



Budget 2016 - 2017

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PORT OF NEWPORT BUDGET COMMITTEE MEETING AGENDA

Tuesday, May 10, 2016, 6:00 p.m.
OSU Extension Office
1211 SE Bay Boulevard, Newport, OR 97365

FREEHOLDER MEMBERS

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

PORT COMMISSION MEMBERS

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

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

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

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

SAMPLE MOTION: I move that the budget committee approve the proposed budget [as presented/amended] for the 2016-17 fiscal year.

- VII. Approval of Tax Rate to Submit to Assessor

SAMPLE MOTION: I move that the budget committee approve the tax rate of six-point-zero nine cents (.0609) per \$1000 of assessed value for operating purposes in the General Fund and in the amount of \$1,000,000 for payment of general obligation bond principal and interest in the International Terminal Debt Fund for the 2016-17 fiscal year.

- VIII. Adjournment

The OSU Extension Office is accessible to people with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours in advance of the meeting to Port of Newport Administration Office at 541-265-7758.

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BUDGET MESSAGE FISCAL YEAR 2016-17

**Kevin Greenwood, General Manager
May 10, 2016**

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

The budget is the Port's financial plan. The proposed budget figures are based on the best estimate of what the Port will receive (resources) and what the port will spend (requirements) from July 1, 2016 to June 30, 2017. To prepare this estimate, we use past budget years' financial history to estimate future income and schedule our expenditures to balance with expected revenue.

The taxpayers of the district provide financial support to the Port District at a combined rate of 60.96-cents per \$1,000 of Assessed Value (AV). 6.09-cents is the district's permanent rate and 54.87-cents is the district's millage rate for the general obligation bonds (GO) for the terminal remediation and repair. In Lincoln County, the AV is 92% of Real Market Value (RMV). A new home in the port district with an appraised value (RMV) of \$200,000 is taxed approximately \$112 this year for port services ($\$200,000 \times 92\% / \$1,000 \times \$0.6096 = \$112.16.$)

Much of the basis for this budget comes from the Port's Strategic Business and Capital Facilities Plans adopted in early 2013 and updated last year. In addition, the Port Commission conducted a public work session on April 5th to review personnel-related cost estimates and prioritize capital projects. Input from that meeting also aided staff in drafting this budget.

In addition to the budget resolution that will ultimately be adopted in June, there are three other resolutions that will be adopted as part of the Port's budget process: (1) a rate, fee and charges resolution that has been reviewed monthly since December, (2) an employment compensation resolution that summarizes and authorizes staff wages and benefits, and (3) a capital improvement list prioritizing projects. Copies of those draft resolutions are included in this packet.

The proposed budget is a document comprised of five separate funds: NOAA Lease Revenue Fund, Facilities Maintenance Reserve Fund, Bonded Debt Fund, Construction Fund, and General Operating Fund.

HIGHLIGHTS

International Terminal Shipping Facility. Our number one capital priority, the Port has submitted a number of grant applications to fund the costs of a \$6.5-million International Terminal Shipping Facility (ITSF). We received promising news in October, when the U.S. Dept. of Transportation awarded the Port of Newport a \$2-million Transportation Investment Generating Economic Recovery (TIGER) grant. I am aggressively looking for additional grants and bridge loan financing to complete the project.

The project when complete would provide the Port of Newport with a new source of income – through tariffs – to fund a large number of capital projects, including overhauls to our commercial fishing docks, recreational marina and RV park and future administration housing. Assuming financing comes through in the next fiscal year, the earliest income could be generated would be in winter of 2017-18.

I am requesting a \$2-million placeholder transfer from NOAA cash reserves to the Construction Fund as the Port will be required to show some level of local match for the project. My intent, however, is to continue applying for grants to cover the construction costs and that other financing will make the transfer unnecessary. I do think that having that amount budgeted will make our applications that much stronger even if it is not ultimately used.

This will be the only capital reference in the budget due to the impacts on the NOAA fund. A supplemental budget will be adopted when the financing is complete to begin construction.

Facility Maintenance and Operations Plan (FMOP). During the General Manager's annual performance review, the Commission set a high priority goal of developing and implementing a maintenance and operation plan for the Port of Newport. This plan would focus on making maintenance and repair a priority in an effort to gain life to the Port's assets. The Director of Operations with the help of the management team produced a Facilities Maintenance and Operations Plan (FMOP) Proposal that was reviewed by the Port Commission at a March 22nd work session. As part of the discussion, Commission President Walter Chuck appointed Commissioners David Jincks and Stewart Lamerdin to more closely develop the plan. That committee has met once on April 11th.

Quoting page 10 of the proposal:

"It should be noted that moving forward, the General Fund will not see growth in cash reserves, but rather making an investment in the ongoing maintenance and repair of Port assets and service. This proposal shows that increased maintenance and repair can be sustainable from net operating activities, but less will be available for cash reserves and capital projects."

As such, this budget does include funding for two new maintenance positions, associated materials and service expenditures and the purchase of an additional work truck. The financial impacts are contained to the Port's General Fund and are summarized as follows: \$100,000 additional to Personal Services, \$7,000 additional to Materials and Service, and \$20,000 to Capital Outlay for a total first year impact of \$127,000.

Lease Changes. Changes are afoot in South Beach! The Port is excited about our new lease with the Oregon Brewing Company (aka Rogue). The two phase 43k sq. ft. expansion will ultimately add \$100,000 in gross income to the Port's operating ledger, but it will be a few years before we realize the income.

As part of the negotiations with Rogue, the Commission was concerned about losing the dry camping or multi-use area (MUA) that is frequented by recreational fishermen during various seasons. The Port and Rogue agreed to split the costs of raising the decommissioned boat launch and asphaltting the parking lot with Rogue paying the upfront costs of redeveloping the MUA. In exchange the Port would receive \$40,000 in cash annually and the balance (after Phase 1 about \$30,000) would be applied to the Port's half of the development costs.

The \$40,000 amount was negotiated since the Port received notice that long-time tenant, Yaquina Bay Fruit Processors (YBFP) would be moving their operation to the Salem area. YBFP's last day was March 31st. The \$40,000 will make up the loss of the YBFP lease income (\$32,000).

In addition, the Port is currently working with a company that produces dulse, a bacon-flavored seaweed, which has received quite a bit of national attention over the last year. Negotiations are currently underway for the 2.25-acre YBFP lot plus the 2.15-acre Anderson lot. Income from that lease is not included in this budget.

NOAA FUND

The NOAA fund is a major component of the Port's budget, but is a relatively minor contributor to covering other much-needed improvements around the Port. This budget anticipates positive operating income of over \$200,000 though there will be some capital/major maintenance projects that will dip into the fund's cash reserves. Management anticipates a beginning fund balance of \$5.56-million of which \$2-million is restricted.

Last year, the Port included a \$500,000 placeholder transfer for projects that did not materialize. I am recommending that the budget committee earmark a \$2-million transfer into the construction fund that could provide some additional leveraging for financing related to the construction of the International Terminal Shipping Facility.

Other capital maintenance projects that the Port is obligated to perform maintenance dredging (\$300k), developing recreational access (\$30k), contracted office reconfiguration (\$75k), in addition to replacing storm vaults and pile caps. Since

these projects are contractually obligated, they do not appear on the Port's Capital Improvement List.

The Port conducted a study to review alternatives to the current bi-annual dredging and the preferred option was to pursue permitting to allow for a deeper buffer along the berths. This will increase initial maintenance dredging costs but allow for less frequent dredging.

BONDED DEBT FUND

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

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

There will, however, be significant changes to this fund as the next fiscal year progresses. The Port Commission approved Res. No. 2016-01 on March 22nd to authorize the issuance of new bonds. Working with the Special Districts Association of Oregon (SDAO), the Director of Finance was able to secure an improved rate for the debt that will save taxpayers in the Port district more than \$1-million over the course of the next 11 years.

The actual schedule won't be confirmed until after the sale closes sometime in June. Since the overall appropriation totals are unknown -- but less than the Port's current amortization schedule, I'm recommending that the budget committee approve the current, active payment schedule.

MAINTENANCE RESERVE FUND

The Facilities Maintenance Reserve Fund was created by Res. No. 5-1998 in 1998 to purchase and repair existing Port infrastructure and property. Due to budgetary restraints, three of the prioritized projects discussed at the Commission's work session will be funded out of the reserve fund. The resolution prioritizing projects is included as an appendix to this document.

There are a number of capital projects being budgeted this year, but only three of those projects are replacing existing assets which would be funded out of the Facilities Maintenance Reserve Fund: repairing the electrical distribution system on Swede's Dock (\$25k), replacing storm basins at NIT (\$7k), and beginning the process of repairing/replacing the PD-5 access pier (\$25k). Those project budgets total \$57,000.

It should be noted that we are transferring \$25,000 of leftover terminal construction proceeds from the Construction Fund. \$25,000 was transferred in the current fiscal year.

All funds are expended in case of maintenance emergencies. For example, in 2014-15, the Port used Maintenance Reserve Funds to replace an emergency failure of the South Beach fuel line which cost \$80,000 and the Port is currently experiencing a sinkhole under the public hoist dock which is being scoped with the assistance of the Port's contract engineer.

All activities in this fund require Commission approval.

CONSTRUCTION FUND

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

The Port has used some unspent proceeds from the Terminal construction to pay for pre-construction soft costs related to the development of a shipping facility on 9-acres owned by the Port on McLean Pt. The entire project is estimated to cost \$6.5-million and would be funded primarily by grants and construction loans. Management is recommending that income and expenses related to the shipping facility (ITSF) – once funded – be accounted for out of the Construction Fund.

Resources for those projects will be primarily driven by our success on a number of grant and construction loan applications that will be submitted over the next several months. As part of showing potential matching funds for those applications, I am recommending that we show a \$2,000,000 transfer into the Construction Fund from NOAA. Repayment schedule and further details would be developed by Commission resolution, if and when necessary.

In FY 15-16, the Port transferred \$25,000 from the leftover proceeds of the terminal project into the Facilities Maintenance Reserve Fund (FMRF) for future repairs to the terminal. Management is recommending a similar transfer this year, bringing the total available for maintaining the IT up to \$50,000.

All activities in this fund require Commission approval.

GENERAL OPERATING FUND

The General Operating Fund will use approximately \$670,000 of its reserves. The Port is anticipating beginning working capital of just over \$1.615 million. Last year we anticipated beginning the year with just over \$1.296 million.

When we focus solely on our net operating income (income and expenses based upon our day-to-day activities), the negative amount is reduced to \$232,000; \$12,000 less than last year.

We anticipate operating income to increase 9% based upon a conservative three year trend driven primarily upon a large increase in visitors to the RV Park and CPI adjustments to leases, moorage and service fees. Though we did lose one tenant (Yaquina Bay Fruit Processing), we will more than make up that loss through the expansion of the Rogue Brewery. In addition, there is interest from DulsEnergy, LLC in leasing the YBFP lot. I have not included that income in this budget since we're early in the negotiations. I have also not included any income from the International Terminal Shipping Facility in this budget as financing is not complete. All other adjustments to last year are based on recent trends.

Our operating expenses (personal services, materials and services and debt services) are about 8% more than last budget cycle which includes a 10% increase in debt service.

The biggest change this year is the addition of a Maintenance Department that will add two maintenance personnel to staff. Through close financial management and budget practices, the Port's net operating income has been positive for the last several years and the Commission has set a goal of implementing a program that will increase maintenance and repairs. This does come with costs.

Personnel Services jumped 13% this year to accommodate the two new hires (+\$100,000) though health insurance premiums also increased 6%. The hiring of the management team is complete and I look forward to working with staff to increase our productivity.

Materials and Service has increased 4%. The highlights here are decreased legal fees, and software expenses. Increases can be found in training/certification, repairs and maintenance (+\$7,000 as part of FMOP), bank fees, regulatory costs, and contract services for security and computer IT services.

Debt service is showing a 7% jump. The Port did not acquire any new debt, however, the payment for the RV Park construction loan jumped \$67,000. Good news is that the Port eliminated \$21,000 by making the final payment last year on the 30 ton mobile crane. The budget committee should be aware that next year (FY 17-18), the Port will see another significant jump of \$40,000 in debt payments next year due to payment schedules. Management considered all known, future costs when considering the sustainability of the Maintenance Department.

Regarding non-operating net income, the Port will receive \$94,500 in permanent taxes which is used for non-operating expenses such as capital outlay and grant related expenses. We are also showing a \$135,000 grant for updated security cameras/infrastructure. \$3,000 for safety grants and \$30,000 for derelict removal. I am also recommending a \$100,000 contingency for emergencies and a \$60,000 transfer out of the General Fund into the Facilities Maintenance Reserve Fund.

Capital Outlay will see \$515,000 in non-operating activity this year, primarily driven by pulling \$300,000 out of last year's cash reserves for replacing dozens of pile at

Port Dock 5. If the grant is successful, we will pay \$180,000 to upgrade our security infrastructure. Other capital projects include acquisition of a maintenance truck and planning/engineering for South Beach amenities.

At the end of the year, we are budgeting \$945,000 left in cash reserves. Last year's budget showed an ending fund balance of \$900,000 but this year should be much tighter with the increased operational costs.

