

MINUTES
PORT OF ASTORIA
WORKSHOP SESSION
MARCH 11, 2008
PORT COMMISSION CHAMBERS

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

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

Staff present: Ron Larsen, Colleen Browne, John Hord, Lora Eddy, Esther Jones, and Ken Smith.

Others present: See attendance sheet.

Acting Director Ron Larsen mentioned there will be an Executive Session to discuss legal matters added to this afternoon's agenda at 4:30 p.m. (see revised agenda). There is also a cruise host's kick-off beginning at 5:00 p.m.

Commissioner Sanders added the port manager job description to the "discussion" section of the agenda.

STAFF REPORTS:

Lora Eddy, Environmental Compliance Manager reported:

- Completed as much dredging as possible under time extension in order for vessels to get into the haul out.
- Updated the Corps on the port's dredging status
- Reporting to be done on depths at port docks and post-dredge sampling.
- Hoping to purchase hydrographic software (survey device) that will provide the port with immediate access to more dynamic surveys; another piece of the component
- Updated information for storm water plan; need to install retrofit devices as part of plan.
- Working to expedite pedestrian access path with ODOT and their contractor OTAC HLB
- Updating spill plans for airport and port; training for staff
- Spoke to the Corps and left messages for NOAA on the East Basin piling repair project.
- Submitting re-application for authorization for Pier 2 dock repair.

Commissioner Hunsinger asked a question about the E. End piling project. Eighteen pilings are leaning slightly. Those are the ones that could just need to be pulled out as not to damage the floats. They can be pulled or set straight. In-water work identified by regulatory agencies such as the Corps (in navigable water) and NOAA (species protection); the Department of State Lands (DSL) allows for on-going maintenance work. Hoping to "fast track" details due to emergency storm related repair work. Details on the time period to do the work will follow and take it into consideration.

Esther Jones, Administrative Assistant reported:

- Governing 101 class has been cancelled
- Rita Fahrney will be returning to part-time work from her time away on medical leave; she plans to begin March 18, 2008.

John Hord, Chief of Security reported:

- Met with NCIS Security Training Assistance Assessment Team member anticipating the Navy's arrival during Rose Festival.
- Working with the city of Astoria, Rosemary Johnson on port's parking plans. Acting Director Larsen added two people from the city planning office have offered to assist in the plan to eventually present to the commission.
- On-line for the first cruise ship visit March 31st

Ron Larsen, Acting Executive Director reported:

- Storm damage repairs done by Lorentz Brunn Construction Co. The port's main office building work should be completed by the end of this week. Pier 1 electrical building needs more work. Oregon State Police office building and T-hangars at Astoria Regional Airport 100% complete. Some roof repair at the maintenance shop. Building on the western side of the mechanical shop needs a new roof. Pier 2 warehouse material to arrive Monday. Pier 1 fencing also part of the storm damage to be repaired.
- Sardine processors to begin season end of April.
- We were able to dig MSRC area to the water depth of 20' past the stern going forward of the barge. Will talk with MSRC see where we can keep the barge on a temporary basis, or leave it where it is.
- FEMA going well; \$250,000 not covered by insurance, of which in most cases FEMA covers 75% and the port will carry the remaining 25%. Larsen informed the company about who would pay their bill. The plan is as follows: 1) insurance, 2) FEMA, 3) emergency funds from the State of Oregon, Oregon Economic & Community Development Department (OECD) with a fund set-up to pay for the port's part. There is also a possible loan set-up through Special Districts and another option to use operating funds set aside.
- City of Warrenton experiencing complaints on King St; city agrees to block area off. It's an area where motorcyclists ride their bikes. It's up to the port to allow the bike group to be allowed to continue to use the area. The port and the state have spent \$5,000 in clean-up before.
- Airport Master Plan notebooks will be distributed to board members. The city of Warrenton and the Port of Astoria Commission will seek to approve in April.
- Spoke to county offices on reversionary lands owned by Clatsop County on the east bank of the Skipanon. In a meeting with Scott Derickson, a letter on the way will have a set of rules; county willing to sell, matter of financing.
- Red Lion update: New manager, Ryan Davis relocated. Executives from Spokane in Astoria in a couple of months and would like to meet and discuss their long term intentions. Their plans include moving everything out of the restaurant and the old conference center. Ultimately, building will be torn down. FEMA may pay for removal of the conference center.

Colleen Browne, Finance Manager reported:

- Cash flow report passed out and explained. She also briefed the board members on balances of the marina, payroll, accounts payable, reserved funds, restricted funds, timber revenues (capitol outlay; funds for the storm damage deductible), the general unrestricted tax revenue, and the Bornstein Seafoods accounts.
- Letters out to the outstanding accounts' receivables, which is under 5%; marina also doing letters on their accounts.
- Balance on accounts payable account.
- Update on audit: John Carlson feels a preliminary financial statement can be available at the end of this month. Loan balance amounts and amortization details need to be ironed out. An extension has been filed well ahead of deadline. Some financial institutions are waiting for financial reports to proceed with projects such as the T-hangars. There is a waiting list of about 33 people.
- The Bergerson dock repair invoice is old. It is the P2 repair work for MSRC, explained by Acting Director Larsen, since it was before Colleen's time working for the port.

