

PORT OF NEWPORT MINUTES

January 23, 2018

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 6:00 pm at the South Beach Activities Room, 2120 SE Marine Science Drive, Newport, Oregon.

Commissioners Present: Walter Chuck (Pos. #1); Sara Skamser (Pos. #2); Stewart Lamerdin (Pos. #3), Secretary/Treasurer; Jeff Lackey (Pos. #4), Vice President; and Patricia Patrick-Joling (Pos. #5), President.

Management and Staff: Aaron Bretz, Interim General Manager; Mark Harris, Staff Accountant; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: Don and Meridith Martin; Heather Mann, Midwater Trawlers Cooperative; Steve Beck, Newport resident; Pat Ruddiman, ILWU; Yale Fogarty, ILWU; Dietmar Goebel, Newport City Council; Doug Cooper, Hampton Lumber; Mark Wilson, YBC; Robert Smith; David Allen, Newport City Council. Rockford Moffat, F/V Orca, arrived later during the meeting.

II. CHANGES TO THE AGENDA

Chuck asked to add discussion about CFO Solutions and lumber barges under Old Business. Patrick-Joling advised that for New Business item C., the Commission would be calling Richard Stellner to discuss travel expenses and some other related topics.

III. PUBLIC COMMENT

There was no public comment at this time.

IV. CONSENT CALENDAR

- A. Minutes
 - 1. Commission Work Session & Executive Session 12/15/2017
 - 2. Regular Commission Meeting & Executive Session 12/19/2017
 - 3. Commission Work Session & Executive Session 1/10/2018
- B. Resolution 2018-01 Naming a Registered Agent
- C. Resolution 2018-02 Amending the Commercial Fishing Users Group Committee Membership
- D. Siuslaw Broadband – Security Camera Annual Maintenance (\$7700)
- E. Leisure Interactive – Annual Renewal Hercules (\$6300)
- F. SDIS Liability & Property Insurance (\$150,396)
- G. Servco Pacific Marine Insurance (\$38,506.64)
- H. Andersen Construction - Lot Lease
- I. Declaration of Surplus Property

- J. Approve Budget Committee, Officers and Calendar
- K. Financial Reports

Chuck asked about the terms for Budget Committee members Colson and Postlewait, since their terms expire in 2018. Lamerdin asked if the members were selected by the Commission or volunteered, and if there were others who were interested. Bretz said there would be a concern for time for making changes this year. He had contacted Barth and Benfield whose terms expired in 2017, and both had agreed to continue on the Committee. There was a consensus to readdress this issue after July 1st in the new fiscal year.

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

Patrick-Joling asked about having the Port named as an additional insured being included in the Andersen Lease. Hewitt advised that was part of the current Rates, Fees & Charges. Skamser asked how the rate was determined. Bretz said it was based on square feet, and similar space lease in the past plus a CPI increase. This was also compared with Foulweather Trawl's lease. Andersen Construction would be using the area for parking and office space. No changes would need to be made by the Port to the property prior to the lease other than removing excess property, and Andersen Construction agreed to return the property to equal or better condition at the end of the lease.

V. CORRESPONDENCE/PRESENTATIONS

- A. Commercial Fishing Users Group Committee
 - 1. Chair Report – Heather Mann
 - 2. Minutes January 8, 2018 (draft)

Mann referred to the email she had sent the Commissioners following the last CFUG Committee Meeting, which is included in the Meeting Packet. As the Chair, Mann said she worked with Bretz and Hewitt to set the agenda based on brain-storming topics, which did not have a good connection to the PON Commission agenda. Mann said it made sense to look at the Commission agenda for topics to be addressed by the Committee, and was open to a better way for the Committee to help the Commission make decisions. She suggested that when the Commission agenda is sent, the Committee then meet to discuss prior to the Commission meeting. The Committee would like the opportunity to provide more guidance to the Commission. The CFUG Committee meetings have been well attended, both by Committee members and the public. Mann says she is aware of Hewitt's workload, and suggested that the Chair prepare a report rather than having Hewitt take minutes. A Committee member would then attend the Commission meeting to answer any questions.

