

Port of Hood River
FY 16/17 Spring Planning Work Session
March 21, 2017
12:00 p.m.

Commission Conference Room
1000 E. Port Marina Drive

AGENDA

- 1) Welcome & Introductions (Brian Shortt, Commission President)** (5 min.)
- 2) Discussion Summary (Michael McElwee, Executive Director)** (10 min.)
Identification of key financial and project issues
- 3) Financial Overview (Fred Kowell, Chief Financial Officer)** (30 min.)
Review Port financial policies and current financial condition
- 4) Financial Planning Model**
Review staff budget assumptions, discuss key project areas, and review draft 10-year financial model updated with FY 17/18 budget assumptions.
 - A. **Model Preparation Assumptions (Kowell)** (15 min.)
 - B. **Key Issues (Staff)** (30 min.)
The following issues will have a significant impact on the FY 17/18 budget. Staff will provide an overview of each issue with further discussion in conjunction with Commission review of the 10-Yr. Model.
 1. *Near-term Bridge Repair Needs*
 2. *Bridge Replacement Efforts*
 3. *Tolling Technology & Toll Rate Options*
 4. *Real Estate Development Priorities*
 5. *Existing Portfolio Status & Performance*
 6. *Staffing Levels*
 7. *Strategic Planning*
 - C. **Review 10-Yr. Financial Model (All)** (90 min.)
- 5) Other**

Adjourn Work Session and Open Regular Session

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To: Commissioners

From: Michael McElwee

Date: March 21, 2017

Re: 2017 Spring Planning Meeting Discussion Summary

The 2017 Spring Planning Meeting is the first step in preparation of the Port's annual budget. It is an opportunity for the Commission to have a focused discussion and give staff specific direction about key operational and project matters that will affect the FY18 budget. The agenda is summarized as follows:

Financial Overview

This section provides a reminder of public agency budget law, the Port's key financial policies and its current financial condition relative to assumptions in the current fiscal year budget.

Financial Planning Model

The primary tool for discussion will be the draft, 10-year Financial Model ("Model"). The Model has been updated with FY 16 actuals, FY17 projections and new project and operating assumptions for FY18. It provides a tool for Commission discussion that will inform staff preparation of the FY18 Proposed Budget for the Budget Committee meeting in April.

General Assumptions

The Model is a complex spreadsheet that incorporates many hundreds of standardized formula and staff assumptions about projects and operations. Staff will review the primary assumptions made for Commission consideration.

Key Issues

For the 2017 Spring Planning meeting, several key issues are highlighted for specific discussion. Most of these issues are well known to the Commission, but the focused discussion will provide greater opportunity for clear direction in the context of FY 18 budget preparation.

Draft Financial Model

The Draft 10-Year Financial Model provides a vehicle for evaluation of the many detailed budget issues, assumptions and trends that will both affect FY18 budget preparation and future year resources and expenses. This year, staff has prepared a series of staff notes to help individual Commissioner consideration and Commission discussion at the meeting.

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Commission Memo



Prepared by: Fred Kowell
Date: March 21, 2017
Re: Financial Policies and Assumptions

Overview: There are a couple of key financial policies that the Board has approved that drive the level of capital improvements that we incur from year to year and also determines the magnitude of debt that we issue. It also keeps expense growth in check while looking at when revenue generation needs to occur. The following are the three key financial policies that are integral to the 10-year financial model.

- **Reserves** – We have a formal policy that strives to keep our reserves to a level of 10% of the depreciable assets of the Port. By having this policy we will have enough liquidity in difficult times to handle emergencies and the flexibility for policymakers when an opportunity does present itself. It also provides a reserve to either replace or improve our existing capital assets. I would like to add two significant points to this rule. In most cases the bond market will require an entity that issues debt to hold in reserve an amount equal to the annual debt service, plus additional reserves to show that prudent financial policies have been implemented. By having a 10% rule, the Port is able to factor the debt service reserve as part of the calculation but allows the Port to issue debt at a lower risk than an entity which does not have proven reserves. By having adequate reserves, the bond issuer is provided a higher debt rating and as such can establish a lower cost of capital. Today, if something were to occur, the Port has over a year’s worth of reserves to use towards operations and capital projects within its budget.
- **Debt Coverage Ratio** – A debt coverage ratio is the ratio of net operating cash flow divided by the amount of debt service an entity can incur or obtain. Maintaining a ratio of 2.0 provides a bookend to the Port in holding down operating expenses in line with the revenues it generates. This also allows an organization to go to the bond market and obtain favorable financing because the Port has been financially prudent. This key financial policy will keep an organization from growing beyond its means with respect to its cost structure (ie. Personnel, materials and services) and the revenues it can generate from its assets.
- **Return of Investment** – The Port uses a term called “Cash on Cash Return before Debt Service and Capital Outlay”. This ratio looks at revenues less operating costs (excludes depreciation) to come up with net cash operating income. Net operating income is then divided by the asset (investment) value. This ratio reflects the return on an asset or group of assets and provides a gauge for policymakers in moving forward with an acquisition or capital improvement. The Port hovers between 3.2% to 4% on its Cash on Cash Return before Debt Service and Capital Outlay.

