

PORT OF NEWPORT MINUTES

12/15/2015

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; and David Jincks (Pos. #2), Secretary/Treasurer. Stewart Lamerdin (Pos. #3); and Patricia Patrick-Joling (Pos. #5) were absent.

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: Ralph Busby, Newport City Council; Yale Fogarty, ILWU; Pat Ruddiman, ILWU; Jim Shaw; Kiera Morgan, News KYTE/KNPT; Barb Dudley; K.J. Konink; Nick Johnson; and Dennis Anstine, Newport News-Times.

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 11/17/2015.
- B. Financial Reports
- C. Contract for Design Space Modular Buildings (\$5803.00)

Jincks said he had some questions; there was no contract for modular buildings in the packet. Item C was removed from the Consent Calendar.

A motion was made by Jincks and seconded by Brown to approve the revised Consent Calendar. The motion passed 3 – 0.

V. CORRESPONDENCE/PRESENTATIONS

A. **Signe Grimstad, FY 2014-15 Audit.** Greenwood advised that there is a copy of the Financial Statements and Independent Auditor's Report posted online and filed with the Department of Revenue. Greenwood thanked Larrabee and staff for their hard work, and the Commission for their support, in the successful audit process.

B. **U.S. Coast Guard – FRC.** Greenwood referred to the letter saying it was not surprising. There are no findings or indications of when there will be more information. Greenwood said he had followed up with Representative Schrader who had no additional information.

VI. OLD BUSINESS

A. Items Removed from Consent Calendar

In reference to item C, Contract for Design Space Modular Buildings (\$5803.00), Greenwood noted that the staff report was not included in the meeting packet. Greenwood said the temporary permits expire at the end of December, 2015, for the Administrative and Customs temporary structures. The Customs building is in the flood plain and will require approximately \$5800 to convert to a permanent structure. The Administrative building is not in the flood plain. Greenwood added it would take 3 – 4 weeks to reach an agreement with the City. Jincks was fine with approving the contract. Brown had spoken with Fuller. Fuller said that engineers were required for the design and Design Space Modular Buildings was consulted for this. For the Customs building, new tie downs will be needed, the electric and plumbing will need to be sealed, the skirting will need to be flood resistant with baffles. For the administrative building less work will be required; more stands and cinder blocks along with removal and reinstallation of the skirting will be required. Jincks asked if \$5803 represented the total cost. Greenwood advised there are two contracts, one for the customs building for \$5803 which exceeds his purchase authority, and another for the administrative building for approximately \$3600. Jincks asked where the money was coming from to which Greenwood responded the general fund materials and service would be used. Jincks said he was okay with approving the renovations.

A motion was made by Brown and seconded by Jincks to authorize contracting for the renovations to the modular buildings to comply with code. The motion passed 3 – 0.

B. Accounts Paid

Ken Brown declared a conflict of interest because of payments made to Les Schwab. In order to have the quorum needed to pass, Brown voted on the motion. A motion was made by Jincks and seconded by Brown to accept the accounts paid. The motion passed 3 – 0.

C. Authorize Application to Finance Systems Development Charges

Greenwood referred to the packet document provided a summary of the status of the International Terminal Shipping Facility (ITSF) project. Greenwood also presented design boards to be used in presentations. Greenwood sought authority from the Commission to finance the Systems Development Charges of approximately \$118K, most of which was for required site improvements. Greenwood expressed thanks to the City of Newport for offering this financing option. The TIGER grant funds are not available at this time. The financing would allow for payment in full by December, 2016. Derrick Tokos with the City of Newport has been supportive in this process. Brown asked what if the ConnectOregon grant was not received. Greenwood responded then there would be no project; other funding may be applied for if that happened.

A motion was made by Brown and seconded by Jincks to authorize the General Manager to submit the Application to Finance Systems Development Charges. The motion passed 3 – 0.

