

PORT OF ASTORIA

MINUTES

REGULAR COMMISSION MEETING

JANUARY 17, 2012

PORT COMMISSION CHAMBERS

Chairman Dan 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: Executive Director Jack Crider, Deputy Director Herb Florer, Terminal & Administrative Services Manager Rita Fahrney, Property Manager Mike Weston, Airport Manager John Overholser.

CHANGES TO AGENDA

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

MINUTES

Special Meeting, December 6, 2011 and Special Meeting December 13, 2011. *Commissioner Bland moved to approve the minutes of the aforementioned meetings. Commissioner Holcom seconded the motion. The motion carried unanimously.*

FINANCIALS – MONTH OF DECEMBER, 2011

Executive Director reported Colleen Browne, Finance Manager, is at home due to weather.

Vouchers. Executive Director Crider called for any questions. Commissioner Holcom asked about payments made to employees. Crider responded these are for employee expense reimbursement – mostly travel. Question regarding Osburn/Olson payment was payment for fish cleaning station. The port pays Osburn/Olson who in turn pays the contractor. This allowed for purchase of materials in advance. Oregon Department of Fish and Wildlife paid for over-budgeted amount. Question regarding Janet Farstad payment was answered by the director – she has completed the project. *Commissioner Holcom moved to approve the voucher payments for the month of December. Commissioner Bland seconded the motion. The motion carried unanimously.*

Financials. Director Crider reviewed the Operating Format Profit/Loss financial report and Budget Performance report for December and answered questions. He explained water charges and how they are paid by the Port and re-billed to tenants. Tenants are metered. Some discussion followed. Commissioner Bland moved to approve the financial reports for December. Commissioner Holcom seconded the motion. The motion carried unanimously.

PUBLIC COMMENT

Chairman Hess called for Public Comment.

Pat O'Grady, Johnson Road, Warrenton, voiced support of the Port of Astoria acquiring a fireboat; specifically, one on a trailer that can be taken in and out of storage versus water.

STAFF REPORTS.

John Overholser, Airport Manager reported the following:

- A stand-by generator was used for 2-3 weeks due to lighting on runway electrical failure in the ground between the meter and the building. Leverage for funding is upcoming. He explained how Helligso's proposal can be changed to install LED's to save money. They will save by using less electricity and lasting longer.

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

- The Port will have boat haul-out services promoted on the radio auction – receiving advertising time in exchange.
- Log ship, Santa Vista, with LOA of 606' feet and width of 100' will be in January 23rd to take a full load of over 6 million board feet of logs.
- Up to 14 cruise ships scheduled for 2013 as of this date. A Clatsop Cruise Hosts meeting is scheduled for January 25th. Commissioner Hunsinger commented he would like to have Cruise Ship marketing person, Bruce Conner, attend the port meetings and provide updates.
- Will be working on an RFP for line hauling services for large ships using the easternmost mooring dolphins.

Mike Weston, Property Manager reported the following:

- Update on McAmis at Tongue Point. Draft lease prepared, fender piling work.
- Painting and installing roof for fish cleaning station at East Basin. A sign will be placed in recognition of organizations who assisting by contributions. Commissioner Hunsinger commented it is the "biggest misfit piece of scrap ever built", explaining his reasoning and declaring we may have "created a monster". Director Crider explained how the traffic will be re-routed to one-way and additional property will be used for parking requirements. We have operators who can run the boat. "Hopefully it will not turn into a boondoggle" he stated. Some discussion followed on electricity RFP's for the project.
- The Astoria Yacht Club is interested in leasing the second floor of the Chinook Building, looking at amortizing improvements over a five-year lease. Empire Futures, a brokerage firm, is a new tenant at the Pier One building.
- Receiving feedback on mitigation memo to DSL. Discussion followed on results of wetland deals and effect on Salmon runs.
- At the airport, the CR Bar Pilots are interested in the second floor renovation to make room for pilots to stay. He is also working on WOW expansion – received permit from DSL.

