PORT OF PORTLAND

AGENDA
Special Commission Meeting
Port of Portland Headquarters
7200 N.E. Airport Way, 8th Floor
June 22, 2012
9:00 a.m.

Action Item

1. APPROVAL OF ADJUSTMENTS TO THE APPROPRIATION LEVELS FOR FISCAL YEAR 2011-12 — *SUZANNE KENNY*

2. ADOPTION OF FISCAL YEAR 2012-13 BUDGET AND ENACTMENT OF ORDINANCE NO. 443-T LEVYING PROPERTY TAXES — *SUZANNE KENNY*

PORT OF PORTLAND

Agenda Item No. 1

APPROVAL OF ADJUSTMENTS TO THE APPROPRIATION LEVELS FOR FISCAL YEAR 2011-12

June 22, 2012

Presented by: Suzanne Kenny
Sr. Manager, Finance

EXECUTIVE SUMMARY

This agenda item requests approval of adjustments to the appropriation levels for the Port of Portland's (Port) Fiscal Year 2011-12 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.

Changes to Fiscal Year 2011-12 Appropriations

General Fund

Staff is requesting an appropriation adjustment of $6,250,000 for the General Fund, which involves changes to three line items.

- Increase Navigation appropriations by $4,000,000 to cover expenses associated with the additional dredging activity requested by the U.S. Army Corps of Engineers to address the shoaling river conditions as a result of the recent heavy rain years, high river levels, and significant sediment movement in the river. These costs are reimbursed by the U.S. Army Corps of Engineers.
- Increase General Aviation appropriations by $100,000 to cover higher equipment repair costs and for outside services expenditure accruals that could be recorded after June 30, but would be reflected in the fiscal 2011-12 period.
- Increase Engineering appropriations by $150,000 to cover the transfer of an engineering employee from the PDX operating division to the Corporate Engineering division as well as the timing of an energy cost study (under-spent in FY 2010-11, majority of costs in FY 2011-12).
- The final change to the General Fund reflects an appropriation increase of $2,000,000 in Other Environmental. This category of expenditures covers environmental expenses for the Portland Harbor cleanup at sites that the Port no longer owns or operates, or has never owned or operated. The appropriation increase is requested to cover both anticipated accruals as well as possible accruals that could be made after June 30, but would be reflected in the fiscal 2011-12 period.

The offsetting entry for the four adjustments is a reduction in the General Fund Contingency of $6,250,000.

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

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

> BE IT RESOLVED, That in accordance with ORS 294.450, the Port of Portland Commission finds the need to adjust appropriations within the General 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 2011-12 Budget; and
>
> BE IT FURTHER RESOLVED, That copies of Exhibit A, Schedule of Appropriations Fiscal Year 2011-12; and Exhibit B, Explanation of Changes to Fund Appropriations Fiscal Year 2011-12, 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.

