

PORT OF NEWPORT REGULAR COMMISSION MEETING AGENDA

Tuesday, December 20, 2016, 6:00 p.m.
South Beach Activities Room
2120 SE Marine Science Drive, Newport, OR 97365

I.	Call to Order.....	6:00
II.	Changes to the Agenda.....	6:01
III.	Public Comment.....	6:02
IV.	Presentation to Rick Fuller, Director of Operations.....	6:05
V.	Consent Calendar.....	6:08
A.	Minutes	
1.	Regular Commission Meeting 11/18/2016.....	p 3
B.	Financial Reports.....	p 9
C.	Special Use Permits	
1.	OSU Motorboat Operator Training Course.....	p 22
2.	2017 Newport Bay to Brews Half Marathon & 10K.....	p 30
D.	CBP office trailer ADA Ramp – Design Purchase/Space service agreement.....	p 42
E.	NOAA Dredging 2017 – Billeter Marine contract.....	p 48
VI.	Correspondence/Presentations	
A.	Heather Mann, Midwater Trawlers Cooperative (MTC).....	6:11..... p 70
VII.	Old Business	
A.	Items Removed from Consent Calendar.....	6:21
B.	Accounts Paid.....	6:25..... p 72
C.	International Terminal Shipping Facility Update.....	6:27..... p 78
VIII.	New Business	
A.	Draft Financial Reports for Audit.....	6:37..... p 80
B.	Resolution Adopting a Personnel Manual.....	6:47... p 136
C.	2017 Goal Setting Adoption.....	6:52... p 182
D.	Travel Oregon RDMO Support.....	6:57... p 188
E.	Insurance Renewals.....	7:07... p 202
IX.	Staff Reports	
A.	Director of Finance.....	7:10
1.	November Occupancy Report.....	p 210
B.	Director of Operations.....	7:15... p 212
C.	General Manager.....	7:20
1.	Director of Operations Recruitment.....	p 222
2.	Annual Performance Evaluation.....	p 240
3.	Resolution Setting Rates, Fees and Charges.....	256
4.	Budget Committee, Officer and Calendar.....	p 264
5.	2017 Annual Report.....	p 266
6.	Rogue Brewery Expansion	
7.	Marketing Update	
8.	Rogue Mural	
9.	SDAO Conference, Feb. 10-12 in Portland, Ore.....	P 270
X.	Commissioner Reports.....	7:30
A.	Updated Liaisons List.....	p 274
XI.	Calendar/Future Considerations.....	7:35
	12/26/16..... Christmas Holiday, Port Office Closed	
	1/1/17..... Resolution Run & Polar Bear Plunge	
	1/2/17..... New Year Holiday, Port Office Closed	
	1/16/17..... Martin Luther King Day, Port Office Closed	
	1/24/17..... Regular Commission Meeting	
	2/15/17..... Application Deadline for Director of Operations	
	3/3/17 Director of Operations Candidate Interviews (tentative)	

XII. Public Comment..... 7:37
XIII. Adjournment..... 7:40

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

The Port 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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PORT OF NEWPORT MINUTES

November 15, 2016

Regular Commission Meeting

I. CALL TO ORDER

Commission Vice-President Ken Brown 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: Ken Brown (Pos. #4), Vice-President; Patricia Patrick-Joling (Pos. #5), Secretary/Treasurer; Stewart Lamerdin (Pos. #3); and Steve Beck (Pos. #2). Walter Chuck (Pos. #1), President, was excused.

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

Members of the Public and Media: Yale Fogarty, ILWU; Lee Fries, PON Mates; Pat Ruddiman, ILWU; Sara Skamser, Foulweather Trawl; Wayde Dudley, PON Mates; Barb Dudley, PON Mates; Jaret Washburn; Ralph Busby, Newport City Council; Cari Brandberg, Chelsea Rose; Cody Chase, Chelsea Rose; Keith Kaminski, ILWU; Mark Wilson, YBC Radio.

II. CHANGES TO THE AGENDA

Greenwood requested that item VII.D.2, International Terminal Shipping Facility, Award Contract for TIGER Environmental Assessment Report, be removed from the calendar.

III. PUBLIC COMMENT

There was no public comment at this time.

IV. CONSENT CALENDAR

- A. Minutes:
 - 1. Commission Work Session October 18, 2016
 - 2. Regular Commission October 18, 2016
 - 3. Commission Work Session November 5, 2016
- B. Financial Reports
- C. Rogue Utility Easement
- D. Special Use Permit for 2017 Seafood & Wine Festival
- E. RV Park Manager Job Description

A motion was made by Patrick-Joling and seconded by Beck to approve the Consent Calendar. The motion passed 4 – 0.

V. CORRESPONDENCE/PRESENTATIONS

A. Cody Chase, F/V Chelsea Rose

Chase said he was proposing to get rid of the Chelsea Rose and build a new dock. He presented blue prints to the Commission for review. He said he did not want to replace the Chelsea Rose with another boat but with a floating fish operation to be named the New Chelsea Rose. Chase added this would not have the appearance of a store,

would be open air with increased storage. Beck asked if the new structure would have an increased footprint. Chase said it would be a similar footprint, longer but smaller overall. The design was being drafted by an architect based on the Toledo boat house. He said he is talking with the Port of Toledo to build. Brandberg said that 300,000 lbs. of tuna pass through the Chelsea Rose, with approximately 60 vessels selling through the Chelsea Rose. A petition had been circulated and signed by local fisherman and customers. The Chelsea Rose has more than 2000 followers on Facebook, a five star rating, and works with OSU's Shop at the Dock, Fishermen's Wives, OSU Fisheries, as well as marketing local seafood to the public. Brandberg said that Chase had purchased and overhauled the Chelsea Rose, creating what is now a Newport icon; however, the boat won't make it another year.

Beck asked if there were any compliance issues. Greenwood responded that the current lease was a grand-fathered relationship. Chase cannot sell the business to anyone else, and the name must stay the Chelsea Rose. Beck asked if it had to be a vessel. Greenwood said that is why it was grandfathered in; the Commission did not want to see the dock populated with storefronts. Patrick-Joling asked Chase when he would want an answer. Chase said the plans have been developed over the last two years and he does not expect a quick answer. He will be doing more with the design. Parts of the Chelsea Rose will be incorporated into the building. The result will be "very Chelsea Rose"; vintage and attractive looking. Brandberg added this will be a large investment and they will work with local businesses. They currently are looking at sinking boat issues. Beck asked if the new structure would be motorized. Chase said no, but it could be moved. The Chelsea Rose currently does not have a motor. No pilings would be removed. In answer to Brown's question, Fuller said the pilings there were in good condition. Chase said the new structure would be laid out like the current boat, with the addition of a mural. The blueprints he presented were just a sketch of the foundation. Chase will continue to work with Toledo on details of adding Chelsea Rose elements. Brown suggested it would be better to review this project for approval at a future meeting. Chase said he could do that and would have more plans to present. Brandberg added Chase was currently readying for crab season, but the sooner the better for replacing the Chelsea Rose. Brown suggested a future presentation in early December. He would like to see how the old Chelsea Rose would be removed, and that it would be done safely and cleanly. Chase said was possible, depending on the crab season opening. Patrick-Joling asked that the Commission be provided copies of the blueprints. Greenwood said he would get copies of the blueprints and the current lease including insurance requirements to the Commissioners. Brandberg said that most Ports have fish sellers on the docks. They are not looking to have a storefront look. They are looking for more file and storage space; the business is growing every year.

B. ORCA, RE: Dredging Prism Application for NOAA Center

Greenwood said ORCA is an environmental advocacy group out of Astoria. They frequently send out letters of comment about various projects. He wanted the letter to be included in the record.

VI. OLD BUSINESS

A. Items Removed from Consent Calendar

There were no items removed from the Consent Calendar.

B. Accounts Paid

Ken Brown declared a conflict of interest because of payments made to Les Schwab. **A motion was made by Patrick-Joling and seconded by Beck to accept the accounts paid. The motion passed 3 – 0.** Brown abstained.

VII. New Business

A. Lease Agreement with US Customs

Greenwood referred to the lease document in the packet. He reminded the Commission that there were issues with making the temporary structure permanent in complying with City of Newport's requirements. These requirements included the installation of an ADA ramp. Fuller had been working with GSA. The lease renewal would be January 1st, so staff is trying to complete the project by the end of December. Greenwood said this project was an unbudgeted expense that would come out of Materials and Services, but the Port would expect total reimbursement. Larrabee said a Supplemental Budget will be needed since we need to pay for the project, but revenue will offset expenses in the same year. Greenwood recommended the Commission authorize the General Manager to sign the agreement.

A motion was made by Beck and seconded by Patrick-Joling to authorize the General Manager to sign Lease Amendment No. 15 with the GSA for the Customs Building. The motion passed 4 – 0.

B. Facilities Maintenance and Operations Plan (FMOP)

Greenwood thanked Fuller for his hard work, Lamerdin for his engagement in its development, and Jincks who started the process. Fuller referred the Commission to the Staff Report and proposed FMOP. He reminded the Commission that staff was directed to create this program on March 16th before the Maintenance Department would be created. The Plan also pointed to the Safety Policies recently adopted. The Plan had been reviewed by Lamerdin, Greenwood, and Fuller to present this final form. The Plan outlined standards for facilities maintenance. Greenwood said the Port will be hiring for one to two positions to begin the program. The intent is for the maintenance crew to add life to Port assets. Currently, most operations staff time is spent on service. Regular maintenance provided by the Maintenance Department could avoid wholesale capital replacement. Fuller said that along with the Plan, a new Maintenance I job description was included (New Business Item C). This would require a higher level of proven, specific skills in facilities maintenance and construction. They would cross-train with NOAA. The job would be posted internally first. Fuller recommended the Commission adopt the FMOP and the Maintenance I job description.

A motion was made by Patrick-Joling and seconded by Beck to Approve and Adopt the Facility Maintenance & Operations Plan in its entirety in addition to the revised Maintenance I Job Description. The motion passed 4 – 0.

D. International Terminal Shipping Facility – Approve Easement with Rondys

Greenwood said he would be spending this week finishing the EDA application, with an updated budget, and completed easements which are being drafted by the Hall family attorney, Dennis Bartoldus. The Army Corps would prefer no deed restrictions. Greenwood would like to show EDA that the property rights had been reviewed by, at least, Port staff. He could get the easements from Bartoldus later this week and forward them to the Commissioners. Greenwood recommended adoption, although it was not his preference to ask for adoption without the documents in hand. Brown said he would like to see the documents but would not want to disrupt the timeline for the application. Greenwood said he wants to send the EDA application out by Friday. He suggested a motion for approval could contain a contingency for Chair review. EDA did say not including the easements could jeopardize the success of the application. Greenwood said that the easements are in the Port's favor for waterlines, through roadway, all primarily so the Port has an access road to get to the ITSF property. The biggest was the access off of Bay Boulevard down to the terminal, which would be a 60 ft. easement entirely on Hall property. The Halls are willing to help. Beck said he would be in favor of approval. Lamerdin had reviewed this with Greenwood in detail, and is comfortable with approval. Patrick-Joling had reviewed this with Chuck, so she could agree, with some concerns.

A motion was made by Beck and seconded by Patrick-Joling to accept the easements as presented. The motion passed 4 – 0.

Greenwood said that Congressman Schrader had helped in extending the TIGER deadline, and Greenwood is waiting for EDA who should give their decision mid-December. Greenwood said he had outlined the Return on Investment (ROI) in his staff report, referring to page 76 in the meeting packet. Brown said he had spoken with Eric Oien from Teevin, who felt that, in the current market, there would be a minimum of 6 shipments up to 11 shipments per year. This would just be log exports producing \$460,000 to \$990,000 revenue. Greenwood said there would be overhead including security and personnel. If the shipments did not come in, the addition of the Maintenance Department would dig into net income. Beck added that income would not be realized until 2018. Greenwood said there would be less money in the near term for capital projects. Greenwood said this next month is critical. Brown added he was disappointed in the article from Hampton Lumber. Greenwood said that he will also need to do some advocacy for the project.

VIII. DEPARTMENTAL REPORTS

A. Director of Finance

Larrabee said that the Port would be paying debt service even without the additional loans until 2022, and referred back to page 76 in the meeting packet. Larrabee introduced the Director of Finance Report. He hopes to have the Audit Report by year end, and will have the revised Personnel Manual reviewed for legal compliance before presenting to the Commission in December. Beck said he thought the Seafood & Wine surcharge at the RV Park was a great idea. Greenwood said that Port staff can make modifications to the fee schedule as long as they are reported to the Commission. Larrabee said that in addition to being a premium event, there are additional operational costs to cover during the Seafood & Wine festival.

B. Director of Operations

Fuller introduced the Director of Operations reports. Fuller said that Rogue had ended up cutting up a piece of asphalt that had been recently poured as a result of poor grading. He would be having a site meeting on Wednesday, 11/16, for the NOAA dredging, which had generated a good response from prospective contractors, and referred to page 93 in the Meeting Packet. NOAA berths 1 and 2 have significant sand deposits. Fuller said that Kent Gibson was officially hired as the Commercial Harbormaster, and he encouraged the Commissioners to compliment Gibson when they see him. Lamerdin asked if there was an issue with the number of boats at the Terminal. Fuller said that the Terminal was under control and that seasonal staff, Don Moon, had been retained through Cardinal Services to help with the current load while staying within the budget constraints. This could also serve as a “try-out” for a permanent position with the Port. Brown asked about the major items on the Risk Assessment report, particularly the tanks and safety for the saw. Fuller said the items are all being addressed as a priority and expects to report 100% completion next month. Some items will be addressed as behavioral changes, and item 16-07 will go back to the manufacturer, since there is no shut-off when that equipment is open. Item 16-08 was locked out. Brown said the dumpsters had been a problem for a while and wanted to know if there was a solution. Fuller said that the dumpsters were a factor in some employee musculoskeletal injuries. The Port will be working with SDAO in applying for a grant to have dumpsters located at curbs, with a ramp, to be accessed by forklift. The access to the dumpster at the south fish table will also need to be widened and smoothed to access by forklift. The cost would be covered 70% by SDAO if approved, and Fuller does not expect the Port’s outlay to be greater than \$5,000. Greenwood said the Budget Committee helped in recommending new dumpsters. Chris Urbach will be working with contractors for estimates.

C. General Manager

1. Goal Setting. Greenwood thanked the Commissioners, Fuller, Larrabee and Hewitt for their participation in the November 5th Goal Setting Work Session, and will present results in his December staff report. Greenwood asked the Commissioners for any feedback on the process; one idea may be a larger table with the room to walk around for gathering the goals note cards. He requested that the Commissioners email any suggestions they may have. Patrick-Joling said the session was a good step, but more time would be needed to finalize goals. The time

at the Work Session was used to name goals, but there was no time to get to solutions. Beck said it did determine that Finances was the number one priority.

- 2. Annual Performance Evaluation. Greenwood referred to the staff report, page 106, and advised that fillable forms for the General Manager evaluation will need to be submitted by early January.
- 3. ORS 777 Proposed Legislative Changes. Greenwood referred to the staff report, p 105. Right now, IGAs with Ports need to relate to harbor maintenance. OPPA is looking to broaden the scope. In addition, the authority to add boatyards to Ports is included, which would benefit Toledo.
- 4. Rogue Brewery Expansion Update. Greenwood referred to the staff report, pages 106 – 107. He anticipates the first invoice presented to Rogue December 1st. The payment will take the form of a lease abatement. Staff is working with auditors to make sure this is properly accounted for.
- 5. Oregon Salmon Commission. Greenwood said he had attended an OSC meeting, which he found interesting.

Greenwood thanked everyone who had participated in the Fishermen’s Appreciation Day. It was a great BBQ. The Newport Fishermen’s Wives helped to create a wonderful family event. The North Commercial crew hosting the event also had work to do, so Greenwood extended a special thanks to the Port Mates who were a big help, doing an outstanding job. Greenwood thanked both Beck and Brown for attending. The weather was good, and Greenwood estimated 250 – 300 people attended. Everyone complimented the new grill.

IX. COMMISSIONER REPORTS

Beck said that when he applied to be a Commissioner, he wanted to help with community outreach. The Fishermen’s Appreciation Day was a big outreach opportunity. Beck said it was really nice to see the fishermen’s families in an atmosphere of fun and comradery. He suggested posting pictures of the event on the Port’s Facebook page. He and Greenwood had been guests on Cheryl Harle’s BOSS radio show on Monday the 14th. This was one hour with no commercials, and he found it fun. Beck said Greenwood carried 90% of the load. This was another opportunity to reach out to the community with what the Port has to do and the money the Port has to spend, which is important for people to hear.

Patrick-Joling commented about the maps looking good, but the docks and moorage need to be added.

X. CALENDAR/FUTURE CONSIDERATIONS

- 11/24 5th Annual Turkey Trot
- 11/24 – 11/25 Thanksgiving Holiday, Port Office Closed
- 12/09 Port Holiday Get Together, OCA, 6pm
- 12/20 Commission Work Session, Rogue Mural, Noon
- 12/20 Regular Commission Meeting (rescheduled)
- 12/26 Christmas Holiday, Port Office Closed

There were no changes to the Calendar/Future Considerations.

XI. PUBLIC COMMENT

Skamser asked about the easement with Rondys. Currently, Foulweather Trawl has net storage on Rondys property and she asked if any of that storage would be lost. Greenwood said some net storage space will be lost. Brown commented that one goal from the Work Session is to remove old equipment to free up some room.

Busby said this would be the last meeting he would attend as the City Council liaison. He extended a thank you, saying the Port meetings fell into the “enjoyable” category of his job. Busby added the Port is doing a great job and the meetings have a positive atmosphere. He wishes the Commission good luck.

Wayde Dudley commented that the Fishermen’s Appreciation Day was one of the best BBQ’s west of the Mississippi.

Barb Dudley commented she was not close to Chase, but found him to be positive with a great work ethic and effort: an impressive young man.

Fogarty said it is one of the Port’s responsibilities to encourage local industry, and the Chelsea Rose has done a good job with what the Port is about. He hopes the Port does not obstruct but rather encourages Chase. Fogarty urges the Commission to move along quickly, and this issue deserves close attention.

XII. ADJOURNMENT

Having no further business, the meeting adjourned at 7:21 pm.

ATTESTED:

Walter Chuck, President

Patricia Patrick-Joling, Secretary/Treasurer

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**Port of Newport
 Balance Sheet
 As of November 30, 2016**

	<u>Nov 30, 16</u>	<u>Nov 30, 15</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
Available Cash & Equivalents	1,777,138.73	1,466,223.69	310,915.04
Restricted Cash & Equivalents	384,976.64	448,338.83	-63,362.19
Total Checking/Savings	2,162,115.37	1,914,562.52	247,552.85
Accounts Receivable			
Accounts Receivable	515,653.85	160,179.64	355,474.21
Total Accounts Receivable	515,653.85	160,179.64	355,474.21
Other Current Assets			
Allow for Bad Debt - CM	-20,000.00	-10,000.00	-10,000.00
Allow for Bad Debt - SB	-10,000.00	-4,000.00	-6,000.00
AR Property Tax	10,334.60	10,334.60	0.00
Cash Clearing	0.00	-749.47	749.47
Deferred OF - Contirb after MD	18,048.00	18,048.00	0.00
Due from Other Port Funds	29,694.95	69,719.77	-40,024.82
Net Pension Asset	146,594.00	146,594.00	0.00
Prepaid Expenses	34,850.46	50,463.51	-15,613.05
Undeposited Funds	448,184.39	-4,437.21	452,621.60
Total Other Current Assets	657,706.40	275,973.20	381,733.20
Total Current Assets	3,335,475.62	2,350,715.36	984,760.26
Fixed Assets			
Capital Assets	85,670,010.77	85,670,010.77	0.00
Total Fixed Assets	85,670,010.77	85,670,010.77	0.00
TOTAL ASSETS	89,005,486.39	88,020,726.13	984,760.26
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	116,941.44	72,292.84	44,648.60
Total Accounts Payable	116,941.44	72,292.84	44,648.60
Credit Cards			
Chase VISA	0.00	3,325.27	-3,325.27
Total Credit Cards	0.00	3,325.27	-3,325.27
Other Current Liabilities			
Accrued Interest Payable	11,693.00	11,693.00	0.00
Current Portion-Long Term Debt	353,377.00	353,377.00	0.00
Deferred Revenue	153,917.87	190.95	153,726.92
Due to other Port Funds	508,598.32	-9,905.64	518,503.96
Lodging/Room Tax Payable	0.00	1,868.60	-1,868.60
Payroll Liabilities	32,614.31	32,865.42	-251.11
Total Other Current Liabilities	1,060,200.50	390,089.33	670,111.17
Total Current Liabilities	1,177,141.94	465,707.44	711,434.50

**Port of Newport
Balance Sheet
As of November 30, 2016**

	Nov 30, 16	Nov 30, 15	\$ Change
Long Term Liabilities			
2013 FF&C Bond Premium	111,892.75	111,892.75	0.00
Deferred IF - Proportion/Contri	31,249.00	31,249.00	0.00
Derferred IF - Invest Return	282,867.00	282,867.00	0.00
Less Current Portion L Term Deb	-353,377.00	-353,377.00	0.00
Long Term Debt	8,480,410.74	8,480,410.74	0.00
Total Long Term Liabilities	8,553,042.49	8,553,042.49	0.00
Total Liabilities	9,730,184.43	9,018,749.93	711,434.50
Equity			
Contributed Capital	7,130,788.00	7,130,788.00	0.00
Fund Balance	71,790,113.12	71,350,262.00	439,851.12
GAAP - Pension Expense	18,048.00	18,048.00	0.00
GAAP - Pension Income	140,846.00	140,846.00	0.00
Net Income	195,506.84	362,032.20	-166,525.36
Total Equity	79,275,301.96	79,001,976.20	273,325.76
TOTAL LIABILITIES & EQUITY	89,005,486.39	88,020,726.13	984,760.26

Port of Newport
Profit & Loss Budget vs. Actual
 July through November 2016

	Jul - Nov 16	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Hoist Dock & Services	155,940.74	450,000.00	-294,059.26	34.7%
Launch Ramp & Trailer Storage	31,404.48	70,000.00	-38,595.52	44.9%
Lease Revenues	248,236.40	616,081.00	-367,844.60	40.3%
Miscellaneous Revenue	31,562.44	46,000.00	-14,437.56	68.6%
Moorage	561,169.01	1,189,000.00	-627,830.99	47.2%
RV Parks	486,216.58	754,000.00	-267,783.42	64.5%
Shipping Terminal Revenues	3,171.36	7,000.00	-3,828.64	45.3%
Total Income	<u>1,517,701.01</u>	<u>3,132,081.00</u>	<u>-1,614,379.99</u>	<u>48.5%</u>
Gross Profit	1,517,701.01	3,132,081.00	-1,614,379.99	48.5%
Expense				
Debt Services	314,759.09	684,934.00	-370,174.91	46.0%
Materials & Services	582,856.11	1,425,200.00	-842,343.89	40.9%
Personal Services	452,452.75	1,300,616.00	-848,163.25	34.8%
Total Expense	<u>1,350,067.95</u>	<u>3,410,750.00</u>	<u>-2,060,682.05</u>	<u>39.6%</u>
Net Ordinary Income	167,633.06	-278,669.00	446,302.06	-60.2%
Other Income/Expense				
Other Income				
Grant & Loan Proceeds	0.00	168,000.00	-168,000.00	0.0%
Interest Income	1,729.69	4,000.00	-2,270.31	43.2%
Miscellaneous	4,508.08	0.00	4,508.08	100.0%
Property & Dredge Sales	0.00	2,000.00	-2,000.00	0.0%
Property Tax Revenue	93,913.09	94,500.00	-586.91	99.4%
Total Other Income	<u>100,150.86</u>	<u>268,500.00</u>	<u>-168,349.14</u>	<u>37.3%</u>
Other Expense				
Capital Outlay	12,277.08	500,000.00	-487,722.92	2.5%
Contingency	0.00	100,000.00	-100,000.00	0.0%
Transfers Out	60,000.00	60,000.00	0.00	100.0%
Total Other Expense	<u>72,277.08</u>	<u>660,000.00</u>	<u>-587,722.92</u>	<u>11.0%</u>
Net Other Income	<u>27,873.78</u>	<u>-391,500.00</u>	<u>419,373.78</u>	<u>-7.1%</u>
Net Income	<u>195,506.84</u>	<u>-670,169.00</u>	<u>865,675.84</u>	<u>-29.2%</u>

Port of Newport
Profit & Loss Budget vs. Actual - Admin
 July through November 2016

	<u>Jul - Nov 16</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Hoist Dock & Services	1,250.00			
Lease Revenues	248,236.40	616,081.00	-367,844.60	40.3%
Miscellaneous Revenue	2,364.78			
Moorage	1,290.00			
Total Income	<u>253,141.18</u>	<u>616,081.00</u>	<u>-362,939.82</u>	<u>41.1%</u>
Gross Profit	253,141.18	616,081.00	-362,939.82	41.1%
Expense				
Debt Services	8,926.00	17,852.00	-8,926.00	50.0%
Materials & Services	184,806.70	392,900.00	-208,093.30	47.0%
Personal Services	213,351.92	510,748.00	-297,396.08	41.8%
Total Expense	<u>407,084.62</u>	<u>921,500.00</u>	<u>-514,415.38</u>	<u>44.2%</u>
Net Ordinary Income	-153,943.44	-305,419.00	151,475.56	50.4%
Other Income/Expense				
Other Income				
Grant & Loan Proceeds	0.00	168,000.00	-168,000.00	0.0%
Interest Income	1,729.69	4,000.00	-2,270.31	43.2%
Property Tax Revenue	93,913.09	94,500.00	-586.91	99.4%
Total Other Income	<u>95,642.78</u>	<u>266,500.00</u>	<u>-170,857.22</u>	<u>35.9%</u>
Other Expense				
Capital Outlay	0.00	500,000.00	-500,000.00	0.0%
Contingency	0.00	100,000.00	-100,000.00	0.0%
Transfers Out	60,000.00	60,000.00	0.00	100.0%
Total Other Expense	<u>60,000.00</u>	<u>660,000.00</u>	<u>-600,000.00</u>	<u>9.1%</u>
Net Other Income	35,642.78	-393,500.00	429,142.78	-9.1%
Net Income	<u><u>-118,300.66</u></u>	<u><u>-698,919.00</u></u>	<u><u>580,618.34</u></u>	<u><u>16.9%</u></u>

Port of Newport
Profit & Loss Budget vs. Actual - NIT
 July through November 2016

	<u>Jul - Nov 16</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Hoist Dock & Services	76,775.35	193,000.00	-116,224.65	39.8%
Miscellaneous Revenue	74.10	5,000.00	-4,925.90	1.5%
Moorage	16,826.40	80,000.00	-63,173.60	21.0%
Shipping Terminal Revenues	3,171.36	7,000.00	-3,828.64	45.3%
Total Income	<u>96,847.21</u>	<u>285,000.00</u>	<u>-188,152.79</u>	<u>34.0%</u>
Gross Profit	96,847.21	285,000.00	-188,152.79	34.0%
Expense				
Debt Services	125,933.58	443,460.00	-317,526.42	28.4%
Materials & Services	49,974.62	108,100.00	-58,125.38	46.2%
Personal Services	26,771.07	71,486.00	-44,714.93	37.4%
Total Expense	<u>202,679.27</u>	<u>623,046.00</u>	<u>-420,366.73</u>	<u>32.5%</u>
Net Ordinary Income	<u>-105,832.06</u>	<u>-338,046.00</u>	<u>232,213.94</u>	<u>31.3%</u>
Net Income	<u>-105,832.06</u>	<u>-338,046.00</u>	<u>232,213.94</u>	<u>31.3%</u>

Port of Newport
Profit & Loss Budget vs. Actual - SB
 July through November 2016

	Jul - Nov 16	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Hoist Dock & Services	5,475.44	10,000.00	-4,524.56	54.8%
Launch Ramp & Trailer Storage	31,365.60	70,000.00	-38,634.40	44.8%
Miscellaneous Revenue	26,929.83	37,000.00	-10,070.17	72.8%
Moorage	363,930.29	669,000.00	-305,069.71	54.4%
RV Parks	486,216.58	754,000.00	-267,783.42	64.5%
Total Income	<u>913,917.74</u>	<u>1,540,000.00</u>	<u>-626,082.26</u>	<u>59.3%</u>
Gross Profit	913,917.74	1,540,000.00	-626,082.26	59.3%
Expense				
Debt Services	177,001.26	216,666.00	-39,664.74	81.7%
Materials & Services	250,101.80	604,400.00	-354,298.20	41.4%
Personal Services	124,894.43	342,800.00	-217,905.57	36.4%
Total Expense	<u>551,997.49</u>	<u>1,163,866.00</u>	<u>-611,868.51</u>	<u>47.4%</u>
Net Ordinary Income	361,920.25	376,134.00	-14,213.75	96.2%
Other Income/Expense				
Other Income				
Grant & Loan Proceeds	0.00	0.00	0.00	0.0%
Property & Dredge Sales	0.00	2,000.00	-2,000.00	0.0%
Total Other Income	0.00	2,000.00	-2,000.00	0.0%
Other Expense				
Break-in Replacement	0.00	0.00	0.00	0.0%
Capital Outlay	9,201.85	0.00	9,201.85	100.0%
Total Other Expense	<u>9,201.85</u>	<u>0.00</u>	<u>9,201.85</u>	<u>100.0%</u>
Net Other Income	<u>-9,201.85</u>	<u>2,000.00</u>	<u>-11,201.85</u>	<u>-460.1%</u>
Net Income	<u><u>352,718.40</u></u>	<u><u>378,134.00</u></u>	<u><u>-25,415.60</u></u>	<u><u>93.3%</u></u>

Port of Newport
Profit & Loss Budget vs. Actual - CM
 July through November 2016

	Jul - Nov 16	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Hoist Dock & Services	72,418.95	247,000.00	-174,581.05	29.3%
Launch Ramp & Trailer Storage	38.88	0.00	38.88	100.0%
Miscellaneous Revenue	2,193.73	4,000.00	-1,806.27	54.8%
Moorage	179,544.01	440,000.00	-260,455.99	40.8%
Shipping Terminal Revenues	0.00	0.00	0.00	0.0%
Total Income	<u>254,195.57</u>	<u>691,000.00</u>	<u>-436,804.43</u>	<u>36.8%</u>
Gross Profit	254,195.57	691,000.00	-436,804.43	36.8%
Expense				
Debt Services	2,898.25	6,956.00	-4,057.75	41.7%
Materials & Services	97,972.99	312,400.00	-214,427.01	31.4%
Personal Services	87,435.33	214,674.00	-127,238.67	40.7%
Total Expense	<u>188,306.57</u>	<u>534,030.00</u>	<u>-345,723.43</u>	<u>35.3%</u>
Net Ordinary Income	65,889.00	156,970.00	-91,081.00	42.0%
Other Income/Expense				
Other Income				
Miscellaneous	4,508.08	0.00	4,508.08	100.0%
Total Other Income	4,508.08	0.00	4,508.08	100.0%
Other Expense				
Capital Outlay	3,075.23			
Total Other Expense	3,075.23			
Net Other Income	1,432.85	0.00	1,432.85	100.0%
Net Income	<u>67,321.85</u>	<u>156,970.00</u>	<u>-89,648.15</u>	<u>42.9%</u>

Port of Newport - NOAA Fund
Balance Sheet
As of November 30, 2016

	Nov 30, 16	Nov 30, 15	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Cash & Equivalents	5,217,784.62	5,075,623.52	142,161.10
Total Checking/Savings	5,217,784.62	5,075,623.52	142,161.10
Other Current Assets			
Derfered OF - Contrib After MD	2,957.00	2,957.00	0.00
Net Pension Asset	24,019.00	24,019.00	0.00
Prepaid Expenses	21,487.61	-2,819.54	24,307.15
Total Other Current Assets	48,463.61	24,156.46	24,307.15
Total Current Assets	5,266,248.23	5,099,779.98	166,468.25
TOTAL ASSETS	5,266,248.23	5,099,779.98	166,468.25
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	6,150.07	46,879.79	-40,729.72
Total Accounts Payable	6,150.07	46,879.79	-40,729.72
Other Current Liabilities			
Accrued Interest Payable	499,410.00	499,410.00	0.00
Current Portion Long-Term Debt	840,000.00	840,000.00	0.00
Due to Operations or Const Fund	4,764.95	15,679.60	-10,914.65
Vacation Payable	2,264.04	4,235.00	-1,970.96
Total Other Current Liabilities	1,346,438.99	1,359,324.60	-12,885.61
Total Current Liabilities	1,352,589.06	1,406,204.39	-53,615.33
Long Term Liabilities			
Deferred IF - Invest Return	46,347.00	46,347.00	0.00
Deferred IF - Prop/Contrib	5,120.00	5,120.00	0.00
Less Current Portion LT Debt	-840,000.00	-840,000.00	0.00
Long-Term Debt	21,554,006.00	21,554,006.00	0.00
Total Long Term Liabilities	20,765,473.00	20,765,473.00	0.00
Total Liabilities	22,118,062.06	22,171,677.39	-53,615.33
Equity			
Fund Balance	-16,324,635.85	-16,487,486.68	162,850.83
GAAP - Pension Expense	2,957.00	2,957.00	0.00
GAAP - Pension Income	23,078.00	23,078.00	0.00
Net Income	-553,212.98	-610,445.73	57,232.75
Total Equity	-16,851,813.83	-17,071,897.41	220,083.58
TOTAL LIABILITIES & EQUITY	5,266,248.23	5,099,779.98	166,468.25

Port of Newport - NOAA Fund
Profit & Loss Budget vs. Actual
 July through November 2016

	<u>Jul - Nov 16</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Interest Income	2,946.84	10,500.00	-7,553.16	28.1%
Lease Income	1,050,973.16	2,542,000.00	-1,491,026.84	41.3%
Total Income	<u>1,053,920.00</u>	<u>2,552,500.00</u>	<u>-1,498,580.00</u>	<u>41.3%</u>
Expense				
Debt Service	1,442,366.88	1,997,335.00	-554,968.12	72.2%
Materials & Services	135,789.17	689,320.00	-553,530.83	19.7%
Personal Services	26,896.93	75,759.00	-48,862.07	35.5%
Total Expense	<u>1,605,052.98</u>	<u>2,762,414.00</u>	<u>-1,157,361.02</u>	<u>58.1%</u>
Net Ordinary Income	<u>-551,132.98</u>	<u>-209,914.00</u>	<u>-341,218.98</u>	<u>262.6%</u>
Other Income/Expense				
Other Expense				
Capital Outlay	2,080.00			
Contingency	0.00	100,000.00	-100,000.00	0.0%
Fund Transfers Out	0.00	2,000,000.00	-2,000,000.00	0.0%
Total Other Expense	<u>2,080.00</u>	<u>2,100,000.00</u>	<u>-2,097,920.00</u>	<u>0.1%</u>
Net Other Income	<u>-2,080.00</u>	<u>-2,100,000.00</u>	<u>2,097,920.00</u>	<u>0.1%</u>
Net Income	<u><u>-553,212.98</u></u>	<u><u>-2,309,914.00</u></u>	<u><u>1,756,701.02</u></u>	<u><u>23.9%</u></u>

Facility Maintenance Reserve Fund

12/15/16

Balance Sheet

Accrual Basis

As of November 30, 2016

	Nov 30, 16	Nov 30, 15	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Umpqua Bank - Money Market	133,814.96	148,436.32	-14,621.36
Total Checking/Savings	133,814.96	148,436.32	-14,621.36
Total Current Assets	133,814.96	148,436.32	-14,621.36
TOTAL ASSETS	133,814.96	148,436.32	-14,621.36
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	21,542.50	54,747.44	-33,204.94
Total Accounts Payable	21,542.50	54,747.44	-33,204.94
Total Current Liabilities	21,542.50	54,747.44	-33,204.94
Total Liabilities	21,542.50	54,747.44	-33,204.94
Equity			
Fund Balance	73,777.66	48,378.36	25,399.30
Net Income	38,494.80	45,310.52	-6,815.72
Total Equity	112,272.46	93,688.88	18,583.58
TOTAL LIABILITIES & EQUITY	133,814.96	148,436.32	-14,621.36

Construction Fund - Port of Newport

12/15/16

Balance Sheet

Accrual Basis

As of November 30, 2016

	Nov 30, 16	Nov 30, 15	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Construction Fund Bank Accts	62,897.79	151,798.53	-88,900.74
Total Checking/Savings	62,897.79	151,798.53	-88,900.74
Total Current Assets	62,897.79	151,798.53	-88,900.74
TOTAL ASSETS	62,897.79	151,798.53	-88,900.74
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
A/P - Construction	572.00	3,806.00	-3,234.00
Total Accounts Payable	572.00	3,806.00	-3,234.00
Other Current Liabilities			
Due To Other funds	0.00	1,800.00	-1,800.00
Total Other Current Liabilities	0.00	1,800.00	-1,800.00
Total Current Liabilities	572.00	5,606.00	-5,034.00
Total Liabilities	572.00	5,606.00	-5,034.00
Equity			
Fund Balance	79,229.46	183,266.66	-104,037.20
Net Income	-16,903.67	-37,074.13	20,170.46
Total Equity	62,325.79	146,192.53	-83,866.74
TOTAL LIABILITIES & EQUITY	62,897.79	151,798.53	-88,900.74

Bonded Debt Fund - Port of Newport

12/15/16

Balance Sheet

Accrual Basis

As of November 30, 2016

	Nov 30, 16	Nov 30, 15	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Gen Obligation Bond MM-OCB	682,949.21	877,402.55	-194,453.34
Total Checking/Savings	682,949.21	877,402.55	-194,453.34
Other Current Assets			
Due from Operating Fund	508,598.32	-9,905.64	518,503.96
Property Tax Receivable	86,925.12	86,925.12	0.00
Total Other Current Assets	595,523.44	77,019.48	518,503.96
Total Current Assets	1,278,472.65	954,422.03	324,050.62
Other Assets			
Bond Issue costs, net of amort.	91,334.00	91,334.00	0.00
Total Other Assets	91,334.00	91,334.00	0.00
TOTAL ASSETS	1,369,806.65	1,045,756.03	324,050.62
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Other Current Liabilities			
Bonds Payable - Current	300,000.00	300,000.00	0.00
Total Other Current Liabilities	300,000.00	300,000.00	0.00
Total Current Liabilities	300,000.00	300,000.00	0.00
Long Term Liabilities			
2007 Series Bonds	4,209,263.00	4,209,263.00	0.00
2008 Series Bonds	4,304,912.00	4,304,912.00	0.00
2011 Series Bonds	5,211,741.00	5,211,741.00	0.00
Less Current Portion LTD	-300,000.00	-300,000.00	0.00
Total Long Term Liabilities	13,425,916.00	13,425,916.00	0.00
Total Liabilities	13,725,916.00	13,725,916.00	0.00
Equity			
Bonded Debt Fund Balance	-13,468,256.72	-13,468,256.72	0.00
Retained Earnings	221,003.95	0.36	221,003.59
Net Income	891,143.42	788,096.39	103,047.03
Total Equity	-12,356,109.35	-12,680,159.97	324,050.62
TOTAL LIABILITIES & EQUITY	1,369,806.65	1,045,756.03	324,050.62

PORT OF NEWPORT SPECIAL USE PERMIT

This permit, effective December 8th and 9th, 2016, 8:00 am until 5:00 pm, from the Port of Newport, organized and existing under the laws of the State of Oregon, hereinafter referred to as "Port", to Oregon State University (OSU) , hereinafter referred to as "Permittee."

The Port hereby grants permission to Permittee to use South Beach Marina: launch ramp, finger docks and rear section of parking lot. Use of designated area by Permittee is for OSU and Scientific Boating Safety Association (SBSA) Motorboat Operator Training Course (MOTC). (Exhibit A description of event.)

Permit is subject to the rules, regulations, and ordinances of the Port of Newport and subject to the following terms and conditions:

1. **Application Fee.** A nonrefundable application fee in the amount of \$100.00.
2. **Usage Fees.** waived in consideration of non-profit status and educational purpose
3. **Reservation of Rights.** Port reserves the right to alter or amend the terms and conditions of this permit.
4. **Liability, indemnity of Port.** Permittee agrees to exercise due care in the activities described above and to abide by all Port rules, regulations and ordinances. Permittee shall indemnify and hold Port harmless from and against all claims, actions, proceedings, damages, and liabilities, including attorney fees, arising from or connected with Permittee's use of Port facilities. Permittee will carry a comprehensive general liability insurance policy with limits of \$1,000,000.00 per occurrence and \$2,000,000.00 in aggregate, and will provide the Port with a Certificate of Insurance naming the Port as an additional insured.
5. **Limitation of Port's Liability.** Permittee acknowledges that Permittee has inspected the grounds and related facilities and is satisfied that these facilities are adequate for safe use for the above-described purpose. This permit is not a contract. Port's liability is limited to its sole negligence. Port's employees will make reasonable efforts to contact Permittee and notify Permittee of conditions requiring Permittee's attention, but Port assumes no responsibility of Permittee's use of the Port's facilities. Permittee confirms and assures that there are not alcoholic beverages used or provided during this event and that certified and trained emergency response providers are on site.
6. **Nontransferability/Term.** This permit is nontransferable. This permit expires December 9, 2016, 5:00 pm.

IN WITNESS WHEREOF, the Port has caused this permit to be issued on the date indicated above.

Port of Newport:

Accepted By:

Kevin Greenwood, General Manager

Kevin L. Buch
Diving and Small Boat Safety Officer

ATTACHMENTS: Exhibit A (detailed description of event)



Sponsorship Agreement: In Kind Sponsorship Value \$400.00.

Event Name: OSU and Scientific Boating Safety Association (SBSA) Motorboat Operator Training Course (MOTC)

Event Date: December 8th and 9th, 2016 _____

Applicant: OSU, Kevin L. Buch, Diving and Small Boat Safety Officer _____

Applicant will provide:

___ Logo placement on website ___ Link to the Port of Newport on website

___ Logo on event shirt ___ Banner displayed at event

___ Booth space at event ___ Goodie Bag insert

___ Mention in radio advertising

Other (please describe):

Port logo on slide presentations, acknowledgement of Port support at event banquet and any post-event news releases.

Port of Newport will provide: Waiver of usage fees, logo image file

X _____ Date: _____
Kevin Greenwood
Port of Newport

X _____ Date: _____

SPECIAL USE PERMIT APPLICATION

Submit to: Administrative Assistant
 Port of Newport
 600 SE Bay Blvd.
 Newport, Oregon 97365

SUP CHECKLIST	
<input checked="" type="checkbox"/>	Application
<input checked="" type="checkbox"/>	\$100 Fee
<input type="checkbox"/>	Facilities Supervisor
<input type="checkbox"/>	Review
<input type="checkbox"/>	Security Review
<input type="checkbox"/>	General Manager
<input type="checkbox"/>	Review
<input checked="" type="checkbox"/>	Insurance Cert
<input type="checkbox"/>	Usage Fee <i>waived</i>
<input type="checkbox"/>	SUP Issued

This application must be completed, signed, and submitted with a nonrefundable \$100.00 application fee. Any usage fees required of the applicant must be submitted prior to the special use permit being issued by the Port. Any request for a full or partial waiver of the usage fees must be submitted with this application. The criteria used to evaluate a waiver request are listed below. Applications should be submitted far enough in advance of the event to allow the Port to determine the impact of the event on Port property and other Port guests and / or moorage holders. At least 45 days' notice is recommended.

Event Name: OSU and Scientific Boating Safety Association(SBSA) Motorboat Operator Training Course (MOTC)

Event Date: 12/8-12/9, 2016 Time(s) 0800-1700 each day

Location: South Beach Marina

Facilities to Be Used: launch ramp, finger docks, and rear section of parking lot


Set-up Dates and Start Times: 12/8 and 12/9; 0730

Take-down Dates and End Times: 12/8 and 12/9; 1700

Estimated Number of Participants: Contestants: _____

Vendors / Volunteers: _____

Attendees: 15 students; 8 instructional staff

Applicant / Signer: Kevin L. Buch  Heather Wyland, C.P.M., A.P.P.
 Procurement Manager
 541-737-7349 12-116

* Mailing Address: A312 Kerr Adm'n Corvallis, OR 97331

* Telephone: 541-740-4577(cell); 541-737-6893(office) Email: kevin.buch@oregonstate.edu

Contact Person (if different than applicant): same as above (Fax: 541-737-9041) Kevin Buch

Contact Person's address, phone number and e-mail: * see above

Please provide a detailed description of the event, and attach a map of the location(s) if applicable:

The OSU Small Boat Safety Program will be facilitating an SBSA MOTC, which is a basic small motorboat operator course designed for students and researchers who operate small boats during the course of their field work or class activities. For the class to run efficiently, adequate facilities and space are needed to launch and recover boats, pick-up and drop-off students, and practice trailer maneuvering in a safe, open space. More info on SBSA can be found at: www.scientificboating.org

Please indicate if you are requesting a full or partial waiver of the usage fee, and explain the reasons for the request based upon the criteria described below:

The Port of Newport agreed to help support this class by charging only the standard \$100 fee. This support is critical, as the budget for this project is very limited (teaching staff are mostly SBSA and OSU volunteer instructors), and yet it is very important for the students and scientists who will be working on the water

How will the Port of Newport be featured in your marketing/sponsorship promotions?

If provided with a logo, we will feature the Port in our slide presentations, and will also give personal acknowledgement of the Port's support at the event banquet and in any post-event news releases

The following criteria may be used by the Port management to fully or partially waive the usage fee:

1. Is the applicant a non-profit or a for-profit entity? Yes, OSU is a public institution and SBSA is a registered not-for-profit
2. Will proceeds from the event be donated to charitable causes? If so, what percentage of the proceeds will be donated and to which charitable causes? The small course fee collected will go back to SBSA to help defer course costs
3. What is the Port's cost to provide services for the event? There are no anticipated costs to the Port

4. Does the event provide any direct benefit to the Port? No direct benefits, but lots of positive PR and some positive media

USAGE FEE SCHEDULE

PARTICIPANTS	NUMBER	FEE
Attendees, Contestants, Volunteers at Event	1-200	\$400.00
	201-500	\$650.00
	501-1000	\$900.00
	1,001- 5000	\$1400.00
	5,001-10,000	\$1,900.00
	More than 10,000	\$2,400.00
Vendors	N/A	\$40/ per vendor

Permittee will also need to carry comprehensive general liability insurance with limits of \$2,000,000.00 per occurrence and \$2,000,000.00 in aggregate, and will provide the Port with a Certificate of Insurance naming the Port as an additional insured.



Enterprise Risk Services
Oregon State University, 3015 SW Western Blvd., Corvallis, OR 97333
T 541-737-7252 | F 541-737-4810 | <http://risk.oregonstate.edu>

September 13, 2016

RE: Oregon State University (OSU) Insurance Coverage Requirements

To Whom It May Concern:

This is to provide insurance information to those entities that request such information about OSU's insurance coverages.

The university is self-insured under ORS 352.087, with adequate levels of excess general liability and commercial auto liability insurance, for the liability arising out of the acts, omissions or negligence of OSU, its officers, board members, employees and agents, subject to the limitations and conditions of the Oregon Tort Claims Act, ORS 30.260 through 30.300 and the Oregon Constitution Article XI, Section 7. Oregon State University maintains Workers' Compensation insurance for its employees in conformance with ORS Chapter 656.017.

I trust this will meet your requirements as to insurance confirmation for Oregon State University. In the event that a certificate is required, please contact this office for procurement of such.

Sincerely,

A handwritten signature in blue ink, appearing to be "PH", written over a light blue horizontal line.

Patrick Hughes, J.D.
Chief Risk Officer
Oregon State University
Enterprise Risk Services
3015 SW Western Blvd.
Corvallis, OR 97333
541-737-7252

Port of Newport

600 SE Bay Blvd.
Newport, OR 97365

CM Daily Sales

Date	Inv #
12/8/2016	Spec Use

PAID
12/05/2016

Donor
OSU & Scientific Boating Safety Assoc A312c Kerr Admin Corvallis, OR 97331

Project

Item	Description	Rate	Quantity	Amount
Special Use Permits	Application Fee	100.00	1	100.00
Total				\$100.00

PORT OF NEWPORT SPECIAL USE PERMIT

This permit, effective Saturday, October 14, 2017, 5:30 am, from the Port of Newport, organized and existing under the laws of the State of Oregon, hereinafter referred to as "Port", to Run with Paula Events, Inc., hereinafter referred to as "Permittee."

The Port hereby grants permission to Permittee to use the designated parking lot at the Port of Newport Marina and RV Park, 2120 SE Marine Science Dr., Newport, OR, as shown in Exhibit A, attached. Use of designated area by Permittee is for Bay to Brews Half Marathon and 10K (Exhibit B detailed description of event.)

Permit is subject to the rules, regulations, and ordinances of the Port of Newport and subject to the following terms and conditions:

1. **Application Fee.** A nonrefundable application fee in the amount of \$100.00.
2. **Usage Fees.** WAIVED in exchange for sponsorship rights.
3. **Reservation of Rights.** Port reserves the right to alter or amend the terms and conditions of this permit.
4. **Liability, indemnity of Port.** Permittee agrees to exercise due care in the activities described above and to abide by all Port rules, regulations and ordinances. Permittee shall indemnify and hold Port harmless from and against all claims, actions, proceedings, damages, and liabilities, including attorney fees, arising from or connected with Permittee's use of Port facilities. Permittee will carry a comprehensive general liability insurance policy with limits of \$2,000,000.00 per occurrence and \$2,000,000.00 in aggregate, and will provide the Port with a Certificate of Insurance naming the Port as an additional insured.
5. **Limitation of Port's Liability.** Permittee acknowledges that Permittee has inspected the grounds and related facilities and is satisfied that these facilities are adequate for safe use for the above-described purpose. This permit is not a contract. Port's liability is limited to its sole negligence. Port's employees will make reasonable efforts to contact Permittee and notify Permittee of conditions requiring Permittee's attention, but Port assumes no responsibility of Permittee's use of the Port's facilities. Permittee confirms and assures that there are not alcoholic beverages used or provided during this event and that certified and trained emergency response providers are on site.
6. **Nontransferability/Term.** This permit is nontransferable. This permit expires October 14, 2017, 1:30 pm.

IN WITNESS WHEREOF, the Port has caused this permit to be issued on the date indicated above.

Port of Newport:

Accepted By:

Kevin Greenwood, General Manager

Paula Harkin
Run with Paula Events, Inc.

ATTACHMENTS: Exhibit A (Map) & Exhibit B (detailed description of event)



Sponsorship Agreement: In Kind Sponsorship Value \$ 900.00

Event Name: Bay to Brews Half Marathon and 10K

Event Date: October 14, 2017

Applicant: Paula Harkin, Run with Paula Events, Inc.

Applicant will provide:

Logo placement on website Link to the Port of Newport on website

Logo on event shirt Banner displayed at event

Booth space at event Goodie Bag insert

Mention in radio advertising

Other (please describe):

Acknowledgment of the Port in race day race
announcement and email promotion

Port of Newport will provide:

Use of bathrooms under the bridge, parking area at Rogue brewery, waiver of usage fees.

X _____ Date: _____
Kevin Greenwood
Port of Newport

Bay to Brews 10K & Half Marathon 2014

Overview: Course uses a two-loop format. 10K makes a single "south" loop with a short out and back on SW 26th (Jetty Rd.). Half marathon makes second loop adding an out and back on SE 35th St. to Idaho Point. Racers are expected to be on course from 8:00AM until 12:00PM. A majority of our racers are entered in the 10K which will finish between 8:40-9:30A



Loop #1: 6.21 Miles

■ Portable Toilet Placement



Loop #2: 6.9 Miles

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BAY TO BREWS COURSE VOLUNTEER POSITIONS

Volunteer Position	Location On Course	Directions	MilleMarker (s)	Time Pass	
				First	Last
Course Vol #1	Croswalk on SE Marine Science Drive and Ferry Slip Rd.	Direct half marathoners to use EAST crosswalk to turn RIGHT onto Ferry Slip Rd. for second loop. Racers stay to LEFT when on road.	6.3	8:34	10:10
Course Vol #2	SE 35th St. and SE Ferry Slip Rd.	Direct racers to stay to the LEFT and prepare to turn LEFT onto SE 35th St.	0.6 6.8	8:04 8:40	8:14 10:20
Course Vol #3 10K Turn Around	SE 35thSt. and Leeks High Rd.	Direct racers to turn around and then turn LEFT up Leeks High Rd. After final pass of racers on first loop, TAKE DOWN TURN AROUND SIGN Remain to direct racers to turn LEFT on Leeks High Rd.	1.3 7.8	8:08 8:47	8:25 10:45
Course Vol #4 1/2 Turn Around	SE 35th St. and End of pavement	Direct racers on second loop to turn around and to stay to their LEFT. Racers return to Leeks High Rd. for a left turn.	7.6	8:45	10:40
Course Vol #5	SE 40th St. and intersection of private trail	Direct racers to veer LEFT onto trail to continue toward SE 50th and water treatment facility.	2.7 8.7	8:15 8:50	8:50 10:50
Course Vol #6	Hwy 101 and SE 50th St	Direct Racers to cross Hwy 101 and turn LEFT. Racers will stay RIGHT on Hwy 101	3.3 10	8:18 8:55	9:10 11:20
	1/2 Marathon and 10K will overlap starting here!!!				
Course Vol #7	Hwy 101 and Entrance to South Beach State Park	Direct racers to turn RIGHT into park and to stay to their RIGHT at all times while inside park	3.7 10.4	8:21 8:58	9:16 11:30
Course Vol #8	South Beach State Park and intersection of camp site access roads	Monitor cars from camp site. Direct runners to stay to their RIGHT at all times while in park	3.8 10.5	8:22 8:59	9:17 11:32
Course Vol #9	Parking lot at WEST end South Beach State Park at entrance to footpath (NW corner)	Direct racers onto footpath heading NORTH. Racers stay to their RIGHT at all times while on path	4.2 10.9	8:24 9:00	9:22 11:40
Course Vol #10	Jetty Rd (Sw 26th St) and exit from footpath	Direct racers to turn LEFT to a short out and back on Jetty Rd.	5.3 11.9	8:30 9:05	9:50 12:00
Course Vol #11 All Races Turn Around	End of Jetty Rd. Turn Around	Direct Racers to turn around staying to their LEFT at all times on Jetty Rd.	5.4 12	8:31 9:06	9:52 12:02
Course Vol #12	Jetty Rd. and entrance to footpath near Yaquina Bay Bridge (Eastbound/inbound from race course)	Direct racers LEFT onto footpath under Yaquina Bay Bridge. Racers stay to their RIGHT at all times while on footpath.	6 12.9	8:34 9:10	10:00 12:20
Course Vol #13	Foot path just east of Yaquina Bay bridge	Direct 10K racers to veer LEFT into Rogue parking lot and finish chute. Direct half marathoners to continue STRAIGHT on footpath	6.18 13	8:34 9:11	10:02 12:20

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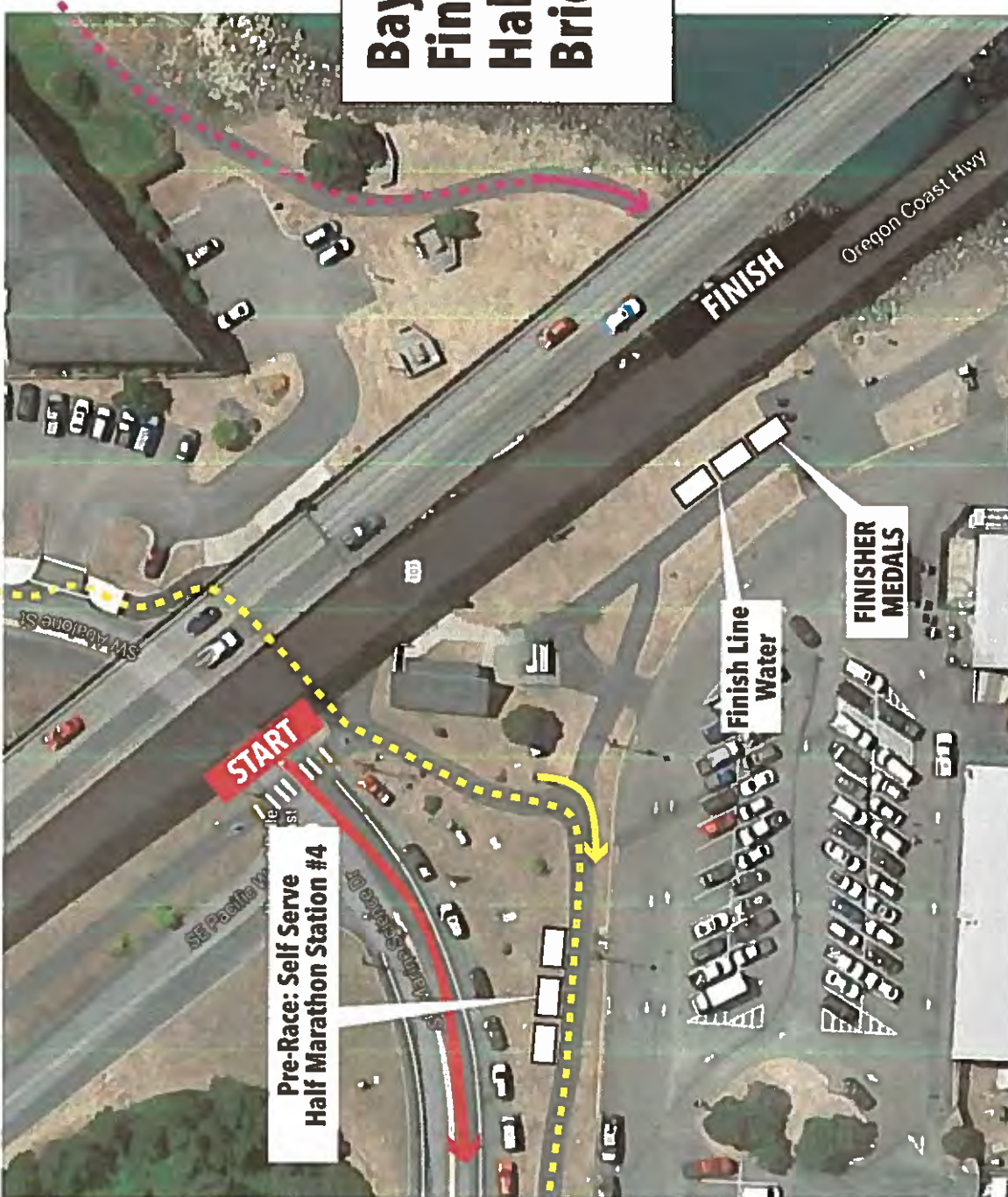
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**Bay to Brews 2016
Finish Line Water/
Half Marathon
Bridge Aid Station**

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Finisher Medals:
use 4-way apparel rack to hang?

