

PORT OF NEWPORT
MINUTES
February 26, 2013
Combined Work Session and Regular Meeting

Public Hearing: Port Facilities Code

Commission President JoAnn Barton opened the public hearing regarding the Port Facilities Code at 6:00 p.m. in the South Beach Marina Activities Room, 2120 SE Marine Science Drive, Newport, OR, the same being within the boundaries of the Port District. She asked for comments, limited to three minutes.

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

Commissioner Excused: Don Mathews, Treasurer.

Port of Newport Management and Staff: Don Mann, General Manager; Pat Albaugh, Finance Director; Pete Dale, Project Manager; Rick Fuller, NOAA Facilities Manager; Maureen Keeler, Special Projects Manager; Barb Martin, Accounting Assistant; Gina Nielsen, Marina Office Supervisor; Keith Strasburg, South Beach Marina Maintenance/Operations; Patty Benjamin, Administrative Assistant.

Others Present: Dr. Richard Beemer, Newport City Council; Frank Berg, Day CPM Services; Wayde and Barb Dudley, Newport residents; Ray Anessi, Bob Fessler, Glen Hart, Don Hines, Robert Jelden, Tim Krump, Byron LaFollette, Mel Mogster, Ed and Nancy Oswald, Keith Pallas, Chuck Pavlik, Bill Slate, Rhomie Thompson, Frank Zahradnicek, South Beach Marina Moorage Holders; Yale Fogarty and Pat Ruddiman, ILWU Local 53; Dave Morgan, News Lincoln County; Lloyd "Oly" Olson, Port of Newport-City of Newport Joint Pedestrian/Vehicle Safety Plan Task Force; Dr. Hal Pritchett, Facility Use & Design and Terminal Steering Committees; Tom Runions, Runions Trucking; Jim Shaw, South Beach resident; David Ulbricht, Robert W. Baird & Co.

Chuck Pavlik stated that the South Beach Marina was an active recreational fishing marina and "not a yacht club", so it made good common sense and good business sense to accommodate those recreational fishermen who support the marina. He said he had a fish cleaning station at his slip on C-Dock and always cleaned it up after use, as did the nine or ten other moorage holders who used it. He said the fish cleaning stations the Port provided at the marina were crowded and there was sometimes a two-hour wait to use them. If the privately owned fish cleaning stations on the docks were eliminated, the wait would be even longer at the Port-provided stations.

Glen Hart said he had been a South Beach Marina moorage holder for more than twenty years and spent between \$4,500-\$5,500 in the area when he was here for six months each year, but if "what he was hearing happened" he wouldn't be back. He said he was "too old to drag crab traps up and down the docks" and that, unlike some other facilities, the Port of Newport offered nowhere else to store them. He said not everyone causes problems at the marina and the Port should focus on those who do. He recommended forming a committee for a "dock watch".

Ray Anessi said the issue was not the ordinance code but enforcement after years of neglect, complacency, and inconsistency. Citing signage on the docks, he said the rules and laws were clearly stated but not enforced. He added that amnesty was sometimes given to some violators. He said any ordinance that was written with discretionary exceptions would dilute the rules. He recommended "getting the ordinance out" with incremental timelines for its enforcement.

Tim Krump spoke to another issue, which was parking. He said the moorage holders had parking tags but the parking lot was often full of cars belonging to fishing charter customers. He said most moorage holders were conscientious about following the rules and keeping the docks clean, and suggested setting up a committee for self-enforcement and educating those who were not conscientious.

Mel Mogster said he had just heard there were issues on the docks and wondered who was complaining because he had not seen any problems. Commissioner Barton noted that this was a public hearing and not a question and answer session, but responded that the changes in the ordinance code were based on observations from Port staff, both administrative and "boots on the ground".

Rhomie Thompson said he realized that some people on the docks encroached into the safety corridor and main walkway with their crab pots and gear but he had no problem with people cleaning their fish on the docks if they washed down the area afterwards, or with storing crab pots on the fingers as long as they weren't "sticking out". He said he had read the new ordinance code and it was well written but agreed with those who had spoken earlier that it would be ineffective unless it was implemented and enforced.

