

**PORT OF NEWPORT REGULAR WORK SESSION AGENDA**

Tuesday, October 3, 2017, 12:30 p.m.

South Beach Activities Room

2120 SE Marine Science Drive, Newport, OR 97365

- I. Call to Order
- II. Changes to the Agenda
- III. Public Comment
- IV. Permanent Director of Finance Recruitment
- V. Resolution Authorizing Transfers of Appropriated Funds within the 2017-2018 Fiscal Year Budget
- VI. Public Comment
- VII. Adjournment

Regular meetings are scheduled for the fourth Tuesday of every month at 6:00 p.m.

The Port of Newport South Beach Marina and RV Park Activity Room is accessible to people with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours in advance of the meeting to Port of Newport Administration Office at 541-265-7758.

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## **WORK SESSION AGENDA ITEM**

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**DATE:** *October 3, 2017*  
**RE:** *Transfer of Appropriated Funds within the 2017-18 Fiscal Year Budget*  
**TO:** *Port of Newport Board of Commissioners*  
**ISSUED BY:** *Mark Harris, Staff Accountant*

### **BACKGROUND**

There is a need for additional appropriation authority for unbudgeted expenditures that were unforeseen at the time the 2017-18 fiscal year budget was adopted.

On September 26, 2017, the Commission moved to select Richard Stellner to conduct the General Manager search. Per Mr. Stellner's proposal, an additional appropriation of \$20,000 in materials and services is needed to cover his initial costs to conduct the search.

In 2015, City of Newport System Development Charges were financed over 10 years with the first debt service payment due in December 2016. For unknown reasons, debt service payments of \$16,400 due in fiscal year 2017-18 were not budgeted. Additional debt service appropriation authority is needed before the December 5, 2017 payment due date.

The additional appropriation authority for the above expenditures can be made by a resolution transfer from the General Operating Fund contingency. Oregon Local Budget Law provides for resolution transfers from contingency up to an amount equal to 15% of the Fund's total appropriated expenditures. The \$46,400 identified above is only 1% of the General Operating Fund's total appropriated expenditures.

Also on September 26, 2017, the Commission moved to authorize contracting with CFO Selections LLC for financial consulting and services with a limit of \$10,000 requiring additional appropriations which can be made by a transfer of existing appropriations from personnel services to materials and services.

With the resignation of Pete Zerr, the International Terminal Supervisor duties are being covered by Don Moon creating a need for temporary labor at the Commercial Marina. This need could extend into the first few months of 2018 at an estimated cost of \$10,500 which can also be made by a transfer of existing appropriations from personnel services to materials and services.

### **RECOMMENDATION**

ORS 294.463 Transfers of Appropriations within Fund or Between Funds allows governing bodies to transfer appropriation authority between appropriation categories within the same fund and between funds when authorized by resolution.

I recommend that a Commissioner make a MOTION TO ADOPT RESOLUTION NO. 2017-12 TO AUTHORIZE TRANSFERS OF APPROPRIATED FUNDS WITHIN THE GENERAL OPERATING FUND.

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**PORT OF NEWPORT  
RESOLUTION NO. 2017-12**

**A RESOLUTION AUTHORIZING TRANSFERS OF APPROPRIATED FUNDS  
WITHIN THE 2017-18 FISCAL YEAR BUDGET**

**WHEREAS**, on June 27, 2017, the Port of Newport Board of Commissioners (the Commission) approved Resolution 2017-09 adopting the 2017-18 fiscal year budget and appropriating funds, and

**WHEREAS**, the Commission finds that circumstances exist that were not anticipated at the time the 2017-18 fiscal year budget was adopted requiring additional appropriation authority, and

**WHEREAS**, appropriation authority may be transferred within the appropriation categories of a specific fund and between funds by resolution of the governing body as provided by ORS 294.463, and

**WHEREAS**, additional appropriation authority may be made by the transfer of contingency appropriations within a specific fund by resolution of the governing body limited to 15% of the fund's appropriated expenditures in a fiscal year as provided by ORS 294.463, NOW THEREFORE,

**THE PORT OF NEWPORT BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:**

**Section 1.** Authorize a transfer from contingency to both materials and services and debt service within the General Operating Fund in the amounts set forth in the table below. Appropriate \$20,000 for professional services related to the recruitment of a new General Manager as approved by the Commission. Appropriate \$16,400 for debt service on City of Newport SDC financing.

