

December 21, 2021
6:05 P.M.
Newport, OR

PORT OF NEWPORT COMMISSION MINUTES

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

The Port of Newport Commission met on the above date and time virtually via Microsoft Teams. In attendance were Commissioners Lackey, Retherford, and Chuck. Commissioner Burke was excused. Commissioner Sylvia joined the meeting at 6:15 P.M. Also in attendance were General Manager Paula Miranda, Operations Director Aaron Bretz, Finance Director Mark Brown, Administrative Assistant Gloria Tucker, and PR Consultant Angela Nebel.

CHANGES TO THE AGENDA

Miranda noted Sylvia requested moving Approval of the Affirmative Action Plan and Approval of Pay Practices Update to the next Commission meeting. She requested the Commission also postpone the Goals and Objectives Discussion so that the full Commission can participate. She noted Jack and Lauren Craven and Eric Zehntbauer were attending the meeting and requested their items, Assignment and Amendment to Lease Agreement – Craven Enterprises, LLC and Approval and Acceptance of FY 2020-2021 Audit, be moved ahead for discussion first. The Commission agreed with Miranda's recommendations.

CONSENT CALENDAR

Chuck removed Items D. Approval of Affirmative Action Plan and E. Approval of Pay Practices to the Employee Handbook from the Consent Calendar.

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

NEW BUSINESS

Approval and Acceptance of FY 2020-2021 Audit. Zehntbauer, Kern Thompson Representative, reported a clean audit for the Port of Newport. He presented the governance letter and independent auditor report provided in the packet. Lackey thanked the auditors and staff for their service. Brown reported Commission acceptance of the audit must be submitted to the state before December 31, 2021.

MOTION was made by Retherford, seconded by Lackey, to approve the FY 2020-2021 Audit Report. The motion carried unanimously in a voice vote.

Assignment an Amendment to Lease Agreement – Craven Enterprises, LLC, dba Newport Marina Store. Jack Craven reported Craven Enterprises, LLC bought the Newport Marina Store and turned management to his sister Lauren Craven. Lauren Craven reported she presented a business plan to the Port previously, and she is excited for the opportunity to grow the business. Lackey and Retherford thanked the Cravens for their investment and expressed support moving forward.

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

OLD BUSINESS

Items Removed from the Consent Calendar – Affirmative Action Plan. Sylvia reported having worked 32 years for Oregon State University he has seen lots of issues around this topic and learned a couple lessons. He stated he does not think the plan is unreasonable, but he wants to make sure that what the Port is trying to do is to hire the best, most qualified people for the job. He noted it is key for administration and staff to search broadly to fill those positions. He indicated he does worry about reverse discrimination. He added this area does not have a diverse pool of candidates, so it becomes hard to meet requirements of the federal government. He asked if there are any comments from the rest of the Commissioners or the staff.

Miranda reported even though the Port has 25 employees, and a lot of the federal requirements are for employers of 50 and above, the Port does run into situations, especially with federal grants and loans, where they ask if an agency has an Affirmative Action Plan. She explained if they don't have the plan, it is always one less point on the application. She stated it puts the Port in a disadvantageous situation. She noted the intent is to only apply this when there is a situation with multiple candidates who are equally qualified.

Brown reported HR Answers said as a government entity, the Port becomes a depository and, therefore, is required to have an Affirmative Action Plan. He stated he has not fully researched that, but the Port is really close to having the diversity it should have based on community makeup. He noted Operations could use a quarter of a person with a more diverse background. He indicated it's only used when there is a tie. He emphasized the Port should always be looking for the best candidate for the position regardless of anything else. Sylvia noted his other concern is how much extra work this is for staff. He added he doesn't want staff to get bogged down in this.

MOTION was made by Lackey, seconded by Retherford, to adopt Resolution No. 2021-10, adopting the Affirmative Action Plan as presented. The motion carried unanimously in a voice vote.

