

## MINUTES

PORT OF ASTORIA  
REGULAR COMMISSION MEETING  
MAY 15, 2012  
PORT COMMISSION CHAMBERS

### CALL TO ORDER/ROLL CALL

Chairman Hess called the Regular Meeting to order. Roll call was taken.

Commissioners present: Dan Hess, Larry Pfund, Jack Bland, Bill Hunsinger and Floyd Holcom.

Staff present: Interim Director Herb Florer, Property Manager Mike Weston, Finance Manager Colleen Browne, Airport Manager John Overholser, and Maintenance Supervisor Harold Culver

### CHANGES TO AGENDA

Chairman Hess called for any changes to the agenda. Herb Florer requested addition of information on RiverWalk to be inserted after agenda number 6. Also NRC Quest lease is not an action item.

### MINUTES

*Commissioner Holcom moved to approve the minutes for April 10, 2012; April 17, 2012 and April 24, 2012. Commissioner Bland seconded the motion. Carried unanimously.*

### FINANCIALS – MONTH OF APRIL 2012

Vouchers: Finance Manager Colleen Browne presented the financial reports at the last meeting for review. She asked if there are questions regarding the vouchers and answered board member questions. Commissioner Holcom moved to approve vouchers for the month of April. Commissioner Hunsinger seconded the motion. The motion carried unanimously.

Financial Reports: Browne reported Operating format P & L is better than previous months. Net income from operations is \$404,000 overall; net income from grants are at 62,964 - Still negative of \$ 334,000 for the year, primarily for capital projects. Questions followed. 10 months out of 12 variances with biggest discrepancies from area-wide contamination and log ship revenues. Commissioner Holcom stated it was his understanding that the amount of money paid to the attorney on settlement funds needed to be approved by the Port commission and that the former Executive Director might have been approving allocations over his limited spending authority. Commissioner Holcom stated it looks that funds agreed to in settlement before the money comes out of trust fund for attorney needs to be approved by the board for settlement for accountability purposes and that director does not have the authority to spend over his authorization. Discussion followed on policy. Browne stated the individual vouchers had all been approved by the commission. Commissioner Hunsinger stated his conversations with Colleen did not show the numbers how they are tied and restricted. The commission needs to be kept informed of the funds and set-asides. Need for checks and balances. \$373,000 is in the account for restricted area-wide continuation. Commissioner Holcom inquired if we are on goal for the work for Tongue Point. Property Manager Mike Weston stated we are on track with prospective businesses

coming into the area. Commissioner Hunsinger emphasized the need to purchase Tongue Point instead of leasing at \$300,000 per year and the possibility of going out for bond funding. *Commissioner Holcom moved to approve the financial reports for the month of April. Commissioner Pfund seconded. Motion carried unanimously.*

### **PUBLIC COMMENT**

Chairman Hess called for public comment. None was given.

### **STAFF REPORTS**

Steve Barkemeyer, Boatyard Manager

- Boatyard looking good, lifts up over April. Since 2007 drastic decline in the industry across the nation. For the Port to be in positive position, is a good thing.
- Good comments on yard and staff handling, EPA regulations, etc. Last samples tested were under levels.

John Overholser, Airport Manager

- Fuel sales down because Bar pilots helicopter out. New helicopter now being used, should bring levels back up.
- Lighting project doing well 21 of 32 man holes in where conduit comes together. Drainage repairs underway. Commissioner Hunsinger asked why there is a "swimming pool" inside hangars. Overholser explained his responsibility with the project was taken from him, so he is no longer involved in it. He does not know how many rented.
- Mike Weston working with Harold. Interim Director Florer stated the situation with Contractor and Bonding Company being worked on. Discussion followed on how to get the project completed. The loss of funds is being monitored to determine if Port can recover.

Harold Culver, Maintenance Supervisor

- Explained his work with the T-hangar construction.
- Working on pier 2 west - net repairs; surface repairs for Da-Yang.
- Working on barge acquired a while back.
- Assist with cruise ship calls to date in preparations
- East basin cleaning station work underway. Commissioner Hunsinger asked about erosions between 2-3 docks, commission should understand this agitation with NW wind and currents that causes erosion it moves materials around. Discussion followed.

Collen Browne, Finance Manager

- First round of budget meetings tomorrow. She had Tom Imdyke review for a small fee.

Mike Weston, Property Manager

- Juggling projects, GSA Lease at Pier One Building construction will be started for their lease area,
- Striping east basin traffic pattern.
- Working on a couple of potential clients that may generate some revenues
- Wrapping up for dredging on pier three.

### RIVERWALK

Interim Director Florer stated he would like to have Mr. Smithart run through his proposal to the board. Brad Smithart, Astoria Riverwalk Inn, requests the Port to waive rent for signage to be compliant with what the Port wants. They reviewed options for the sign. When they take the final sign off it will still be painted and have the Port of Astoria logo and sign. Able to open additional rooms – up to 85 for the summer; however, additional expenses with water leaks incurred.

Commissioner Holcom's understanding is that the lease was granted "as is" condition. Brad stated they can pay June rent if no more rooms are readied. Can ready additional rooms if allowed to forgo June rent, also allows for higher rent to port. Commissioner Holcom recommended waiving the June rent – to be payable at the end of the lease term. This will give some breathing room.

*Commissioner Bland moved to defer the June rent without penalty for one year. Commissioner Pfund seconded the motion. Motion carried unanimously.* Some discussion followed on city requirements for signage and the success of the Riverwalk Inn.

