

PORT OF NEWPORT REGULAR COMMISSION MEETING AGENDA

Tuesday, 20 March 2018, 6:00 p.m.
South Beach Activities Room
2120 SE Marine Science Drive, Newport, OR 97365

I. Call to Order6:00 pm

II. Introduction and Welcome to Doug Parsons, General Manager

III. Changes to the Agenda

IV. Public Comment

V. Consent Calendar

 A. Minutes

 1. Regular Commission Meeting 27 February 2018p 3

 2. Commission Work Session 27 February 2018p 17

 3. Commission Executive Session & Special Meeting 5 March 2018p 23

 B. Special Use Permits

 1. Davis Shows – Newport Loyalty Days Carnivalp 31

 C. Resolution 2018-04 Naming a Registered Agentp 39

 D. Resolution 2018-05 Designating Bank Accounts and Authorizing Check Signersp 41

VI. Committee Reports

 A. Commercial Fishing Users Group Committee

 1. Special Meeting Minutes (draft) 23 February 2018p 43

VII. Old Business

 A. Items Removed from Consent Calendar

VIII. New Business

 A. Introduction & Discussion of Proposed Rates, Fees & Charges FY 2018-2019 (To be provided as addendum prior to meeting)

IX. Staff Reports

 A. February South Beach Occupancy Reportp 49

 B. Director of Operations Reportp 53

X. Commissioner Reports

XI. Calendar/Future Considerations (2018)

 1st Commission Budget Priorities Work Session 3 April 12:00 pm

 2nd Commission Budget Priorities Work Session (if needed) 10 April 12:00 pm

 Pacific Coast Congress Spring Conference, Port of Coos Bay, OR 17 April – 19 April

 Regular Commission Meeting 24 April (6:00pm)

 Loyalty Days Carnival 3 May – 6 May

 1st Budget Committee Meeting 8 May (6:00 pm)

 2nd Budget Committee Meeting (if needed) 15 May (6:00 pm)

 Regular Commission Meeting 22 May (6:00 pm)

 Newport Marathon 2 June

 Public Hearing & Adopt Budget Resolution 26 June (6:00 pm)

 Regular Commission Meeting 26 June (6:00 pm)

XII. Public Comment

XIII. Adjournment

Regular meetings are scheduled for the 4th Tuesday of every month at 6:00 p.m.

The Port of Newport South Beach Activities Room is accessible to people with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours in advance of the meeting to Port of Newport Administration Office at 541-265-7758.

Link for directions to the Activities Room: <http://portofnewport.com/rv-parks/map.php>

-###-

PORT OF NEWPORT MINUTES

February 27, 2018

Regular Commission Meeting

I. CALL TO ORDER

Commission Vice-President Lackey 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); Sara Skamser (Pos. #2); Stewart Lamerdin (Pos. #3), Secretary/Treasurer; and Jeff Lackey (Pos. #4), Vice President. Patricia Patrick-Joling (Pos. #5), President, was excused.

Management and Staff: Aaron Bretz, General Manager Pro Tem; Mark Harris, Staff Accountant; Becca Bishop, Accounting Clerk; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: Heather Mann, Midwater Trawlers Cooperative; Jim Shaw, Taxpayer; Wayde Dudley, PON Volunteer Mates; Barb Dudley, PON Volunteer Mates; Mark Newell, Oregon Salmon Commission; Lee Fries, PON Volunteer Mates; Robert Smith; Yale Fogarty, ILWU; Cari Brandberg, Living Pacific; Pat Ruddiman, ILWU; Doug Cooper, Hampton Lumber; Mike Storey, F/V Pegasus; Jim Seavers; Mike Field, Surfrider Foundation; Charlie Plybon, Surfrider Foundation; Vince Pappalado, Surfrider Foundation.

II. CHANGES TO THE AGENDA

There were no changes to the agenda.

III. PUBLIC COMMENT

Newell said he had been fishing since 1975, now crab and halibut fishing, and a buyer/processor since the 90's. He said he agreed with Mann's letter (presented under Committee reports). He would like the ability to offload at the Newport International Terminal (NIT), especially when Port Docks (PD) 5 and 7 hoists are full. Newell said Pacific bought most of the Bayfront, and own most hoists except for Bornstein. Slime eels and live buyers tie up the hoist at PD7. It is a hardship to wait all day and service is first come/first served. He would appreciate use of NIT, which would bring more money to the Port and help the local fishing fleet.

Brandberg said she is a live buyer at the Port, and can use the PD7 hoists for long periods of time, sometimes dawn to dusk. This makes it congested for others. The request for offloading at NIT was brought up in the Commercial Fishing Users Group Committee (CFUG) meeting, but they have not heard back from the Port. Brandberg said they are willing to put more money in the Port, and this is a missed opportunity. Eels take a long time, and the crane is used but not charged at the crane rate when hoists are full. The Port could use their property more efficiently.

IV. CONSENT CALENDAR

- A. Minutes
 - 1. Regular Commission Meeting January 23, 2018
 - 2. Commission Special Meeting February 16, 2018
 - 3. Commission Special Meeting February 21, 2018
- B. Financial Reports
- C. Special Use Permits
 - 1. Newport Marathon – Newport Booster Club
 - 2. Ardor Adventures Annual Events

A motion was made by Chuck and seconded by Skamser to approve the Consent Calendar. The motion passed 4 – 0.

V. CORRESPONDENCE/PRESENTATIONS

Charlie Plybon, Oregon Policy Manager, Surfrider Foundation
Opposition to Off-Shore Drilling

Plybon introduced himself as the Oregon Policy Manager for the Surfrider Foundation, and referred to the forwarded information included in the meeting packet. He said the Department of the Interior proposed opening 90% of the states for off-shore drilling leases, including the states of Washington and Oregon, which is unprecedented under prior administrations. Plybon said a healthy ocean is needed to generate our resources. Oil drilling in a 4 – 6 mile range of the near shore would be catastrophic. He said the Port of Toledo had also passed a resolution opposing off-shore drilling, and the City of Newport is considering the same. He requested the Port of Newport also send opposition, and the sooner the better. The current comment period ends March 9th. An extension has been requested, but there will still be a chance to provide comment when a draft is made.

Skamser asked if the Port could make a commitment. Lamerdin suggested Bretz work with Patrick-Joling for a final version for the Port. Lackey said he liked the language in the Lincoln County letter better than the template provided.

A motion was made by Chuck and seconded by Skamser to approve the Resolution 2018-03 Opposing Offshore Oil and Gas Exploration pending an update by Patrick-Joling and possible change of language.

Lackey said he was opposed because he would want to see the draft first. Lamerdin also said he would like to see the resolution focus on Port related concerns and review the draft before approving. Skamser said this would be left open for Patrick-Joling's review. Bretz said he had enough direction to make changes, including addressing local concerns: fishing, research, tourism.

The motion passed 4 – 0.

Plybon said there may be a press release that the Port of Newport unanimously approved a direction for a resolution in opposition to off-shore drilling. Lackey agreed.

VI. COMMITTEE REPORTS

A. Commercial Fishing Users Group Committee

Heather Mann referred to the report provided, which is appended to the minutes. She said the reason for providing the report in this format was related to better aligning with the Commission agenda. The CFUG meeting came about as a result of Lamerdin asking for a work session. At the Commission meeting Lamerdin mentioned that other things would not be precluded from discussion. The issue of off-loading at NIT was first raised by members of the fishing industry because of congestion at PD7. The Committee suggested a short term plan for NIT. Items 2 and 4 in the report were more long term. Items 3/4 referred to the need for an operations plan and policies. While recommending acknowledgment that the tie-up policy the Port has is invalid, there would be a need for a tie up plan eventually. As for the lines agreement, Jincks told Mann that most of the people who signed are no longer around. The report included four primary recommendations followed by more details. Mann said Evan Hall attended the CFUG meeting to present Rondy's plan for development, which had the support of the Port and CFUG. Hall had said they are still researching interested parties and potential partners. Mann said the albacore fleet couldn't go to Westport or Ilwaco, but NIT may be an option. Mann said in reading the Port's Strategic Business Plan, it included an interest in research growth. When a business plan is developed, she urged the Port to keep the current users in mind.

Lamerdin asked if when the hoist dock was busy was everything offloaded or if anyone had to leave. Bretz said everything was offloaded but there were some delays. There has been a longer wait than normal. Bretz said it may be that some have not spoken to him about not getting offloaded or going elsewhere. There is some improvement and new equipment needed. Brandberg said Crane #3 at PD7 is functioning slowly. There have been some electric and power issues as well. Lamerdin said that some of the delay may be a result of equipment. Bretz said the swing hoist is faster. If the swing hoists are occupied, the Port did not charge the additional fee to use the crane. He said it was not uncommon to see several trailers and box trucks. The hoist dock is one of the busiest places at the Port. Lamerdin said it sounded like there might be an opportunity for additional servicing to make more out of what was at the dock. Bretz said the Port could get a great return on little investment. The billing process is slow. He suggested pricing per pound offloaded could make billing faster. Lamerdin suggested getting an estimate of what would need to be done to fix the equipment. Bretz said that Yaquina Boat helps evaluating; new equipment is needed. He said he could look into the issues with the slow crane, but upgrades would still be needed.

Skamser said she is the liaison for CFUG. The meeting with Evan Hall was well received, and he was looking to balance shipping, research, fish processing and some niche processing. The recommendation was clear that unloading at NIT was an immediate need. It was frustrating to see the hoist at NIT unused when there was crowding at PD7. The Committee wants to know if they can use NIT, perhaps a short term policy plan for overflow. She asked if the Commission would move forward with a short term plan. Lackey asked if there was a reason not to. Bretz said he had been researching past policy. He had talked with Fogarty about a former arrangement between the Port and the ILWU. Bretz understood it was an issue of the General Manager's discretion. Traditionally, the Commercial Marina served fishing and NIT

served cargo, but he had not found a written policy. Lackey said he did not see a policy barrier. Fogarty had said the ILWU did not want to create a hardship for local fishermen. Fogarty would be willing to work with Bretz to make a temporary agreement until a formal policy was in place. Some records at the ILWU Local 53 had been destroyed in a fire in the 90s. They wanted economic growth.

Newell said he appreciated Fogarty's comments. PD7 is sometimes short on crew. The hoist needed a man to operate, and often two forklifts were in use. Also, freshwater will kill crab, so it is important to offload in a timely manner. Chuck suggested Fogarty meet with Bretz for a temporary solution. Lackey asked why Fogarty would be involved. Lamerdin said there was also a scheduling problem for Bretz to sort out. In the short term, if there is an equipment failure or major push, Lamerdin suggested it be left to the discretion of the General Manager Pro Tem until a formal agreement is set. Skamser said this is a very important need. She said there was nothing bad to say about the ILWU's role in cargo, but she didn't see the need for their involvement in the short-term policy for the Port. The Commission can direct the General Manager. Lamerdin suggested Bretz work with the CFUG chair and the ILWU on the short term policy. Lackey asked why labor would be involved. Lamerdin said it would be to streamline the labor component of loading and offloading. Fogarty said the ILWU has unloaded fishing vessels at NIT. Lamerdin said they would not be asking for ILWU's approval but for input from the stakeholders, and suggested this could be done in a day. Skamser said whatever works to make it happen. Bretz said that people are much closer to being in agreement than people realize. Once the Dungeness crab season is over, what happens next? There have been some trust issues and he wants people to know what is being worked on.

Newell said catch comes in pulses all through spring. In summer, fresh albacore and salmon deal with shrimpers at the dock. Bretz said swapping gear will be coming up. PD7 was originally set up for gear swap. There is a push Port wide for the need for a long-term plan. He said he could draft something that will work for overflow. Lamerdin said he wanted to give the General Manager Pro Tem the flexibility to make the call in emergencies until a plan is in place. Skamser suggested to direct Bretz and make a subcommittee. Bretz recommended giving him latitude to draft a document and email it to the Commissioners. Lackey suggested another meeting to review the draft. Lamerdin said the Commission can direct Bretz to draft a document and get input from stakeholders. Bretz said if there are complaints from the fishermen or Commission, they will need another meeting. He could draft a document tomorrow. It is best to figure out a good plan. Lackey said there may be long term items to add to the document. Bretz said things will change each season. Chuck asked that future CFUG meetings be recorded so he could listen; Hewitt will record and post audio of future CFUG meetings.

VII. OLD BUSINESS

A. Items Removed from Consent Calendar

No items were removed from the Consent Calendar

B. Accounts Paid

A motion was made by Skamser and seconded by Chuck to approve the Accounts Paid. The motion passed 4 – 0.

C. General Manager Recruitment Update

Lackey said there was a 3 – 2 vote at the meeting at noon to negotiate a contract with Doug Parsons.

D. International Terminal Supervisor Position

Bretz referred to his report on page 73 in the meeting packet. Bretz said he has received nothing but positive feedback about Don Moon at NIT. Skamser said she had also received positive feedback. Lackey said he has heard nothing but glowing reports.

A motion was made by Chuck and seconded by Lamerdin to authorize the General Manager Pro Tem to negotiate a permanent employment contract for Don Moon as Terminal Manager to fit within the approved budget and the Port's wage steps. The motion passed 4 – 0.

