

PORT OF NEWPORT REGULAR COMMISSION MEETING AGENDA

Tuesday, July 25, 2017, 6:00 pm
South Beach Activities Room
2120 SE Marine Science Drive, Newport, OR 97365

I. Call to Order 6:00

II. Changes to the Agenda..... 6:01

III. Public Comment 6:02

IV. Election of Commission Officers 6:08p 3

V. Consent Calendar 6:13

 A. Minutes

 1. Joint Work Session City of Newport/Port of Newport February 17, 2017 p 5

 2. Regular Commission Meeting June 27, 2017..... p 9

 3. Special Commission Meeting June 27, 2017 p 15

 B. Financial Reports..... p 23

 C. Special Use Permits

 1. U-DA-MAN Fishing Tournament..... p 37

 D. Commercial Fishing Users Group Committee Representatives/Alternates

 1. Approve the switch in representation for the Midwater Trawler sector to Heather Mann, Midwater Trawlers Cooperative as representative and Mark Cooper, Perseverance, as Alternate.

 2. Appoint Dave Thalman, Troyer Marine, as the Industry Services Representative (Pos. 10), and Dave Wright, Pacific Seafood, as alternate.

 3. Approve Cari Brandberg, Chelsea Rose Seafood, as the Commercial Fish Buyer Alternate to Mark Newell (Pos. 3)

 4. Approve John Holt, F/V Pacific Future as the Shrimper/Trawler Alternate to Gene Law (Pos. 7)

 5. Approve David Jincks, Alternate as Distant Water Fleet Representative, and Approve Jim Seavers as Distant Water Fleet Alternate to David Jincks (Pos. 11)

VI. Correspondence/Presentations..... 6:20

 A. Lincoln County Chapter, Small Woodlands Owners Association, Peter Bregman..... p 49

 B. Jeannie Beckett, The Beckett Group p 55

VII. Old Business 6:30

 A. Items Removed from Consent Calendar

 B. Accounts Paid..... p 87

 C. Award Maintenance Contract for Mildred C..... p 93

 D. Review Scope of Work by OBEC for Port Dock 5 Pier Access Design p 97

 1. Work Session Minutes 10/18/2016

 2. Executive Summary, Port Dock 5 Pier Approach

 3. RFP PD5 Dock Approach 2016 - Professional Services Contract

VIII. New Business 6:40

 A. Resolution Authorizing Check Signers (2017-10) p 109

 B. Review Membership Liaisons p 111

IX. Staff Reports..... 6:50

 A. Director of Finance..... p 113

 1. June Occupancy Report

 B. Director of Operations/Interim General Manager p 117

 1. TCB Public Safety Report for June

 2. Joint Tour of Commercial Fishing Docks w/City Council

 3. Marketing Sub-plan Update

 4. Commission Interim Goal Setting

X. Commissioner Reports 7:00

- XI. Calendar/Future Considerations
 - A. 07/14 – 08/18 Fridays Shop at the Dock, Oregon Sea Grant
 - B. 07/26 Annual Coastal Economic Summit, Portland, Ore.
 - C. 07/31 – Naval Landing Craft Demonstration, HMSC/SB Boat Launch
 - D. 08/11 – 08/12 Dog Days of Summer Oregon Coast Beer Fest
 - E. 08/12 Wild Seafood Night to Remember at NOAA MOC-P
 - F. 09/04 Labor Day, Port Office Closed
 - G.
- XII. Public Comment 7:05
- XIII. Adjournment..... 7:15

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

The Port of 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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NEW BUSINESS AGENDA ITEM

DATE: July 25, 2017
RE: Election of Commission Officers
TO: Board of Commissioners
ISSUED BY: General Manager

BACKGROUND

The By-laws for the Port of Newport Board of Commissioners adopted via Ordinance 100 on May 22nd, 2014 states that the Port Commission shall elect officers at the first regular meeting of July. There are two options for selecting officers: One, individual officers (President, Vice President, and Secretary/Treasurer) are elected; Two, a plank of officers can be offered up for nomination. Last year, the Commission approved a plank of officers.

Here is the policy from the By-laws...

“Section 19. Election of Officers. At the first regular meeting of July, the Commission shall elect a President, Vice President and Secretary-Treasurer. Unless otherwise determined by the Port Commission, the Clerk of the Commission shall be the General Manager.

A. The order of nominations shall be President, Vice President and Secretary/Treasurer.

B. Process:

1. Four of five Commissioners must be in attendance before an officer may be elected.
2. A Commissioner may be elected as an officer upon receiving a nomination, a second and a vote of the majority in attendance. A Commissioner may not nominate or second their nomination, but may vote on the nomination.
3. If the nominated Commissioner does not receive a majority, the sitting Commission President shall continue asking for nominations until the office is filled. If an office is unable to be filled, the sitting office holder shall remain in the position (the office may become vacant if the most recent office holder is not available) until the next scheduled meeting. The business item will then be placed on the next agenda.
4. An alternative process is to elect a plank of officers. Commissioners not on the proposed plank shall nominate and second their nomination. All commissioners are eligible to vote for the plank.
5. In case of emergency, other processes may be used to appoint officers.

C. The one-year term of office is from July 1 until June 30 of the following year.”

PROCESS

The President could open the discussion by asking the members for interest in specific positions. Frequently an informal discussion during the agenda item will naturally produce a plank. If through that discussion a plank is developed a *Commissioner not included in the plank* could make a MOTION TO APPROVE THE PLANK OF OFFICERS AS FOLLOWS: _____ AS PRESIDENT; _____ AS VICE PRESIDENT; AND _____ AS SECRETARY/TREASURER.

ALTERNATE CONSIDERATIONS

If a plank isn't easily determined, nominations for individual officers should be made starting with President.

BUDGET IMPLICATIONS

None.

RECOMMENDATION

Nominating a plank has historically been an easier and more streamlined process.

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February 17, 2017
Noon
Newport, Oregon

**JOINT WORK SESSION
NEWPORT CITY COUNCIL
And
PORT OF NEWPORT COMMISSION**

Councilor Members present: Saelens, Swanson, Goebel, Engler, Allen, and Sawyer. Roumagoux was excused.

Port Commissioners present: Patrick, Brown, Beck, Chuck, and Lamerdin.

City staff present: Nebel, Hawker, Tokos, Gross, Malloy, Murphy, and Harvey.

Port staff present: Greenwood and Hewitt.

Others in attendance: Dennis Anstine, from the Newport News-Times, Rex Capri, and Wayde Dudley.

Engler called the meeting to order at noon and reported that Mayor Roumagoux had been excused.

INTRODUCTIONS

Introductions were made.

OVERVIEW OF STATUTORY ROLE AND RESPONSIBILITIES OF PORT

Greenwood made a PowerPoint presentation regarding the statutory role and responsibilities of port districts in Oregon. He reported that Ports in Oregon have a "Principal Act" which is similar to a City Charter, and can be found in ORS 777 which states what the duties can be. He added that Oregon has 23 Ports many of which were formed in 1910 including the Port of Portland.

Greenwood reported that Oregon has extensive navigable waters but ocean and river navigation is hazardous because of changing conditions and unmarked channels. He stated that before the jetties and other improvements were made, the navigation channels would move after major storms or floods, and maintaining safe navigational access is the first responsibility of ports. He added that a big part of the Port of Newport's responsibility is advocating on behalf of the US Army Corps of Engineers for continued federal funds to dredge the Yaquina Bay Channel to 40 feet. He noted that the Port also maintains the

recreational South Beach docks, commercial fishing docks, the international terminal and the NOAA MOC-P facility.

Greenwood reported that proprietary docks remain an important component of Oregon's marine transportation system. He stated that most of those improvements - such as the jetties at the mouth of the Columbia - were federal projects built by the COE using funds authorized by Congress. He added that other improvements - such as the breakwaters that protect commercial fishing facilities, like the East End Boat Basin in Astoria or the commercial basin at Newport, were constructed by local port authorities. He noted that most of the coast's jetties are federal property, but some ports construct and maintain jetties. He stated that ports are also responsible for maintaining water depths in their boat basins, marinas, and berths, either using their own equipment or contracting that work.

Greenwood reported that over the years, the activities of Oregon's ports evolved in response to the needs of the communities they served and changing economic opportunities. He stated that Oregon's port statutes provide very broad authority to the ports, and there have been a number of statutory changes to clarify and expand those powers. He added that the rise of intermodal cargo movements in the 1960s expanded the transportation reach of many ports.

Greenwood reviewed the financial viability of the Port of Newport, noting that it is critical that the Port be attentive to its financial condition. Greenwood reviewed the statutory framework of ports in Oregon, and discussed the establishment of port programs. He also reviewed the Port and Water Transportation Study. He noted that there is a port revolving fund that assists ports in planning and construction of facilities and infrastructure. He discussed the Port Planning and Marketing Fund, noting that this is a grant program that helps ports fund planning and marketing studies related to expanding trade and commerce. He reviewed eligible types of projects for these grant funds, including the Port of Newport's NOAA efforts. He talked about the Marine Navigation Improvement Fund which is a grant program in which most of the projects have no revenue stream associated with them. He reviewed federally authorized projects and non-federally authorized projects along with criteria and funding.

Greenwood responded to Council questions.

SHIPPING FACILITY/HALL PROPERTY UPDATE

Chuck reported that the Port is negotiating to fill funding gaps for this project. It was noted that work on the Hall property is on hold until the Port's project starts. It was added that construction is likely to be completed by late fall of 2017 or winter of 2018. Beck reported that there is a fair amount of deferred maintenance, and other projects are delayed due to work on the International Terminal. It was noted that 50 new jobs are anticipated from the completion of the International Terminal. Allen asked about the potential use of the International Terminal by the commercial fishing fleet. Brown reported that this is one of the few ports with international shipping and commercial fishing together. Chuck stated that an International Terminal User's Group will be formed.

UPDATE ON THE BAY/MOORE PROJECT

Gross presented an overview of the project and timing. He reported that the job was previously bid, and had been recently rebid. He stated that the work window is July. He added that the project extends up several roads from Bay Boulevard, and will include storm drains at 4th and Harney Streets, Fogarty Street and Bay Boulevard, and Bay Boulevard and Moore Drive. He stated that city staff would communicate with everyone in the involved areas. He added that Bay Boulevard will be overlaid from Eads Street to the Embarcadero at the conclusion of the project.

BAYFRONT DEVELOPMENT

Update on Sale of City Property to Bornstein Seafoods. Nebel reported that Council had approved the sale of city-owned property to Bornstein Seafoods, and it is anticipated to close by the end of the month. He added that the land swap with the Port was a great collaborative effort.

Pacific Seafood/Hallmark Property. Nebel reported that this property is to be redeveloped. Greenwood noted that he is enthused about public input into the redevelopment. Tokos reviewed possible uses for the property, including fish processing, retail, and an educational component. He added that the work will be phased.

Port Dock Redevelopment Concept. Chuck discussed Port Dock 5 redevelopment concepts, noting that the facility had to be closed due to degrading pilings. He added that consideration was given to repairing it; repairing and enhancing it; or expanding it. He stated that engineering is being performed at this time. It was noted that the URA might be a source of potential funding for Port Dock 7, and that the Port Dock 7 project will cost \$3.4 million for a complete replacement, and the Port Dock 5 access will cost \$1.5 million. A discussion ensued regarding parking, and it was suggested that parking district funds be considered to create more fleet parking. Tokos noted that there may be an opportunity for parking district funding delineated through the parking study.

FIRE BOAT DISCUSSION

Murphy made a PowerPoint presentation regarding the potential uses and model of a proposed fire boat. He reported that the boat manufacturer has a grant specialist on staff that could help with a grant for the majority of the cost which is estimated at \$900,000. He added that there may be reliance on community partners to provide a part of the match. A discussion ensued regarding housing of the boat and long-term maintenance costs. It was asked whether the existing OSP boat could be retrofitted for use by the Fire Department. It was suggested that this item be considered as a future work session discussion item.

DIRECTIONAL SIGNAGE IN SOUTH BEACH

Nebel reported that this is a mutual issue. It was noted that the Aquarium has a signage program. A discussion ensued regarding directional signage from the state highway into

the Port. It was suggested that the blue and white signs be replaced with brown and white signs. Greenwood reviewed signage issues associated with the Port.

UPDATE ON PUBLIC ART - ROGUE BREWERY EXPANSION

Greenwood reported that the Port has received a conceptual drawing of a mural to be painted on the Rogue's cooperage. He stated that Ardis DeFreece worked with the Port Commission to develop the concept which has been sent to Rogue's corporate office. He added that it is anticipated that work will begin in the summer. It was noted that the Rogue plans one more expansion to be completed by 2020.

SCHEDULE TOUR OF PORT FACILITIES

It was agreed that Greenwood and Nebel would coordinate a tour of Port facilities.

ADJOURNMENT

Having no further business, the meeting adjourned at 1:38 P.M.

Attest:

PORT OF NEWPORT MINUTES

June 27, 2017

Regular Commission Meeting

I. CALL TO ORDER

Commission President Walter Chuck called the Regular Commission Meeting of the Port of Newport Board of Commissioners to order at 12:00 noon at the South Beach Activities Room, 2120 SE Marine Science Drive, Newport, Oregon.

Commissioners Present: Walter Chuck (Pos. #1), President; Ken Brown (Pos. #4), Vice-President; and Steve Beck (Pos. #2). Stewart Lamerdin (Pos. #3) and Patricia Patrick-Joling (Pos. #5) were absent.

Management and Staff: Kevin Greenwood, General Manager; Stephen Larrabee, Director of Finance; Aaron Bretz, Director of Operations; Jim Durkee, NOAA Facilities Manager; Kent Gibson, Commercial Marina Harbormaster; Mark Harris, Staff Accountant; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: Sara Skamser, Foulweather Trawl; Doug Cooper, Hampton Lumber; Heather Mann, Midwater Trawlers Cooperative; Kiera Morgan, KYTE/KNPT Radio; Yale Fogarty, ILWU; Jeff Lackey, F/V Seeker; Lisa Lackey, F/V Miss Sue; and Dennis Anstine, Newport News-Times.

II. CHANGES TO THE AGENDA

Greenwood asked to add Port sponsorship of the NOAA Wild Seafood Night to Remember as a New Business item.

III. PUBLIC COMMENT

There was no public comment at this time.

IV. CONSENT CALENDAR

- A. Minutes
 - 1. Regular Commission Meeting May 23, 2017
 - 2. Commission Work Session May 23, 2017
- B. Financial Reports
- C. Declaration of Surplus Property
- D. Certification of Election Results
- E. Special Use Permits
 - 1. YBYC Summer Sailstice June 24, 2017
 - 2. Shop at the Dock – Oregon Sea Grant, Lincoln County Extension, July 14 – August 18, 2017
 - 3. Barrel to Keg Relay – Community Services Consortium July 22, 2017
- F. Commercial Fishing Users Group Committee Alternates 1. Appoint Clay Archambault, F/V Island Girl, as Alternate to Clint Funderburg, Bess Chet, Port Dock 7 Moorage sector

Brown asked to remove item C from the Consent Calendar and add that item to be discussed with New Business item C.

A motion was made by Beck and seconded by Brown to approve the Consent Calendar as amended. The motion passed 3 – 0.

V. **CORRESPONDENCE/PRESENTATIONS**

A. Governor Brown Funding Request.

Greenwood introduced the letter, which advocated for two Army Corps of Engineering dredge projects in the Yaquina Bay Harbor. This has since been approved. The ACOE will be dredging the South Beach Marina entrance this fall.

B. Support Letter for City of Newport Rapid Response Vessel Grant Application

Greenwood introduced the letter saying the City of Newport has applied for a fire boat and asked the Port for a letter of support. He said he can support the project, but details on the location and the costs will need to be determined at a later date. The City of Newport has questions as well.

C. Presentation Acknowledging Port Service by Commissioners Brown and Beck

Greenwood thanked Commissioners Brown and Beck for their time on the Commission, and said it had been a pleasure working with them. Chuck thanked them for their public service and putting time as a volunteer into the work of the Port Commission. Greenwood presented Brown and Beck with Certificates of Appreciation.

VI. **OLD BUSINESS**

A. Items Removed from Consent Calendar

Declaration of Surplus Property. This item was discussed under New Business item C., Tugboat Repair Contract.

B. Accounts Paid

Brown declared a conflict of interest but would participate in the vote to move business forward.

A motion was made by Beck and seconded by Chuck to accept the Accounts Paid. The motion passed 3 -0.

VII. **New Business**

A. Fiscal Year 2017-2018 Budget Hearing (ORS 294.430)

B. Resolution Adopting the FY 17-18 Budget

Greenwood said that the budget hearing and opportunity for public comment were required by state budget law. Based on the change of the meeting time and notice requirements, this may also need to be brought up again at the 6:00 Special Meeting. Chuck said he will move this item to the beginning of the 6:00 pm Special Meeting.

C. Tug Boat Repair Contract

Greenwood introduced the staff report and said this item came up in the last couple of months. The tug is used for emergency situations in both the Commercial and Recreational Marina. Every two or three years the tug is pulled out for maintenance. He said he had not received the current cost estimate until 7 – 10 days ago. The market value is \$25K and it would take an estimated \$100K to replace. This is not in the budget. The line item vessel repair is traditionally used for repairing the tug. Money saved by negotiating with the City for graveling the north parking lot could also be used, as well as money from repair funds. Also potential surplus property is available to use as trade. Greenwood said he was not aware Gibson authorized the work, so this was done without Commission authority. Greenwood said he discussed public contracting rules with Gibson and wrote to the Port of Toledo to wait to do any more work until it was authorized. Staff had identified how to complete the work, which is important to have done. The options for a serviceable tug are limited. The Port could leave the tug with the Port of Toledo. Beck asked if there were any storage fees. Greenwood said he could opt to get it back. He said there is value in having the tug. Bretz has experience evaluating vessels, and he looked at the tug on Monday. Greenwood said Gibson was in attendance and could answer questions from the Commission. A budget item would be needed for the tug in the future. Brown said it was a shock this amount of money had not come to the Commission. He suggested bringing the tug back to the Port of Newport. The condition of the tug should have been looked at years ago; this is disappointing. Brown said this would be a waste of money. With the \$26,500, the Port could sell the tug and for another \$35,000 could maybe purchase another tug. Beck said if the tug was worth \$25K, putting in \$44K for maintenance won't increase its value. This was a hard pill to swallow. Brown said in the Port's financial stress the money could go elsewhere.

Greenwood said the Port needs a work boat for pile repair and to move barges. Brown said more investigation should be done, including researching renting the Port of Toledo tug as needed. Greenwood said they need a certified pilot to operate outside of the Port of Toledo. Beck asked where someone could get certified, to which Bretz replied they would be licensed by the Coast Guard. Brown said the financial impact was too great and due diligence had not been done. Greenwood said he agreed, but a work vessel is needed in case of an emergency. Brown said these are basic maintenance items that were not addressed. Greenwood said this would compare to the \$80K needed for an emergency repair to the fuel line a few years ago. The Port has a lot of assets that could fail, which is the reason for the facility maintenance reserve fund. Beck asked what the tug would be worth when repaired and if anything could replace the tug. Bretz said he would need to look around but is not aware of anything now. The tug also brings the capability for the Port to provide service. Brown said it might cost \$1000 per trip to rent the Port of Toledo tug, and Aja Vickers is a 1600 ton skipper. Greenwood said that when asked, the Port of Toledo said they can't operate the tug outside of their marina. Brown said staff needs to research if the restriction was on the vessel or the operator, and what it would cost to rent. Gibson said the tug is used several times a year. It is used when piles are removed, and there is another pile identified that will need to be dealt with soon. When the tug was sandblasted, holes were found which ran up the cost. Having a tug at the Port saves money by having it on hand for emergencies. On Port Dock 7, the tug was used to pop a dock into the pile hoop in the middle of the night. When the tug is needed, it is need immediately for critical situations.

Chuck asked how much work had been done so far, to which Greenwood replied more than half. Durkee added that it can't go back in the water as it is now. Greenwood said he informed the Port of Toledo not to do any further work; they maybe should have had a general understanding of the approval needed. Beck suggested delaying a decision to next month so the Port can research options: fix, replace, lease, or rent. Greenwood said he could also follow up to look for an operator for the Port of Toledo tug.

In regard to the declaration of surplus property, Brown asked if the surplus forklift is being used. Greenwood said he considered putting it out for bid if it weren't traded out, and taking the proceeds to apply to the Port of Toledo bill. Chuck asked if surplus would be traded or sold. Greenwood said once declared surplus, the Port would decide based on the best value. Chuck suggested declaring the property surplus and any money from the sale would go back to the General Fund.

A motion was made by Brown and seconded by Beck to declare 17 Steel plates valued at \$18,000 and Pile partials valued at \$2,500 as surplus property. The motion passed 3 – 0.

D. Wild Seafood Night to Remember

Greenwood added this item and the flyer for the event, which was appended to the meeting packet. He said that Jim Myers is heading up the event, which will take place on the MOC-P campus. Greenwood recommended the Port sponsor the event.

A motion was made by Beck and seconded by Brown to sponsor the Wild Seafood Night to Remember to be held at the NOAA MOC-P.

VIII. DEPARTMENTAL REPORTS

A. Director of Finance

1. June Occupancy Report

Larrabee introduced the staff report. Beck asked if there had been any increase in reservations for the eclipse. Larrabee said 30 – 40 dry camp spots were available online. Staff decided not to put together a give-away packet for the eclipse since the reservations have already been made. Larrabee said there have been complaints about the increase in South Beach moorage rates. Brown said the Embarcadero has increased their rates dramatically.

B. Director of Operations

1. TCB Security Report

There was no discussion on this item.

C. General Manager

Greenwood introduced the staff report. He added that with Skamsner joining the Commission in July, the Commercial Fishing Users Group Committee would need to add an Industry Support representative, perhaps from Englund Marine, the meal plant, Carson Oil, or Joe Lamb. Greenwood provided an update on the hillside mudslide area. The Museum is under contract with Road & Driveway, city permits have been filed, and they have a geo-tech report. They are waiting for any responses to be sent to the City about the permits. There is no firm schedule as to when work will commence. A scope of work has not yet been identified. Some of the parking has been reopened for Port Dock 5 fishermen. Brown asked about the impact on parking when the work would be taking place, and suggested public notices be sent ahead of time.

IX. COMMISSIONER REPORTS

Chuck appointed Lamerdin as the Commission liaison to the Terminal Users Group Committee and to the Teevin and Silvan contract negotiations. Chuck said he had attended the Oregon Small Woodlands Association annual conference in Florence, and spoke with many members who support the International Terminal Shipping Facility project. He was invited to speak at the Lincoln County chapter meeting. A letter from the Association has been forwarded to Greenwood.

X. INCOMING COMMISSIONERS OATHS OF OFFICE

Chuck noted that the incoming Commissioners' terms would begin on July 1, 2017. Greenwood administered the Oath of Office to Skamser and Lackey.

XI. CALENDAR/FUTURE CONSIDERATIONS

- 06/25 – 06/27 Eel Grass Counting
- 06/28 – 07/07 General Manager Paid Time Off
- 07/04 Independence Day, Port Office Closed
- 07/14 – 08/18 Fridays Shop at the Dock, Oregon Sea Grant
- 07/22 Barrel to Keg Relay, Community Services Consortium
- 07/25 Regular Commission Meeting
- 07/26 Annual Coastal Economic Summit, Portland, Ore.

There were no changes to the Calendar/Future Considerations.

XII. PUBLIC COMMENT

Skamser noted that notice about the Museum fixing the mudslide area and the parking lot would be important because of the tuna season.

Fogarty commented that he had been watching the struggle with the International Terminal project, and suggested the Commission hire an independent person to oversee the project. He mentioned Don Mann is a consultant who knows the Port and this project. It might facilitate the parties coming together, eliminate some struggles and resolve issues. A consultant could work on the project 24/7. He said he had not spoken to Don Mann, but encouraged the Commission to consider this option. Beck responded that he thought this was a great idea, as there are a lot of pieces and parts to the project. The Port staff has other business to do while this gets done.

XIII. ADJOURNMENT

Having no further business, the meeting adjourned at 12:43 pm.

ATTESTED:

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PORT OF NEWPORT MINUTES

June 27, 2017

Special Commission Meeting

I. CALL TO ORDER

Commission President Walter Chuck called the Regular Commission Meeting of the Port of Newport Board of Commissioners to order at 6:07 pm at the Yaquina Bay Yacht Club, 750 SE Bay Boulevard, Newport, OR 97365.

Commissioners Present: Walter Chuck (Pos. #1), President; Ken Brown (Pos. #4), Vice-President; and Steve Beck (Pos. #2).

Commissioners Patricia Patrick-Joling (Pos. #5), Secretary/Treasurer, and Stewart Lamerdin (Pos. #3), were excused.

Management and Staff: Kevin Greenwood, General Manager; Stephen Larrabee, Director of Finance; Aaron Bretz, Director of Operations; Karen Hewitt, Administrative Assistant; Mark Harris, Staff Accountant; and Pete Zerr, International Terminal Supervisor.

Members of the Public and Media: Jonathan Stevenson, F/V Tauny Ann; David Jincks, Newport Resident; Tracy Burchett, ILWU; Pat Ruddiman, ILWU; Mike Kasper, ILWU; Eddie Corder, ILWU; Chad Johnson, ILWU; Barrett Tower, ILWU; Yale Fogarty, ILWU; Bruce Elin, ILWU; Ben Forsman, ILWU; Judy Pelletier, OSWA; Doug Cooper, Hampton Lumber; Keith Kaminski, ILWU; Kimberlee Cochran, F/Vs Marathon, New Life, Bay Islander; Nanci Cooper, F/V Perseverance Pacific; Mark Cooper, F/V Pacific; Jeff Lackey and Lisa Lackey, F/V Miss Sue; Jim Seavers, Fisherman; Leven Joling; Bud Shoemake, Port of Toledo; Mark Wells, F/A Alete; Marcia Thompson, F/V Olympic; Terry N. Thompson, Lincoln County Commissioner; Jeff Hollen, Midwater Trawlers Cooperative; Dennis Bartoldus, Rondys Inc.; Rob Halverson; Jon Malloy, Servco Pacific; Dean Fleck, Englund Marine; Keith Cochran, F/V Bay Islander; Reino Randolph; Dave Kunert, Hampton Lumber; Megan Murdock; Kyle Mitchell, Fisherman; Ellen Hearne and Brett Hearne, Fishermen; Kevin, Kalli & Taunette Dixon, Fishermen's Wives; Connie Kennedy, fisherman's wife, distant water; Tracy Lynn Bohne, Fishermen's Wives; Paul Langner, Teevin Bros.; Chris Nelson; Mike Storey, F/V Pegasus; John Holt, Pacific Fishing; Sara Skamser, Foulweather Trawl; John Skamser, Foulweather Trawl; Wayde Dudley; Barb Dudley; Fred Yeck, F/V Sea Dawn; Dennis McManus, F/V Golden Pisces; Heather Mann, Midwater Trawlers Cooperative; Jennifer Stevenson, Newport Fishermen's Wives; Tim Miller, small woodlands; Bob Kemp, Fisherman; Fred Postlewait, Banker; Evan Hall, Rondys Inc.; Tim Mulcahy, F/V Calogera; Pierce Miller, F/V Cologera; Russ Glasscock, small woodland owner; Jack Webster, F/V Millie G; and Bill Olivera, Pacific Surimi.

