

MINUTES
SPECIAL MEETING
MAY 10, 2011
PORT COMMISSION CHAMBERS

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

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

Staff present: Executive Director Jack Crider, Deputy Director Herb Florer, Terminal & Administrative Services Manager Rita Fahrney, Airport Manager John Overholser. Finance Manager Colleen Browne via phone.

CHANGES TO AGENDA.

Addition: Resolution 2011-11 Deferred Compensation Plan
Amend Agenda Item #8 – Pier 3 – PND Contract to include Resolution 2011-12

PUBLIC COMMENT.

Chairman Holcom called for public comment.

Julie Tennis, 282 Knapp Rd., Naselle, WA - noted that there is no information at the East Mooring Basin to educate visitors about the Sea Lions there. She has designed a brochure she would like to sell there to determine what interest there is in having the information. She would like permission to do so and be there to answer questions. Discussion followed. Chairman Holcom advised her to discuss Port Policy with staff.

Lori Durham 398 Atlantic, Astoria - has seen signs "For Lease" on Skipanon property. She thought they should be bigger and questioned port ownership. Staff advised it is for general marketing purposes. Lori reported she will not be able to attend the next meeting due to back surgery. She recommended the Port not support a letter of recommendation to Business Oregon for John Dunzer's request. The project has nothing to do with the Port and is "a lot of pie in the sky". She doesn't want to see the community stuck with another project that is not attainable. Commission members voiced that the board is elected county-wide and the project is in the county. A lot of thought process has gone into the proposal. The Port has interest in River commerce.

John Dunzer, 2964 Keepsake Drive, Seaside - responded natural gas is a part of energy used in the U.S. His project is based on a much smaller scale. Chairman Holcom briefly reviewed the Columbia Alternative Energy Farm sheet, as presented by Mr. Dunzer, to audience members. Considerable discussion followed.

FOREST MANAGEMENT PLAN – STEVE FULTON

Steve Fulton, on behalf of Warrenton Fibre, Astoria, Oregon reported on the N.W. Forest Implementation Plan by Oregon Dept. of Forestry (ODOF). Over the last 10 years \$169 million dollars has been distributed to Clatsop County from state forest timber sales. Forestry-related industry sectors provide for employment for 8% of residents, with 17% of the county's total payroll with wages that are

well above the county-wide average for all industries. Fulton advised he is here to talk about the Clatsop County's position on the Forest Improvement Plan and proposed letter to the State Board of Forestry. The County Board has taken a position that to determine "cut levels" it should be based on "best available science". The logging community disagrees, believing the "current available science" method is proper. He requests the Port of Astoria go on record supporting logging activity – deriving local benefit from the industry. There is a need to be judicious in how to apply review and criteria of logging activity. Director Crider stated the Port needs to participate in the Clatsop County meeting Wednesday and collectively compose a letter from the Port supporting the logging industries Forest Management Plan as written. All five commission members and the Director plan to attend.

CONSIDER APPROVAL – INSURANCE AGENT OF RECORD.

Director Crider reported due to the ongoing complexity of the Port's insurance needs and a need for more service, staff went out for proposals for Insurance Agent of Record. Knutsen Insurance has provided this service for as long as staff can determine. The notice was sent to Daily Astorian and the Daily Journal of Commerce as well as to all agents located within the county that deal with commercial insurance services. The Port received two responses. Knutsen Insurance informed us in a letter that they would not be submitting a proposal, thanking the Port for our past patronage. The Port received a proposal from Wilson-Heirgood Associates. Their proposal was professionally put together and offered a great deal of service beyond policy renewals. They are well established, currently providing service to over 300 public entities. Port staff met with three of their team and was impressed with their programs, professionalism and opportunities they can provide. Staff recommendation is to appoint Wilson-Heirgood to serve as the Port's Agent of Record for a period not to exceed three years at the 7% scope of services. Some questions followed. Chairman Holcom voiced disappointment that a proposal was not received by Knutsen Insurance. *Commissioner Bland moved to approve appointment of Wilson-Heirgood to serve as the Port's Agent of Record for three years at the 7% scope of services. Commissioner Hess seconded the motion. The motion carried unanimously.*

BUDGET SCHEDULE.