Items Removed from the Consent Calendar – Pay Practices Update. Sylvia reported he was surprised to see this item on the consent calendar. He stated he didn't know whether the Commissioners were OK with the recommended changes, particularly moving from a bonus tied to an exact amount of money to a bonus tied to the budget and that allows flexibility for staff. Miranda replied this was placed on consent calendar because of the length of the agenda, and if there were questions, she figured the Commission would take it off the consent calendar. She stated staff consider this document as a living document. She noted Brown has been going through the handbook, making sure the Port is meeting all of the general requirements. She indicated trying to make all the changes at once would be difficult to read. She explained staff are trying to take sections and make modifications. She indicated the Port's modifications are in line with what other government agencies and ports do.

Miranda reported for the bonus part, the Port has pay and benefits that are budgeted, and all staff are asking for is that as long as funds are budgeted, the General Manager can make decisions based on how people perform. She noted the Commission is going to see this handbook coming back a few times as staff make sure it is completely updated. Lackey expressed support

for the update. He stated the Port has a good track record, and as long as there is transparency and the Commission can see what's going on, he is OK with the change. Miranda reported she intends to provide one-time bonuses this year because staff have been dealing with two years of COVID. She noted that has been very difficult on employees, and they have been performing top notch. She explained the Port hasn't had many of the celebrations that it normally would. She indicated there was a very tiny summer gathering, but no Christmas parties for two years. She added she would rather take those monies and put it toward employees. She explained it's not an outrageous amount, just something to keep people motivated.

MOTION was made by Lackey, seconded by Retherford, to adopt Resolution No. 2021-11, Updating Pay Practices in the Employee Handbook. The motion carried unanimously in a voice vote.

Goals and Objectives Discussion. Lackey reported the budget process will go from January to June. He requested in January that the meeting packet contain a quick summary of expectations during the goal setting and budgeting timeline, including input or communication with stakeholders, customers, and the Commercial Fishing Users Group. Miranda replied most of the timeline will be based on the budget portion. She explained for the goal setting portion, information has been provided to Commission so that their comments can be addressed at a meeting prior to the budget meeting. She noted Commissioner questions can include where the Port is with funds. She indicated the budget and goals overlap a bit. She added in the capital improvement plan update, there are a lot of items from the strategic business plan followed by items in red.

Miranda reported the red items are all new. She explained those are all things staff have been discussing, projects that need to be addressed that were not in the strategic business plan. She noted the Port is already getting toward the end of the strategic business plan and moving into a new direction. She stated in the next year and a half, the Port will have to start an amendment to the business plan. She indicated, meanwhile, if Commissioners have something to address or bring forward, they can. She added Brown can get timelines ready for the next meeting.

Brown reported inflation reached 6.5 percent. He noted from January to present, it has risen every month. He stated that plays into pricing and salaries. Chuck suggested a work session rather than regular meeting to discuss goals. The Commission agreed to hold a work session for goal setting. Miranda replied she will poll Commissioners for potential dates. Retherford noted previously the Commission looked at different options and placed items in order of importance. She asked if Commission would do that again. Miranda replied she had a hard time getting that information from the Commissioners last time. She noted if that is a process Commission would like to continue, she can entertain that. She added if Commissioners rank items on the lists with their priorities, she can put that together and use it in the discussion. Lackey stated he won't rank items prior to the staff prioritizing what needs to be done and what the Port can afford. He added to him that's where the Commission gets down to discussion. He suggested the staff take the first cut, since they are so close to everything.

Port Dock 7 Update. Bretz reported the report on Port Dock 7 is included in the packet. He stated the main idea is that Port Dock 7 has reached the end of its useful life. He stated it was a facility not designed to be used in the current fashion, and its configuration limits use in addition to age and condition. He noted the report has good visuals on what's above and below the waterline. He indicated the engineers made some recommendations. He added the major

takeaways are the need to limit use of 7E and 7F for vessels greater than 60 feet and adding some pilings. He explained there are some minor hardware repairs, but, overall, the Port is not able to extend the useful life of this facility; the goal is to try to make it safer to use in the interim.

