



GENERAL MANAGER'S REPORT

DATE: 24 April 2018
PERIOD: 14 March 2018 – 24 April 2018
TO: Port Commissioners
ISSUED BY: Doug Parsons, General Manager

OVERVIEW:

My first three days as General Manager reminded me of the proverbial guy taking a drink from a fire hose (or a fire hydrant)! I quickly got past that and feel that I've accomplished quite a bit in the relatively short time of a month.

Some highlights:

[1] Initial introductory meetings and follow-up meetings with each of the Port of Newport (PON) Commissioners.

[2] I've held small group meetings with all of the PON employees, and have begun my individual meetings with each employee at their workplaces.

[3] I've begun and am continuing weekly walking tours of the Port, with our Director of Operations Aaron Bretz introducing me to the various facility sites and assets, with an initial emphasis on safety and maintenance issues.

[4] Have received permission for the Port to establish an Employee Assistance Program to provide PON staff with external counseling support for personal issues such as substance/alcohol abuse, PTSD, etc. which could possibly affect personnel performance. Aaron is spearheading this program.

[5] In the proposed budget for the next fiscal year (i.e. FY2018-2019; beginning 1 July 2018) I have made a recommendation to significantly increase the funds available for training, increasing planned training for most PON staff. We've also begun scheduling training for the remainder of this fiscal year.

[6] I've already addressed our most pressing personnel need which is putting a proven Director of Finance in place. We've hired a highly qualified individual who is presently scheduled to start in late May 2018.

[7] In time for the upcoming budget reviews, and to clarify our accounting picture in FY2018-2019, we've further delineating our profit centers (including separating South Beach into the RV Park and the Recreational Marina, and placing all leases (regardless of their geographic location) into a "Leased Properties" profit center. Our six profit centers now include our RV Park, Recreational Marina, Leased Properties, Commercial Marina, International Terminal, and Administration.

[8] Hired a former full-time PON accounting specialist (Ann Tarr) to return to work part-time (up to 3 days/week) in the accounting department to assist with ticket entry until we automate that process in the upcoming fiscal year.

[9] Worked with staff to expand and update the “Contact Information” page of the Port’s website to better serve customers. Rather than a radical overhaul, you’ll see incremental improvements to our website throughout FY2018-2019.

[10] I have developed an effective working relationship with the Port’s attorney who is currently providing legal advice to us on a number of Port-related issues. During my first full week I had an extremely useful introductory meeting with him which lasted about four and a half hours (I had a lot of questions!), after which he provided me with additional information that I requested. One interesting takeaway from this first meeting was that the Port’s attorney noted that in his opinion none of the existing Port Commissioners had any actual (vs. potential) conflicts of interest with respect to Port activities.

[11] I’ve met many folks who have existing long-term relationships with the Port including individual fishermen (both commercial and recreational); our lessees; individual constituents of our Port district; local business owners; elected and non-elected public servants (at the City, County, Regional, State levels); local and State elected officials; political and user-group lobbyists; media folks; union members; tribal members; staff, General Managers, and Commissioners of other Port districts; Directors of various commissions; and Business Oregon staff (including economic development, port Infrastructure Finance Authority (IFA), and their regional development officer).

[12] Not counting my meetings with the PON staff and our Port Commissioners (over 25 individuals) I’ve already had meetings with over 30 individuals in my first month including previous Port Commissioners and a previous General Manager of our Port; commercial and recreational and fishermen; a number of our lessees who needed some immediate attention; individual constituents of our Port district who wanted to meet the new GM; local business owners; our current service vendors (including IT, security, telephone, and janitorial providers); City and State employees; local and State elected officials; and IFA staff.

[13] I’ve addressed a number of personnel issues including salary and/or title adjustments, updating and fine-tuning the organization’s hourly wage matrix, and fine-tuning the organizational structure to better reflect job tasks and responsibilities.

[14] Established and begun regularly scheduled (i.e. recurring) ongoing meetings with some key stakeholders of the Port.

[15] I’ve moved the personnel evaluation period to the November-December time frame (i.e. six months apart from the current ongoing budgeting period) to spread out the work load of our supervisory staff and enable more detailed and professional evaluations than what I’ve been anecdotally told previously occurred.

[16] Given the accounting staff permission to begin the shift from monthly payroll with an available mid-month draw, to semi-monthly payroll paid via direct deposit on the 1st and 15th of each month. This change is timely since that State of Oregon has recently required that agencies such as the Port begin withholding payroll taxes on draws. This will help simplify work for our accounting department. The news has been well-received by PON staff across the board.

[17] We are also planning on closing out the financials on a quarterly basis rather than at the end of each month. This will help relieve the constant ongoing overload of the accounting team without an extra cost to the Port for more accounting personnel. It will also provide more time to both focus on “problem” accounts receivable accounts and reconcile balances, with the consequence that the financials provided to the Commissioners will be more accurate.

