



AGENDA  
Special Commission Meeting  
Port of Portland Headquarters  
7200 N.E. Airport Way, 8<sup>th</sup> Floor  
June 28, 2016  
9:00 a.m.

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**Action Items**

1. APPROVAL OF ADJUSTMENTS TO THE APPROPRIATION LEVELS FOR FISCAL YEAR 2015-16 *SUZANNE KENNY*
  
2. ADOPTION OF FISCAL YEAR 2016-17 BUDGET AND ENACTMENT OF ORDINANCE NO. 458-T LEVYING PROPERTY TAXES *SUZANNE KENNY*

**APPROVAL OF ADJUSTMENTS TO THE APPROPRIATION LEVELS FOR FISCAL YEAR 2015-16**

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June 28, 2016

Presented by: Suzanne Kenny  
Director  
Budget and Financial Operations**REQUESTED COMMISSION ACTION**

This agenda item requests approval of adjustments to the appropriation levels for the Port of Portland's (Port) Fiscal Year 2015-16 Budget to reflect expected expenditure levels.

**BACKGROUND**

Budget appropriations are routinely reset at the end of the fiscal year. In order to avoid a technical conflict with Oregon local budget law, each category of appropriations must be set high enough to prevent over-expenditure. The appropriation changes include amounts that are expected to be accrued (but not spent) prior to the financial close of the fiscal year.

In February 2016, the Commission approved adjustments to the appropriation levels for the Port's Fiscal Year 2015-16 Budget to provide for the early payoff of the Troutdale Reynolds Industrial Park Port Revolving Fund Loans. These adjustments resulted in a total increase of \$2,600,000 to the Fiscal Year 2015-16 Budget.

**CHANGES TO FISCAL YEAR 2015-16 APPROPRIATIONS**

Staff is requesting changes to the General Fund, Airport Revenue Fund, Airport Construction Fund and Passenger Facility Charge Fund resulting in an increase to the total budgeted Resources and Requirements of \$4,500,000.

**General Fund**

Staff is requesting an increase of \$4,500,000 to the Resources and Requirements of the General Fund to ensure sufficient appropriations and prevent over-expenditure in a given category.

- Increase Operating Revenue by \$500,000 to recognize additional reimbursements from the U.S. Army Corps of Engineers for expenses related to the timing of site preparation and the enhanced safety program.
- Increase Service Reimbursements (from the Airport Construction Fund) by \$4,000,000 to account for revised estimates of the allocated support services portion of capitalized labor.
- Increase Navigation appropriations by \$500,000 for expenses related to the timing of site preparation and the enhanced safety program.

APPROVAL OF ADJUSTMENTS TO THE APPROPRIATION LEVELS FOR FISCAL YEAR  
2015-16

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- Increase General Aviation appropriations by \$1,000,000 to account for the write-off of non-capitalized costs associated with the Troutdale Airport runway rehabilitation project and the timing of the Troutdale Airport Master Plan.
- Increase Long-Term Debt Payments by \$100,000 to account for the working capital impact of the long-term interest associated with the maturity of the 2002A deferred interest obligation pension bonds.
- The offsetting entry for the previous adjustments is an increase in Contingency of \$2,900,000.

Airport Revenue Fund

Staff is requesting offsetting adjustments of \$20,000,000 to the Requirements of the Airport Revenue Fund.

- Increase Operating Expenditures \$20,000,000 to account for the write-off of the non-capitalized design costs (previously accounted for, and budgeted, in the Airport Construction Fund) associated with the PDX Terminal Balancing project. The exact amount of the write-off is unknown at this time. This adjustment represents a conservative estimate as to the possible amount.
- The offsetting entry for the previous adjustment is a decrease in Contingency of \$20,000,000.

Airport Construction Fund

Staff is requesting offsetting adjustments of \$4,000,000 to the Requirements of the Airport Construction Fund.

- Increase Service Reimbursements (to the General Fund) by \$4,000,000 for revised estimates of the allocated support services portion of capitalized labor.
- The offsetting entry for the previous adjustment is a decrease in Contingency of \$4,000,000.

Passenger Facility Charge (PFC) Fund

Staff is requesting offsetting adjustments of \$100,000 to the Requirements of the Passenger Facility Charge (PFC) Fund.

- Increase Letter of Credit/Other by \$100,000 for bank counsel fees and other related PFC expenses.
- The offsetting entry for the previous adjustment is a decrease in Contingency of \$100,000.

The detailed Schedule of Appropriations and Explanation of Appropriation Changes are attached as Exhibits A and B, respectively, to this agenda item.

The total Budget for Fiscal Year 2015-16 after these adjustments is \$1,062,463,896. Total Appropriations are \$1,015,711,912 and are shown on Exhibit A. The difference of \$46,751,984 is the total of debt service reserve amounts, which are classified under budget law as Unappropriated Ending Balance in the Airport Revenue Bond Fund and in the Passenger Facility Charge Bond Fund.

