

**MEETING MINUTES
SEPTEMBER 7, 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 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: Robert Stevens and Frank Spence. Dirk Rohne and Scott McClaine were 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 Lansing briefly discusses the agenda for today's meeting. Lansing encourages committee members to think about the Finance Committee's purpose going forward and how the committee members can best serve the Port. Finance, HR and Business Services Manager Melanie Howard comments that operational updates from the Deputy Director, Matt McGrath, and grant updates from Port grant writer Shane Jensen are helpful to the committee, but otherwise Howard defers to the Finance Committee members as to how staff members can serve the committee. Mindy Landwehr finds the staff financial reports to be helpful. Cliff Fick notes that having an open mind to various opportunities is helpful. David Oser notes that the Finance Committee requested a number of reforms when it was first established. Port staff have implemented the recommended reforms, and now the committee can function in an advisory role. Oser continues that Port operations are complex and having an outside group convene on a regular basis to discuss finances for the Port's various revenue sources can be useful especially as the Port is a public entity with limited staff.

Appoint Committee Positions

Finance, HR & Business Services Manager Melanie Howard explains that each year in July after the new fiscal year begins, the Committee elects positions. Howard asks the Committee members if they'd like to defer this item to the next meeting as Walt Postlewait is absent. The Committee decides to continue with appointments. The floor opens for committee nominations:

- *Cliff Fick moved to nominate John Lansing to continue as committee chair. Mindy Landwehr seconded the motion. The motion was unanimously approved.*

Review of Boatyard Feasibility Study

Deputy Director Matt McGrath explains that the process with BST Associates and PBS Engineering began last year. The consultants studied the data and markets for boatyard haulouts for recreational and commercial fishing fleets. The feasibility study looked at boatyard expansion with the existing infrastructure and haul-out lift and with a larger lift. The Port received a grant from Business Oregon which

funded 75% of the feasibility study. The final results of the study were presented to the Commission yesterday. The first component of the study is to look at what can be done with the existing infrastructure and what support infrastructure can be provided. The second component is the feasibility of a larger lift. And finally, the development of the East Mooring Basin (EMB). The purpose of the study is to give the Port definitive next steps to move forward. McGrath refers to the Executive Summary on page seven of the packet. The summary explains the three components of the study and their findings. The early wins are identified on page two such as electrical upgrades, restroom upgrades, and building an environmental building. There is potential for a bigger lift, but that will need to be re-evaluated. The recommendation for the EMB is to seek a private partnership. The Port has the justifiable support to move forward with the existing infrastructure improvements at the boatyard. Committee members discuss the cost of EMB improvements and the potential revenues. Discussion highlights include:

- There are 40 acres that could potentially be developed at the EMB.
- Lansing inquires as to the cost of rebuilding the EMB causeway. McGrath answers that it would be 8 – 10 million dollars to build a concrete causeway to the breakwater. Commissioner Campbell notes that the wooden causeway has historically always been a problem.
- Cliff Fick inquires as to the original capacity of the EMB. McGrath answers that the EMB could hold up to 1,800 slips.
- The study recommends a private partnership for the EMB but did not specify a path forward. There is a range of options for the development of the EMB. David Oser notes that a partnership for the EMB is needed to make the numbers work.
- John Lansing suggests that the federal dollars coming from the Build Back Better program may be an option for the EMB.
- Campbell discusses the option of floating homes at the EMB.
- Lansing inquires if this could be approached from the perspective of building workforce housing. McGrath explains that low-cost housing is not usually built over water due to the cost.
- Fick notes there are modular floating home options. A riverboat could be used for seasonal workforce housing. Container housing is another possibility.

Status of Connect Oregon & Other Grant Opportunities – Shane Jensen

Shane Jensen introduces himself to the Committee Members via Zoom and shares a spreadsheet with grant updates.

Jensen discusses the following grant updates:

- An Environmental Protection Agency (EPA) grant application is in process; the grant will assist with the AOC4 cleanup. The grant will be submitted when the next round of grant funding is available.
- The airport tide gate grant was approved in the amount of \$99,600. The project is underway.
- A Maritime Administration (MARAD) grant was submitted under the Port Infrastructure Development plan last May, for the Pier 2 West Rehabilitation. Award announcements are expected by the end of the year. The Port requested \$19.8 million dollars with a Port match of \$1 million dollars.
- The Airport Master Plan grant was approved. The Port was awarded \$438,000 in Federal Aviation Administration (FAA) grant funds and \$36,500 in Oregon Department of Aviation (ODA) funds. The Airport Master Plan project is currently underway. The first reimbursement requests will be submitted in September.
- The Port has submitted Federal Emergency Management Agency (FEMA) grant applications for various security department projects. In total, \$162,000 has been requested for five projects including cybersecurity upgrades, security cameras, training materials, a backup generator for Pier 1, and a new security booth for Pier 1. Awards recipients have not been announced.

- The Port submitted an application for repair funds through the Connect Oregon VII grant program for the East Basin Causeway. The program funded 21 projects this year; the EMB was ranked number 30. This project was not funded.
- The Boatyard Expansion Feasibility Study is now complete. Final reimbursement requests will be submitted in September.
- A grant application is currently under development for a landside commercial building near the FBO Building. The tentative building plan includes commercial building space and 3 additional hangars.
- The Port submitted a Small Shipyard Grant through MARAD requesting \$523,000 for a rough terrain crane for the boatyard. The application was not approved.
- An application was submitted through the Critical Oregon Airport Relief (COAR) program requesting \$37,500 for T-Hangar fencing at the airport. The grant was approved, and the project is currently underway.
- The COAR grant for the backup generator at the airport fuel farm was approved, and the project is near completion. A reimbursement request has been submitted, and the Port will receive reimbursement within the next 30 days.

