

PORT OF NEWPORT
MINUTES
August 23, 2011
Regular Meeting

I. CALL TO ORDER

Commission President JoAnn Barton called the regular meeting of the Port of Newport Board of Commissioners to order on Tuesday, August 23, 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.

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

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

Others Present: Frank Berg, Joshua Dodson, and Rick Fuller, Day CPM Services; Lon Brusselback, Newport City Council; Yale Fogarty and Pat Ruddiman, ILWU Local 53; Mark Miranda, Newport Police Chief; Kiera Morgan, KYTE-KNPT Radio; Dr. Hal Pritchett, Facility Use & Design and Terminal Steering Committees; Patrick Sieng, Oregon Business Development Department; Ted Smith, Newport resident; Derrick Tokos, City of Newport.

The commission president remarked on the “awesome” NOAA MOC-P dedication and open house event that had been held on Saturday, August 20, 2011. The General Manager thanked the commission for working so hard on the NOAA MOC-P project and the dedication and open house. He said other port managers are envious of the coordination and cooperation between the Port of Newport’s board and management and staff.

II. MINUTES

- A. **Special Work Session—July 26, 2011**
- B. **Regular Meeting—July 26, 2011**

Commissioner Jincks moved, Goblirsch seconded, to approve the minutes of the Special Work Session of July 26, 2011 and the minutes of the Regular Meeting of July 26, 2011 as submitted. The motion passed 5-0.

III. FINANCIAL STATEMENTS

- A. **Financial Reports.**
- B. **Accounts Paid.**

Commissioner Jincks moved, Fleck seconded, to approve the Financial Statements and Accounts Paid, Check Nos. 11542-11551/Construction Fund; Check Nos. 11474-11516/NOAA Checking-OCB; and Check Nos. 31691-31852/Operating Account. There was no discussion and the motion passed 5-0.

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*
 - Maureen Keeler, Special Projects Manager*
 - Gina Nielsen, RV-Marina Office Supervisor*
 - Ron Smith, Terminal Manager*
 - Chris Urbach*
- B. **General Manager.**

General Manager Don Mann followed up on concerns raised by the MidCoast Watersheds Council (MCWC) about nylon rope fragments and other marine debris along the shoreline at McLean Point. Commissioner Barton had done a walk-through of the area with Sara and John Skamser of Foulweather Trawl, and Wayne Hoffman and Lisa Mulcahy from MCWC. A discussion followed about putting together an educational campaign similar to the “Don’t Teach Your Trash to Swim” program that had been done in the past. Mann said he would contact Mulcahy to see if she would assist with an educational campaign, and Commissioner Barton suggested that MCWC might know of a source for funding for campaign signage.

There had been a discussion at the last regular meeting about the possibility of finding a grant program for the removal of creosote piling. The General Manager said he had found no specific programs but would continue his research.

Mann reported that signs were going up at South Beach limiting public access to the eelgrass mitigation sites. In answer to a question from Commissioner Goblirsch, Mann said that the state police and Oregon Department of Fish & Wildlife (ODFW) would enforce the restriction. The signs would be followed by a three-sided informational kiosk later, with maps showing the restricted areas.

The General Manager said he continues to work with Jim Myers on the first annual “Roast Meets the Coast” event. The dates of the event will be August 11-12, 2011. Proceeds will go to the Newport Food Pantry.

There was a discussion on how to increase attendance at the monthly Fishermen’s Forum meetings. Suggestions were made on advertising the meetings and how to involve other Port users.

C. Commissioners’ Reports.

Commissioner Fleck had attended a sport fishing advisory committee meeting and said he thought there were changes coming that would effect halibut seasons and quotas, resulting in an extended season and better logistics at the South Beach launch ramp.

VI. OLD BUSINESS

A. Terminal Renovation—Day CPM Services. Frank Berg, Project Manager, Day CPM, provided an update on the Terminal Renovation Project. He showed a series of photographs of work that had been done on the SS Pasley and SS Hennebique since the last commission meeting. He reported that the engine room of the Hennebique was found to be cleaner than the engine room of the Pasley had been, and the engine mounts had been so heavy that they had to be cut apart and removed by crane. Hold No. 4 of the Hennebique was being filled with dredged material and the bulkhead wall had been poured and backfilled. Berg said that closing out amendments 1, 2, and 5 netted \$370,548 in savings to roll back into the construction budget. The amount remaining in the budget was \$193,000.

