

MINUTES
REGULAR COMMISSION MEETING
APRIL 20, 2010
PORT COMMISSION CHAMBERS

Chairman Bill Hunsinger called the Regular Meeting to order and took roll call.

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

Staff present: Executive Director -Jack Crider, Terminal & Administrative Services Manager -Rita Fahrney, Finance Manager - Colleen Browne, Maintenance Supervisor -Harold Culver, Property Manager - Herb Florer, Marketing Director- Bruce Conner.

Others present: See meeting sign-in sheet.

CHANGES/ADDITIONS TO AGENDA. Chairman Hunsinger announced the Board will re-convene the Executive Session following adjournment of the Regular Meeting for Property Negotiations under ORS 192.660 (2) (e). An additional Public Comment item will be placed between Agenda Items 9 and 10. Commissioner Holcom brought up the need to get caught up by staff ongoing port projects not on the agenda, that are not board policy decisions.

MINUTES: Regular Meeting 2/16/10 (statement omission) and Special meeting 3/9/10. Commissioner Holcom asked that the approved minutes of the 2/16/10 meetings be changed to reflect his comment regarding a meeting held regarding retaining the interest from the funds, where Rich Griffith, CFO of Bornstein's was asked to confirm conversations at the earlier meeting with Holcom, Pfund, Bornstein and Griffith, where he concurred with the discussions as such.

Commissioner Holcom moved to approve the amended minutes of the 2/16/10 Regular Meeting. Commissioner Hess seconded the motion. The motion carried unanimously. Commissioner Holcom moved to approve the minutes of the 3/9/10 Special Meeting. Commissioner Bland seconded the motion. The motion carried unanimously.

FINANCIAL REPORTS.

Vouchers. Finance Manager, Colleen Browne, explained a payment to NWFF is for services provided by George Birch who previously was with the Coast Guard who assisted with the Port's Security Plans and for training for Port security employees. *Commissioner Holcom moved to approve the voucher list. Commissioner Hess seconded. The motion carried unanimously.*

Financial Reports. Browne briefly reviewed the financial reports with the board members. The Port has a positive cash flow year-to-date of \$333,000. Any unusual items on the reports have been notated for reference. *Commissioner Pfund moved to accept the financial reports. Commissioner Bland seconded the motion. The motion carried unanimously.*

PUBLIC COMMENT – None

UPLAND DREDGE DISPOSAL GRANT. Administrative Services Manager, Rita Fahrney, reported this is an application for a \$50,000 grant available from the Marine Navigation Improvement Fund (MNIF). The grant will fund a preliminary Feasibility Study and engineering study to look at an upland dredge disposal site in Warrenton that can be used by multiple ports. Matching funds are being provided by the Port of Astoria - \$10,000; City of Warrenton - \$25,000; and the Port of Ilwaco - \$15,000. Director, Jack Crider further explained the project. *Commissioner Pfund moved to approve authorization for the grant funds from MNIF for Regional Upland Dredge Material Disposal Facility for a feasibility/design study and authorize Executive Director Jack Crider to execute the documents. Commissioner Hess seconded the motion. The motion carried unanimously.*

REPORTS:

Tongue Point. Maintenance Supervisor Harold Culver reported Lockwood Engineering LLC is working to address the system and occupation classifications of tenants. Deals Only and City Transfer are classified as S-1. J & H Boat Works is currently classified H-1. J and H's classification should be higher according to the engineer. Because Pacific Expeditions deals with flammable compounds their classification is H-2 unless they can contain their flammables, to bring their classification down to F-1 or H-1 maximum. The City is removing restrictions from J & H for six months so they can continue their work.

McAmis Lease. Property Manager Herb Florer reported staff is negotiating a lease with McAmis for space at Tongue Point. There remain questions on space and pricing. Jack Crider added the lack of fender piles, depth restrictions and electrical power are providing a challenge. It is estimated to take \$150,000 in improvements. Staff is still awaiting a permit for driving piling.

East Basin Causeway. Crider reported the permit is in hand for the causeway repair. The contractor expects to be on site May 1, 2010.

Cruise Ship Marketing. Marketing Director Bruce Conner reported on a good meeting with the cruise committee, Columbia River Bar Pilots and Westerlund about logs and cruise ships working together on pier one. A "practice round" will be set up for the Wednesday cruise ship call to determine any issues to solve. Nine cruise ship calls this year and 2010. Decline impacted by the Head Tax in Alaska.

Executive Director Crider reported on the following:

- Red Lion. A meeting roundtable to discuss options on the closed Red Lion Motel will be needed soon. Commissioner Hess noted closure of the motel is affecting Room Tax revenues in Astoria.
- Airport. A pre-construction meeting was held on the construction of new T-Hangars. The City of Warrenton requires more than 50' of space from the hangar to the fire hydrant. While construction of the building will be allowed, the fire hydrant issues will need to be resolved before occupancy.
- SeaPort Airlines. New schedule, revenue agreement and switch to different aircraft.
- Pedestrian Trail. Work is underway on the pedestrian walkways on port property – pier 3, pier 1 and at the west basin. Curious onlooker on the hills, wondering what's going on.

Following the reports, Chairman Hunsinger called a recess to the Regular Meeting to reconvene the Executive Session.

Following the Executive Session the Regular Meeting reconvened.

