

June 25, 2024  
6:00 P.M.  
Newport, OR

**PORT OF NEWPORT COMMISSION MINUTES**

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

The Port of Newport Commission met on the above date and time at the Administration Building, 600 SE Bay Blvd., and virtually via Microsoft Teams. In attendance were Commissioners Sylvia, Retherford, Lackey, and Chuck. Commissioner Ruddiman was excused. Also in attendance were Executive Director Paula Miranda, Director of Business and Finance Services Mark Brown, Operations Director Aaron Bretz, NOAA Facility Director Jim Durkee, and Administrative Assistant Gloria Tucker. Visitors included Eric Zehntbauer, Paul Zellman, and Heather Mann.

**CHANGES TO THE AGENDA**

Miranda requested the Commission move Item B. Acceptance of FY 2022-2023 Audit in Old Business to the beginning. She also requested moving Item A. Approval of Bid Award to 4C's Environmental, Inc. for NOAA Fuel Tank Replacement in New Business up to the second item in Old Business. Sylvia agreed to reorder the items.

**CONSENT CALENDAR**

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

**OLD BUSINESS**

**Acceptance of FY 2022-2023 Audit.** Sylvia introduced the agenda item. Zehntbauer presented the audit included in the packet. He noted the Port received a clean audit with the exception of adherence to GASB 87. He noted a deficiency in internal control that was a material weakness was review of supporting schedules. He added a deficiency in internal control that was a significant deficiency was bank reconciliation. Chuck and Lackey thanked Zehntbauer for his work. Brown reported he concurs with their findings and the deficiencies were a result of switching financial software. He noted staff are ahead of schedule this year.

MOTION was made by Chuck, seconded by Retherford, to accept the audit report for the Fiscal Year ended June 30, 2023. The motion carried unanimously in a voice vote.

**Approval of Bid Award to 4C's Environmental, Inc. for NOAA Fuel Tank Replacement.** Sylvia introduced the agenda item. Bretz reported the tank has become corroded. He noted the bid solicitation received a fair number of responses. He stated 4Cs Environmental did a remediation for the Port a several years ago, and they are one of the few companies in the area that does fuel systems in general. He indicated they put together the best bid, and the final price is within expectations. He added the Port has funds allocated for the 2024-25 budget.

MOTION was made by Lackey, seconded by Retherford, to authorize the Executive Director or her representative to negotiate a contract for NOAA Emergency Generator Fuel Tank

Replacement with 4C's Environmental, Inc. not to exceed \$62,000. The motion carried unanimously in a voice vote.

**Public Hearing and Approval of Ordinance No. 2024-01 Regarding Changes to Bylaws.** Sylvia introduced the agenda item. Miranda reported last Commission meeting was the first reading. She noted the bylaws do not talk about a Deputy Director, and this change gives enough authority to a Deputy Director should the Executive Director be out of the office, so business doesn't stop. She indicated at any time the Commission may change that.

MOTION was made by Retherford, seconded by Lackey, to adopt Ordinance No. 2024-01, an Ordinance Amending the Bylaws of the Port of Newport, by title only. The motion carried unanimously in a voice vote.

**Approval of Amendment to Audit Services.** Sylvia introduced the agenda item. Brown reported as a result of the software switch, he went over budget on the contract. He noted it was his responsibility and apologized. Retherford asked if he foresees anymore software issues going forward or is the software fine-tuned. Brown replied staff find small issues here and there, but the software is working as smoothly as possible. He noted this year staff completed pre-audit work in four days when last year, it took two months.

MOTION was made by Lackey, seconded by Retherford, to retroactively approve the expenditure of \$46,000 and contract increase of \$9,000 for the audit of Fiscal Year 2021-2022. The motion carried unanimously in a voice vote.

**Approval of Summit PR Contract.** Sylvia introduced the agenda item. Miranda reported for close to five years Summit Public Relations has been working for the Port. She noted people are way more aware of what the Port is doing. She stated they have done an excellent job. She indicated one change is adding more advertising for the RV Park. She added the beauty of working with Angela Nebel is she comes up with topics to chase, and she's very aware of the community and Port.

Chuck confirmed with staff Nebel will stay in the community. Retherford thanked Tucker for keeping up the website for the Port. Sylvia stated Summit does an excellent job. He noted with all the issues the Port is facing and those coming up, communication is critical. He added this is money well spent.

MOTION was made by Lackey, seconded by Retherford, to authorize the Executive Director to contract with Summit Public Relations Strategies, LLC, and move forward with the proposal not to exceed \$36,150 plus another 10% contingency. The motion carried unanimously in a voice vote.

**Review of ILWU Local 53 Lines Agreement.** Sylvia introduced the agenda item. Miranda reported the Port brings this to Commission on an annual basis. She noted she was contacted by the union, and they want to make some changes, mostly related to small vessels. She stated she is waiting for those changes and suggested tabling the item.

Sylvia asked staff to clarify the issue with small vessels. Bretz replied there was an 88-foot vessel for wave energy construction. He explained they would provide a platform for dive services. He noted under the current agreement, it would need line handlers, but the union made an exception.

Lackey confirmed with staff the lines agreement is only about lines. He stated some of the language looks prescriptive. He asked would there be anything that makes the Port more liable. He noted when he asked this last year, the answer was no. He also asked if there is a reason to include pay schedules.

