



# 2017-18 Proposed Budget



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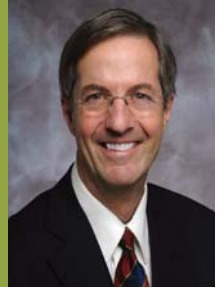
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# Budget Summary

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# Executive Director's Message



For more than 16 years, I have had the enormous privilege of serving as the Port of Portland's Executive Director. I will retire in June 2017, so our next Executive Director will steer the execution of the Port's Fiscal Year (FY) 2017-18 budget and the programs that ensure we meet our mission.

The FY 2017-18 budget continues to focus on our core organizational initiatives of driving regional prosperity, connecting people and business to markets, delivering an outstanding PDX customer experience and promoting excellence in organizational efficiencies and effectiveness.

As a public agency that creates 96 percent of its revenues from business transactions, the Port of Portland focuses on providing value to our customers and partners as well as generating positive results to our bottom line. This budget also continues to promote cost-containment throughout Port operations.

## Aviation

Last year our work at Portland International Airport led to 17 new domestic flights, a new international nonstop to London on Delta Air Lines in May 2017 and new nonstop air cargo service to Asia on Cathay Pacific, while holding on to Travel + Leisure's Best U.S. Airport ranking for the fourth year in a row.

The Cathay Pacific cargo service carries Oregon agricultural, high tech and outdoor gear and apparel products to global markets and generates or retains about 50 jobs and nearly \$2 million in personal income.

Also at PDX, after an extensive outreach project, we awarded 11 new concessions opportunities to local businesses — helping keep the "Portland" in PDX. The investments in concessions continue to drive business revenue and rave reviews from travelers. We also added a unique experience for travelers: a free microcinema developed by Portland's nonprofit Hollywood Theatre in collaboration with our PDX Art program. The third and final phase of the terminal concessions redevelopment program will be completed in FY 2017-18.

We once again have a record passengers forecast for FY 2017-18: 19 million total passengers are expected to travel through PDX.

Given this continued growth, we remain in a period of major redevelopment at PDX, ensuring it stays on the leading edge of airports nationwide. Collectively known as PDXNext, this set of major airport improve-

ment projects will continue providing award-winning comfort and convenience for travelers, operational efficiency, safety and security.

Another major investment to improve operations and traveler experience in the airport is our terminal balancing initiative. In order to relieve congestion on the south side of the terminal, we will relocate Southwest Airlines to the north terminal by adding six gates. This will also allow existing carriers on the south, including Alaska and American Airlines, to grow and expand their operations.

Planning continues for a comprehensive terminal core redevelopment to ensure sufficient capacity for future passenger demand, to upgrade seismic resiliency, and replace aging systems and infrastructure.

We are under construction on the new rental car quick turn-around facility and we estimate completion in early 2018. There is also planning underway for a new consolidated rental car and public parking facility.

At our general aviation airports, a group of devoted citizens helped us update a new master plan for the Troutdale Airport and a separate committee has formed to begin work on a new master plan update for Hillsboro Airport.

## **Marine Terminals**

In February, we announced the chance for a fresh start at Terminal 6, negotiating with ICTSI to end their lease in exchange for the resources to find new shipping options at the terminal. The Port will receive \$11.45 million in compensation to rebuild business, as well as additional container handling equipment, spare parts and tools at the terminal.

We are working to create a financially viable business plan at T6 that helps meet our mission to help shippers get their goods to market. While the global carrier industry continues to undergo rapid change, we now have a new path to redefine our future in this business and launch new strategies to bring the terminal back to life.

This budget includes projections for putting the money from ICTSI to work to get the terminal ready to resume commercial operations. Resources will be used to provide for infrastructure improvements and equipment maintenance to get the terminal into working condition. The budget also includes storm water payments, utilities and security. We are aggressively pursuing business strategies that will allow for additional revenue at T6 in the near future and long term.

We also continue to see strong growth at our marine terminals for our autos business. In 2016, the Port of Portland became the number one auto exporter on the U.S. West Coast. Our partner, Auto Warehousing Company (AWC), continues to expand their auto handling facilities. AWC handles the import of Hyundai and the export of Ford vehicles. FY 2017-18 volume forecast, for all three of our auto customers combined (AWC, Honda, and Toyota) is expected to exceed 310,000 vehicles.



Following recent investment by our Terminal 5 tenant Columbia Export Terminal, we continue to see higher grain exports with volumes forecast to increase nearly 10 percent for FY 2017-18.

## **Industrial Development**

At our five industrial parks, we made major investments to help us grow these regional job centers as economic growth drives strong demand for industrial land.

Capstone Partners' newly built 1 million square foot logistics center at Portland International Center near the airport is now fully leased.

In February 2017, we announced the sale of nearly 74 acres at the Troutdale Reynolds Industrial Park (TRIP) to Troutdale Associates LLC for the development and construction of an 855,000 square foot build-to-suit fulfillment center to be leased to Amazon. Also, \$17.1 million in additional TRIP property sales are forecast and budgeted to occur in FY 2017-18.

Last year at Gresham Vista Business Park, Subaru wrapped up construction of its new 600,000 square foot distribution center. The Port also made sales earlier this year at Gresham Vista of 29 and 37 acres to Trammell Crow and Specht Development respectively for spec developments which have a history of attracting quality distribution and logistics, and manufacturing businesses.

## **Inside the Port**

The Port of Portland continues to face important financial challenges ahead including increasing PERS expenses and the Portland Harbor Superfund clean-up costs.

We continue efforts to focus on cost containment initiatives and exploring new opportunities for other funding sources. The Port continues to focus on a number of proactive initiatives to reduce long-term healthcare costs such as a port-wide wellness program for employees.

Port leadership also continues to drive a safety culture that emphasizes the Port is a safe, healthy, and injury-free place to work.

In January 2017, the Environmental Protection Agency issued its Record of Decision (ROD) for the clean-up at Portland Harbor. The Port has actively supported the 16-year Superfund process to date and we've been a leader on cleanups in and around the river, as well as an "early action" cleanup at Terminal 4.

We are concerned about the direction EPA moved with its January ROD; the final cleanup plan is significantly more expansive and expensive than the draft offered last summer.

Despite our disappointment with the ROD, we continue to engage with the State, the City of Portland, EPA, Oregon Department of Environmental Quality and private parties on a path forward. We remain convinced that a reasonably priced cleanup plan exists for the Lower Willamette River that protects the health of Portlanders and the environment.

Finally, I am very proud that the Port has initiated a comprehensive approach for diversity, equity and inclusion in our hiring and contracting practices across the Port.

It has been an honor for me to help lead the talented employees at the Port of Portland to serve our community, our state and our region. The Port has never been in a stronger position to meet the challenges of the future than it is today.

Bill Wyatt

Executive Director

# CFO's Message



The budget for Fiscal Year (FY) 2017-18 allocates resources to improve the long-term competitive position of the Port and to assist in promoting the economic health of the region. The goal of the budget is to meet our mission and achieve our strategic goals and objectives while preserving and building on the Port's financial stability and viability. For the container portion of our Marine division, FY 2017-18 will be a transition year. This budget provides the resources to ensure the container facility is operationally ready and to develop new strategies to create a financially viable operation that provides our shippers efficient access to regional and global markets.

## **Operating Projections**

Marine operating revenues are budgeted to decrease nearly 20.0 percent, or \$5.1 million, in FY 2017-18 compared to the FY 2016-17 Adopted Budget. This decrease is a result of the ICTSI lease termination, specifically the loss of the rent payment and the revenue reimbursement for Terminal 6 facility maintenance expenses. Industrial Development land sales are budgeted to decrease nearly \$10.5 million from \$27.6 million in FY 2016-17 to \$17.1 million in FY 2017-18 as the inventory of available property for sale is reduced following successful sale transactions.

The General Fund FY 2017-18 operating expenditures (Personnel Services and Materials and Services) are budgeted at a net decrease of approximately 1.0 percent, or about \$600,000, from the FY 2016-17 Adopted Budget. The net decrease is a result of cost reduction initiatives implemented to help provide greater financial sustainability, thus increasing the operating contribution to the General Fund working capital, and positioning the Port to better meet our General Fund financial obligations now and in the future.

General Fund and Bond Construction Fund balances need to be prudently managed to ensure our strategic goals and objectives are met, and to preserve and build on the financial stability and viability of the Port. Adequate resources need to be maintained to provide for continued operations, to fund long-term capital expenditures anticipated for marine and industrial land development, and to meet the Port's obligations related to the clean-up of the Portland Harbor Superfund Site in the Willamette River.

PDX operating revenues (including airline, rental car, parking, and concession revenues) for FY 2017-18 are budgeted to increase 5.4 percent, or \$12.4 million, from the FY 2016-17 Adopted Budget. This increase is a result of the higher number of total passengers traveling through PDX, which is projected to increase 3.3 percent from an already historic high of 18.4 million in FY 2016-17 Adopted Budget to 19.0 million. Operating expenditures (Personnel Services and Materials and Services) for FY 2017-18 are budgeted to increase 4.9 percent, or \$4.9 million, from the FY 2016-17 Adopted Budget, primarily due to additional positions, employee salary and benefit increases, as well as increased outside services costs in support of our Strategic Plan initiatives and the higher number of passengers utilizing the airport.

Total Port FTEs (Full Time Equivalentents – a measure of workforce size) are budgeted to decrease 1.2 percent, or 9.2 FTEs, from the FY 2016-17 Adopted Budget of 804.9 to 795.7 in FY 2017-18.

**Capital Investments**

The Port's total capital expenditure program for FY 2017-18 (including staff time), is estimated at \$403.2 million. Approximately \$355.1 million is for improvements at PDX (to be paid from the Airport Construction Fund), while \$48.1 million is targeted for the Port's General Fund (the capital program for Marine, Industrial Development, General Aviation, Navigation, and Administrative divisions, to be paid from the Bond Construction Fund).

Major capital expenditures in FY 2017-18 for PDX include:

- \$72.8 million for the terminal balancing program
- \$40.4 million for the rental car quick turn-around wash/prep facility expansion
- \$35.0 million for additional public parking and rental car facilities
- \$24.1 million for the terminal core redevelopment
- \$19.4 million to replace passenger loading bridges
- \$17.4 million for rehabilitation of Taxiway B
- \$10.5 million for rehabilitation of Taxiway K
- \$10.3 million to replace Concourse D heating, ventilation and air conditioning

Major capital expenditures for the Port's General Fund in FY 2017-18 include:

- \$10.7 million for phase II improvements at TRIP (Troutdale Reynolds Industrial Park)
- \$ 6.2 million for construction of the Rivergate overcrossing
- \$ 3.6 million for rehabilitation of berths 410, 411, and 503
- \$ 2.9 million for infrastructure construction at Gresham Vista Business Park
- \$ 1.5 million for dredge deck crane replacement

**Accounting Basis**

This Budget document illustrates the expected financial performance of the Port of Portland for the coming fiscal year. In conformance with Oregon Revised Statutes, the Budget shows operations of the Port on a fund basis (Resources and Requirements). All Port Funds are budgeted on an accrual basis except for certain expenses including some environmental expenses which are budgeted on a working capital basis.

The Port maintains, and continuously seeks to improve, a system of financial controls and processes which are in place to ensure the public of informed decision-making and fiscal accountability.

Cynthia A. Nichol

Chief Financial Officer and Budget Officer

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## A Look at the Port of Portland

Located in Portland, Oregon, the Port of Portland is the bridge that connects Oregon to the world. The Port manages marine and airport facilities that link to intermodal transportation systems connecting relatively isolated local markets with each other, the nation, and beyond.

### History

The Port of Portland was created by the Oregon Legislature in 1891 to dredge a shipping channel from Portland 100 miles to the sea. Today, the Port is charged with promoting aviation, maritime, commercial and industrial interests within Clackamas, Multnomah, and Washington counties (including the City of Portland). The scope of Port services extends beyond this immediate metropolitan area to include farmers and other industries from inland regions of the Northwest. The Port is directed by a nine-member commission, whose members are appointed by the Governor of the State of Oregon and confirmed by the Oregon Senate.

The Port's location at the confluence of two navigable rivers, two transcontinental railroads, and two interstate freeways has been a factor in the development of facilities and the commodities we ship. Portland's population size and economic history have dictated our export dominance in trade. It has also influenced the development of distribution facilities that serve markets beyond our geographic boundaries.

### Facilities and Services

The Port owns four marine terminals, Oregon's primary commercial airport, two general aviation airports (Hillsboro and Troutdale), and oversees six industrial/business parks. The Port also owns and operates the Dredge *Oregon* to help maintain the shipping channel on the lower Columbia River.

Operating an award-winning, world-class airport allows cargo and passenger air carriers and a host of vendors to be successful in their businesses, and in turn, millions of passengers and tons of air cargo have ready access to destinations around the globe. Streamlined marine terminals and prime industrial properties offer shippers, ocean carriers and about 1,000 area businesses an opportunity to compete in international markets.

The Port plays a major role in the region's economy. In the Port's most recent economic impact study, based on the fiscal year 2015 data, the Port's economic impact model estimates that:

- Nearly 27,000 jobs, \$1.8 billion in wages, salaries, and consumption impacts, and nearly \$175 million in state and local taxes were generated by activities at the Port's marine and aviation facilities.
- Some \$5.7 billion of business revenue was received by firms providing goods and services to support the activities at the marine terminals and airports.
- The Port generates more than \$5 in tax revenue for every \$1 it collects in property taxes.

- Visitor industry impacts at PDX add an additional 99,000 jobs, nearly \$3.5 billion in personal income, and \$5.8 billion in business revenue.
- The Port's industrial and business parks are home to more than 300 firms, which generate 32,000 jobs and \$177 million in state and local tax revenue across the region.



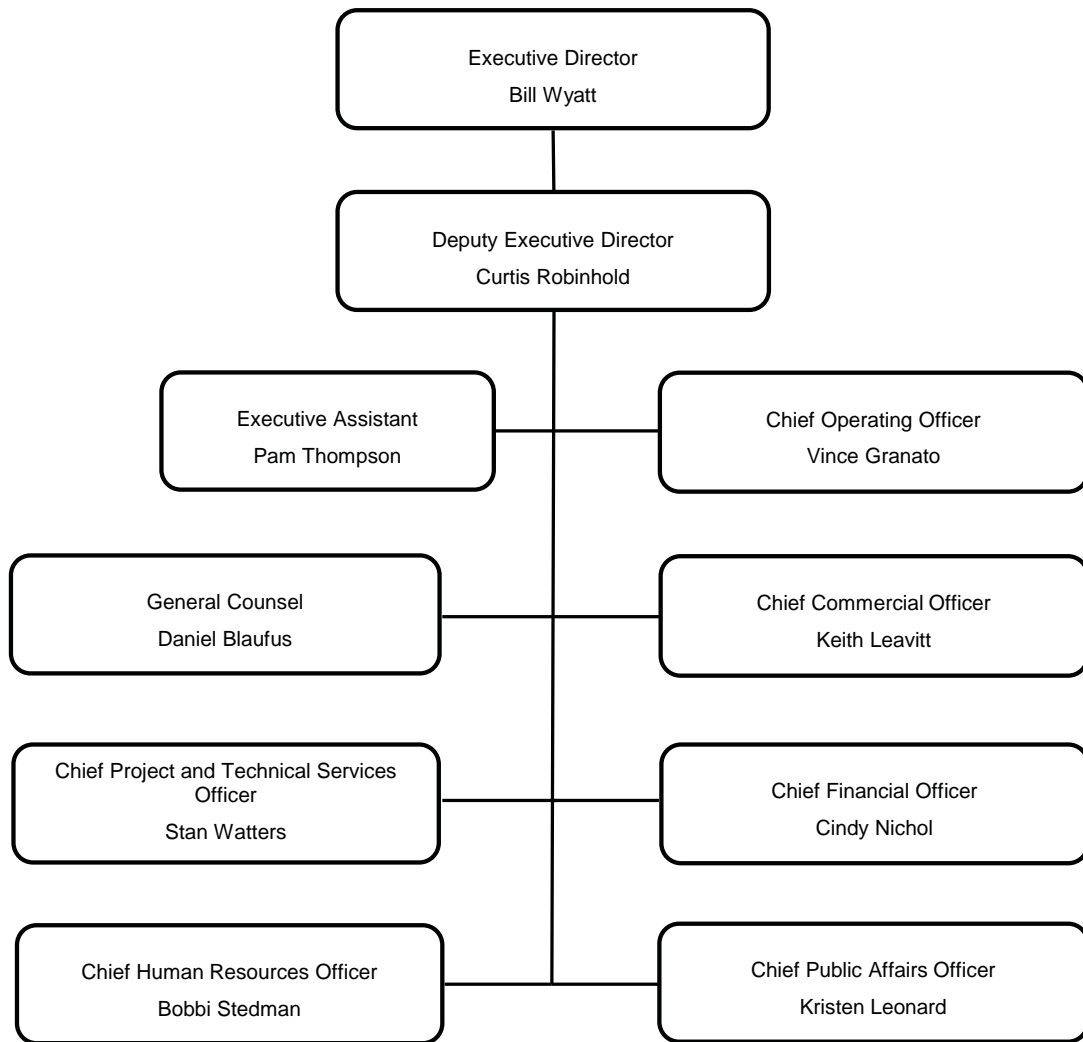
# The Port of Portland Commission

Port of Portland Commissioners are appointed by the Governor of the State of Oregon and serve a four year term.

Jim Carter	President
Tom Chamberlain	Vice-President
Linda M. Pearce	Treasurer
Robert L. Levy	Secretary
Michael C. Alexander	Commissioner
Alice Cuprill-Comas	Commissioner
Pat McDonald	Commissioner
Tom Tsuruta	Commissioner
Gary Young	Commissioner

## Port of Portland Executive Team

The Port's Executive Team structure is shown below. Working in concert with, and under the policy direction of, the Board of Commissioners, the Port represents a unique blend of government and private enterprise.

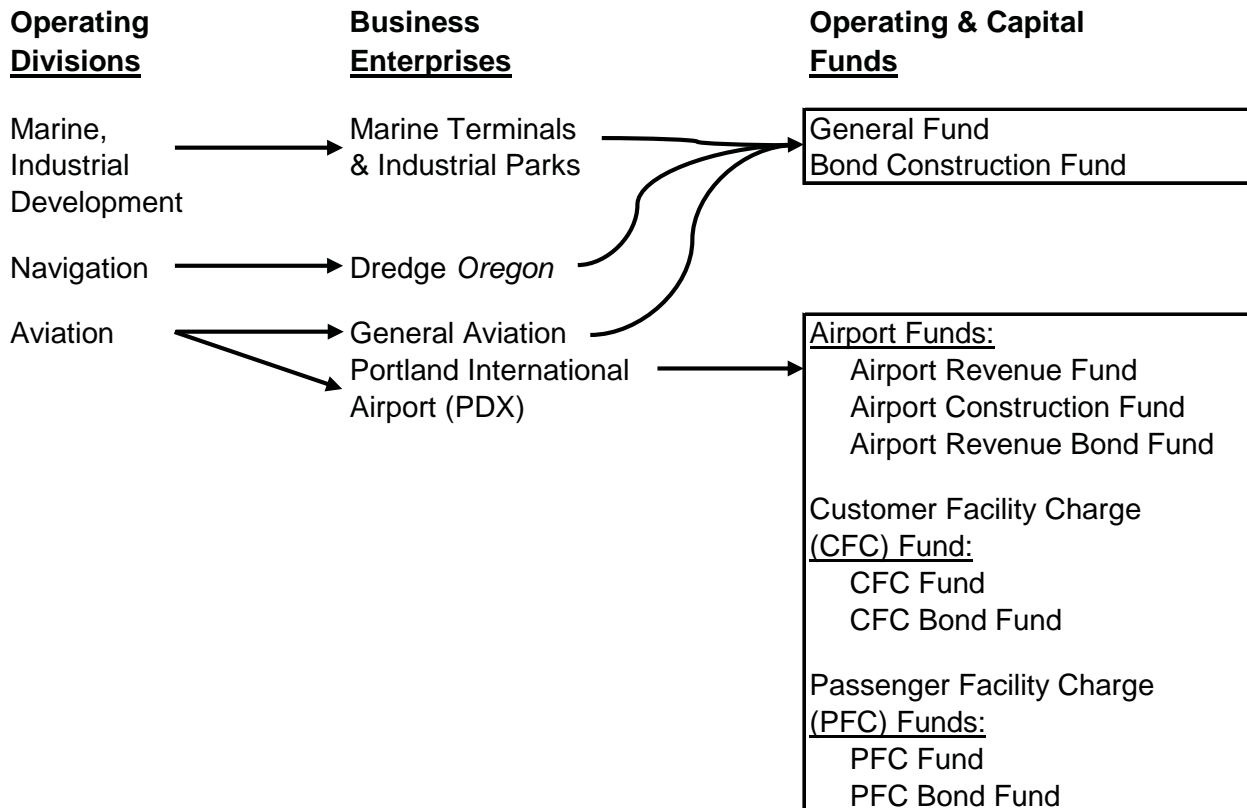


## How to Trace Port Dollars

The financial structure of the Port is defined by certain dedicated Funds that are restricted to certain purposes and/or supported by specific business activity.

The Marine, Industrial Development, Navigation, and Administration divisions are accounted for in the General and Bond Construction Funds.

The Aviation Division consists of Commercial Aviation (Portland International Airport) and General Aviation (Hillsboro and Troutdale airports). General Aviation is accounted for entirely in the General and Bond Construction Funds, while the Commercial Aviation division is accounted for entirely in the Airport Revenue, Airport Revenue Bond, Airport Construction, Customer Facility Charge, Customer Facility Charge Bond Fund, Passenger Facility Charge and Passenger Facility Charge Bond Funds.





