

PORT OF NEWPORT MINUTES

May 25, 2021

Budget Hearing & Regular Commission Meeting

This is not an exact transcript. The audio of the session is available on the Port’s website.

This meeting was held virtually by invitation only. The public was invited to view the live stream of this meeting on our YouTube Channel, Port of Newport Meetings Audio. Live chat was not monitored. The public could submit comment through a form on our website no later than 4:00 pm on Monday, May 24th, to be read into the meeting at the appropriate time.

Agenda Item

Audio Time

Fiscal Year 2021-2022 Budget Hearing (ORS 294.430)

I. CALL TO ORDER

0:00

Commission President Jim Burke called the Fiscal Year 2021-2022 Budget Hearing of the Port of Newport Board of Commissioners to order at 6:00 pm.

Commissioners Present: Walter Chuck, Secretary/Treasurer (Pos. #1); Kelley Retherford (Pos. #2); Gil Sylvia, Vice President (Pos. #3); Jeff Lackey (Pos. #4); and Jim Burke, President (Pos. #5).

Management and Staff: Paula J. Miranda, General Manager; Aaron Bretz, Director of Operations; Mark A. Brown, Director of Finance & Business Services; and Karen Hewitt, Administrative Supervisor.

Members of the Public and Media: Angela Nebel, Summit Public Relations Strategies.

II. PUBLIC COMMENT

0:19

There was no public comment submitted.

III. RESOLUTION 2021-04 ADOPTING THE 2021-2022 FISCAL YEAR BUDGET, MAKING APPROPRIATIONS, AND LEVYING AND CATEGORIZING THE TAX

0:24

Miranda introduced the Budget Hearing Packet. She commented there were some small changes to the Budget approved by the Budget Committee, but they did not meet the threshold to require a 2nd Hearing. Brown referred to page 24 of the Meeting Packet, Notes and Projects, which had been included per Sylvia’s suggestion. This section included all changes as well as what is included in the budget items, cross-referenced in the budget documents. Brown said major changes included

the addition of a portion of the Port Dock 5 Pier project for electrical boxes that are not yet available, and changes in grant funding. Sylvia said he appreciated the added notes, and asked about a few references.

A motion was made by Chuck and seconded by Sylvia to adopt Resolution 2021-04 Adopting the 2021-2022 Fiscal Year Budget, Making Appropriations, and Imposing and Categorizing the Tax. The motion passed 5 – 0.

IV. ADJOURNMENT 7:45

Having no further business, the hearing adjourned at 6:08 pm.

Regular Meeting

I. CALL TO ORDER 8:00

Commission President Jim Burke called the Regular Meeting of the Port of Newport Board of Commissioners to order at 6:08 pm.

Commissioners Present: Walter Chuck, Secretary/Treasurer (Pos. #1); Kelley Retherford (Pos. #2); Gil Sylvia, Vice President (Pos. #3); Jeff Lackey (Pos. #4); and Jim Burke, President (Pos. #5).

Management and Staff: Paula J. Miranda, General Manager; Aaron Bretz, Director of Operations; Mark A. Brown, Director of Finance & Business Services; and Karen Hewitt, Administrative Supervisor.

Members of the Public and Media: Angela Nebel, Summit Public Relations Strategies.

II. CHANGES TO THE AGENDA 8:13

Miranda said the materials on the Lincoln County Enterprise Zone provided as an addendum to the Meeting Packet would be tabled until June at the request of the Economic Development Alliance of Lincoln County.

III. PUBLIC COMMENT 9:30

No public comment was submitted.

IV. CONSENT CALENDAR.....

9:35

- A. Minutes 2021
 - 1. Regular Commission Meeting Apr 27
 - 2. Commission Work Session May 12
- B. Financial Reports
- C. Catch Basin Repair South Beach
- D. HDR Contract Extension

A motion was made by Lackey and seconded by Retherford to approve the Consent Calendar as written. The motion passed 5 – 0.