CONCLUSION

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

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

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

Sincerely,

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

Kevin M. Greenwood
General Manager/Budget Officer

Enclosures

**Port of Newport
Bonded Debt Fund
(General Obligation Bonds issued for Terminal Construction)
Budget 2016-2017**

<u>Resources</u>	<u>Actuals 2014-15</u>	<u>2015-16 Approved Budget</u>	<u>2016-17 Proposed Budget</u>
Beginning Working Capital	\$ 120,592	\$ -	\$ -
Interest Income	\$ 963	\$ 150	\$ 700
Previous Levied Taxes	\$ 27,157	\$ 20,000	\$ 22,000
Taxes	\$ 935,187	\$ 907,022	\$ 903,123
<p>Tax levy will be similar to last fiscal year at \$1,000,000 The goal is to levy just enough taxes to pay debt without collecting more than necessary.</p>			
Total Resources	<u>\$ 1,083,899</u>	<u>\$ 927,172</u>	<u>\$ 925,823</u>

<u>Appropriations</u>			
2007 Bond Principal	\$ 115,000	\$ 120,000	\$ 125,000
2008 Bond Principal	\$ 110,000	\$ 115,000	\$ 120,000
2011 Bond Principal	\$ 60,000	\$ 65,000	\$ 65,000
2007 Bond Interest	\$ 177,978	\$ 175,677	\$ 170,878
2008 Bond Interest	\$ 180,140	\$ 177,940	\$ 173,340
2011 Bond Interest	\$ 274,455	\$ 273,555	\$ 271,605
Fund Transfer		\$ -	\$ -
Ending Working Capital	\$ 166,326	\$ -	\$ -
Total Requirements	<u>\$ 1,083,899</u>	<u>\$ 927,172</u>	<u>\$ 925,823</u>

**Port of Newport
Facilities Maintenance Reserve Fund
Budget 2016-2017**

	<u>Actuals 2014-15</u>	<u>2015-16 Approved Budget</u>	<u>2016-17 Proposed Budget</u>
<u>Resources</u>			
Beginning Working Capital	\$ 166,596	\$ 40,000	\$ 85,000
Interest Income	\$ 140	\$ 125	\$ 125
Loans	\$ -	\$ -	\$ -
Grants	\$ -	\$ -	\$ -
Fund Transfers In	\$ -	\$ 250,000	\$ -
Transfer in from General Fund			\$ 60,000
Transfer in from Construction Fund			\$ 25,000
Total Resources	<u>\$ 166,736</u>	<u>\$ 290,125</u>	<u>\$ 170,125</u>

<u>Appropriations</u>			
Repairs & Maintenance	\$ 118,358	\$ 166,125	\$ 170,125
Any expenditures from this fund are approved in advance by the Port Commission.			
Rebuilt Buildings	\$ -	\$ -	\$ -
Contingency		\$ 24,000	\$ -
Reserved for Future Expenditure	\$ -	\$ 100,000	\$ -
Repairs for Int. Terminal Docks			
Total Requirements	<u>\$ 118,358</u>	<u>\$ 290,125</u>	<u>\$ 170,125</u>

* \$50,000 set aside for the international dock repair has been obligated

**Port of Newport
Construction Fund
Budget 2016-2017**

	<u>Actuals 2014-15</u>	<u>2015-16 Approved Budget</u>	<u>2016-17 Proposed Budget</u>
<u>Resources</u>			
Beginning Working Capital	\$ 750,804	\$ 150,000	\$ 75,000
Interest Income Bank balance winding down so reduced interest earnings.	\$ 1,253	\$ 100	\$ 100
Intergovernmental & Grants	\$ 193,108	\$ -	\$ -
Fund Transfers In Transfer in from NOAA Fund		\$ 500,000	\$ 2,000,000
Total Resources	<u>\$ 945,165</u>	<u>\$ 650,100</u>	<u>\$ 2,075,100</u>

<u>Appropriations</u>			
Capital Outlays	\$ 761,898	\$ 500,100	\$ 2,050,100
Transfer Out To Other Funds Transfer to Facility Maint. Reserve Fund		\$ 150,000	\$ 25,000
Ending Working Capital	\$ 183,267		
Total Requirements	<u>\$ 945,165</u>	<u>\$ 650,100</u>	<u>\$ 2,075,100</u>

All expenses in this Fund require Commission approval

**Port of Newport
NOAA Fund
Budget Summary
Budget 2016-2017**

Beginning Working Capital \$ 5,565,928

Operating Activity

Operating Revenues \$ 2,552,500

Operating Expenses

Personnel Services 75,759

Materials and Services 278,020

Debt Service 1,997,335

Total Operating Expenses \$ 2,351,114

Operating Revenue Over/(Under) Expenses \$ 201,386

Nonoperating Activity

Material and Services \$ 411,300

Capitol \$ -

Transfers to other Funds \$ 2,000,000
 Transfer to Construction Fund

Contingency \$ 100,000

Total Nonoperating Expenses \$ 2,511,300

Nonoperating Revenue Over/(under) Expenses \$ (2,511,300)

Unappropriated Ending Fund Balance \$ 3,256,014

**Port of Newport
NOAA Fund
Budget 2016-2017
Resources**

	<u>Actuals</u> <u>2014-15</u>	<u>Approved</u> <u>2015-16</u> <u>Budget</u>	<u>Proposed</u> <u>2016-17</u> <u>Budget</u>
Working Capital	\$ 5,551,754	\$ 5,602,310	\$ 5,565,928
Lease Revenue Land and building leases	\$ 2,537,310	\$ 2,542,000	\$ 2,542,000
Interest Bank interest earned on Port funds	\$ 10,651	\$ 10,500	\$ 10,500
Total Resources	<u><u>\$ 8,099,715</u></u>	<u><u>\$ 8,154,810</u></u>	<u><u>\$ 8,118,428</u></u>

**Port of Newport
NOAA Fund
Budget 2016-2017
Appropriations**

	<u>Actuals 2014-15</u>	<u>2015-16 Approved Budget</u>	<u>2016-17 Proposed Budget</u>
Personnel Services			
Wages	\$ 75,074	\$ 77,667	\$ 53,290
Federal Payroll Taxes	\$ 5,743	\$ 5,942	\$ 4,077
Oregon Unemployment	\$ 2,737	\$ 2,096	\$ 1,438
PERS	\$ 3,132	\$ 4,226	\$ 240
Worker's Comp	\$ 8,828	\$ 10,585	\$ 7,359
Health Insurance	\$ 7,750	\$ 7,444	\$ 7,655
Health Reimbursement Arrangement		\$ 1,500	\$ 1,500
Employee Incentives & Other		\$ 200	\$ 200
Total Personnel Service Expenses	<u>\$ 103,264</u>	<u>\$ 109,660</u>	<u>\$ 75,759</u>

Materials & Services Expenses

Insurance	\$ 110,761	\$ 125,500	\$ 126,000
Flood - Admin Bldg & Warehouse	\$ 1,587		
Environment Liability - DSL Land	\$ 1,786		
Flood & Earthquake	\$ 77,252		
Property	\$ 30,694		
General Liability	<u>\$ 14,681</u>		
	\$ 126,000		

Professional Services	\$ 2,284	\$ 14,000	\$ 5,400
12K for eel grass monitoring reports			

Administration & Marketing Expenses

Office Supplies & Materials	\$ 717	\$ 1,000	\$ 1,000
IT Hardware & Software	\$ 3,447	\$ 3,000	\$ 3,000
Dues & Subscriptions	\$ -	\$ 200	\$ 200
Meeting Supplies	\$ -	\$ 450	\$ 450
Education & Travel	\$ 682	\$ 500	\$ 500
Postage & Shipping	\$ 30	\$ 100	\$ 100
Bank & Payroll Fees	\$ 120	\$ 1,200	\$ 1,200
Loan fee Administration	\$ 650	\$ 1,300	\$ 850
Bond Rating Fee	\$ 10,000	\$ 10,000	\$ 10,000

**Port of Newport
NOAA Fund
Budget 2016-2017
Appropriations**

	<u>Actuals 2014-15</u>	<u>2015-16 Approved Budget</u>	<u>2016-17 Proposed Budget</u>
Licenses & Permits	\$ 6,709	\$ 2,200	\$ 2,200
Dredging and other permit costs			
Contracted Services	\$ 258,324	\$ 44,840	\$ 52,900
Admin	\$ 6,500		
Janitorial & Grounds	\$ 20,000		
HVAC	\$ 6,385		
Electrical	\$ 5,896		
Plumbing	\$ 1,160		
Buildings & Structures	\$ -		
Elevator	\$ 4,500		
Wharf & In-water	\$ 2,735		
Construction Closeout	\$ -		
Fire Protection	\$ 5,724		
	<u>\$ 52,900</u>		
Utilities			
Electric	\$ 745	\$ 900	\$ 900
Refuse & Recycling	\$ 4,029	\$ 4,500	\$ 4,500
Telecommunications	\$ 3,892	\$ 3,800	\$ 3,800
Water & Sewer	\$ 620	\$ 820	\$ 820
Materials and Supplies	\$ 6,709	\$ 8,800	\$ 13,050
Admin	\$ 1,000		
Janitorial & Grounds	\$ 4,500		
HVAC	\$ 2,000		
Electrical	\$ 2,000		
Plumbing	\$ 650		
Buildings & Structures	\$ 1,400		
Wharf & In-water	\$ 1,000		
Fire Protection	\$ 500		
	<u>\$ 13,050</u>		
Fuel (Gas, Diesel, Oil, Lubes)	\$ 1,122	\$ 1,100	\$ 1,200
Small Tools & Equipment	\$ 5,436	\$ 1,000	\$ 1,000
Equipment Rental	\$ 638	\$ 1,200	\$ 1,650

**Port of Newport
NOAA Fund
Budget 2016-2017
Appropriations**

	<u>Actuals 2014-15</u>	<u>2015-16 Approved Budget</u>	<u>2016-17 Proposed Budget</u>
Office Rent & DSL Leases	\$ 12,279	\$ 13,580	\$ 13,580
Repair & Maintenance Reserves	\$ -	\$ 33,720	\$ 33,720
Total Materials & Services (Operating)	<u>\$ 429,194</u>	<u>\$ 273,710</u>	<u>\$ 278,020</u>
Capital/Maintenance (Nonoperating) Dredging, Office Redesign, Storm Vault Recreational Mitigation and Pile Caps	\$ 267,453	\$ 387,410	\$ 411,300
Debt Service	\$ 2,000,434	\$ 1,999,434	\$ 1,997,335
Transfers to Other Funds \$2,000,000 to Construction Fund	\$ 218,870	\$ 500,000	\$ 2,000,000
Contingency Contingency set aside in case of unexpected expenses Commission must approve transfer of Contingency to one of the appropriation sections (Personnel, Materials & Services, or Capital).		\$ 100,000	\$ 100,000
Total Appropriations	<u>\$ 3,019,215</u>	<u>\$ 3,370,214</u>	<u>\$ 4,862,414</u>

**Port of Newport
General Operating Fund
Budget 2016-2017
Budget Summary**

Beginning Working Capital \$ 1,615,035

Operating Activity

Operating Revenues \$ 3,134,081

Operating Expenses

Personnel Services \$ 1,300,616

Materials and Services \$ 1,380,200

Debt Service \$ 684,934

Total Operating Expenses \$ 3,365,750

Operating Revenue Over/(Under) Expenses \$ (231,669)

Nonoperating Activity

Nonoperating Revenues \$ 266,500

Nonoperating Expenses

Materials and Services \$ 45,000

Capital \$ 500,000

Contingency \$ 100,000

Transfer Out to Facility Maint Reserve \$ 60,000

Total Nonoperating Expenses \$ 705,000

Nonoperating Revenue Over/(Under) Expenses \$ (438,500)

Unappropriated Ending Fund Balance \$ 944,866

**Port of Newport
General Operating Fund
2016-2017 Budget
Resources**

	Actuals 2014-15	Approved 2015-16 Budget	Proposed 2016-17 Budget
Beginning Fund Balance	\$ 920,659	\$ 1,296,113	\$ 1,615,035
Lease Revenue	\$ 601,745	\$ 608,051	\$ 616,081
Land and building leases			
Captains Charters	\$ 14,255		
Carson Oil - Terminal Fueling	8,864		
Carver - Port Dock 5 Fuel Dock	7,927		
Carver South Beach Fuel Dock	8,719		
Chelsea Rose	5,737		
Englund Marine	74,515		
F/V Leslie Lee	6,328		
Foulweather Trawl	20,138		
J.Lamb Marine Electric	7,086		
Newport Belle B & B	9,735		
Newport Marina Store	35,293		
Newport Marine Co. (Embarcadero)	2,772		
Northern Refrigeration	4,092		
Oregon Brewing Company	298,380		
Pacific Draggers, Inc.	5,016		
Pacific Shrimp	4,683		
Seafarer Brokerage	3,732		
Seafood & Wine Festival	5,000		
Trident	73,401		
US Customs	8,447		
Yaquina Bay Fruit Processors	0		
Yaquina Bay Yacht Club	6,095		
Yaquina Trawlers, Inc.	5,016		
	<u>\$ 616,081</u>		
*CPI adjustments, fuel gallons, and % of sales estimated			
International Terminal Moorage	\$ 74,750	\$ 70,000	\$ 80,000
International Terminal Shipping	\$ 10,116	\$ 7,500	\$ 7,000
International Terminal Services	\$ 205,959	\$ 154,000	\$ 198,000
Electricity	\$ 7,000		
Forklifts Services	15,000		
F/V Fueling	8,000		
Hydro Crane Services	42,000		
Labor & Misc	40,000		
Lot Storage	65,000		
Net Repair	1,000		
Service Dock Tie ups	20,000		
	<u>\$ 198,000</u>		

