

MINUTES
PORT OF ASTORIA
REGULAR COMMISSION MEETING
FEBRUARY 19, 2008
PORT COMMISSION CHAMBERS

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

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

Staff present: Ron Larsen, Esther Jones, Colleen Browne, and John Hord. Leslie Palmeri was also at the meeting.

CHANGES TO AGENDA. Commissioner Bjork mentioned he had been asked by several to comment during the discussion portion of the agenda: Advertising for permanent Director position. It was decided to allow the public comment (#9) to be moved to #6b, followed by their vote. Also, pertaining to a letter Bjork had submitted to the board regarding Oregon State University and the Klamath River: The university is requesting all coastal ports to write letters in support of a study on parasites in the Klamath River that would help the area salmon trollers and charter boat operators. It was decided to add the discussion to reports section, other.

MINUTES: Regular meeting, December 18, 2007, Workshop meeting, January 15, 2008, and regular meeting, January 22, 2008. Commissioner Bjork read the minutes listed and found them to be satisfactory. January 22, 2008 regular meeting minutes were not available in the packets. Commissioner Pfund made the motion to approve the first two sets of minutes. Commissioner Sanders seconded the motion. It was decided to approve the January 22nd regular meeting minutes at next month's meeting. The ayes carried.

VOUCHERS FOR THE MONTH OF JANUARY 2008. Chairman Hess called for questions. After reviewing the vouchers, Commissioner Hunsinger had questions. Beginning on page 13, airport fueling, groundskeeper, John Overholser: Ron Larsen answered the commissioners' question. Overholser is on contract for \$2,000 a month to provide fueling at the airport (24/7) and also for mechanical work based on hours averaged at a certain amount every month that is reconciled at the end of the year. Hess called for a motion to approve the January 2008 vouchers. Commissioner Bjork made the motion to approve the vouchers, and Commissioner Pfund seconded the motion. The ayes carried unanimously.

OREGON EMERGENCY MANAGEMENT CONTRACT for FEDERAL DISASTER RELIEF, Resolution 2008-01. In order to receive federal disaster relief funding for storm damage to the Port of Astoria office building, Pier 2, and other areas the contract with Oregon Emergency Management needs approval. The agency is managing the funding for FEMA. FEMA will pay seventy-five percent of the difference insurance does not pay. The port will be left with the remaining 25%. Chairman Hess called for a motion to approve the resolution. Commissioner Pfund made the motion to approve the resolution. Commissioner Sanders seconded the motion. Larsen added that he would like to have the acting director be assigned as the port's representative for purposes of the agreement in order to submit required paperwork as he had already begun to do. The ayes carried.

Larsen added workers had been in the port's main office building already this week and had worked on the roof and the upstairs work. Work will be progressing. Next, plans are to move to the Oregon State Police building then work on the roof on pier 2 warehouse that suffered the most damage.

DISCUSSION, ADVERTISING FOR PERMANENT DIRECTOR POSITION: **Commissioner Hunsinger** began the discussion noting the Flint report: a permanent manager for the port would need to be hired. Having a permanent manager already on board when strategic planning begins would be vital. Advertising, as most public agencies do, is being considered.

Noting the public's opinion, some wonder why the port wants to do that right away. With retirement in Larsen's future, if he was the man for the job, that day may come and he would stick around a while after that during the transition period. Hunsinger's idea though is that the Port advertises for the position and Larsen is welcome to apply.

He also added if the decision is voted on tonight, in a month or so, the Port would then be on board and know the cost associated and begin the search. After a decision is made tonight, possibly after a month to four, however long it is, the best possible candidate will turn up. By the first part of August, or the meeting in July, we can narrow it down to three applicants and do interviews. Announcing the decision by August, and possibly by September 1, the manager would be on board. Noting this is only his timeline, others may be different. His reasoning is that if the board selects Larsen, then we would have no transition period. Also, down the road sometime, he will have to be replaced. If someone other than Larsen is selected, we will have thirteen months to be in transition. It has to be done, whether we do it now, or later.

Commissioner Sanders related her views. Citing Larsen has been appointed interim for almost a year, it isn't fair to continue, the Port needs to make a decision. Noting he is doing two or more jobs plus the Port has to have more staff. It is up to the commission where to add the positions. It has been seven months since the new board members took office and there is a better understanding of the processes at the port. An open, fair process will have to be followed. The only decision made tonight is whether to advertise for the position. Larsen is welcome to apply.

The responsibility of the board is to have the best quality staff that money can buy. She feels the commissioners owe Clatsop county tax payers the best talent and skill set available.

