

PORT OF NEWPORT MINUTES

3/22/2016

Commission Work Session

I. CALL TO ORDER

Commission President Walter Chuck called the Work Session of the Port of Newport Board of Commissioners to order at 12:00 noon 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, and Stewart Lamerdin (Pos. #3). Patricia Patrick-Joling (Pos. #5) was absent.

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

Members of the Public and Media: Lee Fries; and David Ulbricht, SDAO Salem, Oregon.

II. DEBT REFINANCING OPTIONS

Greenwood said this would be an opportunity for Larrabee to present a bond refinancing opportunity to provide saving to tax payers (p10) and (p8), with the first payment due in July 2016 (p4).

Larrabee introduced David Ulbricht, who advised the Port by keeping an eye out for potential refinancing opportunities. This proposal would provide \$900K in savings for less cost than Larrabee expected. Ulbricht said he had been involved with the Port for a long time, with the Terminal project, NOAA, and the 2013 refinancing of State loans. The analysis presented applies to the 2007/2008 bonds, totaling \$10-million. The 2011 bonds are not yet eligible. Ulbricht referred to the packet documents for the time line and savings, which were net of cost. He advised that if the market goes away before refinancing, the Port could wait for another opportunity. Chuck said the proposal looked good, and Brown added he did not see a down side. Jincks said he had been through debt refinancing for the Port in the past, and this proposal was good news. Greenwood advised there would be a small fee upfront of \$250.00 for state requirements.

III. FACILITIES MAINTENANCE AND OPERATION PLAN (FMOP) PROPOSAL

Greenwood introduced the Facilities Maintenance & Operations Plan Proposal 2016, included in the packet, and said this had been listed as the Commission's number one priority for management.

Fuller said this plan had been worked on for a while. He wanted to go through the highlights of the plan and present HIPPO/CMMS, which has been used for the past 4 – 5 years, first at NOAA, then the International Terminal, and newly at South Beach. Fuller said he had asked the Department Heads to provide an estimate of time spent by staff on service, labor and administration, as this analysis was not done in the past. He referred to the graph which shows a sway toward service hours. Fuller said that currently, staff will drop maintenance tasks to perform service tasks which disrupts the flow of projects. An electronic time sheet was introduced that breaks down the hours performed by staff into the three categories, which for the first month, supported the estimates from the Department Heads. Fuller said he wanted to move toward maintenance done by priority list rather than as a response to a complaint or

observation, but still keep good service going. He proposed a separate department for maintenance. (See packet for details.) He said he would be looking for employees with skills in carpentry, electrical, HVAC, painting/coating, and roofing/siding. Fuller said there is already a cultural change in the operations department using more technology to become more efficient. He has seen an 80% reduction in travel time over the last 6 months to complete tasks. He plans to train all operations staff in email, spreadsheets, backup up, etc. Fuller would also like to evaluate larger projects (>\$5000) to see if outside contractors may be more cost effective. Fuller anticipates moving to using CMMS (see packet) to North Commercial by the summer.

Fuller related that at one time there had been a separate maintenance crew, which was disbanded. He proposed a 3 person maintenance department. The CMMS system would carry the work orders and prioritization of tasks. The service crew would still perform some maintenance and repair, but he expected to see an improvement in the quality of service provided. The volunteer groups and use of temporary labor will also be developed (see packet). Fuller suggested that a current maintenance technician be part of the new maintenance crew to reduce the learning curve for the team. The maintenance crew proposed would not have an office space, but would use tablets, communications devices, and trucks all to be a mobile crew.

Larrabee had done a quick analysis and referred to the operating projection included in the packet. He said this does not take into account tariff revenue at the International Terminal since this was not a certainty.

Fuller introduced HIPPO/CMMS and said that this system had been selected at the NOAA facility after reviewing options. He gave an online demonstration of work orders, tracking locations, tracking equipment and reports that could be generated. Fuller invited the Commissioners to ask him if they wanted to see more.

Jincks said he had a lot of questions and suggestions, and proposed that another work session be scheduled. Chuck suggested that Commissioners Lamerdin and Jincks work with management to more fully review the proposal. Greenwood said one of his concerns is that this program be sustainable, and Lamerdin said that any implementation would need to be followed up with evaluation. Chuck expressed concern about the increase in employees. The Commissioners agreed to email their comments to Greenwood. Chuck, Lamerdin and Jincks will filter comments and then schedule a work session.

Greenwood mentioned that the wood sign in front of Rogue was in poor shape and recommended it be removed. The Commissioners had no concerns about that. Fuller added that the volunteers are prioritizing signs.

Having no further business, the meeting adjourned at 1:00 pm.



Walter Chuck, President

ATTESTED:



David Jincks, Secretary / Treasurer

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