## Fund Appropriations

Fund	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
<u>Operating Funds</u>					
General Fund	\$240,324,449	\$267,690,966	\$226,303,796	\$279,083,936	\$267,188,473
Airport Revenue Fund	304,904,767	330,746,391	319,311,615	326,552,693	339,820,945
<b>Subtotal Operating Funds</b>	<b>\$545,229,217</b>	<b>\$598,437,357</b>	<b>\$545,615,410</b>	<b>\$605,636,629</b>	<b>\$607,009,418</b>
<u>Construction Funds</u>					
Bond Construction Fund	\$41,123,194	\$42,178,706	\$57,103,782	\$57,618,215	\$57,703,522
CFC Fund	19,808,860	33,937,611	38,399,215	44,695,166	193,987,880
PFC Fund	69,851,911	90,601,432	97,290,650	110,056,711	123,817,616
Airport Construction Fund	183,412,284	169,357,543	254,103,598	418,931,133	567,832,141
<b>Subtotal Construction Funds</b>	<b>\$314,196,249</b>	<b>\$336,075,292</b>	<b>\$446,897,245</b>	<b>\$631,301,226</b>	<b>\$943,341,159</b>
<u>Port Debt Service Funds</u>					
Airport Revenue Bond Fund	\$75,068,691	\$76,823,066	\$92,511,960	\$92,078,769	\$112,275,846
CFC Bond Fund	-	-	-	-	18,000,000
PFC Bond Fund	28,417,815	28,779,769	29,329,607	29,378,021	29,268,841
<b>Subtotal Debt Service Funds</b>	<b>\$103,486,506</b>	<b>\$105,602,835</b>	<b>\$121,841,567</b>	<b>\$121,456,791</b>	<b>\$159,544,687</b>
<b>Total*</b>	<b>\$962,911,971</b>	<b>\$1,040,115,485</b>	<b>\$1,114,354,224</b>	<b>\$1,358,394,646</b>	<b>\$1,709,895,264</b>

\* Resources = Requirements. For balancing purposes amounts shown are inclusive of Unappropriated Ending Fund Balance(s).

For accounting purposes, all Port funds are accounted for on an accrual basis. For budgetary purposes, all Port funds are budgeted on an accrual basis, except some environmental expenses.

Summary of Operating Revenues, Personnel Services and Material & Services Expenditures by Division (1)

	Operating Revenues	Personnel Services				Materials & Services						Total Operating Expenditures
		Longshore Labor	Contracts & Prof. Svcs.	Materials & Supplies	Utilities	Equip Rents, Repair & Fuel	Insurance	Management & Travel	Other (4)			
<b>Operating Divisions</b>												
PDX	\$240,660,925	\$49,741,014	\$-	\$32,900,035	\$5,035,773	\$11,363,669	\$1,752,527	\$1,929,340	\$3,269,038	\$(2,051,921)	\$103,939,476	
General Aviation	4,334,478	1,068,913	-	1,536,171	99,160	296,036	161,461	47,621	11,100	138,494	3,358,955	
Marine	20,973,106	9,091,711	1,279,440	4,096,162	691,301	2,613,749	163,547	568,763	753,163	400,359	19,658,195	
Industrial Development	22,464,737	2,882,246	-	1,357,345	58,398	257,755	26,059	24,534	227,102	402,114	5,235,553	
Navigation	14,330,721	5,592,612	-	854,706	1,776,954	57,677	1,872,275	898,298	16,638	26,314	11,095,474	
Subtotal: Operating Divisions	\$302,763,967	\$68,376,497	\$1,279,440	\$40,744,419	\$7,661,587	\$14,588,886	\$3,975,869	\$3,468,556	\$4,277,041	\$(1,084,641)	\$143,287,652	
<b>Administration</b>												
Executive Administration	-	1,025,177	-	24,000	1,600	600	-	371,309	175,000	-	1,597,686	
Environmental	-	1,642,140	-	1,195,570	10,800	-	-	-	143,450	148,630	3,140,590	
Public Affairs	-	4,176,502	-	672,846	14,400	-	-	-	313,045	100,450	5,277,243	
Human Resources	-	2,647,900	-	884,805	3,520	-	-	-	342,555	144,450	4,023,230	
Legal	-	2,698,187	-	51,900	4,200	8,040	-	-	93,365	41,070	2,896,762	
Financial & Administrative Services (2)	160,000	6,620,087	-	941,458	7,700	75	7,800	-	147,151	2,363,674	10,087,945	
Engineering	-	11,373,621	-	175,624	18,714	1,000	9,000	-	132,104	1,108,321	12,818,384	
Information Technology	-	7,465,098	-	1,038,534	111,047	177,880	391,950	-	113,104	2,059,796	11,357,409	
Project and Technical Services Admin	-	1,377,522	-	771,732	12,530	2,400	4,140	-	32,240	50,120	2,250,684	
Subtotal: Administration	\$160,000	\$39,026,234	\$-	\$5,756,469	\$184,511	\$189,995	\$412,890	\$371,309	\$1,492,014	\$6,016,511	\$53,449,933	
<b>Subtotal</b>	<b>\$302,923,967</b>	<b>\$107,402,731</b>	<b>\$1,279,440</b>	<b>\$46,500,888</b>	<b>\$7,846,099</b>	<b>\$14,778,881</b>	<b>\$4,388,759</b>	<b>\$3,839,865</b>	<b>\$5,769,054</b>	<b>\$4,931,870</b>	<b>\$196,737,585</b>	
<b>Other Divisions</b>												
Other Environmental (3)	\$-	\$-	\$-	\$3,194,812	\$-	\$-	\$-	\$-	\$-	\$-	\$3,194,812	
Subtotal: Other Divisions	\$-	\$-	\$-	\$3,194,812	\$-	\$-	\$-	\$-	\$-	\$-	\$3,194,812	
<b>Total</b>	<b>\$302,923,967</b>	<b>\$107,402,731</b>	<b>\$1,279,440</b>	<b>\$49,695,700</b>	<b>\$7,846,099</b>	<b>\$14,778,881</b>	<b>\$4,388,759</b>	<b>\$3,839,865</b>	<b>\$5,769,054</b>	<b>\$4,931,870</b>	<b>\$199,932,397</b>	

(1) Expenditures exclude interdepartmental transfers, allocated support services, capitalized costs, depreciation and costs of property sold.  
 (2) Revenue within Financial & Administrative Services is primarily derived from contributions from other local governments participating in the Port's DBE/Mentor program and operating grants.  
 (3) "Other Environmental" includes costs which are not directly attributable to specific Port facilities or which pertain to discontinued operations.  
 (4) "Other" expenses include rent, software and hardware, PDX drainage fees and post-retirement benefits.

Summary of Resources and Requirements by Fund

Resources & Requirements	Operating Funds		Construction Funds				Debt Service Funds			
	Total - All Funds	General	Airport Revenue	Bond Construction	Airport Construction	CFC	PFC	Airport Revenue Bond	CFC Bond	PFC Bond
<b>Resources</b>										
Beginning Balance	\$685,574,436	\$156,457,245	94,740,916	\$10,000,000	\$270,174,532	\$17,730,166	\$85,077,809	\$36,994,752	\$-	\$14,399,016
Operating Revenue	302,923,967	62,263,042	240,660,925	-	-	-	-	-	-	-
Grants/Interest Income/Other	82,230,551	2,922,700	2,268,700	4,607,311	17,247,559	16,257,714	38,739,807	121,760	-	65,000
Property Taxes	11,919,999	-	-	11,919,999	-	-	-	-	-	-
Bond and Other Debt Proceeds	301,000,000	-	-	-	120,000,000	160,000,000	-	9,000,000	12,000,000	-
<b>Subtotal - Resources</b>	<b>\$1,383,648,954</b>	<b>\$221,642,987</b>	<b>337,670,541</b>	<b>\$26,527,310</b>	<b>\$407,422,091</b>	<b>\$193,987,880</b>	<b>\$123,817,616</b>	<b>\$46,116,512</b>	<b>\$12,000,000</b>	<b>\$14,464,016</b>
Transfers from Other Funds	\$326,246,310	\$45,545,485	2,150,405	\$31,176,212	\$160,410,050	\$-	\$-	\$66,159,334	\$6,000,000	\$14,804,825
<b>Total Resources</b>	<b>\$1,709,895,264</b>	<b>\$267,188,473</b>	<b>\$339,820,945</b>	<b>\$57,703,522</b>	<b>\$567,832,141</b>	<b>\$193,987,880</b>	<b>\$123,817,616</b>	<b>\$112,275,846</b>	<b>\$18,000,000</b>	<b>\$29,268,841</b>
<b>Requirements</b>										
<b>Expenditures (by division)</b>	<b>(Total)</b>	<b>(Operating)</b>		<b>(Capital)</b>						
Administration *	\$56,225,059	\$53,449,933	-	\$2,775,126	\$-	\$-	\$-	\$-	\$-	\$-
Marine	30,601,997	19,658,195	-	10,943,801	-	-	-	-	-	-
Industrial Development	29,831,194	5,235,553	-	24,595,641	-	-	-	-	-	-
Navigation	18,499,521	11,095,474	-	7,404,047	-	-	-	-	-	-
General Aviation	5,333,861	3,358,955	-	1,974,906	-	-	-	-	-	-
Commercial Aviation	459,048,537	-	103,939,476	-	355,109,061	-	-	-	-	-
Capitalized Labor	(17,729,578)	-	-	(3,567,567)	(14,162,011)	-	-	-	-	-
<b>Subtotal - Expenditures</b>	<b>\$581,810,590</b>	<b>\$92,798,109</b>	<b>103,939,476</b>	<b>\$44,125,955</b>	<b>\$340,947,050</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>
<b>Other Requirements</b>										
Transfers to Other Funds	\$326,246,310	\$29,585,437	131,416,470	\$3,577,567	\$22,662,011	\$86,200,000	\$52,804,825	\$-	\$-	\$-
Other Environmental	3,194,812	3,194,812	-	-	-	-	-	-	-	-
System Devel Charges / Other	2,305,750	250,000	5,000	-	1,000,000	1,000,000	50,750	-	-	-
Long Term Debt Payments	99,562,473	12,411,555	-	-	-	-	-	66,281,094	6,000,000	14,869,825
Contingency	624,381,560	128,948,559	104,460,000	10,000,000	203,223,080	106,787,880	70,962,041	-	-	-
Unappropriated Ending Balance	72,393,768	-	-	-	-	-	-	45,994,752	12,000,000	14,399,016
<b>Total Requirements</b>	<b>\$1,709,895,264</b>	<b>\$267,188,473</b>	<b>\$339,820,945</b>	<b>\$57,703,522</b>	<b>\$567,832,141</b>	<b>\$193,987,880</b>	<b>\$123,817,616</b>	<b>\$112,275,846</b>	<b>\$18,000,000</b>	<b>\$29,268,841</b>

\* Includes Corporate Administration, Project and Technical Services, and Engineering.

## Full Time Equivalent (FTE) Summary

Benefit Type	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
<u>Operating Divisions</u>					
Commercial Aviation (1)	364.1	359.5	372.2	372.2	375.0
General Aviation	8.1	7.4	8.5	8.5	8.0
Industrial Development	20.4	22.4	24.0	24.0	23.0
Marine (2)	79.6	69.2	68.7	68.7	67.0
Navigation	49.3	37.2	43.2	43.2	41.0
<b>Total Operating FTE</b>	<b>521.4</b>	<b>495.7</b>	<b>516.6</b>	<b>516.6</b>	<b>514.1</b>
<u>Administrative Divisions</u>					
Corporate Administration	128.2	130.9	143.7	143.7	137.1
Project and Technical Services	132.1	138.7	144.5	144.5	144.5
<b>Total Administrative FTE</b>	<b>260.3</b>	<b>269.5</b>	<b>288.2</b>	<b>288.2</b>	<b>281.6</b>
<b>Total Port FTE</b>	<b>781.7</b>	<b>765.2</b>	<b>804.9</b>	<b>804.9</b>	<b>795.7</b>
Ratio of Administrative to Operating FTE	50%	54%	56%	56%	55%

(1) Firefighters are re-stated to reflect a 2080 hour basis. Presently they work 2,727 hours annually.

(2) Excludes Longshore employees

## Benefit Summary

Benefit Type	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
FTE (Total Port)	781.7	765.2	804.9	804.9	795.7
Total Salaries	63,726,384	64,654,745	69,328,710	68,371,513	69,781,122
Health (Medical, Dental & Vision)	12,726,964	12,471,116	14,088,731	13,607,089	14,653,661
PERS	9,523,773	9,731,136	10,527,221	10,291,630	13,324,479
FICA	5,173,506	5,413,540	5,387,971	5,401,430	5,388,610
Life, Disability, Other	637,845	502,565	634,931	598,131	638,919
<b>Total Benefit Costs</b>	<b>28,062,087</b>	<b>28,118,357</b>	<b>30,638,854</b>	<b>29,898,280</b>	<b>34,005,669</b>
<u>Benefit Costs as a Percentage of Total Salaries (Total)</u>					
Health (Medical, Dental & Vision)	19.97%	19.29%	20.32%	19.90%	21.00%
PERS	14.94%	15.05%	15.18%	15.05%	19.09%
FICA	8.12%	8.37%	7.77%	7.90%	7.72%
Life, Disability, Other	1.00%	0.78%	0.92%	0.87%	0.92%
<b>Total Percentage</b>	<b>44.04%</b>	<b>43.49%</b>	<b>44.19%</b>	<b>43.73%</b>	<b>48.73%</b>

Note: Total Salaries excludes Interns & Overtime Expenses

## 6-Year Capital Forecast by Program

Division/LOB Summary		FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Forecast	FY 2019-20 Forecast	FY 2020-21 Forecast	FY 2021-22 Forecast
HIO-Hillsboro Airport		\$16,205,000	\$1,652,240	\$1,076,065	\$4,123,911	\$15,400,201	\$38,520,090
TTD-Troutdale Airport		168,000	322,666	4,597,027	4,874,561	4,219,543	1,867,034
AGA - General Aviation Total		\$16,373,000	\$1,974,906	\$5,673,092	\$8,998,472	\$19,619,745	\$40,387,124
AVI-Aviation	AAD-Aviation Administration	\$-	\$2,345,118	\$114,862	\$375,355	\$-	\$-
	AIR-Airfield	11,567,500	42,598,134	27,301,977	18,705,240	11,467,469	10,596,299
	ARF-Rescue	779,000	3,957,372	2,419,352	2,395,343	2,731,858	-
	CAR-Cargo	510,000	1,263,942	99,387	1,275,017	6,980,587	20,696,996
	ENV-Environmental PDX	3,333,513	4,250,698	1,016,647	911,722	160,830	597,991
	GTO-Ground Transportation	38,005,900	98,123,947	90,342,836	138,824,966	24,038,878	100,762,738
	HQN-HQ Rent & Revenue Sharing	298,000	450,403	758,486	731,514	-	200,000
	MAI-Maintenance	930,000	949,897	1,042,000	2,942,518	646,482	-
	NON-Non-Aviation	-	985,407	2,193,370	1,617,630	729,500	1,755,511
	OPS-Operations	-	68,249	-	-	-	-
	OTH-Other Aviation	1,010,000	4,575,932	129,626	413,775	1,765,721	704,626
	POL-Police	7,881,000	10,158,234	171,576	143,424	285,000	285,000
	SYS-Systems	10,853,448	7,633,783	1,385,513	5,150,365	7,695,640	10,304,385
	TER-Terminals	63,160,879	177,747,947	143,212,752	239,765,879	159,031,519	201,758,345
AVI - Aviation Total		\$138,329,241	\$355,109,061	\$270,188,382	\$413,252,749	\$215,533,484	\$347,661,890
ENG-Engineering		\$-	\$100,000	\$-	\$-	\$25,000	\$-
FNA-Financial & Administrative Svc		2,250,000	2,551,661	2,604,017	1,875,000	1,625,000	575,000
MAR-Marine		11,207,256	10,943,801	30,135,048	56,209,923	24,290,878	3,205,884
NAV-Navigation		1,845,000	7,404,047	17,698,253	13,154,181	4,380,637	4,483,280
PND-Industrial Development		14,270,285	24,595,641	3,131,417	1,647,442	9,615,889	556,889
PUB-Public Affairs		-	123,465	-	-	-	-
Grand Total		\$184,274,782	\$402,802,583	\$329,430,209	\$495,137,767	\$275,090,633	\$396,870,067

Note: Presented by Fiscal Year, ending June 30.

Summary Highlights (Budget Basis)

Resources - All Funds	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18	Change
Beginning Balance	\$367,105,971	\$473,420,646	\$397,435,138	\$489,702,327	\$685,574,436	72%
Operating Revenue	261,515,747	294,366,759	307,698,984	296,590,317	302,923,967	(2%)
Grants/Interest Income/Other	52,426,606	88,642,977	75,327,822	75,944,505	82,230,551	9%
Property Taxes	10,740,542	11,157,736	11,430,000	11,439,000	11,919,999	4%
Bond and Other Debt Proceeds	102,142,733	-	107,500,000	265,945,000	301,000,000	180%
<b>Subtotal</b>	<b>\$793,931,597</b>	<b>\$867,588,118</b>	<b>\$899,391,944</b>	<b>\$1,139,621,149</b>	<b>\$1,383,648,954</b>	<b>54%</b>
Transfers	\$149,171,514	\$172,527,366	\$214,962,280	\$218,773,497	\$326,246,310	52%
<b>Total Resources</b>	<b>\$943,103,113</b>	<b>\$1,040,115,483</b>	<b>\$1,114,354,224</b>	<b>\$1,358,394,646</b>	<b>\$1,709,895,264</b>	<b>53%</b>

Requirements - All Funds	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18	Change
General Fund	\$89,039,507	\$83,030,589	\$93,884,273	\$88,861,004	\$92,798,109	(1%)
Airport Revenue Fund	88,471,777	107,896,423	98,087,414	98,097,965	103,939,476	6%
Bond Construction Fund	16,602,164	25,964,428	42,897,228	43,229,868	44,125,955	3%
Airport Construction Fund	62,337,323	75,811,967	128,346,199	128,073,600	340,947,050	166%
<b>Subtotal</b>	<b>\$256,450,771</b>	<b>\$292,703,408</b>	<b>\$363,215,114</b>	<b>\$358,262,437</b>	<b>\$581,810,590</b>	<b>60%</b>
Transfers	\$153,158,066	\$172,056,139	\$214,962,280	\$218,773,497	\$326,246,310	52%
Other Environmental	3,260,551	5,868,042	9,237,784	9,237,784	3,194,812	(65%)
System Devel Charges / Other	744,892	51,895	1,675,225	4,415,225	2,305,750	38%
Debt Service Payments	74,353,756	79,262,447	82,131,266	82,131,267	99,562,473	21%
Contingency	-	-	391,354,011	634,180,668	624,381,560	60%
Unappropriated Balance	455,135,075	489,702,327	51,778,544	51,393,768	72,393,768	40%
<b>Total Requirements</b>	<b>\$943,103,112</b>	<b>\$1,039,644,258</b>	<b>\$1,114,354,224</b>	<b>\$1,358,394,646</b>	<b>\$1,709,895,264</b>	<b>53%</b>

Percent Change Compares Adopted Budget 2016-17 to Proposed Budget 2017-18

FY 2017-18 Summary Of Operating and Capital Requirements By Fund:

	Operating Expenditures	Capital Expenditures	Total
General Fund	\$92,798,109	\$-	\$92,798,109
Airport Revenue Fund	103,939,476	-	103,939,476
Bond Construction Fund	-	44,125,955	44,125,955
Airport Construction Fund	-	340,947,050	340,947,050
<b>Total Port</b>	<b>\$196,737,585</b>	<b>\$385,073,005</b>	<b>\$581,810,590</b>

## Summary Highlights - by Division (Budget Basis)

Operating Contributions by Division	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
Marine	\$10,505,029	\$10,491,863	\$6,968,705	\$19,787,455	\$1,314,911
Industrial Development	(1,313,972)	11,750,457	27,345,101	1,582,162	17,229,184
Navigation	5,694,263	4,886,403	5,293,487	5,503,674	3,235,247
General Aviation	173,625	75,304	1,037,750	1,434,239	975,523
Commercial Aviation	115,400,417	124,053,767	130,143,516	133,434,395	136,721,449
Administration (Operating Revenues Only)	65	45,180	75,000	75,000	160,000
Administration (Operating Expenditures Only)	(46,454,964)	(47,863,228)	(55,136,262)	(52,185,577)	(53,449,933)
<b>Total</b>	<b>\$84,004,462</b>	<b>\$103,439,745</b>	<b>\$115,727,296</b>	<b>\$109,631,348</b>	<b>\$106,186,382</b>





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## General Port Operations

From a financial perspective, the Budget document reflects two primary divisions, General Port Operations and Aviation. The distinction is a financial one rather than operational, but it serves to help explain the Port's Budget and financial information.

General Port Operations include the following: Marine, Industrial Development, Navigation, and Administration; which is comprised of Corporate Administration, Project and Technical Services, and Engineering. The primary resources for General Port Operations are from Marine and Industrial Development operating revenues, property sales and leases, and the Port's property tax levy.

Aviation is comprised of Portland International Airport (PDX) and two General Aviation reliever airports located in Hillsboro and Troutdale. The General Aviation reliever system is included in the Port's General Fund.

PDX resources cannot be co-mingled with any other resources of the Port, and are restricted for use at Aviation facilities in accordance with FAA regulations and Airport Revenue Bond Ordinances. PDX resources can be used to fund the General Aviation reliever system in certain circumstances and a transfer of resources is made from the Airport Revenue Fund to the Port's Bond Construction Fund for that purpose.



## General Fund

The General Fund is used to account for the general operations of the Port. Subject to the restrictions of local budget law, its assets may be transferred to another fund for any authorized Port purpose.

The following summary shows the principal resources and requirements for the General Fund, as well as information on specific Port operations. The Port manages all General Fund activities as a portfolio designed to fulfill the Port's mission while balancing financial resources and requirements.

While the Port's General Aviation airports are part of the General Fund, from a financial perspective, the Airport Revenue Fund subsidizes General Aviation activities that are not funded by General Aviation operations or FAA grants. This funding is accomplished by a transfer from the Airport Revenue Fund to the Bond Construction Fund.

