

PORT OF NEWPORT
MINUTES
June 23, 2009
Budget Hearing
Combined Work Session and Regular Meeting

BUDGET HEARING

Commission President Ginny Goblirsch called the budget hearing for the Port of Newport Budget F/Y 2009-2010 to order at 6:00 p.m. in the Yaquina Bay Yacht Club Club House, 750 SE Bay Boulevard, Newport, OR, the same being within the boundaries of the Port District.

Commission President Goblirsch summarized the budget and said copies of the budget document were available at the Port of Newport administrative office, 600 SE Bay Boulevard, Newport, OR, between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday. She called for public comment. Hearing none, the budget hearing was closed at 6:02 p.m.

COMBINED WORK SESSION AND REGULAR MEETING

1. CALL TO ORDER

Commission President Ginny Goblirsch called the combined work session and regular meeting of the Port of Newport Board of Commissioners to order at 6:02 p.m. in the Yaquina Bay Yacht Club Club House, 750 SE Bay Boulevard, Newport, OR, the same being within the boundaries of the Port District.

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

Commissioners Excused: Don Mathews, Treasurer.

Port of Newport Management and Staff: Don Mann, General Manager; Pete Dale, Project Manager; Kent Gibson, Port Operations; Maureen Keeler, Special Projects Manager; and Patty Benjamin, Administrative Assistant.

Others Present: Ralph Breitenster, Klamath Falls resident; Carol Cole, South Beach resident; Yale Fogarty, ILWU Local 53; Heather Mann, Director, Seafood Consumer Center, Astoria; Dr. Hal Pritchett, Facility Use & Design and Terminal Steering Committees; Mike Schmid, KPFF Consulting Engineers; John Sherman, Newport resident; and Grant Snyder, Wiggins Towboats.

II. MINUTES

A. Work Session and Regular Meeting – May 26, 2009

Commissioner Jincks moved, Fleck seconded, to approve the minutes of the Work Session and Regular Meeting of May 26, 2009 as submitted. The motion passed 4-0.

B. Budget Committee Meeting—May 28, 2009

Commissioner Fleck moved, Barton seconded, to approve the minutes of the Budget Committee Meeting of May 28, 2009 as submitted. The motion passed 4-0.

III. FINANCIAL STATEMENTS

A. Resolution 3-2009 Adopting Budget, Making Appropriations, and Levying Taxes.

Commissioner Fleck moved to adopt Resolution 3-2009 adopting the Port of Newport's budget in total of \$19,000,244 for fiscal year 2009-2010 beginning July 1, 2009. Commissioner Barton seconded the motion and it passed 4-0.

B. Financial Reports. Finance Director Patti Britton was not present. Commissioners Goblirsch and Jincks commented that the Port was running about 20% behind in revenue but that was balanced somewhat by the 16% savings that resulted from curtailed spending.

C. Accounts Paid.

Commissioner Barton moved to approve the Financial Statements and Accounts Paid, Check Nos. 11295-11301/Construction Fund and Check Nos. 28864-28960/Operating Account. Commissioner Fleck seconded the motion and it passed 4-0.

IV. PUBLIC COMMENT

There was no public comment.

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

A. Department Reports.

- Kevin Bryant, Commercial Marina Harbormaster—Commissioner Goblirsch noted the increased activity at the port dock 7 hoist dock and Commissioner Barton commented on how nice the landscaping is looking along the sidewalk.
- Pete Dale, Project Manager*
- Maureen Keeler, Special Projects Manager*
- Gina Nielsen, RV-Marina Office Supervisor*
- Ron Smith, Terminal Manager—In answer to a question from the Chairwoman, General Manager Mann said there had been no odor complaints from the Trident Meal Plant but there was one complaint about spillage on the road from one of their trucks.
- Chris Urbach, South Beach Marina Harbormaster*

B. General Manager.

General Manager Don Mann made a follow up report after a telephone conference call with the agencies regarding a list of questions on the NOAA MOC-P. He said there were only three items pending on the list of questions and those would be answered after a dive was conducted at the proposed site, and that would happen soon. Commissioner Jincks suggested contacting the agencies now so there would be lead time in setting up the next meeting, and said he would like to meet with Mann, Project Manager Pete Dale, and Commissioner Barton prior to the next agency meeting. Mann said he would find out what dates the agencies had available.

