

## **PORT OF NEWPORT MINUTES**

April 5, 2016

Commission Work Session  
Budget Priorities Workshop

### **I. CALL TO ORDER**

Commission President Walter Chuck called the Regular Commission Meeting of the Port of Newport Board of Commissioners to order at 12:00 noon at the South Beach Activities Room, 2120 SE Marine Science Drive, Newport, Oregon.

**Commissioners Present:** Walter Chuck (Pos. #1), President; Ken Brown (Pos. #4), Vice-President; David Jincks (Pos. #2), Secretary/Treasurer; Stewart Lamerdin (Pos. #3); and Patricia Patrick-Joling (Pos. #5).

**Management and Staff:** Kevin Greenwood, General Manager; Stephen Larrabee, Director of Finance; and Karen Hewitt, Administrative Assistant.

**Members of the Public and Media:** None.

### **II. PERSONNEL EXPENSES**

Greenwood stated that this work session would focus on anticipated personnel expenses and capital priorities. Staff is presenting its recommendations and this work session is the Commission's opportunity to give input. Four resolutions would be developed as a result of this discussion and as part of the budget process: Rates, Fees and Charges; Employee Compensation Plan; Capital Improvement Priority List; and the Budget Resolution.

Greenwood referred the Commissioners to the Meeting Packet, page 9, identifying the maintenance crew budget item which reflected two new and one redirected personnel. The personnel budget is a 10% increase over last year, including the two new employees and a 6% increase in health insurance premiums. Chuck asked if the positions to be filled in the maintenance crew would be Maintenance I or Maintenance II. Greenwood said he expected the new hires would be Maintenance II, and the Maintenance I would be an internal move. Greenwood said there is still work to be done to complete the Maintenance Plan, and the Maintenance Plan is distinct from Capital Priorities. Lamerdin advised that he and Jincks would be meeting with Fuller on the 11<sup>th</sup> regarding the Maintenance Plan., which would be the "big picture." Greenwood added the Maintenance Plan is a proposal regarding funding and staffing, and it is a work in progress. Jincks said that a concern is the sustainability of the program itself, both funding and procedures. Greenwood recommended these personnel be included in the budget as a placeholder so the opportunity is there to implement once the plan is approved.

Jincks asked if Greenwood was almost complete in hiring his management team, noting the addition of an RV Park Manager to the budget. Greenwood said the job was already in place under another title, and the Special Projects position would not be rehired. Jincks requested a job description be prepared for the RV Park Manager; Larrabee will follow up. Greenwood referred to the General Manager's tier one goal of completing an updated personnel manual. This would include four elements: 1. Safety Plan; 2. Maintenance Plan (being developed); 3. Compensation Plan; and 4. Classification (Job Descriptions) Plan. This is a task that will take some time to complete.

Greenwood referred to page 3 of the Meeting Packet regarding the 12 step pay matrix. COLA (Cost of Living Adjustments) were not used by the Port, but were important standards to acknowledge. There are two rows in the matrix on page 10 that required adjustment: 1. Maintenance III, affected by minimum wage law; and General Manager. These are the only two lines that are changed from last year. Brown noted that the changes to the Maintenance III steps will eventually cause a Maintenance II bump. Jincks said that in past discussions, COLA was not used because it was a national index and not widely used. The 2.5% steps were adopted as an incentive based not automatic increase; Greenwood added that in the previous year two employees did not receive a step increase because of evaluations, and pay was increased by the step at a later date after satisfying an improvement plan. Greenwood said staff was behind on employee evaluations for the current year, but acknowledged their importance. Lamerdin expressed concern that job performance incentive would be lost once step twelve was reached, and suggested that this matrix be evaluated during the next year. Greenwood said that currently he was the only one at step twelve but anticipated there would be 3 – 4 more employees in the next few years that would reach step twelve. Jincks suggested COLA could be used once step twelve was reached and that there could be a maximum attainable salary for a particular job classification. Lamerdin and Greenwood also said that the current pay range for positions could limit the Port's competitiveness for new hires. Greenwood recommended that the salary matrix be modified by next year, or as needed for new hires. Jincks suggested the Commission schedule a work session this year to review the pay schedule.

### III. FEE STRUCTURE

Information only; no discussion. Has been reviewed at prior regular meetings.

