

PORT OF ASTORIA

SPECIAL MEETING MINUTES

MAY 12, 2009

1. CALL TO ORDER/ROLL CALL

President Larry Pfund called the Special Meeting to order at 4:00 pm and took roll call.

Persons present were:

Commissioners: Larry Pfund, President; Bill Hunsinger, Vice-President; Kathy Sanders, Secretary; Floyd Holcom, Treasurer; and Dan Hess, Asst. Secretary/Treasurer

Staff: Jack Crider, Executive Director and Colleen Browne, Finance Manager

Also present was Janet Farstad

News Media: Jeff Nelson, Radio KAST

Guests: (see sign-in sheet)

2. CHANGES/ADDITIONS

Commissioner Hunsinger requested the next meeting agenda (May) include the commissioner annual self-assessment evaluation per Resolution 2008-05 to stay in line with the date of the resolution (May 27, 2008).

Discussion followed having the self-assessment at the same time as the Executive Director and if the date of the resolution was relative to the “annual” meaning the month of May.

Commissioner Sanders moved to do the commissioner self-assessment evaluation at the June Regular Meeting, seconded by Dan Hess.

DISCUSSION:

Commissioner Hunsinger asked to stay in line with the date of the resolution – May.

Commissioner Pfund talked about the date on the resolution may not quantify the annual date as being in May, it could be June.

VOTE: YES – Commissioner Sanders

NO – Commissioners Holcom and Hunsinger

Not Voting: Commissioners Hess and Pfund

MOTION DIED for lack of affirmative vote.

Commissioner Hunsinger moved to have the annual self-assessment evaluation per Resolution 2008-05 at the next meeting, May 19, seconded by Commissioner Sanders.

DISCUSSION:

Several Commissioners commented on the relevance of the evaluation date.

Commissioner Sanders requested guidelines for the assessment prior to the meeting.

VOTE: YES – Commissioners Holcom, Hunsinger and Hess

NO – Commissioners Sanders and Pfund

MOTION PASSED by affirmative vote.

Commissioner Pfund asked that the meeting start at 5:30 pm for the evaluation as the meeting agenda was already heavy.

3. ANCHORAGE REPORT

Jack Crider introduced Michael Haglund of the law firm Haglund, Kelley, Horngren and Jones who investigated the Port's right to charge anchorage fees.

Mr. Haglund reported the Port has retained the regulatory rights and powers over the waterway from a Port Ordinance in 1910 for regulation of anchorage and ship speed in the Astoria harbor and impose minimum safety requirements for passenger vessel gangways. Even though these primary regulatory schemes are now administered by the U.S. Coast Guard, the Port could justify re-establishing charging anchorage fees for safety, environmental or commercial reasons. In addition a Port Ordinance in 1927 established charges that have not been repealed.

The regulatory needs identified are:

- (A) Ballast Water Management: monitoring with water samples to determine if any vessels have discharged invasive aquatic species in ballast water into the Columbia River;
- (B) Fire Safety: purchase of a fire boat to respond effectively to marina or mooring basin fires or to an on-ship fire aboard a vessel at anchor in the harbor;
- (C) Emergency Response Tug: to assist Columbia River Pilots and Bar Pilots; and
- (D) Anchorage: regulation for where and how vessels anchor in harbor.

Mr. Haglund also reported that the territorial scope of the Port's authority includes the entirety of the Columbia River from the county line just east of Westport, west to the Pacific Ocean and out into the ocean a distance of one marine league, which is three nautical miles from shore. Oregon and Washington have concurrent jurisdiction over the waters of the Columbia River where those waters form the state boundaries. As long as jurisdictions on the Washington side do not adopt inconsistent regulations, the Port has authority to regulate the entire mouth of the river all the way to the Washington shore. He said an average of 3.7 vessels per day anchor in Astoria harbor that could be charged.

Further discussion included comparing notes with lawyers involved in the DSL property ownership controversy, obtaining costs to go forward, number of jobs, and include anchorage in future Strategic Business Plan.

4. AUDIT REPORT 2007/2007

Colleen Browne introduced Tammy Moffitt, CPA for Merina & Company, LLP who recently completed the Port's audit for fiscal year 2007/2008.

Ms. Moffitt went over the comments and suggestions as a result of the audit.

Comments:

- a. Lack of segregation of duties for Finance Manager.
Correction is to have the Executive Director receive the bank statements unopened and review all transactions.