Mann reported that the South Beach Marina had been busy over the weekend with the salmon and halibut openings but there had been less congestion at the launch ramp. Mann said there were more staff people on duty and the Coast Guard Auxiliary assisted in rearranging safety checks so the ramp wasn't blocked. Commissioner Fleck said he had heard positive comments about the changes and increased efficiency at the launch ramp.

The General Manager said he had been approached by local fish buyer Brett Hamrick with a proposal to provide live bait in the bay for commercial and recreational fishermen. Mann said the proposal would have to be looked at carefully because the Port has limited space, but he saw it as an opportunity to further service the local and transient boats. He said he would share Hamrick's written proposal with the commissioners as soon as he receives it.

Mann said he was hoping to hear this week about the federal allocation for the NOAA Restoration Grant. Draft press releases had been prepared and would be issued, depending on whether there would be full funding for removing the ship hulls, partial funding, or no funding at all. The press releases had been drafted by KPFF Consulting Engineers and the Port's communications consultant EnviroIssues as part of the Port's public communication program. Mann said as soon as there was word about the outcome of the grant application, the Port would move on to the next tasks. A special meeting of the commission might be necessary. Meetings with the agencies will be scheduled and Commissioner Goblirsch suggested giving thought to reconvening the steering committee.

The General Manager reported that the first phase of oil discovery on the Pasley would be performed on Thursday, June 25, 2009, using a remotely operated vehicle (ROV) inside the fuel oil tanks. The ROV will be supplied by the contractor and will involve less risk than using a diver. Mann said the Port was not required to have DEQ oversight on the operation but he had been in touch with DEQ to keep them apprised of the project, and had shared the work scope and health and safety plan with DEQ. The operation would start with a mandatory safety meeting at 8:00 a.m. and the contractor would supply a complete report of the process to the commission.

Mann noted that the Port had intended to partner with the Ports of Toledo and Alsea to put together an interactive display for HMSC Sea Fest on Saturday, June 27, but due to work loads and time constraints staff had been unable to do it. He encouraged the commissioners to attend Sea Fest if they could.

The General Manager announced a training opportunity for special district staff and elected officials. The training would be conducted by the Special Districts Association of Oregon on August 28, 2009 at the Best Western Agate Beach Inn. Pre-registration is required.

Mann reported on the lobbying effort for state bonding for the NOAA MOC-P home port project. He said there was \$22-23 million in bonding capacity in a line item in SB 5505. The bill would have to go to the full committee. The Port had asked for \$19.5 million so it was not certain what the additional amount was for. Mann complimented the commissioners on covering so many meetings in Salem over the course of the process and said it had been a good "tag team" effort. Interest was expressed on the part of the commission in being there for the floor discussion of the senate bill and Mann said he would keep the commissioners informed as the process moved forward.

C. Commissioners' Reports.

Commissioner Barton reported that she had spent most of last month lobbying for the NOAA home port capital construction project. She had written letters, including one to President Obama asking him to oversee the process and make sure the award was based on criteria and not politics. She had also spent time adapting information on the project into bullet form for more efficient distribution. She noted that she and Commissioner Jincks had not had time to put together an environmental advisory committee but that would be done.

Commissioner Fleck reported that he and the General Manager had met with Victor Mettle from the City of Newport to address signage issues on behalf of commercial fishermen who want to place signs on the bayfront advertising fish for sale on the docks. Fleck said the boundaries for signage have been reduced and the rules for placing signs have become more stringent. He and the General Manager will work with the city to negotiate changing the boundaries to allow more signage, which Fleck said will not only help with fish sales but also will reflect what the bayfront is about. Fishermen would still have to get permits for their signs, and the signs would have to be professional-looking sandwich boards and would be subject to the city's approval. Fleck said signage at South Beach is also a concern because some fishermen were putting signs up on Highway 101, which is not allowed. There was a brief discussion about liability insurance related to the signs, and Fleck said there had been talk about putting up a large reader board at the entrances to Port Docks 5 and 7 advertising which boats

were in and what fish were for sale. He said that would alleviate a lot of other signage but there was no money to do it at this time. General Manager Mann said he would ask for time on the City Council's meeting agenda on July 6 to discuss amending the boundaries for signage. Further to his report, Commissioner Fleck said he had done some radio spots for the Port advertising the halibut and coho seasons.

