

MINUTES
REGULAR COMMISSION MEETING
NOVEMBER 16, 2010
PORT COMMISSION CHAMBERS

Vice President Dan Hess called the Regular Meeting to order. Roll Call was taken.

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

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 Specialist Jessica Long, Maintenance Supervisor Harold Culver.

CHANGES TO AGENDA. Executive Director Jack Crider advised Agenda Item #9 – Lease with Dr. Katayama be removed – the lease negotiations are not completed.

MINUTES: Regular Meeting September 21, 2010; Special Meeting October 12, 2010; Regular Meeting October 19, 2010; Special Meeting November 2, 2010. *Commissioner Hunsinger moved to approve the minutes of the aforementioned meetings. Commissioner Bland seconded. Motion carried unanimously.* Director Crider acknowledged Rita Fahrney's efforts to get minutes caught up.

FINANCIALS – MONTH OF OCTOBER 2010

Vouchers. Finance Manager Colleen Browne reported she and Commission Treasurer Jack Bland reviewed the vouchers for the month of October 2010. *Commissioner Bland moved to approve the vouchers for the month of October 2010. Commissioner Hunsinger seconded the motion. The motion carried unanimously.*

Financial Reports. Finance Manager Colleen Browne reviewed the Operating Profit/Loss report. Net income year-to-date is \$-31,422; however, journal entries and capital expenses have not been included. Budget to actual year-to-date was reviewed. Some questions followed. Staff provided an update on status of J&H Boatworks. They hope to have another project soon. Accounts Receivables and Payables for the month were reviewed. *Commissioner Bland moved to approve financial reports for the month of October. Commissioner Holcom seconded the motion. The motion carried unanimously.*

PUBLIC COMMENT. Vice Chairman Hess called for public comment. None was received.

STAFF REPORTS.

Harold Culver, Maintenance Supervisor reported the following:

- Parts have been received to repair the dredge. The clutch will be together by early next week. Fortunately, the face of pier one was dredged for the log ship before the breakdown.
- Having the dredge down has provided for manpower to work on other projects. The pier one gates need to be realigned, long-shore shacks are being built and cameras need to be moved.

John Overholser, Airport Manager reported the following:

- The T-hangar construction is 90% complete; wind-cone is 75% complete; beacon is 40% complete; Arctic Air is 75% complete. Next year's project will be addressed later on the agenda items.

Jessica Long, Property Specialist reported the following:

- Flyers for the Marine Expo have been prepared. There will be information about Tongue Point, real estate, marinas, boatyard and the waterfront properties.
- She is learning to work in the Access program to create a central database for property information.

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

- A request for quotes for providing janitorial services for the port will be advertised soon. The Scope of Work has been prepared in more detail and includes the building on pier one and Tongue Point facilities.

RESOLUTION 2010-20 TARIFF MODIFICATIONS. Executive Director Jack Crider reported staff has further researched lumber tariffs and movements at other Columbia River ports. There is very little lumber being exported on the Columbia River. Terminal Services Manager Rita Fahrney added Port of Longview has not exported lumber in many years and Port of Vancouver advised they do very little. They had four partial ship loads of lumber in 2010. In conversation with the staff, they agreed Astoria's rates are in line with others. Commissioner Hunsinger confirmed there is currently very little lumber being exported. *Commissioner Bland moved to approve Resolution 2010-20 Tariff Modifications. Commissioner Pfund seconded the motion. The motion carried unanimously.* Rita added that while many tariffs include published rates for lumber, it is a negotiated commodity rate.

STATE COLLATERAL AGREEMENT – PIER 3. Deputy Director Herb Florer advised that issues from the last week have been resolved. Under Debt Service, the Surety Bond rating was corrected. Director Crider added the Collateral Agreement Amendment approval will enable staff to put together the pier three lease with Westerlund, which will be another item for separate process. Some discussion followed. Commissioner Pfund noted the amendment lists him as president. The original for signature will be changed to reflect Floyd Holcom as President. *Commissioner Bland moved to approve the Amendment Number 3 to the State Collateral Agreement. Commissioner Pfund seconded the motion. Commissioner Hunsinger stated he thought all commissioners should have more time to review the document and see what it says before voting. He stated he will abstain from vote. Motion carried with majority vote.*

2011/2012 AIP GRANT MATCH. Airport Manager John Overholser stated the FAA has proposed funding new taxiway and runway lights in Fiscal Year 2011-2012. The total budget for this project is \$2,175,000. The Port's five percent match is \$108,750. Staff is in the process of applying for grant monies from Energy Trust of Oregon and the Connect Oregon III Rural Airport program. Staff is recommending the commission approve matching funds up to \$108,750 to secure the project before December 1st. Director Crider added it is likely, best case scenario the project will extend over a two fiscal-year period.

Commissioner Hunsinger moved to approve the matching funds as staff recommends. Commissioner Bland seconded the motion. The motion carried unanimously.