VIII. NEW BUSINESS

A. Eel Grass Mitigation Area Issues

Bretz referred to his report on page 75 of the meeting packet. The Army Corps of Engineers (ACOE) permit was for NOAA dredging requirements. Lamerdin asked if the recommendation to the Army Corp about the discharge issues had been made in writing to the ACOE. Bretz said it was sent in writing, but he did not know how big a concern it was initially. The ACOE said they were performing according to plan, and Bretz said maybe they should revisit the plan. Bretz had observed the area, and believed the eel grass has been impacted. The ACOE has acknowledged there is sediment, but not in the mitigation area; Bretz told them that was immaterial. Chuck asked if Bretz had talked with John vanStaveren about whether the mitigation area was affected. Bretz said vanStaveren had said yes. Lamerdin asked about the Port's exposure as a result: financial, penalties, fees. Bretz said that would be on ACOE. He will continue to suggest to them that they come up with a solution. If they don't, the Port will have to come up with legal implications. The Port has a reporting requirement to the ACOE.

B. Draft Financial Reports for Audit

Bretz referred to the draft audit addendum in the meeting packet and the staff report distributed at the meeting, which is appended to the minutes. Harris reviewed the items in the staff report. He said that pages 49 – 53 in the meeting packet would correspond with the statements on a cash-basis in the monthly meeting packets. On the other hand, the audit reports are on an accrual basis. The Statement of Net Position on page 19 was similar to the balance sheets provided each month, adjusted for accrual basis. Harris said the decrease in net position over the last five years plays into some of Kimball's analysis. Overall, the Port received a clean opinion with 7 adjustments, fewer than previous years. Harris advised that the State of Oregon Division of Audits had given an extension until February 28, 2018 to file the audit report. He recommended the Commission adopt the report as presented. Chuck thanked Harris and Bishop for their hard work

A motion was made by Chuck and seconded by Lamerdin to approve the audit report. The motion passed 4 – 0.

IX. DEPARTMENTAL REPORTS

A. January Occupancy Report

Bretz commented that the Seafood & Wine surcharge had worked as designed. People in the past have made reservations for multiple spots then cancelled when someone dropped out. He had received a couple of phone calls, but stuck to the policy, which was posted online. The Marina RV Park and the Annex were sold out.

B. General Manager Pro-Tem

Bretz referred to the staff report on page 79. He said that the Guardian was looking for secure moorage in South Beach. Some floats were reconfigured and a fence installed. Bretz is working on lease negotiations which have been sent for legal review. Lamerdin asked if the State Police were funding any of the changes. Bretz said he had based the lease rate on including the work and the life of the improvements, which is about 10 years. This is spread out over the lease and considers the future value of money. Lamerdin asked how long the lease would run. Bretz said the Police wanted a 5 year lease with an option for month to month afterward. If the fire department or the sheriff's department wants to use the location, this could also work. There is 70 feet of dock. Chuck commented that this will also allow the City to get a grant in this year. Skamser asked if the lease was for five years, would Bretz distribute the cost for five years instead of ten. Bretz said the Port can recoup the cost in five years. The next five years would pay for the next dock.

Chuck clarified that NNMRC referred to in the report was the Northwest Natural Marine Research Center. They have sent support for Port grants in the past. Bretz said they will have some well forecasted needs. Because this is research, there probably will be some unexpected equipment problems. Bretz commented that HAZWOPER training should be completed annually. Skamser asked if Port personnel would have time to delve into comparables for Kimball's lease analysis. Bretz said they may not; staff has been very busy the last three weeks. Lamerdin how long the Dulse lease was considered for. Bretz said they were not there yet, it depends on the growth timeline. Skamser commented that Dulse seaweed was a hot ticket in New York City.

Bretz said that Pete Gintner was reviewing the contract with Anderson Construction for their lease. Bretz said he had met with the Engineer from GFI and a representative from Berger-Abam earlier in the day to review the Rogue seawall. He will keep working to provide estimates and options. Skamser asked if this was a General Contractor/Engineer combination. Bretz said he is trying to do that. He wants to make sure they entertain the possibility of other engineers. Bretz said there will be room needed in the budget. Right now, they are trying to decide "how bad is bad." Lamerdin asked if there were potential lease issues if they needed to stop operations. Skamser asked if they could measure the changes in the holes over time. Bretz said they could measure the progress but he recommended getting the status now. It is a possibility it is bad enough to effect Rogue operations, but it could get to that point. Skamser asked if this was related to the sewage issue. Bretz said that was more of a storm drain problem. Bretz said Kent Gibson said this month was the most ever done at PD7.

X. COMMISSIONER REPORTS

Skamser said she was approached about the Tall Ships and the time frame of their visit, which was a concern to some.

Chuck said that he and Lackey went to the Coastal Caucus, who want to have more open communication with the Port. They are very interested in the Port of Newport, would like more updates and want to connect with the new General Manager.

Lackey said he and Skamser had attended a round table with Representative Kurt Schrader. Lamerdin asked how often they wished to hear from the Port. Chuck said Greenwood had spoken with them about every 10 days, and they hadn't heard from him in a while. Bretz said in the past he had generally talked with government executives, but would leave the politicians up to the Commission. He did attend a dinner with Kurt Schrader to which he was invited. Lackey said that Patrick-Joling was not here, and the contact decision will be up to her.

XI. CALENDAR/FUTURE CONSIDERATIONS

3/17/2018	4 th Annual Shamrock Run – Ardor Adventures
3/12/2018	Commercial Fishing Users Group Comm. Meeting
3/27/2018	Regular Commission Meeting
4/3/2018	Commission Budget Priorities Work Session

Mann said she wanted to clarify that the date of March 12th for the CFUG was a holdover, and another date will be scheduled.

XII. PUBLIC COMMENT

Jim Shaw said he read about controversy every week in the newspaper. He wanted to remind the Commission of the original bond measure for building NIT, which was passed to support the fishing fleet and cargo. Cargo was “where the money is.” He brought a copy of the bond measure for information and suggested the Commission review that information. He also said that there needs to be more equity with cash buyers and fish processors. Some crabbers were selling to the cash buyers who were paying them a higher price, but who didn't need to maintain a dock since they used PD7. He also thanked the Port for contributing annual moorage passes to the Oregon Hunter's Association raffle. \$17K overall was raised, which is used for many community projects.

Brandberg said she appreciates everyone at the service dock, and Bretz for recognizing the income brought to the Port, which may be the biggest ever even with the delay in the crab season. She also appreciates the Port looking at safety concerns, and the longshoremen for being open to using NIT for overflow. Brandberg said 12 years ago, there was only one other live buyer and plenty of space. She appreciates the understanding that crab are perishable goods and the stress of eel production.

Fogarty said that he hadn't had a chance to review Mann's letter, which wasn't in the meeting packet. He said he understands CFUG is trying to align with the Commission, but more time would be better.

XIII. ADJOURNMENT

Having no further business, the meeting adjourned at 7:42 pm.

ATTESTED:

Patricia Patrick-Joling, President

Stewart Lamerdin, Secretary/Treasurer

-###-

To: Port of Newport, Board of Commissioners
From: Heather Mann, Chair, Commercial Fishing User's Committee
RE: CFUC Meeting, February 23rd, 2018

Dear President Patrick-Joling and Commissioners:

The Port of Newport's Commercial Fishing User's Committee (Committee) met for three hours on Friday, February 23rd. The Committee discussed a variety of topics related to the Port of Newport as a whole and spent considerable time discussing activities at the Newport International Terminal (NIT). The Committee has several recommendations for the Port of Newport Board of Commissioners, which are summarized below in priority order. Following the list is a more detailed discussion about each recommendation. This report concludes with additional Committee observations regarding a presentation from Mr. Evan Hall on the Rondy's property development plans as well as thoughts from the Committee on potential future activity at the NIT.

Committee Recommendations:

1. The Port of Newport should immediately develop a short-term temporary plan that allows seafood products to be unloaded at the NIT hoist when it is not in use (like now). This is an urgent need.
2. The Port of Newport should begin work to develop a longer-term business plan for the Port that includes business plans for each unit, beginning with the NIT
3. The Commission should acknowledge that the "Tie up Policy" drafted in 1998 is no longer applicable (and has not been for decades). A business plan for the NIT could include a new tie-up policy.
4. The Committee believes the "Lines Agreement" from 1996 should be reviewed and possibly updated.

Temporary Plan to Allow Unloading of Seafood Products at the NIT

There is an immediate need to develop a short-term temporary plan to allow seafood products to be unloaded at the NIT by seafood harvesters. At one of our recent meetings, the Committee heard from users and Port staff about possible congestion issues at the public hoist on Port Dock 7. At the February 23rd meeting Port staff and local buyers and harvesters confirmed that their concerns had become reality and that there were significant delays and congestion at the public hoist. The congestion has been exacerbated by the delay in crab season as well as the significant volume of slime eels being delivered. Industry members asked about the possibility of unloading seafood products at the NIT hoist, which is currently available. Port staff indicated that their understanding was that the unloading of seafood products at the NIT was currently prohibited unless the work was done by Longshoremen. However, staff is unable to provide copies of any agreement that backs up that understanding. Instead, staff indicated they believed there was a "gentlemen's agreement" to that effect.

We also heard from a Committee member that the west coast albacore fleet is looking for a location to unload product this summer and that the NIT could be a perfect location. The vessels could use the hoist to unload and moor at the terminal temporarily. The projections are for about 2 million pounds of product to be delivered. Accommodating this type of activity could provide new revenue to the Port of Newport and support the Port's economic development goals.

The Committee believes that a temporary short-term plan to relieve the congestion issues at Port Dock 7 should be drawn up. The plan should include a system for scheduling vessel unloading, manning the hoist (if that is necessary), a fee schedule for users and any other criteria necessary to make this activity allowable. The short-term plan could also consider summer activity (for example for the albacore fleet) or it could be addressed in the longer-term business plan for the NIT.

The Committee recommends the temporary plan be drawn up as soon as possible and recommends the Commission take up this issue at their February 27th regular meeting. Additionally, the Committee believes that if there is an agreement between the Longshoremen and the Port regarding the unloading of seafood products at the NIT, then copies should be circulated. If there is no such written agreement, then the Committee believes there should be no issue with harvest and buyers unloading seafood at the NIT. There are several benefits to moving forward with this effort and they include potential additional revenue to the Port, relief for the current users of the Port Dock 7 hoist, and utilization of the NIT during a time when it is not heavily used.

Create a Business Plan

The Committee firmly believes that the Port needs a business plan. Unlike the Port's Strategic Plan (last updated 5 years ago), an actual business plan would describe the current and future business at the Port in detail. The plan would convey the business goals of the Port and the strategies that will be utilized to achieve those goals. While a lot of focus lately has been on the NIT, the Port as a whole should have an overall business plan which includes subset plans for each business unit (NIT, North Commercial Marine, South Beach Marina, etc.). Each of the subset plans would support the larger umbrella business plan for the Port of Newport.

It is the Committee's recommendation that a plan should be in place before moving forward with any new large deals, whether its shipping or any other new endeavor. A business plan would also examine the current revenue generation on moorage and services at the NIT and whether those fees should be raised. Once a business plan is developed, it can be marketed to potential new business. Any new business opportunities considering doing business in the Port would be fully aware of what is currently occurring (via the published plan) and they can figure out how they can fit in and complement those activities. There are planning grants available and the Committee recommends the Port apply for some to assist with the cost and coordination of developing a robust business plan.

"Current" Policies at the NIT

The Committee discussed the two policies that were circulated prior to the meeting.

The “Tie-up” policy was drafted in 1998 at a time when only two spots were available for fishing vessels at the NIT and the Port was considering a lease with Fred Wahl for a haul-out facility. When the Commission adopted the policy, they stated that it would be reviewed in six months. It is not clear whether the policy was ever reviewed. The Committee believes that this policy is no longer applicable as the circumstances that produced the introduction of the policy never materialized. Further the recent and current activity at the NIT is significantly different than in the 90’s, and this policy is not relevant. When the Port develops a business plan for the NIT, a new policy should be created and adopted with input from the current users.

The “Lines Agreement” appears to be an agreement between the Port of Newport and the Longshoremen regarding the actual tying up (and untying) of certain types of vessels at the NIT. The agreement was signed in 1996 and there is no documentation to show whether this agreement has been reviewed and/or updated over the years. The Committee believes that the agreement should be reviewed and updated as applicable.

Rondy’s Property Development

The Committee heard a detailed presentation from Mr. Evan Hall on their plans for development of the property adjacent to the NIT. In general, the Committee is very supportive of the efforts of the Hall family to develop the property. The Committee appreciates that the Halls are working closely and in cooperation with the Port of Newport. The Committee does note that a fixed pier could be very beneficial to providing more moorage and work space for commercial fishing vessels but does acknowledge that the costs of constructing a pier are significant and the current plans depend on interest and investment to develop an adjacent activity such as cold storage or seafood processing. It appears that the timeline for potentially building additional dock space is several years from now.

Future Activity at the NIT

The Committee had a robust discussion about the current and potential future activity at the NIT. The Committee recognizes that the commercial fishing industry is prospering and continuing to grow. The financial documents show that beginning in 2013 there is a large increase in revenue generated at the NIT from the commercial fishing industry and the trend is for that revenue to increase. Businesses that support the fishing industry are also growing. The Committee notes that the Port is unable to accommodate many of the larger fishing vessels that utilize the NIT anywhere else in the Port.

The Committee believes that additional activity can be supported at the NIT without disrupting the existing users. Some of the additional businesses / activity that could generate additional revenue at the NIT include:

- Marketing the terminal to additional fishing industry activity (such as the west coast albacore fleet)

- Partnering with the Port of Toledo and their shipyards to market the terminal as a staging area before going upriver to the shipyard (some work can also be done on vessels at the NIT before they go upriver – this currently occurs)
- Expanding the opportunities for the smaller local fleet at the terminal (hoist activity)
- Marine Research activity
- Niche and short sea shipping opportunities
- Small cruise ship port calls

The Committee reiterates the importance of a business plan, so these additional activities can be considered. The Committee also reiterates the importance of the large commercial fleet that uses the NIT and the need to protect and preserve that activity.