Intel Space Blankets

For Finish Line Water Station:
2 x 4-foot tables
3 x 10-gallon coolers
2 x 5-gallon coolers
1500 cups
12 bags of GLUKOS
Aid Station Bin
Garbage Cans/Bags

For Pre-Race Self Serve/Half Marathon Station #4:
3 x 4-foot tables
2 x 5-gallon coolers
3 x 10-gallon coolers
1800 cups
8 bags of GLUKOS
Aid Station Bin
Garbage Cans/Bags

Bay to Brews Jetty Aid Station

Driving Directions From Rogue Brewery: Exit parking lot and turn RIGHT onto Marine Science Dr. Turn RIGHT onto Jetty Rd./SW 26th St. Follow to bike path exit from South Beach State Park near the end of the Jetty. Station set up on SOUTH side of road.

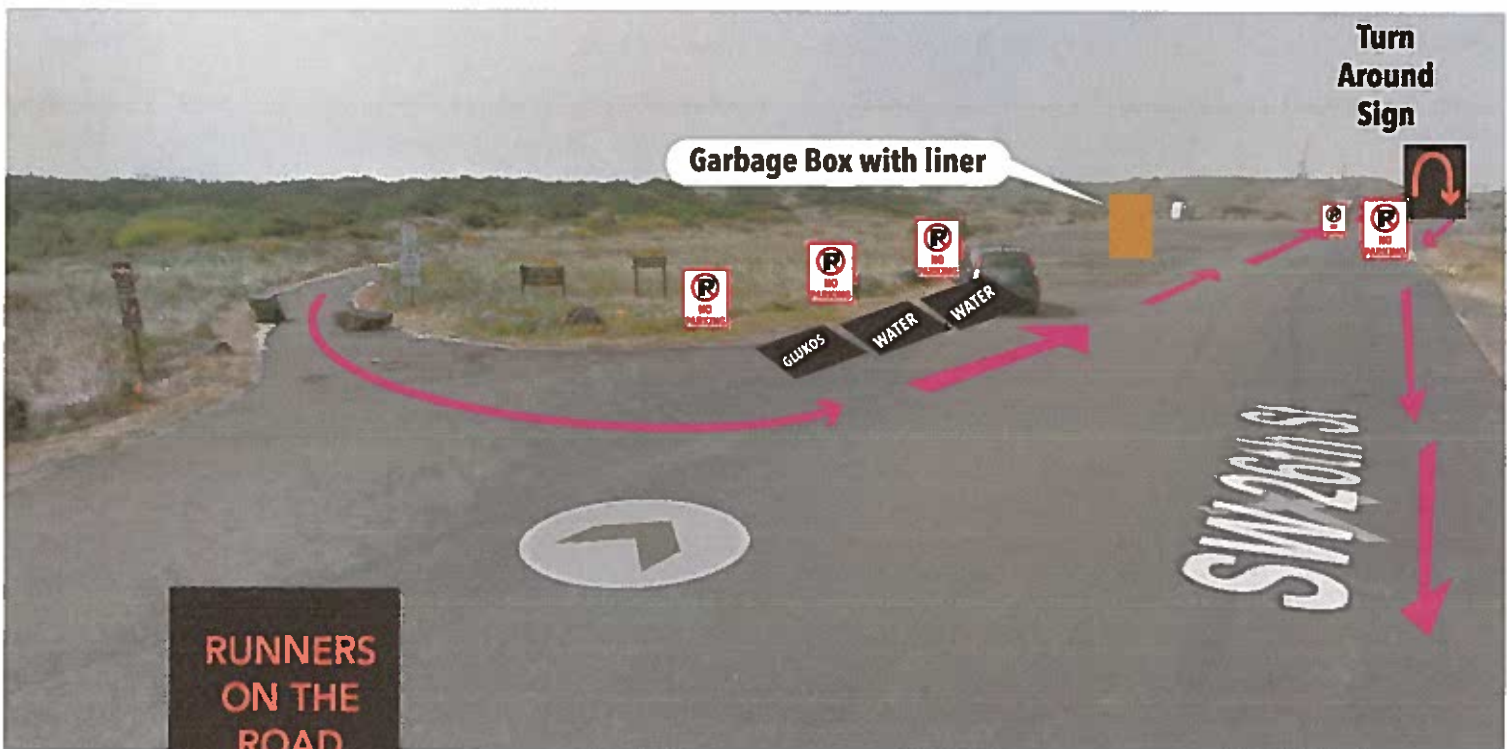
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OVERVIEW

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Racers will exit the bike path from South Beach State Park and turn LEFT onto the jetty. After a short out-and-back racers will return along the Jetty toward Rogue to either finish the 10K or continue on their second loop. Racers must STAY to their LEFT at all times on Jetty Rd.



**RUNNERS
ON THE
ROAD**

Signs: STAY LEFT, TURN AROUND and RUNNERS ON ROAD. Use cones and ladder sign for turn around.

Offer Glukos FIRST and then WATER. Hold the cups loosely so that runners are able to easily grab but not spill. Call out what type of beverage you are offering. Familiarize yourself with the course! Smile, have fun, and encourage all participants.

Supplies:

- 3 x 4 foot tables
- 1500 cups
- 4 x 10 gallon cooler (filled)
- Nylex Gloves
- Stir Stick
- Cardboard/panel to layer cups on tables x 4
- Garbage Cans/box
- Trash Bags
- First Aid Kit
- 8 Bags Glukos Drink Powder

SE 50th Aid Station

Driving: from Rogue, take Hwy 101 SOUTH to SE 50th St. and turn LEFT. Follow uphill to just past first curve to the right.



- 3 by 4-foot tables
- 4 by 10-gallon containers filled
- 1500 cups
- 8 bags of Glukos Mix
- Aid Station Bin
- Garbage Can(s) or boxes
- Garbage Bags
- Plastic Gloves
- 4 Layering pieces
- Rake

SUPPLIES:

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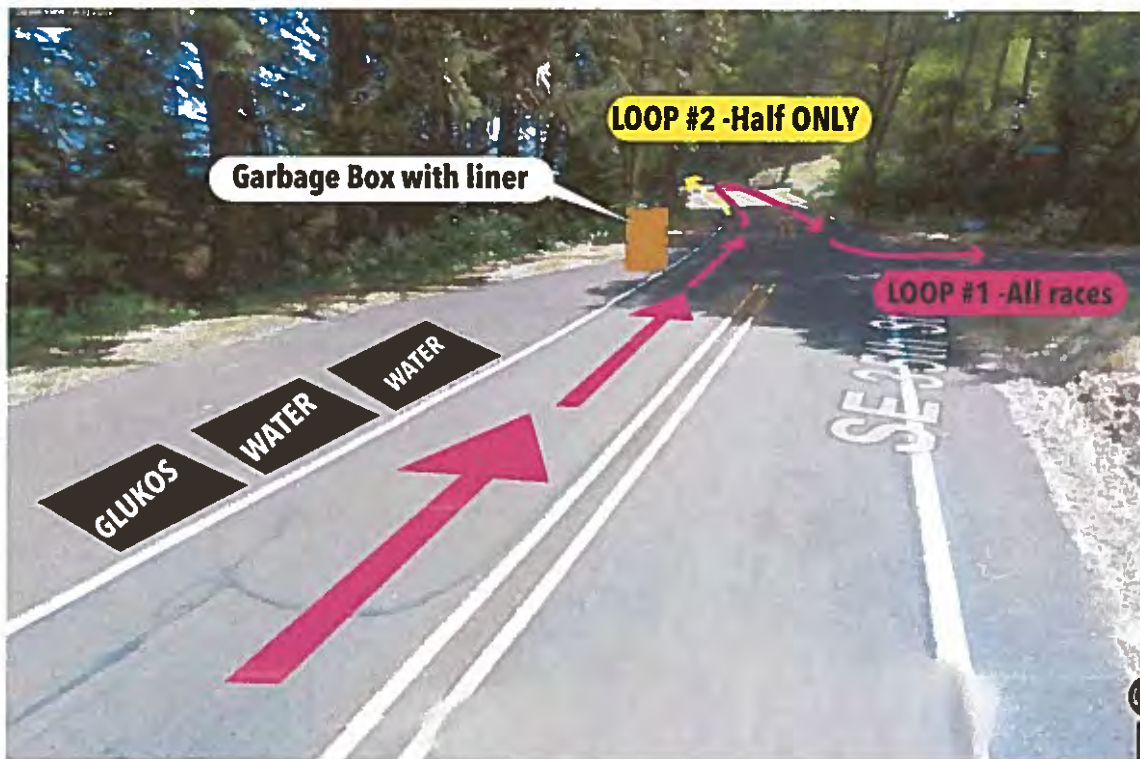
mary: Racers will emerge from Wilder Trail just up the hill from this on. 10K mile 3.5 and half marathon mile 10.3. Be sure to call out t you are offering (water or Glukos). Offer GLUKOS first and then ir. Smile, have fun, and cheer on the racers.

Bay to Brews Aid Station Leeks High Rd.

Driving Directions from Rogue Brewery: Follow Ferry Slip Dr. south to LEFT TURN on SE 35th St. Follow SE 35th St. along the bay until you reach Leeks High Rd. Park on the LEFT hand (Bay side) of the road well clear of aid station location.

OVERVIEW

SE 35th Ave & Leeks High Rd. - This station is located at mile 1.4 of the 10K and mile 7.6 of the half marathon. Aid station tables should be placed on NORTH side of road (bay side) just WEST of the intersection with Leeks High Rd. Use two tables for water. One table for Glukos. Racers will pass in the eastbound lanes staying to their left. All participants will have a short out and back (545 feet) on first loop and then will proceed LEFT up Leeks High Rd. On the second pass, Half marathoners will continue on SE 35th Ave. to a turn around located almost to the end of SE 35th Ave (out of sight). Half marathoners will then return to Leeks High Rd. and veer LEFT to follow loop #1.



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Offer Glukos FIRST and then WATER. Hold the cups loosely so that runners are able to easily grab but not spill. Call out what type of beverage you are offering. Familiarize yourself with the course! Smile, have fun, and encourage all participants.

Supplies:

- 3 x 4 foot tables
- 1500 cups
- 4 x 10 gallon cooler (filled)
- Aid Station Bin
- Rake
- Cardboard/panel to layer cups on tables x 4
- Garbage Cans/box x 2
- Trash Bags
- First Aid Kit
- 8 bags Glukos Drink Powder (4 bags for 10 gallons)

SPECIAL USE PERMIT APPLICATION

Submit to: Administrative Assistant
 Port of Newport
 600 SE Bay Blvd.
 Newport, Oregon 97365

SUP CHECKLIST	
<input checked="" type="checkbox"/>	Application
<input checked="" type="checkbox"/>	\$100 Fee
<input type="checkbox"/>	Facilities Supervisor Review
<input type="checkbox"/>	Security Review
<input type="checkbox"/>	General Manager Review
<input type="checkbox"/>	Insurance Cert
<input type="checkbox"/>	Usage Fee
<input type="checkbox"/>	SUP Issued

This application must be completed, signed, and submitted with a nonrefundable \$100.00 application fee. Any usage fees required of the applicant must be submitted prior to the special use permit being issued by the Port. Any request for a full or partial waiver of the usage fees must be submitted with this application. The criteria used to evaluate a waiver request are listed below. Applications should be submitted far enough in advance of the event to allow the Port to determine the impact of the event on Port property and other Port guests and / or moorage holders. At least 45 days' notice is recommended.

Event Name: Newport Bay to Brews Half Marathon and 10K

Event Date: 10.14.2017 Time(s) 8:00am start

Location: Rogue Brewery

Facilities to Be Used: Parking lot, grassy area under bridge + bathrooms

Set-up Dates and Start Times: 5:30am set up - 10.14.17

Take-down Dates and End Times: 1:30pm take-down 10.14-17

Estimated Number of Participants: Contestants: 750

Vendors / Volunteers: 50 (High School Students)

Attendees: 800

Applicant / Signer: Paula Harkin - Runwithpaula Events, Inc.

Mailing Address: PO Box 248

Telephone: 503-516-5938 E-mail paula@runwithpaula.com

Contact Person (if different than applicant): -

Contact Person's address, phone number and e-mail: 503-516-5938

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Please provide a detailed description of the event, and attach a map of the location(s) if applicable:

Half Marathon + 10K run + walk. Course map attached.
Start and Finish under Bridge.

Please indicate if you are requesting a full or partial waiver of the usage fee, and explain the reasons for the request based upon the criteria described below:

Full sponsorship.

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How will the Port of Newport be featured in your marketing/sponsorship promotions?

- website
- logo on back of T-shirt
- mention at race start
- mention at awards ceremony
- Thanks to Port in email blast

The following criteria may be used by the Port management to fully or partially waive the usage fee:

1. Is the applicant a non-profit or a for-profit entity? profit - lost money 2016 due to weather
2. Will proceeds from the event be donated to charitable causes? If so, what percentage of the proceeds will be donated and to which charitable causes? we have monies going to: CAC, Newport HS, Taft HS XC, Taft HS Cheer, Newport Volunteer PD.
3. What is the Port's cost to provide services for the event? bathroom usage.
4. Does the event provide any direct benefit to the Port? Marketing.

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USAGE FEE SCHEDULE

PARTICIPANTS	NUMBER	FEE
Attendees, Contestants, Volunteers at Event	1-200	\$400.00
	201-500	\$650.00
	501-1000	\$900.00
	1,001- 5000	\$1400.00
	5,001-10,000	\$1,900.00
	More than 10,000	\$2,400.00
Vendors	N/A	\$40/ per vendor

Permittee will also need to carry comprehensive general liability insurance with limits of \$2,000,000.00 per occurrence and \$2,000,000.00 in aggregate, and will provide the Port with a Certificate of Insurance naming the Port as an additional insured.

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CONSENT CALENDAR AGENDA ITEM

DATE: 12/14/2016
RE: CBP office trailer ADA ramp – Design Space purchase/service agreement
TO: Port of Newport Board of Commissioners
ISSUED BY: Rick Fuller – Director of Operations

BACKGROUND or SUMMARY

During the November Commission meeting of November 15, 2016, agenda item IV-C of the Consent Calendar was approved which consisted of SLA15. SLA-15 is a change order that reimburses costs of the purchase and installation of an ADA ramp required as part of the 2016/17 lease agreement for the Customs & Border Patrol office trailer. The attached purchase and service agreement by Design Space Modular Buildings is the results of staff efforts to reduce the cost of the original pricing provided by GSA.

PURPOSE, SCOPE or DETAIL

The city issued permit #555 requires the installation of an ADA ramp to service the CBP office trailer. The modular building company that the Port currently leases the CBP office trailer from was contacted for lease/purchase and installation pricing. Purchase of the ADA ramp is the most economical option.

The scope of work includes

- Purchase of 40LF of ADA aluminum ramp consisting of ramp, platforms, and railing.
- Placement and installation of ramp to specifications

ALTERNATE CONSIDERATIONS

The GSA provided pricing from William Scotsman was found to be \$2,079 higher in price. A custom built wooden ramp was considered but disregarded due to long term maintenance costs.

BUDGET IMPLICATIONS

The total expense of \$15,750 for the compliance modification will be reimbursed per the attached GSA lease amendment No.15. The costs will be expended and reimbursed out of the General Fund/Administration/Materials and Services/Modular Customs Office line items respectively. The details on the fund can be found in the financial reports. The projects costs were not budgeted during the budget process but are required due to city land use requirements.

RECOMMENDATION

I would recommend that a Commissioner make a **MOTION TO AUTHORIZE THE GENERAL MANAGER TO SIGN THE SERVICES AGREEMENT WITH DESIGN SPACE MODULAR BUILDINGS IN AN AMOUNT NOT TO EXCEED \$15,750.00 FOR THE PURCHASE AND INSTALLATION OF A 40 FOOT ADA RAMP AT THE US CUSTOMS TRAILER IN ORDER TO GAIN COMPLIANCE WITH THE CITY OF NEWPORT COMMUNITY DEVELOPMENT CODE.####**

Agreement No.: TBD

Date: 12-6-16

Customer PO #: _____

29336 NE Airport Road
Eugene, OR 97402
541-461-9122

SERVICES AGREEMENT

DESIGN SPACE MODULAR BUILDINGS, INC. (DSMBI), hereinafter referred to as "Seller", hereby submits for acceptance by:

Customer Name:	Rick Fuller Director of Operations Port of Newport 600 S.E. Bay Blvd. Newport, OR 97365 O 541.265.7758 M 541.961.3904 dirops@portofnewport.com	Contact:	
Address:		Phone:	
		Fax:	

hereinafter referred to as Buyer, the following Proposal to furnish the services and materials described below for the prices indicated:

QTY.	DESCRIPTION	PRICE
1	40 l.f of ADA Alum ramp with (1) 5x5 door platform (1) 5x10 switchback (2) each 5x5 turn platforms	\$13,500.00
	Delivery and set up	\$2,250.00
	Tax	N/A
	Total	\$15,750.00

Payment Terms:		
Progress Invoices: (If Applicable)	Progress Invoice 1 - Milestone:	
	Progress Invoice 2 - Milestone:	
	Progress Invoice 3 - Milestone:	
	Progress Invoice 4 - Milestone:	
	Balance Due Upon Completion	Balance Due

Above Pricing Based Upon:		Date	SHIPPING ADDRESS: Site address is Newport, OR
DSMBI Proposal:			
Drawing No.:			
Specification:	Per Proposal Above		

This Proposal by Seller must be accepted in its entirety by Buyer within fifteen (15) days from the date hereof and acceptance shall be defined for purposes of this Services Agreement as receipt by Seller of the duly executed original hereof at its offices in addressed above or personal delivery thereof to a duly authorized agent or representative of Seller. Buyer's acceptance of this Proposal subsequent to fifteen (15) days from the date hereof shall be deemed to be a counterproposal, which shall be subject to renegotiation.

The Seller agrees to sell and the Buyer agrees to buy the above described services and/or materials for the price and on the terms herein set forth, including the Terms and Conditions set forth on the reverse side of this Services Agreement, which Terms and Conditions are incorporated herein by this reference as if herein set out in full.

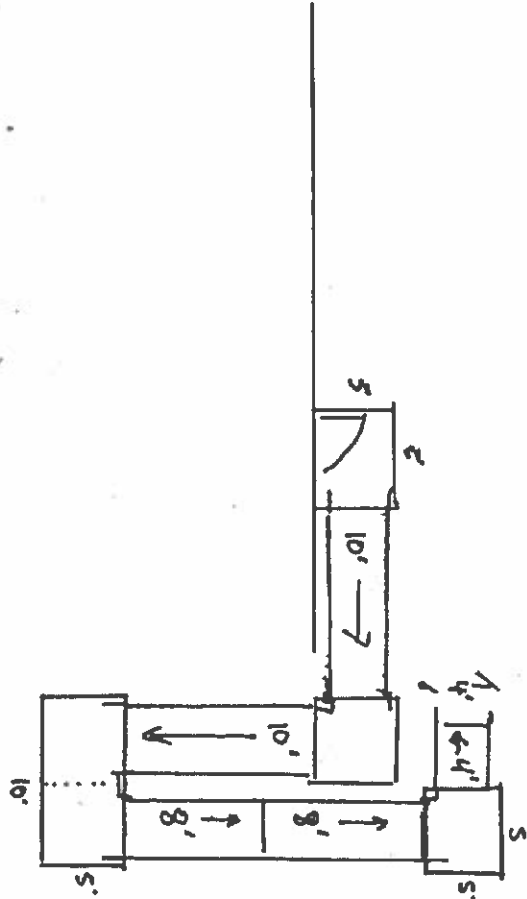
This Agreement will not become binding and effective until signed by an authorized representative of the Buyer and an authorized officer of the Seller. Buyer warrants that the person signing in Buyer's behalf is an authorized officer.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be accepted at the prices and upon the Terms and Conditions named herein and to be executed by a duly authorized officer.

BUYER
By: _____
Title: _____
Date: _____

DESIGN SPACE MODULAR BUILDINGS, INC.
By: _____
Title: _____
Date: _____

Memphis, OR Field - DSMBI



GENERAL TERMS AND CONDITIONS

1. Acceptance of this Agreement shall constitute an agreement by the buyer to all the terms and conditions herein, subject, however, to the right of the Seller at home office to cancel this agreement within fifteen (15) days of receipt of acceptance or order by Seller's home office.
2. Inconsideration of Seller furnishing Services and Material described on the front page hereof, the Buyer shall pay to the Seller the sum stipulated on the front page hereof, subject to such additions or deductions relative to changes which may hereinafter be agreed upon between the parties in writing. Payment shall be made to the Seller at its offices at 1935 Camino Vida Roble, Suite 210, Carlsbad, CA 92008-5573. The Buyer shall pay to the Seller the full sales price within ten (10) days of invoice date, or as otherwise stipulated on the front page hereof. In the event delivery of the Services and Material for the project requires more than one phase or duration, Seller may, at its option, render separate invoices or progress billings for each phase or period. If completion or shipment of any part of the project is delayed Buyer's obligation for the remainder of the Services and Material shall not be affected thereby.
3. Unless otherwise specifically set forth in this Agreement, it is specifically agreed and understood between the parties that the price herein specified does not include any state or local taxes or other governmental charge. Any tax or other governmental charge upon the delivery of services, production, sale, use or shipment of the products sold, now imposed or hereinafter becoming effective or changed by law, shall be paid and remitted to the appropriate governmental agency by the Buyer. If state federal law does not permit payment and remission in such manner, said tax or other governmental charge shall be added to the price and shall be paid by the Buyer to the Seller.
4. Payment shall be made Net ten (10) days upon receipt of invoice for work completed or materials provided, unless otherwise stated on the front of this agreement.
5. Seller's delivery of the Services and Material described on the front page hereof, is subject to delays in completion, manufacture or delivery due to fire, flood, windstorm, riot civil disobedience, strike, failure to secure materials from the usual source of supply, Act of God, or any other circumstances beyond the Seller's control which shall prevent the delivery of Services and Material or the making of deliveries in the normal course of business. It is further understood and agreed that Buyer will not hold Seller responsible for liquidated damages or other damages for delay which may be imposed upon Buyer pursuant to any other contract which Buyer may have entered into with respect to the project to which Seller is not a party.
6. The Buyer shall be solely responsible for any and all additional work, materials, labor, site preparation and all other items on the project other than

7. Other than as outlined in Sellers proposal or the Agreement, the Buyer shall be solely responsible for the compliance with applicable building codes, for obtaining any type of building permits and licenses that may be required in the project, and for payment of state and local fees and taxes other than those set forth in this Agreement.
8. The Buyer agrees to indemnify and save harmless the Seller against all losses, cost or damages incurred or paid by Seller on account of any claim under Workmen's Compensation Acts or other employee benefits acts, any claim for damages because of bodily injury, including death, to Buyer's employees and all others, and any claims for damages to property caused by, or resulting from, or arising out of the Buyer's performance of this Agreement, any aspect hereof or of the project to which this Agreement is related, or use of this Services and Material after delivery. Buyer shall pay and all attorney's fees and expenses incurred or paid by the Seller on account of any such claims; and Buyer, if requested by Seller, shall assume and defend at its own expense any suit, action or other legal proceeding arising therefrom.
9. The Buyer agrees that it shall not assign or transfer this Agreement or any part hereof or any amount payable hereunder, except with the prior written consent of the Seller.
10. THE BUYER SHALL:
 - a. Reimburse Seller for all costs incurred in order to correct work or conditions performed or damaged by others on the same site that adversely affect Sellers work.
 - b. Provide storage and be responsible for loss of or damage to materials and Services and Material if site is not ready or accessible in accordance with delivery provision or schedule envisioned in this contract, and reimburse the Seller for all additional costs incurred by the Seller including, but not limited to, the cost of unloading, reloading, and hauling materials resulting from the Buyer's failure to perform this condition. Delay in completing contingent activities out of the control of the Seller and inaccessibility of the site may necessitate rescheduling of the order for which Seller shall not be responsible, and shall extend the period of performance by the period of delay.
 - c. Schedule his operations so that the work, by the Seller, can be carried out in one continuous operation and in proper sequence. Should delays at the site be encountered which would delay work, Seller must be advised thereof not less than ten (10) days in advance of the tentative start date set by the Seller at the time of acknowledgement of order. In the event that the provisions of this sub-paragraph are not complied with, Buyer shall reimburse the Seller for actual costs and damages incurred, including a reasonable profit for the work performed thereon required to accommodate such delay. Any delay resulting therefrom shall extend the period of performance under this agreement by the period of delay.
 - d. Provide and maintain roadway to each work area so that trucks can drive alongside each work area; provide suitably leveled and compacted area with each building unit for the support of crane operation in erection; furnish power for the Seller's machine tools during the course of work; and furnish accessible utility services required by the Seller in the performance of the contract at the job site.
11. Unless otherwise specified, additional expense caused by unknown obstructions, either overhead or underground, work by others, or abnormal soil conditions which may require designs, means and methods different from the plans approved by Buyer or Building Department, are to be paid for by the Buyer.
12. Change Orders: A change order (C/O) will be created for all work that is beyond our originally agreed to scope of work as outlined herein, whether do to unknown conditions, alternatives proposed by Seller, or design or scope changes requested by the Buyer. The C/O should be submitted and agreed to prior to doing the work being completed. If business sense dictates and it is in the best interest of the Buyer that it is necessary to proceed immediately with the work before getting a signed C/O, then the parties will negotiate in good faith as soon as reasonably possible to agree on the scope and value of the c/o.
13. The Buyer warrants that they own, or have the right to construct buildings on the property upon which the Services and Material is to be located. If required by the seller, buyer shall provide proof of title or other documentation as may be required to assert this representation.
14. The Buyer agrees not to interfere with the progress of the work, and not to occupy any portion of the building until all terms and conditions herein are fulfilled by both parties. Buyer further agrees not to permit any workmen other than those of the Seller to work at or in the immediate vicinity of the building or area of work without the Seller's written consent until the Seller's work is completed. Should any workmen or contractors or sub-contractors of the Buyer perform any such work, the Buyer will furnish to the Seller in writing their names before such work is commenced. The Buyer agrees to pay the Seller for any damage that may be caused by anyone other than workmen or sub-contractors of the Seller, by reason of damage or any construction work in process whatsoever.
15. No charge for labor or material furnished by the Buyer shall be allowed as a credit under this agreement unless authorized in writing by the Seller.
16. Insurance:
17. Expressly incorporated herein by reference thereto are the plans and specifications relating to the Services and Material specified in this Agreement.
18. In the event any act or thing required by Buyer hereunder shall not be done and performed in the manner and at the time or times required by this Agreement, Buyer shall thereby be held in default and all amounts due under the terms and conditions of this Agreement shall be payable immediately by Buyer to Seller, without demand by Seller. In addition Buyer will reimburse Seller for any legal fees and costs that become due as a direct result of Buyer's default of this Agreement, and Buyer will pay to Seller interest at the rate of 10% per annum, calculated on a 360 days = equals one (1) year base, on the unpaid balance owed. Interest will be calculated from the date said default takes place, through and including the date of Settlement.
19. The Seller's Services and Material as described herein is warranted for a period of 90 days against defective material or workmanship in the work performed, unless otherwise stated by warranties of the Seller's supplier of purchased components. Such warranties will be conveyed to Buyer and Buyer will deal directly with the Supplier if a claim arises. Seller's liability is limited to repairing or replacing defective parts at the Seller's discretion. The warranty is limited to "Normal" usage and exposure. The following are excluded by the definition of "Normal" and therefore from this warranty if such conditions exist:
 - a. Site conditions outside of the Sellers scope or control.
 - b. Improper Maintenance
 - c. Installation in an area subject to heavy fall out or corrosive chemicals, ash or fumes from chemical plants, foundries, plating works, kilns, fertilizing manufactures, paper plants and the like.
 - d. Acts of God, vandalism, falling objects, external forces, explosion, fire, riots, acts of war and radiation. In the event that any defect is discovered by the Buyer, notice of the defect shall be given to the Seller in writing and such notice must be sent within the warranty period by certified registered mail. The warranty is tendered for the sole benefit of the original Buyer and is not transferable or assignable and

further is void in the event the product is removed from its original location of installation. THERE ARE NO OTHER WARRANTIES EXPRESSED OR IMPLIED (INCLUDING WARRANTIES RELATING TO MERCHANTABILITY) EXCEPT THOSE STATED HEREIN.

20. The warranty as outlined in Paragraph 17 is hereby specifically EXCLUDES the building or any part of the building id the building is used, except to the extent of NEW materials or workmanship provided by Seller under this Agreement.
21. The failure by Seller to enforce at any time, or for any period of time, any one or more of the terms of this Agreement shall not be a waiver of such terms and conditions or of the Seller's right thereafter to enforce each and every term and condition contained herein.
22. Upon acceptance of this Proposal, together with its terms and conditions, shall constitute the entire agreement between the Seller and the Buyer, there being merged all prior and collateral representations, promises and conditions in connection with this proposal, and any representation, promise or condition not incorporated herein shall not be binding on either party.
23. Dispute Resolution: The parties will promptly give each other written notice of problems or concerns arising in connection with the other's actions under this agreement and will meet as needed, but not later than three (3) business days after receipt of a written request for a meeting, to discuss and make all possible efforts through good faith discussions and negotiations to resolve the matter. If after full good faith effort to resolve the problem has been unsuccessful, and the dispute is not resolved by a meeting between the parties as provided above, then either party may refer the dispute to mediation or arbitration by request made in writing upon the other. Then venue for such proceeding or any litigation will be within the county of the headquarters of the Seller. Arbitration shall be conducted in accordance with the American Arbitration Association Construction Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The prevailing party at arbitration shall be entitled, in addition to such other relief as may be granted, to a reasonable sum for all its costs and expenses related to such arbitration, including, without limitation, the fees and expenses of the arbitrator and attorney's fees, which shall be determined by the arbitrator or any court of competent jurisdiction that may be called upon to enforce or review the award.
24. Definitions:
 - a. Notice of Completion – Date of written notice given by Seller to Buyer that structure or work area is complete and available for Buyer's occupancy.
 - b. Services and Material – The term Services and Material as used herein shall refer to the item or items provided by the Seller as described on the front page of this Agreement of Sale.
25. Stenographical and clerical errors herein are subject to correction.
26. This Agreement and Terms and Conditions of Sale shall be construed in accordance by the laws of the State of California.

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
LEASE AMENDMENT

LEASE AMENDMENT NO. 15

TO LEASE NO. GS-10B-05876 BLDG NO. OR6266ZZ
PDN NO. PS0036298

ADDRESS OF PREMISES

CBP Office 600 S.E. Bay Blvd. Newport, OR 97365-4338

THIS AGREEMENT, made and entered into this date by and between Port of Newport

Whose address is 600 S.E. Bay Blvd. Newport, OR 97365-4338
hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease to authorize firm fixed price change orders to the original scope of work, paid via lump sum.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said lease is amended, effective 11/29/16, as follows:

On 9/22/2016 via SLA #14 the Government issued a Notice to Proceed (NTP) for construction of TIs on the modular office at CBP Office 600 S.E. Bay Blvd. Newport, OR 97365-4338. This NTP was issued in the total amount of \$8,961.00. Additional change order #001 has now been submitted.

Therefore, this Lease Amendment No. #15 orders tenant improvements for change orders #001 in the amount of \$19,968.97. This amount shall be paid to the Lessor via a one-time lump sum payment. This payment shall occur upon completion, inspection, and acceptance of the work by the Government and receipt of a complete invoice for this work, as described below. Total cost for this project is now calculated as not to exceed \$19,968.97.

Details of the cost proposals, statement of work and pricing information are attached as Exhibit 15A, Pages #1-#2. The Lessor or their contractor(s) shall furnish and install all material, equipment and labor necessary to complete the alterations for the project based on mutually approved plans, budgets, and schedules.

The Lessor *must* submit invoice documents electronically at www.finance.gsa.gov and inform the Project Manager of the submittal at Sherri.coady@gsa.gov. If the invoice is not submitted on company letterhead, the person(s) with whom the Lease contract is made must sign it. If the Lessor cannot submit documents electronically, hard copies must be sent to:

Cont. on Page 2

IN WITNESS WHEREOF, the parties subscribed their names as of the below date.

FOR THE LESSOR:

Signature: [Signature]
Name: Kevin M. Greenwood
Title: General Manager
Entity Name: Port of Newport
Date: 11/16/2016

FOR THE GOVERNMENT:

Signature: [Signature]
Name: JAMESA COFFET
Title: Lease Contracting Officer
Entity Name: GSA, Public Building Service
Date: 11/29/16

WITNESSED FOR THE LESSOR BY:

Signature: [Signature]
Name: Karen L. Hewitt

Title: Administrative Assistant
Date: Nov. 16, 2016



CONSENT CALENDAR AGENDA ITEM

DATE: 12/20/2016
RE: NOAA Dredging 2017 – Billeter Marine Contract
TO: Port of Newport Board of Commissioners
ISSUED BY: Rick Fuller – Director of Operations

BACKGROUND or SUMMARY

The NOAA lease agreement requires berth depths at the wharf to be maintained at -24' MLLW and -28MLLW respectively. Currently berths 1 through 5 are less than minimum depth and dredging is required. An attempt was made to apply for a dredging permit that deepened the existing dredge prism but was revised due to possible increased mitigation requirements. A Joint Permit Application (JPA) has been submitted and is pending authorization at the end of December. Concurrent with the revised JPA, staff opened public solicitation for dredge services. Five contractors submitted quotes on 11/23/16 with a dollar value range from \$289,013 - \$571,775. Through a best value analysis, Billeter Marine LLC was proven as apparent low bidder. The attached contract represents a complete project package for the total price of \$289,013.00. Dredging is expected to begin 1/3/2017 pending the anticipated JPA and will be complete by the end of the in-water work period 2/15/2017

PURPOSE, SCOPE or DETAIL

The purpose of the dredging is to remove excess sand from the wharf berth areas with placement at the South Beach dredge disposal area.

The scope of work includes

- Removal of 16,600cy sand material with hydraulic suction dredge to specified depths
- Placement of material via pipeline to South Beach dredge disposal site
- Maintenance and restoration of disposal site

ALTERNATE CONSIDERATIONS

None

BUDGET IMPLICATIONS

The approved 2016/17 NOAA budget contains a line item value for dredging activities in the amount of \$350,000 which includes all permitting and consulting fees. The Billeter Marine, LLC contract amount of \$289,013 is safely within the budgeted amount with no additional budget adjustments anticipated.

RECOMMENDATION

I would recommend that a Commissioner make a MOTION TO APPROVE THE REFERENCED CONTRACT TO BILLETER MARINE, LLC IN THE AMOUNT NOT TO EXCEED TWO HUNDRED EIGHTY NINE THOUSAND AND THIRTEEN DOLLARS (\$289,013) FOR THE NOAA 2017 DREDGING PROJECT. ####

**Port of Newport
600 SE Bay Boulevard
Newport, OR 97365
(541) 265-7758**

THIS AGREEMENT is by and between **Port of Newport** ("Owner") and Billeter Marine LLC. ("Contractor").

Owner and Contractor, in consideration of the mutual covenants hereinafter set forth, agree as follows:

ARTICLE 1 – WORK

1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents NOAA Wharf Maintenance Dredging 2017 (Project #NOAA2016-01). The Work is generally described in the attached Scope of Work (SOW).

ARTICLE 2 - THE PROJECT

2.01 The Project for which the Work included in the SOW (may be the whole or only a part) is generally described as follows:

Hydraulic dredging at the NOAA Marine Operations Center – Pacific Facility located at 2002 Marine Science Drive, Newport, OR 97365. The scope of work includes maintenance dredging maximum of 16,500 cubic yards to the design depths specified in the attached Joint Permit Application. The dredging will encompass the north side of the facility wharf from 50' west of the wharf including berths #1 through berth #4. The approximate area is shown in the attached documents. Total estimated yardage to be removed is 16,500yds of loose sandy/silt material. The contractor shall provide dredging to design depths and costs associated with delivering and offloading dredge spoils to the upland disposal area per approved permit (see attached permit application DSL #: 59416-GP). This contract includes the preparation and maintenance of the upland dredge disposal site under the attached 1200C Permit #29076.

ARTICLE 3 – ENGINEER

3.01 None. The project assumes maintenance dredging to the original 2010 construction depths. The Project will be supervised by the Port of Newport NOAA MOC-P Facility Manager, who is to act as Owner's representative, assume all duties and responsibilities, and have the rights and authority assigned in connection with the completion of the Work in accordance with the SOW.

ARTICLE 4 - CONTRACT TIMES

4.01 Time is of the Essence

A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the SOW are of the essence of the Contract.

4.02 Days to Achieve Substantial Completion and Final Payment

A. The Work will be substantially completed within the In-Water work period November 1, 2016 – February 15, 2017 starting when the Contract Times commences, with milestones completed and ready for final payment in accordance with the SOW.

ARTICLE 5 - CONTRACT PRICE

5.01 Total contract price is Two Hundred Eighty Nine Thousand Thirteen Dollars (\$289,013.00). Owner shall pay Contractor in a lump sum according to payment procedures as set forth in Section 6 below.

ARTICLE 6 - PAYMENT PROCEDURES

6.01 Project Payment

- A. See measurement and Payment section of payment in SOW.
- B. CY unit price calculated as \$14.25

ARTICLE 7- CONTRACTOR'S REPRESENTATIONS

7.01 In order to induce Owner to enter into this Agreement Contractor makes the following representations:

- A. Contractor has examined and carefully studied the advertised RFQ and its SOW and the other related data identified in the attached SOW.
- B. Contractor has visited the site and is familiar with and is satisfied as to the general, local, and site conditions that may affect cost, progress, and performance of the Work.
- C. Contractor is familiar with and is satisfied as to all associated permits, federal, state, and local laws and regulations that may affect cost, progress, and performance of the Work.
- D. Contractor has carefully studied all subsurface conditions at or contiguous to the Site and all physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site (including Underground Facilities) which have been identified as a Hazardous Environmental Condition, or are identified as a possible source of environmental concern.

E. Contractor has obtained and carefully studied, or assumes responsibility for doing so, conducting all additional or supplementary examinations, investigations, explorations, tests, studies, and data concerning conditions at or contiguous to the site which may affect cost, progress, or performance of the work or which relate to any aspect of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, including any specific means, methods, techniques, sequences, and procedures of construction expressly required by the SOW, and safety precautions and programs incident thereto.

F. Contractor does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the SOW.

G. Contractor is aware of the general nature of work to be performed by others at the site that relates to the SOW.

H. Contractor has correlated the information known to Contractor, information and observations obtained from visits to the Site, reports and drawings identified in the SOW, and all additional examinations, investigations, explorations, tests, studies, and data with the SOW.

I. Contractor agrees that the SOW is generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

J. All work performed by Contractor or subsequent subcontractors shall be consistent and in accordance with the Port of Newport's construction standards. Any deviations from this standard must be authorized by the Port of Newport in writing.

ARTICLE 8 - CONTRACT DOCUMENTS

8.01 Contents

A. This agreement consists of the following:

1. This Agreement.
2. General Conditions.
3. Scope of Work (SOW)
4. RFQ Documentation.
5. Joint Permit Application
6. Contractor Bid Sheet
7. The following which may be delivered or issued on or after the effective date of the Agreement and are not attached hereto:
 - i. Final Authorized Agency permits

- ii. Work Change Directives.
- iii. Change Order(s) are subject to a maximum of a 10% mark up.
- iv. Notice of Substantial Completion or Project Acceptance.

B. The documents listed in Paragraph 9.01.A are attached to this Agreement (except as expressly noted otherwise above).

C. There are no other documents other than those listed above in this Article 8.

D. The SOW may only be amended, modified, or supplemented by agreement of both parties.

ARTICLE 9 – MISCELLANEOUS

10.01 Assignment of Contract

A. No assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this agreement.

10.02 Successors and Assigns

A. Owner and Contractor each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations herein contained.

10.03 Severability

A. Any provisions of this agreement held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and Contractor, who agree that this agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision. .

10.04 Other Provisions

A. Tax Compliance. By its signature on this contract, CONTRACTOR hereby certifies that it is not in violation of any Oregon tax law. For the purpose of this certification, "Oregon tax laws" includes but may not be limited to ORS Chapter 118, 119, 314, 316, 317, 318, 320, 321 and 323 and Sections 10 to 20 Chapter

533, Oregon Laws 1981, as amended by Chapter 16, Oregon Laws 1982 (first special session): the Homeowner's and Renters Property Tax Relief Program under ORS 310.630 to 310.690: and any local tax laws administered by the Oregon Department of Revenue under ORS 305.620.

B. Access to Records: For not less than three (3) years after the Contract Expiration Date, the OWNER, the State of Oregon, the federal government and their duly authorized representatives shall have access to the books, documents, papers and records of the CONTRACTOR which are directly pertinent to this Contract for the purpose of making audit, examination, excerpts and transcripts.

If for any reason this contract or any part thereof, becomes the subject of or is involved in litigation. CONTRACTOR shall retain all pertinent records for not less than three years or until all litigation is resolved, whichever is longer. Full access will be provided to the OWNER in preparation for and during litigation.

C. Funds Available and Authorized: OWNER reasonably believes at the time of entering into this Contract that sufficient funds are available and authorized for expenditure to finance costs of this Contract within the OWNER's current appropriation or expenditure limitation.

D. Indemnity: CONTRACTOR shall defend, save, and hold harmless the OWNER, its officers, agents, engineers, attorneys and employees from all losses, expenses (including but not limited to all fees and charges of engineers, architects, attorneys and other professionals, and all court or arbitration or other dispute resolution costs) claims, suits, or actions of whatsoever nature, including intentional acts resulting from or arising out of the activities of CONTRACTOR or its subcontractors, agents, or employees under this Contract

E. (1) Compliance with Applicable Law: CONTRACTOR certifies that it will comply with all federal, state and local laws, ordinances, and regulations applicable to this Contract, including, but not limited to all applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations. (2) Without in any manner limiting the applicability of the foregoing. CONTRACTOR agrees, as a condition of entering into this contract, that the provisions of ORS Chapters 279A, 279B, 279C, 656 and other relevant law, including the relevant OAR's, apply to Contractor's performance under this Contract.

F. Prevailing Wage: The CONTRACTOR certifies, and it shall be a condition of this agreement if applicable and as provided by ORS 279C.800 to 279C.840, that in performing this Contract the CONTRACTOR will pay and cause to be paid not less than the prevailing wages.

G. Waiver: The terms of this Contract shall not be waived, altered, modified, supplemented or amended, in any manner whatsoever, except by written instrument. Such waiver, alteration, modification, supplementation or amendment, if made, shall be effective only in the specific instance and for the specific purpose given. and shall be valid and binding only if it is signed by all parties to this Contract. The failure of the OWNER to enforce any provision of this contract shall not constitute a waiver by the OWNER of that or any other provision.

H. Governing Law and Venue: This Contract shall be governed by and construed in accordance with the laws of the State of Oregon. Any litigation between the OWNER and the CONTRACTOR arising out of or related to this Contract shall be brought and maintained solely and exclusively in the Circuit Court of Lincoln County, Oregon. Provided, if any litigation arising under this Contract must be brought in a federal forum. It shall be brought and maintained solely and exclusively in the United States District Court for the District of Oregon in Eugene, Oregon. CONTRACTOR hereby consents to the personal jurisdiction of all courts within the State of Oregon. Should any litigation be brought to enforce the terms of this Contract. The prevailing party shall be entitled to reasonable attorney fees, costs and disbursements at trial and upon appeal should any dispute over the terms and conditions of this contract result in mediation or arbitration. Any attorney's fees and costs incurred in such mediation or arbitration shall be paid by the party incurring such fees and costs.

I. Merger: This Agreement, which includes all Contract Documents as defined herein, constitutes the entire agreement between the parties. There are no understandings, agreements, or representations, oral or written, regarding this Contract, except as specified or referenced herein. CONTRACTOR, by the signature below of its authorized representative, hereby acknowledges that it has read this contract, understands it and agrees to be bound by its terms and conditions.

J. Execution in Counterparts: This Contract may be executed in counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement in two copies. One counterpart each has been delivered to Owner and Contractor. All portions of the Contract Documents have been signed, initialed, or identified by Owner and Contractor.

The Commencement date of this agreement is **December 21, 2013**.

OWNER: Port of Newport

Attest: _____
Kevin Greenwood, General Manager

CONTRACTOR:

Attest: _____
Pete Billeter, Owner-Billeter Marine LLC
520 3rd Court
Coos Bay, OR 97420

Address for giving notices:

**Port of Newport
600 SE Bay Boulevard
Newport, OR 97365**

**SCOPE OF WORK
WHARF MAINTENANCE DREDGING
NOAA MOC-P FACILITY – NEWPORT, OR**

PART 1 - SCOPE

To provide all labor, supervision, equipment, materials, expendables, submittals, applicable taxes, freight to jobsite, and incidentals necessary to complete all work implied as follows:

1.1 SUMMARY

- a. Hydraulic methods shall be used for dredging of soil to accomplish depths as shown on the plans included in the Joint Permit Application (JPA) or as directed by the Engineer in conformity with the required lines, grades, and sections. It is anticipated that the dredged material will be transported via submerged pipeline to the dredge disposal site indicated on the plans.
- b. This Section includes the following:
 - i. Hydraulically dredge the areas shown on the project drawings.
 - ii. Disposal of dredged material.
 - iii. Construction and maintenance of dredge material disposal site.

1.2 DEFINITIONS

- a. Hard material is defined as material requiring the use of special equipment for economical removal, and includes boulders or fragments too large to be removed in one piece by the dredge.

1.3 SUBMITTALS

- a. The Contractor shall provide a plan layout of the dredge and the dredge cut/fill description plan with illustrated sketches at least thirty (30) days before start of actual dredging operations. The plan shall include the proposed method of transporting the dredged material to the disposal site and, if appropriate, the proposed routing of the discharge pipe.
- b. Erosion Control Plan: Detailed Erosion Control Plan to correspond with construction per the current 1200C permit shall be submitted at least thirty (30) days before start of actual dredging operations.
- c. Dredge Disposal Plan: Detailed dredge disposal plan to correspond with construction per the current 120C permit including water quality control measures for the dredge disposal area discharge water.
- d. Water Quality Monitoring Plan: A water quality monitoring plan shall be submitted at least thirty (30) days before start of actual dredging operations. The plan shall include the methods and procedures for monitoring the water quality that conform with the Section 401 Water Quality Certifications for the discharge water from the disposal site.

1.4 TIMING

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- a. Contractor must perform work within the ODFW in-water work window of November 1 to February 15 and more specifically within the following time line:

Permit issuance –	Mobilization, disposal site preparation
January 2, 2017 –	In-water work and dredging operations
February 15, 2017 –	Completion all in-water operations
February 24, 2017 –	Demobilization

Work hours between 7:00am – 7:00pm. Nighttime work with lights allowed by pre-approved permission only.

1.5 CHARACTER OF MATERIALS

- a. The area of maintenance dredging within this scope was originally dredged during the construction of the NOAA facility in November 2010 and subsequent maintenance dredge in 2014. The maintenance dredging prism is assumed to be composed of loose sand and silt, medium to fine grained infill.
- b. A Sampling and Analysis Plan Report prepared by Advanced Remediation Technologies, Inc completed June 15, 2016 to support the characterization of the dredge materials is included in the Joint Permit Application.

1.6 MATERIAL TO BE MOVED

- a. 16,650 yards of loose sand and silt materials has been estimated for removal to the specified depths with a one (1) foot over-dredge and 3:1 side slope calculation within the attached dredge prism and is to be considered a “Not to Exceed” amount.
- b. Hard Material: The removal of hard material is not included. Should the project Engineer or owners representative direct in writing that hard material be removed, the work shall be performed and an adjustment in the contract price or time for completion, or both, will be made by adjusting the Contract Sum according to unit prices included in the Contract Documents. If hard material is to be removed, blasting will not be permitted.

1.7 ARTIFICIAL OBSTRUCTIONS

- a. The Owner has NO knowledge of debris such as, but not limited to, metal bands, pallets, pieces of broken cable, rope, fire hose, and broken piles. The Owner has NO knowledge of existing wrecks, wreckage, or other material of such size or character as to require the use of or special or additional plant for its economical removal. Any debris encountered in the proposed dredged area shall be removed from the water. Disposal shall be the responsibility of the Contractor and disposal shall be offsite in accordance with all applicable regulations. In case the actual conditions differ from those stated or shown, or both, an adjustment in contract price or time of completion, or both, will be made in accordance with differing site conditions.

1.8 NOTIFICATIONS

U.S. Coast Guard (USCG)

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- a. The Contractor shall coordinate all in water activities with the USCG.
- b. The Contractor shall notify the USCG at least seven (7) days prior to beginning all dredging activities. The information shall include:
 - i. Name of the permittee.
 - ii. U.S. Army Corps of Engineers permit number.
 - iii. Name and identification of vessels(s) employed in the dredging operation.
 - iv. The location of the submerged discharge pipeline
 - v. Additional information required by the U.S. Army Corps of Engineers permit.

1.9 PERMITS

- a. The Contractor shall comply with conditions and requirements of the Corps of Engineers Permit and other State or Federal permits. The Owners Representative will secure the permit for dredging and disposal of material. Contractor will post and display permits as required.

1.10 CHARGES

- a. The Contractor will pay charges imposed for disposal of material outside the project area.

1.11 ENVIRONMENTAL PROTECTION REQUIREMENTS

- a. The Contractor shall provide and maintain, during the life of the contract, environmental protective measures. Also, provide environmental protective measures required to correct conditions, such as oil spills or debris that occur during the dredging operations. Comply with Federal, State, and local regulations pertaining to water, air, and noise pollution.
- b. Contractor is responsible for meeting all water quality standards on the discharge of any water from the dredge disposal site to receiving waters.
- c. Contractor shall protect existing eelgrass and eelgrass mitigation area as shown in JPA-Figure 4. Ensure dredging only occurs within the areas shown on the project drawings.

PART 2 - PRODUCTS

- a. None this section

PART 3 - EXECUTION

3.1 INSPECTION

- a. Inspection of the work will be performed by the Owners representative. The Contractor will ensure that the gauges, targets, ranges, and other markers are in place and usable for the intended purpose, but the presence of the inspector shall not relieve the Contractor of

the responsibility for the proper execution of the work in accordance with the drawings and specifications.

- b. Contractor shall furnish, at the request of the inspector, boats, boatmen, laborers, and materials necessary for inspecting, supervising, and surveying the work. When required, provide transportation for the Engineer and inspectors to and from the disposal area and between the dredging plant and adjacent points on shore.

3.2 CONDUCT OF DREDGING WORK

- a. Daily project meeting: Contractor to conduct daily site meetings to review upcoming work operations and coordinate work with Port of Newport and NOAA operations.
- b. Order of Work: The Owner's Representative will direct the Contractor on the order of work. The Owner's Representative reserves the right to change the order of work at any time.
- c. Project schedule: Contractor to provide proposed project schedule 30 days prior to start of work. The schedule will be maintained and updated daily throughout the project.
- d. It is anticipated that at least two (2) NOAA ships will be docked within the proposed dredge area. Dredging activities will be designed and scheduled to allow NOAA research vessels the ability to dock and move if required in order to accommodate dredging operations.
- e. Pre-dredging bathymetric survey: The Owner has provided a detailed pre-dredging bathymetric survey to verify the existing bay bottom elevations (Northwest Hydro 10/10/2016).
- f. Interference with Navigation: Minimize interference with the use of channels and passages. The Owner's Representative will direct the shifting or moving of dredges or the interruption of dredging operations to accommodate the movement of vessels and floating equipment, if necessary.
- g. Lights: Each night during dredge, between sunset and sunrise and during periods of restricted visibility, provide lights for floating plants, pipelines, ranges, and markers. Also, provide lights for buoys that could endanger or obstruct navigation.
- h. Ranges, Gauges, and Lines: Furnish, set, and maintain ranges, buoys, and markers needed to define the work and to facilitate inspection. Establish and maintain gauges in locations observable from each part of the work so that the depth may be determined. Suspend dredging when the gauges or ranges cannot be seen or followed.
- i. Plant: Maintain the plant, scows, coamings, barges, pipelines, and associated equipment to meet the requirements of the work. Promptly repair leaks or breaks along pipelines. Remove dredged material placed due to leaks and breaks.
- j. Dredge within the indicated dredge areas to the lines and grades indicated on the project drawings. Dredging underneath the pier is NOT allowed. A 3:1 slope has been anticipated for material sloughing as shown in JPA Figure 5A. Dredging shall be limited

to the depths shown on the project drawings with a 1-foot over-dredge allowance anticipated. Under-dredging is not allowed.

