

**PORT OF NEWPORT
MINUTES
January 24, 2012
Regular Meeting**

I. CALL TO ORDER

Commission President JoAnn Barton called the regular meeting of the Port of Newport Board of Commissioners to order on Tuesday, January 24, 2012 at 6:00 PM 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: JoAnn Barton, President; David Jincks, Vice-President; Walter Chuck, Secretary; Don Mathews, Treasurer.

Commissioners Excused: 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; Kent Gibson, Port Operations; Maureen Keeler, Special Projects Manager; Barb Martin, Accounts Receivable.

Others Present: Dennis Bishop, M/V Rebel; Tracy Burchett, Orton and Susan Kaminski, Yale Fogarty and Pat Ruddiman, ILWU Local 53; Lee Fries, CM/GC Selection Committee; Rick Fuller, Day CPM Services; Paul Langner, Rainier resident; Gene Law, Commercial Fisherman; Roger Nance, Westerlund Log Handlers; Mike Pettis, Commercial Fisherman; Jim Seitz, Newport resident; Grant Snyder, Wiggins Tow Boat & Barge; George Wales and Steven Woods, Coos Bay Pilots Association.

II. MINUTES

- A. Work Session—December 27, 2011.
- B. Regular Meeting—December 27, 2011.

Commissioner Jincks moved, Chuck seconded, to approve the minutes of the Work Session of December 27, 2011 and the minutes of the Regular Meeting of December 27 as submitted. The motion passed 4-0.

III. FINANCIAL STATEMENTS

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

There were no questions or discussion on the financial reports and accounts paid.

Commissioner Jincks moved, Commissioner Mathews seconded, to approve the Financial Statements and Accounts Paid, Check Nos. 11576-11584/Construction Fund; Check Nos. 11602-11624/NOAA Checking-OCB; and Check Nos. 32265-32384/Operating Account. The motion passed 4-0.

IV. PUBLIC COMMENT

There was no public comment to address items included on the agenda. In response to a request from a member of the audience, the chair moved Agenda Item No. X forward on the agenda, allowing time for public comment on non-agenda topics, limited to three minutes per individual.

Dennis Bishop, M/V Rebel, addressed concerns about the "harassment" of his vessel by the Port. He said he had been called on multiple occasions, including once when he was in the ER, by the Commercial Marina Harbormaster, Kevin Bryant, telling him that his boat would have to leave the harbor. He said he had been prepared to go to the Port of Toledo after completing some work on his boat but decided to stay in Newport after the skipper of his other boat had an altercation with an individual whom Bishop did not name. Bishop said his boat is a commercially documented vessel and hauls stickwater for the Trident Meal Plant for part of the year. He added that he is a "viable member of the community" and contributes to the local economy. He said he had spoken with General Manager Don Mann on several occasions and been told that "everything was fine", and had also spoken with Commissioner Fleck about the problem, so he did not understand why the harbormaster kept calling and telling him he had to leave. He cited Gene Law and Rod Schiewe as witnesses to the phone calls he had received. He stated that if he got "one more call from the Port" he would file a lawsuit for harassment and discrimination.

Commercial Fisherman Gene Law said he was not familiar with "the harassment" Bishop spoke about but had talked with General Manager Don Mann about the impact of the Terminal Renovation Project on space that would be needed to load the distant water fleet and get them underway in January. Law said it was his impression that if some boats were required to move to accommodate work on the Alaska boats, it would be temporary, just until the distant water fleet was gone.

Commission President JoAnn Barton said she would discuss the matter with General Manager Don Mann, and either Mann or she would get back to Bishop.

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

A. Department Reports.

Commissioner Jincks suggested that the department reports should focus more on updates and key work items, rather than daily maintenance. The General Manager said staff would be happy to hear that.

Commissioner Jincks said some of the commercial fishermen had asked about the work being done at Port Dock 5. Project Manager Pete Dale said the project was currently "weather-dependent", but the plan was to bring the barge back on Monday, January 30, and get back underway, weather permitting. He said if that were the case, he thought they would be finished by Friday, February 3. Dale said the two piles and the header were in place, but he was hesitant to disconnect the electricity during the storm. He added that he did not anticipate any interruption in fueling availability. Commercial Fisherman Mike Pettis said the fleet appreciated the advance notice when the power would be shut off, because some of the boats had crab in their holds. The suggestion was made that the Port should look into what it would take to provide a restroom facility at Port Dock 5. In answer to another question from Commissioner Jincks, Dale said there was no cost involved with standing down until the weather improved.

