

PORT OF NEWPORT MINUTES

July 28, 2020

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 Commission Meeting 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, July 27th, which was read into the meeting at the appropriate time.

Agenda Item

**Audio
Time**
0:00

I. CALL TO ORDER

Commission President Jim Burke called the Regular Commission Meeting of the Port of Newport Board of Commissioners to order at 6:02 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; Dustin Capri, Capri Architecture, LLC; Dietmar Goebel, DH Goebel Architect.

II. CHANGES TO THE AGENDA

0:13

There were no changes to the Agenda.

III. PUBLIC COMMENT

0:21

There was no public comment at this time.

IV. CONSENT CALENDAR.....

0:43

- A. Minutes
 - 1. Regular Commission Meeting June 23, 2020
- B. Financial Reports
- C. Forklift, Commercial Marina (\$41,626)
- D. Towable Dumpsters, South Beach Marina (\$12,000)
- E. Pacific Northwest Waterways Association (PNWA) Membership Renewal (\$8,260)

A motion was made by Lackey and seconded by Sylvia to approve the Consent Calendar. The motion passed 5 – 0.

V. OLD BUSINESS.....

3:19

A. Items Removed from Consent Calendar

There were no items removed from the Consent Calendar.

B. Accounts Paid 3:28

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

C. Procurement Authority..... 3:53

Miranda introduced the Staff Report included in the Meeting Packet. She added that she hoped the Commission recognized she would only spend funds for a good reason, and Brown would keep finances on track. Sylvia asked why not more than \$10K. Chuck commented the General Manager’s procurement authority when he started was \$5K, and it was a matter of having no surprises come to the Commission rather than a lack of trust. He said he would be uncomfortable with more than \$10K. Burke said he supported \$10K and would consider higher. Lackey said that Miranda had earned the trust of the Commission, and he supported incremental increases. Sylvia said the decision to increase was a matter of efficiency and potential delayed procurement, and a further increase could be considered next year. Miranda said staff does report higher spending to the Commission and will continue to do so. She added she would make sure the Commission knows when agreements are entered into for higher amounts or are important agreements. These would be items that have already been discussed and budgeted for. Chuck said since the Meeting Packet included a request for \$10K he recommended not going higher. Burke said this could be revisited as needed.

A motion was made by Lackey and seconded by Sylvia to increase the General Manager procurement authority under Item VI of Purchasing Approvals to \$10,000. All other requirements shall remain the same. The motion passed 5 – 0.

VI. **NEW BUSINESS**..... 13:02

A. Managed Services Provider – IT..... 13:25

Brown introduced the Staff Report included in the Meeting Packet. He said if the Commission approved moving forward, he would post an intent to award and notify the vendors. He added that Hyak, the recommended provider, suggested moving to the cloud rather than replacing the server. Brown said Hyak provided cameras for the Port, and they were located at a reasonable distance in Florence. Sylvia asked when it would be optimal for a company of a certain size to bring in IT expertise as an employee. He added that given the cost proposed the Port could not do that as cheaply now. Brown said it was a matter of infrastructure support needed, and the Port would continue to evaluate if operations grow. Miranda says right now there is not someone in-house with the required knowledge. Brown said the cost of hiring someone is not justified at this time. Burke asked how Hyak’s price compared to the others; Brown said it was midrange. Miranda added that price was also a large factor in the scoring, which included multiple qualifications.

A motion was made by Sylvia and seconded by Chuck to authorize the General Manager or designee to post an Intent to Award, and the General Manager or designee to sign a contract for Managed Services with Hyak not to exceed a one-time fee of \$14,485 and recurring monthly costs of \$4,981. The motion passed 5 – 0.

