

PORT OF NEWPORT MINUTES
April 28, 2015
Regular Commission Meeting

I. CALL TO ORDER

Commission President Walter Chuck called the regular meeting of the Port of Newport Board of Commissioners to order at 6:00 PM at the Yaquina Bay Yacht Club.

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

Port of Newport Management and Staff: Kevin Greenwood, General Manager; Stephen Larrabee, Director of Finance; Roxie Cuellar, Administrative Assistant; and Vanessa Anderson, South Beach staff.

Members of the public and Media: Russ Glascock; Newport City Councilor Ralph Busby; Patricia Patrick-Joling, incoming commissioner; Stan Pickens; Michael Wilkinson; Jim Shaw; Barrett Tower; Bob Ward, Newport Chief of Police Mark Miranda. Kiera Morgan and Dennis Anstine represented the media.

II. CHANGES TO THE AGENDA

The commission had been informed by email of a potential addition to the agenda about the need for a new pay station at the South Beach Marina. However, staff was unable to get the three required bids prior to the meeting, so the commissioners would not be able to act. The General Manager anticipates there will be a special meeting on the topic because of the need to have a functioning pay station before the halibut season begins on May 14th.

III. PUBLIC COMMENT

Michael Wilkinson, owner of the Newport Belle, told the commissioners that he had not had a lease with the Port for several months. He took issue with the fact that other boats moored at South Beach can reduce their moorage costs by paying annual or semi-annual fees, while he could not. He said he felt that the basic terms of the lease could be worked out, but felt that he should be eligible for the long-term moorage rates. Chuck recommended that he meet with the General Manager to resolve the terms of the lease.

Newport Police Chief Mark Miranda provided the commissioners and the general manager with copies of the Newport Police Department's Annual Report. He noted that Officer Kittson was retiring and there would be a retirement party for him at City Hall on the 29th. He reminded the

commissioners that the Loyalty Day Parade begins at 11:30 AM on Saturday and Highway 101 will be closed for several hours.

IV. CONSENT CALENDAR

Commissioner Brown requested that Item D, Transfer of Ownership of Sea Lion Dock from Foundation, be pulled from the Consent Calendar. The General Manager moved the item to the beginning of Old Business. **A motion was made by Jincks, seconded by Fleck, to approve the remaining items on the Consent Calendar. The motion Passed 5-0.**

V. CORRESPONDENCE / PRESENTATIONS

The General Manager reported that the Port's insurance company settled the Bishop case by paying Bishop \$2,500.00 to avoid the cost of a trial. The other party also contributed \$2,500.00 to the settlement. Jincks noted that the Port needed to take away from the lawsuit how employees approach the public.

The General Manager said that Frank Berg's submission is a summary of the construction costs on the International Terminal, although there are still a couple more reports for him to produce. The Port will just about break even on the construction costs. The GM explained that the Port will need to transfer \$149,000 out of the NOAA Construction Fund, leaving a balance of \$100,000 for other construction projects or transfer the money to the Facilities Reserve Fund. He said that staff was looking at options as part of the budget process. Barton recommended that the Port set the money aside for future maintenance at the International Terminal. Both Fleck and Jincks agreed with her.

The General Manager thanked President Chuck for facilitating additional support for the South Beach recreational access improvements. Chuck thanked the Oregon Boating Foundation for the letter of support it provided. The GM said that Rick Fuller, NOAA Facilities Manager for the Port, is starting to meet with the Army Corps of Engineers on the project.

The General Manager explained that Peggy Hawker, City of Newport, had sent a letter asking that someone from the Port sit on the Community Visioning Work Group. The GM said that the first meeting would determine the scope of the work. Ken Brown agreed to serve, with General Manager Kevin Greenwood as the alternate.

VI. OLD BUSINESS

A. Transfer of Ownership of Sea Lion Dock from Foundation

The commissioners took up the transfer of ownership of the sea lions dock to the Port from the Sea Lion Foundation that was removed from the Consent Calendar. Commissioner Brown expressed concern that the ownership of the sea lion dock would be transferred to the Port before