The General Fund summary is followed by specific information on Marine, Industrial Development, General Aviation, Navigation, and Administration. Capital requirements for these areas are shown in the Bond Construction Fund.

General Fund Revenues are primarily generated in the Marine and Industrial Development divisions. The forecast for General Fund operating revenue is based on assumptions of transactions closing as well as the timing of those transactions; changes in either set of assumptions can have a material impact on the actual financial results accomplished.

## General Fund - Resources

Resources and Requirements	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
<u>Resources</u>					
Beginning Working Capital	\$139,074,538	\$135,883,314	\$97,152,163	\$164,301,934	\$156,457,245
<u>Operating Revenue (by Division)</u>					
<u>General Aviation</u>					
Operating Revenue	\$1,073,268	\$1,204,044	\$1,195,836	\$1,556,031	\$1,255,836
Service Revenue	62,602	37,557	24,776	25,226	3,660
Rental & Concessions/Other Revenue	2,276,323	2,122,839	2,668,974	2,706,394	3,074,982
<b>Total General Aviation</b>	<b>\$3,412,193</b>	<b>\$3,364,441</b>	<b>\$3,889,586</b>	<b>\$4,287,652</b>	<b>\$4,334,478</b>
<u>Marine</u>					
Operating Revenue	\$10,920,521	\$9,461,954	\$9,188,863	\$20,972,563	\$9,361,369
Service Revenue	391,150	218,009	347,656	342,212	118,455
Rental & Concessions	15,404,483	15,950,552	14,866,926	14,994,795	10,783,139
Other Revenue	5,308,678	2,467,862	1,703,345	1,590,430	710,142
<b>Total Marine</b>	<b>\$32,024,833</b>	<b>\$28,098,376</b>	<b>\$26,106,790</b>	<b>\$37,900,000</b>	<b>\$20,973,106</b>
<u>Industrial Development</u>					
Operating Revenue	\$664,870	\$740,048	\$772,245	\$773,650	\$840,825
Service Revenue	16,772	15,902	26,004	22,944	20,000
Rental & Concessions	2,235,969	2,332,386	3,943,190	3,956,872	4,488,112
Land Sale Proceeds	-	13,665,528	27,642,723	1,500,000	17,068,800
Other Revenue	129,701	103,786	32,000	32,000	47,000
<b>Total Industrial Development</b>	<b>\$3,047,312</b>	<b>\$16,857,650</b>	<b>\$32,416,162</b>	<b>\$6,285,466</b>	<b>\$22,464,737</b>
<u>Navigation</u>					
Operating Revenue	\$19,159,151	\$14,050,921	\$16,980,516	\$16,509,839	\$14,330,721
Other Revenue	-	-	-	-	-
<b>Total Navigation</b>	<b>\$19,159,151</b>	<b>\$14,050,921</b>	<b>\$16,980,516</b>	<b>\$16,509,839</b>	<b>\$14,330,721</b>
<u>Corporate Administration</u>					
Other Revenue	\$65	\$45,180	\$75,000	\$75,000	\$160,000
<b>Total Administration</b>	<b>\$65</b>	<b>\$45,180</b>	<b>\$75,000</b>	<b>\$75,000</b>	<b>\$160,000</b>
<b>Total Operating Revenue</b>	<b>\$57,643,554</b>	<b>\$62,416,568</b>	<b>\$79,468,053</b>	<b>\$65,057,957</b>	<b>\$62,263,042</b>

## General Fund - Resources (Cont'd)

Resources and Requirements	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
<u>Resources (Continued)</u>					
<u>Other Resources</u>					
Fixed Asset Sales/Other	\$360,274	\$10,650,994	\$-	\$-	\$-
Interest Income	2,702,980	3,483,487	2,829,327	3,079,327	2,922,700
Bonds and Other Debt Proceeds	1,159,369	-	-	-	-
Federal/State Grants/Other	-	-	-	-	-
<b>Total Other</b>	<b>\$4,222,623</b>	<b>\$14,134,481</b>	<b>\$2,829,327</b>	<b>\$3,079,327</b>	<b>\$2,922,700</b>
<u>Interfund Reimbursements-from</u>					
Airport Revenue Fund	\$21,247,791	\$31,204,249	\$27,048,777	\$26,605,618	\$25,461,350
Bond Construction Fund	2,749,834	4,027,682	4,175,321	4,333,262	3,522,483
Airport Construction Fund	9,497,147	14,421,535	11,986,353	12,170,173	12,650,823
<b>Total Interfund Reimbursements</b>	<b>\$33,494,772</b>	<b>\$49,653,466</b>	<b>\$43,210,451</b>	<b>\$43,109,054</b>	<b>\$41,634,656</b>
<u>Cash Transfers from Other Funds:</u>					
Airport Revenue Fund	\$5,888,963	\$5,603,137	\$3,643,802	\$3,535,665	\$3,910,830
<b>Total Cash Transfers from Other Funds</b>	<b>\$5,888,963</b>	<b>\$5,603,137</b>	<b>\$3,643,802</b>	<b>\$3,535,665</b>	<b>\$3,910,830</b>
<b>Total Resources</b>	<b>\$240,324,449</b>	<b>\$267,690,966</b>	<b>\$226,303,796</b>	<b>\$279,083,936</b>	<b>\$267,188,473</b>

## General Fund - Requirements

Resources and Requirements	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
<u>Requirements</u>					
<u>Expenditures By Division</u>					
Administration	\$46,454,964	\$47,863,228	\$55,136,262	\$52,185,577	\$53,449,933
Marine	21,519,803	17,606,514	19,138,085	18,112,545	19,658,195
Industrial Development	4,361,284	5,107,193	5,071,061	4,703,304	5,235,553
Navigation	13,464,888	9,164,518	11,687,029	11,006,166	11,095,474
General Aviation	3,238,568	3,289,136	2,851,836	2,853,413	3,358,955
Operating Expenditures	\$89,039,509	\$83,030,589	\$93,884,273	\$88,861,004	\$92,798,109
<u>Interfund Reimbursements To</u>					
Airport Revenue Fund	\$380,930	\$382,021	\$387,267	\$418,620	\$384,132
Total Interfund Reimbursements	\$380,930	\$382,021	\$387,267	\$418,620	\$384,132
Operating Expenditures & Reimbursements	\$89,420,439	\$83,412,611	\$94,271,539	\$89,279,624	\$93,182,241
<u>Other Requirements</u>					
Other Environmental	\$3,260,551	\$5,868,042	\$9,237,784	\$9,237,784	\$3,194,812
Long-Term Debt Payments	11,395,794	14,108,380	12,068,243	12,068,244	12,411,555
System Devel Charges / Other	-	-	5,000	500,000	250,000
Total Other Requirements	\$14,656,345	\$19,976,422	\$21,311,027	\$21,806,028	\$15,856,367
<u>Cash Transfers to Other Funds</u>					
Bond Construction Fund	\$-	\$-	\$13,147,316	\$11,541,039	\$29,201,305
Airport Revenue Fund	364,353	-	-	-	-
Total Cash Transfers to Other Funds	\$364,353	\$-	\$13,147,316	\$11,541,039	\$29,201,305
Total Other Req & Cash Transfers	\$15,020,698	\$19,976,422	\$34,458,344	\$33,347,067	\$45,057,672
Contingency	\$-	\$-	\$97,573,912	\$156,457,245	\$128,948,559
Ending Fund Balance	\$135,883,314	\$164,301,934	\$-	\$-	\$-
Total Requirements	\$240,324,449	\$267,690,966	\$226,303,796	\$279,083,936	\$267,188,473

## General Fund - Debt Service Requirements

Principal and Interest	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
<u>Principal Payments</u>					
Connect Oregon	\$942,700	\$942,700	\$942,700	\$942,700	\$942,700
City Of Portland L.I.D.	534,151	593,978	626,360	626,360	660,507
State Of Oregon Notes: OBDD	454,355	2,920,796	477,349	477,349	379,332
Limited Tax Pension Bonds	1,522,038	1,652,546	1,768,815	1,768,815	1,886,618
Dredge Oregon Repower Loan	791,700	828,070	866,112	866,112	905,901
Ramp Barge Loan	380,162	391,100	402,353	402,353	413,930
<b>Total Principal Payments</b>	<b>\$4,625,106</b>	<b>\$7,329,192</b>	<b>\$5,083,688</b>	<b>\$5,083,689</b>	<b>\$5,188,988</b>
<u>Interest Payments</u>					
Connect Oregon	\$-	\$-	\$-	\$-	\$-
City Of Portland L.I.D.	343,439	265,432	234,724	234,724	202,342
State Of Oregon Notes: OBDD	384,867	321,552	360,381	360,381	230,069
Limited Tax Pension Bonds	5,360,218	5,555,445	5,800,000	5,800,000	6,250,000
Dredge Oregon Repower Loan	628,377	593,605	557,234	557,234	519,193
Ramp Barge Loan	53,787	43,155	32,216	32,216	20,963
<b>Total Interest Payments</b>	<b>\$6,770,688</b>	<b>\$6,779,188</b>	<b>\$6,984,555</b>	<b>\$6,984,555</b>	<b>\$7,222,567</b>
<b>Total Long-Term Debt Payments</b>	<b>\$11,395,794</b>	<b>\$14,108,380</b>	<b>\$12,068,243</b>	<b>\$12,068,244</b>	<b>\$12,411,555</b>





## Marine

The Port owns four marine terminals handling a diverse mix of cargo, including grain, mineral bulk, liquid bulk, automobiles, project cargo, breakbulk cargo, and containers. All four terminals are in close proximity to major rail, highway, and inland barge connections, offering world-class intermodal transportation flexibility.

All of the Port's major marine customers are currently under long-term lease agreements.

The Port's goal is to use its waterfront marine acreage to achieve its highest and best use in order to meet the Port's public cargo mission. In doing so, the Port seeks to establish long-term customer relationships with entities that have sustainable business models and who are committed to environmental stewardship of their respective leaseholds and adjacent waterways.

## Business Plan Initiatives

### Marine Marketing and Operations

- Working with key industry stakeholders and consultants develop a financially viable operating model for Terminal 6 that supports the Port's public cargo mission of providing international market access to regional shippers. The operating plan will consider labor strategies, market analysis and infrastructure requirements to align with potential new business opportunities at Terminal 6.
- Work to attract transpacific container carrier service to support market access for regional shippers. Areas of focus include increased transpacific import and export capacity dedicated to ports in Japan, Korea, China, Southeast Asia and West Asia. Port will use Commission-approved carrier incentives and extensive collaboration with shippers to develop cargo commitments for successfully marketing the container terminal.
- Help regional container shippers find alternatives for getting their products to market.
- Work with existing bulk and auto tenants to increase volumes through implementation of long-term facility design & capacity-expanding improvements, road & channel infrastructure, and efficient rail access.
- Develop new business opportunities at Terminal 4 and a sustainable book of business at Terminal 2, focusing on project cargos, liquid and dry bulks, roll-on/roll-off cargo (ro-ro) and steel.
- Seek new opportunities to significantly grow the automobile business through investment in expansion and new terminal facilities to support import and export gateway operations serving all of North America.

## Infrastructure Development

- As the Oregon non-Federal sponsor to the U.S. Army Corps of Engineers, participate in the management and maintenance of the 43 foot Columbia River navigation channel, and the planning & design for the future 43 foot navigation channel on the Willamette River.
- Maintain marine terminal berths to their authorized depths.
- Complete a series of Terminal 6 infrastructure projects related to gantry crane rehabilitation and overall facility readiness. Implement the updated rail master plan by completing a grade separation project on North Rivergate Blvd. as one of the highest priority projects to support Port growth over the next 10 to 20 years.
- Continue development of an asset management program targeted on primary marine terminal infrastructure asset classes.

### Marine

Description	FY 2015-16 Actual	FY 2016-17 Adopted	FY 2017-18 Forecast	Change
Autos (Units)	285,816	309,000	327,000	5.8%
Breakbulk (Short Tons)	107,128	120,000	40,000	(66.7%)
Grain Bulk (Short Tons)	3,155,026	3,200,000	3,500,000	9.4%
Mineral Bulk (Short Tons)	3,974,985	5,113,000	4,554,000	(10.9%)

## Marine - Requirements Summary

Fund: General	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
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Requirements Summary

Personnel Services	\$9,903,100	\$8,659,808	\$9,127,844	\$8,654,672	\$9,091,711
Materials and Services	11,616,703	8,946,705	10,010,240	9,457,872	10,566,484
<b>Operating Expenditures</b>	<b>\$21,519,803</b>	<b>\$17,606,513</b>	<b>\$19,138,085</b>	<b>\$18,112,545</b>	<b>\$19,658,195</b>
Interfund Reimbursements	\$242,788	\$237,326	\$274,826	\$245,554	\$276,420
<b>Operating Expenditures &amp; Reimbursements</b>	<b>\$21,762,591</b>	<b>\$17,843,840</b>	<b>\$19,412,911</b>	<b>\$18,358,099</b>	<b>\$19,934,615</b>

Materials and Services Requirements

Longshore Labor	\$1,941,043	\$1,397,394	\$1,480,000	\$1,452,386	\$1,279,440
Contract & Consulting Services	3,273,617	4,130,737	4,444,948	4,049,808	4,096,162
Materials and Supplies	1,635,299	623,266	622,197	557,948	691,301
Utilities	1,216,734	1,161,578	1,282,777	1,398,333	2,613,749
Equipment, Fuel and Lubricants	204,184	105,231	228,417	189,411	163,547
Insurance	439,056	517,831	640,459	594,086	568,763
Management & Travel Expenses	598,968	677,316	805,293	694,583	753,163
Miscellaneous Expenses*	2,307,803	333,353	506,148	521,317	400,359
<b>Total Materials &amp; Services</b>	<b>\$11,616,704</b>	<b>\$8,946,705</b>	<b>\$10,010,240</b>	<b>\$9,457,872</b>	<b>\$10,566,484</b>

Interfund Reimbursements

Airport Revenue Fund	\$242,788	\$237,326	\$274,826	\$245,554	\$276,420
<b>Total Interfund Reimbursements</b>	<b>\$242,788</b>	<b>\$237,326</b>	<b>\$274,826</b>	<b>\$245,554</b>	<b>\$276,420</b>

\* Includes: Rent, Equipment Repairs, Drainage Assessments, Software Expense, Postage, Bad Debts, Discounts, etc.

## Marine - Personnel Services

Position Type	Actual 2014-15	Actual 2015-16	FTE Positions 2016-17	Adopted Budget 2016-17	FTE Positions 2017-18	Proposed Budget 2017-18
<u>Marine</u>						
Administration	\$1,473,117	\$1,437,897	11.0	\$1,381,374	12.0	\$1,523,365
Admin Professional/Tech	1,183,270	1,244,578	13.0	1,245,292	14.0	1,330,572
Admin Support Staff	137,070	138,862	3.0	157,505	2.0	115,565
Interns	-	-	-	12,711	-	-
Boilermakers/Machinist	143,436	141,190	2.0	152,692	2.0	152,692
Carpenters	133,611	135,801	2.0	146,126	2.0	146,125
Electrical Foreman	168,871	149,737	1.0	86,303	1.0	88,435
Electricians	721,488	430,333	7.0	646,164	5.0	404,867
Laborers	455,887	365,076	5.7	450,701	5.0	334,858
Landscape Gardeners	-	-	-	-	-	-
Operating Engineers	24,770	23,172	1.0	76,451	1.0	68,970
Painters	60,025	61,590	1.0	74,300	1.0	74,300
Plumbers	211,144	221,547	3.0	232,834	3.0	234,966
Security	1,447,523	1,096,672	19.0	1,211,905	19.0	1,233,831
<b>Subtotal Marine</b>	<b>\$6,160,213</b>	<b>\$5,446,453</b>	<b>68.7</b>	<b>\$5,874,358</b>	<b>67.0</b>	<b>\$5,708,547</b>
Total Overtime	\$549,194	\$351,233		\$415,000		\$315,500
Accrued Labor	15,302	71,805		30,536		2,763
Fringe Benefits	3,178,392	2,790,316		2,807,951		3,064,901
<b>Total Marine</b>	<b>\$9,903,100</b>	<b>\$8,659,808</b>	<b>68.7</b>	<b>\$9,127,844</b>	<b>67.0</b>	<b>\$9,091,711</b>

## Industrial Development

The Port is one of the largest developers of industrial property in the region. Within its 10,000 acres of property holdings, the Port oversees five business and industrial parks: Rivergate Industrial District, Portland International Center, Swan Island Industrial Park, Troutdale Reynolds Industrial Park (TRIP), and Gresham Vista Business Park.

### Business Plan Initiatives

#### Real Estate

- Continue to proactively market Port real estate assets in the Rivergate Industrial District, Swan Island Industrial Park, Portland International Center, Troutdale Reynolds Industrial Park (TRIP) and Gresham Vista Business Park with a focus on attracting traded sector businesses.
- Continue implementing the North Airport Way redevelopment plan, which includes the removal of obsolete buildings in order to focus on economically viable business aviation facilities at PDX.
- Manage property transactions to support both Aviation and Marine lines of business.
- Work with Metro, Portland Development Commission, Greater Portland Inc., Business Oregon, and other public and private entities to create alignment around an economic development plan that identifies priority industrial sites of significance for manufacturing, transportation and trade-related uses.
- Advocate for public resources, including regulatory tools, to stimulate brownfield redevelopment projects.
- Identify and, as appropriate, acquire strategic industrial property that supports the region's traded sector economy.

#### Infrastructure Development

- Continue to work with the Oregon Department of Transportation and the City of Troutdale on I-84 Interchange and TRIP-related road improvements.
- Expand partnership with the City of Gresham to support their efforts to create a wetland mitigation bank, which will provide mitigation credits for Port development and construction projects at PDX, Troutdale Airport and Gresham Vista Business Park.

#### Facility and Land Use Planning

- Continue executing the TRIP multi-year development plan to secure necessary natural resource permits for roadway and lot improvements, which will bring 183 acres of industrial property to market by 2017.

## Industrial Development - Requirements Summary

Fund: General	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
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Requirements Summary

Personnel Services	\$2,456,259	\$3,202,685	\$2,938,390	\$2,924,420	\$2,882,246
Materials and Services	1,905,025	1,904,508	2,132,671	1,778,884	2,353,306
<b>Operating Expenditures</b>	<b>\$4,361,284</b>	<b>\$5,107,193</b>	<b>\$5,071,061</b>	<b>\$4,703,304</b>	<b>\$5,235,553</b>
Interfund Reimbursements	\$-	\$-	\$-	\$-	\$-
<b>Operating Expenditures &amp; Reimbursements</b>	<b>\$4,361,284</b>	<b>\$5,107,193</b>	<b>\$5,071,061</b>	<b>\$4,703,304</b>	<b>\$5,235,553</b>

Materials and Services Requirements

Contract & Consulting Services	\$1,138,841	\$1,349,683	\$1,237,706	\$940,569	\$1,357,345
Materials and Supplies	51,061	61,356	53,862	51,587	58,398
Utilities	211,093	252,718	216,951	266,135	257,755
Equipment, Fuel and Lubricants	13,903	22,826	24,671	27,225	26,059
Insurance	80,428	17,571	32,413	30,662	24,534
Management & Travel Expenses	104,384	138,860	260,000	153,102	227,102
Miscellaneous Expenses*	305,315	61,494	307,068	309,604	402,114
<b>Total Materials &amp; Services</b>	<b>\$1,905,025</b>	<b>\$1,904,508</b>	<b>\$2,132,671</b>	<b>\$1,778,884</b>	<b>\$2,353,306</b>

Interfund Reimbursements

Airport Revenue Fund	\$-	\$-	\$-	\$-	\$-
<b>Total Interfund Reimbursements</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>

\* Includes: Rent, Equipment Repairs, Drainage Assessments, Software Expense, Postage, Bad Debts, Discounts, etc.

## Industrial Development - Personnel Services

Position Type	Actual 2014-15	Actual 2015-16	FTE Positions 2016-17	Adopted Budget 2016-17	FTE Positions 2017-18	Proposed Budget 2017-18
<b>Industrial Development</b>						
Administration	\$454,957	\$605,517	4.0	\$504,277	5.0	\$584,503
Admin Professional/Tech	576,202	654,044	9.0	764,418	7.0	602,213
Admin Support Staff	29,180	75,748	1.0	50,211	1.0	51,399
Landscape Gardeners	324,530	328,265	6.0	338,047	6.0	347,411
Interns	7,438	-	-	36,400	-	-
<b>Subtotal Industrial Development</b>	<b>\$1,392,306</b>	<b>\$1,663,574</b>	<b>20.0</b>	<b>\$1,693,354</b>	<b>19.0</b>	<b>\$1,585,525</b>
Total Overtime	\$128	\$1,331		\$-		\$-
Accrued Labor	12,508	23,886		8,972		939
Fringe Benefits	606,997	896,722		683,692		712,669
<b>Total Industrial Development</b>	<b>\$2,011,939</b>	<b>\$2,585,513</b>	<b>20.0</b>	<b>\$2,386,018</b>	<b>19.0</b>	<b>\$2,299,133</b>
<b>Land Use Planning</b>						
Administration	\$106,335	\$109,510	1.0	\$112,284	1.0	\$115,952
Admin Professional/Tech	256,012	265,039	3.0	271,550	3.0	280,466
Admin Support Staff	-	-	-	-	-	-
Interns	9,761	23,882	-	22,464	-	18,948
<b>Subtotal Land Use Planning</b>	<b>\$372,107</b>	<b>\$398,430</b>	<b>4.0</b>	<b>\$406,298</b>	<b>4.0</b>	<b>\$415,366</b>
Total Overtime	\$14	\$-		\$-		\$-
Accrued Labor	2,757	4,355		2,170		344
Fringe Benefits	69,443	214,387		143,905		167,403
<b>Total Land Use Planning</b>	<b>\$444,320</b>	<b>\$617,172</b>	<b>4.0</b>	<b>\$552,372</b>	<b>4.0</b>	<b>\$583,113</b>
<b>Subtotal Industrial Development and LUP</b>	<b>\$1,764,413</b>	<b>\$2,062,004</b>	<b>24.0</b>	<b>\$2,099,651</b>	<b>23.0</b>	<b>\$2,000,892</b>
Total Overtime	\$141	\$1,331		\$-		\$-
Accrued Labor	15,264	28,241		11,142		1,283
Fringe Benefits	676,441	1,111,109		827,597		880,071
<b>Total Industrial Development and LUP</b>	<b>\$2,456,259</b>	<b>\$3,202,685</b>	<b>24.0</b>	<b>\$2,938,390</b>	<b>23.0</b>	<b>\$2,882,246</b>





## General Aviation

The role of the General Aviation airports is to function as a reliever system to Portland International Airport (PDX). By serving the needs of corporate and private aircraft customers, the airports help preserve capacity for commercial operations at PDX. The Port of Portland owns two General Aviation airports: Hillsboro (HIO) and Troutdale (TTD).

