

PORT OF NEWPORT MINUTES

August 23, 2016

Regular Commission Meeting

I. CALL TO ORDER

Commission Vice-President Ken Brown 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: Ken Brown (Pos. #4), Vice-President; Patricia Patrick-Joling (Pos. #5), Secretary/Treasurer; and Steve Beck (Pos. #2). Walter Chuck (Pos. #1), President and Stewart Lamerdin (Pos. #3) were excused.

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: Yale Fogarty, ILWU 53; Dennis Anstine, Newport News-Times; Ralph Busby, City of Newport Council; Jim Shaw, South Beach Resident; Lee Fries, Port of Newport Volunteer Mates; Kiera Morgan, KYTE.

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:
 - 1. Commission Special Meeting July 26, 2016
 - 2. Regular Commission Meeting July 26, 2016
- B. Financial Reports
- C. Resolution Designating Bank Accounts and Authorizing Check Signers
- D. Award of Port Dock 5 Fixed Pier Approach Engineering Contract
- E. IGA w/City of Newport for Bay Front Parking District Extension

Patrick-Joling requested that Item E. be removed from the Consent Calendar.

A motion was made by Beck and seconded by Patrick-Joling to approve the Consent Calendar as amended. The motion passed 3 – 0.

V. CORRESPONDENCE/PRESENTATIONS

There were no correspondence or presentations.

VI. OLD BUSINESS

A. Items Removed from Consent Calendar

E. IGA w/City of Newport for Bay Front Parking District Extension

Patrick-Joling had looked over the information and asked about Brown's points from the previous meeting. Brown said his questions were answered by the meeting packet this month. His concern was that he didn't want to interfere with fishermen's parking and doesn't want to delay a decision. This Parking District IGA would be for an additional two years. Beck asked if the payments were on a sliding scale, with a maximum of \$600. Greenwood replied yes, based on the number of employees per business. The Port contribution of \$6000 was a negotiated amount, which includes the fishing fleet. Derrick Tokos had provided articles included in the meeting packet which provided some insight. Patrick-Joling suggested that the fee was a lot of money and perhaps there could be more votes allotted. Greenwood said the Parking District has a 6 member board, of which two are Port and Commercial Fishing representatives, or 33 1/3%. This corresponds with \$6000 being approximately 30% of the fees. Brown added that the \$21 parking permits for the fisherman recouped the fees.

A motion was made by Beck and seconded by Patrick-Joling to authorize the General Manager to sign the Intergovernmental Agreement with the city regarding Port participation in the Bay Front Area Parking System Improvements and approving the \$6,000 annual contribution for the next two years. The motion passed 3 – 0.

B. Accounts Paid

A motion was made by Patrick-Joling and seconded by Beck to accept the Accounts Paid. The motion passed 3 – 0.

C. International Terminal Shipping Facility Update

Greenwood introduced the agenda item and staff report. He advised the Commission that he had met earlier in the afternoon with Robert Bouchard, USDOT MARAD; Robert Loken, USDOT MARAD; Mark Freeman, Oregon Business Ports Division; and David Porter, EDA by phone. Pete Zerr, NIT Supervisor and Commissioner Brown were also in attendance. Greenwood said the finance package for the TIGER \$2MM grant is due at the end of October. He was heartened to hear TIGER and EDA discuss how they can each fund \$2MM for the project. EDA needs a \$2MM non-federal match. They are willing to meet with TIGER to review which agency would pay for which items, since the funds could not co-mingle. The EDA grant is not yet awarded but they are looking at what they will fund. The Port will still need an additional \$2MM. Greenwood has spoken with Teevin, who have agreed to make a \$120K private sector investment. Teevin has a lease option for \$60K per year, so they would receive a credit for lease payments for the first two years for the investment. The funds can be shown in the funding package. If a loan were needed, funds are available from the USDA at 2.75% for up to 40 years. A loan from IFA was also previously authorized. The Port will continue to seek additional grants. Funding should be in place by the end of the calendar year. Beck asked if there would be a letter of intent; Greenwood said there would be a letter of obligation. No funding would be finalized until the full package is in place. To get the grant agreement completed to send September 2017 would be a six month process, so the "drop dead" date would be March 2017 to get the funding together. The response at the meeting was very positive. Brown added that EDA and TIGER agreed to speak tomorrow to hash out details, which was very promising. Greenwood said another hurdle would be to have the bids come in within budget. Greenwood asked if the Commissioners wanted to schedule a work session to review the project. Brown suggested it may be worthwhile waiting until funding breakdown details were available. Greenwood will report at the September Regular Commission Meeting. He said that the engineer had prepared a 100-line