Sylvia asked what's the total cost of replacement, the best estimate. Bretz replied depending on final configuration, the cost would be around \$19 million. He added a lot of that will be determined by the planning phase. Sylvia stated \$19 million is a lot, and it may take a fair amount of time to raise that through grants. He asked how much time does the Port have to raise money. He also asked if it takes five years, will that be an issue. Bretz replied five years is in the realm of possibility. He stated he thinks the Port can squeeze five years out of it if the Port operates in the recommended manner. He emphasized the planning needs to start right now. He indicated a couple of years ago, he said the Port has five years to plan to replace it or lose it. He added that's the mentality needed.

Miranda reported \$20 million is a lot for this port, but in the federal and port world, \$20 million is not much. She stated there are funds out there, and it's a matter of how the Port presents the project and the economics. She noted all the economics are in the Port's favor. She indicated through these reports and economic studies, the Port is in a good position to be able to be in line for good federal and state grants. She added, hopefully, the cost to the Port will be minimal. Bretz noted in talking with the EDA, people get very excited about these projects. He stated this facility is recognized as regional asset, and there's no question of the importance. He indicated it is an extremely good investment for tax dollars. He added \$20 million for infrastructure projects is not big.

Chuck asked if adding pilings will add more stress to the existing infrastructure. Bretz replied the pilings will put wear points on it. He noted the Port will put the pilings where they had previously come off. Chuck asked if there is any temporary docking that could be used. Bretz replied he looked into that, and the cost is prohibitive for the period of use. He explained the in-water work costs half a million to \$5 million to add temporary floats that are not suitable for the need. He recommended keeping the Port's momentum and pursuing grants.

Lackey stated he supports aggressively getting grants. He suggested meeting with the Commercial Fishing Users Group to communicate what's going on in this report. Retherford added she appreciates staff's mentality to get the Port where it should be and praised their efforts on grants.

Authorize Port Grant Submissions. Miranda reported the way the Port's fiscal policy works is that any grant above \$25,000 needs to be approved by the Commission. She stated staff are actively working through several grants. She noted she would like to continue working on them without having to bring them back if the projects are in the budget. She indicated this policy kind of delays applications, and the granting agency requires authorization. She added the Port received an award from the Department of Land Conservation and Development, and one of their requirements is to make sure the public is aware of it, and the Port does outreach.

Miranda reported staff are going to be putting together a Commercial Fishing Users Group meeting to address some of the changes on Port Dock 7. She stated she also received a letter inviting the Port to submit an application with Business Oregon for a grant. She noted she would like to be able to submit that tomorrow. She indicated she is almost done with the EDA application. She explained, typically, if the EDA has a project where they approve the plans, they will approve the construction. She added they like to see things through.

Miranda reported the EDA is most likely the agency with the funds needed for construction. She stated it helps that the Port works with the Army Corps on dredging. She noted they like to see governmental partnerships. Sylvia asked does the Commission have to approve applying for grants or receiving them. He also asked if something is part of the strategic plan, why does the Commission have to approve pursuing grants. Miranda replied she has discussed this with Brown. She stated she recommends a change in the fiscal policy, eventually. She explained to her it makes no sense to delay an application, acceptance, or execution if it is in the budget. She added there are requirements for grant management, but it is the agency's responsibility to do that properly.

Brown stated the Commission needs to either approve applications or awards. He noted one reason for Commission approval is for matching funds. Miranda agreed if there is a match requirement, it is reasonable to bring it to the Commission for approval. Retherford confirmed there is a timeframe that grants must be used within.

MOTION was made by Lackey, seconded by Retherford, to authorize the General Manager to submit all applications and execute all contracts related to Port Dock 7 Reconstruction Plan grants as provided. The motion carried unanimously in a voice vote.

