

PORT OF NEWPORT MINUTES

January 26, 2021

Regular Commission Meeting

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

This meeting was held virtually by invitation only. The public was invited to view the live stream of this meeting on our YouTube Channel, Port of Newport Meetings Audio. Live chat was not monitored. The public could submit comment through a form on our website no later than 4:00 pm on Monday, January 25th, to be read into the meeting at the appropriate time.

Agenda Item

Audio Time

I. CALL TO ORDER

0:00

Commission President Jim Burke called the Regular Commission Meeting of the Port of Newport Board of Commissioners to order at 6:00 pm.

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

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

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

II. CHANGES TO THE AGENDA

0:12

There were no changes to the Agenda.

III. PUBLIC COMMENT

0:25

There were two public comment submitted in writing. Burke commented that public comments were submitted for item VI(c).

IV. CONSENT CALENDAR.....

0:44

- A. Minutes 2021
 - 1. Supplemental Budget Hearing and Regular Commission Meeting . Dec 15
 - 2. Special Commission Meeting Dec 28
- B. Financial Reports
- C. FY 2019-2020 Audit Report
- D. International Terminal Waterway Lease Invoices

Chuck asked that Item IV(c), FY 2019-2020 Audit Report, be removed from the Consent Calendar.

A motion was made by Lackey and seconded by Retherford to approve the (revised) Consent Calendar. The motion passed 5 - 0

V. OLD BUSINESS

- A. Items Removed from Consent Calendar
- 1. FY 2019-2020 Audit Report

Chuck commented that he had hoped the auditors would have been at the meeting to make a presentation, as it was good to have the audit out in public and show it was discussed by the Commission. Miranda said the audit was included with the Consent Calendar since there were no auditors’ notes, but she could do so in the future if the Commissioners wanted that. Miranda praised Brown for getting the finances in order and for the clean audit.

2:21

Sylvia asked how often clean audits happened. Miranda said the Port would always strive for a clean audit and follow all requirements. She added that she has seen clean audits in the port industry in her experience. Brown said finance strives for perfection and had spoken with the auditors to keep the audit clean. Miranda and Brown said they were happy with the auditors and how they worked well with the Port. The Commissioners congratulated staff on the clean audit.

A motion was made by Lackey and seconded by Retherford to accept the Audit Report for Fiscal Year ended June 30, 2020. The motion passed 5 – 0.

- B. Accounts Paid

A motion was made by Chuck and seconded by Sylvia to approve the financials as presented. The motion passed 5 – 0.

9:18

- C. Resolution 2021-01 US Army Corps Lease for the South Beach Day Use Area

Miranda introduced the Staff Report included in the Meeting Packet. Miranda advised that the Port had a 25-year lease at one point, which expired in 2014 and was never renewed. She added there are some overlap issues with ODOT. Miranda said that she and Bretz had researched ownership in the area. She said that one area owned by the US Army Corps of Engineers (ACOE) was a triangular portion of the Rogue parking lot. Miranda said after negotiations, the new lease represents a smaller area, excluding a path and landscaping associated with the nearby condominiums, which would reduce port liability. The term of the lease would be 25 years, starting from when the lease expired in 2014. Miranda said she is still working with the ACOE regarding the portion in the Rogue lease area, which may end up being purchased by the Port, with an estimated cost of \$25K - \$30K. The Port pays no fee for the lease but must present a report to ACOE on a yearly basis, which has been happening.

10:02

Sylvia asked why the ACOE owns the property around the jetty. Miranda said was not unusual and provided a right of way for ACOE to access and maintain the area. The ACOE may be willing to sell the portion in the Rogue lease area since it doesn’t impact their right of way. Miranda pointed out that the location, survey, and lease terms were important elements of the packet.

A motion was made by Sylvia and seconded by Retherford to authorize the Port of Newport to enter into a lease agreement with the Secretary of the Army for the South Beach Day Use Area, per Resolution 2021-01. The motion passed 5 – 0.

VI. NEW BUSINESS

A. 2021 Annual Report (ORS 777.140)

Miranda introduced the report included in the Meeting Packet, saying it represented all actions approved during the last calendar year. She added that Burke, Chuck, and Sylvia had reviewed the report. Burke commented it was a productive year.

