Launch Ramp & Trailer Storage	52,493	45,310	7,182	116%
14600 · Miscellaneous Revenue	50,330	3,958	46,372	1,272%
Total Income	<u>1,568,265</u>	<u>1,345,226</u>	<u>223,039</u>	<u>117%</u>
Gross Profit	1,568,265	1,345,226	223,039	117%
Expense				
15000 · Personnel Services	251,044	292,187	(41,143)	86%
16000 · Materials & Services	345,151	571,955	(226,803)	60%
16990 · Depreciation Expense	148,330	148,330	0	100%
17000 · Debt Service	198,296	12,479	185,817	1,589%
Total Expense	<u>942,822</u>	<u>1,024,951</u>	<u>(82,129)</u>	<u>92%</u>
Net Ordinary Income	625,443	320,275	305,168	195%
Other Income/Expense				
Other Income				
18300 · Grants	40,291	0	40,291	100%
18700 · Property & Dredge Sales	0	18,125	(18,125)	0%
18800 · Miscellaneous - Non-operating	0	0	0	0%
18900 · Transfers In from Other Funds	0	0	0	0%
Total Other Income	<u>40,291</u>	<u>18,125</u>	<u>22,166</u>	<u>222%</u>
Other Expense				
19000 · Capital Outlay	41,026	200,000	(158,974)	21%
19600 · Contingency	0	0	0	0%
19700 · Transfers Out to Other Funds	0	0	0	0%
19890 · Overhead Allocation	240,023	240,023	0	100%
Total Other Expense	<u>281,049</u>	<u>440,023</u>	<u>(158,974)</u>	<u>64%</u>
Net Other Income	<u>(240,758)</u>	<u>(421,898)</u>	<u>181,140</u>	<u>57%</u>
Net Income	<u><u>384,685</u></u>	<u><u>(101,623)</u></u>	<u><u>486,308</u></u>	<u><u>(379)%</u></u>

NOAA Lease Revenue Fund

Balance Sheet

As of November 30, 2021

	Nov 30, 21	Nov 30, 20	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
11015 · NLRF Checking - FIB 1115	880,375	521,934	358,441	69%
11025 · NLRF MM Savings - FIB 9604	933,125	500,026	433,099	87%
11035 · NLRF - LGIP 6263	1,192,476	2,237,626	(1,045,150)	(47)%
11092 · Assignment of Deposit - OCB	63,776	63,489	286	1%
Total Checking/Savings	3,069,751	3,323,075	(253,324)	(8)%
Accounts Receivable				
11200 · Accounts Receivable	0	173	(173)	(100)%
Total Accounts Receivable	0	173	(173)	(100)%
Other Current Assets				
11300 · Prepaid Expenses	31,099	27,135	3,965	15%
11480 · PERS - NPA(L)	(34,101)	(34,101)	0	0%
11485 · PERS - Deferred OF	10,171	10,171	0	0%
Total Other Current Assets	7,169	3,205	3,965	124%
Total Current Assets	3,076,921	3,326,453	(249,532)	(8)%
Fixed Assets				
11500 · Capital Assets	21,944,222	23,456,517	(1,512,295)	(7)%
Total Fixed Assets	21,944,222	23,456,517	(1,512,295)	(7)%
Other Assets				
11800 · Bond Issue Costs, Net of Amort.	230,454	230,454	0	0%
11825 · Advance Refunding Valuation	459,546	459,546	0	0%
Total Other Assets	690,000	690,000	0	0%
TOTAL ASSETS	25,711,142	27,472,969	(1,761,827)	(6)%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
12000 · Accounts Payable	309	13,487	(13,178)	(98)%
Total Accounts Payable	309	13,487	(13,178)	(98)%
Other Current Liabilities				
12100 · Payroll Liabilities	10,370	12,543	(2,173)	(17)%
12200 · Due to Other Funds	70,181	(228)	70,409	30,925%
12300 · Accrued Interest Payable	189,784	201,373	(11,589)	(6)%
12350 · Current Portion-Long Term Debt	1,320,000	1,290,000	30,000	2%
Total Other Current Liabilities	1,590,335	1,503,688	86,647	6%
Total Current Liabilities	1,590,645	1,517,176	73,469	5%
Long Term Liabilities				
12400 · Long Term Debt	15,245,000	16,565,000	(1,320,000)	(8)%
12800 · Less Current Portion-LT Debt	(1,320,000)	(1,290,000)	(30,000)	(2)%
12900 · PERS - Deferred IF	12,992	12,992	0	0%
Total Long Term Liabilities	13,937,992	15,287,992	(1,350,000)	(9)%
Total Liabilities	15,528,637	16,805,168	(1,276,531)	(8)%

NOAA Lease Revenue Fund

Balance Sheet

As of November 30, 2021

	<u>Nov 30, 21</u>	<u>Nov 30, 20</u>	<u>\$ Change</u>	<u>% Change</u>
Equity				
13000 · NLRFF - Restricted FB-Bond Res.	1,761,721	1,766,260	(4,539)	(0)%
13003 · Committed Grant Match Funds	432,000	0	432,000	100%
13010 · NLRFF - Unassigned FB	10,827,504	11,092,412	(264,908)	(2)%
Net Income	<u>(2,838,720)</u>	<u>(2,190,871)</u>	<u>(647,849)</u>	<u>(30)%</u>
Total Equity	<u>10,182,505</u>	<u>10,667,801</u>	<u>(485,296)</u>	<u>(5)%</u>
TOTAL LIABILITIES & EQUITY	<u><u>25,711,142</u></u>	<u><u>27,472,969</u></u>	<u><u>(1,761,827)</u></u>	<u><u>(6)%</u></u>

Port of Newport - NOAA Lease Revenue Fund

Budget vs. Actual

July through November 2021

	Jul - Nov 21	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
14000 · Lease Revenues	1,063,537	1,081,625	(18,088)	98%
14605 · Miscellaneous - Operating	0	0	0	0%
Total Income	1,063,537	1,081,625	(18,088)	98%
Gross Profit	1,063,537	1,081,625	(18,088)	98%
Expense				
15000 · Personnel Services	50,357	86,619	(36,261)	58%
16000 · Materials & Services	96,772	138,832	(42,060)	70%
16990 · Depreciation Expense	655,025	393,015	262,010	167%
17000 · Debt Service	1,547,741	1,760,950	(213,209)	88%
Total Expense	2,349,894	2,379,416	(29,521)	99%
Net Ordinary Income	(1,286,358)	(1,297,791)	11,433	99%
Other Income/Expense				
Other Income				
18200 · Interest Income	5,200	1,042	4,158	499%
18300 · Grants	0	0	0	0%
Total Other Income	5,200	1,042	4,158	499%
Other Expense				
19000 · Capital Outlay	0	0	0	0%
19600 · Contingency	0	0	0	0%
19700 · Transfers Out	2,876,445	3,046,445	(170,000)	94%
19890 · Admin Overhead Allocation	1,117	914	203	122%
Total Other Expense	2,877,562	3,047,359	(169,797)	94%
Net Other Income	(2,872,362)	(3,046,317)	173,955	94%
Net Income	(4,158,720)	(4,344,108)	185,388	96%

Port of Newport - NOAA Capital Maintenance Fund

Balance Sheet - NCMF

As of November 30, 2021

	Nov 30, 21	Nov 30, 20	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
11035 - NOAA - LGIP 6263	1,510,613	2,218,246	(707,634)	(32)%
Total Checking/Savings	1,510,613	2,218,246	(707,634)	(32)%
Other Current Assets				
11400 - Due from Other Funds				
11402 - Due from General Operating Fund	700,000	0	700,000	100%
Total 11400 - Due from Other Funds	700,000	0	700,000	100%
Total Other Current Assets	700,000	0	700,000	100%
Total Current Assets	2,210,613	2,218,246	(7,634)	(0)%
TOTAL ASSETS	2,210,613	2,218,246	(7,634)	(0)%
LIABILITIES & EQUITY				
Equity				
Net Income	2,210,613	2,218,246	(7,634)	(0)%
Total Equity	2,210,613	2,218,246	(7,634)	(0)%
TOTAL LIABILITIES & EQUITY	2,210,613	2,218,246	(7,634)	(0)%

NOAA Capital Maintenance Fund
Profit & Loss Budget vs. Actual
 July through November 2021

	<u>Jul - Nov 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Other Income/Expense				
Other Income				
18200 · Interest Income	1,168	0	1,168	100%
18900 · Transfers In from Other Funds	2,209,445	0	2,209,445	100%
Total Other Income	<u>2,210,613</u>	<u>0</u>	<u>2,210,613</u>	<u>100%</u>
Other Expense				
19600 · Contingency	0	0	0	0%
19700 · Transfers Out	0	0	0	0%
Total Other Expense	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Net Other Income	<u>2,210,613</u>	<u>0</u>	<u>2,210,613</u>	<u>100%</u>
Net Income	<u>2,210,613</u>	<u>0</u>	<u>2,210,613</u>	<u>100%</u>

Port of Newport - Bonded Debt Fund

Balance Sheet

As of November 30, 2021

	<u>Nov 30, 21</u>	<u>Nov 30, 20</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
400 · Bonded Debt Fund	816,766	426,530	390,235
Total Checking/Savings	816,766	426,530	390,235
Other Current Assets			
11250 · Property Tax Receivable	96,671	339,830	(243,159)
Total Other Current Assets	96,671	339,830	(243,159)
Total Current Assets	913,437	766,360	147,077
Other Assets			
11800 · Bond Issue costs, net of amort.	153,930	153,930	0
11825 · Advance Refunding Valuation	661,702	661,702	0
Total Other Assets	815,632	815,632	0
TOTAL ASSETS	<u>1,729,068</u>	<u>1,581,992</u>	<u>147,077</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Other Current Liabilities			
12350 · Bonds Payable - Current	410,000	335,000	75,000
Total Other Current Liabilities	410,000	335,000	75,000
Total Current Liabilities	410,000	335,000	75,000
Long Term Liabilities			
12520 · 2016 Series Bonds	6,478,195	6,763,195	(285,000)
12525 · 2019 Series Bonds	5,160,000	5,210,000	(50,000)
12590 · Bond Premiums	704,598	704,598	0
12800 · Less Current Portion LTD	(410,000)	(335,000)	(75,000)
Total Long Term Liabilities	11,932,793	12,342,793	(410,000)
Total Liabilities	12,342,793	12,677,793	(335,000)
Equity			
13000 · BDF - Restricted FB	(11,528,780)	(11,824,095)	295,315
Net Income	915,056	728,294	186,762
Total Equity	(10,613,725)	(11,095,801)	482,077
TOTAL LIABILITIES & EQUITY	<u>1,729,068</u>	<u>1,581,992</u>	<u>147,077</u>

Port of Newport - Bonded Debt Fund

Profit & Loss Budget vs. Actual

July through November 2021

	<u>Jul - Nov 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
18106 · Bond Levy Proceeds	915,043	697,117	217,926	131%
Total Income	915,043	697,117	217,926	131%
Gross Profit	915,043	697,117	217,926	131%
Expense				
17000 · Debt Service	0	505,371	(505,371)	0%
Total Expense	0	505,371	(505,371)	0%
Net Ordinary Income	915,043	191,746	723,297	477%
Other Income/Expense				
Other Income				
18200 · Bank Interest Income	13	63	(50)	20%
Total Other Income	13	63	(50)	20%
Net Other Income	13	63	(50)	20%
Net Income	915,056	191,808	723,248	477%

Port of Newport - Construction Fund

Balance Sheet

As of November 30, 2021

	<u>Nov 30, 21</u>	<u>Nov 30, 20</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
300 - Construction Fund	13,072	13,070	1
Total Checking/Savings	13,072	13,070	1
Total Current Assets	13,072	13,070	1
TOTAL ASSETS	<u>13,072</u>	<u>13,070</u>	<u>1</u>
LIABILITIES & EQUITY			
Equity			
13010 - CF - Unassigned FB	13,071	13,070	1
Net Income	1	1	0
Total Equity	13,072	13,070	1
TOTAL LIABILITIES & EQUITY	<u>13,072</u>	<u>13,070</u>	<u>1</u>

Port of Newport - Construction Fund

Profit & Loss Budget vs. Actual

July through November 2021

	<u>Jul - Nov 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Other Income/Expense				
Other Income				
18200 · Interest Income	1	0	1	100%
18400 · Loan Proceeds	0	1,920,000	(1,920,000)	0%
Total Other Income	<u>1</u>	<u>1,920,000</u>	<u>(1,919,999)</u>	<u>0%</u>
Net Other Income	<u>1</u>	<u>1,920,000</u>	<u>(1,919,999)</u>	<u>0%</u>
Net Income	<u>1</u>	<u>1,920,000</u>	<u>(1,919,999)</u>	<u>0%</u>

Port of Newport - Facility Maintenance Reserve Fund

Balance Sheet

As of November 30, 2021

	<u>Nov 30, 21</u>	<u>Nov 30, 20</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
200 · Facility Maintenance Rsrv Fund	425,202	262,243	162,959
Total Checking/Savings	<u>425,202</u>	<u>262,243</u>	<u>162,959</u>
Total Current Assets	<u>425,202</u>	<u>262,243</u>	<u>162,959</u>
TOTAL ASSETS	<u>425,202</u>	<u>262,243</u>	<u>162,959</u>
LIABILITIES & EQUITY			
Equity			
13005 · FMRF - Asgnd-Future Exp.	186,816	215,000	(28,184)
13006 · FMRF - Asgnd-CM Elec. Upgrades	138,000	0	138,000
13008 · FMRF - Asgnd-PD7 Replacement	51,095	0	51,095
13010 · FMRF - Unassigned FB	(2,796)	46,634	(49,429)
Net Income	52,086	609	51,477
Total Equity	<u>425,202</u>	<u>262,243</u>	<u>162,959</u>
TOTAL LIABILITIES & EQUITY	<u>425,202</u>	<u>262,243</u>	<u>162,959</u>

Port of Newport - Facility Maintenance Reserve Fund

Profit & Loss Budget vs. Actual

July through November 2021

	<u>Jul - Nov 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
14600 · Miscellaneous Revenue				
14630 · Insurance Settlements	51,095			
Total 14600 · Miscellaneous Revenue	<u>51,095</u>			
Total Income	<u>51,095</u>			
Net Ordinary Income	51,095			
Other Income/Expense				
Other Income				
18200 · Interest Income	991	0	991	100%
Total Other Income	<u>991</u>	<u>0</u>	<u>991</u>	<u>100%</u>
Other Expense				
19700 · Transfers Out	0	315,334	(315,334)	0%
Total Other Expense	<u>0</u>	<u>315,334</u>	<u>(315,334)</u>	<u>0%</u>
Net Other Income	<u>991</u>	<u>(315,334)</u>	<u>316,325</u>	<u>(0)%</u>
Net Income	<u>52,086</u>	<u>(315,334)</u>	<u>367,420</u>	<u>(17)%</u>

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**PON - General Operatind Fund
Accounts Paid Report
November 2021**

Date	Num	Name	Memo	Class	Paid Amount
11/04/2021	46888	Amazon Capital Services Inc			
10/31/2021	144R-MVTQ-DG4J		PO # 10178	01-General Operating Fund:700-South Beach	-99.98
			PO # 10178	01-General Operating Fund:100- Administration	-77.26
TOTAL					<u>-177.24</u>
11/04/2021	46889	Blackwell, Leighton	Retirement gift for Harbormaster		
10/26/2021	INV0001		Retirement gift for Harbormaster	01-General Operating Fund:100- Administration	-900.00
TOTAL					<u>-900.00</u>
11/04/2021	46890	Central Lincoln PUD			
10/23/2021	32612071 NOV			01-General Operating Fund:700-South Beach	-52.49
TOTAL					<u>-52.49</u>
11/04/2021	46891	Englund Marine Supply Co Inc			
10/29/2021	218441/6		PO # 710407	01-General Operating Fund:700-South Beach	-315.30
TOTAL					<u>-315.30</u>
11/04/2021	46892	First Interstate Bank MC			
10/22/2021	1350 AB 2021-10				-629.99
10/22/2021	1350 PM 2021-10				-2,543.77
10/22/2021	1350 MB 2021-10				-4,389.78
TOTAL					<u>-7,563.54</u>
11/04/2021	46893	G & K Floors			
10/15/2021	110121A			01-General Operating Fund:700-South Beach	-2,520.00
				01-General Operating Fund:100- Administration	-280.00
TOTAL					<u>-2,800.00</u>
11/04/2021	46894	HDR Engineering Inc			
11/02/2021	12003895621			01-General Operating Fund:300-Commercial Marina	-1,341.00
TOTAL					<u>-1,341.00</u>
11/04/2021	46895	Hyak			
11/01/2021	28778			01-General Operating Fund:100- Administration	-2,442.00
				01-General Operating Fund:100- Administration	-2,466.00
TOTAL					<u>-4,908.00</u>
11/04/2021	46896	Industrial Welding Supply Inc			
10/31/2021	00213215			01-General Operating Fund:300-Commercial Marina	-364.00
TOTAL					<u>-364.00</u>

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Date	Num	Name	Memo	Class	Paid Amount
11/04/2021	46897	Metcalf, Charles			
11/03/2021	65713681			01-General Operating Fund:300-Commercial Marina	-300.00
TOTAL					-300.00
11/04/2021	46898	Mobile Modular			
10/26/2021	2205879			01-General Operating Fund:300-Commercial Marina	-217.00
TOTAL					-217.00
11/04/2021	46899	Newport Ace Hardware & Outdoor			
10/28/2021	6208/1			01-General Operating Fund:300-Commercial Marina	-50.92
TOTAL					-50.92
11/04/2021	46900	Orkin			
10/31/2021	220043290 2021-11			01-General Operating Fund:100- Administration	-45.00
TOTAL					-45.00
11/04/2021	46901	Papé Material Handling Exchange Inc			
10/25/2021	4745959			01-General Operating Fund:500-International Terminal	-412.69
TOTAL					-412.69
11/04/2021	46902	Pioneer Connect			
11/01/2021	113823 2021-11			01-General Operating Fund:700-South Beach	-225.13
11/01/2021	115083 2021-11			01-General Operating Fund:700-South Beach	-82.68
TOTAL					-307.81
11/04/2021	46903	Platt Electric Supply Inc			
10/26/2021	2E42619			01-General Operating Fund:700-South Beach	-34.80
TOTAL					-34.80
11/04/2021	46904	Portland Bolt & Manufacturing Co Inc			
10/26/2021	146560			01-General Operating Fund:300-Commercial Marina	-381.43
TOTAL					-381.43
11/04/2021	46905	Quadient Finance USA Inc			
10/27/2021	7900044060368887-10			01-General Operating Fund:100- Administration	-266.72
TOTAL					-266.72

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Date	Num	Name	Memo	Class	Paid Amount
11/04/2021	46906	RentPrep Enterprise			
10/01/2021	7080			01-General Operating Fund:700-South Beach	-89.70
11/01/2021	7161			01-General Operating Fund:700-South Beach	-59.80
TOTAL					-149.50
11/04/2021	46907	Sorella			
10/15/2021	151			01-General Operating Fund:100- Administration	-425.00
TOTAL					-425.00
11/04/2021	46908	Special Districts Insurance Services			
11/01/2021	Dec Health-Dental-Lf			01-General Operating Fund:100- Administration	-4,451.02
				01-General Operating Fund:300-Commercial Marina	-4,480.60
				01-General Operating Fund:500-International Terminal	-1,792.24
				01-General Operating Fund:700-South Beach	-7,153.20
TOTAL					-17,877.06
11/04/2021	46909	Streamline			
11/01/2021	AC7C0FE6-0012			01-General Operating Fund:100- Administration	-450.00
TOTAL					-450.00
11/04/2021	46910	TCB Security Services Inc.			
11/01/2021	232569			01-General Operating Fund:300-Commercial Marina	-2,116.95
				01-General Operating Fund:700-South Beach	-2,116.95
				01-General Operating Fund:700-South Beach	-2,116.95
				01-General Operating Fund:500-International Terminal	-1,121.15
TOTAL					-7,472.00
11/04/2021	46911	Tucker, Gloria			
11/01/2021	Safety Comm			01-General Operating Fund:100- Administration	-90.16
TOTAL					-90.16
11/12/2021	46912	Amazon Capital Services Inc			
10/19/2021	1LW4-GYMP-YHLK	PO # 720027		01-General Operating Fund:700-South Beach	-238.99
10/26/2021	1T13-CCR7-FMQ1	PO # 710423		01-General Operating Fund:700-South Beach	-275.81
10/31/2021	144T-MVTQ-DG4J	PO # 10178/10175		01-General Operating Fund:700-South Beach	-32.17
		PO # 10178/10175		01-General Operating Fund:700-South Beach	-84.98
		PO # 10178/10175		01-General Operating Fund:700-South Beach	-35.88
		PO # 10178/10175		01-General Operating Fund:700-South Beach	-24.21
11/04/2021	149M-9PQK-74Q1	PO # 720031		01-General Operating Fund:700-South Beach	-33.30
11/08/2021	1YLF-W1LD-C6ML			01-General Operating Fund:700-South Beach	-32.97
TOTAL					-758.31

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Date	Num	Name	Memo	Class	Paid Amount
11/12/2021	46913	Barrelhead Supply Inc			
11/08/2021	312007			01-General Operating Fund:700-South Beach	-29.56
TOTAL					-29.56
11/12/2021	46914	Business Oregon - IFA			
11/01/2021	65541 2021-11		bal 352,083.41	01-General Operating Fund:500-International Terminal	-2,083.33
TOTAL					-2,083.33
11/12/2021	46915	CenturyLink - Business Service			
11/01/2021	250412852			01-General Operating Fund:700-South Beach	-86.50
TOTAL					-86.50
11/12/2021	46916	City of Newport Room Tax	Transient room tax - October 2021		
11/10/2021	CON Rm Tax 2021-10		Transient room tax - October 2021	01-General Operating Fund:700-South Beach	-9,398.89
TOTAL					-9,398.89
11/12/2021	46917	CoastCom By Wave			
11/01/2021	121313501-0009130			01-General Operating Fund:100- Administration	-1,516.08
TOTAL					-1,516.08
11/12/2021	46918	Doug's Electric Inc			
11/04/2021	C36144F			01-General Operating Fund:700-South Beach	-4,712.00
TOTAL					-4,712.00
11/12/2021	46919	Ecolube Recovery LLC			
10/31/2021	9865101321			01-General Operating Fund:700-South Beach	-151.90
TOTAL					-151.90
11/12/2021	46920	First Interstate Bank MC	FIB MC-MB 7/2021 charges		
08/22/2021	FIB MC-MB 7/2021		NW Natural	01-General Operating Fund:700-South Beach:760-SB Operations	-171.12
			GFAO memebership renewal	01-General Operating Fund:100- Administration	-160.00
			CC fees	01-General Operating Fund:100- Administration	-532.40
			iboat- D. Erickson	01-General Operating Fund:100- Administration	-69.50
			iboat- M. Washington	01-General Operating Fund:100- Administration	-69.50
			credit report	01-General Operating Fund:700-South Beach:710-SB Customer Service	-39.95
			Erica Breece Training	01-General Operating Fund:700-South Beach:710-SB Customer Service	-599.00
			ORCA title abstract	01-General Operating Fund:300-Commercial Marina	-75.00
			ADOBE Annual Licensing	01-General Operating Fund:100- Administration	-1,427.16
TOTAL					-3,143.63

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Date	Num	Name	Memo	Class	Paid Amount
11/12/2021	46921	Hyak			
11/04/2021	28790			01-General Operating Fund:100- Administration	-7,652.94
TOTAL					-7,652.94
11/12/2021	46922	Keller Supply Company			
10/26/2021	s015884424.002			01-General Operating Fund:700-South Beach	-782.92
TOTAL					-782.92
11/12/2021	46923	KOPIS			
11/10/2021	PCINV04707			01-General Operating Fund:100- Administration	-500.00
TOTAL					-500.00
11/12/2021	46924	Les Schwab Tire Center Inc			
10/06/2021	Finance charges			01-General Operating Fund:100- Administration	-27.00
TOTAL					-27.00
11/12/2021	46925	Lincoln County Public Works			
11/01/2021	6248			01-General Operating Fund:300-Commercial Marina 01-General Operating Fund:700-South Beach	-147.85 -114.60
TOTAL					-262.45
11/12/2021	46926	National Business Solutions Inc			
10/31/2021	PO01			01-General Operating Fund:100- Administration 01-General Operating Fund:700-South Beach	-1,066.44 -316.27
TOTAL					-1,382.71
11/12/2021	46927	Newport Rental Service			
10/16/2021	132609			01-General Operating Fund:500-International Terminal	-232.16
TOTAL					-232.16
11/12/2021	46928	Newport Ace Hardware & Outdoor			
10/28/2021	6216/1			01-General Operating Fund:700-South Beach	-103.29
TOTAL					-103.29
11/12/2021	46929	Newport News-Times			
10/31/2021	10/31/2021			01-General Operating Fund:100- Administration 01-General Operating Fund:300-Commercial Marina 01-General Operating Fund:100- Administration	-116.44 -799.07 -2,506.50
TOTAL					-3,422.01

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Date	Num	Name	Memo	Class	Paid Amount
11/12/2021	46930	Old Republic Surety Group			
11/11/2021	w150182172			01-General Operating Fund:700-South Beach	-100.00
TOTAL					-100.00
11/12/2021	46931	OR DAS Surplus Property			
10/08/2021	ARG64584			01-General Operating Fund:300-Commercial Marina	-5.00
TOTAL					-5.00
11/12/2021	46932	Pacific Digital Works Inc			
11/03/2021	238/96			01-General Operating Fund:100- Administration	-103.75
TOTAL					-103.75
11/12/2021	46933	Staples			
10/06/2021	2941191841			01-General Operating Fund:100- Administration	-93.39
10/06/2021	9837044300			01-General Operating Fund:100- Administration	-146.97
10/31/2021	9837257101-00001			01-General Operating Fund:100- Administration	-87.54
TOTAL					-327.90
11/12/2021	46934	State Forester			
10/16/2021	22188			01-General Operating Fund:100- Administration	-16.00
TOTAL					-16.00
11/12/2021	46935	Summit Public Relations Strat LLC			
10/06/2021	737			01-General Operating Fund:100- Administration	-3,225.00
TOTAL					-3,225.00
11/12/2021	46936	Thompson's Sanitary Service Inc			
10/31/2021	12514			01-General Operating Fund:700-South Beach	-5,413.00
10/31/2021	12058-10/31			01-General Operating Fund:500-International Terminal	-1,434.44
10/31/2021	13499 10/31			01-General Operating Fund:300-Commercial Marina	-1,669.19
TOTAL					-8,516.63
11/23/2021	46960	Advance Backflow Testing LLC			
11/01/2021	7773			01-General Operating Fund:700-South Beach	-600.00
TOTAL					-600.00
11/23/2021	46961	Alsea Bay Power Products Inc			
11/12/2021	351774			01-General Operating Fund:700-South Beach	-297.98
TOTAL					-297.98

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Date	Num	Name	Memo	Class	Paid Amount
11/23/2021	46962	Amazon Capital Services Inc			
11/08/2021	16G6-NPC6-34DP		PO # 35049	01-General Operating Fund:300-Commercial Marina	-415.40
11/08/2021	1TH7-G16H-F4NR		PO # 35049	01-General Operating Fund:300-Commercial Marina	-74.40
TOTAL					-489.80
11/23/2021	46963	Barrelhead Supply Inc			
11/17/2021	312438			01-General Operating Fund:700-South Beach	-70.95
TOTAL					-70.95
11/23/2021	46964	Business Oregon - OBDD			
11/17/2021	655-36-02/ Q10001			01-General Operating Fund:500-International Terminal	-5,667.00
				01-General Operating Fund:500-International Terminal	-2,133.00
TOTAL					-7,800.00
11/23/2021	46965	Century Link			
11/05/2021	541-265-4265 840B			01-General Operating Fund:100- Administration	-39.90
TOTAL					-39.90
11/23/2021	46966	Department of Environmental Quality			
11/08/2021	WQSTM2200027			01-General Operating Fund:500-International Terminal	-1,386.00
TOTAL					-1,386.00
11/23/2021	46967	Ecolube Recovery LLC			
11/10/2021	9865111021			01-General Operating Fund:700-South Beach	-120.70
TOTAL					-120.70
11/23/2021	46968	Englund Marine Supply Co Inc			
11/15/2021	987650/6		PO # 35055	01-General Operating Fund:300-Commercial Marina	-117.60
TOTAL					-117.60
11/23/2021	46969	Federal Epress			
11/12/2021	7262093985			01-General Operating Fund:300-Commercial Marina	-894.83
TOTAL					-894.83
11/23/2021	46970	Geotechnical Resources Inc	admin Building		
11/10/2021	29805		admin Building	01-General Operating Fund:100- Administration	-302.50
TOTAL					-302.50

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Date	Num	Name	Memo	Class	Paid Amount
11/23/2021	46971	Hyak			
11/17/2021	28987			01-General Operating Fund:100- Administration	-159.00
TOTAL					-159.00
11/23/2021	46972	Kern & Thompson LLC			
11/01/2021	25450			01-General Operating Fund:100- Administration	-8,000.00
TOTAL					-8,000.00
11/23/2021	46973	Mobile Modular			
11/15/2021	2213925			01-General Operating Fund:100- Administration	-877.00
TOTAL					-877.00
11/23/2021	46974	Newport Ace Hardware & Outdoor			
11/01/2021	6335/1			01-General Operating Fund:300-Commercial Marina	-30.32
11/18/2021	6359/1			01-General Operating Fund:700-South Beach	-20.80
TOTAL					-51.12
11/23/2021	46975	Newport News-Times			
10/20/2021	34-20			01-General Operating Fund:100- Administration	-280.00
10/20/2021	33-20			01-General Operating Fund:300-Commercial Marina	-200.00
TOTAL					-480.00
11/23/2021	46976	NW Natural			
11/15/2021	1584562-1			01-General Operating Fund:700-South Beach	-224.00
11/15/2021	1584561-3			01-General Operating Fund:700-South Beach	-70.21
TOTAL					-294.21
11/23/2021	46977	Oregon Coastal Zone Mgmt Assn			
11/10/2021	FY 2021-22			01-General Operating Fund:100- Administration	-800.00
TOTAL					-800.00
11/23/2021	46978	Oregon Economic Development Assoc			
10/28/2021	2021-1930			01-General Operating Fund:100- Administration	-250.00
TOTAL					-250.00
11/23/2021	46979	PBS Engineering and Environmental Inc.			
11/16/2021	0074183.000-7	Rogue Brewery Seawall phase 2 investigation		01-General Operating Fund:700-South Beach	-1,063.35
11/16/2021	0074074.000-1			01-General Operating Fund:500-International Terminal	-13,173.75
TOTAL					-14,237.10

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Date	Num	Name	Memo	Class	Paid Amount
11/23/2021	46980	Sierra Springs			
11/13/2021	21798087 111321			01-General Operating Fund:300-Commercial Marina	-41.64
TOTAL					-41.64
11/23/2021	46981	Suburban Propane			
11/16/2021	1568-127671		ACT # 1568-103903	01-General Operating Fund:700-South Beach	-242.51
TOTAL					-242.51
11/23/2021	46982	Toyota Industries Commercial Finance Inc			
11/08/2021	4003324243			01-General Operating Fund:300-Commercial Marina	-631.50
				01-General Operating Fund:300-Commercial Marina	-28.05
TOTAL					-659.55
11/23/2021	46983	US Foods - Chef'Store			
11/11/2021	11103			01-General Operating Fund:300-Commercial Marina	-890.89
11/11/2021	11201			01-General Operating Fund:300-Commercial Marina	-170.96
TOTAL					-1,061.85
11/23/2021	46984	Wells Fargo Financial Leasing			
11/01/2021	5017515925			01-General Operating Fund:100- Administration	-141.50
				01-General Operating Fund:700-South Beach	-141.50
TOTAL					-283.00
11/23/2021	46985	WHA Insurance Agency Inc			
11/11/2021	oct 21 FBO fees			01-General Operating Fund:100- Administration	-25.00
TOTAL					-25.00
11/23/2021	46986	Gal	Refund 8 month's unused annual moorage - sold boat		
11/23/2021	Moorage CR		Refund 8 month's unused annual moorage - sold boat	01-General Operating Fund:300-Commercial Marina	-1,548.80
TOTAL					-1,548.80
11/23/2021	46937	Bretz, Aaron	Thanksgiving Bonus		
11/23/2021	Bonus		Thanksgiving Bonus	01-General Operating Fund:100- Administration	-50.00
TOTAL					-50.00
11/23/2021	46938	Brockway, Cameron	Thanksgiving Bonus		
11/23/2021	Bonus		Thanksgiving Bonus	01-General Operating Fund:300-Commercial Marina	-50.00
TOTAL					-50.00

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Date	Num	Name	Memo	Class	Paid Amount
11/23/2021	46939	Bromley, Al	Thanksgiving Bonus		
11/23/2021	Bonus		Thanksgiving Bonus	01-General Operating Fund:700-South Beach	-50.00
TOTAL					-50.00
11/23/2021	46940	Brown, Erica	Thanksgiving Bonus		
11/23/2021	Bonus		Thanksgiving Bonus	01-General Operating Fund:700-South Beach	-50.00
TOTAL					-50.00
11/23/2021	46941	Brown, Mark	Thanksgiving Bonus		
11/23/2021	Bonus		Thanksgiving Bonus	01-General Operating Fund:100- Administration	-50.00
TOTAL					-50.00
11/23/2021	46942	Burke, Aja	Thanksgiving Bonus		
11/23/2021	Bonus		Thanksgiving Bonus	01-General Operating Fund:300-Commercial Marina	-50.00
TOTAL					-50.00
11/23/2021	46943	Cronin, Shannon	Thanksgiving Bonus		
11/23/2021	Bonus		Thanksgiving Bonus	01-General Operating Fund:500-International Terminal	-50.00
TOTAL					-50.00
11/23/2021	46944	Little, David	Thanksgiving Bonus		
11/23/2021	Bonus		Thanksgiving Bonus	01-General Operating Fund:300-Commercial Marina	-50.00
TOTAL					-50.00
11/23/2021	46945	Davis, Deanna K	Thanksgiving Bonus		
11/23/2021	Bonus		Thanksgiving Bonus	01-General Operating Fund:100- Administration	-50.00
TOTAL					-50.00
11/23/2021	46946	Donald Moon	Thanksgiving Bonus		
11/23/2021	Bonus		Thanksgiving Bonus	01-General Operating Fund:500-International Terminal	-50.00
TOTAL					-50.00
11/23/2021	46947	Erickson, Danny	Thanksgiving Bonus		
11/23/2021	Bonus		Thanksgiving Bonus	01-General Operating Fund:300-Commercial Marina	-50.00
TOTAL					-50.00

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Date	Num	Name	Memo	Class	Paid Amount
11/23/2021	46948	Harris, Mark	Thanksgiving Bonus		
11/23/2021	Bonus		Thanksgiving Bonus	01-General Operating Fund:100- Administration	-50.00
TOTAL					-50.00
11/23/2021	46949	Jennifer Swenson	Thanksgiving Bonus		
11/23/2021	Bonus		Thanksgiving Bonus	01-General Operating Fund:700-South Beach	-50.00
TOTAL					-50.00
11/23/2021	46950	Kody Robinson	Thanksgiving Bonus		
11/23/2021	Bonus		Thanksgiving Bonus	01-General Operating Fund:700-South Beach	-50.00
TOTAL					-50.00
11/23/2021	46951	Mayes, Hannah	Thanksgiving Bonus		
11/23/2021	Bonus		Thanksgiving Bonus	01-General Operating Fund:700-South Beach	-50.00
TOTAL					-50.00
11/23/2021	46952	Meats, Andrew	Thanksgiving Bonus		
11/23/2021	Bonus		Thanksgiving Bonus	01-General Operating Fund:700-South Beach	-50.00
TOTAL					-50.00
11/23/2021	46953	Miranda, Paula J	VOID:		
TOTAL					0.00
11/23/2021	46954	Ripka, Robin	Thanksgiving Bonus		
11/23/2021	Bonus		Thanksgiving Bonus	01-General Operating Fund:500-International Terminal	-50.00
TOTAL					-50.00
11/23/2021	46955	Scarborough, Wyman	Thanksgiving Bonus		
11/23/2021	Bonus		Thanksgiving Bonus	01-General Operating Fund:700-South Beach	-50.00
TOTAL					-50.00
11/23/2021	46956	Taylor, Susan	Thanksgiving Bonus		
11/23/2021	Bonus		Thanksgiving Bonus	01-General Operating Fund:100- Administration	-50.00
TOTAL					-50.00
11/23/2021	46957	Tucker, Gloria	Thanksgiving Bonus		
11/23/2021	Bonus		Thanksgiving Bonus	01-General Operating Fund:100- Administration	-50.00
TOTAL					-50.00

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<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Class</u>	<u>Paid Amount</u>
11/23/2021	46958	Urbach, Chris	Thanksgiving Bonus		
11/23/2021	Bonus		Thanksgiving Bonus	01-General Operating Fund:700-South Beach	-50.00
TOTAL					-50.00
11/23/2021	46959	Washington, Mark	Thanksgiving Bonus		
11/23/2021	Bonus		Thanksgiving Bonus	01-General Operating Fund:300-Commercial Marina	-50.00
TOTAL					-50.00

NOAA Lease Revenue Fund
Check Detail
November 2021

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Paid Amount</u>
11/29/2021	EFT	Central Lincoln PUD	302612069	
11/05/2021	302612069 21-11		302612069-07-21 - Electric-Lease Property (Formerly Yaquina Bay Fruit Pr...	-565.00
TOTAL				-565.00
11/04/2021	15228	Pioneer Connect	bus-159375	
11/01/2021	159375 2021-11			-179.93
TOTAL				-179.93
11/04/2021	15229	Special Districts Insurance Services		
11/01/2021	Dec Health-Dental-LF			-896.12
TOTAL				-896.12
11/12/2021	15230	Amazon Capital Services Inc	A1FGJV116UT7J7	
10/22/2021	1941-KC3W-RLDQ			-39.99
11/03/2021	1G4J-3RXD-XCMP			-348.57
TOTAL				-388.56
11/12/2021	15231	Lincoln County Public Works		
11/01/2021	6248			-27.02
TOTAL				-27.02
11/12/2021	15232	Spiro Landscapes Inc		
10/25/2021	26623			-455.00
10/26/2021	00026017			-450.00
TOTAL				-905.00
11/12/2021	15233	Thompsons Sanitary Service		
10/31/2021	7EC9-80B8			-424.80
TOTAL				-424.80

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NOAA Lease Revenue Fund
Check Detail
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<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Paid Amount</u>
11/23/2021	15235	Jim Durkee	Thanksgiving Bonus	
11/23/2021	Bonus		Thanksgiving Bonus	-50.00
TOTAL				-50.00
11/23/2021	15236	Bill's Pest Control LLC	2-0111	
11/10/2021	19330			-135.00
TOTAL				-135.00
11/23/2021	15237	Performance System Integration LLC		
10/01/2021	10615564			-1,081.00
TOTAL				-1,081.00
11/23/2021	15238	Road & Driveway Co		
11/10/2021	60077			-405.00
TOTAL				-405.00



S T A F F R E P O R T

DATE: 21 December 2021
RE: Affirmative Action Plan
TO: Paula Miranda, General Manager
ISSUED BY: Mark A. Brown, Director of Finance and Business Services

BACKGROUND

Affirmative Action Plans (AAP's) are required to satisfy the equal-employment opportunity/affirmative action responsibilities for minorities and women under Executive Order 11246, as amended; people with disabilities under section 503 of the 1973 Rehabilitation Act; and covered veterans under the Vietnam Era Veterans' Readjustment Act of 1973.