Key Assumptions: Several key assumptions were included in the forecast as follows:

- I have lowered the CPI index due to the lower inflationary impacts that we are experiencing in the last few years. In the previous forecasts the CPI was 2.5% which has been moved down to 2.12% to fall in line with other municipal models.
- The increase in the PERS rates due to the unfunded liability has been taken into consideration starting in FY 2017-18.
- The Walker Macy waterfront plan numbers for Lot 1 are included in the forecast beginning in FY 2020.
- A new building on the Maritime property and to the east is built in two phases starting in 2020. This is debt financed and the operating revenues is projected after completion.
- With regard to the bridge and with consultation with HDR, we have included the replacement of the wire ropes to the bridge starting in FY 2017-18 through FY 2018-19. Our last payment from the 2003/2013 Revenue bonds occurs December 2018. In the forecast, we issue \$9 million of revenue bonds for the bridge which will (as of now) address painting of the lift span and flanking spans, lift span tower improvements, wire ropes, and Gusset and Trunnion enhancements and possible tolling system changes.
- Staffing has stayed about the same throughout the model.
- The tolls have an increase to \$1.25 for the Cash paying customer starting January 2017. The ETC customer remains at \$0.80. The cash paying customers are predominantly out of the area and will most likely represent 35% of the bridge traffic. The increase is in response to the capital improvements that have been made over the last several years as well as those anticipated and through 2018. The bridge's capital improvements for 2016, 2017 and 2018 are \$707,400, \$819,500 and \$509,500, respectively. This level of bridge work is significant and will call on our reserves and toll increases to pay for it.

Approach:

- There will be discussion at the Spring Planning session of raising tolls to pay for an EIS submission to DOT. The minimum grant is \$5 million but has a 40% match which will require about \$3.2 million in local match. To meet this match the ETC portion of the toll rate would need to be raised. If the ETC toll is raised from \$0.80 to \$1.00 it will bring in about \$550,000 after taking into account our non-revenue activity.

Financial Model Staff Notes Issues and Assumptions

The following staff notes provide additional detail about the conditions and assumptions associated with preparation of the 2017 10-Year financial model for Commission consideration.

MANAGEMENT/ADMINISTRATION

- Smaller construction projects continue to be carried out by Facilities staff— this approach continues to save on capital costs but has increased staffing demands.
- Recent staff retirements have meant a re-shuffling of front office job responsibilities. A key consideration is whether additional staff capacity is needed for front counter and administrative functions.
- A significant number of current and near-term projects have stretched staff capacity— outsourced project management should be considered.
- There is a need to add floor area to the Port office. Various options are being identified, each with each with different benefits and cost impacts.
- Tenant expectations about maintenance of leased properties and public expectations about maintenance of public spaces are now generally higher. This places additional pressure on staff capacity and may mean additional outsourcing of maintenance functions.
- Various real estate and construction projects at the Airport will also require significant staff time and effort over the next 2-3 years.
- Employee compensation considerations:
 - o Healthcare cost is anticipated to be around a 5% increase.
 - o Our PERS rates will increase 28% from this year to pay for the unfunded liability existing in the PERS pension fund due primarily to Tier 1 recipients.
 - o The Port will move forward with a salary/position study to determine whether our classifications are within reason for a Port our size and within the Columbia Gorge area
 - o Maintenance is increasing by 1 position through reduction of seasonal maintenance funding. This will allow for year-round coverage and enhancements that were usually delayed until the summer months and at times needed to be mitigated with higher skill labor.

ASSET AREAS

Commercial/Industrial Properties

- Consideration should be given to a NNN lease structure that requires reimbursement of maintenance, insurance and all utilities. Our current lease model cannot keep up with

these costs and we have no mechanism to pass through maintenance items. A change would require new software and a change in current billing practices.

- Overall occupancy rate is 96%. Most lease payments are current.
- Big 7 remains the Port building with the most challenges:
 - Longstanding vacancies that have been difficult to lease.
 - The need for a roof analysis that could point to a major replacement project in the next year.
- Increasing lease revenue remains a long-term Port objective. The FY18 budget assumes planning and engineering of the next Port building is at the Lower Mill.
- The 5-year paving plan is near complete. Costs in this area will decrease dramatically as we move into maintenance mode.
- Conceptual planning for development of the Maritime site has been carried in the budget for several years but not initiated due to other priorities. This should be initiated in FY18 so that there is a more specific plan for development of that property for future budgeting.
- Key considerations for the Lower Mill include:
 - Completion of site development projects will continue to take significant staff time. The off-site water project, wetland mitigation and dirt pile move are time-intensive projects that require public bids. Engineering has been contracted already for all but the off-site water project.
 - As lots go up for sale, more staff time will be dedicated to negotiations.
 - Planning for a Port-owned building on the northernmost lot will likely need to begin towards the middle of 2018.