V. OLD BUSINESS

- A. Items Removed from Consent Calendar

No items were removed from the Consent Calendar

- B. Accounts Paid

10:00

A motion was made by Chuck and seconded by Sylvia to approve Accounts Paid. The motion passed 5 – 0.

- C. Additional Circuits and Work, South Beach Load Centers

10:30

Bretz introduced the Staff Report included in the Meeting Packet. He said there were several items identified that needed to be done as the SB Load Centers project was underway that were not anticipated. He referred to the report for details.

A motion was made by Lackey and seconded by Retherford approving the General Manager to authorize Western States to perform work additional to the original scope of the South Beach Load Center Replacement project as stated in the report on page 77. The motion passed 5 – 0.

VI. NEW BUSINESS

- A. General Manager Performance Evaluation – Salary/Benefit Adjustment

12:38

Burke commented that this had been discussed in last week’s Work Session, but Sylvia was not there. Burke said there was a rough motion to approve a 12% salary increase. Sylvia said he had listened to the discussion from that meeting. He commented there were a lot of good points raised about the job Miranda has done and the need to pay a competitive salary, but was frustrated by the lack of data on port managers’ salaries and benefits. Sylvia said he found the same information on Washington State ports that Lackey had mentioned, but did not find other data easily accessible.

He added that the different elements of compensation weren't clearly identified: competitive salary, merit raise for good performance, cost of living, and benefit compensation. He suggested that in future discussions of the General Manager's salary the Commission have a better framework to structure the discussion, and perhaps as a group adopt a position that the Port of Newport must pay a competitive salary for the port director. Sylvia said he supported the 12% increase and commended the Commission on their Work Session discussion on this complex issue.

Miranda said the Oregon Public Ports Association (OPPA) had planned a salary survey for last year, but it was postponed due to COVID. She expects that this will be on OPPA's next agenda. Miranda said she spoke with the Port of Astoria, who negotiated the director's salary using the Special Districts Association of Oregon (SDAO). She suggested using this service provided by SDAO, which could allow the association to do the research and negotiation, and the result would be presented to the Commission in an open session.

Lackey shared a prepared statement regarding the rationale for the salary increase for Miranda, which is appended to the minutes and included by reference. He said it was important to explain why the Commission's decision was the right action to take. He said a proposed \$15K salary increase would be about a 10.6% increase, and \$16,920 would be 12%. Sylvia volunteered to collect data for future negotiations. He said his first reaction was not to include a 3rd party like SDAO in the negotiations, but rather to develop an appropriate framework and data for Commission discussion. Chuck thanked Lackey for his statement, and agreed the Port needs to pay competitively and be consistent, adding that Miranda is the 5th General Manager in the past 8 years. Chuck said the Commission is also stewards of the public interest, and was concerned about public perception of a 20%+ salary increase over two years. He suggested a 7% increase with additional increases in future years. Retherford commented that it was important to show Miranda that the Port recognized her value. She said that the Port would not want to go through the number of general managers the Port has in recent years. Retherford said the Commissioners had been provided the contract from the Port of Astoria, which did provide information. She suggested either a \$15K or 12% salary increase. Burke remarked that he had looked at the numbers provided and the well done high-performance appraisal. He supported either \$15K or 12%. Burke said he had joined the Commission when the Port was in a rough spot, and it was important to keep the current direction and forward momentum going. Sylvia suggested the Commission can make the case to the public about what is good for the Port; the community understands the importance of the Port and compensating a good manager in line with the market. He suggested doing a more thorough analysis next year. Lackey added that if the Port lost Miranda because of Commission action that would lead to poor public perception, and the public can see if the Port is well functioning or not.

A motion was made by Lackey and seconded by Retherford to approve a General Manager salary of \$157,000 within the existing contract structure (approximately 11.3% increase). The motion passed 4 – 1, with Chuck opposed.

