

PORT OF NEWPORT MINUTES

September 26, 2017

Regular Commission Meeting

I. CALL TO ORDER

Commission President Patricia Patrick-Joling 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); Stewart Lamerdin (Pos. #3), Secretary/Treasurer; Jeff Lackey (Pos. #4), Vice President; and Patricia Patrick-Joling (Pos. #5), President. Sara Skamser (Pos. #2) arrived late.

Management and Staff: Aaron Bretz, General Manager Pro Tem; Mark Harris, Staff Accountant; Becca Bishop, Accounting Clerk; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: Heather Mann, Midwater Trawlers Cooperative; Doug Cooper, Hampton Lumber; Yale Fogarty, ILWU; Barrett Tower, ILWU; Pat Ruddiman, ILWU; Kiera Morgan, KYTE/KNPT Radio; Dennis Anstine, Newport News-Times; and Rex Capri.

II. CHANGES TO THE AGENDA

Bretz requested adding quotes for the Director of Finance recruitment, which Patrick-Joling added under New Business.

III. PUBLIC COMMENT

Fogarty commented about an earlier decision regarding Port finances, and noted that Larrabee resigned. Fogarty said that Lackey had commented on getting outside advice on contract negotiations that would not be last minute. Patrick-Joling said the Commission was working on it.

Mann shared she had spent close to two hours meeting with Kevin Mannix about potential agro shipping. He was working with ships to ship out of Newport, Coos Bay and Astoria. Mann encouraged Mannix to talk with the Port.

Ruddiman said that since the Teevin lay-down yard project was shot down, the only opportunity now was the use of the area that is already paved. He wondered how this would work for fishing.

Capri read a prepared statement regarding the International Terminal, which is appended to the minutes.

IV. CONSENT CALENDAR

A. Minutes

1. Commission Work Session August 22, 2017
2. Regular Commission Meeting August 22, 2017
3. Joint Commission/City Council Meeting August 25, 2017

B. Financial Reports

A motion was made by Skamser and seconded by Chuck to approve the Consent Calendar. The motion passed 5 – 0.

V. CORRESPONDENCE/PRESENTATIONS

A. Business Oregon Closeout Letter

Bretz said that without the TIGER grant, the Port did not qualify for the IFA loan. The wording of the letter was similar to that sent to close out the TIGER grant. Skamser asked if this was money for a planning grant. Bretz responded no, this was part of the funding for the shipping facility.

A motion was made by Chuck and seconded by Lackey to authorize the Commission President to sign the letter to Business Oregon. The motion passed 5 – 0.

B. Steve Larrabee Resignation

C. Pete Zerr Resignation

Bretz referred to the letters of resignation included in the Meeting Packet. Patrick-Joling said the Commission was advised. There will be a work session, and this issue will be revisited under New Business.

VI. OLD BUSINESS

A. Items Removed from Consent Calendar

There were no items removed from the Consent Calendar.

B. Accounts Paid

Lamerdin asked about the refunds at the South Beach Marina. Bretz said they were for canceled reservations, and Harris clarified they were yearly moorages. In response to Lamerdin's question if this impacted the Port in selling out moorage, Harris said no. Lamerdin asked if the NOAA landscaping payment was for the circle. Bretz said no, the circle landscaping was to be paid by the city, although the Port may be responsible for some maintenance. Skamser asked if the debt service on page 42 of the packet was for a building permit. Bretz said yes; this was a permit for the Teevin log yard that had been financed over 10-years with semi-annual payments. The city informed him that payments due in January and June of 2017 were not paid. There was room to make these payments from the construction fund. Chuck asked if the Port should be paying this if construction was not continued. Bretz said staff is gathering information. The city was concerned that the Port did what was needed to keep the permit open. There was a bid for \$2500 from Road & Driveway that would meet performance requirements. Lamerdin asked why these payments had been missed. Bretz said he didn't know why these were missed, but there were no invoices received. These payments were not included in the budget, so they will need to be added.

A motion was made by Chuck and seconded by Skamser to accept the Accounts Paid. The motion passed 5 – 0.

