

MINUTES

**PORT OF ASTORIA
REGULAR COMMISSION MEETING
OCTOBER 16, 2012
PORT COMMISSION CHAMBERS**

1. CALL TO ORDER/ROLL CALL

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

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

Staff present: CEO Hank Bynaker, Director-Seaports Herb Florer, Director – Business Development and Operations Mike Weston, Finance Manager Colleen Browne, Terminal/Administrative Services Manager Rita Fahrney, Marina Manager Janice Burk, Boatyard Manager Steve Barkemeyer.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

3. CHANGES TO AGENDA

Director's Report was moved up on the agenda. Addition of Report-Warrenton Dike Meeting was added to agenda.

4. MINUTES:

Special Meeting, 8/23/12; Special Meeting 9/11/12; Regular Meeting 9/18/12; and Special Meeting 9/27/12. Commissioner Holcom suggested, like some other government entities do, he would like to see a basic transcript of the meetings available to the public. Administrative Services Manager Rita Fahrney suggested a recorded voice transcript could be used – as she has observed done at other government entity websites. *Commissioner Holcom moved to approve the minutes of the aforementioned meetings. Commissioner Hunsinger seconded the motion. The motion carried unanimously.*

5. FINANCIALS – MONTH OF SEPTEMBER 2012

Vouchers. Finance Manager Colleen Browne reported vouchers for the month of September 2012 total \$494,107. *Commissioner Holcom moved to approve the voucher list for September. Commissioner Hess seconded the motion. The motion carried unanimously.*

Financial Reports. Commissioner Holcom had a question on West Bay's account. Director, Business Development, Mike Weston, explained West Bay has been using more space and after review they are being charged additional lease fees. Commissioner Holcom stated as Treasurer he has reviewed the financial records. He moved for approval of the Financial Reports. Commissioner Bland seconded the motion. The motion carried unanimously. Commissioner Bland reported a constituent, referring to a recent article in the Daily Astorian, asked him if the Port is still going out of business. Browne responded to tell him no.

6. PUBLIC COMMENT

Chairman Pfund called for public comment.

Dave Maki, 12 Nimitz, Astoria – stated he went to Tongue Point today (he goes there twice a week to check things out). He noted PSF Industries using Tongue Point as a staging area. Mike Weston responded they were going to lease warehouse space with Pacific Yacht; however, the job was cancelled. Discussion followed.

7. CEO REPORT

CEO Hank Bynaker gave the following report:

- Having been CEO for three months, he had some observations he wished to share. He is excited to be here, be a part of the community.
- We need to make capital improvements to our infrastructure if this Port is to continue to serve as an economic engine for the citizens of Clatsop County, so the challenge will be to find money through every financial avenue available to us. Staff is photographing and documenting these areas in support of our funding efforts. We are busy examining opportunities to cut our operating costs wherever we can. The budget is constrained – Ports compete for the same funding sources. We are continuing our discussions with our international prospects to take advantage of the property at North Tongue Point. And we continue to reach out in our marketing effort to attract new businesses to the Port in our effort in our effort to generate new revenue streams and maximize the use of port assets.
- Bynaker went on to state he has restructured our organization to leverage our strengths and capabilities and improve our performance. Because the organization is so flat, he eliminated the position of Deputy Director which was held by Herb Florer, recognizing he has done a great job and been a tremendous help to him. Herb Florer also stepped up to shoulder duties and responsibilities as Interim executive Director before Hank's arrival and Hank stated he recognizes him for that as well. Herb Florer is now the Director, Seaport Division. The Marina, Boatyard and Terminals will report to him. Mike Weston is now the Director of Business Development and Operations. Reporting to him will be the Airport, Maintenance and Security departments. Bynaker stated both Herb and Mike have his confidence and he knows they will do a great job in their new roles at the Port. Cruise Ship Marketing, Finance and Administration will report directly to me.
- Bynaker closed, stating we have a beautiful Port with many attributes and which occupies a very strategic location at the mouth of the Columbia River. We're getting noticed and people are recognizing what we have to offer. As CEO he wants very much to put the past behind us and move forward in a positive way. I'm excited about our prospects and am encouraged by our staff and am impressed by how much they care about the Port. Bynaker finished by stating he looks forward to working collaboratively with our commission, our staff, local and state government agencies and the Citizens of Clatsop County to ensure a healthy future for the Port of Astoria.

Discussion followed. Commissioner Holcom asked if overhead and financial aspects were considered in the shuffle of staff. He has a large concern about the amount of money the Port used to get for grants has depreciated. Staff has not gone out and got them. Lead time is needed for applications and acquisition. Other grant opportunities are available to enhance our operational perspective. He asked if staff has determined target areas to pursue grant funding. CEO Bynaker responded staff is exploring

and are interested in every financial opportunity available. He has assigned this charge to himself. Holcom continued that the past Executive Director stated no one on staff was capable of completing grant applications and he spent a lot of money on hiring outside resources to do grant work. Discussion followed on the successful grant funding achieved by the Port of Coos Bay Director, Don Mann. Commissioner Holcom also emphasized the need to have tonnage numbers to support the amount of exports that cross the port docks. Terminal Services Manager, Rita Fahrney reported updated tonnage reports are tracked on a regular basis for log exports. They are available. Commissioner Hunsinger agreed there are funding sources available that need to be pursued. However, he noted Don Mann was successful in achieving a great deal of funding without any export cargos to report.