**Port of Newport
General Operating Fund
2016-2017 Budget
Resources**

	Actuals 2014-15	Approved 2015-16 Budget	Proposed 2016-17 Budget
ILWU Labor		\$ -	\$ -
Fees collected for longshoreman loading shipping containers. None expected this fiscal year.			
Bay Front Moorage	\$ 435,304	\$ 400,000	\$ 440,000
Vessel use of Port Docks 1, 3, 5, 7, & Swede's			
Bay Front Marina Services	\$ 286,131	\$ 262,600	\$ 251,000
Electrical	\$ 1,000		
Labor	62,000		
Waste Oil Dump	1,500		
Pallets (New Charge \$5/pallet)	500		
Restroom Keys & Misc	3,500		
Port Operated Hoists (1 & 3)	4,000		
Forklift Services	14,000		
Lot Storage	72,000		
Service Dock Tie up	86,000		
Comm. Marina Parking Passes	6,500		
	\$ 251,000		
South Beach Moorage	\$ 666,939	\$ 600,000	\$ 655,000
Moorage within the South Beach Marina			
Liveaboard Revenue	\$ 15,043	\$ 11,000	\$ 14,000
Surcharge for living on vessel in SB Marina			
Launch Ramp			
Use of South Beach Marina launch ramp	\$ 70,194	\$ 62,000	\$ 70,000
RV Park Space Rentals	\$ 688,922	\$ 610,000	\$ 700,000
Rates vary by season and length of stay			
Main RV Park	\$ 550,000		
Annex RV Park	150,000		
	\$ 700,000		
Transient Room Tax	\$ 52,482	\$ 45,000	\$ 54,000
Tax on RV space rentals less than 30 days City of Newport 9.5% and State of OR 1%			
Property & Dredge Sales		\$ 2,000	\$ 2,000
Dredged sand \$2/yard (1,000 yards)			
Miscellaneous Revenue	\$ 46,877	\$ 37,200	\$ 47,000
Late Fees & Cancellation Fees	\$ 8,000		
Lot Storage	10,000		

**Port of Newport
General Operating Fund
2016-2017 Budget
Resources**

	Actuals	Approved	Proposed
	2014-15	2015-16 Budget	2016-17 Budget
South Beach Marina Showers	5,000		
SB Marina & RV Park Laundry	15,000		
Pet Fees	4,000		
Other (DVD sales, office fees, etc.)	5,000		
	<u>\$ 47,000</u>		
Total Operating Revenue	<u>\$ 3,154,462</u>	<u>\$ 2,869,351</u>	<u>\$ 3,134,081</u>
Nonoperating Revenues			
Grants & Other	\$ 22,874	\$ 158,000	\$ 168,000
DHS PSG	135,000		
OSMB Derelict Vessels	30,000		
SDAO Safety Grant	3,000		
	<u>\$ 168,000</u>		
Interest	\$ 5,282	\$ 2,500	\$ 4,000
Bank interest earned on Port funds			
Checking earning .1% & Savings .15% to .30%			
Property Tax - Current Year	\$ 93,985	\$ 85,250	\$ 87,400
Defined by law to be \$.0609/\$1,000			
6/30/15 value for the Port District is \$1,683,723,348			
Historically collect 85.3% of current year.			
Property Tax - Prior Years	\$ 3,818	\$ 7,100	\$ 7,100
Historically collect 7.1% from past years.			
Transferred IN, from other Funds	\$ -	\$ -	\$ -
NOAA transfer to Gen Operating Fund			
Total Nonoperating Revenue	<u>\$ 125,959</u>	<u>\$ 252,850</u>	<u>\$ 266,500</u>
Total Resources	<u>\$ 3,280,421</u>	<u>\$ 3,122,201</u>	<u>\$ 3,400,581</u>

**Port of Newport
General Operating Fund
Budget 2016-2017
Personnel Services**

	Actuals	Approved	Proposed
	2014-15	2015-16	2016-17
	<u>2014-15</u>	<u>Budget</u>	<u>Budget</u>
Salaries & Wages	\$ 656,049	\$ 806,135	\$ 935,554
Full-Time Employees Part-Time & Seasonal Employees			
Estimated 21 Full-Time & 3 Part-Time/Seasonal Staff (22.5 FTE)			
Federal Payroll Tax Expense	\$ 50,188	\$ 61,669	\$ 71,570
6.2% - Social Security	\$935,554	\$ 58,004	
1.45% - Medicare	\$935,554	13,566	
	<u>\$ 71,570</u>		
Unemployment Expense	\$ 15,554	\$ 17,632	\$ 21,168
State of Oregon Unemployment - .1% of Wages			
2.7% of first \$35,000 - OR Unemployment			
Workers Compensation	\$ 42,723	\$ 55,102	\$ 65,455
Special Districts - Percentage of salaries times 1.38 (Experience Mod).			
Employee Health Insurance	\$ 124,129	\$ 143,671	\$ 170,704
Port paid health, vision, dental, and life insurance			
Coverage through SDAO - Regence Red PPO L			
Health Reimbursement Arrangement (HRA)	\$ 5,000	\$ 14,000	\$ 15,500
Employee reimbursement for medical expenses above \$1,000 deductible with an annual maximum reimbursement of \$3,500.			
PERS Expense	\$ 19,145	\$ 45,726	\$ 16,665
Retirement contribution by employer for eligible employees.			
Employees in Tier 1 and Tier 2 are 6.68% of wages			
Employees in OPSRP system are at 0.45% of wages			
Employee Incentives & Other	\$ 17,867	\$ 3,100	\$ 4,000
Birthday cards, employee meetings, holiday party and miscellaneous costs.			
Total Personnel Services	<u><u>\$ 930,655</u></u>	<u><u>\$ 1,147,035</u></u>	<u><u>\$ 1,300,616</u></u>

**Port of Newport
General Operating Fund
Budget 2016-2017
Materials and Services**

	<u>Actuals</u>	<u>Approved</u>	<u>Proposed</u>
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
		Budget	Budget
Insurance	\$ 157,389	\$ 160,200	\$ 169,200
SDAO - Gen. Liability, Property, Auto, Flood	\$ 126,000		
Western Surety - Notary Public Bond	\$ 200		
Servco - Docks & Port Vessels	\$ 43,000		
	<u>\$ 169,200</u>		
Professional Fees	\$ 79,119	\$ 61,800	\$ 57,000
Audit & Accounting	\$ 24,000		
Legal	\$ 33,000		
Marketing & Promotion	\$ 14,819	\$ 24,000	\$ 24,500
Advertising & Publications	\$ 17,000		
Good Sam Membership & Advertising			
Public notices, Newspaper ads, DVD's			
Promotional & Sponsorships Expenses	\$ 7,500		
Promotional items (tide books & misc.) - Sponsorships (Wild Seafood weekend & misc.)			
Dues & Subscriptions	\$ 21,671	\$ 20,150	\$ 20,150
Assoc of Pacific Ports, Greater Newport Chamber, Newport Rotary Club, OR Cascade West Council of Govts, Oregon Coastal Zone Mgmt Assoc., Oregon Municipal Finance Offers Assn, Pacific Coast Congress of Harbormasters, Pacific NW Waterway Assn., State Purchasing, YB Economic Foundation, Family Motor Coach Assn., Central OR Coast Assoc., Trailer Life Ent., Inc....			
Employee Education	\$ 8,821	\$ 6,000	\$ 9,500
Conferences, Seminars, Maintenance Training & Misc. Education			
Travel			
Travel expenses to conferences, Mission to Washington, etc.	\$ 9,223	\$ 13,000	\$ 14,700
Office Expenses			
Office Supplies	\$ 15,562	\$ 14,800	\$ 14,800
Moorage License Agreements. Purchase Orders, Service Tickets			
IT Hardware/Software & Supplies	\$ 32,166	\$ 29,800	\$ 25,600
For new Marina Software and Hercules Fee			
Equipment Rental & Leases	\$ 4,798	\$ 6,500	\$ 6,900
Leases for copiers & postage meter			
Postage	\$ 2,712	\$ 3,925	\$ 2,500
Bank Fees	\$ 33,235	\$ 32,000	\$ 38,500
Primarily credit card processing fees			

**Port of Newport
General Operating Fund
Budget 2016-2017
Materials and Services**

	Actuals 2014-15	Approved 2015-16 Budget	Proposed 2016-17 Budget
Bond Fees	\$ 1,975	\$ 2,000	\$ 2,000
Fees charged to service bond debt			
Licenses & Permit Fees	\$ 8,568	\$ 9,200	\$ 11,300
Air Quality, DEQ, DSL, Fire protection, Land use fees, City use fees			
Utilities			
Electric	\$ 206,193	\$ 249,500	\$ 236,500
Water & Sewer	\$ 98,235	\$ 108,500	\$ 115,000
Natural Gas	\$ 3,109	\$ 4,000	\$ 4,000
Refuse	\$ 61,053	\$ 73,200	\$ 72,000
Telephone	\$ 7,497	\$ 7,400	\$ 6,750
Cell	\$ 5,500	\$ 6,900	\$ 6,150
Cable/Satellite TV (RV Parks)	\$ 10,435	\$ 10,500	\$ 11,500
Internet (S. Beach RV Park & Marina wifi bandwidth)	\$ 6,175	\$ 8,500	\$ 11,500
	<u>\$ 398,197</u>	<u>\$ 468,500</u>	<u>\$ 463,400</u>
Contract & Support Services			
IT Services	\$ 9,341	\$ 7,300	\$ 11,800
Payroll Services	\$ 1,002	\$ 1,200	\$ 1,200
Janitorial	\$ 37,701	\$ 37,622	\$ 40,300
Grounds & Parking Lots	\$ 30,403	\$ 42,700	\$ 46,100
Security	\$ 85,263	\$ 79,060	\$ 87,000
Portable Restrooms	\$ 5,482	\$ 9,000	\$ 7,250
Other (Plumbing, HVAC, & Electrical...)	\$ 52,157	\$ 14,600	\$ 13,300
	<u>\$ 221,349</u>	<u>\$ 191,482</u>	<u>\$ 206,950</u>
Repairs & Maintenance			
Buildings	\$ 42,529	\$ 15,500	\$ 25,000
Vehicles	\$ 2,261	\$ 4,200	\$ 4,200
Heavy Equipment (Crane, Forklifts, Hoists...)	\$ 25,919	\$ 27,000	\$ 11,000
Equipment (Mowers, Dumpsters, Landscaping Equipment...)	\$ 17,285	\$ 16,600	\$ 27,100
Vessels (Tug & Boston Whaler)	\$ 2,842	\$ 7,500	\$ 7,500
Docks	\$ 20,715	\$ 19,000	\$ 23,000
Grounds	\$ 8,366	\$ 12,500	\$ 17,500
Repairs & Maintenance - Other	\$ 1,054	\$ 4,100	\$ 1,000
	<u>\$ 120,971</u>	<u>\$ 106,400</u>	<u>\$ 116,300</u>
Equipment & Small Tools			
Small Tools & Equipment	\$ 10,920	\$ 8,500	\$ 16,500
Equipment Lease/Rentals	\$ 475	\$ 3,400	\$ 3,400
Operating Supplies & Fuel			
Electrical Supplies	\$ 8,877	\$ 5,850	\$ 10,300
Restroom & Cleaning Supplies	\$ 24,497	\$ 28,300	\$ 29,300
Safety Equip & Uniforms	\$ 5,010	\$ 6,800	\$ 10,100
Operating Supplies	\$ 26,300	\$ 10,800	\$ 13,800
Equipment Fuel, Propane, Lubes & Misc	\$ 14,596	\$ 26,000	\$ 13,500
	<u>\$ 79,280</u>	<u>\$ 77,750</u>	<u>\$ 77,000</u>
Shipping Expenses			
ILWU Wages	\$ 1,798	\$ -	\$ -

**Port of Newport
General Operating Fund
Budget 2016-2017
Materials and Services**

	Actuals <u>2014-15</u>	Approved 2015-16 Budget	Proposed 2016-17 Budget
DSL & State Land Fees	\$ 28,173	\$ 32,000	\$ 35,000
Oregon Department of State Lands - leases for submerged lands under marinas and review fees for dredging. 3% of gross income for Bayfront Port Docks & Terminal \$ 0.257 per square foot of South Beach Marina (394,218 sqft) \$.85/yard of dredged sand the Port sells (5,000 yards)			
Building & Land Leases	\$ 13,549	\$ 14,000	\$ 14,000
Portable building leases			
Room Tax			
Short-term RV rental taxes collected			
	\$ 50,614	\$ 43,000	\$ 51,000
Materials & Services Expenses (Operating)	<u>\$ 1,238,707</u>	<u>\$ 1,328,407</u>	<u>\$ 1,380,200</u>
Nonoperating Expenses			
Grants & Other			
Grants			
SDAO Safety Grant & OSMB Maintenance Assistance & Derelict Vessels			
	\$ 13,874	\$ 196,000	\$ 45,000
Total Materials & Services	<u><u>\$ 1,252,581</u></u>	<u><u>\$ 1,524,407</u></u>	<u><u>\$ 1,425,200</u></u>

**Port of Newport
Budget 2016-2017
General Operating Fund Debt Service**

	Actuals		Approved		Proposed	
	2014-15		2015-16 Budget		2015-16 Budget	
	\$	579,149	\$	637,033	\$	684,934
		June 30, 2016 Outstanding Balance	Principal	Interest		2016-17 Debt Service
OR Port Revolving Loan #520161	\$	48,679	\$	15,271	\$	2,581
1999 Loan (\$202,985) to build Serven building in South Beach. Building leased to OR Brewing Co. 6% Interest, 20 years						
OR Special Public Works Loan #L00012	\$	51,097	\$	4,454	\$	3,066
2004 loan (\$86,683) - Terminal dock remediation and geotechnical investigation and engineering. Project was funded as half grant, half loan. 6% Interest, 21 years						
OR Special Public Works Loan #Q10001	\$	1,182,359	\$	65,443	\$	34,824
2010 (\$1,300,000) EPA Coalition Brownfields Loan: Remediation of hazardous materials. Amortization calculated at \$1,300,000 (\$1.5MM with \$200,000 in loan forgiveness possible) 3% Interest, 21 years						
OR Special Public Works Loan #L12005	\$	2,791,825	\$	110,168	\$	108,044
2012 Terminal loan (\$3,500,000). \$400,000 possibly forgiven as grant when employment thresholds are met. 3.87% Interest, 21 years						
Series 2013 FF&C Obligations	\$	3,260,000	\$	185,000	\$	100,257
2013 loan (\$3,410,000) South Beach RV Park debt refinancing and \$890,000 new debt for Terminal construction. Interest varies between 3 - 3.5%, 20 years						
Oregon Coast Bank #10021575 & #10032077	\$	-	\$	-	\$	-
2007 loan (\$315,955) - 30 Ton Mobile Crane Variable Interest (7% minimum), 8 years						
	\$	368,535	\$	21,466	\$	21,829
2010 loan (\$465,811) - Terminal Buildings Variable Interest (6% minimum), 15 years						
Toyota Financial Services	\$	8,071	\$	5,320	\$	255
2012 South Beach Forklift (\$24,767) 5 year capital lease (\$1 buyout)						
	\$	16,461	\$	6,373	\$	583
2013 Commercial Marina Forklift (\$31,357) 5 year capital lease (\$1 buyout)						
					\$	684,934

