

PORT OF NEWPORT MINUT S

June 27, 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 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 Steve Beck (Pos. #2). Stewart Lamerdin (Pos. #3) and Patricia Patrick-Joling (Pos. #5) were absent.

Management and Staff: Kevin Greenwood, General Manager; Stephen Larrabee, Director of Finance; Aaron Bretz, Director of Operations; Jim Durkee, NOAA Facilities Manager; Kent Gibson, Commercial Marina Harbormaster; Mark Harris, Staff Accountant; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: Sara Skamser, Foulweather Trawl; Doug Cooper, Hampton Lumber; Heather Mann, Midwater Trawlers Cooperative; Kiera Morgan, KYTE/KNPT Radio; Yale Fogarty, ILWU; Jeff Lackey, F/V Seeker; Lisa Lackey, F/V Miss Sue; and Dennis Anstine, Newport News-Times.

II. CHANGES TO THE AGENDA

Greenwood asked to add Port sponsorship of the NOAA Wild Seafood Night to Remember as a New Business item.

III. PUBLIC COMMENT

There was no public comment at this time.

IV. CONSENT CALENDAR

A. Minutes

1. Regular Commission Meeting May 23, 2017
2. Commission Work Session May 23, 2017

B. Financial Reports

C. Declaration of Surplus Property

D. Certification of Election Results

E. Special Use Permits

1. YBYC Summer Sailstice June 24, 2017
2. Shop at the Dock – Oregon Sea Grant, Lincoln County Extension, July 14 – August 18, 2017
3. Barrel to Keg Relay – Community Services Consortium July 22, 2017

F. Commercial Fishing Users Group Committee Alternates 1. Appoint Clay Archambault, F/V Island Girl, as Alternate to Clint Funderburg, Bess Chet, Port Dock 7 Moorage sector

Brown asked to remove item C from the Consent Calendar and add that item to be discussed with New Business item C.

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

V. CORRESPONDENCE/PRESENTATIONS

A. Governor Brown Funding Request.

Greenwood introduced the letter, which advocated for two Army Corps of Engineering dredge projects in the Yaquina Bay Harbor. This has since been approved. The ACOE will be dredging the South Beach Marina entrance this fall.

B. Support Letter for City of Newport Rapid Response Vessel Grant Application

Greenwood introduced the letter saying the City of Newport has applied for a fire boat and asked the Port for a letter of support. He said he can support the project, but details on the location and the costs will need to be determined at a later date. The City of Newport has questions as well.

C. Presentation Acknowledging Port Service by Commissioners Brown and Beck

Greenwood thanked Commissioners Brown and Beck for their time on the Commission, and said it had been a pleasure working with them. Chuck thanked them for their public service and putting time as a volunteer into the work of the Port Commission. Greenwood presented Brown and Beck with Certificates of Appreciation.

VI. OLD BUSINESS

A. Items Removed from Consent Calendar

Declaration of Surplus Property. This item was discussed under New Business item C., Tugboat Repair Contract.

B. Accounts Paid

Brown declared a conflict of interest but would participate in the vote to move business forward.

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

VII. New Business

A. Fiscal Year 2017-2018 Budget Hearing (ORS 294.430)

B. Resolution Adopting the FY 17-18 Budget

Greenwood said that the budget hearing and opportunity for public comment were required by state budget law. Based on the change of the meeting time and notice requirements, this may also need to be brought up again at the 6:00 Special Meeting. Chuck said he will move this item to the beginning of the 6:00 pm Special Meeting.

C. Tug Boat Repair Contract

Greenwood introduced the staff report and said this item came up in the last couple of months. The tug is used for emergency situations in both the Commercial and Recreational Marina. Every two or three years the tug is pulled out for maintenance. He said he had not received the current cost estimate until 7 – 10 days ago. The market value is \$25K and it would take an estimated \$100K to replace. This is not in the budget. The line item vessel repair is traditionally used for repairing the tug. Money saved by negotiating with the City for graveling the north parking lot could also be used, as well as money from repair funds. Also potential surplus property is available to use as trade. Greenwood said he was not aware Gibson authorized the work, so this was done without Commission authority. Greenwood said he discussed public contracting rules with Gibson and wrote to the Port of Toledo to wait to do any more work until it was authorized. Staff had identified how to complete the work, which is important to have done. The options for a serviceable tug are limited. The Port could leave the tug with the Port of Toledo. Beck asked if there were any storage fees. Greenwood said he could opt to get it back. He said there is value in having the tug. Bretz has experience evaluating vessels, and he looked at the tug on Monday. Greenwood said Gibson was in attendance and could answer questions from the Commission. A budget item would be needed for the tug in the future. Brown said it was a shock this amount of money had not come to the Commission. He suggested bringing the tug back to the Port of Newport. The condition of the tug should have been looked at years ago; this is disappointing. Brown said this would be a waste of money. With the \$26,500, the Port could sell the tug and for another \$35,000 could maybe purchase another tug. Beck said if the tug was worth \$25K, putting in \$44K for maintenance won't increase its value. This was a hard pill to swallow. Brown said in the Port's financial stress the money could go elsewhere.

