

**REGULAR MEETING**  
**Port of Toledo Board of Commissioners**  
**496 NE Hwy 20, Unit #1, Toledo, OR 97391**  
**June 18, 2019 – Wednesday, 6:00 pm**

1) **Call to Order:** The regular meeting of the Port of Toledo Board of Commissioners was called to order at 6:00 pm by Commission President Rick Graff.

2) **In Attendance:** Commissioners Rick Graff, Mike Kriz, Chuck Gerttula, and Penny Ryerson; Commissioner Zack Dahl was excused; Port Staff: Manager Bud Shoemake and Assistant Port Manager Debbie Scacco.

3) **Introduction of Visitors/Visitor Comments:** There were no visitors.

4) **Approval of Minutes:** It was moved and seconded (Gerttula/Ryerson) to approve the minutes of the Regular Commission Meeting of May 21, 2019. Motion passed 4/0.

5) **Budget Hearing:** President Graff opened the budget hearing at 6:05 pm. Budget Officer, Debbie Scacco stated the need for several changes to the budget previously approved by the Budget Committee. The changes were:

1. General Fund Revenue Transfer from Boatyard Enterprise Fund – Add an Additional \$10,000 for audit expenses, new total \$260,600.
2. General Fund Administration Expenditure – Audit Expense – add \$10,000 new total \$27,000.
3. General Fund Maintenance Expenditure for MAP Grant Expense – Increase of \$1,000, new total \$4,500. To meet grant requirements
4. General Fund Maintenance Expenditure for Port Operations – decrease if \$1,000, new total \$14,000
5. Boatyard Enterprise Fund Non-Departmental Expense for Transfer to the General Fund – Increase \$10,000, new total \$260,600, to transfer for audit expense.
6. Boatyard Enterprise Fund Reserved for Future & Unappropriated, decrease \$10,000, new total \$260,000.
7. Special Grant Fund Capital Outlay Environmental Work Building Expenditure reduce by \$12,000 for transfer to General Fund, new total \$763,300
8. Special Grant Fund Transfer to Other Funds increase by \$12,000 for transfer to General Fund, new total \$62,000.00.

President Graff announced that the Budget Hearing would remain open while regular business was resumed in case any visitors come in late could make a comment on the budget.

6) **Financial Report:** Assistant Port Manager Scacco reported that the audit proposal from Signe Grimstad was the only one received in response to a Request for Proposal for Audit Services. Grimstad's has added two new professionals to their staff, and plans to have the audit ready for presentation at the November Commission meeting. Cost for the first year is \$24,000. Scacco provided the Commissioners with a draft contract for their consideration.

Scacco provided a revised Capital Asset Schedule and requested the Commission approve a Resolution to delete items from the schedule that were no longer in the Port's possession or cost less than \$5,000.

A revision to the Shipyard's Policy and Best Management Practices was presented. The revision added this statement to the Right to Refuse Service Policy: "The Port of Toledo Shipyard may refuse to provide service to any vessel, person, or company, at the Port Manager's discretion." Scacco

also reported that SDAO provides a template for a Financial Management Policy. She would like to start work on customizing the Policy and assembling a procedures manual in the fall after inventory and audit are completed. Commissioner Ryerson asked about the admin workload at the shipyard, Manager Shoemake responded that there is one additional FTE budgeted in the new year, an inventory/purchasing position will become critical to manage the warehouse when the office is moved to the new building. Commissioner Ryerson inquired if Commissioner's relatives were eligible for hire. Manager Shoemake responded that they could apply, but he would check with Special Districts Association to confirm if there would be a conflict of interest.

The new Marine Liability Insurance Policy is being purchased through Brown & Brown, from Newport. The policy is \$92,000 a year, about \$2,000 less than renewal of the previous policy, and includes additional coverage for pollution and local support.

Scacco reviewed the financial reports and answered questions posed by the Commissioners. In response to Commissioner Graff's question regarding merchant processing fees she reported that processing fees were lowered with the transition to Quickbooks Enterprise, but she will analyze credit card fees and provide a report at the next meeting. She reviewed the Profit & Loss statements for the General Fund advising that income, adjusted for the grants and transfers not received, exceeded the budget, and the expenses are very close to budgeted amounts. The Shipyard profit and loss has remained proportionate between income and expenses.

It was moved and seconded (Gerttula/Ryerson) to pay the bills and accept the financial report. Motion passed 4/0.

**7) Manager's Report:** Manager Shoemake reviewed Compliance Specialist Jason Sasso's written report and advised that Jason spent a week in Portland attending trainings for AHERA Asbestos Building Inspector and lead abatement. The AHERA Building training allows Sasso to inspect and survey vessels or buildings for asbestos, but not to supervise its removal.

