

**PORT OF NEWPORT
MINUTES
March 14, 2011
SPECIAL MEETING**

I. CALL TO ORDER

Commission President Ginny Goblirsch called the special meeting of the Port of Newport Board of Commissioners to order on Tuesday, March 14, 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, President; David Jincks, Secretary; Don Mathews, Treasurer; Dean Fleck, Assistant Secretary-Treasurer; and JoAnn Barton, Vice-President, via Skype from Ireland.

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

Others Present: Henry Alaman, Mike Day, and Joshua Dodson, Day CPM; Jason Lundy, Oregon State University.

II. SOUTH BEACH MARINA FUEL FACILITY—RETROFIT AND REPAIR

A finalized contract and Scope of Work between the Port of Newport and 4C's Environmental Inc. for the South Beach Marina Fuel Facility retrofit and repair project had been provided for the commissioners' review. A discussion followed about the timeline for the project. Project Manager Pete Dale said the contractor would be required to work out a schedule with the leaseholder, taking the busy times of spring break and the May 12 halibut opener into consideration. The contract did not include a start date but Dale said the target start date would be May 1, 2011. Commissioner Jincks expressed concern about extending the project out in any way that would increase the cost to the Port. Dale said the pumps would be "thirty days out" after they were ordered and the work would start after the equipment arrived. The contract required that the work be substantially completed in ten days. He added that a small amount of time would be needed for start up and a two-day calibration check would be done after the work was completed. Commissioner Fleck asked if overtime would be required to complete the project within such a tight work window, but Dale said the contract price could not be exceeded without prior authorization from the Port.

Commissioner Jincks moved to accept the contract for signature. After a brief discussion, it was the consensus of the commission that the Port should not sign the contract until the contractor had committed to a timeline that the Port could support, so Commissioner Jincks withdrew his motion.

After further discussion about the timeline, the chair called for a motion. Commissioner Barton said she was not comfortable participating in the vote from such a remote location.

Commissioner Jincks moved to approve the contract between the Port of Newport and 4C's Environmental Inc. for the retrofit and repair work at the South Beach Marina Fuel Facility, but delay signing the contract until the Port was satisfied with the contractor's proposed timeline. Commissioner Fleck seconded the motion and it passed 4-0.

Special Projects Manager Maureen Keeler said the contractor had already signed the contract and the originals would be returned to the Port. Project Manager Pete Dale said he would continue to work with General Manager Don Mann and the contractor in establishing a time frame for the project.

III. NOAA MOC-P LEASE MANAGEMENT PROPOSAL—DAY CPM

Joshua Dodson, Day CPM, reviewed the timeline for the NOAA MOC-P Homeport Project, stating that on May 1, 2011, the close out phase of the project would be considered substantially complete and NOAA would occupy the premises for its intended purpose. At that time, it would be the responsibility of the Port to manage the facility in accordance with the lease agreement. The Port's General Manager, Don Mann, had asked Day CPM to put together a lease management plan and research lease managers and lease management companies. Henry Alaman, Day CPM, had been working with the General Manager on that task. Timing was an issue. Some of the larger companies that were interviewed had asked to review all relevant information on the project, which could take well over a month or beyond the May 1 deadline. As a result, Day CPM proposed retaining a full time person who would be trained by Alaman as a maintenance manager during the close out transition to building operation and through the one year warranty period. The maintenance manager would be available around the clock as "boots on the ground", and would have to know the NOAA facility, as well as the local area. The maintenance manager would report to the Port commission and work closely with Port staff. Day CPM would continue as lease manager, providing continuity to the Port and NOAA and support to the maintenance manager with the full services of the company. At the end of one year, the Port would have the option of retaining that individual as a Port employee or continuing with Day CPM in the role of lease manager. A list of lease management duties drawn up by Day CPM was distributed to the commissioners. Day CPM had selected Jason Lundy, a Newport High School Graduate (1994) currently living in Waldport, OR, as a candidate for

maintenance manager. Lundy introduced himself and described his background and the training that led to his job as a steam fitter for Oregon State University (OSU). Lundy had worked on several projects with Henry Alaman of Day CPM. In answer to a question from Commissioner Jincks, Lundy said he had worked with several different software programs at OSU. Mike Day, Day CPM, was researching software systems that would provide a link to NOAA and their facilities. Day said he hoped to have a white paper on software systems for the Port by the end of the week and urged the commission to think of the software purchase as a long term decision from a broad base so that the Port's other assets could benefit from it. Day noted that lease management was not something that was part of Day CPM's core business; however, in this instance it seemed like a good fit and would make for a smooth transition from Andersen-WCC's capital construction phase to occupancy of the new facility by NOAA. Using a hand-made chart, Henry Alaman explained the steps that would be required over the next two months, including training of the maintenance manager, commissioning of the buildings, and pre-functional tasks such as testing the equipment. He emphasized that, even though the lease doesn't start until July 1, 2011, the Port has an obligation to maintain the facility for two months in the interim, in order to maintain the warranty. Joshua Dodson said he had told the NOAA contracting officer about the proposal that Day CPM was making to manage the lease on the Port's behalf, and NOAA was on board with the idea. In answer to a question from Commissioner Mathews, Mike Day said there was a dedicated component within the lease agreement of \$110,000 per year for facilities project management oversight and Day CPM was prepared to work within that cap. He went on to say that while Lundy and Day CPM would be a dedicated resource for the NOAA facility, that didn't mean they couldn't fill other functions as the Port expands and grows. Day said Lundy would have to give a two-week notice to OSU if he left his current job, and Day hoped to have him on board by the first week of April if the Port chose to go that direction. The management team would work out of the mobile office they had used for the past year. A discussion followed as to whether a stand-alone amendment could be done, extending Day CPM's contract through the warranty period, and whether the Port's exemption from personal services contracts would preclude having to advertise for any of the new proposed positions. Commissioner Goblirsch said she would contact the Port's legal counsel and ask him to attend the regular meeting on March 22, 2011. Commissioners Barton and Jincks said they would like to see Jason Lundy's resume and references, and Commissioner Barton encouraged the other commissioners to proceed consciously and expeditiously in hiring a maintenance person. Commissioner Mathews suggested that, in addition to formalizing the contract and white paper with tasks and responsibilities for the commission meeting on March 22, Day CPM could also elaborate on why they recommended Lundy for the position of maintenance manager. In answer to a question from Commissioner Barton, Mike Day said Day CPM would stay on in a lease management role if the Port decided to hire someone else as maintenance manager and would support the Port in whatever capacity was needed. Commissioners Jincks and Barton had worked with Day CPM and the General Manager in researching the requirements of lease management and both agreed to stay on as a committee. Commissioner Jincks said it was the position of the Port that, from "day one" of the NOAA lease, they were working towards the next 20-year lease, so the Port is looking for the best performance. The NOAA MOC-P Lease Management Proposal would be an action item on the agenda for the March 22, 2011 commission meeting.

IV. PUBLIC COMMENT

There was no public comment.

V. OTHER

Commission President Goblirsch said a date would be set at the regular commission meeting on March 22, 2011 for a special work session on the Port ordinance update.

The commissioners thanked Project Manager Pete Dale and the north and south side operations crew for their response during the tsunami alert on Friday, March 11, 2011.

VI. UPCOMING MEETINGS/EVENTS

- A. Work Session and Regular Meeting, Port Conference Room, March 22, 6:00 p.m.

VII. ADJOURNMENT

There being no further business to come before the Special Meeting of the Port Commission, the meeting was adjourned at 1:05 p.m.

ATTEST

Ginny Goblirsch, President

David Jincks, Secretary