



**MEETING MINUTES  
MARCH 24, 2021**

**PORT OF ASTORIA**

**FINANCE ADVISORY COMMITTEE MEETING**

Meeting held via videoconference due to social distancing measures

**Call to Order:**

The meeting was called to order at 1:02 PM by John Lansing, Finance Committee Chairman.

**Roll Call:**

Committee Members Present: John Lansing; Walt Postlewait, David Oser, Mindy Landwehr; Commissioner Jim Campbell; and Port Staff Accountant Melanie Wiegardt. Citizen member Cliff Fick was not present for this meeting.

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

Staff Present: Deputy Director Matt McGrath; Finance & HR Manager Jim Grey; and Administrative Services Manager Ella Marion.

Also Attending: Ed Stratton of *The Astorian*.

Chairman Lansing began the meeting by thanking staff for the information that they put together for this meeting packet. Staff Accountant Melanie Wiegardt acknowledged the contributions of the finance committee. The updated capital expense report received positive feedback from the Commission. Staff has implemented the accrual of rebilled utilities. These meetings are productive and helpful.

**Marina Market Comparisons**

This report was generated in response to the committee's inquiry regarding the profitability of the marina compared to other marinas in the area. It was difficult to compare apples to apples, so Wiegardt compared profitability per slip. She compared Astoria's profitability to those of Ilwaco, Warrenton, and Hammond. For net operating income per slip, Astoria's \$912 is well above the average of \$556. Astoria's gross income per slip of \$1326 per slip is above the average of \$945.

Wiegardt also compared Astoria's income and expenses to Ilwaco's. David Oser had previously questioned if the Port was allocating personnel costs accurately. Wiegardt spoke with Finance & HR Manager Jim Grey, who confirmed that he was allocating marina employee hours into the personnel expense for the marina. The personnel costs in the chart excludes administrative overhead, but Wiegardt stated that the Port of Ilwaco most likely excludes it as well. Oser stated that the inclusion of administrative overhead is important for management decision-making, so the Port might want to consider including it in the future.

Postlewait commented that he felt that the Port was doing well on the revenue side, but expenses look heavy. When the Port is compared to Ilwaco that has twice as many slips, the Port has more personnel and materials & services costs. Postlewait suggested that the Port look at the expense side because one would think that more slips would mean more personnel and materials & services costs, but the opposite is true in this scenario. Wiegardt commented that the Port of Ilwaco is not an ILWU member, so that would affect personnel costs. McGrath commented that the Port has accumulated some deferred maintenance, and the Port is currently spending money on its infrastructure where Ilwaco may not.

Wiegardt also presented data regarding marina rates. In comparison to other northwest ports for 30ft vessels, Astoria was only \$0.27 over the average for daily rates and \$6.35 over the average for monthly rates. For annual rates, Astoria was \$245 over the average. Postlewait questioned how Astoria's gross income per slip was so much higher than Warrenton and Hammond's gross income per slip when their rates do not seem to be too far off. He wonders if it is only because they are not at full occupancy. Wiegardt did not have specific occupancy information for the other marinas, but did comment that \$102K of Hammond's \$133K in moorage income was for annual moorage. Postlewait agreed that from visual observation, it does appear that Hammond and Warrenton marinas tend to be more seasonal.

Oser also commented that the Port needs to identify where it is most profitable among the three products—daily, monthly, or annual moorage—and if pricing needs to be adjusted for the high demand products. Deputy Director McGrath commented that the waiting list separates out boat sizes, and it seems to be evenly spaced for 30ft, 40ft, 50ft, and 60ft vessels. He plans to increase prices over the next three years to reduce the waiting list to about 10% of marina capacity. The current wait list is approximately 25%. Staff will be working on this in the next month, and will be presenting it to the Commission for approval.

Oser asked if seasonality affected this reporting, considering that Ilwaco is an ocean port and that Astoria is a river port. McGrath advised that Astoria does have a lot of annual moorages. He commented that the average income per slip data is affected by the fact that the Port has to keep 20 slips open for guest moorage year round. Those slips are full during the summer, but are fairly empty during the winter months. McGrath also advised that G-dock was previously unusable until the recent dredging. He anticipates that occupancy and average income will increase as Marina Manager Janice Burke can fill those slips.

### **Breakdown of Airport Fuel Consumers**

At the last meeting, the committee asked about the Port's reliance on military and Life Flight fuel sales at the airport. Wiegardt pulled data from the last five years. Military and Life Flight fuel sales were approximately 30% of total fuel sales in the last year. There has been a small increase in military fuel sales over the last five years, but there is still a diverse portfolio of customers.

### **Reconciliation of Internal Financial Reports with Audited Financial Statements**

At the last meeting, the committee asked how internal financial reports compared to the audited financial statements. Wiegardt prepared a reconciliation to show the adjustments that were made between the 6/29/20 Commission Report to the Actuals per the Audited Statement. She pointed out the big items, which included some grant and capital outlay transactions for airport projects.

