

**MINUTES
SPECIAL COMMISSION MEETING
THE PORT OF PORTLAND
JUNE 21, 2013**

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

QUORUM

Commissioners present, via telephone connection, were Paul Rosenbaum, Vice President, presiding; Diana Daggett; Bruce Holte; Bob Levy; Linda Pearce and Tom Tsuruta. Also present was Bill Wyatt, executive director, and participating staff members.

LEAVE OF ABSENCE

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

ACTION ITEMS

Agenda Item No. 1

APPROVAL OF ADJUSTMENTS TO THE APPROPRIATION LEVELS FOR FISCAL YEAR 2012-13

This agenda item requested approval of adjustments to the appropriation levels for the Port of Portland's Fiscal Year 2012-13 Budget to reflect expected expenditure levels.

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

BE IT RESOLVED, That in accordance with ORS 294.463, the Port of Portland Commission finds the need to adjust appropriations within the General Fund, Airport Revenue Fund, Airport Construction Fund and the Passenger Facility Charge Fund in the amounts shown on Exhibit A and for the purposes shown on Exhibit B, incorporated by this reference, to meet actual spending patterns unforeseen at the time of adoption of the Fiscal Year 2012-13 Budget; and

BE IT FURTHER RESOLVED, That copies of Exhibit A, Schedule of Appropriations Fiscal Year 2012-13; and Exhibit B, Explanation of Changes to Fund Appropriations Fiscal Year 2012-13, 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.

Commissioner Rosenbaum noted that on Exhibit A there is a reduction of \$1.3 million on the Contingency Fund, but \$1.5 million is noted on Exhibit B, which includes \$200,000 under

Engineering that was not reflected in the FY 2012-13 budget. He said that it is his understanding that the \$400,000 that was included in the Service Reimbursements was anticipated next year as well, and asked why the \$200,000 for Engineering was not included. Ms. Kenny said that as they were working through the review and doing further analysis, it was determined that we did not need to adjust for Engineering, so Exhibit B is an error. She noted that the appropriations in Exhibit A are correct.

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

Agenda Item No. 2

ADOPTION OF FISCAL YEAR 2013-14 BUDGET AND ENACTMENT OF ORDINANCE NO. 447-T LEVYING PROPERTY TAXES

This agenda item requested adoption of the Port of Portland Budget for Fiscal Year 2013-14 and enactment of Ordinance No. 447-T, levying property taxes for Fiscal Year 2013-14.

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

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

1. The Port of Portland has, in the time and manner required by law, submitted its Budget for the Fiscal Year July 1, 2013, to June 30, 2014, to the Tax Supervising and Conservation Commission at the time and place fixed by the Tax Supervising and Conservation Commission; and
2. No orders or objections were made by the Tax Supervising and Conservation Commission; and

BE IT FURTHER RESOLVED, That the amounts shown on Exhibit E and for the purposes shown on Exhibits C and D, incorporated by this reference, are hereby appropriated for the Fiscal Year beginning July 1, 2013, in a total amount of \$808,528,723; and

BE IT FURTHER RESOLVED, That a copy of Exhibit E, Schedule of Appropriations Fiscal Year 2013-14, shall be attached to the minutes of this meeting; and

BE IT FURTHER RESOLVED, That the Budget for Fiscal Year 2013-14 in the total amount of \$849,444,335 is hereby adopted; and

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

Following presentation of the agenda item, Commissioner Rosenbaum called for a motion for approval of the Executive Director's recommendations and adoption of the FY 2013-2014 budget. Commissioner Tsuruta moved to approve the recommendations. Commissioner Daggett seconded the motion, which was put to a voice vote. Commissioners Daggett, Holte, Levy, Pearce, Rosenbaum and Tsuruta voted in favor of the motion.

The Executive Director further recommends:

1. That Ordinance No. 447-T, levying taxes to be collected for Fiscal Year 2013-14, be read by title only; and
2. That Ordinance No. 447-T be enacted by a roll call vote.

Commissioner Rosenbaum asked Suzanne Kenny to read Ordinance No. 447-T by title only.

Commissioner Rosenbaum called for a motion and second for enactment of Ordinance 447-T. Commissioner Pearce moved for approval of enactment of the Ordinance and Commissioner Holte seconded the motion, which was put to a roll call vote. Commissioners Daggett, Holte, Levy, Pearce, Rosenbaum and Tsuruta voted in favor of the motion.

