

PORT OF NEWPORT REGULAR COMMISSION MEETING AGENDA

Monday, October 30, 2017, 6:00 p.m.

South Beach Activities Room

2120 SE Marine Science Drive, Newport, OR 97365

I. Call to Order6:00 pm

II. Changes to the Agenda

III. Public Comment.....6:02 pm

IV. Consent Calendar6:05 pm

 A. Minutes

 1. Commission Work Session 9/26/17p 3

 2. Regular Commission Meeting 9/26/17p 9

 3. Commission Work Session 10/03/17p 15

 4. Commission Work Session 10/18/17p 19

 B. Financial Reportsp 25

 C. Oregon Surplus Change Authorizationp 37

 D. Resolution No. 2017-12 Authorizing Transfers of Appropriated Funds
 Within The 2017-18 Fiscal Year Budgetp 39

 E. Resolution No. 2017-13 Amending the Port of Newport Facilities Code
 to Change Sections Related to Insurance Coverage for Vessels.....p 41

 F. SDAO Membership Renewalp 45

 G. Contractsp 47

 1. Road & Driveway – Terminal Overlay Repairsp 49

 2. Central Coast Excavating – RV Dump Station.....p 51

V. Correspondence/Presentations6:10 pm

 A. Chuck Toombs - DulsEnergyp 57

 1. MOU with Hatfield Marine Science Centerp 59

 2. IGA Agreementp 63

 3. Improvement Costs Estimates Emailp 69

 4. Civil West Pipeline Cost Estimatep 71

VI. Old Business

 A. Items Removed from Consent Calendar

 B. Accounts Paidp 75.....6:30 pm

 C. Todd Kimball, Financial Consultant Updatep 81.....6:35 pm

 D. SDIS Best Practices Checklist Complete.....p 83.....6:55 pm

 E. Human Resources Memop 85.....7:00 pm

VII. New Business

 A. Richard Stellner, Human Resources Consultant, General Manager Search7:05 pm

 1. General Manager Job Descriptionp 87

 2. General Manager Recruitment Process.....p 99

VIII. Staff Reports

 A. Director of Financep 101.....7:30 pm

 1. September Occupancy Report.....p 103

 B. General Manager Pro Tem/Director of Operationsp 105.....7:35 pm

 1. TCB Public Safety Report for September

IX. Commissioner Reports.....7:45 pm

X. Calendar/Future Considerations

 11/3 Fishermen’s Appreciation Day

 11/5 Dia de los Muertos Run

11/6 Commercial Fishing Users Group Committee Regular Meeting
 11/10 Veteran's Day - Office Closed
 11/23 Newport Turkey Trot
 11/23 - 11/24 Thanksgiving Holiday – Office Closed
 12/8 Port Holiday Party
 12/19 Regular Commission Meeting
 12/25 Christmas Day – Office Closed

- XI. Public Comment.....7:50 pm
- XII. Adjournment8:00 pm

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

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

-###-

PORT OF NEWPORT MINUTES

September 26, 2017
Commission Work Session

I. CALL TO ORDER

Commission President Patricia Patrick-Joling called the Special Commission Meeting of the Port of Newport Board of Commissioners to order at 12:00 noon at the South Beach Activities Room, 2120 SE Marine Science Dr., Newport OR, 97365

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

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

Members of the Public and Media: Doug Cooper, Hampton Lumber; Steve Beck; Dietmar Goebel, Newport City Council; Heather Mann, Midwater Trawlers Cooperative.

II. PERMANENT GENERAL MANAGER RECRUITMENT

- A. Approve Job Description
- B. Name a Salary & Benefit Range
- C. Resolution for Process

Bretz introduced the staff report and supporting documents regarding Recruiting Services Options. He recommended SDAO as the best value. The Commission would still need to approve salary and benefits. The Commission may have different ideas about when and the scope. Patrick-Joling said she had spoken with legal counsel about the by-laws time line of 6 months, which was not necessarily a limitation. She suggested getting a handle on the Financial Consultant before recruiting a General Manager. Lamerdin suggested filling the General Manager position first. Patrick-Joling said she would prefer to fill the Financial Consultant and Director of Finance positions as an immediate need. When they are situated, the Port could recruit a General Manager. Lamerdin said the Commission could select a General Manager first, who then could put together a team. Patrick-Joling said that was true, but she also felt the need for a Financial Consultant, who would help provide more of a platform for the General Manager. Bretz said that attorney Pete Gintner suggested the political state may encourage the Port to get the General Manager position filled. The Commission may want to talk to people at the state level about the time line. Patrick-Joling said that SDAO said they have had some positions that took two years to fill. She asked what SDAO had quoted as a time estimate for recruiting a General Manger; Bretz replied 4 – 6 months. Lamerdin asked if in the cases where a General Manger Pro Tem was in a position for two years, were the other management positions filled. In the Port of Newport's case, Bretz was doing two jobs. Skamser said she had made notes about revisions to the job description, and also had questions about human resources. She was looking for the management positions to work together, and wondered why Human Resources was included in the Director of Finance's duties. Bretz said the Port has divided the duties among the management. Some of the finance process was given to the Director of Operations, and some additional duties were added to the Director of Finance. Lamerdin commented that Human Resources included payroll, benefits, etc. Skamser said Human Resources had been important under Greenwood. This was also important for morale. Bretz said Human Resource duties also included evaluating the pay schedule and criteria. Patrick-Joling asked about Larrabee also overseeing the RV Park. Skamser said that seemed like an odd mix. Bretz said the Port could look to find these competencies when hiring. The Commission needed to figure out if it moved around job duties, they would also have to define the Director of Operations position. There is only so much that can be

reassigned. He also referred to a sample prospectus from the Director of Operations search. Lamerdin asked if Larrabee had responsibility for the RV Park just based on workload. Hewitt said the RV office staff were also under the finance department.

Skamser said she wanted to make sure the General Manager position was defined before recruitment. Patrick-Joling said the Commission had time. She again suggested moving forward with the Financial Consultant and Director of Finance. Patrick-Joling asked about Bretz' assessment of Richard Stellner. Bretz said that Stellner had received high marks from the Port of St. Helens and had filled a number of positions overall. Stellner did not work as an employee, but they go to him frequently as a consultant. Bretz recommended SDAO because the Port of Newport has worked with them in the past, they have a detailed process, and a good rate. BBSI was a local branch, mid-priced, and was willing to do what would be needed. Patrick-Joling said she was aware of BBSI and has used their services. Chuck said he would like to see the search for the General Manager first, who can be part of hiring the Director of Finance in concert with the Financial Consultant. Bretz said that could be done, and would recommend a Financial Consultant who can bring on a Director of Finance as well as work on developing staff.

Lamerdin suggested the Commission should finish discussing the General Manager position. Patrick-Joling said she had concerns about moving forward with the General Manager and wanted to first hire a Financial Consultant. Lamerdin said the Commission was asking a lot of Bretz, and the General Manager search has to be a priority. Patrick-Joling said the Commission needed to decide who would recruit: SDAO, BBSI, or Stellner. She said she had personally heard of Stellner, who was well regarded, and who could recruit both a General Manager and Director of Finance. Bretz said when the process was identified, the Port could chose to contract out for preparing the job description as well. Skamser commented that BBSI was local which would mean less travel expenses. Patrick-Joling said she had done business with BBSI, and they have done a good job. Skamser wondered if SDAO would not cast a broad net in a search since they were special district oriented. Chuck said in the previous search SDAO had presented candidates from Louisiana, California and Alaska. Lackey asked if those candidates had port backgrounds. Chuck said yes for the most part. Lackey said his most important concern was getting the right candidates, but he was also concerned about cost. Bretz said SDAO could provide more specifics, and could seek candidates for both General Manager and Director of Finance. They cover Oregon Special Districts, and have filled a number of positions at different ports as well as other special districts. Patrick-Joling asked if any recruiter would offer a "two for one" deal. Lamerdin said he was also concerned about cost, and asked if using Stellner would be the best use of \$20,000. SDAO does a wide breadth search. If they did a good job in a cost effective way, he did not see the need to use Stellner. Patrick-Joling said she disagreed; all could get the information out there. Lamerdin asked why the Commission would chose the \$20K option. Patrick-Joling asked if there could be a two-for-one negotiation with any of the recruiters. SDAO is the norm; she wanted to look outside the box. The other two companies may take a difference approach. Stellner has a more personalized approach. Bretz said the proposal from Stellner was more in depth. Lamerdin said considering the difference in cost, when SDAO is well qualified, even a two-for-one agreement would be more cost effective with SDAO. Patrick-Joling said she recommended Stellner. Skamser said the SDAO quote included not to exceed 80 hours. Patrick-Joling asked if Chuck knew what SDAO charged for the Greenwood search. Lackey said it took two iterations to replace Don Mann. The cost of a less than optimal hire is far greater than \$20K. He would, of course, want the search to be cost effective. Lamerdin said he thought high caliber candidates would come from all three proposed recruiters. SDAO does recruit on a national level. He did not see the benefit to spending even more to get a smaller pool of candidates. Patrick-Joling said people she spoke with indicated that Stellner has a "good catch" on executives. Bretz said Stellner has a high reputation. Lamerdin said the strength of the search will depend on the job description itself; this is the responsibility of the Board of Commissioners. Skamser said it may be better to turn this over to whomever runs the selection process rather than having five people define a long list. Lamerdin said it comes down to dollars and cents. He asked the Commissioners to consider starting with SDAO and change if they weren't happy with the results. Bretz said he would rather stick with one choice; they could still end the contract if it wasn't working well, but he would not want to plan to switch.

A motion was made by Chuck and seconded by Lamerdin to move forward with a contract with SDAO to complete a General Manager search. The motion failed 2 -3, with Patrick-Joling, Skamser and Lackey dissenting

Lackey suggested moving forward with Stellner for recruitment of the General Manager; there are a lot of moving parts. Bretz said he didn't know if negotiations on the proposed contracts was possible.

A motion was made by Lackey and seconded by Skamser to select Richard Stellner to conduct the General Manager search.

Chuck said he thought SDAO was a better choice to search for the General Manager and the Director of Finance. He didn't see that much difference to warrant the additional costs. Lamerdin said he had not heard a convincing argument to spend more money.

The motion passed 3 -2, with Chuck and Lamerdin dissenting.

III. FINANCIAL CONSULTANT

- A. Services for Backward-Looking Issues
- B. Services for Forward-Looking Issues

Bretz introduced the staff report and supporting documents for Financial Consulting and Services Options, and his recommendation to hire CFO Selections. Bretz said his recommendation was based in part on CFO Selections' work with the Port of Astoria, which was extensive and successful. Around the port world, CFO Selections was highly regarded. Lamerdin said there were multiple issues looking backward and forward. He had sent an email to Patrick-Joling regarding his recommendation for an outside audit to review current finances. The Commission also had a responsibility to the public, and an outside audit would ensure the most objective look at the Port's finances as possible. Skamser said she understood Lamerdin's point. An outside audit was considered with the finances leading up to the cargo deal. There was a lot at stake, but the Port ended up not getting the money – the backward issues solved their own problems. She did not see the need for a backward-looking finance review. Lamerdin said the public had questioned the Port's finances. Was Skamser suggesting everything was fine now? The audits had been questioned in certain circles. An outside audit would assure that the Port accounting was as sound as it could be, and could give advice for moving forward. Bretz said the Port is preparing for the fiscal year 2016-2017 audit now. Harris said the Port was in year four of a 5-year contract with Grimstad & Associates for auditing. Lamerdin said he would be assured by an outside audit. Skamser suggested there would also be public concern if the Port questioned its current auditor. Patrick-Joling said she had never advocated for an outside audit. She was looking for a Financial Consultant with the business and financial background to square some things. She was not alluding theft or fraud, but things misplaced. Patrick-Joling said she had not gotten straight answers to financial questions. A letter to EDA had suggested comingled funds, which made her suspect. Patrick-Joling said she is not advocating for an auditor, but the need for a Financial Consultant. One of the applicants had already done some groundwork.

Chuck said he agreed with Lamerdin that there had been a lot of public comment that something was "wonky." Stronger words had also been used, for example malfeasance. An outside audit would clear the air with constituents; Chuck had confidence in the Port's financial staff. Lackey said there is no question that the Port's current auditor had a long-standing reputation. He didn't think there were any questions on previous audits or the auditor. Lamerdin said there had been comments from the public about Port finances, and he recalled Patrick-Joling's comment that she was all about the numbers. Lamerdin said he thought it was worth looking backward to reassure the public in order to move forward. If the Board disagrees, so be it. Patrick-Joling said she felt confident that hiring a Financial Consultant would alleviate her concerns and those of the public.

Patrick-Joling said she was not familiar with Todd Kimball or CFO Selections. She knew Mr. Todd, had worked with him before, and knew his family for a long time. Lamerdin asked if he had been a consultant with the City of Newport. Patrick-Joling said she didn't know, but she had spoken with him when she was on the City Council. Chuck asked Bretz if he had solicited applications or just made calls. Bretz said he called who he could find. A Commissioner recommended Todd, and he had called other ports to find CFO Selections. Lackey said there was a cost concern, with quotes of \$65 vs \$75 per hour. He had other concerns about both applicants. Lackey said that Todd has some ideas, but CFO Selections has port experience and has listed different things they can do, including evaluating port personnel. He commented that for four years, the Port had averaged under \$1MM for personnel services, which was now budgeted at \$1.3MM. CFO's proposal included additional work for audit support if needed.

Bretz said the proposals did include different scopes of work, although both responded to the same request. Bretz did not ask for advice on shipping, rather to give advice on business units and lease revenue. Port staff does need to get caught up with the audit. Harris is on top of that. The Port needs a Director of Finance – Bretz is by himself in upper management. CFO had proposed more of what he asked for. Chuck asked if CFO Selections would work with Harris and the education of employees. Bretz said the Todd proposal was general and focused on finances. He would be a choice if the Commission were looking for General Manager advice by contract, rather than Bretz in the General Manager Pro Tem position. Bretz noted that Todd's proposal said he would report to the Commission rather than the General Manager Pro Tem. Lackey said it would be up to the Commission to say what the arrangement would be. This would be addressed with either proposal to narrow the scope. Both proposals are open-ended, and could run to greater than \$30K per month. Todd provided no time estimate. CFO proposed two days a week, but not a limit. The Commission should say specifically what is wanted. Bretz recommended adding a "not to exceed" clause. Patrick-Joling said the Financial Consultant should report to the Port manager. Patrick-Joling asked if Bretz could reach out to Todd for an amount. Lackey said the Commission needed to define the scope of work and check in with either applicant. For example, CFO Selections said it could analyze business and personnel. The Board could pick and choose functions, when they would be needed, and add "not to exceed."

Lamerdin said the Port needed to define the receivables. A consultant may need an open ended contract because they didn't know what may be needed. Skamser said the applications had listed a similar scope. It would be nice to have a consultant for future issues, but for now the scope should stick to Commission "goal #4" referenced in the staff report. Bretz said he had asked for "goal #4", but received two different proposals. CFO Selections delivered more of what was looked for by this goal. The Port of Astoria and others said CFO was extremely good, and they were highly regarded, similar to Stellner. CFO could also help bring aboard a new Director of Finance. It can be tough to bring individuals to the unique Newport environment, and CFO has a good network. Patrick-Joling asked if the Commission needed more information. Lackey said that Todd had already looked into things. CFO said they could serve as an outside sourced Director of Finance. The Commission needed to decide what they wanted, which may include assistance with daily accounting, business ideas, etc. Bretz said it seemed that putting business ideas ahead of finance concerns was backward. Everyone considered analysis of income and expenses, and different areas for decisions. One reason to choose CFO could be the Commission did not want someone who already had ideas but someone to come in and look at the numbers to see how to move forward. Skamser referred again to goal #4. Defining profit centers would help with evaluating finances. The CFO proposal seemed overreaching. The candidates had different personalities. Bretz said that he would like to get the scope of work done sooner than later. He recommended again a not-to-exceed clause. Lamerdin said he wanted to avoid getting stuck with a big bill. He like that CFO had worked with other ports, and bringing Astoria around was a good accomplishment. CFO could also work with Port staff.

Patrick-Joling asked if there was a benefit that one candidate had more knowledge of the Port of Newport. CFO would start from scratch; Todd had been on the ground already. Bretz said Todd had already drawn conclusions. This may or may not affect costs. The Commission had not of late been consensus driven, and he would like this decision to be. Patrick-Joling asked if CFO would act as an Interim Director of Finance. Bretz said the

Interim Director of Finance position had not been offered to anyone, but CFO had offered to serve in that role. Chuck said if the Port used CFO, they could use them for the Director of Finance recruitment, and he offered to make a motion. Lackey said he was not ready to move on anything today. Chuck suggested the Commission move out of respect to staff. Patrick-Joling asked if there was something additional Bretz could ask for from Todd and CFO. Lackey said he liked the idea of focusing on goal #4 which would narrow the scope. Lamerdin said he heard from Bretz that he needs help now. It seemed Bretz could work with CFO on what the scope could be and make a recommendation. There were only two options. Patrick-Joling said a pare-down of the scope could happen with either applicant. Lackey said it seemed that Todd was an idea man, whereas CFO could supplement and teach. Bretz said staff definitely needs help now to analyze business and define profit centers. Right now, he is already doing both General Manager and Director of Operations duties. It would not work to table this decision for a few weeks. He recommended CFO as absolutely the best choice.

A motion was made by Lamerdin and seconded by Chuck to authorize contracting with CFO Selections as a Financial Consultant based on the recommendation by the General Manager Pro Tem. (This motion was later amended.)

Chuck asked to amend the motion to add a limit of 60 hours or \$10K, whichever came first. Lamerdin accepted the amendment.

A motion was made by Lamerdin and seconded by Chuck to authorize contracting with CFO Selections as a Financial Consultant based on the recommendation by the General Manager Pro Tem, with a limit of 60 hours or \$10K, whichever came first.

Skamser said she would like the motion to reflect goal #4 as a concentration. Lamerdin said he didn't want to limit staff's ability to ask for what they need, and asked if goal #4 addressed all concerns – it seems too specific. Skamser suggested this addition would give an umbrella on the scope of work, and she trusted Bretz and Harris. She wanted to at least have this goal addressed after spending \$10K. Chuck said there was also consideration that staff was behind on the audit. Harris said the Port should be ready for the audit next month. He spoke with Grimstad and was shooting for October 15th. Harris said he is handling all of the accounting now, so he is working on the audit as time allows. He would rely on CFO for help with the reduced staff and new staff on, for example, streamlining the monthly closing of the books. There are stream of work issues.

The motion failed 2 – 3, with Patrick-Joling, Skamser and Lackey dissenting. (This vote was later retaken.)

Lackey said he was torn. CFO Selections had represented other ports. He wanted to figure out how to use some of Todd's ideas with CFO's help. He asked what the savings would be by not paying a Director of Finance. Based on the wage steps and considering benefits, the Port is probably saving approximately \$10K per month. Lamerdin asked what was the objection to hiring CFO – the cap, the scope of work, or the person? He asked if Lackey had heard Todd's ideas. Lackey said the framework was in Todd's proposal. Bretz said what has been mentioned is not objectionable, but the Port needs someone now to look at the finances, which will drive where to go. Port staff is shorter-handed that the Commission realized. Skamser asked for a re-vote because of staff needs.

The motion passed 4 – 1, with Patrick-Joling dissenting.

IV. PERMANENT DIRECTOR OF FINANCE REPLACEMENT

- A. Approve Job Description
- B. Name a Salary & Benefit Range
- C. Identify Process for Hiring

Chuck said since both Stellner and CFO would be under contract, he would like to ask them for a proposal for recruitment of a Director of Finance. Bretz said he could call and bring that information to the evening's Regular Meetings. Lamerdin asked that they would confer with the Board about job descriptions. Bretz said they would consult with the Board about schedule as well. Patrick-Joling moved the discussion of a Permanent Director of Finance Replacement to the Regular Meeting.

V. **PUBLIC COMMENT**

There was no public comment.

VI. **ADJOURNMENT**

Having no further business, the meeting was adjourned at 1:42 pm.

ATTESTED:

Patricia Patrick-Joling, President

Stewart Lamerdin, Secretary/Treasurer

-###-

PORT OF NEWPORT MINUTES

September 26, 2017

Regular Commission Meeting

I. CALL TO ORDER

Commission President Patricia Patrick-Joling called the Regular Commission Meeting of the Port of Newport Board of Commissioners to order at 12:00 noon at the South Beach Activities Room, 2120 SE Marine Science Drive, Newport, Oregon.

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

Management and Staff: Aaron Bretz, General Manager Pro Tem; Mark Harris, Staff Accountant; Becca Bishop, Accounting Clerk; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: Heather Mann, Midwater Trawlers Cooperative; Doug Cooper, Hampton Lumber; Yale Fogarty, ILWU; Barrett Tower, ILWU; Pat Ruddiman, ILWU; Kiera Morgan, KYTE/KNPT Radio; Dennis Anstine, Newport News-Times; and Rex Capri.

II. CHANGES TO THE AGENDA

Bretz requested adding quotes for the Director of Finance recruitment, which Patrick-Joling added under New Business.

III. PUBLIC COMMENT

Fogarty commented about an earlier decision regarding Port finances, and noted that Larrabee resigned. Fogarty said that Lackey had commented on getting outside advice on contract negotiations that would not be last minute. Patrick-Joling said the Commission was working on it.

Mann shared she had spent close to two hours meeting with Kevin Mannix about potential agro shipping. He was working with ships to ship out of Newport, Coos Bay and Astoria. Mann encouraged Mannix to talk with the Port.

Ruddiman said that since the Teevin lay-down yard project was shot down, the only opportunity now was the use of the area that is already paved. He wondered how this would work for fishing.

Capri read a prepared statement regarding the International Terminal, which is appended to the minutes.

IV. CONSENT CALENDAR

A. Minutes

1. Commission Work Session August 22, 2017
2. Regular Commission Meeting August 22, 2017
3. Joint Commission/City Council Meeting August 25, 2017

B. Financial Reports

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

V. CORRESPONDENCE/PRESENTATIONS

A. Business Oregon Closeout Letter

Bretz said that without the TIGER grant, the Port did not qualify for the IFA loan. The wording of the letter was similar to that sent to close out the TIGER grant. Skamser asked if this was money for a planning grant. Bretz responded no, this was part of the funding for the shipping facility.

A motion was made by Chuck and seconded by Lackey to authorize the Commission President to sign the letter to Business Oregon. The motion passed 5 – 0.

B. Steve Larrabee Resignation

C. Pete Zerr Resignation

Bretz referred to the letters of resignation included in the Meeting Packet. Patrick-Joling said the Commission was advised. There will be a work session, and this issue will be revisited under New Business.

VI. OLD BUSINESS

A. Items Removed from Consent Calendar

There were no items removed from the Consent Calendar.

