

PORT OF ASTORIA

REGULAR COMMISSION MEETING MINUTES FEBRUARY 17, 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, Lesle Palmeri, and John Lansing

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

Guests: (see sign-in sheet)

2. CHANGES TO AGENDA

DELETE: #10 Bank of Astoria Credit Line

#15 & #16 Executive Session

ADD: #11. Resolution 2009-08 Captain of the Port

#12. SeaPort Air Passenger Service Grand Opening

#13. Airport Terminal Improvement Bids

Renumber balance of agenda items.

3. MINUTES

Regular Meeting on January 20, 2009

Corrections: page 1 #1 add Kathy Sanders as being present

page 6 #14.a. OECD Tim McCay to Tim McCade

page footer numbering off.

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

Special Meeting on January 29, 2009

Special Meeting on February 12, 2009

Corrections: aircraft name Platus

Page 2, 4th line – correct ease to east

Commissioner Sanders moved to approve the minutes of Jan. 29 as presented and Feb. 12 as corrected, seconded by Commissioner Hess and unanimously approved.

4. VOUCHERS/FINANCIALS FOR THE MONTH OF JANUARY 2009

(a) Vouchers

Commissioners questioned various vouchers to clarify vendors and/or amounts.

Commissioner Hess moved to pay the bills, seconded by Commissioner Holcom and unanimously approved.

(b) Financials

Jack Crider explained that the biggest issue is the grant projects. The ODOT loan for

Pier 2 has been approved but not yet accessible, so the Port match is being paid from the General Fund. A bank line of credit would be helpful for cash flow. Staff is working on the budget to allocate eligible costs into Capital Outlay for project work.

The Budget Committee is expected to have one vacancy, which will be advertised. Commissioner Sanders said there will be a free governmental budget workshop March 4 that the Budget Committee and/or the Commissioners might be interested in attending.

Commissioners questioned various line items on the financial statements (County Clerk invoice for dike improvements when the Port is a Dike District) and accounts receivable (Overbay is for 2 months of utility charges and Union Fish is 2 years of DSL reimbursement that was just invoiced).

Commissioner Holcom moved to approve the financials, seconded by Commissioner Sanders and unanimously approved.

5. PUBLIC COMMENT

Ted Thomas: Heard a rumor of potential increase of moorage rates. He talked about the history at the moorage docks, amenities and the loss of older cruising customers due to the fuel dock being closed. He recommended keeping rates lower to try and get back the boaters and for the live-aboard boats. The live-aboard status should consider their full time presence for emergency situations of distressed vessels and gear; and increased security. Commercial boats are different.

William Roberts: Has been living aboard his boat for 13 years and feels it is a poor time to increased rates due to the economy. Four years ago it was raised 30% for improvements. He reiterated the increased security that live-aboard boaters provide.

6. RESOLUTION 2009-06 RAILROAD REPAIR

Commissioner Holcom authored and read Resolution 2009-06 supporting the repair of the Portland & Western railroad line breach at Knappa. The line has been down for four years due to permitting delays and the repair may be delayed another year due to the in-water work window that ends February 28. The resolution will be sent to all state and federal representatives urging their support to repair the line. The railroad line is essential for tenants coming to Tongue Point and to retain its commerce status.

Commissioner Hunsinger moved to approve Resolution 2009-06 Supporting the Railroad Line Repair, seconded by Commissioner Hess and unanimously approved.

7. RESOLUTION 2009-07 FUEL FLOWAGE FEE

Jack Crider refreshed the Commission on the presentation from the last meeting and the consensus of the Commission to increase the charge for fueling vessels from trucks from \$10 delivery charge to \$.03/gallon effective April 1, 2009.

Commissioner Holcom read Resolution 2009-07 Fuel Flowage Fee Increase.

Commissioner Hunsinger moved to approve Resolution 2009-07, seconded by Commissioner Sanders and unanimously approved.

