

PORT OF NEWPORT MINUTES

October 27, 2020

Regular Commission Meeting

This is not an exact transcript. The audio of the session is available on the Port’s website.

This meeting was held virtually by invitation only. The public was invited to view the live stream of this meeting on our YouTube Channel, Port of Newport Commission Meeting Audio. Live chat was not monitored. The public could submit comment through a form on our website no later than 4:00 pm on Monday, October 26th, to be read into the meeting at the appropriate time.

Agenda Item

**Audio
Time**

Part I
0:00

I. CALL TO ORDER

Commission President Jim Burke called the Regular Commission Meeting of the Port of Newport Board of Commissioners to order at 6:01 pm virtually through Zoom.

Commissioners Present: Kelley Retherford (Pos. #2); Gil Sylvia, Vice President (Pos. #3); Jeff Lackey (Pos. #4); and Jim Burke, President (Pos. #5). Walter Chuck, Secretary/Treasurer (Pos. #1) was absent.

Management and Staff: Paula J. Miranda, General Manager; Aaron Bretz, Director of Operations; Mark A. Brown, Director of Finance & Business Services; and Karen Hewitt, Administrative Supervisor.

Members of the Public and Media: Angela Nebel, Summit Public Relations Strategies; Dustin Capri, Capri Architecture, LLC; and Dharma Tamm, Rogue Ales & Spirits.

II. CHANGES TO THE AGENDA

0:14

There were no changes to the Agenda.

III. PUBLIC COMMENT

0:21

No Public Comment was submitted.

IV. CONSENT CALENDAR

0:44

- A. Minutes 2020
- 1. Regular Commission Meeting Sep 29
- 2. Commission Work Session Sep 29
- B. SDAO/OPPA Membership Renewal (\$15,666.00)
- C. Financial Reports
- D. Community Ice LLC – Waterline Use License Extension

Miranda said she had contacted SDAO/OPPA who agreed to reduce the membership renewal from the initially invoiced \$19K+.

A motion was made by Lackey and seconded by Retherford to approve the Consent Calendar. The motion passed 4 – 0.

V. OLD BUSINESS..... 2:26

A. Items Removed from Consent Calendar

There were no items removed from the Consent Calendar.

B. Accounts Paid 2:32

A motion was made by Lackey and seconded by Sylvia to approve the Accounts Paid. The motion passed 4 – 0.

C. Phase 3 Scope of Work Administration Building, Capri & Goebel Architects 3:03

Miranda welcomed Dustin Capri and introduced the Staff Report included in the Meeting Packet. She added she wanted to get another quote for the geotechnical work. Miranda estimated that a Request for Proposal for a construction estimate could be prepared around January if the Commission decided to proceed, then a decision to build could be made in February/March when the Port would have a good idea on the status of other projects to be completed. She said she was discussing financing for the building with Business Oregon, but the Port would need to spend some money now to get a cost estimate for the construction.

Lackey said he had asked Miranda what information would be provided by the geotechnical work. He commented that in February/March the Commission would look at the cost of the building and other project priorities while maintaining reserves, as well as anything else affecting the Port that cannot be foreseen now. Miranda said there was no intent to use reserve funds for this project. Capri added there had been a slight slide in materials and lumber prices since an August peak. Sylvia mentioned that inflation had affected construction decisions at OSU and asked if inflation was expected. Miranda said that a 20% contingency in the estimate for the new building was in part for that, as opposed to a contingency for unforeseen issues faced when repairing or expanding an existing building. Capri said that as the drawings became more specific the cost estimates would be more accurate. He commented that the building market right now was not reflecting the current economic recession, and he hoped the market would more accurately reflect the realities of the economy by the time the project went out for bid. Sylvia suggested low interest rates were driving construction, and he appreciated being conservative with the contingency. Miranda said the intent was to move forward, but if the project funding did not make sense the project would be halted. Capri advised that commercial building codes had been updated in 2019, so the plans would still have value for some time since codes were updated roughly every five years. Retherford asked if Angela Nebel would help put out the message if this recommendation were initiated. Miranda said she had spoken with Nebel, and the plan was to put out a newsletter in January or February when all projects are lined up, preceded by a few eblasts with status updates. Burke asked when a Commercial Fishing Users Group (CFUG) meeting would be scheduled. Bretz said he plans to schedule a meeting to provide information about the Port Dock 5 Pier project and a discussion with the project manager, possibly in November. He added that there are other things to consider.