MOTION was made by Lackey, seconded by Sylvia, to authorize the General Manager to apply for a grant with the EDA for the Rogue Seawall Reconstruction. The motion carried unanimously in a voice vote.

MOTION was made by Lackey, seconded by Retherford, to authorize the General Manager to apply to all feasible grants for any item currently budgeted in the 2021-22 Fiscal Year. The motion carried unanimously in a voice vote.

Approval of Swede's Dock Emergency Piling Project. Bretz reported he applied for emergency permits after storm damage to Swede's Dock this fall. He stated the Port got permits and clearance to drive four pilings to shore up Swede's Dock so the facility can be used. He noted the Port budgeted \$50,000 for pilings this year, so there is room in the budget. He indicated he sought quotes, but generally speaking, most marine contractors don't want to mobilize here for this small number of pilings. He explained the Port got several refusals to bid. He added Bergerson is already here and submitted a bid.

Sylvia confirmed Bretz considers the cost reasonable. Bretz added this cost includes disposal of the old pilings. Retherford asked what the timeframe for the project is. Bretz replied work may take a day or two, and the project should be done before January 15. Chuck asked if Port Dock 7 pilings could fit into this. Bretz replied they can't because the Port does not have the permits for those yet.

MOTION was made by Retherford, seconded by Sylvia, to authorize the General Manager to contract with Bergerson Construction, to drive four pilings for emergency storm repair at Swede's Dock in an amount not to exceed \$50,000. The motion carried unanimously in a voice vote.

Approval of Business Oregon Loan – Admin Building. Miranda reported the last meeting, Commission approved entering into contract with Baldwin for construction of the Admin Building, subject to getting the loan with Business Oregon. She stated the Port received the award from Business Oregon, where they will provide two separate loans. She noted Business Oregon has been very short in staff, so they are behind in drafting the contract. She explained the Port has a 45-day window to enter into contract with Baldwin. She indicated the Port will then have to

extend that window or start the process over. She added to avoid that, she is asking for approval in advance. She explained the recommended motions.

MOTION was made by Lackey, seconded by Sylvia, to authorize the General Manager to execute two Business Oregon loan contracts under the terms specified in the Award Letter. The motion carried unanimously in a voice vote.

MOTION was made by Lackey, seconded by Retherford, should the Port not receive loan contracts in time to meet the requirements of the request for quote, as received on November 10, 2021, to authorize the General Manager to execute a contract with Baldwin General Contracting, Inc., providing that construction will not start until the loans have been executed with Business Oregon. The motion carried unanimously in a voice vote.

Janitorial Services Contract Selection. Bretz reported it is time to re-evaluate the current contract. He noted the new contract will expand service to the north side as well as South Beach. He indicated it has been a challenge to keep public restrooms in the state needed, especially with COVID. He explained he evaluated if the Port should staff these positions internally, and clearly, the best option is to continue to outsource this.

Retherford asked where Bay Area Enterprises is located. Bretz replied they are out of Coos Bay. Retherford confirmed they provide service to other businesses in Newport. Bretz explained they will need a little time to staff up the service for the Port, since they will be here every day.

MOTION was made by Retherford, seconded by Lackey, to authorize the General Manager to negotiate a contract with Bay Area Enterprises, to provide cleaning services for one year in an amount not to exceed \$141,000 with consumables billed separately. The motion carried unanimously in a voice vote.

Authorize Lease Agreement – Matheson Marine Services. Bretz reported Matheson Marine has been growing their business in the area for a while, and they are ready to move into a location. He stated he took them to look at the main building at the old cherry plant. He noted the Port does not have a tenant there right now. He explained Matheson specializes in a lot of things, in particular installation and calibration of electronic equipment for vessels. He indicated there is a call for that service in Yaquina Bay, and it's extremely important in the modern maritime world because things are highly dependent on electronics. He added they are looking for a home, and the Port has worked with them before.

