



AGENDA
Special Commission Meeting
Port of Portland Headquarters
7200 N.E. Airport Way, 8th Floor
June 29, 2018
9:00 a.m.

Action Items

1. APPROVAL OF ADJUSTMENTS TO THE APPROPRIATION LEVELS FOR FISCAL YEAR 2017-18 *SUZANNE KENNY*

2. ADOPTION OF FISCAL YEAR 2018-19 BUDGET AND ENACTMENT OF ORDINANCE NO. 465-T LEVYING PROPERTY TAXES *SUZANNE KENNY*

APPROVAL OF ADJUSTMENTS TO THE APPROPRIATION LEVELS FOR FISCAL YEAR 2017-18

June 29, 2018

Presented by: Suzanne Kenny
Director
Budget, Financial Planning & Analysis**REQUESTED COMMISSION ACTION**

This agenda item requests approval of adjustments to appropriation levels for the Port of Portland (Port) Budget for Fiscal Year 2017-18 to reflect expected expenditure levels.

BACKGROUND

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

In January 2018, the Commission approved a Supplemental Budget for Fiscal Year 2017-18 to provide for new container and intermodal rail services at Terminal 6, settlement of Lower Willamette insurance cost recovery claims, and the Portland International Airport (PDX) Commercial Paper program approved by Commission in November 2017. The result of these changes was a net reduction of \$15,650,000 to the Port's total budget.

CHANGES TO FISCAL YEAR 2017-18 APPROPRIATIONS

Staff is requesting changes to the Requirements of the General Fund and Airport Revenue Fund to ensure sufficient appropriations to cover amounts that may be accrued prior to the fiscal year financial close.

General Fund

Staff requests the following adjustments to the General Fund:

- Increase Interest on Investments/Other by \$500,000 to recognize reimbursement revenue from the U.S. Army Corps of Engineers for the Dredge *Oregon* repower and ramp barge loans.
- Increase Marine operating expenses by \$2,500,000 to account for possible accruals related to Terminal 4 environmental cleanup efforts.
- Increase General Aviation operating expenses by \$500,000 to account for unforeseen pavement and equipment repairs as well as the write-off of the cancelled Hillsboro Airport Helipad capital project.

APPROVAL OF ADJUSTMENTS TO THE APPROPRIATION LEVELS FOR FISCAL YEAR
2017-18

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- Increase Other Environmental by \$14,500,000 to provide for potential accruals related to environmental liabilities, including natural resources restoration. In June 2017, Commission approved Fiscal Year 2016-17 appropriations changes for this purpose; however, accrual entries were not made in Fiscal Year 2016-17 because of delays in the process.
- The offsetting entry for the previous adjustments is a decrease to Contingency of \$17,000,000.

Airport Revenue Fund

Staff requests the following adjustments to the Airport Revenue Fund:

- Increase Operating Expenditures by \$1,500,000 for snow and ice removal activity at PDX during the winter and the write-off of the non-capitalized design costs associated with the Concourse B project.
- The offsetting entry for the previous adjustments is a decrease in Contingency of \$1,500,000.

The detailed Schedule of Appropriations and Explanation of Changes to Fund Appropriations are attached as Exhibits A and B, respectively.

The total Budget for Fiscal Year 2017-18 after these adjustments is \$1,697,856,460. Total Appropriations are \$1,646,462,692 and are shown on Exhibit A. The difference of \$51,393,768 is the total of debt service reserve amounts, which are classified under budget law as Unappropriated Ending Balance in the Airport Revenue Bond Fund and in the Passenger Facility Charge Bond Fund.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That in accordance with ORS 294.463, the Port of Portland Commission finds the need to adjust appropriations within the General Fund and Airport Revenue Fund in the amounts shown on Exhibit A and for the purposes shown on Exhibit B, incorporated by this reference, to meet potential year end accruals and spending patterns unforeseen at the time of adoption of the Fiscal Year 2017-18 Budget; and

BE IT FURTHER RESOLVED, That copies of Exhibit A, Schedule of Appropriations – Fiscal Year 2017-18; and Exhibit B, Explanation of Changes to Fund Appropriations – Fiscal Year 2017-18, shall be included in the minutes of this meeting; and