- k.** Dredging is to occur in areas where new piles have been installed; care shall be taken as to not damage the piles. When dredging occurs around new piles, the piles shall be monitored to ensure pile has not been damaged or compromised.
- l.** Dredging shall be conducted beginning at the top of the dredge slope and moving down and so that re-suspension of solids is limited.
- m.** Disposal of Excavated Material: Excavated Material shall be deposited in the upland spoils area identified in the JPA-Figure 6. Contractor is responsible for developing and implementing a dredge disposal plan. Facilities shall be maintained and upgraded as required based on site conditions and to meet water quality standards and applicable permit terms and conditions.
- n.** Dredge discharge pipeline: (See JPA-Figure 6A) A pipeline used to pump the dredged material from the north side of the wharf to the upland dredge disposal site shall be located such that it does not interfere with the existing eel grass mitigation areas, vessel navigation in the bay or with the daily operations at the NOAA MOC-P dock facilities. The discharge pipe shall be located at the disposal site as to not interfere with the Port of Newport's South Beach Marina operations.
- o.** Salvaged Material: Anchors, chains, firearms, and other articles of value, which are brought to the surface during dredging operations, shall remain or becomes the property of the Owner and shall be deposited on shore at a convenient location near the site of the work, as directed.
- p.** Plant Removal: Upon completion of the work, promptly remove plant, including ranges, buoys, piles, pipelines, and other markers or obstructions.

3.3 FINAL EXAMINATION, ACCEPTANCE AND PAYMENT

General

The presence of the OWNER's construction representative shall not relieve the Contractor of responsibility for the proper execution of the work in accordance with the specifications. The Contractor will be required:

- a.** To furnish, on the request of the OWNER or any construction representative, the use of such boats, boatmen, laborers, and material forming a part of the ordinary and usual equipment and crew of the dredging plant as may be reasonably necessary in inspecting and supervising the work. However, the Contractor will not be required to furnish such facilities for the surveys, prescribed in paragraph entitled "FINAL EXAMINATION AND ACCEPTANCE" of this Section.
- b.** To furnish, on the request of the OWNER or any construction representative, suitable transportation from all points on shore designated by the OWNER to and from the various pieces of plant, and to and from the dredged material placement site. Should the Contractor refuse, neglect, or delay compliance with these requirements, the specific facilities may be furnished and maintained by the OWNER, and any resultant cost

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incurred by the OWNER will be deducted from any amounts due or to become due the Contractor.

- c. Work on Sundays, Holidays, and Nights
- d. Except as otherwise restricted herein, dredging may be performed from 7:00 am to 7:00 pm – Monday through Sunday. The Contractor at his expense shall provide adequate lighting, in compliance with all City, OSHA Regulations and Coast Guard Regulations for thorough inspection of night operations.
- e. CONTINUITY OF WORK
Payment will not be made for work done in any area designated by the OWNER until the full depth required under the contract is secured in the whole of such areas, nor will payment be made for excavation in any area not adjacent to and in prolongation of areas where full depth has been secured except by decision of the OWNER. Should any such nonadjacent area be excavated to full depth during the operations carried on under the contract, payment for all work therein may be deferred until the required depth has been made in the area intervening.
- f. SHOALING
Shoaling Prior to Dredging - The drawings and quantity estimates are based on the condition of the dredge area at the time of the most recent survey (measurements collected on October 10, 2016 by NW Hydro, Inc.). Any shoaling that has developed, subsequent to the survey indicated on the drawings and contiguous to the areas indicated to be dredged under this contract, shall be removed by the Contractor at the contract unit price for dredging, and including any applicable unit price adjustments if so directed by the OWNER.

Shoaling Subsequent to Dredging - If shoaling occurs before the contract is completed in any section previously accepted, including shoaling in the finished basin, re-dredging at contract price, including any applicable unit price adjustments, within the limit of available funds, may be done if agreeable to both the Contractor and the OWNER.
- g. FINAL EXAMINATION AND ACCEPTANCE
As soon as practicable after the completion of the entire work, such work will be thoroughly examined at the cost and expense of the OWNER by post bathymetric survey. Should any shoals, lumps, or other lack of contract depth be disclosed by this examination, the Contractor will be required to remove same by dredging at the contract price for dredging, but if the bottom is soft and the shoal areas are small and form no material obstruction to navigation, the removal of such shoal may be waived at the discretion of the OWNER. The Contractor shall provide adequate advance notice to the OWNER of the completion of dredging of each acceptance section (maximum 2) to insure prompt performance of the after dredging acceptance surveys. The Contractor shall provide the notice at least 5 calendar days in advance of anticipated completion of each section of work. If the Contractor fails to provide this advance notice, the OWNER will not be responsible for any delays caused by incomplete surveys. The Contractor will be notified when soundings are to be made, and may accompany the survey party. When the area is found to be in satisfactory condition, it will be accepted. Should more than one sounding operation by the OWNER over an area be necessary by reason of work for the removal of shoals disclosed at a prior sounding, the cost of such second and any

subsequent sounding operations will be charged against the contractor at the rate of \$3,750.00 per day for each day in which the surveyor is engaged in sounding or is in route to or from the site or held at or near the said site for such operations. Final acceptance of the whole or a part of the work and the deductions or corrections of deductions made thereon will not be reopened after having once been made, except on evidence of collusion, fraud, or obvious error, and the acceptance of a completed section shall not change the time of payment of the retained percentages of the whole or any part of the work.

h. MEASUREMENT AND PAYMENT

Lump Sum Payment items - Payment items for the work of this contract for which contract lump sum payments will be made are listed in the BID FORM and described below. All costs for items of work, which are not specifically mentioned to be included in a particular lump sum or unit price payment item, shall be included in the listed lump sum item most closely associated with the work involved. The lump sum price and payment made for each item listed shall constitute full compensation for furnishing all plant, labor, materials, and equipment, and performing any associated Contractor quality control, environmental protection, meeting safety requirements, tests and reports, and for performing all work required for which separate payment is not otherwise provided.

Mobilization and Demobilization - All costs connected with the mobilization and demobilization of all of the contractor's dredging plant and equipment as defined above will be paid for at the contract lump sum price for this item. The mobilization and demobilization may not exceed twenty five percent of the total contract price. Sixty percent of the lump sum price will be paid to the contractor upon completion of his mobilization at the work site. The remaining forty percent will be paid to the Contractor upon completion of demobilization. In the event the OWNER considers that the amount in this item, sixty percent which represents mobilization and forty percent which represents demobilization, does not bear a reasonable relation to the cost of the work in this contract, the OWNER may require the contractor to produce cost data to justify this portion of the bid. Failure to justify such price to the satisfaction of the OWNER will result in payment of actual mobilization costs, as determined by the OWNER, at the completion of mobilization, and actual demobilization costs, as determined by the OWNER, at the completion of demobilization. The determination of the OWNER is not subject to appeal.

Mobilization - Mobilization shall include all costs for operations accomplished prior to commencement of actual dredging operations, this shall include transfer of dredge, attendant plant, and equipment to site, all initial installation of pipe, placement site inspection and any other associated work that is necessary in advance of the actual dredging operations.

Demobilization - Demobilization shall include general preparation for transfer of plant to its home base, removal of equipment, cleanup of site of work including the placement area (as applicable), placement site grading and ditching (as applicable), weir maintenance (as applicable), and transfer of plant to its home base.

i. UNIT PRICE PAYMENT ITEMS

The unit price and payment made for each item listed shall constitute full compensation for furnishing all plant, labor, materials, and equipment, and performing any associated Contractor quality control, environmental protection, meeting safety requirements, tests

and reports, and for performing all work required for each of the unit price items.

Dredging - Payment to be made for costs associated with dredging shall include the cost of removal, transportation and disposal of dredged material in the designated placement area as indicated and specified exclusive of the Lump Sum Payment Items as defined above. The total amount of material removed and to be paid for under this payment item will be measured by the cubic yard in place by computing the volume between the bottom surface shown by soundings of the last surveys made before dredging, and the bottom surface shown by the soundings of surveys made as soon as practicable after the work has been completed. The volume for measurement and payment shall include the material within the limits of over-depth and side slopes described in paragraph "Required Dredging Prism, Over-depth, and Side Slopes", less any deductions that may be required for misplaced material described in subparagraph "Misplaced Material", below. The drawings are believed to accurately represent conditions at the time of the surveys indicated. New soundings will NOT be taken immediately before dredging. The Contractor's unit price for dredging, based on the above method of computation of the quantity for payment, shall include his evaluation of shoaling, other natural changes in the waterway, or changes caused by the Contractor's operations that might occur during the period between the surveys before dredging and the surveys for acceptance of the work. Computations for payment purposes will be made by the Certified Hydrographic surveyor using the average end area method and electronic data processing machines. Determination of quantities removed and the deductions made to determine quantities in place to be paid for in the areas specified, after having once been made, will not be reopened except on evidence of collusion, fraud, or obvious error.

Misplaced Material - Any material that is deposited elsewhere than in places designated or approved by the OWNER will not be paid for, and the contractor may be required to remove such misplaced material and deposit it where directed at his expense.

Excessive Dredging - Material taken from outside the specific areas to be dredged or beyond the limits as extended in paragraph "Required Dredging Prism, Over-depth, and Side Slopes" will be considered as excessive over-depth dredging, or excessive side slope dredging, for which payment will not be made. Nothing in this section shall be construed to prevent payment for the removal of shoals performed in accordance with the applicable provisions of Paragraph SHOALING and Paragraph FINAL EXAMINATION AND ACCEPTANCE.

Variations in Estimated Dredging Quantities - Where the quantity of a pay item in this Contract is an estimated quantity and where actual quantity of such pay item varies more than fifteen (15%) percent above or below the estimated quantity determined by a Before Dredging survey, an equitable adjustment shall be made upon demand of either party. The equitable adjustment shall be based upon any decrease or increase in costs due solely to the variations above one hundred fifteen (115%) percent or below eighty-five percent (85%) of the estimated quantity. The above variation in quantities will be calculated on the quantity of material removed above the project depth and side slopes only and will not be made on the material in the areas classified as allowable "over depth".

PART 4 – GENERAL

4.1 ADDITIONAL NOTES

K:\3300-NOAA\1-NOAA-MOC-P Operations\Dredging\2016-17\Construction\Contract\CONTRACT-NOAA Dredging 2017-Billeter Marine.docx

- a. The NOAA MOC-P facility is a federally secured property. General admittance to the property is not permitted without permission. Names of trades persons and delivery vehicles to be submitted prior to entry. All persons are subject to security check-in at NOAA main gate.
- b. The NOAA MOC-P federal facility is a working office and warehouse facility. All attempts at reducing impact to administrative personnel during working hours 7:00am – 5:00pm will be made. Submit a preliminary work schedule for all affected areas prior to mobilization.
- c. Mobilization of equipment and materials and de-mobilization of equipment and excess materials will be off site at a location provided by the Port of Newport.
- d. Contractor is responsible for protecting all areas adjacent to their work from any damage due to their scope of work. Any and all damage will be repaired and/or cleaned up by contractor at the contractor's expense.
- e. Contractor is responsible for off-loading, storing and weatherproofing materials on job site, and responsible for the necessary equipment needed to unload materials.
- f. Provide all equipment, scaffolding, cranes and hoisting needed to complete scope of work.
- g. Provide safe working surroundings for own employees and other trades, ensure safe passage of persons around area of service.
- h. All work to be performed in accordance with OR/O.S.H.A. standards and requirements.
- i. If applicable, provide M.S.D.S. for all materials prior to mobilization.
- j. If applicable, conduct weekly jobsite safety meetings and provide Port of Newport with a record of Safety Meeting Minutes.
- k. Work, access, parking, and noise are confined to the limits as defined by project representative.
- l. If applicable, onsite job boxes or trailers are to be authorized by the Port of Newport and maintained by contractor.
- m. Provide complete set of post dredge survey drawings and work reports to Port of Newport, at the end of the project. Daily cleanup and final cleanup is required.

4.2 WORK SPECIFICLY EXCLUDED FROM THIS RFQ:

- a. Hard material removal


Provide a list of equipment rates (if applicable):


Equipment Item	Rate	Per
Barge	1,500 ⁻	Day
Crane	2,000 ⁻	Day
Dredge	2,000 ⁻	Day
Dredge Pipe	500 ⁻	Day
Long Reach Excavator	1,350 ⁻	Day
Large CAT	1,500 ⁻	Day
Tug Boat	1,000 ⁻	Day
Safety Skiff	500 ⁻	Day

List of lower tier suppliers/subcontractors (if applicable):

Name or description of material or work to be performed	Approximate Value
None	

 (Initial) Receipt of Addendum Numbers #1, #2 is hereby acknowledged.

 (Initial) I acknowledge the terms and conditions as stated in the Request for Proposal form received from Port of Newport as part of the contract documents, and hereby incorporate them into this proposal.

 (Initial) I acknowledge the terms, conditions and minimum limits and have included all costs for insurance in this proposal.

 (Initial) I acknowledge the requirements of Oregon Prevailing Wage Law ORS 279C.800 and have if applicable incorporated all costs associated into this proposal.

Submitted By:

Peter Billeter Billeter Marine LLC 166653
Name Company CCB#

541-269-8600 541-266-0532 pete@billetermarine.com
Telephone # FAX/Email

520 3rd Court Coos Bay, OR 97420
Address

 11/23/2016
Signature Date

The Port of Newport reserves the right to accept or reject any or all proposals and may at its discretion select the contractor that is deemed to provide the best value to the Port of Newport.

Billeter Marine LLC

CCB# 166653 • UBI# 603 082 610

541-269-8600

520 3rd Court
Coos Bay, Oregon 97420

billetermarine.com

billeter_marine@frontier.com

Port of Newport
Attn: Evaluation team

RE: Approach for 2016 – 2017 NOAA Maintenance Dredging

Billeter Marine appreciates the opportunity to offer our services for this upcoming project.

Flow chart:

1. Submit all submittals to Rick Fuller at least 30 days prior to mobilization
2. Upon approval of submittals begin ordering materials
3. Install Black silt fence around perimeter of disposal site
4. Prep the disposal site with large cat and excavator
 - a. Install settling ponds
 - b. Install water controlling devices
 - c. Create approach for pipeline to top of sand pile
5. Mobilize barge and crane to site
 - a. Load barge with equipment necessary to complete project
6. Install pipeline in locations not to interfere with mitigation area or activities of NOAA
7. Notify USCG seven days prior to start dredging
8. Perform Dredging operations
 - a. Around NOAA ship schedule
 - b. Take actions to control discharge waters around disposal area
 - c. Complete all dredging operations by the end of the in-water work window
9. At end of Dredging operations
 - a. Remove pipeline from water and disposal area
 - b. Slope main settling pond in a manner to eliminate water collection
10. De-mobilize all equipment from project site

References

Contact Person: Rick Fuller, Port of Newport

Telephone: 541-265-7758

Project: NOAA MOC-P Newport Wharf Maintenance Dredging 2014

Contact Person: Jim Lyons, Ocean Terminals

Telephone: 541-756-5187

Project: Ocean Terminals Dredging

Contact Person: Jason Smith, Southport

Telephone: 541-404-1908

Project: Southport Dredging

Billeter Marine LLC has reviewed the entire Request for Quotation and will abide by all laws and requirements set forth for the Project; NOAA MOC-P Wharf Maintenance Dredging 2017 in Newport Oregon.

Rick Fuller

From: Rick Fuller
Sent: Wednesday, November 23, 2016 2:21 PM
To: 'Carol'
Subject: RE: NOAA MOC-P Wharf Maintenance Dredging 2017

CONFIRMATION: Your quotation was received by email Wednesday, November 23, 2016 1:32 PM. Thank you for your interest in bidding the NOAA MOC-P Wharf Maintenance Dredging 2017 project.

Rick Fuller
Director of Operations
Port of Newport
600 S.E. Bay Blvd.
Newport, OR 97365
O 541.265.7758
M 541.961.3904
rfuller@portofnewport.com

From: Carol [mailto:Carol@billetermarine.com]
Sent: Wednesday, November 23, 2016 1:32 PM
To: Rick Fuller <rfuller@portofnewport.com>
Cc: Carol <Carol@billetermarine.com>
Subject: NOAA MOC-P Wharf Maintenance Dredging 2017

Dear Rick,

Attached is our PDF version of the quote for the NOAA MOC-P Wharf Maintenance Dredging 2017.

Thank you,
Carol Jackson
Office Manager
Billeter Marine LLC
541-269-8600 Office
541-266-0532 Fax



Port of Newport
International Terminal Shipping Facility Profit and Loss and Loan Analysis

Profit and Loss for the Fiscal Year Ending 6/30/16	<u>International Terminal (General Operating Fund)</u>
Income	
Hoist Dock and Services	\$ 262,855
Lease Revenues	192
Miscellaneous Revenue	7,004
Moorage	94,570
Shipping Terminal Revenues	<u>18,704</u>
Total Income	<u>383,325</u>
Expense	
Debt Service	441,442
Materials and Services	102,130
Personal Services	<u>59,543</u>
Total Expense	<u>603,115</u>
Net Income	<u><u>\$ (219,790)</u></u>
Long-Term Debt as of 6/30/16	<u>Balance</u>
Loan	
Full Faith and Credit Obligation Bond Series 2013	\$ 847,600
OR Special Public Works Fund Loans	
L00012	51,097
Q10001	1,182,359
L12005	2,791,825
Oregon Coast Bank 2010 Loan	<u>368,535</u>
Total Long-Term Debt - International Terminal	<u><u>\$ 5,241,416</u></u>
Current General Operating Fund Annual Debt Service *	<u><u>\$ 445,000</u></u>

* Debt service continues through 2032 and does not include any new debt related to the shipping facility.



Operating Fund

November 11, 2016 through December 15, 2016

Date	Num	Name	Memo	Amount
11/15/16	38442	Employee	Mid-month draw	450.00
11/15/16	38443	Employee	Mid-month draw	500.00
11/15/16	38444	City of Newport	Transient room tax - October 2016	3,052.83
11/15/16	38445	Coastal Paper & Supply	Cleaning and paper supplies	1,500.92
11/15/16	38446	Dahl & Dahl	Trash disposal	122.58
11/15/16	38447	Employee	Mid-month draw	500.00
11/15/16	38448	Design Space	Temp. office rental, Customs' skirting	6,680.00
11/15/16	38449	Englund Marine Supply Co	Rain gear, operating supplies	787.36
11/15/16	38450	Employee	Mid-month draw	300.00
11/15/16	38451	Fastenal Company	Operating supplies	78.62
11/15/16	38452	Employee	Mid-month draw	475.00
11/15/16	38453	M & E Septic Service	Pump out storm water catch basins	350.00
11/15/16	38454	MacPherson Gintner & Diaz	Professional Services	1,206.25
11/15/16	38455	Newport Rental Service	Equipment rental	177.50
11/15/16	38456	Pickseed	Grass seed - SB	195.00
11/15/16	38457	Platt	Lighting supplies	534.97
11/15/16	38458	Port of Newport.	Transfer to Facilities Maintenance Reserve	60,000.00
11/15/16	38459	Employee	Mid-month draw	650.00
11/15/16	38460	Employee	Mid-month draw	600.00
11/15/16	38461	Employee	Mid-month draw	1,681.55
11/22/16	38462	Advance Backflow Testing	Backflow testing	675.00
11/22/16	38463	Business Oregon - OBDD	Debt service	7,800.00
11/22/16	38464	Cardinal Services	Wages for temp services	1,705.20
11/22/16	38465	Central Lincoln PUD	Electricity	392.95
11/22/16	38466	Century Link	Telephone	388.46
11/22/16	38467	Chase - Visa	Office and operating supplies, software, lodging, and conference registration	4,673.75
11/22/16	38468	CoastCom	Internet and e-mail	832.00
11/22/16	38469	Department of Environmental Quality	Air quality annual permit - SB	144.00
11/22/16	38470	Engineering News-Record	Subscription	78.00
11/22/16	38471	National Photocopy Corporation	IT support	376.86
11/22/16	38472	Newport News-Times	Advertising	498.00
11/22/16	38473	Newport Signs	Sign for entrance - SB	715.00
11/22/16	38474	OR Assoc. of Municipal Recorders	OAMR membership for 2017	50.00



Operating Fund

November 11, 2016 through December 15, 2016

Date	Num	Name	Memo	Amount
11/22/16	38475	Petty Cash	Office and operating supplies - SB	102.50
11/22/16	38476	Pioneer Printing	Office supplies	550.00
11/22/16	38477	Siuslaw Broadband	IT repairs from electrical storm	1,570.00
11/22/16	38478	Special Districts Association of OR	SDAO membership & OPPA annual dues	10,403.36
11/22/16	38479	Toyota Financial Services	Forklift leases	1,044.20
11/22/16	38480	Xerox Corporation	Copier lease and print charges - SB	185.37
11/30/16	38481	Airgas USA	Oxygen	108.79
11/30/16	38482	Alan Brown Tire Center	Vehicle maintenance	357.33
11/30/16	38483	Alsea Bay Power Products	Lawn mower maintenance	286.76
11/30/16	38484	Appliance Service Station	Laundry repair - SB	485.00
11/30/16	38485	Business Oregon - IFA	Debt service	11,983.00
11/30/16	38486	City of Newport	Water	361.05
11/30/16	38487	Daily Journal of Commerce	Advertising - bids for dredging	58.50
11/30/16	38488	Design Space	Customs office rental	217.00
11/30/16	38489	Fastenal Company	Operating supplies	137.58
11/30/16	38490	Fred Meyer Customer Charges	Office supplies	17.99
11/30/16	38491	G & K Floors	Janitorial services	2,200.00
11/30/16	38492	Gray's Web Design	Website update	98.00
11/30/16	38493	Groth-Gates Heating	Operating supplies	156.00
11/30/16	38494	Harvey's Lock & Key	Keys for dock 5 gate	25.00
11/30/16	38495	Kelly Printing Supplies	Office supplies	311.90
11/30/16	38496	Lincoln County Parole & Probation	Work crew for cleanup - NIT	450.00
11/30/16	38497	Mulder Sheet Metal	Kiosk maintenance - SB	145.00
11/30/16	38498	Neopost USA	Postage machine rental	149.85
11/30/16	38499	NW Natural	Gas - SB	153.44
11/30/16	38500	OBEC Consulting Engineers	PD5 pier approach project engineering	3,387.50
11/30/16	38501	Pioneer Printing	Office supplies	84.30
11/30/16	38502	TCB Security Services	Monthly security contract	6,516.00
11/30/16	38503	Thermo Fluids	Pump out used oil	175.00
11/30/16	38504	True Cut Engraving	Plaque, volunteer name badges	40.00
11/30/16	38505	United Grocers - Cash & Carry	Fishermen's Appreciation Day - food & supplies	894.28
11/30/16	38506	Valley Fire Control	Fire extinguishers	123.00
11/30/16	38507	Valmont Coatings	Sand blasting and galvanizing for PD5	393.00
11/30/16	38508	Xerox Corporation	Copier lease and print charges	258.79



Operating Fund

November 11, 2016 through December 15, 2016

Date	Num	Name	Memo	Amount
11/30/16	38509	OSU Lincoln County Extension	Employee training	450.00
12/6/16	38510	Bureau of Labor and Industries	Pile replacement project public works fee	386.14
12/7/16	38511	Employee	Reimbursement	63.97
12/15/16	38512	Alan Brown Tire Center	Rear drive tires replaced	234.12
12/15/16	38513	ALSCO	Floor mats and towel rental	350.92
12/15/16	38514	Barrelhead Supply	Saw horses, maintenance supplies	712.45
12/15/16	38515	Employee	Mid-month draw	450.00
12/15/16	38516	Cardinal Services	Wages for temp service	2,810.25
12/15/16	38517	Carquest Auto Parts	Vehicle maintenance	79.94
12/15/16	38518	Carson Oil Co	Fuel	798.61
12/15/16	38519	Central Lincoln PUD	Electricity	265.58
12/15/16	38520	Century Link	Telephone	388.87
12/15/16	38521	Employee	Mid-month draw	500.00
12/15/16	38522	City of Newport	Transient room tax - November 2016	1,541.90
12/15/16	38523	Coastal Paper & Supply	Cleaning and paper supplies	2,319.38
12/15/16	38524	Copeland Lumber Yards	Maintenance supplies	78.46
12/15/16	38525	Creative Landscape & Maintenance	Landscape maintenance	495.00
12/15/16	38526	Dahl & Dahl	Trash disposal	643.32
12/15/16	38527	Employee	Mid-month draw	500.00
12/15/16	38528	Department of Environmental Quality	Permits	1,960.00
12/15/16	38529	Design Space	Temporary office rental	877.00
12/15/16	38530	Direct TV	Cable - RV parks	2,206.58
12/15/16	38531	Englund Marine Supply Co	Rain gear, electrical supplies	653.78
12/15/16	38532	Employee	Mid-month draw	300.00
12/15/16	38533	Fastenal Company	Operating supplies	48.74
12/15/16	38534	Forinash	Framed print for Rick Fuller	490.00
12/15/16	38535	Employee	Mid-month draw	475.00
12/15/16	38536	Grimstad & Associates	2015-16 audit - work in progress	11,000.00
12/15/16	38537	Hippo Facility Management	Facility maintenance software	522.33
12/15/16	38538	IcniPro Security and Alarms	Security services	310.14
12/15/16	38539	Idea Print Works	PON clothing	1,290.15
12/15/16	38540	Employee	Reimbursement	73.56
12/15/16	38541	LazerQuick	Office supplies	88.00
12/15/16	38542	Lincoln County Public Works	Fuel for trucks	367.44



Operating Fund

November 11, 2016 through December 15, 2016

Date	Num	Name	Memo	Amount
12/15/16	38543	MacPherson Gintner & Diaz	Professional services	937.50
12/15/16	38544	Neopost USA	Postage	400.00
12/15/16	38545	New Pig Corporation	Oil-absorbent pads	445.57
12/15/16	38546	Newport Rental Service	Equipment rental	14.00
12/15/16	38547	Old Republic Surety Group	Annual sand and gravel license bond	100.00
12/15/16	38548	Oregon Coast Aquarium	Holiday Party 2016 - catering	1,420.00
12/15/16	38549	OR Government Ethics Commission	Annual fee	475.31
12/15/16	38550	Pacific Coast Congress HMPM	Membership dues	245.00
12/15/16	38551	Pariani Land Surveying	Elevation certificate for Customs' office	232.50
12/15/16	38552	Pioneer Printing	Office supplies	373.20
12/15/16	38553	Pioneer Telephone Cooperative	Telephone	226.30
12/15/16	38554	Platt	Operating supplies	117.23
12/15/16	38555	Employee	Mid-month draw	650.00
12/15/16	38556	Road & Driveway Co	Parking lot repair - SB	3,027.03
12/15/16	38557	Runions Construction	Topsoil at Rogue	1,100.00
12/15/16	38558	Sherwin-Williams	Paint	324.36
12/15/16	38560	Special Districts Insurance Services	Monthly health-life-dental insurance	10,985.09
12/15/16	38561	Staples	Finance charge	2.00
12/15/16	38562	Employee	Mid-month draw	1,500.00
12/15/16	38563	Suburban Propane	Propane	310.84
12/15/16	38564	T&L Septic & Chemical Toilet Service	Chemical toilet rental	936.00
12/15/16	38565	Thompson's Sanitary Service	Trash disposal	4,167.95
12/15/16	38566	United Grocers - Cash & Carry	Operating and office supplies	121.99
12/15/16	38567	Verizon Wireless	Port cell phones	525.60
12/15/16	38568	Xerox Corporation	Copier lease	401.74
12/15/16	38569	Yaquina Bay Communications	Advertising	100.00
12/15/16	38570	Siuslaw Broadband	Annual Wi-Fi network support	3,850.00
Total				79,041.00



NOAA Fund

November 11, 2016 through December 15, 2016

Date	Num	Name	Memo	Amount
11/15/16	13067	Englund Marine & Industrial Supply	Rain gear	100.91
11/15/16	13068	Ultimate Pest Control	Pest control	125.00
11/22/16	13069	Chase-Visa	Phone screen protector	15.02
11/22/16	13070	Grainger	Replace float switch	111.81
11/22/16	13071	Special Districts Association of Oregon	SDAO membership & OPPA annual dues	3,418.63
11/30/16	13072	G & K Floors	Janitorial services	450.00
11/30/16	13073	TCB Security Services	Elevator phone monitoring	20.00
12/15/16	13074	Grainger	Cooling fan for battery backup	71.53
12/15/16	13075	IconiPro Security & Alarms	Fire alarm monitoring service	78.00
12/15/16	13076	Idea Print Works	Clothing	37.00
12/15/16	13077	Lincoln County Public Works	Gas for truck	27.24
12/15/16	13078	Northwest Fire Suppression	Annual inspection, repair & modification	1,885.00
12/15/16	13079	OR Dept of Consumer & Business Svcs	Boiler permits	235.20
12/15/16	13080	Pacific Habitat Services	Environmental consulting for proposed dredging	1,985.00
12/15/16	13081	Pioneer Telephone Cooperative	Telephone	239.94
12/15/16	13082	Runions Construction	Recreational access mitigation	2,841.00
12/15/16	13083	SHN Consulting Engineers & Geologists	West Rogue public access plan	1,380.00
12/15/16	13084	Special Districts Insurance Services	Monthly health-dental-life insurances	648.63
12/15/16	13085	Thompsons Sanitary Service	November service	345.60
12/15/16	13086	U.G. Cash & Carry	Cleaning supplies	43.89
12/15/16	13087	Ultimate Pest Control	Pest control	125.00
12/15/16	13088	Verizon Wireless	Phone charges and mifi	237.88
			Total	14,422.28



Construction Fund

November 11, 2016 through December 15, 2016

Date	Num	Name	Memo	Amount
11/30/16	11837	Western Title & Escrow	Book Lot Title Report	200.00
12/15/16	11838	Pariani Land Surveying	Terminal Area dredging survey & permit	372.00
12/15/16	11839	Western Title & Escrow	Book Lot Title Report	200.00
Total				772.00

OLD BUSINESS AGENDA ITEM

DATE: 12/20/2016
RE: International Terminal Shipping Facility Update
TO: Port of Newport Board of Commissioners
ISSUED BY: Kevin Greenwood, General Manager

GRANT UPDATE

Economic Development Administration:

- The Port visited with members of the EDA Review Committee at the Seattle Regional Office on Friday, December 2nd. Walter Chuck and Eric Oien, Teevin Bros., and I met with Brian Parker, the economic development specialist in Seattle to discuss the Port's application. I think the meeting went well in that we were able to clarify that the funds would only be used on the Port's 9-acres, that the Port's feasibility study showed that additional products could be used through the facility and that permits have all been received and are in the Port's name.
- The EDA Internal Review Committee (IRS) reviewed over a dozen applications on Monday, December 12th. There were two from the Portland, Ore. area including an application from SW Oregon Community College.
- As of this staff report, the Seattle Region Office has not announced the awards. Mr. Parker indicated that letters would be submitted before the Christmas Break on December 23rd.

TIGER US Dept. of Transportation:

- I responded with an update to TIGER on the status of the EDA grant.
- MARAD is requiring a Environmental Assessment (EA) and I've received two bids to produce the report which will take a few weeks to develop.
- The Port will want to coordinate the EA as soon as we get word from EDA.

LOAN UPDATE

State IFA Loan:

- The Port has an approved \$2-million loan with the State's Infrastructure Finance Authority (IFA). The rate is 3.29% over 25 years with an annual payment of approximately \$120,000.

USDA Loan:

- Waiting to hear back from USDA officials.

Cash Flow Concerns with New Loan:

- This year, the Port is paying approximately \$400,000 in debt service for the international terminal. If the EDA funds are received and the Commission decides to take on the new debt, the Port will be paying around \$500,000 annually to service debt related to the International Terminal Shipping Facility. We have anticipated about \$85,000 in gross income from tariffs for each Handysized Vessel that leaves Newport with a full load of 5.5mbf of timber. That equates to about to about the first six shipments annually would pay for the debt payments. Tariffs generated after the sixth shipment could be used for capital projects, etc. Currently net proceeds from South Beach activities are covering the current debt service.

DIRECTOR OF FINANCE MONTHLY REPORT

DATE: 12/20/2016
PERIOD: December Board Meeting
TO: Port of Newport Commissioners
ISSUED BY: Stephen J. Larrabee

OVERVIEW

Financials:

November year to date financials are attached.

Finance Operations:

The Audit is basically complete and the Draft Audit is in the Board Packet.

Audit Highlights:

The General Fund had net operating income of \$477,000

The NOAA Fund had net operating income of \$172,000

The Ports year end Cash went from \$7,582,000 to \$8,288,000

The Ports operating revenues went up \$211,000

The Ports operating expenses went up \$186,000, of which \$104,000 was due to an increase in Personnel expenses

Other Operations:

The revised Personnel Manual is included in the Board Packet. Major revisions include moving to a Paid Time Off (PTO) system and the inclusion of several new or updated policies recommended by our HR consultants to ensure we are in compliance with State and Federal Regulations. These include policies on Uniformed Service Leave, Crime Victims, Americans with Disabilities Act, Domestic Violence Leave and Equal Employment Opportunity.

The Port will be increasing the eligible benefits under our Health Reimbursement Account for employees next year to include all eligible medical expenses under our Health Plan.

Private Contributions:

- Conversations continue with Teevin Bros. about prepaying lease payments to be used toward construction costs.

RETURN ON INVESTMENT FROM LOAN PROCEEDS

Resources Budget:

- TIGER ... \$2.00MM
- EDA \$1.94MM
- Teevin ... \$0.30MM
- Loan \$2.33MM
- TOTAL ... \$6.57MM

Criteria for ROI:

- Loan: \$2.5MM at 30 years, 2.375%, annual payment: \$117,475
- Net Tariff: \$72.5k/shipment (10 shipments annually)
- Net Tariff: \$42.5k/shipment (2 shipments)
- Annual # of shipments: 2-11
- Security, operating costs: \$5k/shipment
- Port operating costs: \$75k/year.
- ROI 21 total shipments in years 1 through 5 and an additional 10 shipments annually thereafter.
- Total Loan Payments: \$3,524,250
- Total shipments to break even: 50 (with assumptions)

Our current loan payments on the terminal total \$445,000 annually; after incurring new debt service the annual payment would go up to \$563,000. Difference of \$117,500. Until we start receiving serious income, it'll be about three years before we can really begin seeing significant cash flow. For the first three years, it will be very lean (<\$100,000) for any capital improvements and cash reserve transfers.

OTHER

- The Port will be progressing with the City building permit by moving \$5,000 worth of clean unbuildable material to the Newport Airport. This will keep the permit open for another six months.
- The Hall Family is awaiting the permit from the USACE.
- Once we have the EDA funding, the Port will want to look into working with Commercial Fishing Users Group to reform the now defunct "Users" group which would include Teevin Bros., Longshore Labor and the Port for coming up with a traffic/logistics plan.

-###-

**PORT OF NEWPORT
PO Box 921
Newport, OR 97365**

December 14, 2016

Signe Grimstad
Grimstad & Associates
PO Box 1930
Newport, OR 97365

This representation letter is provided in connection with your audit of the financial statements of Port of Newport (Port), which comprise the respective financial position of the business-type activities as of June 30, 2016, and the respective changes in financial position and cash flows for the twelve months then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm to the best of our knowledge and belief, as of December 14, 2016, the following representations made to you during your audit.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 6, 2016, including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with the applicable criteria.
- The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

- Related party relationships and transactions, including revenues, expenses, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- Guarantees, whether written or oral, under which the Port is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - Minutes of the meetings or summaries of actions of recent meetings for which minutes have not yet been prepared.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have no knowledge of any fraud or suspected fraud that affects the Port and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the Port's financial statements communicated by employees, former employees, regulators or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts or grant agreements whose effects should be considered when preparing financial statements.
- We have disclosed to you all known actual or possible litigation, claims and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the Port's related parties and all the related party relationships and transactions of which we are aware.

Government - specific

- The have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial report practices.
- We have made available to you all financial records and related data.
- There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- The Port of Newport has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance.
- As part of your audit, you prepared draft adjusting journal entries to our accounting records. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for recording those adjusting journal entries.
- As part of your audit, you assisted with preparation of the financial statements, management discussion and analysis, and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably withing senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- The Port has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as disclosed.
- The Port has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
- Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

- Provisions for uncollectible receivables have been properly identified and recorded.
- Expenses have been appropriately classified in or allocated to functions in the statement of activities, and allocations have been made on a reasonable basis.
- Revenues are appropriately classified in the statement of activities within program revenues, general revenues.
- Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- Deposits are properly classified as to risk and are properly disclosed.
- Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- We have appropriately disclosed the Port's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- With respect to the supplementary budget schedules and budget reconciliations:
 - We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature: _____
 Walter Chuck, President

Signature: _____
 Patricia Patrick-Joling/Treasurer

Prepared by _____

PORT OF NEWPORT Adjusting Journal Entries

PTNEWPORT
Page 1
12/14/16 10:27 AM

Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
JE05	Adjusting	06/30/16					
		1-1200	Accounts Receivable	116,503.47			
		1-2030	Deferred Revenue	190.95			
		1-2030	Deferred Revenue		34,710.52		
		1-2030	Deferred Revenue		99,236.99		
		1-2030	Deferred Revenue	17,253.09			
						0.00	
			Reconcile SB Marina and RV Parks A/R and adjust for prepaid RV reveue (per Port)				Per Port
JE06	Adjusting	06/30/16					
		1-3720	PERS - Pension Income/Expense	140,846.00			
		1-3730	GAAP - Pension Expense	18,048.00			
		1-3000	Fund Balance		158,894.00		
		5-3720	GAAP-Pension Income	23,078.00			
		5-3730	GAAP-Pension Expense	2,957.00			
		5-3000	Fund Balance		26,035.00		
						0.00	
			to close 6/15 allocations to fund balance				S
JE07	Adjusting	06/30/16					
		5-2500	Revenue Bond - 2010	840,000.00			
		5-3250	F/B - Debt Principal		840,000.00		
		5-2800	Current Portion of LT Debt	30,000.00			
		5-2035	Current Portion - LT Debt		30,000.00		
						0.00	
			to adjust revenue bond to year end balance				R
JE08	Adjusting	06/30/16					
		5-3600	F/B-Amortization	11,581.00			
		5-2700	Bond Discounts		11,581.00		
		5-2032	Accrued Interest Payable	22,438.00			
		5-3275	F/B - Accrued Interest		22,438.00		
						0.00	
			To adjust bond discount for yr				R

JE 1-4 Part booked

Prepared by _____

PORT OF NEWPORT
Adjusting Journal Entries

PTNEWPORT

Page 2

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Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
JE09	Adjusting	06/30/16					
		1-2101	Full Faith & Credit Debt	120,000.00			
		1-2102	Port Rev Loan - #04-161	14,388.00			
		1-2103	SPWF - L0012	4,202.00			
		1-2104	SPWF - Q10001	50,290.00			
		1-2105	L/T - L12005	106,063.00			
		1-2121	OCB - #10021575	20,366.00			
		1-2122	OCB - #10032077	20,139.00			
		1-2130	N/P - 2012 Forklift	5,076.00			
		1-2132	N/P - 2013 CM Forklift	6,105.00			
		1-3200	F/B - Debt Principal		346,629.00		
		1-2800	Current Portion of LT Debt	60,117.00			
		1-2035	Current Portion - LT Debt		60,117.00		
						0.00	
			to adjust General Fund debt				R
JE10	Adjusting	06/30/16					
		1-2700	FF&C Bond Premium	6,776.00			
		1-3600	F/B - Amortization		6,776.00		
		1-2032	Accrued Interest Payable	5,484.00			
		1-3275	F/B - Accrued Interest		5,484.00		
						0.00	
			To amortize and adjust accrued interest				R
JE11	Adjusting	06/30/16					
		1-1502	Work in Progress	143,313.00			
		1-1504	Buildings	7,856.00			
		1-1505	Docks & Piers	9,785.00			
		1-1506	Vehicles & Equipment	43,892.00			
		1-3105	F/B - F/A Additions		20,345.00		
		1-3106	F/B - F/A Transfers		122,968.00		
		1-3106	F/B - F/A Transfers		61,533.00		
						0.00	
			to record additions				I
JE12	Adjusting	06/30/16					
		1-1603	A/D - Land Improvements		458,150.00		
		1-1604	A/D - Buildings		520,957.00		
		1-1605	A/D - Docks & Piers		2,199,994.00		
		1-1606	A/D - Equipment		88,414.00		
		1-3150	F/B - Depreciation	3,267,515.00			
						0.00	
			to record depreciation				1
JE13	Adjusting	06/30/16					
		1-1506	Vehicles & Equipment		6,445.00		
		1-1606	A/D - Equipment	6,445.00			

**PORT OF NEWPORT
Adjusting Journal Entries**

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
			to record disposed asset			0.00	I
JE14	Adjusting	06/30/16					
		1-2910	Deferred IF - Proportion/Contrib	31,250.00			
		1-2900	PERS - Deferred IFs		31,250.00		
		5-1900	Deferred OF - Contrib after MD		2,957.00		
		5-1500	Net Pension Asset		24,019.00		
		5-2900	Deferred IF - Invest. Return	46,348.00			
		5-2910	Deferred IF - Proportion/Contrib	5,120.00			
		5-3720	GAAP-Pension Income		24,492.00		
		1-1500	PERS - NPA(L)		310,090.00		
		1-1900	PERS - Deferred OFs		245.00		
		1-2900	PERS - Deferred IFs	162,392.00			
		1-3720	PERS - Pension Income/Expense	147,943.00			
		5-2900	Deferred IF - Invest. Return		1.00		
		5-3720	GAAP-Pension Income	1.00			
		1-2900	PERS - Deferred IFs	3.00			
		1-3720	PERS - Pension Income/Expense		3.00		
			PERS J/E			0.00	Z
JE15	Adjusting	06/30/20					
		1-2010	Payroll Liabilities	25,650.62			
		1-2015	Compensated Absences		25,650.62		
			To reclassify compensated absences from payroll liabilities			0.00	
JE16	Adjusting	06/30/16					
		2-2201	GO Bonds - 2007		5,737.00		
		2-2202	GO Bonds - 2008		88.00		
		2-2203	GO Bonds - 2011		48,259.00		
		2-2700	Bond Discounts	54,084.00			
		2-3200	F/B - Debt Principal		300,000.00		
		2-2201	GO Bonds - 2007	120,000.00			
		2-2202	GO Bonds - 2008	115,000.00			
		2-2203	GO Bonds - 2011	65,000.00			
		2-2700	Bond Discounts		13,329.00		
		2-3600	F/B - Amortization	13,329.00			
			To break out bond discounts and record CY payments and discount amortization			0.00	R
JE17	Adjusting	06/30/16					
		2-3210	F/B - BondCosts(65)	142,612.00			
		2-4450	Proceeds from Bond Refi	8,348,134.00			
		2-2204	GO Bonds - 2016		7,610,000.00		
		2-2701	Bond Premiums		880,746.00		

Prepared by _____

**PORT OF NEWPORT
Adjusting Journal Entries**

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Page 4
12/14/16 10:27 AM

Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
						(8,348,134.00)	
			To record issuance of advance refunding bond and proceeds				
JE18	Adjusting	06/30/16					
		2-4450	Proceeds from Bond Refi		8,348,134.00		
		2-2201	GO Bonds - 2007	3,970,000.00			
		2-2202	GO Bonds - 2008	3,945,000.00			
		2-2700	Bond Discounts		3,744.00		
		2-2700	Bond Discounts		79.00		
		2-1810	Advance Refunding Valuation (De	436,957.00			
		2-1800	Bond Issue Costs		86,672.00		
		2-3210	F/B - BondCosts(65)	86,672.00			
						8,348,134.00	
			To record advance refunding of 2007 and 2008 GO bonds and write off issuance costs allocable to the 2 bonds				
JE19	Adjusting	06/30/16					
		4-3100	F/B - F/A Additions		79,414.00		
		4-3300	F/B - Transfers	79,414.00			
		3-3100	F/B - F/A Additions		94,997.00		
		3-3300	F/B - Transfers	94,997.00			
		5-3100	F/B - F/A Additions		10,090.00		
		5-3300	F/B - Transfers	10,090.00			
						0.00	
			To record F/A additions and transfers for non GF funds				
JE20	Adjusting	06/30/16					
		2-2030	Current Portion - LT Debt		165,000.00		
		2-2800	Current Portion of LT Debt	165,000.00			
		1-2035	Current Portion - LT Debt	6,667.00			
		1-2800	Current Portion of LT Debt		6,667.00		
						0.00	
			To adjust current portion of LT debt accounts to schedule				R
				<u>23,192,371.13</u>	<u>23,192,371.13</u>	<u>0.00</u>	
		TOTAL					

DRAFT

**PORT OF NEWPORT
OREGON**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2016

DRAFT

Prepared By
SIGNE GRIMSTAD
Certified Public Accountant
530 NW 3rd, Suite E
PO Box 1930
Newport, Oregon 97365

PORT OF NEWPORT, OREGON

BOARD OF COMMISSIONERS

Walter Chuck, President
Newport, Oregon
Position No. 1

Serving since
Term Expires

Ken Brown, Vice-President
Newport, Oregon
Position No. 4

Serving since
Term Expires

Patricia Patrick-Joling, Secretary/Treasurer
Newport, Oregon
Position No. 5

Serving since
Term Expires

Stewart Lamerdin
Newport, Oregon
Position No. 3

Serving since
Term Expires

Steve Beck
Newport, Oregon
Position No. 2

Serving since
Term Expires

REGISTERED AGENT

Kevin Greenwood, General Manager
Serving since February 1, 2014
600 SE Bay Boulevard
Newport, OR 97365

PORT OF NEWPORT, OREGON

TABLE OF CONTENTS

INTRODUCTORY SECTION

- Title Page
- List of Officers
- Table of Contents

Page

FINANCIAL SECTION

Independent Auditor's Report	1-2
Management's Discussion and Analysis	I-VI
Basic Financial Statements	
<i>Statement of Net Position</i>	3
<i>Statement of Revenues, Expenses and Changes in Net Position</i>	4
<i>Statement of Cash Flows</i>	5
Notes to Financial Statements	6-26

REQUIRED SUPPLEMENTAL SECTION

Schedule of the Port's Proportionate Share of the Net Pension Liability - Oregon Public Employee Retirement System	27
Schedule of the Port's Contributions - Oregon Public Employee Retirement System	28
Notes to the Schedules of the Port's Proportionate Share of the Net Pension Liability (Asset) and Contractually Required Contributions	29

SUPPLEMENTAL SECTION

Description of Budgetary Funds	30
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
<i>General Operating Fund</i>	31
<i>Bonded Debt Fund</i>	32
<i>Facilities Maintenance Fund</i>	33
<i>Construction Fund</i>	34
<i>NOAA Lease Revenue Fund</i>	35
Reconciliation of Revenues and Expenditures (Budgetary Basis) to the Statement of Revenues, Expenses and Changes in Net Position	36

COMPLIANCE SECTION

Independent Auditor's Report Required by Oregon State Regulations	37-38
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December 14, 2016

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Port of Newport
Newport, Oregon

Report on the Financial Statements

I have audited the accompanying financial statements of the business-type activities of Port of Newport (Port) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Port as of June 30, 2016, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussions and analysis and PERS' schedules and notes, listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Port of Newport's basic financial statements. The accompanying supplemental information, budget schedules and reconciliation to net position listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the budget schedules and reconciliation to net position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Oregon State Regulations

In accordance with the Minimum Standards Audit of Oregon Municipal Corporations, I have issued my report dated December 14, 2016 on my consideration of Port of Newport's compliance with certain laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of my testing of compliance and the results of that testing and not to provide an opinion on compliance.

SIGNE GRIMSTAD
Certified Public Accountant

PORT OF NEWPORT, OREGON

STATEMENT OF NET POSITION as of June 30, 2016

ASSETS

Current Assets

Cash and cash equivalents	\$ 8,288,041
Investment	60,419
Accounts receivable, net of allowance for doubtful accounts	311,246
Property taxes receivable	97,260
Prepaid expenses	71,856
Total current assets	<u>8,828,822</u>

Capital Assets

Land	20,221,521
Construction in progress	183,397
Buildings and equipment, net of depreciation	62,202,423
Total capital assets	<u>82,607,341</u>

Other Assets

Bond issue costs, net of amortization	4,662
Total other assets	<u>4,662</u>

Total assets 91,440,825

Deferred Outflows of Resources

Advanced refunding outflows, net of amortization	436,957
Pension related outflows	17,803

Total assets and deferred outflows resources 91,895,585

LIABILITIES

Current Liabilities

Accounts payable	69,714
Accounts payable from restricted assets	13,869
Accrued payroll expenses	102,035
Accrued other expenses	6,390
Unearned revenue	136,664
Accrued interest payable	6,209
Accrued interest payable from restricted assets	476,972
Current portion of loans and capital leases payable	406,827
Current portion of bonds payable	1,335,000
Total current liabilities	<u>2,553,680</u>

Long-term Liabilities

Loans and capital leases payable, net	7,726,953
Bonds payable, net	33,514,519
Net pension liability	163,496
Total long-term liabilities	<u>41,404,968</u>

Total liabilities 43,958,648

Deferred Inflows of Resources

Pension related inflows	151,723
-------------------------	---------

Total liabilities and deferred inflows of resources 44,110,371

Net Position

Net invested in capital assets	40,060,999
Restricted	
Debt service	4,103,035
Maintenance reserve	305,789
Unrestricted	3,315,391

Total net position \$ 47,785,214

See accompanying notes to financial statements

PORT OF NEWPORT, OREGON

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION for the Year Ended June 30, 2016**

OPERATING REVENUES	
Moorages and leases	\$ 4,385,639
RV Park	767,746
Terminals	19,287
Hoist dock	542,140
Launch ramp	73,596
Other	<u>117,445</u>
Total operating revenues	<u>5,905,853</u>
OPERATING EXPENSES	
Salaries and wages	966,420
Payroll taxes and benefits	294,972
Administration, promotion and marketing	97,047
Maintenance	150,368
Utilities	674,201
Insurance	282,721
Professional fees	60,571
Service fees	267,680
Supplies	78,462
Operating fees	62,144
Other	65,753
Depreciation	<u>3,267,515</u>
Total operating expenses	<u>6,267,854</u>
Operating Income (Loss)	<u>(362,001)</u>
NONOPERATING REVENUE (EXPENSES)	
Property taxes	1,073,295
Grants	1,800
Interest income	19,014
Interest expense	(1,871,959)
Gain/loss on sale of equipment	1,318
Amortization	<u>(18,134)</u>
Total nonoperating revenue (expense)	<u>(794,666)</u>
Change in Net Position	(1,156,667)
NET POSITION - Beginning of year	<u>48,941,881</u>
NET POSITION - End of year	<u>\$47,785,214</u>

See accompanying notes to financial statements

PORT OF NEWPORT, OREGON

STATEMENT OF CASH FLOWS for the Year Ended June 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts from customers	\$ 6,047,105
Cash payments for goods and services	(1,699,719)
Cash payments for employees and benefits	(1,239,978)
Net cash provided (used) by operating activities	<u>3,107,408</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Non capital grants	1,800
Property taxes collected	<u>1,074,375</u>
Net cash provided (used) by noncapital financing activities	<u>1,076,175</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital financing	8,348,134
Acquisition and construction of capital assets	(265,681)
Capital grants	(2,199)
Principal paid on debt	(9,841,545)
Interest paid on debt	(1,899,881)
Net cash provided (used) by capital and related financing activities	<u>(3,661,172)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>19,014</u>
Net cash provided (used) by investing activities	<u>19,014</u>
Net increase (decrease) in cash and cash equivalents	541,425
Cash and cash equivalents - Beginning of year (restricted \$4,592,764)	<u>7,746,616</u>
Cash and cash equivalents - End of year (restricted \$4,839,263)	<u>\$ 8,288,041</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (362,001)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	3,267,515
Pension expense	123,449
(Increase) decrease in operating assets	
Accounts receivable	162,362
Prepaid expenses	(60,344)
Increase (decrease) in operating liabilities	
Accounts payable	79,856
Accrued payroll liabilities	(102,035)
Accrued expenses	19,716
Deferred revenue	(21,110)
Net cash provided (used) by operating activities	<u>\$ 3,107,408</u>

See accompanying notes to financial statements.

PORT OF NEWPORT, OREGON

NOTES TO FINANCIAL STATEMENTS as of June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting framework and the more significant accounting principles and practices are disclosed below.

Reporting Entity

The Port is organized under the general laws of the State of Oregon. The governing body is a five-member elected Board of Commissioners (the Board). The daily management of the Port is under the supervision of the General Manager, who is appointed by the Board. The Port is the level of government financially accountable for all Port operations within its boundaries. As a result, all related activities have been included in the financial statements. There are various governmental agencies and special service districts that provide services within the Port's boundaries; however, the Port is not financially accountable for any of these entities, and accordingly their financial information is not included in these financial statements.

Measurement Focus, Basis of Presentation and Accounting

The Port is considered to be a single enterprise similar to a commercial entity for financial reporting purposes. Accordingly, these financial statements are maintained on the flow of economic resources measurement focus using the accrual basis of accounting and accounting principles applicable to commercial enterprises. This measurement focus provides that all assets and liabilities associated with operations are included on the Statement of Net Position. The Port's net position is segregated into net position invested in capital assets, restricted net assets and unrestricted net assets. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in net position.

The financial statements of the Port have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when liabilities are incurred.

Operating Revenues, Non-Operating Revenues and Operating Expenses

The Port has defined operating revenues to include lease fees, RV park fees, launch dock, hoist and moorage fees. Operating expenses are defined as those expenses directly related to providing the services reflected within operating revenues including depreciation and administration expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenue and expenses. This includes property taxes, investment interest, gain (loss) on sale of capital assets, and non-operating grant revenue and amortization costs.

Deposits and Investments

The Port's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

The Port's investment policies are governed by Oregon statutes. The statutes authorize the Port to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, high-grade commercial paper and the State Treasurer's Local Government Investment Pool (LGIP). See Note 3.

PORT OF NEWPORT, OREGON
NOTES TO FINANCIAL STATEMENTS
as of June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Receivables

Terminal, marina and lease receivables are shown net of an allowance for doubtful accounts. The allowance is judgmentally determined by management based on a collectability analysis.

Property taxes are levied and become a lien on all taxable property as of July 1. Property taxes are payable on November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Property taxes receivable are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

Capital Assets

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value on the date received. Interest costs are capitalized as part of the costs of capital assets during the period of construction based on borrowing costs incurred. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. The Port recognizes assets with an initial cost or donated value of more than \$5,000 and an estimated life of over more than one year.

Capital assets constructed with tax-exempt borrowing may include capitalized interest as part of the costs of capital assets. All interest costs of the borrowing less any interest earned on investments acquired with the proceeds of the borrowing are capitalized from the date of the borrowing until the assets are ready for their intended use.

Assets subject to depreciation are depreciated over their estimated useful lives on the straight-line basis. Estimated useful lives for land improvements (marina and RV park) are 10 to 20 years, buildings - 25 to 40 years, docks - 20 to 40 years, and equipment from 5 to 10 years.

Compensated Absences

Employees are permitted to accumulate earned but unused vacation and related employee benefits. Vacation and holiday pay are recognized as expense when earned. Compensated absences are reported and accrued in the Statement of Net Position.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30 are recorded as prepaid items.

Long-Term Liabilities

General obligation bonds are payable from property taxes. All other long-term obligations are payable from operations.

PORT OF NEWPORT, OREGON

NOTES TO FINANCIAL STATEMENTS as of June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees' Retirement System (PERS) and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. The Port has two items qualifying for reporting in this category, it's deferred amounts relating to pension and advance refunding. This amount is deferred and recognized as an outflow of resources in the period when the Port recognizes pension expense/expenditures.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Port has one item that qualifies for reporting in this category. The Port reports deferred amounts related to pension. This amount is deferred and recognized as an inflow of resources in the period when the Port's recognizes pension income.

Net Position

Net Position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the Port's financial statements.

Net position is divided into three components:

Net investment in capital assets - consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

Restricted net assets - consists of assets that are restricted by the Port's creditors, by enabling legislation, by grantors, and other contributors.

Unrestricted - all other net assets reported in this category.

