

MINUTES

PORT OF ASTORIA
REGULAR COMMISSION MEETING
NOVEMBER 20, 2012
PORT COMMISSION CHAMBERS

1. **CALL TO ORDER/ROLL CALL**

Chairman Larry Pfund called the Regular Meeting to order. Roll call was taken by CEO Hank Bynaker. Commissioners present: Larry Pfund, Bill Hunsinger, Dan Hess, Floyd Holcom. Jack Bland present via conference call on phone.

Staff present: CEO Hank Bynaker, Director-Seaports Herb Florer, Director.

2. **PLEDGE OF ALLEGIANCE** - The Pledge of Allegiance was recited.

3. **CHANGES TO AGENDA** – CEO Hank Bynaker reported, item #10 Bornsteins Seafoods Lease be removed from the agenda. As of last Friday, the proposal is off the table. Their board did not approve and we will have to start over.

4. **MINUTES: Special Meeting, 10/9/12 and Regular Meeting 10/16/12** Board President, Larry Pfund called for approval of minutes to be approved. Since the regular meeting minutes of October 16th had just been provided, members read them. *Commissioner Hess moved to approve the minutes of the aforementioned meetings. Commissioner Holcom seconded the motion. The motion was voted on by the commissioners present. Commissioner Bland abstained from voting, since he had not had time to read them.*

5. **FINANCIALS – MONTH OF OCTOBER 2012** CEO Hank Bynaker explained to the board, due to flood warnings with the storm today, Ms. Browne was not available to report on the financial reports. Bynaker continued to report on the net operating income for October was \$275,698.85 and the year-to-date \$815,314.97 on page 3. Variances noted No. 1-13 on page 3. Commissioner Holcom's, treasurer concerns:

- Non-operating revenues on percentages for loans, such as Overbay .
- Pier 1 building and the interest expense listed (more detail) please.
- Footnote #13, grants, the (CORA) ConnectOregon Rural Airport grant, is one he is not familiar.
- The grant for the construction on Pier 2 numbers not seen; tearing up the deck began in October. Director of Seaport Division, Herb Florer explained the first ConnectOregon IV grant report is not due until November. No payments have been made to his knowledge.

Commissioner Pfund called for questions on the vouchers. None was noted.

Holcom continued with questions on the budget performance:

- The 100% mark of the budget performance. Several items appear to be zero amounts budgeted and is not clear with the report.
- Dues and subscriptions, miscellaneous, and cruise ship expenses he expects to address at the next meeting.
- Printing for tide books should be under marketing expenses.

Holcom continued with concerns in the Balance Sheet report:

- Accrual of sick leave and vacation payables. Holcom and would like to know the details on the port's policy on the accrual of the time.
- Note payables on long-term liabilities and flex loan percentages. He would like to know what the percentages from the beginning are paid.
- The compromise that was made with OEDD; still seeing the same amount on what is still owed. It should be accurate on the report. CEO Hank Bynaker explained he was able to minimize exposure on the debt by suspending six months of the debt. It is still an on-going issue.
- The accuracy of the real values of the port's property, we have never amortized the real market value of our properties.

Commissioner Bland on the phone made comments on the depreciated value of our properties and is unsure how to address the real value of the port's property that fluctuate with the economy and how to deal with the issue. Bynaker added the special district's concern on the amount of the property value and amounts to insure.

Commissioner Holcom continued to go over the Accounts Receivable report:

- Compared the accounts receivable to the payables and high numbers on the receivable side. Discussion followed on customers' amounts due.
- USCG vessel utilities and the method used by the agency how to keep the charges separate. Bynaker added how much higher the electric rates are at the port compared to the 17th street dock.
- Seafood processors amounts due remain high.

Commissioner Hunsinger questioned interest rates after certain periods of time. Florer answered it depends on how and when the certain leases are written. Hunsinger asked if the interest is included in the amounts in the report; Florer said he would get an answer.

Accounts Payable report contains high, 90-day amounts. Holcom continued to question certain detail in the report, such as:

- PND Engineering – Bynaker explained he has addressed the amount due. The bill the port received was not a loan, but an invoice that was long outstanding. Monthly payments are arranged with the firm. Holcom remembered a project between another company, the log company, and the port. He believed the port was to share the amounts by three partners and expressed his concerns and asked for an explanation.
- Amount of expenses paid for the clean up of the vessel (seized); Bynaker assured Holcom he will bring back an explanation.

Commissioner Holcom moved to approve the financials and vouchers for October 2012. Commissioner Hess seconded the motion. The motion carried unanimously, with Commissioner Bland on the phone.

Discussion followed on the history of workshop at 4:00 p.m., comparing it to changing it to a special meeting at 6:00 p.m., decisions being able to be made at special meetings. Information on big projects and how information is presented to the board is again an issue. Keeping track of projects and information related to the project and being able to ask questions at the meeting is difficult now, since staff members now do not attend the meetings due to cost restraints. Discussion followed on how the information to board members would be relayed or answers to their questions would be given.

6. PUBLIC COMMENT

Chairman Pfund called for public comment.

