

PORT OF NEWPORT
COMMERCIAL FISHING USERS GROUP COMMITTEE MINUTES

November 6, 2017
Regular Committee Meeting

I. CALL TO ORDER

Committee Chair Heather Mann called the Regular Meeting of the Port of Newport Commercial Fishing Users Committee to order at 9:03 am at the OSU Extension Office, 1211 SE Bay Blvd., Newport, Oregon.

Committee Members Present: Mark Newell (Pos. #3); Heather Mann, Chair(Pos. #5); Gene Law (Pos. #7); Bob Aue (Pos. #8); Dave Thalman (Pos. #10); and David Jincks (Pos. #11).

Alternates Present: Doug Morrison, (Alt Pos, #9)

Committee Members Absent: Clint Funderburg (Pos. #1); Mike Pettis (Pos. #2); Ernie Phillips (Pos. #5); Ted Gibson (Pos. #6); and Bob Eder (Pos. #9).

Port Commission Liaison: Sara Skamser.

Management and Staff: Aaron Bretz, General Manager Pro Tem; Kent Gibson, Commercial Marina Harbormaster; Don Moon, Interim Newport International Terminal Supervisor; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: Steve Beck, Newport Resident; Dietmar Goebel, Newport City Council; John Holt, Shrimper/Trawler; Rex Capri, Newport Resident; Cari Brandberg, Fish Buyer.

II. CHANGES TO THE AGENDA

The International Terminal Shipping Facility Report/Recruiting Update was discussed after the Chairman Report as item VII(a).

III. PUBLIC COMMENT

Steve Beck said that the set-aside time requested by commercial fishermen at the International Terminal (NIT) was a big deal, and he asked if there was any agreement in place with the Port. The Port Commission had decided not to move forward with shipping agreements. He had gone on a drive Sunday morning and saw almost no boaters or campers at South Beach, but there were boats mooring and changing gear at NIT. The asphalt at NIT was not in good condition. He suggested the Committee start negotiating with the Port.

IV. APPROVE MINUTES: REGULAR MEETING 9/6/17

A motion was made by Jincks and seconded by Newell to approve the minutes. The motion passed by consensus of the Committee.

V. SERVICE STANDARDS

Bretz introduced the staff report. He said CMMS has been used at the Port to identify what maintenance was needed. There should be standards for services throughout the Port. This would involve looking at how long it takes to deliver service, standards for the quality of services provided, and how much notice should be given for

service needed. Port staff needs to know the needs and expectations of the users, so Bretz asked the Committee for input. Mann asked what prompted this inquiry Bretz said it was internal, and the Port would rather be able to deliver what's needed, and look to find efficiencies. Jincks said the Port's services have ramped up over the years. The concern was wasted manpower if staff was waiting to provide service when they could be working on the docks. Services should be delivered when called in. The needs varied by season. There was a greater need for service at NIT during certain times of the year. Jincks said when there were no boats, staff should be working on maintenance. Bretz said this was a queueing problem. He said there are ways to optimize service; there are patterns, and staff could work with the probability when service would be needed, that service could be expected to be delivered in x-amount of time, and has the ability to provide the service needed.

Mann asked how the Port of Newport compared to other Ports. Jincks said the Port of Newport is different from other ports and is more service oriented, which leads to the productivity at the Port. This year, there was a longer season than in other years. Moving crab gear and fish buying are big service areas at the Port. Aue said that over the years he has moved away from using the fish plant, and there is also a cost factor. Bretz said the dock has gotten busier and he wants to get the best efficiency. Mann asked if there was a draft of service standards. Bretz said it will take a while, and wanted to get an idea from the fishermen what was needed. Brandberg said sometimes there is only one employee available at the hoist dock. If Port staff knew the high usage times then can provide staff. She would recommend the Port let buyers know what they want as far as notice. Thalman said if there are complaints they need to be addressed. He said it is good staff is looking for efficiencies, but studies and models take tweaking. Mann said it sounds like the catchers are fine, but the buyers have some concerns. Bretz said he also wanted to discuss who might be interested in extended service hours. Law said that shrimper/traulers need access at all hours, not necessarily service. Skamser said if the fishing business keeps growing there will increased use of the hoists. Gibson said the Port could use another 50 ft of dock and a swing hoist, but this is down on the list of priorities behind repairs to Port Docks 5 and 7. He has recently turned down some annual moorage because of decreased dock availability. Beck asked how much revenue was lost. Gibson said it was \$3K on the one vessel. Bretz said that Gibson said that there was a need for more pier capacity. Bretz said it may be better to take something that is going well and throttle up.

