

**PORT OF ASTORIA
REGULAR COMMISSION MEETING MINUTES
OCTOBER 30, 2008**

1. CALL TO ORDER/ROLL CALL

President Larry Pfund called the Regular Meeting to order at 6:00 pm and took roll call.

Persons present were:

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

Staff: Jack Crider, Executive Director; Ron Larsen, Director of Operations; and Colleen Browne, Finance Manager

Also present were Janet Farstad, and Leslie Palmeri

News Media: Cassandra Profita, The Daily Astorian and Jeff Nelson, Radio

Guests: (see sign-in sheet)

2. CHANGES TO AGENDA

Addition to #12. Executive Session (g) to consider preliminary negotiations involving matters of trade or commerce.

3. MINUTES

Special Meeting, August 12, 2008

Regular Meeting, August 19, 2008

Special Meeting, September 2, 2008

Special Meeting, September 9, 2008

Special Meeting, September 16, 2008

Correction of September 2 minutes, page 2, "She still believed ~~Hess~~*Pfund* should be selected".

Comm. Holcom noted that the minutes were better, more detailed. Crider said previously that writing the minutes was spread through out the staff. He is trying to stop that by assigning the task to Janet Farstad.

Comm. Holcom moved to approve the minutes, as corrected, seconded by Comm. Hess and unanimously approved.

4. VOUCHERS/FINANCIALS FOR THE MONTH OF SEPTEMBER 2008

The Commissioners reviewed the Vouchers, Check Register, and Profit and Loss.

Discussion followed on:

- 1 Crider said that he was still working through the new Purchase Order system and it was getting better.
- 2 The financials will be posted on the website.

Comm. Holcom moved to approve the September financials, seconded by Comm. Hess and unanimously approved.

5. PUBLIC COMMENT - none

6. HERTZ RENTAL AGREEMENT CONTRACT

Crider reported that the FBO Independent Contractor held the Hertz Car Rental Franchise as part of the FBO operations. After changing the FBO operator from Independent Contract to a Port employee status, the Hertz Car Rental Franchise needs to become independent of the employee and become a Port lease for a clear separation between the business and employee. The proposal is for a 2-year term with renewal option; non-exclusive lease of 1 office and counter space in the terminal; 15 parking spaces; separate water meter to usage charges (for washing cars); and internet charge. Rent would be 5% of the gross based on \$80,000 annual sales (\$4,000 annually). It is expected that sales would increase with the air passenger service. The operations would be managed by Greg Kasch.

After discussion, it was the consensus of the Commissioners to proceed with the proposal.

7. RESOLUTION 2008-23 STRATEGIC PLAN GRANT

Application has been made to OECDD Port Planning and Marketing Grant to develop a Port of Astoria Strategic Business Plan. The budget is \$62,500 total cost, \$50,000 grant, and \$12,500 in Port matching funds.

Comm. Holcom moved to approve Resolution 2008-23, seconded by Kathy Sanders and unanimously approved.

8. BANK OF ASTORIA LETTER OF CREDIT

DSL requires a Letter of Credit on the lease in case of default of lease payment.

Discussion involved real ownership, DSL or the Port, and how the King Street vacation ties into it.

Comm. Holcom noted that DSL is under new pressure to collect all rents, and will be a big topic in the next legislative session. The problem is one taxing agency paying another taxing agency. Crider said that the Port should write their own white paper for introduction into the session.

Crider talked about the lease option "Right to Purchase" in the total price of \$380,000, with 10% down. He proposed to use the \$38,000 lease payment as a down payment on the property purchase with the balance due next year. It was the consensus of the Commissioners to make the proposal to DSL.

Comm. Holcom moved to meet the DSL requirement by approving the Letter of Credit, seconded by Kathy Sanders and unanimously approved.

9. CALENDAR

- 1 Fish Expo in Seattle Nov. 20, 21, & 22– Need Commissioners and staff to help man the exhibit and pass out information from 9:00 am to 8:00 pm each day. It is important to begin marketing the Port and Tongue Point.
- 2 Commissioner Special Meeting – rescheduled to Thursday, Nov. 13 @ 4:00 pm. (changed due to Veterans Day holiday)
3. Commissioner Regular Meeting – Tuesday, Nov. 18 @ 6:00 pm. (changed to a week earlier due to Thanksgiving holiday week)
4. The City of Astoria meetings on the 1st and 3rd of the month need to be added.

