

PORT OF NEWPORT
COMMERCIAL FISHING USERS GROUP COMMITTEE MINUTES

(DATE)

Regular Committee Meeting

I. CALL TO ORDER

Committee Vice-Chair Bob Eder called the Regular Meeting of the Port of Newport Commercial Fishing Users Board of Commissioners to order at 10:30 am at the OSU Extension Office, 1211 SE Bay Blvd., Newport, Oregon.

Committee Members Present: Clint Funderburg (Pos. #1); Mike Pettis (Pos. #2); Mark Newell (Pos. #3); Heather Mann (Pos. #5); Gene Law (Pos. #7); Bob Aue (Pos. #8); Bob Eder (Pos. #9), Dave Thalman (Pos. #10); and David Jincks (Pos. #11).

Committee Members Absent: Ernie Phillips (Pos. #5); Ted Gibson (Pos. #6).

Port Commission Liaison: Sara Skamser.

Management and Staff: Aaron Bretz, General Manager Pro Tem; Kent Gibson, Commercial Marina Harbormaster; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: Rex Capri, Newport Citizen; Dietmar Goebel, Newport City Council; Steve Beck, Newport Citizen; Dave Wright, Pacific Shrimp.

II. CHANGES TO THE AGENDA

There were no changes to the agenda.

III. PUBLIC COMMENT

There was no public comment at this time.

IV. APPROVE MINUTES MAY 5, 2017 REGULAR MEETING

A motion was made by Mann and seconded by Newell to accept the minutes as written. The motion passed 9-0.

V. REVIEW COMMITTEE CHAIR/VICE-CHAIR

Jincks nominated Mann for Committee Chair, and Mann accepted the nomination. Pettis asked Mann if she could be unbiased as a Chair since she represented one facet of the users, and would accept if she answered yes. Mann said she could be fair, and acting as Chair would also require her to act in an unbiased way. Jincks added that the Chair's boundaries were set by the Committee, who could always comment if they felt necessary.

Eder called for a vote on appointing Mann as Committee Chair. Mann was unanimously elected.

VI. NIT STATUS UPDATE

Bretz introduced the staff report, which was prepared at the request of Eder. He added that the Silvan loan agreement was an integral part of the TIGER grant's finance requirements. Jincks commented that the TIGER grant was awarded before the Silvan loan was proposed. Bretz said the Port would have had to leverage nearly all unrestricted cash assets to keep the grant. Mann asked about the statement that the business would have to look very different from the previous plan. Bretz said he drew this conclusion based on operational and finance concerns. Mann said she was contacted by attorney Kevin Banks office, who was working with shippers interested in Newport for shipping agricultural products. Bretz said he advised Banks to contact Mann because it was important to have a conversation. He added that he had previously spoken with one of the interested shippers, and they would have used Teevin as an anchor for availability of equipment

and labor. They are also concerned with the cost of tug and pilot fees. Skamser said she had spoken with Terry Thompson, who asked about NIT. She said it is important to show that NIT is open for business. Pettis asked if tug and pilot services were needed. Bretz said that Wiggins no longer operated tug service. He had talked to Grant Snyder about starting a tug service, but it would be a large investment and a risky venture to start. The Port's tug would not be large enough for the services needed. Pilots can be delivered in different ways. Pettis said that Coos Bay tug has a platform that is used to deliver pilots. Jincks said there was a plan for Coos Bay to deliver a tug and pilot, to be paid for by the shipper. A barge would be different. Mann suggested the Commission will need to vet this as well. Wright said there are pilot associations in Coos Bay and Astoria, who could provide a cost estimate. Bretz commented that he got a lot of information out of these meetings, and was thankful to have everyone here. He will take what is shared here and farm it out.

