

**PORT OF ASTORIA
REGULAR COMMISSION MEETING MINUTES
DECEMBER 15, 2009**

I. CALL TO ORDER/ROLL CALL

Vice-President Floyd Holcom called the Regular Meeting to order at 6:00 pm and asked Jack Crider to take roll call.

Persons present were:

Commissioners: Floyd Holcom, Vice-President; Dan Hess, Secretary; Jack Bland, Treasurer; and Larry Pfund, Alt. Secretary/Treasure. President Bill Hunsinger attended via telephone conference.

Staff: Jack Crider, Executive Director; Colleen Browne, Financial Manager; and John Overholser, Airport Manager

Staff Support: Janet Farstad, and Lesle Palmeri

News Media: Cassandra Profita, The Daily Astorian and Jeff Nelson, KAST Radio

Guests: Lori Durham, Pam Hunsinger, Rachel Jensen, John Lansing, Ted Thompson; Kathy Sanders, and Red Lion General Manager Tia Degerstedt and Patricia Stryker.

II. CHANGES TO AGENDA

ADD: VII.E. Tongue Point Update

DELETE: XI Executive Session ORS 192.660(2)(h)

III. MINUTES

➤ Regular meeting of November 17, 2009

➤ Special Meeting of December 8, 2009

Commissioner Bland moved to approve the minutes as written, seconded by Commissioner Hess and unanimously approved.

IV. FINANCIALS – MONTH OF NOVEMBER 2009

➤ Vouchers

A/P current due \$190,818; total due \$466,574.

Bergerson \$185,517 was paid from Connect II funds Dec. 9.

US Bank loan payment of \$55,497 due Dec. 12.

Hudson International as a new vendor was questioned, Colleen Browne said it was for dredge supplies.

A/R current due \$150,626; total \$180,105.

All but three tenants were making their lease payments, Jack Crider is working with them to resolve the delinquency.

Commissioner Bland moved to approve the vouchers, seconded by Commissioner Hess and unanimously approved.

➤ Financials

Profit & Loss:

Jack Crider reported operating revenues at \$342,255, expenses at \$278,985, leaving net income from operations \$63,270.

Colleen Browne commented on several accounts:

#6151 DSL land rent includes \$38,000 to LNG

#5001 Property Tax annual receipt of \$488,761 in General Fund and \$361,607 Restricted

#7001 - #7500 Expenses were high due to annual debt payments of \$640,337 interest and \$346,700 principal due Dec. 1.

Commissioner Holcom anticipated future breakdowns of Tongue Point per the Budget Committee recommendations.

Commissioner Hess moved to approve the financials, seconded by Commissioner Bland and unanimously approved.

V. PUBLIC COMMENT

Commissioner Holcom read the new Public Comment Form.

Lori Durham:

1. Red Lion editorial about tearing it down was questioned. Informed that topic was later on agenda for discussion.
2. DSL property at Tongue Point
Jack Crider responded that both prospects (Warrenton Fiber and Dean Larson) are looking at Tongue Point.
3. Resolution regarding DSL Admin. Rule Changes. Lori agrees with the Port and regards DSL as a bully dictatorship.
4. Seaport – surprised that Kent got the boot and questioned rider ship. Jack Crider responded that rider ship is good and topic was later on the agenda for discussion.

VI. RESOLUTION 2009-34 DSL ADMIN. RULE CHANGES

Commissioner Holcom read the resolution that strongly recommended delaying the Administrative Rule Changes until an Oregon Legislative review is conducted and the public affected by the changes have had ample time to review and comment on the proposed DSL revisions. After reading the resolution, Commissioner Holcom said the primary goal is to get the attention of Legislature until the Land Board meets in February.

Commissioner Bland moved to approve Resolution 2009-34 DSL Administrative Rule Changes, seconded by Commissioner Pfund and unanimously approved.

VII. DISCUSSION ITEMS

A. Red Lion Restaurant Inspection/Repairs

Peterson Structural Engineers Inc. provided findings of the restaurant building structural inspection as well as the Structural Observation Report issued by Oregon Engineers Limited, dated 11/18/2009, for the adjacent Red Lion Inn structure immediately adjacent to it. PSE concluded that the condition of the structural system is deficient, is not safe for occupancy, and should not be occupied until repairs are made as outlined within the Order by the City. The findings were submitted to the City of Astoria who agreed with

the findings and solutions needed to prevent the Restaurant building from structurally impacting the adjacent Red Lion building.

The proposed repairs include:

1. Nine sets of post beams installed;
2. Shed removed
3. Two bad pilings need new mud seals and portions replace.

Discussion included:

- Permit is forthcoming.
- Restaurant was originally in the Red Lion lease but a separate building that was an add-on. Has not been used for last five years.
- Port Master Plan called to remove the building from Red Lion lease when the Port planned on building a conference center
- Shortness of current lease term and significant repairs need to be considered before proceeding.
- Bar and café is not operating but would be good to retain for future use.
- Once the restaurant is stabilized, the Red Lion building is better protected.

Red Lion representative Patricia Striker said the motel's own repairs are still be evaluated.

Commissioner Hunsinger via phone left the meeting.

B. DSL Property at Tongue Point

Jack Crider talked about the 15.23 acres (fenced) whose issue is the land fill and loading compaction cap. The cap is getting surveyed, appears to be solid, cannot be disturbed and uses only four acres. The eleven acres could be for other use. The goal is to describe the meets and bounds, and then apply to DSL for the useable property. HLB provided very useful maps.

