

**MINUTES
SPECIAL COMMISSION MEETING
THE PORT OF PORTLAND
JUNE 25, 2015**

In response to due notice, the special meeting of the Commissioners of the Port of Portland was held at 9:00 a.m. in the Chinook conference room of the Port's administrative offices located at 7200 NE Airport Way.

An audio recording was made of these proceedings. The recording, and the full Commission agenda, is available by contacting the Port of Portland administrative offices, 7200 N.E. Airport Way, Portland, Oregon 97218. The following written minutes constitute a summary of the proceedings.

QUORUM

Commissioners present, via conference call, were Jim Carter, President, presiding; Diana Daggett; Bruce Holte; Bob Levy; Paul Rosenbaum and Tom Tsuruta. Also present were Bill Wyatt, executive director, and participating staff members.

LEAVE OF ABSENCE

Commissioner Carter called for a motion to grant a leave of absence to Commissioners Bragdon, Chamberlain and Pearce, who were out of town. Commissioner Tsuruta moved to grant the leave of absence. Commissioner Holte seconded the motion, which was put to a roll call vote. Commissioners Carter, Daggett, Holte, Levy, Rosenbaum and Tsuruta voted in favor of the motion.

Commissioner Chamberlain joined the meeting in progress.

ACTION ITEMS

Agenda Item No. 1

APPROVAL OF ADJUSTMENTS TO THE APPROPRIATION LEVELS FOR FISCAL YEAR 2014-15

This agenda item requested approval of adjustments to the appropriation levels for the Port of Portland's Fiscal Year 2014-15 Budget to reflect expected expenditure levels.

Suzanne Kenny requested approval of the Executive Director's recommendations as follows:

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 and the Airport Construction 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 2014-15 Budget; and

BE IT FURTHER RESOLVED, That copies of Exhibit A, Schedule of Appropriations Fiscal Year 2014-15; and Exhibit B, Explanation of Changes to Fund Appropriations Fiscal Year 2014-15, 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.

Following the presentation of the agenda item, Commissioner Carter called for a motion to approve the recommendations. Commissioner Rosenbaum moved to approve the recommendations. Commissioner Holte seconded the motion, which was put to a roll call vote. Commissioners Carter, Chamberlain, Daggett, Holte, Levy, Rosenbaum and Tsuruta voted in favor of the motion.

Commissioner Rosenbaum made a statement about the budget process.

Agenda Item No. 2

ADOPTION OF FISCAL YEAR 2015-16 BUDGET AND ENACTMENT OF ORDINANCE NO. 457-T LEVYING PROPERTY TAXES

This agenda item requested adoption of the Port of Portland Budget for Fiscal Year 2015-16 and enactment of Ordinance No. 457-T, levying property taxes for Fiscal Year 2015-16.

Suzanne Kenny requested approval of the Executive Director's recommendations as follows:

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, 2015, to June 30, 2016, 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, 2015, in a total amount of \$1,011,211,912; and

BE IT FURTHER RESOLVED, That a copy of Exhibit E, Schedule of Appropriations Fiscal Year 2015-16, shall be attached to the minutes of this meeting; and

BE IT FURTHER RESOLVED, That the Budget for Fiscal Year 2015-16 in the total amount of \$1,057,963,896 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.

Following presentation of the agenda item, Commissioner Carter called for a motion for approval of the Executive Director's recommendations and adoption of the Fiscal Year 2015-2016 budget. Commissioner Daggett moved to approve the recommendations. Commissioner Levy seconded the motion, which was put to a roll call vote. Commissioners Carter, Chamberlain, Daggett, Holte, Levy, Rosenbaum and Tsuruta voted in favor of the motion.

The Executive Director further recommends:

1. That Ordinance No. 457-T, levying taxes to be collected for Fiscal Year 2015-16, be read by title only; and
2. That Ordinance No. 457-T be enacted by a roll call vote.

