

PORT OF NEWPORT REGULAR COMMISSION MEETING AGENDA

Tuesday, November 25, 2014, 6:00 p.m.
Port of Newport Marina and RV Park Activities Room
2120 SE Marine Science Drive, Newport, OR 97365

Walter Chuck (Pos. #1), President; Dean Fleck (Pos. #5), Vice President;
Ken Brown (Pos. #4), Secretary/Treasurer; JoAnn Barton (Pos. #3); David Jincks (Pos. #2)

- I. Call to Order6:00
- II. Changes to the Agenda.....6:01
- III. Public Comment6:02
- IV. Consent Calendar6:08
 - A. Minutes
 - 1. Work Session, Admin Bldg. Open House – October 23, 2014
 - 2. Regular Meeting – October 28, 2014
 - 3. Work Session, Port of Toledo – October 30, 2014
 - 4. Special Meeting, Admin Bldg. – November 3, 2014
 - 5. Special Meeting, Joining NFW Suit – November 20, 2014
 - B. Financial Reports
 - C. Leslie Lee Lease Renewal
 - D. Purchase of 7 Washing Machines for South Beach Marina (\$6,973) and Declare Old Machines as Surplus
 - E. Sea Lion Dock Engineering
- V. Correspondence/Presentations6:13
 - A. Ursual Marinelli, Pacific Communities Health District Foundation for Contribution
 - B. Jim Myers proposal for July 4 Salmon Industry Showcase
 - C. Signe Grimstad, Presentation of Draft Financial Statements and FY 2013-14 Audit
- VI. Old Business
 - A. Accounts Paid (action).....6:25
- VII. New Business
 - A. FY 2013-14 Financial Statements and Representation Letter.....6:28
 - B. Lease Amendment with US Customs trailer6:28
 - C. Amend. #5 with PHS for NOAA Eelgrass Monitoring. (\$25,000)6:28
 - D. Amendment with 4Cs Environmental for Fuel Tank Leak Boring and Testing. (\$18,525).....6:28
 - E. Admin. Building Change in Schedule Status Update.....6:28
- VIII. Staff Reports
 - A. Departmental Reports.....6:50
 - 1. Steve Larrabee, Director of Finance
 - 2. Rick Fuller, NOAA Facilities Manager
 - 3. Kevin Bryant, Commercial Marina Harbormaster
 - 4. Jim Durkee, Terminal Operations Manager
 - 5. Penny Gabrielson, South Beach Occupancy Report
 - 6. Chris Urbach, South Beach Marina Harbormaster
 - 7. Mike Goff, TCB Security
 - 8. Safety Committee Report (no report due to inspections)
 - B. General Manager’s Report6:55
 - 1. Save Our Air Station!
 - 2. Rogue Brewery Expansion, Dec. 9th

	3.	Rondys Lease Addendum Update	
	4.	Review South Beach Policies	
	5.	Special Use Permit Policy	
IX.		Commissioner Reports	7:05
	A.	Holiday Schedules	
X.		Calendar/Future Considerations.....	7:15
	A.	11/27-28 Thanksgiving Day (office closed)	
	B.	12/9 Work Session, Rogue Expansion, 9am, SB	
	C.	January SDAO Assessment	
XI.		Public Comment	7:20
XII.		Adjournment	7:25

Regular meetings are scheduled for the fourth Tuesday of every month at 6:00 p.m.

The Port Newport South Beach Marina and RV Park Activity Room is accessible to people with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours in advance of the meeting to Port of Newport Administration Office at 541-265-7758.

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**PORT OF NEWPORT
MINUTES
October 23, 2014
Administrative Building Meeting**

I. CALL TO ORDER

Capri Architecture and DH Goebel opened this meeting at 5:30 pm at the South Beach Marina Activities Room.

Commissioners Present: Walter Chuck (Pos. #1), President; Ken Brown (Pos. #4), Secretary/Treasurer; and David Jincks, (Pos. #2).

Commissioners Absent: Dean Fleck (Pos. #5), Vice President; and Joanne Barton (Pos. #3).

Port of Newport Management and Staff: Kevin Greenwood, General Manager; Rick Fuller, Facilities manager/NOAA MOC-P; and Darlene Webster, Administrative Assistant.

Others Present: Dietmar Goebel, DH Goebel Architecture; Amanda Capri, Capri Architecture; Dustin Capri, Capri Architecture; Jim Shaw, Local Resident; Rebecca McBee-Wilson and William Wilson, Local Resident; Larry Coonrod, Lincoln County Dispatch; and Spencer Nebel, City of Newport.

II. Changes to Agenda: None

III. Public Comment: No public comment was made.

IV. Presentations/Exercises:

1. Introductions made by all attendees.

Most in attendance were by Commission, Port staff and the Wilson's, who have property adjacent to the Port Administration proposed building site. Twenty property owners were sent invitations to attend this meeting. The Wilson's mentioned that their attendance was to attain more information as to the height of the proposed building. They wanted to review if the height would impact their view from their property. They mentioned that disruption of view from their driveway would be no concern but anywhere else they would need to discuss with the Port.

2. Review of past presentations of design options and background of design alternatives were made.

Different layout locations of previously suggested designs and impact to others such as the Yaquina Bay Yacht Club's ability to have growth if the Admin building was placed adjacent to their building and the added impact to a greater number of residents if the building was to be placed on this east portion of the lot. It was previously determined that the less impact to most would be on the west end of the lot which is under a steeper end of NE 5th street.

3. Review of alternative options was presented with pros and cons indicated per each option pertaining to design layout, functionality and materials used.

Layout of covered walkway that wraps around building, use of natural lighting, use of very durable materials conducive to our coastal weather environment such as corrugated metal (silver in color to match surrounding structures on the bayfront), some cedar accents would be also used but not entirely due to additional maintenance costs it would add. Every consideration was made to insure that the building constructed would utilize the most durable materials to reduce maintenance costs and that would add longevity to this new building.

4. Presentation of current local input to designs was also presented.

Input from local residents was mostly pertaining to aesthetic design to other structures in the surrounding area and use of material for longevity.

5. Current schematic design presented for attendees SWOT Analysis Crawford Slip Exercise, presentation of findings and next steps.

Groups were split into four topics among the attendees in an exercise to analyze and gather more input against the current design. The topics were as follows: Strengths, Weaknesses, Opportunities and Threats. Each group had a certain amount of time to fill out responses onto slips of paper pertaining to their topic and then the answers were analyzed within the group

before presented as a whole to the rest of the other groups. Many views and ideas were shared and it was concluded that the design group has covered a lot of the aspects shared and is on the correct path moving forward. The Wilson's had some final visual concerns due to the height and Capri Architecture indicated to them that they would follow up with some visual aids from their property vantage point so they could be better informed.

V. PUBLIC COMMENT:

Jim Shaw shared a document from another architect reviewing the Port's plans.

VI. ADJOURNMENT

There being nothing more to come before the Commission this meeting was adjourned at 7:00 pm

ATTEST:

Walter Chuck, President

Ken Brown, Secretary/Treasurer

**PORT OF NEWPORT
MINUTES
October 28th, 2014
Regular Meeting**

I. CALL TO ORDER

Commission President Walter Chuck called the regular meeting of the Port of Newport Board of Commissioners to order at 6:03 pm in the Central Lincoln PUD board room.

Commissioners Present: Walter Chuck (Pos. #1), President; Dean Fleck (Pos. #5), Vice President; JoAnn Barton (Pos. #3); David Jincks (Pos. #2).

Commissioners Absent: Ken Brown (Pos. #4), Secretary/Treasurer.

Port of Newport Management and Staff: Kevin Greenwood, General Manager; Stephen Larrabee, Director of Finance; Rick Fuller, NOAA Facilities Manager; Darlene Webster, Administrative Assistant.

Others Present: Dennis Anstine, News Times; Yale Fogarty, Pat Ruddiman and Yale Fogarty, ILWU Local 53; Jim Shaw, South Beach Resident; Lee Fries, Newport; Harold D. Pritchett, Professor Emeritus of OSU Construction Engineering Department; Dick Beemer, Newport City Council; Kiera Morgan, KYTE FM Radio; Jennifer Stevenson and Ginny Goblirsch, Newport Fishermen's Wives; Barb and Wayde Dudley, Newport Residents; Jiah Quayle; Quayle Builders; and Erik Knoder, Regional Economist/Worksource Oregon.

II. Changes to Agenda: Item "D" under New Business was moved up to Correspondence/Presentations.

III. Public Comment: No public comment was made.

IV. Consent Calendar:

Commission reviewed minutes from September 23rd regular meeting, financial reports, declared surplus property and renewed Newport Belle lease (Greenwood noted an amendment was made to the Newport Bell lease agreement prior to this meeting as follows: All that is currently presented in the consent calendar is the same except instead of an increase of 10% and 7½% the tenant would make two biannual payments of \$4800.00.)

Motion by Barton, seconded by Jincks to approve the Consent Calendar as amended. Motion carried 4-0.

V. Correspondence/Presentations:

A. Rob Mills, SDIS/Seal Rock Water District Mgmt Practices Assessment

Mills requested that the commission participate in a pilot program that is under development. This project is an assessment tool called "Management Practices Assessment" to be utilized by special districts to evaluate and assess their own performance of governance through the SDIS division of the SDAO. This program would assist board members to better identify strengths and weaknesses, identify key performance areas, and to determine actions needed to improve best management practices. SDAO has identified those districts those that are classified as "High" and "Low" risk to gather more data from those districts. The Port is in the "Low" risk category and so gathering data from the Port would be helpful to develop the criteria for this category. It was the consensus of the commission to proceed and participate in this project. A special work session would be set up after the New Year as to how to proceed with this new project and the assessment would count toward the Commission's annual board training.

B. Bill Lackner/David Gomberg

Continued correspondence from Lackner to the Port regarding pollution concerns that clam diggers face on Yaquina Bay. Lackner was invited to attend and present within the standard three minute limitation and if the commission viewed that the subject needed further discussion it could be added to the agenda at the next meeting. But for the most part the concerns are out of the area of the Port's jurisdiction and ability to address. The commission did agree that Lackner had some valid concerns, but even if the Port agreed with these concerns, it does not have the ability or jurisdiction to resolve

the problems. The commission did reaffirm its long standing record of going beyond the minimums when it comes to the protection of the environment. Lackner did request a hearing but the commission only holds hearing for topics required by statute. It was the consensus of the commission to offer an open invitation to hear Lackner's concerns in the future during public comment.

C. USCG Request for Fast Response Cutters

The Coast Guard is looking to homeport two fast response cutters between Neah Bay, Washington and Coos Bay, Oregon. The question was asked if the NOAA facility could accommodate these two cutters and the response was that it could with some retrofitting as the cutters would need a floating dock. No expenditures were noted. Port does not have any facilities that could accommodate the FRCs but USCG consultants will be touring the NOAA facility next month.

D. Res. Advocating USCG Air Station Retention

The Port has been working closely with several bodies of government to bring more awareness into this matter by the following actions: stakeholder's meeting by the Port, City of Newport's "Town Hall" Meeting and a Web Page link provided by the Port to collect all data (letters, petitions, etc) pertaining to this subject. Due to timing, the Port is the last of the three agencies to adopt a resolution objecting to the air station closure. Chuck assisted in the development of this resolution. Goblirsch thanked the community for their efforts thus far. Goblirsch mentioned that this is not just a fishermen's or a local issue but a community/Northwest issue. The ramifications of the displacement of the aircraft would be detrimental to all on the coast. The Coast Guard is greatly under staffed from Northern California to Southern Washington which makes this even more serious. Goblirsch noted that thousands of dollars had already been spent to accommodate these aircraft and now to cut them off and move them elsewhere does not make any sense. Goblirsch noted that it should be as American citizens our right to insist on basic and adequate search and rescue for our community and our area, given all the new development we have going on currently (i.e.NOAA operations, thousands of sport boats and our commercial fleet etc.). Goblirsch noted that the core value of the coast guard is "rescuing mariners at sea in distress". Goblirsch reviewed recent documents from congress regarding budget reviews and found that the last two Commandants have assured congress that they could uphold high standards and do more with less. Goblirsch noting that how they spend their budget is at their discretion. Goblirsch also noted that this situation is out of the hands of local government but recognizes the great support they have given thus far and they are our local hero's. Merkley and Schrader had a conference call today with the Commandant and the outcome was that he would delay closure by two weeks. It is hard to say when if anything else can be done and that it will be a tough fight. Goblirsch and Stevenson both commented that continued efforts will be done and thanked the commission for their support. Chuck asked if more could be done by the commission and Goblirsch noted that most efforts need to be done in Washington DC by our congressional delegation at this point. Goblirsch mentioned that she would like to see a hearing review as they do for homeland security, noting that meeting the standards have yet to be met since 2011 (failing each time). Goblirsch noted also that the cutters will not have any air support as well. Jincks requested for Greenwood to contact our Port Lobbyist Ray Bucheger from DC (FBB Federal Relations) to set up a meeting and to start efforts with the appropriate people in getting assistance in Washington prior to this hearing. Goblirsch added that the lobbyist needs to be in contact with the delegation aides as well and that communication needs to cohesive with those supporters in Washington. Bucheger has been kept informed with our situation and has been apprised of the information that can be accessed on our website. Greenwood noted that congress is to reconvene on November 11th and then the new budget will rollover on December 10th that he will convey to Bucheger that action needs to happen prior to December 10th. Another additional option which Greenwood has already taken action on would be to work with the other Ports

that would be affected in Northwest California (Port of Humboldt Bay backup rescue response time would be delayed for one), South Carolina and Southwest Washington thus creating a need and working with their congressional delegation as well for support. This was a recommendation by the Port's own lobbyist in Washington DC by making this a more national supported issue that this would bring this more attention from those in Washington DC. Greenwood to follow up and keep the commission informed.

Motion by Jincks, seconded by Fleck, to Pass The Port of Newport Resolution 2014-14 A Resolution Requesting Preservation of USCG Air Facility at Newport, Oregon Motion carried 4-0.

VI. OLD BUSINESS:

A. Financial Report-Accounts Paid

Accounts Payable conflict was noted by Fleck of "Englund Marine" who was paid this month and would abstain from voting. This would be a quorum vote.

Motion by Barton, seconded by Jincks to approve the Accounts Paid as presented. Motion carried 3-0.

B. International Terminal Engineering/Geotech Contract w/ GRI

The current focus is on the mitigation portion of the project which is the grounds around the culvert area that it was mentioned that possibly a bridge was previously erected around this area and it is the recommendation from Frank Berg to do borings to find out if old pilings or bridge material is still in this area. The contract is for the identification of sub ground conditions around the culvert area. GRI will also be doing the engineering work on this area as well. This would allow McDougal to get us a true cost after the analysis is done. All agencies are in agreement with the process of this work (DEQ, ODFQ & DSL); permits are on hand and have met all reviews back in spring/summer. The contract is for \$35,340 and we do have a credit of \$25K bringing the total cost to the original budget at \$10K over.

Motion by Fleck, seconded by Barton to approve the General Manager to enter into a Contract with GRI for the International Terminal Engineering/Geotech Contract in the amount of \$35,340 Motion carried 4-0.

C. International Terminal Mitigation Construction Contract Amendment No. 31B w/ Natt McDougal Co

This amendment supersedes the previous Amendments 31 and 31A and replaces Amendment 30. Amendment 31B is for the following: Mitigation dredging of the existing dike to the east of Hatfield Road for a GMP of \$223,895.10, Eel Grass dredging required to the west of the NOAA site for a GMP of \$220,885.50 (trying to save money by combining efforts as proposed by Pacific Habitat to dredge this specific area that may promote growth which may resolve the current lack of Eel grass growth mostly on the surrounding beaches due to height; this topic will be addressed further with DSL as to how much or what is the limit to the Eel grass growth issue at a later time but to bear in mind that we are following the lines of what we previously agreed we would accomplish bearing the cost. Commission did spend considerable time and effort by abstaining consultants and experts to assist in this Eel grass matter to be sure to execute the correct process i.e. height level when originally dredging), Provide Rip Rap armoring over a portion of area below the RO-RO dock for GMP of \$33,077.00 and for Additional dredging at the Cargo dock and the removal of the existing RO-RO dock piles to a minimum depth of -35 feet for a GMP of \$157,334.10 (includes upland disposal, disposal onto the Ports 8 acres, includes prep of hard rocky material, includes dredge permit but no water discharge permit due to minimal water drainage into the bay; commission noted to Greenwood to be aware that that area is a low lying area and that we should be watchful, Greenwood would follow up to assure the commission of the design and process), General liability insurance \$1,688.16, and GMP contingency \$20,000.00. Total amount of Amendment 31B is \$656,876.86 and work will begin with the 2014-15 in water work period. A work schedule is still in progress in order to plan a window to resolve the Eel grass issue. Commission did request Greenwood to follow up with an end date/cost and or resolve to the Eel grass requirement.

Motion by Jincks, seconded by Barton to adopt Amendment No 31B to the CMGC agreement between the Port of Newport and Natt McDougall Co. for the International Terminal Renovation in the amount not to exceed \$656,876.86. Motion carried 4-0.

D. Rondys Lease Addendum

Greenwood met with the Hall Family who was also in attendance at the Marine Technologies Summit last week. They spent a considerable amount of time in discussion regarding the lease addendum. Reluctance on behalf of the Hall's to adopt this addendum was felt due to not including a "Memo of Understanding" as part of this lease. Some of the Hall's family would just as well back out the 10 acres in question now and Greenwood agrees as a motion of good faith so the Hall's family can proceed with the Teevin Brothers and the necessary negotiations that needs to happen. The Port would still continue with the MOU to concentrate on areas of concern such as the relocation of the fishermen storage and the balance of the dredge spoils; which could financial impact the Port. Greenwood recommends that this be a priority to the Port and the commission to resolve. Greenwood recommended that after Teevin has completed the construction that the Port take over the management of the spoils. By the Port taking over the property management of this land (grading annually etc necessary to properly maintain this land) it could oversee the site that it does not become a wetlands area. Understanding that there is a future cost associated with this management that we will need to get more information on. Another issue is the paving to the west of the International Terminal Building which was last estimated at a cost of \$130K to pave 1.5 acres which would bring about the needed storage area needed for the fishermen's gear but would take the Port 3 years to recover this expense.

Motion by Barton, seconded by Fleck to adopt the Rondys Lease Addendum and to approve this agreement between the Port of Newport and Rondys Incorporated Motion carried 4-0.

VII. NEW BUSINESS:

A. Turkey Trot Special Event Permit

This event brought to light the inconsistency of charges applied to special use permits. This event applicant indicated that they were a non-profit and that the proceeds would be going to Sam Case Elementary as they did last year. In Greenwood's research he did not receive confirmation as such through no response from the school but through staff's research he believes this event is as presented. But this still brings issues of what to charge consistently to applicants, across the board some events are charged \$5K, \$1K, \$500, \$250 and some no charge. Presented to the commission was a criteria list to establish cost and some sample documents were included for review as well. A base rate would be set and a list of questions with values would determine credit to bring down the base rate. Some questions would be for example is the event applicant a non-profit vs. for-profit, is this event open to the public etc. It was the consensus of the commission to have a standardization of the charges being made, that all applicable permits (i.e. insurance and city permits) are in place, validate that the funds are being allocated as intended and that we also are included in the marketing of the event as contributors. Greenwood noted that it would be difficult to regulate all facets of application (i.e. if the applicant is a legitimate, if city permits have been issued etc) but could be part of the checklist of questions asked.

Motion by Barton, seconded by Fleck to approve the General Manager to authorize a Special Use Permit to the Turkey Trot. Motion carried 4-0.

B. Hearing on Findings and Exempting Public Contracting for Admin Building (ORS 279C.335 (5) (a))

Greenwood opened with what members make up the Admin Building committee as follows: Pritchett, Fuller, Jincks, Brown, Greenwood and Chuck substituted when needed. For the CM/GC (alternate contract method) to be facilitated the Port commission needs to develop findings to make a case for the exemption. Fuller and Greenwood attended a CM/GC public workshop and came away with a list of thirteen findings that need to be commented on. The resolution covers and comments on thirteen findings noting that the findings are not a list of one thru thirteen but overall cover a combination thirteen findings. In overview this will allow the Port to better identify possible areas for cost savings and possibly attain higher quality product at the end. In recap the commission needs to review the findings and pass the resolution to

allow the Port to move forward with the CM/GC contracting method. Fuller added that history for CM/GC type of contracting is good. Greenwood reiterated the conclusion points as presented on page 5.

October 28th meeting was adjourned at 7:29 pm.

Opened Public Hearing on Findings and Exempting Public Contracting for Admin Building in accordance to (ORS 279C.335 (5) (a)) at 7:30 pm.

Chuck asked for any public comments and no public comments were made.

Public Hearing adjourned at 7:31 pm.

October 28th meeting re-adjourned at 7:32 pm.

C. Res. Adopting Findings and Exempting Public Contracting for Admin Building

Commission comments made were in thanking staff and Professor Emeritus Pritchett for assisting the Port in this CM/GC process that the Port has continued for sometime in their past projects. Greenwood noted that an upcoming meeting on November 3rd will allow commission to approve the final schematic drawing and the bid documents that will be used and issued on November 5th.

Motion by Barton, second by Fleck to adopt Resolution 2014-13 A Resolution Exempting Contract from Competitive bidding for the Port Admin Building. Motion carried 4-0.

VIII. STAFF REPORTS:

Discussion

Chuck asked if the issue with the boats to be seized was resolved and Greenwoods response was that two of the three have been liquidated.

B. General Manager's Report

1. Ports of Newport/Toledo Goal Setting Work Session

Greenwood presented the agenda for the upcoming joint work session meeting.

2. Port Attorney Evaluation

This is still in progress and more information will be presented at a later date.

3. Rogue Brewery Expansion

This is still in progress and awaiting more information from Rogue and will be presented at a later date.

4. Insurance Renewal

This is still in progress (Greenwood will need to take one quick class in order to proceed) and more information will be presented at a later date.

IX. COMMISSIONER REPORTS:

Fleck gave the results of the "Udaman" tournament that it was very successful, with over 54 boats that entered, a beautiful day, lots of fish caught, most of the prizes this year going to local residents, 10 year old boy won first place this year, Dustin Boatwright 1st place, Don Schmidt 2nd place and Mark Sax 3rd place. Coho competition had an entry fee of \$10 with a collection of \$850.00 giving ½ the proceeds to this winner Chad Freeborn \$425.

Barton attended the Marine Technology Summit this year 135 registered to attend over the 85 from last year. The keynote speakers were fantastic and that this is a sector of the economy that can/should continue to grow with support from relevant members of the community. Barton also noted that she would be resigning as the Port Liaison from Yaquina Bay Ocean Observing Initiative (YBOOI) steering community in June of 2015.

Chuck reviewed with the commission the upcoming holiday schedule to remain on the 25th of November but to move up the regular meeting in December to the 16th of December. Chuck presented an email sent to the commission from Chris Olson of Newport Marina Store &

Charters regarding the policy change made last month and how other charters are not operating under the guidelines as presented by the Port in South Beach. Greenwood would follow up and get more information and would try to set up a written policy to present at a later date.

X. PUBLIC COMMENT:

No public comments.

XI. UPCOMING MEETINGS/EVENTS: Calendar was reviewed with no comments.

XII. ADJOURNMENT

There being nothing more to come before the Board of Commissioners, the meeting was adjourned at 7:45 pm.

ATTEST:

Walter Chuck, President

Ken Brown, Secretary/Treasurer

PORT OF NEWPORT & PORT OF TOLEDO
MINUTES
October 30, 2014
JOINT WORK SESSION MEETING
2014-15 Goal-Setting

I. CALL TO ORDER

Toledo Commission President Rick Graff called joint work session to order at 5:50 pm at the Port of Toledo administration office.

