

OREGON INTERNATIONAL PORT OF COOS BAY
Coos Bay, Oregon
REGULAR COMMISSION MEETING
6:30 p.m., Tuesday, February 19, 2019

Port Commission Chambers, 125 Central Avenue, Suite 230, Coos Bay, Oregon 97420

ATTENDANCE

Commission:

David Kronsteiner, President; Eric Farm, Vice President; Brianna Hanson, Treasurer; and James Martin, Commissioner. Bob Garcia, Secretary was excused.

Staff:

John Burns, Chief Executive Officer; Anna Soderstrom, Chief Commercial Officer; Lanelle Comstock, Chief Administrative Officer; Patrick Kerr, Director of Rail Operations; Thomas Durand, Maritime Operations Manager; Chris Cranford, Maintenance Foreman; Krystal Moffett, Administrative Assistant; and Mike Stebbins, Port Legal Counsel.

Media & Guests:

Maeora Mosieur, Port Budget Committee; and Paul Burgett, ARG Transportation Services.

1. CALL MEETING TO ORDER

President Kronsteiner called the meeting to order at 6:33 p.m.

2. INTRODUCTION OF GUESTS AND PORT STAFF

3. PUBLIC COMMENT

4. PORT PROJECT UPDATE

A. Safety Program Presentation

Thomas Durand presented information regarding the safety programs of the Port, comprised of the following elements: safety policy, programs, training, safety committee, inspections, risk management tools, standard operating procedures and personal qualification standards. The safety committee is comprised of management as well as staff, who conduct inspections throughout Port property, including the rail, marina and shipyard. Staff have implemented new risk management tools and have been working to develop standard operating procedures where there is a concern of high risk. The personal qualification standards will ensure that all staff are properly trained.

The safety policy statement is included within each policy and program, stating the safety and health of all Port employees, contractors, volunteers and the general public is paramount to successfully achieving the Port's mission and goals. Added to the policies is "stop work" authority for all employees; anyone who feel that a job is unsafe can stop work at any time to assess the risks. If the risks cannot be mitigated

then it will be brought to the supervisor for correction. All employees are required to comply with Oregon OSHA and FRA requirements.

The Port's safety programs include the emergency management response plan, fall protection, hazard communications, ladder/scaffolding, respirator protection, forklift, lockout/tagout, confined/enclosed space, and railroad programs. Rail staff recently completed fall protection training; Port and Rail staff also recently completed model specific forklift training. Training programs include equipment specific training for areas that could be high risk, such as the forklift, travel lift, boom truck, and the new Gradall excavator. Annual CPR and first aid training will be coming up shortly.

The safety committee is comprised of staff and management, from the Marina as well as Rail personnel. The chair is a two year appointment and cannot be management. The committee meets monthly and conducts quarterly inspections of Port property, including all docks and buildings. Two team members conduct the inspections together, one who is more experienced and one who is learning; this works well as a practical teaching tool. The committee reviews all accident and incident investigations, discussing ways to mitigate hazards and reduce accident risk. The committee also reviews all safety policies and programs.

The Port's safety programs include a new risk management tool, which was utilized for the dredge safety work plan; where daily work and safety briefings are conducted prior to commencing any work for the day. The Maritime Operations Risk Calculation Worksheet will be used to understand and evaluate the full impact of risk versus gain for each task. The worksheet scores certain elements, such as weather, fatigue, and crew experience. If the risk is deemed too high, discussion will center on mitigation; some factors, such as weather cannot be mitigated, and the decision may be made to postpone work. This tool allows the crew to discuss risks and stop work if necessary.

Standard operating procedures are being implemented, to provide step-by-step instructions that will help to carry out complex tasks. This will ensure standard practice for all staff. Standard operating procedures aim to achieve efficiency, quality output and uniformity of performance, while reducing miscommunications and failure to comply with Port and industry regulations. The personal qualification standards are a compilation of minimum knowledge and skills necessary to qualify for a specific job or maintain specific equipment. The personal qualification standards provide a key element of a well structured and dynamic training program. The Port will employ these standards in areas that require specific expertise to operate heavy equipment, boat operations, or any other area where minimum knowledge and skills are required to perform a specific job.

Mr. Durand stated these programs are being implemented to ensure all Port operations are conducted as safely as possible. President Kronsteiner thanked Mr. Durand for the presentation.

5. CONSENT ITEMS

- A. Approval of January 22, 2019 Regular Commission Meeting Minutes
- B. Approval of January Invoices
- C. Approval of January Contracts Awarded
- D. Approval of Fisherman's Wharf Lease Agreement

Upon a motion by Commissioner Martin (second by Commissioner Farm), the Board of Commissioners voted to approve the January 22, 2019 Regular Commission Meeting Minutes, January Invoices, January Contracts Awarded and the Fisherman's Wharf Lease Agreement. **Motion Passed.**

6. MANAGEMENT REPORTS

All Management Reports were included within the Meeting Packet.

7. ACTION ITEMS/REPORTS

A. **2019Res04: Amendments to Port Policy Manual Chapter 8.2**

Port of Coos Bay staff is currently reviewing and revising all Port Safety Policies and Programs to include updated best management practices, new and revised safety programs, and implementation of a new Risk Assessment Tool.