Suzanne Kenny read Ordinance No. 457-T by title only.

Commissioner Carter called for a motion and second for enactment of Ordinance 457-T. Commissioner Rosenbaum moved for approval of enactment of the Ordinance and Commissioner Holte seconded the motion, which was put to a roll call vote. Commissioners Carter, Chamberlain, Daggett, Holte, Levy, Rosenbaum and Tsuruta voted in favor of the motion.

The meeting adjourned at 9:15 a.m.

President

Assistant Secretary

Date Signed

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SCHEDULE OF APPROPRIATIONS - FISCAL YEAR 2014-15

	ADOPTED BUDGET June 19, 2014	SUPPLEMENTAL BUDGET December 10, 2014	REVISED APPROPRIATIONS December 10, 2014	CHANGES TO APPROPRIATIONS June 25, 2015	REVISED APPROPRIATIONS June 25, 2015
GENERAL FUND					
Beginning Balance	\$ 107,627,547		\$ 107,627,547		\$ 107,627,547
Operating Revenue	59,493,234	\$ 2,000,000	61,493,234	\$ 1,500,000	62,993,234
Interest on Investments/Other	1,405,812		1,405,812		1,405,812
Service Reimbursements	35,502,570		35,502,570	3,000,000	38,502,570
Transfers from Other Funds	3,244,267		3,244,267		3,244,267
Total Resources	\$ 207,273,430	\$ 2,000,000	\$ 209,273,430	\$ 4,500,000	\$ 213,773,430
Corporate Administration	\$ 49,285,621		\$ 49,285,621		\$ 49,285,621
Marine	25,411,129	\$ 2,000,000	27,411,129		27,411,129
Industrial Development	5,393,902		5,393,902		5,393,902
Navigation	10,256,883	2,000,000	12,256,883	\$ 1,500,000	13,756,883
General Aviation	2,543,838		2,543,838	1,000,000	3,543,838
Sub Total	92,891,373	4,000,000	96,891,373	2,500,000	99,391,373
Service Reimbursements	484,713		484,713		484,713
System Development Charges/Other	5,000		5,000		5,000
Long-Term Debt Payments	11,033,671		11,033,671		11,033,671
Other Environmental	2,822,403		2,822,403	5,500,000	8,322,403
Cash Transfers to Other Funds	23,203,630		23,203,630		23,203,630
Contingency	76,832,640	(2,000,000)	74,832,640	(3,500,000)	71,332,640
Total Requirements	\$ 207,273,430	\$ 2,000,000	\$ 209,273,430	\$ 4,500,000	\$ 213,773,430
AIRPORT REVENUE FUND					
Beginning Balance	\$ 77,800,443		\$ 77,800,443		\$ 77,800,443
Operating Revenue	201,857,139		201,857,139		201,857,139
Interest on Investments	512,237		512,237		512,237
Service Reimbursements	1,762,992		1,762,992		1,762,992
Transfers from Other Funds	160,000		160,000		160,000
Total Resources	\$ 282,092,811	\$ -	\$ 282,092,811	\$ -	\$ 282,092,811
Operating Expenditures	\$ 88,515,287		\$ 88,515,287		\$ 88,515,287
System Development Charges / Other	5,000		5,000		5,000
Service Reimbursements	25,095,800		25,095,800		25,095,800
Cash Transfers to Other Funds	89,276,724		89,276,724	\$ 3,000,000	92,276,724
Contingency	79,200,000		79,200,000	(3,000,000)	76,200,000
Total Requirements	\$ 282,092,811	\$ -	\$ 282,092,811	\$ -	\$ 282,092,811
BOND CONSTRUCTION FUND					
Beginning Balance	\$ 10,000,000		\$ 10,000,000		\$ 10,000,000
Interest Income/Other	103,140		103,140		103,140
Federal/State Grants/Other	19,990,846		19,990,846		19,990,846
Property Tax	9,890,076		9,890,076		9,890,076
Transfers from Other Funds	30,242,131	\$ 10,000,000	40,242,131		40,242,131
Total Resources	\$ 70,226,193	\$ 10,000,000	\$ 80,226,193	\$ -	\$ 80,226,193
Capital Outlay	\$ 57,151,642	\$ 10,000,000	\$ 67,151,642		\$ 67,151,642
Service Reimbursements	3,064,551		3,064,551		3,064,551
Cash Transfers to Other Funds	10,000		10,000		10,000
Contingency	10,000,000		10,000,000		10,000,000
Total Requirements	\$ 70,226,193	\$ 10,000,000	\$ 80,226,193	\$ -	\$ 80,226,193
AIRPORT CONSTRUCTION FUND					
Beginning Balance	\$ 51,108,459		\$ 51,108,459		\$ 51,108,459
Interest Income/ Other	367,740		367,740		367,740
Federal / State Grants	11,219,058		11,219,058		11,219,058
Bond and Other Debt Proceeds	100,000,000		100,000,000		100,000,000
Transfers from Other Funds	39,816,003	\$ (10,000,000)	29,816,003	\$ 3,000,000	32,816,003
Total Resources	\$ 202,511,260	\$ (10,000,000)	\$ 192,511,260	\$ 3,000,000	\$ 195,511,260
Capital Outlay	\$ 139,226,799		\$ 139,226,799		\$ 139,226,799
Bond Issue Costs/Other	1,500,000		1,500,000		1,500,000
Service Reimbursements	8,620,498		8,620,498	\$ 3,000,000	11,620,498
Cash Transfers to Other Funds	5,500,000		5,500,000		5,500,000
Contingency	47,663,963	\$ (10,000,000)	37,663,963		37,663,963
Total Requirements	\$ 202,511,260	\$ (10,000,000)	\$ 192,511,260	\$ 3,000,000	\$ 195,511,260