General Manager Don Mann said he appreciated the comments and suggestions that had been given during the public hearing. He said the public process was long and required by law, so it would be another thirty days before the document was finalized. During that time, comments would be accepted in writing or by e-mail. Commissioner Barton encouraged phone calls to the Port if there were questions. Commissioner Chuck reminded the audience about the Marina Users Meeting that was scheduled for March 20 at the South Beach Marina Activities Room.

The public hearing was closed at 6:25 p.m.

I. CALL TO ORDER

Commission President JoAnn Barton called the combined work session and regular meeting of the Port of Newport Board of Commissioners to order at 6:25 p.m.

II. MINUTES

A. Combined Work Session & Regular Meeting—January 22, 2013

Commissioner Fleck moved to approve the minutes of the Work Session & Regular Meeting of January 22, 2013. Commissioner Chuck seconded the motion and it passed 4-0.

III. FINANCIAL STATEMENTS

A. Financial Reports.

B. Accounts Paid.

Commissioner Chuck moved, Fleck seconded, to approve the Financial Statements and Accounts Paid, Check Nos. 11678-11683/Construction Fund; Check Nos. 11901-11927/NOAA Checking-OCB; and Check Nos. 33702-33906/Operating Account. There was discussion and the motion passed 4-0.

IV. PUBLIC COMMENT

Lloyd "Oly" Olson, Port of Newport-City of Newport Joint Pedestrian/Vehicle Safety Plan Task Force, distributed a letter suggesting a format and panel for the Joint Port of Newport/City of Newport Public Forum on the International Terminal and Log Export Activities. Commissioner Barton said commission and staff were working on a format for the public forum meeting and would take Olson's suggestions under consideration. She said the public notice and agenda would be published as soon as was reasonably possible.

Local contractor Tom Runions thanked the Port Commission and staff for making the sand at the NOAA site available to the general public for free. He said the "trickle-down effect" from that decision included new jobs, property improvements, increasing the tax base, and generating savings to the Port and the tax payers.

V. STAFF REPORTS (* Indicates no questions or comments.)

A. Department Reports.

- Kevin Bryant, Commercial Marina Harbormaster—Commissioner Chuck asked if the \$5 charge per pallet mentioned in Bryant's report had been implemented. The General Manager said it had been suggested by staff but no action had been taken as yet.
- Pete Dale, Project Manager*
- Jim Durkee, Terminal Operations Supervisor*
- Rick Fuller, NOAA Facilities Manager*
- Maureen Keeler, Special Projects Manager*
- Gina Nielsen, Marina Office Supervisor*
- Chris Urbach*

B. General Manager.

General Manager Don Mann reported that he had attended the Special Districts Association of Oregon legislative session earlier that day.

Mann said staff had been working with the City of Newport engineer to isolate water lines from sewer lines at the docks, which could result in a savings of \$10,000-\$12,000 per year on the Port's utility bills.

The General Manager asked for the commissioners' comments on a proposal that is "on the table" to place the remaining tsunami dock structure on the bayfront near the Undersea Gardens. He asked that they submit their comments to him by Friday, March 1, so that he could take them back to the foundation that is making the proposal for discussion.

C. Commissioners' Reports.

Commissioner Chuck reported on the Pedestrian/Vehicle Safety Plan Task Force and OCZMA meetings he had attended. He also said he had been working with Mann and ODFW on the South Jetty Public Access Trails as required for mitigation for the NOAA MOC-P project.

VI. OLD BUSINESS

A. Terminal Renovation Project, Amendment No. 26—Frank Berg, Day CPM Services.

Frank Berg, Project Manager, Day CPM Services, provided an update on the Terminal Renovation Project. No scrap steel had been sold in the last month, leaving the total credit for salvaged steel at \$825,669. Crushing and sorting of concrete from both ships and the ro-ro dock was underway. The east and west docks were in use for servicing the fishing fleet. Light poles had been installed at the site. The wood dock that was used for shoring under the new east dock was being removed. He said dredging had been completed to the limits defined by joint permit and soundings were taken to confirm compliance with the permit. Berg report that the changes to the joint permit that had been submitted were approved with the exception of the additional dredging depth and area, and the in-water work window had been extended to March 15, 2013.