DETAIL

As the Port seeks out more federal and state grant funding to maintain or upgrade its facilities, having an Affirmative Action plan in place is a critical component. Port staff have already been asked if we have an Affirmative Action plan in place. The development of an Affirmative Action Plan will promote diversity at the Port, can eliminate socioeconomic differences, can stop staff from hiring stereotypes, and it gives everyone the same fair chance at a position. The downside of an affirmative action plan, some argue that it promotes reverse discrimination, and it changes accountability standards.

The program the Port is proposing is to make sure the Port hires the best applicant. Factors such as race, marital status, and others will not be considered during the hiring process. However, in the case two applicants receive identical scores after interviewing for a position, an underrepresented applicant would be selected for hire; additionally, the Port will actively recruit in different media that will attract the underrepresented populations. The Port has just recently implemented a voluntary applicant tracking system. The information gathered is not shared with Supervisors and will become a part of the Affirmative Action plan as the plan is updated.

RECOMMENDATION and Motion

If not approved on the consent calendar, I recommend the following motion:

I move to adopt Resolution No. 2021-10, adopting an Affirmative Action Plan.

**PORT OF NEWPORT
RESOLUTION NO. 2021-10**

WHEREAS, the Port is a public entity;

WHEREAS, the Port receives and desires to continue receiving Federal and State funds to upgrade and build new facilities;

WHEREAS, the Port maintains more than \$50,000 or more in financial depositories;

WHEREAS, the Port may be required to have an Affirmative Action plan;

WHEREAS, the Port desires to have a diverse work force that is free from discrimination;

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

To adopt the attached Affirmative Action plan, which Port staff will update annually without further commission action.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 21st day of November 2021.

ATTEST:

James Burke, President

Walter Chuck, Secretary/Treasurer

Affirmative Action Plan Fiscal Year 2021-23



www.portofnewport.com

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Preliminary Statement

The Port of Newport (“Port”) has prepared this affirmative action program voluntarily, as a reaffirmation of its commitment to equal employment opportunity and affirmative action. In preparation of this plan, the terminology used in Executive Order 11246 and its implementing regulations has been used as a guide. Therefore, the use of such terms as “deficiency,” “underrepresentation,” “concentration,” “expected number,” “problem area,” “affected class,” “underutilization,” etc., should not be construed as an admission that in fact either minorities or women have been or are presently being discriminated against in any way in violation of federal, state, or local fair employment practices laws. Further, nothing contained in this material or the data supporting this program should be construed as an admission by the Port that it has contravened any such federal, state, or local fair employment practices laws.

In developing and implementing this program, the Port has been guided by its established policy of providing equal employment opportunity. Any goals that are established herein are not intended as rigid, inflexible quotas that must be met, but rather as targets reasonably attainable by applying every good faith effort in implementing this program. The use of goals in this program is not intended to discriminate against any individual or group of individuals with respect to any employment opportunity for which they are qualified on the grounds that they are not the beneficiaries of affirmative action themselves. Nothing herein is intended to sanction the discriminatory treatment of any person. Thus, this plan has been developed in reliance upon the affirmative action guidelines issued by the Equal Employment Opportunity Commission (EEOC)—Affirmative Action Appropriate Under Title VII of the Civil Rights Act of 1964, As Amended, 29 C.F.R. Part 1608.

Port of Newport Background and Description

The Port of Newport is located on the central Oregon coast in the City of Newport, Lincoln County seat and major business/economic hub of the area. Port boundaries reach north to Otter Rock, east up to six miles inland, south to Seal Rock, and west to the Pacific Ocean. Commercial and sport fishing, fish processing, shipping, tourism, recreation, and lumber and wood processing are the area's major industries.

The Port of Newport serves as the premier Oregon coast port for the commercial fishing fleets, for recreational fishing and tourism, and for ocean observation and marine research support. The Port of Newport is one of the top Oregon coastal ports for waterborne commerce and strives to protect and enhance the beauty and integrity of the natural environment which is the foundation of the working waterfront community.

The Port of Newport is home to a thriving commercial fishing industry. In 2017, Newport ranked 12th in the nation for seafood landings, with 112 million pounds of seafood valued at \$53 million attributed to the vessels that work in and around the Port of Newport.

The Port is actively pursuing a partner for cargo business at the International Terminal with a commitment to maximizing the return on investment made by the community for this mixed-use facility.

Hatfield Marine Science Center has recently constructed a new Marine Studies Building and the NOAA Marine Operations Center – Pacific continues to be a source of great pride to the Newport community.

Port offices are distributed on the North and South sides of Yaquina Bay. Located on the South side of Yaquina Bay is the Port's RV Park offices and the South Beach Operations center. On the North side of the bay is the Commercial Marina Operations Center, the Port's administrative offices, and the International Terminal office.

Organizational Profile

[41 C.F.R. § 60-2.11]

As required by 41 C.F.R. § 60-2.11, the Port has prepared an organizational profile as part of its affirmative action program. The organizational profile is a depiction of the staffing pattern. The profile provides an overview of the workforce that may be used to assist in identifying organizational units where women or minorities are underrepresented or concentrated.

The Port has elected to prepare a workforce analysis to satisfy the organizational profile requirement of 41 C.F.R. § 60-2.11(a).

Pursuant to the requirements of 41 C.F.R. § 60-2.11(c), the workforce analysis is a listing of each job title as it appears in applicable payroll records. If there are separate work units or lines of progression within a department, the Port has prepared a separate list for each such work unit, or line, including unit supervisors. If and where there are lines of progression, the Port has indicated the order of jobs in the line through which an employee could move to the top of the line. If and where there are no formal progression lines or usual promotional sequences, job titles are listed by department, job families, or disciplines. For each job title, the total number of incumbents, the total number of male and female incumbents, and the total number of male and female incumbents in each of the minority subgroups have been provided. The wage rate or salary range for each job title will be provided upon request. All job titles, including all managerial job titles, are listed.

For purposes of this affirmative action program, an organizational unit is defined primarily as any discrete component of the Port's structure at which there is a level of supervision responsible and accountable for establishing the employment terms and conditions (e.g., selection, compensation, etc.) of the employees therein. In addition, this establishment's organizational units also may include discrete components of the establishment's structure that are monitored separately for cost, accounting, payroll, or other operational purposes.

The management team reviews the organizational profile at the beginning of each affirmative action program year to determine whether the staffing patterns indicate potential barriers to equal employment opportunity.

Key Contacts

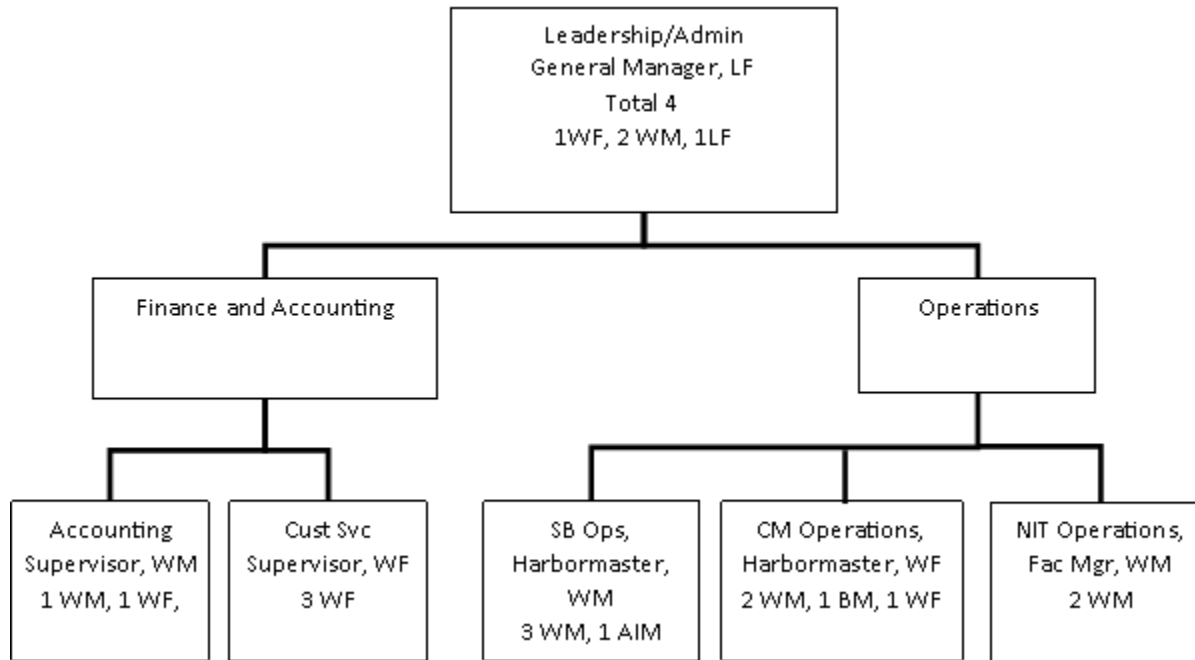
Port General Manager
Paula J. Miranda
600 SE Bay Blvd
Newport OR 97365
541-265-7758

Director of Finance and Business Services
Mark A. Brown
600 SE Bay Blvd
Newport OR 97365
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Director of Operations
Aaron Bretz
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541-265-7758

Port of Newport Organizational Chart

Newport, Oregon



Workforce Analysis

Job Group Analysis Summary

Job Group		Total	Total Minorities by Gender													
			Totals by Gender		Men						Women					
			Men	Women	Black	Asian	Pacific Islander	American Indian	Latino	2 or more	Black	Asian	Pacific Islander	American Indian	Latino	2 or more
1	Officials and Managers	3	2	1	0	0	0	0	0	0	0	0	0	0	1	0
2	Admininstrators and Supervisors	7	5	2	0	0	0	0	0	0	0	0	0	0	0	0
4	Administrative Support	6	1	5	0	0	0	0	0	0	0	0	0	0	0	0
5	Maintenance	10	10	0	1	0	0	1	0	0	0	0	0	0	0	0
	Totals	26	18	8	1	0	0	1	0	0	0	0	0	0	1	0

Job Title Analysis

Job Title	Total	Totals by Gender		Total Minorities by Gender											
		Men	Women	Men						Women					
				Black	Asian	Pacific Islander	American Indian	Latino	2 or more	Black	Asian	Pacific Islander	American Indian	Latino	2 or more
General Manager	1	0	1	0	0	0	0	0	0	0	0	0	0	1	0
Director of Operations	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Director of Finance	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Accounting Supervisor	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Harbormaster	3	2	1	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance I	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance II	5	5	0	1	0	0	0	0	0	0	0	0	0	0	0
Maintenance III	2	2	0	0	0	0	1	0	0	0	0	0	0	0	0
Accounting Clerk	2	1	1	0	0	0	0	0	0	0	0	0	0	0	0
Customer Service representative	3	0	3	0	0	0	0	0	0	0	0	0	0	0	0
Facility Supervisor	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0
RV Park and Marina Supervisor	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Executive Administrative Assistant	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Totals	26	18	8	1	0	0	1	0	0	0	0	0	0	1	0

Department Analysis - Administration

Job Group	Department: Administration	Ave Pay	Total	Total By Gender		Total Minorities by Gender												Total Minorities	
				Men	Women	Men						Women							
	Black					Asian	Pacific Islander	American Indian	Latino	2 or more	Black	Asian	Pacific Islander	American Indian	Latino	2 or more			
1	General Manager	157	1	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	1
1	Director of Operations	103	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1	Director of Finance	95	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Executive Administrative Assistant	52	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Totals			4	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	1

* Included elsewhere

Department Analysis - Operations

Job Group	Department: Operations	Ave Pay	Total	Total By Gender		Total Minorities by Gender												Total Minorities	
				Men	Women	Men						Women							
	Black					Asian	Pacific Islander	American Indian	Latino	2 or more	Black	Asian	Pacific Islander	American Indian	Latino	2 or more			
1	*Director of Operations																		
2	HarborMaster	65	3	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Facility Supervisor	70	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Maintenance I	45	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Maintenance II	40	5	5	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
5	Maintenance III	33	2	2	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1
Totals			15	14	1	1	0	0	1	0	0	0	0	0	0	0	0	0	2

*Included Elsewhere

Department Analysis – Finance and Customer Services

Job Group	Department: Finance and Customer Services		Total By Gender		Total Minorities by Gender												Total Minorities		
	Job Title	Ave Pay	Total	Men	Women	Men						Women							
						Black	Asian	Pacific Islander	American Indian	Latino	2 or more	Black	Asian	Pacific Islander	American Indian	Latino		2 or more	
1	*Director of Finance																		0
2	Accounting Supervisor	66	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	RV Park and Marina Supervisor	57	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Accounting Clerk	39	2	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Customer Service Representative	35	3	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Totals			7	2	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0

* Included elsewhere

Listing of Job Groups

Job Group	Total # of Incumbents	# of Females	Female Incumbency %	# of Minorities	Minority Incumbency %
1	3	1	33%	1	33%
2	7	2	29%	0	0%
4	6	5	83%	0	0%
5	10	0	0%	2	20%
Total	26	8	31%	3	12%

Availability

Availability Job Group 1, by recruitment area

Recruitment Areas

- 1 Oregon
- 2 California
- 3 Washington
- 4 United States

Job Group: 1	Area Number	Occ Code	Total By Gender		Total by RACE						Representation	
			Men	Women	Black	Asian	Pacific Islander	American Indian	Latino	2 or more	Women	Minorities
General Manager	4	11-1021	686,620	283,200	56,755	38,880	1,070	135	3,800	8,500	19.7%	7.6%
Director of Operations	1	11-1021	75	50	-	4	-	-	60	-	0.0%	0.0%
Director of Operations	2	11-1021	197,750	79,110	7,160	38,305	400	850	38,495	7,430	5.5%	6.4%
Director of Operations	3	11-1021	18,840	8,040	220	1,050	15	135	1,355	395	0.6%	0.2%
Director of Finance	1	11-3031	4,965	6,605	165	515	4	85	805	225	0.5%	0.1%
Director of Finance	2	11-3031	64,160	66,110	5,240	26,634	460	175	26,645	3,470	4.6%	4.3%
Director of Finance	3	11-3031	10,190	13,970	470	2,640	85	245	1,135	580	1.0%	0.4%
Totals			982,600	457,085	70,010	108,028	2,034	1,625	72,295	20,600	4.5%	2.7%

Source: Census Data

Availability

Availability Job Group 2, by recruitment area

Recruitment Areas

1 Oregon

4 Benton County

2 Washington

5 Lane County

3 County set - Lincoln Clatsop and Tillamook

Job Group: 2	Area Number	Occ Code	Total By Gender		Total by RACE						Representation	
			Men	Women	Black	Asian	Pacific Islander	American Indian	Latino	2 or more	Women	Minorities
Harbormaster	1	53-1000/9000	2240	570	0	80	25	90	40	174	2%	1%
Harbormaster	2	53-1000/9000	4225	1060	190	430	110	40	180	120	4%	4%
Accounting Supervisor	3	13-2011/0800	5460	9630	180	305	10	145	1680	495	32%	9%
Accounting Supervisor	4	13-2011/0800	200	385	0	10	0	0	0	0	1%	0%
Accounting Supervisor	5	13-2011/0800	525	1120	25	90	0	0	0	4	4%	0%
RV Park and Administrative Supervisor	3	43-1011	125	415	0	0	0	0	4	0	1%	0%
Facilities Manager	1	1010	1300	685	95	55	0	20	90	45	2%	1%
NIT Supervisor	1	1010	1300	685	95	55	0	20	90	45	2%	1%
Totals			15375	14550	585	1025	145	315	2084	883	6%	2.10%

Source: Census Data

Availability

Incumbency to availability analysis – establishing goals

Job Group	Female Incumbency %	Female Availability %	Establish Goal? Yes/No	If Yes, Goal for Females	Minority Incumbency %	Minority Availability %	Establish Goal? Yes/No	If Yes, Goal for Minorities
1	33%	5%	No		33.3%	3%	No	
2	28.57%	6.08%	No		0.0%	2.10%	Yes	1.68% to 2.27%
4	83.33%	34.50%	No		0.0%	1.52%	Yes	1.22% to 1.64%
5	0.00%	0.00%	No		11.5%	12.50%	No	

*The 80% rule of thumb was followed in declaring underutilization and establishing goals when the actual employment of minorities or females is less than 80% of their availability. If the female/minority incumbency percent (%) is less than the female/minority availability percent (%) and the ratio of incumbency to availability is less than 80%, a placement goal is included.

Designation of Responsibility for Implementation

Responsibilities of the Equal Employment Opportunity Managers:

The Directors (Director of Operations & Director of Finance and Business Services) have the responsibility for designing and ensuring the effective implementation of the Affirmative Action Program (AAP). These responsibilities include, but are not limited to, the following:

1. Develops Equal Employment Opportunity (EEO) policy statements, affirmative action programs and internal and external communication procedures.
2. Assists in the identification of AAP/EEO problem areas.
3. Assists to determine effective solutions to AAP/EEO problems.
4. Designs and implements an internal audit and reporting system that:
 - a. Determines the degree to which AAP goals and objectives are met; and
 - b. Identifies the need for remedial action, if any.
5. Keeps General Manager informed of equal opportunity progress and reporting potential problem areas within the company through periodic reports;
6. Reviews the company's AAP for qualified minorities and women with all managers and supervisors at all levels to ensure that the policy is understood and is followed in all personnel activities.
7. Audits the contents of the company's bulletin board to ensure compliance information is posted and up to date; and
8. Serves as liaison between Port and enforcement agencies.

Responsibilities of Managers and Supervisors:

It is the responsibility of all supervisory staff to implement Port's AAP. These responsibilities include, but are not limited to:

1. Assisting in the identification of problem areas, formulating solutions, and establishing departmental goals and objectives when necessary.
2. Reviewing the qualifications of all applicants and employees to ensure qualified individuals are treated in a nondiscriminatory manner when hiring, promotion, transfer, and termination actions occur; and
3. Reviewing the job performance of each employee to assess whether Personnel actions are justified based on the employee's performance of his or her duties and responsibilities.

Identification of Problem Areas

<i>Areas of Concern</i>	<i>• Corrective Actions</i>
<ul style="list-style-type: none"> • Underutilization of minorities in Job Groups 2 and 4. The biggest issue is getting minorities to apply for positions at the Port. 	<p>Hiring in Job Group 4 has occurred, but no females applied for the position, hiring also occurred in Group 2, but an internal candidate was selected, no external candidates were interviewed</p> <p>Review where and how the Port is advertising for external job postings. Direct the posting to a more appropriate forum to encourage females and minorities to apply for positions.</p> <p>Place help wanted advertisement, when appropriate, in local minority news media.</p> <p>Disseminate information on job opportunities to organizations representing minorities, and employment development agencies when job opportunities occur.</p> <p>Encourage all employees to refer qualified applicants.</p>

Action-Oriented Programs

The Port of Newport has instituted action programs to eliminate identified problem areas and to achieve specific affirmative action goals. These programs include:

1. Conducting annual analyses of job descriptions to ensure they accurately reflect job functions.
2. Reviewing job descriptions by department and job title using job performance criteria.
3. Making job descriptions available to recruiting sources and available to all members of management involved in the recruiting, screening, selection, and promotion processes.
4. Evaluating the total selection process to ensure freedom from bias through:
 - a. Reviewing job applications and other pre-employment forms to ensure information requested is job-related.
 - b. Evaluating selection methods that may have a disparate impact to ensure that they are job-related and consistent with business necessity.
 - c. Training personnel and management staff on proper interview techniques; and
 - d. Training in EEO for management and supervisory staff.
5. Using techniques to improve recruitment and increase the flow of minority and female applicants. The Port of Newport presently undertakes the following actions:
 - a. Include the phrase "Equal Opportunity/Affirmative Action Employer" in all printed employment advertisements.
 - b. Place help wanted advertisement, when appropriate, in local minority news media and women's interest media.
 - c. Disseminate information on job opportunities to organizations representing minorities, women, and employment development agencies when job opportunities occur.
 - d. Encourage all employees to refer qualified applicants.

- e. Request employment agencies to refer qualified minorities and women.
6. Ensuring that all employees are given equal opportunity for promotion. This is achieved by:
- a. Posting promotional opportunities.
 - b. Offering counseling to assist employees in identifying promotional opportunities, training, and educational programs to enhance promotions and opportunities for job rotation or transfer; and
 - c. Evaluating job requirements for promotion.

Internal Audit and Reporting System

The Director of Finance and Business Services has the responsibility for developing and preparing the formal documents of the AAP. The Director of Finance and Business Services is responsible for the effective implementation of the AAP; however, responsibility is likewise vested with each Director, Department Manager and/or Supervisor. The Port of Newport's audit and reporting system is designed to:

- Measure the effectiveness of the AAP/EEO program.
- Document personnel activities.
- Identify problem areas where remedial action is needed; and
- Determine the degree to which the Port of Newport's AAP goals and objectives have been obtained.

The following personnel activities are reviewed to ensure nondiscrimination and equal employment opportunity for all individuals without regard to their race, color, sex, sexual orientation, gender identity, religion, or national origin:

- Recruitment, advertising, and job application procedures.
- Hiring, promotion, upgrading, award of tenure, layoff, recall from layoff.
- Rates of pay and any other forms of compensation including fringe benefits.
- Job assignments, job classifications, job descriptions, and seniority lists.
- Sick leave, leaves or absence, or any other leave.
- Training, apprenticeships, attendance at professional meetings and conferences; and
- Any other term, condition, or privilege of employment.

The following documents are maintained as a component of the Port's internal audit process:

1. An applicant flow log showing the name, race, sex, date of application, job title, interview status and the action taken for all individuals applying for job opportunities.
2. Summary data of external job offers and hires, promotions, resignations, terminations, and layoffs by job group and by sex and minority group identification.
3. Summary data of applicant flow by identifying, at least, total applicants, total minority applicants, and total female applicants for each position.
4. Maintenance of employment applications (not to exceed three years); and
5. Records pertaining to the Port's compensation system.

The Port's audit system includes a quarterly report documenting the Port's efforts to achieve its EEO/AAP responsibilities. Managers and Supervisors are asked to report any current or foreseeable EEO problem areas and are asked to outline their suggestions/recommendations for solutions. If problem areas arise, the manager or supervisor is to report problem areas immediately to the Director of Finance and Business Services. During quarterly reporting, the following occurs:

1. The Director of Finance and Business Services will discuss any problems relating to significant rejection ratios, EEO charges, etc., with the General Manager; and
2. The Director of Finance and Business Services will report the status of the Port's AAP goals and objectives to the General Manager. The Director of Finance and Business Services will recommend remedial actions for the effective implementation of the AAP.

**Support Data:
Personnel Activity**

Category: Officials and Managers Job Group: 1	External Hires		External Applicants		Promotions – Into Job Group		Promotions - Within Job Group	
	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES
White	0	0	0	0	0	0	0	0
Black/African American								
Asian/Pacific Islander								
American Indian/Alaskan Native								
Hispanic								
Race Missing or Unknown								
TOTAL	0	0	0	0	0	0	0	0

**Support Data:
Personnel Activity**

Category: Officials and Managers Job Group: 1	Voluntary Terminations & Retirements		Involuntary Terminations		Layoffs		Recalls	
	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES
White	0	0	0	0	0	0	0	0
Black/African American								
Asian/Pacific Islander								
American Indian/Alaskan Native								
Hispanic								
Race Missing or Unknown								
TOTAL	0	0	0	0	0	0	0	0

**Support Data:
Personnel Activity**

Category: Officials and Managers Job Group: 1	External Hires		External Applicants		Promotions – Into Job Group		Promotions - Within Job Group	
	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES
White	0	0	0	0	0	0	0	0
Black/African American								
Asian/Pacific Islander								
American Indian/Alaskan Native								
Hispanic								
Race Missing or Unknown								
TOTAL	0	0	0	0	0	0	0	0

**Support Data:
Personnel Activity**

Category: Administrators & Supervisors Job Group: 2	External Hires		External Applicants		Promotions – Into Job Group		Promotions - Within Job Group	
	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES
White	0	0	1	2		2		
Black/African American								
Asian/Pacific Islander								
American Indian/Alaskan Native								
Hispanic								
Race Missing or Unknown								
TOTAL	0	0	1	2	0	2	0	0

**Support Data:
Personnel Activity**

Category: Administrators & Supervisors Job Group: 2	Voluntary Terminations & Retirements		Involuntary Terminations		Layoffs		Recalls	
	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES
White	1							
Black/African American								
Asian/Pacific Islander								
American Indian/Alaskan Native								
Hispanic								
Race Missing or Unknown								
TOTAL	1	0	0	0	0	0	0	0

**Support Data:
Personnel Activity**

Category: Administrative Job Group: 4	External Hires		External Applicants		Promotions – Into Job Group		Promotions - Within Job Group	
	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES
White		2	0	3		1	0	0
Black/African American								
Asian/Pacific Islander								
American Indian/Alaskan Native								
Hispanic								
Race Missing or Unknown								
TOTAL	0	2	0	3	0	1	0	0

**Support Data:
Personnel Activity**

Category: Administrative Job Group: 4	Voluntary Terminations & Retirements		Involuntary Terminations		Layoffs		Recalls	
	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES
White		4		1				
Black/African American								
Asian/Pacific Islander								
American Indian/Alaskan Native								
Hispanic								
Race Missing or Unknown								
TOTAL	0	4	0	1	0	0	0	0

**Support Data:
Personnel Activity**

Category: Operations & Maintenance Job Group: 5	External Hires		External Applicants		Promotions – Into Job Group		Promotions - Within Job Group	
	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES
White	3		5	0	0	0	1	0
Black/African American	1							
Asian/Pacific Islander								
American Indian/Alaskan Native	1							
Hispanic								
Race Missing or Unknown								
TOTAL	5	0	5	0	0	0	1	0

**Support Data:
Personnel Activity**

Category: Operations & Maintenance Job Group: 5	Voluntary Terminations & Retirements		Involuntary Terminations		Layoffs		Recalls	
	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES
White	5	2	2	0	0	0	0	0
Black/African American								
Asian/Pacific Islander								
American Indian/Alaskan Native								
Hispanic								
Race Missing or Unknown								
TOTAL	5	2	2	0	0	0	0	0

Support Data

**Analysis of Affirmative Action Program Progress:
[x] Current Year AAP
Not enough data exists to fill in placement rates**

JOB GROUP*		GOAL PLACEMENT RATE (%)**	ACTUAL PLACEMENT RATE (%)***	ANALYSIS OF GOOD FAITH EFFORTS
1	MINORITY			No external recruitment occurred for this group n Fiscal year 2020-2021
	FEMALE			No external recruitment occurred for this group n Fiscal year 2020-2021
2	MINORITY			No external recruitment occurred for this group n Fiscal year 2020-2021
	FEMALE			No external recruitment occurred for this group n Fiscal year 2020-2021
4	MINORITY			External recruiting occurred, but no minorities applied in FY 2020-2021, The recruitments resulted in 3 female staff being employed.
	FEMALE			External recruiting occurred, but no minorities applied in FY 2020-2021, The recruitments resulted in 3 female staff being employed.
5	MINORITY			External recruiting occurred, two minorities' males were hired
	FEMALE			One Female candidate applied; it was determined that she did not have the skillset the Port required

* JOB GROUPS WHERE GOALS ARE REQUIRED

** GOAL PLACEMENT RATE EQUALS AVAILABILITY PERCENTAGE RATE FOR MINORITIES OR FEMALES AS APPLICABLE

*** ACTUAL PLACEMENT RATE FOR MINORITIES OR FEMALES FOR A PARTICULAR JOB GROUP IS EQUAL TO THE NUMBER OF MINORITY OR FEMALE PLACEMENTS DIVIDED BY THE TOTAL NUMBER OF PLACEMENTS. FOR EXAMPLE, IF JOB GROUP A EXPERIENCED 45 FEMALE PLACEMENTS OUT OF 90 TOTAL PLACEMENTS, THE ACTUAL PLACEMENT RATE FOR FEMALES IS (45/90=.50) OR 50%.

Guidelines on Discrimination Because of Religion or National Origin

It is the policy of The Port to take affirmative action to ensure that applicants are employed, without regard to their religion or national origin. Such action includes but is not limited to the following employment practices: hiring, promotion, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation and selection for training.

Employment practices have been reviewed to determine whether members of the various religions and/or ethnic groups are receiving fair consideration for job opportunities.

1. The policy concerning Port's obligation to provide equal employment opportunity without regard to religion or national origin is communicated to all employees via employee handbooks, policy statements and the Affirmative Action Program.
2. Internal procedures have been developed in this program to ensure that The Port's obligation to provide equal employment opportunity without regard to religion or national origin is being fully implemented.
3. Employees are informed at least annually of The Port's commitment to equal employment opportunity for all persons, without regard to religion or national origin.
4. Recruiting sources have been informed of our commitment to provide equal employment opportunity without regard to religion or national origin.
5. Employment records of all employees are reviewed to determine the availability of promotable and transferable employees.
6. Media for Minority groups may be used for employment advertising.

Reasonable accommodations to the religious observances and practices of employees or prospective employees will be made, unless doing so would result in undue hardship. In determining whether undue hardship exists, factors such as the cost to the company and the impact on the rights of other employees would be considered.



S T A F F R E P O R T

DATE: 27 April, 2021
RE: Pay Practices Policy
TO: Paula Miranda, General Manager
ISSUED BY: Mark A. Brown, Director of Finance and Business Services

BACKGROUND

The Port should modify the Employee Manual (or handbook) each fiscal year, at a minimum and update should occur every two years. Port staff are in the process of modifying the current manual, but the conversion to a new Financial System has taken priority. By adopting this policy, it will be placed into the new Employee Manual (or handbook).

DETAIL

The attached policy is a small portion of the Employee Manual. If adopted this would be included in the new manual once we have completed the manual.

The modifications in this section are:

1. Moved Bonus consideration from the Compensation plan to Pay Administration.
2. Modified Bonus consideration to give the Port General Manager more latitude in paying a bonus, so long as the Bonus plus other Personnel expenses are projected to stay within the Budget appropriation approved by the commission.
3. Added a section – Pay Practices this is about how Port staff keep track of their time, how often they should update their timecards, when they will be paid, etc.
4. Modified Pay advances. Since the Port processes payroll twice per month, there is no need for the Port to provide an advance on pay to a staff member, so the Port will no longer provide pay advances to staff.

RECOMMENDATION and Motion

If not approved on the Consent Calendar. I RECOMMEND MOTION TO ADOPT RESOLUTION 21-11, PAY PRACTICES.

**PORT OF NEWPORT
RESOLUTION NO. 2021-11**

WHEREAS, the Port is a public entity;

WHEREAS, the Employee handbook (or manual) should be updated annually

WHEREAS, the Port is in the process of updating its Employee handbook (or manual), but has not yet completed the update;

WHEREAS, the Pay Practices is outdated;

WHEREAS, the Port pays staff twice monthly;

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

To adopt the attached Pay Practices policy section of the Employee Handbook.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 21st day of November 2021.

ATTEST:

James Burke, President

Walter Chuck, Secretary/Treasurer

PAY ADMINISTRATION

The Port of Newport values high quality work from its employees and is committed to compensating employees for their efforts and results. It is our intent to provide a competitive compensation package that will attract, retain, and motivate employees. It is also our intent that policies and pay practices be administered consistently throughout the organization to ensure internal equity is achieved.

Your pay as a new employee is established based on the pay level of current employees performing work of comparable character and based upon factors such as your previous experience, education, and skills. This policy will be administered and interpreted in accordance with applicable federal and state laws and regulations.

Pay Increases

It is Port of Newport's policy to reward you with increases in pay for dedication in your work, extra effort, and contributory performance. Management does not award increases on an automatic basis or at preset intervals. Your supervisor/manager will determine if an increase is warranted at the time of your performance review; factors considered will include performance evaluation factors. Recommended increases are not effective until approved by both the next level of management and the General Manager.

Because information about your rate of pay and any increases is sensitive and personal, we ask that you exercise discretion and care regarding the discussion of these matters.

Bonus Consideration

The General Manager has the authority to issue, on behalf of the Port, bonuses to employees. When authorizing a bonus, consideration must be given to the amount budgeted for Personal Services and the general state of the budget. The amount paid for bonuses, salaries and wages, and benefits cannot exceed budget for the fiscal year. on behalf of the Port a holiday bonus to employees in an amount not to exceed \$100 per employee based upon financial and other considerations. The Commission grants the General Manager an equal bonus as may be issued to other Regular Full Time and Part Time employees.

THE COMPENSATION PLAN

Maintenance of Plan

The General Manager, with input from the Division Directors, is responsible for the maintenance of the compensation plan. The compensation plan includes for each class a minimum and maximum rate of pay and intermediate steps as are considered necessary and

equitable. Annually the plan shall be reviewed and adjusted based on market rates, rates paid by other public and private employers for comparable work, unusual problems or recruitment issues, turnover, cost of living, and any other relevant factors.

