

PORT OF NEWPORT MINUTES

October 27, 2015

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 6:10 pm at the South Beach Activities Room, 2120 SE Marine Science Drive, Newport, Oregon.

Commissioners Present: Walter Chuck (Pos. #1), President; David Jincks (Pos. #2), Secretary/Treasurer; and Stewart Lamerdin (Pos. #3). Ken Brown (Pos. #4), Vice President, and Patricia Patrick-Joling (Pos. #5) 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: Wayde Dudley; Barb Dudley; Jim Shaw; Pat Ruddiman, ILWU; Yale Fogarty, ILWU; Ralph Busby, Newport City Council; Derrick Tokos, City of Newport staff; Kiera Morgan, KYTE/KNPT; Lee Fries; Jon Conner, Samaritan Health Services; Dennis Anstine, Newport News-Times.

II. CHANGES TO THE AGENDA

There were no changes to the Agenda.

III. PUBLIC COMMENT

Barb Dudley said that on behalf of the U-Da-Man Fishing Derby committee she thanked the Port for their help with the event, which took place on a windy and rainy day. The event was successful with approximately 125 competitors.

Jim Shaw commented that he had wanted to see Greenwood at the Toledo Boat show this year but did not. Shaw hopes that next year Greenwood will participate with a boat constructed by his staff that won't sink. Jim Shaw expressed that Hal Pritchett was sorry he could not be at the meeting; he was in South Carolina. Shaw presented a framed photo to Fuller on behalf of the "Gentlemen's Club" as a congratulations on his promotion.

IV. CONSENT CALENDAR

- A. Minutes:
 - 1. Regular Commission Meeting 9/22/2015
 - 2. Special Commission Meeting 10/13/2015
- B. Financial Reports
- C. Special Use Permit – 4th Annual Newport Turkey Trot
- D. Consent for Partial Street Vacation from City of Newport/Samaritan Pacific Health Services (ORS 271.190)
- E. Res. No. 2015-16 Workers Compensation Coverage for Volunteers
- F. Award Contract for Dumpster Acquisition (\$29,100)

Jincks requested that Consent Calendar item E, Resolution 2015-16 Workers' Compensation Coverage for Volunteers be moved to the Director of Finance Report.

A motion was made by Jincks and seconded by Lamerdin to approve the revised Consent Calendar. The motion passed 3 – 0.

V. CORRESPONDENCE/PRESENTATIONS

Oregon/South Carolina Congressional Delegation re: USCG Air Facility

Greenwood presented the letter from Federal Delegates in Oregon and South Carolina regarding the U.S. Coast Guard air facilities, found in the packet.

VI. OLD BUSINESS

A. Items Removed from Consent Calendar

No additional items were removed from the Consent Calendar.

B. Accounts Paid

Jincks asked for more information on Check 37222 to the City of Newport for Land Use Estuary Review. Fuller advised that was related to the Port Dock 5 pile replacement. Jincks asked about Check 37297 for an amount in excess of \$5000. Greenwood said he would get further information and get back to the Commissioners next month. Lamerdin asked about NOAA Fund Check 12773 to Stay'n Power for Battery Replacement and if this would be an annual fee. Fuller explained that this was for SFO required battery replacement in 4 back-up cabinets for the APC UPS units. He added that this was a good, negotiated price, which paid for rebuilding the batteries rather than a more expensive replacement, and could be expected to be redone every five years.

A motion was made by Jincks and seconded by Lamerdin to approve the Accounts Paid. The motion passed 3 – 0.

VII. New Business

A. Letter of Support for Shipping Facility Connect Oregon VI Grant Application

Greenwood advised the Commissioners that the Port was seeking a \$4 million grant through ConnectOregon VI, and reviewed the staff report included in the packet. Greenwood added there is a workshop for this project scheduled for Thursday with Evan Hall, Ron Stillmaker, representatives from Teevin and the City of Newport, to which Chuck and Jincks are also invited. Greenwood shared the news that the Port was successful in receiving a \$2 million TIGER grant award. Jincks asked about the Port's budget for matching grant awards. Greenwood advised that the ConnectOregon \$6.5 million sought would require a 30% match, and the TIGER award would be eligible for that match.