Commissioners Present: Toledo: Rick Graff; Penny Ryerson; Gregg Harrison; Chuck Gerttula and Mike Kriz. Newport: Walter Chuck (Pos. #1); JoAnn Barton (Pos. #3); and David Jincks, (Pos. #2).

Commissioners Absent: Dean Fleck, Vice President; Ken Brown (Pos. #4), Secretary/Treasurer.

Management and Staff: Toledo: Bud Shoemake, General Manager; Leo Newberg, Boatyard Manager; Debbie Scacco, Office Manager. Newport: Kevin Greenwood, General Manager.

Others Present: None

II. Changes to Agenda: None

III. Goal of Having an Annual Joint Meeting:

- A. Ports have facilities that complement each other.
- B. Manager Shoemake outlined Port of Toledo's district boundaries.

IV. Identifying Areas of Mutual Interest:

- A. Building McCaffrey Island into a Marine Park
 - 1. Currently island for sale
 - 2. Check for available grants
 - 3. Suggestion that Jim Chambers could coordinate project
 - 4. Breakdown river into two or three stops for boat camping
 - 5. Develop wildlife trail.
 - 6. Great idea to increase water recreation opportunities
 - 7. Could be managed by Lincoln County, Port of Newport, State Parks or OMSI
- B. Market the River
 - 1. Develop water trails
 - 2. Develop landside boater's access
- C. Get DSL to take responsibility for abandoned river piling
- D. Dredging
 - 1. Importance of keeping Yaquina Boat Equipment accessible
 - 2. Depot Slough on a 10 year schedule – Dredge 3 years ago
 - 3. Securing Sediment Disposal Site a priority
 - 4. Toledo Airport was suggested for disposal site
- E. Joint Marketing of Facilities – Services
 - 1. Port of Toledo going to Fish Expo – will incorporate Terminal in marketing
 - 2. Marketing Newport Terminal for staging facilities before/after visit to Boatyard or YBE.
- F. Concern raised about vessels scuttled on Yaquina Estuary
 - 1. Look at Wreck Removal legislation in Alaska
 - 2. Start discussion at OPPA
- G. DOGAMI Tsunami preparedness – Pilot Program

1. Ports of Newport and Toledo have been approached

V. Adding Canoe Jousting to the Yaquina Cup competition:

A. Manager Shoemake would like to make jousting a big event-schedule and publicize challengers similar to the Cardboard Boat Ports challenge this year.

VI. Yaquina Cup:

- A. Everyone was in agreement to support the other Port's project
- B. Port of Newport's Port Dock 7 is an upcoming important project

VII. MEETING RECESS: at the discretion of the chair, no meeting recess was taken.

VIII. OTHER:

- A. Suggestion to schedule a joint work session again next October at Port of Newport
- B. Discussion regarding Terminals project
- C. Port of Newport highly recommended using Frank Berg as a Project Manager

IV. PUBLIC COMMENT: None

X. UPCOMING MEETINGS/EVENTS: None

XI. ADJOURNMENT:

There being nothing more to come before the Commission, the meeting was adjourned at 7:45 pm.

ATTEST:

Walter Chuck, President

Ken Brown, Secretary/Treasurer

PORT OF NEWPORT
MINUTES
November 3, 2014
Special Meeting

I. Call to Order/Introductions

The Special Meeting of the Port of Newport to discuss the Administration Building bid documents was called to order by Walter Chuck, President, 12:00 pm in the South Beach Marina Activities Room.

Commissioners Present: David Jincks, Walter Chuck, JoAnn Barton.

Commissioners Absent: Dean Fleck, Ken Brown.

Port of Newport Management and Staff: Kevin Greenwood, General Manager; Rick Fuller, NOAA MOC-P Manager.

Others Present: Dietmar Goebel, Dustin Capri, Amanda Capri, Hal Pritchard, Dennis Anstine, Lee Fries, Jim Shaw.

II. Introductions/Background/SWOT Analysis from Open House

Greenwood reviewed the steps previously taken by the Building Committee and Port Commission. It was noted that the Commission at their last regular meeting on Oct. 28 had adopted a resolution allowing for the CMGC alternate construction method. A public open house was hosted by the commission on October 23rd which allowed members of the community to make comment and participate in the design process. Dustin Capri reviewed the alternatives presented at the open house and the preferred alternative that took the best of the alternatives. Capri recapped the strengths, weaknesses, opportunities and threats of the designs.

III. Review and Approve Schematic Design

Capri discussed ADA bathroom layouts, position of administrative assistant in relation to general manager's office and the placement of the meeting room door. Also noted that the leased spaces may share a bathroom. Capri noted that further changes may occur but that the schematic design is part of the bid documents for the CMGC. Discussion about the inclusion of a "cricket" which is a design element used in roof valleys to direct rain out of the valleys and into the gutter system. Capri also discussed the use of windows including clerestory windows that will add natural light to every work station in the office. Windows will be operable as part of the ventilation system.

Discussion about the roofing material that would be used on the eaves above the outside walking areas around the building. The roofing material was left over from the NOAA project and could keep the costs down if re-purposed on the admin building. Question about the importance of the construction warranty having expired and the risk related to that. Fuller noted that the CMGC would be able to evaluate those issues.

Barton thanked the Building Committee for the work done on evaluating all the design elements. Pritchard noted that he would have preferred for the general manager's office to have a crow's nest but he understood that current ADA rules made it cost prohibitive.

Motion made by Barton, seconded by Jincks, to approve the final schematic design as presented. Motion carried 3-0.

IV. Review and Approve Bid Documents

Fuller discussed the committee's development of the bid documents. In addition to the committee's review, Fuller also talked individually with Pritchard, Greenwood and others. He will be serving as the owner's representative during construction and noted that the CMGC will have a project manager on site. This project is small compared to past projects that the Port has recently completed.

Commission discussed the evaluation criteria. The Commission agreed that the building committee will score the proposals. Discussion about the use of local contractors and that local business participation can garner as much as 15% of a bidder's score. Also discussion about

contractor's experience with CMGC. There was agreement not to make that too large of a concern as many strong construction companies might not have specific experience in CMGC. It was added that Fuller (acting as owner's rep), Port Commission, and the architects have ample CMGC experience which would greatly aide in the contracting method. Pritchard agreed that the CMGC process should be a strong opportunity for a local contractor and that the port should advertise as widely as possible.

Jincks suggested training for committee members unfamiliar with scoring CMGC proposals. Fuller shared that after the initial screening it could be short-listed down to five or less. Discussion about reaching out early to local contractors and whether that would be ethical. Greenwood noted that the documents will be available on the port's website and advertised in the Daily Journal of Commerce and the News-Times and that letting local contractors know of the opportunity is standard practice.

Discussion about the schedule and the holidays. Documents will be issued this Wednesday and proposals are due before Thanksgiving (three weeks). Capri noted that three weeks is adequate time to pull a proposal together. Fuller's goal is to have the contractor on board early in the new year. Commission agreed to schedule a special meeting, if needed, to finalize the contract around January 1.

Motion made by Barton, seconded by Jincks, to approve the bid documents as presented.
Motion carried 3-0.

V. Next Steps

Bid documents will hit the street on Wednesday. Commission reviewed the owner's schedule produced by Fuller. Discussion about tracking finances and keeping on budget. It was noted that the budget categories have all been added into the accounting software and that finance staff has experience in tracking CMGC expenses. Also discussed fixture costs are part of the overall budget and will be developed later during the construction. Staff should be receiving a geotechnical soil conditions report this week and the report will be issued to interested bidders as an addendum. Greenwood also added that in the next few months staff will create a supplemental budget resolution to move the funds from the NOAA fund to the Construction fund.

VI. Public Comment

Jim Shaw noted that he had shared the Port's schematic plans to a relative of his who is an architect. He submitted the architect's comments into the record. He noted that the port had incorporated many of his ideas into the current plan.

V. Adjournment

There being nothing more to come before the Board of Commissioners, the meeting was adjourned at 1:09 pm

ATTEST:

Walter Chuck, President

Ken Brown, Secretary/Treasurer

PORT OF NEWPORT
MINUTES
November 20, 2014
Special Meeting

I. Call to Order/Introductions

The Special Meeting of the Port of Newport to discuss joining the Fishermen's Wives (NFW) as Plaintiffs in a Federal Court lawsuit challenging the planned decommissioning of the air rescue station was called to order by Walter Chuck, President, 12:01 pm in the South Beach Marina Activities Room.

Commissioners Present: David Jincks, Walter Chuck, Dean Fleck, Ken Brown.

Commissioners Absent: JoAnn Barton.

Port of Newport Management and Staff: Kevin Greenwood, General Manager.

Others Present: Wayde & Barb Dudley, Lee Fries, Kiera Morgan, Larry Coonrod, Sara Skamser, Spencer Nebel, David Allen, Dennis Anstine.

II. Introductory Comments, Walter Chuck

Chuck welcomed those in attendance to the Special Meeting and gave background on the topic. Originally the Port had been asked to join the NFW as co-plaintiffs by Mike Haglund, the NFW attorney, but Chuck felt that it was important that the Port not go it alone and inquired to the other agencies (city and county) participation. He thanked the city and county for participating and looks forward to a victorious, collaborative effort in retaining the air station.

III. Staff Report

Greenwood noted that he had been working closely with the Wayne Belmont and Nebel to help provide a conduit for public information on the air station closure. Haglund felt that it would be helpful if the Port participated to show that the "public's interest" had been covered. Greenwood's only concern was that the action would not be perceived by the state's federal delegation as counter-productive and he indicated that there was no concern about the effort.

Motion made by Fleck that the Port of Newport join as plaintiff with the Fishermen's Wives, City of Newport, Lincoln County and other parties in a federal court lawsuit challenging the legality of the U.S. Coast Guard's planned decommissioning of its air rescue station in Newport. Seconded by Brown. Motion passed 4-0.

Brief discussion about the Port's financial role in the effort. Chuck noted that the NFW had not asked the public bodies for financial assistance and their fundraising efforts have been fruitful. Greenwood noted that the Commission may consider financial assistance within budgetary restrictions at any time.

IV. Public Comment

Nebel noted that the City Council will be considering the same motion on Friday at Noon and looks forward to participating. He shared how impressed he's been with the community's advocacy on the matter. Ken Brown indicated that he will represent the Port at the City meeting.

V. Adjournment

There being nothing more to come before the Board of Commissioners, the meeting was adjourned at 12:12 pm

ATTEST:

Walter Chuck, President

Ken Brown, Secretary/Treasurer

Port of Newport

600 S. E. BAY BOULEVARD NEWPORT, OREGON 97365 (541) 265-7758 FAX (541) 265-4235 www.portofnewport.com

Memo

To: Port of Newport Commissioners
From: Stephen Larrabee, Director of Finance
Date: November 20, 2014

Financials:

October year to date financials are attached. Overall income is up and expenses are down, the positive trend continues.

Finance Operations:

The Finance team has met with each facility manager to discuss the monthly financial reports to ensure that they are getting the information they need to help operate their areas efficiently and to answer any questions they may have. The staff continues to work diligently on the South Beach Operations Manual to identify ways to create better operations and procedures.

Special Projects:

Staff has received two quotes to upgrade our computer technology and is awaiting a third one. The Finance team and facility managers have met with three vendors to discuss our security needs and are awaiting quotes. The South Beach staff and the Finance Director have met to discuss upgrading the work stations at the RV Park based on an independent assessment done by SDIS and have obtained a quote to purchase equipment. The Finance team drafted and submitted a grant to help cover these costs.

Insurance:

Staff has been analyzing past efforts and working towards trying to obtain the additional insurance costs that the Port feels are owed to them under the NOAA lease. This has included reviewing lease documents and past communications, sending requests to NOAA asking them to create a supplemental lease to include these costs and working with our legal representative to obtain a legal opinion on this matter.

Port of Newport Operating Fund
Balance Sheet
As of October 31, 2014

	Oct 31, 14	Oct 31, 13	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Available Cash & Equivalents	1,207,576.64	619,745.64	587,831.00
Restricted Cash & Equivalents	455,266.69	546,401.74	-91,135.05
Total Checking/Savings	1,662,843.33	1,166,147.38	496,695.95
Accounts Receivable			
Accounts Receivable	213,285.20	60,620.65	152,664.55
Total Accounts Receivable	213,285.20	60,620.65	152,664.55
Other Current Assets			
Allow for Bad Debt - CM	-10,000.00	-10,000.00	0.00
Allow for Bad Debt - SB	-4,000.00	-4,000.00	0.00
AR Property Tax	10,334.60	8,054.60	2,280.00
Assets Held For Sale	5,609.93	0.00	5,609.93
Cash Clearing	2,824.52	0.00	2,824.52
Due from other Port Funds	13,713.46	44,988.26	-31,274.80
Prepaid Expenses	171,042.36	44,104.14	126,938.22
Total Other Current Assets	189,524.87	83,147.00	106,377.87
Total Current Assets	2,065,653.40	1,309,915.03	755,738.37
Fixed Assets			
Capital Assets	88,045,452.17	89,128,397.64	-1,082,945.47
Total Fixed Assets	88,045,452.17	89,128,397.64	-1,082,945.47
TOTAL ASSETS	90,111,105.57	90,438,312.67	-327,207.10
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	100,582.90	43,247.64	57,335.26
Total Accounts Payable	100,582.90	43,247.64	57,335.26
Other Current Liabilities			
Accrued Interest Payable	90,347.00	90,347.00	0.00
Accrued Property Taxes	0.00	32,887.87	-32,887.87
Current Portion-Long Term Debt	177,258.39	177,258.39	0.00
Due to other Port Funds	111,014.46	0.00	111,014.46
Payroll Liability	22,950.11	46,980.00	-24,029.89
Prepaid Moorage and Deposits	1,350.00	12,119.00	-10,769.00
Total Other Current Liabilities	402,919.96	359,592.26	43,327.70
Total Current Liabilities	503,502.86	402,839.90	100,662.96
Long Term Liabilities			
2013 FF&C Bond Premium	135,465.75	135,465.75	0.00
Long Term Debt	8,771,100.61	8,739,743.61	31,357.00
Total Long Term Liabilities	8,906,566.36	8,875,209.36	31,357.00
Total Liabilities	9,410,069.22	9,278,049.26	132,019.96
Equity			
Contributed Capital	7,130,788.00	7,130,788.00	0.00
Fund Balance	-6,459,438.45	-5,722,419.16	-737,019.29
Opening Balance Equity	79,446,413.75	79,446,413.75	0.00
Net Income	583,279.06	305,480.82	277,798.24
Total Equity	80,701,042.36	81,160,263.41	-459,221.05
TOTAL LIABILITIES & EQUITY	90,111,111.58	90,438,312.67	-327,201.09

Port of Newport Operating Fund
Profit & Loss Budget vs. Actual
 July through October 2014

	<u>Jul - Oct 14</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Ordinary Income/Expense			
Income			
Lease Revenues	210,137.24	569,438.00	-359,300.76
Shipping Terminal Revenues	3,007.48	10,000.00	-6,992.52
Hoist Dock & Services	141,440.98	385,500.00	-244,059.02
Moorage	453,670.58	1,135,000.00	-681,329.42
Launch Ramp & Trailer Storage	38,660.50	58,000.00	-19,339.50
Miscellaneous Revenue	9,013.76	32,600.00	-23,586.24
RV Parks	450,804.88	552,500.00	-101,695.12
Total Income	<u>1,306,735.42</u>	<u>2,743,038.00</u>	<u>-1,436,302.58</u>
Gross Profit	1,306,735.42	2,743,038.00	-1,436,302.58
Expense			
Personal Services	270,091.67	1,124,806.00	-854,714.33
Materials & Services	388,785.37	1,328,297.00	-939,511.63
Debt Services	71,381.04	578,205.00	-506,823.96
Total Expense	<u>730,258.08</u>	<u>3,031,308.00</u>	<u>-2,301,049.92</u>
Net Ordinary Income	576,477.34	-288,270.00	864,747.34
Other Income/Expense			
Other Income			
Property Tax Revenue	13,561.58	88,750.00	-75,188.42
Fund Transfers In	0.00	25,000.00	-25,000.00
Gain/(Loss) on Sale of Assets	100.00		
Grant & Loan Proceeds	-903.00	17,200.00	-18,103.00
Interest Income	1,515.49	2,500.00	-984.51
Miscellaneous	3,736.90		
Property & Dredge Sales	246.00	5,000.00	-4,754.00
Total Other Income	<u>18,256.97</u>	<u>138,450.00</u>	<u>-120,193.03</u>
Other Expense			
Breakin Replacement	11,736.04		
Total Other Expense	<u>11,736.04</u>		
Net Other Income	6,520.93	138,450.00	-131,929.07
Net Income	<u><u>582,998.27</u></u>	<u><u>-149,820.00</u></u>	<u><u>732,818.27</u></u>

Port of Newport Operating Fund
Profit & Loss Budget vs. Actual - Admin
 July through October 2014

	<u>Jul - Oct 14</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Ordinary Income/Expense			
Income			
Lease Revenues	203,686.39	569,438.00	-365,751.61
Hoist Dock & Services	1,255.20		
Moorage	401.00		
Miscellaneous Revenue	969.99		
Total Income	<u>206,312.58</u>	<u>569,438.00</u>	<u>-363,125.42</u>
Gross Profit	206,312.58	569,438.00	-363,125.42
Expense			
Personal Services	87,810.35	484,982.00	-397,171.65
Materials & Services	110,587.53	380,037.00	-269,449.47
Debt Services	4,463.00	16,912.00	-12,449.00
Total Expense	<u>202,860.88</u>	<u>881,931.00</u>	<u>-679,070.12</u>
Net Ordinary Income	3,451.70	-312,493.00	315,944.70
Other Income/Expense			
Other Income			
Property Tax Revenue	13,561.58	88,750.00	-75,188.42
Fund Transfers In	0.00	25,000.00	-25,000.00
Gain/(Loss) on Sale of Assets	100.00		
Grant & Loan Proceeds	0.00	16,500.00	-16,500.00
Interest Income	1,515.49	2,500.00	-984.51
Miscellaneous	3,736.90		
Total Other Income	<u>18,913.97</u>	<u>132,750.00</u>	<u>-113,836.03</u>
Net Other Income	<u>18,913.97</u>	<u>132,750.00</u>	<u>-113,836.03</u>
Net Income	<u><u>22,365.67</u></u>	<u><u>-179,743.00</u></u>	<u><u>202,108.67</u></u>

2:49 PM
 11/18/14
 Accrual Basis

Port of Newport Operating Fund
Profit & Loss Budget vs. Actual - NIT
 July through October 2014

	<u>Jul - Oct 14</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Ordinary Income/Expense			
Income			
Lease Revenues	6,450.85		
Shipping Terminal Revenues	3,001.36	7,500.00	-4,498.64
Hoist Dock & Services	49,139.90	139,500.00	-90,360.10
Moorage	26,009.20	60,000.00	-33,990.80
Miscellaneous Revenue	1,958.07		
Total Income	<u>86,559.38</u>	<u>207,000.00</u>	<u>-120,440.62</u>
Gross Profit	86,559.38	207,000.00	-120,440.62
Expense			
Personal Services	17,354.94	59,810.00	-42,455.06
Materials & Services	30,750.56	99,262.00	-68,511.44
Debt Services	62,741.24	449,005.00	-386,263.76
Total Expense	<u>110,846.74</u>	<u>608,077.00</u>	<u>-497,230.26</u>
Net Ordinary Income	<u>-24,287.36</u>	<u>-401,077.00</u>	<u>376,789.64</u>
Net Income	<u><u>-24,287.36</u></u>	<u><u>-401,077.00</u></u>	<u><u>376,789.64</u></u>

3:56 PM
 11/18/14
 Accrual Basis

Port of Newport Operating Fund
Profit & Loss Budget vs. Actual - SB
 July through October 2014

	<u>Jul - Oct 14</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Ordinary Income/Expense			
Income			
Hoist Dock & Services	4,631.40	9,500.00	-4,868.60
Moorage	264,932.58	675,000.00	-410,067.42
Launch Ramp & Trailer Storage	38,444.50	58,000.00	-19,555.50
Miscellaneous Revenue	3,982.91	28,600.00	-24,617.09
RV Parks	450,804.88	552,500.00	-101,695.12
Total Income	<u>762,796.27</u>	<u>1,323,600.00</u>	<u>-560,803.73</u>
Gross Profit	762,796.27	1,323,600.00	-560,803.73
Expense			
Personal Services	91,723.13	308,951.00	-217,227.87
Materials & Services	171,255.50	549,589.00	-378,333.50
Debt Services	1,858.20	105,332.00	-103,473.80
Total Expense	<u>264,836.83</u>	<u>963,872.00</u>	<u>-699,035.17</u>
Net Ordinary Income	497,959.44	359,728.00	138,231.44
Other Income/Expense			
Other Income			
Grant & Loan Proceeds	-903.00	700.00	-1,603.00
Property & Dredge Sales	246.00	5,000.00	-4,754.00
Total Other Income	<u>-657.00</u>	<u>5,700.00</u>	<u>-6,357.00</u>
Other Expense			
Breakin Replacement	11,736.04		
Total Other Expense	<u>11,736.04</u>		
Net Other Income	<u>-12,393.04</u>	<u>5,700.00</u>	<u>-18,093.04</u>
Net Income	<u><u>485,566.40</u></u>	<u><u>365,428.00</u></u>	<u><u>120,138.40</u></u>

Port of Newport Operating Fund
Profit & Loss Budget vs. Actual - CM
 July through October 2014

	<u>Jul - Oct 14</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Ordinary Income/Expense			
Income			
Shipping Terminal Revenues	6.12	2,500.00	-2,493.88
Hoist Dock & Services	86,374.48	236,500.00	-150,125.52
Moorage	162,327.80	400,000.00	-237,672.20
Launch Ramp & Trailer Storage	216.00		
Miscellaneous Revenue	2,180.18	4,000.00	-1,819.82
Total Income	<u>251,104.58</u>	<u>643,000.00</u>	<u>-391,895.42</u>
Gross Profit	251,104.58	643,000.00	-391,895.42
Expense			
Personal Services	73,203.25	271,063.00	-197,859.75
Materials & Services	75,454.66	299,409.00	-223,954.34
Debt Services	2,318.60	6,956.00	-4,637.40
Total Expense	<u>150,976.51</u>	<u>577,428.00</u>	<u>-426,451.49</u>
Net Ordinary Income	<u>100,128.07</u>	<u>65,572.00</u>	<u>34,556.07</u>
Net Income	<u><u>100,128.07</u></u>	<u><u>65,572.00</u></u>	<u><u>34,556.07</u></u>

Port of Newport - NOAA Fund
Balance Sheet
As of October 31, 2014

	<u>Oct 31, 14</u>	<u>Oct 31, 13</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
Cash & Equivalents	4,877,508.55	4,942,063.81	-64,555.26
Total Checking/Savings	4,877,508.55	4,942,063.81	-64,555.26
Other Current Assets			
Prepaid Expenses	17,112.97	27,143.13	-10,030.16
Bond Costs (net amortization)	587,640.00	587,640.00	0.00
Total Other Current Assets	604,752.97	614,783.13	-10,030.16
Total Current Assets	5,482,261.52	5,556,846.94	-74,585.42
TOTAL ASSETS	<u>5,482,261.52</u>	<u>5,556,846.94</u>	<u>-74,585.42</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	4,651.10	-562.86	5,213.96
Total Accounts Payable	4,651.10	-562.86	5,213.96
Other Current Liabilities			
Vacation Payable	577.00	-71.00	648.00
Current Portion-Long-Term Debt	790,000.00	790,000.00	0.00
Accrued Interest Payable	509,285.00	509,285.00	0.00
Total Other Current Liabilities	1,299,862.00	1,299,214.00	648.00
Total Current Liabilities	1,304,513.10	1,298,651.14	5,861.96
Long Term Liabilities			
Long-Term Debt	22,343,121.00	22,343,121.00	0.00
Total Long Term Liabilities	22,343,121.00	22,343,121.00	0.00
Total Liabilities	23,647,634.10	23,641,772.14	5,861.96
Equity			
Opening Balance Equity	-17,956,077.71	-17,956,077.71	0.00
Unrestricted Net Assets	503,898.28	781,075.07	-277,176.79
Net Income	-713,193.15	-909,922.56	196,729.41
Total Equity	-18,165,372.58	-18,084,925.20	-80,447.38
TOTAL LIABILITIES & EQUITY	<u>5,482,261.52</u>	<u>5,556,846.94</u>	<u>-74,585.42</u>