Bridge

- Financing near/medium-term projects need to be considered vis-à-vis expenditures to accelerate progress on bridge replacement effort.
- The final payment on current revenue bonds will occur in late 2018. New revenue bonds will need to be sold, but the amount will be determined by bridge replacement progress and utilization of debt capacity.
- New tolling technology to be installed in 2017 will enable enhanced tolling capabilities. The most immediate benefit is on-line, real-time customer account management. Potential future capabilities include license plate recognition and weigh-in-motion but at significant cost.
- Going forward, many of the bridge projects are larger in magnitude and expense. Such projects include painting and seismic upgrades which will be very challenging to finance and their real benefit debatable.
- Toll revenue is the key to the timing of future bridge repair and/or replacement projects based on debt capacity decisions and long-term capital project assumptions. The Commission will need to decide upon a toll increase scenario for the FY18 budget.
- Key considerations regarding toll rates include the following:
 - Since trucks are incurring more damage to our bridge, the forecast depicts per axle rate increases for trucks that more than double their current rates.

Trucks currently make up 3% of our traffic and 8% of our revenues, however, annual costs to repair damage caused by heavy trucks are more than the tolls that they bring in.

- Over the next five years the existing bridge will incur over \$12.6 million in capital improvements with a bond issuance of over \$10.7 million in 2019. Our current rate structure allows for a \$8 million debt capacity such that the additional debt capacity along with the additional capital improvements to the existing bridge will require the doubling of truck rates and an increase of the BreezeBy rate for vehicle traffic between \$0.85-\$0.90. If the replacement bridge efforts are successful, an additional \$0.25 to the \$1.00 cash toll will be required in the first year.

Recreation Sites

- The visioning process initiated several years ago provided a “roadmap” of potential site enhancements. Many of these projects have been carried out in the last several years at significant staff time and expense.
- Staff does recommend some additional work should be considered in FY18 including:
 - Wayfinding and Interpretive Signage
 - Beach restoration at the Event Site
 - Increased dock capacity and non-motorized boating enhancements at Nichols Basin
- The parking plan that was introduced this year has been delayed due to further City deliberations. Consideration needs to be given to implementation in FY18. It may be possible to partially implement the plan on a few Port sites this fiscal year but that is less likely, primarily due to enforcement challenges.
- The significant operating deficit for the maintenance of Port recreation sites remains and is increasing due to the addition of the Nichols Basin West Edge Park. The only real means of off-setting the annual loss is toll revenue, and the maintenance assessment on recent Port building sites which will commence on about a year.
- Consideration should be given to re-locating the vehicular entrance to the Event Site.

Marina

- A solution to the GFCI issue is the highest priority this spring. It is unclear whether additional expenses will be incurred in FY18 to fully resolve the problem.
- The Port should consider working with OSMB and an engineer to prepare a plan for replacement of the Visitor Dock—this would allow for a grant application in FY19.
- Consideration is being given to seeking a programmatic general permit for future projects in the Marina; however, it is not yet certain whether the USCOE would allow this approach.

Airport

- Efforts to negotiate and finalize the real estate agreements with TacAero on both the north and south sides continue, as does coordination with granting agencies, FAA and ODOT.

- Working with the FAA regarding wetland mitigation and the environmental assessment will be a significant priority this year.
- The need to secure off-airport property for wetland mitigation adds real uncertainty and potentially significant cost to the Connect VI project.
- The potential to leverage Windmaster Urban Renewal funds could help fill the local match for the Connect VI project; however, it is uncertain whether it will be approved.
- Construction on the South Taxiway this summer and the north ramp in 2019 will require significant coordination.
- Building a T-hangar row should be considered for 2019/20.
- The south-side lease and development project would eliminate the need for monthly payment for FBO services, about \$18,000 per year, and increase lease income by \$9,700 per year.
- The business goal of the Airport is to ensure that it is self-sustaining on an operating basis. This goal has not yet been achieved but is close.

POLICY/STRATEGY AREAS

- Thorn Run Contract— it is uncertain what level of state representation will be needed in FY18. Much will depend upon progress made on bridge replacement this year.
- Depending on outcomes in Oregon legislative session, the Port may need to be ready to implement a similar effort in Washington next year.
- The Community Support Initiative (CSI) has not yet been completely fleshed out as a program, partly because of statutory limitations on Port activities. Line item funds have been utilized to retain paid internships. This has proven beneficial to the Port and can be a core component of the CSI as ORS 777 has limitations on what activities the Port can engage in.
- The OneGorge Advocacy group continues to grow and continued financial support is recommended. Greater collaboration among participants for the group's event planning and administration is happening, but should be encouraged further to reduce staff time and cost.

