

**PORT OF NEWPORT  
MINUTES  
October 25, 2011  
Supplemental Budget Hearing  
Regular Meeting**

**I. CALL TO ORDER**

Commission President JoAnn Barton called the supplemental budget hearing to order on Tuesday, October 25, 2011 at 6:00 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. The purpose of the hearing was to discuss the supplemental budget with interested persons and to receive public comment.

**Commissioners Present:** JoAnn Barton, President; David Jincks, Secretary; Don Mathews, Treasurer; Dean Fleck, Assistant Secretary-Treasurer.

**Port of Newport Management and Staff:** Patti Britton, Finance Director; Pete Dale, Project Manager; Kent Gibson, Operations; Maureen Keeler, Special Projects Manager; Barb Martin, Accounts Receivable Clerk; Patty Benjamin, Administrative Assistant.

**Others Present:** Frank Berg and Rick Fuller, Day CPM Services; Lon Brusselback, Newport City Council; Yale Fogarty, ILWU Local 53; Ken Lundie, Newport resident; Dr. Hal Pritchett, Facility Use & Design and Terminal Steering Committees.

Referring to the supplemental budget, Finance Director Patti Britton explained that no provision had been made for transfers from the NOAA fund in the F/Y 2012-2013 budget. Since transfers are a major appropriation category, in order to transfer lease revenue from the NOAA fund to the construction fund a supplemental budget was required by law.

The chair called for questions or comments from the public. Hearing none, the supplemental budget hearing was closed at 6:02 p.m. and the regular meeting of the Port of Newport Board of Commissioners was called to order.

**II. MINUTES**

- A. Work Session—September 27, 2011**
- B. Regular Meeting—September 27, 2011**

Commissioner Jincks moved, Fleck seconded, to approve the minutes of the Work Session of September 27, 2011 and the Regular Meeting of September 27, 2011 as submitted. The motion passed 4-0.

**III. FINANCIAL STATEMENTS**

- A. Resolution 5-2011 Adopting Supplemental Budget and Increasing Appropriations.**

Commissioner Fleck moved to adopt Resolution 5-2011 adopting the supplemental budget and increasing appropriations. Commissioner Jincks seconded the motion and it passed 4-0.

- B. Financial Reports**

There were no questions or comments on the financial reports.

Commissioner Jincks moved, Fleck seconded, to approve the financial reports as submitted. The motion passed 4-0.

- C. Accounts Paid**

Commissioner Fleck moved, Jincks seconded, to approve accounts paid, Check Nos. 11554-11563/Construction Fund; Check Nos. 11541-11558 NOAA Checking-OCB; and Check Nos. 31937-32040/Operating Account. There was no discussion and the motion passed 4-0.

**IV. PUBLIC COMMENT**

There was no public comment.

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

A. **Department Reports.**

- Kevin Bryant, Commercial Marina Harbormaster\*
- Pete Dale, Project Manager—In answer to a question from Commissioner Fleck, Dale said General Manager Don Mann had been working with the Newport City Manager on moving approximately 38,000 yards of sand from the NOAA site at South Beach to a fill location at the Newport Airport. Dale said the material would be moved by truck during the first part of 2012, when costs would be lower for doing the work. In answer to a question from Commissioner Jincks, Dale reported that the Port Dock 5 project was moving quickly towards the in-water work period. A heavy-duty gangway with a fiberglass deck had been ordered and a scope of work had gone out that day. A contractor's walk-through meeting was scheduled for the following week and bid submittals would be called for the week after that.
- Maureen Keeler, Special Projects Manager\*
- Gina Nielsen, RV-Marina Office Supervisor\*
- Ron Smith, Terminal Manager\*
- Chris Urbach\*

B. **General Manager.**

The General Manager was not present for the meeting but had submitted a written report.

C. **Commissioners' Reports.**

Commissioner Fleck reported that the Ninth Annual U-DA-MAN tournament had been successful and money had been made. Sixteen fish were caught with seven fish on one boat, and that boat had donated the prize money back to the tournament. Fleck said a location in the lower Yaquina Bay was being sought to enhance Chinook salmon stock using proceeds from the tournament.