PORT OF NEWPORT, OREGON

NOTES TO FINANCIAL STATEMENTS
as of June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Restricted Assets and Related Liabilities

Assets whose use is restricted for construction related to the marine terminal redevelopment project, the National Oceanic and Atmospheric Administration (NOAA) Marine Operations Center - Pacific (MOC-P) project, the facilities maintenance reserve and the payment of bonded debt service, as well as all related liabilities are segregated on the Statement of Net Position.

Where both restricted and unrestricted resources are available for use, it is the Port's policy to use restricted resources to the limits of the policies and statutes governing them first, then unrestricted resources as they are needed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget Law and Practice

The Port legally adopts an annual budget for each proprietary fund prior to July 1 through passage of a resolution in accordance with the legal requirements set forth in the Oregon Local Budget Law. The resolution authorizes fund appropriations at the following control levels: personnel services, materials and services, capital outlay, debt service, interfund transactions, operating contingency, and all other requirement levels. Expenditures cannot legally exceed appropriations at these control levels.

Budgets are prepared using the modified accrual basis of accounting. A reconciliation schedule brings the budget basis to full accrual for compliance with generally accepted accounting principles.

Unexpected additional resources may be added to the budget through the use of a supplemental budget. The supplemental budget process requires hearings before the public, publications in newspapers, and approval by the Board. Only the Board may modify original and supplemental budgets by the use of appropriation transfers between the levels of control. In addition, Oregon Local Budget Law provides certain specific exceptions to the supplemental budget process to increase appropriations. Such transfers and increases require Board's approval by adoption of a resolution.

Budget appropriation amounts shown in the financial statements include the original and revised budget appropriations as approved by the Board. Appropriations are limited to a single fiscal year; therefore, all spending authority of the Port lapse at year end.

Over Expenditures

One fund over expended as follows:

	<u>Balance</u>
General Operating Fund - Debt Service	\$ 36

PORT OF NEWPORT, OREGON

NOTES TO FINANCIAL STATEMENTS
as of June 30, 2016

NOTE 3 - DEPOSITS AND INVESTMENTS

Cash, cash equivalents and investments as of June 30 consist of the following:

	<u>Balance</u>	<u>Restricted</u>	<u>Unrestricted</u>
Cash on hand	\$ 1,425	\$ 0	\$ 1,425
Deposits with financial institutions	<u>8,286,616</u>	<u>4,778,844</u>	<u>3,282,136</u>
Total cash and cash equivalents	8,288,041	4,778,844	3,283,561
Time certificate of deposit	<u>60,419</u>	<u>60,419</u>	<u>0</u>
Total cash, cash equivalents and time certificate of deposit	<u><u>\$8,348,460</u></u>	<u><u>\$4,839,263</u></u>	<u><u>\$ 3,283,561</u></u>

Deposits

At the end of the fiscal year, the Port's total deposits with financial institutions have a bank value of \$8,427,306, of which \$1,000,000 was covered by FDIC. See *Custodial Credit Risk*.

Custodial Credit Risk

As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at qualified depositories for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result the Port has no exposure to custodial credit risk for deposits with financial institutions.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Port does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk

Oregon Statutes limit investments to general obligations of U.S. government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, high-grade commercial paper and the State Treasurer's Local Government Investment Pool. The Port has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The Port places no limit on the amount the Port may invest in any one investment or issuer. For the current year, the Port held 74% of funds in Oregon Coast Bank.

PORT OF NEWPORT, OREGON
NOTES TO FINANCIAL STATEMENTS
as of June 30, 2016

NOTE 4 - RECEIVABLES

Receivables at year end consist of the following:

	<u>Balance</u>	
Property taxes	\$ 97,260	Restricted
Accounts receivable, net	311,246	Unrestricted
Total receivables	\$ 408,506	

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Transfers

Operating transfers are for servicing debt. The following is a breakdown of these transfers:

	<u>Source</u>	<u>Use</u>
General Fund	\$ 100,000	\$ 0
Facilities Maintenance	0	125,000
NOAA	25,000	0
Total	\$ 125,000	\$ 125,000

The purpose of inter-fund transfers is to support debt and capital expenditures.

Interfund Payables/Receivables

Below is an interfund loan balance as of June 30:

	<u>Receivable</u>	<u>Payable</u>
Bonded Debt	\$ 0	\$ 1,503
NOAA	58	3,141
General Fund	4,644	58
Total	\$ 4,703	\$ 4,703

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended June 30 was as follows:

	<u>7/01 Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>6/30 Balance</u>
Capital assets not being depreciated				
Land	\$ 20,221,521	\$ 0	\$ 0	\$ 20,221,521
Construction in progress	40,084	143,313	0	183,397
Total assets not being depreciated	20,261,605	143,313	0	20,404,918

PORT OF NEWPORT, OREGON
NOTES TO FINANCIAL STATEMENTS
as of June 30, 2016

NOTE 6 - CAPITAL ASSETS - Continued

	<u>7/01</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>6/30</u> <u>Balance</u>
Capital assets being depreciated				
Land improvements	19,173,376	0	0	19,173,376
Buildings	16,450,127	7,856	0	16,457,983
Docks and piers	54,193,437	9,785	0	54,203,222
Equipment	<u>1,031,580</u>	<u>43,892</u>	<u>(6,445)</u>	<u>1,069,026</u>
Total depreciable at historical cost	<u>90,848,519</u>	<u>61,533</u>	<u>(6,445)</u>	<u>90,903,607</u>
Accumulated depreciation				
Land improvements	(8,378,989)	(458,150)	0	8,837,140
Buildings	(4,333,125)	(520,957)	0	4,854,082
Docks and piers	(12,141,963)	(2,199,994)	0	14,341,957
Equipment	<u>(586,037)</u>	<u>(88,414)</u>	<u>6,445</u>	<u>668,006</u>
Total accumulated depreciation	<u>(25,440,115)</u>	<u>\$(3,267,515)</u>	<u>\$ 6,445</u>	<u>28,701,185</u>
Total depreciable capital assets	<u>65,408,404</u>			<u>62,202,423</u>
Total capital assets, net	<u>\$ 85,670,009</u>			<u>\$ 82,607,341</u>

Depreciation expense for the year was \$3,267,515.

NOTE 7 - LEASE

Leases - Port as Lessor

The Port, as a lessor, leases certain properties with a total approximate net capitalized cost of \$24,450,000 and annual depreciation expense of approximately \$1,290,000 under long-term operating leases. On August 7, 2009, the Port entered into a 20-year lease for a MOC-P with the United States of America, through the NOAA, expiring June 30, 2031, commonly referred to as the NOAA lease. NOAA lease revenue is pledged first to pay bond principal and interest, second to credit the reserve account to eliminate any deficiency in the required reserve and third for any other lawful Port purpose. The annual rent under this lease is approximately \$2,500,000 which is included in the schedule below.

The minimum future payments to be received under non-cancelable leases are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Balance</u>
2017	\$ 2,940,000
2018	2,840,000
2019	2,820,000
2020	2,800,000
2021	2,790,000
Thereafter	<u>25,500,000</u>
Total	<u>\$ 39,690,000</u>

Total minimum future lease payments do not include amounts for lease payments based on the lessee's gross sales. These payments amounted to approximately \$60,000 for the fiscal year. Amounts for future lease extensions are not included as they are cancelable.

PORT OF NEWPORT, OREGON

NOTES TO FINANCIAL STATEMENTS
as of June 30, 2016

NOTE 8 - LONG TERM DEBT

Bonds, Loans and Capital Leases Payable

Bonds, loans and capital leases payable are as follows:

	7/01 Balance	Increase	Decrease	6/30 Balance	Due in One Year		
					Principal	Interest	Total
BONDED DEBT FUND							
General Obligation Bonds							
Series 2007	\$ 4,215,000	\$ 0	\$4,090,000	\$ 125,000	\$ 125,000	\$ 5,000	\$ 130,000
Series 2008	4,305,000	0	4,060,000	245,000	120,000	9,800	129,800
Series 2011	5,260,000	0	65,000	5,195,000	65,000	271,605	336,605
Series 2016	<u>0</u>	<u>7,610,000</u>	<u>0</u>	<u>7,610,000</u>	<u>155,000</u>	<u>152,235</u>	<u>307,235</u>
Total Bonded Debt Fund	<u>13,780,000</u>	<u>7,610,000</u>	<u>8,215,000</u>	<u>13,175,000</u>	<u>465,000</u>	<u>438,640</u>	<u>903,640</u>
GENERAL FUND							
Full Faith and Credit OB							
Series 2013	3,380,000	0	120,000	3,260,000	185,000	100,257	285,257
State of Oregon Loans							
Special Public Works Fund Loans							
- L00012	55,299	0	4,202	51,097	4,454	3,066	7,520
- Q10010	1,239,400	0	50,290	1,189,110	58,776	34,824	93,600
- L12005	2,897,888	0	106,063	2,791,825	110,168	108,044	218,212
- Promissory	400,000	0	0	400,000	0	0	0
Oregon Port Revolving Loans	63,067	0	14,388	48,679	15,271	2,581	17,852
Oregon Coast Bank Loans							
Loan payable	20,366	0	20,366	0	0	0	0
Loan payable	388,677	0	20,139	368,538	21,466	21,829	43,295
Toyota Financial Services							
Capital lease	13,147	0	5,076	8,071	5,320	255	5,575
Capital lease	<u>22,566</u>	<u>0</u>	<u>6,105</u>	<u>16,461</u>	<u>6,373</u>	<u>583</u>	<u>6,956</u>
Total General Fund	<u>8,480,410</u>	<u>0</u>	<u>346,629</u>	<u>8,133,781</u>	<u>406,828</u>	<u>271,439</u>	<u>678,267</u>
NOAA FUND							
Revenue Bond							
Series 2010	<u>21,725,000</u>	<u>0</u>	<u>840,000</u>	<u>20,885,000</u>	<u>870,000</u>	<u>1,127,334</u>	<u>1,997,334</u>
Totals	<u>\$43,985,410</u>	<u>\$ 0</u>	<u>\$1,486,629</u>	<u>\$42,193,781</u>	<u>\$1,741,828</u>	<u>\$1,837,413</u>	<u>\$3,579,241</u>

PORT OF NEWPORT, OREGON

NOTES TO FINANCIAL STATEMENTS
as of June 30, 2016

NOTE 8 - LONG TERM DEBT - Continued

Bonds, Loans and Capital Leases Payable

The general obligation bonds, full faith and credit obligation bond, and State of Oregon loans are direct obligations and pledge the full faith and credit of the Port. The revenue bonds are secured by the NOAA lease revenue and the required reserve was fully funded with bond proceeds. The funds provided by the obligations and the Oregon Coast Bank loans, were and continue to be used for the acquisition, repair and construction of capital assets.

In the fiscal year ending June 30, 2013, the Port obtained financing for construction of the International Terminal. The Port negotiated a \$3,000,000 loan with a \$500,000 grant from the Oregon Infrastructure Finance Authority (IFA), fully drawn down by June 30, 2013. Also additional financing was obtained under a forgivable loan from the State of Oregon Business Development in the amount of \$400,000. The no interest loan is secured by a promissory note and will be forgiven by the State upon meeting the creation of a number of jobs positions by September 2017. If that date is not met, Business Oregon indicated they are flexible on the terms.

In the fiscal year ending June 30, 2013, the Port refinanced two Special Public Works Fund Community Facility loans outstanding of \$2,624,942 and received new funding of \$890,000 deposited into the Construction Fund for improvements to the Port's International Terminal.

On June 16, 2016 the Port issued Series 2016 refunding bonds for \$7,610,000. The amount of \$8,348,133 was sent to the escrow agent for refunding of GO Bond Series 2007 callable portion in the amount of \$4,135,878 and GO Bond Series 2008 callable portion in the amount of \$4,272,080. The Port realized a net present value savings of approximately \$944,963.

General Obligation Bonds of \$7,915,000 are considered to be defeased. Defeased debt is debt legally turned over to an escrow agent with sufficient funding to allow the agent to pay off the debt as it becomes callable.

The Port has various capital leases for certain equipment. The balance outstanding on these leases at June 30, 2016 was \$24,532. The cost of leased equipment was \$56,124, with accumulated depreciation of \$21,814 and net book value of \$34,310.

Below is a summary of the Port's obligations:

	<u>Original Issue</u>	<u>Original Amount</u>	<u>Rates</u>	<u>Payoff Date</u>
GO BONDS				
Series 2007	2007	\$ 5,000,000	4 to 4.25%	7/1/2029
Series 2008	2008	5,000,000	3.5 to 4.25%	7/1/2038
Series 2011	2011	5,452,000	2 to 5.5%	7/1/2041
Series 2016	2016	7,610,000	2 to 4%	1/1/2037
FULL FAITH AND CREDIT OB				
Series 2013	2013	3,410,000	2.45%	6/1/2034

PORT OF NEWPORT, OREGON
NOTES TO FINANCIAL STATEMENTS
as of June 30, 2016

NOTE 8 - LONG TERM DEBT - Continued

Bonds, Loans and Capital Leases Payable

	<u>Original Issue</u>	<u>Original Amount</u>	<u>Rates</u>	<u>Payoff Date</u>
STATE OF OREGON				
Special Public Works				
Loan Q10010	2013	1,300,000	3%	6/1/2032
Loan L00012	2004	86,683	6%	12/1/2024
Loan L0005	2013	3,000,000	3.87%	7/1/2034
Promissory Note	2012	400,000		9/1/2017
Oregon Port Revolving	1999	366,065	6%	6/15/2019
OREGON COAST BANK				
Loan Payable	2014	79,879	7%	11/15/2015
Loan Payable	2014	412,352	6%	7/15/2025
TOYOTA FINANCIAL SERVICES				
Capital Lease	2012	24,767	4.75%	12/2/2017
Capital Lease	2013	31,357	4.30%	1/1/2019
REVENUE BOND				
Series 2010	2010	24,095,000	3 to 6.125%	7/1/2032

* Note that amounts do not represent variable interest debt, but rather stated rates related to various maturities for the respective issuances.

Future maturities are as follows:

Year Ending June 30	General Obligation Bonds	Full Faith & Credit Obl. Bond	State of Oregon Loans	Oregon Coast Bank Loans	Capital Leases	Revenue Bond	Total	Total Interest
2017	\$ 465,000	\$ 185,000	\$ 188,669	\$ 21,466	\$ 11,693	\$ 870,000	\$ 1,741,828	\$ 2,026,087
2018	325,000	190,000	235,924	22,809	9,352	910,000	1,693,085	1,901,983
2019	340,000	200,000	243,471	24,236	3,487	945,000	1,756,144	1,835,746
2020	350,000	205,000	233,069	25,704	0	995,000	1,808,773	1,762,651
2021	355,000	210,000	240,121	27,360	0	1,045,000	1,877,481	1,684,492
2022-26	2,035,000	1,155,000	1,308,355	246,963	0	6,135,000	10,880,318	7,053,022
2027-31	2,495,000	935,000	1,324,775	0	0	8,065,000	12,819,775	4,160,109
2032-36	3,095,000	180,000	699,660	0	0	1,920,000	5,894,666	1,456,907
2037-41	3,715,000	0	0	0	0	0	3,715,000	641,400
Total	\$13,175,000	\$3,260,000	\$4,480,711	\$ 368,538	\$ 24,532	\$20,885,000	42,193,781	\$22,333,723
							Adjustment - current portion	(1,741,828)
							- premium/discounts	(789,519)
							Total long-term debt, net	<u>\$39,662,434</u>

PORT OF NEWPORT, OREGON
NOTES TO FINANCIAL STATEMENTS
as of June 30, 2016

NOTE 9 - RETIREMENT BENEFITS

A. PENSION PLAN - Defined Benefit

Oregon Public Employees Retirement System (PERS)

Plan Description

Employees of the District are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan, the Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report (CAFR) and Actuarial Valuation that can be obtained by writing to: Oregon PERS, PO Box 23700, Tigard OR 97281-3700 or at: http://www.oregon.gov/PERS/EMP/Pages/section/er_general_information/gasb-68.aspx.

1. PERS Tier One/Tier Two Pension (Chapter 238)

Pension Benefits - The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options including survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. 1.67 is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contribution before August 21, 1981), or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or had reached at least 50 years of age before ceasing employment with a participating employer (age 55 general service members). Participants are eligible for retirement after reaching age 55. Tier One general service member benefits are reduced if retirement occurs prior to age 58 with fewer than 25 years of service, Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits - Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided that one or more of the following conditions is met:

1. The member was employed by a OPERS employer at the time of death,
2. The member died within 120 days of after termination of OPERS-covered employment,
3. The member died as a result of injury sustained while employed in a OPERS-covered job, or
4. The member was on an official leave of absence from an OPERS-covered job at the time of death.

PORT OF NEWPORT, OREGON
NOTES TO FINANCIAL STATEMENTS
as of June 30, 2016

NOTE 9 - RETIREMENT BENEFITS - Continued

A. PENSION PLAN - DEFINED BENEFIT

Oregon Public Employees Retirement System (OPERS)

Disability Benefits - A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job related injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty-related disability, service time is computed to age 58 when determining the monthly benefit.

Benefit Changes After Retirement - Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustments (COLAs). The cap on the COLA in fiscal year 2016 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits over \$60,000.

2. OPSRP Defined Benefit Pension Program (238A)

Pension Benefits - The ORS 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age.

General Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65 or age 58 with 30 years of retirement credit.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes at least 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits - Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits - A member who has accrued 10 or more years of retirement credit before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement - Under ORS 238A.210, monthly benefits are adjusted annually through COLAs. The cap on the COLA in fiscal year 2016 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits over \$60,000.

PORT OF NEWPORT, OREGON
NOTES TO FINANCIAL STATEMENTS
as of June 30, 2016

NOTE 9 - RETIREMENT BENEFITS - Continued

A. PENSION PLAN - DEFINED BENEFIT

Oregon Public Employees Retirement System (OPERS)

3. OPSRP Individual Account Program (238A)

Pension Benefits - An OPSRP Individual Account Program (IAP) member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement a member of the OPSRP IAP may receive amounts in his or her employee, rollover, and vested employer accounts as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20- year period or an anticipated lifespan option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits - Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account, rollover account, and vested employer optional contribution account balances. If a retired member dies before the instalment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump sum payment.

Recordkeeping - PERS contracts with Voya Financial to maintain IAP participant records.

Contributions:

The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature. OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the OPERS defined benefit plan and the other Post-Employment Benefit Plans. In some circumstances, payments are made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements. This was not the case for the District for the fiscal year ending June 30, 2016 or for any other periods reflected in these Financial Statements, the Notes to the Financial Statements, or the Supplementary Information section. Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation as subsequently modified by 2015 legislated changes in benefit provisions. The rates, expressed as a percentage of payroll, first became effective July 1, 2015. District contributions for the year ending June 30, 2016 were \$8,986, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2016 were 6.68 percent for Tier One/Tier Two General Service Members, 0.45 percent of OPSRP General Service Members, and 6 percent for OPSRP Individual Account Members.

PORT OF NEWPORT, OREGON
NOTES TO FINANCIAL STATEMENTS
as of June 30, 2016

NOTE 9 - RETIREMENT BENEFITS - Continued

A. PENSION PLAN - DEFINED BENEFIT

Oregon Public Employees Retirement System (OPERS)

Net Pension Liability

At June 30, 2016, the District reported a net pension liability of \$163,496 for its proportionate share of the system-wide pension liability. The net pension liability was measured as of June 30, 2015, and the system-wide pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013 rolled forward to June 30, 2015. The District's proportionate share of the system-wide net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected long-term contributions of all participating employers, actuarially determined. These proportion percentages for the District were 0.002784764 and 0.007526890 for the fiscal years ending June 30, 2015 and 2014 respectively. For the year ended June 30, 2016, the District recognized pension expense (income) of \$123,449. At June 30, 2016, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 8,817	\$ 0
Net difference between projected and actual earnings on investments	0	34,272
Changes in proportionate share	0	80,339
Contributions made subsequent to measurement date	8,986	0
Differences between employer contributions and employer's proportionate share of system contributions	<u>0</u>	<u>37,112</u>
Total	<u>\$ 17,803</u>	<u>\$ 151,723</u>

Deferred outflows of resources of \$8,986 relates to pensions resulting from District contributions subsequent to the measurement date to be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other pension amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expenses as follows:

PORT OF NEWPORT, OREGON

NOTES TO FINANCIAL STATEMENTS
as of June 30, 2016

NOTE 9 - RETIREMENT BENEFITS - Continued

A. PENSION PLAN - DEFINED BENEFIT

Oregon Public Employees Retirement System (OPERS)

Year Ended <u>June 30</u>	<u>Deferred Outflow/(Inflow)</u> <u>of resources (prior to post-</u> <u>measurement date contributions)</u>
2017	\$ (42,480)
2018	(42,480)
2019	(42,480)
2020	(8,181)
2021	(7,286)
Thereafter	<u>0</u>
 Total	 <u>\$ (142,907)</u>

Actuarial Valuations

The employer contribution rates effective July 1, 2013, through June 30, 2015 and effective July 1, 2015, through June 30, 2017, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by employees during the current service year) and (2), an amount for the amortization of unfunded accrued actuarial liabilities, which are being amortized over a fixed period with new unfunded accrued actuarial liabilities being amortized over 20 years. For the OPSRP Pension Program component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by employees during the current service year) and (b) an amount for the amortization of unfunded accrued actuarial liabilities, which are being amortized over a fixed period with new unfunded accrued actuarial liabilities being amortized over 16 years. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions:

PORT OF NEWPORT, OREGON
NOTES TO FINANCIAL STATEMENTS
as of June 30, 2016

NOTE 9 - RETIREMENT BENEFITS - Continued

A. PENSION PLAN - DEFINED BENEFIT

Oregon Public Employees Retirement System (OPERS)

Actuarial Valuations

Valuation Date	December 31, 2013, rolled forward to June 30, 2014
Measurement Date	June 30, 2015
Experience Study Report	2014, published September 2015
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.75 percent
Investment Rate of Return	7.75 percent
Discount Rate	7.75 percent
Projected Salary Increases	3.75 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and grade COLA
Mortality	<p>Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probabilities of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about future results. Experience studies were performed as of December 31 on even numbered years. The methods and assumptions shown above are based on the 2014 experience study, which reviewed experience for the four-year period ending December 31, 2014.

PORT OF NEWPORT, OREGON

**NOTES TO FINANCIAL STATEMENTS
as of June 30, 2016**

NOTE 9 - RETIREMENT BENEFITS - Continued

A. PENSION PLAN - DEFINED BENEFIT

Oregon Public Employees Retirement System (OPERS)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class/Strategy</u>	<u>Assumed Asset Allocation</u>		
	<u>Low Range</u>	<u>High Range</u>	<u>OIC Target</u>
Cash	0.0%	3.0%	0.0%
Debt securities	15.0	25.0	20.0
Public equity	32.5	42.5	37.5
Private equity	16.0	24.0	20.0
Real estate	9.5	15.5	12.5
Alternative equity	0	10.0	10.0
Opportunity portfolio	0	3.0	0
Total			100.0%

PORT OF NEWPORT, OREGON
NOTES TO FINANCIAL STATEMENTS
as of June 30, 2016

NOTE 9 - RETIREMENT BENEFITS - Continued

A. PENSION PLAN - DEFINED BENEFIT

Oregon Public Employees Retirement System (OPERS)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	7.20%	4.50%
Short-Term Bonds	8.00%	3.70%
Intermediate-Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equities	20.00%	8.26%
Opportunity Funds/Absolute Return	5.00%	6.01%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	<u>1.25%</u>	6.07%
Total	<u><u>100.00%</u></u>	
Assumed Inflation - Mean		2.75%

PORT OF NEWPORT, OREGON
NOTES TO FINANCIAL STATEMENTS
as of June 30, 2016

NOTE 9 - RETIREMENT BENEFITS - Continued

A. PENSION PLAN - DEFINED BENEFIT

Oregon Public Employees Retirement System (OPERS)

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Discount Rate

The following presents the District's net pension liability calculated using the discount rate of 7.75 percent, as well as what the District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent) and one percentage point higher (8.75 percent) than the current rate:

	<u>1% Decrease (6.75)%</u>	<u>Current Disc. Rate (7.75)%</u>	<u>1% Increase (8.75)%</u>
Net Pension Liability (Asset)	<u>\$ 394,592</u>	<u>\$ 163,496</u>	<u>\$ (31,257)</u>

Changes in Plan Provisions from Prior Measurement Date

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS will make restoration payments to those benefit recipients. OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. This change in benefit terms were reflected in the current valuation.

Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2015 measurement date.

PORT OF NEWPORT, OREGON

**NOTES TO FINANCIAL STATEMENTS
as of June 30, 2016**

NOTE 9 - RETIREMENT BENEFITS - Continued

B. RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA)

Plan Description

As a member of OPERS, the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing, multiple-employer defined benefit other post-employment benefit plan (OPEB) administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. OPERS issues a publicly available financial report that may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700.

Funding Policy

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating municipal corporations are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.53 and 0.45 percent of annual covered payroll for OPERS members and OPSRP respectively. The OPERS Board of sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the years ended June 30, 2016, 2015, and 2014 were paid and equaled the required contributions for each year.

PORT OF NEWPORT, OREGON

NOTES TO FINANCIAL STATEMENTS
as of June 30, 2016

NOTE 10 - OTHER INFORMATION

Risk Management

The Port is exposed to various risks of loss related to theft of; damage to and destruction of assets; torts; errors and omissions; injuries to employees; and natural disasters. The Port purchases commercial insurance for such risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Evaluation of Subsequent Events

In October 2015, the Port received a \$2 million grant from the federal US Department of Transportation (USDOT) toward rehabilitating the international shipping terminal. The award has a matching requirement which the Port was awarded from US Economic Development Administration (EDA). The full upgrading project is \$6.5 million for developing a wetlands mitigation site, upgrading the ten acre site and improvements to Southeast Bay Boulevard.

In November of 2016, USDOT extended



The Port has evaluated subsequent events through December 14, 2016, the date which the financial statements were available to be issued.

**PORT OF NEWPORT
OREGON**

REQUIRED SUPPLEMENTAL INFORMATION

PORT OF NEWPORT, OREGON

**SCHEDULE OF THE PORT'S PROPORTIONATE SHARE OF THE NET
PENSION LIABILITY as of June 30, 2016**

OREGON PUBLIC EMPLOYEE RETIREMENT SYSTEM

	<u>2016</u>	<u>2015</u>
Port's proportion of the net pension liability (asset)	0.00285%	0.00753%
Port's proportionate share of the net pension liability (asset)	163,496	(170,613)
Port's covered employee payroll	607,922	689,517
Port's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	26.9%	(24.7)%
Plan's net fiduciary position as a percentage of the total pension liability	91.9%	103.6%

PORT OF NEWPORT, OREGON
SCHEDULE OF THE PORT'S CONTRIBUTIONS
as of June 30, 2016

OREGON PUBLIC EMPLOYEE RETIREMENT SYSTEM

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 8,986	\$ 21,005
Contributions in relation to the contractually required contribution	<u>14,539</u>	<u>21,371</u>
Contribution deficiency (excess)	<u>\$ (5,553)</u>	<u>\$ (366)</u>
Port's covered-employee payroll	\$ 736,082	\$ 607,922
Contributions as a percentage of covered-employee payroll	1.98%	3.52%

PORT OF NEWPORT, OREGON

NOTES TO THE SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AND CONTRACTUALLY REQUIRED CONTRIBUTIONS for the Year Ended June 30, 2016

Changes in Benefit Terms

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS will make restoration payments to those benefit recipient.

OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

This is a change in benefit terms not included in the net pension liability (asset) proportionate shares provided by OPERS for the years ending June 30, 2015 and June 30, 2014.

Changes in Assumptions

Details and a comprehensive list of changes and methods and assumptions can be found in the 2012 and 2014 Experience Studies for the System, which were published on September 18, 2013 and September 23, 2015. These reports can be found at: http://www.oregon.gov/pers/Pages/section/financial_reports/mercereports.aspx.

**PORT OF NEWPORT
OREGON**

SUPPLEMENTAL INFORMATION

PORT OF NEWPORT, OREGON

DESCRIPTION OF BUDGETARY FUNDS

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances requires budget and actual be displayed for each fund where legally adopted budgets are required:

Budgetary comparison schedules include the following funds:

General Operating Fund

The fund is used to account for the financial resources of the Port that are not accounted for in any other fund. Principal sources of revenue are from property taxes, service fees and lease revenue. Primary expenditures are for maintenance and general administration.

Bonded Debt Fund

The fund accounts for the redemption of general obligation bonds and interest thereon. The principal source of revenue is property taxes.

Facilities Maintenance Fund

The fund is used to account for the accumulation of funds for the maintenance, repairs and capital improvements.

Construction Fund

The fund is used for capital improvements and acquisitions.

NOAA Lease Revenue Fund

The fund accounts for expenditures relating to capital improvements for the NOAA MOC-P facility. Primary resources were initially proceeds from the Revenue Bond and grant funding. Current resources consist primarily of lease payments. This fund services the bond repayment and covers facilities maintenance costs over the term of the lease.

PORT OF NEWPORT, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL for the Year Ended June 30, 2016**

GENERAL OPERATING FUND

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Moorage	\$ 1,273,600	\$ 1,233,497	\$ (40,103)
Leases	608,051	611,004	2,953
RV park	610,000	767,746	157,746
Terminals	231,500	19,287	(212,213)
Hoist dock	0	542,140	542,140
Intergovernmental	183,000	1,800	(181,200)
Launch ramp	62,000	73,596	11,596
Property taxes	92,350	100,240	7,890
Interest	2,500	6,850	4,350
Miscellaneous	84,200	98,895	14,695
Total revenues	<u>3,147,201</u>	<u>3,455,055</u>	<u>307,855</u>
EXPENDITURES			
Personnel services	1,143,935	1,040,549	103,386
Materials and services	1,527,507	1,199,989	327,518
Capital outlay	215,000	20,345	194,655
Debt service	637,033	637,069	(36)
Operating contingency	200,000	0	200,000
Total expenditures	<u>3,723,475</u>	<u>2,897,952</u>	<u>825,523</u>
Excess (def) of revenues over expenditures	(576,274)	557,103	1,133,377
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>
Excess (def) of revenues over expenditures	(676,274)	457,103	1,133,377
Unappropriated ending fund balance	(919,859)	0	919,859
FUND BALANCE - Beginning of year (Budget)	<u>1,596,133</u>	<u>1,415,035</u>	<u>(181,098)</u>
FUND BALANCE - End of year (Budget)	<u>\$ 0</u>	1,872,138	<u>\$ 1,872,138</u>
GAAP ADJUSTMENTS - Reconciled to June 2015		77,224,909	
Capital asset activity			
Additions		20,345	
Transfers in		184,501	
Depreciation		(3,267,515)	
Bond payments		346,629	
Interest accrued		5,484	
Amortization		6,776	
Pension activity, net		<u>(147,940)</u>	
FUND BALANCE - End of year (GAAP)		<u>\$ 76,245,327</u>	

PORT OF NEWPORT, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL for the Year Ended June 30, 2016**

BONDED DEBT FUND

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 927,022	\$ 973,055	\$ 46,033
Interest	150	1,031	881
Miscellaneous	<u>0</u>	<u>3,705</u>	<u>3,705</u>
Total revenues	927,172	977,791	50,619
EXPENDITURES			
Debt service	<u>927,172</u>	<u>756,789</u>	<u>170,383</u>
Excess (def) of revenues over expenditures	0	221,002	221,002
OTHER FINANCING SOURCES (USES)			
Proceeds of refunding bonds	0	8,348,134	(8,348,134)
Payent to refunded bond escrow agent	<u>0</u>	<u>(8,348,134)</u>	<u>(8,348,134)</u>
Excess (def) of revenues over expenditures	0	221,002	221,002
FUND BALANCE - Beginning of year (Budget)	<u>0</u>	<u>166,326</u>	<u>166,326</u>
FUND BALANCE - End of year (Budget)	<u>\$ 0</u>	387,328	<u>\$ 387,328</u>
GAAP ADJUSTMENTS - Reconciled to June 2015		(13,634,582)	
Bond payments		300,000	
Bond issuance costs		(229,284)	
Amortization		<u>(13,329)</u>	
FUND BALANCE - End of Year (GAAP)		<u>\$ (13,189,867)</u>	

PORT OF NEWPORT, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL for the Year Ended June 30, 2016**

FACILITIES MAINTENANCE FUND

	Original and Final Budget	Actual	Variance
REVENUES			
Interest	\$ 125	\$ 185	\$ 60
EXPENDITURES			
Contingency	24,000	0	24,000
Capital outlay	<u>166,125</u>	<u>99,785</u>	<u>66,340</u>
Total expenditures	<u>190,125</u>	<u>99,785</u>	<u>(90,340)</u>
Excess (def) of revenues over expenditures	(190,000)	(99,600)	90,400
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>250,000</u>	<u>125,000</u>	<u>(125,000)</u>
Excess (def) of revenues over expenditures	60,000	25,400	(34,600)
Reserve for future expenditures	(100,000)	0	100,000
FUND BALANCE - Beginning of year (Budget)	<u>40,000</u>	<u>48,378</u>	<u>8,378</u>
FUND BALANCE - End of year (Budget)	<u>\$ 0</u>	73,778	<u>\$ 73,778</u>
GAAP ADJUSTMENTS			
Capital asset acquisition		94,997	
Transfer		<u>(94,997)</u>	
FUND BALANCE - End of Year (GAAP)		<u>\$ 73,778</u>	

PORT OF NEWPORT, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL for the Year Ended June 30, 2016**

CONSTRUCTION FUND

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	\$ 100	\$ 376	\$ 276
EXPENDITURES			
Capital outlay	<u>500,100</u>	<u>79,414</u>	<u>420,686</u>
Excess (def) of revenues over expenditures	<u>(500,000)</u>	<u>(79,038)</u>	<u>420,962</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	500,000	0	(500,000)
Transfers out	<u>(150,000)</u>	<u>(25,000)</u>	<u>125,000</u>
Total other financing sources (uses)	<u>350,000</u>	<u>(25,000)</u>	<u>(375,000)</u>
Excess (def) of revenues over expenditures	(150,000)	(104,038)	45,962
FUND BALANCE - Beginning of year (Budget)	<u>150,000</u>	<u>183,267</u>	<u>33,267</u>
FUND BALANCE - End of year (Budget)	<u>\$ 0</u>	79,229	<u>\$ 79,229</u>
GAAP ADJUSTMENTS			
Capital asset acquisition		79,414	
Transfer		<u>(79,414)</u>	
FUND BALANCE - End of Year (GAAP)		<u>\$ 79,229</u>	

PORT OF NEWPORT, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL for the Year Ended June 30, 2016**

NOAA LEASE REVENUE FUND

	Original and Final Budget	Actual	Variance
REVENUES			
Leases	\$ 2,542,000	\$ 2,541,138	\$ (862)
Interest	10,500	10,572	72
Miscellaneous	<u>0</u>	<u>14,845</u>	<u>14,845</u>
 Total revenues	 <u>2,552,500</u>	 <u>2,566,555</u>	 <u>14,056</u>
 EXPENDITURES			
Personnel services	109,660	97,394	12,266
Materials and services	605,120	296,786	308,334
Capital outlay	56,000	10,090	45,910
Debt service	1,999,434	1,999,434	0
Contingency	<u>100,000</u>	<u>0</u>	<u>100,000</u>
 Total expenditures	 <u>2,870,214</u>	 <u>2,403,704</u>	 <u>466,510</u>
 Excess (def) of revenues over expenditures	 (317,714)	 162,851	 480,565
 OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(500,000)</u>	<u>0</u>	<u>500,000</u>
 Excess (def) of revenues over expenditures	 (817,714)	 162,851	 980,565
 Unappropriated ending fund balance	 (4,784,596)	 0	 4,784,596
 FUND BALANCE - Beginning of year (Budget)	 <u>5,602,310</u>	 <u>5,565,928</u>	 <u>(36,382)</u>
 FUND BALANCE - End of year (Budget)	 <u>\$ 0</u>	 5,728,779	 <u>\$ 5,728,779</u>
 GAAP ADJUSTMENTS - Reconciled to June 2015		(22,027,380)	
Capital asset activity			
Additions		10,090	
Transfers		(10,090)	
Interest accrued		22,438	
Amortization		(11,581)	
Bond payment		840,000	
Pension activity, net		<u>24,491</u>	
 FUND BALANCE - End of year (GAAP)		 <u>\$ (15,423,253)</u>	

PORT OF NEWPORT OREGON

RECONCILIATION OF REVENUES AND EXPENDITURES (BUDGETARY BASIS) TO THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION for the Year Ended June 30, 2016

	<u>Total</u> <u>Revenues</u>	<u>Total</u> <u>Expenditures</u>	<u>Net</u>
Budgetary Basis			
General Operating Fund	\$ 3,455,055	\$ 2,997,952	\$ 457,103
Bonded Debt Fund	9,325,925	9,104,923	221,002
Facilities Maintenance Fund	125,185	99,785	25,400
Construction Fund	376	104,414	(104,038)
NOAA Lease Revenue Fund	<u>2,566,555</u>	<u>2,403,704</u>	<u>162,851</u>
 Total budgetary basis	 <u>\$ 15,473,096</u>	 <u>\$ 14,710,778</u>	 762,318
 Add (Deduct) Items to Reconcile to Net Income on a Financial Reporting Basis			
Capital asset activity			
Capital outlay			204,846
Depreciation			(3,267,515)
Payment of long-term debt			1,486,629
Accrued interest			27,922
Debt issue costs			(229,284)
Amortization of bond premium/discount			(18,134)
Pension			<u>(123,449)</u>
 Change in net position			 (1,156,667)
 NET POSITION - Beginning of year			 <u>48,941,881</u>
 NET POSITION - End of year			 <u>\$ 47,785,214</u>

**PORT OF NEWPORT
OREGON**

COMPLIANCE SECTION

December 14, 2016

**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS**

Board of Commissioners
Port of Newport
Newport, Oregon

I have audited the basic financial statements of the Port of Newport as of and for the year ended June 30, 2016, and have issued my report thereon December 14, 2016. I conducted my audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Port of Newport financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion.

I performed procedures to the extent I considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Accounting records and related internal control structure.
- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).
- Programs funded from outside sources.

In connection with my testing nothing came to my attention that caused me to believe the Port of Newport was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the following as noted below:

General Operating Fund - Debt Service overexpended by \$36.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Port of Newport's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Port of Newport's internal control. Accordingly, I do not express an opinion on the effectiveness of Port of Newport's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of This Report

This report is intended solely for the information and use by the Commissioners and management of Port of Newport, Oregon and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

SIGNE GRIMSTAD
Certified Public Accountant

**PORT OF NEWPORT
RESOLUTION NO. 2016-12**

**A RESOLUTION ADOPTING A PERSONNEL MANUAL FOR PORT OF NEWPORT
EMPLOYEES.**

WHEREAS, the Port of Newport By-laws for the Port of Newport requires the Commission to create personnel rules by resolution; and

WHEREAS, the Port Commission adopted a Personnel Manual on March 28, 2000 and has amended the personnel policies periodically; and

WHEREAS, the Personnel Manual sets forth the policies, practices and procedures that are to be followed by the Port of Newport in the administration of its personnel program, and are authorized by the By-laws for the Port of Newport Board of Commissioners, Ordinance No. 100, adopted May 22, 2014; **NOW THEREFORE**

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

- Section 1.** Adopt the Personnel Manual (Exhibit A).
- Section 2.** Staff is directed to codify this policy according to past administrative practices.
- Section 3.** Prior versions of the Personnel Manual are hereby repealed.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 20th day of December, 2016.

ATTEST:

Walter Chuck, President

Patricia Patrick-Joling, Secretary/Treasurer



PERSONNEL MANUAL

Resolution No. 2016-12

Personnel Manual 2016.12.20

PORT OF NEWPORT PERSONNEL MANUAL

Table of Contents

Table of Contents	1
Chapter 1. General Provisions.....	5
1.1 Introduction.....	5
1.2 Purpose and Objectives.....	5
1.3 Variances.....	5
1.4 Career Service.....	5
1.5 Organization for Personnel Administration.....	6
1.6 Adoption and Amendment of Rules.....	6
1.7 At-Will Employment.....	6
Chapter 2. Definitions.....	6
2.1 Definitions.....	6
Chapter 3. The Classification Plan	9
3.1 Adoption and Maintenance of Plan.....	9
3.2 Purpose.....	10
3.3 Amendment of Plan.....	10
3.4 Allocation of Positions.....	10
3.5 Class Descriptions.....	10
3.6 Use of Class Titles.....	11
3.7 Appeal of Allocations.....	11
Chapter 4. The Compensation Plan.....	11
4.1 Maintenance of Plan.....	11
4.2 Administration of Plan.....	11
4.3 Employee Performance Evaluation.....	12
4.4 Cost of Living Adjustment Increases.....	13
4.5 Step Adjustments.....	13
4.6 Partial Monthly Pay.....	13
4.7 Rates of Pay.....	13
4.8 Pay Day.....	13
4.9 Overtime Policy.....	14
4.10 Working Out of Class.....	15

Chapter 5. Travel	15
5.1 Within the County.....	15
5.2 Outside the County.....	15
Chapter 6. Applications and Screening	16
6.1 Announcements.....	16
6.2 Applications.....	16
6.3 Qualifications and Screening of Applicants.....	16
6.4 Life of Applications.....	16
Chapter 7. Appointments, Promotions, Reappointments, Transfers.....	17
7.1 Filling Vacant Positions.....	17
7.2 Order of Consideration in Filling Vacant Positions.....	17
7.3 Types of Appointments.....	17
7.4 Nepotism.....	18
Chapter 8. Probationary Period	18
8.1 Purpose.....	18
8.2 Duration.....	18
8.3 Action at End of Probationary Period.....	18
8.4 Fringe Benefit Status during Probationary Period.....	18
8.5 Salary Consideration during the Probationary Period.....	19
Chapter 9. Continuous Service Date.....	19
9.1 Continuous Service Date Defined.....	19
9.2 Use of Continuous Service Date.....	19
9.3 Adjustment of Continuous Service Date.....	19
9.4 Restoration of Service Credit.....	19
Chapter 10. Cost Consciousness	19
10.1 General.....	19
10.2 Purchases.....	19
Chapter 11. Conduct, Discipline, Appeals, Resignations and Layoffs.....	20
11.1 Employee Conduct Generally.....	20
11.2 Improper Employee Conduct.....	20
11.3 Drug and Alcohol Policy.....	21
11.4 Progressive Corrective Action.....	23
11.5 Appeals from Disciplinary Action.....	24
11.6 Resignations.....	24
11.7 Layoffs.....	24

Chapter 12. Dispute Resolution	25
12.1 Policy.	25
12.2 Grievance Defined.	25
12.3 Procedure.	25
12.4 General Provisions	26
Chapter 13. Attendance, Holidays, Paid Time Off (PTO), Leaves of Absence, and Compassionate Leave	26
13.1 Work Week and Hours of Work.	26
13.2 Holidays.	26
13.3 Paid Time Off (PTO).	27
13.4 Long-Term Illness.	28
13.5 Bereavement Leave.	29
13.6 Weather-Related Leave.	29
13.7 Other Leaves of Absence with Pay.	30
13.8 Other Leaves of Absence without Pay.	30
13.9 Absence without Leave.	30
13.10 Uniformed Service Leave and Re-Employment.	30
13.11 Crime Victims' Leave.	31
13.12 Domestic Violence Leave.	32
Chapter 14. Training	33
14.1 General Policy.	33
14.2 Orientation of New Employees.	33
14.3 Time of Training Periods.	33
14.4 Types of Training.	33
14.5 Tuition Aid.	33
Chapter 15. Safety and Health Policy.....	34
15.1 Safety and Health Manual.....	34
Chapter 16. Outside Work Policy	34
16.1 Definition of Outside Work.	34
16.2 Outside Work.....	34
Chapter 17. Identity Theft Protection Policy.....	34
17.1 Safeguarding Personal Information.	34
17.2 Notification of Security Breach.	34
17.3 Steps to be taken to Safeguard Sensitive Documents.	34
Chapter 18. Electronic Communications	35
18.1 Electronic Communications Systems.	35
18.2 Electronic Mail System.....	36

18.3	Computers.	36
18.4	Telephone Usage.	36
18.5	Voicemail System.....	36
18.6	Cell Phone and Radio Use.	36
Chapter 19.	Vehicle Use Policy	37
19.1	Purpose and Scope.	37
19.2	Policy	37
19.3	General Rules Governing Port District Vehicle Use.....	38
19.4	Reporting and Investigating Accidents.....	39
Chapter 20.	Legal Liability	39
20.1	General.	39
Chapter 21.	Other Policies, Etc.	40
21.1	No Solicitation Policy.	40
21.2	No Distribution Policy.	40
21.3	Policy Against Harassment.	40
21.4	Americans with Disabilities Act.	41

Chapter 1. General Provisions

1.1 Introduction. These rules set forth the policies, practices and procedures that are to be followed by the Port of Newport in the administration of its personnel program, and are authorized by the By-laws for the Port of Newport Board of Commissioners, Ordinance No. 100, adopted May 22, 2014.

1.2 Purpose and Objectives. The purpose of these rules is to provide procedures and regulations to ensure uniformity and equity in personnel matters which will make career employment with the Port desirable and encourage each employee to give the best service possible to the Port. The objectives are:

- (a) Provide and maintain a system of personnel administration, including appeal procedures in which the appointment of persons in and the dismissal of persons from Port employment shall be effected on the basis of merit and fitness.
- (b) Establish and maintain a position classification plan which shall group all positions in the Port into classes based upon their duties, authorities and responsibilities.
- (c) Provide for a compensation plan which shall include for each class a minimum and maximum rate and such intermediate rates as are considered necessary and equitable.
- (d) Provide just and equitable incentives and conditions of employment to promote efficiency, economy and public responsiveness in the operation of the Port.
- (e) Provide that the tenure of employees covered by these policies shall be subject to good behavior, satisfactory performance of work, necessity for the performance of work and the availability of funds.
- (f) Provide the hours of work, leave, safety, training, schooling, working conditions, transfers, promotions, and other matters affecting the status of employees of the Port.

1.3 Variances. The General Manager shall have the discretion to vary or modify the strict application of the provisions of the rules in any case in which the strict application of said provisions would result in practical difficulties or unnecessary hardships. The General Manager shall not be required by any personnel to exercise their judgment or discretion to vary or modify any rule or policy.

1.4 Career Service. All offices described herein by the classification plan are considered Career Service positions. These Personnel Rules apply to Career Service, though chapters of this Manual may be used as guidelines for other Port positions not considered Career Service. The following positions are not considered Career Service:

- (a) Members of the Port of Newport Board of Commissioners, Budget Committee or other unpaid, appointed volunteers.
- (b) Consultants and counsel rendering professional services on an as-required basis.
- (c) Persons employed to render the Port service of occasional character.

- (d) Positions involving temporary or part-time employment as defined in these Personnel Rules.

1.5 Organization for Personnel Administration.

- (a) Administration. Administration of the personnel programs established by these rules shall be the responsibility of the General Manager. The General Manager shall:
 - (1) Administer all provisions of these rules.
 - (2) Prepare and recommend revisions and amendments to the rules.
 - (3) Meet from time to time with employees of the Port to consider information, as well as suggestions and recommendations regarding the personnel policies and practices of the Port.
- (b) Engaging Necessary Services. The General Manager may, with the consent of the Board of Commissioners, obtain on behalf of the Port, necessary services from persons or agencies competent in personnel administration.
- (c) Departmental Personnel Representative. Department Heads and Supervisors will assist in the administration of the personnel program.

1.6 Adoption and Amendment of Rules. The General Manager shall present to the Board of Commissioners such amendments, changes and additions as may be necessary in resolution form.

1.7 At-Will Employment. The Port of Newport is an at-will employer. At-will employment means that the employer can terminate an employee at any time for any reason or no reason, and that an employee is equally free to terminate employment.

Chapter 2. Definitions

2.1 Definitions. Certain terms in these rules are defined as follows and shall have the meaning indicated:

- (a) ADVANCEMENT: A salary increase within the limits of a pay range established for a class.
- (b) ALLOCATION: The assignment of an individual position to an appropriate classification on the basis of the type, difficulty and responsibility of the work actually performed in the position.
- (c) ANNIVERSARY DATE: One year from the beginning of employment to include the probationary period.
- (d) APPOINTING POWER: The General Manager or department head to which authority is delegated to make the appointment to fill a vacant position.
- (e) APPOINTMENT: The filling by a department head of a position with an applicant properly authorized by the General Manager. Appointments include several types:

temporary, part-time, probationary, and career. Each of these categories is explained in [Chapter 7](#) of these rules.

- (f) **BOARD OF COMMISSIONERS**: Elected officials of the Port of Newport.
- (g) **CAREER SERVICE**: The Career Service is comprised of all budgeted offices and positions in the Port defined by class specification.
- (h) **CLASS OR CLASSIFICATION**: A group of positions in the Port sufficiently alike in duties, authority and responsibilities that the same qualifications may reasonably be required for, and the same schedule of pay can be equitably applied to, all positions in the group.
- (i) **CLASS SPECIFICATION**: The written description of each class, containing a title, statement of duties and objectives, authority, responsibilities and the minimum qualifications for the class. Positions, not the individual, are classified.
- (j) **CONTINUOUS SERVICE**: Uninterrupted employment with the Port. Reasonable absences due to military service or extended leaves approved by the General Manager do not constitute a break in continuous employment.
- (k) **DEMOTION**: The movement of an employee from a position in one class to a position in another class having a lower salary range. A voluntary demotion is one initiated by an employee. An involuntary demotion is one initiated by the appointing power.
- (l) **DEPARTMENT**: A major functional unit of the Port.
- (m) **DEPARTMENT HEAD**: A person directly responsible to the General Manager, Director of Operations or Director of Finance for the administration of a department.
- (n) **DISCIPLINARY & CORRECTIVE ACTION**: Imposition of certain personnel actions, e.g., reprimand, warning, suspension, dismissal, demotion, as a result of detrimental conduct.
- (o) **DISMISSAL**: Termination of employment with the Port for reasons attributable to employee conduct.
- (p) **DUTY DAY**: Any day on which an employee is scheduled to be available for work.
- (q) **EMPLOYEE**: Anyone who has been hired to work for the Port.
- (r) **EXEMPT STATUS**: Career Service positions that have met federal and state “duties tests” to be classified as exempt employees. Exempt status of a Career Service position can be found in the Classification Plan.
- (s) **FISCAL YEAR**: Twelve- (12) month period beginning July 1 and ending June 30.
- (t) **GRIEVANCE**: A grievance is defined as a difference of opinion regarding the application or interpretation of these rules.

- (u) **HOLIDAY**: The period between twelve (12) midnight and twelve (12) midnight of the day on which a holiday falls.
- (v) **HOURLY RATE**: Rate of compensation for each hour of work performed. It is determined by dividing the annual regular salary by the regular number of hours worked each year (2,080 hours).
- (w) **IMMEDIATE FAMILY**: The husband, wife, domestic partner, son, daughter, father, mother, brother, sister, father-in-law, mother-in-law, grandparents; or other relative living in the employee's household.
- (x) **LAYOFF**: A separation from employment because of shortage of funds or materials, lack of work, organization changes, or for other reasons not reflecting discredit on an employee and for reasons outside of their control.
- (y) **LEAVE OF ABSENCE**: Time off from work for reasons within the scope and purpose of these rules and regulations upon prior approval of the Port General Manager.
- (z) **GENERAL MANAGER**: The Chief Executive Officer of the Port who is responsible to the Board of Commissioners for the proper administration of Port affairs.
- (aa) **MANAGEMENT**: The management team is made up of Directors and Supervisors.
- (bb) **MAY**: May is permissive.
- (cc) **NON-OCCUPATIONAL DISABILITY**: Disability from an accident or sickness suffered or contracted by the employee which cannot be attributed to the performance of assigned duties.
- (dd) **OCCUPATIONAL DISABILITY**: Disability from an accident or sickness suffered or contracted by the employee as a result of the performance of assigned duties.
- (ee) **OVERTIME**: Overtime shall be considered as time worked in excess of the regularly scheduled work week. See [Chapter 4.9](#).
- (ff) **PART-TIME APPOINTMENT/EMPLOYEES**: Appointments requiring someone less than full time on either a daily or weekly basis.
- (gg) **PERSONNEL ACTION**: Any action taken with reference to appointment, compensation, promotion, transfer, layoff, dismissal, or any other action affecting status of employment.
- (hh) **PERSONNEL FILE/RECORDS**: Confidential files which contain complete personnel records of all Port employees.
- (ii) **PERSONNEL RESOLUTION**: Resolution adopted by the Board of Commissioners establishing or amending a system of personnel administration.

- (jj) **PROBATIONARY PERIOD**: A working test period of six (6) full calendar months during which an employee is required to demonstrate, by actual performance of duties, their fitness of the position to which they have been appointed.
- (kk) **PROMOTION**: The change of position of an employee from a position in one class to a position in another class having a higher salary range.
- (ll) **RECLASSIFICATION**: A change in allocation of an individual position by raising it to a higher class, reducing it to a lower class, or by moving it to another class at the same level on the basis of significant changes in the type, difficulty, or responsibility of the work performed in such position.
- (mm) **RE-EMPLOYMENT**: The appointment of an individual who previously held career status and who resigned.
- (nn) **SHALL**: Shall is mandatory.
- (oo) **STEP INCREASE**: An annual increase in salary based on meritorious job performance and availability of funds.
- (pp) **SUPERVISOR**: Any person who is responsible to a higher departmental level of authority and who directs the work of others.
- (qq) **SUSPENSION**: The temporary separation of an employee from their duties without pay for disciplinary purposes.
- (rr) **TEMPORARY APPOINTMENT/EMPLOYEES**: Limited to six (6) full calendar months to prevent undue delay or interference with the provision of necessary public service or when a short-term increase in workload requires additional employees. Temporary employees are ineligible for employer-paid discretionary benefits unless mandatory under the law.
- (ss) **TRANSFER**: The movement of an employee from one position to another position of the same class or of another class having a same maximum salary range, involving the performance of similar duties, and requiring essentially the same basic qualifications.
- (tt) **VACANCY**: A duly created position which is not occupied and for which funds have been provided.
- (uu) **WORK DAY**: The regularly scheduled work day shall be eight (8) hours unless seasonally adjusted to ten (10) hours.
- (vv) **WORK WEEK**: The regularly scheduled work week shall be forty (40) hours in a seven (7) day period of time.

Chapter 3. The Classification Plan

3.1 Adoption and Maintenance of Plan. The General Manager shall be responsible for formulating and maintaining a position classification plan, which shall group all positions in the Career Service into classes based upon their duties, authority and responsibilities. The General

Manager may allocate positions to the appropriate class and may make revisions in the classification plan.

3.2 Purpose. The purpose of the classification plan is to provide a complete and continuous inventory of all positions in the Career Service and to provide accurate job descriptions and specifications for each class of employment. The classification plan shall be so developed and maintained that all positions substantially similar with respect to duties, responsibilities, authority and character of work are included within the same class, and that the same schedules of compensation may be made to apply with equity under like working conditions to all positions in the same class. The classification plan shall be an appendix to the Personnel Manual.

3.3 Amendment of Plan. The General Manager shall be responsible for keeping the classification plan current through periodic studies of the positions within the Port; however, a department head or employee may initiate a request to amend the classification plan. If the General Manager finds that substantial change in organization, creation or change of position, or other pertinent conditions make necessary the addition, abolishment, consolidation, division or amendment of the classification plan, such change may be introduced by the General Manager to the Commission at the next regular meeting via resolution. The change shall become a part of this "Personnel Manual."

3.4 Allocation of Positions.

- (a) New Positions. When a department head desires to establish the classification of a new position, a description of the duties and responsibilities of the position shall be submitted to the General Manager in order that a determination of the proper classification may be made.
- (b) Reclassification of Positions. Whenever a department head desires to make any permanent and substantial change in the duties, authority, or responsibilities of a position, written notification of the proposed change shall be submitted to the General Manager for determination, if any, on the classification of the position. Positions may be reclassified whenever the duties of the position change materially, provided however, that any reclassification can be accomplished within the limitations of the current budget of the Port.

