

May 24, 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. Also in attendance were General Manager Paula Miranda, Finance Director Mark Brown, Administrative Assistant Gloria Tucker, Heather Mann, Executive Director of the Midwater Trawlers Cooperative, and PR Consultant Angela Nebel.

BUDGET HEARING

Approval of Resolution 2022-04 Adopting the 2022-2023 Fiscal Year Budget, Making Appropriations, and Levying and Categorizing the Tax. Burke introduced the agenda item. Brown reported the Port anticipates having a supplemental budget because of large grants. He added this budget is just like the one presented to the Budget Committee.

MOTION was made by Chuck, seconded by Sylvia, to adopt the budget and make appropriations for Fiscal Year 2023 as stated in Resolution No. 2022-04. The motion carried unanimously in a voice vote.

MOTION was made by Lackey, seconded by Retherford, to impose and categorize the tax as stated in Resolution No. 2022-04. The motion carried unanimously in a voice vote.

ADJOURNMENT

Having no further business, the budget hearing adjourned at 6:04 p.m.

REGULAR SESSION

Burke called the regular session into order at 6:05 p.m.

CHANGES TO THE AGENDA

Miranda requested adding Juneteenth to the agenda since the next time the Commission would meet would be after the upcoming holiday.

Burke added Juneteenth to the agenda.

Juneteenth. Miranda reported there is a new federal and state holiday on June 19. She noted she would like to add it to the Port's observed holidays and add it to the Employee Handbook. She explained several changes are being made to the Handbook, and that will eventually come before Commission as a complete document. Burke clarified with staff the holiday falls on June 20 because June 19 is on a Sunday this year.

MOTION was made by Lackey, seconded by Chuck, to approve the Juneteenth holiday and add it to the Employee Handbook. The motion carried unanimously in a voice vote.

PUBLIC COMMENT

Burke read Kenneth Linstrom's public comment into the record.

Brown reported on the Port's current policy. He read Section 6.25 Parking in the Facilities Code, which states, "One recreational vehicle plus one towing or towed vehicle is allowed per assigned space. No boats or boat trailers are allowed in RV spaces, unless the combined length of all vehicles, trailers, and the like, is less than the maximum length allowed for the particular space."

Miranda reported staff are trying to get better at following Port policies, especially as they work through parking fees. Chuck stated with all that is coming up with parking, the Port needs to start putting up signage. Brown replied the signs are in, and staff will install them. He noted for trailers there is a space by the cherry plant that is secured. He added that gives the Port additional parking for those launching.

Linstrom stated he has stayed in the Annex the last 10 years, and up until this year, people could park trailers. He indicated it seems arbitrary they changed that. Brown replied this is about enforcing policies that have been on the books forever. Linstrom asked why it would be enforced if it didn't infringe on anyone else's space. Burke replied staff are tightening up policies across the Port. Miranda replied the reality is there are a lot of policies the Port did not enforce. She noted people may think it doesn't infringe, but that's not the case on the operations side. She stated there are a lot things staff are trying to tighten up because it will help them better manage the complex. She indicated in the past there were not enough people to enforce those things. She added at the end of the day, it does make a difference.

Linstrom stated one of the reasons he likes to stay in the Annex is because of the additional space for utility trailers and storing equipment used when fishing. He noted when he had a boat, he would park it beside his trailer there with plenty of room. He indicated he thinks it's unfortunate to decide to enforce those rules. He pointed out there is a conflict with the fee schedule, which lists utility trailers as a charge for a fourth vehicle. He added the fee schedule and facility rules are not consistent. Miranda replied staff will address the fee schedule.

Sylvia asked if there is extra space and if there should be a different policy for the Annex. Miranda replied the Port has to redesign the Annex because there is not enough space. She noted staff is working on a plan to redesign that. She indicated, in general, every bit of real estate is at a premium because the Port gets pretty jammed. She recommended sticking with the policy and adjusting the fees where there is a conflict. She added anytime the Port has any use of Port property, folks should pay for that space because there is value to that space. Brown stated he would look into alternate space to the north.