- Kevin Bryant, Commercial Marina Harbormaster*
- Pete Dale, Project Manager—In answer to a question from Commissioner Barton, Dale said the North Recreational Access would be on the east side of Northwest Natural's road and would slope back towards the north. He added that the parking area would be improved as well, and he expected the project to be completed before spring. Barton said the doggie bags that were recently placed in the area were appreciated by the public and volunteers would keep the garbage can lined.
- Jim Durkee, Terminal Operations Supervisor*
- Maureen Keeler, Special Projects Manager*
- Gina Nielsen, RV-Marina Office Supervisor*
- Chris Urbach*

B. General Manager.

General Manager Don Mann had e-mailed draft copies of the Request for Proposals (RFP) for the Port's Strategic Business Plan and Capital Facilities Plan to the commissioners. He said the Strategic Business Plan should be completed by October of 2013. The chair suggested that the commissioners get back to him by Friday, January 27, with their questions or comments on the draft.

Road & Driveway had won the contract for the relocation of the sand pile next to the NOAA facility at South Beach. It was estimated that it would take sixteen days to complete the removal.

Mann had followed up on the Connect Oregon grant application with additional information on the terminal project.

Mann had attended the Oregon Cascades West Council of Governments meeting in Salem, and an awards banquet in Portland where KPFF won two awards for the design of the NOAA pier. Upcoming meetings for the General Manager included the Oregon Public Ports Special Districts Legislative Committee and a meeting with bayfront stakeholders about the sea lion dock.

C. Commissioners' Reports.

Commissioner Barton said there would be a Change of Command ceremony on Thursday, January 26, aboard the NOAA research ship Bell M. Shimada. She said she would not be able to attend and encouraged the other commissioners to represent the Port at the ceremony.

VI. OLD BUSINESS

A. Terminal Renovation.

The commission had received an update on the Terminal Renovation Project from Day CPM Project Manager Frank Berg at the noon work session. The General Manager announced that the Port had won a \$323,500 grant for dredging from the Infrastructure Finance Authority.

B. NOAA MOC-P Facility.

Facilities Manager Rick Fuller, Day CPM, reported that the NOAA MOC-P facility continues to perform per design specifications. The building occupancy is approximately 66% and Fuller expected the offices to reach 75% occupancy within the next three to four months. All homeport vessels were currently in port and the State Trooper boat "Guardian" had used the small boat dock. The NOAA research ship Oscar Dyson was scheduled to leave for Alaska the following week, weather permitting, and the Bell M. Shimada was scheduled to leave in mid-February. A Change of Command ceremony had been held aboard the NOAA ship Fairweather. In answer to a question from Commissioner Barton, Fuller said the people in command at NOAA are very satisfied by Andersen Construction's speed and efficiency in

responding to warranty issues at the facility. A tour of the NOAA facility had been arranged for Oregon Co-Speaker of the House Arnie Roblan and two of his staffers.

C. Oregon Brewing Company—Rogue Lease Amendment.

Commissioners Jincks and Fleck had worked with the General Manager and representatives from Oregon Brewing Company (OBC) on an amendment to OBC's lease with the Port of Newport. Commissioner Jincks said it had been a lengthy process because it was a large expansion and had a big impact, but it came out well with all parties satisfied. Commissioner Barton suggested that the committee get together in the next month or so to review the process and analyze how it might be improved in the future. The lease amendment had been verbally approved by the commission but action was called for to ratify that verbal approval.

Commissioner Jincks moved to ratify the Rogue Lease Amendment dated January 24, 2012 between the Port of Newport and Oregon Brewing Company. Commissioner Chuck seconded the motion and it passed 4-0.

VII. NEW BUSINESS

A. Oregon State University—Modification of Lease.

General Manager Don Mann explained that the modification of the lease between the Port of Newport and Oregon State University was necessary after a roundabout was put in that encroached on a small section of the Hatfield Marine Science Center's leased property on Marine Science Drive. Oregon State University's real estate division had given permission to remove that section of property from the lease and convey the right of way to the City of Newport.

Commissioner Chuck moved to accept the Modification of the Leases dated April 1, 1962 and November 5, 1962 between the Port of Newport and Oregon State University to accommodate the improvements to Marine Science Drive. Commissioner Jincks seconded the motion and it passed 4-0.

