

MINUTES
PORT OF ASTORIA
SPECIAL MEETING
SEPTEMBER 9, 2008
PORT COMMISSION CHAMBERS

Chairman Larry Pfund called the Special Meeting to order and took roll call.

Commissioners present: Chairman Pfund, Dan Hess, Floyd Holcom, Bill Hunsinger, and Kathy Sanders.

Staff present: Jack Crider, Ron Larsen, Colleen Browne, and Esther Jones. Also present, Leslie Palmeri.

Others present: See sign-in attendance sheet.

CHANGES TO THE AGENDA – Commissioner Holcom suggested modifying the agenda. Executive Director Jack Crider added he believed Director of Operations Ron Larsen needed the board to make a decision on the Federal Aviation Administrations (FAA) grant. Larsen suggested we do the FAA discussion item first.

DISCUSSION ITEMS:

- FAA GRANT – Larsen began the details of his staff report. In July, the port received a \$197,000 grant from the FAA for construction of t-hangars E and F, Phase I. Although the funds are discretionary funds, they are not part of the airport's non-primary funds.

The port also approved a grant for \$347,393 for the airport's non-primary funds, for the construction of t-hangars E and F taxi lanes, Phase II. That phase of the project is 75% of the total non-primary funds. The additional 25% is now available and is before the commission to vote to accept those funds.

The advantage of providing FAA funding for the construction of the t-hangar taxi lanes, the port will be responsible for 5% of the loan towards the grant from the agency of \$120,293. Staff recommends Resolution 2008-21 authorizing the acceptance of FAA grant for that amount, for the construction, Phase III. None of the phases are done yet, but due to FAA funding requirements it is done in phases. Commissioner Holcom mentioned how the dollar amount should be budgeted for in the port's budget.

Commissioner Holcom made a motion to accept Resolution 2008-21, the FAA grant funds for construction of taxi lanes E and F, Phase III. Commissioner Hess seconded the motion. Chairman Pfund called for discussion. The vote carried unanimously. None was offered.

- CHINOOK BUILDING REPAIRS - Executive Director Jack Crider explained how the project is progressing. Configurations have changed slightly. Labor has cost \$6,500 so far, doing tear-out and cleaning. Roof material still on top of the roof ready to go down. The fire system (annual monitoring) and structural repairs are wrapped up, taking care of structural issues the building inspector required to be addressed. Discussion followed on budgetary items. Plans are for the building to be ready to rent by wintertime. Before occupying the bottom floor, the fire system will have to be activated and working. The sprinkler system came out pretty good. The decking planks will be replaced.
- FBO (Fixed based operator) OPERATIONS – Contract for operations has been in effect since 2003, a rolling annual renewable. John Overholser in the audience tonight in case anyone has questions. There has been a mutual agreement to terminate the contract. Discussion followed on terms of the contract to pump fuel at 12 cents per gallon, a minimum of \$2000 per month. Added later on, mowing of grass at an additional of \$400 per month. The port receives 5% of gross sales and the FBO has access to all equipment. Also, the fueling operation is open 24/7 and is required for the café to be open 6 days a week and 7 hours a day. The FBO also pays a third of utilities and provide liability insurance. The port's total cost: \$3,500 per month. Discussion followed on revenues and costs. Overholser also purchased the Hertz Rent-A-Car franchise that helps cover the operational costs. Contract transparency is key. Crider continued to praise Overholser for his hard work. He also proposed to take back all operations, terminate the contract, hire Overholser as a port employee with benefits, and hire a part-time employee. Rental car, foodservices, airport services, are up for discussion. Discussion followed between board members and Overholser who spoke in agreement with Crider's plans for the transparency process. Options are open and will help provide components we need when the passenger service begins.
- FLEX LEASE LOAN – EQUIPMENT - Executive Director Jack Crider detailed his "wish list" of the port's current equipment with board members. There are three main items, from going to a smaller vehicle for maintenance and security workers to hi-lifts that are in good working order and believes it's time to upgrade. Special Districts' Flex Lease loan program will enable the port to upgrade equipment that is in bad repair. The budgeted amount is \$25,000 for vehicles and other equipment. Most of the equipment at the port is thirty years old and time is wasted repairing the equipment before it can be used. We are looking into two trucks, a hi-lift (60 ft. range), and the 5-ton forklift with a cost of possible \$85-100K over a five-year period. A resolution will come before the board for approval next week if they are interested in moving ahead with the plans.
- TIDEWATER BARGE SETTLEMENT – Director of Operations Ron Larsen explained to the members of the board the history of the pier 2 dock damage. Tidewater Barge Co. has agreed it damaged some part of the dock. Bergerson's damage report to repair the dock at \$365,000, although, Tidewater did not have everything to do with the specific dollar amount. Larsen continued to explain the process of how the port came up with exactly what had happened. Damage to the bollards occurred. Tidewater attorneys working on the case for a year, and the company came back with an offer of around \$12,000. Executive Director

