

MINUTES
REGULAR COMMISSION MEETING
JUNE 21, 2005
PORT COMMISSION CHAMBERS

Chairman Larry Pfund called the Regular Meeting and meeting of the Local Contract Review Board to order and took roll call.

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

Staff present: Peter Gearin, Bill Cook, Ron Larsen, Rita Fahrney.

Others present: See sign-in sheet.

CHANGES TO AGENDA. Chairman Pfund called for changes to the agenda. Peter Gearin requested Items 7 (b) – (e) pertaining to budget resolutions be removed from Consent Agenda and placed after Consent, in order to offer comment or discussion.

MINUTES

- (a) Special/Workshop, May 10, 2005
- (b) Regular Meeting, May 24, 2005
- (c) Budget Committee Meeting, May 26, 2005

Commissioner McDaniel advised he was not present at the meetings and will abstain from vote. Commissioner Bergeron noted on the May 10, 2005 minutes he was excused; however, the minutes reflect a motion by him. Commissioner Taggart moved to approve the aforementioned minutes, with correction. Commissioner Hess seconded the motion. Commissioners Pfund, Hess, Bergeron and Taggart voted yes. Commissioner McDaniel abstained. Motion carried with majority vote.

VOUCHERS FOR MONTH OF MAY 2005. Commissioner Taggart reported he reviewed the vouchers for the month with staff and moved to approve vouchers for the month of May. Commissioner McDaniel seconded the motion. The motion carried unanimously.

PUBLIC COMMENT. Chairman Pfund called for Public Comment. Rose Priven requested an update on the dredge spoils issue and whether any reports have been done. Peter Gearin replied the dredge spoils issue still remains under investigation. Chairman Pfund added nothing is conclusive until the facts are presented.

WATERFRONT MASTER PLAN REVIEW – CRANDALL ARAMBULA. Bill Cook reported in August 2004 the Port, City of Astoria and ODOT began work on a study to define the road system from Young's Bay to the Astoria Megler bridge, including the Port's Central Waterfront Master Plan. The Astoria Uniontown Waterfront Refinement

Plan includes a review by Crandall Arambula to provide an outside independent review, suggestions and recommendations. He introduced Kristin Belz, Senior Urban Designer. Kristin Belz explained a lot has happened since 2001, the year the Port developed its Central Waterfront Master Plan (CWMP). As part of the Refinement Study with CH2M Hill and ODOT, Crandall Arambula reviewed other plans for comparison purposes. They recommend further master planning as a lot in general has happened in Astoria since 2001. There will be a need for extra work and planning to make resources come to fruition. Commissioner McDaniel agreed the Plan needs updating and there is more than one approach to describe where something is going and how to get there, voicing concern about balance between “tightening up and allowing flexibility”. Ms. Beltz responded the best way to protect investment is to add specificity and detail. Design guidelines are development standards. She commented on the Master Plan developed for Racine, WI., noting it is being used informally, but beginning to direct future plans. Bill Cook added this plan is being designed in cooperation with the City of Astoria. The City is involved and there is good connectivity. This study will have input from the public and this is a means to provide an outside objective view. Further discussion followed on ideas for refinement of the CWMP. Commissioner Taggart stated the Strategic Plan Committee will also revisit the CWMP as part of review and revision of the Strategic Plan.

CONSENT AGENDA. Peter Gearin reported the Canvass of Votes for the Special District election needs verification and authorized signature. Commissioner Bergeron moved to approve the Consent Agenda, containing the Canvass of Votes. Commissioner Hess seconded the motion. The motion carried unanimously.

BUDGET RESOLUTIONS. Peter Gearin explained the budget items will be addressed individually to give public opportunity for comment.

RESOLUTION 2005-21 ADOPTING 2005/06 BUDGET. Peter Gearin reported this resolution adopts the budget as approved by the Budget Committee. The total is \$20,706,474.00. A summary by fund is attached. Commissioner Taggart moved to approve Resolution 2005-21. Commissioner Bergeron seconded the motion. The motion carried unanimously.