B. Accounts Paid

Lamerdin asked about the refunds at the South Beach Marina. Bretz said they were for canceled reservations, and Harris clarified they were yearly moorages. In response to Lamerdin's question if this impacted the Port in selling out moorage, Harris said no. Lamerdin asked if the NOAA landscaping payment was for the circle. Bretz said no, the circle landscaping was to be paid by the city, although the Port may be responsible for some maintenance. Skamser asked if the debt service on page 42 of the packet was for a building permit. Bretz said yes; this was a permit for the Teevin log yard that had been financed over 10-years with semi-annual payments. The city informed him that payments due in January and June of 2017 were not paid. There was room to make these payments from the construction fund. Chuck asked if the Port should be paying this if construction was not continued. Bretz said staff is gathering information. The city was concerned that the Port did what was needed to keep the permit open. There was a bid for \$2500 from Road & Driveway that would meet performance requirements. Lamerdin asked why these payments had been missed. Bretz said he didn't know why these were missed, but there were no invoices received. These payments were not included in the budget, so they will need to be added.

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

C. Port Dock 5 and Swede's Dock Piling Survey Detail

Bretz referred to the graphic and spreadsheet of Port Dock 5 and Swede's Dock pilings, included in the Meeting Packet. Staff is working on a survey of Port Dock 7. Bretz noted the 4-tier categories. Patrick-Joling asked how long it would take to survey PD7. Bretz said 1 – 1.5 weeks – there had been some technical issues with the cameras. Lamerdin asked what would be the cost of piling. Bretz said Gibson approximated the cost at \$10K per pile. Bretz will check the project folder. The cost would be more per piling if a smaller quantity is purchased. There were no plans yet for replacement; this was to inform the Commission of the current status.

Bretz will see if the permits for pile replacement with the Army Corps of Engineers and the Department of State Lands can be kept open. On PD7 there were 2 stretches where there was greater than 100 ft. between pilings. This was a concern. Bretz had called Jenny Carlson of OBEC, who said there was not an industry standard for the distance between piles. An engineer would look at fetch, bottom type, depth, current and use to make a decision for a particular design. Patrick-Joling said it seemed this had been updated about a year ago, when it was looked at by Gibson and Jincks. Bretz said the yellow and red piles on the diagram with concerns. Hopefully the PD7 survey would be ready for next month's meeting. Lamerdin suggested researching cement piles which can last longer. Bretz said this has not yet be analyzed. Skamser said the pilings had also come up at the Commercial Fishing Users Group Committee meeting. Lackey said he was glad the survey was being done. The issue will have to be addressed but this is a good start. Skamser said last year pilings were addressed through deferred maintenance. Chuck said a lot of the funds came from South Beach. Fifteen pilings turned into a larger project for approximately \$380K. The project went larger to keep the permits.

D. Proposed IFA Loan Closeout Letter (See item V(A))

VII. New Business

A. SDIS Best Practices Program

Bretz said that Hewitt was heading this up, which involved staff training to get an insurance discount. Patrick-Joling noted that the training was online so there were no travel needs. Hewitt said seven staff members had completed the training so far. Bretz said he would push more for completion as it approached the deadline of October 31st.

B. Director of Finance Recruitment

Bretz had received email quotes from CFO Selections and Richard Stellner for the recruitment of a Director, which were distributed to the Commissioners and are appended to the minutes. Patrick-Joling noted Stellner quoted \$10K and CFO quoted \$7.5K. Bretz said he also called BBSI, but they were not available this afternoon. Bretz anticipated they would ask for 7% of salary, like they had for General Manager recruitment. Patrick-Joling said since the Port was moving forward with the General Manager search and hiring a Financial Consultant, perhaps the Commission could wait for the next meeting. Chuck said he would prefer to pick between Stellner and CFO. Lamerdin said he was still concerned about cost and the \$19K for Stellner, so he was also concerned about adding another \$10K. Skamser said she would like more information. Lackey said that CFO would be twice the rate of Stellner. They had spent this much for the GM search. Bretz said he had not yet reached out to SDAO to provide a quote for a Director of Finance search. He did not recommend the Port Commission and staff conduct the search themselves. Chuck asked about the quote from Steller. Bretz said it was easier to write the contract for services from Stellner with no benefits. Lamerdin said there was a benefit that CFO Selections would already be working with the Port and the Port's finances. He suggested keeping this search separate from Stellner's search for the General Manager, which would have a different take. Skamser said she liked that BBSI was local, and the Port may get a better deal because this is a slow time of year. Bretz reiterated he had not had a chance to speak with them year. Patrick-Joling said she thought it was fair to get a quote from SDAO and BBSI, and this can be discussed at a Work Session prior to the October 30th meeting. Bretz said the Commission may need a meeting sooner since there would need to be a Resolution to pull from the contingency fund. Patrick-Joling said they would also need a Budget Resolution. Bretz said the current charges would be under 10%, so this appropriation transfer could be done by resolution. Skamser suggested Bretz also call Stellner and CFO to see if they would reconsider their quotes to get more competitive bids. Bretz said CFO and Stellner were rushed in getting a quote out this afternoon. Patrick-Joling asked Bretz to get quotes from BBSI and SDAO, contact the others to get their best offer, and schedule a meeting. She said she would be here until October 19th. Bretz said he should have something Thursday or Friday this week and a meeting can be scheduled with Commission consensus.

C. Approve Don Moon, Interim NIT Supervisor

1. Job Description Interim NIT Supervisor
2. Job Description Maintenance II
3. Wage Steps
4. Proposed Contract with Pay Increase

Bretz said that the trouble with a 20% working out of class increase in Moon's case is that he is currently a Maintenance II, so the increase would only be half of a step one NIT Supervisor. The permanent position would still have to be filled, and that process will be handled by staff. He suggested an interim increase equal to a Step 2 NIT Supervisor would be fair given Moon's qualifications; he knows the terminal and is a certified crane operator. Lamerdin asked if he had a national or state certification, and noted that Oregon requirements were changing in November. Moon would be going to North Bend on September 27th for a TWIC card. Skamser asked why this would be an interim assignment. Bretz said the Port Personnel Policy said the position needed to be advertised and a competitive selection. Lackey asked if this was an hourly position. Harris said this position was not exempt from overtime. Overtime for Harbormasters and crew were included in the budget.

A motion was made by Chuck to approve Don Moon as Interim NIT Supervisor as presented.

Lackey asked if the NIT Supervisor would do work at the North Commercial dock when the Terminal was slow. Bretz said it usually works the other way around; North Commercial crew will help at the Terminal when needed. Skamser said it happens occasionally. She thought Pete and Jim could be interchanged for security at NOAA. Bretz said along the same line, last year a temporary worker was brought in for NIT. There are plans to bring in a temp to fill Moon's position at the commercial marina. Lamerdin said he assumed Moon fit the job requirements. Bretz said he does not have 3 years' experience yet, but the Port needs someone in that position.

Chuck's motion was seconded by Skamser. The motion passed 5 – 0.

DEPARTMENTAL REPORTS

A. Director of Finance

1. August Occupancy Report

Harris said August was a productive month with revenues up from the prior year, especially in the RV Park & Marina. Services at the Commercial Marina and NIT were up as well, and within budget. August was traditionally a strong month. Patrick-Joling asked about how the eclipse charges had worked. Harris said that Park Manager Bill Hewitt said the calculated \$30K increase in revenue includes additional eclipse charges.

B. Director of Operations/General Manager Pro Tem

5. TCB Public Safety Report for August
6. Commercial Fishing Users Group Committee
 - a) Draft Minutes September 6, 2017

Bretz introduced the staff report. He said the Mildred C was ready to get back in the water, and referred to the staff report for more information. Lamerdin asked what the original thickness was, and Bretz responded there are no records. Lackey asked if other readings were taken. Bretz said he could send that by email, but the lazerette was the thinnest. In regard to the Construction Permit from the City of Newport, grading and dirt moving was completed to keep the permit active. There was no threshold, but Bretz will follow up if the current plans will meet the performance requirement. Bretz added that the permit fees will need to be included in a supplemental budget. The Port will need to complete a second DMR for the International Terminal, in addition

to the pier and erosion control. Stuntzner engineering will complete the minor work. Lamerdin said that at one point, Stuntzner engineering had completed work without authorization. Bretz confirmed that Stuntzner did not expect payment for that work. Bretz said he would. Chuck asked what would be the cost of getting the dredge spoils off of the property. Bretz said he would add this to action items. Rondys indicated they wanted some of the material, and Bretz will check on the status. Bretz said Connor Harrington and Kevin Mannix were in the office earlier in the day, and Skamser was present. They are gathering information about ports in the area to research shipping options. These was the group previously mentioned by Mann in public comment, who had made a previous inquiry to the Port. This is a part of a Willamette Valley rail project. Lamerdin commented that Bretz did not inform the Commission they would be at the Port. Patrick-Joling said the inquiry was discussed at the last Commission Meeting, when Bretz said a group from Canada had given him a call regarding shipping. Lamerdin said he would be interested in knowing when shipping interests would be at the Port.

Bretz said the South Beach dump station was to be moved out of the parking lot to a more remote location. Regarding the Seafood & Wine Festival, the Port would be more specific on the agreement regarding clean up, and cleaning deposit, and curb set up. Skamser asked about the quarterly safety drill at the Terminal due before the end of September, which she expected to include putting up the fence. Bretz said that drill had been completed as well as the Coast Guard inspection. The quarterly inspection is often a “table top” discussion. Patrick-Joling asked about Dulse Seafood. Bretz said he is waiting for a list of questions to see if the property will work for them, and what the Port would need to do. Patrick-Joling said one building was now occupied since they previously visited. Bretz said they came out a few weeks back and went through all of the buildings. Bretz asked for their operations requirements to see if this was feasible and what it would cost to get the business up and running. There is also an MOU with Hatfield Marine Science Center to get salt water across to the property. Bretz had called John vanStaveren to see if it would be possible to drain at high tide. VanStaveren said it would be possible but he will check with permitting agencies.

Patrick-Joling asked why the TCB report was added. Bretz said this was for information, and they had not been received in the office until that morning. The biggest current issue is crabbing off of the commercial docks. Some of the pots are not labeled. It is policy to pull and dump the pots, and set them on the dock. He did receive a complaint from someone who had been called at 2 pm regarding this violation; Bretz advised the complainant that they were called as a courtesy to avoid a citation.

Bretz said that Mann is the new Chair of the Commercial Fishing Users Group Committee. Patrick-Joling asked about attendance. Bretz said they had a quorum present at the September meeting. He also said in response to Patrick-Joling’s question that the meetings were always held at the extension office. Bretz said he also raised the parking district and encouraged participation.

VIII. COMMISSIONER REPORTS

Patrick-Joling said she had attended the TIGER grant meeting. She said the meeting was disappointing, but MARAD was appreciative of the Port’s efforts. MARAD encouraged the Port to submit for future grants. Lamerdin said he was surprised that Patrick-Joling attended; he thought Skamser was the only Commissioner who would attend. Patrick-Joling said Bretz had called so she went there as Commission President. Bretz, Harris and Skamser were also present. Lamerdin asked Patrick-Joling about her visit to Teevin. Patrick-Joling said she did go and got a quick tour. She said the facility was impressive, and she spoke with Shawn Teevin. She had also spoken to Kurt Schrader and Betsy Johnson to bring them up to speed.

IX. CALENDAR/FUTURE CONSIDERATIONS

- A. 10/5-10/6 OPPA CONFERENCE
- B. 10/7–10/8 Columbus Day Regatta
- C. 10/14 Bay to Brews Half Marathon & 10K

- D. 10/30 Regular Commission Meeting (rescheduled, Monday)
- E. 11/5 Dia de los Muertos Run
- F. 11/6 Commercial Fishing Users Group Committee Regular Meeting
- G. 11/10 Veteran's Day - Office Closed
- H. 11/23 Newport Turkey Trot
- I. 11/23 - 11/24 Thanksgiving Holiday – Office Closed
- J. 12/25 Christmas Day – Office Closed
- K. **12/26 Regular Commission Meeting (reschedule?)**

Skamser asked if anyone was going to the OPPA Conference. Bretz said he did not plan to attend. Patrick-Joling asked the Commissioners if they wanted to reschedule the December 26th meeting. There was a consensus to reschedule that meeting to Tuesday, December 19th. Bretz said they would need to find a day for the next work session, and he will let them know as early as he can when he has the information. Patrick-Joling commented that the October meeting was moved to Monday the 30th because both Bretz and she will be out of town on the 24th.

X. **PUBLIC COMMENT**

Mann said she supported Yale’s comments and agree that the Port should put together a pool of people to help with negotiations with Teevin and others. Bretz said he will be looking at that and would like to get someone on board for when they were needed. Skamser said the concern now is housekeeping, and it is too early to start this discussion.

XI. **ADJOURNMENT**

Having no further business, the meeting adjourned at 7:15 pm.

ATTESTED:

Patricia Patrick-Joling, President

Stewart Lamerdin, Secretary/Treasurer

-###-

PORT OF NEWPORT MINUTES

October 3, 2017

Commission Work Session

I. CALL TO ORDER

Commission President Patricia Patrick-Joling called the Work Session of the Port of Newport Board of Commissioners to order at 12:32 pm at the South Beach Activities Room, 2120 SE Marine Science Drive, Newport, Oregon.

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

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

Members of the Public and Media: None present.

II. CHANGES TO THE AGENDA

Lackey asked to add a discussion of tentative expectations of the Financial Consultant under the \$10K contract. Patrick-Joling asked to have that discussion at this point in the meeting.

Lackey asked Harris how the audit was going. Harris said it was going well and much of it has been completed. Some areas that have been completed by Grimstad and Associates in the past three years' audits were handed back to the Port this year, including balancing debt, capital assets and depreciation schedule. Harris said he spoke with Todd Kimball of CFO Selections who offered to help with adjusting entries. One area to address would be deferred revenue at the RV Park. The current reports will show a larger balance because of advance reservations that are not yet earned income. The auditor from Grimstad and Harris consider October 31st as a deadline for completion in house. Then auditors from Grimstad will come into the office for about a week of field work. A draft audit report will be prepared and presented to the Commission approximately one month after the field work. The deadline for approval by the Commission is December 31st. Then a final audit report will be approved. Harris said this work has been hard to get to because of changes in the status of the finances and finance department, but that should now speed up. Lackey asked if the work on this by Kimball was expected to run over the \$10K before October 31st. Bretz said Kimball is working two days a week until the end of October, assisting with the audit as well as looking at profit centers and providing recommendations on business units and lease revenue to evaluate where the Port is now. Skamser saw this as streamlining finance processes using best practices, but thought that Kimball could concentrate on the other tasks for now. Bretz said it was penciled in to complete the business analysis work in November. For now, the first priority would be the audit support work. Harris said Kimball may have proposals regarding profit centers for the October Commission Meeting. Harris had reviewed with Kimball the need to review internal controls and month end close. Now, the reports in the packets show 80% closed.

III. PUBLIC COMMENT

There was no public comment.

IV. PERMANENT DIRECTOR OF FINANCE RECRUITMENT

Bretz introduced the staff report included in the meeting packet. The time it would take to recruit a Director of Finance would depend on the time to gain consensus about the job description. If the duties were to be the same

as they are currently, that would be more than a standard Director of Finance. Bretz said an additional question for the proposal was sent by email, included in the packet, at the request of Patrick-Joling. All three said that wouldn't affect costs, but each had a different take on how to incorporate this into the process. Patrick-Joling commented that Richard Stellner went into detail. Patrick-Joling said the budget balancing question had been used by the city's recruiter and by other boards. She said it would be really good to find someone creative for the position. The Port is at a real pivot point, and it would be good to get a skilled Director of Finance to look at the big picture and find cost savings. Patrick-Joling responded to Lackey's question that this would not be included in the contract. Patrick-Joling said she liked Stellner's proposal. Bretz commented that in the Director of Operations search process, the candidates were asked to answer similar questions after the first round of reviews. Lamerdin said he understood the Commission would be reviewing the person and the process before beginning recruitment. Bretz said all of the recruiters could address this question. Stellner's take was different since he proposed asking this question after the interviews.

Lackey questioned if the Commission wanted to search for a Director of Finance now. The budget for personnel services was at \$1.3MM for the 2017-2018 period, more than the \$1MM of the previous fiscal year. He suggested looking at what could be outsourced. It would be good to look at what the Director of Finance job should look like before starting a search. Skamser disagreed saying that a Director of Finance could help integrate changes at the Port. Chuck said in the end it would be the General Manager and Director of Finance who would work on that. Patrick-Joling said Bretz needs help, so the Commission needs to get going on this. Patrick-Joling asked if there was a proposed timeline; Bretz said he hadn't asked for that. Skamser said she would like to look at streamlining the position and not include human resources. Bretz said this position had evolved when the Director of Operations position was vacant. Larrabee was the best qualified at that time to manage human resources. The division of duties depends on management decisions. Becca Bishop has had training on human resource policies. Right now it depends on Harris's comfort level and to what degree CFO Selections can help, and for how long. Bretz said he thought staff could temporarily function without a Director of Finance. Patrick-Joling said that Stellner was hired as a consultant for the General Manager search. It would be perfect to hire a General Manager first then a Director of Finance, but the situation was not perfect.

Chuck said he ranked the choices as first CFO Selections, second Richard Stellner, and third BBSI. CFO was already working with the finance team and had experience with ports so they may have a better idea of what the Port was looking for. Stellner was second because he was already under contract for the General Manager search. BBSI did not have a lot of experience looking for a Director of Finance. Patrick-Joling said the contract for CFO said they would assist in recruiting the Director of Finance. Chuck said that proposal had been pared down; Bretz added the new scope of work included only financial consulting and audit assistance. Lamerdin said he agreed CFO was the best choice and would be able to tweak the process after seeing how the Port works. They could provide guidance on hiring based on what the Port was doing. Skamser said this all made sense, but maybe this would be too cozy. If the searches were split up, the Port could get another view. Bretz said he believed that Stellner and BBSI had the better network for a broad search based on conversations he had. Patrick-Joling said she had used BBSI with another board, and they had drawn in long distance candidates. Lackey said CFO knows financial, Stellner knows recruiting, and BBSI is the best value. There are pros and cons with each. Patrick-Joling said she disagreed with Bretz about a better net. She would recommend BBSI because they were cheaper. Skamser agrees that Patrick-Joling's experience with BBSI and their lower cost made that company look like a good choice. Lamerdin said all would be able to do a wide search on the internet.

A motion was made by Lackey and seconded by Chuck to select BBSI for the Director of Finance recruiting. The motion passed 5 – 0.

V. RESOLUTION AUTHORIZING TRANSFERS OF APPROPRIATED FUNDS WITHIN THE 2017-2018 FISCAL YEAR BUDGET

Skamser said Don Moon was now at the Terminal, which was coming into a super busy time. She suggested maybe two temporary maintenance personnel could be hired to provide support at the Terminal as well. If there was only one hired, they should be cross-trained. Bretz said he was leaning toward hiring two. Hiring one temporary worker would get the maintenance staff back to the same number as before Zerr left. Last year, a temporary worker was hired at the Terminal pier for the season which would probably be needed again. Skamser asked if there was money for two temps in this appropriation. Harris said this resolution was based on the last Commission work session. They may want to revise the resolution to add BBSI. The Commission could redo this resolution or another could be written to discuss at the October regular meeting. Harris said he tried to keep the use of the contingency fund to a minimum since there are still three-quarters of the fiscal year to go. Larrabee's resignation could cover the Director of Finance position. Zerr's resignation could cover Don Moon. Other changes could come from personnel services or contingency. Patrick-Joling asked if Harris recommended waiting until the regular meeting, to which Harris responded yes. Since there are no current invoices, the funds would still be appropriated before spending. Lamerdin asked if there was a vacation payout for Larrabee and Zerr. Harris said Larrabee had none, and Zerr had not much. Lackey asked about the \$10K for CFO Selections. Harris said the Commission could add an anticipated amount for November. Bretz said staff might be able to limit the hours CFO is in the office and have something to report to the Commissioners on the 30th. There was a consensus to move this discussion to the Regular Commission Meeting on October 30th.

Lamerdin asked about the system development charge, and whether it was associated with Teevin or what it was for. Bretz said he received an email message from Greenwood yesterday that said this was not supposed to be paid. Bretz sent an email to Derrick Tokos. The SDC is to cover the impact on the City's infrastructure. If there was no development, there would be no SDC charge. Tokos said the money would be refunded if the project weren't done. The current arrangement would be to pay approximately \$16K per year. Lamerdin asked how much had been paid so far and what the administration fee would be for a refund. Bretz said the December 2016 and June 2017 were required. He will ask Tokos about the administration fee if refunded. Patrick-Joling requested Bretz email the Commission when he had the information. Lamerdin asked if the Commission wanted to keep the permit open for another project. They could chose to pay when a project was chosen rather than keep paying now. Skamser suggested keeping it functioning now for the new General Manager and Director of Finance to keep the doors open. Lamerdin supposed a traffic study would have to redone if a different project were planned. He would like more information. Bretz said he would discuss details with Tokos.

Skamser asked what happened to the \$15K fencing. Lamerdin said this was part of the security plan with the Coast Guard. Patrick-Joling asked Bretz to send the Commission an email about the fencing and the permit. Bretz added that MTSA activity required the fencing.

VI. PUBLIC COMMENT

There was no public comment.

VII. ADJOURNMENT

Having no further business, the meeting adjourned at 1:18 pm.

ATTESTED:

Patricia Patrick-Joling, President

Stewart Lamerdin, Secretary/Treasurer

-###-

PORT OF NEWPORT MINUTES

Commission Work Session

October 18, 2017

I. CALL TO ORDER

Commission President Patricia Patrick-Joling called the Commission Work Session of the Port of Newport Board of Commissioners to order at 12:00 noon at the South Beach Activities Room, 2120 SE Marine Science Dr., Newport OR, 97365

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

Management and Staff: Aaron Bretz, Director of Operations; and Karen Hewitt, Administrative Assistant

Members of the Public and Media: Heather Mann, Mid-Water Trawlers Cooperative; Dennis Anstine, Newport News-Times.

II. CHANGES TO THE AGENDA

There were no changes to the agenda.

III. PUBLIC COMMENT

There was no public comment at this time.

IV. RICHARD STELLNER, HUMAN RESOURCES CONSULTANT, GENERAL MANAGER SEARCH

A. General Manager Job Description

Stellner introduced himself and thanked the Commission for the opportunity to guide the recruitment of a General Manager. He said he had spoken with each Commissioner over the past week about what they were looking for. He started with the 2013 General Manager job description, and made some initial edits which were included in the meeting packet. Stellner passed out a version “B” with additional edits, which is appended to the minutes. He said Chuck suggested adding economic development and revenue creation under essential duties. Stellner said in adding this he split item 2 into two bullets. Patrick-Joling agreed that economic development was important. Stellner said Chuck also suggested adding grant writing. Patrick-Joling asked if all general managers possessed grant writing skills. Stellner said this is generally farmed out, but a manager would have knowledge and would supervise grant writing. Stellner commented that there would be some formatting clean up done on the document.

