



APPROVED 3-12-19

MINUTES

BOARD OF COMMISSIONERS

REGULAR MONTHLY MEETING

TUESDAY, FEBRUARY 19, 2019, 6:00 P.M.

POTB MAIN OFFICES – CONFERENCE ROOM

4000 Blimp Boulevard, Tillamook, Oregon 97141

1. Call to Order: Jack Mulder @ 6:00 p.m.
Recognition of Persons Present: Commissioners Jack Mulder; Jim Young; Carolyn Decker; Bob Olsen and Gerry Opdahl
Port Staff: General Manager Michele Bradley; Pami Boomer and Margaret Amick
2. Public Comment for Items Not on the Agenda: None
3. Consent Agenda – Motion to Approve Consent Agenda
 - a. Prior Meeting Minutes – December 6, 2018 Special Meeting; January 22, 2019 Regular Meeting
 - b. Lease Order #19-02 Susi Teninty; Bldg. 5, Unit K; Office Space/Business Related Storage; mo. to mo.
 - c. Lease Order # 19-03 Michael O’Quinn; MP 825.6; Private Road Crossing; Annually
 - d. Lease Order #19-04 Heidi Daggett; Hangar #1; Storage; mo. to mo.**Bob moved to Approve the Consent Agenda as written; Carolyn seconded, and the motion carried (5-0).**
4. January 2019 Financial Report – Pami Boomer reported that Capital Outlay Expense is less due to the winter weather slowing down projects but that will increase when the FAA Airport Apron paving and painting begins within a couple of months. Operating Revenue and Expenses should be at 42% at the end of January, but the Port brought in more Operating revenue than expected and the Expenses are 6% under what was projected. The report shows a loss of \$51,000 due to the debt service payment of \$156,000 in January, but the funds had been set aside in the investment pool account to cover the payment. Pami provided the board with a graph detailing how the funds held in the investment pool are allocated. As of the end of January 2019, the fund held \$1,012,496 with almost \$700,000 of it earmarked for debt service and \$22,198

unallocated. Jack said that he has been working on a graphic that will help show a trend over time. Pami said the Road Maintenance Fee will also be reflected in the graph next month since the first billings went out in February. The commissioners asked what kind of feedback was received. Michele said she has had several phone calls with questions on how the categories were developed and she has received three appeal requests so far.

There was some discussion of how to make the airport profitable by building hangars or developing the land beside Hwy 101.

Pami reported that Oregon Coast Scenic Railroad sent the first lease revenue for 2018 of \$50,588. The OCSR General Manager requested to make the payments quarterly instead of all at the end of the year. No one had any objection.

Jim Young asked when Tillamook Lightwave sends the report that shows the value of the broadband service supplied to the three partners and how much money the Port will receive to offset the different value. Pami said the Port should get it in June.

- a. Proposed Budget Calendar – the date for the Budget Committee Meeting was moved to May 16, 2019 @ 4:00 p.m. to accommodate the Commissioners' schedules, and Pami will update the rest of the calendar to comply with requirements for the budget process.

Pami said the Port is advertising for the vacancy on the Budget Committee and asked for any suggestions. Jack said he has registered to run for re-election to his position and asked if anyone else has registered. Michele said she hasn't been notified of any by the County. Gerry said someone he has talked to is thinking about running and Gerry will keep looking for more potential candidates.

5. Tabled from December 2018 - Discussion and Consideration of Five-Year Water Rate Increase. The Port water rates will expire in a few months and new rates need to be set to go in to effect by then. Mike Christie, Utilities Supervisor, developed a chart containing four options using the City's rate increases scheduled over the next four years. He calculated the rates the Port would need to charge its tenants over that same period to allow the Port to offset its expenses. The board felt that the Port should continue investigating developing its own water sources and revisit the decision next year. **Jim moved to Approve the Water Rate Increase for 2019 Using the Rate Depicted in Option #4, Reevaluate the Water Rates in 2020, and in the Meantime Review the Port's Ability to Build its Own System. Bob seconded, and the Motion Carried (5-0).**

