

PORT OF NEWPORT
MINUTES
June 22, 2010
Combined Work Session and Regular Meeting

I. WORK SESSION

Commission President Ginny Goblirsch called the work session of the Port of Newport Board of Commissioners to order at 6:00 p.m. in the Yaquina Bay Yacht Club Clubhouse, 750 SE Bay Blvd., Newport, OR, the same being within the boundaries of the Port District.

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

Commissioner Excused: JoAnn Barton, Secretary; Don Mathews, Treasurer.

Port of Newport Management and Staff: Don Mann, General Manager; Patti Britton, Director of Finance; Pete Dale, Project Manager; Kent Gibson, Port Operations; Maureen Keeler, Special Projects Manager; Barb Martin, Accounts Receivable; and Patty Benjamin, Administrative Assistant.

Others Present: Frank Berg, Joshua Dodson, and Glenn Schnaidt, Day CPM Services; Michelle Cottrell, Newport Fishing Community Profile; Lee Fries, CM/GC Selection Committee; Wayne Hoffman, MidCoast Watersheds Council; Natt McDougall, Natt McDougall Company; David Morgan, Lincoln County Today; Kiera Morgan, KNPT-KYTE Radio; Dr. Hal Pritchett, Facility Use & Design and Terminal Steering Committees; Jim Shaw, South Beach resident; Grant Snyder, Wiggins Towboat; David Ulbricht, Wedbush Morgan Securities.

General Manager Don Mann and Finance Director Patti Britton led a discussion on several issues that had been discussed with Commissioners Goblirsch and Jincks following the budget meeting in May.

- Regarding an increase in moorage and service rates at the terminal and the inconveniences and extra expense that construction would cause the fishermen who use that facility, Mann and Britton recommended reducing the daily moorage rate to \$55 per day and increasing the forklift rate at the terminal by 1.5% rather than the proposed increase of 3%. Commissioner Jincks added that outsourcing some of those services might be a consideration as costs increase.
- Regarding a separate fee for out of area boats, the Port currently has a transient (daily) rate but not a separate rate for out of area boats. Mann pointed out that the transient rate is fairly high but competitive with other ports and, since most of the recreational boats that use Port facilities are from out of the area, a separate fee would penalize them.
- Regarding a scheduled 12% cost increase in PERS, Britton recommended setting aside 1/12 of the estimated annual cost in a dedicated account, as had been done with certain loans in the past, so the money would be in place when needed. The dedicated account would begin July 1, 2010.
- Regarding rising utility costs, Mann proposed developing a questionnaire to distribute to moorage holders to assist in determining how the Port could reduce consumption and assist others in being more conservative. Commissioner Goblirsch suggested breaking the numbers down by location to see where the highest usage occurs.

The work session was adjourned at 6:20 p.m.

II. BUDGET HEARING

Commission President Ginny Goblirsch opened the Budget Hearing for the Port of Newport at 6:20 p.m. She called for questions or comments on the budget for fiscal year 2010-2011. Hearing none, the budget hearing was closed at 6:22 p.m.

III. CALL TO ORDER

Commission President Ginny Goblirsch opened the regular meeting of the Port of Newport Board of Commissioners at 6:22 p.m.

IV. MINUTES

A. Work Session and Regular Meeting—May 25, 2010

Commissioner Jincks moved, Fleck seconded, to approve the minutes of the Work Session and Regular Meeting of May 25, 2010 as submitted. The motion passed 3-0.

V. FINANCIAL STATEMENTS

A. Financial Reports. There were no questions or comments on Finance Director Patti Britton's written report, the financial statements, or accounts paid.

B. Accounts Paid.

Commissioner Jincks moved to approve the Financial Statements and Accounts Paid, Check Nos. 11192-11203/NOAA Checking-OCB, Check Nos. 11391-11399/Construction Fund, and Check Nos. 30194-30294/Operating Account. Commissioner Fleck seconded the motion and it passed 3-0.

C. Resolution 2-2010 Adopting Budget, Making Appropriations, and Levying Taxes FY 2010/2011.

Commissioner Fleck moved to adopt Resolution 2-2010 adopting budget, making appropriations, and levying taxes for F/Y 2010/2011. Commissioner Jincks seconded the motion and it passed 3-0.