CONSENT CALENDAR

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

OLD BUSINESS

Approval of Audit Contract. Burke introduced the agenda item. Brown reported state law requires the Port to be audited. He stated as of December 31, 2021, the Port's current contract ended. He noted staff sent out an RFP to seven different CPA firms, and got one response, the

current auditor. He indicated, quite frankly, they work with staff. He added they answer questions throughout the year at no charge.

Brown recommended a five-year contract. He noted the contract does allow for additional five years, but it would have to come back to Commission. Sylvia asked why other firms did not apply. Brown replied it may have been timing.

MOTION was made by Chuck, seconded by Lackey, to authorize the Port General Manager or designee to contract with Kern-Thompson for a 5-year period for audit services. The contract for the first year shall not exceed \$30,000, plus an additional \$7,000, if a single audit is required. For the additional 4 years, the cost for each year of the contract shall not exceed the previous year's cost plus the CPI for the year. The motion carried unanimously in a voice vote.

Approval of Amendment to MOU with the City of Newport. Burke introduced the agenda item. Miranda reported this has been ongoing for a while. She noted the Port has an MOU with the City of Newport regarding sand they use from the Port. She stated the Port uses the airport to get rid some of the fill materials that are not useful for construction. She indicated there was an issue with trucks coming in, and the MOU has been amended to reflect the entrance for trucks. She added this was approved by the Commission, but since then, the city has had different engineers.

Miranda reported the city requested language about where the materials are deposited, notification time before hauling, and fees that do not exceed a CPI adjustment. She noted staff are OK with the amendments. She recommended reapproving the MOU with the changes the city made.

MOTION was made by Lackey, seconded by Sylvia, to approve the Amended Memorandum of Understanding regarding fill material to include the additional language as requested by the City of Newport. The motion carried unanimously in a voice vote.

NEW BUSINESS

Approval of Hoist Dock Rewiring Proposal. Burke introduced the agenda item. Miranda reported this has been budgeted, and staff have been trying to get work done there for quite a while. She noted this is a matter of safety since the wiring is all on the bottom of the dock. She explained the proposal moves that wiring to the top. She stated Western States agreed to do the work, and staff added a contingency. Burke noted this has been talked about for a long time and expressed approval. Lackey thanked staff for getting these long-term items knocked out.

MOTION was made by Sylvia, seconded by Retherford, to authorize the GM or designee to contract with Western States to relocate the electrical conductors at the Hoist Dock at a cost not to exceed \$32,000, which includes a 10 percent contingency. The motion carried unanimously in a voice vote.

Approval of ODOT IGA Amendment for Bridge Inspections. Burke introduced the agenda item. Miranda reported the Port just built a new pier at Port Dock 5. She noted this is like a bridge to ODOT. She explained they will inspect it for free. She stated it is good for the Port when it gets new assets, to have them inspected. She indicated staff put \$50,000 a year aside for inspections of all Port properties. She added she has worked with ODOT on bridges before, and it is a good deal. She recommended approval of the IGA.

Sylvia asked if ODOT will limit access. Miranda replied ODOT is concerned with safety, so they will watch for safety concerns. She explained in her experience they never shut down a bridge, but suggested repairs. She stated she does not think they would shut down the pier unless there was a real hazardous situation. She indicated if there is a serious issue, they provide a timeline to get it done and recommendations well ahead of time. She added considering this is a new pier, that is not a concern.

MOTION was made by Retherford, seconded by Lackey, to approve the ODOT IGA Amendment No. 1 for the Port Dock 5 Pier. The motion carried unanimously in a voice vote.

Approval of Resolution No. 2022-05 Regarding Offshore Wind. Burke introduced the agenda item. Mann reported the Commercial Fishing Users Group Committee sent a letter to the Commission asking the Port to prioritize existing ocean users and stakeholders. She stated, subsequently, the Port held a work session and discussed the best way forward. She noted Miranda worked with Commissioners to draft a resolution. She indicated she likes the resolution and its direction. She added she likes the different steps for BOEM to consider.

