

**PORT OF NEWPORT**  
**MINUTES**  
**June 26, 2012**

**Budget Hearing & Regular Monthly Meeting**

**I. CALL TO ORDER**

Commission President JoAnn Barton called the budget hearing for fiscal year 2012-2013 to order at 6:00 p.m. on Tuesday, June 26, 2012, at the Yaquina Bay Yacht Club Clubhouse, 750 SE Bay Boulevard, Newport, OR 97365, the same being within the boundaries of the Port District.

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

**Port of Newport Management and Staff:** Don Mann, General Manager; Patti Britton, Finance Director; Pete Dale, Project Manager; Jim Durkee, Terminal Operations Supervisor; Rick Fuller, NOAA Facilities Manager; Maureen Keeler, Special Projects Manager; Barb Martin, Accounting Assistant; Patty Benjamin, Administrative Assistant.

**Others Present:** Pat Albaugh, incoming Finance Director; David Allen, Newport City Council; Rick Beasley, News Times; Chris Burns, facilitator, and Kaety Hildenbrand, OSU Sea Grant Extension Service, Port Dock 1 Working Waterfront Interpretive Program; Barb and Wayde Dudley, and Lloyd "Oly" Olson, Newport residents; Yale Fogarty, Rob Halverson, Pat Ruddiman, and Rod Worman, ILWU Local 53; Lee Fries, CM/GC Selection Committee; Mark Miranda, Newport Police Chief; Stan Pickens, Bayscapes Gallery; Hal Pritchett, Facility Use & Design and Terminal Steering Committees; Jim Shaw, South Beach resident; Grant Snyder, Wiggins Towboat.

Finance Director Patti Britton summarized Resolution 1-2012 pertaining to the current budget and Resolution 2-2012 pertaining to the budget for F/Y 2012-2013.

The chair called for public comment on the budget for F/Y 2012-2013, as approved by the Port of Newport Budget Committee. Hearing none, the budget hearing was closed at 6:02 p.m.

Commission President JoAnn Barton called the regular monthly meeting of the Port of Newport Board of Commissioners to order at 6:05 p.m.

**II. ELECTION OF OFFICERS**

It had been proposed at the regular meeting on May 22, 2012 that the current slate of officers on the Port of Newport Board of Commissioners be reinstated going into the next year: JoAnn Barton, President; David Jincks, Vice-President; Walter Chuck, Secretary; Don Mathews, Treasurer; Dean Fleck, Assistant Secretary-Treasurer.

Commissioner Jincks moved to approve the slate of offices as stated. Commissioner Fleck seconded the motion and it passed 5-0.

**III. MINUTES**

- A. Budget Committee Meeting—May 16, 2012
- B. Work Session—May 22, 2012
- C. Regular Meeting—May 22, 2012

Commissioner Fleck moved to approve the minutes of the Budget Committee Meeting of May 16, 2012. Commissioner Chuck seconded the motion and it passed 5-0.

The chair called for a motion on the minutes of both the Work Session and Regular Meeting of May 22, 2012. Commissioner Jincks moved to approve, Commissioner Mathews seconded, and the motion passed 5-0 with no discussion.

**IV. FINANCIAL STATEMENTS**

Commissioner Barton introduced Pat Albaugh, who would be the new Director of Finance starting July 2, 2012.

- A. Financial Report.
- B. Accounts Paid.

The chair called for questions or comment on the Financial Report. Hearing none, she asked for a motion to include Accounts Paid, Check Nos. 11618-11628/Construction Fund; Check Nos. 11708-11746/NOAA

Checking-OCB; and Check Nos. 32790-332947/Operating Account. Commissioner Chuck made that motion, Commissioner Fleck seconded, and it passed 5-0.

**C. Resolution 1-2012 Adopting Supplemental Budget and Increasing Appropriations.**

Commissioner Jincks moved to approve Resolution 1-2012 Adopting the Supplemental Budget and Increasing Appropriations. Commissioner Fleck seconded the motion and it passed 5-0.

