

MINUTES
PORT OF ASTORIA
WORKSHOP SESSION
JANUARY 15, 2008
PORT COMMISSION CHAMBERS

Chairman Dan Hess called the Workshop Session to order and took roll call.

Commissioners present: Dan Hess, Larry Pfund, Bernie Bjork, Kathy Sanders and Bill Hunsinger.

Staff present: Ron Larsen, Colleen Browne, John Hord, Harold Culver, Lora Eddy, Esther Jones, and Ken Smith.

Others present: See attendance sheet.

STAFF REPORTS:

Colleen Browne, finance manager reported: looking at the weekly management report with individual cash balances,

- Reserved two months worth of OECD loan payments in advance before being due (months of December and January).
- Audit underway
- Accounts payable only half of accounts receivable, good debt ratio.
- Has paid over \$20,000 to Oregon Economic & Community Development Department (OECD) loans.
- The Bornsteins funds are in an escrow type account.
- BIR funds; Special Revenue is timber revenue; capital outlay fund is self-restricting.
- Another share of tax revenues are available for operations .

More discussion to explain legal expenses; also passed out, a quick analysis of items with daily total of four categories on the dredge: repairs and maintenance, personnel, insurance, and fuel. First time for the breakdown of personnel expenses for dredge operations at \$3,051 without repairs and maintenance. Personnel expenses for one day, double shift (wages, medical, PERS, FICA, and Medicare: \$1,547 a day. Insurance, prorated for one day: \$208 a day. Fuel, averaging at 450 gallons a day. Wage differences between dredge positions and regular maintenance workers make the wages cost more for positions on the dredge.

Hunsinger explained how he had reviewed dredge expenses from October 2007 to November 2007. Although it took a lot of time to do the reviewing, everyone agreed that dredge operations are an expensive project for the port. The port has to find a solution and decide how to reduce the need for dredging. Alternative approaches to the dredging issue would need to be addressed before meeting with officials that have offered to help the port. Lora Eddy, the port's environmental compliance manager agreed with commissioner Hunsinger about what direction the port needs to explore.

Dock work is also a needed at the Port of Astoria. It all takes money. Interim Director Ron Larsen explained the port's dredge income to the group over the years. Since the dredge

underwent major maintenance work recently, it certainly will not need the same for another five years, though, it is agreed it needs to be maintained regularly. Permits are a big part of dredging roadblocks. Time limits associated with permitting agencies are quickly going by.

Dredging in the marina slips is also a major area in the outlook. Eddy explained to everyone how specifics pertaining to permits allows only certain techniques of dredging. For now, we play the waiting game with permits and have only until the end of the month before in-water work windows close. We are not applying for an extension right now. Once we receive the permit, we will write thank you letters letting them know what a great job they had done, followed by the extension request.

Discussion followed on the depth of water hake boats need at one of the fish processing facilities.

Chairman Hess suggested continuing with the rest of staff reports.

Ken Smith harbormaster reported:

- 20 pilings needed to pull in the east basin; waiting for insurance to reply.
- Working on insurance paperwork in draft form to cover customers (\$300,000 liability) that includes oil spill response; a common practice at other ports.
- The stand the port will take with Canadian Fishery Treaty for the tuna fishery. Canadian boats fishing in our area economically good. Dollars spent in port a considerable amount. Commissioner Bjork added information and agreed to work with Smith on the issue.

John Hord, chief of security reported:

- Attended a meeting with the U.S. Coast Guard and the Workers' Transportation Identification Card (WTIC) who under Homeland Security will begin enforcement soon. It requires port workers, security, and longshoremen need to comply. At the cost of \$132 the card will be good for five years. It's good from one port to another. If you do not have the card, you will be required to be escorted. Some restrictions will apply. It will have to be implemented into the port's security plan.
- March 31st nearing, which is the start of the Port of Astoria's 2008 cruise ship season. Nineteen ships are scheduled to visit Astoria.
- A fine could be forced on vessels unauthorized to dock at the piers without prior arrangements. There is already a policy in place stating no vessels or barges allowed in slips 1 & 2 without prior arrangements. Ron Larsen added some suggestions on the topic. Additional discussion followed on charges the port uses when renting a place for large trucks to park.