The meeting adjourned at 9:10 a.m.

President

Assistant Secretary

Date Signed

A complete audio recording of these proceedings and the full Commission agenda is available by contacting the Port of Portland administrative offices, 7200 N.E. Airport Way, Portland, Oregon 97218.

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SCHEDULE OF APPROPRIATIONS FISCAL YEAR 2012-13

	ADOPTED BUDGET June 22, 2012	CHANGES TO APPROP. Nov. 14, 2012	REVISED APPROP. Nov. 14, 2012	CHANGES TO APPROP. June 21, 2013	REVISED APPROP. June 21, 2013
GENERAL FUND					
Beginning Balance	\$ 149,594,021		\$ 149,594,021		\$ 149,594,021
Operating Revenue	62,285,700		62,285,700		62,285,700
Interest on Investments/Other	1,606,640		1,606,640		1,606,640
Federal/State Grants	15,000,000		15,000,000		15,000,000
Service Reimbursements	35,669,197		35,669,197		35,669,197
Transfers from Other Funds	2,848,335		2,848,335		2,848,335
Property Tax (within permanent rate limit)	9,536,804	(9,536,804)	-		-
Total Resources	\$ 276,540,697	\$ (9,536,804)	\$ 267,003,893	\$ -	\$ 267,003,893
Administration	\$ 23,991,482		\$ 23,991,482		\$ 23,991,482
Marine & Industrial Development	26,771,347	\$ 4,670,000	31,441,347		31,441,347
Development Service & Information Technology	9,920,618		9,920,618		9,920,618
Navigation	9,782,277		9,782,277	200,000	9,982,277
Engineering	10,529,745		10,529,745		10,529,745
General Aviation	2,005,039		2,005,039	700,000	2,705,039
Sub Total	83,000,508	4,670,000	87,670,508	900,000	88,570,508
Service Reimbursements	96,889		96,889	400,000	496,889
Long-Term Debt Payments	9,825,469		9,825,469		9,825,469
Other Environmental	5,064,969		5,064,969		5,064,969
System Development Charges / Other	5,000	180,000	185,000		185,000
Cash Transfers to Other Funds	26,007,962	(9,536,804)	16,471,158		16,471,158
Contingency	152,539,900	(4,850,000)	147,689,900	(1,300,000)	146,389,900
Total Requirements	\$ 276,540,697	\$ (9,536,804)	\$ 267,003,893	\$ -	\$ 267,003,893
AIRPORT REVENUE FUND					
Beginning Balance	\$ 35,000,000		\$ 35,000,000		\$ 35,000,000
Operating Revenue	186,356,876		186,356,876		186,356,876
Interest on Investments	532,840		532,840		532,840
Other	-		-		-
Service Reimbursements	1,506,639		1,506,639	400,000	1,906,639
Transfers from Other Funds	1,785,361		1,785,361		1,785,361
Total Resources	\$ 225,181,716	\$ -	\$ 225,181,716	\$ 400,000	\$ 225,581,716
Operating Expenditures	\$ 84,537,112		\$ 84,537,112		\$ 84,537,112
System Development Charges / Other	5,000		5,000		5,000
Service Reimbursements	21,999,918		21,999,918		21,999,918
Cash Transfers to Other Funds	83,639,686		83,639,686	400,000	84,039,686
Contingency	35,000,000		35,000,000		35,000,000
Total Requirements	\$ 225,181,716	\$ -	\$ 225,181,716	\$ 400,000	\$ 225,581,716
BOND CONSTRUCTION FUND					
Beginning Balance	\$ 10,000,000		\$ 10,000,000		\$ 10,000,000
Interest Income	117,880		117,880		117,880
Grants/Bond Sales/Other	10,986,988		10,986,988		10,986,988
Transfers from Other Funds	24,222,601	(9,536,804)	14,685,797		14,685,797
Property Tax (within permanent rate limit)	-	9,536,804	9,536,804		9,536,804
Total Resources	\$ 45,327,469	\$ -	\$ 45,327,469	\$ -	\$ 45,327,469
Capital Outlay	\$ 29,200,771		\$ 29,200,771		\$ 29,200,771
Service Reimbursements	6,126,698		6,126,698		6,126,698
Cash Transfers to Other Funds	-		-		-
Contingency	10,000,000		10,000,000		10,000,000
Total Requirements	\$ 45,327,469	\$ -	\$ 45,327,469	\$ -	\$ 45,327,469

SCHEDULE OF APPROPRIATIONS FISCAL YEAR 2012-13 (cont.)