Oser asked if there was confusion from the Commissioners or general public when there is a large variance between the monthly reports and the audited statements. Wiegardt commented that the biggest changes were the \$1M in grants and the \$700 in capital outlay. She explained that the airport projects usually occur during the summer. Staff works hard to put capital expense and the matching grant revenue in the correct fiscal year, but there are delays with billing and grant funding associated with these large airport projects. If the monthly report were delayed, the estimate would have been closer to the audited statement. Commissioner Stevens stated that the variance did not create an issue or confusion for him. Wiegardt advised that this report is presented as an estimate, but that staff could update the Commission and public as major adjustments are made prior to the release of the audited financial statements in September.

### **Updated Capital Expense Report for Monthly Commission Meetings**

Wiegardt shared the updated capital expense reporting that is distributed at Commission meetings. The enhanced reporting includes information about grant funding. Additional reporting details prioritization of the projects in progress, and separates completed, deferred, and unbudgeted but Commission-approved projects. Oser asked how the Port is planning to pay for the unbudgeted projects. Wiegardt advised that staff keeps an eye on the budget and rebalances project priorities. Lower priority budgeted projects are

deferred to accommodate unbudgeted projects that have been prioritized. Postlewait commented that this reporting is very well done. Oser agreed that this reporting will be important as the Capital Facilities Plan is implemented.

### **Capital Facilities Plan Presentation**

McGrath advised that the Capital Facilities Plan was completed at the request of Business Oregon in order to approve the Port's Strategic Business Plan. He has been working on this plan for the last year with Grants Consultant Shane Jensen, Staff Accountant Wiegardt, and a RARE intern. It is a narrative of the projects that need to be addressed in the immediate, short-, medium-, and long- term across all properties. The CFP is a living document. Some listed projects may not be done, and there may be other projects that may be completed that are not on this current list. For example, the inflow & infiltration project at the airport was not on the radar last year, and it became a high priority project this year. McGrath advised that the CFP is a list of all the needed projects that he has observed over the years. The projects were then prioritized based on safety concerns, environmental concerns, deferred maintenance issues, and the ability to generate revenue. There is a wide array of projects, across all properties that vary in size. This plan was completed so that the Port could be eligible for funding opportunities available through Business Oregon. Postlewait praised McGrath for the final product. Oser commented the Port needs to communicate its successes to the community as progress is made on these projects. McGrath advised that staff is working harder on marketing. He acknowledges that it will be important on the grants side.

### **Update on Recent and Upcoming Lease Activity**

McGrath advised that many of the Port's large leases are long-term, and it is difficult to renegotiate contracts unless there are benefits for both parties. Some recent lease activity included the following:

- Astoria Pacific Seafoods – The lease was scheduled to renew in 2026 and was favorable to the tenant. The Port was responsible for maintenance and their lease rates were below market. McGrath spoke with Andrew Bornstein about the upcoming rate increase in 2026, and they were able to renegotiate the lease this year. Instead of a large increase in 2026, APS will have an annual 9% rent increase for the next ten years. APS was also able to include some additional dock space in the new lease.
- United Parcel Service (UPS) – Their initial lease expired, and the tenant was going to be responsible for a market analysis to determine the rent for the lease extension. The market analysis was going to cost \$10K, but UPS opted to accept the Port's requested increased rent amount, which tripled their rent.
- Airport Hangars – Hangar rents at the airport were recently increased. Rent had not been increased for almost 10 years.

Postlewait stated that he is happy to see that there is movement on these long-term leases. He acknowledges that the Port does not have a position of strength at the start of the larger leases, but he sees that staff is working to negotiate good lease terms that benefit both parties when given the opportunity at lease renewals/extensions.

### **Finance Committee General Discussion & Long-Term Goals**

- Postlewait restated his confidence in Port leadership and staff.
- Oser stated he realized that the finance committee should not take the role of the budget committee, but he would like clarification on how the finance committee can support or coordinate with the budget committee.
- Oser thinks that the finance committee could be helpful in looking at how the major projects play out in funding and budgeting, and how the projects affect the Port in the long-term. He realizes that the Port might not need a finance advisory committee for forever, and that would be determined by the Commission. He states that the committee was founded to help the Port at a pretty low point. The committee needs to prove useful for it to continue.

- Commissioner Spence stated that he hopes that the finance committee does continue, as he sees it as the watchdog of the administration. He is optimistic and enthusiastic about his next four years as a Commissioner since there are many large projects happening at the Port – the Scouler project at the airport, new Enterprise Zone businesses, the Waterfront Master Plan with the City of Astoria, etc.

**Confirm an Agenda for Next Meeting**

- Wiegardt advised that she put together a supplemental report last year with the budget. She would like to present this supplemental report to the committee at the next meeting in June, and get feedback so she can improve the process for the following budget cycle.

Chairman Lansing and Deputy Director McGrath offered a final opportunity for additional questions or comments. Postlewait asked some general questions about the upcoming budget committee and season. There were no additional questions or comments.

**Adjourn**

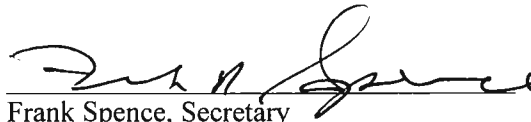
Deputy Director McGrath adjourned the meeting at 2:02PM.

**APPROVED:**



Dirk Rohne, Board Chairman  
Board of Commissioners

**ATTEST:**



Frank Spence, Secretary  
Board of Commissioners

Respectfully submitted by:  
Ella Mae C. Marion  
Administrative Services Manager

April 6, 2021

Date Approved by Commission