

PORT OF ASTORIA

REGULAR COMMISSION MEETING MINUTES JANUARY 20, 2009

1. CALL TO ORDER/ROLL CALL

President Larry Pfund called the Regular Meeting to order at 6:04 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; Colleen Browne, Finance Manager; and John Overholser, Airport

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 - NONE

3. MINUTES

Regular Commission Meeting December 16, 2008

Special Commission Meeting January 13, 2009

Commissioner Hess moved to approve the minutes as presented, seconded by Commissioner Holcom.

DISCUSSION: Commissioner Sanders noted a correction to the minutes of January 13. Delete: The State Legislature will consider this list when Connect III projects are submitted. Add: Last year the State Legislature requested the list compiled for Connect II.

VOTE: unanimously approved.

4. VOUCHERS/FINANCIALS FOR THE MONTH OF DECEMBER 2008

Discussion:

DSL fees for Red Lion property not reimbursable \$10,563.

Vehicle fuel should be from a wholesaler or investigate a Port tank.

Request for current budget status to be included in financial paper work.

Commissioner Holcom moved to approve the vouchers and financials, seconded by Commissioner Hess.

DISCUSSION: none

VOTE: unanimously approved.

5. PUBLIC COMMENT – none at this time.

6. RESOLUTION 2009-02 LOAN AGREEMENT – ODOT

An Oregon Department of Transportation Multimodal Transportation Fund Loan of \$300,000 @ 0% interest for 20 years, for the purpose of the Port's Connect Oregon II match for the Pier 2 Project. Security is secured by a pledge of its full faith and credit.

No action was taken at this time due to lack of public notice.

7. ODOT INTERGOVERNMENT AGREEMENT – PEDESTRIAN PATH

Oregon Department of Transportation Intergovernmental Agreement for the purpose of constructing a Pedestrian Path; State fee is \$3,000.

It was understood that there would be another meeting between the Commission and the Consultants regarding changes requested prior to a public meeting. The Commissioners requested that this meeting be scheduled.

Commissioner Holcom moved to approve the Intergovernmental Agreement with ODOT, seconded by Commissioner Sanders.

DISCUSSION: none

VOTE: unanimously approved.

8. SEAPORT AIR CONTRACT

A review was made between the Seaport Negotiations on January 5, the City of Newport meeting on January 6 and the Port meeting on January 13. (See next page)

Discussion included:

- At the end of the subsidy, there would be a new contract between the Port of Astoria and Seaport for facility use.
- Need to plan on tracking the schedule to the Bicentennial in August, 2011.
- Marketing to start January 30, 2009.
- Quarter meetings to stay updated on progress.
- Liquidated damages due to breach was deleted.
- Additional avionics are not needed for the passenger service.

Commissioner Holcom moved for the Port of Astoria to move forward with the contract with Seaport, and authorize the Executive Director to sign the contract, seconded by Commissioner Hess.

DISCUSSION: Commissioner Sanders amended the motion to include as long as no material changes are made to the contract and have it seen by the Port's attorney.

VOTE: unanimously approved.

PASSENGER SERVICE BETWEEN THE PORT OF ASTORIA, THE CITY OF NEWPORT AND SEAPORT

	Jan. 5 Accepted Version	Jan. 6 Newport	Jan. 12 Astoria	Jan. 16 Astoria
1	3 round trip daily each city 1 round trip to both on holiday	3 round trip daily to Astoria 2 round trip daily to Newport 1 round trip to both on holiday	3 round trip daily to Astoria 2 round trip daily to Newport 1 round trip to both on holiday	3 round trip daily to Astoria 2 round trip daily to Newport 1 round trip to both on holiday
2	Interline ticketing in 6 mos.	1 Interline Agreement Before signing	Interline Agreement - 90 days Progress extension	Interline Agreement Ticketing within 90 days Baggage within 180 days
3	Subsidy per trip \$919 - Newport \$782 - Astoria	Subsidy per trip \$919 - Newport \$782 - Astoria	Subsidy per trip \$919 - Newport \$782 - Astoria	Subsidy per trip \$919 - Newport \$782 - Astoria
4	25% Freight revenues	25% Freight revenues	25% Freight revenues	25% Freight revenues Until subsidy is zero-100% after
5	No subsidy monthly maximum	Monthly maximum subsidy A. 6 months @ \$180,000 B. 6-12 mos. @ \$170,000 C. 12-18 mos. @ \$160,000 D. 18-24 mos. @ \$150,000	Monthly maximum subsidy A. 6 months @ \$180,000 B. 6-12 mos. @ \$170,000 C. 12-18 mos. @ \$160,000 D. 18-24 mos. @ \$150,000 Higher cap if needed-\$4,29 m	Monthly maximum subsidy A. 6 months @ \$180,000 B. 6-12 mos. @ \$170,000 C. 12-18 mos. @ \$160,000 D. 18-24 mos. @ \$150,000 Higher cap if needed-\$4,29 m Roll-over month to month 6 month review period
6	Termination Low loads Lack of funds Lack of Interline Agreement	Termination Low loads Lack of funds Lack of Interline Agreement After 1 year	Termination Low loads Lack of funds Lack of Interline Agreement After 1 year With a review.	Termination Low loads Lack of funds Lack of Interline Agreement After 1 year With a review. Seaport can terminate with cause or damage with 90-day notice

