



**MEETING MINUTES
JANUARY 12, 2022**

PORT OF ASTORIA

FINANCE ADVISORY COMMITTEE MEETING

Meeting held via videoconference due to the COVID-19 pandemic

Call to Order:

The meeting was called to order at 1:03 PM by John Lansing, Finance Committee Chairman.

Roll Call:

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

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

Staff Present: Executive Director Will Isom; Deputy Director Matt McGrath; and HR & Finance Manager Jim Grey.

Also Attending: Ethan Myers of *The Astorian*.

Chairman Lansing opened the meeting by thanking everyone for their attendance and commitment. This past year has posed challenges and now we are embarking on a new year.

Discussion of the Waterfront Master Plan

Executive Director Will Isom introduced the Astoria Waterfront Master Plan process, in partnership with the City of Astoria, which began last September. The footprint of the plan includes Port property beginning at the easternmost point of the central waterfront (the Fisherman's Memorial) heading west to include the Red Building, The Riverwalk Hotel, and the Bornstein building, extending to Pier 3. The City of Astoria has Urban Redevelopment funds available for use for the project. The city has engaged with the architectural firm, Walker Macy, to develop the AWMP. A project advisory committee has been formed, which includes 11 members representing the City of Astoria, the Port, Business Oregon, and stakeholders including Greg Morrill and Kurt Englund. There have been two public hearings where public comments have been accepted.

The plan is currently being finalized to prepare for public adoption. Plan highlights include a smaller hotel in place of the Riverwalk Inn, a Fishing Village, a mixed-use facility to the east of the Riverwalk Inn, and a terminal or visitor center on Pier 1.

The next steps include finalizing the draft plan for approval and to discuss staging. Once the plan is adopted, there will be an expectation from the public to implement the plan quickly. Early wins will be identified, while other parts of the plan will need more time. For example, the Riverwalk hotel is currently under lease for the next 4 years. Isom notes that current zoning will need to be addressed including height restrictions and view corridors.

Isom asked if the committee had any questions or comments:

- David Oser notes that he attended both public forums for the AWMP and found them to be encouraging, both because of the partnership with the city and secondly because the plans are feasible. Oser adds that Portway Street is not welcoming, and much can be done to make the area more visitor-friendly. Isom comments that he has discussed this with the Oregon Coast Visitor's

Association and Business Oregon. It's important to address the user experience and to look at the perception of the Port including signage, vegetation, parking, and traffic patterns.

- Lansing asks if it is necessary, in terms of revenue, to have a hotel in the Riverwalk Inn location or to instead think about other commercial property. Isom notes that there is a lot of demand for hotels and the Riverwalk Inn is sold out for a considerable portion of the year. Commissioner Campbell adds that the hotel is the backbone of the marina.
- Lansing inquires how the plan will affect the areas east of the Red Building. Isom explains that Bay Street will be expanded to be a through street and will connect with Basin Street. There is also a mixed-use building proposed.
- Lansing inquires if there are plans for the pilings near the Cannery Pier. Commissioner Campbell explains that dredging in that area would be problematic. Isom adds that the Port only owns half of the area with the Cannery Pier owning the other portion. This area is not addressed in the plan, as resources would best be utilized for projects that can be done sooner than later.
- Lansing inquires if there is a timeline for the final AWMP document and if there has been pushback from the public. Isom explains that the final document is expected in February. Isom notes that feedback had been overwhelmingly positive thus far. The nature of the concerns haven't been about the plan specifically, but adherence and implementation of the plan.

Presentation of Audited Statements & Internal Year-End Summary Report

Finance and Business Services Manager Melanie Howard asks the committee members to turn to page 65 of the packet. Howard screen shares the Internal Year-End Summary Report that was prepared for the Commission at the end of the fiscal year. The intention of this report is to supplement the financial statements and to focus on relevant information to understand the Port's performance in the fiscal year. Howard refers to a reconciliation of the monthly Commission budget reports with the budgetary report for the year-end financials. The two reports should be similar, though there are cosmetic details. For example, the audited financial statements include marina revenues with boatyard revenues, but for the commission statements, they are separated.

Howard explains that once you move past the budgetary basis of accounting there is a modified accrual to accrual basis used within the audited financial statements per GASB (Governing Accounting Standards Board). The result is that the presentation of the audited financial statements differs from the monthly Commission reports. Howard wants the Commission and the Finance Committee to understand how those differences occur. On the budget reports, net income is an indicator of performance, whereas in the audited financial statement the change in net position is used to indicate performance. The Port had a year-over-year negative difference in net position of roughly four million dollars. The primary cause was a large amount of capital outlay in FY 2019-2020, most of which was grant-funded, which increased the net position for that year substantially.

