

April 26, 2022
6:01 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 Burke, Lackey, Sylvia, Retherford, and Chuck. 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.

PUBLIC COMMENT

Tucker read Dave Morgan's public comment into the record.

CONSENT CALENDAR

Chuck requested moving Item B. Disposal of FV Sylvia from the Consent Calendar. Burke removed the item.

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

OLD BUSINESS

Items Removed from Consent Calendar – Disposal of FV Sylvia. Burke introduced the agenda item. Chuck asked what would be the complete cost for disposal. He noted the cost has gone over budget in the past at the Port of Toledo. Miranda replied the Port has an IGA with the Port of Toledo to ensure that does not happen again. She stated if they feel like costs will go over, they are supposed to call the Port and get approval to proceed. Brown stated the Port tried to sell the vessel without success. He explained the owner opted to sign it over to the Port, and staff were told the title was free and clear, and it was not. He added the lienholder went ahead and signed off on the title. Miranda stated if the Port does not do something about it, the chances of getting anything out of the owner are none. She indicated the Port could keep on postponing it, but, eventually, it will sink. She added it is taking up precious moorage space someone else could use.

MOTION was made by Chuck, seconded by Sylvia, to authorize staff to contract with the Port of Toledo to dispose of FV Sylvia for an amount not to exceed \$23,000, which includes towing by the Port of Toledo or a third party. The motion carried unanimously in a voice vote.

NEW BUSINESS

Approval of Newport Fab Shop Lease. Burke introduced the agenda item. Bretz reported this is another former Yaquina Bay fruit processor's building, which is referred to as the old cherry plant. He stated the potential tenant has been doing fabrication business in the area for several months, and he needs a shop because he's getting too big to do it out of this truck. He explained the tenant works on boats and anything needing fabrication. He indicated included in the draft

lease are provisions for tax payment. Lackey stated the lease looks good, and he is glad to see new activity.

MOTION was made by Lackey, seconded by Retherford, to approve the draft lease and terms with Newport Fab Shop. The motion carried unanimously in a voice vote.

Approval of Forklift Purchase. Burke introduced the agenda item. Bretz reported this purchase has been deferred a couple of times. He stated the forklift is at 6,700-6,900 hours, and the Port generally replaces them at 6,000 hours. He noted the Port put a little money into breaks to get it by until a new forklift comes in. He indicated the new one could get here in November or January because of supply chain issues. He added the longer the Port waits, the more expensive they get.

Bretz reported the Port had some money in the budget this year, and Brown approved the purchase. Brown stated, based on when this arrives, the purchase lands in next year's budget, and there is a line item in next year's budget. Burke confirmed with staff the Port will not have to put 50 percent down first. He added this will be great to have for the crab season.

Sylvia asked if there is any value on the old forklift. Bretz replied it will have some residual value and be disposed of as excess property. He explained this is a state contract which did not include trade in. He added the last old forklift is being used at the terminal.

Retherford stated it's nice to get this cheaper than the \$50,000 budgeted.

MOTION was made by Retherford, seconded by Chuck, to authorize purchase of a new forklift through Toyota Lift in the amount of \$43,730. The motion carried unanimously in a voice vote.

Approval of Resurface of PD7 Lot. Burke introduced the agenda item. Bretz reported this one is a project staff are trying to squeeze in because it makes sense to get it done right now for several reasons. He stated the first reason is the terrible shape the lot is in currently. He noted the second is this will get the Port ready to put asphalt down a lot faster once the Admin Building is done. He explained the heavy use of the parking lot. He added he wants to get this done while construction work is going on in the area.

Lackey stated he does not know if there is a definition of when a pothole becomes a crater, but many there have crossed the threshold. He noted the rationale makes perfect sense. Miranda agreed on the state of the lot. Chuck asked if there are any thoughts of adding speed bumps. Bretz replied he has a quote on speed humps, rather than bumps. He stated the Port will put those in and does not plan to continue storing equipment or gear there.

Sylvia confirmed with staff that the Port owns the property. Miranda added that's where the Port plans to have the seafood cookoff as well.

MOTION was made by Sylvia, seconded by Lackey, to authorize staff to contract with Road and Driveway in an amount not to exceed \$40,000 to resurface and recompact the lot at Port Dock 7. The motion carried unanimously in a voice vote.

Commercial Fishing Users Group Letter. Burke introduced the item. Miranda reported she added this as a regular item rather than public comment, because the Commercial Fishing Users Group is an official committee of the Port. She stated during the last meeting, they had some concerns regarding offshore wind. She noted there is a lot of development going on down south by Coos Bay that affects fishermen everywhere. She indicated the letter is included in the packet.

She added it would be best to add a work session in order for the Port to discuss what position to take, if any, in regard to offshore wind.

Burke suggested May 17 at 6 p.m. for the work session. Miranda confirmed with the Commission to have the meeting in person. Burke suggested bringing in certain guests like ODFW's Caren Brady and other stakeholders from the area. Miranda stated she would work with Heather Mann to invite folks. She noted if there any other guests, the Commission can send her names. The Commission also agreed to hold an Executive Session on May 19 at noon for her evaluation in-person.

Chuck noted he viewed the letter before it was submitted, but he did not make any comments. He suggested Flaxen Conway be included in the meeting as well. Sylvia asked if the Oregon fishing industry collectively has asked all the ports to take positions, or if there is a larger scale effort. Retherford replied the Port of Port Orford took a position. She explained the fishermen are concerned about the call sites. She indicated this is not focused on wave energy at all. She added she thinks it's important the Port have some kind of stance.