**Port of Newport
General Operating Fund
Budget 2016-2017
Capital**

Actuals	Approved	Proposed
2014-15	2015-16	2016-17
_____	_____	_____
\$ 23,660	\$ 215,000	\$ 500,000

PD5 Pile Replacement	\$ 300,000
Security System	\$ 180,000
Vehicle for Maintenance crew	\$ 20,000
	<u>\$ 500,000</u>



BUDGET 2016 – 2017

APPENDIX

1. 2016-17 Compensation Plan Resolution
 - A. Salary and Wage Step System
 - B. Summary of Personnel Costs by Position
 - C. Health Insurance Renewal Details
2. 2016-17 Draft Rate Resolution
3. 2016-17 Resolution Capital Improvement Prioritization
 - A. Capital Improvement List Appendix
 - B. Prioritized Capital/Maintenance Projects
4. Facilities Maintenance & Operations Plan

**PORT OF NEWPORT
RESOLUTION NO. 2016-___**

A RESOLUTION ADOPTING A COMPENSATION PLAN FOR PORT EMPLOYEES

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

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

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

WHEREAS, elements of this plan were reviewed by the Port Commission at their April 5, 2016 budget priorities work shop and again by the Budget Committee at their May 10, 2016 meeting; and,

WHEREAS, the Budget Committee approved the FY 2015-16 budget as presented; NOW THEREFORE,

THE PORT OF NEWPORT BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:

Section 1. Purpose. The purpose of this resolution is to establish a Compensation Plan for employees in the career service of the port beginning July 1, 2016 and shall appear as an appendix in the Personnel Rules of the Port of Newport along with other supporting documentation.

Section 2. Cost of Living Adjustment (COLA). The port shall not issue a COLA for Fiscal Year 2016-17. The rate as identified in the most recent completed calendar year as published by the U.S. Bureau of Labor Statistics, Portland Consumer Price Index-U was 1.2%. All rates, categories and steps noted in this resolution shall not be adjusted. The state’s minimum wage increased to \$9.75 per hour.

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

	HOURLY	
	LOW	HIGH
A. <u>General Manager</u>	\$43.46	\$57.02
B. <u>Finance Director</u>	\$33.65	\$44.16
C. <u>Operations Director</u>	\$33.65	\$44.16
D. <u>Facilities Manager (MOC-P)</u>	\$23.21	\$30.45

E. <u>Harbor Master</u>	\$19.48	\$25.56
F. <u>Terminal Manager</u>	\$19.48	\$25.56
G. <u>Accounting Specialist I</u>	\$18.09	\$23.73
H. <u>Maintenance I</u>	\$15.94	\$20.91
I. <u>Accounting Specialist II</u>	\$13.45	\$17.65
J. <u>RV Park Manager</u>	\$13.45	\$17.65
K. <u>Administrative Assistant</u>	\$12.50	\$16.40
L. <u>Maintenance II</u>	\$11.85	\$15.55
M. <u>Accounting Specialist III</u>	\$10.00	\$13.12
N. <u>Maintenance III</u>	\$9.75	\$11.59

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

MONTHLY

A. <u>Medical</u> . “Red” Plan. PPO L	\$587.02 / \$1,673.00
B. <u>Dental</u> . Incentive Plan	\$50.88 / \$135.37

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

MONTHLY

A. <u>Tier I</u>	6.68%
B. <u>Tier II</u>	0.45%
C. <u>OPSRP (Tier III)</u>	0.45%

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

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

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

Section 9. Bonus Consideration. The General Manager shall have the authority to issue on behalf of the port a holiday bonus to employees in an amount not

to exceed \$100 based upon financial and other considerations. Commission grants General Manager an equal bonus as may be issued to other career service employees.

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

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

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

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 24th day of May, 2016.

Walter Chuck, President

ATTEST:

David Jincks, Secretary/Treasurer

**Hourly Wage Steps
Fiscal Year 2016-17**



Steps

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

Maintenance III					\$ 9.75	\$ 9.99	\$ 10.24	\$ 10.50	\$ 10.76	\$ 11.03	\$ 11.31	\$ 11.59
Maintenance II	\$ 11.85	\$ 12.15	\$ 12.45	\$ 12.76	\$ 13.08	\$ 13.41	\$ 13.74	\$ 14.09	\$ 14.44	\$ 14.80	\$ 15.17	\$ 15.55
Maintenance I	\$ 15.94	\$ 16.34	\$ 16.74	\$ 17.16	\$ 17.59	\$ 18.03	\$ 18.48	\$ 18.94	\$ 19.42	\$ 19.90	\$ 20.40	\$ 20.91
Terminal Manager	\$ 19.48	\$ 19.97	\$ 20.47	\$ 20.98	\$ 21.50	\$ 22.04	\$ 22.59	\$ 23.16	\$ 23.73	\$ 24.33	\$ 24.94	\$ 25.56
Harbor Master												
Marina Manager	\$ 19.48	\$ 19.97	\$ 20.47	\$ 20.98	\$ 21.50	\$ 22.04	\$ 22.59	\$ 23.16	\$ 23.73	\$ 24.33	\$ 24.94	\$ 25.56
MOC-P Manager	\$ 23.21	\$ 23.79	\$ 24.39	\$ 24.99	\$ 25.62	\$ 26.26	\$ 26.92	\$ 27.59	\$ 28.28	\$ 28.99	\$ 29.71	\$ 30.45

Administration

Accounting Specialist III	\$ 10.00	\$ 10.25	\$ 10.51	\$ 10.77	\$ 11.04	\$ 11.31	\$ 11.60	\$ 11.89	\$ 12.18	\$ 12.49	\$ 12.80	\$ 13.12
Accounting Specialist II	\$ 13.45	\$ 13.79	\$ 14.13	\$ 14.48	\$ 14.85	\$ 15.22	\$ 15.60	\$ 15.99	\$ 16.39	\$ 16.80	\$ 17.22	\$ 17.65
Accounting Specialist I	\$ 18.09	\$ 18.54	\$ 19.00	\$ 19.48	\$ 19.96	\$ 20.46	\$ 20.98	\$ 21.50	\$ 22.04	\$ 22.59	\$ 23.15	\$ 23.73
Administrative Assistant	\$ 12.50	\$ 12.81	\$ 13.13	\$ 13.46	\$ 13.80	\$ 14.14	\$ 14.50	\$ 14.86	\$ 15.23	\$ 15.61	\$ 16.00	\$ 16.40
RV Park Manager	\$ 13.45	\$ 13.79	\$ 14.13	\$ 14.48	\$ 14.85	\$ 15.22	\$ 15.60	\$ 15.99	\$ 16.39	\$ 16.80	\$ 17.22	\$ 17.65

Management

General Manager	\$ 43.46	\$ 44.55	\$ 45.66	\$ 46.80	\$ 47.97	\$ 49.17	\$ 50.40	\$ 51.66	\$ 52.95	\$ 54.28	\$ 55.63	\$ 57.02
Finance Director	\$ 33.65	\$ 34.50	\$ 35.36	\$ 36.24	\$ 37.15	\$ 38.08	\$ 39.03	\$ 40.00	\$ 41.00	\$ 42.03	\$ 43.08	\$ 44.16
Operations Director	\$ 33.65	\$ 34.50	\$ 35.36	\$ 36.24	\$ 37.15	\$ 38.08	\$ 39.03	\$ 40.00	\$ 41.00	\$ 42.03	\$ 43.08	\$ 44.16

Proposed
Fiscal Year 2016-17
3/3/2016



Personnel Services

	Admin & Property Mgmt	SB Admin	SB OPS	CM OPS	Maint Crew	International Terminal	NOAA	Proposed 2016-17 Total	2015-16 Budget	Percentage Change
General Manager	\$ 118,606									
Operations Director	\$ 89,606									
Finance Director	\$ 81,182									
Accounting Specialist I	\$ 44,720									
Admin Assistant	\$ 30,909									
Accounting Specialist III	\$ 21,861									
Accounting Specialist III (1/2 time)	\$ 13,312									
Overtime & Comp	\$ 1,800									
	\$ 401,996							\$ 401,996	\$ 359,418	11.8%
RV Park Manager/Acct Spec II		\$ 30,888								
Accounting Specialist III		\$ 24,128								
Accounting Specialist III (1/2 time)		\$ 13,312								
Seasonal #1		\$ 10,000								
Overtime & Comp		\$ 3,000								
		\$ 81,328						\$ 81,328	\$ 67,845	19.9%
Harbormaster			\$ 50,606							
Maintenance I			\$ 34,819							
Maintenance II			\$ 25,896							
Maintenance II			\$ 25,896							
Maintenance III (part-time)			\$ 5,840							
Seasonal			\$ 8,000							
Overtime & Comp			\$ 4,000							
			\$ 155,058					\$ 155,058	\$ 155,430	-0.2%
Harbormaster				\$ 50,606						
Maintenance II				\$ 25,896						
Maintenance II				\$ 25,896						
Maintenance III				\$ 24,835						
Seasonal				\$ 4,000						
Overtime & Comp				\$ 10,000						
				\$ 141,234				\$ 141,234	\$ 182,528	-22.6%
Maintenance I					\$ 41,392					
Maintenance II					\$ 32,344					
Maintenance II					\$ 32,344					
					\$ 106,080			\$ 106,080	\$ -	
Terminal Manager						\$ 49,358				
Overtime & Comp						\$ 500				
						\$ 49,858		\$ 49,858	\$ 40,914	21.9%
*MOC-P Manager							\$ 53,290	\$ 53,290	\$ 77,667	-31.4%
								\$ 988,843	\$ 883,802	11.9%
Payroll Taxes & Benefits	\$ 37,802	\$ 8,417	\$ 16,048	\$ 14,331	\$ 10,979	\$ 5,160	\$ 5,515	\$ 98,254	\$ 87,338	
Health Insurance	\$ 62,812	\$ 16,034	\$ 30,619	\$ 30,619	\$ 22,964	\$ 7,655	\$ 7,655	\$ 178,358	\$ 151,115	
PERS - Retirement	\$ 1,801	\$ 307	\$ 5,939	\$ 5,339	\$ 3,056	\$ 222	\$ 240	\$ 16,905	\$ 49,952	
Worker's Compensation Ins.	\$ 2,135	\$ 471	\$ 21,579	\$ 19,651	\$ 14,729	\$ 6,891	\$ 7,359	\$ 72,814	\$ 65,687	
Employee Incentives & Other	\$ 1,400	\$ 700	\$ 700	\$ 700	\$ 300	\$ 200	\$ 200	\$ 4,200	\$ 3,300	
Health Reimbursement Arrangement	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 1,500	\$ 1,500	\$ 17,000	\$ 15,500	
Totals	\$ 510,747	\$ 110,057	\$ 232,744	\$ 214,673	\$ 160,909	\$ 71,486	75,759	1,376,375	1,256,695	9.5%

* Paid out of the NOAA Fund



		Current Plan	Renewal Option 1
		Special Districts Insurance Services Red PPO L \$5,000 Deductible Plan	Special Districts Insurance Services Red PPO L \$5,000 Deductible Plan
Deductible (individual & family)		\$5,000/\$10,000	\$5,000/\$10,000
Out of Pocket Max		\$6,350/\$12,700	\$6,350/\$12,700
Coinsurance		30%	30%
Deductible Included in OOPM		Yes	Yes
Preventive Care (includes well child care, routine physicals, Woman's annual exams, routine mammograms, immunizations, and routine colonoscopy)		No Charge *	No Charge *
Office Visits for illness or injury		\$35 Copay *	\$35 Copay *
Specialist Visits		\$35 Copay *	\$35 Copay *
Urgent Care		\$35 Copay *	\$35 Copay *
Diagnostic Lab & X-ray		Basic Services 30% * Deductible Waived, Major Services 30% After Deductible	Basic Services 30% * Deductible Waived, Major Services 30% After Deductible
Emergency Room		\$250 Copay then 30% After Deductible	\$250 Copay then 30% After Deductible
Hospitalization		30% After Deductible	30% After Deductible
Prescription Drugs Generic/Preferred/NonPreferred/Specialty		\$10*/\$30*/50%*/\$200*	\$10*/\$30*/50%*/\$200*
Vision		\$35 Copay * \$250 Allowance	\$35 Copay * \$250 Allowance
Chiro/Acupuncture/Naturopath Care (Naturopaths are covered under the regular office visits for anything a general practice doctor performs.)		\$35 Copay *	\$35 Copay *
Provider Network		Preferred Network	Preferred Network
Rates			
Employee Only	14	\$553.75	\$587.02
Employee Spouse	1	\$1,107.50	\$1,174.03
Family	1	\$1,578.19	\$1,673.00
Employee Children	0	\$1,024.44	\$1,085.98
Total Employee Count	16		
Estimated Total Monthly Premium		\$10,438.19	\$11,065.31
Estimated Total Annual Premium		\$125,258.28	\$132,783.72

Other Carriers Rates
 MODA EE Rate \$586.45
 LifeWise EE Rate \$594.85
 Providence EE Rate \$612.15
 Pacific Source EE Rate \$674.48