Skamser said she agreed that there could be more consistency between the Commission and the Committee. It was frustrating when there was no focus. The By-Laws for the Committee were never written, and could deal with the minutes. The Committee meeting could take place on Monday's after the agenda was posted and before the Commission meeting on Tuesday – this would be most efficient. Chuck said he preferred to read the minutes in the Commission packet. He thought David Jincks had made some good comments regarding the need for funding before any projects would take place. Mann said the Port could do a better job of getting funding, but the Committee did not need to come up with projects; they are there to advise on a number of things. Patrick-Joling asked if Mann wanted a more collaborative effort. Mann said the Committee would like to provide feedback on the items the

Commission is discussing. Lamerdin said the Committee also had an opportunity to express concerns, rather than simply looking at the Commission agenda. Mann said that providing responses to the agenda items would not preclude other discussions.

Bretz said the Committee was valuable and there could be a better job done of getting the Commission and Committee together. It is important to hear the collective voice of the fishing fleet. Lamerdin asked about the Terminal Users Group, which Skamser responded was an ad hoc Committee whereas the CFUG was a standing Committee. Chuck said the Committee was Greenwood's idea. Chuck had worked with him, because they did not have commercial fishing represented on the Commission. Now there are two Commissioners from that perspective. Skamser said had heard others applaud the Port of Newport fishermen for coming to Regular Meetings. Bretz said it is a challenge; the Committee was formed when the Port management was more vertical. It was intended to be managed at a lower level. It might not be as much of a challenge when positions are filled. It could be possible to change when the agenda is published for Commission meetings. Lamerdin suggested there could be an opportunity for the Commission to provide specific topics for the Committee to discuss. Patrick-Joling added that the Commission received the meeting packets late Thursday or Friday before the Tuesday meetings. It would be nice for the Commission to receive the packet with more lead time to review and digest. Skamser also suggested that the Committee could have a regular spot on the Commission agenda. Mann said maybe as the Commission was reviewing their agenda, they could think about where they might want feedback. Lackey said he saw the value in the Committee, and the communication could evolve. Mann said in the meanwhile the Committee could address the By-Laws, Rates/Fees/Charges, and the Parking Committee. Lamerdin said there was also an opportunity for the Commission liaison to provide a report so that things aren't missed.

VI. OLD BUSINESS

A. Items Removed from Consent Calendar

No items were removed from the Consent Calendar.

B. Accounts Paid

Lamerdin asked about the sewer line. Bretz said it was the dump station that got moved from the parking lot to the RV Park. This project was successfully completed.

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

C. Continued Work with CFO Selections

Chuck said he had talked with Bretz about keeping Todd Kimball onboard to help with the audit and review leases to make sure they were up to date and reflected market value. Chuck said this would be valuable information for the new General Manager. Bretz said the scope of work in the current contract was complete, and there was approximately an additional \$3K - \$5K previously approved. Kimball charges by the hour. Kimball had said he had done this work before, but the hardest thing to value would be the comparables. Skamser asked about the status of the CFO search. Bretz said BBSI advised they had one realistic candidate, and asked the Commission if they wanted to hire a Finance Director before hiring a General Manager. Patrick-Joling said she would prefer to hire a General Manager first

and keep Kimball on as needed. Bretz asked if he could proceed without further approval from the Commission if the additional payments did not go above his threshold. Lamerdin said he liked the idea of reviewing leases. He added Kimball had done a good job preparing objective reports, and the lease review would be valuable to the future General Manager, Director of Finance, and to the Commission. Skamser suggested asking Harris if there were still some basic needs that Kimball could assist with. The evaluation of the leases would be a huge project. Lamerdin clarified that the task would be fact-finding and housekeeping, rather than making any changes. Harris said Kimball could help him with a few items but that would not take that much time.

Patrick-Joling said that, when meeting with Kimball and Bretz, they had discussed a lot of issues. The geographic accounting was a big step. Lackey said he agreed in principle with a methodical approach to making good business decisions. He said it would have been nice if this topic had been brought up prior to the meeting with details provided. Chuck said he had asked Bretz to add it to the agenda, but since it was not, he asked that it be added at the meeting. Chuck said continuing to use CFO Selections would be money well spent, and the Commission is also reviewing service rates. Lamerdin said the Port should define the deliverables, like the lease and rates review, so they can be evaluated. There had not been an independent review of the rates in recent years. Skamser said the staff and public had reviewed the rates last year, and she would like there to be a more specific plan of attack for using Kimball. Bretz said he will prepare a list, and then design what would be wanted out of leases and rates analyses. Lamerdin concluded that if the additional work would cost under \$5K, Bretz could go forward to arrange.