### IV. PROJECT PRIORITIES

Greenwood said this list of recommendations was prepared with the input of the Facilities and Department Managers. The International Terminal Shipping Facility was ranked number one, which corresponded with the General's Manager's performance evaluation summary. Funding for this project is grant driven. Item number two, PD5 piling, had been prioritized in the past but funds were pulled out of the budget. Item number three, Security upgrades, could be funded through a grant opportunity and would include the Terminal as well. Patrick-Joling asked if there were cameras currently in use at the terminal. Greenwood responded there were cameras, but they were of poor quality. Brown added that software was available and inexpensive to allow the images to be viewed on a desktop. Lamerdin asked if the security plan for the Terminal met the Port's compliance requirements. Greenwood said the Grant application had been reviewed, but the Port is not MTSA certified. Zerr, Fuller, and Greenwood had discussed options to upgrade, along with the Port's security consultant, perhaps seeking an intermediate certification first. Lamerdin said legal requirements for a signed release to take photos should also be looked into. Patrick-Joling suggested this release be incorporated in all contracts.

Greenwood said the restrooms project in the packet may be completed this year, and that the Port is using Angel Job Corps for labor.

Project number five related to the new Maintenance Crew trucks. Brown suggested and the Commission agreed that only one truck be approved with a budget of \$20,000 to purchase a used or surplus vehicle.

Greenwood said that the Swedes building, item number 6, currently housed electrically service for the docks and was used by the fishing fleet for transient storage. Harbormaster Bryant recommended critical repairs. Jincks said this inherited building did not generate sufficient income to justify the repair costs, and suggested finding another option to address electrical needs. Patrick-Joling said the current condition was a liability concern; Lamerdin agreed and added the gangway was also in poor condition. Greenwood said he would talk with Fuller and Bryant about the electrical options and the loss of the dock.

Item number 7, Clean-way SWPP basins replacement with stainless steel, was recommended by Port staff because the existing coating was starting to fail and stainless steel would have a longer life.

Greenwood said the maintenance costs for the forklift was a reason for number 8, forklift replacement. Brown suggested looking to lease a forklift with a maintenance plan rather than purchasing. Lamerdin added that he had purchased a used 10,000 lb. forklift for \$22,000, so \$50,000 budget was high.

Greenwood stated that items nine through thirteen were recommended to address gaps in South Beach, along with support per the Rogue Lease Agreement. Greenwood suggested that the Port could take advantage of the labor currently being used at Rogue to finish off the areas. Jincks said he thought the Commission had already decided to cap these expenses as part of the Rogue negotiations, and that before any decisions for further improvements were made a Vision Plan should be in place. Lamerdin agreed that the overall Vision Plan was important to establish and consideration given to making the RV Park less industrial looking with the Rogue expansion in place. Chuck added that the Port will have a "clean slate" and the Commission could wait before determining final improvements. He suggested that \$10K - \$15K be budgeted for engineering/planning costs. Greenwood said that the dollar amount in the budget would not dictate projects but would make funds available when individual projects were approved. Jincks suggested that engineering be supported by the budget; \$15,000 for engineering, stub-outs, and conduits. Patrick-Joling added that the City Vision plans could be reviewed prior to engineering so that there was no unneeded duplication. Greenwood will also contact Ron Stillmaker. Greenwood said relocating the dump site would also make it available for dry camping but the Commission felt that it was important to go through a planning process first.

The Commission suggested that staff also look into a lease with a maintenance plan for item thirteen, new forklift and any future vehicles/equipment.

Lamerdin expressed concern about Port Dock 5 pier; Fuller had said the pilings were rotted. Lamerdin said there was a liability issue and suggested that the Port needs to be careful when having this evaluated that it not become condemned and unusable before work can be done. Jincks added that this was a priority five years ago, the engineering done, but the project was not completed. He estimated a cost to the Port to be \$500,000 if the dock/pier should fail. He recommended signage about a load limit (10,000 lbs.), and number of truck limit be placed now; the Commission agreed. Patrick-Joling added that a fine would need to be imposed for a violation. Greenwood suggested \$25,000 be budgeted for engineering, either to repair or replace. Jincks said the area to be considered would extend to Swedes dock.

V. **BUDGET COMMITTEE MEETING: Tuesday, May 10, 2016, 6:00 pm at OSU Extension Office.**

VI. **ADJOURNMENT**

Having no further business, the meeting adjourned at 1:35 pm.



Walter Chuck, President

ATTESTED:



David Jincks, Secretary / Treasurer

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