*Deductible Waived

Port Of Newport

Group Dental Plan Analysis

2016 Renewal

	Current Special Districts Insurance Services Dental Option II \$1500 Maximum	Renewal Special Districts Insurance Services Dental Option II \$1500 Maximum	Option 1 MODA Health Dental Dental Premier Elite Plan \$1,500 Max.
Benefits			
Annual Deductible			
Individual	\$0	\$0	\$25
Family	\$0	\$0	\$75
Maximum Annual Benefit Amount	\$1,500	\$1,500	\$1,500
Type I - Preventive	70%/80%/90%/100%	70%/80%/90%/100%	No Charge
Type II - Basic Service	70%/80%/90%/100%	70%/80%/90%/100%	20%
Type III - Major Services	50%	50%	50%
Waiting Period	12 Months with no prior coverage	12 Months with no prior coverage	12 Months with no prior coverage
Rates	Counts		
Employee Only	14	\$49.86	\$49.29
Employee & Spouse	1	\$91.28	\$97.60
Employee & Family	1	\$132.66	\$173.02
Employee & Children	0	\$94.87	\$112.88
Estimated Monthly Premium		\$921.98	\$960.68
Estimated Annual Premium		\$11,063.76	\$11,528.16

Benefits are not guaranteed, this is just an overview of benefit descriptions

**PORT OF NEWPORT
RESOLUTION NO. 2016-xx**

A RESOLUTION SETTING RATES, FEES, AND CHARGES

WHEREAS, ORS 294.160 requires the governing body of a unit of local government to provide an opportunity for interested persons to comment on the enactment of any ordinance or resolution prescribing a new fee or a fee increase; and

WHEREAS, Port of Newport Facilities Code Sec. 1.2(f) and 2.10(c)(6) requires the Commission to set rates and charges for moorage and electrical usage by the adoption of a “fee schedule” by resolution; and

WHEREAS, the Port Commission last adjusted rates, fees and charges via Res. No. 2015-06 on May 26, 2015; and

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

THE PORT OF NEWPORT BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:

Section 1. Service Rates. Rates apply to all Port of Newport locations unless otherwise noted. Rates become effective July 1, 2016. Port owned equipment to be operated by port personnel.

	OLD	NEW	+/-
A. <u>Forklift.</u> In addition to labor rate.			
1. Small. Toyotas.			
a. per hour.....	\$11.00	11.33	3%
b. minimum charge	\$7.00	7.21	3%
2. Large. All at International Terminal (IT).			
a. per hour.....	\$27.50	28.33	3%
b. minimum charge	\$16.50	17.00	3%
B. <u>Hoist Dock.</u> Tie up fee, per hour. Includes use of hoist.			
1. one hour minimum, up to 3 hrs.	\$36.25	37.34	3%
2. after 3 hours.....	\$43.00	44.29	3%
C. <u>Hoist Dock Cranes.</u> In addition to hoist dock rate.			
1. Large Capacity. In addition to labor rate.			
a. per hour	\$38.50	39.66	3%
b. minimum charge	\$29.75	30.64	3%
2. Launch Sail Boats. Includes recovery, per launch.....	\$41.25	42.49	3%
D. <u>Service Docks.</u>			
1. Swede’s. In addition to moorage.....daily moorage rate		same	0%
E. <u>City Water.</u> at city’s rate		same	0%
F. <u>Fuel Surcharge.</u> International Terminal only. Per gallon.....	\$ 0.03	\$0.031	3%
G. <u>Electricity.</u> Swede’s Dock, Dock 1, and IT. Per day charge.			
1. 208/220 v, single phase & 208 v three phase.....	\$14.75	15.19	3%
2. 120v. IT	\$6.25	6.44	3%
3. PD 7 Service Dock, 110v pumps	\$ 6.25	6.44	3%
4. PD 7 Yard Charge, trucks	\$11.25	11.59	3%
H. <u>Hydraulic Crane.</u> In addition to labor rate. 30 ton capacity, per hour (min. 1 hr.).....	\$128.75	132.61	3%

	OLD	NEW	+/-
I. <u>Pump/Line Service.</u> Includes one Port employee only. Additional staff required will be billed at the established hourly labor rate. Per hour.	\$56.75	58.45	3%
J. <u>Storage.</u>			
1. Outside Lot Storage			
a. per square foot, daily rate.....	\$0.01	\$0.010	0%
b. per square foot, monthly charge.....	\$0.21	\$0.216	3%
c. minimum monthly charge	\$21.00	\$21.63	3%
d. boat trailer only, per night.....	\$2.10	\$2.16	3%
e. boat on trailer, per night, 10 days limit	\$7.20	\$7.42	3%
2. Emergency Storage Fee. Per day billed as guest. For vehicles, boats or trailers prior to being considered unclaimed property in possession (ORS 98.245) Charge for improper use of parking lot (i.e. boat repair).....		\$21.63	3%
K. <u>Gear Work.</u> Boat crew is responsible for clean-up. If Port Employees are required to clean up area, the boat account will be billed at the established hourly labor rate.			
1. Commercial Marina, per day.....	\$18.25	\$18.80	3%
2. Terminal Lot, per day. Short term use only. Deep-draft cargo has priority	\$18.25	\$18.80	3%
3. South Beach Marina, per day	\$18.25	\$18.80	3%
L. <u>Work Barge.</u> In addition to labor rate.			
1. Work Boat, per hour. Licensed captain extra.....	\$121.00	\$124.63	3%
2. Wood Barge, per day (work boat extra)	\$23.00	\$23.69	3%
3. Skiff, per hour.....	\$13.00	\$13.39	3%
M. <u>Clean-up.</u> Fees will be charged for each man-hour at the established labor. Equipment charges are extra			
1. Oil Spills, per hour.....	\$90.00	\$92.70	3%
N. <u>Disposal Fees.</u>			
1. Just Oil, per gallon	\$0.29	\$ 0.300	3%
2. Oil-Water Mix, per gallon	\$0.74	\$ 0.760	3%
3. Net Disposal and/or Related Gear, per pound.....	\$0.16	\$ 0.165	3%
4. Garbage, per pound.....	\$0.11	\$ 0.113	3%
O. <u>Port Labor.</u> Includes administration staff.			
1. per hour; 3/4 hour minimum, in 15 min. increments	\$49.00	\$50.50	3%
2. Overtime. Any services required outside the established working hours, unless otherwise posted, will be charged at one and one-half times (1.5) the normal rate for labor. Per hour, 1 hour minimum	\$73.50	75.71	3%
3. Emergency Call-out. Any services requiring a port employee not currently on duty to report to duty after hours, will be charged at twice (2.0) the normal rate for labor. Per hour	\$98.00	\$100.94	3%
P. <u>Pallet Charge.</u> Any Port owned pallet leaving yard, each.	\$ 5.30	\$5.46	3%
Q. <u>Dredge Spoils.</u> Includes state fees; may be waived for other public agencies. Per cubic yard.	\$ 2.00	\$2.00	0%
R. <u>Keys/Cards.</u>			
1. South Beach Facilities. Cards.			
a. original/first two.....	free	free	0%
b. replacement/additional	\$ 5.50	\$5.67	3%
2. Bay Front Facilities. Keys.			
a. original/first one	\$15.50	\$15.97	3%
b. replacement/additional	\$27.50	\$28.33	3%

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

	OLD	NEW	+/-
A. <u>Moorage.</u> Per linear foot.			
1. Daily	\$ 0.44	\$ 0.45	3%
2. Calendar Month.....	\$ 8.00	\$ 8.25	3%
3. Semi-Annual.....	\$30.40	\$31.31	3%
4. Annual	\$40.35	\$41.56	3%
B. <u>Annual Parking Permit.</u> Rate effective for calendar year starting April 1 st . Commercial Fisherman only	\$21.00	\$21.00	0%

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

A. <u>Port Security Fee.</u> (§I.13). Per day	\$895.00	\$895.00	0%
B. <u>Materials & Supplies.</u> (§I.31). Cost plus	25%	25%	0%
C. <u>Dockage Charges.</u> (§III.13). Rate per day, by length.			
1. 000.00 – 351.05 ft.	\$1,627.00	\$1,627.00	0%
2. 351.05 – 371.02 ft.	\$1,792.00	\$1,792.00	0%
3. 371.02 – 400.26 ft.	\$1,981.00	\$1,981.00	0%
4. 400.26 – 426.51 ft.	\$2,203.00	\$2,203.00	0%
5. 426.51 – 449.48 ft.	\$2,373.00	\$2,373.00	0%
6. 449.48 – 475.72 ft.	\$2,607.00	\$2,607.00	0%
7. 475.72 – 498.69 ft.	\$2,960.00	\$2,960.00	0%
8. 498.69 – 524.93 ft.	\$3,527.00	\$3,527.00	0%
9. 524.93 – 551.18 ft.	\$3,639.00	\$3,639.00	0%
10. 551.18 – 574.15 ft.	\$3,822.00	\$3,822.00	0%
11. 574.15 – 600.39 ft.	\$4,373.00	\$4,373.00	0%
12. 600.39 – 626.64 ft.	\$5,092.00	\$5,092.00	0%
13. 626.64 – 649.99 ft.	\$5,787.00	\$5,787.00	0%
14. Above 650 ft., added on top of above rate, per ft.	\$8.90	\$8.90	0%
15. Exceptions for certain vessels. (§II.14), per ft. per day..	\$0.80	\$0.80	0%
D. <u>Service and Facility Charges.</u> (§III.2). Per 1000 board feet, unless noted.			
1. Logs. Scribner scale, ex dock	\$7.75	\$7.75	0%
2. Cants.....	\$6.00	\$6.00	0%
3. Lumber. Packaged rough.....	\$5.22	\$5.22	0%
4. Lumber. Packaged surfaced.....	\$4.63	\$4.63	0%
5. Plywood, Veneer, corestock & hardboard, /1000 kilos ..	\$5.87	\$5.87	0%
6. Pulp, Linerboard, bales or rolls, 2000 kilos	\$3.49	\$3.49	0%
7. Other commodities, per metric ton or 1000 bf	\$6.83	\$6.83	0%
8. Other commodities, per cubic meter	\$5.69	\$5.69	0%
E. <u>Wharfage Assessment.</u> (§III.6). Minimum charge for any single bill of lading.	\$10.00	\$10.00	0%
F. <u>Wharf Charges.</u> (§III.7). Per 1000 board feet, unless noted. In addition to Service and Facility Charges.			
1. Logs. Scribner scale, ex dock	\$9.50	\$9.50	0%
2. Cants.....	\$6.00	\$6.00	0%
3. Lumber. Packaged rough.....	\$4.55	\$4.55	0%
4. Lumber. Packaged surfaced.....	\$4.03	\$4.03	0%
5. Plywood, Veneer, corestock and hardboard, per 1000k	\$3.96	\$3.96	0%
6. Pulp, Linerboard, bales or rolls	\$2.72	\$2.72	0%
7. Other commodities, per 1000 kilos	\$5.57	\$5.57	0%
8. Other commodities, per cubic meter	\$4.57	\$4.57	0%
G. <u>Cargo Staging Area.</u> (§IV.2). Base rent for surge area.			
1. per week, seven days	\$2,000.00	\$2,000.00	0%
2. per day, less than seven days	\$300.00	\$300.00	0%

H. Line Service. (§V.3). Labor will be charged at the rates set out in the current ILWU/PMA West Coast Contract. Rate schedule per day.

1.	2 men	\$520-\$656	\$520-\$656	0%
2.	4 men	\$1,061-\$1,317	\$1,061-\$1,317	0%
3.	6 men	\$1,575-\$1,973	\$1,575-\$1,973	0%
4.	8 men	\$2,153-\$2,631	\$2,153-\$2,631	0%

Section 4. South Beach Charges. Per linear foot. All charges for greater length between dock and boat except for F-Dock which is boat length only. Effective November 1, 2016.

A. Moorage. Per linear foot.

1.	Daily	\$ 0.62	0.64	3%
2.	Weekly	\$ 3.71	3.82	3%
3.	Calendar Month.....	\$ 9.50	9.79	3%
4.	Semi-Annual.....	\$34.99	36.04	3%
5.	Annual	\$55.36	57.02	3%
6.	Live aboard. Monthly rate by agreement only.			
	a. First person.....	\$48.50	49.95	3%
	b. Each Additional.....	\$42.00	43.26	3%
	c. Electrical Surcharge, per extra plug on dock	\$30.00	30.90	3%

B. South Beach Charter Rates.

1.	Annual Moorage, per linear foot (PONFC)	\$43.19	44.92	4%
2.	Charter License.....	\$300.00	300.00	0%

C. Dock Box.

1.	Purchase (at cost).....	\$300.00	309.00	3%
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D. Electrical Upgrade. From 20 to 30 amp. One time

		\$51.50	53.05	3%
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E. Line Replacement. Per foot, per time.....

		\$1.00	1.00	0%
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F. Launch Fee.

1.	Daily	\$ 6.00	6.00	0%
2.	Annual			
	a. Resident	\$55.00	55.00	0%
	b. Resident Senior	\$50.00	50.00	0%
	c. Non-resident	\$75.00	75.00	0%

Section 5. Recreational Vehicle Park Fees. Effective November 1, 2016. Rates include state and municipal lodging tax.

