

PORT OF NEWPORT MINUTES

November 15, 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; Stewart Lamerdin (Pos. #3); and Steve Beck (Pos. #2). Walter Chuck (Pos. #1), President, was 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; Lee Fries, PON Mates; Pat Ruddiman, ILWU; Sara Skamser, Foulweather Trawl; Wayde Dudley, PON Mates; Barb Dudley, PON Mates; Jaret Washburn; Ralph Busby, Newport City Council; Cari Brandberg, Chelsea Rose; Cody Chase, Chelsea Rose; Keith Kaminski, ILWU; Mark Wilson, YBC Radio.

II. CHANGES TO THE AGENDA

Greenwood requested that item VII.D.2, International Terminal Shipping Facility, Award Contract for TIGER Environmental Assessment Report, be removed from the calendar.

III. PUBLIC COMMENT

There was no public comment at this time.

IV. CONSENT CALENDAR

- A. Minutes:
 - 1. Commission Work Session October 18, 2016
 - 2. Regular Commission October 18, 2016
 - 3. Commission Work Session November 5, 2016
- B. Financial Reports
- C. Rogue Utility Easement
- D. Special Use Permit for 2017 Seafood & Wine Festival
- E. RV Park Manager Job Description

A motion was made by Patrick-Joling and seconded by Beck to approve the Consent Calendar. The motion passed 4 – 0.

V. CORRESPONDENCE/PRESENTATIONS

A. Cody Chase, F/V Chelsea Rose

Chase said he was proposing to get rid of the Chelsea Rose and build a new dock. He presented blue prints to the Commission for review. He said he did not want to replace the Chelsea Rose with another boat but with a floating fish operation to be named the New Chelsea Rose. Chase added this would not have the appearance of a store,

would be open air with increased storage. Beck asked if the new structure would have an increased footprint. Chase said it would be a similar footprint, longer but smaller overall. The design was being drafted by an architect based on the Toledo boat house. He said he is talking with the Port of Toledo to build. Brandberg said that 300,000 lbs. of tuna pass through the Chelsea Rose, with approximately 60 vessels selling through the Chelsea Rose. A petition had been circulated and signed by local fisherman and customers. The Chelsea Rose has more than 2000 followers on Facebook, a five star rating, and works with OSU's Shop at the Dock, Fishermen's Wives, OSU Fisheries, as well as marketing local seafood to the public. Brandberg said that Chase had purchased and overhauled the Chelsea Rose, creating what is now a Newport icon; however, the boat won't make it another year.

Beck asked if there were any compliance issues. Greenwood responded that the current lease was a grand-fathered relationship. Chase cannot sell the business to anyone else, and the name must stay the Chelsea Rose. Beck asked if it had to be a vessel. Greenwood said that is why it was grandfathered in; the Commission did not want to see the dock populated with storefronts. Patrick-Joling asked Chase when he would want an answer. Chase said the plans have been developed over the last two years and he does not expect a quick answer. He will be doing more with the design. Parts of the Chelsea Rose will be incorporated into the building. The result will be "very Chelsea Rose"; vintage and attractive looking. Brandberg added this will be a large investment and they will work with local businesses. They currently are looking at sinking boat issues. Beck asked if the new structure would be motorized. Chase said no, but it could be moved. The Chelsea Rose currently does not have a motor. No pilings would be removed. In answer to Brown's question, Fuller said the pilings there were in good condition. Chase said the new structure would be laid out like the current boat, with the addition of a mural. The blueprints he presented were just a sketch of the foundation. Chase will continue to work with Toledo on details of adding Chelsea Rose elements. Brown suggested it would be better to review this project for approval at a future meeting. Chase said he could do that and would have more plans to present. Brandberg added Chase was currently readying for crab season, but the sooner the better for replacing the Chelsea Rose. Brown suggested a future presentation in early December. He would like to see how the old Chelsea Rose would be removed, and that it would be done safely and cleanly. Chase said was possible, depending on the crab season opening. Patrick-Joling asked that the Commission be provided copies of the blueprints. Greenwood said he would get copies of the blueprints and the current lease including insurance requirements to the Commissioners. Brandberg said that most Ports have fish sellers on the docks. They are not looking to have a storefront look. They are looking for more file and storage space; the business is growing every year.

