



**MEETING MINUTES
MARCH 15, 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 PM by John Lansing, Finance Committee Chairman.

Roll Call:

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

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

Staff Present: Executive Director Will Isom and Deputy Director Matt McGrath.

Also Attending: Grant Writer Shane Jensen and Ethan Myers of *The Astorian*.

Chairman John Lansing opens the meeting by inquiring if any of the committee members have additional topics to address. Committee members have no additional agenda items. Chairman Lansing thanks Finance, HR, and Business Services Manager Melanie Howard for the report included in the meeting packet.

Cashflow Projections Report

Finance, HR & Business Services Manager Melanie Howard explains that she has provided each committee member with an updated Cashflow Summary report along with the packet materials. Howard comments that the Port budget and financials are built on an accrual basis of accounting; revenues are recognized when income is earned, and expenses are recognized systematically and rationally. Howard explains, for example, that insurance is paid annually, but the expense is amortized monthly. Howard refers to the Cashflows detail on page two of the updated Cashflow Summary report; the detail report shows the balance forward for March and estimates for the months of April, May, and June. Howard explains that there are a lot of unknown factors when we look at capital projects; it is difficult to estimate the timing of cash outflows. Discussion highlights include:

- The finance department is working on Harbor Fee repayments. Howard notes that most of the repayments were paid out at the beginning of the fiscal year, but there is one remaining company that is still in process.
- David Oser inquires if the Port has a policy in place regarding having cash on hand to operate for a set number of days. Howard replies that no, the Port does not have a policy in place.
- Oser suggests using comparative reports to see how accurate the cashflow estimates are. Howard inquires if the committee would like to see these reports at each quarterly meeting. Oser answers that yes, it would be beneficial for the committee.
- Executive Director Isom comments that when he started at the Port in 2015, the Port was in a position where there was no cash on hand, and lines of credit were needed to operate. The Port auditor at the time, Moss Adams, presented a report to the Commission concerning operating cash reserves. The recommendation was to keep 60 days of cash reserves. There was a recognition

of the seasonality of Port businesses. Isom adds that the calendar year begins with large payments for insurance and capital project expenses, and from a revenue perspective, this is when revenues are lowest; it is typical for the Port to have the lowest cash balance in March. Most of the Port's operating revenue is generated in the spring and summer months.

- Commissioner Campbell inquires if the Port can utilize a line of credit. Isom answers that when he started at the Port in 2015, the Port was using a line of credit as cash reserves were low. Since that time, the line of credit was closed since it was no longer needed, and there was an expense to keep the line open.
- Commissioner Stevens notes that there is a balancing act. Governmental agencies may not think we need funds if cash reserves are too high.

Grant Update – Shane Jensen

Port Grant Writer Shane Jensen discusses the following grant updates:

- The Federal Aviation Administration (FAA) has announced that they have completed their development addendum. The addendum will provide roughly \$32,000 for the airport wastewater system project that was completed last year. The funds are expected in the next couple of months.
- The Port submitted a Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant in February for Pier 2 West rehabilitation. The Port will also submit a grant application for the Port Infrastructure Development Grant (PIDP) grant in April. These grants are administered by the Maritime Administration.
- Direct appropriations requests have been made to Senator Suzanne Weber and Representative Cyrus Javadi. Jensen has been in contact with Katy Pritchard at Senator Weber's office.
- This year, federal legislators have also entertained direct appropriations requests. The Port has submitted a Congressionally Directing Spending Request to Senators Wyden and Merkley. This request was in the amount of three million dollars for pre-construction activities, including design and engineering for the Pier 2 West rehabilitation.
- A Community Project Funding Request will be sent to Representative Bonamici today for Pier 2 West; this request is also for 3 million dollars for preconstruction activities. Jensen notes that the dollar amount of the requests was suggested by Special Districts Association of Oregon (SDAO) federal lobbyist Ray Bucheger.
- The Pier 2 West outreach brochure is complete. The brochure was distributed with the Port's fall newsletter, as well as to state and federal representatives. The brochure highlights the value of Pier 2 West operations based on the economic impact analysis conducted by Johnson Economics.
- Port Security Grant projects are underway. The Cyber Security improvement project Invitation to Bid has gone out and bids will be received by the end of the month.
- A small shipyard grant was submitted several months ago through the MARAD grant program. This request was in the amount of \$800,00 for a new 150-ton lift for the boatyard. This grant is a 75% matching grant.
- The T-hangar fence project is complete. The project has been closed successfully with the Oregon Department of Aviation.