**D. Resolution 2-2012 Adopting Budget, Making Appropriations, and Levying Taxes FY 2012-2013.**

Commissioner Fleck moved, Jincks seconded, to adopt Resolution 2-2012 Adopting Budget, Making Appropriations, and Levying Taxes FY 2012-2013. The motion passed 5-0.

**V. PUBLIC COMMENT**

Lee Fries, CM/GC Selection Committee, encouraged the board to offer a letter of support to the Salmon for Oregon program.

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

**A. Department Reports.**

- Kevin Bryant, Commercial Marina Harbormaster\*
- Pete Dale, Project Manager\*
- Jim Durkee, Terminal Operations Supervisor\*
- Rick Fuller, NOAA Facilities Manager\*
- Maureen Keeler, Special Projects Manager\*
- Gina Nielsen, RV-Marina Office Supervisor\*
- Chris Urbach, South Beach Marina Harbormaster\*

**B. General Manager.**

General Manager Don Mann reported that he and Commissioners Chuck and Fleck had reviewed the proposals that had been submitted for the Strategic Business Plan and Capital Facilities Plan and selected two companies, Columbia Planning and Northwest Port Planning Team, for interviews on July 9, 2012. Mann, Commissioners Chuck and Fleck, and Mike Day, Day CPM Services, would participate in the interview process.

The General Manager announced that he would retire from the Port or Newport in January of 2013. He said he had already spoken with the commissioners individually about that decision and would continue to work with the Port through the transition.

**C. Commissioners' Reports.**

There were no commissioners' reports.

**VII. OLD BUSINESS**

**A. Working Waterfront, Port Dock 1, Interpretive Program Draft Plan—Kaety Hildenbrand, OSU Sea Grant, Chris Burns.**

Chris Burns, facilitator, reported that, as a result of a fact finding session between bayfront merchants, marine biologists, fishermen, and other stakeholders, an interpretive program was being developed to educate visitors who come to see the sea lions at Port Dock 1 and work to resolve conflicts between tourists and Newport's working waterfront. Burns said the program would include training volunteer docents and interpreters on the natural history of the working waterfront. The docents would also assist with safety concerns and alleviate conflicts between commercial working people and visitors using the dock. Some volunteers docents had already been brought on board, and Burns said Mark Farley, OSU Sea Grant, was talking with the Hatfield Marine Science Center and Oregon Coast Aquarium to see if some of their volunteers might be interested in helping with the program. The commissioners' packets included an outline that Burns developed after spending many hours and days addressing visitors' most frequently asked questions on the bayfront. That outline would be used as part of the docents' training material, and Burns said he hoped to include a message from the Port of Newport Commission welcoming the docents. Kaety Hildenbrand talked about the signage that would be part of the educational program, including a website application that could be accessed by visitors' smart phones. She distributed photographs showing a yellow line painted on the dock's surface to designate a commercial mooring area and a green line on the other side of the dock that would designate an area for viewing the sea lions. Commissioner Jincks cautioned that the green line might be wrongly interpreted as a "safety zone" and visitors should still exercise caution when vehicles pull out onto the working dock.

Burns said that would be covered during the volunteer docents' training. Newport Police Chief Mark Miranda suggested that a yellow diamond-shaped traffic sign warning that "this is a working dock" might be effective. Stan Pickens, Bayscapes Gallery, thanked Burns, Hildenbrand, and the Port for their efforts and said he was very impressed by the amount of work that had already been done. He added that a Newport Sea Lion Docks Foundation had been created to raise money for ongoing repairs and maintenance of the sea lion docks. General Manager Don Mann said the Port would assist where it could with planning and permitting but did not have the resources for the new floats and piling that would eventually be needed. In answer to a question from Commissioner Barton, Burns said the docents would be trained to address the "nuisance issue" relating to damage that the sea lions could do to property and fish populations in the bay. Barton noted that the sea lions/working waterfront program has evolved into much more than it was when it started, and the board was grateful for the good work being done.