Exhibit A

Schedule of Appropriations

SCHEDULE OF APPROPRIATIONS FISCAL YEAR 2011-12

	ADOPTED BUDGET JUNE 24, 2011	CHANGES TO APPROP. JUNE 22, 2012	REVISED APPROP. JUNE 22, 2012
GENERAL FUND REQUIREMENTS			
Administration	$ 23,221,118		$ 23,221,118
Marine & Industrial Development	27,205,275		27,205,275
Development Service & Information Technology	9,586,259		9,586,259
Navigation	9,361,157	4,000,000	13,361,157
Engineering	10,125,622	150,000	10,275,622
General Aviation	2,028,398	100,000	2,128,398
Sub Total	81,527,829	4,250,000	85,777,829
Service Reimbursements	$ 168,580		$ 168,580
Long-Term Debt Payments	8,804,000		8,804,000
Other Environmental	4,217,695	2,000,000	6,217,695
System Development Charges / Other	5,000		5,000
Cash Transfers to Other Funds	41,480,844		41,480,844
Contingency	122,789,784	(6,250,000)	116,539,784
Total Requirements	$ 258,993,732	$ -	$ 258,993,732
AIRPORT REVENUE FUND REQUIREMENTS			
Operating Expenditures	$ 77,159,245		$ 77,159,245
System Development Charges / Other	100,000,000		100,000,000
Service Reimbursements	22,012,523		22,012,523
Cash Transfers to Other Funds	85,186,719		85,186,719
Contingency	35,000,000		35,000,000
Total Requirements	$ 319,358,487	$ -	$ 319,358,487
BOND CONSTRUCTION FUND REQUIREMENTS			
Capital Outlay	$ 59,928,968		$ 59,928,968
Service Reimbursements	5,263,401		5,263,401
Cash Transfers to Other Funds	-		-
Contingency	10,000,000		10,000,000
Total Requirements	$ 75,192,369	$ -	$ 75,192,369
AIRPORT CONSTRUCTION FUND REQUIREMENTS			
Capital Outlay	$ 95,318,404		$ 95,318,404
Service Reimbursements	8,916,577		8,916,577
Cash Transfers to Other Funds	400,000		400,000
Contingency	74,554,582		74,554,582
Total Requirements	$ 179,189,563	$ -	$ 179,189,563
PASSENGER FACILITY CHARGE (PFC) FUND REQUIREMENTS			
Letter of Credit / Other	$ 700,000		$ 700,000
Cash Transfers to Other Funds	139,310,154		139,310,154
Contingency	25,780,992		25,780,992
Total Requirements	$ 165,791,146	$ -	$ 165,791,146

Exhibit A

Schedule of Appropriations

SCHEDULE OF APPROPRIATIONS FISCAL YEAR 2011-12

	ADOPTED BUDGET JUNE 24, 2011	CHANGES TO APPROP. JUNE 22, 2012	REVISED APPROP. JUNE 22, 2012
AIRPORT REVENUE BOND FUND REQUIREMENTS			
Long-Term Debt Payments	$ 49,053,569		$ 49,053,569
Unappropriated Ending Balance	35,867,490		35,867,490
Total Requirements	$ 84,921,059	$ -	$ 84,921,059
PASSENGER FACILITY CHARGE (PFC) BOND FUND REQUIREMENTS			
Long-Term Debt Payments	$ 39,531,155		$ 39,531,155
Unappropriated Ending Balance	23,770,975		23,770,975
Total Requirements	$ 63,302,130	$ -	$ 63,302,130
TOTAL ALL FUNDS	$ 1,146,748,486	$ -	$ 1,146,748,486
Less Unappropriated Ending Balances:			
Airport Revenue Bond Fund	$ 35,867,490		$ 35,867,490
Passenger Facility Charge (PFC) Bond Fund	23,770,975		23,770,975
Subtotal Unappropriated Ending Balance	59,638,465	-	59,638,465
TOTAL APPROPRIATIONS	$ 1,087,110,021	$ -	$ 1,087,110,021

Explanation of Changes to Fund Appropriations Fiscal Year 2011-12

FUND	AMOUNT OF INCREASE/(DECREASE)	REASON FOR CHANGE
GENERAL FUND		
Navigation	$ 4,000,000	Increase to cover expenses associated with the additional dredging activity requested by the U.S. Army Corps of Engineers to address the shoaling river conditions as a result of the recent heavy rain years, high river levels, and significant sediment movement in the river. These costs are reimbursed by the U.S. Army Corps of Engineers.
General Aviation	100,000	Increase to cover higher equipment repair costs and for outside services expenditure accruals that could be recorded after June 30, but would be reflected in the fiscal 2011-12 period.
Engineering	150,000	Increase to cover the transfer of an engineering employee from the PDX Operating division to the Corporate Engineering division as well as the timing of an energy coal study (underspent in FY 2010-11, majority of costs in FY 2011-12).
Other Environmental	2,000,000	Increase in accrual of costs is due to the estimated Portland Harbor clean-up study
Subtotal Increases	$ 6,250,000	
Contingency	$ (6,250,000)	Balancing entry.