9:34 AM

11/19/14

Accrual Basis

Port of Newport - NOAA Fund
Operating Statement Budget vs. Actual
July through October 2014

	<u>Jul - Oct 14</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Ordinary Income/Expense			
Income			
Lease Income	847,046.04	2,538,000.00	-1,690,953.96
Interest Income	3,381.81	10,000.00	-6,618.19
Total Income	<u>850,427.85</u>	<u>2,548,000.00</u>	<u>-1,697,572.15</u>
Expense			
Personal Services	32,857.40	106,975.00	-74,117.60
Materials & Service	114,556.19	382,387.00	-267,830.81
Debt Service	1,414,291.88	2,001,500.00	-587,208.12
Total Expense	<u>1,561,705.47</u>	<u>2,490,862.00</u>	<u>-929,156.53</u>
Net Ordinary Income	-711,277.62	57,138.00	-768,415.62
Other Income/Expense			
Other Expense			
Capital Outlay	1,915.53		
Fund Transfers Out	0.00	150,000.00	-150,000.00
Contingency	0.00	100,000.00	-100,000.00
Total Other Expense	<u>1,915.53</u>	<u>250,000.00</u>	<u>-248,084.47</u>
Net Other Income	<u>-1,915.53</u>	<u>-250,000.00</u>	<u>248,084.47</u>
Net Income	<u><u>-713,193.15</u></u>	<u><u>-192,862.00</u></u>	<u><u>-520,331.15</u></u>

Facility Maintenance Reserve Fund
Balance Sheet
As of October 31, 2014

	<u>Oct 31, 14</u>	<u>Oct 31, 13</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
Umpqua Bank - Money Market	166,635.26	290,197.93	-123,562.67
Total Checking/Savings	<u>166,635.26</u>	<u>290,197.93</u>	<u>-123,562.67</u>
Total Current Assets	<u>166,635.26</u>	<u>290,197.93</u>	<u>-123,562.67</u>
TOTAL ASSETS	<u><u>166,635.26</u></u>	<u><u>290,197.93</u></u>	<u><u>-123,562.67</u></u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	15,234.35	0.00	15,234.35
Total Accounts Payable	<u>15,234.35</u>	<u>0.00</u>	<u>15,234.35</u>
Total Current Liabilities	<u>15,234.35</u>	<u>0.00</u>	<u>15,234.35</u>
Total Liabilities	15,234.35	0.00	15,234.35
Equity			
Fund Balance	166,595.95	96,288.94	70,307.01
Net Income	<u>-15,195.04</u>	<u>193,908.99</u>	<u>-209,104.03</u>
Total Equity	<u>151,400.91</u>	<u>290,197.93</u>	<u>-138,797.02</u>
TOTAL LIABILITIES & EQUITY	<u><u>166,635.26</u></u>	<u><u>290,197.93</u></u>	<u><u>-123,562.67</u></u>

Construction Fund - Port of Newport
Balance Sheet
 As of October 31, 2014

	<u>Oct 31, 14</u>	<u>Oct 31, 13</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
Construction Fund Bank Accts	654,187.68	781,562.39	-127,374.71
Total Checking/Savings	<u>654,187.68</u>	<u>781,562.39</u>	<u>-127,374.71</u>
Accounts Receivable			
Accounts Receivable	0.00	200,368.00	-200,368.00
Total Accounts Receivable	<u>0.00</u>	<u>200,368.00</u>	<u>-200,368.00</u>
Total Current Assets	<u>654,187.68</u>	<u>981,930.39</u>	<u>-327,742.71</u>
TOTAL ASSETS	<u><u>654,187.68</u></u>	<u><u>981,930.39</u></u>	<u><u>-327,742.71</u></u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
A/P - Construction	4,273.20	6,823.40	-2,550.20
Total Accounts Payable	<u>4,273.20</u>	<u>6,823.40</u>	<u>-2,550.20</u>
Total Current Liabilities	<u>4,273.20</u>	<u>6,823.40</u>	<u>-2,550.20</u>
Total Liabilities	4,273.20	6,823.40	-2,550.20
Equity			
Fund Balance	750,803.54	1,212,169.60	-461,366.06
Net Income	-100,889.06	-237,062.61	136,173.55
Total Equity	<u>649,914.48</u>	<u>975,106.99</u>	<u>-325,192.51</u>
TOTAL LIABILITIES & EQUITY	<u><u>654,187.68</u></u>	<u><u>981,930.39</u></u>	<u><u>-327,742.71</u></u>

Bonded Debt Fund - Port of Newport
Balance Sheet
 As of October 31, 2014

	<u>Oct 31, 14</u>	<u>Oct 31, 13</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
Gen Obligation Bond MM-OCB	55,252.33	21,554.60	33,697.73
Total Checking/Savings	<u>55,252.33</u>	<u>21,554.60</u>	<u>33,697.73</u>
Accounts Receivable			
Due from General Operating Fund	115,288.07	0.00	115,288.07
Total Accounts Receivable	<u>115,288.07</u>	<u>0.00</u>	<u>115,288.07</u>
Other Current Assets			
Undeposited Funds	4,273.61	0.00	4,273.61
Property Tax Receivable	76,845.12	67,552.12	9,293.00
Total Other Current Assets	<u>81,118.73</u>	<u>67,552.12</u>	<u>13,566.61</u>
Total Current Assets	251,659.13	89,106.72	162,552.41
Other Assets			
Bond Issue costs, net of amort.	282,476.00	282,476.00	0.00
Total Other Assets	<u>282,476.00</u>	<u>282,476.00</u>	<u>0.00</u>
TOTAL ASSETS	<u><u>534,135.13</u></u>	<u><u>371,582.72</u></u>	<u><u>162,552.41</u></u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Other Current Liabilities			
Bonds Payable - Current	275,000.00	275,000.00	0.00
Total Other Current Liabilities	<u>275,000.00</u>	<u>275,000.00</u>	<u>0.00</u>
Total Current Liabilities	275,000.00	275,000.00	0.00
Long Term Liabilities			
2007 Series Bonds	4,311,895.00	4,311,895.00	0.00
2008 Series Bonds	4,414,904.00	4,414,904.00	0.00
2011 Series Bonds	5,267,831.00	5,267,831.00	0.00
Total Long Term Liabilities	<u>13,994,630.00</u>	<u>13,994,630.00</u>	<u>0.00</u>
Total Liabilities	14,269,630.00	14,269,630.00	0.00
Equity			
Bonded Debt Fund Balance	1,108,548.00	1,108,548.00	0.00
Retained Earnings	181,266.05	126,399.84	54,866.21
Opening Balance Equity	-15,156,375.83	-15,156,375.83	0.00
Net Income	131,066.91	23,380.71	107,686.20
Total Equity	<u>-13,735,494.87</u>	<u>-13,898,047.28</u>	<u>162,552.41</u>
TOTAL LIABILITIES & EQUITY	<u><u>534,135.13</u></u>	<u><u>371,582.72</u></u>	<u><u>162,552.41</u></u>

LEASE AGREEMENT

THIS AGREEMENT, entered into on this 1st day of January 2015, by and between the Port of Newport, hereinafter referred to as the Lessor, and Leslie Lee, Inc., hereinafter referred to as the Lessee.

WITNESSETH: That the said Lessor in consideration of the covenants herein mentioned, does hereby lease unto the said Lessee or administrators, for a period of one (1) year according to the conditions and provisions below, from January 1, 2015, to and including December 31, 2015, the following described premises, to-wit:

One portioned storage area, 1,440 square feet, marked area C on the attached floor plan, at a rate of .34 per square foot. The Lessee shall have the option to renew this agreement annually, and renewal shall be automatic for as long as Lessee is not delinquent in rent. The Lessee is responsible for the electric and trash utility and for applicable Lincoln County property tax estimated at \$66.00 per month or \$792 per year on the leased premises, which is included in the above lease rate.

The said Lessee does hereby promise and agree to pay said Lessor therefore the rent following, to wit:

Lease rate: \$514.62 (\$501.71 + CPI Portland of 2.57%) per month payable on the first business day of the month. The rent will be adjusted based on the Consumer Price Index (CPI), Portland index, with an annual minimum of 2% but not to exceed 3%.

Trash utility: Lessee's responsibility.

Electric utility: Lessor provides meter base; Lessee's responsibility to contact local server.

Taxes: Lessor will pay annual tax when due. A copy of the actual tax statement will be provided to lessee annually by the Lincoln County Assessor's office.

The lessee agrees to keep the premises clean and orderly, to allow no accumulation of gear or debris to be left or stored in the alleyway between or adjacent to the buildings, and to return said premises at the expiration of said time in as good order and condition as they are now in, reasonable wear and tear, fire and unavoidable casualties excepted.

Any holding over by the Lessee after the expiration of the term of this lease, or any extension thereof, shall be as a tenancy from month to month and not otherwise.

IN WITNESS WHEREOF, said parties have executed this agreement in duplicate.

Kevin Greenwood, General Manager
For Port of Newport, Lessor

Date

Lee Woodward
For Leslie Lee, Inc., Lessee

Date

South Beach RV Park Laundry Machines

Vendor	Make	Quantity	Price	Total
Sears	Kenmore	7	996.14	6,972.98
Appliance Connection	Speed Queen	7	1,945.00	13,615.00
Walch's Maytag	Speed Queen	7	1,987.00	13,909.00

Based on the above quotes, the Port will purchase 7 Kenmore washers from Sears for the South Beach RV Park

Chris, here's a recap of your visit.

Chris, here's a recap of your visit.

Sears [sears@value.sears.com]

Sent: Thursday, October 16, 2014 11:08 AM

To: Chris Urbach

Never miss a Sears email

Nice meeting you! Let me know if I can help.

Add sears@value.sears.com to your address book



your shopping recap helping you make the best buying decision

Thanks for stopping by your local Sears Hometown Store!

Dear Chris,

As a follow-up to our conversation, here's a recap of the products we discussed. Please feel free to visit me in store, [email the store](#), or contact a representative [here](#) with your questions or comments. We're happy to hear from you anytime!

When you're ready to make a purchase, simply click 'shop now' on the product listing below.

We appreciate your interest.

Thanks again!

Sincerely,

Dealer Store

Store Address

Lincoln City -Auth Hometown

1517 Sw Hwy 101

Lincoln City, Or 97387

Store Phone:

(541) 996-7777

What's inside your shopping recap

2.9 cu. ft. Coin-Operated Washer - White

Sears Item# 02527122000

Reg Price: \$1159.99

Savings: \$113.00

\$1046.99

Kenmore 2.9 cu. ft. Coin-Operated Washer - Dependable Unit.

Associate Notes: Hi Chris, this item is on sale \$ 966.14. The best news is, right now there is a free delivery for that washer. Sears decided to still carry the model, because it is so durable. If you have any questions call me at 541-996-7777 or 541-996-7711. Monika

[shop now >](#)

WAY

Member#7081273235205796

You would earn 10170 points with this purchase

Not a Shop Your Way® member? [Join now](#). It's FREE & easy!

Prices current as of 10/16/14. See [sears.com](#) for additional details. Prices may vary in store.

Accessories & Related Items

1,016.99 x 7 = 7,118.93

WALCH'S MAYTAG HOME APPLIANCE CENTER

280 Spring Street
P.O. Box 864
Waldport, OR 97394
PHONE: (541) 563-2480
FAX: (541) 563-6328

~~415 S.W. Coast Hwy.
Newport, OR 97365
PHONE: (541) 265-8585
FAX: (541) 563-9887~~

Robin Walch

BUILDERS PRICE BID: FOR Port of Newport

Chris Urbach

FAX (541) 867-3352

phone 270-5558

(Set at \$2.00)

QUANTITY	DESCRIPTION / MODEL #	EACH PIECE	QUANTITY	
	SPEED QUEEN	1,252.	8,764.	Rtg. Retail
7	Top Load Rear Control 2-Speed Washer	1,187.	8,309.	Sale Cost
7	Front Load Rear Control Stainless steel Tub Washer	2,062.	14,434.	Ret. Retail
		1,987.	13,909.	Sale Cost
(3 year Commercial Parts Warranty)				
Pricing for Appliance only				
Does not include Cost of				
coin slide or Delivery & Install				

PRICES GOOD FOR 30 DAYS

Thank You!

FAXED

10/16/14

High-energy HE
Soap

1945.00

ADAM salesman
1-800-299-9470
2032 ext.

Speed Queen model SFNBCE
1945.00 each

~~ADAM~~

Appliance Connection
800-299-9470



600 S. E. BAY BOULEVARD NEWPORT, OREGON 97365 (541) 265-7758 FAX (541) 265-4235 www.portofnewport.com

Memo

To: Port of Newport Commissioners
From: Stephen Larrabee, Director of Finance
Date: November 6, 2014

Declaration of Excess Property

The Port has seven excess washer machines at the South Beach Marina Park due to the purchase of new washer machines for the facility.

The goal is to dispose of these machines, hopefully through sale.

This request is to have the washer machines declared surplus property so they may be disposed of.

Kevin Greenwood

From: Bob Ward <wcmi@live.com>
Sent: Friday, October 31, 2014 9:32 AM
To: Kevin Greenwood
Cc: Stan Pickens
Subject: Fw: Sea Lion Dock
Attachments: 201410271558.pdf; 201410271557.pdf

Hi Kevin,

Here (at last) are the drawings and design details for the viewing platform for the sea lion docks viewing platform. The platform runs effectively the full length of the first stage of the Port Dock 1 pier, as requested by the Port, and it sits on five pilings, and is structurally independent of the pier in terms of vertical load. It uses attachments to the pier for lateral security. There are four access points, three along the 75 foot (approx.) length, and one at the end where it joins the other section of pier.

I am now going to apply for the DSL permit to install the pilings and crossbeams during this coming in-water work window. As there are only 5 pilings, this will be done using their General Authorization procedure, which takes 30 days or less. We already have the US Corps of Engineers Nationwide permit to install the platform using eight pilings, so I will also write to the Corps and tell them we will only be using five pilings. I understand that this will be a formality.

I have pointed out to Billeter Marine that the detailed calculations contained in the second attached document seems to be based on only four pilings, which was an interim solution that Billeter's engineers considered, but as the vertical (and lateral) loads will be less for the five piling version, I think the calculations will stand. I expect that they will confirm this, or redo the calculations in any case.

We intend to put in the five pilings and the crossbeams during this coming in-water work window. If possible we hope to also install the viewing platform itself, but I think that this is sufficiently high not to count as in-water work, and can be completed after February 15. We have to confirm the cost of the platform, and we hope that cost issues will not cause any delay, but if necessary, we will have to wait until we have sufficient funds.

Will you confirm that the proposed design is acceptable to you and the Board of Commissioners.

Stan and I will be available for any discussions that you may feel necessary or desirable.

Thanks.

Bob Ward

Sent from Windows Mail

From: billeter_marine@frontier.com
Sent: Friday, October 31, 2014 8:44 AM
To: [Bob Ward](#), [Stan Pickens](#)

Bob and Stan,
Here is the drawing for the platform, the gangway manufactures have been preparing a quote for this and have and we need to move the openings above the pile bents for structural.
Talk soon Pete

BILLETER MARINE LLC
520 3rd Court, Coos Bay OR 97420
Office 541.269.8600 Fax 541.266.0532
www.billetermarine.com

On Wednesday, October 29, 2014 10:59 AM, Ralph Dunham <ralphdunham@stuntzner.com> wrote:

Pete or Tony:

Attached is the Sea Lion Dock information – thought I had sent it out Monday – but based upon Tony’s call yesterday (and lack of email verification on my end) I obviously did not.

Please review and let me know of any issues.

Ralph Dunham, PE
Project Engineer
Stuntzner Engineering & Forestry, LLC
(541) 267-2872
ralphdunham@stuntzner.com

DSL USE ONLY DSL No. 57013

Issue Date: 11-17-14 Expiration Date: 11/17/17

In-Water Work Period: Nov 1 - to Feb 15

Eligible 11-17-14 Incomplete _____ Ineligible _____
Date Date Date

RC Signature: cm

**GENERAL AUTHORIZATION ELIGIBILITY VERIFICATION FORM
AND
NOTICE FOR EXEMPTION OF CERTAIN
VOLUNTARY HABITAT RESTORATION ACTIVITIES**

1. RESPONSIBLE PERSON CONTACT INFORMATION		
Name (print)	Affiliation (company or agency)	
Bob Ward	Newport Sea Lion Docks Foundation	
Mailing address or PO Box		
525 NW 57 Street		
City	State	Zip Code
Newport	OR	97365
Phone number	Cell or alternate number	
(541) 574-4475	(541) 961 2662	
E-mail	Fax number	
wcmi@live.com	5415744475	

2. LANDOWNER INFORMATION (if different than responsible party)		
Name (print)		
Port of Newport		
Mailing address or PO Box		
600 SE Bav Boulevard		
City	State	Zip Code
Newport	OR	97365

RECEIVED

NOV 19 2014

RECEIVED

NOV 10 2014

PORT OF NEWPORT

General Authorization for Piling Placement and Removal within ESH

OAR 141-089-0680 through 141-089-0695

Project purpose:

- Over-water structure support (docks, piers, boardwalks)
- Mooring and turning dolphins
- Navigational aids without footings
- Other support structure, please specify: _____

Eligibility (Check all that apply):

- All activity will be in non-tidal waters* and not in wetlands.
- The piling diameter is 24 inches in diameter or smaller.
- No new upland will be created as a result of this activity.
- The piling placement is not for bank stabilization or other bank treatment.
- The piling placement will not impede flows or deflect water to cause erosion.

Activity (Check all that apply):

- Piling Placement:
Number: 5 Diameter: 12 to 16 inches Method of placement: Vibration
- Piling Removal:
Number: 3 Diameter: 8" inches Method of removal: Vibration

For Complete Notification you must attach the following:

- Project Description: Description of project and construction methods. Provide sufficient detail to demonstrate compliance with the conditions for sound attenuation, sediment containment, whether piling placement is from top of bank or barge and whether measures are proposed to discourage perching.
- Resource characteristics: Description of the biological and physical characteristics of the waterway, whether or not sediment is contaminated, and current land use.
- Project location map: Sufficient detail to allow person to drive to the site from the nearest city/town or major highway intersection. Show boundaries of the *entire project*.
- Project area photo(s): Photo(s) of existing conditions required for all activity areas.
- Plan view drawing(s): Include existing and proposed contours, scale, jurisdictional boundaries (ordinary high water line), clear identification of areas proposed for removal or fill, location of cross-section(s).
- Cross-section drawing(s): Include existing and proposed piling location, horizontal and vertical scale; jurisdictional boundaries (ordinary high water line); water elevation.

Note: Drawings must contain sufficient information to demonstrate compliance with the conditions and eligibility requirements of the applicable General Authorization. Do not use "typical" drawings.

*Tidal waters are those waters located between highest measured tide and extreme low tide.

DSL Use Only: DSL Determination <u>eligible</u> Date <u>11-17-14</u> RC Initial <u>CU</u>
--

DSL General Authorization for Piling Placement and Removal within ESH

Newport Sea Lion Docks Viewing Platform: Newport Sea Lion Docks Foundation

Section 1: Project Description

Project is the installation of a public viewing platform overlooking the floating sea lion docks adjacent to the Port of Newport's Port Dock 1 pier on the Newport Bay Front. The platform will be made of aluminum, approximately 75' long by 6' wide and will stand on five (5) crossbeams/pile caps, each supported by a piling. Two (2) of the pilings are 15" diameter and three (3) are 12.75" diameter. The bottom of the viewing platform will be 17' above the nominal sea level, or 4' above the 100 year flood elevation of 13'. The deck top of the viewing platform deck will be level with the deck of the existing Port Dock 1 pier, and there will be four (4) 4' wide access points allowing people to move between the pier and the viewing platform via aluminum gangways. (Please see attached drawings for details)

The five pilings will fully support the viewing platform, making it vertically independent of the Port Dock 1 pier, but will have galvanized steel channel braces attaching it to the wooden pilings supporting the pier, to provide lateral stability.

Each of the five (5) pilings will be pile driven to refusal with a vibratory hammer, but if necessary, an impact hammer will be used to seat the tip of the piling within the bed rock and to provide a minimum embedment of 10'.

Over 250,000 people visit the sea lion docks each year, and they have become an important element of the Newport Tourist industry, which has been struggling in recent years because of the depressed economy. Visitors currently view the sea lions from the pier of Port Dock 1, which is a working dock. The viewing platform is intended to separate people viewing the sea lions from trucks using the pier to service fishing boats moored there.

The five pilings will be installed during the in-water work window ending February 15, and it is hoped that the viewing platform can also be installed during that window. However, availability of funding might cause the actual platform installation to be deferred for a short time. We believe that the platform itself is sufficiently high above the water that its installation will not constitute "in water" work, and therefore that the work can be carried out outside of the window.

Section 2: Resource Characteristics

Port Dock One is located on the north shore of Yaquina Bay in the City of Newport. The Yaquina River drains an area of approximately 250 square miles and originates in the Coast range near the boundary of Benton and Lincoln counties. The Yaquina River flows generally past the City of Toledo and into Yaquina Bay before reaching the Pacific Ocean at Newport. The Yaquina River watershed is largely undeveloped. Land use within the watershed is approximately 87% forest land, approximately 4% crop land, approximately 2% range land and approximately 7% miscellaneous usage. About 72% of the basin is in private ownership. Much of the upper watershed is owned by large timber companies. Logging is a major activity in the basin and wood products processing plants are located in Toledo and Eddyville. Livestock grazing and crop production occur on the relatively flat valley floors of the Yaquina River and its major tributaries. The economy of the lower watershed is based largely on fishing, seafood processing, forest products exporting and tourism.

The Yaquina estuary encompasses approximately 3.2 square miles and is the fourth largest estuary in Oregon, excluding the Columbia River. The estuary includes approximately 1,350 acres of wetlands, including approximately 820 acres of tidal marshes and approximately 530 acres of mud flats. Large eelgrass beds are present in the lower and middle portions of the estuary. These resources are important contributors to primary production of and provide nurseries, breeding grounds, critical habitats and nesting areas for numerous organisms. The estuary is mapped as essential habitat for migratory salmon and is an important stop over and resting area for numerous species of waterfowl and shorebirds.

Yaquina Bay is designated as essential salmonoid habitat. The aquatic habitat at the project site consists of developed dock facilities, unvegetated and shallow water and deep water estuarine habitat. There is no eel grass present.



