

MINUTES  
REGULAR MEETING  
PORT OF ASTORIA  
MAY 15, 2007  
PORT COMMISSION CHAMBERS

**CORRECTED**

Chairman Don McDaniel called the Regular Meeting to order and took roll call.

Commissioners present: Don McDaniel, Bernie Bjork, Dan Hess, Jim Bergeron and Larry Pfund. Also present, Bill Hunsinger and Kathy **Sanders**.

Staff present: Ron Larsen, Rita Fahrney, Ken Smith, Colleen Browne and Port Attorney, Heather Reynolds.

Others present: See attendance sheet.

CHANGES TO AGENDA. Chairman McDaniel called for changes to the agenda. Ron Larsen advised Item #4, Pacific Columbia Inc. presentation, will be deferred to the Port's next meeting. Chairman McDaniel stated he wishes to address the Accounts Receivable aging and placed that item on the agenda for discussion.

MINUTES: Workshop Meeting, April 10, 2007; Regular Meeting April 17, 2007 and Special Meeting, April 30, 2007. Commissioner Bjork pointed out on page 3 of the Regular Minutes a statement attributed to him stating he "asked if there could be a problem with holding off for a month or so", regarding the approval of lease assignment to Dennis DeLaHunt, was not a statement he made. Commissioner Bergeron clarified he made that statement. Commissioner Hess moved to approve the minutes of the aforementioned meetings, with correction to the Regular Minutes as noted above. Commissioner Bergeron seconded the motion. The motion carried unanimously.

VOUCHERS FOR THE MONTH OF APRIL 2007. Commissioner Pfund reported he reviewed the vouchers for the month. He had a question concerning cruise ship courtesy phone costs. Staff explained the benefits and costs for providing this service. Commissioner Pfund moved to approve the vouchers for the month of April. Commissioner Bergeron seconded the motion. The motion carried unanimously.

DISCUSSION – STATUTES, PORT NAME AND ELECTRIAL DISTRICTS. Chairman McDaniel reported he has brought this agenda item for discussion because there have been many who question why the Port is called "Port of Astoria" when in fact it is a county entity. Also, in recent months there has been discussion about the port candidates being elected by districts within the county. Discussion followed on pros and cons of changing the name of the Port and the possibility of changing the way Port Commissioners are elected. Chairman McDaniel stated there is no proposal for changes at this time. There are issues with South County, the airport's name, and purpose of

the name, among others. It was agreed to continue discussion after **any** newly elected board members are seated.

AGING OF ACCOUNTS RECEIVABLE. Chairman McDaniel explained he requested this item to address some Port accounts that are exceeding 90 days past due and the need to devote more time to pursuing payment of delinquent accounts. Ron Larsen responded Port staff does follow up with delinquent accounts on a regular basis and that some are cyclical. He added the Port's new Bookkeeper, Colleen Browne, will be pursuing collections more closely after familiarizing herself with the accounts.

#### CONSIDER AGREEMENTS:

- (a) Clatsop Cruise Hosts. Ron Larsen reported this is an agreement between the Port of Astoria and Clatsop Cruise Hosts. They have organized into a non-profit organization, taking the cruise volunteer funds off the Port's accounting books. This agreement covers the obligations of Clatsop Cruise Hosts and the Port and general provisions including the Port receiving a copy of their insurance, covering the port as an additional insured. Port Attorney, Heather Reynolds recommended the Port have an agreement and has reviewed the agreement for consideration. Some discussion followed.
- (b) Astoria Sunday Market. Mr. Larsen reported this agreement is for the Never on Sunday Market to operate a market at the Port during cruise ship calls. Port staff believes that having a commercial operation oversee vendors is in the best interest of both parties. Both the Clatsop Cruise Hosts and the Never on Sunday Market offer attractions and extra assistance to the Port in enhancing cruise ship passenger visits to the area. Larsen explained that approval of the Astoria Sunday Market Agreement by the Port Commission will be subject to approval by the Astoria Sunday Market board. They will be meeting in the next week.