WESTERLUND LOG HANDLERS – DRAFT LEASE. Chairman Hunsinger announced the board is working through the components and exhibits and are fairly close to agreement. There remain a couple of legal issues to address. The lease will be placed on the Special Meeting agenda for possible action next week. Commissioner Pfund added the consensus of the board tonite is to address any concerns before approval. Concern was voiced that meeting notices have not been published in the local paper. Daily Astorian reporter Cassandra Profita was requested to ensure a notice is placed in Friday's paper for the Special Meeting next Tuesday.

Roger Nance, Westerlund Log Handlers Vice President, stated he believes Westerlund's Business and Management Plan (BMP) and traffic routing plan addresses many of the concerns voiced by tenants. With due respect to the tenants, the BMP is confidential at this time due to financial information contained within that could affect the competition aspect. Jack Crider advised the lease in its final form will be prepared for next week's commission consideration. At that time it will become a public document.

COLUMBIA BANK – PURCHASE AGREEMENT. Director Crider reported the building on pier one has been through foreclosure, bankruptcy, sheriff's sale, law suit. The Port now has the opportunity to purchase the building on which the Port owns the land. The market value has been lowered from around \$2.1 million to \$1.5 million. Columbia Bank is offering the building for sale at \$1.7 million. The Port budgeted \$1.8 million to purchase the property. Staff recommends approval to purchase the "Taggart" building from the bank at \$1.7 million. Commissioner Holcom declared a conflict of interest due to his position as an owner of waterfront property. The value placed on the building on pier one may impact the value of his building. *Commissioner Bland to authorize purchase of the "Taggart" building on pier one. Commissioner Pfund seconded the motion. Commissioners Pfund, Hess, Hunsinger and Bland voted yes. Commissioner Holcom abstained. Motion carried with majority vote.*

PUBLIC COMMENT. *(The following public comments are not written verbatim, but intended to reflect the substance of the comments made.)*

Lori Durham. Reported on a meeting being held Wednesday at 1:00 P.M. at the Judge Boyington building in Astoria. FERC will be hearing testimony on Oregon liquefied natural gas terminals.

Kurt Englund – Englund Marine. Asked that tenants be given ample time to review the log yard plans. Regarding the lease at Tongue Point with McAmis Industries, Englund reported McAmis brings a lot of business to Astoria. Further, the Alaskan fishing fleet vessels, during off season, will bring good revenue to the local economy if accommodations for docking them can be made at the Tongue Point facility.

COMMISSION REPORTS.

Commissioner Bland reported on his recent meetings, talking to members of the community about the possibility of the USS RANGER being relocated to the Columbia River for use as a museum and other events. Next step is to undertake a study to see if bringing the RANGER to Astoria is financially viable. The Port will not be involved financially; the USS RANGER Foundation has the responsibility to work


towards turning the ship into a museum and use for other events. There is a lot of interest and differing views on the proposal. It will attract tourism to the local area.

Commissioner Holcom commented on a letter between the Director and a tenant. The Port of Astoria works less like a government and more like a business; it is our responsibility as a public entity to make agreements with our tenants are handled more like a bank. We need to keep track of where we asset-wise and financially wise and "get into tenants' business". Holcom recommends reviving the airport, marina, financial committees to assist the director and look for members of the public that do not have financial dealings with the Port. He reiterated an earlier statement that budget committee members should not be appointed to serve on the committee if they have financial dealings with the Port.


Commissioner Dan Hess attended the Western Fishboat Owners Association (WFBOA) meeting in California while he was there on personal business. Cost to the Port was only for two nights in a motel. He briefly reported on the state of the industry for the Tuna fleet. The Albacore tuna fishery is in good shape. Most of the tuna is being caught in Washington. Because of security requirements in the U.S., about 50% of Albacore is being unloaded in Canada.

OTHER BUSINESS. Chairman Hunsinger called for other business. There being no further business, the Regular Meeting was adjourned.

APPROVED:


William Hunsinger, President

ATTEST:


Daniel Hess, Secretary



PORT OF ASTORIA

COMMISSION

MEETING ATTENDANCE SHEET

DATE: April 20, 2010

NAME

PRINTED NAME

<u>Lori Duheim</u>	
<u>Kathy Sanders</u>	<u>Kathy Sanders</u>
<u>Jeffrey Scott Nelson</u>	<u>JEFF NELSON (LURCH)</u>
<u>Kurt Englund</u>	<u>Kurt Englund</u>
<u>Lasse Vedenoja</u>	<u>LASSE VEDENOJA</u>
<u>M. Vedenoja</u>	<u>Melissa Vedenoja</u>
<u>Bob Zakrawski</u>	<u>BOB ZAKRAWSKI</u>
<u>Andrew Bornstein</u>	<u>ANDREW BORNSTEIN</u>
<u>Roger Nance</u>	<u>ROGER NANCE</u>
<u>Alan Brunstad</u>	<u>Alan Brunstad</u>
<u>Lori Westerlund</u>	<u>Lori Westerlund</u>
<u>Dave Westerlund</u>	<u>DAVE WESTERLUND</u>
<u>Joe Abram</u>	<u>JOE ABRAM</u>
<u>David Brewer</u>	<u>DAVID BREWER</u>
<u>S Bruce Conner</u>	<u>S BRUCE CONNER</u>