

PORT OF NEWPORT MINUTES
July 28, 2015
Regular Commission Meeting

I. CALL TO ORDER

Commission President Walter Chuck called the regular commission meeting of the Board of Commissioners to order at 6:02 PM.

Commissioners Present: Walter Chuck (Pos. #1); Ken Brown (Pos. #4); Stewart Lamerdin (Pos. #3); Patricia Patrick-Joling (Pos. #5) and David Jincks (Pos. #2).

Management and Staff: Kevin Greenwood, General Manager; Stephen Larrabee, Director of Finance; Rick Fuller, Director of Operations; and Roxie Cuellar, Administrative Assistant.

Members of the Public and Media: Mark and Virginia Fisher; Robin Murphy, Oregon Coast Glassworks; Wayde & Barbara Dudley; Lee Fries; Cody Chase, H F/V Chelsea Rose; Larry Coonan; Jim Myers, Tuna BBQ; Jim Shaw; Pat Ruddiman, KWH; Doug Cooper, Hampton Affiliates.

II. OATH OF OFFICE

Commissioners Stewart Lamerdin, Ken Brown, Walter Chuck and Patricia Patrick-Joling were sworn into office by Kevin Greenwood, General Manager.

III. ELECTION OF OFFICERS

Stewart Lamerdin made a motion to elect Walter Chuck as President, Ken Brown as Vice-President, and David Jincks as Secretary/Treasurer. The motion was seconded by Patricia Patrick-Joling. The motion passed 5-0.

IV. CHANGES TO THE AGENDA

Kevin Greenwood advised the Commission that an updated list of surplus declaration was provided. President Walter Chuck asked Cody Chase if he wished to be added to the agenda or speak during public comment; Cody Chase agreed to speak during public comment.

V. PUBLIC COMMENT

Cody Chase said the historic Chelsea Rose, at Port Dock 3, was nearing the end of her life. He would like permission to replace the Chelsea Rose. Walter Chuck commented that the Chelsea Rose made a positive contribution to the port. Kevin Greenwood added that the Chelsea Rose had the look of an older fishing vessel, and the aesthetic was critical to the marina. Mr. Chase asked if the Chelsea Rose could be replaced with a new boat or a barge to sell fish from, and if a barge was acceptable to the Commission or was the look of a fishing vessel important. David Jincks commented that he would want the opportunity first to review the lease with the new commissioners, and asked that Mr. Greenwood forward the

lease to the new commissioners. Greenwood would forward the lease. Kevin Brown added that there is already a barge at Dock 7. Kevin Greenwood commented that, historically, the Commission did not want the dock filled with retail outlets. Chase said he was looking to find out what the Port would allow him to do. Stewart Lamerdin added that this determination should be a transparent process and not just a decision for one individual.

VI. CONSENT CALENDAR

- A. Minutes – Regular Commission Meeting, June 23, 2015
- B. Financial Reports
- C. Commercial Dock Materials Acquisition
- D. IGA w/State of Oregon for Bridge/Pier Inspections
- E. Support for Lincoln County Resiliency Grant Application
- F. Waiving Fees for America’s Cup Yacht/Lady Washington/Hawaiian Chieftain
- G. Declaration of Surplus Property

A motion was made by David Jincks and seconded by Ken Brown to approve the consent calendar. The motion passed 5-0.

VII. CORRESPONDENCE / PRESENTATIONS

A. Letter from Oregon Coast Glassworks

Robin Murphy of Oregon Glass Works was present at the meeting. Kevin Greenwood reminded the Commission that the issue was a request that a sandwich-board advertisement be allowed at the foot of Fogarty St. near Bay Blvd. Mr. Greenwood had spoken with the City. All current signage was related to fishing boats and those signs are abutting those businesses. Oregon Coast Glassworks, in contrast, was up the hill. Another element to consider was “where does this stop?” Patricia Patrick-Joling asked if there were guidelines on signage on port property. Jincks stated that he believed there was. Greenwood added that he had not seen a guideline related to temporary signs. Patrick-Joling commented that there were a lot of signs directed toward tourists so important to know if a specific policy exists, and perhaps should be revisited. Greenwood will check the archives. Ken Brown suggested also looking at City policies. Greenwood said he had spoken with Community Development Manager Derrick Tokos; currently signs need to be for a business at the port, but the city would have an issue with signs on businesses being posted on Route 20. Jincks recalled that the city had some discussion when the fish signs “migrated.” Patrick-Joling suggested a work session to discuss this topic. Robin Murphy asked who had jurisdiction over the light poles. They currently can only have signs for non-profit businesses. Murphy said it is a challenge for small business owners in Newport with City, ODOT and Port regulations. She just wants to improve her visibility to let locals and tourists know about her business. She felt the City told her the decision about signs at the Port was the Port’s decision to make. She asked that the Commissioners think about the small business owners in their discussion. Patrick-Joling said the Commissioners would discuss the issue and perhaps a member of the City Council could be present as well at the work session. Greenwood said he would check older resolutions and look for options.

