

PORT OF NEWPORT
MINUTES
November 19, 2013
Combined Work Session and Regular Meeting

I. CALL TO ORDER

Commission President JoAnn Barton called the combined work session and regular meeting of the Port of Newport to order at 6:00 p.m. on Tuesday, November 19, 2013, at the South Beach Marina Activities Room, 2120 SE Marine Science Drive, Newport, OR 97365, the same being within the boundaries of the Port District.

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

Commissioner Excused: David Jincks, Vice-President.

Port of Newport Management and Staff: Don Mann, General Manager; Pat Albaugh, Finance Director; Rick Fuller, NOAA Facilities Manager; Patty Benjamin, Administrative Assistant.

Others Present: Dennis Anstine, News Times; Dr. Richard Beemer, Newport City Council; Tracy Burchett, Yale Fogarty, and Pat Ruddiman, ILWU Local 53; Barb and Wayde Dudley, Newport residents; Erik Knoder, State of Oregon Employment Department; Mark Miranda, Newport Police Chief; Jim Shaw, South Beach resident.

II. MINUTES

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

Commissioner Fleck moved, Chuck seconded, to approve the minutes of the Combined Work Session & Regular Meeting of October 22, 2013 as submitted. The motion passed 3-0.

III. FINANCIAL STATEMENTS

A. Financial Reports.

B. Accounts Paid.

In answer to a question from Commissioner Chuck, Finance Director Pat Albaugh said one more meeting with the auditors was scheduled to address their concerns before their final report was issued. Commissioner Barton noted that Albaugh had said in his report that the Construction Fund had exceeded capital outlay appropriation authority by \$29,085. Albaugh explained that amount was less than 1% of the budget and was not one lump sum but was aggregate of all construction areas at the terminal for the entire fiscal year; however, a letter to the Secretary of State may be required.

Commissioner Chuck moved, Fleck seconded, to approve the Financial Statements and Accounts Paid, Check Nos. 11732-11733/Construction Fund; Check Nos. 12246-12265/NOAA Checking-OCB; and Check Nos. 34810-34911/Operating Account. The motion passed 3-0.

IV. PUBLIC COMMENT

In answer to a question from Commissioner Barton, Police Chief Mark Miranda said car clouts were down; in answer to a question from the General Manager, he said National Law Enforcement Memorial Day and the Law Enforcement Recognition Banquet were schedule to be held in May.

City Councilor Richard Beemer said that he and Councilor Ralph Busby had traveled to Sault Ste Marie, Michigan, as part of the due diligence in the hiring process of the new City Manager, Spencer Nebel. He reported that the good impression they had while interviewing Nebel here in Newport had been substantiated.

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

A. Department Reports.

- Kevin Bryant, Commercial Marina Harbormaster*
- Jim Durkee, Terminal Operations Supervisor—Commissioner Barton commented that Jim Durkee is efficient, effective, capable, and an asset to the Port. She said it was a pleasure interacting with him and he is doing an excellent job at the terminal.
- Rick Fuller, NOAA Facilities Manager*
- Penny Gabrielson, South Beach Marina & RV Park Report*
- Maureen Keeler, Special Projects Manager*
- Chris Urbach, South Beach Marina Harbormaster*

B. General Manager.

General Manager Don Mann reported that the Port will assist the Army Corps of Engineers (ACOE), Oregon State University (OSU), and the State Parks Department with a South Jetty Sand Fence Implementation Project. The project aims to reduce the amount of dry sand that gets trapped and comes back over the south jetty to enter the channel at the entrance of the Yaquina River. He stated that dredging needs for the Yaquina Bay entrance have increased by about 30% since 2011. On average, the Corps removes 250,000 cubic yards from the channel entrance, and the Corps anticipates that the sand fence, which is like a snow fence, could prevent 30,000 cubic yards of material from going back into the channel. OSU and the ACOE will provide follow-up monitoring after the fence is in place and perform surveys to document any reduction in dredging needs. Mann added that this same kind of project had been done effectively on the Columbia River. The project cost is estimated at \$40,000. The Port's participation would be around \$3,000 based on labor and purchasing the fencing. Mann said he would have an update on the project from the ACOE early next month.

The commissioners proposed a noon work session on December 4, 2013, with Harry Noah, Yaquina Bay Fruit Processors (YBFP), to discuss his request to renew his lease and enlarge his property lease footprint. The General Manager said he would confirm the date with Noah.

In answer to a question from Commissioner Chuck, Mann said he expected a draft report from HR Answers by Friday, November 22, 2013, on the updated personnel manual and employee handbook and he would distribute copies of the draft to the board.

Commissioner Barton noted that the commissioners had received a draft copy of the proposed employment contract between the Port of Newport and Don Mann for his services as Interim General Manager through the hiring process and transition period after a new General Manager is employed. She said she discussed the contract with Mann and they had agreed to a compromise on two elements of the contract: Mann would forego the accrual of vacation time and receive the equivalent of the 4.06% that the Port would normally pay to PERS as part of his base salary. The chair called for a motion

Commissioner Fleck moved to provisionally approve the draft contract between the Port of Newport and Don Mann for his services as Interim General Manager, with the exception of the changes as discussed. Commissioner Chuck seconded the motion and it passed 3-0.

