

August, 2020



Keeping Posted:

Here's what on GM Paula Miranda's mind

We are a little more than half-way through the month of August and it's been a busy one. It is unusual to call a special meeting of the Port Commission and we have had two this month.

Through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Port was eligible to submit for COVID-related costs through the State of Oregon. To date, we have applied for reimbursement totaling \$9,492. Rather unexpectedly, the State proposed an amended grant agreement that will allow the Port to submit for any COVID expenses through December up to a cap of \$257,048, which the Port Commission approved. It is unlikely that our out-of-pocket expenses related to COVID will top \$20,000 during that time period, but it's reassuring to know those funds are available .

Also unexpected in the month of August was the need for repairs to our 30-ton crane. During its annual inspection, the technician noticed some wear on the gear used to retract the telescopic boom. It's a price tag of \$22,500 to make the needed repairs and we expect the crane to be back in action within the week.

Director of Operations Aaron Bretz has been working diligently to get a project manager on board for the Port Dock 5 project. You can read more about that in this Port Update.

While we continue to navigate the concerns and circumstances surrounding the pandemic, we have mostly recovered the revenue in the area that was hit the hardest – our RV park, which was closed to short term users for more than two months. This summer has seen the park

Port Dock 5 project update



The Port started August without a project manager engaged for the Port Dock 5 pier replacement, creating worries about the project's 2020 start, but those concerns have been resolved.

A compressed timeline and some very specialized needs made it difficult to find a qualified firm to take on the project but on Aug. 13, Port Commissioners authorized General Manager Paula Miranda to negotiate and execute a contract with HDR Engineering, Inc.

With half of the \$2.4 million project covered by an EDA grant, the Port spent the spring and early summer performing EDA administrative requirements necessary for accessing the funding. That created a compressed timetable. Additionally, there were a number of special requirements that added another layer of complexity to the bid process. Despite those delays, Port officials are pleased with the outcome.

"HDR have a great deal of experience, working on building bridges and doing in-water work for the state and also BSNF Railway, so they are certainly well-qualified," said Aaron Bretz, Director of Operations.

During the Port Commission special meeting, Bretz was asked if HDR's experience felt like a good match for the Port.

"I think it translates very well," he said, explaining that the pier actually acts like a bridge and, similar to a bridge, carries

at full occupancy or near full and that's helping in our recovery. Much like everyone else, we are continuing with caution, realizing that there are still plenty of unknowns in the future.

electrical conduit, deals with stormwater run-off, involves driving pilings and other similar construction activities. Watch our website and Facebook page for updates on the project.

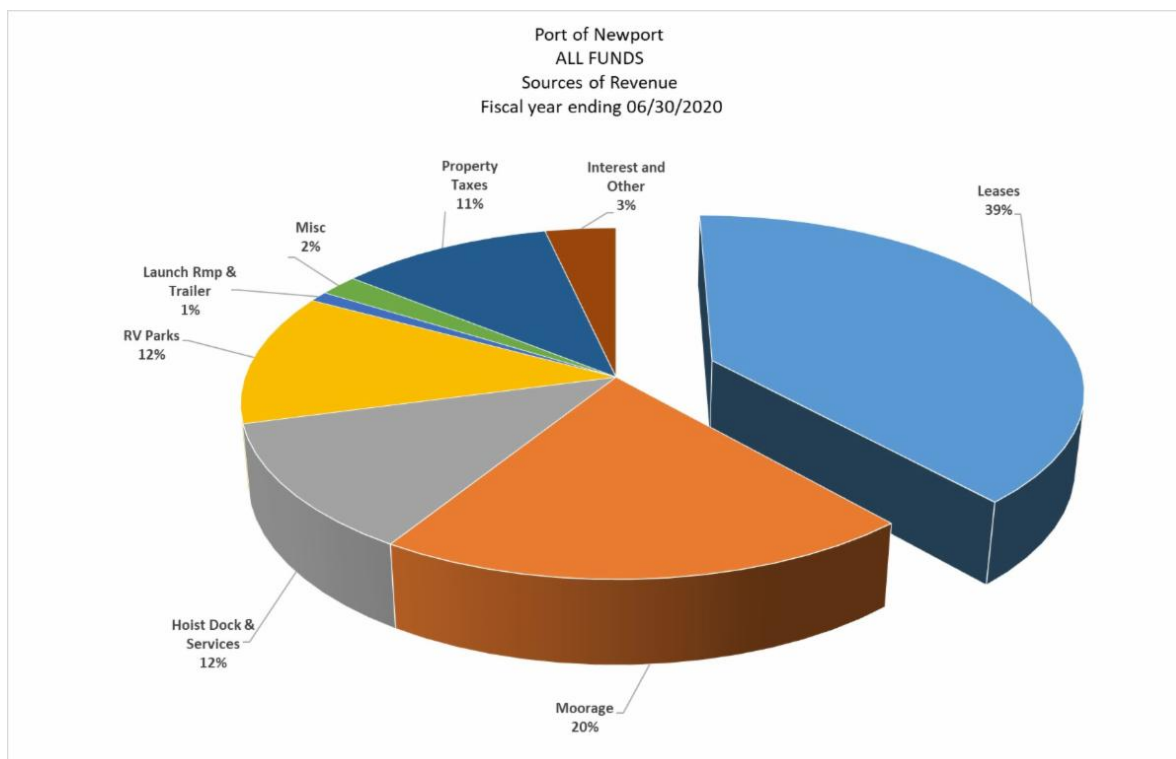
YEAR IN REVIEW: Fiscal Year 2020's Financial Snapshot

It's been just over a year since General Manager Paula Miranda and Finance Director Mark Brown joined the Port of Newport. Many steps have been taken to create efficiencies, address overdue collections, and generally create a financially-stable organization. Here's a look in our "review mirror" at the past year's fiscal picture.