Commissioner Jincks said he had been attending the terminal renovation project meetings. He noted that moorage for the commercial fleet would be affected as access becomes more restricted due to in-water work on the project. Jincks was also working on the Rogue lease as it relates to the brewery's proposed expansion. He said lease language was being reviewed by the Port's legal counsel and was expected to be formalized in a week or two.

Commissioners Barton and Jincks had met with representatives from the Army Corps of Engineers (ACOE) on October 24, 2011. They discussed dredging allocations and other issues, and the ACOE representatives also got a look at the Terminal Renovation Project.

VI. **OLD BUSINESS**

A. **Terminal Renovation—Day CPM Services.** Frank Berg, Project Manager, Day CPM, provided an update on the Terminal Renovation Project. Berg report that since the last commission meeting pipe piling had been ordered for the east dock and delivery was expected before the end of the week. Monitoring continued on the Pasley and Hennebique and demolition was well underway on the Pasley. The upper section of the Pasley had been removed and a temporary bridge was built across the bow of the ship. He said the ship rests on an artificial reef during low tides, allowing subsequent compartments to be demolished. Berg noted that work sometimes goes on at the site until midnight, and he suggested that demolition could be completed by the end of the month. Material had been removed from all holds of the Hennebique and the holds had been cleaned and filled with dredged sand, apart from the Aft Peak Void which was found to have contaminated sludge at the bottom. The contaminated material is scheduled for removal at the end of the month. Berg reported that approximately 4,800 tons of contaminated material had been trucked to the Coffin Butte landfill facility, and more than 19.3 million gallons of water had gone through the water treatment system. Berg showed a series of photographs of the project, including pictures of the Hennebique's holds; aerial shots of the Pasley inside the cofferdam; and the Pasley's steel propeller, steering gear, and rudder. Commissioner Mathews suggested that the propeller should be preserved as an historical artifact. Berg noted that the steel from the ships is being salvaged and sold by the Natt McDougall Company (NMC). The proceeds of those sales will be deducted from NMC's bill. Berg added that the concrete that is being broken up and removed from the ships will be used to stabilize the bow of the Hennebique.

1. **Amendment No 13—Purchase and Installation of All Remaining Pile.** Berg introduced Amendment No. 13 to the Port's agreement with NMC. Amendment No. 13 was for the coating systems on the sheet and pipe piling, installation of the sheet piling at the bow of the Hennebique, and the purchase and installation of the pipe pile for the east dock. The Guaranteed Maximum Price of Amendment No. 13 was \$1,193,530.76. Berg explained that Amendment No. 13 recognized savings and close out from some specific previous amendments in the total amount of

\$2,878,339.00, creating a total GMP of \$15,574,069.68. With the inclusion of Amendment No. 13, a balance of \$4,610.32 remained in the construction budget and contingency. Commission President Barton noted that progress of the project is encouraging and that the Port is extremely grateful for the savings that have been found by Berg and McDougall, but the board also understood fully the gravity of finding more funding for the project. She called for a motion on Amendment No. 13.

Commissioner Jincks moved to approve NMC Amendment No. 13 and authorize the Commission President to sign the documentation. Commissioner Fleck seconded the motion and it passed 4-0.

**B. NOAA MOC-P—Day CPM Services.** Rick Fuller, Day CPM Services, provided an update on the NOAA Marine Operations Center-Pacific (MOC-P) facility. Fuller said total building occupancy was now at more than 40% of office space, and that percentage was growing daily with the arrival of the NOAA fleet. He said the increased occupancy of the facility allowed him to “put the systems through their tests” and the facility continued to perform to design expectations. Fuller reported that work this period included scheduled preventive maintenance and he was also working with NOAA to reduce energy consumption at the facility. Dredge soundings had been done along the pier and a buoy was recovered and re-installed. Fuller said six defective toilets had to be replaced and he noted that Andersen/WCC responded promptly and positively to all warranty calls. Fuller and the NOAA facility occupants had participated in a successful tsunami drill at South Beach. Fuller reported that a Coos Bay pilot tug had come in on standby for the NOAA ship Fairweather’s arrival. The tug carried 2 crewmembers. The NOAA ships Fairweather and Rainer were in port with 42 and 40+ crew members, respectively. The US Coast Guard Cutter Active had been at the NOAA dock as well, with 66 crew members on board. Berths 2 and 4 of the new NOAA pier were being used for the first time and Fuller noted that there had been nothing but positive comments by the boat crews—“Best dock ever!” As a reminder, Commissioner Barton added that training is available through Oregon Coast Community College for local businesses that want to do business with the federal government.