B. ORCA, RE: Dredging Prism Application for NOAA Center

Greenwood said ORCA is an environmental advocacy group out of Astoria. They frequently send out letters of comment about various projects. He wanted the letter to be included in the record.

VI. 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 3 – 0.** Brown abstained.

VII. New Business

A. Lease Agreement with US Customs

Greenwood referred to the lease document in the packet. He reminded the Commission that there were issues with making the temporary structure permanent in complying with City of Newport's requirements. These requirements included the installation of an ADA ramp. Fuller had been working with GSA. The lease renewal would be January 1st, so staff is trying to complete the project by the end of December. Greenwood said this project was an unbudgeted expense that would come out of Materials and Services, but the Port would expect total reimbursement. Larrabee said a Supplemental Budget will be needed since we need to pay for the project, but revenue will offset expenses in the same year. Greenwood recommended the Commission authorize the General Manager to sign the agreement.

A motion was made by Beck and seconded by Patrick-Joling to authorize the General Manager to sign Lease Amendment No. 15 with the GSA for the Customs Building. The motion passed 4 – 0.

B. Facilities Maintenance and Operations Plan (FMOP)

Greenwood thanked Fuller for his hard work, Lamerdin for his engagement in its development, and Jincks who started the process. Fuller referred the Commission to the Staff Report and proposed FMOP. He reminded the Commission that staff was directed to create this program on March 16th before the Maintenance Department would be created. The Plan also pointed to the Safety Policies recently adopted. The Plan had been reviewed by Lamerdin, Greenwood, and Fuller to present this final form. The Plan outlined standards for facilities maintenance. Greenwood said the Port will be hiring for one to two positions to begin the program. The intent is for the maintenance crew to add life to Port assets. Currently, most operations staff time is spent on service. Regular maintenance provided by the Maintenance Department could avoid wholesale capital replacement. Fuller said that along with the Plan, a new Maintenance I job description was included (New Business Item C). This would require a higher level of proven, specific skills in facilities maintenance and construction. They would cross-train with NOAA. The job would be posted internally first. Fuller recommended the Commission adopt the FMOP and the Maintenance I job description.

A motion was made by Patrick-Joling and seconded by Beck to Approve and Adopt the Facility Maintenance & Operations Plan in its entirety in addition to the revised Maintenance I Job Description. The motion passed 4 – 0.

D. International Terminal Shipping Facility – Approve Easement with Rondys

Greenwood said he would be spending this week finishing the EDA application, with an updated budget, and completed easements which are being drafted by the Hall family attorney, Dennis Bartoldus. The Army Corps would prefer no deed restrictions. Greenwood would like to show EDA that the property rights had been reviewed by, at least, Port staff. He could get the easements from Bartoldus later this week and forward them to the Commissioners. Greenwood recommended adoption, although it was not his preference to ask for adoption without the documents in hand. Brown said he would like to see the documents but would not want to disrupt the timeline for the application. Greenwood said he wants to send the EDA application out by Friday. He suggested a motion for approval could contain a contingency for Chair review. EDA did say not including the easements could jeopardize the success of the application. Greenwood said that the easements are in the Port's favor for waterlines, through roadway, all primarily so the Port has an access road to get to the ITSF property. The biggest was the access off of Bay Boulevard down to the terminal, which would be a 60 ft. easement entirely on Hall property. The Halls are willing to help. Beck said he would be in favor of approval. Lamerdin had reviewed this with Greenwood in detail, and is comfortable with approval. Patrick-Joling had reviewed this with Chuck, so she could agree, with some concerns.