D. Resolution 3-2010 Renaming NOAA MOC-P Fund to NOAA Lease Revenue Fund.

Commissioner Jincks moved to adopt Resolution 3-2010 renaming NOAA MOC-P Fund to NOAA Lease Revenue Fund. Commissioner Fleck seconded the motion and it passed 3-0.

E. Resolution 4-2010 Adopting Transfer of Appropriations FY 2009/2010.

In answer to a question from Commissioner Jincks, Finance Director Patti Britton explained that the transfer would be made from funds left over from capital outlay, with \$25,000 going to personal services, \$15,000 to materials and services, and \$3,000 to transfer to other funds.

Commissioner Jincks moved to adopt Resolution 4-2010 adopting transfer of appropriations FY 2009/2010. Commissioner Fleck seconded the motion and it passed 3-0.

VI. PUBLIC COMMENT

There was no public comment.

VII. STAFF REPORTS (* Indicates no questions or additional 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, South Beach Marina Harbormaster*

Commission President Goblirsch thanked staff for helping with the NOAA MOC-P groundbreaking and community celebration.

B. General Manager.

The General Manager asked the board to consider adding a consent agenda line item to the Port's regular meeting agenda. The General Manager explained that normal items common to most meetings, such as approval of the minutes or financial reports, could be included in the consent agenda to save time; however, any item could be removed from the consent agenda for

discussion. He said other local entities use that approach and said it was “something to think about”.

The General Manager distributed a report he had received from Caroline Bauman, Economic Development Alliance of Lincoln County, on the estimated economic impact of the NOAA fleet for Lincoln County.

General Manager Mann reported on a brief visit he had with Jack O’Brien, Depoe Bay, who is looking for volunteers to work with the Otter Rock Marine Reserve Community Working Group.

Referring to the General Manager’s report, Commissioner Jincks said he would like to see a breakdown of the costs to mitigate, repair, and upgrade the old launch ramp at the South Beach Marina before the commission makes a decision on whether to keep the ramp and mitigate or take the ramp out and rip-rap the area. The old launch ramp is used on busy fishing weekends and for special events, such as the Oregon Tuna Classic. Jincks noted that the Port is behind on dock maintenance at both the north and south side facilities and urged caution in taking on future projects without a clear idea of what the costs would be. He said he would like to see a projection of overall costs and expenses, along with projected income from the ramp, over a ten year period.

C. Commissioners’ Reports.

Commissioner Dean Fleck said he had been involved in planning and preparation for the Oregon Tuna Classic and the U-DA-MAN Fishing Derby. Fleck is also on the Cascade Head Community Team working on marine reserves. He gave a brief update on that process and said he would provide a more detailed report at the next regular commission meeting.

Commissioner David Jincks said he had been appointed to the regulatory work group for NOAA/NMFS Pacific Fisheries Management Council and those duties had consumed a great deal of his time over the past month.

Commission President Ginny Goblirsch reported on the successful groundbreaking and community celebration events for the NOAA MOC-P Homeport Project. She said a contingent from Newport, representing the schools, hospital, local government, and other community agencies, had been invited to meet with the NOAA families in Seattle, WA on July 15, 2010.

VIII. COMMUNITY REPORT

A. Long Form Fishing Community Profile—Michelle Cottrell. General Manager Don Mann introduced Michelle Cottrell, who had served as a community researcher on the Long Form Fishing Community Profile Project. Cottrell explained that the profile was a collaborative research project conducted during 2007. It had been designed and implemented with the help of the commercial fishing community working in partnership with scientists from Oregon State University and Oregon Sea Grant. Cottrell said the interviews had been conducted with representatives from all aspects of the fishing community and the public in Port Orford, Newport, and Garibaldi, with the intent to provide information, rather than just numbers, to fisheries managers and decision makers. Copies of the report were available at the meeting.

IX. OLD BUSINESS

A. Terminal Renovation—Day CPM Services. Frank Berg, Day CPM, introduced the terminal project team, including Joshua Dodson, Day CPM; Dr. Hal Pritchett, Facility Use & Design and Terminal Steering Committees; and Natt McDougall, Natt McDougall Company (NMC). Natt McDougall, NMC, provided a short history and current update of the project. He said from his company’s perspective as CM/GC, the project’s major parameters were that the three phases of the project were budget-driven operations, and second was working within the in-water work window time frames. McDougall said the work would be broken down into detailed packages and the budget brought to the Port for approval, and he was in the process of working on a composite schedule for the first phase of the work. He said the biggest unknown in the first phase was the demolition and remediation of the ships. He discussed some of the milestones in the initial work, such as the purchase of sheet pile for the containment cell and installation of utilities for the two new buildings. He said that driving the permanent portion of the containment wall could be done out of water so that would start in July, with physical work in August, followed by soil stabilization behind the Pasley in September. He added that he hoped demolition and remediation of the Pasley would begin in late August with physical work to begin

in October. The water portion of the containment cell would start in the in-water work window, November 1. McDougall concluded by saying that the goal now was to formulate a new budget and then try to beat it.