Berg presented Amendment No. 26 to the contract between the Port of Newport and Natt McDougall Company. The amendment covered completion of the installation of fire and domestic water and storm drains at the terminal site. The amendment had a GMP of \$205,492.43, which had been reduced from \$275,000 through the value engineering process. The amendment recognized savings, cost overruns, and closeout and partial closeout of previous amendments for a total in previous savings of \$5,117,998.44. The total construction budget with the recent Connect Oregon Grant was \$19,502,612.

Berg gave a slide presentation of photographs of the project, including new site light poles, the nearly completed ro-ro dock, and the concrete sorting and crushing operation.

The chair called for a motion on Amendment No. 26.

Commissioner Jincks moved to approve Amendment No. 26 to the contract between the Port of Newport and Natt McDougall Company. Commissioner Chuck seconded the motion and it passed 4-0.

B. Long-Term Debt Refinance, Resolution 01-2013—David Ulbricht.

David Ulbricht, Robert W. Baird & Co., explained that the proposed resolution involved the refinancing of long-term debt and taking on new debt as needed to complete the Terminal Renovation Project. Ulbricht had made a presentation at the January 22, 2013 regular meeting about refinancing two of the Port's existing loans to take advantage of the lower interest rate environment. Subsequent discussions with Port management and staff had resulted in a proposal to include a portion of new money with the refinance that would cover additional expenditures that were needed to complete the Port's International Terminal Renovation Project. Finance Director Pat Albaugh said the long-term debt refinance was structured to maximize a savings of approximately \$170,000 over the first two years that could be used towards the Terminal Renovation Project, against the possibility that it would take a couple of years to get business flowing. After that, additional debt service would be approximately \$60,000 per year above what was realized in savings. Ulbricht added that the new loan portion of the resolution was not to exceed \$950,000, which would provide a cushion in case it cost more to complete the project than anticipated; however, that number also included the cost of the loan refinance and new financing. If expenses were less than anticipated and savings were realized through future amendments and the value engineering process, the remainder could be used to service the debt. In answer to a question from Commissioner Chuck, Day CPM Project Manager Frank Berg said the amount under consideration would complete the project with the exception of the stone columns, and would cover the Port's 25% match for the grant to dredge to thirty-five feet.

The chair called for a motion.

Commissioner Chuck moved to authorize General Manager Don Mann to execute Resolution 01-2013 refinancing existing debt and taking on additional debt not to exceed the amount of \$950,000. Commissioner Fleck seconded the motion and it passed 4-0.

VII. NEW BUSINESS

There was no new business.

VIII. MEETING RECESS at discretion of the chair.

There was no meeting recess.

IX. OTHER

There was no other business.

X. PUBLIC COMMENT

There was no public comment.

XI. UPCOMING MEETINGS

- A. PNWA Mission to Washington DC, March 3-7
- B. Fishermen's Forum, Port Dock 7 Operations Shop, March 13, 8:30-9:30 a.m.
- C. Pedestrian/Vehicle Safety Plan Task Force, Council Chambers, March 12, 6:00-8:00 p.m.
- D. Joint Port Commission/City Council Meeting, OCCC Room 140, March 19, 6:00 p.m.
- E. Marina Users Meeting, South Beach Marina, March 20, 8:30-9:30 a.m.
- F. Combined Work Session and Regular Meeting, South Beach Marina Activities Room, March 26, 6:00-8:00 p.m.

XII. ADJOURNMENT

There being nothing more to come before the Board of Commissioners, the meeting was adjourned at 7:10 p.m.

ATTEST:

JoAnn Barton, President

Walter Chuck, Secretary

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