

**PORT OF NEWPORT MINUTES**

October 22, 2019

Regular Commission Meeting

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

**Agenda Item**

**Audio  
Time**

**I. CALL TO ORDER .....**

0:00

Commission President Sara Skamser called the Regular Commission Meeting of the Port of Newport Board of Commissioners to order at 6:00 pm at the South Beach Activities Room, 2120 SE Marine Science Drive, Newport, Oregon.

**Commissioners Present:** Walter Chuck (Pos. #1), Secretary/Treasurer; Sara Skamser (Pos. #2), President; Gil Sylvia (Pos. #3); Jeff Lackey (Pos. #4); and Jim Burke, Vice-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:** Carrie Lewis, Oregon Coast Aquarium; Doug Cooper, Hampton Lumber; and Dietmar Goebel, Newport City Council.

**II. CHANGES TO THE AGENDA .....**

0:10

There were no changes to the Agenda.

**III. PUBLIC COMMENT .....**

0:16

There was no public comment at this time.

**IV. CONSENT CALENDAR.....**

0:28

- A. Minutes 2019
  - 1. Regular Commission Meeting ..... Sep 24
  - 2. Commission Work Session ..... Sep 24
- B. Financial Reports
- C. Contracts
  - 1. 2019 NOAA Demised Area Painting - \$16,050.00

**A motion was made by Chuck and seconded by Burke to approve the Consent Calendar. The motion passed 5 – 0.**

**V. CORRESPONDENCE/PRESENTATIONS.....**

0:54

- A. Carrie Lewis – Oregon Coast Aquarium Expansion  
Staff Report with Attachments.....

0:57

Miranda introduced the Staff Report and attachments included in the Meeting Packet. She said the City of Newport required Port approval of the project before issuing permits. Miranda introduced

Carrie Lewis from the Aquarium, who made a presentation to the Commission, included as a Meeting Packet Addendum. Lewis commented that the Aquarium completed a Strategic Plan in 2015 out of which came recommendations for the expansion, with the goal of improving the Aquarium and the visitor experience. Lewis said the project would be broken into three phases, the first of which would include construction and renovation on Port property. She reviewed specific changes identified on the slides. Phase one is planned for 2020 pending permitting.

Burke declared a conflict of interest because he is employed by the Aquarium. Miranda recommended the Commission approve the renovations. Sylvia asked if there were any costs or liability issues for the Port; Miranda said she was not aware of any. Lewis said the Aquarium had also worked with the City and the fire department to improve pedestrian access. Miranda said she had attended the City Council and City Planning meetings where the improvements were discussed, which included input from the Fire Chief.

**A motion was made by Lackey and seconded by Sylvia to allow the General Manager to prepare a letter of consent allowing the Aquarium to move forward with its renovations as presented. The motion passed 4 – 0, with Burke abstaining.**

VI. OLD BUSINESS..... 18:44

A. Items Removed from Consent Calendar

There were no items removed from the Consent Calendar.

B. Accounts Paid ..... 18:50

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

C. Commission Liaisons Update ..... 19:20

Skamser introduced the list included in the Meeting Packet and reviewed the current assignments. She asked that a Commissioner volunteer to replace her as liaison to Cascades West Council of Governments; Sylvia volunteered as liaison. Chuck was added as alternate to the Midcoast Watersheds Council, and asked if the Port was still on the board. Burke said he would follow up on that. For the Newport Vision 2040 Advisory Committee, Sylvia said there was a major committee and several subcommittees. He suggested he could serve both as the education representative (as he had been) and the Port representative. He will follow up. Skamser was added as alternate to the Vision committee. Miranda advised she was appointed to the Board of the Pacific Northwest Waterways Association at the recent conference.

D. CON Building Permit for Property at NIT ..... 26:08

Miranda introduced the revised Staff Report with a revised recommendation included in the Meeting Packet. She remarked that this topic was tabled at the last Commission meeting. Miranda said she had met with several parties and was making headway in finding opportunities. Although the possibility of a log yard may be minimal, the cost of extending the permit for 180 days will give the Port an opportunity to know more about the market and other opportunities. The City did request a plan, which is not in place right now, but Miranda said she would like to meet with the City to discuss an extension. She added building permits are not usually kept open this long without construction. Gil suggested the SDC funds that would be refunded could be used to address

drainage issues on the property. Miranda said this is an important issue, and there are common issues with the neighboring property. She added there are funds currently available that could be appropriated for that purpose. Miranda said she may also request that the City not require moving material during the extension. She suggested there are a lot of “ifs” to discuss with the City. Miranda said she had spoken with Brown about using the refunded SDCs for improving that property, but the decision would ultimately be up to the Commission.

**A motion was made by Burke and seconded by Sylvia to have staff work with the City on a possible extension of the Building Permit No. 13743 for another 180 days. Should no project become feasible for the use of this permit during that period, then staff should terminate the permit and request for refunds of the SDCs. The motion passed 5 – 0.**

**VII. NEW BUSINESS..... 42:57**

**A. Goal Setting Discussion**

Skamser elected to first discuss item VII (C). The discussion of items VII (A), (B) and (C) are combined under (C) below.