Bretz reported they have asked to lease for one year the main building at the plant site. He noted staff are happy to get someone in there, and the use is water-related, so it fits the zoning. Miranda reported the reason the Port is entering a lease for one year is some of those buildings need some work and because it's a new company, and the Port wants to see how they perform. She noted, however, staff love the chance and opportunity to work with a local company. She indicated, hopefully, this will be successful for the Port and Matheson, and the Port can look forward to extending this beyond one year. She explained this will be evaluated after a year and may come back for a longer-term lease.

Chuck asked if the business would affect any overflow parking in South Beach. Bretz replied it will not because they will be inside the gate at the cherry plant. He noted it's a pretty small footprint. He added he is happy to get a tenant, so the Port can invest more into those buildings. Retherford suggested Nebel highlight the new marine service and the take over by the Cravens of the store in a newsletter.

MOTION was made by Retherford, seconded by Sylvia, to authorize the General Manager or designee to execute the lease with Matheson Marine Services under the substantial terms provided. The motion carried unanimously in a voice vote.

STAFF REPORTS

General Manager. Retherford asked Bretz if his task load has lessened any. Bretz noted the list continues to grow. He stated everyone has been very busy in the whole department. Miranda stated staff are evaluating hiring an assistant for Bretz. She noted most ports have one person in charge of management of leases and real estate. She explained she would like Bretz to focus more on operations. She noted staff are looking at overall budget needs, and if the Port can afford it, that is something to add to the budget. She added if it does not work this year, then it could be next fiscal year.

Retherford asked why the dredging in South Beach for the coming year is the most challenging. Bretz replied permitting agencies go back to the most recent permit, and, unfortunately, the South Beach marina has not been dredged since 1991. He explained he is not talking about the navigable channel, but inside the marina where the berths are. He stated the agencies want the Port to start the permitting from scratch. He noted he asked why the Port can't piggyback on NOAA's dredging and didn't receive an answer. He indicated for the new permit, the Port will have to do a biological opinion. He added his goal is to get the marina back to where it was originally when the Corps created it. He explained he got the surveys of the marina on Friday, and there is a fair amount of dredging needed. He reported it may take a couple of years for the permitting.

Sylvia asked if there are ways to improve the Army Corps efficiency. He stated, obviously, this is a national issue. Miranda replied PNWA works a lot to help the ports and their clients work more efficiently with Army Corps and other agencies. Sylvia added this is where congressional delegation can help. Miranda added bigger ports pay the Army Corps to hire staff to work on their permits.

Chuck noted there may have been some dredging going on in the early 2000s when NOAA came in and the ramp was built. He asked if state dredging was available. Bretz replied the state dredge could work for South Beach. He noted he does not know if that is the most economical option. He indicated there were times where it was more economical, and times where it was more expensive. Miranda stated the hope is as the Port dredges NOAA, to dredge South Beach marina at the same time to save some money. She added Bretz has joined the state's dredge committee.

Retherford reiterated Lackey's comments on goal setting. She suggested staff make recommendations. Miranda noted in capital improvements, the red are additions that came from staff discussions. She stated staff have not created a priority list yet, however. She explained normally that is done during the budget, but it can be brought to the work session.

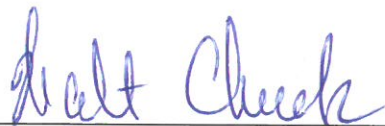
Miranda added SDAO has their 2022 Annual Conference on February 10-13. She noted the Commission can attend in-person or virtually. She recommended attending in-person. She explained the Port's insurance requires Commissioners to attend educational classes for discounts.

Commission Reports. Chuck announced he served on his last OPAC meeting. He noted he is working with Lackey to take on that role.

ADJOURNMENT

Having no further business, the meeting adjourned at 8:00 P.M.

ATTESTED:



Walter Chuck, Treasurer/Secretary



[Gilbert Sylvia \(Jan 27, 2022 09:53 PST\)](#)

Gil Silvia, Vice President






Dec. 21 2022 Minutes

Final Audit Report

2022-01-27

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