		OLD	NEW	+/-
A.	<u>Peak Season (Summer).</u> May 1 – October 31			
	1. All Marina Park Sites			
	a. Daily			
	i. Regular	\$43.00	44.00	3%
	ii. Good Sam.....	\$38.70	40.00	3%
	b. Weekly			
	i. Regular	\$269.00	277.00	3%
	ii. Good Sam.....	\$242.10	249.30	3%
	c. Monthly Rate	\$760.00	783.00	3%
	2. The Annex.			
	a. Daily.....	\$33.00	34.00	3%
	b. Weekly.....	\$201.00	207.00	3%
	c. Monthly.....	\$602.00	620.00	3%
	3. Dry Camping.....	\$19.00	20.00	5.5%

B. <u>Off Season (Winter)</u> . November 1 – April 30. No discounts during Seafood and Wine Festival.			
1.	All Sites in the Marina Park		
	a. Daily		
	i. Regular	\$38.00	39.00 3%
	ii. Good Sam	\$34.20	35.00 3%
	b. Weekly		
	i. Regular	\$228.00	235.00 3%
	ii. Good Sam	\$205.20	211.50 3%
	c. Monthly Rate	\$652.00	672.00 3%
2.	The Annex.		
	a. Daily.....	\$33.00	34.00 3%
	b. Weekly.....	\$201.00	207.00 3%
	c. Monthly.....	\$602.00	620.00 3%
3.	Dry Camping.....	\$19.00	20.00 5%
4.	Seafood & Wine Surcharge, per night (2 night min.) Added to all RV Park stays including Dry Camping.....	--	5.00 n/a
C. <u>Pet Fee</u> . Charged additionally.			
1.	Daily. First pet free; each additional.....	\$ 2.00	\$ 2.00 0%
2.	Weekly. First pet free; each additional.....	\$10.00	\$10.00 0%
3.	Monthly. Charged per pet including first	\$10.00	\$10.00 0%
D. <u>Individual Fee</u> . First two people free; each additional person charged.			
1.	Daily.....	\$ 2.00	\$ 2.00 0%
2.	Weekly.....	\$10.00	\$10.00 0%
3.	Monthly.....	\$30.00	\$30.00 0%
E. <u>Vehicle Fee</u> . Any combination of three axle pieces of equipment (i.e. trailer, fifth wheel, truck/car, storage trailer). Charged for fourth piece.			
1.	Daily.....	\$ 2.00	\$ 2.00 0%
2.	Weekly.....	\$10.00	\$10.00 0%
3.	Monthly.....	\$30.00	\$30.00 0%
F. <u>Non-Refundable Reservation Fee</u> .			
1.	Before 72 hours.....	\$10.00	\$10.00 0%
2.	72 hours and after.....		first night's rate 0%
G. <u>Service Fee Reimbursement</u> . For electric pedestal amperage overloads. First service call included in base rate. All other service reimbursements may be charged at actual cost to port.....			
		\$77.00	\$79.00 3%
H. <u>Laundry Machines</u> . per load.....			
		\$ 2.00	\$ 2.00 0%
I. <u>Process Fees</u> . Any additional fees incurred by the Port as part of an eviction process.			
1.	Notice.....	\$50.00	\$50.00 0%
2.	FED Complaint.....	\$200.00	\$200.00 0%
3.	Court Hearing.....	\$165.00	\$165.00 0%
4.	Writ of Execution.....	\$140.00	\$140.00 0%

Section 6. Civil Penalties. Penalties found in PONFC (Sec. 7.4(a)). Paid in full. Effective July 1, 2016.

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

Section 7. Administrative Fees. Staff may require payment or deposit in advance of service (ORS 192.440(4)(a)). Effective July 1, 2016.

A. <u>Public Records Request Fee Schedule.</u>			
1. Copies of Public Records.....	\$0.25	\$0.25	0%
2. Copies of Sound Recordings.....	\$10.00	\$10.00	n/a
3. Copies of By-laws, Codes, Plans, bound documents..	\$20.00	\$20.00	n/a
4. Copies of Nonstandard documents.....	\$20.00	\$20.00	n/a
B. <u>Research.</u> Written request required. Hourly rate. ½-hr. min.	\$48.25	50.50	5%
C. <u>Computer Time.</u> Port operator. Hourly rate. ½-hr. min.....	\$48.25	50.50	5%
D. <u>Faxes/Emailing.</u> Per Page			
1. Local.....	\$ 1.00	\$ 1.00	0%
2. Long Distance	\$ 1.50	\$ 1.50	0%
3. Incoming.....	\$ 1.00	\$ 1.00	0%
E. <u>Long Distance Phone Calls.</u>	\$ 2.00	\$ 2.00	0%
F. <u>Lamination.</u> Per Page, letter size.....	\$ 2.00	\$ 2.00	0%
G. <u>Notice Posting.</u> For non-payment of lease or moorage.....	\$60.00	\$62.00	3%
H. <u>Failure to Register.</u> For research related to unregistered boats.....	\$30.00	\$31.00	3%
I. <u>South Beach Meeting Room.</u> Must be pre-arranged and authorized. Keys must be obtained and returned. Certain waivers.....	\$75.00	\$75.00	0%
J. <u>Returned Check Fee.</u> Plus bank fees.....	\$ 50.00	\$ 50.00	0%
K. <u>Per Annum Interest Rate.</u> Applied to past due accounts.....	18%	18%	0%
L. <u>POV Mileage Reimbursement Rate (IRS)</u>.....	current	current	0%

	OLD	NEW	+/-
M. <u>Travel Reimbursement Rates</u> follow current IRS per diem rates.... current (http://www.gsa.gov/portal/category/104711)			0%
N. Impound Seizure Fee. Vessel impounding.....	\$550.00	\$750.00	36%
O. Special Use Permit Fee. GM has authority to adjust fee based upon non-profit status and other criteria			
1. Application Fee	\$100.00	\$100	0%
2. Usage Fee, Number of Participants, Attendees, Contestants, Volunteers at Event			
a. 1-200	\$400.00	\$400.00	0%
b. 201-500	\$650.00	\$650.00	0%
c. 501-1000	\$900.00	\$900.00	0%
d. 1001-5000	\$1,400.00	\$1,400.00	0%
e. 5001-10,000	\$1,900.00	\$1,900.00	0%
f. 10,001-20,000		\$2,400.00	n/a
g. More than 20,000		\$5,000.00	n/a
3. Vendors, per each.....	\$40.00	\$40.00	0%
4. Insurance Certificate Limits			
a. General Liability, per occurrence	\$1MM	\$1MM	0%
b. General Liability, in aggregate	\$2MM	\$2MM	0%
5. Security (TCB) costs reviewed and passed along to applicant.			
P. Impound Seizure Fee. Car/Truck/Trailer	\$100.00	\$100.00	0%
Q. Vessel Moving. Does not include labor rate. Per event	\$250.00	\$250.00	0%
R. Background Check	\$25.00	\$25.00	0%
S. Credit Check	\$35.00	\$35.00	0%
T. Notary Fees (OAR 160-100-0410). Acknowledgement, Affidavit/Jurat, Oath/Affirmation, Witness/Attest	--	\$10	n/a

Section 8. Insurance Certificate Limits. Effective July 1, 2016. Additional coverages may be required based upon business type.

A. <u>Leases/Tenants.</u>			
1. Each Occurrence	\$1.7MM	\$1.7MM	0%
2. Damaged to Rented Premises (each occurrence)...	\$300,000	\$300,000	0%
3. Medical Expense (any one person)	\$5,000	\$5,000	0%
4. Personal & Adverse Injury	\$1.7MM	\$1.7MM	0%
5. General Aggregate.....	\$1.7MM	\$1.7MM	0%
6. Products – Comp/Op Agg.....	\$1.7MM	\$1.7MM	0%
B. <u>Moorage/Vessels.</u> A certificate naming the Port as additionally insured is also required.			
1. Commercial Vessels			
a. General Liability			
i. Protection & Indemnity / Wreck Removal	\$250k	\$250k	0%
ii. Pollution Coverage.....	\$300k	\$300k	0%
iii. Combine Coverage / Wreck Removal.....	\$600k	\$500k	0%
2. Recreational Vessels			
a. General Liability			
i. Ocean Marine Liability / Wreck Removal.....	\$300k	\$300k	0%
ii. Pollution Coverage.....	\$300k	\$300k	0%
iii. or Watercraft Liability, specifically includes wreck removal and pollution. Umbrella clauses must identify boats exceeding 25 ft.	\$500k	\$500k	0%
3. Charter/Guide Vessels			
a. General Liability.....	\$1.7MM	\$1.7MM	0%

- 4. International Terminal Vessels (Tariff No. 1(\$17))
 - a. Maritime Employer’s Liability (Jones Act)..... \$1.00MM \$1.00MM 0%
 - b. Commercial and/or Comprehensive Marine General Liability..... \$5.0MM \$5.0MM 0%

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

Section 10. Delegation of Responsibility. The Commission delegates to General Manager the ability to adjust these rates on a temporary basis to better manage services at the Port of Newport. Any adjustments to these rates will be reported to the Commission at its next regular meeting.

Section 11. Annual Review. The Commission, through assistance by Port staff, shall annually review and adopt a new rate, fees and charges resolution prior to the subsequent budget’s adoption.

Section 12. Repealer. All previous rates and/or rate resolutions are hereby repealed.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this __ day of __, 2016.

ATTEST:

Walter Chuck, President

David Jincks, Secretary/Treasurer

**PORT OF NEWPORT
RESOLUTION NO. 2016-__**

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

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

WHEREAS, the Board of Commissioners last updated the Capital Improvement List (CIL) with Res. No. 2015-09 on June 23, 2015; and

WHEREAS, the Board of Commissioners as part of its annual budget work session on April 5, 2016 reviewed the Capital Improvement Project Prioritization List (CIL), including completed projects, and re-visited the list with the Port’s Budget Committee on May 10, 2016; and

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

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

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

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

Section 1. The following projects are identified as the top priorities for Fiscal Year 2015-16:

- A. IT Shipping Facility\$6,500,000
- B. Whalers/Pile Replacement on Port Dock 5.....\$300,000
- C. Security Upgrades\$180,000
- D. Maintenance Truck\$20,000
- E. Swede’s Dock Electrical/Dock Repairs\$25,000
- F. NIT Stainless Steel Stormwater Catch Basins\$7,000
- G. South Beach Multi Use Area Planning/Engineering\$15,000
- H. Port Dock 5 Approach Pier Engineering\$25,000

Section 2. The Port of Newport's Capital Improvement List is attached as Attachment "A".

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

Section 4. Res. No. 2015-09 and other Previous Capital Improvement Prioritization Lists are hereby repealed.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 24th day of May, 2016.

ATTEST:

Walter Chuck, President

David Jincks, Secretary/Treasurer

Port of Newport Capital Improvement List (per Capital Facilities Plan)

ENR Construction Cost Index (as of April 2016): 10,280

1. COMMERCIAL MARINA			
Priority	Project	Current Cost	Reference document
S	Port Dock 5 Piling Replacement for X, C & D fingers (\$10k x 38 pile)	\$392,130	FY1516 REQ
S	Floats under/electrical/dock Swede's Dock	\$25,000	FY1516 REQ
S	Asphalt Patch on Hoist Dock (part of Hoist Dock)	\$11,500	Quote
S	PD-5 Pier Engineering	\$25,000	FY2617
N	Port Dock 1 Replacement	\$816,997	2013 CFP
N	#3 Hoist Replacement	\$134,150	FY1516 REQ
N	New Swing #4 Hoist w/ Extension	\$15,479	FY1516 REQ
N	PD-7 E/F Docks (1)	\$1,031,921	FY1516 REQ
M	Port Dock 7 Replacement	\$3,703,719	2013 CFP
M	Port Dock 5 Improvements	\$844,230	2013 CFP
M	Marina Dredging	\$2,230,323	2013 CFP
M	Hoist Dock (Center Section) Replacement w/ Hoist upgrade (2)	\$694,447	FY1516 REQ
M	40' x 60' x 14' New Shop	\$165,107	FY1516 REQ
L	Hoist Dock Expansion (to west)	\$1,547,882	FY1516 REQ
Done	PD-5 Whalers/Rub boards		FY1415 REQ
Done	PD-7 Electrical Upgrades		FY1415 REQ
SUBTOTAL		\$11,184,255	

2. RECREATIONAL MARINA			
Priority	Project	Current Cost	Reference document
S	New mutli use area engineering	\$15,000	FY17 request
S	North Restroom Siding	\$5,160	FY1516 REQ
N	Replace rip rap in SW corner of marina/fishing pier walkway	\$30,958	FY1516 REQ
N	Fish dumpsters (x3)	\$3,096	FY1516 REQ
N	Storage containers	\$6,192	FY1516 REQ
N	Residing buildings in marina (north, south, central)	\$61,915	FY1516 REQ
N	Paint OPS building and marina store	\$10,319	FY1516 REQ
N	Wastewater Pump Station Replacement - South Beach	\$32,680	2013 CFP
N	Marina Dredging	\$2,924,712	2013 CFP
N	Reconstruction of Recreational Marina Docks ¹	\$141,613	2013 CFP
N	Electrical Load Center South Beach Marina	\$108,933	2013 CFP
N	Picnic Bunker Rebuild	\$39,216	2013 CFP
N	Pavement Reconstruction/Seal Coating (all areas)	\$435,765	2013 CFP
N	Old Boat Ramp Fill (includes gangway & asphaltting)	\$309,576	FY1516 REQ
N	New electrical pedestals	\$144,469	FY1516 REQ
N	Repair Service Dock	\$51,596	FY1516 REQ
M	OSMB Service Dock Trail Connection	\$3,095,764	OSMB WAG
L	South Beach Marina Fuel Facility - Tank Replacement	\$228,759	2013 CFP
	New multi purpose lot lighting	\$32,000	FY17 request
	Relocate RV SS dump site	\$10,130	FY17 request
	New west marina greenbelt/walkway/public area	\$30,000	FY17 request
	Oregon State Police dock (\$39,500 total assume \$20,000 fund from OSP)	\$19,500	FY17 request
Done	Pay Station Machine		FY1516 REQ
Done	South Beach/Fishing Pier Storm Sewer Outfall Replacement		2013 CFP
Done	Trash dumpsters (x10)		FY1516 REQ
SUBTOTAL		\$7,717,193	

