

April 23, 2024
6:00 P.M.
Newport, OR

PORT OF NEWPORT COMMISSION MINUTES

This is not an exact transcript. The video of the session is available on the Port's website.

The Port of Newport Commission met on the above date and time at the Administration Building, 600 SE Bay Blvd., and virtually via Microsoft Teams. In attendance were Commissioners Sylvia, Retherford, Ruddiman, and Chuck. Commissioner Lackey was excused. Also in attendance were Executive Director Paula Miranda, Director of Business and Finance Services Mark Brown, Operations Director Aaron Bretz, PR Representative Angela Nebel, and Administrative Assistant Gloria Tucker. Visitors included Linda Shubert, Steve Hickman, and Doug Cooper.

BUDGET HEARING

Adoption of Fiscal Year 2024-2025 Budget. Sylvia opened the budget hearing for public comment at 6 p.m. Brown reported this is the same budget the Budget Committee approved. He stated there have been no changes since the Budget Committee met and approved this. He recommended adoption.

MOTION was made by Chuck, seconded by Ruddiman, to adopt the budget for Fiscal Year 2025 as stated in Resolution No. 2024-06. The motion carried unanimously in a voice vote.

After no public comment, Sylvia closed the budget hearing for public comment at 6:02 p.m.

PUBLIC COMMENT

Miranda noted Doug Cooper submitted a written public comment at the end of the work session on April 11, 2024. Cooper, Vice President of Resources for Hampton Lumber, stated he has attended Commission meetings in the past. He noted Hampton currently operates three sawmills in NW Oregon and an economical, available supply of timber is critical to operate sawmills and support the rural communities in which they operate. He indicated he spoke a year ago when the Commission was deliberating about their budget for the grant from MARAD and looking forward to developing cargo handling. He added he urged caution at that time given the history of pursuing log exports a number of years ago.

Cooper stated he appreciated Miranda commenting about the warning from Merkley and Wyden that money from that grant would not be used to export logs [overseas]. He noted he did not find that in the minutes. He indicated he also stated that Hampton has always been opposed to federal or state tax money going to support infrastructure for the export of logs because in Hampton's opinion it is not the best economic solution for the country, state, and local communities that depend on log supply. He added he listed to the work session. He explained he was concerned about some of the conversation that occurred by the Commission.

Cooper read from the minutes from the April meeting. He stated there have been four mills shut down in western Oregon since the beginning of the year, and every one of those mills cited the lack of available log supply as a primary reason for shutting down. He noted there is no question if there is x milling demand and x supply and that demand stays constant and the supply

drops, someone will have to shut down. He indicated if there are logs shipped out of the region, milling demand in that region is going to suffer. He added in the last number of years, there have been some sever reductions occurring in regulatory practices in Oregon that are reducing supply of logs as well as natural disasters.

Cooper stated there has recently been a Private Forest Accord that is impacting private lands and reducing available supply because it is providing greater restrictions on private land operability. He noted the Oregon Department of Forestry managed lands are implementing a Habitat Conservation Plan that's reducing supplies off of those lands. He indicated the federal forest lands are under pressure from the NW Forest Plan revision that is going to increase restrictions on activity on those lands as well. He added it is critical that the supply of logs are available for the milling demand and infrastructure.

Miranda explained public comments can be addressed at a later meeting. Sylvia requested the topic be brought to a future meeting.

CONSENT CALENDAR

MOTION was made by Ruddiman, seconded by Chuck, to approve the consent calendar as presented. The motion carried unanimously in a voice vote.

OLD BUSINESS

Approval of Goals and Objectives and Update to Capital Improvement List. Sylvia introduced the agenda item. Miranda reported the Commission met in a work session on April 11, 2024. She stated the main focus was on capital improvements. She noted Commission has discussed before working on updating the Strategic Plan next fall. She explained the Strategic Plan approved five years ago has been updated every year to make sure staff address its [recommendations]. She indicated some things the Port has not been able to address because of the infrastructure of the Port. She stated in the Capital Improvement Plan, the Port has been able to complete a lot of projects. She added Brown included one additional item after the work session, replacement of the TV system at the RV Park. She explained the current system is outdated and damaged from all the utility work done at the Annex. Sylvia and Retherford thanked staff for their hard work on the projects and financials.

MOTION was made by Retherford, seconded by Chuck, to accept the latest updates to the Strategic Plan, including the Capital Improvement Plan, as discussed during the work session and reflected on the attached documents. The motion carried unanimously in a voice vote.

Approval of Update to Health and Safety Policy. Sylvia introduced the agenda item. Bretz reported he included a copy of the resolution that created the Health and Safety Policy for the Port. He explained there is some language about maintaining it in accordance with past administrative practices. He stated in the past, staff would bring forward minor changes to the Commission. He noted staff want to make some changes that reflect OSHA regulations that reflect the makeup of the Safety Committee. He indicated his recommendation for the Commission is to clarify those types of changes are authorized for the staff to make to the existing plan.