RESOLUTION 2005-22 IMPOSING AND CATEGORIZING TAXES. Peter Gearin explained tax is imposed in the general fund in the amount of \$.1256 per thousand. Commissioner McDaniel moved to approve Resolution 2005-22. Commissioner Hess seconded the motion. The motion carried unanimously.

RESOLUTION 2005-23 APPROVE BUDGET APPROPRIATIONS FOR FY 2005/06. Peter Gearin advised this resolution allows spending money by funds, as shown in the resolution. Commissioner Taggart moved to approve Resolution 2005-23. Commissioner Bergeron seconded the motion. The motion carried unanimously.

RESOLUTION 2005-24 APPROVE BUDGET TRANSFERS FOR FY 2004/05. Peter Gearin reported the budget transfers are to cover over-expenditures in some areas that funds can be shifted from other areas not over-expended. Commissioner Taggart moved

to approve Resolution 2005-24. Commissioner Taggart moved to approve Resolution 2005-24. Commissioner Hess seconded the motion. The motion carried unanimously.

RESOLUTION 2005-25 DESIGN/BUILD CONTRACTOR – BORNSTEIN. Peter Gearin announced the Commission will be acting in the capacity of the Local Contract Review Board in order to take action on this resolution and the following resolution pertaining to the loan amendment for Bornstein Seafood. As the Local Contract Review Board staff is recommending the board review and approve the findings of fact supporting a specific exemption from competitive bidding requirements for use of Design/Build sub-contractors for electrical, plumbing, hvac and fire components. It was noted the resolution 2005-25 contains an incorrect resolution number referring to a previous resolution. Staff will amend the resolution to reflect the correct number. (For the record – amended to reflect Resolution 2005-19, corrected). Commissioner Taggart inquired how contractors will be selected. Mr. Gearin replied by Requests for Proposals. Commissioner McDaniel moved to approve Resolution 2005-25 Design/Build Contractor – Bornstein. Commissioner Hess seconded the motion. Commissioner Taggart stated when RFP's are sent out he has heard complaints there is insufficient time for the contractors to respond, and by hurrying the RFP's it is limiting interested contractors proposing, due to time constraints. He urged more time be given for responses. There being no further comment there was call for the vote. Commissioner McDaniel's motion carried unanimously.

RESOLUTION 2005-26 LOAN AMENDMENT – BORNSTEIN SEAFOOD. Peter Gearin advised the original loan request was for \$6.2 million. Because of soil conditions, an increase in the loan to \$6.8 million is needed. Staff has renegotiated the terms with Bornstein for the increase in the loan amount. Staff recommends approval of Resolution 2005-26 spelling out the terms of the loan amendment from the Special Works Fund. Commissioner Hess moved to approve Resolution 2005-26 Loan Amendment – Bornstein Seafood. Commissioner Bergeron seconded the motion. The motion carried unanimously.

APPROVAL OF CONTRACT EXTENSION – AIR BP. Ron Larsen reported staff is recommending a five-year extension to the Air BP fueling contract, effective after expiration of their contract December 2006. Air BP has done an excellent job, with reasonable fuel prices and has been helpful in other situations such as when the Jet A fuel truck broke down the Port was able to use theirs at no cost. Additionally, with the Lektro expansion the fuel tanks will be moved. Air BP has agreed to provide trucks for storage, at no charge, with agreement to the extension. This will save the Port the cost of the temporary fuel equipment needed, estimated at \$21,520. Commissioner Taggart acknowledged Air BP has been doing a great job. He moved to approve a five-year contract extension with Air BP. Commissioner Hess seconded the motion. Commissioner McDaniel asked for clarification on the letter by Air BP regarding the consulting fee. Larsen responded that is also a part of the cost waived. Commissioner Taggart's motion carried unanimously.

APPROVAL OF ADDENDUM TO LEASE – UNITED PARCEL SERVICE. Ron Larsen reported this is an addendum to the U.P.S. lease. The current lease is to expire December 2005. U.P.S. is requesting to exercise their option for two additional five-year extensions. Staff negotiated a renewal rate of \$500 per month for the first five-year option, increasing to \$625 per month for the second five-year option. Larsen added current land assessment would put the option at \$1,000 per month, a giant increase over current monthly rate of \$350 per month. Staff recommends approval of the options as reported, citing the desire to keep the service at the airport and concerns U.P.S. might leave the area if the rate is too high.

