

MINUTES
PORT OF ASTORIA
REGULAR COMMISSION MEETING
JANUARY 20, 2004
PORT COMMISSION CHAMBERS

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

Commissioners present: Don McDaniel, Dan Hess and Jim Bergeron. Glenn Taggart and Larry Pfund are excused.

Staff present: Peter Gearin, Ron Larsen, Rita Fahrney, Port Attorney, Heather Reynolds.

Others present: Port Auditor, Ed Luoma. David Dickson, Bill Harris, W. Ballard, Joe Roshar, Carl Peterson, Susan Trabucco.

CHANGES TO AGENDA. Chairman Hess called for changes to the agenda. None were received.

CONSIDER MINUTES OF WORKSHOP SESSION DECEMBER 9, 2003; SPECIAL MEETING, DECEMBER 9, 2003 AND REGULAR MEETING DECEMBER 16, 2003. Heather Reynolds requested clarification of Special Meeting Minutes regarding Fremont Seafood to state that a Forcible entry and detainer complaint will be served against Fremont Seafood "if Fremont Seafood does not comply with its agreement with the Port". Commissioner McDaniel advised he will abstain from vote on the Workshop and Special meeting minutes as he was not present. Chairman Hess announced the Workshop and Special Meeting minutes will be held for approval at the next regular meeting due to lack of quorum. Commissioner McDaniel moved to approve the minutes of the Regular Meeting. Commissioner Bergeron seconded the motion. The motion carried unanimously.

CONSIDER GENERAL AND REVENUE FUND VOUCHERS FOR THE MONTH OF DECEMBER 2003. Commissioner McDaniel reported he has reviewed the vouchers for the month and moved for their approval. Commissioner Bergeron seconded the motion. The motion carried unanimously.

PUBLIC COMMENT. Chairman Hess called for public comment. David Dickson stated the crabbing was fair during the period the Port opened the pier to the public. While the users appreciated having access, the period for crabbing did not coincide with the period the dock was opened. He further stated he walked the dock and found it clean with the exception of bird messes and because the access to the dock was blocked to automobiles the users had to walk and it was inconvenient for hauling the pots, bait, chairs, etc. needed to crab. He requested the Port consider expanding the period for opening the pier for public use, commenting further that there were a lot of real unhappy residents when they found the limited opening of the pier was not what they anticipated or thought would be allowed. Peter Gearin noted the barricades are

positioned to let pedestrians in only and the expense to rearrange them each time would be high.

PRESENTATION OF PORT OF ASTORIA AUDIT FOR FISCAL YEAR 2002/03.

Peter Gearin presented the annual report of the audit. The audit covers three topics: (1) Operation results; (2) budget compliance; and (3) financial condition of the port. He explained the accounting differences between presenting an audit and a budget. The Port's audit for year ending 2002 showed a \$1,064,806 profit. For audit year ending 2003 there is \$180,660 loss. The decrease is partly due to property tax assessments being lowered, a reduction in grant funds and incurring more debt this year (for the West Basin Breakwater renovation). Non-operating activity resulted in the loss. Auditor, Ed Luoma, confirmed property tax reductions and grant reductions accounted for the majority of the swing.

Gearin reported operating revenues are up due to cruise business and rentals. Expenses increased with higher labor costs due to demolition and clean-up, longshore wages, legal fees and medical expense increases. Current ratio of assets to pay current liabilities is stable within recent years at 1.5-2.0. A typical company would have a 1 to 1 ratio. The Port of Astoria has significantly more assets to pay liabilities. The Port also decided to spend some savings this year, bringing the ratio down. Ed Luoma confirmed a 1 ½ to 1 ratio is favorable to a company income stream. 2 to 1 is even better.

The debt to equity ratio was reviewed. Ed Luoma summarized the Port of Astoria is financially healthy with assets of \$40 million and equity of \$6 million. He reported the audit gives the Port a clean opinion. The Port complied with standards and compliance issues for debt and state regulations. Chairman Hess asked for clarification of the over-expenditure of funds. Luoma responded the over-expenditures were minor and listed on page 30 of the audit report. There was more revenue than anticipated. Other items were very minor. Mr. Luoma concluded if there are other questions regarding the audit, to contact him.

CALENDAR SCHEDULE.

- Peter Gearin suggested a budget meeting be set to review the finances through the end of December. It was agreed to tentatively plan a Budget Committee meeting for February 3, 2004.
- The Port of Portland has invited the Port of Astoria to a Governor Natural Resource Office meeting on channel deepening and Washington D.C. events. Peter Gearin and Matt Van Ess from CREST will attend.
- Port of Ilwaco and Port of Astoria are co-sponsoring a "State of the Fisheries" conference. A pre-conference meeting will be held Thursday. Commissioner Bergeron and Commissioner McDaniel will plan to attend.
- Representative David Wu will have a representative from his office at the Port of Astoria Friday from 2:15 – 3:15 p.m. to discuss channel deepening with local citizens.
- Monday, January 26th Columbia River Solutions is meeting in Portland. Commissioner Bergeron, Peter Gearin and Matt Van Ess will attend.

- Tuesday, January 27th is a meeting in Portland with Pacific Power regarding the cold storage project. Chairman Hess will try to attend. Commissioner Bergeron and Peter Gearin will attend.

REPORTS.

Finance.

Peter Gearin will defer report of finances to the Budget Committee meeting. He reported on plans by Astoria Pacific Seafood to expand and their need to move rapidly to relocate utilities and secure funding for expansion. Grant funds from Oregon Economic Department and N.W. Economic Alliance are being sought.

Commission.

- Commissioner Bergeron reported he discussed the South Jetty problems at the Columbia River Solutions meeting and the ramifications of dumping dredge spoils in certain areas. He has also been selected, although not yet confirmed, to serve on the Oregon Ocean Advisory Committee.
- Commissioner McDaniel provided an update on the NOEA/CoIPac industrial lands program and web site concept and that the State of Oregon is also producing a web site that will promote industrial lands in the State. Due to the state site, CoIPac's emphasis will be to provide more detailed information than on the State web site and to make it easier to search for specific site data. Commissioner McDaniel also reported he is a volunteer on the C.E.D.C. Executive Board for securing a new Community Development Director.
- Chairman Hess attended the Portland Boat Show for a five-day period. Attendance was good the first day. On Monday it was fair. Tuesday and Wednesday it closed due to the inclement weather.

OTHER BUSINESS. Chairman Hess asked for an update on the Breakwater restoration. Peter Gearin replied all the pilings are driven except the dolphin. Dredging is just being completed. We are now doing two shifts dredging each day.

Ron Larsen briefly reported on the F.A.A. rules on grants changing their program. They will now finance 95% of the projects with matches of 5%. He also reported the land appraisal is almost completed on land Lektro is interested in for building. The results of the appraisal will determine negotiations with Lektro regarding the cost for utility relocates,

Commissioner Bergeron commented on a morning radio talk show indicating the cost of the marine travel lift was higher than anticipated. Discussion followed on the cost to complete the facility including the travel lift, engineering, construction of the ways, and wash-down facility. There will need to be reasonable assurance that the project can be completed within budget, which may mean holding off on the wash-down capability until the surplus crane is sold.

There being no further business, the Regular Meeting was adjourned.