Brandberg said there was a time when the hoists were locked off after 5 pm. Gibson said there were a lot of issues with people not informing the Port and not being billed. The cameras installed now allowed staff to be aware of hoist use after hours. Brandberg said there could be a card lock system on the hoists. After hours service was always an issue because staff was not always available even when called. She said it would be great if more after-hours help was available. Bretz said staff was also looking to ease congestion during regular hours. However, staff did not want to make a decision without getting feedback from the users. Jincks suggested Gibson do an analysis of hoist dock use after hours to see if it was worth having the extra staff availability. Gibson said staff was considering one employee on a swing shift, and he was analyzing now. Bretz said the thought was to give it a trial and move back if it doesn't work. Jincks said service was good for revenue if staff can keep up.

Newell asked if there were any maintenance plans for the hoist this winter. Gibson said inspections were completed 2 ½ months ago, so the hoists should be good for another year unless something causes damage. Newell asked how the maintenance schedule worked. Gibson said staff tried to have the hoist ready to go for crab season. Jincks said the Port had submitted for Connect Oregon grants twice, and it would be worth looking into again. A recent grant wasn't sought because the Port was supporting the Port of Toledo. Gibson said he would like to see if the Port can replace the center of the dock, add a hoist, replace the pilings at Swede's dock, and redo the access. Jincks said it is best to keep the project small for a Connect Oregon grant. Skamser asked if the hoist dock was the only place to offload fish. Brandberg said for now, yes. There used to be others. She has had some conversations with Pacific Seafood about their dock as an option. Newell said Pacific Seafoods allowed use depending on who was asking and what Frank allowed, based on experience with Trident. Mann said Olivera had said that Pacific Seafood would continue the services provided by Trident. Brandberg said they still sell ice and bait. Newell added that whiting took priority during that season. Every year more product comes across the Commercial Marina. Brett can no longer unload large boats.

Brandberg said there is a new crab buyer and at least two eel catchers now at the hoist dock. Crab is looking at big years again, so it might be worth seeking a grant because of increased use, and then have boats/buyers schedule ahead. Mann said it sounds like there is already an indication that extended hours would be good. Bretz said staff was considering 18 hrs a day, 5 days a week. Newell said boats could look to schedule ahead. Gibson said that did not stop someone else from coming in. Bretz said he understands that gear changing is a priority. He is trying to make sure that is not pushed out by other services at the hoist dock. Jincks said it needs to make financial sense.

Bretz said this would be increasing service that is not currently there, so he would like to open it up and see. Thalman asked if seafood products can be unloaded at the Terminal. Mann said they would have to talk with the longshoremen. Jincks said if the product was going overseas, it would be unloaded by the ILWU. Newell said most product goes first to Canada, then overseas. Jincks said there used to be a fish plant, then onions, going out of the Terminal. Mann asked Bretz to explore the option of unloading fish at NIT. Brandberg said that use of services dictated the growth of business. Additional availability will lead to more use. Newell said the number of buyers has gone down at the Port.

Law asked if there was an option to use the dock in South Beach alongside the brewery. Jincks said gear used to be unloaded there. Mann asked the committee to formulate some ideas for a future discussion. She suggested the Port extend service through this season and look into a Connect Oregon grant, and perhaps leverage other grant funds. Jincks said the Port puts more manpower into service than maintenance. The cost of service is not keeping up with needed maintenance. This is a huge cost over time. Newell suggested Bretz reach out to the ILWU about unloading at NIT. Goebel asked if the nature of fish buying was changing. Brandberg said there are more users but not necessarily more volume. Eels have been a game changer; unloading is time consuming and always needs a forklift. Another change is adding hake fish. Gibson said squid had also been added. The pump was taken out of the hoist dock, but the equipment is still here. More black cod and bottom fish were unloaded this year. Capri asked if the Port had explored cooperation with private river/bay front property owners as a place to unload and buy fish. Bretz said he had heard some rumors but has not engaged in that discussion yet. Skamser said she would want the Port to get the business.

