



**MEETING MINUTES
MARCH 16, 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 12:07 pm by John Lansing, Finance Committee Chairman.

Roll Call:

Committee Members Present: John Lansing; David Oser; Walt Postlewait; Commissioner Jim Campbell; and Port Accounting & Business Services Manager Melanie Howard. Citizen members Cliff Fick and Mindy Landwehr were not present for this meeting.

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

Staff Present: Executive Director Will Isom; Deputy Director Matt McGrath; Finance & HR Manager Jim Grey; and Executive Assistant/Administrative Coordinator Stacy Bandy.

Also Attending: Ethan Myers of *The Astorian*

**Commissioner Spence attended via teleconference*

Chairman Lansing welcomed the Finance Committee members to the meeting. Lansing notes how nice it is to have this meeting in person.

Staff update on Budget Timeline - Melanie Howard:

Accounting and Business Services Manager, Melanie Howard, refers to the budget calendar in the packet and explains that the budget calendar has been moved up this year; the first Budget Committee Meetings will begin at the beginning of May. The budget will then be presented to the Commission at the June 7th meeting. Howard asked the committee if they have input or suggestions as to methods of preparing the budget or estimating revenues and expenditures. Howard stated that the Port's revenues are not fixed, unlike typical governmental budgets.

- Chairman Lansing appreciates the method Howard used to prepare budget materials last year. The data paints a picture that is easy to follow.
- Budget Committee Chair, Walt Postlewait, suggests that additional information around the cruise industry at the Port would be beneficial.
- David Oser notes that it's important to not lose sight of what the budget is, which is a tool for management to run the organization.
- Executive Director Isom explains that he would like the state to have a special category for Special Districts with a modified budget process. Typically in governmental budgeting, resources are fixed; the Port is different in that the Port operates more like a business.
- Isom notes that the Port has several cruise ships scheduled to arrive in April. This data will be beneficial when staff meets in May to discuss the budget. The Port has not had a passenger-carrying cruise ship since 2019.

- Lansing explains that it would be helpful for the public to understand Isom's thought process relative to where the Port has come from during the pandemic. Lansing continues that information relative to inflation and increased fuel prices will be helpful for the public to understand how these factors affect the Port's vision.
- Lansing asks if the Budget Committee has its full contingency of members. Howard answers that there is a vacancy on the committee, and the Port has posted information on social media and the Port website. Howard continues that the local papers have also published the vacancy.

Update on Waterfront Master Plan – Will Isom:

Isom explains that the final draft of the Astoria Waterfront Master Plan (AWMP) was presented to the Commission last night. The AWMP will be on the agenda for formal adoption at the regular Commission session on April 5th. Highlights include redeveloping the Riverwalk Hotel with a new design, including a restaurant on the ground floor, creating a Fishing Village along the waterfront, and preserving industrial areas. Early wins include adding wayfinding signage along the waterfront, specifically the Riverwalk Inn area. The following comments were made:

- Lansing inquires if Hollander has a set date to develop the property they lease from the Port. Lansing asks what the best use for the Hollander property would be. Isom explains that Mark Hollander leased the property five years ago. The lease included a 12-month due diligence contingency. During that time, the City of Astoria implemented a view corridor along both Bay and Basin streets. The view corridor interfered with Hollander's plans for development. Isom has met with Hollander several times in the last six months. Isom notes that the former Executive Director, Jim Knight, is now working as a consultant Hollander. Isom has met with Knight to discuss the status of the master plan. As the Port is near completion of the master plan, Isom will be sitting down with leaseholders for discussions.
- David Oser notes that at last night's Commission meeting, the discussion around the AWMP was cooperative with excellent suggestions. Oser asks what parts of the plan the Port will be implementing this upcoming fiscal year and what costs would be associated with these early wins. Isom explains that signage and addressing traffic flows have been identified as early wins this year. Isom adds that it's essential that this plan remains a priority for the community. The elected bodies and administrative staff change, but the community remains consistent. Oser suggests adding AWMP accomplishments into the quarterly financial report.
- Commissioner Campbell is concerned that the design for the new hotel is too small. Campbell explains that for a hotel to be profitable, there should be at least 100 rooms. Campbell also voices concern about the planned outdoor spaces along the waterfront as they do not offer protection from the elements. Lansing adds that the Marina is an opportunity.
- Campbell notes the Port would be in a better position if there was more cash flow. He suggests selling the Port property across from Fred Meyer in Warrenton. The property is in a prime location and is not designated as wetlands, though the property would need to be cleared before it could be leased or sold. Isom adds that generally, the Port does not sell assets, but he isn't opposed to looking at the idea.