Retherford asked if there were funds for the architect available now, and Miranda responded the budget for the project included more than was needed. Miranda said the Port was looking for financing for construction such as a loan with the Port putting down 20%.

A motion was made by Retherford and seconded by Sylvia to authorize the General Manager to enter into a contract with Capri Architecture and DH Goebel Architect in an amount not to exceed \$107,000 per attached proposal. The motion passed 4 – 0.

D. Bilge Waste Discussion

Bretz introduced the Staff Report included in the Meeting Packet. He said he had intended to come with a contract recommendation to replace the system but recommended a discussion first about the path moving forward. Bretz added the clean up is now complete, but the Port had to decide what to do in the near future. He explained the system that had been in place. He suggested in the long run it would be best to get a centrifuge based on the material received and how frequently it needs to be processed, which would speed up the separation process, and result in a purer mixture. He reviewed three options presented in the report. Bretz said the Port needed to be able to process bilge waste and suggested to reduce risk it would be advisable to have a smaller quantity of waste on hand. He added that plumbing and electrical work would need to be done for the installation of a centrifuge, and ideally it would discharge into the city sewer system. There was also discussion about considerations for project costs and charges to users.

There was discussion about the costs, timing, and value of the three options. Miranda said she would prefer to have a new system with the Port Dock 7 improvements, but there was also concern about the current single tank. Bretz added that the current tank was the same age as the tank that failed and a fitting on the backside needs replacement; the tank is at the end of its lifespan, but he expects it can last until the end of the year. Sylvia asked about the risks with other tanks at the Port. Bretz responded that the underground fuel storage tank posed higher because it was underground and had no containment area, and because of its age. Miranda talked about performing property assessments in the next fiscal year specifically looking at liability risks. She suggested starting with some Port sites and eventually having all on a rotating schedule. Burke proposed it was fiscally prudent to install smaller double walled tanks until the next budget. Sylvia and Retherford agreed, with Retherford commenting she liked the idea of waiting until the Port Dock 7 project to install a centrifuge system. No action was taken on this item.

No action was taken on this item.

E. Rogue Lease Amendments

- 1. Distillery Lease
- 2. House of Spirits Lease

Miranda welcomed Dharma Tamm and introduced the Staff Reports included in the Meeting Packet. Although Commissioner Chuck was not present, he sent an email to Miranda and Burke with concerns about how that would affect the users of the Marina and maybe it was better to only provide one-year amendment. Miranda stated that after conversations with Bretz it was understood that feedback from users of the Marina was quite positive. Tamm said the House of Spirits had been renovated during the shutdown. He said the outdoor space was critical with the Covid situation and was one of the best places in Newport to look at the bridge. He added that with a permanent lease Rogue could invest in a better build-out of the space. Miranda said she added 30 cents per square foot of the new space to the proposed lease amendment, which included a provision that the path is not blocked per original concerns.

Lackey had no objections. Burke and Sylvia agreed it would be a good addition to the Port.

A motion was made by Retherford and seconded by Sylvia to authorize the General Manager to execute the attached Second Amendment to Lease Agreement (House of Spirits) as presented. The motion passed 4 – 0.

A motion was made by Lackey and seconded by Sylvia to authorize the General Manager to execute the attached Fourth Amendment to Lease Agreement (Rogue Distillery) as presented. The motion passed 4 – 0.

- F. DOWL – Port Dock 5 Pier Replacement Construction Services Amendment in the amount of \$105,113

6:38

Miranda said this was a last-minute addition to the Meeting Packet and no Staff Report was included. Bretz said he had worked with the project manager and engineers. He advised that DOWL had purchased OBEC, so these were the same engineers who had worked on the design and who the Port wanted involved in the construction phase. Bretz said this scope of work was what would be needed from DOWL. He suggested that the marine mammal monitoring expert may not be needed based on the location of the nearest stellar sea lion pullouts, but this would be verified by DOWL’S permitting department. Bretz said he spoke with the city who had some concerns with the construction sequence; the goal is to get the specs up to date by November 1st. He advised that he is asking the US Army Corps of Engineers (USACE) about the possibility of an extension on the in-water work window since a contractor has not yet been selected and there are variables in when piles can be driven. Miranda said that the scope of work presented was necessary to try to meet the schedule.