Capital requirements shown in the Bond Construction Fund for these airports are funded through a combination of earnings from General Aviation operations, FAA grants and transfers from the Airport Revenue Fund.

### Business Plan Initiatives

#### Facilities

General Aviation will develop and maintain high quality airport facilities while ensuring capacity for future growth. Facility development programs will rely on and incorporate information from established master plans, capacity preservation measures, environmental policies, and sustainability goals as a guide for growth.

#### Financial

General Aviation will continue to work across a broad front to increase existing lease revenues, develop new revenue sources, control operational costs and update the rates and charges fee structure at both HIO and TTD.

#### Environmental

General Aviation works to meet or exceed all applicable federal, state and local environmental regulations and carries forward its commitment to environmentally responsible and sustainable operations. Initiatives include the following:

- Mitigate for low-quality wetlands removed during the construction of the HIO parallel runway by partnering with Oregon Department of Transportation (ODOT) and Jackson Bottom Wetland Preserve to create and enhance high-quality wetlands at Jackson Bottom (compensatory mitigation).
- Implement aircraft and pavement de-icing policies and procedures in accordance with the most recent storm water permit for Hillsboro Airport.

## General Aviation - Requirements Summary

Fund: General	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
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Requirements Summary

Personnel Services	\$1,030,800	\$964,544	\$1,017,840	\$1,018,600	\$1,068,913
Materials and Services	2,207,768	2,324,593	1,833,996	1,834,812	2,290,042
<b>Operating Expenditures</b>	<b>\$3,238,568</b>	<b>\$3,289,137</b>	<b>\$2,851,836</b>	<b>\$2,853,413</b>	<b>\$3,358,955</b>
Interfund Reimbursements	\$138,142	\$142,730	\$107,383	\$162,213	\$107,712
<b>Operating Expenditures &amp; Reimbursements</b>	<b>\$3,376,710</b>	<b>\$3,431,867</b>	<b>\$2,959,219</b>	<b>\$3,015,626</b>	<b>\$3,466,667</b>

Materials and Services Requirements

Contract & Consulting Services	\$1,245,937	\$896,615	\$1,190,372	\$1,113,555	\$1,536,171
Materials and Supplies	134,170	594,937	88,122	144,913	99,160
Utilities	329,285	437,835	255,813	319,158	296,036
Equipment, Fuel and Lubricants	232,446	136,246	140,362	92,401	161,461
Insurance	49,037	58,053	50,059	51,113	47,621
Management & Travel Expenses	32,683	31,514	19,328	20,062	11,100
Miscellaneous Expenses*	184,209	169,392	89,939	93,611	138,494
<b>Total Materials &amp; Services</b>	<b>\$2,207,766</b>	<b>\$2,324,593</b>	<b>\$1,833,996</b>	<b>\$1,834,812</b>	<b>\$2,290,042</b>

Interfund Reimbursements

Airport Revenue Fund	\$138,142	\$142,730	\$107,383	\$162,213	\$107,712
<b>Total Interfund Reimbursements</b>	<b>\$138,142</b>	<b>\$142,730</b>	<b>\$107,383</b>	<b>\$162,213</b>	<b>\$107,712</b>

\* Includes: Rent, Equipment Repairs, Drainage Assessments, Software Expense, Postage, Bad Debts, Discounts, etc.

General Aviation - Personnel Services

Position Type	Actual 2014-15	Actual 2015-16	FTE Positions 2016-17	Adopted Budget 2016-17	FTE Positions 2017-18	Proposed Budget 2017-18
<u>General Aviation</u>						
Administration	\$108,378	\$159,692	1.0	\$113,734	2.0	\$208,408
Admin Professional/Tech	237,115	177,580	3.0	251,097	2.0	163,885
Admin Support Staff	-	-	-	-	-	-
Interns	3,625	-	-	15,080	-	-
Maintenance	272,361	261,386	4.5	281,681	4.0	288,219
<b>Subtotal General Aviation</b>	<b>\$621,479</b>	<b>\$598,659</b>	<b>8.5</b>	<b>\$661,592</b>	<b>8.0</b>	<b>\$660,513</b>
Total Overtime	\$49,131	\$53,685		\$30,000		\$31,500
Accrued Labor	3,380	5,193		3,449		318
Fringe Benefits	356,810	307,008		322,800		376,582
<b>Total General Aviation</b>	<b>\$1,030,800</b>	<b>\$964,544</b>	<b>8.5</b>	<b>\$1,017,840</b>	<b>8.0</b>	<b>\$1,068,913</b>



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## Navigation

### **Operation of the Dredge Oregon**

The Navigation division provides management, equipment, and technical expertise to support the Port's sponsorship obligations to assist in the maintenance of the Columbia and Willamette River navigation channels. Operations and maintenance of the Dredge *Oregon* – along with the attendant plant and equipment – are governed by a cost-reimbursable agreement with the U. S. Army Corps of Engineers (USACE). The current contract will last through September 2017.

### **Key Assumptions**

The need for dredging will continue in order to maintain the channel's authorized width and depth at 600 feet by 43 feet, respectively. Negotiations are currently under way on a new ten-year contract scheduled for execution by October 1, 2017.

### **Fiscal Year 2017-18 Objectives**

The primary goal is to provide safe, environmentally responsible, cost-effective dredging services to the U.S. Army Corps of Engineers while maintaining the navigation channel. Navigation also supports the Marine department and other down-river ports by maintaining effective channel depths and supporting related port development. Navigation works with the USACE and regulatory agencies to improve and/or develop dredging methods to enhance water quality protections.

Navigation's Dredge Captain retired in 2017 and we are planning to hire a replacement prior to the start of the dredging season in June.

Significant capital projects include the following:

- Reinforce the cracked and fatigued spud carriage on the stern of the Dredge *Oregon*.
- Purchase backup parts with long lead times as required by the USACE.
- Purchase new steel sub-line pipe, floating pipe and pontoons.
- Execute a plan to mitigate sound in the repowered engine room of the Dredge.
- Rebuild winches on Scows.
- Purchase a new Suction Rubber.

## Navigation - Requirements Summary

Fund: General	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
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Requirements Summary

Personnel Services	\$6,936,061	\$5,084,424	\$5,528,433	\$5,777,450	\$5,592,612
Materials and Services	6,528,828	4,080,095	6,158,596	5,228,716	5,502,862
<b>Operating Expenditures</b>	<b>\$13,464,889</b>	<b>\$9,164,518</b>	<b>\$11,687,029</b>	<b>\$11,006,166</b>	<b>\$11,095,474</b>
Interfund Reimbursements	\$-	\$-	\$-	\$-	\$-
<b>Operating Expenditures &amp; Reimbursements</b>	<b>\$13,464,889</b>	<b>\$9,164,519</b>	<b>\$11,687,029</b>	<b>\$11,006,166</b>	<b>\$11,095,474</b>

Materials and Services Requirements

Contract & Consulting Services	\$1,203,345	\$570,104	\$1,289,703	\$890,496	\$854,706
Materials and Supplies	1,929,822	1,530,630	1,727,473	1,656,037	1,776,954
Utilities	51,629	71,749	53,765	57,400	57,677
Equipment, Fuel and Lubricants	2,607,551	1,180,280	2,068,393	1,655,808	1,872,275
Insurance	667,510	767,490	946,837	924,022	898,298
Management & Travel Expenses	15,848	14,351	18,604	14,742	16,638
Miscellaneous Expenses*	53,122	(54,510)	53,821	30,212	26,314
<b>Total Materials &amp; Services</b>	<b>\$6,528,828</b>	<b>\$4,080,095</b>	<b>\$6,158,596</b>	<b>\$5,228,716</b>	<b>\$5,502,862</b>

Interfund Reimbursements

Airport Revenue Fund	\$-	\$-	\$-	\$-	\$-
<b>Total Interfund Reimbursements</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>

\* Includes: Rent, Equipment Repairs, Drainage Assessments, Software Expense, Postage, Bad Debts, Discounts, etc.

Navigation - Personnel Services

Position Type	Actual 2014-15	Actual 2015-16	FTE Positions 2016-17	Adopted Budget 2016-17	FTE Positions 2017-18	Proposed Budget 2017-18
<u>Navigation</u>						
Administration	\$429,606	\$417,843	4.0	\$453,598	5.0	\$557,263
Admin Professional/Tech	82,549	74,238	1.0	85,778	2.0	182,313
Admin Support Staff	79,501	95,204	2.0	100,993	2.0	103,841
Dredge/Navigation	3,184,013	2,424,365	36.2	2,807,988	32.0	2,636,192
Interns	-	-	-	-	-	-
<b>Subtotal Navigation</b>	<b>\$3,775,668</b>	<b>\$3,011,650</b>	<b>43.2</b>	<b>\$3,448,357</b>	<b>41.0</b>	<b>\$3,479,609</b>
Total Overtime	\$1,135,001	\$572,585		\$462,686		\$375,000
Accrued Labor	20,087	4,119		31,672		75,019
Fringe Benefits	2,005,305	1,496,069		1,585,718		1,662,984
<b>Total Navigation</b>	<b>\$6,936,061</b>	<b>\$5,084,424</b>	<b>43.2</b>	<b>\$5,528,433</b>	<b>41.0</b>	<b>\$5,592,612</b>



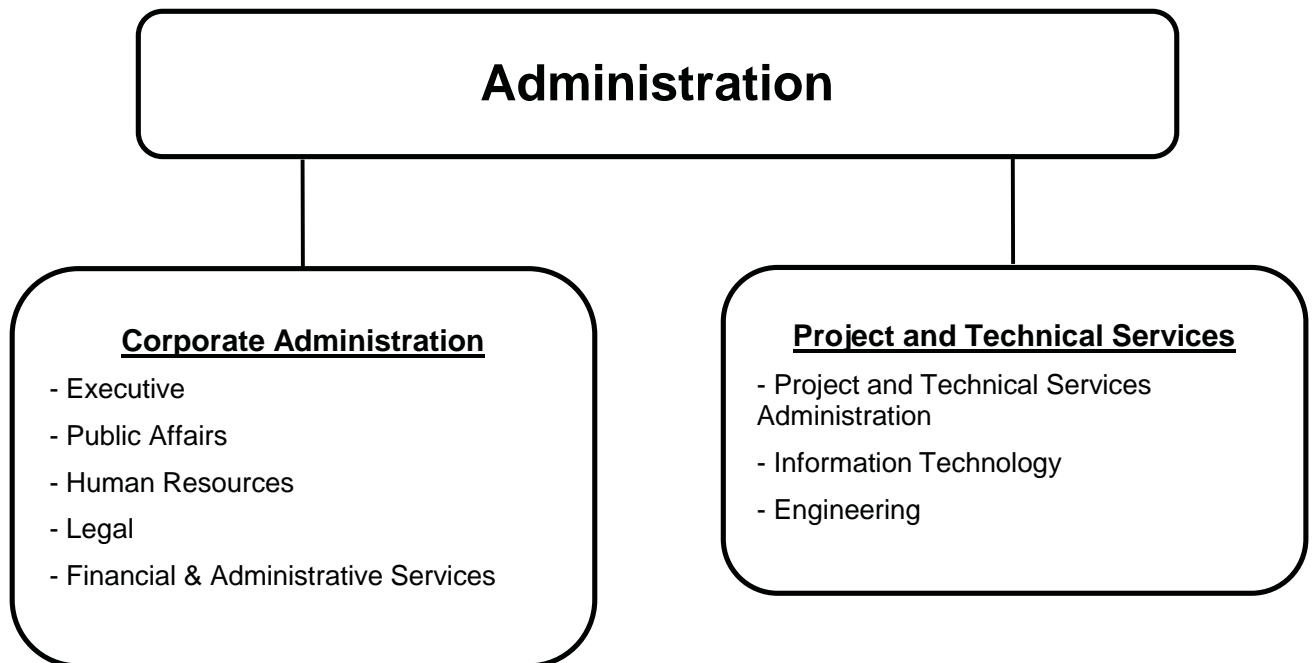


# Administration

Functions have been centralized to better manage costs by consolidating certain services to individual operating divisions, and to provide needed controls of certain processes. Administration is comprised of Project and Technical Services (which includes Information Technology, and Safety), Engineering, and Corporate Administration.

Corporate Administration consists of the office of the Executive Director, Public Affairs, Human Resources, Legal, and Financial & Administrative Services (F&A). Public Affairs includes Media & Government Relations, Corporate Marketing, Corporate Environmental Affairs, and Research & Market Information.

F&A, the largest of the Corporate Administrative Divisions includes the office of the CFO and the functions of Risk Management, Administrative Services, Budget & Financial Operations, Financial Planning & Analysis, Controller & Cash Management, and Internal Audit.



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## Project and Technical Services Division

Project and Technical Services are responsible for the Engineering, Safety and Loss Control, Information Technology, Project and Technical Services Administration departments and Navigation Division (see Navigation).

### Engineering

The Engineering Department provides three major services to the Port capital construction program: project management, professional engineering design services, and construction contract management. In addition, Engineering provides technical support for the physical asset infrastructure of the Port.

No permanent staffing changes are anticipated to accommodate the upcoming capital program. Contracted services will likely supplement in-house resources to meet the varying capital requirements. Ongoing evaluation of the need for staff resources versus contracted resources will occur as large capital projects move through various phases of implementation; specifically, Terminal Balancing, Parking and Consolidated Rental Car Facility, and Terminal Core.

### Industry Outlook

External factors will continue to influence the Engineering's business environment and impact major programs, including the following:

- Political uncertainty about Federal Funds may affect the Port relationship with FAA staff and grant programs.
- Trends in Aviation and Marine businesses continue to affect the capital program. Emphasis on cost highlights the need to push for further improvements in project planning and delivery. Opening projects in a timely manner is essential to effective utilization of engineering staff resources.
- With the increase in local construction activity throughout the region, construction costs are increasing. This trend creates a challenging cost management environment, especially for budgeting early in the project development phase.

### Key Business Drivers

- The concept of sustainability will continue to be incorporated into Port planning, design, and construction activities.
- Encouraging and developing a diverse and sustainable workforce and increasing DMWESB participation on Port projects will continue to be a focus for design and construction contracts.
- Portfolio management continues to develop as a mechanism by which projects are prioritized and sequenced to meet strategic plans, resource requirements and availability.

- Asset preservation projects continue to be prominently represented within the portfolio. Maintaining existing assets to serve core mission objectives will remain a priority.
- Safety prevention through design practices will continue to be incorporated into planning, design, and construction activities.
- Job Order Contracting and other alternative delivery models will continue to be important tools in the delivery of projects. Project complexity, size, risk profile, safety considerations, permitting strategy, and other issues all factor into decisions about procurement strategies.
- Technological improvements to the design and construction administration processes (BIM, LIDAR scanning, digital design and signatures, mobile technology, etc.) will continue to create efficiencies in the delivery of projects.

## **Safety**

It is the intent of the Port to create and promote a genuine and lasting interest in safety & health among its employees. The Safety & Loss Control Department is embedded in four divisions of the Port of Portland (Navigation; Marine; Admin; and Aviation). In addition, the Port Safety & Loss Control Department has support services for capital and construction projects associated with Port initiatives. The Safety and Loss Control Department supports OSHA compliance, Corp of Engineer EM385-1-1 compliance, prevention through design, and best practices within the field of Safety and Health.

## **Industry Outlook**

The factors involved that impact the Safety and Loss Control Department's program and future program success are as follows:

- Safety Committees structural change implemented in December 2016
- Implementation of Framework of Safety Management System
- Declining frequency of claims with an increase in demands on the workforce (i.e. Construction activities; Navigation risk; increasing passenger counts and PDX work demands; changes in the Marine Division)

## **Projects**

- Safety policies & procedures updates will occur throughout 2017 for all major safety and health program management requirements

- Safety Management System is being developed with a plan to - *Automate Corrective Action Process*
- Senior Leadership Roundtable/Workshop on Safety is scheduled to enhance top management commitment and leadership in safety.
- eLearning course development began in 2016 and will continue in future years
- FAA SMS GAP Analysis is occurring to integrate with Safety Management System development throughout the Port for compliance to a pending FAA Part 139 certification
- Incident Management changes are occurring in root cause analysis/near miss reporting as we move toward leading indicators rather than just lagging indicators.

## Information Technology

The Information Technology (IT) department contributes to the Port's success by delivering effective technology solutions and information services. The department has four primary program areas: Technology Operations, Business Solutions, Project and Information Services, and Information Security. The IT department provides services that support all internal Port business units as well as the Port's customers, partners and vendors.

## Industry Outlook

External factors that will significantly impact the department's business environment and program areas include:

- A continually evolving IT security threat landscape including the need to secure the rapidly expanding world of cloud based systems and internet connected devices.
- An evolving workforce and customer demographic driving demand for increased mobile and self-service access to Port information and services.
- Federal security regulations involving international travel will necessitate future technology enhancements.

## Projects

### General Fund:

- The final module of an enterprise Project and Portfolio Management system will be implemented.
- A proof of concept for a system to manage the Port's electronic records in compliance with retention schedules will be conducted. If successful, Port-wide rollout will begin.

- The Port's maintenance management and purchasing system will undergo a major upgrade.
- A majority of the Port's desktop and laptop computers will be replaced and upgraded to Windows 10.
- Implementation will begin for a system to manage the Port's inventory of fixed assets.
- Lifecycle upgrades and replacements of various IT applications and equipment will be completed in order to maintain reliability and vendor support.

**Aviation:**

- IT will continue to deliver on initiatives identified in the Aviation Technology Master Plan, including the release of a mobile application to enhance the PDX passenger experience and the expansion of public and operational Wi-Fi coverage and capabilities.
- The Port's public safety trunked radios will be transitioned from analog to digital technology.
- IT will provide support to major Aviation-sponsored capital projects including Terminal Balancing, Terminal Core, Parking and Consolidated Rental and Quick Turnaround facility projects.

## **Project and Technical Services Administration**

### **Project Portfolio Office**

The Project Portfolio Office is responsible for the centralized management and reporting of all capital projects from initiation through project completion. It owns and oversees the project delivery lifecycle the Port follows to deliver its portfolio of projects in an efficient and fiscally responsible way.

### **Business Plan Initiatives**

The Project Portfolio Office (PPO) will continue its commitments to improve the Port's project portfolio management and project management methodologies and systems. Fine tuning of existing processes as well as development of further aspects of portfolio management will enhance the existing foundation by which the Port now manages its portfolios of projects.

Specific enhancements include the following:

- Implement a purchased Project and Portfolio Management information system (Masterworks) that will support grant and fund management, portfolio management, project development and management, construction management and resource management. This is a multi-year project, with planning, phasing and early work modules currently implemented and live. This final project year will focus on project management, construction management, grant management and portfolio management.
- An organizational change management program directly related to the implementation and transition to Masterworks is captured through project communications, phased team structure based on release scope, and many "discovery sessions" to transition from as-is to to-be processes and workflows.

- Continue business process improvement work related to resource management, project estimating, contingency management and scope management. This directly supports the implementation of Masterworks.
- Continue enhancing organization communication and customer service in relationship to portfolio management. In addition to continued improvement/information sharing through the well-read and received PPO newsletter, quarterly Capital Improvement Plan reviews will focus on active portfolios and future pipeline of projects. Outside funding opportunities will be highlighted, as well as project contingency and schedule impacts due to scope and people resource leveling. With the Masterworks System Administrator in place and up-to-speed, much focus will also be placed on user assistance, system production efficiencies and maintenance, and on-going system training and user interface.
- Portfolio reporting will become more easily standardized and communicated through full implementation of Masterworks. Focus will be on development of what type of reporting is beneficial at what levels in the organization, and how often information should be reported.

## Administration - Requirements Summary

Fund: General	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
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Requirements Summary

Personnel Services	\$34,544,741	\$36,792,651	\$38,503,289	\$37,657,924	\$39,026,234
Materials and Services	11,910,223	11,070,578	16,632,973	14,527,653	14,423,699
<b>Operating Expenditures</b>	<b>\$46,454,964</b>	<b>\$47,863,228</b>	<b>\$55,136,262</b>	<b>\$52,185,577</b>	<b>\$53,449,933</b>
Interfund Reimbursements	\$-	\$1,964	\$5,058	\$10,852	\$-
<b>Operating Expenditures &amp; Reimbursements</b>	<b>\$46,454,964</b>	<b>\$47,865,193</b>	<b>\$55,141,320</b>	<b>\$52,196,429</b>	<b>\$53,449,933</b>

Materials and Services Requirements

Contract & Consulting Services	\$4,473,534	\$4,416,554	\$7,259,861	\$6,061,828	\$5,756,469
Materials and Supplies	113,274	111,419	217,843	166,552	184,511
Utilities	184,771	178,213	215,589	202,638	189,995
Equipment, Fuel and Lubricants	343,711	354,445	907,240	353,062	412,890
Insurance	231,421	240,667	415,226	369,131	371,309
Management & Travel Expenses	1,478,011	1,254,825	1,786,362	1,489,898	1,492,014
Miscellaneous Expenses*	5,085,501	4,514,455	5,830,853	5,884,544	6,016,511
<b>Total Materials &amp; Services</b>	<b>\$11,910,225</b>	<b>\$11,070,578</b>	<b>\$16,632,973</b>	<b>\$14,527,653</b>	<b>\$14,423,699</b>

Interfund Reimbursements

Airport Revenue Fund	\$-	\$1,964	\$5,058	\$10,852	\$-
<b>Total Interfund Reimbursements</b>	<b>\$-</b>	<b>\$1,964</b>	<b>\$5,058</b>	<b>\$10,852</b>	<b>\$-</b>

\* Includes: Rent, Equipment Repairs, Drainage Assessments, Software Expense, Postage, Bad Debts, Discounts, etc.

