

**MINUTES
PORT OF ASTORIA
REGULAR COMMISSION MEETING
NOVEMBER 15, 2011
PORT COMMISSION CHAMBERS**

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

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

Staff present: Executive Director Jack Crider, Deputy Director Herb Florer, Property Manager Mike Weston, Terminal/Administrative Services Manager Rita Fahrney, Finance Manager Colleen Browne, Maintenance Supervisor Harold Culver, Marina Manager Janice Burk.

CHANGES TO AGENDA. Chairman Hess called for changes to the agenda. None were made.

MINUTES: Special Meeting October 11, 2011 and Regular Meeting October 18, 2011. *Commissioner Holcom moved to approve the minutes of the aforementioned meetings. Commissioner Hunsinger seconded the motion. The motion carried unanimously.*

FINANCIALS – MONTH OF OCTOBER.

Vouchers. Finance Manager Colleen Browne apologized for the late voucher report list. She answered board member questions. Commissioner Holcom noted the high balance on credit card debt. Colleen explained part of the expense is the recent trip taken to Korea. In addition, staff managers use credit cards to track expenses – each having a \$2,000 limit. A large expense in the month of October is the payment to Washington Business Solutions for the lease at Tongue Point. The amount is increased from \$50,000 to \$75,000. *Commissioner Bland moved to approve the voucher expenses for the month of October 2011. Commissioner Holcom seconded the motion. The motion carried unanimously.*

Financial Reports. Browne reported the Operating Format Profit & Loss Statement for October shows income from operations for the month resulted in a loss of \$6,662 and a net loss of \$58,534. Director Jack Crider explained the loss for the month is attributable to the loss of cruise ship calls that cancelled due to weather and no log ship revenue for the month. Colleen further added insurance premiums due in October were high and other factors contributed. Tongue Point Profit & Loss Statement was reviewed. While October showed a profit of \$1,200 year-to-date is a negative \$52,938. *Commissioner Holcom moved to approve the financial statements for the month of October. Commissioner Bland seconded the motion. The motion carried unanimously.*

PUBLIC COMMENT: Chairman Hess called for public comment. None was given.

STAFF REPORTS.

Colleen Browne, Finance Manager, reported the following:

Gathering revenue information and has finished audit paperwork. Director Jack Crider added he will begin working with Colleen on forecasting efforts in the event there are substantial reduced revenues. One log ship per month has been budgeted. While the port's finances are alright now, there could be concerns in 2012 if the log business remains down. Commissioner Holcom recalled the Port used to have a marketing person to work with expanding the port's tenant base. Some discussion followed on marketing and operations efforts.

Herb Florer, Deputy Director, reported the following:

- Working with ODOT on a mitigation bank for berm removal at the flooding area on Seaside Highway 101.
- Attended the recent ColPac meeting.
- Gathering insurance information for the gate repair at the Astoria Regional Airport.

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

- Completed the Special Districts Association Best Management Practices guide/checklist for this year. It is a good checklist to track what the Port has done and what needs more attention in regards to legal, safety, personnel and other risk factors. The Port continues to save money on our premiums based on our risk factor records.
- Assisting with the ConnectOregon 4 grant application for pier two – charting usage of the pier prior to and after renovation was conducted with previous ConnectOregon grant funds.
- Going to “jail” for MDA – will be asking everyone to help her raise “bail” by donating to the MDA.

Harold Culver, Maintenance Supervisor, reported the following:

- Concentrating on dredge breakdowns – twice.
- Working on urgent projects as they arise.
- Discussion followed on the cost of dredging; Commissioner Holcom questioning the cost of in-house dredging instead of contracting out the dredging work. Commissioner Hunsinger added the in-house work requires nearly all maintenance employees to dedicate three months to the dredging needed, resulting in other maintenance projects being neglected. In addition, the dredge is old and there will be a time when parts are no longer available to fix it. Further discussion continued.

Janice Burk, Marina Manager, reported the following:

- A new electric card-lock system has been installed at the West Basin restrooms. Staff will be better able to control access and ensure it is being used by tenants only. Director Crider noted there has been a constant stream of users every morning that are using the facilities and are not tenants. Tenant comments on the new procedure are positive. An incident that happened at the East Basin restrooms involved a transient who used the facility to keep “warm” including lighting a fire in a bucket for a heat source. Staff has decided to close the restrooms there every night, opening them back up in the morning.
- A Marina Committee meeting was held, as they are every month, on the last Thursdays of each month at the Lazy Spoon Café. Crider reported staff is getting input on issues and improvement requests.