B. Declaration of Surplus—Seized Vessels.

Referring to a report in the commissioners' packets from Barb Martin, Accounts Receivable, the General Manager explained that two fishing vessels, F/V Hustler and F/V LeAnn, had been seized by the Port for delinquent moorage and action was required by the commission to declare the vessels surplus before they could be sold at public auction on February 7, 2012. Mann noted that the Port was continuing to work with the owner of F/V LeAnn, the larger of the two vessels, and it was possible that the account might be settled before the auction date. There were also four black cod pots to be auctioned. The owner had signed a release of interest on the pots in December of 2011. In answer to a question from Commissioner Jincks, Barb Martin explained that the last payment made by the owner of F/V LeAnn had been in September and \$6,619 would be owed on the account through the anticipated sale date of February 7. Commissioner Barton emphasized that seizing fishing vessels and gear was not a position the Port or the board liked to be in.

Commissioner Mathews moved to declare F/V Hustler, USCG ID#904882; F/V LeAnn, USCG ID#624608; and four black cod pots surplus to the Port's needs so that they could be sold at public auction, contingent on those accounts not being resolved prior to the sale date of February 7, 2012. Commissioner Jincks seconded the motion and it passed 4-0.

C. Westerlund Log Handlers—Company Overview.

Roger Nance, Westerlund Log Handlers, presented a Power Point presentation on Westerlund's log handling operations at the Ports of Astoria and Tacoma, and added that Westerlund was currently in negotiations with the Port of Humboldt Bay. He said it took about ten months of negotiations to bring their operation into the Port of Astoria, due to concerns in the community about conflicts with the seafood, retail, and tourism industries. Nance said those concerns had been addressed and Westerlund's business model worked well with the fishermen, marine industrial businesses, and cruise ships. He cited the economic benefits of log exports to the Port of Astoria through increased revenue; to the State of Oregon through tree harvests and shipping; and to the community as a whole through an increased work force. He showed photographs of the Astoria piers and the log loading operation. He said Westerlund is a clean operation with no waste, including bark from the logs. He said he would be willing to answer questions about the operation directly, and also encouraged anyone with concerns to contact representatives from the Port of Astoria and the surrounding community. In answer to questions from Commissioner Barton, Nance said a ship pull up about every 45 days to be loaded, and about 450 feet of dock space is required to load safely. Commissioner Barton noted that this was obviously just the beginning of a discussion and thanked Nance for his presentation.

VII. MEETING RECESS at discretion of the chair.

There was no meeting recess.

IX. OTHER

There was no other business.

X. PUBLIC COMMENT

Rex Capri, Newport resident and commercial fishermen, spoke in favor of cargo returning to Newport and said it would benefit the community with economic growth.

Yale Fogarty, ILWU Local 53, said the longshoremen have had the opportunity to work with Westerlund Log Handlers in Astoria over the past year and the positive impact their operation has had on the community has been "huge". He suggested that the Port work with Westerlund while the Terminal Renovation Project is being completed to address the community's concerns. He also suggested Westerlund might be able to assist in getting funding to finish the project.

A discussion followed about timber being part of the community's history and heritage and a sustainable industry, and about possible opposition to log exports by people who live on the hill above the terminal. Commissioner Barton said she felt Newport was a collaborative community that works together earnestly and that user conflict could be resolved. She also noted that any commerce crossing Newport's bar would improve the Port's position for dredging.

Lee Fries, CM/GC Selection Committee, said he didn't think the community would be largely opposed to cargo coming in and out of Newport, and noted that the people who had opposed some of the Port's projects in the past "aren't showing up at the Port's meetings anymore".

Commissioner Jincks said he felt that the time to start a path and engage in discussion was now, because public education and working with the City takes time. He added that there would be a tremendous amount of money involved in improving the rest of the Port's property, even if the Port did have the money to finish the Terminal Renovation Project and to build a log yard. Commissioner Barton agreed and said working concurrently with the project and seeking funding with business prospects is exactly what the Port needs to be doing.

XI. UPCOMING MEETINGS/EVENTS

- A. Fishermen's Forum, Port Office, February 8, 8:30-9:30 AM
- B. SDAO 2012 Annual Conference, February 9-12, Sunriver, OR
- C. Marina Users Meeting, February 15, South Beach Marina, 8:30-9:30 AM
- D. President's Day, February 20, Port Office Closed
- E. 35th Annual Newport Seafood & Wine Festival, South Beach Marina, February 23-26
- F. Work Session, Port Conference Room, February 28, 12:00 PM
- G. Regular Meeting, Port Conference Room, February 28, 6:00 p.m.

XIII. ADJOURNMENT

There being nothing more to come before the Board of Commissioners, the meeting was adjourned at 7:37 PM.

ATTEST:

JoAnn Barton, President

Walter Chuck, Secretary

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