Cost of Living Adjustments

The General Manager may include a cost of living adjustment when developing the annual compensation plan. The cost of living increase should be based on the Consumer Price Index, West Region. The cost of living increase is not guaranteed, but should be included if sufficient funds are available.

Administration of Plan

Each employee shall be paid a rate of pay within the salary range for the class in which they are employed.

Entrance Salary

The entrance salary will be based on a pay equity analysis for positions with multiple staff in similar positions. The General Manager will approve any entrance salary of step 4 and above.

Step Increases

~~Step increases are typically the next step of the salary range for the class. Step increases are~~ will be based on the Employee Performance Evaluation. ~~Step increases are not automatic.~~ Division directors and Supervisors shall recommend an increase percentage to the General Manager those employees they feel are qualified.

Eligibility for Step Increases

Employees shall be eligible for a ~~Step increase only~~ at the start of a fiscal year regardless of anniversary date, unless an exception is made by the General Manager.

Salary Consideration at the end of the Probationary Period

Increase in Salary as result of superior performance during the Probationary Period ~~may occur.~~ The General Manager, ~~Division Director or Department Head~~ may apply ~~a step(s) an~~ increase if warranted at the end of the probationary period. The increase must be within the total amount budgeted for the position or Department. No obligation for this adjustment will be implied by the General Manager, ~~Division Director or Department Head~~ during recruitment.

Movement to a Higher Classification

When an employee is promoted or reclassified to a classification having a higher salary range, they may be given an increase to a higher rate of pay in the new salary range. Employees moving to a higher classification must meet the Minimum Qualifications for the higher pay range within six (6) months of starting the new position. Failure to meet the minimum qualifications will result in demotion to the ~~lower class~~ lower-class position, including a pay reduction.

Demotion

If any employee is demoted or reclassified to a class with a lower salary range for reasons which do not reflect discredit on his or her employment record, their salary rate shall remain the same as long as the rate is within the salary range of the lower classification. Demotion for cause will result in a corresponding reduction in salary.

Transfer

When an employee is transferred from one department to another, or from one classification to another classification having the same salary range, their pay will normally remain the same.

Consideration

The consideration and allowance or rejection of the issues in this sub- chapter are subject to the existence of funds for said purposes and budgetary limitations.

Employment Contracts

Contracts with employees shall make every effort to meet the terms of the adopted compensation plan. However, the Port of Newport Board of Commissioners reserves the right to approve employment contracts that may deviate from the plan. Employment contracts usurp the terms and policy laid forth in these rules.

~~**Bonus Consideration**~~

~~The General Manager has the authority to issue on behalf of the Port a holiday bonus to employees in an amount not to exceed \$100 per employee based upon financial and other considerations. The Commission grants the General Manager an equal bonus as may be issued to other Regular Full Time and Part Time employees.~~

PAY PRACTICES

Paydays

~~Port employees are paid twice per month, on the 5th and the 20th. If a payday falls on a Saturday or Sunday, payday will be the Friday prior to the payday. If a payday falls on a recognized holiday, staff will receive their pay on the last workday prior to the holiday. You will be paid twice a month. Paydays are on the 5th and the 20th of the month. If a payday falls on a Saturday, Sunday, or banking holiday, paychecks will be distributed or direct deposited on the Friday prior to the established payday. If a payday falls on an organizational holiday, you will receive your check on the last workday prior to the holiday. Employees are normally paid by direct deposit, but you may request payment by check instead by opting out, if you choose to receive a manual check, paychecks will not be delivered to anyone else without your written request.~~

Payroll Deductions

Certain mandatory and elective deductions which are made from employee pay are noted on the paycheck stub. The only deductions made are those mandated by law or authorized by you in writing.

PAY ADVANCES

Pay advances are not provided by the Port. Employees are encouraged to find other appropriate resources for any financial difficulties, Employees should consider contacting the Employee Assistance program, at 1-800-252-4555, or theEAP.com.

~~Advance payments of salary may be granted in emergency situations but must be approved by an immediate Supervisor and the Director of Finance and Business Services. Each request for an emergency draw will be reviewed individually. Employees may not request more than two (2) draws per year. Employees are generally encouraged to find other appropriate resources for any financial difficulties, however.~~

~~In order to receive approval, emergency draws cannot exceed an amount equal to the hours accumulated at the time of the request, less any funds required for voluntary and involuntary deductions; advances may never exceed an employee's net salary for the pay period. The amount of any pay advance will be withheld from the employee's paycheck covering the pay period the wages were drawn against.~~

Method of Payment

Employees are normally paid by direct deposit; you may opt out of Direct Deposit either verbally or in writing. A statement showing gross earnings, deductions, and net salary is provided by our time keeping system and is available online ~~at ADP.~~

Employee Withholding Allowance Certificates (Form W-4)

You are required to furnish the Port with an Employee Withholding Exemption Certificate (W-4) for the state and the Federal governments at the time of hire, you may file a new W-4 at any time. When you submit an updated Form W-4, the Port ~~You are required to furnish the organization with an Employee Withholding Exemption Certificate (W-4) at the time of hire. You may file a new W 4 form any time. When you submit an updated Form W 4, the organization~~ will implement the desired changes as soon as is reasonably possible, but no later than the start of the first payroll period ending on or after the 30th day from the submission date. We encourage employees to seek tax advice if they have questions about withholding amounts.

Time Records for Non-Exempt Employees

The timecard/time sheet is a record of time worked and must be filled out weekly, daily is preferred. It provides a permanent record of time spent on the job, indicating the time you worked. All employees must fill out their timecards electronically in the provided timekeeping system.~~The time card is a record of time worked and must be filled out by weekly, although daily is preferred. It provides a permanent record of time spent on the job, indicating the exact time you worked. Each non-exempt employee will be issued a time card at the start of the pay period.~~

Time-cards ~~are~~ should be reviewed carefully for completeness and accuracy at the end of each week, as they ~~are~~ will be used to calculate pay. Supervisors will review and approve ~~time cards~~ timecards each pay period. ~~Time~~ Timecards must be completed on a computer, in the system provided by the Port ~~cards must be completed online via ADP~~. If an error needs to be corrected, the ~~time card~~ timecard must be reviewed by the manager/supervisor for appropriate action.

All manual entries or corrections must be made, reviewed, and approved by the supervisor or other appropriate management member. ~~Time cards~~ Timecards should ~~must be~~ reviewed and approved at the end of the pay period. Your electronic approval on the time sheet each pay period verifies that the times and dates are true and accurate to the best of your knowledge. Due to the date on which a payday falls, you may be asked to estimate your hours, any overages or shortages in pay will be paid during the next pay period. You should never allow someone else to make entries on your ~~time card~~ timecard. Willfully falsifying a ~~time card~~ timecard will be grounds for corrective action, up to and including termination.

Time Records for Exempt Employees

Employees classified as exempt are not required to fill out ~~time cards~~ timecards and no deduction of pay will be made for hours worked fewer than eight (8) hours per day, unless authorized by law. Since the Port has a paid time off program ~~However, because the Port of Newport does have~~ paid time off benefits programs, if you have earned time in the PTO se bank(s), you must use this time first to cover any time off that is less than your normal ~~work day~~ workday.

Dispute Resolution Process for Paycheck Errors

If you have any questions regarding your pay or feel a manager or supervisor has made a change to your pay that you do not believe is accurate, please contact the Director of Finance and Business Services or the Director of Operations.

Final Paycheck

While we request that you give us at least 10 working days' advance notice prior to departure when resigning or retiring from the organization, if you provide us with at least 48 hours' notice (excluding holidays and weekends) you will receive your final paycheck on the last day worked. If less notice is given, the final paycheck will be provided within five business days (excluding weekends and holidays) or on our next regularly scheduled payday, whichever occurs first. Final paychecks will include all wages earned through the last workday plus payment for any accrued and vested benefits that are due and payable at separation (subject to any maximum accumulation limits discussed in the Paid Time Off Benefit section of this manual).



CONSENT CALENDAR AGENDA ITEM

DATE: 03 December 2021
RE: Surplus Property Declaration
TO: Port of Newport Board of Commissioners
ISSUED BY: Aaron Bretz, Director of Operations

BACKGROUND

The dryers in the Central South Beach Marina have been replaced. The old dryers are at the end of their expected service life, and one has been damaged by a coin theft. There are 3 gas coin operated dryers and 11 electric coin operated dryers.

DETAIL SUPPORTING

We previously attempted to sell our surplus washers, but there was no interest in them because they are old and are coin operated. We still may be able to sell the dryers to an appliance repair shop, but we aren't yet sure. We are seeking authorization to dispose of these dryers as excess property either by sale or scrap, whichever will yield the Port the best return.

RECOMMENDATION

I recommend that a Commissioner make a MOTION TO DECLARE 14 DRYERS IN SOUTH BEACH AS EXCESS PROPERTY.





S T A F F R E P O R T

DATE: 27 April, 2021
RE: Multiuse Copier/printers replacement
TO: Paula Miranda, General Manager
ISSUED BY: Mark A. Brown, Director of Finance and Business Services

BACKGROUND

The Port moved to 100% cloud storage of documents. Each day Port staff scan and print documents, some are printed to storage- other scanned. Port staff are also scanning old documents and moving most paper files to cloud storage. This is necessary to preserve these records, especially given the Port is in a tsunami zone.

DETAIL

The current equipment in South Beach and the Administrative building were leased to the Port in April of 2019, however, the equipment was designed and released for sale in 2015, prior to cloud storage becoming prevalent. The original design of the equipment did not include software to connect to cloud storage solutions and so the equipment requires third-party software to connect to the cloud. The third-party software is slow to respond and from time to time will lock up the equipment, meaning the equipment must be hard rebooted. The equipment is also slow to start, when printing and scanning. Staff sometimes can wait 2-3 minutes for the equipment to respond, and sometimes print the documents a second time.

Because of the problematic nature of the equipment and after hearing staff complaints, I researched alternatives to the current equipment. I reached out to three vendors to comparison shop.

Vendor one offered a 6-year lease, at a similar cost to the current lease, \$655 per month for 2 machines. This lease includes all supplies (except paper and staples), delivery, setup, storage, and shipping back of current equipment at the end of the term, and a check for the remaining lease payments on the equipment. The equipment will “wake-up” as a person walks up to it, and a card-reader can be used to identify the user. The vendor currently has no equipment in stock.

Vendor two offered a lease payment of \$448 for two machines, plus a per copy cost for Maintenance on the equipment. Based on average usage, the month cost would be \$728 per month or \$73 per month higher than the previously mentioned vendors lease. The lease did not include a buyout option on the current lease.

Vendor three offered lease payments of \$605.00 per month included in the lease payment is 10,000 prints/copies per month (9,000 black and white, which includes up to 5% color and 1000 color prints). This is less than the current lease payment. The vendor also offered to pay the Port for up to 18 months of its lease on the current equipment (there is 16 months left on the leases), and all supplies are included (except paper and staples). The vendor indicated they have equipment in stock.

RECOMMENDATION and Motion

If not approved on the Consent Calendar. I RECOMMEND MOTION TO AUTHORIZE THE GENERAL MANAGER OR DESIGNEE EXECUTE A LEAS AGREEMENT WITH ULTREX FOR A NEW MULTIUSE COPIER/PRINTER.

Amendment & Addendum to Services Agreement
Between
Port of Newport (Port)
and
HDR Engineering Inc. (Contractor)

Whereas the parties entered into an agreement for project and construction management on the Port Dock 5 Pier Construction Project (the "Project") dated September 9, 2020, amended dated February 28, 2021, amended May 27th, 2021, and amended September 30, 2021 (the "Agreement").

Whereas Section 4.02.A. of the Agreement indicates the Project completion date is October 31, 2021.

Whereas the project is currently ongoing, on schedule, and projected to continue through the end of February 28, 2022.

Therefore, the parties agree to amend their services agreement as follows:

Section 4.02.A. of the Agreement is hereby amended to replace the October 31, 2021 completion date with a completion date of February 28, 2022. This agreement retroactively covers the period of October 31, 2021 to the date of the signature.

HDR would also like to formally request labor rate adjustments for 2022. Please see Exhibit A for the 2022 Rates.

Except as amended herein, the Agreement remains unchanged.

Dated this _____ day of December 2021.



HDR Engineering, Inc. 12/14/2021
Tracy Ellwein, PE, Vice President Date

Port of Newport _____
Paula J. Miranda Date

Exhibit A

Port of Newport Rate Schedule Construction Management Services	
Title	2022 Bill Rate
Principal	\$319.00
Project Manager	\$270.00
Construction Manager	\$205.00
Construction Inspector	\$139.00
Project Accountant / Coordinator	\$107.00

Rates will be escalated annually beginning on January 1, 2023

Mileage - in accordance with current federal rates

Other Expenses or outside services - at cost



ANNUAL GOAL SETTING

DATE: 12/21/21
RE: 2021-22 Commission Goal Setting
TO: Board of Commissioners
ISSUED BY: Paula J. Miranda, General Manager

INTRODUCTION

As discussed last year, we have changed the timing on the Goal Setting to sync with our budget process, as many of the goals are financially driven. In the past the goal was set after the budget had already been created, which didn't give us many opportunities to make the proper changes.

I have included a summary of plans and strategies, as well as our Capital Improvement Plan based in our Strategic Business Plan with comments of where we currently stand on those goals and improvements. If you wish, we can go over all the items, or some of the items and will have the Port management team ready to answer any questions or concerns the Board may have.

In the past the Port adopted values, mission & vision. I have included a copy for your information. Typically, it is recommended that they be evaluated every 5 years to make sure they still reflect the beliefs of the Port and the community. Since the Port's value, mission & vision have recently been updated during the 2019 Strategic Business Plan process, I think we should still be good for a couple more years.

If any commissioner wishes to recommend any additions or changes to the items listed, we will be happy to make the changes. You will also have an opportunity to make additional input on priorities during the budget process. Doing this process prior to the budget will assist us on mapping out some of the budget items. Items to be included don't have necessarily to be related to capital improvement. It can be anything included on the Strategic Plan or something else the commissioner wishes to see achieved. It can also be provided directly to the General Manager prior to the budget process. Any changes provided by the commissioners will be included on the list and brought back during the budget process. We will give a chance for the Board to discuss the items presented before prioritizing them.

I look forward for this process in creating measurable goals. I thank you in advance for your commitment to the Port and for helping prioritize so many things we currently strive to complete. I am sure as you evaluate our priorities you will do so with the Port's values, mission and vision in mind in order to help create a better community.

PORT VALUES, VISION, AND MISSION

The Port's values, vision, and mission were updated as part of the process of developing the strategic business plan.

The following articulate the Port's current values, vision, and mission statements.

Values Statement

Values are the Port's most deeply held beliefs and help us determine our highest priorities. They are the foundation on which we as Port Commissioners and as staff conduct ourselves and work. They serve as our guiding principles – the motivation for our goals, strategies, and actions to accomplish our mission. They clarify who we are as the Port of Newport, articulate what we stand for, and express what we deem to be acceptable standards for how the Port of Newport treats users, customers, partners, and our own team members.

The Port identifies the following governing values:

Leadership. The Port of Newport proudly accepts responsibility as the leader, on behalf of the citizens of the Port District, to actively pursue economic progress and make decisions that are in the best interests of current and future users of the Port. This means building and maintaining an economically diverse and thriving Port that is resourceful in how we weather changing conditions and circumstances.

Service. Our business is to serve the public – the commercial and recreational fishing fleets, the marine and tourist industries, our current lessees, potential new business partners, and the citizens of the Port District. We are professionals who provide the highest quality service.

Collaboration. We pursue and invest our time in building partnerships within our community, including the private sector while maintaining strong ties to local, state and federal government agencies. We believe successes in our community result when public agencies and citizens work together with determination toward a common goal in a spirit of mutual respect and cooperation. At the core of these successes will be a deep commitment to maintaining high levels of communications with all stakeholders.

Accountability. The Port must be a careful steward of public resources. Managing our assets responsibly, investing wisely in new infrastructure, administering budgets efficiently, and capitalizing on external sources of financial support are all integral to accomplishing our mission. The Port is committed to conducting our work with the highest degree of integrity, professionalism and transparency.

Sustainability. The Port is committed to managing our business operations as well as our human and physical assets in a manner that meets our current needs while ensuring we do not compromise the needs of future generations. We protect and enhance the natural environment wherever possible and seek to invest the funds entrusted to us wisely, prudently and ethically. We are responsible neighbors and community members who treat our employees fairly and with

respect. Our work is conducted with the goal of helping nurture a healthy estuary that is at the foundation of our working waterfront.

Optimism. We are deeply committed to the execution of our mission and in our ability to be resilient and seize opportunities. We pursue our vision through steadfastness of purpose, awareness of our core values, and a persistent focus on positive relationships.

Vision Statement

The idea behind a vision statement is to express, more or less in future tense, what we want the Port (and Newport) to be at some future point. Because a mission statement and the strategic business plan itself are typically 5-year efforts, the vision statement looks a little farther (10 or 20 years) into the future. Our vision expresses what we want to see, and what we believe we can accomplish if we stretch our capabilities and aim for the vision.

The Port's current vision statement emphasizes its leading roles in commerce, recreation, and research.

The Port of Newport will serve as the foremost Oregon coast port for the commercial fishing, recreational fishing and tourism, and marine research support. We will fully utilize the international terminal with fishing, waterborne commerce, and other uses. We will continue to protect and enhance the beauty and integrity of the natural environment, which is at the foundation of our working waterfront community.

Mission Statement

A mission statement defines the Port's purpose - what we do and why we do it. The intention of a mission statement is to give the Port's public, its customers (and ourselves) a succinct awareness of that purpose.

This is the Port's current mission statement:

Provide and professionally manage waterfront facilities and services in collaboration with our community with the express purpose of retaining and creating business opportunities and increasing economic development for the Port and the community.

STRATEGIC BUSINESS PLAN SUMMARY

These industries are summarized below, including market trends, constraints, and opportunities for growth.

1. *COMMERCIAL FISHING*

Consolidation in the commercial fishing industry is expected to continue in the next five years and beyond. Newport must seek to retain the existing fleet and processors, as well as attract additional entrants. This will require updating/improving the facilities that the sector requires, such as moorage space, offloading docks and equipment, gear storage, upland support services, processing facilities, and logistic facilities, among others.

Independent seafood buyers represent a growing industry in Newport, and one that increases the need for transient moorage space with vehicle access. Four companies are currently in operation, and more are interested. These buyers purchase fish off the boats, and use the Port's hoists to unload from boats and load onto trucks. There is currently a lack of temporary moorage space and land alongside to accommodate them, and there is also a need for additional lift capacity.

2. *MARINE RESEARCH AND EDUCATION*

- a. Offshore Energy. *"The Port has continued to work with offshore energy as they look into the transportation of cables and other items from our terminal related to the OSU project. We have yet to hear the outcome as far as the selection of contractors. We will not know their needs and how the Port can play a part of the project, until we understand their selection. Should the selected contractor need our terminal, it is our understanding that even when the project is completed, they still foresee the need of the terminal for regular maintenance of the project."*
- b. Aquaculture. *"In recent past the Port has entertained a couple possibilities with oyster and dulce." Since COVID we haven't heard much on this sector, but will continue to pursue if opportunities are available.*

3. *TOURISM AND RECREATION*

- a. Recreation Vehicle Camping
Combined, these four parks saw the number of overnight guests grow from 364,000 in 2011 to 438,000 in 2017, an increase of more than 20 percent. *Because of COVID, we put this project on hold. However, our Annex continue seeing a degradation and we will need to address the problem sooner. We started conversation with the grant writer on pursuing options for funding the plan to replace the RV Annex.*
- b. Recreational Boating
Between 2014 and 2017, the number of boats grew to nearly 166,000. There was an increased especially in the number of registered boats longer than 20 feet. *Likewise, the marina business has continued to increase, therefore we continue to make improvements and major repairs as needed. 2021 was an incredible busy year for our recreational marina. Derelict boats continue to be a problem. We have been working with the Oregon State Marine Board and the Port of Toledo in trying to address some of the issues. We are also working with the County Marine Sheriff Deputy and our harbormaster to address proper registration and conditions of the boats. Cleaning Stations have also been a problem due to the usage increase. We will continue to work on addressing the problem. We will be*

applying for grants to build additional capacity. We have also been working with the City Police to address traffic issues.

4. MARINE CARGO

a. Breakbulk

Since the 1970s, most breakbulk cargo has been converted to containers. As a result of this shift, the breakbulk trade has become far more specialized, targeting certain high-volume commodities, such as logs, lumber, wood pulp, paper, fruit, lumber, and some steel products. West Coast foreign imports of breakbulk/neobulk cargo dropped by more than half between the peak year of 2004 and 2016. West Coast exports of breakbulks/neobulks are led by fruits and vegetables, pulp and paper, wood products, and rice. There is also a small amount of fish exported in breakbulk form. Exports of breakbulks/neobulks have grown substantially since 2000; however, volumes peaked from 2011 through 2013 and have dropped substantially since then.

Challenges: *“Lack of rail, deep water beyond -30’, infrastructure and general transportation. Some customers contacted. We are still researching this market.” Those items are still impactful items when it comes to receiving cargo. During this pandemic year, cargo in general has been greatly affected. We are starting to see some of them coming back. The Port has posted a marketing ad in the APP annual magazine and website. A grant request made to the USDA to address a marketing plan for NIT did not get funded. We also submitted a grant request to MARAD to address grading and equipment for the operations at our 9 acres, but did not get funded. We were told to try again for this coming year.*

b. Logs

Currently, Coos Bay and Astoria are the only ports in Oregon that handle log exports. A recent forecast projected that Pacific Northwest log exports are likely to grow slowly through 2035, assuming that Chinese demand continues to grow. The timber harvest in the Newport region is less than half of what it was during the mid-1960s, but has seen growth since bottoming out in 1998. Lincoln County’s share of the regional harvest averaged 8.5 percent from 1962 to 2017. Log shippers have demonstrated interest in using the International Terminal to ship logs, and the Port should consider accommodating log shipments.

Challenges: *“The market for logs is still a bit weak as far as exporting goes. However, we have been working with a national company and recently have discussed the use of the terminal with a regional company.”*

c. Dry Bulk

For the most part, the dry bulk commodities that move in and out through West Coast ports are transported to or from inland point by rail or by barge, with smaller volumes moving directly into or out of plant or moving by truck. Because the Port is not served by rail or by river barge, the Port is unlikely to attract a substantial volume of most dry bulk cargo. Woodchips are a major dry bulk cargo handled by ports in the Pacific Northwest. The Georgia-Pacific (G-P) mill in Toledo may represent a potential market for receiving woodchips through the International Terminal. The G-P mill has been in operation for approximately 60 years, and at one time, it received woodchips by barge, but now receives woodchips only via truck and rail. The International Terminal may be able to attract some of the G-P woodchips if the economics of the combination barge/truck move are competitive. The Port should consider approaching G-P to determine if this is feasible.

Challenges: *“Just like breakbulk, the market has been greatly affected by COVID and there wasn’t much to go after this past year. There are few prospects to target that would be*

interested in our region. I have reached out to GP and there is still no opportunity for GP at the moment.

d. Liquid Bulk

Challenges: Newport does not have a large population base, and does not have industries that use or produce liquid bulks, the [Port is unlikely to attract liquid bulk cargoes.](#)

e. Containers

Challenges: Smaller ports face a number of issues attracting container trade due to trends toward larger ships in the trans-Pacific trade and the fact that port alliances control almost 90 percent of it. Because Newport lacks water depth, rail access, and a large population base, it is unlikely to play a significant role in West Coast container markets. [With the backlog seen at the California Coast we have been asked by many why don't we go after them. Unfortunately, as explained by consultants, it is very unlikely this Port will ever be home for large amounts of containers, as we were just not built for it. We don't have enough real estate to accommodate containers and the lack of rail and deep draft is pretty much a non-started for this type of cargo.](#)

Local production represents the best cargo opportunity for the International Terminal. The two main production industries in Lincoln County are forest products and commercial fishing. The output volume of the commercial fishing industry is probably too small to support shipping via water, but may be sufficient to attract service from small breakbulk freighters.

The forest products industry represents an opportunity for the Port. Newport may be able to attract logs to the International Terminal, either for loading onto ship for export, or loading onto oceangoing barges for transport to another port for export, such as Astoria, Coos Bay, or Longview. As noted above, log shippers have demonstrated interest in using the International Terminal to ship logs.

The ability of Newport to attract cargo from farther inland, such as the Willamette Valley, is limited by a number of factors, including:

— Competition from other ports whose hinterlands overlap those of Newport. For example, for points north of Albany, Portland is closer than Newport and offers multiple shipping terminals. Similarly, points south of Eugene are closer to Coos Bay than Newport

— Insufficient volumes of non-containerized cargo. The overwhelming majority of international cargo shipped from the Willamette Valley is containerized, and the remaining non-containerized volume is likely not sufficient to attract vessel service. In addition, the state of Oregon is also studying the potential to locate an intermodal terminal in the Willamette Valley to handle containerized international export and import cargo.

— Water depth in the Yaquina Bay shipping channel limits the size of ships that can use the International Terminal. Because smaller ships are less efficient than larger ones, this increases the ocean shipping costs.

Because of these limitations, inland cargoes do not represent as strong an opportunity for the Port as do forest products.

“Again, because of COVID, the cargo business has pulled back all over this past year. This past year most of our efforts have been driving by the forest industry market. In recent past we reach out to many other markets, but those don't seem to have many interests in our Port.”

5. OTHER MARKETS AND INDUSTRY OPPORTUNITIES

a. Rogue

- i. There are approximately 500 feet of dock in front of the brewery that could be used for transient moorage.
- ii. Potential opportunities that Rogue is considering include producing dulce and/or salt – some is used to produce gose, a fermented beer.

We had discussions with the Oregon State Marine Board on upgrading the dock near the seawall at the same time we repair the seawall. However, the marina is in need of additional long term moorage spaces and not transient spaces. OSMB is unlikely to invest on long term moorage.

We started our work on trying to address the seawall. Meanwhile, Rogue has continued to invest in their operations growing the business here in Newport. Because of a City requirement to upgrade their wastewater system, which will cost them \$3.5 million dollars, Rogue may have to take a step back in doing some of the investment they have foreseen.

b. Cruise Ships

- i. Newport could attract cruise ships as a port of call during repositioning trips. The Alaska cruise market is based in Vancouver, BC, and in Seattle, Washington. At the beginning and the end of the Alaska cruise season, each vessel must be repositioned (moved) from or to its winter homeport, and these repositioning cruises present an opportunity for coastal ports such as Newport. Air draft under the Highway 101 bridge is a more important limitation. Most of the large cruise ships that operate in the Alaska market cannot pass under the bridge. Several smaller ships operate in that market, however, and they may present an opportunity for Newport. In order to explore this opportunity, the Port and the community should make contact with the industry group, Cruise the West, as well as with cruise directors from lines that operate small vessels.

“The Port has made some contacts and evaluation of cruise opportunities. As stated on the Strategic Business Plan, the bridge clearance is the biggest challenge. For instance, most cruise ships that call on Astoria are over 184’, the Newport bridge has a clearance of 133’.

I made contact with American Cruise Lines during the PNWA conference as they provide services with small vessels. Unfortunately, most of their vessels serve the river. They are not ready to come to the Coast. We will continue to look at small cruise opportunities in the future”

MANAGEMENT PLAN

Goal 1: Develop a management plan that enables Port Commissioners and staff to achieve the Port's mission and prioritize economic development opportunities within the District.

Policy 1.1: Prioritize projects and identify target businesses and potential partnership opportunities with public and private entities that will leverage Port resources.

- a. Strategy 1.1.1: Annually review and update the capital facilities plan and develop a list of priority projects in conjunction with the budget development process. Strategy 1.1.2: Pursue partnership opportunities with private businesses to develop industrial/commercial facilities that meet market demand and provide greater economic development opportunities within the District.
- b. Strategy 1.1.3: Integrate the strategic business plan as a planning tool and review its key projects and policies annually in conjunction with budget meetings.
- c. Strategy 1.1.4: Expand the Port's portfolio by targeting and pursuing new industries identified in the market analysis, such as seaweed and oyster cultivation, log exports, and attracting small cruise ships as a port of call.
- d. Strategy 1.1.5: Incorporate the strategic business plan into the Port Commission's decision making to ensure continued alignment with the Port's mission and commitments to its funding partners, other agencies, its stakeholders, and the Port district.

Status: "We typically evaluate our capital facilities during our budget on an annual basis. We have also updated our capital Improvement Plan to reflect our latest improvements completed and our future improvements needed. We have consistently been engaged with regional partners, associations and in regular discussions with funding partners to make sure our needs are in sync with those needs of the community. We are continuing to engage with the Oregon Ocean Innovation HUB, formerly Maritime Innovations Center on the marine economy opportunities. Again, marketing efforts are being made within reason considering the pandemic that we have been dealing with."

Policy 1.2: Maintain and optimize marine assets.

- a. Strategy 1.2.1: Develop a set of metrics to evaluate projects and properties, including underutilized and vacant properties.
- b. Strategy 1.2.2: Lease marine facilities, but do not sell marine assets.
- c. Strategy 1.2.3: Develop a mitigation plan to address impacts of capital projects and streamline future permitting.
- d. Strategy 1.2.4: Develop an International Terminal Plan to study a mix of uses and opportunities, required transportation improvements, and the maximization of terminal space at the International Terminal.
- e. Strategy 1.2.5: Develop a North Commercial area plan to develop and evaluate solutions to address service, infrastructure, capacity, and long-term financial sustainability issues.
- f. Strategy 1.2.6: Develop additional business unit plans for Newport International Terminal, NOAA, and South Beach
- g. Strategy 1.2.7: Adhere to and periodically update the Ports strategic business plan to determine priorities and provide for long-term efficiency and financial sustainability.

We are continuing to work on our plans to improve, create and replace several of our assets. Most of those efforts can be found on the annual budget or on the Capital Improvement Plan. Our port just like many other ports have a lot of aging assets in need of

replacement and that poses a big challenge when we are so dependent on grant funding. It is important to have plans in order to ask for infrastructure funding. Our goal is to complete all necessary plans, so we don't lose opportunities during this major cycle of infrastructure funding.

Port Strategic Business Plans are typically updated every 5 years. As we are already through a good portion of our items addressed in the last plan, we will be looking into starting a new process within the next 1.5 years.

Policy 1.3: Port Commission members and staff will participate in inter-governmental forums related to target industry development.

- a. Strategy 1.3.1: Sustain and leverage current partnerships for inter-governmental coordination needed to develop projects, even if the Port is not the lead agency.
- b. Strategy 1.3.2: Maintain focus on the Port's vision, mission, and target industries in the pursuit of partnership opportunities.
- c. Policy 1.4: Maintain Port operations and pursuit of market opportunities through staff and management changes.
- d. Strategy 1.4.1: Develop a staffing strategy and succession plan to account for employee turnover and future employment needs.

Status: "The Port is currently a member of several boards within the Port District that target industries and opportunities to the area (i.e.: YBEF, City of Newport Vision 2040, Economic Development Alliance of Lincoln County, the new formed Oregon Ocean Innovation HUB etc.).

We have been working and have made improvements to our policies and ongoing issues with employee turnover and will continue addressing issues that arises in order to address such changes. We are now for the first time in 3 years at staff capacity. We have been providing good training and increase our pay and benefits, which we believe helped us achieve that."

Goal 2. Enhance the existing ability of the Port Commission and professional staff.

Policy 2.1: The Port will provide appropriate training opportunities to enable ongoing professional development of Commissioners and staff.

- a. Strategy 2.1.1: Plan and budget for periodic training opportunities to allow Port Commissioners and staff to gain knowledge relevant to their positions, as well as existing protocols and policies.
- b. Strategy 2.1.2: Encourage Commissioner and staff participation in professional organizations (e.g., Pacific Northwest Waterways Association, Oregon Public Ports Association, Association of Pacific Ports, Special Districts Association of Oregon, and other entities).

Status: "The Port has budgeted for training for Commissioners and staff on an annual basis. Those trainings include attending conferences, SDAO trainings and various other professional trainings needed for individual positions. We continuously encourage staff to take appropriate trainings to better their skills."

FINANCIAL PLAN

Goal 1: Develop a financial plan that enhances the Port's long-term financial stability.

Policy 1.1: Develop a long-term cash flow model that projects the Port's anticipated financial performance in order to support and evaluate its strategic decisions.

Status: A model has been researched and data input will allow us to develop a 5-year financial plan. As accurate forecasts of future "projects" are developed, we will be able to develop an accurate cash flow. As we wrap up long outstanding items there will be sufficient time to complete this task. The Port has recently hired a firm to help us implement a new financial system. This new system will help us on the forecasting of revenue/expenditure trends. This will eliminate the need for separate spreadsheets and data extracts/imports. The model will provide the Port will cash flows based on existing historical data and known upcoming changes. Meanwhile, we started some forecasting on a spreadsheet that has helped us look into the future. The new system will be implemented in the Spring of 2022."

Policy 1.2: Develop a finance manual that assists Port financial management.

- a. ***Strategy 1.2.1: Establish a set of investment and borrowing guidelines that define the expected rate of return of capital projects with all costs and economic benefits considered. Review the financial implications of capital improvement projects, prior to approval.***
- b. ***Strategy 1.2.2: Continue set-asides of cash reserves to fund the match portion of future grants. It is likely that the proposed capital improvement plan will require grant funding.***
- c. ***Strategy 1.2.3: Continually seek opportunities to refinance portions of the Port's long-term debt.***
- d. ***Strategy 1.2.4: Continue efforts to streamline accounting processes including elimination of duplicative processes in the accounting office (integrate computer hardware and accounting software).***
- e. ***Strategy 1.2.5: Review salaries and benefits for Port personnel.***

Status: The Port has a beginning model of the investment plan. First Interstate Bank has offered to assist the Port with development of this model. The structure for capital reserves and proper accounting for financial reserves has been implemented. The Ports balance sheet identifies reserves as required by GASB, anyone can review the balance sheets to identify reserve amounts and accounts. As a maintenance project occur, that funds have been set aside for payment for a portion or all of the project will come the reserve account.

Port staff identified a potential opportunity to offer a better benefits package, this would lower the maximum deductible from \$5,000 to \$750, reduce the out-of-pocket maximum and offer other benefits to staff, while keeping the cost within the budget of the Port. Because of timing, any changes in plan may not occur until 2022-23.

Goal 2: Continue to improve and enhance the financial performance of each line of business.

Policy 2.1: Improve the financial performance of the Commercial Marina. The Port is considering \$18.7 million in capital improvements to the Commercial Marina. Efforts should be considered to improve its financial performance.

- a. Strategy 2.1.1: Consider raising rates and/or reducing the rate discount for annual moorage at the Commercial Marina. Consider a moorage rate that increases progressively with boat length.
- b. Strategy 2.1.2: Expenses have grown very rapidly at the Commercial Marina. Consider ways to increase reimbursement for expenses by assessing the cost for provision of services.
- c. Strategy 2.1.3: Consider changing operations to improve net revenues, such as consolidating gear storage, in order to enable other lease activities.
- d. Strategy 2.1.4: Consider establishing a modest parking charge for tenants.
- e. Strategy 2.1.5: The accounting system at the Commercial Marina uses a different software system that is not fully integrated into the Port's accounting system. Consider integrating the systems in the near future.

Status: The Port has been reviewing and progressively raising its rates to catch up with the cost of running the marina. We have also been evaluating all costs related to operations and services we provide to customers. We also made collections a priority. Since implementation, roughly 36 percent of Port customers were 90 days or more overdue, now that has dropped considerably. The new financial software will integrate all systems to create better efficiencies. The system will allow the Port to track collections more closely. Our financial department has done an excellent job in keeping track and following through in our collections.

The financial system has the potential to better determine the cost of different lines of Port business. This will allow the Port to evaluate prices as compared to costs. The new financial system will also allow automation, improving financial performance. The new financial system should allow for the entry of service tickets as the service occurs, for monthly inventory of lot storage to occur electronically and for the inventory of vessels to occur electronically increasing the financial performance of the Port.

Policy 2.2: Continue to enhance the financial performance of South Beach facilities. The Port is considering \$5.3 million in capital improvements at South Beach. Efforts should be considered to improve the financial performance to assure that net revenues are available to recapitalize the South Beach marina when required.