B. Jim Myers, Great Albacore Tuna BBQ Challenge

Mr. Myers said this year will be the 4th annual event with the Port and the Oregon Albacore Commission. The event will be held August 7, 2015, from 5:15 – 7 pm and is open to the public. Last year's event was a sellout. The event is good PR for the Port. There will be a program insert in the Newport times on August 2nd. There will also be two tickets provided to each of the Commissioners. The event benefits the Newport Food Pantry, and the proceeds are split 50/50 with the Port.

VIII. OLD BUSINESS

A. Items Removed from the Consent Calendar

No Items were removed from the Consent Calendar.

B. Accounts Paid

Jincks asked if there was always a yearly payment to Workmen's Compensation. Stephen Larrabee said yes, and that it was adjusted at the end of the year based on payroll.

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

IX. NEW BUSINESS

A. Resolution Amending Classification and Compensation Plans

Greenwood said Rick Fuller was promoted to Director of Operations, and Jim Durkee was promoted from the International Terminal to the NOAA Facilities Manager. There were some changes made to the job description, some tasks removed and the pay scale adjusted to reflect the changes. Last month there was a positive meeting with Chuck, Jincks and John Vickers from NOAA to interview Durkee. The Commission must approve salary and job description, and the Port Manager hires for the positions. Karen Hewitt will be the new Administrative Assistant, replacing Roxie Cuellar who will be going to the Port of Alsea. A matrix has been included in the packet, and Greenwood said he appreciated the Commission's support. Fuller is currently inspecting the facilities.

A motion was made by Brown and seconded by Patrick-Joling to approve Resolution No. 2015-11. The motion passed 5 – 0.

B. Review SDIS Best Practices Program

Greenwood advised that the Port would receive a 10% discount on insurance if certain requirements are met. The Port has received a 2% discount for records, and 2% for Port Association. The online training is not yet complete. It is important for the Commission to review the checklist. Patrick-Joling asked if the new commissioner training counted toward this goal. Greenwood said that the training requirement for the Commission had already been met for this program. Brown asked if this same requirement needed to be met every year. Greenwood responded that the focus changes each year.

C. Resolution creating a Special Use Policy

Greenwood introduced the policy by saying creating one was part of his Tier 2 goals from his performance evaluation. He advised that Roxie Cuellar had helped to research and develop the proposed policy to cover Port costs (water, administrative, trash, etc.), and to consider the number of people involved. The goal is to recoup costs without having an overly bureaucratic process. Greenwood recommended adopting this policy now and it can be refined as time goes on. Brown asked what the Special Use Policy covers. Greenwood said the biggest thing not currently covered is the Wine Festival. Brown asked about Tall Ships. Greenwood acknowledged that could be considered since it did increase foot traffic. There is some administrative discretion in the fees, but would ask that this be approved or added to consent calendar and a final fee can be discussed. This change could be made now and then followed up at the yearly resolution meeting. Lamerdin asked if any current users would be negatively affected. Greenwood responded that this was currently a nebulous process and this is an attempt to make it more standardized and clear. Cuellar added that Bay to Brew had not paid in the past. Now there would be a \$100 non-refundable application fee plus an additional usage fee to cover costs. Greenwood read the proposed form and said this was staff's attempt to address the process based on issues seen in the past. Patrick-Joling suggested adding this discussion to the work session. Cuellar said that in the past, the fee of \$1000 was asked and then the applications would talk to Greenwood to try to reduce the cost. Jincks added this was something that was needed, and suggested moving forward for now and bringing it to the work session.