FINANCE DEPARTMENT MONTHLY REPORT

DATE: February 27, 2018
PERIOD: January 1 to January 31, 2018
TO: Port of Newport Board of Commissioners
ISSUED BY: Mark Harris, Staff Accountant

Financials

Financial reports as of January 31, 2018 have been included in the meeting packet. Overall, fiscal year-to-date revenues continue to increase over the same period in the prior year.

Administration

The 2016-17 audit has been completed and the final audit report is included in this meeting packet.

Audit Highlights

Pages 49 to 53 contain final budget and actual schedules by fund on a budgetary basis (similar to cash basis). The upper section of page 54 summarizes the total revenues, expenditures, and net income (loss) from these budgetary basis schedules.

The lower section of page 54 lists the GAAP adjustments to the budgetary basis figures required for financial reporting (accrual basis). The resulting Port-wide net loss for the year was \$(826,081), down from \$(1,156,667) in the prior year.

The statement on page 20 summarizes the Port's total revenues, expenses and the resulting change in net position (accrual basis). Port-wide operating revenues increased \$110,000 and operating expenses increased \$33,470 over the prior year. The Port's operating loss of \$(285,469) was \$76,532 less than the operating loss in the prior year.

The Statement of Net Position on page 19 lists the Port's fiscal year-end asset, liability, and net position balances. Cash and cash equivalents increased \$61,043 over the prior year. Capital assets decreased \$2,206,176 due to depreciation expense that exceeded current year capital asset additions. Long-term debt decreased \$1,429,736.

The Port's overall net position decreased from the prior year as it has in the past 4 years:

<u>FY</u>	<u>Net Position</u>	<u>Change</u>
2016-17	\$ 46,995,053	\$ (826,081)
2015-16	47,821,134	(1,120,747)
2014-15	48,941,881	(1,346,791)
2013-14	50,288,672	(776,354)
2012-13	51,065,026	

Comparisons of 2016-17 Port-wide figures to those of prior year 2015-16 are provided in the Management's Discussion and Analysis on pages 14 and 15.

The Port's 2016-17 financial statements received an unqualified or clean opinion from the auditor. Only 7 adjusting entries were made by the auditor – down from 16 in 2016, 22 in 2015, and 33 in 2014.

South Beach Marina and RV Parks

A summary of activity and the occupancy report for the South Beach Marina and RV Parks for January 2017 have been included in the meeting packet.

###

PORT OF NEWPORT MINUTES

February 27, 2018

Commission Work Session & Executive Session

I. EXECUTIVE SESSION

Commission President Patricia Patrick-Joling called an Executive Session of the Port of Newport Board of Commissioners to order at 12:00 noon at the South Beach Activities Room, 2120 SE Marine Science Dr, Newport, OR, **PURSUANT TO ORS 192.660(2)(a) – TO CONSIDER THE EMPLOYMENT OF AN OFFICER, EMPLOYEE, STAFF MEMBER OR AGENT.**

Commissioners Present: Walter Chuck (Pos. #1); Sara Skamser (Pos. #2); Stewart Lamerdin (Pos. #3), Secretary/Treasurer; Jeff Lackey (Pos. #4), Vice President; and Patricia Patrick-Joling (Pos. #5), President.

Management and Staff: Aaron Bretz, Interim General Manager; Mark Harris, Staff Accountant; and Karen Hewitt, Administrative Assistant. Richard Stellner, Human Resources Consultant, participated by phone.

Members of the Public and Media: Kiera Morgan, KYTE/KNPT Radio

Executive Session was adjourned at 12:31.

II. CALL TO ORDER

Commission President Patricia Patrick-Joling called the Special Commission Meeting of the Port of Newport Board of Commissioners to order at 12:32 pm at the South Beach Activities Room, 2120 SE Marine Science Dr., Newport OR, 97365

Commissioners Present: Walter Chuck (Pos. #1); Sara Skamser (Pos. #2); Stewart Lamerdin (Pos. #3), Secretary/Treasurer; Jeff Lackey (Pos. #4), Vice President; and Patricia Patrick-Joling (Pos. #5), President.

Management and Staff: Aaron Bretz, Interim General Manager; Mark Harris, Staff Accountant; and Karen Hewitt, Administrative Assistant. Todd Kimball, CFO Selections, participated by phone.

Members of the Public and Media: Ed Backus, Collaborative Fisheries Associates, LLC; Kiera Morgan, KYTE/KNPT Radio; Steve Beck; Yale Fogarty, ILWU; David Jincks; Pat Ruddiman, ILWU; Robert Smith; Mike Storey, Pegasus; Jim Seavers; Doug Cooper, Hampton Lumber; Dietmar Goebel, Newport City Council; Heather Mann, Midwater Trawlers Cooperative.

III. GENERAL MANAGER RECRUITMENT UPDATE

A motion was made by Lackey and seconded by Skamser to authorize Richard Stellner to enter into contract negotiations with Doug Parsons for the General Manager position at the Port. The motion passed 3 – 2, with Chuck and Lamerdin opposed.

IV. NIT FACILITY OPERATIONS DISCUSSION

- A. Terminal Finances
- B. Projecting Terminal Revenue
- C. Projecting Unrestricted Reserves at NOAA

Kimball said there was discussion about what kind of revenue would be needed to recover costs and be successful at the Newport International Terminal (NIT). Patrick-Joling said the Commission had the slides available from his previous presentation. Bretz distributed information sent by Kimball, which is appended to the minutes. Kimball referred to the slide presentation, page 10 in the packet, showing the NIT revenue before and after renovations. Total revenue moved upward until 2010, when there was construction and an economic downturn. Since that time, revenue has increased significantly in the past 4 – 5 years. He then referred to page 11, NIT operating profit and loss. This appears to be in good shape. Kimball added in the debt service beginning in 2012-13, and added revenue from leased properties, referring to page 12 in the packet. The net income is still lagging behind debt service payments, shown on the middle line in the graph. Kimball looked at profit and loss by business unit, with a focus on NIT. He thought it was important to move bond proceeds and debt service into NIT analysis. Once that was done, it provided a more realistic picture of what was going on at NIT. He also incorporated an annual capital reserve and allocated administrative costs. This showed a loss of \$215K for NIT in the last fiscal year.

Kimball referred to the information distributed by Bretz, with possible targets for NIT revenue. The figure of \$155K additional annual revenue needed to break-even on a cash-basis was based on the \$215K loss, adding back in the \$50K placeholder for capital reserves. This figure does not include funds toward future replacement costs. This would be the bare minimum needed, not really what's required. The additional revenue figure of \$450K included capital improvement costs, projected based on the Port's financial statement, divided over 35 years, subtracting out current operating income. This is a ballpark estimate. Kimball said the goal would be to have annual funds set aside for long term capital improvements. Some projects may last for more than 35 years, or future costs may be higher. Kimball said the Port would need to look at future value of the costs. Lackey asked if the amount of the \$25MM used for remediation was figured in. Chuck said there had been about \$7.5MM spent on remediation. Kimball said there would be more work needed to find more accurate numbers, but there should be money set aside for future repairs.

The next step was to include paying back the investment, not just the taxpayers, but more broadly. This led to the figure of an additional \$750K of annual revenue needed. This could be adjusted by taking out the remediation funds and changing the payback period, but this number was somewhat based on the length of the bonds. Next was a consideration of having a 10% return on investment, which leads to the figure of \$850K additional annual revenue. The Port should be productive with the invested funds. Lastly, \$1.14MM additional annual revenue represented breaking even after the removal of the bond levy. This would be a long term goal of where the Port would want to be. The Port can't do an additional levy to fund projects every five years, and several other projects needed future investments. This should maximize the investment already received from the taxpayers, and store away funds for the next project.

Patrick-Joling said this was a good snapshot of what the Port needs, and should get ready to put plans in order. Lackey said he was trying to match the \$450K with the current profit and loss, and why it did not match the \$218K. Kimball said it was based on the total construction cost of \$25.8MM over 25 years for long term repair and replacement, subtracting net operating income. Kimball said he should subtract out the \$739K for remediation. He added the \$218K just represented the current deficit based on operations. \$450K would include repair and replacement costs.

Bretz next referred to the slide on page 19 in the packet showing NOAA ROI introducing the discussion on the restricted fund outlook and whether unrestricted funds would be available for other places at the Port. Kimball said the NOAA project has been more self-sustaining than NIT based on calculations. In general, the Port needs to insure that there will be funds available long-term for repair/replacement at NOAA. The Port should always set aside part of revenue for future needs and keep current with a reserve study. If there is an excess from ROI or lower repair costs, potentially there would be cash available for other uses. But it would be a safe bet that NOAA funds not be used for other purposes, unless only for a bridge loan for a short-term project. Kimball said he believed a more current version projects a deficit. The budget has money set aside for replacement reserves. Based on a 20 year reserve study, that amount will be depleted in 20 – 30 years. Ideally the amount will wave, with funds used for repairs and then replaced. Kimball said he calculated new numbers, and if the 20 year study is accurate, the reserve fund would need to have \$185K per year set aside.

Chuck asked about restricted vs. unrestricted funds. Kimball said that had come up also in a meeting with Harris and the auditor. Kimball said he is not sure if the restrictions are clear. Jincks said the restrictions were based on the SFO (Solicitation for Offer) to set aside funds for upkeep and repair. The unrestricted funds were left over from contingencies and set aside bond funds. Since then, the Port has pulled \$.5MM for other uses. Kimball suggested the Port make sure the reserve study is accurate and a worst case scenario. Patrick-Joling said the Port may have some discretion to use the funds, but needs to bolster the account.

Lamerdin said that as much as finances are important, there are also tangible operations concerns that need addressing. The Commission needs to have discussions to clarify how the Port operates; this should be discussed in a future work session. Patrick-Joling agreed.

V. PUBLIC COMMENT

Jincks said he applauded the Commission for having the statement done, and they can now go further to create a business plan for the Port of Newport. This was the first step. Second, they can look at business units, then a maintenance plan. Jincks questioned Kimball about the life years. There is an obvious need for money, but there is a problem if the other business units are not understood, the money will go into a black hole of administration. Jincks said he supported a maximum return at NIT, but not until a business plan is in place to create a basic foundation. A businessman as General Manager is the best way forward right now.

Beck said sometimes the best way forward is to look backward. He suggested going a step further and look at the build out at the 9 acres and Teevin deal with a graph to show that the deal would not work to help move forward with what will.

Fogarty questioned the remediation and said that NIT is not yet finished. Remediation would go up if the project was completed as engineered. Some costs are missing. He agreed a business plan is needed. History is slim with data when shipping was at the Port. It would be better to go forward with future business plans instead of looking back. Kimball may be an expert to use to evaluate future projects. Fogarty agreed to sit down to discuss the business plan. He said Bretz has done a great job, and the new manager can be helped by Bretz regarding operations.

VI. **ADJOURNMENT**

Having no further business, the meeting adjourned at 1:24 pm.

ATTESTED:

Patricia Patrick-Joling, President

Stewart Lamerdin, Secretary/Treasurer

-###-

Here are some possible targets, with explanations for what we'd achieve.

- \$155K additional annual revenue would allow NIT to break-even on a cash-basis
 - This option does not cover ANY repair and replacement costs
 - Does not leverage the use of the bond levy
- \$450K additional revenue would be a reasonable estimate to cover long-term repair and replacement (capital improvement costs divided over 35 years)
- \$750K additional annual revenue (over 25 years) to result in a full payback of the amount invested for the project
- \$850K additional annual revenue (over 25 years) to result in fully payback and a 10% ROI.
- \$1.14M additional annual revenue would allow us to break-even on the NIT, after the removal of the bond levy. This should definitely be the long-term goal. This option allows us to take the proceeds from the tax payers and leverage it for future capital improvement projects (CM!) We don't need to be here tomorrow, but it should be the target.

(Submitted by Todd Kimball, CFO Selections)

Port of Newport Commission Work Session
February 27, 2018

PORT OF NEWPORT MINUTES

March 5, 2018

Commission Executive Session & Special Meeting

I. CALL TO ORDER

Commission President Patricia Patrick-Joling called the Commission Special Meeting of the Port of Newport Board of Commissioners to order at 12:00 noon at the South Beach Activities Room, 2120 SE Marine Science Drive, Newport, Oregon.

Commissioners Present: Walter Chuck (Pos. #1); Sara Skamser (Pos. #2); and Jeff Lackey (Pos. #4), Vice President. Patricia Patrick-Joling (Pos. #5), President, participated by phone. Stewart Lamerdin (Pos. #3), Secretary/Treasurer, was excused.

Management and Staff: Aaron Bretz, General Manager Pro Tem; Mark Harris, Staff Accountant; Don Moon, NIT Supervisor; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: Heather Mann, Midwater Trawlers Cooperative; Tracy Burchett, ILWU; Pat Ruddiman, ILWU; Jim Cline, Rogue Brewery; Jack Waibel, Rogue Brewery; Mark Newell, Fisherman/Buyer; Keith Kaminski, ILWU; Rex Capri; Robert Smith; and Calley Hair, Newport News-Times.