Stellner said the original job description said “intensive” interaction with individuals and groups, which he suggested changing to “frequent”. Lamerdin said that this would be less subjective. Stellner said the

original document used “preferred” and “desirable” in reference to experience, training and knowledge. He suggested using “required” and “preferred.” He also suggested adding a particular number of years of experience; he suggested seven years in a senior leadership position, and said it should be at least five. He added most top candidates will have 10 or more years of such experience. At seven, they still would cast a net for people with different backgrounds. He said Lackey had requested more plain language and specifics. Stellner commented that he like “and/or equivalent experience.” This leaves the opportunity more open for candidates to apply. Lamerdin asked why not use “minimum” and “preferred” to make it clear that there were minimum qualifications to apply and address at an initial screening of applicants. Stellner said when recruiting for the Director at the Port of St. Helens he received 80 applications, and it was easy to weed it down to 40. Lamerdin asked why three years’ experience in a general manager role was a preferred asset. Stellner said the required experience in a senior management role would be seven, with three specifically as a general manager. Lamerdin questioned if experience reporting to a board should be required. Stellner said this might filter out too many candidates. There would be a first look at the applications, then they would be ranked. After reviewed, there would ideally be 12 – 15 top candidates to present to the Commissioners. Lamerdin said it seemed like communication with the board was a potential shortcoming of the previous General Manager. He would want candidates to understand the importance of keeping the board informed. Patrick-Joling said she agreed. She also suggested adding communicating with the press to the essential duties. Stellner said experience reporting to a board would elevate candidates in the ranking for final presentation to the board. If it were required, some interesting candidates who could work might be filtered out. He gave the example of a candidate for the position at the Port of St. Helens who was a general manager at an embassy in Sri Lanka, who saw rural Oregon as a good place to have a second career. They chose not to advance this candidate, but he was interesting.

Patrick-Joling also suggested adding communication with a five member commission. Chuck suggested someone working with a three member commission could have the needed experience. Stellner said if this was added to the position overview it won’t eliminate candidates. He said this could also be asked about in general questions, such as tell about your favorite boss and why. One candidate for the Port of St. Helens said the executive director did not have a boss – he did not advance. Recognizing the board is a key to success. Lackey suggested adding reporting to a board as a preferred rather than required trait. Lamerdin said he would like to have reporting to a board more specific, and candidates would still be ranked. Stellner said someone coming out of the military career probably did not report to a board. Bretz said that depended on the role, and positions higher up could report to a board. Chuck said that reporting to a board was important. Stellner said multiple exposures to the candidates is a process of elimination. If reporting to a board was a preferred trait, it would still be there.

Lackey asked about the requirement for a bachelor’s degree. Stellner said this was pretty standard, and they could add “or equivalent.” Patrick-Joling said she would hate to eliminate someone just on that requirement if they have a great background. Lamerdin said a degree is not about leadership. A bachelor’s degree shows a person started something and finished it, and has significant training. Stellner said this would be gauged and filtered. Patrick-Joling said there may be someone mature who has been working in the field for a long time looking for a change in venue. Stellner commented that the longer a person is in a career, the less important is their degree. Patrick-Joling asked if someone without a bachelor’s degree had applied when it was required. Stellner said not specifically, but he had a candidate who was 7 credits short of a degree who had leadership experience. Significant experience could also be a backdoor. Lackey said he knew of people who worked their way up from entry-level work to

managing a large business. He would not want this type of person excluded. Patrick-Joling said that Stellner will come back for a final decision on October 30th.

Chuck suggested that the preferred and required traits were too general, but the job duties were specific. Essential job duties should be reflected in the requirements to make sure there would not be a lot of applicants that would not fit the bill. Stellner said the second bullet under required traits refers back to job duties. For example, managing a dental clinic would be too far of a stretch. Lamerdin said this could be said more directly or include “or equivalent.” There is no point in having the minimum qualifications too vague. Formal training or equivalent experience has to be related to the job duties. Patrick-Joling said that Stellner would muddle through these. Chuck also suggested moving some of the duties to requirements, and consolidating the number of bullets in job duties to 10, to fit on one page. Lamerdin questioned how the “ability to continue to learn” could be evaluated. This would be subjective, and would be better put under preferred traits. He also suggested adding maritime industry and specific port experience under the preferred list, which would differentiate one candidate from another. Lamerdin also suggested separating items under the requirements, and moving much of that to preferred. Chuck also asked for experience managing permits and compliance. Patrick-Joling said that could be added where it mentions grants. Stellner confirmed that the required traits would only be a bachelor’s degree and leadership experience. A candidate with none of the preferred traits would probably be weeded out. Lackey said the Port’s overarching need was for a competent person to manage people, manage projects, and manage finances. If a candidate were missing one of these, they wouldn’t work. He said the essential duties follow from this, and would like someone who was flexible and able to think outside the box. Stellner said that Chuck had suggested adding the ability to obtain a TWIC card to licenses.

Lamerdin asked if Lackey would like to add people, project and budget to skills and abilities – it should match the job overview. Lackey said he would like to get details about what the candidates had done in these areas, perhaps through supplemental questions. He would want the candidates to explain how they made their past employment a better place. Stellner said this could be included along with cover letter, resume, application form, and veteran’s preference form (if applicable) to the submission requirements. Another option would be to pose supplemental questions prior to phone interviews. This would also give some items to query on the phone. Patrick-Joling asked about including negotiation skills; the essential duties only included supervise and coordinate negotiations. Lamerdin said at this high level position, only so many things can be included. Stellner said this could be added to skills and abilities: skilled in negotiating complex agreements. Stellner said he would polish the document and bring it to the meeting on October 30th. He also had a brochure from the recruitment of the Director of Operations, and could work with Hewitt to change it for this position. It would be posted on the website and referred to in advertising.

B. General Manager Recruitment Process

Stellner referred to the proposed selection process, included in the meeting packet. He left the dates blank. Once the position was advertised, 3 -4 weeks for applications was typical for a high-level position. The holidays will need to be considered. Stellner suggested a closing date of the Monday either before or after Thanksgiving. The applications would be filtered and sent to the Commission, who could hold an Executive Session in early December to decide who would be invited for phone interviews. Hopefully, the phone interviews would be completed before Christmas. Patrick-Joling said that may be difficult with the holidays, and suggested the phone interviews be held in early January. Stellner said the

packets could be given to the Commissioners in early December to identify the top candidates, who would then be asked supplemental questions. Then, phone interviews would take place after New Year's. Lamerdin said if applications were closed on December 8th, that would allow for a couple of weeks after Thanksgiving, and could allow for the interviews in early January 2018. Stellner suggested having a Work Session before Christmas to decide who would be offered phone interviews. He could also ask if there were any competitors for the candidates to gauge time.

Stellner said under veterans' preference law, if the applicant did not meet the minimum requirements, they did not have to be interviewed. It would need to be recognized what military experience might translate to these requirements. It is possible that none would apply, but for the Port of St. Helen's job there were four applicants. He also asked the Commission to consider how many candidates they wanted presented. Patrick-Joling asked about splitting up the interviews. Stellner said the first filter would be presented to the Commission on paper, perhaps 8 or 9 would be given phone interviews, and then it would narrow down to 4 – 5 candidates for final interviews. Lamerdin asked if the Commission would have access to all of the applicants; Stellner said they could just email him if they wanted the applications, which would be part of public records, subject to attorney redaction. Stellner asked if the packets were sent around the 10th-15th of December, could an Executive Session be squeezed into the December Regular Meeting on the 19th. Patrick-Joling said an Executive Session could be held as part of a Work Session at noon on the 19th to consider candidates for phone interviews.

Stellner said a phone interview usually would take 30 minutes per candidate. This would be an opportunity to introduce the Commissioners, get to know the candidates, ask some general questions, and follow up on the supplemental questions. Eight candidates would take 3 – 4 days, including debriefing. On other occasions he has had two Commissioners participating in the phone interviews. Patrick-Joling said two would not be a public meeting, but she would prefer everyone sit in. Lamerdin said the Commission will agree who would be interviewed, so the whole Commission would be engaged in the selection process. It would be a long day of phone interviews, which could be a challenge. He suggested completing the phone interviews in two days if the whole Commission was involved. Stellner said this would be an Executive Session, then at the end they could narrow the list to who would receive a final interview.

Stellner said Lackey had suggested changing the wording of "Happy Hour" to "Community Meet and Greet." Lamerdin said he thought it could be awkward to have all of the candidates in the same room. Patrick-Joling said when the City Manager was interviewed, they had a similar event at the Performing Arts Center which gave people an opportunity to talk to the candidates, and put feedback in a basket which was reviewed by City Council. This included business people and elected officials. Patrick-Joling said this was a good way to get feedback. Stellner said at the Port of St. Helens the meeting was more organic, with some people emailing or spoke responses. He said if the constituents already met the new General Manger, they would be more supportive. Lackey said he did not want this event to be a PR fashion show. Stellner said the candidates could also give a brief introduction speech, which would also be an opportunity to observe them in public speaking. Chuck said he was concerned about Commissioners attending since they would be voting on the selection. He cautioned against breaking public meeting laws. Patrick-Joling said the Commissioners would not be there to interview candidates but to get community feedback. Lamerdin asked if this was worthwhile. Patrick-Joling said she thought it was important to get business leaders, city officials, and political leaders involved. Lackey said he wanted enough time with each candidate. Patrick-Joling asked what the cost would be for the Meet and

Greet. Stellner said in Port of St. Helens it was \$800, no alcohol. The candidates would have a tour of the facilities in the afternoon. In Port of St. Helens, two Commissioners gave the tour, but it could be Bretz. Stellner said on the panel interview day, the candidates would split up and go to restaurants with representative groups; this could give interesting feedback. For the panel interview scoring, Stellner suggested ranking categories. The final voting would be exclusively by the Commission. Lackey said he would like to see people, finances and projects worth 20 points each. Lamerdin said there should be reference to knowledge of Ports in the rankings, and should refer back to the preferred qualifications. Diversity and sustainability were not previously mentioned. That could be more specific. Patrick-Joling asked Stellner to work on the scoring system. Stellner said candidate comments demonstrating “the end justifies the means” would lower the ethics score. Chuck recommended that sustainability, ethics and community involvement be 5 points each, and others worth more. Lamerdin said job knowledge about maritime commerce, marine facilities and wetlands were missing from the scoring. Job knowledge needs to match the preferred qualifications. Stellner said the process will get more specific as it goes.

V. PUBLIC COMMENT

Mann thanked the Commission for giving a lot of thought to this selection. She said maintaining effective relationships should specifically include commercial and recreational fishing. Stellner said that would be added.

VI. ADJOURNMENT

- A. Having no further business, the meeting adjourned at 1:25 pm.

ATTESTED:

Patricia Patrick-Joling, President

Stewart Lamerdin, Secretary/Treasurer

-###-

Port of Newport - General Operating Fund

Balance Sheet

As of September 30, 2017

| | <u>Sep 30, 17</u> | <u>Sep 30, 16</u> | <u>\$ Change</u> |
|--|-----------------------------|-----------------------------|------------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Checking/Savings | | | |
| 11000 · Available Cash & Equivalents | 1,884,643.56 | 1,714,728.11 | 169,915.45 |
| 11070 · Restricted Cash & Equivalents | 693,755.99 | 729,116.64 | (35,360.65) |
| Total Checking/Savings | <u>2,578,399.55</u> | <u>2,443,844.75</u> | <u>134,554.80</u> |
| Accounts Receivable | | | |
| 11200 · Accounts Receivable | 221,840.58 | 461,605.80 | (239,765.22) |
| Total Accounts Receivable | <u>221,840.58</u> | <u>461,605.80</u> | <u>(239,765.22)</u> |
| Other Current Assets | | | |
| 11250 · AR Property Tax | 10,334.60 | 10,334.60 | 0.00 |
| 11255 · Allow for Bad Debt - CM | (20,000.00) | (10,000.00) | (10,000.00) |
| 11260 · Allow for Bad Debt - SB | (10,000.00) | (4,000.00) | (6,000.00) |
| 11270 · Undeposited Funds | 8,289.99 | 3,618.62 | 4,671.37 |
| 11300 · Prepaid Expenses | 89,363.39 | 63,833.54 | 25,529.85 |
| 11400 · Due from Other Funds | 6,022.63 | 6,669.18 | (646.55) |
| 11480 · PERS - NPA(L) | (163,496.00) | (163,496.00) | 0.00 |
| 11485 · PERS - Deferred OF | 17,803.00 | 17,803.00 | 0.00 |
| Total Other Current Assets | <u>(61,682.39)</u> | <u>(75,237.06)</u> | <u>13,554.67</u> |
| Total Current Assets | <u>2,738,557.74</u> | <u>2,830,213.49</u> | <u>(91,655.75)</u> |
| Fixed Assets | | | |
| 11500 · Capital Assets | 80,525,303.51 | 82,607,341.77 | (2,082,038.26) |
| Total Fixed Assets | <u>80,525,303.51</u> | <u>82,607,341.77</u> | <u>(2,082,038.26)</u> |
| TOTAL ASSETS | <u>83,263,861.25</u> | <u>85,437,555.26</u> | <u>(2,173,694.01)</u> |
| LIABILITIES & EQUITY | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | | | |
| 12000 · Accounts Payable | 143,860.06 | 158,989.54 | (15,129.48) |
| Total Accounts Payable | <u>143,860.06</u> | <u>158,989.54</u> | <u>(15,129.48)</u> |
| Other Current Liabilities | | | |
| 12020 · Lodging/Room Tax Payable | 5,482.17 | 0.00 | 5,482.17 |
| 12100 · Payroll Liabilities | 56,895.08 | 24,910.83 | 31,984.25 |
| 12200 · Due to other Funds | 3,683.12 | (5,580.34) | 9,263.46 |
| 12250 · Deferred Revenue | 63,581.11 | 144,409.51 | (80,828.40) |
| 12300 · Accrued Interest Payable | 9,833.12 | 6,209.00 | 3,624.12 |
| 12350 · Current Portion-Long Term Debt | 458,179.00 | 406,827.00 | 51,352.00 |
| Total Other Current Liabilities | <u>597,653.60</u> | <u>576,776.00</u> | <u>20,877.60</u> |
| Total Current Liabilities | <u>741,513.66</u> | <u>735,765.54</u> | <u>5,748.12</u> |
| Long Term Liabilities | | | |
| 2013 FF&C Bond Premium | 105,116.75 | 105,116.75 | 0.00 |
| 12400 · Long Term Debt | 7,578,221.78 | 7,726,954.74 | (148,732.96) |

Port of Newport - General Operating Fund

Balance Sheet

As of September 30, 2017

| | <u>Sep 30, 17</u> | <u>Sep 30, 16</u> | <u>\$ Change</u> |
|---------------------------------------|-----------------------------|-----------------------------|------------------------------|
| 12900 - PERS - Deferred IF | 151,722.00 | 151,722.00 | 0.00 |
| Total Long Term Liabilities | <u>7,835,060.53</u> | <u>7,983,793.49</u> | <u>(148,732.96)</u> |
| Total Liabilities | <u>8,576,574.19</u> | <u>8,719,559.03</u> | <u>(142,984.84)</u> |
| Equity | <u>74,687,287.06</u> | <u>76,717,996.23</u> | <u>(2,030,709.17)</u> |
| TOTAL LIABILITIES & EQUITY | <u><u>83,263,861.25</u></u> | <u><u>85,437,555.26</u></u> | <u><u>(2,173,694.01)</u></u> |

Port of Newport - General Operating Fund

Profit & Loss Budget vs. Actual

July through September 2017

| | Jul - Sep 17 | Budget | \$ Over Budget | % of Budget |
|---------------------------------------|--------------------------|----------------------------|--------------------------|------------------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| 14000 · Lease Revenues | 156,551.48 | 665,178.00 | (508,626.52) | 23.5% |
| 14100 · Moorage | 350,464.35 | 1,274,000.00 | (923,535.65) | 27.5% |
| 14200 · Hoist Dock & Services | 96,850.87 | 615,000.00 | (518,149.13) | 15.7% |
| 14300 · Shipping Terminal Revenues | 2,006.96 | 10,000.00 | (7,993.04) | 20.1% |
| 14400 · RV Parks | 425,484.38 | 830,000.00 | (404,515.62) | 51.3% |
| 14500 · Launch Ramp & Trailer Storage | 33,407.00 | 70,000.00 | (36,593.00) | 47.7% |
| 14600 · Miscellaneous Revenue | 29,290.47 | 58,000.00 | (28,709.53) | 50.5% |
| Total Income | <u>1,094,055.51</u> | <u>3,522,178.00</u> | <u>(2,428,122.49)</u> | <u>31.1%</u> |
| Gross Profit | 1,094,055.51 | 3,522,178.00 | (2,428,122.49) | 31.1% |
| Expense | | | | |
| 15000 · Personnel Services | 270,335.74 | 1,349,370.00 | (1,079,034.26) | 20.0% |
| 16000 · Materials & Services | 329,859.82 | 1,626,550.00 | (1,296,690.18) | 20.3% |
| 17000 · Debt Service | 49,966.52 | 732,680.00 | (682,713.48) | 6.8% |
| Total Expense | <u>650,162.08</u> | <u>3,708,600.00</u> | <u>(3,058,437.92)</u> | <u>17.5%</u> |
| Net Ordinary Income | 443,893.43 | (186,422.00) | 630,315.43 | (238.1)% |
| Other Income/Expense | | | | |
| Other Income | | | | |
| 18100 · Property Tax Revenue | 1,380.41 | 98,500.00 | (97,119.59) | 1.4% |
| 18200 · Interest Income | 1,957.73 | 5,000.00 | (3,042.27) | 39.2% |
| 18300 · Grants | 0.00 | 122,500.00 | (122,500.00) | 0.0% |
| 18400 · Loan Proceeds | 0.00 | 96,000.00 | (96,000.00) | 0.0% |
| 18600 · Gain/(Loss) on Sale of Assets | (7,345.91) | 0.00 | (7,345.91) | 100.0% |
| 18700 · Property & Dredge Sales | (2,666.00) | 2,000.00 | (4,666.00) | (133.3)% |
| 18800 · Miscellaneous - Non-operating | 8,194.08 | | | |
| Total Other Income | <u>1,520.31</u> | <u>324,000.00</u> | <u>(322,479.69)</u> | <u>0.5%</u> |
| Other Expense | | | | |
| 19000 · Capital Outlay | 0.00 | 197,900.00 | (197,900.00) | 0.0% |
| 19600 · Contingency | 0.00 | 100,000.00 | (100,000.00) | 0.0% |
| 19700 · Transfers Out to Other Funds | 0.00 | 160,000.00 | (160,000.00) | 0.0% |
| Total Other Expense | <u>0.00</u> | <u>457,900.00</u> | <u>(457,900.00)</u> | <u>0.0%</u> |
| Net Other Income | 1,520.31 | (133,900.00) | 135,420.31 | (1.1)% |
| Net Income | <u>445,413.74</u> | <u>(320,322.00)</u> | <u>765,735.74</u> | <u>(139.1)%</u> |

Port of Newport - General Operating Fund

Profit & Loss Budget vs. Actual - Admin

July through September 2017

| | Jul - Sep 17 | Budget | \$ Over Budget | % of Budget |
|---------------------------------------|--------------------|---------------------|-------------------|-------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| 14000 · Lease Revenues | 156,201.48 | 665,178.00 | (508,976.52) | 23.5% |
| 14100 · Moorage | 504.00 | 0.00 | 504.00 | 100.0% |
| 14200 · Hoist Dock & Services | 1,374.00 | 0.00 | 1,374.00 | 100.0% |
| 14600 · Miscellaneous Revenue | 275.00 | 0.00 | 275.00 | 100.0% |
| Total Income | 158,354.48 | 665,178.00 | (506,823.52) | 23.8% |
| Gross Profit | 158,354.48 | 665,178.00 | (506,823.52) | 23.8% |
| Expense | | | | |
| 15000 · Personnel Services | 106,835.95 | 539,210.00 | (432,374.05) | 19.8% |
| 16000 · Materials & Services | 81,804.58 | 452,000.00 | (370,195.42) | 18.1% |
| 17000 · Debt Service | 11,950.61 | 47,802.00 | (35,851.39) | 25.0% |
| Total Expense | 200,591.14 | 1,039,012.00 | (838,420.86) | 19.3% |
| Net Ordinary Income | (42,236.66) | (373,834.00) | 331,597.34 | 11.3% |
| Other Income/Expense | | | | |
| Other Income | | | | |
| 18100 · Property Tax Revenue | 1,380.41 | 98,500.00 | (97,119.59) | 1.4% |
| 18200 · Interest Income | 1,957.73 | 5,000.00 | (3,042.27) | 39.2% |
| 18300 · Grants | 0.00 | 122,500.00 | (122,500.00) | 0.0% |
| 18600 · Gain/(Loss) on Sale of Assets | (7,345.91) | 0.00 | (7,345.91) | 100.0% |
| Total Other Income | (4,007.77) | 226,000.00 | (230,007.77) | (1.8)% |
| Other Expense | | | | |
| 19000 · Capital Outlay | 0.00 | 75,000.00 | (75,000.00) | 0.0% |
| 19600 · Contingency | 0.00 | 100,000.00 | (100,000.00) | 0.0% |
| 19700 · Transfers Out to Other Funds | 0.00 | 160,000.00 | (160,000.00) | 0.0% |
| Total Other Expense | 0.00 | 335,000.00 | (335,000.00) | 0.0% |
| Net Other Income | (4,007.77) | (109,000.00) | 104,992.23 | 3.7% |
| Net Income | (46,244.43) | (482,834.00) | 436,589.57 | 9.6% |

Port of Newport - General Operating Fund

Profit & Loss Budget vs. Actual - NIT

July through September 2017

| | <u>Jul - Sep 17</u> | <u>Budget</u> | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|------------------------------------|--------------------------|----------------------------|--------------------------|--------------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| 14100 · Moorage | 11,705.60 | 100,000.00 | (88,294.40) | 11.7% |
| 14200 · Hoist Dock & Services | 46,146.67 | 278,000.00 | (231,853.33) | 16.6% |
| 14300 · Shipping Terminal Revenues | 2,006.96 | 10,000.00 | (7,993.04) | 20.1% |
| 14600 · Miscellaneous Revenue | 160.00 | 0.00 | 160.00 | 100.0% |
| Total Income | <u>60,019.23</u> | <u>388,000.00</u> | <u>(327,980.77)</u> | <u>15.5%</u> |
| Gross Profit | 60,019.23 | 388,000.00 | (327,980.77) | 15.5% |
| Expense | | | | |
| 15000 · Personnel Services | 15,338.25 | 77,575.00 | (62,236.75) | 19.8% |
| 16000 · Materials & Services | 19,047.73 | 137,400.00 | (118,352.27) | 13.9% |
| 17000 · Debt Service | 34,223.76 | 452,652.00 | (418,428.24) | 7.6% |
| Total Expense | <u>68,609.74</u> | <u>667,627.00</u> | <u>(599,017.26)</u> | <u>10.3%</u> |
| Net Ordinary Income | (8,590.51) | (279,627.00) | 271,036.49 | 3.1% |
| Other Income/Expense | | | | |
| Other Income | | | | |
| 18400 · Loan Proceeds | 0.00 | 60,000.00 | (60,000.00) | 0.0% |
| Total Other Income | 0.00 | 60,000.00 | (60,000.00) | 0.0% |
| Other Expense | | | | |
| 19000 · Capital Outlay | 0.00 | 66,900.00 | (66,900.00) | 0.0% |
| Total Other Expense | 0.00 | 66,900.00 | (66,900.00) | 0.0% |
| Net Other Income | 0.00 | (6,900.00) | 6,900.00 | 0.0% |
| Net Income | <u>(8,590.51)</u> | <u>(286,527.00)</u> | <u>277,936.49</u> | <u>3.0%</u> |