**B. Terminal Renovation Project—Amendment 20, West One Third of the Fishing Dock**

The Commission had been given an update by Frank Berg, Project Manager, Day CPM Services, at the noon work session. Berg had recommended approval of Amendment No. 20.

Commissioner Jincks moved to approve Amendment No. 20 to the Professional Services Agreement between the Port of Newport and Day CPM and to direct General Manager Don Mann to sign the documentation. Commissioner Mathews seconded the motion and it passed 5-0.

The General Manager pointed out that the net savings on the project to date, due to the CM/GC process, was \$3,364,998.

**C. Resolution 3-2012 Resolution Authorizing a Financing Loan from the Special Public Works Fund**

The General Manager explained that the financing loan was \$3.5 million in additional funding for the International Terminal Project. The chair called for a motion.

Commissioner Jincks moved to adopt Resolution 3-2012 Authorizing a Financing Loan from the Special Public Works Fund. Commissioner Fleck seconded the motion and it passed 5-0 with no further discussion.

**D. Oregon Business Development Department (OBDD) Loan Contract Documents for Terminal Reconstruction**

The General Manager explained that the contract was the second portion of the final piece of the loan package for the International Terminal Project. This was a \$400,000 forgivable loan based on the creation of fifty documentable jobs over a five year period, once the International Terminal Project is complete.

Commissioner Fleck moved to approve the Oregon Business Development Department Loan Contract Documents for Terminal Reconstruction. Commissioner Chuck seconded the motion and it passed 5-0.

**E. Salmon for Oregon**

General Manager Don Mann recapped a short presentation that Jim Wright, Communications Director for Salmon for Oregon, had made at the regular meeting in May, where he had asked the board for a letter of support endorsing the Salmon for Oregon project in Yaquina Bay. Commissioner Fleck said he would like to invite Wright back to the regular meeting in July and allow him time on the agenda for a full presentation, to provide more information and answer questions for the commissioners. Commissioner Barton said she would like to understand more of the "science" involved in the project and suggested that representatives from the Oregon Department of Fish & Wildlife should be present for Wright's presentation, but Commissioner Fleck said he wouldn't be comfortable with that. Newport resident Lee Fries, who had been involved in Salmon for Oregon, pointed out that the program already had the support of the top three people at the Oregon Department of Fish & Wildlife. Both Fries and Commissioner Fleck emphasized that the program was not "salmon farming" and Fleck added that aquaculture had already been done in Yaquina Bay years ago. He added that the Salmon for Oregon program was now being done successfully in other ports up and down the coast. Commissioner Barton said she was still not at a comfort level where she could say she understood the risks involved with such an operation and felt she should voice her concern; however, she would not be present for the regular meeting in July, so if after hearing the full presentation it was the will of the commission to move forward and support the project, she would not stand in the way.

**VIII. NEW BUSINESS**

**A. Rondys, Inc. Lease**

General Manager Don Mann explained that the Port of Newport was in the final days of a ten year lease with Rondys, Inc. for property at the Port of Newport International Terminal and, after several site visits

and meetings with the Hall family, a new ten year lease had been drafted and finalized. The lease rate of \$1 per year would stay the same and the Port would still retain right of first refusal on the property, but some of the lease language had been updated or changed. Mann said the new lease had been reviewed by the Hall family and their lawyer and the Port's legal counsel had also reviewed the document for legal sufficiency. Mann recommended approval by the Port Commission.

Commissioner Chuck moved to approve the lease dated June 25, 2012 between Rondys, Inc. and the Port of Newport. Commissioner Fleck seconded the motion and it passed 5-0.