II. EXECUTIVE SESSION

A motion was made by Lackey and seconded by Chuck to enter into EXECUTIVE SESSION PURSUANT TO ORS 192.660(2)(f) AND ORS 192.660(2)(h) TO CONSIDER INFORMATION OR RECORDS THAT ARE EXEMPT FROM DISCLOSURE BY LAW, INCLUDING WRITTEN ADVICE FROM THE PORT'S ATTORNEY, AND TO CONSULT WITH THE PORT'S ATTORNEY REGARDING LEGAL RIGHTS AND DUTIES IN REGARD TO CURRENT LITIGATION OR LITIGATION THAT IS MORE LIKELY THAN NOT TO BE FILED, RESPECTIVELY, and PURSUANT TO ORS 192.660(2)(a) – TO CONSIDER THE EMPLOYMENT OF AN OFFICER, EMPLOYEE, STAFF MEMBER OR AGENT. The motion passed 4 – 0.

Commissioners Present: Walter Chuck (Pos. #1); Sara Skamser (Pos. #2); and Jeff Lackey (Pos. #4), Vice President. Patricia Patrick-Joling (Pos. #5), President, participated by phone. Stewart Lamerdin (Pos. #3), Secretary/Treasurer, was excused.

Management and Staff: Aaron Bretz, General Manager Pro Tem; Mark Harris, Staff Accountant; and Karen Hewitt, Administrative Assistant. Richard Stellner, Human Resource Management Consultant and Pete Gintner, Port Attorney, participated by phone.

Members of the Public and Media: Calley Hair, Newport News-Times.

No decisions were made in Executive Session.

A motion was made by Skamser and seconded by Chuck to end the Executive Session. The motion passed 4 – 0.

Executive Session was adjourned at 12:26 pm.

III. CALL TO ORDER

Commission President Patricia Patrick-Joling reconvened the Special Meeting of the Port of Newport Board of Commissioners at 12:28 pm, at the South Beach Activities Room, 2120 SE Marine Science Drive, Newport, OR, 97365.

IV. GENERAL MANAGER CONTRACT REVIEW

A motion was made by Lackey and seconded by Skamser to accept the General Manager contract as presented and authorize the President to sign the contract with Doug Parsons for General Manager. The motion passed 4 – 0.

A copy of the contract is appended to the minutes. Patrick-Joling directed Bretz to let Stellner know the contract was approved.

V. PORT VEHICLE FOR NIT

Bretz introduced the staff report, included in the meeting packet. He said that three vehicles were considered, but the Ford Ranger provided what was minimally required on a daily basis. Patrick-Joling asked if the vehicle was too small, and Bretz replied that the Port has larger trucks at the Commercial Marina that could be used if needed. Lackey asked if the Commission should wait until the new General Manager was seated to make the decision. Skamser proposed that it would be good to take this off his plate. Chuck said the Ranger looked like a good deal.

A motion was made by Chuck and seconded by Skamser to authorize the General Manager Pro Tem to purchase a truck for the International Terminal Manager not to exceed \$10,000 . The motion passed 4 – 0.

VI. TERMINAL HOIST LIVE CATCH CRITERIA

Bretz referred to the drafts included in the meeting packet, in response to the discussion at the last meeting. Bretz said the draft on page 5 was his, and the draft on page 6 was submitted by Skamser. Skamser suggested more specific reference to unloading Dungeness crab for this season only. Bretz had also sent the document for review by Gintner. This would not be policy, but something that would give the General Manager Pro Tem some leeway. He suggested using the language from Skamser’s draft but changing “sole discretion” to “discretion”, so that management can answer for what is done by the Commercial Harbormaster and the NIT Supervisor. The new General Manager will be busy and making this option through August only will allow him to get up to speed. Bretz said this would show a good faith response to the Commercial Fishing Users Group Committee. He suggested he could put this in a letter to be distributed. There was consensus from the Commission to direct Bretz to proceed.

VII. PUBLIC COMMENT

There was no public comment.

VIII. ADJOURNMENT

Having no further business, the meeting adjourned at 12:40 pm.

ATTESTED:

Patricia Patrick-Joling, President

Stewart Lamerdin, Secretary/Treasurer

-###-

Employment Agreement

Introduction

This Employment Agreement (hereinafter "Agreement") is made and entered on the day set out above the signatures below by and between the **Port of Newport**, an Oregon port district, (hereinafter "Port") and **Douglas J. Parsons**, (hereinafter "General Manager" or "Manager") to set out the terms and conditions of Port's employment of General Manager.

Section 1: Term

The term of this Agreement shall be for a period of one (1) year from the start date of employment of March 14, 2018 (hereinafter the "Start Date"). The General Manager's initial one-year anniversary date (hereinafter the "First Anniversary Date") will be March 14, 2019.

Thereafter, this Agreement can be renewed, amended or modified, on or before March 14, 2019, upon mutual agreement in writing between the Port and the General Manager unless or until terminated by either Port or Manager as provided herein.

Section 2: Duties and Authority

Port agrees to employ Douglas J. Parsons as its General Manager to perform the functions and duties specified in Port policies, resolutions, and ordinances and to perform other legally permissible and proper duties and functions of that office as may be assigned him by the Port Commission, and Manager agrees to accept said employment.

The Port Commission agrees to the principle of noninterference in the administration as necessary to the orderly and efficient implementation of Port Policy. The Port Commission agrees to direct their concerns about all matters involving Port staff through the General Manager. The General Manager agrees to respond promptly to all inquiries from the Commission whether made individually or collectively.

Section 3: Relocation Reimbursement

The Port agrees to reimburse Port Manager up to \$2,000 for actual receipted costs (including fuel, meals, lodging, and equipment rentals) associated with moving and temporary living expenses incurred between the date of this Agreement and his Start Date.

Section 4: Compensation

The Port agrees to pay Manager a gross monthly base salary of nine-thousand-eight-hundred-forty dollars (\$9,840.00) for the first six months of the initial term of this Agreement. The General Manager's employment by the Port is Fair Labor Standards Act (hereinafter "FLSA") exempt, and not eligible for overtime.

During the one-month period before the first six month anniversary for the General Manager (on or before September 14, 2018), the Port Commission will review the performance of the General Manager. Upon satisfactory review, the General Manager's monthly base salary, at the discretion of the Port Commission, may increase up to the amount of ten-thousand dollars (\$10,000) per month, effective September 14, 2018.

Should this contract be extended by mutual agreement between the Port and the General Manager beyond the First Anniversary Date, changes in the General Manager's salary shall be negotiated on an annual basis and memorialized in a written addendum to this Agreement.

The Port agrees to pay the General Manager in equal installments at the same time as other employees of the Port are paid.

Section 5: Dues, Subscriptions and Professional Development

Port will pay the professional dues and subscriptions of General Manager as appropriate for his continuation and full participation in national, regional, state and local associations and organizations necessary and desirable for his continued professional participation, growth and advancement and to improve his performance in his duties as General Manager, subject to reasonable limitations by the Port Commission.

Port will pay for travel and expenses of General Manager for meetings, conferences, courses and other occasions related to the continued professional development of General Manager, including visits to other west coast ports, subject to reasonable limitations by the Port Commission.

Section 6: Health, Disability and Life Insurance Benefits

The Port agrees to provide and to pay premiums for health, dental and life insurance benefits for the General Manager in the same manner as provided to other full time Port employees.

Section 7: Paid Time Off

The General Manager shall accrue on-going paid time off [PTO] at the same rate accorded to other full time Port employees.

The General Manager shall be credited with an initial bank of eighty (80) hours of PTO upon his Start Date. The General Manager will be allowed to take PTO for pre-scheduled personal travel for his daughter’s college graduation around May 11, 2018.

In the event of termination, either voluntarily or involuntarily, the General Manager shall be compensated for accrued and unused PTO as of the date of termination at the same rate for other full time Port employees.

Section 8: Automobile Usage and Reimbursement

The Port will make a Port owned vehicle available for General Manager's work related use, if one is available. If a Port owned vehicle is not available, or in situations where the General Manager elects to use his personal vehicle, the Port will reimburse the General Manager for actual mileage incurred for work related travel at the appropriate Internal Revenue Service rate.

Section 9: Cell Phone Stipend

The General Manager shall be entitled to a cell phone stipend in the same manner afforded to other full time Port employees.

Section 10: Retirement

General Manager will be enrolled in the Oregon Public Employees Retirement System and Port will pay costs relating to same in the same manner as afforded other full time Port employees.

Section 11: Termination

Termination without Cause. This Agreement may be terminated by either the Port or Manager for any reason whatsoever upon giving not less than thirty (30) calendar days written notice to the other or if either party chooses not to renew this Agreement.

Termination for Cause. For the purpose of this agreement, termination for cause shall occur when:

1. Manager knowingly fails or refuses to comply with the written policies, standards and regulations of the Port now in existence or as are from time to time established; and/or
2. the Port has reasonable cause to believe Manager has knowingly misappropriated Port funds, goods or services to his own or some other private third party's benefit or other acts of misconduct which the Port Commission believes in good faith is detrimental to the Port and/or its interests.

Section 12: At Will Status; Severance Payment

It is understood by all parties that the employment relationship between the Port and General Manager is employment at will and the only employment rights the General Manager has are those set out in this Agreement.

No severance compensation shall be paid nor earned by the General Manager if she/he is terminated for cause as defined in Section 11 above or he voluntarily resigns in writing under Section 13.

If Manager is involuntarily terminated by Port before expiration of this Agreement (or any extension thereof) albeit Manager is ready, willing and able to perform his duties as General Manager, then in that event, Manager shall be entitled to and Port will pay a graduated severance payment equal to the value of one (1) month's salary for each two months (or portions thereof) of completed service to the Port as General Manager. This right begins on the Start Date. The maximum payment Manager may accrue is payment equal to the monetary value of six (6) months' salary.

Payment of severance shall be made monthly, each payment being the value of one month's salary (less appropriate and lawful deductions) consistent with the graduated schedule. The right to said payment shall cease if, during the period of the scheduled payments, Manager accepts employment with another employer (other than self-employment). Manager has an affirmative obligation to notify the Port in writing upon acceptance of other employment.

Regardless of whether the Manager is terminated for cause or otherwise, he shall be compensated for his accrued and unused PTO time in the same manner as full time Port employees.

The Manager shall, if terminated for reasons other than "for cause" as set out in Section 11, be entitled to receive from Port a COBRA subsidy to continue in the Port's health insurance plan for the duration of the severance benefit.

In the event the Manager is incapacitated or otherwise unable to perform his duties for a period of ninety (90) successive calendar days, Commission may suspend the salary and subsequent PTO accruals of this Agreement until the General Manager is able to return to work or the Agreement is terminated.

Section 13: Resignation

In the event that the General Manager voluntarily resigns his position with the Port, the General Manager shall provide a minimum of thirty (30) calendar days written notice unless the parties agree otherwise in writing.

Section 14: Performance Evaluation

Port shall review the performance of the General Manager on or before September 14, 2018 in accordance with Section 4 of this Agreement, and then not less than annually thereafter and consistent with ORS 192.660(2)(i). The process at a minimum shall include the opportunity for both parties to: (1) prepare a written evaluation, (2) meet and discuss the evaluation, and (3) present a summary of the evaluation results. Consistent with ORS 192.660(2)(i), the Port Commission may conduct this review in an executive session unless General Manager requests the review to occur in an open session.

Section 15: Hours of Work

It is recognized that the General Manager must devote a great deal of time outside the normal office hours on business for the Port, and to that end the General Manager shall be allowed to establish an appropriate work schedule that meets the Port's needs consistent with the General Manager's duties.

Section 16: Indemnification

The Port agrees to defend, hold harmless and indemnify Manager from any and all demands, claims, suits, actions and legal proceedings brought against Manager in his individual or official capacity as agent and General Manager of the Port, consistent with the terms of the Oregon Tort Claims Act (ORS 30.260 to 30.300).

Port agrees to pay General Manager a reasonable consulting fee and travel expenses should General Manager serve as a witness, advisor or consultant to Port regarding pending or active litigation following the termination of his employment.

Section 17: Bonding

Port shall bear the full cost of any fidelity or other bonds required of the General Manager.

Section 18: Other Terms and Conditions of Employment

Except as otherwise provided in this Agreement, General Manager shall be entitled to the level of benefits enjoyed by other full time Port employees.

Section 19: General Provisions

A. Integration. This Agreement sets forth and establishes the entire understanding between the Port and the General Manager relating to the employment of the General Manager by the Port. Any prior discussions or representations by or between the parties are merged into and rendered null and void by this Agreement.

B. Modification. Nothing shall restrict the ability of the Port and Manager to mutually amend or adjust the terms of this Agreement. However, no amendment or adjustment shall be valid unless in writing and signed by both the Port and Manager.

C. No assignment. This agreement is personal to General Manager and is not subject to assignment or transfer but shall be binding upon, and inure to the benefit of the heirs and executors of General Manager.

D. No Third-Party Beneficiaries. This Agreement does not create or grant any rights or benefits to or for any party other than Port and General Manager.

E. Effective Date. This Agreement shall be effective as of the State Date of March 14, 2018.

F. Mediation. Should any dispute arise between the parties regarding the terms of this Agreement or work or services covered thereby, it is agreed that such dispute is required to be submitted to a mediator prior to arbitration. The parties shall exercise good faith efforts to select a mediator who shall be compensated equally by both parties. Mediation will be conducted in Newport, Oregon, unless both parties agree otherwise in writing. Both parties agree to exercise good faith efforts to resolve disputes covered by this section through this mediation process. If one party requests mediation and the other party fails to respond within ten (10) calendar days, or if the parties fail to agree on a mediator within ten (10) calendar days, a mediator shall be appointed by the presiding judge of the Lincoln County Circuit Court upon request of either party.