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**Port of Hood River
Long Range Financial Model
Updated: March 21, 2017**

Agency-Wide Statistic	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Total Operating Revenues	\$6,378,245	\$6,704,391	\$7,596,576	\$7,880,984	\$8,612,826	\$8,758,937	\$8,681,713	\$8,816,904	\$8,954,560	\$9,658,216	\$85,458,259
Total Direct Operating Expenses	\$1,806,447	\$1,904,363	\$2,041,393	\$2,105,085	\$2,170,764	\$2,238,491	\$2,308,332	\$2,380,352	\$2,454,619	\$2,531,203	\$22,744,780
Total Allocated Personnel	\$1,681,576	\$1,881,401	\$2,144,056	\$2,195,811	\$2,248,819	\$2,303,113	\$2,358,724	\$2,415,683	\$2,474,024	\$2,533,779	\$23,150,395
Net Operating Income before Debt Service and Capital Outlay	\$2,890,222	\$2,918,627	\$3,411,127	\$3,580,089	\$4,193,243	\$4,217,332	\$4,014,657	\$4,020,869	\$4,025,917	\$4,593,233	\$39,563,084
Cash on Cash Return before Debt Service and Capital Outlay	4.9%	4.8%	5.4%	5.3%	5.6%	4.4%	3.8%	3.8%	3.7%	4.2%	4.5%
Net Operating Income after Debt Service and Net Capital Outlays (Excl. Grant Funded)	\$4,860,556	-\$365,948	\$1,680,519	\$11,067,161	-\$4,185,658	-\$936,034	\$1,919,995	\$1,883,953	\$1,440,010	\$2,002,968	\$1,673,927
Cash on Cash Return after Debt Service and Capital Outlays (Excl. Grant Funded)	8.3%	-0.6%	2.7%	16.5%	-5.6%	-1.0%	1.8%	1.8%	1.3%	1.8%	2.1%
No. FTE in Port Buildings	290	298	311	314	318	319	327	329	330	330	330
Wages of Jobs in Port Buildings	\$12,419,031	\$12,880,430	\$13,298,925	\$13,729,374	\$14,172,098	\$14,472,547	\$14,779,365	\$15,092,687	\$15,412,652	\$15,412,652	\$14,466,338
End of Year Reserves	\$8,668,775	\$7,788,565	\$8,996,803	\$19,662,298	\$15,102,115	\$13,728,525	\$15,192,210	\$16,621,380	\$17,603,952	\$19,147,055	\$20,359,765
Reserves from Sale of Assets	\$ 3,106,074	\$ 2,356,074	\$ 3,726,631	\$ 3,726,631	\$ 3,827,952	\$ 3,827,952	\$ 3,827,952	\$ 3,827,952	\$ 3,827,952	\$ 3,827,952	\$ 3,827,952
Reserves Unassigned	\$ 5,562,702	\$ 5,432,491	\$ 5,270,172	\$ 15,935,668	\$ 11,274,164	\$ 9,900,574	\$ 11,364,259	\$ 12,793,429	\$ 13,776,001	\$ 15,319,103	\$ 16,531,814
10% on Net Depreciable Assets	\$ 5,107,417	\$ 5,221,929	\$ 5,494,307	\$ 6,214,294	\$ 8,323,478	\$ 9,423,304	\$ 9,469,254	\$ 9,674,204	\$ 9,758,654	\$ 9,843,104	\$ 12,090,204
Excess (Under) 10% Depreciable Assets		\$ 210,562	\$ (224,134)	\$ 9,721,374	\$ 2,950,686	\$ 477,270	\$ 1,895,005	\$ 3,119,225	\$ 4,017,347	\$ 5,476,000	\$ 4,441,610

**PORT OF HOOD RIVER
LONG RANGE FINANCIAL MODEL
BASE ASSUMPTIONS**

Base Assumptions												
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
CPI	2.50%	2.26%	1.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%
CPI Multiplier	1.025	1.023	1.011	1.021	1.021	1.021	1.021	1.021	1.021	1.021	1.021	1.021
Cumulative CPI	1.054	1.078	1.090	1.113	1.136	1.160	1.185	1.210	1.236	1.262	1.289	1.316
Expense Differential	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Expense Multiplier	103.5%	103.3%	102.1%	103.1%	103.1%	103.1%	103.1%	103.1%	103.1%	103.1%	103.1%	103.1%
Annual Lease Revenue Growth	2.5%	2.3%	1.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
Annual Lease Revenue Growth Multiplier	1.025	1.023	1.011	1.021	1.021	1.021	1.021	1.021	1.021	1.021	1.021	1.021
Increase in Bridge Traffic	1.05%	1.05%	1.05%	1.05%	1.05%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%
	1.013	1.011	1.011	1.011	1.011	1.011	1.011	1.011	1.011	1.011	1.011	1.011
Cumulative Increase in Bridge Traffic	102.6%	103.6%	104.7%	105.8%	106.9%	108.1%	109.3%	110.5%	111.7%	113.0%	114.2%	115.5%
ETC Toll	\$ 0.80	\$ 0.80	\$ 0.85	\$ 0.97	\$ 0.97	\$ 1.05	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.10	\$ 1.05
ETC Toll Rate Compared to 2014 Rate	1.067	1.000	1.063	1.141	1.000	1.082	0.952	1.000	1.000	1.000	1.100	0.955
Growth in Average Payroll per FTE	2.5%	2.3%	1.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
Growth in Payroll	1.025	1.023	1.011	1.021	1.021	1.021	1.021	1.021	1.021	1.021	1.021	1.021
Cumulative Growth in Average Payroll per FTE	1.054	1.078	1.090	1.113	1.136	1.160	1.185	1.210	1.236	1.262	1.289	1.316
Growth in Allocated Administration Costs	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Admin Cost Multiplier	1.025	1.025	1.025	1.025	1.025	1.025	1.025	1.025	1.025	1.025	1.025	1.025
Cumulative Growth in Allocated Admin Cost	1.051	1.077	1.104	1.131	1.160	1.189	1.218	1.249	1.280	1.312	1.345	1.379
Number of Marina Slips	165	165	165	165	165	165	165	165	165	165	165	165
Interest Rate on Reserve Funds	1.0%	1.0%	1.0%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Cash Toll	55%	50%	50%	45%	40%	40%	35%	35%	35%	35%	35%	35%
Ticket/ETC	45%	50%	50%	55%	60%	60%	65%	65%	65%	65%	65%	65%

