

**PORT OF NEWPORT
MINUTES
September 27, 2011
WORK SESSION**

I. CALL TO ORDER

Commission Vice-President Ginny Goblirsch brought the Work Session of the Port of Newport Board of Commissioners to order on Tuesday, September 27, 2011 at 12:00 p.m., in the Port Conference Room, the same being within the boundaries of the Port District.

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

Commissioners Excused: JoAnn Barton, President.

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

Others: Bill Bain, Newport resident; Frank Berg and Joshua Dodson, Day CPM; Yale Fogarty and Pat Ruddiman, ILWU Local 53; Lee Fries, CM/GC Selection Committee; Natt McDougall, Natt McDougall Company, by speaker phone; Grant Snyder, Wiggins Tug & Barge.

II. WORK SESSION ITEMS

A. Terminal Renovation Project.

1. **Amendment 11—General Contract Remaining Phase 1**
2. **Amendment 12—West Dock and Removal of Cofferdam**

Frank Berg, Day CPM, provided an update on the project budget and discussed Amendments 11 and 12 to the CM/GC contract between the Port and NMC. Berg explained that the construction budget had increased to \$15,578,680 through a loan from Oregon Business Development Department, NOAA MOC-P lease revenue funds, and savings realized from the project, providing enough money in the total construction budget to fund Amendments 11 and 12. Amendment 11 included completion of site preparation work, general conditions expenses from October 2011-March 2012, and partial demobilization of the office and yard facilities. Amendment 12 included removal of the sheet pile containment cell around the Pasley, excavation and dredging of material within the cell and at the west end outside the cell, construction of major features of the cargo dock and partial site work including rip rap. Berg said that work would extend the in-water work window to March 15, 2012.

At that point, a wren flew through the open door into the meeting room. The bird was small in stature but a resident of the Port district. It was waving both wings but was not recognized by the chair because it had interrupted Berg's presentation so was out of order. After making two passes around the room, the wren made a hasty exit. It was the consensus of some in the audience that the bird was confused and thought it was at Oregon Coast Bank because it made a deposit before it left.

Moving on, Berg distributed a copy of a spread sheet that Natt McDougall, NMC, had developed, and McDougall, by speaker phone, discussed the key items on the spread sheet, column by column. McDougall called the spread sheet the "Quad Option" because it took the Terminal Renovation Project from three phases to four. McDougall explained the key items on the spread sheet. Some work items had been separated into in-water, over-water, and on land categories; some items had been "value engineered" out of the project; the majority of the in-water work would be done in the upcoming November work window; and costs had been forecast and potential savings and credits estimated, including sales of salvaged steel and sheet pile. Berg pointed out that the savings through the "Quad Option" and rolling GMP reduced the original construction budget from \$6,600,000 for Phases 2 and 3 to \$3,660,000, and the project completion was reduced from four years to two years. McDougall noted that more savings could be realized from the project by eliminating the west wall of the cargo dock and he also questioned whether the soil stabilization behind the Hennebique would be necessary. In answer to a question from Commissioner Goblirsch, Berg said the project would produce a usable cargo dock and there would be places for boats to tie up during all phases of construction. He added that there would be a "proportional effect" on reducing the soft costs associated with the project, if it was completed by June of 2012 instead of in 2014. General Manager Don Mann recommended that the Commission accept the "Quad Option" and added that the reduced project price would open more doors in dealing with the state agencies about funding. Commissioner Jincks complimented McDougall on the enormous amount of work that had gone into producing the "Quad Option". He said it was an outstanding way to carry the project through and exemplified value engineering at its best. He said he now felt the project was achievable, which he had not a month ago, and the "Quad Option" had his full support. The other

three commissioners concurred. The Commission would take action on Amendments 11 and 12 to the CM/GC contract at the regular meeting that evening.

B. Port Dock 5 Header and Gangway

Project Manager Pete Dale reported that estimates had come in on the gangway and electrical work for the Port Dock 5 Project. He said work was already in progress on the existing floats that would be used to build a new landing for the gangway. Dale said Stability Engineering and GRI Engineering would work together to develop a work scope and the project would go out for bid. General Manager Don Mann said the permit was being reviewed by the agencies and it looked like the project would come in under the estimated \$100,000. Mann said one option would be to start work the first week in November 2011, if the permit comes through in time; another option would be to wait until January 2012. A discussion followed about the impact the project would have on the fleet, since the fishermen would be preparing for crab season in November. Commissioner Mathews suggested polling the fishermen on their preferred timeline for the project. Mann said he had already met with some of the fishermen and would continue the outreach effort through the monthly Fishermen's Forum meetings and posters on the docks. Commissioner Jincks asked Mann to e-mail the commission when flyers were sent out for the next meeting, and Commissioner Fleck said he would talk with the fishermen about the project as well.

C. Rogue Expansion Project

General Manager Don Mann briefed the commission on the proposed expansion of Rogue Ales. He said the project had slowed somewhat and he would schedule another meeting with representatives from the brewery the following week. Commissioner Goblirsch noted that there appeared to be increased interest in development in the South Beach area and the General Manager said proposed construction or expansion plans would be carefully considered and should be incorporated into the Port's Strategic Business Plan.

Mann was excused to attend an Oregon Economic Development Association meeting.

III. PUBLIC COMMENT

Yale Fogarty, ILWU Local 53, noted that the Terminal Renovation Project was a prime example of why the CM/GC was the right process for the project and why picking the right team was important. However, he expressed concern that there were some items not addressed in Natt McDougall's "Quad Option" that he felt would be necessary for a functioning cargo dock. He cited as examples a dolphin to secure ships, cutting back the ro-ro dock to an even face, and dredging to ships' depth. He said those things were important in completing a cargo dock that would build revenue and provide jobs for the community. He suggested that a committee of terminal users could be put together to review the final plans and numbers and make sure nothing was missed. Commissioner Goblirsch recommended that Fogarty get in touch with Don Mann about attending the Thursday project meeting with Berg and McDougall. Commissioner Jincks added that the Port was extremely cautious but thanked Fogarty for his input.

IV. OTHER

Referring to the NOAA MOC-P Project, Joshua Dodson, Day CPM, explained that the law required a final report on the use of the alternative method of contracting, CM/GC, and after the report was accepted by the board it would be made available to the public. Dodson had provided copies of his final report to the commissioners previously and they had no questions or comments. They agreed that Dodson had done a great job and the report was formally accepted.

V. ADJOURNMENT

The Work Session was adjourned at 12:55 p.m.

ATTEST

JoAnn Barton, President

David Jincks, Secretary