II. CHANGES TO THE AGENDA

Greenwood asked to have the Budget Hearing re-called, included in the 12:00 noon Regular Meeting Packet. He pointed out the changes to the Budget since the Budget Hearing, which were noted on the included staff budget presentation. Beck recommended including the International Terminal (NIT) leases in the NIT budget, and assumed the Teevin lease would be included here. He also asked if all leases could be separated into the budgets for their locations. Larrabee said that leases had historically been included in administration so that would not match for comparison. Greenwood added that the expenses for leases were predominantly administrative since they were handled by the Finance Department. If the lease were separated by area, the Port would also have to account for administrative overhead. Greenwood added that this is something that could be discussed further as a policy discussion, but the budget hearing did not address individual departments. Larrabee suggested adopting

the budget as is, and further analysis could be done if requested. Chuck said he would prefer to adopt the budget as is then consider changing next year.

There was no public comment on the Budget Hearing.

A motion was made by Beck and seconded by Brown to adopt the 2017-2018 Budget as presented. The motion passed 3 – 0.

III. **ITSF RELATED CORRESPONDENCE**

Greenwood requested Hewitt list the correspondence that had been received and added to the Meeting Packet. Hewitt listed: ILWU Public Records Request, Midwater Trawlers Cooperative (MTC) letter, Annabelle Morgan (small woodland owner) letter, MTC Attorneys Ouderkirk & Hollen letter, and a letter from Rondys Inc. Chuck added there was also an email received from Judy & Jerry Pelletier, small woodlands owners, which will be added to the record. (An email from Patrick-Joling to Beck will also be added to the record.)

IV. **PUBLIC COMMENT**

Fred Yeck, trawler owner and Terminal user, said he had read the Teevin, Silvan and 3-Party Agreements. He said he was concerned about the financial welfare of the Port and viewed the agreements as a financial disaster. Yeck said he is in support of shared use at the Terminal by fishing and shipping. The agreements were written by Teevin and Silvan without making assurances to the Port about minimum shipments, with 7 -10 shipments needed for the Port to break even. He considered the agreements to be conceptually and legally defective, including the provision that the Port pay Silvan \$60K per year at signing, shipping priority at the west berth for 365 days per year for 20 years, and ambiguous terms for terminating the agreements for non-use. Yeck said the \$5000/year Teevin lease was a give-away and suggested the value of the property be evaluated. He said the agreements were a bad deal for the Port which represented a greater risk than the risk of losing the TIGER grant.

Dennis McManus, F/V Golden Pisces owner and CPA certified by the fishing industry, said he was concerned about staging access at the Terminal. He said his and other boats that spend \$400-500K when staging would have to stay elsewhere if the Terminal weren't available.

Russ Glasscock said he was a 3rd generation timber owner. Timber shipping 15 years ago allowed his family to pay the inheritance tax assessed 30 years ago. Glascak said he was excited when the voters created a bond to build the shipping terminal. He said Teevin will allow open berths. Glascak said the Terminal should work if everyone is efficient. He said that voters did not envision a facility where boats from Alaska and California would move here for lower rates, but a facility for local boats and shipping interests.

Jeff Hollen, attorney representing MTC, referred to the lease analysis he submitted. (Included in the meeting record.) He said that MTC does not want the agreements approved. There is no provision that they all be signed, and they all tied in together to be valid. Hollen said the agreements need clarification, completion, coordination, and consents were needed. Hollen encouraged the Port Commission to read his analysis and consult with Port's counsel. The agreements appear to be written by Teevin and Silvan, and disadvantage the Port.

Mike Storey, midwater Trawler on the F/V Pegasus, said he was not opposed to shipping but wanted it done right. He said he agreed with the comments made by McManus. Torey said he was looking at a \$2MM+ project, considering YB and Port of Toledo. Without access to the Terminal, he will go elsewhere. Torey said the fishermen had been cooperative, and perhaps they were used to being pushed around by government agencies.

Tim Miller, a small woodlands owner from Siletz, said the issue was starting to divide the natural resources community, fishing and woodland owners, who need to stick together. He asked the Commission to help them stay together as a community. Miller said he is sending spruce, fir and hemlock logs to ship from Coos Bay that are not wanted by the domestic mills. There is a \$400 per load difference in hauling costs to ship from Newport, as well as using less diesel fuel. He said he hoped the Port of Newport Commission can get the shipping terminal in Newport.

Terry Thompson, Lincoln County Commissioner and smaller F/V owner, said that some of the smaller boats use the terminal to change their larger gear. The voters meant to make the Terminal a collaborative situation, which has not been done to the extent it should. Shipping can't be in the Terminal when it's at maximum use by fishing. The hoist could not be used by the fleet when shipping was in. He encouraged talking about a collaborative situation. I would not be beneficial to lose either the big boats or the potential for timber.

Bud Shoemake, Port of Toledo manager, had also worked at the Port of Newport for 15 years when lumber was being shipped to Australia. He had to ask boats to move then, and some moved to Seattle and did not come back. The Port of Toledo has invested \$10MM since 2011 to provide a shipyard for vessels. Shoemake said keeping the boats home-ported in Lincoln County was important to the fishing families, the Port of Toledo and to the region. He asked the Commission to not act hastily to find a way to accommodate both shipping and fishing at the Terminal.

Evan Hall, Rondys Inc. Vice President, said they were in a unique position because they had deep roots in fishing and were the last leaseholders for the last shipping company. He referred to Rondys letter included in the meeting packet, calling attention to the risk of delay, the benefits to the Port's users and the opportunities provided to Rondys Inc. by the Terminal project and their future plans for an industrial complex on their adjacent land. He requested the Commission act before the opportunity to bring shipping to Newport is lost.

Kimberlee Cochran, F/Vs Marathon, New Life, and Bay Islander, was born in Newport and remembers logs. She said she is concerned that fishing vessels desiring to use the Port of Toledo shipyard won't be able to if the Terminal is not available. The boats would have to go elsewhere. She said she is also concerned that the project has created a divisionary situation between hard working people because the plan is ambiguous. She asked the Commission to vet the project out more and provide a business plan.

Heather Mann, MTC, said MTC represented 26 commercial trawlers, 17 of which are home-ported in Newport. Almost all of these vessels use the International Terminal to some degree. She said MTC is not against shipping or longshoremen, but is against being displaced and against shipping taking a priority. Mann read from the letter from MTC to the Commission, included in the meeting packet. She hoped the Commission could come up with a win/win plan; shipping is an important part of the future, but not at the expense of fishing.

Stan Schones, a Newport resident since 1979 whose vessel Miss Birdie fishes crab and whiting, said that fishing interests played a big part in passing the Terminal bond measure. The Terminal enough space to tie 12 – 15 boats two to three wide, who all need to work with each other to manage the space. The fishing vessels represent \$15-20MM in assets and 200-400 people at each fish plant. If the fishing vessels were forced to leave, it would mean more than the loss of moorage. Each vessel spends about \$3MM per year in Newport on crew shares, fuel and maintenance, which goes into the community. He cautioned the Commission not to throw fishing under the bus. The larger vessels pose a danger to the docks and smaller vessels if they are berthed at the Port Docks, especially in winter weather.

Doug Cooper, Vice President of Resources at Hampton Lumber, with four sawmills in Oregon and 700+ employees, expressed concern that the Port supports the use of public funds for the export of logs. He said Greenwood once referred to logs as the Terminal shipping's "bread and butter." Hampton approves of timber owners finding markets for their lumber. There is an economic benefit to keep logs in the domestic market.

There is a shortage of logs with Hampton and others needing to look as far as Washington. The price for logs is high. Sawmills are not operating at full capacity. The Port plan is based on a precarious financial and business model, and Cooper urged the Commission not to vote tonight.

Rob Halverson, former Port of Newport Commissioner, said the community came together to provide berths for fishing and reintroduce cargo in passing the bond measure. The deep draft vessels draw more than ever. The depth of dredging could be reduced if shipping wasn't in the harbor. He said the community stood together and needs to stand together now. Exclusive use by fishing for 120 days is a hard nut for shipping to swallow. He hoped something could be worked out for both shipping and fishing. He was disappointed to hear Teevin called a "pie in the sky" group. Halverson that Teevin had completed three projects with Connect Oregon grant funds, put those projects into practice, and received high marks from the grant authorities. The Port of Newport has received Connect Oregon funds for the purpose of moving cargo, no reference to fishing. The TIGER grant refers to deep draft shipping. He hoped the elements could be worked out. He added that adding the dolphin from the original plan could relieve the crane issue.

David Jincks, involved in commercial fishing for 50 years, agreed Miller's comment that natural resource groups should not be fighting each other. Jincks said the issue is how we dock here and how the Port could have done this differently. Fishing asked to have a place at the table. The needs of fishing were fairly obvious with two times a year the Terminal was fully used. He was a long time Port Commissioner, and heard he had the opportunity to nip this in the bud, but was not sure what was meant. The RV Park was a large, successful project that involved a financial analysis before beginning. The Terminal Users Group Committee (TUG) needs to continue to work to solve issues so that the project can move ahead to develop fishing and shipping at the Terminal.

Yale Fogarty, ILWU #53, said that fishing and the longshoremen worked equally to get the bond measure passed. It is unfortunate the Terminal failed and shipping has gone. He asked that fishing and the longshoremen reach out to work together. The Port could also use business practices to appraise property values. The local fleet is facing failing facilities and the Port needs revenue. Fogarty said the Port can't afford to lose the local boats either; those families live here. The state of the docks is a catastrophe waiting to happen. The Port needs to do due diligence to move forward quickly. He recommended the Commission hire an outside consultant who can work full time on the project to get the project done so it works for all parties.

Judy Pelletier, small wood owner, agreed with Miller that the interests need to cooperate. She said she was speaking for older folks who are small woodland owners who depend on the Terminal shipping facility, since there is nowhere to send hemlock locally. She would like to work together to make that happen.

Jennifer Stevenson, President of the Newport Fishermen's Wives, said the people at the meeting gathered as a community because of concern that the deal in front of the Commission is hasty and one-sided. She said in any smart business decision there needs to be analysis from all sides. The distant fleet families also live here. She considered that the distant water fleet was being told thank you for all your years, but the Port will be moving in a different direction, which was disappointing. Fishing helped to pass the bond and it would be great if logs came back. Find a way for it to work, not tell current users to go elsewhere. She asked the Commission to consider what the decision will mean in 20 years. She would like the Port to move forward with a deal that is better for everyone with successful shipping out of Newport.

V. GENERAL MANAGER'S REPORT AND RECOMMENDATION

Greenwood introduced the General Manager's Report, included in the Meeting Packet, and reviewed pros and cons of the Terminal agreements and possible Commission actions. He said since he joined the Port, the Newport International Terminal was losing \$180 – 220K per year. There is a lot of debt, with \$440K in debt service paid per year, and a need for tens of millions of dollars for deferred maintenance. It has been difficult to

identify an income source that can meet the Port's needs. Greenwood said he understands the fishing contributions, and has hosted TUG meetings to develop an operations plan along with other meetings in the last four months. He said this discussion should have happened before. Since 2015 this project has been the Port's #1 goal, and Greenwood has received direction from the Commissioners to pursue these agreements. He suggested more negotiations and give from both sides were needed to move forward. A high-use charge could be added for Terminal users during those periods, similar to how the RV Park is charging a surcharge for high-traffic dates. Greenwood included four possible motion recommendations: 1. Reject the contracts and process, 2. Approve the contracts, 3. Postpone a vote until consensus with MTC and financial partners can be reached and more coordinated terms can be negotiated, or 4. Postpone the vote until the new Commissioners take office. Greenwood recommended option 3.

Beck said that Greenwood had produced a great report. There is a need for financial participation from entities using the value of the Port. Silvan has been relentless is getting and better and better deal. Teevin has too good a deal. He is confident the Port can move forward, and is comfortable not making decisions today.

Brown commented that Greenwood had said there was a lack of consensus on the Board, but there would be a lack of consensus on the next Board as well; it will be contentious. Brown said he would like to look at items that can be voted on at this meeting, like the Rondys easements, which would help them and the Port. It would be rude to Patrick-Joling and Lamerdin to approve all tonight. He would also like to look at the engineer's contract, who has been working without getting paid, so that bids can go out. Greenwood said that the engineer understands he is working out of budget. If the Commission wanted to see the price, the next Commission could still reject the bids. By authorizing the engineer's contract, this would allow bids to get out and submitted to get actual costs.

Chuck asked if dredging would still be needed if shipping weren't at the Terminal, and if the costs for maintenance dredging would be available. Greenwood said that staff continues the permitting for a dredge permit, but it would be early fall before getting a bid. The dredging to 35' would be needed for shipping not the current users. The reserved maintenance funds could be used for dredging as well as other budgeted funds; Greenwood said he does not have a firm cost estimate.

Beck said that picking and choosing agreements to approve was not a good idea; he suggested voting for all or letting the next Commission decide. He added that they had been looking at numbers based on 10 shipments per year. If there were 7 ½ or fewer shipments it would mean for eight or more years there would be no money to put in deferred maintenance. The performance bond is also an issue. Two percent of \$6.5MM is \$130K. There are big costs to move forward. Beck questioned whether it would be appropriate to use NOAA funds and remarked and ancillary costs are expensive.

Brown said he asked to consider approving Rondys also because of the dredge spoil issues, which the Port would need to deal with whether or not the Shipping Facility project goes through. Greenwood said they have been working on the easements. With the dredge spoils agreement, there are significant costs. They were planned to be paid with proceeds from the project financing. Greenwood recommended not approving the dredge spoils agreement until financing is obtained. Rondys would need to give the Port 120 days' notice if they wanted the Port to move the dredge spoils. He added the Port could also sell the sand.

Chuck commented on the \$60K per year payable to Silvan. He asked if the value of the Teevin package was in the \$300K range, which could be a reason for working with them. Chuck said regarding Greenwood comment about lack of consensus, that he had forwarded information in 2014 when Greenwood first started about an NIT committee to meet with to help avoid conflict. This did not go anywhere at that time. In 2016, Chuck again asked Greenwood to reconvene a meeting and get the issues out in the open. All users needed to know about the plans being discussed. Chuck submitted this with a white paper on an ad hoc committees that had been used when the Terminal was being designed. He asked Greenwood why a committee wasn't met with then.

Greenwood said that there was not financing for the project. Chuck said that the International Terminal has been a concern of the Port for the last 5 years. They should have had consensus on the Commission to provide direction, but Greenwood should have reached out to a lot of people earlier. Greenwood agreed that TUG was an attempt that should have been made years ago. Chuck added that there were other issues. There was the loss of political capital that could result if the project did not go through, citing Representative Gomberg's advocacy for the Port. Greenwood said that would be a reason to move forward, and not proceeding with the project could affect the Port's ability to get grants. Chuck said that with the current lack of funding, GO bonds had been discussed to pay for deferred maintenance. He asked how the Port district would feel if shipping did not move forward. Greenwood said that was difficult to answer. Chuck asked if there were other options if the revenue stream from shipping was not realized. Greenwood said the Port could take out loans to be paid for with positive net income, could sell property which would not be a sustainable option, and could continue to recruit tenants. There are approximately 13 acres that could be leased and developed.

Beck said that when he came onto the Commission 12 months ago, the first meeting saw the Connect Oregon grant going down the tubes. The EDA grant was lost by December. Losing these grants put the Port in this position. He had been trying to talk to the Commission and staff about the bottom line. He asked if there was a plan B, but Chuck told him to shut up because he had not been on the Board long enough. Chuck called a point of order.

VI. INTERNATIONAL TERMINAL SHIPPING FACILITY

Greenwood introduced the resolutions regarding the use of the Terminal proposed by Lamerdin, included in the Meeting Packet. Lamerdin, Chuck and Greenwood had worked on these. Greenwood suggested these were excellent step in the right direction. He suggested working with the shipping partners to work these resolutions into the agreements. Brown asked if these resolutions would render the present tie-up policy moot. Greenwood said the Commission would want to repeal conflicting polices. The Port would also want to make sure the resolutions did not conflict with agreements. Beck asked how many fishing vessels were over 125 feet; Greenwood said 125' was the highest he had heard. Chuck said he had spoken with Lamerdin about the resolutions. Lamerdin had reviewed the TUG meeting notes and had used some of the wording from their discussion. Safety and priority time were the issues. Shipping could work with the first part of November. Lamerdin thought splitting the difference for notice requirements at 21 days was adequate. Zerr said there are actually 3 faces at the Terminal: the west berth, the east berth, and the hoist berth. He asked if anyone using the hoist berth would also be required to give 21 days' notice. Greenwood said this was intended more for the east and west berths and could be clarified. Beck asked why the wording was the first part of November rather than the first week. Chuck said that was to give time for a vessel that may be there to move out of the way. Greenwood suggested making edits and then sharing the draft with Teevin, Silvan and MTC. Beck asked if Silvan had asked for set-aside time. They wanted full access to the west berth throughout the year, so why would they change? Greenwood said they could if it was required by the Commission. Beck said once Silvan said no, the Port could lose the TIGER grant and lose shipping forever. Chuck said the Port would want to make sure these terms were in the agreement. Greenwood said he would ask for feedback from the parties. Chuck asked what would be the loss of moorage and services if both sides agreed. Greenwood said the loss would be less than in the proposal. Chuck said these resolutions represented a compromise between the fishing and shipping interests.

Greenwood introduced his report on contract review, included in the meeting packet along with the contracts and agreements: the Silvan Financing Agreement, the Teevin Bros. Lease Agreement, the Three Party Agreement, the Rondys Agreements, The Stuntzner Engineering Contract, and the IFA Loan. In reference to the Silvan Financing Agreement (SFA), section 2.1, Greenwood said that the funds not in escrow was some risk for the Port. Staff has discussed the pass-through of the performance bond referenced in 2.2, but this still needs Silvan's agreement. For 2.23, Greenwood added that if the resolutions were passed they must not conflict with the agreement so as to avoid a potential law suit. In reference to section 2.8, he noted that the Commission

could continue to revise tariffs during the contract term. When the abatement is paid off, Silvan would pay the rates then in effect. In section 2.10, Beck suggested striking “due to their fault” because it adds too much risk for the Port. He also asked if the Port would be obligated to pay \$60K per year if it takes 12 years. Greenwood said the payments would be made from tariffs until the abatement was complete. Chuck asked if the terminal operator brought barges if they would be subject to the abatement. Greenwood responded only Silvan’s shipments would apply.

In reference to the Teevin Lease Agreement, Greenwood explained that the Teevin lease would coincide with the payment to Silvan of \$60K so this would be a net zero to the Port, which is identified in the 3-party Agreement. Beck asked for clarification as to whether the CPI would be added every year or every 5 years. Greenwood will confirm with Teevin that this is an annual increase. The payments to Silvan will remain \$60K so any increase in Teevin’s payment would go to the Port. As for the use, the Port would want to make sure that a use resolution would not be considered an “unnecessary restriction.” In reference to the 3-party agreement, Greenwood said permits have been kept open by excavating and moving material every six months, and will be open through the end of the calendar year. Greenwood said that the Rondys Easements had similar language throughout. Chuck said it was not necessary to review each easement.

For the Stuntzner Engineering Contract, Greenwood noted article 3.1 saying the engineer would only be paid if the contract were approved. They were aware that they have been working out of contract. He referred the Commission to page 168 for the breakout of services. Beck asked if payments to the engineer would come out of grant or loan financing. The engineer’s bills are net 30, but the reimbursement could take 30 days. Greenwood said this would be handled through the bridge loan. Greenwood noted that the Port’s attorney had reviewed all documents, and had produced the engineering contract along with Stuntzner.

Chuck reviewed the options for the Commission in Greenwood’s staff report. Brown said he would prefer to move forward, but felt this would not be fair to Patrick-Joling and Lamerdin since they were not present to vote. Chuck said that any motion would require a 3 – 0 vote to pass. Beck made a motion to postpone the vote until the new Commissioners take office. There was no second. Brown suggested tabling the discussion until a later time. Beck said that he wanted to wait until the next Commission, not just a later time. Chuck commented that the Commission was at an impasse. He suggested a motion to table the discussion in fairness to the sitting Commission. Beck said he would not approve that motion. He expects to move to postpone until the next Commission is in place as he does not trust anyone. Chuck called a point of order, confine comments to topic under debate and avoid personalities. Greenwood made a suggestion to table until July, but the staff needs direction whether or not to continue working on the project. Chuck asked when Patrick-Joling and Lamerdin would return. Patrick-Joling’s daughter Laura said she did not know when she would return. Greenwood had not heard from Lamerdin. Chuck recommended to motions in order to direct staff to move forward: 1. Move forward to continue to work on the current project, and 2. Postpone a vote until full Commission can be seated with 72 hours’ notice. Beck said the Commission needs to make a deal that’s good for the Port with all interests addressed. The Port does not need to direct staff if they choose the second motion.

A motion was made by Beck and seconded by Brown to instruct Port staff to move forward with the current project. The motion passed 3 – 0.

A motion was made by Brown and seconded by Beck to postpone a vote until a full Commission can be seated with 72 hours’ notice. The motion passed 3 – 0.

Chuck said he wanted the Commission to be aware that the issue of conflicts has been raised. Beck said a conflict would not exist if an individual were part of a larger group. The remarks were withdrawn.

Beck referred to the ILWU public records request included in the meeting packet, which included a request for his personal emails. He said he got the ILWU recommendation when he was initially approved, which he

submitted for the record. The ILWU changed their mind on some things over time. He suggested if that is how they work, the Port should think about working with them.

VII. PUBLIC COMMENT

Hollen asked the Commission to look at his analysis of the contracts which conflicted with Greenwood's analysis. The contracts are conflicting, vague and need more work. They are not ready to sign. He advised conferring with Port's counsel.

Yeck questioned the process and asked where the Port's lawyer was. He asked why Greenwood did the contract analysis. The Port needs legal advice. The contracts were written for Teevin and Silvan with the Port on the outside. The payment flow through is not in the agreement. The contract required payments to Silvan as soon as the lease is signed. The documents are not ready to sign and disadvantage the Port.

Fogarty said that a lot was learned tonight. The project incited investments, and he was excited about the opportunity for new jobs, and the business that would grow around the shipping terminal like the Rondys development. Teevin has a large investment in the project, and they would not move forward on the deal to ship if it wasn't advantageous. Shipping would benefit timber owners and area employment. There are homeless children in school whose families need jobs. He asked if dredge spoils could be dumped at sea to save costs. The Terminal was meant for shipping to pay the bill. He agreed with Jincks that the project must be continued and be successful. The set-aside periods can be workable and achieved. He said it takes ten days to load a ship, for a possible 8 shipments, for 80 days a year.

Cooper said thank you for the transparency and detail presented, and the Commission looking at what's needed to move forward and be successful. He encouraged the Port to work toward a solution that benefits all parties, doesn't displace users and adds benefit to the community.

Mann said if people were interested in jobs they could see Bill Olivera who was looking to hire at the surimi plant. She said the draft operations plan said up to 14 days tied up at the dock. When the ships are tied up, the number of days doesn't matter if they have no place else to go. She said she respects Fogarty, but it was obnoxious to mention homeless children as a reason to move forward. The fishermen sponsor baseball teams and feed homeless people.

VI. ADJOURNMENT

Having no further business, the meeting adjourned at 8:50 pm.