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

SCHEDULE OF APPROPRIATIONS - FISCAL YEAR 2017-18

	ADOPTED BUDGET JUNE 22, 2017	CHANGES TO APPROPRIATIONS JANUARY 10, 2018	REVISED APPROPRIATIONS JANUARY 10, 2018	CHANGES TO APPROPRIATIONS June 29, 2018	REVISED APPROPRIATIONS June 29, 2018
GENERAL FUND					
Beginning Balance	\$ 156,457,245	\$ -	\$ 156,457,245	\$ -	\$ 156,457,245
Operating Revenue	66,518,449	4,300,000	70,818,449	-	70,818,449
Interest on Investments/Other	2,922,700	-	2,922,700	500,000	3,422,700
Federal/State Grants/Other	-	8,500,000	8,500,000	-	8,500,000
Service Reimbursements	41,943,466	-	41,943,466	-	41,943,466
Transfers from Other Funds	3,917,154	-	3,917,154	-	3,917,154
Total Resources	\$ 271,759,014	\$ 12,800,000	\$ 284,559,014	\$ 500,000	\$ 285,059,014
Corporate Administration	\$ 53,818,390	\$ -	\$ 53,818,390	\$ -	\$ 53,818,390
Marine	19,794,072	3,600,000	23,394,072	2,500,000	25,894,072
Industrial Development	5,099,705	-	5,099,705	-	5,099,705
Navigation	11,095,474	-	11,095,474	-	11,095,474
General Aviation	3,358,955	-	3,358,955	500,000	3,858,955
Sub Total	93,166,596	\$ 3,600,000	96,766,596	\$ 3,000,000	99,766,596
Service Reimbursements	384,132	\$ -	384,132	\$ -	384,132
System Development Charges/Other	250,000	2,000,000	2,250,000	-	2,250,000
Long-Term Debt Payments	12,411,555	-	12,411,555	-	12,411,555
Other Environmental	3,204,812	-	3,204,812	14,500,000	17,704,812
Cash Transfers to Other Funds	29,201,305	-	29,201,305	-	29,201,305
Contingency	133,140,614	7,200,000	140,340,614	(17,000,000)	123,340,614
Total Requirements	\$ 271,759,014	\$ 12,800,000	\$ 284,559,014	\$ 500,000	\$ 285,059,014
AIRPORT REVENUE FUND					
Beginning Balance	\$ 94,740,916	\$ -	\$ 94,740,916	\$ -	\$ 94,740,916
Operating Revenue	240,729,359	-	240,729,359	-	240,729,359
Interest on Investments	2,268,700	-	2,268,700	-	2,268,700
Commercial Paper Proceeds	-	200,000,000	200,000,000	-	200,000,000
Service Reimbursements	2,510,860	-	2,510,860	-	2,510,860
Transfers from Other Funds	210,000	-	210,000	-	210,000
Total Resources	\$ 340,459,835	\$ 200,000,000	\$ 540,459,835	\$ -	\$ 540,459,835
Operating Expenditures	\$ 105,105,896	\$ 1,000,000	\$ 106,105,896	\$ 1,500,000	\$ 107,605,896
System Development Charges / Other	605,000	-	605,000	-	605,000
Commercial Paper Interest Expense	-	550,000	550,000	-	550,000
Commercial Paper Maturity	-	100,400,000	100,400,000	-	100,400,000
Service Reimbursements	25,725,730	-	25,725,730	-	25,725,730
Cash Transfers to Other Funds	104,563,209	98,050,000	202,613,209	-	202,613,209
Contingency	104,460,000	-	104,460,000	(1,500,000)	102,960,000
Total Requirements	\$ 340,459,835	\$ 200,000,000	\$ 540,459,835	\$ -	\$ 540,459,835
BOND CONSTRUCTION FUND					
Beginning Balance	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -	\$ 10,000,000
Interest Income/ Other	244,000	-	244,000	-	244,000
Federal / State Grants	4,363,312	-	4,363,312	-	4,363,312
Property Taxes	11,919,999	-	11,919,999	-	11,919,999
Transfers from Other Funds	31,176,212	-	31,176,212	-	31,176,212
Total Resources	\$ 57,703,522	\$ -	\$ 57,703,522	\$ -	\$ 57,703,522
Capital Outlay	\$ 44,116,255	\$ -	\$ 44,116,255	\$ -	\$ 44,116,255
Service Reimbursements	3,577,267	-	3,577,267	-	3,577,267
Cash Transfers to Other Funds	10,000	-	10,000	-	10,000
Contingency	10,000,000	-	10,000,000	-	10,000,000
Total Requirements	\$ 57,703,522	\$ -	\$ 57,703,522	\$ -	\$ 57,703,522
AIRPORT CONSTRUCTION FUND					
Beginning Balance	\$ 270,174,532	\$ -	\$ 270,174,532	\$ -	\$ 270,174,532
Interest Income/ Other	1,601,800	(1,000,000)	601,800	-	601,800
Federal / State Grants	14,945,759	-	14,945,759	-	14,945,759
Bond and Other Debt Proceeds	120,000,000	(120,000,000)	-	-	-
Transfers from Other Funds	159,011,815	46,050,000	205,061,815	-	205,061,815
Total Resources	\$ 565,733,906	\$ (74,950,000)	\$ 490,783,906	\$ -	\$ 490,783,906