### **EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That in accordance with ORS 294.463, the Port of Portland Commission finds the need to adjust appropriations within the General Fund, Airport Revenue Fund, the Airport Construction Fund and the Passenger Facility Charge Fund in the amounts shown on Exhibit A and for the purposes shown on Exhibit B, incorporated by this reference, to meet actual spending patterns unforeseen at the time of adoption of the Fiscal Year 2015-16 Budget; and

BE IT FURTHER RESOLVED, That copies of Exhibit A, Schedule of Appropriations Fiscal Year 2015-16; and Exhibit B, Explanation of Changes to Fund Appropriations Fiscal Year 2015-16, shall be included in the minutes of this meeting; and

BE IT FURTHER RESOLVED, That the Budget Officer is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

SCHEDULE OF APPROPRIATIONS - FISCAL YEAR 2015-16

	ADOPTED BUDGET June 25, 2015	CHANGES TO APPROPRIATIONS February 10, 2016	REVISED APPROPRIATIONS February 10, 2016	CHANGES TO APPROPRIATIONS June 28, 2016	REVISED APPROPRIATIONS June 28, 2016
<b>GENERAL FUND</b>					
Beginning Balance	\$ 108,517,590		\$ 108,517,590		\$ 108,517,590
Operating Revenue	77,779,622		77,779,622	\$ 500,000	78,279,622
Interest on Investments/Other	1,773,351		1,773,351		1,773,351
Service Reimbursements	38,187,857		38,187,857	4,000,000	42,187,857
Transfers from Other Funds	3,605,335		3,605,335		3,605,335
<b>Total Resources</b>	<b>\$ 229,863,755</b>	<b>\$ -</b>	<b>\$ 229,863,755</b>	<b>\$ 4,500,000</b>	<b>\$ 234,363,755</b>
Administration	\$ 53,402,484		\$ 53,402,484		\$ 53,402,484
Marine	24,585,196		24,585,196		24,585,196
Industrial Development	6,122,383		6,122,383		6,122,383
Navigation	9,711,363		9,711,363	500,000	10,211,363
General Aviation	2,532,066		2,532,066	1,000,000	3,532,066
Sub Total	96,353,492	-	96,353,492	1,500,000	97,853,492
Service Reimbursements	489,330		489,330		489,330
System Development Charges/Other	5,000		5,000		5,000
Long-Term Debt Payments	11,704,573	2,600,000	14,304,573	100,000	14,404,573
Other Environmental	13,508,291		13,508,291		13,508,291
Cash Transfers to Other Funds	26,447,437		26,447,437		26,447,437
Contingency	81,355,632	(2,600,000)	78,755,632	2,900,000	81,655,632
<b>Total Requirements</b>	<b>\$ 229,863,755</b>	<b>\$ -</b>	<b>\$ 229,863,755</b>	<b>\$ 4,500,000</b>	<b>\$ 234,363,755</b>
<b>AIRPORT REVENUE FUND</b>					
Beginning Balance	\$ 96,467,476		\$ 96,467,476		\$ 96,467,476
Operating Revenue	217,508,302		217,508,302		217,508,302
Interest on Investments	634,027		634,027		634,027
Service Reimbursements	1,995,568		1,995,568		1,995,568
Transfers from Other Funds	110,000		110,000		110,000
<b>Total Resources</b>	<b>\$ 316,715,375</b>	<b>\$ -</b>	<b>\$ 316,715,373</b>	<b>\$ -</b>	<b>\$ 316,715,373</b>
Operating Expenditures	\$ 93,529,585		\$ 93,529,585	20,000,000	\$ 113,529,585
System Development Charges / Other	5,000		5,000		5,000
Service Reimbursements	26,950,395		26,950,395		26,950,395
Cash Transfers to Other Funds	110,268,352		110,268,352		110,268,352
Contingency	85,962,043		85,962,043	(20,000,000)	65,962,043
<b>Total Requirements</b>	<b>\$ 316,715,375</b>	<b>\$ -</b>	<b>\$ 316,715,375</b>	<b>\$ -</b>	<b>\$ 316,715,375</b>
<b>BOND CONSTRUCTION FUND</b>					
Beginning Balance	\$ 10,000,000		\$ 10,000,000		\$ 10,000,000
Interest Income/Other	130,089		130,089		130,089
Federal/State Grants/Other	1,150,000		1,150,000		1,150,000
Property Tax	10,546,080		10,546,080		10,546,080
Transfers from Other Funds	30,062,437		30,062,437		30,062,437
<b>Total Resources</b>	<b>\$ 51,888,606</b>	<b>\$ -</b>	<b>\$ 51,888,606</b>	<b>\$ -</b>	<b>\$ 51,888,606</b>
Capital Outlay	\$ 38,307,641		\$ 38,307,641		\$ 38,307,641
Service Reimbursements	3,570,965		3,570,965		3,570,965
Cash Transfers to Other Funds	10,000		10,000		10,000
Contingency	10,000,000		10,000,000		10,000,000
<b>Total Requirements</b>	<b>\$ 51,888,606</b>	<b>\$ -</b>	<b>\$ 51,888,606</b>	<b>\$ -</b>	<b>\$ 51,888,606</b>
<b>AIRPORT CONSTRUCTION FUND</b>					
Beginning Balance	\$ 72,379,434		\$ 72,379,434		\$ 72,379,434
Interest Income/ Other	638,809		638,809		638,809
Federal / State Grants	16,605,431		16,605,431		16,605,431
Bond and Other Debt Proceeds	50,000,000		50,000,000		50,000,000
Transfers from Other Funds	87,575,186		87,575,186		87,575,186
<b>Total Resources</b>	<b>\$ 227,198,860</b>	<b>\$ -</b>	<b>\$ 227,198,860</b>	<b>\$ -</b>	<b>\$ 227,198,860</b>
Capital Outlay	\$ 178,459,495		\$ 178,459,495		\$ 178,459,495
Bond Issue Costs/Other	750,000		750,000		750,000
Service Reimbursements	9,172,735		9,172,735		9,172,735
Cash Transfers to Other Funds	2,750,000		2,750,000	4,000,000	6,750,000
Contingency	36,066,630		36,066,630	(4,000,000)	32,066,630
<b>Total Requirements</b>	<b>\$ 227,198,860</b>	<b>\$ -</b>	<b>\$ 227,198,860</b>	<b>\$ -</b>	<b>\$ 227,198,860</b>