Status of Connect Oregon and Other Grant Opportunities – Matt McGrath & Shane Jensen:

Grant Writer Shane Jensen explains that the Connect Oregon grant for Pier 2 is still in review. The grant application goes through various stages of review with committees. Using matching funds is often problematic, and federal funds cannot be used to match a federal grant. The Port is currently working on an Economic Development Administration (EDA) grant to match the Connect Oregon grant, should the Connect Oregon grant be approved. Isom notes that grant funding is a short-term solution; ultimately, the operation needs to be sustainable. Coastal ports, in general, have funding gaps. Investing in the Airport Industrial Park will pay off in the future. Increasing operational revenue has to be a high priority. Jensen continues with the following grant updates:

- The wastewater system grant under the Oregon Department of Aviation (ODA) has been completed. The final report is done, and the final reimbursement request has been submitted.
- A fuel farm grant is in progress. This would supply a backup generator to the fuel farm at the airport. The project development is almost complete, and the grant agreement will be generated.
- There is an additional grant approved by the ODA in the amount of \$37,000 for fencing behind the hangars at the airport. This project plan is currently in development.
- The Airport Improvement Program (AIP) under the FAA, in combination with the ODA grant for the Airport Master Plan, is moving along; the application will be submitted within the next couple of months.
- The first draft of the boatyard feasibility study report is expected by the end of the month. The first reimbursement request has been submitted.
- The Port has received \$13,000 in FAA funds under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and will be receiving \$32,000 in American Rescue Plan Act (ARPA) funds. The Port is working with the FAA on a development addendum necessary for the ARPA funds. These funds can be applied towards the wastewater system expenses at the airport.
- The two grants under development are under the Maritime Administration (MARAD). They include the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant and the Port Infrastructure Development Program (PIDP) grant.
- The Economic Development Administration (EDA) grant is progressing in development. Jensen notes that this is one of the more complex grant applications.
- An Industrial Lands Grant is in progress through Business Oregon. This grant would assist with costs for a steel hangar building at the airport.
- An application is in progress through the Airport Terminal Program, which can provide funds for the airport terminal building.
- The Congressional District Spending (CDS) and Community Project Funding (CPF) requests will be opening soon. These requests open for a period of two weeks each year. Jensen has been in communication with Senator Wyden's office regarding these requests.

Jensen opens the floor for questions:

- Lansing inquires as to which elected officials Jensen works with. Jensen answers that his interactions with federal offices relate to requests for letters of support. Every office has been relatively responsive and has provided the letters of support that the Port has needed. Jensen notes that Fritz Graham with Senator Wyden's office has been especially helpful. Isom adds that the Port will be hosting a meeting for Senator Wyden on April 13th.

Update on Airport Industrial Plan – Matt McGrath:

Deputy Director McGrath explains that the purpose of the Airport Industrial Park (AIP) is to help the airport become self-sustainable. The AIP has been around for decades, but the area has not been developed. The Scoular project is the first major new tenant. McGrath is looking to partner with Clatsop County to get industrial funds for the airport. Last month, McGrath made a presentation to the County Commission to request funds for the AIP. The County Commission directed staff to work with Port staff to submit a proposal to the County Commission. McGrath also met with County Commissioner Pamela Wev this week to give her a tour of the Airport. The Port hopes to use the industrial development funds to develop the remainder of the AIP. There has also been interest from two potential tenants for the AIP. McGrath asks the Commission if they have any questions:

- Isom explains that the funds the Port is looking to obtain from the County are from the Industrial Development Revolving Fund, which was created initially to develop the North Coast Business Park. The AIP meets the criteria for the fund.

- Walt Postlewait asks if the development of the AIP is contingent on receiving the funds from the County. McGrath explains that the funds would pay for the entire development of the AIP, though the Port could develop portions of the AIP without it.

General Discussion:

- Isom notes that the current staffing structure at the Port is not sustainable. The Port has 18 full-time employees. Due to the uncertainty of the 2023 fiscal year, this upcoming year may not be the time to expand staff. Considering total full-time equivalent staff, the Port is down seven to eight employees than staffing levels five years ago. There will be a point when staffing will need to increase in some key areas. Isom is concerned about staff burnout with top-level staff. Lansing inquires if the Port uses contract labor. Isom explains that the Port does have some contract labor, such as Grant Writer Shane Jensen and Gary Kobes at the Airport. The Port has also engaged with contractors for maintenance work.
- Postlewait asks if the city is concerned about potential wastewater problems with seafood processors on Port property. Isom explains that it is a concern, though he does not have specifics as to the gravity of the risk at this point. McGrath continues that a concern with the city is the ability to provide the volume of water that is required.
- Lansing asks for an update on the East Basin. McGrath explains that the causeway collapse has been cleaned up, and power has been restored to the vessels on the Q and R docks. McGrath continues that this ties into one component of the boatyard feasibility study, which is the expansion of the East Basin. If the Port has the capacity to haul out larger commercial fishing vessels, there will be a need for moorage. McGrath has initial drawings from Hod Wells at PBS Engineering, but the Port will know more when the boatyard feasibility study is complete at the end of April. Discussion continues concerning the East Basin. Please see meeting audio for full details.
- Lansing comments that under the direction of the Executive Director and his leadership team at the Port, there are many good things on the horizon. Lansing compliments Howard for her preparations with respect to the budget.
- Isom announces that Jim Grey will be retiring in early May. Jim started at the Port over seven years ago during a turbulent time and has been instrumental in restoring public trust and bringing the Port's finances to order.

Adjourned

Finance Advisory Committee Chairman Lansing adjourned the meeting at 1:38 pm.

APPROVED:



Frank Spence, Board Chairman
Board of Commissioners

ATTEST:



Dirk Rohne, Secretary
Board of Commissioners

Respectfully submitted by:
Stacy Bandy
Executive Assistant / Administrative Coordinator

May 3, 2022

Date Approved by Commission