Capital Projects

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Airport	Airport													
	Replace Lights			\$ 3,000										
	Taxiway B Ext & South Apron	\$ 3,100	\$1,149,778	\$383,333			\$722,000							
	Master Plan/FBO Building/Avgas Relocate	\$ 68,727	\$ 28,000	\$ 5,000										
	North Apron Expansion	4,312	\$ 25,000	\$430,000	\$1,910,367	\$1,972,222								
	Road Improvement Security/Fence Perimeter		\$ -	\$ -										
	T-Hangars-doors	\$0	\$45,000	\$ 20,000										
	Jet Fuel Tank													
	AWOS/Crack Seal, Slurry Seal		\$25,000				\$500,000							
	Sub-Total Airport	\$76,139	\$1,272,778	\$841,333	\$1,910,367	\$1,972,222	\$1,222,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bridge	Bridge													
	Toll System	\$105,807	\$500,579	\$75,000	\$457,000	\$605,000								
	N. and S Approach Paving, Expn Joint Rehab			\$38,000	\$229,000				\$0			\$3,723,000		
	Pier Cap Insp & Engr & Rehab/Imaging	\$21,994		\$0	\$132,000	\$347,000	\$0	\$0				\$300,000		
	Seismic	\$22,453	\$30,000				\$0	\$0	\$0					
	Steel Truss Aux. Brace-Engr Analysis	\$89,328	\$145,000	\$446,000										
	Shim Stringers		\$40,000											
	Steel Truss Gussets /Trunnion Fatigue		\$100,000	\$100,000	\$65,000		\$40,000							
	Blast & Pressure Wash/Painting	\$0	\$0	\$50,000		\$2,237,000	\$2,619,000				\$0	\$5,859,000	\$0	\$0
	Deck Systems-Welding/Replacement	\$0	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,955,000		
	Lift Span Guides/Skew Adjusters	\$0		\$540,000		\$750,000						\$750,000		
	Pier Impact Lift Span Survey	\$134,880												
	Replacement Bridge EIS/Land Acq/Eng/Const	\$0	\$15,000	\$1,000,000	\$3,000,000	\$3,000,000	\$1,250,000							
	Bridge Railing or Seating	\$0	\$10,000	\$20,000	\$20,000	\$2,694,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
	Signage/Lights/Gates			\$107,000										
	Lift Span E&M/Wire Ropes	\$0		\$0	\$0	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
	Inspections/Repairs Ongoing Maintenance (See "Other Expenses" in Toll Bridge	\$0	\$30,000	\$40,000	\$20,000	\$85,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Sub-Total Bridge	\$374,462	\$881,079	\$2,426,500	\$3,933,500	\$9,752,500	\$3,943,500	\$114,500	\$74,500	\$74,500	\$74,500	\$74,500	\$21,651,000	\$64,000	\$64,000
Marina	Marina													
	Capital Maintenance	\$0	\$14,000	\$20,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
	Visitor Dock Rehabilitation		\$33,000		\$650,000					\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
	Electrical Upgrade		\$21,000											
	Boathouse Dock Replacement													
	South Dock Upgrade	\$0	\$38,000											
	A/B Dock Expansion						\$50,000	\$100,000	\$1,500,000	\$0	\$0	\$0	\$0	\$0
	Cruise Ship Dock	\$10,973												
Total	\$10,973	\$106,000	\$20,000	\$665,000	\$15,000	\$65,000	\$115,000	\$1,515,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	
Recreation	Marina Park													
	Frontage Rd Pedestrian Bridge Trail	\$16,122	\$30,000											
	Marina Green Irrigation Pump House			\$17,000										
	Marina Perimeter Path/Power Vault	\$0	\$25,000			\$200,000								
	Yacht Club Restroom Upgrade/ Tables		\$5,000	\$26,000										
	Total	\$16,122	\$60,000	\$43,000	\$0	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Event Site													
	Landscaping/Signage/Paving	\$0	\$5,000		\$5,000	\$50,000	\$10,000	\$50,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
	Restroom Upgrade	\$0		\$15,000										
	Parking	\$0			\$150,000			\$0						
	Jetty Repair						\$350,000							
	Event Site Dock Repairs	\$4,000			\$0									
	Total	\$4,000	\$5,000	\$15,000	\$155,000	\$50,000	\$360,000	\$50,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
	Hook/Spit/Nichols													
Grading/Signage/Amenities	\$0	\$5,000	\$8,500	\$10,000	\$10,000	\$15,000	\$15,000	\$15,000	\$15,000	\$0	\$0	\$0	\$0	
Sewer Line Bike Path	\$15,638													
Launch Upgrades and spit road upgrade	\$81,837	\$0	\$11,000	\$50,000					\$50,000					
Total	\$97,475	\$5,000	\$19,500	\$60,000	\$10,000	\$15,000	\$15,000	\$15,000	\$65,000	\$0	\$0	\$0	\$0	
Sub-Total Recreation	\$117,597	\$70,000	\$77,500	\$215,000	\$260,000	\$375,000	\$65,000	\$75,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	
GRAND TOTAL	\$2,337,553	\$3,611,129	\$4,094,333	\$7,199,867	\$21,193,163	\$10,998,260	\$459,500	\$2,049,500	\$844,500	\$844,500	\$22,471,000	\$884,000	\$834,000	

