

**PORT OF NEWPORT
MINUTES
September 23rd, 2014
Regular Meeting**

I. CALL TO ORDER

Commission President Walter Chuck called the regular meeting of the Port of Newport Board of Commissioners to order at 6:03 pm in the Central Lincoln PUD board room.

Commissioners Present: Walter Chuck (Pos. #1), President; Dean Fleck (Pos. #5), Vice President; Ken Brown (Pos. #4), Secretary/Treasurer; JoAnn Barton (Pos. #3); David Jincks (Pos. #2).

Commissioners Absent: None.

Port of Newport Management and Staff: Kevin Greenwood, General Manager; Stephen Larrabee, Director of Finance; Barb Martin, A/R Clerk; Rick Fuller, NOAA Facilities Manager; Mike Goff, TCB; Darlene Webster, Administrative Assistant.

Others Present: Dennis Anstine, News Times; Yale Fogarty, Pat Ruddiman and Barry Tower, ILWU Local 53; Jim Shaw, South Beach Resident; Lee Fries, Newport; Hal Pritchett, Private Citizen; Dick Beemer, Newport City Council; Officer Todd Sarazin, Newport Police; Kiera Morgan, KYTE FM Radio.

II. Changes to Agenda: Removed Item VII.A. Rondy's Lease Addendum action due to further review necessary by legal counsel and commissioners. This lease addendum will be rescheduled through a special session meeting at a later date. Added letter from John Westall; added under New Business item "E" Resolution 2014-12 Designation Bank Accounts and Authorizing check Signers. Added under staff reports special use permits and director of finance report.

III. Public Comment: No public comment was made.

IV. Consent Calendar-Approval of Minutes and Financial Report:
Commission reviewed minutes from July 22 regular meeting and the financial reports.

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

V. Correspondence/Presentations:

Welcome to Kiera Morgan from KYTE FM Radio who will be audio recording this meeting and making it available on their website (<http://oregoncoastdailynews.wordpress.com/port-news>)

VI. OLD BUSINESS:

A. Financial Report-Accounts Paid

Accounts Payable conflict was noted by Fleck of "Englund Marine" and Brown of "Les Swab" who were paid this month and would abstain from voting. Greenwood recommended a quorum vote. Motion by Jincks, seconded by Barton to approve the Accounts Paid as presented. Motion carried 3-0.

B. International Terminal Unconsolidated Dredging Contract w/HME Construction

Cost estimate for dredging was included in the meeting packet relative to this project. The Army Corp of Engineers is currently utilizing HME Construction for dredge removal in the Federal channel and the bar. By mobilizing HME at present while work is still in progress for the Federal channel and bar dredging this contract attained would create a cost savings of approximately 200K of taxpayer's money than having to remobilize the equipment at a later date with HME. The HME contract cost estimate is less than 100k to complete this project. It would include water quality monitoring 100' above and 100' below the site, travidity monitoring at the tide changes during the day, inspection service charges when they use the ocean disposal site, and of course the cost of the dredging and disposal. Greenwood did send a letter thanking the Oregon Coastal Caucus for their advocacy for the International Terminal berth dredging extension. Greenwood and Barton's attendance at this conference made it a perfect venue to

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acquire the assistance the Port needed to get the necessary permits approved while the Federal Channel dredging is still in progress. This effort accomplished the ability to utilize the EPA Ocean Disposal site eliminating the future handling of the siltstone, allowing to expose the true nature of the siltstone and allowing to accurately measure the amount of siltstone being removed. By HME removing the siltstone more data will be attained in order to determine how much siltstone will need to be removed in the future which would be probably in January. As of today we did receive the Army Corp of Engineers permit, we previous received the State of Oregon permit, so we now have a dredging project moving forward. The commissioners thanked both Greenwood and Barton for all their hard work on this project. Barton commended Greenwood's vast knowledge of this project. Greenwood also thanked the commissioners for their support.

Motion by Fleck, seconded by Barton to approve the General Manager to enter into a Contract with HME Construction for the International Terminal Unconsolidated Dredging. Motion carried 5-0.