The Ports major funding sources in Fiscal Year 2020 were:

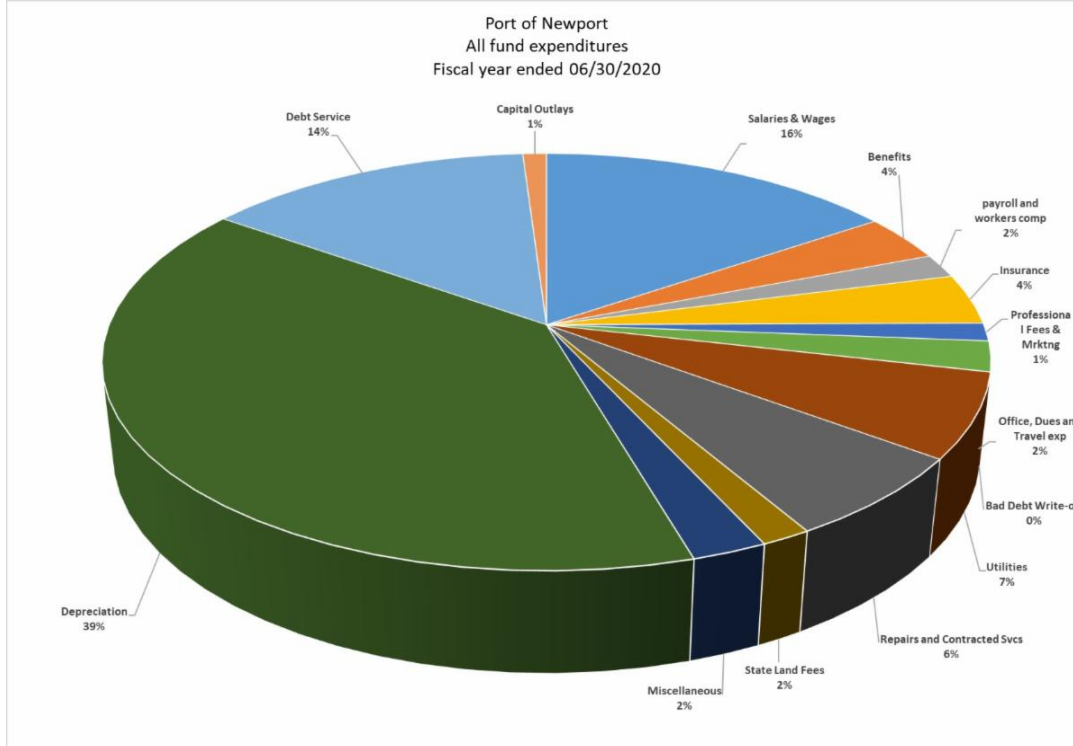
- Leases (39%)
- Moorage (20%)
- Hoist Dock Services (12%)
- RV Park (12%)

Taxes to support General Operations provided less than 2% of revenues and taxes to pay bond levies provided 9% of revenues, all of the Port's revenue sources are listed in the chart below:



The Port's major expenses were comprised of:

- Depreciation (39%)
- Salaries and Wages (16%)
- Debt Service (14%)



Overall, including depreciation, the Port ended Fiscal Year 2020 with a small profit of \$286,536, and a positive cash flow of \$918,316.

The positive cash flow is critical to planned infrastructure upgrades in Fiscal Year 2020 and reserving funds to replace failing docks.

- \$ 2.4 million to rebuild the pier leading to port dock 5 (port portion \$1.2 million)
- \$100,000 to plan an upgrade to the electrical systems of Port Dock 5,
- \$200,000 to upgrade 3 of the 9 South Beach Marina Electric Load Centers,
- There are additional major projects (or planning for projects) the Port hopes to undertake this year.

In fiscal year 2020, the Port refinanced 2010 NOAA bonds, saving \$2.5 million and the 2011 GO Bonds, saving taxpayers \$802,184 over the life of the bonds.

The port did not complete a major project this past fiscal year. This put the port in an excellent cash position with nearly \$10 million.

- \$4 million of the cash in is restricted funds and is not available to spend.
- \$3.6 million is in the General Operating Fund and will be used to fund the aforementioned infrastructure upgrades, as well as continuing operations.

At the end of the year the Port was owed approximately \$470,000 and 38% of this (or \$153,000) was outstanding for 60 days or more. Given the current situation, the Port will need to aggressively pursue these funds. However, it is likely the Port will write off a portion of this.

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