## SCHEDULE OF APPROPRIATIONS - FISCAL YEAR 2015-16

	ADOPTED BUDGET June 25, 2015	CHANGES TO APPROPRIATIONS February 10, 2016	REVISED APPROPRIATIONS February 10, 2016	CHANGES TO APPROPRIATIONS June 28, 2016	REVISED APPROPRIATIONS June 28, 2016
<b>AIRPORT REVENUE BOND FUND</b>					
Beginning Balance	\$ 28,674,336		\$ 28,674,336		\$ 28,674,336
Bond and Other Debt Proceeds	3,750,000		3,750,000		3,750,000
Interest Income	28,737		28,737		28,737
Transfers from Other Funds	54,906,758		54,906,758		54,906,758
<b>Total Resources</b>	<b>\$ 87,359,831</b>	<b>\$ -</b>	<b>\$ 87,359,831</b>	<b>\$ -</b>	<b>\$ 87,359,831</b>
Debt Service	\$ 54,935,495		\$ 54,935,495		\$ 54,935,495
Unappropriated Ending Balance	32,424,336		32,424,336		32,424,336
<b>Total Requirements</b>	<b>\$ 87,359,831</b>	<b>\$ -</b>	<b>\$ 87,359,831</b>	<b>\$ -</b>	<b>\$ 87,359,831</b>
<b>PASSENGER FACILITY CHARGE (PFC) FUND</b>					
Beginning Balance	\$ 53,972,193		\$ 53,972,193		\$ 53,972,193
Passenger Facility Charge	32,351,489		32,351,489		32,351,489
Interest and Other	50,744		50,744		50,744
<b>Total Resources</b>	<b>\$ 86,374,426</b>	<b>\$ -</b>	<b>\$ 86,374,426</b>	<b>\$ -</b>	<b>\$ 86,374,426</b>
Letter of Credit/Other	\$ 10,000		\$ 10,000	\$ 100,000	\$ 110,000
Cash Transfers to Other Funds	25,603,236		25,603,236		25,603,236
Contingency	60,761,189		60,761,189	(100,000)	60,661,189
<b>Total Requirements</b>	<b>\$ 86,374,425</b>	<b>\$ -</b>	<b>\$ 86,374,425</b>	<b>\$ -</b>	<b>\$ 86,374,425</b>
<b>PASSENGER FACILITY CHARGE (PFC) BOND FUND</b>					
Beginning Balance	\$ 14,327,648		\$ 14,327,648		\$ 14,327,648
Interest Income	39,243		39,243		39,243
Cash Transfers from Other Funds	14,919,309		14,919,309		14,919,309
<b>Total Resources</b>	<b>\$ 29,286,200</b>	<b>\$ -</b>	<b>\$ 29,286,200</b>	<b>\$ -</b>	<b>\$ 29,286,200</b>
Debt Service	\$ 14,958,552		\$ 14,958,552		\$ 14,958,552
Unappropriated Ending Balance	14,327,648		14,327,648		14,327,648
<b>Total Requirements</b>	<b>\$ 29,286,200</b>	<b>\$ -</b>	<b>\$ 29,286,200</b>	<b>\$ -</b>	<b>\$ 29,286,200</b>
<b>CUSTOMER FACILITY CHARGE (CFC) FUND</b>					
Beginning Balance	\$ 15,322,140		\$ 15,322,140		\$ 15,322,140
Customer Facility Charge	13,902,182		13,902,182		13,902,182
Interest and Other	52,522		52,522		52,522
<b>Total Resources</b>	<b>\$ 29,276,844</b>	<b>\$ -</b>	<b>\$ 29,276,844</b>	<b>\$ -</b>	<b>\$ 13,954,704</b>
Bank Fees/Other	\$ 5,000		\$ 5,000		\$ 5,000
Cash Transfers to Other Funds	26,100,000		26,100,000		26,100,000
Contingency	3,171,844		3,171,844		3,171,844
<b>Total Requirements</b>	<b>\$ 29,276,844</b>	<b>\$ -</b>	<b>\$ 29,276,844</b>	<b>\$ -</b>	<b>\$ 29,276,844</b>
<b>TOTAL - ALL FUNDS</b>	<b>\$ 1,057,963,896</b>	<b>\$ -</b>	<b>\$ 1,057,963,896</b>	<b>\$ 4,500,000</b>	<b>\$ 1,062,463,896</b>
<b>Less Unappropriated Ending Balances:</b>					
Airport Revenue Bond Fund	\$ 32,424,336		\$ 32,424,336		\$ 32,424,336
Passenger Facility Charge (PFC) Bond Fund	14,327,648		14,327,648		14,327,648
Subtotal Unappropriated Ending Balance	46,751,984	-	46,751,984	-	46,751,984
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 1,011,211,912</b>	<b>\$ -</b>	<b>\$ 1,011,211,912</b>	<b>\$ 4,500,000</b>	<b>\$ 1,015,711,912</b>

