



**MEETING MINUTES  
JUNE 21, 2023**

**PORT OF ASTORIA**  
FINANCE ADVISORY COMMITTEE MEETING  
PIER ONE BUILDING  
#10 PIER 1, SUITE 209  
ASTORIA, OR 97103

**Call to Order:**

The meeting was called to order at 12:07 PM by John Lansing, Finance Committee Chairman.

**Roll Call:**

**Committee Members Present:** John Lansing; Cliff Fick; David Oser; and Finance, HR & Business Services Manager Melanie Howard. Commissioner James Campbell and Mindy Landwehr were not present for this meeting.

**Commissioners Present:** Dirk Rohne; Robert Stevens; and Frank Spence. Scott McClaine was not present for this meeting.

**Staff Present:** Deputy Director Matt McGrath.

**Also Attending:** Grant Writer Shane Jensen.

Lansing opens the meeting by inquiring if any of the committee members have additional topics to address. Chairman Lansing thanks Finance, HR, and Business Services Manager Melanie Howard for the report included in the meeting packet.

**Grant Update – Shane Jensen**

Port Grant Writer Shane Jensen discusses the following grant updates:

- The Port submitted the Port Infrastructure Development Grant (PIDP) in April for the rehabilitation of Pier 2 West. The request was for approximately \$25,000,000 and has yet to be awarded.
- A grant was submitted under the Rebuilding American Infrastructure with Sustainability and Equity grant program (RAISE), in February of this year, for roughly \$25,000,000; it has yet to be announced. Jensen adds that the PIDP and RAISE grant programs both administered under the Oregon Department of Transportation.
- The Port may be submitting a request for the Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) grant in August. This grant is administered under the Federal Highway Administration.
- Smaller direct requests for Pier 2 West preconstruction expenses have been made to the Oregon State Legislature through Senator Weber and Representative Javadi's office. A direct spending request was also submitted to Senator Merkley, Senator Wyden, and Representative Bonamici's offices.
- David Oser inquires if the Port can move forward without the pre-development grant money and do the grants need to be coordinated to be used. Jensen explains that earmark requests are often solicited at the last minute. The requests are crafted within the restraints of the programs; receiving smaller grant requests would reduce the amount needed through the RAISE or PIDP grant.
- Deputy Director Matt McGrath comments that at last night's Port Commission meeting the Commission approved a Business Oregon grant award in the amount of \$617,000 for pre-construction costs for the Pier 2 West rehabilitation. This morning Executive Director Isom

received a call from Melanie Olson with Business Oregon with news that Business Oregon can now fund \$1,200,000 with the caveat that the agreement will need to be adopted before the end of the 2023 fiscal year. McGrath adds that the Port is looking to combine the Pier 2 West rehabilitation and Area of Contamination (AOC) 4 cleanup projects. The Port has submitted a Technical Assistance grant through Business Oregon. This is to push the establishment of a mitigation bank on the Skipanon Peninsula. It allows the establishment of a bank for the usage of the Port as well as potentially other entities in the area. McGrath adds that Port has been given \$25,000 from Northwest Oregon Works for the Boatyard Master Plan. Business Oregon has also promised \$60,000 to help fund the Boatyard Master Plan.

- Jensen continues, projects under the Port security grant are underway. The Port is soliciting bids for various small projects, including new security cameras.
- Lansing inquires as to the status of the Airport Master Plan. McGrath answers that McGrath met with the Seaside airport staff recently and will be attending their advisory meetings in the future. McGrath has received input from Warrenton and Seaside. The Port has hosted two advisory committee meetings and an open house.

The committee thanks Jensen for his presentation. For the complete discussion, please see meeting audio.

#### **Update on Zoning Changes with the City of Astoria – Matt McGrath**

Deputy Director McGrath explains that the Waterfront Master Plan was finalized last year with planning consultants Walker Macy. One item that was left outstanding was the zoning code amendments by the City of Astoria. Due to the different overlay districts, planning consultant Walker Macy drafted code amendments to be more practical. The Port and City came to an agreement at the end of last year on what amendments were going to be proposed. Astoria Community Development Director Meg Leatherman was going to be working through the amendments at the end of last year and the beginning of this year. Since that time, Leatherman left her position with the City. Now there is a re-education period where the Port is trying to inform current City staff of what the agreement was and what the understanding was at the end of last year. A new consultant was brought in by the City after the City and the Port of Astoria had worked on the zoning language with Walker Macy. Isom has been working with City staff intensely to understand why the zoning language has been changed without the Port's input. Isom and McGrath will be meeting with City staff next week.

- Commissioner Rohne notes that the City Manager and several City Councilors, and planning staff have changed. Some City staff have taken liberties and made adjustments to what was agreed upon in the first place.
- Commissioner Stevens comments that the plan was not made in a vacuum. It was a long process of studying issues and taking public input; roughly 140 community members commented on the Waterfront Master Plan.
- The City of Astoria Planning Commission will be meeting next Tuesday at 5:30 pm.
- Postelwait inquires what the next step is for the Port if the zoning amendments are approved. McGrath answers that the new hotel will be the first project to look at. McGrath would like to issue a Request for Proposal by the end of the calendar year for prospective developers.

#### **Update on audit FY 22-23 – Melanie Howard**

Finance, HR & Business Services Manager Melanie Howard gives an update for the FY 2022-23 audit.