Sea Lion Docks

Yaquina Bay

NOAA Dock

875 ft

Image © 2013 DigitalGlobe

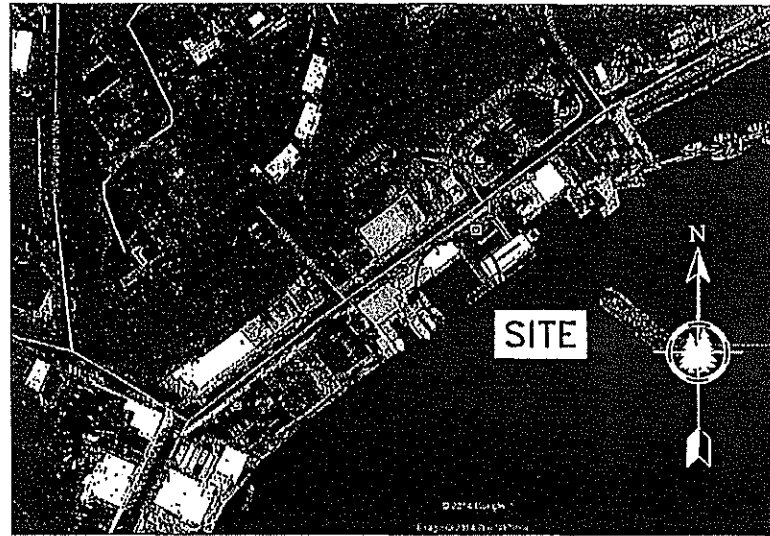
Google Earth



NEWPORT SEA LION DOCK
T11S, R11W, S8, NE $\frac{1}{4}$ OF SW $\frac{1}{4}$
LINCOLN COUNTY, OREGON

NOTES:

1. PILE DRIVEN TO REFUSAL WITH VIBRATORY HAMMER; MIN. EMBEDMENT 10'.
2. ASSUMED TIP BEARING TO REFUSAL 5TSF.
3. CONTRACTOR REQUIRED TO COMPLY WITH COE/DSL PERMIT REQUIREMENTS.
4. CONTRACTOR REQUIRED TO COMPLY WITH CITY OF NEWPORT PERMIT REQUIREMENTS.
5. ALL PIPE PILE REQUIRED TO BE ASTM A53 GRADE B.
6. ALL OTHER STEEL SHAPES TO BE ASTM A572 OR A36.
7. ALUMINUM GANGWAY DESIGNED BY OTHERS, ATTACHMENT WILL BE VERIFIED BASED UPON SHOP DRAWINGS.
8. PEDESTRIAN LOAD 100PSF BASED UPON RECOMMENDATIONS FROM OSMB (IBC REQUIREMENT 60PSF).
9. VERIFY CLEARANCES AND PILE LAYOUT AT TIME OF CONSTRUCTION FOR GANGWAY SHOP DRAWINGS.



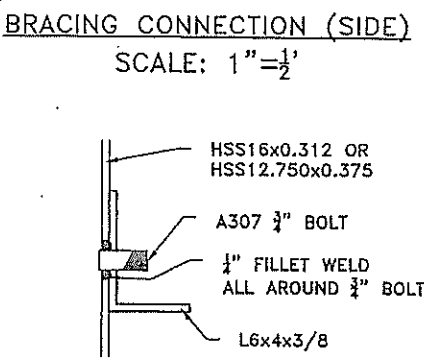
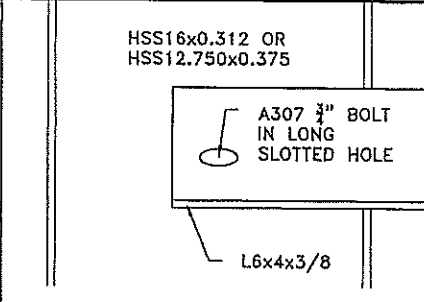
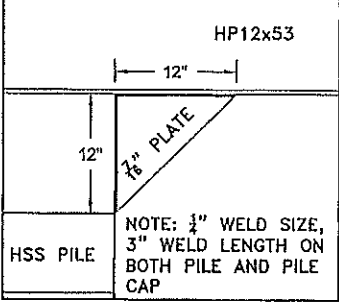
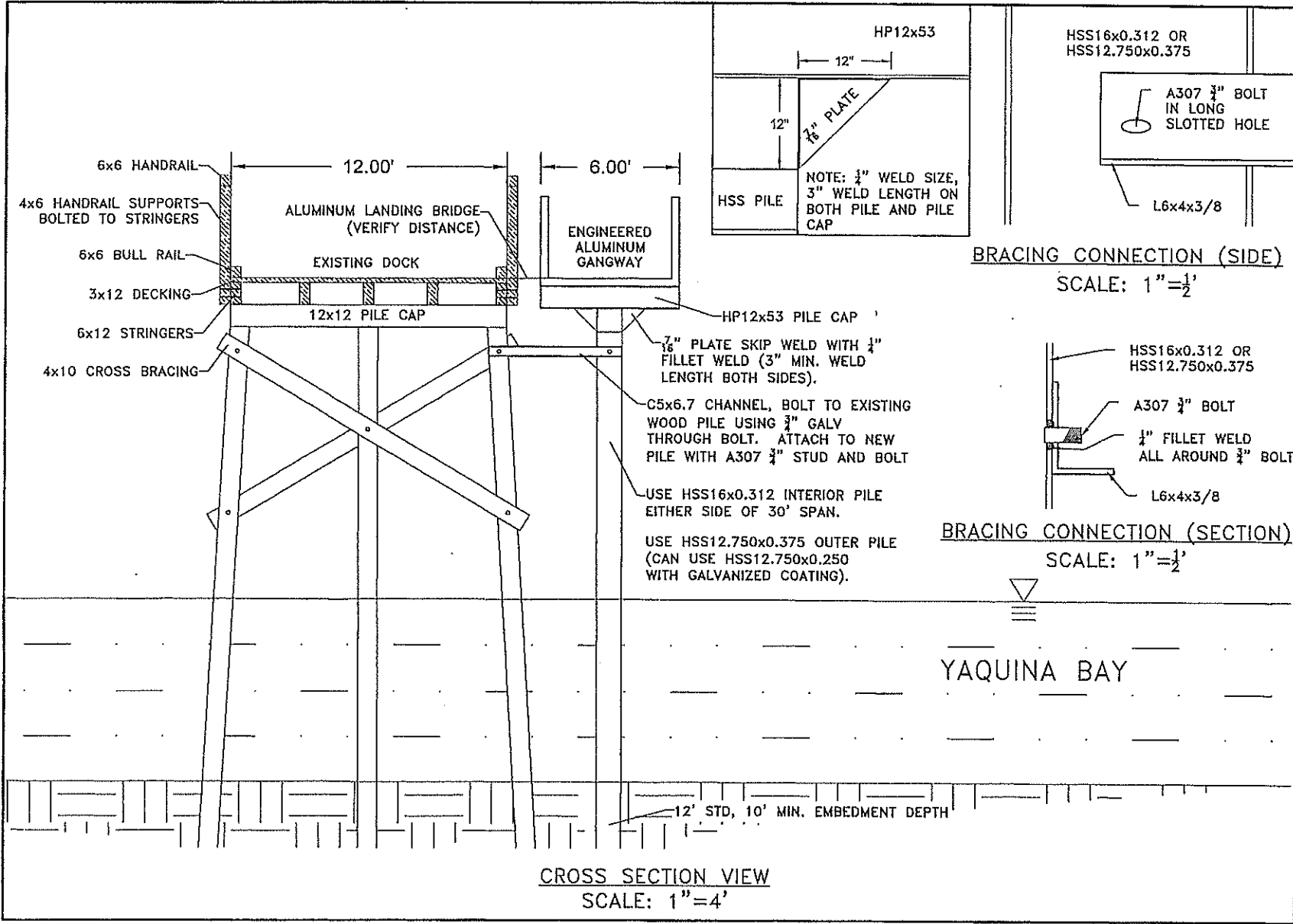
Stuntzner Engineering & Forestry, LLC
ENGINEERING • LAND SURVEYING • FORESTRY
LAND PLANNING • WATER RIGHTS

705 SOUTH 4TH STREET PHONE: (541) 267-2872
P.O. BOX 118 FAX: (541) 267-0568
COOS BAY, OREGON 97420 www.stuntzner.com
X:12013 Proj\113-048 Sea Lion Dock Design\DWG Design Recover.dwg

Stuntzner Engineering & Forestry, LLC
* COOS BAY • DALLAS •
* FOREST GROVE *

REGISTERED PROFESSIONAL ENGINEER
#14,441
RALPH E. DUNHAM
OR0000
JULY 25, 1989
EXPIRES 12/31/15

DESIGNED BY: RED
DRAWN BY: AER
CHECKED BY: RED
DATE: OCT. 24, 2014
REVISED:
JOB NAME: SEA LION DOCK
JOB NO: 113-2-048 SHEET: 1 of 3



NOTE: 1/4" WELD SIZE, 3" WELD LENGTH ON BOTH PILE AND PILE CAP

7/8" PLATE SKIP WELD WITH 1/4" FILLET WELD (3" MIN. WELD LENGTH BOTH SIDES).

C5x6.7 CHANNEL, BOLT TO EXISTING WOOD PILE USING 3/8" GALV THROUGH BOLT. ATTACH TO NEW PILE WITH A307 3/4" STUD AND BOLT

USE HSS16x0.312 INTERIOR PILE EITHER SIDE OF 30' SPAN.

USE HSS12.750x0.375 OUTER PILE (CAN USE HSS12.750x0.250 WITH GALVANIZED COATING).

BRACING CONNECTION (SECTION)
SCALE: 1"=1/2'

CROSS SECTION VIEW
SCALE: 1"=4'

Stuntzner Engineering & Forestry, LLC
 ENGINEERING • LAND SURVEYING • FORESTRY
 LAND PLANNING • WATER RIGHTS

705 SOUTH 4TH STREET PHONE: (541) 267-2872
 P.O. BOX 118 FAX: (541) 267-0588
 COOS BAY, OREGON 97420 www.stuntzner.com

X-12013 Proj113-048 Sea Lion Dock Design DWG "Design Recover.dwg"

DESIGNED BY:	RED
DRAWN BY:	AER
CHECKED BY:	RED
DATE:	OCT. 24, 2014
REVISED:	
JOB NAME:	SEA LION DOCK
JOB NO.:	113-2-048
SHEET:	3 OF 3

General Authorization Conditions for Piling Placement and Removal within ESH

The following conditions apply to all projects determined to be eligible for this general authorization:

(1) **Responsible Party.** The person listed on the notification as the responsible party is responsible for the activities of all contractors or other operators involved in project work covered by the GA.

(2) **Copy of Approved Notification Available for Inspection.** A copy of the notification approved by the Department must be available at the work site whenever noticed activities are being conducted.

(3) **Site Access Required.** Employees of the Department and all authorized representatives must be permitted access to the project area at all reasonable times for the purpose of inspecting work performed under a notification.

(4) **Archeological Resources.** If any archeological sites, resources or artifacts are discovered during construction, work must immediately cease and the State Historic Preservation Office must be contacted.

(5) **ODFW Fish Passage Requirement.** The noticed activity must meet Oregon Department of Fish and Wildlife requirements for fish passage before the project is started (ORS 509.580 to 509.901 and OAR 635-412-0005 to 0040).

(6) **Hazards to Recreation, Navigation and Fishing.** The activity must be timed so as not to interfere with or create a hazard to recreational and commercial navigation and fishing.

(7) **Work Period in Jurisdictional Areas.** Fill or removal activities below the Ordinary High Water Line must be conducted when recommended by ODFW, unless otherwise coordinated with Oregon Department of Fish and Wildlife and approved in writing by DSL. Work is prohibited when fish eggs are present within the reach where activities are being conducted.

(8) **Pre-Construction Resource Area Fencing or Flagging.** Prior to any site grading, the boundaries of any avoided wetlands, waterways and riparian areas adjacent to the project site must be surrounded by noticeable construction fencing or flagging. There must be no vegetation removal or heavy equipment within marked areas. The marked areas must be maintained during construction of the project and be removed immediately upon project completion.

(9) **Erosion Control Methods.** The following erosion control measures must be installed at the construction site prior to construction and maintained during and after construction to prevent erosion and minimize movement of soil into waters of this state:

(a) All exposed soils must be stabilized during and after construction in order to prevent erosion and sedimentation;

(b) Filter bags, sediment fences, sediment traps or catch basins, leave strips or berms, or other measures must be used to prevent movement of soil into waterways and wetlands;

(c) To prevent erosion, use of compost berms, impervious materials or other equally effective methods, must be used to protect soil stockpiled during rain events or when the stockpile site is not moved or reshaped for more than 48 hours;

(d) Unless part of the permanent fill, all construction access points through, and staging areas in, riparian and wetland areas must use removable pads or mats to prevent soil compaction. However, in some wetland areas under dry summer conditions, this requirement may be waived upon approval by DSL. At project completion, disturbed areas with soil exposed by construction activities must be stabilized by mulching and native vegetative plantings/seeding. Sterile grass may be used instead of native vegetation for temporary sediment control if native vegetation is unavailable. If soils are to remain exposed for more than seven days after completion of the permitted work, they must be covered with erosion control pads, mats or similar erosion control devices until vegetative stabilization is installed;

(e) Where vegetation is used for erosion control on slopes steeper than 2:1, tackified seed mulch must be used so the seed does not wash away before germination and rooting;

(f) Dredged or other excavated material must be placed on upland areas having stable slopes and must be prevented from eroding back into waterways and wetlands;

(g) Erosion control measures must be inspected and maintained as necessary to ensure their continued effectiveness until soils become stabilized; and

(h) All erosion control structures must be removed when the project is complete and soils are stabilized and vegetated.

(10) **Hazardous, Toxic, and Waste Material Handling.** Petroleum products, chemicals, fresh cement, sandblasted material and chipped paint, wood treated with leachable preservatives or other deleterious waste materials must not be allowed to enter waters of this state. Machinery refueling is to occur at least 150 feet from waters of this state and confined in a designated area to prevent spillage into waters of this state. Barges must have a containment system to effectively prevent petroleum

products or other deleterious material from entering waters of this state. Project-related spills into waters of this state or onto land with a potential to enter waters of this state must be reported to the Oregon Emergency Response System (OERS) at 1-800-452-0311.

(11) **Raising or Redirecting Water.** The project must not cause water to rise or be redirected and result in damage to structures or property.

(12) **Wetlands of Conservation Concern.** The project must not involve impacts to wetlands identified as a wetland type of conservation concern. Wetlands of Conservation Concern are bogs, fens, playas, salt flats, alkaline lakes, hot springs, native wet prairies, vernal pools, inter-dunal wetlands, mature forested wetlands, ultramafic soil wetlands, wooded tidal wetlands, and un-diked tidal wetlands, as determined by the Department.

(13) **Waste Disposal.** Old piling and other waste material discarded by the project must be disposed of in an appropriate disposal facility. There must be no temporary storage of piling or other waste material below top of bank, in any wetland, Federal Emergency Management Administration designated floodway, or an area historically subject to landslides.

(14) **DSL May Halt or Modify.** DSL retains the authority to temporarily halt or modify the project in case of unforeseen damage to natural resources.

(15) **Work Area Isolation.** The work area must be isolated from the water during construction. All structures and materials used to isolate the work area must be removed immediately following construction and water flow returned to pre-construction conditions. All fish must be salvaged from the isolated area in accordance with Oregon Department of Fish and Wildlife requirements.

(16) **Spoil Disposal.** Spoil materials, not used in the project, must be placed in an upland location. Spoil materials used in the project must be included in the cumulative removal-fill calculation for the activity.

(17) **Minimum Necessary.** Number of pilings must be the minimum necessary to fulfill the essential purpose.

(18) **Sound Attenuation.** A vibratory hammer must be used whenever feasible. If an impact hammer must be used to drive or proof steel piles, sound attenuation measures including cushion blocks (wood blocks between pile and hammer) and bubble curtains operated to distribute air bubbles around 100 percent of the piling for the full depth of the water column must be used:

(a) If water velocity is 1.7 miles per hour or less, an unconfined bubble curtain may be used; or

(b) If water velocity is greater than 1.7 miles per hour, a confined bubble curtain (e.g., bubble ring surrounded by fabric or metal sleeve) must be used.

(19) **Method for Removal of Piling.** Removal of piling must be conducted using a vibratory method:

(a) Piling must not intentionally be broken by twisting or bending;

(b) Upon removal, piling must be handled to effectively contain all adhering sediment. All return flows must meet state water quality standards; and

(c) Piling and containment materials must be disposed in an approved upland disposal site.

(20) **Removal Problems in Uncontaminated Sediment.** If wood piling breaks above or below the bed surface within an area of uncontaminated sediment, piling must be cut at least three feet below the bed surface or otherwise pushed into that depth, then covered with a cap of clean substrate.

(21) **Removal Problems in Contaminated Sediment.** If wood piling breaks above the bed surface within an area of known contaminated sediment, piling must be cut at the bed surface or otherwise pushed to that depth. If piling breaks in contaminated sediment below the bed surface, no further attempt at removal may be made and the hole must be covered with a cap of clean substrate.

(22) **Prevent Perching.** Piling must be fitted with devices to effectively prevent perching by fish-eating bird species.

(23) **Barge or Top of Bank Position.** Piling must be placed or removed from a barge-mounted or above top-of-bank position. If barge-mounted, barge must not at any time be grounded in the bed or banks.



930 S.W. ABBEY STREET • NEWPORT, OREGON 97365 • <http://www.samhealth.org> • (541) 574-1810

11/3/2014

Kevin Greenwood
Port of Newport
600 SE Bay Blvd
Newport, OR 97365

RECEIVED

NOV 12 2014

PORT OF NEWPORT

Dear Kevin,

Thank you for your recent contribution to the Pacific Communities Health District Foundation, a qualified 501(c)(3) organization. Your contribution of \$370.00 to the PCHD Hospice Fund will truly make a difference in the lives of patients, family members and our entire community.

Below is a quick look at how your support impacts Samaritan Pacific Health Services:

- New medical equipment and programs for our hospital and clinics, such as an ultrasound unit in the Emergency Department, a diagnostic microscope in the Ear, Nose and Throat Clinic, and a central fetal monitoring system in the Birthing Center.
- The Center for Health Education, a hub for health-related classes and community outreach, which can improve quality of life and lower health care costs (construction begins in the fall of 2014).
- Assistance for qualifying patients who have inadequate insurance or other financial resources to cover recommended diagnostics, treatment, medical transportation, approved medication and/or other medical costs.

These are just a few examples of the many enhancements your contributions make possible. Visit samhealth.org/PCHDF for more information.

Thank you again for your support. It means the world to us. Please don't hesitate to contact me at 541-574-4745 or email at umarinelli@samhealth.org with comments or questions.

Sincerely,

A handwritten signature in cursive script that reads "Ursula Marinelli".

Ursula Marinelli
Executive Director

Contribution/Tax Information:

Please keep this receipt for your tax records. All or part of your gift may be tax-deductible. We verify that no goods or services were provided in exchange for this gift by neither the Pacific Communities Health District Foundation nor the hospital. The date above reflects the date we processed your gift, and does not imply the date your gift was made. While you should consult with your CPA or tax preparer to determine the tax consequences of your donation, the date you delivered or mailed your donation is generally recognized as the gift date. The determination of the contribution date is entirely your decision. Should you have any questions concerning this matter, please contact the Foundation Office.

Kevin Greenwood

From: beachbumjimbob@gmail.com on behalf of James Myers <beachbum55@charter.net>
Sent: Friday, November 07, 2014 3:31 PM
To: Kevin Greenwood
Subject: 2015 Great Albacore Tuna BBQ Challenge (plus Salmon!)
Attachments: Salmon Enchanted Evening.pdf; TUNA_BBQ1.jpg

Hi Kevin.....

Hope things are good down at my favorite Port.

I had a recent meeting with the Oregon Albacore Commission and they have approved the go ahead for the **4th annual Great Albacore Tuna BBQ Challenge** is scheduled for Friday, August 7 (Chamber kick-off party), Saturday, August 8 (pro-amateur competition) and Sunday, August 9 (culinary student). The same sit if that is ok with you.

Now, I just had a meeting with the Oregon Salmon Commission approach them with a new idea for a showcase for the Oregon Salmon industry (like we did for the OAN). This event would be a one day/evening called **Salmon Enchanted Evening**, a night of a dining with salmon as the main course featuring an amazing view for the Fourth Of July fireworks. I attached the proposal I made to the Commission which they approved today.

My question is whether that site (same as the Tuba BBQ next to NOAA) is ok to use on July 4th. If it is, let me know and I can move forward. Port would be a presenter like you are with the Tuna BBQ weekend. We are looking into developing maybe a running even for the that day too as sort of supporting event in celebration of Oregon Salmon. We would call it the *Salmon Run*.

If you think this is ok with you, I will come to a Port Commission meeting say in December and make a formal presentation for both events.

Must say things look great at the Port and congrats on getting a new office complex going!!!

Let me know what you think. Thanks a million for everything!!!

Have a great weekend.

Jim Myers
beachbum55@charter.net

**PORT OF NEWPORT
PO Box 921
Newport, OR 97365**

October 9, 2014

Signe Grimstad
Grimstad & Associates
PO Box 1930
Newport, OR 97365

This representation letter is provided in connection with your audit of the financial statements of Port of Newport (Port), which comprise the respective financial position of the business-type activities as of June 30, 2014, and the respective changes in financial position and cash flows for the twelve months then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm to the best of our knowledge and belief, as of October 9, 2014, the following representations made to you during your audit.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 12, 2014, including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with the applicable criteria.
- The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

- Related party relationships and transactions, including revenues, expenses, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- The effects of all known actual or possible litigation, claims, and assessments have been accounted for the disclosed in accordance with U.S. GAAP.
- Guarantees, whether written or oral, under which the Port is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - Minutes of the meetings or summaries of actions of recent meetings for which minutes have not yet been prepared.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have no knowledge of any fraud or suspected fraud that affects the Port and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the Port's financial statements communicated by employees, former employees, regulators or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts or grant agreements whose effects should be considered when preparing financial statements.
- We have disclosed to you all known actual or possible litigation, claims and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the Port's related parties and all the related party relationships and transactions of which we are aware.

Government - specific

- The have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial report practices.
- We have made available to you all financial records and related data.
- There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- The Port of Newport has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance.
- As part of your audit, you prepared draft adjusting journal entries to our accounting records. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for recording those adjusting journal entries.
- As part of your audit, you assisted with preparation of the financial statements, management discussion and analysis, and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- The Port has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as disclosed.
- The Port has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
- Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

- Provisions for uncollectible receivables have been properly identified and recorded.
- Expenses have been appropriately classified in or allocated to functions in the statement of activities, and allocations have been made on a reasonable basis.
- Revenues are appropriately classified in the statement of activities within program revenues, general revenues.
- Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- Deposits are properly classified as to risk and are properly disclosed.
- Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- We have appropriately disclosed the Port's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- With respect to the supplementary budget schedules, budget reconciliations and schedule of property tax transactions:
 - We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature: _____
Walter Chuck, President

Signature: _____
Ken Brown, Secretary/Treasurer

DRAFT

PORT OF NEWPORT
OREGON

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2014

DRAFT

Prepared By
SIGNE GRIMSTAD
Certified Public Accountant
530 NW 3rd, Suite E
PO Box 1930
Newport, Oregon

PORT OF NEWPORT, OREGON

BOARD OF COMMISSIONERS

JoAnn Barton, President
Newport, Oregon
Position No. 1

Serving since July 1, 2007
Term Expires June 30, 2015

David Jincks, Vice-President
Newport, Oregon
Position No. 2

Serving since May 19, 2009
Term Expires June 30, 2017

Walter Chuck, Secretary
Newport, Oregon
Position No. 3

Serving since November 22, 2011
Term Expires June 30, 2015

Lloyd "Oly" Olson, Treasurer
Newport, Oregon
Position No. 4

Served since July 1, 2013
Term vacated October 20, 2013

Ken Brown
Newport, Oregon
Position No. 4

Serving since January 13, 2014
Term Expires June 30, 2015

Dean Fleck, Asst. Secretary/Treasurer
South Beach, Oregon
Position No. 5

Serving since May 17, 2007
Term Expires June 30, 2017

REGISTERED AGENT

Kevin Greenwood, General Manager
Serving since February 1, 2014
600 SE Bay Boulevard
Newport, OR 97365

PORT OF NEWPORT, OREGON

TABLE OF CONTENTS

INTRODUCTORY SECTION

- Title Page
- List of Officers
- Table of Contents

Page

FINANCIAL SECTION

Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-8
Basic Financial Statements	
<i>Statement of Net Position</i>	9
<i>Statement of Revenues, Expenses and Changes in Net Position</i>	10
<i>Statement of Cash Flows</i>	11
Notes to Financial Statements	12-22

SUPPLEMENTAL SECTION

Description of Budgetary Funds	23
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
<i>General Operating Fund</i>	24
<i>Bonded Debt Fund</i>	25
<i>Facilities Maintenance Fund</i>	26
<i>Construction Fund</i>	27
<i>NOAA Lease Revenue Fund</i>	28
Reconciliation of Revenues and Expenditures (Budgetary Basis) to the Statement of Revenues, Expenses and Changes in Net Position	29
Schedule of Property Tax Transactions	30

COMPLIANCE SECTION

Independent Auditor's Report Required by Oregon State Regulations	31-32
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October 9, 2014

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Port of Newport
Newport, Oregon

Report on the Financial Statements

I have audited the accompanying financial statements of the business-type activities of Port of Newport (Port) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Port as of June 30, 2014, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussions and analysis, listed in the table of contents, is presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Port of Newport's basic financial statements. The accompanying supplemental information, listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, this supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

SIGNE GRIMSTAD

Certified Public Accountant

**PORT OF NEWPORT
Oregon**

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

As management of the Port of Newport, Oregon, we offer readers this narrative overview and analysis of the financial activities of the Port for the fiscal year ended June 30, 2014. The readers are encouraged to read this narrative overview in conjunction with the accompanying financial statements.