3. INTERNATIONAL TERMINAL			
Priority	Project	Current Cost	Reference document
S	Consolidation lay-down yard for break-bulk, container shipping	\$6,657,779	2015 TIGER
S	Replace all Clean-way SWPP basins with stainless steel	\$7,000	FY1617 request
S	Grading of Hall Property (1)	\$515,961	2015 quote
S	Grading of Port's 9-acre lot (1)	\$51,596	2015 quote
L	International Terminal Fire Water Line Loop	\$138,732	2013 CFP
	Asphalt Parking Lot area west of shop	\$81,490	2016 quote
	Security Fencing (part of security for other facilities)		
SUBTOTAL		\$7,452,558	

4. RECREATIONAL VEHICLE PARKS			
Priority	Project	Current Cost	Reference document
S	Upgrade Sattelite Equipment	\$6,192	FY1516 REQ
N	Relocate RV dump site	\$10,319	FY1516 REQ
L	Renovate RV Park Annex	\$718,957	2013 CFP
done	Dryers (x7) for \$4970	\$0	FY1516 REQ
SUBTOTAL		\$735,468	

5. OTHER FACILITIES			
Priority	Project	Current Cost	Reference document
S	Cyber Security Assessment/Cameras/Utility Infrastructure	\$180,000	2016 quote
N	New Port Offices/Parking Area/Customs Office	\$956,594	Capri 2014
N	Rogue Brewery (Dry Moorage Building) North Wall/Siding Replacement	\$163,399	2013 CFP
N	Rogue Brewery (Dry Moorage Building) Foundation/Seawall Stabilization	\$326,799	2013 CFP
L	Fishing Pier Replacement	\$1,617,021	2013 CFP
	Other Tenant Improvements		
SUBTOTAL		\$3,063,813	

6. VEHICLES AND EQUIPMENT			
Priority	Project	Current Cost	Reference document
S	Maint Dept - 1 utility trucks	\$20,000	FY16 request
N	utility truck for Commercial side	\$20,638	FY1516 REQ
N	Forklift for IT	\$50,000	FY16 request
N	Forklift for North Commercial	\$36,000	FY16 request
N	Maint Dept - 1 utility trucks	\$20,000	FY16 request
L	Riding parking lot sweeper	\$50,000	FY16 request
Done	small utility truck (OPS)		
Done	Skiff and motor for marina OPS (SB)		
Done	Electric maintenance cart (SB)		
SUBTOTAL		\$176,638	

SUMMARY TOTAL

1	COMMERCIAL MARINA	\$11,184,255
2	RECREATIONAL MARINA	\$7,717,193
3	INTERNATIONAL TERMINAL	\$7,452,558
4	RECREATIONAL VEHICLE PARKS	\$735,468
5	OTHER FACILITIES	\$3,063,813
6	VEHICLES & EQUIPMENT	\$176,638
TOTAL		\$30,329,925

NOTES S - Short Term (next budget year)
 N - Near Term (years 1 to 5)
 M - Mid Term (years 6 to 10)
 L - Long Term (years 11 to 20)



Facilities Maintenance & Operations Plan Proposal 2016

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I. Overview

Introduction

The Port of Newport currently has four (4) separate operational departments providing services for the public, fishing industry, recreational tourism, government and terminal shipping industry. Per the 2015 audit provided by Grimstad & Associates, the estimated value of building and equipment assets is \$65MM. Each department operates autonomously with its own office/shop, crew and budget to provide services and maintenance/repairs to the facility. Under the supervision of the Director of Operations, staff personnel currently totals 11.5 Full Time Equivalents (FTE). Each department provides varying types of customer service products as a cooperative source of income summarized as follows:

NORTH COMMERCIAL MARINA: Aging public dock systems, commercial fishing fleet moorage (205 slips), hard surface lot storage, dock services, dock hoist (4) service, forklift service, fish buyer interface, fuel dock, oil recycling center, grounds and landscaping, public restrooms & moorage holders showers, garbage & recycling collection, main admin building, customs office, public walkway, and building lease tenants. Current staff is 5 FTE

SOUTH BEACH MARINA & RV PARK: Aging public marina & dock system (450 slips), recreational boat launch & trailer parking, live aboard boat moorage, fuel dock, full service RV park (140 spaces), RV dry camp area, garbage & recycling collection, picnic bunkers, fish cleaning stations, public restrooms & moorage holders showers, pay laundry service, public walkways, fishing pier, and building lease tenants. Current staff is 4.5 FTE.

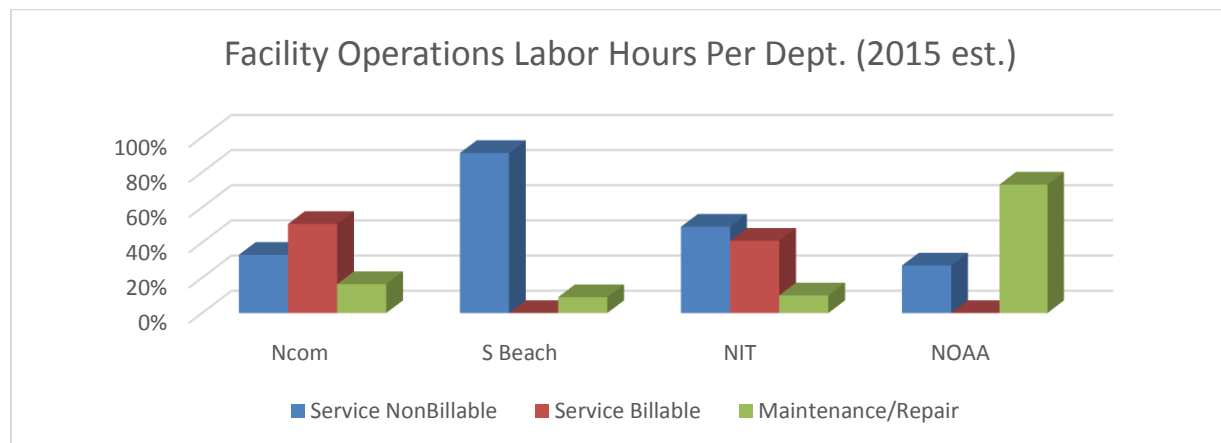
INTERNATIONAL TERMINAL: Newly renovated shipping terminal & dock system with 860 linear feet of dock space, commercial distant water fleet fishing moorage with capacity for 8-16 fishing boats, hard surface lot storage, dock services, , garbage & recycling collection, dock hoist (1) service, forklift service, 30 ton crane service, grounds and landscaping, private net repair shop and building lease tenants, on facility. Current staff is 1 FTE.

NOAA MARINE OPERATIONS CENTER-PACIFIC: Built in 2011, The NOAA Marine Operation Center-Pacific fleet facility (NOAA MOC-P) is leased and operated by the US National Oceanographic and Atmospheric Administration. Under its 20 year lease obligation, the Port of Newport has facility maintenance responsibilities including buildings, grounds and landscaping, wharf, small boat dock, mitigation area, hard surface lot storage, backup power generation, HVAC equipment and security fencing. Staff is required to maintain the exterior public greenbelt area and the open lot to the south. Current staff is 1 FTE.

Because of the varying services, each facility is subject to seasonal labor demand and cycles. With the exception of NOAA MOC-P, facility assets are used by and are highly visible to the public. Currently, each department is responsible for the maintenance, repair and upkeep of their individual areas utilizing the same crew that provides customer and public services. Capital projects, defined as large improvement or replacement type items costing over \$5000, are often included as the

responsibility of the department staff and are often self-performed presuming labor cost savings. Review shows that, in varying degrees, these projects are often started and stopped or are repeatedly interrupted because of the crew demand to provide customer service elsewhere. The self-performed projects take longer than normal to complete and labor costs have not been tracked. Consequently, regularly scheduled facility asset maintenance and repair has been delayed, postponed or has been deferred due to seasonal demands, money and crew constraints. Due to a lack of regular scheduled preventative maintenance, the already aging facility assets degrade and become large capital projects requiring significant work or replacement to bring them back to a safe and serviceable condition.

Reportedly in past years, there was a mobile maintenance department but it was cut due to budget constraints. Maintenance tasks became the responsibility of the individual departments but services remained the focus of the labor force. Until recently, labor classification records have not been kept which would give an analytical understanding of historical labor hours spent on services vs maintenance. In November of 2015, a “best guess” analysis was performed by the department heads to separate services vs maintenance/repair. As you can see from the chart below, service hours as defined in section II of this report, far outweigh maintenance & repair hours. Although this estimate may have an error factor, simply put, the departmental priority remains on servicing the customers and the public.

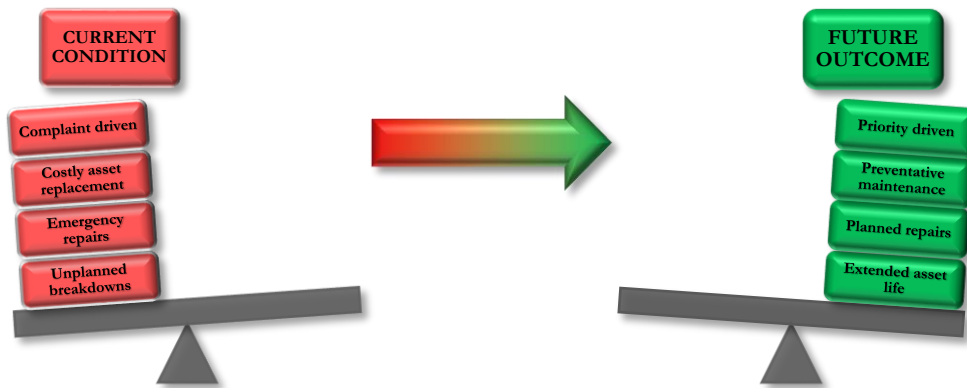


Objective

The Port of Newport Commission has issued direction to the General Manager that facility preventative maintenance (PM) and repair must become a priority in order to protect its infrastructure and economic future. It is therefore the objective of this plan to focus on the requirements needed for PM goals and benefits which is separate from providing for larger capital projects (over \$5,000).

The current system of relying on the individual department operational staff to provide customer service and at the same time respond to the facility capital projects, preventative maintenance and repair has proven to be unsustainable. Deferred maintenance has now become critical, causing

reactionary (crisis) repairs which often cost more and negatively impact our customers' and public perception. The goal is to turn the current condition around. It will take time to see the benefits of regularly scheduled preventative maintenance and it will not replace the current status of capital projects now planned and prioritized. With a successful PM practice in place however, the Port would eventually see reduced expenditures for large replacement projects by extending the useful life of the asset through proper maintenance.



A more common centralized maintenance approach is presented in this plan. The current management and staff have embraced the concept and have voiced their support. Initial costs for the creation of a new department within the general fund can be minimized by utilizing current shop space and equipment but will still require additional budget considerations as outlined later in this report. One existing staff member along with two newly hired skilled employees will make up the three (3) FTE boots on the ground crew needed and as estimated by historical accounts and recent discussion with department managers.

Example of the daily duties performed by the maintenance crew:

- | | |
|---------------------------------------------|------------------------------------------|
| ✓ Maintain work orders through CMMS | ✓ Maintain prioritized PM goals |
| ✓ Site and equipment PM inspections | ✓ Regular equipment PM's |
| ✓ Corrosion removal & protection | ✓ Painting and coatings |
| ✓ Carpentry-deck, railings, building, signs | ✓ HVAC/Plumbing system PM's |
| ✓ Emergency repairs-docks, buildings, etc | ✓ Electrical system PM's |
| ✓ Grounds-irrigation, fencing, concrete | ✓ Metals and mobile welding |
| ✓ Lamp replacement, hardware, controls | ✓ Roofing, sidings, gutters |
| ✓ Small projects (under \$5000)** | ✓ Other non-service tasks & coordination |

**Other outside resources will be used to improve the infrastructure on a project by project basis.

Tools for Success

Steps have already been taken to ensure the success of the proposed plan and to modernize the current processes. New and existing technologies are now being used at the crew level which

promote better management of time. The Port utilizes an existing maintenance management system called HippoCMMS® at NOAA and NIT and has recently expanded its use at South Beach.

Funding continues to be a challenge but is needed in order to support the goals of this plan. Main key points for the planned success and improvement of facility maintenance are:

- Combine and prioritize past and present facility maintenance assessments & requirements
- Use CMMS to create a benchmark measuring system and create regularly scheduled PM's
- Hire and train competent, skilled maintenance technicians
- Provide the proper tools, guidance, training, and leadership needed
- Continue the expansion and use of HippoCMMS® for scheduling, accountability, costs and documentation
- Improve labor control and tracking methods
- Increase utilization of outside resources
- Identify and procure sustainable funding

II. Implementation

Training & Development

In preparation for maintenance program changes, the current operations staff have been working hard to learn and use computerized timesheets, communications, spreadsheets, and document handling systems. In order to modernize and improve existing policies and procedures, a culture of training is now being practiced at the department and crew level where it was not fostered before. Modern hardware and Information Technology (IT) devices are being used on a regular basis which are saving labor hours. Email, text and photos/video sent by phone are replacing time wasting office visits to accomplish the same tasks. New employees will be hired with proven proficiency in order to use and improve the system that are now in place.

