

PORT OF NEWPORT MINUTES

3/22/2016

Regular Commission Meeting

I. CALL TO ORDER

President 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).

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: Robert L. Parker, Sea Lion Harvest; Jenny Ann Parker; Cody Chase, Chelsea Rose; Cari Brandberg; Pat Ruddiman, ILWU; Lee Fries; Jenny Siebert, Newport resident and HSUS (Humane Society of the United States); Doug Cooper, Hampton Affiliates; Kiera Morgan, KYTE.

II. CHANGES TO THE AGENDA

Greenwood requested that the application for IFA Port Planning and Marketing grant be added to agenda; Chuck added as item VI. Old Business F.

III. PUBLIC COMMENT

Cody Chase requested to make a presentation to the Commission at the next regular meeting about replacing the Chelsea Rose. Chuck agreed to add this to next meeting's agenda. Greenwood said that the issue was the appearance of the vessel. Two options would be to 1. Find a boat to retrofit for use selling fish, or 2. Use a barge with the façade of a fishing boat. Chase said he was working with Bud Shoemake in Toledo on the presentation. Jincks requested that the minutes from the last meeting where the Chelsea Rose was discussed be distributed to the Commissioners.

Jenny Siebert said she was a Newport resident, a nurse and a volunteer with the Humane Society. She commented on the proposal from Robert Parker (included in the packet). She was concerned about having sea lion meat on the market and cited the reasons from the email from Robert Anderson – NOAA Federal (in packet). As a nurse she felt the meat was not needed.

IV. CONSENT CALENDAR

- A. Minutes:
 - 1. Regular Commission Meeting 2/16/2015
 - 2. Commission Work Session 2/16/2016
- B. Special Use Permit – Arthritis Bike Classic 9/23/16 – 9/24/16
- C. Special Use Permit – Davis Shows/Loyalty Days Carnival
- D. Financial Reports

Jincks asked if the tent camping for the Arthritis Bike Classic on the diagram was city property; the City of Newport had claimed ownership in the past. Jincks asked if there was a release from the City of Newport. Greenwood said the corner lot was part of the old Sportsman's RV Park.

Jincks asked that this Special Use Permit be removed from the Consent Calendar and moved to New Business.

Greenwood referred the Commissioners to page 25 in the Financial Report net ordinary income to consider when discussing the sustainability of the proposed Maintenance Plan.

A motion was made by Jincks and seconded by Patrick-Joling to approve the Consent Calendar as amended. The motion passed 5 – 0.

V. CORRESPONDENCE/PRESENTATIONS

A. OBC – House of Spirits Lease extension.

Greenwood said he will meet with Brett Joyce of OBC to discuss Rogue's plans for the use of the House of Spirits.

B. Robert Parker, harvesting sea lions.

Greenwood advised that the letter from Parker and the response from Anderson were included in the packet for information only. No proposal was being presented.

VI. OLD BUSINESS

A. Items Removed from Consent Calendar

Item removed from Consent Calendar, Special Use Permit Arthritis Bike Classic. Greenwood said the staff had been acting on the assumption that the triangular area was owned by the Port based on the Lincoln County Assessors map. Jincks said that the City of Newport had previously claimed ownership of this area, and issue which came up in the past when the City proposed using this area for soccer practice. Greenwood will follow up to confirm ownership. Jincks also asked about the ambiguity for the placement of the finish line under the bridge. Brown said that the Race organizers were waiting for City approval before finalizing the location of the finish line.

A motion was made by Patrick-Joling and seconded by Jincks to approve the Special Use Permit for the Arthritis Bike Classic. The motion passed 5 – 0.

B. Accounts Paid

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

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

Greenwood referred the Commissioners to the addition of a surcharge to RV Park fees during the Seafood & Wine Festival to cover additional expenses in security and cleaning. Patrick-Joling asked if the additional fees would cover those costs. Larrabee said an estimate of the additional costs was \$800, and these fees should cover that. Greenwood referred the Commissioners to the inclusion of the special use permit fees as part of the rates document, and the addition of notary fees since Hewitt is now a notary. He told the Commission he would be looking to adopt a final resolution in May or June.

D. International Terminal Shipping Facility Update

Greenwood said he had met the USDOT TIGER grant administrators during his recent trip to Washington DC. The grant agreement must be signed by September 2017, but the administrators would like to see the financing complete by October of 2016. The ConnectOregon (CO) grants would be awarded in August of 2016 so the Port would learn whether a grant was received shortly before the requested date. Greenwood suggested pursuing a line of credit to show that financing was in place. It would be a priority to get the funding together. Greenwood thanked Chuck for attending presentations for the ConnectOregon grant. Greenwood said that the Port had moved up in the ranking but not as much as hoped; the Port is still in the middle of the pack. The presentation on April 28th would be the last to a subcommittee ranking the project. Chuck has been encouraging people to attend. The Port staff should know the standing by August, 2016. It will be necessary to complete additional grant applications. Greenwood is working on gathering letters of support.