FINANCIAL HIGHLIGHTS

- Total assets of the Port are \$96,342,822 with Capital assets of \$88,077,060 net of accumulated depreciation. Current assets are \$8,174,428 at June 30, 2014.
- The assets of Port exceeded its liabilities at the close of the fiscal year by \$50,288,672 (Net Position). Of this amount \$3,603,179 (unrestricted net position) may be used to meet the Port's ongoing obligations.
- The Port's net position decreased by \$776,354 from June 30, 2014 largely based on the adoption of GASB 65. See Note 8.
- Total operating revenue was \$5,581,973 which is an increase of 5.9% over the prior year.
- Total operating expenses for the year were \$5,473,782. This figure is 9.3% higher than the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Port of Newport's basic financial statements. The Statement of Net Position presents information on all of the Port's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Port is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the Port's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing when the related cash flows occur. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e., uncollected taxes and earned but unused vacation leave).

Notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the Port's statements. The notes can be found on pages 12 through 22 of this report.

**PORT OF NEWPORT
Oregon**

MANAGEMENT'S DISCUSSION AND ANALYSIS

PORT-WIDE FINANCIAL STATEMENTS

**Statement of Net Position
(in thousands)**

	2014	2013
Assets		
Current assets	\$ 7,746	\$ 7,403
Other assets	520	1,812
Capital assets	88,077	89,128
Total assets	96,343	98,343
Liabilities		
Current liabilities	2,195	2,063
Noncurrent liabilities	43,859	45,215
Total liabilities	46,054	47,278
Net Position		
Investments in capital assets, net of related debt	42,840	43,436
Restricted	3,846	3,776
Unrestricted	3,602	3,853
Total net position	\$ 50,288	\$ 51,065

By far the largest portion of the Port's net position (85%) reflects its investment in capital assets (i.e., land, dock infrastructure, marina, recreational vehicle park, construction in progress, etc.) less related outstanding debt used to acquire those assets. The Port uses these capital assets to provide services to facility patrons; consequently, these assets are not available for future spending. Although the Port's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**PORT OF NEWPORT
Oregon**

MANAGEMENT'S DISCUSSION AND ANALYSIS

PORT-WIDE FINANCIAL STATEMENTS - Continued

Statement of Revenues, Expenses and Changes in Net Position
(in thousands)

	<u>2014</u>	<u>2013</u>
Revenues		
Operating revenue from services	\$ 5,582	\$ 5,268
Nonoperating revenue:		
Grants	2	1,253
Property taxes	1,071	884
Interest	17	18
Gain (loss) on sale of equipment	<u>20</u>	<u>(2)</u>
Total revenues	<u>6,692</u>	<u>7,421</u>
Expenses		
Operating expenses	5,474	5,007
Other	<u>1,221</u>	<u>1,458</u>
Total expenses	<u>6,695</u>	<u>6,465</u>
Excess (def) of revenue over expenses before contribution	(3)	956
Capital contribution	<u>0</u>	<u>1,016</u>
Change in net position	(3)	1,972
Net position - restated beginning of year	<u>50,291</u>	<u>49,093</u>
Net position - end of year	<u>\$ 50,288</u>	<u>\$ 51,065</u>

The Port recognized a loss in net position during the most recent fiscal year of \$(3). Operating revenues from moorages, leases, RV Park operations, hoist dock revenue, and other services all increased compared to the prior fiscal year. Launch ramp dock revenue decreased 9% compared to the prior fiscal year. Property taxes increased to cover debt service on General Obligation Bonds issued in 2007, 2008 and 2011 approved by voters to reconstruct the Newport International Terminal. Operating expenses increased as a result of increased operational services and projects.

**PORT OF NEWPORT
Oregon**

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE PORT'S FUNDS

The Port operates as a special-purpose entity, reporting all of its activities as a single enterprise function. The Port accounts for various activities in separate funds to ensure and demonstrate compliance with finance-related legal and budget requirements.

The Port rolls all of its individual funds together for a single presentation in the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position, as well as the Statement of Cash Flows for Port-wide presentation.

GENERAL FUND BUDGETARY HIGHLIGHTS

A review of the Port's General Operating Fund indicates total revenues were 98.93% of budgeted projections and total expenses were 76.50% of budgeted levels.

No supplemental budget was passed by the Port's Board of Commissioners during the current year ending June 30, 2014.

CAPITAL ASSETS

The following table lists the Port's capital assets and their values, net of depreciation, as of June 30:

	<u>2014</u>	<u>2013</u>
Land	\$ 20,222	\$ 20,222
Construction	3,020	27,499
Land improvements	18,437	10,883
Buildings and docks	41,744	30,127
International terminal	25,887	0
Equipment	<u>881</u>	<u>397</u>
Total	<u>\$ 110,191</u>	<u>\$ 89,128</u>

As shown in the table above, the Port's net capital assets increased by \$21,063 during the current year.

Current year additions include dock work in South Beach, installing fiber optic and wi fi equipment acquisitions and \$1,408,209 of reconstruction (including capitalized interest) on the Newport International Terminals project.

For further information relating to the Port's capital assets, see Note 5 of the Notes to Basic Financial Statements.

**PORT OF NEWPORT
Oregon**

MANAGEMENT'S DISCUSSION AND ANALYSIS

DEBT OUTSTANDING

Figures presented in the following table illustrate balances outstanding at June 30, 2014 and 2013.

	<u>2014</u>	<u>2013</u>
General obligation bonds	\$ 14,065	\$ 14,340
Revenue bond	22,540	23,330
Full faith and credit obligations	3,410	3,410
State of Oregon loans	4,832	4,943
Bank loans	476	539
Capital leases	<u>46</u>	<u>25</u>
Total	<u>\$ 45,369</u>	<u>\$ 46,587</u>

In the fiscal year 2013, full faith and credit obligations of \$3,410 were issued to pay off two State of Oregon loans of \$2,523 at a lower interest rate and provide \$890 additional resources for the International Terminal project. An additional \$3,400 State of Oregon loans were taken out for the International Terminal reconstruction. Reductions in debt year to year represent scheduled principal payments.

For further information relating to the Port's debt, see Note 7 of the Notes to Basic Financial Statements.

KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE

The Port is limited by State constitutional limits on property taxes. This limits the ability of the Port to increase property tax receipts. In addition, the impact of local economic conditions tends to limit increases in other revenues. During the budget process, these factors were considered in the preparation and adoption the Port's 2014-15 fiscal year budget. The goals of that budget were therefore to maintain the existing level of expenditure to serve customers in the most professional, accountable and efficient manner possible.

The largest goal for 2014-15 will be the completion of dredging and mitigation related to the International Terminal construction project. Components of the project that are remaining are the berth dredging to 35 feet, armament of the under wharf slope, mitigation removal of earthen dikes behind the Oregon Coast Aquarium and mitigation upgrade of a culvert connecting Yaquina Bay and a decommissioned log pond in the same area. The cost of these projects will total \$700,000 and will be completed out of the Construction Fund.

Upon completion of the terminal, the Port will be prepared to serve customers interested in shipping primarily raw logs to Asian markets, though the Port will be recruiting other users as well. The fiscal 2014-15 budget does not account for any income related to this activity. That income, when realized, will accumulate in the cash reserves (unappropriated ending fund balance) and will be a point of discussion during the fiscal year 2015-16 budget development.

The NOAA enterprise fund will continue to see pressure from unforeseen dredging needs and eel grass mitigation requirements. In fiscal year 2014-15, an additional \$225,000 will be spent to manage the growth of eel grass required by the installation of the NOAA facility.

**PORT OF NEWPORT
Oregon**

MANAGEMENT'S DISCUSSION AND ANALYSIS

KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE - Continued

NOAA's unrestricted cash will finance the construction of a new 4,630 sf single level port administration building, site improvements and parking. The building program includes a meeting room sized to accommodate fifty people, three restrooms, an entry vestibule, a kitchenette, eight offices and a mechanical room. The project is scheduled to commence construction in June 2015; and be completed and ready for occupancy by August 2016. The preliminary budget for direct construction cost is approximately \$695,000, though soft costs will bring the overall budget to nearly \$1 million. This project will be expensed through the Construction Fund and depending on other activity within the fund, may require a supplemental budget in fiscal year 2014-15.

NOAA has also contributed greatly to the Maintenance Reserve Fund. The fund was tapped when it was discovered that the gas lines were leaking during an annual inspection. The cost to repair the line was nearly \$80,000. Other projects that will be expended out of the reserve fund will be laundry equipment replacement in South Beach and acquisition of marine materials for maintenance repairs.

The Port's traditional revenue sources from leases, moorage and RV Parks remain the largest percentage of General Fund revenues. Res. No. 2014-06 increased rates for service fees as much as 30% to make up for staff time related to billable hours and equipment depreciation. This may result in a decrease of usage by users of port services.

Moorage rates were modified to be more standard after years of no or minimal increases. Management's hope is to adopt smaller, regular increases that mariners can more easily accommodate. Rate increases will result in more maintenance on commercial docks which are in dire need of replacement.

Other potential issues will be the announced closure of the Yaquina Bay Fruit Processing which will open up a four acre water dependently zoned parcel in South Beach. This lease generated as much as \$40,000 annually for the General Fund. The Port may also need to consider paving almost two acres to the west of the International Terminal office for fisherman storage and significant excavation of dredge spoils at McLean Point as the Port looks to retract from its lease with the Hall family.

REQUESTS FOR INFORMATION

The Port's financial statements are designed to present district taxpayers, customers and creditors with a general overview of the Port's finances and to demonstrate the Port's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Kevin Greenwood, General Manager, Port of Newport, 600 SE Bay Blvd., Newport, Oregon 97365.

PORT OF NEWPORT, OREGON

STATEMENT OF NET POSITION as of June 30, 2014

ASSETS

Current Assets

Cash and cash equivalents	\$ 7,746,616
Investment	59,818
Accounts receivable, net of allowance for doubtful accounts	148,884
Property taxes receivable	87,180
Prepaid expenses	<u>131,930</u>

Total current assets 8,174,428

Capital Assets

Land	20,221,521
Buildings and equipment, net of depreciation	<u>67,855,539</u>

Total capital assets 88,077,060

Other Assets

Bond issue costs, net of amortization	<u>91,334</u>
---------------------------------------	---------------

Total assets 96,342,822

LIABILITIES AND NET POSITION

Current Liabilities

Accounts payable	157,984
Accounts payable from restricted assets	5,455
Accrued expenses	26,106
Unearned revenue	115,554
Accrued interest payable	12,369
Accrued interest payable from restricted assets	499,410
Current portion of loans and capital leases payable	278,103
Current portion of bonds payable	<u>1,100,000</u>

Total current liabilities 2,194,981

Long-term Liabilities

Loans and capital leases payable	5,075,678
Bonds payable	<u>38,783,491</u>

Total long-term liabilities 43,859,169

Total liabilities 46,054,150

Net Position

Invested in capital assets, net of related debt	42,839,788
Restricted	
Debt service	3,512,075
Maintenance reserve	333,630
Unrestricted	<u>3,603,179</u>

Total net position \$ 50,288,672

See accompanying notes to financial statements

PORT OF NEWPORT, OREGON

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION for the Year Ended June 30, 2014**

OPERATING REVENUES

Moorages and leases	\$ 4,357,265
RV Park	641,061
Terminals	9,613
Hoist dock	444,582
Launch ramp	59,148
Other	<u>70,304</u>
 Total operating revenues	 <u>5,581,973</u>

OPERATING EXPENSES

Salaries and wages	728,340
Payroll taxes and benefits	287,337
Administration, promotion and marketing	79,522
Maintenance	430,954
Utilities	414,741
Insurance	275,715
Professional fees	98,031
Service fees	281,915
Supplies	92,698
Operating fees	58,058
Other	86,240
Depreciation	<u>2,640,231</u>
 Total operating expenses	 <u>5,473,782</u>

Operating Income (Loss) 108,191

NONOPERATING REVENUE (EXPENSES)

Property taxes	1,071,578
Grants	1,939
Interest income	16,854
Interest expense	(1,215,579)
Gain on sale of equipment	19,665
Amortization	<u>(4,243)</u>
 Total nonoperating revenue (expense)	 <u>(109,786)</u>

Change in Net Position (1,595)

NET POSITION - Beginning of year

As originally stated	51,065,028
Prior period adjustment - debt issue costs	<u>(774,761)</u>
As restated	<u>50,290,267</u>

NET POSITION - End of year \$ 50,288,672

See accompanying notes to financial statements

PORT OF NEWPORT, OREGON

STATEMENT OF CASH FLOWS for the Year Ended June 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts from customers	\$ 6,228,911
Cash payments for goods and services	(1,734,776)
Cash payments for employees and benefits	<u>(1,076,735)</u>
Net cash provided (used) by operating activities	<u>3,417,400</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Non capital grants	1,939
Property taxes collected	<u>1,056,679</u>
Net cash provided (used) by noncapital financing activities	<u>1,058,618</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition & construction of capital assets	(615,169)
Proceeds from sale of assets	20,961
Principal paid on debt	(1,249,578)
Interest paid on debt	<u>(2,245,800)</u>
Net cash provided (used) by capital and related financing activities	<u>(4,089,586)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
CD reclassified as investment	(59,818)
Interest income	<u>16,854</u>
Net cash provided (used) by investing activities	<u>(42,964)</u>
Net increase (decrease) in cash & cash equivalents	343,468
Cash & cash equivalents - Beginning of year (restricted \$5,065,515)	<u>7,403,148</u>
Cash & cash equivalents - End of year (restricted \$4,870,935)	<u>\$ 7,746,616</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ 108,191
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	2,640,231
(Increase) decrease in operating assets	
Accounts receivable	607,485
Prepaid expenses	(22,389)
Increase (decrease) in operating liabilities	
Accounts payable	105,487
Accrued expenses	(61,058)
Deferred revenue	<u>39,453</u>
Net cash provided (used) by operating activities	<u>\$ 3,417,400</u>
NONCASH CAPITAL ACTIVITY	
Equipment acquired through capital lease	\$ 31,357

See accompanying notes to financial statements.

PORT OF NEWPORT, OREGON
NOTES TO FINANCIAL STATEMENTS
as of June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting framework and the more significant accounting principles and practices are disclosed below.

Reporting Entity

The Port is organized under the general laws of the State of Oregon. The governing body is a five-member elected Board of Commissioners (the Board). The daily management of the Port is under the supervision of the General Manager, who is appointed by the Board. The Port is the level of government financially accountable for all Port operations within its boundaries. As a result, all related activities have been included in the financial statements. There are various governmental agencies and special service districts that provide services within the Port's boundaries; however, the Port is not financially accountable for any of these entities, and accordingly their financial information is not included in these financial statements.

Measurement Focus, Basis of Presentation and Accounting

The Port is considered to be a single enterprise similar to a commercial entity for financial reporting purposes. Accordingly, these financial statements are maintained on the flow of economic resources measurement focus using the accrual basis of accounting and accounting principles applicable to commercial enterprises. This measurement focus provides that all assets and liabilities associated with operations are included on the Statement of Net Position. The Port's net position is segregated into net position invested in capital assets, restricted net position and unrestricted net position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in net position.

The financial statements of the Port have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when liabilities are incurred.

Operating Revenues, Non-Operating Revenues and Operating Expenses

The Port has defined operating revenues to include lease fees, RV park fees, launch dock, hoist and moorage fees. Operating expenses are defined as those expenses directly related to providing the services reflected within operating revenues including depreciation and administration expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenue and expenses. This includes property taxes, investment interest, gain (loss) on sale of capital assets, and non-operating grant revenue and amortization costs.

Deposits and Investments

The Port's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

The Port's investment policies are governed by Oregon statutes. The statutes authorize the Port to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, high-grade commercial paper and the State Treasurer's Local Government Investment Pool (LGIP). See Note 3.

PORT OF NEWPORT, OREGON
NOTES TO FINANCIAL STATEMENTS
as of June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Receivables

Terminal, marina and lease receivables are shown net of an allowance for doubtful accounts. The allowance is judgmentally determined by management based on a collectability analysis.

Property taxes are levied and become a lien on all taxable property as of July 1. Property taxes are payable on November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Property taxes receivable are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

Capital Assets

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value on the date received. Interest costs are capitalized as part of the costs of capital assets during the period of construction based on borrowing costs incurred. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. The Port recognizes assets with an initial cost or donated value of more than \$5,000 and an estimated life of over more than one year.

Capital assets constructed with tax-exempt borrowing may include capitalized interest as part of the costs of capital assets. All interest costs of the borrowing less any interest earned on investments acquired with the proceeds of the borrowing are capitalized from the date of the borrowing until the assets are ready for their intended use.

Assets subject to depreciation are depreciated over their estimated useful lives on the straight-line basis. Estimated useful lives for land improvements (marina and RV park) are 10 to 20 years, buildings - 25 to 40 years, docks - 20 to 40 years, and equipment from 5 to 10 years.

Compensated Absences

Employees are permitted to accumulate earned but unused vacation and related employee benefits. Vacation and holiday pay are recognized as expense when earned. Compensated absences are reported with accrued expenses in the Statement of Net Position.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30 are recorded as prepaid items.

Long-Term Liabilities

General obligation bonds are payable from property taxes. All other long-term obligations are payable from operations.

Net Position

Net Position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the Port's financial statements.

PORT OF NEWPORT, OREGON

NOTES TO FINANCIAL STATEMENTS as of June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Position

Net position is divided into three components:

Net investment in capital assets - consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

Restricted net position - consists of assets that are restricted by the Port's creditors, by enabling legislation, by grantors, and other contributors.

Unrestricted - all other net position is reported in this category.

Restricted Assets and Related Liabilities

Assets whose use is restricted for construction related to the marine terminal redevelopment project, the National Oceanic and Atmospheric Administration (NOAA) Marine Operations Center - Pacific (MOC-P) project, the facilities maintenance reserve and the payment of bonded debt service, as well as all related liabilities are segregated on the Statement of Net Position.

Where both restricted and unrestricted resources are available for use, it is the Port's policy to use restricted resources to the limits of the policies and statutes governing them first, then unrestricted resources as they are needed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget Law and Practice

The Port legally adopts an annual budget for each proprietary fund prior to July 1 through passage of a resolution in accordance with the legal requirements set forth in the Oregon Local Budget Law. The resolution authorizes fund appropriations at the following control levels: personal services, materials and services, capital outlay, debt service, interfund transactions, operating contingency, and all other requirement levels. Expenditures cannot legally exceed appropriations at these control levels.

Budgets are prepared using the modified accrual basis of accounting. A reconciliation schedule brings the budget basis to full accrual for compliance with generally accepted accounting principles.

PORT OF NEWPORT, OREGON
NOTES TO FINANCIAL STATEMENTS
as of June 30, 2014

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

Budget Law and Practice

Unexpected additional resources may be added to the budget through the use of a supplemental budget. The supplemental budget process requires hearings before the public, publications in newspapers, and approval by the Board. Only the Board may modify original and supplemental budgets by the use of appropriation transfers between the levels of control. In addition, Oregon Local Budget Law provides certain specific exceptions to the supplemental budget process to increase appropriations. Such transfers and increases require Board's approval by adoption of a resolution.

Budget appropriation amounts shown in the financial statements include the original and revised budget appropriations as approved by the Board. Appropriations are limited to a single fiscal year; therefore, all spending authority of the Port lapse at year end.

Over Expenditures

The General Fund over expended in Debt Services by \$132,724.

NOTE 3 - DEPOSITS AND INVESTMENTS

Cash, cash equivalents and investments as of June 30 consist of the following:

	<u>Balance</u>	<u>Unrestricted</u>	<u>Restricted</u>
Cash on hand	\$ 2,125	\$ 2,125	\$ 0
Deposits with financial institutions	<u>7,744,491</u>	<u>2,873,556</u>	<u>4,870,935</u>
Total cash and cash equivalents	7,746,616	2,875,681	4,870,935
Investments - time certificate of deposit	<u>59,818</u>	<u>0</u>	<u>59,818</u>
Total cash, cash equivalents and investments	<u>\$7,806,434</u>	<u>\$ 2,875,681</u>	<u>\$4,930,753</u>

Deposits

At the end of the fiscal year, the Port's total deposits with financial institutions have a bank value of \$7,972,671, of which \$1,000,000 was covered by FDIC.

Custodial Credit Risk

As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at qualified depositories for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result the Port has no exposure to custodial credit risk for deposits with financial institutions.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Port does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

PORT OF NEWPORT, OREGON
NOTES TO FINANCIAL STATEMENTS
as of June 30, 2014

NOTE 3 - DEPOSITS AND INVESTMENTS - Continued

Credit risk

Oregon Statutes limit investments to general obligations of U.S. government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, high-grade commercial paper and the State Treasurer's Local Government Investment Pool. The Port has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The Port places no limit on the amount the Port may invest in any one investment or issuer. For the current year, the Port held 71% of funds in Oregon Coast Bank.

NOTE 4 - RECEIVABLES

Receivables at year end consist of the following:

	<u>Balance</u>	
Property taxes	\$ 87,180	Restricted
Accounts receivable	148,884	Unrestricted
Total receivables	\$ 236,064	

Terminal, marina, and lease receivables are shown net of an allowance for doubtful accounts. The allowance is judgmentally determined by management based on a collectability analysis.