Looking at timelines, she hopes we get on a more "fast-track" pace to be at the end of the process before summer. She has been talking with a representative of the Special Districts Association of Oregon (SDAO), to handle advertising for us. It would also be posted on their website, receive all the applications, and create a pre-screening committee who are knowledgeable with port operations. The applications would be sent back to the Port with their top five to review. The recruitment process ensures the Port with an impartial and knowledgeable extra hand. The cost would be approximately \$3,000 to \$5,000 depending on how much money we decide to put towards advertising and how far we decide the search to go.

In her research, other port commissioners had been pleased with SDAO's assistance. One concern is finances. In addition, we will not be dismantling the dredge or have the extraordinary legal expenses as we did this year. Additional income to consider: one extra cruise ship, the boat haul out facility is doing well, the fueling station in the marina is operational and will be working over Memorial Day weekend. The new finance committee that she and commissioner Pfund will be working on together will be an added plus.

As far as finances go, she feels quite confident that this will be a good move at this time and it is up to the commission to decide where their financial priorities are. For her personally, it is in getting a permanent executive director with the best possible skill set.

Commissioner Pfund stated he is in high agreement with what the last two board members views, and will not go over the same material, though he knows Larsen has indicated to him that he plans to retire in the next year and a half. It puts the commission in a position of looking forward in where the port wants to go.

Since he ran for his seat seven years ago, he expressed interested in increasing marine commerce. Although not a popular position to take most times, he believes there is still a possible future. His dreams evolve around that. More discussion followed that if we keep up on worldwide shipping issues in the northwest he believes land at the port has a future. He would like to see us bring in a good head for marine trade. Knowing Larsen plans to retire soon, he wants to look towards the future.

Noting part of him recognizes serious problems in the past, part of him blames himself of not asking more questions relating to the dredge violations. He has nothing bad to say about Mr. Larsen (Ron). He knows the port staff is unmanned by about two positions. He agrees with Commissioner Hunsinger who sees the process ahead as a period of transition and hopes the port can build towards a new future.

Looking ahead to the new budget process, we will have to prioritize the salary for a new executive director. Just coming out of a very hard, strapped cash flow, the dollars were not in last years' budget. Structuring our budget correctly, noting we will not likely have another devastating storm as last year or going through a major tear down of the port's dredge, we look forward at having the dollars. Adding, when commissioners are hired to do a job, they have to keep in mind decisions are not made only because it's the popular way to go, but what is the best for the future. Future for the local economy, in more long range terms, with ideas in his mind, there may be somebody better suited for the job. Their job now is to decide who will fill the staff positions. Come next election, members of the board will be there on the ballot, yes or no.

Next, **Commissioner Bjork** disagreed with the decisions made and believes Larsen is doing a superb job. He continued to add Larsen is doing the job of two and a half people at less pay than a permanent director. Even though not having a permanent director is saving the tax payers over a hundred thousand dollars a year, he would like to make Larsen the permanent director who would then receive a raise at the time and possibly an assistant for the next year and a half. After that time, a new director would eventually come.

Next, he would like to see the commission do an evaluation of Larsen's work. He did not see the need to "jump the gun" in the process. Commissioner Sanders added this was only a decision to advertise for the position and welcomed Larsen's application. Bjork replied that considering the money situation he believes the port needs to keep going the course it is going and stick with what the port's been doing for the last eight years. He also added he believed Larsen could do a good job continuing as director, bringing in more money leasing port properties, and begin the search at that time.

Chairman Hess thanked the members of the board for their comments and continued with his concerns, agreeing with Bjork. Knowing there is no money in the budget for this until next year, and has no doubt in his mind Larsen needs an assistant. If so, he is hoping it will be someone Larsen can train, possibly someone as "second in command", in order to take over the position once he retires.

Hess continued to explain another situation with a neighboring city conducting a search. During their interview process of the person in the acting position, the board members decided to work on the person's weaknesses and move forward with the knowledge he had of the job, experienced in the area. Hess added he would like to see that happen here.

In another situation a city spent a big amount of money doing a search, the applicant bailed out, leaving them back to step one. Seeing that there is no money to go that direction, there doesn't seem to be any reason to extend in a direction where the port spends funds to do a search. He opened the discussion to public comment.

PUBLIC COMMENT. The following public comments are not verbatim but intended to reflect the substance of matters discussed.

Interim Executive Director, Ron Larsen asked if he could add something before public comment begins. He would like to clear up a topic that had been discussed at the meeting about his retirement. He is 63 years old now. He would like to retire when he is 66 years old, which falls in October 2010. Whatever may happen, and whoever the board chooses for the executive director position, with the current contract he is under, it enables him to fall back to his old position of Director of Operations. He would seriously begin his retirement in the month of October 2010. However the commission decides to allocate the time and personnel is certainly up to them. Retirement would be roughly, two and a half years from now.

- Bob Erickson: Noting how long Larsen has been working in the temporary manager's job, he is amazed that an evaluation has not happened. Also, talking directly to the board members, he told them it was a slap in everybody's face. Adding the five members had the responsibility to get their "two cents worth in" and get one done, very important. Legalities should be considered.

