

PORT OF NEWPORT MINUTES

October 18, 2016

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 6:00 pm 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; Patricia Patrick-Joling (Pos. #5), Secretary/Treasurer; Stewart Lamerdin (Pos. #3); and Steve Beck (Pos. #2).

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 and Barb Dudley, Port Volunteer Mates; Yale Fogarty, ILWU; Eric, Oien, Teevin Bros.; John McKinney; Jim Shaw; Pat Ruddiman, ILWU; Kiera Morgan, KYTE Radio; Mark Wilson, KYTE Radio; Lee Fries, Port Volunteer Mates; and Ralph Busby, Newport City Council.

II. CHANGES TO THE AGENDA

Patrick-Joling requested adding item VII.A. to New Business, Joint Meeting with Newport City Council.

III. PUBLIC COMMENT

McKinney said he wanted to speak regarding his previous proposal for a Green Port. He said they were hung up on the cruise ship. He asked if anyone from Rogue was present. Since no-one from Rogue was present, he ended his comment at this time.

IV. CONSENT CALENDAR

- A. Minutes:
 - 1. Regular Commission Meeting September 27, 2016
 - 2. Special Commission Meeting September 27, 2016
- B. PD5 Pile Replacement/dock repair – Foundation Engineering, Inc.
- C. Financial Reports

A motion was made by Patrick-Joling and seconded by Beck to approve the Consent Calendar. The motion passed 5 – 0.

V. CORRESPONDENCE/PRESENTATIONS

Greenwood commented that Eric Oien was in attendance from Teevin Bros. and would be available to add to the ITSF discussion. There was no additional presentation.

VI. OLD BUSINESS

A. Items Removed from Consent Calendar

There were no items removed from the Consent Calendar.

B. Accounts Paid

A motion was made by Patrick-Joling and seconded by Beck to accept the accounts paid. The motion passed 5 – 0.

C. International Terminal Shipping Facility Update

Greenwood introduced the agenda item and staff report. He referred the Commission to the TIGER grant item. He said the Port was invited to submit a new proposal for a grant from EDA. The proposal has been submitted, and it will be reviewed by October 20th. If the proposal is favorable, the Port will be asked to submit a full application. Greenwood has been working to complete and is waiting for comment from EDA on NEPA requirements. Since the selection for the EDA grant will not happen until December 1st, this will be late for providing match information to TIGER. Greenwood included in the packet a letter asking that UDOT allow EDA to respond before pulling the TIGER grant. Greenwood has also talked with Representative Schrader, who will deliver the letter to MURAD as a show of support and importance of the project. Port staff is recommending securing a loan to complete the financing.

Beck asked about TIGER's funding cycle. Greenwood said they had obligated the funds for over a year, but had requested the full funding package presented to them by the end of October 2016. The grant agreement would not be completed until September, 2017, but it is a lengthy granting process. MURAD also asked for a more formal environmental assessment. John vanStaveren talked with MURAD and will be meeting with Greenwood. The USDA loan would be for 40-years at 2.75%. There may be restrictions on Oregon Port Districts for loans of greater than 30 years. Greenwood recommended the Commission authorize applying for additional financing.

A motion was made by Brown and seconded by Beck to authorize the General Manager to apply for additional debt financing. The motion passed 5 – 0.

Greenwood advised the Commission that Hall permits and easements will need to be resolved, and referred to the staff report for additional issues. The Halls currently allow the Port to place dredge spoils on their property. Before the Port's lease ends, this will need a resolution. There is also equipment and space storage on the Rondys property, but they have no one on site to manage this. Greenwood is continuing to move forward and has asked for another round of support letters sent to EDA.

Chuck asked if two of the Commissioners would be able to meet with vanStaveren, 10:30 at McLean Point. Lamerdin said he could attend, and either Brown or Chuck will attend.

VII. NEW BUSINESS

A. Joint Meeting with Newport City Council

Patrick-Joling referred to the discussion at the Work Session regarding the Port Dock 5 Pier Approach project. She said it was important to discuss this with the City Council and would like to arrange a joint meeting to address financial matters, the sooner the better. Greenwood will speak with Spencer Nebel to schedule a meeting, perhaps the 1st or 2nd week in November to accommodate Commissioners' availability.

VIII. DEPARTMENTAL REPORTS

A. Director of Finance

1. September Occupancy Report

Larrabee said he was working with Greenwood on ITSF financing, and considered a loan the best option. Port revenue may be used to retire the debt early. He advised the Commission it is audit season and a draft of a Personnel Manual was being prepared. There were no additional comments or questions.