17:06

B. Contract Amendment with G & K Floors

Brown introduced the Staff Report included in the Meeting Packet. He said he reviewed the invoices which included \$200 more than the contract amount, which he found was verbally authorized. Brown advised that the current COVID guidelines require that bathrooms are cleaned twice a day. The presented amendment would authorize past and future payments for the additional cleaning.

18:12

A motion was made by Lackey and seconded by Sylvia to authorize the General Manager to sign an amendment with G & K floors retroactively authorizing the previously paid and future payments of \$200 per month for additional cleaning services and authorizes one (1) additional cleaning per day of the restroom facilities in South Beach, at an additional cost of \$1,680, for a total of \$3760 per month, for off-season (October through February) cleaning, until the port notifies contractor to discontinue or until the COVID-19 emergency is declared over. The motion passed 5 – 0.

C. Resolution 2021-02 Setting Rates, Fees & Charges

Burke referred to the correspondence included in the Meeting Packet. Miranda began by saying the rate increases this year were a lower percentage than last year. Last year rate increases were correcting several issues where Port costs were not covered. Brown said he contacted the men who sent in the public comment, and believed they understood the issues as explained. Brown said all Recreational Marina moorage holders whose term was 6-months to a year were sent letters about the proposed rates and asking for feedback. Brown introduced the Staff Report included in the Meeting Packet. He highlighted the change to equalize charges for power, charging one rate for used oil, and raising the price for a replacement access card in South Beach to work towards being more in line with the Commercial Marina. Miranda commented that work has begun on projects in both South Beach and at the Commercial Marina, which are reflected in both last year’s and this year’s rate increases. Sylvia commented that the CPI index was a rough guideline, and suggested looking at actual costs incurred that reflect how the Port is unique.

21:34

Chuck asked if the Port had started enforcing the South Beach parking fee. Brown said he was meeting on Thursday to identify the steps needed, with the intent to get that done this year. There was additional discussion about the importance of signs in letting people know that street parking was a city issue and not included in the Port parking pass. Brown said one suggestion for avoiding paying and then not finding a spot would be for people to find a parking spot first and then pay for parking, but this is still in discussion. Chuck also asked about assigned parking and the issue of cars parking in boat spots. He also asked why yearly passes were only available for permit holders rather than the general public, since people who do not own a boat often came to fish with a friend. Brown said he

would remove that requirement. There was additional discussion on logistics of implementing the parking fee and possible problems.

Burke recommended continued outreach about rates and fees, and reiterated the need for signs regarding parking. Brown agreed that communication was key. Retherford asked if there had been a consideration of a senior rate, as suggested by Pinnell in his letter. Miranda and Brown said they would be willing to consider that, but the rates would have to be modified to implement that this year. Sylvia commented that it would be good to analyze how many seniors were moorage holders and how this might impact revenue, and have that presented at the next meeting. Chuck added that in the past the rates were presented at two to three meetings to allow for public review and comment. Miranda said that was one reason why letters were sent ahead, and Brown added he hoped to have a Budget Committee Meeting in March.

Burke held this Resolution for a next month’s meeting.

D. Commissioner Appointment to Oregon Cascades West Council or Governments (Currently Gil Sylvia, Walter Chuck Alternate).....

Miranda said the Port was notified that the current appointment was expiring, but it actually expires in 2023. She decided to still put this on the Agenda to see if Sylvia and Chuck wanted to continue as representatives. Sylvia commented this was not a trivial assignment, but he is fine with staying on. Chuck agreed to continue as alternate.

40:40

E. Commercial Marina PATON Piling Replacement

Bretz introduced the Staff Report included as an Addendum to the Meeting Packet. He said he just received the quote that day. Bretz said he was able to get emergency permit from ACOE and the Department of State Lands, and he went to the contractor for the Port Dock 5 Pier since they are already mobilized. Miranda added this PATON needs to be put out there quickly because of safety. Bretz confirmed that this could be completed in the in-water work window.

43:48

A motion was made by Chuck and seconded by Retherford to authorize the General Manager to contract with Advanced American Construction not to exceed \$21,650 to remove the old piling and replace it with a new one for the boat basin warning marker. The motion passed 5 – 0.