GRANTS, LOAN REPAYMENTS, THIRD PARTY FUNDS

		Payment Type	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
Commercial/Industrial Properties	Big 7													
	Loading Dock/Corridor Repay TIS Annual Total													
	KWPB													
	Repay TIS													
	UTS Portsite Bldg.													
	Demolition Annual Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	State Office Building													
	Remodel													
	Port Office Building													
	Remodel													
	Marina Center Building													
	Remodel													
	JWBP-Timber Building													
	Wasco St. Office Building					\$0	\$0							
	Tenant Improvements	Repayment	\$20,548			\$0	\$0							
	Maritime Building													
	Planning and Design	Loan				\$0	\$5,000,000	\$4,000,000						
	Jensen Building Improvements													
	Remodel					\$0	\$1,877,973							
	Halyard Building													
	TI	Repayment	\$19,550	\$19,550	\$19,550	\$19,550	\$19,550	\$19,550	\$19,550	\$19,550	\$14,096	\$7,934		
Waterfront Industrial		\$19,550	\$19,550	\$19,550	\$19,550	\$19,550	\$19,550	\$19,550	\$19,550	\$14,096	\$7,934	\$0	\$0	
Repayment of Sewer Plant Loan	Repayment	\$153,988	\$114,724	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Repayment of Consolidated URA Loan	Repayment		-\$4,301	\$232,156	\$239,241	\$132,218	\$0	\$0	\$0	\$0	\$0			
Riverside Reconstruction	Grant			\$20,000										
1st Street Re-Alignment	Grant													
E. Portway Ave. Upgrades	Grant					\$2,701,215	\$186,252							
Anchor Way 1st & 2nd/Extension	Grant					\$941,857								
West Nichols Basin Ped/Bike Path	Grant	\$106,248				\$1,051,261								
Portway Avenue EDA Grant	Grant													
TOTAL	Repayment	\$260,236	\$110,423	\$252,156	\$239,241	\$3,884,694	\$1,128,109	\$0	\$0	\$0	\$0	\$0	\$0	
Hanel/New Initiative														
Land Acquisition and Bldg		\$2,253,000	\$0	\$0	\$1,821,240	\$0	\$0							
Sub-Total Commercial/Industrial Properties		\$0	\$2,553,335	\$129,973	\$271,707	\$2,080,031	\$10,782,217	\$5,147,659	\$19,550	\$14,096	\$7,934	\$0	\$0	
Airport	Airport													
	Relocate Runways	Grant												
	Taxiway B Ext & South Apron	Grant	\$ -	\$1,202,078	\$375,900			\$649,800						
	Master Plan/FBO Building	Grant	\$ 61,377											
	North Apron Expansion	Grant		\$25,000	\$380,000	\$1,746,900	\$1,775,000							
	Road Improvement Security/Fence Perimeter	Grant		\$0										
	T-Hangars	Loan		\$45,000	\$20,000									
	Jet Fuel Tank	Loan												
	AWOS/Crack Seal, Slurry Seal	Grant						\$450,000						
	Sub-Total Airport		\$61,377	\$1,272,078	\$775,900	\$1,746,900	\$1,775,000	\$1,099,800	\$0	\$0	\$0	\$0	\$0	
	Bridge	Bridge												
Bridge Improvements		Loan		\$0		\$10,070,000							\$21,587,000	
Grant					\$1,000,000	\$3,000,000	\$3,000,000	\$1,250,000						
Sub-Total Bridge		\$0	\$0	\$1,000,000	\$13,070,000	\$3,000,000	\$1,250,000	\$0	\$0	\$0	\$0	\$21,587,000		
Marina	Marina													
	Capital Maintenance													
	Visitor Dock Rehabilitation	Grant				\$325,000								
	Electrical Upgrade	Loan												
	Boathouse Dock Replacement	Loan												
	South Dock Upgrade	Loan												
A/B Dock Expansion									\$1,500,000					
Total		\$0	\$0	\$0	\$0	\$325,000	\$0	\$0	\$0	\$1,500,000	\$0	\$0	\$0	
Recreation	Park													
	Frontage Rd Marina Green Path	Grant												
	Marina Green Upgrades		\$0											
	Marina Perimeter Path	Grant					\$120,000							
	Total		\$0	\$0	\$0	\$0	\$120,000	\$0	\$0	\$0	\$0	\$0	\$0	
	Event Site													
	Landscaping/Signage/Paving													
	Restroom Upgrade													
	Dredging													
	Jetty Repair													
Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Hook and Spit														
Grading/Signage/Amenities														
Sewer Line Bike Path														
Launch Upgrades		\$42,485												
Total		\$0	\$42,485	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Sub-Total Recreation		\$0	\$42,485	\$0	\$0	\$0	\$120,000	\$0	\$0	\$0	\$0	\$0		
GRAND TOTAL		\$0	\$2,657,197	\$1,402,051	\$2,047,607	\$17,221,931	\$15,677,217	\$7,497,459	\$19,550	\$1,514,096	\$7,934	\$0	\$21,587,000	

