

August 23, 2022

6:01 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 South Beach Activity Room, 2120 SE Marine Science Dr., and virtually via Microsoft Teams. In attendance were Commissioners Burke, Lackey, Sylvia, Retherford, and Chuck. Chuck was excused at 7:20 p.m. Also in attendance were General Manager Paula Miranda, Director of Finance and Business Services Mark Brown, Operations Director Aaron Bretz, and Administrative Assistant Gloria Tucker. Visitors from the public included Mike Sorensen, Andy Skinner, Diane Collins, Jim Collins, Susan McCormick, Ed Olson, Duane Johnson, Tim Weiner, and Kristen Low.

PUBLIC COMMENT

Tucker read written public comment received from Burke Hales, Alan Burke, and Charles Boyd into the record. Sorensen, Charter operator, thanked Commission for their service and the covers over the fillet stations. He stated last month when he talked to Mark Brown, he was told the lottery would be status quo for one year. He noted the lottery system is completely different. He indicated even if new staff don't know, many people have been staying at the park for many years and know how the lottery system worked. He suggested they be reached out to. He added he has been telling folks not to worry because the lottery would be status quo.

Sorensen overviewed the lottery system and stated in the past any place in the park could be chosen. He noted some of those spots have been eliminated. He suggested a meeting for the RV Park users to discuss the lottery. He indicated there are users who have been here years and years, but if they can't get their spot, they will go somewhere else. He added there is one person who brings in \$40,000 with their boat to the Port of Newport. He listed other ports they could go to instead.

Skinner stated he has been here three years, and the experience he had this year was a mess. He noted he understands when systems change, there will be problems. He indicated there needs to be some consideration for those here long-term who have a business here or moor a boat here; they should have some kind of higher tier in the lottery because the Port could lose two revenues.

Diane Collins stated she is confused why a lottery category was raised to two months from one month. She noted she loves it here, and it has been an awesome park to be a part of. She added the office staff don't know why that change was made.

Jim Collins stated five years ago, he came here and has continued to stay each year for a month. He indicated he loves it here and spends a lot of money. He added he would like to have an established spot, and he does not understand why he would be pushed out.

McCormick stated four years ago she started coming here short-term, and it's gotten longer and longer term. She noted long-term visitors spend money at the stores and gas stations. She indicated they can go to a lot of other places but choose to come here because the Port allows people to stay for six months. She added thousands of dollars are spent in restaurants, grocery stores, and on fishing gear, and the Port has to think beyond the port to the community.

Johnson stated he has been here since 2009, and he has seen a lot of change. He stated he would like to have a parking pass and moorage for his boat for six months out of the year. He

indicated he would like some of the old stuff to come back for long-term visitors. Brown asked Johnson for clarification. Johnson replied moorage went up.

Olson stated this is his seventh or eighth year here, and every year he would wait for the lottery. He noted everything is confusing. He indicated the park is a family and community. He added making a reservation seems to be getting harder and harder, costs are higher, internet is bad, cable tv has channels that are frozen, and there are ants.

McCormick stated the Park has a massive ant problem near the trailers. She suggested exterminating in the area. Brown stated he would deal with that tomorrow.

Weiner stated he has been coming here a long time. He noted some of the ways of doing the lottery has improved. He asked who approved the lottery system. Miranda replied the lottery is handled at a staff level, not by Commission. Brown stated he is willing to have a meeting next week on this.

Weiner stated he does not think this is a good representation of people in the Park. He noted this is a huge concern for people who are fishermen and rent RV spots. He indicated he always thought of this Park as a fishing community. He explained how the Park gets busy during the summer. He added he does not think it benefits the Park to eliminate or show unappreciation to the people who come here for the whole summer.

Weiner stated his concern is the 45 sites for lottery. He noted he has heard there are 57 people who are long-term, two months or longer. He indicated some of the sites that cannot be chosen are not great sites. He added he thinks all of this is confusing and doesn't make sense from a business standpoint.

Weiner stated he does not care how the lottery is done as long as people get the opportunity to choose the spaces they want. He noted people want to be put together so they can do diners together. He indicated this has gone down the wrong road and needs to be re-evaluated. He added he appreciates Commission time and attention. He asked if Commission approved the lottery. Burke replied the lottery is part of operations.