B. Director of Operations

There was no discussion of the Director of Operations Report.

C. General Manager

- 1. Goal Setting**
- 2. General Manager’s Annual Evaluation**
- 3. DEQ Fish Cleaning Approval**
- 4. Rogue Mural**

Greenwood introduced the General Manager report. Greenwood referred to Commissioners to the Goal Setting binders that had been distributed for their review prior to the November 5th Work Session. The binder included information about previous planning efforts. He expects that the meeting in November will result in a comprehensive umbrella of goals that will permeate the organization. The goal setting will also be helpful before the General Manager’s review and the next Budget process. Greenwood said that department goals had also been included to help the Commissioners see how the departments and facilities work. He invited the Commission to co-op department goals in their goal setting process. Greenwood said the Commissioners could call him or any of the other managers with questions. Beck said of the goal session agenda, 15 minutes may not be enough time for brainstorming. Greenwood said time could be adjusted at the meeting as needed. Greenwood said he was also looking to convene the first meeting of the Commercial Fishing Users Group Committee.

IX. COMMISSIONER REPORTS

Beck said he had traveled to Teevin Bros. operation in Rainier, Oregon to review their operation. He said his background in some industrial insurance informed what he looked for, and he found their facility clean, organized, with satisfied employees, maintained equipment, with a solid financial picture and a diversified company. This could benefit the Port as it searched for other opportunities for the shipping facility. Beck said Teevin was involved in the Rainier community, and thought they would do the same in Newport and would hire locally. The bark removed by the debarker was recycled, and smells good like fresh wood. There were two debarkers running when Beck visited, which he did not think produced too much noise, an industrial noise. Much of the equipment used is electric. Beck had wanted to see the facility so that he could report to the Newport community and to the Commission; he feels the Teevin operation is a good match for the Port. The ITSF facility is 1/10th of the size of the operation in Rainier. Beck would recommend Teevin as a benefit for the community. Chuck added that he recommends Commissioners who have not already done so to visit Teevin.

X. CALENDAR/FUTURE CONSIDERATIONS

- 10/22 Trick or Treat Monster Feet 5K and Kids Fun Run
- 10/29 Dia De Los Muertos Race
- 11/5 Commission Goal Setting Workshop at Aquarium

11/9 Election Day
 11/11 Veterans' Day, Port Office Closed
 11/15 Regular Commission Meeting (rescheduled)
 11/18 Fishermen's Appreciation Day
 11/24 5th Annual Turkey Trot
 11/24 – 11/25 Thanksgiving Holiday, Port Office Closed
 12/20 Regular Commission Meeting (rescheduled)
 12/16 Christmas Holiday, Port Office Closed

Chuck made a correction to Election Day, which is 11/8. Hewitt made a correction to Christmas Holiday, which is 12/26.

XI. PUBLIC COMMENT

Busby said that, at last night's City Council meeting, they had discussed the zoning swap between the Port and the City. There will be a public hearing coming up and Council will look for a statement of public support from the Port. Busby said that Nebel will follow up with Greenwood on the City Council agenda.

McKinney spoke again regarding a "green port." He asked if there are any prohibitions on shipping, especially fossil fuel. He also asked if Newport expected to ship fossil fuel. Chuck said since we didn't have rail, the Port would not be conducive to fossil fuel shipping. McKinney commented that Klamath does not currently have a pipeline but one has been proposed.

Oien thanked the Commission and Greenwood for pursuing financing for the ITSF. He said Teevin had invested 6 years in the project and believed in Newport as a shipping terminal, perhaps for more than just logs. He added that activity spurs activity, and he expects to benefit the Port and Newport. Oien thanked Beck for coming to tour the Rainier facility and said they had an open door for tours to the Commissioners or the public. Their hours are 6 – 4 Monday through Friday. He thinks the project is pushing forward and getting close.

Fogarty said that Teevin has 100 acres in Rainier, whereas there are nine acres in consideration here. He asked the Commission to keep in mind that a shipping terminal can be land poor. The Port may see a need for property as it develops. Fogarty supports development, but hopes the Port keeps its "fingers in the dough"; 10 acres won't be enough for very long.

XII. ADJOURNMENT

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

ATTESTED:

 *pro tem*

 Walter Chuck, President



 Patricia Patrick-Joling, Secretary/Treasurer

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