Jincks questioned the name of International Terminal Shipping Facility and the lack of specifics of the log yard on the design boards. Greenwood replied the grant application was designed to show a multi-product facility. Jincks said that the grant specified the log yard, and this design did not show that; the images did not show the “facility”, but rather an overall picture of the terminal. Greenwood added that the presentation

would include details of the project; these design boards would be placed at an entrance to the presentation area. The grant application is for the “International Terminal Shipping Facility.” The design boards showed the Port’s 9 acres as well as the Hall property of 33 acres, the relationship of the properties to the terminal, the surge area, and the opportunities for other investors and businesses. Jincks said he had hoped the boards would show more specifically the Port’s facility and the log yard.

D. Rogue Lease Second Amendment

Greenwood said there was a lot of interest from Rogue in the last 24 hours, including application for a conditional land use permit. Greenwood suggested this would be a good time to schedule a meeting for the ad hoc committee. Greenwood will follow up and provide details, and will meet with Fuller, Brown and Jincks. Greenwood advised the conversation with Rogue is active.

VII. NEW BUSINESS

There was no new business.

VIII. DEPARTMENTAL REPORTS

A. Director of Finance

Larrabee referred to the next scheduled budget session.

B. Director of Operations

Chuck asked if there was a time line for permits for pile replacement. Fuller responded that the Port has received U.S. Army Corps of Engineers approval but is waiting for the Department of State Lands, which has up to January 24th to respond. Fuller is in contact with engineers and two contractors are interested. Fuller added an updated to the NOAA MOC-P hydrology modelling. He received a proposal for Pacific Habitat Services (PHS), so the Port will seek permitting for dredging next year. Fuller asked the Commission if they wanted to open up the discussion of advanced maintenance portion of the dredging at a cost of approximately \$2K. Fuller suggested considering whether to proceed with the permitting process at this time or whether further analysis of the negative impacts of deep dredging should be undertaken. Perhaps the Port could seek permitting that would extend for 10 yrs. PHS has proposed \$9,968 for consultation. Fuller will present this to Greenwood. Fuller asked the Commission to advise the direction they wished to take. Jincks asked how many yards it would entail. Fuller said he guessed 20K – 30K yds. KPPF advised that if proceeding with the lower dredge levels, more piling and structural issues would be considered. Jincks said any steps forward would be in the right direction but fact finding was needed.

C. General Manager

Greenwood advised that a blank General Manager Evaluation Form was included in the packet along with last year’s tabulated results. He asked that the Commissioners turn in their completed evaluations to Chuck by January 18th. Chuck said he would be out of town the week of January 19th and asked if Brown would accept the evaluations; Brown agreed to do so. Greenwood will provide forms to the Commissioners, and added the goals and projects suggested for next year would be helpful. The Resolution for Rates, Fees and Charges along with the Budget Calendar for next year was submitted in the packet for approval in January 2016. Greenwood asked for feedback on replacing the budget committee members for the expired positions. Jincks and Brown agreed that Fred Postelwait and Mark Collson, whose terms were expired, be approached first. Greenwood commented that the effort to save the

Coast Guard Air Facility, announcement from Oregon's Congressional Delegation included in the meeting packet, has been over a year in the making. He also introduced the Annual Report draft for edits. Greenwood said he had worked with Lamerdin and Patrick-Joling to make sure they were available for the SDAO training on the Calendar.

IX. COMMISSIONER REPORTS

Chuck said he and Greenwood had met with Hampton Lumber, who were not supportive of the ITSF. They were not favorable to the competitive Terminal, and did not value how the project would support commercial fishing.

X. CALENDAR/FUTURE CONSIDERATIONS

There were no changes to the Calendar/Future Considerations.

XI. PUBLIC COMMENT

Fogarty commented that Hampton Lumber at one time shipped a lot of product through the Port of Newport and made a lot of money. Hampton left Newport and withdrew jobs from area families. Unless Hampton intends to bring jobs back to the area, he would encourage them to look at the use of the facility and its mutual benefit. Local timber industry would have more options for their product.

XII. ADJOURNMENT

Having no further business, the meeting adjourned at 6:35 pm.

ATTESTED:

Walter Chuck, President

David Jincks, Secretary / Treasurer

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