

**PORT OF NEWPORT
MINUTES
March 23, 2010
Combined Work Session and Regular Meeting**

I. CALL TO ORDER

Commission President Ginny Goblirsch called the combined work session and regular meeting of the Port of Newport Board of Commissioners to order at 6:00 p.m. in the Yaquina Bay Yacht Club Clubhouse, 750 SE Bay Blvd., Newport, OR, the same being within the boundaries of the Port District.

Commission President Goblirsch noted the announcement by NOAA that day, that based on a reassessment of three other proposals by the Government Accountability Office (GAO), there was "no practicable alternative" to the Port of Newport as the new homeport for NOAA's Pacific fleet. NOAA would grant a thirty-day comment period before finalizing the decision.

Commissioners Present: Ginny Goblirsch, President; Dean Fleck, Vice-President; JoAnn Barton, Secretary; Don Mathews, Treasurer.

Commissioner Excused: David Jincks, Assistant Secretary-Treasurer.

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

Others Present: Caroline Bauman, Economic Development Alliance; Frank Berg, Mike Day, and Glenn Schnaidt, Day CPM Services; Yale Fogarty, Pat Ruddiman, Barry Tower, and Rod Worman, ILWU Local 53; Lee Fries, CM/GC Selection Committee; Mike Goff, TCB Productions; Wayne Hoffman, Midcoast Watersheds Council and Terminal Steering Committee; Carol Knapel, KPFF Consulting Engineers; Dave Morgan, Lincoln County Today; Brad Nile and Mark Reusser, Andersen-WCC; Dr. Hal Pritchett, Facility Use & Design and Terminal Steering Committees; Jim Shaw, South Beach resident; Phil Swett, Newport News Times.

II. MINUTES

A. Work Session and Regular Meeting—February 23, 2010

Commissioner Barton moved, Mathews seconded, to approve the minutes of the Work Session and Regular Meeting of February 23, 2010 as submitted. The motion passed 4-0.

III. FINANCIAL STATEMENTS

A. Financial Reports. Commission President Goblirsch noted that the first meeting of the Budget Committee to consider the budget for F/Y 2011 was scheduled for May 12, 2010, at 5:30 p.m.

B. Accounts Paid.

Commissioner Fleck moved to approve the Financial Statements and Accounts Paid, Check Nos. 11131-11148/NOAA Checking-OCB; Check Nos. 11362-11369/Construction Fund; and Check Nos. 29893-29968/Operating Account. Commissioner Mathews seconded the motion and it passed 4-0.

IV. PUBLIC COMMENT

There was no public comment.

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

A. Department Reports.

- Kevin Bryant, Commercial Marina Harbormaster*
- Pete Dale, Project Manager—In answer to a question from Commissioner Fleck, Dale explained the locations of the proposed dredge disposal site on the north and south sides.
- Maureen Keeler, Special Projects Manager*
- Gina Nielsen, RV-Marina Office Supervisor*
- Ron Smith, Terminal Manager*
- Chris Urbach, South Beach Marina Harbormaster*

B. General Manager.

General Manager Don Mann reviewed information received from the Department of Environmental Quality (DEQ) on Oregon Ballast Water Management as it related to the Joint Permit Application (JPA) for the Terminal Renovation Project, and also discussed the Pacific Northwest Waterways 2010 Mission to Washington, DC. A discussion followed about the Port's dredging appropriation from the Army Corps of Engineers' budget. Mann reported that the Port will receive \$1.78 million and is asking for an additional \$200,000 for a site review of the dredge disposal site that was designated ten years ago, as required by the Corps of Engineers. Mann reviewed a letter he had received from Natt McDougall relating to the pre-construction services contract for the Terminal Renovation Project, and said he had been asked to attend the Oregon Business Development Department's commission meeting to present an update on the NOAA MOC-P Homeport Project the previous week.

C. Commissioners' Reports.

Commissioner Barton reported on a meeting she and Commissioner Goblirsch had attended with representatives from the Oregon Shores Conservation Coalition to discuss the Terminal Renovation Project. She said she felt that their questions had been answered and that they were satisfied that the Port was moving forward sensitively with the project. Barton said the only outstanding issue was the creosote pilings in the old dock. Attending the Oregon Shores meeting with Commissioner Barton were Frank Berg and Joshua Dodson, Day CPM; John van Staveren, Pacific Habitat Services; Pete Gintner, Port legal counsel; and Commission President Ginny Goblirsch.