General Operating Fund	Existing Appropriation	Transfer In (Out)	Revised Appropriation
Materials and Services	\$ 1,626,550	\$ 20,000	\$ 1,646,550
Debt Service	\$ 732,680	\$ 16,400	\$ 749,080
Contingency	\$ 100,000	\$ (36,400)	\$ 63,600

**Section 2.** Authorize a transfer from personnel services to materials and services within the General Operating Fund in the amounts set forth in the table below. Appropriate \$10,000 for professional services for financial consulting as approved by the Commission. Appropriate \$10,500 for contracted services for temporary labor at the Commercial Marina during the recruitment of an International Terminal Supervisor.

General Operating Fund	Existing Appropriation	Transfer In (Out)	Revised Appropriation
Materials and Services:	\$ 1,646,550	\$ 20,500	\$ 1,667,050
Personnel Services: Salaries and Wages	\$ 1,349,370	\$ (20,500)	\$ 1,328,870

**Section 3. Effective Date.** Resolution shall take effect immediately.

**APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS** this 3<sup>rd</sup> day of October, 2017.

ATTEST:

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Patricia Patrick-Joling, President

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Stewart Lamerdin, Secretary/Treasurer



# GENERAL MANAGER'S REPORT

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**DATE:** 10/02/2017  
**RE:** Bids for Director of Finance Recruitment  
**TO:** Port of Newport Board of Commissioners  
**ISSUED BY:** Aaron Bretz

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## **SUMMARY:**

Bids for recruiting have been promulgated and are included in the meeting packet material. There are no specific changes to be made to either CFO Selection's bid or to Richard Stelner's bid on the Director of Finance recruitment. I got a quote from the local BBSI branch as well, and I conferred with SDAO. SDAO indicated that they generally do not fill positions below the executive director level. I confirmed that, in fact, they did not lead the process for the most recent hire of the Director of Operations; the SDAO representative only assisted on the day of the interviews.

## **DETAIL:**

- Richard Stelner Human Resources
  - \$80.00 per hour
  - Estimated \$10,000 total
    - \$8,000 in services
    - \$2,000 in travel
- BBSI
  - 5% of first year's annual salary
    - \$3,500-\$4,600 (5% of the Director of Finance's salary range)
- CFO Selections
  - \$165 per hour
  - NTE \$10,000
  - \$7,500 minimum if offer is extended and accepted prior to 22 December, 2017

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**From:** [Aaron Bretz](mailto:Aaron.Bretz)  
**To:** [Karen Hewitt](mailto:Karen.Hewitt)  
**Subject:** FW: General manager recruitment proposal  
**Date:** Tuesday, September 26, 2017 4:29:48 PM

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**From:** Richard Stellner [<mailto:wild91@comcast.net>]  
**Sent:** Tuesday, September 26, 2017 4:23 PM  
**To:** Aaron Bretz <[abretz@portofnewport.com](mailto:abretz@portofnewport.com)>  
**Subject:** RE: General manager recruitment proposal

Hi Aaron –

Thank you for the telephone call this afternoon letting me know the Port of Newport would like my services for the General Manager recruitment. To also lead the recruitment effort for the open finance director position, I estimate this to be approximately an additional \$10,000 in cost (\$8,000 services, \$2,000 advertising and travel).

If the Port of Newport hires me on an employment contract (temp part time, no benefits, paid via payroll, issue W-2 at end of the year), my hourly rate would be \$73.88. This adjustment from \$80 is to account for Social Security and Medicare taxes the Port would pay on my behalf as a W-2 employee. As an independent contractor, I'd pay double SS & Medicare taxes (= \$80 hourly rate).

Let's talk more about the details tomorrow if there is a convenient time.

Thanks,  
Richard

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**From:** Richard Stellner [<mailto:wild91@comcast.net>]  
**Sent:** Thursday, September 14, 2017 9:27 PM  
**To:** 'abretz@portofnewport.com' <[abretz@portofnewport.com](mailto:abretz@portofnewport.com)>  
**Subject:** General manager recruitment proposal

Hi Aaron –

I've drafted up a proposal for the Port Commissioners for the general manager recruitment, together with my current resume. I welcome any questions or comments you may have, and also welcome any of the Commissioners to reach out to me directly if they prefer.

Thanks,  
Richard



**From:** [Aaron Bretz](#)  
**To:** [Karen Hewitt](#)  
**Subject:** FW: Finance Dir.  
**Date:** Monday, October 02, 2017 8:00:17 AM

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Karen, here's another quote for tomorrow's meeting

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**From:** Randy Getman [mailto:[Randy.Getman@bbsihq.com](mailto:Randy.Getman@bbsihq.com)]  
**Sent:** Saturday, September 30, 2017 7:58 PM  
**To:** Aaron Bretz <[abretz@portofnewport.com](mailto:abretz@portofnewport.com)>  
**Subject:** Finance Dir.