Mann said she would be working with Bretz and Hewitt to get the Meeting Packets out sooner. Hewitt suggested setting up a regular meeting with Mann and Bretz a week before the meeting. Jincks asked if the NIT construction permits were in place. Bretz said yes and he has been in touch with the City. Eder commented that there has been a huge change at the Port and change in management. He said is was glad that the Port was still open to shipping, although the recent agreements and fiscal arrangements were not workable. He hoped that people would express their disagreements if they had them. If agricultural products shipped by barges were considered, he asked the Port to keep in mind that barge traffic can be a difficult mix with crab pots. The Port needs to consider moving equipment and scheduling ahead of time. Mann commented on the Commission's decision not to use Commissioners as negotiators. These issues regarding users' needs should come out at the beginning. Bretz said he would like to get way out in front on these issues; when they are addressed at the last minute, things get heated up. It is ideal to be proactive. Jincks said the Port does need to get way ahead. Crab pots are an issue for barge traffic, and for the recreational fleet which has grown tremendously. Clear shipping lanes for barges and boats need to be discussed. Law added that crabbers have regular meetings which are handled by the extension office. Eder said that Newport is being handled differently.

Mann said an accurate financial snapshot of NIT operations is needed. She also requested updates on the development of the Hall property. Bretz said when he last spoke with Evan Hall, they still intend to get started this year. This does not include floating docks, which would need more work in development. The Halls and the Port have been in touch with Pacific Habitat Services. Financially, Bretz talked with other Ports about accounting for lease revenue. They used differing methods. Mann also suggested including projected revenue from the fishing industry. Jincks said he hoped the Port wasn't involved in the Halls' docks. Bretz said as of right now, no. Pettis said the Hall location was a prime spot with deep water at the end of the point, and docks could help alleviate crowding issues. He said if the fleet liked it there, the Port could lose income.

VII. PORT DOCK 5 CONTRACT STATUS UPDATE

Bretz introduced the staff report, which he said was the same report included in the Meeting Packet for the Commission Meeting. Survey work would begin today. Skamser confirmed that plan #2 was the choice made. Bretz said yes, which would have the same footprint as the current pier with a concrete deck and 80' ramp. It would also include upgrades to the fire suppression and electrical systems. Mann asked when the project would be completed and discussed with users. Bretz said the original plan was to be completed in three stages 1. 30% engineering, 2. Final engineering, and 3. Construction. He understood there were concerns that access would still be available when construction was ongoing. Mann confirmed construction would not begin until at least 2 years from now. Gibson said there was a potential that for a short time 5A would not be available, which holds 5 or 6 boats. In response to a question about wider vessels, Gibson said that shouldn't be a concern since these were side-ties. Bretz commented that this work was only on the pier. Jincks said that cost savings on remediation at the Terminal had been achieved by using the old dock as a form, using plywood, and then pouring concrete. There was always a path and place to tie up. There was about \$3MM in savings. He suggested calling Nat McDougall Co. Mann asked if the Commission was asking CFUG for additional input. Bretz said this was presented just to keep them informed.

VIII. PARKING DISCUSSION

Bretz said he recently attended a parking committee meeting. Gary Ripka is the representative for the fishermen. The plans will be changing, and the committee is considering parking meters. Bretz said he was informing CFUG if they had any concerns and to let them know who was their representative. Skamser asked if parking committee meetings could be posted on the Port's website. Hewitt suggested seeing if the CFUG email list could be included in distribution for the committee's meeting from the City. Mann suggested inviting Ripka and a City representative to attend a CFUG meeting.

Wright said this committee was looking at something more comprehensive for businesses along the Bay Front. Bretz said Hewitt had pointed out that the Port was the single largest contributor to the fund, which included the fishermen. Pettis said he had been on the committee for a while, and at first, fishermen with stickers would be exempt from paying at meters. Bretz said the Port may have to issue a different sort of pass for a card system. Rates could also be part of the committee's discussion. Goebel said the committee was just at a staff level looking at the parking issue, but had not determined yet the best way to solve the problem. Wright added it was good to bring this issue out at the CFUG meeting.

IX. RECENT EQUIPMENT DAMAGES

Bretz asked the Committee to pass the word around to be careful; some timber had recently been ripped off the hoist dock and three lays of cable were damaged at the hoist. If the Port can identify the users who caused the damage, they will be billed for the repairs. Bretz said his main concern is safety. Brandberg suggested the incidents could be viewed on the Port's cameras.

X. CHAIRMAN REPORT

There was no Chairman Report.