Commissioner Jincks reported on a Pacific Fisheries Management Council he had attended in Spokane, WA.

Commissioner Goblirsch said she had spent time in Salem over the past month meeting with senators and representatives lobbying for the NOAA MOC-P home port project.

VI. OLD BUSINESS

A. Terminal Renovation – KPFF Consulting Engineers. Mike Schmid, KPFF Consulting Engineers, reported that the terminal renovation project was still in a holding pattern while waiting for word on the NOAA Restoration Grant. Schmid said he had coordinated with the Port's communication consultant to draft press releases ahead of the NOAA Restoration Grant award, so that information would be ready to go out to the public as soon as word is received. Schmid had attended a site tour of the terminal by boat with Senator Jeff Merkley and had an opportunity to talk with him about the project. KPFF had also met internally and with Port staff to discuss different viable alternatives with regard to the design in moving forward with the project, depending on how much funding, if any, is made available through the NOAA Restoration Grant. Schmid said one upcoming task would be to submit a design to the City of Newport and DEQ for the upland sanitary sewer pump station. He said he expected a relatively quick process to get final approval of that design. Schmid and KPFF will continue to work with the Port's consultants and he anticipates being very busy as soon as final word is received about the NOAA Restoration Grant.

B. NOAA Marine Operations Center-Pacific. There was nothing further on the Port's application.

C. Zero Fish Waste Project – Munro Consulting. Heather Munro Mann presented a PowerPoint summary of the Initial Feasibility Study Final Report on the Zero Waste Fish Recycling Project. The commissioners had received written copies of the report. Mann explained that when the project was undertaken she was the owner and president of Munro Consulting, a commercial fisheries consulting firm. Since November of 2008, she has been the Director of the Seafood Consumer Center, which is based in Astoria. The Zero Fish Waste Project was started in 2007 by a collaboration of partners, including Oregon Sea Grant, Oregon Coast Community College Small Business Development Center, the Oregon State University Seafood Lab, Community Seafood Initiative, and the Port of Newport. Funding for the project came from a variety of sources. The project goal was to determine if it was economically feasible to create a bait production system for commercial fishermen using albacore tuna carcasses that otherwise would go unutilized, thus generating revenue for fish waste rather than paying to dispose of it. The prototype that was developed would have to fish as well or better than current bait types, and be more cost efficient and easier to handle for the fishermen to consider changing what they are currently using. Mann listed the reasons why Newport was a good location for the project, citing its highly diversified fishing fleet, the Port's economic development activities and track record for working with the fleet and seafood industry, and the community's creativity and forward thinking. The focus was on the commercial crab fishery. The active testing took place in early 2008 and the project was extended for another crab season to allow for more statistically significant testing. The first prototype was produced and tested by two fishing vessels. The results were non-conclusive except that it was found that the bait did not "milk out" properly. The prototype was redesigned and on the second testing it fished about as well as the standard bait being used by crabbers. The third prototype was produced for recreational crabbing and testing is still ongoing so no results are available. In summary, Mann said that based on costs associated with the prototypes and the seasonality of the crab fishery, a stand alone bait production facility would not be

economically feasible for Newport; however, she felt that if the objective were expanded to include recreational crabbing within and outside of Lincoln County, the project would have merit. As a next step, she said more prototypes should be produced for a more statistically significant sampling and the geographic range should be expanded to include other fishing ports. She suggested inviting the Oregon Dungeness Crab Commission and Oregon Albacore Commission to participate as partners. Mann said the project might be something the Seafood Consumer Center could take the lead on and as director, she would be willing to do that. She would seek additional funding if it were needed to move the testing on to the next level. She suggested that by partnering with the Albacore and Crab Commissions, there might be enough funding between the three entities to produce another 800 units, and she would work with Sea Grant to secure vessels to do the tests in a more formal manner than was done before. Mann said she thought the project would make a good model and noted that there is more funding available now than there was two years ago for projects that focus on sustainability. Commissioner Goblirsch asked General Manager Don Mann to find out what it costs the Port to have the tuna carcasses hauled away. In conclusion, General Manager Mann said if it was the consensus of the Commission, he would like to work with Heather Mann to move the project to the next phase, and the Commission agreed.

