

**PORT OF ASTORIA
SUUPPLEMENTAL BUDGET HEARING
NOVEMBER 26, 2008**

1. CALL TO ORDER/ROLL CALL

The Budget Hearing was called to order by Chairman John Lansing at 12:00 noon.

Persons Present were:

Budget Committee: John Lansing, Richard Lee, and Bill Harris.

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 Rita Fahrney

Guests: (see sign-in sheet)

2. PUBLIC COMMENT - none

3. REVIEW SUPPLEMENTAL BUDGET FOR FISCAL YEAR 2008/2009

Purpose of the Supplemental Budget for the General Fund is to allow for the Resources and Requirements for a building purchase on Port property which is being sold at a Sheriff sale in December at a price between \$1.7 and \$2 million.

1. Purchase price \$1.7 - \$2 million

Below appraised and market values

Sheriff sale Dec. 3 – Dec. 26, 2008

Columbia Bank judgement \$2 million +

Contractors liens under \$100,000

Columbia Bank credit bid ??

Commercial lender 75%, loan @ 5.5%, term 25 years, 1st mortgage

Private lender 25%, loan @ 7%, 2nd mortgage & other Port collateral, interest only first 2 years.

2. Purchase price \$1,850,000

75%	\$1,387,500	\$9,594/mn.	\$102,240
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25%	\$462,500	\$2,698/mn.	<u>\$ 32,376</u>
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Total debt service			\$134,616
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Expenses

Ground lease	\$19,665
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Insurance	\$20,000
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Utilities	\$24,000
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Maintenance	<u>????</u>
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Total expenses at current levels	\$63,665
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3. Private lender	100%	
Maximum loan	\$1.7 million	
Interest only for 2 years		
Debt service	\$119,000/year	
Expenses	<u>\$ 63,000</u>	
		\$182,000
Current revenue		<u>\$135,000</u>
		<\$47,000>
Ownership generates positive cash to Port		<u>\$8,000/year</u>
(replaces paying current rent)		<\$37,000>
4. Property price	\$1,850,000 @ 5.5% interest over 25 years	
Debt service	\$113,606/year	
Current expenses	\$ 63,000	
	\$176,606	
Current revenues	\$135,000	
		<\$43,000>
Available 11,000 sf, need lease for 2,900 sf @ \$1.25/sf		<u>\$43,500</u>
Profit		\$ 500
At 100% occupancy,		+\$120,000/year.

SUPPLEMENTAL BUDGET PROPOSAL

Resources:	Loan	\$2,000,000
	Rental Income	\$ 60,000
	Contingency Fund	\$ 15,000
	Total Resources	<u>\$2,075,000</u>
Requirements:	Building Purchase	\$2,000,000
	Interest Expense	\$ 70,000
	Maintenance Expense	\$ 5,000
	Total Requirements	<u>\$2,075,000</u>

3. DISCUSS SUPPLEMENTAL BUDGET WITH INTERESTED PERSONS

John Lansing called for questions and comments.

Bill Harris opposed the price of the property purchase, however it would be a Commission decision.

4. SUPPLEMENTAL BUDGET APPROVAL OR REJECTION

Floyd Holcom declared a conflict of interest as owner of waterfront property, no personal gains or losses.

Bill Harris moved to approve the Supplemental Budget as proposed and to forward it to the Port Commission, seconded by Kathy Sanders. VOTE was called, unanimously approved.

5. ADJOURN BUDGET HEARING

Submitted by Janet Farstad

Port of Astoria
COMMISSION MEETING

SIGN IN SHEET

DATE: 11/26/08

NAME	PRINTED NAME
<i>Michael Desmond</i>	Michael Desmond, KAST
<i>Cassandra Leslie Palmeri</i>	
<i>Bill Harris</i>	
<i>J. Jansing</i>	
<i>Richard Lee</i>	
<i>Floyd H</i>	
<i>Jan H</i>	
<i>Kathy S</i>	
<i>Bill W.</i>	
<i>Rita</i>	
<i>Ken</i>	
<i>Jack</i>	