Port of Newport - General Operating Fund

Profit & Loss Budget vs. Actual - SB

July through September 2017

| | <u>Jul - Sep 17</u> | <u>Budget</u> | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|---------------------------------------|--------------------------|--------------------------|-------------------------|----------------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| 14000 · Lease Revenues | 350.00 | 0.00 | 350.00 | 100.0% |
| 14100 · Moorage | 237,388.29 | 714,000.00 | (476,611.71) | 33.2% |
| 14200 · Hoist Dock & Services | 1,129.20 | 17,000.00 | (15,870.80) | 6.6% |
| 14400 · RV Parks | 425,484.38 | 830,000.00 | (404,515.62) | 51.3% |
| 14500 · Launch Ramp & Trailer Storage | 33,407.00 | 70,000.00 | (36,593.00) | 47.7% |
| 14600 · Miscellaneous Revenue | 26,715.88 | 54,000.00 | (27,284.12) | 49.5% |
| Total Income | <u>724,474.75</u> | <u>1,685,000.00</u> | <u>(960,525.25)</u> | <u>43.0%</u> |
| Gross Profit | 724,474.75 | 1,685,000.00 | (960,525.25) | 43.0% |
| Expense | | | | |
| 15000 · Personnel Services | 91,850.96 | 363,262.00 | (271,411.04) | 25.3% |
| 16000 · Materials & Services | 175,242.78 | 673,550.00 | (498,307.22) | 26.0% |
| 17000 · Debt Service | 1,393.65 | 216,321.00 | (214,927.35) | 0.6% |
| Total Expense | <u>268,487.39</u> | <u>1,253,133.00</u> | <u>(984,645.61)</u> | <u>21.4%</u> |
| Net Ordinary Income | <u>455,987.36</u> | <u>431,867.00</u> | <u>24,120.36</u> | <u>105.6%</u> |
| Other Income/Expense | | | | |
| Other Income | | | | |
| 18700 · Property & Dredge Sales | (2,666.00) | 2,000.00 | (4,666.00) | (133.3)% |
| Total Other Income | <u>(2,666.00)</u> | <u>2,000.00</u> | <u>(4,666.00)</u> | <u>(133.3)%</u> |
| Net Other Income | <u>(2,666.00)</u> | <u>2,000.00</u> | <u>(4,666.00)</u> | <u>(133.3)%</u> |
| Net Income | <u>453,321.36</u> | <u>433,867.00</u> | <u>19,454.36</u> | <u>104.5%</u> |

Port of Newport - General Operating Fund

Profit & Loss Budget vs. Actual - CM

July through September 2017

| | Jul - Sep 17 | Budget | \$ Over Budget | % of Budget |
|--------------------------------|-------------------------|--------------------------|----------------------------|---------------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| 14100 - Moorage | 100,866.46 | 460,000.00 | (359,133.54) | 21.9% |
| 14200 - Hoist Dock & Services | 48,179.00 | 320,000.00 | (271,821.00) | 15.1% |
| 14600 - Miscellaneous Revenue | 1,364.50 | 4,000.00 | (2,635.50) | 34.1% |
| Total Income | <u>150,409.96</u> | <u>784,000.00</u> | <u>(633,590.04)</u> | <u>19.2%</u> |
| Gross Profit | 150,409.96 | 784,000.00 | (633,590.04) | 19.2% |
| Expense | | | | |
| 15000 - Personnel Services | 56,310.58 | 255,535.00 | (199,224.42) | 22.0% |
| 16000 - Materials & Services | 53,764.73 | 357,700.00 | (303,935.27) | 15.0% |
| 17000 - Debt Service | 2,398.50 | 15,905.00 | (13,506.50) | 15.1% |
| Total Expense | <u>112,473.81</u> | <u>629,140.00</u> | <u>(516,666.19)</u> | <u>17.9%</u> |
| Net Ordinary Income | 37,936.15 | 154,860.00 | (116,923.85) | 24.5% |
| Other Income/Expense | | | | |
| Other Income | | | | |
| 18400 - Loan Proceeds | 0.00 | 36,000.00 | (36,000.00) | 0.0% |
| Total Other Income | 0.00 | 36,000.00 | (36,000.00) | 0.0% |
| Other Expense | | | | |
| 19000 - Capital Outlay | 0.00 | 36,000.00 | (36,000.00) | 0.0% |
| Total Other Expense | 0.00 | 36,000.00 | (36,000.00) | 0.0% |
| Net Other Income | 0.00 | 0.00 | 0.00 | 0.0% |
| Net Income | <u><u>37,936.15</u></u> | <u><u>154,860.00</u></u> | <u><u>(116,923.85)</u></u> | <u><u>24.5%</u></u> |

Port of Newport - NOAA Fund

Balance Sheet

As of September 30, 2017

| | Sep 30, 17 | Sep 30, 16 | \$ Change |
|--|---------------------|---------------------|------------------|
| ASSETS | | | |
| Current Assets | | | |
| Checking/Savings | | | |
| 51000 · Cash & Equivalents | 4,869,137.40 | 4,845,121.56 | 24,015.84 |
| Total Checking/Savings | 4,869,137.40 | 4,845,121.56 | 24,015.84 |
| Other Current Assets | | | |
| 51300 · Prepaid Expenses | 37,130.44 | 34,261.62 | 2,868.82 |
| 51400 · Due from Other Funds | 0.00 | 186.25 | (186.25) |
| Total Other Current Assets | 37,130.44 | 34,447.87 | 2,682.57 |
| Total Current Assets | 4,906,267.84 | 4,879,569.43 | 26,698.41 |
| TOTAL ASSETS | 4,906,267.84 | 4,879,569.43 | 26,698.41 |
| LIABILITIES & EQUITY | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | | | |
| 52000 · Accounts Payable | 2,762.03 | 20,925.54 | (18,163.51) |
| Total Accounts Payable | 2,762.03 | 20,925.54 | (18,163.51) |
| Other Current Liabilities | | | |
| 52110 · Accrued PTO | 8,303.41 | 3,425.65 | 4,877.76 |
| 52200 · Due to Other Funds | 5,348.61 | 6,669.18 | (1,320.57) |
| 52300 · Accrued Interest Payable | 462,477.40 | 476,972.00 | (14,494.60) |
| 52350 · Current Portion Long-Term Debt | 910,000.00 | 810,000.00 | 100,000.00 |
| Total Other Current Liabilities | 1,386,129.42 | 1,297,066.83 | 89,062.59 |
| Total Current Liabilities | 1,388,891.45 | 1,317,992.37 | 70,899.08 |
| Long Term Liabilities | | | |
| 52400 · Long-Term Debt | 19,855,587.00 | 20,725,587.00 | (870,000.00) |
| 52800 · Less Current Portion LT Debt | (910,000.00) | (810,000.00) | (100,000.00) |
| Total Long Term Liabilities | 18,945,587.00 | 19,915,587.00 | (970,000.00) |
| Total Liabilities | 20,334,478.45 | 21,233,579.37 | (899,100.92) |
| Equity | | | |
| 53000 · Fund Balance | (15406177.55) | (15423252.85) | 17,075.30 |
| 53110 · FB - Capital Asset Additions | 12,296.00 | 0.00 | 12,296.00 |
| 53200 · FB - Debt Principal | 870,000.00 | 0.00 | 870,000.00 |
| 53275 · FB - Accrued Interest | 14,494.60 | 0.00 | 14,494.60 |
| 53300 · FB - Equity Transfers | (12,296.00) | 0.00 | (12,296.00) |
| Net Income | (906,527.66) | (930,757.09) | 24,229.43 |
| Total Equity | (15428210.61) | (16354009.94) | 925,799.33 |
| TOTAL LIABILITIES & EQUITY | 4,906,267.84 | 4,879,569.43 | 26,698.41 |

Port of Newport - NOAA Fund
Profit & Loss Budget vs. Actual
 July through September 2017

| | <u>Jul - Sep 17</u> | <u>Budget</u> | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|--|---------------------|---------------------|-----------------------|--------------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| 54000 - Lease Revenue | 635,283.66 | 2,542,000.00 | (1,906,716.34) | 25.0% |
| Total Income | 635,283.66 | 2,542,000.00 | (1,906,716.34) | 25.0% |
| Expense | | | | |
| 55000 - Personnel Services | 15,660.48 | 82,385.00 | (66,724.52) | 19.0% |
| 56000 - Materials & Services | 64,768.48 | 366,470.00 | (301,701.52) | 17.7% |
| 57000 - Debt Service | 1,464,966.88 | 2,001,734.00 | (536,767.12) | 73.2% |
| Total Expense | 1,545,395.84 | 2,450,589.00 | (905,193.16) | 63.1% |
| Net Ordinary Income | (910,112.18) | 91,411.00 | (1,001,523.18) | (995.6)% |
| Other Income/Expense | | | | |
| Other Income | | | | |
| 58200 - Interest Income | 2,674.07 | 10,500.00 | (7,825.93) | 25.5% |
| 58800 - Miscellaneous Revenue | 910.45 | 0.00 | 910.45 | 100.0% |
| 58900 - Transfers In from Other Funds | 0.00 | 500,000.00 | (500,000.00) | 0.0% |
| Total Other Income | 3,584.52 | 510,500.00 | (506,915.48) | 0.7% |
| Other Expense | | | | |
| 59000 - Capital Outlay | 0.00 | 6,000.00 | (6,000.00) | 0.0% |
| 59600 - Contingency | 0.00 | 100,000.00 | (100,000.00) | 0.0% |
| 59700 - Transfers Out to Other Funds | 0.00 | 750,000.00 | (750,000.00) | 0.0% |
| Total Other Expense | 0.00 | 856,000.00 | (856,000.00) | 0.0% |
| Net Other Income | 3,584.52 | (345,500.00) | 349,084.52 | (1.0)% |
| Net Income | (906,527.66) | (254,089.00) | (652,438.66) | 356.8% |

Port of Newport - Facility Maintenance Reserve Fund

Balance Sheet

As of September 30, 2017

| | <u>Sep 30, 17</u> | <u>Sep 30, 16</u> | <u>\$ Change</u> |
|--|-------------------------|-------------------------|--------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Checking/Savings | | | |
| 31000 · Cash & Cash Equivalents | | | |
| 31060 · FMR Money Market - Umpqua Bank | <u>72,350.11</u> | <u>73,805.55</u> | <u>(1,455.44)</u> |
| Total 31000 · Cash & Cash Equivalents | <u>72,350.11</u> | <u>73,805.55</u> | <u>(1,455.44)</u> |
| Total Checking/Savings | <u>72,350.11</u> | <u>73,805.55</u> | <u>(1,455.44)</u> |
| Total Current Assets | <u>72,350.11</u> | <u>73,805.55</u> | <u>(1,455.44)</u> |
| TOTAL ASSETS | <u>72,350.11</u> | <u>73,805.55</u> | <u>(1,455.44)</u> |
| LIABILITIES & EQUITY | | | |
| Equity | <u>72,350.11</u> | <u>73,805.55</u> | <u>(1,455.44)</u> |
| TOTAL LIABILITIES & EQUITY | <u>72,350.11</u> | <u>73,805.55</u> | <u>(1,455.44)</u> |

Port of Newport - Construction Fund

Balance Sheet

As of September 30, 2017

| | <u>Sep 30, 17</u> | <u>Sep 30, 16</u> | <u>\$ Change</u> |
|--|-------------------------|-------------------------|---------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Checking/Savings | | | |
| 41000 - Cash & Cash Equivalents | 53,156.35 | 65,041.54 | (11,885.19) |
| Total Checking/Savings | <u>53,156.35</u> | <u>65,041.54</u> | <u>(11,885.19)</u> |
| Total Current Assets | <u>53,156.35</u> | <u>65,041.54</u> | <u>(11,885.19)</u> |
| TOTAL ASSETS | <u>53,156.35</u> | <u>65,041.54</u> | <u>(11,885.19)</u> |
| LIABILITIES & EQUITY | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | | | |
| 42000 - Accounts Payable | 2,970.00 | 1,943.75 | 1,026.25 |
| Total Accounts Payable | <u>2,970.00</u> | <u>1,943.75</u> | <u>1,026.25</u> |
| Other Current Liabilities | | | |
| 42200 - Due To Other funds | 480.42 | 0.00 | 480.42 |
| Total Other Current Liabilities | <u>480.42</u> | <u>0.00</u> | <u>480.42</u> |
| Total Current Liabilities | <u>3,450.42</u> | <u>1,943.75</u> | <u>1,506.67</u> |
| Total Liabilities | <u>3,450.42</u> | <u>1,943.75</u> | <u>1,506.67</u> |
| Equity | 49,705.93 | 63,097.79 | (13,391.86) |
| TOTAL LIABILITIES & EQUITY | <u>53,156.35</u> | <u>65,041.54</u> | <u>(11,885.19)</u> |

Port of Newport - Bonded Debt Fund

Balance Sheet

As of September 30, 2017

| | Sep 30, 17 | Sep 30, 16 | \$ Change |
|---|-------------------|-------------------|--------------------|
| ASSETS | | | |
| Current Assets | | | |
| Checking/Savings | | | |
| 21000 · Cash & Cash Equivalents | 257,193.90 | 321,609.13 | (64,415.23) |
| Total Checking/Savings | 257,193.90 | 321,609.13 | (64,415.23) |
| Other Current Assets | | | |
| 21270 · Property Tax Receivable | 86,925.12 | 86,925.12 | 0.00 |
| 21400 · Due from Other Funds | 3,683.12 | (5,766.59) | 9,449.71 |
| Total Other Current Assets | 90,608.24 | 81,158.53 | 9,449.71 |
| Total Current Assets | 347,802.14 | 402,767.66 | (54,965.52) |
| Other Assets | | | |
| 21800 · Bond Issue costs, net of amort. | 4,662.00 | 4,662.00 | 0.00 |
| 21825 · Advance Refunding Valuation | 436,957.00 | 436,957.00 | 0.00 |
| Total Other Assets | 441,619.00 | 441,619.00 | 0.00 |
| TOTAL ASSETS | 789,421.14 | 844,386.66 | (54,965.52) |
| LIABILITIES & EQUITY | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Other Current Liabilities | | | |
| 22350 · Bonds Payable - Current | 325,000.00 | 465,000.00 | (140,000.00) |
| Total Other Current Liabilities | 325,000.00 | 465,000.00 | (140,000.00) |
| Total Current Liabilities | 325,000.00 | 465,000.00 | (140,000.00) |
| Long Term Liabilities | | | |
| 22505 · 2007 Series Bonds | 0.00 | 124,830.00 | (124,830.00) |
| 22510 · 2008 Series Bonds | 124,995.00 | 244,995.00 | (120,000.00) |
| 22515 · 2011 Series Bonds | 5,093,243.00 | 5,158,243.00 | (65,000.00) |
| 22520 · 2016 Series Bonds | 7,455,000.00 | 7,610,000.00 | (155,000.00) |
| 22590 · Bond Premiums | 880,746.00 | 880,746.00 | 0.00 |
| 22800 · Less Current Portion LTD | (325,000.00) | (465,000.00) | 140,000.00 |
| Total Long Term Liabilities | 13,228,984.00 | 13,553,814.00 | (324,830.00) |
| Total Liabilities | 13,553,984.00 | 14,018,814.00 | (464,830.00) |
| Equity | (12,764,562.86) | (13,174,427.34) | 409,864.48 |
| TOTAL LIABILITIES & EQUITY | 789,421.14 | 844,386.66 | (54,965.52) |



Update Donee Authorized Signers

Use this form to add/delete authorized signers to/from your account

If more names must be added, make a copy of this sheet and add numbers to signers

| | | |
|--|---|---|
| Name of Donee Institution: Port of Newport | | Date: 10/30/17 |
| Department (if College, University, or applicable): | | Address (Street and Number): 600 SE Bay Blvd. |
| Mailing Address/ P.O. Box: | City: Newport | ZIP Code: 97365 |
| County: Lincoln | Telephone Number (Include extension): 541-265-7758 | Website Address: portofnewport.com |
| Send Invoices to: Mark Harris | | I Authorize Purchases By Anyone In My Agency That Holds: Business Credit Card <input type="checkbox"/> Purchase Order <input type="checkbox"/> Either <input checked="" type="checkbox"/> or SPOTS Card <input type="checkbox"/> |
| Job Title and Phone Number: Staff Accountant, 541-265-7758 | | |
| Name #1 Kevin Greenwood | Add <input type="checkbox"/> Keep <input type="checkbox"/> Delete <input checked="" type="checkbox"/> | Email Address kgreenwood@portofnewport.com |
| Title General Manager | | Phone Number 541-265-7758 |
| Name #2 Aaron Bretz | Add <input checked="" type="checkbox"/> Keep <input type="checkbox"/> Delete <input type="checkbox"/> | Email Address dirops@portofnewport.com |
| Title Director of Operations | | Phone Number 541-961-3904 |
| Name #3 Karen Hewitt | Add <input checked="" type="checkbox"/> Keep <input type="checkbox"/> Delete <input type="checkbox"/> | Email Address khewitt@portofnewport.com |
| Title Administrative Assistant | | Phone Number 541-265-7758 |
| Name #4 Pete Zerr | Add <input type="checkbox"/> Keep <input type="checkbox"/> Delete <input checked="" type="checkbox"/> | Email Address nitsupervisor@portofnewport.com |
| Title NIT Supervisor | | Phone Number 541-961-6010 |
| Name #5 Mark Harris | Add <input checked="" type="checkbox"/> Keep <input type="checkbox"/> Delete <input type="checkbox"/> | Email Address mharris@portofnewport.com |
| Title Staff Accountant | | Phone Number 541-265-7758 |
| Authorized By (Please Print) Patricia Patrick-Joling | | Title: Commission President |
| Chief Administrative Office or Executive Head Signature(s) | | |
| Signature of Chief Administrative Office or Executive Head | | |

Appointed Hired Elected (Term expires 06/30/19) Hired by Contract (expires ___/___/___)



CONSENT CALENDAR AGENDA ITEM

DATE: *October 25, 2017*
RE: *Transfer of Appropriated Funds within the 2017-18 Fiscal Year Budget*
TO: *Port of Newport Board of Commissioners*
ISSUED BY: *Mark Harris, Staff Accountant*

BACKGROUND

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

Materials and Services

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

Also on September 26, 2017, the Commission moved to authorize contracting with CFO Selections, LLC for financial consulting and services. An additional appropriation of \$10,000 for services rendered in October and \$10,000 for November is needed.

With the resignation of Pete Zerr, the International Terminal Supervisor duties are being covered by Don Moon creating a need for temporary labor at the Commercial Marina. This need could extend into the first few months of 2018 at an estimated cost of \$13,600.

Debt Service

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

The additional appropriation authority for the above expenditures can be made by a resolution transfer from the General Operating Fund contingency. Oregon Local Budget Law provides for resolution transfers from contingency up to an amount equal to 15% of the Fund's total appropriated expenditures. The \$70,000 identified above is below this limit.

RECOMMENDATION

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

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

-###-

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

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

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

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

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

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

THE PORT OF NEWPORT BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:

Section 1. Authorize a transfer from contingency to both materials and services and debt service within the General Operating Fund in the amounts set forth in the table below. Appropriate \$40,000 for materials and services: professional services related to both the recruitment of a new general manager and financial consulting services as approved by the Commission. Appropriate \$13,600 for materials and services: contract and support services for temporary labor at the Commercial Marina. Appropriate \$16,400 for debt service on City of Newport SDC financing.

| General Operating Fund | Existing Appropriation | Transfer In (Out) | Revised Appropriation |
|------------------------|---------------------------|----------------------|--------------------------|
| Materials and Services | \$ 1,626,550 | \$ 53,600 | \$ 1,680,150 |
| Debt Service | \$ 732,680 | \$ 16,400 | \$ 749,080 |
| Contingency | \$ 100,000 | \$ (70,000) | \$ 30,000 |

Section 2. Effective Date. Resolution shall take effect immediately.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 30th day of October, 2017.

ATTEST:

Patricia Patrick-Joling, President

Stewart Lamerdin, Secretary/Treasurer

CONSENT CALENDAR AGENDA ITEM

DATE: *October 30, 2017*
RE: *Port of Newport Facilities Code: Vessel Insurance*
TO: *Port of Newport Board of Commissioners*
ISSUED BY: *Karen Hewitt, Administrative Assistant*

BACKGROUND

The Port of Newport Commissioners approved Resolution 20114-04 on 5/22/14 amending the facilities code to change several sections, included the sections relating to insurance coverage. The change at the time for Vessel Insurance read as follows:

Section 1.15. All vessels mooring at the Port must carry liability insurance that, at a minimum, meets the following criteria:

(a) Commercial Vessels

- (1) General Liability (Protection and Indemnity) insurance coverage, including wreck removal coverage, with a minimum policy limit of \$250,000 and coverage for pollution in the amount of \$300,000.
- (2) Resident vessels shall have the Port of Newport named as an additional insurance with respect to such policies and provide proof thereof within 30 days of registration with the Port.
- (3) Transient vessels shall provide proof of adequate coverage upon registration with the Port. Any transient vessel moored for 30 days or more must have the Port of Newport named as an additional insured with respect to such policies.

(b) Recreational Vessels

- (1) Ocean/Marine Liability insurance coverage, including wreck removal coverage, with a minimum policy limit of \$300,000 and coverage for pollution in the amount of \$300,000; or
- (2) Watercraft Liability that includes pollution and wreck removal with a minimum of \$500,000; or
- (3) A minimum of \$500,000 combined policy which includes liability, wreck removal and pollution coverage
- (4) Resident vessels shall have the Port of Newport named as an additional insurance with respect to such policies and provide proof thereof within 30 days of registration with the Port.
- (5) Transient vessels shall provide proof of adequate coverage upon registration with the Port. Any transient vessel moored for 30 days or more must have the Port of Newport named as an additional insured with respect to such policies.

(c) Changes to limits/coverage may be adopted via rates, fees and charges resolution.

This Section of the Facilities Code addressed coverage limits, time for submission, and when naming the Port as an additional insured was required. Although it contains the provision that changes can be made to limits/coverage by a rate resolution, it does include coverage limits specified in the terms.