DEBT SERVICE SCHEDULE

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
Commercial/Industrial Properties	Waterfront Industrial												
	<i>New Initiative Waterfront</i>	\$0	\$0	\$0	\$0	\$0	\$211,879	\$211,879	\$211,879	\$211,879	\$211,879	\$211,879	
	<i>Debt Service Waterfront 2014+</i>												
	<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$211,879	\$211,879	\$211,879	\$211,879	\$211,879	\$211,879	
	Big 7												
	<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	KWPB												
	<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	State Office Building												
	<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Marina Office Building												
	<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Hanel/New Initiative												
	<i>Construction Loan</i>	\$84,973	\$140,707	\$140,707	\$1,853,735	\$161,522	\$161,522	\$161,522	\$161,522	\$161,522	\$161,522	\$161,522	\$161,522
	<i>Total</i>	\$84,973	\$140,707	\$140,707	\$1,853,735	\$161,522	\$161,522	\$161,522	\$161,522	\$161,522	\$161,522	\$161,522	\$161,522
	Port Office Building												
	<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	JWBP-Timber Building												
	<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Wasco St. Office Building												
<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Maritime Building													
<i>Debt Service Maritime 2014+</i>	\$0	\$0	\$0	\$0	\$0	\$351,278	\$351,278	\$351,278	\$351,278	\$351,278	\$351,278	\$351,278	
<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$351,278	\$351,278	\$351,278	\$351,278	\$351,278	\$351,278	\$351,278	
Jensen Bldg.													
<i>Phil Jensen Note</i>	\$144,942	\$144,942	\$144,942	\$144,942									
<i>Refinance of 2020 Ballon Payment</i>					\$1,877,973	\$120,555	\$120,555	\$120,555	\$120,555	\$120,555	\$120,555	\$120,555	
<i>Total</i>	\$144,942	\$144,942	\$144,942	\$144,942	\$1,877,973	\$120,555	\$120,555	\$120,555	\$120,555	\$120,555	\$120,555	\$120,555	
Halyard Bldg.													
<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Sub-Total Commercial/ Industrial Properties		\$229,914	\$285,649	\$285,649	\$1,998,677	\$2,039,495	\$845,233	\$845,233	\$845,233	\$845,233	\$845,233	\$845,233	
Airport	Airport												
	<i>Debt Service Airport 2014+</i>	\$0	\$0	\$5,010	\$5,010	\$5,010	\$5,010	\$5,010	\$5,010	\$5,010	\$5,010	\$5,010	
Sub-Total Airport		\$0	\$0	\$5,010	\$5,010	\$5,010	\$5,010	\$5,010	\$5,010	\$5,010	\$5,010	\$5,010	
Bridge	Bridge												
	<i>Series 2013 Bonds +</i>	\$708,798	\$692,952	\$677,268	\$485,807	\$706,455	\$706,455	\$706,455	\$706,455	\$706,455	\$706,455	\$706,455	
Sub-Total Bridge		\$708,798	\$692,952	\$677,268	\$485,807	\$706,455	\$706,455	\$706,455	\$706,455	\$706,455	\$706,455	\$706,455	
Marina	Marina												
	<i>Marina Expansion C Dock (20)</i>	\$28,425	\$27,820	\$27,155	\$26,435	\$25,670	\$24,840	\$28,850	\$27,750	\$26,650	\$25,550	\$0	
	<i>Debt Service Marina 2014+</i>	\$70,111	\$69,076	\$70,357	\$69,063	\$67,645	\$71,027	\$69,164	\$67,064	\$165,992	\$163,517	\$166,310	
Sub-Total Marina		\$98,536	\$96,896	\$97,512	\$95,498	\$93,315	\$95,867	\$98,014	\$94,814	\$192,642	\$189,067	\$166,310	
Recreation	Park												
	<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Event Site												
	<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Hook and Spit												
<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Sub-Total Recreation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
GRAND TOTAL		\$1,037,248	\$1,075,498	\$1,065,438	\$2,584,992	\$2,844,275	\$1,652,565	\$1,654,712	\$1,651,512	\$1,749,341	\$1,745,766	\$1,723,009	