A motion was made by Jincks and seconded by Patrick-Joling to approve Resolution No. 2015-12. The motion passed 5-0.

D. Contract with GRI for Terminal boring Services (\$8,000)

Greenwood said this is a longtime consultant for the Port, and this project at McLean point is part of the Teevin Project. The boring is to make sure the material is clean before being placed at an offsite location. This will entail 20 samples 6 – 8 feet in depth. GRI will work with DEQ to prepare a letter confirming the material is clean. The total cost of \$16,000 is being split 50/50 with Teevin. The Port's share will come out of the construction fund.

A motion was made by Brown and seconded Patrick-Joling to approve the contract with GRI. The motion passed 5-0.

E. Review Commission Liaison Assignments

The Commission reviewed and updated the Membership Liaison Assignments. The list will be updated with the changes.

X. STAFF REPORTS

A. Departmental Reports

1. Steve Larrabee, Director of Finance
 - a. Penny Gabrielson, South Beach Occupancy Report
2. Rick Fuller, Director of Operations
 - a. Rick Fuller, NOAA Facilities Manager
 - b. Kevin Bryant, Commercial Marina Harbormaster
 - c. Jim Durkee, Terminal Operations Manager
 - d. Chris Urbach, South Beach Marina Harbormaster
 - e. Mike Goff, TCB Security
 - f. Safety Committee Minutes, June 2015

Rick Fuller commented that he has “hit the ground running.” He asked the Commissioners how they would like to see operations reports in the future, by individual departments or as a summarized single report. Jincks said he would rather see one report. Brown asked Fuller what would be the best use of time. Fuller responded that all departments would be included in the Director of Operations report regardless. He added that he would be standardizing all department reports. Brown said that he would rather see one report. Jincks added that routine maintenance reports were not necessary, but ongoing maintenance should be included. Perhaps department reports could continue for now and see how Fuller’s report develops. Lamerdin suggested this was an opportunity to work with Fuller on reporting. Lamerdin said he did not want to see excessive time spent to prepare the report, but would want to work toward one report as it evolves. Patrick-Joling commented that Fuller did a terrific job with the format of the NOAA report. Fuller said he understood the Commission wanted to work toward one report, but that this is a work in progress. Fuller referred to the outline and job description in his report. He wanted to get this information in this format for reference. He continued that there is an opportunity for improvement. There is questionnaire sent out to departments to analyze the health of the Port of Newport and each department. Perhaps this could also include customers in the future since this involved services. It can also allow us to set future goals. Patrick-Joling asked if the Port has a goal setting session. Greenwood responded that this was part of the visioning process, and he is seeking a grant for this. Patrick-Joling said we did not need a grant to do this. The Commission and Management could get together one day for a goal setting session. She said the Commission did not want any surprises. Greenwood suggested perhaps goal setting could be addressed in the new year.

B. General Manager’s Report

1. Rogue Brewery Expansion

Greenwood said he had met with Brent Joyce. The off-site improvements would cost more than \$500,000 comprising various elements. Rogue would need improvements in any case for the warehouse, would need more water and would need a sewer line. Excavation material removal would be an additional cost that would be part of the off-site improvements.

2. TGM Vision Plan Grant

The port is has sought \$40,000 from Oregon businesses, and \$90,000 from the ODOT/TGM Program. There are State required documents for this. One of the components is marketing and transportation issues. The process is very competitive. Usually, only cities and counties apply for this grant.

3. Pile Replacement Project

This project will be under Fuller's oversight. There are commercial divers who are finishing at Dock 7 and starting on Dock 5 to complete a survey of the broken material. This survey will be used as part of a permit application. Lamerdin asked if the tasks in this project have been prioritized. Greenwood responded that Staff had done so and had prioritized replacing the pilings on Dock 5 as number one. Lamerdin asked about removal of the damaged material and the money needed. Greenwood replied there was a lot of identifying at this point and Fuller would be looking into this further. Lamerdin requested a sheet be prepared for the Commission to identify Staff priorities. Fuller said this would be an aggressive schedule with the goal for completion in November.