The insurance requirements as of Resolution 2017-08 sets the following coverages/limits for vessels:

- A. Commercial Vessels, Liability Coverage Requirements.
 - 1. Protection and Indemnity, must not exclude Wreck Removal\$250K
 - 2. Pollution Liability.....\$300K
 - 3. If Pollution and Indemnity Combined\$600K
 - 4. Port of Newport to be named as additional insured on Liability Coverage
- B. Recreational Vessels, Liability Coverage Requirements
 - 1. Protection & Indemnity, must not exclude Wreck Removal.....\$250K
 - 2. Pollution Liability.....\$300K
 - 3. -or- Water Craft Liability, must include both wreck removal and pollution liability coverage. Umbrella clauses must identify boats exceeding 25 ft.\$500K
 - 4. Port of Newport to be named as an additional insured on Liability Coverage
- C. Charter/Guide Vessels.
 - 1. General Liability \$2MM

The differences in the coverage and limits required has already resulted in some miscommunication, and I believe could engender a dispute. I would suggest replacing Section 1.15 in the PONFC to more directly refer to the Rates Resolution. I have included a draft Resolution to make that change, which still includes the time limits for submission.

RECOMMENDATION

I would recommend that a Commissioner make a MOTION TO APPROVE RESOLUTION 2017-13 AMENDING THE PORT OF NEWPORT FACILITIES CODE TO CHANGE SECTIONS RELATED TO INSURANCE COVERAGE FOR VESSELS.

-###-

**PORT OF NEWPORT
RESOLUTION NO. 2017-13**

**A RESOLUTION AMENDING THE PORT OF NEWPORT FACILITIES CODE TO CHANGE SECTIONS
RELATED TO INSURANCE COVERAGE FOR VESSELS**

WHEREAS, the Port of Newport Board of Commissioners adopted Ord. No. 1-2013 on May 28, 2013 creating the Port of Newport Facilities Code (PONFC); and

WHEREAS, the PONFC may be amended from time to time by resolution of the Commission;
and

WHEREAS, industry insurance rules and regulations change from time to time and the Port wishes to codify how insurance requirement changes will be adopted; and

WHEREAS, the Port last amended the Port Facilities Code by Resolution 2017-11; and

WHEREAS, the Port last amended the Rates, Fees and Charges by Resolution 2017-08; **NOW
THEREFORE**,

THE PORT OF NEWPORT BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:

Section 1. Delete PONFC Section 1.15 and replace with the following:

Section 1.15. All vessels mooring at the Port must carry liability insurance that, at a minimum, meets the following criteria:

(a) Commercial Vessels

- (1) Insurance Certificate Limits as set forth in the most recent Resolution Adopting Rates, Fees & Charges.
- (2) Resident vessels shall have the Port of Newport named as an additional insured with respect to such policies and provide proof thereof within 30 days of registration with the Port.
- (3) Transient vessels shall provide proof of adequate coverage upon registration with the Port. Any transient vessel moored for 30 days or more must have the Port of Newport named as an additional insured with respect to such policies.

(b) Recreational Vessels

- (1) Insurance Certificate Limits as set forth in the most recent Resolution Adopting Rates, Fees & Charges.
- (2) Resident vessels shall have the Port of Newport named as an additional insured with respect to such policies and provide proof thereof within 30 days of registration with the Port.
- (3) Transient vessels shall provide proof of adequate coverage upon registration with the Port. Any transient vessel moored for 30 days or more must have the Port of Newport named as an additional insured with respect to such policies.

(c) Changes to limits/coverage may be adopted via rates, fees and charges resolution.

Section 2. The changes in this resolution take effect as of the date originally adopted by the Port Commission.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 30th day of October, 2017.

ATTESTED:

Patricia Patrick-Joling, President

Stewart Lamerdin, Secretary/Treasurer

PO Box 12613
 Salem, OR 97309-0613
 503-371-8667 or 800-285-5461

Statement Date: 9/13/2017

Payment Due: 12/1/2017

Port of Newport
 Aaron Bretz
 600 SE Bay Blvd
 Newport, OR 97365

RECEIVED

SEP 22 2017

PORT OF NEWPORT

| Description | Amount Due |
|----------------------|--------------------|
| SDAO Membership Dues | \$4,125.00 |
| OPPA Annual Dues | \$10,087.97 |
| Total | \$14,212.97 |

Important Note: Membership in SDAO, with dues paid in full, is a requirement for participating in any of the Special Districts Insurance Services (SDIS) insurance programs.

Please make checks payable to SDAO and enclose the bottom portion of your statement with your check to help us apply your payment correctly. Your payment can be mailed to the address above.

****New this Year:** We are collecting information about our districts to assist with future government affairs projects and special district data compilation. You can provide this data below on your dues payment form.**

If you have any questions, please contact SDAO Member Services at 503-371-8667 or toll-free at 800-285-5461.

Please keep the top portion for your records and return bottom portion with your payment.

2018 SDAO Membership Dues and District Information

1208

District Size (Square Miles): _____

Population Served: _____

Area Population: _____

Please remit payment to:

District: Port of Newport

SDAO
 PO Box 12613
 Salem, OR 97309

Total Due: 14,212.97

Total Enclosed: _____

Do you have a change of address or contact person? Please indicate new information on the back.

CONSENT CALENDAR AGENDA ITEM

DATE: *Oct 19/2017*
RE: *NIT PAVING PROJECT*
TO: *Port of Newport Board of Commissioners*
ISSUED BY: *NIT SUPERVISOR*

BACKGROUND

NIT supervisor has been working with Road and Driveway for the past couple months to make best use of the funds for paving. After careful consideration and deliberation we have decided to pave a 40'x200' section of rough pavement that that is critical in servicing the fleet. By re-paving this area it will be less wear and tear on equipment, much safer and more productive moving outriggers, doors, booms, and nets to lot storage.

ALTERNATE CONSIDERATIONS

The port could use funds to cut and patch certain pot holes around NIT property but this would be a non-cost effective use of the capital gain funds that have been approved for this project.

BUDGET IMPLICATIONS

There are no budget implications, funds have already been approved.

RECOMMENDATION

I would recommend that a Commissioner make a MOTION TO AUTHORIZE THE GENERAL-MANAGER TO SIGN CONTRACT WITH ROAD AND DRIVEWAY. NOT TO EXCEED \$12,600.

-###-



CONSENT CALENDAR AGENDA ITEM

DATE: *Oct 19/2017*
RE: *RV Dump Station*
TO: *Port of Newport Board of Commissioners*
ISSUED BY: *Chris Urbach*

BACKGROUND

The project to move the RV dump station was included in the 2017-2018 budget capital projects at \$26000. It was submitted for bid to Central Coast Excavating, Road & Driveway, and Runions Construction. Road & Driveway and Runions declined to bid. Central Coast Excavating submitted a bid for \$24,300, which falls within the budget. I have a tentative time for starting the RV dump station the middle of November with Central Coast Excavating

BUDGET IMPLICATIONS

There are no budget implications, funds have already been approved.

RECOMMENDATION

I would recommend that a Commissioner make a MOTION TO AUTHORIZE THE GENERAL-MANAGER TO SIGN A CONTRACT WITH CENTRAL COAST EXCAVATING FOR MOVING THE RV DUMP STATION IN THE AMOUNT OF \$24,300.

-###-

Best Value Analysis: R/V dump station

| | | | | | | |
|---------|-------------------------------|--------------------------|-------------------------|--|--|--|
| Company | Central Coast Excavating, Inc | Runions Construction LLC | Road & Driveway Company | | | |
| Contact | Ryan Wiles | Tom Runions | Ryley Winert | | | |
| Phone | 541-265-5792 | 541-270-6064 | 541-265-9441 | | | |
| Email | | | www.roadanddriveway.com | | | |

| Criteria | | | | | | |
|------------|---|-----------------|-----------------|------|--|--|
| Total Cost | | 24,300.00 | 0.00 | 0.00 | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Notes | Install 210 LF of 8" 3040 sewer line south out of manhole east of distillery building. Plumber to install new dump station with non-potable water. Pour concrete inlet with sidewalk, repave ditch line & clean up. | Declined to bid | Declined to bid | | | |

Central Coast Excavating, Inc
671 NE Newport Hts Dr
Newport OR 97365
CCB#069019
Bid only

3-24-17

Port of Newport
Attn: Chris

New South Beach trailer sewer dump station

Install 210 LF 8" 3034 south out of manhole east of distillery building. Plumber to install new dump station with non-potable water. Pour concrete inlet with sidewalk, repave ditch line & clean up.

\$24,300.00

Note 1: Water meter by Port of Newport

Note 2: Ditch line 6' in depth to 2 ½' in depth with 10" of base rock under ac repave.

Note 3: Plumbing permit by Rau Plumbing.

Chris Urbach

From: Ryley Wienert <Ryley@roadanddriveway.com>
Sent: Wednesday, September 20, 2017 3:00 PM
To: Chris Urbach
Subject: RE: RV Dump Station

Chris,

Unfortunately we decline to bid on the dump station work you requested a bid on from us, Road & Driveway Co.

Thanks,

Ryley C. Wienert
Estimator / Project Manager
Road & Driveway Co. and Cedar Creek Quarries, Inc.
Cell: 541.270.0747
Office: 541.265.9441
Fax: 541.2659443
www.roadanddriveway.com

Runions Construction LLC
521 ne Newport Heights Drive
Newport, OR 97365

Date 3/24/2017
Estimate # 32417

Name / Address
Port of Newport
600 S.E. BAY BLVD
Newport Oregon 97365

P.O. #
Terms Net 30 Due Date 4/23/2017
Other

| Description | Qty | Rate | Total |
|---|-----|------|-------|
| Install Utilities; Sewer,Water, Repair asphalt and concrete: No Bid | | 0.00 | 0.00 |

Attn. Chris

| | |
|------------------|---------------|
| Subtotal | \$0.00 |
| Sales Tax (0.0%) | \$0.00 |
| Total | \$0.00 |

Runions Construction LLC

541-270-6064

List of tenant needs/improvements on Port of Newport lease site

- All three buildings will be used and should be dry and secure. That means the roofs need to be solid and doors need to be securable.
- Large sliding doors should work.
- Holes in the walls don't necessarily need to be repaired, as long as tenants are permitted to patch as needed.
- Utilities (electric and water) should be available in all buildings.
- 3-phase/440 volt electric should be available in each building.
- Basic overhead lighting should work.
- Heat should be available in the main building...at least in the office.
- The fence around the entire lot should be secure with a functional sliding entrance.
- Some mention was made of onsite waste water disposal/sewer/storm water issues. That matter should be clarified.
- This site is a water dependent site. The tenant is working with Hatfield Marine Sciences Center to bring seawater to the site. The Port should cooperate and facilitate that effort, and potentially share the cost of that. The tenant is currently seeking a grant that would help defray the cost of bringing water to the site. Expected cost is \$100,000.
- The main office seems fine right now, and tenant is happy to share some space and continue to allow the port to store materials at the site until tenant requires the space.
- Blueprints/engineering design of water, electric, sewer, drainage, and all other utility related needs would be appreciated.

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING is made and entered into by and between the PORT OF NEWPORT, an Oregon governmental entity organized under ORS Ch. 777 (hereinafter referred to as PORT), and Oregon State University (hereinafter referred to as OSU).

WITNESSETH:

RECITALS.

WHEREAS, the parties are parties to a lease dated November 1, 1962 which has been modified numerous times and have previously cooperated on various numerous projects; and

WHEREAS, The PORT has a potential Lessee, DulseEnergy, a commercial seaweed growing operation in need of x gal per day of seawater to further its pilot operations; and

WHEREAS, OSU will allow temporary utilization by the PORT of its current seawater intake and outfall infrastructure including the ability to discharge via NPDES Minor Industrial source, permit number 101477 while the PORT applies for their own NPDES permit; and

WHEREAS, the PORT will be responsible for installation, maintenance and repair of piping from the HMSC reservoir to their site; and

WHEREAS, the PORT is liable for any damage or discharge that may occur along their pipes outside of normal, intended operations; and

WHEREAS, the PORT is responsible to ensure that discharge is compliant with NPDES Permit number 101477; and

WHEREAS, the PORT will provide OSU with operating protocols for approval 60 days before they go into effect, including major or minor changes to previously approved protocols; and

WHEREAS, HMSC is not liable for damage to living or nonliving systems at the PORT's lessee's operation due to interruptions in seawater supply or compromised quality of the seawater pumped to their site regardless of the cause; and

WHEREAS, this agreement will be reevaluated every three years, or more frequently at the request of either partner; and

WHEREAS, the PORT understands that HMSC is expanding and HMSC's mission-related needs for seawater will take precedence over the PORT's needs; and

WHEREAS, the PORT will be responsible for acquiring their own permit to ensure their continuance of operations. **In this circumstance.**

WHEREAS, the parties hereto wish to enter into a memorandum of understanding to provide the PORT the ability to share in the water discharge permit currently in use at OSU's Hatfield Marine Science Center (HMSC); and

WHEREAS, the parties acknowledge that they have lawful authority to execute this Memorandum of Understanding; and being fully advised,

NOW, THEREFORE, the premises being in general as stated in the foregoing recital, it is

agreed by and between the parties hereto as follows:

Purpose. The PORT is hereby allowed by this Memorandum of Understanding to pursue construction and inter-connection with HMSC's out fall line located on real property located at the HMSC site. The exact location of which is attached hereto as Exhibit A and by this reference, made a part hereof. OSU shall allow the PORT access to OSU's property to ascertain the extent of necessary construction.

The PORT will be responsible for the costs associated with the construction and inter-connection of the water outfall line currently utilized by HMSC. **The PORT will maintain or restore HMSC's facilities**

required to be changed when requested by OSU if the need to maintain or restore is due to this

interconnection. (???) Any additional equipment requirements of HMSC which arise from this alteration will be borne by the PORT. The parties will grant each other whatever easements are necessary to site the facilities.

Amendment Provisions. The terms of this agreement may be amended by mutual agreement of the parties: Any amendments shall be in writing and shall refer specifically to this agreement, and shall be executed by the parties.

Termination of Agreement. This agreement shall continue for a period of 3 years from the date of execution, and shall continue in effect until terminated or renegotiated with written notice by either party. If termination of the agreement is necessary in the first 2 years, OSU will grant the PORT a grace period of one year to allow the PORT to acquire their own NPDES permit.

Written Notice Addresses. All written notices required under this Agreement shall be sent to:

| | | |
|-------|-------------------|-----|
| PORT: | Kevin Greenwood | OSU |
| | General Manager | |
| | Port of Newport | |
| | 600 SE Bay Blvd | |
| | Newport, OR 97365 | |

IN WITNESS WHEREOF, the parties, by the signature of their authorized representative executed this Agreement effective on the date shown below each signature.

PORT of Newport:

OSU:

By: _____

By: _____

Printed Name: Kevin M. Greenwood

Printed Name: _____

Title: General Manager

Title: _____

Date: _____

Date: _____

INTERGOVERNMENTAL AGREEMENT

THIS AGREEMENT is made and entered into by and between the PORT OF NEWPORT, an Oregon governmental entity organized under ORS Ch. 777 (hereinafter referred to as PORT), and Oregon State University (hereinafter referred to as OSU), each referred to individually as a “Party” and collectively “the Parties.”

WHEREAS, in 1962, the Parties entered into a Lease for a certain property located at _____ (the “HMSC”) which is adjacent to a property the PORT desires to lease to a commercial seaweed growing operation operating under the name of DulseEnergy (“PORT Lessee”); and

WHEREAS, in order for the property to suit PORT Lessee’s operations, PORT Lessee will need to install a seawater intake and outfall infrastructure on the property and obtain from the EPA a National Pollutant Discharge Elimination System (NPDES) Permit for Minor Industrial Source;

WHEREAS, funding for PORT’s Lessee operations requires PORT Lessee to start its operations no later than September 30, 2017.

WHEREAS, the PORT is proposing a temporary connection to OSU’s seawater intake and outfall system (“SIOS”) in use at the HMSC;

WHEREAS, OSU holds a NPDES permit for its SIOS at the HMSC and the infrastructure to provide seawater intake and outfall services (“SIOS Services”) to PORT’s Lessee on a temporary basis until PORT’s Lessee can obtain a NPDES permit for its operations and install their own SIOS.

WHEREAS, the PORT is willing to allow and cover the costs to install the equipment and infrastructure at HMSC, connecting OSU’s SIOS to PORT’s Lessee operations and OSU is agreeable to providing the SIOS Services to PORT Lessee on a temporary basis.

NOW, THEREFORE, in recognition of the mutual benefits to the PORT and OSU for PORT Lessee locating their operations adjacent to the HMSC, the parties agree as follows:

A. OSU’s Obligations.

1. OSU will allow temporary utilization by PORT Lessee of its SIOS until PORT Lessee obtains its own NPDES permit from the EPA and construction of the appropriate infrastructure is completed.

2. Upon PORT’s notification to OSU that a Lease has been secured, OSU will enter an agreement with PORT Lessee to provide the SIOS services.

3. OSU will be responsible for constructing an inter- connection from OSU’s HMSC’s out fall line to PORT Lessee’s property, the exact location of which is attached hereto as Attachment A. Such construction includes installing additional piping and equipment to OSU’s SIOS in order to

provide the services to PORT Lessee. OSU shall maintain all connections and equipment for as long as it provides services to PORT Lessee.

4. OSU shall be not liable for any damage or discharge that may occur along their pipes outside of normal, intended operations. Further, OSU shall not be liable for damage to living or nonliving systems resulting from operation of due to interruptions in seawater supply or compromised quality of the seawater pumped to their site regardless of the cause.

B. Port's Obligations.

1. Ensure PORT Lessee acquires an NPDES Minor Industrial source permit from the EPA within two (2) years from the Effective Date of this Agreement.
2. Notify OSU upon securing a Lease with PORT Lessee. Such Lease shall contain contingency and schedule for PORT Lessee obtaining a NPDES permit within two years for the Lease's Effective Date.
3. Reimburse OSU for all costs associated with the construction and inter-connection of OSU HMSC water outfall line to PORT Lessee, including all costs to maintain the inter-connection and the restoration of OSU's HMSC SIOS once the services are no longer required. Any additional equipment requirements of OSU which arise from this alteration will be borne by the PORT.
4. Provide OSU with PORT Lessee's operating protocols for approval 60 days before they go into effect, including major or minor changes to previously approved protocols.

C. Mutual Understandings.

1. The Parties understand the terms of this Agreement are contingent upon the EPA confirming and approving OSU's temporary provision of services for an adjacent site controlled by a third party is allowable under OSU's NPDES permit.
2. PORT understands that OSU HMSC is expanding and OSU's mission-related needs for seawater will take precedence over the PORT's need to securing a lease.
3. The Parties will work cooperatively to secure all legal instruments necessary to facilitate the transaction that is the subject of this Agreement.

D. General Terms and Conditions

1. Term. The Term of this Agreement shall be for three (3) years beginning on of the date of the last signature below (the "Effective Date"). Prior to expiration of the Term, the Parties may mutually agree to extend the term for additional periods. The extension of the Term shall be available as long as Port or its' Lessee is showing good faith efforts to obtain its own NPDES permit. Any extension of time shall be made by written amendment to this Agreement and signed by each Party's authorized representative.

2. Termination. This Agreement may be terminated, at any time, by mutual written consent of both Parties. Either party may terminate this Agreement upon 30-days written notice. In the event OSU terminates in the first two (2) years of the Term, OSU will grant PORT a grace period of one year to allow the PORT to acquire their own NPDES permit. Any termination of this Agreement shall not prejudice any rights or obligations accrued to the Parties prior to termination.

3. Payments. OSU shall submit a detailed invoice to PORT for reimbursement of its costs to perform the installation of the additional piping and equipment to its SIOS in order to provide the services to PORT Lessee, OSU shall provide additional invoices for maintenance and repair costs required for the upkeeps of such equipment as costs are incurred. Invoices are due upon receipt. PORT shall remit payment to OSU in accordance with the instructions provided on the invoice.

4. No Third Party Beneficiaries. OSU and PORT are the only Parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.

5. Amendment Provisions. The terms of this Agreement may be amended by mutual agreement of the parties: Any amendments shall be in writing and shall refer specifically to this agreement, and shall be executed by the parties.

6. Written Notice Addresses. All written communications and notices required under this Agreement shall be sent to:

PORT: General Manager
Port of Newport
600 SE Bay Blvd
Newport, OR 97365

OSU: Bob Cowen, Director
Hatfield Marine Science Center
Oregon State University
2030 SW Marine Science Drive
Newport, OR 97365
T: 541.867.0211 | Robert.cowen@oregonstate.edu

For Notices only:

Contracts Officer, Contract Services
Procurement & Contract Services | PCMM
Oregon State University
644 SW 13th Street
Corvallis, OR 97333
T: 541.737.4261 |
contract.services@oregonstate.edu

7. Successor and Assigns. This Agreement is non-assignable and non-transferrable. Any assignment of rights or delegation of duties covered by this Agreement by either party without the prior written consent of the other party shall be void.

8. Disputes. The Parties will attempt to resolve any dispute arising out of or relating to this agreement by first meeting and conferring to achieve resolution through mutual agreement.

9. Warranties. OSU makes no warranties about the services, which it is offering to provide hereunder, express or implied, including but not limited to, any warranty of merchantability or fitness for a particular purpose or use or any warranty of non-infringement.

10. Indemnification. Unless otherwise stated herein, each Party shall be responsible only for the actions of its officers, agents and employees. Each Party shall save, indemnify, and hold harmless the other party and its officers, agents, employees and members from all claims, suits, and actions of whatsoever nature resulting from or arising out of the activities of the indemnifying party or its officers, agents, employees and members acting under this Agreement. OSU's obligations under this section are subject to the limitations and conditions of the Oregon Tort Claims Act, ORS 30.260 – 30.300, and the Oregon Constitution, Article XI Section 7.

11. Compliance with Applicable Law. The Parties shall comply with all federal, state and local laws, regulations, executive orders and ordinances applicable to activities described in this Agreement.

12. Merger. This Agreement constitutes the complete, final and exclusive agreement between the Parties with respect to the subject matter hereof. There are no understandings, agreements or representations, oral or written, not specified herein regarding this Agreement. This Agreement supersedes all prior or contemporaneous contracts, warranties, agreements, representations or understandings, if any, written or oral. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing, clearly identified as a waiver, consent, modification or change of terms of this agreement, and signed by the party against whom it is to be enforced. Any such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given.

IN WITNESS WHEREOF, the parties, by the signature of their authorized representative executed this Agreement effective on the date shown below each signature.

PORT:

OSU:

By: _____

By: _____

General Manager
Port of Newport

Robert Cowan, Director
Hatfield Marine Science Center

Date: _____

Date: _____

By: _____

Katie Lanker, CPPB
Contract Services Manager
Procurement & Contract Services | PCMM

Date: _____

DRAFT

ATTACHMENT A

Project Scope

The Parties will

DRAFT

From: [Aaron Bretz](#)
To: [Jason Busch](#)
Cc: [Patricia Patrick-Joling](#); [Karen Hewitt](#); [Charles Toombs](#)
Subject: FW: Port of Newport/DulsEnergy Seawater line
Date: Thursday, October 19, 2017 4:46:15 PM
Attachments: [DulcEnergy Seawater Line.docx](#)

Jason, I worked with a local engineering firm and used the specifications you shared with me during our visit, plus information that I got from Jim Lewis at over at Hatfield to get the attached general estimate for a saltwater supply and return. Additional cost figures to get our property up to the needs you have (based upon your list of improvements sent on 16 OCT):

New roof on building B: \$16,500

Repair and replacement of broken and damaged exterior doors on buildings B & C: \$4,500

Repair and replacement of rusted breaker boxes and general safety-related electrical repairs to all buildings: \$6,475

Last year, the marketable value of the property was estimated by two agencies to be between \$1.3M and \$1.5M

The Port would base our rate on the cost of improvements and a favorable return on the value of the property.