Greenwood said the Port needs a work boat for pile repair and to move barges. Brown said more investigation should be done, including researching renting the Port of Toledo tug as needed. Greenwood said they need a certified pilot to operate outside of the Port of Toledo. Beck asked where someone could get certified, to which Bretz replied they would be licensed by the Coast Guard. Brown said the financial impact was too great and due diligence had not been done. Greenwood said he agreed, but a work vessel is needed in case of an emergency. Brown said these are basic maintenance items that were not addressed. Greenwood said this would compare to the \$80K needed for an emergency repair to the fuel line a few years ago. The Port has a lot of assets that could fail, which is the reason for the facility maintenance reserve fund. Beck asked what the tug would be worth when repaired and if anything could replace the tug. Bretz said he would need to look around but is not aware of anything now. The tug also brings the capability for the Port to provide service. Brown said it might cost \$1000 per trip to rent the Port of Toledo tug, and Aja Vickers is a 1600 ton skipper. Greenwood said that when asked, the Port of Toledo said they can't operate the tug outside of their marina. Brown said staff needs to research if the restriction was on the vessel or the operator, and what it would cost to rent. Gibson said the tug is used several times a year. It is used when piles are removed, and there is another pile identified that will need to be dealt with soon. When the tug was sandblasted, holes were found which ran up the cost. Having a tug at the Port saves money by having it on hand for emergencies. On Port Dock 7, the tug was used to pop a dock into the pile hoop in the middle of the night. When the tug is needed, it is need immediately for critical situations.

Chuck asked how much work had been done so far, to which Greenwood replied more than half. Durkee added that it can't go back in the water as it is now. Greenwood said he informed the Port of Toledo not to do any further work; they maybe should have had a general understanding of the approval needed. Beck suggested delaying a decision to next month so the Port can research options: fix, replace, lease, or rent. Greenwood said he could also follow up to look for an operator for the Port of Toledo tug.

In regard to the declaration of surplus property, Brown asked if the surplus forklift is being used. Greenwood said he considered putting it out for bid if it weren't traded out, and taking the proceeds to apply to the Port of Toledo bill. Chuck asked if surplus would be traded or sold. Greenwood said once declared surplus, the Port would decide based on the best value. Chuck suggested declaring the property surplus and any money from the sale would go back to the General Fund.

A motion was made by Brown and seconded by Beck to declare 17 Steel plates valued at \$18,000 and Pile partials valued at \$2,500 as surplus property. The motion passed 3 – 0.

D. Wild Seafood Night to Remember

Greenwood added this item and the flyer for the event, which was appended to the meeting packet. He said that Jim Myers is heading up the event, which will take place on the MOC-P campus. Greenwood recommended the Port sponsor the event.

A motion was made by Beck and seconded by Brown to sponsor the Wild Seafood Night to Remember to be held at the NOAA MOC-P.

VIII. DEPARTMENTAL REPORTS

A. Director of Finance

1. June Occupancy Report

Larrabee introduced the staff report. Beck asked if there had been any increase in reservations for the eclipse. Larrabee said 30 – 40 dry camp spots were available online. Staff decided not to put together a give-away packet for the eclipse since the reservations have already been made. Larrabee said there have been complaints about the increase in South Beach moorage rates. Brown said the Embarcadero has increased their rates dramatically.

B. Director of Operations

1. TCB Security Report

There was no discussion on this item.

C. General Manager

Greenwood introduced the staff report. He added that with Skamser joining the Commission in July, the Commercial Fishing Users Group Committee would need to add an Industry Support representative, perhaps from Englund Marine, the meal plant, Carson Oil, or Joe Lamb. Greenwood provided an update on the hillside mudslide area. The Museum is under contract with Road & Driveway, city permits have been filed, and they have a geo-tech report. They are waiting for any responses to be sent to the City about the permits. There is no firm schedule as to when work will commence. A scope of work has not yet been identified. Some of the parking has been reopened for Port Dock 5 fishermen. Brown asked about the impact on parking when the work would be taking place, and suggested public notices be sent ahead of time.

IX. COMMISSIONER REPORTS

Chuck appointed Lamerdin as the Commission liaison to the Terminal Users Group Committee and to the Teevin and Silvan contract negotiations. Chuck said he had attended the Oregon Small Woodlands Association annual conference in Florence, and spoke with many members who support the International Terminal Shipping Facility project. He was invited to speak at the Lincoln County chapter meeting. A letter from the Association has been forwarded to Greenwood.

X. INCOMING COMMISSIONERS OATHS OF OFFICE

Chuck noted that the incoming Commissioners' terms would begin on July 1, 2017. Greenwood administered the Oath of Office to Skamser and Lackey.

XI. CALENDAR/FUTURE CONSIDERATIONS

- 06/25 – 06/27 Eel Grass Counting
- 06/28 – 07/07 General Manager Paid Time Off
- 07/04 Independence Day, Port Office Closed
- 07/14 – 08/18 Fridays Shop at the Dock, Oregon Sea Grant
- 07/22 Barrel to Keg Relay, Community Services Consortium
- 07/25 Regular Commission Meeting
- 07/26 Annual Coastal Economic Summit, Portland, Ore.

There were no changes to the Calendar/Future Considerations.

XII. PUBLIC COMMENT


Skamser noted that notice about the Museum fixing the mudslide area and the parking lot would be important because of the tuna season.

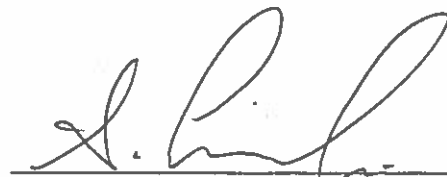
Fogarty commented that he had been watching the struggle with the International Terminal project, and suggested the Commission hire an independent person to oversee the project. He mentioned Don Mann is a consultant who knows the Port and this project. It might facilitate the parties coming together, eliminate some struggles and resolve issues. A consultant could work on the project 24/7. He said he had not spoken to Don Mann, but encouraged the Commission to consider this option. Beck responded that he thought this was a great idea, as there are a lot of pieces and parts to the project. The Port staff has other business to do while this gets done.

XIII. ADJOURNMENT

Having no further business, the meeting adjourned at 12:43 pm.

ATTESTED:





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