Lackey stated this is a major deal. He noted he is from the fishing industry, but the health of fisheries goes a long way toward the health of the Port in the community. He indicated this is talking about call areas in some of the best fishing grounds off the coast of Oregon and the western coast. He added there could potentially be an impact forever. He stated he will rely on Miranda's expertise on the appropriate voice and tact for the Port. He noted the issue is very serious.

Retherford stated the user group is not against offshore wind power but are asking to move them outside the call areas and not take fishing areas away. Sylvia noted the letter asks specifically to prioritize existing ocean users over offshore wind developers. He indicated it does not discuss renegotiating the call areas.

Miranda stated the reason to have a work session is to clarify the recommendations, bring in some experts, and to discuss a potential position. She noted it's good to eventually define what the Port thinks. She indicated when she meets with the Oregon Public Ports Association, she can tell them what the Port's position is and, together, the ports can come up with a position. She added since this has been talked about so much, it's good to brainstorm.

Chuck stated one of the reasons they are asking the Commission to do this, is the federal process is very top down. He explained users have two opportunities to engage, at the beginning or the end. He noted they put these call areas out with no consideration of current uses, no prioritization of current uses. He emphasized current users need to be consulted. He indicated the fishermen have come up with ideas for other areas, and the pushback is it will add another mile to cable. He added there are talks about the environmental regulations being written off.

Sylvia stated he likes the use of the word consulted as compared to prioritize. He noted this process seems upside down with lack of consulting. Lackey stated when the call areas came out, there was a little bit of surprise. He explained all the fisheries provided input on their important grounds, and BOEM (Bureau of Ocean Energy Management) acted as if nothing had been provided. He added there is a lot of suspicion on the fishery-side that this group will do whatever they want.

STAFF REPORTS

General Manager Report. Miranda reported there have been staff shortages again. She noted this is not unique to the Port; it's a problem everywhere. She stated cross-training has been very important, and the Port is trying to work as one Port rather than individual departments. She

asked everyone to have patience. She indicated the recreational side has been especially short, but she is happy to welcome Neva Rogers as the new RV Park Supervisor.

Miranda reported moving forward with the Admin Building, the Commission previously approved \$2.31 million for the project, a 10 percent contingency, and \$120,000 for furnishings. She stated that did not include finishing the rentable space. She explained now the project is past the foundation work and there are very few change orders, she asked for a proposal to make the rentable space finished. She indicated the cost would be \$131,000 to make that space completely ready. She added the contingency is about \$203,000, and after discussing with Burke, she instructed the contractor to finish the space. She stated this is within the budget, but she wants to make sure the Commission is aware. She explained there are four offices within that space that can be reconfigured.

Miranda reported during the Commercial Fishing Users Group meeting, staff talked about Port Dock 3 and 5 electrical upgrades. She noted the discussion goes back and forth on 30 or 50 amps. Bretz stated he has not had time to talk to J. Lamb yet. He noted he is more focused on getting prices on different options. He indicated the Port will go with the option that gives Port the most flexibility, doesn't cost a significant amount more, and makes it difficult to overload the system.

Miranda reported the user group also discussed assigned moorages. She noted the implementation is on hold because of staff shortages. She stated the Port has started ordering signs and plans to make a change to the policy regarding fines. She explained in the budget for next year is a wharfinger who will work on the docks and handle moorage issues. She indicated the plan is to implement the assignments at the first of the new fiscal year. She added she accepted the invitation to represent Oregon Public Ports on the Special Districts Board.

Sylvia asked if staff know the schedule for boats that have annual moorage. Miranda replied from her understanding, most people are willing to let staff know when they are gone for an extended amount of time. She noted the Port is pretty much 110 percent sold out, so the Port depends on using space for multiple people. Bretz replied it will be a change, but there is not a lack of willingness. He noted staff will need to work better with the shipyard in Toledo to find out when folks have a haul-out. He indicated the folks who will provide pushback are those that don't have an agreement with the Port and won't get one in the near future because of the size of their vessel. He added there will still be problems right before crab and right before shrimp seasons, but the Port will get there. He noted there is going to be growing pains.

Sylvia confirmed with staff that the Port does not need to provide incentives to move forward. Burke stated the fishermen are excited and have been asking for this for a long time. He noted the wharfinger position is critical to making it successful quickly.

Lackey stated with so many boats coming and going, that this may solve some issues and create others. He explained there's more boats than spaces, and any system will require a lot of communication and coordination and a lot of managing. He indicated he does not anticipate any system being smooth. He added he wishes the Port good luck.

Sylvia asked if the rentable area of the Admin Building will be redesigned or custom-designed. Miranda replied the way it was designed, the Port was not going to put in walls but included space for a hallway and four offices. She noted the Port will put in walls, but there are still a lot of configuration options. She added if someone comes before the space is finished, then the Port could keep out a wall, but if not, then they can remove it and it will be a cost for them. She indicated the tenant would have to enter into a long-term lease. Sylvia confirmed with staff

that the space has not been advertised yet. Burke stated the additional expense would be paid off within a few years, and then rent will be money toward the loan after that.

Lackey requested if there is some major news or a determination made on the PD3 and PD5 electrical upgrades well before a Commission meeting, staff would notify Commission by email.

COMMISSIONER REPORTS

Chuck stated he will be moderating a discussion at Pacific Northwest Waterways Association on behalf of Miranda. Burke stated the evaluations for Miranda will be sent out soon. He noted the Commission will be using a standard SDAO form that with more narrative style.

ADJOURNMENT

Having no further business, the meeting adjourned at 7:07 p.m.

Attest:

James Burke

James Burke (May 25, 2022 10:05 PDT)

James Burke, President

Walter Chuck

Walter Chuck, Secretary/Treasurer