Property Taxes

Property taxes are levied and become a lien on all taxable property as of July 1. Taxes are levied on November 15 with collection dates: November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30 was as follows:

	<u>7/01 Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>6/30 Balance</u>
Capital assets not being depreciated				
Land	\$ 20,221,521	\$ 0	\$ 0	\$ 20,221,521
Construction in progress	27,499,638	1,408,209	(25,887,409)	3,020,437
Total assets not being depreciated	47,721,159	1,408,209	(25,887,409)	23,241,958
Capital assets being depreciated				
Land improvements	18,413,449	23,177	0	18,436,626
Buildings and docks	41,639,092	104,715	0	41,743,807
Equipment	828,608	52,793	0	881,402
International Terminal	0	25,887,409	0	25,887,409
Total depreciable at historical cost	60,881,149	26,068,094	0	86,949,244

PORT OF NEWPORT, OREGON
NOTES TO FINANCIAL STATEMENTS
as of June 30, 2014

NOTE 5 - CAPITAL ASSETS - Continued

	<u>7/01</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>6/30</u> <u>Balance</u>
Accumulated depreciation				
Land improvements	(7,530,225)	(421,313)	0	(7,951,537)
Buildings and docks	(11,512,089)	(1,630,690)	0	(13,142,779)
Equipment	(431,598)	(70,480)	0	(502,078)
International Terminal	<u>0</u>	<u>(517,748)</u>	<u>0</u>	<u>(517,748)</u>
Total accumulated depreciation	<u>(19,473,911)</u>	<u>(2,640,231)</u>	<u>0</u>	<u>(22,114,142)</u>
Total capital assets, net	<u>\$ 89,128,397</u>	<u>\$24,836,072</u>	<u>\$(25,887,409)</u>	<u>\$ 88,077,060</u>

Capitalized interest expense for the year was \$942,368.

NOTE 6 - LEASE

Leases - Port as Lessor

The Port, as a lessor, leases certain properties with a total approximate net capitalized cost of \$25,750,000 and annual depreciation expense of approximately \$1,290,000 under long-term operating leases. On August 7, 2009, the Port entered into a 20-year lease for a MOC-P with the United States of America, through the NOAA, expiring June 30, 2031, commonly referred to as the NOAA lease. NOAA lease revenue is pledged first to pay bond principal and interest, second to credit the reserve account to eliminate any deficiency in the required reserve and third for any other lawful Port purpose. The annual rent under this lease is approximately \$2,500,000 which is included in the schedule below.

The minimum future payments to be received under non-cancelable leases are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Balance</u>
2015	\$ 3,050,000
2016	2,960,000
2017	2,810,000
2018	2,580,000
2019	2,560,000
Thereafter	<u>30,170,000</u>
Total	<u>\$ 44,130,000</u>

Total minimum future lease payments do not include amounts for lease payments based on the lessee's gross sales. These payments amounted to approximately \$116,000 for the fiscal year. Amounts for future lease extensions are not included as they are cancelable.

PORT OF NEWPORT, OREGON
NOTES TO FINANCIAL STATEMENTS
as of June 30, 2014

NOTE 7 - LONG TERM DEBT

Bonds, Loans and Capital Leases Payable

Bonds, loans and capital leases payable are as follows:

	<u>Original Amount</u>	<u>7/01 Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>6/30 Balance</u>	<u>Due Within One Year</u>
General Obligation Bonds						
Series 2007, interest rates from 4% to 4.25%	\$ 5,000,000	\$ 4,440,000	\$ 0	\$ 110,000	\$ 4,330,000	\$ 115,000
Series 2008, interest rates from 3.5% to 4.25%	5,000,000	4,520,000	0	105,000	4,415,000	110,000
Series 2011, interest rates from 2% to 5.5%	5,452,000	5,380,000	0	60,000	5,320,000	60,000
Full Faith and Credit Obligation Bond						
Series 2013, interest at 2.45%	3,410,000	3,410,000	0	0	3,410,000	30,000
State of Oregon Loans						
Special Public Works Fund Loan, interest at 4.77% to 6.5%	9,071,047	4,853,358	0	98,690	4,754,668	156,838
Oregon Port Revolving Loans, interest at 6%	366,065	89,393	0	12,771	76,622	13,555
Oregon Coast Bank Loans						
Loan payable, interest at 7%	315,955	113,149	0	44,759	68,390	48,015
Loan payable, interest at 6%	465,811	425,725	0	17,967	407,758	19,016
Toyota Financial Services						
Capital lease, interest at 5.55%	33,038	3,185	0	3,185	0	0
Capital lease, interest at 4.75%	24,767	22,192	0	4,264	17,928	4,831
Capital lease, interest at 4.3%	31,357	0	31,357	2,943	28,414	5,848
Revenue Bond						
Series 2010, interest rate from 3% to 6.125%	24,095,000	<u>23,330,000</u>	<u>0</u>	<u>790,000</u>	<u>22,540,000</u>	<u>815,000</u>
		<u>\$46,587,002</u>	<u>\$ 31,357</u>	<u>\$ 1,249,579</u>	<u>\$45,368,780</u>	<u>\$1,378,103</u>

* Note that amounts do not represent variable interest debt, but rather stated rates related to various maturities for the respective issuances.

PORT OF NEWPORT, OREGON

NOTES TO FINANCIAL STATEMENTS

as of June 30, 2014

NOTE 7 - LONG TERM DEBT - Continued

Bonds, Loans and Capital Leases Payable

General obligation bonds, full faith and credit obligation bond, and State of Oregon loans are direct obligations and pledge the full faith and credit of the Port. The revenue bonds are secured by the NOAA lease revenue and the required reserve was fully funded with bond proceeds. The funds provided by the obligations and the Oregon Coast Bank loans, were and continue to be used for the acquisition, repair and construction of capital assets.

In the last fiscal year ending June 30, 2013, the Port obtained financing to fund construction of the International Terminal. The Port negotiated a \$3,000,000 loan with a \$500,000 grant from the Oregon Infrastructure Finance Authority (IFA), fully drawn down by June 30, 2013. Also additional financing was obtained under a forgivable loan from the State of Oregon Business Development in the amount of \$400,000. The no interest loan is secured by a promissory note and will be forgiven by the State upon completion of the project.

In the last fiscal year ending June 30, 2013, the Port refinanced two special Public Works Fund Community Facility loans outstanding of \$2,624,942 and received new funding of \$890,000 deposited into the Construction Fund for improvements to the Port's International Terminal.

The Port has various capital leases for certain equipment. The balance outstanding on these leases at June 30, 2014 was \$46,342. The cost of leased equipment at year end was \$56,124, with accumulated depreciation of \$5,778 and net book value of \$50,346.

Future maturities are as follows:

Year Ending June 30	General Obligation Bonds	Full Faith& Credit Obl. Bond	State of Oregon Loans	Oregon Coast Bank Loans	Capital Leases	Revenue Bond	Total	Total Interest
2015	\$ 285,000	\$ 30,000	\$ 170,393	\$ 67,031	\$ 10,679	\$ 815,000	\$ 1,378,103	\$ 2,120,777
2016	300,000	120,000	181,693	40,503	11,181	840,000	1,493,377	2,070,262
2017	310,000	185,000	195,336	21,466	11,693	870,000	1,593,495	2,014,596
2018	320,000	190,000	235,924	22,809	9,353	910,000	1,688,086	1,953,450
2019	335,000	200,000	243,471	24,236	3,436	945,000	1,751,143	1,886,064
2020-24	1,895,000	1,090,000	1,238,549	145,820	0	5,525,000	9,894,369	8,199,715
2025-29	2,335,000	1,130,000	1,323,651	154,283	0	7,200,000	12,142,934	5,618,368
2030-34	2,905,000	465,000	1,242,271	0	0	5,435,000	10,047,273	2,427,021
2035-39	3,640,000	0	0	0	0	0	3,640,000	1,041,978
2040-44	1,740,000	0	0	0	0	0	1,740,000	144,925
Total	\$14,065,000	\$3,410,000	\$4,831,288	\$ 476,148	\$ 46,342	\$22,540,000	\$45,368,780	\$27,477,156
							Adjustment - current portion	(1,378,103)
							- premium/discounts	(131,508)
							Total long-term debt, net	\$43,859,169

PORT OF NEWPORT, OREGON
NOTES TO FINANCIAL STATEMENTS
as of June 30, 2014

NOTE 8 - PRIOR PERIOD ADJUSTMENT

Government Accounting Standards Board (GAS) Statement 65 - Items Previously Recognized as Assets and Liabilities became effective for fiscal years beginning after December 15, 2012. Under GASB 65 debt issuance costs, other than prepaid insurance costs, are recognized as an outflow of resource in the period incurred rather than amortized over the life of the related debt. The statement is to be applied retroactively. As a result, beginning net position has been reduced by \$774,761, the amount of the unamortized debt issuance costs at June 30, 2013.

NOTE 9 - OTHER INFORMATION

Pension Plan

Substantially all Port employees, after six months of employment, are participants in the State of Oregon Public Employees Retirement System (PERS). The Port's policy is to fund pension costs as determined by actuarial valuations. The Port contributes to the PERS and to the Oregon Public Service Retirement Plan (ORSRP). PERS is a cost sharing multiple-employer defined benefit public employee retirement system. OPSRP is a hybrid retirement plan with two components; the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan) and the Individual Account Program (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan). A defined benefit plan is benefit-based and uses predictable criteria such as a pension determined by salary multiplied by length of service multiplied by a factor. A defined contribution plan has no guarantee. ORSRP is administered by PERS. PERS acts as a common investment and administrative agent for political subdivisions in the State of Oregon.

The 2003 Oregon Legislature established OPSRP. Public employees hired on after August 29, 2003, become part of OPSRP, unless membership was previously established in PERS. The 1995 Oregon Legislature established a different level of benefits for employees who began their six-month waiting period on or after January 1, 1996. This level is called Tier Two.

Benefits generally vest after five years of continuous service. Retirement is allowed at age fifty-eight with unreduced benefits, but retirement is generally available after age fifty-five with reduced benefits. Retirement benefits based on salary and length of service are calculated using a formula and are payable in a lump sum or monthly using several payment options. PERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statutes.

The State of Oregon PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700 or by calling 1-888-320-7377.

Funding Policy

The rate of employer contributions to PERS is determined periodically by PERS based on actuarial valuations performed at least every two year. Contributions to PERS have historically been made based on the annual required contribution and were charged to expenses/expenditures as funded.

The Port's annual required contribution rate for the fiscal year was 4.46% of covered employees' salaries for PERS and 4.01% for general OPSRP. The employee contribution rate is 6%.

PORT OF NEWPORT, OREGON
NOTES TO FINANCIAL STATEMENTS
as of June 30, 2014

NOTE 9 - OTHER INFORMATION - Continued

Pension Plan

Risk Pooling and Revised PERS Contribution Rates

The Port participates in the State and Local Government Rate Pool (SLGRP). The SLGRP was created by legislative act of the State of Oregon and provided local governments the option to pool their PERS related assets and liabilities with others that elected to participate in the pool. Contribution rates are determined based on the overall experience of the pool versus the potentially more volatile experience of individual employers.

Annual Pension Cost

For the fiscal year, the Port's actual annual pension cost of approximately \$30,000 was equal to the annual required contributions. The required contribution was determined as part of the actuarial valuation at December 31, 2009, using the projected unit credit cost methods. Significant actuarial assumptions used in the valuation included; (a) rate of return on the investment of present and future assets of 7.75%; (b) projected salary increases which include 3.75% per year in addition to salary increases due to promotions and longevity that may vary by age and service; (c) post-retirement benefit increases of 2% per year (the maximum allowable); (d) consumer price inflation of 2.75% per year; and, (e) thirty-year open amortization of the unfunded actuarial liability as a level percentage of projected annual payroll.

Beginning in 2000, the actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a five-year period. No obligation for retirees is attributed to the Port as PERS pools the risk related to retired employees among all employers. PERS assumes the obligation for benefits from the individual entity, as a whole, when benefits become payable.

The Port's annual required contributions, percentages of annual contributions to the plan, and the net pension obligation for 2014 and the two preceding years were as follows:

Fiscal Year Ending June 30	Annual Required Contribution	% Contributed	Remaining Obligation
2012	\$ 41,000	100%	\$ 0
2013	36,000	100%	0
2014	30,000	100%	0

Retirement Health Insurance Account (RHIA)

Plan Description

As a member of Oregon Public Employees Retirement System (OPERS), the Port contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing, multiple-employer defined benefit other postemployment benefit plan (OPEB) administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700.

PORT OF NEWPORT, OREGON

NOTES TO FINANCIAL STATEMENTS as of June 30, 2014

NOTE 9 - OTHER INFORMATION - Continued

Retirement Health Insurance Account (RHIA)

Funding Policy

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS requires that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating municipal corporations are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently .59% for PERS members and .49% for OPSRP of annual covered payroll, respectively. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Port's contributions to RHIA for the years ended June 30, 2014, 2013, and 2012 were paid with contributions for pension, and equaled the required contributions for each year.

Risk Management

The Port is exposed to various risks of loss related to theft of; damage to and destruction of assets; torts; errors and omissions; injuries to employees; and natural disasters. The Port purchases commercial insurance for such risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Commitments and Contingencies

The Port had commitments under various contracts for the terminal redevelopment project totaling approximately \$740,000 for the year.

Evaluation of Subsequent Events

The Port has evaluated subsequent events through October 9, 2014, the date which the financial statements were available to be issued.

PORT OF NEWPORT

SUPPLEMENTAL INFORMATION

PORT OF NEWPORT, OREGON

DESCRIPTION OF BUDGETARY FUNDS

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances requires budget and actual be displayed for each fund where legally adopted budgets are required:

Budgetary comparison schedules include the following funds:

General Operating Fund

The fund is used to account for the financial resources of the Port that are not accounted for in any other fund. Principal sources of revenue are from property taxes, service fees and lease revenue. Primary expenditures are for maintenance and general administration.

Bonded Debt Fund

The fund is used to account for expenditures for major construction and improvement. Principal sources of revenue are mortgage fees.

Facilities Maintenance Fund

The fund is used to account for the accumulation of funds for the maintenance, repairs and capital improvements.

Construction Fund

The fund is used for capital improvements and acquisitions.

NOAA Lease Revenue Fund

The fund is used for operation and maintenance as authorized by the General Fund Budget. It is reported as a part of the enterprise fund on a generally accepted accounting principles basis.

PORT OF NEWPORT, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL for the Year Ended June 30, 2014**

GENERAL OPERATING FUND

	Original & Final Budget	Actual	Variance
REVENUES			
Moorage	1,279,500	1,219,239	(60,261)
Leases	535,500	599,533	64,033
RV park	537,300	641,061	103,761
Terminals	141,500	9,613	(131,887)
Hoist dock	0	444,582	444,582
Intergovernmental	527,200	1,939	(525,261)
Launch ramp	58,000	59,148	1,148
Property taxes	89,000	99,491	10,491
Interest	2,500	2,886	386
Miscellaneous	31,000	89,689	58,689
Total revenues	<u>3,201,500</u>	<u>3,167,181</u>	<u>(34,318)</u>
EXPENDITURES			
Personal services	1,181,000	915,628	265,372
Materials and services	1,437,000	1,311,748	125,252
Capital outlay	637,500	25,608	611,892
Debt service	445,000	577,724	(132,724)
Total expenditures	<u>3,700,500</u>	<u>2,830,708</u>	<u>869,792</u>
Excess (def) of revenues over expenditures	<u>(499,000)</u>	<u>336,473</u>	<u>835,473</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>25,000</u>	<u>25,000</u>	<u>0</u>
Total other financing sources (uses)	<u>25,000</u>	<u>25,000</u>	<u>0</u>
Excess (def) of revenues over expenditures	(474,000)	361,473	835,473
Unappropriated ending fund balance	(76,000)	0	(76,000)
FUND BALANCE - Restated - Beginning of year (Budget)	<u>550,000</u>	<u>867,554</u>	<u>317,554</u>
FUND BALANCE - End of year (Budget)	<u>\$ 0</u>	1,229,027	<u>\$ 1,229,027</u>
GAAP Adjustments			
Capital assets, net		88,077,060	
Accrued interest payable		(12,369)	
Long-term debt		<u>(8,882,447)</u>	
FUND BALANCE - End of year (GAAP)		<u>\$ 80,411,271</u>	

PORT OF NEWPORT, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL for the Year Ended June 30, 2014**

BONDED DEBT FUND

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 962,773	\$ 972,087	\$ (9,314)
Interest	<u>300</u>	<u>950</u>	<u>(650)</u>
Total revenues	963,073	973,037	(9,964)
EXPENDITURES			
Debt service	<u>923,073</u>	<u>918,073</u>	<u>5,000</u>
Excess (def) of revenues over expenditures	40,000	54,964	14,964
Unappropriated ending fund balance	(40,000)	0	(40,000)
FUND BALANCE - Restated - Beg of year (Budget)	<u>0</u>	<u>65,628</u>	<u>(65,628)</u>
FUND BALANCE - End of year (Budget)	<u>\$ 0</u>	120,592	<u>\$ 120,592</u>
GAAP Adjustments			
Bond issue costs		91,334	
Long-term debt		<u>(13,997,401)</u>	
FUND BALANCE - End of Year (GAAP)		<u>\$ (13,785,475)</u>	

PORT OF NEWPORT, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL for the Year Ended June 30, 2014**

FACILITIES MAINTENANCE FUND

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	\$ 25	\$ 173	\$ 148
EXPENDITURES			
Materials and services	<u>240,025</u>	<u>123,736</u>	<u>116,289</u>
Excess (def) of revenues over expenditures	(240,000)	(123,563)	116,437
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>235,000</u>	<u>193,870</u>	<u>(41,130)</u>
Excess (def) of revenues over expenditures	(5,000)	70,307	75,307
Unappropriated ending fund balance	(70,000)	0	70,000
FUND BALANCE - Beginning of year (Budget)	<u>75,000</u>	<u>96,289</u>	<u>21,289</u>
FUND BALANCE - End of year (Budget)	<u>\$ 0</u>	166,596	<u>\$ 166,596</u>
GAAP Adjustments			
Capital outlay		123,720	
Transfer		<u>(123,720)</u>	
FUND BALANCE - End of Year (GAAP)		<u>\$ 166,596</u>	

PORT OF NEWPORT, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL for the Year Ended June 30, 2014

CONSTRUCTION FUND

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	\$ 700	\$ 2,475	\$ 1,775
EXPENDITURES			
Capital outlay	<u>890,700</u>	<u>463,841</u>	<u>426,859</u>
Excess (def) of revenues over expenditures	(890,000)	(461,366)	428,634
FUND BALANCE - Beginning of year (Budget)	<u>890,000</u>	<u>1,212,170</u>	<u>322,170</u>
FUND BALANCE - End of year (Budget)	<u>\$ 0</u>	750,804	<u>\$ 750,804</u>
GAAP Adjustments			
Capital outlay		459,841	
Transfer		<u>(459,841)</u>	
FUND BALANCE - End of Year (GAAP)		<u>\$ 750,804</u>	

PORT OF NEWPORT, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL for the Year Ended June 30, 2014**

NOAA LEASE REVENUE FUND

	Original & Final Budget	Actual	Variance
REVENUES			
Leases	\$ 2,535,000	\$ 2,538,493	\$ 3,493
Grants	100,000	0	\$ (100,000)
Interest	10,000	10,650	650
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>
 Total revenues	 <u>2,645,000</u>	 <u>2,549,143</u>	 <u>(95,856)</u>
EXPENDITURES			
Personal services	104,980	100,049	4,931
Materials and services	624,200	239,792	384,408
Capital outlay	0	267,453	(267,453)
Debt service	2,000,434	2,000,434	0
Contingency	<u>100,000</u>	<u>0</u>	<u>100,000</u>
 Total expenditures	 <u>2,829,614</u>	 <u>2,607,728</u>	 <u>221,886</u>
 Excess (def) of revenues over expenditures	 (184,614)	 (58,585)	 126,029
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(220,000)</u>	<u>(218,870)</u>	<u>1,130</u>
 Excess (def) of revenues over expenditures	 (404,614)	 (277,455)	 127,159
 Unappropriated ending fund balance	 (2,595,386)	 0	 (2,595,386)
 FUND BALANCE - Restated - Beg of year (Budget)	 <u>3,000,000</u>	 <u>5,879,765</u>	 <u>2,879,765</u>
 FUND BALANCE - End of year (Budget)	 <u>\$ 0</u>	 5,602,310	 <u>\$ 5,602,310</u>
GAAP Adjustments			
Accrued interest payable		(499,410)	
Long-term debt		<u>(22,357,424)</u>	
 FUND BALANCE - End of year (GAAP)		 <u>\$ (17,254,524)</u>	

PORT OF NEWPORT. OREGON

RECONCILIATION OF REVENUES AND EXPENDITURES (BUDGETARY BASIS) TO THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION for the Year Ended June 30, 2014

	Total Revenues	Total Expenditures	Net
Budgetary Basis			
General Operating Fund	\$ 3,192,181	\$ 2,830,708	\$ 361,473
Bonded Debt Fund	973,037	918,073	54,964
Facilities Maintenance Fund	194,043	123,736	70,307
Construction Fund	2,475	463,841	(461,366)
NOAA Lease Revenue Fund	2,549,143	2,826,598	(277,455)
Total budgetary basis	\$ 6,910,879	\$ 7,162,956	(252,077)
Add (Deduct) Items to Reconcile to Net Income on a Financial Reporting Basis			
Payment of long-term debt			1,249,578
Capital outlay			615,169
Capitalized interest			942,368
Accrued interest			87,853
Amortization of bond premium/discount			(4,243)
Depreciation			(2,640,231)
Change in net position			(1,583)
NET POSITION - Beginning of year			
As originally stated			51,065,028
Prior period adjustment - debt issue costs			(774,773)
As restated			50,290,255
NET POSITION - End of year			\$ 50,288,672

PORT OF NEWPORT, OREGON

**SCHEDULE OF PROPERTY TAX TRANSACTIONS
for the Year Ended June 30, 2014**

<u>Levy Year</u>	<u>7/1 Balance</u>	<u>Current Levy</u>	<u>Tax Roll Adjustments</u>	<u>Collection</u>	<u>6/30 Balance</u>
2013-14	\$ 0	\$ 1,081,586	\$ (28,375)	\$ 1,007,602	\$ 45,609
2012-13	37,270	0	5,208	20,447	22,031
2011-12	15,072	0	(39)	5,752	9,281
2010-11	15,259	0	(51)	9,239	5,969
2009-10	5,730	0	(49)	3,202	2,479
Prior Years	<u>2,275</u>	<u>0</u>	<u>(212)</u>	<u>252</u>	<u>1,811</u>
Totals	<u>\$ 75,606</u>	<u>\$ 1,081,586</u>	<u>\$ (23,518)</u>	<u>\$ 1,046,494</u>	<u>\$ 87,180</u>

PROPERTY TAX RECEIVABLE

	<u>Balance</u>
General Operating Fund	\$ 10,335
Bonded Debt Fund	<u>76,845</u>
Total	<u>\$ 87,180</u>

**PORT OF NEWPORT
OREGON**

COMPLIANCE SECTION

October 9, 2014

**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS**

Board of Commissioners
Port of Newport
Newport, Oregon

I have audited the basic financial statements of the Port of Newport as of and for the year ended June 30, 2014, and have issued my report thereon October 9, 2014. I conducted my audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Port of Newport financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion.

I performed procedures to the extent I considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).
- Programs funded from outside sources.

In connection with my testing nothing came to my attention that caused me to believe the Port of Newport was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the following:

The General Fund over expended by \$132,724 in Debt Services.

OAR 162-10-0230 Internal Control

In planning and performing my audit of the financial statements, I considered Port of Newport's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Port of Newport's internal control. Accordingly, I do not express an opinion on the effectiveness of Port of Newport's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses.