Dave Maki, 12 Nimitz, Astoria –

- Email process to inform members of the board. Discussion followed on how information has changed over time and change of command.
- Airport hangars a 'done deal'? Director Herb Florer answered his questions. Compensation for the unacceptable work performance has not been resolved. Hangar doors being worked on, and occupancy permits in hand, and some work still left to do.
- Highway 30 issue near Tongue Point; did anyone know how it will be when completed? CEO Bynaker is still waiting to see himself how it will end up. The port still awaiting a resolution.

7. STAFF REPORTS

Director, Seaport Division reported on his departments, beginning with the boatyard:

- Continuing maintenance on the Travel Lift – 25-30% complete. Shivs and pins checked.
- Eleven lifts in November last year; this year, nineteen to date. Sixteen active boats during November and this year twenty.
- Continuing to scrap derelict vessels when time allows and auctioned three vessels.
- Working on signs for the yard entrance and the office. Ecology blocks and fencing to delineate entrance and helping marina staff when possible.

Maintenance reports:

- Dredging has been going on since the first of the month and going very well.
- Lighting issues to be addressed from the marina committee.
- Stripped most of the decking on pier 2 preparing for contractors getting rid of debris; RFP is out and site tour November 15th and closing date is December 10th. Information on website with a link to documents.
- Replaced water valves on pier 2; issues with valves and leaks. Good communication contacting tenants beforehand.
- Weather damage over last two days; roof over Pier 2 warehouse insulation stripped in APS section. Were doors were left open in warehouse? Florer was going to get back with the answer. Airport damage hangar doors near Twiss building. A light pole's bolts ripped from concrete on pier 2 leaning towards the building, though maintenance has already stabilized. Power issues in Pier 1 Building due to main feed line on Portway Street impacted network connections.

- AIP19 field work complete at airport; awaiting signs. Electrical control building inspected and signed for closing up walls. Final electrical inspection within the next two weeks.
- Airport budget analysis complete and airport is 11K in the black and fuel use down, seasonal. No damage to aircraft or fueling facilities; power out for ten hours.
- Occupancy approval in the executive hangars and negotiating leases for both.

Florer continued with Terminal Services, Rita Fahrney report states:

- During October the last cruise ship of the year; currently 23 ships for 2013 with the first in March 1st.
- Queen of the West visited multiple times during October.
- The research vessel Marcus G. Langseth docked for the entire month. Security employment high due to vessel's maintenance visit; November 18th departure overdue.
- National Geographic SeaBird in twice in October.
- USCG Steadfast and Alert out to sea allowing use of pier 2 while away.
- The M/V Lucy Oldendorf loaded fully with 5,240,210 board feet.
- The 340' Artic Storm, an ocean processor was in for the first time in many years discharged 154 metric tons of fish meal.
- Dunlap Towing usually in the space under construction being accommodated in one of the cutter spaces on the face while they are out to sea.
- The maiden voyage of the M/V Maple Apus arrival scheduled November 28th for a full load of logs and expecting another one or two in December.
- A copy of log ship statistics provided to the members of the board.

Before continuing on to the marina report, Commissioner Floyd Holcom asked about the accurate tonnage reports he had requesting in the past; discussion followed on trade stats that would be helpful securing grants.

After completing the report for the terminal Florer informed the group on marina reports:

- Staff replacing whalers and covering boards on Q dock at the East Basin.
- Power washing around Chinook Building placing signs to be aware of the slick conditions keeping walking on the painted path.
- Replacing lights that have gone out on docks at East and West basins.
- Updating files with updated information.
- Working on a brochure for the Seattle Pacific Marine Expo at the end of the month.
- Fuel sales for October: gas 1,439 gallons and diesel at 5,440; 99 transient recreational boaters and 181 commercial vessels.
- Marina office and fuel dock closed this Thursday and Friday for the Thanksgiving holiday; open this weekend.
- Fish Expo scheduled for November 27-29th.
- Marina Committee meeting, December 13th.

Commissioner Holcom mentioned the issue that came up at the last marina committee meeting regarding transient vessels on the face of the east basin. Recently a fuel barge was tied up fueling the ships. CEO Bynaker added engineering changes to the breakwater constricts using the area. Some

discussion followed. Commissioner Hess added, piles driven in ended up making it necessary to tie up to the piling (dolphin). Holcom suggested an analysis should be done.

Communications failed with Commissioner Bland's phone connections; he signed off at this time.

Director Herb Florer ended with his staff report, Seaport Division:

- Resilient Oregon Transportation Sub-committee plan submitted. US Coast Guard echoed positions taken by the Port of Astoria and very helpful. Input lead to additional consideration of coastal port as priority of disaster rescue and recovery. It appears there is an increased awareness of the crucial roles coastal ports would play in the event of natural disasters.
- Attended a presentation at the MERTS campus and gave opportunities to discuss potential partnerships between the community college, maritime industries, and the port. One example to be involved in development in a program that could help students absorbed in industries such as boat building and welding at businesses at Tongue Point.
- Attended the Association of Pacific Ports meeting. Great information in class one rails and met with several engineering firms and confirming work over the last year by staff; evaluating potential at Tongue Point.
- Attended the ColPac Northwest Act meeting and the great opportunity to bring the issue of the fishing industry and the importance to the port, especially the Measure 81 loss restricting the gillnet fishing. Also touched on the Governor's plan. A solution to protect family business was stressed to the group. He also provided the port's view on benefit that could follow by counting seafood product going across the dock and many were not aware of the issue. He also had a follow up conversation with Marc Seigel from Senator Jeff Merkley's office on the very real value to the port in terms of Corps of Engineers support.