	ADOPTED BUDGET June 22, 2012	CHANGES TO APPROP. Nov. 14, 2012	REVISED APPROP. Nov. 14, 2012	CHANGES TO APPROP. June 21, 2013	REVISED APPROP. June 21, 2013
AIRPORT CONSTRUCTION FUND					
Beginning Balance	\$ 26,004,555		\$ 26,004,555		\$ 26,004,555
Interest Income/ Other	420,280		420,280		420,280
Federal / State Grants	15,440,000		15,440,000		15,440,000
Bond and Other Debt Proceeds	46,200,000		46,200,000		46,200,000
Other Revenue	-		-		-
Transfers from Other Funds	35,576,460		35,576,460	8,400,000	43,976,460
Total Resources	\$ 123,641,295	\$ -	\$ 123,641,295	\$ 8,400,000	\$ 132,041,295
Capital Outlay	\$ 98,101,436		\$ 98,101,436		\$ 98,101,436
Service Reimbursements	8,952,331		8,952,331		8,952,331
Cash Transfers to Other Funds	2,200,000		2,200,000		2,200,000
Contingency	14,387,528		14,387,528	8,400,000	22,787,528
Total Requirements	\$ 123,641,295	\$ -	\$ 123,641,295	\$ 8,400,000	\$ 132,041,295
PASSENGER FACILITY CHARGE FUND					
Beginning Balance	\$ 28,349,690		\$ 28,349,690		\$ 28,349,690
Passenger Facility Charge	27,500,000		27,500,000		27,500,000
Bond and Other Debt Proceeds	-		-		-
Interest and Other	60,480		60,480		60,480
Total Resources	\$ 55,910,170	\$ -	\$ 55,910,170	\$ -	\$ 55,910,170
Letter of Credit / Other	\$ 600,000		\$ 600,000		\$ 600,000
Cash Transfers to Other Funds	23,418,615		23,418,615	8,000,000	31,418,615
Contingency	31,891,555		31,891,555	(8,000,000)	23,891,555
Total Requirements	\$ 55,910,170	\$ -	\$ 55,910,170	\$ -	\$ 55,910,170
AIRPORT REVENUE BOND FUND					
Beginning Balance	\$ 21,154,313		\$ 21,154,313		\$ 21,154,313
Bond Sale and Other Debt Proceeds	4,400,000		4,400,000		4,400,000
Interest Income	26,040		26,040		26,040
Transfers from Other Funds	54,414,892		54,414,892		54,414,892
Total Resources	\$ 79,995,245	\$ -	\$ 79,995,245	\$ -	\$ 79,995,245
Long-Term Debt Payments	\$ 54,440,932		\$ 54,440,932		\$ 54,440,932
Unappropriated Ending Balance	25,554,313		25,554,313		25,554,313
Total Requirements	\$ 79,995,245	\$ -	\$ 79,995,245	\$ -	\$ 79,995,245
PASSENGER FACILITY CHARGE (PFC) BOND FUND					
Beginning Balance	\$ 15,472,567		\$ 15,472,567		\$ 15,472,567
Bond and Other Debt Proceeds	-		-		-
Interest and Other	35,560		35,560		35,560
Cash Transfers from Other Funds	16,418,615		16,418,615		16,418,615
Total Resources	\$ 31,926,742	\$ -	\$ 31,926,742	\$ -	\$ 31,926,742
Long-Term Debt Payments	\$ 16,454,175		\$ 16,454,175		\$ 16,454,175
Unappropriated Ending Balance	15,472,567		15,472,567		15,472,567
Total Requirements	\$ 31,926,742	\$ -	\$ 31,926,742	\$ -	\$ 31,926,742
TOTAL ALL FUNDS	\$ 838,523,334	\$ (9,536,804)	\$ 828,986,530	\$ 8,800,000	\$ 837,786,530
Less Unappropriated Ending Balances:					
Airport Revenue Bond Fund	\$ 25,554,313		\$ 25,554,313		\$ 25,554,313
Passenger Facility Charge (PFC) Bond Fund	15,472,567		15,472,567		15,472,567
Subtotal Unappropriated Ending Balance	41,026,880	-	41,026,880	-	41,026,880
TOTAL APPROPRIATIONS	\$ 797,496,454	\$ (9,536,804)	\$ 787,959,650	\$ 8,800,000	\$ 796,759,650