## Administration - Personnel Services

Position Type	Actual 2014-15	Actual 2015-16	FTE Positions 2016-17	Adopted Budget 2016-17	FTE Positions 2017-18	Proposed Budget 2017-18
<u>Corporate Administration</u>						
<u>Executive Administration</u>						
Administration	\$881,040	\$909,384	4.0	\$898,633	3.0	\$600,763
Admin Professional/Tech	-	-	-	-	-	-
Admin Support Staff	132,953	133,049	3.0	138,199	3.0	132,119
<b>Subtotal Executive Administration</b>	<b>\$1,013,993</b>	<b>\$1,042,433</b>	<b>7.0</b>	<b>\$1,036,832</b>	<b>6.0</b>	<b>\$732,881</b>
<u>Legal</u>						
Administration	\$641,671	\$474,770	4.0	\$677,123	2.0	\$360,365
Admin Professional/Tech	1,091,926	1,265,930	10.7	1,197,345	12.8	1,572,875
Admin Support Staff	-	-	-	-	-	-
Interns	15,688	17,529	-	38,480	-	37,440
<b>Subtotal Legal</b>	<b>\$1,749,286</b>	<b>\$1,758,229</b>	<b>14.7</b>	<b>\$1,912,948</b>	<b>14.8</b>	<b>\$1,970,681</b>
<u>Human Resources</u>						
Administration	\$701,044	\$755,289	6.0	\$862,586	6.0	\$874,607
Admin Professional/Tech	592,882	692,492	8.0	699,757	8.0	709,883
Admin Support Staff	256,300	245,670	5.0	271,857	5.5	304,429
Interns	-	4,590	-	17,680	-	-
<b>Subtotal Human Resources</b>	<b>\$1,550,226</b>	<b>\$1,698,041</b>	<b>19.0</b>	<b>\$1,851,880</b>	<b>19.5</b>	<b>\$1,888,919</b>
<u>Public Affairs (including Environmental)</u>						
Administration	\$1,039,874	\$1,434,500	12.0	\$1,565,958	14.0	\$1,784,728
Admin Professional/Tech	1,798,276	2,039,947	28.0	2,450,813	25.5	2,278,129
Admin Support Staff	132,588	159,125	3.0	162,579	3.0	169,959
Interns	39,383	67,236	-	92,040	-	31,200
<b>Subtotal Public Affairs (including Environmental)</b>	<b>\$3,010,121</b>	<b>\$3,700,809</b>	<b>43.0</b>	<b>\$4,271,391</b>	<b>42.5</b>	<b>\$4,264,016</b>
<b>Subtotal Executive</b>	<b>\$7,323,625</b>	<b>\$8,199,512</b>	<b>83.7</b>	<b>\$9,073,051</b>	<b>82.8</b>	<b>\$8,856,497</b>
Subtotal Overtime	\$1,017	\$1,326		\$-		\$-
Subtotal Accrued Labor	35,728	118,063		44,227		3,630
Subtotal Fringe Benefits	2,889,399	3,362,029		3,183,906		3,329,780
<b>Total Executive</b>	<b>\$10,249,769</b>	<b>\$11,680,930</b>	<b>83.7</b>	<b>\$12,301,183</b>	<b>82.8</b>	<b>\$12,189,907</b>



Administration - Personnel Services (Cont'd)

Position Type	Actual 2014-15	Actual 2015-16	FTE Positions 2016-17	Adopted Budget 2016-17	FTE Positions 2017-18	Proposed Budget 2017-18
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Corporate Administration (Continued)

Financial & Administrative Services

Administration	\$1,873,671	\$1,889,811	15.0	\$1,869,453	16.0	\$1,992,738
Admin Professional/Tech	2,486,294	2,187,162	34.0	2,626,152	28.0	2,136,407
Admin Support Staff	463,198	427,119	11.0	504,251	10.3	488,845
Interns	5,076	17,189	-	23,100	-	-
<b>Subtotal Financial &amp; Admin Services</b>	<b>\$4,828,238</b>	<b>\$4,521,280</b>	<b>60.0</b>	<b>\$5,022,957</b>	<b>54.3</b>	<b>\$4,617,990</b>
Subtotal Overtime	\$1,755	\$756		\$-		\$-
Subtotal Accrued Labor	24,575	63,938		26,046		2,620
Subtotal Fringe Benefits	2,027,967	1,875,518		1,977,144		1,999,478
<b>Total Financial &amp; Admin Services</b>	<b>\$6,882,535</b>	<b>\$6,461,492</b>	<b>60.0</b>	<b>\$7,026,147</b>	<b>54.3</b>	<b>\$6,620,087</b>

<b>Subtotal Corporate Administration</b>	<b>\$12,151,863</b>	<b>\$12,720,793</b>	<b>143.7</b>	<b>\$14,096,007</b>	<b>137.1</b>	<b>\$13,474,487</b>
Subtotal Overtime	\$2,772	\$2,082		\$-		\$-
Subtotal Accrued Labor	60,303	182,000		70,273		6,250
Subtotal Fringe Benefits	4,917,366	5,237,547		5,161,050		5,329,257
<b>Total Corporate Administration</b>	<b>\$17,132,305</b>	<b>\$18,142,421</b>	<b>143.7</b>	<b>\$19,327,330</b>	<b>137.1</b>	<b>\$18,809,994</b>

Engineering

Administration	\$1,480,381	\$1,560,846	15.0	\$1,792,631	14.0	\$1,703,681
Admin Professional/Tech	4,989,070	5,254,054	63.0	5,562,773	63.0	5,680,927
Admin Support Staff	269,533	294,995	7.0	346,192	6.0	294,374
Interns	55,748	103,823	3.5	137,344	4.4	147,837
<b>Subtotal Engineering</b>	<b>\$6,794,733</b>	<b>\$7,213,718</b>	<b>85.0</b>	<b>\$7,838,940</b>	<b>83.0</b>	<b>\$7,826,819</b>
Total Overtime	\$39,618	\$35,357		\$32,000		\$35,000
Accrued Labor	38,523	98,961		40,857		5,285
Fringe Benefits	2,907,923	3,257,102		3,149,666		3,506,516
<b>Total Engineering</b>	<b>\$9,780,797</b>	<b>\$10,605,137</b>	<b>85.0</b>	<b>\$11,061,463</b>	<b>83.0</b>	<b>\$11,373,621</b>

Administration - Personnel Services (Cont'd)

Position Type	Actual 2014-15	Actual 2015-16	FTE Positions 2016-17	Adopted Budget 2016-17	FTE Positions 2017-18	Proposed Budget 2017-18
<u>Project and Technical Services Admin</u>						
Administration	\$405,156	\$419,927	3.0	\$432,394	4.0	\$544,024
Admin Professional/Tech	134,623	173,509	2.0	177,626	5.0	453,517
Admin Support Staff	-	-	-	-	-	-
Interns	-	-	-	-	-	-
<b>Subtotal PATS Admin</b>	<b>\$539,779</b>	<b>\$593,436</b>	<b>5.0</b>	<b>\$610,020</b>	<b>9.0</b>	<b>\$997,541</b>
<u>Information Technology</u>						
Administration	\$1,388,217	\$1,464,893	12.0	\$1,498,621	11.0	\$1,426,490
Admin Professional/Tech	3,226,531	3,310,990	39.5	3,523,724	38.5	3,615,480
Admin Support Staff	143,651	148,644	3.0	152,257	3.0	156,346
Interns	-	-	-	-	-	-
<b>Subtotal Information Technology</b>	<b>\$4,758,399</b>	<b>\$4,924,528</b>	<b>54.5</b>	<b>\$5,174,602</b>	<b>52.5</b>	<b>\$5,198,315</b>
Total Overtime	\$9,020	\$6,925		\$13,000		\$18,000
Accrued Labor	34,608	59,533		30,043		4,399
Fringe Benefits	2,289,834	2,460,670		2,286,831		2,624,364
<b>Total PATS Admin and IFT</b>	<b>\$7,631,639</b>	<b>\$8,045,092</b>	<b>59.5</b>	<b>\$8,114,496</b>	<b>61.5</b>	<b>\$8,842,620</b>
<u>Total Administration</u>						
Total Administration	\$24,244,773	\$25,452,474	288.2	\$27,719,569	281.6	\$27,497,162
Total Overtime	\$51,409	\$44,364		\$45,000		\$53,000
Accrued Labor	133,434	340,494		141,173		15,934
Fringe Benefits	10,115,124	10,955,319		10,597,547		11,460,137
<b>Total Administration</b>	<b>\$34,544,741</b>	<b>\$36,792,651</b>	<b>288.2</b>	<b>\$38,503,289</b>	<b>281.6</b>	<b>\$39,026,234</b>

## **Bond Construction Fund**

This fund accounts for the acquisition, construction, expansion, and improvement of new and existing structures and facilities. Its resources are generated from transfers from the General Fund and Airport Revenue Fund and interest on investments. This fund accounts for capital requirements of Marine, Industrial Development, Navigation, Engineering, General Aviation and Corporate Administration.

General Aviation capital requirements are funded through a combination of earnings from General Aviation operations, FAA grants and a transfer of resources from the Airport Revenue Fund.

## Bond Construction Fund - Resources and Requirements

Resources and Requirements	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
<u>Resources</u>					
Beginning Working Capital	\$14,272,689	\$19,360,089	\$10,000,000	\$12,156,554	\$10,000,000
Interest Income	106,212	860,808	207,553	162,709	244,000
Federal/State Grants/Other	5,815,834	\$8,572,826	5,945,913	5,945,913	4,363,312
<u>Taxes</u>					
Property Taxes	\$10,491,101	\$11,101,596	\$11,430,000	\$11,430,000	\$11,919,999
Interest on Taxes	249,441	56,140	-	9,000	-
<u>Cash Transfers from Other Funds:</u>					
General Fund	\$-	\$-	\$13,147,316	\$11,541,039	\$29,201,305
Airport Revenue Fund	10,187,917	\$2,227,247	16,373,000	16,373,000	1,974,906
<b>Total Cash Transfers from Other Funds</b>	<b>\$10,187,917</b>	<b>\$2,227,247</b>	<b>\$29,520,316</b>	<b>\$27,914,039</b>	<b>\$31,176,212</b>
<b>Total Resources</b>	<b>\$41,123,194</b>	<b>\$42,178,706</b>	<b>\$57,103,782</b>	<b>\$57,618,215</b>	<b>\$57,703,522</b>
<u>Requirements</u>					
Capital Outlay	\$16,602,164	\$25,964,428	\$42,897,228	\$43,229,868	\$44,125,955
<u>Interfund Reimbursements-to</u>					
General Fund	\$2,749,834	\$4,027,682	\$4,175,321	\$4,333,262	\$3,522,483
Airport Revenue Fund	10,665	30,042	21,234	45,085	45,085
<u>Cash Transfers to Other Funds</u>					
General Fund	\$-	\$-	\$-	\$-	\$-
Airport Revenue Fund	2,400,442	-	10,000	10,000	10,000
<b>Total Interfund Reimbursements</b>	<b>\$5,160,941</b>	<b>\$4,057,724</b>	<b>\$4,206,554</b>	<b>\$4,388,347</b>	<b>\$3,577,567</b>
Contingency	\$-	\$-	\$10,000,000	\$10,000,000	\$10,000,000
Ending Balance	\$19,360,089	\$12,156,554	\$-	\$-	\$-
<b>Total Requirements</b>	<b>\$41,123,194</b>	<b>\$42,178,706</b>	<b>\$57,103,782</b>	<b>\$57,618,215</b>	<b>\$57,703,522</b>

**Bond Construction Fund - Capital Project Outlay Summary by Project**

DIV-LOB Summary	Project Number	Project Name	FY 2014-15 Actuals	FY 2015-16 Actuals	FY 2016-17 Budget	FY 2017-18 Budget
ENG-Engineering	102320	Survey and Locate EQ 15/16	-	136,446	-	-
	700473	Survey and Locate EQ 17/18	-	-	-	100,000
ENG-Engineering Total			-	136,446	-	100,000
ENR-Environmental	102142	Summation Upgrade	203,485	14,465	-	-
ENR-Environmental Total			217,950			
FNA-Financial & Administrative Svc	100292	IT Help Desk Track&Asset Mgmt	55,286	68,805	-	-
	100797	Fileserver Replacement 14/15	39,752	79,276	-	-
	100798	Workstation Replacements 14/15	283,370	294,698	-	-
	100799	Printer/PeripheralReplace14/15	15,022	-	-	-
	100893	ITDisasterRecov.Capability JC	-	-	750,000	-
	101302	Network Management System	118,407	-	-	-
	101314	VoIP PBX Hdwr-Sfwr Upgrade	-	12,310	-	512,690
	101319	Network Applic Recog-Routing	5,385	325,278	-	-
	101766	Cable Management System	-	-	125,000	-
	101855	Network Equipment 12/13	79,744	-	-	-
	101865	Fileserver Replacement 13-14	12,546	-	-	-
	101867	PrinterPeripheralReplace 13-14	419	-	-	-
	101893	Workstation Replacements 15/16	-	180,426	-	-
	102039	GIS Upgrade to 10.1	189,475	-	-	-
	102041	JDE Upgrade - ver 9.XX	-	427,320	-	-
	102043	Mobility Solutions	130,157	45,035	-	-
	102047	IT Backup and Recovery Sys Upg	-	70,345	-	279,655
	102079	Gen Fund Admin Vehicles 13/14	(10)	-	-	-
	102084	Gen Fund Admin Vehicles 14/15	81,207	67,549	-	-
	102088	Gen Fund Admin Vehicles 15/16	-	-	-	55,000
	102205	Network Equipment FY 15/16	-	102,981	-	-
	102209	Printer/PeripheralReplace15/16	-	1,147	-	-
	102214	Fileserver Replacement 15/16	-	40,000	-	-
	102288	Two Factor Auth Remote Access	-	(0)	-	-
	700291	Workstation Replacements 16/17	-	-	100,000	100,000
	700292	Workstation Replacements 17/18	-	-	-	500,000
	700345	Windows OS Upgrade	-	-	-	250,000
	700396	Avantis Software Upgrade	-	-	300,000	212,983
	700413	Network Equipment FY 16/17	-	-	750,000	-
	700416	Printer/PeripheralReplace16/17	-	-	100,000	-
	700420	Fileserver Replacement 16/17	-	-	125,000	-
	700421	Fileserver Replacement 17/18	-	-	-	125,000
	700802	IT EQ Engr Monitor Upgrades 15-16	-	3,667	-	76,333
	700993	Bond Fund Vehicles 17/18	-	-	-	440,000
FNA-Financial & Administrative Svc Total			1,010,761	1,718,837	2,250,000	2,551,661
MAR-Marine	100352	SRG - Rail Expansion-Phase 1	961	-	-	-
	101249	Columbia Grain Bonds	4,470	-	-	-
	101366	T6-Reroof CDC	148	-	-	-
	101499	T6 Load Cells 6373,6374,6375	276,616	-	-	-
	101501	T6 Cranes 73&75 CabReplacement	143,593	255,354	-	220,773
	101502	T6 Crane 6379 PLC&IO Replace	22,261	3,887	-	132,247
	101709	MAR Fender Sys Rehab 14-15	259,439	-	-	-

## Bond Construction Fund - Capital Project Outlay Summary by Project

DIV-LOB Summary	Project Number	Project Name	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
			Actuals	Actuals	Budget	Budget
	101710	MAR Fender Sys Rehab 15-16	-	-	-	550,000
	101715	T2 B203 & 204 Yard Pave Rehab	10,350	-	-	-
	101740	Cranes 3,4,5 CMS Upgrades	590,493	498,566	-	180,169
	101754	MAR Wharf Program FY15/16	-	48,502	-	540,498
	101757	MAR Roof Rehab FY15/16	-	2,382	-	370,618
	101759	MAR Pavement Rehab FY12/13	3,516	-	-	-
	101761	MAR Pavement Rehab FY14/15	188,798	1,248,969	-	-
	101762	MAR Pavement Rehab FY15/16	-	42,020	-	717,980
	101783	Marine Energy Consev	120,519	55,591	-	232,560
	101834	T2 SPCC Upgrades	1,973	-	-	-
	101842	Landscape Shop Wash Pad	150	-	-	-
	101854	MAR Dump Truck	130,128	-	-	-
	101858	T6 Crane Travel Improvements	1,774	-	-	-
	101890	135' Boom & Tractor	68,768	-	-	-
	101891	T6Crane6373/6374DrvElectronics	29,715	1,302,779	660,000	7,506
	102080	Gen Fund Marine Vehicles 13/14	62,906	-	-	-
	102085	Gen Fund Marine Vehicles 14/15	177,095	3,879	-	-
	102089	Gen Fund Marine Vehicles 15/16	-	-	-	270,000
	102232	MFM Equipment Purchase 13/14	15,291	-	-	-
	102233	T2 Admin Bldg HVAC Improvement	54,150	147,332	-	16,485
	102264	T2 Gate 3&10 Card Reader Upgrd	52,318	287,070	-	-
	102318	MFM Mobile Equipment	-	-	175,000	455,000
	102392	T6 Main Entrance Gate	2,392	-	-	-
	102400	MFM FY14/15 Maint Equipment	9,107	82,564	-	-
	102434	T6 Admin Building Roof Rehab	-	72,321	-	-
	102501	B410-411 Site Lighting	-	143,274	10,000	864,234
	102502	T6 Crane 6374 Operator Cab	-	20,217	-	284,783
	700286	MAR Fender Sys Rehab 16-17	-	-	300,000	-
	700512	T2 Replace Trackmobile - 1st	-	-	350,000	-
	700516	MAR Roof Program 16/17	-	-	42,000	-
	700517	T6 Honda Slurry Seal	-	-	475,000	-
	700518	T4 B410/B411 Rehab & Imprvmts	-	-	825,000	2,100,000
	700519	T6 Portable Restroom Building	-	-	100,000	-
	700520	T5 B503 Rehab	-	-	225,000	1,500,000
	700521	T4 Reduce Pressure Zone Device	-	-	165,000	-
	700522	Crane Painting Program	-	-	250,000	240,000
	700537	T4 Building 521 Demo	-	-	790,000	10,000
	700725	MAR-Misc Capital Needs 16/17	-	-	100,000	-
	700731	T6 Auto Staging Facility	-	-	6,740,256	-
	700803	T6 Outgate Subbase Rehab	-	-	-	400,000
	700855	T2 Pavement rehabilitation	-	-	-	80,000
	700857	T6 AWC pavement seal coat	-	-	-	500,000
	700859	T6 B601 Fender, rub rail and dolphin rehabil-	-	-	-	200,000
	700870	T6 Hyundai Car Wash, Honda Building Roof	-	-	-	120,000
	700900	17/18 Marine Fender System Rehabilitation	-	-	-	200,000
	700945	T5 Entrance Road Rehabilitation	-	-	-	550,948
	701005	FY 17/18 Capital Related to ICTSI Facility	-	-	-	200,000

Bond Construction Fund - Capital Project Outlay Summary by Project

DIV-LOB Summary	Project Number	Project Name	FY 2014-15 Actuals	FY 2015-16 Actuals	FY 2016-17 Budget	FY 2017-18 Budget
	810056	T4 Dravo Removal	(4,298)	-	-	-
	700000	CD-Improve River Miles 3-106.5	(13,494)	-	-	-
<b>MAR-Marine Total</b>			<b>2,209,137</b>	<b>4,214,707</b>	<b>11,207,256</b>	<b>10,943,801</b>
<b>NAV-Navigation</b>	101324	Suction Pipe Mouth Casting	735	-	-	-
	101325	30InchDischarge Elbow w-Flange	248	7,667	-	54,931
	101326	Anchor Scow Elbow	8,314	3,080	-	73,474
	101335	Dredge Oregon Dry-Dock 2013	(50,284)	-	-	-
	101337	D8R Engine Rebuild	-	-	-	50,000
	101338	D8T - Engine Rebuild	-	-	-	55,000
	101339	D8R-Transmission Final Rebuild	-	7,350	-	72,650
	101344	Pontoons - 1st Set	530	-	-	-
	101345	Pontoons - 3rd Set	-	9,944	-	440,056
	101455	Ivanoff Rudder Modification	69,860	1,667,917	-	141,727
	101645	Donkey's Hard Elbow Castings	9,487	708	-	79,805
	101647	NAV Admin Vehicle	28,692	-	-	-
	101792	Dredge Spud Keeper Rehab	32,621	37,789	-	79,590
	101798	Dredge Velocity Gauge	42,253	33,052	-	-
	101800	Bells & Rings (NAV)	5,846	108,859	-	130,978
	101840	Navigation Energy Conservation	385	11,005	-	5,968
	101862	Dredge OR Repower - SY2	(90,653)	22,770	-	-
	101863	Dredge OR Repower Dry-Dock	1,221	-	-	-
	101885	DredgeEngineRoomNoiseMitigatn2	-	6,532	-	793,468
	102070	Pipe Barge Drydock (B34.500)	-	-	230,000	-
	102072	Navigation Yard Ramp	85,113	15,615	-	22,849
	102076	SeaMule Drydock	7,681	-	-	242,319
	102090	Gen Fund Nav Vehicles 15/16	-	48,115	-	-
	102110	DredgeEngineRoomNoiseMitigatn	38,574	17,372	-	-
	102113	Rebuild Swing Gear Box	-	249,071	-	50,929
	102114	DeliveranceRebuildEngine/Trans	62,998	6,365	-	-
	102115	D8N Replacement	-	2,102	-	-
	102138	NAV Steel Pipe	-	11,375	-	438,625
	102262	Subline Flexible Pipe	254,768	102	-	-
	102272	Subline Steel Pipeline	-	9,481	-	640,519
	102298	Dredge Stern Rubber	-	-	-	30,000
	700283	D8T Transmission Rebuild	-	-	60,000	-
	700288	966G - Engine Rebuild (Loader)	-	-	-	35,000
	700289	966G Transmission Rebuild(Loader)	-	-	-	40,000
	700362	Dredge Tender Clackamas Repower	-	-	-	641,919
	700378	Rebuild Winches 16/17	-	-	425,000	-
	700380	325EngineReplacemnt(Excavator)	-	-	40,000	-
	700382	Ivanoff Engine Rebuild	-	-	-	282,000
	700433	Steel Pipeline 17/18	-	-	-	450,000
	700478	NAV Steel Pipe 16/17	-	-	450,000	-
	700479	Pontoons - 16/17	-	-	450,000	-
	700480	Stern Rubber - 16/17	-	-	40,000	-
	700488	Suction Rubber - 16/17	-	-	50,000	-
	700514	New Flow Meter	-	-	80,000	-