As the memorandum of understanding and the inter-governmental agreement is written (and approved by legal at OSU and the Port), the Port is solely responsible to fund the infrastructure to get salt water to and from the property.

In consideration of any potential lease, the terms that the Port will negotiate would be based upon the above and attached figures. Please take a look at them and carefully consider potential cost savings as will I. I have not yet had the opportunity to look for potential savings in the engineering estimate; I figured I would rather get this to you sooner than later. I understand that previously there was an agreement regarding a graduated lease rate for DulsEnergy.

Sometimes a good counter-balance to engineering estimates is to get a general contractor to take a look at the project to find cost savings. They often have a tendency to bring a more practical outlook. As time allows, I intend to do just that, but as I've mentioned before, any plumbing network and pump system that we put into the ground in South Beach will need to be up to a standard defined by code and ultimately by the Port. I've not yet seen any specifics from the \$100,000 figure that you mentioned the engineering students generated at OSU. I would be interested to see those plans for a comparison to the ones attached.

As the situation currently exists, I don't intend to recommend that the Port Commission sign the MOU and Inter-Governmental agreement as they are currently written because they make the Port solely responsible to get salt water piped to the property and to reimburse Hatfield for any cost associated with getting the line out of their system. Given the estimates for the improvements above and attached, the Port does not have the funding to undertake that effort, although we have not yet run down grant opportunities completely.

The cost sharing that you mentioned verbally and by email would need to be explicitly stated in those documents and more specific in its nature to cause me to recommend otherwise. I would also need to know the funding source DulsEnergy's contribution along with a specific estimate of the amount.

We have you on the agenda for the 30th to present your business to the commission, and I'm looking forward to introducing you so that we can continue to work out these details. I want to keep working toward getting you into the property so that your business can grow.

Please let me know what your thoughts are on these issues..

Kindly,

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



MEMORANDUM

| | |
|--|---------|
| DATE 10/19/2017 | JOB NO. |
| ATTN. Aaron Bretz | |
| RE: Port of Newport/DulsEnergy Seawater Line | |

The Port of Newport has a potential tenant (DulsEnergy) for their property located at 2000-A Marine Science Drive in South Beach. The tenant is interested in growing seaweed and would need a supply for saltwater to do so. The Hatfield Marine Science Center (HMSC) has agreed to give DulsEnergy access to their saltwater effluent, and to also discharge back into Hatfield’s line prior to its discharge back into the bay. Permitting has already been considered, and since DulsEnergy is not adding to the water coming from Hatfield and there would be no increase in quantity, this arrangement is acceptable. The proposed arrangement is for the Port to build the infrastructure.

The Port of Newport, to establish a ballpark cost on construction of a dual supply line and consider DulsEnergy’s proposal, requested that Civil West Engineering develop a cursory cost estimate based on a possible pipeline alignment.

Existing Conditions, Data Sources, and Assumptions

The illustrated seawater pipeline traverses across three properties: the Port of Newport, Oregon State University (OSU), and the Newport Urban Renewal Agency, as shown in Figure 1. The elevation of the seawater effluent is approximately 13.3 ft., NAVD88 and the elevation of the proposed DulsEnergy facility is approximately 15.3 ft., NAVD88. Seawater is to be pumped from and to the HMSC effluent discharge and the DulsEnergy site.

The following assumptions were made about the proposed lines:

1. Seawater is pumped from atmospheric pressure on both ends.
2. The effluent end of the HMSC system will always have enough discharge to continuously provide uninterrupted seawater to a pump.
3. The supply and return lines will both be 4” C900 PVC lines buried together in the same trench; two road crossings are shown in Figure 1.
4. The illustrated alignment for the dual 4” PVC pipelines is based on a map provided to Civil West showing the HMSC saltwater effluent and the DulsEnergy site. No attempt has been made at this time to optimize the alignment.
5. Directional bore may be an option for installing the dual line system. For the purposes of the cost estimate, however, trenching is evaluated for the installation of the pipelines across the existing roads.
6. Cost estimates do not include any easements.
7. Cost estimates do not include work, if any, required from the power company.
8. Power supply exists on both ends of the line.
9. The pumps need to be able to deliver 150 GPM to fill and empty a tank at the DulsEnergy site twice a day.

10. Required permits currently exist or future permitting efforts will be conducted by others.

Probable Pipeline Alignment

The proposed layout for the dual seawater lines to and from the HMSC saltwater effluent and the proposed tenant is shown in Figure 1. The layout strikes a balance between minimizing the number of road crossings, minimizing potential easements, and minimizing the path length. To minimize head loss in the pipe system, 4" C900 PVC is proposed. Given the calculated pipe head loss and the small elevation difference, the water will need to be pumped from both ends, so both supply and return lines (a dual line system) will need to be installed with a pump on either end.

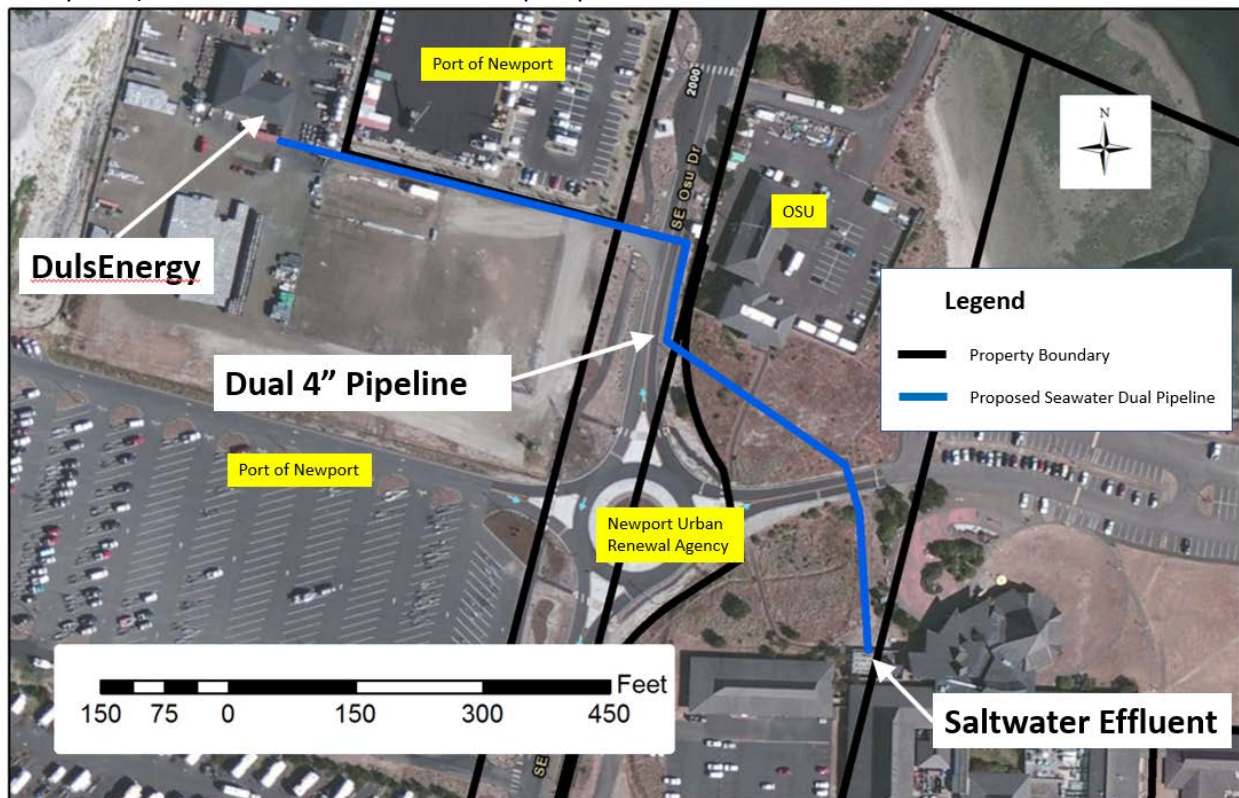


Figure 1: Site and Layout of Proposed Seawater Line

Probable Pump Selection

Pump selection was based on the required head and capacity. Due to ease of maintenance, relatively small size, and interchangeability of internal parts, a centrifugal pump was chosen. Pumps will need to be installed on both the supply and return lines. The pump impeller and casing will need to be constructed of a corrosion resistant material such as 316 stainless steel or bronze.

Cost Estimate

Table 1 shows the cost estimate for the dual pipelines. The unit costs were derived from recent past projects in the area and consultation with equipment manufacturers. Most of the cost is in the PVC pipe.

Table 1: Cost Estimate for Seawater Supply Line to DulsEnergy*

| Seawater Supply Line to DulsEnergy | | | | | |
|-------------------------------------|---|------|----------|--------------|-------------------|
| Item No. | Description | Unit | Quantity | Unit Cost | Item Cost |
| 1 | Mobilization - Bonds, Insurance (18%) | LS | 1 | \$ 29,000.00 | \$ 29,000.00 |
| 2 | Construction Facilities and Temporary Controls (7%) | LS | 1 | \$ 11,000.00 | \$ 11,000.00 |
| 3 | Demo and Site Prep (5%) | LS | 1 | \$ 8,000.00 | \$ 8,000.00 |
| 4 | 4" PVC C900 Pipe w/ Class 'B' Backfill for Dual Pipelines | LF | 2200 | \$ 55.00 | \$ 121,000.00 |
| 5 | Centrifugal Seawater Pump w/ controls | EA | 2 | \$ 10,000.00 | \$ 20,000.00 |
| 6 | Pavement Repair | SF | 2000 | \$ 10.00 | \$ 20,000.00 |
| <i>Estimated Construction Costs</i> | | | | \$ | 209,000.00 |
| | Contingency (50%) | | | \$ | 104,500.00 |
| | Engineering (30%) | | | \$ | 62,700.00 |
| Estimated Project Total | | | | \$ | 376,200.00 |

* The cost provided is for initial budgeting and feasibility purposes only. A contingency of 50% was added at this stage due to the preliminary high level of the estimate.

* The cost provided does not include any unknown sources of potential cost increases such as working around underground utilities or trench shoring.



Operating Fund

September 16, 2017 through October 18, 2017

| Date | Num | Name | Memo | Amount |
|-------------|------------|--------------------------------------|--|---------------|
| 09/21/2017 | 39365 | Morphotrust USA | Employee education and training | 125.25 |
| 09/29/2017 | 39366 | AA Rowleys Towing | Towing on leased property for hillside repairs | 300.00 |
| 09/29/2017 | 39367 | Blue Gavel Press | OSHA compliance and training guides | 598.00 |
| 09/29/2017 | 39368 | BNR Striping | South Beach lot re-striping | 1,000.00 |
| 09/29/2017 | 39369 | Business Oregon - OBDD | Debt service | 7,800.00 |
| 09/29/2017 | 39370 | Cardinal Services | Temp services | 2,771.61 |
| 09/29/2017 | 39371 | Century Link | Telephone | 393.65 |
| 09/29/2017 | 39372 | Coastal Refrigeration | Repair Marina Store HVAC and walk-in cooler | 345.20 |
| 09/29/2017 | 39373 | CoastCom | Internet and email - Oct 2017 | 937.00 |
| 09/29/2017 | 39374 | Design Space | Modular office rental | 217.00 |
| 09/29/2017 | 39375 | Fastenal Company | Safety equipment and operating supplies | 80.32 |
| 09/29/2017 | 39376 | Fred Meyer Customer Charges | Lunch for safety committee meeting | 59.98 |
| 09/29/2017 | 39377 | G & K Floors | Janitorial services | 4,080.00 |
| 09/29/2017 | 39378 | Greater Newport Chamber of Commerce | Treasures of the Sea 2017 | 135.00 |
| 09/29/2017 | 39379 | Mascott Equipment | South Beach dock repair | 564.52 |
| 09/29/2017 | 39380 | Newport Ready Mix | Concrete for sign posts and drinking fountain base | 760.00 |
| 09/29/2017 | 39381 | NW Natural | Natural gas | 146.50 |
| 09/29/2017 | 39382 | Pacific Habitat Services | Environmental consulting for NIT dredging | 628.00 |
| 09/29/2017 | 39383 | Portland Bolt & Manufacturing | Maintenance supplies | 130.26 |
| 09/29/2017 | 39384 | Ryan Bennett | Refund - South Beach Marina | 661.36 |
| 09/29/2017 | 39385 | Special Districts Insurance Services | Monthly health-dental-life insurance | 12,782.64 |
| 09/29/2017 | 39386 | TCB Security Services | Monthly security contract | 6,516.00 |
| 09/29/2017 | 39387 | Toyota Industries Commercial Finance | Forklift leases | 1,044.20 |
| 09/29/2017 | 39388 | Toyota Lift NW | Service call, equipment repairs | 539.13 |
| 09/29/2017 | 39389 | Verizon Wireless | Port cell phones | 295.39 |
| 10/13/2017 | 39390 | Employee | Mid-month draw | 1,000.00 |
| 10/13/2017 | 39391 | Employee | Mid-month draw | 650.00 |
| 10/13/2017 | 39392 | Employee | Mid-month draw | 450.00 |
| 10/13/2017 | 39393 | Employee | Mid-month draw | 500.00 |
| 10/13/2017 | 39394 | Employee | Mid-month draw | 500.00 |
| 10/13/2017 | 39395 | Employee | Mid-month draw | 600.00 |
| 10/13/2017 | 39396 | Employee | Mid-month draw | 300.00 |
| 10/13/2017 | 39397 | Employee | Mid-month draw | 475.00 |
| 10/13/2017 | 39398 | Employee | Mid-month draw | 650.00 |



Operating Fund

September 16, 2017 through October 18, 2017

| Date | Num | Name | Memo | Amount |
|-------------|------------|-------------------------------------|--|---------------|
| 10/18/2017 | 39399 | AboveBoard Electric | Hoist repair | 194.00 |
| 10/18/2017 | 39400 | Alan Brown Tire Center | Golf cart tires and forklift flat repairs | 311.12 |
| 10/18/2017 | 39401 | Alsco | Floor mats and towel rental | 402.63 |
| 10/18/2017 | 39402 | Alesea Bay Power Products | Pressure washer and chainsaw tune-up | 653.95 |
| 10/18/2017 | 39403 | Arxcis | Test and certify dock hoists | 2,692.70 |
| 10/18/2017 | 39404 | Barrelhead Supply | Landscaping supplies | 10.34 |
| 10/18/2017 | 39405 | Business Oregon - OBDD | Debt service | 7,800.00 |
| 10/18/2017 | 39406 | Cardinal Services | Temp services | 2,060.40 |
| 10/18/2017 | 39407 | Carol Corwin | Reflective letters on PD7 and PD5 | 85.00 |
| 10/18/2017 | 39408 | Century Link | Telephone | 402.76 |
| 10/18/2017 | 39409 | CenturyLink - Business Service | Telephone | 64.77 |
| 10/18/2017 | 39410 | CFO Selections | Professional services | 6,776.25 |
| 10/18/2017 | 39411 | Chase - Visa | PCC travel expenses, wall-mounted LED lights, meeting expenses, maintenance supplies, IT and office expenses | 1,596.03 |
| 10/18/2017 | 39412 | City of Newport Room Tax | Transient room tax - September 2017 | 9,050.33 |
| 10/18/2017 | 39413 | City of Newport Water/Sewer | Meter for multi-use area dump station | 2,072.00 |
| 10/18/2017 | 39414 | Coast Crane Company | Annual inspection, servicing, and certification | 4,407.36 |
| 10/18/2017 | 39415 | CoastCom | Internet and email - Nov 2017 | 937.00 |
| 10/18/2017 | 39416 | Creative Landscape & Maintenance | Landscape maintenance | 990.00 |
| 10/18/2017 | 39417 | Dahl & Dahl | Trash disposal | 306.00 |
| 10/18/2017 | 39418 | Department of Environmental Quality | Process Cost Recovery Agreement | 67.11 |
| 10/18/2017 | 39419 | Design Space | Modular office rental | 877.00 |
| 10/18/2017 | 39420 | Direct TV | Cable - RV parks | 1,306.09 |
| 10/18/2017 | 39421 | Doug's Electric | Replace lights between A and B docks - SB | 2,326.55 |
| 10/18/2017 | 39422 | Industrial Welding Supply | Welding cylinder leases | 364.00 |
| 10/18/2017 | 39423 | Kelly Printing Supplies | Printer ink cartridges | 1,500.80 |
| 10/18/2017 | 39424 | Lincoln County Public Works | Fuel for trucks | 245.37 |
| 10/18/2017 | 39425 | M & E Septic Service | Pump out storm water catch basins | 495.00 |
| 10/18/2017 | 39426 | MacPherson Gintner & Diaz | Professional services | 5,952.50 |
| 10/18/2017 | 39427 | Michael Richter | Refund - SB RV Park | 42.75 |
| 10/18/2017 | 39428 | National Photocopy Corporation | Server and IT support | 673.82 |
| 10/18/2017 | 39429 | Newport Booster Club | Advertising | 75.00 |
| 10/18/2017 | 39430 | Newport Fishermen's Wives | Sponsorship of 2018 calendar | 500.00 |



Operating Fund

September 16, 2017 through October 18, 2017

| Date | Num | Name | Memo | Amount |
|-------------|------------|---|--|-------------------|
| 10/18/2017 | 39431 | Newport News-Times | Advertising | 499.00 |
| 10/18/2017 | 39432 | Newport Rental Service | Husqvarna 3300 power washer | 799.95 |
| 10/18/2017 | 39433 | Newport Signs | Replacement numbers for parking lot signs - SB | 45.00 |
| 10/18/2017 | 39434 | OR Dept of Administrative Services | Fire proof file cabinet | 300.00 |
| 10/18/2017 | 39435 | Oregon Department of State Lands | Removal of materials permit renewal | 742.00 |
| 10/18/2017 | 39436 | Petty Cash | Office and operating supplies - SB | 55.91 |
| 10/18/2017 | 39437 | Pioneer Telephone Cooperative | Telephone | 227.15 |
| 10/18/2017 | 39438 | Platt | Electrical supplies | 89.95 |
| 10/18/2017 | 39439 | Pro-Build Company | Operating supplies | 16.49 |
| 10/18/2017 | 39440 | Sherwin-Williams | Paint and painting supplies | 188.19 |
| 10/18/2017 | 39441 | Special Districts Association of Oregon | Risk management training | 50.00 |
| 10/18/2017 | 39442 | Special Districts Insurance Services | Monthly health-dental-life insurance | 8,049.45 |
| 10/18/2017 | 39443 | Suburban Propane | Propane | 278.58 |
| 10/18/2017 | 39444 | T & L Septic Tank Service | Chemical toilet rental | 579.80 |
| 10/18/2017 | 39445 | Thompson's Sanitary Service | Trash disposal | 7,848.60 |
| 10/18/2017 | 39446 | Thompson's Transfer & Disposal | Trash disposal | 37.70 |
| 10/18/2017 | 39447 | Toyota Industries Commercial Finance | Forklift leases | 2,363.30 |
| 10/18/2017 | 39448 | Toyota Lift NW | Service call, equipment repairs | 118.49 |
| 10/18/2017 | 39449 | TWGW Inc NAPA Auto Parts | Equipment repairs | 25.85 |
| 10/18/2017 | 39450 | United Grocers - Cash & Carry | Office and cleaning supplies | 213.10 |
| 10/18/2017 | 39451 | Voya (State of Oregon Plan) | Monthly employee contributions | 50.00 |
| 10/18/2017 | 39452 | WA Department of Licensing | Vessel records | 0.60 |
| 10/18/2017 | 39453 | Xerox Corporation | Copier leases | 453.44 |
| 10/18/2017 | 39454 | Yaquina Bay Communications | Advertising | 150.00 |
| | | | Total | 126,457.19 |



NOAA Fund

September 16, 2017 through October 18, 2017

| Date | Num | Name | Memo | Amount |
|--------------|------------|--------------------------------------|--|------------------|
| 09/29/2017 | 13236 | Grainger | Operating supplies | 116.49 |
| 09/29/2017 | 13237 | Pioneer Telephone Cooperative | Telephone | 239.78 |
| 09/29/2017 | 13238 | Special Districts Insurance Services | Monthly health-dental-life insurance | 676.17 |
| 09/29/2017 | 13239 | TCB Security Services | Elevator phone monitoring | 20.00 |
| 09/29/2017 | 13240 | Thompsons Sanitary Service | August service | 367.70 |
| 09/29/2017 | 13241 | Verizon Wireless | Phone charges and mifi | 26.39 |
| 09/29/2017 | 13242 | White's Landscaping Service | Landscaping | 855.00 |
| 10/18/2017 | 13243 | All-Ways Painting | Deposit for common area painting contract | 3,600.00 |
| 10/18/2017 | 13244 | Alsea Bay Power Products | 4000 PSI pressure washer | 549.50 |
| 10/18/2017 | 13245 | AVS Elevator | Perform quarterly service | 487.26 |
| 10/18/2017 | 13246 | Carson Oil | Fuel for skiff and truck | 55.64 |
| 10/18/2017 | 13247 | Englund Marine & Industrial Supply | Dock repair supplies | 322.50 |
| 10/18/2017 | 13248 | Lincoln County Public Works | Fuel for truck | 21.74 |
| 10/18/2017 | 13249 | MC Dean | Travel time for DSPM lighting inverter repairs | 650.00 |
| 10/18/2017 | 13250 | Pioneer Telephone Cooperative | Telephone | 240.62 |
| 10/18/2017 | 13251 | Special Districts Insurance Services | Monthly health-dental-life insurance | 676.17 |
| 10/18/2017 | 13252 | Sunbelt Rentals | Equipment rental | 997.23 |
| 10/18/2017 | 13253 | Thompsons Sanitary Service | September service | 373.22 |
| 10/18/2017 | 13254 | Ultimate Pest Control | Pest control | 135.00 |
| Total | | | | 10,293.92 |



Construction Fund
July 16, 2017 through October 18, 2017

| Date | Num | Name | Memo | Amount |
|-------------|------------|-------------------------------------|---|-----------------|
| 09/12/2017 | 11845 | Department of Environmental Quality | Transfer of permits #1200C/1200Z, DEQ File #122669 | 188.00 |
| 10/02/2017 | 11846 | The Beckett Group | Prep of NIT 9-acre laydown area lease contract analysis | 2,970.00 |
| | | | Total | 3,158.00 |

**Port of Newport
Update Memo
Week ending October 19th, 2017**

Summary

CFO Selections began work at the Port of Newport on September 28th and through October 19th, been onsite at the Port for 5 working days.