AIRPORT CONSTRUCTION FUND - Con't.

Capital Outlay	\$ 340,341,864	\$ -	\$ 340,341,864	\$ -	\$ 340,341,864
Bond Issue Costs/Other	1,000,000	-	1,000,000	-	1,000,000
Service Reimbursements	14,767,197	-	14,767,197	-	14,767,197
Cash Transfers to Other Funds	8,500,000	(4,500,000)	4,000,000	-	4,000,000
Contingency	201,124,845	(70,450,000)	130,674,845	-	130,674,845
Total Requirements	\$ 565,733,906	\$ (74,950,000)	\$ 490,783,906	\$ -	\$ 490,783,906

CUSTOMER FACILITY CHARGE (CFC) FUND

Beginning Balance	\$ 17,730,166	\$ -	\$ 17,730,166	\$ -	\$ 17,730,166
Customer Facility Charge	16,239,214	-	16,239,214	-	16,239,214
Interest and Other	18,500	-	18,500	-	18,500
Bond and Other Debt Proceeds	160,000,000	(160,000,000)	-	-	-
Transfers from Other Funds	-	38,000,000	38,000,000	-	38,000,000
Total Resources	\$ 193,987,880	\$ (122,000,000)	\$ 71,987,880	\$ -	\$ 71,987,880

Bank Fees/Other	\$ 1,000,000	\$ (900,000)	\$ 100,000	\$ -	\$ 100,000
Cash Transfers to Other Funds	86,200,000	(20,000,000)	66,200,000	-	66,200,000
Contingency	106,787,880	(101,100,000)	5,687,880	-	5,687,880
Total Requirements	\$ 193,987,880	\$ (122,000,000)	\$ 71,987,880	\$ -	\$ 71,987,880

PASSENGER FACILITY CHARGE (PFC) FUND

Beginning Balance	\$ 85,077,809	\$ -	\$ 85,077,809	\$ -	\$ 85,077,809
Passenger Facility Charge	37,567,107	-	37,567,107	-	37,567,107
Interest and Other	1,172,700	-	1,172,700	-	1,172,700
Total Resources	\$ 123,817,616	\$ -	\$ 123,817,616	\$ -	\$ 123,817,616

Letter of Credit/Other	\$ 50,750	\$ -	\$ 50,750	\$ -	\$ 50,750
Cash Transfers to Other Funds	52,804,825	-	52,804,825	-	52,804,825
Contingency	70,962,041	-	70,962,041	-	70,962,041
Total Requirements	\$ 123,817,616	\$ -	\$ 123,817,616	\$ -	\$ 123,817,616

AIRPORT REVENUE BOND FUND

Beginning Balance	\$ 36,994,752	\$ -	\$ 36,994,752	\$ -	\$ 36,994,752
Bond and Other Debt Proceeds	9,000,000	(9,000,000)	-	-	-
Interest Income	121,760	-	121,760	-	121,760
Transfers from Other Funds	66,159,334	(4,500,000)	61,659,334	-	61,659,334
Total Resources	\$ 112,275,846	\$ (13,500,000)	\$ 98,775,846	\$ -	\$ 98,775,846

Long-Term Debt Payments	\$ 66,281,094	\$ (4,500,000)	\$ 61,781,094	\$ -	\$ 61,781,094
Unappropriated Ending Balance	45,994,752	(9,000,000)	36,994,752	-	36,994,752
Total Requirements	\$ 112,275,846	\$ (13,500,000)	\$ 98,775,846	\$ -	\$ 98,775,846

