

PORT OF NEWPORT
MINUTES
August 18, 2009
SPECIAL MEETING

I. CALL TO ORDER

Commission President Ginny Goblirsch called the special meeting of the Port of Newport Board of Commissioners to order on Tuesday, August 18, 2009, at 12:00 p.m., in the Port Conference Room, the same being within the boundaries of the Port District.

II. INTRODUCTIONS

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

Commissioners Excused: Don Mathews, Treasurer.

Port of Newport Management and Staff: Don Mann, General Manager; Patti Britton, Finance Director; Pete Dale, Project Manager; and Patty Benjamin, Administrative Assistant.

Others: Charles Carter, Charles Carter Company; Pete Gintner, Port Legal Counsel; Kiera Morgan, KYTE/KNPT Radio; Fred Postlewait, Oregon Coast Bank; Grant Snyder, Wiggins Towboat; Brian Willman, URS.

III. NEW BUSINESS

A. Resolution 6-2009—Authorizing a Bridge Loan for interim Financing Pending Issuance of Revenue Bond for NOAA MOC-P Construction. General Manager Don Mann explained that the lease agreement between the Port of Newport and the United States of America for the NOAA Marine Operations Center-Pacific (MOC-P) homeport included an obligation to pay broker commission fees and programming service fees totaling \$1,218,417.77, and those fees had to be paid within fifteen days of the lease award. Resolution 6-2009 authorized bridge financing from a banking authority to pay those fees, since the fees were due before local funding through revenue bonds would be available.

Commissioner Barton stated for the record that the Port had budgeted for this expense and commission and staff had been aware that this was part of the cost of the project. It was not a surprise but a matter of business to be taken care of in due course and interim bridge financing was a prudent move.

The chair called for a motion.

Commissioner Barton moved to adopt Resolution 6-2009 authorizing the commission president and herself, as commission secretary, to sign the resolution and bridge loan for interim financing pending issuance of revenue bonds for NOAA MOC-P construction. Commissioner Jincks seconded the motion, stating that the motion spoke to the resolution so it would not be necessary to read the resolution aloud. The motion passed 4-0.

B. Independent Pricing Advisor, Revenue Bond. The General Manager introduced Charles Carter, Charles Carter Company, who would be contracted as an independent third party to oversee the revenue bond underwriting to ensure reasonable fees to the Port. Commission President Goblirsch stated that the Port had enjoyed a good track record with David Ulbricht, who works in public financing for Wedbush Morgan, but the revenue bonds involved such a large amount of money that additional oversight seemed wise. Mr. Carter explained some of the terms and fees referred to in the contract and said his opinion would run through the entire transaction in terms of cost. Goblirsch said investing as much money locally as possible would be important, and Carter said he would be glad to work with local institutions within the limits of state statutes and the Port's own policy. In answer to a question from Commissioner Barton, Carter said that because of issuance costs and a favorable market environment, it would be more cost effective to issue the bonds all at once, especially since the money would be spent within a two year period. He said he would work with the architects and project manager to develop a draw down schedule. In answer to another question from Commissioner Barton, Carter explained how he would perform comparisons to ensure that the Port was getting the best rate and value, using various indices and researching comparable bond issues in Oregon. He went on to explain what would happen prior to the bonds being priced and on the day of the sale. He said individuals who live in the community would have an opportunity to invest in the bonds, and suggested that Ulbricht could advertise the bond sale in the local newspaper. However, he cautioned board members to ensure there would be no conflict of interest before they invested in the bonds. He concluded by encouraging Port staff and commission to call if they had any questions. Commissioner Barton reiterated that hiring an independent pricing advisor in no way indicated a lack of confidence in David Ulbricht or Wedbush Morgan, but was only to ensure the best value for the port district.

IV. PUBLIC COMMENT

There was no public comment.

V. OTHER

General Manager Don Mann provided an update on the NOAA Marine Operations Center-Pacific (MOC-P) project. He reported that interviews had been conducted with environmental consultants and Pacific Habitat Services Company would be on board for the Project "Kick Off" Meeting on August 20, 2009. He said he also hoped to have a recommendation on a project manager to present to the commission by the end of the day, and that person would also attend the "Kick Off" Meeting with NOAA. He said the environmental consultants would work on both the terminal renovation and the NOAA project, with two different work scopes but under one contract. He said it was important to keep the project moving quickly, so the Port could move into personal services contracts but the contractor would be selected through a bid process following recommendations from the project manager. Attorney Gintner pointed out that the project manager and environmental consultants were aware that they were hired on an interim basis, pending approval by the board through a formal vote at the regular meeting on August 25. Mann said he was working on a draft organizational chart with the engineering team. The General Manager thanked the commissioners for their input through the hiring process, and particularly Commissioners Barton and Jincks who sat in on the interviews with the environmental consultants.

Mann reported that the Port is receiving phone calls from contractors and vendors interested in the MOC-P project and that a contact list is being kept. A discussion followed about how other agencies, such as the Lincoln County Alliance Board, the Oregon State Employment Department, and Oregon Coast Community College could help to educate local businesses and vendors on how to qualify and successfully bid on government contracts to provide ongoing services for NOAA. Commissioners Fleck and Jincks pointed out that many of those guidelines are available on NOAA's website, and Grant Snyder described the steps he had taken to qualify his towboat business for federal work. Commissioner Barton said there was a willingness and desire in the community to coordinate an education process for vendors but it would have to be delegated to a team, rather than the Port taking it on. Mann noted that, in the midst of all the project activity, some Port personnel are on vacation and the accounting department is preparing for an audit of Fiscal Year 2009, so staff has been stretched thin. Commissioner Goblirsch said she hoped to find out more information at the NOAA "Kick-Off" Meeting about names and contacts to coordinate for the NOAA families so Newport could put something together on this end. Goblirsch mentioned the possibility of a community barbecue to welcome the families and show them around while the weather was still good. Again, it was mentioned that there would need to be an outside group in the community to handle that, once it was set up. Commission President Goblirsch and Commissioner Barton thanked the General Manager and staff for their hard work on the NOAA project and the General Manager in particular for remaining upbeat through the process.

General Manager Mann announced that Governor Kulongoski would be in Newport on August 26, 2009, to congratulate the community on winning the NOAA lease.

General Manager Mann said there would be a ribbon-cutting ceremony at Oregon Coast Community College's new South Beach campus on Friday, September 11, 2009, at 2:00 p.m.

VI. ADJOURNMENT

There being no further business to come before the Special Meeting of the Port of Newport Board of Commissioners, the meeting was adjourned at 12:45 p.m.

ATTEST

Ginny Goblirsch, President

JoAnn Barton, Asst. Secretary-Treasurer