Sylvia asked if a larger vessel comes in, who discovers that, who announces that, and how does the union get involved. Miranda replied the lines agreement is not clear about the size of the vessel; it's more the type of work. Bretz replied the customer calls the stevedore, then Pasha provides the service using Local ILWU 53 as the source of the labor. Sylvia clarified Lackey's meaning about liability.

The Commission agreed to table the item.

**Approval of Rogue Seawall Tiebacks Test and Repair.** Sylvia introduced the agenda item. Bretz reported this was a last-minute addition because this is an evolving situation. He stated pilings 14 through 17 moved over the course of the repair project. He explained the gap in the tiebacks and the breaks occurred before the injection portion of the project. He stated it looks like pilings 15 and 16 parted first, and then 14 and 17 let go at some other point because the shape is symmetrical. He noted the middle two pilings moved 3 inches, and the outer two moved an inch and a half. He indicated he believes the next tiebacks outside of that area are still connected but doesn't know for sure. He added he knows for sure the Port needs to fix these four.

Bretz reported before fixing them, the Port needs to test them to make sure they are still functioning properly and move them back into place. He stated the engineers and contractors came up with a process using jacks, and they want to put the tiebacks under 40 kips of strain. He noted if this work goes well, this authorization will get the project to the end. He indicated if they put a load on this and find the tiebacks don't hold, then there is another problem, and new tiebacks will have to be installed. He explained the tiebacks sheered, and since they are not made to support vertical weight, as the land lost material, the weight from above sheered them. He added this makes staff suspect any areas where there are sinkholes could have this problem. He noted the reason staff are not waiting to learn more is these pilings need to be connected as soon as possible.

Sylvia asked how the problem was discovered. Bretz replied this project monitors the positions of the pilings, and disturbing the area with polymer, which is not heavy or expansive, was the straw that caused them to move. Miranda explained [the contractors] could immediately see a bulging when this happened.

Sylvia asked what the life expectancy of the tiebacks is. Bretz replied the wall has lived its effective service life; it was built in 1978. He stated the repairs that were done were designed to buy another 20-30 years. He explained the project thickened the pilings and put drains in. He noted the drains should address the root cause, which is the hydrostatic head pressure building up behind the wall on high tide. Miranda added in the past couple years staff have been doing a better job on inspections, but the problem is the Port has a lot of aged assets. Bretz added staff have good data on all of the pilings at the Rogue Seawall now, and they will continue to monitor that. Sylvia stated his concern with all of the aging infrastructure is financing it. He stated [repairs] are very expensive and need to happen quickly, and when the Port can't get financing secured, then the Port has to get loans.

MOTION was made by Chuck, seconded by to Lackey, to authorize the Executive Director or her representative to amend the construction and engineering contracts for the Rogue Seawall project in an amount not to exceed \$88,000, which includes a 10 percent contingency. The motion carried unanimously in a voice vote.

## STAFF REPORTS

Miranda presented her report included in the packet. Lackey stated the RV Park revenues were down the past month, down \$16,000 for the year. He asked if Brown is seeing a trend or blip that is not significant. He asked if this indicates the economy is rough and less people RV. Brown replied he does not see anything indicating people are not RVing. He noted they may be traveling overseas more. He stated a big issue is winter months. He noted South Beach RV Park was almost full one day in the winter, and the Port had almost no one. He indicated staff need to examine what's going on in the winter. He added part of that is the new advertising campaign, and he may look at the pricing structure. Lackey asked if there were any theories as to why South Beach was full. Chuck replied there is different clientele at that park. Miranda explained some RVers prefer to be more isolated, while others like being close to others for community.

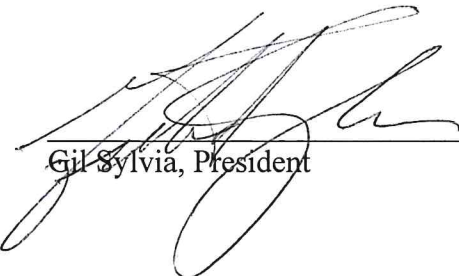
Retherford suggested for the newsletter, stating the importance of grants to the Port and celebrating the fact without all these grants, the position of the Port would be horrible. She noted the local community, or users, don't realize the importance of these grants. She indicated it is also important to bring over legislators and representatives to show the Port. She added there is value in people realizing dredging costs more than a million, and we have so many areas that need to be dredged. Sylvia stated the reality is without grants, fees would have to be so high that users couldn't afford it. He asked why the RV Park report shows a 102 percent occupancy rate. Miranda replied people cancel at the last minute and another person books.

## COMMISSIONER REPORTS

Chuck reported on his attendance at the PNWA Summer Conference and their 90<sup>th</sup> Anniversary cocktail hour at Rogue. Sylvia clarified with Chuck the change in cost to dike gates. Retherford mentioned there will be a Bay City Cruisers Car Show July 20 at the Port in South Beach. Sylvia reported on his attendance to the city Planning Commission meeting on the Yaquina Bay Estuary Management Plan. Discussion ensued on Sally's Bend and zoning.

## ADJOURNMENT

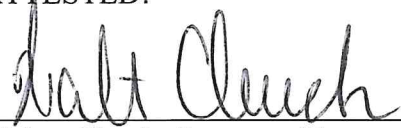
Having no further business, the meeting adjourned at 7:56 p.m.



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Gil Sylvia, President

ATTESTED:



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Walter Chuck, Secretary/Treasurer