G. Arbitration. In the event the parties have a dispute concerning the terms of this Agreement or the terms and conditions of the employment relationship (and they have not otherwise resolved the matter within thirty (30) calendar days through the mediation process set out in subsection (F) above) then the dispute shall be resolved by submitting it to binding arbitration.

1. Within thirty (30) calendar days of a notice by either party to the other requesting arbitration, Port and Manager shall select an arbitrator from a list of three (3) obtained from Arbitration Services of Portland, Inc. (hereinafter "ASP"). The arbitrator shall for

purposes of the arbitration proceedings, apply the rules of mandatory arbitration as adopted by the ASP in effect at the time of the arbitration.

2. Within sixty (60) calendar days of the selection or appointment of the arbitrator, both Port and Manager shall concurrently submit to the arbitrator (supplying a copy to each other) a written statement of their respective legal and factual positions on the dispute. The arbitrator shall determine, after a hearing on the merits and within forty-five (45) calendar days after receipt of the statements, the determination of the dispute which determination shall be final and binding.

3. Each party shall bear equally the expense of the arbitrator. Each party shall bear its own expenses for witnesses, depositions and attorneys in any arbitration or any other action arising out of or related to this Agreement.

H. Severability. The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both parties subsequent to the expungement or judicial modification of the invalid provision.

IN WITNESS WHEREOF, the Port of Newport has caused this agreement to be signed and executed in its behalf by the President and General Manager has signed and executed this agreement, both in duplicate, this 5th day of March, 2018.

Patricia Patrick-Joling, President

Douglas J. Parsons, General Manager

**PORT OF NEWPORT
MARINA AND RV PARK
SPECIAL USE PERMIT**

THIS AGREEMENT, made and entered into this March __, 2018 by and between the PORT OF NEWPORT, a port district organized and existing under Chapter 777, Oregon Revised Statutes, hereinafter called "Port" and Davis Shows N.W., hereinafter called "Permittee".

WITNESSETH:

In consideration of the covenants, agreements and stipulations herein contained on the part of the Permittee to be paid, kept and faithfully performed, the Port does hereby grant to Permittee a Special Use Permit to use those certain premises, AS IS (except as otherwise hereinafter provided), situated in Lincoln County, State of Oregon, more particularly described as follows:

A portion of the adjacent Multi-Use area, at the facility operated by the Port of Newport known as "Port of Newport Marina & RV Park". A reasonable portion of the parking lot will be made available for the Permittee, but Permittee shall be entitled to allow its participants (in reasonable numbers) to park in the public parking lots, except for those areas reserved for permit parking. **(Exhibit A)**

Coordination for the use of the parking area with Oregon Brewing Company during the scheduled event is the responsibility of the Permittee. The Special Use of the premises is subject to any rights, interest, claims, encroachments or easements which are of the premises, or by reasonable inquiry.

Permittee may use the said premises for the following purpose and no other:

Davis Shows Carnival (Multi-Use Area Only)

The date(s) of use for which this license is granted:

**MOVE IN: Monday, April 30, 2018
SETUP: Tuesday, May 1 and Wednesday, May 2, 2018
OPERATION: Thursday, May 3 through Sunday, May 6, 2018
TAKEDOWN: Monday, May 7, 2018**

For and in consideration of the permit hereby granted, Permittee shall pay to Port, prior to Permittee's usage and as a condition thereof:

- a) A nonrefundable \$500.00 fee.
- b) All services and equipment rentals to be billed at standard rates with a half-hour minimum.

The amount due as aforesaid shall be payable in full on execution of the permit agreement, and the Special Use Permit and reservation of the premises shall not be valid until and unless such sums have been paid. Payment by check is acceptable only upon approval by Port General Manager and is considered valid payment hereunder only upon condition that such check or other instrument shall be honored by the drawee.

In consideration of the mutual agreements herein contained, each party expressly covenants and agrees to and with the other as follows:

1. ACCEPTANCE OF LICENSE AGREEMENT:

The Permittee accepts said Special Permit Use permit conditions and agrees to pay to the order of Port any permit fee above stated for the full term of this permit at the times and in the manner aforesaid. It is understood that the Permittee takes the premises "as is", subject to all faults, defects and hazards. Permittee agrees to inspect the premises prior to each use, and to fully apprise Permittee's employees, agents and representatives of all defects, faults and hazards, and to take appropriate measures to protect or warn against any risk of loss or injury which may be associated therewith, and the Port shall have no responsibility to Permittee, Permittee's agents, employees and representatives, or Permittee's invitees, on account of any such fault, defect or hazard during such period of use.

2. USE:

Permittee is hereby authorized to use the agreed premises for the conduct of an event, as above described, and for no other purpose, without the Port's prior written consent.

3. LIMITS ON USE:

Permittee will not make any unlawful, improper or offensive use of said premises; it will not suffer any strip or waste thereof; it will not permit any objectionable noise or odor to escape or to be emitted from said premises or do anything or permit anything to be done upon or about said premises in any way tending to create a nuisance.

The Port reserves the right to impose reasonable rules, requirements and restrictions respecting the use of the subject property, including any existing rules.

4. COMPLIANCE WITH LAW:

Permittee shall comply at Permittee's own expense with all laws and regulations of any municipal, county, state, federal or other public authority respecting the use of said premises.

5. UTILITIES:

The Port shall permit Permittee to use the existing water service to the premises at no charge. However, Permittee shall utilize such water service only in reasonable quantities. Permittee shall be responsible to pay for all electrical services if required to the premises during the Permittee's period of use.

Permittee is aware that rest room facilities are not available at the site, and Permittee shall be responsible to provide an adequate number of chemical toilets to accommodate the persons who will be attending the event.

6. FIRE INSURANCE:

Neither party shall be required, as an obligation of one to the other, to provide any fire insurance on the subject premises or the contents. However, each party hereby acknowledges that such party is aware that the other party is not providing any such fire insurance coverage for the benefit of such party, and each party is responsible to protect such party's own interest. In the case of the Port, the Port is aware of the need to protect its own interest in improvements on the premises, and Permittee is aware of the need to protect its interest in the contents and personal property placed on the premises.

Nothing herein contained is intended to exculpate Permittee on account of any loss or damage incurred by the Permittee as a result of the negligence of the Permittee, however.

7. REPAIRS AND IMPROVEMENTS:

The Port agrees, excepting only acts of God and other conditions and occurrences beyond the control of the Port, to maintain the premises so that, at the time of Permittee's use, such premises will be in a condition substantially equivalent or better than they are now, reasonable wear and tear excepted. However, in the event of Port's failure so to do, Port's liability to Permittee shall be limited to a return of the consideration paid for the granting of this permit, or the cost of making such repairs, whichever is less.

8. INSPECTION:

The Port, its agents and representatives, at any reasonable time may enter upon or into said premises for the purpose of examining the condition thereof and for any other lawful purpose.

9. TRANSFER OR SUBLICENSE:

Permittee will not assign, transfer, pledge, hypothecate, surrender or dispose of this license agreement, nor any interest herein, or permit any other person or persons whomsoever to occupy the premises, without the written consent of the Port first being obtained in writing, which consent shall not be unreasonably withheld.

10. LIENS:

Permittee shall keep the premises free from all liens of every kind and description caused, incurred, permitted or suffered by any act or omission of Permittee, and Permittee shall not have the right or authority to incur any mechanic's, laborer's, materialmen's or any other liens.

11. OBSTACLES:

At all times, Permittee shall keep the area in and about the premises free and clear of rubbish, debris and obstructions of every kind during and upon termination of Permittee's period of occupancy.

12. LIABILITY:

During Permittee's usage, the Port shall not be responsible or liable in any way for the injury or death of any person or damage to any property caused in or about the premises, nor shall the Port be liable for any damage or loss suffered by the business or occupation of Permittee arising or resulting from any such accident or injury to goods or persons happening in or about the premises. Permittee does hereby covenant to save, hold and defend the Port harmless from any claim, loss, damage or liability resulting from or arising out of any such accident or injury, or in any manner arising from or as a result of the Permittee's use or occupancy of the premises, or that of any employee, representative or invitee of Permittee, and in the event of any suit or action for damages, claim or penalties being brought by any person whomsoever arising out of Permittee's usage of the premises, Permittee agrees at its own cost and expense to defend the Port against any such suit or action and any and all appeals thereof and to satisfy and discharge any judgment which may be awarded against the Port on account thereof. Permittee will at all times indemnify and hold harmless the Port, its agents and employees, against any and all actions or causes of action, claims, demands, liabilities, losses, damages or expenses of any kind or nature which the Port shall or may at any time sustain or incur by reason of Licensee's operations hereunder.

Permittee shall use and employ all reasonable precautions and safety measures to avoid all injury to persons and all loss of property, and shall be responsible to inspect any area to be used or worked upon, and to ascertain that the same shall not pose an unreasonable risk of harm to any person or property. Permittee shall maintain fences and barricades so as to bar access to, and warn of, any areas which are found to be hazardous.

13. LIABILITY INSURANCE:

Permittee further agrees at all times during the Permittee's usage hereunder, at Permittee's own expense, to maintain, keep in effect, furnish and deliver to the Port liability insurance policies in form and with an insurer satisfactory to the Port insuring both the Port and the Permittee against all liability for damages caused by the negligence of the Permittee, its employees or agents, to persons or property in or about said premises; the policy of liability insurance shall have a single occurrence policy limit of not less than \$2,000,000.00, and a total liability coverage of \$10,000,000.00. Permittee agrees to and shall indemnify and hold the Port harmless against any and all claims and demands arising from acts or omissions of the Permittee, its officers, agents, invitees and/or employees, as well as those arising from Permittee's use of the premises, including the easement included as part of the premises, or Permittee's failure to comply with any covenant of this agreement upon its part to be performed and shall, at its own expense, defend the Port against any and all suits or actions arising out of such negligence, actual or alleged, and all appeals thereof, and shall satisfy and discharge any judgments which may be awarded against the Port in any such suit or action. Permittee shall provide to the Port copies of the policy of liability insurance hereunder, together with a Certificate of Insurance declaring the liability provisions are in full force and effect, and naming the Port as an additional insured. Such policy or policies shall provide that the coverage there under shall not be canceled or amended without at least fifteen (15) days' notice to the Port.

The parties recognize that the aforementioned policy limits are relatively low, and the Port shall have the right, from time to time, to request reasonable increases in the liability limits of the aforementioned policy of liability insurance, in the event of any increase in the limits of potential liability under the Oregon Tort Claims Act, by reason of other statutory enactment or by court decision.

14. DESTRUCTION OF PREMISES:

In the event of the total or partial loss or destruction of the improvements on the real property, this agreement may be terminated by either party, and the Port shall have no obligation to repair or restore such premises. In the event of the occurrence of such loss or destruction, if the same is not repaired prior to the date on which Permittee will exercise the permit herein granted, upon termination of this permit agreement prior to such usage, Permittee shall receive a refund of the consideration paid for this permit.

15. WAIVER OF LIABILITY:

Neither the Port nor the Permittee shall be liable to the other for losses arising out of damage to or destruction of the premises, or improvements of which the premises are a part or with which they are connected, or the contents of any thereof, when such losses are caused by any of the perils which are insured against, to the extent of available insurance proceeds. All such claims for any and all losses, however caused, hereby are waived, to the extent of such proceeds. However, nothing herein contained shall be deemed to exculpate the Permittee should such exculpation have the effect of voiding, nullifying or reducing any insurance coverage for such loss which might otherwise be available for the benefit of the Port.

16. HOLDING OVER:

Strict and literal compliance with the terms and conditions provided for in any renewal of this permit agreement shall be a condition precedent thereto, and in the event the Permittee shall for any reason hold over after the expiration of this license agreement, other than pursuant to a valid renewal hereof, such holding over shall not be deemed to operate as a renewal or extension of this license agreement.

Permittee agrees to vacate and surrender possession of the premises upon the expiration of the Permittee's period of occupancy, and Permittee shall be liable to the Port for permit fees at the afore-rates for each day of holding over in the event that Permittee shall fail to so vacate and surrender the premises upon the expiration of such period of occupancy. Such holding over likewise shall not operate as any extension of this permit agreement or of the period of occupancy, and Permittee shall at such time hold as a tenant at sufferance, subject, however, to the other terms, obligations and provision of this permit agreement.

17. NOTICES:

Any notices required by the terms of this permit agreement to be given by one party to the other, or desired so to be given, shall be sufficient if the writing is in a sealed envelope, deposited in the United State registered or certified mail with return receipt requested and with postage fully prepaid and addressed to the other party at the following address, or such other address as to which either party may have properly notified the other:

PORT OF NEWPORT:
Doug Parsons
General Manager
PORT OF NEWPORT
600 S. E. Bay Boulevard
Newport, OR 97365

PERMITTEE:
Davis Shows N. W.
P. O. Box 1670
Clackamas, OR 97015
503-539-4526 or 503-310-1403
Davisshowsnw@aol.com

Any such notice shall be presumed to be delivered within forty-eight (48) hours after deposit in any United States registered or certified mail. In the event that the person desiring to give such notice shall become aware that such notice was not so delivered, the notice shall, nonetheless, be deemed to be effective within forty-eight (48) hours after such deposit. However, within a reasonable time after such discovery, the person desiring to give notice shall take appropriate steps to give actual notice to the other. No further attempts shall be required, however, if such notice cannot be delivered due to the failure of the party for whom such notice is intended to provide information as to such person's address or to accept delivery.