PORT OF PORTLAND

Agenda Item No. 2

ADOPTION OF FISCAL YEAR 2012-13 BUDGET AND ENACTMENT OF ORDINANCE NO. 443-T LEVYING PROPERTY TAXES

June 22, 2012

Presented by: Suzanne Kenny
Sr. Manager, Finance

EXECUTIVE SUMMARY

This agenda item requests adoption of the Port of Portland (Port) Budget for Fiscal Year 2012-13 and enactment of Ordinance No. 443-T, levying property taxes for Fiscal Year 2012-13.

BACKGROUND

The Port Commission reviewed the Port's Proposed Budget for Fiscal Year 2012-13 at a public hearing in April 2012, and in May approved the Budget for submission to the Tax Supervising and Conservation Commission (TSCC). On June 13, 2012, the TSCC held a public meeting on the Port's Budget for Fiscal Year 2012-13 and certified the Budget with no objections.

Adoption of the Fiscal Year 2012-13 Budget

The Budget submitted for adoption today contains no changes from the amounts approved by the Commission in May and reviewed with the TSCC on June 13.

The total Budget for Fiscal Year 2012-13 is $838,523,334. Total Appropriations are $797,496,454 and are shown on Exhibit C. The difference of $41,026,880 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. 443-T

Ordinance No. 443-T authorizes the Port's tax levy for Fiscal Year 2012-13. The General 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 $9,536,804, 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, 2012, to June 30, 2013, 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 C, incorporated by this reference, are hereby appropriated for the Fiscal Year beginning July 1, 2012, in a total amount of $797,496,454; and

BE IT FURTHER RESOLVED, That a copy of Exhibit C, Schedule of Appropriations Fiscal Year 2012-13, shall be attached to the minutes of this meeting; and

BE IT FURTHER RESOLVED, That the Budget for Fiscal Year 2012-13, in the total amount of $838,523,334, 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. 443-T, levying taxes to be collected for Fiscal Year 2012-13, be read by title only; and

2. That Ordinance No. 443-T be enacted by a roll call vote.

ORDINANCE NO. 443-T
OF THE PORT OF PORTLAND

AN ORDINANCE LEVYING TAXES TO BE COLLECTED IN THE FISCAL YEAR JULY 1, 2012 TO JUNE 30, 2013, 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 2012-13 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 13th day of June 2012, 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 2012-13 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
General 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: _____