VI. PARKING DISCUSSION

Bretz encouraged CFUG Committee members to get involved in the parking discussion with the City parking committee and City Council. Mann said that at the September meeting of CFUG they had talked about inviting Gary Ripka to one of the CFUG meetings. She said CFUG needs to figure out the best way to provide information about this process without have to attend every parking meetings. Bretz said most of the discussion about the Port was about using gear storage space at Port Dock 7 for parking, which would lose money for the Port. He didn't know how many fishermen used street parking. Jincks said gear may be organized to provide parking for fishermen, but he would discourage the use of any other Port property for parking. The property at Port Dock 7 is important to the Port and shouldn't be used for general parking. Aue asked if the gravel was going away. Gibson said that when the City's crew leaves, they will level off 200+ feet. This area between the administrative office and the Yacht Club could be paved for more gear storage to free up space closer to the hoist dock. This will be evaluated once the area is leveled.

Brandberg commented that street parking is taken at 5:00 am by processor workers. If they could be required to have a permit or move, this would help parking for fishermen and tourists. She liked the idea of meters because that may discourage processor employees from street parking. Law said those employees were still part of the mix and need parking spots. Bretz said he was just trying to spread the word. The concern from the Port is gear vs. parking. Mann said she is concerned with the availability for fishermen and fish buyers. Goebel said the concerns need to be brought to the committee. Mann asked if there was anyone CFUG can communicate with. Holt added that there was an issue years ago with angled parking. Jincks said the Port joined the parking committee because they need a voice. The committee is run by the Bayfront Association. Now the fishermen's

interest is part of the process but they need to be more active. Mann said there needs to be work with the fish processors; they also have a right to park. Goebel said he will check if the next meeting of the Parking Committee has been scheduled. Bretz said when he goes to the meeting, he represents the Port. He and Derrick Tokos are the only Port/City representatives on the committee.

VII. CHAIR REPORT

Mann said she wanted to consider how CFUG can be effective, and she is open to suggestions. The Commission could also ask for information from CFUG. In the interest of transparency, she shared that she was contacted by Kevin Mannix who works with small scale agriculture shippers that could work within the commercial fishing schedule at the Terminal. Mann said she shared this at the Commission meeting. She encouraged Committee members to attend Commission meetings.

VII(a). INTERNATIONAL TERMINAL SHIPPING FACILITY REPORT/RECRUITING UPDATE

Bretz introduced the staff report. Mann asked if Evan Hall of Rondys had had a conversation with John May. Bretz said May was part of the shipping group working with Mannix. Bretz had spoken with May a few times, he wants to be clear he understands the NIT base, that fishing is a longstanding user of NIT, and is interested in working in concert. There is no real offer at this point. Bretz attached the Commercial Fishing platform to make sure he was working in the same vein. He asked if there was anything else he should keep in mind. Mann said she would prefer that the platform reference that other fishermen signed the document. Hewitt said she would attach additional information to the minutes. Bretz said there is a lot of "junk" out at NIT. Some gear could be removed. Jincks asked why the Port would get rid of the gear if there is not a problem and it was generating storage revenue. Skamser pointed out that some midwater fishermen from Seattle want their nets fixed which takes room even with the best equipment. Jincks said if there is room, it will be used. Bretz said he was still looking at net space. Moon said he has been cleaning up the last couple of months and would like to make more room because it will be tight at NIT shortly. Bretz said that gear is stored on Rondys property, and Jincks said it may have to move back to Port Dock 7. Jincks said the question is the mitigation site, or the 9 acres will be useless. Rondys would furnish property for mitigation. Mann said she had queried member of the Midwater Trawlers' Cooperative, and they have been happy with Don Moon so far as Interim NIT Supervisor.

VIII. HARBORMASTER REPORT

Law asked if there was progress on the Port Dock 5 pier access improvements. Gibson said the Port is moving forward with 30% engineering. Skamser suggested getting in touch with McDougall. Bretz said he spoken with them and with OBEC to see if there could be cost savings on the design. OBEC is starting on permits. Jincks said the Port is behind on the CMCG process. Engineering is needed to get permits. Mann said there may be some information in past minutes.