18. STRICT PERFORMANCE:

Full, strict, complete and literal performance, and the time thereof, are of the essence of this agreement; and waiver by the Port of any breach of any covenant or agreement herein contained to be kept and performed by the Permittee shall not be deemed or considered a continuing waiver and shall not operate to bar or prevent the Port from any right or remedy for that breach or for any succeeding breach, either of the same condition, covenant or agreement, or of any other.

19. ATTORNEY'S FEES:

In the event the Port shall be required to retain the services of an attorney to enforce any obligation under this license agreement, the Port shall be entitled to recover from Permittee the Port's reasonable attorney's fees so incurred, whether or not any suit or action shall be commenced. In the event the Port shall commence any suit or action to enforce any obligation hereunder, the prevailing party shall be entitled to recover from the other such party's reasonable attorney's fees so incurred, including any appeal.

20. SURRENDER OF PREMISES:

At the expiration of said dates of use or upon any sooner termination of this license agreement, or upon the termination of any extension hereof, the Permittee will quit and deliver up said premises and all future erections or additions to or upon the same, broom clean to the Port, or those having Port's estate in the premises, peaceably, quietly and in good order and condition, reasonable use and wear thereof, damage by fire, unavoidable casualty and the elements, to the extent covered by insurance, alone excepted, as the same are now in, or such better condition as the premises hereafter may be put in, or may be required, by terms of this permit agreement, to be put in.

If Permittee shall fail to clean up the premises as required herein on or prior to the expiration of the permit herein granted, or not later than noon on the following day, the Port may, at the Port's option, undertake or cause such clean up to be completed, at the expense of Permittee, and Permittee shall immediately reimburse to the Port the cost of such clean up, including but not limited to the reasonable value of any services provided by the Port. In any event, in the event that Permittee shall fail to carry out such clean up within the time above provided, Permittee shall be liable to the Port for all costs, expenses, damages or liability incurred by reason thereof.

Failure of Permittee to remove any vehicles, equipment or other property belonging to Permittee which Permittee may remove under the terms of this agreement shall constitute a failure to vacate. However, nothing herein contained shall be construed to limit the Port's right to expel the Permittee and Permittee's effects upon termination of the term of this permit agreement or any renewal thereof.

Any personal property left on the premises by the Permittee following the expiration of the term of the license herein granted, upon ten (10) days written notice from the Port to Permittee, conclusively will be deemed to have been abandoned to the Port, and the same will there-upon conclusively constitute the property of the Port, subject to disposal by the Port as the Port shall see fit, for the Port's own account, without any right of reclamation or compensation on the part of Permittee, and Permittee shall save, hold, defend and indemnify the Port harmless on account of the claims of any third parties on account of any such property.

21. SUCCESSORS:

All rights, remedies and liabilities herein given to or imposed upon either of the parties hereto shall extend and inure to the benefit of and bind, as the circumstances may require, the heirs, executors, administrators, successors and assigns of such parties. However, this provision shall not be construed to permit any transfer of the rights of the Permittee in derogation of any term or provision of this agreement requiring the consent of the Port.

22. SIGNS:

During the term of Permittee's occupancy, and for a reasonable time prior thereto, Permittee may erect temporary signs upon the premises, the size, nature, method of attachment or erection and placement of which shall be subject to the reasonable approval of the Port.

23. NEAT AND PRESENTABLE CONDITION:

Permittee agrees at all times during the Permittee's use under this agreement to maintain the premises in a clean, neat, orderly and presentable condition.

24. INTEGRATION:

This is the complete and entire agreement between the parties, and supersedes any other or prior agreement. Any modification hereof shall be effective only if reduced to writing and subscribed by the parties sought to be bound thereby.

25. WAIVER:

Timely and strict, complete and punctual performance of each and every obligation on the part of the Permittee to be performed are of the essence of this agreement. Failure of the Port to enforce any term, provision or requirement of this agreement, or to exercise any remedy on account of Permittee's failure to perform the same, shall not constitute a waiver of such failure or of the provision itself.

26. DEFAULT:

The Permittee's failure to pay the fees provided hereunder, or any portion thereof, or to perform any requirement hereof, shall be a default and shall operate to terminate the permit of the Permittee hereunder, and this agreement, without waiver of any right of the Port, including the right to be compensated for the Port's damages, including but not limited to the fees and other performance due to the Port hereunder. No notice to quit or to pay shall be required and the holding of such tenant thereafter shall be wrongful, but shall nonetheless be subject to all the rents and requirements hereof. However, if the Port, after such default in payment of any sum due hereunder, accepts payment thereof, the license agreement is reinstated for the full term hereof, subject to termination by subsequent defaults in payment of fees or to termination for other default as hereafter provided. Acceptance by the Port of payment of arrearage of fees, or a portion thereof, shall not reinstate the license agreement unless the Permittee shall pay or perform, all sums the payment of which is in arrears and all other defaults then existing.

In no event shall Permittee exercise any right under this agreement while Permittee shall be in default hereunder, or prior to payment of the consideration and performance of the other obligations of the Permittee hereunder.

27. REMEDIES:

In the event the permit agreement shall terminate for default, as aforesaid, or by reason of any other default as a matter of law, or for any other reason, or upon the expiration each year of the period of the permit granted hereunder, and if the Permittee shall fail to immediately surrender possession of the permitted premises, in any of such cases, the Port or those having the Port's estate in the premises, lawfully and at the option of the Port, immediately or at any time thereafter, without demand or notice, may enter into and upon the premises and every part thereof and repossess the same as of the Port's former estate and expel Permittee's effects at the expense of Permittee, forcibly if necessary, and store the same and/or lock the premises, all without being deemed guilty of trespass or other wrongful act, and as a remedy pursuant hereto and not in derogation hereof, and without prejudice to any other right or remedy which otherwise might be used for breach of this agreement, or otherwise.

In addition, if the Port shall retake possession of the premises, Permittee shall pay to the Port all of the reasonable costs of reentry and reletting, including but not limited to the cost of any cleanup, refurbishing, removal and storage of Permittee's property and fixtures and any other expense occasioned by Permittee's failure to quit the demised premise upon termination or to leave them in the required condition, any costs of repair to the premises, attorneys' fees, court costs, brokers' commissions and advertising costs.

In the event of termination for breach, the Port may, at its option, require the Permittee to pay to the Port:

- (a) The worth, at the time of award, of the unpaid fees that had been earned at the time of termination of this license agreement;
- (b) Any other amount, and court costs, including attorneys' fees, necessary to compensate the Port for all detriment proximately caused by Permittee's default.

All of the Port's rights and remedies hereunder shall be cumulative, one with the other, and with any other right or remedy as may now or later exist by force and effect of law or otherwise.

The Port, at any time Permittee has failed to perform a provision hereof, can provide such performance at Permittee's cost, and such costs or amounts paid shall be a debt due immediately from Permittee to the Port.

All fees and other sums due to the Port for Permittee shall bear interest at the highest rate permitted by law or, if there be no limitation, at a rate which is two percent (2 points) above the prime rate for preferred large borrowers as quoted in the West Coast Edition of the Wall Street Journal at the time of the award.

28. GRAMMATICAL CONSTRUCTION:

In construing this permit agreement, it is understood that the Port or the Permittee may be more than one person, and if the context so requires, the singular pronoun may be taken to mean and include the plural, the masculine may include the feminine and the neuter, and vice versa, and generally all grammatical changes shall be made, assumed, and implied as are necessary to carry out the intent hereof and to make the provisions of this agreement apply equally to corporations as to individuals.

IN WITNESS WHEREOF, the parties have executed this instrument in duplicate to be effective as of the day and year above set forth, and any corporate signature is affixed hereto only pursuant to the board of directors or other governing body thereof.

PORT OF NEWPORT

By: _____
Doug Parsons, General Manager

PERMITEE:

By: _____
, for Davis Shows NW



SE Marine Science Dr

© 2016 Google

Google Earth

**PORT OF NEWPORT
RESOLUTION NO. 2018-04**

A RESOLUTION NAMING A REGISTERED AGENT

WHEREAS, ORS 198.340(1) requires special districts to designate a registered agent upon whom any process, notice or demand required or permitted by law to be served upon the district may be served; and

WHEREAS, ORS 198.340(2) requires a special district to change its registered agent upon filing in the office of the Secretary of State and county clerk a resolution stating: (a) the name of the district; (b) if the address of its registered office is changed, the address to which the registered office is to be changed; (c) if its registered agent is changed, the name of its successor registered agent; (d) that the address of its registered office and the address of the business office of its registered agent, as changed, will be identical; (e) that such change was authorized by resolution duly adopted by the district board; and

WHEREAS, Doug Parsons was hired as General Manager on 14 March 2018, and will replace General Manager Pro-Tem Aaron Bretz as registered agent; NOW THEREFORE,

THE PORT OF NEWPORT BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:

Section 1. The registered agent for the Port of Newport is now Doug Parsons, General Manager.

Section 2. The registered office for the Port of Newport continues to be located at 600 S.E. Bay Boulevard, Newport, Oregon 97365. The registered office is the business office of the Port's registered agent.

Section 3. Regularly scheduled business meetings are held at the Port of Newport Activities Room, 2120 S.E. Marine Science Drive, Newport, OR 97365.

Section 4. All previous resolutions naming a registered agent for the Port of Newport are hereby repealed.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 20th day of March 2018.

ATTEST:

Patricia Patrick-Joling, President

Stewart Lamerdin, Secretary/Treasurer

**PORT OF NEWPORT
RESOLUTION NO. 2018-05**

**A RESOLUTION DESIGNATING BANK ACCOUNTS AND AUTHORIZING
CHECK SIGNERS**

WHEREAS, the Port of Newport is a port organized under ORS 777; and

WHEREAS, ORS 777.405 states money of a port shall be deposited in one or more banks designated by the Board of Commissioners. Funds shall be withdrawn only when previously ordered by the Board upon a check signed and countersigned by such persons as may be authorized by resolution of the Board; and

WHEREAS, By-laws for the Port of Newport Board of Commissioners Sec. 17(A) states that all Commissioners are eligible to sign checks upon approval; and

WHEREAS, Resolution 2017-10 approved 25 July 2017 was the last resolution authorizing check signers; and

WHEREAS, Douglas J. Parsons was hired as General Manager; NOW THEREFORE,

**THE PORT OF NEWPORT BOARD OF COMMISSIONERS RESOLVES AS
FOLLOWS:**

Section 1. Authorized Signers. The Commission authorizes the five members of the Port of Newport Board of Commissioners, the General Manager, the Director of Operations, and the Staff Accountant.

- A. Walter ChuckPosition #1
- B. Sara SkamsnerPosition #2
- C. Stewart LamerdinPosition #3
- D. Jeff LackeyPosition #4
- E. Patricia Patrick-JolingPosition #5
- F. Douglas J. ParsonsGeneral Manager
- G. Aaron T. BretzDirector of Operations
- H. Mark HarrisStaff Accountant

Section 2. Rescission. The Commission hereby rescinds authorization for the following to be signers on designated bank accounts.

- A. Stephen J. Larrabee (former Director of Finance)
- B. All previous check signers not listed in Section 1 above.

Section 3. Designated Bank Accounts. The Commission designates the following bank accounts:

- A. Oregon Coast Bank
 - 1. Operating Checking.....General
 - 2. Marina Deposit.....General
 - 3. Payroll.....General
 - 4. PERS.....General
 - 5. SPWF.....General
 - 6. Operating Checking.....NOAA
 - 7. Maintenance & Replacement.....NOAA
 - 8. Revenue Bond Reserve.....NOAA
 - 9. Assignment of Deposits.....NOAA
 - 10. Operating Checking.....Construction
 - 11. Money Market.....Construction
 - 12. GO Fund.....Bonded Debt

- B. Columbia Bank
 - 1. Money Market.....General

- C. Umpqua Bank
 - 1. Money Market.....NOAA
 - 2. Operating.....Facilities Maintenance

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 20th day of March 2018.

ATTEST:

Patricia Patrick-Joling, President

Stewart Lamerdin, Secretary/Treasurer

PORT OF NEWPORT
COMMERCIAL FISHING USERS GROUP COMMITTEE MINUTES

February 23, 2018
Special Committee Meeting

I. CALL TO ORDER

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

Committee Members Present: Clint Funderburg (Pos. #1); Mike Pettis (Pos. #2); Gene Law (Pos. #7); Bob Aue (Pos. #8); Bob Eder (Pos. #9), Dave Thalman (Pos. #10); and David Jincks (Pos. #11).

Alternates Present: None.

Committee Members Absent: Mark Newell (Pos. #3); Ernie Phillips (Pos. #4); Mark Cooper (Pos. #5); Ted Gibson (Pos. #6).

Port Commission Liaison: Sara Skamser.

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

Members of the Public and Media: Robert Smith, F/V Raven; Mike Storey, F/V Pegasus; Denise Schock, Fishing; David Allen, Newport City Councilor; Evan Hall, Rondys Inc.

II. CHANGES TO THE AGENDA

Mann asked those present to introduce themselves and thanked them for coming. Mann said at the last meeting, the Committee discussed matching up CFUG meetings with the Commission agenda in order to be more effective. She added that the Commission had discussed this at their last meeting, with most interested. Mann said the Commission would be discussing the Newport International Terminal (NIT), so this Special Meeting was set up for CFUG to provide input. Mann said she is still trying to figure out how to match; it is a load for Port staff to set up additional meetings when the Commission meeting is being prepared. This meeting will focus on issues at NIT, which affect everyone.