Commissioner Hess moved to approve the Clatsop Cruise Hosts Agreement. Commissioner Bjork seconded. The motion carried unanimously. Discussion continued on the organizational structure of the Sunday Market. Chairman McDaniel recalled it was established 6-7 years ago as an idea to revitalize downtown Astoria. Since then it has grown and has successfully expanded their operation to the Port on cruise ship call days. They charge vendors a fee. A portion goes to the Market board and a portion is paid to the administrator. The Market board grants funds to downtown efforts. Some further discussion followed on the captive audience the market provides and actual vendor expenses and revenues. The Port plans to charge a \$100 fee for the market. This expense provides them security service, storage for market equipment and assistance by port employees during the cruise ship calls. Questions from the audience followed.

Commissioner Bergeron moved to approve the agreement with the Astoria Sunday Market, subject to their board approval. Commissioner Hess seconded the motion. The motion carried unanimously.

COLLECTIVE BARGAINING UNIT – LETTER OF UNDERSTANDING. Ron Larsen reported this letter of understanding is to clarify the issue of past practices in regard to retiring members of the Port receiving medical benefits. There is some ambiguity in interpreting the Collective Bargaining Agreement concerning this issue. He explained the current contract requires the Port to “furnish medical coverage to the employee upon retirement with a minimum of 15 years service and a minimum age of 62. This medical coverage will be in place from retirement until eligible for Medicare at age 65. If employed after 1995 a minimum of 20 years and the age of 62 are required. If employed after 1995 a minimum of 20 years and the age of 62 are required”. The labor contract also states “In the event retirement is prior to Medicare eligibility, the employer will furnish the same medical insurance it maintains for employees to the retiree”. Larsen explained several port retirees have retired and received the benefits prior to the age of 62 due to the event “retirement is prior to Medicare eligibility”. A few present employees will retire with PERS at age 58 or younger and will have been employed at the Port in excess of 20 years. It is staff’s recommendation to do what’s best for the employees and honor their interpretation of the bargaining agreement regarding retirement medical benefits. There will be labor negotiations for a new contract beginning in July where the Port may be able to change this benefit for future employees. Discussion and questions followed. Chairman McDaniel stated a precedent was set and the Port needs to honor that. Commissioner Pfund agreed past practices need to be followed; noting it is the most generous benefit he has seen. Heather Reynolds noted the contract wording is ambiguous and the contract wording should be changed to clarify the intent of the contract and past actions.

Commissioner Bergeron moved to approve the staff recommendation to section 9.5 of the Collective Bargaining Agreement to delete the minimum age of 62 as a requirement for the port to furnish medical coverage upon retirement. Commissioner Bjork seconded. The motion carried unanimously.

CALENDAR SCHEDULE. Ron Larsen advised the 18<sup>th</sup> of May will be the date the proposed budget for the next fiscal year will be distributed. The Budget Committee will meet on May 23<sup>rd</sup> to review the budget and if not approved at the first meeting, will meet again on May 30<sup>th</sup>.

#### REPORTS. Staff

Colleen Brown reported briefly on the year-to-date financials that were distributed at the meeting, noting they will be available in the packets in the future. She also plans to prepare a cash flow statement for future meetings that will be more easily understandable and meaningful. She noted with additional billings by the marina and cruise ship calls, the cash flow is easing. Chairman McDaniel inquired about the airport fuel statistics, which don’t seem accurate. Ms. Browne responded she hasn’t had time to research them and the account had not yet been reconciled.

Ron Larsen reported on the following:

- Staff has received two offers (proposals) for the Caffeination land now available. A proposal should be to commission members for consideration in the near future.
- Requests for Proposals will be sent for auditor services and attorney services.
- A standard lease document has been given to Dr. Park for his attorney to review. It will be necessary to obtain a new appraisal before negotiating a price for the lease. He will be meeting with an appraiser next week. Pacific Columbia Inc. is anxious to proceed with the project at the Skipanon.