4. Terminal Shipping Facility Update

Greenwood said he expected the designs received by the end of this week, and the Building Permits applied for in August to the City of Newport. There is another permit to apply for, and the project should be fully permitted by the end of the year. As for financing, we are waiting to hear for TIGER, and are looking at EDA vs. community funds. This is now in the administrative hands of Portland. We will also continue with other grant applications. The State Legislature has also approved Connect Oregon, which this year requires a 30% match as opposed to 20%. Per Greenwood, we are leasing 30 acres from the Hall family. There are 7 years remaining on the lease. The biggest issue is dealing with dredged soil. It would cost approximately \$1.5 million to fill and mitigate the wetlands. Greenwood and Evan have focused on development of the McClean port. We applied for a TIGER grant, and can apply to Connect Oregon and EDA. With the City Urban Renewal, there is an opportunity for support the plans.

5. DHS Port Security Grant

We were turned down for the TIGER grant as of this morning. Larrabee will look at grant writing and look further into security issues.

6. Yaquina Bay Fruit Processing Lease

The Bandon project fell through, and the current IGA with the City prohibits an extension of the lease until the site is in compliance. There are four options:

1. Close down the operation
2. Change operation to seaweed production with cherries as an ancillary use (70/30). Harry Noah has expressed an interest in seaweed production.
3. Identify the current operation as a conditional use as interpretive tourist related, but this would require capital costs that Noah may not want to spend.
4. Make a zone swap. Cherry production would be an outright use under industrial zoning. The McClean yard would fit the requirements for W2 zoning.

Brown asked about the regional significance of an industrial area. Greenwood said there would be no effect. He expressed his interest in a zone swap. Jincks remarked that he was against a zone swap; it would be difficult and he considers this option out of the question. Patrick-Joling added this would be an extreme action and everyone would need to be noticed of the zoning change request.

8. Staff Training Update

Greenwood advised the Council that Larrabee, Fuller and Aja Vickers would be attending a Harbormasters' Conference. The conference is expensive, but it would be critical and beneficial for them to attend. There is also a University of SE Alaska Management Training program online that Fuller will complete.

XI. Commissioner Reports

Jincks called attention to Jim Durkee's report as positive, and reflected a tremendous increase in use. Brown reported on the Urban Renewal meeting, and Ralph Busby said 40-50 people were in attendance. Patrick-Joling will attend the next meeting. Chuck provided an update on Highway 20, and said it was expected to open in 2016. Chuck asked if the August Council meeting could be moved to August 18th because of a planned vacation. The Commissioners agreed to the move. In addition, a work session is to be scheduled for that day at noon. Greenwood asked what the Commission would like to address at the work session. Patrick-Joling responded they would like to address signs, goalsetting, Rogue Brewery and the Chelsea Rose. Greenwood said they could rehash old proposals and Brett could arrange a meeting with the new Commissioners. Patrick-Joling also asked for the Chelsea Rose lease.

XII. Calendar/Future Considerations

- A. 07/28 Regular Commission Meeting
- B. 08/01 America's Cup Tour
- C. 08/08-09 Great Albacore Tuna BBQ Challenge
- D. 08/07 HMSC 50th Anniversary
- E. 08/14-16 Lincoln County Fair
- F. 0815 Toledo Wooden Boat Show
- G. 08/18 Department Heads Meeting
- H. 08/25 Regular Commission Meeting

XIII. Public Comment

Jim Shaw from South Beach said he had suggested 3 years ago that signs be added for Docks 1, 3, 5, and 7 in a visible location so that tourists could find them. He wanted to repeat this request. Shaw also advised that the Youth Skills day was upcoming in Siletz. Last year they had approximately 40 attendees for the event that includes such things as hunting skills, gun cleaning, archery, etc.

Lee Fries commented that he has been attending the Commission meetings for 8-9 years. He said that Port Dock 1 was the most visible to tourists because of the sea lions, and Port Dock 7 has a sign. Port Dock 3 has no sign, and is a tourist draw because of the Chelsea Rose. He added that tourists don't go to see Dock 7 because the barge is not attractive. Fries urged the Commission not to allow a barge on Dock 3; a vessel should be there.

Doug Cooper from Hampton Affiliates introduced himself as a representative of the saw mill company who is working on a project at the International Terminal. He said logs are coming in from Northwest Oregon and are shipped from Newport. They are opposed to public money going to benefit private companies who export logs.

XIV. ADJOURNMENT

Having no further business, the meeting adjourned at 7:41 PM.

ATTESTED:

Walter Chuck, President

David Jincks, Secretary / Treasurer