- a. Strategy 2.2.1: Consider ways to improve the rate of return on leases (OSU and Oregon Aquarium) that were very generous (\$1 per year).
- b. Strategy 2.2.2: Consider reducing discounts or finding other ways to increase revenues from moorage at South Beach. Consider a moorage rate that increases progressively with boat length and/or reducing discounts for annual moorage.
- c. Strategy 2.2.3: Consider increasing revenues by improving facilities at the R.V. Park Annex and Overflow lots; and consider providing higher end R.V. facilities as a part of development plans.
- d. Strategy 2.2.2: Expenses have grown very rapidly at the Recreational Marina. Consider ways to increase reimbursement for expenses by assessing the cost for provision of services.

Status: Unfortunately, there is not much we can do on ongoing leases with OSU and the Aquarium. The focus of those leases were to bring opportunities to Newport and the Port did just that. The lease terms are long and until then we have to abide by the term of the leases. Meanwhile, we will just continue to work with those tenants as partners and mutual contributors to the community. We should start decreasing the annual discount on moorage and begin charging a fee for utilities, while also increasing minimally the rates in the marina. The Port reduced the discount for annual moorage holders in the South Beach Marina and began charging a utility fee to the liveaboards. The Recreational marina continues to be super busy during summer months and now through the Fall when most of the park is sold out. Plans to invest on the RV Park will be included in the

coming budget, as we do believe those will contribute to revenue increases. Pricing for the Main RV Park may be at its maximum for now. There are no other reimbursable expenses we can foresee at the moment.

We are still evaluating the implementation of a parking charge stations at the marina. We are hoping to be able to implement that during the 2022-23 fiscal year.

We have renegotiated some maintenance requirements under the Marina Store, which will help the Port's financial requirements.

Policy 2.3: Seek ways to improve the financial performance of Newport International Terminal. The Port has invested \$26 million in capital improvements at the Terminal. The facility is in good condition and requires modest improvements (estimated at \$497,000) during the next five years.

- a. Strategy 2.3.1: Consider ways to attract and retain cargo operations (logs, wood chips etc.) under a plan that produces sufficient net revenue for the Port.
- b. Strategy 2.3.2: Consider ways to attract and retain uses for the 9-acre unimproved area toward the road (gear storage, other operations).
- c. Strategy 2.3.3: Seek ways to supplement and enhance efforts underway at the Rondys property.
- d. Strategy 2.3.4: Consider raising rates for moorage by commercial fishing boats.
- e. Strategy 2.3.4: Consider ways to increase reimbursement for expenses by assessing the cost for provision of services.

Status: We had an ongoing effort on bringing cargo operations to NIT, including the use of the vacant 9 acres until COVID happened. We also had ongoing conversations with Rondys to maximize the efforts by both parties. The rates have been evaluated in the annual basis. We have increased services at NIT and will continue looking for ways to make our process efficient, so we can collect from our services provided at the facility. We are also currently entertaining prospects from the forest industry. Marketing material has been put out for the multi-use of NIT. We have also applied for a marketing plan grant for the site, but have not been successful, but will continue our efforts.

Policy 2.4: Seek ways to assure the continued sound financial performance of the NOAA Facility. The lease for the facility is essentially a break-even enterprise.

- a. Strategy 2.4.1: Review NOAA reserve calculations to ensure that operating revenues will cover long-term capital needs as well as short-term needs (dredging, repair, etc.).

Status: With the Refinancing of the Bonds, the NOAA facility is profitable, the additional revenues has been put aside for future use. We will soon start discussions with NOAA on the future of their lease. I started discussions with the City in efforts to help renegotiate NOAA's lease when it expires in the next 10 years.

ENVIRONMENTAL PLAN

The Port's goals include being environmentally responsible in the management of operations and facilities.

Sustainability is another of the Port's governing values - maintaining and expanding facilities while not compromising local resources and the natural environment. The following goal, policies, and strategies are proposed to assist the Port in maintaining its commitment to sound environmental stewardship.

Goal 1: Operate Port facilities consistent with established best management practices.

Policy 1.1: *Establish green policies and best management practices to ensure compliance with current environmental regulations and balance economic development opportunities with regional sustainability.*

- b. **Strategy 1.1.1:** Work with local representatives to address environmental concerns and engage community input as needed for special projects.*
- c. **Strategy 1.1.2:** Share resources, funds, and opportunities with local and regional partners as appropriate to achieve common environmental goals and projects.*
- d. **Strategy 1.1.3:** Achieve "Clean Marina" and "Clean Shipyard" certifications from the OSMB.*
- e. **Strategy 1.1.4:** Develop a mitigation plan to address impacts of capital projects and streamline future permitting.*
- f. **Strategy 1.1.5:** Complete a risk assessment that forecasts the potential cost of negative environmental impacts and recommends risk mitigation and avoidance measures.*
- g. **Strategy 1.1.6:** Complete a comprehensive wetland mitigation strategy that identifies all wetlands on developable port property, as well as mitigation strategies (i.e., wetland enhancement, replacement, wetland bank) where avoidance is determined infeasible given site development programs.*

Status: The Port has always work well with members of the environmental agencies and environmental groups. There has been no major violations that the Port had to address. The Port of Newport South Beach Marina is currently a Certified Clean Marina. Unfortunately, that does not apply to the Commercial Marina, as there is no such certification. We do not have a shipyard, therefore the "Clean Shipyard" comment does not apply to our Port. We have been working in developing mitigation plans as needed to address capital projects. Some of those along with risk assessment will be include in the plan process for each project as we are looking to budget for this incoming year. We have discussed banking some mitigations with some of the agencies. Although that may seem possible with some of the State agencies, that doesn't seem to be the case with the federal agencies. We would like to create a more comprehensive plan for wetland mitigation. Unfortunately, that takes a bit of funding and it is a bit harder to do without a project attached. Fortunately, the wetland at NIT did not need mitigating.

Policy 1.2: Consider the potential impacts of natural disasters and climate change on Port operations and facilities.

- a. *Strategy 1.2.1:* Partner with local agencies, industries, and organizations to create a resiliency plan, studying impacts from potential earthquakes, tsunamis, and rising sea level to local facilities and businesses.

Status: We are always working with our partners, including the City, County, State, NOAA, OSU and other stakeholders for potential disasters. The Port has actually partnered on the purchase of the emergency storage boxes housed at the Safe Haven Hill in the event of a tsunami. The Department of Land Conservation and Development just started on a review of the Yaquina Bay Management Plan, which we have been invited to be on the steering committee. This year the Port has transferred all of its file to a location provided by the Lincoln County Schools, away from the tsunami zone.

MARKETING PLAN

The following marketing goals and policies are intended to assist the Port in maintaining positive relationships with the community and its current users and tenants as the Port pursues economic development opportunities.

Goal 1: Market the Port District, its services, assets, opportunities, innovations, and communities in three focused areas: (1) promotion, protection, and expansion of existing Port tenants and users; (2) recruitment of international, national, and/or local industries to maximize use of Port facilities; and (3) exploration of tourism, recreation, research, and education opportunities.

Policy 1.1: Develop marketing materials that focus on the Port District and local community assets, resources, job opportunities, and land availability.

- b. **Strategy 1.1.1:** Work with Discover Newport to capture the rise in tourism by marketing local facilities and amenities to trades groups.*
- c. **Strategy 1.1.2:** Partner with CWEDD and the Economic Development Alliance of Lincoln County to promote the distinct advantages of the region and its assets, opportunities, and synergies in marketing efforts.*
- d. **Strategy 1.1.3:** Market directly to target industries and businesses that could locate in the Newport area and where demand exists.*
- e. **Strategy 1.1.4:** Identify opportunities to market the Port nationally and internationally.*

Status: We have been working with several charter companies on their needs, mostly at South Beach. A new charter company is taking over the Marina Store at South Beach. Our efforts includes trying to bring in more fillet tables to the marina area. We have applied for a marketing plan for NIT in an effort to increase cargo business. Unfortunately, we were not successful. The Port has continued to work with Economic Development Alliance, the chamber and other partners to promote the region's assets and opportunities. We have continued to work with the Oregon Ocean Innovation HUB, as a partner in trying to enhance the Coastal marine business.

Goal 2: Build trust, transparency, and excitement within the local community.

Policy 2.1: Develop public relations strategies that highlight the history of the Port, build community excitement and pride around the future of the Port, and establish a reliable communication mechanism between Port staff and Commissioners and the community.

- a. ***Strategy 2.1.1: Host community events, such as barbeques, where the community can come and learn about the history of the Port and the projects that are underway or on the drawing board, and meet Port staff and Commissioners.***
- b. ***Strategy 2.1.2: Partner with local businesses to give joint tours of research, education, and recreational facilities.***
- c. ***Strategy 2.1.3: Establish a responsive single-point of contact, such as the marketing manager, for community inquiries, suggestions, or concerns.***

Status: "We have continued working with Summit Communications on sharing our projects through Facebook, e-blasts, newspaper articles and newsletters." I have also attended a couple radio programs to share news of the Port. We have received good feedback from stakeholders and community members. Unfortunately, because of COVID we haven't been able to plan any gathering events this year. However, we are working towards a "Seafood Cookoff" for next Summer.

CAPITAL IMPROVEMENT PLAN UPDATE

	Capital Improvements	2019 Cost Estimate	Timeline	Current Update
NIT	Planning project to identify a mix of uses/opportunities that will maximize use of the terminal and adjacent vacant port-owned properties, and increase net revenues to the Port. Project completion primarily by Port staff	\$15,000 (to cover cost of part time Port project manager for research and report preparation)	2019	The Port has budgeted \$30K for a marketing plan where we would use a consultant. An application was also made for a grant with the USDA, but not granted. Due to COVID, the Port decided to wait to proceed. We have also started working with a couple companies who were interested in using the Terminal. We may include this back in our budget to be completed in 2022.
Mitigation Plan	Planning project to address mitigation needs of future capital projects and potential inventory of mitigation sites. Anticipated to be completed by Port staff in partnership with the Port of Toledo, Yaquina Bay users, NOAA, ODFW, and the USACE. Project completion primarily by Port staff	\$25,000 (to cover cost of part time Port project manager)	2019-2021	We have completed some small mitigation projects, as part of other projects. We looked at opportunities and discussed it with some of the permitting agencies. Until we have a permitted project it is hard to know what the mitigation needs are. It is very difficult to bank for mitigation. There may be some opportunities with the State, but not on a federal level.
RV Park Annex Plan	Planning and conceptual design project to redesign and reconfigure the RV Park	\$120,000	2019-2021	Because of COVID we decided to hold off on this project for this budget period. However, the project is now included in our 2021-2022 budget. We are working with our grants writer to start working on this project next.

Port Dock 5 Interim Improvements	Interim improvements to replace pier and improve dock. Approach pier replacement; replace 6 pilings; replace rods, whalers, rub boards, bumpers and triangles (PD 5C); replace rods, bumpers, rub boards and 6 whalers (PD 5B); replace rods and rub boards (PD 5x); new power pedestals	All PD 5 Interim Improvements \$3.5 Million	2019-22	The approach pier is completed. We are looking at installation of about 2 pilings, not 6. We will need to get a federal permit for this, which will take time to be granted. The plan is to work on the permit during this coming fiscal year and plan on replacing the pilings in 2022-2023. Same applies to the other items.
Port dock 7 Interim Improvements	Interim improvements prior to reconfiguration /replacement: Miscellaneous float and pile improvements	\$348,000	2019-2021	We received ACOE permit to replace 4 pilings. Planning on replacing the pilings in 2022-2023. As to the interim improvements, we just received a report from HDR Engineering and staff is working on addressing the issues that can be addressed.
Reconfiguration and Reconstruction of Marina	Complete reconstruction and reconfiguration of commercial marina, including Port Docks 3 and 7, Upland Improvements, Swede's Dock and Commercial Marina channel	\$14.75 Million	2019-2024	We are currently seeking funds for the Reconstruction plan, which would include engineering, design and permitting. We have received \$50K from DLCD, an invitation to apply from Business Oregon for \$50K and should be submitting an EDA request for \$200K next week. This process may take a year to complete. Without the plan we would be unable to access funds for the construction.
Fishing Pier Improvement	Identify replacement strategy and design new fishing pier	\$2.9 Million	2022	This project is expected to be completed along PD7 reconstruction. Since we intend to use some of the fishing pier replacement for the Port Dock 7 mitigation, we are trying to include parts of this plan on the Port Dock 7 Plan.

**Rogue Seawall
Repair**

Phase II study of Rogue seawall (geotech and repair alternatives. Rogue seawall repairs \$1.36 Million

2019-2021 The Port received a \$12,900 grant from Lincoln County and \$43,875 from Business Oregon, which was used to complete an engineering assessment. The Report was recently completed. Now that we have a report, we started searching for funds. There is a cost estimated at \$1.4 Million. We are currently able to obtain a 20 year loan from USDA for the entire project at a rate of 2.15%. However, the Port is trying to obtain grants through the EDA. If that is not successful, we can always complete the project through the loan.

**Marina Safety and
Security**

South Beach Marina electric load centers; South Beach fuel tank replacement; relocate/replace hoist dock electrical lines; consolidate and upgrade total security camera network port-wide. \$2.56 Million

2019-2024 Although the South Beach Marina electric load centers was set to be completed altogether in 3 years, the Port went ahead and completed the project all at once. The total cost came under budget at around \$700K. We plan on including the fuel tank replacement and the hoist dock electrical lines to our 2022-2023 budget. We have made the effort to install new cameras to our facilities every year through a grant program from SDAO. We will continue to make improvements and upgrading our security efforts.

NIT Improvements	Grading of Port's 9-acre lot (does not include wetland mitigation); asphalt lot west of shop, behind shop, and near the east entrance; asphalt nw corner of laydown area; installation of waste oil collection tank; mutually beneficial project, as required by development agreement with McLean Point developer	Grading: \$153,000; Asphalt: \$234,000; Tank; \$45,000, Other: \$50,000. Total NIT \$482,000	2019-2023	We completed the asphalt paving to the lot west of the shop. We still have additional paving to do. We selected a contractor to start working on the grading of the 9 acres. That may include working with Rondy's to upgrade the drain lines to their property. Fortunately, we will not need to mitigate the wetlands. We are still working with Rondy's on the mutually beneficial project. At this point the port has budgeted to remove the dredge sand from their property.
RV Annex	Final plans, new RV Annex; New RV Annex construction	\$2.62 Million	2019-2022	Due to COVID, the Port has postponed the plans for the RV Annex, because of funding sources. Once plans are completed we will better know how to proceed.
2021 Cost Estimate				
Port Admin Building				Originally this project was not included on the Capital Improvement Plan. However, the Port has been looking into completing this project for sometime. The Port was able to obtain (award) a loan from Business Oregon. A contractor was recently selected. The building is expected to be completed by early Fall.
South Beach Marina Improvements		\$2.4 Million	2021-22	We have replace sidings and paint several buildings located at the South Beach Marina. That included the House of Spirits, Restrooms, Marina Store and Shop.
South Beach Marina Storm Water			2021-22	We completed an emergency project to address the storm water issue at South Beach Marina. Unfortunately, new sinkholes have been forming due to other storm water issues, which may create additional costs.
		\$345K	2020-2021	

343 SW Bay Blvd Removal	\$200K	2021-23	We had to complete an emergency removal of the building. We are trying to work with the City on delay removal of the dock to coincide with PD7 Replacement, so we can use it as mitigation.
North Commercial Oil Tank Removal	\$200K	2021-23	We had an emergency removal of the Oil Tank/Bilge Collection at North Commercial. We foresee replacement of the tank.
South Beach Marina GFI Breaker Installation	\$115K	2021-22	As part of replacing the load centers on South Beach Marina, the Port decided to also replace the breakers in the power pedestals with GFI breakers.
NIT Conditional Assessment and Repair of RORO dock Pilings	\$230K	2022-23	The Pilings at NIT RoRo dock needs assessment and most likely repair and/or treatment to extend their life.
South Beach Marina Outfall Sleaving	\$230K	2022-23	The outfall at the marina needs to be address to avoid future issues (sinking).
South Beach Buildings (previous fruit processing facility) demolishing, rebuilding, new roofs, new sidings	\$360K	2022-23	South Beach buildings are in pretty bad shape. We are in the process of leasing two of the buildings, but they need new roof and sidings. We also should demolish the unhabitable building and instead build a smaller building to house all the power to the property.
NIT Crane replacement	\$350K	2022-23	NIT Crane may need to be replaced within the next 2-3 years

North Commercial Cranes Replacement	\$160K	2022-23	North Commercial cranes may need to be replaced within the next 2-3 years
Port vehicles	\$70K	2022-23	All Port vehicles are getting old and may need to be replaced within the next 1-3 years.
North Commercial Office Addition	\$30K	2022-23	North Commercial office needs additional space to accommodate employees and provide privacy for Harbomaster.
NIT Equipment plus Building	\$2.5 Million	2022-23	In order to establish future cargo operations, the Port may consider obtaining some equipment and a building to house such equipment. We may apply for future MARAD grants.
NOAA Dredging	\$600K	2022-23	We have an obligation to dredge NOAA. We have skipped this year, but will be required to dredge in the following year.
NIT dredging	\$400K	2022-23	NIT may need to be dredged within the next 1-2 years.
South Beach Marina Dredging	\$200K	2022-23	South Beach Marina may need to be dredged within the next 1-2 years. Coordinated efforts will be made to dredge the marina at the same time as we dredge NOAA if we are able to obtain permits in time.

**Establishment of
Federal Project
Channel in the
Commercial Marina**

\$5 Million

2021-25

The Port is currently working with the Army Corps of Engineers through a grant to complete a feasibility study in order to establish if we should dredge a deeper channel into the Commercial Marina. Should the evaluation be positive, the Army Corps will pay 90% of the project, which it will also maintain.

**South Beach
Operations**

\$30K

The South Beach Operation Center needs additional space to accommodate employees and provide privacy for Harbomaster.

the South Beach Marina service dock needs some major repairs. We spoke to the Oregon State Marine Board, but they are unlikely to fund this project, unless the majority of the dock is to service transient boats, which it is not the case here. We are hoping to complete this work in parallel with the Rogue Seawall Repairs.

**South Beach Marina
Service Dock near
the Rogue Seawall
needs repairs**

\$180K

2022-23



NEW BUSINESS

DATE: December 14, 2021
RE: Port Dock 7 Condition Report
TO: Paula Miranda, General Manager
ISSUED BY: Aaron Bretz, Director of Operations

BACKGROUND

The Port contracted with HDR to perform an inspection and basic analysis on Port Dock 7 to determine if we should place operational limits on the facility to limit its use and also to make recommendations for immediate repairs that might extend the life of the facility until the new dock is permitted and built.

DETAIL

The report has been delivered to the Port, and staff is taking action on the items in the recommendations in the report. Two of the most noteworthy changes include strategic placement of a limited number of pilings to bolster the structural integrity of the dock, and the removal of vessels greater than 60' in length from 7E and 7F.

These measures will not extend the life of the dock, which has, "In general... reached the end of its useful life." The engineers recommended specific items that can be seen in the report that should be done in the immediate future to continue operations, and they recommended that the "timeline for replacing the dock should be accelerated to the greatest extent possible."

The Commercial Marina staff is working through the list of hardware and deck repairs to complete the items we can; there are a limited number of items that we will not be able to complete due to wood that is rotten beyond the point of supporting mounted hardware (most consist of cleats and other hardware on 7E and 7F).

We will use this report to inform operational decisions, work schedules and priorities, and also for support in grant applications and permitting efforts through the planning phase of the Port Dock 7 replacement project.



Mr. Aaron Bretz
Operations Manager
Port of Newport
600 SE Bay Boulevard
Newport, OR 97365

December 15, 2021

SUBJECT: Port of Newport Port Dock 7 Condition Assessment

Dear Mr. Bretz:

HDR was retained by the Port of Newport to perform a high-level evaluation of Port Dock 7 to provide an estimated remaining service life and determine if any operational restrictions are appropriate for the facility.

Andy Fortner, P.E. visited the site on Friday, October 22, 2021 and met with Port of Newport staff to walk the dock and evaluate its condition.

Background

Port of Newport Dock 7 consists of six regions, labeled B, C, D, E, F and X. Over time, portions of the dock have been lost due to storm events and other damage, particularly at Docks B, E and F.

Dock 7 was originally built as a recreational dock facility to support small pleasure craft and served in that capacity until the nearby South Beach Marina was opened circa 1980. Dock 7 has since been converted to commercial use, with few upgrades made to handle the larger vessels, and more demanding use.

Dock B is a floating dock that primarily serves as access to boathouses used by the Oregon Boating Foundation and other lease holders. It is also used for storage of small rental boats. No vessels are tied to this portion of dock on a regular basis. The floats are secured via two 8-inch diameter steel piling through the middle of the dock, as well as additional tie offs to larger diameter piling securing the boat houses. This dock appears to have been originally restrained by four piles; however, two appear to have been lost to corrosion over time.

Docks C and D consist of a central floating dock leading to concrete finger piers on either side. Based on discussions with Port staff, the finger piers were constructed circa 1993. Per Port staff, all piling along Docks C and D were replaced at that time. Piles are spaced at approximately 32 feet on-center along the north side of the central aisleway and at the end of each finger pier.



Docks E and F consist of a floating dock that runs parallel to the central aisleway of Docks C and D. These two sections originally had finger piers, but those have been lost to damage. This section of the facility is now used for berthing of vessels in a side-to arrangement. Docks E and F appear to have been restrained by piles spaced at approximately 45 feet on center, however, due to damage and corrosion, multiple piles are missing, with some pile spaces upwards of 90 feet.

Dock X is the main access from shore and runs perpendicular to Docks B through F. The northern half of Dock X is restrained by H-piles along the west side of the dock approximately 30 feet on-center. The southern half of Dock X is restrained by piles both through and alongside the deck. Piles appear to have been originally spaced at 24 feet on-center and replacement piles were installed at approximately 30 feet on-center.

Condition Assessment

HDR's assessment of the topside included evaluating the condition of the deck surface, mooring hardware, the piles above the dock surface, and any other deficiencies visible from the deck.

The Port of Newport contracted with Ben's Diving Service, to do an underwater inspection. The scope of the underwater dive included a "swim by" of all accessible elements, and evaluation of piles for corrosion and section loss. Findings were documented via notes and photos and are incorporated into this report for reference.

Dock B

Topside

Dock B is in poor condition. It is noted that the floats are lacking in buoyancy and, although still maintaining plenty of freeboard, the dock does not feel stable and is unpleasant to walk on. The decking is in fair to poor condition, with significant weathering of the planks, as shown in Photo 1. Near space 15, the hardware joining two adjacent segments is missing, causing the dock to be uneven (Photo 2). The missing hardware should be replaced as soon as possible.

One location where a missing guide pile has left a void in the deck has been covered with a piece of plywood that is soft and decayed, located near Dock X. This is shown in Photo 3. This should be replaced to prevent a fall or injury.

The remaining piles along the center of the dock appear to be in fair condition. No rub rail or bumper is provided where the pile penetrates through the deck; however, it does not appear that the deck planks are adversely affected by the lack of protection. As a stopgap measure due to missing guide piles, Dock B is partially restrained by ropes fastened to the



nearby boathouse (Photo 4). If replacement piles are not installed, the ropes should be checked and adjusted regularly.

Mooring hardware, although showing surface corrosion, is well anchored and appears to be in serviceable condition.

Underwater

The underwater inspection noted that the small diameter piles are severely corroded, with some areas showing complete section loss and holes through the wall of the pile, as shown in Photo 5.

The hardware adjoining adjacent segments is corroded throughout, in addition to the missing bolt at space 15. Corrosion is particularly heavy in the section between Dock X and the first small diameter pile. These bolts are the only restraint provided to this section of dock. Consideration should be given to replacing these bolts and providing some additional restraint via ropes or other means.

Two to three inches of growth is noted over all submerged surfaces. Measurements of the floats show 27" tall floats, with between six and eight inches submerged. This is typical for a foam billet type float. It was noted that the plastic material that encapsulates the floats has multiple tears; however, the foam billets themselves are in fair condition with no large pieces missing.

Docks C and D

Topside

Docks C and D are in fair condition. The timber decking appears to be well maintained, and is in fair condition, showing signs of wear, weathering and checking, but no significant decay or softness is noted. No signs of instability are noted in the dock. Port staff indicated that they regularly evaluate and replace the deck planks that are found to be decayed. The deck planks at the joints between segments, particularly at right angle joints where no pile is nearby, require more frequent replacement. This is likely due to large forces being imparted at the intersections. Ideally, both sections of adjoining dock should have an attachment to an anchoring pile at the joint.

Wooden blocks that appear to be replaceable are provided where piles pass through the dock structure. In general, these were in fair condition, but should be monitored for wear, particularly along the central walkway, see Photo 6 and Photo 7.

Mooring hardware is well anchored and in generally good condition, as shown in Photo 8.



Multiple finger piers were noted to be canted at the outboard ends; however, no instability was noted. It is likely that this is due to mooring lines pulling up on the dock and twisting the structure. In some locations, this deformation appears to be permanent. No other signs of distress, such as cracking in the concrete surfacing, is noted. Photo 9 shows a typical finger pier.

Underwater

Piles at Docks C and D are in poor condition. All piles showed signs of heavy corrosion that comes off the piles in flakes. The most significant corrosion is just below the low tide line. Piles at slips 17, 25, 31 and 53 along the common walkway between the finger piers have areas of complete section loss. Slip 25 is shown in Photo 10. It is likely that all the piles along Docks C and D could start to show areas of complete section loss or develop holes in the near future and are particularly susceptible to damage caused by floating debris.

The condition of these piles illustrates the significant issues that corrosion can create. Any new dock should have a cathodic protection system installed to prolong the life of steel piling. Careful measures should be taken during the installation of electrical connections on the new dock to prevent stray currents from causing electrolysis which would provide another potential source of corrosion.

The finger piers have 36-inch-tall floats with submerged depths ranging from 10 inches to 25 inches, with the average being around 21 inches for the areas checked. For a concrete decked finger pier, a 21-inch submerged depth is not unreasonable. No obvious issues underwater were noted with the floats at the ends of the fingers where a cant was noted.

A uniform two (2) inches of growth was noted on all submerged surfaces.

Docks E and F

Topside

Docks E and F are in fair to poor condition. As noted previously, multiple piles are missing. The decking is in poor condition, showing significant weathering and multiple checks/cracks. Some decay is present in localized areas, particularly near the ends of the planks. The deck runs at an angle to the main walkway.

Both ends of the dock are damaged due to weather events, as shown in Photo 11 and Photo 12. The Dock F portion is not frequently used for vessel berthing as power and water are not available. Sea lions commonly loiter at the end of Dock F. This area shows more wear than the rest of the dock.



Mooring hardware is in fair condition. Some cleats were noted as being pulled out. These should be replaced on an as needed basis.

Just west of the intersection with Dock X, a pile hoop is broken. All other pile hoops are intact; however, it is noted that they are not well anchored to the dock. This appears to be a combination of age and poor detailing of the connection between the hoop and the dock (Photo 13). As previously mentioned, multiple piles are missing along Docks E and F. In a strong current or wind event, this puts very large stresses on the remaining piles, the hoops, and on the connections between adjacent sections.

Underwater

This section of dock is supported by 12-inch floats, with approximately 2 inches submerged near the ends where the diver was able to access. The floats near the ends are in poor condition as they are unprotected.

Dock hoops are attached with simple lag bolts. The looseness observed in the topside inspection is likely due to these lag bolts pulling out of the wood. If the hoops are replaced, or when the loose hoop at the intersection with Dock X is repaired, a through-bolt with oversized washer is likely to provide a better connection. Consideration should be made to making the hoop connection to the underlying structure, and not the deck planks.

Piles were noted to have significant corrosion; however, no holes are noted. Based on the level of corrosion observed, it is likely that piles could begin to develop holes soon.

Dock X

Topside

Dock X is in fair condition. The section between the gangway and Docks C and D is restrained by H-piles. The H-pile nearest the gangway has obvious signs of significant corrosion with section loss near the waterline. This pile is shown in Photo 14, note the discoloration and heavy corrosion near the waterline.

Piles are missing in the section between Docks C/D and E/F, with patches present where piles previously passed through the deck. New piling has been installed on the exterior of the floats in proximal locations and secured with a hoop. Localized damage to the decking is noted where piles pass through the dock. Port staff indicated that this has been an ongoing problem and installation of reinforcing steel angles, like those shown in Photo 16, has generally not been effective as they loosen up quickly.

Decking is in fair condition. The decking is weathered with some local decay present in individual boards, particularly near the ends of the planks and at joints between segments.



No issues with stability were observed; however, it was noted that a large stack of crab pots was present on the deck near the intersection with Docks C and D causing a lean. Stacking of pots for an extended period of time (longer than necessary to get them loaded or unloaded from a vessel) should be avoided.

Connections between segments show significant corrosion. Bolts are missing in the pad-eyes where Dock X meets Docks E and F and hardware that attaches the pad-eyes to the dock is pulling out, as shown in Photo 17. This should be repaired as soon as possible. New hardware should be at a minimum hot dip galvanized, with stainless steel preferred.

Underwater

Underwater inspection confirms that the H-piling restraining Dock X are in poor condition (see Photo 14 for typical example). Floats are nominally 24 inches high, with approximately half of the depth submerged. Floats near the gangway have been replaced with buoy balls. Over the remainder of the dock, floats are in similar condition as in other locations, with the outer encasement damaged but with no observed significant damage to the foam flotation material.

Bulkhead Wall and Gangway

The bulkhead wall at the shore end of the gangway is in poor condition. Soldier piles show evidence of corrosion and lagging between piles is missing, as shown in Photo 19. The entire wall is leaning away from the shore, shown in Photo 18.

Utilities attached to the gangway have come loose from their attachments and have fallen into the water or are near falling into the water, also shown in Photo 19.

The gangway is in fair to poor condition. Railings are intact and appear to be of a code compliant height, but do not meet current code standards for open space between elements. Timber elements show significant weathering; however, no obvious decay is noted.

Conclusion and Recommendations

Port of Newport Dock 7 is in poor condition and requires urgent repairs to maintain the current level of operation. In general, the dock has reached the end of its useful life and should be replaced with a facility better suited for its current use. Dock 7 was originally designed and constructed as a recreational dock supporting small craft, not commercial fishing vessels as currently being used.

Until repairs can be made or the dock is replaced, our recommendations are listed below. The timeline for replacing the dock should be accelerated to the greatest extent feasible. Consideration should be given to make an application to USACE, Oregon Department of



Fish and Wildlife (ODFW), and Oregon Department of State Lands (DSL) for emergency repairs to replace the piles with the most severe corrosion. Note the list of agencies listed above is not comprehensive. Additional agencies may also have jurisdiction.

- Large vessels, greater than 60 feet in length or heavy vessels of steel construction, similar to the *Lady Law* that was berthed at the end of Dock E during HDR's site visit, should be berthed elsewhere.
- Replacing piles that are missing, particularly along Docks E and F would reduce the risk of failures until the dock is able to be replaced and is strongly recommended. In conjunction with this effort, pile hoops should be replaced as needed. Please note that the replacement of missing piles is a recommended safety measure, but will not increase the service life of the overall facility.
- Slips 17, 25, 31 and 53, and those immediately adjacent where piles have failed should see minimal use and have no vessels using them when sustained winds are forecast to exceed 30 mph. Should the damaged piles be replaced, this restriction can be removed.
- Use of Dock B should be limited to what is necessary for access to the boathouses. No vessels should be moored along this section of dock.
- Caution should be taken when using the west end of Dock E. Only smaller vessels (less than 25-30') should be moored in the area with long spans between piles.
- Missing hardware at joints between dock segments should be replaced.
- Corroded connecting hardware at Dock B should be replaced. Consideration should be given to adding some additional restraint in the section between Dock X and the first pile.
- Regular monitoring of piles via underwater inspection for continued corrosion and further section loss.

Sincerely,
HDR Engineering, Inc.

Andrew Fortner, P.E.
360-975-3865
andrew.fortner@hdrinc.com

Attachments: Photos 1 through 19

EC: Frank Proctor, HDR



Photos



Photo 1: Overall condition of Dock B.



Photo 2: Missing hardware near space 15 on Dock B



Photo 3: Hole with decayed patch in Dock B

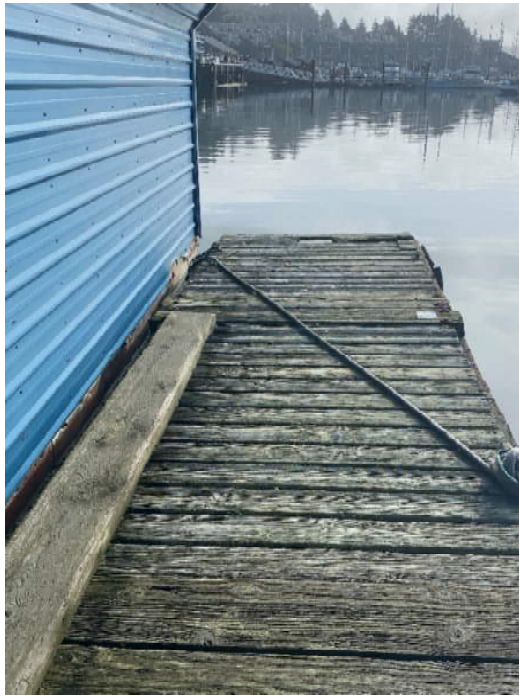


Photo 4: Supplemental rope restraining Dock B to nearby piling

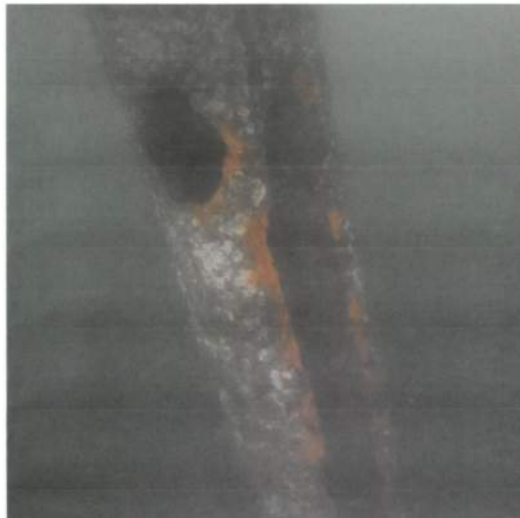


Photo 5: Small diameter pile at Dock B showing significant section loss.



Photo 6: Rub block at piles

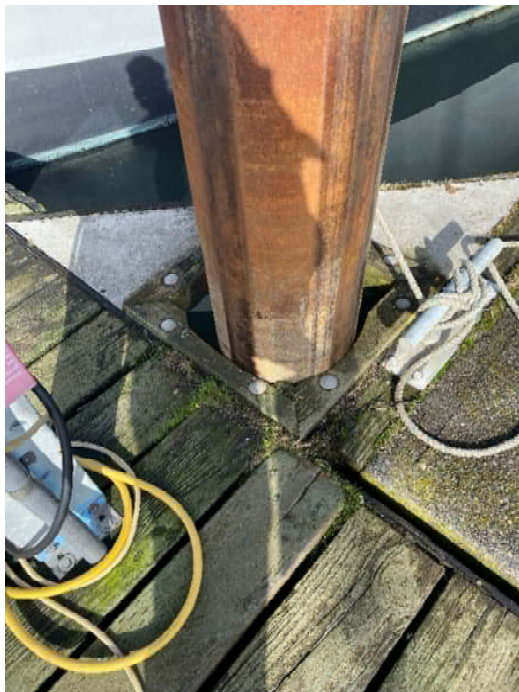


Photo 7: Rub block at piles

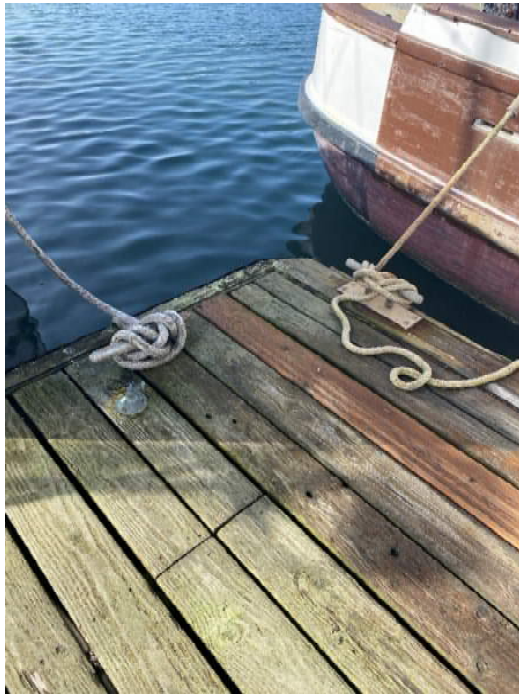


Photo 8: Typical condition of mooring hardware



Photo 9: Concrete finger, showing a lean to one side



Photo 10: Corroded pile near slip 25

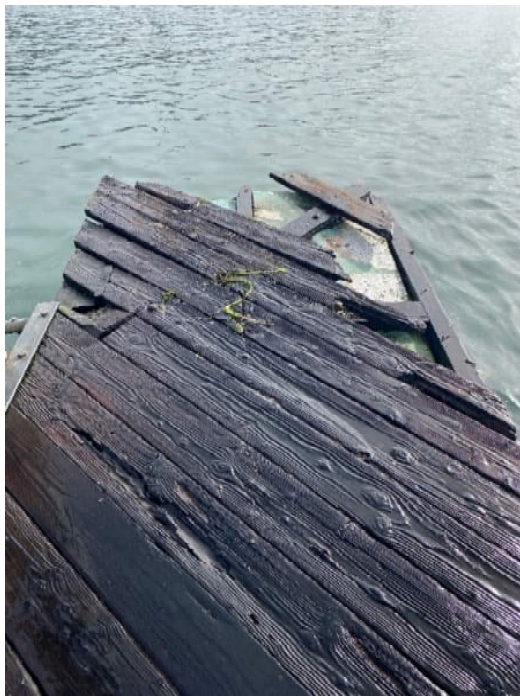


Photo 11: East end of Dock E/F



Photo 12: West end of Dock E/F



Photo 13: Typical pile hoop attachment



Photo 14: H Pile on Dock X near the gangway. Note heavy corrosion near the waterline.