Miranda introduced Dustin Capri and Dietmar Goebel and referred to the Staff Report included in the Meeting Packet. She commented that the Administration office had 6 staff members when the temporary building was first used, and now there are 8 in the space. There is no space for anyone else, including a potential intern, contractor, or auditor. She added there was only one bathroom, and physical distancing was difficult during the Covid crisis. Miranda said interest rates are the best they can be, and the cost for the building may be less than what was budgeted. She said she approached Goebel who completed the previous design in 2014. She pointed out that while there is a desire to put money in other infrastructure, the Port will have to build an Administration Building eventually. The South Beach Meeting Room currently used for Commission Meetings is very limited in space. The proposed Commission room in a new building could also potentially serve for community use and as rented space. The design also included 800 sq ft of rentable space separate from the public and office spaces. Miranda said she was asking for Commission approval to move to the next step and get a cost estimate for the building. She understands the concerns over Covid and Port finances. Miranda said the Port of Newport is performing better than similar ports in terms of a ratio of revenue to expenses. She said the Port is in good shape to get a loan and she wouldn't want to lose the opportunity to take advantage of low interest rates.

Miranda read a public comment submitted by Pat Ruddiman suggesting it would be better to spend the money on marketing for cargo at the Terminal rather than an Administration Building. Miranda said the Port will always have things in need of repair. She added that the Port has budgeted for a Marketing Plan for the Terminal, which the Port intend to implement, but timing is not the best for seeking cargo at the Terminal as other Ports are reporting cargo is down with the Covid situation. Capri said the design was modified quite a bit from the one submitted in 2014 and is conceptual based on recent information and the current/potential needs of the Port. Miranda commented that adding additional cubicles did not increase cost by much but would allow for growth and temporary use. Chuck said in 2014 the intent was to use unrestricted NOAA funds and pay for the building outright; this construction would require a loan.

Chuck asked Miranda about the proposed location, and Miranda said it would be across from the current building to avoid the need to purchase property. Chuck said there was a concern in 2014 about blocking the view for homeowners on the hill and the effect on home values. He suggested considering a location in South Beach. Capri remarked a story pole or balloon could help the homeowners see how the building height would relate to their view. Chuck asked where Customs would be located. Miranda said she would discuss possible space rental with Customs after the building was complete. Sylvia commented that the proposed building in the 1990s was based on anchor tenants who would provide revenue to support the building. He also noted the Port would need to consider the annual bill for the loan and maintenance of the building. Miranda said the next phase would be design of the building and looking into costs and said there were design elements intended to save money. This phase would allow staff to provide the Commission with a better estimate when requesting to move forward with construction. Capri offered caution in using investment real estate to finance the project in the current market, as price of rent doesn't provide the typical expected return for a new building. Goebel added this was an appealing time for construction.

Burke said it would be good to move forward. There would be lots of questions to come, but there was a need to address efficiency, privacy and health & safety concerns. Lackey said he had mixed feelings in general about the project and compared it to choices made to invest in a fishing vessel on things that bring in revenue. He said he did see it was a good step to get an estimate. He asked

that the Port move with caution and consider critical needs and infrastructure. Retherford said this was a good step in the right direction and it would be important to continue to evaluate as this moves along. Sylvia said he supported this phase. He said this issue will require a high level of public relations to convince the community this was a smart decision. He recommended diligently working with the public to gain community support.

A motion was made by Lackey and seconded by Retherford, in addition to a \$6,500 already approved by the General Manager, to authorize the General Manager to contract with Capri Architecture and DH Goebel Architecture, and move forward with the proposal as presented not to exceed an additional \$13,000. The motion passed 5 – 0.

VII. STAFF REPORTS

55:48

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

Miranda introduced the Staff Reports included in the Meeting Packet. She said there was still a lot of discussion around the Covid issue with organizations, the state and other Ports. She added the Port of Newport is fortunate that it hasn't had as much need as other ports because of the diversity of business. Miranda said the biggest problem was the early restriction on the RV Park, but the RV business has been booming. Brown added that the Recreational Marina was sold out, and the RV Park was sold out on weekends and busy weekdays. Miranda said the Port has been collecting better on debt. She said there are still concerns and uncertainty about the effect on commercial fishing in the long run.