Finance Manager, Colleen Browne reported on the proposed budget schedule timeframe. She requested review of the schedule and to inform her if there are any issues. It is a tight schedule this year. Director Crider reported staff is currently working on capital project lists for next year. Browne noted a supplemental budget for this year is needed in June.

CARGO STUDY.

Director Crider reported BST Engineering and their Korean counterpoint are working to address questions by the Koreans. There is a need for a pre-feasibility study to determine return on investment to develop Tongue Point for cargo operations. The Korean investors may be investing up to \$200 million dollars. They have expectation that the Port of Astoria will provide professional input. The Korean firm expects to spend \$100,000. BST has provided a quote of \$19,500. Discussion followed. *Commissioner Pfund moved to approve expenditure of \$19,500 for pre-feasibility study. Commissioner Bland seconded. The motion carried unanimously.*

RESOLUTION 2011-11 DEFERRED COMPENSATION PLAN

Administrative Services Manager, Rita Fahrney reported port employee(s) are requesting addition of a deferred compensation plan through First Investors Corporation. *Commissioner Hess moved to approve 2011-11 Addition of Deferred Compensation Plan. Commissioner Pfund seconded. Motion carried unanimously.*

PIER 3 – PND CONTRACT/RESOLUTION 2011-12

Chairman Holcom declared a perceived conflict of interest as a former employee of PND that he does not believe will affect his input on the subject. Director Jack Crider advised the Port of Astoria has been working since last year to deal with regulatory agencies on a design for renovation of pier three dock acceptable to agencies. Through the process it was agreed an open-cell sheet pile system seems to be the best option. This system is proprietary, developed by PND Engineers, Inc. The regulatory agencies (DSL, NMFS) do not want fill – mitigation is 10 to 1. Chairman Holcom questioned why it is alright for the government to dump dredge spoils in crab beds of the Columbia River, yet not allow another government agency to fill a small portion of land. Discussion followed on changes in the plan if contamination exists. The objective is to decrease the need for dredging. Crider advised the Port has a tenant with the capital needed. The port needs to be able to follow through with construction. Considerable discussion followed on the design options and costs involved. Crider requested approval of Resolution 2011-12 Findings for Exemption of Competition in Award of Contract for Engineering Services for Bulkhead/Dock Construction on Pier 3 East, pursuant to Local Contract Review Board rules as stated in the resolution. Deputy Director Florer read the resolution in its entirety. Commissioner Hunsinger moved to approve Resolution 2011-12. Commissioner Hess seconded the motion. The motion carried unanimously.

WESTERLUND – PIER 3 LEASE AMENDMENT.

Deputy Director Florer advised the need for a lease amendment to clarify understanding that part of the tenant's leased premises is a sublease of DSL-owned lands. *Commissioner Hess moved to approve and authorize the Executive Director to sign the lease amendment. Commissioner Bland seconded the motion. The motion carried unanimously.*

WEST-EAST LEASE TERMINATION.

Executive Director Jack Crider explained, despite efforts by both parties, it has become necessary to terminate the lease of West-East Demolition. The project location proved to be a challenge; environmental issues have not been resolved. They may have a new location. West-East has been given until May 27th to vacate. The Port continues to hold their deposit. They have been honorable about it. Some discussion followed.

PUBLIC COMMENT.

Lori Durham, 298 Atlantic, Astoria – reiterated that she and Ted Thomas have heard Ken Leahy state the proposed Energy Farm at Bradwood would be used for an export facility. Chairman Holcom responded an export facility is not bad – the Port of Astoria is an export facility.

OTHER BUSINESS.

Commissioner Hunsinger reported he attended a Salmon Advisory Meeting. In response to an earlier request to educate public about sea lions he responded they are "predators on the Columbia River". They are destroying the Sturgeon and King Salmon fisheries.

There being no further business, the Special Meeting was adjourned.