

## PORT OF ASTORIA

### REGULAR COMMISSION MEETING MINUTES of SEPTEMBER 15, 2009

#### I. CALL TO ORDER/ROLL CALL

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

Persons present were:

Commissioners: Bill Hunsinger, President; Floyd Holcom, Vice-President; Dan Hess, Secretary; Jack Bland, Treasurer; and Larry Pfund, Alt. Secretary/Treasurer

Staff: Jack Crider, Executive Director

Also present was Janet Farstad and Lesle Palmeri

News Media: Cassandra Profita, The Daily Astorian and Michael Desmond, KAST Radio

Guests: see Sign in Sheet

#### II. CHANGES TO AGENDA

ADD: XI. Seaport  
VII. Resolution No. 27  
VIII. Resolution No. 29

DELETE: LANDYE, BENNETT BLUMSTEIN CONTRACT

Commissioner Holcom moved to approve the changes, seconded by Commissioner Bland and unanimously approved.

#### III. MINUTES

- Regular Meeting of August 18, 2009
- ~~Special Meeting of August 27, 2009~~ (to next month)
- Special Meeting of September 8, 2009

August 18 – Carl Donnally corrected to Carl Dominey.

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

#### IV. FINANCIALS – MONTH OF AUGUST 2009

- Vouchers

Commissioner Holcom questioned Union Bank.

Jack Crider said it is a General Obligation Bond two payments; approved budgeted item.

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

- Financial Reports
  - A. Operating Profit & Loss

Jack Crider noted that August was a good month with net revenue of \$145,000; and fuel sales of \$200,554 (airport \$57,000 + marina \$143,000). Moving Herb to property management has helped a lot with the leases.

**B. A/P & A/R Aging Summary**

Commissioner Holcom noted that the comments detail were good and is easier to understand the accounts.

Commissioner Hunsinger noted that Jackson Fuel moved a lot of fuel and delivers within hours; it was a good move to hire them. The marina employees did a good job but next year needs to have 12 hour days.

**C. Balance Sheet**

Commissioner Holcom questioned the Allowance for Bad Debts \$29,000.

Jack Crider will check into it.

**D. Check Register**

Commissioner Bland moved to approve the Financial Reports, seconded by Commissioner Holcom and unanimously approved.

**V. PUBLIC COMMENT**

Lori Durham:

Grants for San Maria Shipping, will LNG lawsuit affect it?

Jack Crider said no.

2-year lease extension with DSL, can the Port agree to approve the 30 year lease?

Jack Crider said yes.

**VI. DISCUSSION ITEMS**

➤ T-Hangar RFP

Jack Crider reported that there were 7 responses to the RFP. The selection criteria include 50% weight for project cost. Negotiations with the top 3 are underway; Rehfeldt Construction, dalke construction, and Centrex Construction. There are design issues to resolve, door wheels and to divide the building into two sections between the T-units and executive units.

Business Plan:

7 T-units @ \$230/mo.

3 Executive units @ \$400/mo.

Total Revenue = \$2,800/mo.

Loan of \$400,000 @ 4.73%/25 years.

Debt service @ \$2,300/mo.

Insurance & maintenance @ \$500/mo.

To date the signed commitment to lease a unit is:

5 T-units

3 Executive units

- ~~T Hangar Loan~~
- ~~Landye, Bennett, Blumstein Contract~~
- ~~Bornstein Loan Amendment~~

**VII. RESOLUTION 2009 #27 – PAYROLL ACCOUNT**

Designation of Wells Fargo Bank for a payroll account as an employee benefit. Commissioner Holcom moved to approve Resolution 2009-#27, seconded by Commissioner Hess and unanimously approved.

**VIII. RESOLUTION 2009 # 29 – LEGAL DEFENSE**

Purpose of the resolution is to hire Thane Tienseon, PC of LANDY BENNETT BLUMSTEIN LLP ATTORNEYS and use Port district funds for legal defense subject to the terms of Resolution 2005-27, to represent all five commissioners from a civil lawsuit filed by Oregon LNG claiming damages from a breach of contract; assuming as a result of their approval for a 2-year lease agreement extension with DSL instead of a 30-year term to coincide with LNG’s lease for the liquefied natural gas terminal in Warrenton. The resolution was read by Commissioner Holcom.