Miranda stated there is often confusion between staff and Commission duties. She noted the Commission hire the General Manager to hire the staff to do the operations of the Port. She explained when it comes to policies and spending funds, it goes to Commission. She indicated these concerns are not policy, but the Port wants to listen and address concerns. She added there are Commercial Marina and Recreational Marina groups who meet, but there is not an RV group.

Miranda reported the lottery is done at the staff level. She stated staff will put together a meeting to listen to concerns and invite a couple of Commissioners. She added there will not be a decision made at the Commission level, but they will be involved.

Weiner clarified with staff the General Manager's office is at Port Dock 7. He suggested if there is a meeting to give the Park notice and not wait too long because in September, people start to leave. Miranda replied staff will post notice at the office and contact people at the RV Park. Sorensen offered to pass the message on.

Low overviewed potential revenue from different visitors. She stated the Port is looking at folks worth more than \$100,000 in guaranteed income. She emphasized these people should be factored in.

Olson suggested people who pay for six months should get to choose their spots. Miranda replied that will be part of the discussion.

Burke stated the Commission appreciates how invested the speakers are in the community. He noted that is the reason they sit up here, and that passion is not lost with them.

CONSENT CALENDAR

MOTION was made by Lackey, seconded by Retherford, to approve the Consent Calendar as presented. The motion carried unanimously in a voice vote.

OLD BUSINESS

Approval of Amendment to US Customs Lease. Burke introduced the agenda item. Miranda reported the Port currently has a lease with Customs, but they haven't used it much. She stated they do want to renew it. She noted staff are not ready to talk about offering the new building yet. She indicated if staff decide to do that in the future, the Port can always amend their lease. She added the lease goes for another five years with a small increase. She explained finance made sure the Port is in tune with pricing.

MOTION was made by Lackey, seconded by Chuck, to authorize the General Manager to execute the lease amendment as presented. The motion carried unanimously in a voice vote.

NEW BUSINESS

Closure of NOAA Checking and Money Market Accounts. Burke introduced the agenda item. Brown reported with the new accounting system, it is no longer necessary to have separate checking accounts. He noted having a single account makes reconciliation easier and staff's job easier. He indicated by the beginning of next fiscal year; staff have the opportunity to close those accounts. He added staff are getting close to understanding the new systems. Retherford added anytime someone can innovate in business, it's good.

MOTION was made by Sylvia, seconded by Lackey, to authorize the Director of Finance Services to close the NOAA Money Market and NOAA checking accounts at First Interstate Bank prior to July 1, 2023. The motion carried unanimously in a voice vote.

Public Hearing Regarding Ordinance No. 2022-02 Update to Facilities Code. Burke introduced the agenda item. Bretz reported he received a request from a moorage holder who wants to sell tuna off his boat in the South Beach Marina. He explained this is covered in the Facility Code under the general section, so the same code addresses Commercial and Recreational. He noted the Port allows this use in the Commercial Marina and used to have the White Swan in South Beach, so he approved the request.

Bretz reported he got more information later that there was an intent several years ago by the Port Commission to stop that practice in South Beach. He stated if that is still the intent, the right way to do that is to treat the two marinas separately. He explained the Code can be changed to not allow vessels to sell commercially off the boat in South Beach. He recommended defining wholesale vs retail so people who get tuna landing license and sell to a restaurant aren't prohibited. He emphasized this change assumes this is the Port Commission's intent. He read Section 2.41 and noted buying stations was not defined. He added the Port needs to define it and make clear what that applies to.

Sylvia stated being a newer Commissioner, he doesn't understand the logic. He asked what the reasoning was. Chuck explained the Commission's intent was to have the Commercial Marina for commercial use only and keep the two marinas separate. He explained in the past there were no charters or recreational allowed in commercial, and there was even some contention for research

vessels there. He indicated once the last vessel stopped selling, the Commission intended to no longer have commercial sales of tuna in the sport marina.