D. NIT Possible Barge Operations

Bretz said he had talked with Paul Langner at Teevin Bros. to share ideas. In the last Regular Meeting Packet, the concept of barge shipping was presented, which could work but needed further development. Chuck asked if there was any feedback received on the drawing. Bretz said he had talked with Mann, Fogarty, Lamerdin and Skamser, and has not yet heard that barge shipping was impossible. Bretz said he would be interested in developing an operations plan and making sure policies are updated, like the old Lines Agreement. The Lines Agreement should be reviewed annually. The policy of time at the dock and when vessels need to move has not been considered in a long time. Lackey asked why this was not on the agenda. Chuck said it was in the last meeting packet and had been discussed the last couple of months. Patrick-Joling said this discussion will have to be brought up at the next meeting.

Lamerdin referred to the Calendar and Future Considerations item F. Schedule a Work Session to discuss NIT Policies and customer needs. He said the Commission needs to actively work at formalizing what to do at the Terminal. There is a lot on the books that has been approved in the past but not followed. He suggested a focused meeting to publically dig back in to NIT usage. Lamerdin said he would like to be able to let interested parties know the Port's position. Patrick-Joling said she was waiting until a permanent General Manager was in place to get started again on the NIT discussion. Skamser said she thought this would be jumping the gun; the last round of discussions was mishandled with the fishing community left in the dark. This resulted in a knee-jerk reaction from fishermen. The Terminal is a big issue and it would be important for the General Manager. Skamser said the Port did not currently have the infrastructure to get barge shipping going. Bretz said the Port does not have the equipment needed that would be needed to move material. Lackey said the Lines Agreement is two decades old and currently unenforceable. Chuck said NIT is a revenue creating opportunity. Lamerdin commented that he wanted to be more transparent about the policies and

wanted to begin the dialog so that the process would not stall. Skamser said the Port is a long way from having a clear message. Patrick-Joling said she would not have a problem scheduling a Work Session.

VII. NEW BUSINESS

A. 2018 Annual Report (ORS 777.140)

There was no discussion on this item.

B. Resolution Setting Rates, Fees and Charges (ORS 294.160)

1. 2017-18 Setting Rates, Fees & Charges

Bretz said he had included last year's rates for the Commissioners' review. He had had a number of people suggest there should be a holistic look at what and how we bill, in particular for services. Lamerdin suggested this could be something Kimball could review.

C. Travel Expenses for General Manager Candidate Finalists

Patrick-Joling called Richard Stellner, Personnel Consultant for the General Manager recruitment, on speaker-phone. Stellner said he had reached out to the candidates, and the dates of February 12th and 13th, 2018, were set for in person interviews. He said some candidates would need to drive or fly a distance to get to Newport. Stellner said it was typical for executive director type positions that candidates would be offered basic travel expenses, and suggested the Port do the same. This could include low fare plane tickets, rental cars and gas, and hotel stay in Newport for those traveling more than 50 miles (the IRS threshold distance for moving costs). For those driving, the Port could cover the hotel stay and mileage reimbursement at the IRS rate. Chuck asked how many candidates would be coming for an interview. Stellner said there were a total of 8 candidates, 3 of whom would need plane travel, another 3 driving more than 50 miles, and 2 that were local. He estimated a total expense of around \$2,000. There was a consensus from the Commissioners to proceed as suggested.

Stellner said he was assembling a community interview panel, and Hewitt had posted this information on the website and sent by email to the Meeting Packet subscribers. He had received 8 responses, and heard from a couple so far as to whether they were available on February 12th and 13th. He had also received suggestions from individual Commissioners. Stellner asked if two Commissioners could work with him to finalize a list. Lackey and Chuck volunteered to work with Stellner on the community panel. Skamser asked for the criteria for the panel members. Stellner said the categories for inclusion were the City, fishing, shipping, the County, the Port, the public at large, budget, and lessees, with a goal of having 10 members. Patrick-Joling suggested if the panel included a few more than 10 that would be okay. Stellner acknowledged this would be a time commitment for the panelists, and one or more may become unavailable. He asked if the Commissioners had additional names to suggest that they email him by Wednesday, 1/24. Stellner said he had talked with the Commissioners about giving tours to the candidates. Skamser and Chuck have volunteered.

