

MINUTES
PORT OF ASTORIA
REGULAR COMMISSION MEETING
JANUARY 18, 2011
PORT COMMISSION CHAMBERS

Chairman Floyd Holcom called the Regular Meeting to order. Roll call was taken.

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

Staff present: Executive Director Jack Crider, Deputy Director Herb Florer, Terminal & Admin. Services Manager Rita Fahrney, Finance Manager Colleen Browne, Airport Manager John Overholser, Property Manager Mike Weston, Property Specialist Jessica Long.

Others present: See attendance sheet.

CHANGES TO AGENDA. Chairman Holcom called for changes to the agenda. None were received.

MINUTES: Special Meeting December 14, 2010 and Regular Meeting December 21, 2010.
Commissioner Bland moved to approve the minutes of the aforementioned minutes. Commissioner Pfund seconded the motion. The motion carried unanimously.

FINANCIALS:

Vouchers. Commissioner Bland reported he has reviewed the voucher payments for the month of December and had no comments. Bland moved to approve the voucher payments for the month of December 2010. Commissioner Hess seconded the motion. The motion carried unanimously.

Reports. Finance Manager Brown reported operating revenues of \$355,874 for the month of December with a net income of \$50,807. She noted revenue of \$43,462 from the Port's second log ship call. Budget to Actual reports are included as well as Budget to Actual for Tongue Point – so far at \$36,000 positive. The lease payment for Tongue Point will double to \$50,000 on the next scheduled payment. Also not included in the Tongue Point report is DSL rents. *Commissioner Bland moved to approve the financial reports for the month of December. Commissioner Hess provided the second. The motion carried unanimously.*

PUBLIC COMMENT. Chairman Holcom called for public comment. Lori Durham asked to reserve her comments to the end of the meeting. No other public comment was received.

STAFF REPORTS.

Colleen Browne, Finance Manager, reported the following:

- The audit for FY 2009/2010 started today. The late start was due to staff requirements for more time to complete pre-audit functions. The auditors report the audit should be completed by January 31, 2011.

Herb Florer, Deputy Director, reported the following:

- Lektro's roof needs repair. Owens Corning, the manufacturer of the shingles used to re-roof the Lektro building is responding to documentation showing the shingles were defective. Airport Manager John Overholser will provide additional information.
- He is receiving bids for relocation of the Port offices to pier one.
- Assisted staff with Seaport Air brochure
- The permit application for the Kiosk is ready
- Working on the Tongue Point Phase 1 draft.

Executive Director Jack Crider provided an update on a tenant at the Port's marina who fell into the water and was unable to climb out due to no ladders. Crider reported staff will study placing emergency ladders at both the West and East basin and are purchasing a test ladder.

Rita Fahrney, Terminal/Administrative Services Mgr. reported the following:

- Created an e-mail list of about 30 people so far that will receive Port Ship Arrival Schedules on a regular basis – weekly.
- Organized a group that is working on a design/build for a new portable band building for use during cruise ship calls. The current tent is rented and is labor intensive - it requires substantial labor time for maintenance employees to install and take down after each cruise ship call.
- Compiling information and completing an additional DHS/FEMA required form that addresses environmental and historic preservation aspects of the Security Enhancement Grant application that the Port applied for last year.

John Overholser, Airport Manager reported the following:

- The CR Bar Pilots remodel is completed
- T-Hangar construction is 90% complete
- FAA inspection done in December. No major items – four of the five concerns have already been corrected. The FAA inspections are the engine used for future funding projects
- Carlson Construction is working on temporary repairs for Lektro's roof. A permanent fix will be done in the spring. As mentioned, it is determined fault lies with the shingles used.

Jessica Long, Property Specialist reported the following:

- Met with Jerry Hudson with DSL to discuss property lists – has some deeds scanned.
- Scanning and organizing Port of Astoria deeds. Discussion followed. Chairman Holcom stated there is property owned by the Port, not on the books, short-changing the Port's worth. He emphasized the need to do the research to determine property ownerships. Commissioner Hunsinger agreed, noting maps from the 1970's showed port ownership that are now being questioned. He has spent hours going through maps and has talked to a previous Port employee, Harry Utti who is an engineer, that confirms port ownership. He suggested contacting Mr. Utti for more information.
- Lease renewals for Columbia Pacific Marine Works and West Bay are being re-written.

Mike Weston, Property Manager reported the following:

- Working on advertising Port offices available for lease with radio ads and signs.
- Purchase of the vibra-core is underway. All entities have now signed off on the cost-sharing agreement.