**PORT OF HOOD RIVER
LONG RANGE FINANCIAL MODEL
GENERAL FUND, ADMINISTRATION AND MAINTENANCE**

GENERAL FUND, ADMINISTRATION AND MAINTENANCE

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
EXPENSES											
Personnel	\$88,451	\$110,600	\$152,365	\$156,174	\$160,079	\$164,081	\$168,183	\$172,387	\$176,697	\$181,114	\$185,642
Professional Services	\$173,111	\$270,550	\$224,500	\$231,504	\$238,727	\$246,176	\$253,856	\$261,777	\$269,944	\$278,366	\$287,051
Other Materials and Services	\$124,975	\$158,250	\$163,187	\$168,279	\$173,529	\$178,943	\$184,526	\$190,284	\$196,220	\$202,342	\$208,656
Total	\$386,537	\$539,400	\$540,053	\$555,958	\$572,335	\$589,200	\$606,565	\$624,447	\$642,861	\$661,823	\$681,349
REVENUES	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03
Property Tax	\$64,535	\$64,472	\$66,406	\$68,398	\$70,450	\$72,563	\$74,740	\$76,982	\$79,292	\$81,671	\$84,121
NET GENERAL FUND PRIOR TO TRANSFERS	-\$322,002	-\$474,929	-\$473,647	-\$487,560	-\$501,885	-\$516,636	-\$531,825	-\$547,465	-\$563,570	-\$580,153	-\$597,228
Rev Fund Admin: Personnel Services	-\$10,333	-\$10,552	-\$10,881	-\$11,221	-\$11,571	-\$11,932	-\$12,304	-\$12,688	-\$13,084	-\$13,492	-\$13,913
Rev Fund Admin: M&S	-\$113,522	-\$113,639	-\$117,185	-\$120,841	-\$124,611	-\$128,499	-\$132,508	-\$136,642	-\$140,906	-\$145,302	-\$149,835
Rev Fund Admin: Capital Outlay	-\$23,181	-\$11,388	-\$18,743	-\$19,328	-\$19,931	-\$20,552	-\$21,194	-\$21,855	-\$22,537	-\$23,240	-\$23,965
Total Rev Fund Admin	-\$147,036	-\$135,579	-\$146,809	-\$151,389	-\$156,113	-\$160,983	-\$166,006	-\$171,185	-\$176,526	-\$182,034	-\$187,713
Rev Fund Unallocated Maintenance: Personnel Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rev Fund Unallocated Maintenance: M&S	-\$88,078	-\$89,945	-\$92,752	-\$95,645	-\$98,629	-\$101,707	-\$104,880	-\$108,152	-\$111,527	-\$115,006	-\$118,594
Rev Fund Unallocated Maintenance: Capital Outlay	-\$66,004	-\$32,133	-\$40,300	-\$32,448	-\$33,460	-\$4,537	-\$4,679	-\$44,825	-\$46,223	-\$47,666	-\$49,153
Total Rev Fund Unallocated Maintenance	-\$154,082	-\$122,078	-\$133,051	-\$128,093	-\$132,090	-\$106,244	-\$109,559	-\$152,977	-\$157,750	-\$162,672	-\$167,747
Total NOI General Fund and Other Administration	-\$445,857	-\$599,120	-\$601,713	-\$619,621	-\$638,067	-\$657,067	-\$676,637	-\$696,795	-\$717,559	-\$738,946	-\$760,977
<i>Professional Services:</i>											
Governmental Affairs	\$ 85,858	\$ 135,000	\$ 112,500								
Legal	15,774	30,000	30,000								
Accounting and Audit	25,100	40,000	42,000								
Newletters and Publications	23,120	43,550	24,500								
Outreach/Other	23,259	22,000	15,500								
	<u>173,111</u>	<u>270,550</u>	<u>224,500</u>								
General Rent	48,550	48,550	48,550								
Utilities	1,000	1,000	1,000								
Insurance	3,523	4,000	4,000								
Miscellaneous	24,550	26,600	26,600								
IT/Security	2,013	2,600	2,600								
Travel and Meeting	21,946	26,500	24,000								
Dues & Memberships	22,393	26,000	26,000								
Value Added	1,000	23,000	5,000								
	<u>124,975</u>	<u>158,250</u>	<u>137,750</u>								