SCHEDULE OF APPROPRIATIONS - FISCAL YEAR 2014-15

	ADOPTED BUDGET June 19, 2014	SUPPLEMENTAL BUDGET December 10, 2014	REVISED APPROPRIATIONS December 10, 2014	CHANGES TO APPROPRIATIONS June 25, 2015	REVISED APPROPRIATIONS June 25, 2015
AIRPORT REVENUE BOND FUND					
Beginning Balance	\$ 25,439,577		\$ 25,439,577		\$ 25,439,577
Bond and Other Debt Proceeds	7,500,000		7,500,000		7,500,000
Interest Income	22,788		22,788		22,788
Transfers from Other Funds	51,417,505		51,417,505		51,417,505
Total Resources	\$ 84,379,870	\$ -	\$ 84,379,870	\$ -	\$ 84,379,870
Debt Service	\$ 51,440,293		\$ 51,440,293		\$ 51,440,293
Unappropriated Ending Balance	32,939,577		32,939,577		32,939,577
Total Requirements	\$ 84,379,870	\$ -	\$ 84,379,870	\$ -	\$ 84,379,870
PASSENGER FACILITY CHARGE (PFC) FUND					
Beginning Balance	\$ 27,827,301		\$ 27,827,301		\$ 27,827,301
Passenger Facility Charge	31,613,275		31,613,275		31,613,275
Interest and Other	36,920		36,920		36,920
Total Resources	\$ 59,477,496	\$ -	\$ 59,477,496	\$ -	\$ 59,477,496
Letter of Credit/Other	\$ 10,000		\$ 10,000		\$ 10,000
Cash Transfers to Other Funds	15,062,877		15,062,877		15,062,877
Contingency	44,404,619		44,404,619		44,404,619
Total Requirements	\$ 59,477,496	\$ -	\$ 59,477,496	\$ -	\$ 59,477,496
PASSENGER FACILITY CHARGE (PFC) BOND FUND					
Beginning Balance	\$ 15,476,035		\$ 15,476,035		\$ 15,476,035
Interest Income	31,116		31,116		31,116
Cash Transfers from Other Funds	14,604,877		14,604,877		14,604,877
Total Resources	\$ 30,112,028	\$ -	\$ 30,112,028	\$ -	\$ 30,112,028
Debt Service	\$ 14,635,993		\$ 14,635,993		\$ 14,635,993
Unappropriated Ending Balance	15,476,035		15,476,035		15,476,035
Total Requirements	\$ 30,112,028	\$ -	\$ 30,112,028	\$ -	\$ 30,112,028
CUSTOMER FACILITY CHARGE (CFC) FUND					
Customer Facility Charge	\$ 13,711,591		\$ 13,711,591		\$ 13,711,591
Interest and Other	52,522		52,522		52,522
Transfers from Other Funds	6,218,448		6,218,448		6,218,448
Total Resources	\$ 19,982,561	\$ -	\$ 19,982,561	\$ -	\$ 19,982,561
Bank Fees/Other	\$ -	\$ 5,000	\$ 5,000		\$ 5,000
Cash Transfers to Other Funds	12,650,000		12,650,000		12,650,000
Contingency	7,332,561	(5,000)	7,327,561		7,327,561
Total Requirements	\$ 19,982,561	\$ -	\$ 19,982,561	\$ -	\$ 19,982,561
TOTAL - ALL FUNDS	\$ 956,055,649	\$ 2,000,000	\$ 958,055,649	\$ 7,500,000	\$ 965,555,649
Less Unappropriated Ending Balances:					
Airport Revenue Bond Fund	\$ 32,939,577		\$ 32,939,577		\$ 32,939,577
Passenger Facility Charge (PFC) Bond Fund	15,476,035		15,476,035		15,476,035