8. CORPS OF ENGINEERS/POA – CONSENT DECREE

The Corp of Engineers filed a complaint against the Port of Astoria for illegally discharging dredge material into the Columbia River estuary without permission in 2005. The original Corp of Engineers civil penalty was \$200,000, but was reduced to \$125,000. Within 30 days of the Consent Decree approval, the Port will pay \$50,000; with the remaining balance paid in two installments of \$25,000 within 6 months and the final \$50,000 within 12 months.

Discussion:

Commissioner Holcom said he is not happy that the Port is the victim of personnel error. The US Government is getting paid by the Port, not the individuals who made the error.

Commissioner Pfund said it was not so much what happened as to how the Port handled it – it is regrettable.

Commissioner Hunsinger commented on all the attorney fee charges and that things happened that should not have. Some members of the Commission were not informed of all the attorney fees and believed that approval was given to tap \$20,000 from reserves, not the whole reserve.

Commissioner Sanders is glad to be at the end, that it was a tragedy that tax payers have to pay. There were many errors but now the Port can go forward and leave it behind.

Commissioner Sanders moved to approve the Consent Decree and authorized the Executive Director to sign the document, seconded by Commissioner Hess.

VOTE: Yes – Commissioners Pfund, Holcom, Sanders and Hess.
No – Commissioner Hunsinger

9. DEQ/POA MUTUAL AGREEMENT & ORDER

The State of Oregon through the Department of Environmental Quality (DEQ) joined the complaint filed by the Corp of Engineers against the Port of Astoria for illegally discharging dredge material into the Columbia River estuary without permission in 2005. The original DEQ civil penalty was \$89,400, but was reduced to \$45,400. The amount will be paid over a three year period at \$1,435/month @ 9% simple interest.

Discussion:

Commissioner Holcom said for a state agency to fine a state agency was absurd, it's not right to take tax payer money for a fine.

Commissioner Sanders moved to approve the Mutual Agreement and Order for DEQ and authorized the Executive Director to sign the documents, seconded by Commissioner Holcom.

VOTE: Yes – Commissioners Pfund, Holcom, Sanders and Hess
No – Commissioner Hunsinger

~~10. BAND OF ASTORIA CREDIT LINE~~

11. RESOLUTION 2009-08 CAPTAIN OF THE PORT

As a result of meetings in Portland came an opportunity to move the US Coast Guard Captain of the Port from Portland to Astoria, including their air service wing. Over the next 2 years, the support of 40-60 families will be relocating to Astoria. Captain of the Port is a federal appointment for major rivers, with the west coast appointments in Portland, Sacramento and Tacoma. The first Captain of the Port for the Columbia River was appointed to Astoria in July of 1940, but at some point thereafter it was relocated to Portland.

Commissioner Holcom authored and read Resolution 2009-08 which reviewed the history of Captain of the Port and the Port of Astoria's support for its mission.

Commissioner Hunsinger moved to approve Resolution 2009-08, Seconded by Commissioner Holcom and unanimously approved.

12. SEAPORT AIR SERVICE GRAND OPENING (March 15 @ 10:00 am)

Jack Crider offered 5 tickets to the Commissioners for a flight to Newport for their Celebration after the Astoria Celebration. All Commissioners expressed interested in the flight to Newport. Signs, food and parking stripes are being completed. Enterprise and Hertz will have options for car rentals.

13. AIRPORT TERMINAL REMODELING BIDS

Several bids were received to remodel the terminal, install doors and outside ramps. The bids were: Current Construction \$22,287, John Davies \$26,701 and D.B. Building \$30,694. The cost is to be reimbursed by Connect Oregon 2.

Commissioner Holcom moved to award the bid to the lowest bidder (Current Construction) in the amount of \$22,287, seconded by Commissioner Hunsinger and unanimously approved.

14. DISCUSSION ITEMS

a. Washington DC Issues

Jack Crider explained the method of submitting projects: 1.) submit one request; 2.) make the delegation aware of other needs; 3.) follow up the next year with the progress; and 4.) be consistent.

Priority List to be submitted at Pacific Northwest Waterways Association meeting in Washington DC.