IX. FUTURE MEETING SCHEDULE

Mann said that March 12th is during the Pacific Council meeting. Bretz said he could ask Eder about chairing the CHFUG meeting. Bretz also said he would send out a text before the next meeting. Newell said he would also be at the Pacific Council meeting. Mann said CFUG may consider moving the March meeting

X. FUTURE AGENDA ITEMS

- A. Vendor's License?
 - 1. List of Licensed Vendors

Bretz said that the Port of Toledo requires vendors who do business at their location to have a vendor's license issued by the Port so they know who is doing work on their property. There was a recent report at the Port of

Newport that someone wanted to make a claim against a service provider, but the Port had no information on file. The Port does not have a current process to keep track of who is here or obtain certificates of insurance. Beck said if a claim was made against the vessel's insurance, they still would subrogate against the vendor, and would also look at the Port's insurance. Anyone who does service at the Port should have insurance. Mann said if people signed up as a vendor, they could also be advertised on the Port's website. Aue said he has taken for granted that this would be covered under the boat's insurance. Jincks said it would be the Port and the boat together. It would depend on what was requested; there are some excellent craftsmen. Thalman said there was also a difference between waterfront and business insurance. Mann suggested Bretz research what is done at other ports. Beck said the only person who would be exposed would be the party who does not have insurance. Brandberg said vessel owners who are lessees have to show a \$2MM policy. Insurance is a cost of doing business, and policies are not that expensive. If a vendor was doing good work they can afford insurance and it would be reasonable to expect them to have a policy.

XI. PUBLIC COMMENT

Beck suggested CFUG document how important NIT is to commercial fishing, including gear, moorage and condition.

Brandberg thanked the Port for looking at how to expand services. At times in the past her business has felt unwanted, so she appreciated the Port recognizing business need.

Law asked if there was a reason someone couldn't bring their own forklift to the Port docks. Gibson said it was part of the Port's Ordinance and would cause problems.

XII. ADJOURNMENT

Having no further business, the meeting adjourned at 10:33 am.

ATTESTED:



Heather Mann, Committee Chair



Bob Eder, Committee Vice-Chair

Walter Chuck, President

Port of Newport Port Commission 600 SE Bay
Boulevard

Newport, OR 97365

July 25, 2017

Dear President Chuck and Commissioners

Please accept these comments on behalf of the commercial fishing industry that utilizes the facilities in the Port of Newport. Newport is home to a successful and diversified commercial fishing industry that contributes tens of millions of dollars annually into the economy of Lincoln County. Hundreds of residents are employed directly in the commercial fishing industry as boat owners, crew and processing plant workers. Hundreds more are employed by the dozens of support businesses that exist to service the industry. The commercial fishing industry contributes greatly to the success of the Port of Newport and it is in the best interest of the commercial industry to see the Port thrive.

Based on all the information that is publicly available we have strong concerns about the Port of Newport moving forward with the agreements it is considering with Teeven Brothers and Silvan Forestry. Our concerns are two-fold. First, the current agreements do not appear to be beneficial to the Port and could jeopardize the Port's financial future which will harm the fishing industry and the larger community. Second, the Port has not recognized the importance of the International Terminal to the commercial fishing industry (the primary users of the facility for the last thirty years) and has not authentically negotiated on our behalf with the logging and shipping companies to secure priority access during our high use times.

On July 17th, General Manager Kevin Greenwood made a telling statement on the Boss radio show. After saying he plans to bring the same agreements in front of the Commission from last month, he then said, "We have heard anywhere from 2-4 months of exclusivity from the fishing community and I think if you look at four months that pretty much makes shipping infeasible as a real viable business opportunity here in Newport."

There are certain times of the year when the IT is fully subscribed with vessels. For many of these vessels there is nowhere else in the Port that can accommodate them. For those vessels that could potentially be moored at Port Dock 5, there is growing concern from the vessels that are already moored there about increased competition for limited space.

We keep hearing that having exclusive use for the fishing industry does not work with the shipping company's business plans. Being displaced from the IT does not work with our business plans or the business plans of all the companies that provide services to the industry and depend on our business during these peak use times. We are an existing, successful and growing industry. We have been the primary users of the International Terminal for the last thirty years. It is a sad day when the Port of Newport chooses to neglect its current customers

and local investments in favor of out of town interests. Especially when the revenue being generated at the International Terminal by the commercial industry has more than doubled in the last four years. The trend is continued growth!