- Prices to move the Port offices to pier one are ranging from \$8-10,000. Director Crider added the expense is mostly attributable to the need for a new phone system.
- Five quotes received to provide janitorial service. They are now being evaluated.
- Re-drafting a storm-water plan for Tongue Point.
- Tongue Point tenants reporting vagrants/thefts. Discussion followed. Commissioner Hunsinger stated he recalls the Port promising “jobs” in their efforts to acquire Tongue Point. There are no full-time personnel working at Tongue Point. The Airport is staffed on a daily basis. He voiced his opinion funds need to be budgeted for a full-time staff person. Director Crider responded part of the security grant the port applied for is for security gates at Tongue Point. It has been stalled due to fireboat grant funding issues. Further discussion followed on clean up of the Tongue Point area.
- Final logistic analysis is underway for the proposed Warrenton disposal site. Discussion followed on the process and parties involved.

RESOLUTION 2011-01 FLEX-LEASE LOAN, BOAT LIFT.

Executive Director Jack Crider explained the flex-lease loan is the same as used in the past by the Port for equipment purchases. This loan is to fund a boat lift at a cost of \$126,000 and additional \$57,000 for delivery plus any fees incurred. The loan is not to exceed \$200,000. The term is ten years at a maximum interest rate of 7%. The interest rate at present is 4 1/2 %; payments will be approximately \$2,000 per month. Cash flow will be through boat yard operations. Commissioner Hunsinger noted there have been a lot of requests for an additional boat lift of this size. *Commissioner Hunsinger moved to approve Resolution 2011-01 Flex-Lease Loan, Boat Lift. Commissioner Pfund seconded the motion. The motion carried unanimously.*

TONGUE POINT – PHASE 1 DEVELOPMENT. Executive Director Jack Crider reported, as discussed at last week’s port meeting, staff has worked up estimated costs for Tongue Point Phase 1 Development as follows:

1. Docking Facility	\$7 – 10 Million
2. Dredging beyond 35’	\$3 – 5 Million
3. Swing Bridges	\$1 – 2 Million
4. Rail Improvements	\$2 – 3 Million
5. Road Improvements	\$2 – 3 Million
6. Purchase	\$6 Million
7. Finger Pier Improvements	\$2 – 3 Million
Total:	\$22 – 31 Million.

Discussion followed. Preliminary estimated cost is \$22 to \$31 million dollars. Estimated permitting time is 2 years; construction period – 1 year. Busan Port Authority is looking for first phase development plans and costs. A conceptual drawing of the Phase 1 Development was reviewed and discussed. Crider emphasized the Korean investors need for plans and costs. Commission members voiced support for the Phase 1 components of Tongue Point development and for staff to move forward on the project.

KOREA CONSULTANT CONTRACT

Director Crider reported the Port has received a lot of free help working with the Korean project. We need to pick up and assist with the consultant working with the Port and meeting with officials of Busan regarding port development. Chairman Holcom advised the State of Oregon already pays for a Korean Consultant. He has sent e-mails, faxes, etc. requesting assistance from the publicly appointed official who represents Oregon. He would like to have a letter from the Director, authorized by the commission sent. Commissioner Bland added the official should be on board if the State is paying for him. He is unsure how his position is funded. Crider went on to say the contract between the Port of Astoria and the consultant at a rate of \$2,000 per month for six months will provide good representation. Chairman Holcom stated he was impressed with his trip to Korea and ability to meet high-level officials. *Commissioner Bland moved to approve the Korea Consultant Contract, not to exceed \$12,000. Commissioner Hess seconded. The motion carried unanimously.*

PIER ONE VENDOR FEES.

Executive Director Jack Crider reported staff is working on documenting practices established on fees over the past couple of years and to confirm no exclusive uses of the piers are allowed. He explained there were past criticisms that the port was not allowing other operators use of property. Staff is working towards coming up with a system that will allow staff to have a schedule of fees for all operators. Marketing Director, Bruce Conner, explained how the fee schedule works for his operations. The Port has established a fee of \$300 per ship day for shore-side excursion operators hired by the cruise lines. Other shore-side excursion operators are assessed the same fee, which has been used recently. In addition to Sundial shore-side excursions there is now another company, TMS Gateway Tours, operating shore-side excursions through Norwegian Cruise Lines. The fee schedule enables the port to charge equally to all, based on established rates for different users.

