

MINUTES
PORT OF ASTORIA REGULAR MEETING
AUGUST 16, 2011
PORT COMMISSION CHAMBERS

Chairman Dan Hess called to order the Special Meeting.

Commissioners present: Director Jack Crider called roll call. Dan Hess, Floyd Holcom, Bill Hunsinger, and Jack Bland. Commissioner Larry Pfund is not present.

Staff present: Executive Director Jack Crider, Deputy Director Herb Florer, Airport Manager, John Overholser, and Administrative Assistant, Esther Jones. Also present: boatyard manager Steve Barkemeyer, maintenance supervisor, Harold Culver, marina manager, Janice Burk, and property manager, Mike Weston.

2. CHANGES/ADDITIONS – Chairman Hess called for any changes or additions to the agenda. Commissioner Bill Hunsinger asked to add ODOT weighing trucks on port property – street vacated. Also, about Department of State Lands (DSL) added after financials to #5.

3. COMMITTEE ASSIGNMENTS - **no** objections to move to the next meeting, since no list was available.

4. MINUTES – Budget Hearing June 30, 2011, Special Meeting, June 30, 2011, and Special Meeting, July 12, 2011. Commissioner Bland moved for approval of meeting minutes, commissioner Hunsinger seconded the motion. Commissioner Holcom mentioned he would like to re-read the June 30th budget hearing minutes because the budget resolution passed on the 30th had retired the bond and will not be levied again for this year. The public has not heard the fact that the property taxes are going down. They are in the minutes, just for the record. The motion carried unanimously.

5. FINANCIALS – Vouchers Finance Manager Colleen Browne reported vouchers for the month totaled \$519,592.42. Browne also made changes to MNOP to read Mark Nelson Oil Products for Commissioner Holcom. She asked for questions. Holcom questioned some very large payments to Department of Administration Services (DAS). Browne answered it was a surplus equipment purchase. Holcom wanted to make sure the line items were separate, each below the director's spending authority and noted in the accounting procedures. Browne offered to write the payments separately to make it easier in the future, of course, at the discretion of the director. Holcom also questioned Hyde Parke Construction payment. Browne answered it is the company building the kiosk and the entire contract is listed. One-third of the amount has been paid, as down payment, so far.

Commissioner Hunsinger also questioned an insurance company payment to Knutsen Insurance after changing to the new insurance company. Browne and Director Crider added existing contracts were still pending until a certain period of time and certain expiration dates. Crider also said the new company will be visiting next month with their findings and suggest changes.

Holcom also questioned how payments to Division of State Lands (DSL) are processed. Crider explained the schedule of payments to the division is due at different times of year. Browne added since there are so many, they are seen all through the year. Holcom asked if one standard report of payments could be printed of the last two fiscal years. Holcom moved to approve the vouchers, Commissioner Bland seconded the motion. The motion carried unanimously.

It was noted Commissioner Larry Pfund arrived.

Financial Reports - profit and loss statements. Browne reported operating revenues for the month at \$577,000 and operating income at \$31,082 with net loss after non-operating revenues expenses of \$16,217 negative. Capital projects included: the SeaLift, kiosk construction, and the new crane. Other professional fees: BST, for the cargo survey. The negatives shown are because we are waiting for reimbursements. A line item called "allocated indirect costs" is where she has started allocating expenses for administration, security, and maintenance to cost centers (only on the division level).

Holcom also waiting to determine the retirement of the bond allocation for a certain amount of money pre-paid for our bond. Browne answered we have not heard back yet and have not even made the final payment. She added it will be better to resume talks after the payment has been made, and that would be when we will know the total amount. Questions are still waiting to be answered. Commissioner Bland asked if has there been progress on the money owed to accounts receivable from the city of Newport. Director Crider answered we are waiting for their determination of the match, noting one of the grants had a "match" requirement. No documentation has been submitted. It will be resolved over time. There are no provisions in the agreement, which is part of the issue. Discussion followed. Commissioner Bland moved to approve financials. Commissioner Holcom seconded the motion. The motion carried unanimously.

5A. ODOT Weigh Master, vacating street – Commissioner Hunsinger is concerned of big rig trucks being stopped by the weigh master in the area where log trucks were operating early one morning. He explained to the group his encounter with the weigh master the morning they were conducting checks to big trucks. Even though Hunsinger explained the area where this was staged was a construction/industrial area in the middle of port property, he continued operations with resistance. Discussion followed on the port's authority of interstate commerce between the state and federal level and jurisdictional rights. Director Crider added the port has cooperated with the agency over the years and their ability to use port property in the future.

Pros and cons will have to be looked into, especially with vacating roads. Hunsinger continued to explain the zoning issues between S1 and S2 and businesses located on port property and how it was designated as maritime. Property manager Mike Weston explained to the group zoning detail and where the line divides each zone. Discussion followed.

Commissioner Bland suggested director Crider do his homework on interstate commerce rights as a port authority and report back to the commission.

