

PORT OF NEWPORT MINUTES

November 17, 2015

Regular Commission Meeting

I. CALL TO ORDER:

Commission President Walter Chuck called the Regular Commission Meeting of the Port of Newport Board of Commissioners to order at 6:00 pm at the South Beach Activities Room, 2120 SE Marine Science Drive, Newport, Oregon.

Commissioners Present: Walter Chuck (Pos. #1), President; Ken Brown (Pos. #4), Vice-President; David Jincks (Pos. #2), Secretary/Treasurer; Stewart Lamerdin (Pos. #3); and Patricia Patrick-Joling (Pos. #5).

Management and Staff: Kevin Greenwood, General Manager; Stephen Larrabee, Director of Finance; Rick Fuller, Director of Operations; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: Barb Dudley; Wayne Dudley; Ralph Busby, Newport City Council; Pat Ruddiman, ILWU; Yale Fogarty, ILWU; Dennis Anstine, Newport News-Times; Kiera Morgan, News KYTE/KNPT; Lee Fries; and John McKinney.

II. CHANGES TO THE AGENDA:

There were no changes to the agenda.

III. PUBLIC COMMENT:

There was no public comment at this time.

IV. CONSENT CALENDAR

- A. Minutes: Regular Commission Meeting 10/27/2015.
- B. Financial Reports
- C. Lease to Leslie Lee, Inc. 2016
- D. Design Space Modular Building Lease
- E. Special Use Permit & Location Release Original Productions, LLC
- F. Declaration of Surplus Property

Jincks asked to remove item E from the consent calendar. Greenwood referred to pages 23-28 in the meeting packet for the related documents. Patrick-Joling asked about the increased fees in the financial report; Larrabee explained they were implemented to round the fees to fifty-cents or whole dollars.

A motion was made by Brown and seconded by Jincks to approve the revised consent calendar. The motion passed 5 – 0.

V. CORRESPONDENCE/PRESENTATIONS

Greenwood referred the Commissioners to the letter from Paula Harkin which summarized the Bay to Brews event, and said that she had already applied for a Special Use Permit for the event in 2016.

VI. OLD BUSINESS

A. Items Removed from Consent Calendar

In reference to item E, Special Use Permit & Location Release Original Productions, LLC, Jincks expressed concern and asked if the lease provided exclusive access or if the production company was aware of the needs of the commercial fishery. Greenwood and Fuller advised that they had met with the coordinators to discuss safety and the fact that this was an industrial zone, and that the production group had experience working with fishing docks. Lamerdin asked if there was a mechanism for complaints, to which Greenwood replied the dock users could speak with either Kevin Bryant or himself if there were any problems. Greenwood recommended the Commission make a motion to approve the Permit and Lease.

A motion was made by Patrick-Joling and seconded by Brown to approve the Special Use Permit & Location Release for Original Productions, LLC. The motion passed 5 – 0.

B. Accounts Paid

A motion was made by Patrick-Joling and seconded by Lamerdin to approve the Accounts Paid. The motion passed 5 – 0.

VII. New Business

A. Personal Services Contract with Stuntzner Engineering for Shipping Terminal Consulting

Greenwood said that Teevin would be turning over responsibility for McLean Point plans, which are 95% complete. The Port would work with the City of Newport on submitting for building permits this week. SHN Engineering has completed their work on the project. Greenwood recommended that the Commission approve a contract with Stuntzner Engineering to bring the permits to completion. Patrick-Joling asked if the quoted fee of approximately \$8,000 was a firm number, to which Fuller replied that quote was a “not to exceed” amount.

A motion was made by Patrick-Joling and seconded by Jincks to award a Personal Services Contract with Stuntzner Engineering for Shipping Terminal Consulting.

B. Review Development Agreement (ORS 94) for Construction of Shipping Terminal

Greenwood informed the Commissioners that he was working with Derrick Tokos of the City of Newport on a Development Agreement to assist with International Terminal development issues, including deferring permitting fees (approx. \$100K or more) until grant funds are received. There is also an opportunity to look at siting for utility easements. This was presented to the Commission for information only; the agreement has not yet been drafted. There is a City Council meeting on December 8, 2105, where the city’s approval would be sought. Greenwood suggested a Special Meeting be scheduled to review and accept the agreement.

C. Review Draft Financial Reports and Management Representation Letter for Annual Audit

Larrabee advised the Commissioners that the audit went smoothly. He mentioned some of the highlights:

1. Revenues are up and expenses are down from the previous year, and the dock replacement was able to be made from the surplus;
2. NOAA broke even this period as compared to a loss of the previous period, even while covering the eel grass mitigation costs;
3. The Construction Fund was utilized for the completion of the International Terminal project;
4. The Facilities Maintenance fund was and will be used for continuing maintenance.

