

PORT OF NEWPORT
MINUTES
January 28, 2014
Combined Work Session & Regular Meeting

I. CALL TO ORDER

Commission President JoAnn Barton called the combined work session and regular meeting of the Port of Newport Board of Commissioners to order on Tuesday, January 28, 2014 at 6:03 p.m. in the South Beach Marina Activities Room, 2120 SE Marine Science Drive, Newport, OR, the same being within the boundaries of the Port District.

Commissioners Present: JoAnn Barton, President; David Jincks, Vice-President; Walter Chuck, Secretary; Ken Brown, Treasurer; Dean Fleck, Assistant Secretary-Treasurer.

Port of Newport Management and Staff: Don Mann, General Manager; Rick Fuller, NOAA Facilities Manager; Patty Benjamin, Administrative Assistant.

Others Present: Dennis Anstine, News Times; Larry Coonrod, Lincoln County Dispatch; Wayne and Barb Dudley, Newport residents; Yale Fogarty and Pat Ruddiman, ILWU Local 53; Lee Fries, CM/GC Selection Committee; Erik Knoder, State of Oregon Employment Department; Jim Shaw, South Beach resident.

II. MINUTES

- A. Work Session—December 17, 2013
- B. Regular Meeting—December 17, 2013
- C. Special Meeting—January 13, 2014

Commissioner Jincks moved to approve the minutes of the Work Session of December 17, 2013; the Regular Meeting of December 17, 2013; and the Special Meeting of January 13, 2014 as submitted. Commissioner Chuck seconded the motion and it passed 5-0.

III. FINANCIAL STATEMENTS

- A. Financial Reports.
- B. Accounts Paid.

There were no questions or discussion on the financial reports and accounts paid.

Commissioner Fleck moved, Commissioner Jincks seconded, to approve the Financial Statements and Accounts Paid, Check Nos. 11742-11745/Construction Fund; Check Nos. 12289-12313/NOAA Checking-OCB; and Check Nos. 35012-35157/Operating Account. The motion passed 5-0.

The Chair noted that Friday, January 31, 2014 would mark the retirement of General Manager Don Mann and his administrative assistant, Patty Benjamin. On behalf of the commission, she expressed appreciation for Mann's leadership and equanimity over the past eighteen years, and for Benjamin's dedication and service.

IV. PUBLIC COMMENT

There was no public comment.

V. STAFF REPORTS (* Indicates no questions or comments.)

A. Department Reports.

- Kevin Bryant, Commercial Marina Harbormaster*
- Jim Durkee, Terminal Operations Supervisor*
- Rick Fuller, NOAA Facilities Manager*
- Penny Gabrielson, South Beach Occupancy Report*
- Chris Urbach, South Beach Marina Harbormaster*

Commissioner Jincks asked Rick Fuller, NOAA Facilities Manager, for an update on the dredging at the NOAA pier. Fuller said the dredging operation had started slowly the previous week but production had since increased two fold. He said he was impressed by the range of the new pump and thought it would be a valuable tool for the both the sport and commercial marinas because it could be maneuvered between slips, and added that he thought the pump was worth the time and investment for the Port. Fuller said the contractor communicated with him daily and was maintaining all conditions of the permit. He said it was hard to estimate the volume of material in any given spot because extra sloughing had occurred since the original survey was done and more sedimentation was coming in. A discussion followed about whether the sedimentation could be attributed to dredging prior to driving piling or post-construction settling. Fuller said annual soundings are required as a condition of the permit, and he had programmed preliminary soundings at six-month intervals into the management software he uses for the NOAA facility, so he would know more with the six month reviews.

B. General Manager

General Manager Don Mann reported that he had reviewed the hoist dock project with the Army Corps of Engineers when they were in Newport the previous week, and no issues were anticipated with the Joint Permit Application, which would be submitted on Friday.

Commission and staff will meet for a work session with the Audit Committee at 12:00 p.m. on February 25, 2014, followed by a meeting with Harry Noah, Yaquina Bay Fruit Processors, at 1:00 p.m. The regular monthly regular meeting will be held at 6:00 p.m. that day.

The corners of the footprint of the proposed Rogue Ales expansion had been painted, depicting 10,000 square feet of expansion connected to the existing distillery building.

General Manager Don Mann had spoken with attorney Mike Haglund, who reported that correspondence continues between Teevin Brothers and Rondys, Inc. on the proposed log yard operation at the terminal. Mann added that the Port should receive a draft tariff from Haglund on January 30, 2014.

At the Port's direction, Oregon Coast Bank had prepared a signature card, effective February 1, 2014, removing Don Mann as a signer on the Port's accounts, and naming Commissioner JoAnn Barton, Commissioner Ken Brown, Commissioner Walter Chuck, Commissioner Dean Fleck, Commissioner David Jincks, General Manager Kevin Greenwood, and Director of Finance Pat Albaugh as those individuals empowered to act as the Port of Newport's officers and authorized agents. It was the consensus of the commission that they would sign the signature card, and that consensus would be reflected in the meeting minutes.

The General Manager announced that the Associated General Contractors of America had selected the Natt McDougall Company for the 2014 Build America Award for the Newport International Terminal Project. The national award would be presented on March 5, 2014, in Las Vegas, Nevada. Commissioner Jincks said the award was well deserved. Commissioner Barton agreed, and added that McDougall had had a lot of support and encouragement from the commission and Port leadership to push ahead creatively through the complex challenges of that project.

