



APPROVED 3/16/2022

MINUTES

**BOARD OF COMMISSIONERS
REGULAR MONTHLY MEETING**

**PORT OFFICE, 4000 BLIMP BLVD., TILLAMOOK – CONFERENCE ROOM
WEDNESDAY, FEBRUARY 16, 2022, 6:00 P.M.**

1. Call to Order @ 6:00 p.m. by Sierra Lauder
Recognition of Persons Present: Commissioners Sierra Lauder; Bill Baertlein; Kevin Stoecker; and Jack Mulder. Matt Mumford arrived at 6:20 p.m.
Port Staff: General Manager Michele Bradley; Pami Boomer and Margaret Amick
Jim Knight of SDAO; and on Zoom, Ashley Tike from the Headlight Herald

Public Comment for Items Not on the Agenda: None

2. Office Administrator Report – Pami said the budget is doing well and the expenditures are less than 42% after seven months. She met with senior staff on February 2 for a financial review of the first six months of the budget. Bill said everything looks good to him.
 - a. Financials for January 2021 – Pami clarified some entries when questioned and told the commissioners that she is happy to meet individually in between the board meetings if they have questions about the financials.
3. Discussion and Consideration of Insurance Agent of Record and Authority for General Manager move forward with contracting. Michele and Pami assigned scores to three agencies based on areas of customer service, experience, and ways to save on costs. They recommended Brown & Brown, who led in the scoring and offered coverage for a flat fee, at a savings of \$15,000 per year. Staff will reevaluate the plan and costs every 5 – 7 years. **Bill moved to approve naming Brown & Brown as Insurance Agent of Record and Authorize the General Manager to move forward with contracting, Kevin seconded and the motion passed 4-0 with Matt absent.**

4. Discussion and Consideration of Construction Contract with Enterprises NW Inc, dba Earthworks Excavation, for the Airport Water Line Improvement and Expansion Project, and Authority for General Manager to sign all associated documents. **Bill moved to approve the Construction Contract with Enterprises NW Inc, dba Earthworks Excavation, for the Airport Water Line Improvement and Expansion Project, and Authorize the General Manager to sign all associated documents, Jack seconded and the motion passed 4-0 with Matt absent.**

5. Consent Agenda (**Proposed Action – Approve Consent Agenda**)

a. Minutes for 01/19/2022, Regular Meeting, and 02/01/2022, Special Meeting

b. Leases:

i. Lease Order #22-01 Buddha Kat Winery, LLC; Bldg. #71; Winery Production and Tasting Room; month to month

ii. Lease Order #22-02 Portland Fashion Week; Hangar #2; Storage and Maintenance of Aircraft; month to month

iii. Lease Order #22-03 OCSR, Bldg #73; Warehouse/Supply Maintenance of railroad equipment; month to month

Michele was asked if Buddha Kat’s operations would overstress the wastewater lagoons and she said Buddha Kat will be capturing the waste and transporting it to one of the local digesters for recycling. **Bill moved to approve the Consent Agenda as presented, Kevin seconded and the motion passed 4-0 with Matt absent.**

6. Manager’s Written Report and Discussion - Michele reported: the port was approved for a COAR grant of \$150,000 toward Planning and Engineering for the Airport Business Park; the airport hangars are all rented; she provided the agenda from the January 28 STIA board meeting; update on the ODOT project at West Fork Dairy Creek by Banks; reminded the commissioners that they will need to file an Annual Verified Statement of Economic Interest (SEI) with the Oregon Government Ethics Commission (OGEC) by April 15 and provided a copy of the OEGC newsletter; SDAO training for the board and staff in order for the Port to qualify for discounts on their insurance plans, Bill said he is willing to be one of the two commissioners needed to attend the Leadership Academy; update on Regional Water Development and provided a draft of the letter to the City of Tillamook from the water districts; and Portland State University is looking for city and county partners for a Smart Grid pilot program which will provide technical assistance to strengthen cyber resilience and protect critical infrastructure.

