

PORT OF NEWPORT MINUTES

April 25, 2017

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; Patricia Patrick-Joling (Pos. #5), Secretary/Treasurer; Stewart Lamerdin (Pos. #3); and Steve Beck (Pos. #2).

Management and Staff: Kevin Greenwood, General Manager; Stephen Larrabee, Director of Finance; Jim Durkee, Interim Director of Operations; Kent Gibson, North Commercial Harbormaster; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: Wayde Dudley and Barb Dudley, PON Volunteer Mates; Chris Nelson, Yale Fogarty, ILWU; Pat Ruddiman, ILWU; Doug Cooper, Hampton Lumber; Jim Shaw; Maria L. Eades, F/V Pegasus; Justin Johnson, F/V Pegasus; Jeff Lackey, F/V Seeker; and Sara Skamser, Foulweather Trawl.

II. CHANGES TO THE AGENDA

Chuck added the items from the Meeting Packet addendum to New Business.

III. PUBLIC COMMENT

Lackey is interested in the NIT Operations Plan for integrating shipping and commercial shipping. He said there are currently only 2-3 tie up spots for vessels at Port Dock 5, and there are 9 large trawlers at the Terminal, and more trawlers at other locations. The Teevin Lease is written for four 5-year terms. Lackey said the fleet has grown in the last 5 – 10 years and there is potential for additional growth. He says this is a positive challenge for the Port.

Skamser asked about the security fencing at the Terminal, and whether it will be easily moved. Greenwood said it would be temporary fencing used. Durkee said the fencing won't have wheels but it will be portable.

IV. CONSENT CALENDAR

A. Minutes

1. Commission Work Session 03/28/2017
2. Regular Commission Meeting 03/28/2017
3. Commission Work Session 04/04/2017

B. Financial Reports

C. Contracts

1. Security Fencing for International Terminal
2. NOAA Rec Access Floating Dock

A motion was made by Beck and seconded by Brown to approve the Consent Calendar. The motion passed 5 – 0.

V. OLD BUSINESS

A. Items Removed from Consent Calendar

There were no items removed from the Consent Calendar.

B. Accounts Paid

Ken Brown declared a conflict of interest because of payments made to Les Schwab. A motion was made by Patrick-Joling and seconded by Beck to accept the accounts paid. The motion passed 4 – 0. Brown abstained.

C. International Terminal Shipping Facility Update

Greenwood referred to the documents and discussion at the Special Meeting on April 24, 2017. He added that he was working with Pete Gintner, the Hall's attorney, and the engineers, who are getting closer to have agreements drafted, expected by the end of the week. Greenwood left a message with Teevin and Silvan, and the Port will need the engineer's scope of work. Greenwood recommended not adopting any one of the agreements until all were in place. Chuck expressed concern about waiting to sign the TIGER grant agreement with the potential for the Federal Government not open after Friday the 29th. He suggested the Commission consider signing the TIGER application to submit before Friday. Beck asked what impact this might have on the other 4 agreements if not approved this week. Greenwood said that the TIGER and IFA documents had all been reviewed. Brown said the government could be fickle and it would be good to complete these now. Lamerdin said this was a close call; typically all would be completed at once. Greenwood said he had previously experienced a delay due to government shutdown, but it had not scuttled the project. Patrick-Joling asked about the status of the scope of work. Greenwood said he hoped to receive it sometime this week. He will contact Chuck when received to schedule a Special Meeting. Patrick-Joling said she would like to have all agreements ready to review before taking action. Greenwood said some related easements with NW Natural were not included in the documents presented, and the Port is not party to the agreements between Teevin and Silvan. Beck requested that the Silvan/Teevin documents be given to the Port Commission to review so the Port could have oversight. Greenwood said although we may not have their agreements, they would have to follow the terms of the lease with the Port. In the lease, the primary product was logs, but the equipment could move other products not specified in the lease. If other product was to be moved, the Commission would have an opportunity to approve. If the Commission was concerned, Greenwood offered to talk with Sean Teevin. Patrick-Joling suggested reviewing the Silvan/Teevin agreements in Executive Session and questioned why they would be private. Brown said the arrangement was not a sub-lease, and pursuing review of their documents could open a can of worms with other lessees. Greenwood added that the agreement between Silvan and the Port was in the hands of the Silvan attorneys, and he hoped to have those next week. Lamerdin agreed that the Commission should review all documents before approving any one. No action was taken.

D. Resolution Setting Rates, Fees and Charges (ORS 294.160)

Greenwood said the Resolution draft included increasing the percent rise to 5% and rounding. He said the Rates Resolution will be presented at the May Commissioners' Regular Meeting for adoption. No action was taken.

VI. NEW BUSINESS

A. HEARING – Res. Adopting Supplemental Budget (ORS 294.471)

Chuck opened the Supplemental Budget Hearing. Greenwood explained that the auditors had reviewed the accounting for the Multi-Use Area and Rogue's rent abatement. In particular, the Rogue payment in full for construction of the MUA, which includes the Port's obligation, needs to be shown as a loan, and the rent abatement as debt service. This is a net-zero balance sheet function. Larrabee added this would comply with Budget Law and GASB Rules. The Bonded Debt Fund change reflects that payments were made this year rather than last year.

B. Resolution Adopting Supplemental Budget

A motion was made by Patrick-Joling and seconded by Beck to adopt Resolution 2017-05 Adopting a Supplemental Budget for Fiscal Year 2016-17 and Making Appropriations. The motion passed 5 – 0.