**B. General Manager (GM) Performance Evaluation Scheduling**

**C. Commission Year at a Glance Calendar ..... 43:45**

Miranda said the annual calendar of events was prepared at the request of Lackey, and she tried to include those items specific to the Commission. Lackey said he considered it a good idea to have Commissioners know what to expect since they haven’t gone through a normal year recently. He asked where it would fit it to review the Strategic Business Plan (SBP). Miranda said there has not been goal setting since she started, and she relied on the SBP to identify priorities. Some of these priorities may switch, and annual goal setting could look at the SBP and budget to consider what to prioritize for the next one to two years, with a complete review of SBP every five years. Sylvia suggested calling these annual objectives rather than goals. Chuck said the goal setting process was established when Greenwood was hired focused on the budget and was used as part of the General Manager’s evaluation, with the SBP as one of the guiding principles. The evaluation process would begin in December with the GM review in January. When meeting with the GM, goals would be reviewed and goals for the Commission and the GM would be developed ahead of setting the budget. The SBP, grants, new projects, and carry over goals would be considered and provided continuity for the Commission and staff. Skamser suggested looking at goal setting and the GM evaluation separately. Miranda said that goals would include items besides capital improvements identified in the SBP like public relations, staff development, and bringing in new business for example. Skamser said she would prefer the performance evaluation to be held in Executive Session, and for goal setting to be in a public meeting. Chuck suggested it was valuable to review goals along with the budget. Regardless of goals, budget reality needs to be considered. Sylvia suggested the GM evaluation should not just link to goals but to the entire performance of the GM. Burke commented that goals could flesh out what would happen over the course of the year based on objectives and the SBP. Miranda said without specific goals set she would continue to follow the SBP working with staff. She suggested if the Commission picked out specific items from the SBP, it would be easier to evaluate the GM’s performance and to focus efforts.

Skamser suggested considering setting goals in January or February as a stand-alone public meeting. She also suggested it was important to conduct a six month GM review, which would be in November. Skamser said she would prefer this in Executive Session to allow for freer

discussion. An annual GM evaluation could be held in May, with any salary change to go in effect in the new fiscal year. Chuck suggested having the GM evaluation earlier in the year since May was a busy month for budget related activities in May. Miranda said she was reviewing the salary survey, and if the GM evaluation were in April, that information could be included in May's budget materials. Brown said a lot of budget work would have to be done up front. After additional discussion, there was consensus to have the GM six month evaluation on November 20<sup>th</sup> from 12:00 – 2:00 pm, the day after the November regular meeting. Skamser agreed that Chuck would gather the Commissioners evaluations, which would be completed and picked up by Chuck by November 12<sup>th</sup>.

After some discussion, there was consensus that staff goals would be turned in to management in January, and dedicated Commission Work Session for goal setting would be scheduled in February. Miranda said she would provide an introduction at that meeting that shows where the Port stood with progress on the SBP, which should be helpful to the Commission in setting goals. Miranda said the intent would be to set goals for the next two years, consistent with the SBP, and review what had been accomplished. Chuck added that some of GM goals would not come from the SBP, for example the Personnel Manual. Sylvia said these would be operational and business goals. Miranda added new rules and requirements may impact goals, as well as some policies and/or procedures that would help staff do a better job. The goals could include more detail than the SBP.

## VIII. STAFF REPORTS

- A. Director of Finance & Business Services ..... 1:18:52  
1. September Occupancy Report

Brown referred to the Staff Report and Financial Reports included in the Meeting Packet. He commented that reported net operating income excludes capital expenditures. He anticipates showing a loss at year end. He referred to projections in the Staff Report, based on data compiled from the last five years. Brown said he is working on including a statement of cash flow. He commented that in general the Port is doing well. He added that future reports will show administrative expenses transferred out to profit centers; staff expenses are considered operating expenses. He has been evaluating methodologies for this allocation. There was some discussion about lease allocation. He reviewed the current profit/loss status of the different profit centers.

Brown said he was also evaluating financial software, including the Port's current use of QuickBooks. He anticipates efficiencies could be found in changing the system used and by improving internal processes, like service tickets. Brown said he anticipated a few suggestions but no findings in the audit, expected next month. Brown added that he and Miranda are discussing banks used by the Port and expect to put out an RFQ with a goal of getting the best financial return for the Port. Brown is also developing a low risk investment policy to recommend. A policy regarding Oregon Family Leave Law is forthcoming, along with an IT policy that will include PCI compliance. Brown said letters had been sent to customers in South Beach who had skipped paying, and he has made payment arrangement with two of them to date.

Referring to the Occupancy Report, he commented the Marina RV Park remained full through the end of September. Brown said the RV Park reservations for next year followed a new system that worked well, and he noted the pricing may be hitting the "sweet spot." A survey of parks in the area will be completed early to mid-next year. Sylvia said that Brown had done a good job evaluating cost savings for a new financial computer system and asked when there may be cost estimates. Brown said he is currently working on the requirements for the new system, and hopes to have an RFP/RFQ issued by March.