the project was completed. Stan Pickens, from the Sea Lion Dock Foundation, said that the docks are finished and that the pilings for the viewing deck are also done. This agreement would only transfer the dock and there would be a separate agreement when the viewing deck is finished. Commissioner Brown asked if the Foundation did not have enough money yet to finish the viewing dock, where would the Foundation get the money to reimburse the Port for the maintenance of the dock? Bob Ward, from the Foundation, noted that they currently have some money for repairs and that the Foundation is constantly raising money. He said that the mechanics of how the repairs and reimbursement would work still needed to be worked out. Commissioners expressed concerns about whether the Port or the Foundation would make the decisions about needed repairs once the ownership was transferred to the Port. Fleck felt that once the transfer is made, those decisions should be made by the Port. He also recommended that maintenance money be set aside by the Foundation so they could reimburse the Port when needed repairs are done. Chuck suggested that the transfer be postponed until all the construction is completed. Barton urged the Foundation to begin a maintenance fund immediately because docks can begin to deteriorate very quickly. Jincks agreed that the Foundation needs to set up a maintenance fund immediately and he also had a problem with the transfer of the dock ownership before all of the work is completed on the viewing dock. Pickens said that he did not see a problem with postponing the transfer until all construction is completed. Ward expressed concern that there has always been an understanding that the transfer would occur, but there was nothing in writing to that effect. He said one advantage to doing the transfer now is that would reduce the intent to writing. Everyone agreed to have the General Manager work with the Foundation on a maintenance agreement.

B. Accounts Paid

Barton made a motion, seconded by Jincks, to accept the Accounts Paid. Fleck and Brown announced conflicts of interests because of payments made to Englund Marine and Les Schwab. Motion passed 3-0.

C. Resolution setting Rates, Fees, and Charges (ORS 294.160)

The General Manager stated that there were no significant changes made since last month. He expects the commissioners will be asked to adopt the resolution at their regular meeting in May or June.

D. Resolution Adopting a Public Records Policy (ORS 192)

The General Manager explained it was good policy to adopt the resolution. The Port's insurance carrier provides a 2% reduction in premium costs if such policy is adopted. All commissioners will have email addresses on the Port server. The cost for records requests are contained in the Resolution for Rates, Fees, and Charges. **Commissioner Brown made a motion, seconded by Jincks, to approve the Resolution Adopting a Public Records Policy. The motion passed 5-0.**

VI. NEW BUSINESS

A. Resolution Adopting a Background Check Policy for Port Services

The General Manager informed the commissioners that two Port employees, Penny Gabrielson and Vanessa Anderson, had attended the Pacific Coast Congress Conference in Astoria. Vanessa Anderson provided a brief description of what they learned at the conference, especially about what other Ports are doing. She said that Winchester Bay used inmate labor to save money on repairing its docks. The Port of Seattle's recreational marina, Shilshole Port, was working on donating derelict vessels to the school district. The General Manager thanked Vanessa for her work on the resolution. Commissioner Brown observed that persons who feared they would not pass the background check could simply make a reservation for 29 days and then make a new reservation two days later. Jincks felt the resolution is a good step forward. **Barton made a motion, seconded by Jincks, to approve the resolution adopting a background check policy for port services. The motion passed 5-0.**

B. Lease-Option Agreement with Teevin Bros.

Eric Oien, Teevin Bros., told the commissioners that Teevin is committed to the Newport community and they have been working closely with the Port's General Manager, Kevin Greenwood. The General Manager said this would be a Port project on nine acres of Port property. However, as the Port applies for grants, it adds credibility to the project if the Port has solidified an agreement with a potential lessor. He has been receiving many calls from Oregon officials who have been inquiring about the progress of the project. Commissioner Jincks wanted to verify that the commissioners would only be approving the lease-option and not the lease outline. Oien clarified that the lease-option refers to the lease outline, so there is a connection between the two documents. The GM told the commission that Haglund, the Port's attorney, had been involved in the development of the lease-option and discussed various elements. Section 2(b) speaks to termination rights and requires that the lessor has to actually be using the leasehold. Section 3(a) speaks to the base rent, which includes the CPIs. Barton expressed concerns that Section 5 speaks to the use of the project for log shipments and asked if the project would be limited to that use. The General Manager explained that Teevin handles containers which provide other shipping options. He pointed out the value that the Teevin equipment would provide to other shippers. Commissioner Jincks said he did not have a problem as long as the commission was only adopting the lease-option and not the lease. The General Manager said that there is a lease that would be adopted after the project is completed. **Jincks made a motion, seconded by Fleck, to approve the lease-option with Teevin Bros. The motion passed 5-0.**

C. Non-Disclosure Agreement with Teevin Bros. for Engineering Records

The General Manager explained that this agreement allows the Port to receive documents from Teevin Bros. Chuck recommended that a small task force be created to work on the project and

the General Manager agreed, noting it would be similar to the advisory role that Commissioners Fleck and Jincks have served in the negotiations with Rogue. Chuck and Brown offered to serve in that capacity on the Teevin project. Chuck also recommended that there be a User Committee, similar to the committee that served on the International Terminal project. The General Manager said he would probably delegate that matter to Jim Durkee, Operations Supervisor for the International Terminal. **Barton made a motion, seconded by Jincks, to adopt the non-disclosure agreement with Teevin Bros. for engineering records. The motion passed 5-0.**