Discussion followed. Commissioner Taggart questioned how to tell new tenants they pay current assessed values when existing tenants do not. Larsen responded the Port will have to continue to try to bring tenants to current assessed values. Chairman Pfund also has concerns about U.P.S. not paying at assessed value. Peter Gearin spoke about the advantage of having airfreight service locally and Ron Larsen reiterated the importance of having U.P.S. service and other airport-related businesses serving at the airport. Commissioner McDaniel recommended a review of landing fees as they have not been raised in eight years. He understands the need/desire to keep the service local but emphasized the need to work towards obtaining fair market value on properties. Commissioner Bergeron moved to approve the Addendum to Lease with United Parcel Service. Commissioner Hess seconded the motion. Commissioners Bergeron, Hess, and McDaniel voted yes. Commissioners Taggart and Pfund voted no. Motion carried with majority vote.

CALENDAR SCHEDULE. Peter Gearin reported the Astoria East Gateway Refinement Study Committee will hold an open house at the Port on Wednesday, June 22nd. The Strategic Planning Committee will meet at 3:00 p.m. at the Port on June 23rd. Commissioner Taggart announced the new Energy Committee will meet June 29th at 5:00 p.m. and on June 23rd at 6:00 p.m. at the Port a bio-diesel informational workshop will be held for the public – hosted by the Port. July 19th at 1:00 p.m. at the Port Offices a panel will address fish quotas. Commissioner Bergeron reported the Columbia Solutions Group will meet on the 28th in Portland. June 24th Da Yang Seafood will hold an open house and invites the Commission to see their new plant and operation.

REPORTS.

Finance. Peter Gearin reported work is again needed on the Aging of Accounts Receivable and reviewed some of the accounts. The vessel “Woodbine” was sold. The new owner purchased it for \$2,000. The vessel’s previous owners owed \$500,000 in debt. This account will be written off as the debt will never be repaid. Fremont made a final payment before their lease was taken over by Da Yang and then they put a stop payment on the check. Gearin reported he, Ron Larsen and Bill Cook are working on past due accounts. Bill Cook and Ron Larsen briefly reported on some of their collection efforts.

Bill Cook provided an update on cruise ship calls, which have increased for both this year and next year. Staff has also gotten a commitment from Princess Cruise Line for calls next year. 14 ships are scheduled at present for 2006.

Bill Cook announced the Senate Committee approved funds for the energy/water appropriations bill. The Port of Astoria requested \$750,000 through the Corps of Engineers to complete the breakwater project. It is included in the approved funds.

Commission Reports.

Commissioner Bergeron reported:

- The State of Oregon received \$25 million in compensation for the M/V NEW CARISSA grounding. Marbled Murrelets have been found nesting in north coast timber land, both private and public and 1,000 acres of timber bought to protect their nesting area. He would like to see the State compensate the County for this expense.
- OCZMA is involved in a federal bill pertaining to Aquaculture (Open Ocean). OCZMA is working to get an amendment for states to opt out.
- The first Ocean Policy Advisory Committee meeting will be held the 30th. Bergeron has been recommended to serve on the Committee.

Commissioner McDaniel reported:

He took a trip to Alaska. While there he visited seven ports/marinas. Alaska is in political turmoil over their gas pipeline. Piped gas now goes from Alaska to the Midwest. There is turmoil over what to do with the gas. He also noted five cruise ships in port at the same time during a visit to Ketchikan and Juneau. He remarked about the inconsistencies regarding homeland security rules there and here, with our Port being much more in control of security issues. Wrangall, Alaska is in a dispute. Four of five on the City Council have resigned, with the fifth soon to do so also. Bill Cook commented Carol Rushmore (who used to work at CREST) heads economic development there. In Wrangall, the City oversees the Port Commission. They are having issues with cold storage and haul-out facility.

OTHER BUSINESS. Commissioner Hess asked for an update on the elk situation at the airport. Ron Larsen responded the elk have not been seen in months and it is unknown where they went. However, elk footprints have been seen inside the fenced area.

There being no further business, the meeting was adjourned.