

MINUTES  
PORT OF ASTORIA  
REGULAR COMMISSION MEETING  
PORT COMMISSION CHAMBERS  
JULY 15, 2008

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

Commissioners present: Dan Hess, Larry Pfund, Kathy Sanders, and Floyd Holcom. Bill Hunsinger was excused.

Staff present: Executive Director Jack Crider, Ron Larsen, Colleen Browne, and Esther Jones. Leslie Palmeri was also at the meeting.

Others present: See sign in sheet

CHANGES TO AGENDA. Chairman Hess called for any changes to the agenda. Director Jack Crider asked to add "passenger service" selection committee to #10 'committee assignments, (a).

ELECTION OF OFFICERS Chairman Hess explained how the board rotates officers every time this year. It's a simple rotation with Vice President moving into the Chairman of the Board position. The Chairman of the Board in turn goes to the bottom of the list and become the Assistant Secretary/Treasurer. But before going to the bottom of the list, any newly appointed member of the board usually goes there first. The new officers are as follows:

President	Larry Pfund
Vice President	Bill Hunsinger
Secretary	Kathy Sanders
Treasurer	Floyd Holcom
Assistant Secretary/Treasurer	Dan Hess

Hess called for approval of officer selection. Commissioner Kathy Sanders made a motion to approve the election of officers. Commissioner Holcom seconded the motion. Commissioners Sanders, Holcom, Pfund, and Hess voted yes, Commissioner Hunsinger was absent. Commissioner Pfund assumed his position as Chairman thanking Hess for his service.

Chairman Pfund continued to proceed with the meeting.

MINUTES: Special meeting, May 13, 2008, Regular meeting May 27, 2008, Special meeting June 3, 2008, Special meeting June 9, 2008, Regular meeting June 16, 2008, Budget Hearing and Special meeting June 24, 2008 minutes. Chairman Pfund called for a motion to approve the minutes. Commissioner Holcom made a motion to approve the meeting minutes with the corrections provided for them before the meeting. Commissioner Hess seconded the motion.

VOUCHERS FOR THE MONTH OF JUNE 2008. Finance Director Colleen Browne called for questions from the board.

- Floyd Holcom questioned:
  - **Q:** Reid Middleton, 6/26/08 for \$11,304.25. No scope of contract in any of his books. **A:** Director of Operations, Ron Larsen explained the company is the engineering contractor hired for the Astoria Regional Airport master plan associated with one of the FAA grants (AIP 14 or AIP 15). They are hired for five years at a time with an ongoing payment schedule.
  - **Q:** Stoel Rives, page 26. **A:** The monthly payment of \$5,000 is continuing until it is gone.

- **Q:** Page 6, Manley Services. **A:** The service is an HRA, a health reimbursement that covers amounts in excess of deductibles and copayments to port employees' health insurance.
- **Q:** Page 13 of the vouchers, a payment to Cardmember Service for marina supplies, shower curtains. **A:** The service is a VISA credit card.
- **Q:** Page 7 in the check register, a blank amount for Coast Rehab services. **A:** It offsets an outstanding credit.
- **Q:** In the check register a payment to Clatsop County Tax collector, check #57364, for \$1,076.30. **A:** Real personal property taxes for vacant land at the airport and on 12<sup>th</sup> Street, surplus property; discussion followed on the subject. Follow-up to be done by Larsen and Browne.
- Chairman Pfund questioned:
  - **Q:** The TWIC card notations in the report several times. **A:** Not knowing how the agency would receive payments for the cards resulted in payments made and entered, in turn, voided, then re-entered.
  - **Q:** Two identical amounts for purchases, page 15. **A:** Two separate invoices for transmission fluid for the shop.

After all the questions were answered, Chairman Pfund called for a motion to approve the vouchers. Commissioner Sanders made the motion for approval. Commissioner Holcom seconded the motion. The four members of the board voted to approve the vouchers unanimously.

AUDIT FOR FISCAL YEAR 2007/2008 A draft of the financial statements was provided for the board with a presentation of the draft audit likely to be made next week. Comments are being prepared. A public meeting will have to be scheduled. Next Tuesday looks good for everyone.

RESOLUTION NO. 2008-11 BUSINESS MATTERS APPOINTMENT and/or AUTHORIZATION Addresses state statutes, budget officer appointments, basic requirements for expenditures and their limitations, dual signatures, and custodial funds. Commissioner Sanders questioned whether this document was similar to a previously approved expenditure limitation the executive director could not go over. Executive Director Jack Crider explained this document is only related to budget items in excess of over \$10,000. Chairman Pfund called for a motion to approve the resolution. Commissioner Hess made a motion for the approval. Commissioner Sanders seconded the motion. Commissioners Pfund, Hess, Sanders and Holcom voted yes.