Mann reported Midwater Trawlers Cooperative supports this approach. She stated while she has not been able to check in with the Committee, she feels confident they would support it as well. She explained based on the testimony at listening sessions held on the coast, in general, fishermen would support this. She indicated she likes the way the resolution acknowledges offshore wind could be a component of energy moving forward, and then explained what lost fishing grounds could mean over 30 years. She added the losses to communities could be in the billions.

Mann recommended the Commission support the resolution. She stated she thinks it will pave the way for other ports to approve something similar. She noted, now more than ever, with this type of approach, people can get a foothold with the state of Oregon to stand up to BOEM. She added people need to do this the Oregon way and slow the process down.

Retherford declared a potential conflict of interest due to her participation in the commercial fishing industry and management of commercial fishing boats. Miranda noted there is a possibility of a class exemption in this case. Retherford replied it's a 60-day process for her to get that exemption.

Lackey declared he does not have a potential conflict of interest due to a class exemption. Burke praised the resolution. Miranda replied she put this together based on comments from Mann, Commissioners, and the listening sessions. She stated her intent, if this is approved is to send a letter to BOEM and ODOE and copy federal and state legislators and the Governor's office.

Lackey stated in his opinion the resolution is appropriate. He noted the potential of negative impacts to the Port and community are large. He indicated the Resolution asks to minimize negative impacts and gives other recommendations for due diligence. He added he sees this as appropriate on behalf of the Port.

Lackey stated he toyed around with modifying the first whereas clause because people are wide ranging on this issue, and the first sentence could be too soft or too hard. He noted he is OK with the way it is written. He indicated an alternate phrase is whereas the Port recognizes there is an interest. He added he sees the merits of the way it is written.

Chuck stated he prefers the current version. He noted it is clear there is interest already. He requested the authority to send the resolution to Whitney Hauer as a Task Force member. Burke replied it's good to send this as broadly as possible.

Miranda noted she originally spoke to OPPA, and this issue was too political for them. She stated PNWA understands these concerns, and there is a chance they will weigh in on this. The Commission agreed to keep the resolution as presented. Retherford stated making an acknowledgement of the issue and making a statement shows the Commission's part as leaders in the community. She noted this makes a big statement to Oregon and this community. Burke added acting on this quickly was important.

MOTION was made by Lackey, seconded Retherford, to adopt Resolution 2022-05 authorizing the Port of Newport to send the Bureau of Ocean Energy Management (BOEM) and to the Oregon Department of Energy (ODOE) a letter providing recommendations for offshore wind. The motion carried unanimously in a voice vote.

Public Hearing Regarding Ordinance No. 2022-01 Revisions to Port Facility Code and Addition of Moorage Section. Burke introduced the agenda item. Miranda reported staff made a few changes to the Code. She stated the main item is making moorage consistent for the commercial and recreational marinas. She noted the other main item is changing class violation from Class B to Class A. She indicated the reason for the change is as staff consider assigning moorage to parts of the Commercial Marina, it is very difficult when visitors don't want to move and there is only a small infraction. She added sometimes they prefer to pay rather than do what staff ask, and this will give them a little more penalty.

Miranda reported the Port is looking at the beginning of July to hire a Wharfinger. She noted staff are ordering signs. She indicated that won't help the Port if there is not this change. Sylvia asked how the process works. He asked if vessels coming into the Port contact the Harbormaster before coming in. Miranda replied her understanding is that most marinas won't take anyone without prior contact, but here people come and go as they please. She emphasized that is a problem, especially, if there is assigned moorage. She noted the Wharfinger will be managing the docks and the Harbormaster gives that person authority to enforce the Code. She indicated folks will be required to contact the Port or use the reservation system online after hours.