Photo 15: Typical view of H piles from underwater.



Photo 16: Pile penetration at Dock X between Dock C/D and E/F.



Photo 17: Missing hardware at intersection of Dock X and Dock E/F



Photo 18: Leaning bulkhead wall



Photo 19: Fallen utilities on gangway. Also note missing lagging in wall.



STAFF REPORT

DATE: December 21, 2021
RE: Approval of Port Grants Submissions
TO: Port of Newport Board of Commissioners
ISSUED BY: Paula J. Miranda, General Manager

BACKGROUND

The Port has budgeted \$200K for the Port Dock 7 replacement plan for the Year 2021-22. In the latest estimate the cost has been updated to \$300K. The project is also listed in the Port's Strategic Plan. The Port has applied for a Department of Land Conservation and Development Technical Assistance Grant. \$50K has been awarded to the Port. The Port has also completed an intake form with Business Oregon (State) for \$50K. An invitation to apply has been received from the State. The Port is also in the process of completing an application with the Economic Development Agency for the remaining \$200K.

The Port is also working on a budget for the following fiscal year, which will include \$1.4million item for the Rogue Seawall. There are currently some opportunities to apply for an EDA grant for this project. The Port would like to submit an application within the next month.

Our fiscal policy requires Port Commission approval for grants above \$25K.

RECOMMENDATIONS

I recommend "A MOTION TO AUTHORIZE THE GENERAL MANAGER TO SUBMIT ALL APPLICATIONS AND EXECUTE ALL CONTRACTS RELATED TO PORT DOCK 7 RECONSTRUCTION PLAN GRANTS AS LISTED ABOVE."

I also recommend "A MOTION TO AUTHORIZE THE GENERAL MANAGER TO APPLY FOR A GRANT WITH THE EDA FOR THE ROGUE SEAWALL RECONSTRUCTION."

I further recommend "A MOTION TO AUTHORIZE THE GENERAL MANAGER TO APPLY TO ALL FEASIBLE GRANTS FOR ANY ITEM CURRENTLY BUDGETED IN THE 2021-22 FISCAL."



Oregon

Kate Brown, Governor

Department of Land Conservation and Development

635 Capitol Street NE, Suite 150

Salem, Oregon 97301-2540

Phone: 503-373-0050

Fax: 503-378-5518

www.oregon.gov/LCD

November 23, 2021

Paula Miranda, General Manager
Port of Newport
600 SE Bay Blvd.
Newport, Oregon 97365

SENT VIA E-MAIL



RE: Notice of DLCD Technical Assistance grant award

Dear Paula:

I am very pleased to offer Port of Newport a Technical Assistance grant award for 2021-2023. Your application was selected from among 41 proposals submitted to the Department of Land Conservation and Development for this biennium. Your proposal aligns well with the priorities established in the Land Conservation and Development Commission's Grants Allocation Plan and other approval criteria. The department is prepared to fund the Building Port Capacity by Replacing Port Dock 7 project for \$50,000.

Please work with your DLCD regional representative to complete a scope of work and grant contract. Once a grant contract is signed by both parties, reimbursable work on the project may begin.

Oregon's current budget provides funding to support the Technical Assistance grant program. Please note, however, in the event of a significant change in state revenue we may be required to limit a portion of the grant award.

If you have any questions about the award, please contact Lisa Phipps, your DLCD regional representative, at 503-812-5448 or lisa.phipps@dlcd.oregon.gov, or me at (503) 856-6935 or gordon.howard@dlcd.oregon.gov.

Thanks for your interest, and compliments on your successful application. We look forward to working with you on the project.

Yours truly,

Gordon Howard
Community Services Division Manager

cc: Senator Dick Anderson
Representative David Gomberg
Sarah Means, Regional Solutions Team Coordinator
Lisa Phipps, DLCD Regional Representative
Angela Williamson, DLCD Grants Administrative Specialist



NEW BUSINESS

DATE: December 14, 2021
RE: Storm Damage Repair; Swede's Dock Pilings
TO: Paula Miranda, General Manager
ISSUED BY: Aaron Bretz, Director of Operations

BACKGROUND

We recently suffered damage to Swede's Dock during the first storm of the fall. We moved a section of the dock to the side and need to drive four pilings to shore up the dock so that we can put it back in place and hold the rest of the existing structure.

DETAIL

As soon as we experienced the damage, we applied for emergency permits from the Corps and the State, and those permits have been approved. There is only one marine construction contractor currently mobilized in Yaquina Bay; due to the limited scope of the project, mobilizing a barge and pile driver is not economical. The companies we requested quotes from all declined to bid due to the scope of the project except Bergerson Construction, who is currently working on the project on the south side of the bay for Oregon State University.

BUDGET IMPACTS

We budgeted for \$50K for piling replacement/repairs this FY.

RECOMMENDATION

I RECOMMEND A MOTION TO AUTHORIZE THE GM TO CONTRACT WITH BERGERSON CONSTRUCTION, TO DRIVE FOUR PILINGS FOR EMERGENCY STORM REPAIR AT SWEDE'S DOCK IN AN AMOUNT NTE \$50,000.



STAFF REPORT

DATE: *December 21, 2021*
RE: *Business Oregon Loan Execution*
TO: *Port of Newport Board of Commissioners*
ISSUED BY: *Paula J. Miranda, General Manager*

BACKGROUND

Back in December 2020, the Port applied for a loan with Business Oregon for the construction of the Port Administration Building. On July 22, 2021, Business Awarded the Port with two loans in a total of \$1,760,000.00 for an interest rate of 2.25% (see attached). The Port has budgeted \$2,400,000 to build the new admin building.

On November 10, 2021, the Port selected Baldwin General Contracting, Inc. for a total project of \$2,031,000.00.

Business Oregon is in the process of providing the Port with loan documents for the two loans as it was awarded. The process has taken longer than anticipated due to shortage in staff at the State level. The contract has been drafted and it is currently out for legal review and should be expected at any moment.

The Port has 45 days to enter into a contract with Baldwin in accordance with the Request for Quote, which expires on December 25th. In order to avoid any further delays, staff would like to execute the loan documents as soon as received, along with the contract with Baldwin.

Should the loan documents not arrived as expected, staff would like to proceed with the contract with Baldwin providing language that the initial construction is subject to the Port entering into a loan contract with the State.

RECOMMENDATION

I recommend “MOTION TO AUTHORIZE THE GENERAL MANAGER TO EXECUTE TWO BUSINESS OREGON LOAN CONTRACTS UNDER THE TERMS SPECIFIED UNDER THE AWARD LETTER.”

Alternatively, I also recommend that “SHOULD THE PORT NOT RECEIVE LOAN CONTRACTS IN TIME TO MEET THE REQUIREMENTS OF THE REQUEST FOR QUOTE, AS RECEIVED ON NOVEMBER 10, 2021, MOTION TO AUTHORIZE THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH BALDWIN GENERAL CONTRACTING, INC. PROVIDING THAT CONSTRUCTION WILL NOT START UNTIL THE LOANS HAVE BEEN EXECUTED WITH BUSINESS OREGON.”



July 22, 2021

Paula J. Miranda, General Manager
Port of Newport
600 SE Bay Blvd
Newport OR 97365

RE: Award for Port Revolving Loan Fund and Special Public Works Fund, Port of Newport,
New Administrative Building, Project Numbers 521885 and L22001, July 22, 2021

Dear Ms. Miranda:

Congratulations on your successful application for the above-referenced project. Enclosed please find a summary showing the funding amount and special terms and conditions of the award. The financing contract will contain the full terms and conditions of your award and will be sent to you for proper signatures. Please note that the legal obligations for funding and for reimbursement of project expenses are subject to execution of the contract.

The project must comply with all applicable state laws, regulations and procurement requirements. As a reminder, you must provide copies of all solicitations at least 10 days before advertising, and all draft contracts at least 10 days before signing.

We encourage you to offer appropriate media opportunities to help build public awareness of your project's purposes and benefits. Please notify us of any event celebrating your project. As always, we are available to answer questions that may arise during the implementation of your project. If you need assistance, please contact me at 503-779-3221 or by email at Ted.Werth@oregon.gov

Sincerely,

Ted Werth

Ted Werth, Regional Project Manager
Business Oregon

c: Melissa Murphy, Regional Development Officer
Becky Baxter, Program and Policy Coordinator
Representative David Gomberg
Senator Dick Anderson

SUMMARY OF AWARD

Project Number: 521885, L22001 **Date of Award:** July 22, 2021

Recipient: Port of Newport

Project Name: New Administrative Building

Source of Funding (Grant/Loan/Forgivable Loan)	Award Amount
Port Revolving Loan Fund – Loan	950,000
Special Public Works Fund – Loan	810,000
Total	\$1,760,000

General Description of Loan	
Interest Rate	PRF: 2.25% SPWF: 2.25%
Maximum Term	PRF: 20 yrs SPWF: 20 yrs

Approved Project Description
<p>The Port of Newport will construct a new administration building within its dock and yard facility located adjacent to SE Bay Boulevard. The building will be located on a gravel-covered lot adjacent to an existing driveway and parking area. The building will be a single-story structure with a 5,490 SF footprint. Associated new parking is also included.</p>

Note: The full terms and conditions will be contained in the contract; in addition to the standard contract terms and conditions, the following special or additional conditions have been placed on the award:

Conditions:

Based upon the following analysis, the award recommended above should be subject to the following conditions:

- A. **Full Faith and Credit Pledge.** The Recipient will be required to pledge its full faith and credit and taxing power within the limitations of Article XI, Sections 11 and 11 b, of the Oregon Constitution to pay the amounts due under the Financing Contract. All amounts due under

this Contract are payable from all legally available funds of the Recipient.

- B. Financial Covenants.** The Recipient shall charge rates and fees in connection with the operation of the Moorage, Leasing, RV Park, Hoist Dock, and Launch Ramp, Systems which, when combined with other gross revenues, are adequate to generate Net Revenues each fiscal year at least equal to one hundred twenty (120%) percent of the annual debt service due in the fiscal year on the Loan, any outstanding senior lien obligations, and any outstanding Parity Obligations.
- C. Line of Credit Deed of Trust, Assignment of Rents, and Security Agreement.** The Recipient shall provide a security interest in real property located at 510 and 600 SE Bay Blvd, Newport, Oregon 97365. The lien shall be secured by a line of credit deed of trust, assignment of rents, and security agreement document recorded in Lincoln County and shall be with Lender's Title Policy.

Prior to first disbursement, the following documentation must be received and accepted by IFA:

1. Original recorded Line of Credit Deed of Trust
2. Final Title Policy

- D. PARITY.** The standard contract language default of "No Parity or Senior Debt.



STAFF REPORT

DATE: December 21, 2021
RE: Assignment and Amendment of Lease agreement – Newport Marina Store
TO: Port of Newport Board of Commissioners
ISSUED BY: Paula J. Miranda, General Manager

BACKGROUND

We have been approached by Chris Olson of the Newport Marina Store on his interest in selling the business. Jack Craven and his sister Lauren Craven have approached the Port on their interest in buying the business.

The Cravens have been operating the business under an agreement with Mr. Olson. Now they are ready to complete the transaction.

As part of taken over the business, the Cravens have made some requests to modify the lease.

- The business will be purchased under Craven Enterprises, LLC and operated it as Newport Marina Store;
- Additional extension be added to the term of the Lease; and
- Assignee also requested modifications to Section 15, to allow for flexibility during the winter months.

As part of providing additional extension, the Port also requested certain changes be made to the Repairs, Maintenance and Cleanliness session to share some of the costs currently falling all under the Port's obligation. The Port is also requiring new Lessee to sign a Personal Guaranty.

RECOMMENDATIONS

I recommend "A MOTION TO AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE ASSIGNMENT AND AMENDMENT TO LEASE, AS PRESENTED."

**ASSIGNMENT AND AMENDMENT
TO LEASE AGREEMENT**

Date:

Lessor: PORT OF NEWPORT, a Port District duly organized and existing under ORS Chapter 777 ("Lessor")

Lessee: Newport Marina Store and Charters
(Chris Olson)

Assignee: Craven Enterprises, LLC dba Newport Marina Store,
Newport, Lincoln County

This Assignment and Amendment of Lease agreement, dated _____, 2021, is by and with the **Port of Newport**, a municipal corporation and political subdivision of the State of Oregon, organized under and existing by virtue of ORS Chapter 777, hereinafter called "Lessor", **Newport Marina Store & Charters, Inc.**, hereinafter called "Lessee" and Craven Enterprises, LLC dba Newport Marina Store, hereinafter called Assignee.

Whereas, Lessee desire to sell its business, which include the Port Leasehold to Assignee and Assignee desire to purchase Lessee's business.

Whereas, Assignee requested an additional extension be added to the term of the Lease.

Whereas, Assignee requested modifications to Section 15, Covenant of Continuous Operation and Services to allow for flexibility during the winter months.

Whereas, Assignee also requested further consideration regarding the assumed business name as referred to under Section 30, Assumed Business Name.

Whereas, Lessor wish to clarify within Section 33, Repairs, Maintenance and Cleanliness, and each party's responsibilities regarding maintenance and repair in and on the premises.

Therefore, the following Sections shall be modified, amended and/or replaced to read as follows:

Lessee shall assign all rights and obligations to this Lease to Assignee and Assignee shall become Lessee to this Agreement from the date of this Assignment and Amendment of Lease. Assignee assumes all of the obligations of Lessee. Lessor releases Lessee from all obligations under its lease and subsequent lease amendments.

Section 1. Grant of Lease

This Section shall be modified to include one additional 10-year option to extend the term of the Lease. Therefore, the second phrase of this Section shall read as follows: "Lessee shall have the option to renew this agreement for a second and third ten (10) year term." All other terms under this Section shall remain the same.

Section 15. Covenant of Continuous Operation and Service.

This Section shall be modified as follows:

"Lessee shall continuously operate the business leased hereunder in a first class manner, seven days a week, commencing each day at a time which is convenient to serve the public and consistent with industry demand. Except for the winter months when marina traffic is slow, Lessee may choose to operate for only three (3) days a week. For any other exception, Lessor will require Lessee to further obtain Lessor's approval in writing.

Lessee shall offer its merchandise and services for sale at competitive prices, and shall maintain adequate personnel to operate the business in a first class manner. Lessee is permitted to sell packaged beer and wine upon issuance of an appropriate license by the OLCC.

Lessee covenants and agrees to comply with all laws and governmental rules and regulations applicable to Lessee's business operated pursuant to this lease agreement, including any rules and regulations adopted by the Lessor."

Section 30. Assumed Business Name.

This Section shall be modified as follows:

"Lessee shall operate under the assumed business name "Newport Marina Store" and Lessor consents to the use of such assumed business. Lessee agrees that it will use such assumed business name only subject to proper registration with the Oregon Corporation Division. Upon expiration or termination of the lease granted hereunder or any extension or renewal thereof, Lessee shall immediately remove "Newport Marina Store" from such assumed business name and shall file a cancellation of such name with the Oregon Corporation Division, and such name shall thereupon be the property of the Lessor"

Section 33. Repair, Maintenance and Cleanliness.

This Sections shall be deleted in its entirety and replaced by the following:

"Lessee agrees that at all times during the term of this lease, Lessee will maintain and repair at Lessee's own cost and expense in or on the premises the following work items: All janitorial work, all routine utility work inside the premises including general plumbing

and sewer repairs, window and door washing, interior painting, light bulb replacement, electrical switches, receptacles and breakers, heater thermostat, ventilation fans, all indoor plumbing, interior doors, locks, closers and their hinges. Lessee shall maintain landscaping (and keep area clear of all trash and debris) within a ten-foot perimeter of the building. Lessee shall regularly inspect for safety and shall maintain and repair any outdoor cooking devices and equipment. Lessee shall maintain all portable refrigeration or freezers, such as ice machines or refrigerators.

Lessor agrees that at all times during the term of the lease, Lessor will maintain and repair at Lessor's own cost and expense in or on the premises the following work items: The watertight integrity of the building including all exterior doors or window replacement, roof structures, and all exterior building maintenance including siding, painting and exterior lighting. Lessor shall maintain all sidewalks and will provide maintenance of landscaping up to ten feet of the building, and shall be responsible for 50% of the repair and maintenance of the heating and condensing units for the heat exchange system and indoor freezer and refrigeration units. Lessor shall be responsible for 50% of the maintenance of heat duct system and water heater within the premises. Lessor, its agents and representatives, at any reasonable time may enter upon or into said premises for the purpose of examining the condition thereof and for any other lawful purpose.

The lease as herewith amended by this instrument shall continue in full force and effect subject to the terms and provisions of this amendment to the lease. This amendment shall bind and inure to the benefit of Lessor, Lessee and their respective successors and permitted assigns. This amendment, in conjunction with the lease and subsequent extensions or amendments, sets forth the entire agreement between the parties. The lease agreement as amended shall not be altered or modified except by a written memorandum signed by the parties.

Section 10. Destruction of Premises

Section 10, which includes a description of Premises shall be clarified to include two exclusive parking spaces.

In witness, Lessor, Lessee and Assignee have executed this amendment to lease as of the day, month and year first written above.

LESSOR:

PORT OF NEWPORT
600 SE Bay Blvd.
Newport, OR 97365

LESSEE:

NEWPORT MARINA STORE
CHARTERS, INC.
2128 SE Marine Science Drive
Newport, OR 97365

Paula J. Miranda, General Manager

Chris Olson, Lessee

ASSIGNEE:

CRAVEN ENTERPRISES, LLC DBA
NEWPORT MARINA STORE
2128 SE Marine Science Drive
Newport, OR 97365

Lauren Craven, Member



S T A F F R E P O R T

DATE: 21 December 2021
RE: Audit
TO: Paula Miranda, General Manager
ISSUED BY: Mark A. Brown, Director of Finance and Business Services

BACKGROUND

The Port is required, by law, to annual have an audit performed on the Ports financial statements. The audit is also required for the Port's bond issues and must be filed annually with the Municipal Securities Rulemaking Board (also known as the Electronic Municipal Market Access), to inform investors of any significant changes in the Ports financial status.

DETAIL

The audit is complete for fiscal year 2021 (July 1, 2020, to June 30, 2021) audit, a summary of the audit can be found on page **48** of the audit report. There were no findings. This year the Auditors were required to perform a Single Audit (previously called OMB Circular A-133 Audit), since the Port expended more than \$750,000 in Federal Funds during the Ports fiscal year. There were no findings in the Single Audit.

The audit must be submitted to the Secretary of State within 180 days of the fiscal year end (December 30).

RECOMMENDATION and Motion

I RECOMMEND A MOTION APPROVE THE AUDIT REPORT.

Governance Letter

To the Board of Commissioners
Port of Newport
Newport, Oregon

We have audited the financial statements of Port of Newport for the year ended June 30, 2021, and have issued our report thereon dated below. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, and *Government Auditing Standards* and the *Uniform Guidance*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our engagement letter to you dated June 9, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Port of Newport are described in Note B to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2021. We noted no transactions entered into by the Port during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

We detected no misstatements as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the attached management representation letter.

To the Board of Commissioners
Port of Newport

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Organization’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Port’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management’s discussion and analysis (the MD&A) and the pension information schedules, which are required supplementary information (collectively the “RSI”) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI, and do not express an opinion or provide any assurance on the RSI.

With respect to the other supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles and the *Uniform Guidance*, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of those in charge of governance and management of Port of Newport and is not intended to be and should not be used by anyone other than these specified parties.

Kern & Thompson, LLC

Portland, Oregon
December 9, 2021



600 S.E. BAY BOULEVARD NEWPORT, OREGON 97365 PHONE (541) 265-7758 FAX (541) 265-4235
www.portofnewport.com

Management Representation Letter

Kern & Thompson, LLC
1800 S.W. First Avenue, Suite 410
Portland, OR 97201

This representation letter is provided in connection with your audit of the financial statements of the Port of Newport, which comprise the balance sheet of the business-type activities as of June 30, 2021, and the respective changes in financial position and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date signed below, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 9, 2021, including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates are reasonable.
6. Related party relationships and transactions, if any, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements. In addition, you have proposed adjusting journal entries that have been posted to the entity's accounts. We are in agreement with those adjustments.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the Port of Newport is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the Board of Commissioners or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or bylaws, or abuse, whose effects should be considered when preparing financial statements.
17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware, if any.

Government-specific

19. We have made available to you all financial records and related data and all audit or relevant monitoring reports, if any, received from funding sources.
20. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
21. We have identified to you and previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
22. The Port of Newport has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
23. We are responsible for compliance with the laws, regulations, and provisions of bylaws applicable to us, and we have identified and disclosed to you all laws, regulations and provisions of bylaws that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
24. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
25. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
26. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
27. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
28. As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
29. The Port of Newport has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as made known to you and disclosed in the notes to the financial statements.
30. The Port of Newport has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
31. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.


32. There are no component units. There are no joint ventures with an equity interest, or other joint ventures, or other related organizations.
33. The financial statements properly classify all funds and activities in accordance with GASB No. 34.
34. All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
35. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
36. Invested funds held in the Oregon State Local Government Investment Pool (LGIP) are properly valued.
37. Provisions for uncollectible receivables have been properly identified and recorded.
38. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
39. Revenues are appropriately classified in the statement of revenues, expenses, and changes in net position.
40. Interfund activity and balances have been appropriately classified and reported.
41. Deposits and invested funds are properly classified as to risk and are properly disclosed.
42. Capital assets are properly capitalized, reported, and depreciated.
43. We have appropriately disclosed the Port's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
44. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
45. We acknowledge our responsibility for the required supplementary information ("RSI" – the "Management's Discussion and Analysis" and pension information schedules). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
46. We acknowledge our responsibility for presenting the supplemental budgetary comparison schedules and schedule of tax collections (the "supplementary information") in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
47. With respect to federal award programs:

- a. We are responsible for understanding and complying with, and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.
- b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
- c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and have included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the OMB Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards.
- j. We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

- k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subject E) and OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, if applicable.
- m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance subsequent to the date as of which compliance was audited.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
- s. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. We have charged costs to federal awards in accordance with applicable cost principles.
- u. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

Port of Newport

By:


Paula J. Miranda, General Manager

Date:

12/09/21

By:


Mark A. Brown, Director of Finance

Date:

12/9/2021



**PORT OF NEWPORT
LINCOLN COUNTY, OREGON**

FINANCIAL STATEMENTS

Year Ended June 30, 2021

KERN ▲ THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

**PORT OF NEWPORT
LINCOLN COUNTY, OREGON
FOR THE YEAR ENDED JUNE 30, 2021**

BOARD OF COMMISSIONERS

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Walter Chuck Newport, Oregon	1	June 30, 2023
Kelley Retherford Newport, Oregon	2	June 30, 2025
Gil Sylvia Newport, Oregon	3	June 30, 2023
Jeff Lackey Newport, Oregon	4	June 30, 2025
Jim Burke South Beach, Oregon	5	June 30, 2023

All Commissioners receive mail at the address below:

Registered Agent and Address:

**Paula J. Miranda, General Manager
600 SE Bay Boulevard
Newport, OR 97365**

PORT OF NEWPORT
FINANCIAL STATEMENTS
Year Ended June 30, 2021
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**PORT OF NEWPORT
FINANCIAL STATEMENTS**

Year Ended June 30, 2021

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**PORT OF NEWPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

This discussion and analysis of the Port of Newport (the Port) financial performance provides an overview of the Port's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the Port's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS (in thousands)

- Total assets of the Port are \$85M with capital assets of \$72M net of accumulated depreciation. Current assets are \$10M at June 30, 2021.
- The assets of the Port exceeded its liabilities at the close of the fiscal year by \$46M (Net Position).
- The Port's net position increased by \$1.16M from June 30, 2020.
- Total operating revenue was \$8.9M which is an increase of 8.5% over the prior year.
- Total operating expenses for the year were \$7.7M which is 10% higher than the prior year.

Overview of the Financial Statements

This audit report consists of three parts – management's discussion and analysis (this section), the basic financial statements (including notes), and supplementary information. The report is guided by accounting and reporting principles established by the Governmental Accounting Standards Board (GASB).

The basic financial statements are prepared on the accrual basis, similar to a private business, whereby revenues are recognized when earned and expenses are recognized when incurred, regardless of when cash is received or paid. The basic financial statements consist of a statement of net position which includes the Port's assets, liabilities, and net position (assets minus liabilities) at year end; statement of revenues, expenses, and changes in net position, which includes all revenues, expenses, and grants received for construction for the year; and statement of cash flows, which represents the sources and uses of cash for the year.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. Following the financial statements is a section of supplementary information, which further explains and supports the information in the financial statements.

The analysis in Table 1 following focuses on the net position of the Port; Table 2 focuses on the revenues and expenses of the Port.

**PORT OF NEWPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2021**

Table 1 – Net Position

	<u>2021</u>	<u>2020</u>
Assets and deferred outflows		
Cash and investments	\$ 9,517,085	\$ 10,070,411
Cash restricted for debt payments	-	-
Capital assets, net	72,079,747	71,336,391
Other	3,278,442	2,473,055
Total assets and deferred outflows	<u>84,875,274</u>	<u>83,879,857</u>
Liabilities and deferred inflows		
Current	4,338,555	3,027,863
Other liabilities	34,528,263	36,009,216
Total liabilities and deferred inflows	<u>38,866,818</u>	<u>39,037,079</u>
Net position		
Invested in capital assets, net of related debt	49,836,101	47,155,421
Unrestricted (deficit)	(3,827,645)	(2,312,643)
Restricted	-	-
Total net position	<u>\$ 46,008,456</u>	<u>\$ 44,842,778</u>

Table 2 – Revenues and Expenses

	<u>2021</u>	<u>2020</u>
Operating revenues		
Tenant rents	\$ 6,701,224	\$ 7,146,750
Taxes and assessments	908,545	864,127
Miscellaneous	1,292,342	145,152
Total operating revenues	<u>8,902,111</u>	<u>8,156,029</u>
Operating expenses		
Personnel services	2,306,146	1,791,386
Materials and services	2,156,811	1,977,102
Depreciation	3,252,775	3,237,455
Total operating expenses	<u>7,715,732</u>	<u>7,005,943</u>
Total operating income (loss)	<u>1,186,379</u>	<u>1,150,086</u>
Non-operating revenues (expenses)		
Grants	1,050,077	11,600
Interest income	52,788	139,964
Interest expense	(1,123,566)	(1,362,844)
Net non-operating revenues (expenses)	<u>(20,701)</u>	<u>(1,211,280)</u>
Change in net position	1,165,678	(61,194)
Net position, beginning of year	44,842,778	44,903,972
Net position, end of year	<u>\$ 46,008,456</u>	<u>\$ 44,842,778</u>

**PORT OF NEWPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2021**

Capital Assets

The following table lists the Port's capital assets and their value as of June 30, 2021:

	<u>2021</u>	<u>2020</u>
Capital assets		
Land	\$ 20,221,521	\$ 20,221,521
Construction in progress	3,717,270	410,174
Land improvements	36,531,099	36,200,931
Buildings and docks	54,908,462	54,822,570
Equipment	2,146,587	1,273,613
Accumulated depreciation	<u>(45,445,192)</u>	<u>(41,592,417)</u>
Total net capital assets	<u>\$ 72,079,747</u>	<u>\$ 71,336,392</u>

For further information on the Port's capital assets, see Note E of the financial statements.

Long-Term Obligations

The following is a summary of long-term debt obligations of the Port as of June 30:

	<u>2021</u>	<u>2020</u>
Long-Term Debt		
General obligation bonds	\$ 11,645,000	\$ 11,980,000
Revenue bond	16,565,000	17,855,000
Full faith and credit obligations	2,270,000	2,480,000
State of Oregon loans	3,459,307	3,684,582
Bank loans and other	<u>322,447</u>	<u>423,022</u>
Total long-term debt	<u>\$ 34,261,754</u>	<u>\$ 36,422,604</u>

Additional information on the Port's long-term debt can be found in Note G of the financial statements.

Budgetary Highlights

The Port's budget for the fiscal year 2020-21 was adopted by the Port Commission in June 2020 and certified by the Lincoln County Clerk in July 2020. There was one supplemental budget adopted resulting in changes to the appropriations during the year. The budget to actual annual activity is presented for both the original and final budget amounts as required supplementary information.

Economic Factors and Next Year's Budgets and Rates

As part of the Port's strategic planning and business planning process, regional and national economic trends and forecasts are reviewed and forecasted to help produce the annual budget. In the Port's 2021-22 budget, operating expenditures and revenues are forecast to remain consistent with prior years. The capital improvement budget for 2021-22 assumes capital projects estimated at \$4.8 million for a new building, and additional work on pier docks.

Contacting the Port's Financial Management

If you have questions about this report or need additional information, contact the Port of Newport, 600 SE Bay Boulevard, Newport, OR 97365.

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Port of Newport
Newport, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Port of Newport, Oregon (the Port), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Port of Newport, Oregon as of June 30, 2021, and the changes in its financial position and cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through iii, and the pension information schedules on pages 28 to 29, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Commissioners
Port of Newport

Other Information

Our audit was conducted for the purpose of forming an opinion on the Port of Newport's basic financial statements. The combining schedules, budgetary comparison schedules and the schedules of tax collections and unpaid balances, (collectively, the other supplementary information), as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Requirement by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2021, on our consideration of Port of Newport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Port of Newport's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Port of Newport's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 9, 2021, on our consideration of the Port's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.

KERN & THOMPSON, LLC
Certified Public Accountants



Eric A. Zehntbauer, CPA
Partner

Portland, Oregon
December 9, 2021

PORT OF NEWPORT
STATEMENT OF NET POSITION

June 30, 2021

ASSETS

Current assets	
Cash and investments	\$ 9,517,085
Property tax receivable	55,331
Receivables, net of allowances	362,646
Grant receivable	441,217
Prepaid expenses	235,633
Total current assets	<u>10,611,912</u>
Noncurrent assets	
Capital assets	
Depreciable capital assets	93,586,147
Non-depreciable capital assets	23,938,792
Accumulated depreciation	(45,445,192)
Capital assets, net	<u>72,079,747</u>
Bond cost	359,660
Unamortized bond discount	6,805
Total noncurrent assets	<u>72,446,212</u>
Deferred outflows of resources	
Advanced refunding outflows, net of amortization	1,062,064
Pension related outflows	755,086
Total noncurrent assets	<u>1,817,150</u>
Total assets and deferred outflows	\$ <u>84,875,274</u>

LIABILITIES AND NET POSITION

Current liabilities	
Accounts payable	\$ 1,367,991
Accrued payroll	170,576
Accrued interest payable	215,384
Lease deposits	303,624
Notes payable - current	335,980
Bond payable - current	1,945,000
Total current liabilities	<u>4,338,555</u>
Noncurrent liabilities	
Notes payable	3,445,774
Bonds payable, net	28,535,000
Unamortized bond premium	744,435
Net pension liability	1,571,763
Total noncurrent liabilities	<u>34,296,972</u>
Deferred inflows of resources	<u>231,291</u>
Net position	
Investment in capital assets, net of related debt	49,836,101
Unrestricted	(3,827,645)
Total net position	<u>46,008,456</u>
Total liabilities, deferred inflows and net position	\$ <u>84,875,274</u>

See notes to financial statements.

PORT OF NEWPORT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year Ended June 30, 2021

Operating revenues	
Moorages and leases	\$ 5,315,107
Property tax	908,545
RV Park	1,386,117
Hoist dock	1,026,366
Launch ramp	117,980
Miscellaneous	147,996
Total operating revenues	<u>8,902,111</u>
Operating expenses	
Salary and wage	1,466,247
Payroll tax and benefit	839,899
Administration, promotion and marketing	227,296
Maintenance	243,240
Utilities	584,635
Insurance	361,528
Professional fees	148,807
Service fees	320,450
Supplies	107,987
Other	162,868
Depreciation	3,252,775
Total operating expenses	<u>7,715,732</u>
Operating income (loss)	<u>1,186,379</u>
Non-operating revenues (expenses)	
Grants and reimbursements	1,050,077
Interest income	52,788
Interest expense	(1,123,566)
Total non-operating revenues (expenses)	<u>(20,701)</u>
Change in net position	1,165,678
Net position, beginning of year	<u>44,842,778</u>
Net position, end of year	<u>\$ 46,008,456</u>

See notes to financial statements.

PORT OF NEWPORT
STATEMENT OF CASH FLOWS
Year Ended June 30, 2021

Cash flows from operating activities:	
Cash received from tenants	\$ 7,674,173
Cash received from property taxes	1,958,622
Payments to vendors	(1,577,069)
Payments to employees	(1,466,247)
Net cash provided by (used in) operating activities	<u>6,589,479</u>
Cash flows from investing activities:	
Interest income	<u>52,788</u>
Cash flows from capital and related financing activities:	
Acquisitions of capital assets	(3,996,131)
Bond discount	-
Bond premium	972
Advance from new debt	-
Bonds refunded	-
Payments on notes and bonds payable	(2,204,879)
Interest paid	(995,555)
Net cash provided by (used in) capital and related financing activities	<u>(7,195,593)</u>
Change in cash and cash equivalents	(553,326)
Cash and cash equivalents	
Beginning of year	<u>10,070,411</u>
End of year	<u>\$ 9,517,085</u>
Reported in the Balance Sheet as:	
Unrestricted	\$ 9,517,085
Restricted	<u>-</u>
Total	<u>\$ 9,517,085</u>
Reconciliation of operating income (loss) to cash provided by (used in) operating activities:	
Operating income (loss)	\$ 1,186,379
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
Depreciation and amortization	3,252,775
Non operating revenues	1,050,077
(Increase) decrease in current assets:	
Operating receivables	(319,393)
Prepaid expense	(104,184)
Increase (decrease) in current liabilities:	
Accounts payable and compensated absences	1,191,302
Changes to debt related deferred inflows	-
Pension liabilities	337,128
Debt related	(4,605)
Net cash provided by (used in) operating activities	<u>\$ 6,589,479</u>

See notes to financial statements.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE A – DESCRIPTION OF ORGANIZATION

The Port of Newport, located in Lincoln County, Oregon (the Port) was established in 1910 pursuant to Section 8 Chapter 31 of the Session Laws of the State of Oregon 1909. The Port's mission is to build and maintain waterfront facilities and promote/support projects and programs in cooperation with other community organizations and businesses that will retain and create new jobs and increase community economic development.

Control of the Port is vested in its five-member commission. Commissioners are elected to office by voters within the Port District, which encompasses the majority of Lincoln County. Administrative functions are delegated to individuals who report to and are responsible to the commission. The chief administrative officer is the general manager.