## Bond Construction Fund - Capital Project Outlay Summary by Project

DIV-LOB Summary	Project Number	Project Name	FY 2014-15 Actuals	FY 2015-16 Actuals	FY 2016-17 Budget	FY 2017-18 Budget
	700515	New Kubota	-	17,485	20,000	-
	700558	Replace Dredge Deck Crane	-	-	-	1,500,000
	700600	Pontoons - 17/18	-	-	-	470,000
	700912	Dredge Oregon Dry Dock 2018	-	-	-	71,241
	701057	Navigation Office Remodel	-	-	-	511,000
NAV - Navigation Total			508,390	2,293,755	1,845,000	7,404,047
PND-Industrial Development	101047	TRIP-Contamination Clean Up	223,998	246,027	261,012	217,468
	101657	WHI Public Access	5,249	-	-	-
	101659	TRIP II Lots 6-11, OS, Sundial	228,631	7,379,245	3,274,000	6,425,990
	101660	TRIP II Lots 4, 5	198	543	25,000	1,075,238
	101661	TRIP II JPA	64,007	1,302	-	-
	101662	TRIP II Subdivision	29,174	78,336	42,623	-
	101663	TRIP 2 Graham Swigert Reimburs	454,357	6,605,234	4,277,400	2,771,348
	101664	TRIP II Mitigation Planting	1,024	635,536	437,000	263,695
	101743	GVBP Land Division	156	-	-	-
	101744	GVBP Mitigation	8,499	6,995	-	305,282
	101745	GVBP Onsite Infrac - East	8,766	87,814	-	1,066,492
	101746	GVBP Onsite Infrac - West	17,998	132,197	-	1,529,967
	101748	GVBP Half St Improve Glisan	586	970	-	-
	101844	TRIP 2 Graham Swigert Port	59,317	2,220,405	816,000	-
	101868	FAA Wildlife Safety Work	-	64,726	92,250	31,889
	101886	TRIP and GVBP Monument Signs	-	725	-	299,275
	102066	Fairview Creek Mitigation Bank	-	-	875,000	787,500
	102069	TRIP 40 Mile Loop	3,442	-	-	2,568,611
	102150	Rivergate Overcrossing	8,724	250,437	4,170,000	6,190,839
	102325	DTNA IFA Grant Improvements	-	363,724	-	816,276
	700917	GVBP Cleveland Ave Access	-	-	-	125,000
	700987	Sandy Island Streaked Horned Lark Conserva-	-	-	-	120,771
PND - Industrial Development Total			1,114,126	18,074,218	14,270,285	24,595,641
PUB-Public Affairs	101876	Public Website Replacement	309,456	67,828	-	123,465
PUB-Public Affairs Total			309,456	67,828	-	123,465
HIO-Hillsboro Airport	100548	HIO Construct RW 12L30R	4,528,997	350,460	-	-
	101025	HIO RW 2-20 Reloc & Ext TW B	(153,799)	17,217	-	155,157
	101032	DD HIO ReloCharliePatternLndng	14,433	6,313	165,000	205,254
	101235	DD HIO Construct E Access Rd	336,022	2,331,293	-	648,777
	101554	HIO RW 13R/31L Rehab	438,598	151,030	16,000,000	-
	101559	HIO Jackson Bottom Mitigation	(231,414)	12,052	40,000	169,556
	101874	HIO MX Bldg HVAC Upgrades	56,651	-	-	-
	101961	HIO Terminal Building	(29,936)	-	-	-
	101963	HIO West Tie-Down Rehab	492,845	-	-	-
	102166	HIO Perimeter Road Rehab	300,326	608,138	-	-
	102302	HIO Property Acquisition	7,878,104	-	-	-
	102398	HIO Lawn Mower Replacement	17,207	-	-	5,793
	700225	HIO Wildlife Attractant Mitigation NEPA	-	-	-	417,705
	700992	General Aviation Vehicles 17/18	-	-	-	50,000
HIO-Hillsboro Airport Total			13,648,034	3,476,503	16,205,000	1,652,240



**Bond Construction Fund - Capital Project Outlay Summary by Project**

DIV-LOB Summary	Project Number	Project Name	FY 2014-15 Actuals	FY 2015-16 Actuals	FY 2016-17 Budget	FY 2017-18 Budget
TTD-Troutdale Airport	101039	TTD Reconstruct RW 7-25	314,046	467	-	-
	101782	HIO-TTD Energy Consev	3,797	23,545	68,000	98,526
	102025	TTD Bldg 920 FBO Renov Ph 1	10,908	81,774	-	-
	102029	TTD Hangar 1023 Renov	-	49,360	100,000	43,640
	102030	TTD Hangar 520 Renov Ph 1	30,523	6,693	-	-
	700941	TTD Control Tower Renovation Phase 1	-	-	-	180,500
TTD-Troutdale Airport Total			359,274	161,839	168,000	322,666
<b>Grand Total</b>			<b>19,362,664</b>	<b>30,158,598</b>	<b>45,945,541</b>	<b>47,693,522</b>
Total Bond Construction Fund			\$19,362,664	\$30,158,598	\$45,945,541	\$47,693,522
Capitalized Labor			(2,760,499)	(4,057,724)	(3,048,313)	(3,567,567)
<b>Capital Outlay</b>			<b>\$16,602,165</b>	<b>\$25,964,428</b>	<b>\$42,897,228</b>	<b>\$44,125,955</b>



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## Aviation

The Aviation Division is responsible for the ownership and operation of a system of airports to meet the air transportation needs of the community. The airports are Portland International Airport (PDX), and two General Aviation reliever airports located at Hillsboro (HIO) and Troutdale (TTD). Budgetary information for the General Aviation airports is included in the General Aviation section of the General Fund.

The Aviation Division manages and provides facilities for the airlines and other airport tenants. Planning and budgeting is done by business line. The business lines are key areas of commercial operations where significant revenues, expenses, capital expenditures and customer service elements merge. There are five primary business lines: Terminal, Airfield, Landside Operations, Airside–Landside Properties, and General Aviation. Aviation primarily generates revenues from automobile parking fees, facility rentals, aircraft landing fees, and concession agreements.

Under the terms of the Airline and Cargo operating agreements at PDX, the signatory airlines serving PDX guarantee that revenues are equal to the cost of operations and maintenance and 130 percent of debt service costs for the Airfield and Terminal cost centers at PDX. The Port has the financial responsibility for all other airport facilities.

Airport capital improvements are funded by income from Airport operations, Revenue Bonds, Federal and State Grants, Passenger Facility Charges (PFC), and Customer Facility Charges (CFC).

The mission of the Aviation Division is to operate, maintain and promote an airport system that satisfies the air transportation needs of our customers by providing competitive cargo and passenger access to regional, national and international markets.

In support of this mission, the following business line goals and metrics have been established reflecting the Port's strategic plan and Aviation key areas of focus:

- Meet or exceed safety, security and operational requirements (FAA and TSA inspections)
- Meet or exceed customer service goals (survey)
- Meet or exceed environmental goals and metrics (reduce waste, emissions and energy use)
- Cost-effectively maintain assets
- Focus on maintaining and increasing non-airline revenues
- Aggressively manage operating costs
- Maintain competitive airline rates (landing fee, terminal net requirement)



## Airport Revenue Fund

This Fund is required to be administered by the Port as long as any PDX Revenue Bonds are outstanding. The money deposited in this Fund is not commingled with any other money of the Port, and is used and applied only in the manner specified in Section 13, Ordinance No. 155 and Section 6, Ordinance No. 323. PDX operations are accounted for in this Fund. Principal revenue sources include facility rentals, aircraft landing fees, automobile parking fees and concession agreements.

*(Information on revenue or expenditures attributable to General Aviation may be found in the General Fund, and is not included in the Airport Revenue Fund. However, a transfer of resources is made from the Airport Revenue Fund to the Bond Construction Fund to pay for General Aviation capital requirements not funded by earnings from General Aviation operations or by FAA grants.)*

### **Budget Volume Assumptions**

#### **PDX**

Description	FY 2015-16 Actual	FY 2016-17 Adopted	FY 2017-18 Forecast	Change
Total Passengers (in millions)	17.6	18.4	19.0	3.3%
Landed Weight (lbs. in billions)	10.7	11.2	11.7	4.5%

## Airport Revenue Fund - Resources

Resources and Requirements	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
<u>Resources</u>					
Beginning Working Capital	\$94,209,860	\$94,683,090	\$88,098,918	\$91,945,620	\$94,740,916
<u>Operating Revenue</u>					
Operating Revenue	\$33,197,110	\$34,197,963	\$37,430,651	\$36,250,862	\$39,012,588
Service Revenue	582,578	972,536	832,200	968,381	937,691
Rental & Concessions	169,257,536	185,188,913	189,391,074	193,590,512	199,866,942
Customer Facility Charge	-	-	-	-	-
Other Revenue	834,969	11,590,779	577,006	722,605	843,704
<b>Total Operating Revenue</b>	<b>\$203,872,194</b>	<b>\$231,950,191</b>	<b>\$228,230,931</b>	<b>\$231,532,360</b>	<b>\$240,660,925</b>
Interest On Investments	\$2,020,486	\$1,730,406	\$938,179	\$938,179	\$2,268,700
Grants	21,156	-	-	-	-
<u>Interfund Reimbursements-from</u>					
General Fund	\$380,930	\$382,021	\$387,267	\$418,620	\$384,132
Airport Construction Fund	1,566,714	1,499,414	1,475,088	1,512,828	1,511,187
Bond Construction Fund	10,665	30,042	21,234	45,085	45,085
<b>Total Interfund Reimbursements</b>	<b>\$1,958,309</b>	<b>\$1,911,476</b>	<b>\$1,883,588</b>	<b>\$1,976,533</b>	<b>\$1,940,405</b>
<u>Cash Transfers from Other Funds</u>					
General Fund	\$364,353	\$-	-	\$-	\$-
Airport Construction Fund	57,967	-	-	-	-
Bond Construction Fund	2,400,442	-	10,000	10,000	10,000
CFC Fund	-	471,227	150,000	150,000	200,000
PFC Fund	-	-	-	-	-
<b>Total Cash Transfers from Other Funds</b>	<b>\$2,822,762</b>	<b>\$471,227</b>	<b>\$160,000</b>	<b>\$160,000</b>	<b>\$210,000</b>
<b>Total Resources</b>	<b>\$304,904,767</b>	<b>\$330,746,391</b>	<b>\$319,311,615</b>	<b>\$326,552,693</b>	<b>\$339,820,945</b>

**Airport Revenue Fund - Requirements**

Resources & Requirements	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
<u>Requirements</u>					
Operating Expenditures	\$88,471,777	\$107,896,423	\$98,087,414	\$98,097,965	\$103,939,476
<u>Other Requirements</u>					
Sys Dev Chgs/Line Of Credit/Other	\$394,776	\$3,527	\$5,000	\$2,250,000	\$5,000
<u>Interfund Reimbursements-to</u>					
General Fund	\$21,247,791	\$31,204,249	\$27,048,777	\$26,605,618	\$25,461,350
Total Interfund Reimbursements	\$21,247,791	\$31,204,249	\$27,048,777	\$26,605,618	\$25,461,350
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Operating Expenditures & Reimbursements	\$110,114,344	\$139,104,200	\$125,141,191	\$126,953,584	\$129,405,826
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<u>Cash Transfers to Other Funds</u>					
Airport Revenue Bond Fund	\$49,374,794	\$50,516,168	\$49,538,168	\$49,512,891	\$57,659,334
Airport Construction Fund	29,145,858	41,350,019	29,874,537	35,436,637	42,410,050
General Fund	5,888,963	5,603,137	3,643,802	3,535,665	3,910,830
Bond Construction	10,187,917	2,227,247	16,373,000	16,373,000	1,974,906
CFC Fund	5,509,801	-	-	-	-
Total Cash Transfers to Other Funds	\$100,107,333	\$99,696,571	\$99,429,508	\$104,858,193	\$105,955,120
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Contingencies	\$-	\$-	\$94,740,916	\$94,740,916	\$104,460,000
Ending Balance	\$94,683,090	\$91,945,620	\$-	\$-	\$-
<hr/>					
<b>Total Requirements</b>	<b>\$304,904,767</b>	<b>\$330,746,391</b>	<b>\$319,311,615</b>	<b>\$326,552,693</b>	<b>\$339,820,945</b>

## Commercial Aviation - Requirements Summary

Fund: Airport Revenue	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
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Requirements Summary

Personnel Services	\$43,481,895	\$44,690,828	\$46,785,459	\$46,384,801	\$49,741,014
Materials and Services	44,989,882	63,205,596	51,301,955	51,713,165	54,198,462
<b>Operating Expenditures</b>	<b>\$88,471,777</b>	<b>\$107,896,424</b>	<b>\$98,087,414</b>	<b>\$98,097,965</b>	<b>\$103,939,476</b>
Interfund Reimbursements	\$21,247,791	\$31,204,249	\$27,048,777	\$26,605,618	\$25,461,350
<b>Operating Expenditures &amp; Reimbursements</b>	<b>\$109,719,568</b>	<b>\$139,100,674</b>	<b>\$125,136,191</b>	<b>\$124,703,584</b>	<b>\$129,400,826</b>

Materials and Services Requirements

Contract & Consulting Services	\$28,593,520	\$29,550,606	\$30,201,995	\$30,792,542	\$32,900,035
Materials and Supplies	4,393,975	5,066,006	4,631,212	4,519,705	5,035,773
Utilities	9,170,394	10,013,931	11,237,792	11,123,435	11,363,669
Equipment, Fuel and Lubricants	1,553,056	1,048,489	1,516,820	1,409,192	1,752,527
Insurance	2,089,077	2,204,680	2,125,771	2,051,485	1,929,340
Management & Travel Expenses	1,334,421	1,352,313	3,220,888	3,600,527	3,269,038
Miscellaneous Expenses*	(2,144,560)	13,969,570	(1,632,523)	(1,783,721)	(2,051,921)
<b>Total Materials &amp; Services</b>	<b>\$44,989,881</b>	<b>\$63,205,596</b>	<b>\$51,301,955</b>	<b>\$51,713,165</b>	<b>\$54,198,462</b>

Interfund Reimbursements

General Fund	\$27,158,716	\$31,204,249	\$27,048,777	\$26,605,618	\$25,461,350
<b>Total Interfund Reimbursements</b>	<b>\$27,158,716</b>	<b>\$31,204,249</b>	<b>\$27,048,777</b>	<b>\$26,605,618</b>	<b>\$25,461,350</b>

\* Includes: Rent, Equipment Repairs, Drainage Assessments, Software Expense, Postage, Bad Debts, Discounts, etc.



## Commercial Aviation - Personnel Services

Position Type	Actual 2014-15	Actual 2015-16	FTE Positions 2016-17	Adopted Budget 2016-17	FTE Positions 2017-18	Proposed Budget 2017-18
<u>Commercial Aviation</u>						
Administration	\$4,834,280	\$4,730,016	43.0	\$4,947,748	45.0	\$5,296,078
Admin Professional/Tech	6,789,074	6,925,639	95.0	7,588,100	91.5	7,622,720
Admin Support Staff	981,770	1,035,448	23.0	1,069,916	24.0	1,156,998
Interns	67,179	75,746	-	84,978	-	60,580
PDX Fire	3,253,313	3,373,041	48.0	3,712,426	49.3	3,829,412
PDX Maintenance	6,414,778	6,558,209	93.0	6,779,601	93.0	6,901,620
PDX Police/Security	4,657,652	4,924,694	70.2	5,448,222	72.3	5,755,743
<b>Subtotal Commercial Aviation</b>	<b>\$26,998,046</b>	<b>\$27,622,793</b>	<b>372.2</b>	<b>\$29,630,990</b>	<b>375.0</b>	<b>\$30,623,150</b>
Total Overtime	\$2,324,523	\$2,330,360		\$2,500,728		\$2,544,935
Accrued Labor	178,221	320,853		156,499		11,937
Fringe Benefits	13,981,104	14,416,823		14,497,242		16,560,993
<b>Total Commercial Aviation</b>	<b>\$43,481,895</b>	<b>\$44,690,828</b>	<b>372.2</b>	<b>\$46,785,459</b>	<b>375.0</b>	<b>\$49,741,014</b>



## **Airport Construction Fund**

The money credited to this Fund is used and applied solely to pay for additions, expansions, and improvements to the Airport in accordance with Section 12, Ordinance No. 155 and Section 8, Ordinance No. 323. Its principal resources are interest earned on investments, capital grants, Airport Revenue Bond proceeds and transfers from the Airport Revenue Fund, the Passenger Facility Charge Fund and the Customer Facility Charge Fund.

## Airport Construction Fund - Resources and Requirements

Resources and Requirements	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
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Resources

Beginning Working Capital	\$46,634,726	\$109,608,834	\$73,165,919	\$77,624,627	\$270,174,532
Interest On Investments	538,623	500,263	879,993	686,720	1,601,800
Federal/State Grants/Other	8,358,695	11,478,693	13,468,126	13,468,126	15,645,759
Bond and Other Debt Proceeds	96,498,664	-	100,000,000	255,000,000	120,000,000

Cash Transfers from Other Funds:

Airport Revenue Fund	\$29,145,858	\$41,350,019	\$29,874,537	\$35,436,637	\$42,410,050
CFC Fund	1,523,249	5,222,970	26,700,000	26,700,000	80,000,000
PFC Fund	712,469	1,196,764	10,015,023	10,015,023	38,000,000
<b>Total Cash Transfers from Other Funds</b>	<b>\$31,381,576</b>	<b>\$47,769,753</b>	<b>\$66,589,560</b>	<b>\$72,151,660</b>	<b>\$160,410,050</b>

<b>Total Resources</b>	<b>\$183,412,284</b>	<b>\$169,357,543</b>	<b>\$254,103,598</b>	<b>\$418,931,133</b>	<b>\$567,832,141</b>
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Requirements

Capital Outlay	\$62,337,323	\$75,811,967	\$128,346,199	\$128,073,600	\$340,947,050
Bond Issue Costs/Other	\$344,299	\$-	\$1,500,000	\$1,500,000	\$1,000,000

Interfund Reimbursements-to

General Fund	\$9,497,147	\$14,421,535	\$11,986,353	\$12,170,173	\$12,650,823
Airport Revenue Fund	1,624,681	1,499,414	1,475,088	1,512,828	1,511,187

Cash Transfers to Other Funds

Airport Revenue Bond Fund	\$-	\$-	\$5,500,000	\$5,500,000	\$8,500,000
PFC Fund	-	-	-	-	-

<b>Total Interfund Reimbursements</b>	<b>\$11,121,828</b>	<b>\$15,920,949</b>	<b>\$18,961,440</b>	<b>\$19,183,001</b>	<b>\$22,662,011</b>
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Contingencies	\$-	\$-	\$105,295,959	\$270,174,532	\$203,223,080
Ending Balance	\$109,608,834	\$77,624,627	\$-	\$-	\$-

<b>Total Requirements</b>	<b>\$183,412,284</b>	<b>\$169,357,543</b>	<b>\$254,103,598</b>	<b>\$418,931,133</b>	<b>\$567,832,141</b>
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## Airport Construction Fund - Capital Project Outlay Summary by Project