ATTESTED:

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**Port of Newport
 Balance Sheet
 As of June 30, 2017**

	Jun 30, 17	Jun 30, 16	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Available Cash & Equivalents	1,475,821.47	1,482,444.47	-6,623.00
Restricted Cash & Equivalents	581,277.84	644,806.57	-63,528.73
Total Checking/Savings	2,057,099.31	2,127,251.04	-70,151.73
Accounts Receivable			
Accounts Receivable	452,549.38	325,246.30	127,303.08
Total Accounts Receivable	452,549.38	325,246.30	127,303.08
Other Current Assets			
Allow for Bad Debt - CM	-20,000.00	-10,000.00	-10,000.00
Allow for Bad Debt - SB	-10,000.00	-4,000.00	-6,000.00
AR Property Tax	10,334.60	10,334.60	0.00
Assets Held For Sale	9,345.91	0.00	9,345.91
Due from Other Port Funds	5,766.81	4,643.98	1,122.83
PERS - Deferred OF	17,803.00	17,803.00	0.00
PERS - NPA(L)	-163,496.00	-163,496.00	0.00
Prepaid Expenses	101,456.88	27,272.94	74,183.94
Undeposited Funds	2,149.88	10,001.19	-7,851.31
Total Other Current Assets	-46,638.92	-107,440.29	60,801.37
Total Current Assets	2,463,009.77	2,345,057.05	117,952.72
Fixed Assets			
Capital Assets	83,050,886.02	82,607,341.77	443,544.25
Total Fixed Assets	83,050,886.02	82,607,341.77	443,544.25
TOTAL ASSETS	85,513,895.79	84,952,398.82	561,496.97
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	109,452.54	69,713.44	39,739.10
Total Accounts Payable	109,452.54	69,713.44	39,739.10
Other Current Liabilities			
Accrued Interest Payable	6,209.00	6,209.00	0.00
Current Portion-Long Term Debt	406,827.00	406,827.00	0.00
Deferred Revenue	180,018.96	136,665.87	43,353.09
Due to other Port Funds	7,786.29	58.43	7,727.86
Lodging/Room Tax Payable	8,520.30	6,390.04	2,130.26
Payroll Liabilities	146,272.14	97,415.23	48,856.91
Total Other Current Liabilities	755,633.69	653,565.57	102,068.12
Total Current Liabilities	865,086.23	723,279.01	141,807.22
Long Term Liabilities			
2013 FF&C Bond Premium	105,116.75	105,116.75	0.00
Less Current Portion L Term Deb	-406,827.00	-406,827.00	0.00
Long Term Debt	8,344,076.74	8,133,781.74	210,295.00
PERS - Deferred IF	151,722.00	151,722.00	0.00
Total Long Term Liabilities	8,194,088.49	7,983,793.49	210,295.00
Total Liabilities	9,059,174.72	8,707,072.50	352,102.22

Port of Newport
Balance Sheet
As of June 30, 2017

	<u>Jun 30, 17</u>	<u>Jun 30, 16</u>	<u>\$ Change</u>
Equity			
FB - Accrued Interest	0.00	5,484.00	-5,484.00
FB - Amortization	0.00	6,776.00	-6,776.00
FB - Capital Asset Additions	224,666.25	20,345.00	204,321.25
FB - Contributed Capital	7,130,788.00	7,130,788.00	0.00
FB - Debt Principal	0.00	346,629.00	-346,629.00
FB - Depreciation	0.00	-3,267,515.00	3,267,515.00
FB - Equity Transfers	0.00	184,501.00	-184,501.00
FB - GAAP-Pension Expense	-1.00	-1.00	0.00
FB - GAAP-Prior Period Adj	35,919.81	0.00	35,919.81
FB - Loan Proceeds	-210,295.00	0.00	-210,295.00
FB - PERS-Pension Inc/Exp	0.00	-147,940.00	147,940.00
Fund Balance	69,114,539.32	71,509,156.00	-2,394,616.68
Net Income	159,103.69	457,103.32	-297,999.63
Total Equity	<u>76,454,721.07</u>	<u>76,245,326.32</u>	<u>209,394.75</u>
TOTAL LIABILITIES & EQUITY	<u>85,513,895.79</u>	<u>84,952,398.82</u>	<u>561,496.97</u>

Port of Newport
Profit & Loss by Class

YTD as of June 2017	GENERAL					NOAA
	Admin.	NIT	So. Beach	No. Comm.	Total	Total
OPERATING						
Income	\$ 618,210	\$ 458,455	\$1,743,917	\$ 678,160	\$3,498,742	\$2,542,387
Expense	\$ 918,790	\$ 612,180	\$1,157,962	\$ 513,474	\$3,202,406	\$2,511,330
<i>Personal Service</i>	\$ 506,682	\$ 66,771	\$ 336,365	\$ 221,802	\$ 1,131,620	\$ 74,965
<i>Materials & Service</i>	\$ 379,282	\$ 108,615	\$ 604,933	\$ 284,716	\$ 1,377,546	\$ 439,031
<i>Debt Service</i>	\$ 32,826	\$ 436,794	\$ 216,664	\$ 6,956	\$ 693,240	\$ 1,997,334
NET OPERATING	\$ (300,580)	\$ (153,725)	\$ 585,955	\$ 164,686	\$ 296,336	\$ 31,057
NON-OPERATING						
Income	\$ 570,672	\$ -	\$ 5,386	\$ 5,008	\$ 581,066	\$ -
Expense	\$ 286,046	\$ -	\$ 32,426	\$ 396,359	\$ 714,831	\$ 12,296
<i>Capital Outlay</i>	\$ 226,046	\$ -	\$ 32,426	\$ 396,359	\$ 654,831	\$ 12,296
<i>Transfers</i>	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
<i>Other</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET NON-OPERATING	\$ 284,626	\$ -	\$ (27,040)	\$ (391,351)	\$ (133,765)	\$ (12,296)
NET INCOME	\$ (15,954)	\$ (153,725)	\$ 558,915	\$ (226,665)	\$ 162,571	\$ 18,761

Port of Newport
Profit & Loss Budget vs. Actual
July 2016 through June 2017

	Jul '16 - Jun 17	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Hoist Dock & Services	596,467.97	450,000.00	146,467.97	132.5%
Launch Ramp & Trailer Storage	62,116.53	70,000.00	-7,883.47	88.7%
Lease Revenues	610,059.49	616,081.00	-6,021.51	99.0%
Miscellaneous Revenue	86,542.05	46,000.00	40,542.05	188.1%
Moorage	1,277,769.01	1,189,000.00	88,769.01	107.5%
RV Parks	843,643.16	754,000.00	89,643.16	111.9%
Shipping Terminal Revenues	22,143.81	7,000.00	15,143.81	316.3%
Total Income	3,498,742.02	3,132,081.00	366,661.02	111.7%
Gross Profit	3,498,742.02	3,132,081.00	366,661.02	111.7%
Expense				
Debt Service	693,240.55	699,934.00	-6,693.45	99.0%
Materials & Services	1,377,545.87	1,465,200.00	-87,654.13	94.0%
Personal Services	1,131,619.79	1,260,616.00	-128,996.21	89.8%
Total Expense	3,202,406.21	3,425,750.00	-223,343.79	93.5%
Net Ordinary Income	296,335.81	-293,669.00	590,004.81	-100.9%
Other Income/Expense				
Other Income				
Capital Contributions	218,878.00			
Gain/(Loss) on Sale of Assets	-8,942.32	0.00	-8,942.32	100.0%
Grant & Loan Proceeds	222,095.00	393,295.00	-171,200.00	56.5%
Interest Income	6,985.11	4,000.00	2,985.11	174.6%
Miscellaneous - Non-operating	35,416.27	0.00	35,416.27	100.0%
Property & Dredge Sales	3,086.00	2,000.00	1,086.00	154.3%
Property Tax Revenue	103,548.39	94,500.00	9,048.39	109.6%
Total Other Income	581,066.45	493,795.00	87,271.45	117.7%
Other Expense				
Capital Outlay	654,831.12	710,295.00	-55,463.88	92.2%
Contingency	0.00	100,000.00	-100,000.00	0.0%
Transfers Out	60,000.00	60,000.00	0.00	100.0%
Total Other Expense	714,831.12	870,295.00	-155,463.88	82.1%
Net Other Income	-133,764.67	-376,500.00	242,735.33	35.5%
Net Income	162,571.14	-670,169.00	832,740.14	-24.3%

Port of Newport
Profit & Loss Budget vs. Actual - Admin
July 2016 through June 2017

	Jul '16 - Jun 17	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Hoist Dock & Services	3,000.00	0.00	3,000.00	100.0%
Lease Revenues	608,459.88	616,081.00	-7,621.12	98.8%
Miscellaneous Revenue	3,653.74	0.00	3,653.74	100.0%
Moorage	3,096.00	0.00	3,096.00	100.0%
Total Income	<u>618,209.62</u>	<u>616,081.00</u>	<u>2,128.62</u>	<u>100.3%</u>
Gross Profit	618,209.62	616,081.00	2,128.62	100.3%
Expense				
Debt Service	32,827.22	32,852.00	-24.78	99.9%
Materials & Services	379,282.45	392,900.00	-13,617.55	96.5%
Personal Services	506,681.27	470,748.00	35,933.27	107.6%
Total Expense	<u>918,790.94</u>	<u>896,500.00</u>	<u>22,290.94</u>	<u>102.5%</u>
Net Ordinary Income	-300,581.32	-280,419.00	-20,162.32	107.2%
Other Income/Expense				
Other Income				
Capital Contributions	218,878.00			
Gain/(Loss) on Sale of Assets	-9,442.32	0.00	-9,442.32	100.0%
Grant & Loan Proceeds	220,295.00	393,295.00	-173,000.00	56.0%
Interest Income	6,985.11	4,000.00	2,985.11	174.6%
Miscellaneous - Non-operating	30,408.19	0.00	30,408.19	100.0%
Property Tax Revenue	103,548.39	94,500.00	9,048.39	109.6%
Total Other Income	<u>570,672.37</u>	<u>491,795.00</u>	<u>78,877.37</u>	<u>116.0%</u>
Other Expense				
Capital Outlay	226,045.00	410,295.00	-184,250.00	55.1%
Contingency	0.00	100,000.00	-100,000.00	0.0%
Transfers Out	60,000.00	60,000.00	0.00	100.0%
Total Other Expense	<u>286,045.00</u>	<u>570,295.00</u>	<u>-284,250.00</u>	<u>50.2%</u>
Net Other Income	<u>284,627.37</u>	<u>-78,500.00</u>	<u>363,127.37</u>	<u>-362.6%</u>
Net Income	<u>-15,953.95</u>	<u>-358,919.00</u>	<u>342,965.05</u>	<u>4.4%</u>

Port of Newport
Profit & Loss Budget vs. Actual - NIT
 July 2016 through June 2017

	<u>Jul '16 - Jun 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Hoist Dock & Services	324,210.62	193,000.00	131,210.62	168.0%
Launch Ramp & Trailer Storage	0.00	0.00	0.00	0.0%
Miscellaneous Revenue	755.62	5,000.00	-4,244.38	15.1%
Moorage	111,344.52	80,000.00	31,344.52	139.2%
Shipping Terminal Revenues	22,143.81	7,000.00	15,143.81	316.3%
Total Income	<u>458,454.57</u>	<u>285,000.00</u>	<u>173,454.57</u>	<u>160.9%</u>
Gross Profit	458,454.57	285,000.00	173,454.57	160.9%
Expense				
Debt Service	436,793.64	443,460.00	-6,666.36	98.5%
Materials & Services	108,615.11	108,100.00	515.11	100.5%
Personal Services	66,771.07	71,486.00	-4,714.93	93.4%
Total Expense	<u>612,179.82</u>	<u>623,046.00</u>	<u>-10,866.18</u>	<u>98.3%</u>
Net Ordinary Income	<u>-153,725.25</u>	<u>-338,046.00</u>	<u>184,320.75</u>	<u>45.5%</u>
Net Income	<u>-153,725.25</u>	<u>-338,046.00</u>	<u>184,320.75</u>	<u>45.5%</u>

Port of Newport
Profit & Loss Budget vs. Actual - SB
 July 2016 through June 2017

	Jul '16 - Jun 17	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Hoist Dock & Services	10,529.71	10,000.00	529.71	105.3%
Launch Ramp & Trailer Storage	62,077.65	70,000.00	-7,922.35	88.7%
Miscellaneous Revenue	78,343.37	37,000.00	41,343.37	211.7%
Moorage	749,323.36	669,000.00	80,323.36	112.0%
RV Parks	843,643.16	754,000.00	89,643.16	111.9%
Total Income	<u>1,743,917.25</u>	<u>1,540,000.00</u>	<u>203,917.25</u>	<u>113.2%</u>
Gross Profit	1,743,917.25	1,540,000.00	203,917.25	113.2%
Expense				
Debt Service	216,663.89	216,666.00	-2.11	100.0%
Materials & Services	604,932.62	644,400.00	-39,467.38	93.9%
Personal Services	336,365.39	342,800.00	-6,434.61	98.1%
Total Expense	<u>1,157,961.90</u>	<u>1,203,866.00</u>	<u>-45,904.10</u>	<u>96.2%</u>
Net Ordinary Income	585,955.35	336,134.00	249,821.35	174.3%
Other Income/Expense				
Other Income				
Gain/(Loss) on Sale of Assets	500.00			
Grant & Loan Proceeds	1,800.00	0.00	1,800.00	100.0%
Property & Dredge Sales	3,086.00	2,000.00	1,086.00	154.3%
Total Other Income	<u>5,386.00</u>	<u>2,000.00</u>	<u>3,386.00</u>	<u>269.3%</u>
Other Expense				
Break-in Replacement	0.00	0.00	0.00	0.0%
Capital Outlay	32,426.25	0.00	32,426.25	100.0%
Total Other Expense	<u>32,426.25</u>	<u>0.00</u>	<u>32,426.25</u>	<u>100.0%</u>
Net Other Income	<u>-27,040.25</u>	<u>2,000.00</u>	<u>-29,040.25</u>	<u>-1,352.0%</u>
Net Income	<u><u>558,915.10</u></u>	<u><u>338,134.00</u></u>	<u><u>220,781.10</u></u>	<u><u>165.3%</u></u>

Port of Newport
Profit & Loss Budget vs. Actual - CM
 July 2016 through June 2017

	Jul '16 - Jun 17	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Hoist Dock & Services	258,727.64	247,000.00	11,727.64	104.7%
Launch Ramp & Trailer Storage	38.88	0.00	38.88	100.0%
Lease Revenues	1,599.61			
Miscellaneous Revenue	3,789.32	4,000.00	-210.68	94.7%
Moorage	414,005.13	440,000.00	-25,994.87	94.1%
Shipping Terminal Revenues	0.00	0.00	0.00	0.0%
Total Income	678,160.58	691,000.00	-12,839.42	98.1%
Gross Profit	678,160.58	691,000.00	-12,839.42	98.1%
Expense				
Debt Service	6,955.80	6,956.00	-0.20	100.0%
Materials & Services	284,715.69	312,400.00	-27,684.31	91.1%
Personal Services	221,802.06	214,674.00	7,128.06	103.3%
Total Expense	513,473.55	534,030.00	-20,556.45	96.2%
Net Ordinary Income	164,687.03	156,970.00	7,717.03	104.9%
Other Income/Expense				
Other Income				
Gain/(Loss) on Sale of Assets	0.00	0.00	0.00	0.0%
Miscellaneous - Non-operating	5,008.08	0.00	5,008.08	100.0%
Property & Dredge Sales	0.00	0.00	0.00	0.0%
Total Other Income	5,008.08	0.00	5,008.08	100.0%
Other Expense				
Capital Outlay	396,359.87	300,000.00	96,359.87	132.1%
Total Other Expense	396,359.87	300,000.00	96,359.87	132.1%
Net Other Income	-391,351.79	-300,000.00	-91,351.79	130.5%
Net Income	-226,664.76	-143,030.00	-83,634.76	158.5%

Port of Newport - NOAA Fund
Balance Sheet
As of June 30, 2017

	Jun 30, 17	Jun 30, 16	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Cash & Equivalents	5,779,366.33	5,749,382.46	29,983.87
Total Checking/Savings	5,779,366.33	5,749,382.46	29,983.87
Other Current Assets			
Due from Other Port Funds	0.00	58.43	-58.43
Prepaid Expenses	59,847.62	44,584.25	15,263.37
Total Other Current Assets	59,847.62	44,642.68	15,204.94
Total Current Assets	5,839,213.95	5,794,025.14	45,188.81
TOTAL ASSETS	5,839,213.95	5,794,025.14	45,188.81
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	25,063.47	6,729.89	18,333.58
Total Accounts Payable	25,063.47	6,729.89	18,333.58
Other Current Liabilities			
Accrued Interest Payable	476,972.00	476,972.00	0.00
Accrued PTO	10,569.67	4,620.93	5,948.74
Current Portion Long-Term Debt	810,000.00	810,000.00	0.00
Due to Other Port Funds	5,286.39	3,140.82	2,145.57
Total Other Current Liabilities	1,302,828.06	1,294,733.75	8,094.31
Total Current Liabilities	1,327,891.53	1,301,463.64	26,427.89
Long Term Liabilities			
Less Current Portion LT Debt	-810,000.00	-810,000.00	0.00
Long-Term Debt	20,725,587.00	20,725,587.00	0.00
Total Long Term Liabilities	19,915,587.00	19,915,587.00	0.00
Total Liabilities	21,243,478.53	21,217,050.64	26,427.89
Equity			
FB - Accrued Interest	0.00	22,438.00	-22,438.00
FB - Amortization	0.00	-11,581.00	11,581.00
FB - Capital Asset Additions	0.00	10,090.00	-10,090.00
FB - Debt Principal	0.00	840,000.00	-840,000.00
FB - Equity Transfers	0.00	-10,090.00	10,090.00
Fund Balance	-15,423,025.50	-16,461,451.68	1,038,426.18
GAAP - Pension Income	0.00	24,491.00	-24,491.00
Net Income	18,760.92	163,078.18	-144,317.26
Total Equity	-15,404,264.58	-15,423,025.50	18,760.92
TOTAL LIABILITIES & EQUITY	5,839,213.95	5,794,025.14	45,188.81

**Port of Newport - NOAA Fund
 Profit & Loss Budget vs. Actual
 July 2016 through June 2017**

	<u>Jul '16 - Jun 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Interest Income	9,085.79	10,500.00	-1,414.21	86.5%
Lease Income	2,533,301.70	2,542,000.00	-8,698.30	99.7%
Total Income	<u>2,542,387.49</u>	<u>2,552,500.00</u>	<u>-10,112.51</u>	<u>99.6%</u>
Expense				
Debt Service	1,997,333.76	1,997,335.00	-1.24	100.0%
Materials & Services	439,031.14	649,320.00	-210,288.86	67.6%
Personal Services	74,965.67	75,759.00	-793.33	99.0%
Total Expense	<u>2,511,330.57</u>	<u>2,722,414.00</u>	<u>-211,083.43</u>	<u>92.2%</u>
Net Ordinary Income	<u>31,056.92</u>	<u>-169,914.00</u>	<u>200,970.92</u>	<u>-18.3%</u>
Other Income/Expense				
Other Expense				
Capital Outlay	12,296.00	40,000.00	-27,704.00	30.7%
Contingency	0.00	100,000.00	-100,000.00	0.0%
Fund Transfers Out	0.00	2,000,000.00	-2,000,000.00	0.0%
Total Other Expense	<u>12,296.00</u>	<u>2,140,000.00</u>	<u>-2,127,704.00</u>	<u>0.6%</u>
Net Other Income	<u>-12,296.00</u>	<u>-2,140,000.00</u>	<u>2,127,704.00</u>	<u>0.6%</u>
Net Income	<u>18,760.92</u>	<u>-2,309,914.00</u>	<u>2,328,674.92</u>	<u>-0.8%</u>

Facility Maintenance Reserve Fund
Balance Sheet
 As of June 30, 2017

	<u>Jun 30, 17</u>	<u>Jun 30, 16</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
FMR Money Market - Umpqua Bank	72,308.53	73,777.66	-1,469.13
Total Checking/Savings	<u>72,308.53</u>	<u>73,777.66</u>	<u>-1,469.13</u>
Total Current Assets	<u>72,308.53</u>	<u>73,777.66</u>	<u>-1,469.13</u>
TOTAL ASSETS	<u>72,308.53</u>	<u>73,777.66</u>	<u>-1,469.13</u>
LIABILITIES & EQUITY			
Equity			
FB - Assigned for Future Expend	25,000.00	0.00	25,000.00
FB - Capital Asset Additions	0.00	94,997.00	-94,997.00
FB - Equity Transfers	0.00	-94,997.00	94,997.00
Fund Balance	48,777.66	48,378.36	399.30
Net Income	<u>-1,469.13</u>	<u>25,399.30</u>	<u>-26,868.43</u>
Total Equity	<u>72,308.53</u>	<u>73,777.66</u>	<u>-1,469.13</u>
TOTAL LIABILITIES & EQUITY	<u>72,308.53</u>	<u>73,777.66</u>	<u>-1,469.13</u>

Construction Fund - Port of Newport
Balance Sheet
 As of June 30, 2017

	<u>Jun 30, 17</u>	<u>Jun 30, 16</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
Cash & Cash Equivalents	53,310.47	86,368.21	-33,057.74
Total Checking/Savings	<u>53,310.47</u>	<u>86,368.21</u>	<u>-33,057.74</u>
Total Current Assets	<u>53,310.47</u>	<u>86,368.21</u>	<u>-33,057.74</u>
TOTAL ASSETS	<u>53,310.47</u>	<u>86,368.21</u>	<u>-33,057.74</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
A/P - Construction	0.00	7,138.75	-7,138.75
Total Accounts Payable	<u>0.00</u>	<u>7,138.75</u>	<u>-7,138.75</u>
Other Current Liabilities			
Due To Other funds	480.42	0.00	480.42
Total Other Current Liabilities	<u>480.42</u>	<u>0.00</u>	<u>480.42</u>
Total Current Liabilities	<u>480.42</u>	<u>7,138.75</u>	<u>-6,658.33</u>
Total Liabilities	480.42	7,138.75	-6,658.33
Equity			
FB - Capital Asset Additions	0.00	79,414.00	-79,414.00
FB - Equity Transfers	0.00	-79,414.00	79,414.00
Fund Balance	79,229.46	183,266.66	-104,037.20
Net Income	-26,399.41	-104,037.20	77,637.79
Total Equity	<u>52,830.05</u>	<u>79,229.46</u>	<u>-26,399.41</u>
TOTAL LIABILITIES & EQUITY	<u>53,310.47</u>	<u>86,368.21</u>	<u>-33,057.74</u>

**Bonded Debt Fund - Port of Newport
 Balance Sheet
 As of June 30, 2017**

	Jun 30, 17	Jun 30, 16	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
GO Bond Money Market - OCB	515,794.08	301,907.27	213,886.81
Total Checking/Savings	515,794.08	301,907.27	213,886.81
Other Current Assets			
Due from General Operating Fund	7,786.29	0.00	7,786.29
Property Tax Receivable	86,925.12	86,925.12	0.00
Total Other Current Assets	94,711.41	86,925.12	7,786.29
Total Current Assets	610,505.49	388,832.39	221,673.10
Other Assets			
Advance Refunding Valuation	436,957.00	436,957.00	0.00
Bond Issue costs, net of amort.	4,662.00	4,662.00	0.00
Total Other Assets	441,619.00	441,619.00	0.00
TOTAL ASSETS	1,052,124.49	830,451.39	221,673.10
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Other Current Liabilities			
Bonds Payable - Current	465,000.00	465,000.00	0.00
Due to Operating Fund	0.00	1,503.16	-1,503.16
Total Other Current Liabilities	465,000.00	466,503.16	-1,503.16
Total Current Liabilities	465,000.00	466,503.16	-1,503.16
Long Term Liabilities			
2007 Series Bonds	124,830.00	124,830.00	0.00
2008 Series Bonds	244,995.00	244,995.00	0.00
2011 Series Bonds	5,158,243.00	5,158,243.00	0.00
2016 Series Bonds	7,610,000.00	7,610,000.00	0.00
Bond Premiums	880,746.00	880,746.00	0.00
Less Current Portion LTD	-465,000.00	-465,000.00	0.00
Total Long Term Liabilities	13,553,814.00	13,553,814.00	0.00
Total Liabilities	14,018,814.00	14,020,317.16	-1,503.16
Equity			
Bonded Debt Fund Balance	-13,189,865.77	-13,468,256.72	278,390.95
FB - Amortization	0.00	-13,329.00	13,329.00
FB - Bond Costs(65)	0.00	-229,284.00	229,284.00
FB - Debt Principal	0.00	300,000.00	-300,000.00
Retained Earnings	0.00	0.36	-0.36
Net Income	223,176.26	221,003.59	2,172.67
Total Equity	-12,966,689.51	-13,189,865.77	223,176.26
TOTAL LIABILITIES & EQUITY	1,052,124.49	830,451.39	221,673.10

SPECIAL USE PERMIT APPLICATION

Submit to: Administrative Assistant
Port of Newport
600 SE Bay Blvd.
Newport, Oregon 97365

SUP CHECKLIST

- Application
- App Fee
- Facility Supervisor Review
- Security Review
- General Manager Review
- Usage Fee
- Insurance Certificate
- SUP Issued

This application must be completed, signed, and submitted with a nonrefundable \$100.00 application fee. Any usage fees required of the applicant must be submitted prior to the special use permit being issued by the Port. Any request for a full or partial waiver of the usage fees must be submitted with this application. The criteria used to evaluate a waiver request are listed below. Applications should be submitted far enough in advance of the event to allow the Port to determine the impact of the event on Port property and other Port guests and / or moorage holders. At least 45 days' notice is recommended.

Event Name: U DA MAN Fishing Tournament (UDM)

Event Date: 10/07/2017 Time(s) 5:30 AM to 8 PM

Location: South Beach Marina Complex

Facilities to Be Used: Marina Office meeting room, patio, bathrooms, 3-4 parking spots on the west side of the meeting room/patio

Marina Ramp & 6-8 parking spots near the Marina Ramp fish cleaning station

Set-up Dates and Start Times: 10/06/2017 approx 3PM

Take-down Dates and End Times: 10/07/2017 by 8PM

Estimated Number of Participants: Contestants: 120-150

Vendors / Volunteers: Multiple / 30

Attendees: 250-300

Applicant / Signer: Tom Simpson-Secretary for UDM Fishing Tournament

Mailing Address: PO Box 425 Seal Rock, OR 97367

Telephone: (541) 351-0666 E-mail fishon11556@yahoo.com

Contact Person (if different than applicant): Ryan Miner - Treasurer UDM

Contact Person's address, phone number and e-mail: (541) 270-5745 Coastalproguideservice@hotmail.com

Please provide a detailed description of the event, and attach a map of the location(s) if applicable:

UDM Fishing Tournament (Annual) Contestants launch at SB Marina Facility starting at 5:30AM on 10/07, returning no later than 3PM. Salmon tournament on the Yaquina River from the tips of the jetties to the Red Barn Hole upriver from Cannon Quarry County Park. Contestants & spectators return to SB Marina facility for fish weigh in, drawings, prizes by 3PM. Event wraps up by 5PM & clean up completed by 8PM on 10/07.

Weigh in location is at the SB Marina Office meeting room, patio & adjoining parking spots on the west side of the building. 1 to 2 tents provided by sponsor set up over patio & parking spots as in 2016 event. Set up in Marina Office meeting room begins 10/06 at about 3PM in order to store equipment, prizes & display items in secure location. Use of keys to the room needed for this time period. Use of 4-5 "No Parking" signs needed from PON staff on sandwich boards needed as in 2016.

Sign up location near the fish cleaning station (ramp) includes a cargo trailer, lights, tables, chairs, awning all provided by UDM sponsors from 3 PM on 10/06 to 8 PM on 10/07. This will require 6-8 parking spots designated as NO Parking for this time period.

Please indicate if you are requesting a full or partial waiver of the usage fee, and explain the reasons for the request based upon the criteria described below:

UDM is requesting full waiver of the usage fee based on past practice of the PON being a long time sponsor of this event. UDM is requesting "fee boat launches" for registered participants in the event on 10/07 based on past practice with the PON and in conjunction with the PON being a long time sponsor.

UDM is a 501(c)3 non profit and all proceeds of this event go back into the Yaquina River system for fish habitat and restoration projects.

UDM organized a long overdue river clean up in conjunction with the Ports of Newport & Toledo, other local vendors & sponsors & coordinated with Oregon SOLVE on Earth Day, 04/22/2017. UDM volunteers collected approx 3500 lbs of trash from the river banks during this 7 hour event. UDM has participated in past clean up & beautification projects at the SB Marina complex which have directly assisted the PON. UDM has purchased a banner with the PON logo, which is displayed at our events and was given to the PON for use at their events.

UDM cleans the areas to be used near the fish cleaning station during our set up & completely cleans and removes all garbage from our use sites during clean up at the end of the event. Marina Office meeting room is swept & mopped in addition to removing garbage at the end of the event.

How will the Port of Newport be featured in your marketing/sponsorship promotions?

The PON has been a long time (almost 20 year) sponsor & contributor to this event. The PON is mentioned in all of our radio and print advertising for this event.

The PON & its logo will be featured on our tshirts this year, which are provided to all of the registered participants and are available for purchase by non-participants.

During the weigh in, the PON is featured on our list of sponsors & is directly promoted during our event & thanked during the prize drawings and official weigh in ceremony.

The following criteria may be used by the Port management to fully or partially waive the usage fee:

1. Is the applicant a non-profit or a for-profit entity? Yes 20-5379466
2. Will proceeds from the event be donated to charitable causes? If so, what percentage of the proceeds will be donated and to which charitable causes? Estimated 90% of proceeds to river/salmon habitat restoration & clean up
3. What is the Port's cost to provide services for the event? Approx \$800 in free launches & use of facilities
4. Does the event provide any direct benefit to the Port? Yes - direct advertising & exposure of participants & spectators to the Marina Complex

USAGE FEE SCHEDULE

PARTICIPANTS	NUMBER	FEE
Attendees, Contestants, Volunteers at Event	1-200	\$400.00
	201-500	\$650.00
	501-1000	\$900.00
	1,001- 5000	\$1400.00
	5,001-10,000	\$1,900.00
	More than 10,000	\$2,400.00
Vendors	N/A	\$40/ per vendor

Permittee will also need to carry comprehensive general liability insurance with limits of \$2,000,000.00 per occurrence and \$2,000,000.00 in aggregate, and will provide the Port with a Certificate of Insurance naming the Port as an additional insured.