A motion was made by Lamerdin and seconded by Jincks to authorize the Commission President to sign the Letter of Support and authorize the General Manager to sign the ConnectOregon VI grant application. The motion passed 3-0.

B. Res. 2015-07 Amending Classification and Compensation Plans

Greenwood introduced the resolution as part of the Port's ongoing updates to classification and compensation. Larrabee said, as Director of Finance, he was looking to raise the bar by hiring an accountant rather than a bookkeeper to fill the vacancy. He had researched WorkForce Oregon regarding a job description and salary. The suggested rate is lower than the state median, but would be appropriate for the Port's governmental status. The importance of this position was seen with the audit process. Currently, Larrabee's responsibilities as Director of Finance include Human Resources and Special Projects in addition to other duties. Having a full-cycle accountant on board would allow for long term development of a sustainable staff over time. This position would also encourage bookkeeping staff to get a college degree to perhaps move into this role. Jincks commented that he felt the Port was going in the right direction, but he wants management to give consideration to meeting the staffing needs at the lower end. The biggest costs to the Port is inadequate maintenance, so he cautioned against becoming top-heavy. Greenwood added that the Special Projects position was not being replaced, so this accounting position would give Larrabee needed technical support to be able to assume a role in Special Projects development. Greenwood recommended that the Commissioners adopt resolution 2015-17.

A motion was made by Jincks and seconded by Lamerdin to adopt Resolution 2015-17 Amending the Classification and Compensation Plan for Port Employees. The motion passed 3-0.

VIII. DEPARTMENTAL REPORTS

A. Director of Finance

Larrabee provided an audit update, saying the audit went well, with Brown and Chuck both in attendance. He expects a draft of the audit report the first week in November, and a final report by the next Regular Commission Meeting. Larrabee thanked staff for their hard work and a good relationship with the auditors. Chuck added he heard a good response from the auditors. Greenwood said staff will bring a draft of the finished statements to the Commission for input before the final documents are completed.

Res. No. 2015-16 Workers Compensation Coverage for Volunteers

Jincks said the Volunteer program was important, but there was no budget yet. Jincks would like to see a budget, and identify who would oversee and coordinate the program. Currently Rick Fuller is coordinating and this job is "below his paygrade." In Jincks' previous experience, volunteer programs did not work that weren't well planned. He would like to see the program further developed before it starts; he would like the Commissioners to be presented with a complete program. He would request the Workers' Compensation Insurance be capped for the volunteers. Fuller assured the Commissioners that the Port would proceed cautiously, and will develop bylaws, rules and organization for the volunteers. Greenwood suggested this program be added to goals setting, including how to use volunteers and leverage their help.

A motion was made by Jincks and seconded by Lamerdin to adopt Resolution 2015-16 Extending Workers' Compensation Coverage to Volunteers of PON. The motion passed 3-0.

B. Director of Operations

Fuller reviewed the Director of Operations Monthly Report with the Commissioners. Fuller said he was comfortable with Pete Zerr and Jim Durkee in their new positions, and they had both

completed relevant training. Durkee would be completing advanced training for the NOAA building automation system in December. Fuller was also working with the department heads of a matrix to separate service from maintenance & repairs to help identify and create crew goals. It is apparent that there is a need for more time devoted to maintenance and repairs.

Fuller said he had viewed the Teevin plans in preparation for Thursday's workshop. Traffic plans are not yet prepared and will be needed. In reference to the PD5/PD7 Pile replacement, Fuller added that staff will need to match money with what can be done. For the PON/CBT permanent foundations, the analysis of options will include comparing the temporary solution of foundations to moving the structures and getting another two year permit.

Fuller spoke to the Technical Memorandum for the Port of Newport NOAA Facilities Maintenance Dredging Minimization Study Analyses included in the Meeting Packet. Fuller referred to the recommendations beginning on page 14 of the Technical Memorandum. Options one and two would serve to buy time on the required maintenance, and would require working with the US Army Corps of Engineers. Option three, deflection plates, would restrict water flow creating a faster current and directing sedimentation into the flow lane. Option four, NOAA moving ships, was not practical. The ships were parked where they were for a reason. The other option could be a barge 6 feet or greater to create eddies moving up and down the wharf. Fuller said there is more to look at for an evaluation of these options. He will be meeting with the ACOE about a constant dredge channel line lower than the Ports so that it doesn't fall in. Greenwood added that NOAA was one of the reasons federal funds had been received. Jincks asked why excess dredging was needed. The bar and channel are the main concerns of the community and the fishing fleet; this is the Port's safety concern. NOAA was never considered deep draft. Fuller agreed that in conversations with ACOE the focus is always the bar and channel, other concerns are secondary. Jincks expressed concern how ACOE would agree to dredge at NOAA if tonnage had already been met.