VII. NEW BUSINESS

A. OECD Port Planning and Marketing Grant Application – NOAA MOC-P Final Revised Proposal. General Manager Don Mann explained that the OECD application was for technical assistance for the final revised proposal to relocate NOAA's Marine Operations Center-Pacific to Newport. The application had already been pre-approved but needed formal action by the board.

Commissioner Barton moved to approve the application as presented. Commissioner Fleck seconded the motion and it passed 4-0.

B. KPFF Consulting Engineers Contract Amendment. The General Manager explained that this was an amendment to the original contract that was approved last year, and included an addendum for coordinating work on the supporting documentation on the Port's Joint Permit Application and for the project management and public communications program. Most of the work had already been completed.

Commissioner Fleck moved to approve the KPFF Consulting Engineers Contract Amendment. Commissioner Barton seconded the motion and it passed 4-0.

C. USACE Jetty Monitoring Report. The Commission noted that it was a good report. There was no discussion.

D. Official Abstracts of Votes, May 19, 2009 Election.

Commissioner Jincks moved to accept the Abstract of Votes of the May 19, 2009 election. Commissioner Barton seconded the motion and it passed 4-0.

VIII. MEETING RECESS at discretion of the chair.

There was no meeting recess.

IX. OTHER

Commissioner Jincks called on Grant Snyder, Wiggins Towboats, to tell the Commission about his new tugboat. Snyder described the vessel, which is 42 feet long and moored at Port Dock 3. He said it is available for harbor and near coastal towing and has firefighting capabilities. Commissioner Jincks suggesting putting a link to Snyder's tugboat service on the Port's web page.

Commissioner Jincks thanked Yale Fogarty and ILWU Local 53 for inviting commissioners and Port staff aboard C/V Miss Raven for a tour of the terminal project with Senator Jeff Merkley.

Commissioner Goblirsch asked if it would be possible to put the commission packets on the Port's web site.

General Manager Don Mann had given the commissioners a copy of a draft joint resolution between the City of Newport, Lincoln County, and the Port of Newport in support of the NOAA home port project. He said the new city manager, Jim Voetberg, had suggested the joint resolution. The resolution, with signatures of all the elected officials, could be sent to NOAA and Oregon's congressional delegation to encourage continued support for the project. In discussing the resolution, Commissioner Jincks said he would like to see the words "commercial fishers and vessel owners" added to the sentence about collaborative work among scientific agencies in Whereas No. 3. Commissioner Goblirsch also suggested adding "ODFW".

Commissioner Jincks moved to approve the joint resolution with the recommended additions. Commissioner Fleck seconded the motion and it passed 4-0.

The General Manager reminded the commission that the City of Newport will begin enforcing parking in the Port's parking lots on Bay Boulevard, effective July 1, 2009. Vehicles parked in the Port's parking lots without a parking permit will be ticketed. The permits are available to fishermen only and can be obtained for \$1 at the Port office.

Commissioner Goblirsch noted that Election of Officers will be on the agenda at the next regular meeting.

X. PUBLIC COMMENT

Heather Munro Mann announced that one of the new Pacific Fish Trax Kiosks will be demonstrated at the upcoming HMSC Sea Fest. The kiosk is in limited use at fish markets and restaurants and shows the fish, fisherman, and vessel that caught the fish. Mann said the kiosk belonged to the Seafood Consumer Center and would be at HMSC for a week so the public can see it in action.

XI. UPCOMING MEETINGS/EVENTS

- A. PNWA Mid-Year Meeting, Campbell's resort, Lake Chelan, WA, June 29-30
- B. Fishermen's Forum, July 8, Port Conference Room, 8:30-9:30 a.m.
- C. Port Commission Work Session and Regular Meeting, July 28, 6:00 p.m.

XII. ADJOURNMENT

The meeting was adjourned at 7:25 p.m.

ATTEST:

Ginny Goblirsch, President

JoAnn Barton, Secretary