C. Staff Report Recommendation – PD7 Empty Lot

Greenwood introduced the staff report, included in the Addendum packet. He said the Port had previously discussed using the 2-acre lot between the Yacht Club and Port Office for expanded parking and/or storage. Contractors for the Bay Blvd project by the City of Newport asked to use this area for staging. When complete, the Port would have a 100' by 100' lot. Gibson received a quote to gravel the lot for \$18K. The contractors would be using the area for a few months, until November 16th according to schedule. A concern is the Newport Marathon which has a Special Use Permit to use the grassy area on June 2 - 3; the City is aware of the Marathon. The contractors have agreed to fence the 100'x100' area during the marathon. Beck asked how permanent the improvements to the lot would be and what kind of maintenance would be required. Greenwood said it would be more than gravel. Gibson said the Port could chose to asphalt over top. Greenwood will be speaking with Tom Swinford about the marathon. Lamerdin asked if the surface would be permeable and if there was a drainage issue. Greenwood said there is existing storm drainage on the lot, and Gibson said there was a possibility of creating a culvert. Greenwood said this was an excellent opportunity, and recommended moving forward.

A motion was made by Beck and seconded by Brown to authorize the General Manager to enter into an agreement with Emery & Sons Construction for the use of the empty lot at Port Dock 7. The motion passed 5 – 0.

D. Consent to Assignment of Leases from Trident to TNMP Properties, LLC

Greenwood referred to the documents in the Addendum packet. Pacific Seafood had purchased the assets of Trident, and these assignments were for the meal plant and storage leases. The documents were produced by Gintner and the attorney for Pacific. The meal plant lease term is up at the end of this year, so the Port can negotiate the lease at that time. Currently, the change is only in ownership.

A motion was made by Beck and seconded by Patrick-Joling to approve the Consents to Assignment of Agreement for Lease of Business Premises as presented. The motion passed 5 – 0.

VII. DEPARTMENTAL REPORTS

A. Director of Finance

Beck asked how weather was affecting business at the South Beach Marina & RV Park. Larrabee said there was less weekend traffic; as long as it is raining, people are not coming. Beck said this could be an issue with cash flow since can't control the weather. He asked how the new manager was doing. Larrabee said he was doing great, was reviewing other parks and introducing come coupons to drive winter business. Booking is available online for the eclipse, with an \$80 surcharge. Larrabee said he hoped to be filled for the eclipse.

B. Director of Operations

Greenwood commented that the TCB report was a great improvement. Patrick-Joling asked if someone was on Port property, would TCB call the police. Greenwood said that TCB has the right to retain then call NPD. Lamerdin asked Gibson about dealing with the sea lions. Gibson said he was charged by a sea lion and used a buoy to chase him off. Lamerdin asked Gibson to review the suggestion sent previously to use aluminum poles. Lamerdin said it was effective, easy, and inexpensive. Lamerdin also thanked the Mates for the excellent job on the Weigh Your Fish station.

C. General Manager

Greenwood asked for feedback on the Meeting Packets and the best way to deliver them. There was some discussion of the City's method. Beck said that the software used by the City is cumbersome unless using the City's iPads or laptops. Greenwood asked if there was interest in a digital packet. Patrick-Joling said she did not advocate purchasing laptops or computers for Commissioners' use. Lamerdin said he spoke with City representatives during the Director of Operations interview day, who said how easy the software was to use and it reduced costs. He suggested asking the City what they saved. Patrick-Joling also suggested calling ethics about whether there were any conflicts viewing a meeting packet on a personal device.

Greenwood said the Amphibious Landing Exercise would be a highly visible event lasting 1 – 3 hours. Durkee and Chris Urbach will meet with Navy representatives. Greenwood said they would be an exciting exercise and may show the type of vessel that would come with supplies in the event of an emergency.

Greenwood said that he will be working on the Budget Message and expects to have the documents ready Tuesday, May 2nd.

VIII. COMMISSIONER REPORTS

There were no Commissioner reports.

IX. CALENDAR/FUTURE CONSIDERATIONS

- A. 05/04 – 05/07 Loyalty Days Carnival
- B. 05/09 Budget Committee Meeting 6:00 pm
- C. 05/13 Ducks Unlimited Halibut Derby
- D. 05/16 2nd Budget Committee Meeting 6:00 pm (if needed)
- E. 05/23 Regular Commission Meeting
- F. 06/03 Newport Marathon
- G. 06/20 Public Hearing & Adopt Budget Resolution 6:00 pm
- H. 06/27 Regular Commission Meeting
- I. 07/23 – 07/27 PNWER-OCCES 2017 Oregon Coastal Caucus Economic Summit
- J. 07/25 Regular Commission Meeting (Conflict)

Patrick-Joling said she will not be available on May 16th. There were no changes to the Calendar/Future Considerations.

X. PUBLIC COMMENT

Cooper said details were clearer and the Commission was deciding what was important to the Port. He said the agreements with Teevin and Silvan would be giving up control with what's happening at the Port. Only one shipment was required, so it could take many years to satisfy the abatement. There was no maximum shipments,

which could impact other vessels. Teevin was not required to do any work, and could terminate if no substantive business activity. In the contract section referring to subleasing, the Port's consent could not be unreasonably withheld. The agreements would amount to a lack of control over 20 years.


Fogarty said he was disappointed that Hampton Lumber had not offered an alternate plan. He would love to see Hampton use the Terminal. The fishing fleet and shipping had worked together at the Port for 60+ years, and he would like to see this again for even longer. Fogarty said it would work as well or better for both.

Skamsner said she had talked to Pete Zerr, who has handed in the draft NIT Operations Plan. She is waiting for the NIT Users group meeting.

XI. ADJOURNMENT

Having no further business, the meeting adjourned at 6:55 pm.

ATTESTED:



Walter Chuck, President



Patricia Patrick-Joling, Secretary/Treasurer

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