VII. STAFF REPORTS

- A. General Manager 33:40
1. Director of Finance & Business Services
 - a) April Occupancy Report
 2. Director of Operations

Miranda congratulated Lackey, Retherford and Sylvia for retaining their Commission seats in the recent election, and said she looked forward to continuing working with the entire board. Miranda introduced the Staff Reports included in the Meeting Packet. She said that this was day one of a three day very detailed meeting with the Army Corps of Engineers (ACOE) regarding the dredging feasibility study. Miranda said it seemed there would be a two year process to decide whether or not to dredge the commercial channel, and Bretz would be working on this. Miranda mentioned the completion of the electrical engineering plans for Port Docks 3 & 5, and the expectation of bringing a plan to order equipment to the Commission next month in order to have the project ready to start in the fall. Miranda remarked that the Port Dock 5 Pier project should be mostly complete and usable by mid-June, but some electrical supplies are delayed which will require the contractor to come back some time in August for their installation. She asked for Commission input on a ribbon cutting for the pier project. Burke suggested the Thursday before the 4th of July weekend to lead into the holiday celebrations. The Commissioners agreed that would work, and Miranda will send out some invitations.

Miranda referred to the information provided by Bretz on the SB load centers additional work, but commented that the load centers were in place before the halibut opener as planned. Miranda said she has been meeting with the consultant on the Rogue Sea Wall evaluation and thanked the City of Newport for the use of an excavator to provide a view to parts of the structure. Miranda said she has had some conversations with the neighboring property to 343 SW Bay and is looking for solutions that will work for the Port in the long run. Time will be an important consideration for any work undertaken. She added that parts of the floating dock area in front of the property were not currently under a DSL lease. Miranda said she had hoped to bring an MOU with Clearwater regarding Port Dock 1 to this month's meeting, but the document was still being finalized.

Miranda said she spoke with City Manager Spencer Nebel about a June joint meeting with the City and Port of Newport, and he suggested June 28th at 5:00 pm at City Hall. This would be the Monday after the Regular Meeting would normally be held. She said the City and the Port would both bring agenda items to be put in the Meeting, which would be announced by both entities. Miranda will confirm with Spencer Nebel that the date will work for the Port Commission. Miranda said the Port is financially on track, and added that Brown is always finding ways to save money and streamline processes. Miranda said the Port unfortunately did not get the Travel Oregon grant for the fillet tables, but she has been working with the Oregon Department of Fish and Wildlife (ODFW) on applying for grants with them that would be awarded in January, as well as other options. She said that South Beach continues to be very busy.

Miranda said she has been speaking with the U.S. Department of Transportation Maritime Administration (MARAD) about opportunities for grants for the development of the Port's 9-acre industrial property. She has not had enough discussion with potential customers of the property to bring something to the Commission. If there would be cargo, there would be discussions with current users as well as the Commission. Miranda said that the Request for Proposals for a new Financial System issued by Brown will close at the end of the month. Miranda commented she continues to work on the architectural and engineering work for a new Administration Building. Miranda said she confirmed with Business Oregon that the loan rate could be locked in for 3 years and was currently 2.12%, which was less than budgeted. She is waiting for an award letter from Business Oregon, which would be followed by loan documents that would need to be signed in 30 days, but there would be 3 years to complete the project. Miranda said she spoke with the City regarding the roof sign proposed by Rogue, and Rogue has to work more with the City before discussing again with the Port Commission. Miranda said that the Port has started to issue permits for activity on Port properties again, including the 4th of July fireworks, Oregon Sea Grant Shop at the Dock, CAST for Kids, and Newport High School Grad Night. Miranda pointed out the Pacific Northwest Waterways Association (PNWA) virtual conference listed on the calendar, and asked Commissioners to let staff know if they wish to attend. She also reminded Commissioners to let her know if they wished to attend Senator Merkley's meeting so that she can make sure not more than two Commissioners will attend.