B. Funding Options. Funding options to continue the terminal renovation project had been discussed at the noon work session. One of the options discussed was to put the \$1.1 savings from the NOAA MOC-P project into a separate account for maintenance and facility needs and use the NOAA lease revenue towards the terminal project; however, the commission wanted more information and a special public meeting may be scheduled before acting on that option. Another option was to amend an \$800,000 loan the Port had with the Oregon Business Development Department specifically for the terminal cleanup project, increasing the loan amount by \$500,000 and converting it to a term loan. The General Manager recommended exercising the second option at that time. The chair called for a motion.

Commissioner Jincks moved to authorize the General Manager to request the Oregon Business Department to prepare an amendment to the project number Q10001, asking that the principal loan amount of \$800,000 be increased by \$500,000 for a total of \$1.3 million, with the intent to convert this principal loan amount to a term loan in June 2013, and interest only payments July 2013-June 2014, principal and interest payments beginning July 2014 on a 20-year term at an interest rate of 3%. Commissioner Goblirsch seconded the motion and it passed 5-0.

Commission President Barton noted that so much of the Port’s focus was on funding options to complete phase 1 and at least part of phase 2 of the terminal renovation project, that it was easy to forget to recognize how far the project had come and what a tremendous amount of work had already been accomplished.

B. NOAA MOC-P—Day CPM Services. Rick Fuller, Day CPM Services, provided an update on the NOAA Marine Operations Center-Pacific facility. Fuller said he had spent the past week preparing for the NOAA MOC-P dedication ceremony that had been held on August 20, 2011. In addition, he was in the process of “customizing the system” to accommodate the increased occupation of the facility that had happened over the past three weeks, and the first quarterly maintenance had been completed. He said he was very pleased with the vigorous growth of the

plants at the site and thought the landscape contractor was doing an excellent job. The NOAA ship Bell M. Shimada had been at the dock during the past month, as well as R/V Pacific Storm, R/V Thomas G. Thompson, and the ACOE Dredge Yaquina. At the last regular meeting, Fuller had been asked to track how many personnel were on the NOAA and Oregon State University research vessels as they come and go across the bar. Fuller said he was still working on it.

C. Port Dock 5 Project. Project Manager Pete Dale presented an update on the Port Dock 5 repair project. He said he and General Manager Don Mann would interview two engineering firms the following day for a possible contract for the structural work on Port Dock 5. When an engineer had been retained, a scope of work would be developed so contractors could bid on the project itself. Dale said after two bids had been received, a budget could be developed. He said it was his intention to replace the gangway. Commissioner Jincks said he recalled that it had been the direction of the commission to replace the ramp as well. Dale said his initial preliminary budget allowed for that. Commissioner Mathews said he would try to sit in on the engineering firm interviews and Commissioner Barton said there was a possibility that she would be available as well.

D. Rogue Brewery Expansion. Project Manager Pete Dale said he had met with Mike Isaacson, Rogue Ales, that afternoon and another meeting was scheduled the following morning with Isaacson and General Manager Don Mann. Dale said Isaacson had informed him that Rogue planned to start relocating utilities on Monday morning, August 29, 2011, which would mean breaking ground. Dale said he would contact the City to see if blueprints had been reviewed to allow for that. Derrick Tokos, City of Newport, said he was not aware that Rogue had submitted plans for a building permit. Commissioner Jincks pointed out that the Port Commission had created an ad hoc committee to work with Rogue on their proposed expansion, but that committee had not brought findings or a plan back to the board and no action had been taken to approve the project. Dale said he would have more information after the next morning's meeting.

VII. NEW BUSINESS

A. OCZMA Designated Representative and Alternate FY 2011-2012. Commissioner Goblirsch said she would volunteer to be the designated representative to OCZMA with General Manager Don Mann as alternate.