3.5 Class Descriptions.

- (a) Content of Specifications. Each class specification shall include the class title, a description of the duties and responsibilities of the work, and a statement of the minimum qualifications a person should possess to perform the work with reasonable prospects of success.
- (b) Interpretation of Specifications. Each class shall have a specification that includes a concise, descriptive title, and a description of the duties and responsibilities of each position in the class. Position specifications take into consideration the requirements of the job and are merely descriptive and explanatory of the work to be performed. They may not include all of the duties and are not intended to replace detailed work assignments. Each position shall be allocated to an appropriate class on the basis of the duties and responsibilities of the position.

- (c) Minimum Qualifications Statements. Personal qualifications commonly required of an employee in any class, such as good citizenship, honesty, loyalty, sobriety, industry, amenability to supervision and suggestions of superiors for improvement of service, willingness to cooperate with associates and the ability to make decisions shall be implied as qualifications required for entrance to every class, even though such traits may not be specifically mentioned in the specifications. The desirable minimum qualifications enumerated in a class specification shall relate to the reasonable standards of experience and training required at the time of original appointment of a new employee and shall not be construed as representing or measuring qualifications which employees already working in such a class may actually possess.

3.6 Use of Class Titles. The class title shall be the official title of every position allocated to the class, not the individual filling the particular position, for the purpose of personnel actions and shall be used on all personnel, budget and financial records and reports relating to the position. Any other working title desired and authorized to be used by the department head may be used as a designation of any position for purposes of internal administration or in contacts with the public.

3.7 Appeal of Allocations. Any department head or employee affected by the classification of a position may file a written request for reconsideration with the General Manager. The General Manager shall review the classification of the position and submit their findings to the department head and/or employee concerned. The Corrective Action Policy as outlined in [Chapter 12](#) may also be used to appeal the allocation of a position.

Chapter 4. The Compensation Plan

4.1 Maintenance of Plan. The General Manager shall annually recommend a compensation plan for adoption by resolution by the Board of Commissioners. The compensation plan shall include for each class a minimum and maximum rate and such intermediate rates as are considered necessary and equitable. Changes in the cost of living shall also be considered. Flat rates may be used instead of salary ranges where appropriate. The rate of pay range assigned to each class shall be such as to reflect fairly the differences in the duties and responsibilities between it and other classes and shall take into account rates paid by other public and private employers for comparable work, the Port's financial condition and policies, unusual problems or recruitment and turnover, and other relevant factors. The compensation plan shall be an appendix to the Personnel Manual.

4.2 Administration of Plan.

- (a) Rates of Pay. Each employee in the Career Service shall be paid a rate of pay within the salary range for the class in which they are employed. Rates of pay are those contained in the salary range described in the compensation plan.
- (b) Entrance Salary. Normally an employee will be appointed or reinstated at the entrance step for the class. If a department head believes it is necessary to make an appointment or reinstatement above entrance step, authorization must be obtained from the General Manager. In determining such requests, the General Manager shall give consideration to the qualifications of the candidate, availability of applicants and the resulting salary relationship with other similar positions.

- (c) Step Increases. Step increases may be to the next step of the salary range for the class. Step increases will be based on the Employee Performance Evaluation program and if funds are available. Step increases are not automatic. Department heads shall recommend to the General Manager those employees they feel are qualified. The qualification will be justified by specific facts noted on the evaluation worksheets and will be based on performance which has resulted in increased efficiency of operations, development of new operating procedures, cost-savings, increased productivity deserving of recognition, increased education, and safety, etc.
 - (1) Eligibility for Step Increases. Career employees shall be eligible for a Step increase only at the start of a fiscal year regardless of anniversary date, unless an exception is made by the General Manager.
- (d) Movement to a Higher Classification. When an employee is promoted or reclassified to a classification having a higher salary range, they may be given an increase to a higher rate of pay in the new salary range.
- (e) Demotion. If any employee is demoted or reclassified to a class with a lower salary range for reasons which do not reflect discredit on his or her employment record, their salary rate shall remain the same as long as the rate is within the salary range of the lower classification. Demotion for cause will result in a corresponding reduction in salary.
- (f) Transfer. When an employee is transferred from one department to another, or from one classification to another classification having the same salary range, their pay will normally remain the same.
- (g) Consideration. The consideration and allowance or rejection of the issues in this sub-chapter are subject to the existence of funds for said purposes and budgetary limitations.
- (h) Benefits. Career Service employees shall enjoy benefits as identified in the Port's compensation plan. The Port will not financially compensate any employee in exchange for the employee not receiving a benefit.
- (i) Employment Contracts. Contracts with employees shall make every effort to meet the terms of the adopted compensation plan. However, the Port of Newport Board of Commissioners reserves the right to approve employment contracts that may deviate from the plan. Employment contracts usurp the terms and policy laid forth in these rules.

4.3 Employee Performance Evaluation. Performance evaluation is a basic tool of supervision and its value lies in helping an employee to improve their performance.

- (a) Reasons for Evaluations. A realistic evaluation will serve the following purposes:
 - (1) Determine if an employee's work is up to standard.
 - (2) Help an employee improve his/her work performance.

- (3) Help to recognize training needs.
 - (4) Establish corrective action plans for employees.
 - (5) Recognize outstanding effort and results and use as a basis in making appraisals for promotions and demotions.
- (b) Completing the Report. The General Manager/supervisor will fill out all categories on the evaluation using the remarks sections to justify their ratings. They will then make the overall ratings on the last sheet along with the comments to assist the employee in improving their work performance and work habits. Employees shall be encouraged to submit a self-evaluation prior to discussing the overall evaluation.
- (c) Discussion with Employee. The General Manager/ supervisor will review the entire evaluation with the employee. This is the most important part of the performance evaluation. It is the supervisor's responsibility to ensure that the employee is aware of what was taken into consideration in making the rating. The discussion of the evaluation provides an opportunity for a frank and constructive appraisal of the employee's performance in relation to position requirements. At the completion of the evaluation, the employee will indicate their reaction to the evaluation, noting their comments, if any, and will sign the same. The employee's signature does not signify that they agree with the evaluation, only that they have reviewed it.
- (d) Annual Evaluation. Performance evaluations will occur annually. The General Manager/supervisor will ensure proper completion of the form and the form will be forwarded to the General Manager for their review and comments.

4.4 Cost of Living Adjustment Increases. The General Manager may recommend a cost of living adjustment to the Board of Commissioners and must certify that sufficient funds are available to cover the cost of living adjustment (COLA) increases as provided in these rules and that no budgetary deficiency will thereby be created. The General Manager shall review departmental expenditures to ensure proper fiscal practices and that the annual appropriation is complied with. COLAs shall be applied to all Career Service employees and shall not exceed the Portland CPI-U.

4.5 Step Adjustments. Step adjustments normally are made at the start of the fiscal year. Step adjustments are considered merit-based. These adjustments can be applied to the top or bottom step or to the percent increase between steps and after budgetary considerations.

4.6 Partial Monthly Pay. In computing the salary amount for personnel working less than a full month, the amount shall be prorated to the full-time rate on the basis of actual work days. Holidays shall be considered as work days for purposes of prorating.

4.7 Rates of Pay. The normal rate of pay shall be the monthly rate. Hourly rates of pay may be used for those classes or positions where conditions of employment warrant. Hourly rates shall be based on the annual rate divided by the total possible work hours in a year (2,080 hours).

4.8 Pay Day. Port employees are paid on the fifth (5th) day of each month immediately following the last day of the month worked. The Port also provides a mid-month draw for those who want it. Employees are responsible for filling out their timecard electronically. The management team will then review and approve timesheets.

4.9 ***Overtime Policy.***

- (a) Overtime Generally. It is the policy of the Port to reduce to a minimum the necessity for overtime work. The requirement of frequent and considerable overtime, other than emergency overtime which is not anticipated and created by conditions beyond the department's control, shall be considered evidence of under-staffing and shall be subject to investigation by the General Manager. However, when employees are directed by the General Manager or department heads to work extra time in addition to their normal working hours, they shall be compensated for such overtime, either by cash compensation or compensatory time off.
- (b) Definition of Overtime. Overtime shall be considered time actually worked in excess of the regularly scheduled work week, which runs Monday through Sunday. The regularly scheduled work week is forty (40) hours.
- (c) Classifications Eligible for Overtime. Exempt positions are not eligible for overtime or compensatory time.
- (d) Overtime Rates. Cash compensation shall be accrued at the rate of time and one-half for time worked in the employee's regular position in excess of the regularly scheduled work week. Overtime shall be accrued for each completed fifteen- (15) minute interval. Management shall schedule work so as to avoid overtime.
- (e) Compensation Time. Compensation for overtime may be in the form of compensatory time off. Compensation time will be at the rate of time and one-half for time worked. Compensation time must be used within two (2) months of earning it. The General Manager will determine when compensation time will be awarded instead of cash compensation.
- (f) Cash Payment. Any employee who terminates Port employment shall be entitled to cash compensation for overtime worked for which they have not been compensated. In case of death, compensation for accrued overtime shall be paid in the same manner that salary due the decedent is paid.
- (g) Overtime Work on Holidays. Employees eligible for overtime compensation who are required to work on holidays shall receive compensation in the form of cash compensation. If a holiday falls during a weekend so that Friday or Monday is the designated holiday, overtime for the holiday shall be allowed for work performed on the Monday or Friday. If the normal work hours are eight (8) hours for the holiday, the employee will receive an extra eight (8) hours of pay, if the normal work hours are ten (10) hours, they will receive an extra ten (10) hours of pay. Temporary employees who are not eligible for holiday pay and have not worked more than forty (40) hours in a regularly scheduled work week will be paid straight time for work performed on holidays.

- 4.10 Working Out of Class.** Whenever a Career Service employee is assigned the duties of the supervisor for more than thirty (30) consecutive working days, the employee shall be compensated for such duties at the discretion of the General Manager.

Chapter 5. Travel

- 5.1 Within the County.** When travelling on Port business, an employee using his/her own vehicle will be reimbursed at the rate of the federal standard mileage rate for business purposes. Management shall limit the amount of personal vehicle use and encourage use of Port vehicles for Port business.
- 5.2 Outside the County.** The General Manager must approve in advance all travel and per diem expenses for employees required to travel on Port business outside of Lincoln County. All Port employees are expected to use good judgment regarding the expenditure of travel expense funds. Within three (3) weeks after the travel has been completed, the employee must turn in receipts for the lodging and all other expenses to be paid on an actual basis using a form produced by the Port. A per diem travel advance may be issued for meals and incidental expenses (M&IE) based upon days of travel substantiated by approved itinerary. The following general guidelines apply to the advancement or reimbursement of employee expenses while in travel status:
- (a) Mileage. The actual roundtrip mileage (as determined by a trip generator website such as MapQuest) between Lincoln County and the point of business (or airport if subsequent travel is needed) may be reimbursed or advanced (in the case of overnight trips) at the IRS-approved rate if employees are using their own personal vehicle.
 - (b) Miscellaneous. The actual cost of miscellaneous expenses related to travel (including taxis, telephone, parking and others as defined in federal chapter 301-12) may be reimbursed (but not advanced) if receipts are submitted. These expenses may be paid for by using a Port credit card to avoid the need for reimbursement.
 - (c) Transportation. The actual cost of transportation such as air or train fare will be reimbursed. Receipts shall be submitted. Every effort should be made to pay for approved transportation, in advance, by Port pre-payment or credit, eliminating the need for reimbursement or advance.
 - (d) Lodging. Hotel and motel accommodations should be appropriate to the purpose of the trip and must be supported by actual receipts. Reimbursement for lodging is generally limited to the expense of a single room, except where employees are sharing a room. Every effort should be made to pay for approved lodging, in advance, by pre-payment or credit, eliminating the need for reimbursement or advance.
 - (e) Meals and Incidental Expenses (M&IE). If employees spend the night away from Lincoln County on business or travel to business meetings during the day, in accordance with IRS regulations, they may be advanced or reimbursed tax free, for meals prior to, during or immediately following their meeting or overnight stay and other incidental expenses (i.e. tips and taxes). The per diem rate for the first and last day of travel is seventy-five percent (75%) of the full day rate. Meals and incidental expenses are not advanced or reimbursed for day trips. Receipts are not required for M&IE advances/ reimbursements. Port credit shall not be used to acquire M&IE on business trips.

- (f) Registration and Tuition. Expenses for registrations and/or tuition fees are allowable expenses; but every effort should be made to pay for approved registration in advance to avoid reimbursement.
- (g) Accompanied Travel. Any expenses for family members who accompany the employee on a trip are not reimbursable under this Policy.
- (h) Alcoholic Beverages. Expenditure for alcoholic beverages are NOT allowed and shall not under any circumstances be charged to the Port. Employees who violate this Policy shall be subject to disciplinary procedures.

Chapter 6. Applications and Screening

6.1 Announcements. Information on position vacancies will be issued by methods which will ensure its reaching qualified prospective applicants. Ads will affirm that the Port of Newport is an Equal Employment Opportunity Employer.

6.2 Applications. All persons applying for a position shall fill out an employment application form to be provided by the Port. A resume may accompany the application, both of which shall be subject to investigation and a verification prior to appointment. The Port may utilize employment agencies to qualify and screen applicants.

6.3 Qualifications and Screening of Applicants.

- (a) Applicants for appointment or promotion to positions in the Career Service shall possess the minimum qualifications and other requirements for the class as stated in the class specifications.
- (b) All original appointments to vacancies shall be made solely on the basis of merit, efficiency and fitness. These qualities shall be determined through careful and impartial evaluation of the following:
 - (1) The applicant's level of training relative to the requirements of the position for which they have applied.
 - (2) The applicant's level of education relative to the requirements of the position for which they have applied.
 - (3) The applicant's physical fitness relative to the requirements of the position for which they have applied (a physical examination may be required).
 - (4) The results of an oral interview.
 - (5) Whenever practical, the results of a competitive written examination, supplemental questions or demonstration test, which shall be a fair and valid test of abilities and aptitudes of applicants for duties to be performed.

6.4 Life of Applications. All solicited applications will be kept for one (1) year from the date a hiring decision was made. Unsolicited applications/resumes may be disposed of at the Port's discretion.

Chapter 7. Appointments, Promotions, Reappointments, Transfers

7.1 *Filling Vacant Positions.* All vacancies in Career Service positions shall be filled as provided in this Chapter and the rules on compensation and classification. Whenever a department head desires to fill a vacant position, they shall notify the General Manager.

7.2 *Order of Consideration in Filling Vacant Positions.* The Port of Newport is committed to identifying and hiring the best personnel possible to achieve the Port's goals and create a dynamic, vibrant workplace. The Port is also committed to developing and training its employees and, where possible, to promote from within.

(a) The Port uses a three-tier process in its hiring practices to achieve the above goals. (Refer to the Port's job classification and/or compensation plan for actual job titles for each tier):

(1) Tier Three – Entry-Level Employee. For job classifications designated as Port Staff, the Port will first make these positions available to current Port Staff members who are interested in a lateral movement or promotion. Interested candidates will have to meet the minimal requirements of the position to be able to interview for the job. Meeting the minimum requirements does not guarantee they will be hired for the position, but will automatically allow them to interview for the position.

(2) Tier Two – General Management. For job classifications designated as Port General Management, the Port will first make these positions available to current Port employees through an internal hiring process. Interested candidates will have to meet the minimal requirements of the position to be able to interview for the job. Meeting the minimum requirements does not guarantee they will be hired for the position, but will automatically allow them to interview for the position. If no internal candidate is hired for the position, an external hiring process will be undertaken.

(3) Tier One – Directors. For job classifications designated as Port Directors, the Port will post these positions externally. Current staff who feel they are qualified will be encouraged to apply and, if they meet the minimum requirements of the position, will automatically be allowed to interview.

7.3 *Types of Appointments.*

(a) Temporary Appointments. The General Manager may make temporary appointments in an emergency, to prevent undue delay or interference with the provision of necessary public services, or when a short-term increase in work load requires additional employees, provided budgeted funds are available. Temporary appointments are limited to six (6) full calendar months. The Port may use employment agencies to fill temporary appointments.

(b) Probationary Appointments. Appointments made as a result of promotion, re-employment, or entrance shall be considered probationary appointments.

- (c) Part-Time Appointments. Part-time appointments may be made where positions require someone less than full time on either a daily or weekly basis.
- (d) Career Appointments. After successful completion of a probationary period, a career appointment may be made, carrying with it the rights, privileges, and protection extended to career employees by these Personnel Rules.

7.4 Nepotism. Two members of an immediate family shall not be employed under the same supervisor. Neither shall two members of an immediate family be employed at the same time, if such employment will result in an employee supervising a member of their immediate family. This shall apply to promotions, demotions, transfers, reinstatements and new appointments.

Chapter 8. Probationary Period

8.1 Purpose. The probationary period shall be an integral part of the selection and screening process and shall be utilized by the supervisors as an opportunity to observe the new employee's work, to train and aid the new employee in adjustment to their new position, and to provide corrective action to any employee whose work performance fails to meet standing requirements. If the Port has contracted services from an employment agency and the individual provided to the Port from said agency meets the needs of the Port, the Port may apply all or some of the individual's hours paid through the agency toward the probationary period. Alternatively, the Port may also choose to begin the probationary period upon the individual entering the direct employ of the Port.

8.2 Duration. All entrance and all promotional probationary appointments shall be tentative and subject to a probationary period of six (6) full months of actual service. Any interruption of service during the probationary period shall not be counted as a part of such period. During the probationary period, a probationary employee may be terminated at any time; however, they may appeal the termination in writing to the General Manager within five (5) working days from the date of termination.

8.3 Action at End of Probationary Period. Within seven (7) calendar days prior to completion of an employee's probationary period, the General Manager/supervisor must take one of the following actions:

- (a) Affirm that the services of the employee have been found to be satisfactory and recommend that the employee be given a career appointment to their position.
- (b) Recommend that their services be terminated, or in the case of a promoted employee, returned to their previous classification, even though this necessitates the layoff of the employee occupying that position.

8.4 Fringe Benefit Status during Probationary Period. This chapter applies only to new employees serving a probationary period. It does not apply to employees who are serving a probationary period as a result of being promoted. Management may apply this chapter to an equal amount of hours worked as applied toward determining the probationary period for individuals provided to the Port from an employment agency.

- (a) Leave. No leave other than authorized by law, leave without pay, or military leave shall be taken by an employee during their first three (3) full months of employment, unless approved by the General Manager.

- (b) Accrual of Leave. PTO benefits earned in connection with time worked shall accumulate during an employee's probationary period.
- (c) Other than mandated, legally-required benefits, the Port is not obligated to provide any additional benefits to probationary employees.

8.5 Salary Consideration during the Probationary Period.

- (a) Increase in Salary as a Result of Superior Performance during the Probationary Period. The General Manager/department head may apply a step(s) increase if warranted at the end of the probationary period. The increase must be within the total amount budgeted for the position. No obligation for this adjustment will be implied by the General Manager/department head during recruitment.

Chapter 9. Continuous Service Date

- 9.1 Continuous Service Date Defined.** The continuous service date is the date a new employee is appointed on a probationary appointment in the Career Service. Time spent, as a part-time or temporary employee, shall not be included in determining an employee's continuous service date.
- 9.2 Use of Continuous Service Date.** The continuous service date shall be used for determining benefits, PTO accumulation, Port contribution to the retirement program, length of service in connection with layoff, and any other matters involving length of service.
- 9.3 Adjustment of Continuous Service Date.** Employees who leave Port service for military service shall receive credit for such service upon returning to Port employment. Credit also shall be accumulated while on authorized leave of absence with pay and authorized educational leave with or without pay. Other authorized or unauthorized leave of absence without pay for five (5) consecutive working days or more shall result in an adjustment of the continuous service date.
- 9.4 Restoration of Service Credit.** An employee who has been re-employed following a layoff or authorized leave of absence without pay shall receive credit for previous time spent in the Career Service in the determination of their continuous service date.

Chapter 10. Cost Consciousness

- 10.1 General.** Port employees shall practice every fiscal due diligence possible in the discharge of their duties. Employees are encouraged to recommend work procedure to the General Manager/department heads which might result in a cost saving or improved service to the public.
- 10.2 Purchases.** No Port employee may make a purchase in the name of or on behalf of the Port without first receiving permission from Port management. If a person makes a purchase without Port permission, the employee shall be considered to have made the purchase for his/her own personal use. The Port will not be required to pay for same.

Chapter 11. Conduct, Discipline, Appeals, Resignations and Layoffs

11.1 Employee Conduct Generally. In order to render the best possible service to the general public and to reflect credit on the Port, high standards of conduct are deemed essential. The tenure of every employee shall be conditioned on good behavior and satisfactory performance of duties.

- (a) The expected standard of conduct for all employees in the service of the Port shall be in the public interest as opposed to individual interest.
- (b) Public relations shall be an integral part of each employee's job.
- (c) All employees shall be neat and clean in appearance and shall conduct themselves in a manner which is appropriate for an employee in the public service.
- (d) Employees shall be courteous, efficient and helpful to everyone in their work and shall do the best job possible on every assignment.
- (e) Employees shall wear company uniform, safety garments, or branded clothing as required per the job classification. Clothing shall be washed/mended regularly and kept in clean condition at all times. Worn or stained clothing should be replaced as needed.

11.2 Improper Employee Conduct. The term "improper conduct" shall mean not only any improper action by an employee in his/her official capacity, but also any conduct by an employee not connected with his/her official duties tending to bring the Port into discredit, or which tends to affect the employee's ability to perform his/her duties officially, or any improper use of their position as an employee for his/her personal advantage. In addition, improper conduct includes the following:

- (a) Violation of the criminal laws of the United States or of any state thereof.
- (b) Being adjudged guilty of a crime involving moral turpitude or infamous or disgraceful conduct.
- (c) Partaking of intoxicating beverages or illegal substances, or being intoxicated while on duty.
- (d) Insubordination or disloyalty.
- (e) Offensive or unbecoming conduct or language toward the public or towards fellow Port employees or officers thereof.
- (f) Inattention to duty, tardiness, indolence, carelessness, or damage to, or negligence in the care and handling of, Port property.
- (g) Improper or unauthorized use of equipment and supplies.
- (h) Being absent from work without first notifying the employee's supervisor.
- (i) Outside employment that interferes with Port responsibilities or performance.

- (j) Absence from duty without leave, failure to report after leave of absence has expired or after such leave of absence has been disapproved or revoked and canceled by proper authorities.
- (k) Willful violation of any of the provisions of ordinances, these rules, or any rules or regulations which may be prescribed by the General Manager or a department head.
- (l) Acceptance by an employee of reward, gift, or other form of remuneration in addition to regular compensation by an employee for the performance of their duties, from any source whatsoever.
- (m) Solicitation in an official capacity, or as an employee of the Port, of the public for money, goods, or services not specifically authorized by the General Manager.
- (n) Sexual harassment.
- (o) Violation of provisions in the Personnel Manual.

11.3 Drug and Alcohol Policy. The objective of this policy is to provide a workplace and environment that are free from the effects of substance abuse. Furthermore, the Port of Newport believes that we have a responsibility to our employees, to those who use or come into contact with our products and services, and to the general public to ensure safe operating and working conditions. To satisfy our drug-free workplace objective and meet these responsibilities, we must establish a work environment where employees are free from the effects of drugs, alcohol, or other impairing substances. Accordingly, we have adopted this drug and alcohol policy.

- (a) The following conditions and activities are expressly prohibited on our premises or property or during work time or while representing us in any work-related fashion and will lead to corrective action, up to and including termination:
 - (1) Manufacturing, selling, attempting to sell, using, distributing or possessing alcohol or other controlled or illegal substances that impair job performance or pose a hazard when use or possession occurs (except strictly in accordance with medical authorization).
 - (2) Reporting for, or being at, work with the presence of alcohol, marijuana, illegal drugs, or controlled substances in your system.
- (b) If your doctor prescribes over-the-counter or pharmaceutical drugs, you are responsible for ensuring that your ability to work safely will not be affected by taking the medication. If you are in doubt, please discuss this with the General Manager before beginning work. Any medical issues discussed will be kept confidential.
- (c) If you have a problem with drugs and/or alcohol and wish to undertake rehabilitation, you may be granted an unpaid leave of absence for this purpose, as long as your work performance warrants and there have been no violations of this policy. It is your responsibility to seek help before the problem adversely affects your work performance or results in a violation of this policy. If you need assistance in seeking this

help, you may talk to the General Manager. No one will be discriminated against for undertaking rehabilitation.

- (d) For purposes of this policy, having any detectable level of an illegal or controlled drug in one's system while covered by this policy will be considered to be a violation. Where we have a reasonable basis to believe that an employee is in violation of this policy, the employee will be required to submit to testing to determine presence of, use of, or involvement with, alcohol or drugs. We reserve the right to determine whether reasonable basis exists.
- (e) The following definitions apply:
 - (1) Reasonable Basis. Specific describable observations concerning such circumstances as the work performance, appearance (including, for example, noticeable odor of an alcoholic beverage), behavior, or speech of the employee, or as being involved in an accident on organization premises that results in physical injury or property damage.
 - (2) Presence of. Any detectable level of alcohol or drugs in an employee's blood or urine, or any noticeable or perceptible impairment of the employee's mental or physical faculties due to illegal or controlled substances.
 - (3) Controlled Substances. All forms of narcotics, depressants, stimulants, and hallucinogens, whose sale, purchase, transfer, use, or possession is prohibited or restricted by law.
 - (4) Over-the-counter drugs. Those that are generally available without a prescription from a medical doctor.
 - (5) Prescription drugs. Those drugs that are used in the course of medical treatment and have been prescribed and authorized for use by a licensed practitioner/physician or dentist.
- (f) Any employee who is found to be in violation of this policy and who refuses to submit to testing, or refuses to cooperate, or attempts to subvert the testing process, will be subject to corrective action up to and including termination. We also reserve the right to involve law enforcement officials for any conduct that we believe might be in violation of state or federal law.
- (g) If a professional assessment is made that you have a problem with alcohol or drugs, your continued employment may be conditioned upon your entering into and completing a treatment program (including follow-up recommendations) approved by the organization. You also may be required to sign and live up to the terms of a performance agreement in order to demonstrate your commitment to rehabilitation and staying alcohol- and drug-free. This course of action is likely if you come forward on your own and ask for help in overcoming your problem. If you are caught selling, distributing, using, or having the presence of drugs or alcohol in your system while at

work, we may terminate your employment without offering you the opportunity to participate in a treatment program.

- (h) If you voluntarily request assistance in dealing with a personal drug and/or alcohol problem, you may do so through the Employee Assistance Program. The request for assistance will not jeopardize your employment as long as this assistance is sought before work performance has deteriorated or disciplinary problems have begun. Other treatment programs for drug and alcohol problems may be available through our health insurance coverage.
- (i) As a result of corrective action arising from a drug or alcohol problem, you may be required to participate in a drug or alcohol treatment program. If so required, you will regularly be evaluated for drug and alcohol use by a professional. When such an evaluation is scheduled, we will pay the cost. You may also be required to participate in follow-up care as part of a comprehensive alcohol and drug treatment program. Depending upon the nature of the conduct that led to your mandated participation in an alcohol and drug treatment program, you may be required to submit to random or unannounced screening for alcohol and/or drugs for a specified period of time. You may also be required to meet various performance standards that are imposed as a condition of continuing employment.
- (j) If you are involved in a job-related accident resulting in property damage in excess of \$1,000, an accident involving a vehicle, or physical injury requiring off-site medical attention, you may be required to submit to testing to determine the presence of any involvement with alcohol or drugs.

11.4 Progressive Corrective Action.

- (a) Verbal Warning. The employee will be counseled regarding the indiscretion and an informal statement will be placed in the employee's file. He/she will get a copy of the statement. Information will be included of possible future corrective action.
- (b) Written Warning. The employee will be counseled regarding the indiscretion and a written statement will be placed in his/her file. The employee will receive a copy of this statement, which refers to the date and nature of any earlier warning, plus specifics of date, time, and nature of the current offense. Information will be included of possible future corrective action.
- (c) Termination. The employee will be counseled regarding the indiscretion and a written statement will be placed in his/her file. The employee will receive a copy of this statement, which refers to the date and nature of any earlier warning(s) plus specifics of date, time, and nature of the current offense.
- (d) Severe Misconduct. An incident of misconduct may require immediate corrective action measures such as suspensions or termination and, in that instance, may not be preceded by lesser forms of disciplinary action. Action and procedures by which this action is administered will not violate the employee's civil rights.

11.5 Appeals from Disciplinary Action.

- (a) Who May Appeal Disciplinary Action. Any employee who has obtained career status may appeal disciplinary actions, except that an employee serving on probation as a result of being promoted could not appeal demotion back to the classification from which they were promoted.
- (b) Manner of Appealing Disciplinary Actions. An employee may, within five (5) working days of the effective date of the disciplinary action, appeal the action. The appeal will be in accordance with the Grievance Policy as outlined in [Chapter 12](#).

11.6 Resignations.

- (a) Any employee may resign from the Port by presenting their resignation, in writing and containing the reasons for leaving Port employment, to the General Manager/department head. To resign in good standing, an employee must give the General Manager/department head at least two (2) weeks' prior notice, unless, because of extenuating circumstances, the General Manager/department head agrees to permit a shorter period of notice. Resignations shall be promptly forwarded to the General Manager by the department head. The General Manager may conduct exit interviews or similar techniques to verify reasons for each resignation. Failure to comply with this chapter shall be entered in the employee's personnel file and may be cause for denying future employment by the Port.
- (b) The General Manager will give a minimum of thirty (30) days' notice to the Board of Commissioners on resignation unless otherwise specified in an employment contract. The notice will be in writing.

11.7 Layoffs. The General Manager/department head may terminate any employee without prejudice because of lack of funds, curtailment of work, or reorganization, after giving notice of at least ten (10) working days. Ten (10) days' pay will be given the employee if such notice is not given. However, no career employee shall be separated from any department while there are temporary or probationary employees serving in the same call of positions in that department. The conditions of reduction in force layoff shall be as follows:

- (a) Order of Separation. Preference for retention shall be based on relative merit and performance, and shall give due consideration to seniority with the Port only where the employee's qualifications and ability are relatively equal.
- (b) Offer of Reassignment. An employee's appointment shall not be terminated as a result of a reduction in force before they have been made a reasonable offer of reassignment or transfer to a different position, classification, or department, if such offer is immediately possible.
- (c) Appointment of Laid-Off Employees to Lower Class. A department head may, with the approval of the General Manager and the employee, appoint an employee who is laid off, due to a vacancy in a lower class for which they are qualified.

Chapter 12. Dispute Resolution

12.1 Policy. It is the policy of the Port to provide for an orderly process whereby employees in the Career Service may have their grievances considered as fairly and as rapidly as possible without fear of reprisal. These procedures will apply equally to group as well as individual grievances. Every effort should be made to find an acceptable solution by informal means at the lowest possible level of supervision.

12.2 Grievance Defined. A grievance is defined as a difference of opinion regarding the application or interpretation of these personnel rules.

12.3 Procedure. The following steps will be followed in submitting and processing a grievance:

- (a) Step 1. The aggrieved employee or group of employees shall orally present the grievance to the immediate supervisor within five (5) working days of its occurrence, not including the day of occurrence. The supervisor shall give their oral reply within three (3) working days of the date of presentation of the grievance, not including the date of presentation.
- (b) Step 2. If the grievance is not settled in Step 1, it shall be reduced to writing by the aggrieved employee or group of employees and shall be submitted to the department head within five (5) working days after the supervisor's oral reply is given, not including the day the answer is given. The written grievance shall be signed by the employee or group of employees submitting the same and shall give a clear and concise statement of the alleged grievances including the fact upon which the grievance is based, the issues involved, the rule provision involved, and the relief sought. The department head shall reply in writing to the grievance within five (5) work days of the day of the presentation of the written grievance, not including the day of presentation. It is anticipated that the supervisor/department head will be able to resolve most grievances.
- (c) Step 3. If the grievance is not settled in Step 2, the written grievance shall be presented along with all pertinent correspondence, records and information accumulated to date to the General Manager within five (5) working days after the department head's response is given, not including the day the response is given. The General Manager shall meet with the aggrieved employee or group of employees, the immediate supervisory personnel and the department head. The General Manager shall reply to the grievance in writing within five (5) working days of the date of presentation of the written grievance. The decision of the General Manager shall be final and binding on the employee or group of employees. However, if the nature of the grievance is such that it involves physical or legal action required by the Board of Commissioners, the General Manager shall refer the matter to the Board of Commissioners. The Commission shall set a meeting and have five (5) working days following the meeting to respond. The Commission meeting may be conducted in Executive Session.

12.4 General Provisions

- (a) If the grievance procedures are not initiated within the time limits established by this Chapter, the grievance shall be considered not to have existed.
- (b) Any grievance not taken to the next step of the grievance procedure shall be considered settled on the basis of the last reply made and received in accordance with this Chapter.
- (c) If the Port fails to meet or answer any grievance within the time limits prescribed for such action by this Chapter, such grievance shall automatically advance to the next step. If the Port fails to meet or answer any grievance on the last step of the grievance procedure within the time limits prescribed for such action by this Chapter, it shall be deemed that the Port has considered the grievance to be in favor of the grievant and shall resolve the matter accordingly.
- (d) The time limits prescribed in this Chapter for the initiation and completion of the steps of the grievance procedure may be extended by mutual consent of the parties so involved. Likewise any step in the grievance procedure may be eliminated by mutual consent. Mutual consent shall be indicated in writing and shall be signed by all parties involved.
- (e) No employee shall be disciplined or discriminated against in any way because of the employee's proper use of the grievance procedure.

Chapter 13. Attendance, Holidays, Paid Time Off (PTO), Leaves of Absence, and Compassionate Leave

13.1 Work Week and Hours of Work. The Port office shall be open for the transaction of business from 8:00 a.m. to 5:00 p.m. each day, Monday through Friday, except holidays. The official workweek starts at one (1) minute after midnight on Sunday, i.e., 12:01 a.m. Sunday. This schedule shall normally provide for a workweek of forty (40) hours per employee. Exceptions to this general policy, where departmental operations necessitate longer hours, must have the prior approval of the General Manager. The workday includes a one- (1) hour, unpaid lunch and two (2) paid ten- (10) minute rest breaks per eight (8) hours for eligible employees.

13.2 Holidays. Port employees will observe the holiday schedule below.

- (a) Holidays Falling on Saturday or Sunday. Whenever a holiday falls on Saturday, the preceding Friday shall be observed as a holiday. Whenever a holiday falls on Sunday, the following Monday shall be observed as a holiday. Employees working an irregular work week shall receive the same number of holidays as employees working a regular work week.
- (b) Holiday Compensation. An employee who works on a holiday shall be compensated as provided in [Chapter 4](#) – The Compensation Plan. Holidays which occur during PTO shall not be charged against such leave.

(c) Holidays Listed. The following days are recognized by the Port of Newport and the office will be closed:

- (1) New Year's Day (January 1st)
- (2) Martin Luther King (third Monday in January)
- (3) Presidents Day (third Monday in February)
- (4) Memorial Day (last Monday in May)
- (5) Independence Day (July 4th)
- (6) Labor Day (first Monday in September)
- (7) Veteran's Day (November 11th)
- (8) Thanksgiving Day (fourth Thursday in November)
- (9) Day after Thanksgiving Day
- (10) Christmas Day (December 25th)
- (11) One unspecified eight- (8) hour holiday to be taken by each employee. Personal holidays shall be credited on a calendar year basis and must be used within that calendar year. If an employee's initial anniversary date is after June 30th, they will not receive a personal holiday for that calendar year. Upon termination, an employee will be paid for an unused personal holiday for that calendar year, provided that termination occurs after June 30th of that year. Employees who terminate during the probationary period shall not be paid for any unused personal holiday time.

13.3 Paid Time Off (PTO). Paid Time Off includes all time off from work outside other identified categories. PTO begins to accrue on the first day of the first full month of work.

(a) It will accrue at the following rates:

<i>Years of Continuous Service</i>	<i>Accumulated Hours</i>	
	<i>per month</i>	<i>per year</i>
<i>0-5 (0-60 mos.)</i>	<i>13-1/3 hrs.</i>	<i>160 hrs.</i>
<i>6-10 (61-120 mos.)</i>	<i>16-1/3 hrs.</i>	<i>200 hrs.</i>
<i>11+ (121+ mos.)</i>	<i>20 hrs.</i>	<i>240 hrs.</i>

- (b) Maximum Accumulation. Employees are allowed to carry the following maximum amounts of PTO during the year:

<i>Years of Continuous Service</i>	<i>Accumulated Hours</i>	
		<i>per year</i>
<i>0-5 (0-60 mos.)</i>		<i>320 hrs.</i>
<i>6-10 (61-120 mos.)</i>		<i>360 hrs.</i>
<i>11+ (121+ mos.)</i>		<i>400 hrs.</i>

- (1) Any employee who is about to lose PTO credit because of accrual limitations should notify their supervisor to prevent loss of such PTO.

- (c) Scheduling of PTO. The time at which an employee shall take their PTO leave shall be determined by the General Manager/supervisor with due regard to the employee's wishes and particular regard for the existing needs of the Port. There may be times when an employee may not be able to take extended PTO due to seasonal workloads. This will be determined by the General Manager and supervisors.

- (d) Maximum PTO Payout. If an employee voluntary resigns and/or is terminated, the following is the maximum payout to an employee:

<i>Years of Continuous Service</i>	<i>Accumulated Hours</i>	
		<i>per year</i>
<i>0-5 (0-60 mos.)</i>		<i>80 hrs.</i>
<i>6-10 (61-120 mos.)</i>		<i>120 hrs.</i>
<i>11+ (121+ mos.)</i>		<i>160 hrs.</i>

- (e) PTO Accrual during Probation. New employees, during their probation period, shall accrue PTO during the first full calendar month of service, but they shall not be able to use PTO for the first ninety (90) days of service.
- (f) Temporary Employees. Temporary employees shall not accrue PTO.
- (g) Terminal PTO Pay. An employee who terminates during the initial probationary period shall not be entitled to payout for PTO that has accrued.
- (h) Leaves of Absence. Employees who are off work on a leave of absence shall not earn PTO.

13.4 Long-Term Illness.

- (a) Employees may donate PTO to a co-worker who has exhausted all accumulated PTO from an extended illness or injury. In such event, the Port's only involvement shall be to

transfer an employee's PTO in accordance with the employee's request and add it to the PTO balance of another employee.

(b) Transfer Guidelines:

- (1) The receiving employee will be compensated for PTO at their regular rate of pay. (Example: Employee A earns \$10/hr. and donates thirty (30) hrs. to Employee B. Employee B earns \$15/hr. and would receive twenty (20) donated hours.)
- (2) A document stating the donation shall be signed by the employee and placed in the employment file.
- (3) The PTO transfer from any one employee to another may (a) not exceed forty (40) hours in a calendar year; nor (b) exceed forty (40) hours in the last twelve (12) months.
- (4) The donating employee must have at least one hundred twenty (120) hours remaining in their own PTO balance after the transfer.
- (5) Once PTO has been transferred, it is gone and can only be replaced if transferred from a co-worker according to these guidelines.
- (6) The receiving employee may not accept more than twenty-four (24) days of transfer PTO from all co-workers.
- (7) Employees may not donate compensatory time or any other accrued or earned leave.
- (8) Employees may not receive donated sick time if they do not provide a certificate of illness.
- (9) Employees may not donate PTO to receiving employees with a balance of PTO or compensatory time.
- (10) Employees otherwise eligible for, or receiving, disability benefits, workers compensation or parental leave will not be considered eligible to receive donations under this policy.

(c) Reporting. Employees anticipating an extended medical leave shall provide the Port with a certificate of illness.

13.5 Bereavement Leave. In the event of a death in the employee's immediate family, an employee may be granted leave of absence with pay not to exceed five (5) calendar days unless authorized by the General Manager. When an employee serves as a pallbearer, or in some way participates in a funeral ceremony, they may be granted a reasonable time off to perform such duty.

13.6 Weather-Related Leave. Based upon reports from Lincoln County Emergency Management and local conditions, the General Manager has full discretion to grant paid weather-related ("Acts of God") leave. If the General Manager does not grant paid weather-related leave, employees – with management's approval – may take PTO if they are unable to work due to the weather.

13.7 Other Leaves of Absence with Pay. An employee holding a position in the Career Service shall be granted a leave of absence with pay for the purposes specified hereunder. Each request shall be judged by the General Manager on its merits and on the basis of the guidelines provided in this Chapter. Time not worked because of such duty shall not affect PTO accrual.

- (a) Service with a Jury. Employees are expected to report for work when not selected for a jury on any day, or when jury duty requires only a partial day.
- (b) Appearance before a court, legislative committee, judicial or quasi-judicial body as a witness in response to a subpoena or other direction by proper authority.
- (c) Attendance in court in connection with an employee's officially assigned duties, including travel time to and from the court.

13.8 Other Leaves of Absence without Pay. In instances where the law requires, or the work will not be seriously handicapped by the temporary absence of an employee, the General Manager may grant a leave of absence without pay not to exceed ninety (90) calendar days. Requests for such leave must be in writing and must establish reasonable justification for approval of request. Such leave will not be approved for an employee who is accepting employment outside the Port service. The employee may be without health insurance or other employment benefits during unpaid leave.

13.9 Absence without Leave. No employee may absent himself from duty without permission of the General Manager/department head. An employee absent for three (3) consecutive or accumulative days without authorization, except for an unavoidable situation, shall be considered to have terminated their service as of their last day of active employment.

13.10 Uniformed Service Leave and Re-Employment. Regular employees requiring a leave of absence for service in the uniformed services are provided leave and will be re-employed at the end of the leave. Policies governing this leave are designed according to the Uniformed Services Employment and Re-employment Rights Act and applicable state regulations. The policy covers employees who enter active military duty voluntarily and extends to Reservists or National Guard members who are called to limited active duty or extended training duty, including regularly scheduled annual training and military summer camp training. These military members, and those with previous or current military service, are protected from discrimination and harassment.

- (a) Eligibility. All employees of the organization, except those hired on a brief, non-recurrent basis, are eligible for leave.
- (b) Length of Leave. Given that the requirements regarding this type of leave are subject to change, the length of this leave will be administered under the current provisions of all applicable laws at the time of occurrence.
- (c) Request Procedure. You must provide written notice, using the Leave of Absence Request Form, of your obligation or intention to perform service in the uniformed services, unless notice is precluded by military necessity or is otherwise unreasonable or impossible. Failure to do so may result in loss of re-employment rights.
- (d) Pay While on Leave. Military leaves are without pay unless you elect to utilize PTO earned before commencement of the leave and are otherwise eligible to use such

benefits. You must request and obtain approval to receive PTO pay during military leaves of absence.

- (e) Status of Benefits. Reservists, National Guard members, and veterans returning from military service in the Armed Forces have and retain rights with respect to seniority, PTO, compensation, and length of service pay increases, as may be from time to time provided by applicable statutes of the United States and the State of Oregon. You may maintain health care insurance benefits for up to twenty-four (24) months while on leave by paying the insurance premium through COBRA for any leave extending beyond thirty (30) days.
- (f) Reinstatement. If you are returning from a Uniformed Services Leave, you must report to work or request re-employment within prescribed time limits, which are based on the length of the leave as follows:
 - (1) 1 to 30 days: You are expected to report to work on the first regularly scheduled workday following completion of training and you will be reinstated to the same position you held at the time the service leave began.
 - (2) 31 to 180 days: If you are a Reservist or National Guard member returning from initial active duty for training you must submit an application for re-employment within fourteen (14) days after honorable release from service. You will be reinstated to the same position held at the time the service leave began, provided the leave has been for less than ninety-one (91) days in length. If the leave is ninety-one (91) days or longer, when you return you will be reinstated to the same job, or comparable job in terms of like seniority, status, and pay, as long as you are qualified to perform the duties.
 - (3) 181 days or longer: If you are returning from active duty in the uniformed services, you must submit an application for re-employment within ninety (90) days after completion of satisfactory service. You will be reinstated to an equivalent position as long as you are qualified to perform the duties and the organization's circumstances have not changed to the extent that it would be impossible or unreasonable to provide re-employment. When returning, you must provide documentation to verify your rights to re-employment, including your separation papers. Time limits for the re-employment application are extended for up to two (2) years for disabled veterans.
- (g) Failure to file an application within the required time period forfeits the right to re-employment.

13.11 Crime Victims' Leave. If an employee or a member of his/her immediate family suffers financial, social, psychological, or physical harm as a result of a personal felony, he or she may be entitled to take protected leave from work to attend criminal proceedings.

- (a) Eligibility. You will be eligible to take crime victims' leave if you have worked an average of more than twenty-five (25) hours per week for the organization for at least one hundred eighty (180) days immediately before the leave would begin.

- (b) Length of Leave. The amount and length of leave time you may take is limited to that which does not create significant difficulty and expense (undue hardship) to the organization. If the organization must limit your leave due to undue hardship, we will notify the prosecuting attorney in the criminal proceeding, who is required by law to notify the court. The court will then take your work schedule into consideration when scheduling the criminal proceedings.
- (c) Request Procedure. You must provide your manager or supervisor with reasonable notice of your intention to take crime victims' leave and provide copies of any notices of scheduled criminal proceedings that you receive from a law enforcement agency. We will treat such documentation as confidential information.
- (d) Pay While on Leave. Crime victims' leave is unpaid; however, eligible employees who take this type of leave are required to use any PTO available to them. Exempt employees working partial days or partial weeks will be paid in full for the entire day or week, although PTO must be used first.
- (e) Status of Benefits. Benefits are not affected by crime victims' leave.

13.12 Domestic Violence Leave. An employee who is a victim of domestic violence, sexual assault, or stalking, or is a parent or guardian of a minor child or dependent who is a victim, may be entitled to take unpaid protected leave from work to obtain services or treatment.

- (a) Eligibility. All employees are eligible for this leave.
- (b) Types of Services/ Treatment. An employee may take leave to seek legal or law enforcement assistance, to secure medical treatment, to obtain counseling, to relocate or to take other reasonable steps to ensure their health and well-being or that of their child or legal dependent.
- (c) Length of Leave. The amount and length of leave time you may take is limited to that which does not create significant difficulty and expense (undue hardship) to the organization.
- (d) Request Procedure. An employee accessing this leave provision needs to request time off from his/her manager or supervisor as much in advance as possible to aid in scheduling. We understand, however, that instances of violence are usually not predictable and these requests may be made with little forewarning. We will treat any information you share as confidential.
- (e) Pay While on Leave. Domestic violence leave is unpaid; however, eligible employees who take this type of leave are required to use any PTO available to them. Exempt employees working partial days or partial weeks will be paid in full for the entire day or week, although accrued time must be used first.
- (f) Status of Benefits. Benefits are not affected by domestic violence leave.

Chapter 14. Training

14.1 General Policy. The General Manager shall encourage and promote training opportunities for all Port employees to the end that services they render to the Port may be made more effective. The General Manager shall assist department heads in meeting the training needs of the personnel of their departments; and in cooperation with department heads, shall encourage the development of departmental and inter-departmental training programs designed to meet personnel needs, and to prepare employees for promotion to positions of greater responsibility.

14.2 Orientation of New Employees. All new employees will go through a training orientation.

14.3 Time of Training Periods. Training periods may be conducted either during or after regular working hours or both. Training sessions conducted during regular working hours should be arranged so as not to interfere with work schedules as much as possible.

14.4 Types of Training. For the purposes of administering this rule, three (3) general categories of training are recognized. These categories are:

- (a) In-Service Training. This category includes those courses which are initiated by the Port and are aimed primarily at improving the specific abilities of employees in performing of, or broadening their, general comprehension of Port operations.
- (b) Specialized Individual Training. This category includes special training courses which are usually initiated by some other group, but which have special interest directly relating to the work performed by one or more Port employees. This category includes seminars and training sessions held by professional organizations and specialized short courses.
- (c) Academic Training. This category involves courses offered by colleges, universities, or the local school districts for academic credit. It includes courses taken to improve an employee's knowledge in a specific area which would improve their performance as an employee with the Port. Correspondence courses may be included in this category.

14.5 Tuition Aid. "Tuition Aid" is defined as full or partial payment or reimbursement for tuition costs of specialized individual training or academic training. This tuition aid will be provided if funds for such expenditure are available in the current budget and if the employee is not receiving reimbursement for tuition from any other source.

- (a) Employees who desire tuition aid for specialized individual training or academic training shall submit their requests through their department head. Requests will be reviewed by the department head and forwarded to the General Manager for approval. Prior approval of the General Manager must be obtained before the training starts to qualify for tuition aid. When the training is completed, evidence of satisfactory completion of the training will be submitted to the General Manager. Employees completing any tuition aid program must continue to work for the Port for at least two (2) years after their program is complete. Otherwise, they must reimburse the Port for their tuition.

Chapter 15. Safety and Health Policy

15.1 Safety and Health Manual. The Port has developed a Safety and Health Manual that each employee will receive when they begin their employment and will be responsible for following the guidelines and procedures outlined in the Manual. Failure to comply with the procedures and policies identified in the Manual could result in corrective action, up to and including termination.

Chapter 16. Outside Work Policy

16.1 Definition of Outside Work. "Outside Work" shall be defined as any work for another employer or for himself/herself, for which pay is received whether by salary, wages, or commission and which work is carried on in addition to full-time Port employment; regardless of the number of hours worked on a part-time basis.

16.2 Outside Work. Port employees can engage in outside employment as long as that employment does not conflict with their duties for the Port.

Chapter 17. Identity Theft Protection Policy

17.1 Safeguarding Personal Information. The Port's policy is to safeguard all personal information that may come into its possession. Personal information includes employee or customers' names in combination with a social security number, state driver's license or identification card, passport number, financial, credit, or debit card number along with a security or access code or password. The Port will implement and maintain reasonable safeguards to protect the security and confidentiality of personal information, including proper custody and disposal.

17.2 Notification of Security Breach. The Port shall provide notification of a security breach as soon as possible in writing, or electronically, if it is the primary manner of communication with the customer or employee, or by telephone if the person is contacted directly. The exception is if the notification would impede a criminal investigation. Management shall disclose the breach in its monthly staff report to the Board of Commissioners.

17.3 Steps to be taken to Safeguard Sensitive Documents.

- (a) Review documents, forms, and processes that include or require personal information to determine if and when obtaining or retaining personal information is necessary.
 - (1) If the personal information is not necessary, revise the forms and process to eliminate that information.
 - (2) Redact personal information if no longer needed.
 - (3) Shred documents with personal information when allowed by records retention schedules.
- (b) If personal information is necessary, take steps to ensure that information is secure from unauthorized access. Examples include:
 - (1) Do not leave documents that contain personal information unattended at your desk.

- (2) When not needed for work purposes, documents containing personal information should be stored in a secured area or in a locked file cabinet or drawer.
 - (3) Notary journals that contain personal information should be kept in a secured area or a locked file cabinet or drawer.
- (c) Lock or log off computers when leaving the workstation for a prolonged period of time or otherwise secure computer workstations.

Chapter 18. Electronic Communications

18.1 *Electronic Communications Systems.* Port of Newport provides electronic communication systems to maintain superior communications both within the Port and with outside parties. You are encouraged to learn about these tools and how to use them. This policy provides directions for you regarding access and disclosure of information when using these communication systems. All employees and others outside the Port who may use the systems are expected to be aware of and support this policy.

- (a) Our electronic communications systems include computers, software, electronic mail (email), copiers, fax machines, telephones, voicemail, and various on-line services. All of these systems are managed by the Port General Manager. No loading or downloading of software, freeware, or games of any kind may be done without prior written approval. Any software needed to perform your job not included on your device needs to be requested in writing and reviewed for compatibility to the system by the Port General Manager prior to use.
- (b) These systems and any other informational, storage, or retrieval services that the Port provides are tools and are to be used for Port purposes. Personal use should be extremely limited and then only during designated break times.
- (c) The use of these systems is not private or confidential. All communications are considered to be public record and subject to disclosure. The Port, within the bounds of current and future laws, reserves and intends to exercise the right to review, audit, intercept, access, and search these systems at will, monitor data and messages within them at any time for any reason, and disclose selected contents without notice of other restrictions. Messages received, created and/or sent through these systems remain the property of the Port.
- (d) These systems shall not be used to receive unauthorized copyrighted materials, trade secrets, proprietary information, or similar materials from outside the Port without prior authorization.
- (e) You should check with the Port General Manager if you have any questions about the proper use of communication or software systems. All system users who discover violations of this policy are expected to notify the Port General Manager immediately. Improper use or violation of this policy can result in disciplinary action, up to and including termination.

18.2 Electronic Mail System. You are reminded to be courteous to other users of the email system and always conduct yourself in a professional manner. Email messages are sometimes misdirected or forwarded and may be viewed by persons other than the intended recipient. You should write email communications with no less care, judgment, and responsibility than you would use for letters or internal memoranda written on Port letterhead. As with all other communications, email messages are part of the public record and subject to disclosure.

- (a) You should know that even when a message is erased through email, it is still possible to retrieve and read that message. We expect employees to respect others' privacy, and not retrieve or read electronic messages unintended for them unless authorized to do so.

18.3 Computers. To protect the integrity of our systems, only hardware supplied by the Port can be connected to the system. An employee will not connect any personal hardware that is not purchased through, or authorized by, the Port.

- (a) All software used on Port computers must be registered and approved by the General Manager. Personal or downloaded software for business purposes may only be installed after written authorization from the General Manager. A virus check of all such software must be made immediately before it is installed on any Port computer.

18.4 Telephone Usage. The Port realizes that employees must occasionally make and receive personal telephone calls at work. Such calls must be held to a minimum, and should impact your work as little as possible. Unauthorized or improper use of the telephone, including Port provided cell phones, and charging long distance calls to the Port, must be repaid, and misuse may result in corrective action, up to and including termination.

18.5 Voicemail System. The voicemail system at the Port belongs to the Port and is provided for use in conducting Port business. All communications and information transmitted by, received from, or stored in this system are Port records. The voicemail system is to be used for Port business only. You have no right of personal privacy in any matter stored in, created, received, or sent over the voicemail system. The Port in its discretion reserves and may exercise the right to monitor, access, retrieve, and delete any matter stored in, created, received, or sent over the system, for any reason and without employee permission. You are not authorized to retrieve or listen to any voicemail messages that are not sent to you. Any exception to this policy must receive prior approval from management with authority to waive the policy. Please remember that messages on the voicemail system are subject to public record and disclosure laws.

18.6 Cell Phone and Radio Use.

- (a) This policy outlines the use of personal cell phones at work, the personal use of District-provided radios, and the safe use of both by employees while driving.
 - (1) Personal Cellular Phones. While at work, employees are expected to exercise the same discretion in using personal cellular phones as is expected for the use of Port phones (i.e. kept to a minimum). Excessive personal calls during the workday, regardless of the type of phone used, can interfere with employee productivity and be distracting to others. Employees are asked to make any other personal calls on non-work time where possible and to ensure that friends and family members are aware of the District's policy. Flexibility will be provided

in circumstances demanding immediate attention. The District will not be liable for the loss of personal cellular phones brought into the workplace.

- (2) Personal Use of District-Provided Radios. Where job or business needs require immediate access to an employee, the District may issue a radio to an employee for work-related communications. Such equipment is to be used for business reasons only.
- (b) Employees in possession of District equipment such as cell phones or radios are expected to protect the equipment from loss, damage, or theft. Upon resignation or termination of employment, or at any time upon request, the employee will be asked to produce their cell phone and/or radio for return or inspection. Employees unable to present the cell phone and/or radio in good working condition within the time period requested (i.e. twenty-four (24) hours) may be expected to bear the cost of a replacement. Employees who separate from employment with outstanding debts for equipment loss or unauthorized charges will be considered to have left employment on unsatisfactory terms and may be subject to legal action for recovery of the loss.
- (c) Safety Issues for Cellular Phone and Radio Use. Employees whose job responsibilities include regular or occasional driving and who are issued a cell phone or radio for business use (or have a personal cell phone used during the workday for personal matters) are not to use their cell phones or radios while operating a motor vehicle unless it is hands-free communication.
 - (1) Special care should be taken in situations where there is traffic, inclement weather, or the employee is driving in an unfamiliar area. Under no circumstances are employees allowed to place themselves or others at risk to fulfill business needs. Employees who are charged with traffic violations resulting from the use of their cell phone or radio while driving will be solely responsible for all liabilities that result from such actions.