C. Commissioners' Reports.

Commissioner Jincks reported that he and General Manager Don Mann had met with Brett Joyce to discuss Rogue Ales' proposed expansion of their distillery building. The initial expansion was proposed at 5,000 square feet in 2014 and another 5,000 square feet in 2016. No conceptual drawings or architectural work has been done. Mann had asked Joyce to generate a computerized photo to ensure that the expansion would comply with the style of the buildings already in place. Commissioner Jincks said Rogue would like to discuss another 40,000 square foot expansion of their brewery in the future. Commissioner Brown asked how many jobs the expansion would add, and Mann said it was mostly warehouse and storage space but suggested that would be a good question for Brett Joyce at the next meeting.

Commissioner Chuck reported that he, Commissioner Fleck, Rick Fuller, and Pat Albaugh had toured Yaquina Bay Fruit Processors with Harry Noah. The business currently produces 3-million pounds of cherries and employs 19 people. During peak season, they produce 6-million

pounds and employ 36-38 people. Noah will meet with the board at a work session in February to present a business plan and discuss a long-term lease.

Commissioner Chuck had also attended an OCZMA meeting. Representative David Gomberg and Senator Arnie Roblan were there and reported on the legislative session.

Commissioner Barton reported that she, Commissioner Jincks, General Manager Don Mann, and incoming General Manager Kevin Greenwood had met with David Lin, a businessman from Corvallis, OR, who expressed interest in shipping containers out of the Port of Newport, with commodities produced in the Willamette Valley. Lin will come back with more detail, including a business plan and prospectus.

Commissioner Barton had also attended the full board meeting of the Oregon Cascades West Council of Governments, followed by a meeting of the Cascades West Area Commission on Transportation. She said a highlight of the Commission on Transportation meeting was the 2014 overview of the road realignment project from Eddyville to Pioneer Mountain. That project has grown in cost from \$150 million to \$365 million, but Barton said that the Department of Transportation feels optimistic, for the first time in a long time, that they might be able to complete it.

VI. OLD BUSINESS

A. Terminal Renovation Project, Frank Berg, Day CPM Services, Post Construction Activities.

Frank Berg, Day CPM Services, was not present for the meeting but General Manager Don Mann summarized Berg's written report. The amendment to the joint permit for dredging revisions had been submitted; however, there were delays with National Marine Fisheries Service and the revised permit had not been issued so the work will have to wait until the next in-water work window, starting in November 2014. Another Biological Assessment is required. The Port will may be required to do added testing under the new dock at the west end of the ro-ro dock for contaminants, and the results of those tests would be included in the new Biological Assessment. The 1200-Z permit had been issued and received. The next amendment will be No. 31, for additional dredging to an elevation of -35 feet in front of the terminal pier, at an estimated cost of \$662,000. The Port has \$250,000 to put towards the cost of dredging, and Mann said he had spoken with incoming General Manager Kevin Greenwood and the Oregon Business Development Department about amending the Port's Marine Navigation Improvement Fund grant to cover the rest of the cost.

In answer to a question from Commissioner Jincks, the General Manager said security cameras were in place but had not been tested as yet.

VII. NEW BUSINESS

There was no new business.

VII. MEETING RECESS at discretion of the chair.

There was no meeting recess.

IX. OTHER

There was no other business.

X. PUBLIC COMMENT

South Beach resident Jim Shaw listed some of Don Mann's accomplishments over the eighteen years he has been General Manager of the Port, including a new launch ramp and parking lot at South Beach, an improved RV Park, the NOAA MOC-P facility, and the renovation of the International Terminal. He invited Mann to join a "Gentlemen's Lunch Group" that meets once a month, after he officially retires.

Yale Fogarty, ILWU Local 53, said Don Mann and his staff had made Newport a better place to live because of their service to the Port and the community.

Commissioner Jincks recalled that he had been a Port Commissioner when Don Mann came on board as General Manager, and his first experience with Don had been a couple of trips to Eugene, OR to meet with a federal judge to try to keep the Port out of bankruptcy after fifty gallons of crude oil leaked out of the Pasley and into the bay. The settlement had been \$450,000, and they were able to negotiate payment over a seven year period. Jincks described it as "interesting".

Mann said his career had been rewarding and he thanked the commission and the community for its participation, support, and collaboration over the past eighteen years.

XI. UPCOMING MEETINGS/EVENTS

- A. SDAO Annual Conference, Seaside, OR, February 6-9
- B. Fishermen's Forum, Port Dock 7 Operations Shop, February 12, 8:30 – 9:30 a.m.
- C. President's Day, February 17, Port Office Closed
- D. Marina Users meeting, South Beach Marina, February 19, 8:30-9:30 a.m.
- E. 2014 Seafood & Wine Festival, South Beach, February 20-23
- F. Work Session, South Beach Marina Activities Room, February 25, 12:00 p.m.
- G. Regular Meeting, South Beach Marina Activities Room, February 25, 6:00 p.m.

XIII. ADJOURNMENT

There being nothing more to come before the Board of Commissioners, the meeting was adjourned at 6:45 p.m.

ATTEST:

JoAnn Barton, President

Walter Chuck, Secretary

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