

January 25, 2022
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 virtually via Microsoft Teams. In attendance were Commissioners Sylvia, Lackey, Retherford, and Chuck. Commissioner Burke was excused. Also in attendance were General Manager Paula Miranda, Operations Director Aaron Bretz, Finance Director Mark Brown, Administrative Assistant Gloria Tucker, and PR Consultant Angela Nebel.

CHANGES TO THE AGENDA

Sylvia noted changes to the agenda included removing Approval of Change Order Regarding Swede's Dock Pilings, adding Commissioner Reports after Staff Reports, and moving the Executive Session to the end of the meeting.

CONSENT CALENDAR

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

OLD BUSINESS

Adoption of Capital Improvement Plan. Miranda reported the Capital Improvement Plan came before Commission during its recent work session, but policy does not allow the Commission to approve items during a work session. She noted bringing this item to the regular session also gave the Commission additional time to look through the list. She stated since the work session, duplicate items were removed and the projects on the list were rearranged by location. She explained, typically, when staff go out for loans or grants from the federal or state government, they want items requested to be part of the strategic plan. She added once the Commission adopts the Capital Improvement Plan, it will be included in the Strategic Business Plan.

MOTION was made by Retherford, seconded by Chuck, to adopt the Capital Improvement Plan, as amended, and replace the Capital Improvement Plan listed under the current Port of Newport Strategic Business Plan. The motion carried unanimously in a voice vote.

NEW BUSINESS

Acceptance of Annual Report. Miranda reported the report is a list of actions taken by the Commission that is approved every year. Retherford noted it is nice to see the list. She stated there has been a lot done, and the Commission is in sync and flowing in the right direction. She thanked staff for their efforts. Miranda noted she appreciates all the work Commissioners have provided. She stated just because the Commission agrees does not mean they do not go through materials or do not ask questions. She indicated she gets a lot of questions. She added she is happy everyone can work together and appreciates the staff who worked really hard through this past

year. Sylvia stated the agendas and supporting information are extremely well organized, and the Commission has everything they need to have discussions, read materials ahead of time, and make decisions. He thanked staff for their efforts.

MOTION was made by Lackey, seconded by Retherford, to accept the annual report as presented. The motion carried unanimously in a voice vote.

Approval of Resolution No. 2022-03 Setting Rates, Fees, and Charges. Brown reported it is a difficult year to set rates and fees. He noted inflation has been increasing every month. He stated the Port is out of line with other ports, so a lot of adjustments were needed. He explained in general, he took December's inflation rate and applied it to current rates. He indicated most fees were raised based on inflation, but the exceptions are listed on page 83. He explained recycling fees mean oil. He noted, typically, when the Port receives oil, it is a mix of oil and water. He indicated the rate increased to \$3 to match Port of Toledo's cost. He added any extra money will be set aside in a reserve fund for the Commercial Marina and used to rebuild the oil processing unit.

Miranda stated with most service fees, the Port does not make any money. She noted keeping fees low in the past didn't account for replacement. She indicated just because the Port is providing a service and has an asset, does not mean that asset is not going to go away. She added keeping fees super low to just get by is not good enough, and one of the things staff is doing is evaluating assets. She stated the Port realizes money needs to be set aside for maintenance. She noted the Port needs to replace this tank and housing for this tank this next year. She indicated even by increasing fees, the Port will still use general funds. She added at some point, the Port would like to catch up.

Brown reported the launch fees increased from \$6 to \$9. He noted staff did some research with other facilities and determined the Port's fee was low. He explained the Port also has a need to take care of blacktop in South Beach. He indicated the increase in fees will go to replace that blacktop. He added for the keys/keycards, the cost has gone up dramatically. He reported the increase is to cover labor costs. He noted the Port added some fees and removed some fees. Retherford asked for clarification on wharfage fees. Brown replied wharfage is a fee charged on poundage of material, such as squid, brought into the Port. Miranda added the fee tends to relate to cargo.

Lackey stated he appreciated the thoughtfulness and meticulous rationale for the fees. He noted with inflation at 7 percent, he knows everyone is getting squeezed. He indicated 7 percent really just covers the inflation this year and does not go beyond that. He added it's very reasonable, and he agrees with the amounts. He stated this has been well prepared and thought through.

Chuck noted there will be a lot of heat from raising the boat launch fee in South Beach by 50 percent without notice. He stated that's a pretty big increase. Miranda noted that's the problem when rates are not raised every year. She stated when the Port tries to catch up, it seems like a big increase. Brown noted the launch fee has not been touched in over three years.

