

MINUTES
REGULAR MEETING
JULY 19, 2007
PORT COMMISSION CHAMBERS

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

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

Staff present: Ron Larsen, Rita Fahrney, Ken Smith, John Hord.

Others present: See attendance sheet.

OATH OF OFFICE – COMMISSION-ELECT, BILL HUNSINGER. Clatsop County Commission President, Richard Lee, swore in Commission-elect, Bill Hunsinger, who then assumed his position on the board.

APPOINTMENT OF OFFICERS. Commissioner Hess advised past practice for appointment of officers has been conducted on a rotating basis. Commissioner Hunsinger nominated Larry Pfund for President. Hunsinger's motion died for lack of a second. Some discussion followed with each commission member voicing their thoughts on the importance of all the members working together, recognizing there are differences of opinion, going forward in a new direction and fixing past problems. Commissioner Hess moved to appoint the officers using the rotation process. Commissioner Bjork seconded the motion. The motion carried unanimously. New officers are:

- President, Dan Hess
- Vice President, Larry Pfund
- Secretary, Bernie Bjork
- Treasurer, Bill Hunsinger
- Assist Treasurer/Secretary, Kathy Sanders

CHANGES TO AGENDA. Commissioner Bjork requested an agenda item be added for considering use of public comment sign-in cards.

MINUTES: Workshop Meeting, June 12, 2007; Budget Hearing, June 12, 2007; Regular Meeting, June 19, 2007. Commissioner Bjork moved to approve the minutes of the aforementioned meetings. Commissioner Sanders seconded the motion. The motion carried unanimously.

VOUCHERS FOR THE MONTH OF JUNE 2007. Chairman Hess reported he reviewed the vouchers for the month and called for any comments. Commissioner Sanders

suggested a time policy be created for commission compensation reimbursement. Commissioner Bjork noted the cost to the Port for the Special Election was \$4,380. Commissioner Bjork moved to approve the vouchers for the month of June. Commissioner Sanders seconded. The motion carried unanimously.

CONSENT AGENDA. Ron Larsen explained this is an annual agreement with the Astoria City Police to provide back-up assistance and dispatch service to the Port's security personnel. Commissioner Sanders moved to approve the agreement. Commissioner Bjork seconded the motion. The motion carried unanimously.

BANK RESOLUTIONS. Larsen reported these are Port bank accounts needing new signature authority due to changes in commission members and staff. Commissioner Bjork moved to approve the following resolutions:

- 2007-18 Bank of Astoria General Fund Checking
- 2007-19 Bank of Astoria Revenue Fund Checking
- 2007-20 Bank of Astoria Payroll Account
- 2007-21 Bank of Astoria Marina Fuel Dock Account
- 2007-22 Bank of Astoria Bornstein Lease Account Checking
- 2007-23 Bank of America Port of Astoria Employee Fund

Commissioner Hunsinger seconded the motion. The motion carried unanimously.

COMMITTEE APPOINTMENTS. Commission committee appointments were made as follows:

<u>Organization</u>	<u>Delegate</u>	<u>Alternate</u>
Area Committee on Transportation	K. Sanders	D. Hess
Boat Show	All Commission Members	
C.R.E.S.T.	L. Pfund	B. Hunsinger
O.C.Z.M.A.	B. Bjork	D. Hess
Western Fish Boat Owners	D. Hess	B. Bjork
Col Pac Economic Develop. District	K. Sanders	L. Pfund
N.W. Oregon Regional Partnership	K. Sanders	L. Pfund
Lower Columbia Solutions Group	B. Hunsinger	L. Pfund
Near Shore Columbia Beneficial Use Subcommittee	K. Sanders	L. Pfund
C.E.D.G.	L. Pfund	K. Sanders
O.P.A.C.	B. Bjork	
Clatsop Cruise Hosts Committee	B. Bjork	
Airport Development Committee	L. Pfund	K. Sanders
Marine Advisory Committee	B. Hunsinger	D. Hess
Design Review Committee	K. Sanders	B. Bjork
Cold Storage Committee	B. Hunsinger	D. Hess

Commissioner Bjork recommended in addition to serving on the various organizations, commission members should consider attending meetings of other city councils within the county. A list can be compiled of where and when councils hold their meetings. Commissioner Hunsinger suggested the Port hold meetings in Seaside/Cannon Beach at times. Commissioner Sanders suggested this be a discussion item for the workshop meeting.

CONSIDER APPROVAL – BANK OF ASTORIA LETTER OF CREDIT. Ron Larsen reported staff has applied and been accepted for a \$200,000 Letter of Credit from the Bank of Astoria. This will assist, only if needed, as a fallback source of operating funds during slow periods or for emergency situations. He explained the terms of the letter of credit and that past Port Attorney, Heather Reynolds, has reviewed it. Some discussion followed. Commissioner Bjork moved to approve the Letter of Credit subject to the Port's new attorney review. Commissioner Pfund seconded the motion. The motion carried unanimously.

CONSIDER APPOINTMENT – AUDITOR. Ron Larsen reported staff advertised and published a request for auditing services. Eight information packets were sent out. Only one proposal was received – from John Carlson, CPA in response to the request. The Auditor Selection Committee reviewed the proposal and agrees that John Carlson, CPA is qualified to perform the port audits. The cost of the audit is consistent with previous audits. For the three-year period costs are \$22,000 first year, \$23,000 second year, and \$24,000 third year. Larsen has discussed the audit with Mr. Carlson and believes he is capable and will provide a new look at the Port's accounting books. He is well respected and known in the area. Staff recommendation is to approve John Carlson to conduct the Port audit for the year ending June 2007 and for the next two yearly audits per satisfactory contract performance. Commissioner Pfund moved to approve John Carlson, CPA to conduct the Port's audits per staff recommendation. Commissioner Sanders seconded the motion. The motion carried unanimously.

