

PORT OF NEWPORT MINUTES

20 March 2018

Regular Commission Meeting

[Due to technical difficulties, the audio recording is not available for this meeting.]

I. CALL TO ORDER

Commission President Patricia Patrick-Joling 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); Sara Skamser (Pos. #2); Stewart Lamerdin (Pos. #3), Secretary/Treasurer; Jeff Lackey (Pos. #4), Vice President; and Patricia Patrick-Joling (Pos. #5), President.

Management and Staff: Doug Parsons, General Manager; Aaron Bretz, Director of Operations; Mark Harris, Staff Accountant; Becca Bishop, Accounting Clerk; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: Rex Capri, Newport citizen; Jim Cline, Rogue; Tim Horgan, Pacific Seafood; Pat Ruddiman, ILWU; Yale Fogarty, ILWU; Jack Wallbel, Rogue; John Moody, Pacific Shrimp; Doug Cooper, Hampton Lumber; Tracy Burchett, ILWU; Josh Hulsey, Pacific Seafood; John Buxley, Pacific Seafood; Jan Stein, Pacific Seafood; Ed Backus, CFA LLC; Dietmar Goebel, Newport City Council.

Note: not a transcription

II. INTRODUCTION AND WELCOME TO DOUG PARSONS, GENERAL MANAGER

Patrick-Joling introduced Parsons. Parsons thanked everyone for the warm welcome he's received and said he is excited about the position. He commented that the day before his start date, he sat in on a staff budget preparatory meeting, which included all direct reports. He mentioned that he told his wife that evening that it was a most pleasant surprise there were no bad eggs; everyone was focused, enthusiastic and had great ideas. Parsons said this will make his job much easier. Parsons felt that the previous General Manager did a good job pulling a team together. Parsons said he would be happy to address questions.

III. CHANGES TO THE AGENDA

There were no changes to the agenda.

IV. PUBLIC COMMENT

Horgan of Pacific Seafood said he had spoken with Heather Mann who recommended he come to the Port Commission Meeting. Permacold said the ice system at Hallmark was not safe, so they don't anticipate operating it this year. If people are willing to accept the risk, they can operate the system. There may also be an option to put ice at the dock. In the long term, Pacific Seafood will be building an ice house.

Capri said he wanted to address the International Terminal (NIT). He said some mistakes were made. The previous General Manager was fired and it took 7 ½ months to find a new one. Second, The Teevin contract was dropped without renegotiation. Third, the Midwater Trawlers Cooperative (MTC) was asking for an unreasonable amount of time and were asking for more influence than they should have. This has culminated in chasing away potential shipping users at NIT. Capri said that the two new Commissioners have a conflict of interest because of their association with MTC and should step down from discussions about NIT use or policy.

Capri said that the taxpayers accepted a debt of \$25MM in 2006 to renovate NIT in the hopes of diversifying, creating economic opportunities, and opening new jobs. The NIT rebuild was completed in 2013, but there have not been any new users. He hoped that the Board will aggressively look for new potential users of the facility. Capri welcomed Parsons, and said he hoped he would put the community first and foremost.

V. CONSENT CALENDAR

- A. Minutes
 - 1. Regular Commission Meeting 27 February 2018
 - 2. Commission Work Session 27 February 2018
 - 3. Commission Executive Session & Special Meeting 5 March 2018
- B. Special Use Permits
 - 1. Davis Shows – Newport Loyalty Days Carnival
- C. Resolution 2018-04 Naming a Registered Agent
- D. Resolution 2018-05 Designating Bank Accounts and Authorizing Check Signers

A motion was made by Chuck and 2nd by Lackey to approve the Consent Calendar. The motion passed 5-0.

VI. COMMITTEE REPORTS

- A. Commercial Fishing Users Group Committee
 - 1. Special Meeting Minutes (draft) 23 February 2018

There was no discussion on this item. Heather Mann's report was presented at the last Regular Commission Meeting.

VII. OLD BUSINESS

- A. Items Removed from Consent Calendar

There were no items removed from the Consent Calendar

VIII. NEW BUSINESS

- A. Introduction and Discussion of Proposed Rates, Fees & Charges FY 2018-2019.

The proposed Resolution was included at the meeting as an Addendum to the Meeting Packet. Parsons said that he and staff had worked on updating the rates, fees and charges. He had received feedback from the community that this needed to be done. Parsons said he tried hard initially to put rates in line with competitors, including the Port of Astoria, the Port of Coos Bay, and ports in Washington of similar size. Some of the numbers were a significant increase. Parsons said there was not enough time to adequately review comparable RV Park fees. He said this would be looked at in more detail later. The NIT rates had been developed with help from an attorney familiar with rates in the Portland area. Parsons said these were left as they are for now, and would be developed as things go along. Parsons said he would like to see a nice balance of different clients at NIT year round. Some of the fees that show a large percent increase were smaller dollar amounts. Patrick-Joling asked if the proposed Resolution had been posted on the website. Hewitt said that was done. Patrick-Joling said the Commission would need to review the document since it was just presented at the meeting. This could be added to the Budget Priorities Work Session on 3 April. Hewitt will send the proposed Resolution to the Budget Committee.