Chapter 19. Vehicle Use Policy

19.1 Purpose and Scope. The purpose of this policy is to set forth guidelines under which Port of Newport District (hereinafter referred to as 'Port') vehicles will be authorized to Port personnel, the guidelines under which Port vehicles may be used and guidelines for reimbursement or compensation for employee use of personal vehicles. Employees seeking clarification of or exemption from the provisions of this policy should contact the Port General Manager who may authorize exceptions to the policy under mitigating circumstances.

19.2 Policy.

- (a) Port Vehicles. It is the policy of the Port that certain positions require employee access to Port vehicles, either during the work shift or on a twenty-four- (24) hour on-call/ emergency basis.
- (b) Vehicle Use Requirements. The Port provides vehicles for use by qualified drivers to conduct official Port business in the course and scope of their job and/or to maintain

their ability to respond to Port business outside the employee's normal work hours. Port vehicles shall not be used for personal business. Use of Port vehicles to commute to and from work, except as stated above, is prohibited, unless approved in advance by the General Manager.

- (c) Expense Reimbursement – Personal Vehicles.
 - (1) It is the policy of the Port to reimburse employees for expenses which they incur as a result of personal vehicular use on behalf of the Port.
 - (2) When an employee is authorized to use a personal vehicle for work-related travel, he or she will be reimbursed at the current mileage rate established by the Internal Revenue Service. In addition to the mileage rate, the Port will reimburse employees authorized to travel outside of the Port District. See [Chapter 5](#).
 - (3) The Port retains the right to require employees to purchase Oregon's minimum liability insurance in accordance with [ORS 806.010](#), Oregon's mandatory insurance law.

19.3 General Rules Governing Port District Vehicle Use.

- (a) Port vehicles may only be used for legitimate District business.
- (b) Port vehicles will not be used to transport any individual who is not directly or indirectly related to Port business. Passengers shall be limited to Port employees, volunteers, and individuals who are directly associated with Port work activity. Family members shall not be transported in Port vehicles, except if an employee travels out of town for a conference, with approval from their supervisor, they may be allowed to take family members.
- (c) Vehicles should contain only those items for which the vehicle is designed. The Port shall not be liable for the loss or damage of any personal property transported in the vehicle.
- (d) Employees assigned to operate Port vehicles are responsible for the operation, care, and condition of such vehicle and are also expected to keep Port vehicles clean.
- (e) Employees may not operate Port vehicles under the influence of alcohol, marijuana, illegal drugs, or prescription drugs or medications which may interfere with effective and safe operation.
- (f) Employees who operate Port vehicles must have a valid Oregon driver's license and may be required to provide proof of a valid license once every six (6) months. To operate certain Port vehicles, the law requires a Commercial Driver's License (CDL) and/or a hazmat endorsement. The Port will cover the costs associated with obtaining and maintaining a CDL, including test, license fees and medical exams. Receipts must be submitted for reimbursement of these costs.

- (g) Employees driving while on Port business shall obey all applicable traffic and parking regulations, ordinances, and laws.
 - (1) Employees who incur fines in Port vehicles will be personally responsible for payment of such fines.
 - (2) Employees who are issued citations for any offense while operating a Port vehicle must notify their supervisor immediately, when practicable, but in no case later than twenty-four (24) hours. Failure to provide such notice will be grounds for disciplinary action.
 - (3) An employee who is arrested for, or charged with, a motor vehicle offense for which the punishment includes suspension or revocation of their license, whether in his or her personal vehicle or in a Port vehicle, must notify his or her supervisor immediately, when practicable, but in no case later than twenty-four (24) hours. Conviction for such an offense may be grounds for loss of Port vehicle privileges and/or further disciplinary action.

19.4 Reporting and Investigating Accidents. When any Port vehicle is involved in an accident resulting in property damage or injury to any person, the following procedures shall be observed:

- (a) Employee shall immediately report the accident to their supervisor and remain at the scene until a police report is made in a case of a fatality, injury, extensive damage, or damage that renders a vehicle inoperative. Do not remove any vehicle until authorized by your supervisor unless non-removal creates undue hazard.
- (b) In cases where the vehicle(s) suffer only minor damage, other people should not be delayed any longer than is necessary to exchange the required information. All vehicles should carry a list of the necessary information to collect from the other driver and the information the employee would need to collect from them. The operator should also promptly complete the accident report upon returning to the Port office.
- (c) The supervisor or other designated individual shall respond to the scene and request and facilitate a police investigation. He/she shall gather information for the Port's insurance carrier, submit independent reports, and report all findings and conclusions to the Port General Manager.

Chapter 20. Legal Liability

20.1 General. Employees shall abide by all laws and regulations which govern the performance of their duties, and shall perform their duties as reasonable, prudent persons. Employees who are reasonably cautious and prudent in the performance of their duties are not negligent and, therefore, neither legally nor morally liable for accidents or injuries which may occur.

- (a) If an employee is negligent in the performance of duties and responsibilities, and if an accident results from such negligent performance of duties and responsibilities, the employee may be held personally and legally liable.

Chapter 21. Other Policies, Etc.

21.1 No Solicitation Policy. Solicitation by one employee of another employee is prohibited while either person is on working time. Working time is all time when an employee's duties require that he or she be engaged in work tasks, but does not include an employee's own time, such as meal periods or scheduled breaks.

21.2 No Distribution Policy. Distribution of advertising material, handbills, or other literature in working areas of the Port is prohibited at any time.

21.3 Policy Against Harassment. It is the intent of the Port of Newport to provide a work environment that is free from discrimination or harassment. Unlawful harassment includes racial harassment, sexual harassment and harassment based on religion, ethnic background, age, disability, or any other basis prohibited by law. Unlawful harassment in the workplace on the part of any employee is prohibited and any employee found to have engaged in unlawful harassment will be subject to corrective action up to, and including, termination.

- (a) Racial harassment includes, but is not limited to: epithets, forms of address based on race, racial jokes, and undesirable work assignments due to race, color or national origin.
- (b) Sexual harassment includes verbal comments, gestures or physical contact of a sexual nature which is not freely and mutually agreeable to both parties; offensive sexual flirtations, advances, propositions, verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words or phrases used to describe an individual, or the display of sexually suggestive objects or pictures.
 - (1) Any Port of Newport employee who uses sexual behavior to implicitly or explicitly threaten, coerce, influence or affect the employment, job status, salary or performance of another employee is engaging in sexual harassment.
- (c) It is the intent of the Port of Newport to apply these policies to all employment-related practices including, but not limited to: job application procedures and testing; hiring; promotion; demotion; termination; tenure; compensation; training; recruitment; advertising of job openings; lay-off and recall; leaves of absence; fringe benefits; and all other employment-related activities.
- (d) An employee who believes he/she is the subject of unlawful harassment should report the complaint to the Port General Manager, or the Commission President, who shall immediately institute an appropriate investigation as deemed necessary to substantiate the facts surrounding the alleged violation. The records of this investigation shall remain confidential as possible.
- (e) Based upon this information, corrective action to correct the alleged violation will be taken as indicated by the facts of the case, and a written record will be maintained containing the results of the investigation. Falsification of a complaint shall be grounds for corrective action.

- (f) Retaliation by an employee's supervisor or another employee for filing a complaint alleging unlawful harassment will not be tolerated and will subject the retaliator to corrective action.

21.4 Americans with Disabilities Act. The Americans with Disabilities Act (ADA), amended by the ADA Amendments Act of 2008, is a comprehensive federal civil rights law that specifically protects individuals with physical and mental disabilities from discrimination in the workplace.

- (a) Individuals are protected under the ADA if any of the following conditions exist:
 - (1) They currently have a physical or mental condition that significantly restricts their ability to normally conduct a major life function (walking, seeing, hearing, breathing, bodily functions, etc.);
 - (2) They have a history of such impairment; and/or,
 - (3) They are regarded as having such impairment.
- (b) The ADA also prohibits discrimination on the basis of an individual's relationship to someone (parent, sibling, child, spouse, friend, etc.) with a disability.
- (c) The Port of Newport offers equal employment opportunities for qualified individuals who may have a physical or mental disability, but are still able to perform essential job functions with reasonable accommodations. Essential functions are defined as the fundamental non-marginal duties of the position being held or sought. A job function is essential if the position exists for the performance of the function, there are only a limited number of employees available to perform it, or it is so highly specialized that an expert is required to perform it.
- (d) Reasonable accommodation is available to employees and applicants, as long as the accommodation doesn't cause undue hardship on the organization. Individuals protected by the ADA should discuss their needs for possible accommodation with the Human Resources Department.

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MANUAL RECEIPT ACKNOWLEDGMENT FORM

As an employee of the Port of Newport, I acknowledge the following:

I have received a copy of the Personnel Manual. I understand that the Manual contains important information about the organization’s policies, work rules, and my benefits. I understand that I have the responsibility to read and understand the information in the Manual, and to ask my supervisor and/or Human Resources for clarification of any information I do not understand.

I understand that this Manual is not a contract of employment or a guarantee of specific treatment in specific situations. I understand that this Manual supersedes all prior Manuals, policies, and understandings on the subjects contained in it.

I understand that, unless stated in an employment contract, the organization has the right to change, modify, add to, substitute, eliminate, interpret, and apply in its sole judgment, the policies, rules, and benefits described in this Manual. I understand that should the content be changed in any way, the organization will require an additional signed acknowledgment from me to indicate that I am aware of the changes.

Unless otherwise stated in a written employment contract, I understand that my employment relationship with the organization is at-will – either the organization or I can terminate the relationship at any time, with or without reason or notice.

I am aware that I may be given confidential information during the course of my employment, including customer lists, proprietary organization plans, and other information. **I understand that this information is critical to the success of the Port of Newport and I agree not to disseminate or use it outside of the organization. In the event of my termination, either voluntary or involuntary, I agree not to use this information or communicate it to any other individual, organization, or entity.**

Non-exempt employees only: I understand that I am entitled to a break period of ten (10) minutes for each morning and each afternoon shift I work, and am required to take those breaks. I understand that I am further entitled to a lunch period of one (1) hour for every six- (6) hour shift I work. If, on the rare occasion that my workload prohibits taking a one (1) hour lunch period, or if my lunch period is interrupted by work activity, I will record the period as time worked on my time report. I will not return work-related phone calls or email messages during my lunch period, and if work-related interruptions are common, I understand that I may be required to leave my work area during my lunch period.

I also acknowledge that, before signing this form, I have asked for and received clarification on any of the items listed above that I did not understand.

Employee Signature

Date

Print Employee's Name

NEW BUSINESS AGENDA ITEM

DATE: *December 20, 2016*
RE: *2017 Goal Setting*
TO: *Port of Newport Board of Commissioners*
ISSUED BY: *General Manager*

BACKGROUND

The Port Commission and Executive Staff met on Saturday, November 5th to conduct Goal Setting for 2017. During the half-day session, over 40 goals were generated by the Commission. Included in your packet is the scoring summary of the various goals brainstormed in November.

The Summary of Goals are broken into two categories. The main goals are those projects and priorities that received four or more votes. It should be noted that the top ranking project by votes only received votes from two commissioners, so we may need to review that before next year. Projects that received three or less votes are also included for reference.

Please review the goal setting summary and prioritize the top five projects for tonight's meeting.

SUMMARY OF TOP GOALS

1. **Fund the International Terminal Shipping Facility**
This includes completing the financing for the ITSF project as well as developing markets for the facility when complete.
2. **Marketing and Public Relations**
This includes updating the website, improve social media presence through Facebook and Yelp, develop print brochures and trade show booth materials.
3. **Review Port Moorage License Agreements**
This includes reviewing Moorage License agreements for completeness, strengthen enforceability of moorage and storage agreements and reviewing agreements for insurance.
4. **Financial Strength**
This includes better defining of profit centers, reviewing contracted services for best value, determining how much Port is making/losing in a given area, and identifying strengths and liabilities. Developing monthly reports that give a high level view of business unit sustainability. Developing Financial Policies.
5. **Review Capital Plan & Priorities**
In particular, moving the repair of the Rogue sea wall up on the priority list.

6. **Port of Newport Administrative Office**
This includes exploring options for building a new structure and looking at South Beach Annex as a potential location.
7. **Store Out of Date Gear to Make Room for Gear in Use**
This includes looking at both the International Terminal and the North Commercial lot for out of date gear or unusable materials.
8. **Security Cameras**
This includes installing additional cameras in the South Beach parking lot and Multi-Use areas.
9. **Convene Commercial Fishing Users Group Committee**
Start meetings for the newly established advisory committee and using the group to review policy documents that could impact the fleet.
10. **Annex Revamp**
This includes looking at the cost and feasibility of updating the Annex or using it for another purpose, perhaps as a location for the Port office.
11. **Rate Survey for Services and Equipment**
This includes looking at fees at the International Terminal and Commercial Marina, considering public facility vs. private rental fees, making sure we are charging appropriately and for all areas where charges would be applicable.
12. **Review and Update of Emergency Response Plan**
This includes reviewing and/or establishing emergency response plans for major events and determining responsibilities for the Port and Port Lessees.

OTHER GOALS RECEIVING VOTES

13. **Increase Communication with TCB**
This includes providing the Commission with reports on safety related issues via daily reports, a monthly summary of TCB activities, and perhaps a Commission liaison with TCB.
14. **Property Donations to the Port of Newport**
Explore the feasibility and encouragement of property donations.
15. **Review Facilities to Make Self-sustaining**
This includes determining what it would take for each facility to break even on income/expenses.
16. **Partner with Other Agencies**
This includes looking at options for partnering with the City of Newport and/or others for training, maintenance and work sharing.

17. Continue Exploring a Landing Fee

This includes evaluating who and in what amount a landing fee may be assessed at the Commercial Hoist Dock.

18. Annual Training for Commission

Training to consider may include ethics, public records, SDAO.

19. Develop Criteria for Future Use of Remaining Port Property

This includes all remaining undeveloped parcels or re-vamp options.

20. Guidelines for Hoist Usage

This may include an on/off control allowing for PIN #s or key cards, posting "best practices" guidelines, and hoist safety training.

21. Contract Out Services

Services to consider may include cleaning and/or NCom forklift.

22. Succession Planning

This includes looking at future personnel needs at all facilities.

23. Monthly Reporting to Commission of RV Park Customer Feedback

24. Consider & Cost Out Equipment Operation to lease out to Private Operator

25. Schedule Quarterly Meetings with Individual Commissioners and Operations to go over Port Overall Perspective from their POV

26. Set aside \$50K-\$100K at end of fiscal year for SB Projects

27. Consider GO bond to fund all Ncom repairs & dredging (2 - 5 year) and run by Users Group

28. Deepen Triangle/Prism for NOAA Dredging

29. Ordinance Review Group with TCB & Commission

30. NCom inventory completed by Port Personnel to free up TCB to Focus on Safety Issues

31. Cross Training of All Jobs at the Port

32. Move NOAA MOC-P Port Supervisor into an Office Inside the NOAA Building

33. Maximize Insurance Discounts

34. SB Dock Replacement/Refurbishment Every 1 - 2 years

35. Evaluate Port Potential Liability re: Charter Boats, etc/Addl insured Port of Newport

36. **Better Boat/RV Inventory, Inventory Management Program**
37. **Equipment and Facility Damage Recoupment Policy**
38. **SB Vision Part of 2017 Goal Setting as a Separate Category**
39. **Marine Science Community Growth Outreach**
This would include non-professional community involvement
40. **Rewrite Mission and Vision Statement**
41. **Update Strategic Business Plan**
42. **2 - 5 years - Bring new Revenue Producing Interest - Out of the Box**
43. **Utilize the YFP Property by Renting Space to Fishermen**
44. **Identify all Dredging Needs for the Port**
45. **NIT - Have Rates Equal for All Users**

RE-PRIORITIZATION

The goal setting summary sheet included in your packet includes a column for the commissioners to vote one last time to help prioritize the list before adoption in January. Please prioritize your top five projects for the board meeting.

BUDGET IMPLICATIONS

These projects, once prioritized, will serve as a guiding document for the development of the FY17-18 budget.

RECOMMENDATION

No recommendation this month as the Commission will be reviewing the list. A final report will be presented for adoption at the January meeting.

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2016 GOAL SETTING SUMMARY 2016.11.05

	Goal	Chuck	Brown	Patrick-Joling	Lamerdin	Beck	#Votes	#Com	Rank	Prioritize 1 - 5
1	Fund ITSF	6	5				11	2	1	
2	Marketing & Public Relations		3	3	1	1	8	4	2	
3	Review MLAs and Agreements	1	2	3		2	8	4	2	
4	Financial Strength	1	2	2		2	7	4	3	
5	Review Capital Priorities/Rogue Sea Wall	1	1	2	1	1	6	5	4	
6	Port of Newport Office	1	2	1	1	1	6	5	4	
7	Store out of date gear/make room for gear in use	1	2	2	1		6	4	5	
8	Security Cameras	1	1	1	1	1	5	5	6	
9	Convene Commercial Users Group	2	2	1			5	3	7	
10	Rate Survey for Services & Equipment	2		2	1		5	3	7	
11	Annex Revamp	2	3				5	2	8	
12	Emergency Response Plans		1	1	1	1	4	4	9	
13	Increase Communication with TCB			1	1	1	3	3	10	
14	Property Donations to the Port			1	1	1	3	3	10	
15	Review Facilities to make Self-sustaining	1		1		1	3	3	10	
16	Partner with other Agencies	2	1				3	2	11	
17	Continue Exploring a Landing Fee		2			1	3	2	11	
18	Annual Training for Commission	1		1			2	2	12	
19	Criteria for Future Use of Port Property			1	1		2	2	12	
20	Guidelines for Hoist Usage			1	1		2	2	12	
21	Contract out Services	2					2	1	13	
22	Succession Planning		2				2	1	13	
23	RV Park Feedback report to Commission monthly			1			1	1	14	
24	Consider and cost out Equipment lease to private operator	1					1	1	14	
25	Schedule Quarterly Meetings with Individual Commissioners and Operations to go over Port Overall Perspective from their POV	1					1	1	14	
26	Set aside \$50K-\$100K at end of fiscal year for SB Projects	1					1	1	14	

2016 GOAL SETTING SUMMARY 2016.11.05

	Goal	Chuck	Brown	Patrick-Joling	Lamerdin	Beck	#Votes	#Com	Rank	Prioritize 1 - 5
27	Consider GO bond to fund all Nicoma repairs & dredging (2 - 5 year) and run by Users Group	1					1	1	14	
28	Deepen Triangle/Prism for NOAA Dredging	1					1	1	14	
29	Ordinance Review Group with TCB & Commission					1	1	1	14	
30	NCom inventory completed by Port Personnel to free up TCB to Focus on Safety Issues					1	1	1	14	
31	Cross Training of All Jobs at the Port					1	1	1	14	
32	Move NOAA MOC-P Port Supervisor into an Office Inside the NOAA Building					1	1	1	14	
33	Maximize Insurance Discounts	1					1	1	14	
34	SB Dock Replacement/Refurbishment Every 1 - 2 years						0			
35	Evaluate Port Potential Liability re: Charter Boats, etc./Addl insured Port of Newport						0			
36	Better Boat/RV Inventory, Inventory Management Program						0			
37	Equipment and Facility Damage Recoupment Policy						0			
38	SB Vision Part of 2017 Goal Setting as a Separate Category						0			
39	Marine Science Community Growth Outreach						0			
40	Rewrite Mission and Vision Statement						0			
41	Update Strategic Business Plan						0			
42	2 - 5 years - Bring new Revenue Producing Interest - Out of the Box						0			
43	Utilize the YFP Property by Renting Space to Fishermen						0			
44	Identify all Dredging Needs for the Port						0			
45	NIT - Have Rates Equal for All Users						0			

NEW BUSINESS AGENDA ITEM

DATE: December 20, 2016
RE: Travel Oregon RDMO
TO: Port of Newport Board of Commissioners
ISSUED BY: General Manager

BACKGROUND

The Oregon Tourism Commission has a deadline of December 22nd for entities wishing to serve the Oregon Coast as its Regional Destination Management Organizations (RDMO). The current RDMO for the Oregon Coast is the Oregon Coast Visitors' Association (OCVA). The Regional Cooperative Tourism Program (RCTP) is opened up bi-annually to entities interested in serving as RDMO which is the "local" conduit for how the 1.8% state lodging tax should be spent. State law says that each region must produce a program that meets certain state guidelines. The goals of the Program is as follows:

- Maximize benefits to Oregon's economy from the statewide lodging tax.
- Comply with state laws surrounding the lodging tax.
- Encourage multi-regional and targeted nice marketing.
- Maximize benefits from the program to the regions.
- Leverage Travel Oregon programs.
- Deliver consistent messages, outstanding experiences, and efficient use of resources.

This is a significant contract with over \$1-million going to the RDMO and up to 20% can go toward covering overhead, which is one reason that there's interest in the contract.

REQUEST FOR SUPPORT

The Port has been requested to provide a letter of support from three competing agencies:

- Lorna Davis, Newport Chamber of Commerce, Newport, www.newportchamber.org. The Newport Chamber and the Port of Newport has an extensive history together. The Chamber is focused on putting "heads on beds."
- Marcus Hinz, Oregon Coast Visitors Association, Tillamook, www.visittheoregoncoast.com. OCVA has a great website, especially at the front end. They are also the current RDMO for the Oregon coast.
- Eric Dunker, OSU Extension, Corvallis. Sea Grant does a great job promoting activities in the Newport area including the Shop at the Dock program.

ALTERNATE CONSIDERATIONS

The Commission has the following options:

- Write letters of support for all three applicants.

- Decline writing letters for any of the applicants.
- Write letters of support for the applicants in varying degrees of support.
- Write a single letter for the organization.

Additional projects and priorities can be found at www.pnwa.net.

BUDGET IMPLICATIONS

There are no budget implications for supporting any one program over another. There are definitely grant programs available to the Port regardless of who is the RDMO. We also pay dues to the Chamber.

RECOMMENDATION

Based upon the Port's close relationship with Chamber, I would recommend that a Commissioner make a MOTION TO WRITE A LETTER OF SUPPORT FOR THE NEWPORT CHAMBER'S APPLICATION TO SERVE AS THE OREGON COAST'S REGIONAL DESTINATION MANAGEMENT ORGANIZATION.

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REGIONAL COOPERATIVE TOURISM PROGRAM & GUIDELINES

NOVEMBER 9, 2016

Adopted: April 2, 2006,
Adopted: February 11, 2014
Adopted: October 3, 2016

Port of Newport Regular Commission Meeting

December 20, 2016

OREGON TOURISM COMMISSION
250 Church Street SE, Suite 100
Salem, Oregon 97301
503.967.1560

Page 190 of 274

OVERVIEW

2003 – Passage of HB 2267

On Nov. 27, 2003 House Bill 2267 (HB 2267) became law. This law implemented a 1 percent statewide lodging tax and comprehensively overhauled how Oregon addresses and funds statewide and local tourism marketing efforts. Revenues from the statewide lodging tax are continuously appropriated by the legislature to the Oregon Tourism Commission (OTC). Within the scope of the legislation when passed in 2003, the OTC may appropriate as much as 15 percent of the revenue from the statewide lodging tax to Oregon's tourism regions for cooperative regional and multi-regional marketing efforts.

HB 2267 mandated that, "As much as 15 percent shall be used to implement a Regional Cooperative Marketing Program (RCMP). The program shall:

(A) Require that fund allocations focus on creating new business from out-of-state and international markets;

(B) Utilize a regional allocation formula that distributes revenue to regions, the boundaries of which are established by the commission, in proportion to the amount of transient lodging tax revenues collected in each region;

(C) Distribute revenue to recipients that are selected by the commission as organizations able to conduct tourism-related marketing for each region;

(D) Require that all advertising, publications, CD-ROMs, websites, videos and other tourism promotion materials funded through the regional cooperative tourism marketing program carry the Oregon Tourism Commission logo and marketing tag line; and

(E) Encourage funding recipients to incorporate design elements from commission advertising and promotional campaigns, such as fonts, images and other design elements."

In order to gain tourism industry input on disbursement guidelines for the RCMP funds, the commission held nine meetings in various locations around the state in late 2003. The comments and suggestions heard at these meetings, along with those of the OTC members and staff, and the requirements of HB 2267 were incorporated in the initial guidelines.

As the RCMP unfolded, additional suggestions were brought forward by industry partners and subsequent revisions were made to the program's guidelines. In January 2006, Travel Oregon hired Pricewaterhouse Coopers (PwC)

to analyze the first year's implementation of the RCMP program. PwC interviewed nearly two dozen industry partners who were responsible for, or involved in, the implementation of the RCMP in the state's seven tourism regions. In some instances, the interviewees represented statewide tourism industry trade associations and organizations. The results of these interviews, along with the various alternatives proposed by PwC, were reviewed by the OTC; further revisions to the RCMP were proposed. In November 2013, Travel Oregon convened a call with representatives from the then current regional RCMP fund recipients to discuss solutions that would provide certainty to regions for RCMP fund planning. In February 2014, Travel Oregon brought the OTC a recommendation that the RCMP guidelines be revised by using the prior calendar year to determine regional pro-rata share. The change to calendar year allowed Travel Oregon to determine the actual amounts of regional pro-rata share in March and eliminated the use of pro-rata estimates. A few housekeeping changes were also recommended. The revisions were unanimously approved and adopted.

2016 – Passage of HB 4146

In March 2016, House Bill 4146 (HB 4146) became law. The law included changing the statewide lodging tax rate from 1 percent to 1.8 percent effective July 1, 2016 until 2020, at which point it will be reduced to 1.5 percent. The bill removed the language referencing "marketing" specifically from the use of regional program money and removed "as much as 15 percent," replacing it with a fixed 20 percent to implement the regional program. The statutory language for the program was amended and refers to the Regional Cooperative Tourism Program (RCTP). As was the case in 2003, when the statewide lodging tax was first introduced, Travel Oregon sought tourism industry input on the regional program. A survey was conducted that targeted regional stakeholders from January to February, 2016. These survey results were collected and the information was shared out through seven regional gatherings convened in conjunction with the Regional Destination Management Organizations (RDMOs). The individual regional gatherings culminated in a statewide gathering to collectively consider the results of regional industry outreach, to discuss need and map out perceived opportunities. Following the passage of HB 4146, another survey was delivered through Travel Oregon's industry Listserv to solicit input from Oregon's tourism industry as a whole. This survey focused on Travel Oregon's general programs of work and included questions about marketing, sales, development, services, the regional program, grants and communications. Results from this survey were shared

with the Oregon Destination Marketing Organization (ODMO) Board and with representatives of each of the seven RDMOs. In addition, Travel Oregon discussed changes necessitated by the passage of HB 4146, including anticipated changes to the RCTP guidelines. Travel Oregon then convened a series of 24 local town hall meetings across the state from January through October 2016 to inform the industry about changes to Travel Oregon programs necessitated by the passage of HB 4146 and to seek additional perspective to inform future planning to better serve Oregon's tourism industry. Lastly, Travel Oregon convened a work group in August 2016 made up of external industry partners to review the existing RCTP guidelines and give guidance to Travel Oregon staff as the new guidelines were constructed for the OTC's consideration and adoption.

STATUTORY REQUIREMENTS – RCTP

ORS 284.131 (4) (c) (A–E) states:

(c) 20 percent must be used to implement a Regional Co-operative Tourism Program that:

(A) Requires fund allocations to focus on creating new business from out-of-state and international markets;

(B) Utilizes a regional allocation formula that distributes revenue to regions, the boundaries of which are established by the commission, in proportion to the amount of transient lodging tax revenues collected in each region;

(C) Distributes revenue to recipients that are selected by the commission as organizations able to conduct tourism-related marketing for each region;

(D) Requires advertising, publications, CD-ROMs, websites, videos and other tourism promotion materials funded through the regional cooperative tourism program to carry the Oregon Tourism Commission logo and marketing tag line; and

(E) Encourages funding recipients to incorporate design elements from Travel Oregon advertising and promotional campaigns, such as fonts, images and other design elements.

GOALS OF REGIONAL COOPERATIVE TOURISM PROGRAM (RCTP)

- Maximize the benefits to Oregon's economy from the statewide lodging tax
- Comply with the requirements of HB 2267, HB 4146 and all other applicable law
- Encourage multi-regional and targeted niche marketing
- Formalize simple, straightforward RCTP procedures
- Maximize benefits from RCTP funds to the regions
- Leverage Travel Oregon programs
- Deliver consistent messages, outstanding experiences, and efficient use of resources
- Minimize RCTP-related administrative workload on Travel Oregon and the regions

DEFINITION OF REGIONAL GEOGRAPHY

(For partial counties, zip code delineations are available; see map on page 8.)

Oregon Coast: Clatsop, Tillamook, Lincoln, Coos, Curry, and the coastal portions of Lane and Douglas counties

Greater Portland: Washington, Columbia and portions of Multnomah and Clackamas counties

Mt Hood/Columbia River Gorge: Hood River and portions of Wasco, Multnomah and Clackamas counties

Willamette Valley: Yamhill, Polk, Benton, Marion, Linn and portions of Lane and Clackamas counties

Southern Oregon: Klamath, Lake, Jackson, Josephine, and portions of Douglas counties

Central Oregon: Jefferson, Deschutes, Crook and portions of Wasco counties

Eastern Oregon: Sherman, Gilliam, Wheeler, Morrow, Union, Umatilla, Wallowa, Grant, Baker, Harney and Malheur counties

Any region wishing to modify its defined boundary should bring that request to the attention of the Travel Oregon CEO. Regions are encouraged to have agreement among all parties involved in the proposed regional boundary modification prior to bringing the request to Travel Oregon.

REGIONAL RCTP RECIPIENTS

QUALIFICATIONS - REQUIRED

A. Eligible applicants include those listed below that are located in Oregon and are involved with tourism promotion and development and are able to conduct tourism-related marketing for each region.

1. Nonprofit entities
2. Government entities
3. Federally recognized tribes
4. For-profit businesses

B. The entity must have considerable knowledge of the entire region, strong rapport with regional stakeholders and demonstrate capacity to work with its regional stakeholder base to achieve outcomes that benefit the regional tourism economy. The entity must demonstrate that it can fulfill the requirements of the multi-year RCTP contract.

C. The entity must demonstrate that it does not have a strong geographic bias, as RCTP stipulates that the entity must work with the entire region as a whole.

D. As it pertains to the RCTP budget, the entity must use RCTP funds to deliver on an approved regional plan intended to benefit the region and the tourism industry without respect to membership standing or dues payments. Entity must verify investing RCTP funds in this manner if requested by Travel Oregon.

E. The entity must have the human and technical resources required to meet stakeholder needs and act in the interest of the tourism industry.

F. The entity must have at least two-years experience working in the region.

G. The entity must have authority to enter into multi-year contracts with a willingness to comply with all RCTP guidelines and program requirements.

H. The entity must have history of ethical business operation and successful organization management.

I. The entity must have have read and understand the program guidelines, agree to comply with those guidelines and respond to an RFQ or other application process, as may be required by the OTC.

QUALIFICATIONS – PREFERRED (Not Required)

A. The entity should be of sufficient financial stability to operate independently of RCTP resources.

B. RCTP resources should not constitute more than 75 percent of the entity’s entire budget. Consideration will be given for in-kind contribution of time and resources.

C. The entity should have a publicly accessible office space sufficient to conduct meetings with industry and regional stakeholders.

D. The entity should have a full-time staff greater than one full-time employee.

E. The entity should have demonstrated successful experience working in a complex environment, ability to meet demanding deadlines and juggle competing priorities.

F. The entity should have demonstrated ability to maintain positive working relationships in the target region with a diverse array of partners.

G. The entity should have demonstrated track record of successfully managing annual budgets larger than \$100,000.

H. The entity should have demonstrated experience in leveraging multiple sources of funding.

I. The entity should have the ability to conduct meetings and work face-to-face with regional stakeholders for at least three out of five days per week.

EXPECTATIONS

A. Recipients have the responsibility to work with a regional stakeholder group and Travel Oregon’s RCTP staff to construct a RCTP plan, implement the RCTP plan, account for the RCTP funds and have, through contract with Travel Oregon, the authority to implement the plan on behalf of the region once the region’s plan is adopted by the OTC or Travel Oregon staff, as determined by the OTC.

B. A region may request that an entity from another, perhaps adjacent, region implement some or all of their RCTP obligations for them. This will not necessarily result in that region no longer being seen as a “tourism region” for the purposes of Travel Oregon’s marketing materials (Official State Visitor Guide, website, etc.). This should only be undertaken to enable efficiencies in the implementation of RCTP plans. In the event that one recipient selects an entity from an adjacent region to implement/administer the RCTP plan, the two organizations will develop a collaborative tourism plan encompassing both regions.

C. A region may request that Travel Oregon implements their RCTP plan on their behalf.

D. Failure of a qualified regional recipient being designated by the Oregon Tourism Commission to implement an RCTP plan may result in Travel Oregon implementing

that region's plan on behalf of the region. Failure of a region to develop an approved regional plan may result in those funds originally budgeted to that region not being disbursed, in which case, Travel Oregon will utilize those funds to implement a plan on behalf of that region. Please note that Travel Oregon staff is available to provide facilitation services to any region needing assistance in the RCTP planning process.

E. Recipients will act as the RDMO on behalf of the region, including performance of all obligations as such, for the duration of contracting period.

DESIGNATION OF ENTITY RESPONSIBLE FOR RCTP IMPLEMENTATION

A. Following the close of the RFQ period, a review committee comprised of not more than (four) current Oregon Tourism Commissioners, Travel Oregon staff, and industry members who have no potential or actual conflict will be formed to evaluate the RFQ responses and make recommendations as an additional input point for the OTC prior to designation of regional recipients.

B. In accordance with state laws, the Oregon Tourism Commission will designate regional RCTP recipients during a noticed, public meeting for which designation of regional recipients is an agenda item.

PLANNING CYCLE – STAKEHOLDER DRIVEN APPROACH

A. RDMOs will be required to develop and enact two-year tourism plans and engage in a planning cycle on alternating

years. The two-year planning cycle will continue for the duration of RDMO contracts. The regional planning cycle will be carried out with the assistance of Travel Oregon RCTP staff.

B. At the onset of each two-year planning cycle, Travel Oregon will conduct a statewide survey of tourism stakeholders to gain input regarding prior regional plans and to surface regional tourism priorities, identify opportunities and constraints, and to seek regional industry insights on how investments could be maximized within their region. Travel Oregon will collaborate with RDMOs on the content and development of the survey. Travel Oregon will distribute the survey via its communications channels. The survey results and corresponding regional reports (seven) will be provided to RDMOs and regional stakeholders to aid their planning efforts.

C. During each two-year planning cycle, RDMOs will work with Travel Oregon to schedule and deliver planning workshops within their region. These Regional Stakeholder Gatherings will be structured as an opportunity for tourism stakeholders within the region to interface with the RDMO directly and give their insights on regional priorities. RDMOs will present a draft of their regional plans to regional stakeholders for feedback. Regional plans will be expected to reflect regional stakeholder input where appropriate; priorities sourced from stakeholder input should be reflected in the plans.

D. RDMOs will submit two-year plans to Travel Oregon CEO or staff, if designated, for approval. Once Travel Oregon has approved plans, RDMOs will present approved plans back to their regional stakeholders via a public forum. Final regional plans and presentations are required to be placed on RDMO websites and Travel Oregon's Industry website.

REGIONAL COOPERATIVE TOURISM PROGRAM PLANNING TIMELINE



STAKEHOLDERS

A. Each region will form a designated stakeholder group. A defined list of regional stakeholders will be created by Travel Oregon in collaboration with the RDMO for each region. Overlap with individual RDMO's boards of directors is permissible. Travel Oregon will collaborate with RDMOs to determine regional stakeholder lists to ensure regional equity, cultural diversity, and a broad cross section of business types are included for each region. Regional stakeholder groups shall be comprised of the following:

- Destination Management Organizations (DMOs) or Chambers of Commerce within region - (5)
- Select leaders from tourism-related businesses - (15)
 - Accommodations
 - Tour operators
 - Guides and outfitters
 - Restaurateurs
 - Visitor transportation providers
 - Bike shops, golf courses, gear rental businesses, etc.
 - Farm-based agritourism businesses—wineries, breweries, cideries
 - Visitor attractions, cultural heritage attractions, interpretive centers, museums, theaters, etc.
- Key land management agencies - (5)
 - United States Forest Service (USFS)
 - Bureau of Land Management (BLM)
 - Oregon Parks and Recreation (OPRD)
 - City and county parks
- Department(s) of Transportation (1)
 - Oregon Department of Transportation (ODOT)
 - Local departments of transportation
- Representative from international or regional airport (1)
- Representative from port district (1)
- Representative from educational institution (1)
- Representative from tribal entity (1)
- Representative from Oregon Tourism Studio communities (if applicable within region)
- Oregon Regional Solutions staff (optional)
- Regional economic development staff (optional)
- Elected officials (optional)

LEVERAGE & ALIGNMENT

A. 100 percent of RCTP funds must be used toward programs or projects that are in alignment with Travel Oregon's Strategic Plan.

B. To ensure RDMO partners are leveraging their work with Travel Oregon's ongoing strategic imperatives, and to reinforce a cohesive and thorough statewide tourism strategy, RDMOs are encouraged to invest a minimum of 30 percent of their total annual disbursement (RCTP budget) into collaborative programming that is executed in cooperation with Travel Oregon.

C. RDMOs will be able to select from a menu of investment opportunities that incorporate the core tourism areas of: sales, marketing, destination development, and industry and visitor services.

D. Regions are encouraged to invest in strategies and activities that benefit multiple communities within the region and encompass the full suite of tourism disciplines: sales, marketing, destination development, and industry and visitor services.

MENU OF INVESTMENT OPPORTUNITIES

A. Travel Oregon will develop a list or "menu" of pre-vetted programming and investment strategies that are shown to demonstrate clear benefit for the region and the state. Travel Oregon will collaborate with RDMOs to improve this list so that regionally specific strategies as they pertain to sales, marketing, development, and industry and visitors services are sourced locally. RDMOs will have autonomy to choose which individual strategies to invest in, but it is encouraged that a minimum of 30 percent of total budget be spent on these collaborative investment strategies.

B. No additional metrics are required when regional entities use their RCTP funds to partner directly with Travel Oregon as the metrics are already included in Travel Oregon's Strategic Plan.

C. Multi-regional marketing efforts are strongly encouraged. Regions may achieve stronger results by combining resources with other regions. Travel Oregon encourages regional entities to use the multi-regional approach as appropriate in order to leverage resources.

D. Regional partners have expressed great interest in having Travel Oregon facilitate gatherings to explore multi-regional opportunities and specific competencies necessary to compete in the marketplace. Therefore,

1. Travel Oregon staff will convene regions collectively to explore multi-regional cooperative opportunities including cooperative marketing opportunities with Travel Oregon.
 2. Travel Oregon will convene regions collectively to pursue timely professional development conversations regarding earned media, social programming, media planning, etc.
 3. Travel Oregon staff will work internally and with the regions to develop a menu of Travel Oregon programs where the regions can propose to invest their allocated RCTP funds.
 4. Travel Oregon staff will provide planning timelines, media plans and other information necessary to develop regional RCTP plans in a timely manner.
 5. The timeline for presenting RCTP plans will be clearly communicated, therefore allowing Travel Oregon staff to work with each region to identify and agree upon appropriate ROI metrics, allow each region time to prepare their plans to meet those metrics, and to negotiate elements of the regions' RCTP plans prior to the plans going to the OTC for adoption.
- E. RCTP funds cannot be spent to market any destination outside of Oregon. However, in the case of a region that may be involved with a joint marketing campaign with destinations in a bordering state, RCTP funds may pay for the relative share of the Oregon regions participation in that campaign.
- F. The OTC encourages the use of RCTP funds to leverage Travel Oregon's programs and target markets. A list of those programs is found in Travel Oregon's Strategic Plan: industry.traveloregon.com.

STAFFING:

- A. RDMOs may use no more than 25 percent of their annual disbursement (budget) on hiring departmental staff (as it applies to areas of RCTP investment strategy), human resources, and other administrative needs.
- B. Regional recipients may request additional RCTP money be invested into regional human capacity if activities, actions, and strategies deem it necessary. This allowance of additional human capacity cost may not include any costs related to regional recipient staff and is to be a case-by-case decision at the discretion of Travel Oregon.

REPORTING & METRICS

- A. Travel Oregon will assess compliance and performance of RDMOs planning and programming through:
1. Annual reviews with RDMO
 2. Annual reports to be completed by RDMO
 3. Biennial regional stakeholder feedback via survey
- B. Travel Oregon will stipulate four to five shared metrics used by all RDMOs. These metrics will align with Travel Oregon's own reporting metrics and measurements of success. Regions will also be assessed on metrics associated with specific activities and strategies outlined in their plans.
- C. Regional performance will be assessed based on the return on investment as it pertains to specific strategies and tactics and alignment with regional stakeholder input.
- D. Regional plans and reports will be transparent and viewable on Travel Oregon's Industry website. A strong effort will be made to ensure these performance measures are easy to comprehend.
- E. All RCTP related funds must be spent by RDMOs by the completion of the two-year contract and plan cycle. All unused and unbudgeted funds will be returned to Travel Oregon to use at its discretion on RCTP programming and in-region strategic investments. Carrying forward funds into future biennia is only allowed with OTC approval.
- F. The RCTP plans must include goals and objectives, as well as ROI metrics. These metrics will be provided by Travel Oregon in collaboration with the RDMO. Efforts will be made to utilize broadly recognized and standardized performance measures such as those included in Travel Oregon's Strategic Plan and those developed by the International Association of Convention and Visitor Bureaus.

CONTRACTS, REPORTING & FUNDING

- A. OTC will disburse RCTP funds in three checks to each region.
1. The first check will be for 25 percent of the regional funds. This will be disbursed no later than August 15.
 2. The second check for 50 percent of the balance of the funding will be disbursed no later than October 15.
 3. The third check, for the remainder of the funding will be disbursed no later than December 15.

B. Determination of regional pro-rata share of RCTP funds will be based on lodging tax collections from the preceding calendar year.

C. No cash or in-kind match of RCTP funds is required at this time.

D. Regions are required by law to incorporate Travel Oregon's tagline and/or logo on all marketing materials and are encouraged to follow Travel Oregon's style guide and direction.

E. Each regional entity selected to implement the RCTP is contractually granted the authority to carry-out the program on the region's behalf. But the contracted DMOs, once the plans are adopted by the Travel Oregon staff and the Commission, are authorized and empowered to implement the plan.

F. Travel Oregon and the regions will evaluate the current RCTP procedures periodically. Amendments will be made at the OTC's discretion.

G. A regional entity can submit amendments to their approved RCTP plan to the Chief Executive Officer and to any other Travel Oregon staff designated by the CEO for review and approval. Amendments to the plan will also

include any unexpended funds that are the result of original budget amounts that were over actual costs. The Travel Oregon staff will submit a report to the OTC outlining any changes to the original plan.

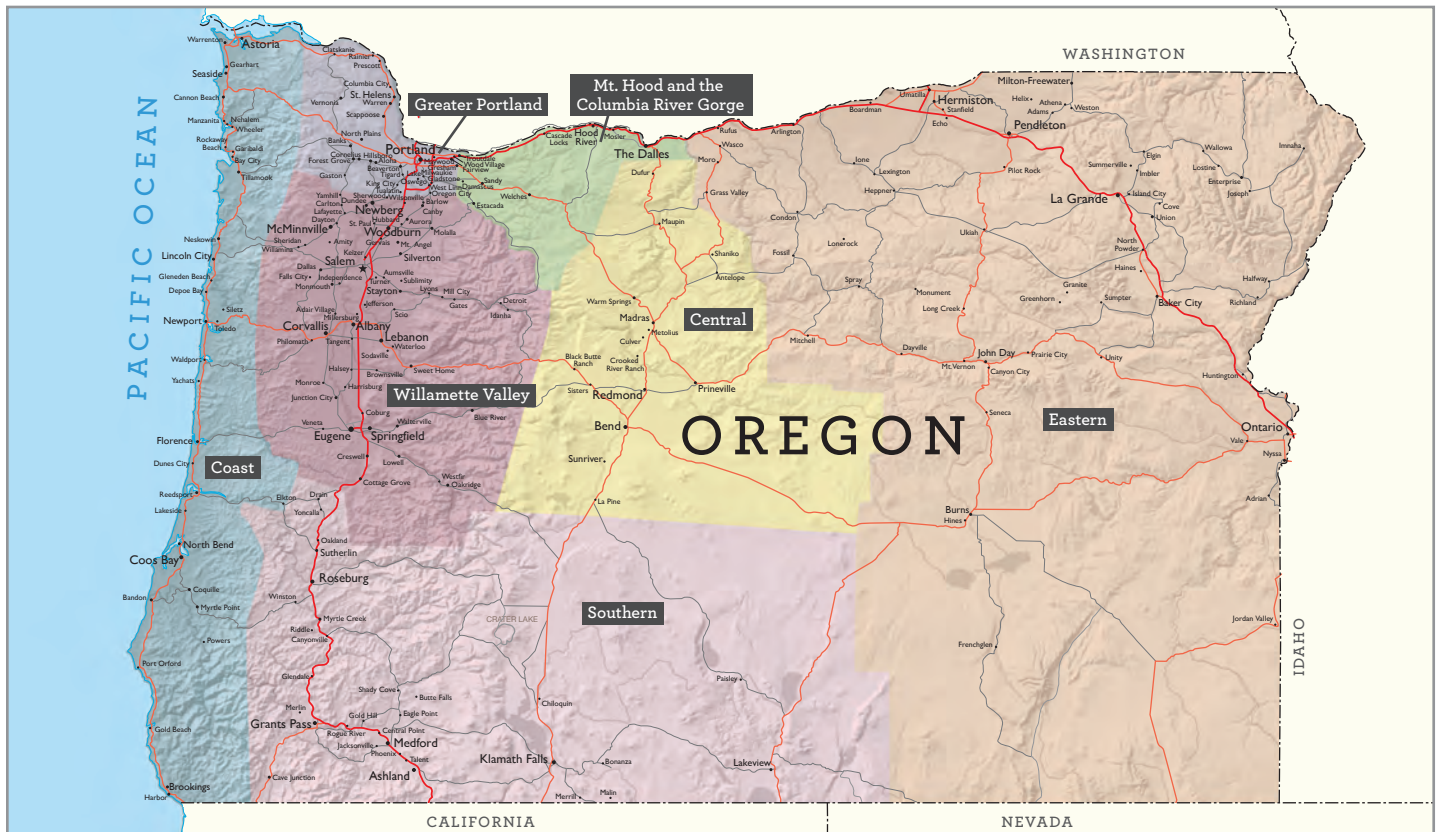
H. Travel Oregon staff are authorized to negotiate elements of each region's RCTP plan and, if necessary, reject elements of proposed plans that won't achieve the ROI metrics agreed upon.

I. Information regarding the OTC's travel market mix, demographics, strategies, marketing/development objectives, and metrics can be found in the Travel Oregon's Strategic Plan on Industry.Traveloregon.com.

REQUEST FOR QUALIFICATIONS

A. Travel Oregon will enact a two-year RFQ cycle that will determine the recipients for the 2017-19 RCTP disbursements. Following this first cycle, a six-year RFQ and awards will ensue (2019-2025).

DEFINITION OF REGIONAL GEOGRAPHY



From: [Marcus Hinz](#)
To: [Kevin Greenwood](#)
Cc: sueneuer@gmail.com
Subject: Letter of Support for Travel Oregon RFQ process
Date: Friday, December 02, 2016 4:20:05 PM
Importance: High

Dear Kevin,

I am writing you to request a letter of support for our application to Travel Oregon's new Request for Qualifications (RFQ) process, **Due December 19th**.

As you may know, upon the **advice of Oregon's Attorney General** Travel Oregon is now requiring all regional entities (such as OCVA) to compete for the coastal contract via the form of a Request for Qualifications. We will be judged on our qualifications, not on the plan we submit.

Here are some examples of the qualifications which Travel Oregon are looking for:

How long have you been working with OCVA. Do our partners see us as trusted and respected. Do our partners see us as a valuable resource and helpful to their local marketing and product development aims? Are we reachable, responsive, accurate, etc.

Finally, if you have contributed resources to OCVA as part of our partnership, please state so and briefly describe the partnership. Some resources are meeting space, event space, photos/images, completed itineraries, stories or videos for marketing.

This does not have to be a super long letter, but it does need to touch upon a few of the above items. It should be **addressed as written below**, but sent back to me in .pdf format so I can include the letters with our application as required.

Harry Dalgaard
Manager, Regional Cooperative Tourism Program
319 SW Washington, #700
Portland, Oregon 97204

Much Thanks,
Marcus

--

THE PEOPLE'S COAST

MARCUS HINZ
executive director

OREGON COAST VISITORS ASSOCIATION
po box 940 ~ 2200 1st St #940 tillamook, oregon 97141
p 541 574 2679 ~ 888 628 2101 ~ c 541 264 0543
Director@ThePeoplesCoast.com

Share your experiences on The People's Coast at www.VisitTheOregonCoast.com
Follow us on [Twitter@ThePeoplesCoast](https://twitter.com/ThePeoplesCoast)
Like us at [Facebook.com/ThePeoplesCoast](https://facebook.com/ThePeoplesCoast)

From: [Dunker, Eric](#)
To: [Kevin Greenwood](#)
Cc: [Jacobson, Kaety Rebecca](#)
Subject: Support for participation in the RFQ process in Travel Oregon's Regional Cooperative Tourism Program
Date: Friday, December 09, 2016 2:26:30 PM
Attachments: [Stakeholder support letter.docx](#)

Hi Kevin,

Hope you are well; I think last time I saw you was in Salem at the capital! We wanted to let you know that Oregon State University Extension will be submitting an application to serve the coast region through Travel Oregon's Regional Cooperative Tourism program (I've posted information about the program below).

We believe our strength would be the ability to tap into OSU's network of local faculty, organizational resources, and local partners to help community groups create experiences and manage visitor and community impact, conduct targeted applied research, provide workforce training, and build local capacity. If awarded, we would seek out partnerships with local stakeholder groups, such as DMOs and chambers that have local destination marketing strengths.

industry.traveloregon.com/industry-resources/regional-cooperative-marketing-plan/regional-cooperative-tourism-program/

We are requesting letters of support from some of our key partners in the coast region to talk about important factors such as our stability in the region, willingness to partner, trustworthiness, and dependability. I've attached a sample letter to this email. I know this is short notice, our application is due on the 22nd, so if you were willing to craft a letter, we would love to have that back by December 20th (you can email it back to me). We feel that we strongly meet the qualifications that Travel Oregon is looking for, and it would be a privilege to serve the coast region with expanded capacity through outdoor recreation and tourism. Thanks, and please don't hesitate to call with any questions!

Eric

Eric Dunker, Ph.D.

Regional Administrator: *Clatsop, Columbia, Coos, Curry, Lincoln, & Tillamook Counties*

Oregon State University

Division of Outreach and Engagement: Extension Service
121 Ballard Extension Hall
Corvallis, OR 97331

office: 541-737-5991
cell: 541-602-7978
fax: 541-737-4423
outreach.oregonstate.edu

From: [Lorna Davis](#)
To: [Kevin Greenwood](#)
Subject: Request for Letter of Support
Date: Monday, December 12, 2016 1:05:01 PM
Attachments: [Letter from the Port not approved yet.docx](#)

Dear Kevin,

I am writing to ask the Port of Newport for a letter of support for our application in response to the RFQ sent out for Regional Destination Marketing Management for the coast.

House Bill 4146 which passed last spring, increased the state lodging tax from 1.0% to 1.8%, which in turn led to some revisions and the Attorney General asking Travel Oregon to seek RFQ's for Regional Destination Marketing Organizations for each of the seven regions of Oregon.

The Greater Newport Chamber of Commerce was asked by Travel Oregon in August of 2012 if we would consider working with them to administer and fulfill the responsibilities in the role as the RDMO for the coast due to some changes that the former provider of those services had faced. We became the fulfillment organization for the Coast in spring of 2013, becoming the call center, visitor center, lead-fulfillment and distribution office, and the lead on many Coastal projects such as familiarization tour organizing and hosting and industry stakeholder meetings. (Many other responsibilities, but I'll stop here to keep it brief).

We have been under contract with Travel Oregon through the most recent transition of the program last winter when it went back to OCVA, and are currently serving under the a contract for the same services and capacity with OCVA with additional responsibilities related to the program of work.

We are being asked to demonstrate a number of things and are needing letters of support from stakeholders and partners who can speak to our qualifications, strengths, abilities and character in our role of destination management.

We feel we have represented not only Newport, but the entire Coast well and hope you will be able to provide a letter.

Should you need any more information or have questions, don't hesitate to contact me.

The deadline for the submissions in December 22nd, however we plan on submitting our application no later than December 20th.

Many Thanks,
Lorna Davis
Executive Director
Greater Newport Chamber of Commerce
lorna@newportchamber.org
541-265-8801

To: Port of Newport Commissioners
From: Stephen Larrabee, Director of Finance
Date: December 20th, 2016
Re: Insurance Summary

Included in this motion are three insurance policies for the Port of Newport.

- 1) General Liability and Property Liability provided by Special District Insurance services at a total cost of \$152,848. The policy period is from 01/01/2017 through 12/31/2017.

- 2) Marine Liability Insurance for our Tug, Skiff and Floating Docks provided by Servco Pacific insurance at a total cost of \$38,506.64. The policy period is from 01/01/2017 through 12/31/2017.

- 3) Flood and Earthquake Insurance for NOAA Docks provided by Landmark American Insurance Company at a total cost of \$77,251.50. The policy period is from 01/06/2017 through 01/06/2018.

My recommendation is to approve all three policies.

Port of Newport
600 SE Bay Blvd
Newport, OR 97365

December 13, 2016

RE: MARINE LIABILITY INSURANCE RENEWAL, Renewal Date January 1, 2017

Dear Mark,

We hope this finds you and everyone at the Port doing well. We wish each of you a joyful holiday season.

We are pleased to provide underwriters renewal terms and are looking forward to meeting with you to go over the renewal coverage and your current liability insurance needs. Renewal terms are as expiring, with no increases.

Floating Docks

Limit of Liability	\$3,000,000.00 any one occurrence/accident
Deductible	\$ 10,000.00 per occurrence
Annual Premium	\$ <u>30,000.00</u>

Scheduled Vessels: 34' Tug MILDRED C and TWO SERVICE SKIFFS

Insured/Agreed Value	\$ 15,000.00 Tug MILDRED C/\$13,000 SERVICE SKIFF/\$5,000 1986 FRP SKIFF
Deductible	\$ 1,000.00 per occurrence
Annual Premium	\$ <u>1,651.00</u>

Protection & Indemnity Scheduled Vessels (***note, no coverage for Port of Newport Employees or Crew***)

Limit of Liability	\$2,000,000.00 any one occurrence
Deductible	\$ 1,000.00 per occurrence
Annual Premium	\$ <u>5,500.00</u>

Marine Pollution Liability – Scheduled Vessels (SEE ABOVE)

Limit of Liability	\$2,000,000.00
Deductible	\$-0-Clean Up / \$1,000 Federal, State, Local Fines
Annual Premium	\$ <u>1,355.64</u>

Tower's Liability with option for higher limit

Limit of Liability	\$1,000,000.00 Included at no additional premium for this Limit of Liability
Limit of Liability	\$2,000,000.00, additional premium: \$250.00

Total Annual Premium	\$38,506.64 with \$1,000,000 Tower's Liability - or - \$38,756.64 with \$2,000,000 Tower's Liability
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We are standing by for any questions you may have. Thank you for this opportunity to be of service.