Larsen briefed the board on details of the next regular meeting. Stephen Forrester of Eastern Oregonian Publishing Co. explained his company's plans to move his facility to the Airport Industrial Park. The publishing company submitted an option to lease property at the business park. Two to three acres will house the publishing operations and parking associated with the project. During the option period, one year, consideration will be \$500 a month, which is merely "due diligence" for both parties. To prepare the site, the port's work during that year will be to fill in the wetlands area, using credits from the mitigation bank. Discussion followed on the land and the businesses that occupy the park. Larsen

explained the details of the lease options and appraised value of the property, all part of the documents that will be in next week's packet for commission consideration. Larsen then asked Forrester to give any more comments of the project.

With a state of the art press and insertion facility, it would allow them to become the regional printing center by doing all the printing in the area and offer competitiveness. It could also allow the company to print specialty products for other papers in eastern Oregon. The UV capability of the press is a way to make slick style paper printing feasible for specialty work. A press crew of three and an insertion crew of five, and a manager for the facility. It would be a total investment of around 4-6 million dollars. The main office building would remain in town.

The top inhibiting factor driving them is truck delivery. The main building in town, during operations, often blocks 10th Street and one lane on Exchange Street. It will be all new equipment. The eight positions are currently held at the main office. It would allow more training for staff. The press is totally booked. Full color and speed of press will attract new customers.

Larsen added the work on the water lines at the business industrial park allows for opportunities for business to establish new facilities. The contract will be in material for meeting next week.

Also, the commission next week will be a letter of support for Northwest Regional Air Service Initiative (NWRASI). While many Oregon airports are experiencing loss of service, it notes the importance of air service for the state and will be sent to Governor Kulongoski.

Wells Fargo Bank is working with Western Oregon Waste (WOW) to refinance the building owned by them at the business industrial park. The document that needs to be signed allows consent by the port. If there is any default in the loan, it states Wells Fargo would be able to take over the land lease. Although the port processes documents as this on a regular basis, details of the agreement were a little longer and have already been reviewed by the port's attorney. Commissioner Sander questioned Larsen if there was an escape clause included. She asked how long the port would be tied to the existing lease. Larsen answered the length of the lease is somewhere around 2035. One thing to remember with this lease is that it was the old AgBag lease, transferred down. One of the things that we have always tried to get out of the lease is the "buy back" of the building at the end of the lease, which is the last thing we want. More discussion followed on the details of the lease, if it ever gets to that point.

The last thing for next weeks' meeting is the Columbia County Economic Department and the Enterprise Zone to re-designate the Lower Columbia maritime enterprise zone and encompass the Wauna Mill. They are asking the port to co-sponsor or allow them to continue to have the economic zone. Spoke to the county offices and asked them what their stand is on the issue, being a county issue. They are going along with this because it creates jobs as an economic generator. We, though lose about \$46,000 the port would be paid in taxes if the zone was not there. Wauna Mill is one of the largest employers in the state. Janet Wright will have a presentation.

Due to an upcoming confliction, the regular meeting will be moved to Wednesday, March 19, 2008. Also, mentioned by Commission President to give the dredge crew an "atta boy" for the excellent job completed. Either a letter or a mention at the regular meeting will be considered.

The revised draft of the port manager's job description will need to be brought to the next meeting and allow for public comment. Some review of the items from the port's description as it is and added other items from the facilitators' suggestions. Commissioner Sanders asked how the members of the board felt about the title Port Manger? Yes, all agreed. More review and discussion followed on changes.

Considering facilitator Stacey McLaughlin for the recruitment process; she would only be available for the assessment portion of the interviews. Special Districts will then to be used for the advertising process. Once all the applications are received, then we can decide whether to call McLaughlin. Board members

agreed to have email messages from SDAO copied to them. Timelines will need to be firmed up. Basically, it will be placed on their website, advertising, they will receive all applications, call a committee together to draw up a short list to send to us after they review the ones they received. Public comment will be taken at next weeks' meeting.

REVIEW CRUISE SHIP OPERATION POSITONS:

Between the cruise committee and staff who work on operations, it is time to review certain job duties of contracted staff before the season begins. Acting director Ron Larsen added John Hord, Chief of Security had written him a letter recently, summarizing his own duties listed in his job description related to the cruise ship operations. Setting up for visits is part of his duties. A meeting will be set to review the specific duties.

Setting up the signs in town and bus arrangements may still remain part of the cruise committee operations. The meeting will iron out the details. The contract with Mitch Mitchum who does cruise ship operations, has expired and the port is looking into whether we need to renew the agreement. Larsen added he is pleased with Hord's initiative with the situation. More discussion followed on the history of cruise operations when it was part of the port's staff position and duties.

Larsen's thought Bruce Conner, marketer has done very well. All cruise ship operations run well. Cruise ship visits are very important, to the port and the community as well. Commissioner's views favor the money being spent going towards staff positions. It was decided to keep it on hold for now.

PARKING MASTER PLAN DISCUSSUION:

Acting Director Ron Larsen and port staff will begin a process of the port parking master plan with city planners. Accommodating tenants with their parking issues will be a big part of the plan staff will prepare for commission approval. It is essential to keep in mind a plan will need to be in place by next month before processing begins.

BOARD MEETING IN SOUTH COUNTY:

The commission is interested in holding the meeting in Seaside. Staff will follow up on a date and time.

With no further business to discuss, the workshop session was adjourned.