Cindy Mudge, Astoria Sunday Market Director, stated the Market is an attraction for the Port of Astoria. She understands the need for the Port to come up with a fee structure for consistency to allow for outside vendors to set up. The Sunday Market is a non-profit organization. They set up at the Port to help make sure cruise ship visits are successful as part of a team effort. She explained how the market operates and ship size and weather factors that affect operations. She requested the Port consider different variables in the proposed fee structure. Director Crider responded the Port is struggling on how to handle the non-profit fee schedule. Clatsop Cruise Hosts also is a non-profit consisting of over a 100 volunteers who assist during the cruise ship calls. Fees have to be consistent and apply to all fairly. The vendor fee schedules were presented to introduce the commission to the issue. Staff will continue to work with the operators and bring a proposal back to the commission.

Chairman Holcom called a five-minute recess. Following the recess the Regular Meeting reconvened.

DIRECTOR'S REPORT.

Executive Director Jack Crider reported The SeaPort voucher ticket program has begun. He called on Marketing Director, Bruce Conner to report. Conner advised phase one consists of phone calls, radio updates and in the next couple of weeks addressing meetings of the communities. Brochures are being mailed out. This is a "go or no go" situation. John Lansing and Bruce have been educating the local SeaPort staff and travel agents on the value of the vouchers. Discussion followed on other possible

methods to get the word out. Crider advised the vouchers are being sold “at cost”. All the marketing funds are coming out of funds provided by the grant.

D.S.L. PROPERTY PURCHASE REQUEST.

Director Crider reported on three potential D.S.L. land purchases. He is requesting permission to move forward, pay the fees and start the process. Commissioner Hess moved to proceed with property purchase requests for pier three and Tongue Point properties. Commissioner Bland provided the second. The motion carried unanimously. Chairman Holcom stated he wants a one-on-one meeting between the Port and State Land Board before the end of the year.

SPONSORSHIPS – PEACOCK, REGATTA.

Director Crider stated the Port of Astoria frequently is asked to donate to different causes. He is requesting commission direction on donation requests. Current requests are from the Astoria Bicentennial/Regatta and the Columbia River Maritime Museum (CRMM) for the Peacock Bar Pilot Boat. Chairman Holcom stated as a public agency the Port has already donated land that the CRMM is built on. He does not think donating money is appropriate, but to donate on another capacity. Crider explained the port has supported CRMM over the years by providing free moorage. Holcom encouraged people to make private donations. He added sponsorship for the Astoria Bicentennial/Regatta concert should have and will have the Port’s support, but not support the event financially. This was the consensus of all the commission members.

PNWA D.C. TRIP – APPROPRIATIONS

Discussion was held on the benefits of attending the PNWA DC trip and other ways to get the Port of Astoria’s issues addressed. It was agreed not to appropriate funds this year for the trip.

DSL WETLAND RULE CHANGE.

Chairman Holcom reported DSL has issued a Public Comment period for wetland and fill/removal issues. Their website has documents. He has pulled up the Port of Astoria’s. The changes seem to be small, positive and easier with minimal impact and of benefit to the Port in most cases. Holcom stated he does not think that public agencies should take public agency fees. One agency paying another is not right in his opinion. No action was taken.

COMMISSION REPORTS

Bill Hunsinger. Voiced the need for a joint meeting of stevedores (MTC, Jones, and SSA) with ILWU members and Port officials to discuss trends for exporting logs. He recommends two commissioners, the director and all stevedores. Crider will set up.

Dan Hess. Visited the log sorting yard that Westerlund operates. The chipper is in, debarking has started. Chairman Holcom noted he has heard they are spending a lot of money in the community – the public doesn’t know the impact of Port of Astoria job creation. Director Crider responded staff is putting together a power point presentation addressing job creation. He added Westerlund has closed their Bremerton office and are relocating at the Port’s Pier One Building.

Larry Pfund. Commented on a recent letter to the editor that was disappointing. He concurs the public does not know the impact of the export cargo in the community.

Jack Bland. Attended Col-Pac and NWACT meeting. Senator Betsy Johnson spoke about funding on transportation in the state drying up quickly. A draft Oregon Freight Plan addresses flooding issue at Seaside. A report due in March addressing what to do about the flooding.

Floyd Holcom. Spent 30 days in the Philippines and during the visit spent two days on port business, touring new container facilities. He learned a lot. Korea and the Philippines are also going to sign a joint agreement.

PUBLIC COMMENT

Chairman Holcom called for public comment.

Lori Durham, 398 Atlantic, Astoria, reported a week from Thursday the DSL will be at CREST for a 10:00 a.m. discussion. Director Crider will forward information on the meeting to commission members.

Ted Thomas, 398 Atlantic, Astoria, commented on the Tongue Point Phase 1 Development plan. From his personal experience he recalled the Port of Portland in 1978 issued a bond measure of \$76 million to buy dry-dock #4. It was later given to Frank Foode.

There being no further business, the meeting was adjourned at 8:45 p.m.