Jensen asks the Finance Committee members if they have any questions.

- Committee member Lansing inquires what Johnson Economics is. Jensen explains that they are consultants who conduct economic impact studies based on specific business operations. For example, the report on Pier 2 West indicates how much direct, indirect, and induced economic output the fish processors on Pier 2 produce.
- David Oser inquires if the legislators understand the importance of the Port's geographic location and suggests that Isom and McGrath make that point known during their time in Washington DC.

- Commissioner Rohne comments that the Port's priority was to put its house in order and now the Port is in a position to go to Washington and tell our story. The Port has approved plans, complete economic analysis, and support from government officials.
- Commissioner Campbell notes the importance of the Port's deep-water terminal. If there was a national disaster, there would be a devastating effect on the supply chain.
- Commissioner Stevens notes that there is a big need for a small boatyard in this area. Hyak's operations are suited for larger vessel operations; there is not much competition with Hyak.

The discussion continues involving the Port's greatest needs and how best to allocate resources. For the complete discussion, please see meeting audio.

Update on Real Estate Agent/Potential Tenants

Executive Director Isom explains that the Finance Committee originally sent a formal recommendation to the Commission regarding leasing or sale of underutilized properties. The recommendation was broadened to solicit a professional commercial real estate firm to assist the Port in the process of evaluating properties. The first step will be to perform a market analysis on certain properties and identify if infrastructure improvements are needed. Popkin real estate was selected as the real estate firm to move forward with. Isom and Terminal & Customer Support manager, Susan Transue, met with Mark Popkin and David Koller. They had a strong grasp of Port properties and are very interested in this project. Popkin is currently working on a market analysis of the identified Warrenton Port properties. Isom notes that it is encouraging to see this process move forward with Popkin.

Pier 2 West Project Update

Deputy Director McGrath gives a brief update on the status of the Pier 2 West Project. The Construction Manager/General Contractor contract is being finalized with Bergerson Construction. After the contract is finalized, McGrath will be meeting with tenants to discuss the project and discuss how to best phase the project for tenant operations. Isom and McGrath met with Executive Director of Business Oregon, Sophorn Cheang, and regional representative, Melanie Olson, recently and they have been very supportive. Business Oregon has tentatively agreed to contribute \$1.2 million dollars to help fund planning and permitting for the project. McGrath notes that in developing properties, most growth is not from new tenants, but from supporting existing tenants to expand. McGrath adds that operations on Pier 2 West are an economic driver for the Port and the region. Isom notes that a point of focus is to take decision makers to see the state of Pier 2. Over the last eight months, Isom and McGrath have taken representatives from the offices of Senator Wyden, Senator Merkley, Senator Weber, Representative Bonamici, and members of the Regional Solutions Team to walk over the steel plates and see the deterioration of Pier 2.

Adjourn

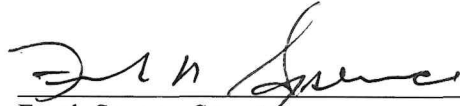
Chair Lansing inquires if there are any additional questions or comments. Commissioner Rohne thanks the committee members for their input. Commissioner Stevens agrees and comments that as the Port moves forward with the Astoria Waterfront Master Plan, Pier 1 should be kept in mind for cargo operations. Commissioner Spence comments that Isom and McGrath have good relationships with the local offices of Oregon legislators, and it will be valuable to meet their staff in Washington DC. Chair Lansing adjourned the meeting at 1:40pm.

APPROVED:



Dirk Rohne, Board Chairman
Board of Commissioners

ATTEST:



Frank Spence, Secretary
Board of Commissioners

Respectfully submitted by:
Stacy Bandy
Executive Assistant/Administrative Coordinator

May 2, 2023
Date Approved by Commission