A long transition period would cost quite a few bucks. Mr. Larsen is doing a fine job as far as he is concerned. Mentioning how ridiculous he thinks it would be for Larsen to have to show a new person making more money the ropes.

- Don V. Johnson of Astoria: He showed up tonight because he heard the port may be looking to replace Larsen. Out of town applicants may not be the way to go, noting the board members are all local. He noted Mr. Larsen has proven the point of having good talent here.

With many accomplishments at the port, things are working great and everyone should be commended. We should think seriously and hire Larsen for the permanent job, who knows, he maybe would stick around for an extra year with the right incentives. It was noted by Chairman Hess a letter from Mr. Johnson was submitted for the record.

- Tom Potter of Astoria: Mentioned he'd been through this with five city managers. He's watched to port have six, come and go. Persons in this community locally are "worth a damn". He recommends the board keep Ron here.
- Bill Harris, from Warrenton, chairman of the port's budget committee: Looking at the budgets, he has to ask, is it financially prudent to conduct a search for an executive director when we already have the man in place? Time is money and effort. "The man that we have to train is sitting right in that chair" pointing to Larsen. He has a good background of the area. He would like the port to save the money, pay our bills, and get on with our business.
- Lise Plotkin of Astoria: Her and her husband, Barry L. Plotkin prepared a letter that noted it would be a disservice to all involved to convert Mr. Larsen's position to permanent position without a full-scale recruitment. Although recognizing Larsen's excellent job under difficult circumstances, it is common practice for agencies to engage in advertising for the level of executive positions.

If someone applies that is more qualified for the position, and the port can afford the applicant, then the port should hire that person. If it turns out no one else is more qualified than he, then they would endorse Larsen for the position. Either way it goes, a fair and open process will ensure the person selected was selected on the merits they have to contribute.

- Debi Donnelly of Astoria: Noting the extreme importance the position carries, it is the obligation of the port commissioners to search thoroughly and advertise publicly. There

needs to be a professional direction taken by the port, to be fair and objective in order to avoid mistakes of the past.

- Bob Brigens of Warrenton: Wanted to remind the board they had just hired a city manager who lasted three months. He was asked to resign. Heads of departments could not work with him. The port has a man in place that everybody works with who needs strong consideration: "don't make the mistake they did."
- Steve Fulton of Astoria: Working on projects for Warrenton Fibre, Mr. Larsen has gone out of his way to assist him. A lot of that has to do with being a local person, knowing what is going on, and especially having the history. He highly recommends, in light of the three year transition period Larsen has given the commission, they consider that very strongly. Knowing a new director will have to be hired eventually, they now have an opportunity to get their financial house in order and then segue into a new director once retirement nears. Larsen could then train that person and transfer some of the great wealth and knowledge he has.
- John Hord, Chief of Security at the Port of Astoria: While working with Larsen in the last six months he wanted everyone to realize the dedication he has for the job. Most times, when he arrives to work in the afternoon, he usually has to tell him it's time to go home when the clock reaches 7:00 p.m. He understands the financial situation and believes that any additional funds could be spent on to Pier 2 which has been neglected, in order to get business in again. More vessels and more work for people. The piers are in such sad shape they cannot accommodate the vessels that look for berth. Larsen has worked very hard with the current staff that work well together and enjoy working with him, keeping the port going. He keeps an open door to all in order to do our work every day, he appreciates the job Larsen has done with the work and the bills left behind by his predecessors.

Chairman Hess called for comments from the board. Commissioner Sanders mentioned Larsen has been doing a good job and is very grateful to him for the service he is providing. Though, noting the public only sees a narrow slice of what the port is and what it does. The board has access and knowledge to information the rest do not have. They are making a decision based on that information. No personality conflicts involved, we simply have to make the best decision.

Chairman Hess called for a motion. Commissioner Sanders moved to advertise for a permanent executive director. Commissioner Hunsinger seconded the motion. Hess called for any more discussion. He also asked Sanders if we were going to use the Special Districts Association of Oregon (SDAO) agency to handle the advertising. She added to the motion on the table, to use the agency to assist the port in the process. Hunsinger questioned if the agency is the only agency to consider. She explained how they would act as the "intermediary holding tank" for the port. All applications will go there and the port will receive them all back. It is also posted on their website. The second motion adding the utilization of the agency SDAO to the first motion was seconded by Commissioner Hunsinger as well.

During the vote, Mr. Harris asked if the public comment session had been closed. Chairman answered it had not been, and did so. Harris then continued with a question before the motion carried: since he is on the budget committee, he wanted to know how much money this will cost. Sanders answered it would cost \$3,000 to \$5,000, depending on how much we decide to advertise.