Subtotal Unappropriated Ending Balance	48,415,612	-	48,415,612	-	48,415,612
TOTAL APPROPRIATIONS	\$ 907,640,037	\$ 2,000,000	\$ 909,640,037	\$ 7,500,000	\$ 917,140,037

EXPLANATION OF CHANGES - FISCAL YEAR 2015-16

Resources	BUDGET SUBMITTED FOR APPROVAL ON MAY 13, 2015	REVISIONS	BUDGET SUBMITTED FOR ADOPTION ON JUNE 25, 2015	EXPLANATION
Beginning Balance	\$ 399,660,817	\$ -	\$ 399,660,817	
Operating Revenue	285,343,040	9,944,884	295,287,924	Anticipated Gresham Vista land sales, as well as revised estimates of PDX roadway access fees and other costs reimbursed by the airlines.
Grants/Interest Income/Other	67,356,624	-	67,356,624	
Taxes	10,546,080	-	10,546,080	
Bond And Other Debt Proceeds	53,750,000	-	53,750,000	
Subtotal - Resources	\$ 816,656,561	\$ 9,944,884	\$ 826,601,445	
Transfer From Other Funds	230,233,917	1,128,534	231,362,451	Net impact of transfer changes between funds.
Total Resources	\$ 1,046,890,477	\$ 11,073,419	\$ 1,057,963,896	
Requirements				
Operating Expenditures				
Administration	\$ 53,402,444	\$ 40	53,402,484	Miscellaneous changes.
Marine	24,419,650	165,546	24,585,196	Revised estimates of T6 ICTSI maintenance reimbursement costs.
Industrial Development	5,511,788	610,595	6,122,383	Expenses associated with anticipated Gresham Vista land sales.
Navigation	9,702,396	8,967	9,711,363	Refined estimates of Navigation personnel services costs.
General Aviation	2,546,733	(14,667)	2,532,066	Reduction to estimates for property insurance.
Commercial Aviation	93,788,838	(259,254)	93,529,584	Reduction to estimates for property insurance.
Subtotal - Operating Expenditures	\$ 189,371,849	\$ 511,228	\$ 189,883,076	
Capital Expenditures				
Corporate Administration	\$ 3,632,000	-	3,632,000	
Marine	6,390,000	-	6,390,000	
Industrial Development	19,679,206	-	19,679,206	
Navigation	8,212,400	-	8,212,400	
General Aviation	3,965,000	-	3,965,000	
Commercial Aviation	187,632,230	-	187,632,230	
Capitalized Labor	(12,743,701)	-	(12,743,701)	
Subtotal - Capital Expenditures	\$ 216,767,135	\$ -	\$ 216,767,135	
Transfer To Other Funds	\$ 230,233,917	\$ 1,128,534	\$ 231,362,451	Net impact of transfer changes between funds.
Other Environmental	13,508,291	-	13,508,291	
Other	775,000	-	775,000	
Long-Term Debt Payments	81,598,620	-	81,598,620	
Contingency	267,883,682	9,433,657	277,317,339	Increase due to anticipated Gresham Vista land sales.
Unappropriated Balance	46,751,984	-	46,751,984	
Total Requirements	\$ 1,046,890,477	\$ 11,073,419	\$ 1,057,963,896	