7. Development of Criteria for Determining Compensation of General Manager – Jim sent the commissioners a memo with a list of suggested criteria to consider in preparation for discussion of appropriate adjustments to the general manager’s salary. He started the discussion by asking each commissioner what it was that they wanted to accomplish with the decision. Matt said he wants

something that is fair to Michele and fits the board's interest as well. Kevin feels that it is hard to justify to the public the giving of bonuses to public employees, so he supports raises above the annual COLA stepped over three to five years to bring Michele's salary up to comparable wages for her position. Bill supports increasing her compensation immediately to bring it up to an amount comparable to positions elsewhere. He pointed out that she has been underpaid for years and deserves a salary that meets or exceeds what other port managers in the same situation are making because she has been doing "a hell of a job for the Port". Sierra said that the discussion should include the information that it was just last year that the board brought Michele's salary up to what her predecessor was making in 2008, even though she has a vastly different and more intensive job. Sierra said they should also balance what they offer Michele with what they would have to offer on the open market. Jack said that Michele's raise last year only put her salary on a par with the previous manager's salary in 2008 of \$117,000 and where it should already have been if she had received her annual increases as stated in her contract. He would like to see her salary adjusted to the going rate for jobs requiring the same skills and responsibilities and to reflect what would have to be offered if it became necessary to fill her position. Michele said she would like to see some sort of structure in determining salary increases moving forward and, at a minimum, to catch her salary up to where it should be. Jack calculated that by adding a 3%/year COLA increase to the former general manager's salary the position would pay \$177,000 now. Sierra said she doesn't think the discussion of comparable salaries should be based on Tillamook County businesses, that it is more of a regional position; Matt said he thinks the local salaries should be part of the discussion. Michele provided a spreadsheet using information from the Oregon Public Ports Association listing the ports, number of employees, total 2020 budget, general manager's current salary, and whether or not they had an assistant manager. The general manager's salary range for ports with a similar number of employees is \$95,000 - \$226,221. One piece of information not listed is length of employment. Jim asked Michele what she feels is a fair salary. She replied she isn't used to asking for a significant amount, but gave a range of \$155,000 - \$160,000 to start the discussion. Jim spoke of how ports are different from other municipal entities in that they are able to increase revenue apart from tax revenue by developing more business, so they are more flexible in compensating the workforce. Michele shared that the Port's operational revenue between 2009 and 2021 increased from \$1.9 million to \$3.7 million. Bill said he believes the Port of Newport, which has a salary range of \$133,245 - \$181,584 for the general manager, is comparable to POTB and he felt that to be adequately compensated Michele should be in the \$170's. Jim referred to the list of criteria in his memo and asked the commissioners to consider them in determining the amount of her raise. There was discussion about whether to continue the bonuses and the board reached a consensus to discontinue them due to the difficulty in arriving at an amount and the public perception of a public servant receiving bonuses. Sierra asked whether Michele's contract should be revised to specify the frequency of salary adjustments above the annual COLA. Jim said that the board should set a

salary range for her position, set her new salary to where it is comparable to similar positions and give her an indication of what she can expect for future increases. Bill said he would like to set a range of \$130,000 - \$200,000. Kevin suggested \$138,000 - \$155,000, increasing her salary to \$138,000 and a step increase of 10% for two years. Jack said using the range proposed by Bill, and that in considering Michele's years of service, the growth of the Port, and the board's overall satisfaction with her performance, you end up at the midrange of \$165,000. Kevin asked how can you justify that large a raise in one year and Sierra replied you justify it by the ten years of under paying her. Matt asked Pami if the budget can handle the increase and she said absolutely. Bill said when he came on to the board last year he was shocked at the low amount of Michele's salary and that not much has changed since he was last on the board, almost ten years ago. He feels that a large increase will restore the equity in the general manager's wage scale. Jim pointed out that POTB is different from other ports in that it has an airport and railroad; and Michele's wide range of knowledge of the government rules and regulations required to operate the port efficiently, and her historical knowledge of the port's operations for the last 25 years are invaluable. Jack and Sierra both said that Michele's raise should reflect her value in comparison to the salary that would be required to replace her, that it didn't make sense to pay her less now than what the Port would have to offer to recruit a qualified new manager. **Bill moved to set the general manager's salary range at \$133,000 - \$190,000 with the manager's salary raised to \$170,000, the range to be reviewed every three years, and the salary to be reviewed per her contract terms. Jack seconded.** Discussion – Jack asked when the change will go into effect and was told on July 1, after they formally approve the budget. Michele told them that there is room in the current budget to make it effective sooner. Matt said he would be okay with \$150,000 and Kevin said he doesn't support that large a raise, saying he would have a hard time justifying it to his constituents who question it. Sierra brought up the point that bonuses Michele received didn't increase the salary from which the COLAs were calculated, thereby depriving her of a progressively increasing adjustment amount. Jim asked Kevin what he has been hearing from his constituency that makes him reluctant to approve the increase. He said mostly about why bonuses are given to a public employee. He said he is used to a system that gives step increases to motivate employees to strive to the next step. Jim emphasized that the board is trying to correct for the excessively low starting point with a salary that is more in line for a manager with Michele's experience, skills, and knowledge of the job and what it entails. Kevin said he doesn't think this board should be liable for the actions of the past boards. It was stated that the increase isn't reparation but is to bring her up to a fair salary for the position. **The motion passed 3-1-1; Bill, Sierra, and Jack for; Matt opposed and Kevin abstaining due to not being happy with the amount of the raise.**

