

MINUTES  
WORKSHOP MEETING  
MARCH 13, 2007  
PORT COMMISSION CHAMBERS

Chairman Don McDaniel called the Workshop Session to order and took roll call.

Commissioners present: Don McDaniel, Dan Hess, Bernie Bjork, and Larry Pfund arrived after the meeting started. Jim Bergeron is excused.

Staff present: Ron Larsen – interim director, Rita Fahrney – terminal & administrative services manager, Ken Smith – marina manager, Port of Astoria’s interim projects manager, Jim Flint, Mitch Mitchum, cruise ship coordinator, Esther Jones, administrative assistant, and Port Attorney, Heather Reynolds.

Others present: See attendance sheet.

STAFF REPORTS. Chairman McDaniel began the meeting by handing out a 6-page report on his attendance to the Special Districts Association of Oregon (SDAO) conference in February. The agency provides insurance and professional assistance to most special districts in Oregon (ports, fire & water districts, etc). Some topics at the first seminar on governance were:

- Insurance rates
- Lease details
- Transferring values of community into policy
- Task forces (development projects)
- “Coffee” meetings with the public

In the line-up of various seminars, McDaniel attended was the Oregon State University’s Hinsdale Wave Research Lab. Although it did not cover wave energy, it did display equipment the state uses in their bridge and truck-route system maintenance and repair. It also covered tsunami action and similar events.

The next session he attended was the Board Member Orientation & Organizational Policy training. The segment included orienting new board members and listening to the new ideas coming in and a legislation being considered requiring new port commissioners taking a half-day training session before taking office. Many more topics were discussed, most of which are already being practiced. A copy of Chairman McDaniel is on file in case anyone would like to read, very informative!

Another session in line was the public meetings, records, and ethics. Numerous items concerning rules public agencies follow are available to read on file.

INSURANCE BRIEF by Jeff Canessa from Knutsen Insurance Co. in Astoria: Special Districts is a self-insured pool encompassing 95% of the special districts in Oregon. Taking the premium contributions it pools the monies by reinsurance, paying the first \$100,000 of liability losses and the first \$500,000 of property losses. Beginning in the early 80's out of the hard market, it provides insurance for:

- Real and personal property; Port of Astoria currently has 21 million dollars on its schedule; a \$1,000 deductible for each loss
- Earthquake and flood insurance with a 10 million dollar cap.
- Mobil equipment (contractors equipment) on a schedule basis (i.e., trench pipes and the travel lift)
- General liability, more accurately called public entity liability, follows public entity laws in Oregon, which has a limit of five million dollars.

All on one policy: auto, general liability, ship legal, commissioners, director and officers, and discrimination. Although it includes the airport, it excludes personal planes on port business. Also there is:

- Physical damage: all port's fleet, except for two older vehicles have coverage.
- Crime coverage: dishonesty coverage for public officials, carrying a \$2,000 limit.
- Workers compensation renewable on July 1<sup>st</sup> of the year.

The annual policy is renewable at the beginning of each year (January 1<sup>st</sup>). The Port of Astoria's experience with Special Districts has been excellent. Receiving discounts on workers' compensation insurance due to the trend here: employees' work habits working towards our favor.

Last on list: some questions on property coverage for piers and docks. A certified engineering report study is needed to obtain the coverage. Though expensive, it's the "norm" in the aspect of other ports. Before getting a quote, Lloyds Market reiterated a report stating the structure would have to get a report from an engineer of being structurally sound.

Also, city fire trucks are not allowed to go on the piers due to that same reason. Though, the report would be a good idea in order to know where the bad spots are because the port is still liable. The port is covered if someone slips off the docks. Sea lions are another question. An entrance to the dock where the animals have taken over is blocked off with a "no trespassing" sign.

Cost of items listed in the insurance report is \$94,000 to the port.

Marine insurance: with the insurance markets and their issues in 2001, marine insurance has gone with an outfit in Seattle a managing broker brought rates down; renewable in December of every year, insuring hull and machinery (protection and indemnity). Through the Jones Act, crew coverage is through Special Districts. Pollution liability insurance was added to the policy in 2007. Once done with dredging in April, a survey will need to be done on the dredge for marine insurance coverage and recommendations will need to be followed before it goes back in the water. Staff is looking into having the work done locally. It may have to be disassembled. The second choice would be to dry dock it in Portland.

According to some public comment, it was unsure whether hull insurance is on the port's vessels, it was determined the port does have the insurance on all it's vessels.

Miscellaneous coverage: covers three above ground fuel tanks, two at the Astoria Regional Airport, and one at the marina fuel dock. Annual policy: \$714 a year.

Payment bonds for Department of State Lands leases have been reviewed recently in January. An overlook by the agency, the lease was written without a bond included. Bonds were written in the early part of the year guaranteeing payment to the leases.