Chairman Hess asked the board members if the motion could be held for a moment until a late arrival, Theodore (Ted) Thomas, 398 Atlantic, Astoria, Oregon, could give his public comment. Thomas apologized to the board for arriving late and thanked them for the chance to give his comment. As he began board member Bernie Bjork interrupted Thomas' speech with the "point of order" declaration. After some confusion, Thomas continued. Commissioner Bjork left the

room. Chairman Hess asked Thomas to turn in his letter so it could be entered into the record and asked everyone else who had letters to submit them to the recording secretary at the desk.

After a few minutes Bjork returned, and the board members resumed voting on the motion on the table. The vote split 3-2. Voting yes were commissioners Sanders, Hunsinger, and Pfund. Voting no was commissioner Bjork and Chairman Hess. Motion carried with the majority vote.

Sanders continued with another motion. When the staff prepares the budget to include funding to search for director search, although after further discussion, it was agreed the motion was not needed. Commissioner Pfund added he would still like to make a motion and assign two board members, Chairman Hess and Commissioner Sanders, to work with SDAO on the project. In addition, Sanders added a special meeting would be needed to look at details to be decided on to send to the Special District's office. Commissioner Hunsinger seconded the motion. The ayes carried unanimously.

CALENDAR

- McKeons breakfast meeting for the Chamber of Commerce in Seaside February 29th, all commissioners asked to attend
- Stacey McLaughlin's commissioner training, February 26th at the MERTS conference room
- Cruise ship volunteer kick-off, March 11th
- Western Fishboat Owners Association annual conference, March 31st – April 2nd at the Holiday Inn Express
- Oregon Transportation Commission (OTC), here – March 18-19th; no agenda at this point, starting around 1pm; possibly reschedule regular meeting on the 18th.
- Schedule a workshop to go over director's job description, Tuesday, March 4th at 3:00 p.m. (Larsen on vacation all that week).
- 1st cruise ship of the season arrives March 31st

Discussion followed on the process of Larsen's evaluation process and time. Examples of evaluation forms that will be used should be reviewed at the workshop on the 4th.

Commissioner Pfund asked for a meeting to go over ideas on Bornstein Seafood's' parking issue. The meeting on March 11th may be a good time to go over ideas.

REPORTS

Finance: Colleen Browne had no report. It was suggested the item "finance" under this section be removed from future agendas as a report is given the week before at the workshop session

Commission:

Commissioner Bjork:

- Attended a Bornstein parking issue meeting January 24th,
- Senator Wyden's visit January 29th (all commissioners attended),
- February 2nd fishermen's meeting at Englund Marine on upcoming Forum Town Hall facing issues on Marine Reserves, February 29th,
- City of Warrenton meeting on February 12th
- Bradwood Landing LNG forum on February 13th
- Port of Astoria workshop February 15th

Commissioner Hunsinger:

- He and Pfund attended Lower Columbia Solutions meeting on dredging
- also attended numerous meetings this month (most already mentioned)

Commissioner Sanders:

- CEDR meeting

- Oregon Ports' Group meeting; handed out new ethics rules going into effective at the beginning of the year. The group changed their name to Oregon Public Ports Association (OPPA) and is a chapter under Special Districts' Assn. of Oregon. Dues will be added to the port's insurance premium.
- The fee increase for the DEQ not going forward. Will be delayed until the Oregon legislature.
- Attended a design meeting for the trail grant, where they selected one company to do the design.
- Met with the finance committee for their first meeting; discussed goals, trainings, and reports.

Commissioner Pfund:

- Attended meetings reported previously.
- Would like to revisit leases (new lease rates) on a monthly basis.

Commissioner Sanders handed board rules for the commission training session the port's attorney had sent.

Chairman Hess reported:

- He reported he went to meetings previously mentioned.
- OSU funding letters

PUBLIC COMMENT. Chairman Hess noted the comment session had been moved ahead in the agenda and noticed one had been turned in late:

- Lori Durheim of Astoria: Spoke about the LNG meeting and other agencies that were at the meeting (Bjorks' report had mentioned he had a meeting with Northern Star) Oregon DEQ, the Corps of Engineers, National Fisheries, and others, not Northern Star. Also, mentioned at the City of Warrenton meeting, regarding a payment made by the Port of Astoria for the water line (\$230,000) to Warrenton. She was wondering where the payment came from. Larsen answered: from Oregon Economic & Community Development Dept (OECDD) as part of a grant and some from the U.S. Coast Guard. The port was holding the money until the project was completed.

Chairman Hess asked Commissioner Bjork about the OSU letter mentioned previously. Bjork explained the university is leading a group of researchers to mitigate the loss of migrating smolts on the Klamath River to two parasite diseases. Letters of support are needed from ports on the coast. He passed out material for everyone's information.

With no further business to discuss, the meeting was adjourned.