CUSTOMER FACILITY CHARGE (CFC) BOND FUND

Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Bond and Other Debt Proceeds	12,000,000	(12,000,000)	-	-	-
Transfers from Other Funds	6,000,000	(6,000,000)	-	-	-
Total Resources	\$ 18,000,000	\$ (18,000,000)	\$ -	\$ -	\$ -

Long-Term Debt Payments	\$ 6,000,000	\$ (6,000,000)	\$ -	\$ -	\$ -
Unappropriated Ending Balance	12,000,000	(12,000,000)	-	-	-
Total Requirements	\$ 18,000,000	\$ (18,000,000)	\$ -	\$ -	\$ -

PASSENGER FACILITY CHARGE (PFC) BOND FUND

Beginning Balance	\$ 14,399,016	\$ -	\$ 14,399,016	\$ -	\$ 14,399,016
Interest Income	65,000	-	65,000	-	65,000
Transfers from Other Funds	14,804,825	-	14,804,825	-	14,804,825
Total Resources	\$ 29,268,841	\$ -	\$ 29,268,841	\$ -	\$ 29,268,841

Long-Term Debt Payments	\$ 14,869,825	\$ -	\$ 14,869,825	\$ -	\$ 14,869,825
Unappropriated Ending Balance	14,399,016	-	14,399,016	-	14,399,016
Total Requirements	\$ 29,268,841	\$ -	\$ 29,268,841	\$ -	\$ 29,268,841

TOTAL BUDGET - ALL FUNDS

	\$ 1,713,006,460	\$ (15,650,000)	\$ 1,697,356,460	\$ 500,000	\$ 1,697,856,460
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Less Unappropriated Ending Balances:

Airport Revenue Bond Fund	\$ 45,994,752	\$ (9,000,000)	\$ 36,994,752	\$ -	\$ 36,994,752
Customer Facility Charge (CFC) Bond Fund	12,000,000	(12,000,000)	-	-	-
Passenger Facility Charge (PFC) Bond Fund	14,399,016	-	14,399,016	-	14,399,016

Subtotal Unappropriated Ending Balance	72,393,768	(21,000,000)	51,393,768	-	51,393,768
TOTAL APPROPRIATIONS	\$ 1,640,612,692	\$ 5,350,000	\$ 1,645,962,692	\$ 500,000	\$ 1,646,462,692

EXPLANATION OF CHANGES TO FUND APPROPRIATIONS - FISCAL YEAR 2017-18

<u>FUND</u>	<u>AMOUNT OF INCREASE/(DECREASE)</u>	<u>REASON FOR CHANGE</u>
GENERAL FUND		
Interest on Investments/Other	\$ 500,000	To recognize reimbursement revenue from the US Army Corps of Engineers for the Dredge <i>Oregon</i> repower and ramp barge loans.
Marine	\$ 2,500,000	To account for possible accruals related to Terminal 4 environmental cleanup efforts.
General Aviation	\$ 500,000	Increase due to unforeseen pavement and equipment repairs and write-off of cancelled Hillsboro Airport Helipad capital project.
Other Environmental	\$ 14,500,000	Increase to provide for potential accruals related to environmental liabilities, including natural resources restoration.
Contingency	\$ <u>(17,000,000)</u>	Offset of adjustments.
AIRPORT REVENUE FUND		
Operating Expenditures	\$ 1,500,000	Increase to provide for snow and ice removal at Portland International Airport and the write-off of the non-capitalized design costs associated with the Concourse B project.
Contingency	\$ <u>(1,500,000)</u>	Offset of adjustments.

**ADOPTION OF FISCAL YEAR 2018-19 BUDGET AND ENACTMENT OF ORDINANCE
NO. 465-T LEVYING PROPERTY TAXES**

June 29, 2018

Presented by: Suzanne Kenny
Director
Budget, Financial Planning & Analysis**REQUESTED COMMISSION ACTION**

This agenda item requests adoption of the Port of Portland (Port) Budget for Fiscal Year 2018-19 and enactment of Ordinance No. 465-T, levying property taxes for Fiscal Year 2018-19.

BACKGROUND

The Port Commission reviewed the Port's Budget for Fiscal Year 2018-19 at a public hearing in May 2018 and approved the Budget for submission to the Tax Supervising and Conservation Commission (TSCC) at that time. On June 13, 2018, the TSCC held a public hearing on the Port's Budget for Fiscal Year 2018-19 and certified the Budget with no objections.