breakout of costs, which EDA and TIGER had looked at as 6 – 7 categories which should make the conversation easier. The Port will be providing a timeline and construction schedule for when funds would be needed. Chuck and Lamerdin were Commission liaisons for the project. Patrick-Joling won't be attending the September Regular Meeting; Greenwood will provide information to Patrick-Joling. Greenwood commented that Patrick-Joling had also had questions about NOAA Reserves, which has been researched. Larrabee had spoken with Bond counsel and had passed the information along. Patrick-Joling said she wanted some time to review the material.

VII. New Business

A. Resolution Adopting a Safety Policy

Greenwood introduced the agenda item and staff report, and turned the discussion over to Fuller. Fuller said the Port Safety Committee had been working to help develop the Safety Policy. He added that some minor accidents recently made this policy a priority. Beck asked if SDAO reviewed the Safety Committee meetings. Fuller said no, but they did conduct an annual inspection. The Safety Committee reports back to their departments after the monthly meetings. Greenwood also said he asks at the Department Head meetings what has been discussed from the Safety Committee. Beck said he would like to review the SDAO policy; Larrabee will provide a copy.

A motion was made by Beck and seconded by Patrick-Joling to adopt the Safety and Health Policy as presented. The motion passed 3 – 0.

B. Award of Port Dock 5 Pile Replacement Contract

Fuller introduced the agenda item and staff report. Fuller explained there are 23 piles corroded and/or in disrepair. In addition, 3 piles at Port Dock 7 are above the mud line and marked as a hazard. The proposed work includes the utilization of already purchased whalers, rub boards and through-rods for Port Dock 5. Last year, the project was unable to be completed during the in-water work period. The RFP was sent for the entire job. The Port contacted four Oregon Coast contractors, three of whom bid. Bergerson Construction was the low bid and presented value engineering. This came in at a base price of \$266K, with about \$300K available in the budget. \$15K will also be needed for engineering for the pile driving. There is also a need for \$20K contingency, as there are risks. The proposal presented includes three options, included in the packet. The whole project, option 3, comes in at \$121K over budget.

Greenwood said Lamerdin had worked with Fuller and management reviewing the proposals. Lamerdin wanted to see the budget implications of getting the entire job completed, as the workers would be here. Since the grant for the security cameras was not approved, that freed up some budgeted capital authority.

Larrabee said that, looking from the finance perspective, evaluating future expenditures and cash flow, and next year's needs for cash reserves. \$450K would be available for next year. The Port could take \$120K of that and complete the project. He also evaluated whether a supplemental budget would be needed. Since the \$150K was budgeted for security cameras but there was no grant, that authorization remains in the budget. There would still be \$330K positive for next year. Larrabee said he recommended completing the full project.

Beck asked if that included the installation of the whalers, rub boards, etc. Fuller responded yes, using the materials the Port already has. Patrick-Joling asked if the Port was required to take the lowest bid. Greenwood said in this case, the lowest bid would need to be the one accepted. Patrick-Joling asked about the time line, which showed a start date of November 16th but no complete date. Fuller said the project would be completed during the in-water work period, no later than February 15th, although the dock could

be completed at a later time. Patrick-Joling asked if the project would interfere with fishing vessel moorage. Fuller said there would have to be some juggling, but it could be managed without a loss of moorage.

Patrick-Joling asked if the customers were aware of the project. Fuller said the fishermen support the work being done. Brown added there will be a net gain in completing the project. Greenwood said that Bob Eder, a commercial fisherman, had sat in on the project discussions. Greenwood also said that this project would not affect other capital projects. Fuller said there was a \$20K contingency, but there would also be value engineering along the way. Brown said that all of the contractors who bid have worked locally and have done good work. Greenwood recommended that the Commissioners move to approve the project in full.