**B. South Beach Fuel Dock, Request to Change Operating Hours—Steve Carver**

General Manager Don Mann made reference to a copy of a letter in the commissioners' meeting packets from Steve Carver of Carson Oil, who leased the fuel dock at the South Beach Marina. Carver asked the Port to consider allowing him to reduce the fuel dock's operating hours during the winter months, from November 1 – February 28 (29). Carver said he would offer signage with an emergency number to call, if someone needed fuel when the dock was closed. Commissioner Jincks suggested that there were peak use periods during some of the winter holidays, such as Thanksgiving and Christmas, when the marina is busy, so perhaps service should be open during those times. Commissioner Fleck agreed and said he would like to know how long it would take someone to open the fuel dock after a customer called the emergency number. Otherwise, the commissioners had no problem with Carver's reducing the operating hours during the winter months and asked the General Manager to work with Carver on the winter schedule. The General Manager added that Mr. Carver is in negotiations with Dale Weber to purchase the Port Dock 5 fuel dock.

**IX. MEETING RECESS at discretion of the chair.**

There was no meeting recess.

**X. OTHER**

Following a joint meeting between the Port Commission and Newport City Council, a draft resolution had been prepared to establish a pedestrian/vehicle safety plan task force to bring forward recommendation to the Port, City of Newport, and Lincoln County for improving vehicular and pedestrian safety along John Moore Road and Bay Boulevard with the prospect of increased truck traffic to the proposed log yard operation at the International Terminal. The chair asked for a volunteer from the Board of Commissioners to serve on the task force with the understanding that the Port would be the lead party. Commissioner Chuck volunteered to serve on the task force, and Commissioner Fleck said he would fill in when Commissioner Chuck was not available in August. Commissioner Chuck will work with General Manager Don Mann on soliciting task force members from the Port District.

**XI. PUBLIC COMMENT**

Referring to the joint City/County/Port of Newport task force, Lloyd "Oly" Olson presented a draft of a letter recommending that the City of Newport and Port of Newport consider options other than John Moore Road for truck traffic to the proposed log handling yard. The letter suggested SE Benson Road or a new bypass road as an alternative, or reactivating the City's 1989 Comprehensive Plan's port bypass project. The letter also recommended that the Port Commission establish a surcharge per loaded truck to and from the proposed log yard, with the funds going into a trust fund that would be used for planning, acquisition, construction, and maintenance of a bypass road.

Olson also suggested that the Port Commission overlap whoever is hired as the new General Manager with Don Mann so that they can work together prior to Mann's retirement, and potentially keep Don Mann on retainer for a while to address some of the larger Port issues.

Yale Fogarty, ILWU Local 53, said he thought the idea of a truck surcharge at the cargo terminal was "preposterous" and he didn't think the taxpayers of the district would support it. He described the road use and traffic when there had been cargo through the terminal years ago, and said visibility and safety conditions had been much improved since then. Fogarty added that there had been a school zone along John Moore Road at that time but it was no longer there. He said it was a safe roadway if property managed and urged the Port not to ask Teevin Brothers to pay a truck surcharge in order to come to Newport and create jobs and economic benefit to the community.

Newport Police Chief Mark Miranda noted that the school zone signs along John Moore Road had been erroneously removed and had not been put back, but the school building is still in use as a charter school. He also reported that Lincom dispatch services had been transferred to the Willamette Valley Communications Center in Salem, OR. Miranda said the transition would be "seamless" and the public would not notice the change at all. Regarding the Fourth of July holiday, Chief Miranda said the fireworks would be shot from a barge in the middle of the bay this year, and the Coast Guard would secure a safety zone around the barge.

South Beach resident Jim Shaw reported that long-time local contractor Bernie Stoll was recuperating at home after a serious fall.

**XI. UPCOMING MEETINGS/EVENTS**

- A.** Fourth of July Holiday, July 4, Port Office Closed
- B.** Fishermen's Forum, Port Operations Shop, July 11, 8:30-9:30 a.m.
- C.** Marina Users Meeting, July 18, South Beach Marina, 8:30-9:30 a.m.
- D.** Work Session, South Beach Marina Activities Room, July 24, 12:00 a.m.
- E.** Regular Meeting, South Beach Marina Activities Room, July 24, 6:00 a.m.

**XIII. ADJOURNMENT**

There being nothing more to come before the Board of Commissioners, the meeting was adjourned at 7:31 p.m.

ATTEST:

---

David Jincks, Vice-President

---

Walter Chuck, Secretary