Kind Regards,

Mona Holmes

Mona Holmes
/mth

Port of Newport Difference in Conditions Including Flood & Earthquake

Insurance Company: Landmark American Insurance Co
Policy Period: January 6, 2017 to January 6, 2018

Named Insured/Entity	Port of Newport
Policy Type	Flood & Earthquake
Property Limits	\$5,000,000
Valuation	Replacement Cost
Coverages	Docks including structures/buildings on the dock
Deductible-All Covered Perils	\$ 25,000 Per Occurrence
Flood Deductible	\$ \$500,000 Per Occurrence
Earthquake Deductible	5%, subject to a minimum of \$50,000 per occurrence

Premium Summary/Comparison

Line of Business	Current Premium	Renewal Premium
Difference in Conditions	\$ 77,251.50	\$ 77,251.50

Port of Newport

John Russell



RSUI Group, Inc.
 15303 Ventura Boulevard
 Suite 500
 Sherman Oaks, CA 91403
 (818) 922-6700

November 22, 2016

CRC Insurance Services
 1909 214th Street, SE
 Suite 100
 Bothell, WA 98021

ATTENTION: NATALIE SIENKIEWICZ

RE: Property Quote

Submission Number: 855031
Renewal of: LHQ421651
Company: Landmark American Insurance Company - (Best rating: A+ XIII)
Coverage: Property

Insured: Port of Newport
 Newport, OR

Policy Dates: January 06, 2017 - January 06, 2018

Property Limits: \$5,000,000 per occurrence & annual aggregate applying separately to Flood and Earthquake, subject to conditions of the Scheduled Limit of Liability form

Sublimits: \$1,000,000 per occurrence Ordinance or Law - Coverage B & C (Combined)
 Sublimits are part of, not in addition to, the Property Limit(s) shown above.

Valuation: Replacement Cost

Total Insured Value: \$17,720,000 per Statement of Values on file with Company submitted 10/17/2016

Coverages:

- Ordinance or Law - Coverage A (Included in Building Limit)
- Ordinance or Law - Coverage B & C (Combined)
- Docks including structures/buildings on the dock

Perils: Difference in Conditions Including Flood & Earthquake

- Excluding Earth Movement Sprinkler Leakage

Form: RSUI Forms

Deductible: **All Covered Perils** - \$25,000 Per Occurrence (Property Damage), *except*

Flood - \$500,000 Per Occurrence (Property Damage)

Earthquake - 5.00% *, subject to a minimum of \$50,000 per occurrence (Property Damage)

* If the Deductible is expressed as a percentage (unless otherwise stated), the

Deductible is calculated separately for and applies separately to each building that sustains loss or damage, the personal property at each building at which there is loss or damage to personal property, Personal property in the open, Business Income and Extra Expense. If there is damage to both a building and personal property in that building, separate deductibles apply to the building and to the personal property.

Remarks: THE PREMIUM AMOUNT DOES NOT INCLUDE SURPLUS LINES TAX.
YOUR OFFICE IS RESPONSIBLE FOR THE COLLECTION AND FILINGS.

Policy Attachments

- Exclusion And Limited Additional Coverage - Electronic Data RSG 94030 1003
- Exclusion And Limited Additional Coverage For Fungus RSG 96004 0210
- Exclusion of Pathogenic or Poisonous Biological or Chemical Material RSG 96014 0504
- Scheduled Limit Of Liability RSG 94060 0515

Premium Amount

Premium:	\$75,000.00
Terrorism Premium:	\$75,000.00
Gross Premium:	\$150,000.00
Minimum Earned Premium:	25.00%

Please read all terms and conditions shown above carefully as they may not conform to specifications shown on your submission.

This Quote is valid until 01/06/2017.

We greatly appreciate your business.

Bill Duncan



Date: 07-Dec-16

Named Participant: Port of Newport
 600 SE Bay Blvd
 Newport, OR 97365

Agent: PayneWest Insurance-Newport
 P.O. Box 830
 Newport, OR 97365

Invoice #	Entity ID	Effective Date	Expiration Date	Invoice Date
32P16278-191	16278	01-Jan-17	31-Dec-17	07-Dec-16

**2017 Longevity
 Credit Amount****
\$10,474.00

Coverage	Contribution
General Liability	General Liability Contribution \$60,210 Less Best Practices Credit (\$4,817) Less Multi-Line Discount Credit (\$2,408) Adjusted Contribution \$52,985
Auto Liability	Auto Liability Contribution \$1,698 Less Best Practices Credit (\$141) Adjusted Contribution \$1,557
Non-owned and Hired Auto Liability	\$150
Auto Physical Damage	\$561
Hired Auto Physical Damage	\$0
Excess Liability	\$2,518
Property	Property Contribution \$77,545 Less Best Practices Credit (\$6,462) Adjusted Contribution \$71,083
Earthquake	\$4,948
Flood	\$2,449
Equipment Breakdown / Boiler and Machinery	\$15,779
Crime	\$818

**Only Eligible Districts that signed the Longevity Credit and Rate Lock Guarantee Agreement will receive the indicated Longevity Credit Amount

Total: \$152,848

Coverage is provided for only those coverages indicated above for which a contribution is shown or that are indicated as "included." Your payment evidences "acceptance" of this renewal. Please use the payment coupon on the following page to help us apply your payment correctly.

Payment instructions are on the following page.

Date: 07-Dec-16

**** Payment Due: 2/1/2017 ****

Please include the bottom portion of this sheet with you payment.

Make Checks Payable to:

Special Districts Insurance Services
P.O. Box 12613
Salem, OR 97309
Phone: 1-800-285-5461 Fax: 503-371-4781

Port of Newport

Customer ID: 01-16278

Total Due: \$152,848

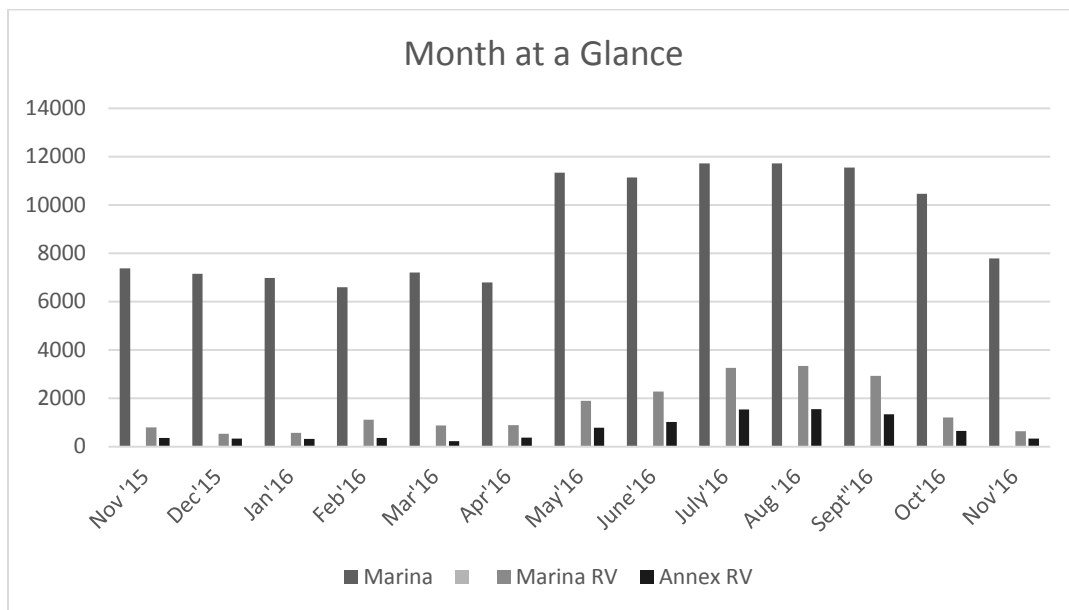
Check # _____ Amount \$ _____

November 2016 Occupancy Report

To: Port of Newport, Board of Commissioners
 From: Bill Hewitt, South Beach Marina & RV Parks
 12/4/2016

Occupancy numbers for November were down from last year in the Annex and Marina RV Park. November was a very wet month which hampered reservations. Plenty of unsold spots, going forward November and or December might be good months for some kind of winter special. Marina was up slightly, excellent crabbing most of the month, but crabbing was closed in the bay mid- month and this hurt the RV Park and Marina end of month revenue. Also bar was closed most of the month which also hurt RV and Marina stays.

Nov '16	2015	2016	Change	YTD 2015	YTD 2016	Change
Marina	7380	7791	5.57%	109894	104146	-5.23%
Marina RV	802	639	-20.32%	22795	19,166	-15.92%
Annex RV	377	335	-11.14%	7248	8406	15.98%





DIRECTOR OF OPERATIONS MONTHLY REPORT

DATE: 12/15/2016
PERIOD: Nov - Dec 2016
TO: Kevin Greenwood
ISSUED BY: Rick Fuller

OVERVIEW

Summary:

Rogue has completed the first phase of its two phase building expansion. The resulting multi-use area is ready for events and eventual striping for dry camping and traffic flow. The NOAA MOC-P dredging permit application remains pending but is anticipated to be approved by the end of the year. Billeter Marine LLC was the apparent low bid and included in the consent calendar for approval. The CBP ADA ramp which is required by code is included in the consent calendar for approval. Bergerson Construction has completed the in-water work for their contracted scope which includes an additional two pile replacements and the removal of 7 abandoned and corroding pile at PD7. The annual SDAO risk management inspection has been updated to include all completed and in progress items. Rick Fuller has tendered his resignation of the position of Director of Operations. Ricks last day of work is scheduled for December 16th taking into consideration his bank of paid time off.

Detail:

- **Rogue Warehouse Expansion/Multi-Use area:** The Rogue expansion is 100% complete and has received a conditional certificate of occupancy. The replacement of topsoil and landscaping damaged or added by the project was completed by Rogue to the satisfaction of staff. Landscape work under the responsibility of the South Beach staff was completed at the multi-use area as weather permitted. A parking lot striping plan was completed and approved by the design committee when they met at the site.
- **NOAA MOC-P dredging:** Request for quotations were publicly advertised with six contractors showing interest. Five contractors provided bids with Billeter Marine, LLC submitting the low price of \$289,013. A staff report recommending contract approval is included in the consent calendar. The Joint Permit Application is under review by the agencies. It is anticipated to be approved and authorized by the end of December. Dredging is scheduled to begin after the first of the year
- **NOAA MOC-P recreational access:** pricing for the limited work scope of grading and gravel path installation at the west end of Rogue brewery was awarded to Runions Construction. The work was successfully completed and looks great. An interpretive kiosk was installed by Port staff and photo documentation was provided to ODFW and DSL. Port owned floating dock

sections will be utilized and added to the end of the existing service dock as required by ODFW providing increased recreational crabbing access.

- **Permits:** I continue to work on the details of the outstanding NIT dredging permit conditions and have been in contact with DSL regarding the remaining conservation easement requirement at the mitigation area behind the aquarium.
- **PON/CBP permanent foundation for modular structures:** See staff report item IV-D for the final addition of a required ADA ramp to be purchased and installed by Design Space Modular Buildings. Once installed the permit will be closed out and documentation sent to GSA for final lease approval.
- **Port Dock 5/7 Pile replacement:** Bergerson Construction Inc. have competed the replacement and removal of all specified piling at PD5 & PD7 as contracted (see photos). During the process 2 more pile at PD7 were discovered to have extensive corrosion requiring immediate replacement. A permit amendment was submitted and approved by DSL and USACE for the replacement of two piling with the request to pull 7 additional pile at PD7 that had been previously abandoned. See attached cost tabulation of the project as of 12/14/2016.
- **General Departmental:**
 - The SDAO annual safety report that was included last month has been updated to include all items completed or in progress. See attached update report 12/12/16
 - The Hippo CMMS has now been successfully implemented at all department. North Commercial is in the process of training and is expected to be using the system at full speed after the crab push.
 - This months shout out goes to all of the staff, Commission and associates that I have worked with over the last 5 ½ years. It has been an honor and a privilege to work for the Port of Newport as NOAA Facility Manager and then Director of Operations. My best wishes to the Port staff and Commissioners for your future.

International Terminal – Pete Zerr, Superintendent

Billable services:

- Forklift - 93hrs
- 30 Ton Hydraulic crane – 71hrs
- Moorage – 274 days
- Dock Tie Up – 195 hrs
- Labor – 165hrs

Other

- Newport Diesel & Marine replaced both the fuel injection pump and the fuel lift pump on the (older & larger) Hyster H250 due to fuel ingress into the lube oil.
- Distant water fleet in heavy use period

N. Commercial docks – Kent Gibson, Interim Harbor Master

Billable services: (estimated)

- Forklift – 88hrs
- Hoist crane – 11hrs
- Dock Tie Up – 130hrs

- Labor – 94hrs

Other

- installed anti-skid mineral paper on dock 7E and F Painting last restroom in the shower facility at PD7
- Installed rebuilt transition plate on 5X
- Bergerson Construction - Started and completed in-water pile work at PD5/7

NOAA MOC-P – Jim Durkee, Facility Manager

- Shore power voltage reset. NOAA requested the pier transformers be re-tapped -2.5% to better accommodate the two older vessels in the fleet. PUD performed this operation for us on Friday, December 9th.
- NOAA interpretive Sign. Waiting for the signed copy of the agreement between the city and the port. Next is performing the utilities locate and hiring a contractor to excavate the holes. The sign will be assembled and installed by the Port Mates.
- Old YBF Building Furnace. The new furnace is installed and running. The ducts are scheduled for cleaning December 15th.

Vessels Using the Facility Since My Last Report – OSP Guardian, NOAA vessels Bell M Shimada, Rainier and Fairweather.

Year to date, 1826 passengers crossed the bar on vessels using the NOAA wharf.

Office Occupancy Admin Building – 63 Work Stations Total, 42 Occupied
 Warehouse Bldg. – 23 Work Stations Total, 11 Occupied
 Occupancy Rate – 62%

S. Beach Marina & RV – Chris Urbach, Harbor Master

Billable services:

- Launch tickets:
 291 tickets sold this period. 4367 tickets sold since fiscal year start July 1.

Other

- Worked with the contractor to finish the path and kiosk installation at the public access by the fishing pier.
- Removed the old stripping in the Multi- use area.
- We finally got a man lift dropped off from Newport rental to start the gutter cleaning just in time for Rick’s last day, the lift had been out of order for repairs.
- Roque has finished up the Ports punch list on the expansion project thanks for Kevin’s support on this.

Volunteer Work Crews

Port Mates – Port Mates have started working on the three cabinets and surrounding area at the central fish cleaning table.

PORT OF NEWPORT – PORT DOCK 5/7 PILE REPLACEMENT

PROJECT COST BREAKDOWN

BASE BID WORK

Base Work Completed to Date:

1. Pile Supply (26 EA) Guide Pile		\$ 95,336.00
a. COP 002 – Pile Supply Modifications		(\$4,837.00)
2. Mobilization / Demobilization		\$ 91,934.00
3. Pile Removal		
a. Pile Removal @ Dock 5 – (16 EA)	\$793/EA	\$ 12,688.00
i. (9 EA) - Existing Pile Sleeved with new 20" dia Pile		
b. Pile Removal @ Dock 7 – (20 EA)	\$793/EA	\$ 15,860.00
i. (5 EA) - Existing Pile Unable to Extract		
4. Pile Replacement		
a. Pile Replacement @ Dock 5 – (25 EA)	\$1,729/EA	\$ 43,225.00
b. Pile Replacement @ Dock 7 – (3 EA)	\$1,729/EA	\$ 5,187.00
	TOTAL BASE BID WORK	\$ 259,393.00
	CONTRACTED BASE BID	\$ 266,323.00

BID ALTERNATES:

5. Pile Cutoff 3' below Mudline.	\$1,732.00/EA
6. Replace Double 4" x 12" Timber Waler	\$ 145.00/LF
7. Install New 1.5" x 18" HDPE Rub Boards	\$ 28.00/LF
8. Install New "D" Bumpers	\$ 23.00/LF
9. Replace Existing Through Rods	\$ 90.00/EA
10. Install Fabricated Angle Brackets at Fingers	\$1,099.00/EA

PD5/7 Pile Replacement Project 2016



Pile Corrosion



Pile Corrosion

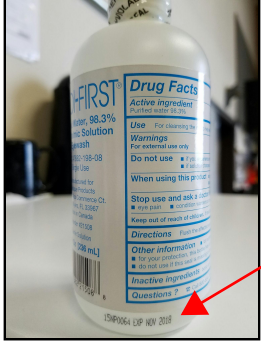



New Galv Pile



Additional Pile Removal





**Port of Newport
10/19/16 Risk Assessment**

Photo	Recommendation	
	<p>16-01 (Minor) – First Aid Kits should be inspected on a regular basis to ensure contents have not expired and supplies have not been depleted.</p> <p>Response: All expired items replaced. Quarterly inspections set up in CMMS software</p>	<p>Completed Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>Completed Date <u>10 / 21 / 16</u></p>
	<p>16-02 (Moderate) – The Port should work with the local fire marshal to determine if the rear door is an emergency exit. If the door is an emergency exit a clear path must be maintained and the security bar must be removed during occupied hours.</p> <p>Response: Fire Department contacted. Exit signs removed. Security bar remains</p>	<p>Completed Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>Completed Date <u>10/21/16</u></p>
	<p>16-03 (Moderate) – Combustible materials should not be stored on or next to electrical transformers as it poses a fire hazard.</p> <p>Response: All combustible materials removed and area cleaned</p>	<p>Completed <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Completed Date <u>10 / 21 / 16</u></p>
		<p>Completed <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Completed Date _ / _ / _</p>

NIT




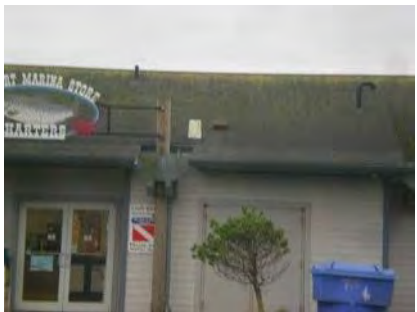
Disclaimer: The loss control recommendations generated by this visit should be used as a risk management tool only and are to the best of the writer's knowledge authentic and reliable. Special Districts Insurance Services makes no guarantee of results, and assumes no liability in connection with either the information or safety recommendations herein contained. The recommendations do not mitigate or protect the district from OR-OSHA compliance and/or monetary penalties. It can not be assumed that every acceptable safety procedure or hazardous condition across the entire district is contained herein, or that abnormal or unusual circumstances may not warrant or require further or additional procedures or follow-up.

**Port of Newport
10/19/16 Risk Assessment**

	Photo	Recommendation	
Commercial Docks		<p>16-04 (Major) – To prevent theft and unauthorized use of the forklift (that could lead to liability exposure) the keys should be secured when not in use.</p> <p>Response: Individual keys have been distributed to certified operators. Keys are no longer left in forklift while unattended</p>	<p>Completed <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Completed Date <u>11/28/16</u></p>
		<p>16-05 Shop and Waste Oil Building (Major) – Secondary containment should be provided under the oil drums to prevent inadvertent spills.</p> <p>Response: Spill pans installed, area cleaned of debris.</p>	<p>Completed <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Completed Date <u>11/28/16</u></p>
		<p>16-06 (Moderate) - Oxygen cylinders should be stored in an area segregated from acetylene cylinders or separated by a fire resistant partition. This will help to prevent a flammable atmosphere if oxygen mixes with the acetylene.</p> <p>Response: Oxygen cylinders moved to separate room and secured</p>	<p>Completed <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Completed Date <u>11/28/16</u></p>
		<p>16-07 (Major) – The oil filter crusher should have a safety disconnect added to prevent operation if the door is open. If this is not possible, written procedures should be posted stating the crusher should not be operated with the door open.</p> <p>Response: Written procedure posted on wall</p>	<p>Completed <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Completed Date <u>11/28/16</u></p>


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**Port of Newport
10/19/16 Risk Assessment**

	Photo	Recommendation	
South Beach		<p>16-08 (Major) – Table saws should be equipped with a blade guard that includes a spreader and anti-kick back device. This will aid in preventing wood from being kicked back into the user of the saw causing possible injury.</p> <p>Response: Blade guard installed</p>	<p>Completed</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Completed Date <u>11/29/16</u></p>
		<p>16-09 (Minor) – To prevent damage to equipment the Port should ensure that the pressure washer is secured to the pallet when it is being transported.</p> <p>Response: Pressure washer installed on customized pallet</p>	<p>Completed</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Completed Date <u>11/29/16</u></p>
		<p>16-10 (Moderate) – The tool rest and tongue guard on the grinding wheel should be adjusted so the tool rest is 1/8 inch from the wheel and the tongue guard is 1/4 inch from the wheel.</p> <p>Response: Tool rests and guards adjusted</p>	<p>Completed</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Completed Date <u>11/29/16</u></p>
		<p>16-11 Shop and Store (Minor) – Moss buildup on roof can compromise the integrity of the roof and potentially cause roof leaks. To aid in preventing further deterioration of the roofing material the moss should be removed.</p> <p>Response: Ongoing - Moss will be removed and treated as weather permits</p>	<p>Completed</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Completed Date _/_/</p>

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**Port of Newport
10/19/16 Risk Assessment**

	Photo	Recommendation	
South Beach		<p>16-12 (Moderate) – The changing elevation of the curbing poses a trip hazard. The Port should paint the curbing a contrasting color to help denote the change in elevation and prevent trips.</p> <p>Response: Complete - Curbs painted yellow as suggested</p>	<p>Completed</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Completed Date <u>11/28/16</u></p>
	<p>No Photo</p>	<p>16-13 All Towable Dumpsters (Major) – The Port should look into solutions to prevent the manual pushing and pulling of the towable dumpsters.</p> <p>Response: SDAO Safety/Security Grant application submitted 12/2/16. Application to replace curbs with ramps for forklift accessibility removing manual labor tasks.</p>	<p>Completed</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Completed Date _/_/16</p> <p>Completed</p>
			<p>Completed</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Completed Date _/_/16</p> <p>Completed</p>
			<p>Completed</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Completed Date _/_/16</p>

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GENERAL MANAGERS REPORT AGENDA ITEM

DATE: December 20, 2016
RE: Director of Operations Recruitment
TO: Port of Newport Board of Commissioners
ISSUED BY: General Manager

BACKGROUND

Rick Fuller, the Port's highly respected Director of Operations, submitted his letter of resignation on Wednesday, November 16th after a highly effective five-year run at the Port of Newport. Rick's last day was December 16th. His resignation letter is included in your packet.

Jim Durkee, the Port's NOAA Marine Operations Center Manager, was named interim director on November 23rd and will earn a 20% increase in salary during the recruitment to replace Fuller. During the interim, Jim will represent Operations in meetings, prepare staff reports for board meetings, answer questions regarding CMMS, and support the facility managers, all duties outside his normal NOAA work responsibilities. Steve Larrabee and I will also support the facility managers – as we normally do -- as we enter the budget process. Durkee may apply for the permanent position, but the Port's recently adopted Personnel Manual requires that the Port actively recruit outside the organization for senior management positions.

The Port Commission has granted the General Manager the authority to hire all employees, though in past senior management recruitments, I have actively involved the Commission. I plan on using a very similar process to what we did in 2014 when we hired Steve Larrabee as Director of Finance.

This process anticipates final interviews on Friday, March 3rd and the new Director starting on Monday, April 3rd. Of course, there is much flexibility and the process reserves the right to adjust dates based upon there being qualified candidates.

BACKGROUND MATERIALS

In your packet :

- Rick Fuller Resignation Letter.
- Job Description. The job description has been reviewed by Senior Management and updated to reflect changes in focus especially in regards to training, certification and maintenance.
- Prospectus. The position prospectus is a detailed accounting of the position, benefits and community. It is primarily a marketing piece focused on recruiting applicants.
- Job Announcement. The job announcement is a bare bones version of the prospectus and will be widely distributed to advertise the position. This may be truncated further when used in paid advertising.

PROCESS FOR SELECTION DIRECTOR OF OPERATIONS

Director of Operations Attributes. The General Manager has reviewed essential and desired Director of Operations attributes.

Essential

- Integrity
 - Earns and maintains trust
 - Honesty
 - Truthfulness
 - Fairness
 - Builds goodwill and better relationships
 - Confidentiality/discreet
- Good people skills
 - Personality
 - Verbal Communication (articulate, persuasive, public presentations)
 - Written Communication (vocabulary, precision, grammar, clear)
 - Listening skills
 - Collaborative – Sharing and asking for input
- Leadership
 - Provides overall directional vision to operational staff
 - Ensures staff are competent through training and coaching
 - Gives staff opportunity to do their job well
 - Motivates staff to do their job well
 - Empathy
- Public Works Experience (Municipal)
 - Bid document development, selection, execution.
 - Maintenance scheduling and tracking.
 - Permitting.
 - Public contracts.
- Basic Management
 - Budgeting, tracking, reporting, control actions, forecasting.
 - Human resource management.
 - Robust user of email, texting, calendar functions and communication software.
- Self motivated
 - Demonstrated background of achievement
 - Pursues continuing education and training
 - Perseverance
 - Resilient - able to withstand adverse comments/criticism

Desirable

- Prior knowledge of ORS 777 port districts and/or marine facilities
- Prior knowledge of Oregon statutes.
- Capability for networking in the community.
- Information technology expertise.
- Experience in working on a large project.
- Public grants and federal reporting.
- Working with public boards.

Preliminary Interview Process.

- A. A technical sub-committee will be made of public works/marine operation professionals. Tim Gross, Newport Public Works Director; Bud Shoemake, Port of Toledo Manager; and Stewart Lamerdin, Hatfield Marine Operations Manager have agreed to serve in this capacity. I would prefer to have Stewart serve in this capacity due to his unique position at Hatfield versus him serving on the elected official subcommittee.
- B. An elected sub-committee will be made up of two Port of Newport Commissioners and another elected official from the community. The Commission President should appoint two Port Commissioners and another representative from the community such as the mayor, city council member, county commissioner, etc.
- C. A staff sub-committee will be made up of managers/co-workers. Staff will submit names to participate in this sub-committee.
- D. The General Manager and a facilitator (most likely from SDAO) will conduct tours of port facilities.
- E. The final Review Committee will be made up of one or two members of the sub-committees and will share their findings from the sub-committee work.
- F. Interviews will take place on Friday, February 24th.
- G. The make-up of the sub-committees may be adjusted depending on the number of finalists.
 - a. Five Candidates. Committees of Staff/Dept. Heads, Commissioners, Technical Committee, Facility Tour, General Manager
 - b. Four Candidates. Committees of Staff/Dept., Commissioner/Elected, Technical Committee, Facility Tour
 - c. Three Candidates. Facility Tour, Internal, External.
- H. Facilitator will track scoring and communicate with finalists. Committee shall forward one or two finalists for final interviews.

Final Interviews. The General Manager will interview the finalists with both Port Commissioners providing support.

Non-interference. Commissioners shall encourage interested candidates to apply through prescribed means and to meet with the General Manager to review materials pertinent to the position. The General Manager shall review all candidates through an open process and reserve judgment until final interviews. Individuals are specifically prohibited from interfering with the General Manager's responsibilities outside of public meetings in conducting a transparent and fair recruiting process.

Re-opening the Recruitment. The General Manager reserves the right to re-open the Recruitment Process at any point the pool of candidates is deemed unsatisfactory.

Modification. The General Manager reserves the right to modify elements of the recruitment process in an effort to find the best candidate for the Port and will report on those adjustments at the next regularly scheduled commission meeting.

BUDGET FOR RECRUITMENT

I have established a budget of \$2,650 to conduct the recruitment. This position does not require a separate employment contract so there will be no legal fees. The primary costs are related to hosting the finalists during their stay in Newport. The figures I used to establish the budget came from the GSA travel reimbursement website. These costs would come out of the General Fund>Administration>Materials & Service Category.

ANTICIPATED BUDGET

Advertising	\$500
Mileage Reimbursement (\$200 x 4)	\$800
Travel reimbursement (\$150 x 4)	\$600
Refreshments during interviews	\$100
Background/Reference (\$100 x 4)	\$400
Contingency	\$250
TOTAL BUDGET	\$2,650

~~###~~

Received
11/16/16

November 16, 2016
Port of Newport
Kevin Greenwood - General Manager

Re: Rick Fuller resignation

Dear Kevin,

I write this letter with more than a little angst. I have recently accepted a position with a private company that provides an opportunity to benefit my career goals and personal future. Please accept my resignation as Director of Operations effective December 31, 2016.

During my tenure at the Port of Newport, I feel that I have made a difference for the better of the organization. While manager of the NOAA MOC-P facility I was able to successfully transition the 42M construction project into an advanced maintenance operation that set a standard for the other departments Port wide. I am proudest though of my coworker's achievements which I believe I had a positive influence in their attitudes and skills regarding their professional careers at the Port. Their improvements can be seen through the results of the annual scorecard that was developed when I was offered the position of Director of Operations nearly a year and a half ago. Since then, my personal achievements have been the implementation of the CMMS system at all facilities, creation of the Port safety policy, the Facility Maintenance & Operation Plan, the adoption of a new maintenance department, use of volunteer & outsource programs, raising of the maintenance standards, and numerous capital improvement projects successfully managed.

Regretfully, I will not be involved in the ongoing maintenance of the above achievements, nor see recent projects that have been started through to their completion. I am however hopeful that the foundation that we as a management team reshaped, will be built upon and improved. I have enjoyed your leadership as General Manager and your personal working relationship style. I feel that as part of your administration team, we have set a higher standard, allowed employees to see their full potential and have continued our leadership role as one of the most important Ports on the Pacific coast. I am proud to be a member of the Port of Newport organization.

Respectfully submitted,



Rick Fuller
Director of Operations
Port of Newport

POSITION TITLE
Director of Operations
Safety Sensitive

DEPARTMENT/DIVISION
Operations

FLSA: Exempt

IMMEDIATE SUPERVISOR (Title)
General Manager

NO. OF EMPLOYEES DIRECTLY SUPERVISED: 4

NO. OF EMPLOYEES INDIRECTLY SUPERVISED:
10-12.

POSITIONS SUPERVISED BY THIS POSITION (Titles): Facility Managers/Harbormasters

POSITION OBJECTIVES

The Director of Operations is responsible for the development, coordination and management of new construction projects, and maintenance programs which directly relate to the development of all Port lands; develop and manage public construction projects, perform as part of an administrative team, and accomplish other special projects and duties as assigned. Prepare, manage and administer public works improvement contracts. Participate and contribute to overall Port management as part of an administrative and management team. Coordinate all project development plans with the General Manager and the Director of Finance, and when applicable and necessary with the Facility Managers/Harbormasters to provide management consistencies. Support Facility Managers/Harbormasters and Safety Committee by coordinating training, certifications, maintenance, emergency plans and resources to best manage the Port's facility operations.

SUMMARY OF DUTIES AND RESPONSIBILITIES

1. GENERAL

- A. Responsible for the overall direction and supervision of Port development inclusive of: marine improvement projects including but not limited to Port moorage facilities, the shipping terminal property, RV park properties, and other Port lands for related purposes.
- B. Prepare written/oral reports to be distributed and presented at monthly board of commissioners meetings.
- C. Understands the labor force impact on the future of the Port, and develops constructive working relationships with Port employees.
- D. Perform other duties as required.

2. PREVENTATIVE MAINTENANCE

- A. Maintain and facilitate maintenance management systems including the assessment of port maintenance needs, prioritization of projects, use of work orders and assessment of delegated tasks.
- B. Works with the Port management team toward the development of strategic operating plans for the capital expenditures of the Port's facilities.
- C. Ensures that development and improvement projects are accomplished in an environmentally sound and safe manner.

3. SAFETY

- A. Actively facilitate Safety Committee agendas including the development, implementation and management of emergency plans, OSHA-approved safety programs, evacuation/tsunami plans, maintenance programs, certifications, and other port-wide programs affecting the day to day operations.

4. PROCUREMENT/CONTRACTS

- A. Develop, prepare and manage public contracting processes including development of requests for proposals, invitation to bids, qualification based selection processes, etc.
- B. Support facility managers in understanding lease requirements and expectations specifically with federal lease agreements (NOAA MOC-P, Customs, Coast Guard)
- C. Facilitate permit acquisition, monitoring and renewal. Work with administrative staff to properly file documents.

5. TRAINING & DEVELOPMENT

- A. Actively facilitate Safety Committee agendas including the development, implementation and management of emergency plans, OSHA-approved safety programs, evacuation/tsunami plans, maintenance programs, certifications, and other port-wide programs affecting the day to day operations.
- B. Coordinates implementation and enforcement of Port ordinances, policies and resolutions, as related to harbor control and facility management.
- C. Develops positive, ongoing relationships with industry associations such as Pacific Coast Congress. Maintains positive relationships with economic development officials, State Marine Board, and other public agencies. Develop and maintain relationships with volunteer resources such as the Port Mates and Job Corps. Support North Commercial Harbormaster as liaison to Commercial Fishing Advisory Committee.

6. SERVICES

- A. Works with the Facility Managers/Harbormasters to provide leadership in scheduling staffing needs to maintain a highly efficient operation. Evaluate work flow and use of port assets. Recommend staffing and equipment needs during budget process.
- B. Works with Port staff and marine industry related groups in developing services and rate structures.

CHALLENGES ENCOUNTERED

- Lack of project funding.
- Deteriorated or inadequate facilities.
- Tight deadlines.
- Varying skill levels among facility crews.

WORKING RELATIONSHIPS

Internal: Administrative staff; facility managers and crews; and Board of Commissioners.

External: Customers (Port tenants); marine organizations; government agencies (economic development, regulatory, environmental); general marine community; commercial and sport fishermen and support groups; contractors and consultants; volunteers.

50% of work is in the office; 50% of work is in the field.

EDUCATION PREFERRED

Bachelor's Degree or some higher education or vocational training, specializing in project management or engineering field with supervisory training; five to eight years of previous port/municipal operations, business management or marine maintenance experience; or any equivalent combination of education and experience, which demonstrates the knowledge, skills, and abilities to perform the essential functions herein described.

EXPERIENCE AND KNOWLEDGE PREFERRED

1. Some maritime background with understanding of commercial fishing industry, recreational boating, marine infrastructure and operations.
2. Demonstrates strong human resource skills and management expertise.
3. Ability to successfully manage diverse projects.
4. Ability to research and implement appropriate training/certification programs.
5. Experience in the development and administration of large capital improvement projects.
6. Participation as part of a management team in the overall planning and management functions of service-oriented marine or industrial projects.
7. Ability to communicate concepts, ideas, and programs, both within and outside the organization.
8. A leader and team builder with a successful record of strong staff development, as well as proven, creative, strong, effective management.
9. Knowledge and understanding of marine-related operations and maintenance materials, tools, and skills.
10. Understanding of budget development procedures.
11. An "idea" person who initiates, takes controlled risks, challenges the status quo, and makes sound project and business judgments.
12. Experience in engineering and architectural drafting. Computer literate with a minimum of two years AutoCad processing experience, Microsoft Excel and Word. Must be savvy user of electronic communications including email, online calendars and texting. Experience with Computerized Maintenance Management Software preferred.
13. Physical condition compatible with job requirements.
14. CPR and First Aid Certification required.
15. Must be able to maintain confidentiality.

16. Must comply with organizational policies and procedures.

CHALLENGES AND OPPORTUNITIES

1. Implement maintenance management systems for port facilities/admin office.
2. Serve as owner's rep and/or project manager on the following in-progress capital projects:
 - a. Commercial Dock/Piling/Pedestal Replacement
 - b. Rogue Brewery offsite improvement expansion
 - c. International Terminal shipping facility
 - d. Port Dock 5 Pier Access rehabilitation
 - e. Port Dock-7 Redesign
 - f. Dredging Permit for NOAA Piers
3. Support facility managers by reinforcing standards found in the Port's Facility Maintenance and Operations Plan (FMOP) and giving positive direction when needed.
4. Evaluate staffing issues. Analyze concept of work crew made upon combined north/south workers to complete specific projects. Evaluate skills and cross train. Hire two new maintenance crew and train.
5. Evaluate public hoist dock processes. Determine feasibility of scheduling boats/buyers with advance notice to for adequate staffing.

The above statements are intended to describe the general nature and level of work being performed by people assigned to this job. They are not to be construed as an exhaustive list of all responsibilities, duties, and skills required of personnel so classified.

Approved by General Manager

Employee Signature

Date

PORT OF NEWPORT

DIRECTOR OF OPERATIONS PROSPECTUS

WHAT WE ARE LOOKING FOR

The Port of Newport is seeking a highly ethical, principled, and talented Director of Operations with a strong project management and training background in port marine maintenance or other local government public works management. The successful candidate will have any equivalent combination of education and experience which provides the knowledge, skills, and abilities required to perform the duties described in the job description. A typical way to obtain the knowledge, skills, and abilities would be a Bachelor's degree in engineering, construction and/or maintenance management, or related field, and five years of related experience, including three years of supervisory experience.

Applicants are required to have great collaborative and communication skills. The ability to motivate and support facility managers with focus and humor is another required trait. The Port has knowledgeable and experienced supervisors and crews that are eager to learn more. Management has introduced opportunities for all levels of employees to rise through the ranks based upon increased skills and responsibility, and the Director of Operations is a key facilitator in that role.

Public contracting, bid document development, scheduling, budgeting and execution are also essential job functions. The Director of Operations needs to be familiar with U.S. Army Corps of Engineers and State of Oregon permitting and communicating any special conditions with contractors and post-work follow up.

The Port has also embraced technology and the individual should have experience using computerized maintenance management systems (CMMS), online timecard software and be a robust user of email, texting, calendar functions and spreadsheets.

Applicants are also required to have the ability to establish and maintain an effective working relationship with port management, other employees, Commission members, other entities and the general public. Applicants are required to have the ability to communicate effectively, both orally and in writing, with individuals and groups.

WHO ARE WE?

Located 110 miles from Portland, Oregon, the Port of Newport is one of the State's most valuable assets. The Port of Newport provides over 2,000 jobs and serves as a key hub for commercial fishing, recreational fishing, shipping, tourism, research and education. Millions of tourists visit Newport every year. Residents and visitors are drawn to the year-round outdoor recreation, dramatic vistas, and community's working waterfront and educational institutions.

Ports are municipal districts (ORS 777) created by a vote of the people to provide opportunities for economic development. The Port of Newport manages valuable water-industrial zoned land and provides a number of public services allowed by its unique position on Yaquina Bay.

We are home to 24 water-dependent businesses, a 250-slip commercial boat basin, a 550-slip recreational marina, 160-space RV park, Rogue Brewing, NOAA Marine Operation Center – Pacific, Oregon State University’s Marine Hatfield Science Center and the Oregon Coast Aquarium. These entities contribute almost \$400 million annually to the state’s economy. The Port of Newport is also part of the City of Newport’s urban renewal district and Lincoln County’s enterprise zone.

The Port of Newport is located on the central Oregon coast in the City of Newport, Lincoln County seat, and the primary business/economic hub of the area, and encompasses approximately 59 square miles and has an estimated population of 11,000 people.

The annual operating budget for FY2015-16 is approximately \$15 million and the Port manages over \$90-million in net assets. Operations are funded through leases, moorage and launch fees and a district-wide tax of 6-cents per \$1,000 of assessed value. District voters approved \$15 million of general obligation bonds in 2012 to rebuild the international terminal. Grants are sought and obtained to fund capital and special projects.

THE POSITION

The Director of Operations serves in many ways as the Assistant General Manager and as such is a key member of the Port’s executive team. The position is a salaried, 40 hours per week position and reports directly to the General Manager (GM). Board of Commissioners meetings are monthly on the fourth Tuesday of each month and the Director of Operations attends those meetings, though special meetings and work session are called as needed, generally about six per year.

The Director of Operations currently has four direct reports including the north and south marina harbormasters, international terminal manager and the NOAA facilities manager. The position reports directly to the General Manager and works along with the Director of Finance and the GM’s administrative assistant. The new Director of Operations will be responsible for hiring two new maintenance specific positions and creating a Maintenance Department following the guidelines developed in the Port’s recently adopted Facilities Maintenance and Operations Plan (FMOP). Management has monthly administrative meetings and performance is reviewed annually as part of the budget process.

Other responsibilities include:

- Manage scheduling and training of supervised staff.
- Maintain policies and procedures to ensure efficient operations.
- Monitor computer software/hardware systems and update when appropriate.
- Review capital investment decisions and policies.
- Participate in and contribute to overall management decisions.
- Assist in management of capital projects as it relates to construction and contracting.
- Assist in developing and monitoring facility budgets.
- Evaluate workflow between service to customers and maintenance of assets.
- Training and development of work staff.

The Port has several policy documents including its Strategic Business Plan, Capital Facilities Plan, Facilities Maintenance and Operations Plan, Safety and Health Policy and Bylaws that will give the new Director of Operations great direction on the organizational goals.

The Director of Operations will work closely with Kevin Greenwood, the Port's General Manager. Greenwood has over twelve years of local government experience in cities and ports with a focus on organizational development and good governance. The new Director of Operations will be encouraged to share opinions, make recommendations and develop policies and processes via staff reports that the General Manager can take to the Board of Commissioners.

The new individual is expected to participate in community groups that reflect well on the Port's mission. Membership in professional port-related and professional associations is also included and occasional travel out of the county may occur to promote the Port.

The previous Director of Operations worked for the Port for five years before being hired as a manager on a \$433-million school district reconstruction project late last year.

CHALLENGES AND OPPORTUNITIES

Implementation of Maintenance Department

The Port has an adopted FMOP and is ready to hire at least two maintenance employees. These skilled labor positions would focus on adding life to port assets and include a vehicle acquisition budget. The new Director of Operations would be responsible for reviewing job descriptions, duties and scoping and ultimately hiring and managing the team.

Increased Dredging Prism at NOAA Berths

The initial permit to dredge the berths at NOAA in 2011 did not include the easternmost portion of the vessel moorage. That area is now filling in with increased sedimentation and will require dredging in the next couple of years. The new Director of Operations will work with engineers and consultants to develop a scope of work for the project as well as identify opportunities for mitigation in the Yaquina Bay estuary.

Replacement Plan for Port Dock 5 Pier Access and the Port's Commercial Docks

The Port's Commercial Docks support over 200 fishing boats and up to 750 employees. Just recently, the Port replaced 48 piles and 60 feet worth of rods, walers, angle iron and rub boards on the D-wing on Port Dock 5. In addition, the Port completed a study on the replacement of the Port Dock 5 Pier Access which had a replacement cost of over \$1-million. The new Director of Operations will be responsible for working on a long-term replacement plan for the commercial fishing facilities.

Review and Evaluate Port Services and Maintenance Needs and Recommend Staffing Optimization

The Port provides a wide variety of billable services for the commercial fishing community both at our North Commercial Facility and at the International Terminal. We also provide a number of additional services including landscaping, restroom and fish station cleaning, dumpster and garbage management. A year ago, the Port implemented an online automated time sheet program that asks employees to separate their hours into service and maintenance categories. The Director of Operations will have the opportunity to evaluate this data and our contract labor agreements to find better and more efficient ways to manage our workforce.

Create and Maintain Certification and Training Schedule

Employee safety is Management's number one priority. Identifying appropriate training that supports OSHA-required programming and scheduling the training in a way that minimizes disruption to work load will be an opportunity for the next Director of Operations. The Port supports certifications and training for the use of forklifts, hoists, cranes, fall protection, hazardous waste response, etc.

Manage Construction and Resource Management of New Shipping Facility

The Port anticipates financing a new 10-acre shipping facility at the international terminal in 2017. This exciting project will provide laydown space for the shipment of a number of products including logs. The terminal is currently being used by the commercial fishing fleet and the new Director of Operations will work with Senior Management and the Terminal Manager to manage the construction and develop an operations plan that will work with both shipping and fishing interests.

IDEAL CANDIDATE PROFILE

Prior knowledge of Oregon port districts and related state statutes, capability for networking in the community, expertise in software and information technology, experience working on multi-million dollar capital projects, grant funding and federal reporting, working with and presenting to elected boards in public meetings are desirable but not mandatory. Candidates will have a proven track record of delivering results, building accountability for staff, and creating a positive working environment characterized by teamwork and innovation. The ideal candidate will be a strong and confident leader with excellent interpersonal skills, and a top-notch role model.

The successful candidate will possess a flexible “can-do” attitude focused on a customer service approach. It is critical that the Director of Operations be able to look at the big picture and to understand and address the current and future financial management needs of other departments and the port as a whole. He/she will be recognized for building consensus and cooperation among port staff, and will bring an appropriate sense of humor to the job. We support one another and have several functions during the year where Management and the Board can show appreciation for everyone’s collective efforts.

The candidate and their family will enjoy living in a beautiful physical environment at the coast, being part of a vibrant community and being a key team member in an organization that has a high degree of respect within the County and across the state.

COMPENSATION & BENEFITS

- Range: \$69,992-\$79,206
- Health Care Insurance through Pacific Source and Standard Insurance as negotiated annually by Special Districts Association of Oregon (SDAO)
 - 100% coverage for employee
 - Access to employee-paid dependent coverage
 - Medical “Red” PPO L Plan
 - Option II Dental Plan
- Health Reimbursement Arrangement (HRA) to cover deductible over \$1,000
- Oregon Public Employees Retirement System (PERS)
- Electronic Communication reimbursement
- Deferred Compensation Plan
- Flexible Spending Account (FSA)
- Holiday Bonus Consideration
- 20 days of annual Paid Time Off (PTO)

- 11 annual holidays
- Paid membership in approved professional associations

TO APPLY

Applicants should send letters of interest, resumes, and three professional references to Karen Hewitt, Administrative Assistant, Port of Newport, 600 SE Bay Blvd., Newport, Oregon, 97365. **Response to supplemental questions is required for an application to be considered complete**, and supplemental questions will be sent to all applicants via e-mail after receipt of application materials. The recruitment prospectus is available on the port's website at www.portofnewport.com. For inquiries, contact Karen Hewitt, at khewitt@portofnewport.com. Application deadline is February 3, 2017. The first round of finalists will be asked to submit answers to supplemental questions. The deadline for submissions will be February 15, 2017. Interviews are tentatively scheduled for Friday, March 3, 2017 and the tentative start date is Monday, April 3, 2017. All dates are tentative and may be adjusted. The Port of Newport is an EEO employer and veteran's preference provider.

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**DIRECTOR OF OPERATIONS
ANNOUNCEMENT
\$69,992-\$79,206**

The Port of Newport, an exciting, diverse organization located on Yaquina Bay, is seeking a qualified and motivated professional to serve as **Director of Operations**. The Director of Operations is responsible for the overall direction and supervision of Port facilities and resources. These responsibilities include training and development of staff, implementation of procurements/contracts, project management and preventative maintenance. The position is a key member of the executive team and assists the General Manager and Board of Commissioners in carrying out the long term goals of the Port. The purpose of a Port District is for economic development - to promote industry, tourism, and job creation.

KNOWLEDGE/SKILLS/ABILITY

- Integrity: Earns and maintains trust, honest, truthful, fair and builds good will.
- Good People Skills: Personality, strong verbal and written communication, ability to listen.
- Leadership. Provides overall directional vision to staff, ensures staff are competent through training and coach, gives staff opportunity to do their job well, motivates staff, empathy.
- Public Works Experience. Bid development and execution, maintenance scheduling and tracking, permitting and public contracting.
- Basic Management. Budgeting, tracking, reporting, human resource management.

Desirable attributes include prior knowledge of marine/port infrastructure, Oregon state statutes, capability of networking in the community, expertise in computer/communication software/tools, public grants, and working with public boards.

MINIMUM JOB QUALIFICATIONS

Any combination of education and experience that provides the knowledge, skills, and abilities necessary to successfully perform the duties of **Director of Operations**. A typical way of obtaining the required qualifications is to possess five years of broad and extensive experience in responsible project and general management including three years of supervisory experience and a bachelor's degree in engineering, construction and/or maintenance management or related field.

APPLICATIONS

Interested applicants are asked to send letters of interest, resume, three professional references that demonstrate your knowledge, skills and abilities in the areas listed above. The Administrative Assistant should receive materials no later than 4:00 p.m. on February 3, 2017. Email responses with .pdf attachments are preferred. No telephone inquiries, please. Materials may be found at www.portofnewport.com.

Karen Hewitt, Port of Newport
RE: Director of Operations Position
600 S.E. Bay Blvd., Newport, OR 97365
khewitt@portofnewport.com

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GENERAL MANAGER MONTHLY REPORT

DATE: 12/20/2016
RE: December Regular Meeting
TO: Port of Newport Board of Commissioners
ISSUED BY: Kevin Greenwood, General Manager

GENERAL MANAGER'S ANNUAL PERFORMANCE EVALUATION

Res. No. 2014-15 adopted the process for evaluating the General Manager, which starts in earnest in the New Year. A blank evaluation form along with the tabulation of last year's evaluation are provided in this packet. (I will also email you an editable word document.) I will be conducting my self-evaluation before the end of this month and providing a copy to individual Commissioners. Members of the Commission will receive documents at the beginning of January. The list includes priorities set from the November Goal Setting. Here are the dates for the evaluation process:

- January 3 (or before). Blank forms and GM self-eval to Commissioners.
- January 17. Commissioner forms returned to Commission President or designee.
- January 24. Discuss forms after board meeting in executive session.
- February 28. Review summary report and adopt.

RATES, FEES AND CHARGES

In your packet is the draft rate resolution that the Commission passes annually as part of the budget process. The rates are reviewed internally and publicly for almost six months before being adopted in June. Some version of this document should be adopted before adoption of the Port's budget in June.

BUDGET CALENDAR, BUDGET COMMITTEE AND OFFICER

In your packet is a proposed budget calendar, and budget committee roster. The budget committee is made up of the five members of the Commission, plus five "freeholder" positions – or electors of the district willing to serve. The Budget Officer traditionally has been the General Manager, who is responsible for preparing the budget with staff's help and presenting the budget message at the committee meeting.

The process is the same as last year, however, there is one position whose three-year term has expired. Last year, the Commission asked me to see if Fred Postelwait and Mark Collson were interested in serving again and both submitted letters of interest. I am recommending that the Commission consider asking Alan Brown to consider renewing his interest in serving on the Budget Committee. Brown has served on the Port's Budget Committee since 2003.

Assuming he is, I'll update the document and prepare for Commission adoption in January.

2017 ANNUAL REPORT

ORS 777.140(2) requires the President, Vice President and Secretary/Treasurer of Port Commissions to file an annual report. The Port of Newport's report focuses on the major events and accomplishments during the course of the previous calendar year, including training.

Please review the draft report and bring any additions, changes or comments to the meeting. A final version of the report should be adopted at the January meeting.

ROGUE BREWERY EXPANSION UPDATE

Rogue is finishing the landscaping elements around both the new brewery and the distillery. This was a final requirement by the Port before the utility easement was released last month. Chris Urbach, Harbormaster, has done a great job keeping on top of the port-required elements. Operations has developed a plan with the assistance of Commissioners Chuck and Brown regarding striping in the Multi Use Area (MUA).

The Port did send the first monthly invoice for the new warehouse as of December 1, however, we will need to pro-rate that amount due to the fact that the City has not yet issued an Occupancy Permit. Rogue is required to install a self-monitoring bio-solid collector or a bond before the OP is issued. The City will send the Port a note with the date of occupancy and that will trigger the start of the lease payment.

MARKETING UPDATE

Looking at two grants to help facilitate a marketing upgrade for the Port based upon input from the Goal Setting session in November. In the new year, I plan on developing a scope of work that includes the following branding elements.

- New website - total restructure compatible with mobile devices and the ability to edit content in-house.
- Tourism-related brochure – focused on bringing visitors to South Beach RV Park and Marina and interpretative opportunities for our other facilities.
- Local economic contribution brochure - geared at local tax-payers that may not use Port facilities.
- Promotional booth to be used at boat and trade shows, county fair, etc. Would include interactive components.
- Social media upgrade. Development of integrated Facebook/Twitter presence. – Primarily training for port staff to better utilize and organize social media presence.
- Press release templates.

Travel Oregon and Oregon Business (Port Planning & Marketing) both have grant programs that can pay for all or portions of the above scope. Travel Oregon has \$3.2-million annually available for programs in 2017. The Port will look at the small grant program for projects up to \$20k. This program opens up July 1, 2017 and includes a 10% local match. I will begin obtaining preliminary cost estimates to prepare for the application process in July.

ROGUE MURAL

Will be talking to Rogue about planning mural installation this spring.

SDAO CONFERENCE

The 2017 SDAO Annual Conference will be held Friday-Sunday, February 10-12 in Portland, Ore. at the Marriott Downtown Hotel. If you are interested in attending, please contact Karen or myself. Some of the sessions that may be of interest include Government Ethics and Morals, Risk Management Trends, Community Relations. Entire program is included in the packet.

OTHER

- City has completed the process for the zone change on the Port's property here on Bay Blvd.
- Chuck Toombs is interested in renting space in one of the shops at the old Yaquina Bay Fruit facility. Rent information has been shared and waiting for next steps. Will be reaching out in January.
- Pacific Seafood is looking for community input on their plans to develop a new processor at the site of the Hallmark Docks which they purchased last year. Concept plan is in your packet.
- Mr. Ledingham requested information on the appeal of his \$40 parking ticket. Letter included in packet.
- Have not met with Cody Chase, Chelsea Rose, but hope to in new year.
- Commercial Fishing Committee has not met due to the other priorities. Shooting for new year.
- The Port sponsored (\$500) the Newport Fishermen's Wives new 2017 calendar. It includes awesome, high quality photography of the Port from local photographer Ken Gagne.
- I plan on taking vacation during the holidays and will be out of the office from Dec. 22 – Jan.2. It's been a great year and I hope you have a peaceful Holiday Season!

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**PORT OF NEWPORT
GENERAL MANAGER ANNUAL PERFORMANCE EVALUATION
2016 SUMMARY REPORT**

The Board of Commissioners shall conduct an annual review and evaluation of the Port Manager's work performance pursuant to Res. No. 2014-15 by the end of February. The results of such evaluation shall commend areas of good performance, point out areas for improvement, review and establish work-related goals and objectives. Any adjustment to the General Manager's salary and/or benefits will be determined by the Board at the end of this process.

This Summary Report is the result of the **January 26th** discussion and consists of: (a) list of goals and objectives to be accomplished prior to the next annual evaluation, (b) any salary/benefit adjustment, and (c) summarized ratings from the individual forms. Commissioners were encouraged to contact Manager prior to the **February 16th** regular meeting to suggest any adjustments to this report in advance. The Executive Session will be held before the regular meeting and will allow the Commissioners a chance to make any adjustments to the Summary Report. Some form of the Summary Report (evaluation) is required to be approved by the end of February.

During the regular meeting, the President will review the list of goals and objectives to be accomplished prior to the next annual evaluation and any salary/benefit adjustment and ask for a **MOTION TO ACCEPT THE SUMMARY REPORT AS PRESENTED (OR AMENDED)**. The summarized ratings and individual evaluation forms will be placed in the General Manager's personnel file.

LIST OF GOALS/OBJECTIVES TO BE ACCOMPLISHED PRIOR TO 2016 EVALUATION

The Commission feels that a number of highly prioritized projects are near completion and should be completed early in 2016. Those projects include: (#6) Facilitate Rogue Expansion / Offsite Improvements. Other tiered projects include:

T1. Complete financing for International Terminal Shipping Facility and develop markets; including replacement plan/schedule for assets.

T1. Develop and implement port operation and maintenance plan.

T1. Complete Personnel Manual Update

T2. Complete Third NOAA Recreational Mitigation Project.

T2. Implement Capital Facility Plan Priorities approved by budget committee

T2. Facilitate Commission Goal Setting, including identifying process for port vision plan.

