

MINUTES

PORT OF ASTORIA
REGULAR COMMISSION MEETING
TUESDAY, SEPTEMBER 18, 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, Dan Hess, Jack Bland, Bill Hunsinger and Floyd Holcom.

Staff present: CEO Hank Bynaker, Property Manager Mike Weston, Terminal/Administrative Services Manager Rita Fahrney, Finance Manager Colleen Browne, Marina Manager Janice Burk, Boatyard Manager Steve Barkemeyer, Airport Manager John Overholser.

2. CHANGES TO AGENDA.

Chairman Pfund called for any changes to agenda. None were received.

3. CONSIDER MINUTES:

August 21, 2012 Regular Meeting and August 23, 2012 Special Meeting. Commissioner Holcom had a correction to the August 21, Minutes – noting at that meeting they approved July minutes. With that correction *he moved to approve the minutes from August 2012 meetings. Commissioner Bland seconded the motion. The motion carried unanimously.*

4. FINANCIALS – MONTH OF AUGUST

Voucher List. Finance Manager Colleen Browne stated the financial reports and vouchers for August were distributed last week for commission review. Some questions followed on individual payments. It was acknowledged that all vouchers are reviewed by the CEO before they are signed and authorized for payment. *Commissioner Holcom moved to approve the vouchers for the month of August 2012. Commissioner Bland seconded the motion. The motion carried unanimously.*

Financial Reports. Browne reported on operating profit/loss revenues over \$1 million –netting \$322,000. Unusual items have been notated. Fuel sales at the airport and marina are good. Grant funds received for AIP19, Security improvements, fish station and Coast Guard. Salaries and overhead average monthly \$138,000-\$140,000. Significant amount of dollars being spent in the county. She explained some of the expenses, noting about 50% is for local businesses. Commissioner Holcom moved to approve the financial reports for the month of August. Commissioner Bland seconded the motion. The motion carried unanimously.

5. PUBLIC COMMENT

Chairman Pfund called for any public comment. None was given.

6. STAFF REPORTS

Colleen Browne, Finance Manager reported the following:

Audit was due to begin next Monday. Due to losing members of their staff, the auditors are now planning to begin the audit the first week of November. Commissioner Holcom asked that e-mails concerning the audit be forwarded to him in his position as Treasurer.

Steve Barkemeyer, Boat Yard Manager reported the following:

- Boat yard is not slowing down. Hauled out second largest boat in the boat yard's history – a yacht. The customers were ecstatic with their experience here and plan to pass the word on. The boat yard handles four to five hundred customers per year.
- Commissioner Holcom inquired about the bridge leases. One has completed their project and the current one is sub-leasing from Westerlund.

John Overholser, Airport Manager reported the following:

- The sardine season has re-opened effective 9/15/12, bringing dollars and jobs by the fleet. The airport is supported by selling fuel to the fish finders' aircraft.
- AIP is progressing. He provided an update. Expected completion by November 15, 2012.
- Final paperwork completed for Connect Rural Oregon Airport Grant.
- Reported on the passing of John Twiss. He was the longest standing tenant at the airport. He did teaching and repairs to aircraft and was considered to be a fair, respected businessman who was very involved in the community.

Janice Burk, Marina Manager reported the following:

- August was a busy month, with fuel sales up. 35,000 unleaded and 17,000 diesel pumped.
- 1,700 vehicles parked at the East Basin during the month of August.
- Marina Committee is meeting September 27. Burk also reported she will attend the PCC Conference this year.
- The fish cleaning barge is dumped every three days. Some discussion followed on the need for dredging.

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

- The contents of the box of records returned to the port have been categorized and filed in a secure place. She distributed the listing of contents to the commissioners. Discussion followed. Staff will look into possibility of placing the information on disks.
- A Coast Guard inspection of our Facility Security and Facility Security Plan was conducted 8/28/12. No deficiencies were noted.
- A larger than normal amount of ship traffic currently. With the cruise ships, dredges, Coast Guard relocated here and now River cruise ships that normally used the City dock using our facilities, there has been congestion and creative thinking to accommodate all. The Sea Bird and Sea Lion docked at Tongue Point their first visit here the past week-end.

Mike Weston, Property Manager reported the following:

- Emergency dredging has been finished. Good to go until dredging season. Work continues on prepping the dredge for the in-water season.
- Sampling will be underway in the near future. Talking to potential contractors for the work.
- The group Westerlund is combining with is working towards doubling current exports here.
- Have a temporary group renting at Tongue Point working on a water tank that will be barged down to San Francisco.

- Commissioner Hunsinger noted having a conversation with Jim Larson, previous dredge captain at Port of Astoria. Jim would like to come in and meet with staff to talk about Tongue Point issues. Ike Vice has voiced he is available to discuss previous maintenance projects and might be able to fill in missing information. Discussion followed on deeds that may assist in finding missing pieces of the puzzles. Rita Fahrney was thanked for putting together the information on the deeds.

