

**PORT OF NEWPORT  
MINUTES  
December 27, 2011  
Regular Meeting**

**I. CALL TO ORDER**

Commission Secretary David Jincks called the regular meeting of the Port of Newport Board of Commissioners to order on Tuesday, December 27, 2011 at 6:00 p.m. in the Port of Newport Conference Room, 600 SE Bay Boulevard, Newport, OR, the same being within the boundaries of the Port District.

**Commissioners Present:** David Jincks, Secretary; Dean Fleck, Assistant Secretary-Treasurer; Walter Chuck, Commission Appointee.

**Commissioners Excused:** JoAnn Barton, President; Don Mathews, Treasurer.

**Port of Newport Management and Staff:** Don Mann, General Manager; Patti Britton, Finance Director; Maureen Keeler, Special Projects Manager; Patty Benjamin, Administrative Assistant.

**Others Present:** Laura Anderson, Executive Director, FISHCRED; Ron Benfield, Port of Newport Audit Committee; Lon Brusselback, Newport City Council; Barb and Wayde Dudley, Newport Police Volunteers Association; Yale Fogarty and Pat Ruddiman, ILWU Local 53; Lee Fries, CM/GC Selection Committee; Rick Fuller, Day CPM Services; Candy Garrison, Newport resident; Mark Miranda, Newport Police Chief; Rob Moody and Haley Fish, Talbot Korvola & Warwick; Harry Noah, Yaquina Bay Fruit Processors; Dr. Hal Pritchett, Facility Use & Design and Terminal Steering Committees; Jim Shaw, South Beach resident.

**II. ELECTION OF OFFICERS**

The chair called for nominations for the slate of officers for 2012-2013.

Commissioner Fleck moved that Position No. 3, President JoAnn Barton; Position No. 5, Assistant Secretary-Treasurer Dean Fleck; and Position 4, Treasurer Don Mathews, remain the same on the next slate of officers. He then nominated Walter Chuck, Position No.1, for Secretary; and David Jincks, Position No. 2, for Vice-President. There was no further discussion. Commission Chuck seconded the motion and it passed 3-0.

**III. MINUTES**

- A. Work Session—November 22, 2011.**
- B. Regular Meeting—November 22, 2011.**

Commissioner Fleck moved, Chuck seconded, to approve the minutes of the Work Session of November 22, 2011 and the minutes of the Regular Meeting of November 22, 2011 as submitted. The motion passed 3-0.

**IV. FINANCIAL STATEMENTS**

- A. Audit Report Fiscal Year Ending June 30, 2011.**

Finance Director Patti Britton introduced Rob Moody, Partner, and Haley Fish, Manager, from Talbot Korvola & Warwick (TKW), and Ron Benfield, Port of Newport Audit Committee, who provided comments on the audit for the Fiscal Year ending June 30, 2011. Moody reported that the auditors had issued a clean unqualified opinion on the Port's financial statements and compliance with federal funding, the highest opinion that could be stated. Benfield said the Audit Committee felt comfortable that a thorough and professional audit had been conducted and the committee members' questions had been answered. He said the Audit Committee recommended that the board accept the audit report as presented. He added that Port staff was doing a great job. The board had no questions and the chair called for a motion.

Commission Fleck moved to accept the audit report for the fiscal year ending June 30, 2011 as presented and recommended by the Audit Committee. Commissioner Chuck seconded the motion and it passed 3-0 with no further discussion.

- B. Financial Reports.**
- C. Accounts Paid.**

The chair called for questions on the financial reports and accounts paid. Hearing none, he called for a motion.

Commissioner Fleck moved, Commissioner Chuck seconded, to approve the Financial Statements and Accounts Paid, Check Nos. 11574-11575/Construction Fund; Check Nos. 11587-11601/NOAA Checking-OCB; and Check Nos. 32144-32264/Operating Account. The motion passed 3-0.

## V. PUBLIC COMMENT

There was no public comment.

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

### A. Department Reports.

- Kevin Bryant, Commercial Marina Harbormaster\*
- Pete Dale, Project Manager\*
- Maureen Keeler, Special Projects Manager\*
- Gina Nielsen, RV-Marina Office Supervisor\*
- Ron Smith, Terminal Manager\*
- Chris Urbach\*

### B. General Manager.

In addition to his written report, General Manager Don Mann addressed the following items:

- He had hoped to have the final lease amendment for the Rogue expansion for the commission's review before the meeting but it was still in the attorneys' hands.
- Mann would like to schedule a meeting with the consultant on the Terminal Dock Economic Benefit Study on Thursday, January 5, 2012 with two commissioners in attendance. The commissioners could pick a time that would be convenient for them.
- Regarding the sea lions at Port Dock 1, Mann said he would like to set a committee meeting for January 9, 2012 (time to be determined) to include Port representatives, interested stakeholders, and a facilitator. A public meeting on that topic may be held at a later date, following the committee meeting.
- The permits to proceed had been issued for the Port Dock 5 project.
- A scope of work had been delivered to four contractors for the sand pile relocation project. A mandatory contractors meeting was scheduled for January 12, 2012 and Mann said he expected they would start moving sand on January 19-20, 2012.