Sylvia asked if the Safety and Health Policy is administrative. He confirmed with staff the policy was originally passed by the Commission. He clarified with staff that the staff want approval to make amendments and changes. He asked should the Commission ever take a look at the policy

or approve changes. Bretz replied the policy is reviewed internally every year. He stated at that point in time, if staff see something to bring to Commission, they could. He explained this is a standalone policy that delves into operational weeds. Miranda explained this gets too much into the details for Commission. She recommended the Commission leave this to Operations and Administration. Retherford expressed support for Administration to handle the policy. Sylvia confirmed with staff there is not high risk or liability for the Commission to not review this policy.

MOTION was made by Retherford, seconded by Ruddiman, to authorize staff to perpetually make updates and edits to the Port Health and Safety Policy. The motion carried unanimously in a voice vote.

Port Dock 7 Grant Applications. Sylvia introduced the agenda item. Miranda reported in the Fiscal Policy, the Commission approves grant applications over \$25,000. She explained there is a deadline for the PIDP grant with MARAD for reconstruction of Port Dock 7 on May 10. She stated the only thing she is still going back and forth on is, unlike RAISE, the Port can apply for 100 percent grant, rather than have a match. She noted PIDP wants to see some skin in the game, and more points are awarded to applications that have a match of at least 20 percent. She suggested the Port include a match that would be paid through Connect Oregon's grant. Sylvia clarified with staff how the points work. Retherford expressed support for applying for 80 percent of the project cost.

Chuck clarified with staff there will not be a Port [general fund] match for Connect Oregon's grant. Sylvia noted the recommendation is for any future grants. Miranda replied she is concerned there will be more grants with a quick deadline, and she doesn't want to miss the opportunity to apply. She explained any future grants would be similar to ones already approved like RAISE and Connect Oregon. Sylvia stated \$25,000 seems like a very low amount. He suggested increasing that amount. Miranda replied staff are in the middle of updating the Fiscal Manual, and that change could be made. She added there will still be times grants need to be brought forward because some grants require matching from the general fund.

Ruddiman asked if staff are comfortable with the number for the project, [\$34.5 million]. He noted it seems like there is never enough. Bretz replied this is the best number staff have. Miranda explained the Port asks for grants a year or two before staff are ready to move forward and that has put the Port in a situation where the money was not enough. She stated this one is a little overestimating unless there are environmental issues, or the project gets pushed too far into the future. She added right now, the estimate is reasonable. Bretz stated by the end of the year, he will have more planning completed, and he'll be more comfortable with the number. The Commission reached consensus they support of 80 percent grant with 20 percent match.

MOTION was made by Chuck, seconded by Ruddiman, to authorize the Executive Director or designee to apply for the PIDP grant with 20 percent match and 80 percent grant, and any future grants related to the Port Dock 7 reconstruction. The motion carried unanimously in a voice vote.

STAFF REPORTS

Executive Director's Report. Miranda presented the report included in the packet. Bretz mentioned the Rogue Seawall repair will go through June. Sylvia confirmed with staff the M5 corridor discussion has been influenced by climate change. He also confirmed with staff that zero-based budgeting is a process staff would like to use every three years. Miranda noted US Fish and

Wildlife is looking into reintroducing sea otters onto the coast, but they don't have a location or specifics. She stated they are in the beginning stages. Sylvia noted there is a state effort to reintroduce sea otters too. Chuck replied the state effort is led by the Elakha Alliance. Retherford expressed support for having a work session to discuss the Port's position on reintroduction of sea otters.

Director of Finance and Business Services Report. Brown clarified in his report, in the receivables portion, staff are including those who are 90-120 days past due without a payment plan. He stated since they haven't agreed to pay the Port, for people who are 90 days past due, the Port will not provide services. He explained at 120 days, staff will discuss seizure. Miranda emphasized the Port wants to work with people and develop a payment plan, but people will go months without paying and not contacting the Port. Sylvia asked if staff have any sense numbers-wise how many vessels are not cooperative. Brown replied 7-10 vessels. Sylvia clarified with staff there may be one vessel that will not pay. Sylvia confirmed Brown will present the cash flow analysis in the future.

Operations Director's Report. Bretz reported he received the preliminary concept for the RV Park Annex replacement. He added he hopes to present on that next month.

COMMISSIONER REPORTS

Retherford announced the Blessing of the Fleet will be May 5 at 11 a.m.

PUBLIC COMMENT

Miranda read a written public comment submitted by Herbet Kateley regarding parking fees in South Beach. She noted she has responded to his comments.

Cooper stated because of the long distance that logs travel in Oregon, high demand from Oregon and Washington, there are overlapping supply areas. He noted overlapping supply areas mean a reduction in supply in one area impacts other areas. He indicated Hampton Lumber does buy logs and forest land in Lincoln County to supply its mills. He added they own about 20,000 acres in Lincoln County. He stated since he is retiring, he will forward on contact details of his replacement to the Port.

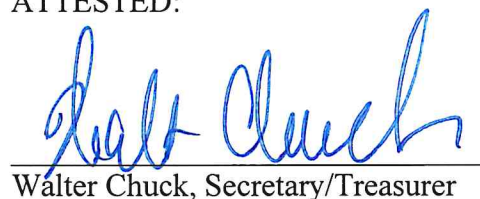
ADJOURNMENT

Having no further business, the meeting adjourned at 7:40 p.m.

ATTESTED:



Gil Sylvia, President



Walter Chuck, Secretary/Treasurer