Staff are hardworking, care about their work and appear to want a successful Port of Newport. Based on my interviews, there has been significant progress made in the past year to improve the accounting records, some processes and shorten the month-end close. The accounting team's time is stretched thin, but it appears this could be improved by improving the efficiency of processes and developing more consistent well-planned procedures.

In general, the accounting records appear to be in order, the accounting system is being used correctly and there are no alarming findings noted to-date. Work is ongoing to evaluate the Port's overall financial health.

Significant Accomplishments

Audit Update –

Todd Kimball worked with Port accounting staff to identify the remaining open items necessary to deliver a completed June 30, 2017 trial balance to the auditors. We made the last handful of year-end journal entries and then assembled the items per the auditor's request. We expect to deliver the packet by October 20th. This will then initiate the scheduling process with the auditors.

We are currently estimating the audit to be completed between the last week of December or the first two weeks of January. In the event the audit is not completed until January, we will file an extension with the Oregon Secretary of State. This timeline is dependent on the auditor's schedule.

Review of Internal Controls –

Check/Cash Receipts – In the main Port office, the opening of mail appears to be properly segregated from other finance responsibilities. The normal chain of custody also appears to be adequate for these receipts. It was noted that the checks were not immediately restrictively endorsed. We have since made a change to have the person opening the mail restrictively endorse the incoming checks. I also noted that during times of staff vacancy in the office, adjustments to mail opening procedures need revised.

For check/cash receipts at the South Beach office, work is ongoing to review internal controls.

Disbursements – While check stock is locked and proper steps are in place to ensure adequate check signatures are made, these steps alone are not sufficient. Check stock access should be segregated from staff who have access to the accounting system. Additionally, staff need to work with the bank to receive copies of cancelled checks (electronically or hardcopy), and implement a regular review process of these checks. One compensating control currently established is that department managers receive a list of detailed expenditures each month, and this process should continue.

Purchasing – The Port uses a manual system of Purchase Orders to ensure expenditures are authorized prior to purchase. While this is a good control, the PO's are not reviewed or approved by a department manager. Purchases under \$500 are reviewed and authorized by the Finance department alone, while purchases between \$500 and \$5,000 are approved by the Port Manager. I recommend the department manager become a required approver, as they would be in the best position to know the purpose, validity and necessity of the purchase. I also recommend the Port Manager delegate purchase approval authority to the department level for some amount less than \$5,000.

Financial Analysis –

Significant work has been initiated on preparing financial analysis for the Port. I'm preparing an analysis to compare the Port of Newport to many Oregon and Washington Ports that will help to evaluate the Port's financial health, strengths and challenges. I'm also preparing a restructured profit and loss statement to shift the categorization of lease revenue, assign capital maintenance needs to the department level, and allocate administration. Lastly, I'm developing long-term financial analysis of the International Terminal.

Processes -

Work has begun to evaluate various processes within the finance department and is ongoing. A couple inefficiencies, primarily around invoicing for services and moorage, have been identified and we're working to develop modifications.

SDIS

SDIS

Entity Name

Port of Newport

Contact Name

Karen Hewitt

Contact Email

khewitt@portofnewport.com

Contact Phone




541-265-7758

Total Discount %

10

| | Check Yes If completed | Yes | Help | More Information |
|---|---|-------------------------------------|------|---|
| Affiliate Membership - Is your organization a member of: | | | | |
| 1 | Oregon Fire District Directors Association (OFDDA)? | <input type="checkbox"/> | | i (http://www.ofdda.com) |
| 2 | Oregon Association of Hospitals and Health Systems (OAHHS)? | <input type="checkbox"/> | | i (http://www.oahhs.org/) |
| 3 | Oregon Fire Chiefs Association (OFCA)? | <input type="checkbox"/> | ? | i (http://www.ofca.org) |
| 4 | Oregon Rural Health Association (ORHA)? | <input type="checkbox"/> | | i (https://orha.wildapricot.org) |
| 5 | Oregon Water Resources Congress (OWRC)? | <input type="checkbox"/> | | i (http://owrc.org) |
| 6 | Oregon Mosquito and Vector Control Association? | <input type="checkbox"/> | | |
| 7 | Oregon Recreation and Park Association (ORPA)? | <input type="checkbox"/> | | i (http://www.orpa.com) |
| 8 | Oregon Public Ports Association (OPPA)? | <input checked="" type="checkbox"/> | | i (http://www.oregonports.com) |
| 9 | Oregon Association of Clean Water Agencies (ORACWA)? | <input type="checkbox"/> | | i (http://www.oracwa.org) |
| 10 | Oregon Association of Conservation Districts (OACD)? | <input type="checkbox"/> | | i (https://oacd.org) |
| 11 | Cemetery Association of Oregon? | <input type="checkbox"/> | | i (http://www.oregoncemeteries.com) |
| 12 | Oregon APCO-NENA? | <input type="checkbox"/> | | |
| 13 | Oregon Transit Association (OTA)? | <input type="checkbox"/> | | i (http://www.oregontransit.com) |
| 14 | Oregon People's Utility Districts Association (OPUDA)? | <input type="checkbox"/> | | i (http://www.opuda.org/) |
| 15 | Oregon Association of Water Utilities (OAWU)? | <input type="checkbox"/> | | i (http://www.oawu.net) |
| 16 | Oregon Library Association (OLA)? | <input type="checkbox"/> | | i (http://www.olaweb.org) |
| 17 | Oregon Economic Development District Association (OEDD)? | <input type="checkbox"/> | | i (http://www.oedd.org/) |
| 18 | Oregon PRIMA? | <input type="checkbox"/> | ? | i (http://orprima.org) |

Discriminatory Workplace Harassment Policy

| | Check Yes if completed | Yes | Help | More Information |
|---|--|-------------------------------------|------|---|
| 19 | Does your organization have a Discriminatory Harassment Policy on file? | <input checked="" type="checkbox"/> | |  (http://ref.sdao.com/sample/SampleHarassmentPolicy.pdf) |
| Employment Practices Checklist | | | | |
| 20 | Do you have a written hiring process? | <input checked="" type="checkbox"/> | | |
| 21 | Do you require background checks/drug tests? Are those policies in place? | <input type="checkbox"/> | | |
| 22 | Have you reviewed your job application forms/procedure? | <input checked="" type="checkbox"/> | | |
| 23 | Have you done a semi-annual review of your District Personnel Policies? | <input type="checkbox"/> | | |
| 24 | Have you updated your job descriptions in the last year? | <input checked="" type="checkbox"/> | | |
| 25 | Have you done recent (annual) performance evaluations of all employees? | <input checked="" type="checkbox"/> | | |
| 26 | Have you reviewed employee positions and duties for compliance with wage and hour laws? | <input type="checkbox"/> | | |
| 27 | Have you reviewed your discipline/discharge policy? | <input checked="" type="checkbox"/> | | |
| 28 | Are your managers clear on steps when discipline is required? | <input type="checkbox"/> | | |
| 29 | Does your District have to comply with OFLA/FMLA? Is your leave policy consistent? | <input type="checkbox"/> | | |
| 30 | Do you have a plan for staff trainings/education? | <input type="checkbox"/> | | |
| 31 | Do you have a policy regarding on the job injury and claims handling? | <input checked="" type="checkbox"/> | | |
| 32 | Have you considered/discussed a light duty work policy? | <input type="checkbox"/> | | |
| 33 | Do you call Pre-Loss before making any adverse employment decision? | <input type="checkbox"/> | | |
| Online Training - Employee | | | | |
| 34 | Has your organization completed the SafePersonnel "Discrimination: Avoiding Discriminatory Process or Sexual Harassment: Policy and Procedure" Training? | <input checked="" type="checkbox"/> | ? |  (http://www.sdao.com/s4/onlinetraining) |
| SDAO-SDIS Training - Has a representative from your organization attended: | | | | |
| 35 | 2017 SDAO Annual Conference? (pre-conference sessions are also eligible). | <input type="checkbox"/> | ? |  (http://www.sdao.com/ac) |
| 36 | SDAO/SDIS spring, summer, or fall regional trainings? | <input checked="" type="checkbox"/> | |  (https://www.sdao.com/EventList?InitialText=regional) |
| 37 | SDAO/SDIS onsite risk management training conducted by SDAO risk management staff or management consulting staff during the current policy year (2017)? | <input type="checkbox"/> | | |
| 38 | Board Practices Assessment provided by the SDIS Consulting Services Program? | <input type="checkbox"/> | ? | |
| 39 | OFDDA - SDIS Fire District Risk Management Training? | <input type="checkbox"/> | | |

M E M O

DATE: 10/6/2017
RE: Human Resource Management at the Port
TO: Aaron Bretz, General Manager Pro Tem
FROM: Karen Hewitt, Administrative Assistant

I wanted to follow up on some concerns Commissioners had regarding Human Resources. They seemed to think the Director of Finance was also the Human Resources Manager. I believe this is because Human Resource Management was included in the job announcement under Knowledge/Skills/Abilities.

In practice, the human resource functions are distributed among the management team. (See attached job descriptions.) The General Manager has three direct reports: the Director of Finance, the Director of Operations, and the Administrative Assistant. He is responsible for the recruitment, hiring, performance reviews, discipline, training and support for these roles. Similarly, the Director of Finance and the Director of Operations perform these functions in relation to their staff. The Director of Finance also administers benefits and payroll. The overall leadership and management remains under the duties of the General Manager.

I think this would reassure the Commission that the primary responsibility for Human Resources lies with the General Manager and is supported by management staff.

**PORT OF NEWPORT
POSITION DESCRIPTION**

GENERAL MANAGER

Position Overview

The General Manager for the Port of Newport is responsible for the overall administration of the Port's fiscal and personnel management, development and maintenance of all Port facilities and properties, and other tasks as assigned by the Port Commission. The General Manager serves at the will of, reports directly, and is accountable to the Port Commission.

Summary of Essential Duties

1. Responsible for leading the Port in its efforts to implement the goals and strategies outlined in its Strategic Business Plan, and to envision and accomplish sound business initiatives.
2. Responsible for marketing and outreach programs and representing the Commission in relationships with customers, local, state and federal officials, and the community.
3. Implements and maintains positive relationships with community resources, other critical users of Yaquina Bay, nearby Ports, and the media.
4. Responsible for all appointments, disciplinary actions, terminations and other personnel management actions for Port employees, and supervises/coordinates the activities of independent contractors when engaged in Port business.
5. Coordinates the activities of all consultants to the Commission, including legal counsel, planners, auditors, architects and engineers.
6. Provides the Commission with current information regarding business trends, market conditions, and opportunities relevant to the Commission's short and long-term goals.
7. Responsible for preparation, submission and adherence to the Port's annual operating budget and capital improvement planning in strict compliance with applicable Oregon budget law.
8. Provides leadership, direction and training to Port staff, always seeking to improve the overall efficiency, effectiveness and public perception of Port operations and personnel, and constantly striving to maximize staff's potential as individuals and as a team.
9. Regularly reviews Port departmental policies and procedures, and revises when appropriate, in consultation with the Port Commission.
10. Supervises and coordinates negotiation of rental/lease agreements, collective bargaining agreements, and other related business transactions.
11. Responsible for the regular inspection and timely maintenance of all Port facilities, compliance with all applicable laws and regulations, and the securing of all permits from regulatory agencies necessary to conduct Port business.

PORT OF NEWPORT
POSITION DESCRIPTION
GENERAL MANAGER

Page 2

12. Oversees the scheduling of all Commission meetings following the guidelines of Oregon Public Meeting Laws. Attends all meetings unless excused by the Commission.
13. Assists the Commission in developing and maintaining communication with the Commission's constituency.
14. Performs other duties and responsibilities as assigned by the Commission.

Working Conditions

Primarily in an office setting with some travel. Requires weekend and evening work, often with intensive interaction with other individuals and groups. Extended hours of work may be required without additional compensation.

Contact with Others

Considerable contact with persons from within and outside the Port offices, including public speaking and communicating with federal/state/local officials, clients, tenants, contractors, union representatives, consultants and the general public.

Preferred Experience, Training and Knowledge

A Bachelor's degree in business administration, public administration or a related field. Experience should include personnel management, fiscal budget management and/or an equivalent combination of training, education and experience which demonstrates the knowledge, skills and abilities necessary to successfully perform the essential duties of the job.

A thorough knowledge of and/or the ability to continue to learn the practices of general port operations, economic development, personnel practices, public budget practices, property management, maritime commerce, operation of marine facilities and docks, dredging and wetland management practices including local, state and federal permitting processes are preferred.

Skills and Abilities

Proficiency in using information technology resources is desirable. Must be able to communicate effectively verbally and in writing; direct and supervise the work of others; maintain effective working relationships with Commissioners, staff, government representatives, the media, consultants, clients, union representatives and the general public; establish priorities; delegate job duties; accomplish goals and objectives; manage diversity; and act effectively as the General Manager of the Port.

Licenses

Valid driver's license and must be insurable by Ports insurance provider.

POSITION TITLE

Director of Finance

DEPARTMENT/DIVISION

Accounting/Main Office and
Newport Marina at South Beach

FLSA: Exempt

DATE: 4/11/16

Salary Range: \$65,000-
85,000

IMMEDIATE SUPERVISOR (Title)

General Manager

NO. OF EMPLOYEES DIRECTLY

SUPERVISED: 4

NO. OF EMPLOYEES

INDIRECTLY SUPERVISED: 5

POSITIONS SUPERVISED BY THIS POSITION (Titles): A/R Clerk, A/P Clerk, South Beach Marina Office
Manager, Marina Receptionist Clerk(s).

POSITION OBJECTIVES

1. Ensure that proper internal controls are in place to safeguard the assets of the Port of Newport.
2. Ensure the timely and accurate reporting of Port financial information to appropriate parties.
3. Monitor the computer systems of the Port of Newport and determine when replacements are necessary.
4. Review Port capital investment decisions and policies.
5. Participate in and contribute to overall Port management decisions.
6. Assist in management of the capital construction projects as it relates to the finances of the Port.

SUMMARY OF DUTIES AND RESPONSIBILITIES

1. Maintain policies and procedures to ensure the daily and monthly accounting meets the established timelines.
2. Prepare the month-end and year-end closing procedures.
3. Prepare monthly financial statements to staff and Port Commission.
4. Responsible for the preparation of year-end audit schedules.
5. Ensure that purchase authority guidelines are met and that purchases fall within the Port's cash flow.
6. Participate in the annual budget process and ensure that all timelines are kept.
7. Monitor the Port's computer systems and make recommendations for upgrades and replacement.
8. Hire, direct, and support finance department staff to ensure their ability to work in a team relationship.
9. Ensure that internal control procedures are in place as prescribed by Port auditors.
10. Provide Dept. Heads with monthly earned leave reports.
11. Provide staff support to the General Manager as required.
12. Maintain information on all Port assets.
13. Represent the Port in professional organizations and related ancillary activities.
14. Assist the management staff in development of personnel.
15. Maintain an understanding of the internal operating requirements, the significance to the Port's legal and business requirements, and the areas of potential change, for each revenue center.
16. Maintain a thorough knowledge of Port business plans and conditions, assets, governmental relationships, and political and public policy issues.
17. Contribute to the evaluation and solution of Port-wide problems/issues as they are brought to the General Manager and Harbormasters.
18. Responsible for securing and managing all Port insurance coverage. As directed, solicit proposals for insurance agent of record and auditor.
19. Administration of employee benefit plans, including retirement and medical coverage.

PROBLEMS ENCOUNTERED

- Port's cyclical financial situations due to the seasonal nature of Port business.
- Revenue declines due to downturns in traditional resource-based industries.
- Due to staff shortages, a large percentage of time is spent participating in day-to-day accounting activities.
- Time to establish sufficient levels of analysis related to decisions and planning activities.
- Time to establish prudent policies with respect to support services and applying them internally and externally.

WORKING ENVIRONMENT

Office. Most duties performed seated at computer station. Standing and occasional kneeling and bending required for purposes of reaching for files, etc. Ability to lift up to 50 pounds.

POSITION TITLE: Director of Finance

DATE: 4/11/16

Page 2

WORKING RELATIONSHIPS

Internal: Accounting staff, other employees, and Commission to request and distribute information as directed.

External: Port auditors, attorneys, consultants, creditors, customers, Port tenants, professional and public groups.

EDUCATION PREFERRED

Successful completion of a full four year course of study through an accredited college, university or trade school leading to a Bachelor's degree that includes a major field of study and specific course requirements generally associated with government or fund accounting; and five years progressively responsible experience in all of the following: public accounting, finance management, data processing, supervising, business administration and public budget preparation and monitoring.

SKILLS AND KNOWLEDGE PREFERRED

Must have strong interpersonal, communication and managerial skills as well as extensive knowledge and experience in municipal budget law, governmental, fund and advanced financial accounting. Must be energetic, articulate and professional to take the Port of Newport to the next level of excellence in the quest to continue to have the best finance department in the State's port industry.

OTHER

1. Willingness to work long hours.
2. Willingness to travel, sometimes overnight or for extended periods, if necessary.
3. Willingness to provide own transportation for travel.

Normal working hours are Monday through Friday, from 8:00 a.m. to 5:00 p.m. Position will require attendance at regular monthly commission meetings, some early morning staff meetings, evening hours, and occasionally on weekends. This is a salaried position.

This description is an outline of the major recurring responsibilities of the job. It is not intended to be all inclusive of the work to be performed. Other related job objectives, special assignments, and responsibilities will typically be performed.

Approved by General Manager

Employee Signature

Date

L:\PERSONNE\JOB-DESC\dir of finance.doc

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:**
See below.

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.

POSITION TITLE: Director of Operations

DATE: 6/23/2015

PAGE 2

6. SERVICES

- A. Works with the Facility Managers/Harbor Masters 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.

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.

L:\PERSONNEL\JOB DESCRIPTIONS\ops mgr (2).doc

POSITION TITLE: Director of Operations

DATE: 6/23/2015

PAGE 3

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 capital projects:
 - a. Commercial Dock/Piling/Pedestal Replacement (part of 1)
 - b. Rogue Brewery offsite improvement expansion
 - c. Terminal shipping facility
 - d. Admin/Security building
 - e. Port Dock-7 Redesign

3. Evaluate staffing issues. Analyze concept of work crew made upon combined north/south workers to complete specific projects. Evaluate skills and cross train.
4. 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

From: [Richard Stellner](#)
To: [Aaron Bretz](#)
Cc: [Karen Hewitt](#)
Subject: Draft C job description / recruiting process V2
Date: Friday, October 20, 2017 2:52:51 PM
Attachments: [GM Position Description draft Oct2017 C.doc](#)
[GM recruiting process Oct2017 V 2.docx](#)

Hi everyone –

It was great to meet most of you Wednesday afternoon, and thank you for taking the time out of your days for the work session. I've compiled all the feedback from the meeting into the attached GM job description draft C and GM recruiting process version 2. My one follow up comment is when I polished up the JD, there is enough space on the 2 pages to fit everything. There was a suggestion to compress the Essential Duties to be on page 1 only; however, there is adequate space for all 14 bullet points, with a few on page 2. If still desired to have all Essential Duties on page 1 only, bullets 12 and 13 would be my suggestion for deletion/compression.

It will be great for these documents to be approved at the October 30 meeting. If yes, we can go forward with the advertising of the position.

Please reach out anytime if you have any questions, comments, or suggestions. This is my new PON email address for this recruitment.

Thanks,
Richard
Tel 503-998-4577
rstellner@portofnewport.com

**PORT OF NEWPORT
POSITION DESCRIPTION**

Rev. October 30, 2017

GENERAL MANAGER

Position Overview

The General Manager for the Port of Newport is responsible for the overall administration of the Port's fiscal and personnel management, development and maintenance of all Port facilities and properties. The General Manager serves at the will of, is accountable to, and reports directly to the 5 member elected Port Commission.

Summary of Essential Duties

1. Responsible for leading the Port in its efforts to implement the goals and strategies outlined in its Strategic Business Plan, and to envision and accomplish sound business initiatives.
2. Responsible for marketing, economic development, revenue creation, outreach programs. Represents the Commission in relationships with customers, local, state and federal officials, and the community.
3. Implements and maintains positive relationships with community resources, other critical users of Yaquina Bay, nearby Ports, and the media.
4. Responsible for all appointments, disciplinary actions, terminations and other personnel management actions for Port employees, and supervises/coordinates the activities of independent contractors when engaged in Port business.
5. Coordinates the activities of all consultants to the Commission, including legal counsel, planners, auditors, architects and engineers.
6. Provides the Commission with current information regarding business trends, market conditions, and opportunities relevant to the Commission's short and long-term goals.
7. Responsible for preparation, submission and adherence to the Port's annual operating budget and capital improvement planning in strict compliance with applicable Oregon budget law.
8. Provides leadership, direction and training to Port staff, always seeking to improve the overall efficiency, effectiveness and public perception of Port operations and personnel, and constantly striving to maximize staff's potential as individuals and as a team.
9. Regularly reviews Port departmental policies and procedures, and revises when appropriate, in consultation with the Port Commission.
10. Supervises and coordinates negotiation of rental/lease agreements, collective bargaining agreements, grant writing and other related business transactions.
11. Responsible for the regular inspection and timely maintenance of all Port facilities, compliance with all applicable laws and regulations, and the securing of all permits from regulatory agencies necessary to conduct Port business.
12. Oversees the scheduling of all Commission meetings following the guidelines of Oregon Public Meeting Laws. Attends all meetings unless excused by the Commission.

13. Assists the Commission in developing and maintaining communication with the Commission's constituency.
14. Performs other duties and responsibilities as assigned by the Commission.

Working Conditions

Primarily in an office setting with some travel. Requires weekend and evening work, often with frequent interaction with other individuals and groups. Extended hours of work may be required without additional compensation.

Contact with Others

Considerable contact with persons from within and outside the Port offices, including public speaking and communicating with Commission, federal/state/local officials, recreational and commercial fishers, clients, tenants, media, contractors, union representatives, consultants and the general public.

Minimum Experience, Training and Knowledge

- A Bachelor's degree in business administration, public administration or a related field, or equivalent.
- 7 years' experience in a senior leadership role managing people, projects and finances; and/or an equivalent combination of training, education and experience which demonstrates the knowledge, skills and abilities necessary to successfully perform the essential duties of the job.

Preferred Experience, Training and Knowledge

- 3 years' experience in a general manager type role, reporting to a board of directors.
- Experience in general port operations;
- economic development;
- personnel practices;
- public budget practices;
- property management;
- operation of marine facilities and docks; and
- dredging and wetland management practices including local, state and federal permitting processes and compliance.
- Port related experience in maritime commerce and operation of marine facilities and docks.

Skills and Abilities

- Proficiency in using computers, Microsoft Office software and databases.
- Ability to communicate effectively verbally and in writing.
- Ability to direct and supervise the work of others.
- Skilled in effective working relationships with Commissioners, staff, government representatives, commercial and recreational fishers, the media, consultants, clients, union representatives and the general public.
- Skilled in negotiating complex agreements.
- Ability to establish priorities, delegate job duties; accomplish goals and objectives; manage diversity; and act effectively as the General Manager of the Port.