### C. Commissioners' Reports.

Commissioner Chuck reported that he had attended a meeting of the MidCoast Watersheds Council and would be willing to represent the Port at those meetings from time to time. He had also been in Astoria for an Ocean Policy Advisory Council (OPAC) meeting and took the opportunity to visit the Westerlund Log Handling operation while he was there.

Commissioner Jincks and General Manager Don Mann had met with representatives from Teeven Brothers Logging the previous week. Both Westerlund Log Handling and Teeven Brothers Logging had made inquiries about shipping logs from the International Terminal.

## VII. OLD BUSINESS

### A. Terminal Renovation

#### 1. GMP Amendment No. 15—Steel and Sheet Pile Salvage and Buyback.

At the noon work session, Frank Berg, Day CPM Project Manager, had provided an update on the International Terminal Renovation Project and reviewed GMP Amendment No. 15 to the CM/GC contract between the Port and Natt McDougall Company (NMC) for staff and commission. He had recommended action at the regular meeting. Berg was not present for the regular meeting. General Manager Don Mann pointed out that Amendment No. 15 was a credit, based on the resale of steel and sheet pile in the amount of \$320,000. That amount would be rolled back into the project, bringing the total GMP to \$15,229,069. The commission had no questions and the chair called for a vote.

Commissioner Fleck moved to approve NMC Amendment No. 15 and authorize General Manager Don Mann to sign the documentation. Commissioner Chuck seconded the motion and it passed 3-0.

#### 2. KPFF Engineers—Contract Amendment for Ro/Ro Dock Modification/Design.

Berg had also briefed the commission on this contract amendment and it had been discussed at the noon work session. The chair encouraged anyone in the audience who had any questions to contact the General Manager and called for a motion.

Commissioner Fleck moved, Commissioner Chuck seconded, to accept the contract amendment for the ro/ro dock modification/design. The motion passed 3-0.

**3. Resolution 6—2011, IFA Marine Navigation Improvement Fund Grant Application for Dredging.**

General Manager Don Mann said Resolution 6—2011 was related to the Port's application to the Oregon Infrastructure Finance Authority (IFA) Marine Navigation Improvement Fund for \$322,500 in grant funds with a non-IFA match of \$107,000 for dredging and excavation work as part of the Port of Newport International Terminal Renovation Project. Resolution 6—2011 provided authority for the Vice-President of the Port of Newport Board of Commissioners to sign the application in the Commission President's absence. A copy of the completed grant application was included in the commissioners' meeting packets along with a copy of the resolution.

Commissioner Fleck moved to approve Resolution 6—2011 applying to the Oregon Infrastructure Finance Authority Marine Navigation Improvement Fund for International Terminal dredging. Commissioner Chuck seconded the motion and it passed 3-0.

**B. NOAA MOC-P Facility**

Facilities Manager Rick Fuller, Day CPM, reported that the NOAA MOC-P facility continues to perform as expected and as designed. The final as-built drawings were received and distributed and the checklist was complete, which finalized the project closeout. He said building occupancy was approximately 66% of current office space and steadily increasing. All homeport vessels were at the pier, and the previous week the USCG Buoy Tender Fir had docked there for two days, which filled all the berths for the first time since the dock was brought into service. Fuller said the facility had performed well through its first freezing and stormy conditions. Scheduled preventative maintenance was ongoing and a few warranty items were being dealt with. Fuller reported that according to his roster notes there had been 358 bar crossings for the year by vessels docked at the NOAA pier.