The accompanying basic financial statements present all funds, for which the Port is considered to be financially accountable. The criteria used in making this determination includes the appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependence on the primary government. Based upon the evaluation of these criteria, the Port is a primary government with no includable component units.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These statements have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The accounts of the Port are organized on the basis of proprietary fund types, specifically enterprise funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs of providing goods and services be financed or recovered primarily through user charges. The activities of these funds are accounted for with a separate set of self-balancing accounts that comprise the Port's assets, liabilities, net position, revenues and expenses. The Port uses several individual funds for state legal compliance that are combined and reported as a unitary enterprise similar to a commercial entity organized for profit for financial reporting. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of an activity; or (ii) that are required by laws and regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

Basis of Accounting and Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these fund types are included on the Statement of Net Position. Net position (i.e. total assets net of total liabilities) is segregated into invested in capital assets, net of related debt; restricted for debt service; and unrestricted components.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (Continued)

Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position. Proprietary funds utilize the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

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

When both restricted and unrestricted resources are available for use, it is the Port's policy to use restricted resources first, then unrestricted resources as they are needed.

The following funds collectively comprise the enterprise activities reported by the Port:

General Fund - This fund is used to account for the financial resources of the Port that are not accounted for in any other fund. Principal sources of revenue are from property taxes, service fees and lease revenue. Primary expenditures are for maintenance and personnel services.

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

Facilities Maintenance Reserve Fund - This fund is used to account for the accumulation of funds for the maintenance, repairs and capital improvements.

Construction Fund - This fund is used for the construction of major capital facilities.

NOAA Lease Revenue Fund - This fund accounts for expenditures relating to capital improvements for the NOAA MOC-P facility. Current resources consist primarily of lease payments. This fund services the bond repayment and covers facilities maintenance costs over the term of the lease.

Budget Policies and Budgetary Control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds except for agency funds. A budget is prepared for each fund in accordance with the modified accrual basis of accounting with certain modifications and legal requirements set forth in the Oregon Local Budget Law (ORS 294.305 to 294.565). The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The Port established the levels of budgetary control at the object (personnel services, material and services, capital outlay, operating contingencies, debt service, and all other requirements) levels for all funds. Appropriations lapse at the end of each fiscal year.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget Policies and Budgetary Control (Continued)

The Port begins its budgeting process by appointing Budget Committee members for three year terms. Budget recommendations are developed by management through early spring, with the budget committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in April or May and the hearing is held in June. The Board of Commissioners adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

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

Cash Deposits and Investments

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

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

Receivables

Terminal, marina, and tenant lease receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivable.

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

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Depreciation

Capital assets include land and improvements, buildings, and equipment. In addition, certain capital assets purchased may be capitalized regardless of the thresholds established.

Such assets are reported at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are reported at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method according to the following criteria:

<u>Asset Classification</u>	<u>Capitalization Threshold</u>	<u>Useful Life in Years</u>
Land improvements	\$ 5,000	10 - 20
Buildings	5,000	25 - 40
Docks	5,000	30 - 60
Equipment	5,000	5 - 10

Compensated Absences

Employees are permitted to accumulate earned but unused paid time off (“PTO”). PTO is recognized as expense when earned. Compensated absences are reported and accrued with other payroll liabilities in the Statement of Net Position.

Long-Term Obligations

Long-term obligations are reported at face value, net of applicable discounts. Costs related to the issuance of debt are deferred and amortized over the lives of the various debt issues.

Estimates

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that apply to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that apply to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Pension Retirement Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net Position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the Port's financial statements. Net position is divided into three components:

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

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

Unrestricted - all other net assets reported in this category.

Restricted Assets and Related Liabilities

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

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

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE C – CASH AND INVESTMENTS

The Port's cash and investments are held in bank financial institutions listed as qualified bank depositories by the Oregon State Treasurer.

The Port uses money market bank accounts and time certificates of deposit for its temporary investments. Amounts held in such accounts are treated as cash equivalents, as the accounts can be accessed as needed. Cash and investments consist of the following at June 30, 2021:

Deposits with financial institutions:	
Demand deposits	\$ 9,453,454
Time certificate of deposit	<u>63,631</u>
Total	<u>\$ 9,517,085</u>
Reported in:	
Statement of net position	
Cash and investments	\$ 9,517,085
Cash restricted for debt payments	<u>-</u>
Total	<u>\$ 9,517,085</u>

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

The Port does not have a formal policy that places a limit on the amount that may be invested with any one issuer. The Port's investments are 100% invested in time certificates of deposit.

Custodial Credit Risk

This is the risk that, in the event of a bank failure, the Port's deposits may not be returned. Deposits with financial institutions are comprised of bank demand deposits. The combined total bank balance was \$9,495,098. As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at qualified depositories for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result, the Port has no exposure to custodial credit risk for deposits with financial institutions.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE D – RECEIVABLES

Receivables consist of the following at June 30, 2021:

Property taxes receivable	\$	55,332
Grant receivable		441,217
Tenant receivables		392,646
Allowance for uncollectible tenant rents		<u>(30,000)</u>
	\$	<u>889,195</u>

NOTE E – CAPITAL ASSETS

The following table is a summary of capital assets:

	Balances June 30, 2020	Additions	Transfers/ Deletions	Balances June 30, 2021
Land	\$ 20,221,521	\$ -	\$ -	\$ 20,221,521
Construction in process	410,174	3,333,248	(26,152)	3,717,270
Building and land improvements	36,200,931	330,168	-	36,531,099
Docks & Piers	54,822,570	85,892	-	54,908,462
Equipment	<u>1,273,613</u>	<u>872,974</u>	-	<u>2,146,587</u>
Total property and equipment	112,928,809	4,622,282	(26,152)	117,524,939
Less accumulated depreciation	<u>(41,592,417)</u>	<u>(3,852,775)</u>	-	<u>(45,445,192)</u>
Total capital assets, net	<u>\$ 71,336,392</u>	<u>\$ 769,507</u>	<u>\$ (26,152)</u>	<u>\$ 72,079,747</u>

NOTE F – TENANT LEASING ACTIVITIES

The Port leases certain properties to tenants under long-term non-cancelable operating leases. The depreciated cost of the leased properties aggregated approximately \$29,807,000 as of June 30, 2021 with annual depreciation expense of approximately \$520,000. Tenant leases include a 20-year lease for a MOC-P with the National Oceanic and Atmospheric Administration (“NOAA”). NOAA lease revenue is pledged for the 2010 Revenue Bonds (see Note G). The annual rent under this lease is approximately \$2,545,000 which is included in the schedule below.

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

Year Ending June 30,	
2022	\$ 3,220,000
2023	3,130,000
2024	3,090,000
2025	3,070,000
2026	3,010,000
Thereafter	<u>12,670,000</u>
	<u>\$ 28,190,000</u>

PORT OF NEWPORT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE G – LONG-TERM OBLIGATIONS

Bonds and Loans Payable

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

In the fiscal year ending June 30, 2013, the Port obtained financing for construction of the International Terminal. The Port negotiated a \$3,000,000 loan with a \$500,000 grant from the Oregon Infrastructure Finance Authority (IFA). Additional financing was obtained under a forgivable loan from the State of Oregon Business Development in the amount of \$400,000. The no interest loan is secured by a promissory note and was to be forgiven by the State upon meeting the creation of a number of jobs positions by September 2017. That date was not met. The note is payable over ten years, with \$360,417 remaining at June 30, 2021.

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

On June 16, 2016 the Port issued Series 2016 refunding bonds for \$7,610,000. The amount of \$8,348,133 was sent to the escrow agent for refunding of GO Bond Series 2007 callable portion in the amount of \$4,135,878 and GO Bond Series 2008 callable portion in the amount of \$4,272,080. The Port realized a net present value savings of approximately \$944,963. As of June 30, 2021, remaining defeased GO bonds consist of 2007 series of \$3,255,000 and 2008 series of \$3,395,000. In 2016 the bonds were legally turned over to an escrow agent with sufficient funding (principal received combined with the earnings on that principal during the time the agent holds the funds) to service this debt. Defeased debt is no longer a liability of the Port.

In December of 2019, the Port issued Series 2019 refunding bonds for \$5,320,000 realizing a net present value savings of \$802,184. The amount of \$5,612,972 was sent to the escrow agent for refunding of GO Bond Series 2011 callable portion in the amount of \$4,855,000. As of June 30, 2021, the remaining defeased GO Bond balance is \$4,855,000. The bond was legally turned over to an escrow agent with sufficient funding (principal received combined with the earnings on that principal during the time the agent holds the funds) to service this debt. The defeased debt is no longer a liability of the Port.

In December of 2019, the Port issued another Series 2019 refunding bonds for \$17,855,000 realizing a net present value savings of \$2,548,900. The amount of \$17,976,861 was sent to the escrow agent for refunding of Revenue Bond Series 2010 callable portion in the amount of \$17,165,000. As of June 30, 2021, the remaining defeased revenue bond balance is \$15,020,000. The bond was legally turned over to an escrow agent with sufficient funding (principal received combined with the earnings on that principal during the time the agent holds the funds) to service this debt. The defeased debt is no longer a liability of the Port.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE G – LONG-TERM OBLIGATIONS (CONTINUED)

As of June 30, 2021 the defeased General Obligation bonds are as follows:

GO 2007 defeased bonds	\$ 3,255,000
GO 2008 defeased bonds	3,395,000
Revenue Bond 2010 defeased bonds	15,020,000
GO Bond 2011 defeased bonds	<u>4,855,000</u>
Total balance of defeased bonds	<u>\$ 26,525,000</u>

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

The Port has various equipment lease purchase contracts aggregating approximately \$30,000 as of June 30, 2021.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE G – LONG-TERM OBLIGATIONS (CONTINUED)

Transactions for notes payable for the year ended June 30, 2021 were as follows:

Bonded Debt Fund	Balance	Additions	Reductions	Balance	Due Within One Year		
	30-Jun-20			30-Jun-21	Principal	Interest	Total
General Obligation Bonds							
Series 2016	\$ 6,770,000	\$ -	\$ 285,000	\$ 6,485,000	\$ 295,000	\$ 242,950	\$ 537,950
Series 2019	5,210,000	-	50,000	5,160,000	115,000	170,649	285,649
Total Bonded Debt Fund	\$ 11,980,000	\$ -	\$ 335,000	\$ 11,645,000	\$ 410,000	\$ 413,599	\$ 823,599
General Fund	Balance	Additions	Reductions	Balance	Due Within One Year		
	30-Jun-20			30-Jun-21	Principal	Interest	Total
Full Faith and Credit OB							
Series 2013	\$ 2,480,000	\$ -	\$ 210,000	\$ 2,270,000	\$ 215,000	\$ 68,983	\$ 283,983
State of Oregon Loans							
Special Public Works Fund Loans							
L00012	31,611	-	5,623	25,988	5,961	1,559	7,520
Q10001	942,649	-	66,414	876,235	68,275	25,325	93,600
L12005	2,324,905	-	128,238	2,196,667	133,200	85,012	218,212
Promissory	385,417	-	25,000	360,417	25,000	-	25,000
Oregon Coast Bank Loans							
Loan Payable No. 10032077	-	-	-	-	-	-	-
First Interstate							
2019 129700956	271,588	-	52,299	219,289	54,200	7,064	61,264
Toyota							
2017 CM Forklift Capital Lease	16,266	-	7,300	8,966	7,654	261	7,915
Financial Pacific Leasing							
2017 NIT Forklift Capital Lase	29,699	-	11,026	18,673	11,740	572	12,312
City of Newport - SDC	-	-	-	-	-	-	-
Oregon Brewing Company	105,469	-	29,950	75,519	29,950	-	29,950
Total Bonded Debt Fund	\$ 6,587,604	\$ -	\$ 535,850	\$ 6,051,754	\$ 550,980	\$ 188,776	\$ 739,756
NOAA Fund	Balance	Additions	Reductions	Balance	Due Within One Year		
	30-Jun-20			30-Jun-21	Principal	Interest	Total
Revenue							
Series 2010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Series 2019	17,855,000	-	1,290,000	16,565,000	1,320,000	440,923	1,760,923
	17,855,000	-	1,290,000	16,565,000	1,320,000	440,923	1,760,923
Totals	\$ 36,422,604	\$ -	\$ 2,160,850	\$ 34,261,754	\$ 2,280,980	\$ 1,043,298	\$ 3,324,278

PORT OF NEWPORT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE G – LONG-TERM OBLIGATIONS (CONTINUED)

Future maturities of notes payable as of June 30, 2021 were as follows:

Year Ended June 30,	Full Faith Series 2013		NOAA Series 2019		L00012	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 215,000	68,983	\$ 1,320,000	440,923	\$ 5,960.71	\$1,559.29
2023	225,000	61,257	1,350,000	410,717	\$6,318.35	\$1,201.65
2024	235,000	53,233	1,380,000	378,214	\$6,697.45	\$822.55
2025	235,000	46,182	1,415,000	343,365	\$7,011.72	\$420.70
2026	245,000	38,983	1,455,000	306,226	-	-
2027-31	935,000	96,064	7,915,000	883,683	-	-
2032-36	180,000	9,450	1,730,000	27,645	-	-
2037-41	-	-	-	-	-	-
2042-46	-	-	-	-	-	-
	\$ 2,270,000	\$ 374,152	\$ 16,565,000	\$ 2,790,773	\$ 25,988	\$ 4,004

Year Ended June 30,	Q10001		L12005		Promissory Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 68,275	25,325	\$ 133,200	85,011	\$ 25,000	\$ -
2023	70,352	23,248	138,355	79,856	25,000	-
2024	72,491	21,109	143,710	74,502	25,000	-
2025	74,696	18,904	149,271	68,940	25,000	-
2026	76,968	16,632	155,048	63,163	25,000	-
2027-31	513,453	48,044	870,028	221,031	125,000	-
2032-36	-	-	607,055	47,580	110,417	-
2037-41	-	-	-	-	-	-
2042-46	-	-	-	-	-	-
	\$ 876,235	\$ 153,262	\$ 2,196,667	\$ 640,083	\$ 360,417	\$ -

Year Ended June 30,	Loan 129700956		Toyota 2017 CM Forklift		Finance Pacific 2017 Forklift	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 54,200	7,064	\$ 7,654	261	\$ 11,740	572
2023	56,155	5,109	1,312	8	5,067	63
2024	58,173	3,091	-	-	1,866	-
2025	50,762	986	-	-	-	-
2026	-	-	-	-	-	-
2027-31	-	-	-	-	-	-
2032-36	-	-	-	-	-	-
2037-41	-	-	-	-	-	-
2042-46	-	-	-	-	-	-
	\$ 219,289	\$ 16,250	\$ 8,966	\$ 269	\$ 18,673	\$ 635

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE G – LONG-TERM OBLIGATIONS (CONTINUED)

Year Ended June 30,	Oregon Brewing Company		GO 2019		GO 2016	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 29,950	-	\$ 115,000	170,649	295,000	242,950
2023	29,950	-	110,000	168,181	310,000	230,850
2024	15,619	-	115,000	165,609	320,000	218,250
2025	-	-	120,000	162,739	335,000	205,150
2026	-	-	120,000	159,613	350,000	191,450
2027-31	-	-	660,000	744,311	1,955,000	733,550
2032-36	-	-	795,000	628,773	2,385,000	311,750
2037-41	-	-	3,125,000	340,733	535,000	8,025
2042-46	-	-	-	-	-	-
	<u>\$ 75,519</u>	<u>\$ -</u>	<u>\$ 5,160,000</u>	<u>\$ 2,540,608</u>	<u>6,485,000</u>	<u>\$ 2,141,975</u>

NOTE H – COMMITMENTS AND CONTINGENCIES

Paid Time Off

As of June 30, 2021, the Port recorded a liability for accumulated unused paid time off (“PTO”) of \$99,936. It is the Port's policy to pay unused PTO upon retirement or termination of employment, subject to limitations based on years of service.

Risk Management

The Port is exposed to various risks of loss related to theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Port purchases commercial insurance to minimize its exposure to these risks. Settled claims resulting from these risks have historically not exceeded commercial insurance coverage.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE I – PENSION RETIREMENT PLAN

Defined Benefit Pension Plan

General Information about the Pension Plan:

Name of the pension plan: The Oregon Public Employees Retirement System (OPERS) is a cost-sharing multiple-employer defined benefit plan.

Plan description. Employees of the Port are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. OPERS issues a publicly available financial report that can be obtained at:

http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx

Benefits provided under Chapter 238-Tier One / Tier Two:

1. ***Pension Benefits.*** The ORS 238 Defined Benefit Pension Plan provides benefits to members hired *before* August 29, 2003.

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60.

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

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

PORT OF NEWPORT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE I – PENSION RETIREMENT PLAN (CONTINUED)

3. *Disability Benefits.* A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.
4. *Benefit Changes after Retirement.* Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes.

Benefits provided under Chapter 238A-OPSRP Pension Program (OPSRP DB):

1. *Pension Benefits.* The ORS 238A Defined Benefit Pension Program provides benefits to members hired *on or after* August 29, 2003.

This portion of the OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

General Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. A member of the OPSRP pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

2. *Death Benefits.* Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
3. *Disability Benefits.* A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
4. *Benefit Changes after Retirement.* Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes.

Contributions:

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

PORT OF NEWPORT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE I – PENSION RETIREMENT PLAN (CONTINUED)

Employer contribution rates during the period were based on the December 31, 2018 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2015. The state of Oregon and certain schools, community colleges, and political subdivisions have made lump sum payments to establish side accounts, and their rates have been reduced. The Port has not established any such side accounts.

Employer contributions for the year ended June 30, 2021 were \$88,633, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2021 were: (1) Tier1/Tier 2 – 13.99% and (2) OPSRP general service – 6.14%.

Actuarial Valuations:

The employer contribution rates effective July 1, 2016, through June 30, 2020, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE I – PENSION RETIREMENT PLAN (CONTINUED)

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2018
Experience Study Report	2018, published July 24, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Investment Rate of Return	7.20 percent
Projected Salary Increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

Discount Rate:

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE I – PENSION RETIREMENT PLAN (CONTINUED)

Assumed Asset Allocation:

Asset Class/Strategy	Low Range		High Range		OIC Target	
Cash	0.0	%	3.0	%	0.0	%
Debt Securities	15.0		25.0		20.0	
Public Equity	32.5		42.5		37.5	
Private Equity	14.0		21.5		17.5	
Real Estate	9.5		15.5		12.5	
Alternative Equity	0.0		12.5		12.5	
Opportunity Portfolio	0.0		3.0		0.0	
Total					100.0	%

Long-Term Expected Rate of Return:

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

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE I – PENSION RETIREMENT PLAN (CONTINUED)

Asset Class	Target		Compound Annual Return (Geometric)	
Core Fixed Income	9.60	%	4.07	%
Short-Term Bonds	9.60		3.68	
Bank / Leveraged Loans	3.60		5.19	
High Yield Bonds	1.20		5.74	
Large / Mid Cap US Equities	16.17		6.30	
Small / Micro Cap US Equities	2.70		13.47	
Developed Foreign Equities	13.48		6.91	
Emerging Foreign Equities	4.24		7.69	
Non-US Small Cap Equities	1.93		7.25	
Private Equity	17.50		8.33	
Real Estate (Property)	10.00		5.55	
Real Estate (REITS)	2.50		6.69	
Hedge Funds	1.88		9.65	
Timber & Farmland	2.26		11.73	
Infrastructure	2.25		6.67	
Commodities	1.13		3.79	
Assumed Inflation – Mean			2.50	

Sensitivity of the Port's proportionate share of the net pension liability to changes in the discount rate:

The following presents the Port's proportionate share of the net pension (liability) asset calculated using the current discount rate as well as the Port's net pension liability as if it were calculated using a discount rate 1 percentage point lower or higher than the current rate:

1% Decrease	Current Rate	1% Increase
<u>(6.20%)</u>	<u>(7.20%)</u>	<u>(8.20%)</u>

Proportionate share of the net pension (liability)/asset	\$ 2,333,939	\$ 1,571,763	\$ 932,644
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Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

PORT OF NEWPORT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE I – PENSION RETIREMENT PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At June 30, 2021, the Port reported a liability of \$1,571,763 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 and rolled forward to June 30, 2020. The Port's proportion of the net pension asset was based on the Port's projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers.

Rates of every employer have at least two major components:

1. Normal Cost Rate: The economic value, stated as a percent of payroll, for the portion of each active member's total projected retirement benefit that is allocated to the upcoming year of service. The rate is in effect for as long as each member continues in OPERS-covered employment. The current value of all projected future Normal Cost Rate contributions is the Present Value of Future Normal Costs (PVFNC). The PVFNC represents the portion of the projected long-term contribution effort related to future service.
2. UAL Rate: If system assets are less than the actuarial liability, an Unfunded Actuarial Liability (UAL) exists. UAL can arise in a biennium when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises in a given biennium over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The present value of all projected UAL Rate contributions is simply the Unfunded Actuarial Liability (UAL) itself. The UAL represents the portion of the projected long-term contribution effort related to past service.

An employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier 1/Tier 2 payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

Analyzing both rate components, the projected long-term contribution effort is simply the sum of the PVFNC and UAL. The PVFNC part of the contribution effort pays for the value of future service while the UAL part of the contribution effort pays for the value of past service not already funded by accumulated contributions and investment earnings. Each of the two contribution effort components are calculated at the employer-specific level. The sum of these components across all employers is the total projected long-term contribution effort.

At June 30, 2020 measurement date, the Port's proportionate share of the net pension liability was 0.00720%, which changed from its proportionate share measured as of June 30, 2020 of 0.00394%.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE I – PENSION RETIREMENT PLAN (CONTINUED)

For the year ended June 30, 2021, the Port recognized pension expense of \$309,545. At June 30, 2021, the Port reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 69,177	\$ -
Changes of assumptions	84,352	2,956
Net difference between projected and actual earnings on investments	184,819	-
Changes in proportionate share	416,738	124,987
Differences between employer contributions and proportionate share of contributions	-	103,348
Total (prior to post-measurement date contributions)	755,086	231,291
Contributions made subsequent to measurement date	TBD	N/A
Net Deferred Outflow/(Inflow) of Resources	\$ 755,086	\$ 231,291

Deferred outflows of resources related to pensions resulting from Port contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year subsequent to June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post- measurement date contributions)
2021	\$ 113,317
2022	129,875
2023	125,315
2024	131,466
2025	23,822
Thereafter	-
Net Deferred Outflow/(Inflow) of Resources	\$ 523,795

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE I – PENSION RETIREMENT PLAN (CONTINUED)

Changes in Plan Provisions Subsequent to Measurement Date:

There were no changes in Plan provisions subsequent to the June 30, 2020 measurement date.

Changes in Assumptions:

There were no key changes implemented since the December 31, 2018 valuation. Additional detail and a comprehensive list of methods and assumptions can be found in the 2016 Experience Study for the System, which was published July 24, 2019.

Defined Contribution Plan

OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

Participants in OPERS defined benefit pension plans also participate in the OPSRP Individual Account Program (IAP), a defined contribution pension plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits

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

Contributions

The Port has chosen to pay the employees' contributions to the plan. Six percent of covered payroll is paid for general service employees. For fiscal year 2021 the Port paid \$106,402. OPERS contracts with VOYA Financial to maintain IAP participant records.

PORT OF NEWPORT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE J – OTHER POST EMPLOYMENT BENEFITS

The Port provides other postemployment benefits (“OPEB”) for the benefit of its employees. The Port’s OPEB combines two separate plans. The Port provides an implicit rate subsidy for retiree health insurance premiums administered by the Special District Association of Oregon (SDAO), and a contribution to the State of Oregon’s PERS cost-sharing multiple-employer defined health insurance benefit plan (RHIA). The total OPEB liability is based on a valuation provided by an independent actuarial firm based on assumptions including inflation rate, projected salary increases, discount rate, medical, dental and vision increases, and mortality rates and other inputs.

The OPEB liability for both components was measured as of June 30, 2020, and was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. The Port’s proportionate share of the OPEB liability was based on the Port’s projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers. Based on the Port’s small impact on the state-wide pool, the Port’s proportionate share of the OPEB liability as of June 30, 2021 was \$11,543, which was insignificant to the Port’s financial statements.

NOTE K – OPERATING LEASE

The Port leases submerged and submersible land under five separate agreements with the Oregon State Land Board and Department of State Lands, the last expiring November 30, 2031. The lease terms require an annual rental payment due on the lease anniversary date each year, subject to adjustment in accordance with the provisions of OAR 141-082-011. The agreements may also be renewed for unlimited successive 15-year terms. The amount of lease expense recognized for the year ended June 30, 2021 was \$66,000.

Future minimum lease payments required under the agreements are as follows:

Year ending June 30,	
2022	\$ 68,000
2023	70,000
2024	72,000
2025	75,000
2026	77,000
Thereafter	<u>310,000</u>
	<u>\$ 672,000</u>

NOTE L – OVER EXPENDITURE OF APPROPRIATIONS

The Port overexpended the following fiscal 2021 appropriations:

Bonded Debt Fund:	
Debt service	\$ 66,379

REQUIRED SUPPLEMENTARY INFORMATION

PORT OF NEWPORT

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION – PENSION INFORMATION

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Fiscal Years***

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Proportion of the net pension liability (asset)	0.00720%	0.00394%	0.00567%	0.00549%	0.00454%	0.00285%	0.00753%	0.00753%	N/A	N/A
Proportionate share of the net pension liability (asset)	\$ 1,571,763	\$ 682,015	\$ 858,385	\$ 739,360	\$ 680,933	\$ 163,496	\$ (170,613)	\$ 384,108	\$ N/A	\$ N/A
Covered-employee payroll	870,159	557,083	718,008	817,153	736,082	607,922	689,517	771,581	N/A	N/A
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	180.6%	122.4%	119.6%	90.5%	92.5%	26.9%	-24.7%	49.8%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	75.8%	80.2%	85.0%	83.1%	80.5%	91.9%	103.6%	92.0%	N/A	N/A

**SCHEDULE OF CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Fiscal Years***

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 88,633	\$ 67,824	\$ 78,769	\$ 42,074	\$ 2,682	\$ 8,986	\$ 21,005	\$ 24,249	\$ N/A	\$ N/A
Contributions in relation to the contractually required contribution	165,579	56,263	34,500	42,074	2,682	9,108	21,371	25,214	N/A	N/A
Contribution deficiency (excess)	\$ (76,946)	\$ 11,561	\$ 44,269	\$ -	\$ -	\$ (122)	\$ (366)	\$ N/A	\$ N/A	\$ N/A
Covered-employee payroll	\$ 870,159	\$ 557,083	\$ 718,008	\$ 817,153	\$ 736,082	\$ 607,922	\$ 689,517	\$ 771,581	\$ N/A	\$ N/A
Contributions as a percentage of covered-employee payroll	19.0%	10.1%	4.8%	5.1%	0.4%	1.5%	3.1%	3.3%	N/A	N/A

* GASB # 68 requires ten-year trend information. However, until a full ten-year trend is established, only the information for the years available is presented.

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

PORT OF NEWPORT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2021

Changes in Benefit Terms:

There were no significant changes in benefit terms.

Changes in Assumptions:

Actuarial assumptions and other changes are described in the notes to the accompanying financial statements.

SUPPLEMENTAL INFORMATION

PORT OF NEWPORT
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION

June 30, 2021

ASSETS

	General Fund	Bonded Debt Fund	Facilities Maintenance Reserve Fund	Construction Fund	NOAA Lease Revenue Fund	Total Enterprise Funds
Current assets						
Cash and investments	\$ 3,401,007	\$ (49,348)	\$ 373,116	\$ 13,071	\$ 5,779,239	\$ 9,517,085
Property tax receivables	7,603	47,728	-	-	-	55,331
Receivables, net of allowances	362,414	-	-	-	232	362,646
Grant receivable	441,217	-	-	-	-	441,217
Prepaid expense	147,595	-	-	-	88,038	235,633
Due from (due to)	(694,853)	-	-	-	694,853	-
Total current assets	3,664,983	(1,620)	373,116	13,071	6,562,362	10,611,912
Noncurrent assets						
Capital assets						
Depreciable capital assets	55,387,155	-	-	-	38,198,992	93,586,147
Non depreciable capital assets	23,938,792	-	-	-	-	23,938,792
Accumulated depreciation	(29,845,447)	-	-	-	(15,599,745)	(45,445,192)
Capital assets, net	49,480,500	-	-	-	22,599,247	72,079,747
Bond cost	-	146,933	-	-	212,727	359,660
Bond discount	-	6,805	-	-	-	6,805
Total noncurrent assets	49,480,500	153,738	-	-	22,811,974	72,446,212
Deferred outflows of resources						
Advanced refunding outflows	-	625,495	-	-	436,569	1,062,064
Pension related outflows	717,332	-	-	-	37,754	755,086
Total deferred outflows	717,332	625,495	-	-	474,323	1,817,150
Total assets and deferred outflows	\$ 53,862,815	\$ 777,613	\$ 373,116	\$ 13,071	\$ 29,848,659	\$ 84,875,274

LIABILITIES AND NET POSITION

Current liabilities						
Accounts payable	\$ 1,340,021	\$ -	\$ -	\$ -	\$ 27,970	\$ 1,367,991
Accrued payroll	159,869	-	-	-	10,707	170,576
Accrued interest payable	14,011	-	-	-	201,373	215,384
Lease deposits	303,624	-	-	-	-	303,624
Notes payable and assessment debt - current	335,980	-	-	-	-	335,980
Bonds payable - current	215,000	410,000	-	-	1,320,000	1,945,000
Total current liabilities	2,368,505	410,000	-	-	1,560,050	4,338,555
Noncurrent liabilities						
Notes payable	3,445,774	-	-	-	-	3,445,774
Bonds payable	2,055,000	11,235,000	-	-	15,245,000	28,535,000
Bonds premium	83,874	660,561	-	-	-	744,435
Pension	1,493,175	-	-	-	78,588	1,571,763
Total noncurrent liabilities	7,077,823	11,895,561	-	-	15,323,588	34,296,972
Deferred inflows of resources						
Advanced refunding inflows	-	-	-	-	-	-
Pension related inflows	219,726	-	-	-	11,565	231,291
Total deferred inflows	219,726	-	-	-	11,565	231,291
Net position						
Investment in capital assets net of related debt	43,428,738	-	373,116	-	6,034,247	49,836,101
Unrestricted	768,023	(11,527,948)	-	13,071	6,919,209	(3,827,645)
Total net position	44,196,761	(11,527,948)	373,116	13,071	12,953,456	46,008,456
Total liabilities, deferred inflows and net position	\$ 53,862,815	\$ 777,613	\$ 373,116	\$ 13,071	\$ 29,848,659	\$ 84,875,274

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

PORT OF NEWPORT
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended June 30, 2021

	<u>General Fund</u>	<u>Bonded Debt Fund</u>	<u>Facilities Maintenance Reserve Fund</u>	<u>Construction Fund</u>	<u>NOAA Lease Revenue Fund</u>	<u>Total Enterprise Funds</u>
Operating revenues						
Moorages and leases	\$ 2,744,310	\$ -	\$ -	\$ -	\$ 2,570,797	\$ 5,315,107
Property tax	116,346	792,199	-	-	-	908,545
RV Park	1,386,117	-	-	-	-	1,386,117
Hoist dock	1,026,366	-	-	-	-	1,026,366
Launch ramp	117,980	-	-	-	-	117,980
Miscellaneous	145,914	-	-	-	2,082	147,996
Total operating revenues	<u>5,537,033</u>	<u>792,199</u>	<u>-</u>	<u>-</u>	<u>2,572,879</u>	<u>8,902,111</u>
Operating expenses						
Salary and wage	1,387,598	-	-	-	78,649	1,466,247
Payroll tax and benefit	796,745	-	-	-	43,154	839,899
Administration, promotion and marketing	217,853	-	-	-	9,443	227,296
Maintenance	235,381	-	-	-	7,859	243,240
Utilities	569,339	-	-	-	15,296	584,635
Insurance	209,487	-	-	-	152,041	361,528
Professional fees	72,354	-	-	-	76,453	148,807
Service fees	213,474	70,000	-	-	36,976	320,450
Supplies	107,987	-	-	-	-	107,987
Other	152,363	-	-	-	10,505	162,868
Depreciation	1,681,567	-	-	-	1,571,208	3,252,775
Total operating expenses	<u>5,644,148</u>	<u>70,000</u>	<u>-</u>	<u>-</u>	<u>2,001,584</u>	<u>7,715,732</u>
Operating income (loss)	<u>(107,115)</u>	<u>722,199</u>	<u>-</u>	<u>-</u>	<u>571,295</u>	<u>1,186,379</u>
Non-operating revenues (expenses)						
Grants and reimbursements	1,050,077	-	-	-	-	1,050,077
Interest income	17,514	35	1,666	1	33,572	52,788
Interest expense	(187,397)	(426,085)	-	-	(510,084)	(1,123,566)
Total non-operating revenues (expenses)	<u>880,194</u>	<u>(426,050)</u>	<u>1,666</u>	<u>1</u>	<u>(476,512)</u>	<u>(20,701)</u>
Income (loss) before transfers and other changes in net losses	<u>773,079</u>	<u>296,149</u>	<u>1,666</u>	<u>1</u>	<u>94,783</u>	<u>1,165,678</u>
Transfer from other funds	-	-	109,816	-	-	109,816
Transfer to other funds	(109,816)	-	-	-	-	(109,816)
Change in net position	<u>663,263</u>	<u>296,149</u>	<u>111,482</u>	<u>1</u>	<u>94,783</u>	<u>1,165,678</u>
Net position, beginning of year	43,533,498	(11,824,097)	261,634	13,070	12,858,673	44,842,778
Net position, end of year	<u>\$ 44,196,761</u>	<u>\$ (11,527,948)</u>	<u>\$ 373,116</u>	<u>\$ 13,071</u>	<u>\$ 12,953,456</u>	<u>\$ 46,008,456</u>

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

PORT OF NEWPORT
COMBINING SCHEDULE OF CASH FLOWS
Year Ended June 30, 2021

	General Fund	Bonded Debt Fund	Facilities Maintenance Reserve Fund	Construction Fund	NOAA Lease Revenue Fund	Total Enterprise Funds
Cash flows from operating activities:						
Cash received from tenants	\$ 5,092,808	\$ 8,718	\$ -	\$ -	\$ 2,572,647	\$ 7,674,173
Cash received from property taxes	1,166,423	792,199	-	-	-	1,958,622
Payments to vendors	(1,118,212)	(155,945)	-	-	(302,912)	(1,577,069)
Payments to employees	(1,387,598)	-	-	-	(78,649)	(1,466,247)
Net cash provided by (used in) operating activities	<u>3,753,421</u>	<u>644,972</u>	<u>-</u>	<u>-</u>	<u>2,191,086</u>	<u>6,589,479</u>
Cash flows from investing activities:						
Interest income	<u>17,514</u>	<u>35</u>	<u>1,666</u>	<u>1</u>	<u>33,572</u>	<u>52,788</u>
Cash flows from noncapital financing activities:						
Advances (to) from other funds	693,442	-	-	-	(693,442)	-
Transfers from other funds	-	-	109,816	-	-	109,816
Transfers to other funds	(109,816)	-	-	-	-	(109,816)
Net cash provided by (used in) noncapital financing activities	<u>583,626</u>	<u>-</u>	<u>109,816</u>	<u>-</u>	<u>(693,442)</u>	<u>-</u>
Cash flows from capital and related financing activities:						
Property and equipment (additions) deletions	(3,935,167)	-	-	-	(60,964)	(3,996,131)
Bond discount	-	-	-	-	-	-
Bond premium	(16,754)	-	-	-	17,726	972
Advance from new debt	-	-	-	-	-	-
Bonds refunded	-	-	-	-	-	-
Payments on notes and bonds payable	(535,842)	(379,037)	-	-	(1,290,000)	(2,204,879)
Interest paid	(188,533)	(296,938)	-	-	(510,084)	(995,555)
Net cash provided by (used in) capital and related financing activities	<u>(4,676,296)</u>	<u>(675,975)</u>	<u>-</u>	<u>-</u>	<u>(1,843,322)</u>	<u>(7,195,593)</u>
Change in cash and cash equivalents	<u>(321,735)</u>	<u>(30,968)</u>	<u>111,482</u>	<u>1</u>	<u>(312,106)</u>	<u>(553,326)</u>
Cash and cash equivalents, beginning of year	<u>3,722,742</u>	<u>(18,380)</u>	<u>261,634</u>	<u>13,070</u>	<u>6,091,345</u>	<u>10,070,411</u>
Cash and cash equivalents, end of year	<u>\$ 3,401,007</u>	<u>\$ (49,348)</u>	<u>\$ 373,116</u>	<u>\$ 13,071</u>	<u>\$ 5,779,239</u>	<u>\$ 9,517,085</u>
Reported in the Balance Sheet as:						
Unrestricted	\$ 3,401,007	\$ (49,348)	\$ 373,116	\$ 13,071	\$ 5,779,239	\$ 9,517,085
Restricted	-	-	-	-	-	-
Total	<u>\$ 3,401,007</u>	<u>\$ (49,348)</u>	<u>\$ 373,116</u>	<u>\$ 13,071</u>	<u>\$ 5,779,239</u>	<u>\$ 9,517,085</u>
Reconciliation of operating income (loss) to cash provided by(used in) operating activities:						
Operating income (loss)	\$ (107,115)	\$ 722,199	\$ -	\$ -	\$ 571,295	\$ 1,186,379
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation and amortization	1,681,567	-	-	-	1,571,208	3,252,775
Non operating revenues	1,050,077	-	-	-	-	1,050,077
(Increase) decrease in current assets:						
Operating receivables	(327,879)	8,718	-	-	(232)	(319,393)
Prepaid expenses	(2,635)	(85,945)	-	1	(15,605)	(104,184)
Increase (decrease) in current liabilities						
Accounts payable and compensated absences	1,165,338	-	-	-	25,964	1,191,302
Changes to debt related deferred inflows	-	-	-	-	-	-
Pension liabilities	294,068	-	-	-	43,060	337,128
Debt related	-	-	-	-	(4,605)	(4,605)
Net cash provided by (used in) operating activities	<u>\$ 3,753,421</u>	<u>\$ 644,972</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 2,191,085</u>	<u>\$ 6,589,479</u>