Herb Florer, Deputy Director reported the following:

- A person interested in marina committee has contacted the port. They hold their meetings last Thursday of each month.
- Showed the Astoria Yacht Club the Pier one building. Discussions with J & H regarding their hangar, usage status, and fire issues.
- Port hotel has been shown to numerous interested parties.
- Capital Projects list submitted to Oregon Port's Association.
- Involved in phone conference with Port engineers interested in the pier three wing-dam issue.

STRATEGIC PLAN REVIEW – FOLLOW UP

Director Crider reported the document presented last week to the commission members contained more detailed information regarding port projects, as Commissioner Holcom had recommended. A lot of the information presented is “best guess” and some are conceptual projects. He recognizes the need for more information on funding sources. Commissioner Holcom acknowledged the staff and board get so busy there is a need for long-term consensus of direction. He had suggested management provide a timeline and track and budget for projects. A Project Management software program is needed to

- 1) Identify separate priorities of the Strategic Plan to provide for long-term goals and tactical priorities. One issue is the need for fixes to critical operations of the port verses the ability to add to existing operations for benefit.
- 2) Part of the Project Management software provides the ability to timeline projects.
- 3) Identify key personnel responsibilities for tasks and management of tasks – who’s responsible for what.
- 4) The fourth component is financial considerations – costs, giving management guidelines for funding needs to complete projects.
- 5) Joining costs and timelines together, giving the Port the ability to be intuitive to what the timelines are.

Holcom stated it is a good tool for management and he can now look at the plans and get questions answered. Additionally, when budgeting, a lot of time is spent on review of past/present/future projects. Further discussion followed. Commission members voiced appreciation of the work of staff to put together the planning tool for projects. Suggestions for improving the format and the need for prioritizing projects were discussed. There was agreement on the need for additional workshops to continue working through the process.

CONNECT IV – UPDATE

Director Jack Crider and Commissioner Bland provided an update on the Connect Oregon grant status. Crider, Deputy Director Herb Florer and Commissioner Jack Bland attended a NWACT meeting where they were able to see who our completion is and the Port of Astoria’s application position is in a good status, with a good shot at receiving funding. It is the only application submitted in Clatsop County. \$7.7 million is available in our area. Crider and Bland reported on other regional projects seeking the grant funds. Crider believes submitting an application to complete a project previously awarded a grant with the Connect II funds will be favorably considered to support the Port’s desire to be able to finish a project that was started. Staff is working to garner more support politically and with potential benefiteres of the completed project.

OSU SEAFOOD LAB – UPDATE

Director Crider and Commissioner Larry Pfund met recently with the director of OSU Seafood Lab. They toured the lab and talked about funding used. OSU is now surviving as “landlords”. Both the Port and OSU people agree the past attorneys created the ownership problems we are now dealing with and that both parties need to maintain a relationship of support. They discussed the current and future needs for the facility and the Port possibility of accommodating OSU operations with options for other port-owned areas if the Port has solid development needs for the area OSU occupies. The Port now has need for additional area to accommodate the fish cleaning station and additional parking capabilities at the site.

FIREBOAT – UPDATE

Director Crider reported he has held conference calls with fire chiefs from the cities of Vancouver, Portland and Astoria and fire chief from Clark County in Washington along with the Captain of the Port Coast Guard, Chief Jones, to discuss the Lower Columbia River needs for a fire suppression response vessel to be located here. There is mutual agreement among all that a fireboat should be located here. Crider discussed the grant funding options and what type of vessel is needed. The anticipated request to the AMSC for grant funds will be based on the recommendations of the fire departments involved. The request being submitted for grant funds is not expected to exceed \$3,000,000.

- Type IV Fireboat cost: \$1.5-1.8 million; LOA 45'; 4,000 GPM
- Type III Fireboat cost: \$2.3-2.5 million; LOA 50'+; 6,600 GPM
- Type V Fireboat cost: \$500,000-\$700,000; LOA 30'-37'; 2,000 GPM
- Other option: Fireboat "G Williams"; No cost to POA; LOA 40'; 2,500 GPM (donate by Portland Fire Dept)

Discussion followed on appropriate size/capability fire vessel to address the needs for the Lower Columbia River to be able to "put out little fires" and to be prepared for large vessel fires. The maintenance and manning of a fireboat will need to be worked out between the Port and City of Astoria. Also acknowledged is the need to provide back-up assistance if a major fire occurs on the waterfront.