7. AL RISSMAN COMMEMORATION

Director Bynaker advised Rita Fahrney prepared a draft resolution of appreciation for commissioners to review. Commissioner Hunsinger stated there is a written document now at the ILWU hall that is very interesting. One concept of filling in the breezeway and redoing the board meeting room could include naming the board room the "Al Rissman Boardroom", and a building at the Airport in honor of John Twiss. The Board agreed there is no time crunch – want to do it right. Bynaker thought a brass plaque on a flag pole honoring Rissman which would include the State of Oregon, US Flag and POA Flag would be a consideration. All agreed on the need to have a proper flag for the pier one building. Discussion followed. Bynaker will work on placement of flags for the Port building on pier one. The agenda item was tabled for further discussion.

8. HOSPITALITY MAKERS

Property Manager, Mike Weston reported he had spoken with Brad (Astoria Riverwalk Inn) this morning about bringing to the commission some performance and business evidence supporting their request by Hospitality Makers for a five-year lease extension.

Brad Smithart provided a synopsis of operations and expenses during the period they have leased the building, showing the intent that they as the tenant are serious about long-term prospects. He also explained the different types of people using the facility including the Coast Guard, longshoremen coming in from other locals. He reported on providing lower rates for special classes of citizens using their facilities and the benefits it provides for the city. 3,636 rooms rented to date with 88 rooms available. They are bringing in additional business to our area. So much potential to improve and provide more with a 10-year lease. Cannot expend as much on infrastructure improvements with only a five-year guarantee lease. With 10 years, he will continue to improve. The Port has a business partnership with Hospitality Masters with the port receiving 10% of all his incoming funds. Some discussion followed on the value of having a new sign. Following further discussion Chairman Pfund explained the Board is supportive of his success. Commissioner Holcom stated more discussion is needed and time to review financials and other information such as projections. He also noted the Port has additional types of revenue sources as a government agency that could possibly assist Astoria Riverwalk Inn. He encouraged Brad to work with staff to see what potential sources are available. Commissioner Hunsinger stated his support for Brad's business and he is aware the community is happy to have the motel re-opened. This is the first time he has seen numbers also. Mike Weston stated the Port needs to look at our budget to see if it is affordable and decide if we can afford it and how the cost can be divided and paid for. A special meeting can be called if the numbers are provided for commissioners to review and/or make a decision. All were in agreement to this recommendation.

9. CEO'S REPORT

CEO Hank Bynaker reported the following:

- Met with the Infrastructure Finance authority (Business Oregon) September 5th and was granted a six-month suspension of payment on two of our loans to the State his plan is to author another letter along with a presentation of the Port's critical infrastructure needs in an effort to persuade them to either forgive or grant a four-year suspension of repayment to allow the Port to re-allocate these monies where needed. He is currently conducting joint inspections with our Maintenance Supervisor.
- He communicated with a representative of Senator Merkley's office regarding the WRDA (Water Resources Development Act) project in an effort to secure funding to dredge the Astoria Turning Basin. WRDA is on the docket for next week.
- He and the Deputy Director met with ODOT on September 12th to discuss the Hwy 30 project and its impact on access to Tongue Point. After several meetings involving property owners, the city and federal government regarding this project hasn't seen to have had any effect. He will be pursuing this to the extent possible with Governor Kitzhaber's Regional Solutions Team to see what can be done to get funding to make improvements off the highway system to better access Tongue Point. Considerable discussion followed on what needs to be done.
- He will be attending the PNWA meeting October 9-11, 2012. Attending a mediation of remaining defendant Michael Lilly in Portland Friday, September 21st.
- Invited to speak at the Chamber of Commerce meeting on Tuesday.
- Communicated with Pacific Maritime Association asking them to replace our local retired ILWU foreman here with another local instead of traveling foremen from Eureka, Vancouver and Portland.
- Port will support the Great Columbia Crossing by allowing the race to terminate on our vacant property past the Bridgewater Bistro, bordering the city park. This will allow for the additional 600 feet needed for the race to be "certified".
- The Governor's Taskforce on Japanese Tsunami Marine debris will be in Clatsop County for a road show on Wednesday September 26, 2012 at Camp Rilea. The public is encouraged to attend.

10. COMMISSION

Reports

Commissioner Bland asked regarding the 2 Coast Guard vessels – how much income are we getting and how much income are we losing due to their taking up dock space. Bynaker explained Coast Guard has large presence in this area. The Port is supporting the Coast Guard fleet due to the City getting repairs to their pier. The Port is not receiving any revenue. With them berthed, revenue opportunities come that we cannot pursue. In a 65/35% split with the City for improvements – the Port paying for 35% - around \$30,000, with the understanding the improvements will be there for our future use. The Port will receive very little benefit from the improvements. Discussion followed. The vessels docked will prevent dredging of the area they dock. The Port is supporting our Coast Guard.