UDAMAN0-01

ALUNDQUIST

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/12/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Newport Office PayneWest Insurance, Inc. P.O. Box 830 Newport, OR 97365	CONTACT NAME: PHONE (A/C, No, Ext): (541) 265-7768		FAX (A/C, No): (541) 265-7675																				
	ADDRESS: <table border="1"> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A:</td> <td>Capitol Specialty</td> <td></td> </tr> <tr> <td>INSURER B:</td> <td></td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> <td></td> </tr> </table>			INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A:	Capitol Specialty		INSURER B:			INSURER C:			INSURER D:			INSURER E:			INSURER F:	
INSURER(S) AFFORDING COVERAGE		NAIC #																					
INSURER A:	Capitol Specialty																						
INSURER B:																							
INSURER C:																							
INSURER D:																							
INSURER E:																							
INSURER F:																							
INSURED U Da Man PO Box 425 Seal Rock, OR 97376																							

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC OTHER:		X	3EA8089	10/06/2017	10/07/2017	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ Excluded \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N <input type="checkbox"/> N/A If yes, describe under DESCRIPTION OF OPERATIONS below						PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
With regard to: **U Da Man Fishing Tournament taking place on 10/7/2016**

CERTIFICATE HOLDER Port of Newport 600 SE Bay Blvd Newport, OR 97365	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Alex Lundquist</i>
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COMMON POLICY DECLARATIONS

TRANSACTION TYPE: New Business
ENDORSEMENT #: 000

POLICY NUMBER CS02774864-01	POLICY PERIOD 03/04/2017 - 04/23/2017 12:01 A.M. Standard Time at the address of the Insured stated herein.	AGENCY/PRODUCER CODE 07221
---------------------------------------	---	--------------------------------------

NAMED INSURED AND ADDRESS U-Da-Man PO Box 425 Seal Rock, OR 97376-0425	AGENCY/PRODUCER HULL & COMPANY INC RALEIGH WEST EXEC BLDG STE 350 6443 SW BEAVERTON-HILLSDALE HW Portland OR 97221
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FORM OF BUSINESS: Not for Profit Org
BUSINESS DESCRIPTION: River Clean Up Project

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

Commercial General Liability Coverage Part	Minimum Earned Premium 100% No Flat Cancellation	\$ 500.00
TOTAL ADVANCE PREMIUM		\$ 500.00
TERRORISM RISK INSURANCE ACT OF 2015		\$ 0.00
Premium shown as payable:		\$ 500.00
BROKER FEE		\$ 50.00
SURPLUS LINES TAX		\$ 11.00
SLSC		\$ 15.00
FIRE MARSHALL		\$ 1.65
Total Premium Including taxes and fees:		\$ 577.65

* THE LIABILITY PREMIUM BASIS OF THIS POLICY IS SUBJECT TO AN AUDIT. ADDITIONAL PREMIUM MAY BE DUE.

FORMS APPLICABLE TO ALL COVERAGE PARTS: See Attached Policy Coverage Part Form Schedule CICG 179

THIS IS EVIDENCE OF INSURANCE PROCURED AND DEVELOPED UNDER THE OREGON SURPLUS LINE LAWS IT IS NOT COVERED BY THE PROVISIONS OF ORS 734 510 TO 734 710 RELATING TO THE OREGON INSURANCE GUARANTY ASSOCIATION IF THE INSURER ISSUING THIS INSURANCE BECOMES INSOLVENT, THE OREGON INSURANCE GUARANTY ASSOCIATION HAS NO OBLIGATION TO PAY CLAIMS UNDER THIS EVIDENCE OF INSURANCE

Countersigned 03/28/2017 By Jenny Supescu
(Authorized Representative)

LOCATIONS SCHEDULE

TRANSACTION TYPE: New Business
ENDORSEMENT #: 000

POLICY NUMBER CS02774864-01	POLICY PERIOD 03/04/2017 - 04/23/2017 <i>12:01 A.M. Standard Time at the address of the Insured stated herein.</i>	AGENCY/PRODUCER CODE 07221
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NAMED INSURED AND ADDRESS U-Da-Man PO Box 425 Seal Rock, OR 97376-0425	AGENCY/PRODUCER HULL & COMPANY INC RALEIGH WEST EXEC BLDG STE 350 6443 SW BEAVERTON-HILLSDALE HW Portland OR 97221
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Premis. No. 1	Street 914 SW Hubert St	City State ZIP Newport OR 97365-4715
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TRANSACTION TYPE: New Business
ENDORSEMENT #: 000

POLICY NUMBER CS02774864-01	POLICY PERIOD 03/04/2017 - 04/23/2017 <i>12:01 A.M. Standard Time at the address of the insured stated herein.</i>	AGENCY/PRODUCER CODE 07221
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NAMED INSURED AND ADDRESS U-Da-Man PO Box 425 Seal Rock, OR 97376-0425	AGENCY/PRODUCER HULL & COMPANY INC RALEIGH WEST EXEC BLDG STE 350 6443 SW BEAVERTON-HILLSDALE HW Portland OR 97221
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Forms and Endorsement apply to the Coverage Part and made a part of this policy at time of issue:

FORMS APPLICABLE TO ALL PREMISES AND COVERAGES

Form	Description
CICG 174 02 16	Common Policy Declarations
CICG 178 08 11	Locations Schedule
CGE 067 08 03	Additional Interest Schedule
CGE 112 03 15	Important Notice
CGE 215 03 15	Important Notice Non Payment Of Premium
CGE 418 11 08	Non-Renewable Short Term Policy
CGE 263 03 15	Policyholder Audit Information
CGE 085 02 15	Policyholder Disclosure Notice Of Terrorism Insurance Coverage
CGE 126 03 15	Amendment Minimum Earned Premium
CGL 388 04 10	Assault Or Battery Exclusion
IL 00 17 11 98	Common Policy Conditions
CG 21 87 01 15	Conditional Exclusion Of Terrorism Relating To Disposition Of
CG 21 73 01 15	Exclusion of Certified Acts of Terrorism
IL 00 21 09 08	Nuclear Energy Liability Exclusion (Broad Form)
CGE 071 OR 03 15	Service Of Suit Oregon
BJP 190 08 14	Signature Page

Countersigned 03/28/2017 By _____
Authorized Representative

POLICY NUMBER CS02774864-01	POLICY PERIOD 03/04/2017 - 04/23/2017 <i>12:01 A.M. Standard Time at the address of the Insured stated herein.</i>	AGENCY/PRODUCER CODE 07221
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NAMED INSURED AND ADDRESS U-Da-Man PO Box 425 Seal Rock, OR 97376-0425	AGENCY/PRODUCER HULL & COMPANY INC RALEIGH WEST EXEC BLDG STE 350 6443 SW BEAVERTON-HILLSDALE HW Portland OR 97221
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SCHEDULE

Name of Person or Organization:	PORT OF NEWPORT
Address:	800 SE Bay Blvd Newport OR 97365-4338 Lincoln
Insured Item:	Location 1 - 914 SW Hurbert St Newport OR 97365-4715
Interest:	CG 20 12 - Additional Insured State or Governmental Agency of Subdivision or Political Subdivision Permits or Authorizations
Interest Type:	Additional Insured State or Governmental Agency of Subdivision or Political Subdivision Permits or Authorizations
Description:	

Countersigned 03/28/2017 By _____
Authorized Representative

PORT OF NEWPORT SPECIAL USE PERMIT

This permit, effective October 6, 2017, 3:00 pm, from the Port of Newport, organized and existing under the laws of the State of Oregon, hereinafter referred to as "Port", to U-DA-MAN Fishing Tournament, hereinafter referred to as "Permittee."

The Port hereby grants permission to Permittee to use South Beach Marina complex, final location to be approved by Chris Urbach, South Beach Harbormaster. Use of designated area by Permittee is for U-DA-MAN Fishing Tournament. (Exhibit A detailed description of event.)

Permit is subject to the rules, regulations, and ordinances of the Port of Newport and subject to the following terms and conditions:

1. **Application Fee.** A nonrefundable application fee in the amount of \$100.00.
2. **Usage Fees.** WAIVED in consideration of sponsorship rights and community benefit.
3. **Reservation of Rights.** Port reserves the right to alter or amend the terms and conditions of this permit.
4. **Liability, indemnity of Port.** Permittee agrees to exercise due care in the activities described above and to abide by all Port rules, regulations and ordinances. Permittee shall indemnify and hold Port harmless from and against all claims, actions, proceedings, damages, and liabilities, including attorney fees, arising from or connected with Permittee's use of Port facilities. Permittee will carry a comprehensive general liability insurance policy with limits of \$1,000,000.00 per occurrence and \$2,000,000.00 in aggregate, and will provide the Port with a Certificate of Insurance naming the Port as an additional insured.
5. **Limitation of Port's Liability.** Permittee acknowledges that Permittee has inspected the grounds and related facilities and is satisfied that these facilities are adequate for safe use for the above-described purpose. This permit is not a contract. Port's liability is limited to its sole negligence. Port's employees will make reasonable efforts to contact Permittee and notify Permittee of conditions requiring Permittee's attention, but Port assumes no responsibility of Permittee's use of the Port's facilities. Permittee confirms and assures that there are not alcoholic beverages used or provided during this event and that certified and trained emergency response providers are on site.
6. **Nontransferability/Term.** This permit is nontransferable. This permit expires October 7, 2017, 8:00 pm.

IN WITNESS WHEREOF, the Port has caused this permit to be issued on the date indicated above.

Port of Newport:

Accepted By:

Kevin Greenwood, General Manager

Tom Simpson
Secretary, UDM Fishing Tournament

ATTACHMENTS: Exhibit A (detailed description of event)



Sponsorship Agreement: In Kind Sponsorship Value \$ 900.

Event Name: U-DA-MAN Fishing Tournament

Event Date: October 7, 2017

Applicant: U-DA-MAN, Tom Simpson, Secretary

Applicant will provide:

Logo placement on website Link to the Port of Newport on website

Logo on event shirt Banner displayed at event

Booth space at event Goodie Bag insert

Mention in radio advertising

Other (please describe):

The Port of Newport is listed as a sponsor on flyers, radio and print ads. U-DA-MAN partners with PON on volunteer projects. ***I have asked U-DA-MAN about including the Port of Newport on posters and a link on Facebook.***

Port of Newport will provide:

Parking and fee waivers: usage fee (\$650) and launch fees (\$250).

_____ Date: _____
Kevin Greenwood
Port of Newport

_____ Date: _____
Tom Simpson, Secretary
U-DA-MAN

From: [Kevin Greenwood](#)
To: [Karen Hewitt](#)
Subject: Fwd: Log Terminal
Date: Thursday, July 13, 2017 2:07:49 PM

For record....

Kevin
(541) 265-7758
(541) 961-9517 cell

Sent from my iPhone

Begin forwarded message:

From: Walter Chuck <wchuck@portofnewport.com>
Date: July 13, 2017 at 1:30:01 PM PDT
To: Kevin Greenwood <kgreenwood@portofnewport.com>
Subject: FW: Log Terminal

Late comments for June Meeting

Walter Chuck
Port of Newport, Commissioner
600 SE Bay Blvd
Newport, OR 97365
541-270-4919

From: Tim Miller [tmillerfarms@gmail.com]
Sent: Thursday, July 06, 2017 7:25 AM
To: Andy Kittel
Cc: Peter Bregman; Walter Chuck; Joe and Jan Steenkolk; joe steere; Jim James; Jim Denison; J. pelletier; coyote@peak.org; Nic Dahl; Gary Springer; garagehousetom@gmail.com; John Westall
Subject: Re: Log Terminal

Very well stated, Lincoln County needs a diversified economic base.

Sent from my iPhone

On Jul 6, 2017, at 5:09 AM, Andy Kittel <andy@silkecom.com> wrote:

To all, I agree 100% with the importance of use of the Port infrastructure stated by Mr. Bregman. The Port must support a diversified economic base for the Fishing Industry, Timber Industry, Manufacturing, Transportation, Research and International Commerce of any fashion. This is important to our business community, professional trades, education funding, scientific advancements, and cultural heritage. Our past leadership up to the 80' understood this. We must ignite that

passion and motivation with political focus once more in Lincoln County.

We have a mantra in SilkeCom: “ The rising tide floats ALL boats” or you can also look at it from a lesser view “if one boat is stuck in the mud all will eventually be stuck in the mud”

Yes WE Can!!

Andy

From: Peter Bregman [<mailto:pmbregman@msn.com>]

Sent: Thursday, July 6, 2017 2:39 AM

To: wchuck@portofnewport.com; Joe and Jan Steenkolk; joe steere; Tim Miller; Jim James; Jim Denison; Andy Kittel; J. pelletier; coyote@peak.org; Nic Dahl; Gary Springer; garagehousetom@gmail.com; John Westall

Subject: Log Terminal

To : Walter Chuck
Port of Newport, Commissioner
600 SE Bay Blvd
Newport, OR 97365

Walter, I was not able to send this note sooner since we left right after the OSHA county event at the Newton's. We are currently in the Netherlands, visiting the Port of Rotterdam among other places. As you know, we planned another cruise, as we continue to travel the world by ship, visiting many ports, understanding the economic benefits of an active port to a community.

Growing up in the Netherlands, leaving school at 14 to sail with my brother on a Rhine River by ship to transport fuel into Germany. Then I emigrated to Canada by ship in 1961 at the age of 18, before coming to California. Returning to school in there, I earned my Master's Degree in Financial Services, with a teaching credential in Banking and Finance, teaching classes in Junior Colleges in California part-time and building my business of Financial services.

Recently, I sold and retired from of all my business interests in California, retained my legal residence in California, but residing 5 months out of the year at my Waldport Tree Farm of 200 acres along the Alsea Bay.

The practical experience of my life, allows me to understand the economic benefits of a diversified port with many shipping opportunities, the timber industry should be one of these

opportunities.

I have been a member of the Oregon Small Woodland Association (OSWA) since 2007 and, in 2013, was elected to be the OSWA Lincoln County Chair Person. In 2013 OSWA we worked together with the Port during the time that Eric Oien, from Teevin Brothers, tried to secure the permits necessary from the port to have a Log Terminal.

Our OSWA Chapter was very much involved with the public hearings during that time. Promoting our position by placing two ½ page” ads in the Newport Times. Stating the economic advantages for the local economy that would provide financial strength to the port to allow the “log terminal” become a reality.

We supported the “port commission” at that time and we are-stating our position of 2013: an export log terminal is good for everyone. Providing additional

income to the “Port” to meet their financial obligations, increase the utilization of the “Port” facility, which would not only make economic sense for the “Port”, allowing the “local timber growing community” saving opportunities in transportation cost, with a broader market base for their logs, providing more income with an multiplying effect for all.

Peter Bregman

Lincoln County Chair of the Oregon Small Woodland Association (OSWA)



The Beckett Group

July 9, 2017

Kevin Greenwood
Port of Newport

Dear Kevin,

The Beckett Group is pleased to be considered to help the Port of Newport in their endeavors to bring shipping back to Newport.

My team is well positioned to provide consulting services to the Port on the International Shipping Terminal Facility. The Beckett Group, a sole proprietor, is a certified WBE in Oregon and Washington. I have selected the following team members to work on this engagement:

Jeannie Beckett, Principal has a 30-year career in Port Planning and Operations including securing three TIGER grants for clients (TIGER III-Port of Northern Montana, TIGER VII-Kalispell, MT and TIGER VIII-Port of Everett).

Bruce Beckett, Principal has an extensive background in Forestry, Governmental Affairs and Public Outreach. He is currently working on timber resource issues with the Port of Port Angeles.

Jeff Smith, CPA has a 30 plus years of experience as a Finance Director at numerous Ports. He will review the financial analysis developed by Jeannie and confirm that all standard accounting techniques are followed.

As a team, we offer the expertise that will help the Port move the International Shipping Terminal Facility to completion.

Based upon our short conversations and review of documents on the Port's website, we understand time is of the essence as the current permits expire in approximately 6 months and the TIGER VII funding requires that the funds be obligated by USDOT no later than Sept. 30, 2017.

Observations after a quick review of the Financial Analysis Summary provide in the 5-23-2017 Commission Pack:

The International Terminal Shipping Facility Financial Analysis offers a good evaluation of a sensitivity analysis at different levels displayed as annual shipments. Note this appears to be a Cash-Flow statement than a traditional Profit and Loss Statement as both principal and interest may be represented in the analysis. This is a good presentation and should be renamed as such. An alternative presentation would be to show the project's

profit and loss subtotaled, then a section displaying the mechanisms used to finance the project. As the two analytical techniques may offer different observations. It appears that all the elements are included in the analysis with only a reclassification required to firm up the analysis. As noted in Port documents, the Port Commission and staff have been working on this project for approximately a decade which is not unusual for a port project of this nature. The plan to fully finance the project through grants was very ambitious. The current plan of finance using a combination of grants, loans and customer abatements reflects a more realistic approach to funding port terminals / backup lands as seen at other Pacific Northwest Ports.

We recommend the following services:

- Review and prepare analysis of all current project documents as an independent 3rd Party, including but not limited to:
 - Project Financing Documents and Plan of Finance
 - USDOT TIGER VII Obligation documents and schedule
 - State of Oregon IFA LOAN documentation
 - Cooperative Project Funding Agreement between Silvan Forest, LLC and the Port of Newport
 - Lease and Operating documents
 - Teevin Bros. Lease for 9-acre parcel
 - Three Party Agreement with Silvan, Teevin and Port
 - Port of Newport/Rondys Agreement for easements and property management
 - Project Cost Estimates
 - Stuntzner Engineering Contract for engineering and project Cost Projections
- Interviews with each commissioner to gain their views and commitment regarding the project
- Review current project Financial Analysis and provide recommendations as appropriate.
- Review of Port Debt Schedule for this project if one does not already exist.
- Provide a recommended path forward to resolution of current issues concerning the interwoven contracts

We recommend that this engagement be provided on an on-call basis at \$165/ hour with a not to exceed limit set once the services have been selected. We will invoice you based upon your acceptance of our work. I have enclosed a draft On-Call Agreement for your review. We offer this type of agreement because it provides the Port flexibility as this project moves forward. We are accustomed to working with multi-disciplinary teams, so are very willing to support local subject matter experts or work in a stand-alone engagement. We are here to support the Port as it deems necessary to complete these critical tasks to bring shipping jobs back to Newport as quickly as possible.

The Port Staff and Commission must be congratulated on the extensive due diligence that has been performed on the Project over the last few years. We note that the Port has been very transparent in the development of this project including radio interviews, audio recording of

meetings and extensive meeting documentation on the Port's website. We recommend the same approach this year as you continue to find additional political and community support in achieving a successful completion.

Thank you again for the opportunity to provide an offering of our services to you. We understand that the work effort must be approved by the governing board before work can begin. Once given the Notice to Proceed, I will start the of review current documents. If you would like references or representative projects that we have completed, please let us know.

The Beckett Group has many repeat clients that find our combination of port knowledge and grant expertise of great service. We believe you will find the same.
Respectfully,

A handwritten signature in cursive script that reads "Jeannie Beckett". The signature is written in black ink and is positioned above the printed name.

Jeannie Beckett
Principal
The Beckett Group



The Beckett Group

The Beckett Group	
Person Authorized to Execute Contract on Behalf of the Firm	Contact: Jeannie Beckett, Principal jbeckett@thebeckettgroup.org
Office Information	8715 Randall Dr NW, Gig Harbor, WA 98332 p: 253-905-8904
Date Established	TBG was established with the State of Washington in November 2007
Type of Ownership	TBG is a Sole Proprietor, WA Business License #600467015 WBE WA# W2F9320979 WBE OR# 10850
Services Provided	TBG brings extensive knowledge in all aspects of national and regional freight mobility, port terminal and rail freight operations, port marketing, maritime financial analysis, governmental affairs and public outreach. In her role as Transportation Research Board Marine Group chair, Jeannie oversaw five research committees: ports and channels, inland waterways, marine environment, human safety factors and ferries.
Type of Clients Served	North American Port Authorities, logistics service providers, shippers, carriers, local agencies, involved in freight movement, including Metropolitan Planning Organizations (MPOs) and State Departments of Transportation

Firm Name	Relevant Expertise	Years Expertise
The Beckett Group	Port Planning, Port Operations, Financial Analysis, Inland transportation, Grant Writing	35

Key Team Members	Relevant Expertise	Years Expertise
Jeannie Beckett	Port Planning, Port Operations, Financial Analysis, Inland transportation, Grant Writing	35
Bruce Beckett	Public Advocacy and Outreach	35
Jeff Smith	CPA, Financial Analysis, Debt Analysis	35

Costs:

The Beckett Group recommends services be provided on an “on-call” basis. The cost schedule below will be used as a basis to develop cost proposals for specified tasks. For each task, we will identify the number of hours and the specific functions that will be performed as part of the task. A scope, schedule and budget will be submitted for each requested task or group of tasks.

The billing rates for each individual are: (Proposed rates are fully loaded hourly rates.)

Jeannie Beckett	Principal, Transportation Strategist and Stakeholder Outreach	\$ 165
Bruce Beckett	Principal, Advocacy and Outreach Expert	\$ 165
Jeff Smith	CPA	\$165

In addition, it is anticipated that the Port will reimburse the team for direct expenses reasonably and necessarily incurred in performing the required services.

JEANNIE BECKETT, AICP, CMA

8715 Randall Dr. NW ♦ Gig Harbor, WA 98332 ♦ 253-905-8904 ♦ jbeckett@thebeckettgroup.org

SPECIFIC EXPERTISE

- ♦ Freight Mobility expert with over 30 years of public and private sector experience, leading business opportunities for public and private sector firms.
- ♦ Transportation Strategist - extensive experience in Maritime and Rail with the ability to bring private and public-sector decision makers together to find simple solutions to complex challenges.
- ♦ Intermodal Specialist – both Road and Rail.
- ♦ Financial Expert- Budget Development and Cost/ Risk analysis.
- ♦ Market Analyst
- ♦ Grant Writer- Contract Compliance and administrative audits
- ♦ Certified Management Accountant and American Institute Certified Planner.
- ♦ TWIC holder

PROFESSIONAL PLANNING AND PORT OPERATIONAL EXPERIENCE

The Beckett Group, Principal/ Transportation Strategist, 2008 – present

Present. Ms. Beckett works with agencies and associations to leverage their resources and build economic vitality for their regions. Recently Ms. Beckett has been working with WSDOT and the Ports of Moses Lake, Walla Walla and Whitman County on the WSDOT Grain Train Strategic Plan. She has also helped clients such as the IL Soy Association on logistics and market awareness. She works with organizations to attract financial leverage from public and private funds to develop needed public and private capital infrastructure projects such as Agricultural transfer facilities, Port terminal facilities, and rail facilities. Ms. Beckett has successfully helped multiple entities obtain grant funding including \$10 million each in Tiger funds for the Port of Northern Montana, City of Kalispell, Montana, and the Port of Everett. Jeannie has also been able to secure multiple smaller grants for the Ports of Ridgefield and Longview, WA. She has been working on export initiatives to support the future economic growth of the nation. Her multiple On-Call engagements include providing rail expertise to multiple small ports as well as WSDOT. Under the engagement for WSDOT, she provides operational support/ expertise for their state-owned freight line and their passenger rail service. Ms. Beckett co-authored the Washington State 2010-2030 State Freight Rail Plan. She is the past Marine Group Chair for the Transportation Research Board.

Port of Tacoma, 1986-2009

Director, Operations 2008-2009,
Sr. Director, Inland Transportation 2000-2008,
Sr. Director, Budget and Business Planning 1997-2000,
Community Economic Development Line of Business Leader 1998-2000,
Director, Budget and Internal Audit 1986-1997

Ms. Beckett Oversaw 24/7 Terminal Operations, including the waterways, truck/ rail operations and Port operated marine terminals. She contracted with the ILWU to load/ unload cargo at Port terminals as well as provided business/ strategic consultation to the Operations Group, which includes Terminal Operations, Security and Maintenance. Partnered with other Port staff to conceive and create a complex \$300 million road and rail infrastructure development

plan to triple the capacity of the Port by 2012. She was accountable to deliver at least one-third of Port's Revenue stream from Intermodal Facilities at the Port of Tacoma. The Intermodal Line of Business produced revenues of \$28 million of in 2007, generating \$12 million in cash flow. Ms. Beckett was responsible for oversight of cargo movement with two mainline railroads, one short line railroad from four Intermodal yards, an auto facility, a grains facility and multiple industrial users. Ms. Beckett oversaw the development of management tools such as the central point of coordination, web enabled communication/ planning tools and the joint operation center. During her tenure at the Port, she developed a Strategic Plan for the Intermodal Transportation Line of Business including Market research, evaluation of strengths, weaknesses, opportunities, and threats culminating in the development of short and long term Strategies in both the current supply chain as well as in possible future paradigm shifts. Set marketing strategies.

Known as a nationally recognized Transportation Expert and Speaker, Ms. Beckett leads Transportation Public Policy development for local, regional, and national officials. Ms. Beckett is recognized as a person who provided leadership to community, civic, trade, and professional organizations, such as Transportation Research Board, American Association of Port Authorities, Washington State Port Authorities, Puget Sound Regional Council, and Cargo Handling Cooperative Program. She is often called upon to provide Policy analysis to public officials in controversial regional issues such as Growth Management, Airport expansion, transportation infrastructure expansion, port cooperation efforts, and regional port discussions.

PROJECTS

- ◆ Successfully secured close to \$50 million in Federal grants over the last five years. Grant writer for numerous grant applicants including WSDOT, Cities of Butte, Kalispell and Shelby, MT, and Ports of Everett, Longview, Moses Lake and Ridgefield, WA.
- ◆ Over the past few years have assisted WSDOT on passenger rail and freight rail issues including short line operations, oversight of state grant and loan programs, contract compliance reviews, policy development and analysis, economic development opportunities served by WSDOT owned rail lines, cost benefit analysis, rail operating and capital plan development, marketing and promotion of these state-owned lines.
- ◆ Co-authored WSDOT State Freight Rail Plan, which identifies key Port Access challenges, freight corridors, the environmental benefits of moving freight by rail as well as emerging issues such as livability and sustainability related to local communities and their citizenry.
- ◆ Great Northern Corridor Strengths, Weaknesses, Opportunities, and Threats Analysis: Jeannie led the project identification and prioritization tasks as part of the corridor wide Phase I and Phase II studies. Developed project criteria and project prioritization list for the Great Northern Corridor Coalition in support of the identification of the corridors Strengths, Weaknesses, Opportunities, and Threats. This project is based upon the completion of a SWOT and supporting analysis of investments required to preserve the efficient movement of freight along the Corridor. This corridor has been identified as critical to the region's future economy and the transportation of freight throughout the region for decades to come.

EDUCATION

M.B.A., Finance Emphasis, San Francisco State University 1978

B.A., Economics Major, Transportation Emphasis, University of California, Berkeley 1976

LICENSES

WBE Certified WA# W2F9320979

WBE Certified OR# 10850

Certified Management Accountant # 72185

American Institute of Certified Planners # 261251

BRUCE BECKETT

8715 Randall Dr. NW ♦ Gig Harbor, WA 98332 ♦ 360-408-5258 ♦ bbeckett@thebeckettgroup.org

The Beckett Group understands that long-term success and reputation is more important than short term results. Our experience guides us to conduct all efforts in a way that does not undermine your long-term, sustainable success.

