

MINUTES
REGULAR MEETING
AUGUST 21, 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, Bill Hunsinger.

Staff present: Ron Larsen, Esther Jones, Colleen Browne, and John Hord.

Others present: See attendance sheet.

CHANGES TO AGENDA. Dan Hess called for changes to the agenda. Ron asked for item #10, OECD LEKTRO LOAN, to be moved to #5.

MINUTES: Workshop Meeting, July 10, 2007; Special Meeting, July 10, 2007; Regular Meeting, July 19, 2007. Commissioner Hess listed the minutes for approval, Commissioner Pfund said they looked good, though, Commissioner Sanders had a question on the minutes of July 10th, the move made to set the July regular meeting up a couple of days to July 19th, correcting the minutes to say Commissioner Bjork had voted no. Minutes will be corrected. Hess called for approval, Bjork moved to approve the minutes of the aforementioned meetings. Commissioner Pfund seconded the motion. The motion carried unanimously.

VOUCHERS FOR THE MONTH OF JULY 2007: Chairman Pfund was unsure who was designated to read the vouchers every month. Although all members of the board should read, the treasurer is the member of the board with the job. Another question on page 7, on 7/12/07, the Bornsteins' item of reimbursement to Port of Astoria payroll needed an explanation. Colleen Browne, bookkeeper, explained it has nothing to do with payroll. It is a check that was cut from the Bornstein lease account to the Port of Astoria, reimbursing the port for property insurance and two invoices paid to the SRG Partnership for the fish factory project the port had paid on their behalf.

Pfund also had another question of an expense on page 9 involving the payment for the appraisal of the east bank of the Skipanon River, paid to Jackson Roholdt. Interim Director Ron Larsen explained the port wanted to get an updated appraisal on the property since Dr. Sonny Park and his group had become interested in a lease. Six to seven years ago the appraisal done at that time was valued at \$4,000. The new appraisal came in at \$4,600 an acre.

Some further questions followed, Chairman Hess called for a motion to approve the vouchers. Commissioner Pfund made a motion to approve the vouchers, and Commissioner Bjork seconded.

OECD/LEKTRO FACILITY UPGRADE LOAN: The approval is for the application of a loan/grant with OECD for additional improvements the company made to their facility at the Astoria Regional Airport. Not in the original loan/grant, will pay for items as the lights in one section and others that came up during the dismantling of the building. Other areas worked on, paid for by Lektro is what they are asking to be reimbursed for. The loan, if applied for, that is being worked on called a Strategic Reserve Fund loan of \$858,000 a forgivable loan, if the company meets the 50 new employees that they must hire in a specific time frame of 2011.

The other, \$850,000 Special Works loan comes with many advantages for Lektro and the port, as the inclusion of this entire package. It includes the water improvements and new fuel tanks, which makes marketing the airport much better. The expansion provides monies for research and development, allowing the company to receive grants as it just did from the congress for hydrogen power enabling it to work with air force. As for the port, it brings in \$1,600 in monthly land lease revenue. More will come once additional loans are paid off. If granted, the loans are in line for commission approval in September.

In the middle of the discussion, Commissioner Sanders asked if the vouchers for the month of July 2007 had been voted on. All agreed they had not taken votes by the board. At that time Chairman Hess called for a vote from all member to approve the vouchers. The motions made previously carried unanimously.

Eric Paulson, Lektro's owner stood to briefly describe the history or his company's expansion project and partnerships that helped along the way. Commissioner Hunsinger questioned the payments Lektro is paying currently to the port. Paulson explained how the different lease payments worked. All are for different projects. The lease grows to \$20,000 though out of that payment the port makes a large one to the state that leaves the port \$1,600 profit. Currently the loan payment the port makes to the state equal what Lektro pays the port in lease payments for a length of time. After all is done, the port will have a very nice building that was in a 1940's state brought up to 2007 plus standards. The "whole works" is all a very modern facility.

Commissioner Sanders was curious on the economic impact Lektro is for Clatsop County, payroll alone is at around \$150,000 every two weeks. Sales are growing.

More discussion followed on the tow bar modifications currently being worked on. Commissioner Bjork made a motion to authorize the director to apply for the OECD loan. Commissioner Sanders seconded the motion, which carried unanimously after a brief discussion on whether there was a conflict of interest between one of the

commissioners being friends with Mr. Paulson's sister. No conflict of interest on the record.

RESOLUTION NO. 2007-24 ACCEPTING FAA GRANT: The port accepted a grant of \$197,375 from the Federal Aviation Administration to build taxi lanes for two additional hangars and a new approach for Runway 08 at the airport in two phases. The FAA will pay for 95% of the project and the port will carry the remaining 5%. Commissioner Pfund made a motion to authorize the grant to be signed by the interim director. Commissioner Bjork seconded the motion. The vote carried unanimously.

RESOLUTION NO. 2007-25 PROFESSIONAL SERVICES – REID MIDDLETON, INC. The port is seeking approval for payment to Reid Middleton of Everett, Washington for survey and engineering work at the airport in the amount of \$83,581. The FAA has agreed to the fee schedule. Commissioner Pfund made a motion to approve the contract, with Commissioner Sanders seconding the motion. The eyes carried.

RESOLUTION NO. 2007-26 AMENDMENT TO WEST BAY FISHERIES The amendment (#4) to the West Bay Fisheries lease is for an additional 1,462 square feet of space on Pier 2. The space will bring in \$60 more per month to their lease payment to the port. The space will house refrigeration units and processing equipment.