DIV-LOB Summary	Project Number	Project Name	FY 2014-15 Actuals	FY 2015-16 Actuals	FY 2016-17 Budget	FY 2017-18 Budget
AVI-Aviation	100334	NREX Final Design & Const	(87,841)	-	-	-
	100536	Slurry Seal ARFF Parking & RDS	19,153	-	-	-
	100680	PDX ITS-AVI Technology	3,261,188	1,812,886	-	-
	100689	Replace 6 2004 Shuttle Buses	2,401,579	-	-	-
	100690	Replace 6 2006 Shuttle Buses	-	62,757	2,600,000	1,187,243
	100756	Fire Department Entry Rd Rehab	-	62,593	-	135,026
	100875	Transport Way Rehab	173	-	-	-
	100878	Mt Hood Ave Ramps Rehab	3,377,987	27,847	-	-
	100884	PDX Irrigation Pump VFD	19,891	-	-	-
	100922	Taxiway C Rehabilitation East	162,427	-	-	-
	100977	PDXNext Post-Sec Conc Redev	5,503,307	5,876,128	-	8,917,436
	100986	Replace ARFF Vehicle T-86	1,084,991	12,500	-	-
	100987	Replace Rescue Ambulance	-	4,892	-	495,108
	100990	EQ Term Defibrillators Replace	81,179	-	-	-
	100998	EQ Protective Vests Repl/Upgr	-	29,096	25,000	25,904
	101001	EQ Police Handguns Repl/Upgr	-	11,925	-	23,075
	101004	Replace Access Control System	5,227,321	16,340,007	6,348,000	9,076,328
	101053	TW E North Rehab	5,709,765	9,223,479	-	287,578
	101178	Upgrade CUP 15KV and 5 KV	274,078	-	-	-
	101181	PDXNext Term Substation Upgr	21,082	355,653	200,000	655,636
	101182	Parallel Existing Em Generatrs	362,066	486,999	-	886,615
	101185	Revenue Control System Upgrade	166,045	1,638,252	-	722,088
	101195	Taxiway T-K Centerline Lights	2,326,676	96,264	-	-
	101211	Twy T Southwest Rehab	7,670,611	32,539	-	-
	101215	Twy B Center & Exits Rehab	-	1,361,397	6,000,000	17,448,975
	101303	IT HQ AV System Replacement	-	303	-	299,697
	101304	IT HQ AV System Expansion	69,841	125,833	-	-
	101317	HQ Public Display Replacement	-	15,230	-	29,770
	101351	Canopy Snow Guards	(221,140)	-	-	-
	101419	P2 Parking Guide System	281,310	109,856	-	101,705
	101431	PDX Water System Upgrades	78,211	(2,988)	-	-
	101433	CUP Add Chilled Water Capacity	66,247	544,828	9,666,967	5,852,450
	101434	N. Term Heating Water Upgrades	264,241	-	-	-
	101468	RAC QTA Expansion	1,523,481	5,222,971	25,000,000	40,410,523
	101527	7115/7113 Roof & Seismic	663,553	1,574	-	-
	101529	Ld Brdg CCB/D2 Replace	-	148,528	5,300,000	1,383,837
	101542	Lighting Control Upgrade	60,859	-	-	-
	101551	CAD-Next Computer Aided Disp	180	-	-	-
	101553	TW F South Rehabilitation	(18,632)	-	-	-
	101572	Govt Island Grassland Mit-Ph 1	61,676	80,200	91,800	146,684
	101574	Replace 16 BOD Meters*	36,976	-	-	-
	101576	RepairNEElrodRdDitchCrossings*	124,296	1,650	-	94,165
	101586	Pub Safety&Security Garage Exp	1,496,528	1,103,622	-	-
	101594	Term Carpet Replace Program*	7,745,052	1,112,592	-	-
	101595	IT Wi-Fi Operational Upgrade*	264,471	23,264	-	-
	101610	CUPPS Upgrade*	238,400	106,973	-	-
	101611	IT EQ Common Use Equip Upgr	83,932	110,554	-	305,513

## Airport Construction Fund - Capital Project Outlay Summary by Project

DIV-LOB Summary	Project Number	Project Name	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
			Actuals	Actuals	Budget	Budget
	101614	IRNE - Fiber Diversity/Loop*	309,146	1,039	-	-
	101615	P1 Lighting Upgrade*	96,011	91,302	-	113,038
	101666	Skylights Rehab Program	692,227	982,322	-	-
	101671	PDX HVAC Controls Upgrade	101,486	-	-	-
	101672	HQ Office Furniture	-	50,689	-	5,044
	101687	MX Vehicle Program FY12/13	661	293,127	-	-
	101688	MX EQ Program FY 13/14	-	278,299	-	81,701
	101689	MX EQ Program FY 14/15	420,802	113,322	-	275,876
	101694	South Apron PCC Joint Rehab	(104,190)	551	-	-
	101695	Terminal Apron PCC Joint Rehab	139,662	765	-	-
	101699	ATC Pavement Rehab Phase 3	16,628	-	-	-
	101702	PDX Playground	-	30,075	-	360,925
	101722	CCA Roof Rehab	430	136	-	-
	101723	CCB Roof Rehab	394,296	13,395	-	-
	101724	PDXNext CCD Ext Roof Rehab	347	-	1,810,000	-
	101725	PDXNext Cent Term Roof Rehab	5,400	-	1,610,000	-
	101726	PDXNext CCE Roof Rehab	-	-	450,000	430,950
	101728	Taxiway C Rehabilitation West	792	-	-	-
	101734	Police Records Mgmt Sys Up	180,279	110,141	-	10,927
	101771	Economy Lot Rehab	1,501,837	3,974,438	-	-
	101772	Terminal Roadway Rehab	2,500,495	203	-	-
	101775	North Vendor Gate Access Road	65,264	-	-	-
	101778	Air Cargo Rd Rehab	71,679	329,775	1,150,000	-
	101781	PDX Energy Conservation	17,438	147,896	-	614,994
	101823	Common Use Gate Improv 2012	506,463	774,821	-	145,086
	101828	FIS Improvements Project	350,686	266,193	-	-
	101836	Resource Management System	348,862	25,817	-	74,318
	101838	DD-Central Apron E Joint Rehab	179,101	11,810	-	-
	101845	HQ-P2 Fire Sprinkler MIC Mitig	10,307	196	-	-
	101856	PDX Shared Energy Conservation	8,802	47,631	-	250,359
	101857	PDXNext Term Concourses GGI	42,403	4,211,647	500,000	8,161,525
	101860	Piano Replacement	-	20,280	-	4,720
	101861	Airfield Signage Replacement	250,912	251,837	-	-
	101870	Consolidate Badging & Training	762,363	(2,393)	-	-
	101871	Landside Terminal Rdwy Rehab	169,767	-	-	-
	101875	Deicing Plant Condensate Tank	61,618	162,316	-	45,203
	101877	Deicing Enhance Caustic Tank	39,030	-	-	-
	101878	Deicing Enhancements Close Out	27,749	-	-	-
	101884	OM Food Cart Program	517,873	5,870	-	-
	101888	PDXNext Terminal Balancing	3,762,226	1,802,799	18,500,000	72,788,226
	101892	HQ DrainPipe Freeze Protection	116,415	718	-	-
	101898	SRWY Rehab Closeout	2,768	-	-	-
	101899	PDXNext Term Infrastructure	290,360	1,304,839	964,633	761,601
	101905	A/L Prop Microsurfacing 13/14	74,955	-	-	-
	101919	ARFF Fire Alrm Sys Imprv 13/14	34,279	-	-	-
	101922	Basin 2 Det Pond WL Deterrent	-	21,993	-	48,007

Airport Construction Fund - Capital Project Outlay Summary by Project

DIV-LOB Summary	Project Number	Project Name	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
			Actuals	Actuals	Budget	Budget
	101924	Capstone Wetland Mitigation	597	-	-	-
	101929	Comm Infrastructure Upgrades	80,856	-	-	-
	101933	Deicing CST 1 Coating	15,709	-	-	-
	101934	PDXNext IT Dist Antenna System	-	-	-	600,000
	101935	Economy Exit Plaza Rehab 14/15	134,239	725,830	-	2,471,389
	101936	Economy Lot E-Zone Convrsn	160,959	68,453	-	300,292
	101939	Landside Microsurfacing 13/14	675,763	-	-	-
	101944	Reconstruct Airtrans Way	-	-	262,400	3,324,511
	101949	IT GRE Equip Upgrade	-	13,281	425,000	61,719
	101979	ORANG Parcel C Modifications	474,000	22,625	250,000	1,607,791
	101982	PDX Cargo Center Ext Rehab	117,874	1,485,032	510,000	1,263,942
	101994	Perimeter Road Rehabilitation	-	-	2,000,000	3,300,000
	102006	SW Quad Drainage Rehab	1,014	-	-	-
	102010	IT PDX Network Core Upgr	-	594,675	-	-
	102011	IT Comm Center Renewal	264,125	411,774	-	1,417,657
	102018	IT EQ Term Monitors Replace	351,811	550,372	224,000	1,097,817
	102022	Terminal Grease Separation	786,284	5,005,931	3,430,000	200,000
	102023	PDXNext-Ticket Lobby Exitways	1,076,642	4,779,387	3,603,206	2,761,799
	102082	VE Port Vehicles 13/14	119	-	-	-
	102083	VE Shared Vehicles 13/14	291,384	4,234	-	52,905
	102087	VE Port Vehicles 14/15	88,564	76,437	-	-
	102093	VE Shared Vehicles 15/16	-	-	-	822,000
	102105	FIS Escalators	3,013	-	-	-
	102106	Terminal Elevators	72,589	-	-	-
	102108	PDXNext CCC New Freight Elev	57,949	199,474	-	1,693,361
	102126	Parking Structure Elevators	128	-	-	-
	102134	Shared Vehicles 14/15	80,517	669	-	-
	102155	Deicing Plant WL Mitigation	11,276	10,518	-	-
	102158	IT Fire Crash Phone	-	8,184	-	21,816
	102159	IT Fire Station Alarm Tapout	-	-	370,000	322,000
	102161	DD-GA West Redevelop Phase 1	225,409	4,863,766	-	274,515
	102164	7303 Roof & HVAC Replacement	73,704	537,260	-	-
	102165	Revenue Control Space Mods	798,906	174,212	-	-
	102168	East Landside SW Enhancements	61,950	250,579	-	891,242
	102185	HQ IT Training Rm Upgrades	44,874	-	-	-
	102187	Cully Feeder Upgrade	234,855	-	-	-
	102189	PDXNext IT Term Adv Infra Imp	-	-	150,000	-
	102190	PDXNext Term Seat Power	-	37,065	-	600,000
	102191	PDXNext Term Core Redevelopment	59,941	4,059,470	6,200,000	24,050,089
	102194	CUP VFD Replacement	19,388	5,476	-	-
	102195	EQ Term VFD Replacement	167,797	-	-	-
	102196	T1612 HVAC Improvement	57,575	214,642	-	-
	102201	IT EQ Term EOC AV Upgrade	-	6,751	-	68,249
	102202	PDXNext CCD West HVAC Replace	387,570	1,131,577	-	10,268,305
	102203	IT EQ ARFF AV Upgrade	17,172	-	-	-
	102223	Carpet Replace Rental Car Ctr	270,314	775,111	-	-

## Airport Construction Fund - Capital Project Outlay Summary by Project

DIV-LOB Summary	Project Number	Project Name	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
			Actuals	Actuals	Budget	Budget
	102224	Int'l Arrivals Bus Canopies	126,220	1,114,134	-	-
	102225	EQ Police Taser Replacement	42,768	-	-	-
	102231	Colwood Pipe and Outfalls	57,935	504,506	1,500,000	1,234,569
	102234	CUP Emergency Fuel Sys Improve	55,668	120,867	-	-
	102246	IT EQ APC Kiosk Install	390,458	2,936	-	-
	102257	IT EQ Police Radios Upgrade	226,065	8,564	-	-
	102258	P1 APGS Sensor Replacement	-	9,029	450,000	2,140,971
	102261	P1 Parking Struct Helix Rehab	-	31,495	3,800,000	1,731,402
	102277	RWY 3-21 RSA	-	105,577	967,500	2,413,923
	102278	Term Replace Hot Water Exchng	-	12,537	40,250	752,213
	102285	MX Equipment Program 15/16	-	390,585	-	309,415
	102292	Esc Chain & Elev Cable Replace	243,600	-	-	-
	102293	CUP Chiller Controls Replace	150,036	-	-	-
	102295	MX Alderwood Pump Stat Replace	-	-	450,000	1,955,000
	102297	DD - Govt Island Grassland Mit - Phases 2	-	-	50,000	-
	102300	PFC-Eligible Application Svcs	26,972	-	-	-
	102301	PDX Gates Preconditioned Air	-	120,369	7,625,000	2,111,852
	102303	North Node Skylight Roofing	181,894	9,434	-	-
	102312	Fireworks Upgrade	-	152,843	-	-
	102323	IT EQ CDE Log System Upgrade	22,191	-	-	-
	102324	PDXNext CCD Ext Roof Rehab*	-	151,461	-	1,788,539
	102389	Airfield Regulator Replacement	2,830	113,893	-	783,277
	102390	Carpet Diem	14,000	-	-	-
	102391	PDX 75th Anniversary Art	-	35,000	-	-
	102399	Elev Jack Ropes Pwr Unit Rplc	-	245,000	-	19,500
	102424	ElevDoors,Ropes,Chains,Control	-	189,500	-	50,500
	102425	HQWorkstationDropinAreaInstall	-	39,107	-	4,893
	102430	CCD West Electrical Room	-	463,613	819,000	-
	700203	Replace ARFF Apparatus T-85	-	-	409,000	1,640,000
	700239	Replace 6 2008 Shuttle Buses	-	-	-	1,264,022
	700245	IT HQ WiFi Upgrade	-	-	298,000	2,000
	700269	NW Airfield H2O Line Improvements PHI	-	-	900,000	840,000
	700271	Ld Brdg D10/12/13/14/15 Repl	-	-	1,000,000	-
	700275	PDXNext Term Rest Modernization Ph 2	-	-	-	1,814,350
	700280	SS Replace Key & Lock System	-	-	720,000	200,000
	700306	Hangar 7909 Rehab	-	-	190,000	684,000
	700324	P1 Parking CCTV Rehabilitation & Expansion	-	-	-	425,500
	700370	VE Port Vehicles 16/17	-	-	139,500	-
	700371	VE Shared Vehicles 16/17	-	-	670,000	-
	700401	AirfieldLgtngEmergGnrtrRplcmnt	-	-	1,125,000	610,200
	700405	PDX Parking Additions and Consolidated	-	64,317	3,000,000	35,000,000
	700408	Rehab Courier Ct	-	-	70,000	-
	700409	Rehab A/C Services Int GroupRd	-	-	44,000	-
	700411	PDXNext Energy Consv Prgm - Concourses	-	-	-	1,108,000
	700451	IT EQ XT Radio Replacement	-	-	-	932,389
	700467	PDXNext N. Heating Water Pipe	-	-	3,900,000	3,573,333
	700493	EmployeeParkingBusRoutesRehab	-	-	590,000	1,320,000



Airport Construction Fund - Capital Project Outlay Summary by Project

DIV-LOB Summary	Project Number	Project Name	FY 2014-15 Actuals	FY 2015-16 Actuals	FY 2016-17 Budget	FY 2017-18 Budget
	700495	PDXNext CU Improve Prog 16/17	-	-	1,000,000	-
	700496	PDXNext CU Improve Prog 17/18	-	-	-	1,000,000
	700499	Terminal People Movers FY 16/17	-	-	1,100,000	-
	700500	Terminal People Movers FY 17/18	-	-	-	280,000
	700509	MX Equipment Program 16/17	-	-	930,000	-
	700510	PDXNext Term CCTV Imp Project	-	-	150,000	4,650,000
	700564	IT Power Monitoring System Upgr	-	7,856	-	92,144
	700576	IT EQ IVR Upgrade	-	-	-	75,000
	700586	Comm Rooms AC Replacement-ACC	-	-	120,000	18,209
	700587	Comm Rooms AC Replacement-PCC	-	-	120,000	54,626
	700612	PDX IT Conc and Mobile Apps	-	-	800,000	-
	700613	PDX IT Term Display System	-	-	200,000	300,000
	700616	PDX Term IAH Escalator Replace	-	-	400,000	1,733,452
	700686	PDX Building 8007 Demolition	27,958	5,678	-	-
	700688	Series 23 Bond Issuance	360,445	-	-	-
	700720	CUP Terminal Feeder Upgrade	-	-	350,000	370,000
	700723	IT EQ BHS Server Upgr	-	-	-	427,783
	700726	PDX RWY 3-21 Interim Rehabilitation	-	29,900	2,175,000	3,845,100
	700727	PDX Terminal Furniture Acq	-	1,226	2,000,000	-
	700728	PDXNext D2 Lift Station Repl	-	-	300,000	662,000
	700729	Police MDC Replacement	-	-	118,000	-
	700804	Basin 7 Regional Stormwater Treatment (7E)	-	-	1,691,713	2,393,773
	700806	Chiller 3 Motor Replacement	-	-	61,481	53,519
	700814	PDX Term Pet Relief Area	-	162,533	237,735	294,320
	700818	IT EQ APC Kiosk - Phase 2	-	64,691	177,055	202,254
	700820	PDX Bag Claim 10 Door Replace	-	125	-	22,875
	700829	EQ BHS T11/OS2 Replace	-	-	-	108,000
	700841	PDX BHS BC9&10 Conveyor Replace	-	-	-	561,150
	700850	ARFF Engine E-80 Replacement	-	-	-	167,565
	700852	PDX Waterline Separation	-	-	-	697,000
	700858	LED Upgrades and Runway 10L-28R Circuit	-	-	-	229,507
	700862	CUP - 480V Primary Airfield Lighting Regu-	-	-	-	231,000
	700866	PDX - Airfield SMGCS Upgrade	-	-	-	36,000
	700874	Basin 6 Regional Stormwater Treatment (6D)	-	-	-	758,859
	700880	EQ Term Pax Ramps	-	99,300	-	-
	700881	PDXNext PBB Replace Phase I	-	-	-	19,441,040
	700905	Basin 7 Regional Stormwater Treatment (7D)	-	-	-	427,664
	700910	EQ Deicing PLC Replacement	-	-	-	60,000
	700911	PDX Taxiway K Rehabilitation and Realignment	-	-	-	10,508,209
	700916	IT EQ FIDS/Audio Syst Upgrade	-	-	-	400,000
	700922	Deicing System Controls Upgrade	-	-	-	678,609
	700929	IT PC Storage Room Improve	-	-	-	26,000
	700930	NE Airport Way / NE Frontage Rd Rehabili-	-	-	-	5,500,000
	700934	PDX IT BHS PLCs	-	-	-	200,000
	700937	PDX - ARFF Facility Renovations Phase 1	-	-	-	900,883
	700982	De-icing Vault Rehab Phase 1	-	-	-	417,882

## Airport Construction Fund - Capital Project Outlay Summary by Project

DIV-LOB Summary	Project Number	Project Name	FY 2014-15 Actuals	FY 2015-16 Actuals	FY 2016-17 Budget	FY 2017-18 Budget
	700990	PDX Shared Vehicles 17/18	-	-	-	230,000
	701002	HQ Restroom Hand Dryer Install	-	-	-	83,000
	701009	Deicing Plant DAF Stairs and Platform	-	-	-	126,000
	701010	Airside Vehicle Squitter Purchase	-	-	-	600,000
	701056	Self-Contained Breathing Apparatus Purchase	-	-	-	410,000
	701063	IT EQ PDX Storage Area Network (SAN)	-	-	-	175,000
	810020	Alderwood Columbia (TIP)	-	-	-	821,534
	101826	Carpet Repl Rental Car Center	(3,545)	-	-	-
<b>Grand Total</b>			<b>73,459,152</b>	<b>91,732,916</b>	<b>138,329,241</b>	<b>355,109,061</b>
Total Airport Construction Fund			\$73,459,152	\$91,732,916	\$138,329,241	\$355,109,061
Capitalized Labor			(11,121,828)	(15,920,949)	(9,983,042)	(14,162,011)
<b>Capital Outlay</b>			<b>\$62,337,324</b>	<b>\$75,811,967</b>	<b>\$128,346,199</b>	<b>\$340,947,050</b>

## **Airport Revenue Bond Fund**

The Airport Revenue Bond Fund accounts for the principal and interest payments due on Airport Revenue Bonds. Resources consist of transfers from the Airport Revenue Fund; bond sale proceeds and interest income. In certain years, there are also transfers from the Airport Construction Fund to pay for interest expense while bond-financed assets are being constructed. There are no property taxes associated with Airport Revenue Bonds.

### Airport Revenue Bond Fund - Resources and Requirements

Resources and Requirements	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
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#### Resources

Beginning Working Capital	\$21,174,336	\$26,177,943	\$29,927,943	\$26,049,752	\$36,994,752
Bond and Other Debt Proceeds	4,484,700	-	7,500,000	10,945,000	9,000,000
Interest On Investments	34,861	128,955	45,849	71,126	121,760

#### Cash Transfers from Other Funds:

Airport Revenue Fund	\$49,374,794	\$50,516,168	\$49,538,168	\$49,512,891	\$57,659,334
Airport Construction Fund	-	-	5,500,000	5,500,000	8,500,000

<b>Total Resources</b>	<b>\$75,068,691</b>	<b>\$76,823,066</b>	<b>\$92,511,960</b>	<b>\$92,078,769</b>	<b>\$112,275,846</b>
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#### Requirements

Principal Payments	\$26,069,250	\$28,095,000	\$27,665,000	\$27,665,000	\$29,445,000
Interest Payments	22,821,498	22,678,314	27,419,017	27,419,017	36,836,094
Unappropriated Ending Balance	26,177,943	26,049,752	37,427,943	36,994,752	45,994,752
<b>Total Requirements</b>	<b>\$75,068,691</b>	<b>\$76,823,066</b>	<b>\$92,511,960</b>	<b>\$92,078,769</b>	<b>\$112,275,846</b>

**Airport Revenue Bond Debt Service Requirements**

Principal and Interest	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
<u>PDX Bond - Principal Payments</u>					
Series 18	\$10,194,250	\$10,165,000	\$8,865,000	\$8,865,000	\$9,025,000
Series 19	2,695,000	2,810,000	2,945,000	2,945,000	-
Series 20	5,695,000	7,665,000	8,025,000	8,025,000	8,435,000
Series 21	7,485,000	7,455,000	7,830,000	7,830,000	8,210,000
Series 22	-	-	-	-	-
Series 23	-	-	-	-	3,065,000
Series 24	-	-	-	-	710,000
Future Issuance	-	-	-	-	-
<b>Total Principal Payments</b>	<b>\$26,069,250</b>	<b>\$28,095,000</b>	<b>\$27,665,000</b>	<b>\$27,665,000</b>	<b>\$29,445,000</b>
<u>PDX Bond - Interest Payments</u>					
Series 18	\$4,384,709	\$4,287,620	\$4,509,973	\$4,509,973	\$4,200,000
Series 19	4,908,550	287,750	147,250	147,250	-
Series 20	5,836,806	5,650,531	5,182,131	5,182,131	4,785,931
Series 21	2,869,963	2,495,713	2,122,963	2,122,963	1,731,463
Series 22	3,438,270	4,484,700	4,484,700	4,484,700	4,484,700
Series 23	1,383,200	5,472,000	5,472,000	5,472,000	5,472,000
Series 24	-	-	5,500,000	5,500,000	11,662,000
Future Issuance	-	-	-	-	4,500,000
<b>Total Interest Payments</b>	<b>\$22,821,498</b>	<b>\$22,678,314</b>	<b>\$27,419,017</b>	<b>\$27,419,017</b>	<b>\$36,836,094</b>
<b>Total Long-Term Debt Payments</b>	<b>\$48,890,748</b>	<b>\$50,773,314</b>	<b>\$55,084,017</b>	<b>\$55,084,017</b>	<b>\$66,281,094</b>



## **Customer Facility Charge (CFC) Fund**

The Customer Facility Charge Fund accounts for activity relating to CFCs derived from Portland International Airport (PDX).