Frank Berg, Day CPM, provided a timeline on the Joint Permit Application (JPA) and building permit, and then he and General Manager Don Mann discussed a draft proposal received from consultant David Reif, DCI Objectives. Berg and Mann had been involved in several conference calls with Reif relating to the service Reif provides in developing project funding strategies for public agencies. Mann said there were no guarantees but Reif did have some ideas on how to approach some of the different programs and agencies and it might be interesting to see his strategy. Mann said he and Berg were considering a small contract with Reif to help develop the strategy, and then they would decide if they wanted to use DCI Objectives to pursue the funding or do that on their own based on the information they received. Commissioner Jincks added that once the Port had a permit in hand, the project would be “shovel ready”, which would open some new doors for funding. Reif had submitted a draft contract for Mann and Berg to review, and Mann said he expected to have a recommendation for the commission within a week or two.

B. Resolution 5-2010 Authorizing a Loan for the Construction of Two Buildings at the Newport International Terminal. General Manager Don Mann explained that the bank’s board had already approved the loan for the construction of two buildings at the terminal but the resolution would formalize that contract. The loan was for \$500,000 to cover contingencies but the project was estimated to come in at \$480,000. He said the Port would spend only what was needed for the project.

Commissioner Fleck moved to adopt Resolution 5-2010 authorizing a loan for the construction of two buildings at the Newport International Terminal. Commissioner Jincks seconded the motion and it passed 3-0.

C. NOAA MOC-P—Day CPM Services. Joshua Dodson, Day CPM, reported that six bids had been received for Bid Package 4, the in-water construction, pier, small boat dock, dredging, and mitigation excavation. The bids were reviewed and scored by a selection committee and three companies—West Coast Contractors, Hamilton Construction, and Bergerson Construction—were chosen for interviews. All three bids were over the contractor’s budget but Dodson said the construction portion was over by less than 1% so the project was not in jeopardy at all. Slabs were being poured for the buildings and underground utilities and the project remains on schedule. In answer to a question from President Goblirsch, Dodson said the buildings would be weatherproofed in March of 2011, and it was possible that the roof would be on by the end of the year.

David Ulbricht, Wedbush Morgan Securities, provided an update on the status of the revenue bond process. He said the disclosure statement was in the final stages of completion and he expected it to be printed and distributed to the investment community the following day. A pre-pricing call was scheduled for Tuesday, June 29, 2010, and the order period would open early on Wednesday, June 30, 2010 when the bonds were released for purchase. He said there would be time during the order period to fine tune the rates to the market. Ulbricht emphasized that the NOAA MOC-P Homeport Project was under intense scrutiny so great care was being taken with the entire process.

D. Resolution 6-2010 Holiday Pay. The personal services budget for F/Y 2009-2010 had included a pay freeze for all Port staff with no holiday pay for scheduled holidays except Christmas. Resolution 6-2010 would reinstate the holiday pay.

Commissioner Fleck moved to adopt Resolution 6-2010, repealing resolution 4-2009 amending section 5.3 Holidays to the Port of Newport Personnel Manual. By way of discussion, Commissioner Jincks asked if this was retroactive to January 2010 and the General Manager said it was. Commissioner Jincks seconded the motion and it passed 3-0.

E. Resolution 7-2010 Extending Worker’s Compensation Coverage to Volunteers of the Port of Newport. Finance Director Patti Britton explained that the coverage was for the commission members and the Port had done this for several years; however, the last couple of years the Special Districts Association had required a resolution to be passed in order to extend the coverage. She added that the cost to the Port was very small, a negligible portion of the Port’s Workmen’s Compensation premium.

Commissioner Jincks moved to adopt Resolution 7-2010 extending Workers' Compensation coverage to volunteers of the Port of Newport. Commissioner Fleck seconded the motion and it passed 3-0.