Miranda said the Port was ready to apply again for the annual SDAO security grant. She said she has engaged a consultant for help with grants who has been working with Lincoln County to find budget items where the Port can find grant resources. Right now, the biggest project the Port is working on is the Dock 5 Pier project, but unfortunately the Port did not receive bids for a Project Manager in response to the RFP posted even though five people came to the site meeting. She said the timeline may need to be bumped. She advised that if needed the grant funding and permits would still be good next year if needed, but the Port would need to figure out how to keep the pier safe. Bretz said the main thing was time; the specific requirement of in-water work experience meant fewer firms would be qualified and would require more advance notice to have people available. He also said there were questions about the EDA requirements, and he will work with the EDA on improving the wording.

Bretz provided an update to the status of the Stormwater Drain repair in South Beach. There were additional challenges with the condition of the pipes, but the needed repairs were complete. He said one reason the contractor was selected was they preplanned for this contingency. Miranda said moving forward the Port could implement a better preventative maintenance process including regular scoping on a rotating basis to help avoid facing this kind of emergency.

Miranda commented that financially the Port was in pretty good shape overall. Sylvia asked if there was an expectation of a drop in moorage revenue next year because of what was happening to the fishing fleet. Miranda commented on the revenue currently coming in from services provided. She said she spoke with people in the business about their situations and the stimulus available for the fishing community. It is to be expected that some businesses will be harder hit than others, but there aren't current indicators of a significant drop in revenue. Retherford noted that income is

down in the fishing industry, but people are still making money and moving forward. She added that loans on behalf of fishermen have helped. Lackey said he appreciated the information on potential hiccups with the Port Dock 5 project, and asked staff continue to provide updates.

1:14:20

VIII. COMMISSIONER REPORTS/COMMENTS.....

Retherford mentioned the Commerce Improvement Act grants reported in the Association of Pacific Ports (APP) news. Miranda said that a lot of the projects it applies to are big projects at cargo terminals. She said the Port is looking for grants including for marketing at the Terminal. Miranda said she attended a meeting with the Maritime Administration (MARAD) regarding grants and loans, which also involved APP and the American Association of Port Authorities (AAPA). She said Business Oregon is also creating a Federal Committee which will have some focus on ports.

Sylvia asked if there is cyclical money targeted to small and midsize Ports. Miranda said there are grants every year, and the Port also benefits from the Pacific Northwest Waterways Association updates. She added some Oregon legislators also seek to make sure funding is available. Miranda said eligibility depended on the project. Most funds were available for dredging and maritime sector infrastructure. Miranda said fishing is not considered cargo. The issue is part of what she and Chuck spoke about in DC. Sylvia suggested bringing this up next time there was a Congressman Schrader round table. Miranda said Schrader and Representative Merkley were in tune with small ports.

Chuck commented that the sport (recreational) marina had a busy 4th of July weekend. He heard that more than half of the file tables were taken up by people fileting for money, which could become an issue. Miranda said the Port was looking into possible grant funding to get more tables, but it would probably not be this summer.

Lackey thanked everyone at the Port for making it a successful year so far in stressful times. Miranda said the Port has good staff, and she is happy with her first year at the Port and with the Commission.

1:26:44

IX. CALENDAR/FUTURE CONSIDERATIONS.....

There were no changes to the Calendar/Future Considerations.

X. PUBLIC COMMENT

There was no public comment at this time.

1:26:59

XI. ADJOURNMENT.....

Having no further business, the meeting adjourned at 7:29 pm.

ATTESTED:

james m burke Digitally signed by james m burke
Date: 2020.10.01 13:41:57 -07'00'

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: 2020.10.02 14:07:16 -07'00'

Jim Burke, Vice-President

Walter Chuck, Secretary/Treasurer