Commissioner Hess moved to approve Resolution 2009-29, seconded by Commissioner Holcom.

Discussion:

Commissioner Pfund stated his concerns about hiring Thane Tieson since he sits on the Board of Directors for Columbia Riverkeeping, one of the groups that oppose LNG. Commissioner Holcom requested to go “on the record” that he is not anti LNG, he is anti bad business and bad government corruption.. He asked that Commissioners Pfund and Hunsinger stop saying that he is “anti-LNG”. He also said that attorney Thane Tienson’s focus is on cleanup of the Willamette River as a Super Fund cleanup site and believes their firm has done a fantastic job so far with the Port.

Commissioner Pfund responded that he has quoted Commissioner Holcom as not liking the facility at that site, not that he was anti-LNG.

VOTE:           Yes   Commissioners Hunsinger, Holcom, Hess and Bland  
                   Abstain       Commissioner Pfund

**IX. BORNSTEIN LOAN AMENDMENT**

Jack Crider said that the state was to have the final documents two months ago as it has been approved by the state. The current payment of \$35,000/mo with a balloon of \$2 million next summer. The new proposal is 25 year term @ 3.5% interest, with the payment increasing 8.5% every five years.

Loan Payments are:	Dates	Amount
	12/1/2010 to 12/1/2014	\$53,000/mo
	12/1/2015 to 12/1/2019	\$58,000/mo
	12/1/2020 to 12/1/2024	\$62,000/mo
	12/1/2025 to 12/1/2029	\$68,000/mo
	12/1/2030 to 7/18/2030	\$72,000/mo

Plus a ground lease that starts March 2010 of \$26,000/mo.

Commissioner Bland moved that subject to the Executive Director receiving the document, he authorized the Executive Director to sign the document, seconded by Commissioner Holcom.

Discussion:

Commissioner Holcom said the state wanted to convert the loan, he objected to refinancing, need to allow for refinancing from a third party.

Jack Crider said the state offered a very good loan interest percentage that would be hard to get from a third party.

Commissioner Hunsinger agreed with the motion as long as there were no other changes in wording. He also was concerned regarding the 100 full time workers requirement.

Jack Crider said that the state would monitor the workers requirement and will contact the Port if there is a problem.

Commissioner Hess declared a potential conflict of interest as his company receives checks from Bornstein.

VOTE: approved unanimously.

## **X. T-HANGAR LOAN**

Jack Crider said that the loan had previously been approved but since so much time has lapsed, the state has requested it be reapproved with the current date. As previously stated, the loan is for 25 years @ 4.75% interest, debt service being \$2,300/mo.

Commissioner Holcom moved to approve the OEDD Loan in the amount of \$400,000, seconded by Commissioner Bland and unanimously approved.

## **XI. SEAPORT AIR SERVICE**

Jack Crider reported that at the September 11 Consortium Meeting there were two motions approved regarding Seaport's contract.

1. Amend contract to extend interline ticketing agreement to March 15.
2. Remove interline baggage requirement from contract.

The interline agreement requirement within 6 months (due 6/15/2009) for both ticketing and baggage. However, new technology includes changes including e-tickets. Normally interline ticketing was with one air service. Seaport has investing \$50,000 in software and it's not completed, They are asking for an extension to March 2010 to complete it. The baggage component has to be TSA compliant and is not practical.

Commissioner Bland moved to ratify the motion approved by the Consortium, seconded by Commissioner Holcom and unanimously approved.

## **XII. COMMISSION**

### **A. Reports**

Commissioner Holcom:

He has been good reports on marina's issues, they are getting taken care of.  
Would like implementation of Marina/Waterfront Committee.

Commissioner Hess:

COLPAC, NW OR Ec.All., NW ACT – Went with Commissioner Bland to Rockaway. They talked about the ODOT tunnel work closing Hwy 30.

NW Act will support the Port with Connect III.

Commissioner Holcom talked about the big centennial coming and ODOT will shut down all highways from Portland to Astoria for work on Hwy 26 & 30 for 8 months.

