

**PORT OF NEWPORT
MINUTES
November 22, 2011
WORK SESSION**

I. CALL TO ORDER

Commission President JoAnn Barton brought the Work Session of the Port of Newport Board of Commissioners to order on Tuesday, November 22, 2011 at 12:00 p.m., in the Port Conference Room, the same being within the boundaries of the Port District.

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

Commissioner Excused: Don Mathews, Treasurer.

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

Others: Frank Berg, Day CPM; Walter Chuck, Newport resident; Yale Fogarty and Pat Ruddiman, ILWU Local 53; Lee Fries, CM/GC Selection Committee; Ginny Goblirsch, former Port Commissioner; Dale Weber, Port Dock Marina Fuel Dock.

II. WORK SESSION ITEMS

A. Terminal Renovation Project.

Frank Berg, project manager for Day CPM, provided an update on the terminal renovation project. He reported that there had been a modification to the joint permit in the past month but the modification did not extend the in-water work window. A meeting with the agencies would be scheduled during the week of November 28, 2011 to discuss the probability and possibility of a one-month in-water work permit extension. Berg said the remediation and demolition of the SS Pasley had been completed and the amount of salvaged steel from the ship had exceeded the \$95,000 estimate. The material inside the cofferdam under the Pasley had been tested and found acceptable for disposal for upland use. Berg said removal of the material was starting that day. Material from the base of the aft peak on the Hennebique was tested and found to contain contaminants so it was hauled to the Coffin Butte facility. Berg noted that a total of 5,463 tons of contaminated material from the two ships had been hauled away. The water treatment system was no longer needed at the site and had been removed, after processing 19.4 million gallons of water. Berg said that pile driving had been started on the east dock and was going very well. He recapped the construction budget and said a total savings of \$3,216,700 had been recognized from previous amendments and rolled back into the construction budget for a GMP of \$15,549,069.68. Berg recommended approval of Amendment No. 14 to the negotiated Construction Manager/General Contractor (CM/GC) agreement between the Port of Newport and Natt McDougall Company. The amendment would be presented for action at the regular meeting that evening. Commission President Barton thanked Berg and Natt McDougall for the "phenomenal" savings that had been realized but cautioned that the Port would have to start working on funding options and a contingency plan other than stopping the project and demobilizing when money for the project ran out in February. General Manager Don Mann suggested and the board agreed that Berg's written and oral reports were sufficient for the board to take action on Amendment No. 14 at the regular meeting that evening. Berg presented a slide show of photographs of work going on at the terminal. The pictures included the empty cofferdam after the Pasley was demolished, pile driving work at the fishing dock, preparations for applying coating to the sea wall, and the loading of contaminated material for transport.

B. Port Dock 5 Header and Gangway

Project Manager Pete Dale reported that GRI Technology Solutions had done an excellent job of supplying Stability Engineering with the information necessary to complete the pile and header calculations for the Port dock 5 header and gangway project, and money had been saved by analyzing core drillings that had been done by the City of Newport previously. He said the construction permit was expected the following week and it would cost approximately \$600. Dale said additional money would be saved on the project by using some of the piling the Port had for the NOAA project, and he noted that the old gangway would be salvaged after it was removed and possibility used at Port Dock 7. A scope of work had been produced and bids

were solicited from three qualified marine contractors. Of those three, two bids were returned and Billeter Marine's bid was \$34,000 less than the competing bid from Bergerson Construction. Dale recommended action at the regular meeting approving Billeter Marine's selection to do the work. Commissioner Jincks introduced Dale Weber, from the Port Dock Marina Fuel Dock (PD-5), and a discussion followed, with comments from Weber, about construction dates. Dale said he was targeting January 9, 2012 to start, pending receipt of the work permits, and he estimated two weeks to complete the entire project. In answer to a question from Commissioner Barton, Dale said he expected that general access would remain open except for a 4-5 day period, and a temporary floating dock would be in place between Port Docks 3 and 5 for alternative access.

C. Rogue Expansion Project

Commissioners Jincks and Fleck had been working with General Manager Don Mann on an amendment to the lease between the Port of Newport and Oregon Brewing Company/Rogue Ales, which would provide additional warehouse space for product storage, cold storage, and brewing. Referring to a drawing projected onto the screen, Mann pointed out the proposed expanded lease footprint of 32,186 square feet. Mann cited the specifics of the lease amendment, which included extending the lease term from 20 to 30 years, and increasing the monthly rent from \$8,560 to \$13,388 per month starting on July 1, 2012. Points of negotiation included outside storage areas, special event activities, and a dedicated pedestrian ramp area. Mann reported that Rogue had submitted drawings to the city for approval and hoped to commence construction with a target completion date of July 1, 2012. Project Manager Pete Dale said he would follow up on some issues, such as storm water drainage. Commissioner Jincks pointed out that Rogue had asked the Port not to approach their contractors with issues during construction, so he asked the General Manager to contact Brett Joyce and Jack Joyce and "get it in writing" as to whom the contact person at Rogue would be if the Port had any concerns. Jincks added that he thought the dedicated pedestrian ramp would provide a good advantage in that area, and Mann said signage would be provided directing pedestrians to the ramp. Commissioner Barton suggested that Commissioners Fleck and Jincks and Don Mann sit down for a debriefing to see what lessons could be learned from the negotiation process with Rogue. Mann asked the commission to consider the lease amendment for final action at the regular meeting that evening.

D. Ordinance

Commissioner Jincks suggested that revising the Port Ordinance as a whole document was overwhelming and suggested considering it in sections, one piece at a time. After a brief discussion, the board decided to devote the next four work sessions to working on the ordinance, and get it done and off the docket. General Manager Don Mann said he had been working with the Port's legal counsel on new language and a new format for the Ordinance and would discuss with him how best to break it down for the work sessions.

E. Strategic Business Plan

The commission had discussed working with a consultant to help develop a strategic business plan based on a new format for state ports, and the General Manager said he would try to have a draft RFP for the commissioners' review at the next meeting.

F. Emergency Plan

Former commissioner Ginny Goblirsch had worked with the General Manager on the Port's emergency plan when she was on the board. Commission President Barton asked if she would be willing to continue to do so as a volunteer, and Goblirsch said she would.

G. Hoist Dock Operations Procedure

The General Manager reported that there had been no further consideration of hoist dock operations procedures since the last meeting with buyers, fishermen, and the commercial marina harbormaster a few months ago. Noting that the busy crab season was coming up, he said special attention would be paid to how manpower was allotted on the hoist dock. He added that he expected hoist dock procedures to move up on the agenda as other items, such as the Port Dock 5 project and Rogue Ales' expansion, were completed and dropped off the agenda.

III. PUBLIC COMMENT

There was no public comment.

IV. OTHER

Commissioner Barton said that officers would be elected at the next regular meeting in order to fill the Vice-President position.

V. ADJOURNMENT

The Work Session was adjourned at 1:05 p.m.

ATTEST

David Jincks, Secretary

Dean Fleck, Asst. Secretary-Treasurer

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