1. North Tongue Point Acquisition and Development
2. Marine Highway Bill Support
3. Columbia River Dredge Fund & Upland Disposal Sites
4. Sardine Fishery Biomass Assessments
5. Astoria Railroad Repair at Knappa
6. Captain of the Port Relocation Support

Consensus of the Commission was to proceed with the priority list.

b. Moorage Rates

In 2005 the monthly and annual rate was increased 30%, the daily rate was not. Commissioner Holcom talked about the Marina Committee that was in operation for years and recommended getting it back to operational again; the Yacht Club and impacts to their events; and that the live-aboard people are an asset and partners in the marina.

Jack Crider reported that Janice was coming back, hours will be improved, the need to keep the fuel dock open, and working on construction of electricity to the East Basin. He will get additional moorage rates for consideration.

c. Airport T-Hangar (Plane Requirement)

Jack Crider reported that pilots are on a waiting list for hangars and are using the tie-down areas while waiting. Some of the current tenants don't have airplanes in the hangars, but have vehicles, boats and aircraft pieces even though their lease doesn't allow it. He wants to start enforcing the lease to move out the storage use tenants and move in the operational airplanes. Also the second round of letters has been sent requiring the tenants to provide insurance, as called for in their Lease Agreement.

Consensus of the Commission was to proceed.

d. Pier/Vessel Revenues

The Port of Astoria Tariff Dockage Rate is in the middle of other ports, being closer to Grays Harbor than others.

Current Tariff Dockage Rates:

100' @ \$164/day to 1,000' @ \$14,000 with exceptions:

1. Fishing vessels and barges under 200' @ \$.45/ft/day
2. Lay status is 25% of rate with minimum of \$150/day
3. Idle status for long term repairs is \$1.92/ft/day.

Current Long-term Pier Users:

- Salvage Chief – since 1953
Vessel – 202' @ \$654/mo,
Tug pays additional.
Lower rate due to being moored at East Basin, condition is a lower standard.
- MSRC – since 1993
Barge - 286' @ \$4,862/mo.
Vessel – 209' @ \$3,553/mo.
Total \$8,415/mo.
- Betsy Ross – since 2005
Vessel – 175' @ \$1,900/mo.
Fishing vessel – 80' @ \$ 560/mo.
Total \$2,460/mo.

Cameras have been installed to document usage for charges.

There is a need to resolve discrepancy between vessel charges.

Work toward repairing the dock where MSRC is moored; replace 120' of wood with concrete, install 5 fender piles and dredge.

15. COMMISSION

(a) Reports

Commissioner Hunsinger:

Has been appointed to be on Oregon and Washington Fisheries Advisory Board for a four-year term.

Met with Jimmy Larsen (former employee) who was a great resource explaining the Port's history of dredging and soil sites.

Commissioner Sanders:

OPPA Meeting included introduction of 4-5 pages of legislative bills, Statewide Strategic Plan is in the final stages, Commissioner training after July 1, revising OPBA Bylaws, and State budget is short.

(b) Calendar

Trails meeting Monday, Feb. 23

Joint Port/County Meeting Feb. 25

(c) Concerns/Comments

Commissioner Pfund talked to a person who cruises, he started in Vancouver and landed in Astoria. The Astoria image was a sloppy site, construction material all over, an eyesore.

Jack Crider's response is that he is talking to staff about cleanup, dealing with graffiti on piers from the painters while they are painting the ships, picking up scrap – currently on the 4th container.

Commissioner Hunsinger questioned if the pile driver has been located as it's been missing for quite some time. Commissioner Hess thought it might have left on a barge after they borrowed it. Staff has not found it.

16. OTHER BUSINESS

Jack Crider reported that the Chinook Building has two new tenants downstairs, Astoria Realty and a Charter Boat; a fish buyer is pending.

17. PUBLIC COMMENT

Lori Durhien expressed appreciation for a very powerful meeting, best one in three years.

~~18. RECESS TO EXECUTIVE SESSION IN ACCORDANCE WITH ORS
192.660 (2)(c) TO CONDUCT REAL PROPERTY TRANSACTIONS~~

~~19. RECONVENE REGULAR MEETING~~

20. CONSIDER ACTION ITEMS (IF ANY) - none

21. ADJOURN at 7:55 pm

Submitted by Janet Farstad