Required Licenses

Valid driver's license and must be insurable by Ports insurance provider. Ability to obtain a TWIC card.

Date: October 20, 2017
To: Port of Newport Commission
From: Richard Stellner, Human Resource Management Consultant
Re: Proposed General Manager Recruiting Selection Process, **Version 2**

APPLICATION

For initial consideration, candidates must submit a complete application package, including resume, cover letter, completed Port employment application, and if applicable, Veterans' Preference documents by the first review date of **Dec 8**. Incomplete submissions will receive one email reminder to please submit missing items.

MINIMUM QUALIFICATIONS

Complete application candidates will first be reviewed by HR Consultant to determine if each candidate meets the position's minimum qualifications.

Veterans' Preference candidates who meet minimum qualifications will advance to the interview process. Veterans' Preference candidates who initially appear to not meet minimum qualifications will receive a secondary review with HR Consultant and Port General Counsel to determine if military experience listed is transferable to position's minimum qualifications. If yes, candidate will advance to interview process. Veteran candidates who do not meet minimum qualifications after secondary review will not advance in selection process.

INITIAL RANKING OF NON-VETERAN PREFERENCE CANDIDATES

Non-Veteran Preference candidates who meet minimum qualifications will be reviewed and ranked by HR consultant.

Depending on total number of candidates, HR Consultant will present the top **10 – 15** candidate applications, including all qualified Veterans, to Commission for review and ranking.

COMMISSION INITIAL READING AND REVIEW

Send resume packet to Commissioners = **mid December**

Full Commission meets to decide (or send ranking to HR consultant prior to meeting) = **December 19** work session

Commissioners will review and rank applications with their top 5 candidate selections. The goal is to select a list of approximately 7 – 10 semi-finalists, including all Veteran Preference candidates, for telephone interviews.

TELEPHONE INTERVIEWS = **early January , 2 afternoon half days**

A full Commissioners and HR Consultant will conduct telephone interviews of semi-finalists.

Results of phone interviews shared with full Commission to select **3 – 5** finalists, including all Veteran Preference candidates, for in person interviews.

PORT FACILITY TOUR / EVENING COMMUNITY MEET & GREET = date

First day of in person interview process. Two Commissioners and all finalists take Port tour together, followed by evening Happy Hour with each candidate giving a 5 minute introduction speech.

IN PERSON INTERVIEWS = date

Second day for panel interviews. Two simultaneous interview panels:

- Commission
- Community & Staff

Interview questions consistently asked of all candidates, allowing time for candidate specific follow-up questions by panelists.

LUNCH on panel interview day = five separate small groups will go for lunch at a different local restaurant. Each group will have: 1 candidate, 1 Commissioner, 1 staff member, and 1 member of community panel.

Community/Staff panel will provide feedback to Commission in Executive Session at end of the day.

PANEL INTERVIEW SCORING

Commissioners will individually score each candidate on the following 100 point scale:

| | |
|---|---------------------------|
| People / Personnel Management / Diversity | up to 20 points possible |
| Projects / Track Record of Success | up to 20 points possible |
| Finance | up to 20 points possible |
| Job Knowledge (Port operations, fishing & maritime commerce, property management, facility maintenance, etc.) | up to 15 points possible |
| Community Involvement | up to 5 points possible |
| Economic Development | up to 5 points possible |
| Government Experience, working in or with govt. from private sector | up to 5 points possible |
| Public Relations / Communication | up to 5 points possible |
| Ethics | up to 5 points possible |
| | <hr/> |
| | Total 100 points possible |

HR Consultant will collect scores from each Commissioner at end of the panel interview day.

Each candidate's score from each Commissioner will be added, and then divided by 5 to give average score. To this average score, Veteran candidates will receive 5 additional points, and disabled Veteran candidates will receive 10 additional points.

If Commission comes to a consensus on a top candidate, HR consultant will negotiate offer to candidate while also conducting final background checks.

If acceptable offer is agreed to by candidate, Commission will vote in public meeting to accept interview scores and approve offer letter to candidate.



FINANCE DEPARTMENT MONTHLY REPORT

DATE: 10/30/2017
PERIOD: September 1 to September 30, 2017
TO: Port of Newport Board of Commissioners
ISSUED BY: Mark Harris, Staff Accountant

OVERVIEW

Financials:

Financial statements as of September 30, 2017 have been included in the meeting packet.

Administration Office:

With the excellent assistance from Todd Kimball of CFO Selections, LLC, the fiscal year 2016-17 accounting and year-end close have been completed. The Port's accounting records have been submitted to Grimstad & Associates for audit.

The insight and support provided by Todd Kimball of CFO Selections, LLC was greatly appreciated. In the time allotted, he was able to review the Port's accounting system and internal controls, test the accuracy of several complex transactions, assist with the 2016-17 fiscal year-end close and audit prep, support changes to streamline several procedures, and identify the need for additional staff support.

The Finance Department has taken on an accounting intern through Crymes Vocational Consulting and Lane Community College. The internship will begin on November 6 and extend through January 2018. Experience in various accounting functions is required as part the participant's education program. The Port is set to receive \$28 per college credit hour received by the intern.

South Beach RV Park and Marina:

A summary of activity and the occupancy report for September 2017 have been included in the meeting packet. Year-to-Date occupancy increased an average of 18% over prior year-to-date resulting in a \$30k increase in revenues.

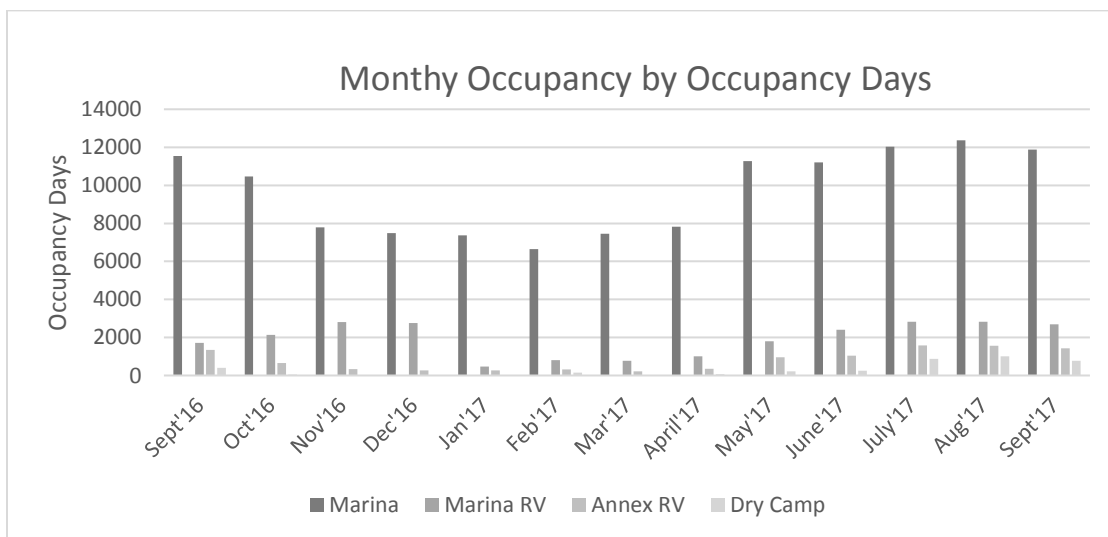
September 2017 Occupancy Report

To: Port of Newport Commissioners

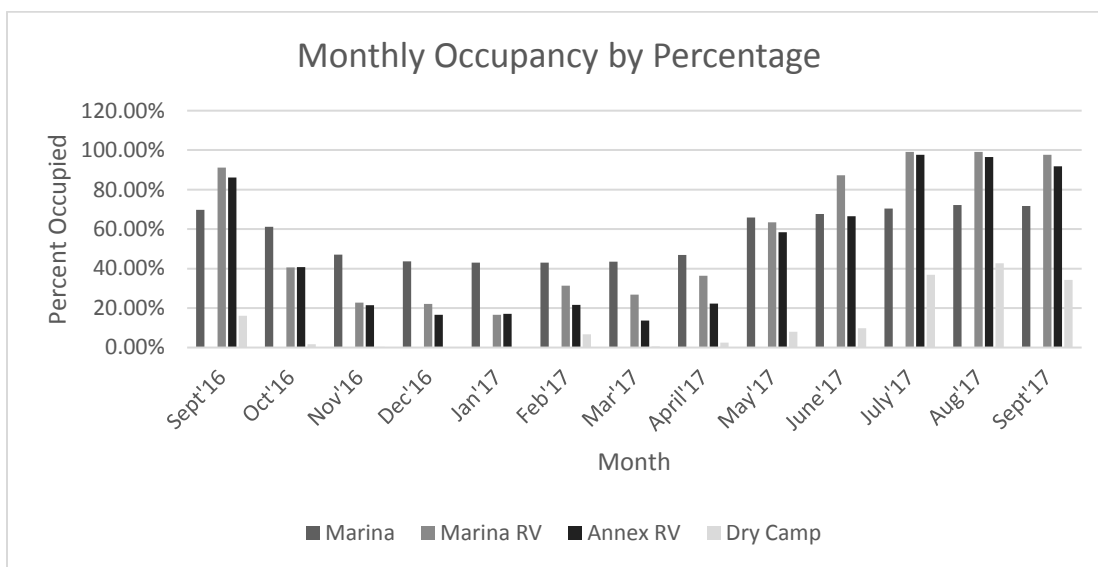
From: Bill Hewitt, South Beach Marina and RV Parks Manager

September revenue numbers for all South Beach operational areas were up from September 2016. In addition all revenue numbers are up year to date in all South Beach facilities. Nice weather along with good crabbing, fishing and hard work have kept us ahead of last year's pace. Our staff has been very busy booking reservations and attending to our customers' needs. We took in roughly \$70,000 on October 1 for monthly reservations for next year. That was only for the first month reserved, if we factor in total months reserved that translates to about \$250,000 worth of business generated so far for 2018. We also have booked eight groups so far for 2018 for additional revenue of \$20,000. South Beach is off to a quick start for next year.

| OCCUPANCY DAYS MONTH & TYD | | | | | | |
|---------------------------------------|-------------|-------------|---------------|-----------------|-----------------|---------------|
| Sept'17 | 2016 | 2017 | Change | YTD 2016 | YTD 2017 | Change |
| Marina | 11549 | 11874 | 2.81% | 86093 | 87945 | 2.15% |
| MarinaRV | 1723 | 2696 | 56.47% | 15081 | 15611 | 3.51% |
| AnnexRV | 1343 | 1433 | 6.70% | 7378 | 7707 | 4.46% |
| Dry Camp | 409 | 772 | 88.75% | 2077 | 3345 | 61.05% |



| OCCUPANCY PERCENT MONTH & TYD | | | | | | |
|--|---------------|---------------|---------------|-----------------|-----------------|---------------|
| Sept'17 | 2016 | 2017 | Change | YTD 2016 | YTD 2017 | Change |
| Marina | 69.74% | 71.70% | 1.96% | 56.92% | 58.36% | 1.44% |
| Marina RV | 91.96% | 97.68% | 5.72% | 59.82% | 62.15% | 2.33% |
| Annex RV | 86.09% | 91.86% | 5.77% | 51.78% | 54.29% | 2.51% |
| Dry Camp | 16.04% | 34.31% | 18.27% | 10.10% | 15.91% | 5.81% |





DIRECTOR OF OPERATIONS / INTERIM GENERAL MANAGER'S REPORT

DATE: 10/18/2017
PERIOD: September 2017 – October 2017
TO: Port of Newport Board of Commissioners
ISSUED BY: Aaron Bretz

OVERVIEW GENERAL MANAGER:

MILDRED C is back in Newport. I have contacted Coast Guard Marine Safety Unit Portland to request that our marinas, the NOAA moorings, and the NIT be designated as “limited geographic areas” so that we can get a proper exemption from the coming requirements of Subchapter M.

Road and Driveway performed work at the NIT. This work maintains the open construction permit for work at the International Terminal for another six months.

I spent time this month working on assessing repairs and improvements to the old Cherry Farm adjacent to NOAA for the purpose of considering a lease agreement with DulsEnergy. See attached email and estimate by Civil West Engineering.

I've initiated permitting for 6 new pilings to replace broken and missing pilings on PD 7 and PD5. I have not yet identified funding, but this was a fairly recent discovery/decision to attempt to perform the work. I would like to have the permits in place so that we can move forward with the repairs if the opportunity presents itself. This will depend on overall cost (particularly mobilization costs).

ACOE dredging at South Beach Marina is to commence in early January.

We filled the vacancy (created by Don Moon's departure to the NIT) in the Commercial Dock crew with temporary labor. It took approximately three weeks to get one applicant, and we hired him only after raising our rate. It was Cardinal Services' opinion that our wage steps at the Port are significantly low, even when considering our benefits package. With the job requirements we have, Cardinal recommended a starting wage that was off the step scale for that position.

NEXT MONTH CALENDAR/MEETINGS:

South Beach Staff Meeting, 11/01
Fishermen's Appreciation Day, 11/03
Commercial Fishing User Group, 11/06
Safety Committee, 11/07
Veteran's Day (Observed), office closed 11/10
LNG Facility Tour, 11/13
SDAO Risk MGMT Training, 11/14
Comm Dock Crew Meeting, 11/15
Area Maritime Security Council Meeting, 11/16

Dept. Head Meeting, 11/21
Thanksgiving, office closes at 12:00 on WED, 11/22
Regular Commission Meeting, 11/28

OVERVIEW DIROPS

Summary:

Upcoming project will be the RV dump station in South Beach. This project was in the capital improvements list for this fiscal year, and we want to get started before the rain picks up. Quotes are coming in, and we should be able to start up in the coming weeks.

Met with the Chamber of Commerce to plan for Seafood and Wine Festival. This year we will work to make the agreement letter more specific to outline expectations for cleanup and use of tarpaper under concrete curbs to prevent asphalt damage.

Detail:

- **Commercial Marina:** Received their new forklift the second week of September
- **South Beach:** Notice to Proceed has been issued to the contractor to start dredging marina in January

International Terminal – Don Moon, Interim Superintendent

Billable Services Performed this Period (September):

- | | |
|---|--|
| <input checked="" type="checkbox"/> Forklift – 20 Hrs | <input checked="" type="checkbox"/> Moorage – 53 Days |
| <input checked="" type="checkbox"/> 30 Ton Hydraulic Crane – 10 Hrs | <input checked="" type="checkbox"/> Dock Tie Up – 192.75 Hrs |
| <input checked="" type="checkbox"/> Labor – 15.5 Hrs | <input checked="" type="checkbox"/> 120V power – 11 Days |
| <input checked="" type="checkbox"/> Other (Net Work) – 14 Days | <input checked="" type="checkbox"/> 208V power – 27 Days |

Special Projects: *(Not regular maintenance & repair tasks. Enter project name and notes)*

- Completed** **In Progress** Annual mobile Crane Certification & Service completed on 8/23/17
- Completed** **In Progress** The Northwest National Marine Renewable Energy Center (NNMRC) conducted a site visit for the Terminal on 9/11/17, Interim Port Manager also attended.
- Completed** **In Progress** Updated FSP with new contact info and other minor edits. Submitted via email on 9/18/17.
- Completed** **In Progress** MTSA quarterly drill due before end of September. Working on drill scenario.
- Completed** **In Progress** PCSNW scheduled for dock piling cathodic protection annual maintenance and inspection on 9/26/17
- Completed** **In Progress** Working on refurbishing older flatbed trailer that was sitting in FWT lot for years. Planning to use for new security fencing.
- Completed** **In Progress** Planning on adding security cameras at Terminal with Siuslaw Broadband in the near future, dates yet to be confirmed.

Other: Submitted proposals for new NIT Forklift, Working with Ryley Wienert on pothole repair.

Disposed of old Jones container from lot storage via Dave Huguley.

Commercial Marina – Kent Gibson, Harbormaster

Billable Services Performed this Period:

Forklift – 101.75Hrs

Hoist Dock Crane(s) - 4Hrs

30 Ton Hydraulic Crane - Enter #.Hrs

Dock Tie Up – 178.50Hrs

Launch Tickets - Enter #. passes sold

Other (Labor) – Hrs

Special Projects: *(Not regular maintenance & repair tasks. Enter project name and notes)*

Completed InProgress Rebuilt wooden deck and railing at the top of dock 7 ramp that covers the main electrical wires going to Dock 7.

Completed InProgress Installed 5 custom made pile hoops at the end of Dock 5C where new 20' piles were installed.

Other:

NOAA MOC-P – Jim Durkee, Facility Manager

Special Projects:

Completed In Progress NOAA Recreational Access. Billeter Marine has assembled and placed floats. Awaiting transition plate and pile-hoop installation.

Completed In Progress NOAA 2017 Painting. Security clearance paperwork handed in to NOAA. Painting expected to begin by the end of October and be completed by mid November.

Other:

Vessels Using the Facility Since My Last Report – Bell M. Shimada, OSP Guardian, R/V Sikuliaq, R/V Roger Revelle, ACOE Dredge Yaquina.
For 2017, 1766 passengers have crossed the bar on vessels using the NOAA wharf.

Office Occupancy Admin Building – 63 Work Stations Total, 48 Occupied
Warehouse Bldg. – 23 Work Stations Total, 11 Occupied
Occupancy Rate – 69%

- I replaced a broken chain holding one of the camels in place along the pier with help from Chris Urbach. There are 59 other chains that will need to be replaced at some point before they break.

- While under the pier we filled a void in the concrete that was discovered by the ODOT inspection team, somehow this was missed during post construction inspections.
- Annual inspection was performed on the cathodic protection system for the pier's pilings by PCS. There was an issue with the west zone that will require a follow-up visit.
- Coastal Refrigeration performed the annual inspection and maintenance of all the AC, heating, and air handling units other than the Liebert which was already done.
- M.C. Dean returned to do some warranty work on the lighting inverter on the pier. New parts were installed and the inverter is back on-line.
- Central Coast Excavating vacuumed out all of the storm-water catch basins in the lot and on the pier. This is an annual service.

S. Beach Marina & RV – Chris Urbach. Harbor Master

Billable Services Performed this Period:

☒ Launch Tickets – 1577 passes sold

Special Projects

I have a tentative time for starting the RV dump station the middle of November. Central Coast Excavating

Other:

The city has completed the clearing and planting of grass in the roundabout and we have plans to put the buoy from NOAA in the center of it sometime in November.

We had some vandalism in the marina men's shower someone broke into one of the quarter machine and destroyed it I have a new one on order.

We have closed the overflow camping area for the season.

The Angel Job Corp. Has started the wall on the men's marina bldg.

The city has removed 3110 yards of sand from Mt. NOAA for the bay front project.

Morris Excavation bought and removed 210 yards of sand in September.

We had new LED lights installed on the cross over dock from B to A dock and this will close the SDAO safety grant that we received last fiscal year.

Volunteer Work Crews- The Mates

- Assisted Karen in the file room at the NIT
- Assisted in planning the Fishermen's Appreciation Day

Karen Hewitt

From: Evan Hall <evanehall@hotmail.com>
Sent: Tuesday, September 19, 2017 2:02 PM
To: Aaron Bretz
Subject: PON/ Rondys Inc

Hello Aaron-

I wanted to outline a few issues that I would like to start looking at with the Port in order to move Rondys' development opportunities forward. Much of it centers around the use of the Ports property at the potential shipping facility location. Im not sure how the discussion for that site has progressed among the Commission. I also see in the minutes for the next meeting that there is no discussion on the shipping facility or simply shipping at the NIT. Ive had more conversations with John May and it appears that another opportunity is on the doorstep, but has there been any progress on the underlying use issues at the NIT?

We do want to help facilitate the Ports future use at that site, so Im trying to incorporate those considerations into our plans. For example, if Rondys improves the access and installs utilities across Bay Blvd, down to the center of McLean Point, would the Port be interested in cost sharing or cost recovery options in order to install pull boxes, water main Ts, and other franchise access that may be needed at the Ports property (at the proposed shipping facility site).

What is the Ports intent for the wetlands on the Ports property? We have an unsigned agreement for a shared mitigation site in which Rondys provided onsite mitigation and the Port covered the construction costs. Rondys is prepared to move ahead filling and mitigating wetlands on our property, doing this without the Port changes the deal. While we do want to help the Port prepare their site, we will not hold the identified mitigation area indefinitely.

Related to the wetland issue, if the Port does not fill their wetlands, Rondys would like to work with the Port to make sure there are no negative affects to our planned storm water drainage system. This would entail creating some sort of ditch or swall to treat and direct water from the Port property into our system.

We would also like address the dredge spoils. Previously, the Port and Rondys were going to split the use of that fill. The Port was going to prepare the Rondys property prior to the spoils being dispersed and graded in order to satisfy the terms of our Lease Agreement. Im still not certain the best way to handle this, but at a minimum I could see Rondys moving and grading of the spoils on our property if the Port could supply the spoils at cost.

The final issue/question is for one of the roadway easements we developed with the Port. This is for the NW Natural access road. What is the status of that three-way agreement? I had not heard if it had been forwarded on to NW Natural for their review or not. I believe this agreement could be executed regardless of activity on the Ports site, it only benefits future access/uses. However, if the Port does not want to continue this easement agreement, Rondys will seek to clarify terms with NW Natural on our own.

I might add that we are still open to the floating dock idea and expanding/ reorganizing the fishermans gear yard, but at this point, the ball is in your court to move forward. The basic idea being that Rondys could build the infrastructure if the Port took on some sort of lease agreement to operate the dock and yard (unsure of best solution for dredging needs). Again, this is in an effort to ease pressure on the commercial fishing fleets need for layup space.

My goal is to break ground at the beginning of the construction window, next spring. I would like to work towards resolving these issues and anything else that may come up over this next month. These are the initial concerns to get the conversation started. Let me know when we can get into it.

Thanks-
-Evan



MEMO

DATE: 10/6/2017
RE: Temporary Labor – Cardinal Services
TO: Aaron Bretz, General Manager Pro Tem
FROM: Mark Harris, Staff Accountant

I was able to contact Victoria Simpson, a manager at Cardinal Services regarding our Maintenance II temporary labor position. Cardinal has posted the position for several weeks but has not received one call or application.

I asked for her insights regarding the complete lack of response. She said that our pay range of \$11.85 to \$15.55 per hour was well below the pay rates being offered by other industries/employers in our area for labor requiring similar skills, knowledge, and experience and for positions with similar job duties. To be competitive we would need offer a pay range starting at \$15.55 increasing to \$18.00 or \$20.00 per hour.

She mentioned the labor we're seeking requires a larger, diversified skill set, the ability to think and work independently, and experience operating heavy equipment in a unique environment. For this type of labor in our region, our biggest competitor is the timber industry. A position with similar requirements and duties in that field is a Millwright, a position with a typical starting pay rate of \$15.00+ per hour.

On the weekend of October 7th and 8th, Cardinal Services advertised a number of its job postings including our Maintenance II position on Indeed.com – the “Google” for online job searches used by 400,000,000 people world-wide. Victoria stated that she felt uncomfortable advertising our job posting due to the low rate of pay offered.