XI. HARBORMASTER REPORT

Gibson introduced the staff report. He said a new piling survey had been done at Port Dock 5, and now the Port needed to figure out how to replace identified piles. Gibson said they had just begun surveying 5D, and 5 piles needed replacing on the fingers. Port staff will soon start surveying on that wing, then will survey Port Dock 7. There are approximately 35 pilings that need to be replaced as soon as possible. Gibson explained the Port had purchased a new camera last year that was being used for the surveying. He passed out a diagram showing pile status, which is appended to the minutes. Gibson said the Port Commission had asked for better figures, which this was trying to address. There is no time line for the replacement at this point. Pettis commented that Swede's Dock is sometimes used in the winter for moorage when there is no room. Gibson said he would not say that someone couldn't tie up, but the piles do need to be replaced. Pettis pointed out that the Moorage License Agreement included language that the Port would not be responsible for damages by any cause. Jincks said damage might be covered under insurance as an Act of God if a storm was the cause. Skamsner said there had been a joint tour of the facilities with the Port Commission and the City Council. The issues with the pilings were obvious. She asked if some of the damage at Port Dock 7 was from growth underneath. Gibson said that was not really an issue, but there was a loss of buoyancy.

XII. FUTURE MEETING SCHEDULE

There were no changes to the future meeting schedule.

XIII. FUTURE AGENDA ITEMS

Pettis recommended checking if Ripka had an alternate for the parking committee.

Bob Eder will continue as Vice-Chair.

Jincks commented that another cost saving factor in building the terminal was in using a project manager. An engineer had originally designed a facility that the Port couldn't afford. It would be important for the pier project to have a project manager as well. At this time there is no money for construction, but the engineer could design a project that was too expensive. Goebel said the City has also used project managers in this way.

Mann said if Committee Members had issues they wanted to discuss, they can call or email their ideas for Mann and Bretz to discuss when planning the agenda. She also noted that the agenda included public comment periods at the beginning and at the end of the meeting. She would prefer the meeting to be more interactive, and would prefer to allow public comment during the meeting at the Chair's discretion.

XIV. PUBLIC COMMENT

Goebel said he found the tour of the Port facilities to be enlightening. The City Council can get focused on what they do and forget what others are doing. More interaction would be beneficial. There can be good input for City decisions.

Beck commented that some might remember JFK saying “ask not what the country can do for you, ask what you can do for your country.” He said he has heard a lot of what people want from the Port. There has now been a reset, and it is a good time for fishing to partner with and support the Port. The biggest problem for the Port is income. Beck hoped that fishermen would work with the Port to see how they can support the Port financially. Commercial fishing is a huge and respected part of Newport.

Capri said he understood that MTC has asked for exclusive use of the Terminal for two 2-month periods. Mann said this was misclassified, but there was a proposed platform for many current users. Capri asked why there was a request for exclusive use rather than using scheduling. Mann said it was not just a scheduling issue. The reason the Commission was not moving forward was the deals were flawed. When you add in displacing users, it doesn’t make sense. Capri asked about using Port Docks 1, 3, 5, and 7. Mann said those users said no, the docks were already full. Brandberg said it was not just scheduling, but a loss of current income. Capri said it is imperative that more income comes from NIT. Mann said she did not want to debate now, but would answer questions after the meeting. Jincks added the contracts were flawed, besides other issues. Capri said the Port had put before the public to resurrect shipping. Jincks said the bond measure just addressed remediation, and the rest was borrowed money outside of the bond. Skamsner said they were bad deals, and misleading narratives. One of the first things to consider is where we are and what the Port can afford. She said she hopes more openly financial information is available. Capri said what if the shipping industry asked for a period of exclusive use? Skamsner said the Port will want to hear from everyone.

Wright said that CFUG was spot on, with a lot of history. The Port of Newport needs to take a big responsibility. There has been a lot of good responsible action by the Port. Other ports in the state are an absolute mess. It is good to be looking at the details.

Eder said shipping is not on the hotplate right now, and suggested the Port could pivot to consider some trade shows to engage the potential users to show what’s available. Beck added that it would be good to find out what the maximum use for commercial fishing would be at the Terminal.