**PORT OF PORTLAND  
EXPLANATION OF CHANGES TO APPROPRIATIONS - FISCAL YEAR 2015-16**

<u>FUND</u>	<u>AMOUNT OF INCREASE/(DECREASE)</u>	<u>REASON FOR CHANGE</u>
<b>GENERAL FUND</b>		
Operating Revenue	\$ 500,000	Additional reimbursements from US Army Corps of Engineers.
Service Reimbursements	\$ 4,000,000	Additional service reimbursements from the Airport Construction Fund to account for revised estimates of the allocated support services portion of capitalized labor.
Navigation	\$ 500,000	Timing of expenses incurred during site preparation and the enhanced safety program.
General Aviation	\$ 1,000,000	To account for the write-off of non-capitalized costs associated with the Troutdale runway rehabilitation projects and timing of the Troutdale master plan.
Long-Term Debt Payments	\$ 100,000	To account for the working capital impact of the long-term interest associated with the maturity of the 2002A deferred interest obligation pension bonds.
Contingency	\$ <u>2,900,000</u>	Balancing entry.
<b>AIRPORT REVENUE FUND</b>		
Operating Expenditures	\$ 20,000,000	To account for the write-off of the non-capitalized design costs (previously accounted for, and budgeted, in the Airport Construction Fund) associated with the PDX Terminal Balancing project.
Contingency	\$ <u>(20,000,000)</u>	Balancing entry.
<b>AIRPORT CONTRUCTION FUND</b>		
Service Reimbursements	\$ 4,000,000	To account for revised estimates of the allocated support services portion of capitalized labor.
Contingency	\$ <u>(4,000,000)</u>	Balancing entry.
<b>PASSENGER FACILITY CHARGE (PFC) FUND</b>		
Letter of Credit/Other	\$ 100,000	For bank counsel fees and other related PFC expenses.
Contingency	\$ <u>(100,000)</u>	Balancing entry.

**ADOPTION OF FISCAL YEAR 2016-17 BUDGET AND ENACTMENT OF ORDINANCE  
NO. 458-T LEVYING PROPERTY TAXES**

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June 28, 2016

Presented by: Suzanne Kenny  
Director  
Budget and Financial Operations**REQUESTED COMMISSION ACTION**

This agenda item requests adoption of the Port of Portland (Port) Budget for Fiscal Year 2016-17 and enactment of Ordinance No. 458-T, levying property taxes for Fiscal Year 2016-17.

**BACKGROUND**

The Port Commission reviewed the Port's Proposed Budget for Fiscal Year 2016-17 at a public hearing in April 2016, and in May approved the Budget for submission to the Tax Supervising and Conservation Commission (TSCC). On June 8, 2016, the TSCC held a public meeting on the Port's Budget for Fiscal Year 2016-17 and certified the Budget with no objections.

