

PORT OF NEWPORT
MINUTES
June 24, 2014
Regular Meeting

I. CALL TO ORDER

Commission President JoAnn Barton called the regular meeting of the Port of Newport Board of Commissioners to order at 6:00 pm. in the South Beach Marina Activities Room, 2120 SE Marine Science Drive, Newport, OR 97365.

Commissioners Present: JoAnn Barton, President; David Jincks, Vice-President; Walter Chuck, Secretary; Dean Fleck, Assistant Secretary/Treasurer; Ken Brown, Treasurer.

Commissioners Absent: None

Port of Newport Management and Staff: Kevin Greenwood, General Manager; Barb Martin, Interim-Director of Finance; Darlene Webster, Administrative Assistant; Jim Durkee, Port Employee.

Others Present: Lee Pres; Steve Wyall, LCHS; Wadye Dudley, Newport Resident; Barb Dudley, Newport Resident; Jim Shaw, South Beach Resident; James Matheson, Umatilla II; Dick Meemer, Newport Resident; Bud Shoemake, LCHS; Larry Coonvor, Waldport Resident; Dave Morgan, News Lincoln County; Yale Fogarty, ILWU; Pat Ruddiman, ILWU; Chris Olson, Newport Marina Store & Charter; Robert Waddell; Mike Sorenson, Charter.

II. Changes to Agenda: No comments or changes to the agenda were made.

III. Public Comment: No comments made.

IV. Consent Calendar: No changes were made to the consent calendar that included items related to minutes, financial reports, special event permits, enterprise zone amendments. Accounts Payable conflict noted by Fleck and Brown.

Motion by Jincks, seconded by Chuck to approve the Consent Calendar. Motion carried 5-0.

V. Correspondence/Presentations: No presentations made.

VI. Old Business:

- A. Steve Wyatt from the Lincoln County Historical Society representing the Pacific Maritime & Heritage Center with the assistance of Bud Shoemake made an urgent plea presentation for an immediate approval to display on PMHC property the Pasley Propeller. A grant to display this propeller was nearing due date of submission but was being held back until approval from the Port to use the propeller. A conceptual drawing of how the propeller would be displayed as well as the expense it would take to construct this attraction was presented. Also noted was how the display would attract visitors to the museum and how it would be a landmark for the area. Mention that the City of Newport is in great support of this display. Due to the sizeable fund needed to construct the area to display the propeller the museum requested at least a 5 year use of the propeller to recover the expense of construction. Mentioned also was that at the end of the 5 years that it would again be brought back to the Port Commissioner board for approval to continue use by PMHC. No further comments made.

Motion by Jincks, seconded by Brown to Authorize the General Manger to approve MOU with Pacific Maritime & Heritage Center Temporary Use of the Pasley Propeller. Motion carried 5-0.

Jincks asked that the draft MOU be shared with the Commission prior to signing by the Manager.

B. IGA with City of Newport Regarding YBFP

Greenwood presented that the Port has 2 years to insure that the YBFP site comes into compliance as requested by the City of Newport. These compliance changes to the site would be made by YBFP. The City of Newport requested a schedule by August 1st, 2014 of a "Plan of Action". YBFP responded to Greenwood through previous communication that they would have sufficient time to create and present a "Plan of Action". The compliance requirements as stipulated by the City of Newport will be an inclusive part of the lease agreement with YBFP.

Motion by Chuck, seconded by Fleck to approve IGA with the City of Newport Regarding YBFP. Motion carried 5-0.

C. One-Year Lease Extension of Yaquina Bay Fruit Processing

Commission had no comments.

Motion by Brown, seconded by Fleck to Authorize the General Manager to Approve a One-Year Lease Extension of Yaquina Bay Fruit Processing. Motion carried 5-0.

D. Resolution No. 2014-06 Adopting Rates, Fees and Charges

Documents regarding the rates were re-presented to the Board for final approval. Greenwood noted that as all items are noted in detail he recommends that the South Beach rates to be lower and a requirement for a permit for those classified as "Charters" be added. Greenwood proposed a need for a resolution with direct specifications for those operating as "Charters". These Charter vessels would hold annual moorage, city business licenses, insurance, State and Federal annual permits and that a store front within the Newport city limits would validate their operation as a "business". If a charter vessel does not comply with Port requirements they would be ineligible to receive the discounted South Beach rate at the Port.

Motion by Jincks, second by Fleck to Approve a Resolution Adopting Rates, Fees and Charges. Motion carried 5-0.

VII. New Business

A. Fiscal Year 2014-15 Budget hearing (ORS 294.430)

Barton opened the public hearing on the fiscal year 2014-15 budget at 6:40pm. Greenwood discussed the NOAA cash reserves. Complete reserves were not shown in the original plan. The resolution will be \$14.8m versus \$12.8m. The Cash Reserves will be included in the budget and is the only change. No other questions were made by the commission or public. Barton closed the Budget Hearing at 6:43pm.

B. Resolution No. 2014-07 Adopting the FY14-15 Budget

No questions or comments.

Motion by Chuck, second by Jincks to Approve a Resolution Adopting the FY14-15 Budget Motion carried 5-0.

C. Award South Beach Electric Water Heater Contract

Greenwood presented to the commission the review of the current electrical system and water heaters in place and options to replace the water heaters with other types versus what is currently in use. That it would take more money to replace the plumbing to accommodate gas and recommended to remain with electric water heaters due to cost. The total cost to replace the electric water heaters would be \$13,960.00. No comments or questions were made by commission.