#### FINANCIAL REPORTS – MAY, JUNE 2008

#### CONSENT AGENDA

- Resolution 2008-12 Bank of Astoria, General Fund, Checking**
- Resolution 2008-13 Bank of Astoria, Revenue Fund Checking**
- Resolution 2008-14 Bank of Astoria, Marina Fuel Dock Account**
- Resolution 2008-15 Bank of Astoria, Payroll Account**
- Resolution 2008-16 Bornstein Lease Account**
- Resolution 2008-17 Oregon State Treasury, Local Government Investment Pool**

Before voting, Commissioner Holcom had a question about the Bank of Astoria signatory account and the numerous people on the list authorized to approve. Executive Director Jack Crider explained it is typical to add the employees who are authorized to sign checks. He assured Holcom transfers and signing checks are two different things. It would be quite remote for everyone to be out of the office when a transfer of funds would occur.

Board members continued to approve the resolutions, in order, one at a time. Chairman Pfund called motions to approve resolutions.

Resolution 2008-12: Commissioner Hess made the motion to approve. Commissioner Holcom seconded. The motion was approved by the entire board members present.

Resolution 2008-13: Commissioner Holcom made a motion to approve. Commissioner Hess seconded. The motion was approved by the entire board members present.

Resolution 2008-14: Commissioner Sanders made the motion to approve. Commissioner Holcom seconded. The entire board members present approved the motion.

Resolution 2008-15: Commissioner Sanders made the motion to approve. Commissioner Holcom had a question. Special Districts on payroll? No issues. Commissioner Hess seconded. The motion was approved by the entire board members present.

Resolution 2008-16: Commissioner Sanders questioned if it was a separate account for the balloon payments. Once required by the state, even though no longer a requirement, the account is still being used for holding the money. The amount is paid monthly to the port in order to make an annual payment toward the interest. Any excess will accumulate toward the balloon payment. Chairman Pfund called for a motion to approve. Commissioner Holcom made a motion to approve. Commissioner Sanders seconded. The motion was approved by the board members present.

Resolution 2008-17: Commissioner Holcom made the motion to approve. Commissioner Hess seconded the motion. The motion was approved by the board members present.

COMMITTEE ASSIGNMENTS 2008 A discussion to delegate appointments to different committees/organizations followed. Commissioner Holcom mentioned he believes there could be a conflict if he attends the OCZMA committee. He asked Commissioner Hess if he could act as the primary participant to the committee and he the alternate. Hess agreed.

Commissioner Sanders mentioned in the OPPA other ports have two board members in addition to the port manager. She also suggested that if other staff would like to attend, she's willing to share the assignment to the committee meetings. The next time there is a meeting, announce the details for the whole board/staff. Also, she suggested she would add anyone who would like to attend to the groups' email list. All ports are members through Special Districts.

Appointments by the county, to the N.W. Oregon Economic Alliance Board (NOEA) which meets concurrently with the Columbia Pacific Economic Development District which is our appointment. They meet in succession. Mary McArthur runs the two meetings, in addition to the Area Committee on Transportation. Commissioner Holcom made the motion to approve the committee assignment list. Commissioner Hess seconded the motion. The motion was approved unanimously by the board members present.

PASSENGER SERVICE SELECTION COMMITTEE Two commissioners along with Executive Director Jack Crider and Director of Operations Ron Larsen will have to attend a single meeting to go over criteria of the request for proposals for passenger service. A ranking sheet will be used in the process. He and Larsen will carry the material to the meeting in Newport. Members of the board are welcome to go and listen to the deliberations. Airline representative will also be present. At the end of the meeting, an airline service will be selected. Commissioner Holcom and Pfund volunteered, who are members of the Airport Development Committee. No date set, yet, but it will have to be before August 30<sup>th</sup>.

RESOLUTION 2008-18 LAND LEASE/BORNSTEIN SEAFOODS Executive Director Jack Crider explained the open issues to resolve. They are:

- Since the space is a prime location for water dependent cargo operations in the future, the higher and better use clause states specifically it allows the port has the right to relocate to other areas of port property at our cost. It will have to be pretty important to relocate the parking lot for Bornsteins to accommodate the water dependent activity.
- A long-term lease. Going from the three-year lease to a long-term lease extension. Tied into the lease of the parking lot, there will be seven three-year extensions that would make it close to the lease on the building.