**ADOPTION OF THE FISCAL YEAR 2016-17 BUDGET**

The Budget submitted for adoption today contains changes from the amounts approved by the Commission in May and reviewed with the TSCC on June 8, in the General Fund, Airport Revenue Fund, Bond Construction Fund, Airport Construction Fund, Passenger Facility Charge Fund (PFC), and Customer Facility Charges (CFC) Fund. These changes are within the limits of ORS 294.456 and are detailed on the attached exhibits. Exhibits C and D outline and explain these changes. Changes to the appropriation categories within each fund are shown on Exhibit E. The changes in the following areas represent an increase of \$31,442,635 from the budget approved by the Commission on May 11, 2016. This increase is driven primarily by the following changes:

- Beginning Balance is increased by \$14,000,000, resulting from an updated estimate to Capital Outlay to be funded by the CFC Fund in Fiscal Year 2015-16.
- Operating Revenue is increased by \$19,976,438, primarily due to anticipated land sales in the Gresham Vista Industrial Park, revised Parking revenue as well as additional dredging activity resulting in increased costs, which are reimbursed by the U.S. Army Corps of Engineers.
- Grants/Interest Income/Other are increased by \$2,102,814, primarily from the revised estimate to the CFC Fund to be received in Fiscal Year 2016-17.
- Operating Expenditures are increased by \$501,107, a net result of the following changes across the Port:



ADOPTION OF FISCAL YEAR 2016-17 BUDGET AND ENACTMENT OF ORDINANCE  
NO. 458-T LEVYING PROPERTY TAXES

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- Administration is decreased by \$111,575, due to revised estimates for headquarters rent expense.
- Marine is decreased by \$1,103,122 as a result of reduced longshore crane and maintenance labor to reflect the loss of the Westwood Shipping container service and the reduced carrier incentive program.
- Industrial Development is increased by \$51,300 to account for revised management fees associated with mitigation properties.
- Navigation is increased by \$1,177,690 in reimbursable expenses due a shift in the dredge season from Fiscal Year 2015-16 to Fiscal Year 2016-17.
- General Aviation is decreased by \$2,625 due to revised estimates for headquarters rent expense.
- Aviation is increased by \$489,439, primarily from additional marketing support for the new London air service.
- Capital Expenditures are reduced by \$20,904,825 as a result of the postponement of the Terminal Balancing project, as well as updated labor rates used to budget Capitalized Labor.
- Long-Term Debt Payments are increased by \$1,287,940 to account for the working capital impact of the long-term interest associated with the maturity of the 2002A deferred interest obligation pension bonds.
- Transfers To Other Funds are decreased by \$4,636,617, reflecting the net impact of transfer changes between funds.
- Finally, Contingency is increased by \$55,195,030, reflecting the net impact of all changes, but primarily due to the anticipated Gresham Vista Business Park land sales.

The total Budget for Fiscal Year 2016-17 is \$1,114,354,223. Total Appropriations are \$1,062,575,679 and are shown on Exhibit E. The difference of \$51,778,544 is the total of debt service reserve amounts, which are classified under budget law as Unappropriated Ending Balance in the Airport Revenue Bond Fund and in the Passenger Facility Charge Bond Fund.

**ORDINANCE NO. 458-T**

Ordinance No. 458-T authorizes the Port's tax levy for Fiscal Year 2016-17. The Bond Construction Fund levy will be at the Measure 50 permanent rate of \$0.0701 per thousand dollars of assessed value. Resources from the Port's property tax levy are estimated at \$11,430,000, which is the same amount as the estimate in the Budget approved by the Commission in May.

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That the Port of Portland Commission finds as follows:

1. The Port of Portland has, in the time and manner required by law, submitted its Budget for the Fiscal Year July 1, 2016, to June 30, 2017, to the Tax Supervising and Conservation Commission at the time and place fixed by the Tax Supervising and Conservation Commission; and
2. No orders or objections were made by the Tax Supervising and Conservation Commission; and

BE IT FURTHER RESOLVED, That the amounts shown on Exhibit E and for the purposes shown on Exhibits C and D, incorporated by this reference, are hereby appropriated for the Fiscal Year beginning July 1, 2016, in a total amount of \$1,114,354,223; and

BE IT FURTHER RESOLVED, That a copy of Exhibit E, Schedule of Appropriations Fiscal Year 2016-17, shall be attached to the minutes of this meeting; and

BE IT FURTHER RESOLVED, That the Budget for Fiscal Year 2016-17 in the total amount of \$1,114,354,223 is hereby adopted; and

BE IT FURTHER RESOLVED, That the Budget Officer is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

The Executive Director further recommends:

1. That Ordinance No. 458-T, levying taxes to be collected for Fiscal Year 2016-17, be read by title only; and
2. That Ordinance No. 458-T be enacted by a roll call vote.

**ORDINANCE NO. 458-T  
OF THE PORT OF PORTLAND**

AN ORDINANCE LEVYING TAXES TO BE COLLECTED IN THE FISCAL YEAR  
JULY 1, 2016 TO JUNE 30, 2017, UPON THE TAXABLE PROPERTY WITHIN  
THE BOUNDARIES OF THE PORT OF PORTLAND.