ADOPTION OF THE FISCAL YEAR 2018-19 BUDGET

The Budget submitted for adoption today contains changes in the General Fund, Airport Revenue Fund and Airport Construction Fund from what was approved by Commission in May and reviewed with the TSCC on June 13. These changes are within the limits of ORS 294.456 and are detailed on the attached exhibits. Exhibits C and D outline and explain these changes. Changes to the appropriation categories within each fund are shown on Exhibit E. The changes in the following areas represent an increase of \$12,167,553 from the budget approved by the Commission on May 9, 2018. This increase is driven primarily by the following changes:

- Operating Revenue is increased by \$11,825,331 reflecting the anticipated sale of Troutdale Reynolds Industrial Park (TRIP) Lots 11 and 12 shifting from Fiscal Year 2017-18 to Fiscal Year 2018-19, a higher sale price for TRIP Lot 3, and higher Marine throughput revenues as a result of a contract amendment with BNSF for the intermodal rail service at Terminal 6.
- Grants/Income Interest/Other are increased by \$498,792 to account for the reimbursement revenue from the U.S. Army Corps of Engineers for the Dredge *Oregon* repower and ramp barge loans.
- Transfers To/From Other Funds are decreased by \$156,570, reflecting the net impact of other changes to transfers between funds.
- Operating Expenditures are increased by \$3,456,069, which is comprised of the following changes:
 - Administration is decreased by \$214,312, due to shifting 1.5 Full Time Equivalent employee (FTE) to operational areas of the Port.

ADOPTION OF FISCAL YEAR 2018-19 BUDGET AND ENACTMENT OF ORDINANCE
NO. 465-T LEVYING PROPERTY TAXES

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- Marine is increased by \$3,109,320 due to longshore labor associated with the intermodal rail service at Terminal 6 and a revised estimate for Terminal 4 environmental clean-up expenses.
- Commercial Aviation is increased by \$560,873 due to a timing change of the runway seismic study (expenses to be incurred in Fiscal Year 2018-19 instead of Fiscal Year 2017-18), Air Service Development marketing support and the addition of 0.5 FTE to support IT needs related to PDXNext.
- Capitalized Labor is increased by \$126,738 as a result of additional labor hours required to support PDXNext projects and final adjustments to internal burden rates.
- Other Environmental is increased by \$346,250 as a result of a revised estimate to Portland Harbor project expenses.
- Finally, Contingency is increased by \$8,648,541, reflecting the net impact of all changes but primarily due to the revised TRIP land sale projections.
- Other minor changes are shown on exhibits.

The total Budget for Fiscal Year 2018-19 is \$2,290,175,251. Total Appropriations are \$2,202,651,487 and are shown on Exhibit E. The difference of \$87,523,764 is the total of debt service reserve amounts in the Airport Revenue Bond Fund, Customer Facility Charge Bond Fund, and the Passenger Facility Charge Bond Fund. These are classified under budget law as Unappropriated Ending Balance.

ORDINANCE NO. 465-T

Ordinance No. 465-T authorizes the Port's tax levy for Fiscal Year 2018-19. The Bond Construction Fund levy will be at the Measure 50 permanent rate of \$0.0701 per thousand dollars of assessed value. Resources from the Port's property tax levy are estimated at \$12,364,310, which is the same amount as the estimate in the Budget approved by the Commission in May.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

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

1. The Port of Portland has, in the time and manner required by law, submitted its Budget for the Fiscal Year July 1, 2018, to June 30, 2019, to the Tax Supervising and Conservation Commission at the time and place fixed by the Tax Supervising and Conservation Commission; and
2. No orders or objections were made by the Tax Supervising and Conservation Commission; and

ADOPTION OF FISCAL YEAR 2018-19 BUDGET AND ENACTMENT OF ORDINANCE
NO. 465-T LEVYING PROPERTY TAXES

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BE IT FURTHER RESOLVED, That the amounts shown on Exhibit E and for the purposes shown on Exhibits C and D, incorporated by this reference, are hereby appropriated for the Fiscal Year beginning July 1, 2018, in a total amount of \$2,290,175,251; and

BE IT FURTHER RESOLVED, That a copy of Exhibit E, Schedule of Appropriations – Fiscal Year 2018-19, shall be attached to the minutes of this meeting; and

BE IT FURTHER RESOLVED, That the Budget for Fiscal Year 2018-19 in the total amount of \$2,290,175,251 is hereby adopted; and

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

The Executive Director further recommends:

1. That Ordinance No. 465-T, levying taxes to be collected for Fiscal Year 2018-19, be read by title only; and
2. That Ordinance No. 465-T be enacted by a roll call vote.