Sylvia clarified with staff the different class violations. Retherford asked if the Port has fined anyone recently. Miranda replied it has gotten close to fines. Burke stated there will be some growing pains as there are with other changes. Chuck asked if people can be banned. Miranda replied that requires consulting with the attorney. She noted the Port has banned people, but it does involve legal discussion. Brown noted it is not a permanent ban; there is a timeframe.

Burke confirmed with staff the Harbormaster or the designee will hand out the fines. Chuck passed out copies of the Facilities Code. Sylvia asked what is the underlying reason for the increase in non-compliance in the last two years. He asked if people are less compliant because of COVID, the marina is more crowded, or have there been personality issues. Miranda replied it is a combination of all those reasons. She stated it started with COVID, and the Port has gotten busy, especially with squid. Burke noted the Port staff have started paying more attention to these issues.

Lackey stated coordination, communication, and building relationships are key. He noted, hopefully, over time if there are a lot of fines, staff can address something in the process. Miranda stated the Port's intention is never to fine people, but to communicate. Retherford asked if the civil penalties can be posted somewhere. Miranda replied it is on the website, and staff will probably have to educate some people, especially new folks.

Retherford asked if there will be communication to local captains and skippers. Miranda replied it's probably not bad on an annual basis to remind folks. She stated staff will send a notice out with invoices with modifications to the Code and let people know about the website and hard

copies of the Code in the office. She added staff are trying to do a little more communication. Retherford confirmed with staff one designee is adequate.

Approval of MARAD's PIDP Grant match for NIT Equipment. Burke introduced the agenda item. Miranda reported she provided a letter to MARAD, and then was told at the last hour to send a new letter with the more current match amount. She explained the Port is asking for a larger amount than the original request because of a couple of yard trucks and large log handlers. She noted even though Commission approved grading the area, the Port has not spent that money, so it is included in the match. She explained Burke had to sign the letter, so she brought it to Commission to ratify.

Miranda reported she has been talking to forest industry companies, and they hope to start something in mid-July. She stated there have been some concerns with the Port exporting logs, but she has been working on an importing possibility. She explained the Port does not have enough equipment, so people have to bring their own and that makes it harder to find customers. She indicated she has been discussing this with MTC. She added if a company starts working this summer, they are going to have to rent their equipment from someone else.

Miranda reported, eventually, this equipment will make the Port money and invite opportunities for the Port. Chuck asked who would operate the equipment. Miranda replied that will be decided at that time, but her preference is for the Port to manage its own equipment. She noted the longshoremen are involved with the company considering using the Port. Sylvia asked if the Port has enough business to have staff handle it, or will the Port need to hire someone. Miranda replied she does not think there would be enough business to hire someone in the beginning. Sylvia clarified with staff the political concerns involve exporting logs. He asked if the Port is able to provide the match financially. Brown replied the Port can match it, especially with added business, which is important for the long-term viability of the International Terminal.

Lackey stated it is a lot of money, but it leverages a lot too. He noted coordination at the Terminal will be key. He indicated if the Port ever gets to the point of working on details with a customer, upfront coordination and legal considerations are important. Miranda replied this would not be like having a company leasing a property and managing vessels. She explained the Port has a tariff, and if a company needed additional space, then the Port issues a permit. She indicated the legality with a permit versus the Port's previous issue is a bit different. She added she discussed Bretz joining Northwest Marine Terminal Association, which typically discusses tariffs.

Lackey stated when the Port gets to the point of the grant and starts courting customers, before any agreements are made, the logistical, timing, financial, community-side, and legal-side need to be buttoned up. He emphasized the importance of making sure the Port's interests are covered.

Retherford stated she knows there is a lot of pressure on dock spaces, and it would be nice to have Port Dock 7 done, and then have all this other stuff, but she knows the process needs to get going. She added it's going to be a dance. Miranda replied she does not think business will jump up that quickly. She stated she thinks it will grow slowly, and she hopes by the time it is super busy, the Port will be close to getting PD7 finished. She added she is hoping for the business, but also not to strain what the Port has.

