



**MEETING MINUTES
DECEMBER 14, 2022**

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 12:15 PM by John Lansing, Finance Committee Chairman.

Roll Call:

Committee Members Present: John Lansing; David Oser; Cliff Fick; Mindy Landwehr; Walt Postlewait; Commissioner Jim Campbell; and Finance, HR & Business Services Manager Melanie Howard.

Commissioners Present: Robert Stevens and Frank Spence*. Dirk Rohne and Scott McClaine were not present for this meeting. *Commissioner Spence joined the meeting at 12:30 pm.

Staff Present: Executive Director Will Isom.

Also Attending: Steve Kraske of the Budget Committee.

Chairman Lansing thanks the Finance Committee members for their efforts this year. The committee has done a good job listening, learning, and asking questions about how the Port, as an organization, addresses issues. Melanie Howard, Finance HR, & Business Services Manager, has done an exceptional job with financial reporting. Lansing comments that December is a time to build relationships with the new administration in Salem and newly elected officials at the city and county levels for the coming year.

Presentation of FY22 Operating Report – Melanie Howard

Finance, HR & Business Services Manager Melanie Howard discusses the Year End Summary Report. Howard prepared this report to focus on the financial performance and health of the Port. Presentation highlights include:

- Howard refers to the Reconciliation of Audited and Budgetary Statements on page five of the Year-End Summary report. The report explains that the information in the Audited Financial Statements varies slightly from the monthly Commission reports. The report reconciles the monthly Commission reports and the Audited Financial Statements.
- Mid-year financial reports are done on a modified accrual basis which accounts for the information to look different than the Audited Financial Statements.
- Committee member David Oser inquires as to the amount of unrestricted operating funds the Port has. Isom explains that in terms of restricted funds, most of the funds of the Port are operating funds. Internally the Port earmarks funds, but they are not restricted funds. Oser suggests adding information in the report to show which funds are earmarked to clarify available cash reserves.
- Howard continues to the Performance Summaries on page ten of the report. Revenues are up across all revenue centers except for Piers, which can be attributed to the Harbor Fee loss.
- Operating changes are broken out year-over-year. Howard notes that the Landside General's increased revenue is attributed to the Airport Industrial Park tenant, The Scoular Company. The graph on page 13 shows Property Revenue trends for the last four years.
- Page 14 shows the cruise dockage impact for the 2022 spring cruise ship season. Cruise ship income has increased \$451,000 year-over-year. Oser inquires if the Cruise agents have pushed back from

the bundled fee structure now in place. Isom explains that the cruise agents initiated a standardized rate several years ago so they would know what fees to expect. This has translated to increased revenues for the Port. Postlewait notes that the consumer appreciates having a set price for budgeting. Committee member Bill Young notes that the community relies on the Port cruise calendar to plan for their businesses, and the calendar is not reliable. Isom explains that Terminal & Customer Support Manager, Susan Transue, updates the calendar as soon as the Port is notified about a ship cancellation. The issue is that there has been a lot of uncertainty from the cruise lines, and there have been a lot of late cancellations. The Port is discussing a greater cancellation fee. Currently, there is no difference in penalty between canceling months out or days out; there is no financial incentive for the cruise lines to cancel early. Before COVID, cancellations were minimal and weather-related. The loss of revenue due to late cancellations has been tough for the Port and the community. The Port is discussing an increase to the cancellation fee in relation to the date of cancellation. Postlewait inquires what the industry standard is for cancellation policies; the Port should adopt policies to be in line with other Ports. Isom answers that there is nothing uniform for West Coast Port fee and cancellation policies. Postlewait suggests that Susan Transue have quarterly meetings with her counterparts at the Ports to discuss this issue.

- Marina income has increased \$24,000 year-over-year and boatyard income has increased by \$167,000 year-over-year.
- Oser notes that the unrestricted net position has declined by roughly three million dollars over the last three years and inquires if this is worrisome for the Port. Isom explains that the last several years have been a general contraction of the Port's revenues. As the Port moves forward, the groundwork has been made in terms of planning and streamlining processes. There will be a shift to a period of growth and increased revenues. Isom has spent a lot of time this past year laying the groundwork. The next phase will be actively and aggressively pursuing funding. The Port has assets across the board that are in need of investment, and maintaining infrastructure has been a considerable cost to the Port.
- Commissioner Campbell inquires as to the financial effect of The Scouler Company lease on the Airport Industrial Park. Howard explains that the base rent began at \$2,000.00 per month in 2021, increased to \$4,000.00 per month in 2022, and includes escalation and rate increases throughout the lease period.

Discuss RFP for development of East Mooring Basin

Executive Director Isom explains that the East Mooring Basin (EMB) is a unique asset. Isom has met with a number of groups interested in the development of the EMB. The Port has a lot of projects in progress, and Port leadership has spent considerable time laying the groundwork for things to come. Isom will be spending considerable time this year actively pursuing funding. Port grant writer, Shane Jensen, received feedback from Business Oregon that the Port needs to tell a story. The grant agencies are interested in how grant funding will affect the region. The Port must be clear in its priorities, and the top priority is Pier 2. Isom has concerns that it may not be the best time to move forward with the EMB. The Port has a responsibility to think of the community's long-term needs. Discussion highlights include:

- Commissioner Campbell notes that the breakwater was recently rebuilt by the Army Corps of Engineers.
- Committee member Lansing comments that the EMB is not being utilized and putting pressure on the federal government to show that the causeway could be a foundation for 1800 slips, many of which would be small businesses.
- Postlewait comments that Isom and his leadership team have done a phenomenal job in the past several years. Postlewait suggests that the Port articulate what we are looking for and to look for a public-private partnership. Postlewait suggests an ad hoc committee to figure out what the needs of the community are and build an RFP around those needs.

- Isom comments that last week he met with Jim Maul, previously of the engineering firm Maul Foster & Alongi, and discussed grant opportunities. Environmental effects and job creation are two major aspects granting agencies consider. Isom and Maul discussed the idea of packaging infrastructure needs for one large grant request.
- Fick inquires how the EMB is generating lease revenue. Isom explains that the income is generated from Waterfront East and not specifically the East Mooring Basin, which includes the Riverwalk Inn.
- Commissioner Stevens suggests that the Finance Committee add cargo opportunities for the Port to the next meeting agenda.

Adjourn

Agenda items five through seven will be discussed at the next Finance Committee Meeting. Chairman Lansing adjourned the meeting at 1:47 PM.

APPROVED:

Dirk Rohne, Board Chairman
Board of Commissioners

ATTEST:

Frank Spence, Secretary
Board of Commissioners

Respectfully submitted by:
Stacy Bandy
Executive Assistant/Administrative Coordinator

February 7, 2023
Date Approved by Commission