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

PORT OF NEWPORT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET TO ACTUAL – GENERAL FUND

Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues				
Moorage	\$ 1,520,000	\$ 1,520,000	\$ 2,026,105	\$ 506,105
Leases	813,000	813,000	777,549	(35,451)
RV park	1,200,000	1,200,000	1,386,117	186,117
Hoist dock	1,007,400	1,007,400	1,026,365	18,965
Intergovernmental	3,306,679	3,306,679	1,050,077	(2,256,602)
Launch Ramp	81,000	81,000	117,980	36,980
Property Taxes	110,000	110,000	116,346	6,346
Interest	45,000	45,000	17,514	(27,486)
Miscellaneous	-	-	145,915	145,915
Total revenues	<u>8,083,079</u>	<u>8,083,079</u>	<u>6,663,968</u>	<u>(1,419,111)</u>
Expenditures				
Personnel services	2,175,859	2,175,859	1,886,094	289,765
Material and services	3,772,297	3,772,297	1,961,786	1,810,511
Capital outlay	5,939,000	5,939,000	3,751,620	2,187,380
Debt service	804,146	804,146	741,129	63,017
Operating Contingency	335,635	335,635	-	335,635
Total expenditures	<u>13,026,937</u>	<u>13,026,937</u>	<u>8,340,629</u>	<u>4,686,308</u>
Excess (deficiency) of revenues over expenditures	<u>(4,943,858)</u>	<u>(4,943,858)</u>	<u>(1,676,661)</u>	<u>3,267,197</u>
Other financing sources (uses)				
Loan Proceeds	2,000,000	2,000,000	-	2,000,000
Transfer in	1,009,452	1,009,452	-	1,009,452
Transfers out	(1,650,000)	(1,650,000)	(109,816)	1,540,184
Total other financing sources (uses)	<u>1,359,452</u>	<u>1,359,452</u>	<u>(109,816)</u>	<u>4,549,636</u>
Net changes in fund balances	(3,584,406)	(3,584,406)	(1,786,477)	1,797,929
Fund balance, beginning of year	3,091,591	3,091,591	4,040,799	949,208
Fund balance, end of year	<u>\$ (492,815)</u>	<u>\$ (492,815)</u>	<u>2,254,322</u>	<u>\$ 2,747,137</u>
Reconciliation to GAAP				
Capital assets, net of depreciation			49,480,500	
Bonds and notes payable			(6,051,754)	
Accrued interest			(14,011)	
Deferred outflows			717,332	
Net pension liability			(1,493,175)	
Deferred inflows			(219,726)	
Bond premium			(83,874)	
Deposits			(303,624)	
Compensated absences			(89,229)	
Net position, end of year			<u>\$ 44,196,761</u>	

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

PORT OF NEWPORT

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET TO ACTUAL – BONDED DEBT FUND**

Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable) Final to Actual
	Original	Final		
Revenues				
Property Taxes	\$ 811,000	\$ 811,000	\$ 792,199	\$ (18,801)
Interest	3,500	3,500	35	(3,465)
Total revenues	814,500	814,500	792,234	(22,266)
Expenditures				
Debt service	765,541	765,541	831,920	(66,379)
Total expenditures	765,541	765,541	831,920	(66,379)
Excess (deficiency) of revenues over expenditures	48,959	48,959	(39,686)	(88,645)
Other financing sources (uses)				
Debt refunded	-	-	-	-
Debt proceeds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	48,959	48,959	(39,686)	(88,645)
Fund balance, beginning of year	120,000	120,000	38,066	(81,934)
Fund balance, end of year	\$ 168,959	\$ 168,959	(1,620)	\$ (170,579)
Reconciliation to GAAP				
Bond cost			146,933	
Deferred outflow, advance refunding valuation			625,495	
Bond discount			6,805	
Bond premium			(660,561)	
Bonds and notes payable			(11,645,000)	
Net position, end of year			\$ (11,527,948)	

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

PORT OF NEWPORT

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET TO ACTUAL – FACILITY MAINTENANCE RESERVE FUND**

Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable) Final to Actual</u>
Revenues				
Interest	\$ 1,500	\$ 1,500	\$ 1,666	\$ 166
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>1,666</u>	<u>166</u>
Expenditures				
Capital outlay	300,000	300,000	-	300,000
Contingency	130,120	130,120	-	130,120
Total expenditures	<u>430,120</u>	<u>430,120</u>	<u>-</u>	<u>430,120</u>
Excess (deficiency) of revenues over expenditures	<u>(428,620)</u>	<u>(428,620)</u>	<u>1,666</u>	<u>430,286</u>
Other financing sources (uses)				
Transfer out	(300,000)	(300,000)	-	(300,000)
Transfers in	1,650,000	1,650,000	109,816	(1,540,184)
Total other financing sources (uses)	<u>1,650,000</u>	<u>1,650,000</u>	<u>109,816</u>	<u>(1,540,184)</u>
Net changes in fund balances	1,221,380	1,221,380	111,482	(1,109,898)
Fund balance, beginning of year	<u>215,000</u>	<u>250,000</u>	<u>261,634</u>	<u>11,634</u>
Fund balance, end of year	<u>\$ 1,436,380</u>	<u>\$ 1,471,380</u>	<u>\$ 373,116</u>	<u>\$ (1,098,264)</u>

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

PORT OF NEWPORT

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET TO ACTUAL – CONSTRUCTION FUND**

Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable) Final to Actual</u>
Revenues				
Interest	\$ -	\$ -	\$ 1	\$ 1
Total revenues	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Expenditures				
Capital outlay	-	-	-	-
Contingency	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Other financing sources (uses)				
Loan payment	-	-	-	-
Intergovernmental	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(30,452)	(30,452)	-	30,452
Total other financing sources (uses)	<u>(30,452)</u>	<u>(30,452)</u>	<u>-</u>	<u>30,452</u>
Net changes in fund balances	(30,452)	(30,452)	1	30,453
Fund balance, beginning of year	<u>30,452</u>	<u>30,452</u>	<u>13,070</u>	<u>(17,382)</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,071</u>	<u>\$ 13,071</u>

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

PORT OF NEWPORT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET TO ACTUAL – NOAA LEASE REVENUE FUND

Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues				
Leases	\$ 2,595,900	\$ 2,595,900	\$ 2,570,797	\$ (25,103)
Interest	200,000	200,000	33,572	(166,428)
Miscellaneous	5,000	5,000	2,081	(2,919)
Total revenues	2,800,900	2,800,900	2,606,450	(194,450)
Expenditures				
Personnel services	155,075	155,075	95,618	59,457
Material and services	417,475	417,475	308,572	108,903
Capital outlay	334,500	334,500	60,963	273,537
Debt service	1,760,089	1,760,089	1,759,380	709
Contingency	100,000	100,000	-	100,000
Total expenditures	2,767,139	2,767,139	2,224,533	542,606
Excess (deficiency) of revenues over expenditures	33,761	33,761	381,917	348,156
Other financing sources (uses)				
Transfer out	(870,966)	(870,966)	-	(870,966)
Debt refunded	-	-	-	-
Bond proceeds	-	-	-	-
Transfer in	334,500	334,500	-	(334,500)
Total other financing sources (uses)	(536,466)	(536,466)	-	(1,205,466)
Net changes in fund balances	(502,705)	(502,705)	381,917	884,622
Fund balance, beginning of year	3,790,105	3,790,105	6,152,475	2,362,370
Fund balance, end of year	\$ 3,287,400	\$ 3,287,400	6,534,392	\$ 3,246,992
Reconciliation to GAAP				
Capital assets, net of depreciation			22,599,247	
Bonds cost			212,727	
Advance refunding			436,569	
Bonds and notes payable			(16,565,000)	
Accrued interest			(201,373)	
Accrued payroll			(10,707)	
Deferred outflows			37,754	
Net pension liability			(78,588)	
Deferred inflows			(11,565)	
Net position, end of year			\$ 12,953,456	

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

PORT OF NEWPORT
PORT LEVY
SCHEDULE OF TAX COLLECTIONS AND UNPAID BALANCES
June 30, 2021

	Imposed Levy or Balance Uncollected July 1, 2020	Discounts	Adjustments	Interest	Cash Collection by County Treasurer	Balance Uncollected or Unsegregated June 30, 2021
Current						
2020-2021	\$ -	\$ 121,060	\$ (3,429)	\$ 1	\$ (115,162)	\$ 2,470
2019-2020	5,903	3	(2,736)	-	(1,821)	1,349
2018-2019	1,470	2	(66)	-	(656)	750
2017-2018	853	-	(10)	-	(641)	202
2016-2017	210	-	(7)	-	(172)	31
2015-2016 and Prior	2,996	-	(25)	-	(170)	2,801
Total years	\$ 11,432	\$ 121,065	\$ (6,273)	\$ 1	\$ (118,622)	\$ 7,603

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

PORT OF NEWPORT

BOND LEVY

SCHEDULE OF TAX COLLECTIONS AND UNPAID BALANCES

June 30, 2021

	Imposed Levy or Balance Uncollected July 1, 2020	Discounts	Adjustments	Interest	Cash Collection by County Treasurer	Balance Uncollected or Unsegregated June 30, 2021
Current						
2020-2021	\$ -	\$ 811,027	\$ (22,969)	\$ 7	\$ (771,517)	\$ 16,548
2019-2020	22,197	-	(607)	-	(12,403)	9,187
2018-2019	6,774	-	(294)	-	(3,023)	3,457
2017-2018	7,822	-	(94)	-	(5,879)	1,849
2016-2017	1,992	-	(65)	-	(1,635)	292
2015-2016 and Prior	17,660	-	(197)	-	(1,068)	16,395
Total years	\$ 56,445	\$ 811,027	\$ (24,226)	\$ 7	\$ (795,525)	\$ 47,728

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

REPORT REQUIRED BY OREGON MINIMUM AUDIT STANDARDS

**INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS**

Board of Commissioners
Port of Newport
Newport, Oregon

We have audited the basic financial statements of the Port of Newport (the Port) as of and for the year ended June 30, 2021, and have issued our report thereon dated December 9, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Port's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe the Port was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

OAR 162-10-0230 Internal Control

In planning and performing our audit of the basic financial statements of the Port as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Port's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Port's internal control. Accordingly, we do not express an opinion on the effectiveness of the Port's internal control.

Board of Commissioners
Port of Newport
Newport, Oregon

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Port's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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

KERN & THOMPSON, LLC
Certified Public Accountants

Kern & Thompson, LLC

Eric A. Zehntbauer, CPA
Partner

Portland, Oregon
December 9, 2021

**REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS
AND THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners
Port of Newport
Newport, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Port of Newport, Oregon (the Port), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements, and have issued our report thereon dated December 9, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Port's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Commissioners
Port of Newport

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Port's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Port's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kern & Thompson, LLC

Portland, Oregon
December 9, 2021

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Commissioners
Port of Newport
Newport, Oregon

Report on Compliance for Each Major Federal Program

We have audited the Port of Newport (the Port)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Port's major federal programs for the year ended June 30, 2021. The Port's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Port's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Port's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Port's compliance.

Opinion on Each Major Federal Program

In our opinion, the Port of Newport complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

To the Board of Commissioners
Port of Newport

Report on Internal Control Over Compliance

Management of the Port of Newport is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Port's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Port's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kern & Thompson, LLC

Portland, Oregon
December 9, 2021

PORT OF NEWPORT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

FEDERAL GRANTOR/Passed through Grantor/Program Title	Federal AL Number	Contract Agreement Number	Expenditures of Federal Awards
U.S. DEPARTMENT OF COMMERCE			
<i>Direct:</i>			
Investments for Public Works and Economic Development Facilities	11.300	070107523-URI: 113380	\$ <u>1,043,257</u>
Total Expenditures of Federal Awards			\$ <u><u>1,043,257</u></u>

See accompanying notes to schedule of expenditures of federal awards.

PORT OF NEWPORT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

1. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Port of Newport and is presented on the accrual basis of accounting.

The information is presented in accordance with requirements of Title 2 *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. Catalog of Federal Domestic Assistance Programs

The program titles and AL numbers were obtained from the federal or pass-through grantor or the catalog of federal domestic assistance.

3. Major and Nonmajor Federal Financial Assistance Programs

Federal financial assistance programs with identical assistance (CFDA) numbers are combined in determining whether the programs are major or nonmajor. Type A major federal financial assistance programs are those with combined expenditures of \$750,000 or more during a fiscal year. Type B nonmajor federal financial assistance programs are those with combined expenditures of less than \$750,000 during a fiscal year.

4. Indirect Cost Rate

The Port has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

PORT OF NEWPORT
SUMMARY OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

Section 1 – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued – **Unmodified**
2. Significant deficiencies identified during the audit of the financial statements – **None reported**
3. Material weaknesses identified during the audit of the financial statements – **None**
4. Noncompliance that is material to the financial statements noted – **None**

Federal Awards

5. Significant deficiencies in internal control over major programs – **None reported**
6. Material weaknesses in internal control over major programs – **None**
7. The type of auditors’ report issued on compliance for major programs – **Unmodified**
8. Audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a) – **None**

Identification of Major Programs

- **AL #11.300 – Investments for Public Works and Economic Development Facilities**
9. Dollar threshold used to distinguish between Type A and Type B programs – **\$750,000.**
 10. Is the auditee qualified as a low-risk auditee under the Uniform Guidance – **No**

Section 2 – Financial Statement Findings

11. Findings relating to the financial statements reported in accordance with *Government Auditing Standards* – **None**

Section 3 – Federal Award Findings and Questioned Costs

12. Findings and questioned costs relating to federal awards – **None**

PORT OF NEWPORT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2021

There were no prior audit findings.



NEW BUSINESS

DATE: December 14, 2021
RE: Port Janitorial Services Report
TO: Paula Miranda, General Manager
ISSUED BY: Aaron Bretz, Director of Operations

BACKGROUND

The Port has outsourced cleaning services in South Beach for several years, and we have studied the question of whether it is more economical to outsource that service or to maintain the capability internally. It remains to be most economical to continue to outsource cleaning, and particularly with increased sanitation requirements it is best to use a service who specializes in sanitation to deliver the highest quality.

DETAIL

After considering quotes from three companies and conducting thorough market research, we have determined that Bay Area Enterprises offers the best value to the Port to undertake cleaning services at all locations. They also present an opportunity for the Port to save money on supplies by leveraging their buying power to purchase in larger quantities.

The estimated annual cost for the Port to fill the staffing positions to meet the cleaning schedule is \$190,827 (fully encumbered). That estimate is using a light number of people to cover; in reality I anticipate it would be more than that. Bay Area Enterprises has proposed services at \$128,305.20, and their pricing schedule for supplies (billed monthly as consumed) offers savings at every level from what the Port is currently paying.

BUDGET IMPACTS

Port wide we have room in the budget this year to pay for this service; we will build this expenditure in to next FY appropriately.

RECOMMENDATION

I RECOMMEND A MOTION TO AUTHORIZE THE GENERAL MANAGER TO NEGOTIATE A CONTRACT WITH BAY AREA ENTERPRISES, TO PROVIDE CLEANING SERVICES FOR ONE YEAR IN AN AMOUNT NTE \$141,000 WITH CONSUMABLES BILLED SEPERATELY.



N E W B U S I N E S S

DATE: December 16, 2021
RE: Matheson Marine Services Lease
TO: Paula Miranda, General Manager
ISSUED BY: Aaron Bretz, Director of Operations

BACKGROUND

Matheson Marine Services has approached the Port in search of space where they can continue to grow their business. Within Yaquina Bay, there is a definite demand for businesses that specialize in the installation and maintenance of marine electronic equipment, especially, as technology advances the use of chart plotters, digital fathometers, transponders, and sophisticated navigation equipment. Matheson Marine has grown to the extent that they need a shop out of which they can operate their business.

DETAIL

Matheson Marine also offers marine electrical services, and with the Port's gradual transition to the modern electrical code that requires everything to be ground-fault protected, it is helpful to have a business that can assist vessels on Port property.

BUDGET IMPACTS

This lease will be for one year initially, and we will consider the possibility of continuing as the relationship develops and the Port further determines the future of the properties in South Beach.

RECOMMENDATION

I RECOMMEND A MOTION TO AUTHORIZE THE GENERAL MANAGER OR DESIGNEE TO EXECUTE THE LEASE WITH MATHESON MARINE SERVICES UNDER THE SUBSTANTIAL TERMS PROVIDED.

COMMERCIAL BUILDING LEASE

THIS LEASE made _____, between PORT OF NEWPORT, a Port district and municipal corporation existing under the laws of the State of Oregon, hereinafter referred to as "Lessor" and Matheson Marine Services (dba Matheson Logistics LLC, PO Box 1946, Newport OR, 97365), hereinafter referred to as "Lessee".

1. DEMISE AND DESCRIPTION OF LEASED PREMISES.

Lessor hereby grants to Lessee and Lessee hereby accepts from Lessor 2208 square feet, which is a portion of a building currently occupied by Port staff situated at 2000 SE Marine Science Dr, Newport OR 97365, hereinafter referred to as the "Leased Premises":

See attached drawing, as Exhibit A.

2. TERM.

The term of this Lease shall be for a one (1) year term. The term shall commence on _____ and shall end on _____. Monthly rental payments shall be due within ten (10) business days of receipt of billing.

3. RENEWAL OPTION.

3.1 If this lease is not in default at the expiration of the existing one (1) year term, Lessor may grant a renew option according to Section 3.3 below for an additional one (1) year term and each consecutive year thereafter, as long as this agreement is not in default and not to exceed more than five (5) years.

3.2 Each of the renewal terms shall commence on the day following expiration of the preceding term.

3.3 The option to renew shall be exercised only by written notice to Lessor given not less than sixty (60) days prior to the last day of the expiring term.' Only upon written confirmation from Lessor the lease shall be binding for the renewal term without further act of the parties. Lessor and Lessee shall then be bound to take the steps required in connection with the determination of rent as specified below without further act of the parties.

4. USE OF LEASED PREMISES.

Lessee is hereby granted the right and privilege, and exclusive use of the Leased Premises for the purpose of operating a marine electrical and marine electronics installation and related services. Lessee shall not offer other products or services unrelated to Lessee's current business without the express written consent of Lessor. Said consent, if granted, can be revoked at any time for any reason whatsoever. Such operation shall be conducted on a non-discriminatory basis, in accordance with and subject to the terms, conditions and requirements imposed by law or by the Port of Newport, City of Newport, or Lincoln County.

5. CONDITION OF PREMISES.

5.1 Lessee agrees to accept the premises as is for the purpose of use as described in Section 4 above.

5.2 Lessee shall not make any substantive structural changes, alterations or additions to the premises within which the business hereunder is operated without the written consent of the Lessor first in advance obtained. Any changes, alterations or additions to such space shall be at Lessee's sole cost and expense. All improvements made in or to the space occupied by Lessee pursuant to the provisions hereof during the term of this lease shall become at once the property of Lessor. Lessee expressly acknowledges and agrees that it will have no right to remove and shall not remove any such improvements at any time during or after the term of this lease.

5.3 If, at any time after the execution of this lease, the space occupied by Lessee pursuant to the terms hereof, or any portion of such space, should be damaged or destroyed by any casualty to the extent that Lessee is unable to continue the operation of its business herein to the extent practicable from the standpoint of good business, either party may terminate this lease agreement upon ten days' written notice to the other.

5.4 Lessee shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of or otherwise released on or under the leasehold. Lessee may use or otherwise handle on the leasehold only those hazardous substances typically used in the prudent and safe operation of the use specified in Section 4 above. Lessee may not store any such hazardous substances on the leasehold premises. Lessee shall comply with all environmental laws and exercise the highest degree of care in the use, handling and storage of hazardous substances and shall take all practical measures to minimize the quantity and toxicity of hazardous substances used, handled or store on the leasehold. Upon the expiration or termination of this Lease, Lessee shall remove all hazardous substances from the leasehold. The term "environmental laws" shall mean any federal, state or local statute, regulation or ordinance, or judicial or other governmental order pertaining to the protection of health, safety or the environment. The term "Hazardous substance" shall mean any hazardous, toxic, infectious or radioactive substance, waste and material as defined or listed by any environmental law and shall include without limitation petroleum oil and its fractions. Lessee shall be responsible for and bear the liability of any hazardous waste discharged by Lessee during Lessee's occupancy.

5.5 To maintain the quality and integrity of the premises of Lessee and adjacent leaseholds, Lessee is restricted from any exterior storage of any nature whatsoever in and around the leasehold and specifically shall not park or store any equipment, vehicles, material or any other personal property of any nature whatsoever outside of the confines of the leasehold area otherwise authorized.

5.6 Lessee shall refrain from any activity within the leasehold premises that would increase Lessor's insurance obligations unless Lessee pays full difference in increased premiums.

6 EASEMENTS, RIGHTS OF WAY.

Lessee shall have permission to use parking immediately outside of the building as needed near the premises. At no time shall Lessee or Lessee's employees, contractors, customers or business invitees block the walkway or driveway between the buildings located immediately next to the Premises. Nor shall Lessee block the road or driveway to the

common areas near the buildings.

7 BASE RENT.

7.1 During this first year of the current lease term, the base rent shall be One Thousand Fifty-Four and 50/100 Dollars (\$1,054.50) per month.

7.2 The annual lease rate for a renewed term beginning immediately following the end of the first Term, if applicable, shall be by a percentage equal to the percentage change in the Consumer Price Index, Western Region, or the nearest comparable data on changes in the cost of living if such index is no longer published.

7.3 Lessee shall pay eighteen percent (21%) per year interest on all payments of rent required above more than ten (10) days in arrears.

8 ADDITIONAL RENT

8.1 All taxes and utility charges which Lessee is required to pay by this lease, and any other sum which Lessee is required to pay to Lessor or third parties shall be additional rent.

8.2 Lessee understands that portions of the building located in the premises will be shared by Port staff. Utilities will be based on a prorated amount based on overage at current historical use by the Port. Lessee agrees to reimburse the Port utility fees, which includes: water, sewer and electricity in an prorated amount as described above. The Port is a non-taxable entity, unless the property has been leased to a taxable entity. Based on the annual estimated amount of Three Thousand Three Hundred Thirty-Five Dollars. (\$3,335.00) Lessor shall also pay to the Port a prorated monthly property tax in the amount of Two Hundred Seventy-Seven and 92/100 Dollars (\$277.92). Should the final tax bill be higher than the collected amount, Lessor agrees to reimburse the Port for such difference.

8.3 The increases for water, sewer, electricity and property taxes shall be based on actual increases by the utility companies and tax authority and shall be evaluated should those amounts be increased to the Port.

8.4 Lessee shall be responsible for paying any and all utility services not mentioned above servicing the leasehold premises including, but not limited to telephone, natural gas, television cable, garbage services, and any and all related items.

9 COMPLIANCE WITH GOVERNMENTAL RULES.

9.1 Lessee shall at all times during the term of this lease, at its sole cost and expense, comply with all governmental rules, regulations, ordinances, statutes and law now or hereafter in effect pertaining to Lessor or Lessee's operation of its business pursuant to this Lease.

9.2 Lessee shall, at all times during the term hereof, comply with all reasonable rules and regulations which Lessor may at any time establish concerning the use of its facilities, provided, however, that any such rule or regulation so made shall not be so inconsistent with this Lease as to unreasonably interfere with Lessee's operations hereunder.

10 MAINTENANCE OF LEASED PREMISES.

10.1 Lessee agrees that at all times during the term of this lease it will maintain the assigned premises in a neat and presentable condition and will maintain and keep the same in good order and repair, at Lessee's own cost and expense. Lessor, its agents and representatives, at any reasonable time may enter upon or into said premises for the purposes of examining the condition thereof and for any other lawful purpose.

10.2 The following shall be responsibility of the Lessee:

10.2.1 Any repairs necessitated by the negligence of Lessees, its agents, employees, invitees.

10.2.2 Any repair or alterations required to comply with laws or regulations.

10.2.3 Lessee further agrees, at its expense, to remove any and all alterations not accepted by Lessor and any and all accumulated equipment, supplies and other items which are present as a result of Lessee's operations, or anyone acting under Lessee, from Lessor's property upon termination of this lease. The premises shall be left in a condition equal to or better than the condition in which it was found immediately prior to the Lessee's occupation. All surface preparations shall remain with the premises unless specially requested by Lessor to be removed or somehow modified.

10.2.4. Any repairs, replacements, alterations or other work performed on or around the lease premises by Lessor if necessary, shall be done in such a way as to interfere as little as reasonably possible with use of the premises by Lessee. Lessee shall have no right to abatement of rent nor any claim against Lessor for any inconvenience or disturbance resulting from Lessor's activities.

11 LIENS.

Lessee shall keep the Leased Premises free from liens arising out of the operations of Lessee, including any liens arising out of any labor performed for or materials furnished to Lessee on the Leased Premises. Lessee shall indemnify Lessor against any claims for labor or materials in connection with any construction of any improvements on the Leased Premises, including the costs of defending against the claims. Lessor shall have the right to enter on the Leased Premises at any reasonable time to post notices, if necessary.

12 TITLE AT TERMINATION.

Lessor shall retain upon installation title to all fixtures, equipment, machinery, and other improvements installed on or connected to the Leased Premises by Lessee. Lessee may remove personal property belonging to Lessee on the termination of this Lease, provided that any damage to the Leased Premises that is caused by the removal of the property shall promptly be repaired at the expense of Lessee. Any property that is not removed by Lessee within thirty (30) days after termination of this Lease shall be considered abandoned property.

13 DESTRUCTION OF LEASED PREMISES.

If the building is destroyed by fire or other casualty to such an extent that they are wholly unfit for the use contemplated, Lessor shall have the option to terminate this Lease

without further obligation. On such termination, Lessor shall collect and retain the proceeds of any applicable insurance and upon making itself whole, disburse the remainder, if any, to Lessee.

14. INSURANCE.

14.1 Lessee shall at all times during the term hereof, at its sole cost and expense, obtain and maintain in force and effect a policy or policies of Protection and Indemnity Liability insurance, issued by an insurance carrier approved by Lessor, insuring against loss, damage or liability for injury to or death of persons or loss or damage to property as the result of the business operations. Such protection and liability insurance to include, by endorsement, product liability to include use by guests and customers of the Lessee. Such liability insurance shall be in the minimum amount of \$2,000,000 or as set by State industry standards. Each occurrence and in addition shall provide for payment of all attorneys fees and legal expense arising there from. This insurance shall be written on a form acceptable to the Lessor. Lessor shall be named as an additional insured for Lessor's liability arising out of the operations of the Lessee.

14.2 Inasmuch as this Lease agreement is for a short (one year) term and is subject to annual renewal, it is expressly acknowledged by the parties that the foregoing limits of protection and indemnity insurance shall be subject to reasonable increases, based upon the recommendation of the insurance agent of record for Lessor, based upon changes in public liability laws and similar factors.

14.3 Lessee shall also keep in full force and effect the policy of insurance, insurance for Damage to Rented Premises (each occurrence) \$300,000 and Medical Expenses (any one person) \$5,000, naming the Lessee and Lessor as named insured.

14.4 If Lessee has employees, Lessee shall furnish evidence of Workers Compensation insurance and Crew Liability insurance with a limit of not less than \$2,000,000, or as set by State industry standards per occurrence. Such insurance shall be endorsed to provide statutory State of Oregon workers compensation benefits and statutory United States Longshore and Harbor Workers Act coverage's. Prior to beginning operation, Lessee shall furnish evidence, as stipulated in 14.2 above, through Certificates of insurance of workers compensation, USL&H, and crew liability insurance.

14.5 Upon execution of this Lease, Lessee shall furnish to Lessor a certificate properly executed by the insurance carrier showing that the foregoing insurance policies are in effect. The policies shall provide that such insurance can be canceled only on thirty (30) days written notice to Lessor. The policies shall evidence the insurance coverage required herein, including an express waiver of rights of subrogation required below.

14.6 Lessee hereby waives any and all rights of recovery against Lessor, its officers, agents and employees, for any loss or damage, including consequential loss or damage caused by any peril, or perils including negligent acts, enumerated in each insurance policy required to be maintained by Lessee hereunder. This waiver of subrogation shall not apply with respect to any claim by Lessee, if it is in contravention of any term or provision of any insurance policy which would otherwise provide reimbursement to Lessee, so as to render such coverage void. However, Lessee shall make reasonable efforts to obtain a policy or policies of insurance permitting such a waiver of subrogation, or expressly waiving subrogation.

15 INDEMNITY.

15.1 Lessee shall indemnify Lessor or any of the agents or employees of Lessor against claims arising out of any injury to persons, including death or damage to property, sustained as a result of the acts of Lessee. Lessee shall defend any action brought against Lessor or any of the agents or employees of Lessor based on any alleged injury or damage caused by Lessee, and Lessee shall pay all costs, including attorney fees, resulting from the action. Lessee shall not indemnify Lessor against any claims involving the sole negligence or fault of Lessor or any of the agents or employees of Lessor.

15.2 When using the Leased Premises, Lessee shall comply with all applicable federal, state, municipal, and local laws and regulations. Lessee shall indemnify Lessor against any liability that may be imposed by governmental authorities for any violation by Lessee or the agents or employees of Lessee of any laws or regulations.

16 SIGNS.

No signs shall be placed on the Leased Premises without the prior written approval of Lessor.

17 DEFAULT OF LESSEE.

The following occurrences shall be deemed events of default of Lessee:

17.1 Failure to make any payment of rent due pursuant to this Lease within thirty (30) days after the date payment is due, or failure to pay any other service charge or assessment within thirty (30) days after Lessor bills Lessee therefore;

17.2 Failure to proceed with due diligence to remedy any other breach of a condition of this Lease and to fully indemnify Lessor against all liability resulting from the breach within thirty (30) days after Lessor gives notice of the breach to the Lessee; and

17.3 Failure to occupy or abandonment of the Leased Premises.

17.4 On the occurrence of any default described in this section, Lessor may, at its option, in addition to any other remedy given by law, give notice to Lessee that this Lease shall terminate on the date specified in the notice, which date shall not be earlier than thirty (30) days after the giving of the notice.

18 BANKRUPTCY OR INSOLVENCY OF LESSEE.

The occurrence of any of the following shall be deemed a default of Lessee:

18.1 A petition in bankruptcy filed by or against Lessee;

18.2 A petition or answer filed by or against Lessee seeking a reorganization, liquidation, dissolution or other relief of the same or different kind under any provision of the bankruptcy laws;

18.3 Adjudication of Lessee as a bankrupt or insolvent, or insolvency in the bankruptcy equity sense;

18.3 An assignment of all or substantially all of the assets of Lessee for the benefit of creditors;

18.4 A proceeding by or against Lessee for the appointment of a trustee, receiver, conservator, or liquidator of Lessee with respect to all or substantially all of the assets of Lessee;

18.5 A proceeding by or against Lessee for the dissolution or liquidation of Lessee, or the taking of possession of the assets of Lessee by any governmental authority in connection with any dissolution or liquidation; or

18.6 The taking by any person of the leasehold created by this Lease, or any part of the leasehold, on execution, attachment, or other process of law or equity against Lessee.

18.7 On the occurrence of any default described in this section, Lessor shall give Lessee notice of the default. If the default is not corrected or reasonable attempts to cure the default within ten (10) days after date of the notice, Lessor may, in addition to any other remedy or right given under this Lease or by law, give notice to Lessee that this Lease shall terminate on the date specified in the notice, which date shall not be earlier than thirty (30) days after the giving of the notice.

19 RIGHT OF LESSOR TO REENTER LEASED PREMISES ON DEFAULT OF LESSEE.

On termination of this Lease as provided in Section 17 and 18, Lessor may immediately enter on the Leased Premises without further demand or notice. Lessor may retake possession of the Leased Premises by summary proceedings, by action in law or in equity, by force or otherwise, without liability for trespass or for damages. Reentry, resumption of possession, or reletting of the Leased Premises by Lessor shall in no event be deemed to be a surrender of this Lease or a waiver of the rights and remedies of Lessor under this Lease.

20 DISPOSITION OF PERSONAL PROPERTY LOCATED ON LEASED PREMISES.

20.1 On retaking possession of the Leased Premises, Lessor shall at the expense of Lessee hold in storage for Lessee any personal property that is located on the Leased Premises, regardless of whether the personal property belongs to Lessee or any other person. Lessor may deliver the goods to Lessee or a consignee or any person or concern owning any interest in the property.

20.2 After the expiration of ten (10) days after retaking possession, should any personal property located on the Leased Premises not be claimed by Lessee or its true owner, such property shall be considered abandoned; and Lessee shall bear full responsibility for the disposition of such property by Lessor and shall indemnify and hold Lessor harmless from any and all claims, suits, and demands of true owners of such property disposed of by Lessor, whether such claims, suits, or demands be legitimate or otherwise.

21 EXPENSES TO BE PAID BY LESSEE ON TERMINATION OF LEASE DUE TO DEFAULT OF LESSEE.

21.1 On termination of this Lease for default, as provided in Section 17 or 18, Lessee shall pay to Lessor the expenses, including but not limited to reasonable attorney and other fees, incurred by Lessor in connection with:

- (a) Obtaining possession of the Leased Premises;
- (b) Removal and storage of the property of Lessee and other occupants; and
- (c) Maintenance and repair of the Leased Premises while vacant.

21.2 The expenses shall be deemed prima facie to be the amounts invoiced to Lessor.

21.3 Lessor may sue for the payments as they accrue without waiting for the payment date fixed in this Lease. Any proceeding to recover such payments shall not be deemed a waiver of any other rights of Lessor under law, equity or this Lease.

22 RELETTING PREMISES ON DEFAULT OF LESSEE.

22.1 On termination of this Lease under Section 18 or 19, Lessor shall use reasonable efforts to relet the Leased Premises to a suitable Lessee. All the rents or other sums received, if any, from the alternate Lessee, after deducting all costs of Lessor specified in Section 20, shall be credited against the total amount due from Lessee. The failure of Lessor to find a suitable Lessee, however, shall in no way prejudice the rights of Lessor under this Lease.

22.2 If Lessee has prepaid amounts due under this Lease that are subsequently obtained by Lessor from a new Lessee, Lessor shall refund to Lessee the net amount of the overpaid rents or other sums.