Sylvia stated the reasoning sounds arbitrary. He asked to what degree is that separation a benefit to clients or the Port. He asked if there are any problems. Chuck replied the Commission can debate it and come up with new policies. He noted at the time, it made sense to keep them separate. He added if that is no longer the wish of the Commission, he is fine with that.

Sylvia asked in the big picture, what are the benefits or costs to the Port overall. He asked if Commission likes the idea that tourists can purchase products directly from vessels in the north and south. He noted people can't do that many places, and it's rather unique. He asked if there is an infrastructure reason, safety reason, or food license reason to prohibit it.

Lackey stated as he thinks through this, he could talk himself into either side. He noted he can see vessel owners wanting separation, but he can also see Sylvia's point.

Miranda asked Bretz if it does make any difference for staff. Bretz replied parking is an issue all around, and from a liability standpoint there is no difference for them to be on the docks on either side. He noted it is less easy to access docks in South Beach. He stated if Commission is going to restrict the activity, each side should be addressed differently.

Bretz reported the Commission needs to be careful of wording and define what is prohibited and not prohibited. He noted he could talk to a bunch of people and get more opinions. He stated for him, it's not a huge difference. He added if the Commission is looking to stop it in South Beach, he can give them a way to do that, if the Commission wants to allow it, he can do that too.

Burke stated he does not see a problem with it currently, but he will follow recommendations from staff. Retherford stated keeping commercial and sport separate is OK. She emphasized the importance of giving the same opportunity in the Port for both.

Miranda stated in her view as long as they are permitted to sell, she doesn't mind which side they sell from. She noted staff don't want to get into how those permits are enforced. She added Bretz can do some surveying and figure out if there is more to it.

Chuck stated the selling stations were always supposed to be the Chelsea Rose and the barge because those are leased areas. He noted the selling off the boats popped up, and the Commission did not keep track of that because they thought it was a good thing to do. He indicated it allowed people to interact with fishermen and be part of the working harbor.

Sylvia stated OSU did surveys 20 years ago working with the Port looking at this question, what is the optimal way to structure sales off boats to meet the needs of the Port and tourists. He noted they looked at the concept of clustering. He explained in the surveys, one of the things that intimidated tourists or confused them was not knowing where to go or where the boats were located. He confirmed with staff it is legal for a small, permitted commercial boat to launch, come back, and sell fish to clients.

Bretz emphasized the need to define buying stations clearly. He pointed out the Port doesn't have a permit system for this. He noted under the Code, the Commission by resolution can establish criteria and restrictions for issuing permits. He explained permits are exclusive by nature, and the Port would have to carefully develop criteria.

Retherford stated she agrees with defining retail and wholesale in the code. She added staff are on the right track.

Lackey stated wherever the Port ends up, it would be best to wargame things out and think about worst case scenarios. He noted he doesn't want to have unintended consequences.

Retherford stated if there are permits, there has to be some kind of limit. She suggested working out a policy.

STAFF REPORTS

General Manager. Miranda reported this time of the year is busy in South Beach. She stated the RV Park is pretty much full and sold out. She noted it sold out in the spring through the end of September. She indicated it is busier than usual, and it doesn't help when the Port has a reservation system that is not up to par. She added the amount of complaints hasn't been easy.

Miranda reported she appreciated the public comments made. She noted some of those things have been addressed, including implementation of the parking on September 1. She stated staff have been giving notices to people. She indicated, meanwhile, there are a lot of people getting tickets for violations to the current code that the Port has not been good about enforcing in the past. She added some people complain about enforcements, and some people complain about not enforcing.

Miranda reported she put together a letter addressing a lot of the issues about trailer parking, general violation parking, and upcoming parking enforcement. She noted that letter was put on the website and Facebook. She stated staff put together a FAQ sheet that the Marine Store brought to the Port's attention. She indicated a lot of those things have been posted today, and that will address some concerns. She added this will be a living FAQ where staff try to address things people bring up.

Miranda reported anytime there are changes, there will be complaints. She stated staff will listen, and if some things are reasonable, staff want to know and balance things out. She noted the reservation system should be going live by September 1. She indicated staff have been testing some of the problems. She added reservation staff have gotten too many calls to handle, but she thinks they are finally caught up.