**VIII. NEW BUSINESS**

**A. Marine Spatial Planning and the Territorial Sea Plan, FISHCRED.**

Laura Anderson, Executive Director of Fishermen's Information Service for Housing, Confidential Release and Essential Distribution (FISHCRED), provided an update on proposed amendments to the State of Oregon's Territorial Sea Plan (TSP) and how those proposed amendments relate to Goal 19 protections for Oregon's commercial fisheries. Anderson had recently attended an Ocean Policy Advisory Council (OPAC) meeting in Astoria. She said draft maps had been presented at that meeting, showing how the fishing data that had been gathered was proposed for application in the TSP. Based on initial proposals, Anderson said only 10%-20% of the social value of fisheries would qualify for Goal 19 protection, which translated to half or less of the territorial sea being considered as "important to fisheries". She felt that the fisheries had not been well defined through the process and that there was data to support protecting 95% of specific fisheries. A letter had been sent to Governor Kitzhaber from FISHCRED, stating concerns about the methodologies used in interpreting Goal 19 and offering to work with state to find out what areas need to be protected. Anderson emphasized that decisions made now would set a precedent regarding the level of protection for fisheries and other stakeholders, such as wave energy and marine reserves. Anderson and Commissioner Chuck, who had also attended the OPAC meeting, both mentioned the likelihood of areas off the coast of Newport being targeted for experimental placement of Marine Renewable Energy sites.

**B. Yaquina Bay Fruit Processors Business Update.**

Harry Noah, Yaquina Bay Fruit Processors (YBFP), presented a business update on his company. Starting with statistics, Noah said the West Coast of the US is the largest cherry growing area in the world. Forty million pounds of maraschino cherries are consumed each year in the United States; there are five companies that actually produce them; and three companies, including his, grow and process the cherries. He said he now had more sales inquiries than he had space for the fruit. Noah provided a brief history of the company, saying that YBFP had been in business for nine years, initially leasing space at South Beach that "nobody cared about". He said it took some time for them to understand the process but the company had slowly grown and now employs 23 people, producing eight truck loads of cherries per month that are shipped to the East Coast, Mexico, and the Northwest. Noah said he felt the company had potential to grow even more by focusing on upgrading stemless cherries as a separate product, and the manufacturing aspect of the business had tremendous tourist potential in its busy South Beach location; however, he was running out of room. He said the company could relocate in a couple of years, when their lease with the Port is up, but they would prefer to stay in Newport where the work force is good. General Manager Don Mann said he would be happy to discuss future options with Noah, and Commissioner Jincks added that any employer in the Port District that employs 23 people was important to the community and the commission would work with Noah.

**C. Surplus Property.**

Finance Director Patti Britton said the Xerox WorkCenter 5030 copy machine, Serial #FLB012027, had been replaced by a new copier. Before the old machine could be donated or disposed of, it would be necessary for the Commission to declare the machine surplus. There was no discussion and the chair called for a motion.

Commissioner Fleck moved to declare the Xerox WorkCenter 5030 copier surplus to the Port's needs. Commissioner Chuck seconded the motion and it passed 3-0.

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

There was no meeting recess.

**X. OTHER**

General Manager Don Mann said he had received notice from Finance Director Patti Britton that she intends to retire effective June 30, 2012. Mann wanted the commission to be aware of Britton's plans so they can begin the process of finding a new Finance Director. Britton had advised Mann that she would be willing to work with the person who fills her position after she leaves the Port on a contract basis.

**XI. PUBLIC COMMENT**

Wayde Dudley, Newport Police Volunteer Association President, thanked the Port for its donation to the Newport Police Volunteer Association. Commissioner Jincks replied that he didn't think the Port could show enough appreciation for all the Police Volunteers have done over the years.

Newport Police Chief Mark Miranda explained that the police cars that had recently been on the NOAA pier were there to pick up donations of wool blankets and food items from the crew of the NOAA research vessel Oscar Dyson. He added that the police keep wool blankets in supply for the homeless during the winter months and the food items went to the local food pantry.

Referring to a discussion during the noon work session about the lack of moorage space for commercial vessels and the Port Dock 1 sea lions, Lee Fries, CM/GC Selection Committee, suggested modifying the dock at Port Dock 1 to accommodate a couple of vessels; or, if the sea lion dock is replaced, Fries said it should be paid for and maintained by interested parties and stakeholders, not the Port, and the Port should receive an annual rent payment for the space.

**XII. UPCOMING MEETINGS**

- A. New Year's Holiday (observed), January 2, Port Office Closed
- B. Fishermen's Forum, Port Office, January 11, 8:30-9:30 a.m.
- C. Marina Users Meeting, January 18, South Beach Marina, 8:30-9:30 a.m.
- D. Work Session, Port Conference Room, January 24, 12:00 p.m.
- E. Regular Meeting, Port Conference Room, January 24, 6:00 p.m.

**XIII. ADJOURNMENT**

There being nothing more to come before the Board of Commissioners, the meeting was adjourned at 7:00 p.m.

ATTEST:

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JoAnn Barton, President

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Walter Chuck, Secretary

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