VIII. DEPARTMENTAL REPORTS

A. Staff Accountant

1. December 2017 Occupancy Report

Harris said the correct dates for the Financial Reports were the year 2017 rather than 2018. He added that the Port was currently 50% through the current fiscal year, and the Port was ahead of the budget in revenue and under budget in expenses. The debt service on the bonds in the amount of \$2.3MM has been paid; a second payment will be due in June. The auditors are working to complete their tasks, and Harris plans to have a final report draft to submit for approval at the next Regular Meeting of the Commission.

B. General Manager Pro-Tem

1. TCB Public Safety Report for December 2107 (not yet available)
2. Greater Newport Area Vision 2040

Bretz introduced the staff report, included in the Meeting Packet. Allen asked to speak to the Greater Newport Area Vision 2040. He advised that an Ordinance had been passed, and read some highlights. The Ordinance is appended to the Minutes. Allen said that one member of the Committee was to come from the Port and associated users. The Port Commission would decide who that representative would be. The decision wouldn't be needed until early March 2018. The Committee would meet quarterly, and would also form workgroups. He suggested the Commission choose someone who would represent the broad interests of the Port sector. Bretz recommended considering this over the next month.

IX. COMMISSIONER REPORTS

Patrick-Joling said that she, Bretz and Lamerdin had meet with NOAA the previous Friday to discuss the situation with visiting boats. The NOAA lease administer did not see a problem with the lease terms, but the facilitator did. The issue was put back in NOAA's hands. Patrick-Joling said she made it clear liability was the Port's concern.

X. CALENDAR/FUTURE CONSIDERATIONS

- A. 2/8 – 2/11/18SDAO Annual Conference
- B. 2/01/18Ardor Adventures Love Run Love Race
- C. 2/19/18 President's Day, Port Office Closed
- D. 2/22 – 2/25/18 Seafood & Wine Festival
- E. 2/27/18 Regular Commission Meeting
- F. Schedule a Work Session to discuss NIT Policies and customer needs.

February 12-13, 2018, was added to the calendar for General Manager candidate in person interviews.

Lamerdin said his motivation in asked to schedule an NIT Work Session was to get a better feel for where the current Commission stands. This would be looking at the information the Port has and starting to figure out how to incorporate it. He would not want to wait to start that discussion, and believed the longer the issue sits, the harder it will be to deal with. Lackey said he liked the idea, but with Skamser's vacation and the interviews, and the benefit of having the General Manager in the discussion, it may be better to have this meeting after the permanent General Manager is seated. Patrick-Joling asked to look at dates. Chuck suggested a noon Work Session before the Regular Meeting on February 27th. Patrick-Joling added that suggestions from Kimball would also be helpful. NIT has a large financial impact, and the Work Session could be based around that. Bretz said he would like to start working on operations plans at the Terminal. Skamser suggested the Commission get CFUG's suggestions, with which Lackey agreed. Bretz said the Committee could schedule a

Special Meeting. Mann said she would want to make sure that was well broadcast. Lamerdin said Patrick-Joling and Bretz could start planning an agenda.

XI. PUBLIC COMMENT

Allen said he left out that one of the stakeholders represented would be from HMSC/Community College. He said Spencer Nebel, City Manager, would probably be interested in being a part of the community interview panel for the Port's General Manager. Nebel will be out of the country for the next two weeks, so cc Peggy Hawker on any email sent to Nebel.

Fogarty said that when Kimball had made his report, he had identified NIT as an under-producing facility. He said there had been some interest in the facility expressed to Bretz, and the topic of barges was not new. He suggested that not acknowledging this interest may lead to shipping interests writing off the Port of Newport and urged the Commission to continue the NIT discussion.

Moffat said he had a solution to the sea lion problem. He said TCB had a problem with himself and his son and had cut off pots on the docks and had released a lot of crabs. The landslide at the PD5 parking lot had buried his truck. His son was kicked out of the Port for six months for removing gas from a truck. He offered some examples that he felt demonstrated the good intent and actions of himself and his son. Moffat said his son was raised as a fisherman and should be allowed to return to the docks to make a living. He questioned where TCB was when his boat alarm was going off at Christmas, and felt they were persecuting his son. TCB did not harass people during the day. Moffat said he needed help from the Commission.

Martin introduced himself as a candidate for the General Manager position, and said he had come to Newport to see the Port's assets and meet the Commissioners.