9. COUNTY LOAN – TONGUE POINT

Loan Agreement between the Port of Astoria and Clatsop County. The Port will borrow \$200,000 of the County’s lottery funds at 6% interest. If not paid in full by July 1, 2009, equal monthly installments of \$6,084 shall be paid until June 30, 2012. Purpose of the loan is for an option payment to purchase Tongue Point property.

Discussion included conflicts of interest between the Port’s attorney and the County’s attorney. The Port’s attorney could use another attorney in his office as an alternative.

Consensus of the Commission was to proceed forward.

10. a. FEDERAL ECONOMIC STIMULUS

The assumption is that the state of Oregon will receive funding for public road improvements, with certain criteria:

Only projects on the federal aid system will be eligible.

The road or street must be functionally classed as a rural major collector, urban collector.

Must be for new projects that is “shovel ready”, must begin construction within 180 days.

b. PROJECT PRIORITIES

Federal Requests are due during the months of January and February. The Priority List should include all the improvements necessary, but there should be only 3-5 requests off the list.

The proposed request list is:

- Tongue Point purchase.
- Tongue Point rail yard improvements
- Tongue Point pier utilities
- Pier 2 dock repair
- East Basin causeway

Discussion included:

Piggybacking Port projects on infrastructure projects already being funded.

FAA and State Aeronautics fund most of the needs at the airport at 95%. Causeway has issues and shouldn’t be overlooked. It has high public use. Invite Bob Melbo of the State Rail Division to talk about the direction of the railroad.

Most of the funds come through federal divisions to state divisions (FRA to ODOT Rail and EPA to DEQ).

Cruise ship dolphins should be on the list.

Money generator should be a consideration on priority of the project.

Consensus of the Commission was to proceed with the proposed request list.

11. CLATSOP/NEHALEM TRIBAL OFFICE

Jack Crider has been following the tribe situation for many years. The Siletz and Grande Rhonde took a long time for recognition, and it's more difficult now due to gambling and the tribes fighting between themselves. The Clatsop-Nehalem-Tillamook tribes are more interested in recognition and willing to give up any gambling rights. It is requested to help them establish an office at the Port at no cost. Congressman Wu has agreed to help the tribes get their recognition.

Commissioner Holcom said the Chinook tribe was almost recognized under President Clinton, but President Bush rescinded it. The Chinook are in the Port of Astoria district.

Commissioner Holcom moved to authorize the Executive Director to proceed with the tribes, to include the Chinook tribe, seconded by Commissioner Hess.

DISCUSSION: none VOTE: unanimously approved.

12. WASHINGTON D.C. TRAVEL AUTHORIZATION

The Pacific Northwest Waterways Association (PNWA) events are March 1 to March 5. Therefore the Port would need to leave February 28 and return March 6. PNWA will reserve individual appointments with delegates for the Port. The cost is \$800 each, plus lodging and travel expenses will amount to \$3,300 each.

Discussion items:

Cost prohibitive to send 3 persons (2 commissioners and director).

PNWA structured for 2 commissioners to attend.

Challenge for director to leave the Port for a week.

President has gone before and only has 6 months term left, Commissioners Sanders and Holcom are junior members; Commissioner Hess and Hunsinger declined.

Commissioner Sanders expressed her desire to go based on her attendance at many meetings, being well informed and never gone before.

Commissioner Holcom moved that the Port of Astoria send to PNWS the Chair and Executive Director to advance the Port of Astoria for federal requests for funding, seconded by Commissioner Hunsinger.

DISCUSSION: none

VOTE: Yes: Commissioners Pfund, Hunsinger, Hess and Holcom

No: none

Abstain: Commissioner Sanders

13. DISCUSSION ITEMS

a. Area Wide Contamination Recovery of \$400,000.

