



**PORT
BROOKINGS
HARBOR**

Port of Brookings Harbor / Special Meeting
July 25, 2011

**America's
Wild Rivers
Coast**
101 MILES OF NATURE'S BEST

July 25, 2011

Board of Commissioners:

Chairman

Roy Davis

Vice Chairman

Ted Freeman

Secretary/Treasurer

Jim Relaford

Board Members

Kathy Lindley Hall

Sue Gold

1. CALL TO ORDER AND INTRODUCTIONS

The Special Meeting of the Port of Brookings Harbor Board of Commissioners was held July 25, 2011 in the Harbor Sanitary District meeting room, Harbor, Oregon. Chairman Roy Davis called the meeting to order at 5:00 p.m. Other Commissioners present were: Jim Relaford, Kathy Lindley Hall, and Ted Freeman. Absent: Sue Gold. Also present were: Director Ted Fitzgerald and Office Manager Judy Mellus.

2. ACTION ITEMS

A. Approve Resolution No. 425: Ratify and Execute Contract with IFA

Ted said that we just got the contract on Friday and it's basically the same contract that we've already seen. He and Jon Barton have both gone through it. The terms of the bridge loan are 18 months at 0% interest. There are some other terms that are a little weird; one of the requirements is that we apply for a grant for the Connect Oregon IV funds, which we're going to do; they're actually doing it for us. There are terms in case everything goes south; the only way it could go south is if the government shuts down, in which case there's nothing we can do, but basically it's the exact same contract and it will give us the money for the remainder of the projects. Comm. Freeman asked if 18 months is long enough and Ted answered yes, it's just the window between getting the money from Connect Oregon IV allocated and distributed to us, and it allows plenty of time for that. Comm. Relaford said he's assuming somewhere there's some caviat in there to address the possibility that the funds won't be available. Ted said if the funds aren't available, we don't get them. Comm. Relaford asked, if we already have the loan and the funds don't become available, what happens. Ted said there is a caviat in there for that; if they give us the money for the bridge loan, they give us some options, one of which is to enter into alternative financing. Comm. Relaford asked if there's a definition of what that means and if there's collateralization, and Ted answered that there is nothing in there about collateralization. If something happens and the State of Oregon goes belly up between now and then and they come in and try to lock us down, there's a long trip between telling us to come up with new

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financing and actually coming up with new financing. We're dialed down to where everything is happening in a timely fashion. The other thing that was hanging us up is the steel wall project, which is the first actual project that needs to be funded. We need to do a Notice to Proceed tonight. When we do that, the steel wall project is still in the pipeline, in what's called the million dollar cue, and apparently its going to come out of there tomorrow, so it's interesting that this all just came within a 4-day window. So we're ready to go, we found the steel and are ready to proceed. We still don't have the money, but we're right on the edge. We need to have this thing ratified at the same time that it comes out of the million dollar cue because then they order the money from FEMA and it gets delivered to OEM. Comm. Relaford asked if Ted has read the entire contract and if he sees any red flags. Ted said he and Jon Barton have both read the entire contract and it looks good and he doesn't see any choice in the matter. Comm. Relaford moved to approve the resolution, seconded by Comm. Gold. Voting yes: unanimous.

B. Approve Resolution No. 426: Ratify and Execute West Coast Contractors Contract

Ted said the contract was prepared by our engineers and is a boiler plate contract, which incorporates the specifications and plans that were developed by our contractors that were part of the bid package. We're still working through a few of the issues in it but it does not bar approval of the contractor. We have been notified by a steel supplier that they are lodging a protest for the type of sheet steel that West Coast Contractors is choosing to use, which is based on our design, because they say that there is a "buy American" act that requires we buy American. We have already gone through this issue prior to this. Two months ago, we talked it through with FEMA and OEM and they said it didn't apply, so he was surprised to get this. Then he got to looking at the protest and the federal regulations that they are citing actually references federal highways administration, not FEMA, and all of our engineers have all noticed that separately. This issue will be straightened out before the contract is sent back to the contractor. We still want to go forward with ratifying it because of the time frame we're on regarding materials. Comm. Gold asked where the materials are, and Ted answered that they're in Virginia and they came from Luxembourg. The steel is cheaper and better, and they got it here cheaper than U.S. steel. Comm. Freeman asked that when signed, each page of the contract be initialed and dated. Comm. Lindley Hall made a motion to approve Resolution 426, seconded by Comm. Gold. Voting yes: Comm. Gold, Comm. Lindley Hall, Comm. Relaford, Comm. Davis. Abstain: Comm. Freeman due to his contact with West Coast Contractors.

Discussion regarding the Notice to Proceed concluded that it is part of Resolution 426, and thus, ratified and executed as part of the resolution approval.

There was additional discussion regarding Dick and Caseys and the progress made regarding upgrading the building and making it usable and creating a viable business.

3. ADJOURNMENT

The meeting was unanimously adjourned at 5:28 p.m.



Jim Relaford Secretary/Treasurer