Suggestions:

- a. Resolution for adopting annual and supplemental budgets need to be based on the appropriation levels for each individual fund instead of a lump sum of total expenditures.
- b. Purchase a lock box for airport fuel truck keys, bolted down with limited access.
- c. Purchase a lock box for blank check stocks and limit access.
- d. Purchase capital asset software for internal control's built into the program such as Asset Keeper.

Ms. Moffitt reported (page 39) the audit has a clean opinion,

- a. all records were available with no new significant changes except the Bornstein lease. In 2006-07 it was recorded as Capital Asset and Debt. This was re-classed to Capital Lease and Receivable;
- b. collateral was in compliance with ORS 295 securing deposits;
- c. indebtedness outstanding was within the limitation of 2.5% of the real market value of the taxable property per ORS 777;
- d. insurance and fidelity bond coverage appeared to be in force;
- e. programs funded from outside sources appeared to have appropriate procedures for making expenditures;
- f. investments were tested and appear to be in compliance;
- g. public contracts and purchasing appeared to be in compliance with ORS 279;
- h. independent elected officials do not receive and disburse funds;
- i. budget preparation and adoption procedures exceptions were (1) transfers out from Special Revenue fund did not agree with transfers into General Fund, (2) publication notice did not meet 5 day requirement, and (3) resolution adopting budget was the total expenditure level not appropriation.

- Statement of Net Assets (page 8) notes Total Assets/Liabilities at \$42,941,892.
- Statement of Cash Flows (page 10) notes net cash from operating activities at \$388,508.
- The beginning balance required more research than normal; that because of previous audits, Marina & Co. established their own ending balance from the previous year.

Commissioner Holcom noted that the audit should have Ron Larson as Interim Executive Director.

Discussion on this years budget included that one person is completing the budget and it is more complicated; a Supplemental Budget is expected for the next meeting; and the details of accounts and divisions is expected to be clearer.

The audit will be presented at the next regular meeting for approval.

**5. COMPASS COMMUNITY BANK LINE OF CREDIT –
RESOLUTION 2009-17**

Jack Crider said that so far both he and Colleen Browne are extremely happy with Compass Bank, and that the bank has offered a \$150,000 line of credit.

Commissioner Holcom read Resolution 2009-17 approving a line of credit in the amount of \$150,000 for working capital and expenses approved by the Commission and/or Budget Appropriation, repaid per the Compass Community Bank Agreement.

Commissioner Holcom moved to pass Resolution 2009-17 as proposed, seconded by Commissioner Hess and unanimously approved.

6. STRATEGIC PLAN CONSULTANT INTERVIEWS

Five firms (Maul Foster & Alongi, Benkenforf Assoc., Morgan CPS Group, Makers BST Assoc., and Harper Houf Peterson Righellis Inc.) are scheduled for interviews on June 10 and June 12. The commissioners will confirm their availability.

7. PUBLIC COMMENT

Lori Durham asked about:

- a. Compass Bank line of credit use?
Jack Crider responded that it would be used for the general fund working capital.
- b. Audit for 2007? Completed by John Carlson, Ed Lumus completed the prior audit.

8. RECESS at 5:38 pm.

**9. EXECUTIVE SESSION IN ACCORDANCE WITH ORS 192.660(2)(e)
TO CONDUCT REAL PROPERTY TRANSACTIONS started at 5:45
pm.**

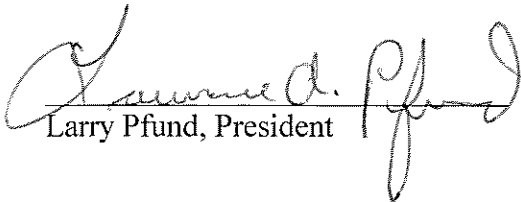
10. RECONVENE SPECIAL MEETING at 6:45 pm.

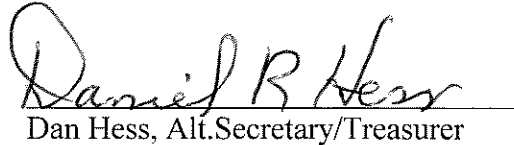
11. ADJOURN at 6:45 pm with no further business.

Submitted by Janet Farstad

APPROVED

ATTEST:


Larry Pfund, President


Dan Hess, Alt. Secretary/Treasurer