Section 8.2: Safety and Loss Prevention has been revised with updates to include the new safety programs, risk management tool, responsibilities and duties of key personnel within the organization, introduction of Standard Operating Procedures, and Personnel Qualification Standards. The red lined tracked version of the changes, as well as a clean draft version of the recommended revisions, was included within the packet.

The major revisions within Section 8.2, include:

- 8.2.A – All of the initial policy statement was revised to include language that is standard throughout all safety programs.
- 8.2.B – The Port created a comprehensive safety and health program which encompasses OSHA required hazard specific programs. These programs include: Emergency Response Management Plan, Fall Protection, Hazard Communications, Ladder/Scaffolding Safety, Lock Out/Tag Out, Railroad Safety, Respirator Protection and Risk Assessment programs.
- 8.2.C – Safety Education and Training section added.
- 8.2.D – Safety Committee section added.
- 8.2.E – Standard Operating Procedures added.
- 8.2.F – Personnel Qualification Standards added.

Upon a motion by Commissioner Farm (second by Commissioner Hanson), the Board of Commissioners motioned to approve Resolution 2019Res04 authorizing the amendments to Port Policy Manual Chapter 8: Safety and Loss Prevention Section 8.2 Safety and Loss Prevention Policy. **Motion Passed.**

B. **2019Res05: Amendments to Port Policy Manual Chapter 8.3**

Section 8.3: Employee's Personal Protective Equipment (PPE) has been revised with updates to include a standard policy statement, additional PPE provided by the Port (Reflective Safety Vest, Fall Protection), and clarification of personal protective equipment reimbursement policy. The red lined tracked version of the changes, as well as a clean draft version of the recommended revisions, was included within the packet.

The major revisions within Section 8.3, include:

- 8.3.A – Standard Port Safety Policy statement added.
- 8.3.B – added additional PPE provided by the Port.
- 8.3.C – Clarified language pertaining to Port reimbursement of certain safety equipment (leather

steel toed boots, rain gear and rubber boots).

Upon a motion by Commissioner Farm (second by Commissioner Martin), the Board of Commissioners motioned to approve Resolution 2019Res05 authorizing the amendments to Port Policy Manual Chapter 8: Safety and Loss Prevention Section 8.3 Employee's Personal Protective Equipment. **Motion Passed.**

C. 2019Res06: Amendments to Port Policy Manual Chapter 14.8

Section 14.8: Safety and Accidents policy has been revised with updates to include a standard policy statement. The red lined tracked version of the changes, as well as a clean draft version of the recommended revisions, was included within the packet.

The major revisions within Section 14.8, include:

- 14.8.A – Standard Port Safety Policy statement added.
- 14.8.B – Roles and Responsibilities section delineates employee and management responsibilities into a bulletized format to provide better clarity to responsibilities.
- 14.8.C – Unsafe Conditions: Added language for Stop Work authority to every Port employee who feels a job is unsafe.
- 14.8.D – Accident and Incident Reporting: added Near Miss reporting to assist in mitigating a hazard prior to an injury occurring.
- 14.8.E – Employee Injury Report: Added requirement to investigate every lost time injury report.
- 14.8.G – Work Place Violence policy moved to Section 14.9

Commissioner Hanson inquired whether there is an accident requirement for drug testing. Mr. Durand confirmed it is required if a human factor possibly contributed to the accident. John Burns applauded the efforts of the many people involved, including Charleston staff and the safety committee members, in pulling together these policies to ensure much safer operations for all staff and everyone involved.

Upon a motion by Commissioner Martin (second by Commissioner Farm), the Board of Commissioners motioned to approve Resolution 2019Res06 authorizing the amendments to Port Policy Manual Chapter 14: Personnel Policy Section 14.8: Safety and Accidents. **Motion Passed.**

D. 2019Res07: Adoption of Port Policy Chapter 4.3

The Port of Coos Bay currently manages multiple social media sites to communicate information to the public about Port projects, programs and activities.

A Social Media policy and internal process was created to set guidelines for the establishment and management of official Port of Coos Bay social media accounts by authorized Port employees and to set a general public notice terms of service.

Port's legal counsel and the appropriate Port Staff have reviewed the proposed policy before being presented to the Port Commission. The draft policy was included within the packet.

Upon a motion by Commissioner Farm (second by Commissioner Hanson), the Board of Commissioners motioned to approve Resolution 2019Res07 adopting Port Policy Manual Section 4.3: Social Media. **Motion Passed.**

E. Assignment of Coos Bay Rail Line Track Miles for 45G Tax Credit

Port staff has worked with Mickelson & Company in the past to arrange assignment of the Port's Section 45G tax credit on behalf of its 151 track miles of rail line to a third-party Class II railroad for allowable track mile maintenance tax credits. Mickelson & Company has again proposed to enter into an assignment agreement with the Port for the 2018 tax year.