[18] I've implemented a number of simple common sense administrative actions including installing locks on the inside office doors (they had none before); rekeying the main door locks to the PON office (I was told this hadn't been done in years); ensuring that each of the PON office staff has their own telephone at their desk (some were sharing phones); etc.

[19] I sold some Port assets (including old floating concrete dock sections and some stacks of pressure treated lumber) which had already been designated as surplus. The Port has already received payment for these items. Want to buy the old boathouse on Swede's Dock? (just joking; we haven't yet officially made it surplus).

[20] I've approved a number of Special Use Permits (including that of the two Tall Ships who are now paying full moorage rates during their entire visit) and rejected one (for horse-drawn wagon rides) based on anticipated issues associated with both traffic congestion and livery space.

[21] I secured several offices of nearly new furniture (desks, bookcases, locking filing cabinets, etc.) for free (other than the cost of a U-Haul truck rental and a day's labor of two PON staff) from a Washington County office which was being moved and upgraded. When this furniture was delivered we took the opportunity to rearrange several of the PON offices to better align the work flow within the Port's main office (i.e. putting the accounting team's offices next to one another, etc.). We also purchased dividers and placed two of these staff in each office to effectively create some additional usable space.

[22] Worked with my direct-reports to oversee the identification and enumeration of the Strengths, Weaknesses, Opportunities, and Threats for each of our six profit centers. These written SWOT analyses were developed by PON staff in each profit center rather than by external consultants, and will provide a great starting point for updating our business plan and facilitating the Commissioner's upcoming goal setting efforts.

[23] I've identified a number of additional revenue streams for the RV Park including the on-site sales of propane as a convenience to our RV customers there. This is projected to generate annual gross sales of propane of as much as \$30K with an expected net profit of approximately \$10K/year. We're also considering providing the "quick exchange" service of pre-filled 5-gallon propane tanks which should create additional profits and customer convenience at our RV Park.

[24] I directed PON staff to implement a number of safety-related items including installing a stop sign at the entrance to the RV Park where our outgoing traffic enters the traffic flow from part of Rogue Brewery lot; ordering additional forklift safety items (including larger flashing lights and mirrors), and considering safety barriers for the Commercial Marina to create better-defined forklift running lanes to protect pedestrian traffic while still maintaining the necessary speed to effectively offload fishing vessel catches; trimming trees above and on the edge of the west entrance to the International Terminal and making this road one-way-in; etc.

[25] I've reviewed the Port's audited financial for FY2017-2018 and our 1st calendar quarter financials for 2018, and discussed numerous aspect of both with Mark Harris, the Port's Accounting Supervisor.

[26] I've tried to make it very clear to nearly everyone that I'm interacting with outside of the Port that the Port of Newport is indeed "open for business", and that the Newport International Terminal is available to commercial fishermen, log and container shippers, smaller cruise ships, and any other potential water-related customers with viable business plans which are fair and equitable to all parties.

[27] I've prepared draft motions and draft resolutions for, and participated in, two Regular Monthly Commission Meetings and two Commissioner's Budget Priorities Work Sessions.

[28] I drafted a Port press release on the Port's rate setting process to help alleviate some confusion which originated from the iterative process of our rate setting process.

[29] I've begun reading and evaluating the Port's current lease agreements to better understand the Port's obligations and liabilities associated with these important documents.

[30] I'm making good progress on seriously reducing the number of hardcopy paper documents in my inbox requiring action on my part. My goal is to reduce this to only about what comes in during the week, but that date isn't yet in sight!

[31] I've also begun reviewing and working my way through the many highly disorganized file documents left in the GM's office over the years. It looks like this will be an ongoing task during my first year.

Reflection upon completing my 1st month

I've been reflecting upon my first month at the Port and some key points come to mind.

[a] First and foremost is that after only one month I'm about a month ahead of my own planned schedule (i.e. I'm now where I had expected to be after working for two months at the Port). This is in large part due to the high quality, professionalism, and great attitudes of the entire PON staff!

[b] I'm beginning to better understand the differences and nuances between working with the Board of Directors of private and/or public corporations and working with the Board of Commissioners of public agencies, and am making an effort to adjust my management style accordingly so that we're more effective as a team.

[c] I now clearly recognize that Commissioners of public agencies have the huge constraint of not being able to freely express their opinions, brainstorm ideas with their colleagues, and interactively discuss particular issues as a group before they meet in a quorum with the public and media to initially discuss the various motions, resolutions, etc.

[d] I now understand the need and usefulness of my providing each Port Commissioner with concise written rationales for each of my recommendations in advance of bringing them up at any Commission meetings.

[e] I apologize to the public for any confusion and/or dissension I may have contributed to in my enthusiasm to tackle this assignment, and thank them for their understanding as I try to learn the most efficient methods of helping the Port move forward and prosper!