Mike Weston, Property Manager, reported the following:

- The fish cleaning station work is underway. Osborn/Olson was awarded the contract. A new sign “in appreciation to ODFW, from POA and Oregon Wildlife Heritage Foundation” needs to be placed on site.
- Preparations are under way for Fish Expo.
- Updated the WOW expansion. The DSL permit is now under public comment. Awaiting a site plan by WOW to the Corps of Engineers to move 2,000 yards from the Port’s pier 3 to the Industrial Park.

Executive Director Jack Crider reported for Airport Manager John Overholser, who is on vacation.

- The new steel for the T-hangars has been delivered. The general contractor has filed a lawsuit protesting the contract award. The contract will be explained further in his Director’s report.
- The FAA Airport Improvement Project (AIP) is scheduled for runway overlay in the year 2015; however, there are additional funds in the AIP fund that may be available for a runway overlay in 2013.

CONNECT OREGON IV REQUEST

Executive Director Jack Crider advised there is another round of ConnectOregon grant funds available. Due to the smaller amount of funding allocated to our “region” he believes it will be easier to request grant funds for less than the \$4 million project for pier 3. He recommends applying for grant funds in the amount of \$1 million to complete repairs to pier two, east side – including the apron, replacement of 675’ of dock and fender piles in order to have the capability of dredging to 40’ there. The grant requires a match. In order to provide the match he proposes having the deck removal and repairs done in-house, with the contractor doing the remainder of the project. The estimated cost of renovation is \$1 million. He advised completion of this project will provide for an additional three acres of property available, for a total of five acres available for expansion. Questions followed on the project.

Commissioner Bland moved to authorize the Executive Director to apply for \$1 million in ConnectOregon 4 grant funds and provide for match of \$250,000. Commissioner Holcom seconded the motion. The motion carried unanimously.

STATE IGA APPENDIX

Director Jack Crider reported Appendixes to the Inter-government Agreement between the State and the Port have been prepared for commission consideration. Appendix A, located at Section 3.1 requires the Port to develop and adopt a Capital Improvement Plan to address deferred maintenance of the Port’s assets and improvements needed to support new business activities. Crider reported the expected funding applications identified are 1) Capital Improvement plan; 2) Airport 101 entrance; 3) Pier 3 Wing Walls. These projects are based on program funds that may be available. Commissioner Holcom voiced concern about having the projects used for applications when they have not been identified in the Port’s Strategic Plan. Crider explained the Plan has opportunity to make changes. There is also another appendix – Appendix B includes the requirement for training for commission members and management. There is a one-year completion requirement. *Commissioner Holcom moved to approve Appendix A and Appendix B of the Intergovernmental Agreement between the Oregon*

Infrastructure Finance Authority and the Port of Astoria. Commissioner Hunsinger seconded the motion. The motion carried unanimously.

BOARD COMPENSATION

Director Jack Crider reported this agenda item is for discussing the Port's Board Compensation – noting the Port of Astoria has a very active Board where maximum monthly compensation is often established. The Port of Astoria By-Laws adopted in 1993 provides for maximum compensation for board members to be \$500 per month. He recommends the commissioners review the By-Laws for any updating needed. There was a question whether \$50 per day is State law for board member compensation so as not to be deemed as "lucrative". Jack went on to say there are ports that pay their members \$100 per meeting. They also have restrictions on types of meetings that are compensable. The Port of Astoria does not have a list of specific meetings. He recognizes how easy it is for Port board members to attend more than 10 meetings per month. Discussion followed. Commission members agreed the current board compensation should be reviewed. Director Crider was directed to gather additional information on board compensation practices for further consideration.

TONGUE POINT RATE CHANGES

Property Manager Mike Weston presented a proposal for establishing rates at Tongue Point. He reviewed with the commission the current tariff rates and staff recommendation for new rates. The new rates will set boundaries for staff when negotiating with customers for Port services. Mike reported he researched other port rates to ensure the new rates are competitive and in line with other port charges. Discussion followed. Commissioner Holcom recommended a rate be established for float plane ramp service. *Commissioner Bland moved to approve the Tongue Point rate changes. Commissioner Pfund seconded the motion. Commissioner Holcom requested addition of a fee for float planes and trailers be added to the motion. Commissioner Bland amended his motion to include the additional fees. Commissioner Pfund seconded the amended motion. The motion carried unanimously.*