III. PUBLIC COMMENT

There was no public comment at this time.

IV. EVAN HALL: RONDYS PRESENTATION

Hall introduced the diagram of the conceptual master plan for the Yaquina Industrial Park, which he said was flexible. He said he wanted to give an update on the project status and answer questions. Hall said the goal for this summer was preparing the site, moving the dredge spoils, raising the elevation, and dealing with the wetlands and mitigation. The timing of the park development would depend on how phase 1 goes. He said phase 1 would be area 3 on the diagram, a 4900 ft² building creating economical storage units. Phase 2 would be Lot 1 on the diagram, with would be a 48K ft² building geared toward commercial use, overall businesses that support the maritime industries and a connection to NIT. This may include fishermen, marine trades, support services, and the

growth of marine research. Later, Lot 7 development would be water frontage, potentially including a dock, cold storage and a processor. Hall said that Lots 1, 2, 3 and 4 were zoned industrial. The other lots were zoned water dependent which is more restrictive. The mitigation would involve returning areas to estuarine mud flats. Rondys was working with the Port to mitigate Port wetlands.

Mann asked if Rondys would still consider building a dock even if the cold storage and processor weren't going to happen. Hall said a dock would need businesses to support it. Cold storage may go in first. Pettis said from the fishermen's point of view, a fish plant not owned by Bornstein would be desirable, even if Bornstein looked to purchase area at the site. Hall said he is looking at bringing in multiple markets that complement each other. Rondys has benefit to the community as a priority. Jincks asked if there was sufficient water and electric service without an upgrade. The primary cost would be sewer. Hall said he thought just transformers would need to be put in for electric. The City wanted to extend a redundant line across the bay at McLean Point, which would be good for Rondys. The City has also considered extending the sewer with \$2M from the Urban Renewal. Jincks commented that Urban Renewal depended upon property leased and developed. Allen said McLean Point Urban Renewal District was geared toward property leaving the Port to the private sector which would generate tax income. This would depend on development and Port/private sector projects. There may be other related water and sewer projects outside of the Urban Renewal District.

Skamser asked if the lease agreements to the Port would be phased in. Hall said there are two scenarios: 1. Release the whole lease or 2. Release the industrial half first and later the water dependent half. The leased gear storage area would need review with the Port. This storage area is a benefit to fishermen. He is not sure how to approach this in the future. Covered, secure gear storage could be a possibility, or Rondys taking over the open gear storage. Hall said he had also talked with Bretz about a potential 200 ft. loading dock that would work with the Industrial Park and NIT. Jincks commented on the value of the property leased to the Port. This is already a dredge disposal site, and users have come in because of the use of this area. Without mitigation, the Port has a loss of two acres. He also recommended taking full advantage of the Urban Renewal plan. Hall said the use is phased in the plan. A big aspect was the shipping facility. Bretz said since the permits were based on a log yard, without another project identified, it was difficult to mitigate. Jincks suggested the Port keep the door open. Hall said the development should benefit both Rondys and the Port.

Mann asked about timing for constructing a dock. Hall said permitting would take two years, and dredging may also be needed – possibly three years for the dock. Bretz said the channel had been surveyed recently and he should receive the result in the next couple of weeks. There would also be some challenges because of eel grass. Pettis said a floating dock would be good for moorage and would bring in more money. Mann asked if the Committee wanted to make a recommendation to the Commission. Law said the Committee should support the Hall family. Pettis asked if there was a possibility for grants. Mann said that the Department of Agriculture has matching grants, and EDA has others. Hall said if the Rondys project is partnered with public entities there are more possibilities such as TIGER or Connect Oregon. Mann said they could leverage a bond. Bretz said he had talked with the State and a planning grant was a good possibility. Grantors don't want controversial issues. Allen asked if the City of Newport work with planning, to which Bretz replied yes, they are a stakeholder. Mann said that, in general, the Port could work more closely with the City. This has been effective in the past. Bretz said he has been hearing that, and more understanding of the situation is helpful.

Mann said the Commission is in the process of hiring a new General Manager. The Commission voted 3 – 2 in Executive Session to move forward with the high scoring candidate. Bretz has done a good job in the meanwhile. Bretz said he can brief whoever comes in as the General Manager to get him up to speed. Hall said there has been a loss in momentum with what's going on at the Port and the Port should be leading and making sure they are taking advantage of opportunities. Jincks said it is a balancing act for the Port with other industries showing growth. Mann said she had heard research wants to use the terminal. Hall said as for shipping there is a scale issue and the Port of Newport has a niche opportunity, including short shipping within Oregon. Allen recommended

contacting Derrick Tokos. Hall said that engineers and architects have been meeting. Mann said Skamser would report on this meeting to the Commission as liaison to the Committee, and Mann will also send a report.

V. REVENUE AT THE TERMINAL, FINANCIAL OUTLOOK

Mann referred to Kimball's report, included in the meeting packet, and said he would be providing information to the Commission at a work session on February 27th. Bretz said most of the focus would be on slides 8 – 12 (pgs. 11 – 16 in the packet). Kimball will be presenting 3 – 4 scenarios about what the Port would want in revenue. The scenarios would be based on some maintenance figures and current remediation. There is also consideration of fulfilling the promises on the bond measure. Kimball will be looking at minimum/maximum revenue over next 30 years. Mann asked if the \$1.1M figure would fund improvements in other areas of the Port. Bretz said that addressed only NIT. Jincks said the Port is one unit, although this was good to break down to show. When considering debt and investment, consider the whole Port. Breaking down into business units has limitations. During the last shipping mess, the loss at NIT was falsely represented. Bretz said this would be a higher level than Kimball is addressing.

Mann asked if a decision was made that NIT generate income to make up for other losses. Bretz said no, the Commission has not gotten into that. Skamser said NIT is still on the ground floor and all the pieces are not yet together. Kimball was trying to see what the business units were doing. Jincks said that Astoria budgets by business unit, then back to the Port. Upland job support in the area is missing in the analysis. Bretz said that one point Kimball made is the performance at NIT is not as bad as it seems since a lot is on the taxpayers. Mann said that she and Yale Fogarty had worked on the bond. Almost all of the money went into remediation. Bretz said the Port did not get a loan; the bond revenue is from taxpayers. Jincks said that \$13MM was spent on remediation. Mann said a future agenda should include policies related to future NIT operations. The Committee needs to know the Port's goals. Bretz said the issue of what to do is a combination of finances and operations; the debate was what to do first. Jincks said that was a good point. The last project failed because of a lack of collaboration. The Port needs to consider the users of the facility and collaborate from the beginning. Jincks also said that jobs and the terminal were not used in prior grant applications, which may have changed the result. A business plan for NIT needs to be created collaboratively with users. Bretz said he thinks the Port is close to the point where that can be done.

VI. REVIEW OF TERMINAL OPERATIONS RELATED POLICY

Eder asked if NIT would be available to move product because of the high level of activity at Port Dock 7. Bretz referred to the policy in the packet. He said in the past there was a gentlemen's agreement between the ILWU and the Port that fish could not be unloaded at NIT without using longshoremen. Jincks said for clarification longshoremen would handle the offloading for international business but not for domestic. Mann asked if Eder would need to use longshoremen if he wanted to unload and sell out of NIT. Jincks said that is the understanding. Mann said changes should be discussed. Bretz said it would not be wise to make changes now. Newell said he also needs to use NIT. Jincks said this has been talked about in the past. The Port is losing money by the manpower used there. He would support a business plan created for using the NIT pier. Kent Gibson said that Port Dock 7 has been busy. Mann commented that the Port could be making more revenue. Bretz said this is a plan to develop. The Committee can make a recommendation for what's needed.

Aue said Pacific and Hallmark are upset they can buy less, a benefit to the fishermen. Eder said there was not an agreement with the processors until Don Mann. Bretz said he had a conversation with Grays Harbor who charged \$.40/pound for fish unloaded. Jincks said the congestion at PD7 robs manpower from other maintenance tasks. Newell said more could be operated by the fishermen themselves. Gibson said shrimpers can sit all day at PD7. He suggested extending PD7 75' each way could allow for more hoists. Bretz said an idea for PD7 was to seek grant money to construct side ties and extend the hoist dock. Mann asked if product could be unloaded at the

Terminal right now. Bretz said he would stick to the past rules, not change policy now. Skamser said the Port Commission could move forward; getting direction from the Committee is important. Some prioritization would help.

Eder said he was looking for consensus to make a recommendation to the Commission to investigate opening the NIT hoists to unload product. Jincks said he would support that if it were termed as creating a business plan to support unloading at PD7 and NIT. If this is just a knee-jerk reaction, it won't solve the original problem. Mann agreed she would want an examination of how to improve product unloading. Newell said he probably won't be able to get into PD7. He will go to the terminal to unload and if needed will bring his attorney. The Port can attract business right now. Mann said that there could be more revenue at the Port by just expanding what is happening now that's not yet supported. Pettis commented that was a good problem to have. Eder said this was a chance to encourage small business. Storey asked if NIT was a closed union Port. Funderburg referred to a related lawsuit in Honolulu that was a legal struggle. Bretz said that to get a business plan right would involve evaluating what is needed. Schock reiterated that there is an immediate need for boats to unload. Jincks said the Port has to make money. The facilities and services are important to fishing and can't be neglected, so it is important to create a business plan. Skamser said she has heard a lot that the Port needs to get ahead of things. There is no need to advertise for fishing use – the hoist is available. Mann said the Committee could recommend that the Commission address the immediate need, and could say a long term business plan was also needed. Kent Gibson said 2MM lbs. moved across the dock. Bretz said the way the Port charges fees right now is not easy to track. Mann said there is also a need to plan for the long term, with the fleet arriving in the summer. She said she heard that the albacore fleet was looking for space. Bretz said that was an operational problem trying to accommodate more boats.

Kent Gibson said the plan may require more Port staff. Jincks said he would like to see collaboration with others, perhaps the possibility that fishermen would be using forklifts, but that would be a liability and contract issue. The Port still has to make money on the facility other than moorage and has to address normal wear and tear. Bretz said at the terminal, much higher tariff rates apply. He will need to go back and review the tariff. Jincks said there has been interest in shipping live crab to China, which would be handled by the ILWU. Eder said it might not be a big problem. Fishermen could sell to local buyers, who would then ship out of the country. Jincks said the determination of export would be based on the first receiver. Mann referred to the tie up policy. This was brought up in the summer by those opposed to shipping activity. The policy was put in place when NIT was a different landscape. Jincks said this was prompted by Fred Wall who wanted to put in a shipyard. The cracked concrete dock was already closed, as well as a section of the wood dock. The policy was a knee-jerk reaction to Wall. Within six months, Wall moved to Reedsport. The policy is an artifact. A tie-up policy may be needed in the future to reflect current needs. Bretz said that is a good reason to add an expiration to policy. Jincks added that NIT was also used if emergency repairs were needed. Mann suggested recommending to the Commission that the tie-up policy is null and void, and a future policy would need development. Thalman said there is a need to review the policy. If in the future shipping comes in, it could be a problem. He suggested recommending a timeline to address the issue, as there would be a gap in policy. Mann said the policy was never enforced, so there was a 20 year gap already. The policy needs to be reviewed based on what's happening now and what will happen in the future.

Jincks said there would be log shipping at NIT today if a business plan had been written first. This is a fault of the Port that needs to be corrected. Mann suggested asking the Commission to recognize that the policy was never enforced and allow CFUG to develop a tie-up policy based on current needs. Skamser suggested maybe a subcommittee could work on a tie-up policy. Bretz asked if there was an issue now because of the tie-up policy. Mann said the issue is that the document is being passed around as current policy. Jincks said the policy was a step toward creating a business plan and was created collaboratively. NIT is an important piece of real estate. It takes coordinated effort for shipping, including tug boats, crew, etc. A lines agreement is valuable because the longshoremen help prevent damage to the facility. It should be reviewed, but a lines agreement is needed. In the future, at sea processors tie up themselves. Divine Salvage had tied at the dock, and were fined because the

longshoremen weren't there. The Terminal fender piling was not installed correctly because the Port was out of money. There is no give. Mann said policy needed to be reviewed and updated, address research vessels and wave products in addition to fishing tying up at the dock. Skamser said that the ILWU were experts and the liability issue is why they are valuable to the Port. Jincks said there would be agreements with stevedores, who then contract with unions. Pettis said there was a 150' vessel tied up at NIT getting ready to leave. He was surprised that untying required longshoremen.

VII. DISCUSSION OF FUTURE TERMINAL OPERATIONS

The Committee platform and proposed resolutions, included in the meeting packet, both addressed the use of NIT. Neither were acted on by the Commission. It is a concern that revenue is lost from current users, and Mann urged the Commission to keep this in mind when looking at other shipping deals. Jincks said he believed in incorporating shipping but current needs should be addressed across the Port. Mann said that the Midwater Trawlers Cooperative supports shipping as long as they're not being pushed out. Jincks approach is long-term, but current Port Dock use needs to be addressed. Law suggested creating the business plan in increments, with moving product at the terminal done first. Bretz said the Commission may not be widely aware of the crowding issue at PD7 and should be a priority. Jincks said it is possible to address offloading catch and shipping policies in a short period of time. A problem is the larger vessels that rely on NIT for moorage. Storm damage could occur at PD5 when too many ships are tied up. Eder commented that the Industry Platform included specific dates. There may need to be language providing flexibility. Another comment was to keep in mind this requires working together in the spirit of negotiations, involving discussions with users early on. Mann said there were some misconceptions; the agreements failed because they were bad deals, not because of MTC or the fishing industry. There has to be a consideration of revenue and future users, which may include a fish plant or small buyers co-op. The business plan should be a living document. Law suggested the revenue timeline could be included in the business plan. Skamser said she would like to see Committee members at the Commission Meeting.

