

**PORT OF GOLD BEACH
MINUTES
Special Session
7:00 p.m.
April 9, 2008**

Present:

Absent:

**Lawrence Johnson, President
Milt Walker, Vice-President
Clay Dalrymple, Commissioner
Charles Riddle, Secretary,
Bill McNair, Commissioner
Errol Roberts, Manager**

President Moe Johnson called the meeting to order, the roll was called and Bill McNair led the Pledge of Allegiance.

The first order of business was to discuss the responses to the RFPS notice for legal services. Three attorneys responded. The board members discussed the fact that they would give some preference to the nearest one to cut down on travel time expenses. After some discussion, it was decided that Manager Errol Roberts will call James Coffey of North Bend and negotiate his fee schedule, his minimum charge for a service and if he would be willing to give a quick answer by e-mail.

It was motioned by Milt Walker that the manager would talk to that attorney about his rates and see what he could work out. Seconded by Charles Riddle, passed by consensus.

President Moe Johnson introduced the guests from OECDD, Becky Bryant, Dave Harlan and Gary Whitney, who gave a presentation regarding recent grant awards and general information.

Mr. Whitney has worked as managers of ports in Hood River and Astoria, Oregon, and now works for OECDD, mostly with ports. He said changes by the legislature are in store for OECDD, but at this point, they do not know what the changes might be. He explained what the port would have to do in order to

qualify for their grants. He said the state feels that “short-sea shipping” will have a resurgence of shipping by water, as it is more economical.

He discussed the need for the port to prepare a strategic plan in order to qualify for funds. There was a lot of discussion regarding whether or not the port could prepare the plan themselves, or if it is required that a consultant do it for them. Ms. Bryant said the state has a template and she will send it down immediately so they can take a look at it and see what information is necessary, and that there is no reason they cannot prepare it themselves.

Mr. Harlan and Ms. Bryant both said they were very encouraged to see that the port is moving forward since their time of management and staff instabilities, that the port’s financial picture is looking good and they see good improvement in management of the port in general. Ms. Bryant said she will be working very closely with the commissioners and manager and will be helping them in every way she can.

Milt Walker said he has been on the port commission for 9 years and this is the best situation he has ever seen the port in with the board of commissioners and the state on the same page.

Bill McNair talked about the need for the port to be able to use OECD grants to work on the infrastructure of the port and explained they had three big projects, the main one being the high dock repair.

Charles Riddle said that after going through management instability, the port decided to outsource to David Cheremy to look for major money and work on the strategic plan. Ms. Bryant said she feels it would be a conflict of interest for a consultant to procure the funds to do a job then for him to pay himself out of those funds.

Gary Whitney said that they couldn't grant any money to anyone unless it is to be used for something that is legal. They have to have a letter from the port attorney saying the port followed the legal process and the project can be funded. If the attorney says “No”, then there will be no money from them.

Ms. Bryant explained that there has to be a “certifying person” for projects and at this time, that person is the governor, although they are asking him to give their leader, Bob Repine that authority.

Mike Hagan, the engineer from Norwest Engineering (he has been working on criteria for doing the high-dock repairs for the port) was at the meeting and he

spoke to the importance of getting it fixed soon. He said they could do a “short-term” fix for about \$200,000 or more, or a “long-term” fix for about two million.

Ms. Bryant discussed the rumors that have been going around about the Port’s insurance being cancelled, etc. Bill McNair gave her an update on the port’s insurance and the status of the Nielson case. He explained that all the federal charges were dismissed and the issue of Breach of Contract is the only one that could end up costing the port money, that any other current charges are covered fully by the port’s insurance. The status now is that the court is considering whether or not to dismiss the other charges and if they do not, the trial will be held on July 7, 2008.

The HUD grant of \$450,000 was discussed. It was granted for use of repair for the high dock and Manager Roberts asked Ms. Bryant if the remainder could be used on the jetty repair, which is also something of an emergency. She said she did not know, but she will contact Ray in Washington, D.C. and give Errol the answer.

When asked how long it would be before the port could start on the high dock repair, Ms. Bryant said if all goes well, it will be about 4 months at best, then another month for the bidding process.

Mr. Whitney announced that the OPPA quarterly meeting will be on July 15, 2008, in Salem, and encouraged the board’s attendance.

In answer to Errol’s question regarding rumors about consolidating some small ports, Mr. Whitney said there has been some chatter about that. He said that the pros and cons of the plan would need to be looked at and he felt there was some of each to consider.

A short recess was held from 9:20 to 9:30 and the guests from OECDD left.

Next were Manager’s comments and Errol explained that he has the lease for Fishermen’s Direct office and storage area ready to sign. The lease rates match the terms on the other leases according to the current 2nd floor lease policy.

The modification of the addendum to the Mike Neil lease was discussed and Errol explained the differences were in Paragraph 5, allowing them to sublet, and Paragraph 6, with regard to keeping the premises clean and there was some comment that it was too messy there with old cars and trucks parked all over and litter around the building. The board directed Errol to write a letter to Mike Neil advising him his tenants were going to have to clean up and keep it looking better around the building.

Errol will be meeting with Tony Antunes this week to negotiate the upstairs lease. He has Mark Lottis' lease ready to negotiate and the Burchett Agreement is in their hands. They have an April 15, start date, but that may change. Craig Nelson's lease is all in order and he will be in next week with a check. The Cone Amor' lease is in draft stage.

Errol said he has had three people within the past two weeks inquiring about hangar space. He discussed the prices he had been given from different steel supply companies. Mr. McNair said he would call B.J.'s and see what a wood building would cost as opposed to a metal building.

The ethanol situation was mentioned and Bill gave a short report on Senate Bill 1079. He said that watercraft was exempt from the requirement to use ethanol, but because of the gas supply here, he has no choice but to use it in his boats. The injection will take place before the gas reaches Eugene and that is where the gas is transported. To transport it from Portland before it was injected would be cost prohibitive, so he has no choice but to use the ethanol.

The meeting was adjourned at 10:00 p.m.

ATTEST:

_____ **DATED** _____
Lawrence Johnson, Board President

_____ **DATED** _____
Charles Riddle, Board Secretary