D. Bids on Hoist Dock Crane Repair

The General Manager told the commissioners of problems with the #4 hoist at the public dock and said it would not be a small project. Kevin Bryant, Commercial Harbormaster, got two bids but was not able to get a third. HALCO was asked to submit a bid but did not do so. The GM said the crane is thirty to forty years old and it is a case of deferred maintenance. Commissioner Jincks felt he had seen bidder Dan Laks' name on the Accounts Paid as someone who had done small projects for the Port in the past. The other bidder, Yaquina Boat Equipment (YBE), according to Jincks, Fleck, and Brown, is a very good company that rebuilds cranes and would be there if the Port needed it. The General Manager suggested that since there would be a special meeting on the new pay station, that this item could be deferred until then to give staff additional time to conduct more background on the bidders, especially since YBE was not the low bidder. Jincks emphasized that he supported all businesses. The commission agreed.

E. Resolution for Donation of Sick Leave Hours

The General Manager told the commissioners that this would be an amendment to the 2000 Personnel Manual to allow co-workers to donate sick time to other workers. The General Manager said he supported the change because it also provided protections for the employees donating their hours. Chuck asked if this would apply to maternity leave; the GM said it would apply to all definitions allowing sick leave. Barton said she applauded this as a step forward. Jincks agreed with her. **Fleck made a motion, seconded by Barton, to approve the Resolution allowing the donation of sick time to co-workers. The motion passed 5-0.**

VIII. STAFF REPORTS

A. Department Reports

Barton noted that Rick Fuller's monthly report on NOAA MOC-P said there would be more dredging. She asked if that meant the docks were filling with sediment. If that is the case, she felt that the modeling used prior to construction was inaccurate. The General Manager said the Port was probably looking at dredging every two to three years. Jincks asked if the Port was committed to dredging or was considering other options, such as deflectors to keep the sediment from building up. The GM said that the southern ports were exploring the possibility of purchasing dredging equipment. He said that the Port was looking at all of its options.

Brown referred to the report of Kevin Bryant, Commercial Harbormaster. Brown asked what revenue would be lost if the Port lost 190 feet of dock on Port Dock 7. The General Manager said that part of the dock was currently closed off. He said he was more concerned about the loss of the footprint and the loss of mitigation opportunity. Jincks noted that there is a lot of expense involved in demolishing docks.

B. General Manager's Report

1. Rogue Brewery Expansion

The General Manager said the parties are waiting on the second request for the engineering costs for the improvements; the engineers were asked to resharpen their pencils. He hopes to have a proposal to put before the commissioners next month.

2. Port Vision Plan

The original vision plan was for South Beach. The General Manager said the Port should now include McLean Point and the bay front in the Plan. The additional cost would be covered by the grant approved in the Consent Calendar. He anticipates that the work on the Plan would occur from January to June of 2016. Jincks agreed that the Plan should include the expanded area. He also recommended that the Plan include an actual count of parcels by their zones or planning designations so the Port knows what lands are available to the Port for different uses.

3. Boat Auction Summary

The General Manager told the Commission that the Port had taken a different approach this month with the sale of confiscated vessels. Because the boats were not worth the money the owners owed to the Port, the Port did not put in a bid. In the past, the Port would bid the amount owed and scare off other potential buyers who would not bid that amount on vessels that were worth less. Then the Port would be left holding a boat that it had to remove from the harbor. In this auction, a bidder paid the Port for the boats and also agreed to remove them, so the end result was that the Port lost less money. Commissioner Brown asked if we could try to recover the difference between the amount that was owed to us by the previous owners and what we made at the auction. The General Manager said that in the past the Port has not attempted to do that, but it is possible that the debt could be turned over to a collection agency. He said he would look into it.

IX. COMMISSIONERS' REPORTS

Commissioner Fleck said that his employer, Englund Marine, had asked him to be on an advisory committee for the State Marine Board and that he would keep the commissioners up to date of relevant issues. Chuck said that he and the General Manager had met with Admiral

Lopez when she was at NOAA and she had given them good insights. They had also met Captain Doug Baird, Commanding Officer of MOC-P, and the General Manager would continue to work with him.

X. PUBLIC COMMENT

There was no additional public comment.

XII. ADJOURNMENT

Having no further business, the meeting adjourned at 7:10 PM.

ATTEST:

Walter Chuck, President

Ken Brown, Secretary / Treasurer