8. WARRENTON DIKE MEETING REPORT

Commissioner Holcom reported he attended a recent Warrenton Dike meeting, discussion Diking District 11. Steve Fulton also attended. His concerns are that only a few property owners are going to carry the weight of the maintenance costs on the dike. The costs in the end could exceed \$500 million. Steve Fulton, a consultant with the City of Warrenton, stated the meeting was held with DOGAMI, FEMA, with an audience of land-use planning, municipalities, Clatsop County, LLCDC to provide an update on modeling of the Columbia River Mouth to Tongue Point to establish base flood evaluations for the next 100 year flood plain. Determining a new base flood evaluation will determine how high the levies. It is hoped the information will be available within the next two weeks. More discussion was held on the importance of this project for the future. Commissioner Holcom noted this is not just a City of Warrenton issue, combined it puts the Port of Astoria on the plate. We need to coordinate to protect the assets we have. There is a need for a one-on-one relationship with the Corps of Engineers and especially the colonel. Commissioner Holcom recommended CEO Bynaker directly communicate with him. Some further discussion followed on the need to act quickly and the some possible avenues to assist in the efforts. Commissioner Holcom suggested using our jurisdictional authority and declare an emergency and ask for help.

9. STAFF REPORTS

Janice Burk, Marina Manager, reported the following:

- Attended the Pacific Coast Congress of Harbormasters last week in Winchester Bay. It was a great network opportunity and she got a lot out of it. Thanks to Commissioner Holcom for recommending it.
- Undergoing maintenance work including skids, power washing, light replacement.
- Fuel sales down a little from last year. She provided numbers on guest moorage, commercial moorage and parking.
- Marina Committee meeting October 25th at same location.

Commissioner Holcom had a question about the Port's liability on a sinking vessel that may or may not belong to the Port of Astoria – recalling a recent sinking of a sailboat. Burk responded when the seizure process the Port becomes responsible. There was talk about the possible benefit of the port offering to haul out problem vessels. Janice explained any service provided is rebilled to the owner. She also noted learning about a “derelict vessel” fund available. Holcom voiced his approval of sending staff to the Pacific Coast Congress of Harbormasters.

Steve Barkemeyer, Boatyard Manager, reported the following:

- Noted that the “problem vessel” will be taken out of the water. Good possibility it sank due to the sea lions.
- Boatyard has been doing quite well, keeping busy – summer-like weather contributing. Now slowing down.
- Working on winter projects including signage and tearing apart derelict vessels.

Colleen Browne, Finance Manager reported the following:

- Working with Accounting Assistant Tami Herman and Mike Weston on standardizing leases and catching up on CPI increases needed. Tami has been working and we are close to, identifying electric meters and rebilling 100% of what we can.

Commissioner Holcom asked if we have a CPA to review the Port’s finances. Colleen responded no, she does not feel the Port needs a CPA. We are audited each year.

Rita Fahrney, Terminal & Administrative Services Manager, reported the following:

- An Ocean Processor – Arctic Storm will call at the Port on Thursday, the 18th. They will be offloading approximately 88 tons of fishmeal and will be taking on supplies. She attributed the success of the port getting this work to the ILWU Local 50’s willingness to reduce their manning requirements. She talked to Da Yang to make arrangements to use the truck ramps and she and Mike Weston and Chang, Da Yang, went over the operational needs. Rita stated the port is well suited for this business and is hopeful word will get out and more of the same may come.
- The Marcus Langseth has now been here for a few months; a lot longer than originally planned. They are wonderful to work with and are providing extra income to the Port as well as providing work for our security force. Commissioner Holcom recalled in the past the Captain of the Marcus Langseth expressed interest in home porting here at Tongue Point. Rita pointed out their draft of 20 feet and need for shore power would have to be taken into consideration.

Mike Weston, Property Manager reported the following:

- Served an eviction notice for a North Tongue Point tenant, Pacific Expedition Yachts including a notice to evacuate. He explained the legal details and the company was on a probationary period and failed to meet conditions set forth. He has been making calls to people interested in the space. More information on possible tenant he plans to share after he receives.
- Pier 4 almost to maximum capacity: fishing vessels, Retriever, Cassandra Ann, Ballard, Aleutian Ballard, Columbia River Lightship, Norton Bay, Seabird, and the NRC Quest. He is out of space with fender pile. Electric improvements made to the dock brought in a lot of tenants and shows the capabilities of the area with decent draft.
- Minor leases such as second floor office space on the north side of hangar 3 to spray-in bed liners for a few months.
- Interests in the east end coffee shack being looked into and has also heard of other possibilities and will look at them as they come in.
- Pier 3 project sediment sampling complete with the help of Ralph Pietch with Tidewater Construction. Achieved depths at every sampling point and samples have been submitted to Columbia Analytical for analysis. Once results are received back he should be able to turnaround permits for dredging and pier 3.
- Fish meal on pier operation on pier 2 coming up.
- Finished executing the Connect Oregon IV contract. Timber out on pier.