XV. ADJOURNMENT

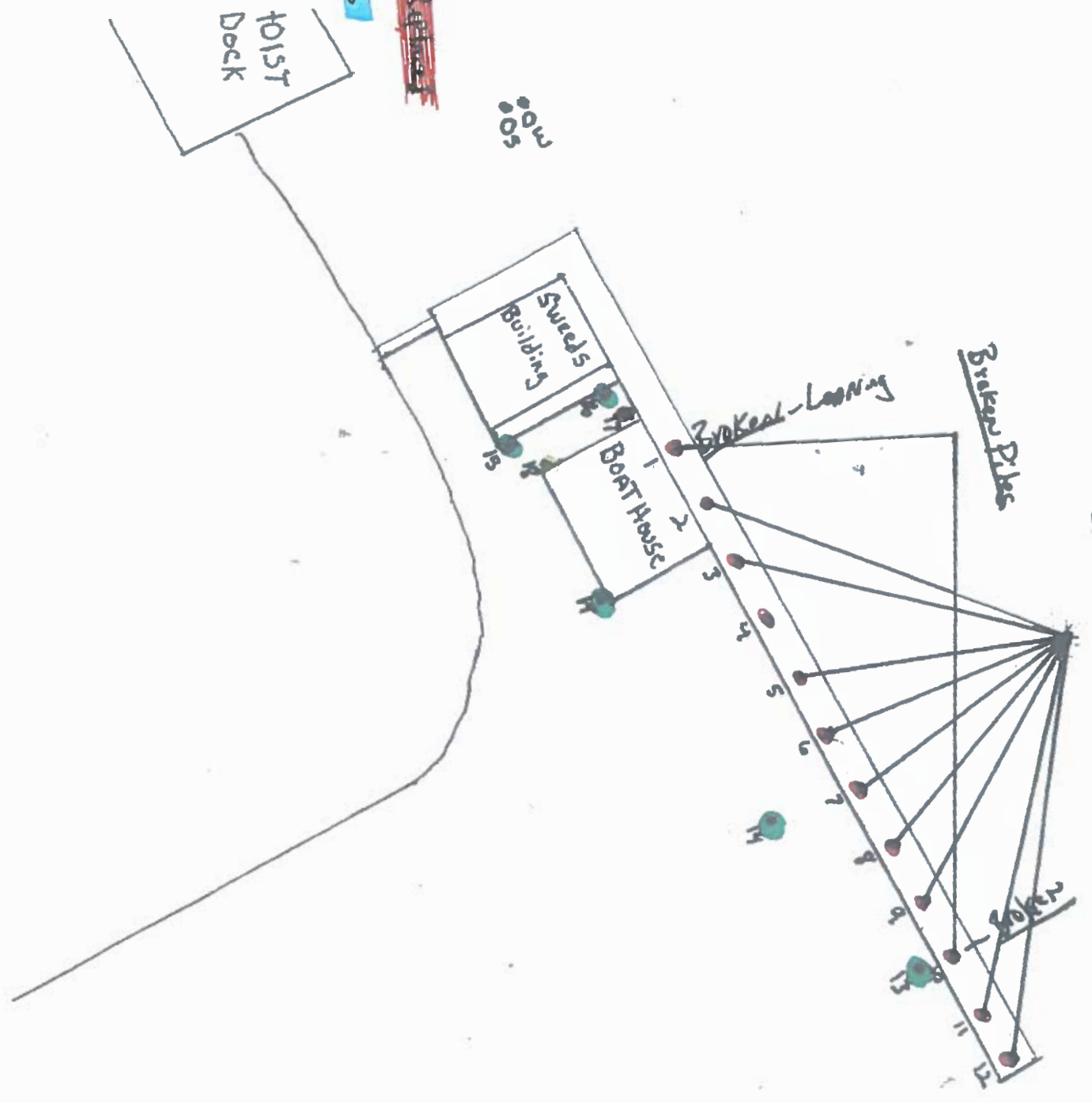
Having no further business, the meeting adjourned at 11:50 am.

