

MINUTES
PORT OF ASTORIA WORKSHOP
APRIL 14, 2008
PORT COMMISSION CHAMBERS

Chairman Dan Hess called the Workshop Session to order and took roll call.

Commissioners present: Dan Hess, Kathy Sanders, Bill Hunsinger and Larry Pfund.

Staff present: Ron Larsen, Rita Fahrney, Colleen Browne, Lora Eddy, Harold Culver, Ken Smith.

Others present: Mike and Marian Soderberg, Cassandra Profita, Don McDaniel, Pam Hunsinger, Andy Bornstein, Bruce Conner, Lori Durham.

PRESENTATION – BRUCE CONNER, SEATRADE. Due to technical difficulties, the on-screen presentation will be deferred. Mr. Conner will give a report later on recent cruise marketing activities.

STAFF REPORTS:

Colleen Browne finance manager, reported the following:

- Cash flow is getting tight. Cruise ship income will bring relief. She has had to use Line of Credit funds.
- The Audit has been deferred due to tax season commitments. A draft is expected by the end of April.
- She and Tom Imdieke are beginning work on the upcoming budget process.

Harold Culver, maintenance supervisor, reported the following:

- Employees are working with marina staff to tear up and remove carpeting and other debris in the Chinook building
- Work is underway to upgrade an additional gangway for cruise ships.
- At the airport mowing, clearing brush and ditches and areas around the fence are in progress.

Commissioner Hunsinger stated he and Commissioner Pfund recently toured the airport and he questioned why staff is doing the mowing and clearing of brush, etc during the winter and why the Kobelco, purchased for airport clearing, has not been used. Ron Larsen explained until the fencing was complete there was no need for the Kobelco. Additionally, now is the first time a maintenance employee has been freed up to work at the airport. Discussion followed about scheduling for airport maintenance.

Rita Fahrney, terminal and administrative services manager, reported the following:

- The Rose Festival fleet will arrive in June. She has secured a few spots for commission members if they are interested in riding up to Portland on one of the ships.
- The inaugural call of the cruise ship NORWEGIAN PEARL will be by May 1st. Commissioners were polled for their availability to attend.
- Seaside City Hall dates available for a Port Commission meeting were reviewed. It was decided to hold a meeting in Seaside on May 27th.
- Provided a brief update on the status of a claim filed by a former employee regarding Port-paid medical benefits upon "retirement".

Bruce Conner, cruise ship marketing, reported the following:

- He met with many cruise line executives while at the SeaTrade Cruise Ship Conference in Florida. A slide show of SeaTrade will be shown to the Commission at a later meeting.
- The market area for shore excursions is expanding. He was excited to report the City of Long Beach, Washington sent a representative to SeaTrade this year.
- New shore excursions being planned are: An "Ale Trail", "Scrap Book" excursion, "Sights and Sounds of Seaside". He briefly explained the concepts for the excursions.
- A soccer match is being put together between the crew of the C/S MERCURY and local high school soccer players. It is planned for the cruise ship visit on April 22nd. The crew of the ship are calling themselves the "X-Stars". They will play against the Astoria Fighting Fishermen.
- An art contest is underway. Students of different ages have been invited to submit a picture of the MERCURY. Winners will be honored with a tour and lunch aboard the MERCURY when it docks in Astoria April 30th.
- The 2009 cruise ship schedule is now up to 12 calls.
- Conner pointed out Clatsop Cruise Host President, Marian Soderberg, in the audience and her husband and thanked them for their excellent volunteer work. A round of applause followed. Mrs. Soderberg reported a new service has been added for crews of cruise ships. The Senior Center in Astoria is providing, at a low cost, a shuttle for crew to go to the Fred Meyer, Costco, Ross complex in Warrenton. Reports from businesses state the service provided is successful and crew members are purchasing I-Pods, computers, watches, candy by the bags full, etc.
- Brief discussion followed on efforts to secure additional buses and grant seeking progress.

- Ron Larsen reported on discussions with the Bar Pilots about future needs for cruise ship mooring lines.

John Hord, chief of security reported the following:

- June 21st there will be a fire exercise at the Port that will simulate a ship fire for local emergency coordination experience. This effort will also serve as Coast Guard mandated yearly exercises for security staff attending to cruise ships.
- The Eagle, a Coast Guard training vessel, will dock at the Port in June due to space not available at the 16th Street city docks.
- He is working with staff on a striping and parking plan for port properties at the piers.

Lora Eddy, environmental compliance officer, reported the following:

- Continuing with projects previously discussed at meetings. She is compiling dredge samplings and records and records for annual reporting due in September.
- She completed audit of port storm-water plans and is submitting applications for fill at the Airport Industrial Park and dock repair.
- Attended the Corps of Engineers recent meeting regarding general maintenance dredging and their deepening of the river, informative presentation.
- A third set of storm-water samples has been obtained as required.