Some discussion followed on the space for delivery trucks and the space needed. The port is in the process of enforcement of a plan to make sure the fire lane is not obstructed. Concerns of the dock in the same area where miscellaneous totes and containers sit need to be addressed, which was in agreement by all that the docks need some serious cleaning. Industrial lands and the rate the port is leasing their docks and land is an area that needs further discussion. Commissioner Sanders made a motion to approve the amendment. Commissioner Bjork seconded the motion. The ayes carried unanimously.

RESOLUTION NO. 2007-27 CONSIDER COLLECTIVE BARGAINING AGREEMENT The agreement was delayed for further discussion. Commissioner Hunsinger stated he might have a conflict of interest in participating in the vote for this item. He said he was involved in the bargaining committee. His attorney had advised him to only share his comments on the issue only. Larsen disagreed with him. The three-year agreement ended in June 2007. Items have been worked out for employees at the port. Changes to the old one on page 3 the word "thereafter" was removed. The years of vacation was changed to more accurately define accrual.

Also, in the bargaining, was a 6% pay raise for employees going into effect after the 2007-08 fiscal year. It was settled by the crew themselves agreeing to make the raise equal for all. On page 9, the port can re-open the raise issue again at the end of the time frame of 2009-10, to see if we can pay the cost of living allowance associated with the contract. The agreement was held up though with the long-term health insurance

for employees who retire early, before Medicare takes effect. Information was gathered on the "grandfathering" of employees who have worked for longer lengths of time. The question on whether the delay would extend the decision for three years. Unsure, more discussion followed on how to approve a portion of the agreement. The decision to delay making a decision particularly on section 9.5, was agreed on with all. A motion was made by Commissioner Sanders to table and bring back to next month's meeting regarding long-term insurance. Commissioner Bjork seconded the motion. The ayes carried unanimously.

RESOLUTION NO. 2007-28 CONSIDER LINES HANDLING AGREEMENT/POA-ILWU

The lines agreement with the ILWU detailing the tie-up and let-go of smaller vessels has been out of effect for some time. Some confusion on everyone's part on just how much manning the vessels should have has been at odds. Having a "clear structure" on all details is essential. The smaller vessels themselves disagree on needing assistance with their tie-up and let-go procedure, especially when it is for a short period of time. Manning, item (d) as discussed in the past, in particular, was addressed and how the need for two linesmen comes to play when requested when there is cargo to be discharged. It is always important to remember that yes, when a barge comes in with cargo linesmen do assist, though, when barges only come in for the "touch-and-go" process without cargo do not necessarily need the same assistance. It is certainly an issue to talk over. More discussion followed on the full barges and they come in when there is no one on the dock to supervise in the middle of the night.

Commissioner Hunsinger made a motion to accept the agreement except for item 1d still in negotiations. Protecting the port is main goal. Implementation of the agreement is the hold-up. A lot of details need to be looked at and agreed on. Commissioner Pfund agreed on the issue and seconded the motion. The ayes carried unanimously.

PUBLIC COMMENT SIGN-IN CARD The port has discussed adopting a public comment sign-in card that includes a list of rules and Oregon public meeting statutes, leaving the president in charge of setting time limits, if necessary. No time limits on the card, also up to the president. Commissioner Sanders presented the Oregon State Statutes she suggested to be put on the card and change some of the wording. Commissioner Hunsinger voiced his disapproval on the card itself liking the old idea of people signing in on one sheet. Commissioner Bjork made a motion to accept the new card with the suggestions. Sanders seconded the motion. The vote was 4-1, with Bill Hunsinger opposing.

CALENDAR SCHEDULE

Commissioner Sanders suggested having an additional workshop for the month with so many important issues needing attention. Nothing permanent. Commissioner Bjork disagrees, remembering the need to "slow down" with two items per workshop. Many complex issues on the table. Some discussion followed on the time. It was decided to try it for three months starting on Tuesday, September 4, 2007 extending if needed.

Commissioner Hunsinger made a motion to try the extra workshop, and commissioner Pfund seconded the motion. The vote, 4-1 with Bernie Bjork who voted no.

REPORTS:

Finance Colleen Browne reported audit preparations are continuing with John Carlson. Bills are being paid in addition to the bill of from Cascade General of \$156,000 for the job done on the dredge. The paint job is good for seven years.

Commission.

- Larry Pfund: Spoke to the commander of the USS Vandergrift on dredge permitting. Some discussion followed on possibility of ocean-going freight ships.
- Kathy Sanders: Met with Jim Flint about strategic planning. Attended the Lektro and will tour Bornsteins' facility tomorrow.
- Bill Hunsinger: Spoke to new dredge operator at Tongue Point; has seven people in mind for dredge captain. More discussion followed on the hake fishery.
- Bernie Bjork: Visited the USS Vandergrift also. Turned in reports on the five meetings he attended. Reported on the visit to the Port of Portland on the dredge Oregon with Rob Cook. Lora Eddy and Commissioner Sanders also there.
- Dan Hess: none

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 asked if anyone had attended the public meetings on the Bradwood Landing issue. It's been delayed until August 28th.

OTHER BUSINESS.

Pier 2 is in need for a structural engineers survey. Ron Larsen reported he has spoken to Bill Marczewski at BSM Consulting Engineers, Inc. upstairs and has scheduled an inspection of the pier. Bill Roach of MSRC has offered his vessel to take a look at the underneath of the pier. The inspection will be looking at the weight bearing capability of the pier itself. The area of concern is the West side over the water, the face, and to some extent on the East side.

Commissioner Hunsinger made a motion to have a statement made to protect the port making sure that on the west side of the pier is forklifts and totes with no trucks. The attorney will have to be asked as to what is legal to say to the tenants.

There being no further business, the meeting was adjourned.