In December 2013, the Port of Portland Commission approved Ordinance No. 448 authorizing the establishment of a Customer Facility Charge on rental car transactions commencing at PDX. The CFCs collected under Ordinance No. 448 are used to fund rental car related projects and programs. The CFC Fund requirements include transfers to the Airport Revenue and Airport Construction Funds (or any other applicable Fund of the Port) to pay for those project and program costs.

## CFC Fund - Resources and Requirements

Resources and Requirements	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
<u>Resources</u>					
Beginning Working Capital	\$-	\$18,285,571	\$21,859,953	\$28,243,414	\$17,730,166
Customer Facility Charge	14,241,191	15,357,155	16,404,262	16,388,120	16,239,214
Interest and Other	57,868	294,885	135,000	63,632	18,500
Bond and Other Debt Proceeds	-	-	-	-	160,000,000
<u>Cash Transfers from Other Funds</u>					
Airport Revenue Fund	\$5,509,801	\$-	\$-	\$-	\$-
<b>Total Resources</b>	<b>\$19,808,860</b>	<b>\$33,937,611</b>	<b>\$38,399,215</b>	<b>\$44,695,166</b>	<b>\$193,987,880</b>
<u>Requirements</u>					
<u>Other Requirements</u>					
Bank Fees / Other	\$40	\$-	\$115,000	\$115,000	\$1,000,000
<u>Cash Transfers to Other Funds:</u>					
Airport Revenue Fund	\$-	\$471,227	\$150,000	\$150,000	\$200,000
Airport Construction Fund	1,523,249	5,222,970	26,700,000	26,700,000	80,000,000
CFC Bond Fund	-	-	-	-	6,000,000
<b>Total Cash Transfers to Other Funds</b>	<b>\$1,523,249</b>	<b>\$5,694,197</b>	<b>\$26,850,000</b>	<b>\$26,850,000</b>	<b>\$86,200,000</b>
Contingencies	\$-	\$-	\$11,434,215	\$17,730,166	\$106,787,880
Ending Balance	\$18,285,571	\$28,243,414	\$-	\$-	\$-
<b>Total Requirements</b>	<b>\$19,808,860</b>	<b>\$33,937,611</b>	<b>\$38,399,215</b>	<b>\$44,695,166</b>	<b>\$193,987,880</b>



## **Customer Facility Charge (CFC) Bond Fund**

The Customer Facility Charge (CFC) Bond Fund accounts for principal and interest payments relating to the CFC Revenue Bonds at Portland International Airport (PDX).

Activity in the Fund includes transfers from the CFC Fund to meet debt service requirements on the CFC Revenue Bonds, interest income on the money held therein, and the debt service reserve for the CFC Revenue Bonds.

**CFC Bond Fund - Resources and Requirements**

Resources and Requirements	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
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Resources

Beginning Working Capital	\$-	\$-	\$-	\$-	\$-
Bond and Other Debt Proceeds	-	-	-	-	12,000,000

Cash Transfers from Other Funds:

CFC Fund	\$-	\$-	\$-	\$-	\$6,000,000
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<b>Total Resources</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$18,000,000</b>
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Requirements

Principal Payments	\$-	\$-	\$-	\$-	\$-
Interest Payments	-	-	-	-	6,000,000
Unappropriated Ending Balance	-	-	-	-	12,000,000

<b>Total Requirements</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$18,000,000</b>
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**CFC Bond Fund - Debt Service Requirements**

Principal and Interest	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
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CFC Issue - Principal Payments

New Issue	-	-	-	-	-
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<b>Total Principal Payments</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>
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CFC Issue - Interest Payments

New Issue	-	-	-	-	6,000,000
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<b>Total Interest Payments</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$6,000,000</b>
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<b>Total Long-Term Debt Payments</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$6,000,000</b>
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## **Passenger Facility Charge (PFC) Fund**

The Passenger Facility Charge Fund accounts for activity relating to PFCs derived from Portland International Airport (PDX).

PFCs are fees authorized by the Aviation Safety and Capacity Expansion Act of 1990 (the PFC Act) and administered by the Federal Aviation Administration (FAA). The PFC Act requires air carriers and their agents to collect the PFCs and to remit collection to the airport once a month. The use of PFCs is regulated by the PFC Act and the FAA to certain types of airport projects.

The PFC Fund requirements include transfers to the Airport Construction Fund (or any other applicable Fund of the Port) to pay for the costs of projects or portions of projects that have been approved for PFC use by the FAA. The requirements also include transfers to the PFC Bond Fund for debt service payments and other costs relating to outstanding PFC Revenue Bonds.

## PFC Fund - Resources and Requirements

Resources and Requirements	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
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Resources

Beginning Working Capital	\$37,412,174	\$55,071,204	\$62,879,641	\$74,981,409	\$85,077,809
Passenger Facility Charge	32,182,436	34,890,161	34,354,746	35,019,039	37,567,107
Bond and Other Debt Proceeds	-	-	-	-	-
Interest and Other	257,301	640,067	56,263	56,263	1,172,700

Cash Transfers from Other Funds

Airport Construction Fund	\$-	\$-	\$-	\$-	\$-
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<b>Total Resources</b>	<b>\$69,851,911</b>	<b>\$90,601,432</b>	<b>\$97,290,650</b>	<b>\$110,056,711</b>	<b>\$123,817,616</b>
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RequirementsOther Requirements

Bond Fees / Other	\$5,817	\$48,368	\$50,225	\$50,225	\$50,750
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Cash Transfers to Other Funds:

PFC Bond Fund	\$14,062,421	\$14,374,891	\$14,916,395	\$14,913,654	\$14,804,825
Airport Construction Fund	712,469	1,196,764	10,015,023	10,015,023	38,000,000
Airport Revenue Fund	-	-	-	-	-

<b>Total Cash Transfers to Other Funds</b>	<b>\$14,774,890</b>	<b>\$15,571,655</b>	<b>\$24,931,418</b>	<b>\$24,928,677</b>	<b>\$52,804,825</b>
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Contingencies	\$-	\$-	\$72,309,007	\$85,077,809	\$70,962,041
Ending Balance	\$55,071,204	\$74,981,409	\$-	\$-	\$-

<b>Total Requirements</b>	<b>\$69,851,911</b>	<b>\$90,601,432</b>	<b>\$97,290,650</b>	<b>\$110,056,711</b>	<b>\$123,817,616</b>
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## **Passenger Facility Charge (PFC) Bond Fund**

The Passenger Facility Charge (PFC) Bond Fund accounts for principal and interest payments relating to the PFC Revenue Bonds at Portland International Airport (PDX).

Activity in the Fund includes transfers from the PFC Fund to meet debt service requirements on the PFC Revenue Bonds, interest income on the money held therein, and the debt service reserve for the PFC Revenue Bonds.

## PFC Bond Fund - Resources and Requirements

Resources and Requirements	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
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Resources

Beginning Working Capital	\$14,327,648	\$14,350,601	\$14,350,601	\$14,399,016	\$14,399,016
Interest On Investments	27,746	54,277	62,611	65,351	65,000

Cash Transfers from Other Funds:

PFC Fund	\$14,062,421	\$14,374,891	\$14,916,395	\$14,913,654	\$14,804,825
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<b>Total Resources</b>	<b>\$28,417,815</b>	<b>\$28,779,769</b>	<b>\$29,329,607</b>	<b>\$29,378,021</b>	<b>\$29,268,841</b>
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Requirements

Principal Payments	\$6,160,000	\$6,770,000	\$7,445,000	\$7,445,000	\$7,830,000
Interest Payments	7,907,214	7,610,753	7,534,006	7,534,006	7,039,825
Unappropriated Ending Balance	14,350,601	14,399,016	14,350,601	14,399,016	14,399,016

<b>Total Requirements</b>	<b>\$28,417,815</b>	<b>\$28,779,769</b>	<b>\$29,329,607</b>	<b>\$29,378,021</b>	<b>\$29,268,841</b>
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## PFC Bond Fund - Debt Service Requirements

Principal and Interest	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Projected Budget 2016-17	Proposed Budget 2017-18
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PFC Issue - Principal Payments

Series 2011	\$1,505,000	\$1,560,000	\$1,650,000	\$1,650,000	\$1,710,000
Series 2012A (replaces 2009 A1 & A2)	105,000	110,000	120,000	120,000	2,790,000
Series 2012B (replaces 1999B)	4,550,000	5,100,000	5,675,000	5,675,000	3,330,000

<b>Total Principal Payments</b>	<b>\$6,160,000</b>	<b>\$6,770,000</b>	<b>\$7,445,000</b>	<b>\$7,445,000</b>	<b>\$7,830,000</b>
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PFC Issue - Interest Payments

Series 2011	3,677,525	3,617,325	3,539,325	3,539,325	3,473,325
Series 2012A (replaces 2009 A1 & A2)	3,296,939	3,288,178	3,544,431	3,544,431	3,400,000
Series 2012B (replaces 1999B)	932,750	705,250	450,250	450,250	166,500

<b>Total Interest Payments</b>	<b>\$7,907,214</b>	<b>\$7,610,753</b>	<b>\$7,534,006</b>	<b>\$7,534,006</b>	<b>\$7,039,825</b>
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<b>Total Long-Term Debt Payments</b>	<b>\$14,067,214</b>	<b>\$14,380,753</b>	<b>\$14,979,006</b>	<b>\$14,979,006</b>	<b>\$14,869,825</b>
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# Appendix

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## Property Tax Levy and Collection Estimates

Fiscal Year	Tax Levy	Discount Allowed	Cancellation & Adjustments	Property Tax Revenue
Budget 2013-14	\$ 10,422,454	\$ (260,561) (2.5%)	\$ (416,898) (4.0%)	\$ 9,744,994 93.5%
Budget 2014-15	\$ 10,868,218	\$ (271,705) (2.5%)	\$ (706,435) (6.5%)	\$ 9,890,078 91.0%
Budget 2015-16	\$ 11,589,095	\$ (289,727) (2.5%)	\$ (753,292) (6.5%)	\$ 10,546,076 91.0%
Budget 2016-17	\$ 12,199,931	\$ (304,998) (2.5%)	\$ (464,941) (3.8%)	\$ 11,430,000 93.7%
Budget 2017-18	\$ 12,711,028	\$ (317,776) (2.5%)	\$ (473,253) (3.7%)	\$ 11,919,999 93.8%

Fiscal Year	Assessed Value		Assessed Value Growth	
	Estimated	Actual	Estimated	Actual
FY 2014-15	\$ 155,038,775,935	\$ 157,549,078,189	2.6%	4.6%
FY 2015-16	\$ 165,322,328,469	\$ 165,433,573,195	3.0%	5.0%
FY 2016-17	\$ 174,036,119,001	\$ 172,364,148,816	4.9%	4.2%
FY 2017-18	\$ 181,327,084,554		5.2%	

Fiscal Year	Tax Levy		Levy Rate per \$1,000	
	Estimated	Actual per TSCC	Difference	Assessed Value
FY 2014-15	\$ 10,868,218	\$ 11,044,190	175,972	0.0701
FY 2015-16	\$ 11,589,095	\$ 11,596,893	7,798	0.0701
FY 2016-17	\$ 12,199,931	\$ 12,082,727	(117,204)	0.0701
FY 2017-18	\$ 12,711,028	-		

Fiscal Year	Taxes Received		% of Taxes Received	
	Estimated	Actual Tax Revenue	Estimated	Actual
FY 2014-15	\$ 9,890,078	\$ 10,491,101	0.91	0.95
FY 2015-16	\$ 10,546,080	\$ 11,101,596	0.91	0.96
FY 2016-17	\$ 11,430,000	\$ -	0.94	0.00
FY 2017-18	\$ 11,919,999	\$ -	0.94	

## Statement of Indebtedness (Port of Portland Obligation)

	July 1 2014	July 1 2015	July 1 2016	July 1 2017	July 1 2018
Bonds Outstanding					
Bonded Debt					
Port Obligation					
Limited Tax Pension Bonds Series 2002	\$ 48,738,665	\$ 47,892,565	\$ 47,030,759	\$ 46,153,213	\$ 45,259,398
Limited Tax Pension Bonds Series 2005	\$ 18,000,000	\$ 17,410,000	\$ 16,730,000	\$ 15,955,000	\$ 15,080,000
Subtotal Port Obligation	\$ 66,738,665	\$ 65,302,565	\$ 63,760,759	\$ 62,108,213	\$ 60,339,398
PDX Debt					
Revenue Bonds	\$ 406,625,000	\$ 467,735,000	\$ 439,640,000	\$ 411,975,000	\$ 615,770,000
Passenger Facility Charge (PFC) Bonds	148,200,000	142,040,000	135,270,000	127,825,000	119,995,000
Subtotal PDX Debt	\$ 554,825,000	\$ 609,775,000	\$ 574,910,000	\$ 539,800,000	\$ 735,765,000
Subtotal Bonded Debt	\$ 621,563,665	\$ 675,077,565	\$ 638,670,759	\$ 601,908,213	\$ 796,104,398
Other Debt					
City of Portland L.I.D.	\$ 5,779,156	\$ 5,245,005	\$ 4,681,734	\$ 4,087,756	\$ 3,461,397
Connect Oregon	7,341,600	6,398,900	6,198,900	5,256,200	4,313,500
State of Oregon Notes: OBDD	10,170,984	9,730,289	9,324,822	8,859,117	6,036,263
Subtotal Other Debt	\$ 23,291,740	\$ 21,374,194	\$ 20,205,456	\$ 18,203,073	\$ 13,811,160
Total Port Indebtedness	\$ 644,855,405	\$ 696,451,759	\$ 658,876,215	\$ 620,111,286	\$ 809,915,558

Industrial Development Revenue Bonds  
(Obligation of Lessee or Owner of Facility)

Columbia Grain Inc.	\$ 38,100,000	\$ -	\$ -	\$ -	-
Horizon Air Industries, Inc.	17,300,000	17,300,000	17,300,000	17,300,000	17,300,000
Portland Bulk Terminals, L.L.C. Series 2006	71,000,000	71,000,000	71,000,000	71,000,000	-
Total	\$ 126,400,000	\$ 88,300,000	\$ 88,300,000	\$ 88,300,000	\$ 17,300,000

**Interfund Transfers**

Description	General Fund							Other	Airport Revenue Fund	Bond Construction Fund	Airport Construction Fund	CFC Fund	PFC Fund	Total
	Marine	Industrial Development	General Aviation	Navigation	Administration		Other Environmental							
					(Allocated Support)									
<u>Allocated Support Services and Interfund Transfers</u>														
<u>Allocated Support Services</u>														
Allocation	\$4,082,198	\$1,926,963	\$1,044,190	\$2,196,704	\$-	\$1,191,262	\$-	\$24,002,431	\$-	\$-	\$-	\$-	\$-	\$34,443,748
Executive	-	-	-	(14,240,464)	-	-	-	-	-	-	-	-	-	(14,240,464)
Finance & Administration	-	-	-	(20,203,284)	-	-	-	-	-	-	-	-	-	(20,203,284)
<b>Total Allocated Support Services</b>	<b>\$4,082,198</b>	<b>\$1,926,963</b>	<b>\$1,044,190</b>	<b>\$2,196,704</b>	<b>\$(34,443,748)</b>	<b>\$1,191,262</b>	<b>\$-</b>	<b>\$24,002,431</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>
<u>Reimbursements and Transfers</u>														
<u>Interfund Reimbursements To:</u>														
General Fund	-	-	-	-	-	-	-	25,461,350	3,522,483	12,650,823	-	-	-	41,634,656
Airport Revenue Fund	276,420	-	107,712	-	-	-	-	-	45,085	1,511,187	-	-	-	1,940,405
<b>Total Interfund Reimbursements</b>	<b>276,420</b>	<b>\$-</b>	<b>\$107,712</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$25,461,350</b>	<b>\$3,567,567</b>	<b>\$14,162,011</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$43,575,060</b>
<u>Cash Transfers To:</u>														
General Fund	-	-	-	-	-	-	-	3,910,830	-	-	-	-	-	3,910,830
Bond Construction Fund	-	-	-	-	-	-	29,201,305	1,974,906	-	-	-	-	-	31,176,212
Airport Revenue Fund	-	-	-	-	-	-	-	-	10,000	-	200,000	-	-	210,000
Airport Construction Fund	-	-	-	-	-	-	-	42,410,050	-	-	80,000,000	38,000,000	-	160,410,050
Airport Revenue Bond Fund	-	-	-	-	-	-	-	57,659,334	-	8,500,000	-	-	-	66,159,334
CFC Bond Fund	-	-	-	-	-	-	-	-	-	-	6,000,000	-	-	6,000,000
PFC Bond Fund	-	-	-	-	-	-	-	-	-	-	-	14,804,825	-	14,804,825
<b>Total Cash Transfers</b>	<b>0</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$29,201,305</b>	<b>\$105,955,120</b>	<b>\$10,000</b>	<b>\$8,500,000</b>	<b>\$86,200,000</b>	<b>\$52,804,825</b>	<b>\$282,671,250</b>	
<b>Total Interfund and Cash Transfers</b>	<b>\$276,420</b>	<b>\$-</b>	<b>\$107,712</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$29,201,305</b>	<b>\$131,416,470</b>	<b>\$3,577,567</b>	<b>\$22,662,011</b>	<b>\$86,200,000</b>	<b>\$52,804,825</b>	<b>\$326,246,310</b>	

Note: For budget purposes, the capitalized portion of Allocated Support Services is considered an Interfund Reimbursement.

## Glossary of Terms

### **Administrative Divisions**

Generally defined as Executive Administration, Public Affairs (Media & Government Relations, Environmental Affairs, Research & Strategy, and Corporate Marketing) Financial & Administrative Services, Project and Technical Services (Engineering, Information Technology, Project Portfolio Office, Safety), Human Resources, and Legal.

### **Allocated support service expense**

Administrative expenses (not including Engineering) distributed to operating divisions for recovery purposes based on an established formula.

### **Beginning working capital**

The estimated beginning balance of the fund.

### **Bond sale proceeds**

Money received from bond sales.

### **Capital outlay**

Major expenditures which result in the acquisition of, or, additions to fixed assets, including land, land improvements, buildings and additions, other structures, machinery, and equipment.

### **Citation Revenue**

Revenue generated through the issuance of citations at Portland International Airport.

### **Consolidation pool revenue**

Revenue obtained from combining container cargo from different steamship lines to obtain favorable rail rates on containers shipped east of Denver.

### **Contingencies**

Estimates for expenditures which cannot be foreseen and planned for in the budget either because of the occurrence of some unplanned event or because of insufficient data at the time the budget is compiled.

### **Corporate Administration**

Corporate Administration is comprised of Executive Administration, Public Affairs (Media & Government Relations, Environmental Affairs, and Corporate Marketing) Financial & Administrative Services, Information Technology, Project Portfolio Office, Human Resources, and Legal.

### **Cost allocation**

Engineering Division costs are charged directly to projects when the service is provided. The Administrative divisions also charge direct costs to users. The remaining indirect costs in the Administrative divisions are allocated to the operating divisions as allocated support service expense.

### **Direct transfer capitalized costs**

Direct in-house services provided for capital projects.

### **Ensuing year**

The budget year; in this case, it is Fiscal Year 2017-18.

**Equipment fuel and lubricants**

Expenses for fuel or lubricants used in the operation of equipment.

**Fiscal Year (FY)**

A 12-month period beginning July 1 and ending June 30.

**Fixed charges**

Expenses for insurance, rent, and property taxes.

**Full-time equivalent position (FTE)**

One FTE equates to 2,080 working hours in a year; excludes overtime hours.

**Grants**

Estimated grants to be received from federal and state government sources.

**Interest on investments**

Interest earned through investment of cash balances.

**Interfund transfers**

Payment for services provided to a division in a different fund.

**Land sale proceeds**

Revenues generated by land sales.

**Longshore contract services**

Salaries, wages, and other payroll expenses paid to International Container Terminal Services, Oregon (ICTSI, Oregon) for longshore contract services.

**Management and travel expenses**

Expenses for memberships, dues, subscriptions, promotional, employee education, local and out of town travel, and miscellaneous management activities.

**Materials and supplies**

Purchase of materials and supplies which have a short life and are usually low in cost.

**Miscellaneous expenses**

Expenses not accounted for elsewhere, including bad debts.

**Operating Division**

The operating divisions are Marine, Industrial Development, Commercial Aviation, General Aviation, and Navigation divisions.

**Operating revenue**

Revenue resulting from sales or service to customers.

**Other revenue**

Miscellaneous operating revenue not specifically defined.

**Outside service expense**

Expenditures for services procured from outside the Port.

**Personnel services**

Salaries, wages, benefits and other payroll expenses paid to Port employees (does not include longshore contract services).

**Projected Budget**

Projection of current year budget, updated at Q1 and incorporating any appropriation changes subsequent to adoption.

**Rental and concession revenue**

Revenue generated through space rentals and percentage of concessionaire revenues.

**Revenues**

Monies earned through the operation or use of Port land facilities or services.

**Revised Budget**

Revisions made to the existing Adopted Budget that have been approved by Commission.

**Services provided**

Credits for specific and direct services provided to another Port division.

**Services received**

Charges for specific and direct services received from another Port division.

**Service revenue**

Revenue generated by performing a specific service, generally equipment oriented, including rental.

**Total project cost**

Total cost of a project.

**Unappropriated Ending Balance**

The estimate intended to provide working capital or cash balance to finance activities for the period between July 1 of the ensuing fiscal year and the time when sufficient new revenues become available to meet cash flow needs of the fund.

**Utilities**

Cost of electricity, water, telephone, natural gas, sewer, etc.