**ORDINANCE NO. 465-T
OF THE PORT OF PORTLAND**

AN ORDINANCE LEVYING TAXES TO BE COLLECTED IN THE FISCAL YEAR
JULY 1, 2018 TO JUNE 30, 2019, UPON THE TAXABLE PROPERTY WITHIN
THE BOUNDARIES OF THE PORT OF PORTLAND.

BE IT ENACTED BY THE PORT OF PORTLAND:

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

- A. That the Port, situated within the Portland metropolitan area as defined by ORS 778.010, has in the time and manner required by law submitted its Budget for Fiscal Year 2018-19 to the Tax Supervising and Conservation Commission (TSCC) at the time and place fixed by the TSCC;
- B. That the Budget, as submitted to the TSCC, provides that taxes are to be levied at the Measure 50 permanent rate of \$0.0701 per thousand dollars of assessed value for the general purposes of the Port;
- C. That the TSCC, after its hearing on the 13th day of June 2018, has certified pursuant to ORS 294.645 that it has no objections to the Budget as submitted.

Section 2 - Authorization of Tax Levy - The following taxes are hereby imposed and categorized for the tax year 2018-19 upon the assessed value of all taxable property within the Port's district:

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

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

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

By: _____
Assistant Secretary

By: _____
President

APPROVED AS TO LEGAL SUFFICIENCY

Counsel for the Port of Portland

Approved by the Commission on:

Date: _____

EXPLANATION OF CHANGES - FISCAL YEAR 2018-19

Resources	BUDGET SUBMITTED FOR APPROVAL ON MAY 9, 2018	REVISIONS	BUDGET SUBMITTED FOR ADOPTION ON JUNE 29, 2018	EXPLANATION
Beginning Balance	\$ 587,238,503	\$ -	\$ 587,238,503	
Operating Revenue	317,230,758	11,825,331	329,056,089	Reflects the anticipated sale of TRIP Lots 11 & 12 shifting from FY 18 to FY 19, a higher sale price for TRIP Lot 3, and higher Marine throughput revenues as a result of a contract amendment with BNSF for the intermodal rail service at T-6.
Grants/Interest Income/Other	81,672,346	498,792	82,171,138	Reflects reimbursement revenue from the US Army Corps of Engineers for the Dredge <i>Oregon</i> repower and ramp barge loans.
Commercial Paper Proceeds	125,000,000		125,000,000	
Taxes	12,364,310	-	12,364,310	
Bond And Other Debt Proceeds	561,500,000	-	561,500,000	
Subtotal - Resources	\$ 1,685,005,917	\$ 12,324,122	\$ 1,697,330,040	
Transfer From Other Funds	593,001,781	(156,570)	\$ 592,845,211	Net impact of transfer changes between funds.
Total Resources	\$ 2,278,007,698	\$ 12,167,553	\$ 2,290,175,251	
Requirements				
Operating Expenditures				
Administration	\$ 53,062,104	\$ (214,312)	\$ 52,847,791	Result of 1.5 FTE shifted to operational areas of the Port.
Marine	27,593,120	3,109,320	30,702,440	Primarily due to increased longshore labor associated with the intermodal rail service at T-6 and a revised estimate for T-4 environmental cleanup expenses.
Industrial Development	4,245,502	(472)	4,245,030	Revision to internal burden rates.
Navigation	12,027,442	(179)	12,027,263	Revision to internal burden rates.
General Aviation	3,152,784	839	3,153,623	Revision to internal burden rates.
Commercial Aviation	111,993,168	560,873	112,554,040	Primarily due to timing change of the runway seismic study shifting from FY 18 to FY 19, Air Service Development marketing support, and the addition of 0.5 FTE to support IT needs related to PDXNext.
Subtotal - Operating Expenditures	\$ 212,074,118	\$ 3,456,069	\$ 215,530,188	
Capital Expenditures				
Corporate Administration	\$ 1,659,047	\$ -	\$ 1,659,047	
Marine	6,902,055	-	6,902,055	
Industrial Development	6,067,790	-	6,067,790	
Navigation	7,602,292	-	7,602,292	
General Aviation	4,723,190	-	4,723,190	
Commercial Aviation	258,933,023	-	258,933,023	
Capitalized Labor	(20,261,436)	(126,738)	(20,388,174)	Revised estimates of internal staff supporting the PDXNext program.
Subtotal - Capital Expenditures	\$ 265,625,961	\$ (126,738)	\$ 265,499,223	
Transfer To Other Funds	\$ 593,001,781	\$ (156,570)	\$ 592,845,211	Net impact of transfer changes between funds.
Other Environmental	1,263,481	346,250	1,609,731	Result of revised estimate of project expenses.
Other	10,635,000	-	10,635,000	
Commercial Paper Interest & Maturity	221,100,000		221,100,000	
Long-Term Debt Payments	88,732,136	-	88,732,136	
Contingency	798,051,457	8,648,541	806,699,999	Increase reflects the net impact of all changes but primarily due to revised TRIP land sale projections.
Unappropriated Balance	87,523,764	-	87,523,764	
Total Requirements	\$ 2,278,007,698	\$ 12,167,553	\$ 2,290,175,251	