PROFESSIONAL EXPERIENCE

- ◆ Bruce Beckett has more than 25 years' experience providing strategic government affairs and communications advice and services for large corporations, small and medium sized business, and non-profits. He has assembled and led teams to manage public policy issues at the state and local level, advocated with all levels of government, engaged in rule-making and regulatory processes for development and industrial projects, and executed research efforts to gauge public opinion to shape outcomes on difficult issues.
- ◆ Bruce has been registered to lobby in Washington State since 1995, and has a proven track record working in a bi-partisan manner to resolve challenging, often polarized issues. Examples include reform of Washington's Unemployment Insurance System, Washington's Forest and Fish Agreement, agreements on paid sick leave requirements in Seattle, Tacoma and Spokane, and industrial development permits for both manufacturing and Port properties. His work experience includes:
 - ◆ Sixteen years providing government affairs and communications support for all Weyerhaeuser Company businesses, including forest practices, log exports, timber supply, real estate, manufacturing, siting industrial facilities, environmental permitting, wage and benefit policies, forest products and transportation.
 - ◆ Eight years building state and local government affairs and communications programs for the Washington Hospitality Association, a trade association with more than 6000 hotel and restaurant members. Successes include agreements on wage and benefit policies, recycling, local health department regulations and tourism programs.
 - ◆ Engagement in numerous state and local campaigns. In 2015, he worked with Tacoma City leaders to successfully pass an alternative minimum wage initiative. Bruce was the Co-Sponsor of I-1183 which privatized the sale of liquor in Washington State. And he has worked with business groups to develop and execute plans for Political Action Committees.
 - ◆ Served as a Deputy to the Washington Roundtable, board member of the Association of Washington Business, board member of N.W. River Partners, the Governor's advisory committee on paid family leave, the Legislature's unemployment insurance task force, Chair of Enterprise Washington's Political Oversight Committee, Chair of the Washington Forest Protection Association Government Affairs Committee, and involvement with local Chambers across the state.

EDUCATION

M.B.A., Management Emphasis, University of Puget Sound 1983

B.S., Forestry Major, University of California, Berkeley 1977

CURRENT PORT/ FREIGHT RELATED PUBLIC AFFAIRS CLIENTS

Port of Moses Lake

Port of Port Angeles

Wenatchee Chamber of Commerce

Washington Business Alliance



July 20, 2017

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

Dear Mr. Greenwood

I am pleased to transmit a DRAFT copy of our third-party analysis of the NIT project for your review and presentation to the Board of Commissioners on July 25. In the analysis, you will find our findings and observations. Overall, we believe the proposed agreement package is financial feasible and will spur economic development for Newport and the region.

As we did not perform a legal review, I encourage the Port to have Legal counsel review the proposed agreements to determine that the agreements are not in conflict with either Port policies or with each other.

I want to congratulate the Port for the depth and breadth of the financial analysis performed to date. Although, we reformatted the statements slightly and offered a few observations, we found that in general the Port's analysis fairly summarized the anticipated business and funding plans.

I welcome your input on our analysis.

Sincerely

Executive Summary

The Beckett Group (TBG) has been retained by the Port of Newport to provide a third party independent analysis of five agreements for facility development and log shipments through the Port of Newport International Shipping Terminal Facility.

These agreements include:

- Lease Agreement between the Port of Newport and Teevin Brothers
- Three Party Undertaking and Operations Agreement
- Cooperative Project Funding Agreement between Sivan Forest, LLC and the Port of Newport
- Oregon State IFA Loan Agreement
- USDOT TIGER Obligation Agreement

These five agreements are interrelated and interdependent. Accordingly, they need to be reviewed as a package. TBG is not providing a legal review of the contract language in the multiple documents. It is anticipated that such a review would be completed by Port legal counsel and external Financial Advisor. Our analysis is based upon maritime industry best practices garnered from over 30-years of financial and operations experience in the port industry.

The map below shows the site of the proposed project (identified by the blue outline and the #116). The Newport International Terminal can be seen in the left lower corner of the picture. The plan is for logs to be delivered to the log laydown area (site #116) where logs would be sorted and prepared for shipping. When ships are ready to be loaded, logs will be transported to the ship side for loading.



Best Practices

Best Practices dictate that a Business Concept be supported by a Marketing Plan, an Operational Plan, a Financial Plan and a Funding Plan. This analysis examines the risks within each of these elements.



The following matrix describes the risks within each of the elements noted above.

Risk Mitigation Matrix

Risk Area	Current Status/ Mitigation	Risk Level
Market	<ul style="list-style-type: none"> • Sustainable Timber Supply • Log Export Business Model is Valid • Market Factors Indicate Sustained Demand • Wood Products provide a Competitive Advantage for Newport • Log Buyer is a Proven Entity and want to be a long-term partner 	Low
Operational	<ul style="list-style-type: none"> • Good Operational Plan • Leasing Laydown yard to spread risk and costs • Proven Operator 	Low
Financial Viability	<ul style="list-style-type: none"> • Committed and Proven Tenant • Adequate financial returns • Cash-flow positive 	Low
Funding/ Financing	<ul style="list-style-type: none"> • TIGER Obligation Agreement signed, • Awaiting commission decision on IFA loan and Silvan loan • Risk mitigated through the use of a mix of grants and loans 	Low/ Urgent
Construction	<ul style="list-style-type: none"> • Permits in hand, • Preliminary Engineering Complete, • ready to go to Bid, • Construction takes less than a year to complete 	Low

After review, The Beckett Group believes the agreements:

- Align with the Port's Business Plan
- Reduce Risk to the Port of Newport
- Provide Adequate Financial Returns
- Leverages Local Timber Supply
- Meets International Demand for Timber
- Has the potential to provide an option for the region's shipper previously using the Port of Portland's T6 facility
- Aligns with Federal Funding Principals

Project Background:

The Port of Newport has invested in the development of an international shipping gateway at the recently improved Newport International Terminal (NIT), and is in pursuit of site development at a 9-acre parcel within McLean Point. Those investments will result in a fully functional International Terminal dock facility, with imminent opportunity for business expansion on Port owned and adjacent private properties.

For many years, the Port of Newport, OR has worked diligently with the local community to bring shipping back to Newport. The completion of the International Terminal leverages the state's \$364 million investment to improve US-20 and the Port's recent \$27 million investment in the Newport International Terminal (NIT). The current effort to create backup land for the NIT facility will provide a needed industrial laydown area to support the shipping across the NIT dock. This laydown facility will provide a viable location to prepare loads for both international exporting and domestic coastwise shipping.

Additionally, the completed facility will improve freight flows between Oregon's Willamette Valley and the Coast. Reduced congestion on US 101 is anticipated due to the ability of trucks to deliver directly to Newport from the Willamette Valley.

The project under consideration includes grading of property, creation of a 9-acre laydown area (phase 1) with asphalt, fencing, small work facility, storm water collection system, development of a wetlands mitigation site, transportation improvements off SE Bay Blvd. (a minor arterial), and extension of water and sewer lines. The site is zoned for industrial use but has limited utility infrastructure. Expanding utility infrastructure to the property will nurture the development of the adjacent 40 acres into an industrial site that can serve seafood processing, wave energy R&D, and other export-related industries.

Developing the property to expand the local marine related industry cluster will foster economic benefits for the region through job creation and business expansion.

When completed, the NIT project and the adjoining industrial development will provide shipping and handling options for Lincoln County businesses, agricultural/manufacturing producers in the Mid-Willamette Valley, the Coast Range and Southern Oregon.

This facility should provide a partial solution for the region from the loss of container/break-bulk shipping at the Port of Portland. Since the closure of T6 at the Port of Portland, agriculture producers and manufacturing companies have been searching for less expensive alternatives than trucking products to the Ports of Seattle /Tacoma in Washington or to California ports.

The Business Concept

The Port of Newport Board of Commissioners has entered into a lease option agreement with Teevin Brothers, a prospective tenant, to operate a 9-acre log processing and laydown yard on Port property at McLean Point.

Teevin Brothers would operate the log processing and sorting facility. They would be responsible for all operating and capital costs for labor, materials and equipment.

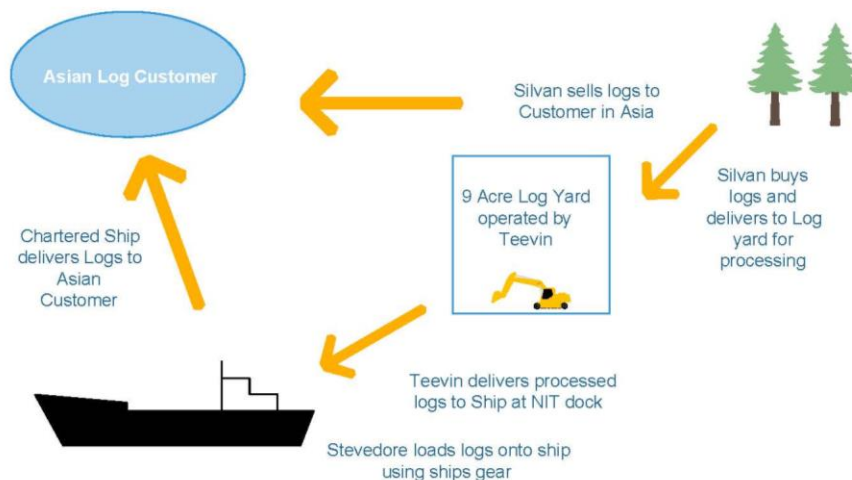
Silvan is an investor in the project, and has a track record of successful partnerships with Teevin Brothers in other areas of the state. Silvan is responsible for acquiring timber for the log facility and marketing to Asian customers.

The Port would provide the land for the log facility and will prepare the site for use by Teevin Brothers. The Port will also provide the dock facilities for ship loading.

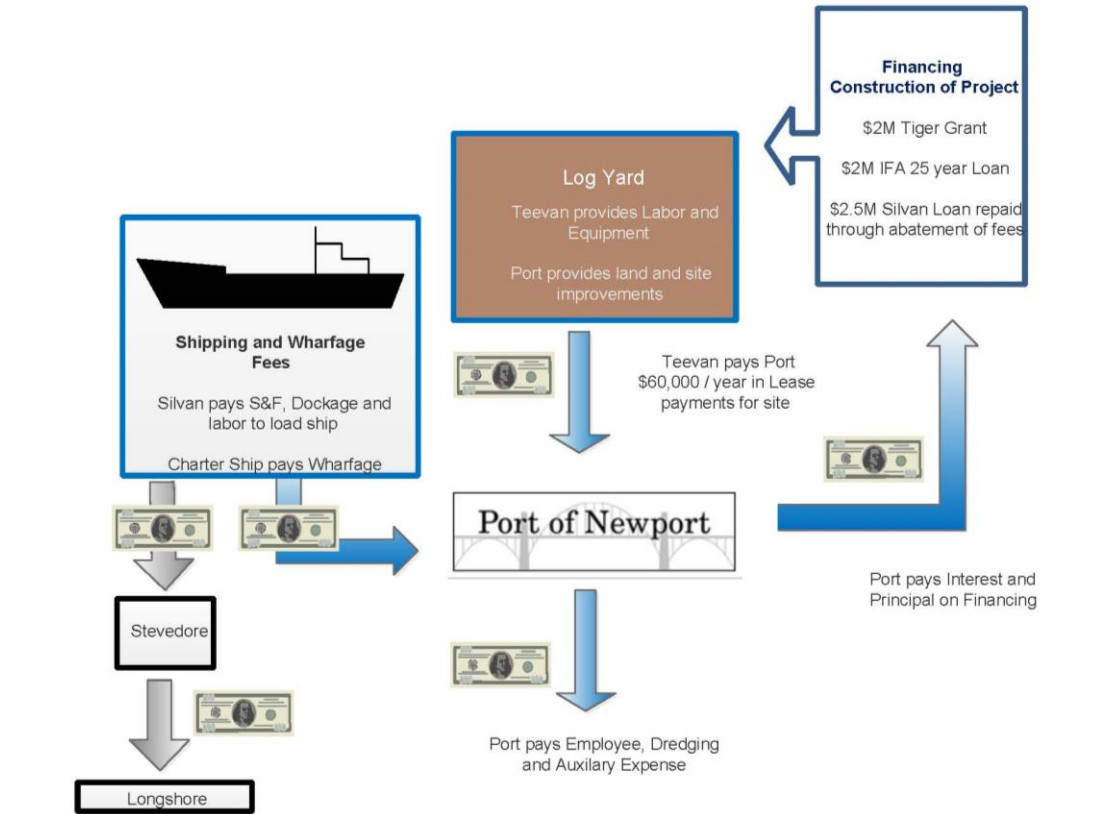
The facility will enable efficient trans-pacific shipping of the logs from the Pacific Northwest to Asia, making harvesting and exporting of local logs cost competitive.

The Port's business plan is to diversify the cargo mix at the Terminal over time. One of the expansion opportunities identified is the short-sea shipping of wood and recycled products on barge. The completion of the log processing and export operations will be the catalyst to further development of necessary auxiliary support services to support additional shipping activity. Further, working with an experienced operator (Teevin Brothers) will instill confidence in prospective customers of the ability of the Port to accommodate future needs.

The Log Delivery Process



The Anticipated Transaction Flow



Proposed Agreements Reduce Risk to the Port

In a new start up, such as the re-introduction of shipping to the Port of Newport, a best practice is to develop a risk mitigation plan. The proposed project financing and agreements include appropriate tools and processes to reduce overall risk to the Port.

Reduced Market Risk

Sustainable Timber Supply

The availability of private timber within the Newport market region is a critical input to the viability of a log export facility.

Teevin Brothers and Silvan would not be committed to the financing and operating of this facility if they did not have the data to support their investment in this project.

Under current law, only timber from private lands can be exported without being processed. Based on current data, there is a proven supply of timber from private lands in an economic distance of 20-40 miles from Newport. The Port facility is anticipated to export approximately 55

million board feet (MMBF) of logs per year. This volume can be shipped using 10 “Handy” size vessels per year.

Using a 20 miles radius from Newport, the 55 MMBF of volume per year represents less than 5 percent of the anticipated growth of timber on private lands. In other words, within an economic hauling distance, there is a sustainable, and adequate supply of timber available.

Under the proposed business model, Silvan is responsible for securing their log supply. They intend to follow their existing practice of securing “material handling contracts” with timber landowners and managers to meet the log requirements for the facility. Silvan has a long and proven track record of establishing these agreements at other facilities

Log Export Business Model is Valid.

Development of a log export business and transpacific export shipment via Handy size vessels loaded from the International Terminal is a probable and validated business model. This business model relies on (1) demand from Asian markets (Japan, China, Korean); (2) availability of private timber, and (3) deep-water access at the Port’s Terminal. Silvan and Teevin Brothers have a proven record of working with these markets, securing private timber for export and managing this type of facility – notably at the Teevin Brothers facility at Rainier OR.

Market Factors Indicate Sustained Demand.

Current market conditions (1-5 years) suggest the macro-economic cost model will support log exports to Asian counties from west coast ports. The Newport proposal provides a competitive cost advantage by reducing the transportation costs for logs in the proximity of the Port of Newport.

Private Timber Stands are Available.

The volume of log exports handled by the Port of Newport is projected to be about 55 MMBF per year. This volume represents only 5 percent of the total annual harvest capacity of privately owned timber in the economic supply area around Newport. In other words, there is an ample, and sustainable supply of exportable timber in the economic area surrounding the Port of Newport.

Indeed, the addition of a new export facility at Newport will likely increase the competition, and prices, for privately owned timber, thereby increasing financial incentives to reforest and invest in thinning and other silvicultural treatments to increase timber growth. Timber land owners in the area will benefit from the new markets created by the Newport facility. Some estimates show that current annual private timber harvests in Oregon are about 10% below sustainable harvest volumes.

Wood Products are a Competitive Advantage.

Trade in logs and wood products from the Northwest has a long and successful track record. It is a commodity that is capable of shipment by bulk loaded vessels (barge or “Handy” size) and has few specialty handling requirements (generally). The commodity is not perishable or time sensitive.

Log Buyer is a Proven Entity.

Silvan Forest, LLC is a shipping broker with experience in investing in timber and logs for exports from the Pacific Northwest. The Port will benefit from their experience. By investing in the project, Silvan will certainly have incentives for the project to succeed.

As the shipper, Silvan will be responsible to the Port to pay service and facilities (S&F) fees to the Port. As part of the 20-year Three-Party Agreement, Silvan agrees to deliver and export forest product shipments pursuant to the terms of its Service Agreement with Teevin and its Cooperative Funding Agreement with the Port.

Reduced Operational Risk

On the operational side of the terminal, the port is choosing to partner with Teevin Bros. Timber and Land Company, LLC (Teevin Bros.) and Silvan Forest, LLC

Teevin Bros. and the Port of Newport have entered a lease option for use of the 9-acre site (Exhibit 2.5). This agreement would allow Teevin Bros to make improvements to the port-owned 9-acre parcel that would enable the site to be used for a secured outdoor laydown facility for cargo shipped through the International Terminal. Teevin Bros. would serve as the operator and manager of the laydown facility. The facility would also have access to the International Terminal so that cargo (such as lumber, logs, small containers, etc.) can be moved on trailers using small off-highway transport tractors called “hosslers” to barges or ships docked at the Terminal.

Proven Terminal Operator

Teevin Brothers, as the Terminal Operator, will supply the labor and equipment required for such activities. This limits the financial risks to the Port. Several ports in the Pacific Northwest operate log terminals and laydown areas. Although this allows the Port to control activities, those Ports must also purchase labor and invest in equipment to operate their facilities. These expenditures add considerable operating and capital costs to the respective port.

Teevin Bros. currently anticipates the demand for approximately 10 vessel calls per year. A mix of barge and “Handy” size vessels would be expected. Barge shipments could call on the Port, moving product between west coast ports (such as the port of Oakland or Tacoma). Barge shipments have the benefit of moving cargo at a lower cost than by trucks using I-5. “Handy” size vessels are typically 28,000 – 32,000-ton deadweight vessels that have self-loading capabilities. When fully loaded, these ships have drafts less than 35 feet.

Teevin Bros. anticipates handling about 55 MMBF of logs per year, which would be delivered to the site primarily by truck (about 1,200 truck deliveries per year).

In addition to investing in the project, Silvan will supply and market logs for the facility.

Financial Risk of the Business Model

Committed and Proven Tenant

The Port of Newport has entered into a lease option agreement with Teevin Bros. Land and Timber Co. LLC (Teevin Bros) to occupy the Port's 9-acre parcel with the intent to operate a shipping facility terminal. Teevin Bros., in operation since 1978, has a proven business model and successful track record for operating a diverse portfolio of business (logging operations, trucking/intermodal operations, and quarry operations) in the Pacific Northwest. Teevin Bros. operates peer facilities and knows how to successfully operate a log export handling and processing facilities like the proposed facility at the Port of Newport.

Teevin Brothers will lease approximately 9 acres for the layout area from the Port. The revenue from the lease will be used to offset the short-term financing costs. After Silvan's short-term loan is paid off, the revenue can be used toward other operating costs or to provide funds toward the payment of the IFA loan.

Since Teevin Brothers will be leasing land, operating the log yard and delivering the product alongside of the ship, Teevin will cover the costs of the labor and equipment required for such activities. This agreement limits the financial risk to the Port because Teevin Brothers will be making the investments in equipment to process logs and operate the log facility. Those investments could account for millions of dollars. Outsourcing these operations, is a good risk reduction measure for the Port. At many ports in the Pacific Northwest, ports choose to operate their log terminals. Although this may appear to be a good way to be in control of the business model, it also adds a tremendous cost burden to the port.

Teevin Bros. has already shown themselves to be a good business partner. They have demonstrated their commitment to the project through their investments in site planning, preliminary engineering, and permitting for site development. It is estimated that Teevin has already invested between \$300,000-\$400,000 in these pre-construction activities. The use of these plans and permits was transferred to the Port of Newport as part of lease option agreement, and will reduce the Port's project costs. Those investments should also expedite the Port's pre-construction activities for final permitting and preparation for bidding of the project.

Teevin will be paying \$60,000 per year to lease the layout area. As noted above, this is a source of revenue which the Port can use to pay the interest on short-term loan from Silvan and later to offset terminal related costs. These are revenues that Port would not have if the Port had decided to operate the yard itself.

The lease rate may be viewed as less than desired when compared to urban ports who have policies establishing lease revenue goals of 10% on land value, and 12% on improvements. For rural, economically distressed ports, such as Newport, the market demand of terminal related land is very limited. With a restricted market demand for vacant land, a rural port needs to be able to negotiate lease terms that are acceptable to both parties and accommodate the appropriate risk and return for each partner. This agreement reflects the reality that there is only one interested party. It is unlikely the Port of Newport would receive terms comparable to an urban port. Accordingly, the evaluation needs to analyze whether the terms meet the Port's

long-term goals and fiduciary responsibilities. This agreement would appear to do so. As proposed, the combined agreements:

- Limit the financial risk by diversifying financial terms and transferring operating and capital costs to the operator.
- Include partners with a proven track record of success, and who have demonstrated a commitment to the project with up-front investments in planning, engineering and financing of the project.
- Deliver revenues needed to re-pay the short-term loan.
- Provide the ability to diversify Port business.
- Provide adequate revenues to pay expenses, depreciation and debt service.

Adequate Financial Returns

We would like to complement the Port staff's comprehensive financial analysis completed to date. Staff did a good job in projecting the potential NIT terminal financial outcomes. It should be noted the analysis demonstrates the effort the Port staff made to prepare for potential questions from both the Port Commission, stakeholders and general public. Their analysis was very detailed and complete. The snapshots of these analysis included in commission agenda packets does not fully represent the depth of analysis completed by the Port to fully evaluate the agreements and probable outcomes.

Port staff prepared multiple scenarios to test the sensitivity of project financing options and to understand how bottom line results fluctuate with different levels of annual ship calls.

After review of the Port's analysis, TBG has completed a minor reformatting of the results into a more traditional approach by separating the incremental contribution of the project to the Port's overall Net Income from the financing decision. Finally, a combined cashflow projection is provided that very closely mirrors the analysis presented by Port staff at the June 27, 2017 Commission meetings. We did find that IFA loan payments had been understated based upon a 30-year term at 2.375% when compared to the current IFA document that stipulates a 25-year term at 3.3%. The other observation is the Port's analysis was generally a cashflow statement verses a traditional income statement that includes depreciation expense. The inclusion of depreciation is a conventional accounting technique that allows a company to recognize wear and tear of an asset and write-off the value of an asset over time. Since, it is considered a non-cash transaction, we have calculated the financial ratios noted below both before and after depreciation.

For this engagement, TBG was asked to use 7.5 ships per year as the basis of the comparative analysis. The TBG model is based upon a 25-year period post construction to match the life of the IFA loan. USDOT best-practices were used in the reverse engineering of the Port's financial analysis to confirm the results. It should be noted that CPI increases for expenses and tariff increase would normally be included in an analysis of this type. To make the comparison to the Port analysis as simple as possible, TBG used 2017 dollars with no cost inflation nor an introduction of future annual tariff increases. This simplicity was used to ensure the two analyses could be easily compared without detailed explanations justifying additional CPI or other inflationary assumptions used by TBG. The lack of these additional factors does not change the general comparative conclusions. Thus, were not added into TBG's model.

Findings:

Based upon 7.5 log ships per year, it will take 8.73 years to pay off the Silvan loan using abatement of fees. Over the 25 years, the project will generate \$7.5 million in cash-flow after principal and interest payments using a steady 7.5 shipments per year.

The Beckett Group calculated traditional Net Income after depreciation of \$428,720 per year to be \$10,723 in years 1-9, increasing to \$70,723 in year 10 after the Silvan loan is paid off.

The depreciation was calculated on half of the improvement cost of the \$27 million wharf using a useful life of 80 years plus the \$6.5 million in improvement on the 9 acres based upon a useful life of 25 years. The depreciate is fully loaded as revenue in the model is achieved by loading the logs onto the ship at the wharf.

Operational Margin (after depreciation) of the 9-acre project is estimated to be 18% per year.

Return of Revenue (after depreciation) is 1.4% years 1-9 and 9.1% after the Silvan loan is paid off.

Net Income before depreciation is \$439,433 per year until the Silvan loan is paid off and then jumps to \$499,433 in year 10-25.

Return on Investment based upon only the \$6.5 million investment generated a return of less than 1% when depreciation is included and increased to 5.9% years in 1-9 and 6.7% in years 10-25.

These initial results suggest that additional cargo moving across the NIT will only increase the returns of the facility. This is especially true if the IFA grant covenants that recognize a second commodity can be utilized. This alone will without an additional revenue or expense will increase the return by \$20,000 per year due to the interest rate decreasing from 3.3% down to 2.3%

Project Financing Risk:

On the financing side: the port is proposing a mix of financing vehicles including a grant, a short-term loan and a long-term loan to fund the project. The use of three funding sources mitigates the Port's financing risk by spreading the financing risk between three funding partners each with different financing terms. Additionally, the three funding partners originate from different legislative subdivisions (federal, state and private).

- The TIGER Grant is interest free, but requires the project to be completed per the obligation agreement and remain viable for a 20-year horizon. Performance measures need to be reported for the three years of operation.
- The IFA loan offers a rate reduction to 2.3% when the Port moves a second commodity across the terminal. This incentive aligns with the Port's business expansion plans.
- The inclusion of Silvan, the log supplier, as a financial partner further reduces the Port's risk by ensuring that there is a committed supply of logs to meet the volume necessary to sustain the business concept.

Proposed Funding Sources			
	\$ Millions	Interest rate	Term
TIGER VII grant	\$2.00	0%	Performance must be reported for 3 years
Oregon IFA Loan	\$2.00	3.3%	25 years, Interest rate can drop to 2.3% if additional commodities moved
Silvan Loan	\$2.50	2.4%	Until paid off through fee abatements Estimated at 8.73 years with 7.5 ships/ year

Agreement Structure Aligns with Federal Funding Principals

The proposed structure of the agreements aligns with the current national level principals related to USDOT federal funding of local projects.

As the Administration develops policy and regulatory changes, and seeks statutory proposals working with Congress, the US Department of Transportation (USDOT) intends to focus on proposals that meet the following key principles:

1. *Make Targeted Federal Investments.* Focusing Federal dollars on the most transformative projects and processes stretches the use and benefit of taxpayer funds. When Federal funds are provided, they should be awarded to projects that address problems that are a high priority from the perspective of a region or the Nation, or projects that lead to long-term changes in how infrastructure is designed, built, and maintained.
2. *Encourage Self-Help.* Many States, tribes, and localities have stopped waiting for Washington to come to the rescue and have raised their own dedicated revenues for infrastructure. Localities are better equipped to understand the right level – and type – of infrastructure investments needed for their communities, and the Federal Government should support more communities moving toward a model of independence.
3. *Align Infrastructure Investment with Entities Best Suited to Provide Sustained and Efficient Investment.* The Federal Government provides services that non-Federal entities, including the private sector, could deliver more efficiently. The Administration will look for opportunities to appropriately divest from certain functions, which will provide better services for citizens, and potentially generate budgetary savings. The Federal Government can also be more efficient about disposing underused capital assets, ensuring those assets are put to their highest and best use.
4. *Leverage the Private Sector.* The private sector can provide valuable benefits for the delivery of infrastructure, through better procurement methods, market discipline, and a long-term focus on maintaining assets. While public-private partnerships will not be the solution to all infrastructure needs, they can help advance the Nation’s most important, regionally significant projects.