Discussion followed on tonnage crossing the Port of Astoria's docks and the benefit in different areas if reports had been done. Considerable discussion on the importance of rail into the Port of Astoria followed. It was also suggested, the Department of Rail, the State of Oregon rail planner be invited to a meeting for suggestions.

Commissioner Bill Hunsinger added he was waiting for an answer to his question about insurance issues when companies were changed recently regarding water and land components. Is the port separated or grouped together? Director Herb Florer and CEO Bynaker assured they would check into the issue further.

Bruce Conner, Director of Cruise Marketing, offered his staff report detail. He quickly updated the group on the Cruise the West along with the NW Canadian Association members gathering at a conference recently. Ninety representatives from the cruise industry attended. CEO Hank Bynaker attended too. Good networking. He covered the tier pricing method used by the consortium figuring membership fees. He continued to inform the group on his extensive report.

8. RESOLUTION 2012-08 DAVID WEST LEASE – Commissioner Holcom noticed in the leases we are not requiring the tenant to report gross incomes from trade aspects. It should be included in the lease documents. West wants to operate an aircraft repair business in one of the executive hangars at Astoria Regional Airport. CEO Bynaker believes West is very interested in the operation. West would like to work full time at the airport. The price per foot rate seems low. *Commissioner Hess moved to approve*

the Dave West hangar lease Commissioner Holcom seconded the motion. The vote was approved by the four members of the board.

9. RESOLUTION 2012-09 BRIAN RIECHERT LEASE – Mr. Riechert is hoping to lease the coffee shop at the east mooring basin. Commissioner Holcom is stating for the record he will not vote on this lease, since he is an adjoining property owner. The lease included five parking spaces. The operation will include food and not only coffee. *Commissioner Hess moved to approve the Brian Riechert lease and Commissioner Hunsinger seconded the motion. The vote was approved by the three members of the board.*

10. RESOLUTION 2012-11 BORNSTEIN SEAFOODS LEASE – Item was removed from agenda.

11. OPPA PORT PROJECT FUNDING WHITE PAPER CONSIDERATION – Director Herb Florer explained the project details to the group, reminding everyone about the pool of funding per biennium. At this point the agency is looking for the ports to support the prospect. It was decided to ask CEO Bynaker to get more information on whether deep water ports are included in the plan.

12. DIRECTORS REPORT – CEO Hank Bynaker reported:

- A check for the settlement in the Michael Lilly case received.
- Met with representative from WHA insurance regarding port's policies and coverage.
- Met with representatives from ODOT and Governor's Kitzhaber's office regarding the road access into Tongue Point. Commissioner Holcom added information he had for the group.
- Participated in the mass rescue planning meeting at USCG Station Astoria and an upcoming exercise is planned in April next year.
- He was asked to speak at a Chamber of Commerce and Astoria Rotary Club.
- Met with Melody Twiss and David West regarding lease.
- Dredge meeting and in-water since November 1st.
- Met with Special Districts Association of Oregon.

12. COMMISSION REPORTS –

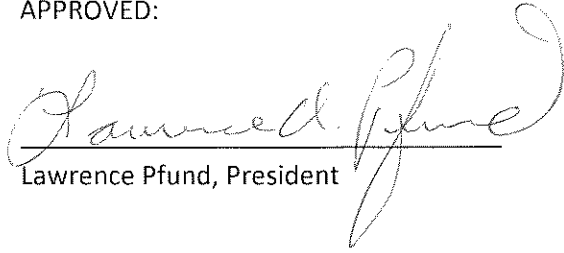
- **Floyd Holcom** – Touched on old business, such as inoperable trail lights, the port's inactivity in the emergency operations command center. Grants are available to public agencies.
- **Dan Hess** – attended Clatsop Cruise Hosts meeting November 12th.
- **Larry Pfund** – attended gillnet hearing. CEO performance evaluation upcoming.
- **Bill Hunsinger** – reported on the gillnet hearing; standing room only. Considerable discussion followed. The agenda for the Pacific Marine Expo (Fish Expo) was reviewed to show: Hunsinger and Pfund will go on Monday, November 26th to set-up. The actual show dates are November, 27-29th. CEO Bynaker added he and Mike Weston will wrap up at the end of the show. Some discussion followed on other topics of concern.

13. PUBLIC COMMENT

Chairman Pfund called for public comment. None was given.

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

APPROVED:


Lawrence Pfund, President

ATTEST:


William Hunsinger, Secretary

Respectfully submitted by:

Esther Jones, Administrative Assistant