

**PORT OF NEWPORT
MINUTES
September 9, 2011
SPECIAL MEETING**

I. CALL TO ORDER

Commission Vice-President Ginny Goblirsch called the meeting of the Port of Newport Board of Commissioners to order on Friday, September 9, 2011, at 12:00 p.m., 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: Ginny Goblirsch, Vice-President; David Jincks, Secretary; Dean Fleck, Assistant Secretary-Treasurer.

Commissioners Excused: JoAnn Barton, President; Don Mathews, Treasurer.

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

There were no members of the public present.

II. DISCUSSION / ACTION ITEMS

A. MOC-P Project Savings. As a follow up to a discussion at a special work session on August 23, 2011 regarding funding strategies for the Terminal Renovation Project, General Manager Don Mann and Finance Director Patti Britton had created charts showing the process of transferring the \$1.1 million in savings from the NOAA MOC-P project into a separate and dedicated supplemental revenue bond reserve account, where the funds would be used to service a bond interest payment in February 2012 and a bond principal and interest payment in August 2012. Another chart had been created showing how NOAA MOC-P lease revenue, in an amount not to exceed \$1.1 million, could be used towards construction costs at the Terminal Renovation Project. Projecting a summary on a screen, Britton explained the month-to-month transactions supplemental revenue bond reserve and monthly lease revenue, from February 12, 2011 to August 29, 2012. Mann and Britton emphasized that this funding option had been thoroughly discussed with bond counsel, general counsel, and auditors, and was found to be a legal process and totally in line with what was required by the bond declaration. Mann stated that no more lease revenue would go towards the Terminal Renovation Project after February 2012. At that time, the lease revenue would revert to the NOAA MOC-P Revenue Bond Account. Mann said he had talked with Commissioner Mathews, who was not able to attend the special session, and he supported the process. Commissioner Barton could not attend the meeting either. She also supported the process but had asked that the topic be discussed at an advertised public meeting.

Commissioner Jincks moved that the commission direct General Manager Don Mann and staff to transfer the savings from the NOAA MOC-P Project into a supplemental reserve account not to exceed \$1.1 million. Commissioner Fleck seconded the motion. Commissioner Jincks amended his motion to include direction to use lease revenue from the NOAA MOC-P Project, not to exceed \$1.1 million, towards the Terminal Renovation Project's construction budget. Commissioner Fleck seconded the amended motion. There was no further discussion and the motion passed 3-0.

Commissioner Goblirsch recommended that Commission David Jincks serve as the Port's representative in promoting the Terminal Renovation Project, particularly during the ConnectOregon grant selection process process. Commissioner Jincks agreed and will be appointed as the Port of Newport's representative to the Cascades West Council of Governments, replacing Commissioner Don Mathews, at the next regular meeting.

B. Rogue Expansion Project. General Manager Don Mann provided background on the Port's discussions with Rogue Ales relating to their expansion project. He noted that the project had changed direction a couple of times since it was originally proposed in February of 2011 and some of the conditions required by the project committee, consisting of Commissioners Fleck and Jincks, Mann, and Port Project Manager Pete Dale, had not been met. Mann said at that point the construction of the building was about 20,000 sq ft but the total impact of the project was about 71,000 square feet. Project Manager Pete Dale suggested presenting Rogue with a written list of conditions that the Port would require them to meet before moving forward with construction, so Rogue would be fully aware of their responsibilities and the costs associated with the project. He added that he had not seen a construction permit or anything from the City of Newport Planning Department giving them the "green light" to move forward. Commissioner Jincks noted that the project would have a huge impact and a lasting effect on the marina. He added that, as a committee member, he felt he should have a full package to bring to the commission with a recommendation for approval, along with a signed lease addendum for the expansion, but those things had not been completed. Commissioners Fleck and Goblirsch agreed and said there should be a signed lease addendum before Rogue breaks ground. Dale said he had received some plans that day and would be pleased to go over them with the commissioners, but added that Rogue was not aware yet of what the "bottom line" on the expansion project was going to be. Mann said he would send the commissioners a breakdown of Rogue's present lease cost and use that as a basis for the addendum. A discussion followed about liability, aesthetics of the area, and compliance with the City of

Newport's ordinance on storage and outside fencing. In summary, General Manager Mann stated that the Port would not move forward with the project until a draft addendum to Rogue's lease had been prepared and there was an agreement between the Port and Rogue Ales on costs for the total footprint. The commission took no action on the Rogue Expansion Project.

III. PUBLIC COMMENT

There was no public comment.

IV. OTHER

Commissioner Goblirsch announced that she is stepping down from the Port Commission and asked staff to send out an announcement and a solicitation for letters of interest with a cut-off date of October 1, 2011. A selection committee will be appointed at the next regular meeting and a date will be set for a selection to be made. Goblirsch suggested that staff distribute a copy of the Commission Duties and Responsibilities packet to those interested in the position.

V. ADJOURNMENT

There being no further business to come before the Special Work Session of the Port Commission, the meeting was adjourned at 1:00 p.m.

ATTEST

Ginny Goblirsch, Vice-President

David Jincks, Secretary

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