Lori Durham commented that the County Commissioners were surprised that ODOT will do Hwy 30 paving first and then the tunnel.

Commissioner Bland:

CEDR was very interesting.

Commissioner Pfund:

Lower Columbia Solutions talked about the deposit of dredge material at Warrenton (200,000 cu.yards).

Commissioner Hunsinger:

Lower Columbia Solutions showed slides on pulling piles, at one time they thought rock was needed to divert dredge spills out into the channel. Pile dikes could help the Port.

OPPA – very interested in smaller ports, Astoria is small but can have big port activities. Everyone is interested in Tongue Point. Most other ports cannot expand.

Salmon Advisory – Biologist from Oregon and Washing had huge discussions on type of gear used, Columbia River is not suppose to have traps. Oregon State Fish Commission will meet September 23 to look at alternate ways to harvest fish that may impact the 250 gillnet fishermen who live in Astoria.

B. Concerns/Comments

Commissioner Hess talked with Bruce Connor who said for a small fee he could add the Port's logo to all Regatta advertising.

Jack Crider said he also has talked to Bruce Connor and it was \$5,000.

Commissioner Holcom questioned why the very large cruise ships anchor in the river at the 17<sup>th</sup> Street dock instead of the Port.

Jack Crider said the city had not fixed the dock, Bergeson will put in a temporary float and the Port will supply security. 29<sup>th</sup> Street is still an issue. He also reported that the soundings were at 28' but now at 25', ships need 25'. The next dredge season needs to be at 30' minimum.

Commissioner Holcom questioned about FERC coming regarding LNG.

Lori Durham said it was Thursday at 8:00 am at King Ave. They will be walking the 97 acres the Port leases.

Commissioner Holcom questioned if the Port knew about it in case personnel needs to be there.

Jack Crider did talk to them, they also want to look at the airfield and drive around looking at pipeline locations.

Commissioner Holcom requested notification when federal or government agencies come and briefed on who's coming and why.

Jack Crider said he would like people passed on to him also.

Commissioner Holcom said he loved the weekly summary sheets from the Director on what's happening.

### **XIII. OTHER BUSINESS - none**

### **XIV. PUBLIC COMMENT**

Cassandra Profita was confused by the resolution to hire Thane Tienseon.

Jack Crider said the lead attorney was Harlan Jones and now reassigned to Tienseon. Since there is no insurance or Tort coverage the expenses need to be covered by the Port's own revenue.

John Show questioned progress on Tongue Point and that future planning needs for the Port to resolve any issues to obtain it.

Jack Crider said he had a good conference call from the Washington Group and they are about at the end of the legal issues. There is pressure to proceed. Subtenants is one of the issues. The Port needs to protect and not tie the hands of subtenants.

Commissioner Holcom said the delay is the Washington Group's details, the Port has not changed it's original intent. He questioned if Tongue Point was involved in the Marketing Plan.

Lori Durham questioned if Tongue Point will need loans and if the LNG pending lawsuit affect any loan.

Commissioner Hunsinger said the Port is positive on the direction of Tongue Point.

### **XV. RECESS TO EXECUTIVE SESSION at 7:35 pm in ACCORDANCE WITH: ORS. 192.660 (2)(e) TO CONDUCT REAL PROPERTY TRANSACTIONS; ORS 192.660 (2)(h) CONSULT REGARDING LITIGATION.**

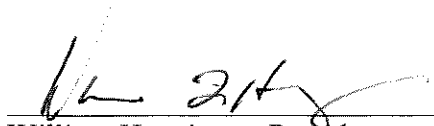
### **XVI. RECONVENE REGULAR MEETING at 8:28 pm.**

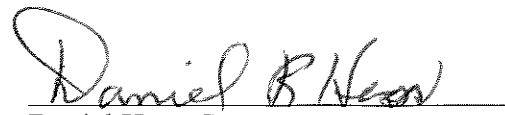
### **XVII. ADJOURNED at 8:28 pm.**

Submitted by Janet Farstad, Special Projects

**APPROVED**

**ATTEST**

  
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William Hunsinger, President

  
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Daniel Hess, Secretary