C. Port Dock 5 and Swede's Dock Piling Survey Detail

Bretz referred to the graphic and spreadsheet of Port Dock 5 and Swede's Dock pilings, included in the Meeting Packet. Staff is working on a survey of Port Dock 7. Bretz noted the 4-tier categories. Patrick-Joling asked how long it would take to survey PD7. Bretz said 1 – 1.5 weeks – there had been some technical issues with the cameras. Lamerdin asked what would be the cost of piling. Bretz said Gibson approximated the cost at \$10K per pile. Bretz will check the project folder. The cost would be more per piling if a smaller quantity is purchased. There were no plans yet for replacement; this was to inform the Commission of the current status.

Bretz will see if the permits for pile replacement with the Army Corps of Engineers and the Department of State Lands can be kept open. On PD7 there were 2 stretches where there was greater than 100 ft. between pilings. This was a concern. Bretz had called Jenny Carlson of OBEC, who said there was not an industry standard for the distance between piles. An engineer would look at fetch, bottom type, depth, current and use to make a decision for a particular design. Patrick-Joling said it seemed this had been updated about a year ago, when it was looked at by Gibson and Jincks. Bretz said the yellow and red piles on the diagram with concerns. Hopefully the PD7 survey would be ready for next month's meeting. Lamerdin suggested researching cement piles which can last longer. Bretz said this has not yet be analyzed. Skamser said the pilings had also come up at the Commercial Fishing Users Group Committee meeting. Lackey said he was glad the survey was being done. The issue will have to be addressed but this is a good start. Skamser said last year pilings were addressed through deferred maintenance. Chuck said a lot of the funds came from South Beach. Fifteen pilings turned into a larger project for approximately \$380K. The project went larger to keep the permits.

D. Proposed IFA Loan Closeout Letter (See item V(A))

VII. New Business

A. SDIS Best Practices Program

Bretz said that Hewitt was heading this up, which involved staff training to get an insurance discount. Patrick-Joling noted that the training was online so there were no travel needs. Hewitt said seven staff members had completed the training so far. Bretz said he would push more for completion as it approached the deadline of October 31st.

B. Director of Finance Recruitment

Bretz had received email quotes from CFO Selections and Richard Stellner for the recruitment of a Director, which were distributed to the Commissioners and are appended to the minutes. Patrick-Joling noted Stellner quoted \$10K and CFO quoted \$7.5K. Bretz said he also called BBSI, but they were not available this afternoon. Bretz anticipated they would ask for 7% of salary, like they had for General Manager recruitment. Patrick-Joling said since the Port was moving forward with the General Manager search and hiring a Financial Consultant, perhaps the Commission could wait for the next meeting. Chuck said he would prefer to pick between Stellner and CFO. Lamerdin said he was still concerned about cost and the \$19K for Stellner, so he was also concerned about adding another \$10K. Skamser said she would like more information. Lackey said that CFO would be twice the rate of Stellner. They had spent this much for the GM search. Bretz said he had not yet reached out to SDAO to provide a quote for a Director of Finance search. He did not recommend the Port Commission and staff conduct the search themselves. Chuck asked about the quote from Steller. Bretz said it was easier to write the contract for services from Stellner with no benefits. Lamerdin said there was a benefit that CFO Selections would already be working with the Port and the Port's finances. He suggested keeping this search separate from Stellner's search for the General Manager, which would have a different take. Skamser said she liked that BBSI was local, and the Port may get a better deal because this is a slow time of year. Bretz reiterated he had not had a chance to speak with them year. Patrick-Joling said she thought it was fair to get a quote from SDAO and BBSI, and this can be discussed at a Work Session prior to the October 30th meeting. Bretz said the Commission may need a meeting sooner since there would need to be a Resolution to pull from the contingency fund. Patrick-Joling said they would also need a Budget Resolution. Bretz said the current charges would be under 10%, so this appropriation transfer could be done by resolution. Skamser suggested Bretz also call Stellner and CFO to see if they would reconsider their quotes to get more competitive bids. Bretz said CFO and Stellner were rushed in getting a quote out this afternoon. Patrick-Joling asked Bretz to get quotes from BBSI and SDAO, contact the others to get their best offer, and schedule a meeting. She said she would be here until October 19th. Bretz said he should have something Thursday or Friday this week and a meeting can be scheduled with Commission consensus.