VII. STAFF REPORTS

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

46:11

Miranda introduced the Staff Reports included in the Meeting Packet. She commented that this had been a busy month for everyone, and she appreciated the work of management and their teams. Miranda said the storm has hit the Port hard, with Port Dock 7 losing 66” of dock. She said this shows the need to get the Port Dock 7 replacement going. Miranda said she was working with a grant writer on the Port Dock 7 plans and marketing at the Terminal. Miranda said there is another concern with the

building and dock leased by Captain's Charters. The dock is in bad shape and the building is leaning toward a neighboring building. She still needs to speak with the tenant, but the Port may have to remove the building and condemn the property. Miranda said she waiting to get the City Inspector to assess the property. The building may not be usable for the time being. Miranda said she would bring a proposal to the Commission at the next Regular Meeting or a Special Meeting. Miranda said the Port made an insurance claim for the storm damage to Port Dock 7, but she will need to speak with the insurance company about whether a claim could be filed for the building leased by Captain's Charters.

Miranda said the contractor has already begun work on the South Beach electric load centers project. The project is expected to be completed before halibut opens. The Port is coordinating with the contractor to see if GFIs can be installed on each panel. Miranda explained that the Port would most likely use staff to install the GFIs, which would cost an estimated \$30K, which would still be in budget. She said this would be brought back to the Commission. Miranda advised the Bretz was working with an engineer regarding the Port Docks 3 and 5 electrical panels. There had been some back and forth with PUD, but thankfully additional power was not needed. Miranda relayed the news that the Port has been granted an in-water work extension for the Port Dock 5 Pier project, and work would begin on the project on Wednesday. Miranda expressed appreciation for the work done by Bretz.

Miranda said that an estimate for the new Administration should be received around February. A loan application has been submitted to Business Oregon, but the Port would not move forward if the building did not happen. Miranda advised that derelict vessels have been a problem for the Port of Newport as well as other ports in Oregon, Washington, and California. The Port is working to make sure boats have certifications and insurance. In recent months the Port sent two boats to Toledo for a cost of about \$17,000. Miranda said she was contacted by Representative Kurt Schrader's office to see if he can be of help on the Federal level to assist with the derelict vessel issue. She mentioned that having a bucket of funds on the federal level to helps states deal with the issue instead of leaving it to ports and marinas to pick up the tab would be good.

Miranda expressed thanks to Lincoln County for providing a grant from the Community and Economic Development Fund in the amount of \$12,900 for the Rogue sea wall. She expects the project will cost around \$30,000 and is working on getting quotes. She suggested not waiting too long.

Financials are in pretty good shape. The Port's RV Park and Recreational Marina continue to be busy through the winter, and should be busy in the Spring and Summer. Brown added the Recreational Marina and RV Park is almost sold out for the summer and is ahead of last calendar year to date.

Miranda mentioned her radio interview with Kathy Kraken of KYTE Radio and added the call may still be on their website. She said she continues to attend Marine Innovation Center meetings. Miranda reminded the Commissioners that the virtual SDAO conference was coming up, and they could self-register or ask Hewitt. In March the PNWA conference will be virtual, so any Commissioner could attend. This is the equivalent of the yearly Mission to Washington, and she believes many legislators will attend. Miranda advised that she is in the legislative committee of OPPA who are now reviewing legislative bills that impact ports. She asked the Commissioners to let her know if they want anything brought to the attention of OPPA.

Chuck asked if there was any tenant liability associated with the Captain's Charters building. Miranda said this lease put a lot of the maintenance responsibility on the tenant. She is looking into it, since an issue is the pilings that support the building. She has been working with the attorney on the issue. Sylvia asked if there was another solution for the costs associated with derelict vessels. Miranda said staff is looking to deal with this issue in a better way, including being more on top of insurance on the vessel. It is included in the Moorage License Agreement and the Facilities code that vessels are required to have insurance and staff is looking to develop a better system for reviewing the insurance submitted. She said a vessel that sunk last year was not insured, and the title was not fully transferred, which make it complicated in getting derelict funds from the State. Miranda said she is continuing to learn more about this issue, which has been big on the OPPA Agenda in the past, and she has spoken with the Marine Board and DSL regarding this issue. She added that when an issue becomes a problem in Portland, it is recognized state-wide, so more attention is being brought to this matter. Miranda suggested the Port look into not accepting boats that aren't in good shape, like what is done at the RV Park.

