

PORT OF NEWPORT
MINUTES
April 30, 2009
Combined Work Session and Regular Meeting

I. CALL TO ORDER

Commission President Ginny Goblirsch called the combined work session and regular meeting of the Port of Newport Board of Commissioners to order at 6:05 p.m. in the Yaquina Bay Yacht Club Clubhouse, 750 SE Bay Blvd., Newport, OR, the same being within the boundaries of the Port District.

Commission President Goblirsch opened the meeting with an announcement about the Port's new web site, which should be up soon. She also noted changes to the venue of the work session and regular commission meeting, and changes to the agenda relating to public comment periods, commissioners' reports, and a discretionary meeting recess. She said she or one of the other commissioners would be available at least half an hour ahead of each combined work session and public meeting to discuss Port issues and answer questions. She noted the sign-in sheet at the door and said that would be used instead of verbal introductions at future meetings. She also suggested that the sign-in sheet could include a space for particular areas of interest that could be helpful to the Port and would involve the community in Port business to a greater degree.

II. INTRODUCTIONS

Commissioners Present: Ginny Goblirsch, President; Dean Fleck, Vice-President; JoAnn Barton, Secretary; Don Mathews, Treasurer; David Jincks, Assistant Secretary-Treasurer.

Port of Newport Management and Staff: Don Mann, General Manager; Patti Britton, Director of Finance; Pete Dale, Project Manager; Kent Gibson, Port Operations; Maureen Keeler, Special Projects Manager; Gina Nielsen, Marina Office Supervisor; and Patty Benjamin, Administrative Assistant.

Others Present: Patty Burke, Waldport resident; Carol Cole and Jim Shaw, South Beach residents; Yale Fogarty and Rod Worman, ILWU Local 53; Lee Fries and Larry Johnson, Newport residents; Wayne Hoffman, Midcoast Watersheds Council; Kiera Morgan, KYTE-KNPT Radio; Dr. Hal Pritchett, Facility Use & Design and Terminal Steering Committees; Mike Schmid, KPFF Consulting Engineers.

III. MINUTES

- A. **Work Session and Regular Meeting—March 24, 2009**
- B. **Special Meeting—April 24, 2009**

Commissioner Mathews moved, Barton seconded, to approve the minutes of the Work Session and Regular Meeting of March 24, 2009 and the Special Meeting of April 24, 2009 as submitted. There was no discussion and the motion passed 5-0.

IV. FINANCIAL STATEMENTS

A. Resolution 2-2009 Authorizing a Loan for the Reconstruction of H Dock in South Beach and Rescinding Resolution 7-2008. Finance Director Patti Britton explained that the commission had already authorized a loan for the H-dock project with the adoption in August 2008 of Resolution 7-2008; however, then-Commission President Rob Halverson had signed that resolution and the loan amount had changed from \$300,000 to \$112,000. Therefore, the bank was requesting a new resolution for the new loan amount, with the current commissioners' signatures to authorize it. As a point of order, Commissioner Jincks asked if he would be able to vote on the new resolution, since he had not been on the commission when the original resolution was adopted. He was told that he could.

Commissioner Mathews moved to adopt Resolution 2-2009 Authorizing a Loan for the Reconstruction of H Dock in South Beach and Rescinding Resolution 7-2008. Commissioner Jincks seconded the motion and it passed 5-0.

B. Financial Reports. Finance Director Patti Britton asked for questions on her written report, the financial statements, quarterly reports, and accounts paid. There were no questions; however, Commissioner Jincks said that he would like to meet with Britton in the Port office at her convenience to “catch up” on the budget and finances, since he had just recently returned to the board as a commissioner.

C. Accounts Paid.

Commissioner Jincks moved to approve the Financial Statements and Accounts Paid, Check Nos. 112783-11284/Construction Fund and Check Nos. 28631-28753/Operating Account. Commissioner Fleck seconded the motion and it passed 5-0.

V. PUBLIC COMMENT

Wayne Hoffman, Midcoast Watersheds Council, asked for the status of expenses on the bond measure that was approved in November 2006 for the Terminal Redevelopment Project. Finance Director Patti Britton read a report she had generated that summarized the billed costs and disbursements to date.