X. NEW BUSINESS

A. State of Oregon Business Development Department Grant Contract for Terminal Cleanup Project No. Q10002. General Manager Mann explained that the grant contract was for remediation of the terminal. It consisted of a \$1 million dollar loan but \$200,000 of that amount was considered a grant. The contract had been discussed at previous monthly meetings and the Port's legal counsel had reviewed the contract and said it was a standard state agreement.

Commissioner Fleck moved to accept the State of Oregon Development Department Grant Contract for Terminal Cleanup Project No. Q10002. Commissioner Jincks seconded the motion and it passed 3-0.

B. Declaration of Surplus Property—Seized Vessels. The General Manager explained that the Port's auditors were now requesting that any vessels the Port seizes for sale or salvage should be declared surplus to the Port's needs through action by the board. A discussion followed about the policies now in place to deal with boat owners whose moorages are delinquent or whose boats are in danger of sinking, and it was the consensus of the commission and staff that those policies should be considered for updating and change as part of the upcoming review of the Port's ordinance.

Commissioner Jincks moved to declare the seized vessels as described as surplus to the Port's needs: Vessel "Sea Spirit", ID #521447; F/V "Doolittle", ID #263416; Vessel "Voyager", hull #ORZ002490783; S/V "Cloud Nine", ID #678706; Vessel "Silver Dolphin", hull #OR461JK. Commissioner Fleck seconded the motion and it passed 3-0.

XI. MEETING RECESS at discretion of the chair.

There was no meeting recess.

XII. OTHER

A. Envirolssues Contract. Glenn Schnaidt, Day CPM, said he had been working with General Manager Don Mann and Special Projects Manager Maureen Keeler to reduce the scope and budget for the communications management of the International Terminal Renovation Project. A copy of the proposed contract agreement between the Port of Newport and Envirolssues had been distributed to the commissioners, along with the draft work scope and budget. Schnaidt said he felt that Envirolssues would bring a level of expertise to the project that the Port and Day CPM did not have, and would be able to meet the requirements of the contract between the Port and the Oregon Business Development Department (OBDD) while not duplicating efforts in managing the communications and community outreach program. Schnaidt said the Envirolssues contract had been reduced to \$25,000, which would reasonably cover their work over the next six months. Envirolssues' work scope would include arranging a public open house and other community outreach events. They would also develop advertising and media materials, and coordinate notification of property holders within the general area of the terminal when work was about start on the project. He said a key element of the revised scope of work would be to develop the final communication plan that OBDD requires. A representative from Envirolssues would attend four regular Port meetings and update the commission on the communications plan, and would return for the January meeting to recap and review the communications program. Schnaidt added that the contract with Envirolssues would reduce the time consuming work that Port staff has had to do in the past while still meeting the requirements of the contract.

Commissioner Jincks moved to enter into a contract agreement with Envirolssues as stated. Commissioner Fleck seconded the motion and it passed 3-0.

XIII. PUBLIC COMMENT

Wayne Hoffman cautioned that items included on a consent calendar could sometimes get "buried" and be passed without an opportunity for public comment.

David Morgan, Lincoln County Today, said it had been his experience that most public entities provide a listing of items on the consent calendar, and that any of the commissioners or members of the public can bring the item forward for discussion.

In answer to a question from Grant Snyder, Wiggins Towboat, General Manager Don Mann said there would be a decision on the contractor for the pier work by Friday, June 25, 2010.

South Beach resident Jim Shaw said that better signage on the port docks would be helpful to the public.

XIV. UPCOMING MEETINGS

- A. Pacific Northwest Waterways Association Mid-Year Meeting, June 28-30, Stevenson, WA
- B. Cascades West Are Commission on Transportation, June 24, 5:00 p.m.
- C. Fishermen's Forum, Port Conference Room, July 14, 8:30 a.m.-9:30 a.m.
- D. Association of Pacific Ports 97th Annual Conference, July 18-21, Skamania Lodge
- E. Port Commission Work Session and Regular Meeting, July 27, YBYC Clubhouse, 6:00 p.m.

XV. ADJOURNMENT

There being nothing further to come before the Board of Commissioners, the meeting adjourned at 8:00 p.m.

ATTEST:

Ginny Goblirsch, President

David Jincks, Asst. Secretary-Treasurer

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