Sylvia asked if other areas of Port Dock 7 were at risk if there was another major storm. Bretz said it was possible, and if it became probable, vessels would have to be removed from the dock. The recent storm had high winds at a higher tide, so the winds hit the boats more directly. Most of the pilings on Port Dock 7e have issues. Bretz added regarding the issue of derelict boats, there is no sea tow or other salvage companies available here, so if a boat is in a bad state and runs into trouble, they call the Coast Guard who brings the boat back to the Port's docks. Sylvia acknowledged this was a tough challenge. Chuck suggested replacing some Port Dock 7 pilings with the extended in-water work window. Bretz said the Port does not have current permits on that area, and the ACOE wouldn't issue an emergency permit in this case. Also, the wood on Port Dock 7 is not viable to keep the docks in place. Miranda said the whole issue may help the Port's case when seeking grants. The Port would likely get some insurance payment for the storm damage to Port Dock 7, which hopefully can be used for planning to replace that area. There was some discussion about what could be done in the event of a major storm, but boats would need a place to berth. Bretz said that it may not be worth putting money into temporary repairs because of the status of the outer docks. He added that all the Port could do is let the boats know the risk. In the most recent storm, the Port was able to get the two boats that were tied to the dock that dislodged brought to safety. Bretz replied to Lackey's question that the Port Dock 7 rebuild could possibly take place in the winter of 2024-25, but the Port must get plans now. Miranda said this project would be in the millions of dollars and would depend on grant funding, and plans are important to have when seeking grants. Bretz added that permitting will be the biggest problem. He suggested the Port must ask itself if it can afford to lose docks. Miranda said putting money into repairs now wouldn't fix the problem since it would entail adding new dock to a dock that is falling apart. Lackey proposed some questions to consider and looking at the worst-case scenario. Miranda it was important to get the grant for planning and staff will be aggressive in making this move forward. Bretz said these were the same issues discussed when planning for the Port Dock 5 Pier project, and that project is now getting done on time. He added the Port's projects are competing well for grant funding because they support the economic security of the region. Miranda said that the ACOE dredging project would also help with obtaining grants, and they are also doing an economic impact analysis showing the impact on the community and the country. Lackey spoke about the combination of winter weather and crabbers at the docks being an issue to consider. Sylvia also posed some questions about responsibility for the dock and possible decisions to close sections, and he suggested this be discussed at other meetings. Miranda said it would be interesting to see what comes out of the insurance claim.

Retherford asked what is needed to get the process started. Miranda said it was in this year’s budget to work on planning. She is currently working with a grant writer to identify the best grant. The Port will be applying to the Economic Development Authority (EDA) for a planning grant. Miranda suggested that when the EDA funds planning, they tend to want to continue the project. She expects that the Port will put in \$50,000 and is asking for \$150,000 grant funding. If the grant is denied, the Port can consider using the insurance claim money. Retherford suggested allowing only certain length vessels to use the outer docks to try to preserve them. Miranda said it would create a huge political issue if the Port told people they cannot moor here, especially during rough weather. Burke posed that it was a good chance that the docks would be decommissioned before the project was complete in order to reduce liability. Bretz said there was the added challenge that in taking away the docks the Port would lose the opportunity to use that for mitigation, since credit is only given if it is included in the project. Sylvia said he would be willing to take political heat if the situation was not safe and could mean serious risk. Lackey added there was more bad days than good for the last 4 – 5 weeks, and every spot was taken. Bretz said that squid season also attracts a lot of boats in the spring. Miranda said there are also vessels coming from out of town, which has had local users complaining. Retherford said the boats are getting bigger all the time and the Port is not to blame that it can’t keep up with what the industry is doing. Miranda ended by saying that liability must be taken into consideration.

VIII. COMMISSIONER REPORTS/COMMENTS 1:44:00

There were no Commissioner Reports.

IX. CALENDAR/FUTURE CONSIDERATIONS

There were no changes to the Calendar/Future Considerations.

X. PUBLIC COMMENT

There was no public comment at this time.

XI. ADJOURNMENT 1:44:16

Having no further business, the meeting adjourned at 7:44 pm.

ATTESTED:

james m burke Digitally signed by james m burke
Date: 2021.03.03 07:44:24 -08'00'

James Burke, President

Walter Chuck Digitally signed by Walter Chuck
DN: cn=Walter Chuck, o=Port of Newport,
ou=Port of Newport,
email=wchuck@portofnewport.com, c=US
Date: 2021.03.10 11:16:37 -08'00'

Walter Chuck, Secretary/Treasurer