Newport resident Larry Johnson said he had recently read a statement from Oregon's audit division that the Port had misused state funds for public education about the Port's bond measure. He asked what that misuse would cost tax payers and what it would cost the Port when the taxpayers sue. Commissioner Goblirsch offered to talk with Johnson privately on the matter but Commissioner Jincks suggested the issue could be addressed in open session. Commissioner Goblirsch explained that Johnson's understanding of the matter was incorrect, pointing out that the letter referred to an “appearance” of mishandling of one billing but no legal opinion had ever been issued and there had been no determination made that any mishandling had taken place. She added that the audit committee had looked into the matter and, as recently as that same day, had not found the Port to be in default. In conclusion, she said the Secretary of State's office was not going to perform a legal analysis on a \$1,200 invoice, particularly since the statute of limitations had run out anyway.

VI. STAFF REPORTS (* Indicates no questions or additional comments.)

A. Department Reports.

- Kevin Bryant, Commercial Marina Harbormaster*
- Pete Dale, Project Manager—In answer to a question from Commissioner Goblirsch, Dale reported that West Coast Marine Cleaning was putting together an oil removal plan for the Pasley and DEQ would provide oversight. Due to the cautionary measures that are necessary in doing the work, Dale estimated that the job was three weeks away. Mann added that this was a voluntary cleanup program and no permits were necessary.
- Maureen Keeler, Special Projects Manager*
- Gina Nielsen, RV-Marina Office Supervisor*
- Ron Smith, Terminal Manager*
- Chris Urbach, South Beach Marina Harbormaster*

B. General Manager.

General Manager Don Mann thanked Commissioner Barton for meeting with representatives in Salem on April 24, 2009 to distribute information on the NOAA Marine Operations Center-Pacific (MOC-P) project and share with them the urgency of the timeline on the Port's proposal to move NOAA's Pacific research fleet and operations to Newport. He then reported on the meeting that had taken place between Port representatives, their consultants, and NOAA personnel in Seattle, WA the day before. This was the second meeting since the Port had presented its initial application for the home port project and Mann said it had gone very well. He said it had been clear that Newport's proposal was well received and competitive, and that NOAA considers the Port a strong contender. As the result of a tremendous effort by Port commissioners and Oregon's legislature, a joint letter signed by Governor Kulongoski, Senate President Peter Courtney, Speaker of the House Dave Hunt, Senator Joanne Verger, and Representative Jean Cowan was presented to NOAA officials, stating Oregon's strong support for the project. Commissioner Jincks, who had also attended the meeting, said NOAA had pointed out areas to strengthen the Port's bid and said he came away with a good feeling about the Port's chances. Commissioner Goblirsch had also been in attendance at the meeting and she noted that two of the people in the room were on the selection board. Mann said the Port of

Newport would receive a letter from NOAA within the week asking for a "Final and Best" offer. The Port will then have thirty days to respond to that request. He said the next big step would be the financial package and it will be crucial to keep presenting the project as benefiting not just Newport, but the entire State of Oregon.

Commissioner Barton reported on her day at the State Capitol, saying that with Oregon's budget woes the atmosphere there is bleak and worried. Nevertheless, she said the Commission has to continue to push the NOAA home port opportunity forward and "not take no for an answer". She said it would require solid creative leadership to find the funding, but the Port had to get the State of Oregon as a partner because she saw no way the Port could take on a \$30 million debt to build a facility for NOAA. In conclusion, Barton encouraged the public to visit Salem. She said it was interesting and the representatives always welcomed their constituents.

At the request of Commissioner Goblirsch, Finance Director Patti Britton had prepared a list of expenses incurred by the Port of Newport in presenting their proposal for NOAA MOC-P. The total, excluding expenses for the flight to Seattle the day before, was \$60,627.81, of which \$45,000 represented combined funding from an OECDD/Port Planning & Development grant, Lincoln County, and the City of Newport. The Port's out-of-pocket expenses were \$15,627.81. A discussion followed about going back to those entities to see if they would be willing to contribute toward the next phase of the project. Newport resident Larry Johnson suggested contacting some of the wealthier citizens in the community to see if they would be willing to become involved. Commissioner Jincks said he would be happy to meet with anyone to promote the project because the Port simply had to complete the process, regardless of the outcome. He emphasized that the material that had been generated for the project application could be used for other opportunities and was not a waste of time and money. General Manager Mann said he had held 25 meetings with various state legislators over the last 30-40 days to talk about NOAA. He said he would meet with Representative Cowan and Senator Verger again the following week and had asked for a meeting with the governor.