EXPLANATION OF FUND CHANGES - FISCAL YEAR 2018-19

FUNDS	BUDGET SUBMITTED FOR APPROVAL ON MAY 9, 2018	REVISIONS	BUDGET SUBMITTED FOR ADOPTION ON JUNE 29, 2018	EXPLANATION
General Fund	\$ 329,770,897	\$ 11,878,543	\$ 341,649,439	Primarily due to land sales shifting from FY 18 to FY 19 as well as changes to Marine Longshore Labor.
Airport Revenue Fund	709,433,479	277,689	709,711,168	Due to timing change of the runway seismic study shifting from FY 18 to FY 19, Air Service Development marketing support, and the addition of 0.5 FTE to support IT needs related to PDXNext.
Bond Construction Fund	40,961,183	-	40,961,183	
Airport Construction Fund	648,464,598	11,321	648,475,919	Reduction a result of decreased transfer from Airport Revenue Fund.
Airport Revenue Bond Fund	118,458,930	-	118,458,930	
CFC Fund	259,992,875	-	259,992,875	
CFC Bond Fund	16,000,000	-	16,000,000	
PFC Fund	125,382,734	-	125,382,734	
PFC Bond Fund	29,543,003	-	29,543,003	
Total	\$ 2,278,007,698	\$ 12,167,553	\$ 2,290,175,251	