6. Manager's Report

- a. Safety Meeting Report – Jack asked where the employee's accident occurred, and Michele explained that it was on ground level at the museum with minor scrapes on his leg.
- b. Update: DEQ 1200-Z Stormwater Permit Inspection 12/13/2018 – Warning Letter with Opportunity to Correct from DEQ 01/25/2019. Under the 1200-Z permit, the Port is responsible for stormwater runoff quality from all tenants and property users within the Port's industrial boundary. Michele spoke of the seriousness of the letter and that the corrections will be expensive for the Port and some of its occupants. She explained how stringent are the DEQ requirements and what it will take to comply and has contracted with GSI Water Solutions, Inc. to do some of the work since the Port doesn't have the software and knowledge to do a lot of it. The board asked if the Port can require the users to cover the cost of any mitigation performed on their behalf by the Port and she assured them the lease requires reimbursement. Part of GSI's scope of work will be to research options on how to ensure the tenants/users comply with the permit or obtain their own permit. Pami told the board that the Port will be hiring someone for a Utility Worker I position to help Mike Christie with the additional workload involved with complying with the DEQ regulations.

Michele noted that the DEQ letter was not as severe as it could have been since it is a "Warning Letter with Opportunity to Correct" instead of a "Notice of Violation" letter. Jack said he was sure it made a difference that staff were cordial and cooperative during the inspection on December 13, 2018.

- i. Subsequent letter to tenants/users informing them of the DEQ permit, how the requirements will affect them, and what will be needed from them.
 - ii. Scope of Work with GSI for Stormwater Issues (Phase I). Copy of the letter and the Agreement detailing the tasks to be performed in Phase I.
 - iii. Monthly Status Report – DEQ File 70615. Michele submitted the February 2019 report on February 14 detailing steps the Port is taking in response to the Warning Letter from DEQ.
- c. Update: Request to City Water for consideration of rate change – addressed to the Mayor of Tillamook
 - i. Status update – email response from the Tillamook City Manager saying the Consolidation Study should be available within a month or two and the City may revise the rate structure for outside users at that time. He also repeated the City's offer to operate the Port's water system as part of the City's system. The Port board was not favorable to the suggestion. Jack is open to a partnership arrangement similar to Tillamook Lightwave.

- ii. Copy of 2013 Letter from City laying out the offer referenced in Item 6.c.i.
- d. Chamber Event: How It's Done: Port of Tillamook Bay. On March 6, Michele will guide a group from the Chamber of Commerce on a tour of the Port. She will show them how the Port is like a city with several operations going on and the many state agencies the Port must collaborate with. She said the commissioners are welcome to register if they want to participate.
- e. Update: Self-Supply Water Project – Michele talked with Melanie Olson who said there are multiple special public works funds, mostly loans, available for Phase II, the well development. There is a USDA loan that might cover some of it and the Port may be able to do part loan and part grant. There is a Port Planning and Marketing grant up to \$20,000 or a Special Public Works Funds grant that she would like to help with the Stormwater planning and mapping. There is a new statewide program for regional infrastructure where the state can loan the Port funds for the water system. When new businesses access the system the state payroll taxes of their employees will be passed on to the Port to help pay the loan. The Port will still be responsible for repaying the balance. Michele will start filling out applications for stormwater and water system development and will present to the board any that are approved.
- f. OGE Annual Verified Statement of Economic Interest (SEI) – Michele asked the commissioners if they had received the email yet and several said no. They should be receiving them within two weeks and Pami offered her help to anyone who wanted it.

Michele told the board that Phyllis Rice has resigned her position as Museum Director effective March 1, 2019 and has accepted a position in Nevada to be closer to family. The museum staff will maintain operations until her position is filled (April?) since there are no museum employees with Phyllis's skill set.