BE IT ENACTED BY THE PORT OF PORTLAND:

Section 1 - Findings - The Board of Commissioners of the Port of Portland (Port) hereby finds and determines as follows:

- A. That the Port, situated within the Portland metropolitan area as defined by ORS 778.010, has in the time and manner required by law submitted its Budget for Fiscal Year 2016-17 to the Tax Supervising and Conservation Commission (TSCC) at the time and place fixed by the TSCC;
- B. That the Budget, as submitted to the TSCC, provides that taxes are to be levied at the Measure 50 permanent rate of \$0.0701 per thousand dollars of assessed value for the general purposes of the Port;
- C. That the TSCC, after its hearing on the 8th day of June 2016, has certified pursuant to ORS 294.645 that it has no objections to the Budget as submitted.

Section 2 - Authorization of Tax Levy - The following taxes are hereby imposed and categorized for the tax year 2016-17 upon the assessed value of all taxable property within the Port's district:

	Subject To The General Government Limitation of Section 11b, Article XI of the Oregon Constitution	Excluded From The Limitation
Bond Construction Fund	\$ 0.0701/\$1,000	\$ -
Port Debt Service Fund	\$ -	\$ -
Category Total	\$ 0.0701/\$1,000	\$ -

Section 3 - Enactment Date - This Ordinance is enacted in accordance with ORS 778.065 and ORS 778.255, and pursuant to ORS 778.255(3) shall take effect immediately upon its passage.

Section 4 – Additional Authorizations – The officers and staff of the Port are hereby authorized, empowered, and directed for and on behalf of the Port, to do and perform all acts and things necessary or appropriate to implement the provisions of this Ordinance, including, but not limited to, the delivery of such documents, instruments, and certificates as may be necessary or appropriate.

By: \_\_\_\_\_  
Assistant Secretary

By: \_\_\_\_\_  
President

APPROVED AS TO LEGAL SUFFICIENCY

\_\_\_\_\_  
Counsel for the Port of Portland

Approved by the Commission on:

Date: \_\_\_\_\_

## EXPLANATION OF CHANGES - FISCAL YEAR 2016-17

RESOURCES	BUDGET SUBMITTED FOR APPROVAL ON MAY 11, 2016	REVISIONS	BUDGET SUBMITTED FOR ADOPTION ON JUNE 28, 2016	EXPLANATION
Beginning Balance	\$ 383,435,138	\$ 14,000,000	\$ 397,435,138	Result of updated estimate to Capital Outlay to be funded by the CFC Fund in FY 2016.
Operating Revenue	287,722,545	19,976,438	307,698,983	Due to anticipated Gresham Vista land sales, revised Parking revenue, as well as revised estimate of reimbursements from the US Army Corps of Engineers for dredging activity.
Grants/Interest Income/Other	73,225,008	2,102,814	75,327,822	A result of revised estimate of Customer Facility Charges to be received in FY 2017.
Taxes	11,430,000	-	11,430,000	
Bond And Other Debt Proceeds	107,500,000	-	107,500,000	
<b>Subtotal - Resources</b>	<b>\$ 863,312,691</b>	<b>\$ 36,079,252</b>	<b>\$ 899,391,943</b>	
Transfer From Other Funds	219,598,897	(4,636,617)	\$ 214,962,280	Net impact of transfer changes between funds.
<b>Total Resources</b>	<b>\$ 1,082,911,588</b>	<b>\$ 31,442,635</b>	<b>\$ 1,114,354,223</b>	
<b>REQUIREMENTS</b>				
<b>Operating Expenditures</b>				
Administration	\$ 55,247,837	\$ (111,575)	\$ 55,136,262	Revised estimate of HQ rent expense.
Marine	20,241,207	(1,103,122)	19,138,085	Reduced crane Longshore and maintenance labor due to loss of Westwood Shipping and reduced carrier incentive program.
Industrial Development	5,019,761	51,300	5,071,061	Increase due to revised management fees associated with mitigation properties.
Navigation	10,509,339	1,177,690	11,687,029	Reimbursable expenses from shifting part of the dredge season from FY 2016 to FY 2017.
General Aviation	2,854,461	(2,625)	2,851,836	Revised estimate of HQ rent expense.
Commercial Aviation	97,597,975	489,439	98,087,414	Additional marketing support for new London air service.
<b>Subtotal - Operating Expenditures</b>	<b>\$ 191,470,580</b>	<b>\$ 501,107</b>	<b>\$ 191,971,687</b>	
<b>Capital Expenditures</b>				
Corporate Administration	\$ 2,250,000	\$ -	\$ 2,250,000	
Marine	11,207,256	-	11,207,256	
Industrial Development	14,270,285	-	14,270,285	
Navigation	1,845,000	-	1,845,000	
General Aviation	16,373,000	-	16,373,000	
Commercial Aviation	159,379,241	(21,050,000)	138,329,241	Adjusted timing of Terminal Balancing project.
Capitalized Labor	(13,176,530)	145,175	(13,031,355)	Updated labor rates used for Capitalized Labor.
<b>Subtotal - Capital Expenditures</b>	<b>\$ 192,148,252</b>	<b>\$ (20,904,825)</b>	<b>\$ 171,243,427</b>	
Transfer To Other Funds	\$ 219,598,897	\$ (4,636,617)	\$ 214,962,280	Net impact of transfer changes between funds.
Other Environmental	9,237,783	-	9,237,783	
Other	1,675,225	-	1,675,225	
Long-Term Debt Payments	80,843,327	1,287,940	82,131,267	Increase to account for the working capital impact of the long-term interest associated with the maturity of the 2002A deferred interest obligation pension bonds.
Contingency	336,158,980	55,195,030	391,354,010	Increase reflects the net impact of all changes, but primarily due to the anticipated Gresham Vista land sales
Unappropriated Balance	51,778,544	-	51,778,544	
<b>TOTAL REQUIREMENTS</b>	<b>\$ 1,082,911,588</b>	<b>\$ 31,442,635</b>	<b>\$ 1,114,354,223</b>	