The Oregon Department of Environmental Quality (DEQ) in its letter of December 31, 2008, requested a structured planned Feasibility Study at the Astoria Area-Wide Petroleum Site. As a result of the Remedial Investigation (RI), five distinct areas of concern (AOC) were identified. DEQ has accepted the RI as complete. The next step in the process is to get a final remedy of a Feasibility Study for each of the AOC.

AO C 1 – Qwest, Youngs Bay Texaco, Former Harris/Van West, Niemi Cardlock.

AO C 1 – Former Val’s Texaco, Former Delphia Bulk Plan, Former Shell Bulk Plant.

AO C 3 – Former Chevron/McCall Bulk Plant

AO C 4 – McCall Pipeline, Former Exxon Mobil/Niemi Bulk Plant

AO C 5 – Port of Astoria listed without risks.

Jack Crider said the old Port insurance firms are still doing business and obtaining the old policies is in progress. He believes that the oil companies will go after each other leaving the Port as a victim. Cleanup costs and solutions are documents and may be reimbursable later. The DEQ review will be at the Port cost but any costs forward will be charged to the tenant.

b. Property Title Investigation

TICOR is looking into liens on the Port, should have a completed search soon. A comprehensive title search is not cheap.

Commissioner Holcom said it is important to know what property is owned by the Port and what has been sold. He has been researching old documents to learn of past Port business records. The Port purchased a lot of property for the railroad right-of-way and question if it has been disposed of. The Astoria Beltline is not on the ODOT list.

c. Staff Responsibility Changes

Jack Crider talked about working through issues with the labor union regarding Port staff. He doesn’t like the divisions between the staff and plans to restructure the employees into a working team. The goal would be no restrictions of where staff works. It would take training at the onset to insure all the employees are trained for their different jobs. The purpose is to work together while increasing responsibilities. One of the restructuring is at the marina; to bring Herb Florer into the Port office and rehire Janice to work at the marina.

Commissioner Sanders talked about the small staff at the Port and the need to cover and backup each other. She applauded Crider for trying to make the Port efficient.

14. COMMISSION

a. Reports

Commissioner Sanders:

Col-Pac Meeting:

Tim McCade of OECDD is tempting to educate the legislature using videos to show their success and to inform them as to OECDDs role and what they do.

93% of the state budgets go to Human Services, Correction and Education.

Connect III will be \$200 million.

Col-Pac approved a grant of \$135,000 for LIDAR (regional mapping land contours).

Northwest Area Community on Transportation Meeting:

Focused on storms and the impact to the community.

Airport snow plan for passenger service should be considered.

Commissioner Hunsinger:

Tongue Point:

Talked to four potential tenants. They are very well established financially and interested in lease agreements.

Commissioner Holcom:

Japanese Cruise Ship:

Bruce Conner reported on the delegation from Japan. In 1916 Japan was in the top three for Oregon

Historical Research:

Two long standing commissioners (Jim Campbell and Al Reisman) are very knowledgeable of past Port history. Recommend educating the public on what the Port has done to help the community economically. The Bi-Centennial Anniversary is a good segway and the information would be helpful to for the Legislature; perhaps adding the Port to the newsletter; and contacting the Historical Society.

b. Calendar

ADD: City of Astoria meetings

DELETE: Acronyms, spell out full names.

Commissioner Holcom requested a tickler call on current events.

c. Concerns/Comments

Commissioner Hunsinger expressed concern about the need for a full budget committee when the meetings are called.

Commissioner Sanders moved to have the Executive Director talk to John Lansing (Budget Chairman) to check on the members willing to serve, seconded by Commissioner Hess.

DISCUSSION: none

VOTE: unanimously approved.

15. OTHER BUSINESS - none

16. PUBLIC COMMENT

Lori Durham asked if Oregon LNG had met their lease requirement.

Jack Crider said yes, issues left are minor. They are addressing what they can do with the property, there are other interested parties for the building the golf course.

Master Plan was required by the lease.

17. RECESS TO EXECUTIVE SESSION IN ACCORDANCE WITH ORS 192.660 (2) (E) TO CONDUCT REAL PROPERTY TRANSACTIONS.

Recess was not called as the Purchase Sale Agreement was not ready.

~~18. RECONVENE REGULAR MEETING~~

~~19. CONSIDER ACTION ITEMS (IF ANY)~~

20. ADJOURN at 8:19 pm

Submitted by Janet Farstad