C. Commissioner's Reports.

Commissioners Fleck and Chuck had been appointed to review applications for the Port Commission vacancy, Position 4. Commissioner Fleck said five letters of interest had been received, and questionnaires had been sent out to those candidates. Interviews will be conducted after the questionnaires have been returned and a recommendation will be brought to the full board at the regular meeting on December 17, 2013.

Commissioner Chuck reported on a Northwest National Marine Renewable Energy Center (NNMREC) meeting he had attended.

Commissioner Barton announced that there would be an opportunity for the public to meet the candidates for the General Manager position at a reception at Mo's Annex on December 11, 2013. Interviews for that position would be conducted on December 12, 2013.

VI. OLD BUSINESS

A. Terminal Renovation Project, Post Construction Activities—Frank Berg, Day CPM Services.

Frank Berg, Day CPM Services, was not able to attend the meeting but had submitted a brief written update: the amount credited for salvaged steel remains at \$941,606, with no new salvage since the last report; a mitigation plan had been developed related to the amendment to the joint permit for dredging revisions; the Port issued an Impairment Letter related to Ecoli levels found in the storm water runoff at the terminal when tests were conducted for the 1200Z permit; the piling at the existing steel ro-ro dock had been inspected and was in better condition than anticipated. Further to the International Terminal, the General Manager reported that the US Coast Guard had approved the Port's security plan for the Terminal Facility.

B. Amendments to Port Facilities Code.

The proposed amendments to the Port Facilities Code were related to three sections: Electrical; Citation Fees; and Insurance. A discussion followed about the difficulty some commercial boat owners were having in getting insurance on their older, plank vessels. General Manager Don Mann said the Port was working with those boat owners, particularly those who were actively fishing, and options were being considered. Commissioner Fleck suggested that Mann contact Kaety Hildenbrand, OSU Extension Service, to discuss the idea of the boat owners paying into a pool that would cover damages and wreck removal should those arise.

Commissioner Chuck moved to approve the recommended amendments to the Port Facilities Code as submitted. Commissioner Fleck seconded the motion and it passed 3-0.

IX. NEW BUSINESS

A. Billeter Marine LLC Contract NOAA MOC-P Maintenance Dredging.

There were no questions on the Billeter Marine LLC Contract.

Commissioner Fleck moved to authorize the General Manager to execute the contract between the Port of Newport and Billeter Marine LLC to perform maintenance dredging at the NOAA MOC-P pier. Commissioner Chuck seconded the motion and it passed 3-0.

The General Manager said NOAA Facilities Manager Rick Fuller had done an excellent job in putting the contract out for bid and completing the necessary contract documents.

B. Terminal Water Main Public Utility Easement.

General Manager Don Mann explained that the water lines under consideration were the main potable water lines to the Port's International Terminal and the fire hydrants. He said the City would assume operation and maintenance of those lines if the Port would grant a permanent easement.

Commissioner Chuck moved to approve the Terminal Water Main Public Utility Easement between the Port of Newport and City of Newport. Commissioner Fleck seconded the motion and it passed 3-0.

VIII. MEETING RECESS at discretion of the chair.

There was no meeting recess.

IX. OTHER

The General Manager reported that one of West Coast Contractor's employees, Bill Beaudry, who was working on the Port's hoist dock project at Port Dock 7, had been killed in a car crash east of Eddyville, OR, the night before.

X. PUBLIC COMMENT

Referring to a letter from attorney Mike Haglund that had been read at the regular meeting on October 22, 2013, Yale Fogarty, ILWU Local 53, spoke to the distinction between companies using the log export terminal on a short-term lease basis versus paying wharfage fees. He said traditionally and historically, cargo that has gone across the dock is paid for in wharfage fees, which allows the Port to maintain control of the property and leaves no question as to who is responsible for insurance, taxes, and water run off. He said there could be questions as to who could use the property if another company was leasing it for the short term.

XI. UPCOMING MEETINGS

- A.** Special Work Session, South Beach Marina Activities Room, December 4, 12:00 p.m. (tentative)
- B.** Fishermen's Forum, Port Dock 7 Operations Shop, December 11, 8:30-9:30 a.m.
- C.** General Manager Candidates Reception, Mo's Annex, December 11, 5:30-7:30 p.m.
- D.** Special Meeting, Oregon Coast Bank Conference Room, December 12, 3:00 p.m.
- E.** Port Holiday Dinner, Pacific Maritime & Heritage Center, December 13, 6:00 p.m.
- F.** Combined Work Session and Regular Meeting, South Beach Marina Activities Room, December 17, 6:00-8:00 p.m.
- G.** Marina Users Meeting, South Beach Marina, December 18, 8:30-9:30 a.m.
- H.** Christmas Holiday, December 25, Port Office Closed

XII. ADJOURNMENT

The meeting was adjourned at 6:40 p.m.

ATTEST:

JoAnn Barton, President

Walter Chuck, Secretary