B. NOAA MOC-P Project Budget Closeout. Joshua Dodson, Day CPM, projected the overall closeout budget draft summary onto a screen. The draft study showed revenue items, including lease revenue and mitigation eelgrass escrow; and expense items, including mitigation for recreational access loss, removal of the sand hill, and a miscellaneous contingency for all projects. The expenses were categorized as one-time costs, five-year costs, and ten-year costs. Commissioners Jincks and Barton suggested adding the expense of restoring the sand hill site to accommodate dredged material, as it had been in the past, and Project Manager Pete Dale said he would run an estimate on that. The expense items on the closeout budget totaled \$800,000 and the savings in the project totaled \$1.9 million, leaving a savings of \$1.1 million after expenses. The commission president stated that the commission is considering creating a segregated account within the NOAA lease revenue fund for the \$1.1 million. Dodson noted that Day CPM's contract with the Port would expire the next day; however, permit requirements and follow-up items will be attended to by John van Staveren of Pacific Habitat Services and Rick Fuller, Day CPM. Dodson said Day CPM would lead the final warranty walk-through in one year.

C. Port Dock 1 Sea Lion Floats. Police Chief Mark Miranda introduced Ted Smith, City Librarian. Smith said he had lived in Newport for three years. He was concerned because part of the "sea lion dock" at Port Dock 1 was gone and the remaining dock was partially under water. He said he enjoys the sea lions himself and they are a tremendous draw for the tourists, so he had contacted the City Council, the Chamber of Commerce, and now the Port to see if the dock could be repaired or replaced. He said he realized it would be a money issue but he hoped that the stakeholders could get together and find a remedy. He noted that the sea lions also sit on the sea wall but said that was too far away for the tourists and kids to enjoy them, and he also cited safety issues with the open dock nearer to the sea wall. Speaking as a commercial fisherman, Commissioner Jincks said he didn't think it was fully understood that that dock is a unique and important loading facility for the commercial fleet. He said there had been problems over the past several years with fishermen's access being blocked and their vehicles damaged. Commissioner Mathews said that the sea lions are protected under the Marine Mammal Act that limits approaching them any closer than 100 yards, and noted that the animals are safer on the sea wall because people harass them on the docks at night. He pointed out that the docks the sea lions occupy were originally built as moorage for small boats, but when the sea lions took over the docks there was no way to tie a boat up there. He said another problem was that when a dock is provided for the sea lions, they think all docks are fair game. Mathews said he had taken steps to protect his own docks from the sea lions but they are quite aggressive, and there was also the concern that dealing with injured animals puts Port employees in danger. Commissioner Fleck said he understood that the sea lions took over the docks they currently occupy, but his concern was whether it would even be legal to build a dock for them because of the Marine Mammal Act. He also raised the issue of liability. The chair suggested that a small group, with a representative from the Port, investigate the

regulations and also explore whether another area might be a feasible and healthy alternative for the sea lions. The General Manager said he would follow up.

VIII. MEETING RECESS at discretion of the chair.

There was no meeting recess.

IX. OTHER

General Manager Don Mann introduced Derrick Tokos, City of Newport, who was there to answer questions about the final draft copy of the ordinance for the proposed bayfront parking district. The commissioners had already received an e-mail copy of the ordinance. Tokos said the concept of the parking district was to provide a framework for a citizen advisory committee that represents all the interests in the bayfront area. The Port of Newport's annual contribution to the parking district program would be \$6,000, which Mann said would come out of the general fund. An inter-governmental agreement between the Port and the City relative to the Port's contribution was pending. Commissioner Fleck said it was his understanding that there would be one member representing the entire fishing community on the parking district, and Tokos said that was correct. After some discussion the board asked Tokos to amend the draft ordinance to allow one representative from the Port and one from the fishing community. Tokos said he didn't think that would be a problem. He added that the balance of the advisory committee would be up to the City Council but the goal was proportional representation so that decisions on parking related improvements would have the support of all the interests on the bayfront.

X. PUBLIC COMMENT

There was no public comment.

XI. UPCOMING MEETINGS

- A. Labor Day, September 5, Port office closed
- B. Public Hearing on Bayfront Parking Improvements, September 6, City Council Chambers, 7:00 p.m.
- C. Wild Seafood Weekend, Port Dock 7, September 10-11
- D. Fishermen's Forum, Port Office, September 14, 8:30-9:30 a.m.
- E. Work Session, Port Conference Room, September 27, 12:00 p.m.
- F. Regular Meeting, Port Conference Room, September 27, 6:00 p.m.

XII. ADJOURNMENT

There being nothing more to come before the Board of Commissioners, the meeting was adjourned at 7:50 p.m.

ATTEST:

Ginny Goblirsch, Vice-President

David Jincks, Secretary

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