Michele received a letter from Denis Schmitz's attorney regarding the Port's Notice to Vacate. The letter stated Denis's desire for a little bit longer to work through the process and requested any follow up communications go to Denis and not the attorney. Michele subsequently met with Denis and his wife where they proposed four options. They want the Port to buy the buildings, but per the lease the Port has the choice of taking possession of them or have the tenant remove them at the end of the lease. Denis also wants to downsize the area being leased to 1 ½ acres from 6 acres and bring in equipment to start a new business with 15 employees; and they would like to buy the land. Michele told him that he needs to start cleaning up the property and that Port staff will monitor the progress over the next months. The Port is reserving the option of requiring a Phase 1

environmental survey before the end of the lease. The board is not open to Denis's request for continued use of the property.

- g. Update: Digester Operations (verbal) – Biogas plans on hauling manure beginning in March, but no one has begun working on the engine repair yet. All agreements are in place, but Michele believes Biogas is waiting for outlying rulemaking from DEQ. They will begin paying rent in March and have placed the main electric meter in their name.
- h. Update: Response to Road Maintenance Fee (verbal) – Three appeal forms have been submitted to date.
- i. FEMA Project Closeout update (verbal) – The Port has turned in 100% of the P4 Closeout documents to FEMA and will recoup some of the interest expense incurred during the projects once FEMA finishes processing them. Michele noted all of Aaron's work to get the FEMA projects closed.

7. Committee Reports

- a. Tillamook Lightwave – Jim Young said TLW received the performance report on outages from the Wave, but he was frustrated that the report didn't compare their performance with other providers in the area. Jim still has concerns about the buyout by the Wave.
- b. Salmonberry Trail – Jack Mulder explained the transition of the non-profit supporting entity from Tillamook Forest Heritage Trust (TFHT) to the Salmonberry Trail Foundation and the changes that will happen. This was needed because the TFHT's 501(c)(3) wasn't the kind required for an intergovernmental agency. There will be a planning session on March 1 and an on the ground tour out of Rockaway Beach on March 6 of sections on the coast. The Tillamook County Creamery is looking in to creating an employee walking path that would eventually be incorporated into the Trail and Rockaway Beach has inquired about building part of the Trail in the City.
 - 1. January 2019 fundraising – Jack provided a list of funds received through the end January.
 - 2. TFHT transition update (information) – shows the tasks occurring during the transition and who will be performing them.
 - 3. Final copy of MOU (information) – detailing the agreement of member agencies of STIA to contribute \$3000 each to cover the administrative expenses incurred by STIA in 2019.
- c. Friends of Tillamook Air Museum (FOTAM) – Carolyn Decker reported that was no meeting in February. The bank account contains \$10,779.76 and she just received an additional \$19.00 to deposit.

Gerry Opdahl wrote a grant request to Tillamook PUD for \$10,000 for marketing to submit on February 22, 2019. He asked staff to review and comment prior to the Friday deadline.

8. Communications

- a. No Special Meeting on March 7, 2019 – Too close to rescheduled Regular Meeting
- b. Next FOTAM Meeting – Friday, March 8, 2019 @ 10:00 a.m.
- c. Next Regular Meeting – Tuesday, March 12, 2019 @ 6:00 p.m.

9. Executive Session per ORS 192.660 (2)(i) to Review and Evaluate the Performance of a Public Employee. Recessed Regular Meeting @ 8:10 p.m. and entered Executive Session @ 8:15 p.m. Exited Executive Session and reconvened Regular Session @ 9:10 p.m. **Gerry moved to continue Michele Bradley's salary at the current level and to give her a \$10,000 bonus. In discussion, Bob asked Michele if she received a 3% raise. Michele said that, per her contract, she gets a 3% minimum cost of living increase per year that all staff receive. Gerry amended his motion to give her a \$7,000 bonus on top of her 3% COL increase. Jim seconded, and the motion carried (5-0).** Gerry said he thinks she is doing a very, very good job.
10. Commissioner Comments: Carolyn asked what progress has been made in repainting the jet on the pole at the intersection of Hwy 101 and Long Prairie Rd. Michele told the board that the Air Museum Manager is still looking for a painting contractor but hasn't heard back from the two she has contacted.
11. Adjournment: 9:16 p.m.