BUSAN PORT AUTHORITY – JOINT AGREEMENT. Executive Director Jack Crider recalled at the last meeting Chairman Floyd Holcom read the proposed resolution for a joint agreement between the Port of Astoria and Busan Port Authority, with direction to go ahead and proceed. Crider explained he would like to have the consensus of the full commission on the Joint Agreement. Commissioner Hess stated he is in favor of it and has spoken to Dr. Park about the agreement. It is a “big deal” in Busan. Chairman Holcom agreed the Port of Astoria should move forward with the agreement. Commissioner Bland stated it is a very important step. It can help make things happen and generate interest in developing the Port of Astoria. *Commissioner Bland moved to approve the Joint Agreement. Commissioner Hess seconded the motion. The motion carried unanimously.*

AIRLINE SERVICE MARKETING PLAN. Director Crider reported he participated in a meeting of the SeaPort Air Service Consortium on Friday along with Commissioners Bland and Pfund. Discussion was held on continuation of the air service. It has now been in place for 1 ½ years; beginning service at a bad point in the economy, with the service scheduled to end in March. The Airline Sustainability group is looking at options to continue the air service through 2011, and considering allocating \$40,000 towards a marketing effort to raise more money to support the service. Crider explained the concept is to market pre-paid travel voucher packs; corporate aviation – determine if the business community will support service by purchasing pre-paid tickets and develop marketing strategy targeting airport supporting communities. He explained how the pre-paid voucher system would work. The plan is to allocate \$40,000 of remaining marketing funds towards these efforts. Discussion followed. SeaPort Airlines representative, John Lansing noted that the funding will enable further study into what the communities need and will include substantial public engagement, developing market analysis and a strategic plan to further attract and sustain commercial air service. Commission members voiced their consensus for the plan.

M/V KIRKLAND. Commissioner Bland reported on a phone call he received advising of the availability of the M/V KIRKLAND, a ferry that used to be in the Lower Columbia River. The vessel is operational. He would like to pursue the possibility of having it donated to the Port of Astoria. The vessel is valued at a million dollars. While the port is not in the business of owning and operating a ferry, he believes there is sufficient interest locally to help fund acquisition and relocation. Director Crider added the port has survey data on the vessel and the captain and the engineer’s phone numbers. The commission members voiced interest in seeing this project pursued.

DIRECTOR’S REPORT.

Korea Trip. Departing Friday, arriving in Busan Saturday night. Dave Westerlund and Roger Nance will also be present. Plaque exchange will take place during the vessel unloading followed by a Sister Port signing ceremony and plaque exchange. Event will conclude with a harbor tour and he will depart next morning.

Red Lion Conceptual Planning. Red Lion, City and Port officials met in October. It was discovered that the City owns a city street right-of-way within the proposed building site at the "overflow" parking lot. The City is now verifying the utilities. Once the street vacation has moved in a positive direction, Red Lion can complete conceptual drawings and feasibility study. Information should be available first week of December. Tolling Agreement extension ends in February.

East Basin Causeway Repair & Opening. Inspection with Bergerson Construction is completed of remaining critical repairs. ODOT has identified bent 17 and 29 as critical before causeway can be reopened to the public, with a limit of 3 tons and one-way traffic. The no parking sides have been striped and other work being completed. Bergerson barge will arrive the first week of December and do the repairs at an estimated cost between \$7,500-\$15,000. It is expected that the causeway will be reopened to the public before the end of December.

POA 100-Year Video Premier. December 10th at the Liberty Theatre beginning at 5:30 p.m. At 6:30 the 30-minute video will be shown on the large theater screen. Appetizers and refreshments will be served along with a no-host bar. The same list of invitees used as previous two events.

COMMISSION - REPORTS.

Commissioner Pfund reported on a Lower Columbia Solutions Group meeting he attended. Progress is being made on alternative dredge site disposal areas. Commissioner Hunsinger attended the same meeting. He commented a lot of tax dollars being spent on studies that won't work. He explained how barging to an alternative site is not feasible. He learned from CREST there hasn't been testing in the waters since 2005. Dredging should be allowed in the non-toxic areas. Director Crider advised the purchase of the vibracore will enable the Port to have samples tested. It is hopeful grant funds will be available for dredging. Further discussion followed on dredging needs.

Commissioner Pfund attended a Maritime Commerce Meeting. Bar Pilot Gary Lewin was involved in the presentation. The Bar Pilots are supporting the jetty repair.

COMMISSION - REDLINE

Discussion was held on the need to address Marine Reserves. There is possibility of taking away crab grounds. Chairman Holcom recommended delegating a committee to address the concerns with the governor's office and legislature.

OTHER BUSINESS. No other business.

PUBLIC COMMENT. Lori Durham wondered if the Port will have a plaque made for the time capsule.

There being no other business, the meeting was adjourned.