A motion was made by Beck and seconded by Patrick-Joling to authorize the General Manager to enter into a contract for construction services with Bergerson Construction, Inc., in the amount of three hundred eighty-six thousand, one hundred and forty-two dollars for the Port Dock 5/7 Pile Replacement and Dock Repair Project 2016. The motion passed 3 – 0.

VIII. DEPARTMENTAL REPORTS

A. Director of Finance

Larrabee introduced the Director of Finance Report and July Occupancy Report. As to check signing authorization, he will arrange for and meet with Beck to complete paperwork. Larrabee will also contact Lamerdin about signing on the accounts.

B. Director of Operations

Fuller introduced the Director of Operations Report. His large projects this past month, the contracts and Safety Policy, were approved by the Commission at this meeting. Brown commented that he liked the no parking signs around the fish cleaning stations, addressing the concern about dry campers parking next to the sidewalk.

C. General Manager

Greenwood introduced the General Manager Report.

1. **Rogue Brewery Mural**
Since Patrick-Joling will not be attending the meetings on September 27th, Greenwood will try to get the designs to Patrick-Joling in advance for her comments.
2. **Highway 20 Update**
Greenwood added that the fires near Depoe Bay would be complicating travel north on US Highway 101.
3. **OCZMA Membership/Liaison Update**
The Commission was in consensus that Chuck continue as liaison to OCZMA.
4. **Special Districts Association of Oregon (SDAO) Training**
Greenwood said he found the training informative. Beck added that the training provided good information for serving on a public commission. Greenwood added that Beck also completed the

online ethics training for a 2% credit on insurance. The remaining 2% will come from a self-assessment that will be coming in September.

5. Pasley Propeller Mounted at Museum

Greenwood asked the Commission to consider if there is anything else they would want to include in the text of the exhibit.

6. DEQ Approval for Fish Stations

Greenwood said he was responding to concerns that had arisen in Astoria, who had closed their fish cleaning stations after receiving other DEQ fines. All of the South Coast ports in Oregon have a letter from the DEQ approving deposit of materials in the bay from their cleaning stations. Greenwood went to Charleston harbor to see their stations and permit. He has contacted the DEQ, who will come down to look at our situation, working toward getting an approval letter for our fish cleaning stations and public hoist dock. This letter, a general 900-J, has no cost.

7. Other

Greenwood said the Great Albacore Tuna BBQ was success, and closed an hour early because they were out of prepared tuna dishes. Beck added that there were a lot of NOAA staff at the anniversary celebration on that Friday. Greenwood said that Jim Myers would like to make a presentation at the Regular Commission Meeting in September.

8. Goal Setting/Mission, Vision, Values

Greenwood introduced the agenda item report and the suggested goal setting process. He had received information from Spencer Nebel, Newport City Manager, as well as Commissioner Patrick-Joling in defining a process. He suggested aiming for a goal setting session in early November, which would allow facility managers the opportunity to provide helpful information. The session could either be scheduled on a Saturday or during the week, with a suggested time of four hours. The goals set would also be helpful in setting the General Managers goals for 2017 and would benefit the budget process.

Beck asked if this was a standard process for the Port's goal setting. Greenwood responded that this had not been done in this way in his two years with the Port, but this was encouraged by a suggestion from Patrick-Joling. The Commissioners will review calendars and schedule the session at a future time.

IX. COMMISSIONER REPORTS

There were no Commissioner Reports.

X. CALENDAR/FUTURE CONSIDERATIONS

There were no changes to the Calendar/Future Considerations.

XI. PUBLIC COMMENT

Shaw asked Greenwood to talk about his participation in the Toledo cardboard boat race. Greenwood said that it was a busy weekend. At the Toledo boat show, he dressed as a pirate and raced in the boat built for him by the City of Newport, placing third. Jim Protiva also raced a boat built by the City of Newport and placed second (his boat had an added keel). The event had a great turnout, and he was glad to support the Port of Toledo. Greenwood also attended the Lincoln County Fair on Friday and volunteered Saturday morning at the Buccaneer Rampage.

Fries commented that Tom McAdams, a retired Newport Coast Guard master chief, built his own boat for the race, which rolled over three times and gathered the award for most spectacular sinking.

XII. ADJOURNMENT

Having no further business, the meeting adjourned at 7:01 pm.

ATTESTED:



Walter Chuck, President



Patricia Patrick-Joling, Secretary/Treasurer

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