Commissioner Hunsinger stated he has questions regarding dredging issues. He reported the lease with Englund Marine calls for the port to maintain depths at their dock area on pier three. This has not been done and he questioned why. Lora Eddy responded staff worked very hard to secure dredging authorization to cover Englund's area as well as other needed areas. As known, the authorization for additional dredging area approval came late in the season and the Port was only able to obtain a 10-day extension. Discussions with Ron Larsen, the dredging crew and her resulted in prioritizing where to dredge due to limited time. Due to time constraints, staff decided to dredge the MSRC berth area and the haul-out area. Commissioner Hunsinger questioned Lora's report regarding timeline and events of this past dredge season, application process and permit timeline for the port docks. Lora responded this is a public meeting and is not an appropriate stage for discussing her performance, the commission had been provided the timeline for new authorization at several meetings. She mentioned her willingness to educate and explain the dredge permitting process, but she was tired of re-addressing this issue time after time when the Port now has a new permit valid for five years with the authorization to dispose of material in the flow-lane. The focus now should be on West and East Basin dredging issues. Commissioner Hunsinger mentioned he and Commissioner Pfund had knowledge of a possibility to have received authorization sooner and had been speaking with

Cathy Tortorici of NOAA. Chairman Hess stated the discussion is over and if there is a personnel issue, it should be addressed in an Executive Session.

Commissioner Hunsinger requested an Executive Session to discuss with attorney Eric Laschever the possibility of having the dredging violation fine reduced from \$200,000. Ron Larsen noted the attorney had already been allowed to reduce the fine from \$500,000 to the current \$200,000. Larsen will talk to the attorney.

Commissioner Hunsinger lead discussion on the Area-Wide Contamination expenses incurred over the past five years. Larsen explained the largest payments are made to the D.E.Q. and Tom Calabrese, with EnviroLogistics. He stated he usually participates in the discussions via conference calls. The contamination issues are nearing final solution. Area-wide contamination and the dredge violation have been the Port's two largest expenses.

Ken Smith, marina manager, reported the following:

- At the East Basin, sea lions continue to be an issue. A company doing a sea lion study of habitats has completed a report they will forward to the Port. Working with a company that is doing sonar, low voltage deterrent to sea lions.
- Work is underway clearing out carpet and debris from the conference center portion of the Red Lion. Commissioner Hunsinger stated there is a lot of good building remaining there and he has spoken with parties interested in acquiring the building. At this time there is no reason to tear the building down. A new roof on the building would bring more interest also. Ken Smith noted the newly-refurbished "Red Building" and conference center used the same type of construction, very sturdy. Commissioner Sanders stated the strategic planning process, looking towards the future, will bring decisions on the outcome of the building. Ron Larsen stated if the commission decision is to keep the building, staff needs direction as soon as possible to continue maintenance on the building. Sanders suggested getting prices on temporary fixes to the building to enable more time for long-term planning purposes.
- The boat-yard storage area is in need of more stands and more electrical hook-up capability.

Ron Larsen, acting director, reported the following:

- FEMA payments received for storm repairs.
- Updated status of repairs on pier two roof.
- The Port of Astoria has placed first and second for grant fund priorities in region 2, for ConnectOregon, by the Oregon Area Commission on Transportation. The number one priority is the Port's request to upgrade the face of pier two dock. Number two is the Port's joint request with the City of Newport to bring air service to the coast.

- Tidewater Barge Line has presented a \$10,250 offer for damage sustained to pier two face by their barge/tug. Staff believes more damage was done by their barge and will make a counter-offer.
- Tim Hill, J & H Boatworks, will make a presentation on his plans to the board at their regular meeting.
- A Request For Proposals to repair Lektro's roof came in higher than funds available. The job is being re-evaluated to try to bring the cost down.
- Reminded board members their Statements of Economic Interest need to be returned by April 15th.
- A letter of support for the Warrenton Trails Association's Transportation Enhancement Application program will be presented for consideration at the regular meeting.
- A resolution of support for NOAA relocation is also placed on the agenda for the regular meeting.
- The Chamber Seafood and Crab Festival will again utilize parking at the Port for this year's event.
- A resolution to adopt the Airport Master Plan/Layout Plan is on the agenda for consideration. Commissioner Sanders stated she would like to have a briefing on the plan prior to approval. Other board members concurred.

A short recess was held, and the workshop reconvened.

CONDUCT COMMISSION CANDIDATE INTERVIEWS.

Interviews were conducted with commission candidates using a prepared list of questions. The following candidates were interviewed: John Dunzer, David Graves, Chris Connaway, Ed Niemi and John Veenendaal. James Stroup, also a candidate, was not interviewed.

Following commission-candidate interviews, the Workshop Session was adjourned.