Review of current contracts compared to each of these key principals

Make Targeted Federal Investments.

In October 2016, the Port of Newport received an award for \$2 million TIGER VII (FY15) grant for a laydown area to support the International Terminal Shipping Facility providing approximately 30 percent of the project funding for a project USDOT believes will provide economic and societal benefits to the region that exceed the cost of the investment.

Encourage Self-Help.

The proposed project Funding Plan includes Federal funds, State funds and local funds. Total project cost is estimated to be \$6,532,577 based on detailed engineering design plans and cost estimates. Under the FY 15 Notice of Funding Availability the Project was considered to have exceeded the required match with a \$4.5 M local share (69.4% local/state/other share). This aligns with the Self-Help principal as the federal government is asking local project sponsor to provide the majority of project funding. In fact, the average TIGER award included at least 50 percent local match to the federal contribution. With a 69.4 percent match, this project exceeds that norm and was very competitive at the national level.

TIGER VII Funding Sources		
	\$	%
Federal	\$2.0	31%
Local	\$4.5	69%
Total Funding	\$6.5	100%

Align Infrastructure Investment with Entities Best Suited to Provide Sustained and Efficient Investment.

For the construction and implementation of the International Terminal Facility, the Port of Newport is the best entity suited to provide the oversight for this project and be responsible to fill the project's funding gap.

Leverage the Private Sector

The grant application indicated that local funding would be achieved through state grants and local participation. The current structure of project financing not only meets the terms of the TIGER FY15 grant but also aligns with the current Federal Administration's desire to partner with the Private Sector to build infrastructure that is regionally or nationally significant. The proposed agreement between The Port of Newport, Teevin Brothers and Silvan Forest, LCC demonstrates the type of partnership that is envisioned by the current Administration.

Funding Plan using Private Funds

Proposed Funding Sources			
		\$	%
Federal	TIGER VII grant	\$2.00	30.8%
State	IFA Loan	\$2.00	30.8%
Private	Silvan Loan	\$2.50	38.5%
Total Funding		\$6.5	100%

After many attempts to fill the local match with state or federal grants, the Port is proposing that the local share of the project be met using two separate funding sources: a state loan (IFA) of \$2 million dollars with a 25-year term at a 3.3% interest rate. The interest rate can drop to 2.3% if a second commodity is moved through the Port's international terminal. The final \$2.5 Million gap is proposed to be financed through a short-term loan from Silvan Forest, LLC who will receive a flat \$60,000 return on investment (interest payment at a flat rate of 2.4%) per year as long as the loan is outstanding. The principal is to be repaid from the reserve fund using an abatement payment that is based upon shipping and wharfage fees paid to the Port which were generated from Silvan logs delivered to the laydown yard.

Conclusion: Overall Risks are Minimized and there are Opportunities to Diversify

Like other wood products, market values for logs are often subject to cyclical demand. Hence, one can expect values to fluctuate depending on the economic cycles. In response to the reductions in timber supply from public lands in the 1990's, logs originating from publicly owned timber was prohibited from export. Private timber owners; however, are free to offer their timber to both domestic and international markets. Few external threats (market or regulatory) exist in the immediate to short term which would delay site development or limit the functioning of the terminal operator's business plan.

Both financial and operating risks can be further mitigated by diversifying the port's commodity base into additional cargo types. The Shipping Facility Feasibility Study completed in June 2016 by Market Advisory Group, LLC. The study concluded that investment in the shipping facility could be expected to facilitate the movement of other goods through Newport. As vessel calls increase, the awareness of the facility, and its ability to provide various functions, will increase. As shipping patterns and the viability of the Port's ability handle capacity is established (initially by log exports), other goods (such as wood byproducts, specialty cargo, and other bulk agricultural products) will likely explore shipping from Newport in using "Handy" size vessels or barges.

International Terminal Shipping Facility Financial Analysis - 7.5 Shipments								
Year	1	2	3	4	5	6	7	8
Operating Revenues								
Tariff Proceeds	\$ 793,973	\$ 793,973	\$ 793,973	\$ 793,973	\$ 793,973	\$ 793,973	\$ 793,973	\$ 793,973
Land lease from Teevin	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Net Revenues from Logs	\$ 853,973	\$ 853,973	\$ 853,973	\$ 853,973	\$ 853,973	\$ 853,973	\$ 853,973	\$ 853,973
Lost Service Revenue	\$ (76,000)	\$ (76,000)	\$ (76,000)	\$ (76,000)	\$ (76,000)	\$ (76,000)	\$ (76,000)	\$ (76,000)
Total Operating Revenues	\$ 777,973	\$ 777,973	\$ 777,973	\$ 777,973	\$ 777,973	\$ 777,973	\$ 777,973	\$ 777,973
Operating Expenses								
Personel	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
Dredging	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Ancillary costs (maint?)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)
Total Operating expenses	(212,500)	(212,500)	(212,500)	(212,500)	(212,500)	(212,500)	(212,500)	(212,500)
Operating income before depreciation	\$565,473	\$565,473	\$565,473	\$565,473	\$565,473	\$565,473	\$565,473	\$565,473
Operating Margin (before depr)	73%	73%	73%	73%	73%	73%	73%	73%
Depreciation	\$ (428,750)	\$ (428,750)	\$ (428,750)	\$ (428,750)	\$ (428,750)	\$ (428,750)	\$ (428,750)	\$ (428,750)
Operating income (loss) after depreion	\$136,723	\$136,723	\$136,723	\$136,723	\$136,723	\$136,723	\$136,723	\$136,723
Operating Margin (after depr)	18%	18%	18%	18%	18%	18%	18%	18%
Non- operating Revenue (expenses)								
Interest expense	-126,000	-126,000	-126,000	-126,000	-126,000	-126,000	-126,000	-126,000
Non- operating Revenue (expenses)	-126,000	-126,000	-126,000	-126,000	-126,000	-126,000	-126,000	-126,000
Net income (loss) before Depr	439,473	439,473	439,473	439,473	439,473	439,473	439,473	439,473
Net income (expense) after depreciation	10,723	10,723	10,723	10,723	10,723	10,723	10,723	10,723
Return on Revenue	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
Return on investment on 9 acres only (land and improvements) after depr	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%
Return on investment on 9 acres only w/o depr	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%

Financial Analysis for 7.5 log shipments per year		9	10	11	12	13	14	15	16	17
Year										
Operating Revenues										
Tariff Proceeds	\$ 793,973	\$ 793,973	\$ 793,973	\$ 793,973	\$ 793,973	\$ 793,973	\$ 793,973	\$ 793,973	\$ 793,973	\$ 793,973
Land lease from Teevin	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Net Revenues from Logs	\$ 853,973	\$ 853,973	\$ 853,973	\$ 853,973	\$ 853,973	\$ 853,973	\$ 853,973	\$ 853,973	\$ 853,973	\$ 853,973
Lost Service Revenue	\$ (76,000)	\$ (76,000)	\$ (76,000)	\$ (76,000)	\$ (76,000)	\$ (76,000)	\$ (76,000)	\$ (76,000)	\$ (76,000)	\$ (76,000)
Total Operating Revenues	\$ 777,973	\$ 777,973	\$ 777,973	\$ 777,973	\$ 777,973	\$ 777,973	\$ 777,973	\$ 777,973	\$ 777,973	\$ 777,973
Operating Expenses										
Personel	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
Dredging	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Ancillary costs (maint?)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)
Total Operating expenses	(212,500)	(212,500)	(212,500)	(212,500)	(212,500)	(212,500)	(212,500)	(212,500)	(212,500)	(212,500)
Operating income before depreciation	\$565,473	\$565,473	\$565,473	\$565,473	\$565,473	\$565,473	\$565,473	\$565,473	\$565,473	\$565,473
Operating Margin (before depr)	73%	73%	73%	73%	73%	73%	73%	73%	73%	73%
Depreciation	\$ (428,750)	\$ (428,750)	\$ (428,750)	\$ (428,750)	\$ (428,750)	\$ (428,750)	\$ (428,750)	\$ (428,750)	\$ (428,750)	\$ (428,750)
Operating income (loss) after depreion	\$136,723	\$136,723	\$136,723	\$136,723	\$136,723	\$136,723	\$136,723	\$136,723	\$136,723	\$136,723
Operating Margin (after depr)	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%
Non- operating Revenue (expenses)										
Interest expense	-66,000	-66,000	-66,000	-66,000	-66,000	-66,000	-66,000	-66,000	-66,000	-66,000
Non- operating Revenue (expenses)	-66,000	-66,000	-66,000	-66,000	-66,000	-66,000	-66,000	-66,000	-66,000	-66,000
Net income (loss) before Depr	499,473	499,473	499,473	499,473	499,473	499,473	499,473	499,473	499,473	499,473
Net income (expense) after depreciation	70,723	70,723	70,723	70,723	70,723	70,723	70,723	70,723	70,723	70,723
Return on Revenue	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
Return on investment on 9 acres only (land and improvements) after depr	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%
Return on investment on 9 acres only w/o depr	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%

Financial Analyls for 7.5 log shipments per year											
Year	18	19	20	21	22	23	24	25			
Operating Revenues											
Tariff Proceeds	\$ 793,973	\$ 793,973	\$ 793,973	\$ 793,973	\$ 793,973	\$ 793,973	\$ 793,973	\$ 793,973	\$ 793,973	\$ 793,973	\$ 793,973
Land lease from Teevin	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Net Revenues from Logs	\$ 853,973	\$ 853,973	\$ 853,973	\$ 853,973	\$ 853,973	\$ 853,973	\$ 853,973	\$ 853,973	\$ 853,973	\$ 853,973	\$ 853,973
Lost Service Revenue	\$ (76,000)	\$ (76,000)	\$ (76,000)	\$ (76,000)	\$ (76,000)	\$ (76,000)	\$ (76,000)	\$ (76,000)	\$ (76,000)	\$ (76,000)	\$ (76,000)
Total Operating Revenues	\$ 777,973	\$ 777,973	\$ 777,973	\$ 777,973	\$ 777,973	\$ 777,973	\$ 777,973	\$ 777,973	\$ 777,973	\$ 777,973	\$ 777,973
Operating Expenses											
Personel	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
Dredging	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Ancillary costs (maint?)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)
Total Operating expenses	(212,500)	(212,500)	(212,500)	(212,500)	(212,500)	(212,500)	(212,500)	(212,500)	(212,500)	(212,500)	(212,500)
Operating income before depreciation	\$565,473	\$565,473	\$565,473	\$565,473	\$565,473	\$565,473	\$565,473	\$565,473	\$565,473	\$565,473	\$565,473
Operating Margin (before depr)	73%	73%	73%	73%	73%	73%	73%	73%	73%	73%	73%
Depreciation	\$ (428,750)	\$ (428,750)	\$ (428,750)	\$ (428,750)	\$ (428,750)	\$ (428,750)	\$ (428,750)	\$ (428,750)	\$ (428,750)	\$ (428,750)	\$ (428,750)
Operating income (loss) after depreion	\$136,723	\$136,723	\$136,723	\$136,723	\$136,723	\$136,723	\$136,723	\$136,723	\$136,723	\$136,723	\$136,723
Operating Margin (after depr)	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%
Non- operating Revenue (expenses)											
Interest expense	-66,000	-66,000	-66,000	-66,000	-66,000	-66,000	-66,000	-66,000	-66,000	-66,000	-66,000
Non- operating Revenue (expenses)	-66,000	-66,000	-66,000	-66,000	-66,000	-66,000	-66,000	-66,000	-66,000	-66,000	-66,000
Net income (loss) before Depr	499,473	499,473	499,473	499,473	499,473	499,473	499,473	499,473	499,473	499,473	499,473
Net income (expense) after depreciation	70,723	70,723	70,723	70,723	70,723	70,723	70,723	70,723	70,723	70,723	70,723
Return on Revenue	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
Return on investment on 9 acres only (land and improvements) after depr	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%
Return on investment on 9 acres only w/o depr	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%

Year	1	2	3	4	5	6	7	8
Principal payments								
Abatement against principal on Silvan Loan	286,486.3	286,486.3	286,486.3	286,486.3	286,486.3	286,486.3	286,486.3	286,486.3
Principal on IFA loan	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Total Principal Payments	366,486	366,486	366,486	366,486	366,486	366,486	366,486	366,486
Net Income after Depreciation	10,723	10,723	10,723	10,723	10,723	10,723	10,723	10,723
Less Principal payments	-366,486	-366,486	-366,486	-366,486	-366,486	-366,486	-366,486	-366,486
add back depreciation	428,750	428,750	428,750	428,750	428,750	428,750	428,750	428,750
Net Cashflow	72,986	72,986	72,986	72,986	72,986	72,986	72,986	72,986
	72,986							
Amount Owed	2,213,514	1,927,028	1,640,541	1,354,055	1,067,569	781,083	494,596	208,110

Year	9	10	11	12	13	14	15	16	17
Principal payments									
Abatement against principal on Silvan Loan	208,110	0	0	0	0	0	0	0	0
Principal on IFA loan	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Total Principal Payments	288,110	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Net income after Depreciation	70,723	70,723	70,723	70,723	70,723	70,723	70,723	70,723	70,723
Less Principal payments	-288,110	-80,000	-80,000	-80,000	-80,000	-80,000	-80,000	-80,000	-80,000
add back depreciation	428,750	428,750	428,750	428,750	428,750	428,750	428,750	428,750	428,750
Net Cashflow	211,363	419,473	419,473	419,473	419,473	419,473	419,473	419,473	419,473
Amount Owed	0	0	0	0	0	0	0	0	0
	8.73								
	years								

Year	18	19	20	21	22	23	24	25
Principal payments								
Abatement against principal on Silvan Loan								
Principal on IFA loan	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Total Principal Payments	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Net income after Depreciation	70,723	70,723	70,723	70,723	70,723	70,723	70,723	70,723
Less Principal payments	-80,000	-80,000	-80,000	-80,000	-80,000	-80,000	-80,000	-80,000
add back depreciation	428,750	428,750	428,750	428,750	428,750	428,750	428,750	428,750
Net Cashflow	419,473	419,473	419,473	419,473	419,473	419,473	419,473	419,473
								7,506,813

Assumptions:

*7.5 5 shipments per year. Average Tariff is \$105,863 per shipment

*Additional Costs include Loan Payments, Personnel Expenses, Dredging and Ancillary Costs. Dredging is \$100,000 per year and the Ancillary Costs are \$5,000 per vessel

*Lost service revenue is 10% per 5 & 6 shipments, 20% per 7 & 8 shipments and 25% per 9 and 10 shipments

*Abatement includes 50-50 split after subtracting costs for the IFA Loan Payment \$ 140,000 and Personnel Expenses \$75,000 from the Tariff proceeds of \$793,973 per year

*0% interest on abatement and no tariff or lease rate increases over the abatement period



Operating Fund

June 16, 2017 through July 15, 2017

Date	Num	Name	Memo	Amount
06/23/2017	39092	Yaquina Bay Yacht Club	Clubhouse rental fee	75.00
06/29/2017	39093	Appliance Service Station	Repair dryers	210.00
06/29/2017	39094	Auto Doctors	Repair starter on Ford Ranger	394.68
06/29/2017	39095	Business Oregon - OBDD	Debt service	7,800.00
06/29/2017	39096	Cardinal Services	Wages for temp services	7,133.85
06/29/2017	39097	Coastal Refrigeration	Maintenance on heating/cooling system	180.00
06/29/2017	39098	Dan Lais Equipment Surgery	Repair of fish dumpsters	495.00
06/29/2017	39099	Design Space	Modular office rentals	217.00
06/29/2017	39100	Fastenal Company	Operating supplies	56.38
06/29/2017	39101	G & K Floors	Janitorial services	4,050.00
06/29/2017	39102	Greater Newport Chamber of Commerce	Awards banquet	30.00
06/29/2017	39103	Halco Welding	Stainless hooks for "Weigh Your Catch" sign	42.00
06/29/2017	39104	Harvey's Lock & Key	Restroom keys	380.00
06/29/2017	39105	Lincoln County Clerk	May 2017 special election	3,301.00
06/29/2017	39106	Lincoln County Parole & Probation	Work crew for landscaping and garbage pickup	450.00
06/29/2017	39107	Lincoln Plumbing	Plumbing on water heaters	549.80
06/29/2017	39108	Newport Marine & RV Service	Throttle cable for skiff	72.27
06/29/2017	39109	NW Natural	Natural gas	63.60
06/29/2017	39110	OR Dept. of Administrative Services	Maintenance supplies	10.00
06/29/2017	39111	PayneWest Insurance	Environmental impairment liability coverage	20,923.07
06/29/2017	39112	Port of Toledo Boat Yard	Haul out Grumpy Dragon	4,497.62
06/29/2017	39113	Sherwin-Williams	Primer and paint	453.53
06/29/2017	39114	Siuslaw Broadband	Additional security cameras	6,500.00
06/29/2017	39115	Special Districts Insurance Services	Monthly health-dental-life insurance	13,431.27
06/29/2017	39116	TCB Security Services	Monthly security contract	6,516.00
06/29/2017	39117	Thompson's Nursery	Plants for South Beach beautification	157.00
06/29/2017	39118	Toyota Industries Commercial Finance	Forklift leases	1,044.20
06/29/2017	39119	True Cut Engraving	Meeting supplies	58.50
06/29/2017	39120	Verizon Wireless	Port cell phones	396.68
06/29/2017	39121	Void	Void	0.00
06/29/2017	39122	Petty Cash	Office and operating supplies - SB	141.85
06/29/2017	39123	Petty Cash	Office and operating supplies - Port office	112.55
07/13/2017	39124	Employee	Mid-month draw	1,000.00
07/13/2017	39125	Alan Brown Tire Center	Replacement casters for fish dumpsters	642.60
07/13/2017	39126	AlSCO	Floor mats and towel rental	396.55
07/13/2017	39127	Aalsea Bay Power Products	Chainsaw, weed trimmer, maintenance supplies	1,363.81



Operating Fund

June 16, 2017 through July 15, 2017

Date	Num	Name	Memo	Amount
07/13/2017	39128	Employee	Mid-month draw	650.00
07/13/2017	39129	Appliance Service Station	Repair dryers	325.00
07/13/2017	39130	Barrelhead Supply	Wheel barrow, asphalt sealer, treated lumber, plumbing and operating supplies	782.29
07/13/2017	39131	Employee	Mid-month draw	450.00
07/13/2017	39132	Cardinal Services	Wages for temp services	2,613.15
07/13/2017	39133	Carol Corwin	Sign for Swede's Dock	20.00
07/13/2017	39134	CenturyLink - Business Service	Telephone	167.67
07/13/2017	39135	Chase - Visa	Small tools, safety equipment, employee training, travel expenses, IT and office supplies	1,988.87
07/13/2017	39136	Chemsearch	Maintenance supplies	339.80
07/13/2017	39137	Employee	Mid-month draw	500.00
07/13/2017	39138	City of Newport	Transient room tax - June 2017	5,899.77
07/13/2017	39139	Coastal Paper & Supply	Paper products and cleaning supplies	1,847.67
07/13/2017	39140	Creative Landscape & Maintenance	Landscape maintenance	495.00
07/13/2017	39141	Dahl & Dahl	Trash disposal	384.72
07/13/2017	39142	Employee	Mid-month draw	500.00
07/13/2017	39143	Direct TV	Cable - RV parks	1,306.09
07/13/2017	39144	Employee	Mid-month draw	600.00
07/13/2017	39145	Economic Development Alliance of LC	Annual membership dues	100.00
07/13/2017	39146	Englund Marine Supply Co	Maintenance and operating supplies	262.23
07/13/2017	39147	Employee	Mid-month draw	300.00
07/13/2017	39148	Fastenal Company	Operating supplies	51.17
07/13/2017	39149	Employee	Mid-month draw	475.00
07/13/2017	39150	Fred Meyer Customer Charges	Food for meetings	73.75
07/13/2017	39151	Industrial Welding Supply	Acetylene and welding supplies	424.06
07/13/2017	39152	Jason Koehnke	Refund of annual moorage - sold boat	877.80
07/13/2017	39153	JC Market	Food for meetings	71.49
07/13/2017	39154	LazerQuick	Office supplies	96.41
07/13/2017	39155	Lincoln County Public Works	Fuel for trucks	552.65
07/13/2017	39156	Lincoln Plumbing	Plumbing supplies	58.16
07/13/2017	39157	MacPherson Gintner & Diaz	Professional services	5,968.95
07/13/2017	39158	National Photocopy Corporation	Server and IT support	336.91
07/13/2017	39159	Oregon Cascades West - COG	Annual membership dues	3,464.66
07/13/2017	39160	Oregon Department of State Lands	Annual waterway lease fee - CM	11,745.07
07/13/2017	39161	Pacific Northwest Waterways Assoc.	Annual membership dues	7,610.00



Operating Fund

June 16, 2017 through July 15, 2017

Date	Num	Name	Memo	Amount
07/13/2017	39162	Paul Bryan	Refund of annual moorage	874.80
07/13/2017	39163	Pioneer Printing	Office supplies	390.60
07/13/2017	39164	Pioneer Telephone Cooperative	Telephone	226.11
07/13/2017	39165	Platt	Electrical supplies	126.51
07/13/2017	39166	Pro-Build Company	Operating supplies	48.87
07/13/2017	39167	Rau Plumbing	Clean filters and replace check valve on water heaters	168.00
07/13/2017	39168	Employee	Mid-month draw	650.00
07/13/2017	39169	Special Districts Insurance Services	Quarterly general liability/property insurance	27,893.12
07/13/2017	39170	Staples	Office supplies	216.93
07/13/2017	39171	Employee	Mid-month draw	1,500.00
07/13/2017	39172	Suburban Propane	Propane	378.82
07/13/2017	39173	T & L Septic & Chemical Toilet Service	Chemical toilet rental	676.00
07/13/2017	39174	TCB Security Services	Security services - July 4th	745.88
07/13/2017	39175	Thompson's Sanitary Service	Tash disposal	6,181.70
07/13/2017	39176	United Grocers - Cash & Carry	Office supplies	153.63
07/13/2017	39177	US Bank	GO Bonds 2008 administration fees	450.00
07/13/2017	39178	VenTek International	Annual fee for boat launch pay station - SB	2,070.00
07/13/2017	39179	Voya (State of Oregon Plan)	Monthly employee contributions	100.00
07/13/2017	39180	Xerox Corporation	Copier leases	428.28
07/13/2017	39181	Yaquina Bay Communications	Advertising	150.00
07/13/2017	39182	Yaquina Boat Equipment	Painting supplies	41.25
07/13/2017	39183	Englund Marine Supply Co	Report on mitigation site - NIT	480.42
07/13/2017	39184	Special Districts Insurance Services	Monthly health-dental-life insurance	12,782.64
07/13/2017	39185	Design Space	Modular office rentals	877.00
Total				192,094.71



NOAA Fund

June 16, 2017 through July 15, 2017

Date	Num	Name	Memo	Amount
06/29/2017	13178	Aboveboard Electric	Repair cathodic protection system	898.66
06/29/2017	13179	Special Districts Insurance Services	Monthly health-dental-life insurance	676.17
06/29/2017	13180	TCB Security Services	Elevator phone monitoring	20.00
06/29/2017	13181	Ultimate Pest Control	Pest control	125.00
06/29/2017	13182	Verizon Wireless	Phone charges and mifi	26.39
06/29/2017	13183	Petty Cash	Supplies	2.99
07/13/2017	13184	Associated Cleaning Services	Clean outside windows, surface of gutters	1,100.00
07/13/2017	13185	AVS Elevator	Perform quarterly service	487.26
07/13/2017	13186	Chase-Visa	Soap dispensers, hydraulic door closer, batteries, solenoid kit	771.68
07/13/2017	13187	Cheyenne Livestock & Products	New fire extinguishers	1,110.00
07/13/2017	13188	Clima-Tech Corporation	Annual service for automated HVAC controls	2,595.00
07/13/2017	13189	Englund Marine & Industrial Supply	Jacket and waders for eelgrass counting	184.75
07/13/2017	13190	JC Market	Coffee and donuts for eelgrass counting	43.98
07/13/2017	13191	Performance System Integration	Service call	858.54
07/13/2017	13192	Pioneer Telephone Cooperative	Telephone	239.78
07/13/2017	13193	Special Districts Insurance Services	Quarterly general liability/property insurance	10,318.88
07/13/2017	13194	Thompsons Sanitary Service	June service	345.60
07/13/2017	13195	Special Districts Insurance Services	Monthly health-dental-life insurance	676.17
Total				20,480.85



Construction Fund
June 16, 2017 through July 15, 2017

Date	Num	Name	Memo	Amount
6/29/17	11844	Road & Driveway Co	Removal of unbuildable material	5,142.25
			Total	5,142.25



NEW BUSINESS AGENDA ITEM

DATE: July 3, 2017
RE: MILDRED C
TO: Port of Newport Board of Commissioners
ISSUED BY: Aaron Bretz - Director of Operations

BACKGROUND

The Port of Newport has maximized use of the tug MILDRED C for several decades. After having deferred regular overhauling on the craft for the past 7 years, she was in need of significant repairs to the hull and lazarette (steering compartment). The Port of Toledo Boatyard has performed approximately 95% of those repairs, and has been directed to halt work until the Port Commission is satisfied with the strategy for the tug. The boat is currently not seaworthy because the repair work is incomplete. After this work is completed, maintenance on the tug will be brought under control using CMMS, and we will shift to an annually scheduled haul out with weekly and monthly maintenance tasks in-between. This increased eye toward maintenance and inspections of the bilges will reduce the risk of unexpected maintenance expenditures in the future.

PURPOSE, SCOPE AND DETAIL

Outstanding cost of maintenance is \$11,800

- Re-install new rudder
- Paint the underbody of the hull
- Installation of new zincs to mitigate further corrosion
- Additional cost of \$198 per week for storage and a potential \$300 charge to move the boat if the blasting pad is needed for another project

The Port Commission would also need to approve funding for the work already performed in the amount of \$33,250.50.

- Sandblasting bilge in lazarette
- Fabrication of new frames and hull plating in lazarette
- Repair of hull doubler plate, starboard side



Figure 1 Failing frames in the lazarette



Figure 2 Excessive pitting and rust, doubler plate

MILDRED C SPECIFICATIONS AND CAPABILITIES

- 33' in length
- 40-50 years old
- Detroit 671 provides approximately 238 hp, with a bollard pull of approximately 3,200 lbs
- Used for dragging broken pilings that weigh 2,000 lbs clear of vessels in the harbor
- Weight, low freeboard, and power enable port personnel to replace worn and broken through-rods
- Used for clearing large trees and snags from beneath piers and pilings
- Transports bulky equipment such as compressors and generators to work sites



BUDGET IMPLICATIONS

OPERATIONAL COSTS IN BOAT BASIN

MILDRED C is used on average three times monthly to perform corrective and preventative maintenance. For comparison, Orca Divers can be used for similar work at a cost of \$3,000 per day. They charge an additional minimum of \$600 a day for use of their boat. In the past three weeks, there have been four broken pilings in the marina.