C. International Terminal Dredge Survey Contract

This item was not included in the HME proposal contract because HME felt that Pre & Post survey work should be done by others to determine the final amount of dredge material. The Port tried to acquire three quotes but could only attain two. The two quotes were only within \$100 of each other; Northwest Hydro had experience in working with HME in the past verses Marzet. Northwest Hydro was the low bid and was Greenwoods recommendation to the commission.

Motion by Fleck, seconded by Barton to approve the General Manager to enter into a Contract with Northwest Hydro Inc. in the amount of \$5,400.00 Motion carried 5-0.

D. International Terminal Mitigation Contract

The Port previously received a cost estimate from Nat McDougal to do this work at a cost of \$515K. Due to the cost and available funds this meant that more review was needed to be done. Originally Frank Berg was going to volunteer his services but when shown the nature of the project and the complexity it would entail he reached back out to DayCPM who are familiar with this effort to submit a bid. Berg requested to DayCPM that he would like to spear head this project to completion under DayCPM to help the Port. Included in your packet is the cost estimate/contract with DayCPM to finish this project. It was the hope to simply contract with a contractor but due to the complexity of this project this was not possible. Berg is available to help coordinate all parties to complete this project. Bergs knowledge of this project is very important and his efforts in keeping costs down for the Port will be instrumental in the Ports success. It was the recommendation of Greenwood to approve a contract with Day CPM and Frank Berg to complete project management related to the international terminal mitigation, addition of terminal rip rap and excavation of the NOAA Eel grass mitigation site. DayCPM will be doing all the work on this project, amendments would be made for the dike removal and then another for the culvert removal with Nat McDougal.

Motion by Jincks, seconded by Brown to approve the General Manager to enter into a Contract with Day CPM Services in the amount of \$10,000 Motion carried 5-0

VII. NEW BUSINESS:

A. Rondy's Lease Addendum-was removed for a special session at later date. Commissioners Barton and Chuck will meet with GM and Haglund to review.

B. Donate Launch Fees for Hospice Regatta.

Discussion was made that at this time authorization is given to staff to move forward and donate launch fees for this event only. It was suggested reviewing donations during the budget process.

Motion by Barton, second by Jincks to approve Port Staff to donate launch fees for the Hospice Regatta of 2014. Motion carried 5-0.

C. Approve Geotechnical Survey for Admin Building

The committee for this project is made up of Greenwood, Brown, Jincks, Rick Fuller (acting as owner's representative for this project) and Hal Pritchett who assisted Port in the NOAA project. There are two elements that need to be completed, one is for the borings on the site. The admin building has been considered a non-essential facility which is a cost savings by not having more extensive testing that would have needed to be done if it was considered essential (and essential building is classified as a hospital or fire department etc). Fuller tried to acquire three bids for this survey but only could receive two (GRI and Foundation Engineering Inc). The lowest quote and Fuller's recommendation is for \$15,500 from GRI verses Foundation Engineering Inc at \$18,160. Fuller noted that we have had a past working relationship with GRI and is very impressed with the level of detail and workmanship that he has received in the past from GRI. Greenwood added that another survey contract that is within his purchasing authority is to be done for boundary surveying at an approximately cost of \$2,700 with a company that previously completed work at the NOAA facility; other bids came in at a range of 2,000 to 4,500 for this survey work.

Motion by Barton, second by Brown to approve the General Manager to enter into a Contract with GRI in the amount of \$15,500.00 for Geotechnical Survey for Admin Building Motion carried 5-0.

D. Parking Violation Adjustment from \$15 to \$40 Resolution 2014-11

Greenwood found inconsistencies in parking violation amounts that the Port and City charges. This resolution would pull out the parking violation as a specific class violation and match the amount to the City's violation charges. Based upon input from TCB Security and Port staff both felt that the Port should be in alignment with the City. Review of signage and parking areas was conducted by Newport Court Judge to insure proper notification and exposure is being made by the Port. Approximately 74 Port infractions were recorded last month and were mainly due in part to not having a "Port of Newport Parking Permit" sticker on the vehicle. Discussion about the steep increase made some uncomfortable, but ultimately commission understood the need to standardize rates.

Motion by Jincks, second by Fleck to approve Resolution 2014-11 Parking Violation Adjustment from \$15 to \$40. Motion carried 5-0.

E. Designating Bank Accounts and Authorizing Check Signers Resolution 2014-12

Required by state statute to add Stephen Larrabee as a check signer. This resolution would be reviewed annually or as changes occur.