Retherford asked if there were contractors in line once this was approved. Bretz said there are contractors who have expressed interest, but some contractors may decline with the compressed timeline. Miranda added that in-water work periods in the area are similar so sometimes qualified contractors may have preferences based on the timeline. Burke asked if there was anything needed to fortify the pier if the project were delayed until next year. Bretz said there was minimal concern about foot traffic, but port-a-potties, dumpsters, and oil may need to be moved. Miranda confirmed that the cost of the engineers fit within the overall budget.

A motion was made by Lackey and seconded by Retherford to authorize the General Manager to enter into a contract with DOWL per the attached scope of work in the amount of \$105,113. The motion passed 4 – 0.

VI. STAFF REPORTS

- A. General Manager
- 1. Director of Finance & Business Services
 - a) September Occupancy Report
- 2. Director of Operations

21:20

Miranda introduced the Staff Reports included in the Meeting Packets. She said this had been a busy fall, and the recreational area was busier than usual in part due to Covid-19 but was now slowing down. Miranda advised that the Seafood & Wine Festival will change this year with them asking for minimal space at the Port and using portions of Rogue. The festival would still try to bring people into town, but it will not be the same as in the past which will affect the RV Park.

Miranda said that the Port Dock 5 Pier project and the installation of electrical panels at Port Docks 3 & 5 were moving forward. She commented on Bretz’s excellent work with the USACE Commercial Marina dredging project, which would result in the Corps dredging and maintenance of the access to the marina. USACE is still evaluating the project, but Miranda said she had heard it is getting approval. She said Rogue is planning on a project expansion at the location near the sea wall this winter. Right now the Port cannot allow more heavy equipment there without an evaluation of the sea wall. Miranda said if a grant cannot be found, Rogue has offered to pay upfront to have the

evaluation completed in a timely manner, to be paid back by the Port with future rent abatements. She reviewed the option of replacing all 9 load centers in South Beach at once rather than 3 at a time for 3 years as a potential cost and staff time savings. She suggested a loan from the NOAA Capital Reserves could potentially pay for this, with the Port paying back that loan with interest into the fund. The project would fall into the capital budget this year with the Administration Building project costs for the year coming in under budget. Miranda mentioned that Chuck had expressed some concerns over this project. She said she would present a plan to the Commission when further developed.

Miranda said she had spoken with Jim Myers, who previously ran the Seafood Cookoff, about the possibility of an event at the Port. She suggested that a committee may be formed including staff, stakeholders, and Commissioners for the event, but no commitment was yet made. She asked the Commissioners to let her know if they were interested in being involved.

Bretz added regarding the South Beach load centers that installing all at once would also mean the parts would be standard throughout making maintenance easier over time. Lackey asked if rates could be increased to help pay for repairs. Miranda said rates were increased to keep the Port of Newport on par with other ports and to make sure the users are paying to cover related expenses. Some fees were raised with the intent to have funds for needed projects. She suggested that the loan would not hurt the reserves and the work could get done. Miranda added that some services provided were not money makers such as the collection of bilge waste.

Miranda gave kudos to Brown for getting HYAK on board and facilitating the transition to Office 365. She asked the Commissioners to let the Port know if they were having any issues.

VII. COMMISSIONER REPORTS/COMMENTS 46:50

There were no Commissioner Reports.

VIII. CALENDAR/FUTURE CONSIDERATIONS 47:05

There were no changes to the Calendar/Future Considerations.

IX. PUBLIC COMMENT 47:27

No Public Comment was submitted.

X. ADJOURNMENT 47:30

Having no further business, the meeting adjourned at 7:42 pm.

ATTESTED:

james m burke Digitally signed by james m burke
Date: 2020.11.23 11:03:41 -08'00'

Jim Burke, Vice-President

Walter Chuck Digitally signed by Walter Chuck
DN: cn=Walter Chuck, o=Port of Newport, ou=Port of
Newport, email=wchuck@portofnewport.com, c=US
Date: 2020.11.24 12:13:46 -08'00'

Walter Chuck, Secretary/Treasurer