

MINUTES
PORT OF ASTORIA
REGULAR COMMISSION MEETING
JUNE 16, 2008
PORT COMMISSION CHAMBERS

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

Commissioners present: Dan Hess, Larry Pfund, Bill Hunsinger and Floyd Holcom. Kathy Sanders is excused.

Staff present: Incoming Executive Director, Jack Crider, Interim Director, Ron Larsen, Administrative Services Manager, Rita Fahrney, Finance Manager, Colleen Browne, Environmental Compliance Manager, Lora Eddy.

Others present: See attendance sheet.

CHANGES TO THE AGENDA. A revised agenda was distributed. Minutes of the May 13th and 27th are not completed and will be placed on the next meeting agenda.

MINUTES: March 19, 2008 Regular Meeting; May 1, 2008 Special Meeting; May 15, 2008 Special Meeting and May 20, 2008 Special Meeting. Commissioner Pfund moved to approve the minutes of the aforementioned meetings. Commissioner Hunsinger provided the second. The motion carried unanimously.

VOUCHERS FOR THE MONTH OF MAY 2008. Commissioner Holcom asked for clarification on payment for Attorney Andy Jordan. Staff advised Mr. Jordan's fees vary monthly based on work performed for the Port. Staff responded to Commissioner Holcom's questions about cruise ship expenses and the pump out fee for the Oregon Responder, which is paid by the Port due to the vessel being moved at the Port's request until their leased dock is useable. Commissioner Hunsinger requested clarification on a reimbursement made to employee, John Dean, for repairs to the Jet A fuel truck. Ron Larsen explained Mr. Dean, the Port's mechanic, was repairing the fuel truck and made a mistake that caused further damage. He paid the Port for the damage. Larsen noted Mr. Dean was doing his job as an employee and he should not have had to pay for the damage, so the money was reimbursed. Some brief discussion followed on posting the monthly vouchers in public areas for the public to view. Commissioner Holcom moved to approve the vouchers for the month of May 2008. Commissioner Pfund seconded. The motion carried unanimously.

Chairman Hess introduced the Port's new Incoming Executive Director, Jack Crider. Mr. Crider stated he is happy to be at the Port of Astoria, having watched the Port's goings on for a long time. He will officially begin his position July 1, 2008.

PUBLIC COMMENT. Chairman Hess called for public comment. None was given.

INTERGOVERNMENTAL AGREEMENT – OREGON DEPARTMENT OF TRANSPORTATION (ODOT) ENHANCEMENT GRANT. Lora Eddy reported an Intergovernmental Agreement with the Astoria Development Commission (ADC) to secure ODOT grant funding has been prepared for commission consideration. In 2004 the Port Commission authorized staff to apply for an ODOT Transportation Enhancement grant (TEA-21) for pedestrian improvements through the Port property, to connect to Astoria's River Walk. It will be administered by ODOT, with Port of Astoria assistance. Matching funds will come from use of the Astor-West Urban Renewal District Funds. In 2005, the Port received the ODOT Enhancement (TEA-21) grant. The grant is in the amount of \$732,200 for design and construction of pedestrian improvements, which would extend and/or improve the River Walk through port property. On April 21, 2008 the ADC approved a request for the contribution of \$83,800 for the project match, with approval of an intergovernmental agreement. Jack Crider added there will be ample time to have input into the design of the pedestrian enhancement project. Commissioner Holcom moved to authorize approval of the Intergovernmental Agreement with the Astoria Development Commission. Commissioner Pfund seconded the motion. The motion carried unanimously.

CONSIDER REQUEST – RENTAL OF POA DREDGE. Jack Crider introduced Brian Lofgren, Underwater Earth Movers, Inc., aka Lofgren Imagineering & Construction Co., who is interested in renting the Port's dredge, S Felkins, for a dredging project on the Lower Cowlitz River. Mr. Lofgren stated his company is relatively new, started in 2003. They have done small marinas and waterways dredging projects. The Corps of Engineers is now soliciting bids for Cowlitz River dredging. His company would like to bid the project, with a dredge window from August 1-31, 2008 and are requesting to rent the Port's dredge S Felkins, allowing for an opportunity for both his company and the Port of Astoria to make money. Jack Crider noted he looked over the dredge and knows the Port has spent a lot of money recently to have rebuilds, with no real sign of wear on the equipment. He recognizes the potential revenue the rental could bring the Port. There are issues that need to be factored into a decision. First, the Port cannot jeopardize our dredging needs. In the worst case, parts would need to be replaced, eating up return on revenue. Additionally, if the Port rents the dredge it is important to have a Port staff person on board. Also a payment/performance bond would be required and the Port would need

assurance the dredge would be returned no later than October 1st. He explained maintenance staff members are nervous and concerned about having the equipment ready to dredge the maximum 130,000 cubic yards of material needed at the Port facilities. There are both pros and cons and Mr. Crider stated he does not have a specific recommendation, but will look to the commission for direction.

Mr. Lofgren stated he has done a previous job for the Corps of Engineers. He has no problem with the Port supplying a staff member and that he has great lever men on his staff. He would be agreeable to the terms and conditions required by the Port. He discussed some of the specifics of the dredging and operation, noting the condition of the material being dredged is not destructive. Commissioner Pfund commented he favors the Port renting the equipment. Commissioner Hunsinger added it will be good for the equipment to not have it sit idle for 75% of the year and with the extra income source, the Port may be able to hire additional help. Further positive comments followed. Commissioner Holcom moved to allow Incoming Director, Jack Crider, to negotiate a Letter of Understanding with Underwater Earth Movers, and contract, should they be successful in their bid. Commissioner Hunsinger seconded the motion. The motion carried unanimously.

CALENDAR. The calendar was reviewed with no changes made.

REPORTS:

Chairman Hess has heard favorable feedback from individuals about a letter to the editor written by staff member, Rita Fahrney, thanking the ILWU Local #50 members for volunteer efforts tying up and letting go ships for the Rose Festival and Regatta. She wrote the letter on her own behalf. Commissioners also have a letter of thanks in their boxes from the Astoria Yacht Club recognizing the patience and assistance of marina staff.

Finance: Colleen Browne distributed financial information for the commission members, including a Balance Sheet showing Assets, Liability and Capital through May, 2008. Commissioner Holcom thanked her for providing commission members with a good look at the financial status of the Port. Jack Crider explained staff will work towards compiling certain information each month that will explain and make for easier understanding of financial reports. Colleen also reported the auditor, John Carlson, is processing a draft financial audit and reports that will be available for review prior to the public document. She is assisting with the manager's discussion of the audit.

Ron Larsen stated he is happy to have learned upon return from vacation that Jack Crider has been selected as the Executive Director and supports the Commission's decision. Crider will have a positive impact for the Port of Astoria.

PUBLIC COMMENT. Chairman Hess called for Public Comment. None was heard.

OTHER BUSINESS. Commissioner Hunsinger stated KAST's Coast Watch Blog recently asked the question whether the public supports a state audit of the Port and received a response of approximately 80% stating yes. He would like to follow up on the possibility of having a state audit. Jack Crider responded he has spoken with the auditor who does Port of Tillamook Bay's financials – Jim Lanzarotta, with Moss Adams, to do some review of Port of Astoria's financial side. His firm has a high standard in the industry for municipal audits. Crider will recommend that the Port go out for bid for auditor services for this year's audit.

Chairman Hess reported he and Commissioner Pfund are meeting with Jack Crider putting together a tentative Employment Contract.

There being no further business, the meeting was adjourned.