Retherford stated she agrees with the inflation increase of 7 percent. She noted it is important not just to maintain assets but to also to create revenue to go above and beyond current services. She indicated in order to stay in a place of improvement, the Port needs to make sure the rates match inflation. She added everything has gone up tremendously, and the Port cannot pretend it does not have needs.

Miranda reported staff have discussed and worked internally on trying to bring maintenance and assets to a better place, and with this big inflation, they don't want to go

backwards. She noted users have an expectation of good service, and the Port wants to keep that up. She indicated if the Port lets it slide, then the Port is in catch up mode over and over. She added the Port wants to make sure it keeps its standards.

Brown added another factor in South Beach is the number of vessels that are left for the Port to dispose of. Retherford stated she knows as a user of the Commercial Marina; she is seeing the value of the increased investment. She stated other groups, not just users, are starting to see the improvements and their value.

Chuck asked if parking has been charged in South Beach. Miranda replied parking is not charged for yet. She noted she ran into folks from the Port of Cascade Locks, and they recently implemented parking fees. She indicated staff got some ideas from them. She explained Brown is doing homework on implementation and signage. She added staff are trying to get this implemented by July 1.

Miranda reported when staff started looking into a fee, there was outreach to the community. She noted the original amount of \$3 was too low for implementation costs. She stated \$5 is still low. Brown stated that program may come to another Commission meeting. He stated he is looking into mobile applications for parking. Chuck stated it is important to make sure parking spaces are clearly designated and enforced. Bretz replied enforcement-wise, staff are looking into budgeting funds this summer. He noted putting up signs and meters does not matter if they are not backed up with enforcement. Miranda noted in the beginning, this will not make money. She stated her hope is, eventually, there will be enough funds to go toward repairing pavement.

Sylvia noted the importance of framing these fees in terms of the cost of services provided and the need to make improvements. He added the Port wants to make sure the services stay successful. Chuck noted in the past the Commission usually waited until the next meeting to approve the rates. He stated this is going to be a shock to some people. He added the Port is the busiest sport fishing port. He emphasized the importance of being open with people who are being served.

Miranda stated the Port tried to have a Commercial Fishing User Group Committee meeting but did not have a quorum. She noted the chair is meeting with committee members and trying to decide if there should be a new meeting date. She indicated the fees have been shared through email. She reported there will be a meeting 1 p.m. on Thursday open to all users of South Beach to discuss fees. She explained the port is asking folks to submit comments or requests to speak. She added with such a large group, folks have to be very specific.

Miranda reported on the agenda are rates and fees, projects and maintenance completed this year, what is to come in 2022, and general rules and regulations of the Port. She explained one of the places staff have the most problems is South Beach because it is heavily used by the public. She stated the Port wants to remind the users in general some of the rules they need to keep in mind when using the facilities.

MOTION was made by Retherford, seconded by Lackey, to adopt Resolution No. 2022-03 setting Rates, Fees, and Charges. The motion carried unanimously in a voice vote.

STAFF REPORTS

General Manager Report. Miranda reported staff are busy trying to work through the Capital Improvement Plan and budget. She stated at this point, staff are wrapping up the Port Dock 5 Pier. She explained some items came up during the pier inspection, which the contractor is

addressing, but there is nothing major. She noted once complete, the Port can submit its last request to the EDA, and close out the project. She indicated for the Admin Building; the Port has fencing in place. She noted there is an office trailer. She added the first meeting with the contractor will be next week.

Miranda reported Bretz is working with the Army Corps on a feasibility study for the channel into the Commercial Marina. She stated that is 45 percent complete. She noted it's a bit of a long process and staff are looking into close to a year to get that complete. She indicated once that is completed, staff will know how much to do and if that can be dredged. She explained the Army Corps will pay 90 percent of that project if the Port gets to that point.

Miranda reported the work for Swede's Dock has been completed, and there was one extra piling to add. She noted that was added to the agenda, but the numbers didn't get in until the end of today. She indicated they are OK with adding that to the next Commission meeting. She added the difference in cost was close to \$2,000.

Miranda reported the Port is continuing to move forward with grading nine acres. She stated the Port has the plans but is waiting for the permit to move forward. She noted Brown is quite busy trying to finish implantation of the new financial system. Brown stated March 1 is the target for internal implementation. He added April is the target for external implementation. Miranda added switching systems will cause some headaches before it gets better.