Motion by Barton, second by Brown to approve Resolution 2014-12 Designating Bank Accounts and Authorizing Check Signers as amended. Motion carried 5-0.

VIII. STAFF REPORTS:

A. Departmental Reports

1. Director of Finance Report

Greenwood introduced Larrabee to the commission. Larrabee gave a short introduction of himself and his appreciation to Barb Martin for her support as well as other Port staff in the two days he has been here. Barb opened with her addendum to her report with the notification from the charter vessel Umatilla that it is no longer associated with Newport Marina Store & Charters (notification came from Chris Olson of NMS&C). She posed the question as to what is the criteria set down for a reduced moorage rate as she listed on her addendum for those vessels that are going to be independent charters. Previously some standards were established as to what a charter business must do to qualify as noted on this addendum. This discussion is the beginning of establishing a policy for those who conduct a charter business while utilizing Port property but are not affiliated with a store front business. These individuals would follow certain guidelines for qualifications. A recommendation was made for staff to develop a resolution to propose to the commission on how this policy would be implemented and include guidelines and a qualification criterion. More information will be attained, developed and presented to the commission next month. The commission wants to encourage those charter operators to be forthright in notification to the Port of their business actions on Port property. But for now in light of the situation with the charter vessel Umatilla which currently has a special charter annual

rate; the Umatilla will be removed from the special annual rate and will be charged the standard recreational annual moorage rate starting at the date of separation from NMS&C. This was the consensus of the commission board for the Umatilla.

- B. General Manager's Report
 - 1. Director of Finance Recruitment

Greenwood wanted to thank everyone for their help in the recruitment process. A variety of qualified applicants did apply for this position. Martin was thanked for her assistance over the last several months. The Port is very appreciative of her efforts.

2. Ports of Newport/Toledo Goal Setting Work Session

Greenwood mentioned that they had a great number of individuals confirm their attendance for this first work session (11 of 12). The date for the work session is set for October 30th at 5:30pm at the Port of Toledo offices. Some of the items for discussion prior to the meeting are reviewing some infrastructure projects that benefit both Ports customers, who are the individuals who use both Ports and how can we maximize as those two Ports more services. Some of the highlight points to cover are to develop an understanding that both Ports would support each other with letters/advocacy supporting grant and permit applications. The two would continue the "New" Yaquina Cup cardboard boat race in the future as a way to bring the two Ports together. Commissioners did not have any more to add except that the first item on Greenwood's list was very important to accomplish in these work sessions. Greenwood also noted the meetings will be held at times "out of district" for one group or another and that public meeting law regulations say that any goals/decisions that come out of the work session must be formally adopted at a regular meeting within the district boundaries of each perspective Port (this was confirmed with SDAO).

3. Port Attorney Evaluation

Greenwood noted that current Port By-Laws state that "Commission shall review the adequacy and job performance of the Port's legal counsel no less than every five years". This is new for both the Port and for Pete Gintner (legal counsel). Greenwood's recommendation as part of the process is to review approximately six areas that Gintner has helped the Port on (commission counsel, public contracting, contract review, marine vessel seizure compliance, facility codes, resolution and ordinance form). But there are other areas that can review the quality of work. For example, response time to questions, has counsel/advice produce any negative or positive consequences, acknowledges areas of less expertise and give recocomendation for other counsel and billing expectations are at a fair rate and making sure that there are no surprises. Greenwood noted it is difficult to evaluate a professional when you are not part of that profession. The recommended approach would be that he would have a meeting with Gintner and would discuss the areas mentioned. Results would be shared with the commission and staff for final comments. In Greenwood's research he did not find an already developed evaluation process/format for larger municipalities. A request was sent to other Oregon ports but none had a similar process. In most cases legal counsel is on staff and they are evaluated as an employee. Barton recommended that some bona fide method of evaluation needs to be developed in order to know if you are getting the best representation by legal counsel and noting that this may be uncharted territory but some form of development without question should be done. Jincks mentioned the past attornies for the Port that they have had and the levels of expertise we may have needed at that time and over the course due to budget restraints how less we may have needed legal counsel to be present to every meeting as an example or the level we currently need legal counsel currently, since Port staff could facilitate some functions. But when the Port does need specialized legal counsel they have attained legal counsel for that specific need i.e. Mike Haglund for the Terminal project. We definitely want a local attorney to be on hand, so the question posed by Jincks is what areas of counsel do we need a local attorney for? Commission's consensus is that Greenwood is on the correct track and to continue as proposed.