This report is intended solely for the information and use of the council members and management of Port of Newport, Oregon and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

SIGNE GRIMSTAD
Certified Public Accountant



Construction Fund

October 22, 2014 to Nov 18, 2014

Date	Num	Name	Memo	Amount
10/22/14	11764	HME Construction, Inc	Dredge and Dispose Sediment from Terminal	75,760.00
10/22/14	11765	Pacific Habitat Services, Inc	Wetland Consulting Services for Terminal	16,513.50
10/31/14	11766	Pacific Habitat Services, Inc	Wetland Consulting Services for Terminal	1,687.50
10/31/14	11767	Pariani Land Surveying	Research and Survey New Admin Bldg Site	2,731.00
11/13/14	11768	Day CPM	Mitigation Work	4,273.20
TOTAL				100,965.20



Operating Fund

October 22, 2014 to November 18, 2014

Date	Num	Name	Memo	Amount
10/28/14	36111	Allegiance Benefit Plan Mgmt	Insurance Withholding	822.25
10/28/14	36112	American Meter	Price Labels for Washers and Dryers	50.09
10/28/14	36113	Appliance Service Station	Repair Washers and Dryers	725.00
10/28/14	36114	Business Oregon-OBDD	Loan 655-36-02	7,800.00
10/28/14	36115	Cardinal Services, Inc.	Temporary Office Assistance	3,805.10
10/28/14	36116	Coastal Paper & Supply, Inc.	Paper and Cleaning supplies	1,290.86
10/28/14	36117	Coastal Refrigeration	Repair Walk In Freezer, Marina Store	666.60
10/28/14	36118	CoastCom Inc	Internet and E Mail	1,189.25
10/28/14	36119	Creative Landscape & Maintenance	Landscape Maintenance	1,200.00
10/28/14	36120	Dan Lais Equipment Surgery	Pile Hoops	2,475.50
10/28/14	36121	Design Space	Customs Office	217.00
10/28/14	36122	Great America Financial Services	Copier Lease	139.60
10/28/14	36123	Kevin Greenwood	June through September Phone Reimburserr	468.77
10/28/14	36124	Lincoln Plumbing Inc	Water Line Repair #53 RV Park	120.66
10/28/14	36125	Lock Masters	Handicapped Door Handles CTX Bldg	260.00
10/28/14	36126	Myrmo & Sons, Inc	Repair Cylinder Hoist #1	2,450.00
10/28/14	36127	Newport Booster Club, Inc.	Football Field Sign	75.00
10/28/14	36128	Newport Chamber of Commerce	Treasures of the Sea, Chamber	185.00
10/28/14	36129	News-Times	Advertizing	820.53
10/28/14	36130	NW Natural	SB Gas	109.41
10/28/14	36131	Pacific Communities Health District Fc	Hospice Regatta	370.00
10/28/14	36132	Petty Cash	Hardware	45.40
10/28/14	36133	Suburban Propane	Fill Propane	704.89
10/28/14	36134	T&L Septic Tank Service	Pump Septic Tank Terminal	450.00
10/28/14	36135	Verizon Wireless	Port cell phones	243.11
11/4/14	36136	Alan Brown Tire Center	Steering Tires for Forklift	170.32
11/4/14	36137	Barrelhead	Electrical and Hardware	586.67
11/4/14	36138	Cardinal Services, Inc.	Temp Office Assistants	3,380.00
11/4/14	36139	City of Newport	Water and Sewer	4,977.05
11/4/14	36140	DH Goebel	Schematic Design Phase New Admin Bldg	14,091.80
11/4/14	36141	Direct TV	Cable	803.30
11/4/14	36142	Fred Meyer Customer Charges	Canned Air, White Out, Coffee Filters, Tape	66.38
11/4/14	36143	G & K Floors	Janitorial Services SB and Customs Trailer	2,000.00
11/4/14	36144	Industrial Welding Supply, Inc	Saw Blades	71.76
11/4/14	36145	ING (State of Oregon Plan)	Monthly Employee Contribution to Deferred C	100.00
11/4/14	36146	Kevin Greenwood	Emp Contract Reimbursement	1,950.00
11/4/14	36147	Newport Auto Parts Inc	Oil for Air Tool	7.19
11/4/14	36148	Oregon Coast Technology Inc	Copier-Printer Port Office	56.93
11/4/14	36149	Oregon Memorials	Tile for Fisherman's Memorial Walk	190.00
11/4/14	36150	Pioneer Printing, Inc.	Name Plate for Steve	32.90
11/4/14	36151	Pioneer Telephone Cooperative	SB Office Phone	180.14

Port of Newport

Operating Fund

October 22, 2014 to November 18, 2014

11/4/14	36152	Platt	Electrical Supplies	68.43
11/4/14	36153	Pro-Build	Countersink Set	37.99
11/4/14	36154	T & L Chemical Toilet Service	Chemical Toilets Bayfront	436.00
11/4/14	36155	TCB Security Services, Inc	Monthly Security contract	6,516.00
11/4/14	36156	U.G. Cash & Carry	Food for Meetings	166.65
11/4/14	36157	City of Newport	Water and Sewer	7,062.00
11/5/14	36158	Alsea Bay Power Products	Blade Adapter	28.00
11/5/14	36159	Appliance Service Station	Repair Washer #2. Dryer #1	135.00
11/5/14	36160	Central Lincoln PUD	Electric	1,860.14
11/5/14	36161	Englund Marine Supply Co, Inc	Supplies and Safety Gear	1,886.83
11/5/14	36162	Gray's Web Design	Up Dates to Web Site	255.00
11/5/14	36163	LazerQuick	Parking Lot Signs	82.00
11/5/14	36164	Newport Marine & RV Service, Inc	Water Pump Parts for Skiff Outboard	85.70
11/5/14	36165	Pioneer Telephone Cooperative	SB Shop Phone	40.34
11/5/14	36166	Pro-Training	Crane Safety Course	225.00
11/5/14	36167	Special Districts Insurance Service	Sept 2014 Health Pan	10,128.73
11/5/14	36168	State Forester	Fire Protection Fee	12.97
11/5/14	36169	Toyota Lift NW	Equipment Rental	350.99
11/5/14	36170	Wolseley Industrial Group	Plumbing Supplies	478.93
11/5/14	36171	Xerox Corporation	Copier Rental and Print Charge SB	98.08
11/5/14	36172	Yaquina Boat Equipment, Inc	Evaluate Hydraulic Hoist Cyl	456.19
11/5/14	36173	LazerQuick	Print Copies CBP Proposal	40.15
11/6/14	36174	Petty Cash	increase SB petty cash to allow for making cr	150.00
11/12/14	36175	Employee	Mid Month Draw	100.00
11/12/14	36176	Employee	Mid Month Draw	450.00
11/12/14	36177	Employee	Mid Month Draw	500.00
11/12/14	36178	Employee	Mid Month Draw	300.00
11/12/14	36179	Employee	Mid Month Draw	475.00
11/12/14	36180	Employee	Mid Month Draw	500.00
11/12/14	36181	Employee	Mid month Draw	300.00
11/12/14	36182	Employee	Mid Month Draw	1,500.00
11/12/14	36183	Advance Backflow Testing LLC	Backflow Testing	853.25
11/12/14	36184	ALSCO	Rugs and Towels	299.80
11/12/14	36185	Central Lincoln PUD	Electric	3,292.36
11/12/14	36186	CenturyLink - Business Service	Telephone	46.88
11/12/14	36187	Chase - Visa	Travel Expenses	336.20
11/12/14	36188	Creative Landscape & Maintenance	Landscape Maintenance	1,200.00
11/12/14	36189	Dahl & Dahl, Inc	Disposal	126.71
11/12/14	36190	Daily Journal of Commerce	VOID: Public Bidding Notice	0.00
11/12/14	36191	Grimstad & Associates	Audit Report 2014 In Progress	8,000.00
11/12/14	36192	JC Market	Food for All Employee Lunch	33.03
11/12/14	36193	Lincoln County Public Works	Fuel for Trucks	391.74
11/12/14	36194	MACPHERSON, GINTNER & DIAZ	Review General Business Admin	4,972.50
11/12/14	36195	News-Times	Advertising	415.00

Port of Newport

Operating Fund

October 22, 2014 to November 18, 2014

11/12/14	36196	Old Republic Surety Group	Annual Sand and Gravel License Bond	100.00
11/12/14	36197	Road & Driveway	Sweep Dry Camp and RV Park Area	300.00
11/12/14	36198	Special Districts Insurance Service	Annual Dues/Work Comp Liability	7,923.05
11/12/14	36199	Staples	Paper and Toner	721.59
11/12/14	36200	Steve Larrabee	Hotel and Food for Conference	904.31
11/12/14	36201	Thompson's Sanitary Service, Inc	VOID: wrong amount	0.00
11/12/14	36202	Yaquina Bay Communications	Radio Ad Contract	225.00
11/12/14	36203	Central Lincoln PUD	Electric	5,953.84
11/12/14	36204	News-Times	Annual Newspaper Subscription	86.50
11/12/14	36205	Thompson's Sanitary Service, Inc	Monthly Trash Disposal	5,033.65
11/18/14	36206	4C's Environmental Inc	Underground Fuel Line Replacement SB	71,296.25
11/18/14	36207	ANC Vehicle Wash and Fuel Sys	Repair Diesel Dispenser	587.85
11/18/14	36208	Business Oregon-OBDD	Loan 655-36-02	7,800.00
11/18/14	36209	Cardinal Services, Inc.	Temp Office Assistants	3,699.15
11/18/14	36210	Central Lincoln PUD	Electric	1,364.41
11/18/14	36211	Century Link	Telephone	350.24
11/18/14	36212	CoastCom Inc	Internet and E-mail	710.00
11/18/14	36213	Department of Environmental Quality	Storm water NPDES SB	850.00
11/18/14	36214	Design Space	Building Rental	1,052.00
11/18/14	36215	Haglund, Kelley, Jones & Wilder LLP	Review Terminal Negotiations	625.00
11/18/14	36216	O'Laughlin Trade Shows	Booth for Portland Boat Show	750.00
11/18/14	36217	Toyota Financial Services	Loan Payment for Forklifts	1,044.20
11/18/14	36218	Central Lincoln PUD	Electric	3,828.85
11/18/14	36219	Dept of Environmental Quality	Annual Storm water GEN12C Terminal	850.00

TOTAL	226,097.94
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Port of Newport

NOAA Fund

October 22, 2014 to November 18, 2014

Date	Num	Name	Memo	Amount
10/28/14	12524	CoastCom	set up Laptop	110.00
10/28/14	12525	Verizon Wireless	Phone charges and Replacement Phone	61.64
10/28/14	12526	Williams Scotsman Inc	Rent Mobile Office	291.04
11/3/14	12527	Petroleum Compliance Services LLC	Cathodic Protection inspection	1,450.00
11/4/14	12528	Barrelhead Supply, Inc.	Fence Slats and Brace Bands	19.67
11/4/14	12529	G & K Floors	Janitorial Services	450.00
11/4/14	12530	Newport Auto Parts, Inc.	Door Ease, Glue	15.87
11/4/14	12531	Pioneer Telephone Cooperative	Telephone	242.30
11/4/14	12532	Platt Electrical Supply, Inc.	Light Bulb	1.50
11/4/14	12533	Rick Fuller	Protective Cover for Phone	23.94
11/4/14	12534	T & L Chemical Toilet Service	Chemical Toilet Service and Pump Out	135.00
11/4/14	12535	TCB Security Services Inc	Elevator Phone Monitoring NOAA	20.00
11/5/14	12536	Halco Welding	SS Tie Downs, Modify Gate	937.00
11/5/14	12537	S.D.A.O. - Special Districts Assoc. of OR	NOAA Health Ins	648.67
11/12/14	12538	Carson Oil Co., Inc.	Fuel Card Purchase	108.33
11/12/14	12539	Chase-Visa	Hippo Hardware Support	199.00
11/12/14	12540	Lincoln County Public Works	Fuel	49.15
11/12/14	12541	S.D.A.O. - Special Districts Assoc. of OR	Annual Dues/work Comp	5,763.24
11/12/14	12542	Thompsons Sanitary Service	Disposal & 20YD Dumpster	325.10
11/18/14	12543	Central Lincoln PUD	Electric	63.58
11/18/14	12544	Ultimate Pest Control, LLC	Monthly Pest Control	125.00
TOTAL				11,040.03

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
LEASE AMENDMENT

LEASE AMENDMENT NO. 12

TO LEASE NO. **GS-10B-05876** BLDG NO. **OR6266ZZ**

ADDRESS OF PREMISES

Port of Newport 600 SE Bay Blvd Newport, OR 97365-4338

THIS AGREEMENT, made and entered into this date by and between **Port of Newport.**

Whose address is 600 SE Bay Blvd, Newport, OR 97365-4338

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease to extend the term and to modify the rental rate.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said lease is amended, effective December 31, 2014, as follows:

To accomplish this, Paragraphs 3, and 5 have been deleted in their entirety and replaced below.

Paragraph 3. Term. To have and to hold the said premises with their appurtenances for the term beginning January 1, 1994 through December 31, 2016.

Paragraph 5. Rental. The Government shall pay the Lessor annual rent in arrears on 230 Square Feet per the table below.

Rent Period	Annual Rent	Monthly Rent
1/1/15-12/31/16	\$8,400.00	\$700.00

There will be no escalation of operating expenses during the extension period. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

Port of Newport
600 SE Bay Blvd
Newport, OR 97365-4338

All other terms and conditions of the lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties subscribed their names as of the below date.

FOR THE LESSOR:

Signature: _____

Name: _____

Title: _____

Entity Name: _____

FOR THE GOVERNMENT:

Signature: _____

Name: _____

Title: Lease Contracting Officer

Entity Name: GSA, Public Building Service

Date: _____

WITNESSED FOR THE LESSOR BY:

Signature: _____

Name: _____

Title: _____

Customs Building Costs

			Annual
Rent of Unit	\$ 247.00	12	\$ 2,964.00
Cleaning	\$ 60.00	26	\$ 1,560.00
Utilities & Water	\$ 60.00	12	\$ 720.00
Insurance	\$ 75.00	12	\$ 900.00
Water & Sewer	\$ 63.20	12	\$ 758.40
Staff & Sundries	\$ 50.00	12	\$ 600.00
Land Rental	\$ 75.00	12	\$ 900.00
			\$ 8,402.40
			\$ 700.20

11/10/2014

New monthly rent starting 1/1/2015 \$700.00



PACIFIC HABITAT SERVICES, INC

9450 SW Commerce Circle, Suite 180
Wilsonville, OR 97070

(800) 871-9333 • (503) 570-0800 • Fax (503) 570-0855

AMENDMENT #5

October 22, 2014

Kevin Greenwood, General Manager
Port of Newport
600 SE Bay Boulevard
Newport, OR 97365

In Re: NOAA Marine Operations Facility in Newport
Fifth Amendment to Contract
PHS Project No 4549

Kevin:

This amendment is for Pacific Habitat Services, Inc. (PHS) to continue providing environmental and biological consulting services for the NOAA Marine Operations Facility project in Newport. Specifically, it is for the following tasks:

- **2014 eelgrass mitigation monitoring for DSL and the Corps, including field work and report preparation**
- **2015 eelgrass mitigation monitoring for DSL and the Corps, including field work and report preparation**
- **Obtaining approvals to allow the additional dredging of the eelgrass mitigation area (does not include sampling of sediment and preparation of an SEF document, if required)**

The amount of this Amendment Number 5 is **\$24,000** which includes costs for PHS including reimbursables. Reimbursable costs expended in providing the environmental consulting services will be billed at cost. Work will be conducted on a time and materials basis and you will only be charged for time worked on the project. The total amount will not be exceeded without written approval from the Port of Newport.

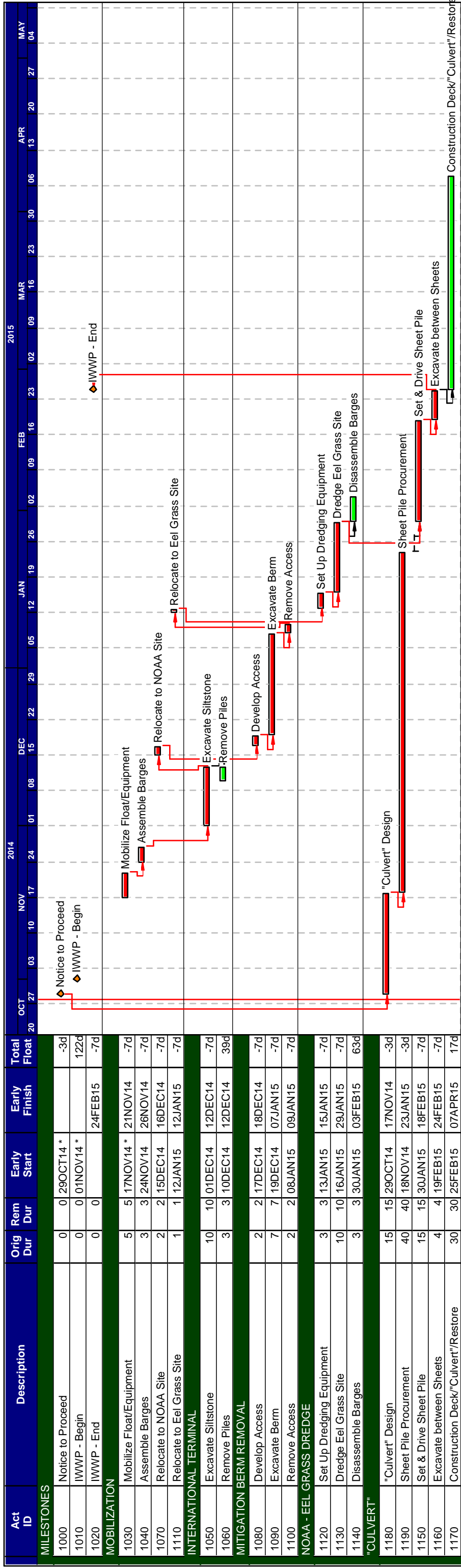
If this is agreeable to you, please sign below. Please call if you have any questions.

Sincerely,

10/22/2014

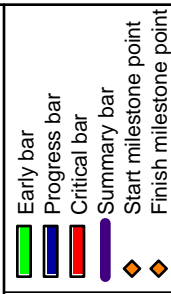
John van Staveren, Project Manager Date
Pacific Habitat Services, Inc.

Kevin Greenwood, General Date
Manager
Port of Newport



Start date 28OCT14
 Finish date 07APR15
 Data date 28OCT14
 Run date 03NOV14
 Page number 1A
 © Primavera Systems, Inc.

**Natt McDougall Company
 Newport Mitigation/Dredging**



COLLECT SAMPLES AND REPORTING

Port of Newport
 South Beach Marina
 2301 SE Marine Dr.
 Newport, OR 97365

Office:
 Port of Newport
 600 SE Bay Boulevard
 Newport, OR 97365

EQUIPMENT	Unit	Qty	Cost	Amount
Truck F450	day	1	\$ 30.00	\$ 30.00
Truck F350	day	1	\$ 30.00	\$ 30.00
Trailer	day	1	\$ 30.00	\$ 30.00
Fuel	miles	300	\$ 0.75	\$ 225.00
Geo Probe	Day	1	\$ 1,150.00	\$ 1,150.00
Vac Trailer	Day	1	\$ 850.00	\$ 850.00
Pipe 8" x 14'	ea	2	\$ 57.50	\$ 115.00
Disposal	ls	1	\$ 285.00	\$ 285.00
				\$ 2,715.00

3 men

LABOR				
Locates	ls	1	\$ 800.00	\$ 800.00
Collecting Samples	hours	38	\$ 60.00	\$ 2,280.00
				\$ 3,080.00

SAMPLES				
Top of plume				
Dx	ea	5	\$ 85.00	\$ 425.00
Gx	ea	5	\$ 85.00	\$ 425.00
RBCA VOC	ea	3	\$ 205.00	\$ 615.00
PAH	ea	3	\$ 155.00	\$ 465.00

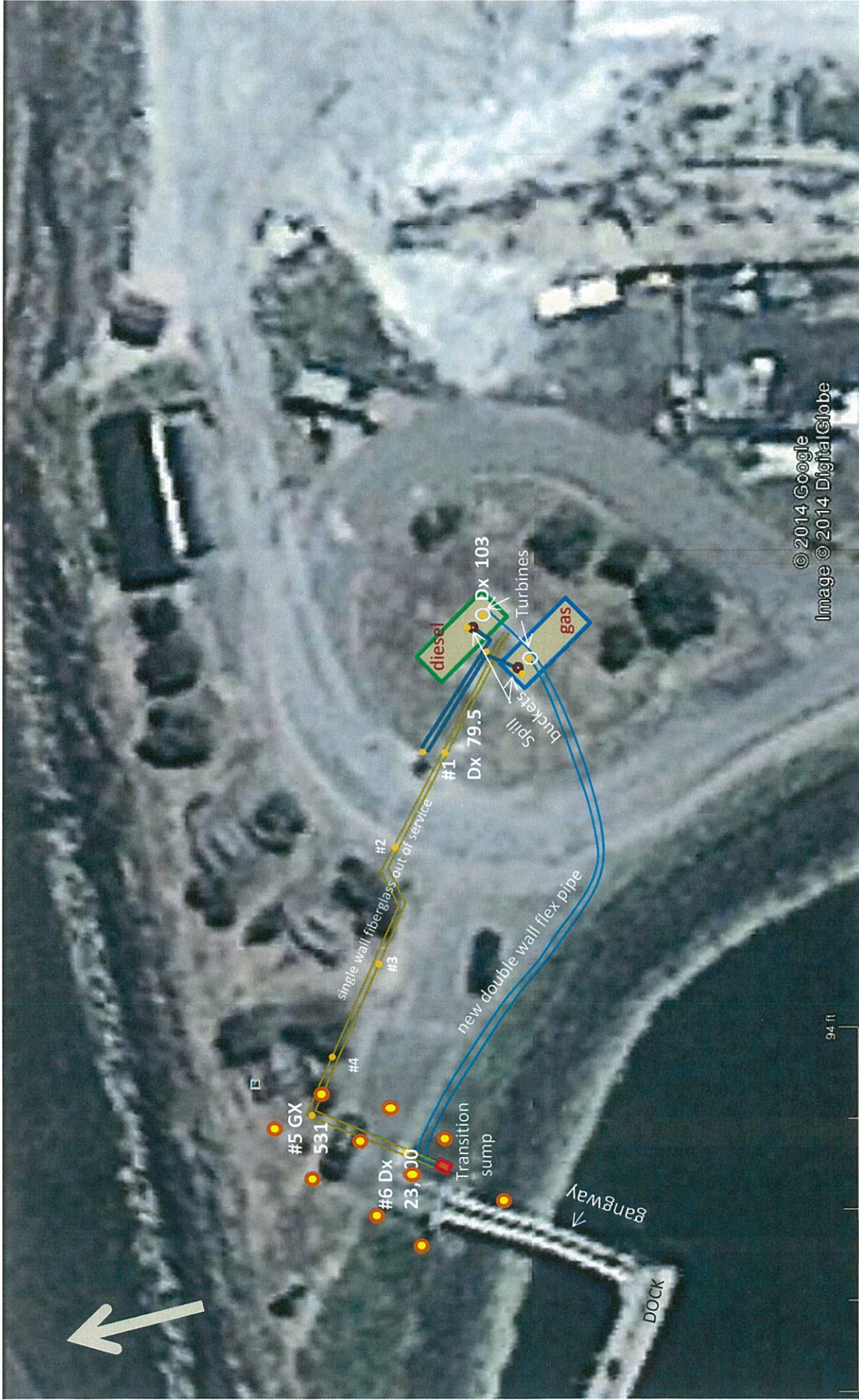
Soil Water interface				
HCID	ea	10	\$ 85.00	\$ 850.00
BTEX	ea	10	\$ 95.00	\$ 950.00

Water				
HCID	ea	10	\$ 85.00	\$ 850.00
BTEX	ea	10	\$ 95.00	\$ 950.00

ASSUME THREE SAMPLES ARE DIRTY				
Dx	ea	6	\$ 85.00	\$ 510.00
Gx	ea	6	\$ 85.00	\$ 510.00
RBCA VOC	ea	3	\$ 205.00	\$ 615.00
PAH	ea	3	\$ 155.00	\$ 465.00
				\$ 7,630.00

REPORTING				
4C's Office Reporting	hours	10	\$ 60.00	\$ 600.00
Geologist On site & Reporting	hours	36	\$ 125.00	\$ 4,500.00
				\$ 5,100.00

TOTAL \$ 18,525.00



September 2, 2014

DEQ Facility ID 9180 South Beach Marina 2301 SE Marine Science Dr. Newport, OR 97365

Proposed Soil & Water Samples - ● Samples will be collected at the top of plume, soil-water interface, and at water.