XII. ADJOURNMENT

Having no further business, the meeting adjourned at 8:12 pm.

ATTESTED:

Patricia Patrick-Joling, President

Stewart Lamerdin, Secretary/Treasurer

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CITY OF NEWPORT

ORDINANCE NO. 2124

AN ORDINANCE AMENDING CHAPTER TWO OF THE
NEWPORT MUNICIPAL CODE BY ADDING
SECTION 2.05.075 ESTABLISHING A VISION 2040 ADVISORY COMMITTEE

WHEREAS, the city wishes to further promote the city's citizen based visioning process; and

WHEREAS, the city wishes to encourage and facilitate opportunities for Newport citizens to share their goals and aspirations for Newport's future; and

WHEREAS, the city wishes to continue to support and encourage citizen involvement and stewardship of the city's visioning process; and

WHEREAS, the Mayor and City Council find that establishing a standing committee with a liaison to city staff is a means of fulfilling those goals.

THE CITY OF NEWPORT ORDAINS AS FOLLOWS:

The Newport Municipal Code is hereby amended by the addition of Section 2.05.075 establishing the Vision 2040 Advisory Committee, to read as follows:

2.05.075 Vision 2040 Advisory Committee

A. **Visioning Advisory Committee Established.** There is hereby established a Vision 2040 Advisory Committee. The Committee shall consist of 16 members. Members shall be appointed by the Mayor and confirmed by the City Council. To be eligible for appointment, members shall reside within the greater Newport area, own property in the city limits, own a business in the city limits, or work in the city limits of the City of Newport. The Vision 2040 Advisory Committee membership shall be comprised of:

1. Five citizens at-large with at least one representative from the Latino community;
2. Five members of existing City of Newport standing committees with one representative from the Planning Commission; and
3. Six members from stakeholder/partner organizations with one representative from the health community, one member from the education community, one member from Lincoln County, and other stakeholder/partner organizations as identified through the appointment process.

B. **Term of Office.** Appointments will be made for a term of five years or until successors are appointed. Initial appointments will serve staggered terms. Terms of office shall begin the first day of the calendar year. Any vacancy shall be filled for the remainder of the unexpired term in the same manner provided in A. above.

C. **Committee Leadership and Meetings.** A Chair and Vice-Chair shall be elected by the Committee members at the first meeting of each calendar year. The Committee will hold quarterly meetings with additional special meetings as needed.

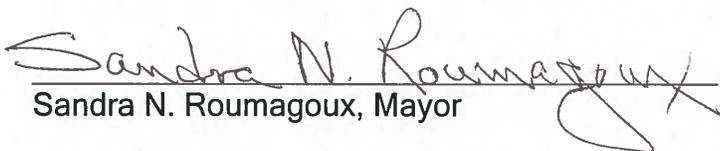
D. **General Powers and Duties.** The purpose of the Vision 2040 Advisory Committee shall be to promote the city's citizen-based visioning process. The Committee is responsible to promote continued citizen involvement in the visioning process; establish, review, and update a vision action plan for review and approval by the City Council; and provide regular updates on the visioning process to the City Council and the community at-large. Committee shall be advisory and shall have powers, duties, and functions as follows:

1. Informing the annual City Council goalsetting and budgetary processes by linking planned projects with Vision Statements and Strategies;
2. Tracking implementation of key Strategies, developing metrics for measuring progress, and preparing annual progress reports;
3. Engaging city committees, staff, and partner organizations to facilitate implementation of Strategies;
4. Recommending periodic updates to the Vision and Strategic Plan to reflect changes in the community; and
5. Promoting the Vision and Strategic Plan, increasing public awareness of the Vision Statements and Strategies, and supporting community engagement efforts to achieve desired outcomes.

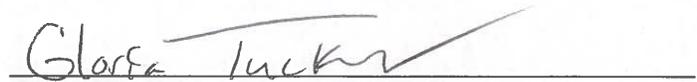
E. **Effective Date.** This ordinance shall become effective thirty days after adoption.

Adopted by the Newport City Council on November 20, 2017

Signed by the Mayor on November 21, 2017.


Sandra N. Roumagoux, Mayor

ATTEST:


Gloria Tucker, Deputy City Recorder

APPROVED AS TO FORM:



Steven E. Rich, City Attorney