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

- Committee member Lansing inquires if there are any grant applications in progress that Jensen expects to be funded. Jensen replies that the grant application through the Columbia River Basin Restoration Funding Assistance Program for the AOC4 cleanup is a perfect project for that specific grant. Lansing inquires if Jensen is aware of additional revenue opportunities that are in conjunction with the Port's Strategic Business Plan and Capital Facilities Plan. Jensen replies that Pier 2 West is the number one priority for the Port to maintain existing revenue. The Boatyard expansion would be the second priority. Now that the boatyard expansion feasibility study is complete, Jensen will be identifying grant opportunities for those projects identified in the study. McGrath adds that the airport tide gate study results will impact the development of airport. Once the study is complete, the Port will have a better idea as to development opportunities.
- Regarding the new legislative session coming, Lansing inquires about what the Port will be doing for outreach. Jensen has looked at competing applications for the connect Oregon program. Reviewers were most concerned about the number of jobs created. The Port needs to tell a story. There will need to be active engagement at the federal level. McGrath adds that though the EMB does not create a lot of jobs it serves a community need.
- Commissioner Stevens inquires if, at the last legislative session, grant requests in this area were granted to smaller requests and not the Port's larger request. Jensen notes that under the Connect Oregon awards this past year there are three projects that accounted for 57% of grant funds.
- Commissioner Spence comments that the East Mooring Basin is in the Enterprise Zone and the Opportunity Zone which would provide tax credits for a private developer. The location is prime for development, and the Port should solicit interest.

Lansing notes the committee can discuss this again at the next Finance Committee meeting and define an action plan.

Presentation of Year-End Operating Performance Report – Melanie Howard

Finance, HR, and Business Service Manager Melanie Howard explains that the Year-End Operating Performance Report was compiled before the audit was complete; there may be slight differences once the audit results are received, though impacts are not expected to be material. Results are positive across the board. The report is a high-level overview of Port revenue centers. Highlights include:

- Year-over-year results are positive across the Port operations. Lease and rental gross revenue is up \$185,000. Dockage income is up \$421,600, due to cruise ship port of calls resuming. Boatyard

revenue is up \$118,979 and marina revenue is up \$175,474. The airport revenue is slightly under the prior fiscal year by \$2,363.

- New tenants and re-written leases account for increased lease income.
- The drop in income for Waterfront West from Fiscal Year 2019-2020 can be attributed to the departure of Astoria Forest Products.
- Dockage five-year trends show a drop in non-cruise dockage revenues though there are increased revenues from cruise ship dockage which surpassed the non-cruise dockage revenues for the past fiscal year.
- David Oser inquires if Harbor Fees are included in these numbers. Howard answers that Harbor Fees are included in the non-cruise dockage. Harbor Fee income will be recognized as a bad debt adjustment. Isom adds that there will be budgetary impacts to the harbor fee loss; one of the difficulties of budgeting for a public entity in an environment of uncertainty is that budgeting can be used against an agency. The Port is cognizant of the messaging put forth in the budget.
- Howard refers to the summary on page 76 of the packet. Marina fuel net revenues are up year-over-year by \$83,000. Year-over-year moorage revenues are up \$56,000 and expenses were up \$23,000. Operating expenses are fairly low.
- The Boatyard's 5-year trends show that gross haul-out income has more than doubled since 2018. Operating expenses have stabilized and are in line with projections.
- Though airport revenues are down year-over-year, there has been a lot of positive activity. Fuel sales are up. Oser inquires if management is looking for more profitability at the airport. McGrath answers that yes, the Port is completing various repairs and improvements to increase profitability. Operating expenses are up at the Airport, but not a significant amount.
- Year-end reports will be presented to the Commission in November.

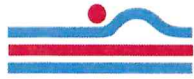
Lansing asks if the staff has any additional comments. Isom thanks Howard for preparing the finance committee packet and spearheading the Boatyard BBQ. Isom continues that when he first came into the Interim Executive Director position there were significant changes at the Commission and staff level as well as a loss of trust in the Port from stakeholders and agencies. In taking on the Executive Director role, there was significant work to be done to improve the Port. The immediate goal was to address the internal issues for the Port. There is real evidence from the finance side that operationally there has been significant progress. The improvements at the Marina and the Boatyard cannot be understated, and the numbers speak to the work that the staff, specifically the department managers, have done. In terms of a process, Isom is focused on things that can bring the Port forward. In the past, it has been a fault of the Port to wait for the perfect opportunity to move forward with projects. It is important to be pragmatic and aggressive and take small steps forward to bring additional opportunities.

Confirm an upcoming meeting date

Howard asks the committee to add December 14th to their calendars as the tentative upcoming meeting date.

Adjourn

Chairman Lansing adjourned the meeting at 1:47 PM.



Port of Astoria

APPROVED:

ATTEST:

Dirk Rohne, Board Chairman
Board of Commissioners

Frank Spence, Secretary
Board of Commissioners

Respectfully submitted by:
Stacy Bandy
Executive Assistant/Administrative Coordinator

November 1, 2022

Date Approved by Commission