## EXPLANATION OF FUND CHANGES - FISCAL YEAR 2016-17

FUNDS	BUDGET SUBMITTED FOR APPROVAL ON MAY 11, 2016	REVISIONS	BUDGET SUBMITTED FOR ADOPTION ON JUNE 28, 2016	EXPLANATION
General Fund	\$ 204,273,595	\$ 22,030,201	\$ 226,303,796	Increase resulting primarily from anticipated Gresham Vista land sales, and additional Navigation reimbursement revenue
Airport Revenue Fund	317,020,070	2,291,545	319,311,615	Increase primarily from revised Parking revenue.
Bond Construction Fund	55,955,541	1,148,241	57,103,782	Revision to Capitalized Allocated Support Services to General Fund.
Airport Construction Fund	264,233,764	(10,130,166)	254,103,598	Updates to Transfers and Capital Outlay.
Airport Revenue Bond Fund	92,511,960	-	92,511,960	
PFC Fund	97,290,650	-	97,290,650	
PFC Bond Fund	29,329,607	-	29,329,607	
CFC Fund	22,296,401	16,102,814	38,399,215	Increase in Beginning Balance and CFC revenue, as well as Transfers and Contingency.
<b>TOTAL</b>	<b>\$ 1,082,911,588</b>	<b>\$ 31,442,635</b>	<b>\$ 1,114,354,223</b>	