C. Seaport Air Schedule Discussions

Jack Crider presented the recent discussion with the City of Newport and Seaport Air regarding proposed changes to Seaport's contract and schedule. Looking at inequities, Astoria is using 56% of subsidy. Crider would like to have a full year prior to changing routes. Following is the proposed Seaport schedule:

1. Contracted 5 round trips (3 - 2).
2. City of Newport wants to extend subsidy life from 107 weeks to 137 weeks.
3. Newport wants Astoria to drop 3rd route.
4. Newport not ready to add 3rd route.
5. Seaport not willing to modify contract due to fixed costs.
6. Question? If Newport is READY, is Astoria willing to transfer?

John Overholser said recent schedule change on November 15 affected only Astoria with a 4:25 am departure and 9:45 am arrival. All load factors increased, however Astoria's

loads are up but Newport's loads are down. The service is now at week 39. He projects that January and February will hold up to the normal worse months.

John Lansing talked about the need for the community to embrace the air service. He is trying to design a task force to focus on passenger service similar to Newport. He is also working on:

1. To attract second home owners in South Clatsop County. Will be sending direct mail marketing.
2. Looking at Long Beach property owners.
3. Bring people from out of the area to Astoria to use the local community.
4. Salem has had lots of interest for route from there to Astoria. He made a presentation to them last month, but they want TSA not a small commuter.
5. On line ticketing begins March 15 which will increase rider ship and will be available to Camp Rilea.

Commissioner Bland suggested a route from Boeing Field to Astoria to Newport.

The next consortium meeting is Friday, December 17. Bill Baine, City of Newport Mayor is the Chair, Larry Pfund is Vice-President.

D. East Basin Causeway Repair Plans

Jack Crider had contractors looking at the damage to determine a proposed scope of work and estimated cost. There are 21 bents to repair, six of them are worse condition, repairing three bents at a time during a three day period. The contractors estimate \$7,000 to \$10,000/day for a total of \$200,000. Night work increases the cost so the causeway would be closed to all vehicles. The best tides for daylight hours begin March 1. A DSL/Corp of Engineer permit application is required. Using non-treated wood is only a band aid. ODOT wants progress before April 1. Issues include funds, closure to tenant vehicles, non-treated wood and permit for work outside of the in-water period.

Commissioner Holcom suggested checking the ODOT Environmental Agreement with DSL & Corp to get the permit. The state should send environmental team as an ODOT project.

E. Tongue Point Update

Jack Crider reported on update status:

Communication with the tenants are good. They have been very cooperative moving to accommodate the Port needs.

Two fishing vessels are there.

Quest installed a drop to DSL property to the guard shack for security cameras

Fire suppression repaired.

All maintenance is done.

Did well during freeze with no broken pipes, although Pier 1 & 2 had broken pipes

Utility separation for power is still being worked on to install meters.

Trash pickup was paid by Washington Group, now it separated into tenant use.

Property tax first draft sent to Washington Group to change the lease so the Port does not pay for unleased land.

VIII. COMMISSION

A. Reports

Commissioner Hess:

Marine Digest had an article on cruise lines changing their tours. He will provide it to the other commissioners.

Commissioner Pfund:

Tongue Point had a great turnout and support.

Commissioner Bland:

Kudos' to Jack Crider on Tongue Point Open House, very well done. The state elected officials had good talks.

Commissioner Holcom:

Job Corp is glad to see the Port. The Coast Guard long term plan is to be on the other side of Tongue Point. Would be good to get every one together, maybe bring the Job Corp to the Port industrial park.

Requested that board packets get out earlier and questioned if financials were on the internet, to which Crider affirmed they were. Crider also said the new web site should be online in January.

B. Concerns/Comments - none

IX. OTHER BUSINESS - none

X. PUBLIC COMMENT

Lori Durham questioned if tomorrows meeting was open to the public, which Crider affirmed it was.

Ted Thomas asked about the East Basin Causeway repairs, each segment would be 20' in length. Crider said the contractors would put weight on both ends while working on the middle bent, then move on to the next 3 bents.

XI. RECESS at 7:22 pm TO EXECUTIVE SESSION IN ACCORDANCE WITH ORS 2192.660(2)(e) TO CONDUCT REAL PROPERTY TRANSACTION AND ~~192.660(2)(h) CONSULT WITH ATTORNEY REGARDING LITIGATION~~

Commissioner Bill Hunsinger returned to the meeting via telephone.

XII. RECONVENE REGULAR MEETING at 7:55 pm

XIII. CONSIDER ACTION ITEMS, IF ANY

Jack Crider talked about attending OLD RULE meeting. Only other port attending was the Port of Portland. They were glad to see the Port of Astoria and will be contacting other Ports to attend. All the Class I railroads were there and Kelly for Connect OR III. The rail gets higher percentage of Connect Oregon money than any other modal.


Commissioner Holcom commented on their strong lobby group and how very successful they are.

XIV. PUBLIC COMMENT - none

XV. ADJOURN at 7:58 pm.

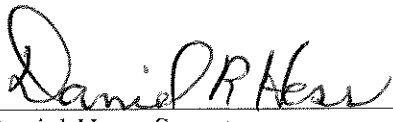
Submitted by Janet Farstad, Special Projects

APPROVED:



William L. Hunsinger, President

ATTEST:



Daniel Hess, Secretary

PORT OF ASTORIA
COMMISSION MEETING
SIGN IN SHEET

DATE: Dec. 15, 09

PRINTED NAME

Lori Duchheim
Kathy Sandus
~~JEFF NELSON~~
John Overholser
Rachel Jensen
Ted Thomas