In 2014, one piling nearly severed float dock 7, which would have resulted in at least \$10,000 in repairs to infrastructure or loss of a significant part of the western portion of dock 7. The loss would have impacted 10 boats. The commercial marina harbormaster was able to use MILDRED C's unique capability to realign the dock properly and remove, then drag away the broken piling. Using MILDRED C to respond to broken pilings such as this saves the port \$5,000 - \$10,000 in mobilization costs and repair fees each time a piling breaks. According to the recent piling survey, we can expect to break 3-6 more pilings this fiscal year. This represents \$15,000 - \$60,000 in savings that MILDRED C can bring to the Port by being readily available to respond and mitigate the damage that these 20' sections of 2,000 pound pipe can do to the marina's infrastructure.



Figure 3: Damage to Dock 7B from a broken piling

There are no other harbor tugs in the area that would be options for the Port to to replace MILDRED C without having to perform similar repairs. Several used harbor tugs can be found on the east coast at a cost range of \$95,000 - \$100,000, but the cost of transporting them would be prohibitive.

Mavrik Marine of La Conner, WA has expressed that they could build a brand new 22' vessel similar to a tug (300 horsepower, 5,500 bollard pull) for \$175,000 - \$200,000 that could be transported to Newport by truck. They indicated that they could alter their seine skiff design to give us the low-freeboard that makes the tug configuration desirable.

FUNDS TO COMPLETE REPAIRS

The port currently has \$7,200 in the “vessel repair” line item, there is also \$16,000 in the “grounds and parking lot” line item that was earmarked for gravelling part of the 2-acre east lot for storage. That money will be saved as the harbormaster negotiated a trade with the city’s contractor working on the Bay Blvd. summer construction project. There is also \$12,000 left over in the “equipment repair” line item. Totaling \$35,200 available this budget year.

The Port also has trading stock available including: surplussed forklift valued at \$6,000, steel plates valued at \$18,000, pile partials totaling \$2,500. This totals \$26,500.

The Port is planning on trading all of the above stock to apply to the estimated \$44,000 cost, leaving a balance of \$17,500. This will be paid out of the General Fund and will be covered by the savings in the other line items mentioned above.

You can pull from my staff report last month for this section including the list of items surplussed.

OPERATIONAL CONCERNS

Once the tug is back in the water, I will undergo the process to properly exempt MILDRED C and the Port from towboat operating requirements in Subchapter M.

RECOMMENDATION

I would recommend that the Commission AUTHORIZE FUNDING FOR MILDRED C’S REPAIRS IN AN AMOUNT NOT TO EXCEED \$35,000.

I would then like to undertake the effort with Coast Guard Marine Safety Unit Portland to properly have the vessel exempted from Subchapter M towboat licensing and inspection requirements. The MSU is favorable to this effort. We should then haul MILDRED C annually for maintenance that would cost \$1,500 for upkeep on the hull and running gear. Combined with weekly inspections of the bilges and monthly cleaning of the lazarette and engine room, MILDRED C will remain seaworthy for at least another 5-10 years. I recommend that the port set aside \$20k a year in a replacement fund for MILDRED C. This would put us in place to approach Maverik Marine for a replacement option prior to the end of MILDRED C’s service life.

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PORT OF NEWPORT MINUTES

October 18, 2016

Regular Commission Meeting

I. CALL TO ORDER

Commission President Walter Chuck called the Regular Commission Meeting of the Port of Newport Board of Commissioners to order at 6:00 pm at the South Beach Activities Room, 2120 SE Marine Science Drive, Newport, Oregon.

Commissioners Present: Walter Chuck (Pos. #1), President; Ken Brown (Pos. #4), Vice-President; Patricia Patrick-Joling (Pos. #5), Secretary/Treasurer; Stewart Lamerdin (Pos. #3); and Steve Beck (Pos. #2).

Management and Staff: Kevin Greenwood, General Manager; Stephen Larrabee, Director of Finance; Rick Fuller, Director of Operations; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: Wayde Dudley and Barb Dudley, Port Volunteer Mates; Yale Fogarty, ILWU; Eric, Oien, Teevin Bros.; John McKinney; Jim Shaw; Pat Ruddiman, ILWU; Kiera Morgan, KYTE Radio; Mark Wilson, KYTE Radio; Lee Fries, Port Volunteer Mates; and Ralph Busby, Newport City Council.

II. CHANGES TO THE AGENDA

Patrick-Joling requested adding item VII.A. to New Business, Joint Meeting with Newport City Council.

III. PUBLIC COMMENT

McKinney said he wanted to speak regarding his previous proposal for a Green Port. He said they were hung up on the cruise ship. He asked if anyone from Rogue was present. Since no-one from Rogue was present, he ended his comment at this time.

IV. CONSENT CALENDAR

- A. Minutes:
 - 1. Regular Commission Meeting September 27, 2016
 - 2. Special Commission Meeting September 27, 2016
- B. PD5 Pile Replacement/dock repair – Foundation Engineering, Inc.
- C. Financial Reports

A motion was made by Patrick-Joling and seconded by Beck to approve the Consent Calendar. The motion passed 5 – 0.

V. CORRESPONDENCE/PRESENTATIONS

Greenwood commented that Eric Oien was in attendance from Teevin Bros. and would be available to add to the ITSF discussion. There was no additional presentation.

VI. OLD BUSINESS

A. Items Removed from Consent Calendar

There were no items removed from the Consent Calendar.

B. Accounts Paid

A motion was made by Patrick-Joling and seconded by Beck to accept the accounts paid. The motion passed 5 – 0.

C. International Terminal Shipping Facility Update

Greenwood introduced the agenda item and staff report. He referred the Commission to the TIGER grant item. He said the Port was invited to submit a new proposal for a grant from EDA. The proposal has been submitted, and it will be reviewed by October 20th. If the proposal is favorable, the Port will be asked to submit a full application. Greenwood has been working to complete and is waiting from comment from EDA on NEPA requirements. Since the selection for the EDA grant will not happen until December 1st, this will be late for providing match information to TIGER. Greenwood included in the packet a letter asking that UDOT allow EDA to respond before pulling the TIGER grant. Greenwood has also talked with Representative Schrader, who will deliver the letter to MURAD as a show of support and importance of the project. Port staff is recommending securing a loan to complete the financing.

Beck asked about TIGER's funding cycle. Greenwood said they had obligated the funds for over a year, but had requested the full funding package presented to them by the end of October 2016. The grant agreement would not be completed until September, 2017, but it is a lengthy granting process. MURAD also asked for a more formal environmental assessment. John vanStaveren talked with MURAD and will be meeting with Greenwood. The USDA loan would be for 40-years at 2.75%. There may be restrictions on Oregon Port Districts for loans of greater than 30 years. Greenwood recommended the Commission authorize applying for additional financing.

A motion was made by Brown and seconded by Beck to authorize the General Manager to apply for additional debt financing. The motion passed 5 – 0.

Greenwood advised the Commission that Hall permits and easements will need to be resolved, and referred to the staff report for additional issues. The Halls currently allow the Port to place dredge spoils on their property. Before the Port's lease ends, this will need a resolution. There is also equipment and space storage on the Rondys property, but they have no one on site to manage this. Greenwood is continuing to move forward and has asked for another round of support letters sent to EDA.

Chuck asked if two of the Commissioners would be able to meet with vanStaveren, 10:30 at McLean Point. Lamerdin said he could attend, and either Brown or Chuck will attend.

VII. NEW BUSINESS

A. Joint Meeting with Newport City Council

Patrick-Joling referred to the discussion at the Work Session regarding the Port Dock 5 Pier Approach project. She said it was important to discuss this with the City Council and would like to arrange a joint meeting to address financial matters, the sooner the better. Greenwood will speak with Spencer Nebel to schedule a meeting, perhaps the 1st or 2nd week in November to accommodate Commissioners' availability.

VIII. DEPARTMENTAL REPORTS

A. Director of Finance

1. September Occupancy Report

Larrabee said he was working with Greenwood on ITSF financing, and considered a loan the best option. Port revenue may be used to retire the debt early. He advised the Commission it is audit season and a draft of a Personnel Manual was being prepared. There were no additional comments or questions.

B. Director of Operations

There was no discussion of the Director of Operations Report.

C. General Manager

- 1. Goal Setting**
- 2. General Manager’s Annual Evaluation**
- 3. DEQ Fish Cleaning Approval**
- 4. Rogue Mural**

Greenwood introduced the General Manager report. Greenwood referred to Commissioners to the Goal Setting binders that had been distributed for their review prior to the November 5th Work Session. The binder included information about previous planning efforts. He expects that the meeting in November will result in a comprehensive umbrella of goals that will permeate the organization. The goal setting will also be helpful before the General Manager’s review and the next Budget process. Greenwood said that department goals had also been included to help the Commissioners see how the departments and facilities work. He invited the Commission to co-op department goals in their goal setting process. Greenwood said the Commissioners could call him or any of the other managers with questions. Beck said of the goal session agenda, 15 minutes may not be enough time for brainstorming. Greenwood said time could be adjusted at the meeting as needed. Greenwood said he was also looking to convene the first meeting of the Commercial Fishing Users Group Committee.

IX. COMMISSIONER REPORTS

Beck said he had traveled to Teevin Bros. operation in Rainier, Oregon to review their operation. He said his background in some industrial insurance informed what he looked for, and he found their facility clean, organized, with satisfied employees, maintained equipment, with a solid financial picture and a diversified company. This could benefit the Port as it searched for other opportunities for the shipping facility. Beck said Teevin was involved in the Rainier community, and thought they would do the same in Newport and would hire locally. The bark removed by the debarker was recycled, and smells good like fresh wood. There were two debarkers running when Beck visited, which he did not think produced too much noise, an industrial noise. Much of the equipment used is electric. Beck had wanted to see the facility so that he could report to the Newport community and to the Commission; he feels the Teevin operation is a good match for the Port. The ITSF facility is 1/10th of the size of the operation in Rainier. Beck would recommend Teevin as a benefit for the community. Chuck added that he recommends Commissioners who have not already done so to visit Teevin.

X. CALENDAR/FUTURE CONSIDERATIONS

- 10/22 Trick or Treat Monster Feet 5K and Kids Fun Run
- 10/29 Dia De Los Muertos Race
- 11/5 Commission Goal Setting Workshop at Aquarium

11/9 Election Day
 11/11 Veterans' Day, Port Office Closed
 11/15 Regular Commission Meeting (rescheduled)
 11/18 Fishermen's Appreciation Day
 11/24 5th Annual Turkey Trot
 11/24 – 11/25 Thanksgiving Holiday, Port Office Closed
 12/20 Regular Commission Meeting (rescheduled)
 12/16 Christmas Holiday, Port Office Closed

Chuck made a correction to Election Day, which is 11/8. Hewitt made a correction to Christmas Holiday, which is 12/26.

XI. PUBLIC COMMENT

Busby said that, at last night's City Council meeting, they had discussed the zoning swap between the Port and the City. There will be a public hearing coming up and Council will look for a statement of public support from the Port. Busby said that Nebel will follow up with Greenwood on the City Council agenda.

McKinney spoke again regarding a "green port." He asked if there are any prohibitions on shipping, especially fossil fuel. He also asked if Newport expected to ship fossil fuel. Chuck said since we didn't have rail, the Port would not be conducive to fossil fuel shipping. McKinney commented that Klamath does not currently have a pipeline but one has been proposed.

Oien thanked the Commission and Greenwood for pursuing financing for the ITSF. He said Teevin had invested 6 years in the project and believed in Newport as a shipping terminal, perhaps for more than just logs. He added that activity spurs activity, and he expects to benefit the Port and Newport. Oien thanked Beck for coming to tour the Rainier facility and said they had an open door for tours to the Commissioners or the public. Their hours are 6 – 4 Monday through Friday. He thinks the project is pushing forward and getting close.

Fogarty said that Teevin has 100 acres in Rainier, whereas there are nine acres in consideration here. He asked the Commission to keep in mind that a shipping terminal can be land poor. The Port may see a need for property as it develops. Fogarty supports development, but hopes the Port keeps its "fingers in the dough"; 10 acres won't be enough for very long.

XII. ADJOURNMENT

Having no further business, the meeting adjourned at 6:40 pm.

ATTESTED:

 *pro tem*

 Walter Chuck, President



 Patricia Patrick-Joling, Secretary/Treasurer

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NEW BUSINESS AGENDA ITEM

DATE: July 18, 2017
RE: Port Dock 5 Pier Access
TO: Port of Newport Board of Commissioners, General Manager
ISSUED BY: Aaron Bretz

BACKGROUND

Beginning in May of 2011, the Port has been undertaking an effort to reengineer and replace the pier approach to Port Dock 5, which is one of the most heavily used access points in the marina. The overall compromise of the pilings supporting the pier was stated to be 52% in a Port of Newport inspection survey dated May of 2011. As a result of the deterioration, vehicle traffic to the pier has been restricted, which creates significant operational difficulties for the commercial fishermen particularly during times of fishing gear changes.

In 2016, \$25,000 was obligated from the capital improvement budget to commission an engineering firm to create the conceptual design for a new pier approach. Following a rigorous selection process, OBEC Consulting Engineers was awarded a contract for the conceptual design. They facilitated a workshop with representatives from the local commercial fishing fleet, the Port of Newport Commission, Port of Newport management, the commercial marina harbormaster, and other local stakeholders. The purpose of the workshop was for OBEC to become acquainted with the needs and wishes of all parties in the project scope, design, and operational planning.

DESIGN OPTIONS

Following the workshop, OBEC Consulting Engineers developed three conceptual alternatives for the Port Dock 5 Pier Approach (the final report from OBEC is on the Port's Website for review):

ALT 1: Replace Existing Structures

This concept proposes to replace each of the 10 remaining timber pile bents with two 24-inch pipe piles connected by a steel beam cap spanning between the piles. The existing timber deck would remain in place and rest upon the steel beam caps. This alternative is based upon the assumption that the existing deck timber remains in a serviceable condition, but a condition assessment has not been conducted to support that assumption. This alternative also does not address existing ADA compliance issues or fire suppression issues for the fuel lines beneath the decking.

ALT 2: Replace Entire Structure in the Existing Alignment

This concept proposes to replace the entire fixed dock structure in the same location with steel piles, steel pile caps, and a concrete deck. The footprint of the new pier will remain similar to the existing one, but would once again allow for unrestricted vehicular access to the pier. This alternative would address ADA discrepancies, and the fire suppression system would be upgraded to comply with current NFPA requirements. It would also include an upgrade to the electrical system which would accommodate service of two 50 amp 125/250V receptacles per vessel. This concept allows for the option to upgrade

to ALT 3 at a later date.

ALT 3: Replace and expand entire Structure

This concept proposes to replace the entire fixed dock structure with a wider concrete deck supported with steel piles and steel pile caps. The wider deck would allow for two-way traffic and space for a vehicle to turn around at the offshore-end, as well as 12 additional parking spaces and pedestrian access. ADA compliance and fire suppression are both addressed in this concept as well.

The recommendation by OBEC was to exercise the option for ALT 2. The reasoning was that the additional time that would be incurred permitting and funding ALT 3 would take the project past the service life of the pier. We would risk catastrophic failure of the pier if we undertake ALT 3.

The options were thoroughly discussed at a Port Commission work session (with representatives from all stakeholders) in October of 2016, and the general consensus was to undertake ALT 2. There was discussion about searching for funding from the city for ALT 3 (due to parking improvements), as well as fish processors and/or other stakeholders (minutes attached).

BUDGET IMPLICATIONS

Based upon estimates provided by OBEC, a budget line item for \$115,000 was included in the capital improvements budget for FY 2018 to complete the 30% engineering on the project. OBEC submitted a proposal for engineering services to complete the 30% engineering on ALT 2 (attached).

There will be another budget item in FY 2019 to complete the engineering work for this project in the amount of \$85,000.

OBEC is preparing a contract currently to begin the engineering work, and we have the opportunity to move ahead with the engineering and get closer to the end goal of making the pier fully serviceable once again.

RECOMMENDATION

I would recommend that a Commissioner make a MOTION TO APPROVE ALTERNATE TWO SCOPE OF WORK AS PRESENTED BY OBEC ENGINEERING AND DIRECT STAFF TO PREPARE CONTRACT FOR COMMISSION APPROVAL IN AUGUST.

-###-

AGREEMENT TO PROVIDE PROFESSIONAL SERVICES

This AGREEMENT, made and entered into this 29th day of August, 2016, by and between the **PORT OF NEWPORT**, Oregon, a public corporation existing under the laws of the State of Oregon, herein after called the "Port" and OBEC Consulting Engineers, hereinafter called the "Contractor", 920 Country Club Road, Suite 100B, Eugene, OR 97401, 541.683.6090.

1. All work products resulting from the attached scope of work are to remain property of the Port and must be surrendered upon request. Work may not be duplicated, reproduced or shared with any other party unless approved by the Port.
2. All invoices for services contracted herein shall be presented to the Port by the first of each month. Invoices shall be submitted to the Port of Newport, 600 S. E. Bay Boulevard, Newport OR 97365. Progress payments submitted to the Port for payment are required to be for services within the attached scope of work and performed and approved by the Port for a total cost not to exceed \$24,930.00.
3. In the performance of services, the Contractor agrees to comply with all laws, statutes, ordinances and regulations of the United States, the State of Oregon and any other governmental body having applicable jurisdiction, and shall pay all applicable payroll and withholding taxes and any other sums as required.
4. It is expressly understood this agreement is personal to the Contractor, and the Contractor shall not assign or transfer this agreement nor enter into a subcontract for the performance of any services to be performed without the express written consent of the Port being obtained in advance.
5. The contractor shall provide, when applicable, a certificate of insurance showing that all persons performing professional services under the contract are covered under the State's Worker's Compensation Law.
6. The Contractor, in consideration of the payments to be made on the part of the Port, hereby covenants and agrees to furnish the engineering services, materials

and supplies to complete the tasks within the scope of work. Contractor shall carry out and perform such services in full, complete and strict compliance with the attached scope of work, in a good, substantial, and professional manner to the approval and quality satisfaction of the Port. This agreement may be terminated by either party upon 30 days' written notice without reason.

7. Contractor shall obtain and maintain General Liability and Professional Liability insurance coverage against any and all claims for damages to persons or property which may arise out of or resulting from Contractor's operations under this contract. The public liability insurance shall have limits of not less than \$1,750,000 per occurrence during the terms of this agreement and for a period of at least one year following conclusion of the agreement. Contractor shall provide proof of insurance to the Port before commencement of any activity under this contract, and the proof of insurance shall provide that the policy(ies) of insurance shall not be canceled without ten (10) day's prior written notice to the Port.
8. Payments of Contractor's invoices shall be approved in writing by the Port in the amount not to exceed the Contractor's proposed hourly rates as outlined in the attached project description. Any additional work and services, approved by the Port and provided by the Contractor, shall be performed according to the attached rate schedule provided by the Contractor.

In witness whereof, the parties have executed this Contract as of the day and year set forth above.

PORT OF NEWPORT:

CONTRACTOR:

By: _____
Kevin M. Greenwood

By: _____

Title: General Manager

Title: _____
Address

PD5 Fixed Pier Approach - Structural Renovation Design Scope of Work

OBEC understands Port Dock 5 is in a deteriorated condition and has been partially closed to vehicular traffic. Structural rehabilitation or replacement is required in order to continue operating safely. The Port wishes to engage a marine consultant to provide expert analytical, conceptual design, and cost estimating services for this project. OBEC recommends the following detailed scope of engineering services to provide these services:

SCOPE OF WORK

Task 1 Kick-off Workshop

OBEC will work with the Port to identify key Port staff and schedule a workshop at the Port's office. OBEC's proposed project manager, Jenny Carlson, will attend along with one other key OBEC staff person. The following goals are anticipated for the workshop:

- **Establish Project Communication Protocol**
- **Define the Problem** – Make sure everyone understands and agrees with the problem we are trying to solve.
- **Identify the Port's Short- and Long-term Goals, Objectives, and Key Values for the Project** – These may include, but not be limited to:
 - Tenant satisfaction
 - Capital cost
 - Funding opportunities
 - Maximum acceptable dock closure requirements
 - Access requirements and alternate access points
- **Determine Evaluation Framework** – This could be done with number rating from 1 to 5 assigned to each criterion for each concept, 1 being the lowest (unacceptable, likely not feasible), 5 being the highest (very favorable). We can "weight" the rating numbers to take into account varying importance of criteria to the Port, keeping in mind that some of the criteria will be pass/fail when identifying project alternatives.
- **Gather Input/Brainstorm Project Alternatives** – These ideas may not all be carried through to the final alternatives analysis, but the ideas of key stakeholders may drive/refine our preliminary list of project alternatives.
- **Establish Design Criteria** –
 - Seismic Design criteria
 - Tsunami criteria
 - Live load and vehicle loading criteria
 - Desired structure lifespan
 - Geotechnical design assumptions
 - CAD Design Standards
- **Set the Schedule for Deliverables**

Deliverables

Meeting minutes, design criteria.

Task 2 Conceptual Design

Based on input from the workshop, OBEC will leverage our expertise to create up to three conceptual alternatives that meet the rehabilitation goals for the Port Dock 5 structure. These alternatives may include:

- New exterior substructure and crossbeams
- New exterior substructure and new superstructure
- New parallel structure
- New floating dock structure

Assumptions and Clarifications

- The Port will provide AutoCAD format background showing topography and bathymetry in the vicinity of Port Dock 5 or OBEC will utilize publicly available digital resources such as Google Earth and county

records to establish a background. The accuracy of public records cannot be guaranteed, but we feel it is adequate for this conceptual work.

- Based on Port input, OBEC assumes the structural condition of the Port Dock 5 existing deck and stringers is satisfactory to be utilized in a rehabilitation scheme. OBEC has not included an allowance to perform a condition assessment for the deck and stringers.

Deliverables

Conceptual plan and elevation for each of the three concepts in AutoCAD format and PDF format. Six full-size hard copies will be provided to the Port.

Task 3 Cost Estimating

OBEC will utilize our internal cost database and recent bid information for similar projects to generate construction cost estimates for each concept.

Clarification

The accuracy of a cost estimate is directly related to the completion of the design process. OBEC proposed to follow the recommendations of the American Association of Cost Engineers (AACE) in determining the percentage accuracy of these cost estimates.

Deliverable

Cost estimate for each of the three alternatives.

Task 4 Budget Estimates for Related Services

For each of the three concepts, we will develop budget estimates for the following recommended approach to services for future phases to assist the Port with the completion of the Port Dock 5 project:

- Condition assessment of existing deck/superstructure, if required
- Topographic and/or Bathymetric survey to develop site background
- Preliminary structure and foundation design: approximately 30% completion so the permit process may begin
- Environmental permitting
- Final structure and foundation design
- Specification package- technical and Division 1/general conditions
- Construction Management
- Construction Inspection
- Project closeout/as-builts

Deliverable

Budget estimates for each of the three concepts.

Task 5 Concept Evaluation and Recommendations

OBEC will evaluate each concept using the framework chosen in the workshop and provide recommendations to the Port for selection of a concept.

Deliverable

Written summary of evaluation results.

Task 6 Prepare Conceptual Arrangement for a Permanent and Alternate Access to Commercial Floating Docks

The alternate access to the Port Dock 5 floating dock system will originate from Port-owned property. We will confirm all three Port Dock 5 concepts will accommodate this alternate access.

Clarification

No allowance is included in the proposed fee estimate to perform a cost estimate for this alternate access concept.

Deliverables

Plan and elevation presenting concept for alternate access in AutoCAD and PDF format. Six full-size hard copies will be provided to the Port.

Task 7 Prepare Summary Report

OBEC will prepare a draft report including a project summary, presenting all concepts, evaluation/analysis process, and recommendations for the path forward, including project milestones. The report will be emailed to the Port for review. OBEC will engage in a phone conference with the Port to go over the Port's comments. All Port comments will be incorporated and the report will be finalized.

Deliverable

Final Summary Report in word and PDF format, stamped by an engineer registered in the State of Oregon, PDF format. Six bound hard copies will be provided to the Port.

Task 8 Commission Presentation

Jenny and one other OBEC staff person will attend a workshop or regular Port commission meeting at the Port's office in October of 2016. OBEC will prepare and present an approximately 10 minute long program to the Commissioners summarizing the work performed, the results of the work, and recommendations for the path forward.

Deliverable

Presentation

Services Not Included

The following services have not been included in this proposal. OBEC will be happy to provide a proposal for any of these services at the Port's request.

- Meetings with regulatory agencies
- More than two meetings at the Port's office.
- Surveying
- Structural testing, inspection, and reporting
- Soils testing and characterization

8-24-16

Schedule

OBEC proposes the following schedule for performing the above detailed scope of work:

Notice to Proceed – 8/24/16

Project Kickoff Workshop – 8/31/16

Draft Alternative Design Report emailed to Port– 9/21/16

Final Alternative Design Report – 10/10/16

Commission Presentation – 10/18/16

Fees

The estimated fee for this feasibility and conceptual design work is detailed in the attached spreadsheet. Labor rates are based on OBEC's Ports and Marine standard rate table, attached for your reference. We propose to complete the requested services outlined in our scope of work on a time and materials basis for an estimated fee not to exceed (NTE) \$24,930. These fees will not be exceeded without prior written authorization from the Port. Any changes to the scope of work, whether requested by the Port or due to other circumstances will be documented in writing and promptly communicated to the Port. Please note no travel, office equipment or material expenses will be charged to the Port. OBEC will cover these costs. No other expenses are anticipated.

Port of Newport Port Dock 5 Structural Renovation Project OBEC Consulting Engineers							8/24/2016	
TASKS	OBEC	OBEC	OBEC	OBEC	OBEC			
	PROJ	MARINE	SENIOR			ITEM	JOB	
	MNGR	ENGR	QA	ACAD	CLER	TOTAL	TOTAL	
Professional Services								
1	Kickoff meeting	8	8				16	\$1,984
2	Conceptual design of 3 options	15	15		30		60	\$6,360
3	Construction cost estimate	12	6				18	\$2,436
4	Budget estimate for related services	8					8	\$1,264
5	Evaluate concepts/recommendations	8	4	2			14	\$2,068
6	Develop concept for alternate access	8			8		16	\$1,968
7	Prepare summary report	12	16	4		2	34	\$4,366
8	Commission Presentation	8	8				16	\$1,984
	TOTAL HOURS	79	57	6	38	2	182	
	HOURLY RATES	\$158	\$90	\$222	\$88	\$71		
	TOTAL LABOR ESTIMATE	\$12,482	\$5,130	\$1,332	\$3,344	\$142		\$22,430
Expenses								
	GRI geotechnical consulting						\$2,500	
	TOTAL EXPENSE ESTIMATE						\$2,500	
	TOTAL ESTIMATE (IF ALL TASKS REQUIRED)							\$24,930

**PORT OF NEWPORT
RESOLUTION NO. 2017-**

A RESOLUTION DESIGNATING BANK ACCOUNTS AND AUTHORIZING CHECK SIGNERS

WHEREAS, the Port of Newport is a port organized under ORS 777; and

WHEREAS, ORS 777.405 states money of a port shall be deposited in one or more banks designated by the board. Funds shall be withdrawn only when previously ordered by the board upon a check signed and countersigned by such persons as may be authorized by resolution of the board; and

WHEREAS, By-laws for the Port of Newport Board of Commissioners Sec. 17(A) states that all Commissioners are eligible to sign checks upon approval; and

WHEREAS, Resolution 2016-08 approved August 23, 2016 was the last resolution authorizing check signers; and

WHEREAS, Sara Skamser replaced Steve Beck as Position #2 and Jeff Lackey replaced Ken Brown as Position #4 upon being sworn in to office on June 27, 2017; NOW THEREFORE,

THE PORT OF NEWPORT BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:

Section 1. Authorized Signers. The Commission authorizes the five members of the Port of Newport Board of Commissioners, the General Manager and the Director of Finance to be signers on designated bank accounts.