CONSIDER APPOINTMENT – ATTORNEY. Ron Larsen advised the Port Attorney Review Committee, Bernie Bjork, Kathy Sanders and Ron Larsen, reviewed four proposals for providing attorney services. The Committee agreed that Jordan Schrader has the most experience dealing with special districts. He is General Counsel to one county, eight cities and more than 50 special districts and is very versed in Special Districts law. The disadvantage is his firm is located in Portland. Three of the four firms are not local. The Port would plan to have most general questions answered by phone and use faxes and e-mail when appropriate. Jordan would be available by phone or in person for commission meetings as needed. Larsen suggested having a six-month period to see if the arrangement will work for the Port and it can be re-evaluated if it is not working out due to the distance. Commissioner Bjork moved to approve Jordan Schrader Attorneys at Law as General Counsel for the Port of Astoria. Commissioner Hunsinger seconded. The motion carried unanimously. Some discussion followed about current attorney fees

the Port owes and the status of current issues including environmental and the attorney appointed to represent past director, Peter Gearin.

CALENDAR SCHEDULE. Larsen reported the Port and the City of Astoria have planned a meeting August 15, 2007 with Crandall/Arambula, urban design consultants. There will be a brief presentation by them followed by a workshop for participants to discuss future development of the Union Town area including the Red Building improvements, Bay Street, Basin Street, the east/west corridor and traffic flows. More information will be available at a later date.

REPORTS:

Finance. Colleen Browne, Bookkeeper, noted the cash flow is easing with good responses to collection letters. She currently is working on preparations for the audit. Questions followed on the aging of accounts. Commissioner Hunsinger asked about collateral on the Bornstein Seafoods building. Mr. Larsen explained the Port's holdings on Bornstein's assets to assure payment of debt. Commissioner Hunsinger made a motion to revisit the Bornstein agreement. Motion died for lack of a second. Commissioner Hunsinger questioned the Port's decision to allow the F/P WOODBINE and F/P PACIFIC PRODUCER to dock at the piers given the unstable histories of the vessels. Some discussion followed. Commissioner Pfund reminded commission members their jobs are to fix problems and not dwell on past mistakes.

Commission.

Commissioner Sanders reported on a meeting of the Area Committee on Transportation she attended that is undertaking a State Transportation Improvement Plan. Another meeting is scheduled for August 17th to prioritize projects for improvements.

Commissioner Bjork reported he has been monitoring the dredge progress, including preparing it for haul-out in Portland. The port employees have done a great job, saving the port a fortune. He attended the Seaside Airport Committee meeting, starting communication with the Port. He is hopeful the Port and the Committee can proceed to an intergovernmental working agreement. Bjork also attended the Oregon Ocean Policy Advisory Committee meeting where discussion is continuing with the Governor who wants to create a series of marine reserves. Discussion followed on the impact of creating marine reserves.

Interim Director, Ron Larsen, reported on the following:

- There was a fire over the week-end at Da Yang Seafoods. The Port's insurance company, Special Districts, has been assessing the loss. There is damage to the building. It's been determined the fire was caused by welders working at Da Yang.

- An aircraft crashed at the airport over the week-end also. The pilot was not injured. Larsen stated emergency response worked perfectly.
- The dredge is being surveyed and reports are there are not a lot of individual problems when the bottom was observed. There will be an ultra-sound survey done on Monday.

Marine Services Manager, Ken Smith reported the fuel dock at the boat basin is now in operation.

PUBLIC COMMENT. Chairman Hess called for public comment. *The following public comments are not written verbatim, but intended to reflect the substance of matters discussed.*

Lori Durham voiced approval of having comment period held at the end of the agenda. While listening to topics discussed her public comment item was answered.

Stuart Sinclair stated the Port's website needs updating. He suggested putting names of delinquent accounts on the site, keeping the minutes updated, and adding agendas to the site. He also questioned whether the Port has a policy for allowing vessels to tie up and the status of Taggart's water meters. Rita Fahrney, Terminal & Administrative Services Manager, explained there is a procedure in effect used by all deep-water marine terminals within Oregon and Washington that is called a Berth Reservation Form, approved by the Federal Maritime Commission that is specific to cargo/cruise ships. Staff is now using it for smaller vessels as well. Ron Larsen responded to some of Mr. Sinclair's questions, noting staff is very small and has a large volume of business to tend to.

A question concerning legal coverage of Mr. Gearin was answered by Chairman Hess, who explained Mr. Gearin's coverage will continue until the issue is settled.

OTHER BUSINESS.

Commissioner Hunsinger stated he would like a Special Commission Session to hash out and discuss issues with just commission members as there are tons of questions and not all commissioners are on the right page. Discussion followed on the need to publicize public meetings and to allow the public to attend. Ron Larsen and Commissioner Pfund explained previously the Port held Strategic Planning meetings and this may be an avenue to explore. Commissioner Hunsinger noted he is not in favor of sitting around waiting for meetings and he wants to get something done.

There being no further business, the meeting was adjourned.