4. Rogue Brewery Expansion

Greenwood presented the request of the next phase of expansion from Rogue in the form of 40,500sf to their warehouse of which one third will be cold storage. Greenwood did propose other site options as follows to Rogue: RV Park Annex (3.46 acres), Fuller's Lot (2.0 acres) and McLean Point (8.0 acres). PUD has about 10 acres as well. Greenwood mentioned that this is part of Rogue's ten year plan of expansion and if given the go ahead they would build tomorrow. The reason why Greenwood invited Lorna Davis of the Chamber and staff was some interest

was made by the Chamber in acquiring a more permanent home for the Seafood and Wine event. Lorna did ask Rogue if there would be a possibility as they have done in the past to host the event within the Rogue building. Rogue would consider a ten year arrangement as a possibility. But the amount of square footage available would still limit the event in square footage since one third of the building will be cold storage but is an option for the Chamber. The consensus by the commission was to get more information and bring this back again in a special meeting.

5. Security Upgrades

Greenwood thanked the representation at this meeting by TCB and Newport Police. Presentation of all the security upgrades completed due to the Sept 8th break-in was reviewed. The loss of \$6,100 was not as great as the loss of Port back up data through this theft. And that each facility has been given the task of developing and submitting within 30 days an updated "Closing Procedure" process and that Larrabee will coordinate how information is backed up and how our information is transported etc.

6. Insurance Renewal

Mentioned again to the commissioners and encouraged by Greenwood for everyone to take the "insurance" training so we can receive an insurance credit. All of the commissioners have taken advantage and completed the one hour DVD's available at the Port Admin office and or have attended conferences. Everyone has confirmed completion so the necessary paperwork to receive credit for this training taken can be processed. In addition commissioners were given the flyer for the next SDAO Conference for 2015 training. The conference is in Eugene February 6-8, pre-registration is required. Those that have completed the 2014 training are as follows with date of completion: Chuck 4/23 ("How to be a Commissioner" in Toledo); Fleck 9/23 ("Public Meetings" via CD); Brown 2/9 (SDAO training in Seaside); Barton 9/23 ("Executive Director Performance Evaluation" via CD); and Jincks 9/23 ("Duties, Responsibilities and Liabilities" via CD), so we should qualify for our 10% savings.

7. Special Use Permits

Greenwood presented last minute special use permits (3) U-DA-MAN Fishing Tournament, Newport Rotary Trick or Treat Monster Feet 5k run and The Bay to Brews Half Marathon 10k. Mentioned that traditionally that the Port commission has signed those agreements but would like the authorization formalized with a motion of approval from the commission.

Motion by Barton, second by Fleck to approve the General Manager to approve the Special Use Permits for the three events listed. Motion carried 5-0.

IX. COMMISSIONER REPORTS:

Fleck encourage everyone to attend and or help with the "U-DA-MAN" fishing tournament on October 4th and was apologetic that it fell on the first day of deer season but that the 4th was the better day due to current conditions. Chuck attended the "Council of Governments" meeting and felt it was well presented. Barton commented on the process that Greenwood and supporting staff conducted the director of finance interviews. The process was very good and was impressed with the caliber of applicants that applied. Barton also mentioned that she will not be renewing her membership in June with the "Yaquina Bay Ocean Observing Initiative (YBOOI) and would like another commissioner to take her place. Chuck will be added to "Cascade West council of Governments".

X. PUBLIC COMMENT:

Jim Shaw reminded everyone to attend the grand re-opening of the Newport Municipal Airport on October 18th and how excited the members of the Lincoln County Pilots Association group are of the new runway. Shaw also read a contribution notice for the late Doug Nebert who passed away in May 2014 during a flight to Seattle with family on board.

XI. UPCOMING MEETINGS/EVENTS: Calendar was reviewed.

XII. ADJOURNMENT

There being nothing more to come before the Board of Commissioners, the meeting was adjourned at 7:40 pm

ATTEST:

Walter Chuck, President

Ken Brown, Secretary/Treasurer