- The first right of refusal was deleted.
- Rent escalation, comparing it to the Portland metro CPI that will be compounded every year (a minimum of 3% annually). It will not go below the three percent.

Jay Bornstein, in the audience, accepted the terms. Crider is asking the board to give him authorization to sign the lease, although, with one final blessing from the port attorney. Discussion followed on viewing the final document at the meeting scheduled for next week. Commissioner Holcom added he has no problem with the draft lease and language addressing issues that were there in the beginning. He is ready to vote. He made a motion to accept the lease based on a final review by the attorney.

Commissioner Hess mentioned he could have a potential conflict of interest. If the conflict is only a potential, and very remote, he is allowed to discuss and vote. Chairman Pfund stated the "higher and better use" clause satisfies his deepest concern. He did mention not seeing a "revisit" clause. Commissioner Hess seconded Commissioner Holcom's motion to allow the Executive Director to sign the lease under the condition of attorney's approval. Commissioner Hess seconded the motion. The motion was approved unanimously by the board members present.

RED LION CHINOOK BUILDING REHABILITATION The building is getting a facelift on the first floor. Extra maintenance persons have been hired temporarily for around twenty days. In five years, the Red Lion lease will be up. This is purely a bare bones renovation. Footing work, the roof, power wash and paint, strip and clean out rooms, remove air condition units that are only shells, and doors and windows replaced. Rental equipment and dump trips; discussion followed on a new position doing construction work for at least two months. There is 5,200 square feet of rentable space. In one year at .44 a square foot, we can recover the investment. The whole goal is to clean up the space and protect our investments.

Commissioner Sanders asked we have an escape clause to protect us if a potential developer would want to lease the property, possibly tied to the Red Lion lease ending date. Discussion followed on the flow of the operation and the placement of working areas.

MARKETING ACTIVITIES Executive Director Jack Crider's plan is to highlight port tenants on our website. Leslie Palmeri has been working on updating the website. Re-building the website to showcase our tenants to the public will give them the opportunity to see where the port is going with their tax dollars. Discussion followed on the public's perception of the port, locally and out of the area.

#### CALENDAR

- Jim Lanzarotta of Moss Adams here Tuesday morning from Eugene, part of a municipal team.
- Scheduling concerns for next weeks' audit presentation for one board member.

#### REPORTS: Commission Commissioner Sanders:

- Back from OPPA meeting; new director, Tim McCabe, new head of OECDD office made a presentation working on a statewide plan for ports. Big discussion on reorganization. The culmination of the eight meetings, statewide resulted in the presentation of the end results. Phase I is the first step presented to the commission at the end of the month for approval. At that point they invite port involvement. Committees will be formed and correlate material aiming for a statewide ports plan. Sanders suggested two commissioners and the executive director to attend upcoming meetings.
- DEQ 401 water certification meeting; had handouts.
- CEDR meeting last week. Jack accompanying her to tomorrow's meeting. Timeline for permanent director is October.

- NWACT (Area Commission on Transportation) meeting. The governor is pushing for a transportation bill for highway system repairs in 2009. An annual open house in Warrenton, September 12<sup>th</sup>, and encouraged board participation.

Commissioner Pfund: nothing to report.

Commissioner Holcom:

- Attended a NOAA meeting with Jack Crider. Team from Seattle there and visited Tongue Point facilities. Strong support from Job Corps and Skip Hauke.
- Attended Dr. Parks' grand opening, 300-400 people there.

Chairman Hess: nothing to report.

#### OTHER BUSINESS

- Jack Crider and Ron Larsen going on boat ride with Bergerson Construction on tour of pier 2.
- Woodbine leaving soon.

Chairman Pfund called for public comments.

*PUBLIC COMMENT. The following public comments are not verbatim but intended to reflect the substance of matters discussed*

- Ted Thomas, 392 Atlantic, Astoria, OR: Was the land behind Shilo Inn in Warrenton same piece of land slated to be mitigated in the Corps of Engineers' plan in lieu of the dredge fine? When did the port change its mind? Discussion followed on options and whether the issue had been resolved. Questioned when Nygaard had approached the port regarding the roadway. Chairman Pfund explained at one time it was considered and discussed whether or not to do the project. Executive Director Jack Crider added the project is still not a done deal. The consent decree is holding up the process. The port has not changed its mind. Director of Operations Ron Larsen continued to explain where the port is on the decision and the projects' expense. Discussion followed on Nygaards' proposal; Crider added the port is waiting for Nygaards' reply.

OTHER BUSINESS: Chairman Pfund called for other business.

With no further business to discuss, the meeting was adjourned.