Wayne Hoffman reported that the NOAA Restoration Grant that the Port had applied for to remove the two concrete ship hulls at the terminal was highly competitive. He said there had been 1,700 proposals submitted, totaling \$3 billion, for the \$180 million available nationwide. Hoffman said the Port's project had good support at the state level but the award process was basically in a "holding pattern" while the many applications were being reviewed.

Mann announced that the US Coast Guard was seeking input on navigational areas and OCZMA had asked for an extension on the comment period. He also reported that the Port had provided an area for the traveling Field of Honor display for Loyalty Days. He said he hoped to provide the same venue for the traveling Viet Nam wall next year.

B. Commissioners' Reports

Commissioner Goblirsch nominated Wayne Hoffman as the first of two or three people to serve in ad hoc advisory positions as environmental and natural resources advisors to the Port Commission. The advisors would provide information on a consistent basis when certain opportunities arose for the Port's consideration. Commissioners Barton and Jincks both offered to serve on the committee, with Jincks adding that the committee would be a "good stepping stone" to avoid road blocks and pitfalls in an environment where so many changes were taking place. South Beach resident Carol Cole suggested there were many knowledgeable and experienced experts in the community, citing a "core group" at the Hatfield Marine Science Center as one source. Hoffman said he was initially inclined to say yes to the appointment but wanted to know more about what the commission had in mind. Barton and Jincks will report back at the next meeting.

Commissioner Goblirsch reported that she had sat in on interviews for the new Newport City Manager.

Commissioner Barton reported on the OCZMA meeting she had attended in Salem, and said she had worked at home earlier that day sending e-mails to promote the NOAA home port project. Commissioner Goblirsch suggested that the Port produce a "one-pager" on the NOAA project to leave on every legislator's desk.

Commissioner Fleck reported on an ODFW meeting he had attended where salmon was the issue. He discussed ongoing treaty negotiations with Canada to lower the Canadian take of fish, in the face of "dire returns" of Chinook. He said Yaquina Bay will likely still have a salmon

fishery this season but there was a distinct possibility that the Alsea and Siletz could be totally closed.

Commissioner Mathews said he would attend a presentation on the Aquatic Center at City Hall.

Commissioner Jincks said he had been “chasing down references” for local craftsmen for hire to include in the NOAA application/information packet.

VII. OLD BUSINESS

A. Terminal Renovation—KPF Consulting Engineers. Mike Schmid, KPF Consulting Engineers, reported that he had been working with the Port on the NOAA Restoration Grant Application offering engineering solutions on removing the two vessels, and had attended the second meeting with NOAA in Seattle to present pier design and a plan for the upland work. He said work had slowed at the terminal while waiting to hear back on the NOAA grant application.

VIII. NEW BUSINESS

A. Newport Belle Bed & Breakfast—Lease. General Manager Don Mann said he was still in discussions with the Newport Belle Lessees, Michael Wilkinson and Nancy Sims, on some of the terms and requirements of their lease, so the document had not been finalized for approval. If a special meeting occurred before the next regularly scheduled monthly meeting, the lease could be considered then. Otherwise, it would be tabled until the May meeting.

IX. MEETING RECESS at discretion of the chair.

There was no meeting recess.

XI. OTHER

The General Manager reported on the display that Special Projects Manager Maureen Keeler had prepared for the State Capitol’s Oregon Ports’ Day, and Keeler reported on the event, which she had attended on Wednesday, April 29. She said the display could be part of the presentation for the regional EDA grant application that she has been working as partners with the Port of Toledo.

XII. UPCOMING MEETINGS

- A. Newport Loyalty Day & Sea Fair Festival, April 30-May 3
- B. Oregon DEQ Meeting – Terminal Remediation Plan, Newport City Hall, May 7, 5:00 p.m.
- C. Port Budget Committee, May 12, Port Conference Room, 5:00 p.m.
- D. Fishermen’s Forum, May 13, Port Conference Room, 8:30 a.m. m.
- E. Port Commission Work Session and Regular Meeting, May 26, 6:00 p.m.

XIII. ADJOURNMENT

Commissioner Jincks moved, Mathews seconded to adjourn the work session and regular meeting of the Port of Newport Board of Commissioners at 7:15 p.m. Motion passed 5-0.

ATTEST:

Ginny Goblirsch, President

JoAnn Barton, Secretary