**C. Commission Vacancy.** The period for accepting letters of interest to fill the vacancy in Position No. 1 on the Port Commission had been extended to October 31, 2011. Six letters of interest had been received to date. Commissioners Barton and Fleck will review the letters of interest and schedule interviews with interested persons after the application period has closed.

**D. OCZMA Board Appointment.** It was the consensus of the commission to let the OCZMA board appointment remain vacant for another month.

## **VII. NEW BUSINESS**

**A. Port Planning & Marketing Project—Terminal Economic Benefit Study.** By way of review, Commissioner Barton said the Port of Newport was asking for \$10,000 from the Economic Development Alliance of Lincoln County and \$15,000 from the Oregon Business Development Department Infrastructure Finance Authority (OBDD/IFA). Special Projects Manager Maureen Keeler said she had been working with Frank Berg and Joshua Dodson, Day CPM, on the scope of work for the project and interviews would be conducted with commissioners, representatives from the City of Newport, Lincoln County Economic Development, and others to gather economic data. In answer to a question from Commissioner Jincks, Keeler said the timeline for the application was the end of November. She said the Project Notification & Intake Form had already been submitted to the IFA. After it is reviewed by a small committee, the Port may be invited to submit a full application, which will include supporting documents. Commissioner Barton noted that the suggestion to pursue this project arose from a discussion she and Commissioner Jincks had with Congressman Kurt Schrader, and both commissioners had wanted to be involved in the process. Keeler said she had received the draft scope of work that morning and would forward it to the commissioners for their review. She would also make sure the commissioners were on the distribution list for future meetings relating to the project. Commissioner Barton stated for the record that the Port of Newport Board of Commissioners was aware that Port staff and the General Manager would be pursuing grant funding from the IFA Finance Authority. Commissioner Jincks reiterated that the project was of high importance.

**VIII. MEETING RECESS** at discretion of the chair.

There was no meeting recess.

**IX. OTHER**

There was no Other Business.

**X. PUBLIC COMMENT**

Lon Brusselback, Newport City Council, asked the commission to appoint a Port Commissioner to serve as a liaison to the City Council to replace Ginny Goblirsch, who had previously been appointed but had resigned from the Port Commission. Commissioner Mathews said he would attend the

meetings in January and February 2012, and Commissioner Jincks suggested that the other commissioners could share the appointment going forward.

Yale Fogarty, ILWU Local 53, asked if the scope of work for the Port Planning & Marketing Project—Terminal Economic Benefit Study would be available for public comment and review. Commission President Barton said it would be taken under consideration. Referring to Commissioner Mathews' comment about preserving the steel propeller from the SS Pasley, Fogarty said he would like to see the propeller made into an historical marker at the terminal or donated to the Maritime Museum. He added that the propeller's historical value to the community would far outweigh its value as scrap.

**XI. UPCOMING MEETINGS**

- A. NOAA Ship McArthur II in port, November 2
- B. Retirement Party for Ron Smith, November 5, Flashbacks, 6:00-9:00 p.m.
- C. Drill Conductor Course for Commercial Fishermen, November 8-9, Englund Marine
- D. Fishermen's Forum, Port Office, November 9, 8:30-9:30 a.m.
- E. Fishermen's Appreciation Day, November 10, Port Dock 7
- F. Veterans' day Holiday, November 11, Port Office Closed
- G. Marina Users Meeting, November 16, South Beach Marina, 8:30-9:30 a.m.
- H. Work Session, Port Conference Room, November 22, 12:00 p.m.
- I. Regular Meeting, Port Conference Room, November 22, 6:00 p.m.
- J. Thanksgiving day Holiday, November 24-25, Port Office Closed

**XII. ADJOURNMENT**

There being nothing more to come before the Board of Commissioners, the meeting was adjourned at 7:07 p.m.

ATTEST:

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JoAnn Barton, President

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David Jincks, Secretary

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