Umbrella coverage: not provided by Knutsen, over the port's liability, through the Northwest Ports Association (Marsch) in Seattle. A 30 million-dollar umbrella; an excess over general and auto liability, though it excludes the airport, it is attainable.

Other issues: Transferring the insurance risk when writing leases is important to protect the port's interests and general and personal contracts should be followed up on with Knutsen. Any contractors' or tenants' certificate of insurance cannot be terminated without notice.

Ken Smith, harbormaster asked if a fuel truck was delivering to a fishing vessel at the dock, does the port have pollution insurance. Answer was, the company making the delivery should carry the insurance. Terminal Services Manager Rita Fahrney confirmed a file is kept with certificates for leases, contractors and fuel delivery companies.

Volunteer insurance: volunteers that offer their services for a project, as the cruise volunteers will need to be looked at to determine if the Port needs to provide coverage.

The Port of Astoria's new interim projects manager Jim Flint was introduced to the commissioners. Mr. Flint's plan is to review the agency's organizational structure, job descriptions, accounting procedures, debt management and the level of openness with the public. He will also be facilitating a process to update the port's strategic plan, which was created in 1999 and reviewed in 2002. Staff is assisting Flint with his work.

It was suggested to delay filling the director's position until Flint is done with his conclusions. Also, the Special Districts Association of Oregon will conduct an audit of the ports' finances.

For the remaining workshop Ron Larsen reported on the following:

- Recommended changes to R&O 2006-23. The changes are to give the public an opportunity to comment before voting on a specific motion at hand, and moving the public comment session usually at the beginning of the meeting to the end. It also requires a "yes" vote from all commissioners present before the period can be canceled.
- Funds requested by net-pen fisheries program Tod Jones from Clatsop Economic Development Council through a grant denied until a later time due to the port's cash flow situation become more solid.
- The end of March is the target date when the Bornsteins' bucket dredging project should be completed. The cost of the project: upland operation at \$150,000 compared to the estimated \$10,000 for flow-lane. The dredge extension has been received. Ross Island Sand and Gravel from Portland removing 7,500 cubic yards of material.

Ken Smith, harbormaster reported:

- Still using old storage space near the Red Lion due to lack of space at the new office. Area is split into smaller spaces not allowing for a workshop. Maybe a portable storage unit at the West Basin would work.

Mitch Mitchum, cruise ship coordinator reported:

- 18 cruise ships scheduled to visit this season. Thirteen of the ships visiting Alaska this year will stop in Astoria. Next year one of the ships plans to make four consecutive calls as part of a new wine tour in the northwest.

- All ready, vendors for the market, cruise volunteers, and the Sunset Empire Transportation District.

Rita Fahrney, Terminal Services Manager reported:

- A new law could impact 100 volunteers requiring the port to pay for Workmen's Compensation. As reported earlier staff will work with insurance agent to determine.
- Need to formalize who oversees the volunteers, the city, port, or county or different structure.

Ron Larsen reported also:

- After two years of negotiating, a settlement with the Army Corps of Engineers has been resolved resulting from the 2004-05 dredge season.
- From the \$200,000 fine, \$140,000 of that will go towards a habitat improvement project in Holbrook Slough, located near the Premarq Center in Warrenton, flushing out stagnant water improving fish habitat.
- The remaining \$60,000 will be spread out over three-year period.
- The derelict vessel Pacific Producer on Pier 2 will be auctioned on April 5<sup>th</sup>. A stipulation in the arrangements after it is sold requires the buyer to remove the vessel from the pier.

Miscellaneous reports:

- Central Waterfront Master Plan being updated.
- Oregon Department of Fish and Wildlife director Virgil Moore will be visiting the area.
- Considering an additional long-term lease with Bergerson Construction for the tract of land between the new RiverLand buildings and the State Police.
- Bruce Conner, cruise ship marketer will miss the Sea-Trade convention this year due to surgery.
- The Floating Neutrons, a family sailing the world looking for a place to build their raft.
- Western Oregon Waste has the AgBag building. They have an option to lease five more acres to build a new transfer station. The old Pacific View Window building has been removed.

Commissioner Hess questioned where the old tanks at the airport had gone. Larsen reported two were sold to a concrete company that had them removed. The Seaside Airport was offered the tanks first; they declined the offer.

The U.S. Coast Guard doing ship repairs on Pier 1 well before the first cruise ship arrives. Two more would like to come and do the same; the port will work around the cruise ships' arrivals and their work.

Chairman McDaniel called for commission interest to the Lower Columbia River Estuary Partnership meeting in Portland May 7<sup>th</sup>. The half-hour session will be at the Red Lion in Vancouver, WA. Commissioners Bergeron and Hess showed interest; there are no registration fees for the session.

With no further business, the meeting was adjourned.