Chuck asked Bretz if there were any issues with the older pedestals getting cleaner power and a better connection since the load centers were replaced in the South Beach Marina. Bretz said once the GFI breakers are installed in the pedestals that will be the best that can be done at this point. In order to replace the pedestals, the docks would also have to be replaced, a project that most likely would have to be done in stages at some point.

VIII. COMMISSIONER REPORTS/COMMENTS

56:36

Chuck said his term on the statewide Ocean Policy Advisory Council (OPAC) is up. He is waiting to hear from the Governor about reaching out to Miranda. Chuck said the person who served in his seat previously was a Port of Astoria Commissioner. He asked any of the Port Commissioners who were interested in applying for the position to contact him. Sylvia said he, Chuck and Miranda attended the fishermen's round table held by Representative Schrader. Sylvia said he also attended a meeting of the Trawl Commission on offshore wave energy. Rep. Schrader made a comment that you need to get ahead of the Bureau of Ocean Energy Management (BOEM) because they don't take other interest groups into account. Schrader asked whether a set of maps could be provided to show the value of where fisheries are located. Sylvia said at the Trawl meeting a speaker from the east coast representing fishing against wave energy said what needs to be done is protect high value fishing grounds, and that it is hard to compare value across different types of fleets. Rep. Schrader said that analysis would need to be done in order for him to be able to help. Retherford suggested contacting Heather Mann regarding what would help. Retherford said for the Port to continue to be stable, fishing needs to continue to be stable, and there are high value fishing areas off our coast in each direction, inshore to offshore. She also suggested talking with the users group. Chuck

mentioned that about 10 years ago the fleet went through a map exercise with Ecotrust. The difficulty was that the commercial fishing fleet considers that information proprietary.

IX. CALENDAR/FUTURE CONSIDERATIONS 1:05:20

There were no changes to the Calendar/Future Considerations.

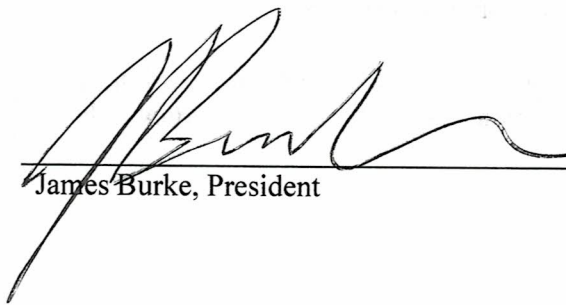
X. PUBLIC COMMENT 1:05:26

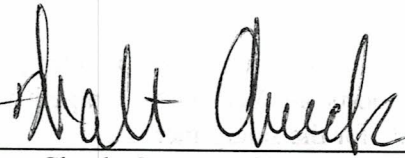
No public comment was submitted.

XI. ADJOURNMENT 1:05:30

Having no further business, the meeting adjourned at 7:05 pm.

ATTESTED:


James Burke, President


Walter Chuck, Secretary/Treasurer

5/25/2021

Jeff Lackey

Prepared Statement for Commission Meeting

As port commissioners, we act as stewards of the public resource that is the port on behalf of the people of the port district for their good, and for the good of those outside the port district impacted by the port in terms of recreation, direct business, and secondary economic effects. Selecting and working together with the port general manager is our number one job.

These past two years Paula has done a great job executing the many different aspects required of the GM role. The port and its staff have functioned well through an extremely busy slate of projects and a pandemic, and the results have exceeded expectations.

The port is both a public entity and a multi-million dollar business. GMs with experience and an applicable skill set are not numerous nor easily identifiable. The impact of a GM efficiently and effectively leading the port has been shown to be extremely valuable and vital to the port's success. Therefore, it is incumbent upon the commission to reflect in Paula's compensation the commitment to seek to retain her as GM into the future and build on recent success.

To that end, it is appropriate to look at other northwest ports, take into consideration the size of our port to that of other ports, and seek to be competitive with compensation. I thought it was important to lay out the rationale for the salary increase.