- The fiscal year will end on June 30<sup>th</sup>. The interim audit with our audit firm Talbot, Korvola, & Warwick (TKW) will be the first week of August this year. This year the schedule will be different to account for Howard's maternity leave; the auditors will have a first final audit in September and return at the end of the calendar year for the final audit.
- Last year, there was a new requirement from the Governmental Accounting Standards Board (GASB), called GASB 87. This change was complicated and had to do with accounting for receivables from lease agreements and payables for our Department of State Lands (DSL) leases.

That took a lot of extra time, but the groundwork for that is laid. This year there's a new requirement, GASB 96. Fortunately, the port is not subject to that requirement. Howard inquires if there are any questions about the audit for this year. No questions were presented.

### **Cashflow Projections Report – Melanie Howard**

Finance, HR & Business Services Manager Melanie Howard refers to the Cashflows Summary on page two of the packet. The condensed summarized version is on page two and page three is the long-form version. Presentation highlights include:

- The cashflows detail report is structured with the March and April estimates that were presented at the last Finance Committee meeting in the first column. Next are actuals for the months of March and April. The last two columns are May and June, which are estimates for projected cash flows through the end of this fiscal year.
- Howard points out that the total debt service for the month of June is close to half a million dollars. Part of that is a quarterly payment for the Bornstein facility, which is reimbursed by the tenant. The first three items listed under debt service are payoffs for Business Oregon loans as part of the modified deferment agreement we had for this fiscal year. The good news is that the Port is paying off three loans, though this means there's a large cash outlay.
- Under the capital project section, you'll see that there was a lot of anticipated activity for March and April, but the actual activity was a lot less. That is mostly due to the way in which we compensate for cash flow by looking at the timing of large expenditures for capital projects. What we've done over the last couple of months is to try to stay in tune with this upcoming large expenditure and restrain some of our big spending items.
- For the June estimates, if you look at days cash on hand, which is a worst-case scenario projection for if we assume there's no revenue, how long can we support our regular operating expenditures? We're down to roughly 37 days for June, which is not ideal. We do expect that will unthrottle over the next few months.
- David Oser inquires if the Port has a benchmark in terms of cash reserves. Howard answers that the Port does not have a firm benchmark, but internally 45 days is the policy.
- David Oser inquires as to the adjustments to reconcile net income to cash listed under modifications on page three. Howard answers that the adjustments are mostly related to accounts receivable. This speaks to how difficult it is to anticipate cash flow when using an accrual profit and loss, recognizing income and expense when incurred rather than cash outflow and inflow. Cruise lines can take several months to pay invoices.
- Walt Postelwait notes that both in March and April, the actuals were short of the estimate on the revenue side, but so were expenses. Postelwait inquires as to what has caused the March and April actuals to be under the estimate and how much is related to cruise ships. Howard explains that the estimates are based on the budget. The activity levels for cruise ships are what was expected, though re-billed fees such as water and sewer can vary to a large extent. Non-cruise dockage activity for March was lower than what was expected. There are a lot of operational items that can be difficult to project. Cruise activity levels, most of the lease and rental income, and some of the bigger items were on par with what was anticipated and budgeted.

### **Confirm agenda for next meeting**

Lansing inquires if any committee members have any additional comments.

- Commissioner Rohne notes that he was not aware of the location of the tide gate issues at the airport.
- Commissioner Stevens notes that there are cycles in business when revenues catch up. A more difficult subject is staffing. The Port has a small, but capable staff. The danger is that when

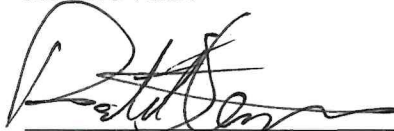
executives are focusing on daily forest fires, they will lose a little focus on the big picture. This is not a criticism, as the leadership team is doing an excellent job.

- Commissioner Spence thanks the Finance Committee for their work. Spence notes that he is proud that he has appointed the first permanent Finance Committee. The advantage of an outside professional Finance Committee is to receive input from stakeholders. The Port has come a long way since the Finance Committee was instituted in 2019.
- Cliff Flick inquires if the Marina has a waiting list for annual slips. McGrath answers that there are roughly 75 vessels on the list. Fick notes that this is unrealized revenue and expresses his disappointment in the state of the East Basin.
- Fick comments that in relation to cruise ships, there is a new market of west coast cruise ships that start earlier in the spring.
- David Oser notes that with each meeting, he is more optimistic for the Port. As activities ramp up there is concern that the Port may not be staffed appropriately.
- Walt Postelwait notes that the Finance Committee was formed to strategize for the future. Suggests for a conversation at the next Finance Committee meeting to discuss strategies with Salem. It will be well into 2025 before things are less volatile. In losing Senator Johnson, the Port lost a champion for the Port.
- Postelwait adds that as the Port progresses with the Waterfront Master Plan, the Finance Committee can be a tool to help the master plan succeed.

### **Adjourn**

Chairman Lansing adjourned the meeting at 1:36 PM.

### **APPROVED:**



Robert Stevens, Board Chairman  
Board of Commissioners

### **ATTEST:**



Tim Hill, Secretary  
Board of Commissioners

Respectfully submitted by:  
Stacy Bandy  
Executive Assistant/Administrative Coordinator

August 1, 2023

Date Approved by Commission