- Authorized the engineering for the sign and once in comes in the ground work will continue. Bridge company doing work on Megler blown around in the recent storm.
- The airport project AIP19, all going fairly well. Contacted the bonding agency in the unresponsive actions of the Rehfeldt Construction Company and is moving forward with Helligso Construction to do repairs to the t-hangars. Some of the work on other hangars continuing due to the windstorm claim last year.
- A meeting planned on the access to NTP from highway 30 coming up in a couple of weeks and can update the board at that point.
- Met with fire marshal Ted Aimes of Warrenton Fire Department to figure out a possible control burn on the Skipanon Peninsula, due to an encampment of homeless becoming a risk. Will receive a confirmation of the burn, that can be done next year during the burn season, eliminating a huge clean up.
- Some last minute preparations are being completed in order to meet the November 1st start up of dredge season.

Herb Florer, Deputy Director reported:

- Has continued work on the fireboat, meeting with both Warrenton and Astoria fire chiefs on specifications. He hopes to meet with Vancouver and Clark counties.
- Representing the port at the Resilient Oregon Transportation subcommittee meetings, who are planning potential upgrades and recovery in the event of tsunami and Cascadia events and passing the information on to Oregon Public Ports Assn. (OPPA) and coastal ports. Florer believes this could be a real potential for funding sources and believes it is worthwhile.
- Working with Mike on the Columbia Crossing coordination discussed this year's event.
- He also explained the Oregon Public Port's White Paper project and was contacted by Mark Landauer at OPPA who is compiling a list of capitol projects that he could represent ports in lobbying efforts with the state government. A list was provided based on the Port of Astoria strategic plan and listed in the IGA with the Infrastructure Finance Authority. Called by Landauer, a pilot project of a special works fund that could be used by ports as a separate pool of funding source. Projects would be submitted each year.

Discussion followed on the Port of Astoria size and how we fall in the line of fund recipients related to funds.

8. Resolution 2012-06 ATK Enterprises – Mike Weston, property manager explained latest update to the lease. Standardizing lease forms and rates, Weston thanked Colleen Browne and Tami Herman for their assistance. Ann and Tony Kischner lease is located in the southeastern corner suite of the Chinook Building. *Commissioner Holcom made a motion to approve the lease. Commissioner Hess seconded the motion. The motion carried unanimously.*

9. Resolution 2012-07 Astoria Real Estate - *Commissioner Holcom made a motion to approve the lease. Commissioner Hess seconded the motion. The motion carried unanimously.* No discussion followed.

10. Hospitality Masters Lease Extension – Property Manager Mike Weston explained under staff recommendation, ask the board grant the company the renewal option of a five year extension, drafting Regular Meeting Minutes 10-16-12

language in the lease. *Commissioner Holcom made a motion to authorize the property manager through the Chief Executive Officer to review language. Commissioner Hess seconded the motion. The motion carried unanimously.*

11. Appoint CREST Delegate – The agency is updating their member jurisdiction delegates asking the board appoint their selection. From the previous year, Commissioner Hunsinger was asked if he would like to continue participating. Hunsinger agreed to be the CREST delegate and Commissioner Holcom the alternate member. *Commissioner Bland made a motion to approve the appointment. Commissioner Hess seconded the motion. The motion carried unanimously.*

12. OPPA White Paper – At the meeting to answer questions a representative of OPPA explained the areas conference will be held. He continued to review speakers that usually present.

13. Commission Reports –

Bill Hunsinger – Measure 81 coming up on the 18th. Discussion followed on issues.

Dan Hess – nothing to report

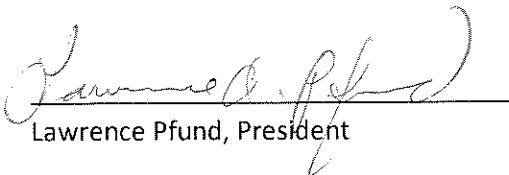
Jack Bland – attended a meeting of NWACT and filing for enhanced grants for the STIP funds and new procedures coming up. Governor traveled to China.

14. Public Comment – Pat O’Grady, 90455 Peter Johnson Rd., Astoria, OR – The Corps of Engineers fishing in June and July. Dredging where the fish run. Many dollars spent and when change of personnel happens and when permits are needed, time consuming procedures hold up process.

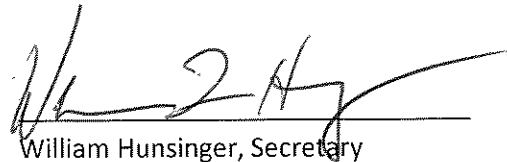
Commissioner Hunsinger added a public hoist was promised in our budget and docks could have been leased to fishermen if there was one. Commissioner Holcom suggested a quarterly budget meeting and what time would be a good time. CEO Bynaker answered: early November.

There being no further business, the meeting was adjourned.

APPROVED:


Lawrence Pfund, President

ATTEST:


William Hunsinger, Secretary

Respectfully submitted by:
Rita Fahrney, Admin Mgr.