IX. DEPARTMENTAL REPORTS

A. February South Beach Occupancy Report

There was no discussion on this item.

B. Director of Operations

Bretz referred to the staff report included in the Meeting Packet. He said that this may be the best year ever for the hoist dock. Lamerdin asked if Bretz had priced out replacing the hoists. Bretz said he was looking into that. Lamerdin said he had heard of potential issues, so it would be valuable for the Commission to have an idea of what it would cost to replace the hoists. Bretz also identified this as a recommendation for capital improvements along with an electrical upgrade. Crane 3 is functioning, but there is a problem with the rotating base that get it hung up. Some of the electrical issues have to do with overload. More electrical capacity and permanent lines are needed. The electrical conduit that supplies power has some large junction boxes that can get submerged at high tides. Bretz said it will be a priority to get those boxes moved, but it is challenging. Moving them on top of the pier would make them a risk from forklift traffic. They can be moved underneath the pier.

Lamerdin asked about the status of the dredge spoils dumped on the mitigation eelgrass issue with the Army Corps of Engineers. Bretz confirmed he had contacted them by e-mail including photos, but he has not yet received a reply. When tides make it possible, additional photos will be taken to track progress.

Lamerdin asked about the status of the leases review by Todd Kimball. Parsons said he had already started reviewing the leases. He will meet with some of the tenants and has been cleaning up some of the lease folders. Parsons said he planned to work with a real estate agent regarding comparables. Lamerdin said he has not seen a complete list of leases with their terms and rates. This would help with identifying potential revenue generating sources. Harris will provide information. Lamerdin said he had previously requested that Todd Kimball review the leases. Parsons said since he has to review them, he will identify issues that need immediate attention. Bretz confirmed that he would have informed the Commission if there had been significant problems. Patrick-Joling said this would fall within the purview of the General Manager to handle. Parsons said he is also looking at profit centers. For example, separating the RV Park from the Marina, and grouping the Port's property leases together as a separate profit center because they have similar characteristics. Grouping by geography can lead to some confusion. Lamerdin said he would look at the information provided, and leases would be discussed at future meetings.

X. COMMISSIONER REPORTS

Skamser addressed comments made by Capri. Skamser said she has been at the Port for a long time and is keenly aware of the burden the taxpayers are carrying. She was here when shipping was going on in the 1990's, which did not generate enough money to maintain the dock. Skamser said it was disingenuous to pick out MTC. Heather Mann is the Chair of the Commercial Fishing Users Group Committee (CFUG), and agreed to be open minded in that capacity. CFUG is made up of special interests of the entire fishing community. The robust discussions are a refreshing change that will bring about diversity. Shipping interests have not come to Commission meetings, and the previously proposed agreement with Teevin was not a good deal for the Port. Skamser said she is interested in seeing shipping and diverse use of NIT. There is not a lot of land for shipping. She did not want the taxpayers to be misled. Skamser said Evan Hall had made a presentation and discussed an overview of possibilities for Rondys development. She was encouraged by the engagement of all Committee members in the discussion and the attendance at the meeting, which lasted three hours. People are looking at their business plans for the future.

Patrick-Joling said she met with Representative Kurt Schrader at a round table discussion. She learned that the City of Newport was going after the fire boat and was applying to Homeland Security. The Port will have to assist. Patrick-Joling reminded the Commissioners of the upcoming deadline for SEI filing. She said that she and Parsons will be meeting with Representative David Gomberg on Friday and will attend a transportation meeting with Oregon Cascades West Council of Governments. Lamerdin requested a copy of the agenda for the OCWCOG meetings. Patrick-Joling said that may be posted online.

XI. CALENDAR/FUTURE CONSIDERATIONS

1st Commission Budget Priorities Work Session	3 April 12:00 pm
Pacific Coast Congress Spring Conference, Port of Coos Bay, OR	17 April – 19 April
2nd Commission Budget Priorities Work Session (if needed)	10 April 12:00 pm
Regular Commission Meeting	24 April 6:00 pm
May Loyalty Days Carnival	3 May – 6 May
1st Budget Committee Meeting	8 May 6:00 pm
2nd Budget Committee Meeting (if needed)	15 May 6:00 pm
Regular Commission Meeting	22 May 6:00 pm
Newport Marathon	2 June
Public Hearing & Adopt Budget Resolution	26 June 6:00 pm
Regular Commission Meeting	26 June 6:00 pm

There were no changes to the Calendar/Future Considerations.


XII. PUBLIC COMMENT

Fogarty commented in response to Skamser that shipping did make money, which the Port used to maintain other facilities. Port infrastructure is failing, and the Port needs to make a return on its investment in NIT. Fogarty said he respected fishermen and they do need to be at the Port, but fishing cannot fund what's needed to maintain facilities. NIT use needs to be diverse. Interest in shipping has been expressed from some lumber interests and some different proposals from Teevin. Cargo is revenue. The fishermen will benefit from the revenue from shipping in the upkeep of Port facilities. Fogarty said it is Parsons's job to figure out a plan that will work for everybody.

XIII. ADJOURNMENT

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

ATTESTED:



Patricia Patrick-Joling,
President



Stewart Lamerdin, Secretary/Treasurer

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