C. Approve Don Moon, Interim NIT Supervisor

1. Job Description Interim NIT Supervisor
2. Job Description Maintenance II
3. Wage Steps
4. Proposed Contract with Pay Increase

Bretz said that the trouble with a 20% working out of class increase in Moon's case is that he is currently a Maintenance II, so the increase would only be half of a step one NIT Supervisor. The permanent position would still have to be filled, and that process will be handled by staff. He suggested an interim increase equal to a Step 2 NIT Supervisor would be fair given Moon's qualifications; he knows the terminal and is a certified crane operator. Lamerdin asked if he had a national or state certification, and noted that Oregon requirements were changing in November. Moon would be going to North Bend on September 27th for a TWIC card. Skamser asked why this would be an interim assignment. Bretz said the Port Personnel Policy said the position needed to be advertised and a competitive selection. Lackey asked if this was an hourly position. Harris said this position was not exempt from overtime. Overtime for Harbormasters and crew were included in the budget.

A motion was made by Chuck to approve Don Moon as Interim NIT Supervisor as presented.

Lackey asked if the NIT Supervisor would do work at the North Commercial dock when the Terminal was slow. Bretz said it usually works the other way around; North Commercial crew will help at the Terminal when needed. Skamser said it happens occasionally. She thought Pete and Jim could be interchanged for security at NOAA. Bretz said along the same line, last year a temporary worker was brought in for NIT. There are plans to bring in a temp to fill Moon's position at the commercial marina. Lamerdin said he assumed Moon fit the job requirements. Bretz said he does not have 3 years' experience yet, but the Port needs someone in that position.

Chuck's motion was seconded by Skamser. The motion passed 5 – 0.

DEPARTMENTAL REPORTS

A. Director of Finance

1. August Occupancy Report

Harris said August was a productive month with revenues up from the prior year, especially in the RV Park & Marina. Services at the Commercial Marina and NIT were up as well, and within budget. August was traditionally a strong month. Patrick-Joling asked about how the eclipse charges had worked. Harris said that Park Manager Bill Hewitt said the calculated \$30K increase in revenue includes additional eclipse charges.

B. Director of Operations/General Manager Pro Tem

5. TCB Public Safety Report for August
6. Commercial Fishing Users Group Committee
 - a) Draft Minutes September 6, 2017

Bretz introduced the staff report. He said the Mildred C was ready to get back in the water, and referred to the staff report for more information. Lamerdin asked what the original thickness was, and Bretz responded there are no records. Lackey asked if other readings were taken. Bretz said he could send that by email, but the lazerette was the thinnest. In regard to the Construction Permit from the City of Newport, grading and dirt moving was completed to keep the permit active. There was no threshold, but Bretz will follow up if the current plans will meet the performance requirement. Bretz added that the permit fees will need to be included in a supplemental budget. The Port will need to complete a second DMR for the International Terminal, in addition

to the pier and erosion control. Stuntzner engineering will complete the minor work. Lamerdin said that at one point, Stuntzner engineering had completed work without authorization. Bretz confirmed that Stuntzner did not expect payment for that work. Bretz said he would. Chuck asked what would be the cost of getting the dredge spoils off of the property. Bretz said he would add this to action items. Rondys indicated they wanted some of the material, and Bretz will check on the status. Bretz said Connor Harrington and Kevin Mannix were in the office earlier in the day, and Skamser was present. They are gathering information about ports in the area to research shipping options. These was the group previously mentioned by Mann in public comment, who had made a previous inquiry to the Port. This is a part of a Willamette Valley rail project. Lamerdin commented that Bretz did not inform the Commission they would be at the Port. Patrick-Joling said the inquiry was discussed at the last Commission Meeting, when Bretz said a group from Canada had given him a call regarding shipping. Lamerdin said he would be interested in knowing when shipping interests would be at the Port.