A motion was made by Beck and seconded by Patrick-Joling to accept the easements as presented. The motion passed 4 – 0.

Greenwood said that Congressman Schrader had helped in extending the TIGER deadline, and Greenwood is waiting for EDA who should give their decision mid-December. Greenwood said he had outlined the Return on Investment (ROI) in his staff report, referring to page 76 in the meeting packet. Brown said he had spoken with Eric Oien from Teevin, who felt that, in the current market, there would be a minimum of 6 shipments up to 11 shipments per year. This would just be log exports producing \$460,000 to \$990,000 revenue. Greenwood said there would be overhead including security and personnel. If the shipments did not come in, the addition of the Maintenance Department would dig into net income. Beck added that income would not be realized until 2018. Greenwood said there would be less money in the near term for capital projects. Greenwood said this next month is critical. Brown added he was disappointed in the article from Hampton Lumber. Greenwood said that he will also need to do some advocacy for the project.

VIII. DEPARTMENTAL REPORTS

A. Director of Finance

Larrabee said that the Port would be paying debt service even without the additional loans until 2022, and referred back to page 76 in the meeting packet. Larrabee introduced the Director of Finance Report. He hopes to have the Audit Report by year end, and will have the revised Personnel Manual reviewed for legal compliance before presenting to the Commission in December. Beck said he thought the Seafood & Wine surcharge at the RV Park was a great idea. Greenwood said that Port staff can make modifications to the fee schedule as long as they are reported to the Commission. Larrabee said that in addition to being a premium event, there are additional operational costs to cover during the Seafood & Wine festival.

B. Director of Operations

Fuller introduced the Director of Operations reports. Fuller said that Rogue had ended up cutting up a piece of asphalt that had been recently poured as a result of poor grading. He would be having a site meeting on Wednesday, 11/16, for the NOAA dredging, which had generated a good response from prospective contractors, and referred to page 93 in the Meeting Packet. NOAA berths 1 and 2 have significant sand deposits. Fuller said that Kent Gibson was officially hired as the Commercial Harbormaster, and he encouraged the Commissioners to compliment Gibson when they see him. Lamerdin asked if there was an issue with the number of boats at the Terminal. Fuller said that the Terminal was under control and that seasonal staff, Don Moon, had been retained through Cardinal Services to help with the current load while staying within the budget constraints. This could also serve as a "try-out" for a permanent position with the Port. Brown asked about the major items on the Risk Assessment report, particularly the tanks and safety for the saw. Fuller said the items are all being addressed as a priority and expects to report 100% completion next month. Some items will be addressed as behavioral changes, and item 16-07 will go back to the manufacturer, since there is no shut-off when that equipment is open. Item 16-08 was locked out. Brown said the dumpsters had been a problem for a while and wanted to know if there was a solution. Fuller said that the dumpsters were a factor in some employee musculoskeletal injuries. The Port will be working with SDAO in applying for a grant to have dumpsters located at curbs, with a ramp, to be accessed by forklift. The access to the dumpster at the south fish table will also need to be widened and smoothed to access by forklift. The cost would be covered 70% by SDAO if approved, and Fuller does not expect the Port's outlay to be greater than \$5,000. Greenwood said the Budget Committee helped in recommending new dumpsters. Chris Urbach will be working with contractors for estimates.

C. General Manager

1. Goal Setting. Greenwood thanked the Commissioners, Fuller, Larrabee and Hewitt for their participation in the November 5th Goal Setting Work Session, and will present results in his December staff report. Greenwood asked the Commissioners for any feedback on the process; one idea may be a larger table with the room to walk around for gathering the goals note cards. He requested that the Commissioners email any suggestions they may have. Patrick-Joling said the session was a good step, but more time would be needed to finalize goals. The time

at the Work Session was used to name goals, but there was no time to get to solutions. Beck said it did determine that Finances was the number one priority.

