

MINUTES
PORT OF ASTORIA WORKSHOP
SEPTEMBER 11, 2007
PORT COMMISSION CHAMBERS

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

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

Staff present: Rita Fahrney, Ron Larsen, Colleen Browne, John Hord, Lora Eddy and Bruce Conner, Cruise Ship Marketing.

STATE MARINE RESERVES – REVIEW RESOLUTION. Commissioner Bjork explained he met with fishers here, Newport, Depoe Bay and Warrenton to review a resolution regarding State Marine Reserves (SMR). After the meetings, he prepared a resolution for Port of Astoria consideration. The resolution contains nine different criteria the Port encourages to be taken into consideration before and during establishing a SMR. Discussion followed with some changes agreed upon. The resolution will be prepared for consideration at the Port's regular meeting.

PORT OF ASTORIA MANAGEMENT REPORT – REVIEW. Commissioner Sanders reported she cut and pasted pertinent sections of the management report prepared by Jim Flint for commissioners to review the status of the recommendations contained therein. The following points were addressed:

- Separating the CEO and CFO roles. Ron Larsen reported this has taken place. The financial work is done by Colleen Browne, separated from the CEO position.
- Project Manager. Larsen reported the Port currently uses outside services for this work. It may be appropriate, with funding in place to bring this position on board to work for the Port. In the past, staff members took on the role.
- Environmental Compliance staff position. Lora Eddy has been retained to work for the Port as Environmental Compliance Officer. Staff is looking into bringing her on as a port employee rather than working for the Port through CREST.
- Due to the small size of staff, the need for cross training. Rita Fahrney explained much of this is underway. She is cross-trained to do payroll, accounts receivable and accounts payable in the bookkeeper's absence. She has trained other staff members to assist with her job duties in her

absence, including the Administrative Assistant, Maintenance Supervisor and security personnel. This cross training is continuing.

- Performance evaluations. Ron Larsen acknowledged this has not been kept up and will be a staff priority to implement. He will report back to the commission.
- Personnel Policy implementation. Rita Fahrney has acted in the capacity of Personnel Manager for many years. She explained some of her efforts to keep abreast of personnel issues and that the policy is updated on a regular basis, depending on changes in law and other factors.
- Need for workshop after a new director is hired to articulate the expectations of the governing body for the new director. Additionally there will be a need for a team building exercise
- Weekly Staff meetings recommendation. Ron Larsen reported this is already underway with all-staff meetings once a month.
- Create an Audit Committee. Commission and staff agreed this is a committee already in place – the Budget Committee.
- **Port filing systems. Need for better organization. Staff will pursue.**

Commission members agreed to continue the review of the Management Report beginning with the Financial and Debt Management and will ask that Mr. Flint be available to discuss his recommendations.

SUPPLEMENTAL ENVIRONMENTAL PROJECT – DISCUSSION. Ron Larsen explained there is a large amount of risk to the Port if a supplemental environmental project is completed in lieu of the monetary penalty. He explained several of the potential problems that could be experienced in fulfilling the option for a supplemental environmental project and that if the Corps of Engineers does not agree with any of the work it could be deemed null and void, in which case the Port will still be obligated to pay the penalty. He explained Port staff members are not “environmental experts”. He suggested paying the penalty assessed over a longer time period. Questions followed. Lora Eddy voiced her concerns about the “sensitivity” of the proposed project and potential for complications. In addition, fulfillment of the obligation will take away from Port staff projects that need to be completed. The deadline for completing the application is November. Commissioner Sanders commented now may be the time to “cut and run”.

COLLECTIVE BARGAINING AGREEMENT. Ron Larsen reported approval of the Bargaining Agreement for Union employees has been delayed due to concerns by the Board of medical costs to the Port for furnishing medical benefits upon retirement. He and Rita Fahrney met with the Union to discuss the concerns. The Union has offered to extend the obligation of the Port to furnish medical insurance for future employees who will have to have 30 year’s service. Existing

port employees' benefits will remain. Commissioner Sanders noted staff reported other ports are no longer offering these benefits. Commissioner Hunsinger, having served on the Union Labor Relations Board in the past, commented the union made a "concession" and they likely will request additional benefits from the Port in future negotiations.

STAFF REPORTS.

Bruce Conner, Cruise Ship Marketing, reported the following: Seven cruise ships are scheduled to call this fall. On the 13th the Cruise Hosts held a dinner for the volunteers in the new Red Building facility. It was well received. Two ships will have inaugural visits this fall. Ship captains continue to receive a gift basket with local specialties – the cost of which is shared by the City of Astoria, Sundial Travel and the Port. 2008 will be a record for the Port, with 19 ship calls scheduled! He is also continuing work on an embark/disembark visit next year. Also working with Jay Bornstein to develop a shore excursion seafood tour of the plant.

John Hord, Chief of Security, reported the following: He met with the Coast Guard Captain of the Port and is updating the Ports Facility Security Plan. The Coast Guard will be performing a walk-through. He is also assisting the City of Astoria to get a plan submitted for their facilities. Also staff members are creating a pedestrian sidewalk for access by ship passengers to the trolley.

Ron Larsen reported the following:

- Regarding the pier three property, Steve Purchase, D.S.L., indicates it is possible it can be sold as it is considered excess land by D.S.L. Larsen explained the process that would be undertaken to purchase the land. He encouraged commission members to attend the meeting with the D.S.L. next Wednesday at 3:00 p.m.
- Staff is interviewing two grant writers to work on the Connect Oregon II Grant.
- The area-wide contamination south of the Port office has been cleaned up to the point where there are now two buildings completed and another one on the way. The Port has paid \$320,000 over the years on the clean up. Some of the other parties involved include Exxon, Mobil, Niemi Oil who also are paying for the clean up.
- The Airport was inspected last week by the FAA. All in all the airport inspection received good marks, with a few small violations being taken care of.

- The Port has applied for a Connect Oregon grant with the City of Newport for seeking air carrier service. Since the first grant, some of the criteria have changed, enabling The Port and City of Newport to re-apply.
- The Bar Pilots building at the airport terminal is deteriorating. Funds will need to be allocated for repairs. Also, if the Port is successful in receiving the Connect Oregon Grant funds, there will need to be a decision on how to accommodate the Bar Pilots and have a terminal for passengers using air service.

OTHE BUSINESS.

Information has been put into the commission in-boxes about a class that may be helpful for commissioners. The class offers organization development and provides skills for interaction.

Commissioner Hunsinger asked about a recent incident where a dredge was scheduled to dock and was unable to. Rita Fahrney explained when the request to dock was made by the dredge company; she explained there might not be enough room available because another vessel was using the same dock. She stated she specifically requested they physically look over the dock area before deciding to use it. They neglected to do so and when the dredge arrived they found they could not fit on the fendering system available, so they went to anchor.

Commissioner Hunsinger asked for an update on the pier two dock damage. Ron Larsen replied he has written a letter to Tidewater about the dock damage and is turning the matter over to the Port's attorney for follow up. The same process will be used for Da Yang's damage due to fire.

Commissioner Hunsinger reported he talked to a Port of Portland commissioner who stated they charge container trucks \$182 to use the facility. That fee includes a clerk, security and maintenance. A CFS station also charges trucks with containers for checking service. He stated the Port should have a clerk stationed here for checking, providing a bill of lading sticker. He believes we are one of the only ports on the west coast that do not do this. He explained the checker provides a bill of lading and stickers the container. The container will then pass through the checker of the destination port already checked. He will have an update on information for the next meeting. He suggested the Port look into it for a tariff item. Some discussion followed.

There being no further business, the workshop session was adjourned.