10. REPORTS

(a) Commission

Comm. Holcom

1. OECDD – Billy Wyatt was the speaker. Columbia River was the major portion of the talk. They need to look at the entire river system for intermodal transportation as an intricate subject.
2. Sea Port – Adding Seattle was very positive. There is diverse economy from Washington folks shopping tax free in Oregon.
3. Railroad washout at Knappa - met with high level managers of Corp of Engineers and ODOT Rail to talk about repairing the railroad using interstate commerce protection.

Comm. Hess

- 1 Airport meeting.
- 2 Surface Transportation Meeting to talk about intermodal transportation.
- 3 OCZMA – Ocean Sanctuary to look at Depoe Bay and Port Orford for animal and plant species.
 - Came up with a Fisheries Protection Area will be 1-mile wide off the coast line.
 - Windmills are proposed for 7-12 miles off shore in a 165' triangle.
 - Wave generation asked for 12 proposals and got 100 applications. The Port of Astoria was recommended to get a zone off Astoria/Warrenton.

Comm. Sanders

- 1 Surface Transportation – New federal transportation package in Congress. Infrastructure is aging and strained; population usage is increasing. Governor Kulongoski will be introducing a new package in January.
- 2 COLPAC – OR Employment Dept. talked about the work force trends, 2003 was a small dip but since then it's coming back. CEDR and COPAC will be hosting a free Business Resilient Workshop on Nov. 4 at Seaside Convention Center from 8:30 to 10:30 am, Business 101.
- 3 OPPA – The Ports Day at the state capital is being scheduled. OPPA organization is still within OECDD.
- 4 TRAWLING Rationalization Public Comment Meeting
- 5 CEDR - Crider commented that CEDR is newly developed. There is a NOAA RFP out and CEDR has received \$35,000 from the county for lobbying. The Letter of Intent is due Dec. 7. The Port is in a qualified area. Hopefully the Port will be a lead player.

Comm. Hunsinger

- 1 Tongue Point potential processors in Seattle. Comm. Hunsinger traveled to Seattle to talk to processors moving bigger vessels to Tongue Point in the event the Port purchases the property.
 - Peter Pan was receptive to the idea.
 - Ocean Beauty was very excited, especially having a railroad available.
 - Trident has 40 tenders and has been to Tongue Point, very positive.
 - Yardarm sold their white fish production but retained red fish.
 - Blue Ocean has 7 processors plus 3 other vessels and pays \$17,000 month.

Port of Seattle - got an idea of moorage per foot. Draft is an issue, but they like the fresh water.

Foss had a lot of ideas about do's and don'ts.

Tidewater is coming to look at the facility, interested.

Brusco might be interested.

WOW had some great ideas. There is an imitative on the ballot to close the McMinnville dumpsite. They are interested in moving waste using 20 railroad cars.

- 2 Newport Air Service – Meeting with the City of Newport for RFP interviews. Seaport had 6-7 people for their presentation, which was very good. Cape Air talked over a cell phone and kept being interrupted by other tasks. Indicated a lack of interest.

11. OTHER BUSINESS

12. RECESS at 7:11 pm TO EXECUTIVE SESSION IN ACCORDANCE WITH ORS 192.660 (2) (e) TO CONDUCT DELIBERATIONS TO NEGOTIATE REAL PROPERTY TRANSACTIONS; (g) TO CONSIDER PRELIMINARY NEGOTIATIONS INVOLVING MATTERS OF TRADE OR COMMERCE...; AND (h) TO CONSULT WITH COUNSEL REGARDING LITIGATION.

13. RECONVENE REGULAR MEETING at 7:55 pm.

14. TONGUE POINT – LETTER OF INTENT

Comm. Hess moved to authorize sending a confidential Letter of Intent for the possible purchase of Tongue Point, seconded by Comm. Holcom and unanimously approved.

15. CONSENT DECREE

Comm. Holcom moved to delay the approval of the settlement proposal until the documents are approved by the attorney, seconded by Kathy Sanders and unanimously approved.

16. ADJOURNMENT

Comm. Holcom moved to adjourn the meeting at 8:00 pm, seconded by Kathy Sanders and unanimously approved.

Submitted by Janet Farstad