Top of plume – HCID, Soil Water Interface – HCID & BTEX, Water HCID & BTEX. Assume Three Samples are Dirty – Soil & Water Dx, Gx, RBCA VOC, PAH

Kevin Greenwood

From: Rick Fuller
Sent: Friday, November 21, 2014 1:55 PM
To: Kevin Greenwood
Subject: RE: Pending discussions

Per our phone discussion here's some thoughts and scenarios.

- If the project is to be delayed indefinitely, I think the responsible thing to do is postpone the proposal process indefinitely to maintain good relations with all contractors. Contractors can "hold" their proposals until we get a green light on the project and we post a new proposal date.

Scenarios #1 – Do nothing and hope for the best.

Pros: If the wind is in our favor we'll be that much further ahead

Con: If not favorable, Loss of credibility with contractors, loss of credibility with design team.

Scenarios #2 – Stop all progress on the preconstruction process and pick up again when OK'd by commission.

Pros: We are at a good stopping point in between schematic design and Design Development and prior to CM/GC proposal date. No harm/no foul.

Cons: Continual Delays in time will possibly cost more money down the road such as renegotiation with design team, cost of goods, inflation, etc.

Scenarios #3 – By addendum to the proposal, change the CM/GC fee structure to identify preconstruction services costs. Addendum would reiterate that the Port is not obligated to build the project. Continue with the design phase of the building through and including complete construction development drawings.

Pros: As the Port will undoubtedly need a building in the future the completed and value engineered drawings will be available immediately for use. The contractor selection process can be kept the same as GM/GC or can be put out to competitive bid as a fixed bid project ensuring the lowest cost at the time. The cost of Architectural design remains more or less constant.

Cons: The cost of design will increase to accommodate the preconstruction services of the CM/GC (the cost was always there but would have been accounted for in the CM/GC construction fee)

I'll be in to discuss, RF

From: Rick Fuller
Sent: Thursday, November 20, 2014 3:01 PM
To: Kevin Greenwood
Subject: RE: Pending discussions

Let me know where the discussion goes and I can put some scenarios together, if you want, prior to the commission meeting. RF

From: Kevin Greenwood
Sent: Thursday, November 20, 2014 11:18 AM
To: Rick Fuller
Subject: FW: Pending discussions

FYI...

Kevin Greenwood
(541) 265-7758
(541) 961-9517 Cell

From: HARLAN Dave * BIZ [<mailto:Dave.Harlan@oregon.gov>]
Sent: Thursday, November 20, 2014 9:08 AM
To: Kevin Greenwood
Cc: HARLAN Dave * BIZ
Subject: Pending discussions

Kevin – I noted from your website that responses on your RFP for the new administrative building are due at 2 p.m. on November 26. I realize this is an important project for the port and that you are well along in the procurement, but in light of your recent discussion with your prospective log exporters and the potential impact of those discussions on the port's ability to service debt associated with the cargo terminal improvements I would ask that you not move forward on awarding the contract for the administrative building until we've had a chance to discuss the situation with you.

No virus found in this message.

Checked by AVG - www.avg.com

Version: 2012.0.2249 / Virus Database: 4189/8099 - Release Date: 11/20/14



MEMO

To: Port of Newport Commission

From: Kevin Bryant, Commercial Marina Harbormaster

Copy: Port of Management Staff

Date: November 20, 2014

Re: November Manager's Report

Maintenance

We have been replacing burned out receptacles at PD5 that have been burned out since the Tuna season. A thank you goes out to the Newport Fire Department and International Terminal for their assistance in helping us replace a burned out pole light with use of their equipment (ladder truck and PON hydro lift) in order to determine the cause of the light bulb failure.

Construction

None at present

Fishing Fleet & Hoist Dock Activity

Many of the crabbers have been preparing their crab pots for the season which has made the Port storage and parking areas congested with all the activity. The hoist dock has seen so far 81 boats, we have had 183 tie up hours and 2-3 offloads of eels per wk depending on weather.

Other Activities

The Fishermen's Appreciation Day went very well. Lot's of food and fun was attended by about two hundred. Thank you to all of the volunteers and contributions from the Fishermen's wives, NOAA staff, Sea Grant staff and PON staff to make this again a great success.

Overview of Services for this Month

This month has been non-stop for most of the staff everyday.



600 S. E. BAY BOULEVARD NEWPORT, OREGON 97365 (541) 265-7758 FAX (541) 265-4235

To: Port of Newport Commission
From: Jim Durkee, Terminal Operations Supervisor
Copy: Port Management Staff
Date: November 19, 2014
Re: November Manager's Report

Maintenance

One of the fender pilings broke loose from the dock in the gap area, one plate was bent and another is missing entirely. Another piling was pushed over enough that we will want to repair the welds on it. I asked Kent Gibson to help, he ordered plate in, which he cut to size, along with extras for future repairs. We will try to make the repair after the crab push is done.

Construction

Natt McDougall Company has begun mobilizing gear in for dredge and mitigation work. We will have to shuffle some boats around as work along the dock is being done.

Fishing Fleet Activity

The dock has continued to get busier.

Trident Fish Meal Plant wrapped up processing operations for the year. Pacific Whiting fishing continues with deliveries off shore and to Astoria. Several boats have called it quits and removed their whiting gear to get boat work done.

The crab fleet has been trucking in pots to the terminal dock and removing trawl gear from vessels and loading crab gear.

The net repair area is busy with repair work on whiting and shrimp gear and prep work on Alaska gear.

Other Activities

A couple of meetings with security contractors set up by Steve Larrabee to look at our security camera set up. I took the first storm water samples for the 1200Z permit for this season and delivered them to Edge Analytical Labs in Corvallis.

Overview of October Services

16 vessels spent a total of 123 days moored at the Terminal dock.

14 fishing vessels used the Terminal dock for work.

At least 4 vessels loaded fuel.

34 hours of forklift service were provided.

25 hours of crane service were provided.



FACILITY MANAGER'S MONTHLY REPORT

FACILITY: NOAA MOC-P
DATE: 11/20/2014
PERIOD: November 2014
TO: Kevin Greenwood
ISSUED BY: Rick Fuller

NOAA MOC-P

Upland: The NOAA site has been busy with personnel due to annual training sessions held in the admin building and the arrival of the Oscar Dyson for its 10 year maintenance program. Quarterly inspection of equipment was performed per schedule.

Wharf & In-water: Frank Berg of Day CPM provided a schedule for the eel grass mitigation remediation work which is contracted through Nat McDougal construction. Work is scheduled to begin in mid-January 2015

The wharf usage increased this month as the Oscar Dyson is currently under scheduled maintenance repair and the Rainier is home ported for the season. The McArthur and Ka'Imimoana which were sold as surplus, remain at berth #5 & #6 with the probability of being moved from the site by the new owners in December. See the attached ship log for bar crossing activities. Total NOAA full time building occupancy has reduced to 69% of total office space.

Specific work this period:

- Regular scheduled monthly and quarterly preventative maintenance
- Grounds maintenance
- Continued effort to keep the west wharf free of seagull related debris

PON Admin Building

- Commission approval of CM/GC contract type 10/28/14
- Special commission meeting and approval of schematic design and RFP process 11/3/14
- Update draft of owner's master project schedule and calendar
- Managed final CM/GC RFP package, advertisement in DJC and local publications, RFP posting on Port website, vendor contact and instructions for proposal, addendum #1. All RFP documents are available for viewing and download from the Port of Newport website under the bids and RFP tab.
- Prepare building committee organizational binder packets for distribution
- Prepare and present to finance and building committee owner's conceptual budget
- Chaired building committee organizational meeting 11/13/14
- Geotechnical boring samples taken at building site 10/27/14 with report received 11/10/14

Other Port activities

11/19/14 – Attended with Commissioner Chuck, USCG meeting and tour of NOAA site for the purpose of the feasibility study for a home port and operations facility of two(2) Fast Recovery Cutters (FRC). The meeting was informative with positive possibilities. See attached information.

11/20 – Meet with Frank Berg, Mike McDougall, Scott, Chris Urbach, Kevin Greenwood to discuss SB dredge disposal site management, hauling of aquarium mitigation materials to terminal site, eel grass mitigation schedule and communication requirements.

Rick Fuller

From: Brent Huizingh <BrentH@makersarch.com>
Sent: Monday, November 03, 2014 2:33 PM
To: John.Vickers@noaa.gov; Rick Fuller
Cc: Soriano, Diana CIV; Hale, Erin E; Stefani Wildhaber
Subject: USCG Homeport Analysis - Newport (NOAA)
Attachments: 2 FRC Homeport Requirements.pdf

John/Rick,

I was given your contact info by LCDR Levine from the Coast Guard in conjunction with a homeporting study we're working on for two new Fast Response Cutters (FRC). Newport is being considered as a homeport location and the potential for partnering with NOAA at the Marine Operations Center has been discussed. The attached document provides a summary of the FRC facility requirements.

Initial questions for you include:

1. Does NOAA have any interest in pursuing this partnership?
2. Can existing facilities support the FRCs, or would new facilities be required?
3. Our team will be in Newport November 19 to look at possible sites. Do you have any availability that day to meet and tour the site? We will tentatively be available around 9:30 AM.

Thanks and look forward to hearing from you.

Brent Huizingh, AICP
Partner

MAKERS architecture and urban design LLP
1904 Third Avenue, Suite 725, Seattle, WA 98101
Tel 206 652 5080
www.makersarch.com

MAKERS is a certified Women's Business Enterprise (WBE) and Disadvantaged Business Enterprise (DBE).

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Version: 2012.0.2247 / Virus Database: 4031/8001 - Release Date: 11/03/14



Acquisition Directorate

FAST RESPONSE CUTTER

Mission execution begins here.

PROJECT DESCRIPTION:

The Sentinel-class Fast Response Cutter (FRC) is a new Coast Guard patrol boat that is capable of deploying independently to conduct missions that include port, waterways and coastal security; fishery patrols; search and rescue; and national defense. Named after Coast Guard enlisted heroes, the FRCs are replacing the aging Island-class 110-foot patrol boats.

The first six FRCs will be homeported in Miami. Homeports for the next 28 FRCs have also been announced: Key West, Fla. (6); San Juan, Puerto Rico (6); Pascagoula, Miss. (2); Ketchikan, Alaska (2); Honolulu (2); Portland, Maine (2); Atlantic Beach, N.C. (2); Cape May, N.J. (2); and San Diego (4)

For updates on the FRC, visit the project's website at <http://www.uscg.mil/acquisition/sentinel/>.



Coast Guard Cutter Bernard C. Webber (WPC 1101)

FEATURES:

- Enhanced response time with a minimum top speed of 28 knots
- Ability to conduct missions on moderate seas up to transit speed for eight hours in all directions
- Ability to survive on very rough seas up to loiter speed for eight hours in all directions
- Armed with a stabilized 25 mm machine gun mount and four crew-served .50-caliber machine guns
- Fully interoperable command and control systems with Coast Guard existing and future assets and with the Departments of Homeland Security and Defense

CHARACTERISTICS:

- Number Planned:** 58
- Length:** 154 feet
- Beam:** 25 feet
- Draft:** 9 feet, 6 inches
- Displacement:** 353 long tons
- Maximum Speed:** 28+ knots
- Range:** 2,950 nautical miles
- Endurance:** five days
- Crew:** 24

“The Sentinel-class of cutters is a tribute not only to the enlisted men and women serving in the Coast Guard today, but the many heroes that preceded them. It will be a critical asset in securing and protecting our nation’s maritime environment.”

–Adm. Robert J. Papp Jr., Commandant, U.S. Coast Guard

Homeport Feasibility Study

Two United States Coast Guard Fast Response Cutters within District 13

The following is a summary of the requirements for shore infrastructure and facilities in support of two Fast Response Cutters (FRC) as specified by the Integrated Logistics Support Plan (ILSP) for the Sentinel Class Patrol Boat. Infrastructure and facilities can be provided by existing, lease, or new construction.

Landside Capabilities

A minimum of 1 acre of site area adjacent to and/or in close proximity to the FRC piers is required to accommodate the administrative, boat maintenance, storage, and support functions including:

- Parking spaces - 94 to 150 spaces
- Building footprint - 7,400 to 9,000 GSF
- Pier side lay down: 2,300 to 4,600 GSF
- Circulation and security setbacks













Waterside





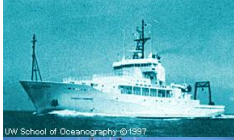








Waterside infrastructure and conditions include:




- Two 174' berths for the FRCs
- Water Depth (extreme low water): 14 ft to 17 ft
- Channel Depth (extreme low water): 13 ft to 15 ft
- Slip Width: 152.4 ft for single berth, 178 ft for multiple ships moored on one pier face
- Pier Utilities include: Electrical - 400 (A); potable water - 1,100 gallons per day; sewage - 1,500 gallons per day
- Services at the pier include: Telephone; Cable/TV/Satellite; Local Area Network; Refuse removal

Miscellaneous needs include: Housing for unaccompanied personnel, HAZMAT storage, flammable storage, crane service, oily water disposal, fire protection, high purity water, fueling, and access to a boat ramp within a 30 minute drive

NOAA MOC-P Bar Crossing Log 2014

	ARRIVAL	DEPARTURE	NAME	ROSTER#	NOTE
	10/7/2013	1/13/2014	Rainier	39	Bound for Alaska
	9/16/2013	1/19/2014	Bell M. Shamada	22	Bound for Alaska
	1/20/2014	3/31/14	State Patrol boat "Guardian"	2	Small boat dock
	10/23/2013	3/26/14	Fairweather	35	Bound for Seattle
	3/26/2014	4/21/14	Rainier	31 38	Crew change/maintenance repairs
	4/22/2014	4/22/14	Dredge Yaquina	40	Fuel/ crew change
	5/11/2014	6/24/14	Bell M. Shamada	21 31	Change of command, crew leave, maintenance
	6/3/2014	6/3/14	Dredge Yaquina	40	Fuel/ crew change
	6/6/2014	6/8/14	USCG Buoy Tender "Fir"	46	Supply/shore leave
	6/6/2014	6/10/14	RV Thomas G. Thompson	23 45	Supply/shore leave
	6/14/2014	6/23/14	RV Thomas G. Thompson	45	Supply/shore leave/Inspection
	7/3/2014	7/6/14	RV Ocean Starr (CalCOFI)	23	Supply/shore leave

	7/11/2014	8/3/2014	Bell M. Shamada	31 30	Crew leave, maintenance
 <small>UW School of Oceanography ©1997</small>	7/30/2014	8/1/14	RV Thomas G. Thompson	45	Supply/shore leave
	8/3/2014	8/10/2014	NOAA RV Ron Brown	25 56	Supply/shore leave
 <small>MBARI</small>	8/9/2014	8/13/2014	MBARI RV Rachael Carson	9 11	Supply/shore leave
 <small>UW School of Oceanography ©1997</small>	8/11/2014	8/13/2014	RV Thomas G. Thompson	54 56	Supply/shore leave
 <small>MBARI</small>	8/19/2014	8/22/14	MBARI RV Rachael Carson	11	Supply/shore leave
	8/19/2014	8/25/14	NOAA RV Ron Brown	56 31	Supply/shore leave
 <small>UW School of Oceanography ©1997</small>	8/24/2014	8/26/2014	RV Thomas G. Thompson	54 59	Supply/shore leave
 <small>UW School of Oceanography ©1997</small>	9/11/2014	9/11/2015	RV Thomas G. Thompson	59 56	Supply/shore leave
	9/21/2014	9/25/14	Bell M. Shamada	29 31	Crew leave, maintenance
	9/16/2014	9/16/2015	Dredge Yaquina	40	Fuel/ crew change
 <small>UW School of Oceanography ©1997</small>	9/17/2014	9/18/2015	RV Thomas G. Thompson	56 56	Supply/shore leave
 <small>UW School of Oceanography ©1997</small>	9/23/2014	9/25/13	RV Thomas G. Thompson	52 39	Supply/shore leave

	9/30/2014	10/6/14	Bell M. Shamada	31 21	Supply, depart Alameda CA for seasonal maintenance repairs
	10/17/2014		Oscar Dyson	24	Off season break, dock side maintenance and repair
	11/18/2014		Rainier	35	Off season break, dock side maintenance and repair
			TOTAL	1119	

Occupancy

To: Port of Newport Board of Commissioners

From: South Beach Marina & RV Park

Date: November 08, 2014

Re: **October** South Beach Occupancy Report

October 2014 numbers are up in both Marina and RV Parks.

Four RV clubs had rallies in the Marina Park and we have nine contractors staying in the Annex while working the Highway 20 project.

Nice weather and good fishing helped boost our moorage numbers.

October 1st we opened up 2015 reservations for groups & monthly RV guests. These reservations cannot be booked on line thus the low number of web bookings for the month.

October Bookings	Front Office	On Line
RV Sites	353	47
Boat Slips	139	0

Occupancy Figures:

	2013	2014	Change
Marina	8593	9974	16.07%
Marina RV	985	1128	14.52%
Annex RV	373	641	71.85%
Totals	1358	1769	30.27%



600 S. E. BAY BOULEVARD NEWPORT, OREGON 97365 (541) 265-7758 FAX (541) 265-4235

MANAGERS REPORT

To: Port of Newport Board of Commissioners

From: Chris Urbach, Harbormaster

Copy: Port Management Staff

Date: November, 20 2014

Re: South Beach Operations

We have been working on installing the water line on F-dock. We have hangers up and are welding pipe and fittings together.

ODOT has filled the sinkhole in at the day use area west of the bridge. They have also been notified that the outfall line under the bridge has had rock fill in the manhole to the point that the flapper valve on the pipe coming from the catch basin west of Rogues brewery will not open and has the potential to flood the area in heavy rains. They say that they will get it cleared out but nothing has happened yet.

DPSST held skid steer truck training in the boat launch parking lot the last couple weeks. It was all going well until they broke one of the casters on the truck and that ended the training for this year.

We have been spreading gravel in the annex RV Park.

Had no parking and arrows painted in the dry camp lot.

We have gotten a quote to remove an island in the dry camp lot. We are waiting on the chamber to decide if they will pay for it. It will benefit them and us them during Seafood and Wine and us for dry camping.



TCB Security Services, Inc.

437 N.E. 1st St
Newport, Or. 97365

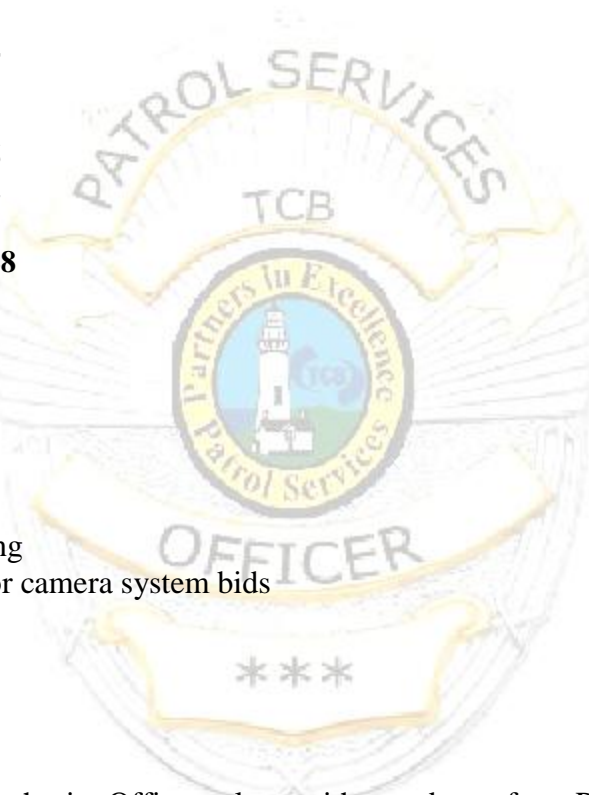
Office: 541-265-5265
Fax: 541-265-4552
24hr Dispatch 541-574-2828

Port Of Newport October 2014 Public Safety Report

Man Hours Worked: 256.5 hours

Court Time: 0

Assist Other Agency	
Boat Inventory	64
Boat Related Incidents	5
Burglary	0
Field Interviews/Contacts	16
Foot Patrols	22
Open Doors	4
Patrol Checks	288
RV Inventory	31
Theft Investigation	0
Suspicious Activities	9
Alarm Response	0
Ordnance Violation	6
Parking Violations	8
Meetings Attended:	
Department Head Meeting	
2 site survey meetings for camera system bids	



Investigations:

Other:

On November 3rd Port Authority Officers along with members of our Patrol Division assisted agencies in the search for London after he was thrown from the Yaquina Bay Bridge. A total of 5 officers from TCB along with support staff in our dispatch center provided not only man power to assist in the search effort but also provided equipment such as lighting, life jackets, etc to searchers. TCB responded to the incident command post to provide a liaison representing the Port and to facilitate any needs they may have for access, staging areas, etc.

Submitted By: Mike Goff

**PORT OF NEWPORT
MINUTES OF SAFETY COMMITTEE MEETING
October 14th, 2014**

The meeting of the Port of Newport Safety Committee was called to order at 11:30am in the South Beach activities room.

Committee members present:

Fred Hauert

Jim Durkee

Rick Fuller

Steve Larrabee

Kevin Corwin

MINUTES

The minutes from the August 12th, 2014 Safety Committee Meeting were approved as submitted.

OLD BUSINESS

1. HAZCOM Class – Today's meeting agenda was too full to take the class. We will break the course up into smaller groups and some individuals will take it on the computer at their convenience.

NEW BUSINESS

1. Emergency Generators – Kevin Greenwood asked about this and the following two items. NOAA is the only Port facility with an emergency generator. It is tested every month.
2. Life Jackets – All port personnel wear life jackets while on vessels. The question seems to be whether they should be wearing them on the docks. The jackets we have now are too restrictive for most employees to work in comfortably. Steve Larrabee is going to check with our insurance carrier to see what is required. According to OSHA, *“employees working over or near water, where the danger of drowning exists, shall be provided with U.S. Coast Guard-approved life jacket or buoyant work vests. Ring buoys with at least 90 feet of line shall be provided and readily available for emergency rescue operations. Distance between ring buoys shall not exceed 200 feet. At least one lifesaving skiff shall be immediately available at locations where employees are working over or adjacent to water.”* If employees are required to wear life jackets at all times while working on docks the Port should find vests that are both safe and that employees are able to work in comfortably. This could be costly and SDAO matching funds might be considered.
3. Facility Inspections – All areas at the port undergo basic monthly inspections as well as more detailed quarterly inspections. The Hippo computerized maintenance

management system is very helpful with items like this at the Terminal and NOAA facilities and should help in the Commercial Marina and South Beach when it begins use there.

INSPECTION REPORTS

4. Quarterly Inspections – Reports were received from all areas with no items of note.
5. Monthly Inspections – Reports were received from all areas with no items of note.

ACCIDENT/INCIDENT REVIEW

1. None Reported

OPEN FORUM

1. Dumpsters – Just as a reminder, the handling of dumpsters at the South Beach facility has been at the core of a couple of costly injuries. There are 22 dumpsters in the South Beach facility that need regular dumping and they can become quite heavy. After extended service their wheels and steering mechanisms become worn making them even more difficult to maneuver onto the compactor. SDAO visited to look at the operation, some type of mule device was being looked at to help handle the dumpsters.

The next Safety Committee Meeting will be held on Wednesday, November 12th, 2014 at 11:30a.m., at the South Beach activities room, if available.

Jim Durkee, Safety Committee Secretary