Jack moved to make the change effective on April 1, 2022 and with no COLA increase in July 2022. Bill seconded, and the motion passed 4-0-1, with Kevin abstaining due to the decision doesn't fit the step increase model he was looking for.

Jim expressed his appreciation to the commissioners for making their views known. He said that now a decision has been made, he hopes everyone will support it and the board as a whole. He offered to help Kevin develop some talking points when responding to negative comments from the public. Michele thanked the board for the raise, expressing her appreciation for the unexpected amount.

The board thanked Jim for being so extremely helpful in guiding them through the time-consuming process. He said he appreciated the opportunity to be able to help.

8. 2022 Goals – Sierra started off by reminding the board that the Strategic Business Plan is due to be reviewed in 18 months, beginning the end of 2023. They identified the 4 Areas of Emphasis for 2022 and several high priority areas:
 1. UAS Cluster – continue work on Airport Business Park Expansion
 2. Hangar B – workshop to determine path forward (early April?)
 3. Developing Additional Warehousing
 4. Organizational structure/Employee Compensation

Review goals quarterly.

Jack moved to Adopt Draft V2 of the General Manager Areas of Emphasis/Goals for 2022 with three changes: revise wording under Item 2. Hangar B from “Vacation of building” to “Vacating of building”; and on Page 2, move the “Organizational Structure”, and “Completing a compensation package” bullets to the top of the list. Matt seconded and the motion passed 5-0.

9. Executive Session per ORS 192.660 ORS 192660 (2) (e) for Real Property Transactions. Recessed Regular Meeting and entered Executive Session at 8:44 p.m., exited Executive Session and reconvened Regular Meeting at 8:57 p.m. There was a consensus to continue the Regular Meeting past 9:00 p.m.
10. Communications
 - a. TLW meeting Tuesday, 2/22/2022
 - b. March Regular Meeting: Wednesday, March 16, 2022, 6:00 pm
 - c. April Regular Meeting: Wednesday, April 20, 2022, 6:00 pm (check calendar)
 - d. Board member comments/concerns - Jack reviewed the points he planned to cover at the TLW meeting about the Port’s position on participating in the project. That POTB is part of Tillamook Lightwave; we believe broadband communications are important to the county; we believe in the concept and support it, but we are concerned about being tied to debt service for it, and we’re concerned that we slow the whole process down because we are one more player. We are skeptical about

the costs associated of starting up. There are concerns on how the board operates; the difficulty finding information on meeting times and locations; who will be performing the administration and how much will that cost? Bill is concerned that if the Port moves forward as part of this, how will it impact its ability to borrow money for Port projects? There was discussion of when TLW will pay off its debt and where the freed up funds will go. Jack is concerned that there isn't a place on the agenda to bring up these issues and that the opportunity will be lost. Sierra thinks that the partners all need to face the facts about the costs and logistics for taking on the project.

11. Adjournment @ 9:18 p.m.