Labor Classification and Tracking

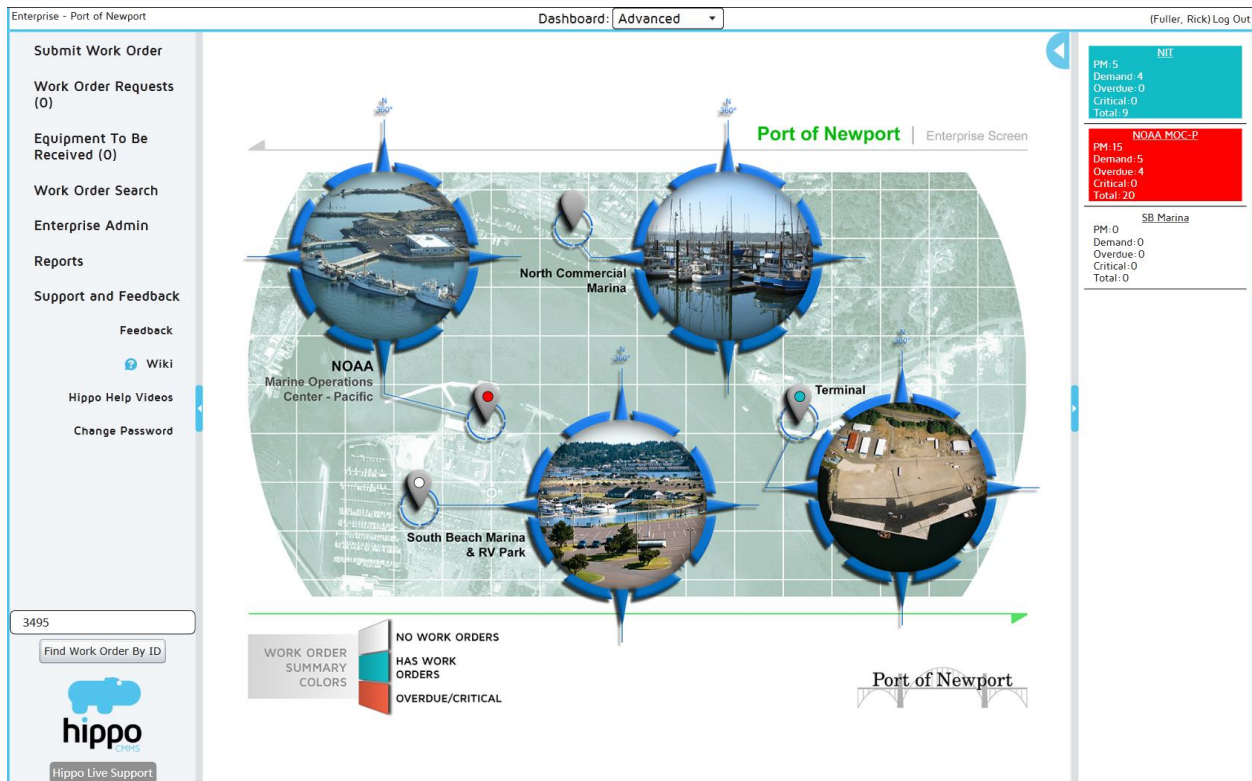
To improve the ability to analyze and manage the actual productive crew hours, in February 2016 a computerized timecard system was implemented requiring the following labor breakdown:

- Service Non Billable – Public/Customer Benefit (cleaning, grounds, dumpsters, pest control)
- Service Billable – Billable labor services to customer (forklift, crane, boat service, other)
- Maintenance/Repair – Facility benefit (maintenance, repair, extends life of assets.)
- Administration – Organizational benefit (supervision, office, training, meetings, etc.)
- Project – Reserved for specific project assignment # (Small self-performed non-capital projects less than \$5,000)

Because the ADP® time tracking system is web based, department managers now have the capability to view labor reports which can be reviewed and analyzed on a regular basis to meet department budgets and goals. Management training is being provided to increase skills in budget administration, time management and goal setting.

☑ CMMS – Computerized Maintenance Management Software

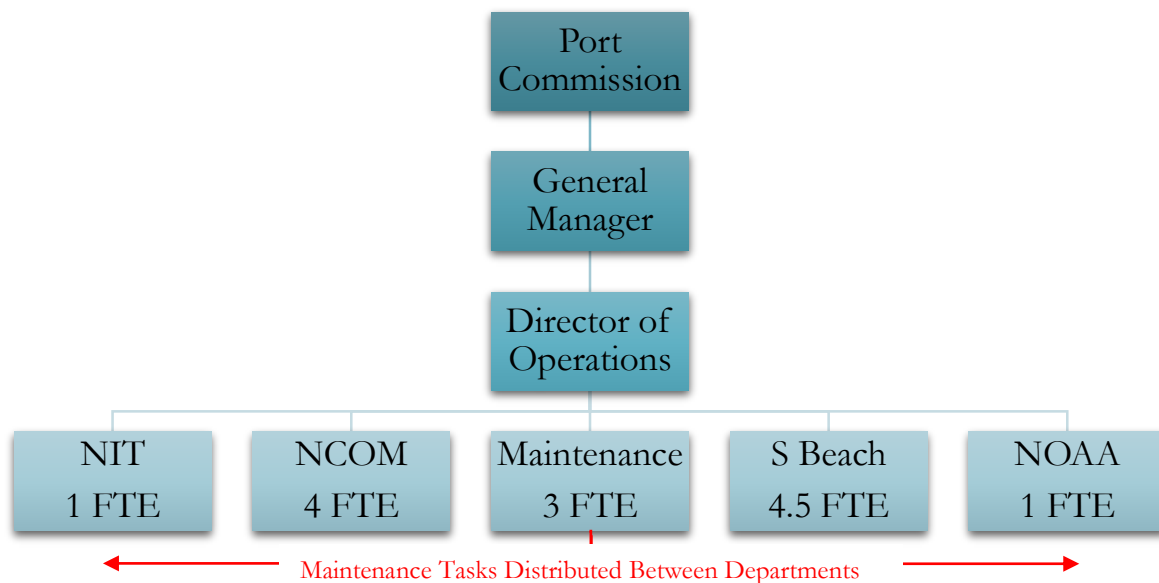
The Port of Newport has been using a Computerized Maintenance Management Software (CMMS) since the closeout of the NOAA Facility construction in 2011. After review, the original software was replaced and the web based service HippoCMMS® was selected and has been in use since 2013. The CMMS system is currently implemented at NOAA, the International Terminal, and now at South Beach. North Commercial will be brought “on line” this summer. Like all CMMS programs, both preventative and on demand work orders are scheduled and tracked within the system. Locations, buildings, equipment, and vehicles are inventoried and associated with a work order. Regularly scheduled preventative maintenance (PM’s) work orders are automatically generated and can be assigned to maintenance technicians based on criteria provided by department staff. A work order remains open until closed by the technician providing accountability. Work order history, maintenance trends, costs, inventory, and key performance indicators can be monitored and reviewed by real time reports.



The initial setup requires a complete inventory of locations, equipment, and vehicles along with specific information which is gathered by department staff. The upload of information, implementation and training follow. The system was selected because of its low training curve and intuitive user interface. Acceptance of the system has been very good as we continue to use it at a basic to intermediate level.

□ Organizational Changes

The proposed organizational plan utilizes existing crew structures to maintain the required services that have been typically provided. Using the recent analysis reported above, the North Commercial facility currently spends an estimated 1400 maintenance/repair hours which supports the transfer of 1 FTE in order to create the working lead position required to seed a new maintenance crew with institutional experience. The other departments fall short of the labor hours that would justify a reduction in crew size. It is estimated that a total of 3 FTE will be required to effectively cover most Port wide maintenance needs. Two additional skilled new hires will be needed to fill out the crew. Material costs to support the facility maintenance/repair would be accounted for and remain in the individual department budgets as they are today. The focus of the maintenance crew will be to develop and implement a prioritized preventative maintenance schedule and reverse the trend of emergency repairs and asset depreciation. This approach is commonly labor intensive and does not require large material reserves (ie: sanding, painting, and wrenching). ***It is important to note*** that the existing “service” crew will still be required to provide maintenance and repair work orders on an as needed basis. Furthermore with the reduction of maintenance responsibilities, the quality of services such as grounds keeping is expected to improve. The proposed change to the operations organizational structure follows:



Depending on availability and funding, other labor sources will be utilized to support small to medium size improvement or repair type projects. These types of projects would include dock

cleaning & repair, sign & kiosk maintenance, picnic bunker maintenance, trash enclosures, general painting, grounds beautification, special projects, etc. Outreach to the following labor sources is already in progress:

- Port of Newport “Mates” volunteer group
- US job corps services
- County adult community work crews
- U-Da-Man volunteer organization
- Temp labor pool such as Cardinal Services

Budget Considerations

As previously stated, the startup costs of a new departmental maintenance crew will be minimized by using the existing assets that the Port now owns. Required tools, shop and material storage space will be commonly shared by the other departments. As the maintenance crew will be boots on the ground and considered mobile, minimal office space will be required. The North Commercial or NIT shop is a logical location for a “central communication hub”. Mobile IT equipment and devices will be needed as the crew will be expected to use modern tools to access the CMMS software, internet resources and communicate in an efficient manner. The Port’s geography will require the staff to have a minimum of two fully equipped utility vehicles to carry tools and materials. As previously stated and by its nature, preventative maintenance is typically labor intensive with the cost accounted within its own department. The ensuing material expenses will be accounted for and inventoried within the individual budgets of the facility/departments that are being served. Unless otherwise supported by administrative decision or increased labor efficiencies, the individual department budgets would not see an increase as they have historically budgeted and accounted for material purchases to fund their anticipated needs.

The two proposed budget matrices that follow show one existing staff employee being selected, transferred and serving as lead technician for the maintenance department. The remaining two positions will need to be hired and added to the staff roster. The new hires will be required to have proven facility maintenance and repair skills equal to the Port’s improved quality standards.

Fig. 1 - Maintenance/Repair Department Proposed Budget FY 2016/17 (startup) and subsequent FYs		
Personnel Services	Startup \$\$	Annual \$\$
Lead Maintenance Technician I (transfer from NCom)	41,400	41,400
Maintenance Technician II	32,350	32,350
Maintenance Technician II	32,350	32,350
Payroll burden\benefits	54,700	54,700
Training & development	500	1,500
Materials & Services		
Tablet/computer/printer/etc.	4,000	500
Phone/com devices	350	2,700
Safety equipment & clothing	1,500	1,500
Tools & expendables	1,000	1,500
Utility vehicles (2)	40,000	4000
TOTAL EXPENSES	208,150	172,500

* Fig. 1 assumes zero inflation rate

Fig. 2 - 5 Year Financial Projection with Maintenance Crew								
Year	2014	2015	2016	2017	2018	2019	2020	2021
GF Net Operating Income	359,000	494,000	344,000	258,611	238,026	233,428	254,814	254,183
Maintenance Crew Cost	0	0	0	156,100	111,989	114,849	117,781	120,790
Capital Outlay/Transfers	25,000	23,000	125,000	100,000	100,000	100,000	100,000	100,000
Total	334,000	471,000	219,000	2,511	26,038	18,579	37,032	33,393

* GF Net Operating Income includes the Permanent Rate Property Tax Revenue

The General Fund Net Operating Income is determined by subtracting all operating expenses (personnel costs, materials and service and debt service) from operating income (moorage fees, lease income, service charges, etc.). This does not include non-operating expenses (transfers out or capital outlay) nor income (transfers in, grants, loans, etc.) The standing permanent property tax, for the sake of this discussion, is included as an available revenue source. For the last few years, the Port has

seen annual positive net operating income that has built Port cash reserves, been transferred into the Maintenance Reserve Fund and to complete some capital outlay projects within the General Fund. For future projections, the Director of Finance has estimated a five year trend including a 2.5% annual increase per year for personnel services and increases in debt service. Other cost increases are offset by increases in revenues.

The new maintenance crew costs are lower in Fig. 2 compared to Fig. 1 since the Port already incurs the costs of the one FTE from North Commercial.

The final line shows that there will still be approximately \$100,000 available for non-operating activities such as transfers into the Maintenance Reserve Fund, General Fund Capital Outlay projects and cash accumulation. It should be noted that moving forward, the General Fund will not see growth in cash reserves, but rather making an investment in the ongoing maintenance and repair of Port assets and service. This proposal shows that increased maintenance and repair can be sustainable from net operating activities, but less will be available for cash reserves and capital projects.

III. Conclusion

The maintenance of Port assets has been deferred to the point of critical need. The existing operational structure puts the emphasis and priority of labor resources into the many needs of the public and customers that it serves. This forces the existence of reactive (crisis) repair response vs a professionally managed approach to preventative maintenance including regularly scheduled inspections. In order to separate the conflicting needs of service vs maintenance, it is estimated that three full time skilled maintenance technicians are needed in order to provide the focus on the preventative maintenance tasks for the protection of property and equipment that the Port owns. The four autonomous departments will still maintain the Non Billable services that they have been providing and will continue to provide maintenance support where needed.

The proposed maintenance department will report directly to the Director of Operations and will work from a prioritized task list through the existing CMMS system. Although considered an added overhead expense, with needed funding, the proper implementation of preventative maintenance has the benefit to:

- Accomplish the Port Commission and General Managers goals
- Protect the value of existing assets
- Improve equipment return on investment (ROI)
- Reverse the trend of reactionary crisis management leading to costly emergency repairs
- Improve customer and public perception

- Instill a sense of pride in the Port of Newport organization

Establishing baseline measurements will be key to the success of this plan. The increased use of HippoCMMS® will allow management to report and assess Key Performance Indicators (KPI's) for labor items such as volume of work orders and past due tasks. Following a detailed maintenance assessment of existing assets, comparisons will be made that can measure the amount of labor hours that are being provided and the effectiveness of preventative maintenance in preventing loss of assets. Public, client and administration satisfaction ratings will be compared annually to the operations assessment poll established August 2015. It will take time to see the benefits of regularly scheduled preventative maintenance as deferred maintenance has created a large backlog of priorities and the basic need is more “behind the scene, nuts and bolts work” than are high visibility projects.

Future considerations for the maintenance department may include consolidation of grounds maintenance, and custodial services that are now being provided by contract agreements. Assessment of this plan and the goals of operations will be performed on an annual basis to ensure that it matches the priorities set by the Port Commission and the General Manager.