C. General Manager

1. Rogue Presentation

Greenwood presented a power point slide showing the proposed Rogue footprint superimposed over the current status, indicating the overlap and loss of dry camping space, which is approximately 35,373 square feet. This square footage would be regained by patching over the boat launch and marrying the patch to existing dry camp area for a gain of approximately 35,000 square feet. (See slides attached to minutes.) Greenwood said he has spoken with Rogue; they would assume 51% of the costs of improvement, and the Port would assume 49%. The cost to the Port would be manifest as a reduction in rent from Rogue spread out over 3 – 5 years. Rogue would perform the work. Traffic flow and parking are under development. Jincks commented that it is important the Port does not have a net loss in the project. Land is a premium. Greenwood reminded the Commissioners that the Yaquina Bay Fruit Processors' lease is expiring so that income will be lost. Port Operations will look out for Port of Newport's interests in this project. Jincks added that he is still not happy with the loss of the view from Ferry Slip Rd., but this may not be as important to the other Commissioners. Lamerdin also expressed concern about access for kayakers. Greenwood said they would still work on landscaping and murals, and there will be additional materials presented to the Commissioners in November or December.

2. Insurance Renewal – Best Practices

Greenwood presented the completed Best Practices Checklist to the Commissioners for their review and approval. There was a consensus to move forward with submitting the checklist.

3. Goal Setting

Greenwood introduced the goal setting report as much leaner than the Vision Plan previously presented. He reviewed the proposed process, to which the Commissioners responded favorably. Greenwood will send out an email to set a date with the Commissioners for the Goal Setting Session.

4. Annual Performance Evaluation

Greenwood referred to Resolution 2014-15 included in the Meeting Packet which laid out the process for the General Manager's performance evaluation. This process will start in January.

5. PNWA Conference, Oct. 7-9

Greenwood said the conference was a good networking opportunity, as well as a chance to speak with agency representative. The U.S Coast Guard did not provide any additional information about the proposed home port for fast response cutters. The current representative from Shrader's office is moving to Clacamus, and Greenwood has met her replacement.

Jincks stated that Commission has not yet supported the Coast Guard home port in Newport, and there is still a lack of information in order to make a decision. He is concerned that Homeland Security may just declare Newport the home port. Jincks also is concerned about their interaction with NOAA, which he hope doesn't continue and doesn't affect our NOAA lease. Lamerdin agreed support could not be provided without more information. Greenwood advised that at this point the Port is just getting "a seat at the table."

IX. COMMISSIONER REPORTS

Chuck reported he had attended the OSU Board of Trustees retreat on October 15, 2015.

X. CALENDAR/FUTURE CONSIDERATIONS

- A. 11/11 Veterans' Day – Port Office Closed
- B. 11/13 Fishermen's Appreciation Day
- C. 11/17 Regular Commission Meeting (rescheduled)
- D. 11/26 Newport 4th Annual Turkey Trot
- E. 11/26 – 11/27 Thanksgiving Holiday – Port Office Closed

There were no changes to the Calendar/Future Considerations.

XI. PUBLIC COMMENT

Fogarty commented on the dredging issue. When shipping starts, there will be more demands on available dollars. The bar is the first priority for ships; they cannot rely on tides. Skimming from ACOE for NOAA dredging cannot work long term. Fogarty also addressed Workers' Compensation insurance. Based on his experience as a volunteer firefighter, the mentioned low premium of \$350.00 is a concern because volunteers are rated on an "assumed wage," which is typically minimum wage. The volunteers need to know what coverage is provided. He suggested calling Chief Murphy at the Volunteer Fire Department about the additional coverage provided based on paid firefighters' wages.

XII. ADJOURNMENT

Having no further business, the meeting adjourned at 7:37 pm.

ATTESTED:

Walter Chuck, President

David Jincks, Secretary / Treasurer

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