Burke stated coordination will be key. He noted the grant supports the Port's mission and Capital Improvement Plan. He indicated a 20 percent match is good deal. Miranda noted the Port could apply for 100 percent grant money, but chances of getting that would be minimal. Burke stated putting 9 acres into the grant is great too; that makes the figure smaller. Burke asked when

staff would know about the grant award. Miranda replied she will know by mid-summer, and the Port would start getting money in September.

Mann requested to give public comment. Burke authorized public comment. Mann thanked Miranda for being really transparent on the potential Terminal business. She added Miranda has been keeping her informed every step of the way, so MTC is supportive.

MOTION was made by Chuck, seconded Lacky, to ratify and approve the match letter for the PIDP grant as it was signed by the Port Commission President. The motion carried unanimously in a voice vote.

General Manager Performance Evaluation - Salary/Benefit Adjustment. Burke introduced the agenda item. He stated Commission had a good discussion. He noted the evaluation was a more narrative style, and Miranda received an excellent appraisal. Sylvia confirmed with staff the General Manager's salary was \$157,000, and \$142,000 a year before that. Sylvia stated there are lot of aspects to this discussion, inflation, merit, competitiveness, and bonuses. He explained the process of evaluations at the University.

Burke stated the Commission has looked at SDAO's Oregon public port (OPPA) salary report. He confirmed with staff the Cost-of-Living Adjustment (COLA) for Port staff is 7 percent. Sylvia confirmed with staff that COLA is not automatically increased every year. Miranda reported one of the issues when she first got here was that salaries in general were very low. She noted it is still hard to hire and keep folks here. She explained the Port went through a salary study. She indicated if the Port is having a bad year, the Port could choose to forgo COLA, but as long as the Port is doing well, the Port should do the COLA. She indicated merit is above that, and the Port is not required to do it, but if it doesn't, chances are the Port may lose people.

Sylvia stated as far as competitiveness, the salaries are all over the place in the OPPA report. Retherford asked if there is any other way to do extras like benefits or perks. Miranda explained salary discussions for the General Manager have to be in open session or use SDAO who will negotiate with her directly. Sylvia noted Miranda is in the ballpark for competitiveness. Retherford noted \$133,000 – \$180,000 is the salary range from OPPA, which leaves room to increase.

Lackey stated the Port wants to be competitive, wants to reward Miranda, and wants to show her the value of her work. He noted the performance for the past few years has been very good. He indicated she has shown good leadership, and that is very valuable to the Port. He added the Port was not close to competitive years ago, but he thinks it is getting there.

Lackey stated he believes the Port has a top tier General Manager and wouldn't want just any General Manager at the top salary range. He noted to be at the top range, there has to be the results that the Port is seeing now, and he hopes continues to see. He indicated he sees 7 percent as the floor, and then there is the merit. He added the merit increase should be in addition to COLA. Retherford agreed with Lackey. Burke stated an additional 7 or 8 percent brings the salary to the top of the range.

Chuck asked what type of merit increase do the rest of the Port employees receive. Miranda replied that is 1-5 percent. He asked if many received 5 percent. Miranda replied there have been some. Chuck noted Miranda's salary has gone up 23 percent in the last two years. He stated he understands catching up, but there is also perception. He explained there are other administrators in the area that aren't compensated in that way.

Brown reported the last couple of years the COLA was 3 percent. Miranda noted the Port did adjust the salaries three times the first year she came to catch up. Brown noted the front office

at the RV Park was \$11-\$12, and now the minimum is \$18. Miranda stated she was hired on the original budget, and she knew she would not make money coming here. She explained that she knew unless she could make the Port viable, she would not be compensated more, and she had to show her way.

Burke stated the key thing is to make sure the Port remains stable. He noted the Commission has seen in the last few years the Port become more stable. Lackey stated the Commission is not looking to pay people just to be nice, but looking to retain people, in this case the General Manager. He indicated it's not only a reward, but it's an investment in the Port. He added like a sport's franchise, people have to think about what needs to be done to be a winner.