The Short Line Railroad Rehabilitation and Investment Act of 2013, Section 45G of the Internal Revenue Code, created an incentive for the private sector to invest in rail infrastructure by providing a tax credit of 50 cents for every dollar a railroad spends on track improvements. The credit is based on a track mile formula and is limited to \$3,500 per mile of rail line owned, leased or assigned by Class II or Class III railroads at the end of the railroad's taxable year. Efforts to make the tax credit permanent have not yet succeeded, and the 45G tax credit had been repeatedly extended through December 31, 2017. Mickelson & Company anticipate the credit will be extended effective through December 31, 2018.

For 2018, Mickelson & Company has proposed to assign 151 track miles at a rate of \$2,100 per mile, or \$317,100 total. Mickelson & Company's fee for the 2018 assignment is covered by the current Professional Services agreement we have in place, and will be \$138 per mile, for a total fee of \$20,838. Total revenue to be realized for this assignment will be \$296,262. Funds from these assignments were typically deposited in the Port's General Fund to offset emergency repairs, overhead, and other expenses related to the Port's ownership of the rail line.

The final assignment agreement is pending legislative extension of the credit and will be reviewed by legal counsel prior to execution.

Upon a motion by Commissioner Farm (second by Commissioner Hanson), the Board of Commissioners motioned to approve an agreement to assign track miles for the purpose of receiving tax credit revenue under Section 45G of the Internal Revenue Code including signature authority for the Port Chief Executive Officer John Burns to execute the document, contingent on legislative extension for the tax credit and legal review of the final assignment agreement. **Motion Passed.**

F. Appointment of FY 2019/20 Budget Officer

Oregon Local Budget Law (ORS 294.305 through 294.565) governs the preparation of the Port's annual budget. Pursuant to ORS 294.331, the Port Commission is required to designate one person to serve as the Budget Officer, who shall prepare or be responsible for preparing the budget document under the direction of the Chief Executive Officer. The Budget Officer also presents a balanced budget to the budget committee, publishes all notices required by Local Budget Law, monitors budget expenditures during the budget year and notifies the governing body of the need to make any budget changes required after adoption.

Port staff recommends Port Director of Finance & Accounting Megan Richardson to be appointed as the Budget Officer for the fiscal year 2019/20 budget process.

Upon a motion by Commissioner Farm (second by Commissioner Martin), the Board of Commissioners motioned to approve the appointment of Director of Finance & Accounting Megan Richardson as the Budget Officer for the FY 2019/20 budget process. **Motion Passed.**

G. CEO Annual Performance Evaluation & Salary Increase

The Oregon International Port of Coos Bay Board of Commissioners met with Chief Executive Officer John Burns during Executive Session on January 22, 2019, to review the results of the Chief Executive Officer Annual Performance Evaluation. The Chief Executive Officer's 2019 Performance Evaluation Agreement was included within the packet.

The Commission acknowledged Mr. Burns' great efforts and diligence in accomplishments such as becoming operator of the railroad; improvement in staff morale, effectiveness, and growth under Mr. Burns' guidance; and a successful financial audit.

Based on the Chief Executive Officer's notable performance evaluation and increased responsibilities, the Oregon International Port of Coos Bay Board of Commissioners recommends an approximate 5% increase to the Chief Executive Officer's salary, retroactive to January 1, 2019.

Upon a motion by Commissioner Farm (second by Commissioner Martin), the Board of Commissioners motioned to approve an approximate 5% increase to Chief Executive Officer John Burns' salary, retroactive to January 1, 2019. **Motion Passed.**

H. Amendment to CEO's Employment Agreement

At the January 2019 Port of Coos Bay Regular Commission Meeting, the Port of Coos Bay Commissioners approved Resolution 2019Res01, authorizing amendments to Port Personnel Policy, Section 14.6: Performance Discussions, replacing annual performance reviews with One-on-One meetings.

One-on-Ones are frequent (once a week), informal, documented discussions between managers and employees to review projects and workloads, prioritize projects, set goals and expectations, discuss new/important information, provide feedback on performance, and coach.

To reflect the Port's recent policy revision of replacing annual performance reviews with frequent One-on-One meetings, the Oregon International Port of Coos Bay Board of Commissioners recommends amending the Chief Executive Officer's Employment Agreement replacing annual performance reviews with quarterly performance discussions.

Upon a motion by Commissioner Farm (second by Commissioner Martin), the Board of Commissioners motioned to amend Chief Executive Officer John Burns' Employment Agreement to replace annual performance reviews with quarterly performance discussions. **Motion Passed.**

8. OTHER

9. COMMISSION COMMENTS

Commissioner Martin stated it is noteworthy that rail operations are up to anticipated carloads in three months' time, despite the bridge being under repair.

10. NEXT MEETING DATE – Monday, March 18, 2019, 6:30pm.

11. ADJOURN

President Kronsteiner adjourned the meeting at 7:04 p.m. and entered into Executive Session to:

- (e) conduct deliberations with persons designated by the governing body to negotiate real property transactions;
- (g) consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;
- (h) consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed;
- (j) carry on negotiations under ORS Chapter 293 with private persons or businesses regarding proposed acquisition, exchange or liquidation of public investments; and
- (n) discuss information about review or approval of programs relating to the security of a number of specified structures, activities and materials relevant to the operation of the state's infrastructure.