Explanation of Changes to Fund Appropriations Fiscal Year 2012-13

<u>FUND</u>	<u>AMOUNT OF INCREASE/(DECREASE)</u>	<u>REASON FOR CHANGE</u>
GENERAL FUND		
Navigation	\$ 200,000	To cover expenses associated with a contract change that results in costs arising from some capital projects (whose total cost is under \$50,000) recorded as operating expenses rather than capital outlay.
Engineering	200,000	To adjust for additional outside services that are anticipated but not currently reflected in 2012/13 budget.
General Aviation	700,000	To cover expenses related to the Troutdale runway reconstruction that are being recorded as operating expenses rather than capital expenditures, as well as additional expenses resulting from additional outside costs for environmental impact studies related to TRIP development.
Service Reimbursements	400,000	To cover reimbursements for staff time of employees who are normally paid from the Airport Revenue Fund, but have performed some work related to operation paid from the General Fund.
Subtotal Increases	\$ <u>1,500,000</u>	
Contingency	\$ <u><u>(1,500,000)</u></u>	Balancing entry.
AIRPORT REVENUE FUND		
Service Reimbursements	\$ 400,000	To recognize the additional reimbursements received from the General Fund noted above.
Cash Transfers to Other Funds	400,000	Transfers additional reimbursements received from the General Fund to the Airport Construction Fund.
AIRPORT CONSTRUCTION FUND		
Transfers to Other Funds	\$ 8,400,000	To recognize the additional transfers received from the Airport Revenue Fund and the Passenger Facility Charge Fund
Subtotal Increases	\$ <u>8,400,000</u>	
Contingency	\$ <u><u>8,400,000</u></u>	Balancing entry.

Explanation of Changes to Fund Appropriations Fiscal Year 2012-13 (Cont.)

<u>FUND</u>	<u>AMOUNT OF INCREASE/(DECREASE)</u>	<u>REASON FOR CHANGE</u>
PASSENGER FACILITY CHARGE (PFC) FUND		
Cash Transfers to Other Funds	\$ 8,000,000	To adjust for a revised estimate on the amount of FAA approved capital work that is to be funded from the Passenger Facility Charge Fund.
Contingency	<u>(8,000,000)</u>	Balancing entry.