Miranda reported budget information should be going out next month. She noted financial reports show the Port is still doing OK, and most of the sites are doing good, especially, since the Port spent a bunch of money paying for the Port Dock 5 Pier. She added a reminder about the upcoming SDAO conference. She emphasized unless all five Commissioners sign up, the Port won't get a discount. She noted Commissioners don't need to attend the entire conference, just a couple of sessions.

Retherford noted Miranda would be gone during the PNWA Mission to Washington. She asked if she still needs representatives for that. Miranda explained the Mission to Washington. She noted this year will be virtual. She stated she will provide a list of items to lobby for and asked one or two Commissioners to participate. Retherford volunteered to go with another Commissioner.

Lackey stated in looking at Brown's report and financials, it really looks like things are going pretty well. He noted the Port has spent a lot of money to fix things, and to still have balance compared to last year with just a 3 percent decline is good. He indicated it is encouraging to see the good things and the Port still maintaining a strong financial position in order to continue to do more. He praised the work of staff. Sylvia praised staff as well.

Retherford noted Bretz mentioned assigning slips for boats in the Commercial Marina. She asked what would be the timeline for that. She stated the Port will soon be flooded with squid boats. Bretz replied that change in management policy may not need to come before Commission. He stated he is hoping to get it going in the next month or so. He indicated he's been answering some folks' questions on that recently. He added it may look easy from the outside, however, the Port hasn't had someone specifically watching the docks and making sure people are going where they need to go for a couple of decades. Bretz reported the Port hasn't had a centralized frame for doing that, so multiple staff can all know what's going on and make changes. He stated the changes are only as good as enforcement. He noted there was a lot discussion in November, but that was not a good time because crab season was just getting started.

Retherford stated there is a report of up to 30 transient boats coming from California for squid. She noted she has comments that some have managed to not pay fees because they come and go so much. Bretz replied last year the number was 25. He stated hopefully it will go a little

smoother. He noted the new software will cause operational changes as well. He indicated it will make it easier to track and plug in reservations and make things a lot tighter. He reported when the new pedestals come in, they will have to be remotely turned on, so folks will have to see staff. He noted staff will also know how much power is being drawn because they are all metered.

Miranda noted a lot of people were frustrated with squid boats and wanted the Port to refuse them because they are from out of state. She stated the Port is a public port, and that is interstate commerce, so the Port can't refuse anyone without specific reasons. She indicated she ran this by the Port's attorney, and it is clear for public ports. She added staff will try to be as organized as possible to not interfere with tenants. Bretz explained there will be transient space available, some will have to anchor out, and some tenant spaces will have to be used when moorage holders are gone for extended periods.

Chuck was excused from the meeting at 7:00 p.m.

COMMISSIONER REPORTS

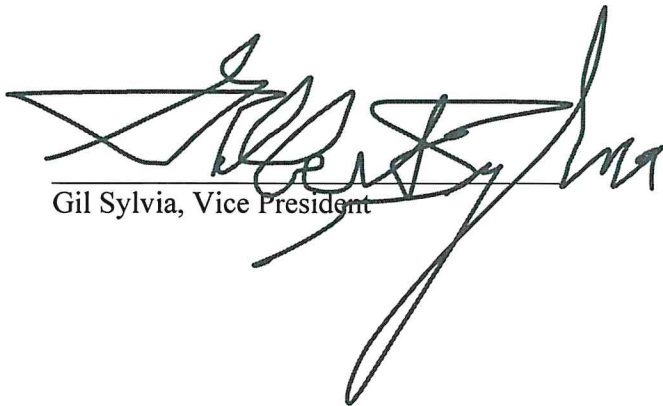
Sylvia stated he serves on the Council of Governments (COG). He explained counties and cities who are members work together on a variety of issues. He noted he was talking to the executive director and learned they support some of the monies the Port gets for certain projects. He suggested the executive director attend one of the Commission meetings to talk about what they do and how to help each other with funding. Miranda stated the Commission has not done many work sessions, so it is not a bad idea once a month or every other month to put together a work session. She explained work sessions are to educate, to inform, and to brainstorm. She added COG would be a good group to have, and if there's interest staff will put together an agenda. Sylvia added COG is updating a strategic plan as well.

EXECUTIVE SESSION

Sylvia announced the Commission would enter executive session pursuant to ORS. 192.660(2)(f) – Exempt Public Records. He explained the rules of executive session. He stated there would not be further discussion after the executive session and adjourned the meeting.

ADJOURNMENT

Having no further business, the meeting adjourned at 7:06 p.m.



Gil Sylvia, Vice President

ATTESTED:



Walter Chuck, Treasurer/Secretary