Commissioner Fleck said that he and Commissioner Barton were on the Cargo Market Analysis Plan committee, and a Request for Qualifications (RFQ) was currently being advertised. Fleck said he and Barton were in the process of putting together a team, including some members of the public, to review the RFQs. Commissioner Fleck would also meet later in the week with Commissioner Goblirsch, representatives from Department of Fish & Wildlife, and the Clam Diggers Association about mitigation problems and loss of clamming area due to the NOAA MOC-P Homeport Project at South Beach.

Commissioner Goblirsch said that she and Commissioner Jincks were to meet with Port legal counsel Pete Gintner and Yale Fogarty and others from ILWU Local 53 about the Minimum Labor Standards Agreement. However, Commissioner Jincks had been gone a lot over the past month and was currently out of town, and Gintner's schedule had been full. Goblirsch said she hoped to be able to schedule a meeting in the next week or two.

Commissioner Mathews had served on the Blue Ribbon Fairgrounds Panel. He said the panel had worked closely with the Lincoln County Commission. Mathews' duties on the panel were now finished but he said it had gone well and there would be more to come.

VI. OLD BUSINESS

A. Terminal Renovation Project—Day CPM Services. Frank Berg, Day CPM, introduced team members Glenn Schnaidt and Mike Day and provided an update on the terminal project. He said that, based on the phased plan approved by the commission at the last regular meeting, KPFF had released the 60% documents. Those documents would be reviewed and comments received back no later than the end of March, so that KPFF can proceed with the 90% document. The 90% documents were expected by April 16, 2010, with final documents by the end of April. A change order had been prepared to extend the pre-construction contract with Natt McDougall Company (NMC) and increase the contract scope to allow for the work necessary to complete the Joint Permit Application (JPA) and establish an overall work plan for the project. The contract would be extended until May 15, 2010, unless terminated sooner, and the original compensation would be increased by an amount not to exceed \$25,000. A discussion followed about the quality and amount of work that had already been accomplished by NMC, which had far exceeded expectations.

Commissioner Fleck moved to direct General Manager Don Mann to sign Change Order No. 3, extending the contract between the Port of Newport and Natt McDougall Company until May 15, 2010 and increasing the compensation by an amount not to exceed \$25,000. Commissioner Barton seconded the motion and it passed 4-0.

B. NOAA MOC-P – Day CPM Services. Glenn Schnaidt, Day CPM, introduced team member Mark Reusser from Andersen-WCC and provided an update on the NOAA MOC-P Homeport Project. Schnaidt discussed a transport modeling report that was pending from a Seattle area company called Coast & Harbor. He said the report was critical to the JPA. The preliminary report was due in the first week of April. A comment period of one week would follow before the report

would be returned to Coast & Harbor and a final report would be issued on or around April 23, 2010. Schnaidt said the team was still projecting that the JPA would go out to the agencies for review around April 28, 2010. Bid packages on the underground utilities and pier and small boat dock would go out in April. A mandatory pre-bid meeting would be advertised for that work and Schnaidt expects a strong response from local sub-contractors and vendors. Schnaidt said he still expected to have not only the minimum LEED points required but at least three or maybe six buffer points. Demolition work and grading continued at the site and Mark Reusser stated that 7,266 tons of material (14 million pounds) had been recycled, with only 60 tons sent to the landfill from the entire site. Reusser showed photographs taken at the site dating from February 25, 2010 to March 19, 2010. The photos included the infiltration swale, the crusher and piles of concrete, grading of the lay down or staging yard, and the intake channels going into the old fish hatchery. The General Manager said that he would talk to consultant John van Staveren about the possibility of the channels being considered as mitigation, since they would eventually come out. General Manager Mann thanked Reusser and Andersen-WCC for cleaning up and grading the area that would be used for the 1,000 flags display during the Loyalty Day weekend. The area would be seeded at the end of the week so that it would be green when the flags go up on April 25, 2010

C. General Manager's Annual Performance Evaluation. Commissioners Fleck and Mathews had headed the committee to conduct General Manager Don Mann's annual performance evaluation. Commissioner Fleck noted that there was not one grade below "meets expectations" on any of the evaluations, and most categories were "exceeds expectations". He said the General Manager had not been given a salary increase this year because his salary had been capped at \$115,000 a few years ago and he had not yet reached that level because he had turned down several increases due to the Port's budget constraints. Fleck said Mann was granted a 3% cost of living increase, which the commission is contractually bound to do, but was not given a merit pay increase because of the lagging economy and salary and holiday cut backs for employees. Commissioner Fleck said the commission would go through the budget and re-evaluate the General Manager's salary next year. Commission President Goblirsch said, "If there has ever been a year for a merit increase, this would be it." She added that things had never been better at the Port, thanks in a large measure to Mann's leadership.