The laws have changed for PERS liability, which used to be a state obligation and is now an obligation of the Port. The final audit has not yet occurred. Greenwood asked the Commissioners to review the audit documents before they are finalized and make any comments or corrections as needed. Greenwood referred the Commissioners to the Representation Letter to be signed by the President and Secretary/Treasurer. Greenwood recommended the Commissioners move to approve the financial statement as amended and authorize the President and Secretary/Treasurer to sign the Representation Letter.

A motion was made by Brown and seconded by Jincks to approve the financial statement as amended and authorize the President and Secretary/Treasurer to sign the Representation Letter.

D. Rogue Lease Second Amendment

Greenwood provided an update to the Commissioners on the Rogue lease, referring to the Lease Draft and Letter in the packet. Greenwood had spoken with Brett Joyce of Rogue and will continue to discuss the lease. Joyce requested that Rogue's construction be completed in two phases, the first next spring and the 2nd in 2018. Rogue estimates the costs to be \$420K, although plans are not yet complete. This would mean an amount of \$210K for the Port's share which would be abated by the Lease. Patrick-Joling requested that Greenwood verify Rogue's insurance covers the additional square footage.

VIII. DEPARTMENTAL REPORTS

A. Director of Finance

Greenwood said the Port is looking strong, with South Beach up 14% from last year. Patrick-Joling suggested "storm watching" as a way to boost business in the off months. Brown asked if the Kiosk perhaps was promoting more participation.

B. Director of Operations

There were no questions on the Director of Operations report.

C. General Manager

1. McLean Point Shipping Facility Power Point

Greenwood presented the slide show in the packet, prefacing that this would be presented approximately 50 times, including last Thursday's presentation to the Rotary Club, for the most part to people who were not familiar with Newport. Greenwood commented during the presentation that: there is a significant Federal presence in Newport; the images of Port properties

focused on McLean point; the International Terminal will be a public facility including equipment and surge area rental; there are 40+ trade associations interested in the facility; may see significant business with the closure of Terminal 6 in Portland, although the Terminal will be for near shore shipping; the site is clean but the Port needs to remove 20,000 cubic yards of unbuildable material; wetlands are affected and will require mitigation; utilities, asphalt and fencing will be needed; will provide advantages to the Hall family who can further support industry; TIGER funds are the only committed funds at this time and depend on the Port finding other non-federal money; construction is planned to begin in 2017, with all permits now approved, some of which need modification; and additional information is available on the Port's website.

Greenwood asked the Commissioners for feedback. The Commissioners suggested: including hi-def photos available from Jincks; add the presence of OSU and Hatfield Marine Science Center in Newport; repeat the image of the area on the first slide on the last slide; and perhaps include dredging photos. Greenwood asked the Commission to send him any additional comments.

Chuck added that the next presentation will be 12/3/2015 to the Oregon West Council of Governments. Brown will attend along with Greenwood.

2. USCG Helo Update

Greenwood advised that there is some pushback on the Coast Guard Authorization bill. Representative DeFazio is working the conference committee; the process will be political. There are no updates on the fast response cutters, which is not a part of the current conversations.

3. See VI. A.

4. PERS Employer Town Hall Meeting Itinerary, not eligible for SDAO training credit..

IX. COMMISSIONER REPORTS

Chuck reported he attended a TIGER meeting which provided an interesting perspective, and he attended a meeting with Greenwood and Fuller regarding Teevins which was productive.

X. CALENDAR/FUTURE CONSIDERATIONS

- A. 11/20 Cape Perpetua Land-Sea Symposium
- B. 11/26 Newport 4th Annual Turkey Trot
- C. 11/26 – 11/27 Thanksgiving Holiday – Port Office Closed
- D. 12/10 Port of Newport Holiday Party
- E. 12/23 Regular Commission Meeting
- F. 12/25 Christmas Day, Port Office Closed

The Commissioners agreed to reschedule the December 2015 Regular Meeting to Tuesday the 15th to avoid conflict with the holiday.

XI. PUBLIC COMMENT

John McKinney commented that he would like Newport to declare it is a “green” port, and that Teevin not clear-cut the area, as had been done in the past, but rather to even out the cutting so that that trees remained. He also asked for consideration for a bike trail.

Lee Fries asked that the Port not forget the fishing fleet in developing the McLean Point plans.

XII. ADJOURNMENT

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

ATTESTED:

Walter Chuck, President

David Jincks, Secretary / Treasurer

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