

**PORT OF NEWPORT  
MINUTES  
April 14, 2011  
SPECIAL WORK SESSION**

**I. CALL TO ORDER**

Commission President Ginny Goblirsch called the special work session of the Port of Newport Board of Commissioners to order on Thursday, April 14, 2011, at 9:05 a.m., in the Port of Newport Conference Room, 600 SE Bay Boulevard, Newport, OR, the same being within the boundaries of the Port District.

The purpose of the work session was to discuss the 2012 fiscal year budget. An earlier special work session on the budget had been held on April 8, 2011.

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

**Commissioners Excused:** Don Mathews, Treasurer.

**Port of Newport Management and Staff:** Don Mann, General Manager; Patti Britton, Finance Director; Patty Benjamin, Administrative Assistant.

**II. FY 2012 BUDGET**

General Manager Don Mann reviewed the budget calendar. He explained that the budget was a work in progress and, while it was not yet balanced, it was tracking about the way it usually did at that point in the process. The first meeting of the budget committee was scheduled for May 11, 2011. Finance Director Patti Britton pointed out that the commission could make up to a 10% adjustment to the budget after the budget committee presents it to the commission, without having to go back to the committee again.

General Manager Mann said the key areas for expenditures were personal services, materials and services, and capital outlay. Moorage, leases, hoist dock services, and RV Park were the largest percentages of the Port's revenue. Per Commissioner Mathews' request, a column had been added to the commissioners' work sheets since the last special work session, showing the adopted budget numbers for the current fiscal year. Britton noted that a surcharge for the increase in fuel process would be built into the next contract with TCB Security Services. A discussion followed and Commissioner Jincks said he would like to see some actual numbers reflecting the savings the Port had realized by going to a contract for security services.

In answer to a question from Commissioner Jincks, Britton said temporary help was normally hired to work from mid-June through mid-September at the South Beach Marina. Commissioner Jincks said he would like to see a schedule and some justification for the hours, in order to account for the increase in the line item for temporary help. Commissioner Barton suggested putting a cap on that number based on the adopted budget last year. The General Manager said he would get back to the commission with the potential savings that could be made on that item.

The restrooms at the South Beach Marina & RV Park were being cleaned by a janitorial service, and the work sheet for this year's budget showed a line item of \$7,200 for janitorial service for the restrooms at Port Dock 7. Those restrooms were currently being cleaned by the north side operations crew, as they had been in the past. After a brief discussion, the commission recommended continuing with that arrangement and putting the \$7,200 towards maintenance projects.

The General Manager noted that the Repairs & Maintenance budget for the commercial marina had increased from \$25,000 last year to \$50,000 this year. He said the next decision would be whether to leave that amount as a lump sum while stock piling the materials that would be needed to repair the docks, or use the money for additional borrowing capacity to complete the projects. Commissioner Barton said she had a problem with the philosophy of borrowing money, especially when the Port is coming close to reducing its debt. Commissioner Jincks agreed and said the repairs and maintenance projects had not been delayed on purpose but rather because the focus had been on total replacement projects. He suggested that it would make more sense to start maintaining and strengthening the docks that are now categorized for replacement, so if the money isn't there to replace them now, they will at least be repaired to last. He noted that some of the Port's debt will begin dropping off in 2013 creating capital that could be added to what is in the Maintenance Reserve Fund, and if the Port had to borrow at that time, there would be better leverage. Commissioner Jincks went on to discuss Phase 2 of the Terminal Renovation Project and said it would cost in excess of \$100,000 if Natt McDougall Company (NMC) had to demobilize and leave the site, and there was no guarantee the Port could get NMC back, so completing that phase of the project would have to stay "high on the radar screen".

In answer to a question from Commission President Goblirsch, the General Manager said it should be clear in the next thirty days if there would be any leftover funds from the NOAA Marine Operations Center-Pacific Homeport Project. Commissioner Barton said she recognized that Phase 2 of the Terminal Project had to be a priority and reluctantly suggested that the leftover NOAA funds, if there were any,

could be used to fill in the gap at the terminal or for borrowing capacity. The General Manager added that the Port already has debt service that is being kept in abeyance for the terminal project.

Referring to the fuel dock retrofit and repairs, Commissioner Jincks said the commission had not been aware of the deteriorating condition of the fuel dock until it became an emergency, so he felt it was critical to identify the highest risk areas around the facilities where a failure could occur.

Commissioner Jincks also suggested projecting the cost of putting in lift stations at the terminal against the cost of paying for tenants' yearly pump outs. He asked about the \$2,000 item for a tune up on the Port's skiff, and suggested looking into the long-term cost of replacing the Port's tug with a pontoon work barge that could be hauled out by the Port, rather than paying for yearly haul out and maintenance on a vessel that was beyond its working life span.

The General Manager said the header was rotten on the Port Dock 5 gangway and needed attention, and the wooden gangway at Port Dock 7 should be replaced by an aluminum one of the same width. He had said he had tried to cover each capacity of those projects in the budget. In summary he said that no final recommendations would be made on lump sum dock maintenance and repairs, and asked the commissioners to make notes on the project list and get back to him. Commissioners Fleck and Jincks said they would meet with General Manager Mann and Project Manager Pete Dale to make recommendations.

Commissioner Barton reported that the City of Newport had \$1 million in funding for tourism-related projects and was soliciting applications. She encouraged the General Manager to look into eligibility requirements for that. The Finance Director suggested that the landscaping and restrooms along Bay Boulevard and the advertising costs for the RV Park might qualify.

The General Manager thanked the commission for their interest in the Port's needs and projects.

**III. PUBLIC COMMENT**

There was no public comment.

**IV. OTHER**

There was no other business.

**V. UPCOMING MEETINGS/EVENTS**

- A. Work Session and Regular Meeting, Tuesday, April 26, 6:00 p.m., Port Conference Room

**VI. ADJOURNMENT**

There being no further business to come before the Special Work Session of the Port Commission, the meeting was adjourned at 11:00 a.m.

**ATTEST**

\_\_\_\_\_  
Ginny Goblirsch, President

\_\_\_\_\_  
David Jincks, Secretary

L:\Minutes\Special Work Session 04 14 2011