Board of Commissioners – Port of Newport

600 SE Bay Blvd

Newport, OR 97365

9/28/17

Thank you for the opportunity to participate in the search for the next Director of Finance of the Port of Newport.

Based on information provided by Aaron Bretz, we are able to offer the following terms:

- BBSI exclusive search, in-state / regional / nationwide for a duration to be determined by the Port of Newport.
- **Screening based on qualifications required by the Port of Newport. Background and reference checks for finalists.**
- **Any participation, collaboration and coordination requested by the Port of Newport during the term of the search.**

Fee for completed placement : five percent (5%) of first year salary.

We look forward to the opportunity to participate in this important process.

Sincerely,

*Randy Getman*

**Randy Getman**  
Area Manager

541-574-9892 Office  
503-887-9424 Cell  
541-574-9895 Fax

*Randy Getman*  
Area Manager

541-574-9892 Office  
503-887-9424 Cell  
541-574-9895 Fax  
[www.linkedin.com/pub/randy-getman/84/849/5b5/](http://www.linkedin.com/pub/randy-getman/84/849/5b5/)  
[www.barrettbusiness.com](http://www.barrettbusiness.com)

1610 North Coast Hwy  
Newport, OR 97365



**From:** [Aaron Bretz](#)  
**To:** [Karen Hewitt](#)  
**Subject:** FW: CFO Selections - Draft Agreement  
**Date:** Friday, September 29, 2017 1:34:37 PM  
**Attachments:** [CFO SELECTIONS LLC - Port of Newport Search 9.26.17.docx](#)

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**From:** Todd Kimball [mailto:[tkimball@cfoselections.com](mailto:tkimball@cfoselections.com)]  
**Sent:** Tuesday, September 26, 2017 5:19 PM  
**To:** Aaron Bretz <[abretz@portofnewport.com](mailto:abretz@portofnewport.com)>  
**Subject:** Re: CFO Selections - Draft Agreement

Hi Aaron,

Sorry for the delay, but here is the SOW for the Search.

Let me know if you have any questions, as I'm happy to discuss again.

I'll get the other SOW amended and sent out tomorrow, as it has to go thru our firm review again.

Thanks!  
Todd

**Todd Kimball, CPA**  
**CFO Selections**  
**(c) 503-708-5813**

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**From:** Aaron Bretz <[abretz@portofnewport.com](mailto:abretz@portofnewport.com)>  
**Sent:** Tuesday, September 26, 2017 2:09:47 PM  
**To:** Todd Kimball  
**Subject:** RE: CFO Selections - Draft Agreement

Todd, here is generally what the new scope of the contract would look like-

Provide the oversight and help as your previous contract specified

Focus on Financial Strength:

This includes better defining of profit centers, reviewing contracted services for best value, determining how much the Port is making/losing in a given area, and identifying strengths and liabilities.

Take a look at where we are currently and provide some recommendations on strengths and liabilities (financially).

Also, look at where we are as compared to financial statements over the past several months.

Aaron Bretz  
General Manager ProTem / Director of Operations  
Port of Newport  
600 SE Bay Blvd.  
Newport, OR 97365  
(541) 265-7758  
(541) 541-961-3904 cell

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**From:** Todd Kimball [<mailto:tkimball@cfoselections.com>]  
**Sent:** Monday, September 25, 2017 9:54 AM  
**To:** Aaron Bretz <[abretz@portofnewport.com](mailto:abretz@portofnewport.com)>  
**Subject:** Re: CFO Selections - Draft Agreement

Hi Aaron,

I wanted to follow-up with you and see how things went with the Commission?

Let me know if you need anything from me, or would like to talk further.

Thanks!  
Todd

**Todd Kimball, CPA**  
**CFO Selections**  
**(c) 503-708-5813**

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**From:** Todd Kimball  
**Sent:** Tuesday, September 19, 2017 3:52:26 PM  
**To:** Aaron Bretz  
**Subject:** Re: CFO Selections - Draft Agreement

Hi Aaron,

Thanks for your email. Yes, certainly. Here is my resume. Additionally, and not specifically on my resume, is my Port experience:

Port of Tillamook - Client while I worked at Moss Adams. I assisted them with year-end

financial statements and audit preparation.

Port of St. Helens - Client while I worked at Moss Adams. I assisted them with an accounting clean-up project.