Bretz said that a lot of operating policies are put in place when people feel they are not powerful with what's going on and want to make a rule to protect themselves. As important as or more important than policy is having the right people in place. Mann said the Port needs to recognize the significant income the MTC brings into the community. Jincks said the Port has an amazing diversity of boats from small to large. The Committee needs support from the Port and City. When the Port previously discussed shipping, they gathered information about fishing but did not use or recognize that. Schock asked if cruise ships were being considered. Bretz said there are different possibilities for the use of the 9 acres.

VIII. FUTURE MEETING SCHEDULE

To be determined.

IX. ADJOURNMENT

Having no further business, the meeting adjourned at 12:00 noon.

ATTESTED:

Heather Mann, Committee Chair

Bob Eder, Committee Vice-Chair

February 2018 Occupancy Report

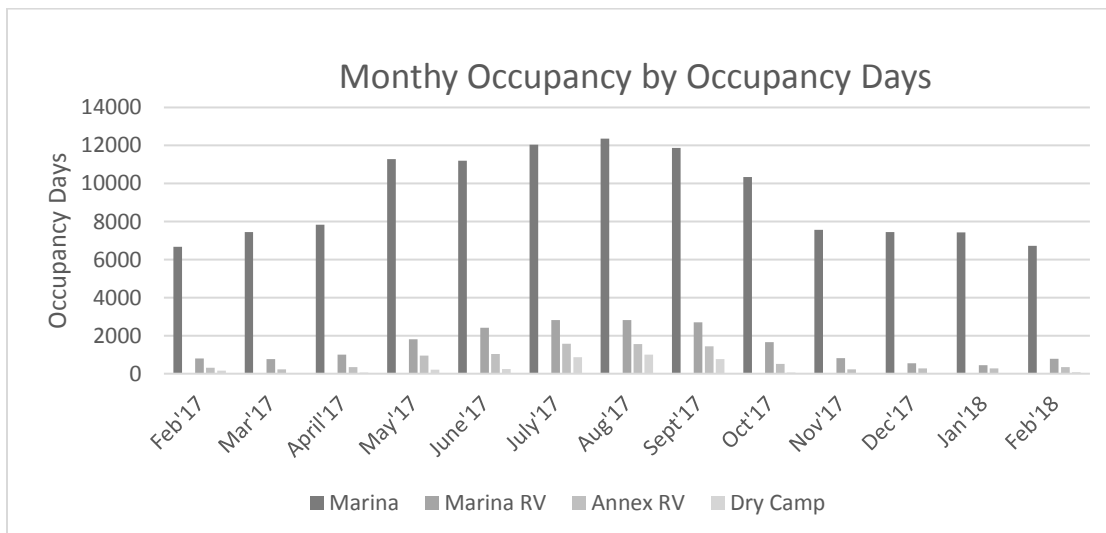
To: Port of Newport Commissioners

From: Bill Hewitt, South Beach Marina and RV parks Manager

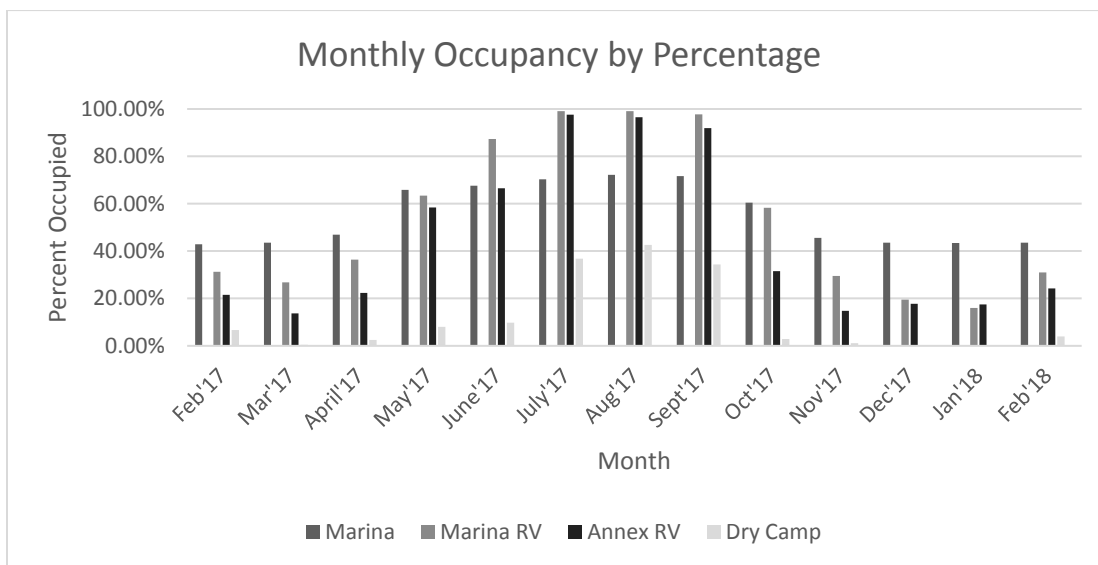
February 2018 was a busy month at the South Beach facility as it always is during the Wine and Seafood event. The RV parks were sold out of all the hookup sites for the event except for a couple of small hard to sell emergency sites in the Annex. The RV parks surcharged an extra 50 dollars per night for Wine and Seafood 2018. We did have some complaints but we still sold out. Last year we surcharged 20 dollars per night but with over 4000 hits on our website we felt we could charge more this year. We also decided this year to not give any refunds for the event. In the past individuals were buying multiple sites and then cancelling if they could not get their friends to come. By doing away with a cancellation refund we have ended that problem. The no cancellation policy prevented about 20 people from cancelling. Our biggest push back came from dry campers who complained the most about the 50 dollar surcharge in a site without hookups. Our dry camping numbers were much lower this year than last and I believe that was due to the price and the weather. I think for next year we should stay with the 50 dollar surcharge for hookups and lower the dry camp surcharge to 30 dollars per night so the cost will be roughly 55 per night in dry camp and roughly 100 per night with hookups. Even with the dry camp numbers being down significantly we still netted about 12,000 dollars more than last year due to the increased surcharge!

The Marina was ahead of last year for February and is ahead in YTD versus last year. We have been fielding lots of calls and reservations for the Marina in February about the upcoming season. The Marina RV Park was slightly behind last February in occupancy numbers and slightly behind in YTD. The Annex RV Park is slightly ahead of last February and is ahead in YTD numbers. The Dry Camp numbers are below last February and behind last year's YTD. Last years' total dollars for February in the RV Parks including dry camping was \$48,771.96 , this year that number is \$60,444.10. I think by slightly altering the fees for next year we can continue to grow our revenue during the Wine and Seafood event.

OCCUPANCY DAYS MONTH & TYD						
Feb'2018	2017	2018	Change	YTD2017	YTD2018	Change
Marina	6681	6731	0.75%	14055	14166	0.79%
MarinaRV	807	783	-2.97%	1281	1238	-3.36%
AnnexRV	314	354	12.74%	588	636	8.16%
Dry Camp	158	82	-48.10%	164	91	-44.51%



OCCUPANCY PERCENT MONTH & YTD						
Feb'2018	2017	2018	Change	YTD2017	YTD2018	Change
Marina	43.23%	43.55%	0.32%	43.26%	43.39%	0.13%
Marina RV	31.32%	30.39%	-0.93%	23.56%	22.80%	-0.76%
Annex RV	21.56%	24.31%	2.75%	19.16%	20.72%	1.56%
Dry Camp	6.64%	3.96%	-2.68%	3.70%	2.05%	-1.65%





DIRECTOR OF OPERATIONS REPORT

DATE: 03/16/2018
PERIOD: February 2018 – March 2018
TO: Doug Parsons
ISSUED BY: Aaron Bretz

OVERVIEW

The Hoist Dock experienced significant activity this month due to the compressed crab season. When financials are published for the Month of March, I expect the revenue at the Commercial Hoist Dock to be much higher than in previous years.

Andersen Construction will be ready to start up their lease of the parking lot near dry camp in South Beach on April 1st. This will be a new lease, and brings in additional annual revenue of \$11,820.

The secured moorings for the OSP Enforcement Vessel GUARDIAN should be complete by the end of April, and I expect a lease to be prepared for approval in time for the April meeting.

A bathymetric survey was completed at NOAA and at the International Terminal. We expect that dredging will be required at NOAA in berths 1, 2, & 3 during the next in-water work period. The quantity of material will be similar to last time, and the cost for the previous project was just over \$500,000.

We were notified by the Coast Guard that the private aid to navigation that we maintain at the western entrance to the commercial marina was broken. We have ordered a replacement and staff repaired the bracket for the piling-mounted aid. We anticipate having the aid repaired by the second week of April.

DETAIL:

Forklift/Tie Up Hours at Commercial Hoist Dock: There was a 300% increase in forklift hours from last month, and a 400% increase in tie up hours over that time period. This month's hours are still adding up; there is a week's difference due to the change in meeting dates. Second shift pulled about 100 hours. When service tickets are processed for the month, we will have a much better idea of how the shift performed.

International Terminal – Don Moon, Interim Superintendent

Billable Services Performed this Period (November):

- Forklift – 22.5 Hrs
- 30 Ton Hydraulic Crane – 8.5 Hrs
- Labor – 18.75 Hrs
- Other (Net Work) – 8 Days
- Moorage – 6 Days
- Hoist Dock Tie Up – 51 Hrs
- 120V power – 0 Days
- 208V power – 0 Days

Special Projects: *(Not regular maintenance & repair tasks. Enter project name and notes)*

- Completed In Progress Paving project approved waiting for weather to cooperate.
- Completed In Progress No fishing signs made for docks.
- Completed In Progress Out rigger racks for out rigger storage.
- Completed In Progress Semi-Annual Grove Crane service.
- Completed In Progress Hazwopper Training.

Commercial Marina – Kent Gibson, Harbormaster

Billable Services Performed this Period:

Billable Services Performed this Period:

- Forklift – 334Hrs
- Hoist Dock Crane(s) – 5Hrs
- 30 Ton Hydraulic Crane - Hrs
- Dock Tie Up – 649.25Hrs
- Launch Tickets - Passes sold
- Other (Labor) – Hrs

Special Projects: *(Not regular maintenance & repair tasks. Enter project name and notes)*

- Completed In Progress

Other: *(Enter issues, events, large purchases and other notable items)*

With this year's crab season being put off till mid-January and then some bad weather, our hoist dock has seen what I would call "compressed" use of the hoist dock for the month of February. This was by far the most use of the hoist dock than in any prior month. We have accommodated the buyers the best that we could without any real problems. I think there have been some perceived problems of not being able to get to a hoist but when that issue was raised, we were able to put a body in one of our manned hoists to unload product. However, I foresee in the long term that continued growth in this area is going to be an issue. We may want to look at the possibility of expanding the hoist dock and installing 2-3 more hoists

for fishermen's use. Depending on the number of new hoists, it would take installing 80 to 160 feet of new hoist dock and other considerations.

NOAA MOC-P – Jim Durkee, Facility Manager

Special Projects:

- Continued to make some small adjustments to the main gate opener to keep it functioning until I can get replacement parts installed by Metro Access.
- Received bathymetric survey from Northwest Hydro. Dredging, primarily of berths 1, 2, & 3 will be required in the next in-water work period.
- Norton Corrosion inspected non-functioning West Cathodic Protection system. Their conclusion is that the anodes are probably consumed. I will hire a diver to confirm. While they were here they checked the other two zones. The west area is still getting some protection since the entire pier is connected.
- NOAA is preparing for 50th anniversary of ships Rainier and Fairweather.

Other:

Vessels Using the Facility Since My Last Report – OSP Guardian, Fairweather, Bell M. Shimada, Rainier. So far for 2018, 177 passengers have crossed the bar on vessels using the NOAA wharf.

Office Occupancy Admin Building – 65 Work Stations Total, 52 Occupied
Warehouse Bldg. – 23 Work Stations Total, 12 Occupied
Occupancy Rate – 72%

Occupancy Note: two work stations were added to the office building by converting an area previously designated as a library. Extra personnel are in the office due to work being done on the vessels at the pier.

S. Beach Marina & RV – Chris Urbach, Harbor Master

Billable Services Performed this Period:

☒Launch Tickets – 511 passes sold in February

Special Projects:

Other:

The Wine and Seafood went off without any problems.

Eric, Jim, Fred and I all completed the hazardous waste operation emergency response training.

We had a diver video the wall on the service dock so we could show the engineers the condition below the water line.

We have the new waterline installed from the ramp to the corner of A dock and are ready to cut the OSP dock and make the cross over to A dock. Dan Lias delivered the security gate and we will install it once we make the cross over. The electrician is ready to install the power once I give them the go ahead. Hopefully we will have this project done by the end of April.

We will be removing the last of the shrubs in the middle row of the RV Park and once that's done we will start the installation of the new site lights.

The crew has been working really hard on keeping the grounds looking great and we have been getting lots of complements on the way it looks.

The Mates are going to build a bench for the north fillet table and I hope to purchase 10 sets of frames for picnic tables and the Mates will put those together as well.

Volunteer Work Crews- The Mates

- Preparing to build picnic tables for the South Beach boat ramp near the shop for use by patrons of charter vessels following fishing trips