SCHEDULE OF APPROPRIATIONS - FISCAL YEAR 2018-19

Exhibit E

	BUDGET PROPOSAL SUBMITTED ON May 9, 2018	REVISIONS	BUDGET SUBMITTED FOR APPROVAL ON MAY 9, 2018	REVISIONS	BUDGET ADOPTED ON JUNE 29, 2018
GENERAL FUND					
Administration	\$ 53,062,104	\$ -	\$ 53,062,104	\$ (214,312)	\$ 52,847,791
Marine	27,593,120	-	27,593,120	3,109,320	30,702,440
Industrial Development	4,245,502	-	4,245,502	(472)	4,245,030
Navigation	12,027,442	-	12,027,442	(179)	12,027,263
General Aviation	3,152,784	-	3,152,784	839	3,153,623
Total Departments	\$ 100,080,951	\$ -	\$ 100,080,951	\$ 2,895,196	\$ 102,976,147
Service Reimbursements	\$ 445,335	\$ -	\$ 445,335	\$ (124)	\$ 445,211
Other Environmental	1,263,481	-	1,263,481	346,250	1,609,731
Long-Term Debt Payments	12,253,967	-	12,253,967	(0)	12,253,967
System Development Charges / Other	10,000	-	10,000	-	10,000
Cash Transfers to Other Funds	8,805,064	-	8,805,064	-	8,805,064
Contingency	206,912,099	-	206,912,099	8,637,221	215,549,319
Total Requirements	\$ 329,770,897	\$ -	\$ 329,770,897	\$ 11,878,543	\$ 341,649,439
AIRPORT REVENUE FUND					
Operating Expenditures	\$ 111,993,168	\$ -	\$ 111,993,168	\$ 560,873	\$ 112,554,040
System Development Charges/Other	600,000	-	600,000	-	600,000
Commercial Paper Interest & Maturity	221,100,000	-	221,100,000	-	221,100,000
Service Reimbursements	25,185,840	-	25,185,840	(285,939)	24,899,901
Cash Transfers to Other Funds	241,074,471	-	241,074,471	2,756	241,077,227
Contingency	109,480,000	-	109,480,000	-	109,480,000
Total Requirements	\$ 709,433,479	\$ -	\$ 709,433,479	\$ 277,689	\$ 709,711,168
BOND CONSTRUCTION FUND					
Capital Outlay	\$ 22,808,707	\$ -	\$ 22,808,707	\$ (2,277)	\$ 22,806,430
Service Reimbursements	4,145,666	-	4,145,666	2,277	4,147,943
Cash Transfers to Other Funds	4,006,810	-	4,006,810	-	4,006,810
Contingency	10,000,000	-	10,000,000	-	10,000,000
Total Requirements	\$ 40,961,183	\$ -	\$ 40,961,183	\$ (0)	\$ 40,961,183
AIRPORT CONSTRUCTION FUND					
Capital Outlay	\$ 242,817,254	\$ -	\$ 242,817,254	\$ (124,461)	\$ 242,692,793
Bond Issue Costs/Other	6,000,000	-	6,000,000	-	6,000,000
Service Reimbursements	16,115,769	-	16,115,769	124,461	16,240,230
Cash Transfers to Other Funds	160,210,000	-	160,210,000	-	160,210,000
Contingency	223,321,574	-	223,321,574	11,321	223,332,895
Total Requirements	\$ 648,464,598	\$ -	\$ 648,464,598	\$ 11,321	\$ 648,475,919
AIRPORT REVENUE BOND FUND					
Long-Term Debt Payments	\$ 59,385,344	\$ -	\$ 59,385,344	\$ -	\$ 59,385,344
Unappropriated Ending Balance	59,073,586	-	59,073,586	-	59,073,586
Total Requirements	\$ 118,458,930	\$ -	\$ 118,458,930	\$ -	\$ 118,458,930
CUSTOMER FACILITY CHARGE (CFC) FUND					
Bank Fees / Other	\$ 4,000,000	\$ -	\$ 4,000,000	\$ -	\$ 4,000,000
Cash Transfers to Other Funds	117,020,000	-	117,020,000	-	117,020,000
Contingency	138,972,875	-	138,972,875	-	138,972,875
Total Requirements	\$ 259,992,875	\$ -	\$ 259,992,875	\$ -	\$ 259,992,875
CUSTOMER FACILITY CHARGE (PFC) BOND FUND					
Long-Term Debt Payments	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000
Unappropriated Ending Balance	14,000,000	-	14,000,000	-	14,000,000
Total Requirements	\$ 16,000,000	\$ -	\$ 16,000,000	\$ -	\$ 16,000,000
PASSENGER FACILITY CHARGE (PFC) FUND					
Letter of Credit/Other	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 25,000
Cash Transfers to Other Funds	15,992,825	-	15,992,825	-	15,992,825
Contingency	109,364,909	-	109,364,909	-	109,364,909
Total Requirements	\$ 125,382,734	\$ -	\$ 125,382,734	\$ -	\$ 125,382,734
PASSENGER FACILITY CHARGE (PFC) BOND FUND					
Long-Term Debt Payments	\$ 15,092,825	\$ -	\$ 15,092,825	\$ -	\$ 15,092,825
Unappropriated Ending Balance	14,450,178	-	14,450,178	-	14,450,178
Total Requirements	\$ 29,543,003	\$ -	\$ 29,543,003	\$ -	\$ 29,543,003
TOTAL BUDGET - ALL FUNDS					
	\$ 2,278,007,698	\$ -	\$ 2,278,007,698	\$ 12,167,553	\$ 2,290,175,251
Less Unappropriated Ending Balances:					
Airport Revenue Bond Fund	\$ 59,073,586		\$ 59,073,586		\$ 59,073,586
Customer Facility Charge (CFC) Bond Fund	14,000,000		14,000,000		14,000,000
Passenger Facility Charge (PFC) Bond Fund	14,450,178		14,450,178		14,450,178
Subtotal Unappropriated Ending Balance	87,523,764	-	87,523,764	-	87,523,764
TOTAL APPROPRIATIONS	\$ 2,190,483,935	\$ -	\$ 2,190,483,935	\$ 12,167,553	\$ 2,202,651,487