VII. NEW BUSINESS

A. Resolution 1-2010 Authorizing Application for Renewal of Enterprise and Electronic Commerce Zone with Cities of Lincoln City, Toledo and Waldport, and Lincoln County. Caroline Bauman, Executive Director of the Economic Development Alliance of Lincoln County, led the discussion on the resolution relating to the renewal of the enterprise and electronic commerce zones. She explained that the enterprise zone was first applied for and granted in 1999 and was expiring after ten years. The renewal would give it another ten year life span. Bauman said Lincoln County was eligible to apply for an enterprise zone because of its historical levels of low income and high unemployment relative to the rest of the state. The Port of Newport has supported the enterprise and electronic commerce zones in the past. Bauman said if the Port chose to be a sponsor, it would join Lincoln County and the cities of Waldport, Toledo, and Lincoln City as the last of five sponsors that the alliance was expecting. Her deadline for meeting the requirements of the application was April 2, 2010. She went on to explain the eligibility requirements for the certain types of businesses that are eligible to participate in the Enterprise Zone and the property tax exemptions the program offers for new investment by eligible businesses. She cited Rogue Ales' manufacturing operation as the primary user of the Lincoln County Enterprise Zone. Bauman said that the Economic Development Alliance would manage the Enterprise Zone and the sponsors would receive periodic reports on that management. Any changes in zones or boundaries would have to be agreed to by all sponsors. In answer to a question from Commissioner Barton, Bauman said the fact that Depoe Bay and Siletz were not sponsors was not because they objected to the Enterprise Zone but, in Depoe Bay's case, it was a timing factor, and Siletz is automatically granted an Enterprise Zone through its status as federally recognized tribe. She added that she had not heard of any opposition to the Enterprise Zone in Lincoln County. Commissioners Fleck and Mathews discussed businesses that had been part of the Enterprise Zone in the past and whether their participation led to unfair competition with similar businesses in the county. Commissioner Barton asked what the sponsor's role would be if Lincoln County was no longer able to fund Bauman's position as Executive Director. In answer, Bauman said the sponsors would have to agree on and appoint another manager. General Manager Mann suggested changes amending the wording of the Resolution 1-2010 for clarification:

- First paragraph: Oregon Economic and Community Development is now the Oregon Business Development Department.
- Fifth paragraph: Replace the title Oregon Economic and Community Development with Oregon Business Development Department.

- Last paragraph: Change the paragraph to read that the Port Commission appoints the Executive Director of the Economic Development Alliance of Lincoln County as Zone Manager and authorizes the Zone Manager to prepare and submit the application material.

Commissioner Barton moved to adopt Resolution 1-2010 as amended. Commissioner Fleck seconded the motion and it passed 4-0.

VIII. MEETING RECESS at discretion of the chair.

There was no meeting recess.

IX. OTHER

Commission President Goblirsch recalled a discussion last fall about having brief presentations and updates at the commission meetings on topics that affected the Port, such as a report from the processing sector or changes in fisheries and environmental laws. She suggested the Groundfish Community Development Quota as one current topic; however, Commissioner Fleck cautioned that the groundfish quota was a political topic so a presentation from both sides of the issue would be needed for balance. Commissioners Goblirsch and Fleck will work with General Manager Don Mann on scheduling the presentations. The other commissioners were encouraged to make suggestions.

X. PUBLIC COMMENT

South Beach resident Jim Shaw complimented the Port on its monthly newsletter, Port & Starboard, and suggested running an informative article on the new Marine Mammal Institute at the OSU Hatfield Marine Science Center.

Wayne Hoffman suggested that the Terminal Advisory Committee should meet for an update and briefing before the JPA is submitted next month. He also suggested the recent smelt listing as a topic for a commission meeting presentation because of the potential for bi-catch restrictions on shrimp fishermen.

XI. UPCOMING MEETINGS

- A. Tall Ship Hawaiian Chieftain in Port, March 25-31
- B. Fishermen's Forum, Port Conference Room, April 14, 8:30-9:30 a.m.
- C. Port Commission Work Session and Regular Meeting, April 27, 6:00 p.m., YBYC Club House

XII. EXECUTIVE SESSION in accordance with ORS 192.660(2)(i)

There was no Executive Session.

XIII. ADJOURNMENT

There being nothing more to come before the Board of Commissioners, the meeting adjourned at 7:35 p.m.

ATTEST:

Ginny Goblirsch, President

JoAnn Barton, Secretary