SCHEDULE OF APPROPRIATIONS - FISCAL YEAR 2013-14

	BUDGET PROPOSAL SUBMITTED ON APRIL 10, 2013		BUDGET SUBMITTED FOR APPROVAL ON MAY 8, 2013		BUDGET ADOPTED ON JUNE 21, 2013		
		REVISIONS		REVISIONS	APPROPRIATIONS	UNAPPROPRIATED PORTION	TOTAL
GENERAL FUND							
Corporate Administration	\$ 47,824,551	\$ (160,340)	\$ 47,664,211	\$ (1,046,931)	\$ 46,617,280	\$ -	\$ 46,617,280
Marine & Industrial Development	31,295,717	(117,122)	31,178,595	(400,233)	30,778,362	-	30,778,362
Navigation	9,583,251	125,104	9,708,355	(146,512)	9,561,843	-	9,561,843
General Aviation	2,146,913	(13,375)	2,133,538	(25,827)	2,107,711	-	2,107,711
Total Departments	90,850,432	(165,733)	90,684,699	(1,619,503)	89,065,196	-	89,065,196
Service Reimbursements	269,590	43,128	312,718	\$ -	312,718	-	312,718
Long-Term Debt Payments	10,225,125	-	10,225,125	-	10,225,125	-	10,225,125
Other Environmental	3,905,346	-	3,905,346	-	3,905,346	-	3,905,346
System Development Charges/Other	-	30,000	30,000	-	30,000	-	30,000
Cash Transfers to Other Funds	21,104,529	(2,994)	21,101,535	44,140	21,145,675	-	21,145,675
Contingency	132,392,178	118,146	132,510,324	689,859	133,200,183	-	133,200,183
Total Requirements	\$ 258,747,200	\$ 22,547	\$ 258,769,747	\$ (885,504)	\$ 257,884,243	\$ -	\$ 257,884,243
AIRPORT REVENUE FUND							
Operating Expenditures	85,621,756	\$ (83,191)	\$ 85,538,565	\$ (1,224,279)	\$ 84,314,286	\$ -	\$ 84,314,286
System Development Charges/Other	5,000	-	5,000	-	5,000	-	5,000
Service Reimbursements	23,366,032	(405,839)	22,960,193	(415,168)	22,545,025	-	22,545,025
Cash Transfers to Other Funds	83,640,580	(246,984)	83,393,596	550,747	83,944,343	-	83,944,343
Contingency	36,500,000	-	36,500,000	-	36,500,000	-	36,500,000
Total Requirements	\$ 229,133,368	\$ (736,014)	\$ 228,397,354	\$ (1,088,700)	\$ 227,308,654	\$ -	\$ 227,308,654
BOND CONSTRUCTION FUND							
Capital Outlay	\$ 49,377,902	\$ 188,399	\$ 49,566,301	\$ 292,382	\$ 49,858,683	\$ -	\$ 49,858,683
Service Reimbursements	3,234,856	(188,399)	3,046,457	(292,382)	2,754,075	-	2,754,075
Cash Transfers to Other Funds	10,000	-	10,000	-	10,000	-	10,000
Contingency	10,000,000	-	10,000,000	-	10,000,000	-	10,000,000
Total Requirements	\$ 62,622,758	\$ -	\$ 62,622,758	\$ -	\$ 62,622,758	\$ -	\$ 62,622,758
AIRPORT CONSTRUCTION FUND							
Capital Outlay	\$ 74,260,798	\$ (550,000)	\$ 73,710,798	\$ -	\$ 73,710,798	\$ -	\$ 73,710,798
Service Reimbursements	7,918,088	550,000	8,468,088	-	8,468,088	-	8,468,088
Cash Transfers to Other Funds	2,200,000	-	2,200,000	-	2,200,000	-	2,200,000
Contingency	50,721,237	(246,984)	50,474,253	550,747	51,025,000	-	51,025,000
Total Requirements	\$ 135,100,123	\$ (246,984)	\$ 134,853,139	\$ 550,747	\$ 135,403,886	\$ -	\$ 135,403,886
PASSENGER FACILITY CHARGE (PFC) FUND							
Letter of Credit/Other	\$ 600,000	\$ (590,000)	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000
Cash Transfers to Other Funds	35,390,054	-	35,390,054	-	35,390,054	-	35,390,054
Contingency	25,358,187	590,000	25,948,187	-	25,948,187	-	25,948,187
Total Requirements	\$ 61,348,241	\$ -	\$ 61,348,241	\$ -	\$ 61,348,241	\$ -	\$ 61,348,241
PASSENGER FACILITY CHARGE (PFC) BOND FUND							
Debt Service	\$ 14,329,379	\$ -	\$ 14,329,379	\$ -	\$ 14,329,379	\$ -	\$ 14,329,379
Unappropriated Ending Balance	15,476,035	-	15,476,035	-	-	15,476,035	15,476,035
Total Requirements	\$ 29,805,414	\$ -	\$ 29,805,414	\$ -	\$ 14,329,379	\$ 15,476,035	\$ 29,805,414
AIRPORT REVENUE BOND FUND							
Debt Service	\$ 49,631,562	\$ -	\$ 49,631,562	\$ -	\$ 49,631,562	\$ -	\$ 49,631,562
Unappropriated Ending Balance	25,439,577	-	25,439,577	-	-	25,439,577	25,439,577
Total Requirements	\$ 75,071,139	\$ -	\$ 75,071,139	\$ -	\$ 49,631,562	\$ 25,439,577	\$ 75,071,139
TOTAL ALL FUNDS	\$ 851,828,243	\$ (960,451)	\$ 850,867,792	\$ (1,423,457)	\$ 808,528,723	\$ 40,915,612	\$ 849,444,335