E. Rogue Lease Amendment Approval.

Greenwood said that Brown and Jincks had been involved in reviewing the lease. Hewitt had completed a chart identifying the square footage, included in the packet. The Port and OBC agreed to use the 88,186 as the figure for current leased space. Greenwood recommended the Commission move to authorize the General Manager to sign the Lease Agreement.

A motion was made by Patrick-Joling and seconded by Jincks to authorize the General Manager to sign the Rogue Lease Second Amendment and Option to Lease. The motion passed 5 – 0.

F. Approve Grant Application for IFA Port Planning and Marketing Fund

Greenwood related that the IFA Port Planning & Marketing Grant would cover \$60k of the \$80k project. Eligible reimbursements included pre-construction soft costs such as geotech reports, marketing plans, architectural review, topographic surveys and environmental site assessments for the International Terminal Shipping Facility project. IFA would pick up 75% of those costs. Bid documents and engineering would not be included and may needed to be paid upfront by the Port. Greenwood recommended the Commission authorize the grant application.

A motion was made by Brown and seconded by Jincks to approve the application for an IFA Port Planning and Marketing Grant and authorize the General Manager to sign the Grant agreements. The motion passed 5 – 0.

VII. NEW BUSINESS

A. International Terminal G.O. Bonds Refinance (Res. No. 2016-01)

Larrabee summarized the discussion from the Work Session and recommended approval. The \$10-million refinance would cost the port \$112k and be rolled into the new financing, save port taxpayers \$900k over the next 21 years; and the first payment would be made in July of 2016.

A motion was made by Patrick-Joling and seconded by Jincks to adopt Resolution 2016-01 Authorizing the Issuance, Negotiated Sale and Delivery of General Obligation Refunding Bonds; Designating an Authorized Representative, Bond Counsel and Municipal Advisor; Delegating the Negotiation and Approval of Financial Documents and Related Matters. The motion passed 5-0.

B. Facilities Maintenance and Operation Plan (FMOP) Proposal

Per the Work Session, this proposal is tabled for now. Jincks and Lamerdin will work with Fuller to study the details. Larrabee said in response to Brown that the Port currently spent \$14,400 for landscaping and \$44,000 for janitorial outside service contracts per year.

VIII. DEPARTMENTAL REPORTS

A. Director of Finance

Larrabee said he expected to have a budget to present in the next couple of weeks.

B. Director of Operations

The Director of Operations Report was not included in the packet. There were no questions for Fuller at this time.

C. General Manager

Greenwood confirmed that all of the Commissioners were enrolled for SEI filing and should have received their forms.

Greenwood attended the PNWA conference in Washington, DC; the agenda is included in the meeting packet. He met with Rear Admiral David Score, who said 8 out of 16 vessels were scheduled to be decommissioned within the next ten years. Bridgeman said NOAA was looking to make new vessels more efficient. He said he was happy with Newport and expected 16 – 20 additional personnel would be moving here. The housing shortage is a concern. Greenwood also met with Representative deFazio, who represents Oregon's South Coast. Greenwood thanked deFazio for his efforts in keeping the Coast Guard helicopter facility open. deFazio was the lead in the committee, and the result was a 2 year commitment to keep the facilities and very heavy notice requirements before considering closing in the future. Greenwood added that Rogue had donated beer to the reception which was well received.

The Commissioners had no comments on the Yaquina Bay Fruit Processing report in the meeting packet.

IX. COMMISSIONER REPORTS

Jincks commented that the lease term with NOAA was for 5 years and a review would be in order, including dredging impact. Fuller confirmed they were currently in year four of the lease, with year five starting July 1, 2016. Greenwood, Fuller and Larrabee are working on a 20 year projection.

Chuck reported he attended several meetings with the ConnectOregon grant process, which he found to be a good learning experience. He also attended the OMSI opening, and commented that it was a nice facility that expected to reach 20,000 students in the next 10 years.

Lamerdin asked if the Commission had required a viewing platform for the sea lions, and if there was a deadline set. Greenwood responded that there had been concern about potential conflict with the commercial fishing docks, so the Commission had instructed that a parallel structure be built to separate the tourist viewing from the fishing fleet activity. Jincks said the pilings were in place. Greenwood added that the City had dedicated the remaining amounts from a defunct event center to the project. The funding for the viewing platform is about 50% complete.

X. CALENDAR/FUTURE CONSIDERATIONS

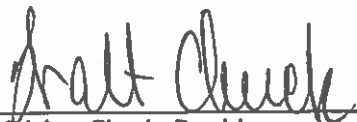
See packet, there were no changes.

XI. PUBLIC COMMENT

There was no public comment at this time.

XII. ADJOURNMENT

Having no further business, the meeting adjourned at 6:40 pm.



Walter Chuck, President

ATTESTED:



David Jincks, Secretary / Treasurer

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