5B Department of State Lands (DSL) - Commissioner Hunsinger explained it has been a year since the issue between eighteen acres on the Skipanon and the state agency had been resolved. Issues with the agency still continue. Land the port is interested in purchasing behind Pier 3 and land where dredge spoils are kept at North Tongue Point could finally end an on-going issue. Director Crider stated he would like to re-read the settlement agreement before going further, and make sure no violation occurs.

Commissioner Holcom added the amount of out-of-town visitors during the port's 100-year celebration that knew about the port's situation with the state agency. Commissioner Bland asked if the state land agency had ever given the port the financial report it requested on the monies that is directed back into the local fund from Salem. It is believed the report was never received. Port attorneys are currently working on the issue. Crider added he believed the attorney working on the project should report to the board.

6. PUBLIC COMMENT – Lori Durham, 398 Atlantic, Astoria OR – she remembered at the last meeting gillnetters had spoke about a petition that was begun and wondered if anyone could sign. Commissioner Hunsinger explained that at one point, gillnetters had only wanted gillnet fishermen that have permits. Although, it seems that the other side (Cathlamet) should be able to sign. He continued to explain specifics on the arrangements. The final consensus is that everyone be allowed to sign.

Durham also asked who owns the island. Hunsinger added that it is on the agenda for the night.

She also asked about the Westerlund Log Handlers' pier 3 plans for logs. Director Crider explained timing is the issue this time with back-to-back ships and the need to pre-stage. In a three week period 10M board feet have been moved. Crider added a docking facility on pier 3 is planned.

7. Resolution 2011-17 Warren Kan Appreciation – Commissioner Holcom read the resolution honoring former Commissioner Warren Kan honoring his years of service to the Port of Astoria. Holcom made the motion to approve the resolution. Commissioner Bland seconded the motion. The vote carried unanimously.

8. Resolution 2011-18 Support of Gillnet Fisheries – Commissioner Holcom read the resolution supporting the fishery's opposition of Initiative #21 banning gillnetting on the Columbia River. The cost to the fishery to change from gillnets and related gear to proposed alternative fishing gear would have a severe negative economic impact on small business owners. In addition to the ban the initiative would also alter existing agreements with the State of Washington, quotas, and alter the structure of the Commercial Fishery Permit Board excluding the current gillnet fishing community. Commissioner Holcom made a motion approving the resolution. Commissioner Bland seconded the motion. The vote carried unanimously. Commissioner Hunsinger agreed to generate a mailing list for the resolution.

9. SECURITY GRANT – Surveillance System – Director Jack Crider reported on the three bids submitted. Some port contribution will be involved. Interviewing will still be needed in order to get clarification on the spread of the costs. Local submittals were good to see. He continued to describe costs.

10. KOREA OFFICE CONTRACT – Director Jack Crider explained the six month contract with Dr. Sonny Park expired June 30th. Office in Korea is still maintained and has submitted a report. The work began before contract started. Future plans are detailed in the report. Commissioner Holcom added Park’s contacts are impressive including direct meetings with numerous company chairmen. It was also mentioned the relationship with the state of Oregon’s economic representative has gone unheard of, despite phone calls from Crider. Discussion followed on the duration of the contract and what the port expects from travel time and dollars expended. Visitors from Korea expected next month and in October to visit the port. Holcom added his thoughts of dollars spent versus the amount of work detailed in the port’s strategic plan. Korea is number two trading partner for the state of Oregon. A trip to Korea is planned.

11. RICE ISLAND LEASE AGREEMENT – Property manager Mike Weston reported the last he had heard from DSL the agency was requiring the county’s approval before receiving theirs. When Weston visited the county office they said the state’s approval was needed in order to proceed with theirs. Department of State Lands (DSL), working with Clatsop County to develop a solution, signed off as property owner, allowing the county to issue a conditional use approval based on the use. Basically, this would lead to the county’s authorization, on the condition of the state’s action. Next, Weston will need to take the development permit, authorizing the removal of sand off the island, fill it out, attach the exhibits, and ship to (DSL) for the authorized signature.

Discussion followed on the public’s comments of dredging the river, knowing the problem of finding the place to put the dredge spoils is not going away, leading to the port to possibly helping out the situation with an “unbelievable favor” to get this project off the ground. The question of how to do just that is harder than it seems to be. Sometimes, all it would take is to ask. The maintenance branch at the corps office has not been heard of recently, Crider reported the port has had discussion with the agency before, several times. Could it move the bureaucratic machine ahead by conveying the message the port supports them gaining all necessary approvals to remove material from the island? A partner at the federal level might just make things flow smoother, according to Commissioner Holcom. Crider added the port does have a partner and the acknowledgement to move the sand is there. A letter may help getting things moving to the Corps of Engineer’s colonel Holcom suggested. Board members liked the idea. Further discussion followed on ships needing to get up river to Portland.