Motion by Fleck, second by Brown to Authorize the General Manager to award South Beach Electric Water Heater Contract to Radar plumbing for \$13,960.00. Motion carried 5-0.

D. New Leases for Chelsea Rose and Patty Mae Barge

Greenwood presented the lease agreements for each of these vessels to the board noting the clause within each lease that each vessel had "No Motor" and that this was to be a one time grandfathered clause such as the Newport Belle lease. Also included in the agreement was that the grandfathered agreement can not be carried over to new owners if the boats are sold. Both vessels would still be required to carry insurance (commercial liability) as similar to the Newport Belle lease.

Motion by Chuck, second by Jincks to authorize the General Manager to Approve New Lease Agreements with the Chelsea Rose and the Patty Mae Barge. Motion carried 5-0.

E. Resolution No. 2014-08 Filling Commission Vacancies

Resolution had been reviewed at previous meetings and consensus had been determined to bring process forward to adoption.

Motion by Jincks, second by Chuck to Adopt Resolution Filling Commission Vacancies. Motion carried 5-0.

F. Resolution No. 2014-09 Adopting Process for the Annual Performance Evaluation of the General Manager

July is GM's six month review, with annual evaluation taking place in January. This process includes performance based measures. What will also be included are the commission's goals and expectations of the General Manager. Method of establishing goals would be in either an open session or executive session meeting. The first evaluation will be in a word document format and 2nd go around will be in a "Form Type" format. The next evaluation will be in early 2015.

Motion by Brown, second by Fleck to Adopt Resolution Adopting Process for the Annual Performance Evaluation of the General Manager. Motion carried 5-0.

G. Consideration of Performance Bond Regarding Terminal Berth Deepening

Greenwood presented letters from both Teevin Brothers and Mike Haglund (Port legal counsel) regarding permit and construction schedules for the dredging necessary to allow full cargo shipments on 28k to 32k ton vessels from the International Terminal. A summary of the requirements to meet specific deadlines permit timeline, construction bidding process and negotiations, construction etc were outlined and how Teevin wished to induce all parties involved with a performance bond for this project to continue currently. Greenwood summarized that with all the variable deadlines that would have to be met for this project to meet the December 31, 2014 that it would be quite difficult and then expensive if we should not meet the deadline. The other option was to continue as we are proceeding current and having this project start operations next year. No further comments were made.

Commission agreed to not approve this performance bond and no motion was entertained.

VIII. Staff Reports:

A Departmental Reports comments:

Roof for Terminal Building has not been started yet due to scheduling.

B. General Manager's Report

Director of Finance Recruitment. Greenwood shared a step by step process with five elements of evaluation and that Grimstad & Associates would assist with a narrative survey as well. Posting of the job opening will start June 25, 2014 and run through till August 1, 2014 as the deadline for applicants. Greenwood requested two commissioners to be part of the selection committee to evaluate candidates. A proposed goal of having the new Director of Finance to start by October 1, 2014 was made.

Administration Building. Greenwood summarized the data that DH Goebel/Capri compiled from Port staff interviews and submitted information gathered. This gave Goebel data to present a clearer presentation of what floor plan requirements are needed and or recommended from the data received. Greenwood suggested that a work session on July 15th to review and discuss this information be scheduled. And to also start the discussion of the process of construction that will need to happen as soon as the drawings are approved in order to meet City code requirements.

Hoist Dock Project. The Port was unsuccessful in acquiring the "Connect Oregon" grant but much was learned as to what will need to be done to obtain a grant. Staff will review the documents and make the necessary changes and re-submit for grant approval. It seemed that the grants that passed were for larger projects. One of the changes will be to expand the project proposal. Also noted was that before the grant proposal is submitted that it be presented to the board for review.

NOAA Recreational Mitigations Projects. Projects 1 and 2 are done. The final project will soon start but we are not sure what that project will be just yet. An update to the board with more information will be presented at a later date.

Security/Information Technology Plan for Port. A field site tour has been done with both TCB and HC Networks. Greenwood noted that TCB was awarded the Chamber's "Business of the Year" for 2014 and will be expanding his services.

SB Fuel Line Update. Greenwood mentioned that all is going as scheduled. That a trench was made and a slight leak was found and that a proposed goal of both the gas and diesel lines should be back online by June 28th Saturday.

Greenwood noted that he would be going on vacation and that Rick Fuller would be his substitute onsite and that he would still make himself accessible.

VIII. Commission Reports:

Brown noted that he is on the Airport Advisory Board. Barton met with Kate Brown at the MOC-P tour with Rick Fuller and Greenwood.

X. Upcoming Meetings/Events

- A. Fourth of July Fireworks on the Bay off Floating Barge @ 10 pm
- B. Fishermen's Forum, Port Dock 7 Operations Shop, July 9th, 8:30am
- C. Lincoln County Fair & Rodeo July 11-13
- D. Barrel to Keg Relay July 12th
- E. Commission Work Session July 15, SB Marina Activities Rm, July 15th, 6pm
- F. South Beach Marina Users Meeting, SB Marina Activities Rm, July 16th, 8:30am
- G. Regular Commission Meeting, SB Marina Activities Room, July 22nd, 6pm
- H. SB Town Hall Meeting, OCCC, July 30th

XI. Adjournment

There being nothing more to come before the Board of Commissioners, the meeting was adjourned at 7:36 pm

ATTEST:

JoAnn Barton, President

Walter Chuck, Secretary/Treasurer