T3. Develop Annual Performance Evaluation for Professional Services (i.e. attorney)

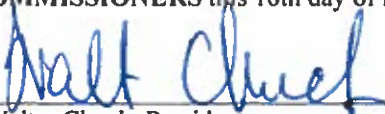
T3. Obtain Financing for Administration Building

T3. Review General Manager employment contract extension

SALARY/BENEFIT ADJUSTMENT

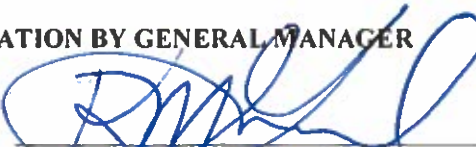
The Board renews General Manager's annual contract and awards a merit adjustment of 2% for FY 16-17 upon approval of the budget.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 16th day of February, 2016.



Walter Chuck, President

ACKNOWLEDGEMENT OF RECEIPT OF EVALUATION BY GENERAL MANAGER



Kevin M. Greenwood, General Manager

**Port of Newport General Manager
2016 Performance Evaluation - Tabulation of Evaluations**

Rating Scale Definitions (1-5)

- Unsatisfactory (1) The employee’s work performance is inadequate and definitely inferior to the standards of performance required for the job. Performance at this level cannot be allowed to continue.
- Improvement Needed..... (2) The employee’s work performance does not consistently meet the needed standards of the position. Serious effort is needed to improve performance.
- Meets Job Standards (3) The employee’s work performance consistently meets the standards of the Standard position.
- Exceeds Job Standards .. (4) The employee’s work performance is frequently or consistently above the level of Standard a satisfactory employee, but has not achieved an overall level of outstanding performance.
- Outstanding (5) The employee’s work performance is consistently excellent when compared to the standards of the job.
- No Observation (N/O) The employee’s work performance was not observed.

Notations used: ⁴Only 4 observations recorded
³Only 3 observations recorded
²Only 2 observations recorded

Performance evaluation score calculated as average of responses received.

I. PERFORMANCE EVALUATION AND ACHIEVEMENTS	Score
A. Board of Commissioners Relationships	
1. Effectively implements policies and programs approved by the board of commissioners. 4	4 4 4 3 3.80
2. Reporting to the board of commissioners is timely, clear, concise and thorough..... 3	4 3 4 4 3.60
3. Accepts direction/instructions in a positive manner 3	3 4 4 4 3.60
4. Effectively aids the board of commissioners in establishing long range goals. 3	3 2 3 N/O 42.75
5. Keeps the board of commissioners informed of current plans, and activities of administration and new developments in technology, legislation, governmental practices and regulations, etc. 3	4 3 3 3 3.20
6. Provide the board of commissioners with clear report of anticipated issues, opportunities and risks that could come before the board. 4	3 3 3 3 3.20

Comments: Establishing long-range goals for the Port is important. The over complex visioning process that was brought to the Commission and rejected, shouldn't be a message that this

process isn't needed. Completion of Port visioning for the future is important, but should be developed in a manner that fits our Port and limited development opportunities; this is part of developing and bringing long-range goals to the Commission. Commissioner found this category hard to evaluate as a new Commissioner.

B. Public Relations							Score
1.	Projects a positive public image.....	4	4	4	4	3	3.80
2.	Courteous to the public at all times.....	4	4	N/O	4	3	43.75
3.	Maintains effective relations with media.	4	4	3	4	3	3.60

Comments: Commissioner has received positive comments on public image; rating should read "courteous to the public when observed or in your presence," which would be a rating of 3 or 4 instead of N/O. Greenwood effectively participates in public events, is a positive and progressive voice for the Port.

C. Effective Leadership of Staff							Score
1.	Delegates appropriate responsibilities.	3	4	3	4	N/O	43.50
2.	Staff feels empowered.	4	3	N/O	N/O	N/O	23.50
3.	Training and education provided.....	4	3	3	3	3	3.20
4.	Public relations. How does public view staff?	4	3	N/O	N/O	3	33.33

Comments: Commissioner has no idea how empowered staff is or who is being called staff, so no response to items 2 and 4. Commissioner doesn't have a good feeling as to how the public views the staff; gets the feeling that the staff works well together and feels that is due in a large part to Greenwood.

D. Fiscal Management							Score
1.	Prepares realistic annual budget.	4	3	3	4	N/O	43.50
2.	Controls expenditures in accordance with approved budget.	4	3	3	3	3	3.20
3.	Keeps board of commissioners informed about revenues and expenditures, actual and projected.	3	3	3	4	3	3.20
4.	Ensures that the budget addresses the Port Commission's goals and objectives, including readability.	4	3	3	3	N/O	43.25

Comments: Commissioner rates all items in this category all solid 3's and very close to 3.5; good job. Going forward, it will be important to have a review of the Mission, Vision and Goals for the Port. Greenwood will need to help guide the Commissioners through this process and embrace the direction and goals. Commissioner has not participated in a goal setting session yet.

E. Communication _____ Score

1.	Oral communication is clear, concise and articulate.....	4	3	4	4	3	3.60
2.	Written communications are clear, concise and accurate.	4	3	3	3	3	3.20

Comments: Oral communication is an extremely important asset for a Port GM; communication rated above average. PowerPoint presentations with pictures are especially helpful to the new Commissioners.

F. Personal Traits _____ Score

1.	Initiative.	3	4	3	4	3	3.40
2.	Judgment.	3	3	3	4	3	3.20
3.	Fairness and Impartiality.	4	3	3	N/O	3	3.25
4.	Creativity.	4	4	3	3	3	3.40
5.	Time Management.	3	3	3	3	3	3.00

Comments: Greenwood consistently meets Communication goals. Commissioner is still getting to know Greenwood but categories in this section are all strengths for him; enjoy working with Greenwood.

G. Intergovernmental Affairs _____ Score

1.	Maintains effective communication with local, regional, state and federal government agencies.	4	3	3	3	3	3.20
2.	Financial resources (grants) from other agencies are pursued.	4	4	4	4	3	3.80
3.	Contributions to good government through regular participation in local, regional and state committees and organizations.	4	3	3	4	N/O	3.50
4.	Lobbies effectively with county, legislators and state agencies regarding Port programs and projects.	4	3	3	3	3	3.20

Comments: Solidly consistent on items 1, 3 and 4; definitely stepped up on item 2, good job. The success of the TIGER grant was fantastic and continues to provide the Port of Newport with great PR.

II. ACHIEVEMENTS RELATIVE TO OBJECTIVES FOR THIS EVALUATION PERIOD: _____ Score

This section will measure the effectiveness of the Future Goals and Objectives (Sec. IV) from last year. These goals were based upon discussions from the previous year.

1.	Facilitate Rogue Expansion	3	3	2	4	3	3.00
2.	Develop Markets for Terminal / Shipping Facility	3	3	3	3	3	3.00
3.	Complete Terminal Mitigation Projects	4	3	4	4	3	3.60
4.	Commercial Docks Repairs/Maintenance Plan	2	2	1	2	3	2.00
5.	Fill Management Positions	4	3	3	5	3	3.60
6.	Complete NOAA Recreational Projects	2	2	3	2	3	2.40

7.	Facilitate South Beach Vision Plan	3	2	1	N/O	3	⁴ 2.25
8.	Staff Development Training	3	3	3	3	3	3.00
9.	Complete Personnel Manual Update	3	N/O	1	3	3	⁴ 2.50
10.	Develop Charter Boat Policy	4	3	4	4	3	3.60
11.	Develop Policy for Donations	2	2	1	N/O	3	⁴ 2.00
12.	Implement CFP priorities.....	3	3	3	3	3	3.00
13.	Develop Special Use Permit	3	3	4	4	3	3.40
14.	Develop Evals for Contract Services	3	N/O	2	N/O	3	³ 2.67

Comments: PD-5 repairs not ready to go might not be done this window. Terminal mitigation plan seems to be on time and will benefit grant scoring. Rogue has always been difficult leading to continuous back and forth. The Port needs to take stronger positions on what's best for the South Beach Recreational Facility. For item 4, still waiting for the maintenance plan not only on commercial docks but all Port facilities; Desperately in need of willing and able manpower to plan and carry out daily repairs. For item 7, SB vision plan should require limited effort and produce large gains. For item 9, the Port continues to operate outside of its outdated Personnel Policy Manual; this can eventually create employee problems. Items 11 and 14 are low priority.

III. SUMMARY RATING _____ Score

1.	Overall Performance Rating - considering the results obtained against established performance standards as well as overall job performance, the following rating is provided:	3	3	3	4	3	3.20
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Comments: Greenwood has been consistent in his efforts to stabilize inherited Port status. With the new hires and successful grants, Commissioner thinks 2016 will see even greater success.

IV. FUTURE GOALS AND OBJECTIVES

Prioritize numerically specific goals and objectives to be achieved in the next evaluation period.

Rank	Weighted Avg.							
<u>1</u>		Develop maintenance plan of commercial docks and show implementation	7	1	1	1	2	9.8
<u>2</u>		Develop Markets for use of International Terminal / Financing Shipping Facility	1	3	1	2	*	8.9
<u>3</u>		Identify and Complete Third Recreational Mitigation Project	3	4	1	5	*	7.7
<u>4</u>		Implement CFP priorities.....	2	5	1	6	*	7.5
<u>5</u>		Facilitate Commission Goal Setting	4	9	2	4	1	7.3
<u>6</u>		Facilitate Rogue Expansion / Offsite Improvements.....*	*	2	1	3	*	6.7
<u>7</u>		Complete Personnel Manual update.....	5	8	1	8	*	5.9
<u>8</u>		Develop SB Master Plan	10	6	1	12	4	5.6
<u>9</u>		Staff Development and Training	6	7	2	7	*	5.0
<u>10</u>		Develop Annual Performance Evaluation for Professional Contracted Services such as attorney.	8	10	4	9	3	4.6
<u>11</u>		Develop policy for donations as part of budget process.	9	11	4	11	*	3.9

<u>12</u>	Financing for new Administration Building	11	12	3	10	*	
<u>13</u>	Develop North Side Master Plan (Including all north side Port properties.).....			1			1.6
<u>14</u>	Prepare facility and equipment report including condition and life span so these items can be addressed and budgeted.					5	1.6

COMMENTS: Didn't rank Rogue expansion since project is pretty much completed and was a top priority; also responsibility of lessee. Port might need to consider outside help to achieve a maintenance program; without it deferred maintenance continues to be the #1 largest cost to the Port. With the additional staff the Port has hired in the last year Commissioner sees no reason to use a rating other than 1 – 4. Developing SB Master Plan should follow goal setting.

**Port of Newport General Manager
2017 Performance Evaluation**

Date of initial evaluation: _____

Rating Scale Definitions (1-5)

- Unsatisfactory (1) The employee’s work performance is inadequate and definitely inferior to the standards of performance required for the job. Performance at this level cannot be allowed to continue.
- Improvement Needed..... (2) The employee’s work performance does not consistently meet the needed standards of the position. Serious effort is needed to improve performance.
- Meets Job Standards (3) The employee’s work performance consistently meets the standards of the Standard position.
- Exceeds Job Standards .. (4) The employee’s work performance is frequently or consistently above the level of Standard a satisfactory employee, but has not achieved an overall level of outstanding performance.
- Outstanding (5) The employee’s work performance is consistently excellent when compared to the standards of the job.
- No Observation (N/O) The employee’s work performance was not observed.

I. PERFORMANCE EVALUATION AND ACHIEVEMENTS

A. Board of Commissioners Relationships

- | | | | | | | | |
|----|---|---|---|---|---|---|-----|
| 1. | Effectively implements policies and programs approved by the board of commissioners. | 1 | 2 | 3 | 4 | 5 | N/O |
| 2. | Reporting to the board of commissioners is timely, clear, concise and thorough..... | 1 | 2 | 3 | 4 | 5 | N/O |
| 3. | Accepts direction/instructions in a positive manner | 1 | 2 | 3 | 4 | 5 | N/O |
| 4. | Effectively aids the board of commissioners in establishing long range goals. | 1 | 2 | 3 | 4 | 5 | N/O |
| 5. | Keeps the board of commissioners informed of current plans, and activities of administration and new developments in technology, legislation, governmental practices and regulations, etc. | 1 | 2 | 3 | 4 | 5 | N/O |
| 6. | Provide the board of commissioners with clear report of anticipated issues, opportunities and risks that could come before the board. | 1 | 2 | 3 | 4 | 5 | N/O |

7. Comments: _____

B. Public Relations

- 1. Projects a positive public image..... 1 2 3 4 5 N/O
- 2. Courteous to the public at all times..... 1 2 3 4 5 N/O
- 3. Maintains effective relations with media. 1 2 3 4 5 N/O
- 4. Comments: _____

C. Effective Leadership of Staff

- 1. Delegates appropriate responsibilities. 1 2 3 4 5 N/O
- 2. Staff feels empowered. 1 2 3 4 5 N/O
- 3. Training and education provided..... 1 2 3 4 5 N/O
- 4. Public relations. How does public view staff? 1 2 3 4 5 N/O
- 5. Comments: _____

D. Fiscal Management

- 1. Prepares realistic annual budget. 1 2 3 4 5 N/O
- 2. Controls expenditures in accordance with approved budget. 1 2 3 4 5 N/O
- 3. Keeps board of commissioners informed about revenues and expenditures, actual and projected. 1 2 3 4 5 N/O
- 4. Ensures that the budget addresses the Port Commission's goals and objectives, including readability. 1 2 3 4 5 N/O
- 5. Comments: _____

E. Communication

- 1. Oral communication is clear, concise and articulate..... 1 2 3 4 5 N/O

2. Written communications are clear, concise and accurate. 1 2 3 4 5 N/O

3. Comments: _____

F. Personal Traits

1. Initiative. 1 2 3 4 5 N/O

2. Judgment. 1 2 3 4 5 N/O

3. Fairness and Impartiality. 1 2 3 4 5 N/O

4. Creativity. 1 2 3 4 5 N/O

5. Time Management. 1 2 3 4 5 N/O

6. Comments: _____

G. Intergovernmental Affairs

1. Maintains effective communication with local, regional, state and federal government agencies. 1 2 3 4 5 N/O

2. Financial resources (grants) from other agencies are pursued. 1 2 3 4 5 N/O

3. Contributions to good government through regular participation in local, regional and state committees and organizations. 1 2 3 4 5 N/O

4. Lobbies effectively with county, legislators and state agencies regarding Port programs and projects. 1 2 3 4 5 N/O

5. Comments: _____

II. ACHIEVEMENTS RELATIVE TO OBJECTIVES FOR THIS EVALUATION PERIOD:

This section will measure the effectiveness of the Future Goals and Objectives (Sec. IV) from last year. These goals were based upon discussions from the previous year.

T1. Facilitate Rogue Expansion / MUA 1 2 3 4 5 N/O

T1. Develop Financing/Markets for Shipping Facility 1 2 3 4 5 N/O

T1. Commercial Docks Repairs/Maintenance Plan 1 2 3 4 5 N/O

T1. Complete Personnel Manual Update 1 2 3 4 5 N/O

T2. Complete NOAA Recreational Mitigation 1 2 3 4 5 N/O

T2. Implement CFP priorities..... 1 2 3 4 5 N/O

T2.	Facilitate Commission Goal Setting	1	2	3	4	5	N/O
T3.	Develop Evals for Contract Services	1	2	3	4	5	N/O
T3.	Obtain Financing for Administration Building	1	2	3	4	5	N/O
T3.	Review GM Employment Contract Extension	1	2	3	4	5	N/O
4.	Develop South Beach Master Plan	1	2	3	4	5	N/O
5.	Staff Development Training	1	2	3	4	5	N/O
6.	Develop Policy for Donations	1	2	3	4	5	N/O
7.	Develop North Side Master Plan	1	2	3	4	5	N/O
8.	Prepare Fixed Asset Report with Replacement Plan.....	1	2	3	4	5	N/O

9. Comments: _____

III. SUMMARY RATING

1. Overall Performance Rating - considering the results obtained against established performance standards as well as overall job performance, the following rating is provided: 1 2 3 4 5 N/O

2. Comments: _____

IV. FUTURE GOALS AND OBJECTIVES

Prioritize numerically specific goals and objectives to be achieved in the next evaluation period. Goals should reflect policies and strategies identified in the Port's Strategic Business Plan. Add projects not already listed.

- _____ Complete Financing of International Terminal Shipping Facility
- _____ Increase Marketing and Public Relations
- _____ Review Port Agreements/MLAs
- _____ Develop Financial Policies / Analyze Biz Centers
- _____ Review Capital Plan and CIL Priorities
- _____ Financing for new Administration Building
- _____ Clear Out of Date Gear / Lot Cleanliness
- _____ Install Security Cameras in SB/MUA
- _____ Convene Commercial Fishing Users Group Committee
- _____ Identify and Complete Third Recreational Mitigation Project
- _____ Staff Development and Training
- _____ Develop maintenance plan of commercial docks and show implementation
- _____ Develop Annual Performance Evaluation for Professional Contracted Services such as attorney.

- _____ Develop policy for donations as part of budget process.
- _____ Develop SB Master Plan
- _____ Annex Revamp
- _____ Rate Survey for Services and Equipment
- _____ Emergency Response Plans
- _____ Increase Communication with TCB
- _____ Property Donations to the Port of Newport
- _____ Review Facilities to Make Self-sustaining
- _____ Partner with Other Agencies
- _____ Continue Exploring a Landing Fee
- _____ Annual Training for Commission
- _____ Develop Criteria for Future Use of Remaining Port Property
- _____ Guidelines for Hoist Usage
- _____ Contract Out Services
- _____ Succession Planning
- _____ Monthly Reporting to Commission of RV Park Customer Feedback
- _____ Consider & Cost Out Equipment Operation to lease out to Private Operator
- _____ Schedule Quarterly Meetings with Individual Commissioners and Operations to go over Port Overall Perspective from their POV
- _____ Set aside \$50K-\$100K at end of fiscal year for SB Projects
- _____ Consider GO bond to fund all North Commercial repairs & dredging (2 - 5 year) and run by Users Group
- _____ Deepen Triangle/Prism for NOAA Dredging
- _____ Ordinance Review Group with TCB & Commission
- _____ North Commercial inventory completed by Port Personnel to free up TCB to Focus on Safety Issues
- _____ Cross Training of All Jobs at the Port
- _____ Move NOAA MOC-P Port Supervisor into an Office Inside the NOAA Building
- _____ Maximize Insurance Discounts
- _____ SB Dock Replacement/Refurbishment Every 1 - 2 years
- _____ Evaluate Port Potential Liability re: Charter Boats, etc/Additional Insured Port of Newport
- _____ Better Boat/RV Inventory, Inventory Management Program
- _____ Equipment and Facility Damage Recoupment Policy
- _____ SB Vision Part of 2017 Goal Setting as a Separate Category
- _____ Marine Science Community Growth Outreach
- _____ Rewrite Mission and Vision Statement

- _____ Update Strategic Business Plan
- _____ 2 - 5 years - Bring new Revenue Producing Interest - Out of the Box
- _____ Utilize the YFP Property by Renting Space to Fishermen
- _____ Identify all Dredging Needs for the Port
- _____ NIT - Have Rates Equal for All Users

This Performance Evaluation Survey was completed by

(Name of Commissioner)



**PORT OF NEWPORT
BAY FRONT BOAT BASIN, INTERNATIONAL
TERMINAL AND SOUTH BEACH MARINA SERVICE
RATES**

SERVICE RATES PAGE 1

BAY FRONT PAGE 3

INTERNATIONAL TERMINAL CHARGES PAGE 3

SOUTH BEACH MARINA PAGE 4

RV PARK PAGE 5

CIVIL PENALTIES PAGE 6

ADMINISTRATIVE FEES PAGE 7

INSURANCE CERTIFICATE LIMITS PAGE 8

**RETAIL SALES, GIFT CERTIFICATES, PROMOTIONS, SPONSORSHIPS
AND SUNDRIES PAGE 8**

SOUTH BEACH MARINA CALCULATED RATES PER LENGTH APPENDIX A

COMMERCIAL MARINA CALCULATED RATES PER LENGTH APPENDIX B

Section 1. Service Rates. Rates apply to all Port of Newport locations unless otherwise noted. Rates become effective July 1, 2016. Port owned equipment to be operated by port personnel. No forklifts or boom trucks not belonging to the port shall be operated on port property.

- A. Forklift. In addition to labor rate.
 - 1. Small. Toyotas.
 - a. per hour \$11.33
 - b. minimum charge\$7.21
 - 2. Large. All at International Terminal (IT).
 - a. per hour\$28.33
 - b. minimum charge\$17.00
- B. Hoist Dock. Tie up fee, per hour.
 - 1. one hour minimum, up to 3hrs\$37.34
 - 2. after 3 hours..... \$44.29
- C. Hoist Dock Cranes.
 - 1. Large Capacity. In addition to labor rate.
 - a. per hour\$39.66
 - b. minimum charge\$30.64
 - 2. 2. Launch Sail Boats. Includes recovery, per launch\$42.49
- D. Service Docks.
 - 1. Swede's. In addition to mooragedaily moorage rate
- E. City Water city rate

F.	<u>Fuel Surcharge.</u> International Terminal only. Per gallon	\$0.031
G.	<u>Electricity.</u> Swede's Dock, Dock 1, and IT. Per day charge.	
	1. 208/220 v, single phase & 208 v three phase	\$15.19
	2. 120v, IT	\$6.44
	3. PD 7 Service Dock, 110v pumps	\$6.44
	4. PD 7 Yard Charge, trucks	\$11.59
H.	<u>Hydraulic Crane.</u> In addition to labor rate. 30 ton capacity, per hour	\$132.61
I.	<u>Pump/Line Service.</u> Includes one Port employee only. Additional staff	
	a. required will be billed at the established hourly labor rate. Per hour	\$58.45
J.	<u>Storage.</u>	
	1. Outside Lot Storage.	
	a. per square foot, daily rate	\$0.01
	b. per square foot, monthly charge	\$0.216
	c. minimum monthly charge	\$21.63
	d. boat trailer only, per night	\$2.16
	e. boat on trailer, per night, 10 days limit	\$7.42
	2. Emergency Storage Fee. Per day billed as guest. For vehicles, boats or trailers prior to being considered unclaimed property in possession (ORS 98.245). Charge for improper use of parking lot (i.e. boat repair)	\$21.63
K.	<u>Gear Work.</u> Boat crew is responsible for clean-up. If Port Employees are required to clean up area, the boat account will be billed at the established hourly labor rate.	
	1. Commercial Marina, per day	\$18.80
	2. Terminal Lot, per day. Short term use only. Deep-draft cargo has	
	a. Priority	\$18.80
	3. South Beach Marina, per day	\$18.80
L.	<u>Work Barge.</u> In addition to labor rate.	
	1. Work Boat, per hour. Licensed captain extra	\$124.63
	2. Wood Barge, per day (tug extra)	\$23.69
	3. Skiff, per hour	\$13.39
M.	<u>Clean-up.</u> Fees will be charged for each man-hour at the established labor. Equipment charges are extra.	
	1. Oil Spills, per hour	\$92.70
N.	<u>Disposal Fees.</u>	
	1. Just Oil, per gallon	\$0.300
	2. Oil-Water Mix, per gallon	\$0.760
	3. Net Disposal and/or Related Gear, per pound	\$0.165
	4. Garbage, per pound	\$0.113
O.	<u>Port Labor.</u> Includes administration staff.	
	1. per hour; 3/4 hour minimum, in 15 min. increments	\$50.50
	2. Overtime. Any services required outside the established working hours, unless otherwise posted, will be charge at one and one-half times (1.5) the normal rate for labor.	
	• Per hour, 1 hour minimum	\$75.71
	3. Emergency Call-out. Any services requiring a port employee Not currently on duty to report to duty after hours, will be	
	• Charged twice (2.0) the normal rate for labor. Per hour.....	\$100.94



- P. Pallet Charge. Any Port owned pallet leaving yard, each \$5.46
- Q. Dredge Spoils. Includes state fees; may be waived for other public agencies
 - a. Per cubic yard \$2.00
- R. Keys/Cards.
 - 1.
 - 2. South Beach Facilities. Cards.
 - a. original/first two free
 - b. replacement/additional\$5.67
 - 3. Bay Front Facilities. Keys.
 - a. original/first one\$15.97
 - b. replacement/additional \$28.33

Section 2. Bay Front Charges. Per linear foot. All charges for greater length between dock and boat.

- A. Moorage. Per linear foot.
 - 1. Daily.....\$0.45
 - 2. Calendar Month\$8.25
 - 3. Semi-Annual\$31.31
 - 4. Annual.....\$41.56
- B. Annual Parking Permit. Rate effective for calendar year starting April 1st.
 - Commercial Fishermen only\$21.00

Section 3. International Terminal Charges. International Terminal Tariff No. 1 adopted via Res. No. 2014-03 on May 22, 2014. All fees authorized via Tariff No. 1. Effective July 1, 2014.

- A. Port Security Fee. (§I.13). Per day\$895.00
- B. Materials & Supplies. (§I.31). Cost plus 25%
- C. Dockage Charges. (§III.13). Rate per day, by length.
 - 1. 000.00 – 351.05 ft..... \$1,627.00
 - 2. 351.05 – 371.02 ft. \$1,792.00
 - 3. 371.02 – 400.26 ft. \$1,981.00
 - 4. 400.26 – 426.51 ft. \$2,203.00
 - 5. 426.51 – 449.48 ft. \$2,373.00
 - 6. 449.48 – 475.72 ft. \$2,607.00
 - 7. 475.72 – 498.69 ft. \$2,960.00
 - 8. 498.69 – 524.93 ft. \$3,527.00
 - 9. 524.93 – 551.18 ft. \$3,639.00
 - 10. 551.18 – 574.15 ft. \$3,822.00
 - 11. 574.15 – 600.39 ft..... \$4,373.00
 - 12. 600.39 – 626.64 ft. \$5,092.00
 - 13. 626.64 – 649.99 ft. \$5,787.00
 - 14. Above 650 ft., added on top of above rate, per ft.\$ 8.90
 - 15. Exceptions for certain vessels. (§II.14), per ft. per day\$ 0.80
- D. Service and Facility Charges. (§III.2). Per 1000 board feet, unless noted
 - 1. Logs. Scribner scale, ex dock \$ 7.75
 - 2. Cants.\$ 6.00
 - 3. Lumber. Packaged rough.\$ 5.22
 - 4. Lumber. Packaged surfaced.\$4.63
 - 5. Plywood, Veneer, corestock & hardboard, /1000 kilos.....\$5.87
 - 6. Pulp, Linerboard, bales or rolls, 2000 kilos\$ 3.49



7. Other commodities, per metric ton or 1000 bf	\$ 6.83
8. Other commodities, per cubic meter	\$ 5.69
E. <u>Wharfage Assessment</u> . (§III.6). Minimum charge for any single bill of lading	\$10.00
F. <u>Wharf Charges</u> . (§III.7). Per 1000 board feet, unless noted. In addition to Service and Facility Charges.	
1. Logs. Scribner scale, ex dock	\$ 9.50
2. Cants	\$ 6.00
3. Lumber. Packaged rough	\$ 4.55
4. Lumber. Packaged surfaced.	\$ 4.03
5. Plywood, Veneer, corestock and hardboard, per 1000 kilos	\$ 3.96
6. Pulp, Linerboard, bales or rolls	\$ 2.72
7. Other commodities, per 1000 kilos	\$ 5.57
8. Other commodities, per cubic meter	\$ 4.57
G. <u>Cargo Staging Area</u> . (§IV.2). Base rent for surge area.	
1. per week, seven days	\$2,000.00
2. per day, less than seven days	\$300.00
H. <u>Line Service</u> . (§V.3). Labor will be charged at the rates set out in the current ILWU/PMA West Coast Contract. Rate schedule per day.	
1. 2 men	\$520-\$656
2. 4 men	\$1,061-\$1,317
3. 6 men	\$1,575-\$1,973
4. 8 men	\$2,153-\$2,631

Section 4. South Beach Charges. Per linear foot. All charges for greater length between dock and boat, except for F-Dock which is boat length only. Effective November 1, 2015.*See appendix 1 for calculated rates based on length.

A. <u>Moorage</u> . Per linear foot.	
1. Daily	\$0.64
2. Weekly	\$3.82
3. Calendar Month	\$9.79
4. Semi-Annual	\$36.04
5. Annual	\$57.02
6. Live aboard. Monthly rate by agreement only.	
a. First person	\$49.95
b. Each additional	\$43.26
c. Electrical surcharge	\$30.90
B. <u>South Beach Charter Rates</u> .	
1. Annual Moorage, per linear foot (PONFC)	\$44.92
2. Charter License	\$300.00
C. <u>Dock Box</u> .	
1. Purchase (at cost)	\$309.00
D. <u>Electrical Upgrade</u> . From 20 to 30 amp. One time	\$53.05
E. <u>Line Replacement</u> . Per foot, per time	\$1.00
F. <u>Launch Fee</u> .	
1. Daily	\$6.00
2. Annual	
a. Resident	\$55.00
b. Resident Senior	\$50.00
c. Non-resident	\$75.00



Section 5. Recreational Vehicle Park Fees. Effective July 1, 2016.

Reservations for the RV Park open for 2017 as follows:

October 1st through October 31st – Monthly reservations only, in person or by phone

January 9th – Reservations for Seafood & Wine Festival, 2 night minimum, online, by phone, or in person

November 1st – Open for all other reservations, online, by phone, or in person

Reservations may be made for the 2017 calendar year through 12/31/17.

- A. Peak Season (Summer). May 1 – October 31
 - 1. All Marina Park Sites
 - a. Daily
 - Regular\$43.50
 - Good Sam\$39.15
 - b. Weekly
 - Regular\$271.00
 - Good Sam.....\$243.90
 - c. Monthly\$760.00
 - 2. The Annex
 - a. Daily\$34.50
 - b. Weekly\$209.00
 - c. Monthly.....\$620.00
 - 3. Dry Camping, daily\$20.50
- B. Off Season (Winter). November 1 – April 30.
 - 1. All Marina Park Sites
 - a. Daily
 - Regular\$39.50
 - Good Sam.....\$35.54
 - b. Weekly
 - Regular\$237.00
 - Good Sam.....\$213.31
 - c. Monthly.....\$672.00
 - 2. The Annex
 - a. Daily\$34.49
 - b. Weekly\$209.00
 - c. Monthly.....\$620.00
 - 3. Dry Camping, daily\$20.50
 - 4. Seafood & Wine Surcharge, per night, two night minimum. Added to all RV Park stays including Dry Camping\$6.00
- C. Pet Fee. Charged additionally.
 - 1. Daily. First pet free; each additional\$2.00
 - 2. Weekly. First pet free; each additional\$10.00
 - 3. Monthly. Charge per pet including first\$10.00



-
- D. Individual Fee. First two people free; each additional person charged.
 - 1. Daily \$2.00
 - 2. Weekly \$10.00
 - 3. Monthly \$30.00
 - E. Vehicle Fee. Any combination of three axle pieces of equipment (i.e. trailer, Fifth wheel, truck/car, storage trailer.) Charged for fourth piece.
 - 1. Daily \$2.00
 - 2. Weekly \$10.00
 - 3. Monthly \$30.00
 - F. Non-refundable Reservation Fee.
 - 1. Before 72 hours \$10.00
 - 2. 72 hours and after first night's rate
 - G. Service Fee Reimbursement. For electric pedestal amperage overloads. First service call included in base rate. All other service reimbursements may be charged at actual cost to Port \$79.00
 - H. Laundry Machines. Per load..... \$2.00
 - I. Process Fees. Any additional fees incurred by the Port as part of an eviction process.
 - 1. Notice \$50.00
 - 2. FED Complaint..... \$200.00
 - 3. Court Hearing..... \$165.00
 - 4. Writ of Execution..... \$140.00

Section 6. Civil Penalties. Penalties found in PONFC (Sec. 7.4(a)). Paid in full. Effective July 1, 2016.

- A. Class A Violation
 - 1. 0-14 days, per day \$300.00
 - 2. 15-29 days, per day \$600.00
 - 3. 30+ days, per day \$1,000.00
- B. Class B Violation
 - 1. 0-14 days, per day \$150.00
 - 2. 15-29 days, per day \$300.00
 - 3. 30+ days, per day \$500.00
- C. Class C Violation
 - 1. 0-14 days, per day \$30.00
 - 2. 15-29 days, per day \$60.00
 - 3. 30+ days, per day \$100.00
- D. Class D Violation
 - 1. 0-14 days, per day \$15.00
 - 2. 15-29 days, per day \$30.00
 - 3. 30+ days, per day \$50.00
- E. Parking Violation. Per event, both vehicles and trailers
 - 1. 0-10 days, paid within \$40.00
 - 2. 11-20 days, paid within \$85.00
 - 3. 21+ days \$125.00



Section 7. Administrative Fees. Staff may require payment or deposit in advance of service. (ORS 192.440(4)(a)). Effective July 1, 2016.

- A. Public Records Request Fee Schedule
 - 1. Copies of Public Records, per page \$0.25
 - 2. Copies of Sound Recordings \$10.00
 - 3. Copies of Port By-Laws, Codes \$20.00
 - 4. Copies of Nonstandard documents \$20.00
- B. Research.
Written request required. Hourly rate, half hour minimum \$50.50
- C. Computer Time.
Port operator. Hourly rate, half hour minimum \$50.50
- D. Faxes/Emailing. Per page.
 - 1. Local \$1.00
 - 2. Long Distance \$1.50
 - 3. Incoming \$1.00
 - 4. Copies \$0.25
- E. Long Distance Phone Calls \$2.00
- F. Lamination. Per page, letter size \$2.00
- G. Notice Posting. For non-payment of lease or moorage \$62.00
- H. Failure to Register. For research related to unregistered boats \$31.00
- I. South Beach Meeting Room. Must be pre-arranged and authorized.
Keys must be obtained and returned. Certain waivers \$75.00
- J. Returned Check Fee. Plus bank fees..... \$50.00
- K. Per Annum Interest Rate. Applied to past due accounts 18%
- L. POV Mileage Reimbursement Rate (IRS) current
- M. Travel Reimbursement Rates follow current IRS per diem rates
(<http://www.gsa.gov/portal/category/104711>) current
- N. Impound Seizure Fee. Vessel impounding \$750.00
- O. Special Use Permit Fee. GM has authority to adjust usage fee based upon non-profit status and other criteria
 - 1. Application Fee \$100.00
 - 2. Usage Fee, Number of Participants, Attendees, Contestants and Volunteers at Event
 - a. 1-200 \$400.00
 - b. 201-500 \$650.00
 - c. 501-1000 \$900.00
 - d. 1001-5000 \$1,400.00
 - e. 5001-10,000 \$1,900.00
 - f. 10,001-20,000 \$2,400.00
 - g. More than 20,000 \$5,000.00
 - 3. Vendors, per each \$40.00
 - 4. Insurance Certificate Limits \$40.00
 - a. General Liability, per occurrence \$2MM
 - b. General Liability, in aggregate \$2MM
 - 5. Security (TCB) costs reviewed and passed along to applicant. varies
- P. Impound Seizure Fee. Car/Truck/Trailer \$100.00
- Q. Vessel Moving. Does not include labor rate. Per Day \$250.00
- R. Background Check \$25.00
- S. Credit Check \$35.00
- T. Notary Fees (OAR 160-100-0410).
Acknowledgement, Affidavit/Jurat, Oath/Affirmation, Witness/Attest \$10.00



Section 8. Insurance Certificate Limits. Effective July 1, 2016. Additional coverages may be required based upon business type and Port’s discretion. A certificate naming the Port as an additional insured is also required.

- A. Leases/Tenants
 - 1. General Liability, Each Occurrence \$2MM
 - 2. Damage to Rented Premises (each occurrence) \$300K
 - 3. Medical Expenses (any one person) \$5,000.00
 - 4. Personal and Adverse Injury \$2MM
 - 5. General Aggregate \$2MM
 - 6. Products – Comp/Op Aggregate \$2MM
- B. Moorage/Vessels
 - 1. Commercial Vessels
 - a. General Liability
 - Protection and Indemnity/Wreck Removal. \$250K
 - Pollution Coverage \$300K
 - Combine Coverage/Wreck Removal \$600K
 - 2. Recreational Vessels
 - a. General Liability
 - Ocean Marine Liability/Wreck Removal \$300K
 - Pollution Coverage \$300K
 - or Watercraft Liability, specifically includes wreck removal
 - and pollution. Umbrella clauses must identify boats
 - exceeding 25 ft. \$500K
 - 3. Charter/Guide Vessels
 - a. General Liability \$1.7MM
 - 4. International Terminal Vessels (Tariff No. 1(\$))
 - a. Maritime Employer’s Liability (Jones Act) \$1MM
 - b. Commercial and/or Comprehensive Marine General Liability..... \$5MM

Section 9. Retail Sales, Gift Certificates, Promotions, Sponsorships and Sundries.

The Commission delegates to the Manager the ability to set prices for sundries, cards, Magnets, cups, DVDs, gift certificates, coupons, promotions, advertising, sponsorships, and other retail and marketing items.



PROPOSED CALENDAR, BUDGET COMMITTEE AND OFFICERS FOR FY 2017-18

BUDGET CALENDAR

MONDAY, FEBRUARY 27

Dept. Heads receive direction on identifying priorities/operational changes

TUESDAY, MARCH 7

Approve proposed calendar, committee roster, and budget officers.

TUESDAY, MARCH 14

Management Team convenes to discuss budget.

TUESDAY, MARCH 28

Finance Officer presents working budget for Management Team review. Commission Work Session packet distributed.

TUESDAY, APRIL 4

Commission Budget Priorities Work Session, Noon.
(Second Work Session, 4/11 if needed)

WEDNESDAY, APRIL 26

Publish first notice of budget committee meeting.
(Notice to *News Times* by Thurs., 4/20)
(Add Notice to Port's web site or public second notice)

TUESDAY, MAY 2

Deliver agenda, budget message, and proposed budget to committee members (1 week prior to meeting).

TUESDAY, MAY 9

Budget committee meets, 6:00 p.m.
(Second Committee Meeting, 5/16 if needed)

WEDNESDAY, JUNE 7

Publish hearing notice and summary.
(Notice to *News Times* by Thurs., 6/1)

TUESDAY, JUNE 20

Public hearing and adopt budget resolution, 6:00 p.m.

TUESDAY, JULY 11

Submit budget documents to County Assessor
- LB-50 x 2
- Budget Resolution x 2

TUESDAY, SEPTEMBER 26

Submit budget documents to County Clerk.
- Budget Message (from budget committee)
- Budget Detail (LB forms from June meeting)
- Meeting affidavit (from paper)

BUDGET COMMITTEE MEMBERS

(Freeholder positions are three-year terms)

FREEHOLDERS

- 1. Fred Postelwait (1994)..... June 30, 2018
- 2. Brian Barth (1996) June 30, 2017
- 3. Alan Brown (2003)..... June 30, 2016
- 4. Ron Benfield (1990)..... June 30, 2017
- 5. Mark Collson (2012) June 30, 2018

COMMISSIONERS

- 1. Walter Chuck (2011) June 30, 2017
- 2. Steve Beck (2016) June 30, 2017
- 3. Stewart Lamerdin (2015)..... June 30, 2019
- 4. Ken Brown (2014) June 30, 2017
- 5. Patricia Patrick-Joling (2015)..... June 30, 2019

BUDGET OFFICER

Kevin Greenwood, General Manager (2014)

All budget meetings will be held at the South Beach Marina & RV Park Activities Room.

**2017 ANNUAL REPORT TO THE
PORT OF NEWPORT BOARD OF COMMISSIONERS**

This Annual Report is filed with the Port of Newport Board of Commissioners by the President, Vice President and Secretary/Treasurer pursuant to ORS 777.140(2). This report focuses on the major events and accomplishments during the course of the previous calendar year. The report is available at the Port office and is formally submitted into the public record.

1. Award Contracts for Annual General Liability, Earthquake and Vessel Insurance
2. Approve scope of service and proposal by Pacific Habitat Services for NOAA berth deepening
3. Issued a Special Use Permit to Ardor Adventures for Resolution Run & Polar Bear Plunge
4. Authorized a Letter of Understanding with Oregon Brewing Co. for Rogue Expansion
5. Issued Credit Cards to the Director of Finance and Director of Operations with a limit of \$2500
6. Accepted the 2016 Annual Report
7. Issued a Special Use Permit for OMSI Coastal Discovery Center Grand Opening of Camp Gray
8. Issued a Special Use Permit to Ardor Adventures for the 3rd Annual Newport Shamrock Run
9. Approved a Declaration of Surplus Property
10. Approved an Agreement for Port Dock 7 Electrical Repairs to Above Board Electric
11. Approved HMSC Sublease with American Genetics Association
12. Approved a Contract Amendment with TCB for Additional Collection Services
13. Approved the General Manager Performance Evaluation
14. Approved a Volunteer Policy
15. Approved a Special Use Permit for the Arthritis Bike Classic
16. Approved a Special Use Permit for Davis Shows Loyalty Days Carnival
17. Authorized Rogue Lease Second Amendment Option to Lease
18. Approved an Application for a \$50,000 IFA Port Planning and Marketing Fund Grant for pre-planning activities related to the International Terminal Shipping Facility.
19. Authorized the refinancing of \$15-million in general obligation bonds from 2007 saving local taxpayers almost \$1-million in taxes over the 20 year term.
20. Renewed Lease to Seafarers Permits & Brokerage.
21. Issued a Special Use Permit to Silent Crow Arts film crew.
22. Issued a Special Use Permit for the Newport Marathon.
23. Awarded Contract to Replace NOAA Lighting Inverter Circuit Board.
24. Approved NOAA Supplemental Lease Agreements #13, carpet waiver and #14, glass wall installation
25. Authorized a Memo of Understanding with the City of Newport regarding the placement of dredge spoils at the municipal airport.
26. Authorized a Road Easement and Utility Easement from Northwest Natural Gas Co for shipping facility expansion.
27. Authorized the General Manager to pursue additional grants for the International Terminal Shipping Facility Project.
28. Authorized the General Manager to apply for a \$2MM Loan from IFA.
29. Awarded a Feasibility Study Contract to Market Advisory Group, LLC to study market opportunities at the proposed shipping facility.
30. Awarded a Contract to Road & Driveway for Hoist Dock Fill and Asphalt Repair.
31. Selected Fred Postlewait as Budget Committee Chair.
32. Budget Committee approved the proposed Budget for the 2016-17 fiscal year.

33. Budget Committee approved the tax rate of .0609 per \$1000 of assessed value for operating purposes in the General Fund and in the amount of \$1MM for payment of General Obligation bond principal and interest in the International Terminal Debt Fund for the 2016-17 fiscal year.
34. Approved a City of Newport Easement for Water Outfall at Port Dock 7.
35. Adopted Resolution 2016-02 Setting Rates, Fees and Charges.
36. Adopted Resolution 2016-03, a Compensation Plan for Port Employees.
37. Adopted Resolution 2016-04 Updating the Port of Newport's Capital Improvement Project Prioritization List and Identifying the International Terminal Shipping Facility as the Port's Top Capital Priority.
38. Awarded Contract to Lincoln Glass Company for NOAA Glass Wall Installation
39. Awarded Contract to Advanced Remediation Technologies, Inc. for NOAA Dredging Analysis work
40. Approved a Special Use Permit for Newport Food Bank Great Albacore Tuna BBQ Challenge and Salmon Enchanted Evening
41. Declared Port of Newport Commission Position No. 2 Vacant with the resignation of long-time commissioner David Jincks.
42. Appointed Patricia Patrick-Joling as Port of Newport Commission Secretary/Treasurer Pro-Tem
43. Appointed Steve Beck into Port Commission Position No. 2
44. Award a Contract for a 2009 Ford Edge Work Vehicle
45. Approved a NOAA Oil Boom Supplemental Lease Agreement
46. Approved a Special Use Permit for the Barrel to Keg Relay
47. Approved a Special Use Permit for the MDR Charity Car Show
48. Approved a Special Use Permit for the Oregon Sea Grant Shop at the Dock
49. Approved a Special Use Permit for Ardor Adventures Events
50. Authorized the General Manager to sign a Lease Option Extension with Teevin Bros. to 12/31/17 for the International Terminal Shipping Facility
51. Approved a contract with GRI for an Environmental Site Assessment of the Port's International Terminal Shipping Facility nine-acre site
52. Approved Resolution 2016-05 Adopting the 2016-17 Fiscal Year Budget
53. Approved a Letter of Support for the Marine Science Initiative at Hatfield Marine Science Center
54. Adopted Resolution 2016-06 Creating a Commercial Fishing Users Group
55. Issued a Special Use Permit for the Newport Bay to Brews ½ Marathon & 10K
56. Issued a Special Use Permit for the U-DA-MAN Fishing Tournament
57. Approved renewing membership in the Pacific Northwest Waterways Association
58. Approved renewing membership in the Good Sam program
59. Elected Commission officers: Walter Chuck, President; Ken Brown, Vice President; and Patricia Patrick-Joling, Secretary/Treasurer.
60. Adopted Resolution 2016-07 Amending the Personnel Manual to Adopt a Revised Hiring Policy
61. Adopted Resolution 2016-08 Designating Bank Accounts and Authorizing Check Signers
62. Adopted Resolution 2016-09 Establishing a Health and Safety Policy for Port of Newport Employees
63. Authorized an Engineering Contract with OBEC for Port Dock 5 Fixed Pier Approach to look at potential design and cost estimates for replacement.
64. Approved Intergovernmental Agreement with City of Newport for Participation in the Bay Front Area Parking District
65. Authorized a Contract for Construction Services with Bergerson Construction, Inc., for Port Dock 5/7 Pile Replacement and Dock Repair Project 2016.
66. Recognized Aaron Ferguson of TCB for his service.

67. Donated proceeds from the Tuna BBQ Challenge in the amount of \$3,325 to the Newport Food Pantry.
68. Adopted Resolution 2016-10 Amending the Commercial Fishing Users Group Committee Membership to Include a Distant Water Fishery Representative.
69. Adopted Resolution 2016-11 Amending the Port of Newport Facilities Code to Add Provisions for Fire Safety, Special Events and Public Art.
70. Completed the SDIS Best Practices program requirements for 2017 insurance credit.
71. Sent a letter of support for the proposal *Enabling Cost Effective Electricity from Ocean Waves* by Oregon State University Northwest National Marine Renewable Energy Center.
72. Approved a Special Use Permit for Rotary Club of Newport Trick or Treat Monster Feet.
73. Held Comprehensive Goal Setting Session.
74. Approved Contract for Port Dock 5 Pile Replacement and Repair.
75. Authorized the General Manager to Apply for Additional Debt Financing for the International Terminal Shipping Facility.
76. Approved a Special Use Permit for 2017 Seafood & Wine Festival.
77. Renewed Lease with GSA for the Customs Building.
78. Adopted the Facility Maintenance & Operations Plan with revised Maintenance Job Description.
79. Approved Easement with Rondys for International Terminal Shipping Facility.

The President, Vice President, Secretary/Treasurer are proud of the work accomplished by our Commission and staff. We look forward to an equally successful 2016. This Annual Report is submitted to the Port of Newport by:

Walter Chuck, President

Ken Brown, Vice President

Patricia Patrick-Joling, Secretary/Treasurer

At their January 24, 2017 Regular Board Meeting

2017 SDAO Annual Conference

February 10 - 12, 2017 | Portland, OR

Pre-Conference - Thursday, Feb. 9

7 a.m. | **Breakfast**

8 a.m. - noon | **Half-Day Pre-Conference Session:**

Ethics, Morals and the Political Environment

George Dunkel, SDAO and Jeff Griffin, OFCA

8 a.m. - 5 p.m. | **Full Day Pre-Conference Session**

SDAO Risk Management Trends

SDAO Risk Management Staff and Panel of Speakers

10:15 - 10:30 a.m. | **Morning Break**

noon - 1 p.m. | **Lunch**

3 - 3:15 p.m. | **Afternoon Break**

5 - 6:30 p.m. | **Welcoming Reception**

Conference - Friday, Feb. 10

7:30 - 8:30 a.m. | **Breakfast**

7:30 a.m. - 6 p.m. | **Exhibitor Trade Show**

8:30 - 10 a.m. | **Keynote Address**

Entering the Shift Age

David Houle



10 - 10:30 a.m. | **Morning Break**

10:30 a.m. - noon | **Concurrent Sessions:**

Foundations of Public Contracting Part I: Don't be Afraid

Eileen Eakins, Law Office of Eileen Eakins, LLC

Opioid Impact on Society—History to Present

Brad Lorber, MD, Northwest Occupational Medicine Center

Re-Tooling Your Performance Management Program

Stacy Maxwell, Jackson County Fire District 3 and Kelly Williams, Centerpoint

What Now? Making Sense of the Healthcare Industry During Turbulent Times

Katie Peterson, The Partners Group

noon - 1:30 p.m. | **Lunch**

1:30 - 3 p.m. | **Concurrent Sessions:**

Foundations of Public Contracting Part II: Essential Contract Components and Sample Contracts

Eileen Eakins, Law Office of Eileen Eakins, LLC

Emergency Management Part I: The Oregon Resilience Plan

Mark Knudson, P.E., Tualatin Valley Water District

Emergency Management Part II: Learn from Real World Disasters

Jon Newman, Agility Recovery

He Said What? Exploring the Limits of Employee Protected Speech

Dian "Dee" Rubanoff and Chandra Hatfield, Peck Rubanoff & Hatfield, PC

Orientation for SDIS Member Portal

Gary Byars and Chris Hill, SDAO

3 - 3:15 p.m. | **Afternoon Break**

3:15 - 5 p.m. | **District Caucus Meetings**

5 - 6 p.m. | **Exhibitor Reception**

2017 SDAO Annual Conference

February 10 - 12, 2017 | Portland, OR

Conference - Saturday, Feb. 11

7:30 - 8:30 a.m. | **Breakfast**

8:30 - 10 a.m. | **Concurrent Sessions:**

Maintaining Effective Volunteer Board Members and Boards

George Dunkel and Rob Mills, SDAO

The Immunities: Recreational and Discretionary

Spencer Rockwell and Dan Davenport, SDAO

Wrongful Discharge and Constitutional Claims

Ron Downs, SDAO

How to Build a Special District Website in Less Than Two Hours!

Sloane Dell'Orto, Streamline

10 - 10:30 a.m. | **Morning Break**

10:30 a.m. - noon | **Concurrent Sessions:**

Government and Liability Training for New Board Members

Frank Stratton, SDAO

Employment Practices: Litigation and How to Avoid it

Teri Dragoo and Jens Jensen, SDAO

Good Communication Essential in Handling Workers' Compensation Cases

Judy Clark, HR Answers, Inc.

Navigating Today's World of Municipal Finance

David Ulbricht, SDAO Advisory Services and
Ann L. Sherman, Hawkins Delafield & Wood LLP



Conference - Saturday, Feb. 11 - (cont.)

noon - 1:30 p.m. | **Lunch**

1:30 - 3 p.m. | **Concurrent Sessions:**

Top Ten Board Member Best Practices

Christy Monson, Local Government Law Group

Musculoskeletal Injury Prevention Toolkit

Greg Jackson, SDAO

Public Sector Workplace Investigations

Joe Henner, Pacific Consulting and Investigations, Inc.

Legislative Update

Hasina E. Squires and Mark Landauer, SDAO

3 - 3:15 p.m. | **Afternoon Break**

3:15 - 4:30 p.m. | **Annual Business Meeting**

6 - 8 p.m. | **Awards Banquet**

8 - 10 p.m. | **Entertainment**

Elvis Tribute Artist

Ryan Pelton



Conference - Sunday, Feb. 12

8 - 9 a.m. | **Breakfast**

8:30 - 10 a.m. | **Closing Speaker**

Seven Lessons from Oregon's Pacific Crest Trail

Bob Welch





600 S.E. BAY BOULEVARD NEWPORT, OREGON 97365 PHONE (541) 265-7758 FAX (541) 265-4235 www.portofnewport.com

November 18, 2016

Mr. Gerald Ledingham
4164 Camino De La Colina
Tucson, AZ 85711

RE: Port of Newport Parking Citation Appeal

Dear Mr. Ledingham,

At the Port of Newport Regular Commission Meeting on September 27, 2016, your appeal was added to the agenda as New Business Item D., and correspondence and emails regarding your request were presented to the Commission as an addendum to the Meeting Packet. You can find the Meeting Packet Addendum and Minutes on our website, on the meetings page <http://portofnewport.com/meetings.php>, under the September 27, 2016 Regular Meeting.

After reviewing your appeal, the Commission voted unanimously to uphold the decision of the General Manager and impose a \$30.00 reduced fine for Parking Violation No. 1114 issued August 10, 2016.

The fine is payable to TCB, 600 SE Bay Blvd., Newport Oregon, 97365. Please include your violation no. on the check. I will forward a copy of this letter to TCB to advise of the reduced fine.

Sincerely,

Kevin M. Greenwood
General Manager

cc: Mike Goff, TCB Security



MEMBERSHIP LIAISONS

As of June 21, 2016

Cascade West Council of Governments* - (\$3178.37)
must be elected: Walter Chuck; Ken Brown (alt)

Cascade West Economic Development District*
Kevin Greenwood

Cascade West Area Commission on Transportation* -
Walter Chuck; Ken Brown (alt); alternate may be staff

Oregon Coastal Zone Management Association
(OCZMA)*# -- alternate may be staff (\$800.00)
Walter Chuck

Pacific Northwest Waterways Association (PNWA)*
(\$7200.00) Walter Chuck, Kevin Greenwood

Mid Coast Watershed Council (\$245.00)
Stewart Lamerdin

Oregon Public Ports Authority (OPPA)* (\$9,686.29)
Kevin Greenwood

Oregon Economic Development Association (OEDA)
(\$250) Kevin Greenwood

Economic Development Alliance of Lincoln County
(EDALC)* Kevin Greenwood

Special Districts Association of Oregon (SDAO)*
(\$4,000.00) Kevin Greenwood

Yaquina Bay Economic Foundation (YBEF)* (\$300.00)
Kevin Greenwood; Ken Brown

Yaquina Bay Ocean Observing Initiative (YBOOI)*
Kevin Greenwood

North America Ocean Observing (NANOOS)*
Kevin Greenwood

Coastal Marine Experiment Station (COMBS)*
Stewart Lamerdin

Pacific Coast Congress of Harbormasters and Port Managers (PCCHPM)+
Kevin Greenwood; Steve Larrabee; Rick Fuller

DAS OPS ORCPP – (\$500.00)
Rick Fuller, Steve Larrabee

*paid/mandated membership
#must be elected commissioner
~community organization (no port vote or membership)

Oregon Ethics Annual (\$619.30)

Fishermen Involved in Natural Energy for Lincoln County (FINE)~
Walter Chuck
Newport Chamber of Commerce (NCO)* (\$297)
Kevin Greenwood

Northwest National Marine Renewable Energy Center Advisory Committee (NNMREC)&
Walter Chuck

Department of Geology and Mineral Industries Marine Advisory Committee (DOGAMI)&
Walter Chuck

Oregon Department of Fish and Wildlife Sportfish Advisory Committee (ODFW)&
Walter Chuck

Ocean Policy Advisory Council (OPAC)&
Walter Chuck

Newport Urban Renewal (adhoc)
Patricia Patrick-Joling; Ken Brown (alt)

Newport Airport Committee (adhoc)
Ken Brown; Patricia Patrick-Joling (alt)

Newport Regional Airport Task Force (adhoc)
Kevin Greenwood

Newport Airport Planning Subcommittee (adhoc)
Kevin Greenwood

Newport Parks & Rec Committee~
Kevin Greenwood

Newport Bay Front Parking Dist. Committee*
Kevin Greenwood

International Terminal Liaisons (adhoc)
Walter Chuck, Stewart Lamerdin

Human Resource Liaisons (adhoc)
Walter Chuck, Steve Beck

+paid professional organization
&personal or non-port related board membership
*=Paid via SDAO membership

Serving the Maritime & Recreational Communities

Newport International Terminal (541) 265-9651

Newport Marina at South Beach (541) 867-3321