Commissioner Hunsinger. Oregon Department of Fisheries is conducting another big meeting in Olympia this Friday that Hunsinger will be testifying at. The Governor's input is moving in leaps and bounds. First meeting to allow public testimony. This is an important issue for the Port. He explained some of the issues being addressed. There are currently larger salmon runs than ever, including silvers. The total gillnet fishery in the Columbia River this year is 4.5 days. He continued with additional information about the gillnet fishery activity. There is a Salmon for All meeting at the Port on Saturday at 11:00.

Commissioner Hunsinger stated the need to go back and look at two possible tenants and try to form a relationship with them – this was discussed during executive Session.

Direction:

Commissioner Holcom reports:

- Local Emergency Manager Dean Perez is now the commander of Camp Rilea. In 2007 when Ron Larsen was the director there was a hurricane that shut down the area for a week. Holcom worked with Dean at that time. The lack of participation in that emergency was clearly evident. No one from the Port was there. Now that the Coast Guard is at the Port, the amount of emergency operations they provide we have an opportunity to get closer with the agencies. He is hoping to see once Hank gets settled in the Port of Astoria becomes more involved in the emergency operations aspects of the County. CEO Bynaker stated the Port would be a very pivotal location on the river system in the event of a major hurricane. We have a vested interest in this.
- The East End basin needs clean up. On the breakwater there is Sand and debris all over the place. Properties looking shabby. Go through so many problems and address them, but never revisit the issues to make sure they have been accomplished. Worried not following up on issues. Holcom is concerned about the Warrenton dike issue and other airport issues. Responsibility as commission to revisit earlier discussion/direction. Chairman Pfund recommended on staff reports, updates be provided on previous direction.
- Received stimulus money at the Port, money spent on trail and lighting, connecting the Port to the end of pier three. Lights are on during day time and off at night time. Port is paying for the lights. Wants to know what to tell constituents why this is so. Mike Weston stated the City Parks Department oversees the lights. The Port manages the trail by the marina. Holcom recalled the past discussion while past Commissioner Saunders was on the board. Staff will follow up
- Question about the island (Rice Island) that the former director had that the Port was going to take over the responsibility of. What is the status. Mike Weston understands it is a shared lease with the Ore group. Holcom stated it can be a big asset for the Port of Astoria. He remembers the Port being in negotiation with DSL for the island a couple years ago. Discussion followed on benefits of having the sand and potential uses for it. Weston stated McAmis has a barge with the capabilities to do the transfer of sand.
- Inventory of deeds bring to attention a project he was researching - Beltline Railroad. It was the Port of Astoria's, and right-of-ways. Railroad infrastructures are valuable. The Port's railroad

property is deeded in the list. Also included in the list is the Seafood Lab deed. Goal is to revise our asset list in real value dollars. He explained the reasons why. Discussion followed.

Commissioner Bland reported:

- NWAct cancelled to be rescheduled for October.
- He attended a Colpac Meeting in Rockaway and gave CEO information.
- During a discussion Face Book came up and should the Port have a Face Book page. It was noted the port does, in fact, have a Face Book page.
- Astoria and Gearhart Builders Supply is going out of business and having a sale – sad news.

11. OTHER BUSINESS

Chairman Pfund stated due to the increase in enemies of the US, there is renewed appreciation for our country and our flag. He and Commissioner Bland talked about having our meetings begin with the pledge of allegiance. Commissioner Bland moved to begin Port Commission meetings with reciting the Pledge of Allegiance. Commissioner Holcom seconded the motion. The motion carried unanimously.

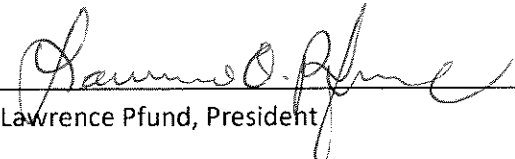
12. PUBLIC COMMENT

Chairman Pfund called for public comment.

Steve Fulton, Astoria. Does work for Warrenton Fiber Company and is a consultant to HLB Otak for the Warrenton levy certification project. He stated FEMA informed the city of Warrenton levies have not been certified consequently building codes and insurance rates have changed. The Port also has problems with dike issues there. To get the levy certified, the City hired the Army Corps of Engineers and Coast Guard to do phase one inspections. Should have been completed in August. Expect to have it in the first week of October. The second step more complicated – a lot of modeling to develop the base flood elevation for the Lower Columbia Estuary and indications are that is going to raise. Bottom line no answer because the Corps has not completed their base flood inspection. Have to partner with Coast Guard again and ask them for numbers on the cost of 5% impact on the Port. Doesn't have complete numbers. It is precluding development in Warrenton. Fulton explained the impact in Warrenton. Next phase getting into culverts and making sure they are operating fully. Discussion followed.

There being no further business, the meeting was adjourned.

APPROVED:


Lawrence Pfund, President

ATTEST:


William Hunsinger, Secretary

Submitted by: Rita Fahrney
Administrative Services Mgr.