EXPLANATION OF FUND CHANGES - FISCAL YEAR 2015-16

FUNDS	BUDGET SUBMITTED FOR APPROVAL ON MAY 13, 2015	REVISIONS	BUDGET SUBMITTED FOR ADOPTION ON JUNE 25, 2015	EXPLANATION
General Fund	\$ 220,853,609	\$ 9,010,146	\$ 229,863,755	Increase resulting primarily from anticipated Gresham Vista land sales.
Airport Revenue Fund	315,846,095	869,280	316,715,375	Net impact of revised PDX roadway access fee estimates, outside services, and property insurance.
Bond Construction Fund	51,888,606	-	51,888,606	
Airport Construction Fund	226,004,867	1,193,993	227,198,860	Increased transfers to the Airport Construction Fund from the Airport Revenue Fund as a result of additional Airport Revenue Fund resources.
Airport Revenue Bond Fund	87,359,831	-	87,359,831	
PFC Fund	86,374,425	-	86,374,425	
PFC Bond Fund	29,286,200	-	29,286,200	
CFC Fund	29,276,844	-	29,276,844	
Total	<u>\$ 1,046,890,477</u>	<u>\$ 11,073,419</u>	<u>\$ 1,057,963,896</u>	

SCHEDULE OF APPROPRIATIONS - FISCAL YEAR 2015-16

	BUDGET PROPOSAL SUBMITTED ON APRIL 8, 2015	REVISIONS	BUDGET SUBMITTED FOR APPROVAL ON MAY 13, 2015	REVISIONS	BUDGET SUBMITTED FOR ADOPTION ON JUNE 25, 2015
GENERAL FUND					
Administration	\$ 53,602,444	\$ (200,000)	\$ 53,402,444	\$ 40	\$ 53,402,484
Marine	25,689,694	(1,270,044)	24,419,650	165,546	24,585,196
Industrial Development	5,511,788	-	5,511,788	610,595	6,122,383
Navigation	9,702,396	-	9,702,396	8,967	9,711,363
General Aviation	2,546,733	-	2,546,733	(14,667)	2,532,066
Total Departments	\$ 97,053,055	\$ (1,470,044)	\$ 95,583,010	\$ 770,482	\$ 96,353,492
Service Reimbursements	\$ 489,330	\$ -	\$ 489,330	\$ -	\$ 489,330
Other Environmental	13,508,291	-	13,508,291	-	13,508,291
Long-Term Debt Payments	11,704,573	-	11,704,573	-	11,704,573
System Development Charges / Other	5,000	-	5,000	-	5,000
Cash Transfers to Other Funds	26,447,437	-	26,447,437	-	26,447,437
Contingency	72,180,927	935,041	73,115,969	8,239,664	81,355,632
Total Requirements	\$ 221,388,613	\$ (535,003)	\$ 220,853,609	\$ 9,010,146	\$ 229,863,755
AIRPORT REVENUE FUND					
Operating Expenditures	\$ 94,099,206	\$ (310,367)	\$ 93,788,838	\$ (259,253)	\$ 93,529,585
System Development Charges/Other	5,000	-	5,000	-	5,000
Service Reimbursements	26,843,269	155,891	26,999,161	(48,766)	26,950,395