ATTESTED:

Heather Mann, Committee Chair

Bob Eder, Committee Vice-Chair

Sweeds Dock
Big holes on all these Piles



GREEN - NO HOLES YET

fill in - Some Holes

~~Big holes on all these Piles~~

Use - Brand New Piles

row

Broken Piles

Broken - Leaning

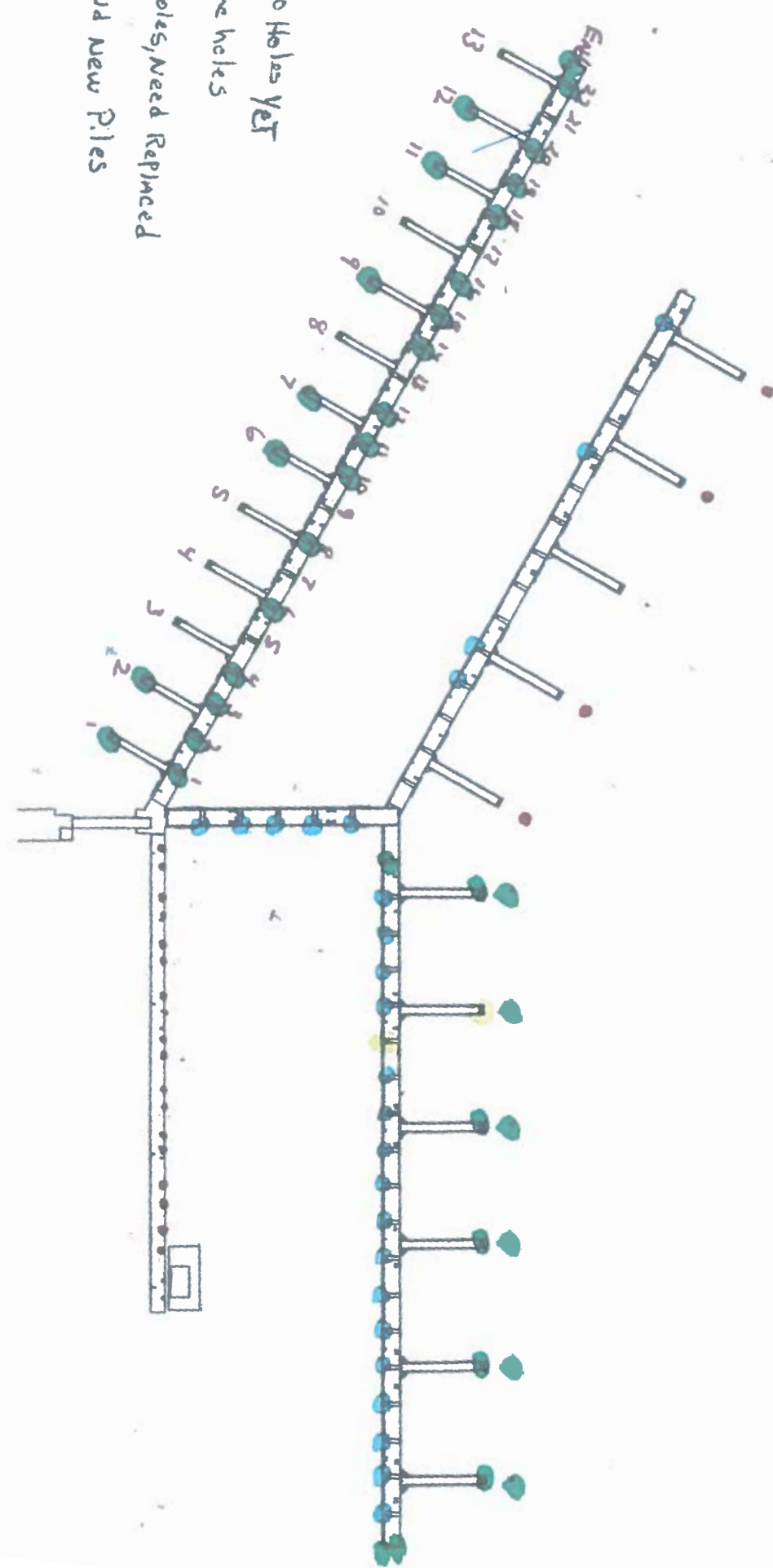
Broken

1015T
Dock

Sweeds
Building

BOAT HOUSE

DOCK 5



6 Rows - No Holes yet

Yellow - Some holes

Red - Big Holes, Need Replaced

Blue - Brand New Piles