

**PORT OF NEWPORT  
MINUTES  
October 7, 2009  
SPECIAL MEETING**

**I. CALL TO ORDER**

Commission President Ginny Goblirsch brought the special meeting of the Port of Newport Board of Commissioners to order on Wednesday, October 7, 2009, at 6:00 p.m., in the Port Conference Room, the same being within the boundaries of the Port District.

The purpose of the special meeting was to consider a resolution authorizing the issuance, sale, execution, and delivery of Taxable Lease Revenue Bonds for the NOAA MOC-P Project.

**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:** Patti Britton, Finance Director; Pete Dale, Project Manager; Maureen Keeler, Special Projects Manager; Patty Benjamin, Administrative Assistant.

**Others:** Pete Gintner, Port legal counsel; Dr. Hal Pritchett, OSU Engineering Department (ret.); David Ulbricht, Sr. V-P, Public Finance, Wedbush Morgan Securities.

**II. PUBLIC COMMENT**

There was no public comment.

**III. TAXABLE LEASE REVENUE BONDS (NOAA MOC-P Project) Series 2009**

**A. Resolution 8-2009 Authorizing the Issuance of Taxable Lease Revenue Bonds and a Master Lease Revenue Bond Declaration.** David Ulbricht, Wedbush Morgan Securities, explained that Resolution 8-2009 authorized the issuance, sale, and delivery of revenue bonds to finance the completion of the NOAA Homeport Project, and the Master Lease Declaration spelled out the terms and conditions of how the bonds would be structured. He noted that the Master Lease Declaration was not finalized because the bonds had not yet been sold. In answer to a question from Commission President Goblirsch, Ulbricht said the resolution had been produced by bond attorney Ann Sherman and had been reviewed by himself and the port's attorney, Pete Gintner. Ulbricht distributed a schedule of principal events related to the lease revenue bonds and said weekly conference calls are held between port staff and the bond financing team, including municipal finance consultant Charles Carter, Charles Carter Company, who had been hired by the port to provide oversight of the funding for the NOAA MOC-P Project. In answer to a question from Commissioner Fleck, Ulbricht said the bond sale would take place after December 7, 2009 and, if all went as planned, funds should be available in mid-December. A discussion followed about various options for interim financing for the project, and Ulbricht said he was working on it.

**Commissioner Jincks moved to approve Resolution 8-2009 authorizing the issuance of taxable lease revenue bonds and a master lease revenue bond declaration. Commissioner Fleck seconded the motion and it passed 4-0.**

A discussion followed about the \$19.5 million in lottery grant funds. Ulbricht said that the state would require a monthly schedule of capital expenditures, and that Joshua Dodson, Day CPM Project Manager, was preparing a draft drawdown schedule. He said the draft grant agreement had gone through a review by the Department of Justice and the bond counsel for state lottery funds, and it appeared to meet their standards. Ulbricht said discussions indicate that the state would have no prohibitions against

spending the grant money before the bond money, or about using the money to reimburse an interim loan, as long as the items were classified as capital expenditures. Ulbricht said he was working with the state to maximize the grant money and increase the net amount, and the state was being very accommodating. He said the grant funds should be available in December.

Finance Director Patti Britton said there would be a resolution on the next regular meeting agenda to form a new fund that would be dedicated to the NOAA MOC-P Project.

President Goblirsch commented that she felt the port and the NOAA financing were in good hands.

#### **IV. OTHER**

Commission President Goblirsch announced that Rear Admiral (RDML) Philip Kenul, Deputy Under Secretary (DUS) Mary Glackin, Captain Michele Bullock, and possibly other NOAA officials would be in Newport November 9-10, 2009, and had asked to meet with community leaders. She said she would provide updates and coordinate with the community as more information about the visit becomes available.

A discussion followed about whether the Port Commission should meet in special session after the evaluation team interviews the CM/GC finalists and makes a recommendation on October 21, 2009, and before a Notice of Intent to Award to the successful respondent is announced the following day. Port counsel Pete Gintner said the process may appear "streamlined" but it was totally legal and approved by the Chief Procurement Officer, Department of Administrative Services. He added that a recommendation by the scoring committee in no way constituted a contract, and the firms were aware that any contract would be contingent on commission approval. It was agreed that Commissioner Barton, who would not be able to attend the next regular commission meeting, could submit her comments and recommendation to the commission but would not be able to vote by proxy. Port Project Manager Pete Dale said Day CPM would need time after the selection to exercise due diligence and confirm that the selected contractor still wanted the job. Commissioner Jincks quoted Joshua Dodson's wording on the schedule as "apparent successful proposer" and noted that it said nothing about awarding a contract. That being the case, and after some further discussion, it was the consensus of the commission that a special meeting would not be necessary and the board could ratify the recommendation of the selection committee at the regular commission meeting on October 27, 2009. Hal Pritchett, OSU Engineering Dept. (ret), said the port should be pleased that the proposals received on the project were from the top eleven contractors in the Northwest.

#### **V. PUBLIC COMMENT**

There was no public comment.

#### **VI. ADJOURNMENT**

There being no further business to come before the special meeting of the commission, the meeting was adjourned at 6:37 p.m.

ATTEST

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Ginny Goblirsch, President

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David Jincks, Asst. Secretary-Treasurer