Jack Crider explained the cost was based on the 50% depreciation of the dock. The port made a counter offer of \$35,000 and the company replied back with their decision: they are standing on solid ground. Delaying could result in eroding any recovery. Discussion followed on the advantages of a settlement. Security at the dock even after repairs are completed is essential, if we are going to continue to allow "touch-and-go" with tugs and barges. A serious look at the way the port manages this type of visits is needed. Lines service, security, who to call after hours, and whether the port charges for this type of visits was discussed. Our camera system could play a role in the solution. Details of the money Tidewater offered and what the port counter-offered was re-visited. Commissioner Sanders agreed with Commissioner Holcom to settle with the company and move forward. Chairman Pfund asked the board to think about the precedence of whatever decision is made. He would also like to see some type of safeguard to be looked into at another time.

- **WOODBINE MOORAGE SETTLEMENT** – Director of Operations Ron Larsen gave the audience and board members a history of the vessel and its stay at the port. When the vessel changed hands, auctioned by the courts, the port decided to charge the new owners the maximum of \$301 per day. Larsen continued to explain how we came to that amount. Keeping into consideration if we would charge them over an amount the owners could afford, it could hamper removing the vessel. Keep in mind, their tugs assisted with moving the MSRC barge and consider that money we would have had to pay. Roughly, the port received \$28,000 worth of value for its removal. A "win-win" situation.
- **NYGAARD ROADWAY AGREEMENT** – Executive Director Jack Crider explained how the talks with company owners had expressed their intentions for building the road and bridge, creating an access. After going over the paperwork, challenges arose. Details became apparent there would be other intentions we were unaware of. Property ownership became sketchy as the deal progressed. A close look at the small pieces of land on the Skipanon area had reversionary clauses attached. Cleaning up titles on property need to be done leading to clear summaries of port properties. Discussion followed on the property owners of the Skipanon for development purposes. Commissioner Holcom requested a summary sheet of property issues and ownerships in the area from Crider.
- **AREA-WIDE CONTAMINATION** – Executive Director Jack Crider explained to the board details of possibly hiring Tom Calabrese separately is not allowed, according to the agreement. Department of Environmental Quality (DEQ) components will have to be closely reviewed and not run the risk of being incomplete. We are still obligated to DEQ to pay their share of their work, reviewing the port's plan. The agency already understands the port's plan to get out of the area-wide groove and the port's small share. The port will participate only to be sure the port's property is cleaned up. The port has agreed to the terms of the area-wide agreement and is ready to withdraw from the group.

Chairman Pfund called for public comment:

PUBLIC COMMENT

Lori Durham – commented on why the port decided to call workshop meetings special meetings now and how confusing it is now. Discussion followed on how when new people come on board, things change. Executive Director Crider explained, according to port attorney, there are only two meetings: special and regular meetings. Nothing in-between. All meetings (special) are scheduled and can be called anytime, as long as we give proper notice. Director of Operations Ron Larsen also explained how decisions couldn't be made at workshops, limiting us, thus, the special meeting takes over the workshops.

The Oregon LNG – FAA meeting on tank heights, called by Senator Johnson, was advertised to be Monday, 6 p.m. at the Red Building.

Before the special meeting was adjourned Director of Operations Ron Larsen asked for time to address the Port of Astoria Commission. He read a letter dated September 8, 2008 subject of his intention to retire on or before December 31, 2008. He allows time for an orderly transition of his duties and responsibilities. He continued to thank the board, past commissioners and directors for the opportunity to serve the port and citizens of Clatsop County. In addition he thanked the administrative, maintenance, security, and marina staff, for all their support and cooperation over the past 17 years with the port. Commissioners thanked him in return.

There being no further business, the special meeting adjourned to executive session.