Howard refers to the next sections of the document, which contain summaries of performance across the different revenue centers. Howard notes a significant difference in the properties section year-over-year was due to the Bornstein loan deferral. Another significant change year-over-year is the lack of logging revenue from Astoria Forest Products. Howard notes there are no significant changes at the Airport properties, though revenue is trending upward year-over-year. Cruise ship income has increased year-over-year, mostly due to the Pride of America dockage. Howard notes that the boatyard has had an exceptional year. Howard asks if there are questions or comments.

- Lansing thanks Howard for her presentation and notes that it sets the tone for the budgetary process.
- Oser refers to page 6 of the packet and comments that all financial statements begin the same way. The statements are management statements, and the auditors review the statements for accuracy. Howard has translated the information to focus on the important points. The bottom line is the business drives the accounting. The accounting reflects the way the business should be operated in ways to help the operators run the business.

Update on Maintenance Plans

McGrath explains that the lines between maintenance and capital projects can be blurred due to the significant extent of maintenance required. In regard to planning, the Port needs to know where it stands in terms of maintenance needs. The Port updates the GIS (Geographic Information System) on a weekly basis to include the condition of pilings, dredging, bathymetry, and conditions at the airport. This is important in order to be able to plan for maintenance needs in the coming months and years.

The Port is in year two of the three-year West Basin dredging project. Bergerson Construction plans to remove 27,500 cubic yards of material this year by the end of February and to remove 75,000 cubic yards of material next year. The Port has done sediment sampling at the East Basin. The sampling was positive, which means the Port can discharge the dredged material in water. The Port is waiting for final approval from the Army Corps of Engineers and DEQ to begin dredging. Central Waterfront dredging is ongoing, but progress is hindered by equipment. This year the face of Pier 1 will be scoured along with dredging in Slip 2 near the boat haul-out. In the marina, 27 steel piles have been replaced and cataloged in the GIS system. Bergerson is currently replacing steel piles in Slip 1 along Pier 2 East and Pier 1 West along with the removal of sunken logs from within Slip 1.

Update on Airport Investments

The FBO is being redone; work will continue throughout the spring and summer. The tetrahedron is being rehabbed and the development of the Airport Master Plan is in progress. An RFE will be forthcoming for landscape maintenance to properly maintain ditches for stormwater conveyance, to re-set elk fencing to keep wildlife out, and also to clear vegetation.

McGrath asked if the committee had any questions or comments:

- Commissioner Campbell asks if the Department of Fish and Wildlife would contribute to dredging at the EB due to the bulk of the material to be removed being sea lion feces. McGrath answers that he doubts that would be an option.
- Commissioner Stevens comments that the Army Corps of Engineers and NMFS have made agreements in terms of permitting. Stevens inquires if this agreement would streamline permitting. McGrath answers that he does hope there have been improvements to the permitting process.
- Lansing inquires if the permitting agencies are responsive to elected officials. McGrath answers that there are a number of people who lobby on behalf of ports. McGrath adds that there is a consortium of Ports with multiple people working on solving permitting problems including the Pacific Northwest Terminals Association and federal lobbyist, Ray Bucheger.

General Discussion

- Isom discusses Port staffing in regard to full-time and part-time positions. The Port has 18 full-time positions and 10 full-time-equivalent positions. There is difficulty staffing part-time labor. The Port has transitioned from a part-time, on-call position at the airport to a full-time position in order to attract applicants. The full-time position is substantially more costly. There is a question as to what is the best way to staff the Port. Isom adds that the Port will be engaging with the ILWU to begin labor negotiations for a new collective bargaining agreement this year. Lansing asks if there is value in engaging with independent contractors. Isom answers that the Port engages with contractors if it is the most economically viable path. McGrath notes that offering full-time positions with benefits attracts more committed applicants. Oser adds that there may be opportunities for the Port to work with Clatsop Community College to offer training and education to staff members interested in acquiring new job skills..

Discuss Upcoming Meeting Dates

Howard notes the next meeting will be tentatively scheduled for Wednesday, March 16th.



Adjourn

Chair Lansing concluded that the next meeting in March will focus on the budget process. Additional discussion topics may include the first-quarter financials, the AWMP, and the Scoular project at the airport. Lansing thanks the committee again for their commitment to the advisory committee. No additional questions or comments were offered.

John Lansing adjourned the meeting at 2:17 PM.

APPROVED:

ATTEST:

A handwritten signature in blue ink, appearing to read "Frank Spence", written over a horizontal line.

Frank Spence, Board Chairman
Board of Commissioners

A handwritten signature in blue ink, appearing to read "Dirk Rohne", written over a horizontal line.

Dirk Rohne, Secretary
Board of Commissioners

Respectfully submitted by:
Stacy Bandy
Executive Assistant / Administrative Coordinator

February 1, 2022
Date Approved by Commission