Cash Transfers to Other Funds	109,394,801	(303,748)	109,091,053	1,177,299	110,268,352
Contingency	85,962,043	-	85,962,043	-	85,962,043
Total Requirements	\$ 316,304,319	\$ (458,224)	\$ 315,846,095	\$ 869,280	\$ 316,715,375
BOND CONSTRUCTION FUND					
Capital Outlay	\$ 38,292,660	\$ 14,981	\$ 38,307,641	\$ -	\$ 38,307,641
Service Reimbursements	3,585,946	(14,981)	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
Total Requirements	\$ 51,888,606	\$ 0	\$ 51,888,606	\$ -	\$ 51,888,606
AIRPORT CONSTRUCTION FUND					
Capital Outlay	\$ 178,434,474	\$ 25,021	\$ 178,459,495	\$ -	\$ 178,459,495
Bond Issue Costs/Other	750,000	-	750,000	-	750,000
Service Reimbursements	9,197,756	(25,021)	9,172,735	-	9,172,735
Cash Transfers to Other Funds	2,750,000	-	2,750,000	-	2,750,000
Contingency	32,379,103	2,493,534	34,872,637	1,193,994	36,066,630
Total Requirements	\$ 223,511,333	\$ 2,493,534	\$ 226,004,867	\$ 1,193,994	\$ 227,198,860
AIRPORT REVENUE BOND FUND					
Long-Term Debt Payments	\$ 57,735,495	\$ (2,800,000)	\$ 54,935,495	\$ -	\$ 54,935,495
Unappropriated Ending Balance	32,424,336	-	32,424,336	-	32,424,336
Total Requirements	\$ 90,159,831	\$ (2,800,000)	\$ 87,359,831	\$ -	\$ 87,359,831
PASSENGER FACILITY CHARGE (PFC) FUND					
Letter of Credit/Other	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000
Cash Transfers to Other Funds	25,603,236	-	25,603,236	-	25,603,236
Contingency	60,761,189	-	60,761,189	-	60,761,189
Total Requirements	\$ 86,374,425	\$ -	\$ 86,374,425	\$ -	\$ 86,374,425
PASSENGER FACILITY CHARGE (PFC) BOND FUND					
Long-Term Debt Payments	\$ 14,958,552	\$ -	\$ 14,958,552	\$ -	\$ 14,958,552
Unappropriated Ending Balance	14,327,648	-	14,327,648	-	14,327,648
Total Requirements	\$ 29,286,200	\$ -	\$ 29,286,200	\$ -	\$ 29,286,200
CUSTOMER FACILITY CHARGE (CFC) FUND					
Bank Fees / Other	\$ -	\$ 5,000	\$ 5,000	\$ -	\$ 5,000
Cash Transfers to Other Funds	26,100,000	-	26,100,000	-	26,100,000
Contingency	3,176,844	(5,000)	3,171,844	-	3,171,844
Total Requirements	\$ 29,276,844	\$ -	\$ 29,276,844	\$ -	\$ 29,276,844
TOTAL ALL FUNDS	\$ 1,048,190,170	\$ (1,299,693)	\$ 1,046,890,477	\$ 11,073,419	\$ 1,057,963,896
Less Unappropriated Ending Balances:					
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
TOTAL APPROPRIATIONS	\$ 1,001,438,186	\$ (1,299,693)	\$ 1,000,138,494	\$ 11,073,419	\$ 1,011,211,912