#### REPORTS. Commission

Commissioner Bjork toured the Taggart building on April 20<sup>th</sup>. He observed no mold. On April 23<sup>rd</sup> he attended a Department of Fish & Wildlife meeting regarding commercial clamming in Cannon Beach. He commented on a conversation with Seaside Council member, Stubby Lyons, while at the Fish & Wildlife meeting who stated "Seaside's not getting their money's worth and the Port of Astoria should not be called Port of Astoria". Bjork attended an Oregon Ports Group meeting in Salem and also the Warrenton High School hatchery dedication.

Chairman McDaniel reported he attended the Oregon Ports Group meeting with Commissioner Bjork. There was discussion of fees and the ability of ports to pay and options for funding the group in a different manner. O.E.C.D.D. has proposed changes to the organization. He attended the Warrenton Seafood & Crab Festival, Chamber meetings and the Area Commission on Transportation meeting where Cities have transportation system plans updating. He attended a Col-Pac NWOEA meeting, and met with county mayors for input on representation.

PUBLIC COMMENT. Chairman McDaniel called for public comment.

Kathy Sanders voiced concern about the proposed Korean development for a convention center, hotel, and sports attractions at the Skipanon site, stating the majority of the jobs created will be lower wage and there will be a lack of affordable workforce housing. She also commented about the future of oil production and that if jet fuel resources are depleted the Korean's planned development to attract Korean, Japanese and Chinese to utilize their development will no longer be feasible and they will no longer be a "sustainable **enterprise**". Her opinion is to focus utilizing that area for other regional economical uses, not global.

Bill Hunsinger stated he plans to pursue his idea for handling dredging and spoils. He briefly explained the concept for the piling and sealing of the area, with the belief that a dredge window will not be needed for this option.

Lori Durham asked what Jim Flint's title, "Special Projects" means and what are his functions. It was explained to her that he is evaluating operations of the Port and will be making recommendations to the organizational structure and how the Port should function. The goal is to give the Port of Astoria Commission ideas to be more effective

and improve the public participation through community engagements and community outreach. Chairman McDaniel added Mr. Flint had hoped to complete his review in April; but was delayed due to personal issues. McDaniel added there has been very strong direction from several community leaders to his abilities.

Floyd Holcom, responding on a past comment about him, stated he asked the Port to see their financial reports on the East Basin and never received them. He had advised he would disclose his. He noted Don Mann, Port of Newport Director, had talked to him about the Port of Astoria's need to become more involved with public ports such as Pacific Coast Congress of Harbormasters and Port Directors. He also stated he does not agree with the comment that jet fuel prices in the future will have any bearing on Dr. Park's plans. He voiced his support for Dr. Park's development. Holcom also reported on the status of the Portland/Western Rail Road.

Dan Lambert asked to address a letter written to him from Ron Larsen regarding his activities during cruise ship calls. The letter was read. Mr. Lambert stated he has a booth set up selling Filipino foods for the cruise ship crews and shuttles crew from the Port area to the Warrenton mall complex. It is not on port property and should not be the business of the Port. Larsen responded the Port is concerned with the transportation issues of shuttling crew members to the Warrenton mall complex and putting the port at risk when any activities are done on port property. Lambert stated he worked for port security during cruise ship calls and noted there were no special services for the crew who want to shop. He discussed it with Fred Meyer personnel who stated they could not provide a shuttle. Discussion followed. Mr. Lambert provided copies of permits for services he is performing. Chairman McDaniel stated he applauds Mr. Lambert's efforts, but cautioned him to be certain to take appropriate steps to avoid liability issues.

Ted Thomas cautioned the port to place more scrutiny on scrap due to the increased theft of it by meth users. He also commented on Jim Flint's tenure at the City of Alameda. Chairman McDaniel responded Mr. Flint is not providing a financial analysis, but a management analysis.

There being no further business, the meeting was adjourned.