12. STAFF REPORTS

- Colleen Browne, finance manager reported Kerry Manzanares, our new account’s payable clerk was trained. She learns quickly. Browne is preparing for the audit.
- Harold Culver, maintenance supervisor reported replacing the roof on the icehouse at North Tongue Point. He also cleared the railroad right-of-way, partnering with Pacific Power for power lines, remodeled the mariner’s center, helped with new office set-up, and got the new tractor going.
- Janice Burk, marina manager reported summer has arrived at the marina. Repairs are done on docks when needed and fueling is moving along.
- Steve Barkemeyer, boatyard manager reported the yard is also busy. Customers complying with EPA policies, a positive effect. Sealift running smoothly and thanked MSRC for the use of their boat during the parade. Barkemeyer drove the lift through town at a whopping four miles per

hour. A picture to the publication Freshwater News would be nice. He received the permit to complete the wash down container.

- John Overholser, airport manager reported fuel sales are good. He noted over 600 gallons were sold to the Gulf Stream 150 that brought Reba McIntyre in for the concert. Received plans for the AIP project that is going on schedule. Fish spotting planes are operating and another 3-day opening is planned for September 15th. He explained the phases of their work. The state has completed the pavement project from 2009. AirBP air inspections occurred and problem spots have been repaired. It was also reported Prime Cut, the sub-contractor that installed the t-hangar roof, did not install it properly, and the port is suing the port and general contactor for payment, director Jack Crider reported. The new roof will go over the old roof and the port is happy with the correct repair and the design. No real estimated date of completion.
- Mike Weston, property manager reported on multiple projects, such as the East Mooring Basin fish cleaning station, pier 3 operation and sample analysis plan, and DSL's requirements. Working with Pacific Expedition at NTP. Commissioner Holcom asked Weston if the grass pile growing out of the concrete was his responsibility. He will work with maintenance.
- Esther Jones, administrative assistant reported designs for signs are being collected for the Pier 1 Building. Permits with the planning department will be part of the project. North Tongue Point signage is also a concern. Defibrillators are planning to be purchased. Training has been done to use the units.
- Herb Florer, deputy director reported on the port's move to the new office and helping out with internet set-up, since our technicians were busy with the City of Astoria's move. He also noted his work with training on utility and account's payable with Kerry. Starting to work with GIS mapping for the port. Attended a Nanolce presentation at Bornstein Seafoods recently. He is also working on the kiosk project and explained plans for the barbeque during the time capsule burial and dedication.

13. DIRECTOR'S REPORT Jack Crider, executive director reported

- Confidentiality agreement between CREST and Columbia Land trust to create a mitigation bank in the Walluski River drainage.
- Further details of the port's move to the pier 1 building. Discussion on storage followed. Archival and vault capabilities are of some concern for old records.
- The port purchased new equipment. Two surplus mobile cranes for a total of \$22,500: a 1970's 45-ton Badger (to service central waterfront), and 34-ton drought trainer (for NTP).
- Port attorneys working on Area Wide Contamination response to past insurance carrier request corresponding to public comment to the AOC4 Feasibility Study and DEQ notice due at the end of the month. Port staff reviewed the past 20 years of minutes and related information and a special meeting with port's attorney necessary before the end of the month.
- Railroad right-of-way cleared to Job Corps at NTP. Crider reviewed next steps.
- He also continues to ask Hampton Lumber for support in developing a lumber re-load with a letter of support to fund a siding. The company is concerned the port would use it for exporting logs. Discussion followed.

Commissioner Hess asked if it would be possible to provide transportation allowing the crew of the log ships to do their shopping on one of the busses. The crew has clearance, cabs are what they have been using so far. Crider also said the port has offered the service to the captain before. The captains were thrilled to be able to use the password for the wireless system.

14. COMMISSION

A. Reports

- Jack Bland shared his thoughts of the good week in Astoria.
- Floyd Holcom believed the port did a good job participating in the city's bicentennial and helping the Regatta Association with sponsorship. He also participated in the Mayor's Ball. He heard nothing but compliments on where the port is going. Railroad also a big topic of discussion. The city's 17th Street dock and their permitting issue.
- Larry Pfund reported the internet article on the new federal regulations approved this month he read, adding ringing true to him, the governor's office and his economic advisor's committee eagerly waiting for the state's help in solving the port's property issues and international trade representation. To end, he noted, the appreciation of the appearance of the weight masters – rewarding to see two more jobs created on port property.
- Bill Hunsinger reported he has been to two meetings regarding the salmon advisory board and would like to thank the commission on behalf of the people it represents. He expects similar resolutions from other entities. He also mentioned a workshop with Washington state and Oregon for permit holders.
- Dan Hess reported he attended the admiral's dinner and met the Astor's. Mr. Snitzer very personable.

B. Directions – none

15. OTHER BUSINESS – Commissioner Holcom asked where board meetings would be held. Director Crider said the meeting would still be at the Gateway Ave location.

16. PUBLIC COMMENT - none

18. ADJOURN - Chairman Hess asked if there were further comments; none was given. With no further business, the chairman of the board moved to adjourn the Special meeting.