Miranda reported the Port is hiring one more position and hoping things will calm down. She stated at the Administration Building, the roof is on, which was salvaged from old roofing being stored. She indicated the siding going on right now. She added the decking is from the Port Dock 5 pier.

Miranda reported the project was still on budget as of Friday. She stated she since learned the power to the building may not be up to par, and there is a chance for a change order. She indicated she may be able to stay on budget or close to budget. She explained staff decided to go forward with finishing the rental space but didn't realize this would come up. She stated by finishing the rental space, the Port can obtain more rent, so in the long-term that was a good move. She added she will need Commission approval to give Baldwin more funds for the electrical change.

Miranda reported she is waiting on the exact amount and hopes to do a special meeting, so materials are not delayed. The Commission agreed to hold a special meeting on Monday, August 29 at noon virtually. Miranda stated Bretz has been participating with Army Corps channel dredging. She noted they were supposed to do a survey for eel grass, but that work has been attached to construction instead. She indicated although that would be good to know, usually the Port pays 50 percent, but now the Port will pay 10 percent through the construction phase. She added the Army Corps will pay 90 percent of the mitigation too.

Miranda reported staff are working on Port Dock 7 planning and asking for proposals because everyone who applied for the RFQ was qualified. She noted there may be a change order

with the engineer on power pedestals. She stated for Port Dock 5 repairs, she thinks the cost could be around \$15,000, but it will be paid for by insurance. She indicated a consultant has been chosen for the RORO pilings. She explained Bretz attendance at city parking committee meetings. She added some funds the Port provided in the past were used for hiring consultants, and the Port is not contributing funds now.

Miranda reported TCB is following the Port code for parking. She noted staff have been receiving a lot of appeals, and some of those make sense while others do not. She stated for people where waiving does not make sense, they may not like her answer, and they may come to Commission. She noted TCB is doing a good job and issuing warnings, not just citations. She indicated if Commission has concerns, to contact staff. She added there is a process for appeals.

Miranda reported staff are working on the fillet table covering donation. She noted she met with the City of Newport City Manager, Airport Director, and Lincoln County Administrator to work on how to get commercial flights to airport. She stated she doesn't want to wait until the NOAA lease is up to try to get long-term service. She indicated she is working on chasing grants on the federal and state level for air service.

Miranda apologized for not having financial reports to Commission. She stated she wants to ensure the report is accurate. Brown stated he completed the first draft, but staff have to close the books for June and July. He noted staff are learning all new processes and getting close. He indicated it will be slick once processes are in place.

Miranda overviewed upcoming conferences. She noted OPPA will be hosted by Ports of Alsea, Toledo, and Newport at the Best Western at the end of September. She stated in PNWA she will step into the Treasurer role and then become President. She added she thinks that will put the Port in good position at the federal level.

Lucky asked for the upcoming meeting, will there be a list of questions and answers that the Commission can look at. Miranda replied the meeting will be similar to the South Beach Users Group. She stated staff will compile things they've heard, address misinformation, come with answers, and listen to attendees. She suggested one or two Commissioners attend. Burke suggested including the FAQ sheet with the agenda.

COMMISSIONER REPORTS

Retherford presented an update on offshore wind energy. She noted after the Port of Newport signed a resolution, many others followed including cities, ports, and counties. She stated Heather Mann is still working on getting resolutions signed. She indicated BOEM finished the mitigation comment period, and they are still moving along.

Miranda reported PNWA was putting together a support letter, and she told them ports would rather not make a statement until the issues outlined in the resolution are addressed. She noted they changed their letter to reflect the resolution.

PUBLIC COMMENT

Sorenson thanked the Commission for listening to everyone. He noted a lot of folks will be leaving before Labor Day. He suggested setting a meeting at the end of next week. He offered to spread the word. He added email doesn't always work here because of internet. He stated with sale of tuna, people can get a one-day landing permit, but that can't be sold off the boat without a special license.

Sorenson stated he thinks it is a good opportunity to offer sales in South Beach. He noted it should be limited. He added if this is going to be a sports marina, then the marinas need to be completely separated.

ADJOURNMENT

Having no further business, the meeting adjourned at 7:41 p.m.



James Burke, President



Walter Chuck, Secretary/Treasurer