B. Director of Operations.....

1:37:26

Bretz introduced the Staff Report included in the Meeting Packet. He pointed out that he now does not expect to hear about the EDA Grant status until the end of November at the earliest. He said he was making clear to the Agency the need to complete this project during the in-water work period. Regarding the South Beach stormwater outfall issue, Bretz said the consensus was to get permitting first, which will include consultation with the National Marine Fisheries Service. Bretz said he had attended a meeting of the Cascades West Economic District regarding their comprehensive economic strategy. He commented that it will be important to get recognition of how coastal districts help inland economics by bringing in resources from the ocean. Bretz mentioned the Coast Guard WAMS survey meeting to be held in November. Chuck asked if there would be a survey this winter of the NOAA dredge status; Bretz said this was planned for January 2020. Miranda commented that she hoped the risk of a collapsed oil tank would help qualify the SB storm water system repair as an emergency.

C. General Manager .....

1:44:17

Miranda introduced the Staff Report included in the Meeting Packet. She highlighted that the Port was moving forward with the bonds. She will know the actual savings after closing. Some of these funds could be used as matching funds for grants. Miranda said she is working on the salary survey and addressing deficiencies. The money allocated in the budget this year for this purpose would not meet the need; management will be making a recommendation. Consideration is being given to wage scales, retention of key individuals, and where there are deficiencies when recruiting – turnover can be expensive for the Port. It is important to have appropriately skilled staff and provide training. Sylvia asked if the salary survey addressed state mandated wages or competitive wages. Miranda said the state requires pay equity be implemented by February; she will talk with SDAO for more information. She added job descriptions have been updated to compare with similar jobs in the market. Sylvia said it would be useful when reporting to the Commission to identify the legal requirements and the overall recommendation to make the Port a better workforce. Lackey asked if there were funds available should salaries need to be increased. Miranda said management has been discussing this issue, in particular looking at additional funds from commercial marina services and overall efficiencies at the Port. Skamser asked if there may be grant opportunities from workforce groups. Miranda said she would look into that

Miranda said she had attended conference that were valuable both for information and networking. On Friday, November 1<sup>st</sup>, both she and Brown will be attending a conference on infrastructure financing through the Association of Pacific Ports.

**IX. COMMISSIONER REPORTS/COMMENTS**.....

1:57:20

Chuck said he listened in to the September 27<sup>th</sup> wind energy meeting; it was mostly setting up shop. He added the local representatives had sent a letter to BOEM about having Port Commissioners on the task force, and Chuck had said he would be interested. He thought the task force may be reluctant to add Port Commissioners. Chuck commented that Ports have a lot of interests, including impacts to shipping, shipping lanes, and fishing/recreation. There would be only two opportunities to affect their decisions, at the beginning and the end. There is the possibility that an unsolicited offer could be received and accepted in the interim. He thanked Burke and Sylvia for attending. Chuck said he went to the PNWA Conference with Miranda, where Don Mann received an award. Chuck added he was elected chair of the Ocean Policy Advisory Council.

Burke said he went to the BOEM meeting, and saw part of Sylvia's presentation.

Lackey echoed Chuck's comments on BOEM, and commented the task force doesn't understand all of the impacts.

Sylvia said he went to the OPPA Annual Conference with Miranda, and learned how both amazing similar and different ports were: similar in a broad operating scale, diverse in the issues they faced. Sylvia said he is working on an aquaculture project for the state, which will provide opportunities to ports. He will give periodic reports to the Commission on these opportunities. The project, which looks at estuaries and terrestrial landscapes, should be completed by the end of next year with a possible conference. Miranda added that she and Bretz are in the beginning stages of working with a possible oyster farm at the Port.

**X. CALENDAR/FUTURE CONSIDERATIONS** ..... 2:05:26

Item	2019
Oregon Economic Development Assoc. (OEDA) Annual Conference ...	Oct 27 – 29
<a href="https://oeda.biz/event/2019-oeda-annual-conference/">https://oeda.biz/event/2019-oeda-annual-conference/</a>	
Fishermen's Appreciation Day .....	Nov 8
Veterans' Day – Port Office Closed.....	Nov 11
November Regular Monthly Commission Meeting.....	Nov 19
Ardor Adventures Turkey Trot .....	Nov 28
Thanksgiving Holiday – Port Office Closed.....	Nov 28 - 29
December Regular Monthly Commission Meeting .....	Dec 17
Christmas Holiday – Port Office Closed.....	Dec 25

There were no changes to the Calendar/Future Considerations.

**XI. PUBLIC COMMENT** ..... 2:05:52

Dietmar Goebel said that Steve Rich, Newport's City Attorney had passed away. The City was considering whether or not to contract this service or hire one in house. He also said that Judy Bateman had passed away.

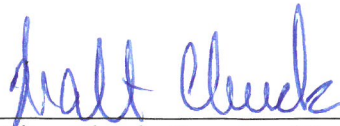
**XII. ADJOURNMENT** ..... 2:07:10

Having no further business, the meeting adjourned at 8:06 pm.

ATTESTED:



Sara Skamser, President



Walter Chuck, Secretary/Treasurer