Port of Astoria - Client of CFO Selections. I've worked here since January 2015 helping with 4 audits, revamped financial policies and procedures, implemented internal controls, improved processes and procedures, mentored staff and helped reorganize the accounting department.

I hope this helps, but let me know if you need anything additional.

Thanks again for the opportunity!

Todd

**Todd Kimball, CPA**  
**CFO Selections**  
**(c) 503-708-5813**

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**From:** Aaron Bretz <[abretz@portofnewport.com](mailto:abretz@portofnewport.com)>

**Sent:** Tuesday, September 19, 2017 3:37:44 PM

**To:** Todd Kimball

**Subject:** RE: CFO Selections - Draft Agreement

Todd, I'm preparing the meeting packets for next week's meeting with the Port Commission to present our consulting options. Do you happen to have either a resume or some of your past port experience listed in a document that I could share. We talked extensively about it, but I'd like to give that to them in writing to show your past record of success.

Aaron Bretz  
General Manager ProTem / Director of Operations  
Port of Newport  
600 SE Bay Blvd.  
Newport, OR 97365  
(541) 265-7758  
(541) 541-961-3904 cell

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**From:** Todd Kimball [<mailto:tkimball@cfoselections.com>]

**Sent:** Sunday, September 10, 2017 6:56 AM

**To:** Aaron Bretz <[abretz@portofnewport.com](mailto:abretz@portofnewport.com)>

**Subject:** CFO Selections - Draft Agreement

Hi Aaron -

As we discussed, I have attached our standard contract and a draft statement of work based on our discussion and several assumptions about the situation.

We would very much enjoy the opportunity to meet with you and your team to further understand the current situation and needs of the Port. This meeting will enable us to refine the SOW and estimated hours and deliverables to be more specific and accurate.

Additionally, since we last spoke I discussed your situation with my CFO Selections colleague, Errett Hummel, and we are both interested in participating in our next meeting to determine the best approach for you. We both bring different skill-sets and if the situation fits, we may be interested in joining forces to help on the project.

Also as we discussed, I think it would be wonderful to meet either Thursday or Friday morning, and then possibly spend 2-3 hours meeting with the outgoing Director of Finance, and the long-term Accounting Manager. This would allow us to finish the assessment project. I was thinking something like 8-11 on either Thursday or Friday. Thoughts?

Thank you for the opportunity to serve the Port of Newport! Please feel free to call me with any questions or concerns.

Todd

Todd Kimball, CPA  
CFO Selections  
[tkimball@cfoselections.com](mailto:tkimball@cfoselections.com)  
503.708.5813

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Todd

Todd Kimball, CPA  
CFO Selections  
[tkimball@cfoselections.com](mailto:tkimball@cfoselections.com)  
503.708.5813



**CFO SELECTIONS LLC**  
**Attachment A**

**STATEMENT OF WORK**

**Effective Date:** September 26, 2017

**Initial Duration:** 90 days; month-to-month thereafter

**Primary Consultant** Todd Kimball

**Time and Scheduling:** As mutually determined by Client and Consultant;

**Scope of Engagement:** Consultant will diligently work with client and designated client personnel on a best efforts basis to prioritize and complete engagement objectives as stated below within the stated time and scheduling parameters. Any further consulting and or time increases beyond this scope are expressly outside of this statement of work and thus will first be mutually agreed upon and detailed under a separate and/or revised Statement of Work as appropriate prior to commencement.

**Generic Scope**

Assist Client with recruiting for Port of Newport Director of Finance position.

**Specific Scope**

- Assist Client in preparation of job description for Director of Finance and assessing current responsibilities and situation.
- Review resumes received
- Conduct initial screenings via phone interviews
- Conduct in-person interviews, in coordination with Client
- Assist Client with salary determination
- In conjunction with Client, perform reference checks. (Client to perform routine background and credit checks).
- Client acknowledges that there is no guarantee that our efforts will result in a suitable candidate being identified and hired.

**Agreed upon Rate:** \$165 per hour, billed weekly in arrears. Not to exceed \$10,000 without client's written agreement. Minimum fee of \$7,500 if offer is extended and accepted by December 22<sup>nd</sup>, 2017.

**Client Approval:** \_\_\_\_\_

**Client Approval Date:** \_\_\_\_\_

**Consultant Approval:** \_\_\_\_\_

**Consultant Approval Date:** \_\_\_\_\_

**CFOS Approval:** \_\_\_\_\_

**CFOS Approval Date:** \_\_\_\_\_