Exhibit C

Schedule of Appropriations

SCHEDULE OF APPROPRIATIONS - FISCAL YEAR 2012-13

	BUDGET PROPOSAL SUBMITTED ON APRIL 11, 2012	REVISIONS	BUDGET SUBMITTED FOR APPROVAL ON MAY 9, 2012	BUDGET ADOPTED ON JUNE 22, 2012			
				REVISIONS	APPROPRIATIONS	UNAPPROPRIATED PORTION	TOTAL
GENERAL FUND							
Corporate Administration	$ 23,976,482	$ 15,000	$ 23,991,482	$ -	$ 23,991,482		$ 23,991,482
Marine & Industrial Development	27,421,347	(650,000)	26,771,347	-	26,771,347		26,771,347
Development Services and Information Technology	9,920,618	-	9,920,618	-	9,920,618		9,920,618
Navigation	9,782,277	-	9,782,277	-	9,782,277		9,782,277
Engineering	10,529,745	-	10,529,745	-	10,529,745		10,529,745
General Aviation	2,005,039	-	2,005,039	-	2,005,039	-	2,005,039
Total Departments	83,635,508	(635,000)	83,000,508	-	83,000,508	-	83,000,508
Service Reimbursements	96,889	-	96,889	-	96,889		96,889
Long-Term Debt Payments	9,825,469	-	9,825,469	-	9,825,469		9,825,469
Other Environmental	5,064,969	-	5,064,969	-	5,064,969		5,064,969
System Development Charges/Other	5,000	-	5,000	-	5,000		5,000
Cash Transfers to Other Funds	26,009,395	(1,433)	26,007,962	-	26,007,962		26,007,962
Contingency	151,868,438	671,462	152,539,900	-	152,539,900	-	152,539,900
Total Requirements	$ 276,505,668	$ 670,029	$ 276,540,697	$ -	$ 276,540,697	$ -	$ 276,540,697
AIRPORT REVENUE FUND							
Operating Expenditures	$ 84,778,112	$ (241,000)	$ 84,537,112	$ -	$ 84,537,112		$ 84,537,112
System Development Charges/Other	5,000	-	5,000	-	5,000		5,000
Service Reimbursements	21,966,414	33,504	21,999,918	-	21,999,918		21,999,918
Cash Transfers to Other Funds	83,460,013	179,673	83,639,686	-	83,639,686		83,639,686
Contingency	35,000,000	-	35,000,000	-	35,000,000	-	35,000,000
Total Requirements	$ 225,209,539	$ (27,823)	$ 225,181,716	$ -	$ 225,181,716	$ -	$ 225,181,716
BOND CONSTRUCTION FUND							
Capital Outlay	$ 29,201,534	$ (763)	$ 29,200,771	$ -	$ 29,200,771		$ 29,200,771
Service Reimbursements	6,125,935	763	6,126,698	-	6,126,698		6,126,698
Cash Transfers to Other Funds	-	-	-	-	-		-
Contingency	10,000,000	-	10,000,000	-	10,000,000	-	10,000,000
Total Requirements	$ 45,327,469	$ -	$ 45,327,469	$ -	$ 45,327,469	$ -	$ 45,327,469
AIRPORT CONSTRUCTION FUND							
Capital Outlay	$ 98,102,198	$ (762)	$ 98,101,436	$ -	$ 98,101,436		$ 98,101,436
Service Reimbursements	8,951,568	763	8,952,331	-	8,952,331		8,952,331
Cash Transfers to Other Funds	2,200,000	-	2,200,000	-	2,200,000		2,200,000
Contingency	14,207,855	179,673	14,387,528	-	14,387,528	-	14,387,528
Total Requirements	$ 123,461,621	$ 179,674	$ 123,641,295	$ -	$ 123,641,295	$ -	$ 123,641,295
PASSENGER FACILITY CHARGE (PFC) FUND							
Letter of Credit/Other	$ 600,000	$ -	$ 600,000	$ -	$ 600,000		$ 600,000
Cash Transfers to Other Funds	23,418,615	-	23,418,615	-	23,418,615		23,418,615
Contingency	31,891,555	-	31,891,555	-	31,891,555	-	31,891,555
Total Requirements	$ 55,910,170	$ -	$ 55,910,170	$ -	$ 55,910,170	$ -	$ 55,910,170
PASSENGER FACILITY CHARGE (PFC) BOND FUND							
Debt Service	$ 16,454,175	$ -	$ 16,454,175	$ -	$ 16,454,175		$ 16,454,175
Unappropriated Ending Balance	15,472,567	-	15,472,567	-		15,472,567	15,472,567
Total Requirements	$ 31,926,742	$ -	$ 31,926,742	$ -	$ 16,454,175	$ 15,472,567	$ 31,926,742
AIRPORT REVENUE BOND FUND							
Debt Service	$ 54,440,932	$ -	$ 54,440,932	$ -	$ 54,440,932		$ 54,440,932
Unappropriated Ending Balance	25,554,313	-	25,554,313	-		25,554,313	25,554,313
Total Requirements	$ 79,995,245	$ -	$ 79,995,245	$ -	$ 54,440,932	$ 25,554,313	$ 79,995,245
TOTAL ALL FUNDS	$ 838,336,454	$ 821,880	$ 838,523,334	$ -	$ 797,496,454	$ 41,026,880	$ 838,523,334