23 INSPECTION.

Lessor and the agents and employees of Lessor may at all reasonable times enter the Leased Premises to inspect and determine whether the Leased Premises are kept in good repair and maintenance in accordance with the terms of the Lease, and to show the Leased Premises to prospective Lessees or buyers.

24 ASSIGNMENT AND SUBLETTING.

Lessee shall not assign or sublet any rights or interests under this Lease without the prior written consent of Lessor. Lessor shall not unreasonably delay consent and shall give consent under circumstances where withholding it shall be unreasonable. In determining whether to consent to assignment Lessor may consider the financial ability and business experience of assignee.

25 QUIET ENJOYMENT.

Lessor agrees that Lessee, on paying the rent and other charges in this Lease provided and on observing and keeping all the provisions of this Lease, shall quietly occupy the Leased Premises during the term of this Lease and any renewal hereof without hindrance.

26 COVENANT AGAINST WASTE.

Lessee shall not commit or suffer to be committed any waste on the Leased Premises.

27 FORCE MAJEURE.

27.1 For purposes of this Lease, the term "force majeure" is defined as any act of God, act of a public enemy, strike, fire, storm, flood, civil disturbance, failure or delay of persons from whom the parties to this Lease obtained machinery, equipment, or supplies to make delivery, or other causes beyond the control of either party, regardless of whether the other causes be of the class here specifically set out.

27.2 Neither party shall be responsible for any failure of performance of any of its obligations under this agreement, where the failure is due to force majeure.

28 EFFECT OF WAIVER OF PRIOR BREACH.

No waiver by Lessor of any covenant or condition of this Lease shall be construed as a waiver of any other covenant or condition, nor shall the waiver of any breach of this Lease be construed as waiver of any other or subsequent breach.

29 SEVERABILITY.

Should any provision of this Lease be declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining provisions of this Lease shall not be affected thereby.

30 TIME OF ESSENCE.

Punctual performance by the parties to this Lease of the covenants contained in this Lease is of the essence of this Lease.

31 SECTION TITLES ONLY FOR IDENTIFICATION.

The titles to all sections used in this Lease are for purposes of identification only and shall not vary the context of the sections.

32 MODIFICATION OF LEASE.

No modification of this Lease shall be effective unless agreed to in writing by the parties to this Lease. No modification of one provision of this Lease shall be considered a waiver, breach, or cancellation of any other provision of this Lease.

33 HOLDOVER.

If Lessee remains on the Leased Premises after the expiration of the term of this Lease without exercising the option to renew the Lease, the holding over shall be deemed to create a month-to-month tenancy under the same terms and conditions of this Lease but shall not be construed as a renewal of this Lease.

34 NOTICES.

34.1 Whenever it is required or permitted that notice be given by either party to this Lease to the other party, the notice must be in writing and must be given personally or forwarded by certified mail addressed as follows:

TO Lessor: Port of Newport
600 SE Bay Blvd.
Newport, OR 97365

TO Lessee: _____

34.2 Unless otherwise specified in this Lease, all notices required to be given under this Lease shall be effective on the date of receipt.

34.3 The addresses to which notices are to be sent may be changed from time to time by notice given according to the terms of this section.

35 ATTORNEYS' FEES.

In addition to the fees provided in Section 21 due to default, should either party hereto institute or be made a party to any action or proceeding in court to enforce any provision hereof or for damages or other relief by reason of an alleged breach of any provision hereof, the prevailing party shall be entitled to receive from the losing party, in addition to allowable court costs, such amounts as the court may adjudge to be reasonable as attorneys' fees, including any appeal thereof, and such amount may be made a part of the judgment against the losing party.

IN WITNESS WHEREOF, the parties have executed this instrument in duplicate to be effective as of the day and year above set forth, and any corporate signature is af-fixed hereto only pursuant to the board of directors or other governing body thereof.

Lessor:

PORT OF NEWPORT

General Manager

Lessee:

MATHESON MARINE SERVICES
DBA MATHESON LOGISTICS LLC

By: James S. Matheson, Member

Exhibit A

1925 Sq Ft Shop

1800 Sq Ft Shop

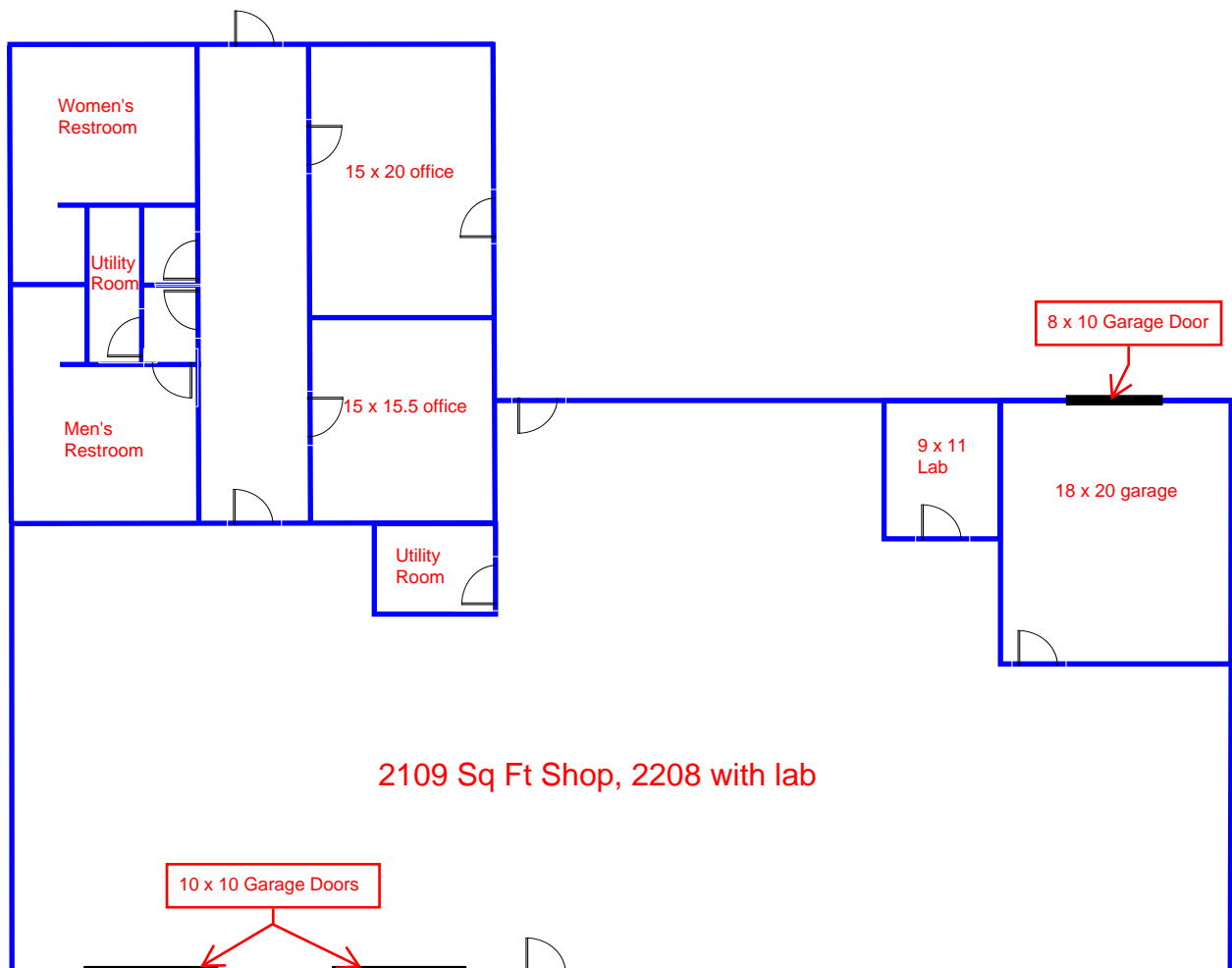


Exhibit B

PERSONAL GUARANTY

To induce Port of Newport, a port district and municipal corporation, to enter into the foregoing Lease, the undersigned, in consideration thereof, guarantees the performance of this Lease by Matheson Marine services dba Matheson Logistics LLC. with regard to each and every term, condition and provision thereof, and agrees to indemnify and hold Lessor, Lessor's successors and assigns harmless from and against any and all liability, expense or loss of any nature whatsoever including reasonable attorney fees as therein mentioned which might be sustained by Lessor by reason of the failure of Lessee to fully perform and comply with the terms and obligations of said Lease. The attorney fees provisions of said Lease apply to this Guaranty as if incorporated within said Lease.

All notices required under this Lease from Lessor to Lessee shall also be provided simultaneously therewith to the undersigned. However, Lessor shall not be required to exhaust all remedies as and against Lessee prior to pursuing the undersigned under this Guaranty, and in the event of default Lessor, at Lessor's option, may directly and forthwith pursue the undersigned guarantor.

This Guaranty shall have no term or duration independent of the Lease as hereinabove set forth, and specifically is intended to cover any and all performance of the Lessee throughout the duration of the leasehold and thereafter as the circumstances may require.

This Guaranty is irrevocable.

James S. Matheson



GENERAL MANAGER MONTHLY REPORT

DATE: 12/16/21
PERIOD: 11/10/21 12/16/21
TO: Board of Commissioners
ISSUED BY: Paula J. Miranda, General Manager

OVERVIEW

Crab season started early and around the holidays (Thanksgiving) this year, creating some challenges at our commercial docks, including the lack of garbage collection. This experience taught us a lesson, and we should be better prepared in the future.

At South Beach things have slowed down, so our crew is getting some maintenance done to prepare for the next season.

Aaron and I met with the City Police chief to discuss future assistance during busy season at the marina amongst other things.

As you can see on the agenda, the Newport Marina Store is being sold, as Chris Olson is looking into retiring. We look forward to working with the Cravens and wish Chris Olson a happy retirement.

For the first time in a while, the Port is fully staffed. Finding good help has been a challenge, but fortunately we have a great crew now, and we are very happy with the quality of help we got.

We are still trying to wrap funding on the Admin Building before we can execute a contract with Baldwin. See staff report. Once the contract is signed, they should be able to start construction right away. Once project starts, construction is estimated to take about 9 months.

We finally received the report for Port Dock 7, as we are looking for some interim solutions to address issues while waiting for a future replacement. Our staff is already at work trying to address any deficiencies that makes sense to address at this time. Aaron will be providing some information on the report.

The final lights have been installed on Port Dock 5 Pier, and we can now deem the project completed.

The Port is evaluating dredging for NOAA, NIT and South Beach Marina for the coming year. South Beach poses the most difficult challenge to obtain a permit. The cost of dredging will be reflected on this coming budget year.

At NIT the Port continues to work with PBS Engineering on the grading plan for the 9 acres. Part of the plan involves working with Rondys on the property drainage issue. Rondys is already working on their

drainage. The Port is looking into partner with them to upsize their drain lines to support the Port's property. We may ask commission to use some of the budgeted funds to contribute towards the upsizing of the pipes.

Meanwhile, the Port continues to entertain interested parties for the Terminal. Conversations are still ongoing with a forest industry company. Also, recently we have started conversations with a new regional company.

The new financial system is moving ahead of schedule and things are looking good. We shall see some switch over starting in late winter. That may keep our Finance staff very busy.

As you may see, our financial continues to be quite stable.

We are in the middle of working on several grants. As you can see on my staff report, we have received a \$50K grant from the Department of Land Conservation Development. An invitation to apply for a \$50K grant to Business Oregon and we should also be submitting an EDA grant request for \$200K next week for the Port Dock 7 reconstruction plan. We are also working on submitting a grant to EDA on the Rogue Seawall. In January we will be submitting a request to ODFW for the fillet tables. We are still working on solutions for the RV park Annex Plan.

For those familiar with the Pacific Northwest Waterways Association (PNWA), Kristin Meira will be leaving the Association. They are currently searching for a new Executive Director.

Aaron and I attended the Pacific Marine Expo on the 18th and 19th November, as we shared a booth with the Port of Toledo. We appreciate working with them. It was nice to see a lot of our customers out there.

I wish everyone a safe and happy holidays.

Meetings/Trainings/Summits:

- 11/16/21 - Jury Duty
- 11/17/21 - PNWA Meeting
- 11/18-19/21 - Pacific Maritime Expo
- 11/21-12/05/21 - Vacation
- 12/06/21 - Meeting with Business Oregon
- 12/07/21 - Jury Duty
- 12/07/21 - Business Oregon - Maritime Minds
- 12/07/21 - City of Newport Meet and Greet - Assistant City Manager
- 12/08/21 - YBEF Board Meeting
- 12/09/21 - PNWA Executive Board
- 12/09/21 - DLCD TA Grant Discussion
- 12/09/21 - Vision 2040 Meeting
- 12/10/21 - Business Oregon - Ports Programming 2021
- 12/13/21 - City of Newport Police Discussion

- 12/13/21 - City of Newport - Debris Removal Discussion
- 12/14/21 - Jury Duty
- 12/14/21 - Chamber Committee Meeting
- 12/15/21 - Meeting regarding Electric Vehicle Stations
- 12/16/21 - Communications Meeting
- 12/16/21 - O2IH Meeting (Blue Economy)

Upcoming Schedule:

- 12/21/21 - Jury Duty
- 12/21/21 - Commission Meeting
- 12/22/21 - YBEF Meeting
- 12/28/21 - Jury Duty
- 12/30/21 - PTO
- 12/31/21 - Office Closed
- 01/3-5/22 - PTO



FINANCE DEPARTMENT MONTHLY REPORT

DATE: December
PERIOD: July 01, 2021 to November 30, 2021
TO: Paula Miranda, General Manager
ISSUED BY: Mark Brown, Director of Finance and Business Services

Financial reports reporting through November 30, 2021 are included in the commission packet and a copy is attached for your convenience.

Issues of Importance

Financial/ERP System

- Kopis has begun importing a revised chart of accounts, and 23 months of balance information into Business Central (BC). Port staff will be able to begin testing and learning BC by month's end, we have the option of moving to BC in January, no decisions will be made until training has occurred.
- When implemented all billing will be done in PACSoft, this creates a central location for all aging reports. PacSoft has started importing the customers and vessels from QuickBooks, The Port must create a list of customers and their corresponding vessels (or RV's) visiting the RV Park and Marina for import into PacSoft.
- PacSoft is expected to go live in January or February, this will result in a new credit card processing system.
- Information from PacSoft will process and pass over to BC each evening. In the long-term the Port should consider having the information transfer immediately between the two systems. I have requested pricing for this option.
- When BC goes live, QuickBooks will move to a desktop in the Port office with 1-2 users having access to the system. We will keep QuickBooks available for a few months.

Fiscal Manual

- A new fiscal manual is being written. The level of detail is much greater than the current manual, and more policies and procedures are included in the manual. The goal is to clarify and keep a written document on the policies and procedures in detail, this will allow newly hired accounting staff to understand the Port's accounting methodology and will also act as a reference manual to when a question arises.

Employee Handbook

- It has been a year since the Employee Handbook was updated. After the Employee Handbook was adopted, suggested revisions were tracked, those changes will be included in the update, as well as any legislatively mandated changes. The Affirmative Action Plan is completed, this will allow completion of the Fiscal Manual and then the Handbook.

Audit

- The Audit is complete, with no findings (see report). One concern is the current approval process. The commission must approve the audit prior to the audit being submitted to the Secretary of State. Although it is agreed that the commission must review the report, the commission is unable to make changes. I suggest the process be modified when a new Fiscal Manual is published, allowing submission of the audit to the Secretary of State prior to the commission's approval. There would be the stipulation that the commission reviews the Audit report the first month after the Audit report is submitted or published (prior to submission when possible).
- The current audit contract was for a three-year term with no provision for extensions. A first draft of an RFP for an auditor is written. I will be recommending a 5-year term with an option to renew options for a 1-year period (upon agreement by both parties). Having a 5-year engagement allows the auditors to better know the port business model and accounting practices.

Budget

- The new rate sheet will be presented in the next commission meeting. I expect, based on current and expected inflation, for rates to increase 6.5% to 7.25% next fiscal year.

GOF Balance Sheet (year to year comparison)

- The cash balance as of November 30, 2021 is \$3,709,758 a 4% (\$149,411), decline from November 30, 2020. This was expected as the Port paid approximately \$1.2 million for the Pier 5 project. Last month the difference was 9%.
- Accounts Receivable is the same as compared to November 30, 2020.

Profit and Loss -

The Financial Reports are attached for your review and are included in the commissions packet. These are the preliminary reports, additional revenues are being added after publication.

The month-to-month budget is based on a 3-year average spending-revenue average. Revenues and expense budgets are allocated based on historical data; this should give the Port a better picture of how it is performing against the adopted budget.

General Operating Funds (GOF) – all divisions:

Budget vs. Actuals

- **Operating income** is favorable by \$376,183 (117%).
- **Operating expenses** are favorable by \$1,037,524 (73%).
- **Other income** is favorable by \$126,797 (118%).
- **Overall, Net income** is favorable.

Breakdown of programs

Administrative Budget

Budget vs. Actuals

- **Expenses** are favorable by \$291,934 (68%).
- **Capital Outlays** are expenditures related to the new administration building. The unfavorable Capital expenditures will self-correct in future months.
- **Overall, Administration budget** is favorable.

International Terminal

Budget vs, Actuals

- **Revenues** are favorable by \$38,916 (112%).
- **Operating Expenses** are favorable by \$178,361 (83%).
- **Operating Income** is favorable by \$217,404 (72%).
- **Net Income** is favorable.

Commercial Marina

Budget vs. Actuals

- **Operating Revenues** are favorable by \$93,213 (119%).
- **Operating expenses** are favorable by \$485,742 (41%).
- **Net income** is favorable (\$706,800).
- When the new dock on Bay Blvd begins to load and unload vessels, we are unsure of the effect this will have on the hoist dock and services revenues.

South Beach

Budget vs. Actuals

- **Operating Revenues** are favorable by \$223,039 (117%).
- **Operating Expenses** are favorable by \$82,129 (92%).
- **Net Income** is favorable by \$486,308.

NOAA Lease Revenue Fund

Balance Sheet

As of November 30, the Port had a cash balance of \$3,069,751 with an available balance of \$1,308,030; the remaining \$1,761,721 is reserved for the annual maximum debt service payment on bonds, as required in bond documents.

Income Statement

Budget vs. Actuals

- Revenues are slightly unfavorable.
- Expenses are favorable (\$29,521).
- Net income is favorable (185,388).

NOAA Capital Maintenance Fund

- The General Operating fund owes the NOAA Capital Maintenance Fund for the loan for the South Beach Load Center project.

Bonded Debt Fund:

Income statement

- The first payment from the county has been received, the Port received \$915,043.
- The Port will pay Interest of \$85,945.50 and Principal of \$200,945 in December of 2021 for the 2019 Bond Issue.
- The Port will pay Interest of \$124,425 and principal of \$295,000 in December of 2021 for the 2016 bond Issue.
- The total is \$620,370, the Port has a sufficient cash balance in the Bond Debt Fund to cover these payments.

Construction Fund:

- No changes to report.

Facility Reserve Fund.

No changes to report, once the Port Dock 3/5 Electrical upgrade project begins, \$138,000 will be transferred to the General Operating funds to cover a portion of the upgrade.

Accounts Receivable:

The port continues to work to collect outstanding balances, some focus has been on South Beach, particularly annual moorages, we are unable to do any collection activities on Live Aboard Vessels as there is a moratorium until March 2022. The Port of Astoria has had some vessel owners charged with "Theft of Services" when they have a past due balance and refuse to pay. Theft of Services is defined under ORS 164.125 (3) and becomes a felony if the amounts exceeds \$1000.00.

- The Harbormasters and Operations Director are now included conversations on past due accounts, in the Commerical and Recreational Marina. The Harbormaster is critical to collection of these accounts.
- Discussions have been ongoing with the ORCA. The outcome is they are selling the 300-pot crab license, crab pots, and vessel. The balance owed will be paid in full. The vessel will not be released until payment-in-full has been received.
- The owner of the Pacific Rose indicated he will be making a payment shortly (prior to Christmas) and a payment plan set up, the vessel will be eventually moving to the Port of Siuslaw.
- The owner of Leisure Lee II indicated he would stop by the office, but has not done so, since they have not followed through, I will be recommending the next step in the collections process.
- The Port is in the process of seizing a 1997 Bayliner, owned by Roger Meacham for non payment in South Beach, for non payment.
- Two other vessels in South Beach are behind on payments, however, since they are liveaboards on them they are considered a tenant, the Port cannot do any collection activities until at least March 1, 2022.
- The list below represents those Vessel owners or leaseholders with amounts outstanding 90 days or more, as of **December 13, 2021**.

Name	Current	44,226	31 - 60	61 - 90	> 90	TOTAL
Orca - 295549	-	-	1,096	447	24,590	26,133
Oregon Mariculture LLC	-	-	409	277	16,755	17,440
Angela June	-	-	227	216	13,369	13,812
Pacific Rose - 554504	-	-	3,170	190	11,723	15,083
Seawater Seafoods Co	-	39	552	1,891	11,164	13,646
Eclipse - 226744	-	39	188	126	11,061	11,414
Granville	-	-	302	293	7,841	8,437
Luna	-	-	113	108	6,660	6,881
Valor III - 245645	-	-	321	313	5,898	6,532
Trondhjem - 241924	-	97	248	404	4,113	4,861
Ida May - 665118	-	-	1,009	527	3,962	5,498
Topaz - 573234	-	-	-	-	3,537	3,537
Joyce Marie - 295021	-	-	62	1,047	2,717	3,827
Albatross	-	-	41	2,148	2,443	4,632
Little J	-	-	369	362	2,379	3,111
Norska - 629262	-	709	1,000	539	2,012	4,260
Western Flyer - 1038571	-	-	-	-	1,898	1,898
Gracie Arlene	-	-	315	309	1,594	2,218
Leisure Lee II - OR337LF	-	-	392	385	1,497	2,274
Pursuit - OR541ZM	-	39	375	369	1,403	2,186
Roggy - 574577	-	-	103	727	1,395	2,224
First Hope I	-	368	126	123	1,368	1,985
Saltybros LLC Boathouse Lease	160	160	160	160	1,351	1,992
Dawn Treader	-	285	377	332	1,196	2,190
NMFS/NOAA	-	-	1,477	152	1,113	2,742
Robin Ann - 550432	-	1,289	257	506	957	3,009
Norma M - 599982	-	57	41	41	881	1,019
Lone Eagle	-	1,677	14	13	814	2,518
Misty - 636457 (Dustin Blake)	-	-	185	183	703	1,071
Northern Ram - 979437	-	-	4,739	182	547	5,468
Midnite -250210	-	-	931	458	458	1,847
Eclipse - 503045	-	295	246	55	401	997
Toby J - 274577	-	-	20	-	396	416
Wide West - 535690	-	-	60	107	339	506
New Dawn - 295629	-	45	249	241	241	777
Oceanic Logistics - 1344	-	-	4	3	208	215
Phoenix III - 214847	-	84	182	176	176	619
Chapter II	-	-	2	1	138	142
Bambi	-	-	3	-	110	113
BITE ME LLC	-	-	2	68	60	129
Western Hunter - OR936AFK	-	1,055	167	370	45	1,638
Gretchen	-	-	1	-	42	44
Lillian Margit	-	-	-	-	36	36
Irish Miss	-	-	1	1	33	35
Condor II	-	-	28	27	27	81
Equalizer - OR333AET	-	175	28	-	27	229
Lodestar - 616610	-	-	28	27	27	81
Cape Cleare	-	282	1	153	18	454
Darandy	-	-	-	1	18	19



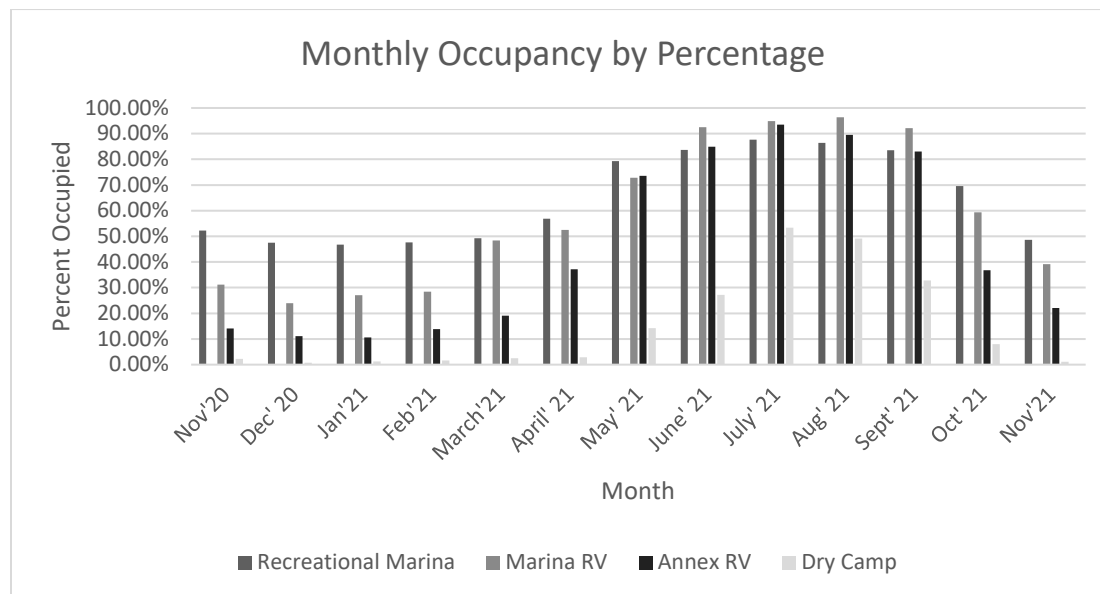
RV PARK & RECREATIONAL MARINA OCCUPANCY REPORT

DATE: *1 December 2021*
RE: *Month Ending 30 November 2021*
TO: *Mark Brown, Director of Finance*
ISSUED BY: *Erica Breece, RV Park and Marina Supervisor*

Reflecting on November 2021, the full hookup RV parks stayed relatively occupied for the entire month of November. In the both the annex and main marina park, we see a sharp increase in occupancy from the year Prior. Frequently during the month, weekends stayed quite lively at the Port RV parks. A slight decrease in dry camp and the marina was noted, but numbers are still ahead of the year prior.

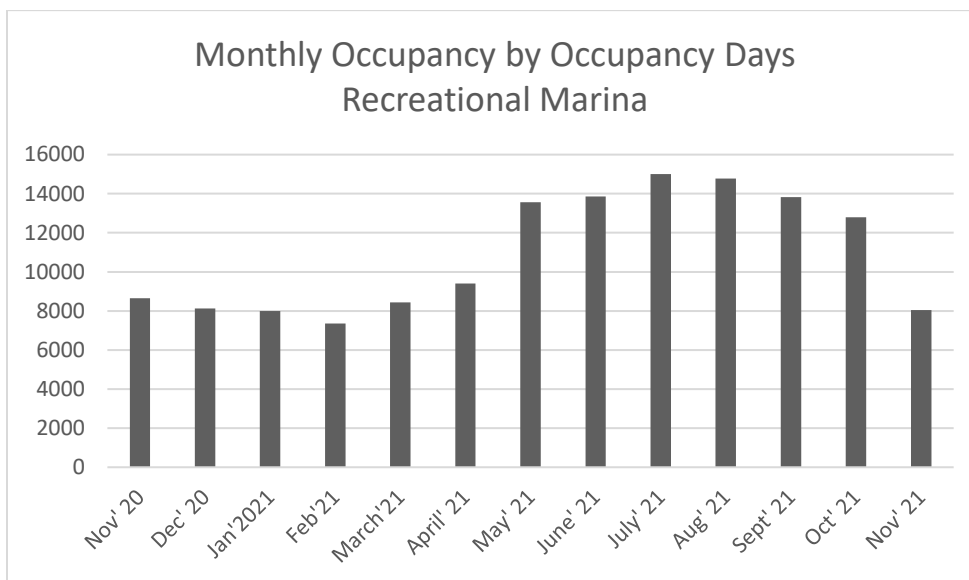
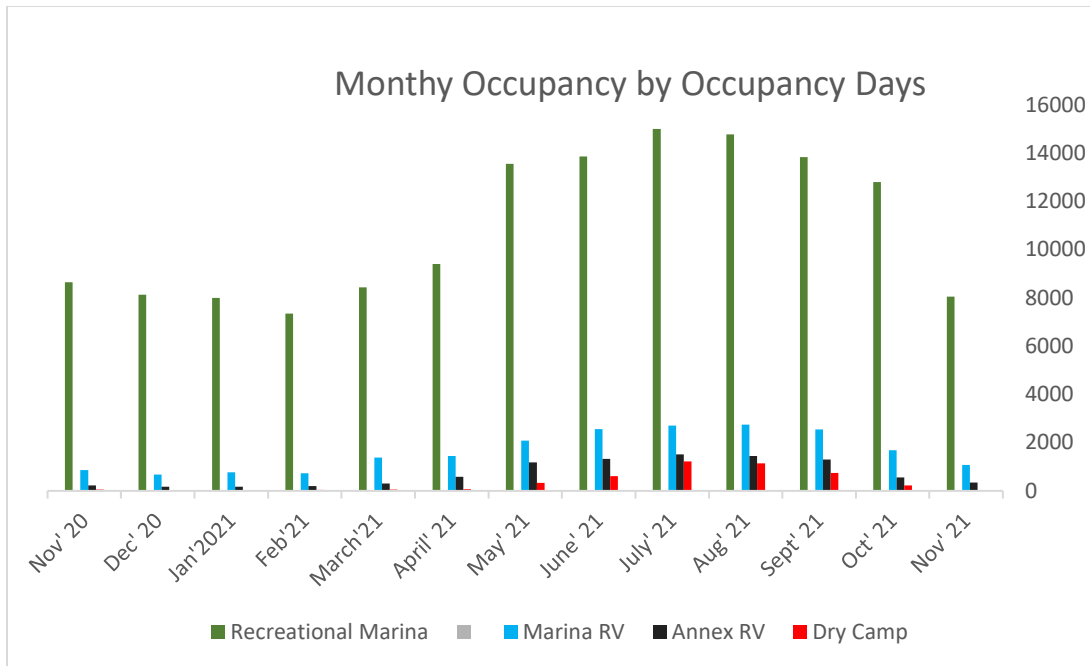
OCCUPANCY DAYS MONTH & YTD

Nov' 21	2020	2021	Change	YTD 2020	YTD 2021	Change
Recreational Marina	8,408	8,049	-4.20%	119,641	123,682	3.38%
Marina RV	861	1,079	25.31%	16,300	19,641	20.50%
Annex RV	220	345	56.82%	7,725	8,946	15.80%
Dry Camp	50	26	-4.80%	3365	4465	32.70%



OCCUPANCY DAYS MONTH & YTD

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Dry Camp	50	26	-4.80%	3365	4465	32.70%





DIRECTOR OF OPERATIONS REPORT

DATE: 12/15/2021
PERIOD: November-December 2021
TO: Paula J. Miranda, General Manager
ISSUED BY: Aaron Bretz

OVERVIEW DIROPS

Summary:

Crews on the north side of the bay have been running all hours to keep up with getting the gear off our docks and storage yards and onto the boats, add that with the large volume of crab offloads. It has been an extremely high paced effort, and they've done an exceptional job of keeping the dock in operation.

Detail:

- **Port Dock 7**
See report.
- **Port Dock 5 Pier Project**
The new light poles we installed, the Port's infrastructure was evaluated by electricians and confirmed to be in acceptable and fully operational condition. We are now processing the final bills, the Finance Dept. has completed the audit of the grant funding, and we are conducting the administrative closeout of the project. I am coordinating with ODOT to establish an intergovernmental agreement so that they will perform an annual inspection on the new PD5 Pier with bridge inspectors. This agreement will be similar to the agreement we currently have with them to inspect the NOAA MOC-P Pier. Coordinating with the City to close out building permit.
- **2022-23 Dredging**
I participated in a conference call with the permitting agencies to talk about dredging in the coming year and discuss the permitting challenges we may face. The limited South Beach Marina dredging we need to complete will be the most difficult to permit because the Port has not dredged the berths themselves since the early 90's. We may need to undertake an individual consultation for that project, which will mean the process may take a very long time. During the call, the possibility of permitting for the berths taking up to two years was mentioned. Hydro surveys have been conducted, awaiting results to predict volumes.
- **9 Acre Industrial Lot**
I am expecting a grading plan any day, and waiting for a price estimate for potential upsizing of drain lines to the south to achieve a grade that splits the property to drain the southern 2/3 to the south, and the norther 1/3 to the north. After discussions with the engineers, that may be the

best way to treat the property.

Newport International Terminal- Don Moon, Supervisor
Billable Services Performed this (NOV)

Billable Services Performed this Period (NOV)

- | | |
|--|--|
| <input checked="" type="checkbox"/> Forklift – 269 hrs | <input checked="" type="checkbox"/> Moorage – 184 Days |
| <input checked="" type="checkbox"/> 30 Ton Hydraulic Crane – 86.25 hrs | <input checked="" type="checkbox"/> Hoist Dock Tie Up – 207.5hrs |
| <input checked="" type="checkbox"/> Labor – 325.25 hrs | <input checked="" type="checkbox"/> 120V power – 0 hrs |
| <input checked="" type="checkbox"/> Other Overtime Billed 64.5 hrs | <input checked="" type="checkbox"/> 208V power – 111 Days |

Commercial Marina- Aja Burke, Harbormaster

Billable Services Performed this Period:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Forklift – 155.25Hrs | <input checked="" type="checkbox"/> Hoist Dock Crane(s) – 29.5Hrs |
|--|---|

- | | |
|--|---|
| <input type="checkbox"/> 30 Ton Hydraulic Crane - Enter #. | <input checked="" type="checkbox"/> Dock Tie Up – 375.25Hrs |
|--|---|

- | | |
|--|--|
| <input type="checkbox"/> Launch Tickets - Enter #. | <input checked="" type="checkbox"/> Other (Axles) – 13.5 |
|--|--|

Special Projects: *(Not regular maintenance & repair tasks. Enter project name and notes)*

- | | |
|--|---|
| <input type="checkbox"/> Completed <input checked="" type="checkbox"/> In Progress | Crab Push |
| <input type="checkbox"/> Completed <input checked="" type="checkbox"/> In Progress | Hiring Good Employees |
| <input type="checkbox"/> Completed <input checked="" type="checkbox"/> In Progress | Making Sure All of the Crew Gets Good Rest Periods |
| <input type="checkbox"/> Completed <input checked="" type="checkbox"/> In Progress | Use Old Dock #5 Floats to Elevate Swede's Dock |

Other: *(Enter issues, events, large purchases and other notable items)*

- Hoist dock tie-up time was up 114.5% from last month.
- Forklift usage was up 396% from last month.
- Crane usage was up 129% from last month.
- Axle counts were down 57% from last month.

Challenges:

- Our Orange Forklift had the brakes replaced. It is working a bit better, but I still want to plan on getting a new machine next year.
- I have hired a new employee for Maintenance Level 2 and we are trying to train him during our busiest season. Joel is doing well and knows the fishing industry, so he is catching on quickly. We are all a bit rough around the edges, but things will slow down soon, and we can get back to our regular pace.

Opportunities:

- I may investigate the possibility of a seasonal employee. We are spread thin at the Commercial Marina during crab push and could use some extra help keeping the staff rested and safe.
- Crab Season is going well, and we are very busy. I have been putting in many extra hours, as necessary, and my staff has been wonderful covering the extra hours needed this time of the year.

NOAA MOC-P Jim Durkee, Maintenance Supervisor

Special Projects:

Vessels Using the Facility Since My Last Report – NOAA vessels Hi'ialikai, Bell M. Shimada, Rainier.

NOAA Staff are still primarily operating on minimal crew and work from home. Rainier and Shimada are in for the season

Data rooms and Pier Lighting battery back-up systems and inverters annual maintenance inspections by M.C. Dean.

NOAA flooring contract signed and preliminary construction meetings held with First Cascade and sub-contractors.

Bathymetric survey performed by SolMar Hydro.

South Beach Marina, Chris Urbach, Harbormaster

We had 764 launches for a total of 4,589.00 dollars in October in the Ventec Machine

October is the month that we start most of our projects for the winter and we have quite a list this year, and they guys have been very busy working off that list.

Installed a new electrical pedestal on the service dock.

The whole crew has almost finished their 40-hour hazwoper training.

I had a great two-week vacation.