- A. Walter Chuck..... Position #1
- B. Sara Skamser Position #2
- C. Stewart Lamerdin..... Position #3
- D. Jeff Lackey..... Position #4
- E. Patricia Patrick-Joling..... Position #5
- F. Aaron T. Bretz Director of Operations
- G. Stephen J. Larrabee Director of Finance

Section 2. Rescission. The Commission hereby rescinds authorization for the following to be signers on designated bank accounts.

- A. Ken Brown (previously Position #4)
- B. Steve Beck (previously Position #2)
- C. All previous check signers not listed in Section 1 above.

Section 3. Designated Bank Accounts. The Commission designates the following bank accounts:

- A. Oregon Coast Bank
 - 1. Operating Checking..... General
 - 2. Marina Deposit General
 - 3. Payroll..... General
 - 4. PERS..... General
 - 5. SPWF General
 - 6. Operating Checking..... NOAA
 - 7. Maintenance & Replacement NOAA
 - 8. Revenue Bond Reserve NOAA
 - 9. Assignment of Deposits NOAA
 - 10. Operating Checking..... Construction
 - 11. Money Market..... Construction
 - 12. GO Fund..... Bonded Debt

B. Columbia Bank
1. Money Market..... General

C. Umpqua Bank
1. Money Market.....NOAA
2. Operating.....Facilities Maintenance

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 25th day of July, 2017.

ATTEST:



MEMBERSHIP LIAISONS

As of June 21, 2016

Cascade West Council of Governments* - (\$3,464.66)
must be elected: Walter Chuck; Ken Brown (alt)

Cascade West Economic Development District*
Kevin Greenwood

Cascade West Area Commission on Transportation* -
Walter Chuck; Ken Brown (alt); alternate may be staff

Oregon Coastal Zone Management Association
(OCZMA)*# -- alternate may be staff (\$800.00)
Walter Chuck

Pacific Northwest Waterways Association (PNWA)*
(\$7200.00) Walter Chuck, Kevin Greenwood

Mid Coast Watershed Council (\$245.00)
Stewart Lamerdin

Oregon Public Ports Authority (OPPA)* (\$9,686.29)
Kevin Greenwood

Oregon Economic Development Association (OEDA)
(\$250) Kevin Greenwood

Economic Development Alliance of Lincoln County
(EDALC)* Kevin Greenwood

Special Districts Association of Oregon (SDAO)*
(\$4,000.00) Kevin Greenwood

Yaquina Bay Economic Foundation (YBEF)* (\$300.00)
Kevin Greenwood; Ken Brown

Yaquina Bay Ocean Observing Initiative (YBOOI)*
Kevin Greenwood

North America Ocean Observing (NANOOS)*
Kevin Greenwood

Coastal Marine Experiment Station (COMBS)*
Stewart Lamerdin

Pacific Coast Congress of Harbormasters and Port Managers (PCCHPM)+
Kevin Greenwood; Steve Larrabee; Rick Fuller

DAS OPS ORCPP – (\$500.00)
Rick Fuller, Steve Larrabee

Oregon Ethics Annual (\$619.30)

*paid/mandated membership
#must be elected commissioner
~community organization (no port vote or membership)

Fishermen Involved in Natural Energy for Lincoln County (FINE)~
Walter Chuck

Newport Chamber of Commerce (NCOOC)* (\$297)
Kevin Greenwood

Northwest National Marine Renewable Energy Center Advisory Committee (NNMREC)&
Walter Chuck

Department of Geology and Mineral Industries Marine Advisory Committee (DOGAMI)&
Walter Chuck

Oregon Department of Fish and Wildlife Sportfish Advisory Committee (ODFW)&
Walter Chuck

Ocean Policy Advisory Council (OPAC)&
Walter Chuck

Newport Urban Renewal (ad hoc)
Patricia Patrick-Joling; Ken Brown (alt)

Newport Airport Committee (ad hoc)
Ken Brown; Patricia Patrick-Joling (alt)

Newport Regional Airport Task Force (ad hoc)
Kevin Greenwood

Newport Airport Planning Subcommittee (ad hoc)
Kevin Greenwood

Newport Parks & Rec Committee~
Kevin Greenwood

Newport Bay Front Parking Dist. Committee*
Kevin Greenwood

Commercial Fishing Users Group Committee
Walter Chuck

International Terminal Liaisons (ad hoc)
Walter Chuck, Stewart Lamerdin

Human Resource Liaisons (ad hoc)
Walter Chuck, Steve Beck

+paid professional organization
&personal or non-port related board membership
*=Paid via SDAO membership

Serving the Maritime & Recreational Communities

Newport International Terminal (541) 265-9651

Newport Marina at South Beach (541) 867-3321



DIRECTOR OF FINANCE MONTHLY REPORT

DATE: 07/25/2017
PERIOD: June Board Meeting
TO: Port of Newport Commissioners
ISSUED BY: Stephen J. Larrabee

OVERVIEW

Financials:

June year to date financials are attached. For the fiscal year, we are up almost \$300,000 in net income in the General Fund and up \$31,000 in net income in the NOAA Fund.

Finance Operations:

The staff will be working on loading all the budget information for the next fiscal year and beginning to work on year end close out activities to start the preparation for the audit.

The Port plans on making the following changes to the rate schedule:

The Hydraulic Crane will have a one hour minimum charge instead of $\frac{3}{4}$ of an hour.

Swedes Dock charges will include a double transient rate along with Moorage.

RV Park:

The RV Park continues to generate a significant amount of positive net income. Revenues for the RV Park were \$844,000 for the year, up \$15,000 from the prior year. Landscaping improvements continue and the staff has received several positive comments from patrons of the Park.

June 2017 Occupancy Report

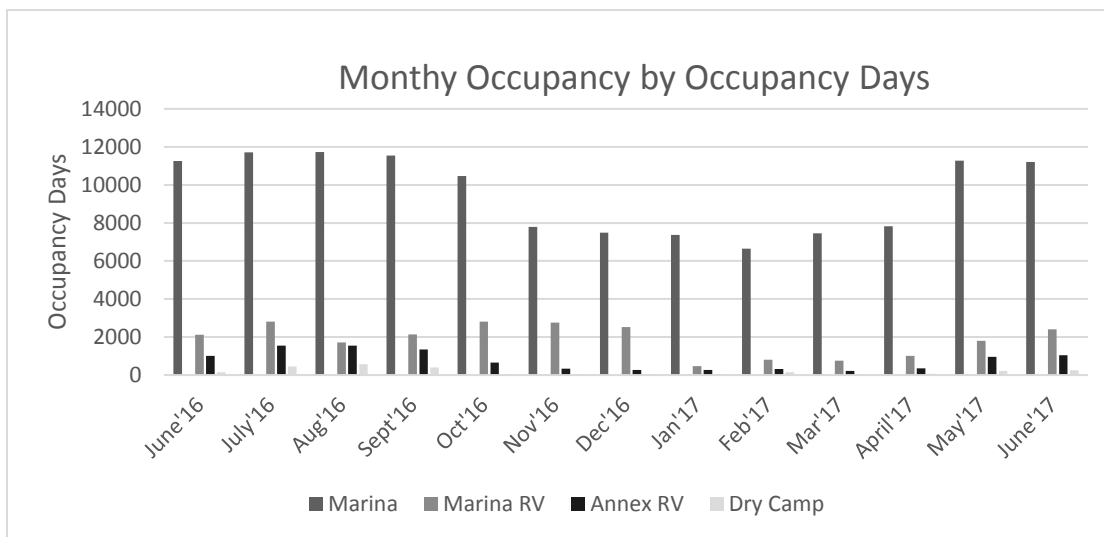
To: Port of Newport Board of Commissioners

From: Bill Hewitt, South Beach Marina and RV Parks

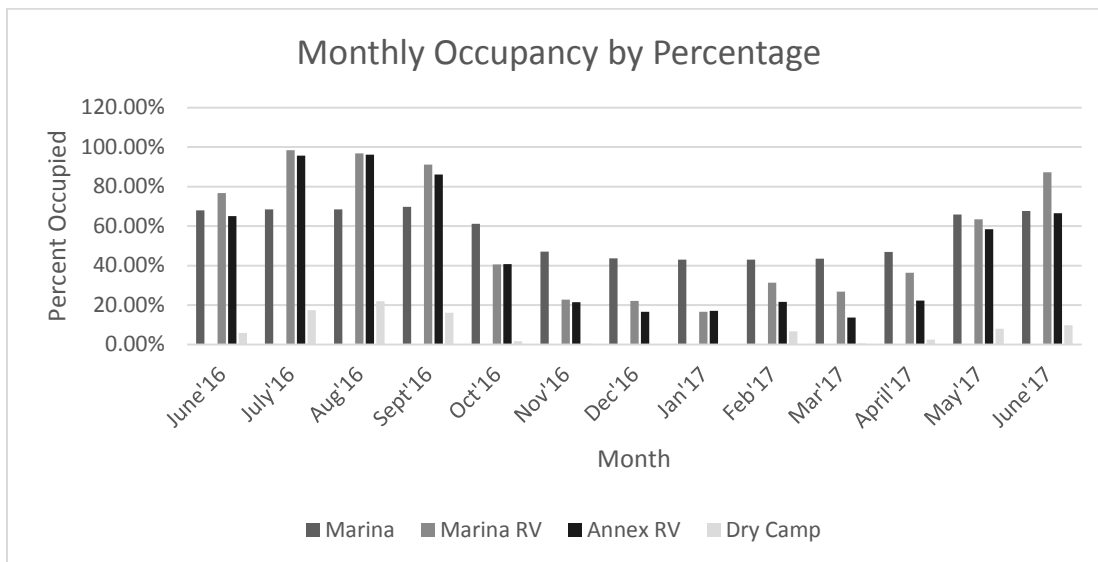
7/19/2017

The South Beach Marina numbers were slightly below last June's numbers, however the Marina's year to date numbers are ahead of last year. Practically all of the Marina's downwind slips have been rented for the year or the half year. June's recreational fishing was good but a rough ocean and bar kept customers away. The Marina RV Park, the Annex RV Park and dry camping all outpaced last year's June numbers. June's strong numbers have pushed the RV Park ahead of last year's year to date numbers in all categories. Fishing, a hot summer, Canadian wildfires and local construction have all contributed to an increase demand for RV reservations. Group bookings have also been strong and ahead of last year. Going forward the upcoming summer months are almost completely booked on weekends with a few scattered weekdays still available. The extra traffic will help our effort to boost our winter attendance as we continue to push our winter specials and coupons to our summer guests.

June'17	2016	2017	Change	YTD 2016	YTD 2017	Change
Marina	11265	11202	-0.52%	50617	51798	2.33%
MarinaRV	2120	2411	13.73%	7029	7266	3.37%
AnnexRV	1015	1037	2.17%	2970	3149	6.03%
Dry Camp	150	250	66.67%	645	703	8.99%



June'17	2016	2017	Change	YTD 2016	YTD 2017	Change
Marina	68.03%	67.64%	-0.39%	50.38%	51.84%	1.46%
Marina RV	76.81%	87.35%	10.54%	41.97%	43.63%	1.66%
Annex RV	65.06%	66.47%	1.41%	31.38%	33.45%	2.07%
Dry Camp	5.88%	9.80%	3.92%	4.20%	4.57%	0.37%



June 2017



DIRECTOR OF OPERATIONS/ INTERIM GENERAL MANAGER MONTHLY REPORT

DATE: 7/21/2017
PERIOD: June 2017 – July 2017
TO: Port of Newport Board of Commissioners
ISSUED BY: Aaron Bretz

OVERVIEW GENERAL MANAGER:

Scheduling has begun for the joint tour of city officials alongside port officials. A pole was circulated by Peggy Hawker to set the date, pending availability of the Port Commission. There might be some limited funding available that was left over from a viewing area at Port Dock 1 that was never completed. This funding might be able to be contributed to the Port Dock 5 pier access project.

Karen is developing a scope of work to apply for a marketing grant for the Port. This should be available for review in August, and we hope to be able to apply for the grant to secure marketing funding. This was to be in conjunction with the Strategic Business Plan review. The direction that the commission chooses to take strategically will color the content of any marketing campaign, so I recommend that the SBP be reviewed as soon as time is available on the agenda.

We plan not to restrict traffic over the eclipse, and to follow suit with the city by allowing PTO for administrative personnel if they choose. We will treat the event as an inclement weather day, and make provisions for a heavy-use weekend similar to our 4th of July posture.

NEXT MONTH CALENDAR/MEETINGS:

Disaster Response Exercise South Beach, 7/31
South Beach Staff Meeting, 8/02
NOAA Corps Celebration, 8/12
Oregon Boating Foundation Board Meeting, 8/14
Eclipse, 8/21

OVERVIEW DIROPS

Summary:

CFVUG had an informal discussion because there was no quorum. We discussed the establishment of official alternates in order to get the attendance that is necessary for the group to function. During the eclipse, we plan not to restrict access to the public in South Beach and in the Commercial Marina. We are not going to undertake extra effort to enforce any additional restrictions. This strategy is similar to the path chosen by the city. The pace of operations has increased for the summer in South Beach, and the commercial marina has been busy loading halibut, tuna, salmon, and slime eel across the dock.

Detail:

- **CFVUG Feedback:** The feedback this group provides is highly valued by the Port Management. From the informal discussion, we were able to garner several suggestions on how to best meet challenges such as: contacting Yaquina Boat about alterations to the hoist at NIT, contacting Rod Schiewe to get potential solutions to electrolysis problems in the marina, ideas for getting more years of use out of steel pilings.
- **Newport Fire Boat:** After having been approached by the Newport Fire Department, Port Staff is exploring potential locations to arrange for a secured mooring space for a fire boat. There are several government agencies in the area that have a need for a secured mooring for their vessels. We are studying the feasibility of a small area in the Port that could be set aside for law enforcement and emergency agencies to keep their vessels where they could be locked up.
- **Port Dock 5 Parking:** The Historical Society has booked Road and Driveway to repair the hillside at the Port Dock 5 parking lot on 28 August. We have notified users of the lot of the upcoming outage, which will last for 1-2 days, and we will use additional signage to let them know about the work when the date gets closer.
- **Port Dock 5 Pier Approach:** With the new fiscal year, we have re-engaged OBEC to work up the 30% engineering plans to replace the aging pilings beneath the pier (see executive summary).
- **Rogue:** A small sewer line has begun leaking beneath the Rogue Parking Lot. It has been determined that the Port is responsible for repairs; A contractor is enroute and details on cost will be forthcoming. Additionally, Rogue reported shifting in the asphalt on the north side of the new warehouse addition to the brewery. After investigating the issue, it appears the best course of action will be to add more asphalt (as recommended by Road & Driveway). Cost estimate will be forthcoming as well.

International Terminal – Pete Zerr, Superintendent

Billable services:

- Forklift - 16hrs
- 30 Ton Hydraulic crane – 21hrs
- Moorage – 108 days
- Dock Tie Up – 163hrs
- Labor – 34hrs

Other

- Completed Quarterly MTSA Drill
- Updated Facility Security Plan to include new contacts and new AFSO
- Attended NEBC Stormwater conference (needed to maintain 1200Z permit)
- Attended Northwest Marine Terminal Association meeting with GM
- Refurbishing flatbed trailer acquired from FWT for transporting fencing
- Integrating input from CFVUG into Terminal Operations Plan

N. Commercial docks – Kent Gibson, Harbor Master

Billable services: (estimated)

- Forklift – 105hrs
- Hoist crane – 16hrs
- Dock Tie Up – 237hrs

- Labor – 109hrs

Other

- Replaced wooden sliding door on shop with a metal sliding door.
- Replaced last 40' of wooden siding on the shop with metal siding.
- Assisted Port of Toledo Boatyard personnel in sandblasting/cleanup on MILDRED C
- Cut and removed piling that broke on Float 7B; repaired resultant damage to float dock

NOAA MOC-P – Jim Durkee, Facility Manager

- Completed annual eelgrass survey in the mitigation area with Pacific Habitat; thanks to Mark Harris in Accounting for helping with labor
- Setting up and performing annual inspections on the facility
- Replaced outside air damper motor in the office air handler
- Performed annual fire extinguisher inspections
- Distributed RFQ for the 2017 painting
- Completed annual backflow preventer inspection

Vessels Using the Facility Since My Last Report – NOAA vessel BELL M. SHIMADA, OSP GUARDIAN, Dredge YAQUINA, R/V ROGER REVELLE.

For 2017, 599 passengers have crossed the bar on vessels using the NOAA wharf.

Office Occupancy Admin Building – 63 Work Stations Total, 43 Occupied
Warehouse Bldg. – 23 Work Stations Total, 10 Occupied
Occupancy Rate – 64%

S. Beach Marina & RV – Chris Urbach, Harbor Master

Billable services:

- Launch tickets:
835 passes sold this period (100% increase from last month)

Other

- 4th of July was a success, RV Park was booked solid
- Placing signage informing users of disaster relief training 31 JUL; ramp to be closed 5 hours
- Very minor sewer leak in Rogue Parking Lot; determining responsibility for repair
- Eric and Jim continued with landscaping improvements
- Fishing has been good; tuna should be getting closer for more recreational users
- Rogue has a broken sewer line that is leaking into the parking lot; they have contacted a plumber to provide a diagnosis and estimate and the cost of the repair may fall upon Rogue

Volunteer Work Crews- The Mates

- Participated in the OSU Extension Office's Walk The Dock Weekend
- Working with the South Beach crew to make improvements to the central kiosk

Port Of Newport Public Safety Report

Month: June		Prepared By: Matt Frank		Report Date: July 18, 2017					
INCIDENT / CALL TYPE	NORTH			SOUTH			INTERNATIONAL		
	MONTH	YEAR	TOTAL	MONTH	YEAR	TOTAL	MONTH	YEAR	TOTAL
Patrol Check	168	954	<u>1122</u>	186	772	<u>958</u>	73	400	<u>473</u>
Unsecure Area		1	<u>1</u>			<u>0</u>			<u>0</u>
Open Door / Window			<u>0</u>			<u>0</u>		2	<u>2</u>
Boat Related	2	22	<u>24</u>		1	<u>1</u>		1	<u>1</u>
Suspicious Vehicle	3	20	<u>23</u>	8	23	<u>31</u>	2	8	<u>10</u>
Suspicious Circumstance		5	<u>5</u>		1	<u>1</u>		2	<u>2</u>
Welfare Check	1		<u>1</u>		1	<u>1</u>			<u>0</u>
Unwanted Subject	3		<u>3</u>		1	<u>1</u>			<u>0</u>
Ordinance Violation	2		<u>2</u>		2	<u>2</u>			<u>0</u>
Parking / Traffic Related			<u>0</u>			<u>0</u>		1	<u>1</u>
Trespassing	0		<u>0</u>		2	<u>2</u>			<u>0</u>
Noise Complaint			<u>0</u>		6	<u>6</u>			<u>0</u>
Disturbance/Domestic			<u>0</u>		1	<u>1</u>			<u>0</u>
Assault			<u>0</u>			<u>0</u>			<u>0</u>
Fire			<u>0</u>			<u>0</u>			<u>0</u>
Suspicious Person		3	<u>3</u>		2	<u>2</u>			<u>0</u>
Theft / Berg			<u>0</u>	1	0	<u>1</u>			<u>0</u>
Alarm			<u>0</u>	3	2	<u>5</u>			<u>0</u>
Agency Assist	1	8	<u>9</u>		1	<u>1</u>		1	<u>1</u>
Drug / Alcohol Related	1	0	<u>1</u>			<u>0</u>			<u>0</u>
Vandalism			<u>0</u>		1	<u>1</u>			<u>0</u>
Contact	4	23	<u>27</u>	12	61	<u>73</u>	3	11	<u>14</u>
Maintenance Related	1	3	<u>4</u>		1	<u>1</u>			<u>0</u>
Lost / Found Property			<u>0</u>			<u>0</u>			<u>0</u>
Animal Related		3	<u>3</u>		1	<u>1</u>			<u>0</u>
Hazard		2	<u>2</u>	1	1	<u>2</u>			<u>0</u>
Informational		2	<u>2</u>	5	0	<u>5</u>			<u>0</u>
Property Damage	1		<u>1</u>			<u>0</u>			<u>0</u>
Follow Up		1	<u>1</u>			<u>0</u>			<u>0</u>
Field Interview		1	<u>1</u>			<u>0</u>			<u>0</u>
OTHER DATA	MONTH	YEAR	TOTAL	CITATIONS	MONTHLY	YEAR	TOTAL		
Total Case Reports	2	21	<u>23</u>	<i>Cites Issued</i>	13	52	65		
Citations Issued	13	52	<u>65</u>	<i>Total Fines</i>	\$280	\$1,120	\$1,400		
Trespasser	0	1	<u>1</u>	<i>Fines Collected</i>	\$40	\$240	\$280		
Arrest	0	1	<u>1</u>	<i>Fines Still Due</i>	\$240	\$880	\$1,120		
Foot Patrols	10	57	<u>67</u>	MAN HOURS					
RV Inventories	60	173	<u>233</u>	Court Time	0	1	1		
Boat Inventories	30	151	<u>181</u>	Report Time	6.5	24.5	31		
Lock Ups	60	302	<u>362</u>	Meetings	1	5	6		

**PORT OF NEWPORT
Marketing Development**

1. SCOPE:

To create a Marketing Plan to guide the overall marketing strategy for the Port. To provide information to the local community and Port users about the Port of Newport, including projects, public records, policy and other documents, and general Port information. To provide Port staff with the tools to manage and further develop marketing as planned.

A. Marketing Plan:

Hire a consultant to meet with Port staff to identify goals and objectives and create a Marketing Plan for Commission approval and staff implementation.

50 hours at \$100 per hour \$5000

B. Website Development

Hire a Website Designer design a website that feels fresh and current, and that provides easy-to-assimilate information about Port of Newport; structure the navigation on the Port’s website to be intuitive and user friendly; make it easy for Port staff to manage all website page content, including adding, editing and deleting pages, and moving them around in the navigation; design a site that looks great and works perfectly on both regular computers and mobile devices.

65 hours at \$100 per hour \$6500

C. Social Media Development

Review the Port’s social media approach specifically the Port’s Facebook page, and provide training for the development of how to imbed sub-pages in the parent page. Provide strategies for maximizing the Port’s presence that results in more traffic to South Beach and greater awareness of the Port’s projects and goals.

60 hours at \$50 per hour \$3000

D. Trade Show Presentation

Purchase a portable trade show display set customized to showcase the Port’s recreational facilities to fishermen and RVers.

Trade Show Presentation Kit \$1500

E. Promotional Items

Purchase promotional items to be given away at trade shows and in gift baskets that increase awareness of the Port and draw people to a trade show presentation.

Floating Key Chains (1000)	\$1200
Travel Mugs (1000).....	\$3000
Pens (2000).....	\$550
Bumper Stickers (1000).....	\$3000
Tee Shirts (200).....	\$3000

Promotional Items \$10,750

F. Brochures

Create and Purchase two brochures, one which is directed toward the local community that promotes the value of the Port in general, and one which is directed toward recreational fishermen and RVers that promotes the Port of Newport Recreational Marina and RV Park.

Brochures (5000 each)..... \$3000

G. Promotional Video

Create a 2-5 minutes promotional video to be used at conferences, trade shows, and on the website. The professional video would highlight the unique value of Newport and showcase the jobs and businesses (including fishing vessels) located at the Port of Newport.

Promotional Video..... \$4000

H. Total Marketing Development Costs Estimate \$33,750



Defense Support of Civil Authority Coordination Demonstration



VIP Reception

Monday, July 31, 2017, 07:00 – 10:30am
Newport, Oregon

You and your agency representative are cordially invited to the VIP reception to be held just prior to the Defense Support of Civil Authority Coordination Demonstration at the Port of Newport, Southbeach Marina. The Department of the Navy, Pacific Third Fleet, will embark on the marina with an amphibian vessel simulating the delivery of requested engineering equipment for road clearing; engineering equipment will be off loaded and exchanged for City of Newport and Oregon Military Department resource apparatus onto the vessel.

The VIP reception will provide a briefing of the planned Naval demonstration, strengthening of Cascadia response capabilities and life span of a resource request during catastrophic events utilizing amateur radio for primary communications.

VIP Reception Agenda

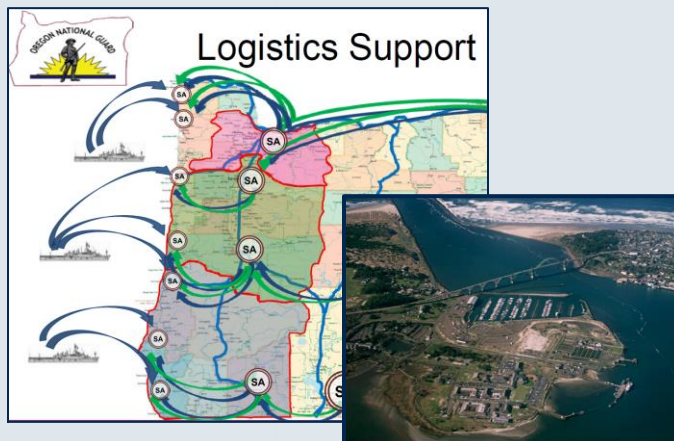
07:00 – 07:30am: Check-in and Refreshments (continental breakfast)

07:30 – 0845am: Briefings and Presentations

- *Demonstration Overview – Cascadia Rising Capability Strengthening*
Department of the Navy and Oregon Military Department
- *Lifespan of a Resource Request and Amateur Radio Demonstration*
Lincoln County Sheriff’s Office and Auxiliary Communications Service Volunteers

08:45 – 09:00am: Depart for Naval/OMD Demonstration at Port of Newport

09:00 – 10:30am: Naval/OMD Demonstration



RSVP Required

Registration Link

<https://vipnavaldemo.eventbrite.com>

Oregon State University
Hatfield Marine Science Center

Visitor Center - Auditorium

2030 SE Marine Science Drive
Newport, Oregon 97365

Contact/Information:

Virginia “Jenny” Demaris
Lincoln County Sheriff’s Office
Emergency Management
vdemaris@co.lincoln.or.us
(541) 265-4199

Additional Coordinating Partners:

United States Coast Guard - Station Yaquina Bay
Port of Newport
City of Newport