DIRECTORS REPORT

Executive Director Jack Crider reported the following:

- The Columbia River Pilots and Port of Portland hosted a planning meeting for all river ports, terminal operations, tug operators and Coast Guard personnel. Each port was given five minutes to talk about future plans. It was great to present tonnage estimates from the Port of Astoria –estimated at 1 million tons in the next couple years and 3-4 million before 2020. Pilots announced ships are getting larger and 43 foot water depth is not enough draft, especially crossing the bar. There may be future requirements from the pilots for ocean-going tug assists. Both Shaver and Foss agreed that the recent increase of service fees in Astoria is getting them closer to provide a full-time tug in the area.
- AOC4 Slip Bulkhead. Presented a conceptual design to the AOC4 consultant and DEQ which confirmed the design will capture all contaminated sediment. The last well head (49) did present the extent of the contamination which also corresponded to the 200 foot length. Working on a schedule to meet and discuss the new design and settlement elements.
- Airport Power. After 3 weeks of generator power, with several attempts to locate a broken wire under the tarmac and several electricians, shore power is restored. With the help of Pacific Power, Inland Electric and Helligso Construction we were able to find the break and pull in new wire. Tenants are happy their power is restored and costs for repair along with the generator are under \$10,000.
- Rice Island-EcoMineral: Crider and Commissioner Pfund will meet with DSL and EcoMineral, hosted by CREST, this Thursday. EcoMineral has hired Peter Huhtala and Robert Stang to negotiate a potential working arrangement. DSL is willing to issue both parties a 3-year, non-

exclusive license. EcoMineral is willing to offer a limit time (4 years) exclusive lease which provides the Port fill sand for construction projects. The meeting is to explore possibilities of working together towards a common goal of removing sand from Rice Island so it can be used again in the future for dredge spoils. Any future agreements will be brought before the Commission for consideration.

COMMISSION – REPORTS

Commissioner Hunsinger attended a Fisheries meeting with discussion of Sturgeon catches. The State has cut 38% of the Sturgeon catch, with 80% to the sport fishers and 20% to the commercial fishery. He will give the information to the commission members.

Commissioner Bland attended the NWACT meeting and ColPac meeting. There was discussion on creation of “Columbia River West Industrial Corridor. Crider explained with the extension of industrial lands findings that the Economic Development Department has funding to make sites ready. Commissioners would like additional information on the project.

Commissioner Holcom attended the City of Astoria Council meeting. He was asked by the Mayor for information on the possibility of a fireboat being located here. He explained port staff is working closely with the city staff on addressing the issues. He was also asked about the water tower that was at the Port and used for fire suppression. Holcom received a call about availability of the Port T-hangars. He recommends an addition to the Port website for a public forum to provide more avenues of communication. Holcom also noted he was unable to reach Port security after hours when a tenant contacted him to determine how to access Tongue Point pier. Some discussion followed on procedure and the need for the commission members to have access to port personnel in the event of an emergency.

COMMISSION – DIRECTION

Commissioner Holcom requested a staff Chain of Command list for contact. He also wants to see the agenda posted on the website for meetings. Deputy Director Herb Florer explained how to access the agenda on the port’s website – acknowledging staff has not worked on updating the site for some time.

Commissioner Hunsinger – voiced concern that leases of property are directed to the Port Property Manager; however, parts of Port property management are being redirected to other staff. He cited a couple of examples. Hunsinger also stated he has found facilities within the NW that charge poundage fees on seafood products. Staff noted previous research was focused on determining if public deep-water ports/marinas charge, acknowledging that there are many private facilities that assess fees. Commissioner Holcom added the Port’s seafood processing tenants leases pay the Port lease fees for use of port docks for their customers.

OTHER BUSINESS.

Chairman Hess called for other business.

Commissioner Holcom noted there is a crane up for auction at Sundial for \$20,000. Should consider checking to see if the crane could be used for Korean needs.

PUBLIC COMMENT

Chairman Hess called for public comment. There being no further business, the meeting was adjourned.