**Shipyard Report** –Manager Shoemake provided the commissioners with a written report of vessels hauled at the shipyard during the past month. He said it was a very busy month with eight vessels hauled out with the 660 – ton lift, forty-five on the 85-ton lift, and six miscellaneous projects.

**Shipyard Work Building:** Billeter Marine is on site driving piling today, and the final delivery of piling were delivered today. Billeter is vibrating the piling to about 30 feet then will come through with the hammer and finish driving all of the piling.

**MARAD Grant:** Senator Wyden's office notified Manager Shoemake that the Port was a recipient of the 2019 Small Shipyard Grant for a welding lab. Oregon Coast Community College has received over 100 inquiries in response to their press release, and the Port has received positive comments from our Constant Contact email announcement. Manager Shoemake is following up on possible funding sources for the match of \$87,000. The grant also has a requirement that all equipment be made in America. Manager Shoemake requested the Commission authorize him to sign the grant contract which has to be sent back to Washington DC that week. Commissioner Kriz asked about teachers for the welding class, and Manager Shoemake responded that Oregon Coast Community College will hire the teacher and are currently advertising for the position.

Commissioner Graff asked which unit at the Industrial Park will be used, Manager Shoemake explained their may be shuffling between units before it is determined. Manager Shoemake thanked Joe Novello for introducing Majalise Tolan of Lincoln County School District, who was instrumental in developing the current apprenticeship program, and promoting the grant project with Oregon Coast Community College.

**Family Boating/Teak Lady Sail:** The 2<sup>nd</sup> Annual Teak Lady Sail went smoothly on May 26<sup>th</sup> after being delayed one day for rainy weather and lack of wind. The Boathouse opened on May 30<sup>th</sup> for the first day of Free Family Boating for the summer. The program is operated by the Retired Old Guys Sailing Club and volunteers from OBF on Thursdays and Sunday afternoons.

Wooden Boat Show: Commissioner Gerttula reported that the planning for this year's show is going smoothly and there is a great music schedule

A slide show was presented featuring:

- Video of the Teak Lady Sail
- Demolition of the F/V Chelsea Rose
- Quonset hut being refitted to use as a sandblast enclosure
- Installation of piling for the new building

8) **Discussion Items:** There were no discussion items.

At 7:25 pm President Graff closed the Budget Hearing

9) **Decision Items:** It was moved and seconded (Gerttula/Ryerson) to approve Resolution 2019-3, authorizing deletion of fully depreciated and disposed assets from Fixed Asset Schedule. Motion passed 4/0.

It was moved and seconded (Gerttula/Kriz) to authorize award of contract for Audit Services. Motion passed 4/0.

It was moved and seconded (Gerttula/Kriz) to approve Resolution 2019-4, Adopting FY 2019-2020 Budget, Making Appropriations, Imposing the Tax and Categorizing the Tax. Motion passed 4/0.

It was moved and seconded (Gerttula/Ryerson) to authorize Manager Shoemake to sign the MARAD Small Shipyard Grant Contract. Motion passed 4/0.

It was moved and seconded (Gerttula/Kriz) to revise the Shipyard's Policy and Best Management Practices as stated in written revision document. Motion passed 4/0.

10) **Commissioner Comments:** Commissioner Ryerson welcomed the new pizza restaurant in town, Rizza Pizza. She also complimented Port staff.

Commissioner Gerttula asked when the last time the water at the Marina was checked for electrical current, Manager Shoemake responded that it had been some time, and he will look into having it done. Commissioner Gerttula appreciated Manager's Shoemake's resourcefulness of repurposing tin from the Industrial Park roof on the quonset hut for a sandblast shed. He complimented the admin staff for the budget. He recognized the combined effort it took to put together the MARAD grant project. He also said he was happy to see the piling going up for the building.

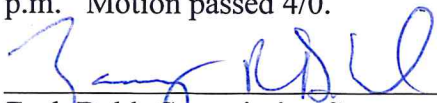
Commissioner Kriz said he was glad there are training opportunities for those that do not want to go to college.

Commissioner Graff said he was glad that Manager Shoemake was able to thank the Legislators for their support of the grant application

11) **Upcoming Meetings:** Upcoming meetings are as noted on the agenda.

12) **Executive Session ORS 192.660(2) (e & h):** Port of Toledo Board of Commissioners entered into Executive Session to discuss property, and legal matters at 7:32 p.m. Session closed at 7:37 p.m. No decisions were made.

13) **Adjournment:** It was moved and seconded (Gerttula/Ryerson) to adjourn the meeting at 7:37 p.m. Motion passed 4/0.

  
Zack Dahl, Commission Secretary/Treasurer