Bretz said the South Beach dump station was to be moved out of the parking lot to a more remote location. Regarding the Seafood & Wine Festival, the Port would be more specific on the agreement regarding clean up, and cleaning deposit, and curb set up. Skamser asked about the quarterly safety drill at the Terminal due before the end of September, which she expected to include putting up the fence. Bretz said that drill had been completed as well as the Coast Guard inspection. The quarterly inspection is often a “table top” discussion. Patrick-Joling asked about Dulse Seafood. Bretz said he is waiting for a list of questions to see if the property will work for them, and what the Port would need to do. Patrick-Joling said one building was now occupied since they previously visited. Bretz said they came out a few weeks back and went through all of the buildings. Bretz asked for their operations requirements to see if this was feasible and what it would cost to get the business up and running. There is also an MOU with Hatfield Marine Science Center to get salt water across to the property. Bretz had called John vanStaveren to see if it would be possible to drain at high tide. VanStaveren said it would be possible but he will check with permitting agencies.

Patrick-Joling asked why the TCB report was added. Bretz said this was for information, and they had not been received in the office until that morning. The biggest current issue is crabbing off of the commercial docks. Some of the pots are not labeled. It is policy to pull and dump the pots, and set them on the dock. He did receive a complaint from someone who had been called at 2 pm regarding this violation; Bretz advised the complainant that they were called as a courtesy to avoid a citation.

Bretz said that Mann is the new Chair of the Commercial Fishing Users Group Committee. Patrick-Joling asked about attendance. Bretz said they had a quorum present at the September meeting. He also said in response to Patrick-Joling’s question that the meetings were always held at the extension office. Bretz said he also raised the parking district and encouraged participation.

VIII. COMMISSIONER REPORTS

Patrick-Joling said she had attended the TIGER grant meeting. She said the meeting was disappointing, but MARAD was appreciative of the Port’s efforts. MARAD encouraged the Port to submit for future grants. Lamerdin said he was surprised that Patrick-Joling attended; he thought Skamser was the only Commissioner who would attend. Patrick-Joling said Bretz had called so she went there as Commission President. Bretz, Harris and Skamser were also present. Lamerdin asked Patrick-Joling about her visit to Teevin. Patrick-Joling said she did go and got a quick tour. She said the facility was impressive, and she spoke with Shawn Teevin. She had also spoken to Kurt Schrader and Betsy Johnson to bring them up to speed.

IX. CALENDAR/FUTURE CONSIDERATIONS

- A. 10/5-10/6 OPPA CONFERENCE
- B. 10/7–10/8 Columbus Day Regatta
- C. 10/14 Bay to Brews Half Marathon & 10K

- D. 10/30 Regular Commission Meeting (rescheduled, Monday)
- E. 11/5 Dia de los Muertos Run
- F. 11/6 Commercial Fishing Users Group Committee Regular Meeting
- G. 11/10 Veteran's Day - Office Closed
- H. 11/23 Newport Turkey Trot
- I. 11/23 - 11/24 Thanksgiving Holiday – Office Closed
- J. 12/25 Christmas Day – Office Closed
- K. **12/26 Regular Commission Meeting (reschedule?)**

Skamser asked if anyone was going to the OPPA Conference. Bretz said he did not plan to attend. Patrick-Joling asked the Commissioners if they wanted to reschedule the December 26th meeting. There was a consensus to reschedule that meeting to Tuesday, December 19th. Bretz said they would need to find a day for the next work session, and he will let them know as early as he can when he has the information. Patrick-Joling commented that the October meeting was moved to Monday the 30th because both Bretz and she will be out of town on the 24th.

X. **PUBLIC COMMENT**

Mann said she supported Yale’s comments and agree that the Port should put together a pool of people to help with negotiations with Teevin and others. Bretz said he will be looking at that and would like to get someone on board for when they were needed. Skamser said the concern now is housekeeping, and it is too early to start this discussion.

XI. **ADJOURNMENT**

Having no further business, the meeting adjourned at 7:15 pm.

ATTESTED:

Patricia Patrick-Joling, President

Stewart Lamerdin, Secretary/Treasurer

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