Chairman Hess asked the board and staff to arrange for a continental breakfast for the Western Fishboat Association's annual meeting in March. Everyone in the room agreed. It's the fourth year in a row it is held in Astoria.

Lora Eddy, permit compliance officer reported on dredging:

- Spoke to Corps of Engineers on timeframes of permits. Agencies to begin coordination of efforts next month.
- Working on ODOT trail grant; contracting efforts beginning with engineering firms for statements of qualifications, as a mini RFP. She explained information on purchase

application under a certain section of the grant for easements. Current understanding the money and grant could be used for purchasing the land or the easements. Reimbursement can only be for trail and possibly parking. Cannot apply funds to purchase the land and turn it into the boatyard. Funds are strictly intended for pedestrian access enhancement. Currently there are two leases with Department of State Lands on the west side of Pier 3. A portion leased for the boatyard. The actual acres of DSL land (asphalt, not dirt) is 10.43 acres; purchase only 7.5 in the grant, excluding area of boatyard, never included in part of the plan. Application in to DSL.

Larsen added the port would be asking the board to think about who will be selected for the committee in the future. Bret Estes working on the grant from the city offices. At some point we will want to buy all the land involved, included in the two leases. Awaiting appraised value from appraiser.

Commissioner Bill Hunsinger had questions on dredging and expenses. At Ron Wyden's town hall meeting in Seaside recently, the problems with permitting process was discussed. Directions the port wants to go towards need to be addressed before meeting with officials. Lora Eddy added solutions to the long-time problems with dredging and diversions of spoils require a "multifaceted" approach. Long term planning and problems with the failing breakwater and eroding piers contributes to sediment settling. Techniques such as a breakwater reducing sedimentation should be looked into. More discussion followed on the direction the port could possibly take in finding that solution.

Ron Larsen reported:

- The vessel Betsy Ross due to leave the docks soon.
- The vessel Woodbine still here; the vessel to do the towing experienced problems on their trip from Anacortes. Both vessels are scheduled to go to Mexico to be scrapped.
- Registered with FEMA and their representative for storm cleanup and repairs.
- The Port has put in and received intake from Oregon Economic & Development Department (OECD) for strategic plan. Asked for maximum amount: \$50,000. The match of a \$12,500 match by the port.
- Rita Fahrney at home from the hospital now and recuperating with family help. No news on when she could return to work.
- Received check for \$4,258.66 from Transit Casualty Company who is insurance company that went bankrupt on pier 2 west fire many years ago. One of last payments. One reason why pier was never replaced.
- Oregon Transportation Commission representative here February 1st.
- Governor's representative here tomorrow to talk about Marine Reserves to talk to fishermen. After the meeting here, group will continue meeting at Englund Marine.
- February 29th, Seaside Chamber of Commerce, will have a chamber breakfast at McKeons restaurant. All commissioners need to attend. They are the specially invited guests. Chairman Hess will be out of town.
- Red Lion looking at options to increase the lease to 2018. Istar working in conjunction with the hotel and the Port. Awaiting response from principals.
- Final repairs on roof at port office here continuing (inside work) from storm damage.
- Important to have work going on pier two due to processors will be starting soon.
- T-hangar work nearing completion at the airport.

- One executive session next week regarding real estate (lands on east bank of Skipanon), and supplemental environmental project.

Last, Ron Larsen discussed issues with Bornsteins' expansion issues, and is setting up a meeting with himself and two board members in a smaller group and is suggested to be handled this way according to the port's attorney. More discussion on conflicts of interests between a member of the board and the processor followed.

Commissioner Sanders opened for discussion the Master Plan, page 5, entitled "Port of Astoria Strategic Plan." Also brought up was a two-page document from 2002 referred to as a strategic plan. Concerning page 5, it appeared only one of the three projects was ever completed. More discussion followed on all the goals listed and the status of each one. As time was running short it was decided to continue the discussion at the next meeting.

With no further business to discuss, the workshop session was adjourned.