Lackey suggested an 8 to 15 percent total increase. Retherford recommended 12 percent, in line with staff merit. Sylvia noted this position is different than regular employees. He stressed not limiting her position to 1-5 percent merit in the future but remaining flexible. Lackey suggested 12 percent, rounding up to \$176,000. Chuck suggested 10 percent. Retherford added next year it would be nice to think on the lines of benefits too.

MOTION was made by Lackey, seconded by Sylvia, to raise General Manager Paula Miranda's salary to \$176,000. The motion carried 4-1 with Chuck opposed.

STAFF REPORTS

General Manager. Miranda reported in spite of inflation, the Port is still good on finances and is starting to get real busy in the RV Park in spite of gas prices increasing. She stated with the new reservation system, there are challenges and staff are quite busy. She noted the Port is still trying to go online for the financial system. She indicated the permit for the Rogue seawall is almost completed. She added there may need to be 60 percent complete drawings.

Miranda reminded Commission of the Seafood Cookoff on July 23. She reported Road and Driveway are grading the parking lot today and tomorrow. She noted the Yacht Club is one of the sponsors. She stated walls are going up on the new building. She indicated with contingency, the Port is able to finish the rentable area. She added as soon as the frame is up, she is going to start advertising the area.

Miranda reported the Port Dock 7 RFQ has gone out. She stated the Port closed the PD5 project and had some conversations with the EDA regarding technical grant for the difference. She noted the Port should be able to get something. She indicated staff put an RFQ out there for the inspection of the NIT RORO dock. She added, hopefully, the Port won't need to do much work.

Miranda reported the Oregon Cascades West COG has been invited to speak at the next regular Commission meeting; it will only take 10 minutes. She noted she would like to hear from Commissioners about any topics they would like to have during a work session. She indicated the next conference coming up is the PNWA in Spokane on June 21-23. She added she talked with new director of PNWA, and they may focus more on coastal ports.

Lackey stated he keeps hearing about a recession and asked if staff have seen any aspect that seems to be affected. Miranda replied there hasn't been, and the reality is last year was a good year for a lot of people. She added she does not think people are quite ready to stop spending yet. Brown noted in recessionary times, RV business tends to go up. Retherford noted it is a food source too. Miranda stated issues may come up trying to buy parts and general services. She added luckily because there was a slowdown on the construction of homes, that is not affecting construction of the Admin Building. She indicated some things may take longer to get, and fixing things may take longer.

Chuck confirmed with staff the fishing pier is part of the RFQ. Burke confirmed with staff the RFQ is on the website. Chuck noted there have been some low tides, and there have been some low spots in the sport marina. He asked if there was anything the Port could do. Miranda replied that is tough because the marina hasn't been dredged in a while, and staff are still working with the Army Corps on that permit. She noted she does not know if there is much the Port can do other than avoid putting people in those low areas. She added she wished the Port could do the South Beach Marina quicker than the others because it is needed there most.

Burke noted damage to the gangway on A Dock. Miranda stated that is still being evaluated at this point. Chuck asked if the Port will haze sea lions. Miranda replied Bretz is looking into an affordable option. Chuck asked if employees will shoot them with paintballs. Miranda replied Bretz is considering doing that as well for a short period. Retherford showed a picture of an inflatable tube man that worked in Brookings. Miranda noted that did not work in the Port of Astoria, but Bretz can look into that as well.

COMMISSIONER REPORTS

Chuck reported he attended the listening sessions in Coos Bay, Newport, and Astoria on offshore wind.

ADJOURNMENT

Having no further business, the meeting adjourned at 8:12 p.m.

James Burke
James Burke (Jun 29, 2022 15:08 PDT)

James Burke, President



Walter Chuck, Secretary/Treasurer






May 24 2022 Minutes

Final Audit Report

2022-06-29

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