Revenue from Commercial Vessels at International Terminal

Fiscal Year	Moorage	No. of Vessels	Services	No. of Vessels	Total
2016-2017*	\$115,238	52	\$351,606	103	\$466,844
2015-16	\$94,570	43	\$281,559	93	\$376,129
2014-15	\$74,750	45	\$213,683	93	\$288,433
2013-14	\$77,935	45	\$152,004	108	\$229,939

Source: Public records request to Port of Newport

At the same time, even under the best-case scenario it will be close to a decade before the Port realizes any significant profit from the shipping operations being currently considered. Jeopardizing an existing industry that means so much to the community to take on \$4.5 million in additional debt that does not result in positive profits to the Port for many years seems nonsensical at best and a clear abdication of the Port Commission’s fiduciary responsibility.

Based on all that has been made publicly available over the last few months and the General Manager’s statements from July 17th, we urge the Commission to terminate any further consideration of the current proposals. Further, we encourage the Commission to consider and adopt the “Commercial Fishing Industry Platform Regarding International Terminal Access” which is included with this letter and broadly supported by the industry.

The fishing industry continues to support the reintroduction of shipping if the companies the Port is partnering with propose economically viable plans that protect the fishing industry’s access to the International Terminal and that do not jeopardize the financial status of the Port of Newport. The current proposals from Teeven Brothers and Silvan Forestry do neither.

Thank you for your consideration. Sincerely,

Fishermen / Fishing Businesses

F/V Bay Islander – Kurt Cochran

F/V Coast Pride – Mike Retherford and Chris Retherford
F/V Excalibur – Mike Retherford

F/V Excalibur II – Kent Leslie and Bill Jacobson
F/V Gold Rush – Don Ashley and Bert Ashley
F/V Golden Pisces – Dennis McMannus

F/V Grumpy J – Pacific Seafood
F/V Kylie Lynn – Corey Rock
F/V Lady Kaye – Ted Gibson

Fishermen / Fishing Businesses Cont.

F/V Lisa Melinda – Dave Smith and Jerry Bates F/V
Majesty – Trident Seafoods

F/V Mandy J – Mike Retherford, Mikey Retherford and Chris Retherford F/V
Marathon – Kurt Cochran

F/V Michele Ann – Raysha and Pogy Lapham F/V
Michelle Renee – Stoian Iankov

F/V Miss Berdie – Stan Schones and Tom Stam F/V Miss
Sarah – Todd Whaley

F/V Miss Sue – Jim Seavers

F/V Muir Milach – Aleutian Spray Fisheries F/V New
Life – Kurt Cochran

F/V Northern Ram – Trident Seafoods

F/V Pacific – Mark Cooper and Chris Cooper F/V Pacific
Future – Pacific Seafood

F/V Pacific Ram – Trident Seafoods F/V
Pegasus – Brian North

F/V Perseverance – Mark Cooper and Chris Cooper F/V Raven –
Robert Smith and Lyle Yeck

F/V Redeemer – Gary Ripka

F/V Seadawn – Fred Yeck and David Jincks F/V Seeker
– Jim Seavers

F/V Tauny Ann – Taunette & Kevin Dixon F/V
Timmy Boy – Robert Eder

F/V Western Breeze – Gary Ripka

F/V Winona – Mike Retherford, Mikey Retherford and Chris Retherford

Newport Seafood Processors

Bornstein Seafoods Pacific
Seafood Pacific Surimi

Support Businesses

Carson Oil

Curry Marine Supply

Englund Marine Supply

Kevin Hill Marine

Midwater Trawlers Cooperative

Fishermen's Wives Association

Refrigeration

Management, LLC

Oregon Coast Bank

Schiewe's Marine Supply

Schiewe's Electric

Troyer's Marine Supply

West Coast Seafood Processors Association

Yaquina Boat Equipment Newport

Port of Toledo Boat Yard Northern

J Lamb Marine Electric NW Vessel

cc Kurt Schrader, U.S. Congressman Dave
Gomberg, OR Representative Sandy
Roumagoux, Mayor, Newport
Spencer Noble, City Manager, Newport Lincoln
County Commissioners
James Rand, Newport News Times Dave
Morgan, News Lincoln County