2. Annual Performance Evaluation. Greenwood referred to the staff report, page 106, and advised that fillable forms for the General Manager evaluation will need to be submitted by early January.

3. ORS 777 Proposed Legislative Changes. Greenwood referred to the staff report, p 105. Right now, IGAs with Ports need to relate to harbor maintenance. OPPA is looking to broaden the scope. In addition, the authority to add boatyards to Ports is included, which would benefit Toledo.

4. Rogue Brewery Expansion Update. Greenwood referred to the staff report, pages 106 – 107. He anticipates the first invoice presented to Rogue December 1st. The payment will take the form of a lease abatement. Staff is working with auditors to make sure this is properly accounted for.

5. Oregon Salmon Commission. Greenwood said he had attended an OSC meeting, which he found interesting.

Greenwood thanked everyone who had participated in the Fishermen’s Appreciation Day. It was a great BBQ. The Newport Fishermen’s Wives helped to create a wonderful family event. The North Commercial crew hosting the event also had work to do, so Greenwood extended a special thanks to the Port Mates who were a big help, doing an outstanding job. Greenwood thanked both Beck and Brown for attending. The weather was good, and Greenwood estimated 250 – 300 people attended. Everyone complimented the new grill.

IX. COMMISSIONER REPORTS

Beck said that when he applied to be a Commissioner, he wanted to help with community outreach. The Fishermen’s Appreciation Day was a big outreach opportunity. Beck said it was really nice to see the fishermen’s families in an atmosphere of fun and comradery. He suggested posting pictures of the event on the Port’s Facebook page. He and Greenwood had been guests on Cheryl Harle’s BOSS radio show on Monday the 14th. This was one hour with no commercials, and he found it fun. Beck said Greenwood carried 90% of the load. This was another opportunity to reach out to the community with what the Port has to do and the money the Port has to spend, which is important for people to hear.

Patrick-Joling commented about the maps looking good, but the docks and moorage need to be added.

X. CALENDAR/FUTURE CONSIDERATIONS

- 11/24 5th Annual Turkey Trot
- 11/24 – 11/25 Thanksgiving Holiday, Port Office Closed
- 12/09 Port Holiday Get Together, OCA, 6pm
- 12/20 Commission Work Session, Rogue Mural, Noon
- 12/20 Regular Commission Meeting (rescheduled)
- 12/26 Christmas Holiday, Port Office Closed

There were no changes to the Calendar/Future Considerations.

XI. PUBLIC COMMENT

Skamser asked about the easement with Rondys. Currently, Foulweather Trawl has net storage on Rondys property and she asked if any of that storage would be lost. Greenwood said some net storage space will be lost. Brown commented that one goal from the Work Session is to remove old equipment to free up some room.

Busby said this would be the last meeting he would attend as the City Council liaison. He extended a thank you, saying the Port meetings fell into the “enjoyable” category of his job. Busby added the Port is doing a great job and the meetings have a positive atmosphere. He wishes the Commission good luck.

Wayde Dudley commented that the Fishermen’s Appreciation Day was one of the best BBQ’s west of the Mississippi.

Barb Dudley commented she was not close to Chase, but found him to be positive with a great work ethic and effort: an impressive young man.

Fogarty said it is one of the Port’s responsibilities to encourage local industry, and the Chelsea Rose has done a good job with what the Port is about. He hopes the Port does not obstruct but rather encourages Chase. Fogarty urges the Commission to move along quickly, and this issue deserves close attention.

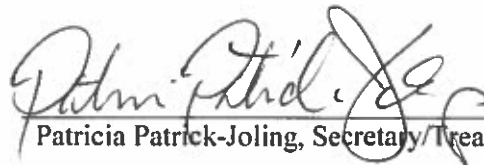
XII. ADJOURNMENT

Having no further business, the meeting adjourned at 7:21 pm.

ATTESTED:



Walter Chuck, President



Patricia Patrick-Joling, Secretary/Treasurer

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