FIREBOAT UPDATE

Director Crider reported the Patriot Group, hired by the Coast Guard to do an assessment of fire capability within the Columbia River, has concluded their findings. It is expected that as a result of the study completed by Westby Associates, funding will become available to different entities including Astoria for fire fighting equipment that will likely be a fireboat, barge and pump set up. Astoria Fire Chief Leonard Hansen was involved in the process. An unresolved issue is the operation and maintenance funding for the upkeep. Westby may make a presentation to the commission at a later date. Commissioner Holcom believes there may be sensitive security information involved and an executive session may be in order to review the information. Crider advised the study is available in the office for commission review.

RICE ISLAND UPDATE

Director Jack Crider advised he has submitted a proposal to Eco Mineral to have a non-exclusive three-year license agreement to work together with the Port and share the costs for the Rice Island project.

They have voiced interest in the proposal. He explained the proposal for initial work on the project. The first step is to see if they are willing to participate and capable of funding some of the costs.

DIRECTOR'S REPORT

Executive Director Jack Crider reported on the following:

East Cascade Electric. The Port awarded the airport runway lighting project to Helligso after finding that East Cascade Electric (the low bidder) was not registered as a general contractor at the time of the bid opening, per the bid requirements. They filed a temporary restraining order and preliminary injunction in Circuit Court to protest the award. On Wednesday, November 16th the hearing will be held for the port to oppose this filing.

South Tongue Point Restoration – CREST. He has been assured by CREST and DSL that the restoration of wetlands at South Tongue Point by restoring water-flow to 8.7 acres of wetland adjacent to Liberty Lane and the railroad right-of-way will not increase the size of the current wetland. He has requested and received completed tasks #1, 2 and 3 and will make sure the Port is party to any further discussion of agreements.

Railroad President Visit. He gave Jim Irvin, the new president of Portland and Western Railroad, a tour of Tongue Point and discussed the potential Korean investment. He was impressed with the facility and potential shipping opportunities. Jim advised of the need to develop business and is appreciative of the Port's assistance. He offered to take him and a commissioner on a high-rail trip over the line so we can understand the condition and challenges to fully reopen the line.

Samsung Visit, Tongue Point Investors and PNW grain market outlook. Thanked the commissioners for participating in the visit of Samsung representative Mr. Hagh. He was able to see the Tongue Point area by air through arrangements made by Dr. Park. His only concern with the location was the ability to expand the grain elevator with more rail sidings and enough upland to accommodate both grain and wood pellets. Jack met with Dean Larsen of Tongue Point Investors and explained the potential interest with the Korean pellet mill,, which would make a perfect heat/steam/power host for the biomass plant. Dean has agreed to generate supply information we can share with Samsung.

He attended a Maritime Commerce Club luncheon on Grain Market Update – made some good contacts and was encouraged on future Pacific N.W. production and produce demands.

COMMISSION – Reports

Commissioner Holcom stated he is impressed with all the Port projects ongoing; as a result, he requested staff present Board material earlier so he will have more time for review. He asked for an update on the East Basin Causeway. Executive Director Jack Crider responded it is inspected every six months. There is a list of critical/urgent repairs needed. Some the Port of Astoria staff can do, others need outside contractors to do the repairs. Staff works on it on an ongoing basis. Commissioner Holcom stated he understands there is an agreement between the City and Port to share costs of causeway repairs.

Commissioner Hunsinger reported he attended a Salmon Advisory Board meeting. The big topic of discussion is the sturgeon and the incredible amount eaten by the Sea Lions. He explained how they did a study, tagging the fish, to determine the amount of sturgeon killed by Sea Lions. The Sea Lion

population is increasing at an incredible rate. Commissioner Pfund stated it is mind-boggling to him that we are protecting predatory animals when they are destroying our resources.

Commissioner Bland reported Senator Betsy Johnson took Lynn Peterson on a tour of the county. Bland attended the ODOT meeting discussing removing the berm to help alleviate the flooding situation in Seaside.

OTHER BUSINESS

Chairman Hess called for other business. None was presented.

PUBLIC COMMENT

Chairman Hess called for Public Comment. None was given.

There being no further business, the meeting was adjourned.

This is to certify that the foregoing minutes are a true and complete record of all of the action taken with respect to matters of the Board of the Port of Astoria Commission at their meeting held on November 15, 2011.

Rita Fahrney
Recording Official