SCHEDULE OF APPROPRIATIONS - FISCAL YEAR 2016-17

	BUDGET PROPOSAL SUBMITTED ON APRIL 13, 2016	REVISIONS	BUDGET SUBMITTED FOR APPROVAL ON MAY 11, 2016	REVISIONS	BUDGET ADOPTED ON JUNE 28, 2016
<b>GENERAL FUND</b>					
Administration	\$ 55,247,837	\$ -	\$ 55,247,837	\$ (111,575)	\$ 55,136,262
Marine	20,241,207	-	20,241,207	(1,103,122)	19,138,085
Industrial Development	5,019,761	-	5,019,761	51,300	5,071,061
Navigation	10,509,339	-	10,509,339	1,177,690	11,687,029
General Aviation	2,854,461	-	2,854,461	(2,625)	2,851,836
<b>Total Departments</b>	<b>\$ 93,872,605</b>	<b>\$ -</b>	<b>\$ 93,872,605</b>	<b>\$ 11,668</b>	<b>\$ 93,884,273</b>
Service Reimbursements	\$ 395,209	\$ -	\$ 395,209	\$ (7,942)	\$ 387,267
Other Environmental	9,237,783	-	9,237,783	-	9,237,783
Long-Term Debt Payments	10,780,304	-	10,780,304	1,287,940	12,068,244
System Development Charges / Other	5,000	-	5,000	-	5,000
Cash Transfers to Other Funds	11,999,075	-	11,999,075	1,148,241	13,147,316
Contingency	77,983,619	-	77,983,619	19,590,294	97,573,913
<b>Total Requirements</b>	<b>\$ 204,273,595</b>	<b>\$ -</b>	<b>\$ 204,273,595</b>	<b>\$ 22,030,201</b>	<b>\$ 226,303,796</b>
<b>AIRPORT REVENUE FUND</b>					
Operating Expenditures	\$ 97,597,975	\$ -	\$ 97,597,975	\$ 489,439	\$ 98,087,414
System Development Charges/Other	5,000	-	5,000	-	5,000
Service Reimbursements	27,168,304	-	27,168,304	(119,527)	27,048,777
Cash Transfers to Other Funds	97,507,875	-	97,507,875	1,921,633	99,429,508
Contingency	94,740,916	-	94,740,916	-	94,740,916
<b>Total Requirements</b>	<b>\$ 317,020,070</b>	<b>\$ -</b>	<b>\$ 317,020,070</b>	<b>\$ 2,291,545</b>	<b>\$ 319,311,615</b>
<b>BOND CONSTRUCTION FUND</b>					
Capital Outlay	\$ 42,822,192	\$ -	\$ 42,822,192	\$ 75,036	\$ 42,897,228
Service Reimbursements	3,123,349	-	3,123,349	1,073,205	4,196,554
Cash Transfers to Other Funds	10,000	-	10,000	-	10,000
Contingency	10,000,000	-	10,000,000	-	10,000,000
<b>Total Requirements</b>	<b>\$ 55,955,541</b>	<b>\$ -</b>	<b>\$ 55,955,541</b>	<b>\$ 1,148,241</b>	<b>\$ 57,103,782</b>
<b>AIRPORT CONSTRUCTION FUND</b>					
Capital Outlay	\$ 149,326,060	\$ -	\$ 149,326,060	\$ (20,979,861)	\$ 128,346,199
Bond Issue Costs/Other	1,500,000	-	1,500,000	-	1,500,000
Service Reimbursements	10,053,181	-	10,053,181	3,408,259	13,461,440
Cash Transfers to Other Funds	5,500,000	-	5,500,000	-	5,500,000
Contingency	97,854,523	-	97,854,523	7,441,436	105,295,959
<b>Total Requirements</b>	<b>\$ 264,233,764</b>	<b>\$ -</b>	<b>\$ 264,233,764</b>	<b>\$ (10,130,166)</b>	<b>\$ 254,103,598</b>
<b>AIRPORT REVENUE BOND FUND</b>					
Long-Term Debt Payments	\$ 55,084,017	\$ -	\$ 55,084,017	\$ -	\$ 55,084,017
Unappropriated Ending Balance	37,427,943	-	37,427,943	-	37,427,943
<b>Total Requirements</b>	<b>\$ 92,511,960</b>	<b>\$ -</b>	<b>\$ 92,511,960</b>	<b>\$ -</b>	<b>\$ 92,511,960</b>
<b>PASSENGER FACILITY CHARGE (PFC) FUND</b>					
Letter of Credit/Other	\$ 50,225	\$ -	\$ 50,225	\$ -	\$ 50,225
Cash Transfers to Other Funds	49,271,141	-	49,271,141	(24,339,723)	24,931,418
Contingency	47,969,284	-	47,969,284	24,339,723	72,309,007
<b>Total Requirements</b>	<b>\$ 97,290,650</b>	<b>\$ -</b>	<b>\$ 97,290,650</b>	<b>\$ -</b>	<b>\$ 97,290,650</b>
<b>PASSENGER FACILITY CHARGE (PFC) BOND FUND</b>					
Long-Term Debt Payments	\$ 14,979,006	\$ -	\$ 14,979,006	\$ -	\$ 14,979,006
Unappropriated Ending Balance	14,350,601	-	14,350,601	-	14,350,601
<b>Total Requirements</b>	<b>\$ 29,329,607</b>	<b>\$ -</b>	<b>\$ 29,329,607</b>	<b>\$ -</b>	<b>\$ 29,329,607</b>
<b>CUSTOMER FACILITY CHARGE (CFC) FUND</b>					
Bank Fees / Other	\$ 115,000	\$ -	\$ 115,000	\$ -	\$ 115,000
Cash Transfers to Other Funds	14,570,763	-	14,570,763	12,279,237	26,850,000
Contingency	7,610,638	-	7,610,638	3,823,577	11,434,215
<b>Total Requirements</b>	<b>\$ 22,296,401</b>	<b>\$ -</b>	<b>\$ 22,296,401</b>	<b>\$ 16,102,814</b>	<b>\$ 38,399,215</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 1,082,911,588</b>	<b>\$ -</b>	<b>\$ 1,082,911,588</b>	<b>\$ 31,442,635</b>	<b>\$ 1,114,354,223</b>
<b>Less Unappropriated Ending Balances:</b>					
Airport Revenue Bond Fund	\$ 37,427,943	-	\$ 37,427,943	-	\$ 37,427,943
Passenger Facility Charge (PFC) Bond Fund	14,350,601	-	14,350,601	-	14,350,601
Subtotal Unappropriated Ending Balance	51,778,544	-	51,778,544	-	51,778,544
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 1,031,133,044</b>	<b>\$ -</b>	<b>\$ 1,031,133,044</b>	<b>\$ 31,442,635</b>	<b>\$ 1,062,575,679</b>