



PORT OF NEHALEM

P. O. Box 476
Nehalem, OR 97131-0476

PORT OF NEHALEM SPECIAL BOARD MEETING March 23rd 2015

CALL TO ORDER:

Vice President Rick Dart called the meeting to order at 7:30 p.m.

Commissioners present: Lindy Scovell, and Jim Peters. Public present Loren Remy,
Secretary: Karrie Purdom

PRESENTATION:

Rick called to order this special meeting for the purpose of discussing Vern Scovells bill. Rick opened the meeting for comment and discussion.

Jim stated about 9 months ago he met with Vern and agreed the Port was to pay him \$10,000 for rental of the dredge and \$50,000 for labor. Jim said he came to the board with this proposal and the board approved. A week ago Sunday, Vern finished the dredge at 7:00 am on the deadline date of March 15th, 2015. Vern called Jim once it was completed and they were both happy it was finally done. Vern asked Jim if he could have a draw on the money owed. Jim told Vern to meet him at the Port office Monday morning at 10:00 am to pick up a check.

Jim and Vern met as planned, at this time Vern told Jim that Rick and Dale told him he could have the full \$50,000 as per the contract. Jim explained to Vern that he was only authorized to give Vern a draw at this time and knew nothing about paying him the amount of the contract in full. Jim explained he was authorized to give a draw of \$25,000. Vern said he didn't think it was enough to make his payroll. Jim suggested Vern check on the amount needed and meet him back at the Port office on Tuesday morning.

Jim explained that he had called Dale on the first of the month as a courtesy to get approval to advance Vern the \$10,000 for the rental, noting that Vern mentioned he was tight on money. Dale said by all means give it to him. Tuesday morning Vern met with Jim and said he could live with a draw of \$30,000. Jim and Rick had previously discussed this amount (\$30,000) over the phone and came to an agreement at this time to pay the draw. At this time Vern left an invoice for an additional charge of \$30,000 over and above the original contract amount of \$60,000.

Jim reminded Rick and Lindy that on February 17th, 2015 Roy Garren said that the Corps job in Garibaldi had doubled in time and cost due mostly to equipment downtime for major repairs. Jim continued, this is what pushed us up to the tight deadline. Vern arrived in the Nehalem and immediately flipped over the anchor stock. That cost us four days. The point Jim is making is that the equipment failure was the cause of the delay and the need for overtime hours in order for the job to meet its deadline. Jim also pointed out that we have never received an invoice of expenses, Vern never requested any extras, Vern just did the job and then out of nowhere submits an additional bill for \$30,000. Initially at the beginning of discussions between Jim and Vern, Vern stated that \$60,000 was a reasonable figure and that he could come in and get it done in 2-3 days.

Lindy presented a printout of both the Corps jobs at Depot Bay and Garibaldi, pointing out the price was between \$16.00-\$17.00 per yard. By paying Vern \$60,000 it breaks down to \$30.00 per yard, and by asking for an additional \$30,000 puts it up to \$50.00 per yard. Lindy commented he was shocked and offended by the cost of the dredge, but because Vern is his father, he's unable to vote. However, he is able to comment, and it is his feeling that this cost is over the top and outrageous. Lindy also presented pictures showing the material removed, noting to particularly pay attention to the sticks. Showing that there is a very small amount of sticks.

Rick asked Lindy for his opinion on how much the re-dredge should have cost. Lindy replied \$60,000 was very fair, considering the short distance he had to come from Garibaldi, the price per yard, and the fact that Vern kept saying it would only take 2-3 days.

A motion was made for a vote to pay Vern the balance of \$20,000 per the contract. Vote passed with Jim and Rick-yea, Lindy-abstained

ADJOURN: 8:40 P.M.

Attest _____
Secretary

Approved _____
Vice President