### CONSIDER LETTER OF SUPPORT AMCCO

Chairman Hess explained AMCCO is being slated to be on the clean-up fund. Herb Florer reminded the board the issue is ongoing and that Resolution 2011-07 is on record that the Port opposes listing of AMCCO to the EPA Superfund Program. *Commissioner Holcom moved to re-approve Resolution 2011-07 as previously presented. Commissioner Hunsinger seconded the motion. The motion carried unanimously.*

### ASTORIA YACHT CLUB LEASE.

Interim Director, Herb Florer, being a Yacht Club member, stated he will abstain from discussion of the Yacht Club Lease. Herb mentioned; however, that preliminary discussions are underway with the City regarding use of the Urban Renewal Funds. Commissioner Holcom noted for the record his wife also is a member of the Yacht Club. It will not affect his decision. Mike Weston, Property Manager reported a draft lease and report was presented. He spoke to the Yacht Club members and they are ready to move forward with the lease based on negotiations proposed. It will be a five-year lease with an option to renew for five years. Staff recommendation is that the Commission approve the lease between the Port of Astoria and Astoria Yacht Club. Weston stated staff recommendation is to approve the lease. *Commissioner Bland moved to approve the lease with the Astoria Yacht Club. Commissioner Holcom seconded the motion.* Commissioner Hunsinger asked for clarification on the lease charge. The tenant will be investing in the improvements via a loan. Weston explained the formula worked out. Commissioner Holcom reminded members, the Yacht Club is using Port facilities and services that provide additional benefits to the Port. *Commissioner Bland's motion carried unanimously.*

### NRC QUEST LEASE - UPDATE

Mike Weston explained the Port has been in negotiations with NRC Quest Services for a couple of months for lease of part of Tongue Point Pier 4 docking facility. Part of negotiation is understanding there is no power source there. They have offered to pay for the power by paying for it upfront or

rolling into rent for additional \$800/month. This is a 2-year lease at a rate of \$6.25 per linear foot. Ship is 160' long. They are docked on North side pier 4. Need access to channel because they are a response unit and need for storage area for equipment. He proposed upland area and 165' feet of dock space at the NE end of pier four. Negotiations are ongoing. No action at this time.

#### **CONNECT IV - UPDATE**

Weston reported he and Jack Bland met with Shirley at ColPac last week. She had questions, but by the end of the tour it was clear what the port's intent was. The Port of Astoria got bumped a position in favor of another dock in Oregon. Still looking good (9 out of 23) on the list. Weston stated there is a \$40 million pot. Commissioner Hunsinger stated we are in a smaller pool. Commissioner Bland stated as long as we remain as #2's, there will be a better chance to receive funding. At this stage it is looking good.

**DIRECTOR'S REPORT:** Herb Florer reported the following:

Rice Island – Continuing to work with DSL on the Port license for Rice Island. DSL appears to understand material might come from any part of the island, depending on suitability. Port has also submitted license fee. Eco-Minerals has met with staff and is preparing a proposal to the Port which may be presented to the commission in the future. Some discussion followed.

USCG Relocate – Staff met with City and officers and crew from the two Coast Guard vessels last week. Money required for the move has created the need to look at alternatives to the original plan. The Port continues to work with the Coast Guard and City for acceptable alternatives.

Lekto Loan Issue - Florer met with Erick Paulson last week and has had discussions with the State on this issue. There appears to be an avenue to resolve the situation to the benefit of the Port and Lektro. He will continue to work with Lektro to put together a proposal for future consideration.

Bridge Work – Port tenants are working on the south end of the Astoria-Megler Bridge.

Cruise ship visits have gone smoothly; log ship loading going well with excellent load numbers on several days. Last load and lashing scheduled for tomorrow.

#### **COMMISSION REPORTS**

Commissioner Holcom – Impressed with Marina Committee meeting and representatives. Dave Densmore contributed greatly. Need people to fill in these positions and use committees to assist the commission in assessing needs. He attended the funeral of Stuart Sinclair. Stuart was one of the most silent leaders in the community in a long time, involved in numerous areas. Lost an incredible individual in our community. Mr. Sinclair will be missed.

Commissioner Bland stated Shirley Kalkhoven, with NWACT asked for a tour of the port facilities. He recounted his experience in loading himself into the trucks that Shirley and Mike provided for the tour.

#### **DIRECTIONS**

Commissioner Holcom getting to point that direction to staff is good communication. Need to continue good communication flow and the work of staff.

Commissioner Hunsinger recalled the Port sold its Boom truck. There was a hydraulic crane on back of truck. There were others interested in the truck – it was not put out for public participation to bid on. He questions the sale of public equipment that way. The boom would have been great for a fishermans' hoist. He recalled other sales made without public input. Herb explained the port's ordinances authorize the Port to sell equipment for less than \$5,000 without going to bid. The value of it considered by all the staff was less than \$5,000. The hoist was not certifiable; therefore, of no value. The value was well under what was received, and was sold under current port ordinance. Discussion followed.

**PUBLIC COMMENT**

Dave Maki, Astoria resident, was union crane operator for many years. Bergerson likely gave the boom truck to Port because it was not capable of being certified. Regarding the T-hangars and bolts torqued, Weston confirmed it had not been done. Other staff is monitoring performance.

**OTHER BUSINESS**

There being no further business, the Regular Meeting was adjourned.

**APPROVED:**

**ATTEST:**



Daniel Hess, President



Jack Bland, Secretary

Submitted by: Rita Fahrney, Admin Services Mgr